



cepal

ESG 22
REPORT



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About this report

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About this report

The ESG Report 2022 (the "Report") is the first such Report released by Cepal Hellas Financials Services Single Member S.A. - Servicing of Receivables from Loans and Credits (hereinafter the "Company" or "Cepal") covering the reporting period from 1st January 2022 to 31st December 2022 using 2021 as a baseline year.



GLOBAL REPORT INITIATIVE (GRI) STANDARDS

The Report has been prepared with reference to the Global Report Initiative (GRI) Standards and is accompanied by a GRI content index mapping our disclosures against GRI framework guidelines ensuring that the content disclosed is relevant and consistent.



GLOBAL REPORT INITIATIVE (GRI) STANDARDS

The Report is also aligned with the Sustainable Development Goals (SDGs) and it conveys our approach towards sustainability as capturing our ESG performance compared to the baseline year and provides relevant information about the Company's ESG performance and activities.

The Company will disclose additional KPIs and more comprehensive information in the next reporting period in order to provide a more holistic and detailed outcome of its annual ESG performance.



2022

Message
from our
CEO

02

Message from our CEO

Cepal's inaugural ESG report for 2022 signifies a remarkable advancement in establishing a robust approach to sustainability. Simultaneously, it evaluates our performance in this critical dimension, with the aim of creating value for all of the stakeholders in our business and fostering a more responsible and resilient future. Recognizing the necessity to contribute through such initiatives to the global plan for people, planet, and prosperity, we crafted the current report by adopting the Global Reporting Initiative (GRI) Standards and aligning with the Sustainable Development Goals (SDGs), ensuring a comprehensive and globally recognized framework for our sustainability efforts.

Cepal is the first servicer licensed by the Bank of Greece according to Greek Law 4354/2015 and currently manages approximately 27 bn of AuMs either for Greek Banks or international investors which involve more than 415k borrowers.

Possessing a particularly high understanding of the broader political and economic environment in which its activity takes place, Cepal values as significant the challenges faced by the entire Greek society and Greek citizens and borrowers over the past decade due to the financial and sovereign crisis and especially for last year which was characterized by disruptions to the energy supply chain and heightened inflation levels triggered amongst others by the conflict in Ukraine. Even though the Greek

economy proved to be particularly resilient, remaining on a growth trajectory to date and with unemployment diverging to pre-crisis levels, the existing inflationary and high interest rates conditions combined with the increasing house prices pose everyday challenges for Greek citizens.

In the face of challenges throughout 2022, Cepal distinguished itself by achieving noteworthy milestones. As an undisputed leader in real estate services, the company's strategic partnership with Resolute Asset Management has solidified its position and ability to deliver an integrated solution to its clients. With extensive experience in servicing both secured and unsecured portfolios across banking and non-banking sectors, Cepal today boasts a proven track record, including 19 successful portfolio migrations from three out of four systemic banks. Moreover, the company has developed a robust multi-customer platform, leveraging its substantial Greek and international expertise. Cepal has made significant investments in systems infrastructure and data analytics, reflecting its commitment to efficiently managing loans, collateral, and real estate. This commitment extends to continuous improvement, as evidenced by Cepal's ability to provide expert underwriting advice, and establish a bondholder agency, reinforcing its reputation as a trusted and innovative player in the real estate services sector. On top Cepal established for the first-time specific Governance provisions to monitor Conduct towards Borrowers and increased its customer service standards.

Taking action in a sector vital to the National Economy

Striving to create value for its stakeholders, society, and the Greek economy, Cepal is a key player in a sector that has taken on the burden of the large problem of non-performing loans resulting from the multi-year sovereign and financial crisis. This is emphasized by the fact that, as per relevant reports by the General Secretariat of Private Debt, the past due Private Debt amounts to 243 billion euros or 101% of GDP while servicers manage 71 billion euros, which

constitute 29% of the overall past due private debt. Simultaneously, the Bank of Greece's oversight of the sector highlights the pivotal role of loan management in maintaining financial stability. It represents the most robust institutional guarantee for our operations, providing assurance to stakeholders, ensuring transparency, and fostering a secure trading environment.

Emphasizing transparency, debtor needs, and our people

At Cepal, we are committed to offering borrowers flexible solutions that align with their financial capabilities. Recognizing the significance of clarity and transparency in negotiations between debtors and Management Companies, we have embarked on a digital transformation journey. This initiative aims to enhance the debtor experience through the introduction of new services, procedural enhancements, and an evolution toward faster, more efficient, and transparent services. This not only benefits our debtors but also contributes to the overall improvement of our company.

Embracing Environmental Stewardship, Social Responsibility, and Good Governance

Having strong faith in values such as integrity, responsibility, cooperation and effectiveness, at Cepal, we envision to ring-fence our existing leading position in the Servicing Industry by seamlessly integrating ethical and sustainable financial practices into tailored solutions that cater to the unique needs of every client - aiming to contribute towards building a robust economy and fostering an environment that promotes growth for individuals, businesses, and society at large.

With this in mind, our commitment to ESG is a top priority. We drive our strategic initiatives to enhance customer experience and community support, recognizing the importance of sustainable practices in creating long-term stakeholder value and aligning with our overall strategy.

To transparently communicate our efforts, we've drafted our inaugural ESG report,

highlighting our performance and key achievements. Notably, we've calculated our GHG emissions for Scope 1 and 2, following ISO 14064-1:2018 standards. Our multifaceted ESG initiatives focus on environmental responsibility, ensuring the health and safety of our people, elevating customer experience, supporting our community, and establishing a robust corporate governance model in line with our strategic transformation plan.

In this context, at Cepal we prioritize ESG topics for sustainability reporting based on their impact on performance, long-term sustainability, and investor assessments. Our internal exercise, aligned with best practices and materiality frameworks, identifies and prioritizes key topics crucial to our operations, such as carbon emissions, human capital development, human rights, community relations, employee health and safety, diversity, equity and inclusion, privacy, data security, and business ethics.

Looking ahead, we aim to align our ESG practices with the most material matters to drive long-term business value. In the upcoming reporting period, we will engage stakeholders through external questionnaires to gather opinions on our ESG material topics. This will enable us to conduct a double materiality analysis and foster a holistic stakeholder engagement process.

Committed to sustainability and driven by a strong sense of responsibility, Cepal stands firm in its dedication to support borrowers, employees, and society at large, leading the way toward a brighter future.

Theodore Athanasopoulos
CEO of Cepal Hellas

OSB

Cepal at a glance

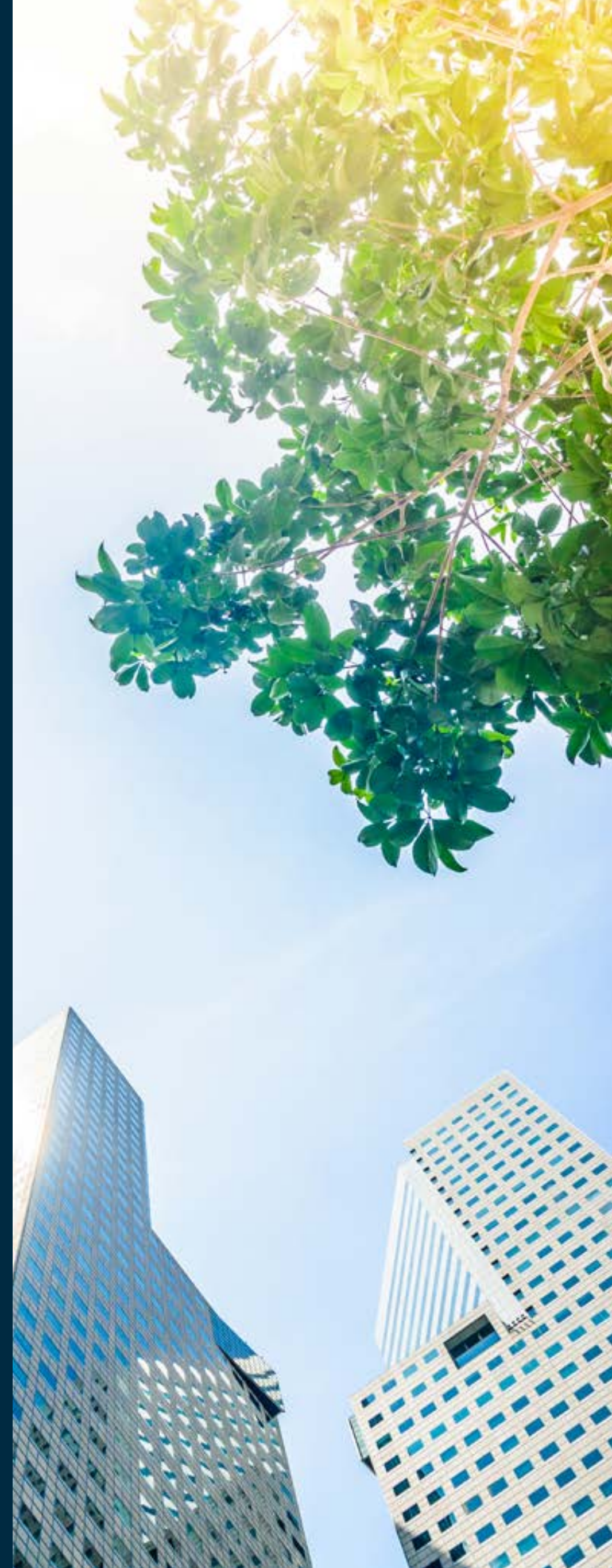
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Cepal at a glance

