



Bank of Cyprus



2021 CORPORATE SUSTAINABILITY REPORT

Leading the transition of Cyprus into a sustainable future

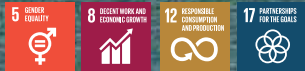
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Photographs are from the Bank's various activities and the latest Bank of Cyprus brand campaign stating to be an innovative leader and the true enabler of the Cyprus banking market.

CORPORATE SUSTAINABILITY HIGHLIGHTS

Corporate Governance and Management



196

meetings with analysts, investors, rating agencies and correspondent banks

27

Board of Directors meetings

92

Committees meetings

€510+mn

direct economic value generated

68

internal audits conducted

556

hours of training for Markets in Financial Instruments Directive (MiFID)

1st ESG Strategy

formulated

Project Sunrise

to drive the redefinition our current Business Operating Model and build the Bank of the next decade

220

structured initiatives

13

workstreams

Responsible and Sustainable Solutions



ENVIRONMENTALLY FRIENDLY PRODUCTS IN 2021

22

applications approved

€237,915
granted

€1,792mn

total new lending

558,000

Call Centre contacts with customers

600

participants at the 5th Business Leaders Summit (physical)

€40.25bn

total monetary value traded in digital channels

9.78mn

transactions completed through the automated machine network

€232mn

partners turnover from Antamivi Card Reward Scheme

€88.94mn

invested in local suppliers

Our Society



BANK OF CYPRUS
ONCOLOGY CENTRE

~€70mn

cumulative investment
by the Bank

16,640

cancer patients treated in 2021

BANK OF CYPRUS
CULTURAL FOUNDATION

14,151

digital visitors

3,000

physical visitors

IDEA INNOVATION CENTER

12

start-ups joined in 2021

70

Mentors

42

Trainers

SUPPORTCY

130+

members

~€780,000

channelled into society
through all members, since
establishment

HEALTH AND EDUCATION PILLAR

~€625,000

investment to support
society

Our People



3,008

employees

1,820

women

1,188

men

1,904

employees joined the Yammer
Internal Collaboration Tool

451

employees awarded in the
“Extra Mile” Reward

244

unique training events

47,216

hours of training

1,845

hours of First Aid
training

Internal

Satisfaction

Survey

€14,430

invested in office partition
screens for protection
for COVID-19

Our Environment



€463,108

invested in energy saving initiatives in 2021

~5,200,000kWh

reduced from energy saving initiatives since 2018

37,508.82 tonnes

CO₂e emitted

315,000kg

of paper recycled

158,816kWh

of solar energy production

12.63 tonnes

CO₂e/employee emitted



Become Carbon Neutral by 2030



CEO MESSAGE

Beyond Banking Leading the transition of Cyprus into a Sustainable future

Over the past years, we have witnessed much change in relation to the global health crisis, climate risks, economic shocks, and currently the devastating repercussions of the recent war in Ukraine. Global challenges affect all of us, calling for concerted action and making the need to put

Environmental, Social and Governance (ESG) criteria in sharper focus all the more evident.

In 2021, we set the foundations to enhance our organisational resilience and ESG agenda and continued to work towards building a forward-looking

organisation with a clear strategy supported by effective corporate governance. Taking into account the critical nature of the climate challenge, Bank of Cyprus formulated its first ESG strategy, whereby, in addition to maintaining its leading role in the social and governance pillars, there

will be a shift of focus towards the environment.

We have initiated action in several key areas concerning primarily the environment, including decarbonising our operations, risk identification and impact assessment, and streamlining

our policies in accordance with the newly established ESG strategy. More specifically, we have committed to achieving primary targets, such as becoming Carbon Neutral by 2030 and Net Zero by 2050, as well as, steadily increasing our Green Asset Ratio and the Green Mortgage Ratio. In addition, we remain committed to achieving our gender diversity targets and achieving representation of at least 30% of women in our management bodies by 2030.

Work is already underway on developing a roadmap with specific carbon reduction targets, data requirements and policy updates.

In this respect and across the board, we are actively responding to the increasing demands of investors and shareholders, while intensifying the support to our clients through environmentally friendly services and products.

The sweeping changes of the past years have confirmed that Sustainability starts with people. We are determined to maintain a culture

of fairness and continuous learning, where our people are appreciated and can grow to reach their potential. We continue to invest in client centricity, and a transformation plan is in progress aiming to digitally transform customer service and internal operations, focusing on a leaner and more efficient operating model with an emphasis on the customer and employee experience. As we expand further in the digital space, we have come to appreciate human interaction even more, placing even greater value on the efforts, experience, and dedication of our people, working alongside them to create the Bank of the next decade.

In terms of our overall social imprint, the Bank of Cyprus Oncology Centre stands as our flagship initiative, reflecting our long-term and dedicated contribution to Cyprus society. In addition, 2021 saw our SupportCY Network expand in both number and strength. SupportCY brings together businesses, non-governmental organisations and the public sector with an unprecedented force to do

good. This unique network serves as the vehicle through which we have created a strong community of like-minded individuals and organisations, demonstrating that we possess the drive and ability to create a positive impact, as well as the credentials to mobilise resources to enhance social cohesion and solidarity.

Moreover, in our continuing drive to bolster our social impacts, we continue to invest heavily in two leading initiatives: the Bank of Cyprus Cultural Foundation, which is tasked with preserving and disseminating the cultural and natural heritage of Cyprus since 1984, and the IDEA Innovation Center, the largest non-profit incubator-accelerator and entrepreneurship hub for Cypriot young entrepreneurs.

In a constantly evolving world characterised by rigorous technological advancements, game-changing solutions, climate emergencies and disruption, we continue to work towards building a forward-looking organisation with a clear strategy

supported by effective corporate governance structures with clear priorities within the ESG criteria. We navigate this new paradigm with transparency and accountability, abiding by our code of ethics, focusing on innovation and offering positive solutions for pressing global challenges.

We remain consistent and committed to all our stakeholders; employees, customers, shareholders, investors and Cypriot society at large. We pledge to continue this journey of sustainable transformation and always honour the trust of our people.

We are proud of the progress we have made in integrating ESG across our operations and activities, demonstrating organisational resilience. At the same time, we acknowledge that a lot more needs to be done and we remain true to our vision to lead the transition of Cyprus to a sustainable future.

Panicos Nicolaou
Chief Executive Officer

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

Our Sustainability Approach

Leading the transition of Cyprus to a sustainable future

Moving to a sustainable economy is the challenge of our time. As the leading financial services provider in Cyprus, Bank of Cyprus is determined to lead the transition of Cyprus into a sustainable future. Over the past years, the Bank has delivered significant progress towards building a forward-looking organisation and has set the foundations to enhance its organisational resilience and ESG (Environmental, Social, and Governance) agenda and performance. “Beyond Banking” continues to be the Bank’s strategic approach to Sustainability and ethical business.

Bank of Cyprus ESG Strategy

The first ESG strategy of Bank of Cyprus was formulated and approved by the Board of Directors (BoD) in November 2021. In addition to maintaining its leading role in the social and governance pillars, the Bank aims to reduce its negative impact on the environment by transforming not only its operations but also its client chain.

The Bank has committed to the following primary ESG targets that were published in February 2022, with the publication of the Preliminary Financial Results for the year ended 31 December 2021¹:

- Become Carbon Neutral by 2030
- Become Net Zero by 2050
- Steadily increase Green Asset Ratio

- Steadily increase Green Mortgage Ratio
- ≥30% women in management bodies (defined as the Executive Committee (ExCo) and the Senior Management by 2030

An ESG roadmap has been established to seize new opportunities, manage risk, and comply with regulatory requirements and market

expectations. To ensure delivery on its ambition, the Bank is formulating a long-term working plan that covers areas such as decarbonisation of the Bank’s own operations and portfolio, risk identification and impact assessment, and streamlining of the Bank’s policies with the ESG strategy. More details can be found in the section “Our Environment”, page 129.

Become Carbon Neutral by 2030	The Bank has calculated its own carbon footprint for 2021 and will be formulating a decarbonisation plan to reduce its carbon footprint and ultimately reach its Carbon Neutral target by 2030
Become Net Zero by 2050	The Bank has decided to align with the target set by the Paris agreement, the EU Green Deal and the Cyprus Government for a Net Zero goal by 2050. This entails reducing its Scope 3 emissions through its supply chain (i.e. third party providers) and its financing activities, which also entails the alignment and commitment of its clients towards this goal.
Steadily increase Green Asset Ratio	<p>Indicates the degree of alignment with the EU Taxonomy, i.e. shows the proportion of the share of credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets, such as those consistent with the European Green Deal and the Paris agreement goals. The Green Asset Ratio disclosure becomes mandatory on January 2024 for the period ending December 2023.</p> <p>The Bank has calculated its eligibility ratio as on 31 December 2021, which was published within the 2021 Annual Financial Report. More details can be found in the section "EU Taxonomy", page 145.</p>
Steadily increase Green Mortgage Ratio	In accordance with the Green Asset Ratio, the numerator consists of mortgages used only for sustainable activities related to the construction of new buildings and renovation of buildings, while the denominator includes all mortgages. The Bank will monitor its progress on this goal.
≥30% women in management bodies by 2030	The Bank is committed to ensuring women's full and effective participation in the management bodies namely the (ExCo and the Senior Management).

¹

1. Carbon Neutral: The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
2. Net Zero emissions: The reduction of greenhouse gas emissions to net-zero through a combination of reduction activities and offsetting investments.
3. Scope 3 emissions: include all indirect emissions (i.e. those not included in scope 2) that occur in the value chain of the reporting company such as business travel (i.e. emissions from aeroplanes). For banks, the ECB considers Scope 3 Emissions based on the Guide on climate-related and environmental risks for a bank's portfolio, which includes metrics such as carbon-related assets, carbon intensity and exposures by sector and location.



Sustainability and Resilience

Bank of Cyprus has strong local roots and has focused on elevating society through long-term sustainable practices and solutions since its inception in 1899. As the leading

financial services provider in Cyprus, the Bank is determined to lead the transition of Cyprus to a sustainable future. The Bank continues to work towards building a forward-looking

organisation with a clear strategy supported by effective corporate governance aligned with ESG agenda priorities.

STRATEGIC FRAMEWORK

Beyond Banking - Vision for Sustainability

BOARD COMMITTEES

Human Resources & Remuneration Committee	Nomination & Corporate Governance Committee	Risk Committee	Audit Committee	Technology Committee	Ethics, Conduct & Culture Committee
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LEADERSHIP & GOVERNANCE COMMITMENTS

GOVERNANCE, INTEGRITY & RISK MANAGEMENT

Compliance & Risk Management	Reputation	Financial Stability & Economic Performance	Strategy & Resilience	Governance & Ethics	Remuneration
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KEY PILLARS AND KEY PRIORITIES

RESPONSIBLE & SUSTAINABLE SOLUTIONS <ul style="list-style-type: none"> • Cyber Security and Data Protection • Innovation and Digitalisation • Service Quality, Customer communication and Satisfaction • Financial Inclusion • Responsible Products and Investments • Procurement Practices 	OUR SOCIETY <ul style="list-style-type: none"> • Social Contribution • Stakeholder Engagement • Local Communities • Financial Literacy • Indirect Economic Impacts 	OUR PEOPLE <ul style="list-style-type: none"> • Occupational Health and Safety • Diversity, Inclusion and Equal Opportunities • Employment Development and Retention • Employee Well-being • Employee Sustainability and ESG Awareness • Corporate Volunteering 	OUR ENVIRONMENT <ul style="list-style-type: none"> • Environmental Footprint • Waste Management • Energy Consumption • Climate Change and Decarbonisation • Environmental Systems and Investments • Financing the Transition to a Low Carbon Economy
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SDGs ALIGNED













Alignment with Sustainable Development Goals

The Bank has remained consistent in its commitment to creating organisational resilience through the sustainable agenda. Sustainability will continue to be embedded in the Bank's culture and aligned with international initiatives, especially the 17 Sustainable Development Goals (SDGs). Transparent reporting

of SDGs is of high importance to the Bank. As part of its new ESG strategy, the Bank remains committed to focusing even more on selected SDGs, capitalising on its expertise and business model and maximising its impact on its business environment and customer base.

SDGs	Linking SDGs and SDG targets with the Bank's pillars	Sound Governance and Management	Responsible and Sustainable Solutions	Our Society	Our People	Our Environment
	<p>3.6 Reduce the number of deaths and injuries from road traffic accidents.</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>			■	■	
	<p>4.3 Ensuring equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</p> <p>4.4 Increasing substantially the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development</p>	■			■	
	<p>5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	■	■	■	■	
	<p>8.9 Devising and implementation of policies to promote sustainable tourism that creates jobs and promotes local culture and products.</p> <p>8.10 Strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>		■	■	■	
	<p>9.1 Development of quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p>			■		
	<p>11.1 Ensuring access for all to adequate, safe and affordable housing and basic services.</p> <p>11.4 Strengthening efforts to protect and safeguard the world's cultural and natural heritage.</p> <p>11.A Supporting positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning.</p>	■	■	■		
	<p>12.2 Sustainable management and efficient use of natural resources achievement.</p> <p>12.5 Substantial waste generation reduction through prevention, recycling and reuse.</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p>12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.</p>		■	■		■
	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>			■		■
	<p>14.1 Prevention and significant marine pollution reduction of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</p> <p>14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p>	■		■		■
	<p>17.14 Enhance policy coherence for sustainable development.</p> <p>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership.</p>			■		

SDG	SDG Target	KPIs	2021 performance
	3.6 Reduce the number of deaths and injuries from road traffic accidents.	<ul style="list-style-type: none"> Hours of training provided in relation to Health and Safety provided to employees Number of events organised on road safety with total number of participants 	<ul style="list-style-type: none"> CPR & AED: 69 participants/518 hrs Emergency First Aid at work: 135 participants/1,013 hrs First Aid at work: 21 participants/315 hrs 1,108 friendly vehicle mechanical checks within the annual Road Safety Campaign, by 5 expert volunteers 97 lectures to schools and 32 lectures to military camps on road safety: ~2425 students and ~1120 soldiers participated
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	<ul style="list-style-type: none"> Number of patients benefited from BOC actions 	<ul style="list-style-type: none"> 20,318 patients and their families (via the Bank of Cyprus Oncology Centre, Cyprus Anticancer Society, En Ergo programme for paraplegics and quadriplegics)
	4.3 Ensuring equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	<ul style="list-style-type: none"> Number of employees have attended trainings per level, gender, department and training subject Total hours of training per level, gender 	<ul style="list-style-type: none"> 3,061 employees attended 244 sessions Board Members: 9 (2w/7m) Managers: 590 (339w/251m) Non-managers: 2,462 (879w/1,583m) 16,779 hours of training (10,216.5w/6,562.6m)
	4.4 Increasing substantially the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> Total investment of new lending in education sector (in €) 	<ul style="list-style-type: none"> €29.3mn new lending in education sector
	4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	<ul style="list-style-type: none"> Total investment in scholarships granted per gender (in €) 	<ul style="list-style-type: none"> Total amount invested through partnerships with educational institutions: €21,000 Total number of students benefited with scholarships through partnerships: 35 (23w/12m)
	4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	<ul style="list-style-type: none"> Number of individuals that participated in trainings provided through the Bank of Cyprus CSR Actions in pillar Education divided per subject per gender 	<ul style="list-style-type: none"> 80 SupportCY volunteers (40%w/60%m)
	5.1 End all forms of discrimination against all women and girls everywhere.	<ul style="list-style-type: none"> Number of promotions per gender, per annum 	<ul style="list-style-type: none"> 633 promotions: 345w (55%) and 288m (45%)
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none"> Percentage (%) of women participation in the Board of Directors and Senior Management positions Total hours of training per level, gender 	<ul style="list-style-type: none"> 38% of the key positions below Senior Management occupied by women 33.3% women members of the Board of Directors 3,061 employees attended 244 sessions Board Members: 9 (2w/7m) Managers: 590 (339w/251m) Non-managers: 2,462 (879w/1,583m)
	8.9 Devising and implementation of policies to promote sustainable tourism that creates jobs and promotes local culture and products.	<ul style="list-style-type: none"> Percentage (%) of transactions carried out through digital networks and other electronic solutions (i.e. 1bank) 	<ul style="list-style-type: none"> €40.25bn total monetary value traded in digital channels Digital Transactions Ratio (Total Portfolio): 88.93%
	8.10 Strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	<ul style="list-style-type: none"> Total hours of training per level, gender 	<ul style="list-style-type: none"> 3,061 employees attended 244 sessions Board Members: 9 (2w/7m) Managers: 590 (339w/251m) Non-managers: 2,462 (879w/1,583m)

SDG	SDG Target	KPIs	2021 performance
	9.1 Development of quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	• Percentage (%) of transactions carried out through digital networks and other electronic solutions	• €40.25bn total monetary value traded in digital channels • Digital Transactions Ratio (Total Portfolio): 88.93%
	11.1 Ensuring access for all to adequate, safe and affordable housing and basic services.	• Total amount of small-scale/SME loan portfolio to total loan portfolio (YoY change)	• Total number of SME customers: 13.138 (Individuals 7,559 - Legal Entities 5,579) • Gross loans (31/12/ 2021): €1,055mn • New lending (31/12/ 2021): €143.1mn
	11.4 Strengthening efforts to protect and safeguard the world's cultural and natural heritage.	• Total number of CSR Actions aiming to improve resource use and reduce pollution and poverty, and safeguard the world's cultural and natural heritage	• 8 main activities by the Bank of Cyprus Cultural Foundation with 14,151 online and 3,000 physical attendees
	11.A Supporting positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning.	• Total amount donated to charities and local authorities to support vulnerable groups resulting from national and natural disasters, and to prevent future natural disasters (in €)	• €81,222
	2.2 Sustainable management and efficient use of natural resources achievement.	• Percentage (%) of increase to clean energy year by year	• 6.53% increase comparing 2020 with 2021
	12.5 Substantial waste generation reduction through prevention, recycling and reuse.	• Percentage (%) of reduction of paper usage (tonnes/year)	• 1.38% consumption reduction
	12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.	• Percentage (%) of electricity consumption decrease: % of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption	• 10.48% decrease of electricity consumption comparing 2021 with 2020 • 0.94% of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	• Number of individuals that had participated in trainings provided through the BOC CSR Actions in pillar Education divided per subject per gender	• 80 SupportCY Volunteers (40%w/60%m)
	14.1 Prevention and significant marine pollution reduction of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	• Total number of CSR Actions aiming to improve resource use and reduce pollution	New goal for 2022 • Beach cleaning by volunteers employees
	14.2 Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.		
	17.14 Enhance policy coherence for sustainable development.	• Number of partnerships established each year with NGOs, corporations, associations	• 19 main partnerships with NGOs targeting Health and Education • 130 companies and NGOs, members of SupportCY Network • ~€780,000 of support channelled into Cypriot society through SupportCY Network
	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership.		

Bank of Cyprus Stakeholders

Stakeholder engagement plays an important role in establishing relations of trust and maintaining a common vision for the future. Maintaining long-term relationships and cultivating strong bonds with its stakeholders, enables the Bank to capture the view of stakeholders and better identify and prioritise its key sustainability focus areas.

Key Stakeholders

- Employees
- Shareholders
- Credit and ESG Rating Agencies
- Media
- Customers
- Suppliers/Business Associates
- Bank of Cyprus Group and Subsidiaries of the Bank
- Government and Local Government
- Business Associations
- Financial Sector and Peers
- Regulators
- Society and Local Communities

STAKEHOLDERS	STAKEHOLDER NEEDS AND EXPECTATIONS	ENGAGEMENT CHANNELS	FREQUENCY
Employees	<ul style="list-style-type: none"> • Achieve, measure, acknowledge and reward performance • Transparent, interactive, and timely communication with employees and provision of honest feedback • Forming a caring working environment which satisfies employees' healthcare, financial and other needs • Provision of opportunities for career advancement as well as lifelong learning and development • Freedom of association and collective bargaining • Volunteering 	<ul style="list-style-type: none"> • Personal and/or group meetings and presentations • Internal portal and email announcements • Internal Workshops • Open Days • Employee Opinion Survey • Management Practices Survey • Internal Customer Satisfaction Survey • Yammer Internal Collaboration Tool • Extended Leadership Team • Ask the CEO • Book a Seat • Ask the Board • Organisational Health Project 	Ongoing
Shareholders	<ul style="list-style-type: none"> • Publication of Quarterly Financial Results as well as publication of regulatory announcements for corporate actions, in line with the Group's regulatory obligations resulting from its listing on the Cyprus Stock Exchange and the London Stock Exchange • Deliver appropriate risk adjusted returns • Transparency and equitable provision of information to all investors 	<ul style="list-style-type: none"> • Website through regular updates • Email • Announcements • Annual and extraordinary general meetings • Conference calls • Meetings • Roadshows 	Quarterly (Financial Results) Ongoing

STAKEHOLDERS	STAKEHOLDER NEEDS AND EXPECTATIONS	ENGAGEMENT CHANNELS	FREQUENCY
Media	<ul style="list-style-type: none"> • Regular direct contact and honest cooperation • Briefings and explainers on non-banking issues relating to the economy, based on the Bank areas of expertise in specific industries, in international finance and in macroeconomic developments • Interviews, press releases • Advertising campaigns • Content creation and support on non-banking issues 	<ul style="list-style-type: none"> • Email • Personal meetings • Regular press “open days”- available to answer any questions on Economics and Finance, extending beyond banking • Press conferences • Frequent briefings with members of Press Corporations 	Ongoing
Customers	<ul style="list-style-type: none"> • Transparent financial conditions, reliability, and honesty in transactions with regard to products/services • Pricing Policy • Offering flexibility so that products/services satisfy customer needs • Flexible procedures/Cutting through red tape • Covering the financing needs of businesses and individuals • Offering facilities/arrangement schemes for customers' debts • Digital Transformation • Project Sunrise • Protection of consumers, personal data and banking secrecy • Respond to and handle all communication and complaints with attention and in a timely fashion 	<ul style="list-style-type: none"> • Website • Post (account statement with a promotional insert) if customers choose so • Phone access to one's personal banker • Media campaigns • Personal meetings • Skype or teleconference • Focus groups and surveys • SupportCY Network 	Ongoing
Suppliers/ Business Associates	<ul style="list-style-type: none"> • Further improvement in business relationships • Constant contracts and cooperation • Transparency and adequate assessment procedures in all areas of cooperation • Generating business opportunities in the market and greatly contributing to the economy of Cyprus 	<ul style="list-style-type: none"> • Business contracts • Contact via telephone, email • Personal meetings • SupportCY Network 	Ongoing
Community	<ul style="list-style-type: none"> • Supporting the pillars of Health and Education through the Bank's Donations, Sponsorships and Partnerships Policy • Respond to societal needs • Volunteering 	<ul style="list-style-type: none"> • SupportCY Network • Telephone • Email • Personal meetings • Media campaigns • Focus groups and surveys 	Ongoing

Bank of Cyprus Sustainability Priorities

In 2021 the Bank conducted an extended materiality exercise reaching out to internal and external stakeholders. The exercise was conducted via online questionnaires.

157

external stakeholders took part in the survey and helped us identify significant topics, trends around responsible financial products and services, and environmental and social priorities

78

believe that the Bank’s Governance & Ethics approach is very important

89

believe that the Bank should highly focus on Responsible Products and Investments

The Bank sought the views of 60 employees and the following topics are the ones that ranked the highest (assigned a value of 8, 9 or 10 out of 10) amongst them

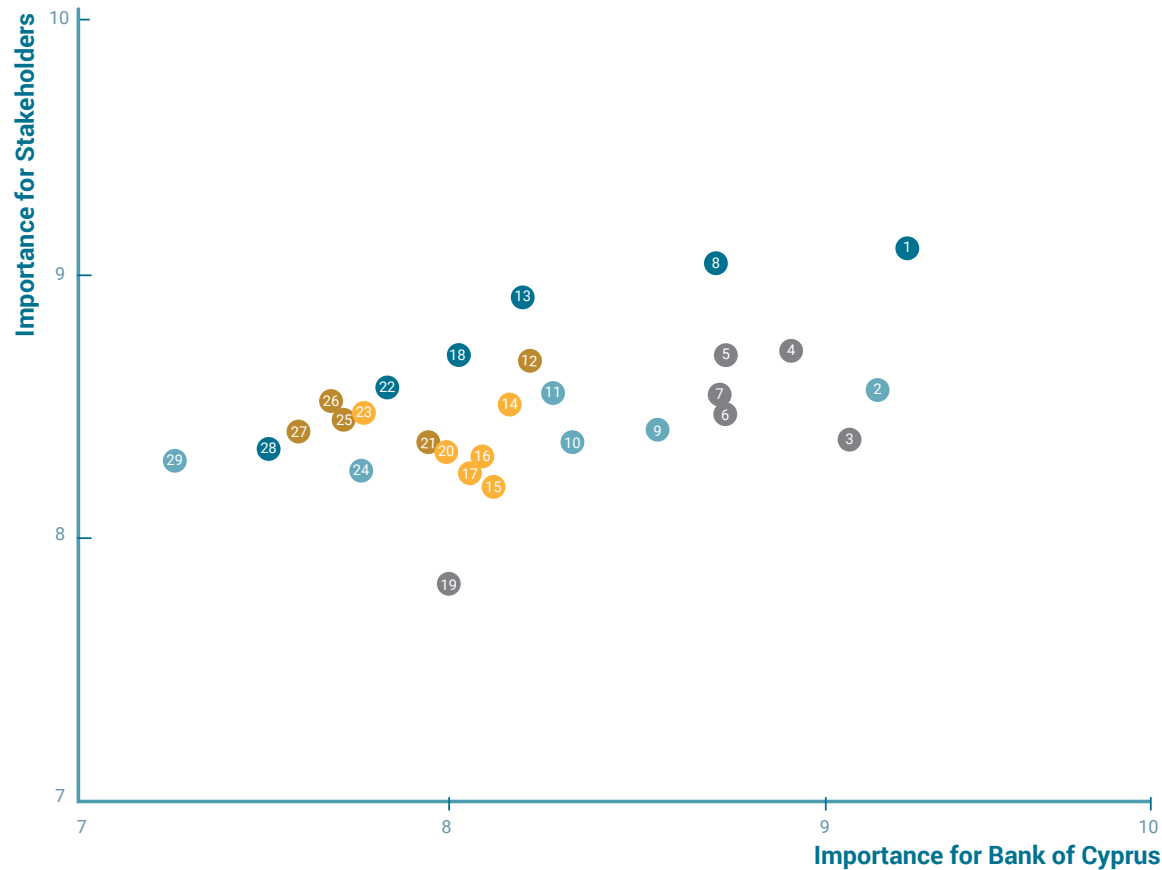
- **Occupational Health and Safety (56 employees)**
- **Regulatory Compliance (55 employees)**
- **Fair Working Environment (55 employees)**
- **Risk Management (54 employees)**

Bank of Cyprus Sustainability Priorities

CORPORATE SUSTAINABILITY PILLARS & MATERIAL TOPICS	Stakeholders & Topic Boundaries							
	Employees	Shareholders	Media	Customers	Suppliers/ Business Associates	Society & Local Communities	Rating Agencies	Investors
Governance, Integrity & Risk Management								
Reputation	*	*	*	*	*	*		*
Compliance & Risk Management	*	*	*	*	*	*	*	*
Governance & Ethics	*	*	*	*	*	*	*	*
Remuneration	*	*	*	*	*	*		*
Strategy & Resilience	*	*	*	*	*	*	*	*
Financial Stability & Economic Performance	*	*	*	*	*	*	*	*
Responsible & Sustainable Solutions								
Cyber Security and Data Protection	*	*		*				*
Innovation & Digitalisation	*	*	*	*	*			*
Service Quality, Customer Communication and Satisfaction	*	*		*	*	*	*	*
Responsible Products and Investments	*	*		*		*	*	*
Procurement Practices	*	*		*	*	*	*	*
Financial Inclusion	*	*		*				*
People								
Diversity, Inclusion and Equal Opportunities	*	*		*		*	*	*
Employee Well-being	*	*		*		*	*	*
Occupational Health & Safety	*	*		*	*		*	*
Employee Development and Retention	*	*		*	*			*
Corporate Volunteering	*	*	*		*	*		
Employee Sustainability and ESG Awareness	*	*						*
Society								
Financial Literacy	*	*	*	*	*	*		
Social Contribution	*	*	*	*		*		*
Indirect Economic Impacts		*		*		*	*	*
Local Communities	*		*	*		*	*	*
Stakeholder Engagement							*	*
Environment								
Environmental Footprint	*	*	*	*	*	*	*	*
Energy Consumption	*	*				*	*	*
Waste Management	*	*		*		*	*	*
Climate Change and Decarbonisation	*	*		*		*	*	*
Environmental Systems and Investments	*	*		*	*		*	*
Financing the Transition to a Low Carbon Economy	*	*		*	*		*	*

* = material for the stakeholder group / empty= non material for the stakeholder group

Bank of Cyprus Material Topics per Pillar



Corporate Sustainability Pillars

- Responsible Services
- Governance, Integrity & Risk Management
- People
- Environment
- Society

Responsible & Sustainable Solutions

1	Cyber Security/ Data Protection
8	Innovation and Digitalisation
13	Service Quality, Customer Communication and Satisfaction
18	Financial Inclusion
22	Responsible Products and Investments
28	Procurement Practices

Governance, Integrity & Risk Management

3	Compliance and Risk Management
4	Reputation
5	Financial Stability and Economic Performance
6	Governance and Ethics
7	Strategy and Resilience
19	Remuneration

People

2	Occupational Health and Safety
9	Diversity, Inclusion and Equal Opportunities
10	Employment Development and Retention
11	Employee Well-being
24	Employee Sustainability and ESG Awareness
29	Corporate Volunteering

Environment

14	Environmental Footprint
15	Waste Management
16	Energy Consumption
17	Climate Change and Decarbonisation
23	Financing the Transition to a Low Carbon Economy
20	Environmental Systems and Investments

Society

12	Social Contribution
21	Stakeholder Engagement
25	Local Communities
26	Financial Literacy
27	Indirect Economic Impacts

Corporate Sustainability Structure

The Sustainability Committee is chaired by the Bank's CEO and oversees the ESG Agenda of the Bank. The Committee leads the Bank towards a cleaner, fairer, healthier, and safer world by helping its customers manage risks in a sustainable and equitable way, and to be the employer of choice for the best diverse talent in Cyprus. The Committee guides and reviews the development of the Bank's ESG strategy and policies, monitors the implementation of its ESG policies, strategies and objectives, monitors external ESG trends and risks and, reviews ESG related disclosures.

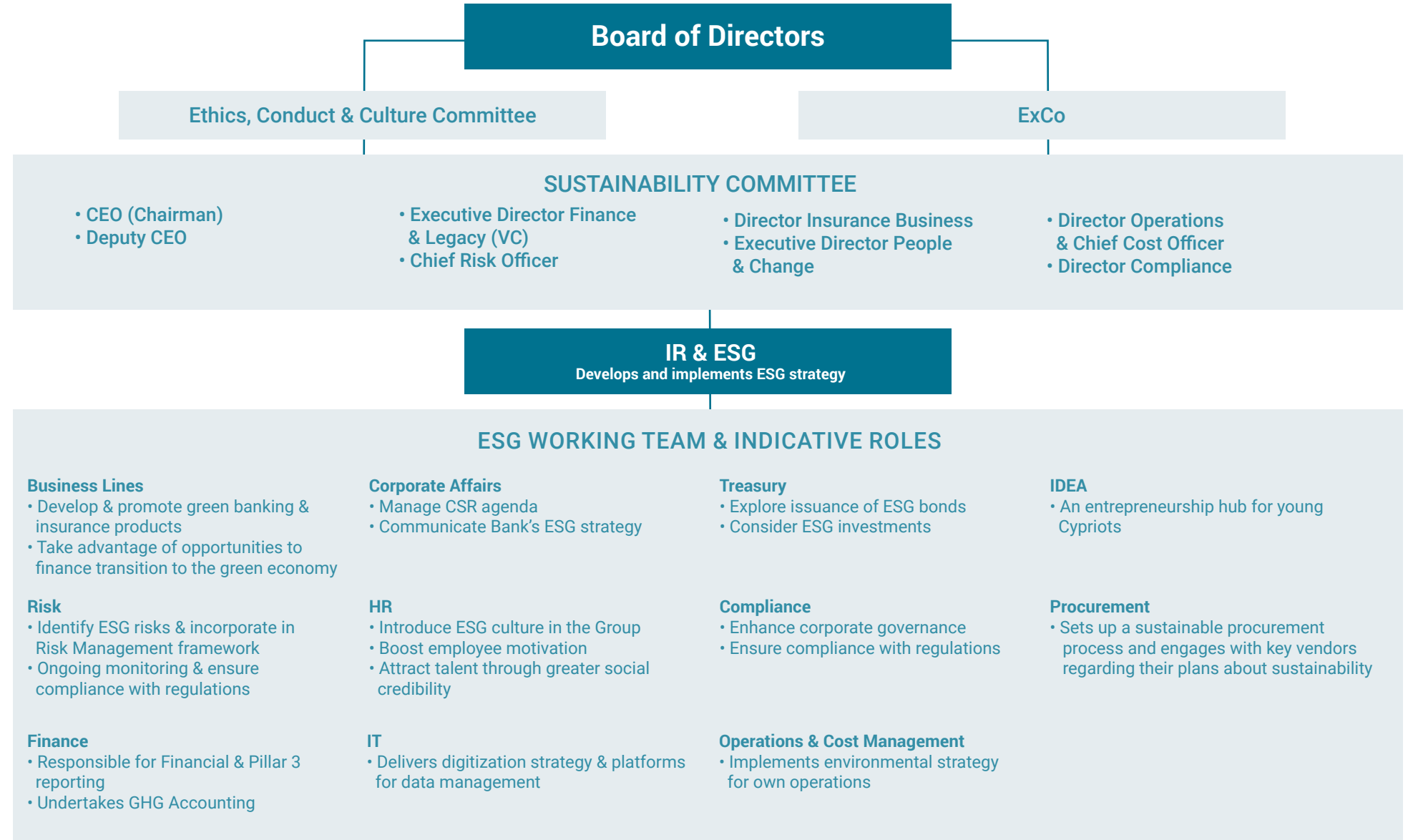
The Corporate Affairs manages and leads the development of the Corporate Sustainability Report within the Bank. The CSR Liaisons, a

long-term initiative, are placed across all functions, increase awareness around sustainability, support data collection and are responsible for the quality and reliability of data and information on the annual Corporate Sustainability Report. The role of the CSR Liaisons has been extremely important in the development of a culture of sustainability within the Bank and have massively contributed in the advancement of the Corporate Sustainability Report.

