



**ABBank**

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**Sustainability Report**

2022-2023

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# 1. About this report

Aegean Baltic Bank S.A. (hereinafter “ABBank” or the “Bank”) was established in December 2002 as a fully licensed Banking institution under the supervision of the Bank of Greece (BoG), pursuant to the Banking regulatory and supervisory frameworks of Greece, the EU, and the Euro system.

The Bank operates mainly in Greece. Further to this, the Bank provides Banking services on a cross-border basis to Germany and it has the right to provide specific Banking services on a cross-border basis to Austria, France, Netherlands and Spain.

The Bank began as a specialist in shipping financing and, since H2-2018, expanded its focus to include on-shore Greek corporate business entities. Quickly gaining trust within this demanding field, we became trusted agents for syndicated loans in Greece. In line with our diversification strategy initiated in 2018, ABBank has selectively provided lending, trade finance, and operational/transactional products and services to Greek SMEs and larger corporates with an exporting orientation, as well as in commercial real estate and renewable energy financing projects. This strategic shift aims to balance our portfolio with a 70% – 30% split between shipping and non-shipping business, enriching our shipping specialist business profile with domestic corporate assets and income.

In 2022 the ABBank established a fully owned subsidiary company, “Acqua Blue Properties Single Member S.A.”, for the single purpose of acquiring and managing a seized real estate property. Thus, hereinafter ABBank publishes consolidated (“Group”) Sustainability Report.

This report marks ABBank’s first Sustainability Report and indicates a significant milestone in the Bank’s progression, as it represents the initial documented pledge to sustainability. It embodies a new phase in the Bank’s endeavor towards environmental stewardship, social accountability, and ethical governance.

The primary objective of this report is to provide precise and comprehensive information about ABBank’s actions, performance, and commitments on Sustainability topics. The report utilizes both quantitative and qualitative data, covering

the period from January 1, 2022, to December 31, 2023. There are two financial statements covering this timeframe, from January 1, 2022, to December 31, 2022, and from January 1, 2023, to December 31, 2023. ABBank assumes responsibility for collecting, assessing, and ensuring the completeness of the quantitative and qualitative data featured in the report.

ABBank’s Sustainability Report 2022-2023 is prepared in accordance with the Sustainability Reporting Guidelines of the new GRI Universal Standards (GRI 1, GRI 2, GRI 3) and GRI Topic Standards, and to the Sustainability Accounting Standards Board (SASB Standards) for the Asset Management & Custody Activities (AC) and Commercial Banks (CB) industry. The objective is to meet the needs and expectations of stakeholders and underscore ABBank’s role in contributing to sustainable development.

For the Sustainability Report of 2022-2023, there has been no external assurance of the content. The report encapsulates ABBank’s dedication to transparency, accountability, and sustainable business practices, aligning with internationally recognized standards in ESG reporting.

Located in Maroussi, Athens, Greece, ABBank proudly serves as a pivotal financial institution with additional branches in Piraeus and Glyfada. These branches, operating as business service centers, are dedicated to our corporate clientele. Our commitment to enduring support is underpinned by our robust financial standing, recognized by S&P BB-/B rating and by Scope’s BB/Stable rating. This accolade not only underscores our capital adequacy, positioning us as the strongest in Greece, but also ranks us among the most resilient financial institutions in Europe.

Our operational framework adheres to stringent regulatory oversight, being under the direct supervision of the Bank of Greece and the European Supervisory Authorities. This ensures our adherence to the highest standards of financial conduct and regulation. Our strategic objectives are clearly defined: we aim to deepen our presence in the local market, fortify our customer relations, and contribute significantly to the business growth of our clients. It is important to note that we are not involved in Retail or Small Business Banking and are categorized as one of the Less Significant Institutions (LSIs) in the Greek Banking system, a status that brings with it direct supervision by the Bank of Greece. This distinction allows us to concentrate our resources and expertise on serving our corporate clients with the utmost efficiency and dedication.

As of 31.12.2023, the total balance of Loans and Advances to Customers on the Bank’s balance sheet consisted by 77% of shipping and by 23% of non-shipping/corporate loans (2022: 84% and 16%, respectively), while in terms of total approved credit limits 72% of our customer credit limits comprised shipping credits, with the remaining 28% financing non-shipping Greek corporates. Our shipping loans portfolio mainly consists of loans to the Greek oceangoing shipping sector, an international industry by nature, thereby largely mitigating sovereign risk. Our management team, with long experience in managing credits through the economic cycles of the shipping industry, has remained substantially the same since establishment. Since 2018, we have been gradually enhancing our human capital with specialists in non-shipping Greek corporate Banking. For the standards of shipping finance, ABBank historically maintains low levels of delinquent loans and loan write-offs, demonstrating our strong risk management capabilities.

ABBank values the input of each reader regarding the Report’s content as crucial for fostering dialogue and enhancing its quality. To share your comments or pose any questions, please feel free to reach out using the contact details provided below:

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## 2. Statement of the CEO

Dear Shareholders and Partners,

On the years past, it is evident that sustainability has evolved into a core element of how we operate as a Bank. At AB-Bank, we understand our responsibility in shaping a more sustainable future, not only through our own practices, but also by supporting our clients and communities in their efforts to do the same.

This is our first Sustainability Report, marking a significant milestone in our journey toward greater transparency and accountability. It underscores our commitment to embed sustainability in the way we operate and earning and maintaining the trust of our clients, employees, and stakeholders. By sharing our practices and progress, we aim to demonstrate how our business operations are designed to benefit everyone involved, ensuring that the actions we take today lay the foundation for a more sustainable and prosperous future.

ABBank initially specialized in shipping finance and has gradually broadened its focus to include onshore Greek businesses. By swiftly earning trust in this demanding sector, we established ourselves as a reliable partner for syndicated loans in Greece. As part of our diversification strategy launched in 2018, ABBank has selectively extended lending, trade finance, and operational services to Greek SMEs, larger export-oriented companies, and ventures in commercial real estate and renewable energy financing.

At ABBank, our vision is to deepen our roots within the local market by forging strong connections with our customers. We are committed to building trustworthy relationships by attentively listening to their needs and playing a vital role in enhancing and expanding their business presence.

Our mission is to continuously expand our customer base and adapt to their changing needs by offering a diverse range of traditional and innovative banking products and services. We do this with unwavering support and respect for our shareholders, customers, depositors, and employees.

In all our endeavors, our focus remains on being a reliable and supportive partner, dedicated to fostering growth and stability within the communities we serve. Looking ahead, we are focused on expanding our accomplishments by integrating sustainability into the core of our corporate culture, streamlining it within our operations, and embedding it into the full spectrum of our products and services. We aim to leverage our expertise and resources to support a resilient and inclusive economy.

I extend my heartfelt thanks to our employees, partners, and stakeholders for their unwavering support and dedication. Together, we will continue to innovate, inspire, and drive the change needed for a sustainable future.

Sincerely,

**Theodoros Afthonidis**  
Chief Executive Officer  
Aegean Baltic Bank S.A.



## 3. ABBank at a glance





## Our Vision

Our vision is to strengthen our presence in the local market by establishing strong links with our customers, building reliable relationships, listening to their needs, and significantly contributing to developing and boosting their business presence.



## Our Mission

Our mission is to broaden the range of our customers, respond to their evolving needs through traditional and innovative Banking products and services, always with the support and respect of our shareholders, customers, depositors and employees.



## Our Values

In order to accomplish our mission, we are devoted to working under our corporate values:

### Focused on the Customer

Our Bank places its customers at the center of its activities. We have been committed to high professional standards and we are determined to offer top quality products and services.



### Innovation

In order to meet our customers' requirements, we continuously try to find solutions by incorporating new developments in an attempt to dynamically respond to the diversity of the business environment.



### OUR VALUES

### Respect

The relationships with our customers are based on mutual respect and are characterized by honesty and trust. By embodying these values, ABBank strives to lead the way in sustainable Banking, setting a benchmark for excellence and integrity.



### Teamwork

We invest on the knowledge of our people and their entrepreneurial culture, while we encourage teamwork in order to achieve our goals and pursue success.



Figure 1: ABBank's values

## 3.1. Business Strategy

The Bank's prime aim is to efficiently cover the Banking requirements of its clients by adapting its products and services accordingly and provide its services to customers timely and transparently. In addition, the Bank since H2-2018 has developed a well-established business strategy focusing on the diversification of its current portfolio structure, as mentioned above, aiming at achieving a ca. 70%-30% split between shipping and non-shipping loans mix in the medium term. This strategy aims to decrease the Bank's concentration risk in shipping and increase its market share on non-shipping industries.

The Bank is actively engaged in the process of identifying and establishing its environmental, social, and governance (ESG) priorities, objectives, and strategies. The aim is to seamlessly integrate sustainability into the Bank's overarching strategy and day-to-day operations.



## 3.2. Business model

Given the relatively low involvement of ABBank in non-shipping/corporate lending, the macroeconomic fundamentals of the Greek economy have limited effect to the Bank's activities. Still, at a lower extent compared to other Greek Banking institutions, ABBank is subject to Greek sovereign/country risk stemming from the aforesaid credit exposures to Greek corporates, the country risk perception of the Bank's depository clientele and other funding providers, and from its investments in marketable securities/bonds of the Hellenic Republic and certain Greek corporate issuers which are made for liquidity and interest rate risk management purposes.

Besides the Bank's solid capital adequacy proportions, the key elements and strengths of the Bank include its (still) focused business model, the Bank's management, and reputation with a track record in achieving returns through shipping cycles and its long-term relationships with industry participants, as well as the Bank's commercial capacity, financial strength, and solidity.

### 3.3. Economic Performance

At ABBank, we are committed to delivering strong economic performance as a cornerstone of our sustainability strategy. We believe that sound financial health enables us to contribute to the well-being of our stakeholders, including employees, customers, shareholders, and the communities we serve.

Our financial performance for the reporting period demonstrates resilience and growth amidst a challenging economic environment. The following table highlights our economic contributions and value distribution:

Direct economic value generated and distributed	2023 (€ millions)		2022 (€ millions)	
	Direct economic value generated			
Revenues	52,7		39,8	
	Economic value distributed			
Operating costs	5,1		4,8	
Employee wages and benefits	8,7		7,8	
Payments to providers of capital	2,0		-	
Payments to government	6,9		3,2	
Community investments	0,03		0,04	
Total	22,7		15,9	
	Economic value retained			
Total	30,0		23,9	

Table 2: Direct economic value generated and distributed 2022-2023

In the fiscal years 2022 and 2023, ABBank demonstrated significant growth and resilience, reflecting our commitment to economic sustainability and value creation for all stakeholders. Here, we present a detailed analysis of our financial performance over these two years:

#### Revenues

Our total revenues saw a substantial increase, rising from €39,8 million in 2022 to €52,7 million in 2023. This growth is a testament to our robust business strategy, market expansion efforts, and enhanced customer engagement.

#### Operating Costs

Operating costs have been carefully managed, with a slight increase from €4,8 million in 2022 to €5,1 million in 2023. This increase is in line with our expansion and operational enhancement activities, ensuring efficiency and high service quality.

#### Employee Wages and Benefits

Investment in our workforce remains a priority, as evidenced by the rise in employee wages and benefits from €7,8 million in 2022 to €8,7 million in 2023. This reflects our commitment to providing competitive compensation and benefits to attract and retain top talent.

#### Payments to Providers of Capital

In 2023, ABBank made payments totaling 2.0 million to providers of capital, a significant change from 2022 when no such payments were made.

#### Payments to Government

Our contributions to government through taxes increased significantly, from €3,2 million in 2022 to €6,9 million in 2023. This increase is aligned with our higher revenue and profitability.

