



2023 SUSTAINABILITY REPORT

Leading the transition of Cyprus
into a sustainable future

Bank of Cyprus



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Message from the CEO

(GRI: 2-22)

Dear Stakeholders,

The Bank of Cyprus remains committed to lead the transition of Cyprus to a sustainable future. We are systematically aligning our business with sustainable principles and in 2023, we further integrated ESG considerations into all relevant aspects of the Bank's decision-making, governance, strategy and risk management processes.

In the current era of climate change and global social challenges, we believe that transparency on the measures we are taking and the progress we are making in the area of sustainability is crucial.

We continue to reduce the carbon footprint of our operations in order to achieve our goal of becoming Carbon Neutral by 2030. For example, between the start of 2022 and the end of 2023 we reduced our Scope 1 and Scope 2 Green House Gas emissions by 18%, in part through increasing our use of renewable energy.

In addition, in 2023 we set the first decarbonisation target on our loan portfolio, aiming to reduce the carbon intensity metric of the mortgage portfolio by 43% by 2030 compared to the baseline of 2022. This involves directing new lending towards more energy efficient residential properties. In 2024 we plan to set decarbonisation targets for other portfolios of loans.

In addition to the progress we are making under the environmental and governance pillars of our ESG strategy we continue to make a significant contribution to Cypriot society, demonstrating our commitment to the social pillar. Our €2 mn contribution to the Bank of Cyprus Oncology Centre in 2023, taking the Bank's cumulative contribution since the Centre's establishment to €70 mn, is just one example.

The Group's aspiration to achieve a representation of at least 30% women in the Group's management bodies by 2030, was reached in 2023. As at 31 December 2023 women accounted for 33% of the members of the Group's management bodies, following the appointment of two female General Managers in Eurolife and General Insurance of Cyprus.

As the first Bank in Cyprus to sign the United Nations' Principles for Responsible Banking, we remain committed to achieving sustainable growth, to aligning our business strategy with

society's goals as expressed in the Sustainable Development Goals and the Paris Agreement, to continuously increasing positive impact while reducing negative impact as well as to managing the risks to people and the environment.

As the largest financial services group in Cyprus, we will lead the transition of Cyprus to a sustainable future through leading by example in terms of the changes we are making to our own operations and supporting our customers to become more sustainable, while maintaining our significant contribution to Cypriot society.

Panicos Nicolaou
Chief Executive Officer

About this report

(GRI: 2-2, 2-3, 2-4, 2-5)

The 2023 Sustainability Report (hereinafter the 'Report') is the 7th Annual Sustainability Report of Bank of Cyprus Public Company Ltd (hereinafter 'Bank of Cyprus' or the 'Bank').

The 2023 Sustainability Report highlights the Bank's strategy, framework, action plans, activities and outcomes.

The Report provides the stakeholders of the Bank a comprehensive picture of its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts. It focuses on agreed material topics and enables stakeholders to make informed decisions regarding the Bank's ability to create long term, sustainable value. For the Bank, the Sustainability Report is a driver for transparency, accountability and value creation.

The Bank is cognisant that the preparation of comprehensive Sustainability disclosures is an ongoing process and subject to developments in standards, regulations and facts that are inherently difficult to predict. Even though it is the Bank's belief that all disclosures and predictions in this report are reasonable and accurate as and when made, the Bank anticipates that additional actions will be necessary in the upcoming years to further advance the quality of its Sustainability disclosures.

Scope and Boundary

The Report covers the period from 01/01/2023 to 31/12/2023. The Bank has committed to communicate its activities through its Sustainability Report on an annual basis. The previous Report concerning the period from 01/01/2022 to 31/12/2022 was published in June 2023. Comparative information from 2021 and 2022 is presented in this Report.

The Report covers the activities of the Bank 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. This Report appropriately denotes any restatements of information from previous reports within their respective sections.

International Standards

The Report has been prepared in line with the revised Global Reporting Initiative Standards (GRI) 2021, the SASB disclosure framework (VERSION 2018-10) and the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations.

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 EU sustainable finance framework, and best practices of the sector at national and international level.

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, SASB and TCFD over time.

External Assurance

The 2023 Sustainability Report has been reviewed and approved by the Sustainability Committee, and the Board of Directors through the Nominations and Corporate Governance Committee. This Report has been externally assured by an independent body, PricewaterhouseCoopers, which carried out a limited level assurance of specific data, in accordance with the International Standard on Assurance Engagements 'ISAE 3000'. The Assurance statement can be found on page 277 of this Report.

Contact details for questions about this Report

For any information and details regarding sustainable development issues and this Report, please contact:

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Executive Summary

Environment

We are adapting to the new reality. Climate change is one of the biggest challenges that humanity faces. The World Meteorological Organisation declared that 2023 was the warmest year on record. Global Greenhouse Gas (GHG) emissions continue to increase, and extreme climate events are more frequent than ever. This means GHG emissions need to decline now. Consequently, the Bank aspires to increase its positive impact on the environment and manage the risks associated with the transition to a low carbon economy, by transforming not only its own operations, but also the operations of its customers.

In line with its Net Zero commitment by 2050, the Bank, in 2023, set its first decarbonisation target on its loan portfolio, aiming to reduce the carbon intensity metric of its mortgage portfolio by 43% by 2030 compared to the baseline of 2022, by directing its new lending towards more energy efficient residential properties. In that respect, we launched a Green Housing product aligned with the Green Loan Principles of the Loan Market Association in order to support the green transition and ensure we reach the decarbonisation target set. The current decarbonisation target applies to c.34% of gross loans and advances. In 2024, we aspire to set decarbonisation targets for other portfolios of loans.

Additionally, by taking into account the regulatory, policy and macroeconomic developments in the climate and environmental area, the Bank has set green new lending targets on its Corporate, SME and Retail business lines so as to mobilise and

incentivise the green transition of its customers and effectively help to manage the risks to which its customers might be exposed.

In 2023, the Bank set new lending limits to certain sectors that are inherently associated with higher transition risks. The Bank is committed to engaging with its customers operating in carbon intensive sectors, educate them on the climate-related and environmental (C&E) risks to which they are exposed and support them in the transition to a low carbon economy by providing green or transition financing.

At the same time, we are leading by example by decarbonizing our own operations. We have developed a decarbonisation plan to reduce our own carbon footprint relating to Scope 1 and Scope 2 GHG emissions, and ultimately achieve our goal of becoming Carbon Neutral by 2030, which entails a decrease of 42% (absolute target) by that year, compared to the baseline of 2021. The Bank managed to reduce its Scope 1 and Scope 2 GHG emissions by 18% between the start of 2022 and the end of 2023, partly by increasing the use of renewable energy in its owned buildings by c.64%.

During 2023, we made considerable progress in integrating C&E risks into our risk management approach and risk culture. We revised and enhanced the materiality assessment process on C&E risks. The Bank has carried out a comprehensive identification and assessment of C&E risks as drivers of existing financial and non-financial risks considering its business profile and loan portfolio composition. As part of this process, the Bank has identified the risk drivers, both physical and transition, which could potentially have an impact on its risk profile and operations and has assessed the severity of each risk driver for all the existing categories of risks.

One of the highlights of 2023 was the implementation of an ESG Due Diligence process, using structured questionnaires, designed to enhance data collection, score customers on their performance against various aspects around ESG risks and provide guidance on remediation actions.

Social

We believe in a broad approach to sustainability, from how we take care of our employees and support our local communities, to how we advise and work together with our customers and partners on sustainable choices.

At the centre of our leading social role lies our investment in the Bank of Cyprus Oncology Centre which represents the biggest and most successful partnership between the public and the private sector in Cyprus. Around €2 mn was contributed to the Centre in 2023 with the cumulative contribution since establishment reaching c.€70 mn.

The health and safety of our employees remains a top priority as well, reflecting our dedication to a culture that puts people first. In terms of our contribution to Cypriot society, our efforts are focusing on generating social capital through long-term partnerships and structured cooperation with other organisations, including businesses, NGOs, and the state. 40% of our Social Responsibility budget is allocated to health and social welfare. SupportCY continues to play a core role in Cypriot society, with an estimated amount exceeding €1 mn being channelled through all SupportCY members into society, in the areas of health, education and the environment.

We continue to uphold a culture of fairness, equality, and ongoing learning where our people

and society at large can develop on a personal and professional level. In order to support the availability and accessibility of quality education in our society, 43% of our Social Responsibility budget was allocated to education. More than 70,000 hours of training on various topics, were offered to our employees.

In 2023, our 'Organizational Health' project achieved remarkable progress. The staff survey executed in 2023, revealed significant progress towards the key priorities set in 2022. Our existing recognition scheme 'Extra Mile' which celebrates positive mindsets and behaviours around health priorities, was greatly embraced with more than 500 internal nominations. Finally, under our employee wellbeing programme 'Well at Work' we organised 32 events with more than 1,900 participants.

At the same time, we constantly strive to become an even more client-centric organisation. A targeted digital transformation program is already underway, with the goal of facilitating the shift to a more modern way of conducting banking business, enhancing the digitisation of services provided to our clients, as well as the digitisation of our internal operations. The percentage of the Bank's digital transactions in its total portfolio was 95.56% in 2023, with €53.04 bn total monetary value traded in digital channels during 2023.

The Bank, through its Digital Economy Platform (Jinius), is leading the efforts underway to digitise and technologically upgrade the Cypriot economy and to facilitate entrepreneurship. Our Jinius platform shapes the digital ecosystem of the Cypriot economy, bringing together businesses, organisations, suppliers, and customers in a single digital environment. As at 31 December 2023, over 2,000 companies had registered and over €360 mm was exchanged via the platform, through invoicing and remittance services.

The Bank, through its IDEA Innovation Centre, promotes innovative entrepreneurship on the

national level. The IDEA Innovation Centre, since incorporation, invested c.€4 mn in start-up business creation, supported the creation of 89 new companies, and provided support to 210 entrepreneurs through its Startup program.

On the cultural front, through the Bank of Cyprus Cultural Foundation and various programmes, and collections, the Bank continues to promote strongly Cyprus' culture and heritage, contributing substantially to Cyprus' cultural life. During 2023, the Bank of Cyprus Cultural Foundation organised 78 main activities attended by over 51,000 participants.

Governance

The Bank is committed to enhancing further its organisational resilience and the ESG agenda by delivering a clear strategy, supported by effective corporate governance, in line with our wider sustainability and ESG priorities. We are committed to continuously strengthening our Corporate Governance policies and procedures and we are in compliance with the UK Governance Code, the Cyprus Stock Exchange Code and the Central Bank of Cyprus Internal Governance Directive 2021. At all levels of decision-making, we ensure that women have full and effective participation, as well as equal opportunities for leadership. The Group's aspiration to achieve a representation of at least 30% women in the Group's management bodies (defined as the EXCO and the Extended EXCO) by 2030, was reached in 2023. As at 31 December 2023 women accounted for 33% of the members of the Group's management bodies, following the appointment of two female General Managers in Eurolife and General Insurance of Cyprus. With climate action and the ESG agenda being one of the four strategic pillars of the Bank, we have developed further our ESG Governance in 2023,

enhancing ESG oversight and accountability at all levels of the organisation.

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The Bank of Cyprus



Our profile

(GRI: 2-1)

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 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 the Major Holders of shares and financial instruments from the Group's website: [Major Holders of shares and financial instruments - Bank of Cyprus](#).

Bank of Cyprus employs 2,426 (2022: 2,461 2021: 3,008) employees. 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's registered office and headquarter is located in 51 Stasinou Street, Ayia Paraskevi, 2002 Strovolos, Nicosia, Cyprus.

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 the effective corporate governance aligned with ESG agenda priorities.



Our Vision

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

Our Mission

Our organisation exists to support our clients in their most important life events as well as in their daily needs. To achieve this, we invest capital and effort to ensure that our services are provided by top quality professionals and the usage of cutting edge technology and uphold 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.

Our Values

The below key values comprise the core values of the Bank and the Group.

- 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 a better 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 History

Bank of Cyprus has a long and proud history of serving its customers since 1899.

1899

"Nicosia Savings Bank" is established

1936

First female employee is hired

1943

"Koino Kypriou" is a reality

1960

Launch of the first computer offering services to other organisations (i.e. Cyta and EAC)

1974

Supporting the society following Turkish Invasion

1912

Transformation of the "Savings Bank" into Bank of Cyprus

1939 - 1940

WWII sparks a financial crisis - the Bank manages to cope with its own means

1955

Big step beyond Cyprus - a branch in London is opened

1970

Creation of first Mobile Bank, installation of first three ATMs and first drive-through branch is operated

1983

Leading the way in plastic money transactions

2013

Bailed-in and acquisition of certain assets and liabilities of Laiki Bank

2007

Banking operations in Russia and Romania

1999

Creation of "Chain of Life" institution, in support of the Cyprus Anti-Cancer Society and the Christodoula March

1993

The first Unmanned Branch is opened

1988

Stepping into the "World of Tomorrow" - wide range of banking services offered over the phone

2014

€1 bn share capital increase listed in CSE and ATHEX

2011

Sale of Bank of Cyprus Australia Ltd

2000

Listing in ATHEX

1996

Establishment of the Bank of Cyprus Oncology Centre

1990

Spreading the network across the world EuroLife is born

1984

Establishment of the Bank of Cyprus Cultural Foundation

2015

Sale of non-core assets (Romania, Ukraine, Russia, Serbia)

2018

First NPE sale in Cyprus of €2.8 bn Reducing cost base via branch rationalisation and VEP

2020

Deleveraging strategy - Project Helix 2, Velocity 1 & 2

Supporting the recovery of Cypriot economy during pandemic

Winning the "Banking Governance 2020" award

Creation of SupportCY

2022

Completion of Helix 3

First bank in Cyprus joining Partnership of Carbon Accounting Financials (PCAF) and estimating the Financed Scope 3 emissions on loan portfolio

2017

Reinstating wholesale market access: issuance of T2 and AT1

Full repayment of ELA of €11.4 bn

Moved listing from ATHEX to LSE

2019

Digital transformation scheme is put in practice

2021

Positioning the Bank on the path to sustainable profitability

Focusing even more on ESG agenda

Digital and IT transformation revamped

2023

Distribution following the European Central Bank's approval in April 2023

First Bank in Cyprus to join the Principles of Responsible Banking

Set the first decarbonisation target on Mortgage portfolio aligned with a climate scenario

Our business model

(GRI: 2-6)

Our products and services

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 Group's products and services aim at covering fully and effectively the constantly changing needs of its customers, whether businesses or individuals.

The Bank is the largest bank in Cyprus by market penetration, the Bank's deposit market share in Cyprus reached 37.7% as at 31 December 2023, compared to 37.2% as at 31 December 2022. The Bank is also the largest credit provider in Cyprus with a market share of 42.2% at 31 December 2023, compared to 40.9% at 31 December 2022.

The Group provides a wide range of financial products and services in Cyprus, as summarised in the section "[How we create value](#)", page 21.

Our 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	SME Banking	Corporate Banking	Wealth & Markets	International Banking	Total
2022						
Individuals	650,179	6,029	1,477	1,690	36,437	695,812
Legal Entities	34,831	5,351	2,711	226	18,095	61,214
Total Number of Customers	685,010	11,380	4,188	1,916	54,532	757,026
2023						
Individuals	660,088	5,009	1,512	1,499	38,555	706,663
Legal Entities	37,562	4,762	2,832	214	17,618	62,988
Total Number of Customers	697,650	9,771	4,344	1,713	56,173	769,651

Our presence

	Nicosia	Paphos	Limassol	Famagusta	Larnaca	Total
2022						
Branches	24	7	17	2	10	60
Unmanned Branches	8	3	1	2	3	17
Cash Offices	1	0	1	1	1	4
ATMs	54	14	34	9	22	133
Total	87	24	53	14	36	214
2023						
Branches	23	7	18	2	10	60
Unmanned Branches	9	2	1	2	3	17
Cash Offices	1	0	1	1	1	4
ATMs	53	13	34	9	22	131
Total	86	22	54	14	36	212

Number of branches on 01/01/2024: 60

Our operations

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 its efforts towards becoming a more customer centric organisation with its transformation program 'Sunrise', started in 2021. The transformational initiatives are monitored by the Transformation Office.

In 2023, a series of important initiatives delivered to support the Group's four strategic pillars.

1. Customer Centricity – A year of customer - centric wins
 - Digitally reshaped customers' daily interactions, from onboarding to deposits.
 - Enabled continuous monitoring for credit reviews.
 - Launched client portal for Genikes Insurance.
2. Growth and Excellence – Revving up our efforts
 - +34k lending applications received through our digital QuickLoans.
 - Joined forces with 3 key retailers to move forward embedded finance.
 - Enabled digital assisted sales with a new dedicated team.
3. Operating model – Redefining our modus operandi

- Introduced the new branch operating model, with emphasis in simplifying internal operations and elevate customer experience.
4. People & Culture – Launched new peoples' initiatives under our culture transformation programme
 - Organisational Health Index: Executed the survey to assess the progress of our Health priorities, with improved results under all priorities selected.
 - 'Think Tank' Competition: Launched the 1st intrapreneurship competition to nurture a culture of innovation with 70+ applications received, 9 Think Tank finalists and 3 winners.
 - 'BoC Academy': Launched the Academy in collaboration with the University of Cyprus and CIM Cyprus Business School. We offered 5 upskilling certificates and MBA scholarships with 60+ applications received and 20+ successful applicants.

Improving the Bank's operations

In 2023, a number of organisational restructurings were implemented by Central Operations, through transferring of responsibilities across Units, and the redeployment of employees within Central Operations, aiming to offer new opportunities to employees who remain in the same position for years, and to employees with potential.

In 2023, Central Operations achieved:

1. Central Operations have set and monitor continuously internal KPIs aiming to enhance customer experience (Preparation of facility documents for fresh money, Return rates, Mobile App KYC requests, Financial Statements, etc).

2. Trade Services Department fully utilised Digital Signatures for all Government guarantees issued and at the same time has submitted electronically all guarantees to Immigration Department by email. Increased % of digitally signed L/Gs from 10% in 2022 to 33% in 2023.
3. Over 1,700 clients have been onboarded on the Bank's front-end trade system (allNETT) and their requests were electronically submitted, thus eliminating paper printouts and relevant warehousing cost.
4. Increased Mobile App STP Ratio through further enhancements of Mobile App and through promotion of digital channels to customers.
5. Data Customer & Investigation Management Department was recertified as an LRA (Local Remote Authority) and successfully passed the Audit of 'QCert' (European Auditor for Digital Services (Signatures, IDs)). The Department is authorised to perform reviews and approvals of Cy Citizens for Digital Signatures and Digital IDs.
6. Reviewed transactions management operating model which resulted in a significant reduction in the number of transactions executed manually and their migration to digital channels.
7. Streamlined the Artemis ordering process and relevant circular in line with the relevant Directive and GDPR and rationalised the User Access Matrix.
8. Advances Documentation Department undertook the digital signing process, boarding and archiving in Filenet of Quick Loans documents.

9. Documents Management Unit coordinated the collection of documents from Branches and IBUs (back log of 2022 and 2023, 6 closing Branches/buildings, card applications) for centralised handling (separation, indexing, scanning, archiving).
10. Central Operations centralised the below processes in year 2023:
 - Manual (Non-Mobile app) KYC Low Moderate Line 1 Customers.
 - Customer and other Data Enrichment campaigns based on priorities set by Data Governance (Continued from 2022).
 - Cleared and handled 8,000 Customer/ Transactions/Turnover Financial Crime Risk Management (FCRM) Alerts. Balance on Alerts as at 31/12/2023 was 0.
 - Processing of ATMs cheques for 35 large branches and completed centralisation of Pay In Machines deposits (cash & cheques).
 - Enriched and sanitised customer information through centralised KYC and digital onboarding operations.
11. Below automations and Robotic Process Automations ('RPA') have been achieved for the simplification or streamlining of processes:
 - RPA process to read and verify customer Birth date on FCRM Customer Alerts to identify and close false alerts.
 - RPA process to handle and automate FLOW Structure report requests.
 - RPA for the automated SEPA Reconciliation process.
 - RPA for the Reconciliation of Cash 360 machines.

- RPA for Transactions executed through cash collection service.
 - Introduced new centralised KYC operating model and KYC Flow for handling non STP KYC reviews.
 - Introduced Transactions Flow.
 - Introduced Flow for mail handling.
 - Streamlined the product and portfolio opening process through the development of Flow.
 - Automated Treasury Daily Reporting and hedge effectiveness test (IFRS9).
 - Automated the submission of documents to Front Lines through Proteas system.
 - Introduced automated mail address label for posting of documents to customers.
 - Various automations / validations / enhancements in Proteas system which resulted in improved efficiency, reduced errors and better customer service.
 - Introduced QR Codes in all Proteas Documents.
 - Automation of legal documents in proteas (on going).
12. Implementation of below Cost Cutting Initiatives:
 - Termination of posting account statements to legal entities with 1Bank subscription. Annualised postages savings €30k.
 - Continued efforts for the reduction of Bloomberg / Refinitiv costs (by €150k+).
 13. The following projects regarding system upgrades have been completed:
 - Completed successfully Effect Web Base Project (Phase A).

- Completed successfully eFX Convert Project (Phase A).
- Completed successfully Swift November changes.
- Implemented T2-Consolidation Project and ISO20022 requirement which necessitated upgrade of Dovetail, Fincase and Aurora systems.
- Developed infrastructure for Treasury interest rate hedging strategy.

Project Ethos

Risk Management Division ('RMD') 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. An action plan towards the implementation of a firm-wide risk culture is in place across the Group and RMD has a leading role in it. The action plan includes, among other, the measurement of risk culture, both at Bank wide and divisional level, through a specific Risk Culture Dashboard, the communication of a series of topics aiming at re-enforcing risk culture and the provision of specific training for areas such as credit underwriting and other risk management related topics.

The Group enhances its risk control culture and increases the awareness of its employees on risk issues through ongoing staff training (both through physical workshops and through e-learning).

Kill Bureaucracy

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

Along these lines, the KillB program 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, workshops or visits at various units of the Bank. Focus is given to the High impact - Easy to implement recommendations. Recommendations that are implemented are announced to staff at regular intervals.

In 2023:

Received: 189 recommendations

Implemented: 20% (development of new electronic workflows to streamline and automate processes or changes in procedures)

In the process for implementation: 54%

Under evaluation: 26%



Our financial performance

Key Performance Indicators

(GRI: 201-1, FN-CB-550a.2)

In 2023, the Group's total economic value distributed is €461mn, in terms of operating costs, employee wages and benefits, payment to providers of capital, payments to the Government and community investments. The economic value distributed decreased by 9% in 2023 compared to 2022 mainly due to the Voluntary Staff Exit Plan, which was not repeated in 2023. By excluding the Voluntary Staff Exit Plan from the 2022 economic value distributed, the economic value distributed was increased by 15% in 2023 compared to 2022 mainly due to the dividend distribution incurred in 2023 out of 2022 earnings which amounted to €22,310 thousand in total.

	2021	2022 ¹	2023
	€ mn	€ mn	€ mn
Direct economic value generated			
Revenues	581	662	1,092
Economic value distributed			
Operating costs	142	141	146
Employee wages and benefits	202	181	192
Restructuring costs - Voluntary Staff Exit Plan (VEP)	16	104	-
Payments to providers of capital*	30	31	56
Payments to government**	38	44	63
Community Investments	3	3	4
Economic Value Retained			
Direct Economic value generated	581	662	1,092
Economic value distributed	431	504	461
Total	150	158	631

Notes:

- i. *Payments to providers of capital include the payment of coupon to AT1 holders, along with dividends paid to shareholders and non-controlling interest.
- ii. **Payments to government include the Bank's taxes (both corporate and income tax) and special levy.

¹On 1 January 2023 the Group adopted IFRS 17 "Insurance contracts" which replaced IFRS 4 "Insurance contracts". 2022 comparative information has been restated to reflect the impact of IFRS 17.

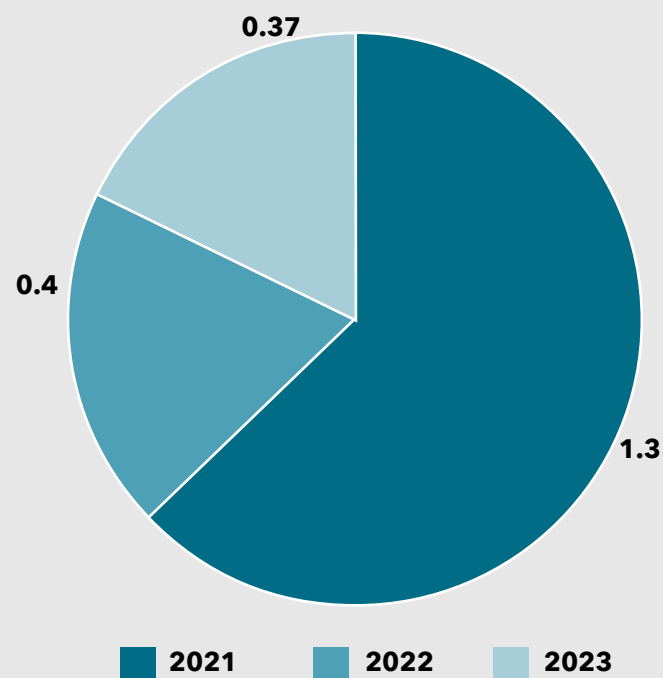
Non-Performing Exposures

Non-performing exposures (NPEs) reduced to €0.37bn (as reported) at 31 December 2023

€0.4bn in December 2022 (as reported)

€1.3bn in December 2021 (as reported) / €0.8bn pro-forma for held for sale²

Non-performing exposures ("NPEs") (as reported) €bn



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 remain unchanged; maintaining high quality new lending with strict underwriting standards and preventing asset quality deterioration following the ongoing macroeconomic uncertainty. Overall, since the peak in 2014 and following the completion of Helix 3, the stock of NPEs has been reduced by €14.6 bn or 98% to €0.37bn and the NPE ratio has been reduced by 59 p.p., from 63% to below 4%.

More information on Project Helix 3 is available in the 2023 Annual Financial Report ([Annual Reports - Bank of Cyprus](#))

¹ Pro-forma of Project Helix 3 and Project Sinope

Financial Performance

In 2023, the Bank generated a total income of €1,092 mn and operating profits of €708 mn. The profit after tax and before non-recurring items reached €489 mn and the net profit €487 mn. Total operating expenses (employee costs and other operating expenses) stood at €384 mn and the cost to income ratio same basis (i.e. excluding special levy on deposits and other levies/contributions) stood at 31%, down 18 p.p. year on year. During the year, the Bank further strengthened its capital position. As of 31 December 2023, capital ratios (on a transitional basis) were 22.4% for the Total Capital ratio and 17.4% for the CET1 ratio.

