GROWTHFUND
THE NATIONAL FUND OF GREECE

ESG
Environmental Social & Governance Reporting Handbook for Investees

2023

Growthfund's ESG Policy, along with this ESG Reporting Handbook for its investees, were prepared with technical assistance from the European Bank for Reconstruction and Development (EBRD).

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Introduction

Growthfund, the National Fund of Greece, has an active role in the modernisation of its investees, to maximise the value of public property, provide upgraded services for citizens and consumers whilst contributing to the national economy.

Growthfund is a member of the One Planet Sovereign Wealth Funds (OPSWF) Network whose framework is aligned with the Paris Agreement goals and the Intergovernmental Panel on Climate Change (IPCC) conclusions.

Growthfund also supports the Just Transition Plan of Greece to develop the country's Roadmap towards the energy and climate transition.

Growthfund has also set basic corporate governance principles for all investees and has committed to ensure its investees are complying with environmental and social laws.

In January 2023, Growthfund published its Climate Change Expectations of Subsidiaries, including, among others, expectations to:

- Integrate climate change into governance, strategy, risk management, and reporting.
- Regulatory compliance and alignment with international sustainability and climate commitments such as the UN SDGs, and the Paris Agreement as well as with the Taskforce on Climate-Related Financial Disclosures (TCFD).
- Prepare a Transition plan to low carbon emissions.
- Set sustainability objectives and develop a climate scenario analysis.
- Assess organizational structure and investor demands.
- Plan to reduce and compensate for scope 1,2 and 3 emissions.
- Engage with stakeholders.

Growthfund's subsidiaries are in sectors that account for 25% of Greece's total CO_2 emissions. In response, Growthfund has pledged to reduce CO_2 emissions by 15% by 2024. To achieve this pledge, the expectations of Growthfund towards its investee companies (current and prospective) are revolving around embracing environmental, social and governance (ESG) integration, transparency, and disclosure.

Correspondingly, Growthfund has developed an ESG Policy as a guiding document to gradually embed ESG criteria into its own governance arrangements, strategy, decision-making process, risk management, and reporting procedures, as well as that of its investee companies. Growthfund's ESG Policy encompasses principles and procedures for sustainable investing and is accompanied by this ESG Handbook for investees.

With this ESG Handbook, Growthfund aims to support all investees to adopt and accelerate ESG integration into their activities so as to align with Growthfund's ESG Policy.

The ESG Handbook also presents (current and prospective) mandatory ESG reporting requirements from Growthfund to all investees (see Annex 5 Growthfund's Reporting Requirements for Investees).

Growthfund's ESG Handbook is distributed to all investees and will be updated by Growthfund regularly to reflect any amendments to the ESG policy as well as developments and best ESG practices according to international, EU and national priorities along with Growthfund's commitments and the sole shareholder's strategy and mandate.

This ESG Handbook must be read in conjunction with Growthfund's ESG Policy.

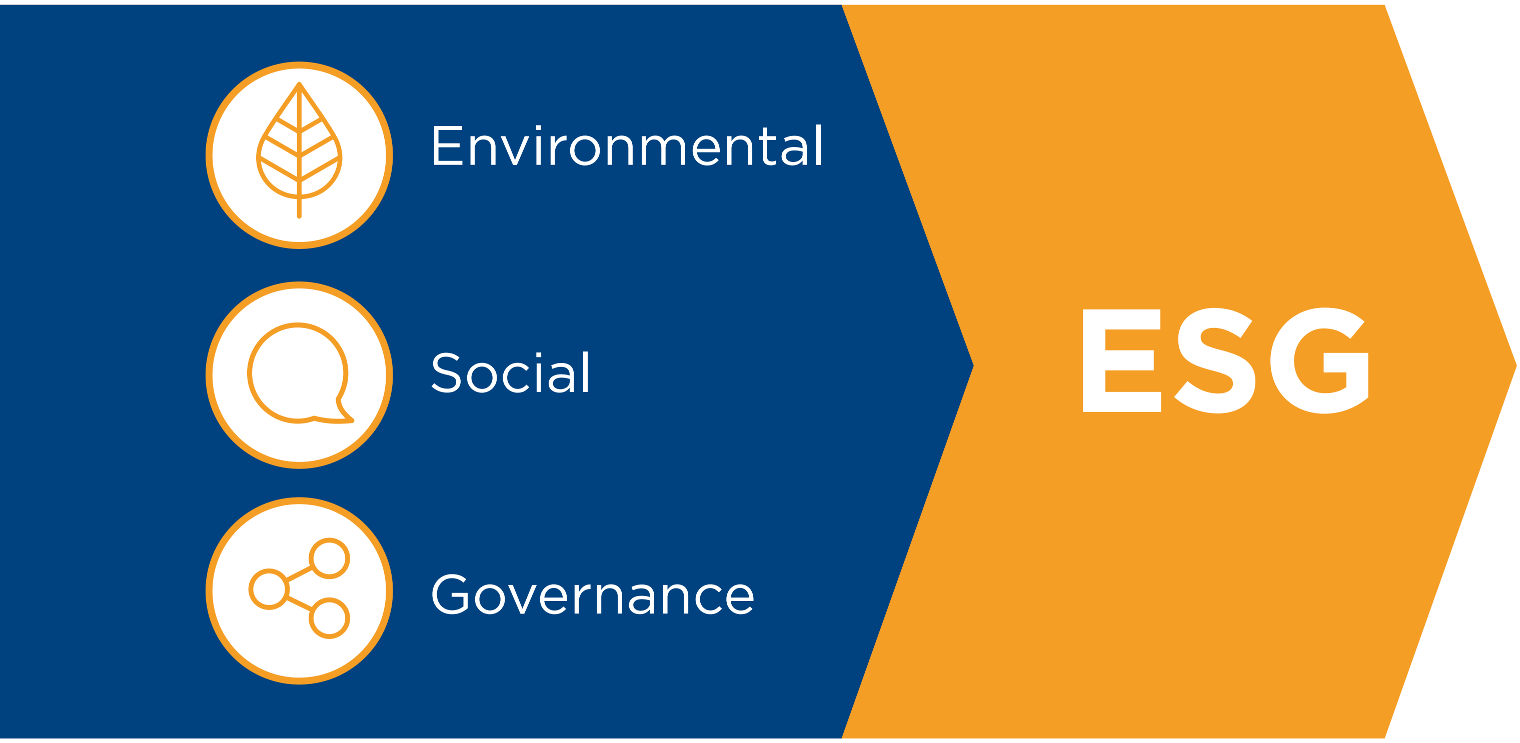
Abbreviations & Acronyms

COP	Conference of the Parties
CSDD	Corporate Sustainability Due Diligence
CSRD	Corporate Sustainability Reporting Directive
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
EU	European Union
E&S	Environmental & Social
GRI	Global Reporting Initiative
KPIs	Key Performance Indicators
NDC	Nationally Determined Contribution
NFRD	Non-financial Reporting Directive
PRI	Principles for Responsible Investment
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact

01
About ESG

1. About ESG

1.1 ESG Definition



Environmental, Social and Governance (ESG) are a set of factors used to evaluate an entity's commitment to sustainable operations, risk exposure and growth. For instance:

- **Environmental factors** consider an entity's environmental footprint, including how operations and business practices impact the environment, e.g., soil, water, air emissions, biodiversity, GHG emissions, and conversely, how environmental issues such as extreme weather events and climate change impact an entity's operations.
- **Social factors** entail how an organization manages relationships with employees, suppliers, customers, and the communities in which it operates; and how social issues, such as customer dissatisfaction, labour standards, or community relations may affect an entity's operations and social license to operate (SLO)[1].
- **Governance factors** deal with an entity's leadership, audits, transparency, codes, internal controls, stakeholder rights, and governance issues such as board oversight for ESG matters or effective supply chain management that affect an entity's sustainability. Governance specifically plays an important role in ensuring that an entity's strategies, policies, and operations are environmentally and socially responsible, transparent, and resilient to disruptions.