#### Community Investments

Investments in community initiatives were €0,04 million in 2022 and €0,03 million in 2023. While there was a slight decrease, we continue to support meaningful projects that create long-term positive impacts in the communities we serve.

#### Total Economic Value Retained

The total economic value retained, representing the funds available for reinvestment in our business and future growth, rose from €23,9 million in 2022 to €30,0 million in 2023. This strong retention underscores our financial stability and capacity to drive sustainable development.

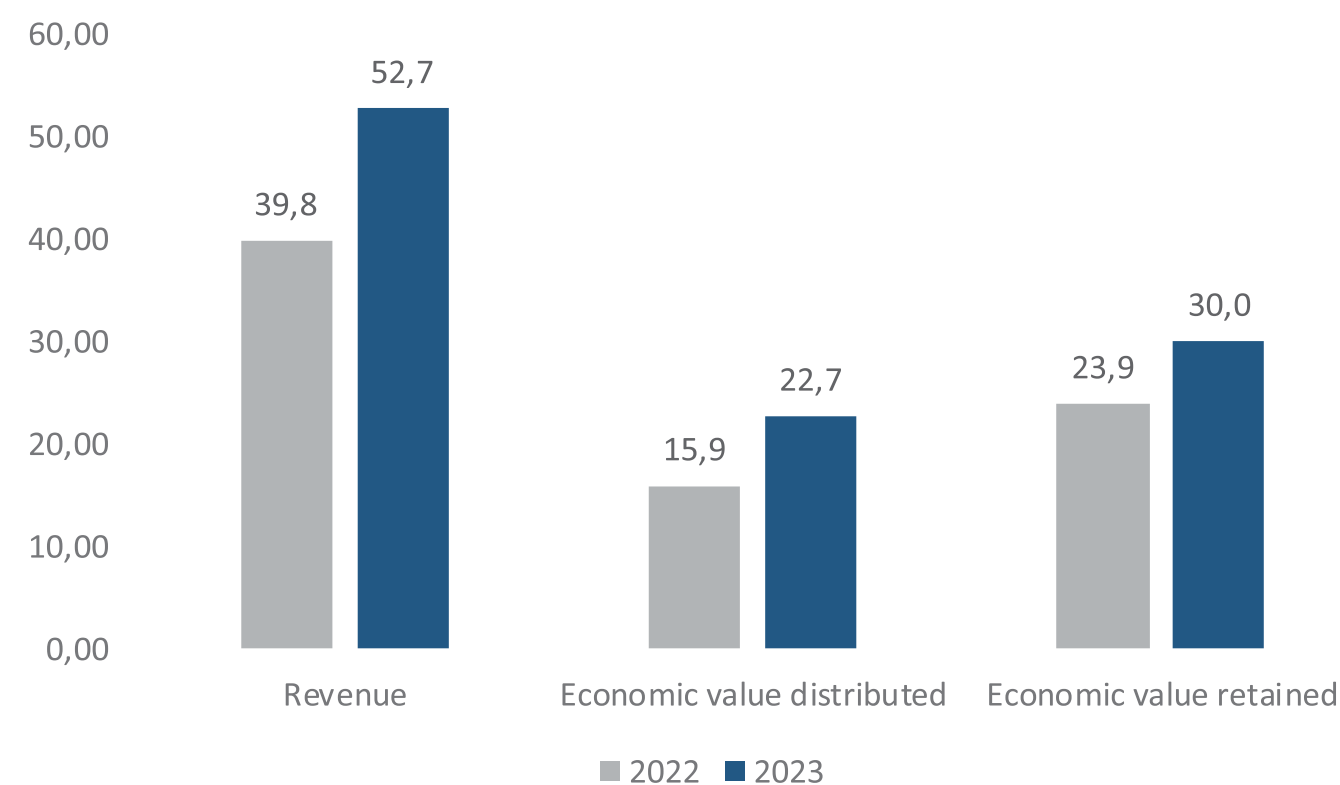


Figure 3: ABBank's Economic Performance for 2022-2023 (€ millions)



Overall, our financial performance in 2022 and 2023 reflects our dedication to creating economic value while supporting our employees, communities, and stakeholders. Through strategic investments and prudent financial management, we are well-positioned to continue our growth trajectory and contribute to a sustainable future.

Through our economic performance, we aim to create a positive impact that extends beyond financial metrics, fostering sustainable development and long-term value for all our stakeholders. We remain dedicated to transparency, accountability, and continuous improvement in our economic practices, ensuring that we contribute meaningfully to the broader economic landscape.

ABBank will continue to leverage its financial strength to drive innovation, support sustainable business practices, and enhance the resilience of the communities it serves.

## 3.4. Memberships and associations

### Digitalisation and Minimisation of Human Intervention

At ABBank, we are investing heavily in digitalisation, aiming to enhance service efficiency and accuracy. By integrating advanced digital solutions into our operations, we aim to streamline processes, reduce the need for human intervention, and offer our customers a more seamless and modern Banking experience. This investment is a testament to our commitment to innovation and staying at the forefront of Banking technology.

### Membership in Associations

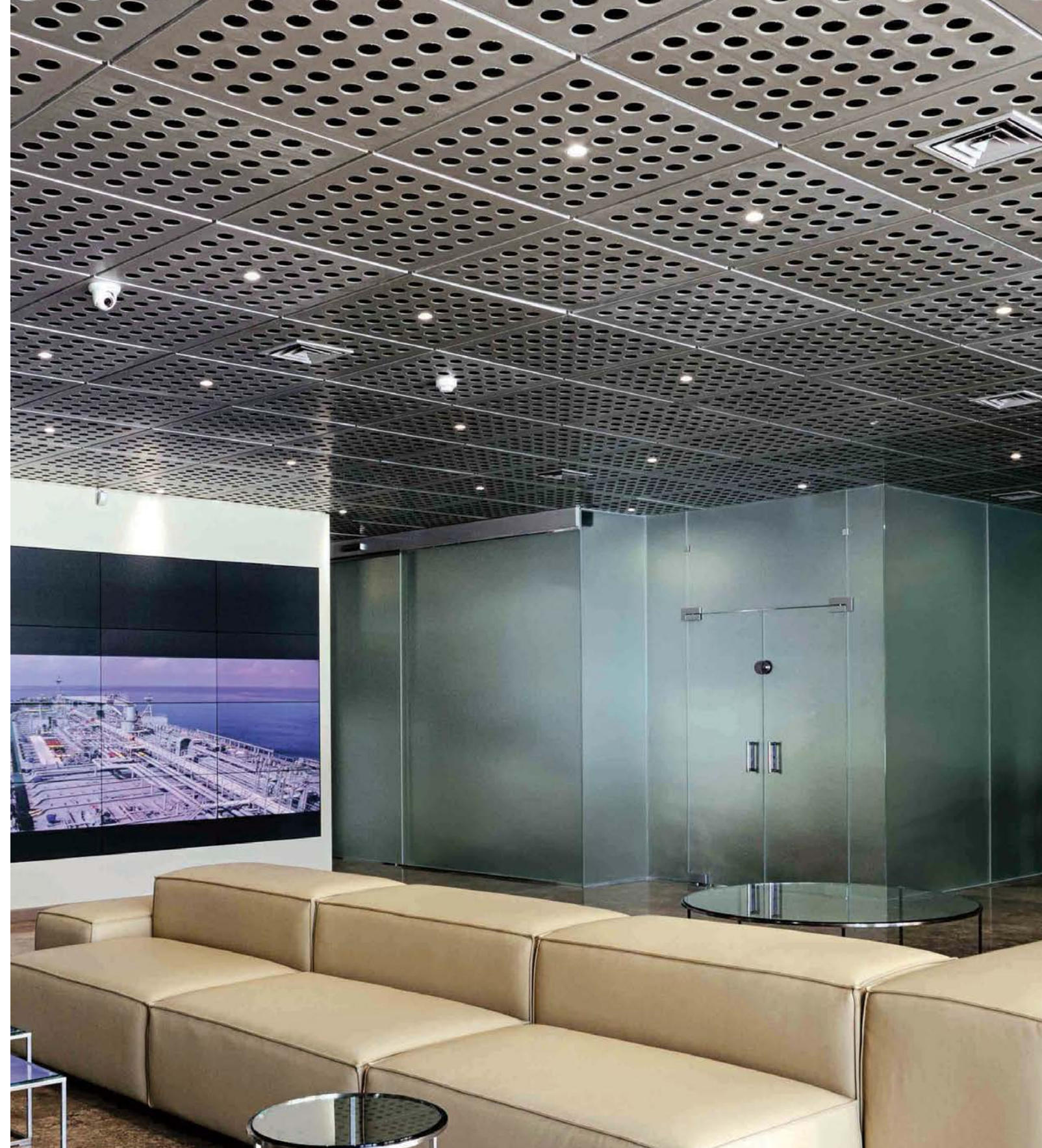
Our memberships in the Hellenic Bank Association and the Hellenic Marine Environment Protection Association (HELMEPA) are an integral part of our commitment to maintaining high industry standards and contributing to environmental protection. These associations provide us with platforms for collaboration, learning, and advocacy in crucial areas such as Banking ethics, operational standards, and environmental conservation, aligning with our dedication to sustainable and responsible Banking practices.

These elaborations provide a more comprehensive understanding of ABBank's initiatives and commitments in supporting local communities, recognizing achievements, embracing digital transformation, and participating actively in industry associations.

## 3.5. Awards and distinctions

Recognition of our operational excellence is exemplified by the awards received from JPMorgan for high rates in Straight Through Processing (STP) transfers. These recognitions, consistently achieved over the last ten years, highlight our dedication to efficiency and precision in financial transactions, reflecting our commitment to excellence in Banking services.

ABBank's dedication to lasting support is reinforced by its solid financial foundation, as evidenced by a BB-/B rating from S&P and a BB/Stable rating from Scope. These recognitions highlight the Bank's strong capital adequacy, making it the leading institution in Greece and one of the most resilient financial entities in Europe.



# 4. Approach to sustainability



## 4.1. Materiality analysis

ABBank's materiality analysis is the key process used to define the Sustainability Report 2022-2023 contents. ABBank identified, assessed, prioritised and validated the positive and negative impacts that the Bank creates or may create on the environment, people and the economy.

Listing the identified impacts in order of importance helped to determine the main areas that the Bank considered material for sustainable development.

