



GROWTHFUND
THE NATIONAL FUND OF GREECE

2021

TCFD REPORT

Task Force on Climate-Related Financial Disclosures

HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A.



ENERGY
& UTILITIES



FOOD
& SUPPLY



REAL ESTATE
MANAGEMENT



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Reporting in Accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD Recommendations, first launched in 2017, have been developed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD Recommendations are structured around four content pillars: (i) Governance; (ii) Strategy; (iii) Risk Management; and (iv) Metrics & Targets and eleven recommendations to support effective disclosure under each pillar.

We believe our support to the TCFD recommendations will contribute to improved global disclosure of climate change-related risks and opportunities.

In the following table, we provide the corresponding required information as applicable for Growthfund during 2021, with some reference to actions to-date when available.

2021 was the year within which Growthfund decided upon its new strategic plan 2022-2024, which includes sustainability and climate-related considerations within its key priorities. To this end, it is clearly noted that the table below constitutes a partial first disclosure.

As Growthfund matures and enhances discharging of its role as an active shareholder, it shall continue aligning with climate-related risk management practices. Moreover, during 2022 relative efforts already take place, indicatively including the preparation of an Expectation Document for Climate Change, which among others covers Company's pledge for a transition to a low carbon economy, the requirement for climate scenario analysis, endorsing TCFD framework guidelines and sets out specific expectations from investee companies (such as preparation of Climate Change Scenarios & Analyses in the future and gradual adherence to TCFD recommendations).

Governance

a.

Board's oversight of climate-related risks and opportunities

Oversight: Various matters and initiatives directly or indirectly related to climate change are discussed at board/committees' meetings on an ongoing basis. Climate-related risks are variously considered/managed:

- (a) via monitoring of implementation of the Strategic Plan and/or annual KPIs/targets (also including ESG-related considerations);
- (b) via safeguarding the inclusion/integration of such risk exposure in the risk management framework to be adopted, and regular monitoring of its status at committee/board level;
- (c) via consideration thereof in the context of business decision-making activities;
- (d) via integration of ESG due diligence procedures in the investment decision-making process of Growthfund.

During the reporting period, climate change issues were reviewed on several occasions such as:

- The discussion of the new Strategic Guidelines of the Minister of Finance delivered in February 2021 on appointment of new board members of Growthfund.
- The Strategic Plan (setting the development of an ESG strategy as a significant pillar thereof).
- The targets for 2021 (including climate-related ones).
- Projects for appointment of advisors for development of sustainability/ESG strategy.

In addition, Growthfund's Investment Committee also discussed the possibility of investments serving ESG purposes as potential investment thematic.

During 2021, a Risk Committee was formed as a Board committee in order to manage risk matters more systematically and works took place towards the appointment of a CRO of Growthfund. In addition, the establishment of a risk management framework for the holding (Growthfund) and its subsidiaries was achieved with the assistance of an external advisor. The agenda of the Risk Committee is determined in collaboration with the Board's Chairman. Depending on the follow-up matters, the agenda typically includes certain ordinary/periodically reviewed operational matters relating to Growthfund and its portfolio companies (such as reporting, performance monitoring, update by Board executives/committees' chairs, exercise of voting rights in portfolio companies) and other extraordinary matters relating to Growthfund and its portfolio companies, as the case may be.

