



Corporate Sustainability Report 2020

Highlights

Bank of Cyprus



INVESTING IN RESILIENCE AND DIGITAL FUTURES

CEO Message: Beyond Banking

2020 has been a year like no other. As we watch COVID-19 to fade out, we know that its effects are long lasting, and we will need to define our path of recovery. As the world and Cyprus are coming to terms with the COVID-19 global pandemic we realise that the boundaries between businesses and society are becoming blurred. The more we realise that COVID-19 is first and foremost a health crisis which is presenting an unprecedented external economic shock the more we comprehend that our purpose is to serve Cypriot society and economy, not only by doing a good job as bankers, but also by moving Beyond Banking as a key historical institution of the society in which we operate.

Our focus in 2020 was to utilise digital tools and channels to deliver more resilient operating models, provide seamless customer experience, and adopt new workforce models suitable to these challenging circumstances. Digital transformation and new, resilient business models have ensured that we meet the requirement of demanding customers, shareholders, investors and regulators. During 2020, we experienced a sharp and transformative focus on Environmental, Social and corporate Governance (ESG) issues and Sustainability. The business landscape is changing with unprecedented speed and ESG is taking central stage. We realised a regulatory push, a high market awareness and readiness, a drive from investors and maturity from rating agencies. The ESG ecosystem is evolving and maturing, creating positive ripple effects to all aspect of business and society.

COVID-19 made clearer, that being a force for good, requires simultaneous action in a number of interconnected areas as part of the ESG agenda. It has affirmed what our role in society can and should be. It has reassessed our assumptions on how we need to contribute in order to create long term positive impact and Social Capital. Proving this, SupportCY Network encapsulates the Bank's vision for the creation of a structured, long-term relationship between businesses, Non-Governmental Organisations (NGOs) and public sector in generating Social Capital in Cyprus. SupportCY demonstrates how we must expand beyond our transactional limits and encompass our role as members of society in order to be multipliers of good. All our SupportCY members are proud signatories to this vision.

The pandemic has not affected us all equally and we do know that marginalised people, women and younger people have suffered disproportionately, and businesses have been hurt. Our role is to accelerate the focus on ESG issues, to support the creation of sustainable business opportunities and the creation of jobs, and promote social justice and cohesion. Our role is to support clients to navigate this crisis. New transformational solutions, contactless technologies, digital service delivery models are employed to face game-changing global challenges. Technological advancements enable better risk management and faster response to the requirements of a broad stakeholder base.

Climate change is now a defining factor of long-term success and is fundamentally changing financial services. Climate change is reshaping our approach to banking products and services. Climate risk has direct socioeconomic impact and complex global and local implications that we are still to discover. It calls for coordinated action between organisations, governments and societies. Especially investors and regulators have an important role to play in this transition and confront climate change. Managing and reducing our environmental footprint as well as disclosing our performance continues to be a priority for us. In the relevant sections of this Report you can find information on our approach and performance, and environmental goals for the future.

The coronavirus pandemic has not pushed back our vision for Sustainability.

It may have led to unprecedented volatility, threatened Sustainable Development and led us to reevaluate some of our plans, but at the same time it has united us under a common purpose, proved our resilience and sparked solidarity. We wouldn't have achieved any of these without the tremendous effort from our employees. Over the past year we have all felt exhausted and overwhelmed, but we have all worked together as a team to ensure that we all stay healthy and pave the path to fast recovery. I would like to thank once again the Bank's employees for their contribution and dedication.

Our journey to Sustainable Development continues stronger than ever. Our approach and strategic outlook is addressed in detail in our 2020 Corporate Sustainability Report and we committed to working closely with all our stakeholders to enable this transition to Sustainable Development.

Panicos Nicolaou
Chief Executive Officer

HOW WE CREATE VALUE

Who We Are

Bank of Cyprus is wholly owned by Bank of Cyprus Holdings Public Limited Company. Bank of Cyprus Holdings Public Limited Company was incorporated in the Republic of Ireland as a public limited company on 11 July, 2016, and it became the sole shareholder of Bank of Cyprus on 18 January, 2017. Bank of Cyprus Holdings Public Limited Company is listed on both the London Stock Exchange and the Cyprus Stock Exchange.

The Bank of Cyprus Group is comprised of the Bank of Cyprus Holdings Public Limited Company, its subsidiary, Bank of Cyprus, and the subsidiaries of Bank of Cyprus.

The Bank of Cyprus Group is the leading banking and financial services group in Cyprus. It provides a wide range of financial products and services which include retail and commercial banking, international banking, finance, factoring, investment banking, brokerage, fund management, life and general insurance.