As of September 2021, the Bank publishes a bi-monthly Sustainability & ESG Newsletter aiming to update all employees members on the latest ESG developments, regulatory requirements, internal achievements, news, and best practices.

The newsletter is available to all employees via the employee portal. Additional actions taken by the Bank include the revision of the Fit and Proper Policy, in order to acknowledge climate related and environmental risks, and the revision of the Remuneration Policy so as to assist the ESG transformation of the Bank. The Risk Committee will act as a Supervisory Committee in regard to ESG risks and the Ethics, Conduct and Culture Committee will act as a Supervisory Committee for ESG matters. Training sessions on ESG are included in the annual plan. Training sessions on ESG were delivered to the BoD in 2021, while further training has been planned for 2022 for members of the Board, the Executive Management and all employees.

Governance Framework





Corporate Governance, Management and Commitments



The Bank is committed to enhancing organisational resilience and the ESG agenda by building a forward-looking organisation with a clear strategy supported by effective corporate governance, aligned with sustainability and ESG priorities.

Governance and the Board

The Board of Directors of the Bank is committed to the highest standards of corporate governance designed to protect the long-term interests of all stakeholders. The governance framework of the Bank ensures a modern, transparent, robust, competitive, and sustainable organisation. It also complies with applicable corporate governance requirements issued by the Central Bank of Cyprus, the European Banking Authority, the Cyprus Stock Exchange, the UK Financial Reporting Council and the Joint European Securities and Markets Authority.

The Board is collectively responsible for the long-term success of the Bank and is committed to effective leadership which contributes to wider society. The Board's role is to promote the Bank's vision, values, culture, and behaviour, within a framework of prudent and effective controls, which enables risk to be identified, assessed, measured, and managed. The Board is the decision-making body for all matters of importance because of their strategic, financial, and reputational implications or consequences. Matters that require Board approval include: Strategy and Risk Appetite, Group Structure

and Capital, Financial Reporting and Control, major Transactions, Corporate Governance, Remuneration and Human Resources.

The Board is responsible for the appointment of directors and recognises the need to identify the best qualified and available professionals to serve on the Board. All appointments are made on merit against objective criteria with due regard for the benefits of diversity on the Board. The Board plans for its renewal with the assistance of the Nomination and Corporate Governance Committee which

regularly reviews Board composition, tenure and succession planning.

The Board receives reports on, and reviews annually, the effectiveness of the Bank's internal control processes to support its strategy and objectives in the context of its Risk Appetite. The chairperson of each Board committee leads the self-assessment process in respect of committee performance to assess the effectiveness of each of the committees. There are quarterly representations by all divisions of the Bank to the CEO on the effectiveness of the system of internal controls as well as annual representations by the

second line of defence to the CEO on effectiveness of the system of internal controls. The Board receives confirmation by the CEO on an annual basis for the effectiveness of the risk management, compliance and information security system of internal controls. Additionally, the Board, through the Audit Committee (AC) and the Risk Committee (RC), receives confirmation that executive management has taken or is taking the necessary actions to remedy all significant weaknesses identified through the operation of the Bank's framework of internal controls, corporate governance and risk management processes.

The Board annually reviews its effectiveness and that of its committees and individual members in order to enhance its operations. The Chairperson conducts an annual review of the performance of individual

directors to ensure that the latter continue to demonstrate commitment to their role. The executive directors' individual performance evaluation is undertaken as part of the performance management process for all employees and includes assessment by the Nomination & Corporate Governance Committee (NCGC) as well. The Chairperson's performance evaluation is carried out by the non-executive directors in a meeting chaired by the Senior Independent Director. The Board is subject to external evaluation every three years. The latest independent/external review was completed in February 2021.

More information on corporate governance can be found on the Annual Corporate Governance Report 2021, which is part of the Annual Financial Report 2021 and available on the Group's website.

MEETINGS HELD IN 2020:

25 Board
90 Committees

MEETINGS HELD IN 2021:

27 Board
92 Committees

BOARD OF DIRECTORS (31.12.2021)

Chairman: Takis Arapoglou, Non-Executive Member, Independent
Vice Chairperson: Lyn Grobler, Non-Executive Member, Independent
Panicos Nicolaou, Executive Member, Non-Independent
Eliza Livadiotou, Executive Member, Non-Independent
Arne Berggren, Non-Executive Member, Independent
Maksim Goldman, Non-Executive Member, Non-Independent
Paula Hadjisotiriou, Non-Executive Member, Independent
Michael Heger, Non-Executive Member, Independent
Constantine (Dinos) Iordanou, Non-Executive Member, Independent
Maria Philippou, Non-Executive Member, Independent
Nicolaos Sofianos, Non-Executive Member, Independent
Yiannis Zographakis, Non-Executive Member, Independent

BOARD OF DIRECTORS BY GENDER & AGE

WOMEN	MEN	TOTAL
<30: 0	<30: 0	<30: 0
30-50: 2	30-50: 2	30-50: 4
50+: 2	50+: 6	50+: 8

Board of Directors: 12
 With Cypriot Nationality: 7 (58%)
 Divisional Directors: 100% Cypriot Nationality



The role of the Board in addressing Climate Risks

The Board has further enhanced its governance structure to provide better oversight and responsibility of the sustainability strategy. Environmental and climate protection are among the crucial global challenges of our time. The Bank takes these concerns into account in every aspect of its business and is working towards improving its environmental and social footprint. It

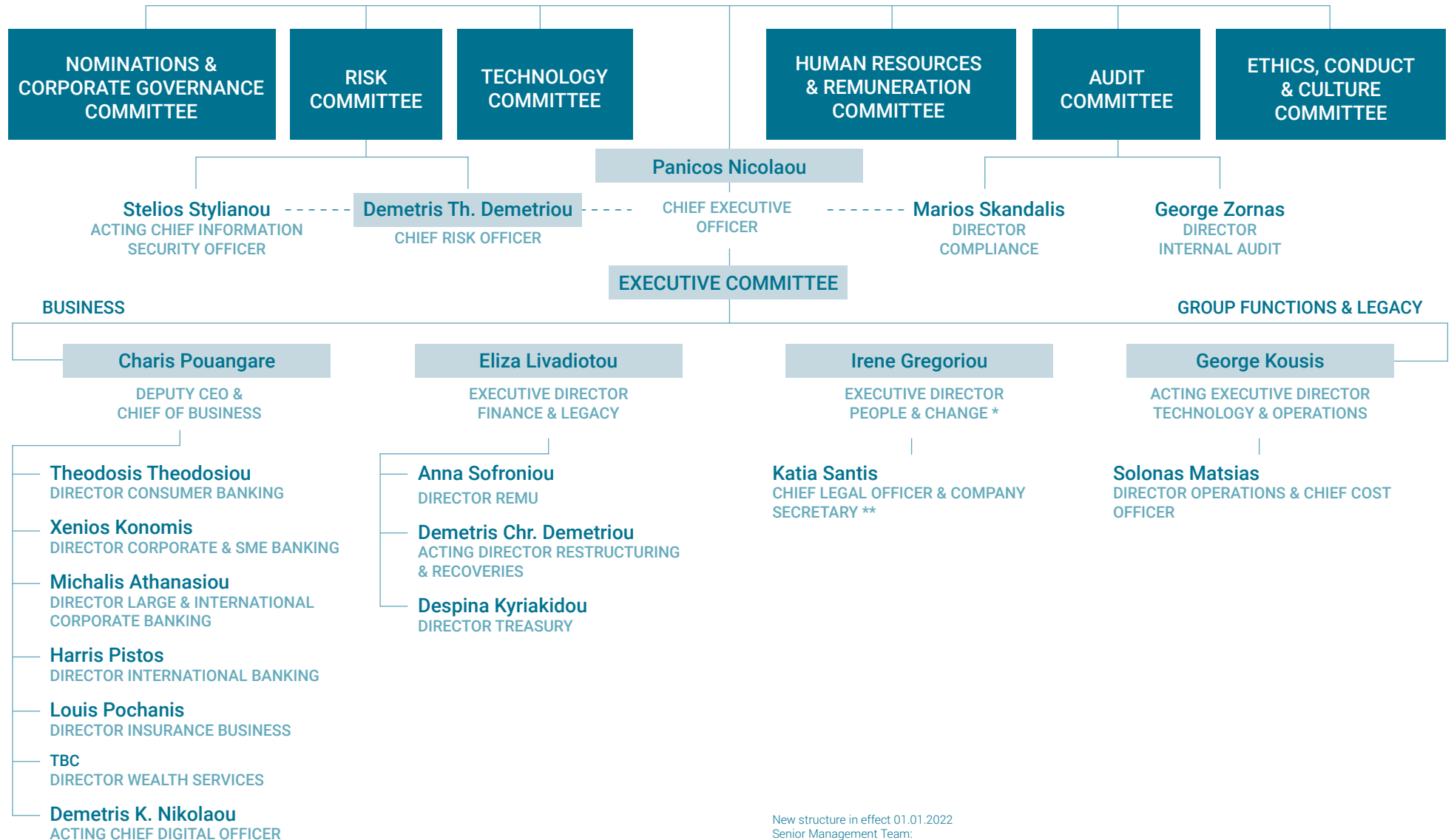
commits itself to the implementation of policies and procedures focusing on environmental and social issues in its lending and insurance activities by adopting specific criteria. The Bank, under its existing Environmental and Social Policy, prohibits finance to certain sectors which are included in its “Exclusion and Referral Sectors” list with negative environmental and

social impact, and are considered undesirable, such as Casinos, armed Security Services, and the Defence/ Arms/Military Industry.

In November 2020, the ECB issued a Guide on climate-related and environmental risks which outlines the ECB’s understanding of the safe and prudent management of climate-related and environmental risks in

the banking sector. To address the expectations as stated in the Guide, the Bank prepared and submitted to the ECB in May 2021 a climate-related and environmental (C&E) implementation plan. The ECB plan was first approved jointly by the Sustainability Committee, the ExCo and then by the RC.

Board of Directors



■ Current Executive Committee members * Functionally reports to HRRC (Human Resources & Remuneration Committee)
 ** Functionally reports to the Board of Directors as Company Secretary

New structure in effect 01.01.2022

Senior Management Team:

- All Divisional Directors (incl. Chief Legal Officer) that report directly to the CEO, D-CEO or an Executive Director
- Divisional Directors that report to Board Committees
- General Managers of major subsidiaries (Eurolife, GIC)

Board Committees

The Board has delegated authority to committees to support its oversight of risk and control. Appropriate cross-membership of key Board committees, including between the AC and the RC and Human Resources and Remuneration Committee (HRRC), is ensured. The NCGC reviews the composition and purpose of the Board committees annually on behalf of the Board. In 2021, the Bank underwent an update

of the Terms of Reference of the Committees, to reflect their ESG roles and responsibilities.

Especially the NCGC has oversight of the Sustainability Policy which is drafted by the Sustainability Committee at the management level. The committee defines the sustainability strategy aimed at achieving present and future economic

prosperity, environmental integrity, and social equity for the Bank and its stakeholders. In addition, the RC which includes members of the Board, receives regular updates on the progress the Bank is making on the ESG action plan, ensuring the Board's oversight on climate-related risks and opportunities.

The key responsibilities of the committees are set out in their terms of reference, reviewed annually and approved by the Board. They are available on: www.bankofcyprus.com.cy/group

BANK OF CYPRUS - Board Committees

NOMINATIONS & CORPORATE GOVERNANCE COMMITTEE	HUMAN RESOURCES & REMUNERATION COMMITTEE	RISK COMMITTEE	AUDIT COMMITTEE	TECHNOLOGY COMMITTEE	ETHICS, CONDUCT & CULTURE COMMITTEE
Chairperson Takis Arapoglou	Chairperson Maria Phillippou	Chairperson Yiannis Zographakis	Chairperson Nicos Sofianos	Chairperson Lyn Grobler	Chairperson Yiannis Zographakis
Committee Composition Women: 2 Men: 2 <30: - 30-50: 1 50 +: 3	Committee Composition Women: 2 Men: 2 <30: - 30-50: 2 50 +: 2	Committee Composition Women: 1 Men: 3 <30: - 30-50: 1 50 +: 3	Committee Composition Women: 1 Men: 4 <30: - 30-50: - 50 +: 5	Committee Composition Women: 2 Men: 3 <30: - 30-50: - 50 +: 5	Committee Composition Women: 1 Men: 3 <30: - 30-50: 2 50 +: 2

Conflict of Interest

The Bank conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients and between one client and another. It sets procedures in order to identify the relationships, services, activities or transactions in which conflicts may arise. These procedures

cover relationships between the Bank and its stakeholders, including customers, shareholders, members of its management body, employees, business partners and other external stakeholders and related parties, as well as between different clients of the Bank. All reported conflicts of interest, actual or perceived, were duly reviewed

and actioned in line with the formal policies and procedures. Further to the automation of the conflicts' registry across the Group in 2021, the Bank recorded 179 perceived conflicts of interest, out of which three have been considered as high, five medium and the remaining 171, low.

Ownership Structure and Legal Form

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 comprises




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, private banking, life and general insurance.

The share capital of Bank of Cyprus Holdings Public Limited Company amounts to €44.619.993,30 divided into 446.199.933 ordinary shares of a nominal value of €0,10 each. Stakeholders can be informed about our Major Holders of shares and financial instruments from our website: <https://www.bankofcyprus.com/en-gb/group/investor-relations/shareholder-information/major-holders-of-shares-and-financial-instruments/>

How we Create Value

Input (proforma)	How we Operate	How we add value Outputs and Impacts (2021)	Relevant SDGs
Financial Capital <ul style="list-style-type: none"> Total Assets Cost (Staff costs, other operating expenses, Special levy on deposits and other levies/ contributions): €383mn Customer deposits: €17,531mn 	Group Key Activities <ul style="list-style-type: none"> Banking Financial services Insurance services and management Disposal of property predominately acquired in exchange of debt Investment products and services 	<ul style="list-style-type: none"> Net profit: €30mn Total income: €581mn Tax: €5mn Gross loans: €10,282mn Net Interest Income: €296mn 	  
Social and Relationship Capital <ul style="list-style-type: none"> €625,500 social responsibility budget to support society €1.4mn in 2021 for Oncology Centre 130 members in SupportCY Network Support to start-ups: €636,000 (financial and probono) through the IDEA Innovation Center Over €76,000 for corporate fundraising 	Group Key Products and Services <ul style="list-style-type: none"> Retail Banking SME Banking Corporate Banking Large Corporate Banking International Corporate Banking Shipping Finance Project Finance and Syndicated Loans International Banking Brokerage Services (CISCO) Commercial Banking Asset Management (BOC Asset Management Company) Finance Wealth Management Services (Private Banking and Institutional Management) Custody and Depositary Services Global Markets execution services Factoring Investment Banking (CISCO) Life Insurance (Eurolife) General Insurance (Genikes Insurance) Where we Operate <p>80 branches 10 cash offices 10 unmanned branches Representative offices in Russia, Ukraine and China</p> How we are Governed <ul style="list-style-type: none"> Transparent Corporate Governance Solid risk management Strong leadership team 	<ul style="list-style-type: none"> Bank of Cyprus Oncology Centre: 16,640 cancer patients and in total 2,160 new patients treated Bank of Cyprus Cultural Foundation: 17,150 event attendees 12 new start-up companies established through the IDEA Innovation Center which is founded and supported by Bank of Cyprus €780,000+ has been channelled through the Bank's SupportCY into Cypriot society in products, services, and money (March 2020 to December 2021) €328,000 raised for the Cyprus Anti-Cancer Society with the Bank's contribution €17,600 raised for the Cyprus Anti-Cancer Society via the Antamivi Card Reward Scheme 	  

Input (proforma)	How we Operate	How we add value Outputs and Impacts (2021)	Relevant SDGs
Intellectual and Industrial Capital <ul style="list-style-type: none"> • 90 Manned and Unmanned Branches • 157 ATMS • Dedicated Business Centres • 30 New machines installed in 2021 • €3.3mn investment for public oriented machinery 	<p>The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance.</p> <p>On 31 December 2021, the Bank of Cyprus Group operated through 80 branches, 10 cash offices and 10 unmanned branches. On 31 December 2021, the Group's Total Assets amounted to €25.0bn and Total Equity was €2.1bn.</p>	<ul style="list-style-type: none"> • 6 branches, 6 unmanned or cash outlets and 12 ATMs in branches and ATMs in rural, sparsely populated or remote and economically disadvantaged areas • 73% of all branches accessible for people with disabilities • Total monetary value traded digitally: €40.25bn • Over 80% increase in digitally engaged Customers since 2020 • Zero overdue pending complaints as of 31/12/2021 • 9.78mn transactions completed through the automated machine network 	
Human Capital <ul style="list-style-type: none"> • Employee costs: €180.54mn • training events: 244 • training hours: 47,216 • training participants: 3,061 • Employees with over 95% having 'Work from Home' enablement • Strong team of data scientists, engineers and analysts • Members in the full service in-house digital team 	<p>The Bank of Cyprus Group employed 3,438 employees worldwide. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.</p>	<ul style="list-style-type: none"> • Organisational Health survey Completed by 78% of employees (2,620 employees) • Over 91% score at Confidentiality and Discretion at the Internal Customer Satisfaction Survey 2021 for Legal and Compliance divisions • 100 employees attended division open days • Internal communication tools • Over 99% performance appraisals completed • 451 employees recognised via the Extra Mile initiative 	
Natural Capital <ul style="list-style-type: none"> • New ESG strategy • Conducted GHG audit as per the Greenhouse Gas Protocol and ISO14064-1:2019 standard • ISO 50001 for the Datacentres • €31,685.54 invested in the installation of solar panels • €325,013 invested in environment • 3 new responsible products developed 		<ul style="list-style-type: none"> • 22 applications approved and €237,915 granted for environmentally friendly products • 37,508.82 tonnes CO₂e emitted • 110.88 tonnes CO₂e avoided emissions due to renewable energy • Solar Energy Production 158,816kWh 	

Key Performance Indicators Relevant to Sustainability

Financial Performance Bank of Cyprus Public Company Limited	2021 €'000
Direct economic value generated	510,562
Turnover (Note1)	615,404
Less: Interest expense, expense similar to interest expense, and fee and commission expense	-104,842
Economic value distributed:	-340,886
Employee costs (Note 4)	-180,535
Voluntary exit plan and other termination benefits	-15,033
Other operating expenses (Note 2)	-117,818
Of which:	
— Supervisory fees (includes fees to Regulators)	-4,816
— Corporate social responsibility expenses	-624
— Donations and gifts	-210
— Advisory and other restructuring costs	-23,124
Dividends paid to AT1 holders	-27,500
Economic value retained (Note 3) "direct economic value generated" less "economic value distributed"	169,676

Notes:

1. Turnover comprises of interest income, income similar to interest income, fee and commission income, foreign exchange gains, dividend income, gains of investment properties and stock of properties, and other income.
 2. Other operating expenses do not include depreciation of property and equipment and amortisation of intangible assets.
 3. Credit losses to cover credit risk on loans and advances to customers have not been deducted from the Economic value retained.
 4. Employee costs include all costs (salaries, employer's contributions to state social insurance, retirement benefits).
- Financial data include VAT, where applicable
 - "Payments to suppliers that are recognised in the 2021 results are included in the "Economic value distributed."
 - Taxes paid to government are not included in the "Economic value distributed".

NON-PERFORMING EXPOSURES

NON-PERFORMING EXPOSURES (NPES) REDUCED TO €1.3BN (AS REPORTED)

€771mn

in December 2021
(proforma for held for sale)

€3.086mn

in December 2020 (as reported)/
€1.76bn proforma for held for sale

€3.880mn

in December 2019

The Group has continued to make steady progress across all asset quality metrics. As the balance sheet de-risking is largely complete, the Group's priorities include maintaining high quality new lending and normalising the cost of risk and other impairments, whilst managing the post-pandemic NPE inflows. Overall, since the peak in 2014 and proforma for held for sale (HFS), the stock of

NPEs has been reduced by €14.2bn or 95% to €0.8bn and the NPE ratio by 55% from 63% to less than 8%.

More information on Project Helix is available in the 2021 Annual Financial Report (https://www.bankofcyprus.com.cy/globalassets/group/investor-relations/annual-reports/english/20220330-boch-group-annual-financial-report-2021_en_signed.pdf)

Financial Performance

In 2021, the Bank generated a total income of €581mn and operating profits of €198mn. The profit after tax and before non-recurring items reached €91mn and the net profit €30mn. Total operating expenses (employee costs and other operating expenses) stood at €347mn and the cost to income ratio same basis (i.e. excluding special levy on deposits and other levies/contributions) stood at 60%, flat year on year. During the

year, the Bank further strengthened its capital position. As of 31 December 2021, capital ratios (on a transitional basis) were 20.8% for the Total Capital ratio and 15.8% for the CET1 ratio, both on a proforma basis. The Bank successfully refinanced Tier 2 Capital Notes in April 2021 and initiated Minimum Requirement for Own Funds and Eligible Liabilities (MREL) compliant issuances in June 2021 with €300mn of senior preferred

notes, setting the foundation for the Bank's plan to meet applicable MREL requirements. The interim MREL requirement was met on 1 January 2022, and the Bank will continue to evaluate opportunities to advance the build-up of its MREL liabilities, in order to meet the final MREL requirement to be achieved by 31 December 2025. The Bank is exploring the possibility for issuing such bonds with an ESG format in the medium term.

Liquidity Performance

Liquidity Coverage Ratio (LCR): On 31 December 2021, the Group Liquidity Coverage Ratio (LCR) stood at 298% (compared to 254% on 31 December 2020), above the minimum regulatory requirement of 100%. The liquidity surplus in LCR on 31 December 2021 amounted to €6.3bn (compared to €4.2bn on 31 December 2020).

Net Stable Funding Ratio (NSFR): On 31 December 2021, the Group's NSFR stood at 147% (compared to 139% on 31 December 2020).

Financial Investments

2021 has been a year of continued market volatility and uncertainty as to market developments, rate movements, growth and inflation expectations, as well as ECB actions. The Bank has continued investing part of its liquid assets, mainly in highly rated and low capital usage bonds such as bonds issued by governments, government agencies, supranational and international organisations,

and banks. Furthermore, in 2021, it incorporated ESG bonds in its acceptable investments. There was also close monitoring of the measures taken by the ECB in its effort to assist banks. The Bank participated in the TLTRO III operation, obtaining a total funding of €3bn at favourable terms (2020: €1bn and 2021: €2bn).

ESG Investments

In 2021, the Bank intensified its emphasis on ESG criteria and the issuer's ESG score. It avoided industries with high ESG risks and ensured that ESG risks were contained. Where an ESG score was not available, the Bank examined publicly available information such as issuer information, news, and rating agency evaluations in order to formulate an opinion on the issuer's activities before proceeding with new investments. Published

information has helped the Bank assess and identify issuers that have initiated sustainable investments or included ESG criteria in their strategies. As published ESG related information is evolving, additional ESG criteria are expected to be incorporated in the investment decision-making process to ensure ESG risks are contained. The incorporation of additional ESG criteria will further facilitate the increase in the Bank's portfolio of ESG investments

and will provide support to issuers with limited ESG risks or/and which take initiatives in ESG areas. Bond Investments are in line with the Risk Appetite Statement and as per the approved strategy. Investments are governed by a number of approved limits, policies, and guidelines. As at 31/12/2021, the Bank has invested a total of €60mn in ESG bonds.

Adequacy Assessment Processes

The Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) are two critical processes that, together with other risk policies, play a key role in the Bank's risk management, capital planning liquidity and resiliency. Stress testing is an important risk

management tool and supplements other risk management approaches and measures. The stress scenarios conducted throughout the year have as a starting point the Bank's latest approved Financial and Capital Plan (FCP) and reforecasts which reflect the Bank's business model and strategy.

The ICAAP stress tests outcome is assessed over the applicable capital risk appetite limits and provides valuable insight into the Bank's capital adequacy.

Markets in Financial Instruments Directive

Markets in Financial Instruments Directive (MiFID) is one of the cornerstones of EU regulation of financial markets. Sound MiFID policies are important for ensuring that the Group’s investment clients enjoy a high degree of protection and when providing investment or, where appropriate, ancillary services to such clients, the Group acts honestly, fairly, and professionally in accordance with its clients’ best interests and according to the provisions of the Law. The MiFID Policy is structured as an umbrella

policy document for other policies ranging from order execution to client categorisation, appropriateness, and suitability, to conflicts of interest and personal transactions.

In 2021 the Compliance Division and Global Corporate Banking and Wealth & Markets Division held in-house e-learning sessions for all relevant persons within the Group. In addition, a wide list of external training was offered to employees who are holders of a CySEC Certification.

TRAINING ON MiFID

617
participants

11
training topics

556
hours of training

Engaging with Investors

In 2021, the Group focused both on expanding its existing communication channels with investors, analysts, and all stakeholders requesting information on the Group’s strategy and performance, and creating new ones. The Group aims to build long-term value, maintain a loyal shareholder base, enhance relationships and engagement with major shareholders and new potential investors. In 2021, the Group strengthened its relationship with debt investors, as it had two debt issuances throughout the year.

The Group, in cooperation with its designated Corporate Brokers, i.e. HSBC and KBW, participated in several virtual roadshows, conferences and one-on-one meetings with debt and equity investors. The Management had frequent communication with major active shareholders in order to provide an update on the quarterly financial results and any other significant corporate transactions. During 2021, the Group attended a total of 16 conferences, roadshows and one-on-one meetings and held 159 meetings with 117 investors.

Meetings held in 2021	
Analysts	17
Debt Investors	84
Equity Investors	75
Rating Agencies	13
Correspondent Banks	7
Total	196

Specifically, the Group organised four debt roadshows, held 84 meetings with 66 debt investors, 12 equity conferences/roadshows and 75 meetings with 51 investors. The meetings were attended by the CEO, the Executive Finance Director, the Chief Risk Officer and the Manager Investor Relations & ESG while the debt roadshows were also attended by the Treasury Director and Manager Funding & Liquidity.

In addition, the Investor Relations & ESG Department successfully performed two General Meetings, both virtual due to COVID-19, the annual one and an Extraordinary General meeting, offering the shareholders the opportunity to attend and vote remotely through electronic means.

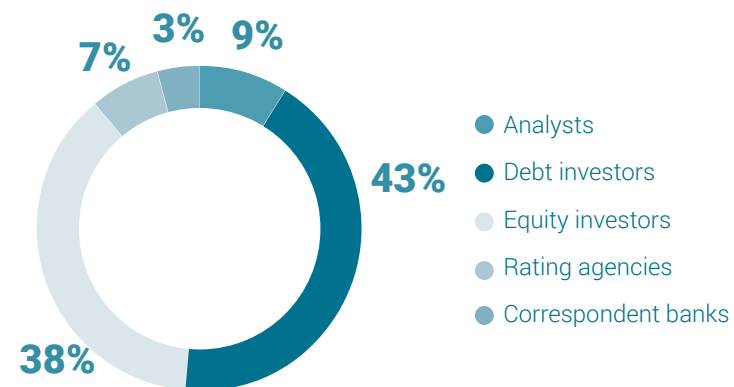
The Group engages closely with shareholders and carefully manages shareholder relationships. The Group ensures attention to shareholders' rights and treats all shareholders equally. The approach of the Group entails:

- The CEO, other Board members, and the Investor Relations Manager engage with existing shareholders and potential new investors during individual or group meetings as well as on roadshows and investor conferences.

- The Senior Independent Director is available to shareholders and members of the Board if they have concerns that have not been / cannot be dealt with through normal communication channels. The Senior Independent Director also reaches out to shareholders following any AGM resolution for the election/ re-election of a board member in case the resolution is voted against by more than 20% of shareholders so as to understand their viewpoint. In 2021, the Senior Independent Director held virtual and physical meetings with five major active shareholders.
- The Chairperson of the Board ensures that the views, issues, and concerns of shareholders are effectively communicated to the Board and that the Directors develop an understanding of the views of major investors.
- The Investor Relations & ESG Department has primary responsibility for managing and developing the Group's external relationship with existing and potential new institutional investors and analysts. The Investor Relations Manager has been appointed by the Board as responsible for the communication between shareholders and the Group.

- The Group reaches out to shareholders following any AGM resolution for the election/re-election of a board member in case the resolution is voted against by more than 20% of shareholders so as to understand their viewpoint.
- Information concerning the Group is provided to shareholders, prospective investors, and other interested parties in a prompt and unbiased manner free of charge and the Group provides recent and relevant financial information to shareholders and potential investors through its website.

MEETINGS HELD



Credit Ratings and Sustainability Indices

The Bank is currently rated by the following Credit Rating Agencies:

- Fitch Ratings
- Moody's Investors Service
- S&P Global Ratings
- Capital Intelligence

For the most recent credit ratings, please visit: <https://www.bankofcyprus.com/en-gb/group/investor-relations/>

credit-ratings-analyst-coverage/credit-rating/

Investors are increasingly interested in ESG investments while Sustainability Rating Agencies and Index Providers rate the performance of the Bank and its sustainability efforts and outcomes. Sustainability Ratings Assigned to Bank of Cyprus Public Company Limited:

In 2022, the Bank of Cyprus Holdings PLC received a rating of **AA** (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.



Disclaimer
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Combating Financial Crime and Enforcement of Sanctions

The Bank is committed to the highest standards in the fight against Money Laundering (ML) and Terrorism Financing (TF). The Bank employs due diligence to discourage money launderers, and anyone involved in illegal activities, including terrorist funding, from using its services and products. The Bank maintains zero

tolerance for ML/TF risk, and all associated predicated offenses (such as corruption, bribery, fraud, and tax crimes). It is obliged to transact its business so as to ensure it minimizes the risk of its systems and processes, and those of its affiliates, of being used for ML or TF purposes. Additionally, the Bank maintains zero tolerance

for violations of sanctions or other measures imposed by American Authorities such as the US Department of Treasury's Office of Foreign Assets Control, the United Nations, the European Union and the United Kingdom's Her Majesty's Treasury.

Compliance for 2021 in numbers

Decrease of the international clientele portfolio by 4.6% for compliance reasons.	Termination of close to 9.1% of business relationships with professional customer introducing intermediaries	Termination/suspension of 3,620 customer relationships solely on compliance/financial crime concerns, corresponding to an estimated €514mn of turnover and a yearly profitability of €2mn.	853 potential new customers rejected exclusively for compliance reasons.
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Anti-Money Laundering

In 2021 the Bank further enhanced its Anti-Money Laundering (AML)/Counter-Terrorist Financing (CTF)/ sanctions compliance framework by implementing additional systems. The systems included:

- **automatic adverse media filtering**
- **acceptance and updating** of customers through digital media
- **upgrade of the Bank's main AML system** which filters transactions and clients against sanctions/TF lists and generates suspicious transactions alerts (in progress, to be completed in 2022).

It is also noted that as of February 2020, an automated AML scorecard has been implemented to determine the risk level of prospective and current customers based on several parameters.

Additionally, the Bank maintains an effective AML assurance and awareness programme. Briefly:

- **In 2021, the AML assurance programme** was enhanced to include, in addition to the on-site AML reviews at units, thematic reviews of identified high-risk areas across the Bank, and off-site reviews (monitoring of Key Risk Indicators).
- **The Bank recognises ML/TF/Sanctions risks** through the scenario-based Risk Assessment methodology and the Risk & Control Self-Assessment methodology and implements effective mitigating measures and controls. Moreover, the Anti-Money Laundering Compliance Office (AMLCO) Annual Risk Management Report is prepared, which assesses the overall ML/TF risk of the Bank using a Scenario-Based Risk Assessment Methodology and submitted to the Central Bank of Cyprus.
- **During 2021 AML/CTF seminars were organised and presented successfully to 3,200 employees** (through face-to-face, Skype or e-learning sessions), management and members of the Board. All participants had to successfully pass a short assessment course related to the training. In addition, FC&SCD employees attended several external specialised seminars.

Regulatory Compliance

The Bank ensures that it adopts all regulatory, legal, and compliance requirements and is committed to and sets out relevant controls and procedures to protect its clients and all other stakeholders. In 2021, the implementation of the new compliance management system, automated the majority of processes for improved efficiency and effectiveness in all areas. Procedures have been simplified further to ensure efficiency.

In 2021, the Control Function Common Operational Framework was agreed upon and drafted. In addition, the three Lines of Defence model, the framework for effective risk and compliance management and control, was revised and is clearly defined. The purpose of the framework is to define the responsibilities in the management of risks and ensure adequate segregation in the oversight, management, and mitigation of risks through the interaction between control functions.

Compliance assurance reviews are regularly carried out and are based on clear and aligned Compliance Review Methodologies.

The Compliance Division presents its Key Risk and Key Performance Indicators to the ExCo and the AC. Compliance risks are annually assessed in line with the Bank’s Compliance Risk Assessment Methodology and through the Compliance Management System.

In response to the 2021 Internal Customer Satisfaction Survey, the Compliance Division prepared a questionnaire to investigate the reasons behind specific low scores and identify what needs to be done to further improve Organisational Health for the future. The results were analysed and presented to the Executive Director People & Change and communicated to Transformation Office for further actions.

INTERNAL CUSTOMER SATISFACTION SURVEY 2021: COMPLIANCE

Strong Areas

- Confidentiality and discretion: **91%**
- Staff integrity: **86%**
- Staff independence: **84%**

Improvement Areas

- Understanding specifics and challenges of work: **58%**
- Request response time: **65%**

Highlights in 2021:

- Anti-Bribery and Corruption Policy was further enhanced and was aligned with the provisions of the ISO 37001:2016 anti-bribery management systems
- Bank of Cyprus was the only Bank in Cyprus to adopt the provisions of ISO 19600:2014 Compliance management systems
- Alignment with the Anti-Financial Crime standards and best international practices

The Bank maintains strong Group policies for Whistleblowing, Anti Bribery and corruption, Competition Law, FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standard), Customer Complaints management and GDPR.

Two fines were imposed in 2021 by the Central Bank of Cyprus (CBC), for AML breaches.