Liquidity Performance

Liquidity Coverage Ratio (LCR): On 31 December 2023, the Group Liquidity Coverage Ratio (LCR) stood at 359% (compared to 291% on 31 December 2022 and 298% on 31 December 2021), above the minimum regulatory requirement of 100%. The liquidity surplus in LCR on 31 December 2023 amounted to €9.1 bn (compared to €7.2 bn on 31 December 2022 and €6.3 bn on 31 December 2021).

Net Stable Funding Ratio (NSFR): On 31 December 2023, the Group's NSFR stood at 158% (compared to 168% on 31 December 2022 and 147% on 31 December 2021).

Financial Investments

2023 has seen markets continue being volatile, driven by increased geopolitical turmoil as well as monetary and fiscal changes. Inflation, diminishing growth, conflict escalation and central bank interest rate management have been the major themes driving this volatility. To this extent

the Bank has continued investing part of its liquid assets, primarily in highly rated and low capital usage securities, such as bonds issued by governments, corporates, government agencies, supranational, international organisations and banks. The bank started to invest more actively in ESG bonds of various issuers since 2021.

ESG Investments

In-line with the key-pillars of the Group's strategy as per RAF, the Bank has put in place an ESG strategy aiming to lead to the transition to a sustainable future focusing on Environmental, Social and Governance pillars.

As such, ESG considerations were incorporated in the decision-making process alongside other valuation metrics for a more holistic evaluation of each issuer. ESG considerations are addressed by screening out corporate issuers as per the corporate bond investment framework. Additionally, published ESG related information including the issuer's overall ESG score is utilised where available to ensure investments in high ESG risk industries are avoided and ESG risks are contained. Available information is also reviewed to identify companies that are sustainability leaders or included ESG related initiatives in their strategies.

As at 31/12/2023, the Bank invested in a total of c.€561 mn nominal of ESG bonds (including Green, Social and Sustainable bonds) (2022: €219mn 2021: €60mn).

The Bank has recognised the importance of promoting sustainability in its lending practices. In line with this, it has developed a comprehensive plan aiming to integrate ESG and Climate factors into its loan pricing framework to ensure long-term sustainable growth. Currently, a margin

discount, based on the client's ESG impact, is implemented for both new and existing clients on new lending requests, for all clients under Corporate Division (Line 3) differentiating however between Sectors that have been classified as carbon-intensive vs. non-carbon intensive. The discount will be applicable for lending facilities that fall under the provisions of the Bank's Green Lending Framework. In doing so, the Bank aims to ensure that the general approach on ESG and Climate pricing aligns with other ESG and Climate related initiatives.

Adequacy assessment processes

The ICAAP is a process whose main objective is to assess the Group's capital adequacy in relation to the level of underlying material risks that may arise from pursuing the Group's strategy or from changes in its operating environment. More specifically, the ICAAP analyses, assesses and quantifies the Group's risks, establishes capital needs for the material risks identified and assesses the Group's absorption capacity under both the baseline scenario and stress testing conditions. It examines whether the Group has sufficient capital, under both the base and stress case scenarios, to support its business and achieve its strategic objectives as per its Board approved Risk Appetite and Strategy. The Group undertakes quarterly reviews of its ICAAP results considering the latest actual and forecasted information.

The 2023 ICAAP has been submitted to the ECB on 31 March 2024. The 2023 ICAAP indicated that the Group has sufficient capital and available mitigants to support its risk profile and its business and to enable it to meet its regulatory requirements, both under a baseline and stress conditions scenarios.

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.



Engaging with Investors

In 2023, 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.

The Group, in cooperation with its designated Corporate Brokers for 2023, i.e. NUMIS Securities Limited, Bank of America Europe DAC and Keefe, Bruyette & Woods (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 2023, the Group attended a total of 13 conferences and roadshows and held 117 meetings.

Specifically, the Group attended 3 debt roadshows abroad, held 40 meetings with debt investors, 10 equity conferences/roadshows and 77 meetings with equity 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 a hybrid Annual General Meeting, offering the shareholders the opportunity to attend physically or 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 members of the Management, and the Investor Relations & ESG 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 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 2023, the Senior Independent Director held virtual and physical meetings with 5 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.
- 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 in 2023



Analysts	25
Debt Investors	59
Equity Investors	95
Rating Agencies	8
Correspondent Banks	21
Total	208

How we Create Value

(GRI: 2-1, 2-6)

Input	How we operate	How we add value Outputs and Impacts (2023)	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): €384mn • Customer deposits: €19,337mn 	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: €487mn • Total income: €1,092mn • Tax: €73mn • Gross loans: €10,070mn • Net Interest Income: €792mn 	  
Social and Relationship Capital <ul style="list-style-type: none"> • €700,000 social responsibility budget to support society • €2mn in 2023 for Oncology Centre • more than 181 members in SupportCY Network • Support to start-ups: €4mn invested in start-up business creation up to 2023 (financial and probono) through the IDEA Innovation Center 	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 • Commercial Banking • Asset Management • Finance • Wealth Management Services (Private Banking and Institutional Management) • Custody and Depositary Services • Global Markets execution services • Factoring • Investment Banking • Life Insurance (Eurolife) • General Insurance (Genikes Insurance) 	<ul style="list-style-type: none"> • Bank of Cyprus Oncology Centre: 55% of diagnosed cancer cases in Cyprus are being treated at the Center and in total 2,418 new patients treated • Bank of Cyprus Cultural Foundation: 41,210 event attendees with physical presence • 89 new start-up companies established through the IDEA innovation Center which is founded and supported by Bank of Cyprus to date • over €1 mn has been channeled through the Bank's SupportCY into Cypriot society in products, services, and money (March 2020 to December 2023) • €416,000 raised for the Cyprus Anti-Cancer Society with the Bank's contribution • €17,915 raised for the Cyprus Anti-Cancer Society via the Antamivi Card Reward Scheme 	   

Input	How we operate	How we add value Outputs and Impacts (2022)	Relevant SDGs
	<p>Where we operate 60 branches 4 cash offices 17 unmanned branches Representative offices in Russia (2), Ukraine (1) and China (1)</p> <p>How we are governed</p> <ul style="list-style-type: none"> • Transparent Corporate Governance • Solid risk management • Strong leadership team 		
<p>Intellectual and industrial Capital</p> <ul style="list-style-type: none"> • 77 Manned and Unmanned Branches • 131 ATMS • Dedicated Business Centres • Digital transformation 	<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 2023, the Bank Group operated through 60 branches, 4 cash offices and 17 unmanned branches. On 31 December 2023, the Group's Total Assets amounted to €26.6 bn and Total Equity was €2.5 bn.</p> <p>The Bank of Cyprus Group employed 2,830 employees worldwide as at 31/12/2023. 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"> • 9 branches, 5 unmanned or cash outlets and 18 ATMs in branches and ATMs in rural, sparsely populated or remote and economically disadvantaged areas • 75% of all branches accessible for people with disabilities • Total monetary value traded digitally: €53.04bn • Digitally engaged customers (individuals) ratio at 84% as at 31 December 2023 (2022: 82%, 2021: 79%) • Zero overdue pending complaints as of 31/12/2023 	  
<p>Human Capital</p> <ul style="list-style-type: none"> • Employee costs: €192mn • training hours: 71,650 • training participants: 2,463 • Strong team of data scientists, engineers and analysts • Members in the full service in-house digital team 		<ul style="list-style-type: none"> • 1 staff survey completed by 80% of employees • Internal communication tools • Over 99% performance appraisals completed • 276 employees recognised via the Extra Mile initiative 	  

Input	How we operate	How we add value Outputs and Impacts (2022)	Relevant SDGs
Natural Capital <ul style="list-style-type: none"> • ESG strategy • ESG working plan designed to deliver the ESG agenda of the Group • ESG working group • ISO 50001 for the Data centers • Continuous investment in energy-saving activities • Installation of 4 photovoltaics at owned buildings • Set Green/Transition new lending targets • Established a structured and detailed Business Environment Scan process • Set the first decarbonisation target on Mortgage portfolio aligned with climate scenario • At the end of December 2023, launched 'Green Housing' product aligned with Green Loan Principles of Loan Market Association 	<p>Investor relations & ESG department in cooperation with Risk Management Division are driving and implementing the ESG agenda of the Group. The Group has formed an ESG working group comprising of experts from various departments assigned with specific activities under the ESG working plan to support in implementation. The Group established in 2021 a Sustainability Committee to oversee the implementation of ESG strategy, monitor the progress against the ESG working plan and ESG targets. The Board of Directors has the ultimate oversight of ESG agenda.</p>	<ul style="list-style-type: none"> • First Bank in Cyprus to sign the Principles for Responsible Banking • 5% reduction achieved in carbon intensity metric on Mortgage portfolio between 2023 and 2022 baseline • €24.5 mn gross loan amount for environmentally friendly products as at 31 December 2023 • 1,537k kWh energy savings • 18% reduction in Scope 1 and Scope 2 GHG emissions compared to 2021 • Estimated 1,159,865 tonnes of CO₂e arising from Bond portfolio • Solar Energy Production 286k KWh • Enhanced the risk identification and materiality assessment of climate-related and environmental risks • Established an ESG Due Diligence process in the loan origination process 	 

Our supply chain

(GRI: 2-6)

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.

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

2023			
Category	Number of Suppliers	%	Amount Paid (€ - includes VAT)
Local Suppliers	1,100	74.8%	100,744,348
Foreign Suppliers	230	15.6%	26,256,508
Rents paid to third parties	140	9.5%	4,660,281
Total	1,470	100%	131,661,137

The Group's Sourcing Procurement & Vendor Management Policy sets the general principles governing the procurement process (purchase of goods and services), which are organised in three main groups:

- General Principles;
- Vendor management (selection, engagement, appraisal);
- Sourcing (direct, or through tenders).

All required purchases must follow the provisions of the Group's Sourcing Procurement & Vendor Management process. Received proposals from potential suppliers in response to the Bank's corresponding requests, should not be judged solely based on economic competitiveness, but should be taking into consideration factors such as the quality of the goods / services (fit to serve the purpose) and the Supplier/Service Providers ability to perform.

Standing by its longstanding commitment to responsible procurements / sourcing, in 2022 the Bank has implemented ZYCUS, the eProcurement system to manage suppliers, contracts, and invoices.

Pre-selection process must use defined criteria regarding capacity, capability, consistency, effectiveness, experience, current or previous cooperation and reciprocity. A structured assessment and, where appropriate, vendor due diligence must be executed prior to selecting a Supplier/Service Provider. This is done before accepting any proposal or signing any contract, as a key part of a vendor's assessment or the tenders' evaluation where Privacy Matters are also taken into consideration.

The Procurement Process is aligned with the Group's ESG strategy as this evolves and provides general principles that should be adhered to. Additionally, suppliers are expected to carry forward these principles to their suppliers and subcontractors. However, the Bank is currently considering incorporating the ESG criteria through the vendor qualification/onboarding process. The Bank reserves the right to request from the supplier for any policies, procedures, or documents that warrants the compliance with these principles. The Bank encourages

its suppliers to adopt, utilise and provide environmentally friendly technologies, products and services looking to contribute to the sustainable development of Cyprus and the world and expects from its suppliers to adhere to all the principles regarding Labor / Human Rights / Ethics, Working Conditions and Health & Safety matters. Suppliers are expected to uphold the highest ethical standards and comply with the principles and values of transparency, integrity, fair competition, and accountability, in all their exchanges with the Group. They must abstain from any action that might be linked to conflict of interest, bribery, any form of corruption or financial crime. The Bank expects its suppliers to comply with local laws, anti-corruption measures and initiatives that ensure commercial integrity (refrain from all forms of financial crime, improper or unwarranted payments, conflicts of interest, fraud, presents, copyright, among others). No confirmed incidents where contracts with suppliers were eliminated or not renewed due to violations related to corruption during 2023. The evaluation of tenders must be transparent and be using standardised methods based on accepted industry practices. The integrity of the evaluation weighting structure and criteria must be assured through the employment of necessary controls before the invitation to tender is issued and maintained as such throughout the process. At the highest level the proportional rule of 40% to 60% as regards the weight of financial criteria to technical criteria respectively should apply. The award should always be made by the competent Approving Authority, upon submission of a detailed proposal (evaluation report) through Group's Sourcing Procurement & Vendor Management Policy.

A supplier / service provider is engaged for the supply of goods or services through a legal contract and its performance is regularly appraised on the basis of meeting their contractual objectives.

The Bank pays particular attention to the relationships it forges with its suppliers and business partners. In 2023, the Bank continued to apply its centralised procurement process, while it carried out tenders to purchase products or services or to outsource services or activities.

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

Our Memberships and Recognitions

(GRI: 2-28)

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 Organisations of the Treadway
Commission Frameworks (COSO)

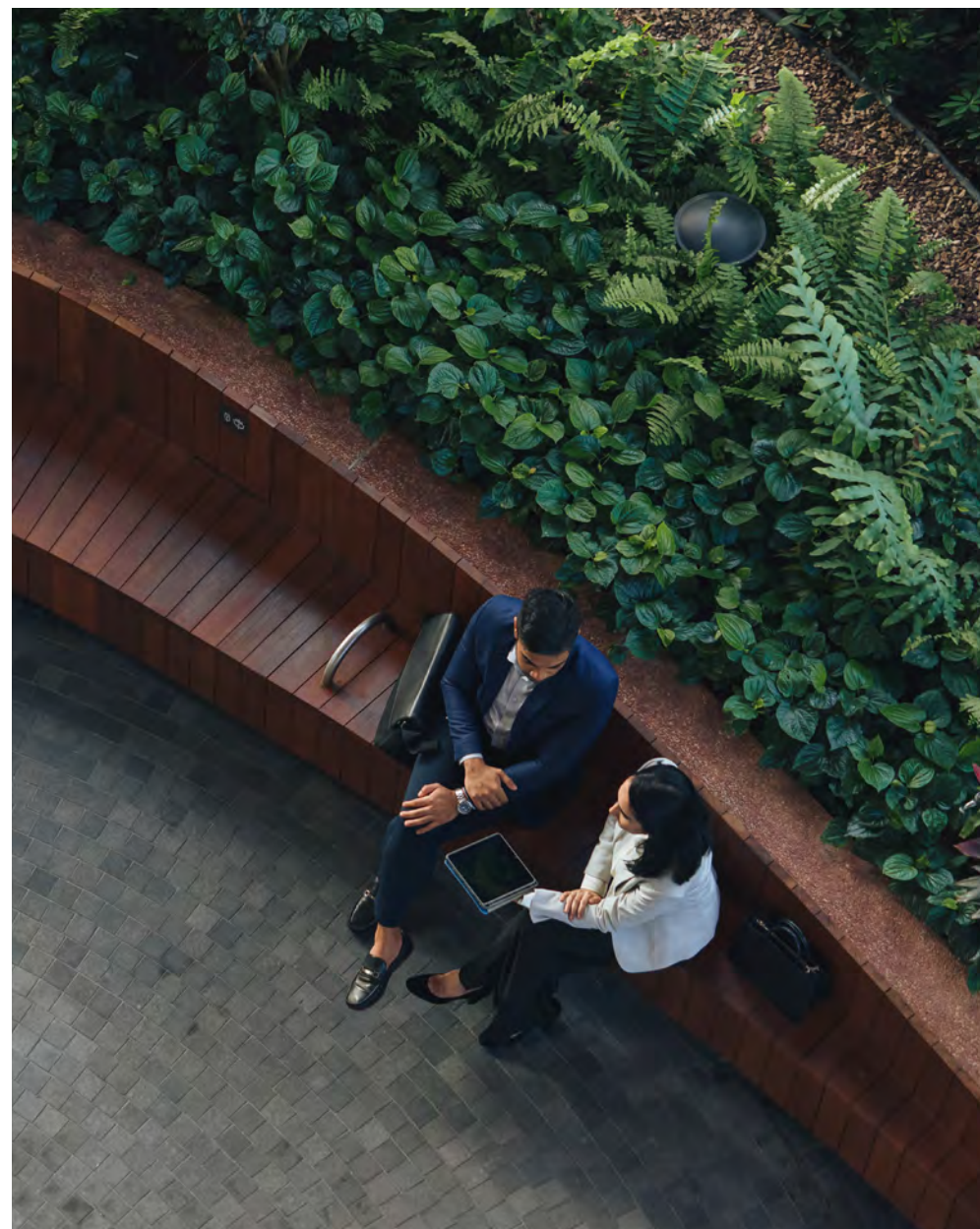
International Financial Reporting Standards (IFRS)

International Accounting Standards Board (IASB)

Payment Card Industry Security Standards (PCI)

International Standard on Auditing (ISA)

International Professional Practices Framework (IPPF)



Memberships

The Bank is an active member of plethora of national and public associations as presented in the following table.

Name	Holds a place in the governing body	Participates in projects or committees	Significant funding beyond the regular subscription	Considers its development 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)	√	√		√
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	√			

Memberships

Name	Holds a place in the governing body	Participates in projects or committees	Significant funding beyond the regular subscription	Considers its development as a strategic priority
The Cyprus Economic Society			√	
Cyprus Advertisers Association	√	√		
Advertising Control Agency		√		
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)	√	√		√

Memberships

Name	Holds a place in the governing body	Participates in projects or committees	Significant funding beyond the regular subscription	Considers its development as a strategic priority
ICPAC		√		
ARIS	√		√	
Cyprus Fiduciary Association			√	
Cyprus Shipping Chamber	√	√	√	√
ISDA (International Swaps and Derivatives Association, Inc.) (Note 1)				√
ICMA (International Capital Market Association) (Note 2)				√
Sepa CY SDD Committee	√	√		
European Banking Authority		√		
Partnership for Carbon Accounting Financial		√		

Notes:

1. Membership to ISDA association is necessary in order to have access to ISDA Counterparties' agreements templates, Protocols, Enforceability of Netting Opinions and reference material for the handling of amendments to existing ISDA documentation to ensure that these are align with industry standards (Derivatives and Collateral management).
2. Membership to ICMA association is necessary in order to have access to ICMA Counterparties' agreements templates, Enforceability of Netting Opinions and for the handling of amendments to existing GMRA documentation to ensure that these are align with industry standards (Repos).

Awards and Recognitions

- Best Bank in Cyprus for 2023 by the International and reputable Euromoney magazine for the 8th year
- Best Private Banking and Wealth Management 2023 award by the international and reputable Euromoney magazine via Private Banking and Wealth Management Survey 2023 for the 7th year
- National Certification as 'Equality Employer' by the Cyprus Ministry of Labour, Welfare and Social Insurance
- 'Quality Recognition Award' for 2023 from JP Morgan Chase Bank NA in recognition of the high-quality money transfer procedures through the SWIFT system.
- World Finance Award for Best Corporate Governance in the United Kingdom
- Recognition for 50 years of excellent cooperation by Citibank
- Senior in-house legal counsel at the GC Powerlist catalogue, Greece and Cyprus 2023 of Legal 500 to Katia Santis
- 'The Banker Award' - Bank of the Year in Cyprus 2023
- Gold for Best CRM - Data Analytics - Customer-Profiling Initiative for its MoneyFitPersonal Financial Manager, Bousias Awards
- Gold for HR Initiatives to facilitate an organisation's digital transformation, Bousias Cyprus HR Awards
- Silver for HR corporate Event of the Year, Bousias Cyprus HR Awards
- Silver for Excellence in Workplace Well-being, Bousias Cyprus HR Awards
- Bronze for Best Talent Management Strategy/Initiative, Bousias Cyprus HR Awards
- Corporate Volunteerism Award by Pancyprian Volunteerism Coordinative Council

Conferences and Summits

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

- IMH Conference
- IMH - 9th International Compliance Forum
- 3rd Credit Risk Management Forum
- Cyprus Investment Summit – London Stock Exchange
- ICA South Asia Financial Crime Compliance Conference
- ICA Taiwan International Regulatory and Financial Crime Compliance Conference
- CYBC's Principles of the user and the rule of law in the public sector
- Populism, transparency and Integrity in Europe
- Seeing through the smoke: Recognizing red flags as for a fraud free future
- 6th International Tax Conference
- Risk 3.0: Navigating Global Regulatory Challenges in the Digital Age
- Advanced AML: How does Theory work in Reality? Theory, Practice and Case Studies'
- C5 Global Sanctions Seminar in London
- IMH - 14th Limassol Economic Forum
- IMH - 11th Banking Forum & Fintech EXPO
- EMC Eastern Mediterranean Energy Conference & Exhibition
- Green and Sustainable Finance – Grant Thornton
- ICAEW Cyprus and Greece Virtual Conference 2024
- 9th International Funds Summit & Expo – 'Insights for 2024 and beyond'
- CBA Insolvency Corporate Series
- The 7th Business Leaders Summit – The New Generation of Cypriot Business Leaders



Demetris Demetriou, Chief Risk Officer was a speaker at the Credit Risk Management Forum.



Harris Pistos, International Banking Director, chaired the 9th Cyprus Professional Services Conference

- Business Ethics & Integrity - The Cornerstone of Corporate Sustainability
- Cyprus Forum: Mobilising business and finance against modern slavery
- C5 London Forum on Global Economic Sanctions
- Ernst & Young - 3rd Annual Corporate Reporting Insights event
- International Financial Reporting Standards (IFRS) Conference
- 15th Corporate Sustainability & Responsibility Conference
- 8th Cyprus Professional Services Conference
- Clearstream Deutsche Borse Conference
- IMH & PWC the 22nd Leadership & Human Resource Management Conference
- Ensuring Workplace Wellbeing: Effective Strategies - Institute of Development and Cyprus HR Association (CyHRA)
- IIA Cyprus Internal Audit Forum 2023

2023 Roadshows and Conferences

- Goldman Sachs Debt Roadshow
- CY Brokers Event
- Numis Equity Roadshow
- WOOD Greek Retreat
- Goldman Sachs 28th Annual European Financial Conference
- BofA 27th Annual Financials CEO Conference
- Morgan Stanley & Athens Stock Exchange Greek Investment Conference
- JP Morgan Debt Roadshow
- WOOD Winter Wonderland EME Conference
- Autonomous 2023 Greek & Cypriot Fins Forum



George Kousis, Executive Director Technology & Operations participated at the banking Forum and Fintech Expo



Panel Discussion at the 7th Business Leaders Summit organized by Bank of Cyprus

Our ESG Performance and Goals

Credit Ratings

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 our website – [Investors Relations](#)

ESG Ratings

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.

In 2023, the Bank of Cyprus Holdings PLC received a rating of AA (on a scale of AAA-CCC) (2022: AA, 2021: AA) in the MSCI ESG Ratings assessment.

Disclaimer

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Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Environment	<ul style="list-style-type: none"> Implement energy efficiency actions based on the decarbonisation strategy designed in 2022 to reduce further Scope 1 and Scope 2 GHG emissions Increase utilisation of renewable energy in own operations 	<ul style="list-style-type: none"> The Bank continuous the implementation of the decarbonisation strategy relating to Scope 1 and Scope 2 GHG emissions, in order to be reduced by 42% and become Carbon Neutral by 2030 c.18% reduction achieved by 2023 in Scope 1 and Scope 2 GHG emissions compared to 2021 baseline c.64% increase in renewable energy utilisation in own operations 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Set decarbonisation targets on Mortgage portfolio and carbon concentrated sectors of loan portfolio Estimate Financed Scope 3 GHG emissions of investment and insurance portfolio 	<ul style="list-style-type: none"> The Bank has set decarbonization target on Mortgage portfolio aligned with the International Energy Agency's Below 2 Degree Scenario. The Bank aims to reduce the carbon intensity of its Mortgage portfolio by 43% by 2030 compared to the 2022 baseline The Bank established certain sector new lending limits to sectors which are widely considered as carbon intensive sectors Estimated and published the Financed Scope 3 GHG emissions relating to the Corporate and Sovereign bond portfolio as well as Insurance associated GHG emissions of Commercial Lines and Motor Personal Line using PCAF standard and proxies 	<ul style="list-style-type: none"> Reduce the carbon intensity of Mortgage portfolio by 43% using a 2022 baseline (53.50 kgCO₂/m² as at 31/12/2022 to be reduced to 30.65 kgCO₂/m² by 31/12/2030) Set decarbonisation targets on additional asset classes and sectors Estimate Financed Scope 3 GHG emissions and/or Insurance associated GHG emissions of additional asset classes based on PCAF methodology availability
	<ul style="list-style-type: none"> Reduce energy consumption 	<ul style="list-style-type: none"> c.1,537k kWh of energy savings (comparing 2023 with 2022) 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Reduce paper consumption 	<ul style="list-style-type: none"> c.16% reduction in printed paper in 2023 compared to 2022 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Steadily increase Green Asset Ratio 	<ul style="list-style-type: none"> The Bank for the first time published its GAR in the Annual Financial Report of 2023. Due to EU taxonomy's thorough screening criteria to classify activities as Green as well as lack of available data in the market, the GAR is 0% 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Steadily increase Green Mortgage Ratio 	<ul style="list-style-type: none"> The Bank for the first time published its Green Mortgage Ratio in the Annual Financial Report of 2023. Due to EU taxonomy's thorough screening criteria to classify activities as Green as well as lack of available data in the market, the Green Mortgage Ratio is 0% 	<ul style="list-style-type: none"> Maintain goal

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Environment	<ul style="list-style-type: none"> Quantify the potential impact from Climate related and environmental transition risks 	<ul style="list-style-type: none"> The Bank developed a Framework to quantify transition risks The Bank quantified the impact of climate physical risks on collaterals 	<ul style="list-style-type: none"> Quantify the potential impact from climate related physical risks on Non- Financial Corporations
	<ul style="list-style-type: none"> Increase the investments in ESG Bonds 	<ul style="list-style-type: none"> ESG investments increased to €561mn (nominal amount) as at 31/12/2023 compared to €219mn as at 31/12/2022 	<ul style="list-style-type: none"> Continue to gradually increase ESG bond holdings
	<ul style="list-style-type: none"> Launch Green Mortgage product Increase renewable energy projects loan portfolio Increase loan portfolio for social loans 	<ul style="list-style-type: none"> The Bank designed and introduced a 'Green Housing' product, aligned with Green Loan Principles of Loan Market Association Environmentally friendly loans increased to €24.5 mn as at 31/12/2023 compared to €20.9 mn as at 31/12/2022 mainly due to the launch of new low emission vehicle hire purchase product which increased from €1.3 mn as at 31/12/2022 to €5.8mn as at 31/12/2023 The Bank took the necessary steps in order to be able to increase its exposure to renewable projects and social loans 	<ul style="list-style-type: none"> Increase Green / Transition new lending Maintain goal 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