How We Operate

Group Key Activities

- Banking
- Financial services
- Insurance services and management
- Disposal of property predominately acquired in exchange of debt

Group Key Products and Services

- Retail Banking
- SME Banking
- Corporate Banking
- International Banking
- Large Corporate Banking
- International Corporate Banking
- Commercial Banking
- Shipping Finance

- Project Finance and Syndicated Loans
- Wealth Management Services (Private Banking and Institutional Wealth Management)
- Custody and Depositary Services
- Global Markets Execution Services
- Brokerage Services (CISCO)
- Asset Management (BOC Asset Management Company)
- Investment Banking (CISCO)
- Finance
- Factoring

- Life Insurance (EuroLife)
- General Insurance (General Insurance of Cyprus)

Where We Operate

- 80 Branches, 11 Cash Offices and 10 Unmanned Branches in Cyprus
- Representative offices in Russia, Ukraine and China

How We Are Governed

- Transparent Corporate Governance
- Solid risk management
- Strong leadership team

How We Add Value

Value for Cyprus Economy



Value for Society



Value for Employees



Value for Customers



Value for Planet



STRATEGIC FRAMEWORK

Beyond Banking

Vision for Sustainability

BOARD COMMITTEES

Human Resources and Remuneration Committee	Nomination and Corporate Governance Committee	Risk Committee
Audit Committee	Technology Committee	Ethics, Conduct and Culture Committee

LEADERSHIP AND GOVERNANCE COMMITMENTS

GOVERNANCE, INTEGRITY & RISK MANAGEMENT

Preventing Money Laundering, Corruption and Financial Crime
 Risk Management
 Economic Performance

Regulatory Compliance
 Corporate Governance and Ethics
 Corporate Strategy and Investments

Relations with Stakeholders and Partnerships
 Market Presence
 Financial Stability

KEY PILLARS AND KEY PRIORITIES



PEOPLE

- Fair Working Environment
- Diversity and Equal Opportunity
- Employment and Well-being
- Occupational Health and Safety
- Employee Development
- Training and Education
- Volunteering
- Labour-Management Relations



SOCIETY

- Social Contribution
- Indirect Economic Impacts
- Local Communities
- Financial Literacy



ENVIRONMENT

- Energy Consumption
- Environmental Investments
- Waste Management
- Emissions



RESPONSIBLE SERVICES

- Cyber Security and Data Protection
- Innovation, Technology and Digital Transition
- Customer Service Quality and Satisfaction
- Responsible and Transparent Communication
- Responsible Banking
- Procurement Practices
- Financial Inclusion

SDGS ALIGNED WITH OUR STRATEGY



To operate based on a sound governance system to promote responsible decision-making that has a positive impact on the Bank and its stakeholders.

Focus Areas

- Preventing Money Laundering, Corruption and Financial Crime
- Regulatory Compliance
- Relations with Stakeholders and Partnerships
- Risk Management
- Corporate Governance and Ethics
- Market Presence
- Economic Performance
- Corporate Strategy and Investments
- Financial Stability

ALIGNMENT WITH THE SDGS



BOARD OF DIRECTORS

25

meetings



3 women **6** men

€538+ million

direct economic
value generated

**internal programme “Ethos” to enhance
the Ethics and Risk Culture**



256 hours
of employees’
training for
Market Abuse

115 hours
of employees’
training for
Insider Dealing

52

audits conducted for Quality Regulatory
Requirement Quality-Information Systems
Health and Safety Governance

RESPONSIBLE SERVICES

To develop and offer innovative and transformational solutions to meet stakeholder needs, customer demands and remain relevant.

Focus Areas

- Cyber Security and Data Protection
- Innovation, Technology and Digital Transition
- Customer Service Quality and Satisfaction
- Responsible and Transparent Communication
- Responsible Banking
- Procurement Practices
- Financial Inclusion

ALIGNMENT WITH THE SDGS



150

ATMs



80 branches

11 cash offices

10 unmanned branches

€1,351+ million

new lending in 2020

1,000+ participants

4th Business Leaders
Summit

178 million

transactions through
digital channels



€1,905,239

redeemed from Card Reward Scheme
“antamivi”

9.7 million transactions

in Automated Machines amounting
to €3,170 million

To go beyond the Bank's primary banking role and to reinvent ways to improve Social Capital and create long lasting social value for all.

Focus Areas

- Social Contribution
- Indirect Economic Impacts
- Local Communities
- Financial Literacy

ALIGNMENT WITH THE SDGS



SupportCY Network

- Fight against COVID-19
- Other social needs

119 members
(in April 2021)

€600,000+
financial and
in-kind
contribution by
all SupportCY
members

~€70 million

cumulative investment

43,032 cancer patients registered and
treated at the Bank of Cyprus Oncology
Centre since 1998



11
start-ups joined
IDEA Innovation
Center in 2020

- **82** mentors
- **35** trainers

Participation in
Bank of Cyprus
Cultural
Foundation
events

27,372
digital
attendance

4,354
physical
attendance

€2+ million
contributed
to Cyprus
Anti-Cancer
Society since
1999

OUR PEOPLE

To invest in employee talent and empower them to do the right thing for customers, society, shareholders and all stakeholders.