Two investigations were carried out by the CBC in 2018 and 2019, in order to assess compliance of the Bank under

the AML legislation, which was in place during the years 2015 - 2018. The findings of the CBC relate solely to administrative weaknesses and in no way suggest that the Bank directly or indirectly facilitated the processing of illicit funds.

Both fines were paid within the set deadline and were reduced to a total of €906.950. The Bank has appealed in the Court of Law both against the amounts and the nature of the findings. The Energy Service of the Ministry of Energy, Commerce, and Industry imposed a €30,000 fine for not complying with the Energy performance law. The Permanent Secretary of the Ministry of Finance imposed CISO with an administrative penalty of €2,000 for each of the years 2016 and 2017 (€4,000 in total), as CISO did not follow the proper data submission and due diligence procedures as defined in FATCA, for information concerning the years 2016 and 2017.

In 2021 the Bank automated the recording of gifts received/offered from/to customers/suppliers/ associates and records are kept in the Compliance Management System. In December 2021, just before the festive season, the Compliance Division sent a reminder to all employees informing them about the provisions of the Anti-bribery and Corruption Policy. No business partners were informed in regards to our Anti-bribery and Corruption Policy.

In December 2021 the Compliance Division run an Anti-bribery survey. It consisted of 110 individuals, including Local Compliance Officers Managers and other compliance stakeholders. The purpose of the survey was to assess awareness of bribery and corruption issues and examine possible measures to further enhance processes and procedures. The results will be announced in 2022.

ACCEPTANCE OF GIFTS IN 2021



Legal Services

In 2021, the Bank, through its legal services contributed to:

- the development of new laws, including Covered Bonds Law, laws transposing Directive (EU) as regards the loss absorbing and recapitalization capacity of credit institutions and investment firms (BRRD II) into national law,
- discussions on amending: the Law on the Security of Networks and Information Systems, the Courts Law, the Immovable Property (Transfer and Mortgage) Law, the Immovable Property (Tenure, Registration and Valuation) Law, the Streets and Buildings Regulation Law, the Sale of Credit Facilities and Related Matters Law, the Business of Credit Institutions Law and accommodating

more digital services to be provided by banks, and

- the initiation of the amendment and modernization of a number of laws regarding the acceptance of cheques through mobile apps.

The Bank’s Legal Services Department has also amended the standard contractual documents of the Bank to ensure fairness in their implementation, has contributed significantly to the creation of the Digital Economy Platform and has provided legal support in the development of the Bank’s Mobile App.

During the year, a number of eco-friendly new products were reviewed by Legal Services Department, including:

- Environmentally friendly housing renovation loan (involving loan granting for home energy upgrade purposes),
- Environmentally friendly energy loan (involving loan granting for the purchase of home energy saving systems),
- Environmentally friendly business renovation loan (involving loan granting for business energy upgrade purposes)
- Environmentally friendly car hire purchase loan (involving loan granting for the purchase of electric cars).

Internal Customer Satisfaction Survey 2021: Legal

Strong points

- Confidentiality and discretion: 92%
- Staff integrity: 88%
- Staff independence: 86%

Improvement Areas

- Request response time: 51%
- Communication (easily accessible): 57%
- Understanding of peculiarities and challenges of work: 60%

Data Protection

The Bank collects, uses or otherwise processes personal data relating to employees, clients, suppliers, business partners, and sometimes non-clients (i.e. in order to handle complaints), provided the processing involves the performance of a contract, for compliance with a legal obligation, for the purposes of safeguarding legitimate interests, and when individuals have provided their consent (where this is necessary for a public task), and for protecting the vital interests of the individual. The

Bank applies Data Protection Impact Assessment (DPIAs) and commits itself to safeguard the personal data of its customers, suppliers, and partners. In 2021 there were no substantiated complaints concerning breaches of customer privacy or loss of customer data (leaks, thefts, or losses).

For 2021 there have not been any substantiated complaints or breaches relating to the customer privacy policy.

In regard to GDPR compliance, the Bank applies the Data Protection Impact Assessment and vendors management. The Personal Data Protection Policy was updated in September 2021. The Employee Privacy Notice of the Bank, which describes the collecting and processing of employee personal data, was also revised in 2021, and employees were notified. Furthermore, the Privacy Statement for the Bank's existing or potential customers who are physical persons was also updated in June 2021.

INFORMATION SECURITY AWARENESS TRAINING PROGRAMME 2021

11,631

entries

The Bank requires its employees to go through trainings on information security awareness every quarter. The number communicated here represents the total number of participants that enrolled in the 30 minutes online training module in all four quarters (2,935 in Q1, 2,947 in Q2, 2,909 in Q3 and 2,840 in Q4).

Substantiated complaints are complaints handled outside the timeframes of the Bank's relevant policy which may lead to disputes, escalated by the customer to the Regulator and the Bank gets a written warning or a fine. There were no such cases in 2021.

Market Abuse

In 2021, the Bank organised a series of training sessions to familiarise employees with procedures to prevent and detect insider dealing and market abuse.

Network Inspections

The Inspection Department of the Bank conducts reviews of the operational and accounting procedures that relate to the first-line operations, i.e., Branches, Business Units, Business Centres and International Business Units of the Bank.

In 2021, it conducted:

- 10** Branch inspections
- 15** Branch inspections follow up
- 2** Business Centres inspections
- 4** Corporate Banking Centres inspections
- 4** International Business Unit inspections
- 3** Branch New Lending inspections
- 2** Business Centres follow up
- 1** Corporate Banking Centre follow up
- 1** International Business Unit follow up
- 3** Cash dispute investigations
- 2** Thematic inspections

Based on the 2021 reviews, zero units scored “unsatisfactory”, some scored “satisfactory”, and a number of improvements have been recommended to the majority of the audited units based on a plan.

TRAINING ON INSIDER DEALING AND MARKET ABUSE 2021

INSIDER DEALING

10 participants
50 hours
of training

MARKET ABUSE

26 participants
149 hours
of training

Internal Audit

Internal Audit (IA) prepares its audit plan with a one-year horizon. The environment in which the Bank operates is dynamic and affected by constant ambiguities; this means that IA is called to adjust its plan on a frequent basis in order to accommodate changes in risks and priorities/focus areas. For the preparation of the Annual Audit Plan, IA applies a risk-based approach and updates the risk universe to ensure completeness, relevance, and applicability in relation to the achievement of Bank's strategic objectives, including ESG-related matters. IA maintains an audit universe, which includes all the potential areas to be assessed against the main risk categories which are included in the Risk Universe.

IA reports provide separate opinions on the Internal Control Framework and Management Control Awareness. The Management Control Awareness criteria were aligned in 2021 with the behaviours defined in the Great Risk Management Profile, which was issued as part of Project Ethos under the guidance of the Ethics, Conduct, and Culture Committee.

Specifically, these include factors relating to risk awareness, risk-taking, and management, as well as risk accountability.

IA maintains an audit universe, which includes all the potential areas to be assessed against the main risk categories which are included in the Risk Universe. Risk categories include among others:

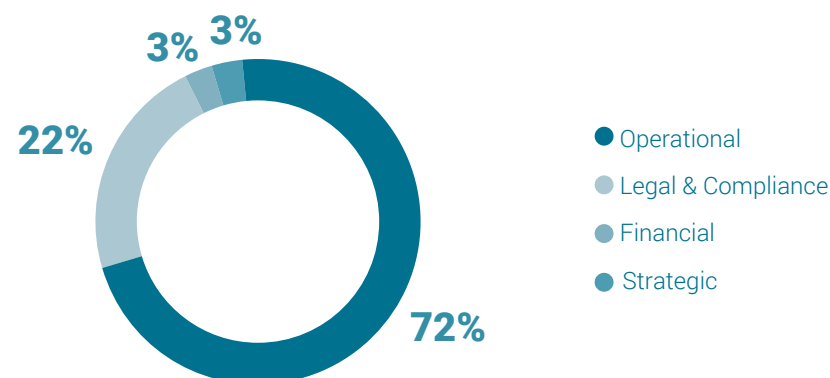
- ESG risk resulting from counterparties that may potentially contribute to or be affected by climate change, social factors, or governance practices
- Conduct and Business Practices
- Workplace Safety risk
- Culture risk

In 2021, a total of 68 audits were conducted and 352 findings were issued.

In 2021, a total of 11 cases were referred to the Disciplinary Committee following relevant Audit reviews, and two of them resulted in employee dismissal. One was linked to internal fraud and the second to violation of the code of conduct.

Number of Audits by Category	
Data Quality	10
Regulatory Requirement	35
Quality-Information Systems	7
Health and Safety	3
Governance	13
Total	68

IN 2021, INTERNAL AUDIT ISSUED A TOTAL NUMBER OF 352 FINDINGS AUDIT FINDINGS BY CATEGORY



Best Practices in Internal Audit

In 2020, the IA function established the Data Analytics Framework which in 2021 was embedded in all internal audit activities and was utilised to the extent possible to enhance the effectiveness and level of assurance provided through the audit work. Furthermore, in 2021 IA explored and defined the steps towards establishing data analytics tests for continuous auditing in specific areas of the bank, such as fraud indicators, retail and lending operations.

In 2021, IA provided expert advice and insights towards the optimisation of risk management procedures. The main advisory activities performed during 2021 related amongst others to the areas of operational risk management and risk and control culture.

Role of Treasury

Through its Treasury function, the Bank applies a structured process for the identification of potential threats to the organisation and evaluates the criticality of such threats via the application of approved risk assessment methodology. Treasury monitors and manages the interest rate, foreign exchange, liquidity, and funding risks emanating from the Bank's balance sheet and operations. Consequently in the management of its operations, Treasury takes into consideration operational, compliance, regulatory, and governance risks.

For the management of these risks, the Bank defines the strategy needed to minimise or eliminate their impact and implements appropriate mechanisms to effectively monitor and evaluate this strategy. This process is ongoing and includes the maintenance of Risk Registers, the preparation and implementation of Action plans, the monitoring of Key Risk Indicators, the recording of Loss Incidents (including near misses); and the implementation of risk mitigation controls.



George Zornas, Internal Audit Director, chaired the 4th Cyprus Antifraud Conference Cyprus

Streamlining Internal Structures and Operations

To prepare for the banking needs of the future, the Bank is constantly reinventing itself as a financial institution in order to embrace emerging technologies and address changing stakeholder expectations.

Project Sunrise

The Bank continues to work towards becoming a more customer centric organisation. A transformation plan is already in progress and aims to enable the shift to modern banking by digitally transforming customer service, as well as internal operations.

The holistic transformation aims to:

1. shift to a more customer-centric operating model by defining customer segment the strategies,

2. redefine the distribution model across existing and new channels,

3. digitally transform the way the Bank serves its customers and operates internally, and

4. improve employee engagement through a robust set of Organisational Health initiatives.

To effectively execute the design and implementation of Project Sunrise, a Transformation Office was set up in January 2021. The office acts as a single point of contact and coordinates a 3-year plan that consists of more than 220 initiatives for 13 workstreams.

WORKSTREAMS

1. Consumer Banking
2. Wholesale Banking
3. Operations
4. Risk & E2E Lending
5. Compliance & Governance
6. Legal
7. Finance
8. Human Resources
9. External Spend
10. IT & Data Analytics
11. Insurance Business
12. International Banking
13. Organisational Health

IN 2021, WITHIN THE PROJECT SUNRISE FRAMEWORK:

57
events
organised

~950
employees
attended

- Interactive ideation sessions
- Interactive workshop on Organisational Health
- Mini surveys
- Divisional presentations

Improving the Bank’s operations

In 2021, a number of organisational restructurings were implemented by in Central Operations, resulting in the merging of units, the set-up of new units, and the transfer of responsibilities across units.

In 2021, Central Operations achieved:

- 1. Warehouse cost reductions: Elimination of warehouses has led to considerable savings as costs have reduced from €397,000 in 2020 to €254,000 in 2021
- 2. The implementation of BPM Document Handling workflow and the use of QR code technology have considerably contained costs from €555,000 in 2020 to €393,000 in 2021

- 3.Digital search and view of Customer Documents for all Users through FileNet
- 4. New BPM Flow for improved communication between the Back Office Operations and the front lines for better monitoring of work
- 5. The Central Operations Local Remote Authority Team has been re-certified for the procedure of digital approval for Digital Signatures through the Bank of Cyprus Mobile Banking App and will also be part of the Customer Digital ID approval
- 6. Streamline offsite ATM replenishment through outsourcing operations to an external vendor
- 7. Improved communication between branches/units and Loan Documentation Department through dedicated employees

Redefinition and improvement of the Wealth & Markets’ business model:

- 1.The capitalization of CISCO without burdening the Bank (Phoenix project) with the absorption of BOCAM's operations by CISCO has been largely completed and expected to complete at the beginning of 2022
- 2. Development of projects for upgrading the products and services offered to Wealth & Markets’ customers. eFX Convert is under implementation and BOC Invest is pending for approval.
- 3. Project Dias (External Asset Management - EAM desk with UBS) has been already approved by the BoD.
- 4. Elite Card, a unique product offering multiple benefits, has been launched and is part of the Bank’s product offering since December 2021.

Project Ethos

Risk Management Division is leading Project “Ethos” for the enhancement of the Bank’s risk and control culture. A robust risk culture is a substantial determinant of whether the Group will be able to successfully execute its chosen strategy within its defined risk appetite. In 2021, efforts focused on developing a Risk Culture Dashboard. The objective of the dashboard is to measure the maturity level of risk culture across the Bank. The area of focus is to determine the key risk culture metrics, based on data availability and stakeholders who will use these metrics for decision making. The first Bank-wide results of the Risk Culture Scoring System were presented to the Ethics, Culture & Conduct Committee in January 2022.

Kill Bureaucracy

The Bank is working on several initiatives to improve customer service, drive efficiencies, and cost reduction.

Along these lines, the KillB programme aims to identify quick wins with the objective to:

- Provide professional, quick, and efficient service to customers
- Highlight issues that create delays and complications in day-to-day business
- Find solutions that will simplify day-to-day business in optimum time

All recommendations are evaluated, on a weekly basis, based on their anticipated impact and implementation effort requirements.

Recommendations are received through email or Yammer application.

IN 2021

RECEIVED:
175
recommendations

IMPLEMENTED:
48 (e.g. development of new electronic workflows to streamline and automate processes)

In the process of implementation: 65

Memberships and Recognitions

Certifications

Global recognition by selected external credible bodies provides the Bank with credentials that are necessary to build trust with its stakeholders. Bank of Cyprus is certified by prestigious international bodies and standards.

- ISO 50001: 2018 Certificate of Conformity
- International Standards of the Institute of Internal Audit (IIA)
- Information Technology Infrastructure Library (ITIL)
- Committee of Sponsoring Organizations of the Treadway Commission Frameworks (COSO)
- International Financial Reporting Standards (IFRS)
- International Accounting Standards Board (IASB)
- Payment Card Industry Security Standards (PCI)
- International Standard on Auditing (ISA)

In addition, the Bank complies with the requirements of the ISO 37001 Anti-Bribery Management Systems and ISO 19600 Compliance Management Systems and follows the ISO 27001 Information Security Standard.

Active Contribution and Memberships

Bank of Cyprus does not engage in lobbying and does not commission lobbying services but actively contributes to the public debate through its membership in acclaimed associations and industry bodies.

Bank of Cyprus is a member of the associations and organisations listed below				
Name	Holds a Place in the Governing Body	Participates in Projects or Committees	Provides Significant Funding Beyond the Regular Subscription	Considers its Involvement as a Strategic Priority
Association of Cyprus Banks	•	•		•
Central Bank of Cyprus (CBC)		•		•
International Chamber of Commerce (ICC)		•		
Cyprus Chamber of Commerce and Industry (CCCI)			•	•
Cyprus Employers and Industrialists Federation (OEB)				•
Cyprus Investment Funds Association (CIFA)		•		•
Cyprus Securities and Exchange Commission (CySEC)				•
International Advisory Board of the International Compliance Association (ICA)		•		•
Cyprus Association of listed companies	•	•		•
Cyprus Institute of Internal Auditors (IIA)		•		•
Information Systems Audit and Control Association (ISACA) Cyprus Chapter		•		
European Banking Federation	•	•	•	•
Cyber-Security Working Group	•	•		•
The Cyprus Economic Society				•
Cyprus Advertisers Association				•
Advertising Control Agency				•
Cyprus Association for Quality				•
Cyprus International Business Association (IBU)	•			•
CSR Cyprus	•	•		•
Cyprus Marine Environment Protection Association (CYMEPA)	•	•		•
American Chamber of Commerce	•	•	•	•
Bank of Cyprus Oncology Centre	•	•		•
ICAEW Banking Committee	•			•
Association of Certified Fraud Examiners (ACFE) Cyprus Chapter	•			•
Cyprus Integrity Forum	•			•
ICA (International Compliance Association)	•			•
ICPAC		•		•
ARIS	•			•
American Chamber of Commerce in Cyprus		•		•

Awards and Recognitions

- Best Sub-custodian Bank in Cyprus by the Global Finance magazine (UK) for the eighth consecutive year (2014 - 2021)
- Best Corporate/Institutional Digital Bank Award in Western Europe for 2021 at World's Best Digital Bank Awards by the Global Finance magazine (UK)
- Best Consumer Digital Bank in Cyprus at World's Best Digital Bank Awards by the Global Finance magazine (UK)
- National Certification as "Equality Employer" by the Cyprus Ministry of Labour, Welfare and Social Insurance
- Best Asset Management Company of the year 2021 in Cyprus by the Global Banking & Finance Awards magazine, for the first time
- Best Private Banking and Wealth Management by the internationally reputable magazine "Euromoney" of the "Private Banking and Wealth Management Survey" for the sixth year
- The Investment Firm in Cyprus 2021 for The Cyprus Investment and Securities Corporation Ltd (CISCO) at the Innovation & Excellence Awards by Corporate LiveWire publications
- 2021 Elite Quality Recognition Award by JP Morgan Chase Bank NA, for the area of payments
- Corporate Social Responsibility and Sustainability Award for IDEA Innovation Center by CSR Cyprus
- Recognition for Corporate Social Responsibility and Sustainability 2021 for SupportCY Network initiative by CSR Cyprus
- The Manager of IDEA Innovation Center, Angela Panayiotou, was awarded the Businessperson of the Year Award by Madame Figaro Women of the Year Awards
- Honorary Award by the Cyprus Anti-Cancer Society for its continuous support since 1999
- Six Digital Awards at the Cyprus Marketing Digital Awards 2021 organised by the Press and Information Office and Boussias Cyprus, under the auspices of the Cyprus Online Publishers Association



Honorary Award for the Bank's continuous support since 1999 by the Cyprus Anticancer Society



National Certification for Bank of Cyprus, as "Equality Employer" by the Cyprus Ministry of Labour, Welfare and Social Insurance



Corporate Social Responsibility and Sustainability 2021 award for IDEA by CSR Cyprus



Corporate Social Responsibility and Sustainability 2021 recognition for SupportCY Network by CSR Cyprus

Conferences and Summits

Bank representatives contributed as chairs, moderators, and coordinators in reputable national and international conferences, forums and summits, including:

- 5th Business Leaders Summit
- 4th Cyprus Anti-Fraud Conference
- 8th Banking Forum & FinTech Expo
- 9th Banking Forum
- 13th CSR Conference
- 5th Cyprus International Investors Summit
- 12th Limassol Economic Forum
- 7th International Compliance Forum
- Cyprus Professional Services Conference
- 9th Annual European Compliance & Ethics Institute
- Fintech Inn 2021 - Data Privacy vs AML/KYC
- 15th Annual European AML & Financial Crime Conference - A Global Outlook, AMLP Forum
- SCCE's 9th Annual European Compliance & Ethics Virtual Institute
- C5-Fraud, Asset Tracing and Recovery
- Marine Money - 2021 Greek Ship Finance Forum
- Marine Money - London Ship Finance Forum 2021
- 7th International Fund Summit: The Future of the Investment Funds Industry
- Customer Success Summit 2021
- HSBC's Virtual Financial Institutions Conference 2021: Female Leaders in Finance
- Cyprus: Cementing a Culture of Compliance
- 5th Project Management Conference
- Fund Forum International Monaco
- 2021 Capital Link, Cyprus Shipping Forum
- Bank of Cyprus and Cyprus Fiduciary Association (CYFA): Building Sustainable International Business for the next decade



Marios Scandalis, Compliance Director, chaired the 7th International Compliance Forum



Bank of Cyprus employees participated in the 4th Cyprus Antifraud Conference



Harris Pistos, Director International Banking chaired the forum "Building Sustainable International Business for the Next Decade", that was co-organised by the Bank with the Cyprus Fiduciary Association

Experts across the Bank were invited to share their knowledge, experience, and expertise via keynotes, presentations, and interviews on a diverse number of topics, including:

- Navigating the post-COVID-19 unknown
 - The past, the present, and the “Bank to the Future”
 - “Live like a local: Culture and Cultural Heritage in Thematic Travel Writing on Cyprus”
 - Cyprus as a Tech Hub: Benefits & Challenges
 - Women in technology, from innovation to economic diplomacy
 - Due Diligence on the Ownership Structure of Legal Entities and Detecting Shell Activity
 - Financial Crime Risk Management in a Digital Age
 - Implementation of GDPR by Financial Institutions
 - Corporate governance arrangements and the role of internal audit
 - How Data Governance infrastructure tackles Model Risk Management, the Bank of Cyprus story
 - The Annual Economy Panel: Outlook and risks in a pandemic world
 - Money, Credit, and Crises: Understanding the Modern Banking System
 - The Significance of being Financially Literate and National Strategies for Achieving it
- 2021 Roadshows and Conferences**
- Bank of Cyprus Debt Non Deal Roadshow - Organised by Goldman Sachs and HSBC
 - Bank of Cyprus Equity Virtual Roadshow - Arranged by HSBC (Mar. '21)
 - Bank of Cyprus Virtual Roadshow - Arranged by Wood & Co (Mar. '21)
 - Bank of Cyprus Virtual Roadshow - Arranged by KBW
 - Morgan Stanley Virtual European Financials Conference
 - Bank of Cyprus Tier 2 Roadshow
 - WOOD's Greek Retreat
 - 2021 Virtual KBW European Financials & Insurtech Conference
 - Goldman Sachs 25th European Financials Conference
 - Bank of Cyprus MREL Issuance Roadshow
 - Bank of Cyprus Equity Virtual Roadshow - Arranged by HSBC (Sep. '21)
 - Goldman Sachs CEEMEA & LatAm Financials Symposium
 - Bank of Cyprus Virtual Roadshow - Arranged by Wood & Co (Oct. '21)
 - Bank of Cyprus Equity Virtual Roadshow - Arranged by HSBC (Dec. '21)
 - Bank of Cyprus Debt Roadshow - Arranged by Autonomous
 - Wood Winter Wonderland Conference



Panicos Nicolaou, CEO, addressed the 9th Banking Forum and Fintech Expo



The 12th Limassol Economic Forum

Responsible and Sustainable Solutions





As a leading player in the banking sector, the vision of the Bank is to drive progress across Cyprus. Being an exogenous systemic institution, Bank of Cyprus leads the way to digital innovation, and guides society to adapt to a more digital world. Through new solutions and products, tailored to the needs of its customers, it enhances safety and facilitates the transition to a digital and mobile economy, green products, and sustainable solutions.

“Leap Ahead”

The financial results of the Bank are directly intertwined with the financial well-being of clients and the wider economic environment in which the Bank operates. The slogan “Leap Ahead” puts the customer at the centre of the Bank’s efforts

and is the foundation of the customer-centric approach the Bank follows, aiming to be there for its customers “in their every next move”.



MACHINES 2021

FOR THE PUBLIC

157 ATMs
 (142 BNA and 15 Envelope)
34 for notes
24 for coins
 Cash 360° machines
17 Coin Deposits
1 Coin Dispenser
30 New machines installed
 in 2021

FOR THE BRANCHES

185 TCR Machines for tellers
110 ePads
350 Scanners

NEW SOLUTIONS MACHINES

35 Pay-In Machines
 is a new solution to simplify
 the process of depositing
 cash, checks and coin

Facts 2021

9.78mn

transactions completed through the automated machine network

8,029,380

withdrawals

€2,019bn
monetary value

1,428,816

deposits

€1,297bn
monetary value

€3.3mn

investment for public oriented machinery

963thousand

cash deposit transactions

€433mn
monetary value

466thousand

cheque transactions

€864mn
monetary value



PAY-IN MACHINES

213,043

transactions with envelopes

€1,189,579,454
monetary value

163,043

cash transactions

€268,089,079
monetary value

55,000

cheque transactions

558,941
cheques
€921,490,375
monetary value

Nicosia

Branches **33**
Unmanned Branches **7**
Cash Offices **5**
ATMs **73**

Paphos

Branches **10**
Unmanned Branches **1**
Cash Offices **0**
ATMs **15**



Limassol

Branches **18**
Unmanned Branches **2**
Cash Offices **1**
ATMs **34**

Famagusta

Branches **6**
Unmanned Branches **0**
Cash Offices **2**
ATMs **12**

Larnaca

Branches **13**
Unmanned Branches **0**
Cash Offices **2**
ATMs **23**

Total

(31/12/2021)

Branches **80**
Unmanned Branches **10**
Cash Offices **10**
ATMs **157**

5 branches were closed in 2021
Number of branches on
01/01/2022: 75

Bank Customers

The Bank proceeded with the launch of a new end to end customer digital onboarding functionality alongside other services that enrich the offered services.

RETAIL BANKING

Total Number of customers:

694,121

Individuals:

661,046

Legal Entities:

33,075

SME BANKING

Total Number of customers:

12,106

Individuals:

6,497

Legal Entities:

5,609

CORPORATE BANKING

Total Number of customers:

3,355

Individuals:

1,457

Legal Entities:

1,898

GLOBAL CORPORATE BANKING

Total Number of customers:

1,209

Individuals:

243

Legal Entities:

966

WEALTH & MARKETS

Total Number of customers:

1,026

Individuals:

790

Legal Entities:

236

INTERNATIONAL BANKING

Total Number of customers:

48,797

Individuals:

29,229

Legal Entities:

19,568

GROSS LOANS 31 DEC 2021 (€ mn)

4,981

Retail Banking

1,191

SME Banking

2,282

Corporate Banking

2,180

Global Corporate Banking

47

Wealth & Markets

137

International Banking

NEW LENDING AS ON 31 DECEMBER 2021 (€ mn)

655.5

Retail Banking

188.0

SME Banking

473.5

Corporate Banking

441.8

Global Corporate Banking

9.7

Wealth & Markets

23.2

International Banking

Lending for the year ended 31 December 2021 (mn):

- New lending: €1,792
- New lending in education sector: €29.3
- New lending in “Human, health, and social work activities” sector: €21.8
- New lending under the Restart scheme for Businesses: €60.6
- Gross loans as on 31 December 2021: €10,856mn and €10,282mn proforma for Held for Sale (i.e. Helix 3 and Sinope)

86.3mn

Loans granted under the
“Restart business” scheme
in 2021*

16.1mn

Loans granted as part of European
Funding Products in 2021**

*Includes: Corporate Banking, SME Banking
and International Banking

**Includes: Corporate Banking and
SME Bank

2021 DIGITAL HIGHLIGHTS

20.45mn

number of financial transactions

209.7mn

total number of transactions in 1bank (inquiries & financial)

198,000

average daily number of logins in 1bank (maximum in a single day: 358,000)

493,000

bank customers connected to 1bank - cifs connected to active subscriptions

€40.25bn

total monetary value traded

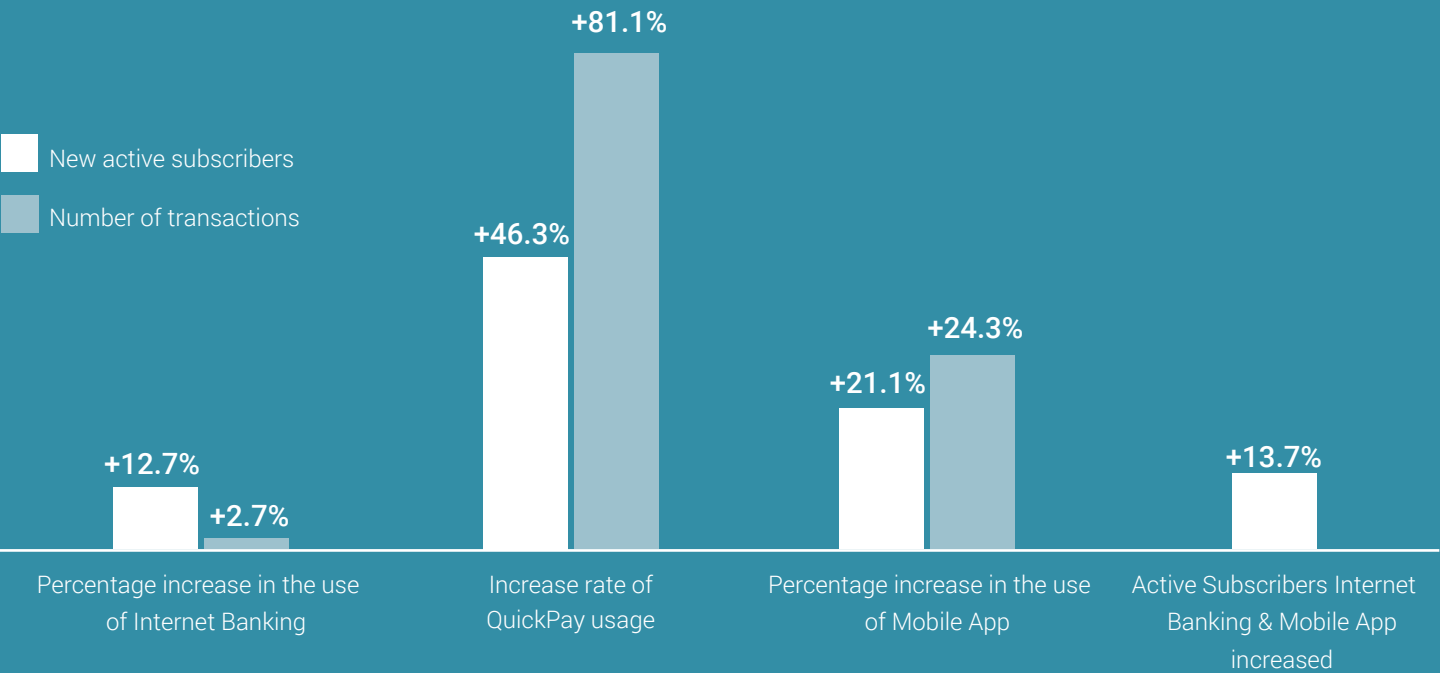
49,012

new subscribers

369,900

subscribers at the end of 2021 - active subscriptions

USERS AND SUBSCRIBERS



Comparison with 2020

An Active Subscriber is one that has used any of the Digital Channels (Internet banking &/or Mobile App) in the last 3 months

RATE OF DIGITALLY ENGAGED CUSTOMERS FOR 2021:

- Digitally Engaged Customers (Individuals)*: **78.69%** (74.71% in 2020)
- Digital Transactions Ratio (Legal Entities)**: **84.42%** (73.76% in 2020)
- Digital Transactions Ratio (Total Portfolio): **88.93%**

*Calculated as the ratio of digitally engaged individual customers vs the total number of individual customers as per the engagement scorecard. Digital channels include mobile phones, browsers & ATMs.

**Calculated as the ratio of digital transactions performed by legal entity customers vs the total transactions of legal entities. Transactions include Deposits, Withdrawals, Internal and External Transfers.

IBU Technology Hub

In 2021 the International Banking Division created and launched the IBU Technology Hub, targeting new markets. Bank of Cyprus became the first Bank to create a unit to manage international ICT (Information, Communication, and Technology) companies that choose Cyprus as their base. It is the first Bank in Cyprus to

create a specialised unit catering to the needs of these companies, aiming at an effective, deep understanding of their needs, mitigating their risks, and providing services and support as to their daily banking needs.

Flagship Store Promotes Digitalisation

In February 2021, the flagship store in Nicosia, branch 0117 in the Strovolos area, came into operation. It was designed with a clear focus on customer experience and aimed at promoting self-service through

specialised machines. The store was designed to facilitate customers to become acquainted with new technologies and use them successfully.

SELF SERVICE MACHINES LOCATED AT 0117

4 ATMs	Coin Deposit Machine
Cash 360 notes	Coin Dispenser machine
Cash 360 coins	Pay-In Machine

CUSTOMER SERVICE EXPERIENCE IS BASED ON THREE PILLARS:

1. CUSTOMER WELCOME

Welcome Desk: acquainting customers with new technologies and self-service machines.

ATMs / Kiosks and Tellers: machines designed for customer self-service use, with the help of employees if needed.

2. EXPLORE

Open Dialogue Table: direct contact with customers for product/solution presentations.

3. MEET & TALK

Total Privacy: for specialised consulting services.

Digital Innovation in the Age of Disruption

Bank of Cyprus maintains a laser focus attention on customer needs.

Due to the pandemic, customers were driven to alternative solutions for their banking needs and transactions. Moving away from traditional banking channels aims at accelerating innovation and offering products and services that create value by responding to modern lifestyles.

The monetary value of the trades executed on the BoC eTrader platform in 2021 was

€265,596,330

BOC eTrader is an electronic margin trading platform, which provides clients with direct access to “live” prices for the execution of instant delivery transactions (FX Spot) and more. It is available for speculative trading but may also be used as a hedging tool against FX and commodity risk.

In addition, three more new products focusing on digital transformation are under development. The Go Digital products are aimed at both individuals and businesses.

ELECTRONIC TRANSACTIONS:

Number and percentage increase (compared to 2020) of electronic transactions:

OPOs 1bank

435,377

in 2021 (compared to 457,706 in 2020)

2%

STP increase between 2020 and 2021

ELECTRONIC PAYMENTS:

Number and percentage increase (compared to 2020) of electronic payments:

OPOs STP

85.1%

of payments went STP in 2021

1%

electronic payments increase between 2020 & 2021

Number of digital payments completed in 2021:

435,377 OPOs

444,339 IPOs

Monetary value (in €) of the digital payments in 2021: €11,015,895,751 OPOs and €11,906,277,235 IPOs

Digitalisation and Innovation

The Bank offers a wide range of digital card “wallets” for Android and iOS, a wide variety of devices like watches, mobiles, tablets/iPad and a big range of VISA and Mastercard products that can be added to these wallets.