[1] The concept of 'Social Licence to Operate' (SLO) refers to a local community's acceptance or approval of a project or a company's ongoing presence, beyond formal regulatory permitting processes (e.g. public hearing and rights for written interventions). SLO derives from the acknowledgement that stakeholders may threaten a company's legitimacy and ability to operate through boycotts, picketing or legal actions. Source: EU Science Hub

1.2 Why ESG is important for investees

Global climate and broader sustainability commitments, such as the Paris Agreement on Climate and the UN Sustainable Development Goals (see Annex 4. International Commitments, Initiatives and ESG Frameworks), are now being implemented as legislated objectives, sector-led initiatives and national policy commitments (see Annex 2. National Legislation).

At European level, the EU Green Deal and Sustainable Finance Framework drive central components of ESG legislation for EU countries (see Annex 3. EU Legislation).

Investors, lenders, insurers and other market participants have responded by **taking ESG factors into account in every-day decision making**. Such ESG factors are outlined in Growthfund's ESG Policy document.

Thus, ESG integration into governance, strategy, risk management, reporting, and operations is more critical than ever for all investees. For those operating in emissions-intensive sectors, the extent and pace of transition to "greening" their activities will need to go through intermediate stages considering their sustainability maturity levels.

1.2.1 ESG Integration - Opportunities and Risks

ESG integration in an entity's activities generates financing, commercial, and operational **opportunities**, as shown in the table below.

Indicative ESG Opportunities for Investees

Business Growth	▶ Attract capital and ensure access to finance. ▶ Develop new business lines. ▶ Drive long-term business resilience. ▶ Gain a competitive edge in the market. ▶ Improve operational efficiency.
Risk Management	Manage and mitigate: ▶ ESG and climate-related (physical/transition) risks. ▶ Operational risks, ▶ Reputational risks, and ▶ Regulatory risks (among others).
Brand Reputation	Enhance brand equity and image by building stronger relations with stakeholders and integrating their ESG considerations to meet their needs.

ESG risks vary amongst investees and their sectors, sizes, and geographies. Thorough **stakeholder engagements and materiality assessments** are fundamental steps for investees to identify and manage ESG risks through policies, processes, and an overall re-alignment of their business models with a low-carbon, circular, and more sustainable economy.

More information about managing ESG risks may be found in Chapter 3, **"ESG Integration in Governance, Strategy, and Risk Management."**

02

Identification of Material ESG Issues

2. Identification of Material ESG Issues

The identification of material ESG issues is the first essential step for an entity to manage, monitor, mitigate and report its ESG impact, risks, and opportunities. This entails engaging with and collecting data from stakeholders to effectively manage risks and leverage opportunities.

2.1 Stakeholder Engagement

Stakeholder engagement involves the identification and prioritization of stakeholders and the development and implementation of an engagement plan to understand the stakeholders' expectations and concerns associated with the business. It is a process of paramount importance for an entity as it needs to identify, analyze, plan, and implement actions aiming to meet stakeholders' expectations while enhancing the entity's overall performance and impact on the environment and society.

2.1.1 Stakeholder Definition

Stakeholders are all those entities (legal entities or people) affected by the activities of an entity or who have an impact on the operations of the entity and are usually divided into:

- Direct and Indirect Stakeholders
- Internal and External Stakeholders.

Direct stakeholders are those who have a direct stake in the entity and its success, such as investors and shareholders, employees, customers, suppliers, and local communities.
Indirect stakeholders are those who may be very influential, especially in questions of reputation, but whose stake is more representational than direct, such as associations, regulators, government agencies, and media.
Internal stakeholders are generally the owners, the management team, and employees.
External stakeholders include the local communities, customers, suppliers, investors, lenders, and regulators.

2.1.2 Stakeholder Identification and Mapping

The aim of the stakeholder identification process is to enable an entity to define who are its internal and external stakeholders. After the stakeholder identification, the entity performs stakeholder mapping, which defines the level of engagement needed for each stakeholder group.

The example below shows an indicative stakeholder identification of a company, yet investees should conduct their own stakeholder identification process.

Stakeholder Group	Stakeholder Type
Shareholders Management Team Employees	Internal
Customers Government Regulators Auditors Lenders Investors Suppliers Business Networks Local Communities NGOs Media	External

2.1.3 Stakeholder Engagement Plan

A Stakeholder Engagement Plan (SEP) involves identifying and mapping stakeholders and describes the current and potential methods/channels of engagement. By implementing the SEP, the entity can record the expectations of each stakeholder category and formulate the entity's response to address feedback from stakeholders.

In a SEP, the entity's stakeholders are prioritised into direct and indirect. A comprehensive SEP also includes a **grievance mechanism** to receive complaints and topical reports from stakeholders. See 2.1.5 Indicative Complaint Procedure and Public Grievance Form.

Investees may also review an example of grievance management by the **Public Power Corporation (PPC)** as presented in PPC Sustainability Report 2021 (pages 231-235)[2], as well as a grievance mechanism by **EYDAP** as outlined in EYDAP Sustainability Report 2021 (page 124)[3].

[2] PPC Sustainability Report 2021
[3] EYDAP Sustainability Report 2021

2.1.4 How investees can conduct Stakeholder Engagement

The table below provides guidance on how an entity may perform stakeholder engagement.

Steps	Activities
01 Prepare internally for the stakeholder engagement	▶ Appointment of a responsible team/member to plan and carry out the engagement. ▶ Stakeholder mapping and identification.
02 Develop and implement a stakeholder engagement plan	▶ Prioritize/Categorize the stakeholders (direct/ indirect, internal/external). ▶ Collect communication data (contact details) for stakeholders. ▶ Define the engagement status of each stakeholder group (current/prospective, active/inactive). ▶ Conduct senior management interviews and questionnaires to employees to provide insights into business' strengths, weaknesses, opportunities, and threats. ▶ Select the communication channels and methods (i.e., questionnaires, focus groups, forum, etc.) for external stakeholders. ▶ Decide the frequency of engagement with each stakeholder category. ▶ Record and analyze the feedback received about material ESG issues from each stakeholder group. ▶ Track and communicate adjustments at organizational level (e.g. risk policy) and project level that took place based on stakeholder input.
03 Integrate, manage, and report material ESG issues	▶ Integrate the feedback on material ESG issues and prioritization of the stakeholder groups into the materiality analysis process.

For further information on how to implement **a systematic stakeholder engagement process, consult Annex 1.**

2.1.5 Indicative Complaint Procedure and Public Grievance Form

Reference No:			
Full Name		Date Received	
Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent	☐ I wish to raise my grievance anonymously ☐ I request not to disclose my identity without my consent		
Contact Information Please mark how you wish to be contacted (mail, telephone, e- mail).	☐ By Post: Please provide mailing address: ______ ______ ☐ By Telephone: ______ ☐ By E-mail: ______		
Language Please mark your preferred language for communication	☐ Greek ☐ Other		
Description of Incident or Grievance:	What happened? Where did it happen? Who did it happen to? What is the result of the problem?		
Date of Incident/Grievance			
	☐ One-time incident/grievance (date ______) ☐ Happened more than once (how many times? ______) ☐ On-going (currently experiencing problem)		
What would you like to see happen to resolve the problem?			