The methodology was carried out along 4 phases:

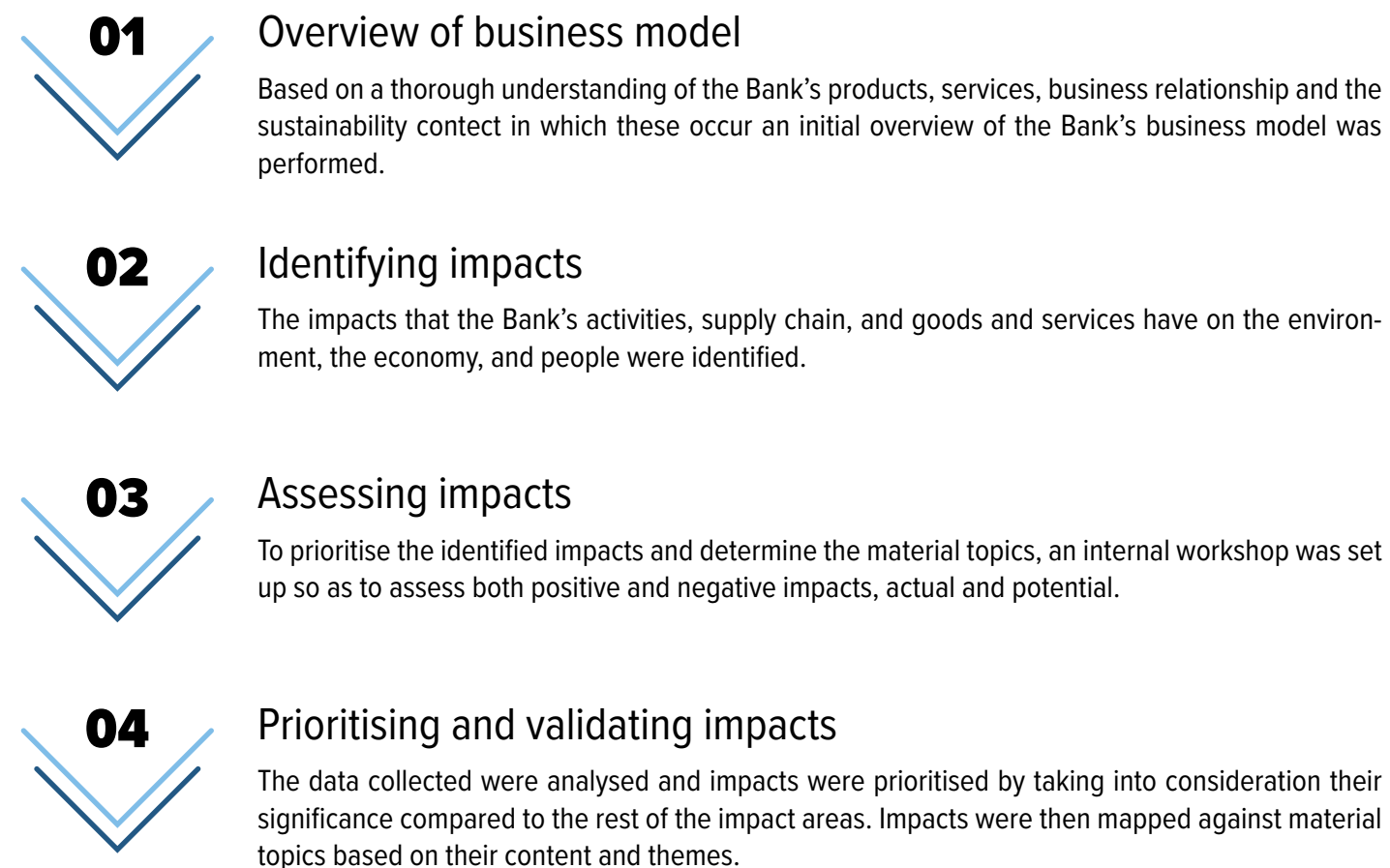


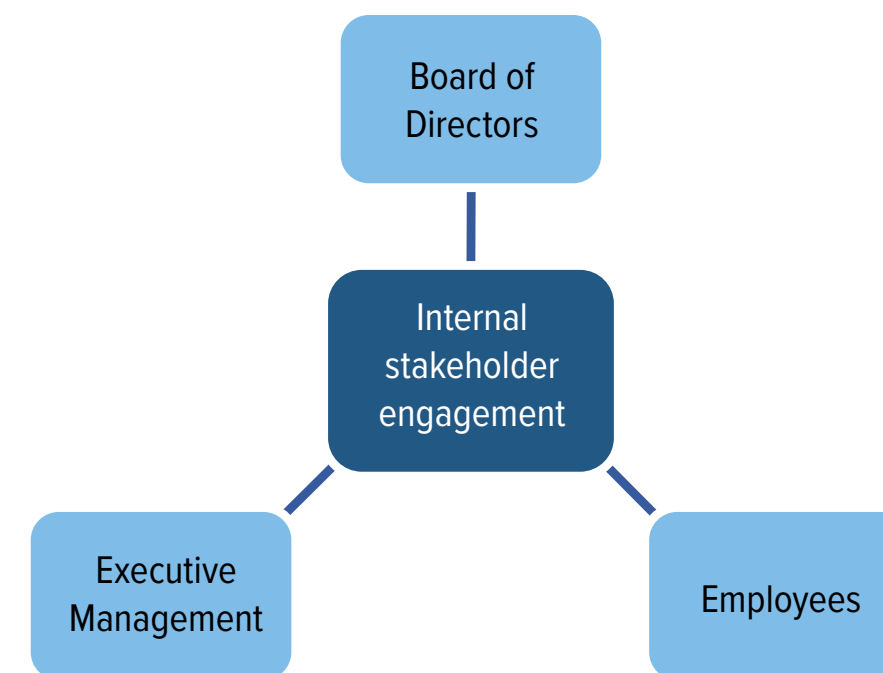
Figure 4: Materiality analysis methodology

## 4.2. Stakeholders' engagement

Effective stakeholder engagement is a cornerstone of our materiality analysis process, ensuring that the perspectives and priorities of our key internal stakeholders are fully integrated into our sustainability strategy. At ABBank, we recognize that meaningful engagement with our stakeholders provides critical insights that guide our decision-making and help us align our sustainability initiatives with our core business objectives.

Our stakeholder engagement for the materiality analysis focused on our internal stakeholders, specifically targeting three key groups: the Board of Directors, Executive Management, and employees. By concentrating on these groups, we aimed to gather comprehensive insights from various levels of the organization, ensuring that our materiality assessment reflects the diverse perspectives within the Bank.

**Board of Directors:** The Board plays a pivotal role in shaping our strategic direction. Engaging with the Board allowed us to understand their views on sustainability priorities, ensuring alignment with our long-term business goals and gov-



ernance framework.

**Executive Management:** Our Executive Management team is responsible for implementing the Bank's strategy. Their input is invaluable in identifying operational opportunities and challenges related to sustainability, helping us to pinpoint areas where we can make the most significant impact.

**Employees:** Engaging with employees from various departments provided a grassroots perspective on our sustainability efforts. Their feedback highlighted practical insights and innovative ideas that are essential for effective implementation of our sustainability initiatives.

Through targeted workshops, detailed feedback from these groups was gathered. This collaborative approach ensured that ABBank's materiality analysis is not only comprehensive but also aligned with the strategic vision and operational realities of our Bank.

The insights obtained from this internal stakeholder engagement process were instrumental in identifying and prioritizing the key environmental, social, and governance (ESG), as well as cross-sector issues that matter most to ABBank.



### 4.3. ABBank's material issues

The issues listed below were considered material in the final step of the materiality analysis assessment. These formed the basis for determining the contents of this Report, as well as the disclosures of relevant key performance indicators.

Material issue	Impacts	Type of impact		SDGs
Sustainable financing	The Bank provides sustainable finance products and services that promote green and social investments and incentivize its client's green transition and improvement of their ESG performance.	Positive	Actual	
	The Bank does not provide offerings that promote its client's green transition thus not meeting market demand and reaping related business opportunities.	Negative	Potential	
Workforce Well-Being and Equality	Strengthen employee morale and productivity through the implementation of well-being programs and by promoting a culture of inclusivity and equal opportunities.	Positive	Actual	
	Decreased employee morale and reduced productivity due to negligence of workforce well-being and diversity.	Negative	Potential	
Integration of ESG in risk management	The Bank evaluates the impact of ESG / climate change aspects to the resilience of its counterparties, resulting in the timely identification of financing opportunities for its clients.	Positive	Actual	
	ESG / climate risks are not accounted for, exposing the Bank to potential financial and reputational damage.	Negative	Potential	
Energy and emissions in operations	Positive impacts through energy reduction and efficiency in operations.	Positive	Actual	
	Negative impacts through in-house operations which contribute to the release of emissions as a direct factor contributing to climate change.	Negative	Potential	
Data security and customer privacy	Reducing the risk of fraud and ensuring the security of customer transactions and data through the implementation of robust security protocols and measures.	Positive	Actual	
	Data breaches due to inadequate internal safety protocols can lead to loss of customer trust and potential legal issues.	Negative	Potential	
Corporate Governance	Better decision-making and risk management, could lead to increased trust from stakeholders and customers and better performance.	Positive	Actual	
	Absence of a robust corporate governance structure increases vulnerability to corruption, unethical business practices and reputational damage and losses.	Negative	Potential	
Regulatory Compliance and Risk Management	Development of a robust regulatory compliance and risk management culture improving operational and market resilience and the Bank's reputation.	Positive	Actual	
	Inadequate risk structures deem the Bank vulnerable to all types of risks.	Negative	Potential	
Transparency and Accountability	Improved stakeholder trust through transparent disclosures and accountability on all material aspects related to the Bank's operations.	Positive	Actual	
	Poor transparency and accountability undermine the financial stability, operational efficiency, and reputation of the Bank, posing risks to its long-term viability and sustainability.	Negative	Potential	
	Positive impact through physical and digital channels that improve accessibility to the use of financial services by individuals and firms.	Positive	Actual	
	Potential negative impacts through the lack of initiatives / channels targeted to population's accessibility to the use of financial services by individuals and firms.	Negative	Potential	

Table 3: ABBank's material issues and impacts



## 5. Environment



## 5.1. Sustainable financing (material issue)

At ABBank, we are deeply committed to facilitating the transition to a sustainable, low-carbon economy by financing projects related to Renewable Energy Sources (RES) and other initiatives that advance the green transition. By directing capital towards environmentally beneficial projects, we not only support our clients on their sustainability journeys but also contribute to the broader objectives of environmental stewardship and climate action.

### Renewable Energy Sources (RES)

Over the past few years, ABBank has provided loans specifically for the development of renewable energy facilities, including photovoltaic (PV) and wind power projects. These loans have been instrumental in financing the infrastructure required to generate renewable energy, thereby contributing to the reduction of greenhouse gas emissions and supporting the global shift towards a low-carbon economy. To date, ABBank has financed a total of approximately €32 million across 16 projects in regions such as Attica, Euboea, Boeotia, Arcadia/Laconia, and Chios, spanning a four-year period up to 2023.

### Other Facilities Related to the Green Transition

Beyond RES financing, ABBank has extended bond loans and overdraft facilities specifically tailored for other green transition initiatives. These include financing for the installation and maintenance of PV systems, energy efficiency renovations for buildings, and a renewable overdraft facility to support working capital needs related to the production of EV chargers and small wind turbines.

Our commitment to sustainable financing is not merely about funding projects; it is about making a meaningful impact on the world. By supporting renewable energy and green transition projects, ABBank is contributing to the creation of a more sustainable future for all and remains dedicated to continuing this vital work in the years to come.

The table below highlights the sustainable financings that the Bank has provided, showcasing ABBank's commitment to sustainable financing and the tangible impact of our efforts:

Project Category	Sector	Disbursed amounts			
		2020 (€)	2021 (€)	2022 (€)	2023 (€)
Renewable Energy Sources (RES)	P/V parks	6.375.000	14.887.500	2.879.500	-
	Wind parks	-	3.608.000	-	4.000.000
	<b>Total</b>	<b>6.375.000</b>	<b>18.495.500</b>	<b>2.879.500</b>	<b>4.000.000</b>
Other projects related to Green Transition	P/V installation	-	-	-	869.863
	Energy efficiency upgrades	-	-	-	2.457.482
	Renewable overdraft	-	1.400.000	1.400.000	1.400.000
	<b>Total</b>	<b>-</b>	<b>1.400.000</b>	<b>1.400.000</b>	<b>4.727.345</b>
<b>Total</b>		<b>6.375.000</b>	<b>19.895.500</b>	<b>4.279.500</b>	<b>8.727.345</b>

Table 4: ABBank's sustainable financings for 2020-2023

## 5.2. Energy and emissions in operations (material issue)

At ABBank we recognize that responsible energy management is crucial to our sustainability goals. This section provides a comprehensive overview of our energy consumption, highlighting our commitment to reducing energy use and increasing efficiency across all operations. By disclosing information on our energy consumption, we aim to foster transparency and demonstrate our efforts to minimize our environmental impact.

