



Piraeus Bank
Corporate Social Responsibility

A holistic approach to greening your products The case of PIRAEUS BANK

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Changing Environments – Changing Finance ?
Sustainable Finance in Turkey
UNEP Finance Initiative
YapiKredi, REC, EBRD, UNDP
Istanbul, January 2009



Piraeus Bank
Corporate Social Responsibility

ENVIRONMENTAL DEPARTMENT

Greening Banking Products

Our moto

**In order to green outside
you must first green inside**

- ✓ **Environmental Policy approved by the Board of Directors**
- ✓ **Establishment of CSR Committee**
- ✓ **Setting up a “green team”**
 - *Defining aims*
 - *Planning strategy and setting goals*
 - *Implementing projects*
 - *Evaluating*
 - *Reporting*

Environmental Policy Statement (*summary*)

“Piraeus Bank, having a leading role in Greece in the market, has undertaken initiatives for the assessment, evaluation and reduction of environmental risks that are related to its operational and core business environmental impacts, while, at the same time, promotes green investments”

Piraeus Bank CSR Committee

The pillars:

**Corporate
Governance**

**Relations with
customers &
suppliers**

**Human
Resources**

Society

Culture

Environment

The participants:

- ✓ **General Manager of Corporate Governance**
- ✓ **General Manger of HR**
- ✓ **General Manager of Business Planning and IR Divison**
- ✓ **General Manager of Cultural Foundation of Piraeus Bank Group**
- ✓ **Head of Environmental Department**



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Greening Banking Products

The steps internally: The green team

The Environmental Department

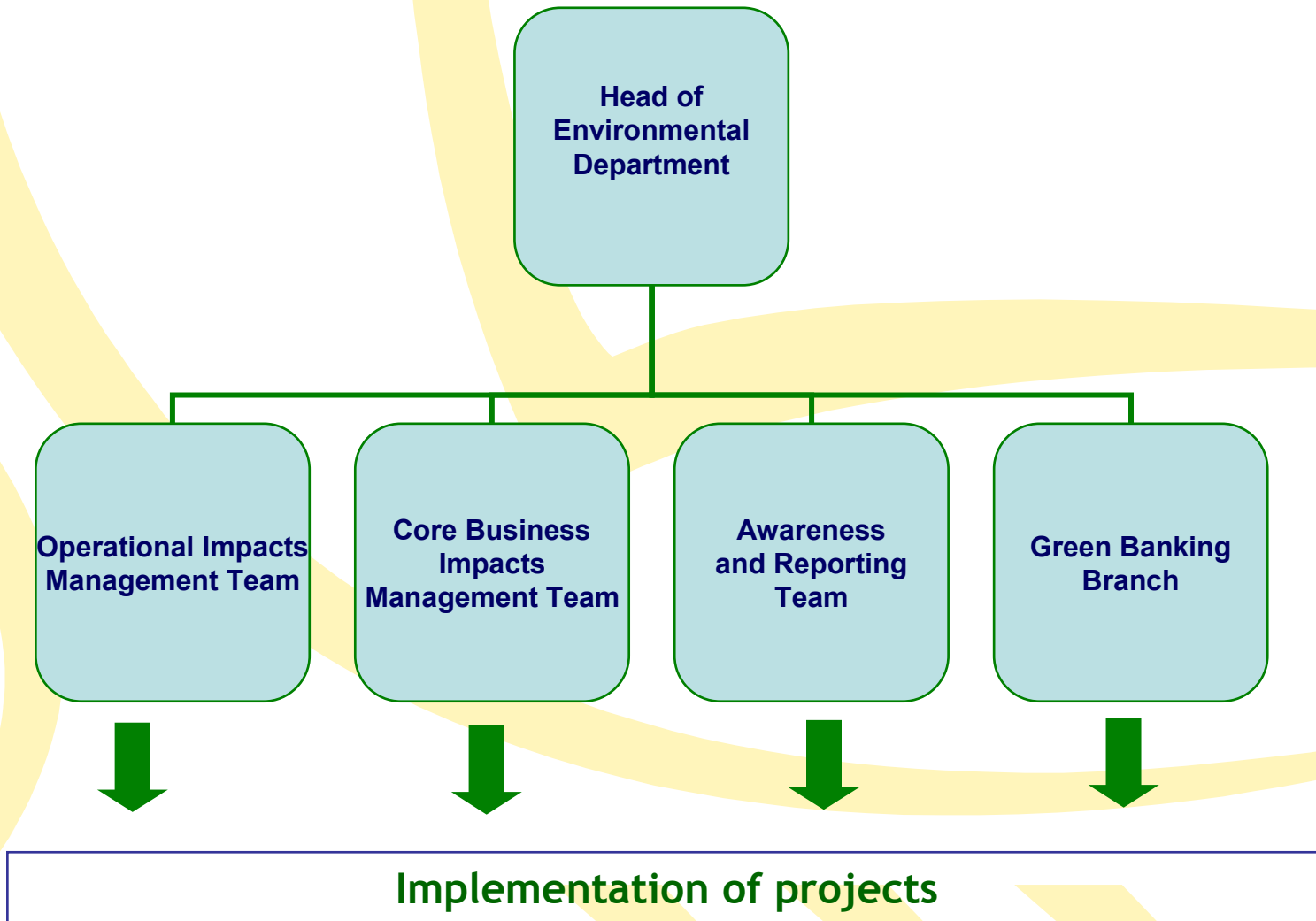
Aim:

“To improve the environmental performance of Piraeus Bank and to disseminate the acquired expertise among businesses and services that are related to the Bank’s activities”



Greening Banking Products

The steps internally: The Environmental dpt.



Greening Banking Products

Greening inside (1)

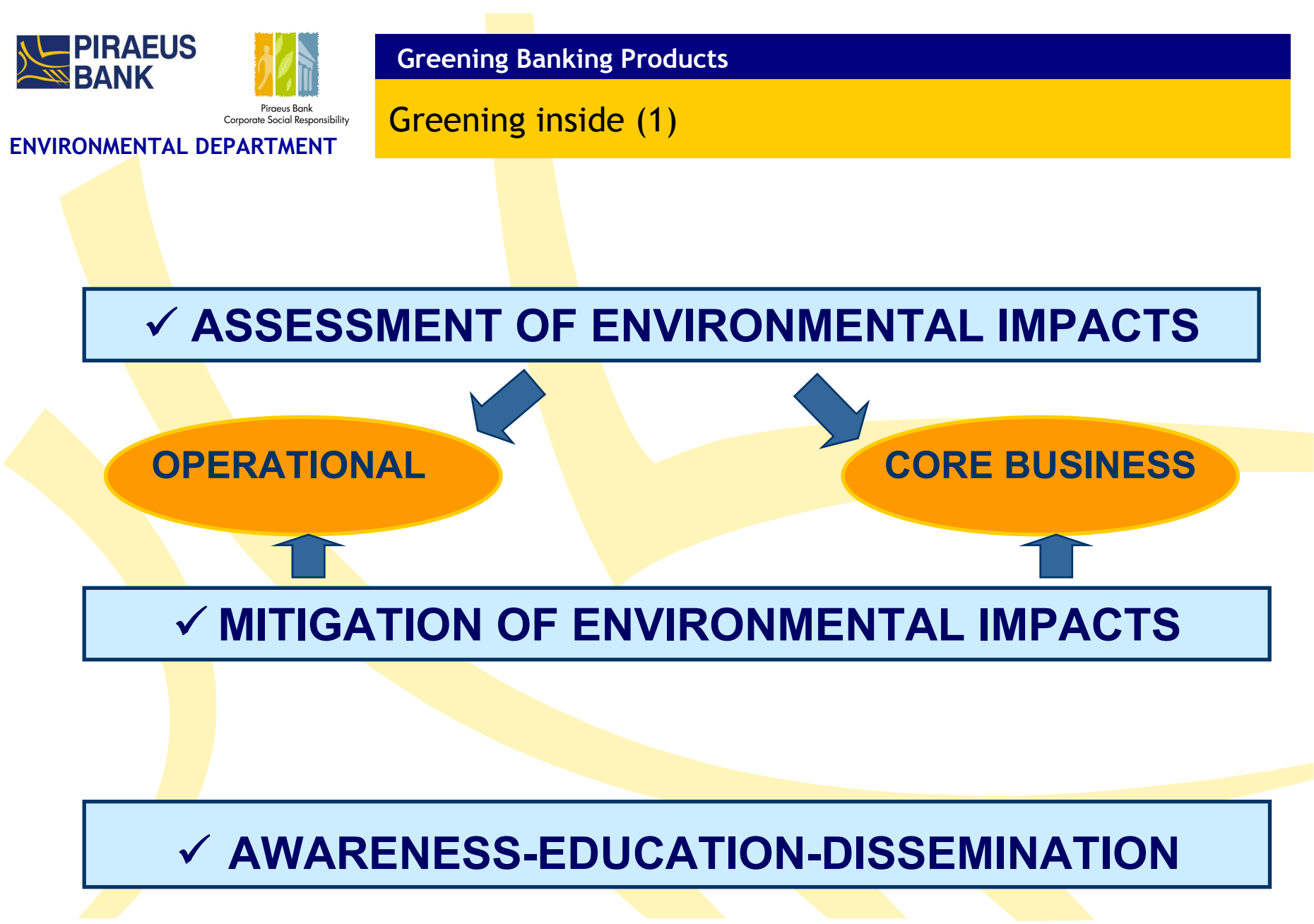
✓ **ASSESSMENT OF ENVIRONMENTAL IMPACTS**