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Social	<ul style="list-style-type: none"> Facilitate financial technology solutions and promote digital transformation 	<ul style="list-style-type: none"> Digitally engaged customers (individuals): 84,06% Digital transactions ratio (total portfolio): 95,56% Full launch of 4 QuickLoan products along with enabling the customer to sign QuickLoan documents digitally 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Maintain leadership and continue playing an active and positive role in the community 	<ul style="list-style-type: none"> €700k social responsibility budget to support society in the pillars of health, education and the environment €1mn of support channelled into Cypriot society by SupportCY since establishment (March 2020) 180 members (businesses and organisations) in SupportCY 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Enhance and raise awareness on various environmental issues within the society 	<ul style="list-style-type: none"> Bank of Cyprus and the Bank's SupportCY businesses and organisations joined forces and supported the Fire Department and the Forest Department in the prevention and protection of Cypriot forests In August 2023, medical equipment and essential items were sent by SupportCY to Greece for the hundreds of professionals and volunteers, who were operating on the fire fronts, including eye drops, burn creams and other medical materials During the floods in the area of Larissa in Greece, in September 2023, the SupportCY Volunteer Corps mobilized equipment and volunteers from Cyprus to support the Greek Fire Service and the local authorities 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Contribute and support to cancer patients and their families through the Bank of Cyprus Oncology Centre 	<ul style="list-style-type: none"> 2,418 new patients treated in 2023 €2mn financial contribution in 2023 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Increase fundraising for the Cyprus Anti-Cancer Society 	<ul style="list-style-type: none"> €416,000 raised in 2023 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Increase Bank of Cyprus Cultural Foundation activities and attendees 	<ul style="list-style-type: none"> 78 main activities by the Bank of Cyprus Cultural Foundation with 10,593 online and 41,210 physical attendees 	<ul style="list-style-type: none"> Maintain goal

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Social	<ul style="list-style-type: none"> Continue supporting start-ups under IDEA Innovation Center 	<ul style="list-style-type: none"> 7 start-ups joined in 2023 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Provide upskilling/reskilling opportunities in line with the digital transformation initiatives to broaden career opportunities 	<ul style="list-style-type: none"> 71,650 hours of training conducted New talent Management initiative in 2022 "UGrow" with one Development Center performed in 2022 with 26 participants and another Development Center performed in 2023 with 33 participants 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Continue executing annual survey checks with improved results 	<ul style="list-style-type: none"> A staff survey executed in October 2023 and completed by 80% of employees, revealed significant score improvements in the Group's priorities we set in 2022 	<ul style="list-style-type: none"> Maintain goal Design targeted actions to improve the scores of the selected Group's priorities
	<ul style="list-style-type: none"> Maintain and improve Health & Safety Perform an independent external audit on Health and Safety Management system 	<ul style="list-style-type: none"> 49% reduction in the work-related injuries ratio (from 0.2 in 2022 to 0.1 in 2023) 18 evacuation drills nationwide Health and Safety Management System is aligned with the regulatory requirements, and has been reviewed through an external audit process by an external H&S advisor which was completed in 2023 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Organize training seminars on Health & Safety topics 	<ul style="list-style-type: none"> 378 hours in First aid training 1,155 hours in Health and Safety matters 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Continue supporting and engaging employees through wellbeing activities under our wellbeing programme 'Well at Work' 	<ul style="list-style-type: none"> Organised +30 activities for all employees, +1,900 employees being engaged 	<ul style="list-style-type: none"> Maintain goal

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Governance	<ul style="list-style-type: none"> Conduct quarterly update on ESG agenda to the Board of Directors Conduct monthly Sustainability Committee meetings Introduce C&E risk report 	<ul style="list-style-type: none"> The Nominations and Corporate Governance Committee discussed ESG & Climate related items 9 times during 2023 The Risk Committee discussed ESG & Climate related items 3 times during 2023 11 Sustainability Committee meetings incurred in 2023 Clarified and enhanced roles and responsibilities of three lines of Defense Enhanced the ESG working plan developed in 2022 Established the Climate Risk Report Established the Sustainability Performance Report 	<ul style="list-style-type: none"> Quarterly present the Climate Risk Report to Sustainability Committee, ExCo and Risk Committee Quarterly present the Sustainability Performance Report to Sustainability Committee, ExCo and Nominations and Corporate Governance Committee Monitor the Green / Transition new lending targets through the Business Development Committee
	<ul style="list-style-type: none"> Develop 7th Sustainability Report 	<ul style="list-style-type: none"> Published 	<ul style="list-style-type: none"> Publish the first Corporate Sustainability Reporting Directive Disclosures in the Annual Financial Report of the Group
	<ul style="list-style-type: none"> Publish Task Force on Climate-Related Financial Disclosures (TCFD) for 2023 Publish disclosures on ESG risks under Pillar 3 disclosures (Table 1, 2, 3 and Templates 1, 2, 4, 5, 6, 7, 8, 10) 	<ul style="list-style-type: none"> Published ESG disclosures included in the Annual Financial Report of 2023 incorporating the Task Force on Climate-Related Financial Disclosures (TCFD), non-financial information and EU taxonomy Article 8 disclosures Published disclosures on ESG risks under Pillar 3 disclosures (Table 1, 2, 3 and Templates 1, 2, 4, 5, 6, 7, 8, 10) 	<ul style="list-style-type: none"> Publish the first Corporate Sustainability Reporting Directive Disclosures in the Annual Financial Report of the Group Publish disclosures on ESG risks under Pillar 3 disclosures (Table 1, 2, 3 and Templates 1, 2, 3, 4, 5, 6, 7, 8, 9, 10)
	<ul style="list-style-type: none"> Embed ESG Sustainability in the Bank's culture 	<ul style="list-style-type: none"> 1,154.5 hours of training to all staff regarding ESG matters and ESG strategy through e-learning 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> ≥30% women in the ExCo and Senior Management by 2030 	<ul style="list-style-type: none"> 33% women in the ExCo and Senior Management as at 31/12/2023 	<ul style="list-style-type: none"> Goal reached
	<ul style="list-style-type: none"> Encourage Whistleblowing 	<ul style="list-style-type: none"> Trained 1,966 employees on Antibribery, Corruption and Whistleblowing 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Maintain a 'zero tolerance' to acts of bribery and corruption by anyone and continue to prevail against money laundering 	<ul style="list-style-type: none"> 9k customer relationships terminated suspended and 2.5k potential new customers were rejected exclusively for compliance reasons Trained 2,345 employees on AML and Prevention of Terrorism 	<ul style="list-style-type: none"> Maintain goal

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Governance	<ul style="list-style-type: none"> Ongoing membership and support to the mission and values of the BIF 	<ul style="list-style-type: none"> The Bank is one of the two financial institutions in Cyprus that is a member of the BIF and this demonstrates the Bank's support for the mission and values of the BIF, since the Bank has been and still is openly committed to high anti-corruption and ethical standards in business practices 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Introduce an ESG and an Environmental policy 	<ul style="list-style-type: none"> The ESG and Environmental policies were developed and reviewed by the relevant parties within the Bank 	<ul style="list-style-type: none"> Launch the ESG and Environmental policy
	<ul style="list-style-type: none"> Revise and enhance the existing Green Lending Policy to facilitate green lending 	<ul style="list-style-type: none"> The Bank updated and revised its Green Lending Policy 	<ul style="list-style-type: none"> Establish Green Lending Procedure to facilitate green lending
	<ul style="list-style-type: none"> Embed specific KPIs relating to the implementation of ESG strategy to the Senior Management 	<ul style="list-style-type: none"> ESG criteria are reflected in the remuneration policy ESG KPIs have been reflected in the performance appraisals of Senior Management 	<ul style="list-style-type: none"> Maintain goal
	<ul style="list-style-type: none"> Acquisition of granular physical risks database 	<ul style="list-style-type: none"> The Bank enhanced materiality assessment on climate related and environmental risks and incorporated the assessment of physical risks on a location basis using a third party database The Bank established a structured and detailed process, with clear roles and responsibilities, to gather a broad range of climate and environmental updates and developments, to assess their impact, across different time horizons, and identify C&E risks emerging from these updates and developments and inform the Bank's risk and strategic profile 	<ul style="list-style-type: none"> Create a collateral screening process in relation to physical risks
	<ul style="list-style-type: none"> Establish an ESG due diligence process through the usage of customer questionnaires as part of the credit underwriting process 	<ul style="list-style-type: none"> During 2023, the Bank established an ESG Due Diligence process with the objective being to assess customers (existing and new) on their performance against various aspects around ESG and climate risks. 	<ul style="list-style-type: none"> Establish the syndicated ESG due diligence process through the syndicated project across the Cypriot Banking system aiming to establish a common platform that will allow the assessment of customers' ESG factors
	<ul style="list-style-type: none"> Design an ESG data strategy 	<ul style="list-style-type: none"> The Bank performed an ESG Data Gap assessment and designed an ESG Data Strategy by the end of 2023. In addition, an ESG Data working group has been formed in order to facilitate the implementation of the strategy set 	<ul style="list-style-type: none"> Implement the ESG data strategy

Our Goals

Area	2023 Goal	2023 Main achievement	2024 Goal
Governance	<ul style="list-style-type: none"> Set the foundations which will enable Green/Social or Sustainable bond issuance in the future 	<ul style="list-style-type: none"> The Bank set up and published its Sustainable Finance Framework, which enables the issuance of Green/Social/ Sustainability bond The Bank initiated a data gathering exercise in order to identify a pool of eligible assets under the Sustainable Finance Framework 	<ul style="list-style-type: none"> Explore the issuance of a Green/Social or Sustainable Bond



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Our approach to sustainability

ESG strategy

(GRI: 2-12)

Leading Cyprus towards a Sustainable Future

The Bank plays a key role in driving economic growth of Cyprus with a long presence and a dominant market position. Sustainable development, social progress, environmental integrity, climate stability and a viable economy are all among the Bank's key targets for 2023 and beyond.

Bank of Cyprus is determined to lead the transition of the country into a sustainable future. During 2023, the Bank has made significant progress in enhancing its ESG agenda in its portfolio and operations. The Bank continues its "Beyond Banking" strategic approach to sustainability.

The Bank keeps in mind the continuous challenges arising from its business activity that simultaneously are affecting the environment, people and the economy.

Bank of Cyprus ESG Strategy

The ESG strategy formulated in 2021 is continuously expanding. The Group is maintaining its leading role in the Social and Governance pillars and focuses on increasing the Group's positive impacts on the Environment, by transforming not only its own operations, but also the operations of its customers.

The Bank continues to be committed to the following primary ESG targets, in line with the publication of the Group's Financial Results for the year ended 31 December 2023:

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

The aspiration to achieve a representation of at least 30% women in Group's management bodies (Defined as the EXCO and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, as at 31 December 2023, in Group's management bodies, following the appointment of two female General Managers in Eurolife and General Insurance of Cyprus.

Primary ESG Targets

Become Carbon Neutral by 2030	The Group aims to become carbon-neutral by 2030, by gradually eliminating its scope 1 and 2 GHG emissions. The Group has estimated the Scope 1 and Scope 2 GHG emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target. The Bank has estimated Scope 1 and Scope 2 GHG emissions for 2023 in order to monitor the progress on carbon neutrality target. For the Bank to meet the carbon neutrality target, the Scope 1 and Scope 2 GHG emissions should be reduced by 42% (absolute target) by 2030 compared to the baseline of 2021.
Become Net Zero by 2050	The Bank is committed to become Net Zero, in alignment with the Paris Climate agreement goal, by 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 ('GAR')	<p>The Green Asset Ratio (GAR) indicates the degree of alignment with the EU Taxonomy, such as showing 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.</p> <p>The Bank for the first time in 2023 disclosed its GAR based on Article 8 of the EU Taxonomy Regulation within 2023 Annual Financial Report, and can be found in the Bank's website (Annual Reports - Bank of Cyprus). Currently, the GAR covers the two climate-related EU environmental objectives, Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA).</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.

For the Group to articulate the delivery of its primary ESG targets and address regulatory expectations, a comprehensive ESG working plan has been established in 2022 and further developed in 2023. The ESG working plan is closely monitored by the Sustainability Committee, Executive Committee and the Board of Directors at frequent intervals. The working plan is in alignment with the Bank's ESG strategy and applies, among others, on decarbonisation issues, risk identification and impact assessment.

Our material impacts

(GRI: 3-1, 3-2)

Principles for Responsible Banking (PRB) Impact Analysis

In September 2022, the Bank voluntarily conducted an impact analysis, using its loan portfolio, in accordance with the PRB's impact analysis tools. In October 2023, the Bank has become the first Bank in Cyprus to sign the United Nations PRB which is a single framework for a sustainable banking industry, developed through a collaboration between banks worldwide and the UNEPFI.



Creating the future of banking

The **Principles for Responsible Banking** is a unique framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement. The framework consists of 6 Principles designed to bring purpose, vision and ambition to sustainable finance.



PRINCIPLE 1: **ALIGNMENT**

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.



PRINCIPLE 2: **IMPACT & TARGET SETTING**

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.



PRINCIPLE 3: **CLIENTS & CUSTOMERS**

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.



PRINCIPLE 4: **STAKEHOLDERS**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.



PRINCIPLE 5: **GOVERNANCE & CULTURE**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.



PRINCIPLE 6: **TRANSPARENCY & ACCOUNTABILITY**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Source: <https://www.unepfi.org/banking/more-about-the-principles/#:~:text=Creating%20the%20future%20of%20banking,and%20the%20Paris%20Climate%20Agreement>

The dedicated loan portfolio alignment analysis was conducted by the Bank, using the Portfolio Impact Analysis Tool for Banks (version 3), aiming to identify the areas with the most significant impact. Developed by banks, under the leadership of the UNEPFI, the Portfolio Impact Analysis Tool for Banks is an interactive input-output workflow which requires users to input data to describe their portfolio and to reflect their current and potential impact performance. The Tool uses a set of in-built impact mappings to produce a number of outputs, in particular a set of Impacted topics by business line or sector. It guides the banks to identify their most significant impact areas and determine priorities, setting the basis for strategy development and target-setting.

The Bank's 93% of total Gross Loan portfolio as at 31 December 2023 was examined under the Institutional and Consumer Banking PRB Impact tools, so as to identify the key Impact areas and Impact topics.

Scope	Institutional & Consumer loan portfolio
Geographic location	Cyprus
Excluded from scope	Investment banking portfolio & Group subsidiaries

As part of this exercise, the Bank has determined the scope and perimeter of its financed activities and services to be included in the analysis, using the 'context module' of the PRB Impact Analysis tool.

	Business segments	
Indicator	Institutional Banking	Consumer Banking
Geographic scope	Cyprus	
Size of Business segment (total Gross Loans, in € mn)	4,522*	4,781
Proportion of the Bank's overall business activity represented per Business segment	45.2%	47.8%
Industry classification	NACE	
Choice of indicators	Drawn outstanding loans	

*Top 50 NACE codes

The exercise was conducted using the Impact Radar, a compilation of Impact Areas and Topics across the three pillars (Natural Environment, Social, Socio-Economic) of sustainable development.

- **Impact Areas** represent the objectives that are relevant and that are pursued for each of the three pillars. They respond to the question: 'what is the goal or objective that needs to be achieved?'
- **Impact Topics** provide, where relevant, a further breakdown of the constitutive elements of the Impact Areas. They respond to the question: 'what are the constitutive parts of the goals/objectives, or, what is their achievement a function of?'















The Impact Radar at a glance










Refer to [Appendix](#) for the definitions of the Impact Areas and Topics

Source: <https://www.unepfi.org/impact/impact-radar-mappings/>

Bank of Cyprus - Institutional banking key impacts

Impact	Impact areas	Impact topics	Associated SDGs	Key contributing sectors (Top 2)
Positive	Availability, accessibility, affordability & quality of resources and services	Housing		<ul style="list-style-type: none"> • 41.1 Development of building projects • 68.2 Rental and operating of own or leased real estate
		Education		<ul style="list-style-type: none"> • 68.1 Buying and selling of own real estate • 68.2 Rental and operating of own or leased real estate
		Healthcare & sanitation	 	<ul style="list-style-type: none"> • 47.7 Retail sale of other goods in specialised stores • 21.1 Manufacture of basic pharmaceutical products
Negative	Climate Stability	Climate Stability		<ul style="list-style-type: none"> • 41.1 Development of building projects • 68.2 Rental and operating of own or leased real estate
	Circularity	Resource Intensity		<ul style="list-style-type: none"> • 41.1 Development of building projects • 68.2 Rental and operating of own or leased real estate
	Biodiversity and healthy ecosystems	Species	 	<ul style="list-style-type: none"> • 41.1 Development of building projects • 50.2 Sea and coastal freight water transport
		Habitat	 	<ul style="list-style-type: none"> • 68.1 Buying and selling of own real estate • 41.1 Development of building projects
		Soil		<ul style="list-style-type: none"> • 41.1 Development of building projects • 46.7 Other specialised wholesale
	Strong institutions, peace & stability	Rule of law		<ul style="list-style-type: none"> • 68.1 Buying and selling of own real estate • 68.2 Rental and operating of own or leased real estate
	Natural Disasters	Natural Disasters	 	<ul style="list-style-type: none"> • 41.1 Development of building projects • 50.2 Sea and coastal freight water transport

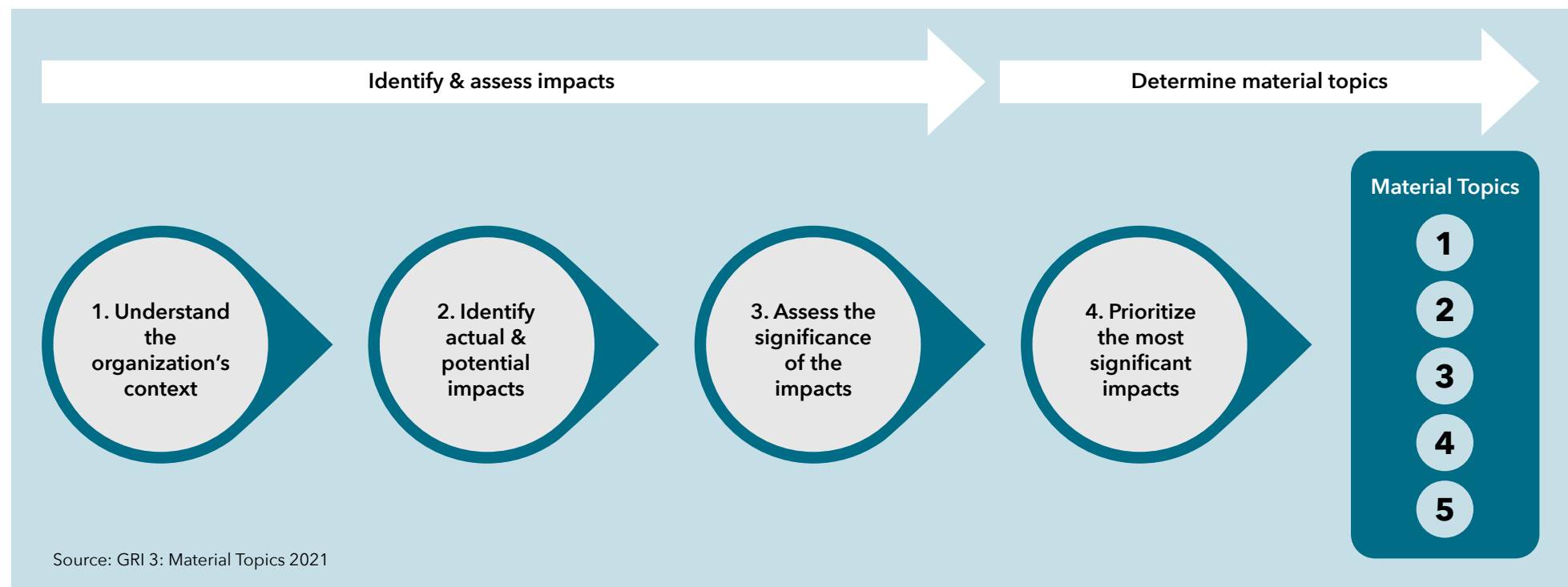
Bank of Cyprus - Consumer banking key impacts

Impact	Impact areas	Impact topics	Associated SDGs	Key contributing sectors (Top 2)
Positive	Availability, accessibility, affordability & quality of resources and services	Finance	 	<ul style="list-style-type: none"> • 64.432 Consumer loans & overdraft • 64.434 Home loans/mortgages
		Housing		<ul style="list-style-type: none"> • 64.434 Home loans/mortgages
Negative	Availability, accessibility, affordability & quality of resources and services	Finance	 	<ul style="list-style-type: none"> • 64.431 Credit Cards • 64.432 Consumer loans & overdraft
	Climate Stability	Climate Stability		<ul style="list-style-type: none"> • 64.434 Home loans/mortgages • 64.435 Vehicle related loans
	Circularity	Resource Intensity		<ul style="list-style-type: none"> • 64.434 Home loans/mortgages • 64.435 Vehicle related loans



GRI Materiality Analysis

In December 2022, Bank of Cyprus adopted for the first time the new methodology of the GRI Standards 2021, for conducting its materiality analysis. The process to define the material topics is based on the identification and assessment of the impacts created by the Bank's products and services, as well as its value chain and operations, to the economy, environment, and people, including impacts on their human rights.



Step 1. Understand the organisation's context

Creation of an initial high-level overview of the Bank's activities and business relationships, the sustainability context in which these occur, prior year material topics and an overview of its stakeholders.

Step 2. Identify actual and potential impacts

Identification of the impacts created by the Bank's products and services, as well as its supply chain and operations, to the economy, environment, and people, including impacts on their human rights. To this end, a scoping exercise was conducted, utilizing information from a diverse array of sources, aiming to capture both operational and financed impacts.

- With regards to operational and supply chain impacts, the internal mechanisms of the Bank, including legal reviews, anti-corruption compliance management systems, occupational health and safety inspections, as well as shareholder filings were taken into consideration. All management systems, certifications, corporate responsibility initiatives, as well as broader enterprise risk management systems were reviewed in order to identify both positive and negative actual and potential impacts on the economy, the environment, and people, including relevant risks for the organisation itself.
- With regards to the financed impacts, the results of the UNEP FI Principles for Responsible Banking (PRB) Impact Analysis were used following the application of the Institutional and Consumer Banking Portfolio Impact Analysis Tools. All the actual and potential positive and negative impacts of the Bank arising from its institutional and consumer banking portfolios,

were assessed and mapped against the impact areas and topics of the Impact Radar.

The results of the GRI materiality analysis conducted for the purposes of the [2022 Sustainability Report](#) were taken into account while performing the GRI materiality analysis for this year's Report.

The operational and financed positive and negative impacts were consolidated in accordance with the mapping of impact areas and topics of the revised Impact Radar (July 2022), and its three pillars of sustainable development (economic, environmental and social), taking into consideration internationally recognized standards and definitions, including the SDGs.

All identified positive and negative impacts of the Bank, were validated by the Sustainability Committee of the Bank and with selected internal stakeholders, having deep knowledge and expertise on the organisation's financing and operational activities.

Step 3. Assess the significance of the impacts

Assessment of the significance of the identified impacts by the Senior Management team and other Managers of the Bank with ESG responsibilities, allowing the prioritisation of impacts, as well as the definition of the material. The assessment of impacts involved a dedicated electronic survey for the qualitative analysis of how significant each impact is, considering the activities of the Bank, including its financed activities and sectors, and business relationships.

Specific criteria as defined by the GRI were taken into consideration.

These include:

- Scale: how beneficial or grave the impact is or could be;
- Scope: how widespread the impact is or could be;
- Irremediable character: how hard it is to counteract or make good the resulting harm;
- Likelihood: what is the chance of the impact happening.

















Positive impacts	
Potential Impacts	Actual Impacts
<ul style="list-style-type: none"> • Scale • Scope • Likelihood 	<ul style="list-style-type: none"> • Scale • Scope

Negative impacts	
Potential Impacts	Actual Impacts
<ul style="list-style-type: none"> • Scale • Scope • Likelihood • Irremediable character 	<ul style="list-style-type: none"> • Scale • Scope • Irremediable character

Step 4. Prioritise the most significant impacts

Prioritisation of the impacts based on their significance, by the Sustainability Committee of the Bank, while setting a cut-out point (threshold) to determine which positive and negative impacts are material.

Our material impacts

Strategic pillar	Material topics	Prioritized impacts	Positive impacts		Negative impacts		Associated SDGs
			Financed	Operational	Financed	Operational	
Environment	Climate	Climate Stability	✓	✓	✓	✓	
	Circularity	Resource Intensity	✓	✓	✓	✓	 
	Biodiversity & ecosystems	Air	✓	✓	✓	✓	 
		Soil			✓		 
Society	Financial inclusion & resilience	Finance	✓	✓	✓	✓	 
		Housing	✓				
	Education & development	Education	✓	✓			
	Health, safety, and wellbeing	Health and safety	✓	✓	✓		
		Healthcare and sanitation	✓	✓			 
	Culture and heritage	Culture and Heritage	✓	✓	✓		
Governance	Data privacy	Data Privacy				✓	

Stakeholder engagement

(GRI: 2-12, 2-29)

The Bank's sustainable development approach is based on continuous dialogue with its stakeholders. Through a relationship based on trust and transparency Bank of Cyprus identifies, evaluates and prioritizes the most significant impacts that its activity creates or may create on the environment, people (including on their human rights), and the economy. In 2023, the Bank confirmed the stakeholder groups identified in the 2022 sustainability report.

Stakeholders are defined as individuals or groups that have interests that are affected or could be affected by our activities or those who reasonably may affect our ability to implement our strategies and achieve our objectives for an inclusive and sustainable community.