In the context of complying with the provisions of the National Climate Law and more specifically the Article 20 of Law 4936/2022 (Hellenic Government's Gazette 105A/27-5-2022), the Bank issued in 2023 a Carbon Footprint Report to the publicly accessible electronic database of the Ministry of Environment of the reference year 2022.

The Bank's energy consumption derives from electricity consumption for all operations.

For 2023, compared to 2022:

695,6 MWh in total electricity consumption, compared to 698,4 MWh in 2022, reduced by 0,4%.

The Bank monitors its energy intensity index, which expresses the absolute energy consumption for all its full-time employees. This is used to monitor energy performance in relation to the scale of its activities.

In 2023 the energy intensity index was:

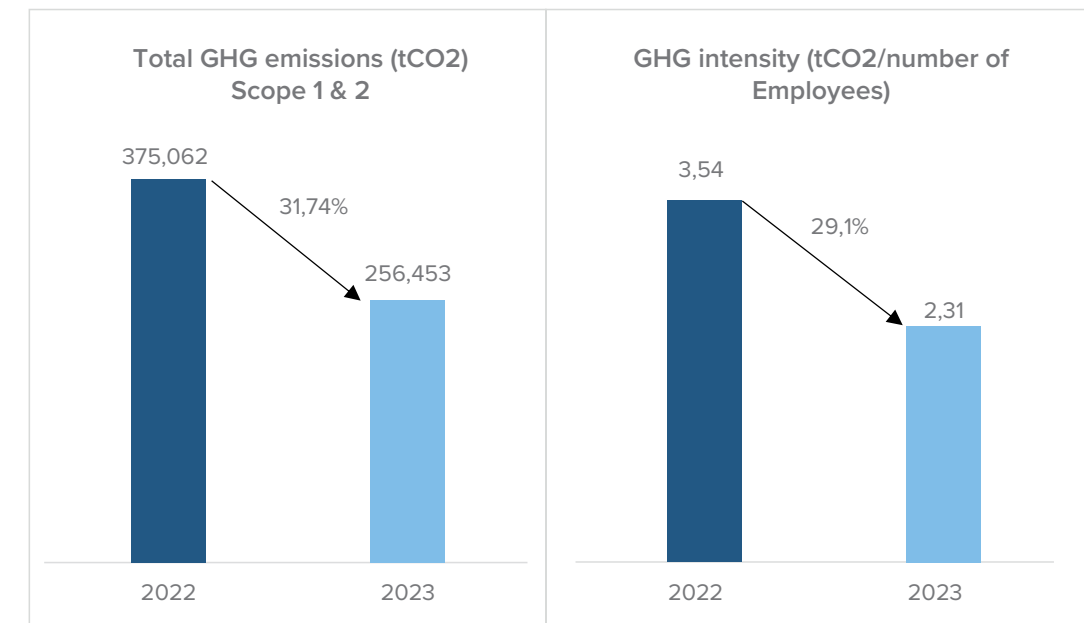
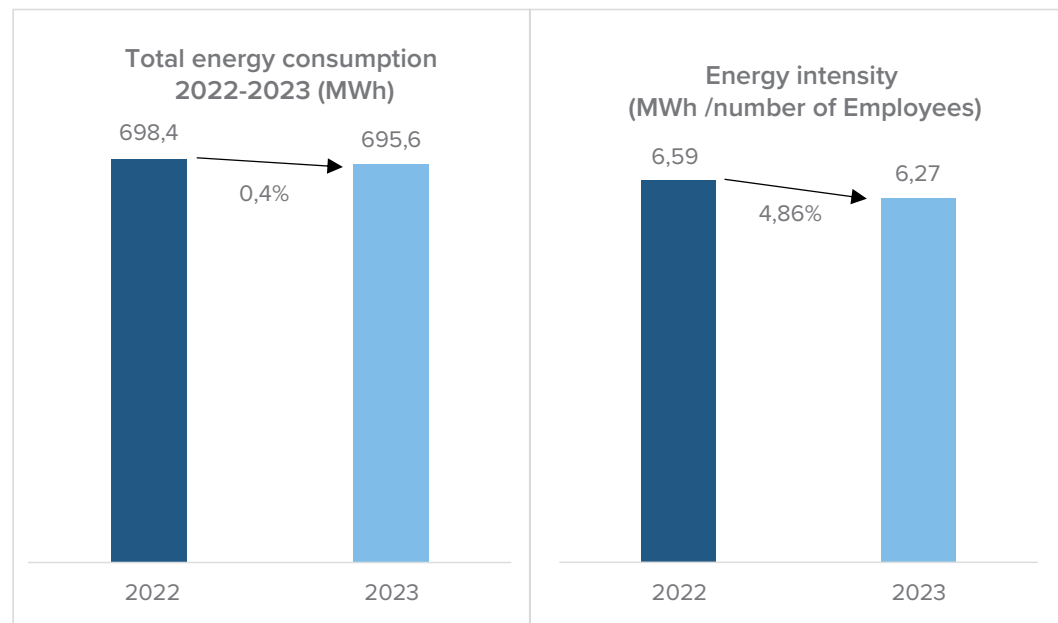
6,27 MWh/employee, reduced by 4,86% compared to 2022.

The above data are presented in the table below:

	Units	2023	2022
Energy consumption	MWh	695,6	698,4
Energy intensity	MWh/employee	6,27	6,59

Table 5: Energy consumption and intensity for 2022-2023





As part of ABBank’s commitment to sustainability and transparency, we are dedicated to monitoring and reducing our environmental impact. In this section, we disclose our greenhouse gas (GHG) emissions, detailing our efforts to measure, manage, and mitigate our carbon footprint. By reporting our emissions, we aim to demonstrate accountability and drive continuous improvement in our environmental performance, aligning with global standards and contributing to the fight against climate change. ABBank discloses its Scope 1 and 2.

For 2023, compared to 2022:

- 256,453 tCO2 in total GHG emissions, compared to 375,671 tCO2 in 2022, reduced by 31,74%.
- 2,031 tCO2 in direct Scope 1 emissions, compared to 2,049 tCO2 in 2022, reduced by 0,88%.
- 254,422 tCO2 in indirect Scope 2 emissions, compared to 373,013 tCO2 in 2022, reduced by 31,79%.

The Bank monitors its GHG intensity index, which expresses the absolute carbon emission intensity for all its full-time employees, size and operational revenue.

In 2023 the intensity index was:

- 2,31 tCO2/employee, reduced by 29,1% compared to 2022.

The above data are presented in the table below:

	Units	2023	2022
Direct (Scope 1) GHG emissions	tCO2	2,031	2,049
Indirect (Scope 2) GHG emissions	tCO2	254,422	373,013
Total	tCO2	256,453	375,062
GHG intensity	tCO2/employee	2,31	3,54

Table 6: GHG emissions and intensity for 2022-2023

### 5.3. Key operational environmental efforts

At ABBank, we are dedicated to minimizing our environmental impact and actively contributing to sustainability through various initiatives designed to reduce our carbon footprint, improve energy efficiency, and promote sustainable practices across all our operations.

ABBank’s key operational environmental efforts include:

- **Energy-Efficient Lighting:** The Bank has upgraded all its lighting systems to LED technology, which significantly reduces energy consumption and extends the lifespan of lighting fixtures. This transition not only contributes to lower electricity usage, but also aligns with our commitment to energy efficiency and cost savings.
- **Optimized HVAC Systems:** Recognizing the importance of efficient heating, ventilation, and air conditioning (HVAC), we have replaced 6 out of 9 HVAC systems with modern, energy-efficient units. These new systems provide better climate control, reduce energy usage, and decrease greenhouse gas emissions, enhancing overall energy performance.
- **Waste Reduction and Recycling Initiatives:** Our “Think Before You Print” policy promotes mindful paper use, encouraging employees and customers to minimize printing whenever possible. In addition, we have established a comprehensive recycling program across all branches, ensuring responsible disposal and recycling of paper, plastics, and other materials.
- **Promotion of Paperless Banking:** To further reduce paper consumption, we actively encourage our customers to opt for digital statements through e-banking services. This initiative promotes a shift towards paperless banking, reflecting our commitment to digital transformation and environmental stewardship.
- **Transition to a Green Fleet:** In an effort to reduce transportation-related emissions, the Bank has transitioned most of its company vehicles to hybrid-electric models. This greener fleet reduces our carbon footprint, decreases fuel consumption, and supports the transition to more sustainable modes of transport.
- **Carbon Emissions Monitoring and Reporting:** To ensure accountability and track our progress, we conduct annual measurements of the Bank’s carbon footprint. This practice enables us to identify areas for improvement, measure the effectiveness of our initiatives, and align our efforts with our emission reduction targets.

Through these efforts, ABBank continues to reinforce its commitment to environmental sustainability, ensuring that we operate in an eco-conscious manner while contributing to a greener future for all.

# 6. Social Responsibility

## 6.1. Community Engagement and Social Impact

At ABBank, our commitment to social responsibility extends far beyond the confines of Banking. We understand that our role in the community is not just about providing financial services, but also about making a tangible, positive impact on the society in which we operate. Below we highlight our multifaceted approach to supporting local communities, recognizing our achievements, embracing digital transformation, and actively participating in key industry associations.

### Local Community Engagement

At ABBank, our commitment to the local community is exemplified by our active involvement and significant partnership with the non-profit organization 'The Smile of the Child' («Χαμόγελο του Παιδιού»). This collaboration goes far beyond mere financial assistance, such as covering electricity bills or raising funds for festive gifts for children during Christmas and Easter. We are deeply engaged in organizing and participating in various events, volunteering efforts, and sponsoring activities specifically designed to improve the well-being of children. For instance, we include inviting children to special events that we organize for our employees' families. Our Bank encourages all employees to participate in these initiatives, thereby cultivating a strong sense of community and social responsibility within our organization. This dedication to community service is further underscored, which indicates that our operations have had zero significant actual or potential negative impacts on local communities. This achievement reflects our dedicated approach to community engagement, ensuring that our involvement not only contributes positively but also aligns with our core values of responsibility and care.