Digital wallets performance at the end of 2021	Digital Cards	Customers
Apple Pay digital cards	112,137	62,704
BoC Wallet cards	48,410	33,542
Garmin Pay devices	1,478	1,314
Fitbit Pay devices	311	260

Settle customers: 274 (based on transactions performed in 2021)

Digital wallets performance at the end of 2021	CIF	Cards	Digital Cards
Apple Pay digital cards	48%	48%	52%
BoC Wallet cards	25%	26%	6%
Garmin Pay devices	108%	113%	119%
Fitbit Pay devices	83%	87%	87%

Settle usage: -59% customers / -34% amount

€33,224mn

Deposits at Cash 360° machines, at unmanned branches

New digital products and features launched in 2021

- **BANK OF CYPRUS – AEGEAN** cobranded credit cards with benefits
- **ELITE Card** – Mastercard credit card Branch Operations Optimisations
- **Digital upgrades**, including for payment systems
- **System integrations**
- **Self Service Digital Verification KYC**
- **Digital Signatures certification**
- **Installation** of various types of Self-Service Machines
- **Mobile Payments** with Cards (BOC wallet - MasterCard)
- **Digital client review** with online ID verification
- **GIC Motor & Home insurance** opening through the BoC Mobile App

MOBILE BANKING APPLICATION

In 2021, 1bank provided a number of new features on Digital Channels, especially on the Mobile App, helping customers to visit the branches less and encouraging them to use digital channels to perform their everyday banking needs:

- **Provided the option to Chat** via the Bank's Mobile App
- **Purchase of Motor & Home insurances** via Mobile App
- **Card View PIN via Mobile App**
- **Digital Personal Data Update (KYC) via Mobile App**
- **New customer digital self on-boarding** with auto opening of instant a/c, Debit Mastercard and 1bank subscription
- **Card management on Mobile App** (freeze/unfreeze card)
- **eStatement feature on Mobile App**

Customer spending behaviours

Customer behaviours changed in response to COVID-19 and were particularly observed in the Cards and Payments function. In 2021, the evidence from the transactions shows that spending behaviour is normalised. Following the end of the pandemic, the Bank expects to see a return to pre-COVID levels.

Environmental and Social Policy

Environmental and social risk management is of crucial importance to the Bank. Hence, an Environmental and Social risk management framework is applied to certain of the Bank's lending activities. The Bank applies policies and procedures on customer acceptance, lending, preventing money laundering, and terrorism financing, among others, to ensure that legal entities are compliant with local and international environmental and social laws and regulations.

The Bank ensures that, where relevant, environmental and social, factors are included in the decision-making process. Further, through solid internal mechanisms, the Bank minimises the risk associated with illegal activities and/or posing environmental and societal threats. The Bank, therefore, may identify and avoid potential negative environmental and social impacts, as well as the associated risks affecting both the customers and the Bank. As part of its processes, the Bank may obtain written confirmation

from the customers, while it checks relevant licenses and work permits, conducts media search, checks for visits by regulatory authorities and any regulatory improvements requested by relevant authorities, checks for any legal action (criminal or civil), employs in-house or external expertise, and monitors compliance regularly.

The Environmental and Social Policy is reviewed on an annual basis and will be evolving in line with the ESG strategy.

Environmental and social studies on new lending to legal entities:

2021: 195
2020: 124

All divisions follow the same policies and procedures related to responsible lending.

Environmentally Friendly Products: fileco Product Scheme

Aligned with the global trends in products with environmental or social characteristics or having a sustainable investment objective, the Bank offers a range of environmentally friendly products that help its customers become more sustainable. For example, a number of loan products that were launched in September 2021 are now offered under the fileco Product Scheme.

The Bank offers environmentally friendly Car Hire Purchase, environmentally friendly loans for home/business renovation and energy loans for the installation of energy saving systems for home/business use.

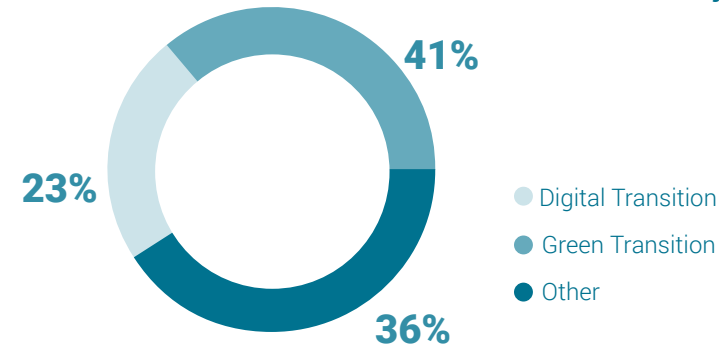
The Bank will continue to enrich its environmentally friendly products and services in line with its ESG Strategy and the Recovery and Resilience Plan for Cyprus. Looking forward, in 2022 the Bank will continue to further develop its green product offering and expects to discuss ESG matters at the point of loan origination to enable loan classification as green or transition.

Cyprus's Recovery and Resilience Plan responds to the urgent need of fostering a strong recovery and making Cyprus future-ready, and will help Cyprus become more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions. The plan consists of 75 investments and 58 reforms. They will be supported by €1,006bn in grants and €0.2bn in loans. Forty-one per cent of the plan will finance the green transition and 23% of the plan will foster the digital transition.

PRODUCT & SERVICES - SEIZE OPPORTUNITIES SURROUNDING CLIMATE

CYPRUS RECOVERY AND RESILIENCE PLAN (RRP)

€1.2bn **+** **€1.1bn**
From EU mechanism **additional funds mobilised in Cyprus**



Increase in GDP for 2022 - 2026
7.1%

Preparing for a green and digital era



Increase in employment for 2021 - 2026
2.5%

New high value - added jobs
11,000+



Home Renovation for Energy Upgrade:
Upgrading energy efficiency of residences



Photovoltaic & Other systems: Installation of energy saving systems for home use



Environmentally Friendly Car:
Purchase of a hybrid or electric car

ENVIRONMENTALLY FRIENDLY PRODUCTS IN 2021
22
Applications approved
€237,915
granted

ENVIRONMENTALLY FRIENDLY PRODUCTS 2021 (APPROVED)

	Applications	Amount (€)
Environmentally Friendly Car Loan	8	141,165
Environmentally Friendly Energy Loan	14	96,750
Grand Total	22	237,915

Financial Inclusion and Accessibility

Physical premises

Bank of Cyprus has been making sure its branches and ATMs are accessible for people with mobility impairments. This applies to branches, ATMs, buildings, and safe deposit lockers.

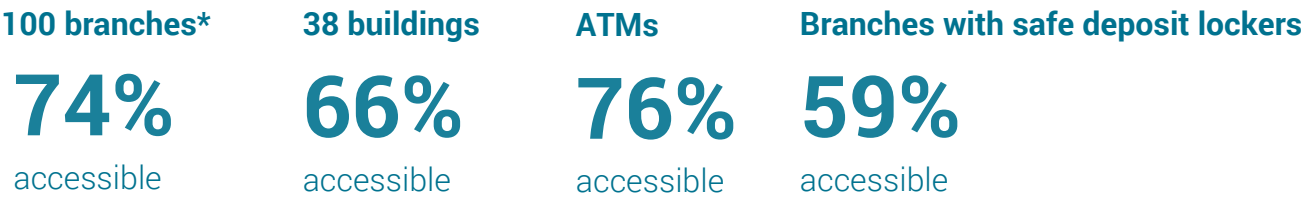
Basic Account

Bank of Cyprus offers basic banking accounts to ensure access to financial services for all. Access to the Basic Account and basic financial services is part of financial inclusion. It constitutes one of the Bank’s priorities, as it enables everyone to be integrated into society and live a normal social and economic life.

Digital Accessibility

Bank of Cyprus commits itself to ensuring digital accessibility for people with disabilities, including blindness and low vision, deafness, and hearing loss, and to others who rely on assistive technology, such as screen reader users and keyboard-only users. The Bank applies the Web Content Accessibility Guidelines (WCAG) aiming to make web content more accessible to people with disabilities and to provide the opportunity for everyone to fully interact with the Bank and benefit from digital banking.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES



*80 branches, 10 unmanned branches and 10 cash offices

Access to Cash in Rural Communities

The Banking sector is undergoing a massive transformation and more people are choosing to conduct their banking electronically. However, having physical banking facilities is still important for certain local communities. The Bank commits to providing physical infrastructure to serve local economies and the communities that need them.

Drive-through branches

Bank of Cyprus maintains the only drive-through branches on the island, in key urban locations, in Nicosia. These branches are among the Bank's most popular and they provide accessible access to individuals with disabilities.

BRANCHES AND ATMs IN RURAL, SPARSELY POPULATED OR REMOTE AND ECONOMICALLY DISADVANTAGED AREAS

6 branches
6 unmanned or cash outlets
12 ATMs

DRIVE-THROUGH



**Number of
branches: 2**

Regulatory/Compliance Business Banking

Ensuring a transition to sustainable finance business models requires first and foremost addressing issues of regulatory compliance. The new regulatory frameworks can have implications in the banking sector business models; thus, ensuring both the effective identification and management of compliance risks and the implementation of the regulatory obligations compliance policies will facilitate the transition.

During the year, the Compliance Business Banking contributed to the timely completion of the campaigns and the compliance of units with the AML / GDPR procedures. In addition, he participated and contributed to the implementation of various projects and systems of the Bank, such as the digital update of customers information through the Mobile App ("Know Your Customer" KYC).

AUDITS



Scope: In Branches
Number of audits:
10

Scope: In Business lines
Number of audits:
10

In line with the Bank's direction, in 2021, Compliance Business Banking issued new procedures regarding AML checklists and contributed towards the timely completion of campaigns and units compliance with AML/ GDPR procedures. Furthermore, it participated and contributed towards the implementation of certain projects /systems of the Bank, like:

- **Sunrise Project** for the centralisation of the KYC Reviews
- **Business Process Management system** for KYC Reviews (Mobile App)
- **Business Process Management system** for cash-based business
- **Digital Onboarding** (Mobile App)

Know Your Customer

All divisions give their uttermost attention to the KYC procedures, in close cooperation with the Compliance Division, the Central Bank of Cyprus, and the European Central Bank to ensure that the highest standards of KYC and anti-money laundering procedures are met.

The Regulatory Business Banking Department supports the responsible mission of the Business Lines as follows:

- It monitors, studies and analyses in depth the European Directives, the Directives of the Central Bank and the developments in the institutional, legislative, and regulatory framework related to the work of the Department and participates in cooperation with other responsible departments of the Bank in the adoption of the procedures/systems with the said instructions.
- It monitors and supports the effective management of the operational risks of Business Banking lines (Retail, SME, Corporate & International Banking) and other departments in accordance with the Operational Risk and Reputation Risk Management Policy, the Risk Control Self-Assessment methodology, and relevant instructions.
- It monitors and supports the effective handling of the findings of internal and external audits (European Central Bank / Central Bank, other external audits) with the aim of completing actions.
- It liaises with the Government and submits the relevant reports regarding specific loan schemes (i.e. Restart, Government Guarantee scheme).

RISK AND CONTROL SELF-ASSESSMENT WORKSHOPS

149

workshops by the Organisational Risk Management Department

~ 1,350 participants

OPERATIONAL RISK SELF-ASSESSMENT WORKSHOPS

18

workshops by the Business Banking Division

~ 170 participants

Focus:

- Reassessing existing risks in terms of risk level and the effectiveness of their controls
- Identifying mitigating actions
- Identifying new risks
- Assessing new risks in terms of risk level and effectiveness of their controls.
- Setting mitigating actions

Building Customer Relationships

5th Business Leaders Summit

For the 5th consecutive time, the Bank of Cyprus hosted its flagship event “Business Leaders Summit.” The 5th Business Leaders Summit took place on the 15th of September in physical form and attracted around 600 prominent participants from Cyprus and abroad. Under the title “The New Business Frontier”, the event focused on how integrating ESG criteria into the sustainable development strategy is becoming the norm. The event touched on regulations, government directions, innovation, and global trends, and highlighted the role of investors, concepts of transparency, accountability, and practical ESG application. Prominent personalities from both Cyprus and abroad presented at the 5th Business Leaders

Summit and shared their views on the practical role of ESG in building a brighter future. The conference was hosted by Michalis Athanassiou (Executive Director, Global Corporate Banking and Markets) and Xenios Konomis (Director, Corporate Banking). The closing remarks were given by the Bank’s CEO, Panicos Nicolaou.

Additional Initiatives

Throughout 2021, Corporate Banking organised several business lunches with clients in Nicosia, Limassol, Larnaca, and Famagusta, in order to strengthen its relationship with them. For this, approximately 80 meals were hosted.

REMU organised dinners, as part of the REMU campaign with about 20 customers.

Similarly Global Corporate Banking & Markets hosted a number Clients’ meetings / lunches and presentations physical and online events, including product presentations.

An online product presentation event took place (200 participants) in order to launch Class VII regulation - Smart Future, a new Eurolife product. The event was organised by Eurolife in collaboration with the BOC Asset Management (BOCAM) member of CISCO Ltd.

In addition to the above, the Division held a special and exclusive Christmas Cocktail reception for 150 people aiming at developing and strengthening relationships with its customers. The event was held in full compliance with all protection health measures against COVID-19.



Michalis Athanasiou, Director Large and International Corporate Banking and Xenios Konomis, Director Corporate and SME Banking, hosted the 5th Business Leaders Summit



Professor Sir Christopher Pissarides addressed online the 5th Business Leaders Summit

Retail Banking invited 20 customers in Limassol and Nicosia over the year.

International Banking, with the support of the Corporate Affairs, co-organised with the Cyprus Fiduciary Association (CYFA,) an event titled “Building Sustainable International Business for the next decade”, to strengthen relations with the customers/ associates. The summit which

was sponsored and moderated by International Banking, attracted about 80 participants.

IDEA Innovation Center hosted the Minister of Finance and the Minister of Foreign Affairs, alongside their delegations, to discuss synergies in the economic revitalisation of Nicosia and the extroversion of Cypriot start-ups. In addition, it

hosted a Circular Economy seminar in partnership with the Cyprus Circular Economy Network that addressed legal issues around the import and distribution of equipment in Cyprus. IDEA co-organised the launching event of the Ablebook App, aiming to facilitate accessibility for people with mobility challenges.

Antamivi Scheme

Bank of Cyprus has developed several reward schemes to give back to customers. The innovative card reward scheme “Antamivi” rewards every card transaction.

IN 2021

A total of 264 merchants and 132,778 active subscribers participated in the Scheme redeeming a total of €1,887,951

Antamivi scheme composition	2021	2020
Number of participating merchants	264	247
Total subscribers	298,197	272,248
Subscribers who redeemed points	132,778	121,883
Total amount redeemed (€)	188,780,129	190,523,695

ANTAMIVI

€232mn
partners turnover

€2,042,293
contribution points

€1,887,951
redemption points

92%
retention rate

2021-TOP 20 CONTRIBUTORS

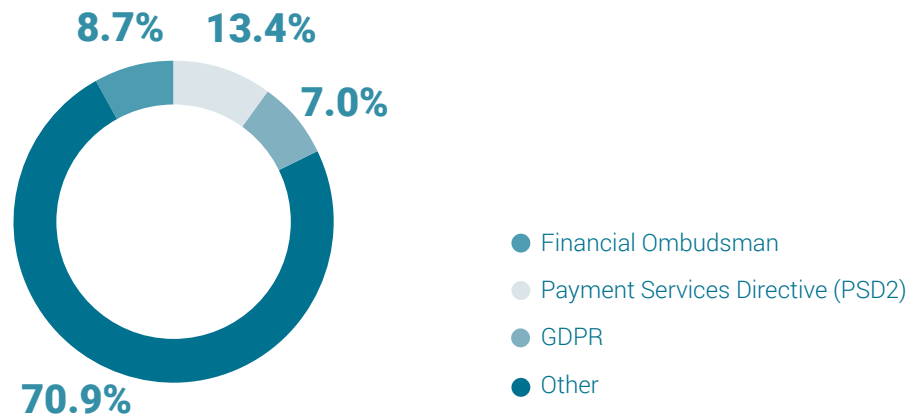
- **General trade:**
23.40%
- **Clothing & footwear:**
7.00%
- **Catering and food:**
17.10%
- **Fuels:**
21.10%
- **Tourism industry:**
7.40%

The Voice of the Customer

Effective grievance management plays a fundamental role in providing quality services and facilitates the receipt of feedback on services, products and customer service. In 2021 the Bank reaffirmed its commitment to

effective handling of grievances as all grievances were handled within the legal timeframe. It is also noted that the average grievance resolution for 2021 was 40 days compared to 44 days in 2022.

COMPLAINTS COMPLETED BY LEGAL FRAMEWORK 2021



Complaints	Total
Brought Forward 2020	65
Registered in 2021	687
Completed in 2021	641
Pending end of 2021	111

Complaints by Legal Framework	Number
Payment Services Directive (PSD2)	92
GDPR	34
Financial Ombudsman	74
Other (e.g. loans, customer service, cards, etc.)	487
Total	687

COMPLAINTS REGISTERED PER YEAR

2021	2020	2019
687	690	1,050



Call Centre

The Bank of Cyprus Call Centre is yet another channel of communication with customers.

Everyday, hundreds of customers contact the Bank and are trained on the use of Digital Channels (Internet banking & Mobile App) and guided to

resolve issues. In 2021, about 558,000 (666,000 in 2020) calls were received, with a lower customer abandonment rate compared to 2020 (reduction to 5.02% from 8.25% in 2020). During the pandemic, the Bank utilised all available channels to ensure timely and meaningful support is provided to clients.

Before speaking to an agent, the Bank is positive about its service quality and aims even higher.

CALL CENTRE DATA 2021

≈558k*

Number of contacts with customers

3:27 minutes

Average call duration

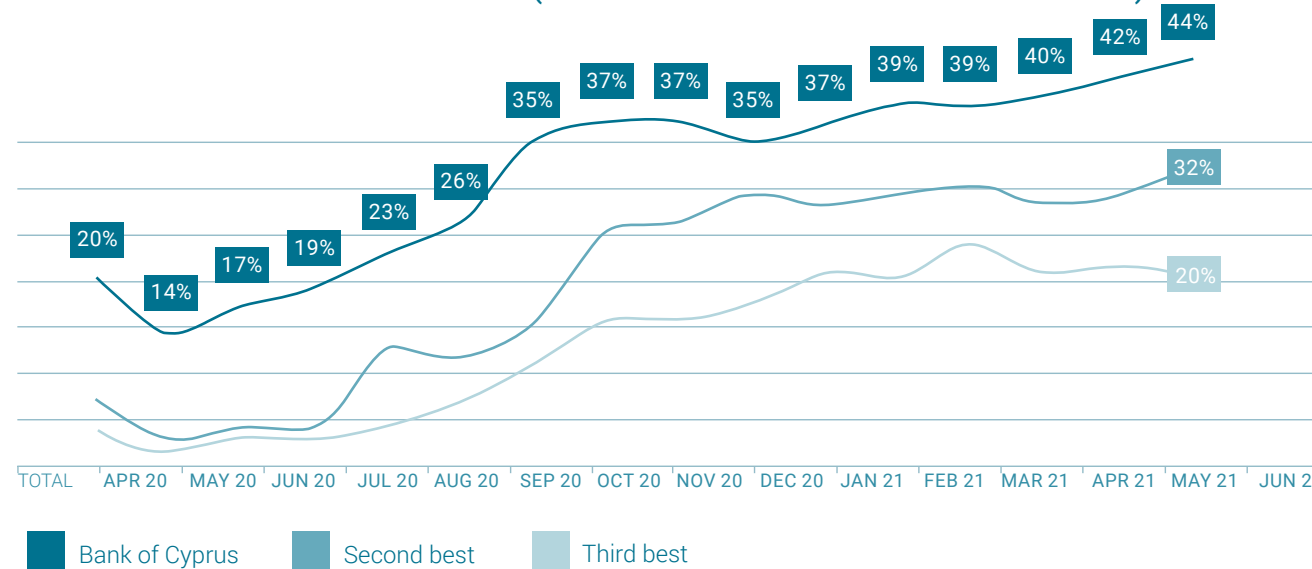
5.02%

Customer abandonment rate

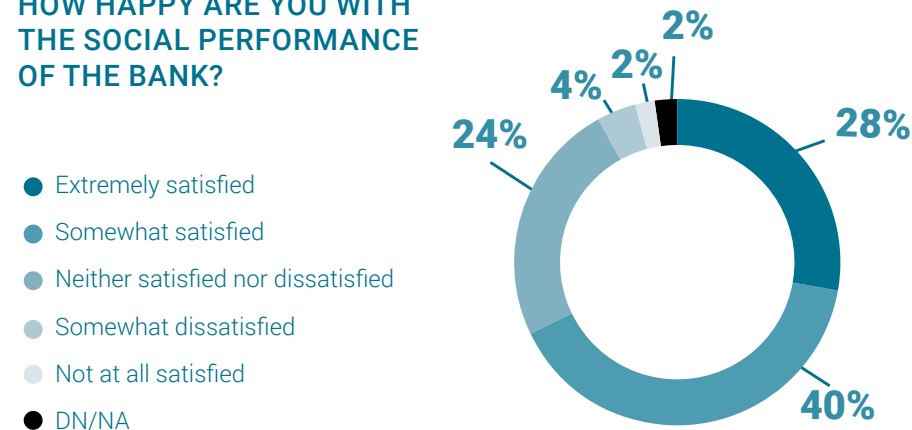
*includes calls, emails, secure messages and chats via 1bank service channels

ROLLING MARKET SURVEY BY BANK OF CYPRUS

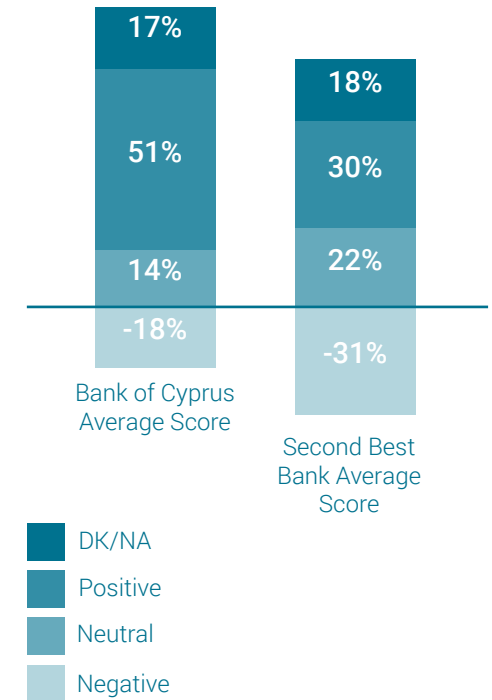
WHICH COMPANY, INCLUDING BANKS, IS MOST SOCIALLY RESPONSIBLE DURING THE CORONAVIRUS CRISIS? (SPONTANEOUS ANSWER DURING SURVEY)



HOW HAPPY ARE YOU WITH THE SOCIAL PERFORMANCE OF THE BANK?



ASSESSMENT OF BANKS SOCIAL CONTRIBUTION DURING CRISIS



Supply Chain

To obtain and retain competitive advantages in the intensely competitive and continuously transforming economy, the Bank needs to establish mutually beneficial strategic partnerships with its suppliers and business partners. Managing its supply chain effectively has emerged as a critical component of business success, product and service quality, and customer satisfaction. Hence, and in order to account for its value chain impacts, the Bank implements established processes under tightly drawn criteria for Sourcing and Procurement.

The Bank continues working toward the adoption and implementation of ZYCUS, the eProcurement system to manage suppliers, contracts, purchase orders and invoicing. It focuses on enhanced procedures for Vendor Qualification, Vendor Monitoring and significant revisions of procedures, circulars, and required templates.

Main Vendor categories include:

- Marketing and Promotion
- Advertising Agencies
- Operations and Supplies
- Technical Services
- Information Technology
- Architects and Civil Engineers
- Consulting Services
- Legal Services
- Other services

Category	Number of Suppliers	Amount Paid (€000 - includes VAT)
Local suppliers	1,253	88,935
Foreign suppliers	263	50,530
Rents paid to third parties	194	6,339
Total	1,710	145,804

IN ORDER TO MAINTAIN LONG TERM RELATIONSHIPS WITH SUPPLIERS, THE BANK:

- **Follows** a Qualification (Due Diligence) procedure for local and foreign vendors
- **Performs** Vendor Performance Monitoring through specific templates in accordance with official procedures and circulars, and reviews results
- **Maintains** a Complaints procedure
- **Offers** e-learning sessions to employees and publishes Portal announcements on important provisions of procedures and circulars
- **Prepares** manuals to be used by suppliers for new tools and procedures or software
- **Includes** certain ESG criteria, where applicable, in RFPs / RFQs, which are evaluated during the evaluation process by the Business Owners



Responsible Communication and Marketing

2021 was marked by the introduction of the new slogan of the Bank: “Leap Ahead”. Part of the communication and promotion strategy was the creation of content highlighting start-ups and companies that incorporated the sustainability lifestyle in their philosophy. This approach reinforces the Bank’s goal of being customer-centric and focusing on the digital

experience of the customer. The Bank constantly monitors and upgrades its presence on social media, websites, and the digital space to ensure meaningful engagement with customers and all stakeholders.

As a member of the Advertising Control Agency, the Bank abides by the Cyprus Code of Conduct which is based on the International Chamber of

Commerce (ICC) Code. The Code sets out the rules of professional conduct and ethics to be observed in relation to the consumer. Both the spirit and the letter of the Code are followed in all forms of products and services, advertising, and communication. The word “advertising” is taken in its broadest sense and includes all forms of communication and promotion. The

main communication topics include Banking/Finance, Products, Corporate Sustainability, and Corporate Social Responsibility. All the advertising agencies with which the Bank collaborates are required to follow the World Federation of Advertisers (WFA) guidelines. No fines were imposed during 2021 regarding communication or marketing and promotion.

A person wearing a blue long-sleeved shirt is seated at a desk, working on a laptop. In the foreground, a colorful children's book is open, showing illustrations of people and a rainbow. The background is slightly blurred, showing a desk with various items like a calculator and papers.

Our Society



Bank of Cyprus works with stakeholders, including partners, investors, and shareholders, on the premise of long-term and value-adding partnerships. To support these partnerships and enable exponential growth, the Bank goes beyond its legal obligations; it dedicates both human and material resources and allocates funds to ensure that its vision is materialised. The Bank aims to become an engine of long-term growth in Cyprus.

Key Strategic Pillars

THE BANK FOCUSES ON THE FOLLOWING STRATEGIC PILLARS:

HEALTH:

“Fighting Cancer” cause and other patient related caring programmes.

EDUCATION:

Awarding youth and the next generation within STEAM (Science-Technology-Engineering-Art-Mathematics) and sports.

CULTURE:

Research and study of the cultural and natural heritage of Cyprus.

INNOVATION:

Start-ups and entrepreneurship.

ENVIRONMENT:

This new pillar that emerges as of 2022, with emphasis on awareness and education, prevention, response, recovery, and mitigation of climate change impacts.

IN 2021, THE BANK ALLOCATED

€625,500

to support the society compared to €640,000 in 2020.

IN 2021, THE BANK DISTRIBUTED ECONOMIC VALUE THAT REACHED

€340,886

compared to €343,682 in 2020.

The calculations are presented in “Key Performance Indicators Relevant to Sustainability”, page 35.

EXAMINE - CONTRIBUTE - ENGAGE - COMMIT TO THE CAUSES WE SUPPORT

Own Contribution to Society

Bank of Cyprus Oncology Centre

The Bank of Cyprus Oncology Centre represents the biggest and most successful partnership between the public and the private sector. Since its inauguration in 1998, it has served cancer patients and the Cypriot society at large. It is also the first hospital in Cyprus and Greece to receive quality accreditation from Caspe Healthcare Knowledge Systems, Europe’s leading hospital accreditation organisation.

In 2021, the Interventional Radiology Unit started its operations with excellent results for its patients. In addition, the Centre signed an agreement of collaboration with an Interventional Pulmonologist to set the foundations for the development of an Interventional Pulmonology Unit.

Within the framework of World Cancer Day, Bank of Cyprus Oncology Centre in collaboration with other cancer-related organisations and Bank of Cyprus, organised the Pancyprian Student

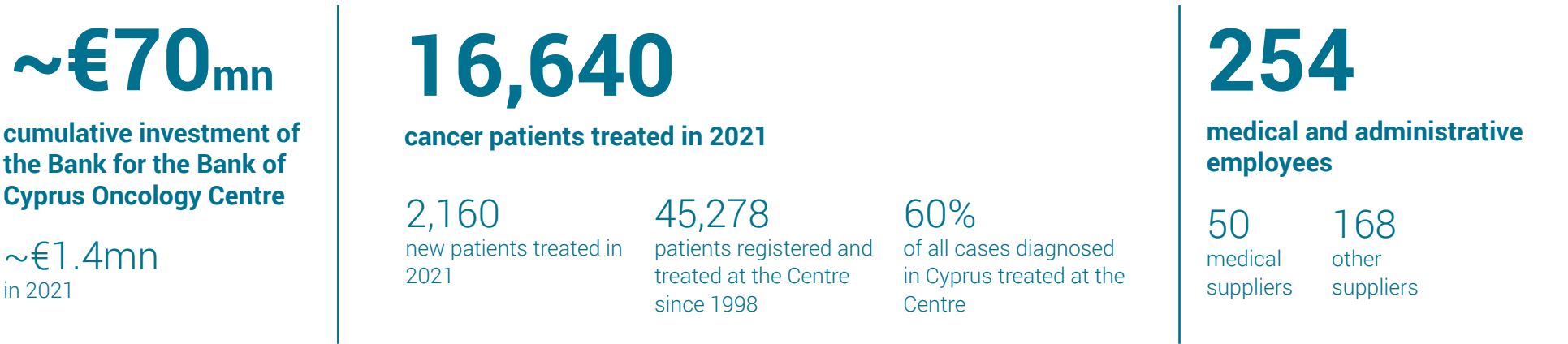
Competition “I’m young and I create a future without cancer”. The Bank supported the initiative by awarding prizes to the top three candidates in each category (song writing, fine art, essay writing).

In 2021, the art piece “Nature’s Untameable Power” by Alexia Tryfon was exhibited on the surrounding walls of the Centre as part of the Wall Gallery Project. This follows a tradition established in 2018 in collaboration with the NGO Alternative Brains Rule

and involves a giant display outside the windows of both patients and employees, aiming to boost their morale.

For the 4th consecutive year, the Bank’s Internal Audit completed the annual audit of the Centre. The audit provides assurance to the Centre’s Board of Directors in relation to the adequacy of the existing governance, risk management, and internal control framework.

KEY NUMBERS FOR BANK OF CYPRUS ONCOLOGY CENTRE



Bank of Cyprus Cultural Foundation

The Bank of Cyprus Cultural Foundation (BOCCF) was established in 1984 and has since developed a series of activities in keeping with the objectives defined by the Bank of Cyprus. The BOCCF's main strategic aims are to:

- **encourage research**
- **study Cypriot civilisation** in the fields of archaeology, history, art, and literature
- **preserve and disseminate** the cultural and natural heritage of Cyprus, with particular emphasis on the international promotion of the island's centuries-long Greek civilisation
- **the shift to research and development on cultural sustainability** through European sponsorships
- **extroversion and communication** with the general public
- **the upgrade and promotion** of the educational role of the Foundation

Despite the constraints faced in 2021, due to the COVID-19 pandemic, in addition to its enhanced digital presence (Let's Talk History), the

Foundation organised the Faneromeni 21 Arts Festival, two physical lectures, two performances, two physical exhibitions, two exhibition openings, one Christmas event, and five anniversary periodical exhibitions. In 2021, it launched a series of online activities aimed at children and adults focusing on various areas of the Foundation's permanent collections, such as the Art Collection, its Archaeological Collection, etc.

The BOCCF lecture programmes were transferred into the new digital space, and Let's Talk History, became available on BOCCF digital platforms (e.g. Facebook, Spotify, and Buzzsprout). Let's Talk History is an online series of recorded lectures and conferences on various Cypriot topics related to museums, collections, exhibitions, and activities of the Foundation but also focusing on other Cypriot topics, from all periods of Cypriot history, archaeology, art history, and literature.

In 2021, BOCCF strengthened its digital strategy, as the Foundation became the coordinator of the programme "ReInHerit – Redefining the future of cultural heritage, through a disruptive model of sustainability". The programme is funded by the EU under Horizon 2020 and involves 12 organisations from seven countries.

BOCCF keeps six Cyprological collections:

- Coinage
- Maps
- Rare Books and Manuscripts
- Engravings, Old Photographs & Watercolours
- Contemporary Cypriot Art
- Ethnography

BOCCF curates three museums:

- the Museum of the History of Cypriot Coinage, Nicosia
- the Archaeological Museum of George and Nefeli Giabra Pierides, Nicosia
- the Pierides Museum, Larnaca, which hosts a Collection of Ancient and Medieval Cypriot Art, as well as a collection of maps of Cyprus

IN 2021 THE FOLLOWING ACTIVITIES TOOK PLACE:

1. Anniversary periodical exhibitions

2. Faneromeni 21 Arts Festival (five musical performances and three cinema performances)

3. Moments at the Museum for the anniversary of 1821 (two performances)

4. Lectures

5. Christmas event

6. Let's Talk History (over 30 digital lectures)

7. "Free Greece" (exhibition)

8. "History has a face" (exhibition)



The Cultural Foundation also manages the Historical Archive of the Bank of Cyprus, intended for the safekeeping and study of the Group's archival material.

EVENTS ATTENDANCE

14,151

Digital

3,000

Physical

In 2021, the Internal Audit department extended its services to the BOCCF in order to evaluate the adequacy and effectiveness of the internal control framework applied. The recommendations provided will enhance the internal control framework of the foundation.

IDEA Innovation Center

IDEA Innovation Center is the largest non-profit incubator-accelerator for start-ups on the island founded and supported by Bank of Cyprus, along with several other partners. It further serves as an entrepreneurship hub for Cypriot young entrepreneurs.

In 2021 IDEA achieved perhaps two of the most significant recognitions in Cyprus – one of its start-ups was accepted into Y Combinator and secured a significant investment from a US fund, while another raised €700,000 through a crowdfunding platform, the greatest success to date for a Cypriot start-up.

