



ESG implications in the hospitality sector

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 **I am
an environmentalist!**

Our mission, your advantage!
Join us to handle water and energy more sustainably to protect the environment.

As a thank you, we will reward you with a free drink at the bar.

get started 

nhow
HOTELS

it is up to you

Are you staying for more than one night?
You can decide if you wish for us to clean your room to the max or give housekeeping some time to relax. Help us with our mission and gain some karma points for taking care of the environment.

how it works

Just hang this sign on the outside handle of your door until midnight and look forward to receiving a voucher for a free drink.

For more info, please contact reception.

an  **free drink
voucher**

Our mission, your advantage!

get started 

nhow
HOTELS



Agenda

1. ESG, Banking and the Hospitality Industry
2. What can be classified as a sustainable investment?
3. The EU Taxonomy
4. The role of Hellenic Bank

ESG, Banking and the Hospitality Industry



SUSTAINABILITY

PwC's Global Investor Survey 2022

'I think it is really telling if you look through some sustainability reports. I'm going to start counting up the number of times that a company says "sustainability" versus using actual descriptors. The more a company talks about sustainability in a vague way and the less information I walk away with, the bigger the red flag gets from my perspective.'

—US-based investor

87%

of investors surveyed say they think corporate reporting contains unsupported sustainability claims (i.e., greenwashing)

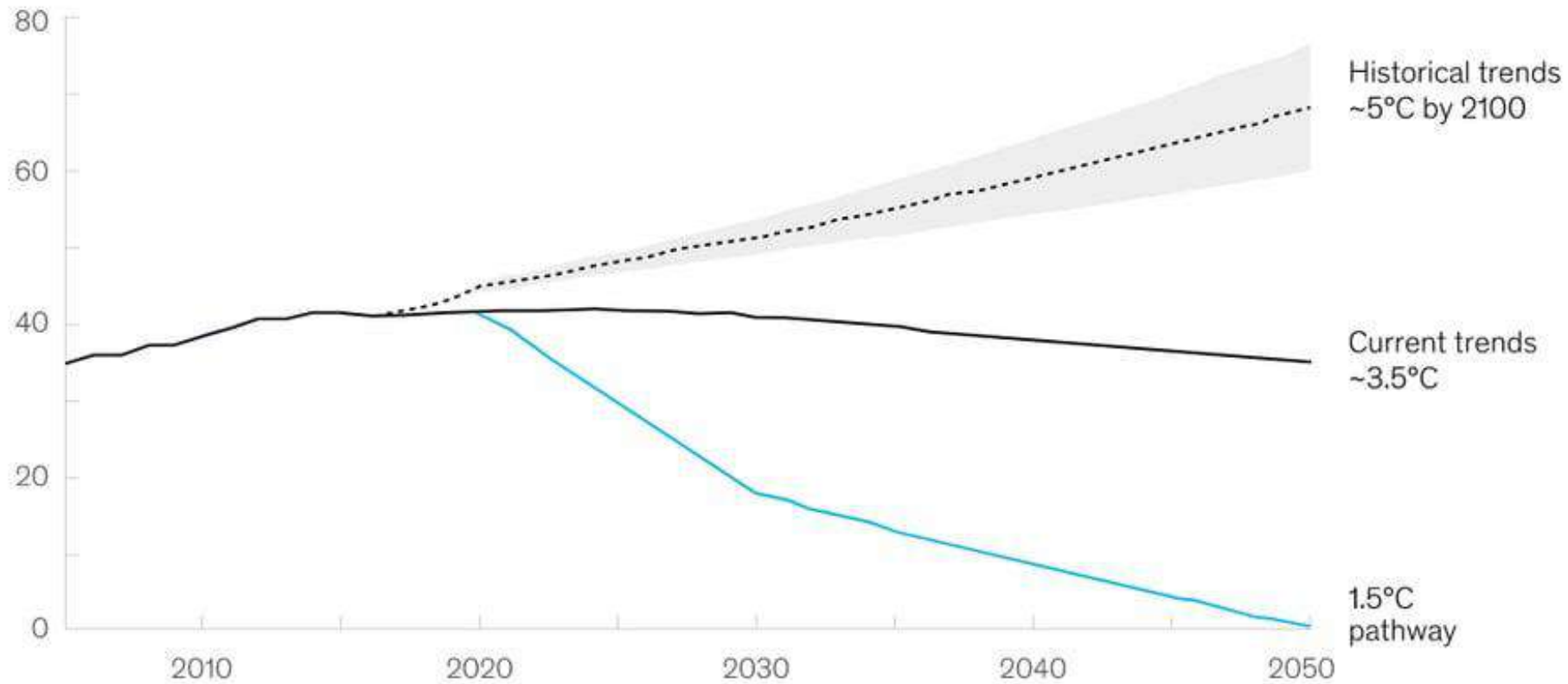
- Clear need for ESG data and reporting to become more regulated and standardised