## 6.2. Workforce Well-Being (material issue)

### 1. Inclusive Workforce

At ABBank, we recognize the pivotal role our employees play in the success and growth of our institution. In crafting this Labor Regulation, our goal is to establish and nurture a high-quality working environment that fosters and bolsters the development of enduring relationships between our employees and the Bank. To achieve the above purpose, the Bank implements strategies such as:

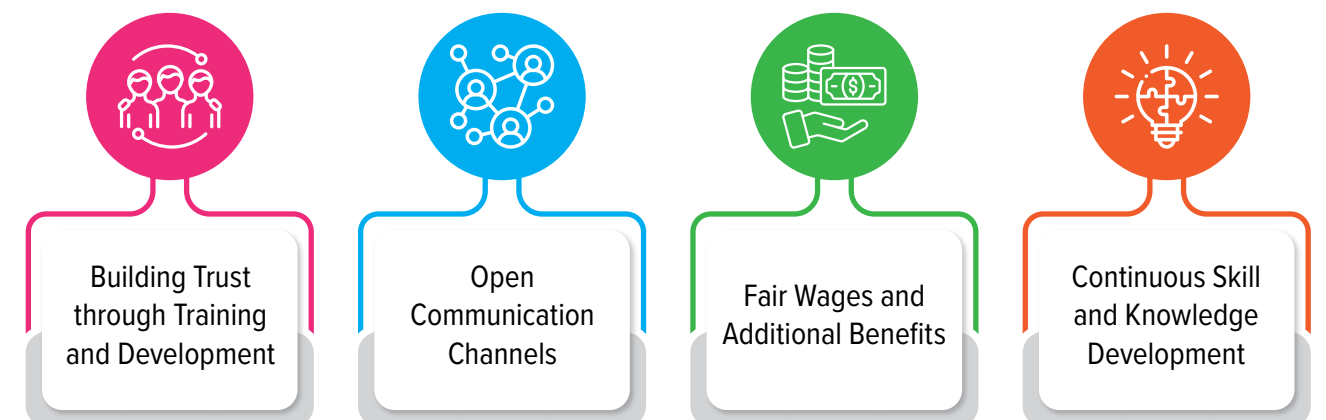


Figure 6: Inclusive workforce strategies



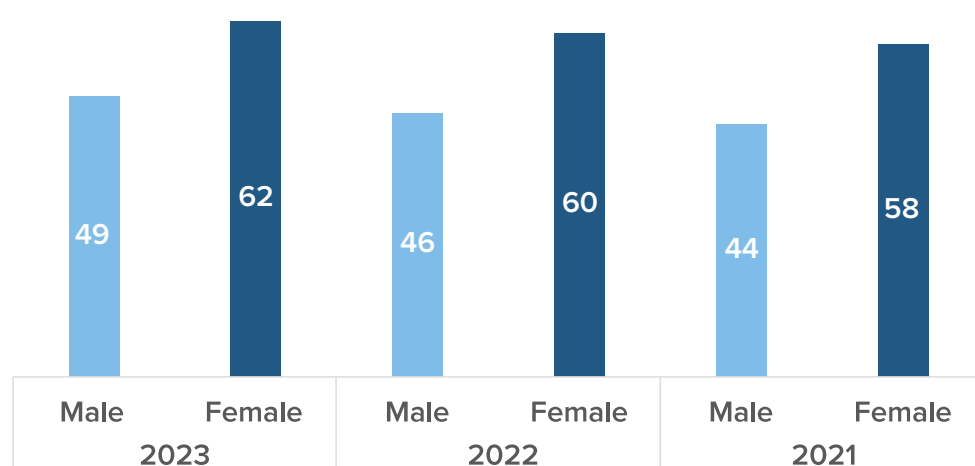
- **Building Trust through Training and Development:** We are committed to implementing strategies that build trust through professional training, motivation, guidance, and education.
- **Open Communication Channels:** We prioritize open communication channels at all levels, enabling employees to express their concerns and share their ideas freely.
- **Fair Wages and Additional Benefits:** Ensuring fair wages and offering additional benefits are fundamental to our approach, as is the empowerment, appreciation, and recognition of our team members.
- **Continuous Skill and Knowledge Development:** We place a strong emphasis on the continuous development of qualifications, skills, and knowledge.

Our employees are actively encouraged to contribute to this culture of mutual support and collaboration, assisting Bank leadership by voicing their ideas and solutions. Through a foundation of understanding and good faith, we are dedicated to maintaining a workforce that is not just skilled and motivated, but also deeply integrated with the Bank's core values and long-term objectives.

### Working Conditions

- **Labour Management:** At ABBank, we adhere strictly to labor legislation while providing flexible working arrangements that cater to the diverse needs of our employees. Understanding the unique challenges faced by new mothers, elderly workers, and those with chronic conditions, we tailor our labor management practices accommodating these varied requirements. This approach not only demonstrates our commitment to inclusivity but also enhances the work-life balance, contributing to a more satisfied and productive workforce.
- **Addressing the unique needs of diverse employee groups:** At ABBank, we recognize that a diverse workforce is one of our greatest strengths. We are committed to creating an inclusive workplace that values and respects the unique needs of all our employees. Our approach to diversity and inclusion goes beyond compliance with legal requirements; it reflects our dedication to fostering a supportive and empowering environment for everyone. ABBank not only addresses the unique needs of diverse employee groups but also fosters a culture of inclusivity and respect. This commitment to diversity enhances our organizational performance and contributes to a more dynamic and innovative workplace.

Employee gender distribution



### Employee Hires and Turnover

Our hiring practices are governed by a commitment to fairness and adherence to applicable labor legislation. We strive for a workforce that not only meets professional criteria but embodies our Bank's values and culture. The transparent and just process we maintain in hiring is designed to attract and retain the finest talent, ensuring a robust and skilled team propelling our Bank towards continued success. Our commitment to maintaining a balanced workforce is reflected in our comprehensive data on new hires and employee turnover:

	2023	2022	2021
Under 30 years old	1	1	0
30 - 50 years old	11	4	8
Over 51 years old	2	2	0
<b>Total</b>	<b>14</b>	<b>7</b>	<b>8</b>

Table 7: Employee hires for 2021-2023

The statistics for the years 2021, 2022, and 2023, reveal that we have consistently maintained a fair and balanced approach to recruitment across various age groups, promoting a dynamic and diverse team. In 2023, we welcomed 14 new employees, with an equal gender distribution across the age spectrum, and saw 10 turnovers, again balanced across genders. This pattern of hiring and retention underscores our dedication to creating an inclusive environment and highlights our strategic focus on nurturing talent across all demographics, ensuring that ABBank remains an employer of choice in the Banking sector.

	2023	2022	2021
Under 30 years old	0	0	0
30 - 50 years old	10	1	0
Over 51 years old	0	2	1
<b>Total</b>	<b>10</b>	<b>3</b>	<b>1</b>

Table 8: Employee turnover for 2021-2023

### Supplementary Employee Benefits

ABBank is dedicated to providing its employees with fair wages and a comprehensive range of additional benefits. This commitment extends beyond monetary compensation to include opportunities for personal and professional development. By investing in the growth of our employees, we create a more skilled, knowledgeable, and motivated team, capable of meeting the evolving demands of the Banking industry and contributing to the Bank's ongoing growth and success.

We ensure the provision of a range of benefits to our full-time employees, including:

- Medical plan (health care, life insurance, disability, and invalidity coverage)
- Pension plan (10 years vesting period)
- Meal Vouchers
- Annual medical check-up (not related to the medical plan)
- Nursery allowance
- Summer camp allowance
- Use of gym facilities (for employees at headquarters only)

These benefits, available for both 2022 and 2023, demonstrate our dedication to the well-being and professional growth of our staff, contributing significantly to their personal and professional satisfaction and to the overall success and growth of Aegean Baltic Bank.



### Medical plan

(health care, life insurance, disability, and invalidity coverage)



Pension plan (10 years vesting period)



Meal Vouchers



Annual medical check-up (excl. medical plan)



Summer camp allowance



Nursery allowance



Use of gym facilities (headquarter employees only)

## 6.3. Equal treatment and opportunities for all (material issue)

ABBank underscores its unwavering commitment to fostering an inclusive and equitable work environment. We firmly believe that the foundation of a successful and ethical organisation is built on the principles of human rights, non-discrimination, and equal opportunities for all our employees. This section highlights our robust policies and practices that ensure every member of our team is treated with respect and given equal chances to grow and succeed within the organisation.

### Human Rights (Non-discrimination)

At ABBank, our commitment to human rights, with a particular focus on non-discrimination, is a fundamental principle of our corporate philosophy. We ensure that supervisors are thoroughly trained to evaluate their subordinates objectively, eliminating any bias in assessments and fostering a workplace environment where diversity is not just accepted but genuinely valued. This approach is instrumental in maintaining a respectful workplace where every individual, irrespective of their background, is assured of fair treatment.

Our record supports this commitment, showing no incidents of discrimination reported in both 2023 and 2022, underscoring our success in upholding these principles. Additionally, the specific training of security personnel in the Bank's human rights policies and their application to security roles has been noted as not applicable for the years 2021, 2022,

and 2023. This comprehensive approach exemplifies ABBank's unwavering dedication to fostering an inclusive and equitable work environment.

### Employee Training on Human Rights Policies or Procedures

At ABBank, we hold firm to the core principles of equal treatment and non-discrimination, ensuring these values are deeply embedded in our organisational culture. Our approach includes comprehensive training for supervisors to objectively evaluate their subordinates, fostering a workplace environment where diversity is not only respected but also valued. This approach is crucial in cultivating a workplace environment where diversity is not only respected but actively valued. Such commitment is essential in creating an atmosphere of respect, ensuring that each individual, regardless of background, is treated with fairness and equality.

Demonstrating our alignment with these principles, our workplace maintains a clear record with no reported incidents of discrimination for 2023 and 2022. Additionally, while the specific training of security personnel on our organization's human rights policies and their application to security was not applicable in 2021, 2022, and 2023, our overall strategy underlines our dedication to upholding a work environment that embodies the principles of equality and fairness for all.



### Employee Promotion

Emphasizing career growth, ABBank's policies ensure that all employees have equal opportunities for professional development. Our system rewards dedication and performance, promoting an environment where success is recognized, and every employee has the chance to advance within the organisation. These elaborations provide a clearer understanding of ABBank's commitment to fostering an inclusive work environment where equality, respect, and professional growth are central.



## 6.4. Customer Relations and digital Services

### ATM Network Agreements

In an effort to provide our customers with greater convenience and accessibility, we have established collaborative agreements with systemic Banks, expanding our ATM network. This strategic partnership allows our customers to enjoy enhanced services, including free cash withdrawals, at a broader network of ATMs, thereby significantly improving Banking access and convenience for our clients across different regions.

### E-Banking and Digitalization of services

The Bank has invested in the digital eco system by launching its e-Banking platform. Since its launch in 2019, the Bank developed (based on its corporate clientele's needs) during the last couple of years additional customized transfers solutions for transfers of large amounts (developing systems, infrastructures and by putting additional controls in place). It also developed another solution for corporate customers with large amount of transfers by introducing its new e-tool (through the e-Banking platform) for Bulk Transfers (multiple transfers which can be processed with a file upload).

Furthermore, the Bank is trying to provide digital access to its clientele and third parties through its web page i) for information purposes (e.g., Terms and Conditions, Price List, Privacy Notice), ii) pre-contractual information (e.g., MiFID related products), iii) Code of conduct for Borrowers with financial difficulties, iv) e-complaints, etc.

Measures or initiatives to optimize the systemic processing / billing of customer transactions: The Bank has developed customized billing which can be applied per customer. This provides customers the ability to have less charges if the number of transactions (volumes mainly related to transfers) increase.

### Customized Transfer Solutions

Recognizing the unique needs of corporate customers who handle a high volume of transactions, we introduced an innovative e-tool for Bulk Transfers. This feature, accessible via our e-Banking platform, enables efficient processing of multiple transfers through a single file upload, streamlining the transaction process significantly.

### Digital Access for Clients and Third Parties

Our commitment to digital accessibility extends beyond transactional services. Through our website, we provide:

- Essential Information: Including Terms and Conditions, Pricing Lists, and Privacy Notices.
- Pre-Contractual Information: Covering products related to MiFID and other relevant financial offerings.
- Support Resources: Such as the Code of Conduct for Borrowers facing financial difficulties.
- Digital Communication Channels: Including e-complaints and other customer service tools.

### Optimizing Systemic Processing and Billing

In our efforts to optimize transaction processing and billing, the Bank has developed a customized billing system tailored to individual customer needs. This innovation not only enhances the efficiency of transaction processing but also offers scaled charges, leading to potential cost savings for customers as their transaction volume increases.