Please return this form to:
- Name:
- Tel:
- Email:

Source: Complaint Procedure and Public Grievance Form, Mytilineos

To assist investee companies, the tables below show examples of internal and external **Stakeholder Engagement Plan (SEP) considerations.**

(Internal) Stakeholder Engagement Plan (SEP) Considerations

Stakeholder Category	Level of Importance	Frequency of Engagement	Method/Channel of Engagement	Stakeholder's Expectations	Response to Expectations
Shareholders	Primary	Quarterly	▶ Phone calls ▶ Mails ▶ Meetings ▶ Annual Report	▶ Information disclosure /reporting, participatory processes ▶ Influence on project design	▶ Transparent decision - making processes ▶ Meeting minutes ▶ Reporting

(External) Stakeholder Engagement Plan Considerations

Stakeholder Category	Level of Importance	Frequency of Engagement	Method/Channel of Engagement	Stakeholder's Expectations	Response to Expectations
Investors /Lenders	Secondary	Annually /When needed	▶ Reporting ▶ Site visits ▶ Mails ▶ Website ▶ Annual Report	▶ Compliance with regulatory and lending /investment terms ▶ Disclosure ▶ Influence on project design	▶ Regulatory Compliance ▶ Progress reporting ▶ Two - way communication (informing and integrating feedback)

Investees may also review **Growthfund's approach to stakeholder engagement**, as mentioned in its 2021 Sustainability Report (page 25)[4] and as presented below.

[4] Growthfund 2021 Sustainability Report

2.1.6 Growthfund's Stakeholder Engagement Plan

Stakeholder Group	Communication Channels
Growthfund Supervisory Board	Reports
Growthfund Board of Directors	Meetings with authorities, Spokespeople in high-level ESG events, Stakeholder meetings
SOEs' Employees	Internal Communication tools, Corporate Events, Research Studies, Polls
SOEs' Trade Unions	Regular updates / meetings on important issues
Citizens, Customers	Corporate Website, Social Media, Trust Index yearly Research, Communication Campaigns, Research Studies, Polls
Government, Political Parties & Governance Bodies	Annual Report, Sustainability Report, Press releases, Corporate Website, Communication with Growthfund's and SOEs' management, Research Studies, Structured Visits
Investors, Athens Stock Exchange	Corporate Website, Press releases, Conferences, Investor presentations and roadshows, One-to-one meetings, Annual General Assembly, Annual Report, Sustainability Report
Local Authorities	Community events, Participation in local projects
Media	Press Office, Press Conferences, Reports, Corporate Website, Social Media, Research Studies
European Institutions	One-to-one meetings, Annual report, Sustainability report, Press Releases, Annual General Assembly
Sovereign Wealth Funds	Corporate Website, Press Releases, Annual report, Sustainability report, Peer exchange meetings, Participation in international peer organizations
Suppliers	Corporate Website, Code of Conduct, Terms of contracts
Academia & Research	Surveys, Social Media, Events
NGOs	Site visits, Opinion on specialized issues, Co-design initiatives,
Fora	Corporate Website, Social Media, Press releases ESG / Sustainability organizations, Selected ESG events,
Startups	Corporate Website, Social Media, Press releases Hackathons, Educational Programs

Source: Growthfund 2021 Sustainability Report

Each investee shall document all **feedback received** from the stakeholder engagement process to conduct a materiality assessment and adjust its lending or investments or operational activities accordingly, where appropriate.

2.2 Materiality Assessment
2.2.1 Materiality Definition

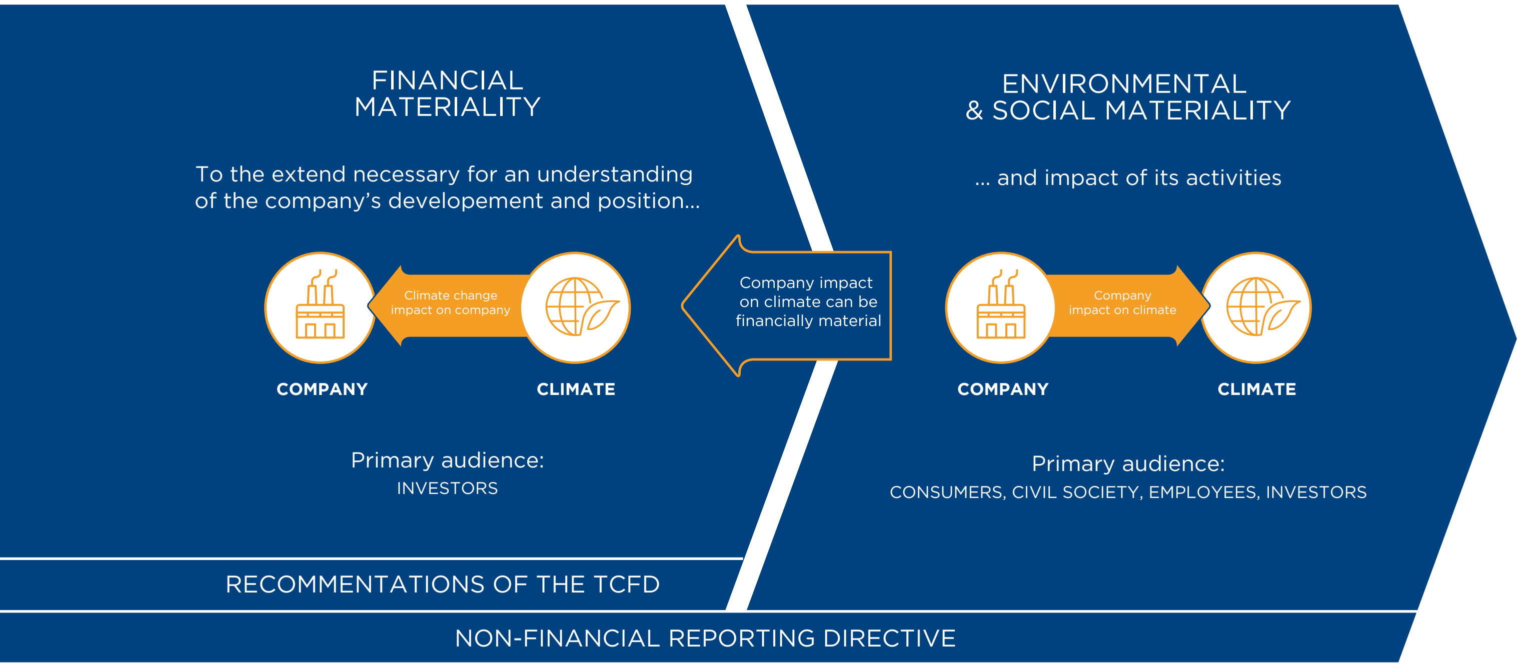
Materiality is a key concept in the world of accounting and financial reporting and plays a part both in the preparation of the disclosures and their verification by an auditor. **Materiality** assessment is the process of identifying, assessing, and prioritizing the material ESG issues of an entity and its stakeholders. It is used to 'filter in' the information that is or should be relevant to users. Particular information is considered 'material' - or relevant - if it could influence the decision-making of stakeholders in respect of the reporting company (Source: adopted by the GRI).

A materiality assessment helps an entity determine and prioritize ESG issues that are most material (important) to the entity and its stakeholders and set targets and KPIs for effective business strategy and risk management.

2.2.2 Double Materiality

Double materiality is a critical component of sustainability/non-financial reporting in the EU.

The Non-Financial Reporting Directive (NFRD) requires companies and financial institutions to adopt the double materiality perspective. The following figure explains the double materiality perspective of the NFRD in the context of reporting climate-related information.