OPERATIONAL

CORE BUSINESS

✓ **MITIGATION OF ENVIRONMENTAL IMPACTS**

✓ **AWARENESS-EDUCATION-DISSEMINATION**

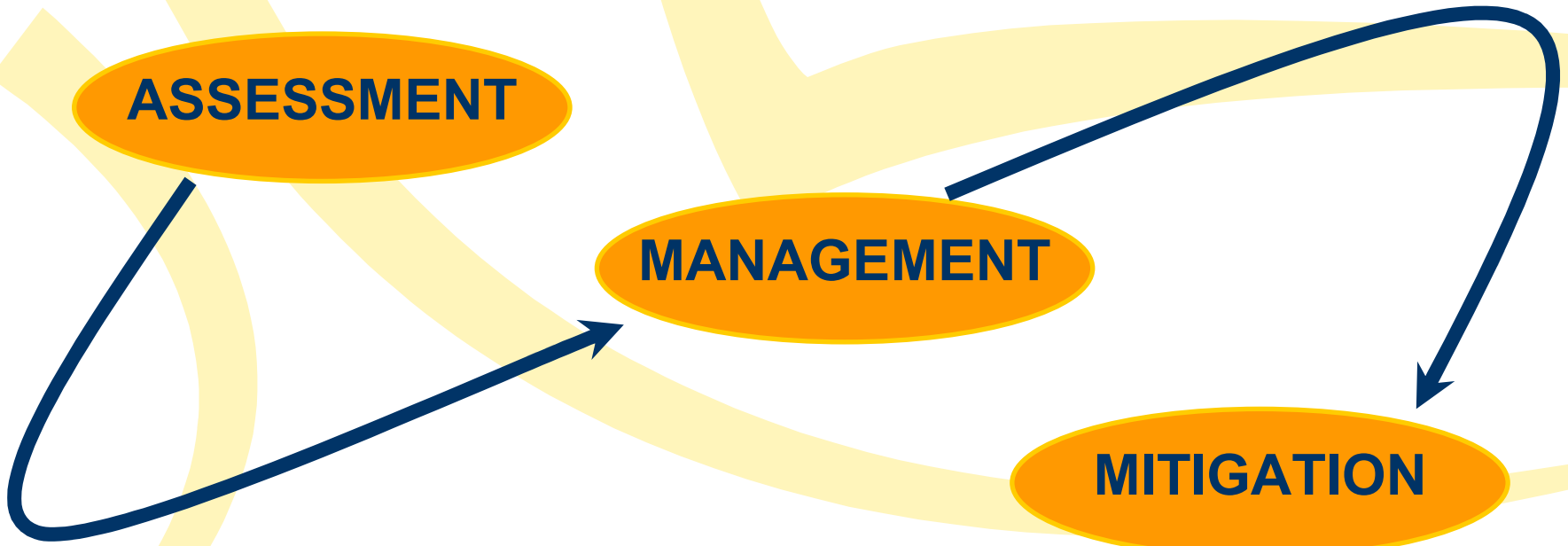


OPERATIONAL ENVIRONMENTAL IMPACTS

ASSESSMENT

MANAGEMENT

MITIGATION



OPERATIONAL ENVIRONMENTAL IMPACTS**ASSESSMENT**

- ✓ **Creation and operation of database (monitoring)**
- ✓ **Consumption of energy, paper, water**
- ✓ **Measuring pollution from transportation**
- ✓ **Purchase of computers and printers**
- ✓ **Procurement of goods**

OPERATIONAL ENVIRONMENTAL IMPACTS

MANAGEMENT

Assessment of environmental footprint

Determination of indices

Drafting of «guides»