Cepal was established in 2016 and is the first Loan and Credit Receivables Management company licensed by the Bank of Greece under the new institutional framework in 2017.

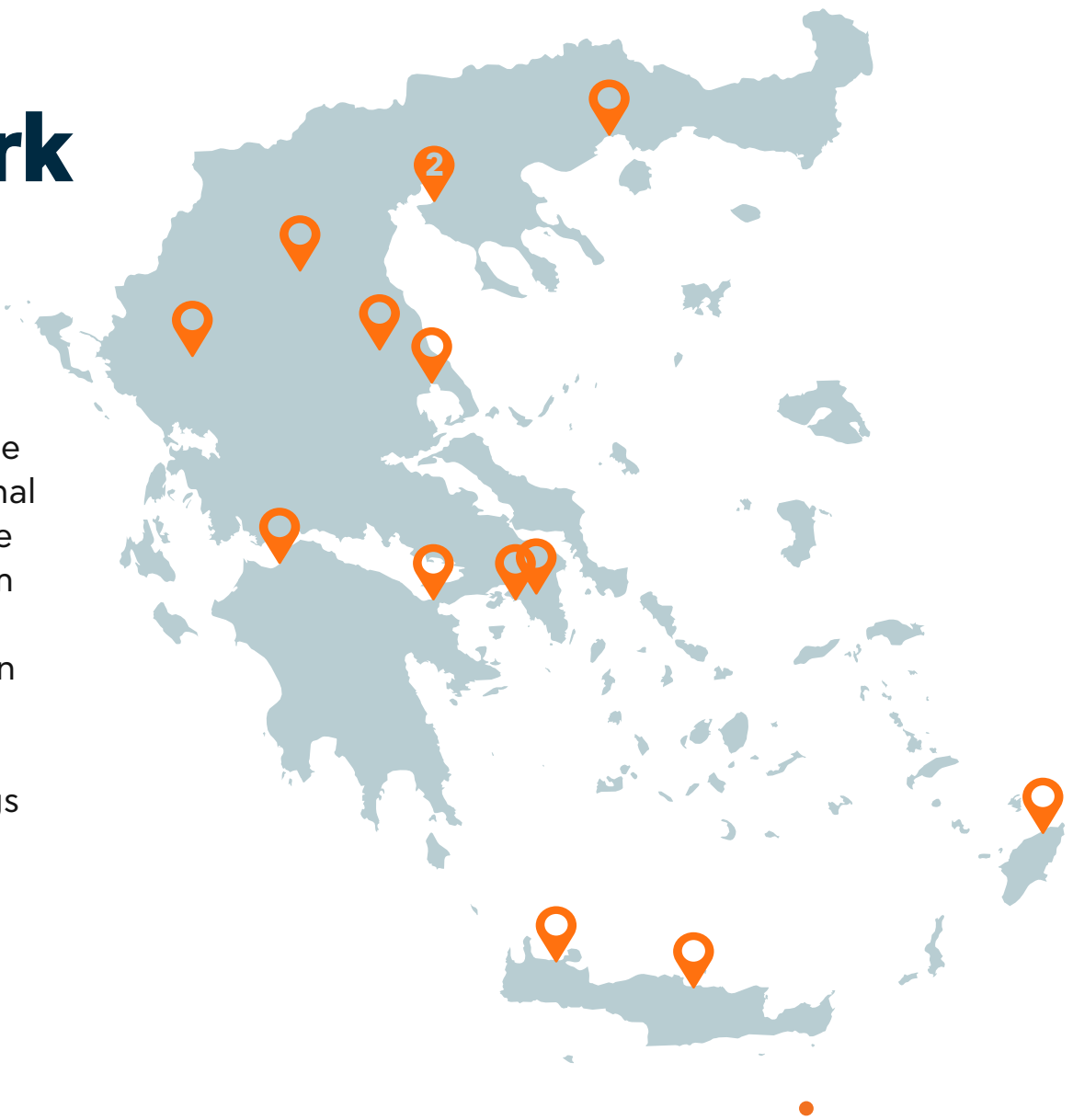
In December 2020, Cepal carried out one of the largest carve-outs in Greece, adding more than 800 new employees to its workforce in multiple geographical locations across Greece who were coming from Alpha Bank S.A.

Cepal has shown a proven track record of servicing portfolios for Greek and other European banks, as well as for most investors active in the Greek market. Cepal is highly specialized in the relevant sector, as the first servicer licensed by the Bank of Greece according to Greek Law 4354/2015, undertakes, as of December 1, 2020, the management and servicing of the Bank's non-performing exposures (NPEs), including any future NPEs.



Offices and Hubs network

In 2022, Cepal has 2 main offices and its headquarters in Athens and 14 hubs across Greece in multiple locations, acting as the main channel that implements the business strategy, via interpersonal contact with debtors and provide recovery solutions with maximum efficiency. Within 2022, Cepal accomplished a business decision to shut down four of its hubs in order to relocate to more environmentally friendly buildings and contribute to reducing its total CO₂ emissions.



Hub locations:

- | | |
|--------------------|--------------|
| 1. Athens | 8. Chania |
| 2. Piraeus | 9. Korinthos |
| 3. Thessaloniki x2 | 10. Rhodes |
| 4. Patra | 11. Kavala |
| 5. Heraklion | 12. Kozani |
| 6. Volos | 13. Ioannina |
| 7. Larissa | |

Our services are focused on creating value for our clients

Cepal offers its clients an end-to-end servicing platform with a strong focus on the highest value-added activities of the servicing sector. The core services of the Company are presented below:

- **Loan servicing:** modifications and amicable agreements, deferred payments, bankruptcies, repossessions, foreclosures and out-of-court agreements.
- **Debt collection:** standardized cash collections with dedicated call center, settlements and DPOs.
- **Real estate management:** REO commercialization, real estate development, property management, strategic advisory, valuations and underwriting.
- **Portfolio underwriting:** underwriting of portfolios in an advisory capacity, providing the option to integrate the servicing of the underwritten assets.

Our strategic partnerships

Cooperation with Brooklane capital:

The first secondary market portfolio sale in a securitization under the Hercules Asset Protection Scheme (HAPS).

Migration of Orbit portfolio:

The portfolio sold from Alpha Bank to Hoist Finance refers to mainly unsecured claims amounting to **2.2 billion euros**.

Venture between Cepal Hellas and Resolute Asset Management:

Resolute Kaican Greece S.S. will be the best-in-class market leader, consolidating the market leadership of the parties in the Greek real estate servicing, asset management and advisory space.

Light portfolio migration:

The portfolio sold from Alpha Bank to Hoist Finance refers to mainly unsecured claims amounting to **0.4 billion euros**.

Cepal's key milestones for 2022

- » National champion in Real Estate services through the strategic partnership of Kaican Greece with Resolute Asset Management.
- » Established scaled multi-customer platform, based on solid Greek and International experience.
- » Extensive experience in servicing both secured and unsecured portfolios as well as banking and non-banking servicing.
- » Proven track record of 19 portfolio migrations from 3 out of 4 systemic banks.
- » Heavily invested in systems infrastructure and data analytics to support efficient loan, collateral and real estate management and reporting.
- » Continuously improving and extending services, providing expert underwriting advice and setting up bondholder agency.