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
BOC Group				
	<ul style="list-style-type: none"> • Meetings • Participation in Steering Committee meetings for specific projects • Progress update on implementation of projects • Participation in Board Committees • Meetings for Subsidiary results and KPIs progress • Group Financial Results 	<ul style="list-style-type: none"> • Monthly • As needed • As needed • As needed • Monthly • Quarterly 	<ul style="list-style-type: none"> • Organisational • Departmental 	Human & financial resources
Board of Directors				
	<ul style="list-style-type: none"> • Meetings • AGMs • Ask the Board • Trainings 	<ul style="list-style-type: none"> • Regular basis • Annually • Ongoing • Ongoing 	<ul style="list-style-type: none"> • Organisational • Departmental 	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
Employees				
	<ul style="list-style-type: none"> • Personal • Group meetings • Presentations • Internal portal • Email announcements • Internal workshops • Employee Opinion Survey • Management Practices Survey • Internal Satisfaction Survey • Yammer Internal Collaboration Tool • Extended Leadership Team • Ask the CEO • Ask the Board • Organisational Health Project 	<ul style="list-style-type: none"> • As needed • Quarterly • As needed • Daily • As needed • As needed • Annually • Biennially • As needed • Weekly • Quarterly • As needed • As needed • Ongoing 	<ul style="list-style-type: none"> • Organisational • Departmental 	Human & financial resources
Investors and Shareholders				
	<ul style="list-style-type: none"> • Website • Email • Announcements • Annual and extraordinary general meetings • Conference calls • Meetings • Conferences and Roadshows 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Annually • Quarterly • Ongoing • 13 in 2023 	<ul style="list-style-type: none"> • Organisational • Departmental 	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
Customers				
	<ul style="list-style-type: none"> • Website • Post (account statement non 1Bank subscribers) if customers choose so • Phone access to one's personal banker • Media campaigns • Personal meetings • Teams or teleconference • Focus groups and surveys • SupportCY Network 	<ul style="list-style-type: none"> • Many times per week • Frequency depends on customer's choice • Ongoing • Depends on product and medium • As needed • As needed • Frequency depends on topic and nature of the survey/focus group • Once a week through social media 	<ul style="list-style-type: none"> • Organisational • Departmental • Project level 	Human & financial resources
Business Partners				
	<ul style="list-style-type: none"> • Business contracts • Contact via telephone, email • Personal meetings • SupportCY Network 	<ul style="list-style-type: none"> • As needed • As needed • As needed • Twice per month 	<ul style="list-style-type: none"> • Organisational • Departmental • Project level 	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
Business Community				
	<ul style="list-style-type: none"> • SupportCY Network • Telephone • Email • Personal meetings • Media campaigns • Focus on groups and surveys 	<ul style="list-style-type: none"> • Twice per month • As needed • As needed • As needed • Depends on product and medium • Frequency depends on topic and nature of the survey/focus group 	<ul style="list-style-type: none"> • Organisational 	Human & financial resources
Civil Society				
	<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's 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 • SupportCY 	<ul style="list-style-type: none"> • Daily • Indicative participation in conferences and events on pages 31 & 32. • Three times per week • Three times per week • Twice per week • Twice per month 	<ul style="list-style-type: none"> • Organisational 	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
Government and Regulations				
	<ul style="list-style-type: none"> • Meetings • SupportCY 	<ul style="list-style-type: none"> • As needed • In any given situation of emergency and crisis 	<ul style="list-style-type: none"> • Organisational • Departmental • Project level 	Human & financial resources



Alignment with the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. The Financial Sector plays a fundamental role in sustainability. In this context, the Bank makes a significant contribution to SDGs and SDG targets.

Detailed information regarding specific contributions to each SDG and relevant SDG targets of the Bank's pillars may be found in the SDG KPIs that follow.

Environment

- Environmental Footprint
- Waste Management
- Energy Consumption
- Climate Change and Decarbonisation
- Environmental Systems and Investments
- Financing the Transition to a Low Carbon Economy


Social

- Social Contribution
- Stakeholder Engagement
- Local Communities
- Financial Literacy
- Indirect Economic Impacts
- Occupational Health and Safety
- Diversity, Inclusion and Equal Opportunities
- Employment Development and Retention
- Employee Wellbeing
- Employee Sustainability and ESG Awareness
- Corporate Volunteering
- Innovation and Digitilisation
- Service Quality, Customer communication and Satisfaction
- Financial Inclusion


Governance

- Sustainability Governance
- Inclusion and Diversity
- Reporting
- Policies
- Cyber Security & Data Protection
- Data Privacy
- Training



UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 3.6 Reduce the number of deaths and injuries from road traffic accidents. 	<ul style="list-style-type: none"> Hours of training in relation to Health & Safety provided to employees Number of events organized on road safety with total number of participants 	<ul style="list-style-type: none"> CPR & AED: 34 participants / 255 hrs Emergency First Aid at work: 52 participants / 390 hrs Safety in workplace (e-learning): 2,808 participants / 1,404 hrs 580 friendly vehicle mechanical checks within the annual Road Safety Campaign, by 5 volunteers with expertise on the matter 6 lectures to schools and 34 lectures to military camps on Road Safety: ~320 students and ~1,020 soldiers participated Road Safety Informational Material in Cooperation with Ministry of Communications and Works for the Cypriots who travel with their cars to Greece ~350 drivers (Limassol Port) Road Safety Educational Campaign (Driving with Bad Weather) 	<ul style="list-style-type: none"> CPR & AED: 39 participants / 273 hrs Emergency First Aid at work: 53 participants / 378 hrs Road Safety Informational Material in Cooperation with Ministry of Communications and Works for the Cypriots who travel with their cars to Greece ~350 drivers (Limassol Port) Road Safety Educational Campaign (Driving with Bad Weather)
	<ul style="list-style-type: none"> 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 the Bank's actions 	<ul style="list-style-type: none"> 39,924 patients and their families (Bank of Cyprus Oncology Centre, Cyprus Anticancer Society, En Ergo programme for paraplegics and quadriplegics) 	<ul style="list-style-type: none"> 21,141 patients and their families (Bank of Cyprus Oncology Centre, Cyprus Anticancer Society)



UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 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"> 3,106 employees attended 324 sessions Board Members: 10* (4w/6m) Senior Management: 19* (5w/14m) Management: 596 (263w/333m) Officers: 2,489 (1,575w/914m) 64,660 hours of training (39,299w/25,361m) <p><i>* The number of Senior Management excludes the two Executive Directors as are included in Board Members number</i></p>	<ul style="list-style-type: none"> 2,463 employees attended 401 sessions Board Members: 9* (4w/5m) Senior Management: 18* (5w/13m) Management: 475 (218w/257m) Officers: 1,968 (1,263w/705m) 71,728 hours of training (45,220w/26,508m) <p><i>* The number of Senior Management excludes the two Executive Directors as are included in Board Members number</i></p>
	<ul style="list-style-type: none"> 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"> €8.8mn new lending in education sector 	<ul style="list-style-type: none"> €2.8mn new lending in education sector
	<ul style="list-style-type: none"> 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 28) 	<ul style="list-style-type: none"> Total amount invested through partnerships with educational institutions: €16,000 (Total number 28)



UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 4.7 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"> 60 SupportCY Volunteers (38%w/ 62%m) 	<ul style="list-style-type: none"> 60 SupportCY Volunteers (38%w/ 62%m)
	<ul style="list-style-type: none"> 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 Total hours of training per level, gender 	<ul style="list-style-type: none"> No promotions were provided in 2022 3,106 employees attended 324 sessions Board Members: 10* (4w/6m) Senior Management: 19* (5w/14m) Management: 596 (263w/333m) Officers: 2,489 (1,575w/914m) <p><i>* The number of Senior Management excludes the two Executive Directors as this are included in Board Members number</i></p>	<ul style="list-style-type: none"> No promotions were provided in 2023 2,463 employees attended 401 sessions Board Members: 9* (4w/5m) Senior Management: 18* (5w/13m) Management: 475 (218w/257m) Officers: 1,968 (1,263w/705m) <p><i>* The number of Senior Management excludes the two Executive Directors as this are included in Board Members number</i></p>


UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 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"> 39% of the key positions below extended ExCo/Senior Management are women 40% women participation in the Board of Directors 3,106 employees attended 324 sessions Board Members: 10* (4w/6m) Senior Management: 19* (5w/14m) Management: 596 (263w/333m) Officers: 2,489 (1,575w/914m) <p><i>* The number of Senior Management excludes the two Executive Directors as this are included in Board Members number</i></p>	<ul style="list-style-type: none"> 40% of the key positions below extended ExCo/Senior Management are women 44% women participation in the Board of Directors 2,463 employees attended 401 sessions Board Members: 9* (4w/5m) Senior Management: 18* (5w/13m) Management: 475 (218w/257m) Officers: 1,968 (1,263w/705m) <p><i>* The number of Senior Management excludes the two Executive Directors as this are included in Board Members number</i></p>
	<ul style="list-style-type: none"> 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"> Steadily increase the transition finance provided to Accommodation industry Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio under the NACE sector of Accommodation and Food Service activities Establish ESG scorecards in the loan origination process 	<ul style="list-style-type: none"> New Goal for 2023 	<ul style="list-style-type: none"> Set Green/Transition new lending targets in the Financial Plan of 2024-2027 including NACE sector Accommodation and Food Service activities The Bank explored to set decarbonisation target on NACE sector Accommodation and Food Service activities, however there is no available methodology at the moment Established an ESG Due Diligence process in the loan origination process


UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	• 8.10 Strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	• Percentage (%) of transactions carried out through digital networks and other electronic solutions	<ul style="list-style-type: none"> • €49.01 bn total monetary value traded in digital channels • Digital Transactions Ratio (Total Portfolio): 93.94% 	<ul style="list-style-type: none"> • €53.04bn total monetary value traded in digital channels • Digital Transactions Ratio (Total Portfolio): 95.56%
	• 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	<ul style="list-style-type: none"> • €49.01bn total monetary value traded in digital channels • Digital Transactions Ratio (Total Portfolio): 93.94% 	<ul style="list-style-type: none"> • €53.04bn total monetary value traded in digital channels • Digital Transactions Ratio (Total Portfolio): 95.56%
	• 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	• Total amount of small-scale/ SME loan portfolio to total loan portfolio (YoY change)	<ul style="list-style-type: none"> • Total number of SME customers: 11,380 (Individuals: 6,029 Legal entities: 5,351) • Gross Loans (31/12/2022): €1,119mn • New Lending (31/12/2022): €205mn 	<ul style="list-style-type: none"> • Total number of SME customers: 9,771 (Individuals: 5,009 Legal entities: 4,762) • Gross Loans (31/12/2023): €1,010mn • New Lending (31/12/2023): €213mn
	• 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	<ul style="list-style-type: none"> • Steadily increase the transition finance provided to customers • Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio • Establish ESG scorecards in the loan origination process 	• New Goal for 2023	<ul style="list-style-type: none"> • Set Green/Transition new lending targets in the Financial Plan of 2024-2027 • Set decarbonisation target on Mortgage portfolio aligned with International Energy Agency's Below 2 Degree Climate Scenario • Established an ESG Due Diligence process in the loan origination process


UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> • 11.1 Ensuring access for all to adequate, safe and affordable housing and basic services. 	<ul style="list-style-type: none"> • Total amount of housing loan portfolio to total loan portfolio (YoY change) 	<ul style="list-style-type: none"> • Gross Housing loans (31/12/2022): €3,542mn • New lending (31/12/2022): €510mn 	<ul style="list-style-type: none"> • Gross Housing loans (31/12/2023): €3,556mn • New lending (31/12/2023): €454mn
	<ul style="list-style-type: none"> • 11.4 Strengthening efforts to protect and safeguard the world's cultural and natural heritage. 	<ul style="list-style-type: none"> • Total number of CSR Actions aiming to improve resource use and reduce pollution and poverty, and safeguard the world's cultural and natural heritage 	<ul style="list-style-type: none"> • 50 main activities by the Bank of Cyprus Cultural Foundation with 12,213 online and 42,545 physical attendees 	<ul style="list-style-type: none"> • 78 main activities by the Bank of Cyprus Cultural Foundation with 10,593 online and 41,210 physical attendees
	<ul style="list-style-type: none"> • 11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. 	<ul style="list-style-type: none"> • Steadily increase the transition finance provided to customers • Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio • Establish ESG scorecards in the loan origination process 	<ul style="list-style-type: none"> • New Goal for 2023 	<ul style="list-style-type: none"> • Set Green/Transition new lending targets in the Financial Plan of 2024-2027 • Set decarbonisation target on Mortgage portfolio aligned with International Energy Agency's Below 2 Degree Climate Scenario • Established an ESG Due Diligence process in the loan origination process
	<ul style="list-style-type: none"> • 11.A Supporting positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning. 	<ul style="list-style-type: none"> • Total amount in € invested to support the governmental services, local authorities and vulnerable groups resulting from national and natural disasters, and to prevent them from happening. 	<ul style="list-style-type: none"> • €82,607 	<ul style="list-style-type: none"> • €31,500




UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 12.2 Sustainable management and efficient use of natural resources achievement. 12.5 Substantial waste generation reduction through prevention, recycling and reuse. 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 	<ul style="list-style-type: none"> Percentage (%) of increase to clean energy, by the Bank, year by year Percentage (%) of reduction of paper usage (tonnes/year) Steadily increase the transition finance provided to customers Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio Establish ESG scorecards in the loan origination process 	<ul style="list-style-type: none"> 9.43% increase comparing 2021 with 2022 12% consumption reduction New Goal for 2023 	<ul style="list-style-type: none"> 64% increase comparing 2022 with 2023 16% consumption reduction Set Green/Transition new lending targets in the Financial Plan of 2024-2027 Set decarbonisation target on Mortgage portfolio aligned with International Energy Agency's Below 2 Degree Climate Scenario Established an ESG Due Diligence process in the loan origination process
	<ul style="list-style-type: none"> 12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products. 	<ul style="list-style-type: none"> Steadily increase the transition finance provided to Accommodation industry Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio under the NACE sector Accommodation and Food Service activities Establish ESG scorecards in the loan origination process 	<ul style="list-style-type: none"> New Goal for 2023 	<ul style="list-style-type: none"> Set Green/Transition new lending targets in the Financial Plan of 2024-2027 including the NACE sector of Accommodation and Food Service activities The Bank explored to set decarbonisation target on NACE sector Accommodation and Food Service activities, however there is no available methodology at the moment Established an ESG Due Diligence process in the loan origination process

UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 	<ul style="list-style-type: none"> Number of individuals that had participated in trainings provided through the Bank's CSR actions in pillar Environment divided per subject per gender (e.g. fire-fighting training, etc) Total number of CSR activities/ actions aiming to improve the reduction of forest fires prevention, sea pollution and biodiversity protection 	<ul style="list-style-type: none"> 60 SupportCY Volunteers (38%w/62%m) 54 programmes and activities under SupportCY / ~150 training Hours Cyprus and Abroad 58 CSR programmes and activities 	<ul style="list-style-type: none"> 64 SupportCY Volunteers (42%w/58%m) 54 programmes and activities under SupportCY / More than 250 training Hours Cyprus and Abroad 58 CSR programmes and activities
	<ul style="list-style-type: none"> 13.2 Integrate climate change measures into national policies, strategies and planning 	<ul style="list-style-type: none"> Percentage (%) of electricity consumption decrease: % of electricity Consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption Scope 1 and Scope 2 GHG emissions to be reduced by 42% to become carbon Neutral by 2030 Steadily increase the transition finance provided to customers Set decarbonisation targets in Financed Scope 3 GHG emissions associated with the loan portfolio Establish ESG scorecards in the loan origination process 	<ul style="list-style-type: none"> 8.83% decrease of electricity consumption comparing 2022 with 2021 1.15% of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption Reduction of 8% in Scope 1 and Scope 2 GHG emissions New Goal in 2023 	<ul style="list-style-type: none"> 10.14% decrease of electricity consumption comparing 2023 with 2022 2.10% of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption Reduction of 10% in Scope 1 and Scope 2 GHG emissions Set Green/Transition new lending targets in the Financial Plan of 2024-2027 Set decarbonisation target on Mortgage portfolio aligned with International Energy Agency's Below 2 Degree Climate Scenario Established an ESG Due Diligence process in the loan origination process

UN SDGs KPIs

SDGs	SDG target	KPIs	2022 performance	2023 performance
	<ul style="list-style-type: none"> 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 	<ul style="list-style-type: none"> Total training hours on ESG and climate matters 	<ul style="list-style-type: none"> 2,585 hours of e-learning on all staff relating to ESG 112 hours of physical training on ESG updates and Understanding the Green Transition 118 training hours on officers and Managers on Understanding the Green Transition 	<ul style="list-style-type: none"> 1,154.5 hours of e-learning on all staff relating to ESG 276 hours of physical training on ESG Due Diligence on loan origination process 121 hours of training on other ESG matters
	<ul style="list-style-type: none"> 14.1 Prevention and significant marine pollution reduction of all kinds, in particular from land-based activities, including marine debris and nutrient pollution. 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. 	<ul style="list-style-type: none"> Total number of CSR activities/ actions aiming to improve the reduction of sea pollution 	<ul style="list-style-type: none"> Beach cleaning by volunteers employees "Seaμπαχία" (Joint Sea Venture) is a project funded by Bank of Cyprus and includes the study and installation of a pilot system for monitoring the quality of sea water in the area of the Ayia Napa Marina Early in 2023 the Bank launched a campaign on new Visa Debit cards produced from recyclable plastic extracted from the ocean. 	<ul style="list-style-type: none"> "Seaμπαχία" (Joint Sea Venture) is a project funded by Bank of Cyprus and includes the study and installation of a pilot system for monitoring the quality of sea water in the area of the Ayia Napa Marina
	<ul style="list-style-type: none"> 17.14 Enhance policy coherence for sustainable development. 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership. 	<ul style="list-style-type: none"> Number of partnerships established each year with NGOs, corporations, associations and governmental services 	<ul style="list-style-type: none"> 78 partnerships targeting Health and Education 167 companies and NGOs, members of SupportCY Network ~€880,000+ of support channelled into Cypriot society through SupportCY Network 	<ul style="list-style-type: none"> 103 partnerships targeting Health and Education 180 companies and NGOs, members of SupportCY Network ~€1,000,000+ of support channelled into Cypriot society through SupportCY Network

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the CEO](#)

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A photograph of a person sitting on a dark wooden bench, viewed from behind. The person is looking out over a vast, green, hilly landscape under a blue sky with scattered clouds. The foreground shows the back of the person's head and shoulders, and the bench they are sitting on. The background is a wide expanse of rolling green hills and valleys, with some trees and a small building visible in the distance. The overall scene is peaceful and scenic.

Environment

Setting an environmental strategy and contributing to climate stability



2023 Highlights (as of 31 December 2023)

10%

reduction in Scope 1 and Scope 2 GHG emissions between 2022 and 2023

Total direct (Scope 1) emissions:

902.25tCO₂e

Total Scope 2 Emissions
(purchased electricity):

9,359tCO₂e

1%

increase in Financed Scope 3
GHG Emissions of loan portfolio

18%

reduction in Scope 1 and Scope 2
GHG emissions in 2023 compared
to 2021 baseline

Estimated and disclosed the
Financed Scope 3 GHG emissions
of Sovereign and Corporate bond
portfolio

Set the **first decarbonisation target** on Mortgage portfolio aligned with climate scenario so as to manage transition risks, align the portfolio with the Net Zero commitment of 2050 and drive the new lending strategy

First Bank in Cyprus to sign the Principles for Responsible Banking representing a single framework for a sustainable banking industry under United Nations Environment Programme Finance Initiative (UNEP FI)

5.5mn MJ

(1,537k kwh) reduction in electricity
consumption between 2022 and
2023

Total Electricity Consumption:

49.03mn MJ

Our impacts

(GRI: 3-3)

The financed and operational activities of the Bank create or may create positive and negative impacts to state of the climate when not affected by human activities. Climate stability can be achieved through the avoidance, reduction and removal of GHG emissions.

Positive impacts

Contribute to the creation of opportunities that address climate change and to climate stability in general:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking impact analysis of 2023, that create positive impacts on climate stability;
- through the estimation of financed Scope 3 GHG emissions associated with from loan and investment portfolio, identification of carbon concentrated sectors, setting new lending limits to carbon intensive sectors and setting decarbonisation target on Mortgage.
- through the establishment of the ESG Due Diligence process in the loan origination process for certain Corporate customers;
- through the operational activities that address climate change and contribute to climate stability (such as environmentally responsible operations, including the Bank's decarbonisation plan, setting carbon reduction targets, installation of Solar Panels, implementing Energy Management System and monitoring carbon footprint emissions (Scope 1, 2 & 3)).

Negative impacts

Contribute to the creation of negative impacts through the direct and indirect GHG emissions:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking impact analysis of 2023, that create negative impacts to climate stability;
- through the operational activities and value chain direct and indirect emissions (Scope 1, 2 and 3 GHG emissions), such as emissions associated to fuel combustion, purchased electricity, suppliers, loan and investment portfolio.

As part of its vision to be the leading financial hub in Cyprus, the Bank is determined to lead the transition of Cyprus to a sustainable future. The Bank systematically moves forward to the alignment with sustainable banking and continues to embed Environmental, Social and Governance (ESG) in its infrastructure, strategies and policies. The Bank's commitment to integrate climate risk considerations into all relevant aspects of the decision-making, governance, strategy and risk management highlights the Bank's aspiration to be a frontrunner in the climate space in Cyprus.

Taking a stance on Climate

Climate change is the biggest challenge that humanity faces. The World Meteorological Organisation (WMO) declared that 2023 is the warmest year on record. In 2023, the annual average global temperature was $1.45^{\circ}\text{C} \pm 0.12^{\circ}\text{C}$ above pre-industrial levels. The Paris agreement overarching goal is to limit the increase of long-term temperature to no more than 1.5°C above pre-industrial levels. The Global Greenhouse Gas (Global GHG) emissions continue to increase, and extreme climate events are more frequent than ever. To keep warming to 1.5°C , cuts of 45% are required by 2030, with Global GHG emissions reaching Net Zero by 2050. This means GHG emissions need to decline now. The transition to this low carbon economy requires a transformation of assets and behaviours, for which trillions of dollars in finance are required.

To assist this transition, European Regulators have put in place an EU action plan for sustainable growth that includes several new regulatory disclosure standards, as well as expectations that are bound to become requirements in the near future. Following the developments and

having set a "Beyond Banking" approach and a vision to create a stronger, safer, and future-focused organisation, the Bank is determined to continue working towards a better Cyprus and a better world for today and future generations. Consequently, the Bank further aspires to increase its positive impact on environment, and maintain its leading role in the social and governance pillars by transforming not only its own operations, but also the operations of its customers.

The Bank continues to broaden and strengthen its efforts to identify climate-related risks and opportunities, the key first step in the Bank's climate strategy. Once identified, the Bank assesses how the risks can be better managed, reduced or mitigated in line with its risk management framework.

The Bank's approach to climate action is evolving over time and has progressively been embedded into the Bank's activities and actions. Consequently, the Bank focuses on creating lifelong partnerships with customers, as well as guiding and supporting them in a changing world by financing projects which bear a positive climate impact. Underpinning the Bank's Climate Strategy (a pillar within its ESG strategy), there are three strategic areas where, moving forward, the Bank will focus its climate action:

- i. Reinforcing the impact of climate financing;
- ii. Building resilience to climate change; and
- iii. Further integrating climate change considerations across all of Bank's standards, methods and processes.

The commitments made by the Bank in its ESG Strategy focus on the following key primary objectives:

- Become Carbon Neutral by 2030;
- Become Net Zero by 2050;
- Steadily increase Green Asset Ratio (GAR); and
- Steadily increase Green Mortgage Ratio.

To ensure delivery on its ambition, the Bank has compiled in 2022 an ESG working plan which was further enhanced in 2023 designed to articulate delivery of Bank's ESG strategic objectives and are aligned with ECB expectations, London Stock Exchange (LSE) Disclosure requirements and other regulatory disclosure requirements. This plan is further supported by a solid governance structure that 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.

Our approach to financed impacts: Leading the way to sustainable financing

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

Climate-related risks

(TCFD - Pillar II - Strategy)

The Bank's climate strategy is continuously evolving

as the Bank improves the tools and expands the resources available to grow its understanding of the interconnection between the climate, its business, operations, clients and communities. The Bank seeks to identify and advance the initiatives that will enhance its operational resilience, decision-making and planning to mitigate climate-related risks and capitalize upon climate-related opportunities. The Bank's strategy and risk management initiatives are interdependent and adapt as needed based on the performance against established metrics and targets. The Bank is working to advance its climate knowledge base and resilience to climate-related shocks.

The Bank views climate risk as a cross-cutting risk which manifests itself through or amplifies existing risk categories within the Bank's Risk Taxonomy. These transition and physical risks can manifest themselves differently across risk categories in the short, medium, and long term. The time horizons considered are described here for reference. As the Bank is in the process of setting up a holistic net-zero strategy, it is expected that it will be in a position to set more granular time-frames moving forward to efficiently capture the decarbonisation targets that will be set.

Time horizon label	Start Year	End Year	Rationalisation
Short-term (1-3 years)	2023	2026	The Corporate Sustainability Reporting Directive ('CSRD') is expected to be a major disruption and a milestone for climate change activation. As CSRD will first be applied in January 2025 (for FY 2024) for EU listed companies, and every year thereafter up until 2028 to include certain SMEs and large companies (Years 1-3), the Bank considers the first three years as its short-term horizon. Furthermore, the Bank is committed to become carbon neutral by 2030 by reducing Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions from own operations. The Bank has focused its main decarbonisation actions in the short-term up to 2026 in order to lead the decarbonisation efforts, lead by example and also to benefit from any government subsidies that will be announced as part of the RRF of the European Union. As a result, the risk horizon the Bank focuses for short term is between 1-3 years.
Medium-term (4-7 years)	2027	2030	As 2030 is the year set by the EU for the goal of 'Fit for 55' (i.e., a 55% reduction of GHG emissions below 1990 levels), the Bank has also set 2030 as the medium-term risk horizon for the identification of C&E risks and opportunities. Therefore, the time horizon for medium term is between 4-7 years. In addition, the Bank is committed to become carbon neutral by 2030 by reducing Scope 1 and Scope 2 GHG emissions by 2030, therefore C&E risks should be identified and managed in a horizon of 4-7 years in order to achieve the target set.
Long-term (8-27 years)	2031	2050	The Bank considers a time horizon of over 8 years for chronic physical risks to manifest. Additionally, the Bank has set a target to become net zero by 2050, following its commitment to the Paris Agreement, which indicates that Scope 1, Scope 2 and Scope 3 GHG emissions should be reduced by 2050 to net zero. For Scope 1 and Scope 2 own operations the reduction target is relevant for all time horizons. However, the climate related risks associated with Financed Scope 3 GHG emissions depend also on the useful life of the assets, which for the majority of the current loan portfolio of the Bank this translates to a maturity beyond 8 years. As such a long-term time horizon has been set to 8-27 years to cover both the risks as well as the strategic aspects of climate related risks within the organisation.