- ★ **GUIDE FOR ENERGY MANAGEMENT OF BANK'S FACILITIES**
- ★ **GUIDE FOR WASTE MANAGEMENT**
- ★ **GUIDE FOR TRANSPORTATION**
- ★ **GUIDE FOR PROCUREMENTS**
- ★ **GUIDE FOR EMPLOYEES INCENTIVES**

OPERATIONAL ENVIRONMENTAL IMPACTS

MITIGATION

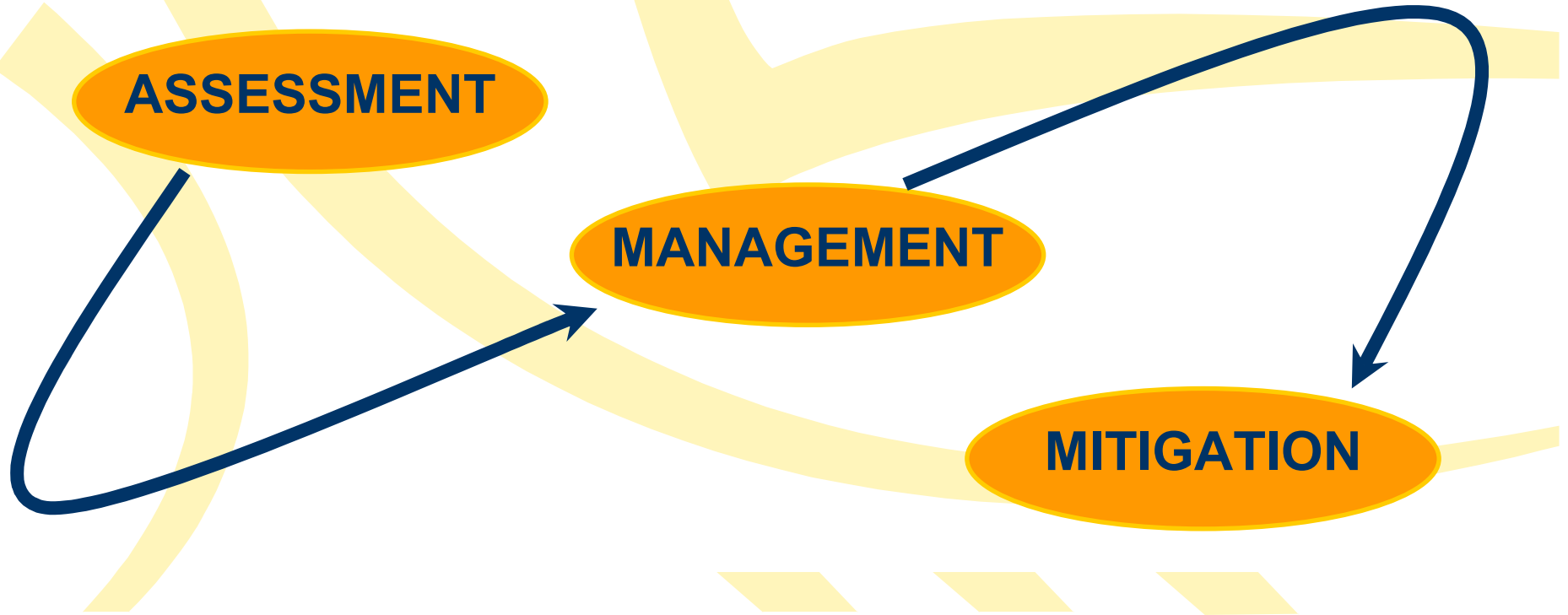
- ✓ **Pilot installation of BMS and photovoltaic systems**
- ✓ **Collection and recycling of paper & plastic**
- ✓ **Recycling of electronic equipment and ink cartridges**
- ✓ **Water management system**
- ✓ **Incentives to reduce travels**
- ✓ **Green product procurements**
 - ➔ **Recycled and/or chlorine free paper**
 - ➔ **Non-toxic cleaning products**
 - ➔ **low energy consumption equipment etc**