Focus Areas

- Fair Working Environment
- Diversity and Equal Opportunity
- Employment and Well-being
- Occupational Health and Safety
- Employee Development, Training and Education
- Volunteering
- Labour/Management Relations

ALIGNMENT WITH THE SDGS



3,174 employees

1,915 women

1,259 men



~800 participants at “Well at Work” programme webinars on physical, mental, social, and financial health topics



€274,398

for personal protective equipment and medical supplies as part of COVID-19 response



~57,237

total training hours in 2020



€410,200

for new office equipment

OUR ENVIRONMENT

To raise awareness about environmental impacts and be the leader on managing climate change across the value chain.

Focus Areas

- Energy Consumption
- Environmental Investments
- Waste Management
- Emissions

ALIGNMENT WITH THE SDGS





€568,016

invested in Bank's
environmental projects

“Kill Waste”
internal awareness campaign
to eliminate waste

2,020,000 Kg
of paper recycled

548,488 kWh
of energy savings



COVID-19 RESPONSE IN 2020

Protecting our Employees

Protective measures introduced:

- Pandemic Action Plan and Pandemic Incident Management Team mobilised.
- Strict implementation of the Ministry of Health's guidelines in relation to the handling of cases of personal contact of employees with confirmed or suspected cases.
- Prohibition of personal meetings and use of technology to carry out work and meetings (i.e. video calls, conference calls, etc.).
- Restriction of movements between buildings and departments.
- Issuing of guidelines to internal and external associates.
- Guidance provided to employees by a team of doctors and psychologists as part of the Well at Work programme.
- Launched Yammer, an interactive social networking service providing ongoing, immediate and two-way communication among employees.
- Human Resources Division created and shared 66 informative posts and updates for COVID-19 during 2020.



€126,797

disinfections



€37,000

COVID-19
diagnostic tests



€55,000

software licenses



€274,398

personal protective
equipment and
medical supplies



€410,200

new office equipment

€137,913

workplace
upgrades

4,665

working days off
for vulnerable
persons

~18% - 30%

of employees
working from home

Caring for our Customers

71,138

Apple Pay cards issued

45,144

Bank of Cyprus
Wallet cards issued

+101%

increase of use for
the Quick Pay

451,000

Bank customers
connected to 1bank

Launched

Garmin Pay
and Fitbit Pay

ESTIA
Scheme Prolonged

Certificates of Approved Electronic Signature

to digitally complete transactions with the
government

- Directed customers to use digital channels in order to minimize need for physical presence at branches
- Free Direct Debit and standing orders
- Free wire transfers to third parties for up to €500
- Adjusted loan repayment periods and given options on how to repay instalments
- Introduction of a new process for cash deposits of over €2,000 and/or deposits of more than three cheques in order to minimize depositors' stay in the branch
- All charges (administration fee, loading fee or exchange fee) on cash withdrawals made with student cards from overseas and in countries outside the Eurozone, suspended until the end of May
- Developed Approved Electronic Signature Certificate with the collaboration of the Deputy Ministry of Research, Innovation and Digital Policy

Supporting our Society

Developed the SupportCY Network and:

- Supported the establishment and operation of the Coordination Centre in partnership with the Ministry of Labour, Welfare and Social Insurance
 - 66 days of operation
 - 50+ volunteers
 - 1,163 calls for assistance
- Supported the Ministry of Education, Culture, Youth and Sports and collaborated with educational institutions, and organised online educational programmes in partnership with educational NGOs, etc.
- Supported and strengthened Health, Education and Social care across the Cypriot community
- Stood by the front-line "fighters" in hospitals, schools and organisations
- Elevated partnership as the fundamental principle of operation and success of the SupportCY Network and its legacy for the future

365+

days of practical
support to the
Cypriot community



119
members
in SupportCY
(by April 2021)

1,000
tablets

offered to the Ministry of
Education, Culture, Youth
and Sports to facilitate
online classes from home

7,000+
masks donated to
public services,
hospitals and NGOs

€600,000+
financial and
in-kind contributions

- €314,000
for educational
purposes
- €191,000
for welfare purposes
- €116,000
for health purposes

Vision

To create lifelong partnerships with our customers, guiding and supporting them in a changing world.

Mission

Our organisation exists to support our clients in the most important events of their lives as well as in their daily needs. To do this, we invest capital and effort to ensuring that our services are provided by top quality professionals at the cutting edge of technology and with sound and ethical practices. We will continue to be not only a systemic bank driving growth and shareholder value but also a key driver of progress in our community.

Values

Integrity: We are honest, ethical and fair

Reliability: We keep our promises and adhere to our word

Collaboration: We build lifelong partnerships and work together for our common future

Professionalism: We constantly enrich our skills and knowledge, keeping up to date with the developments in our industry

Innovation: We continuously move forward, innovating and improving



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