IDEA's cornerstone is its Business Creation Training Program, a comprehensive incubation-acceleration programme, which hosts start-ups for a period of 9 to 12 months. The training curriculum is designed according to international standards, tailored to the start-ups' needs, and reviewed annually to reflect current trends. Through its extensive panel of more than 80 high-profile mentors and trainers working mostly pro-bono, start-ups work closely with industry experts to receive feedback, the highest quality of mentoring, consultation and professional services. In 2021 IDEA brought to life innovative businesses relating to the cleantech, accounting,

food and beverage sectors, wildlife watching activities, and conversation recording and transcription through its current start-ups: Renewable Z, Logistaras, Picado, Bird Focus, and Recorn.

2021 IDEA HIGHLIGHTS

74

start-ups supported by the end of 2021

12 Start-ups joined in 2021
12 New companies established

90+

creation of new jobs by 2021

70 Mentors
42 Trainers

5

entrepreneurs successfully completed the IDEA Incubator and Accelerator Programme

160 - Number of entrepreneurs trained since 2015

€576,000

pro-bono services
(€48,000 to 12 companies)

€60,000

financial support received
(€12,000 to 5 companies)



The Minister of Finance was hosted at IDEA to discuss synergies, where he met with IDEA startups



Networking at the ceremony of signing a Memorandum with the Chief Scientist in the presence of Dep. Minister of Research, Innovation & Digital Policy and opening of IDEA's 6th cycle



Alumni start-ups using the co-working facilities at IDEA premises

Notable 2021 events:

- IDEA start-ups attracted investment capital and business partnerships from Cyprus and abroad, have established their own offices and employ staff of their own
- IDEA formalised its relationship with the Chief Scientist of Research and Innovation of the Republic of Cyprus via a Memorandum, highlighting IDEA's mission and activities - already aligned with national priorities
- Supported & sponsored the 5-day Paphos Summer School for students on SPACE & STEAME (Science, Technology, Engineering, Arts, Mathematics and Entrepreneurship)
- Participated in the Digital Health programme "Beyond Pre-Accelerator" that provided university students the opportunity to find innovative solutions to challenges in oncology, while going through the process of building one's own company
- Participated and moderated the Cyprus-Polish seminar on women in technology leadership
- Collaborated with Centre for Entrepreneurship – University of Cyprus (C4E) in the Cyprus Entrepreneurship Competition - CyEC2021 to promote entrepreneurship among students that leads to viable businesses
- Participated in international conferences, fora, and panel discussions to promote innovation

Creating Social Capital

The creation of social capital is vital for the economy and a major driver of technological growth and social progress. For Bank of Cyprus, social value requires going beyond the regular transactional boundaries, engaging with all partners across the value chain, and recognising the role of financial institutions in modern societies.

SupportCY operations and focus

The SupportCY network was created in March 2020 by Bank of Cyprus for immediate support to front-line professionals working in the battle against COVID-19, as they form a unique chain of supporters, receivers and enablers, and create Social Capital. It also offers further assistance during other national and international crises and disasters, such as fires, earthquakes, etc. Furthermore, SupportCY focuses on meeting the

various needs of the Cypriot society, and has become a central point of response and assistance, not only for NGOs but also for governmental services.

Since its creation, SupportCY acquired a great dynamic within society, and its members (companies and organisations) rose to 130 by the end of 2021.

In 2021, an estimated amount exceeding €780,000 (including monetary and in-kind products and services) was channelled through all SupportCY members into society. The Bank of Cyprus contributed financially

with more than €89,000 to SupportCY, and covered initiatives and operations through its annual budget. SupportCY members provided financial support and further contributed with donations, products and services amounting to about €80,000.

The SupportCY network operates under the direction of the Bank's Sustainability & CSR Unit, Corporate Affairs, and is bound by the Group's Donations, Sponsorships, and Partnerships Policy and the Group's Corporate Social Responsibility Strategy.

IN 2021, AIMING TO ENHANCE OPERATIONS AND READINESS TO RESPOND TO ANY SITUATION OR NEED, BANK OF CYPRUS ESTABLISHED THE:

SUPPORTCY CRISES & DISASTERS CENTRE:

The focal point of SupportCY is response at any given emergency. The Centre develops, organises and contributes to social care programmes and is the place where equipment, clothing, food and other necessities are provided to individuals or groups in need.

SUPPORTCY VOLUNTEERS CORPS:

A group of trained volunteers (Bank of Cyprus and other partners-members' employees) ready to act immediately and support the front-line professionals, in emergency situations. For better coordination during emergencies, volunteers are trained by experts from official bodies (Civil Defence, Ambulance Service, National Guard, etc.).

SUPPORTCY HOUSE:

Launched in December 2021 in order to organise and host events and to be offered as a free venue to all SupportCY members for their own events. It is located near Eleftheria Square in the centre of Nicosia. The SupportCY House has become the reference point for SupportCY events, but beyond that, it is a testament that people unite in difficult times.

In a statement, the CEO of the Bank acknowledged that "SupportCY House is the heart of the largest joint investment of social capital in Cyprus. It signifies a partnership that aims to reduce social inequalities through continuous action and targeted actions".

SupportCY key initiatives implemented in 2021

In 2021, SupportCY supported the community through a number of initiatives, including the donation of medical equipment to health-related NGOs and Associations, provisions to COVID-19 patients in hospitals across Cyprus, the provision of volunteer training to members of the Ambulance Service, the Police and Civil Defence to identify missing persons, and the organization of blood donation drives. It granted a rental vehicle to the Ministry of Health for resident sampling and vaccinations for COVID-19. It offered mental health and psychological support training for injured children in collaboration with its member organisation The Smile of the Child (Greece). It organised and delivered an online seminar for basic fire safety training in the workplace for SupportCY members. It supported concerts and campaigns for a number of causes, including autism, COVID-19 support, the Paediatric Ward at the Limassol General Hospital, and people in mountainous and remote areas.

Additionally, SupportCY organised and held two Road Safety Mechanical Checks events.

During the Christmas season, SupportCY organised, for the second time, the #VirtualSantaCY programme where children met Santa Claus and talked to him online. More than 5,000 children participated in the programme.

During the summer of 2021, SupportCY responded to the deadly fires that broke out in mountainous Larnaca and Limassol, as well as in Greece. SupportCY Volunteers Corps are trained to respond immediately to a government request for fire assistance and in December 2021, members of the Corps responded to the floods in Nicosia and assisted authorities with cases of missing people, following official guidance and directions.

SUPPORTCY AND SUSTAINABLE DEVELOPMENT GOALS



Support to families in need, by offering clothing and food coupons to families, schools, students in need, etc.)



Cooperation with municipalities and local authorities to support society



Support to Cypriot Ministries and various healthcare NGOs



Support through volunteers and seminars in fire prevention and nature protection



Support to Cypriot Ministries, educational institutions, educational NGOs, etc.



Partnership has been the fundamental principle of the operation and success of the SupportCY network, and its legacy for the years to come



Strengthening entrepreneurship and sustainable business practices



SupportCY Volunteers trained alongside professionals for emergency cases



Tents were placed at Covid-19 vaccination centres, by SupportCY



Panicos Nicolaou, CEO, addressed the SupportCY House inauguration ceremony



Provisions were sent to Covid-19 patients in hospitals across Cyprus, through SupportCY

Impact in Health through Partnerships

Cyprus Anti-Cancer Society

The Cyprus Anti-Cancer Society relies on fundraising activities, particularly the “Christodoula March” and the #stiMaxi (Fight Against Cancer) campaigns, to support its free services, which have been co-organised by Bank of Cyprus for 23 consecutive years. Since 1999, the Bank of Cyprus’ contribution to the Cyprus Anti-Cancer Society has exceeded €2.3mn. Despite the pandemic restrictions, with the partnership and support of the Bank, donations reached €328,000, an increase of 14.7% compared to 2020.

In 2021, despite all the challenges and the restrictions caused by the

COVID-19 pandemic, the Cyprus Anti-Cancer Society, treated hundreds of patients at the “Arodafnousa” Palliative Care Centre in Nicosia, and at the “Evagorio” Day Care Centre, in Limassol. Overall, the Cyprus Anti-Cancer Society has offered palliative care services to almost 63,000 cancer patients and members of their families, free-of-charge. SupportCY and the the Bank’s Antamivi Card Reward Scheme contributed to the campaign and donated to the Cyprus Anti-Cancer Society five cents per transaction at any participating merchant.

Campaign duration: two weeks
Amount collected: €17,600.

The Cyprus Anti-Cancer Society is also a member of SupportCY.

3,200+

overnight stays at “Arodafnousa” Palliative Care Centre in Nicosia

3,314

patients treated at home and 38,500+ visits/services by the Society’s Homecare Service throughout Cyprus

“En Ergo” Programme

The “En Ergo” programme, which is partially funded by Bank of Cyprus, trains home caregivers for individuals with severely limited mobility. It, therefore, generates employment positions while also providing significant support to paraplegic and quadriplegic individuals and their families. In response to the ongoing pandemic crisis, the Cyprus Paraplegics Association, a member of SupportCY, continued to follow crisis plan procedures and abided by the state guidelines for the continuation of En Ergo.

“En Ergo” is supported and managed by a team of experienced professionals. It fosters a culture of fairness and responsibility, supported by strong policies, processes, and development tools. It has zero tolerance against discrimination, harassment, or unfair treatment.

Employed over 84 carers across Cyprus

≈ 60% women employees

Over 87% of its members are satisfied with the service provided by carers (2021 Members satisfaction survey)

OFFERED

- over 200,000 hours of care
- psychological support to more than 700 cases and social support to 650 cases
- 150 hours of specialised professional training and opportunities for personal development

EMPOWERED

100% of its carers to acquire the European Carer Certificate and register for relevant seminars

RECEIVED

more than 400 calls via the on-call line which operates daily from 12:00 until 24:00

HELD

various training sessions on stress management, time management and resilience to name a few

“Folia” Centre

The Folia (Nest) Centre was established in 2017 with the support of the Ministry of Health and in collaboration with the Cyprus Alliance for Rare Disorders (CARD). Bank of Cyprus has been its main partner and sponsor since its establishment. In 2021 the Bank continued to offer building premises to be used as office area by Folia Centre, for as long as required.

Folia Centre is currently available to approximately 60,000 patients, providing information, support, and education to them and their families. Other actions within 2021 include, among others, the promotion of transnational technical agreements with international centres, the expansion of the Neonatal Screening Programme, the establishment of a Hepatology Clinic, the financial support of patients, and awareness around post-mortem Organ Donation.

2

Silver Awards in the Cyprus Healthcare Business Awards for CARD

1,415

Users RARE-e-CONNECT (Information Forum)

15,840

Unique Users DiekdikoCY

PATIENT SUPPORT SERVICE

- Responded to 108 individual patient requests
- Average of 21 calls by individual patients per week at the call centre

PSYCHOLOGICAL SUPPORT PROGRAMME

- Responded to 24 individual patient requests
- Offered 334 private sessions

Blood Donation Drives

On 14 June, 2021, i.e. the World Blood Donor Day, the Bank organised a blood donation at a Military Base, in collaboration with other SupportCY members. Additional blood donation drives were organised in December at two Military Bases as well as at the Bank's Headquarters in Nicosia and other districts, with the participation of the Bank's employees.

298

volunteer
blood donors

245

eligible blood
donors

245

blood bottles
collected



Bank of Cyprus employees participated at blood donation drives

KEPA Agios Christoforos

KEPA Agios Christoforos is a charitable association in Paralimni. Its main actions focus on social welfare, health and education. Among others, it supplies cooked food to families in need, hosts a social grocery, a school for children with special abilities, a centre for the care and rehabilitation of the elderly and disabled, and a guesthouse for extended families and victims of domestic violence. In 2021, through a partnership with Bank of Cyprus, the construction of a Palliative Care Centre (currently under study) was supported – it will be offering free palliative care to local cancer patients.

Additional Support in Health

In 2005 the Bank's Board of Directors approved financial support for children orphaned due to major accidents and created the Orphans Scheme Plan. In 2015 the Bank began offering insurance coverage in collaboration with Eurolife to all minor children in the Plan, until they reach adulthood. In 2021, the Plan continued, and the medical health contracts were renewed to include additional beneficiaries.

The Bank also provided financial and in-kind support to a number of NGOs, including:

- | | | |
|---|---|---|
| • Agios Christoforos Foundation for People with Mental Disability | • Cyprus Autism Association | • Red Cross |
| • Alkinoos Artemiou Foundation | • Europa Donna Cyprus | • Ronald McDonald House Charities |
| • Alkionides Charity | • Europa Uomo Cyprus | • Rotary Club of Kyrenia |
| • Centre for Education about Drugs and Treatment of Drug Addicted Persons (KENTHEA) | • Heart Patients Association | • Round Table 1, Nicosia |
| • Christos Stelios Ioannou Foundation | • KEPAKY | • Strovolos Philanthropic Fraternity |
| | • Mana Association | • Thalassaemia International Federation |
| | • Melathron Agoniston EOKA | • The Cyprus Association of Cancer Patients and Friends (PASYKAF) |
| | • Pancyprian Organisation of Large Families | • The Cyprus Kidney Association |
| | • Paphos District Volunteerism Council | • Elpida Foundation |

Impact in Education through Partnerships

NGO Reaction

Since 2021, the activities of NGO Reaction have been incorporated into SupportCY. The six years long successful partnership with NGO Reaction was crucial for the development of the SupportCY network in early March 2020 and it resulted in NGO Reaction undertaking the operational part of SupportCY and leading a series of initiatives under the guidelines of the Bank.

University of Cyprus

Bank of Cyprus has a long-term collaboration with the University of Cyprus, through the Bank of Cyprus Chair in Economics that was created in 2000. The funding covers the salary and research activities of the Chair, as well as ad hoc Social Responsibility projects. Since 2020, the University of Cyprus is a member of SupportCY.

European Youth Parliament Cyprus

European Youth Parliament (EYP) Cyprus is a member of SupportCY, and one of the largest European platforms for debate, intercultural dialogue, European Civic Education, and exchange trips. In 2021, with the Bank's support, it organised a wide range of events, including workshops and training, hybrid cleaning events, digital sessions for members, physical national sessions, and think tanks.

8
workshops,
forums & events

800+
participants
Age group: 15-25

Promoting learning through STEAM

The Bank supports students and promotes learning and excellence in fields related to Science, Technology, Engineering, Arts and Mathematics (STEAM). Through its partnership with the Cyprus Mathematical Society and the Cyprus Physicists Society, the Bank awarded students in various tournaments and competitions. The Bank also supported the Cyprus Computer Society which organised the two-day 4th Pancyprrian Robotex Robotics. All three associations are members of SupportCY and have created content to support distance learning via webinars and online educational presentations.

CYPRUS MATHEMATICAL SOCIETY

3 tournaments
1,939 participants
Top 9 students honoured by the Bank

CYPRUS PHYSICISTS SOCIETY

3 tournaments
117 participants
Top 18 students honoured by the Bank

Scholarships to vulnerable university students

In 2021 Bank of Cyprus renewed its partnership with the Cyprus Institute of Marketing (CIM) and offered scholarships to CIM students. It also collaborated with Neapolis University Paphos, where it offered two partial scholarships to selected students. Funraising Cyprus is a voluntary charity organisation that supports families with severe financial problems in the Limassol area. During the academic year 2020-21, the Bank contributed to the Funraising Morfosi Scholarship Fund, supporting 28 university students with scholarships. In addition, the Bank provided awards to students with outstanding performance at the Open University Cyprus and the Mediterranean Institute of Management.

Supporting schools in fire-affected areas

After the deadly, catastrophic fires of 2021 in the Larnaca and Limassol mountainous areas, Bank of Cyprus, in collaboration with the Ministry of Education, Culture, Youth and Sports, agreed to provide emotional and psychological support to children, parents/guardians, and teachers in four schools located in the fire-affected areas. During the first school term of 2021-22, Bank representatives visited the three schools and decided on activities for the whole school year, such as psychological guidance to teachers and students and participation in Christmas and other social activities.



Offered training on psychological subjects to teachers in fire-affected schools

Sophia Foundation for Children

Since 2013, the Bank participates in the “Cook and Offer” Programme of the Sophia Foundation for Children. The Programme currently covers 16 kitchens in schools, seven of which are entirely funded by Bank of Cyprus. The Programme has made a positive impact on local communities as it benefits both children and their families. Students’ unemployed parents are hired to cook for the students and for events hosted at the schools.

16

kitchens in schools

7

kitchens entirely funded by Bank of Cyprus

1,200

children

660+

children



Students at “Cook and Offer” programme enjoy homemade food

Academies Soccer Tournament

The Bank embraced young athletes at the Academies Soccer Tournament organised by Ant1 TV station. Finalist and champion teams in football academies were awarded for their efforts and results. Over 1350 boys and 50 girls (aged 6-11) participated in the tournament which attracted over 700 attendees. Bank of Cyprus awarded 24 awards in 12 categories.

Cyprus Sports Writers Union

Bank of Cyprus supported the Cyprus Sports Writers Union as the owner of the Best Upcoming Sports Talent Award in Cyprus at the Cyprus Sports Writers Association Annual Awards. Three upcoming young athletes were awarded in swimming, judo and track. The Bank was also the presenter of the Sports Journalist Awards.

Queer Wave Festival

In 2021 Bank of Cyprus had presence in the Queer Wave Festival as an “LGBTQI+ Awareness Partner” with educational and informational talks in the framework of the Festival. Through non-profit events, the Festival made queer cinema accessible to the Cypriot audience, promoting a culture of acceptance and solidarity nation-wide. The talks that followed the screenings focused on topics which embraced diversity and needed to be addressed and communicated to the audience.

Polignosi.com

The Bank continued supporting “polignosi.com”, a long-term project initiated in 2017 in collaboration with “Politis” newspaper. Polignosi.com is the first online encyclopaedia in Cyprus. It is constantly developing and becoming a point of reference for thousands of Cypriots, with readership in Greece and in the expatriate communities in the UK and the USA.

126,000
unique users

9.6%
increase

According to Google Analytics

Read

In addition, Bank of Cyprus also continues its support to Read, a digital library offering free-for-reading books. In 2021, wishing to promote local community authors, Read offered Cypriot authors the opportunity to publish their work and research free of charge. Their work is available under a fee, and all proceeds go directly to the authors, without any fees charged by Read.

813
books
available

13,546
books
downloaded

Additional support in education

Bank of Cyprus was once again the main supporter of Graphic Stories Cyprus, a local conference on graphic design and visual communication.

For the 2nd consecutive year, the Bank participated in a joint initiative between the Association of Banks and the Junior Achievement Cyprus (JA Cyprus) on financial literacy. The Bank participated with two mentors in workshops tackling “Spending Smartly” and “Economics for Success”.

The Bank also provided financial and in-kind support to a number of NGOs, including:

- Cyprus Economic Society
- Deaf Children Welfare Fund
- DROMEA Racing
- GDA Sports
- Ktima Folklore Group, Paphos
- Limassol Sporting Club Tennis Academy
- Nicosia Special School Parents Association
- Office of the Presidential Commissioner
- Welfare Society for the Disabled
- Yianis Christodoulou Foundation
- Sports Federations focusing on youth and sports academies, students who are upcoming sports talents in the framework of supporting development sports
- Schools of all levels (to help students in need)

Donation of Office Equipment

In line with internal policies, 27 desks, 204 chairs, 2 tables and 14 cupboards were donated to NGOs. The Bank donated refurbished redundant office equipment to help various NGOs and organisations meet their needs (in collaboration with the Bank’s Supplies Department). This is only a small part of the formal initiatives implemented by the Bank in the field of social solidarity.

Policy on Political Donations

Based on the Donations, Sponsorships and Partnerships Policy of the Group, the Group does not sponsor political parties, or any associations/organisations related directly or indirectly to any political party. No donations of political nature were made in 2021 as per relevant policies.

Fundraising and Volunteering Initiatives

In 2021 employees supported charities, foundations, and people in need:

- Contribution of €1,000 to the Cyprus Anti-Cancer Society by LCP Holdings and Investments Public Ltd, members of the BOC group.
- The Corporate Banking Division and the Global Corporate Banking & Markets Division have donated €4,000 to support the tree-planting campaign in the fire-affected villages in the mountainous areas of Larnaca and Limassol. The decision was made in the context of the 5th Business Leaders Summit, replacing the offer of a gift to the participants.
- Additionally the two Divisions jointly sponsored the annual, charitable Gala Dinner of the Pancyprian Association of Hotel Managers with a donation of €5,000 for the Pancyprian Association for Children with Cancer and Related Diseases One Dream, One Wish.
- The Shipping Centre of the Bank of Cyprus, with seven representatives, participated in the annual Beach-Volley Charity Championship held in Limassol, and raised the amount of €11,000, which has been donated

to support cancer patients and in particular the Pancyprian Association for Children with Cancer and Related Diseases, One Dream, One Wish.

- The International Banking Division organised food collections for families in need. Also it made donations to the Social Services Provision Centre Andreas Sofocleous “KEPAKY”, and especially in support of the initiative “Yellow Line of Help & Solidarity”.
- Twenty employees from Nicosia Regional Management of the Consumer Banking Division organised the theatrical performance “Driving Lessons” and collected €4,110 for the Cyprus Anti-Cancer Society.
- The Finance Division raised a total of €3,320 through a cinema night event and the sale of Christmas gifts and cards to support the Cyprus Anti-Cancer Society, the Sophia Foundation for Children, and the Pancyprian Association for Children with Cancer and Related Diseases, One Dream, One Wish.
- The Compliance Division raised €730 to support a single-parent family.



Bank of Cyprus Runners delivered the amount raised for the Cyprus Anti-Cancer Society through their participation in local and international marathons



Nicosia Regional Management organised a fundraising theatrical show with the participation of many talented employees for supporting the Cyprus Anti-Cancer Society



Finance Division organised a fundraising open-air cinema for supporting the Cyprus Anti-Cancer Society

- The Treasury Division raised a total of €3,979 for Sophia Foundation for Children in four events: two held in June and two in December 2021.
- Retail Banking Division, through 27 volunteers, raised a total of €18,310 which was donated to the Cyprus Anti-cancer Society and towards palliative care services.
- Risk Division organised a Christmas bazaar and raised €1,540 to support the causes of the District Volunteerism Coordinative Council of Nicosia.
- Throughout 2021, the Human Resources Division (HR) ran a number of activities to honour the memory of beloved colleague Michalis Michael, a late trainer at the HR Learning and Development Department. The goal is to fund the construction of the "Sensory Gym" in the new building facilities of the "St. Loucas Community". The room will be named 'Michalis Michael Hall' in memory of Michalis, who was the inspiration for this action. So far, a total of €10,925 has been raised. In addition, HR collected and donated to children's homes and institutions 857 books & 66 board games.
- To support Elpida Foundation for children with cancer and leukaemia, Corporate Banking organised a Christmas Bazaar and raised €220. Approximately eight employees were involved. Also for the whole of December, Corporate Banking was selling chocolates (Chocolate month) and managed to raise €1,310. A total of €1,530 was raised from Corporate Banking and was given to Elpida Foundation.
- The Bank of Cyprus "Runners Team" in 2021 raised €26,215 for the Cyprus Anti-Cancer Society through the participation in local and international marathons. In the last five years the total amount contributed by the Team reached €100,000.
- Seven employees participated in the Sea Marathon 2021 to support the Palliative Care Services of Cyprus Anti-Cancer Society and collected €14,200.
- Individual staff volunteers created and sold art and crafts. All proceeds went to the Cyprus Anti-Cancer Society and Elpida Foundation for children with cancer and leukaemia. Over €1,700 was raised.

BANK OF CYPRUS VOLUNTEERS FOR THE ENVIRONMENT

- **BEACH CLEAN UP**
(Governor's Beach Area) on the occasion of the World Environment Day

- **PLANTED TREES**
in the framework of a tree planting campaign in the fire-affected areas of Larnaca and Limassol, under the guidance of the Department of Forests



Our People





The COVID-19 pandemic has catalysed the adoption of new business models and operational strategies resulting in more robust and resilient systems. Building a high-performance culture is one of the Bank's most important strategic pillars. 2021 was an unusually challenging year characterised by the hope of the end of the COVID-19 pandemic. All employees were affected in different ways, and the Bank continues to scale up new ways of working and operating in order to ensure safety and navigate uncertainty. The Bank continued to rely on the Pandemic Plan which was activated on 9 March 2020, the day of the first COVID-19 case in Cyprus.

Priority is on the People

As the pandemic continued, so did the efforts of the Bank to protect its people and their families, safeguard their physical and mental health. In times of prolonged crisis, employees were relying on solid measures, and expected the Bank to go above and beyond. All around Cyprus, the focus

was on ensuring the physical and mental well-being of employees, contractors, and customers, while operating with the agility required to respond to the unexpected. The Bank's effective crisis mode management during the COVID-19 pandemic ensured that all people were and felt supported.

WORK FROM HOME PERCENTAGE

Min c.2%

Max c.19%

Organisational Health

The Group strives to ensure a strong corporate culture. In times of rapid changes, it is important to maintain the ability to understand, respond and implement good practices that improve performance. Internal alignment, resilience, motivation and execution create opportunities and ensure growth and market leadership. The results of the 2021 Organisational Health survey highlighted strong points and the areas that require improvements.

In order to strengthen the Group's Organisational Health, senior management team selected four health priorities for 2022-2023:

- knowledge sharing
- personal ownership
- career opportunities
- employee involvement

and set up a dedicated Health team (four directors and 25 health champions) to develop and effectively drive the implementation of more than 10 Health initiatives across the Group.



Irene Gregoriou, Executive Director People & Change, addressed the first interactive workshop on Organisational Health

SURVEY ON ORGANIZATIONAL HEALTH

9

business aspects covered

37

management practices covered

78%

of employees completed the survey

STRONG POINTS:

- Very good understanding of the market and competition
- Staff skills
- Responsibility in standards and procedures
- Effective collaboration with customers and partners

AREAS OF IMPROVEMENT:

- Employee involvement in decision making
- Open and creative work environment
- Opportunities for development within the Group
- Clarity regarding the strategic direction of the Bank
- Employee recognition and rewards

The Bank and its People

Bank of Cyprus recognises the significance of investing in employee empowerment and development. Employees are brand ambassadors and define public perception. They are a key factor in achieving the Bank Strategic Plan and objectives.

They are first and foremost empowered to do the right thing for customers, society, shareholders, and all stakeholders. In 2021 the Bank focused on reducing the impact of the pandemic on its employees, maintaining a safe environment, and continuing to work genuinely to maintain a positive work environment.

Employee Breakdown by Gender	2021		2020		2019	
	Number	%	Number	%	Number	%
Women	1,820	60.5%	1,915	60.3%	1,997	60.2%
Men	1,188	39.5%	1,259	39.7%	1,321	39.8%
Total	3,008	100%	3,174	100%	3,318	100%

BoD members not included

Employee Breakdown by Gender and Age Group	Under 25 Age Group	25–34 Age Group	35–44 Age Group	45–54 Age Group	Over 54 Age Group
Women	0	61	718	870	171
Men	0	41	299	641	207
Total	0	102	1,017	1,511	378
Percentage	0.0%	3.4%	33.8%	50.2%	12.6%

BoD members not included

Employees by Type of Employment and Employment Contract

Types of Employment and Employment Contract	2021			
	Women	Men	Total	%
With a collective labour agreement	1,820	1,184	3,004	99.9%
Without a collective labour agreement	0	4	4	0.1%
Indefinite employment contract	1,814	1,179	2,993	99.5%
Fixed-term employment contract	6	9	15	0.5%
Full-time employees*	1,788	1,178	2,966	99.1%
Part-time employees*	26	1	27	0.9%

*Employees with fixed-term contracts members not included, BoD members not included
Since 2020, employees may opt in to change their terms to part-time work or to take a long-term unpaid leave

THE TOTAL NUMBER OF WORKERS

181

The total number of workers who are not employees and whose work is controlled by the organisation. Most of them are employed in IT & Restructuring and Recoveries Division

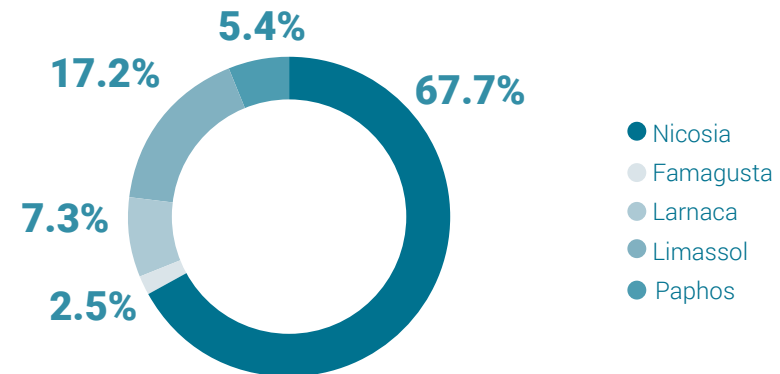


The winning team of Makariou Branch 0113 with Theodosios Theodosiou, Director Consumer Banking, at the "Treasure Hunt" event, organised for the winners of the Consumer League 2020 competition of the Nicosia - Paphos Regional Managements

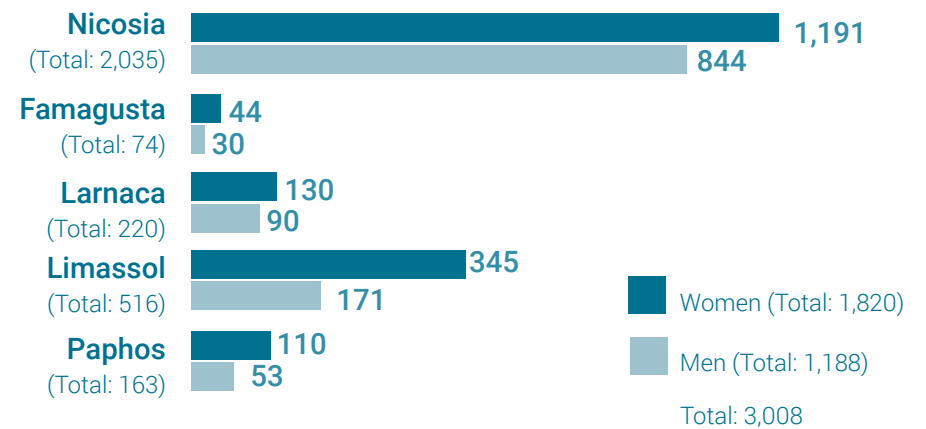
Part-time employees are entitled to equal terms and conditions of employment and equal treatment and enjoy the same protection as comparable full-time employees.

EMPLOYEE BREAKDOWN

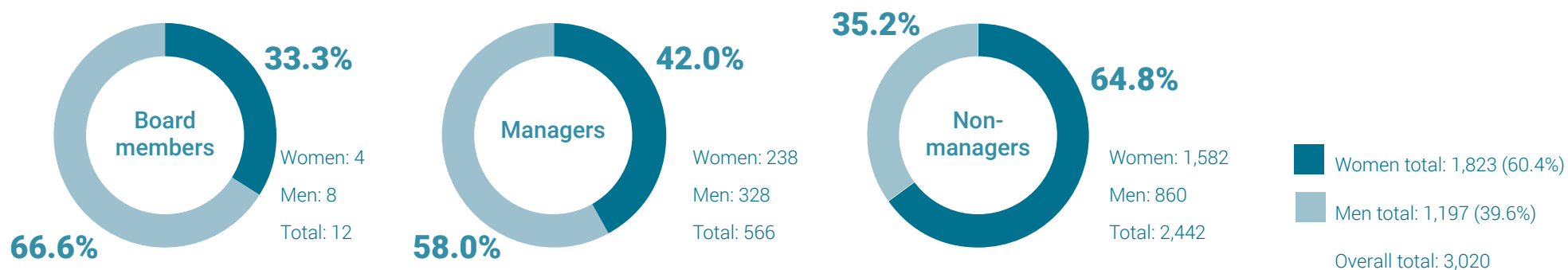
BY REGION



BY GENDER



EMPLOYEE BREAKDOWN BY JOB POSITION



Employee Turnover	Under 25 Age Group	25–34 Age Group	35–44 Age Group	45–54 Age Group	Over 54 Age Group	Percentage
Nicosia	0	18	24	62	53	78.1%
Larnaca	0	0	2	4	3	4.5%
Limassol	0	0	2	2	12	8.0%
Paphos	0	0	6	7	6	9.5%
Total	0	18	34	75	74	100%
Outgoing: 6.7%						
Women	0	11	23	44	33	55.2%
Men	0	7	11	31	41	44.8%
Total	0	18	34	75	74	100%
Percentage	0%	17.6%	3.3%	5.0%	19.6%	

Note: Includes 77 employees who left the company through the voluntary retirement scheme and the 96 employees who moved to Themis (Helix). Employees who left with the voluntary retirement scheme in 2022 are not included.

TURNOVER ANALYSIS 2021



At the end of 2021, the Bank implemented a voluntary exit plan. A total of 77 employees retired, this corresponding to a monetary value of €15,2m.

Years of service	Number			%	
	Women	Men	Total	Women	Men
< 1 year	7	5	12	58.3%	41.7%
1–10 years	65	85	150	43.3%	56.7%
11–20 years	593	268	861	68.9%	31.1%
21–30 years	920	640	1,560	59.0%	41.0%
31 years and more	229	181	410	55.9%	44.1%
Total	1,814	1,179	2,993	60.6%	39.4%

excluding employees with fixed-term employment contract

New employee on-boarding process

In 2021, an onboarding site was set-up on the employee portal where new employees find the tools and information needed to help with their integration in the Bank and its culture. The revised onboarding process includes a welcome box with essentials and a welcome card for each new employee.

Employee Hires	Under 25 Age Group	25–34 Age Group	35–44 Age Group	45–54 Age Group	Over 54 Age Group
Nicosia	0	11	6	3	1
Outgoing: 0.7%					
Women	0	7	3	1	1
Men	0	4	3	2	0
Total	0	11	6	3	1
Percentage	0%	10.8%	0.6%	0.2%	0.3%

INTERNS IN 2021

 4
  2

Health and Safety at the Workplace

The Bank has approximately 65 Health and Safety committees that meet every six months. As per the regulatory obligation, a committee must exist at all premises with more than 10 employees. The presidents of Health and Safety (H&S) Committees are approved by the Executive Director People & Change and represent the employer. As per the regulatory framework, the composition of these committees depends on the number of employees stationed at the premises. The scope is to prevent/assess risks of accidents and resolve issues at the premises in cooperation with other departments, e.g. Technical Services.