CORE BUSINESS ENVIRONMENTAL IMPACTS

ASSESSMENT

MANAGEMENT

MITIGATION



CORE BUSINESS ENVIRONMENTAL IMPACTS

ASSESSMENT

- ✓ **Review-Investigation of potential environmental impacts**
- ✓ **Compliance with existing and future legislation**
- ✓ **Feasibility study on potential green products**
 - ➔ **Development of products**
 - ➔ **Product optimization**
 - ➔ **Services provided**
 - ➔ **Green banking products marketing**

CORE BUSINESS ENVIRONMENTAL IMPACTS

MANAGEMENT

- ✓ **Review of existing green banking products**
- ✓ **Market analysis and trends**
- ✓ **Designing of new green banking products**
 - ex. → **Solar, Wind, Geothermic**
 - **Biomass**
 - **Hybrid systems etc**

CORE BUSINESS ENVIRONMENTAL IMPACTS

MITIGATION

- ✓ **Launching of new green banking products on the market**
- ✓ **Evaluation of success**
- ✓ **Capacity building/ transfer of expertise**
 - ➔ **in PB Group subsidiaries, in Greece, SE Europe, UK**
 - ➔ **Business clients**

AWARENESS – EDUCATION - DISSEMINATION

- ✓ **INTERACTIVE E-LEARNING PROGRAMME**
- ✓ **INTERACTIVE INTRANET APPLICATIONS**
- ✓ **SPECIAL FIELDS ON THE INTERNET**
- ✓ **PARTICIPATION IN CONFERENCES AND MEETINGS**
- ✓ **PUBLICATION OF INFORMATION MATERIAL**
- ✓ **ANNUAL ENVIRONMENTAL REPORT**
- ✓ **PRESENCE IN THE GREEK AND INTERNATIONAL PRINTED & ELECTRONIC MEDIA**



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Greening Banking Products

Green Products: What is this

Green Banking Products (GBPs) are those products that help create effective and far-reaching market-based solutions to address a range of environmental problems, including climate change, deforestation, air quality issues and biodiversity loss, while at the same time identifying and securing new business opportunities that benefit customers.

“Green Financial Products and Services”, UNEP FI, August 2007.

Examples: Energy efficiency mortgages, Green car loans, renewable energy venture capital, eco-savings deposits, “green” credit cards; etc

Global environmental awareness has created a new business momentum that forces changes mainly to:

- the attitude
- the philosophy and policy of designing
- and the operation of financial institutions

✓ In this new investment environment, the financial institutions, are confronted with increased risks as well as opportunities

Seven points that support the argument that “green” will be high on the business agenda:

1. Without effective policies, environmental problems will only get worse. Governments around the world realize this and have started adopting laws and regulations towards this end
2. Citizens have become more environmentally conscious and adopt attitudes and lifestyles that benefit the environment.
3. Most environmental problems have gained a financial overtone.
4. The limits and goals that each country sets to tackle environmental problems, promote green investments
5. Environmental policy in many companies has become an integral part of the business planning.
6. Clean Technologies claim a significant part of the market.
7. The environment has started gaining a role as an investment opportunity.

✓ We can now talk about green investments and the market is ready to adopt the new green banking products.

Questions regarding the development of green products

- What are the main market trends behind green banking products (GBPs)?
- What is the current and potential demand for GBPs?
- What is the legislation that supports the development of GBP?
- What are the existing GBPs offered by other financial institutions?
- What best practices and lessons learned can be identified in terms of experience with GBPs?
- What are the key opportunities for financial institutions to consider in terms of the development and marketing of GBPs?