Our response to COVID-19

COVID-19 pandemic outbreak caused a major socio-economic impact and created a crisis in the business world that had never been experienced before. With a holistic view and strategic approach of COVID-19 implications, Cepal outlines new initiatives while focusing on the redesign of its operating model to address future challenges.

- We focused on both our internal and external operations acting with responsibility and business professionalism to protect our people and our customers while we continued to operate to the highest standards of service.



Internal Operations:

People First

- Hygiene measures applied immediately across company premises.
- Frequent communication with all staff, sharing latest developments and providing guidelines.
- Regular communication at all company levels to maintain employee morale.
- Compliance & adherence to authorities' guidelines at all times.

Business Continuity

- Provided remote secure access and operational capability to 95% of our staff within a few days of the onset.
- Leveraged technological means for communication, virtual meetings, etc. to ensure business continuation and maintenance of high-performance standards.
- Fully engaged and aligned with investor clients.

External Operations:

Borrower Interaction

- Converted face to face communications to virtual meetings, where possible.
- Reduced travelling.
- Rolled out new and more empathetic communication scripts.
- Introduced new solutions for all affected segments (forbearance, private moratoria, mitigating actions etc.).

Judicial System

- Close monitoring of legal measures announced.
- Diligent planning and prioritization for all pending legal actions while legal system returns to full normal operational mode.

04

ESG in Cepal

04

Our ESG approach

Cepal is a significant market leader and we recognize our responsibility towards the environment, society and governance as a top priority in our agenda. For this reason, we started to implement an ESG strategic plan which is linked with our commitments to accelerate our customer experience and our community support. We believe that sustainable practices are not only essential for creating long-term stakeholder value but are also crucial to our overall sustainable growth.

Towards this approach and as following our key commitments for a strict code of ethic, holding ourselves to the highest standards and implementing with transparency, we drafted our first ESG report based on the best market practices in which we present our ESG performance and our key achievements. In addition, for the first time, we proceeded with the calculation of our GHG emissions for Scope 1 and 2 in specific categories for our portfolio based on the ISO 14064-1:2018. In the meantime, we implemented multiple ESG initiatives focusing on environmentally friendly practices, ensuring our people's health and safety, increasing our customer experience, enhancing our community support and structuring a robust corporate governance model to achieve our strategic transformation plan.



Our ESG Material Topics

Cepal's ESG topics for sustainability reporting are those that, in the view of management, affect our performance and long-term sustainability and inform investor assessments or decisions about us. We formalized an internal exercise based on best practices and leading materiality frameworks and

guidelines to identify and prioritize key material topics that are crucial for our operations. This was used to compile our ESG material topics. Throughout this report you will find information on our actions that support each of these ESG topics, as well as information on our performance.



Environmental (E)

Carbon Emissions



Social (S)

Human Capital Development
Human Rights & Community Relations
Employee Health & Safety
Diversity, Equity and Inclusion



Governance (G)

Business Ethics
Privacy and Data Security

Our ESG focus going forward

Using our internal materiality exercise, our aim is to identify and understand the relative importance of specific ESG topics from/to our Company and ensure that our ESG practices remain in parallel with our most material matters, to drive our long-term business value. Understanding and addressing the needs of our stakeholders is important for us to achieve better outcomes. To this extent, in the next reporting period, we will share relevant external questionnaires to our stakeholders in order to focus on their opinion on our ESG material topics and proceed with a double materiality analysis with a holistic stakeholder engagement.



Alignment with United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs), were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and achieve sustainable development by 2030. The SDGs framework provides a blueprint that businesses can implement in order to improve their performance on sustainable development and achieve a better future for all.

At Cepal, we view the Sustainable Development Goals as an important accountability and measurement mechanism, and as such we are committed to advancing specific SDGs that align with our strengths as a business and our ability to make an outsized impact.



We continue to act with integrity, responsibility and investing our efforts towards the United Nations Sustainable Development Goals.

We respect the Environment.



We care for our People and we contribute to the local Community.



We build a solid Governance framework.



OSI

ESG highlights 2022

05



ESG

highlights 2022

This section includes an overview of our ESG performance through 2022 as well as key ESG achievements and awards. Please see below our key ESG highlights for 2022:



Environment

Scope 1 emissions:

180,71

tCO₂ eq

Scope 2 emissions:

1.284,52

tCO₂ eq

Total energy consumption

2.405,03

MWh

Tonnes of CO₂ per employee per year

1,61

Total water consumption

3.042 m³



Social

Percentage of women in the total workforce

60%

Number of employees

908 employees

Average training hours per employee

10,5 hours

100% of our employees completed AML and KYC compliance training



Governance

0 Data breaches

0 Reported corruption incidents



Awards



HR: Cepal won for the 4th consecutive year the Bronze award as "The most valuable HR team during Covid-19".



Health & Safety: Cepal won the Bronze award for the "Health & Safe Workplace".



Cepal won two Silver awards in the Digital Finance Awards.



Cepal won one Silver and one Bronze award in the Impact BITE Awards.

06

Corporate Governance

06

Corporate Governance

In Cepal, we believe that a transparent and structured governance model is important for creating value for our stakeholders. We are committed to maintaining high standards of governance, operating ethically and responsibly. Sound governance is our foundation for integrity, transparency, and accountability. It's not just how we conduct business, it's how we foster a collective sense of responsibility.



Board of Directors

Cepal's Board of Directors has ultimate oversight of the firm and maintains a strong control environment. The Board of Directors also plays a significant role in determining the overall strategy and is involved in the daily operation of the Company, providing clear direction, and is regularly updated with regard to the progress of our ESG strategy.

Board Committees

The Board of Directors has established three oversight committees which are assigned specific responsibilities.

These are:

Audit Committee

Cepal's Audit Committee is comprised of at least three non-executive members of the BoD and 75% of them are independent members. The Audit Committee is mainly responsible to (i) review and approve policies regarding the Internal Audit unit, (ii) monitor financial reporting process, (iii) review audit plans and recommend its approval by the BoD and (iv) monitor and assess the adequacy, effectiveness and efficiency of the Company's Internal Control System.

Remuneration Committee

Cepal's Remuneration Committee is comprised of at minimum three members who shall be non-executive members of the BoD. The Remuneration Committee is mainly responsible to (i) provide support and advice to the BoD on the design and oversight of the Rewards Policy, (ii) review the variable remuneration framework, (iii) determine the framework for the total remuneration of the executives and review

and approve proposed amendments and (iv) oversee the performance evaluation process for the executives.

Strategic Planning Committee

The Committee consists of no less than three members, which shall be: members of any of the Board of Directors of the Group Companies, the Executive Chairman, the CEO and other members of the Management, as well as third parties who shall be appointed by virtue of a resolution of the Company's Board of Directors. The Strategic Planning Committee is mainly responsible to (i) review periodically and make recommendations to the BoD about the overall strategy and relevant initiatives, (ii) monitor financial performance of the Group on a monthly basis and take decisions for corrective actions, (iii) monitor and approve business development initiatives and portfolio on-boardings as per respective Group Policies and strategic objectives and (iv) ensure the Board is regularly informed of the Company's progress with respect to implementation of any approved strategy.

Committees

Apart from the BoD related Committees, Cepal has established multiple regular and ad-hoc business Committees to ensure the proper operation of the Company as following:

- » Management Committee
- » Transformation Committee
- » Operational Risk and Controls Committee
- » Technology Steering Committee
- » HR Committee
- » Data Committee
- » Claims Dispute Committee
- » Treasury Committee (Ad-hock)
- » Legal Affairs Committee (Ad-hock)
- » Bank of Greece Code of Conduct Appeals-Committee (Regulatory)B

Complaints handling

The complaints for all our portfolios are being handled centrally by a dedicated complaints management team nested within the Debtor Relationship Management (DRM) unit in accordance with the provisions of the relevant legal and regulatory framework as currently in force:

- » Law 3758/2009
- » Law 4354/2015
- » Bank of Greece Executive Committee Act 118/19.05.2017
- » Bank of Greece GA 2501/2002 and Executive Committee Act (ECA) 157-1/2019
- » Bank of Greece Executive Committee Act 157/1/02.04.201

In Cepal we investigate and handle complaints in an objective and transparent manner in order to ensure all available information is taken into consideration for the proper treatment of complaints.

