



PRESS RELEASE

“Environmental, Social & Governance (ESG) Practices in the Banking Sector” Organizing the 1st Online Discussion

Athens, September 17, 2020. On the occasion of the 1st Anniversary of the signing of the UNEP FI Principles for Responsible Banking*, the Hellenic Financial Stability Fund (HFSF) organized on Tuesday 8th September the 1st online discussion on the subject of **“Environmental, Social & Governance (ESG) Practices in the Banking Sector”**. The key speakers featured in this innovative webinar, which was followed by 85 attendees, included: George Iliopoulos, Managing Director, AIPHORIA Consulting; Panagiotis Habesis, Banking Operations & Public Sector Cooperation Executive, Hellenic Bank Association; Theodora Antonakaki, Climate and Sustainability Advisor, Bank of Greece; and Nicholas Karras, Director of Commodities at SMBCE’s Corporate Research Department.

The discussion was opened by Mr. Martin Czurda, Chief Executive Officer of the HFSF, while Ms Marica Frangaki, Executive Board Member of the HFSF, moderated the event.

In his opening remarks, **Mr. Czurda** highlighted the fact that the focus of society and many businesses following the COVID crisis has shifted from profits to people. In this respect, the Fund’s focus on ESG issues is developing further, while being an active shareholder continues to emphasize value creation. In this context, the Fund has undertaken various initiatives regarding the banks corporate governance in the past few years and it has itself endorsed the UNEP Principles for Responsible Banking.

In particular, **Environment – Society – Governance** issues, otherwise known as **ESG**, are becoming ever more relevant and present a critical operational impact for any business, while making investors become increasingly interested in those issues.

As **Mr. Iliopoulos** pointed out, a strategic approach to ESG issues rather than fragmented actions and initiatives, is what is needed to systemically advance the performance of an institution and reach the best possible levels against those issues.

The long-term contribution of the Greek banking system in the economic development and support of society, was emphatically confirmed as almost all Banks adopted the Principles for Responsible Banking of the UNEP FI.

According to **Mr. Habesis**, the signing of the Principles demonstrates the will of the Banks to align their operations with the highest international standards for sustainable

development, actively contributing at the collective effort to achieve the United Nations Global Sustainable Development Goals.

The risk management of climate change and the transition to a climate neutral economy are of critical importance to sustainability. In this context, the financial system can play an important role while tools and criteria, such as ESG, can contribute towards an economic development in line with environmental protection and social prosperity.

As **Ms Antonakaki** indicated, the Bank of Greece is one of the first central banks to work systematically on climate and sustainability issues since 2009, by setting up the Climate Change Impacts Study Committee (CCISC).

Finally, **Mr. Karras** confirmed that banks have already started setting up structures and systems to institutionalize and manage the risks as well as the opportunities arising from climate change. Specifically, scorecard methodologies have been implemented to categorize obligors' climate risk and the banks' portfolio exposure. Their ultimate objective is to green their balance sheet in line with the Paris Climate action accord.

Following the conclusion of the four speakers' presentations, a lively discussion with the attendees ensued over ESG issues, both specific as well as more general in nature.

Note: The material of the online discussion is available at the HFSF website ([hfsf.gr](https://www.hfsf.gr)), as well as at LinkedIn ([press here](#)).

**The UNEP FI Principles for Responsible Banking are six and provide the framework for a sustainable banking system and help the industry demonstrate its positive contribution to society. The Principles were signed by 130 banks from 49 different countries in September 2019.*

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About Hellenic Financial Stability Fund (HFSF)

The Hellenic Financial Stability Fund (HFSF) was founded in July 2010 with the objective of contributing to the stability of the Greek banking system for the public interest. Under its founding law (N. 3864/2010) it enjoys administrative and financial autonomy and operates as a private legal entity. Throughout its 10-year course which took place during the severe domestic financial crisis, the HFSF has greatly contributed to the rescue and restructuring of the systemic banks acting as a catalyst for stability and transformation and focusing on the banks' efficiency and effectiveness in the pursuit of continuing sustainable growth. With the support and guidance of the HFSF, the funding

policies of the systemic banks have an impact on the real economy and in particular on the primary and secondary sectors, tourism, commerce, thus improving their growth prospects. The Fund has strengthened the country's financial stability, as well as the systemic banks' capacities to ultimately strengthen the prosperity of the Greek society.