Paris agreement objective

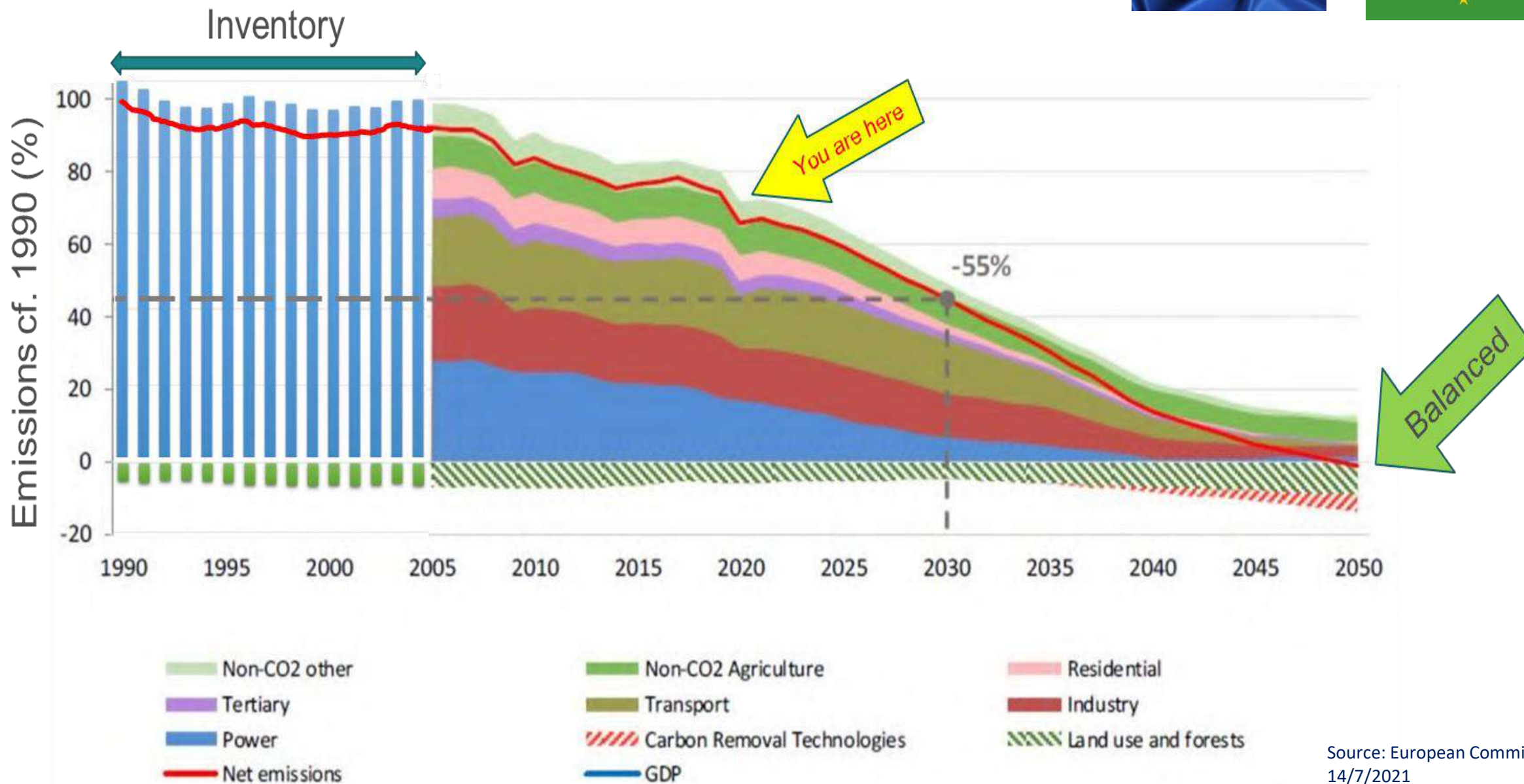


Rapid declines in CO₂ emissions would be required to reach a 1.5°C pathway.