## 7. Governance

## 7.1. Corporate Governance Structure (material issue)

At ABBank, we have established a comprehensive system of principles and methodologies dedicated to protecting and fulfilling the interests of our stakeholders. Our primary aim is to ensure the Bank's effective and dependable operation, with a focus on transparent communication and consistent information provision to shareholders, employees, business partners, and clients. The Bank aligns its operations with the regulatory framework while preserving our distinct corporate culture, through clear organizational structures forming the backbone of our robust Corporate Governance System. The detailed structure of our corporate governance is illustrated in the subsequent organizational chart.

### Board of Directors: Composition and Election

At ABBank, the supreme governing body is the General Assembly of Shareholders, which holds the responsibility of electing the Bank's Board of Directors (BoD). The BoD is entrusted with the Bank's strategic management and overall supervision of the Bank's operations.

The BoD Chairman is currently an executive member of the BoD, but the Bank's BoD composition shall change by the end of 2023 and a non-executive member of the BoD shall be appointed as BoD Chairman.

The BoD is composed of nine (9) members following L. 3016/2002, which are listed in the table below along with their respective roles. Specifically, the BoD includes three (3) executive, three (3) non-executive, and three (3) independent non-executive directors elected by the General Assembly of Shareholders for a five (5) year term extendable to six (6) years if a new election does not occur. Their key responsibility is enhancing the Bank's long-term economic value and avoiding conflicts of interest.

Board Members	Role
Georgios Raounas	President, Non-Executive Independent member
Theodoros Afthonidis	Vice President, Executive member and CEO
Konstantinos Hadjipanayiotis	Executive member and Deputy CEO
Anastasios Afthonidis	Executive Member
Anastasios Tourkolias	Non-Executive Member
Lambros Theodorou	Non-Executive Member
Marina Bouki	Non-Executive Member
Maria Melliou	Non-Executive Independent Member
Damianos Charalampidis	Non-Executive Independent Member

Table 9: ABBank's Board of Directors

### Appointment and Selection of BoD Members

Six (6) out of the nine (9) BoD members are appointed by the principal shareholders of the Bank, in accordance with the provisions of a Shareholders Agreement executed between the principal shareholders of the Bank, to which most of the

minority shareholders have adhered. The three independent, non-executive BoD members are elected by the General Meeting of shareholders.

There are currently no established or predetermined criteria for the selection of the BoD members. However, the Bank is currently in the process of expanding the responsibilities of the REMCO with nomination duties. The existing Remuneration Committee shall be converted into Remuneration and Nomination Committee (REMNO). The Bank is also in the process to adopt a Nomination and Suitability Policy for BoD members and Heads of Critical Functions, as well as a Performance Evaluation Policy for the BoD members.

Figure 9: Composition of BoD

### Functioning of the BoD



The BoD at ABBank holds comprehensive responsibilities across various domains. They ensure robust corporate governance, actively engage in strategic planning, and oversee both corporate and investment Banking operations. Their duties extend to maintaining the integrity of accounting and financial systems, managing risk, ensuring regulatory compliance, and overseeing internal audits. This multifaceted role underscores their commitment to upholding the Bank's standards and objectives.

### Responsibilities and Conduct of BoD Members

BoD members at Aegean Baltic Bank must possess the necessary qualifications, including educational background, relevant experience, and personal attributes like high ethical standards. Particularly, independent non-executive directors are expected to have substantial expertise in Banking, accounting, auditing, and internal control. Regular attendance at Board meetings is mandatory, with prolonged unexplained absences leading to presumed resignation. Directors must also maintain strict confidentiality regarding non-public information and avoid any conflicting interests with the Bank.

### Governance Committees and Management Oversight

The Board of Directors at ABBank is supported by two key committees: the Audit Committee and the Remuneration Committee. Both committees primarily comprise non-executive members, predominantly independent, including their presidents.





The Audit Committee plays a crucial role in compliance and is guided by specific Banking regulations. The purpose of the Committee is to assist the Board of Directors in fulfilling the oversight responsibilities.



The Remuneration Committee is led by an independent non-executive member with attributes of knowledge, specialization and experience in risk management and control activities.

Additionally, several Management Committees report to Senior Executive Management, covering diverse areas like:



## Sustainability Oversight by Board and Committees

At ABBank, the Board and Committees undertake a pivotal role in the comprehensive oversight of the organization’s sustainability approach. Their responsibilities extend to guiding sustainable engagement initiatives, overseeing due diligence processes, managing environmental and social impacts, and engaging with stakeholders. This involvement is crucial for embedding sustainability into the core strategies and operations of the Bank.

In a parallel and complementary development, since 2022, ABBank has proactively appointed a member of the senior executive management as a coordinator for monitoring developments in Environmental, Social, and Governance (ESG) risks’ regulatory requirements. This role encompasses the gradual assimilation of these requirements into the spectrum of the Bank’s and Group’s activities, exposures, and internal processes. It also involves mapping out their potential impact on risk assessment.

The Bank is currently in the process of defining ESG priorities, objectives and strategies with the goal of further integrating sustainability into the Bank’s strategy and operations. As a first step, the Bank has established a provisional ESG Committee, consisting of the heads of crucial units of the Bank.

## Remuneration policy

The BoD’s remuneration at ABBank applies to both executive and non-executive members and adheres to a fixed and flat structure. This structure complies with legal guidelines, the legal and regulatory framework, as in force and the Bank’s Articles of Association. Remuneration is paid monthly and is determined based on each member’s contribution to their respective roles. It is not tied to the achievement of specific goals or incentive driven.

The policy strictly prohibits variable remuneration for directors to prevent potential conflicts of interest. Each director’s compensation is reviewed annually and is subject to adjustment

**Review:** The General Meeting of shareholders approves the annual fee (either on a total or an individual Board member basis) of the BoD members, as defined by Law 4548/2018. The General Meeting of shareholders is also competent to approve any remuneration or other allowance to a member of the Board of Directors that is not provided for in the law or in the Articles of Association of the Bank, save for the remuneration of the members of the Board of Directors for the services rendered to the Bank based on their special relationship with the Bank (e.g. employment contract, works contract etc.), which is subject to the approval of the Board of Directors in accordance with articles 99-101 of Law 4548/2018. For more information, please refer to the Remuneration Policy of the Bank. Please address any quantitative data request to the Finance Dpt or the HR Dpt of the Bank.

## Roles and Responsibilities

The non-executive members of the BoD are responsible for the adoption, maintenance and approval of the Remuneration Policy of the Bank, as well as its implementation ensuring its proper operation. The Remuneration Committee, inter alia, also provides its support and advice to the non-executive members of the BoD on the design of the Remuneration Policy and supports the non-executive members of the Board of Directors in overseeing the remuneration policies, practices and processes and the implementation of the Remuneration Policy.

## Sustainable impact Governance

ABBank has developed a strategic plan that includes clear commitments, goals, initiatives, and performance indicators, placing Sustainability at the forefront. This plan integrates Environmental, Social, and Governance considerations with our core business strategies. The term “impacts” refers to the range of influences, both positive and negative, actual or potential, resulting from the Bank’s activities. These impacts highlight ABBank’s interactions with its environment across all operational dimensions, both directly and indirectly.

In this framework, ABBank's highest governance body is responsible for reviewing and approving the sustainability report's content, which involves a thorough evaluation of the Bank's material issues. These issues are validated and confirmed during a specialized workshop.

ABBank also recognizes the importance of its corporate structure in achieving its sustainability goals. This structure is essential for the effective operation of various departments, fostering inter-departmental communication, and maintaining awareness of sustainability issues. The Bank's organizational design is set up to continuously track environmental and social metrics, ensuring that management stays informed about progress toward the Bank's sustainability objectives.

## 7.2. Ethical business conduct and culture

Building on our corporate governance framework, Aegean Baltic Bank further commits to Ethical Business Conduct. The Bank is very sensitive to accommodate employees concerns at professional and at personal level. Professionally speaking the Bank applies the mechanisms of confidential interviews and escalation processes up to managerial levels and internal grievance mechanisms. The Bank has in place the following two internal grievance mechanisms:

### Conflict of Interest policy

The Bank has adopted and has in place a Conflict-of-Interest Policy. The Board of Directors is responsible for establishing, approving, and overseeing the implementation and maintenance of the arrangements and requirements provided therein.

### Whistleblowing Policy and Procedure

ABBank's Whistleblowing Policy reflects its commitment to ethical conduct and transparent communication. This policy has been designed to enable employees of the Bank to raise their concerns internally and at a high level and to disclose information, which the employee believes, shows irregularity, malpractice, or impropriety. The Board of Directors has the ultimate responsibility for the accurate implementation of this Policy. The Whistleblowing Policy is currently under the process of being amended in order to be harmonized with the provisions of L. 4990/2022, which transposed into Greek law Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

The Whistleblowing Policy aims to:

- Provide a secure and confidential channel for escalating these concerns
- Ensure a timely response from the institution
- Safeguard the Bank's image and reputation
- Promote a culture of integrity and accountability
- Encourage timely reporting of concerns

The policy also addresses concerns about the organization's potential and actual negative impacts on stakeholders. This is facilitated grievance mechanisms and other processes to resolve such issues, including concerns related to the Bank's business conduct in operations and relationships.

Furthermore, the Bank employs mechanisms for individuals to seek advice and raise concerns about responsible business conduct. These include confidential interviews during site visits, escalation processes through management levels, hotlines, mechanisms to report non-compliance with laws and regulations, and the whistleblowing mechanisms detailed in the policy. At personal level the Bank offers a hotline to employees to address concerns regarding personal issues (personal difficulties, psychological pressure, family issues). The hotline is also available to the employees' family members as well. Demonstrating its sensitivity to both professional and personal concerns of employees, ABBank applies

these mechanisms up to managerial levels and offers a dedicated hotline for employees and their families to address personal issues like psychological pressure or family matters, ensuring comprehensive support for stakeholders.

During 2021, 2022 and 2023 the Bank recorded zero cases through its whistleblowing channels, reflecting the effectiveness of its ethical framework and the trust in its reporting mechanisms

No critical concerns reported during 2021, 2022 and 2023.

### Processes to Remediate Negative Impacts



ABBank is committed to addressing and resolving any potential and actual negative impacts on

stakeholders, including those related to human rights. To this end, the Bank has established a dedicated Complaints Management Function. This function allows for the fair and timely handling of complaints raised by existing or prospective customers. Complaints can be made through various channels, including orally, in writing, via the webpage, or over a dedicated phone line. A specialized team is tasked with handling, escalating, and responding to these complaints, ensuring that grievances are addressed effectively and efficiently. The Board of Directors of the Bank has the ultimate responsibility for monitoring compliance with this policy.

This proactive approach to grievance resolution highlights the Bank's dedication to maintaining high standards of stakeholder care and responsiveness.

### Violence and Harassment Prevention Policy

This policy determines, inter alia, the procedure for the reporting by the employees of incidents of violence and harassment. The Senior Executive Management of the Bank has the ultimate responsibility for the implementation of this policy. For more information, please refer to the relevant policy.

In addition, the Bank has in place a Policy on the exercise of the rights of data subjects, which establishes the principles, rules and procedures for the management of requests of data subjects regarding the processing of personal data.

### Responsible Business Conduct

The Bank has established a Code of Ethical Conduct, endorsed by the Board of Directors, comprising a set of rules and policy statements. This Code outlines the minimum standards of conduct required of the Bank's staff.

The Bank applies due diligence controls (and filtering through sanctions lists etc.) to all counterparts of the Bank (customers, other Financial Institutions, Providers) and evaluate (or refrain from cooperation) if there are adverse media which you may find attached.