Greening Banking products

Evaluating the market size, growth and trends

Evaluating the market, size, growth and trends is an important step for the development of green banking products.

Apart from the typical methods of market evaluation (ex. economic), three additional parameters should be investigated:

- A. Knowledge of environmental problems*
- B. Environmental awareness and public opinion*
- C. Legislation and Directives*

→ *There are already more than 300 legal acts which are included in the environmental law of EU. These refer to the regulation of multiple activities with possible implications to the environment. → Most of these acts are Directives that all EU members should incorporate into their national legislation. → More than 80% of national legislation of EU members, in relation to the environment, is initiated due to EU Directives.*

Greening Banking Products

The first green banking products in Greece

Green SMEs loan

- ✓ To purchase and install Photovoltaic Systems or/and Renewable Energy Power Systems

Green mortgage

- ✓ To build energy efficient houses and other buildings (according to the EU legislation on Energy Performance of Buildings Directive -2002/91)

Green consumers loan

- ✓ To buy and install clean technologies at home (for example: solar hot water systems)
- ✓ House retrofitting for energy saving (home insulation, double glazing, external awnings)

Five incentives for the Development of GBP in RES

1. There is specific **Renewable Portfolio Standard (RPS)**, a policy mechanism designed to increase the amount and/or proportion of renewable energy purchased in Greece.
2. The new law offers for the first time a **feed-in-tariff (FIT)** with a separate one for PV systems.
3. There is a designed **Public Benefit Program** which supports the funds for the FIT. This program obliges all electricity users to pay a small RES charge per kilowatt hour of electricity used that is collected by the main (and only) utility (Public Power Corporation S.A.) which goes into a special fund to support RES investments.
4. In addition there is a **Tax mechanism** which is providing tax credit to RES investments in home applications.
5. Investment Incentives Law which offers a subsidy.

Photovoltaic: the new law

In particular, the following feed-in-tariffs are now valid:

PV system size	Mainland grid	Autonomous island grids
≤ 100 kWp	0.45 €/kWh	0.50 €/kWh
>100 kWp	0.40 €/kWh	0.45 €/kWh

- The new tariffs are adjusted annually for inflation (25% of last year's Consumer Price Index)
- The FIT is guaranteed for 20 years.

Photovoltaic: investment incentives

A. Commercial Investments

- Investment Incentives Law
(subsidy up to 40%)
- Other Funding Programs
(Regional Investment Programs
(RIP))
- Subsidy of Interest Rate
+ subsidy of KWh



B. Private Investments

- Tax refund up to 700 € per system
+ subsidy of KWh



Financing SME

- ✓ **Financing of investment plans for photovoltaic stations**
- ✓ **Bridge Facility for subsidy financing**
- ✓ **Leasing**

Project Finance

- ✓ **Long Term Financing**
- ✓ **Bridge Facility for subsidy financing with pledge on the subsidy**
- ✓ **Loan for part of Equity participation of the capital invested in the project.**

Insurance package for the PV park

- ✓ **During Installation**
- ✓ **During operation**

Promotion of the GBP package

- Brochures
- Advertisements
- Participation to several Exhibitions
- Calling Center
- Co-operations with external consulting offices
- Capacity building to bank's personnel

- Training Seminars to Bank's Divisions (PF, SMEs etc)
- Training Seminars to Directors of Bank's branches throughout Greece
- Training Seminars to Credit Officers throughout Greece for the evaluation of applications in PV investments
- Support to all frontline staff through calling service

Measuring success has 2 parameters

Economic:

- Number of Green Loans and investments

Environmental:

- Translate to KWs
- Translate KWs to CO₂
- Translate CO₂ to trees or avoiding emissions

Overall Results

- ✓ By using recycled paper 10,000 trees are saved annually
- ✓ By recycling 32.2 tones of electronic equipment 8 tones of glass 11 tones of aluminium and 7 tones of plastic were not dumped in land fields.
- ✓ By implementing e learning programmes 50 tonnes of CO₂ were not emitted to the atmosphere as a direct result of reducing employees travels by 265,000 km.
- ✓ Investments and loans in Renewable Energy Sources results in avoiding 540,000 tones of CO₂ emissions.



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