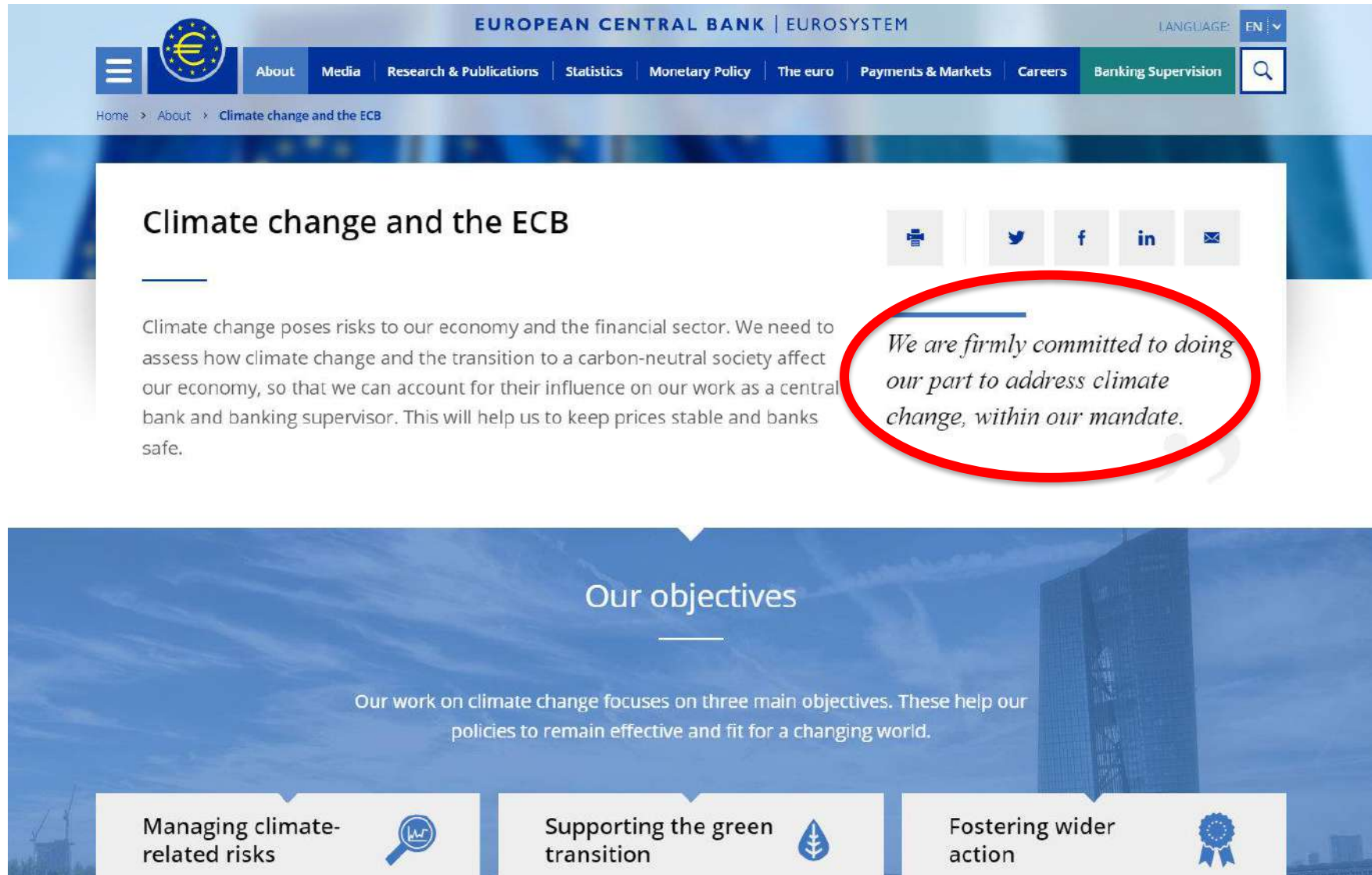
Projected global CO₂ emissions, billion metric tons of carbon dioxide (GtCO₂) per year