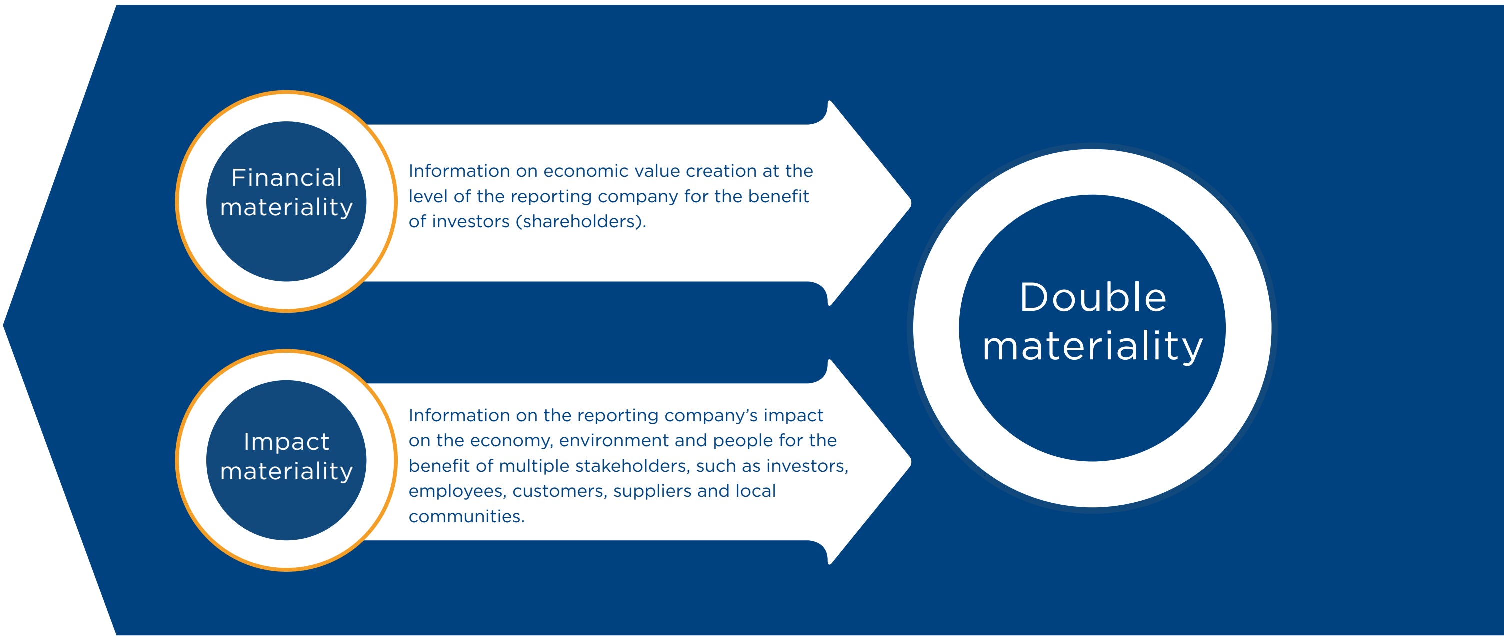


* Financial materiality is used here in the broad sense of affecting the value of the company, not just in the sense os affecting financial measures recognised int he financial statements.

Source: Guidelines on non-financial reporting: Supplement on reporting climate-related information, European Commission, 2019

Furthermore, under the newly adopted Corporate Sustainability Reporting Directive (CSRD) - that replaces the NFRD, entities in scope are required to report using a **double materiality perspective** in line with the (forthcoming) European Sustainability Reporting Standards (ESRS).

As per the first set of **draft European Sustainability Reporting Standards (ESRS) and double materiality guidelines** prepared by the European Financial Reporting Advisory Group (EFRAG), double materiality is the combination of **financial materiality and impact materiality**, as shown in the figure below.



Source: GRI

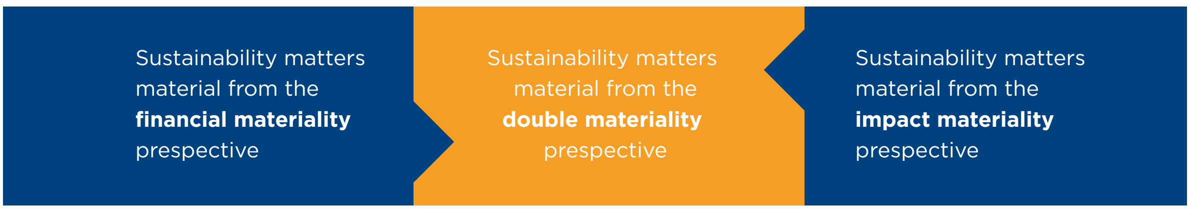
Therefore, an ESG/sustainability topic meets the criteria of double materiality if it is material from the impact perspective and the financial perspective.

In identifying material topics, investees may advise internationally accepted ESG reporting frameworks and standards, such as the GRI Standards (which are based on double materiality), the SASB Materiality Finder, as well as national guidelines such as the Athens Stock Exchange ESG Reporting Guide (see Annex 1. Sources and Tools for Investees).

Investees shall refer to double materiality for the identification of their principal impacts, risks, and opportunities (see chapter Materiality assessment of sustainability impacts, risks, and opportunities in ESRS 2). In addition, according to the ESRS, the **terms significant and material** have the same meaning when referring to impacts, risks and opportunities.

The Growthfund subsidiaries for which a double materiality has been requested are the following: EYDAP, EYATH, HRADF, HPPC, OASA Group, ELTA Group, GAIAOSE.

The figure below shows the double materiality approach.



Source: [Draft] European Sustainability Reporting Guidelines 1,
Double materiality conceptual guidelines for standard-setting, EFRAG

2.2.3 How investees can conduct Double Materiality Assessment

Steps	Activities
01 Review and Benchmarking	▶ Peer review and benchmarking analysis: ESG frameworks review, megatrends and external environment analysis such as ESG best practices, business strategy, policies, and reporting disclosures by peers. ▶ List all material ESG issues raised by the stakeholder engagement process and by Growthfund's Environmental and Social Due Diligence (ESDD) process, as outlined in Growthfund's ESG Policy.
02 Double Materiality assessment	▶ Prioritize the topics most material to the company, from financial and impact materiality perspectives, in line with the concept of double materiality. ▶ Financial materiality: Rank financially material topics based on their capacity to affect enterprise value, such as the potential of the topic to cause disruption to business activities and priorities, and the level of investor interest the topic attracted. ▶ Impact materiality: Rank each topic for impact materiality, based on impact on people, the environment, and the economy. ▶ Assessment results are summarized in a matrix (see example below) and are included in the management report content.
03 Integration and disclosure	Integration of material ESG issues in governance, strategic planning, risk management, and reporting.

2.2.4 Indicative Double Materiality Analysis by a green energy company

The figures below show an example of a double materiality analysis conducted by a green energy company.