Business Ethics

As part of our commitment to the highest ethical standards, Cepal has implemented a holistic Risk Management Framework which describes the principles of compliance risk management. As a result, we achieved zero reported corruption incidents in 2022.

Code of Conduct

As a company engaged in the social solutions business, Cepal believes earning and sustaining the trust of customers and society are the most critical points for the industry. Towards this extent, Cepal's revised Code of Conduct summarizes the ethical principles and policies intended to deter and prevent action related to corruption, bribery, money laundering, whistleblowing and ensures that we keep our standards at the highest levels.

Policies and procedures

Cepal has made constant efforts to improve the corporate governance model resulting to zero tolerance for actions that come out of the core governance model and breach anti-corruption and ethic laws as described in our revised Code of Conduct. A variety of policies and procedures are in place and were refined with respect to human rights, integrity, transparent roles and duties, compliance and business ethics for achieving a robust decision-making mechanism and act as an active member in the fight against corruption. Our internal policies and procedures cover all the critical areas of our operations in order to ensure an effective corporate governance framework.

Indicative list of policies and frameworks of Cepal:

Code of Conduct

Procurement policy

Operational Risk Management policy

Quality Assurance framework

Communication framework

Conflicts of Interest

GDPR policy

Anti-Money Laundering policy

Combating Terrorism Financing policy

Know Your Customer policy

Information Security policy

Complaints policy

Anti-violence and anti-harassment policy

 **Zero** confirmed corruption incidents

Anti-Money Laundering

In Cepal, we are committed to rigorous compliance to Anti-Money laundering (AML) and Combating Terrorism Financing (CTF) laws in order to protect our Company and prevent relevant incidents. We have implemented a dedicated AML and CFT policy incorporating all the requirements covered by the laws and regulations. In addition, we provide annually relevant trainings to all our employees to incentivize them about how critical is to mitigate financial crimes and detect and deter bribery and corruption activities.

Know Your Customer (KYC)

As part of the overall AML/CTF policy, we have established the Know Your Customer as a key principle for the Company to enhance its efforts to prevent money laundering and terrorist financing. To that extent, we train annually all our employees to meet our highest standards of compliance while identifying and verifying the identity of our customers and collecting information based on the customer relationship.

IT and Cybersecurity

In Cepal, we mark cybersecurity and data privacy as an integrated part of our services, maintaining our customers' privacy and confidentiality. We have implemented mechanisms and processes to safely handle incidents and data breaches, achieving zero confirmed incidents through 2022. In addition, data privacy and cybersecurity are an integral part of all induction programmes at Cepal while all employees undergo annual training on Cyber Security and Data Privacy. Cepal's IT landscape constitutes an effective and low complexity IT environment simplifying and streamlining end to end NPL operations. The IT landscape encompasses a wide range of best-in-class applications across different functional areas (e.g. Qualco, Thesis, Arotron, SAP Success

Factors). In addition, Cepal has implemented a well-known LMS (Profits) with parametric design to easily handle NPL solutions. Within 2022, our IT department received four major awards in two different events. The first two awards were received in the 1st edition of the Digital Finance Awards for its Digital Products in the following categories:

1) Silver award for the Best Core Banking System Project regarding the project "Cepal Profits for Credit Servicers – Core Banking for Performing & Non-Performing Loans"

2) Silver award in the category Best Operations/ Business Process / Agile/ Development Project regarding the project "Cepal's Profits for Credit Servicers – The Galaxy Migration & Management Project". Both projects were implemented in collaboration with Netcompany-Intrasoft.

The other two awards were received in the Impact BITE Awards 2022 in the following categories:

1) Silver award in the category "Systems Integration" for the project "Consolidation of Information Systems" for the service of the Galaxy portfolio.

2) Bronze award in the category "Network & Communications" for the project "Networking of all Cepal's locations and the interconnection with Public Clouds via SEECIX".

 **Zero** data breaches

Business Continuity

In Cepal, we are working to ensure a stable working environment by building trust with our stakeholders and our employees. Through these efforts we have formulated a Business Continuity Plan designed to ensure ongoing operations and quick recovery for all our business activities under any unforeseen circumstances. The BCP outlines roles and responsibilities in order to mitigate the potential downtime of critical services during a business disruption and provides recovery physical locations for employees in the event of a major disruptive incident.

07

Social

07

Social

Since our foundation, all our efforts have been centered around genuinely showing our people how much we care and building strong relations with them.

To achieve long term sustainable growth and resilience, we need to support positive conditions for our people, both as individuals and as a group, by securing higher levels of all aspects of well-being.

To this end, we have adopted an all-encompassing wellbeing approach for all employees, and their families focused on the career, financial, physical, mental, emotional, and community aspects. This approach not only effectively empowers our people, but also helps them to perform better in a way that transcends our organizational boundaries.

Our Human Capital

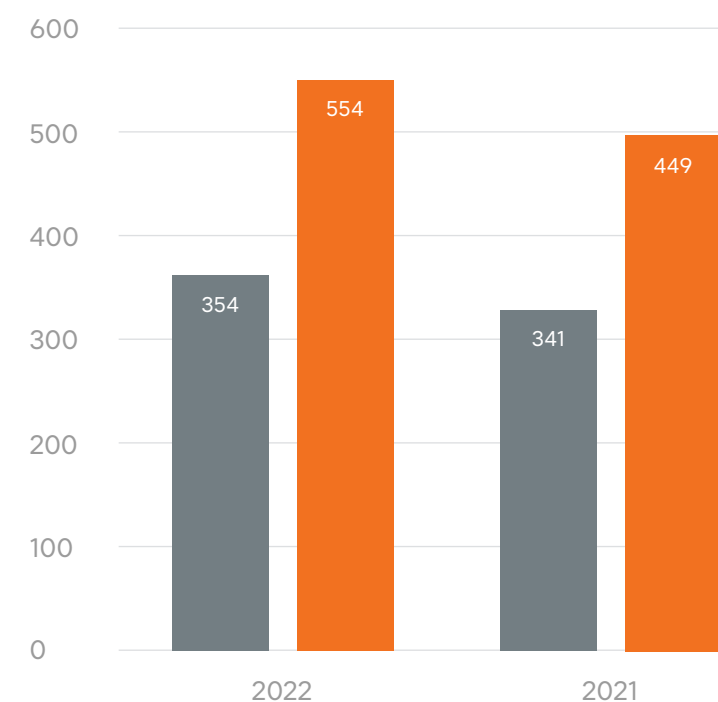
In Cepal we empower our people to reach their full potential through a respectful work environment in which they are able to perform to the best of their abilities and promote equal opportunities. In the organization, we highly believe that our people are the most important asset and to this extent, we strive to provide flexible working hours which allow our employees to create a better balance between their personal and working lives.

Our total workforce for 2021 was 840 with almost 60% of them being women. While in 2022 we increased our total workforce by 8% reaching out 908 employees maintaining a strong presence of women in the company at 60%.