<p>b. Management's role in assessing and managing climate-related risks and opportunities</p>	<p>Awareness: All board members are well-informed of, aware of and sensitive to climate-related issues, relevant evolutions and opportunities in this field. They have supported and acknowledge the value of supporting of relevant initiatives [as a matter of effective climate corporate governance].</p> <p>Training: No specific board training took place during the reporting period. Notwithstanding this, the executive board members have attended a management training course at International Institute of Management in Switzerland. Furthermore, board's climate-related training effectively takes place in the context of projects relating to the development of GF sustainability and ESG strategy (also entailing one-to-one meetings of advisors with board members) and the more frequently conducted review/discussion of ESG matters at board/committees' level for implementation of relevant corporate strategy (via relevant activities/initiatives/projects). A specific board training is expected to take place in 2023, as part of the sustainability and ESG strategy and/or as a relevant initiative of Growthfund's Sustainability Department.</p> <hr/> <p>Within 2021, enterprise risks of Growthfund were periodically identified and assessed by Management based on a structured process and with the support of external advisors, through which the Board was updated accordingly.</p> <p>At Growthfund, we continue evolving our positioning towards climate-related risks and opportunities. In 2022, a Chief Risk Officer was appointed. A materiality analysis was conducted in collaboration with external advisors and results were extracted from the internal workshop and the external stakeholders questionnaire. The ESG strategic initiatives for 2023-2024 will also take under consideration materiality analysis results.</p>
Strategy	
<p>a. Climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>2021 was the year within which Growthfund decided upon its new strategic plan 2022-2024, which includes sustainability and climate-related considerations within its key priorities. As Growthfund matures and enhances discharging of its role as an active shareholder, it shall continue aligning with climate-related risk management practices.</p>
<p>b. Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning</p>	<p>2021 was the year within which Growthfund decided upon its new strategic plan 2022-2024, which includes sustainability and climate-related considerations within its key priorities. As Growthfund matures and enhances discharging of its role as an active shareholder, it shall continue aligning with climate-related risk management practices.</p>
<p>c. Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>Growthfund has not performed a climate scenario analysis yet.</p> <p>2021 was the year within which Growthfund decided upon its new strategic plan 2022-2024, which includes sustainability and climate-related considerations within its key priorities. As Growthfund matures and enhances discharging of its role as an active shareholder, it shall continue aligning with climate-related risk management practices.</p>
Risk Management	
<p>a. Organization's processes for identifying and assessing climate-related risks</p>	<p>Risk management is an integral part of all of our activities. Risks are considered in conjunction with opportunities in all business decisions. We focus on the principal risks which could affect our business performance and therefore the achievement of our strategic objectives.</p> <p>Growthfund has planned to complete a Risk Assessment exercise which will incorporate interviews with Division Heads. As part of those interviews the identification of climate change risks will be completed. This is a first step for Growthfund to identify our climate-related risk that could affect the Company. The Company's aim for the future is to ultimately integrate climate change risks into our existing risk management processes.</p>

b.

Organization's processes for managing climate-related risks

Growthfund continually seeks to improve and update existing procedures as new risks emerge. In 2022, the process for managing climate-related risks is expected to take shape upon the completion of the Risk Assessment by the Chief Risk Officer.

c.

How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

As mentioned, there is a Risk Management framework but not a stand-alone framework for climate-related risks. Upon completion of the Risk Assessment exercise, Growthfund will ensure all necessary steps have been taken to incorporate its results as part of its ongoing processes for identifying, assessing and managing climate-related risks within the overall Risk Management framework.

Metrics & Targets

a.

The disclosed metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

At Growthfund a methodology was developed based on UN GHG Protocol (financial approach) and the baselining of CO₂ emissions Scope 1 and 2 took place with 2021 as a base year, which are included in the report. In the coming years the plan is to include Scope 3 measurement as well.

The results of the emissions are then connected to climate-related risks and opportunities. Growthfund aims to set targets such as low carbon operations, risk management and transition roadmaps, raise awareness and creating pilot projects within its portfolio. The plans set vary on a subsidiary basis, as these need to relate on the maturity of each investee.

b.

Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

With 2021 as a base year, Growthfund measured its Scope 1 and 2 GHG emissions as an effort to better understand the Company's impact to the environment. For the calculation of its carbon footprint, the Company collaborated with a third party.

For year 2021, Growthfund's emissions were as follows:

- Scope 1: 7,400kg CO₂ eq
- Scope 2: 45,224kg CO₂ eq

Growthfund's carbon footprint measurement has not been externally verified yet.

Currently Growthfund examines the possibility of obtaining an ISO 14064 certification in the future for its operational emissions and gradually for those of its portfolio. Finally, Growthfund does not currently measure its Scope 3 GHG emissions, however this is an area to consider in the future to enhance its understanding of the Company's full impact to the environment.

c.

The targets used by the organization to manage climate-related risks and opportunities and performance against targets

Currently, the main target used by the organization to manage climate-related risks and opportunities is a Mega KPI to achieve 15% decarbonization by 2024 which is included in Growthfund's new Strategic Plan (2022-2024).

Linking executive compensation to climate targets has been considered effectively and in the context of performance-related deferred compensation. In general, the following applies regarding the structure/scheme of the executive compensation: the executive board members have concluded a four-year service agreement that provides the formation of remuneration with a fixed data remuneration (base salary) and performance-related deferred compensation (variable component).

Remuneration is subject to all statutory deductions (indicatively payroll tax, stamp duty, principal and supplementary insurance contributions). In particular, it is provided that during the term of the agreement, additional fees may be granted to the executive board members as a bonus, which shall be linked to the performance and achievement of objectives, as those are defined in the current Strategic Plan of the Corporation.

The method of calculation of the bonus is determined more specifically by a relevant resolution of the Supervisory Board of Growthfund, which also determines the starting point for the calculation of the objectives. Practically speaking, at the beginning of each year, an assessment on the fulfillment of the targets takes place, based on which the bonus of the board executive members is calculated. To the extent that/given that the Strategic Plan and annual KPIs/targets include climate-related objectives, the variable portfolio of the executive board members would effectively depend on the satisfaction status thereof.





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