Materiality analysis:Table of impacts

Value Chain Material issues I Level Issues	Impact materiality Main impact generated (potential/actual)	Type of impact	Impact materiality level (Severity/ Magnitude)	Main reference SDG for positive impacts	Financial materiality Financial materiality level (impact suffered)	Double materiality Double materiality level	Strategy and Performance (Ref. CHARTEERS/ paragraphs of Report)
Decarbonization of the energy mix	Reduction of emissions through improvement of the national energy mix by-increasing the installed renewable capacity	Positive	Medium	7, 13	High	High	THE PATH TO NET ZERO
PLANET	Failure to reduce emissions due to the ongoing process of shutting down thermoelectric power plants	Negative	Medium				
Conservation of ecosystems and environmental management	Promotion of energy efficiency to reduce energy consumption	Positive	Medium	7, 12	High	Medium	TOWARDS A "NATURE-BASED" MODEL
	Increased noise pollution which contributes to loss of biodiversity in the surrounding area	Negative	Medium				
Occupational health and safety	Increased attention to health and safety issues within the company thanks to preventive actions	Positive	Medium	3	High	Medium	ESG BACKBONES - Occupational health and safety
	Increase in the rate of accidents due to a failure to disseminate a health and safety culture in the community in which the Company operates	Negative	Medium				
Engaging local and global communities	Social and economic development of the communities in which the Company operates by actively listening to them	Positive	Medium	8	Medium	Medium	PROGRESS STARTS WITH PEOPLE - Local and global communities
PEOPLE	Insufficient attetion paid to preventing social conflicts within local communities	Negative	Medium				
People management development and, motivation	Guarantee of stable and decent work for our people	Positive	Low	8	Medium	Medium	PROGRESS STARTS WITH PEOPLE - Enel people
	Reduction of job opportunities offered due to inadequate institutional support	Negative	Medium				
Sustainable supply chain	Promotion of Circular Economy principles among small and medium-sized suppliers	Positive	Low	12	Medium	Medium	PROGRESS STARTS WITH PEOPLE - Suppliers
	Increase in environmental impacts due to a failure to adopt environmental management policies by the suppliers with whom the Company operates	Negative	Low				

Type of impact: Positive Negative

Materiality level: Low Medium High

Value Chain

Material issues: I Level Issues	Impact materiality: Main impact generated (potential/actual)	Type of impact	Impact materiality level (Severity/ Magnitude)	Main reference SDG for positive impacts	Financial materiality: Financial materiality level (impact suffered)	Double materiality: Double materiality level	Strategy and Performance (Ref. CHARTEERS/ paragraphs of Report)
Products and services for electrification and digitalization	Electrification of cities through electric mobility	Positive	Medium	7, 11	High	Medium	THE DECADE OF ELECTRIFICATION AND CUSTOMER CENTRICITY
	Increase in environmental impacts due to a failure to implement innovative digital services in customer service	Negative	Low				
Infrastructure and Networks	Guarantee of access to electricity in rural areas thanks to service quality improvements	Positive	Medium	7, 9	High	Medium	THE DECADE OF ELECTRIFICATION AND CUSTOMER CENTRICITY
	Reduction of national network reliability due to delayed maintenance	Negative	Medium				
Economic and financial value creation	Increase in investments intended to promote the energy transition	Positive	Medium	8	Medium	Medium	ALL CHAPTERS OF THE REPORT
	Reduction of investments in maintenance activities on existing assets	Negative	Low				
Innovation, circular economy and digital transformation	Social and economic development in the territories in which the company operates by supporting local start-ups intended to promote the circular economy	Positive	Medium	8, 12	Medium	Medium	GROWTH ACCELERATORS
	Reduction of raw materials used in the value chain due to their non-reuse	Negative	Low				
Customer engagement	Increase in the quality of innovative and sustainable services provided to customers	Positive	Medium	11	Medium	Medium	THE DECADE OF ELECTRIFICATION AND CUSTOMER CENTRICITY
	Lack of clear, transparent and inclusive communication on business information	Negative	Low				
Sound governance and fair corporate conduct	Guarantee of transparent communication of information relating to the Company's work	Positive	High	16	High	Medium	ESG BACKBONES - SOUND GOVERNANCE
	Lack of socio-economic development of the communities in which the Company operates due to the sub-optimal management of disputes and potential corruption events	Negative	Low				

PROSPERITY

PRINCIPLES OF GOVERNANCE

Type of impact: Positive Negative

Materiality level: Low Medium High

Source: The materiality analysis process and the results for 2021, Enel S.p.A.

2.2.5 Growthfund's Materiality Assessment

Another example is Growthfund's materiality assessment as presented below.

Higher

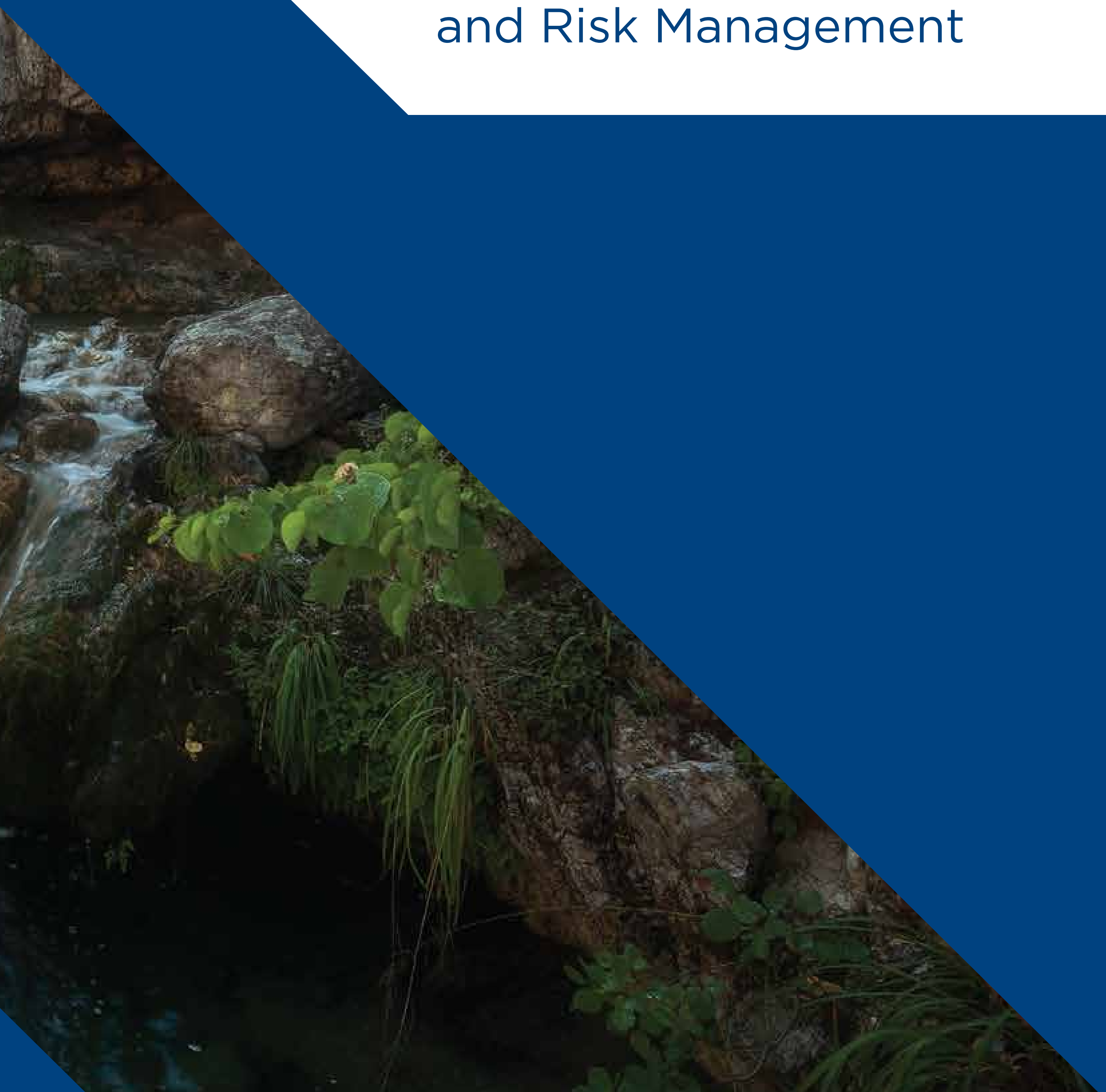
Internal Materiality Assessment	External Materiality Assessment
Governance of SOEs, Portfolio Management and Active Shareholder	Health, safety and wellbeing
Organisational Governance and transparency	Organisational Governance and transparency
Corporate Culture, Ethics, Codes of conduct and Reputation	Responsible and sustainable investments
Responsible and sustainable investments	Value creation and support for strategic sectors
Value creation and support for strategic sectors	Corporate Culture, Ethics, Codes of conduct and Reputation
Financial performance and returns	Stakeholder Engagement
Business risk management and internal control system	Climate Change Management (physical and transition)
Biodiversity and Environmental protection	Social and digital inclusion
Employee recruitment, diversity and development	Biodiversity and Environmental protection
Climate Change Management (physical and transition)	Employee recruitment, diversity and development
ESG governance and oversight	Financial performance and returns
Social and digital inclusion	Governance of SOEs, Portfolio Management and Active Shareholder
ESG Data, Monitoring, Reporting and disclosure	ESG Data, Monitoring, Reporting and disclosure
Stakeholder Engagement	Business risk management and internal control system
Health, safety and wellbeing	ESG governance and oversight