'Fit for 55' and the 'Green Deal' plan



ESG, Banking and the Hospitality Industry



EUROPEAN CENTRAL BANK | EUROSISTEM

Home > About > Climate change and the ECB

Climate change and the ECB

Climate change poses risks to our economy and the financial sector. We need to assess how climate change and the transition to a carbon-neutral society affect our economy, so that we can account for their influence on our work as a central bank and banking supervisor. This will help us to keep prices stable and banks safe.

We are firmly committed to doing our part to address climate change, within our mandate.

Our objectives

Our work on climate change focuses on three main objectives. These help our policies to remain effective and fit for a changing world.

- Managing climate-related risks
- Supporting the green transition
- Fostering wider action

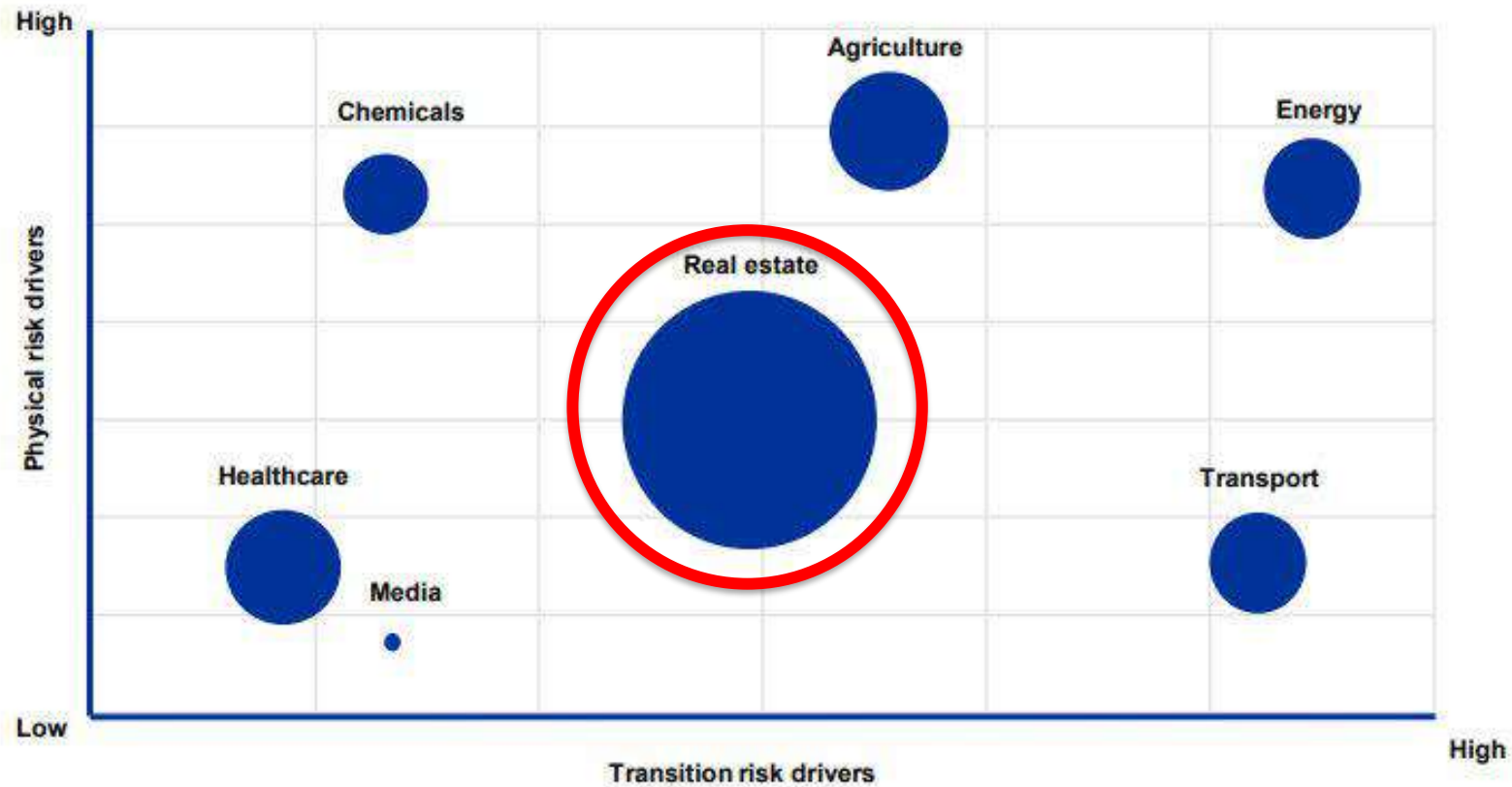


ESG, Banking and the Hospitality Industry

Stylised visualisation of heatmap results to identify which risk drivers are material

Sector portfolio exposure to physical and transition risk drivers

(size of the bubble indicates exposure at default)



Source: Good practices for climate-related and environmental risk management; ECB, 2023



ESG, **Banking** and the Hospitality Industry

The role of Banks in the European Green Deal

- Banks play an important role in supporting the EU objectives of carbon neutrality and the European Green Deal as they represent most of the external funding of Corporates and SMEs.



ESG, **Banking** and the Hospitality Industry

Two new ratios will be reported by EU banks which capture how banks' financing activities meet the agreed Paris agreement objectives of **climate change mitigation** and **adaptation** based on the **EU Taxonomy** of green activities.

- **GAR: Green Asset Ratio**
- **BTAR: Banking Book Taxonomy Alignment Ratio**

First report in 2024 based on 2023 data



ESG, Banking and the **Hospitality Industry**

How Hellenic Bank sees the hospitality industry from an ESG perspective

The hospitality industry is *highly exposed* to ESG parameters

- Environmental Aspect
 - Four key areas: water conservation, energy efficiency, carbon emissions, waste reduction. Unlike other real estate sectors, real estate which operates 24/7.
 - Social Aspect