Process for managing climate risks

(TCFD - Pillar III - Risk Management)

Climate risk is a growing consideration for financial institutions given the increasing effects of climate change globally, the sharp regulatory focus on addressing the resultant risks as well as increasing stakeholder concern. The Bank is committed to integrate climate related and environmental (C&E) risk considerations into all relevant aspects of the decision-making and risk management and is taking steps to achieve this. Drawing from existing regulatory guidance and best practices it has taken several actions to manage and mitigate C&E risks and it will continue to develop such practices going forward. The section below provides an overview of those actions.

a. Business Environment Scan (BES)

The Bank, in 2023, established a structured and detailed BES process, with clear roles and responsibilities, to gather a broad range of updates and developments, both internal and external, and link them with sectors/industries and products/services so to assess their impact, across different time horizons, and identify C&E risks emerging from these updates and developments and inform the Bank's risk and strategic profile. The Bank has performed the first round of the BES and analysed recent regulatory and market updates, relevant to its business. The results of the first run of the BES have been considered and informed the materiality assessment on C&E risks with the developments that have been classified as 'High' and 'Critical' with respect to their potential impact.

b. Risk Appetite Framework

The Bank maintains a RAF which sets out the level of risk that the Bank is willing to take in pursuit of its strategic objectives, outlining the key principles and rules that govern the risk appetite setting. It includes qualitative statements as well as quantitative measures expressed relative to financial and non-financial risks. Within this context, three Climate-related KRIs were introduced in its latest revision and include:

- i. Financed Scope 3 GHG emissions of Mortgage Portfolio (Retail)
- ii. Financing purchases of new commercial properties (Corporates / SMEs)
- iii. Financing renovation of commercial properties (Corporates / SMEs)

c. Risk Monitoring & Reporting

The Bank has introduced reporting around sustainability issues which will be progressively enhanced. Currently, regular reporting primarily consists of:

- i. Progress updates on the ESG Working Plan (Quarterly)
- ii. Climate Risk Report (Quarterly)
- iii. RAF dashboard reporting (Quarterly)
- iv. Additional monitoring reports have been established in 2023:
 - i. Sustainability Performance Report (Quarterly)
 - ii. BES monthly update report (Monthly)
 - iii. BES impact report (Quarterly)

d. ESG Due Diligence

During 2023, the Bank established an ESG Due Diligence process with the objective being to assess customers (existing and new) on their performance against various aspects around ESG and climate risks. The process involves the utilisation of structured questionnaires applied at the individual company level and has been initially deployed to customers within the Corporate Division. The questionnaires focus more on the Environmental/Climate risk pillar and aim to assess various aspects of each customer touching upon matters around Governance, Training, Strategy & Business Planning, Energy metrics and other. The Social and Governance pillars are also assessed through several relevant dimensions such as Corporate and Social Responsibility, Human Rights, Board Composition etc.

The Due Diligence process is applied when granting new and/or reviewing existing credit facilities and is expected to be fully incorporated into the loan origination process by the end of the first quarter of 2024. At that stage, beyond the scoring of the customers, specific recommendations will be made to customers aiming to mitigate ESG risks.

Syndicated Project

Currently the Bank is participating in a syndicated project across the Cypriot Banking system aiming to establish a common platform that will allow the assessment of customers' ESG factors. The platform will employ sector-based questionnaires that will be used by all banks, ensuring a harmonized assessment approach and a level-playing field. The Bank will re-adjust its internal processes to incorporate the new questionnaires and consider the deployment of questionnaires to other business lines as well.

e. Policies

The Bank has in place policies aiming to assist in managing its C&E risks. These include:

- Environmental and Social Policy
- Green Lending Policy
- Concentration Risk Policy
- Pricing Policy

f. ESG and Climate considerations in loan pricing

In addition, the Bank is recognising the importance of promoting sustainability in its lending practices, so it has developed a comprehensive plan aiming to integrate ESG and climate factors into its loan pricing framework to ensure a long-term sustainable growth. The plan has two main phases, the Transition phase and the Long-term phase.

Transition phase:

The Bank performed market research to identify the best practices to incorporate ESG and climate considerations in the loan pricing. Following the market research, the Bank introduced margin discounts by taking into account the customer's ESG score and the transaction eligibility under Green Lending Framework. Essentially, a margin discount, based on the client's ESG and climate impact, will be implemented for both new and existing clients on new lending requests, for all clients (all sectors) under Corporate Division, differentiating however between carbon-intensive vs. non-carbon intensive sectors. The Bank linked the margin discount at the client level to the borrower's 'E' scoring (extracted from borrower's 'ESG' score). In addition, the Bank linked the margin discount at the transaction level (i.e. whether lending is Green or not) utilizing

the provisions of the Bank's Green Lending Framework.

Long-term phase:

The Bank has developed a longer-term plan for undertaking the necessary activities and analysis that will allow for a structured approach to incorporate ESG and climate factors in the Lending Pricing Policy and Lending Pricing Framework pricing components and where necessary associate pricing with defined KPIs. The plan is divided into four distinct phases, each with specific objectives and activities designed to ensure successful integration:

- Inception: the objectives are to develop an ESG and climate Pricing strategy that is aligned with the Bank's values, objectives, and risk appetite. Specifically, the Bank envisages to set the Strategic direction to be followed and how this will accommodate the balance between the Strategic View Pricing approach and Risk View Pricing approach.
- Preparation: the objectives are to undertake a feasibility analysis in relation to which pricing components are the most prominent to analyse in terms of adjusting them to reflect any ESG and climate considerations as well as to further specify the roles and responsibilities of each unit for ESG and climate integration in loan pricing.
- Development: The Development phase of the ESG and climate pricing strategy plan is divided into two parts, the Risk View and the Strategic View. Under the Risk View, the Bank aims to conduct analysis and assessment of various ESG and

climate factors to determine their relevance and importance and prioritise them for inclusion in the pricing framework, in conjunction with the outcome of the feasibility analysis. Under the Strategic View, the Bank aims to start defining pre-requisites that will allow, upon a more mature state, to enhance its approach on strategic view to be more holistic than the one implemented on Transition phase.

- Implementation: the objective is to perform the necessary actions to implement the selected approach of incorporating ESG and climate considerations in pricing components so to become business-as-usual.

g. Climate Risk Sensitivity and Stress Testing

a. Sensitivity Analysis

Scenario analysis and climate risk stress testing are methods which assist in evaluating and managing the possible effects of C&E risks, to the Bank's business strategy and financial planning decisions.

To assess the potential impact of transition risks on the Business Model, a sensitivity analysis was carried out on portions of the corporate and mortgage portfolios that were identified as being exposed to transition risks as per the Materiality Assessment of March 2022. The analysis related to the Financial Plan for the period between 2023 - 2026 and reflected the potential impact of a short-term disorderly scenario according to which a set of climate related policies are implemented at the beginning of 2023.

Estimation of impact was done on a top-down basis considering the outcome of regulatory

climate stress tests, and specifically the outcome of the Bank of England Climate Biennial Exploratory Scenario. Considering the specific composition of the Bank's portfolio, such climate related policies would most likely affect customers in the Construction, Real estate and Accommodation sectors and customers with mortgage loans granted prior to 2009 implying thus a less-energy efficient property. The outcome of the analysis thus provided a magnitude of losses the Bank might face if both the Bank and its customers do not respond effectively to climate risks.

b. Transition Risk Framework

The Bank developed a Framework to quantify transition risks. The framework addresses all sectors of the Bank's portfolio, but dedicated models were created for those sectors that are more susceptible to transition risks, based on their inherent activities and their exposures. Such sectors include Construction, Hotels, Real Estate and Mortgages whilst the remainder of the Bank's portfolio is catered through a generic model.

The Bank has executed an internal preliminary Stress-test exercise with Balance Sheet reference Date 30/09/2023 with Corporate Ratings having a reference date of 31/12/2022. The projections, in terms of PD impact of the climate scenarios, were formed until 2050 on a counterparty level, with the outcome being aggregated to sector level to allow for Sectoral analysis. The results of the stress testing do not include Balance Sheet Projection values and impact on the Collaterals.

The PDs under the preliminary Stress Test on transition risks are substantially increased on the 'Delayed Transition' scenario between 2031-2040 compared to the 'Current' scenario.

c. Physical Risks

In terms of physical risks, efforts were focused on estimating the impact on property value from the potential materialisation of such risks. This is considered relevant to the Bank, given the concentration of clients in activities relating to immovable properties such as Construction, Accommodation & Food Service, Real Estate, Mortgages as well as the fact that a significant portion of the Bank's collaterals are real estate assets.

To that end, granular data were obtained from an external vendor, providing granular, location level information. For the purposes of the analysis which was also used as part of its Risks Identification & Materiality Assessment process, the NGFS scenarios were employed and used as a reference.

The analysis of the data allowed the Bank to gain an understanding of the assets vulnerable to the various physical risks, their level of riskiness as well as potential concentrations across the island. Furthermore, following the identification of physical risks, the monetary impact (damage function) for each combination of property, hazard, scenario, and year was estimated. This monetary impact considered not only the geo-localisation features, but also the asset-specific characteristics, i.e., commercial, industrial, residential, other use. At the moment, the damage function measurement, for wildfire hazard, has been incorporated as part of the ICAAP process.

For more details on the processes and tools for managing C&E risks refer to Pages 127-134 of [Annual Financial Report 2023](#).

Identifying the climate and environmental risks and assessing their materiality

(TCFD - Pillar III - Risk Management)

In 2023, the Bank has refined its Materiality Assessment (MA) of C&E risks as drivers of existing financial and non-financial risks, namely Credit risk, Liquidity risk, Market risk, Operational risk, Strategic risk as well as Reputational and Legal risk, taking into consideration its business profile and loan portfolio composition.

As part of the Risk Identification and Materiality Assessment (RIMA) process, the Bank has enhanced the following steps to ensure a comprehensive and structured MA process, having due consideration on the specificities of its business model, operating environment and risk profile:

- i. Identification and documentation of C&E risk drivers
- ii. Definition of transmission channels for C&E risks
- iii. Assessment of materiality of C&E risk drivers

Specifically, the Bank has conducted an assessment of the following C&E risks, as drivers of existing risks:

- i. Climate-related physical risk drivers
- ii. Climate-related transition risk drivers
- iii. Environmental transition risk drivers (other than climate risks)
- iv. Environmental physical risk drivers (other than climate risks)

The assessment has been conducted using both quantitative and qualitative methods. For data driven methods, a combination of internally collected Bank specific data and external data have been used.

In summary, as a first step, a more granular list of potential C&E risk drivers has been identified through the enhancement of the inventory of C&E risks already developed by the Bank in the course of the previous C&E risk assessment exercises. In particular, the Bank has proceeded with an additional classification and categorisation of the C&E risks across four levels of granularity as per the following example:

- i. Climate-related risk (Level-1)
- ii. Physical risk (Level-2)
- iii. Acute risk (Level-3)
- iv. Wildfire (Level-4).

As a second step, the C&E risks have been mapped to the existing financial and non-financial risks through respective transmission channels. As a third step, a combination of qualitative and quantitative methods has been utilised for the purpose of the performance of the MA of C&E risks using various materiality parameters and thresholds, depending on the method and data used for the assessment. In addition, the evolution of C&E risks has been considered over the short, medium and long-term time horizons.

The Bank has taken several steps to ensure a concrete process by which C&E risks are fully considered and subsequently assessed in order to carry out a robust MA. When assessing the materiality of C&E risks, a proportionate approach was adopted, focusing only on the most negatively impactful risks. At the same

time, it is noted that impacts were assessed on a gross/aggregated basis, by not considering any particular approaches to reduce potential risks.

As part of the credit risk analysis, an assessment of secured (collateralised) and unsecured credit exposures has been performed utilising quantitative and qualitative methods. The analysis indicated that climate-related physical risks, acute hazards are material due to the Bank's significant exposure to high Wildfire risk. It should be also noted that risks related to earthquakes and water scarcity have emerged as material over the long term.

As part of market risk analysis, climate physical risks, acute hazards was identified as material due to the very high exposure of the REMU portfolio to Wildfire risk. Wildfire has a relatively high impact and occurrence probability, and thus can cause significant direct damage or broad devaluation of REMU properties.

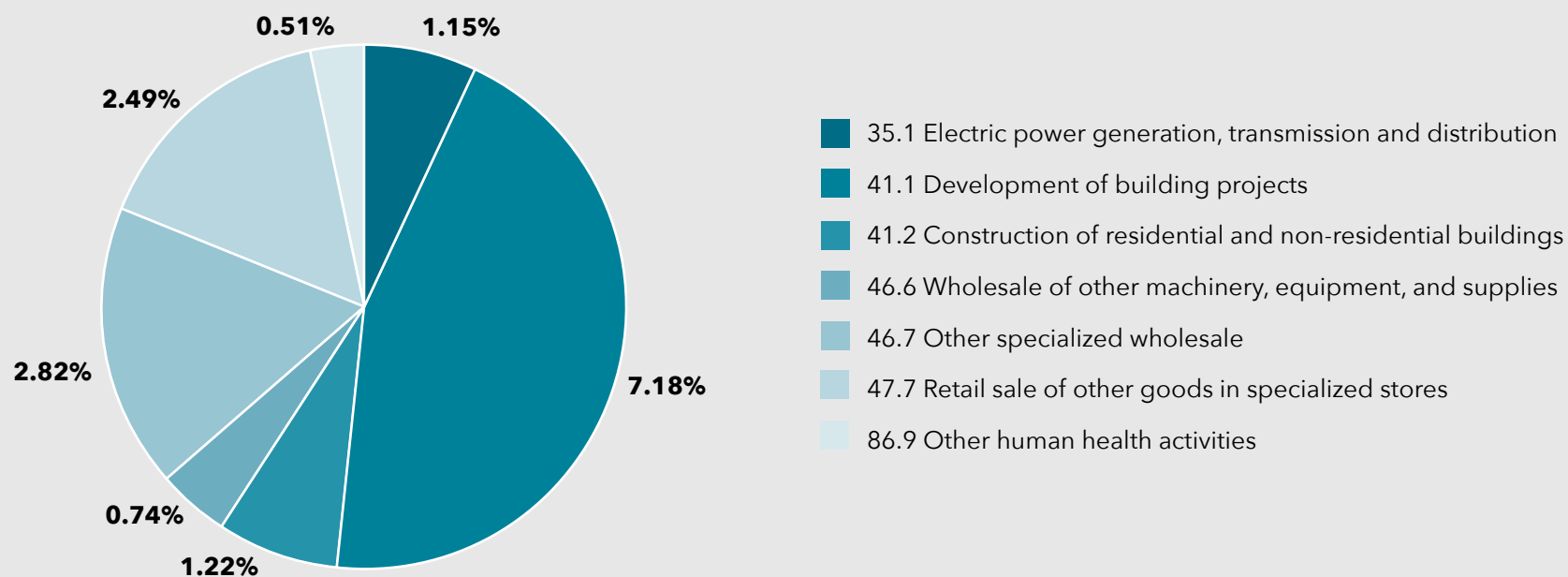
With regards to the Strategic risk, the Bank acknowledges that its concentration in Cyprus, with significant exposure to Real Estate, Construction, and Accommodation sectors, makes it vulnerable to the impact of climate-related physical risks, acute risks and primarily wildfire. In addition, most of the collaterals are real estate assets. As such, the impact of physical risks could affect the Bank and its customers going forward in terms of the value of these assets, insurance costs, and any associated cost to restore resulting damages from acute physical climate-related hazards. The primary concerns are the potential effects on the value of real estate assets and associated costs for restoring damages. It is expected that the impact of climate-related physical risk drivers will remain material in the future as well.

For more details on the Risk Identification and Materiality assessment refer to Pages 114-126 of [Annual Financial Report 2023](#).

Assessing the impact of climate change on the Bank's financed portfolio

The Bank as part of its business activity, provides financing to certain sectors that as per PRB impact analysis of 2023, create positive impacts among other, that address climate change and contribute on climate stability. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 16.10% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €793.97mn of loans, create positive impacts to the impact topic of Climate, referring to the development of new solutions and strategies to mitigate climate change and promote climate stability.

Financing to NACE sectors that create positive impacts on climate stability (as per the 2023 PRB Impact Analysis)

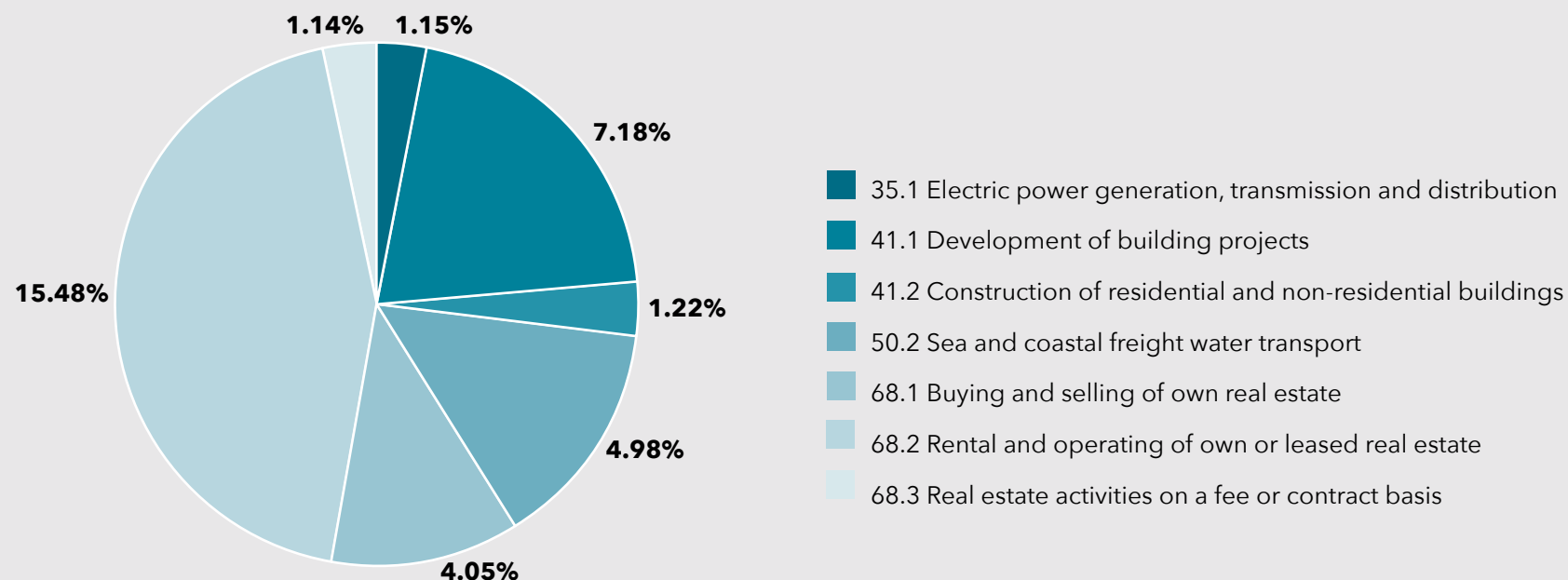


Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.

While climate stability is a pressing global concern, the Bank acknowledges that certain financial practices can have negative impact on achieving this stability. The Bank as part of its business activity, provides financing to certain sectors that as per PRB impact analysis of 2023, create negative impacts among other, on climate stability. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 54.71% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €2.7bn of loans, create negative impacts to the impact topic of Climate, and can have an adverse effect on climate stability.

Financing to key NACE sectors with an exposure of >1% that create negative impacts on climate stability (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above excludes the key sectors with exposure below 1%, as per the 2023 PRB institutional banking impact analysis, that create negative impact on climate stability, contributing to a combine exposure of 2.76%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on climate stability, have an exposure of 16.75%, of the portfolio under assessment (i.e. combined financing of 54.71% of the portfolio under assessment).

Reducing our financed emissions

In line with the Bank's 2050 Net Zero strategy, the Bank has joined the [Partnership for Carbon Accounting Financials](#) (PCAF) in October 2022 and is following the recommended methodology for the estimation of the Financed Scope 3 GHG emissions (i.e. greenhouse gas emissions) linked to the investment and lending activities of the Bank, the insurance and the asset management companies. Financed emissions comprise of 98% of the total emissions of the Group. The Bank has estimated Financed Scope 3 GHG emissions relating to the loan and investment portfolio based on PCAF Standard and proxies (2nd version, December 2022). The PCAF Standard

has been reviewed by the GHG Protocol and conforms with the requirements set forth in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for category 15 investment activities. In addition, PCAF provides a data quality ranking for the estimation of Financed Scope 3 GHG emissions based on data applied in the estimation for each asset class. The scale is between 1-5 with 1 being the highest quality and 5 being the lowest quality.

The Bank aims to continuously enhance the data quality used on the estimation of Financed Scope 3 GHG emissions and eliminate the data gaps, therefore in 2023 a client questionnaire has been launched to gather the relevant data,

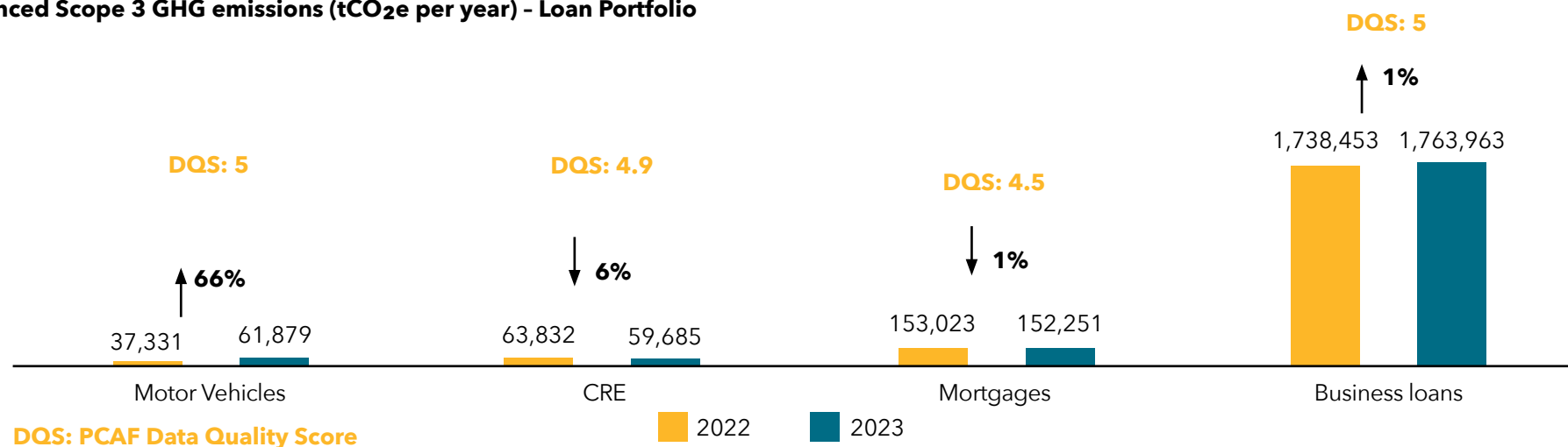
where possible, as well as continue to enhance the loan origination process. The Bank has already established a policy in the loan origination process to gather Energy Performance Certificates (ratings and GHG emissions per square meters) for the financed properties and collateral properties. Additional data gathering actions will be performed during 2024 based on the ESG and Climate Data Gap & Strategy.

For the estimation of Financed Scope 3 GHG emissions relating to loan portfolio, the portfolio was classified in the following PCAF asset classes which will facilitate the setting of additional decarbonisation targets in the future:

PCAF Asset class	Definition
Business loans	Business loans include all loans and lines of credit for general corporate purposes (i.e., with unknown use of proceeds as defined by the GHG Protocol) to businesses, non-profits, and any other structure of organisation that are not traded on a market and are on the balance sheet of the financial institution. Revolving credit facilities, overdraft facilities, and business loans secured by real estate such as CRE-secured lines of credit are also included. Any off-balance sheet loans and lines of credit are excluded.
Commercial Real Estate (CRE)	This asset class includes on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of CRE, and on-balance sheet investments in CRE. This definition implies that the property is used for commercial purposes, such as retail, hotels, office space, industrial, or large multifamily rentals. In all cases, the building owner or investor leases the property to tenants to conduct income-generating activities.
Mortgages	This asset class includes on-balance sheet loans for specific consumer purposes namely the purchase and refinance of residential property, including individual homes and multifamily housing with a small number of units. This definition implies that the property is used only for residential purposes and not to conduct income-generating activities.
Motor vehicles	This asset class refers to on-balance sheet loans and lines of credit for specific (corporate or consumer) purposes to businesses and consumers that are used to finance one or several motor vehicles. Corporate loans for acquisition of vehicles for trade purposes were classified as 'Business Loans'.

The Bank estimated the Financed Scope 3 GHG emissions for c.89% of Gross Loans and advances portfolio which fall under the above-mentioned asset classes. GHG emissions associated with loan portfolio are metrics of transition risks that the portfolio is exposed. The Bank, by taking into account the GHG emissions estimated for loan portfolio, the most significant loan exposures and the Materiality Assessment on C&E risks, it has decided to set a decarbonisation target on Mortgage portfolio.

Financed Scope 3 GHG emissions (tCO₂e per year) - Loan Portfolio



Note 1: The estimation of Financed Scope 3 GHG emissions associated with loan portfolio has been restated compared to those reported in Sustainability Report of 2022 following revision of PCAF's database and methodology.

To limit global warming to 1.5°C above pre-industrial levels (Paris Agreement and EU Green Deal), all sectors of society need to decarbonise and collectively reach net-zero emissions by 2050. The transition to low carbon economy triggers transition risks, therefore the Bank has set decarbonisation target on Mortgage portfolio in order to be aligned with its Net Zero ambition and manage transition risk by directing its lending to more energy efficient residential buildings.

The Bank has estimated the GHG emissions per square meter, as at 31/12/2022, for the properties financed under its Mortgage portfolio using the

PCAF methodology and proxies. The Bank utilised the Science Based Target Initiative's tools in order to estimate the decarbonisation pathway that the Mortgage portfolio should follow to be aligned with the IEA B2DS. The Bank decided to align the Mortgage portfolio with IEA B2DS due to the following reasons:

- The scenario is consistent with Global warming projections (IEA and Intergovernmental Panel on Climate Change (IPCC)) and is considered a widely acceptable scenario.
- The scenario is considered more plausible

compared to the IEA's Net Zero Scenario given the fact that Cyprus market is pre-mature in the climate field. Therefore, the Bank considers reasonable to initiate its efforts based on a less intense scenario and then intensify its efforts when the overall Cyprus market is more mature in the field.

- Lack of data, enhances the risk of not having a solid baseline, so the Bank considers that is more prudent to initiate its efforts based on a less optimistic scenario until data availability and quality is enhanced.

- iv. The scenario is more straightforward to obtain and use as it is aligned with Science Based Target Initiative's available tools.

In order to ensure the feasibility of the interim decarbonisation target and derive the decarbonisation strategy of Mortgage portfolio, the Bank has projected the GHG emissions per square meter for the properties financed under its Mortgage portfolio as at 31/12/2030. In order to project the Mortgage portfolio as at 31/12/2030, the Bank used various assumptions such as:

- i. Projected new lending on Mortgage portfolio between 2024-2030;
- ii. Projected square meters of each property financed under projected Mortgage new lending;
- iii. Allocation of new lending on Mortgages to EPC classifications;

- iv. PCAF proxies on GHG emissions per financed residential property;
- v. Cyprus Government targets on the reduction of GHG emissions as well as the utilisation of renewable energy on residential buildings by 2030;
- vi. Expiration of Mortgage exposures between 2024-2030.