Lower

Source: Growthfund's 2021 Sustainability Report

03

ESG Integration in Governance, Strategy, and Risk Management



3. ESG Integration in Governance, Strategy, and Risk Management

The Growthfund expects investees to begin incorporating ESG factors into their activities in line with Growthfund's ESG Policy.

For investees that record high greenhouse gas emissions[2] (emissions-intensive sectors), Growthfund expects these entities to accelerate the integration of ESG, with emphasis on climate-related risks and metrics, into their strategy, governance, risk management and reporting.

Regulatory bodies, sector-led initiatives and ESG-related frameworks provide recommendations on how to incorporate ESG into governance, strategy, and risk management.

Indicative actions are summarized in the table below to assist investees align with Growthfund's ESG Policy.

[2] Investees should consult Growthfund's Climate Change Expectations document.

Governance	Strategy	Risk management
Develop ESG governance and assign roles and responsibilities. e.g., appoint a Chief Sustainability Officer, and/or assign person/s responsible for ESG issues at management level. In small, non-listed companies it is suggested that one employee takes the role of the Project Management Office (PMO).	Engage with stakeholders and apply a double materiality approach to feed into strategy. i.e., develop a Stakeholder Engagement Plan, apply double materiality, document all engagement processes and incorporate feedback into company's vision and business strategy.	Identify ESG risks according to the sector/industry, size, operations, and geography. e.g., apply ESG risk assessment, benchmark with industry - specific risks.
Ensure «tone from the top» and oversight of ESG issues. e.g., responsible person/s for ESG issues at Board level, and/or establishment of an ESG Committee.	Set out ESG objectives and priorities per strategy pillar. e.g., Energy efficiency - Reduce Scope 1, 2 and 3 GHG emissions by 15 % in the next two years.	Introduce ESG risk assessment methodologies e.g., portfolio alignment with the Paris Agreement, stress tests, scenario analysis, ESG ratings.
Enhance internal capabilities e.g., raise ESG awareness, conduct ESG training and capacity building for employees.	Develop ESG KPIs and action plan. e.g., GHG intensity (in kWh/year), number of women on the Board, employee satisfaction rate, customer retention rate, revenues from products or services that support the transition to a low carbon economy, proportion of executive management remuneration linked to climate considerations.	Adjust policies covering ESG risks. e.g risk policy.
Incorporate ESG factors in policies and processes e.g., supplier, due diligence, remuneration policies.	Assess the opportunity to develop sustainable products and services e.g., new business line of green and sustainable products	Establish ESG risk monitoring process. e.g. set ESG metrics to monitor on an annual basis such as Scope 1, Scope 2, and Scope 3 GHG emissions, amount and extent of assets or business activities vulnerable to physical climate risks.

Source: Global Sustain

For further assistance in ESG Risk Management and Due Diligence process, please consult **Growthfund's Environmental and Social Due Diligence (ESDD) process defined in its ESG Policy, Section 7.**

04
ESG Reporting

4. ESG Reporting

ESG reporting has, in certain jurisdictions such as the EU, become a mandatory requirement.

Investee entities of the Growthfund portfolio are expected to adopt transparency and disclosure best practices that follow mandatory EU requirements and ESG international standards, frameworks and initiatives. There is not one single ESG framework or standard that fits all investees.

Each investee is expected to report to Growthfund according to the instructions defined in Annex 5. Growthfund's Reporting Requirements for Investees.

Indicative guidelines for investees' **ESG Reporting Roadmap** are given below.

4.1 ESG Reporting Roadmap

Step 1	Step 2	Step 3	Step 4	Step 5
Getting Started	**Plan what to report**	**Measure your performance**	**Report your results**	**Identify improvements**
Assign a coordinator.	Review core business activities, goals, and vision.	Choose your indicators.	Check the quality of your results.	Solicit feedback from stakeholders on the materiality assessment.
Understand your starting point.	Identify and engage with your stakeholders.	Gather information and data.	Choose the method of communication.	Feed material ESG issues into governance, strategy, and risk management.
Form a sustainability reporting team.	Identify material issues to report on.	Learn from your indicators.	Arrange third-party assurance of the report.	Continue implementing your stakeholder engagement plan to build stronger relationships with stakeholders.
Create a timeline.	Set the reporting scope and boundaries.	Set performance targets for next year(s).	Communicate and disseminate the report to stakeholders.	Identify next steps for monitoring your performance targets.

Source: Global Sustain

05

Annexes

2. Annexes

Annex 1. Sources and Tools for Investees

01 ATHEX - ESG Reporting Guide 2022:
https://www.athexgroup.gr/documents/10180/6599246/ESG+Reporting+Guide+2022-2202.pdf

02 Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (the NFR Directive):
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014L0095

03 Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (the CSR Directive):
https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464

04 EBRD Environmental and Social Risk Categorisation List:
https://www.ebrd.com/downloads/about/sustainability/ebrd-risk-english.pdf

05 EBRD E&S Risk Management Toolkit:
https://www.ebrd.com/who-we-are/our-values/environmental-emanual-toolkit.html

06 European Commission, Communication from the Commission, Guidelines on Non-Financial Reporting: Supplement on reporting climate-related information (2019/C 209/01):
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XC0620(01)&from=EN

07 GRI Content Index Template:
https://www.globalreporting.org/reporting-support/reporting-tools/content-index-template/

08 PRI Investment Tools: https://www.unpri.org/investment-tools

09 Regulation (EU) 2020/852 (the EU Taxonomy Regulation):
https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32020R0852

10 SASB Materiality Finder: https://www.sasb.org/standards/materiality-finder

11 SDG Compass: https://sdgcompass.org/

12 TCFD Knowledge Hub: https://www.tcfdhub.org/

13 UN Global Compact Reporting: https://www.unglobalcompact.org/participation/report

14 EBRD's Guidance Note on Grievance Mechanism:
http://www.ebrd.com/downloads/about/sustainability/grievance-mechanism.pdf

15 Note on Meaningful Stakeholder Engagement:
https://www.ebrd.com/sites/Satellite?c=Content&cid=1395287542190&d=&pagename=EBRD%2FContent%2FDownloadDocument

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Annex 2. National Legislation