 - Difficulty in finding skilled staff (double the average quit rate). Workforce diversity, inclusion.
 - Governance Aspect
 - Board diversity, clear executive compensation guidelines, oversight for ESG risks
 - Travellers' increased interest in eco-friendly and socially responsible businesses
 - Leading hospitality companies are setting science based targets, tracking and reducing carbon emissions.
- **Opportunity to improve efficiencies, reduce costs and at the same time classify investments as Green and Sustainable.**



Travellers' choices shifting

The New York Times

TRAVEL | Hotels With Net-Zero Ambitions

Many global travelers, it appears, want to tour more sustainably. In its annual survey on sustainability, the hotel platform [Booking.com](https://www.booking.com) recently found 71 percent of respondents planned to travel greener, up 10 percent over 2021 results. More than half say they are more determined to make environmentally responsible travel choices this year.



Leading hospitality companies setting science-based targets

- Sustainable Hospitality Alliance (SHA) committed to reduce carbon emissions per room per year by 66% by 2030 and 90% by 2050
- Hilton pledged to reduce by 61% Scope 1 and Scope 2 emissions by 2030
- Marriott committed to reduce carbon intensity by 30% by 2030.

Figure 1: Hotel Company Environmental Disclosures and Targets

Company	Near-Term Target Set*	Near-Term Target Year	Net-Zero Commitment	GRI Disclosures	Carbon Disclosure Project
C-CORPORATIONS					
Accor	Yes (1.5°)	2030	Yes	Yes	A-
Choice	No	N/A	No	No	N/A
Hilton	Yes (2°)	2030	No	Yes	B
Hyatt	Yes (well below 2°)	2030	No	Yes	B-
IHG	Yes (1.5°)	2030	No	Yes	A-
Marriott	Committed	N/A	Yes	Yes	B
Wyndham	No	N/A	No	Yes	B

TRAVERS SMITH

Services ▾

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The Energy & Environment Alliance partners with Travers Smith to launch an ESG timeline designed for the hospitality industry



What can be classified as a sustainable investment?

The umbrella of the EU Taxonomy

- Creates a common understanding of how economic activities can qualify as environmentally sustainable.
- Clear, science-based classification of economic activities.
- At first reporting is done by companies with >500 employees (2022) and subsequently rolled out to smaller businesses.