The Bank performed several sensitivities on the assumptions used to project Mortgage portfolio as at 31/12/2030 in order to ensure the feasibility of the target. Under all scenarios (sensitivities) the decarbonisation target on Mortgage on 2030 is achieved. In addition, sensitivities were performed to the baseline of 2022, given the lack of sufficient data, in order to ensure that when data quality of the estimation is improved in the upcoming years the adjusted decarbonisation target will be met.

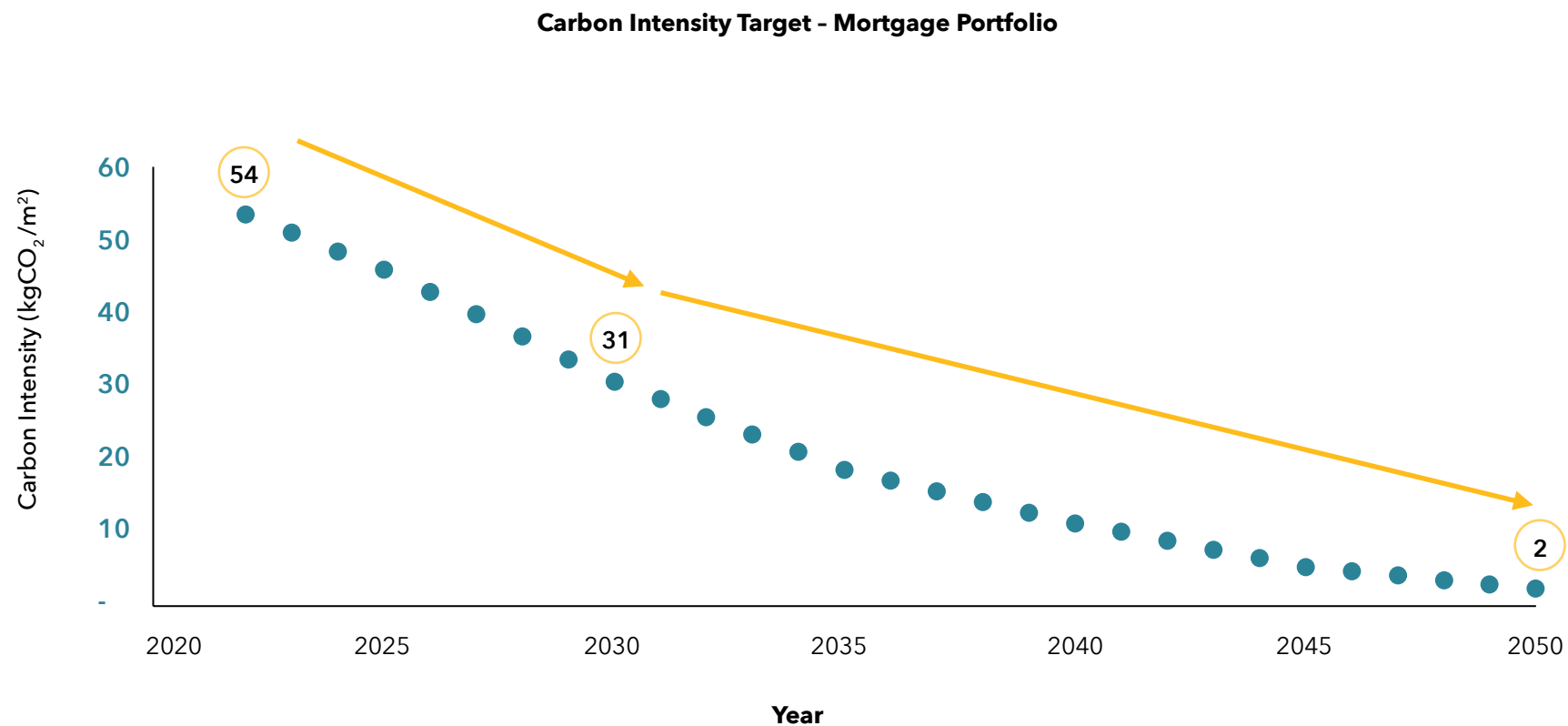
The decarbonisation target on Mortgage is also achieved after the increase / decrease of baseline by 10%, under all scenarios.

At the end of 2023, the Bank launched the 'Green Housing' product, aligned with Green Loan Principles of Loan Market Association, which drives the decarbonisation strategy of Mortgage portfolio. The new lending strategy of the Bank, embedded in the Financial Plan for 2024-2027, includes projections on the new 'Green Housing' product which comprise of c.40% of new Housing lending of 2024. In 2024, the Bank will continue to build its green product offering under the Mortgage portfolio to strengthen its decarbonisation strategy. The feasibility of the target is also enhanced by taking into account that Cyprus legislation imposes residential properties to have an EPC A so to issue a planning permit after 1 July 2020.

The decarbonisation target set on Mortgage portfolio is summarized on the table below:

Metric	Emissions Scope	2022 Base line	Target year	Target	Target reduction	Performance as at 31/12/2023	Figure as at 31/12/2023	Methodology
kgCO ₂ /m ²	S1 & S2	53.50	2030	30.65	(43%)	(5%)	50.73	PCAF/SBTi
kgCO ₂ /m ²	S1 & S2	53.50	2050	2.34	(96%)	(5%)	50.73	PCAF/SBTi

The Bank has set decarbonisation target on c.34% of Gross Loans and advances portfolio. The Bank aims to reduce by 43% the kilograms of GHG emissions financed per square meter (kgCO₂e/m²) under the Mortgage portfolio, by 2030 compared to 2022 baseline. The Mortgage portfolio as at 31/12/2023 produced 50.73 kgCO₂e/m² which is 5% lower compared to the baseline due to increased installation of solar panels in residential properties in Cyprus in 2023 leading to the reduction in the average proxy variables.



The Bank's Mortgage portfolio should be aligned with the abovementioned graph in order to be aligned with the climate scenario of IEA B2DS and being exposed to lower transition risks. The Bank following the abovementioned analysis determined its new Mortgage lending strategy to meet the decarbonisation target on Mortgage.

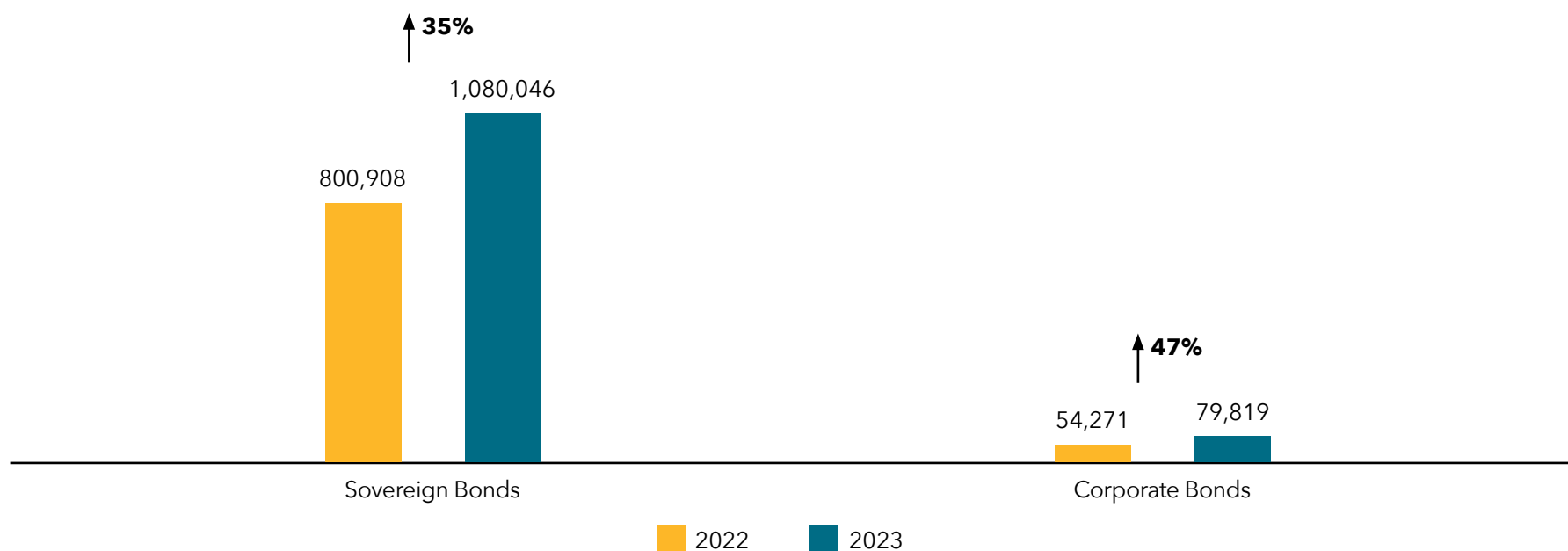
Given that the majority of Financed Scope 3 GHG emissions of loan portfolio derive from Business Loan asset class, the carbon concentrated sectors under Business Loan asset class have been identified and are considered primary sectors for setting decarbonisation targets. The primary sectors identified under Business Loan asset class are Transportation and storage (42%), Wholesale and retail trade (21%), Manufacturing (15%) and Construction (6%).

Financed Scope 3 GHG emissions - Business loan asset class					
		2022		2023	
NACE	Sector	OS Loan Amount (€million)	Emissions (tCO ₂ e per year)	OS Loan Amount (€million)	Emissions (tCO ₂ e per year)
H	TRANSPORTATION AND STORAGE	275	589,598	299	736,988
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	785	397,788	745	377,354
C	MANUFACTURING	360	300,944	331	256,115
F	CONSTRUCTION	325	118,767	306	112,440
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	48	106,127	86	85,758
A	AGRICULTURE, FORESTRY AND FISHING	42	80,601	34	65,941
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	262	47,600	235	42,638
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	770	30,380	712	28,090
L	REAL ESTATE ACTIVITIES	685	30,167	595	26,198
J	INFORMATION AND COMMUNICATION	33	9,172	43	9,922
Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	86	8,932	53	5,479
B	MINING AND QUARRYING	12	6,360	8	4,144
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	24	4,026	22	3,794
K	FINANCIAL AND INSURANCE ACTIVITIES	134	1,407	211	2,263
S	OTHER SERVICE ACTIVITIES	18	2,303	16	2,038
R	ARTS, ENTERTAINMENT AND RECREATION	15	1,810	15	1,816
P	EDUCATION	44	1,671	40	1,501
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	4	800	4	1,484
Total		3,922	1,738,453	3,755	1,763,963

The Bank is taking into account the annual MA on C&E risks, the BES annual impact assessment and the loan portfolio's annual impact assessment based on UNEP FI tools, so to decide which sectors and asset classes should approach in order to set additional decarbonisation targets. Furthermore, the data availability, the estimation of Financed Scope 3 GHG emissions and decarbonisation target methodology availability are also considerations taken into account to determine which sectors and asset classes to focus for target setting. The Bank is examining to set decarbonisation target on CRE asset class as well as Transportation and Storage sector of business loan portfolio within 2024 as those are considered sectors exposed to transition risks following the estimation of GHG emissions.

In addition, the Bank has estimated the Financed Scope 3 GHG emissions of Investment portfolio for 2022 and 2023 using the PCAF standard and proxies.

Financed Scope 3 GHG emissions (tCO₂e/yr) - Bond Portfolio



Note 1: The Bank has not estimated Financed Scope 3 GHG emissions of c.12% of Corporate and Sovereign bond portfolio due to lack of available data mainly on Supranational Organisations.

Financed Scope 3 GHG emissions - Bond portfolio - 31/12/2023				
Investment Class	Total investment amount (€million)	Total GHG Emissions (tCO ₂ e)	Emission intensity (tCO ₂ e/€million)	Weighted data quality score
Corporate Bonds	1,710	79,819	44	4.7
Sovereign Bonds	1,833	1,080,046	589	5.0
Total	3,543	1,159,865		

Financed Scope 3 GHG emissions - Bond portfolio - 31/12/2022				
Investment Class	Total investment amount (€million)	Total GHG Emissions (tCO ₂ e)	Emission intensity (tCO ₂ e/€million)	Weighted data quality score
Corporate Bonds	1,248	54,271	43	4.6
Sovereign Bonds	1,247	800,908	642	5.0
Total	2,495	855,179		

The increase in Financed Scope 3 GHG emissions for both Corporate and Sovereign bond portfolio is aligned with the increase in investment exposure at each reporting date. Aligned with the strategy for loan portfolio, the Bank has set sector limits on Corporate bond investments for carbon intensive sectors aiming to reduce GHG emissions of Corporate portfolio.

The Financed Scope 3 GHG emissions of Sovereign bond portfolio are c.58% concentrated to the Bank's exposure to Cyprus Government bonds. As soon as, Cyprus intensifies its efforts to lead the country to a low carbon economy the GHG emissions associated with Cyprus Government Bond are expected to be reduced.

The Effort Sharing Regulation establishes for each EU Member State a national target for the reduction of GHG emissions by 2030 in the following sectors: domestic transport (excluding aviation), buildings, agriculture, small industry and waste. In total, the emissions covered by the Effort Sharing Regulation account for almost 60% of total domestic EU emissions. In addition, EU members are committed to Net Zero by 2050. Therefore, any decarbonisation strategy to be determined on Sovereign exposure should take into account the expected progress against the EU targets regarding GHG emissions. Cyprus is committed to reduce GHG emissions in the above-mentioned sectors by 32% by 2030.

In addition, the Bank is expected to inform its Sovereign bond investment decisions with the GHG emissions per million euro invested in a country's Government bond as well as any available ESG score assigned to the relevant bond under examination. As at 31/12/2023, countries like Canada, Australia and Saudi Arabia have the highest emission intensity per million of euro invested. Canada and Australia are countries that are committed under the Paris agreement whilst Saudi Arabia is not.

Sovereign Bond Portfolio - 31/12/2023 - Analysis by country			
Country	Investment amount (€million)	Financed Scope 3 GHG emission (tCO ₂ e)	Emission intensity (tCO ₂ e/€million)
Cyprus	925	631,139	682
Germany	119	59,175	496
Belgium	79	50,794	644
France	95	35,977	380
Saudi Arabia	40	33,117	831
Iceland	42	32,806	776
Israel	47	30,502	653
Finland	50	29,575	591
Canada	35	29,127	827
Austria	46	24,440	531
Croatia	39	18,889	488
Spain	41	16,726	412
Italy	36	15,664	433
Slovakia	18	13,521	756
Ireland	25	11,627	470
Chile	19	10,014	534
Greece	15	9,905	654
Luxemburg	11	8,330	762
Poland	10	6,701	651
Bulgaria	8	4,973	658
Australia	5	4,224	840
Slovenia	5	2,820	621
Total	1,710	1,080,046	

The Bank is exploring to set decarbonisation targets and design the decarbonisation strategy on Corporate and Government Bond Investment portfolio based on methodology and data availability.

Leading the way to sustainable financing

(TCFD - Pillar II - Strategy, SASB FB-CB-410a.2)

The Bank has identified climate-related opportunities across business segments, such as strategies, products, services and advice to support clients in the low-carbon transition, and capturing new areas of business growth, such as sustainable finance. The Bank has also identified opportunities in its operations to mitigate climate change, while improving efficiency and resilience as can be shown in the table below.

Opportunity Type	Climate-Related Opportunities	Time Horizon	Identified Impactful Activities
Financing activities			
Products and Services	Development and/or expansion of low emission products and services	Short/Medium/Long	<ul style="list-style-type: none"> Expand the range of sustainable and environmentally friendly products and services. Refer to current environmentally friendly offerings reported under 'Environmentally Friendly Products' section of this Report
Markets	Use of public-sector incentives	Short/Medium/Long	<ul style="list-style-type: none"> Identify public funding schemes stemming from the RRF in order to further support interested parties and assist in the acceleration of transition efforts
	The development of new revenue streams from new/emerging environmental markets and products	Medium/Long	<ul style="list-style-type: none"> Through the net-zero strategy exercises identify sectoral decarbonisation needs and develop new products to assist the clients to achieve their own net-zero targets
	Improved ratings by sustainability/ESG indexes	Short/Medium/Long	<ul style="list-style-type: none"> Continuously improve internal procedures and disclosures in order to improve ESG ratings

Opportunity Type	Climate-Related Opportunities	Time Horizon	Identified Impactful Activities
Operational activities			
Resource Efficiency	Use of more efficient modes of transport	Medium/Long	<ul style="list-style-type: none"> • Upgrade of car fleet with net-zero cars • Awareness of personnel and culture change regarding efficient and less polluting modes of transport
	Use of recycling	Short/Medium/Long	<ul style="list-style-type: none"> • Enhance the recycling actions of the organisation • Support circular economy
	Move to more efficient buildings	Short/Medium/Long	<ul style="list-style-type: none"> • Energy efficiency upgrades of owned buildings • Transfer to more energy efficient leased buildings
	Reduce water usage and consumption	Short/Medium/Long	<ul style="list-style-type: none"> • Increase efforts for the reduction of water usage within the Bank's premises
Energy Systems	Use of lower-emission sources of energy	Short/Medium/Long	<ul style="list-style-type: none"> • More strict procurement specifications for new hardware and electronics
	Shift toward decentralized energy generation	Medium/Long	<ul style="list-style-type: none"> • Installation of photovoltaics on owned premises • Enter into Power Purchase Agreements with providers of renewable energy

Increasing our Green Asset and Green Mortgage Ratios

The financial sector has an important role to play in addressing the climate crisis by providing the capital needed to expedite the transition to a low-carbon economy that balances our world's environmental, social and economic needs. The Bank is prepared to support the drastic changes needed in its business and in the world's industrial processes, land-use, buildings, transport and other infrastructure to align with the goals of the Paris Agreement.

For the first time, the Group is reporting on Taxonomy KPIs and green asset ratios (GAR). Reporting includes input on turnover and CapEx from Taxonomy KPIs. The total GAR covers the two climate-related (Climate Change Mitigation and Climate Change Adaptation) EU environmental objectives.

The Group's total GAR based on turnover amounted to 0% of total covered assets, with the total GAR based on CapEx equivalent to 0.01% of total covered assets as at year end 2023. The Taxonomy-aligned activities amounted to €1 mn at year end 2023. Gross carrying amount of total covered assets amounted to €14,497 mn as at year end 2023. Total green asset ratio relates to Taxonomy-aligned activities as a proportion of total covered assets. Total covered assets are the total assets excluding exposures to sovereigns and trading book. Total assets are defined according to the prudential consolidation of the Group per FINREP.

To support this goal, the Bank is working to develop a Green Lending Framework where it expects to use the EU Taxonomy as the main consideration to inform criteria for green or transition loans. This framework is expected to

be reviewed annually and to evolve as the EU Taxonomy expands.

For more details on EU Taxonomy refer to Additional Information – EU Taxonomy Disclosure Tables in Pages 480-494 of the [Annual Financial Report 2023](#).

Environmentally friendly products: Fil-eco 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 to manage transition risk and become more sustainable. For example, a number of loan products that were launched in 2021, 2022 and 2023 are offered under the Fil-eco Product Scheme.

The Bank offers a range of environmentally friendly products to manage transition risk and help its customers become more sustainable. For example, a number of loan products are offered under the Fil-eco Product Scheme. The Bank offers Environmentally Friendly Car Hire Purchase addressed to anyone who wants to buy a new hybrid or electric car, providing its customers the opportunity to buy a new electric vehicle and to move away from transport options reliant on fossil fuels. Moreover, an environmentally friendly loan for home renovation is offered to customers who want to renovate and upgrade the energy efficiency of their privately owned primary residence or holiday home and achieve a higher energy efficiency rating. Further, the customers may benefit from an Energy Loan for the installation of energy saving systems for home use. This product is addressed to customers who seek financing for the installation of photovoltaic systems for home use and other home energy-saving systems.

Environmentally friendly products				
	2022		2023	
	#	OS Loan Amount (€)	#	OS Loan Amount (€)
Environmentally Friendly Car Loan	63	1,294,892	282	5,825,574
Environmentally Friendly Energy Loan	263	1,842,170	303	1,984,144
Renewable energy projects	13	17,822,077	12	16,656,248
Total	339	20,959,139	597	24,465,965

At the end of 2023, the Bank launched the 'Green Housing' product, aligned with Green Loan Principles of Loan Market Association, in order to support the decarbonisation of residential properties in Cyprus, ensure feasibility of the decarbonisation target and effectively being exposed to lower level of transition risks. Looking forward, in 2024 the Bank will continue to build out its green product offering further.

The Bank, by taking into account the results of BES and the materiality assessment on C&E risks, has set Green /Transition new lending targets for 2024 in order to support the transition of its customer and Cyprus to a low carbon economy and limit its exposure to transition risks in certain sectors. Specifically, the Bank by taking into account the results of the MA on C&E risks, the expected introduction of Green taxation in Cyprus, the amendments adopted by the European Parliament on 14 March 2023 on the proposal for a directive of the European Parliament and of the Council on the energy performance of buildings as well as the Cyprus Government subsidies identified climate related opportunities and has set Green/Transition new lending targets on specific sectors (i.e., Manufacturing, Trade, Construction and Accommodation) to enable the Green transition. The Green/Transition new lending targets have been included in the Group's Financial Plan for 2024 - 2027 and monitored on a monthly basis by the Business Development Committee ('BDC') of the Group.

Sustainable Finance Framework

The Bank as a key financial stakeholder in Cyprus, established a Sustainable Finance Framework aiming to improve disclosure and transparency on sustainability and to bring to international investors more opportunities to invest in sustainable developments in Cyprus and Greece. The Bank has set up a Sustainable Finance Framework which will facilitate the issuance of:

- Green Bonds/Loans – for which the funds raised are exclusively allocated to Eligible Green Projects
- Social Bonds/Loans – for which the funds raised are exclusively allocated to Eligible Social Projects
- Sustainability Bonds – whereby the funds raised are exclusively allocated to Eligible Green Projects and to Eligible Social Projects

The Sustainable Finance Framework is aligned with the Green Bond Principles and defines the following core elements:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

For Use of Proceeds an amount at least equivalent to the net proceeds of any Sustainable Financing Instrument issued by the Group will be allocated to finance new or re-finance, in whole or in part sustainable projects which meet the eligibility criteria of the following Eligible Green and/or Social Project categories:

The Project Evaluation and Selection Process ensures that the proceeds of any of the Group's Sustainable Financing Instruments are allocated to new lending or existing projects that meets the

criteria set out under the Framework. The Bank has established a Sustainable Financing Working Group (SFWG) to carry out the evaluation and selection process.












In addition, it is the Bank's intention to maintain an aggregate amount of Eligible Sustainable Projects that is at least equal to the aggregate net proceeds of all Bank's Sustainable Financing Instrument issuances that are concurrently outstanding under this Framework. In the event that the aggregate value of Eligible Sustainable Projects in the Bank's Eligible Asset Portfolio is less than the total outstanding amount of the Bank's Sustainable Financing Instrument(s), the unallocated surplus funds will be held in line with the Bank's general liquidity management

guidelines until allocated to Eligible Sustainable Projects.

For all Sustainable Financing Instrument issuances under this Framework, the Bank is committed to providing investors with transparent reporting on the allocation of proceeds towards Eligible Sustainable Projects (Allocation Reporting), as well as to report on the positive environmental and social impacts of those projects (Impact Reporting). The Sustainable Financing Instrument Report will be updated annually, until full allocation of the proceeds of the issued Sustainable Financing Instrument(s).

For more details refer to the [Sustainable Finance Framework](#).

Green Project Categories

ICMA Category	SDGs
Renewable Energy	 
Energy Efficiency	  
Clean Transportation	  
Green Buildings	  

Social Project Categories

ICMA Category	SDGs
Access to Essential Services – Healthcare	
Employment Generation and SME financing	

Our approach to operational impacts: Managing our operational climate change and environmental strategy

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.

Reduction of Scope 1 and Scope 2 GHG emissions - Become Carbon neutral by 2030 and Net Zero by 2050

(TCFD - Pillar IV - Metrics and targets)

In supporting the net zero commitments, the Bank's Scope 1, Scope 2 and material non-Financed Scope 3 GHG emissions were calculated for 2021 (baseline), using a widely accepted methodology and bringing the Bank in a position where it can set a feasible roadmap of actionable tasks to reduce its carbon footprint and achieve its decarbonisation goals.

Given the fact that the Bank is the main contributor of GHG emissions of the Group, the Bank has formulated a decarbonisation plan to reduce its own carbon footprint relating to Scope 1 and Scope 2 GHG emissions and ultimately reach its Carbon Neutral target by 2030.

For the Bank to reach carbon neutrality by 2030, Scope 1 and Scope 2 GHG emissions should be reduced by 42% by 2030 compared to 2021 baseline. The decarbonisation target on Scope 1 and Scope 2 is monitored through the

Sustainability Performance Report on a quarterly basis by the SC, EXCO and Board Committees.

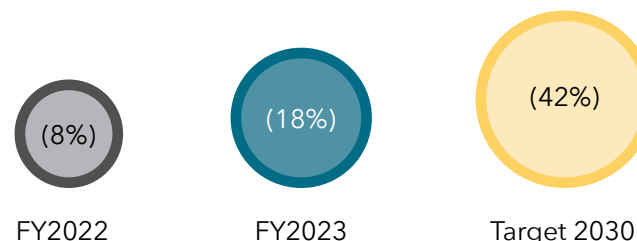
The Bank plans to invest in energy efficient installations and actions and replace fuel intensive machineries and vehicles from 2024 to 2025, which would lead to c.3-4% reduction in Scope 1 and Scope 2 GHG emissions by 2025 compared to 2021. The Bank expects that the Scope 2 GHG emissions will be reduced further when the energy market in Cyprus shifts further towards renewable energy. The Bank is also considering several other actions aiming to a further reduction of c.30% in Scope 1 and Scope 2 GHG emissions by 2030 compared to 2022. The actions planned by the Bank between 2024 to 2025 include:

- Air-conditioning systems replacements
- Boiler replacements
- Roof insulation
- CO₂ sensors installation
- Heat recovery installation

A number of carbon reduction initiatives are already underway and contribute to the reduction of carbon footprint in the immediate future. These energy and waste initiatives include:

- Installation of new solar panels;
- Implementation of Energy Management system;
- Installation of electric chargers for cars;
- Improvement of waste measurement;
- Increase initiatives for waste recycling; and
- Reduction of paper use.