The Bank maintains an internal H&S management system. Everyone is obliged to follow the Bank's internal policy and instructions in regards to H&S issues. The signed contracts and agreements state the H&S matters and obligations. The work-related hazards are identified in the written Risk Assessments prepared by an external consultant for H&S issues. Based on best practice, the procedure is repeated every 2 years. The hazards and relevant procedures to follow are specified in H&S Regulation.

24

evacuation drills
nationwide in
24 buildings

evacuation drills for

2,500
employees

3

COVID-19 decree -
inspections at premises
by authorised
governmental officers

35

threat incidents
against employees

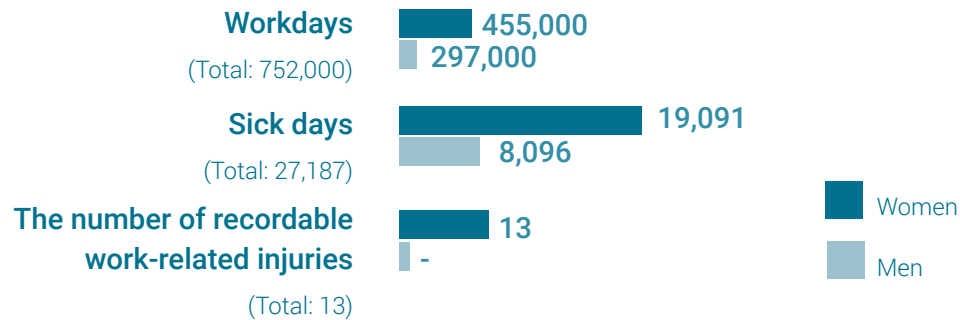
78

defibrillators at the premises
for employees and
customers

3,000

employees informed
regarding threat incidents

HEALTH & SAFETY INDICES



In 2021 Bank of Cyprus participated in a study commissioned by the European Agency for Safety and Health at Work (EU-OSHA), relating to the prevention of musculoskeletal risks at work. The Bank provided the method and approach used for the redesign of its customer service desks, where the workers were consulted in relation to ergonomic design issues. The report is publicly available on the EU OSHA webpage.

FIRST AID DEDICATED TRAININGS

No of training programmes: 3

Participants: 225

Total hours: 1,845 hrs

CARDIOPULMONARY RESUSCITATION (CPR) & AUTOMATED EXTERNAL DEFIBRILLATOR (AED):
69 participants/518 hrs

EMERGENCY FIRST AID AT WORK:
135 participants/1,013 hrs

FIRST AID AT WORK:
21 participants/315 hrs

At the same time, the Bank's Health and Safety Officer has completed the mandatory training for H&S Officers (130 hrs) - a regulatory requirement- and participated in 6 programs (118 hrs) offered by the Cyprus Productivity Center (KEPA). She also participated in an online training organized by the Department of Labor Inspection.

HEALTH & SAFETY INVESTMENTS

€9,073
Certifications

€4,641
Training

€9,000
First Aid programmes

Equality Employer

In 2021, the Bank was awarded the National Certification “Equality Employer” for implementing Good Practices on Gender Equality in the Working Environment.

The Department of Labour Relations of the Ministry of Labour, Welfare, and Social Insurance follows a model for certifying enterprises that adopt policies promoting gender equality in the workplace. A National Certification Body was established in 2014. The Bank applied for the certification in 2020 and following a rigorous evaluation process was certified as an “Equality Employer” in 2021 for adopting a comprehensive system of promoting gender equality in the workplace. This certification is a significant recognition and comes as a reward of the Bank’s philosophy for equal opportunities regardless of gender or any other characteristic. It is an important recognition of the Bank’s sustained actions and confirms its continued commitment to promoting gender equality and implementing an integrated human resource management system. The certification is valid for four years.

The Bank has developed policies to safeguard gender equality, equity, diversity, and inclusion. The Bank operates based on objective criteria regarding skills, ethics, and experience, irrespective of colour, race, nationality/ethnicity, disability, age, gender, religion, sexual orientation, or political opinion. Policies, procedures, training, and a series of tools are available to ensure that the Bank fosters a culture of meritocracy and fairness. A policy of zero tolerance against discrimination, harassment, and bullying aims at the effective handling and eventual elimination of any form of harassment, discrimination, or unfair treatment. There is no salary discrepancy at any grade, and the salary ratio (per grade across the Bank) of women to men is one to one.

The Bank’s CEO with his email to all employees, on the International Women’s Day on March 8th, highlighted the importance of workplace equality to organisations and society.

MATERNITY LEAVE 2021

All female employees are legally entitled to maternity leave

57 Took maternity leave

50 Returned from maternity leave in 2021

MONTHLY AVERAGE PAY (€)

Male-Manager

5,117

Female-Manager

4,534

Male-Non-Manager

3,533

Female-Non-Manager

3,200

38%

of the key positions below Senior Management are female

1st Nationality	Number
Australian	1
Austrian	1
British	13
Bulgarian	1
Colombian	1
Greek	61
Russian	3
Ukrainian	1
Cypriot	2,908
Serbian	2
Moldavian	1
Total	2,993

excluding employees with fixed-term employment contract

97% of employees are Cypriot and 2% Greek

2nd Nationality (1st Nationality – Cypriot)		
1st Nationality	Number	% of Other Nationalities
American	1	1.5%
Australian	6	9.0%
British	22	32.8%
Canadian	4	6.0%
Greek	6	9.0%
Hungarian	1	1.5%
New Zealand	1	1.5%
Russian	1	1.5%
South African	5	7.5%
Swedish	1	1.5%
Cypriot (1st nationality is not Cypriot)	19	28.4%
Total	67	100%

Improving Procedures

In 2021, the Bank designed and communicated the new Bank Grading Structure, which is based on the value of the position. This ensures fairness and promotes recognition of the work and effort of all employees. In terms of Performance Appraisals, the Bank proceeded with quality checks as well as the revision of and enhancements to its existing framework. In addition, along these lines, it introduced a new procedure for promotions.

Grievances and Complaints

The Bank ensures that key processes and policies are in place to handle and eradicate any form of discrimination, unequal treatment or harassment. Policies such as the Anti-Sexual Harassment Code of Practice, the Grievances Procedures, the Collective Agreement, and formal resolution processes ensure that all grievances are resolved fairly and promptly, and all cases are handled with the utmost respect and sensitivity. In 2021, and following the announcement of promotions, HR initiated a formal complaints procedure focusing on promotions. In total, 59 complaints were received that will be assessed by the relevant committee based on Collective Agreement procedures.

Whistleblowing and Raising Concerns

According to the Bank Code of Conduct, which is available to all employees both in Greek and English in the Employee portal, all employees have an ethical obligation to raise issues of concern in good faith in case these affect customers, colleagues, shareholders, or the general public. The chairperson of the Audit Committee acts as the Whistleblowing Champion. The Internal Audit Division is responsible for the whistleblowing channels, assesses information received, and conducts investigations if necessary. The results of the investigations allow the Bank to act in order to address any issues identified. All employees are encouraged to raise their concerns about workplace practices or conduct in a timely manner.

Freedom of Association

Almost all employees of the Bank (a staggering 97.6%) are members of the Cyprus Union of Bank Employees. According to Article 21.2 and Article 11 of the European Convention on Human Rights, the right of association, including the right to trade unions and accession to them, is constitutionally guaranteed. These rights are also reflected in article 21 of the Constitution of the Republic of Cyprus (1960, amended in 2013). The Union of Banking Employees of Cyprus was registered as a trade union in 1956 and remains the sole representative of workers in the banking sector. A collective agreement is also in place.

Remuneration and Benefits

All Bank employees are entitled to a number of benefits as per the Collective Agreement, including life insurance, health care, and provident fund. In addition, employees are entitled to low-interest car, mortgage, and student loans.

Remuneration

The Bank observes the Remuneration Policy that applies to all levels of the Bank and all employees (except Non-Executive Directors) and governs the remuneration process. The HR Division is the owner of the Policy and is responsible for its annual revision.

€4.2mn

General Health System (GESY)

€4.7mn

Medical (Health) Fund

€1.46mn

Group Life Insurance Programme and Medical Expenses



The implementation of the Policy is subject to an annual central and independent internal review from the Internal Audit Division. The HR&RC is responsible for annually defining, reviewing, and recommending the Remuneration Policy for approval to the Board of Directors. The Board is also responsible for oversight of compliance with the Remuneration Policy. Remuneration schemes in the Bank of Cyprus take into consideration

stakeholder (Trade Union) consultation and agreement as well as the prevailing regulations and guidance. Independent Remuneration consultants are involved in designing remuneration practices, as needed.

Remuneration schemes in the Bank typically consist of fixed plus variable pay. No variable remuneration was granted in 2021. Fixed remuneration refers to the employee's main form of

remuneration. It comprises of salary and any applicable (including non-discretionary) position allowances, and it is determined by employment contracts, collective agreements (where applicable) and current employment legislation. Sign-on bonuses or recruitment incentive payments are not applicable. The service contracts of Executive Directors include a clause for compensation in the event of

unjustified early termination. In the case of other senior management, the terms of employment and retirement benefits are based on the provisions of the collective agreement in place. As no variable remuneration is in place in the Bank, the application of clawback is not applicable.

Investing in Communication and Trust

In 2021, a number of new initiatives were implemented to ensure an open culture of trust and reinforce an open and direct two-way communication channel so that the Bank can better understand the needs of its people, resolve any matters that caused ambiguities, and promote the Bank's shared values and vision.

Engaging with the CEO

In 2021, in line with corporate commitment to make the Bank an open and inclusive workplace, the CEO Office organised 24 meetings with the presence of the CEO. These included management meetings, strategy and financial results meetings, and employee meetings, where the CEO discussed the Bank's results and future challenges. Among others, the CEO engaged in open discussion on topics around financial issues, people management, capacity building, and the handling of the pandemic. A total of 1600 employees across Cyprus joined the meetings and interacted directly with the CEO.

Ask the CEO: 11 emails were received through the "Ask the CEO" channel.

Book a Seat: No events in 2021 due to the pandemic.

CEO Corner

CEO inspirational quotes were published on the Bank's Portal and Yammer on a monthly basis.

In 2021, the CEO sent 24 announcements to employees to inform them on organisational structure changes and upgrades, reputation, financial and non-financial results, employee matters, corporate culture, and future priorities.

	2021	2020
Employee engagement	59%	53%
Users joined	1,904	1,768
Groups created	131	126
Messages posted	5,396	3,967

Yammer

The Bank's social collaboration tool, Yammer, enables employees to connect and engage with co-workers and Senior Management across the Bank in real-time. It is accessible from both inside and outside the office. Yammer is an optional tool for employees, however, in 2022 additional promotional activities and gamifications will be taking place to increase Yammer adoption and improve internal collaboration.

Engaging with the Board

Ask the Board: On July 2021, the Bank introduced a new communication channel for employees to engage directly with the BoD. A dedicated email address was set up to provide a unique opportunity to all employees to interact with the BoD and cast any questions they may have. At the same time, it enables the Board of Directors to ensure that the voice of the workforce is heard, which results in best practices for honest and two-way communication.

Engaging with the HR

Talk to HR: A new initiative was launched in 2021 involving open meetings with the Executive Director People & Change and the HR management team under the title "Talk to HR". This came as a response to the results of the Employee Satisfaction Survey 2021 which exposed a need for more regular contact of the employees with the HR management team. All employees can participate and discuss their questions or make observations pertaining to people matters.

MEETINGS HELD:

3 open meetings
 7 divisional meetings
 ~300 participants

BANK OPEN DAYS:

In 2021, a total of 31 open days were organised with the participation of 105 employees.

NO. OF OPEN DAYS ORGANISED

2021: 34
 2020: 20
 2019: 17

NO. OF EMPLOYEES ATTENDED

2021: 100
 2020: 65
 2019: 40

In addition to the Bank Open Days, Divisions also run formal open days with one-on-one meetings in an effort to maintain direct communication channels between the directors and the members of the Divisions. Ad hoc meetings are also encouraged and open communication channels are maintained in alignment with an open culture.

Internal employee events

Corporate Banking held four one-on-one meetings with the Division Director. International Banking held 14 one-on-one meetings within 2021 to facilitate honest discussions and promote teamwork and collaboration.

The International Banking Division hosted three online breakfasts with colleagues from Nicosia, Limassol, and Pafos, which were attended by 19 participants.

Global Corporate Banking and Markets held five meetings with employees to commemorate important events, including Christmas and other religious occasions, national holidays, and Women's Day. These informal events repeatedly brought together all employees, for lunch and breakfast, and allowed them to network and strengthen relations. Additional

monthly Management and ad-hoc employee meetings took place during the year.

Retail Banking held 12 events, including dinners, with employees to strengthen relations. A total of 1,100 employees joined the events.

International Banking held seven breakfast and lunch events to strengthen relationships with the team members and promote team spirit. Events were held in Limassol, Nicosia, and Paphos, and were attended by 58 employees.

Compliance Division suggestion box

A permanent suggestion box gives the opportunity to Compliance Division employees to make anonymous suggestions to the Divisional Director.

Division	Number of Open Days organised by Division	Employee participation
Compliance	1	2
Internal Audit	6	27
Treasury	2	11
Retail	5	20
Corporate Banking	2	9
SME Banking	12 every first Friday of the month	15
Finance Division	1	3
Global Corporate Banking & Markets	5	13
Total	34	100

Internal Surveys and Tools



Internal customer satisfaction survey

The internal customer satisfaction survey is an opportunity for employees to evaluate the level of service they receive from various internal departments and provide recommendations for improvement. In 2021, one survey took place for the HR, Audit, Compliance and Legal Departments.

Staff opinion survey

The staff opinion survey is held annually and focuses on assessing employees' levels of commitment and dedication while also highlighting areas of improvement and desired action.

EMPLOYEE PARTICIPATION:

2020: 63%

2021: The survey was replaced by the Organisational Health Index. The next Staff Opinion Survey is planned to take place in 2022.

SURVEY ON ORGANIZATIONAL HEALTH

INTERNAL CUSTOMER SATISFACTION SURVEY 2021 FOR HR

2

**weeks
duration**

709

**employees
participated**

STRONG POINTS

- Courtesy of Bank employees: 93%
- Staff professionalism: 86%
- Confidentiality and discretion: 84%

IMPROVEMENT AREAS

- Understanding specifics and challenges of work: 65%
- Acceptance of a different point of view: 68%
- Equal Treatment: 72%



Employees invited to participate in the survey:
3,359

Individual comments, recommendations and opinions as provided by employees at all levels:
~4,000

Employees provided responses to the survey:
78%

Assessment tools

Assessment tools help the Bank identify and address training needs with regard to specific competencies and practices in Management. In 2021, the Bank did not run a 360°

Assessment and MPS Survey, as these surveys usually run every two years, thus they will be performed again within 2022. Instead, a 360° Organisational Health Index survey was performed. The survey was conducted in April 2021 by McKinsey.

It involved all Bank of Cyprus employees, and more than 78% of the Bank's employees participated in the survey.

Learning and Development Opportunities

Despite the continued lockdowns, the Bank continued to invest in new learning tools and alternative training methodologies. A series of live online courses/webinars, e-learning modules, classroom-based trainings was offered to all employees according to the annual training plan agreed between the Learning & Development department and all relevant Divisions based on the identified training needs and Bank strategy.

"ULead" programme

The Bank invests vigorously in human capital development. In 2021 it initiated a new, modern, and adaptive Learning and Development initiative under the name "ULead".

In July 2021, around 160 selected employees, including senior management, gained All Access Passes to Franklin Covey's electronic learning platform. In doing so, the

Bank follows the trends of the modern era and modernises its learning methodology. Through the "ULead" programme, targeted learning journeys are being designed and participants can develop their personal effectiveness and leadership/management skills utilising modern forms of learning.

ULEAD PROGRAMME

The programme can help participants to:

- meet daily challenges
- achieve business and personal goals
- improve communication
- create a share vision and set goals
- develop leadership skills

378

Training hours

50

Training days

74

Participants

Employee Training

A total of 3,061 employees attended 244 sessions offered via webinar, either through e-learning or in physical format.

Training Attendance by Employee Category	Attendees		
	Women	Men	Total
Board Members	2	7	9
Managers	339	251	590
Non-managers	879	1,583	2,462
Total	1,220	1,841	3,061

Training Attendance by Employee Category	Training Attendance (in hours)		
	Women	Men	Total
Board Members	6	18	24
Managers	4,443	6,128	10,571
Non-managers	24,439	12,182	36,621
Total	28,888	18,328	47,216



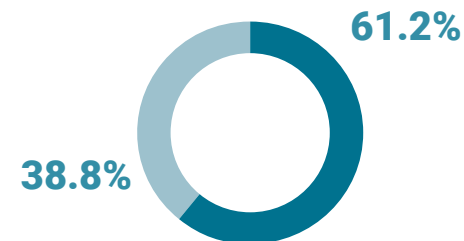
Number of training events increase compared to 2020
27%

Total number of unique training events
244

E-learning:
73 (34,920 hrs)

Webinars:
141 (8,984 hrs)

Classroom:
30 (3,312 hrs)

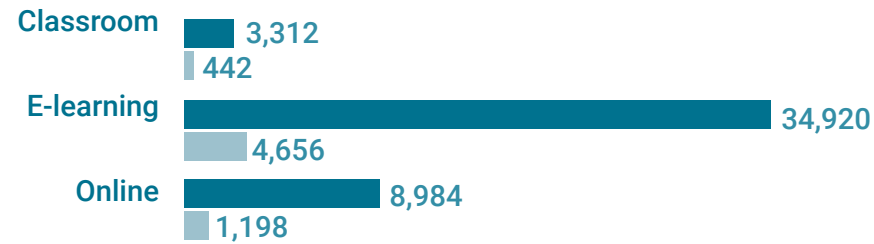


Women Training (Total: 1,836)

Men Training (Total: 1,225)

Total 3,061

TRAINING ATTENDANCE BY MEANS OF DELIVERY



Training hours (Total: 47,216)
 Training days (Total: 6,295)

Training on Anti-corruption and Corporate Governance 2021	Participants	Women (Hours)	Men (Hours)	Training Hours
Anti-Bribery & Corruption				
Individual Contributors and Managers	9	13	30	43
Whistleblowing (Market Abuse & Whistleblowing)				
Individual Contributors and Managers	19	45	50	95
Assessment of Suitability (Corporate Governance Matters)				
Leadership Team*	2	5	2	7
Individual Contributors and Managers	13	49	17	66

*Executive Directors & Directors

TRAINING ON ANTI-MONEY LAUNDERING AND PREVENTION OF TERRORISM FINANCING

1,999 training hours
267 training Days
3,145 participants

TRAINING FOR FILENET AND DOCUMENT HANDLING

850 employees



Well at Work

In 2021, The “Well at Work” programme offered 21 webinar covering 3 main topics to over 600 employees. Topics included:

Healthy Eating:

6 webinars
186 participants

Mental Health in the Workplace:

9 webinars
276 participants

Financial Planning & Literacy:

6 webinars
170 participants

Participation rate

56% participated in at least one activity
Financial Planning Webinars: 34%
Healthy eating Webinars: 28%
Mental health Webinars: 22%

THE “WELL AT WORK” SURVEY:

205
respondents

76%
believe that the range of topics covered by the programme is of a high standard.

Performance Assessments

No major changes took place regarding the Performance appraisal process in 2021. Integrity is safeguarded through the annual Performance Appraisal Quality Check process, which is performed on a sample of appraisals to assess the quality of appraisals against predefined pillars, identify deviations and areas for improvement, and provide feedback to Management on the quality of Performance Appraisals. In 2021 the sample increased to 13%, compared to 10% in 2020.

Based on the results of the Quality Check, the following enhancements will take place in 2022 (for 2021 appraisals):

a. make comments and justifications mandatory for low and high performance scores.

b. create a Development Plan guide to increase the value and scope of the Development Plan as a forward-looking and performance improvement tool.

The performance appraisals for 2020 were completed in 2021. A total of 72 appraisals were not completed within the set timeline. In two occasions this was because of disagreements, and the relevant procedure for handling appraisal disagreements was initiated. In 70 occasions it was due to the absence of either the employees or the supervisors.

95.6%

of women completed their performance assessment

(1,734 out of 1,814 women)

94.2%

of men completed their performance assessment

(1,111 out of 1,179 men)

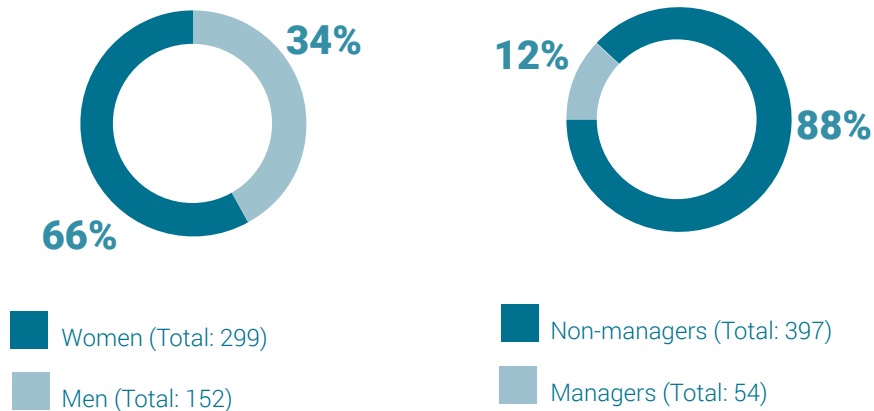
Rewarding Behaviours and Accomplishments

Darewinners: “Darewinners” are employees who volunteer to act as opinion multipliers and spokespersons of change. In 2021, the total number of Darewinners throughout the Bank was 861, i.e. it decreased by

43 people compared to 2020, due to the December 2021 exit scheme, resignations, and the project Helix.
2021 highlight: In July 2021, 98 Darewinners attended a webinar on “Financial Literacy”.

Outstanding contribution: 303
 Team Spirit: 82
 Customer Centricity: 37
 Change and Innovation: 22
 Our Values: 7
 Employees Rewarded: 451

EXTRA MILE REWARDS 2021



EXTRA MILE:

In 2018, the Bank introduced the “Extra Mile”, a scheme aiming to recognise and reward outstanding employee behaviours in five categories:

- Change & Innovation
- Outstanding Contribution
- Team Spirit
- Customer Centricity
- Our Values

In 2021, a total of 451 employees were acknowledged for their exemplary behaviour.



Internal Opportunities

“Internal Opportunities” is a scheme developed by the Bank in order to provide existing employees with the opportunity to apply for internal

vacancies. In 2021 a total of 46 vacancies were announced on the internal portal, and 37 positions were filled.

Internal Opportunities 2021	Men	Women	Total
Positions announced			46
Applications received	190	210	400 (324 unique applicants)
Positions filled	18	19	37
Jobs covered			80.43%

Reward Events

The Bank is proud to recognise exceptional performance. In 2021, SME Banking and Retail Banking recognised leading employees who won the 2021 excellence contest (Aristeio 2021).

Retail Banking awarded a sum of 13 branches: five in Nicosia, three in Limassol, three in Larnaca/Famagusta, and two in Paphos. It hosted a total of seven events across Cyprus to honour employees with the Aristeio Awards and for superior performance, which brought together a total of 627 employees.

SME Banking organised two events to celebrate the achievements of the exceptional employees who won the Top Individual Awards and to reward the business centre that came first in the Pentaminia competition. Both events were physical with a total of 65 participants.

The Global Corporate Banking & Markets Division conducted two internal competitions in 2021, the Wealth & Markets Performance League and the Global Corporate Banking Performance League. The competitions reward team performance and teamwork aligning individual and Division's KPIs.

Modern workplace

As part of the Digital Transformation Programme, significant changes have been made to establish a modern and more efficient work environment. Several new technologies and tools have been introduced with the aim of drastically improving the experience of employees and enhancing collaboration and knowledge-sharing throughout the organisation. The Bank has initiated the rollout of highly portable devices for colleagues

whose role demands high mobility. In addition, the Information Technology Department in collaboration with the Human Resources Division and Information Security Unit worked to enhance remote working capabilities, such as the usage of advanced video conferencing capabilities for employees and executive teams. The new modern workplace also marks a decisive step towards the Paperless Office Initiative.

Live online event "Innovation - From Theory to Practice": Inspirational speech by Dr. Marianna Prokopi Demetriade (Madame Figaro Woman of the Year 2020 in the category Innovation) attended by 143 participants.

An aerial photograph of a landscape featuring a small town with several buildings and a parking lot, surrounded by dry, hilly terrain. The text "Our Environment" is overlaid in large white letters.

Our Environment



As the leading financial services provider in Cyprus, Bank of Cyprus plays a very important role in addressing the climate crisis. The Bank is committed to leading by example by minimising its environmental footprint and promoting green economy. It is conscious of the effect climate change has on the operations of the Bank itself, as well as the financial risk it brings to the economy in the longer term. However, it also realises that climate change presents both risks and opportunities, and has therefore developed a plan of action aiming to meet increased stakeholder needs and expectations.

Taking a Stance on Climate

Ever-increasing greenhouse gas (GHG) emissions are warming the planet, changing the climate and threatening human life. Averting this requires deep and sustained cuts to greenhouse gas emissions. The transition to a low carbon economy requires concerted action and the Bank is committed to

leading this transition in Cyprus. The Bank aspires to reduce its negative impact on the environment and maintain its leading role in the social and governance pillars by transforming not only its own operations but its client chain as well. In 2021, the first ESG strategy was formulated.

The Bank's ambitious targets include:

- Become Carbon Neutral by 2030
- Become Net Zero by 2050
- Steadily increase Green Asset Ratio
- Steadily increase Green Mortgage Ratio



To ensure delivery on its ambition, the Bank is formulating a long-term working plan that covers areas such as the decarbonisation of the Bank's own operations and portfolio, risk identification and impact assessment, and streamlining of the Bank's policies with the ESG strategy. This

plan is further supported by a solid governance structure what provides oversight and is responsible for the sustainability strategy of the Bank. In addition, the governance framework of the Bank ensures a modern, transparent, robust, competitive, and sustainable organisation that takes

into account all new advancements in tackling climate change and managing environmental risks. In 2021, the Bank further emphasised on ESG criteria and the issuer's ESG score and as at 31/12/2021, it has invested a total of €60mn in ESG bonds.

Assessing and Managing Climate-related Risks and Opportunities

Environmental considerations are a major factor for financial institutions globally. The business model and operations of the Bank could be affected by climate change and climate-related risks. Fires, floods, extreme heat, etc. can affect the Bank itself, as well as its clients. In addition, the ever-growing regulatory expectations regarding climate change, environmental products and services, sustainability disclosure, and the transition to low-carbon economy will impact both the Bank's own operations and customer behaviour.

In 2021, the Executive Committee approved the ECB's gap analysis of climate-related and environmental risk disclosures and set an Action Plan, for the implementation of the ECB Guide on climate-related and environmental risks.

To this end, management approved the implementation of a Risk Identification and Impact Assessment workstream, and a Data and Disclosures workstream. Both workstreams were completed in March 2022. More work in the broader ESG scope will follow.

Risk Identification and Impact Assessment

The Risk Identification and Impact Assessment workstream identified several climate-related and environmental risks in certain portfolios of the Bank. These identified risks were then assessed in a qualitative manner and as part of the same exercise, their transmission mechanisms to traditional risk types (e.g. credit risk). Given the qualitative nature of the risk identification, the Bank will consider the development of appropriate quantification methods in the future.

Data and Disclosures

In 2021 the Bank initiated a Data Gap Analysis workstream, and identified ESG data requirements and their availability based on upcoming regulatory requirements, as well as its ESG strategic goals. The Bank is currently putting in place the necessary processes to collect them.

Data to be required from customers

relate mainly to environmental issues and fall under the general objectives of moving to a Green Economy. The Bank will engage with its customers and provide all necessary support and guidance to support their transition to the Green Economy.

Investments in Green Bonds

Green Bonds can help finance climate related or environmental projects. As at 31/12/2021, the Bank has invested a total of €60mn in ESG bonds. Bond Investments are in line with the Risk Appetite of the Bank and its approved strategy. They are governed by a number of approved limits, policies, and guidelines. The aim of the Bank is to increase its investments in ESG Bonds.

Supporting Customers' Sustainability Journey

The Bank is intensifying its support to its clients and communities in becoming increasingly sustainable. It further responds to the heightened importance investors and shareholders attach to ESG topics.

Environmental and social policy: The Bank is committed to applying certain environmental and social policies and procedures to its lending and insurance activities based on specific criteria. To this end, its Environmental and Social Policy enables the identification and management of potential negative impacts to the environment and to social issues, as well as the associated risks affecting both the customers and the Bank.

Green lending policy: The Bank promotes green economy through designing and embedding environmental procedures in the lending processes. It has approved a high-level Green Lending Policy

based on the Green Loan Principles (GLPs), and its purpose is to provide the framework for the procedures and requirements that the Bank will implement for the creation of green loan products and ultimately the development of a green loan portfolio. Green lending policy will continue to evolve in order to support and enable delivery of the Bank's ESG strategic goals.

Environmentally friendly products: The Bank offers a range of environmentally friendly products and continues to enrich its products and services in line with its ESG Strategy and the Recovery and Resilience Plan for Cyprus. A number of loan products are offered under the fileco Product Scheme.

More information on environmentally friendly products and services can be found in the Chapter "Responsible and Sustainable Solutions", page 70.

Looking forward, in 2022 the Bank will continue to enrich its environmental friendly product portfolio. The Bank expects to discuss ESG matters with its clients at the point of loan origination. Additionally, it expects to start the collection of data from its customers to enable loan classification as green or transition.

HOME RENOVATION FOR ENERGY UPGRADE

Upgrading energy efficiency of residences

PHOTOVOLTAIC & OTHER SYSTEMS

Installation of energy saving systems for home use

ENVIRONMENTALLY FRIENDLY CAR

Purchase of a hybrid or electric car

Managing our Operational Footprint

Decarbonisation

Beyond the initiatives focusing on introducing the financing of sustainable products and services, and designing and embedding environmental procedures in the lending processes, the Bank monitors closely internal operations in order to reduce and eliminate CO₂ emissions.

As a first step, and looking to act as a role model for its stakeholders, including its customers, the Bank has calculated its own carbon footprint for 2021 and will be formulating a decarbonisation plan to reduce its own carbon footprint and ultimately reach its Carbon Neutral target by 2030.

More specifically, the Bank's Scope 1, Scope 2 and material non-financed Scope 3 emissions were calculated for 2021, using an improved methodology and bringing the Bank to a position where it can set a feasible roadmap of actionable tasks to reduce its carbon footprint and achieve its decarbonisation goals.

A materiality analysis was performed in order to identify the material emission categories relative to the Bank's processes, so that the data collection and analysis can then focus on them. This approach enabled the identification and estimation of the most relevant and significant categories of indirect Scope 3 emissions related to the Bank. The method used for execution of the above mentioned materiality assessment, was based on desktop benchmark analysis by analysing data from peers, international reports and banking sector standards. Data from peers, international reports, banking sector standards were analyzed. Financed emissions are considered as material category; however, they were out of the scope of this project, as the Bank plans to address it separately.

Bank of Cyprus GHG Emissions (tonnes CO ₂ e) Carbon Footprint Analysis		2021
Scope 1		
Stationary Combustion of Bank Facilities		605.90
Mobile Combustion of Bank Vehicles		272.92
Fugitive Emissions		325.61
Total Scope 1		1,204.43
Scope 2*		
Purchased Electricity		11,634.58
Total Scope 2		11,634.58
Scope 3		
Business Travel		87.46
Waste disposal		25.48
Purchased Goods & Services		18,916.10
Employee Commuting		3,399.01
Transportation and Distribution		2,241.76
Total Scope 3		24,669.81
TOTAL		37,508.82
Avoided emissions due to Renewable Energy		110.88

Emissions factors: see Annex, page 151

* Market based emissions are not relevant as EAC (Electricity Authority of Cyprus) is the only supplier.

Global Warming Potential of the emissions factors: AR4 (IPCC Fourth Assessment Report, 2007).

The calculations included: 95 branches, 12 buildings and 12 auxiliary spaces (warehouses, parking etc.)

Calculation: GHG Emissions = Activity data x Emission Factor x GWP

The GWP (Global Warming Potential) factor describes the degree of harm to the atmosphere (known as radiative forcing impact) of one unit of a GHG, relative to one unit of CO₂. Multiplying emissions of a given GHG by its GWP gives the CO₂ equivalent (CO₂e) which is used to evaluate different GHG against a common basis.

Activity data is a quantitative measure of a level of activity (e.g. litres of fuel consumed, kilometres travelled, electricity consumed) that results in GHG emissions.

Emission factors are factors that convert activity data into GHG emission data (e.g. kg of CO₂ or other GHG) emitted per litre of fuel consumed, kilometre travelled, electricity consumed.

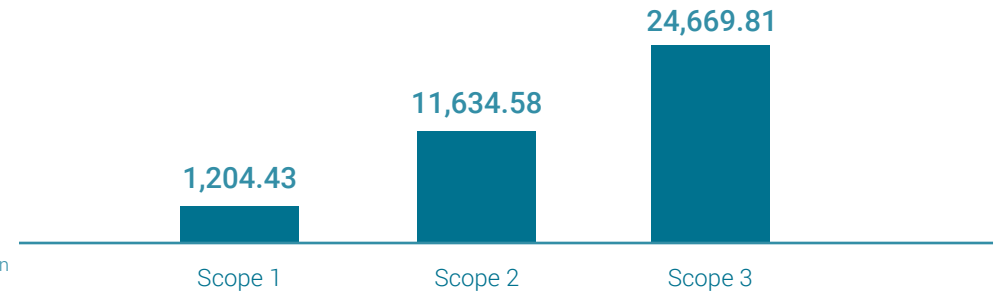
BANK OF CYPRUS PLC GHG EMISSIONS

For the purpose of the calculation of its 2021 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach. The 2021 carbon footprint for Scope1, Scope2 and material Scope3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard.