- Total employees 2022= **908**
- Percentage of women in the total workforce= **60%**

Total workforce per gender

● men ● women

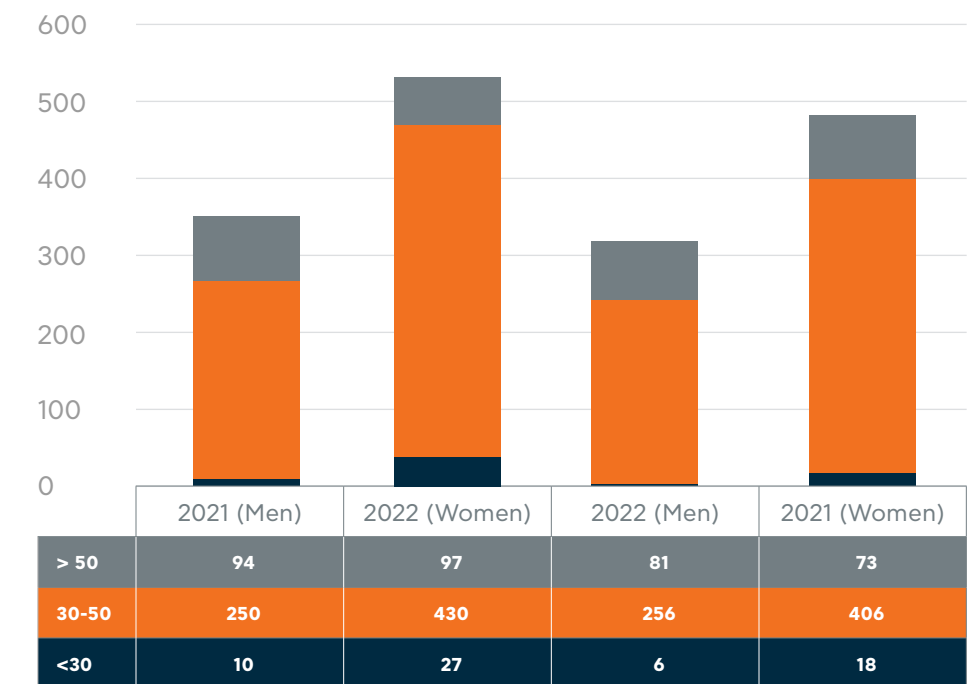


Age distribution

We focus on the diversity of our employees. Towards this goal, we focus on building an inclusive business that supports and embraces people of different backgrounds. Our Company emphasizes the inclusion of the age diversity in the workplace providing exceptional hiring and thoughtful onboarding processes to attract age-diverse candidates.

75% of our employees are between 30 to 50 years

Total employees (Age distribution)



Permanent contracts

100% of our employees with permanent contracts

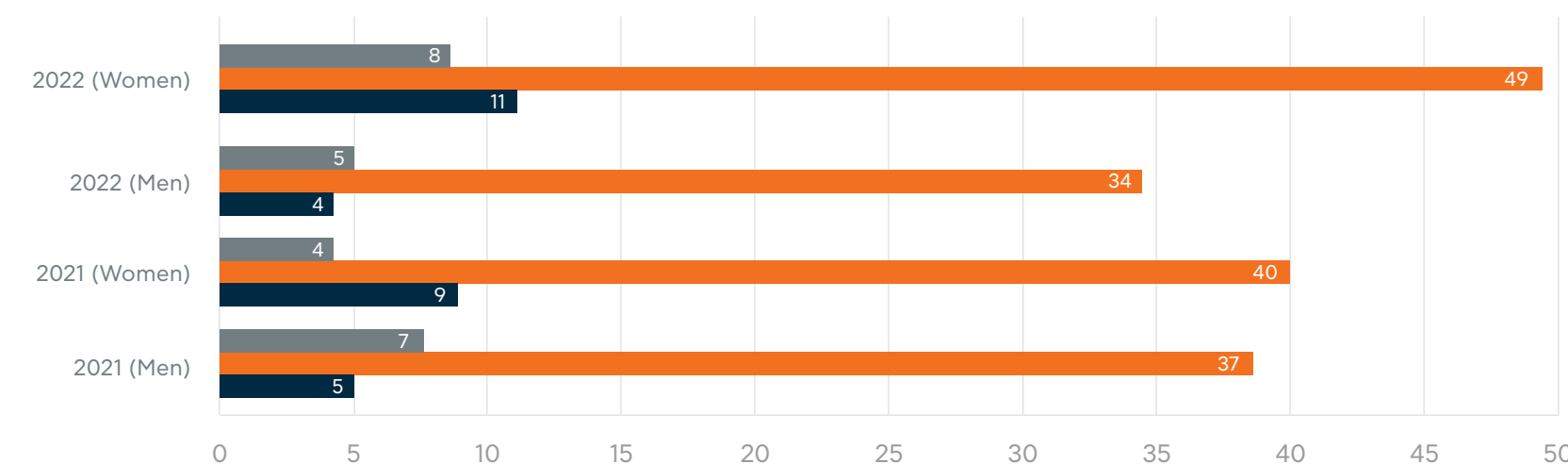
In Cepal, we build strong relationships with our employees providing a secure and stable working environment for them in order to minimize stress and ensure the well-being of our people. All our employees are engaged with permanent contracts.

New hires

100% of our employees with permanent contracts

In 2022 we performed 7% more new hires compared to 2021 reaching out the 111 in total of which 61% were women.

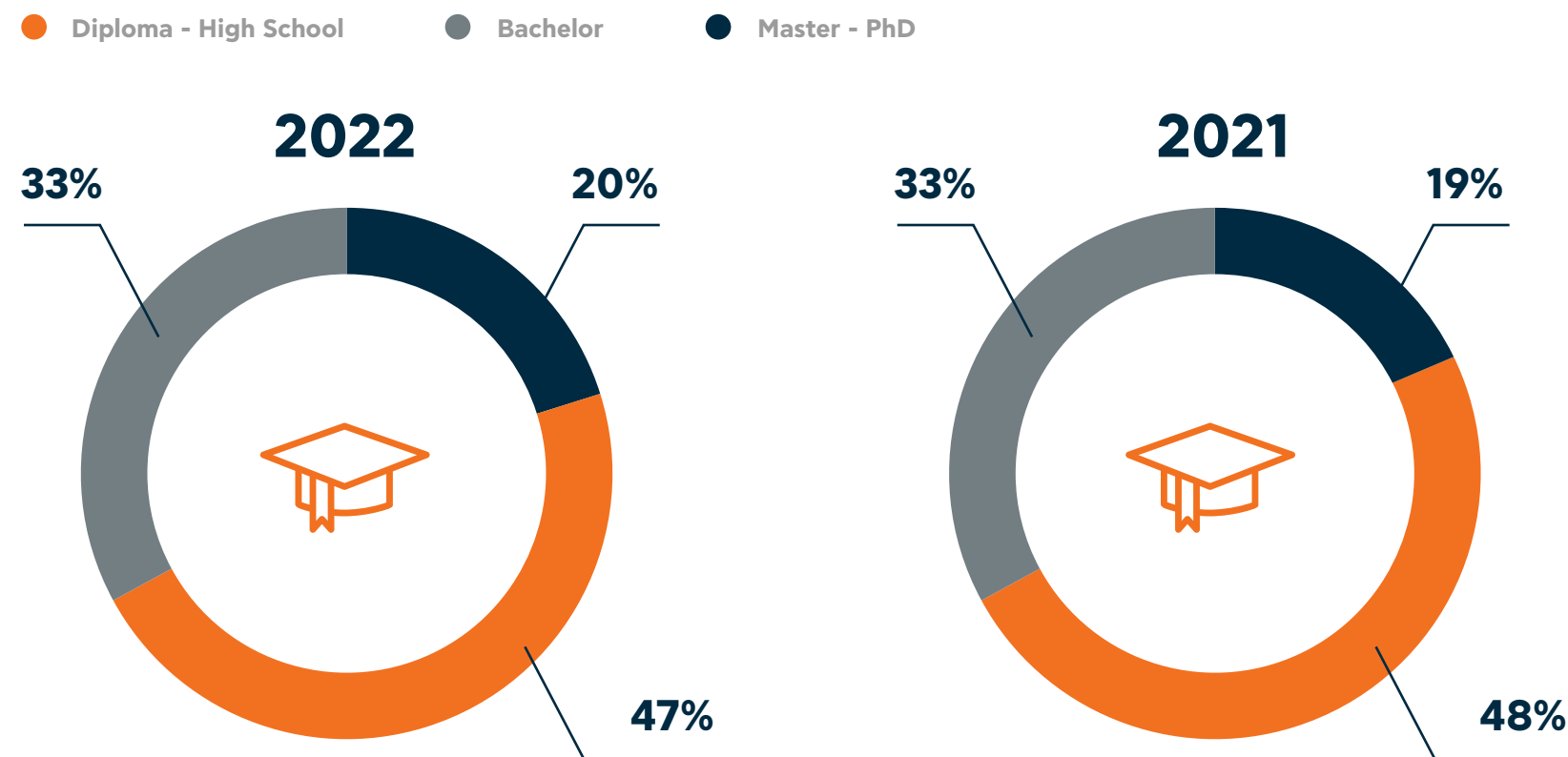
New hires



units

Employee Educational background

The majority of our employees have a strong educational background. Almost 80% of our employees hold a bachelor's or a master's degree. Based on our commitment for ongoing support to our employees, we have developed an internal procedure with multiple upskilling programs and certifications in order to enhance their knowledge on the job requirements.