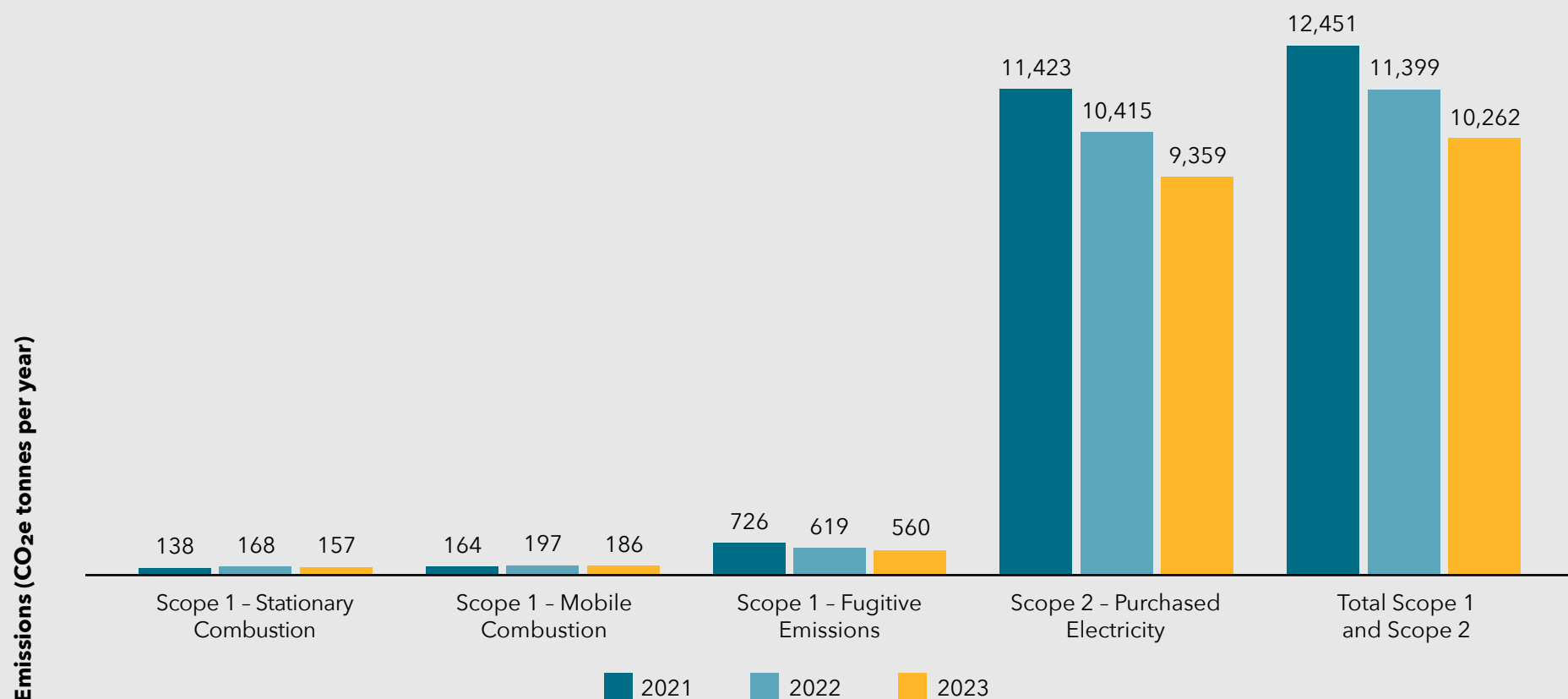
Performance on Carbon Neutrality target against baseline of 2021



The Bank has estimated Scope 1 and Scope 2 GHG emissions for 2023 in order to monitor the progress on carbon neutrality target:

(GRI 2-4)

Scope 1 and Scope 2 emissions

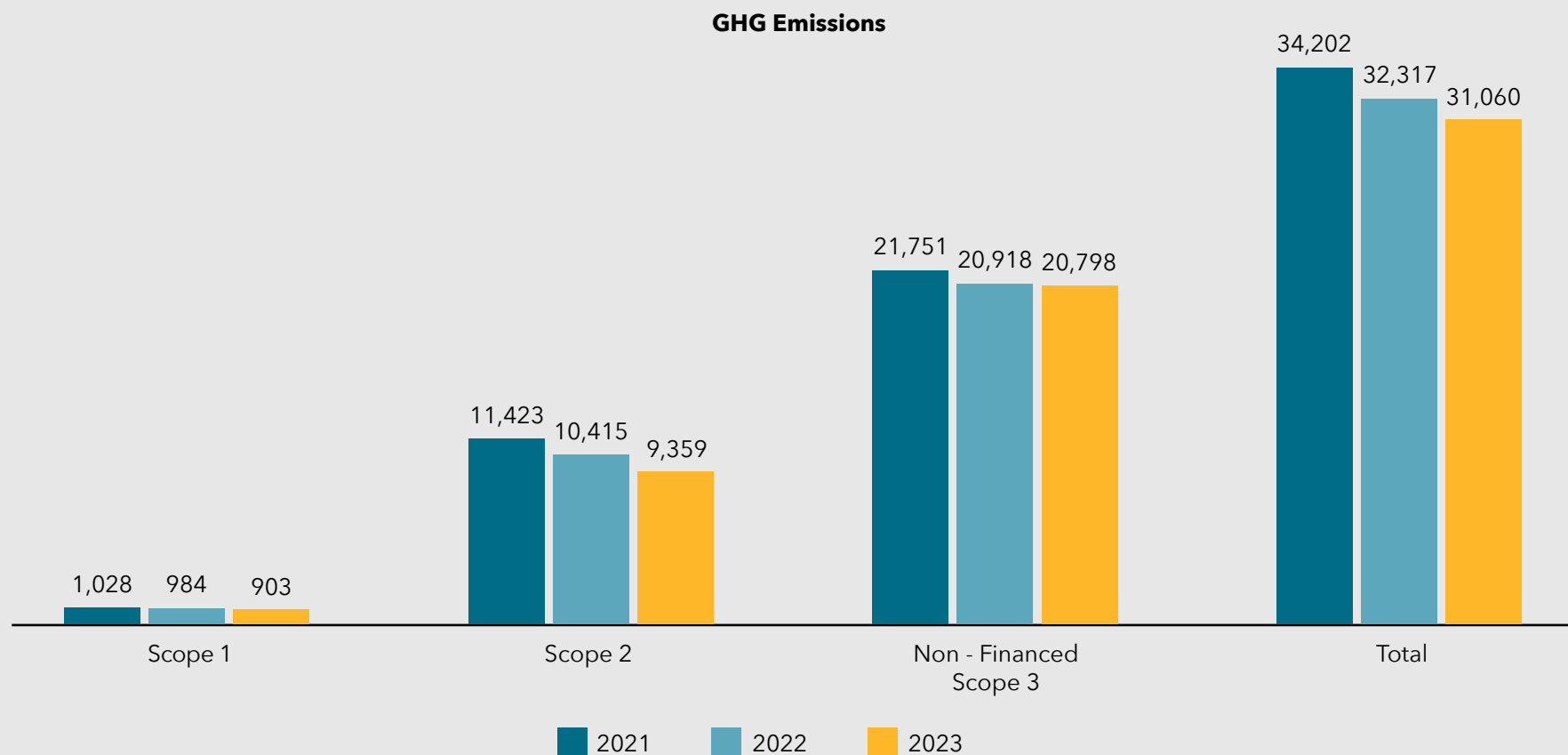


Notes:

- The 2021 estimated Scope 1 and 2 GHG emissions presented here are slightly different to those reported in the 2021 Sustainability Report due to the following factors: the overestimation of certain Global Warming Potentials (GWP) for Scope 1 Stationary Combustion, re-estimation of Scope 1 Fugitive GHG emissions to include all properties and reallocation of relevant GHG emissions between companies within the wider Bank following revised ownership rights.

Our GHG Emissions

(GRI: 305)



Scope 1 Emissions

(GRI: 2-4, 305-1)

GHG Emissions (tonnes CO ₂ e)	2021	2022	2023
Stationary combustion emissions			
Liquid Fuels	18.64	32.77	23.27
Heating Oil	119.53	135.59	133.45
Total	138.17	168.36	156.72
Mobile combustion emissions			
Diesel	121.30	144.15	133.72
Petrol	43.27	52.93	51.85
Total	164.57	197.08	185.57
Fugitive emissions			
R407C	166	142.67	129.96
R410A	456.11	387.75	350.49
HFC-32	103.86	88.1	79.51
Total	725.97	618.52	559.96
Total direct (Scope 1) emissions	1,028.71	983.96	902.25

Notes:

- The gases included in the calculations are CO₂, CH₄, and N₂O.
- The 2021 estimated Scope 1 and Scope 2 GHG emissions presented above are slightly different to those reported in the 2021 Sustainability Report due to the following factors: the overestimation of certain Global Warming Potentials (GWP) for Scope 1 Stationary Combustion, re-estimation of Scope 1 Fugitive GHG emissions to include all properties and reallocation of relevant GHG emissions between companies within the wider Bank following revised ownership rights.
- For the purpose of the calculation of its 2021, 2022 and 2023 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach, given its existing processes/available data. The 2021, 2022 and 2023 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO₂e are in line with the applicable GWP (AR5).

Scope 2 Emissions

(GRI: 2-4, 305-2)

GHG Emissions (tonnes CO ₂ e)	2021	2022	2023
Market-based energy indirect emissions			
Purchased Electricity	11,423	10,415	9,359

Notes:

- The gases included in the calculations are CO₂.
- The emission factors used for the calculation of Scope 2 emissions (market-based) were sourced by Electricity Authority of Cyprus ("EAC") website. Currently, Scope 2 emissions are based on EAC factor of 2022 as no EAC for 2023 has been issued.
- The 2021 estimated Scope 1 and Scope 2 GHG emissions presented above are slightly different to those reported in the 2021 Sustainability Report due to the following factors: the overestimation of certain Global Warming Potentials (GWP) for Scope 1 Stationary Combustion, re-estimation of Scope 1 Fugitive GHG emissions to include all properties and reallocation of relevant GHG emissions between companies within the wider Bank following revised ownership rights.
- For the purpose of the calculation of its 2021, 2022 and 2023 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach, given its existing processes/available data. The 2021, 2022 and 2023 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard.

Scope 3 (non-financed) Emissions

(GRI: 2-4, 305-3)

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 analyzing data from peers, international reports and banking sector standards.

Bank of Cyprus GHG Emissions (tonnes CO ₂ e)	2021	2022	2023
Purchased Goods and Services (Cat. 1)	13,968.66	13,835.31	13,958.89
Upstream transportation and distribution (Cat. 4)	2,161.23	2,169.35	2,276.74
Waste generated in operations (Cat. 5)	3,234.78	2,646.54	2,576.64
Business Travel (Cat. 6)	138.44	144.26	132.14
Employee commuting (Cat. 7)	2,247.64	2,122.55	1,853.2
Total indirect (Scope 3) emissions	21,750.75	20,918.01	20,797.691

Notes:

- i. The gases included in the calculations are CO₂, CH₄, and N₂O.
- ii. The Bank is not planning to set a decarbonisation target on non-financed Scope 3 emissions as the majority of Bank's emissions derive from the loan portfolio.
- iii. The 2021 estimated Scope 3 (non-financed) emissions presented above are slightly different to those reported in the 2021 Sustainability Report, due to the following factors:
 - Business Travel (Cat. 6): Restated to include the flight km of a certain number of travelers not previously accounted, thus the allocation of land travel data is slightly different.
 - Employee commuting (Cat. 7): Restated to include the updated version of GHG tool.
 - Waste generated in operations (Cat. 5): Restated to include quantity of waste that was excluded due to lack of available information.
 - Purchased Goods & Services (Cat. 1) and Upstream transportation and distribution (Cat. 4): Restated to use the most updated version of emission factors (2019 version as 2021 is not yet determined).
- iv. For the purpose of the calculation of its 2021, 2022 and 2023 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach. The 2021, 2022 and 2023 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO₂e are in line with the applicable GWP (AR5).
- v. GHG emissions under Category 5 are slightly different to those reported in 2022 Sustainability Report in order to ensure comparability with 2023, in which an updated methodology was applied on GHG emissions estimation under Category 5.

GHG emissions intensity

(GRI: 2-4, 305-4)

GHG Emissions (intensity)		2021	2022	2023
Scope 1 Emissions intensity	tCO ₂ e/FTEs	0.34	0.4	0.37
Scope 2 Emissions intensity – Market-based	tCO ₂ e/FTEs	3.8	4.2	3.9
Scope 3 (non-financed) Emissions intensity	tCO ₂ e/FTEs	7.2	8.5	8.6

Notes:

- i. The gases included in the calculations for Scope 1 emissions are CO₂, CH₄, and N₂.
- ii. The gases included in the calculation for Scope 2 emissions are CO₂.
- iii. The gases included in the calculation for Scope 3 (non-financed) emissions are CO₂, CH₄, and N₂.
- iv. The intensity ratio for 2021 on Scope 1, Scope 2 and Scope 3 (non-financed) emissions are slightly different to those reported in the 2021 Sustainability Report, due to the restatements of emissions, as presented in tables above.
- v. For the purpose of the calculation of its 2021, 2022 and 2023 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach. The 2021, 2022 and 2023 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO₂e are in line with the applicable GWP (AR5).
- vi. GHG emissions intensity under Scope 3 Category are slightly different compared to those reported in the Sustainability Report of 2022, due to change in methodology of 2023 estimation. For comparability purposes 2021 and 2022 estimations were revised.

GHG emissions reduction

(GRI 305-5)

GHG emissions reduction	2022-2021		2023-2022	
	tCO ₂ e	%	tCO ₂ e	%
Scope 1 emissions reduction	-45	-4.4%	-81	-8.3%
Scope 2 emissions reduction	-1,008	-8.8%	-1,056	-10.1%
Scope 3 (non-financed) emissions reduction	-1,033	-4.5%	-1,018	-4.7%

Notes:

- i. The gases included in the calculations for Scope 1 emissions are CO₂, CH₄, and N₂.
- ii. The gases included in the calculation for Scope 2 are CO₂.
- iii. The gases included in the calculations for Scope 3 (non-financed) emissions are CO₂, CH₄, and N₂.
- iv. For the purpose of the calculation of its 2021, 2022 and 2023 carbon footprint, the Bank has set its organisational boundaries based on the operational control approach, given its existing processes/available data. The 2021, 2022 and 2023 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO₂e are in line with the applicable GWP (AR5).

Our Energy consumption

(GRI: 2-4, 302-1)

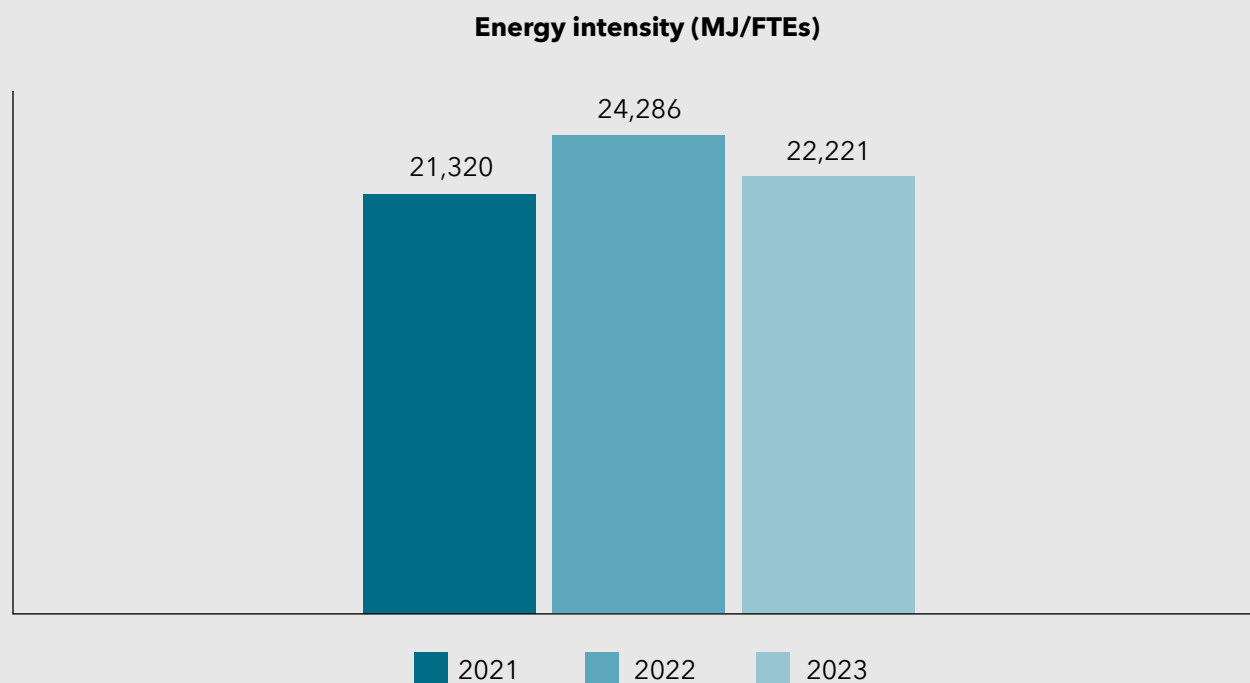
Energy Consumption within the Organisation				
	Unit	2021	2022	2023
Energy Consumption by fuel Type				
Fuel consumption within the organisation from non-renewable sources (in MJ)				
Liquid Fuels				
Heating Oil	MJ	1,686,769	1,916,553.96	1,886,370.84
Diesel	MJ	260,260.67	458,067.96	325,278.00
Business owned vehicles				
Diesel	MJ	1,702,543.32	2,043,932.15	1,895,949.79
Petrol	MJ	641,744.64	786,159.5	770,072.36
Electricity Consumption				
All Sources				
Electricity Consumed	MJ	59,839,812.47	54,561,913.31	49,029,721.20
Renewable Sources (self-generated)				
Solar PV	MJ	571,737.6	626,400	1,029,337.20
Total Energy Consumed	MJ	4,291,317.63	5,204,713.57	4,877,670.99
Total Electricity Consumed	MJ	59,839,812.47	54,561,913.31	49,029,721.20

Notes:

- The carbon footprint was calculated based on the GHG Protocol and ISO 14064-1:2019. The calculation was performed based on different activity data and emission factors, and the tools used were the ones referenced by the GHG Protocol website.
- Standards, methodologies, assumptions and/or calculations tools were used from [Laws Specifications for Oils and Fuels 2003 to 2018](#).
- The data used and reported in 2021 are slightly different to those reported in the 2021 Sustainability Report as the values used for buildings were amended based on the updated ownership percentages.
- Conversion factors used for 2021, 2022 and 2023 and from kWh to MJ for the purposes of this report are sourced from the [Laws Specifications for Oils and Fuels 2003 to 2018](#).

Energy Intensity

(GRI 302-3)



Notes:

- Types of energy included on the calculation is the energy from the total electricity consumed and energy from non-renewable resources (heating oil, diesel, petrol).
- Energy intensity is calculated by dividing the total energy consumption originated from buildings and branches (including energy consumption from off-site ATMs) and the total FTEs (incl. VRS employees) of the Bank (as at 31/12/2021, 31/12/2022 and 31/12/2023).

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 organized a number of environmental training courses and encouraged employees to attend specialised ESG-related training events.

During 2023, the following ESG trainings were carried out:

2023 ESG trainings	Participants	Training Attendance (hours)		
		Women	Men	Total
Environment, Social, Governance (e-learning)				
Individual Contributors and Managers	2,309	697	457.5	1,154.5
ESG Due Diligence Loan Origination				
Individual Contributors and Managers	92	186	90	276
ESG Various				
Individual Contributors and Managers	39	43	29	72
ESG Strategic Implications for Banks				
Leadership Team*	19	10	20	30
EU Taxonomy and Credit Underwriting				
Leadership Team*	20	6	13	19

Notes:

- *Leadership team consists of the Bank's Executive Directors and Directors.
- The table above excludes information for BoD members as this is included in [Corporate Governance – Directors' Induction and ongoing development](#).

Promoting circularity



Our impacts

(GRI: 3-3)

The finance and operational activities of the Bank create or may create negative impacts on the efficient use of limited, non-renewable natural resources and renewable natural resources through their use for production and consumption purposes.

Negative impacts

Contribute to the creation of negative impacts on the efficient use of limited, renewable and non-renewable natural resources:

- through the provision of financing activities to certain sectors, as assessed from the PRB institutional banking analysis of 2023, that affect the efficient use of limited, non-renewable natural resources and renewable natural resources in the process of exploiting nature for production and consumption purposes
- through operational activities from the use of non-renewable raw materials (i.e. plastic, aluminum), as well as other office supplies (i.e. printer consumables, absolute equipment, lead-acid batteries, light bulbs, and paper).

2023 Highlights (as of 31 December 2023)

16%

decrease in paper consumed / printed (2022: 44,849,252, 2021: 50,855,267)

14%

decrease in paper rolls consumption in ATMs (2022: 1,099, 2021: 2,347)

100,100 kg

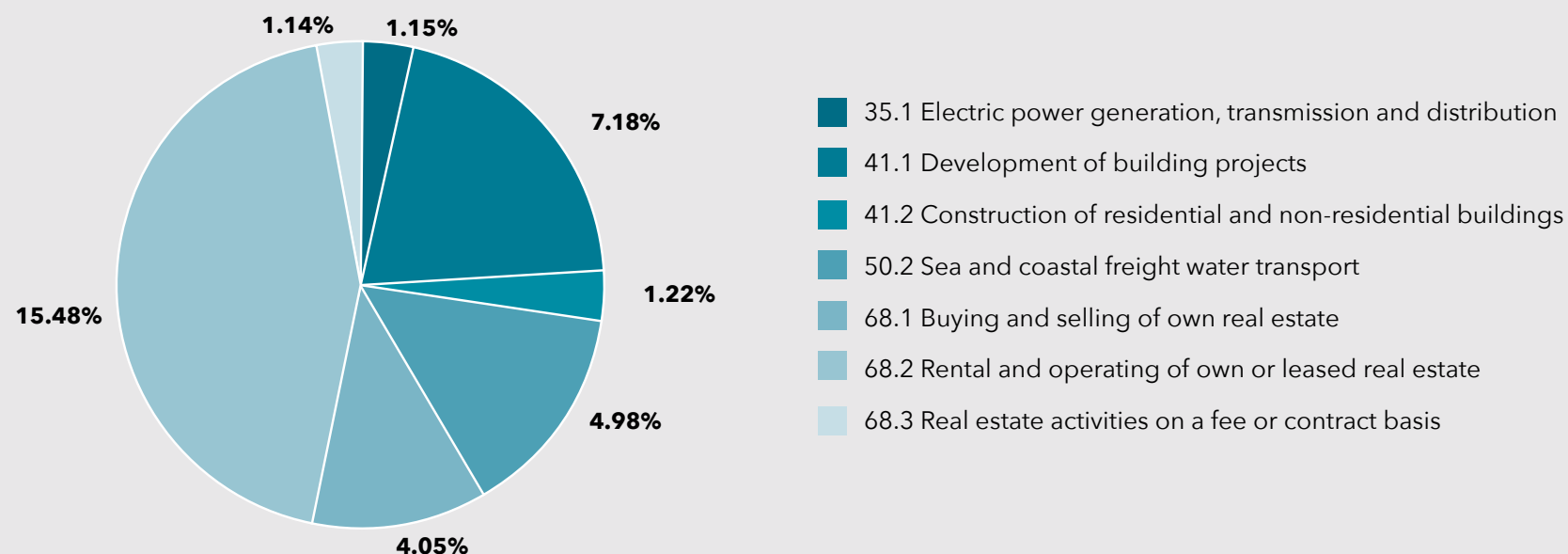
of paper recycled

Our approach to financed impacts: Securing limited, non-renewable natural resources

The circular waste management and the preservation of the natural reserves of raw materials is important for the Bank, as well as at national and global level.

As part of its business activity, the Bank provides financing to certain sectors that as per PRB impact analysis of 2023, create negative impact among others, on the efficient use of limited, non-renewable and renewable natural sources. More specifically, as per the 2023 PRB institutional banking analysis, financing to sectors that amount to 44.31% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €2,185mn of loans, create negative impacts to the impact topic of Resource Intensity/Circularity.

Financing to key NACE sectors with an exposure of >1% that create negative impacts on resource intensity (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above excludes the key sectors with exposure below 1%, as per the 2023 PRB institutional banking impact analysis, that create negative impact on resource intensity, contributing to a combine exposure of 7.11%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on resource intensity, have an exposure of 2.00%, of the portfolio under assessment (i.e. combined financing of 44.31% of the portfolio under assessment).

The Bank established an ESG Due Diligence process with the objective being to assess customers (existing and new) on their performance against various aspects around ESG and climate risks. The ESG questionnaire used in the ESG Due Diligence process include, among others, enquires regarding recycling, resource use, waste and waste management to derive the ESG score. The Due Diligence process is applied when granting new and/or reviewing existing credit facilities and is expected to be fully incorporated into the loan origination process by the end of the first quarter of 2024. At that stage, beyond the scoring of the customers, specific recommendations will be made to customers aiming to mitigate ESG risks and improve their ESG performance. Further down the line the ESG score will result to a potential impact in the fundamental elements of the creditworthiness assessment. Such amendments in the procedures will also account for the decision-making process, which could result to potential alteration of pricing, setting of specific covenants and monitoring requirements, etc. based on their ESG score.

Our approach to operational impacts: Managing of waste and recycling

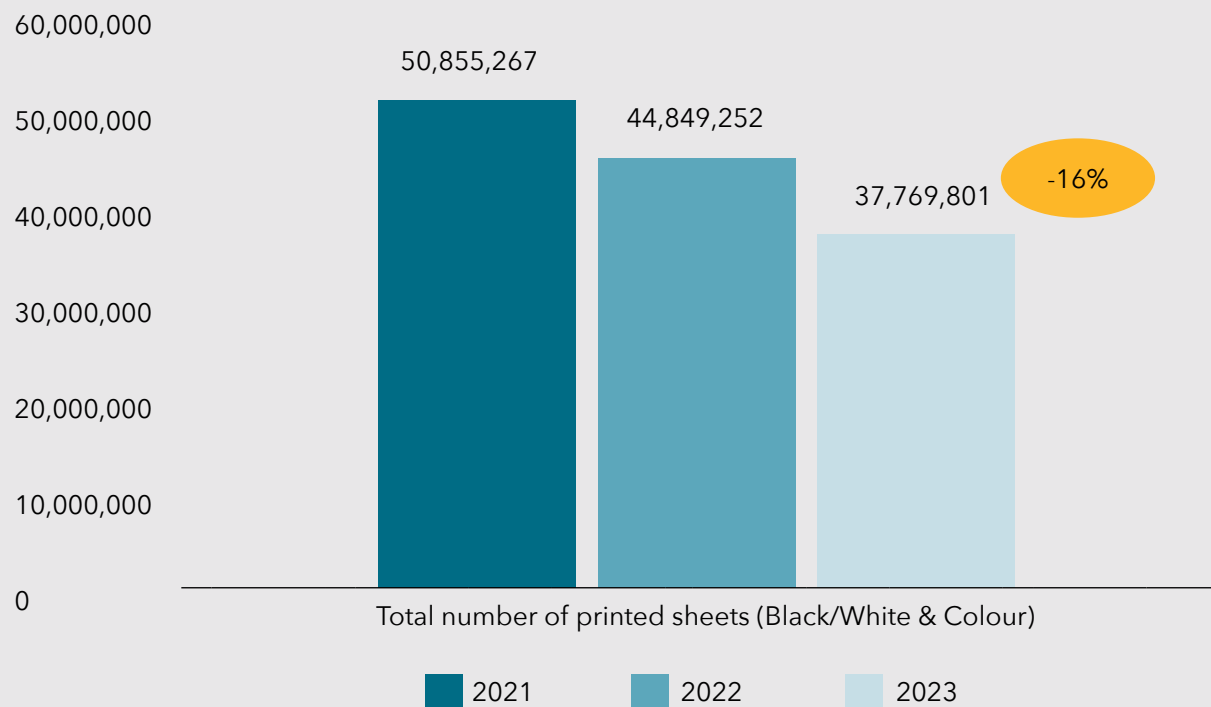
The Bank recognises the critical role that waste management and recycling, play in achieving its sustainability goals and to minimise the environmental impact. The Bank's commitment is to manage waste responsibly, reducing waste generation and promoting recycling practices throughout its operations.