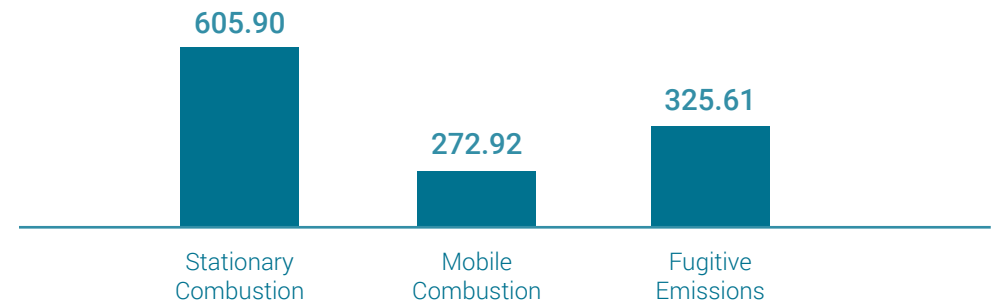
Note:
In 2017, the Bank joined the European programme Business4Climate by signing the "Voluntary Commitment" to act and implement measures in order to reduce the Bank's climate change footprint. As part of the Business4Climate initiative, the Bank completed the inventory of Scope 1 and Scope 2 greenhouse gas emissions from direct activities (in 2017), using the Business4Climate "Baseline Emissions Inventory" that took into consideration emissions of CO₂, CH₄, N₂O. At that stage, the Bank committed itself to a 2.6% emission reduction by 2020 and to an 8% reduction by 2030. However, in 2021, the Bank adopted a more detailed and extended methodology, which led to results not directly comparable to previous years.

BANK OF CYPRUS PLC

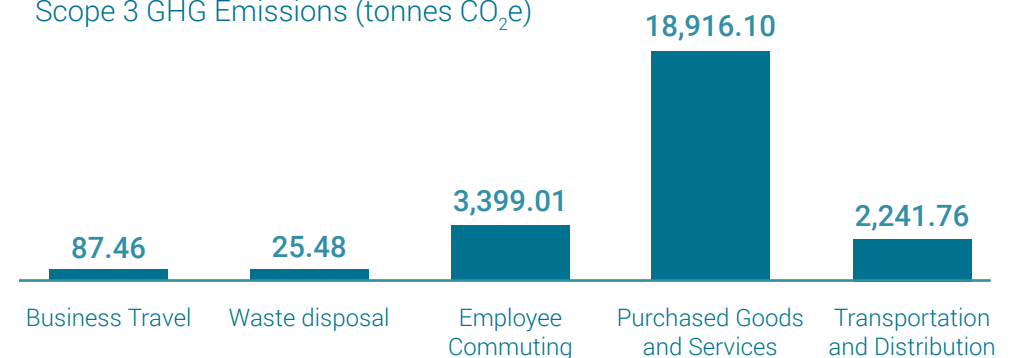
GHG Emissions (tonnes CO₂e)



Scope 1 GHG Emissions (tonnes CO₂e)



Scope 3 GHG Emissions (tonnes CO₂e)

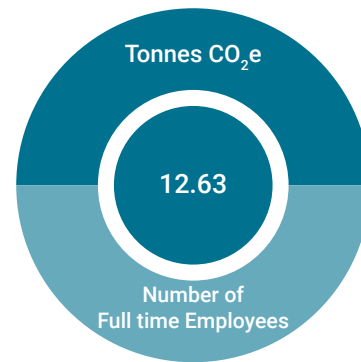


CO₂ EMISSIONS INTENSITY PER FULL-TIME EMPLOYEE

12.63

tonnes CO₂e/employee

(37,508.82 tonnes CO₂e/2,970 employees)



* Indicative

Having identified areas with high emissions, the Bank will be formulating its Decarbonisation Plan and setting specific carbon reduction targets so as to ultimately reach carbon neutrality by 2030. A number of carbon reduction initiatives are already underway and will contribute to the reduction of carbon footprint in the immediate future. These energy and waste initiatives include:

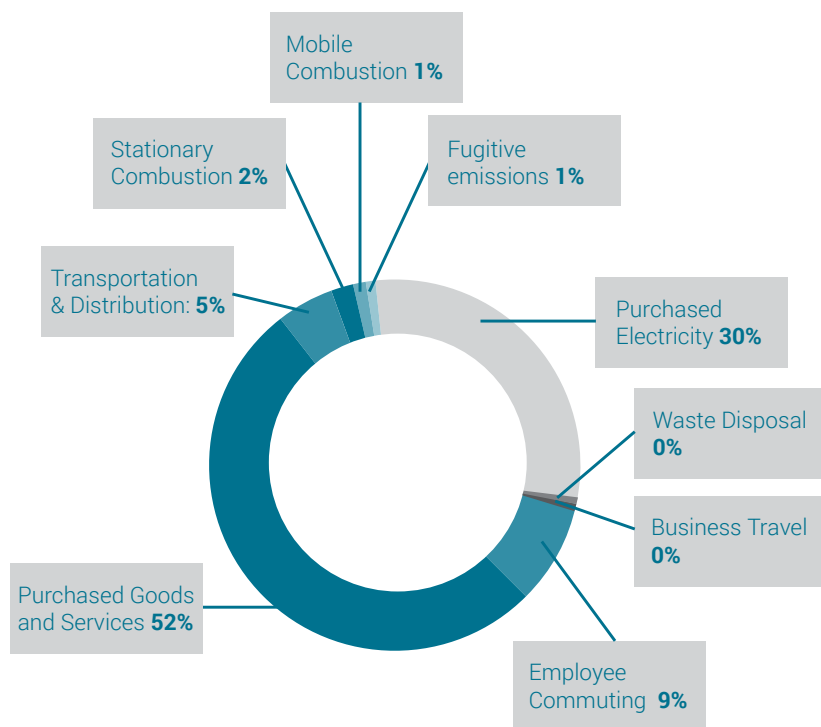
- Installation of new Solar Panels
- Implementation of new Energy Management System
- Installation of electric chargers for cars
- Improvement of waste measurement
- Increase initiatives for waste recycling
- Reduction of paper use

The Bank's own carbon footprint will continue to be calculated on an annual basis which will enable comparisons to be made and progress against decarbonisation targets to be monitored.

A separate carbon footprint analysis has been conducted for Eurolife, General Insurance of Cyprus Ltd, and Cyprus Investment and Securities Corporation Ltd.

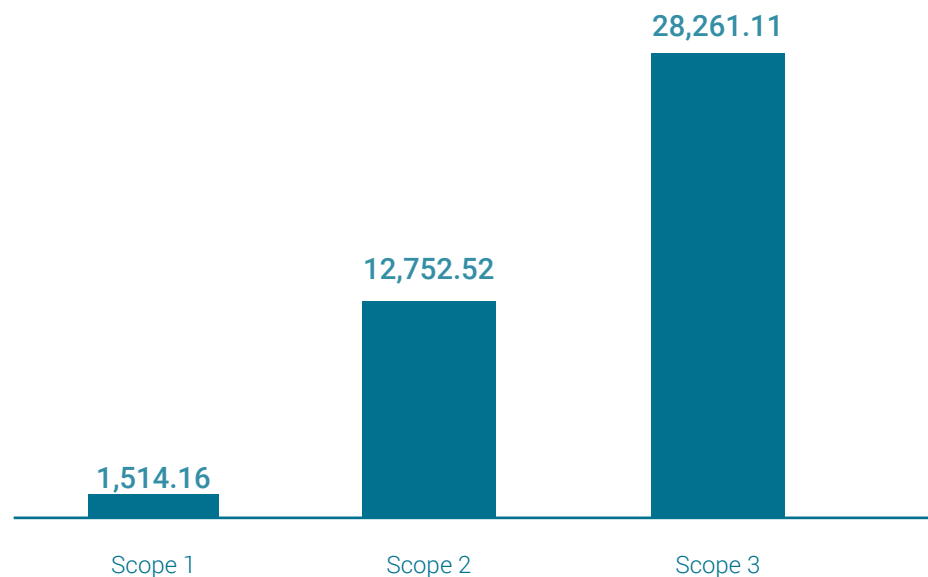
BOC GROUP

Carbon Footprint Consolidated (tonnes CO₂e)



BOC GROUP

GHG Emissions (tonnes CO₂e) / Scope

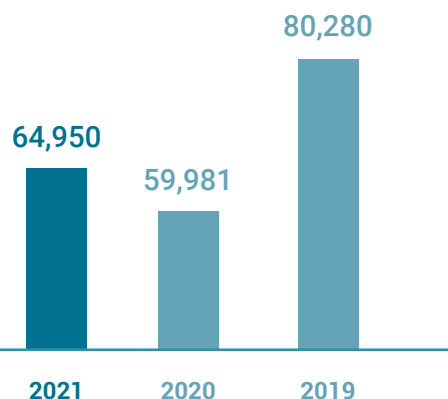


GHG Emissions (tonnes CO ₂ e) 2021	Eurolife	Genikes Insurance	Cyprus Investment and Securities Corporation Ltd ("CISCO")
Scope 1	249.41	44.89	15.43
Scope 2	723.98	335.17	58.79
Scope 3	2,280.69	1,055.79	254.86
Total	3,254.08	1,435.85	329.08
Emissions Intensity CO ₂ e per full time employee	7.84	13.94	12.65

Energy Management

Energy consumption accounts for a large percentage of the greenhouse gas emissions of the Bank which works to reduce consumption in all aspects of its operation. Optimising the amount of energy consumed helps the Bank reduce both its environmental footprint and operational costs. It implements initiatives for its branches across Cyprus as well as in the Head Office, aiming to make a significant, positive impact on the environment and reduce costs. Renewable energy from solar panels has been extremely important in mitigating the Bank's climate change impacts.

DIESEL OIL FOR HEATING (LITRES)



Assumptions in calculating the total energy consumption:

For some branches, some meter readings were not available at the time of the carbon footprint calculation:

- UNIVERSITY OF CYPRUS – meter readings were available only between January and September

- EPISKOPÍ – meter readings were available only between January and October 2021

Some branches opened during 2021 and as such electricity consumption was for less than 12 months:

- METROPOLIS – opened in September 2021

Some branches were renting out floor space to third parties for a period of time in 2021 and as such their electricity consumption was for less than 12 months:

- METOCHIOU 1st floor – rented out between January and May 2021

- Some branches had their supply changed during 2021 and as such they were captured differently during 2021:

- DIAGOROU-NEW – Supply was changed in June 2021

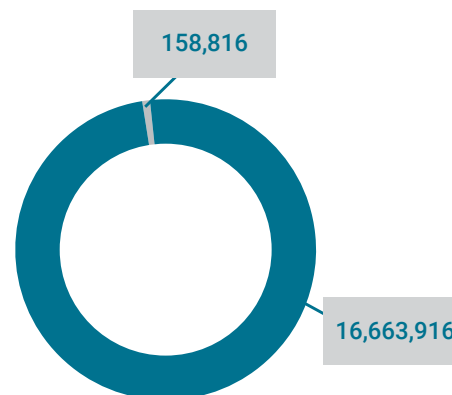
For the buildings where the working space is shared with other companies, a share of the total energy consumption was attributed based on the % ownership of the building.

During 2021, a number of branches closed and as such electricity consumption for those branches was considered only for the months they were open and an invoice was available.

ELECTRIC ENERGY (kWh)

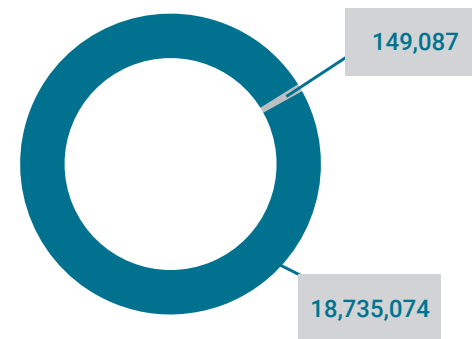
2021

Total consumption: 16,822,732 *



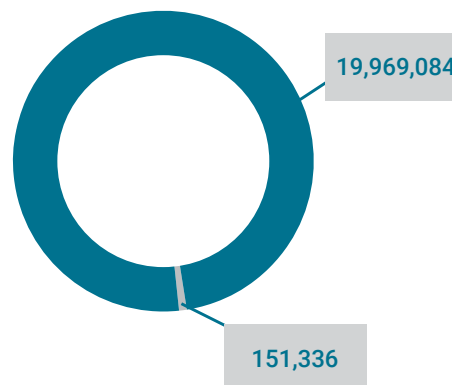
2020

Total consumption: 18,884,161



2019

Total consumption: 20,120,420



■ From Renewable Sources

■ From Non-Renewable Sources

* This value is not directly comparable to that of 2020 and 2019 as the calculation methodology was revised to accurately attribute electricity consumption to other companies within the Group. This value excludes electricity consumption for Genikes Insurance and CISCO which was included in previous years' calculations. The equivalent figure for 2021 is 16,913,842kWh. Going forward, Bank of Cyprus will use the new methodology to report electricity consumption.

ENERGY CONSUMPTION REDUCTIONS IN BANK OF CYPRUS 2018 - 2021

~5,200,000kWh

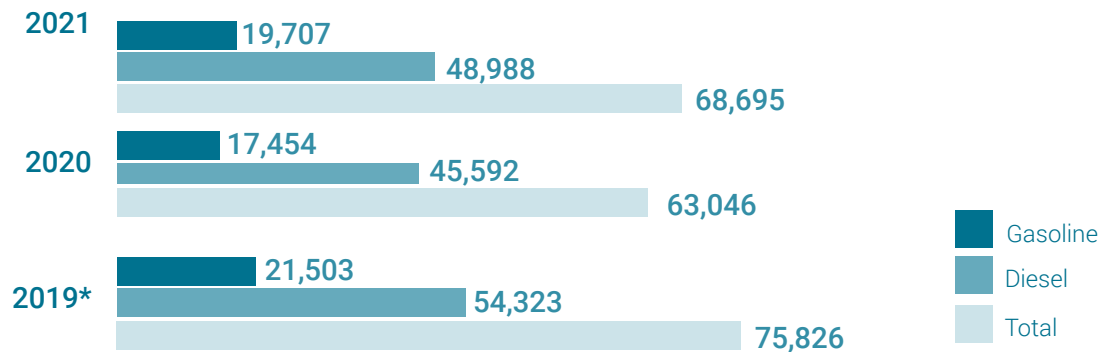
reduced from energy saving initiatives

DIESEL CONSUMPTION

8,204 litres

of diesel oil for electrical generators

CORPORATE FLEET FUEL CONSUMPTION (LITRES)



*Restatements of information

ENERGY SAVING

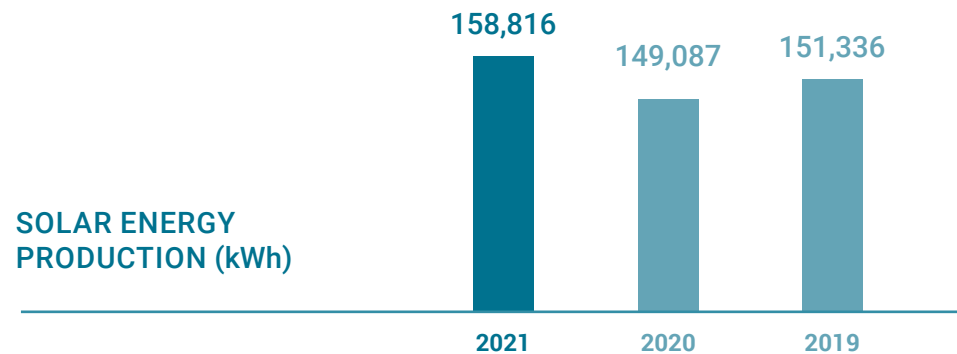
Approx.

€463,108

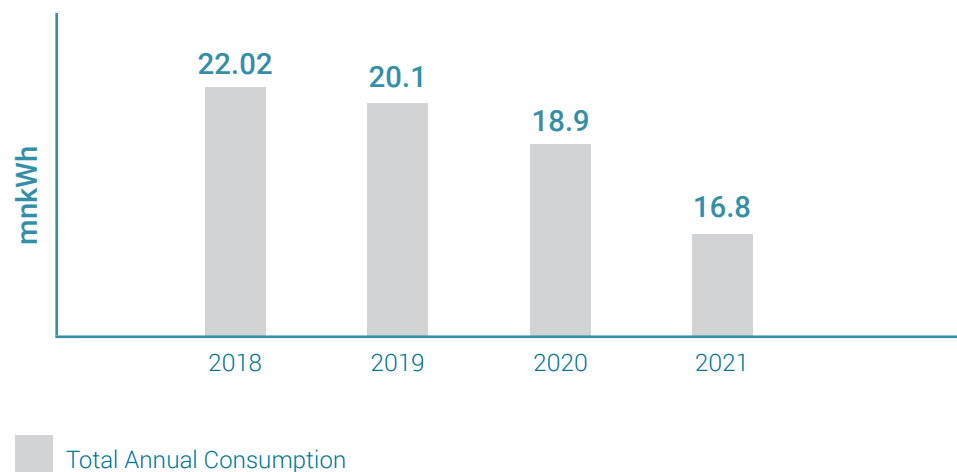
investment in energy saving initiatives in 2021

1,551,979kWh

of energy savings
(comparing 2021 with 2020)



ON-GOING EFFORTS AIMING TO FURTHER REDUCE CONSUMPTION



OUR ACTIONS WILL FOCUS ON THE FOLLOWING 4 AREAS:

1. COMPLETE

PVs installation in 11 buildings

2. PERFORM

Energy Audit 2022 and implement recommendations

3. MEASURE

CO₂ emissions and take corrective actions

4. CONTINUED

monitoring and other energy initiatives

Energy Saving Investments 2021

The Bank invests continuously in updating its internal practices, and upgrading equipment and technologies, adopting new standards and complying with international best practices.

€85,725

Installation of Led luminaires
in 27 branches / buildings

€41,564

Initiation of the installation of Energy Management System
in 2 Buildings (ITD & Makariou Limassol)

€257,962

Replacement of old split units in branches,
and systems working with R22 gas

€31,685

Initiation of the installation of PV's
in 11 buildings

€4,522

ISO standards and certifications maintenance
(ISO 50001 for the two Datacentres)

€41,650

Energy Audit

Investment (in €) (incl. VAT)

Total

The total cost of the installation of Energy Management System is: €59,915 (incl. VAT) paid over 2021 and 2022. The amount corresponding to 2022 is: €18,350.
Total cost of the installation of PV's in 11 Buildings is €316,855 (incl. VAT) paid over in 2021 and 2022. The amount corresponding to 2022 is €285,169 and will be paid upon project completion.

Resource Management and Recycling

Throughout the year, the Bank runs initiatives, environmental trainings, awareness sessions and internal communication campaigns to increase environmental awareness, improve efficiency and performance, and reduce resource consumption.

Initiatives focus on various environmental aspects, including energy consumption, paper consumption, printing, use of A/C systems. The goal of this initiative was to motivate all employees to act and join the effort to become more efficient when it comes to resource consumption.

Waste by Type and Disposal Method				
Recycled	2021	2020	2019	2018
Empty packaging of printing toners (laser, inkjet, etc. - pieces)	2,444	2,279	3,070*	3,165*
Electronic equipment (kg)	5,647	28,000		
Metal (metal parts of old furniture, machinery, etc. - kg)*	4,625	7,000	22,350	1,178
Miscellaneous appliances-machines		295,000		9,800
Paper (kg)	315,000	2,020,000	390,000	735,000
Plastics, glass, wood & metal (kg)	36,405	295,000	11,155	3,070

*Restatements of information

The increase in the recycling of plastics, glass, wood, metal recorded in 2020, was due to a clearing operation that was undertaken for the first time by the Bank.

Following the paper recycling/ destruction programme as per Bank Paper Retention Policy, a total of 33,841 archiving boxes equal to approximately 265,000kg from Bank of Cyprus warehouses and from closing

branches were recycled. Additionally, 50,000kg of paper from internal mail from branches and departments were shredded and recycled. In 2021, a new method for the recycling of paper from branches was approved and its

implementation will begin in 2022; according to which all paper will be shredded in the branches and collected by an approved provider (Green Dot) for recycling.

Paper Consumption	2021	2020	2019
Paper packages (of 500 sheets - pcs) consumption	91,610	90,360	101,280

Paper Consumed / Printed	2021	2020	2019	2018
Total number of printed sheets (Black/White & Colour)	50,855,267	51,203,197	66,283,631	61,205,747

*In 2018 the HP Jetadmin counters were out of order and the system was repaired in January 2019

SINCE 2018, PAPER CONSUMPTION HAS SEEN A REDUCTION OF 10 TONNES.

Paperless services

The default option in the ATMs is for customers to view their transaction electronically, although the option for a printed receipt is also available.

Paper Consumption (ATMs)	2021	2020	2019
Paper rolls consumption (pcs)	2,347	2,474	2,421

ACTIONS TAKEN SINCE 2020 TO REDUCE PAPER CONSUMPTION:

1. Representatives from each Division have been assigned to lead reduction initiatives in collaboration with a Process Analyst
2. Distribution of monthly statistics with printing volumes
3. Installation of 24inch monitors to enable users to reduce the need for printing
4. Recording of Financial Statements has been centralised, thus avoiding printing at the time of importing them in the system
5. Duplex printing of customer correspondence
6. Upon the closure of branches, SMS is send to customers instead of letters
7. Continuous review of the ways to communicate with customers so as to reduce the mailing of letters

Environmental Awareness

Achieving the Bank's ambition requires the commitment and action of all employees in adopting and implementing the highest standards. Therefore, the Bank focuses its attention on training the Board, Management and employees to deal with the issues that are material for improving its footprint and supporting the customer's transition to green economy.

To enhance employee awareness, the Bank organised a number of environmental training courses and encouraged employees to attend specialised ESG related training events. It also publishes a bi-monthly Sustainability & ESG Newsletter, available to all employees via the employee portal. A number of initiatives are planned for 2022, including a dedicated ESG e-learning module.

Environmental Topics	Number of Participants	Training Duration (hours)	Type of Training
Energy Management and green buildings	3	14	E-learning
Requirements of ISO50001:2018	3	12	E-learning & Classroom

ESG Topics	Number of Participants	Training Duration (hours)	Type of Training
ESG Risk integration	6	13.5	E-learning
Sustainability-related disclosure in the financial services sector	18	5	E-learning
Other ESG training (ESG Risk management in Banks, Actualising the ESG proposition, Climate finance)	3	5	E-learning

EU Taxonomy

Disclosures in accordance with Article 8 of the Taxonomy Regulation

In accordance with Article 8 of the Taxonomy Regulation and the related Climate Disclosures Delegated Act, starting from year-end 2021, financial undertakings have to disclose the proportion of exposures to Taxonomy-eligible and Taxonomy non-eligible economic activities in their total assets as well as a number of key performance indicators related to the proportion of selected exposures in their total assets. The primary indicator of alignment is the green asset ratio (GAR), which companies must start publishing as of 2024.

The following table outlines the breakdown of Taxonomy-eligible assets on the balance sheet with reference to disclosure requirements for 2021. The full EU Taxonomy Report is disclosed in the 2021 Annual Report and is available here: https://www.bankofcyprus.com.cy/globalassets/group/investor-relations/annual-reports/english/20220330-boch-group-annual-financial-report-2021_en_signed.pdf

EU Taxonomy - Disclosures in accordance with Article 8 of the Taxonomy Regulation		
31 December 2021	€000	% of total
Assets covered in both numerator and denominator		
Households	3,752	16%
Taxonomy eligible economic activities	3,752	16%
Assets excluded from the numerator (covered only in the denominator)		
Exposures & investments to NFCs not subject to NFRD	4,904	20%
Exposures & investments to FCs not subject to NFRD	261	1%
On-demand inter-bank loans	177	1%
Derivatives non-trading book	2	0%
Properties (stock of properties and investment properties)	1,165	5%
Exposures & investments to FCs subject to NFRD	676	3%
Exposures & investments to NFCs subject to NFRD	180	1%
Exposures to retail sector not included in the numerator	850	3%
Other assets (assets held for sale/own-use property etc.)	1,620	7%
Taxonomy non-eligible activities	9,835	41%
Total covered assets	13,587	57%
Other assets not covered in either denominator or numerator		
Exposures to Central Governments	1,089	4%
Exposures to Central Banks	9,088	38%
Supranational Exposures	209	1%
Trading book exposures	5	0%
Total assets not covered in either denominator or numerator	10,391	43%
Total assets	23,978	100%

















Way Forward








The Bank remains committed to achieving its set ESG targets. Further to making progress on the initiatives undertaken so far, issues such as the assessment of Financed Emissions

and the incorporation of ESG factors in the loan origination/credit assessment process, are pivotal to the achievement of its targets and remain high on the Bank's ESG agenda.

Our Goals

Corporate Governance and Management				
Area	2021 Goal	2021 main achievement	2022 Goal	Relevant SDGs
Risk Management	<ul style="list-style-type: none"> Operational Risk minimisation Environment, Social and Governance (ESG) opportunities and risks identification 	<ul style="list-style-type: none"> Conducted Operational Risk Self-Assessment workshops Revised the "Fit and Proper" Policy Developed ESG Strategy 	<ul style="list-style-type: none"> Diversification of risk and income Assist management in enhancing its risk and control culture Implementation of ESG Strategy 	
	<ul style="list-style-type: none"> Build a forward looking organisation with a clear strategy supported by effective corporate governance aligned with ESG priorities 	<ul style="list-style-type: none"> NEW GOAL 	<ul style="list-style-type: none"> Ongoing 	
Financial Sustainability	<ul style="list-style-type: none"> Maintain excellent loan portfolio quality 	<ul style="list-style-type: none"> Non-Performing Exposures (NPEs) reduced to €1.3bn 	<ul style="list-style-type: none"> Maintain excellent loan portfolio quality Completion of Helix 3 project Continue organic reduction of NPEs 	
Bank Restructuring	<ul style="list-style-type: none"> Continuously streamline organisational procedures 	<ul style="list-style-type: none"> Restructurings completed in 2021 achieved significant cost reductions 	<ul style="list-style-type: none"> Accelerate the impact of the transformation Grow the Group's Organisational Health 	
	<ul style="list-style-type: none"> Establish continuous auditing techniques Evaluate steps towards agile auditing Embed data analytics 	<ul style="list-style-type: none"> Established the data analytics framework 	<ul style="list-style-type: none"> Establish continuous auditing 	
Digital Transformation	<ul style="list-style-type: none"> Implement e-procurement solution approved stages 	<ul style="list-style-type: none"> Continued the implementation of ZYCUS, the e-procurement system 	<ul style="list-style-type: none"> Full implementation of the e-procurement solution (ZYCUS) for the downstream process 	
	<ul style="list-style-type: none"> Continuous development of new systems 	<ul style="list-style-type: none"> Digitally engaged customers (Individuals): 78.69% Digital transactions ratio (total portfolio): 88.93% New digital products and features launched in 2021 	<ul style="list-style-type: none"> Facilitate financial technology solutions and promote digital transformation Upskilling/reskilling employee capabilities 	
Communication with Stakeholder	<ul style="list-style-type: none"> Develop 5th Corporate Sustainability Report according to international standards 	<ul style="list-style-type: none"> Published EU Taxonomy disclosures 	<ul style="list-style-type: none"> Develop 6th Corporate Sustainability Report Communicate ESG Strategy Embed ESG sustainability in the Bank's culture 	
	<ul style="list-style-type: none"> Strengthen relationships with shareholders and investors 	<ul style="list-style-type: none"> Worked to provide accurate, valuable and meaningful sustainability data 159 meetings with investors 	<ul style="list-style-type: none"> Cultivate an investment culture by undertaking the initial investment risk and creating an internal angel investor network Enhance engagement of senior management with major shareholders Strengthen and build relationship with long only shareholders Build a relationship with new investors 	

Responsible and Sustainable Solutions				
Area	2021 Goal	2021 main achievement	2022 Goal	Relevant SDGs
Green Products and Services	• Steadily increase Green Asset Ratio	• NEW GOAL	• Ongoing	   
	• Steadily increase Green Mortgage Ratio	• NEW GOAL	• Ongoing	
	• 4 Go-Green lending products are planned to be activated before the end of 2021	• Launched fileco Product Schemes in September 2021 • Conducted 195 environmental and social studies on new lending	• Set up a Sustainable Finance Framework for the issuance of bonds with an ESG format • Increase the investments in ESG bonds • Culture change and increase loan portfolio for social and environmental loans	
Increase customer satisfaction	• Achieve zero complaints for all Business Lines and on maintaining zero overdue complaints by the end of 2021 • Continue improving the Bank's metrics • Introduction of New Branch Model • Upgrade ATM network and introduce new machines • Improve Credit Cycle to achieve faster approvals to customer applications • Enhancement of 1bank and BOC Mobile App	• Zero overdue pending complaints as of 31/12/2021 • €3.3mn investment for public oriented machinery	• Resolve customer complaints within the timeframe set by the Central Bank	
Fight Corruption and Bribery	• Maintain a “zero tolerance” to acts of bribery and corruption by anyone and continue to prevail against money laundering	• 3,620 customer relationships terminated suspended and 853 potential new customers were rejected exclusively for compliance reasons • Trained 3,145 employees on AML and Prevention of Terrorism	• Maintain a “zero tolerance” to acts of bribery and corruption by anyone and continue to prevail against money laundering	
	• Encourage Whistleblowing	• Trained 95 employees in Whistleblowing mechanisms	• Maintain goal	
	-	-	• Membership at Business Integrity Forum (BIF) and our commitment to continue effective adherence to the governance framework of this Forum as our contribution to society and business ethics principle	
New and innovative services	• A second e-Branch to open in Limassol	• Pending	• Maintain goal	
	• New unmanned Branch planned to open	• Pending	• Maintain goal	
	• Increase digital engagement	• 20.45 million financial transactions through digital channels • +24.3% in the number of transactions through the Mobile App	• Continuously increase engagement • More digital and paperless services	
Our Society				
Elevate the Cyprus society	• Culture and Innovation	• 30 members in SupportCY • €780,000+ of support channelled into Cypriot society	• Maintain leadership and continue playing an active and positive role in the community	        
	• Continue to create social value, and support own initiatives in health and education	• “We care for the Environment” volunteer team was established in 2019. Two events were organised in 2021: 1) Beach cleanup 2) Tree planting		
	• Protect and support fire affected areas	• Run fire prevention programmes and train SupportCY volunteers in firefighting	• Enhance and raise awareness on various environmental issues within the Society	
Contribute and support cancer patients and their families	• Contribute and support cancer patients and their families through the Bank of Cyprus Oncology Centre	• 2,160 new patients treated in 2021	• Maintain goal	
	• Increase fundraising for the Cyprus Anticancer Society by 3%	• €328,000 raised • 14.7% increase	• Maintain goal	
Culture and Innovation	• Bank of Cyprus Cultural Foundation	• Organised many festivals, lectures, and exhibitions	• Maintain goal	
	• IDEA Innovation Center	• 12 Start-ups joined in 2021		

Our People				
Area	2021 Goal	2021 main achievement	2022 Goal	Relevant SDGs
Training and development	<ul style="list-style-type: none">• Upgrade and modernise employee skill-sets• Increase training provision to pre-pandemic level	<ul style="list-style-type: none">• 47,216 hours of training conducted	<ul style="list-style-type: none">• Build the capabilities required to enable the organization of tomorrow	   
	<ul style="list-style-type: none">• Increase seminars on AML to pre-pandemic level	<ul style="list-style-type: none">• 1,999 hours of training conducted (5% decrease)	<ul style="list-style-type: none">• Maintain goal	
Encourage volunteerism	<ul style="list-style-type: none">• Increase volunteers and employees' engagement in supporting our community initiatives to pre pandemic level	<ul style="list-style-type: none">• SupportCY Volunteers Corps• Beach Clean Up• Trees planting	<ul style="list-style-type: none">• Maintain goal	
Commitment to gender diversity	<ul style="list-style-type: none">• Target for 40% representation of women on the Board	<ul style="list-style-type: none">• 33% women on the Board• Goal revised	<ul style="list-style-type: none">• ≥30% women in the ExCo and Senior Management by 2030	
Internal communication	<ul style="list-style-type: none">• Introduce Yammer	<ul style="list-style-type: none">• 5,396 messages posted in Yammer	<ul style="list-style-type: none">• Capitalise on the streamline of internal communication	
	<ul style="list-style-type: none">• Internal Customer Satisfaction Survey continuation	<ul style="list-style-type: none">• Survey on Organisational Health completed by 78% of employees	<ul style="list-style-type: none">• Conduct internal surveys annually	
	<ul style="list-style-type: none">• Continue and enhance engagement activities with Top Management	<ul style="list-style-type: none">• Organised 24 meetings with the CEO• Ask the Board initiated in 2021	<ul style="list-style-type: none">• Maintain goal	
Health and Safety	<ul style="list-style-type: none">• Maintain and improve Health and Safety rating• Resolve all high risks at Premises according to plan by 1st quarter of 2021	<ul style="list-style-type: none">• 24 evacuation drills nationwide• 13 recordable work-related injuries	<ul style="list-style-type: none">• Maintain and improve Health and Safety rating	
	<ul style="list-style-type: none">• Take necessary measures for COVID-19	<ul style="list-style-type: none">• Numerous actions	<ul style="list-style-type: none">• Continue actions according to official guidelines	
	<ul style="list-style-type: none">• Organise training seminars on Health and Safety topics	<ul style="list-style-type: none">• 1,845 hours in First Aid training	<ul style="list-style-type: none">• Maintain goal	
Employee Wellbeing	<ul style="list-style-type: none">• Enhancement of "Well at Work" programme	<ul style="list-style-type: none">• Offered 21 webinars on 11 topics to 600 employees	<ul style="list-style-type: none">• Maintain goal	
Our Environment				
Reduce environmental footprint	<ul style="list-style-type: none">• Reduce energy consumption• Reduce paper consumption	<ul style="list-style-type: none">• Invested €325,013 in energy saving initiatives• 1.978.856kWh of energy savings (comparing 2021 with 2020)	<ul style="list-style-type: none">• Maintain goal	  
	<ul style="list-style-type: none">• Reduce CO₂ emissions• Develop a new system for emissions measurement and management	<ul style="list-style-type: none">• Revisited the CO₂ emissions auditing methodology• Conducted Carbon Footprint audit for the Bank and subsidiaries	<ul style="list-style-type: none">• Set milestones to become Carbon Neutral by 2030• Set milestones to become Net Zero by 2050	
	<ul style="list-style-type: none">• Boost recycling across Bank's operations	<ul style="list-style-type: none">• Recycled 351,405 kg of paper, plastic, glass, wood & metal	<ul style="list-style-type: none">• Maintain goal	
	<ul style="list-style-type: none">• Renew ISO 50001 certification	<ul style="list-style-type: none">• Renewed certification	<ul style="list-style-type: none">• Maintain goal	
Environmental awareness in Bank culture	<ul style="list-style-type: none">• Educate employees on environmental issues and run activities to enhance this	<ul style="list-style-type: none">• Renewed certification	<ul style="list-style-type: none">• Maintain goal	
		<ul style="list-style-type: none">• 78 hours of trainings on environmental issues	<ul style="list-style-type: none">• Improve environmental awareness	