Goals of the EU Taxonomy

The EU Taxonomy encompasses a standard set of definitions for sustainable activities centered around six environmental objectives:



Source: Sustain Analytics 2023



Goals of the EU Taxonomy

The EU taxonomy is based on the following six environmental goals:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Prevention and reduction of environmental pollution
6. Protection and recovery of biological diversity and ecosystems.



Example: EU Taxonomy for constructing a new building

 Search

EU Taxonomy Compass

Menu

Home > Activities > Construction of new buildings

Construction of new buildings

Contributing to climate mitigation ▾

Contributing to climate adaptation ▾

Minimum safeguards ▾



Example: EU Taxonomy for constructing a new building

Construction of new buildings

Contributing to climate mitigation ^

Description v

Substantial contribution criteria ^

Constructions of new buildings for which:

1. The Primary Energy Demand (PED)⁽²⁹⁰⁾, defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing [Directive 2010/31/EU](#) of the European Parliament and of the Council⁽²⁹¹⁾. The energy performance is certified using an as built Energy Performance Certificate (EPC).
2. For buildings larger than 5000 m² ⁽²⁹²⁾, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity⁽²⁹³⁾, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this

Example: EU Taxonomy for constructing a new building

Substantial contribution criteria ▾

Do no significant harm criteria ▲

Climate adaptation ▾

Water ▲

Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in [Appendix E](#) to this Annex:

- a. wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min;
- b. showers have a maximum water flow of 8 litres/min;
- c. WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres;
- d. urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.



EU Taxonomy Summary

- 1. If the investment meets the EU Taxonomy regulation, it can be classified as a *'sustainable investment'*.**
- 2. If bank financing is involved, it will count towards the Bank's Green Asset Ratio and it is expected to get favourable treatment.**



Hellenic Bank's current actions on ESG

Environmental



- Green financing through **growgreen initiative** by offering credible consultation and guidance related to our services, for a greener more sustainable future
- **Climate & Environmental Action Plan** initiated in 2021 with clear targets in relation to strategy, organizational structure and risk management
- Continuous implementation of **Energy Management policy** which assists the Bank to reduce its energy consumption, CO2 emissions and its electricity cost

Social



- Supporting vulnerable groups and promoting activism for social and environmental causes
- *Hellenic Bank Volunteers* group which undertakes a number of initiatives throughout the year and obtained **an award for #HBVolunteersChallenge** by the Volunteerism Coordinative Council in November 2022

Governance



- A **dedicated ESG Department** with the aim to invest in sustainable development and consistently design actions to improve the Bank's impact on environmental sustainability, social responsibility and corporate governance
- Effective oversight of ESG risks. Development of a **climate-related and environmental Risks Action Plan** which is closely monitored through the Transformation Plan governance
- Bank's ESG policy issued in 2022.



For Individuals

Think Green for Your Home!

A loan designed for your House Energy Efficiency Upgrade. Installation of photovoltaic panels, Led lighting, heat pumps and/or other related energy efficient applications or systems.

- ✓ Option for a loan without collateral or personal guarantees
- ✓ Variable Interest Rate
- ✓ Longer repayment period for loans backed with mortgage
- ✓ 7 years* maximum loan duration for loans not backed with mortgage
- ✓ Discount on interest rate of personal loan

**subject to approval*



For Businesses

Make an Impact

Upgrade your business and make an impact

- ✓ For Renewable Energy & Energy Efficiency Upgrade purposes
- ✓ Repayment period up to 12 years*
- ✓ Beneficial Interest Rate
- ✓ Grace period up to 12 months
- ✓ Financing up to 70% of eligible investment*

**subject to condition and criteria set by Hellenic Bank*

(Policy provisions apply)



The role of Hellenic Bank in the hospitality sector in relation to ESG

1. **Provide financing with attractive terms** to hotels and resorts invest in ESG initiatives such as energy-efficient building design, renewable energy systems, water-saving technologies, and waste reduction and recycling programs, as well as ESG-related certifications and audits, such as ISO certifications or carbon footprint assessments.
2. **Collaborate** in the development of ESG initiatives by integrating ESG considerations into the decision-making processes. How to identify environmental performance metrics, conduct energy efficiency assessments and classify investments as sustainable.
 - **Create a more sustainable and competitive hospitality sector and boost the country's economy further.**



Thank you for your attention!

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