### Policy Commitments and Due Diligence

The Bank aligns its policies with respect to business ethics and human rights with international frameworks and conventions. These commitments are communicated to employees and business partners, ensuring a consistent understanding across the organisation. In addition, the Bank employs thorough due diligence controls, including sanctions list screenings, for all counterparts – customers, other financial institutions, and providers. This ensures adherence to ethical standards and evaluates or refrains from cooperation based on adverse media findings.



## Ethical Culture

ABBank recognizes the importance of its employees and strives to create a high-quality work environment that fosters long-term relationships. The culture of the Bank embeds the business ethics which applies to all its interaction with employees, customers, providers, and external professionals. There is a specific policy approved by the BoD as well as certain strategies for achieving this:

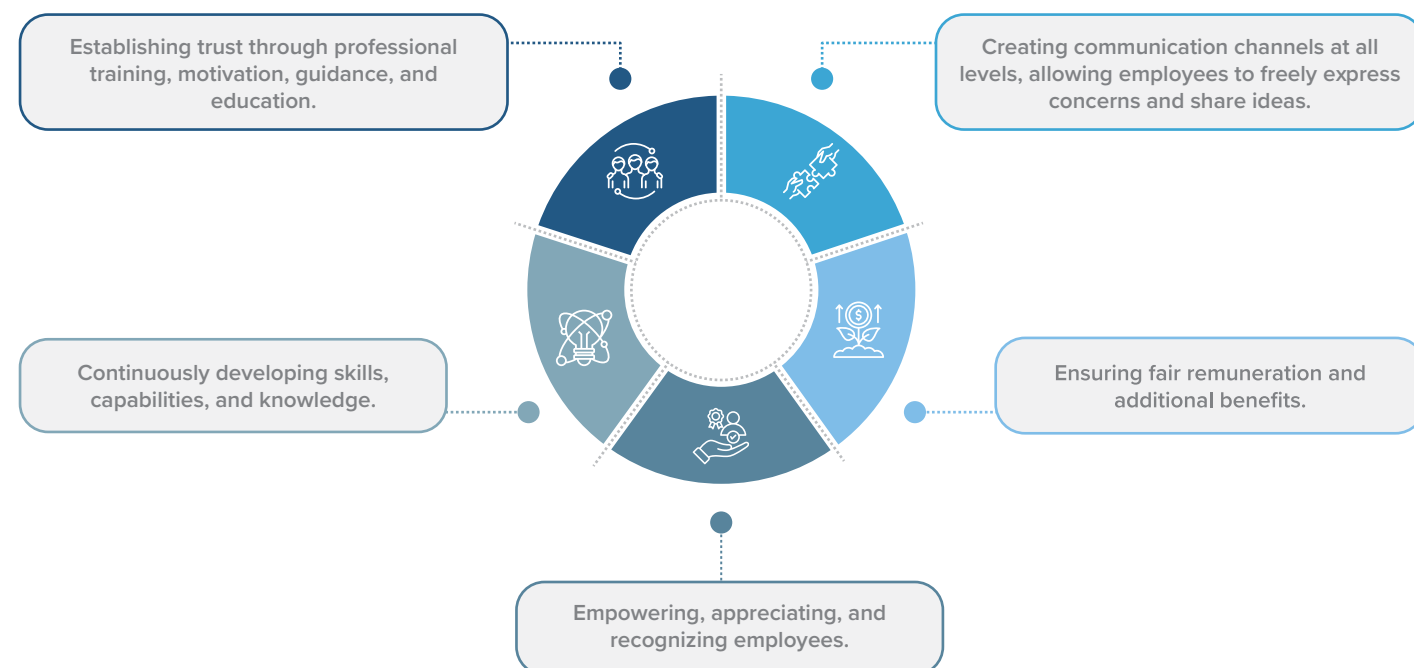


Figure 11: Ethical workplace framework

Employees are encouraged to participate in these efforts, contributing ideas or solutions and supporting their superiors and the Bank's senior management. In the spirit of reciprocity and good faith, the Bank is committed to not losing its employees.

## Customer Acceptance Policy

A specific policy approved by the BoD, the "Customers Acceptance Policy," underlines the Bank's commitment to ethical business practices in its professional relationships. This policy defines the type of Customers is willing to accept or with whom relationship should not be established and applies the principles of Know Your Customer/Counterpart ("KYC").

## Business ethics

ABBank has established a solid framework for business ethics, guided by its Code of Ethical Conduct and aligned with relevant laws and best practices. This commitment is integral to the Bank's operations and stakeholder relationships.

## Code of Conduct

ABBank's commitment to business ethics is embodied in its Code of Conduct and its approach to managing loans. The Code, established under law 4224/2013 and revised in 2021, focuses on handling loans in arrears and non-performing loans for individuals and Very Small Enterprises (VSEs). It emphasizes a cooperative relationship between the Bank and its borrowers, fostering trust and effective communication to find suitable solutions for loan repayment challenges.

The Bank adheres to the principles of the Code, targeting debts where borrowers are individuals or VSEs with annual turnovers below €1,000,000. To support borrowers facing financial difficulties, Aegean Baltic Bank has implemented an Arrears Resolution Procedure (ARP). This procedure, detailed in an Information Brochure, aims to offer timely solutions aligned with borrowers' financial capacities and includes Special Contact Points to facilitate communication.

## 7.3. Regulatory Compliance and Risk Management (material issue)

In discussing the regulatory compliance framework of ABBank, it is essential to highlight the Bank's robust commitment to maintaining the highest standards of legal and ethical conduct. This commitment is reflected in the implementation of comprehensive policies, such as the Market Abuse Policy, designed to prevent market manipulation and misuse of inside information.

### Market Abuse Policy

The ABBank's Market Abuse Policy, effective from January 2016, is a comprehensive framework aimed at preventing market manipulation and the misuse of inside information. This policy applies to individuals in positions with access to inside information, such as senior management and significant shareholders, mandating strict adherence to ethical and legal standards. Prohibited behaviors under this policy include influencing market prices through coordinated actions, misleading investors through market transactions, and exploiting media access to impact financial instrument prices. Additionally, the policy enforces stringent disclosure requirements for regulated information, ensuring transparency and accountability. The Bank maintains records for a minimum of five years and ensures individuals listed in these records are aware of their legal obligations, reinforcing a culture of compliance and integrity.

### Compliance Record

ABBank, in its commitment to transparency and adherence to legal standards, reports that the Bank has not experienced any instance of non-compliance with laws and regulations or instances of non-monetary sanctions or any fines relative to the reference period. In line with our policy, the Bank primarily reports incidents overseen by the Bank of Greece, while other matters, such as potential tax violations, are managed by the Bank's Finance Department.

The Bank's commitment to upholding the highest standards of accountability is unwavering, ensuring that all aspects of operations are conducted with the utmost integrity and in accordance with legal and regulatory requirements.

### Recent Achievements in Compliance

ABBank is pleased to announce an exemplary compliance record for 2021, 2022 and 2023. We fully complied with anti-corruption policies and legal standards, leading to zero instances of laws or regulations violations. Our record was clear of any issues, including no legal actions for anti-competitive behavior, anti-trust, and monopoly practices. This highlights our commitment to ethical business conduct and corporate integrity, key elements of our operations. Furthermore, the Bank incurred no fines for non-compliance, showcasing our proactive and transparent approach. This period's unblemished record affirms our steadfast commitment to the highest standards of accountability and ethical conduct in all aspects of our operations.

- ➔ Zero legal actions - for anti-competitive behavior, anti-trust, and monopoly practices for 2021, 2022 and 2023.
- ➔ Zero instances - of non-compliance with laws and regulations.
- ➔ No instances - of non-monetary sanctions for 2021, 2022, 2023
- ➔ No fines for instances - of non-compliance with laws and regulations were paid for 2021, 2022 and 2023.
- ➔ Zero confirmed incidents - of corruption for 2021, 2022 and 2023.



Figure 12: Key upgrades and replacements of IT Infrastructure

## Cybersecurity Measures

To strengthen our cybersecurity posture, ABBank has implemented the following measures:

- AI-based email filtering.
- Antimalware Platform replacement in 2022 for improved threat identification.
- Managed Endpoint Detection and Response service deployment.
- Firewall renewal at external and internal perimeters.
- Expansion of vulnerability assessment platform.
- Optimization and expansion of SIEM platform.
- Regular penetration testing by external partners.
- Modernization of physical access controls and data center environmental controls.
- Deployment of new Auditing platform for Active Directory.
- Distributed Denial of Service protection.
- Subscription to Mitrastech Alyne cloud platform.
- External IT Audits by independent third parties.

## 7.4. Data security and customer privacy (material issue)

In today's digital age, safeguarding information is paramount for ABBank, reflecting our unwavering commitment to data privacy and cybersecurity. Understanding the complexity and interconnected nature of today's business landscape, the Bank has undertaken significant initiatives to bolster its IT infrastructure and enhance security controls.

### Modernization of IT Infrastructure

Over the last two years, ABBank has made substantial investments in IT and information security, underscoring the management's dedication to modernizing the Bank's technological capabilities. Key upgrades and replacements include:



## Vulnerability Assessment and Management

ABBank employs a vulnerability assessment platform (Qualys) for continuous scanning of information systems. Identified vulnerabilities are mitigated using centralized patch management based on each asset's operating system. The Bank has established "Vulnerability Management" and "Patch Management" procedures. Additionally, Microsoft 365 cloud subscription performs vulnerability assessments for Windows assets. Complementing automated assessments, the Bank schedules frequent third-party penetration tests, covering various aspects of IT to minimize the risk of compromise.

Through ongoing investments in technology, robust vulnerability management, and adherence to best practices, the Bank ensures the confidentiality, integrity, and accessibility of data, upholding our reputation as a trusted financial institution.

## 7.5. Integration of ESG in risk management (material issue)

### Approach to Risk

#### Credit risk

The Compliance Department is responsible for ensuring that the Credit Policy complies with the prevailing legal and regulatory framework at all times. This includes being informed about credit applications concerning related parties and cases of conflict of interest. The Board of Directors (BoD) plays a significant role in approving various aspects related to credit applications, especially those pertaining to borrowers with significant exposure, and in overseeing the strategy for managing problematic loans, as well as provisions, write-offs, and contingent write-offs.

Risk control decisions setting limits on the Bank's market risk, interest rate risk and liquidity risk activities based on recommendations formulated by the Risk Management Department (RMD) and related to approval of policy, setting risk and stop-loss limits and relevant parameters framework.

#### Risk Management Charter

The prime objective of the Bank's Risk Management operations is the timely recognition, assessment, monitoring and effective management of the risks the Bank is exposed to, with the aim to maintain its capital and liquidity adequacy at solid levels and to prudently balance risk with return for the Bank's shareholders.

The above objective is served by the Bank's Risk Management Policy Framework (RMPF), which outlines the Bank's internal risk management framework, consisting of goals and objectives, individual policies and action plans per risk category or area, relevant processes and methodologies, that should be adopted and implemented by all employees involved in risk taking activities (including the Bank's Senior Executive Management), with the aim:

- To identify the main risks and the areas of the Bank that are exposed to these risks,
- To implement appropriate methodologies for managing risk,
- To require and establish adequate systems and controls that will enable effective Risk Management (e.g., measurement, monitoring, reporting).

Additionally, through the adoption of the RMPF, the Bank seeks to:

- Safeguard compliance with the standards of corporate governance and risk management set out by the at each time applicable Banking regulatory and supervisory framework, taking into account the particular characteristics of the Bank's specialist activity, its organic and economic size and the relevant best practices,
- Align the Board of Director's (BoD) strategic goals with the risks assumed,
- Require regular BoD review of Risk Management policies, procedures and activities,
- Minimize the level of possible and/or actual losses associated with market, credit, liquidity and operational risks through a sound system of internal controls.