Talent attraction

By analyzing workforce demographics, we determine the greatest areas of opportunity to bring more diverse talent into the organization and then build recruiting and outreach strategies to target, identify and recruit qualified diverse candidates. Following our commitments to attract the best candidates for each position and drive a new holistic HR approach in the market, we are very pleased that our Human Resources team has been awarded in HR awards 2022 for the 4th consecutive year receiving the Bronze distinction in the "Most Valuable HR Team during Covid -19 and post Covid -19" category with the "HR during Covid-19 - Powered by The Power of WE" nomination. Cepal was recognized for the practices of the Human Resources department in the complex and multi-level process of carve out and transformation of the Company, within the changing environment of the Covid-19 period.

Employee benefits and initiatives

We contribute to the physical and emotional health of our employees and their families through a comprehensive benefits package that includes the following initiatives:

- » **Medical plan for all our employees and their family members.**
- » **Income protection, life and accident insurance program.**
- » **Pension program where a percentage of employee voluntary contribution is matched by Cepal acting as a saving plan.**
- » **Kindergarten bonus and child disability allowance scheme for all the children of our employees.**
- » **Monthly Ticket Restaurant card to be used in Grocery stores.**
- » **Transportation costs and car allowance for business purposes.**
- » **Mobile and laptop devices for all our employees.**
- » **Annual and ad-hock bonus scheme based on employee performance rating.**

In addition, all our employees are encouraged to take advantage of their annual, parental, childcare, health and care leaves towards our commitment to balance work and personal life and promote a healthier working environment based on our existing policies and procedures. In 2021, we established our Work from Home policy which enables all our employees to work remotely using their personal equipment, achieving to reduce our GHG emissions minimizing the travels from/to our premises and provide work flexibility where necessary.

Diversity, Equity and Inclusion

Diversity, equity and inclusion are the top priorities of Cepal as we strongly believe that our efforts are focused on growth and retention in diversity among our employees. We believe that a diverse and inclusive culture unleashes the full potential of our employees and makes us a better company for all our stakeholders. We are committed to providing equal employment opportunities to all our employees, supporting their personal wellbeing and their career development plans.

Employee turnover

The company has managed to reduce its annual employee turnover from 8% in 2021 to 7% within 2022. In Cepal, we monitor employee turnover closely and in the context of relevant supporting indicators such as employee sickness and absence, evaluating our KPIs in order to identify potential issues that require immediate attention and actions.

Employee promotions

We aim to provide a motivating and rewarding working environment and equal opportunities for career growth. We invest in our people and offer them a fair and competitive remuneration package based on their expertise and seniority. As a result, the Company promoted 26 employees, which is 7% more than the promotions of 2021, to higher rankings within the Company following its commitment for employee development and providing opportunities for further career development.



Health and Safety

In Cepal, our people are the main focus of our business, and as part of our ongoing mission to be an employer of choice, we seriously take our responsibility to ensure their well-being, increasing our focus on health and safety actions. We understand that the safety and well-being of our workforce are a strong driver for employee engagement, retention, efficiency and our overall reputation. We also ensure safe working conditions, maintain a robust safety training program, and exceed global health and safety regulatory requirements. In addition, we have a dedicated safety and security team focusing on all aspects of our workplace to ensure mitigation of threats, risks and vulnerability emanating from tangible acts of unlawful interference including fire related incidences.

Cepal's ongoing commitment to the implementation of its strategy for the creation of a safe working environment was rewarded in this year's Health & Safety Awards 2022.

Cepal received the award for the nomination of Designing Beautiful, Practical and Safe Workplaces, an award that crowns the Company's efforts to continuously improve its performance on Health & Safety issues in the work environment.

Supply chain practices

In Cepal we have established an ESG related procurement procedure which ensures a best-in-class approach in order to establish a solid framework for the purchase of goods and services. Our policy outlines our commitment that all our procurement practices be conducted in a fair and transparent manner to ensure accountability in accordance with the values of the Company. All our suppliers are selected based on ESG criteria highlighting green procurement practices, effective use of resources, reduction of GHG emissions, minimizing paper consumption, human rights, anti-corruption, anti-bribery practices and ensure the highest standards of health and safety.

Training and development

 Average training hours per employee = **10.5 hours**

In Cepal, we continuously support and develop our people and encourage them to grow along with the company. We offer a variety of learning opportunities including seminars, online classes, live trainings and certification programs and on-the-job trainings for their upskilling in order to be successful to their career path. In the meantime, we provide useful tools and software to enable our employees to select the best possible training path through unlimited access to platforms and online material. In 2022, the average training hours per employee were 10.5 hours with an increase of 17% in comparison to 2021.

In addition, we offer tuition fees to our people to obtain certifications and online courses based on the skills required of their business role. All our employees have the availability of an online training library from which they may select relevant material that could be used on their own accord to improve their professional expertise.

In Cepal we focus on educating our workforce as we value our people as an important asset for the future of the company. All our people undergo recurring and ad hoc training sessions on business ethics and compliance in order to comply with our Code of Conduct and our relevant policies and procedures. In addition, we provide educational training to our employees on topics such as anti-money laundering, Know Your Customer, regulatory laws, health and safety and IT.

 **100%** of our employees completed its annual training on KYC and AML

Training on compliance is a critical element of our approach to learning, and the importance of compliance and making it a part of

every employee's day-to-day operation is a key part of our training programmes. In 2022, all our employees completed our annual training on KYC and AML topics. Following this, our Human Resources department arranges external or internal training sessions to ensure that all our employees receive the training they need to meet our requirements.

In addition, Cepal has offered online training programs for all staff and new joiners, through a web-based Learning Management portal (LMS). We also arrange First Aid training on an annual basis to ensure the safety of our employees.

Our communication strategy through our initiatives

Cepal has managed in a short period of time to provide a complete communication framework of services, tools and actions that enhances its social footprint through the broad participation and development of its employees which is communicated through three main initiatives:

- 1) **"The Power of We"** which promotes cooperation, efficiency and teamwork among colleagues
- 2) **"The Power of Good"** which includes Corporate Social Responsibility actions and promotes active contribution and participation of employees in actions with a positive social impact
- 3) **"The Power of Talent"** which focuses on developing and attracting talent to the Company

The power of



The Power of We

With our first initiative, the Power of We, we aim to a smooth transition of our human resources to new data, and with the basic mission to shape a new corporate behavioral identity, inspired by concepts such as teamwork, cooperation, team perspective and its dynamics, as well as equal opportunities in a safe work environment.

In July 2022, a two-year Company Collective Labour Agreement was signed between the Company's Management and the employees' representatives, demonstrating the Company's intention to create and maintain a harmonious climate of labour relations and a



general feeling of job security. At the same time, the Company proceeded with the implementation of the Cepal Relaunch, i.e., its first major organizational change, in order to acquire a structure that will fully utilize the potential of its people, so that it can operate with maximum efficiency. In October 2022, the salary and benefits harmonization exercise were completed, whereby all Cepal employees, regardless of their origin (original Cepal latecomers and employees who joined after the carve-out from Alpha Bank), now know that their remuneration is fair and competitive in relation to the wider market, and by hierarchical level, everyone receives a competitive benefits package. In this way, the elimination of any pay differentials that existed between the original Cepal employees and the colleagues who transferred from Alpha Bank was achieved.

During the same period, the HR team started a series of meetings with all employees of the Company, in order to get to know each employee and to lay the foundations for the development of a mutual relationship of trust. This initiative was particularly well received by employees. In this context and having as its main pillar the equal evaluation and management of our people, in June 2023 the variable remuneration (bonus) schemes based on Cepal's new organizational structure were finalized and the payment of the annual bonus for the year 2022 was completed. Alongside the strategic corporate implementations and always giving priority to the "People" pillar, the Company undertook various initiatives giving its people the opportunity to participate in social activities, thus strengthening team spirit and cooperation. In this context, the Cepal Running team participates every year in the largest running event in the country, the Athens Marathon. In 2022, 85 employees ran in all 3 routes, while this year 140 employees have already registered to participate, making our team one of the most numerous participating teams.