- Law 4706/2020 – **Corporate Governance**
- Law 4548/2018 – **Reform of legal framework of Sociétés Anonymes**
- Circular No. 62784 / 07.06.2017– **Non-Financial Information Reporting**
- Law 4403/2016 – **Annual Financial Statements**
- Law 4936/2022: **National Climate Law**

Annex 3. EU Legislation

Legislation	Timing	Overview	Segments impacted
EU TAXONOMY	► From 1 January 2022: Product disclosures start to apply for the first two environmental objectives (climate change mitigation and climate change adaptation) ► From 1 January 2023: Non-financial undertakings start disclosing the full KPIs on taxonomy-alignment under the Art. 8 Delegated Act. (Note: the technical screening criteria for the four remaining objectives are not yet published)	The EU Taxonomy establishes a green classification system that recognizes as green, or 'environmentally sustainable', economic activities that make a substantial contribution to at least one of the EU's climate and environmental objectives: 1. Climate change mitigation 2. Climate change adaptation 3. The sustainable use and protection of water and marine resources 4. The transition to a circular economy 5. Pollution prevention and control; and 6. The protection and restoration of biodiversity and ecosystems It also sets out four (4) conditions that an economic activity has to meet to be recognized as Taxonomy -aligned: ► making a substantial contribution to at least one environmental objective. ► doing no significant harm to any other environmental objective. ► complying with minimum social safeguards. ► complying with the technical screening criteria. Together with the Corporate Sustainability Reporting Directive (see below), these two instruments will ensure that companies disclose the environmental performance information of the company as well as information about a company's Taxonomy-aligned economic activities.	► EU and non-EU financial market participants under the scope of the SFDR. ► Companies subject to the NFRD and the CSRD (see bellow) ► Other EU and non-EU companies and financial market participants may voluntarily report using the Taxonomy criteria for transparency and reputational purposes.
NON-FINANCIAL REPORTING DIRECTIVE (NFRD)	► The rules introduced by the Non-Financial Reporting Directive **(NFRD) remain in force until companies have to apply the new rules of the CSRD.**	The NFRD sets out rules on the disclosure of non-financial information that in-scope companies have to publish related to:	Large undertakings which are public-interest entities (PIEs) with more than 500 employees during the financial year; and either:

Legislation	Timing	Overview	Segments impacted
		▶ environmental matters ▶ social matters and treatment of employees ▶ respect for human rights ▶ anti-corruption and bribery ▶ diversity on company boards (in terms of age, gender, educational and professional background).	▶ a balance sheet of more than €20million; or ▶ a net turnover of more than €40million, or that is a parent undertaking of a group that meets such criteria in combination. PIEs include: ▶ listed companies ▶ Banks ▶ insurance companies ▶ other companies designated by national authorities as public-interest entities.
CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)	**5 January 2023:** The CSRD entered into force. The application of the CSRD will take place in stages: **1. Reporting in 2025 on the FY2024** for companies already subject to the NFRD. **2. Reporting in 2026 on the FY2025** for large companies that are not currently subject to the NFRD. **3. Reporting in 2027 on the FY2026** for listed SMEs (except micro undertakings), small and non-complex credit institutions and captive insurance undertakings. **4. Reporting in 2029 on the FY2028** for third-country undertakings with net turnover above 150 million in the EU if they have at least one subsidiary or branch in the EU exceeding certain thresholds.	The Corporate Sustainability Reporting Directive (CSRD) extends the scope of mandatory sustainability reporting under the NFRD. Companies subject to the CSRD will have to report according to **European Sustainability Reporting Standards (ESRS)**. The draft standards are developed by the European Financial Reporting Advisory Group (EFRAG). The entities that are in-scope will also need to report under the **Taxonomy** (see above in the "EU Taxonomy") on the extent to which their activities are sustainable. The CSRD adopts **a double materiality approach.** The Commission should adopt the first set of standards by mid-2023, based on the draft standards published by EFRAG in November 2022.	▶ Listed and unlisted "large companies" and "large" credit institutions and insurance undertakings that exceed two out of three of the following criteria: (i) more than 250 employees on average over the financial year (ii) a net turnover of EUR 40 million (iii) a balance sheet total of EUR 20 million. ▶ Listed SMEs ▶ Small and medium-sized non-complex financial institutions, insurance, and reinsurance undertakings ▶ Non-EU companies or financial institutions where: ▶ Those with a subsidiary in the EU: where the third country parent undertaking has a substantial activity in the EU market (i.e., a net turnover of more than €150 million in the EU by itself or at a consolidated level for each of the last two consecutive financial years) ▶ Those with a branch in the EU: A third country parent undertaking with no subsidiary in the EU, but with a branch in the EU which generated a net turnover of more than €40 million in the preceding financial year.

Legislation	Timing	Overview	Segments impacted
CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE(CSDDD)	**2025 or 2026 (TBC):** Earliest possible date to start reporting on due diligence and adverse impacts.	The draft CSDDD is aimed at improving corporate governance practices of in-scope entities to better integrate risk management and mitigation processes for human rights and environmental risks and impacts, including those risks that stem from value chains, into corporate strategies as well as increase corporate accountability for adverse impacts.	**EU companies:** Group 1: all EU limited liability companies of substantial size and economic power (with 500+ employees and EUR 150 million+ in net turnover worldwide). For Group 1 companies, provisions shall apply 4 years from entry into force. Group 2: Other limited liability companies operating in defined high impact sectors, which do not meet Group 1 thresholds, but have more than 250 employees and a net turnover of EUR 40 million worldwide. For these companies, rules will start to apply 5 years from entry into force. **Non-EU companies** active in the EU with turnover threshold aligned with Group 1 and 2. All turnover needs to be generated in the EU.

Annex 4. International Commitments, Initiatives and ESG Frameworks

The Paris Agreement on Climate

The Paris Agreement is a **legally binding international treaty**, which was adopted in December 2015 at the Paris Climate Conference (COP21) and entered into force on 4 November 2016, in order to address and tackle climate change and its negative impacts. In total, **196 countries** have signed the 32-page document, almost every nation in the world. Its goal is to **limit global warming to well below 2, preferably to 1.5 degrees Celsius**, compared to pre-industrial levels. To achieve those two key aims, each country needs to commit to a series of actions. Namely, those are:

- Limit global temperature rise by reducing greenhouse emissions.
- Provide a framework for transparency, accountability, and the achievement of more ambitious targets.
- Mobilize support for climate change mitigation and adaptation in developing nations.

PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

For these three goals to be met, each country has submitted its plan for climate action, known as Nationally Determined Contribution (NDC).

The financial services sector has a key role to play in achieving the Paris Agreement goals as set out in **Article 2.1(c)** of the Paris Agreement, which commits signatories to make “finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”

Multilateral Development Banks **(MDBs)**, including the European Bank for Reconstruction and Development **(EBRD)**, have worked together to develop an operational framework for Paris alignment. EBRD's approach to alignment with the Paris Agreement is guided by the implementation approach agreed by the MDBs and is now an integral part of the Bank’s activities to support the climate action of the economies in which it invests.

The **Methodology to determine the Paris Agreement alignment of EBRD investments** was published in December 2022 and has three parts:

1. **Directly financed investments** covering projects that involve specific capital expenditure
2. **Indirectly financed investments** with partner financial intermediaries (PFIs) covering EBRD finance extended to financial intermediaries that finance a set of sub-transactions to end beneficiaries (through sub-projects or sub-investments)
3. **Financing types used by the EBRD** not otherwise covered by (1) and (2).

To learn more about EBRD activities and Paris alignment, visit visit the following link: https://www.ebrd.com/ebrd-activities-paris-alignment.