Annex

SupportCY members as in December 2021

1 Bank of Cyprus	39 Pancyprian Thalassaemia Association	78 Cyprus Paraplegic Organisation	117 IMH C.S.C Ltd
2 NGO Reaction	40 Arnold's Digital Printers Ltd	79 UCLan Cyprus	118 Media Studios
3 Public	41 Stephanis Electronics	80 St. Loucas Community	119 DeLeMa McCann
4 Zorbas Bakeries	42 EuroLife	81 Procopiou Medishop Ltd	120 Cyprus Economic Society CES
5 Bionic Electronics	43 Genikes Insurance	82 The Smile of the Child (Greece)	121 Smart Discount Shops
6 ORB Marketing & Communications	44 Hellenic Tzialis	83 United Bikers Cyprus	122 Paradisiotis Ltd
7 Cyprus Mathematical Society	45 Burger King (Cyprus)	84 Cyprus Institute of Marketing	123 EnergyIntel Services Ltd
8 Cyprus Symphony Orchestra	46 "Solon" Nicosia Masonic Foundation	85 Cyprus Autistic Association	124 GDA Sports Ltd
9 Kids Alternatives	47 Gima Caffè	86 "One Dream One Wish" Cyprus Association for children with cancer and related diseases	125 Lifelong Education Center
10 McDonald's (Cyprus)	48 KEAN Soft Drinks Ltd	87 KEPAKY Social Services Provision Centre	126 Parimatch Foundation
11 Unicars Ltd	49 Andreas Sofocleous	88 Ronald McDonald House Charities of Cyprus	127 Panayiotides Ltd
12 Petrolina (Holdings) Public Ltd	50 Riverland	89 ABR - Alternative Brains Rule	128 Grant Thornton (Cyprus)
13 Polignosi.com	51 European Youth Parliament (Cyprus)	90 Antenna Ltd	129 NIPD Genetics Clinical and Molecular Laboratories
14 C.A. Papaellinas Group	52 University of Cyprus	91 Ant1 Radio	130 Lardas Tactical Gear
15 Cyprus Cycling Federation	53 Cyprus Anti-Cancer Society	92 A.P.S. Athienites Ltd	
16 3CX	54 Mall of Cyprus	93 Nicosia Mall Management (NMM) Ltd	
17 Olitech Ltd	55 Starbucks Coffee Company	94 PASCAL Private English School Lefkosia	
18 DHL	56 Sklavenitis Supermarket	95 Top Kinisis Travel Public Ltd	
19 Wood N' Fire Art Bakery	57 Mesimvria TV Cyprus	96 Bank of Cyprus Sports Club	
20 Cyprus Computer Society	58 FROTCOM Cyprus	97 YourWebStep Online Services	
21 Politis Newspaper	59 Cyprus Sports Writers Union	98 Apollonion Private Hospital	
22 EPIEUGMA Training Center	60 G.C. School of Careers	99 FSTP Cyprus (Fire Safety Training Providers Cyprus)	
23 Brinks Cyprus	61 SPP Media	100 To Baristro Tou Nicola Ltd	
24 The Three Bakers Ltd	62 Kathimerini Newspaper (Cyprus)	101 Pasta Strada Services Ltd	
25 Pizza Hut (Cyprus)	63 DeeJay Radio	102 FX Sound Productions Ltd	
26 EPIC	64 Love FM	103 Mind & Health	
27 Dickran Ouzounian & Co. Ltd	65 Sport FM	104 Strovolos Municipality	
28 Isavella Kids	66 Achnagal	105 Cablenet Communication Systems Plc	
29 Leroy Merlin	67 Homeways Ltd	106 Krypto Security Cyprus Ltd	
30 The Body Shop (Cyprus)	68 SGM Professional Secretarial Services Ltd, Typing & Copy Center	107 Autotechnica (Cyprus) Ltd - Hertz	
31 Kafes Pantou	69 Floralink Suppliers Ltd	108 Cyprus Alliance For Rare Disorders	
32 Goal in Life	70 Yiasoumi Bros Butcheries Ltd	109 Bonsai Group	
33 Pandora Bakeries	71 Emergency Rescue Unit Cyprus	110 Marigeorgia Voskaridou Career Development Counselor	
34 5nostimo	72 Mindy Fine Fashionwear Ltd	111 CYMEPA	
35 Medical Equipment Services International (MESI) Ltd	73 Mork Designs Distributions Ltd	112 United Pharmacies of Cyprus	
36 Partners VMLY&R	74 Mangas Home Improvement	113 Handy's Security Systems Ltd	
37 CERIDES - Excellence in Innovation and Technology	75 Oxygono	114 ANCONart Ltd	
38 European University Cyprus - The School of Medicine	76 Eco Wash	115 Cyprus Society of Physicists	
	77 Nicosia Regional Committee for the Organisation of Large Families	116 Cyprus Biological Society	

Abbreviations

- AML: Anti-Money Laundering
- AMLCO: Anti-Money Laundering Compliance Office
- bn: Billion
- BoD: Board of Directors
- CBC: Central Bank of Cyprus
- CTF: Counter-Terrorist Financing
- ECB: European Central Bank
- ESG: Environmental, Social, Governance
- ExCo: Executive Committee
- FCP: Financial and Capital Plan
- HRRC: Human Resources and Remuneration
Committee
- H&S: Health and Safety
- IA: Internal Audit
- ICAAP: Internal Capital Adequacy Assessment Process
- ILAAP: Internal Liquidity Adequacy Assessment Process
- KYC: Know Your Customer
- MiFID: Markets in Financial Instruments Directive
- ML: Money Laundering
- mn: Million
- NCGC: Nomination & Corporate Governance Committee
- TF: Terrorism Financing

Scope and category	Activity Data	Emission Factors	CO ₂ e (tonnes)	
Scope 1 – Stationary combustion of company facilities	Fuel purchased in liters	Relevant GHG Protocol emission factor applicable to type of fuel	Heating Diesel	0.01164421
			Heating and Industrial Gas Oil	0.01105036
Scope 1 – Mobile combustion of company vehicles	Fuel purchased in liters	Relevant GHG protocol emission factor applicable to type of fuel and vehicle category	Gasoline Passenger Cars	0.00232798
			Gasoline Light-duty Trucks (Vans, Pickup Trucks, SUVs)	0.00232887
			Diesel Passenger Cars	0.00269885
			Diesel Light-duty Trucks	0.00269902
			Gasoline Motorcycles	0.00236844
			Hybrid (Gasoline) Passenger Cars	0.00233127
Scope 1 – Fugitive emissions of air conditioning units	Mass of refrigerant top-up (kg) and inventory on refrigerant type and charge capacity	Relevant GHG protocol emission factor applicable to the type of refrigerant and annual leak rates	R-410A	1.92400000
			R-424A	2.21200000
			HFC-32 (R-32)	0.67700000
			R-407C	1.62400000
			R-22 (HCFC-22)	1.76000000
Scope 2 – Purchased electricity	Annual electricity consumption in kWh	Relevant emission factor from the energy supplier (Electricity Authority of Cyprus)*		0.00069819
Scope 3 – Business travel	Air - flight distance in kilometers	Relevant GHG Protocol emission factor applicable to flight category (short, medium, long)	Air Travel - Short Haul (< 300 miles)	0.00014106
			Air Travel - Medium Haul (>= 300 miles, < 2300 miles)	0.00008522
			Air Travel - Long Haul (>= 2300 miles)	0.00010403
			Average Car	0.00017613
	Hotel accommodation nights per country	Relevant DEFRA* emission factor for hotels in different countries	Greece	0.04300000
			United Kingdom (London)	0.01380000
			Sweden	0.01348900
			Austria	0.01390000
			Russian Federation	0.03180000
			United States	0.01970000
Scope 3 – Waste disposal	Weight (tonnes) and type of material recycled	Relevant GHG Protocol emission factors applicable to each type of material and disposal method	Paper and board: mixed	0.02129357
			Commercial and industrial waste	0.46704580
			Metal: scrap metal	0.02129357
			WEEE - mixed	0.02129357
Scope 3 – Employee commuting	Distance travelled in kilometers based on employee survey data	Relevant GHG protocol emission factor applicable to type of vehicle	Small Petrol	0.00026267
			Small Diesel	0.00062796
			Small hybrid petrol	0.00034847
			small hybrid diesel	0.00034847
			Small unknown average	0.00039285
			Medium Petrol	0.00030124
			Medium Diesel	0.00065649
			Medium Hybrid Petrol	0.00041924
			Medium Hybrid Diesel	0.00041924
			Medium unknown - average	0.00049100
			Large Petrol	0.00039191
			Large Diesel	0.00069535
			Large hybrid Petrol	0.00051964
			Large Hybrid Diesel	0.00051964
			Large unknown - average	0.00061644
			Average Car - Battery Electric Vehicle	0.00000000
			Motorbike	0.00031933
			Local Bus	0.00030880
Scope 3 – Purchased goods and services	Expenses in Euros per NACE code category	Emission factors derived using the environmentally extended input-output table of Cyprus		-

* <https://www.eac.com.cy/EN/EAC/Sustainability/Documents/ENEPFEIAKO%20MEIFMA%202020%20ENG.pdf>

About The Report

The 2021 Corporate Sustainability Report is the 5th Annual Corporate Sustainability Report of Bank of Cyprus.

The 2021 Corporate Sustainability Report highlights the Bank's strategy, framework, action plans, activities, and outcomes.

The Report provides the stakeholders of the Bank with details on its performance in the social, governance, economic and environmental arena, in a concise and consistent manner. It focuses on agreed material topics and enables stakeholders to make informed decisions regarding the Bank's ability to create long term, sustainable value.

The Report is an engagement tool that enhances the relationships between the Bank and its stakeholders. For Bank of Cyprus, the Corporate Sustainability Report is a driver for transparency, accountability and value creation.

Scope and Boundary

The Report covers the period from 01/01/2021 to 31/12/2021. The

previous Report referred to the year 2020 from 01/01/2020 to 31/12/2020. The Bank has committed to communicate its activities through its Corporate Sustainability Report on an annual basis. The Report covers the activities of Bank of Cyprus in Cyprus and excludes any subsidiaries and connected parties in or outside Cyprus. Where needed, references are made to the Bank of Cyprus Holdings Group throughout the Report. Previous Reports are available on the Bank of Cyprus website.

International Standards

This Report has been prepared in line with the GRI Standards (2021) and against the SASB disclosure framework (VERSION 2018-10).

The Report has been guided by the Social Responsibility ISO 26000 Standard, the United Nations Sustainable Development Goals, the Ten Principles of the United Nations Global Compact, the UNEPFI Principles for Responsible Banking, the GRI G4 Sector Disclosures: Financial Services, The Task Force on Climate related Financial Disclosures

(TCFD) recommendations, the EU sustainable finance framework, and best practices of the sector at national and international level. This Report meets the requirements of the EU Non-Financial Reporting Directive (NFR Directive).

The Bank recognises the growing interest of the investor community, shareholders, and rating agencies in industry-specific sustainability issues and the financial impacts of sustainability. The SASB index presents the Bank's disclosures against the SASB Financials Sector Commercial Banking Standard (FN-CB) Disclosures. The Bank is committed to provide investors with accurate, valuable and meaningful sustainability insights and evolve its disclosures on GRI and SASB over time.

External Assurance

Bank of Cyprus has adopted a combined framework for the Annual Financial Report and the Annual Corporate Sustainability Report, in order to improve the reliability of the information and the systems in place, and thus add value to its stakeholders.

The Annual Financial Statements have been validated by the Bank's responsible management, approved by the Audit Committee and the Board of Directors and have been audited by the Bank's independent external auditors.

The 2021 Corporate Sustainability Report has been reviewed and approved by the Sustainability Committee, and the Board of Directors through the Nominations and Corporate Governance Committee. Specific disclosures within the Corporate Responsibility Report have been externally assured by an independent body, The CSR Agency, which carried out a limited level assurance of specific data, in accordance with the international standard AA1000. The Assurance statement can be found in the last section of this Report.

Consultation and Scientific Guidance

The structure, content and analysis contained in the 2021 Corporate Sustainability Report was developed with the guidance and scientific support of Sustainability Knowledge Group (www.sustainabilityknowledgegroup.com).

Contribution

The 2021 Corporate Sustainability Report would not have been possible without the valuable input of Directors, CSR Liaisons and all employees of the Bank who have contributed with comments, recommendations and data for the development of this Report.

Coordination

The Sustainability & CSR Unit, under the Corporate Affairs of Bank of Cyprus is entrusted with the coordination of the process for the development of the Corporate Sustainability Report.

Information about the Corporate Governance, Policies and Annual Reports

Policies are available online on: <https://www.bankofcyprus.com/en-GB/who-we-are/corporategovernance/other-policies>

Vision, mission and values are available online on: <https://www.bankofcyprus.com/en-GB/who-we-are/boc-at-a-glance/our-banks-new-culture-of-values>
Information on the Annual Corporate Governance

Reports can be found on:
<https://www.bankofcyprus.com/en-GB/who-we-are/corporategovernance/our-values/>
<https://www.bankofcyprus.com/en-GB/who-we-are/corporategovernance/governance-reports/>

Information on the Annual Reports can be found on: <https://www.bankofcyprus.com/en-GB/investor-relations-new/reportspresentations/annual-report/>

Information on credit rating can be found on: <https://www.bankofcyprus.com/en-GB/investor-relations-new/credit-ratings-analyst-coverage/credit-rating1/>
Information on the regulatory compliance policies can be found on: <https://www.bankofcyprus.com/en-GB/who-we-are/our-governance/corporate-governance-policies-and-other-group-policies/>.

GRI Content Index

Statement of use		Bank of Cyprus has reported in accordance with the GRI Standards for the period from 1 January 2021 to 31 December 2021				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not applicable				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
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	2-3 Reporting period, frequency and contact point	152, 153				
	2-4 Restatements of information	139, 142, 143				
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	2-7 Employees	106				
	2-8 Workers who are not employees	106				
	2-9 Governance structure and composition	28, 31				
	2-10 Nomination and selection of the highest governance body	https://www.bankofcyprus.com/en-gb/group/who-we-are/our-governance/group-committees/nominations-corporate-governance-committee/				
	2-11 Chair of the highest governance body	28, 32				
	2-12 Role of the highest governance body in overseeing the management of impacts	12, 13, 24, 25, 27-29				
	2-13 Delegation of responsibility for managing impacts	24, 25, 29, 31				
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	2-16 Communication of critical concerns	43, 44, 114, https://www.bankofcyprus.com/globalassets/group/investor-relations/corporate-governance/annual-corporate-governance-report/english/annual-corporate-governance-report-2021.pdf , 294				
	2-17 Collective knowledge of the highest governance body	24				
	2-18 Evaluation of the performance of the highest governance body	https://www.bankofcyprus.com/globalassets/group/investor-relations/pillar-3-disclosures/eng/20220407-pillar-3-disclosures-2021.pdf 19				
	2-19 Remuneration policies	115, 116, https://www.bankofcyprus.com/globalassets/group/investor-relations/pillar-3-disclosures/eng/20220407-pillar-3-disclosures-2021.pdf 187 https://www.bankofcyprus.com/globalassets/group/investor-relations/corporate-governance/annual-corporate-governance-report/english/annual-corporate-governance-report-2021.pdf , 324				
	2-20 Process to determine remuneration	115, 116, https://www.bankofcyprus.com/globalassets/group/investor-relations/pillar-3-disclosures/eng/20220407-pillar-3-disclosures-2021.pdf 187 https://www.bankofcyprus.com/globalassets/group/investor-relations/corporate-governance/annual-corporate-governance-report/english/annual-corporate-governance-report-2021.pdf , 324				
	2-21 Annual total compensation ratio	https://www.bankofcyprus.com/globalassets/group/investor-relations/corporate-governance/annual-corporate-governance-report/english/annual-corporate-governance-report-2021.pdf , 329				
	2-22 Statement on sustainable development strategy	8, 9				
	2-23 Policy commitments	https://www.bankofcyprus.com/en-gb/group/who-we-are/our-governance/corporate-governance-other-group-policies/				

GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	https://www.bankofcyprus.com/en-gb/group/who-we-are/our-governance/corporate-governance-other-group-policies/ , 109, 114, 122, 123				
	2-25 Processes to remediate negative impacts	24, 79, 114, 132				
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	2-27 Compliance with laws and regulations	41, 43, https://www.bankofcyprus.com/globalassets/group/investor-relations/annual-reports/english/20220330-boch-group-annual-financial-report-2021_en_signed.pdf 164				
	2-28 Membership associations	54				
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	201-2 Financial implications and other risks and opportunities due to climate change	29, 38, 132				
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GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	134-137				
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	305-4 GHG emissions intensity	134-137				
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GRI 3: Material Topics 2021	3-3 Management of material topics	110				
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	110, 111				
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	122				
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	28, 31,113				
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	86, 100				
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GRI 3: Material Topics 2021	3-3 Management of material topics	46				
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GRI 3: Material Topics 2021	3-3 Management of material topics	64-68				
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Bank of Cyprus KPIs	Number of workshops/ actions/ programmes/ initiatives conducted for financial literacy during the reporting year	100				
Topics in the applicable GRI Sector Standards determined as not material						
TOPIC		EXPLANATION				
Not applicable						
Not applicable		Not applicable				

SASB Index - Bank of Cyprus

SASB Financials Sector Commercial Banking Standard Disclosures

Topic	Accounting Metric	Code	Page number(s) and/or URL(s)
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	46
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	46, 53, 55
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	18, 63
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	100, 124, 126
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	https://www.bankofcyprus.com/globalassets/group/investor-relations/annual-reports/english/20220330-boc-group-annual-financial-report-2021_en_signed.pdf (pg. 174)
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	12, 24, 29, 38, 69-71, 133
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	44
	Description of whistleblower policies and procedures	FN-CB-510a.2	44, 114, 123
Systemic Risk Management	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	37, 38

Independent External Assurance Statement

Engagement agreement

Responsabilitate Socială SRL ("The CSR Agency") has been engaged by the management of Bank of Cyprus Public Company Limited ("Bank of Cyprus" or "the Bank") to conduct an Independent Assurance for the 2021 Corporate Sustainability Report ("the Report"), covering specific performance indicators ("disclosures") that describe the Bank's activity from 1/1/2021 to 31/12/2021.

The process is intended to provide Bank of Cyprus management, assurance on the accuracy, reliability, and plausibility for a number of 14 disclosures included in the Report.

Competencies and independence of the assurance provider

The External Assurance Process was conducted by a multidisciplinary team of experts from the assurance division of The CSR Agency, an independent, international consultancy company, providing sustainability services including training, reporting, assurance, and strategy development.

We, The CSR Agency, as part of the United Nations Global Compact Network, we have built our entire business model incorporating the 10 Principles of the UN Global Compact into our strategy, policies, procedures, and partnerships. The CSR Agency is part of the Sustainable Romania Coalition, the first apolitical and collaborative platform for Romania's sustainable development. The Coalition is part of the action plan framework of Romania's National Sustainable Development Strategy 2030. It is officially recognized by the Romanian Government through its partnership with the Department for Sustainable Development.

Other than this current agreement and the External Assurance conducted for the Bank's 2019 and 2020 Corporate Sustainability Reports, there was not, nor there is any other business relationship between Bank of Cyprus and The CSR Agency, or between Bank of Cyprus and any employee of The CSR Agency. Therefore, the entire process of External Assurance was conducted independently, with no potential risks of conflicts of interest.

Responsibilities

Bank of Cyprus

The 2021 Corporate Sustainability Report of Bank of Cyprus has been prepared by Bank of Cyprus' team, in partnership with Sustainability Knowledge Group, an external sustainability consultancy.

All the information, data, assertions, disclosures, and statements, as well as the processes of gathering information, maintaining records, implementing appropriate internal controls and other mechanisms that support and improve the sustainability reporting process presented in the Report, are solely the responsibility of Bank of Cyprus.

The CSR Agency

Our main responsibilities were to plan and conduct the External Assurance Process based on the AccountAbility standards, to provide key findings and conclusions concerning the accuracy and reliability of the selected sustainability information presented in the Report, as well as to check the Bank's adherence to the AccountAbility Principles.

Scope of the Assurance

The External Assurance Process was conducted based on the AA1000 Assurance Standard (AA1000AS v3) and the AA1000 Principles Standard (AA1000AP, 2018)²

A Moderate, Type 2 External Assurance of the Report was performed, evaluating the nature and extent of the Bank's adherence to the AccountAbility Principles, as well as the reliability of a set of 14 selected disclosures, detailed in the Methodology section.

Procedures to gather sufficient evidence to support statements, values, and figures for a balanced number of selected topics, were undertaken. The process conducted and the evidence obtained should reduce the risk of possible errors. However, it should be noted that this risk is not as low as in the case of a High Assurance level process. A sample of 14 disclosures were selected for evaluation, in order to cover different material topics, relevant for all pillars of the Report and therefore provide balanced conclusions on the disclosed information regarding:

¹The AA1000 Assurance Standard (AA1000AS v3) is the leading methodology used by sustainability professionals worldwide for sustainability-related assurance engagements, to assess the nature and extent to which an organization adheres to the AccountAbility Principles. The document can be consulted here: <https://www.accountability.org/standards/>

²AA1000 AccountAbility Principles (AccountAbility, 2018) describes a framework for applying the four Principles of accountability when measuring sustainability performance. The four Principles are detailed below.

- Market Presence
- Diversity and Equal Opportunity
- Employment
- Emissions
- Customer Privacy
- Occupational Health and Safety
- Anti-corruption
- Procurement Practices
- Energy
- Employee Development, Training and Education
- Cyber Security & Data Protection
- Innovation, Technology & Digital Transition
- Societal Contribution
- Financial Inclusion

Methodology

As this was a moderate, Type 2 External Assurance of the Report, all communications between The CSR Agency and Bank of Cyprus teams were conducted via e-mail, conference calls and over the phone.

For the scope of the Assurance Process, we performed the following:

1. Interviews with Bank of Cyprus representatives to understand the reporting process, the different methodologies followed, and approach towards data collection, monitoring, and calculations procedures.
2. Interviews with Bank of Cyprus representatives to review the steps

followed for extracting and collecting data.

3. Interviews with the Sustainability Knowledge Group representatives to understand the processes behind the Materiality Assessment and Stakeholder Engagement process, conducted for the purpose of this Report.
4. Review of the Materiality Process and Results.
5. Assessment of the sustainability reporting procedures, to check for consistency with the Global Reporting Initiative (GRI) Standards reporting requirements.
6. Review of public documents, press releases, statements, and communications both from the Bank, as well as from different stakeholders to verify the reliability of certain claims made in the Report.
7. Review of public reports and policies mentioned in the Report to check for consistency with the statements and assumptions made.
8. Recalculating a sample of disclosures, based on the evidence reports and documents received, to check for consistency and accuracy of the calculations performed.
9. Feedback and review of the final content of the selected 14 disclosures included in the Report, as per the scope of the Assurance Process.
10. Examination of internal systems, to validate the integrity of the statements made in the Report.

11. Collection and review of internal and external evidence received for each topic-specific disclosure, to check for accuracy and consistency with the information disclosed in the Report.

Considering the Bank's sector of activity, the following GRI Standards topic-specific disclosures were selected for review:

- GRI 202-2: Proportion of senior management hired from the local community
- GRI 405-1: Diversity of governance bodies and employees
- GRI 401-1: New employee hires and employee turnover
- GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
- GRI 403-5: Worker training on occupational health and safety
- GRI 205-2: Communication and training about anti-corruption policies and procedures
- 204-1 Proportion of spending on local suppliers
- 302-4 Reduction of energy consumption
- 305-2 Energy indirect (Scope 2) GHG emissions
- 404-3 Percentage of employees receiving regular performance and career development reviews
- Number of security awareness training programs participants
- Increase in internet banking and mobile

application use

- Value of SupportCY initiative financial donations granted by Bank of Cyprus
- Number of branches with accessibility for people with disabilities

The activities performed for the scope of the Assurance Process included specific evaluation criteria as stated in the AA1000AP and AA1000AS Standards, as well as the GRI Standards Principles for defining report quality and report content.

Limitations of the Assurance Process conducted

- Any information, statements, assumptions, or data covering previous reporting cycles included in the Report, were not the subject of this Assurance Process.
- Any statements, goals, targets, and other claims included in the Report, that describe the Bank's future plans, intentions, opinions or beliefs do not fall under the scope of the Assurance Process.
- All the procedures we conducted in accordance with the scope of the Assurance Process, included a moderate evaluation and analysis of the accuracy, reliability, and plausibility of the information and topic-specific disclosures presented in the Report. • The sampling, testing, and review of the evidence documents provided by the Bank were conducted remotely, via

e-mail, conference calls, and telephone

- No other topics and disclosures, except those described in the Scope of the Assurance & Methodology sections of this statement, were assessed.
- We did not review any activities and performance of third-parties, entities, or stakeholders mentioned in the Report.
- Our engagement was limited to the English version of the Report. Therefore, in the event of any inconsistency in translation between the Greek and English versions, as far as our conclusions are concerned, the English version of the Report prevails.

Adherence to the AA1000 AccountAbility Principles: findings and conclusions Inclusivity³

The Bank identifies twelve stakeholder groups in the Report: Employees, Shareholders, Credit and ESG Rating Agencies, Media, Customers, Suppliers/ Business Associates, Bank of Cyprus Group and Subsidiaries of the Bank, Government and Local Government, Business Associations, Financial Sector and Peers, Regulators, Society and Local Communities.

A description of the stakeholder's needs,

expectations, frequency of communication, and engagement channels is provided for six of the twelve categories, providing information regarding the formalized stakeholder engagement processes in place, both for the purpose of the Corporate Sustainability Report and for continuous communication.

In 2021, the Bank conducted an extended materiality exercise reaching out to internal and external stakeholders via online questionnaires. Besides engagement with stakeholders for the purpose of the materiality process, the Bank is focusing to extend its existing communication channels with them.

Stakeholder needs and expectations were identified through the materiality assessment. Due to reasons related to data protection, it was not possible for the Bank to identify which stakeholder categories responded to the materiality questionnaire.

Materiality⁴

The 2021 Corporate Sustainability Report is based on the assessment conducted in 2021, as part of the 2021 Corporate Sustainability Report. For this purpose, Bank of Cyprus performed an extensive assessment for the identification,

prioritisation, and validation of key material topics, using a four-step process. The assessment included market research, review of best practices of the sector at the national and international level, analysis of international standards (The Social Responsibility ISO 26000 standard, The United Nations Sustainable Development Goals, The Ten Principles of the United Nations Global Compact, The UNEP FI Principles for Responsible Banking, GRI G4 Sector Disclosures: Financial Services, The Task Force on Climate-related Financial Disclosures by the Financial Stability Board and The EU sustainable finance framework), benchmarking and understanding the internal and external environment of Bank of Cyprus, to determine the extended list of topics to be submitted for prioritisation to top-management and stakeholders.

For the second time in its 2021 Corporate Sustainability Report, the Bank is reporting against SASB. The SASB index presents the Bank's disclosures against the SASB Financials Sector, Commercial Banks Industry Standard (FN-CB) Disclosures.

The impact boundary for each topic is presented in the Report together with the

Bank's contribution to the Sustainable Development Goals for each pillar, considering key stakeholder needs and expectations for eight of the twelve categories.

The most important topics are presented in the materiality matrix, in a user-friendly format.

Responsiveness⁵

All the material topics identified during the materiality assessment process were addressed in the 2021 Corporate Sustainability Report, based on the GRI Standards. This allows stakeholders to access recent information related to the Bank's sustainability strategy and performance, compare data from previous years, and make informed decisions based on the outcomes and results presented in the Report.

The Bank's response to the new material topic, financing the transition to a low carbon economy is addressed through environmentally friendly products, such as energy loans for the installation of household energy-saving systems or loans for the purchase of a hybrid or electric car, and the commitment to continue to further develop its green product offering.

³ Inclusivity is actively identifying stakeholders and enabling their participation in establishing an organisation's material sustainability topics and developing a strategic response to them.

⁴ Materiality relates to identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders.

⁵ Responsiveness is an organisation's timely and relevant reaction to material sustainability topics and their related impacts.

⁶ Impact is the effect of behaviour, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders or the organisation itself. For further information on the AccountAbility Principles, access: <https://www.accountability.org/standards/>

Impact⁶

Through its 2021 Corporate Sustainability Report, the Bank discloses information regarding the economic, social, and environmental impacts of its activities. The material topics included in the report are presented together with a chart of their impact boundaries, across eight stakeholder categories in the company's value chain, increasing the number of stakeholders categories from six to eight, compared to 2020. The two new stakeholder categories included are rating agencies and investors. For each material topic, the Bank describes its management approach, supporting its statements with qualitative and quantitative information and the main outcomes of specific initiatives, measures taken, and projects implemented.

The Bank's role in helping the socio-economic sector to make the transition to a low-carbon economy is emphasised, as of the end of 2021, the Bank invested a total of €60 millions in ESG Bonds.

Given the assessment and evaluation of internal processes, policies, and procedures, as per the Assurance Engagement, it can be stated that Bank of Cyprus reasonably meets the required adherence criteria of the AccountAbility Principles.

Key observations

- The Bank continued to strengthen its internal structures and mechanisms to manage sustainability topics, by formulating its first ESG Strategy with a shift focus on the environment, including the decarbonising of its operations, risk identification, and impact assessment.
- As part of its ESG Strategy, the Bank committed to becoming Carbon Neutral by 2030 and Net Zero by 2050 and increasing its Green Asset and Green Mortgage Ratio.
- In order to achieve these objectives, the Bank is also improving the methodology for calculating its own environmental footprint, and for the first time, is also measuring its material Scope 3 emissions, in addition to Scope 1 and 2 emissions, using the GHG Protocol and ISO14064-1:2019 Standard.
- To strengthen its ESG Agenda, starting September 2021, the Bank launched a bi-monthly sustainability and ESG newsletter to inform all its employees of the latest ESG development, regulatory requirements, internal achievement, and best practices.
- In accordance with Article 8 of the Taxonomy Regulation and the related Climate Disclosures Delegated Act, the Bank is communicating the eligibility of its assets.
- The Bank introduced a new communication channel for employees to engage with the Board of Directors,

setting up a dedicated email address for employees to interact and send question to Board of Directors members.

- To address the need for more regular contact of the employees with the HR management team, the Bank launched Talk to HR, an initiative involving open meetings with the HR management team, including the Executive Director People&Change.
- Based on an analysis of climate-related and environmental risk the Bank set an action plan which consist of two workstreams: Risk Identification and Impact Assessment and Data and Disclosures.
- There is a "CSR Liaisons" structure inside the Bank, whose purpose is to contribute to decentralising the Corporate Responsibility concept and enhance a responsibility culture. The CSR Liaisons comprise of a group of employees appointed by each Division Director, that among other responsibilities, contribute to the development of the Report.
- Throughout the Report, at the beginning of each chapter the Bank includes a reference to the Sustainable Development Goals.
- Through the Project Sunrise, the Bank is implementing a four-pillar plan that aims to enable the shift to modern banking by digitally transforming the customer experience, as well as internal operations.

- As part of the reporting process, the Report was reviewed and approved by the Sustainability Committee, and the Board of Directors through the Nominations and Corporate Governance Committee.
- The Bank of Cyprus 2021 Corporate Sustainability Report is developed based on the GRI Standards 2021 and includes for the second time, reporting against SASB, Financials Sector, Commercial Banks Industry Standard (version 2018-10).

Recommendations

The following recommendations have been issued by The CSR Agency for improving future sustainability reporting:

- Bank of Cyprus to further improve its disclosures on sustainable finance.
- Bank of Cyprus to continue improving the quantitative information disclosed.
- Bank of Cyprus to improve the accuracy of environmental disclosures and place a greater focus on the data monitoring and collection systems. This will allow the Bank to better define, describe and present its direct and indirect impact.
- Bank of Cyprus to improve internal controls on data collection process and digitalise the internal data collection systems.
- Bank of Cyprus to continue measuring its contribution to the Sustainable Development Goals, adding more in-depth and specific explanations of the positive

and negative impact it generates towards reaching the SDGs targets.

- For a better understanding of the positive impact created by SupportCY initiative, the Bank could consider adopting a formal measurement system of its social impact.
- Bank of Cyprus to strengthen its commitment to sustainable development, by setting an action plan and communicate on its progress towards achieving it.
- Bank of Cyprus to continue applying the GRI Standards reporting Principles.
- Bank of Cyprus to expand the scope of the materiality process and for a more accurate process, to conduct in-depth impact assessments involving all the identified stakeholder categories.
- Bank of Cyprus to continue reporting in accordance with the GRI Standards and SASB, and to include specific sector disclosures from other relevant international standards and recognized initiatives.

A comprehensive feedback report with specific findings and recommendations for improving the sustainability reporting process was developed by The CSR Agency and submitted to Bank of Cyprus management.

Based on the review of the Bank of Cyprus 2021 Corporate Sustainability Report, it can be concluded that a fair representation of data and information has been included in the Report. The selected sustainability performance and data statements are accurate, reliable, and materially correct.

Andreea Ghiocel
on behalf of the Assurance Division

Responsabilitate Socială SRL
(The CSR Agency)

June 24th, 2022



AA1000
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Your feedback is important to us.

We welcome your input and suggestions on our Corporate Sustainability Report through a number of channels:



Telephone:

Local: 80000800

International: +357 22128000



Email:

boccsr@bankofcyprus.com



LinkedIn:

<https://www.linkedin.com/company/bank-of-cyprus>



Facebook:

<https://www.facebook.com/BankofCyprusOfficial>



Twitter:

https://twitter.com/BankofCyprus_



Instagram:

https://www.instagram.com/bank_of_cyprus



Letter:

Sustainability & CSR Unit
Corporate Affairs
Bank of Cyprus Headquarters
51 Stasinou Street,
2002 Nicosia, Cyprus