At the same time, having to the maximum extent the feeling of responsibility and social participation, Cepal executives participate in the most important conferences in Greece and abroad and share their experience and know-how, while the major corporate successes and awards are communicated internally, in order to strengthen the feeling of pride and self-confidence among employees. In this way and having matured the conditions to invest purposefully in the development of an even more comprehensive plan for communicating strategic decisions and actions, based on the already successful "The Power of We", we have strengthened our action plan with 2 new innovative initiatives with the ultimate goal of supporting our people and society to an even greater extent.



The Power of Good

"The Power of Good" includes Corporate Social Responsibility actions and promotes the active participation of employees in actions with a positive social and environmental impact, as well as the support of actions with a cultural and educational background. In June 2022, the employee voluntary blood donation group was created, with 2 organized blood donations per year, aiming to support the National Blood Donation Center and meet the needs of colleagues and their families. To date, more than 200 units of blood have been collected, with the participation of approximately 110 employees. At the same time, in cooperation with the international environmental organization We4All, beach clean-up activities have been car-

ried out at the Beach Clean-up of the Voula Beach for the Rehabilitation & Rehabilitation of Children with Disabilities (formerly PIKPA) (April 2023) and the planting of a new green lung in the area of Peania (January 2023) with the participation of approximately 40 employees per case, while We4All has our support for the planting of 1,000 trees in the Greek territory.

In addition, the Company supports the valuable work of non-profit organizations with educational and cultural focus and specifically, in cooperation with the Greek section of the World Robot Olympiad (WRO Hellas), supported 22 primary schools in Greece, purchasing robotics equipment to ensure their participation in the National Educational Robotics Competition and the Greek final, which took place on 26 March 2023. In addition, the Company undertook, in cooperation with the educational branch of the Animasyros Festival "Animasyros Education", the organization of two educational animation workshops, the first one for people with disabilities in Ermoupolis, Syros and the second one for the students of Mandraki Primary School in Nisyros, which were implemented between February and April 2023.

The power of



The power of

talent

The Power of Talent

“The Power of Talent» frames all corporate actions that focus on employee training and development and attracting new talent to the company. The implementation of significant changes at the organizational level, in terms of infrastructure and tools, has enhanced the sense of pride, fairness and recognition of the Company’s employees.

This is a series of actions with a wide range of activities and dynamic voluntary participation of employees in initiatives with a positive social and environmental impact.



In July 2022, Cepal proceeded to establish a postgraduate scholarship program for its employees, who can receive coverage of the tuition costs of programmes related to their field of work. The success of the first year led to the institution being repeated for a second consecutive year. The emphasis on the importance of education is woven into Cepal’s culture. In this context, in July 2022, the Company’s Learning Management System was launched, through which employees gained access to more than 1,000 online trainings on a wide range of topics. Already in the first half of the platform’s operation, 540 employees participated, completing more than 6,000 hours of online training. At the same time, the HR team participates in the most important Career Fairs (indicatively Career Days [kariera.gr](#), Panorama of Entrepreneurship, University of Piraeus, Athens University of Economics and Business), showing extroversion and attracting candidates of high cognitive level to staff key areas of the organization.

Within 2022, following our actions within the “Power of Good” program, we proceeded with a furniture donation to multiple organizations from our offices that we shut down. More specifically:

1) Through the “Faith Foundation”, furniture has been made available to the following organizations:

- » “Paidon Agias Sofias Hospital” which is the largest pediatric hospital in the country and one of the largest in Europe with children up to the age of 16. The hospital has been provided with 26 pieces (refrigerators, chairs and dressers) for the immediate reinforcement of the hospital’s infrastructure and another 60 pieces (desks, dividers, seats, dressers, etc.) to be used for the complete renovation of the “Paidon Agias Sofias Hospital”.
- » “Association of the Pisti Foundation”, which has as a main activity the treatment of childhood cancer, was given 36 items including desks, cabinets, chairs, conference tables and refrigerators.



The emphasis on the importance of education is woven into Cepal’s culture

2) Through the “Desmos Foundation”, a donation was made to “Onesimus Prisoner Support Association”.

The main function of Onesimus is to provide material and moral assistance to prisoners and their families. 19 offices have been granted which will be made available to a Second Chance School in the Detention Centre of Patras.

3) Through the “Estia Agios Nikolaos”, which is a community where people with disabilities live, work and spend their free time with people who care for them, 54 items were made available, including desks, cabinets, refrigerators and drawers to staff the foundation’s workshops.

4) Through “Amimoni Institution” that provides lifelong education, care and support to people with visual impairments, 19 items were provided including lockers, waste baskets and document shredders.

5) Through the organization “Mazi me to Paidi” furniture has been made available to the following:

- » “Theotokos Foundation” which provides special education services and therapies to preschool children aged 2-5 years and adolescents with developmental immaturity. 13 items were made available including a pharmacy box, drawers and waste baskets.
- » “Spastics Society Athens” which is a charitable association with the aim of developing welfare for people with cerebral palsy in Greece. Two filling cabinets were made available for the needs of the association.

08

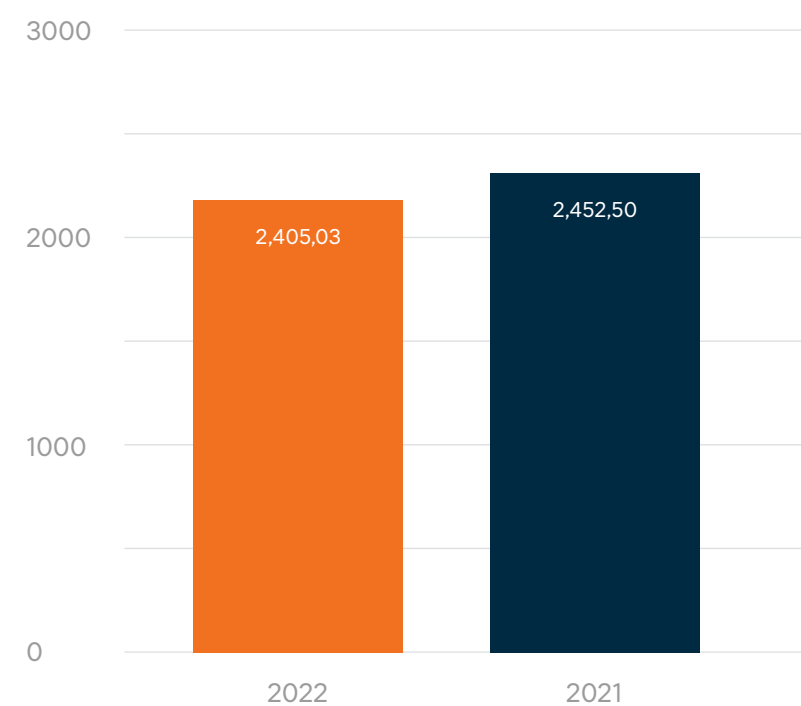
Environment

In Cepal, we take responsibility for the environmental impact in decisions regarding the management of our premises and implement measures to reduce our carbon footprint.

We minimize our electricity consumption in our premises

In 2022, our electricity consumption was 2.405,03 MWh which reflects a decrease of 2% compared to our relevant electricity consumption in 2021.

Total electricity consumption



Electricity consumption	MWh	TJ
2022	2.452,52	8,83
2021	2.405,03	8,66

Total electricity consumption = **2.405,03 MWh**

We calculate our carbon footprint

We are proud that for the first time, we undertook the calculation of our Greenhouse Gas (GHG) emissions of the Company regarding specific categories of the direct (Scope 1) and indirect (Scope 2) emissions. To ensure the most reliable and meaningful data on the emissions generated, all our calculations were prepared in accordance with the ISO 14064-1:2018 for the Greenhouse gases.

Our GHG emissions from the usage of natural gas and heating diesel (Scope 1) in 2022 were 180,71 tonnes CO₂ eq. While our GHG emissions from electricity (Scope 2) were 1.284,52 tonnes CO₂ eq in 2022. We also calculated our carbon intensity, which amounted to 1.61 tonnes of CO₂ per employee in 2022.