UN Sustainable Development Goals

The Sustainable Development Goals or **Global Goals** were adopted by the **United Nations** in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

The **17 SDGs** are defined in a list of **169 Targets** and they are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

Financial Institutions accelerate efforts to provide SDG–aligned finance and investing. Companies of all sizes align the SDGs with their strategies and report their contribution to the achievement of the Global Goals.

UN Global Compact

The United Nations Global Compact is a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The **Ten Principles** of the United Nations Global Compact are derived from:

- The Universal Declaration of Human Rights,
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- The Rio Declaration on Environment and Development, and
- The United Nations Convention Against Corruption.

By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

WE SUPPORT

To learn more about the Ten Principles of the United Nations Global Compact, visit the following link: https://unglobalcompact.org/what-is-gc/mission/principles.

Principles for Responsible Investment

The six Principles for Responsible Investment (PRI) are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of ESG issues to investment practices. The process was convened by the United Nations Secretary-General.

To learn more about how to implement the PRI, visit here.

Task Force on Climate-related Financial Disclosures

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The TCFD has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes. The TCFD recommendations on climate-related financial disclosures are widely adoptable and applicable to organizations across sectors and jurisdictions. They are designed to solicit decision-useful, forward-looking information that can be included in mainstream financial filings. The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

To download the TCFD recommendations, visit the following link;
https://www.fsb-tcfd.org/recommendations/

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) was founded in Boston in 1997, with the aim to create the first accountability mechanism to ensure that companies adhere to responsible conduct principles. This was further expanded to include social, economic and governance issues. GRI's sustainability framework is used by multinational organizations, governments, NGOs, enterprises, and industry groups in more than 90 countries.

The GRI Standards were updated in 2021 and are available in many languages. To download the revised GRI Standards 2021, visit the following link:
https://www.globalreporting.org/standards/download-the-standards/

The GRI Sector Program will develop standards for 40 sectors, starting with those that have the highest impact. The Sector Standards for Oil and Gas (GRI 11), Coal (GRI 12), as well as Agriculture, Aquaculture and Fishing (GRI 13), have now been released and are available for public use in the following link:
https://www.globalreporting.org/standards/sector-program/

SASB Standards

The SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each industry. Effective August 1, 2022, the Value Reporting Foundation–home to the SASB Standards–consolidated into the IFRS Foundation, which established the first International Sustainability Standards Board (ISSB). SASB Standards are now under the oversight of the ISSB. The ISSB will build upon the SASB Standards and embed SASB's industry-based standards development approach into the ISSB's standards development process. The ISSB actively encourages preparers and investors to continue to provide full support for and to use the SASB Standards until the SASB Standards become the IFRS Sustainability Disclosure Standards.

SASB's Materiality Map outlines the universe of sustainability issues for reporting companies to consider:

Environment

- GHG Emissions
- Air Quality
- Energy Management
- Water & Wastewater Management
- Waste & Hazardous Materials Management
- Ecological Impacts

Leadership & Governance

- Business Ethics
- Competitive Behavior
- Management of the Legal & Regulatory Environment
- Critical Incident Risk Management
- Systemic Risk Management

Social Capital

- Human Rights & Community Relations
- Customer Privacy
- Data Security
- Access & Affordability
- Product Quality & Safety
- Customer Welfare
- Selling Practices & Product Labeling

Human Capital

- Labor Practices
- Employee Health & Safety
- Employee Engagement, Diversity & Inclusion

Business Model & Innovation

- Product Design & Lifecycle Management
- Business Model Resilience
- Supply Chain Management
- Materials Sourcing & Efficiency
- Physical Impacts of Climate Change

Annex 5. Growthfund's Reporting Requirements for Investees

The Growthfund has drafted and disseminated the following ESG reporting requirements to all investees.

Each investee is required to report on an annual basis to Growthfund based on the respective ESG frameworks outlined in the table below.

Mandatory ESG Reporting	Listed		Large Non-Listed					Non-Listed					
	EYDAP	EYATH	ELTA GROUP	HRADF	HPPC	Transport for Athens Group	GAIAOSE	TIF-HELEXPO	CMT	CMFO	5G Ventures	Corinth Canal	Hellenic Saltworks
CSRD													
TCFD Recommendations													
EU Taxonomy													
Athens Stock Exchange													
Hellenic CG Code													
ESG Reporting Guide													

expected by end of 2023 | expected by end of 2024 | In place

Requested ESG Reporting System based on international good practices	Listed		Large Non-Listed					Non-Listed					
	EYDAP	EYATH	ELTA GROUP	HRADF	HPPC	Transport for Athens Group	GAIAOSE	TIF-HELEXPO	CMT	CMFO	5G Ventures	Corinth Canal	Hellenic Saltworks
UNGC (optional)	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024
PRI (optional)				expected by end of 2023	expected by end of 2023								
SASB standards	In place	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024	expected by end of 2024
GRI Standar								expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023	expected by end of 2023

expected by end of 2023 | expected by end of 2024 | In place

Annex 6. Cross-Sector KPIs and Sector-specific Material Topics

As stated in Growthfund's ESG Policy, the following **minimum cross-sector ESG KPIs** are expected to be identified, measured, and reported by all investee entities gradually (irrespective of their sector/industry and size).

Environmental	Social	Governance
Climate change mitigation, adaptation	Occupational health and safety	Compliance with national laws and regulations
Measure GHG emissions (As stated in Growthfund's Climate Expectations document)	Stakeholder and community engagement	Board independence, diversity, and structure
Water (use/recycling)	Human rights	Executive pay
Pollution prevention, control	Prohibit child labor	Anti-Bribery and corruption
Biodiversity, land use	Prohibit forced labor	Avoid Conflicts of interest
Energy use and efficiency	Diversity, inclusion, equal pay at the workplace	Anti-money laundering
Waste (circular economy practices)	Employee Training, education	Transparency and disclosure

Indicative examples of sector-specific material topics may be found below.

Energy and Utilities

Environmental	Social	Governance
Physical and transition climate risks	Health and safety	Business model resilience
GHG emissions (incl. Scope 3)	Working at height or in confined spaces	Critical incident risk management
Air quality	Visual Amenity	Systemic risk management
Water and wastewater management	Labour rights	
Waste and hazardous materials management	Consumer access and affordability	
Threats to/from biodiversity		
Soil and surface water contamination		

Transportation

Environmental	Social	Governance
Air emissions	Health and safety	Critical incident risk management
Water pollution	Collision risk (S)	Systemic risk management
Biodiversity	Capsize risk	Competitive behaviour
Solid waste	Fire risk	
Hazardous materials	Confined spaces	
Collision risk (E)	Illegal immigrants	
	Stakeholder and community engagement	

Real Estate

Environmental	Social	Governance
Physical and transition climate risks	Health and safety	Product design and lifecycle management
Solid waste	Stakeholder and community engagement	
Energy consumption		
Water and wastewater management		

Food & Supply

Environmental	Social	Governance
Physical climate risk	Health and safety	Product safety (G)
Threats to biodiversity	Confined spaces	Supply chain management
Waste management and disposal (incl. food waste)	Noise	Genetically modified organisms (GMOs)
Wastewater management	Odour	Complaints management
Energy use	Product safety (S)	
Hazardous materials	Consumer behaviour	
	Stakeholder engagement	

Technology

Environmental	Social	Governance
Energy management	Data security (S)	Materials sourcing and efficiency
Solid waste	Customer privacy	Systemic risk management
Biodiversity	Occupational health and safety	Competitive behaviour
Air emissions	Stakeholder and community engagement	Data and cyber security(G)

Source: Adopted by SASB Materiality Finder, EBRD E&S Risk Management Toolkit, Global Sustain research.

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