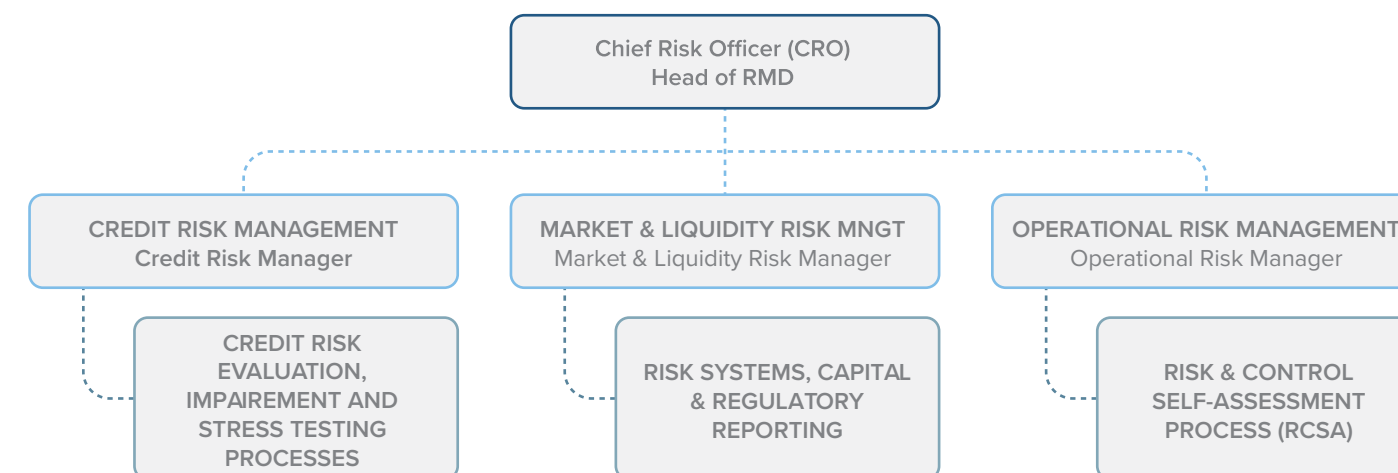


Figure 13: Risk Management structure

The Risk Management Policies consist of the Credit Policy, the Impairment Policy for Loan Exposures and Debt Securities (including relevant other policies and procedures) and the Risk Management Policy Framework which includes the following documents:

- Credit Risk Management Policy
- Market Risk Management Policy
- Operational Risk Management Policy
- Liquidity Risk Management Policy
- Capital Management & Regulatory Reporting Policy, and
- The Risk Procedures Manual.

#### ESG in Governance processes

Since 2022, ABBank has taken the proactive step of appointing a senior executive to serve as a coordinator for monitoring developments in Environmental, Social, and Governance (ESG) risks' regulatory requirements. This individual is responsible for gradually integrating these requirements into the spectrum of the Bank's and Group's activities, exposures, and internal processes. Additionally, they are tasked with mapping out the potential impact of these requirements on risk assessment.

In addition, the Bank is actively engaged in the process of identifying and establishing its environmental, social, and governance (ESG) priorities, objectives, and strategies. The aim is to seamlessly integrate sustainability into the Bank's overarching strategy and day-to-day operations. As a pivotal first step, the Bank has formed a temporary ESG Committee, which includes the leaders of essential units within the organization.

## 7.6. Transparency and Accountability (material issue)

We are committed to maintaining a transparent and accountable workforce. As part of our ongoing compliance efforts, we disclose the total number of covered employees with records of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings. For the current reporting period, we have not received any complaints or reports in this regard. This status has been confirmed by our Compliance department, ensuring our employees adhere to the highest standards of conduct.

We prioritize transparency and fairness in all our dealings, particularly in our communications with customers. We ensure that all information regarding our products and services is clear, accurate, and comprehensible. Consequently, we have incurred no monetary losses during the reporting period from legal proceedings associated with lack of information transparency, such as false advertising, lack of transparency in small print, marketing to vulnerable groups, transparency of fees, mis-selling products, overcharging clients, or any other related issues. Our practice of personal contact with clients ensures tailored presentations and explanations of products and services, meeting the specific needs of our clientele.

Our approach to customer communication is centered on clarity and personalization. We prioritize direct, personal contact with our clients, ensuring they fully understand our products and services. New payment services and other important updates are communicated through regular correspondence, including postal mail and emails, based on the contact information provided by customers. This method ensures that all communications are received and understood by our clients, reinforcing our commitment to transparency and effective communication.

### Marketing and Labeling: Product and Service Labelling

ABBank's existing policy that relates to the design of new products, which take into account the aspects that need to be addressed, involves and engages all departments that are required for the design and sale of a financial product / service, the target market, the fair and prompt information of the depositors/investors etc.

Objective review by all involved departments is required as well as sign off by the appropriate management and other approving bodies. In order to do this, the Bank takes a certain set of criteria into consideration to define whether a product is new or significantly changed. Responsible for identifying whether a product is new, or whether an existing product will go through significant changes, is the Head of Strategic Planning in cooperation with the COO and the National Provider Identifies (NPI). Any new products are presented to the senior management. In the case where the proposal is aligned with the Bank's strategy and business objectives, Senior Management provides its initial accord to further proceed with the required approving steps. Following that, management delegates the detailed evaluation of the new product to ALCO, a committee in which Senior Management participates as well.

The input of both Compliance/AML and Risk Management Department should include a full and objective assessment of risks related to the Product, of any potential shortcomings in the Bank's risk management and internal control frameworks, and of the Bank's ability to manage any new risks effectively.

Risk Management Department is involved in the whole process in order to assist the proper design, which will prevent potential risks. Internal Audit performs independent internal reviews on the risk management framework in relation to the new product, taking into account information from the Risk Management Department.

The policy mentioned above takes into account the knowledge of prospect depositor/investor and assists that they make an informed decision.



# 8. Appendix

## 8.1. GRI Table

Statement of use	ABBank has reported in accordance with the GRI Standards from 1 January 2022 to 31 December 2023.
GRI 1 used	GRI: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Standard	Disclosure	Location		Omissions	
		Section	Page(s)	Reason	Explanation
<b>GENERAL DISCLOSURES</b>					
<b>GRI 2 General Disclosures 2021</b>	2-1 Organisational details	1. About this report			
	2-2 Entities included in the organisation's sustainability reporting	1. About this report			
	2-3 Reporting period, frequency and contact point	1. About this report			
	2-4 Restatements of information	1. About this report			
	2-5 External assurance	1. About this report			
	2-6 Activities, value chain and other business relationships	3. ABBank at a glance			
	2-7 Employees	6.2 Workforce Well-being			
	2-8 Workers who are not employees			Not available/	
	Incomplete information.	ABBank primarily operates with a workforce composed of full-time employees who handle the majority of Banking operations.			
	2-9 Governance structure and composition	7.1 Corporate Governance Structure			
	2-10 Nomination and selection of the highest governance body	7.1 Corporate Governance Structure			
	2-11 Chair of the highest governance body	7.1 Corporate Governance Structure			
	2-12 Role of the highest governance body in overseeing the management of impacts	7.1 Corporate Governance Structure			
	2-13 Delegation of responsibility for managing impacts				Entire disclosure – Information unavailable
	2-14 Role of the highest governance body in sustainability reporting	7.1 Corporate Governance Structure			

GRI Standard	Disclosure	Location		Omissions	
		Section	Page(s)	Reason	Explanation
<b>GRI 2 General Disclosures 2021</b>	2-15 Conflicts of interest	7.2 Ethical business conduct and culture			
	2-16 Communication of critical concerns	7.2 Ethical business conduct and culture			
	2-17 Collective knowledge of the highest governance body	7.1 Corporate Governance Structure			
	2-18 Evaluation of the performance of the highest governance body	7.1 Corporate Governance Structure			
	2-19 Remuneration policies	7.1 Corporate Governance Structure			
	2-20 Process to determine remuneration	7.1 Corporate Governance Structure			
	2-21 Annual total compensation ratio			Confidentiality constraints.	ABBank aims to maintain the confidentiality of sensitive information and data as a means of ensuring its compliance with applicable laws, including aspects related to data privacy and protection.
	2-22 Statement on Sustainable Development Strategy	2. Statement of the CEO			
	2-23 Policy commitments	7.2 Ethical business conduct and culture			
	2-24 Embedding policy commitments	7.2 Ethical business conduct and culture			
	2-25 Processes to remediate negative impacts	7.2 Ethical business conduct and culture			
	2-26 Mechanisms for seeking advice and raising concerns	7.2 Ethical business conduct and culture			
	2-27 Compliance with laws and regulations	7.3 Regulatory Compliance and Risk Management			
	2-28 Membership associations	3.4 Memberships and associations			
	2-29 Approach to stakeholder engagement	4.2 Stakeholder engagement			
2-30 Collective bargaining agreements	6.2 Workforce Well-being				
<b>GRI 3 Material Topics 2021</b>	3-1 Process to determine material topics	4.1 Materiality analysis			
	3-2 List of material topics	4.3 ABBank's material issues			
	3-3 Management of material topics	4.3 ABBank's material issues			

GRI Standard	Disclosure	Location		Omissions	
		Section	Page(s)	Reason	Explanation
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	3.3 Economic performance			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	5.2 Energy and emissions in operations			
	302-3 Energy intensity	5.2 Energy and emissions in operations			
	302-4 Reduction of energy consumption	5.2 Energy and emissions in operations			
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	5.2 Energy and emissions in operations			
	305-2 Energy indirect (Scope 2) GHG emissions	5.2 Energy and emissions in operations			
	305-3 Other indirect (Scope 3) GHG emissions	5.2 Energy and emissions in operations			
	305-4 GHG emissions intensity	5.2 Energy and emissions in operations			
	305-5 Reduction of GHG emissions	5.2 Energy and emissions in operations			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	6.2 Workforce Well-being			
	401-2 Benefits provided to full-time Employees that are not provided to temporary or part-time Employees	6.2 Workforce Well-being			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9 Work-related injuries	6.2 Workforce Well-being			
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	6.3 Equal treatment and opportunities for all			
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	6.1 Community Engagement and Social Impact			
	413-2 Operations with significant actual and potential negative impacts on local communities	6.1 Community Engagement and Social Impact			
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	7.3 Regulatory Compliance and Risk Management			
	205-2 Communication and training about anti-corruption policies and procedures	7.3 Regulatory Compliance and Risk Management			
	205-3 Confirmed incidents of corruption and actions taken	7.3 Regulatory Compliance and Risk Management			

GRI Standard	Disclosure	Location		Omissions	
		Section	Page(s)	Reason	Explanation
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1 Legal action against anti-competitive behaviour, anti-trust, and monopoly practices	7.3 Regulatory Compliance and Risk Management			
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	7.4 Data security and customer privacy			

## 8.2. SASB Table

SASB Topic	SASB Metric	SASB Code	Location	
			Section	Page
<b>Transparent Information &amp; Fair Advice for Customer</b>	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-AC-270a.1	7.6 Transparency and Accountability	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	FN-AC-270a.2	7.6 Transparency and Accountability	
	Description of approach to informing customers about products and services	FN-AC-270a.3	7.6 Transparency and Accountability	
<b>Customer Data Privacy and Security Protection</b>	Data, Transactions Security, and Customer Data Confidentiality	FN-CB-230a.2	7.4 Data security and customer privacy	





**ABBank**