All the emissions factors and the calculations for the Greenhouse Gas (GHG)

CO ₂ emissions	t CO ₂ eq	t CO ₂	t CH ₄	t N ₂ O	t HFCs
Direct emissions (Scope 1)	180,71	19,92	0,0008024	0,0001599	0,10
Direct emissions (Scope 2)	1.284,52	1.284,43	0,0152	0,00626	-

We set specific actions and measures to ensure both short and long-term emissions reduction, much of which will be achieved through engaging our employees and improving the monitoring and management of our GHG emissions. To this extend, we calculated specific KPIs for 2022 regarding our environmental footprint as follows:

Type of fuel	MWh	TJ
Natural Gas	1,84	0,01
Heating Diesel	75,25	0,27

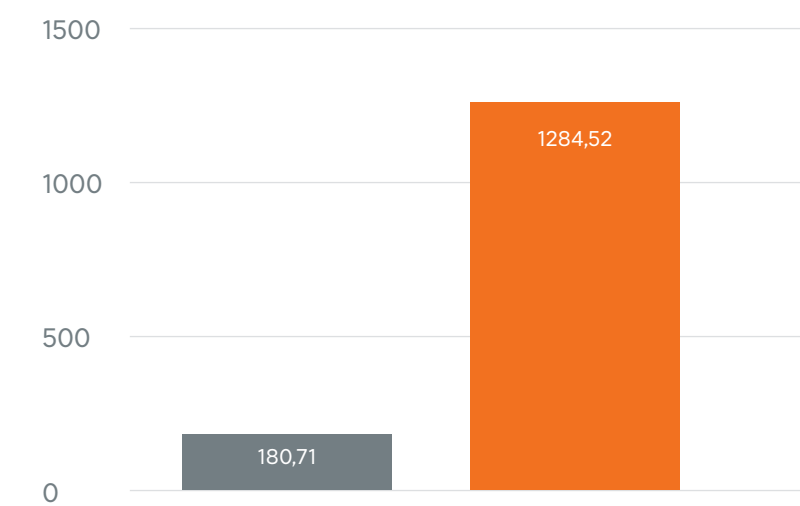
emissions are prepared based on local and global best practices as mentioned below:

- » Source for NCV and EFCO₂: Greece, National Inventory Report, April 2022
- » Source for NCV and EFCO₂: Greece, National Inventory Report, April 2023
- » IPCC (Intergovernmental Panel on Climate Change) AR5 WGI Report, 2014

Carbon intensity tCO₂ eq / employee = **1.61**

GHG emissions

● Scope 1 emissions (t CO₂ eq) ● Scope 2 emissions (t CO₂ eq)



Direct emissions - Scope 1 = **180,71 tCO₂ eq**
 Indirect emissions - Scope 2 = **1.284,52 tCO₂ eq**

Environmental initiatives in our offices

We have improved our premises' energy efficiency by engaging our people on how their everyday actions can make a real difference in energy savings. For instance, in recent years, the Company is progressively decarbonizing its operations following specific initiatives for ensuring energy efficiency as follows:

- » Incorporation of energy efficient technologies and low carbon equipment and systems into our offices and hubs.
- » Regular upgrade of our hardware and deployment of new technologies, as part of a more digital IT vision.
- » Prefer suppliers and contractors who provide environmentally friendly practices and meet specific ESG criteria based on our Procurement policy.
- » Support environmentally friendly initiatives and events through our main program "Power of Good".
- » Encourage our employees through campaigns for recycling and use of specific 3-shot bins in our premises.
- » Promote energy efficiency, water saving and reduction of Greenhouse Gas emissions.
- » Encourage our people to reduce consumption of materials used in our premises to minimize material waste and use them as efficiently as possible.

Water management

In Cepal, we respect the use and the quality of water. Some of our facilities are equipped with devices that prevent excessive water consumption. For 2022, analyzing the amount of generated wastewater, we calculated the water consumption to 3,042 cubic meters as we continue our efforts to minimize the water consumption within 2023.

 Water consumption for 2022 = **3,042m³**

We minimize the amount of paper consumption

We provide efforts to reduce our total paper waste in our operations and to this extent we proceed to a more digital era, minimizing the necessary prints, encouraging our employees to use the double-sided printing, and limiting the use of colour prints. As a result, we calculated our paper waste for our three main offices in Athens to be 2,630 kg as we enhance our efforts to reduce the total paper consumption within 2023.

 Paper consumption for 2022 = **2,630kg**



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GRI contents index

Statement of use	Cepal Hellas has reported the information cited in this GRI content index for the period from 1st January 2022 to 31st December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	The organization and its reporting practices	
	2-1 Organizational details	ESG Report 2022 - About this report, page 3 - Cepal at a glance, page 6-7 https://www.cepal.gr/
	2-2 Entities included in the organization's sustainability reporting	ESG Report 2022 - Cepal at a glance, page 5-8
	2-3 Reporting period, frequency and contact point	ESG Report 2022 - About this report, page 3
	Activities and workers	
	2-6 Activities, value chain and other business relationships	ESG Report 2022 - About this report, page 3 - Cepal at a glance, page 5-8 - Supply chain practices, page 25
	2-7 Employees	ESG Report 2022 - ESG highlights, page 13 - Social, page 21-23
	Governance	
	2-9 Governance structure and composition	ESG Report 2022 - Corporate Governance, page 15-17
	2-11 Chair of the highest governance body	ESG Report 2022 - Corporate Governance, page 15-17
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report 2022 - Corporate Governance, page 15-17
	2-15 Conflicts of interest	ESG Report 2022 - Corporate Governance, page 15-17
	2-15 Conflicts of interest	
	2-22 Statement on sustainable development strategy	ESG Report 2022 - Message from our CEO, page 4
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report 2022 - Corporate Governance, page 17-19
	2-27 Compliance with laws and regulations	ESG Report 2022 - Corporate Governance, page 17-19
	Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	ESG Report 2022 - ESG in Cepal, page 10-11

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GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report 2022 - ESG in Cepal, page 10-11
	3-2 List of material topics	ESG Report 2022 - ESG in Cepal, page 10-11
	3-3 Management of material topics	ESG Report 2022 - ESG in Cepal, page 10-11
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	ESG Report 2022 - Training and development, page 26
	205-3 Confirmed incidents of corruption and actions taken	ESG Report 2022 - ESG highlights 2022, page 13 - Business Ethics, page 17
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Report 2022 - Environment, page 32
	302-3 Energy intensity	ESG Report 2022 - Environment, page 32-33
GRI 303: Water and Effluents 2018	303-5 Water consumption	ESG Report 2022 - Water management, page 34
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Report 2022 - Environment, page 32-33
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report 2022 - Environment, page 32-33
	305-4 GHG emissions intensity	ESG Report 2022 - Environment, page 33
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Report 2022 - We minimize the amount of paper consumption, page 34
GRI 306: Waste 2020	306-3 Waste generated	ESG Report 2022 - We minimize the amount of paper consumption, page 34
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Report 2022 - Supply chain practices, page 25
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Report 2022 - Social, page 21-23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report 2022 - Employee benefits and initiatives, page 24
	401-3 Parental leave	ESG Report 2022 - Employee benefits and initiatives, page 24

Statement of use	Cepal Hellas has reported the information cited in this GRI content index for the period from 1st January 2022 to 31st December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report 2022 - Health and Safety, page 24
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report 2022 - Health and Safety, page 24
	403-3 Occupational health services	ESG Report 2022 - Health and Safety, page 24
	403-5 Worker training on occupational health and safety	ESG Report 2022 - Health and Safety, page 24 - Training and development, page 26
	403-6 Promotion of worker health	ESG Report 2022 - Health and Safety, page 24
GRI 403: Occupational Health and Safety 2018	404-1 Average hours of training per year per employee	ESG Report 2022 - Training and development, page 26
	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report 2022 - Training and development, page 26
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Report 2022 - Training and development, page 26
	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report 2022 - Training and development, page 26
GRI 405: Diversity and Equal Opportunity 2016	2-11 Chair of the highest governance body	ESG Report 2022 - Corporate Governance, page 15-17
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report 2022 - Social, page 27-30
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Report 2022 - Supply chain practices, page 25
GRI 418: Supplier Social Assessment 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Report 2022 - IT and Cybersecurity, page 18

cepal

Contact Details

Tel: (+30) 213 088 6600

Email: customerservices@cepal.gr

Fax: (+30) 213 088 7790-91

Address:

Syggrou Avenue 209-211, 17121,
Nea Smyrni, Attiki

www.cepal.gr