As part of the Bank's commitment to environmental stewardship, the Bank is placing a strong emphasis on employee awareness and training to drive sustainable waste management practices. During the year the Bank run initiatives, environmental trainings, awareness sessions and internal communication campaigns to increase its employees' environmental awareness, improve efficiency and performance, and to reduce resource consumption. For more information on the environmental trainings and awareness sessions refer to [Setting an environmental strategy and contributing to climate stability](#).

In order to minimise the environmental impact of paper, lead-acid batteries, light bulbs, toner, electronic and other equipment, the Bank proceeds to recycling, as per its recycling circular of 2022 (OE 207).

Paper consumption (Internal indicators: Paper consumption, Paper consumed / printed)

Paper Consumed / Printed



This decrease is in line with the Bank's digital transformation and shift towards paperless services.

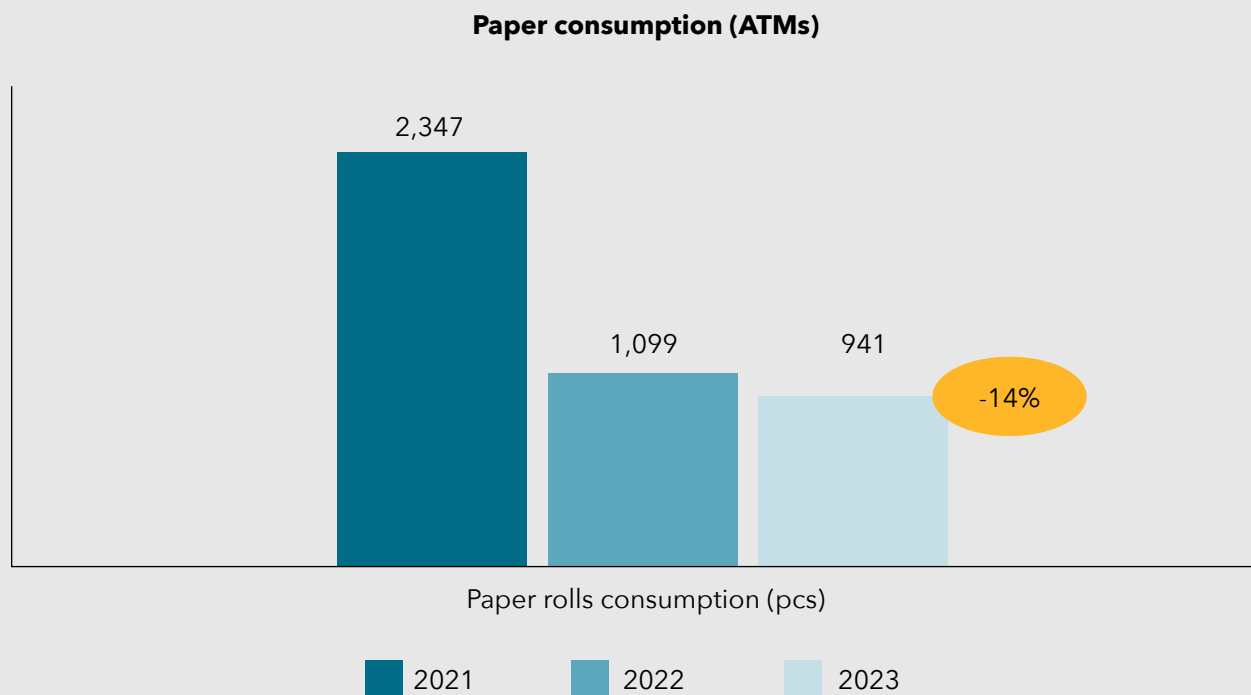
In particular, the Bank launched the following paperless services in 2022 and expanded them in 2023 which are expected to reduce the paper consumption further in the future:

- QuickCards (Through Internet banking and Mobile App)
- QuickLoans (Through Internet banking and Mobile App)
- QuickAccounts (Through Internet banking and Mobile App)
- Mobile Cheque Deposit

The continued evolution of Internet banking and BOC Mobile App supports significantly the reduction of paper consumption. The vast majority of customers are digitally engaged with the Bank.

In addition, the introduction of Digital Signature contributes to a paperless era as agreements, documents and applications as well as any digital transaction can be signed without physical presence.

In addition, the default option in the ATMs is for customers to view their transaction electronically, although the option for a printed receipt is also available. Thus has resulted to a significant decrease by 14% in paper rolls consumption, compared to prior year.



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
8. Termination of posting account statements to physical persons who are 1Bank subscribers with mobile
9. Introduction of e-pads in branches which resulted in the reduction in the volume of paper cashier vouchers handled. Estimated annualised reduction in pages produced and processed: 3.4mn.
10. Online applications through Internet Banking and BOC Mobile App
11. Online services offered through Internet Banking and BOC Mobile App
12. Instant access to eStatements through Internet Banking and BOC Mobile App
13. Mobile Cheque Deposits
14. Digital Signatures

Paper retention, recycling and destruction programme

The Bank has established a Data Retention Policy that balances regulatory requirements, operational efficiency and environmental sustainability. Through the implementation of the policy, the Bank has optimised the use of paper resource and understands the importance of responsible paper consumption as a fundamental element of the Bank's environmental responsibility.

The Bank's Data Retention Policy provides clear guidelines on the retention and disposal of physical documents. In 2022, a new method for the recycling of paper from branches was implemented, according to which all paper will be shredded in the branches and collected by an approved provider (Green Dot) for recycling. The reduction in kilograms recycled through the years are aligned with the digitisation journey of the Bank and the actions taken to reduce paper consumption.

Paper Recycled	2021	2022	2023
Paper (kg)*	315,000	200,000	110,100*

Notes:

- i. *The paper recycled relates only to recycling performed centrally and excludes branches and owned buildings recycling, as this information is not available.

Management of waste

The operational activities of the Bank often produce waste, such as writing paper, plastics, metal, computers, and other electronic equipment. By adopting sustainable waste management practices, the Bank can contribute to a healthier environment and create more sustainable future.

The Bank has striven to minimise its waste generation throughout its operations by adopting proactive measures through employing strategies, such as reducing the waste recycled (i.e. empty packaging of printing toners, metal parts, miscellaneous appliances, plastics, glasses wood), along with implementing digital alternatives through electronic equipment and encouraging responsible consumption practices among its employees and stakeholders.

Currently, the Bank has not an established process to quantify the waste, however, it plans and takes all necessary measures to eliminate the risk of potential natural environment pollution.

(Internal indicator: Waste recycled by type)

Waste recycled by type	2022	2023
Empty packaging of printing toners (laser, inkjet, etc.) (pieces)	1,594	1,336
Electronic equipment (kg)	3,461	13,320
Metal (metal parts of old furniture, machinery, etc.) (kg)	560	-
Miscellaneous appliances - machines (kg)		
Plastics, glass, wood & metal (kg)	80,140	65,650

Zero Waste Christmas

An ecological message on sustainability was sent for another year by the Bank for Zero Waste Christmas in 2023. In collaboration with NGO Alternative Brains Rule a Zero Waste Christmas tree was re-used at the Bank's headquarters, in Nicosia. It was designed and built with zero waste as the main goal.

Bank of Cyprus Zero Waste Christmas Tree

- For the frame birch plywood was used, the cutting of which causes minimal damage to biodiversity.
- There was no wood waste and the varnish is ecological.
- The star ornaments were created from recycled plastic stoppers collected by staff.
- Powered by solar energy, which was drawn from the photovoltaic system installed outside the Bank's Head Office in Nicosia.

Safeguarding Biodiversity and healthy ecosystems



2023 Highlights (as of 31 December 2023)

169.06%

increase in gross loans on relevant key sectors, under the institutional banking portfolio (as assessed by 2023 PRB impact analysis) contributing to a positive impact on Air

1.21%

decrease in gross loans on relevant key sectors, under the institutional banking portfolio (as assessed by 2023 PRB impact analysis) contributing to a negative impact on Soil

Our impacts

(GRI: 3-3)

The finance and operational activities of the Bank create or may create positive and negative impacts on biodiversity and ecosystems, such as (a) the quality of ambient (outdoor) and household (indoor) air (b) the composition of soil and its ability to deliver ecosystem services.

Positive impacts

Contribute to improve the quality of ambient (outdoor) and household (indoor) air:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking impact analysis of 2023, that create impacts on the quality of air;
- through the decarbonisation strategy designed for the loan portfolio;
- through operational activities as part of the Bank's decarbonisation plan (such as the monitoring of emissions, replace fuel intensive machineries and reduce energy consumption) and through several actions, such as recycling and the fire prevention & response programme.

Negative impacts

Contribute to the creation of negative impacts that affect the quality of air and the composition of soil:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2023, that affect (a) the quality of air as exposed to contaminant or pollutant substances that do not disperse properly and that interfere with human health and welfare, or produce other harmful environmental effects, (b) the composition of soil and its ability to deliver ecosystem services.
- through the operational activities that create air pollution, due to the direct and indirect release of air pollutants resulting from the consumption of fuels and other diffuse and point emissions sources by internal (i.e. Employee, Executives) and external stakeholders (customers).

Our approach to financed impacts: Financing access to protect and restore biodiversity and ecosystems

Protecting and restoring our nature and biodiversity are considered to be important drivers of our economy and critical for the planet's survival.

Air

The Bank has estimated its financed Scope 3 GHG emissions associated with its loan and investment portfolio and set decarbonisation target associated with its Mortgage portfolio, while in 2023, established an ESG Due Diligence process with the objective being to assess customers (existing and new) on their performance against various aspects around ESG and climate risks. The Due Diligence process is applied when granting new and/or reviewing existing credit facilities and is expected to be fully incorporated into the loan origination process by the end of the first quarter of 2024. At that stage, beyond the scoring of the customers, specific recommendations will be made to customers aiming to mitigate ESG risks. Further down the line the ESG score will result to a potential impact in the fundamental elements of the creditworthiness assessment. Such amendments in the procedures will also account for the decision-making process, which could result to potential alteration of pricing, setting of specific covenants and monitoring requirements, etc. based on their ESG score. The goal is to identify the customers and sectors with the most significant impacts on this topic, based on their

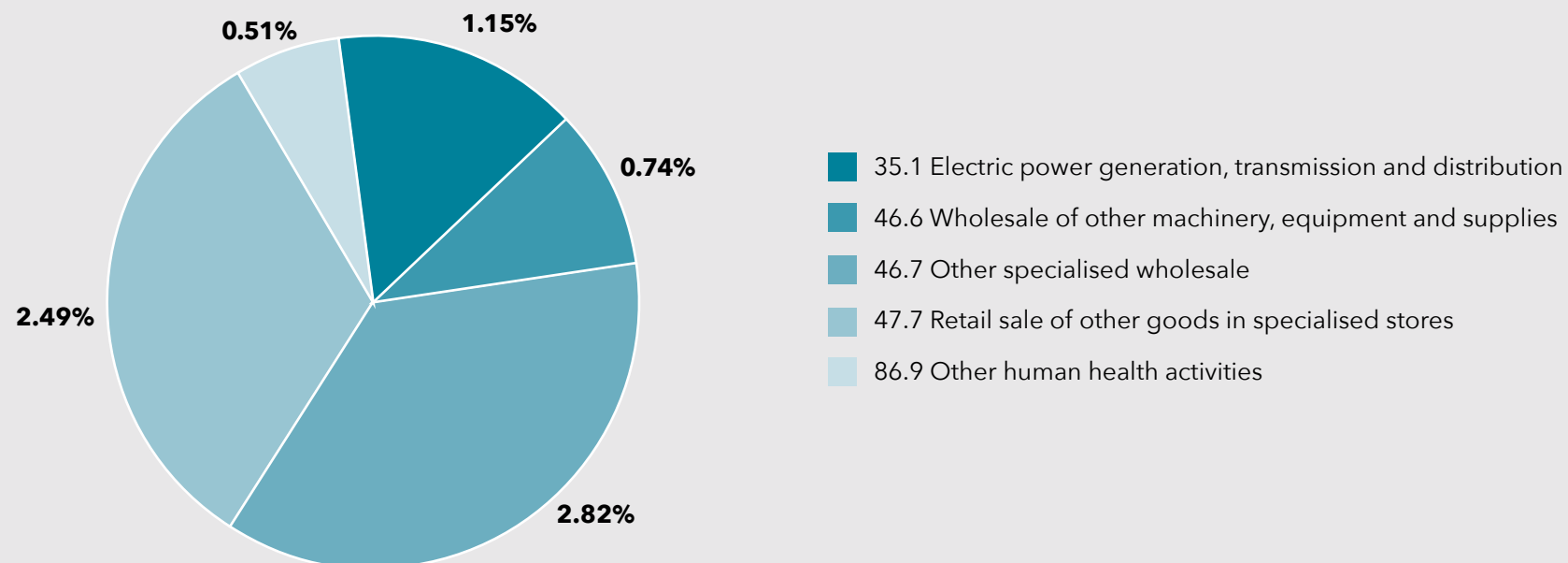
financed Scope 3 GHG emissions and other ESG criteria set, so to be able to initiate engagement with customers and support them to reduce their negative impacts through financing. The Bank is also implementing its Environmental and Social Policy in relation to its lending activities, based on its commitment to applying certain environmental and social procedures derived from the policies and guidelines of the European Bank for Reconstruction and Development (EBRD).

For further details refer to [Setting an environmental strategy and contributing to climate stability](#) on this Sustainability Report.

(Internal indicator: Financing to NACE sectors that create positive impacts on air)

As part of its business activity, the Bank provides financing to certain sectors that as per PRB impact analysis of 2023, create positive impact among other, to improve the quality of ambient (outdoor) and household (indoor) air. As per the 2023 PRB institutional banking impact analysis, financing sectors that amount to 7.70% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €379.82mn of loans, create positive impacts to the impact topic of Air.

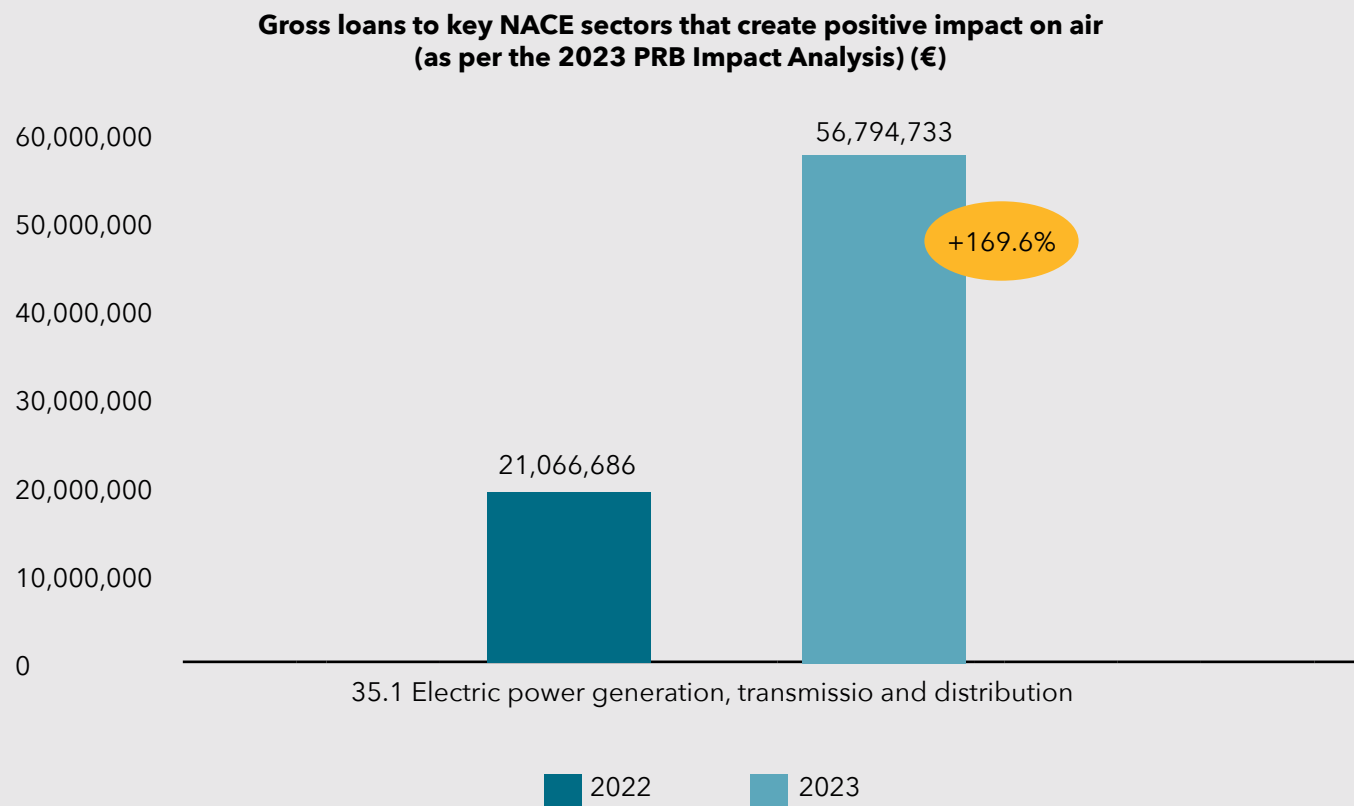
Financing to NACE sectors that create positive impacts on air (as per the 2023 PRB Impact Analysis)



Notes:

- i. The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- ii. The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- iii. Industry classification is based on NACE codes.

In particular, as at 31 December 2023, the Bank's gross loans on the key sectors that create positive impact on air (i.e. Electric power generation, transmission and distribution) have increased by 169.6%, from €21.067mn in 2022 to €56.795mn in 2023.



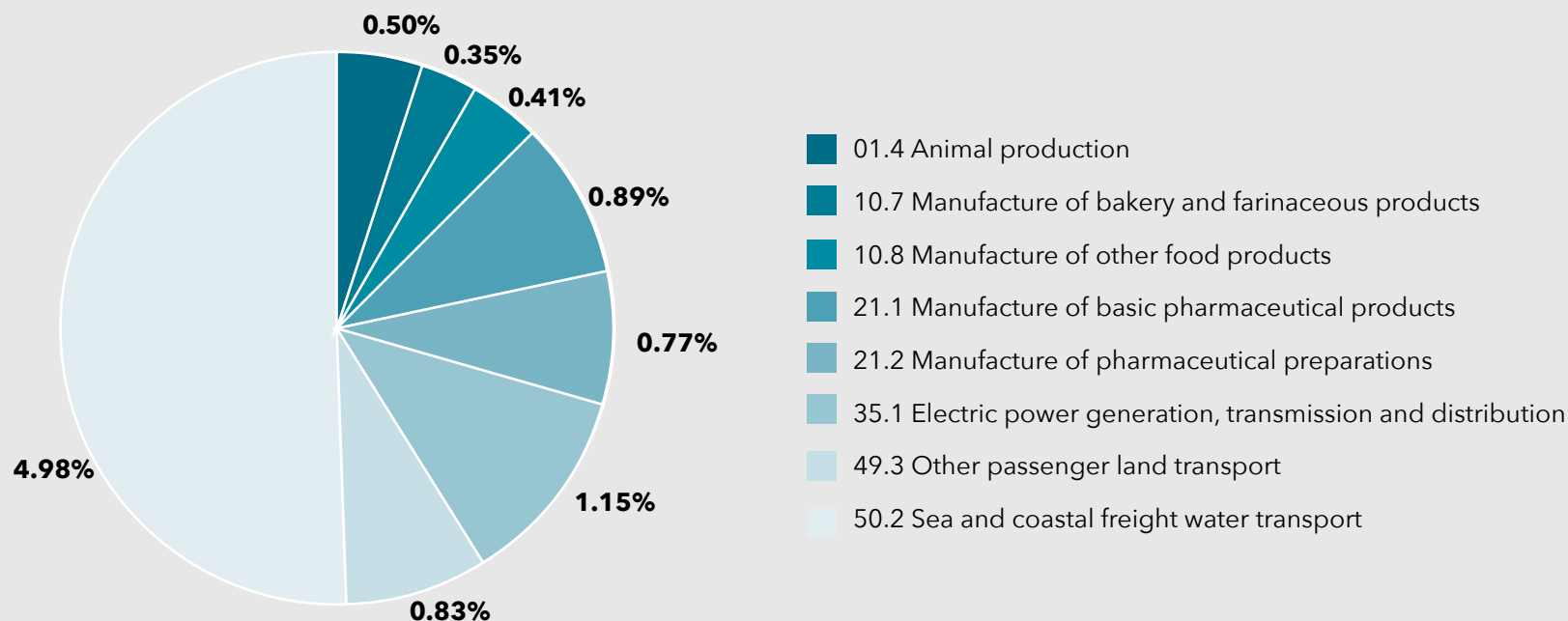
Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on air, with an exposure of 1.15%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on air, have an exposure of 6.55%, of the portfolio under assessment (i.e. combined financing of 7.70% of the portfolio under assessment).

(Internal indicator: Financing to NACE sectors that create negative impacts on air)

At the same time, the Bank recognises the critical importance of air quality preservation so is incorporating ESG matters in its loan assessment (including biodiversity and ecosystems) and amending the relevant policies and procedures. Queries on biodiversity are included in the ESG questionnaires for assessing key sectors such as Real estates (including Hotels), Construction and Transportation. Those sectors are those that the Bank may achieve the most significant impact, through provision of transition financing, given the material exposures. As per the PRB impact analysis of 2023, the Bank provides financing to certain sectors that create negative impact among other, to the air quality. As per the 2023 PRB institutional banking impact analysis, financing sectors that amount to 51.89% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €2.559bn of loans, create negative impacts to the impact topic of Air.

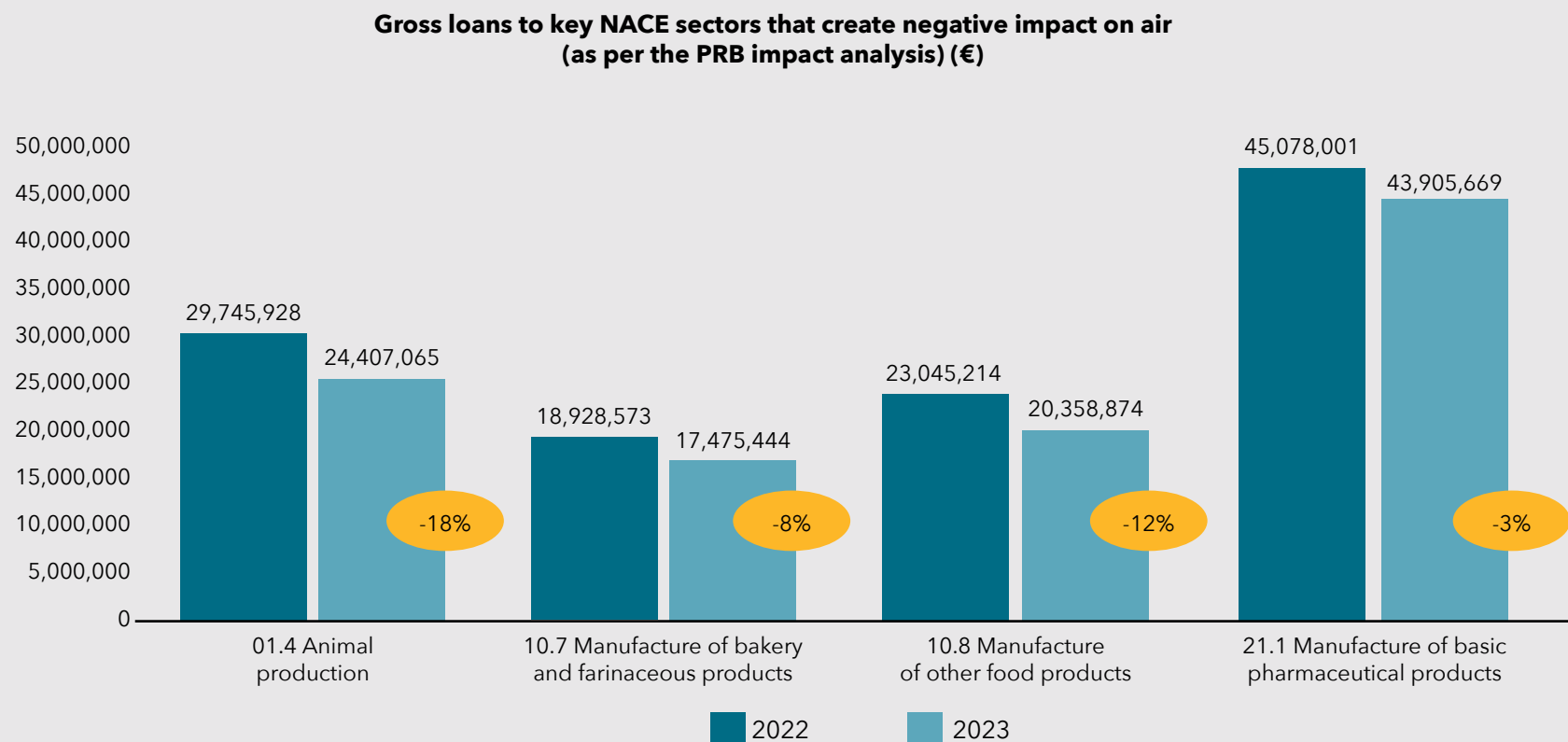
Financing to key NACE sectors that create negative impacts on air (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, with an exposure of 9.89%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, have an exposure of 42%, of the portfolio under assessment (i.e. combined financing of 51.89% of the portfolio under assessment).

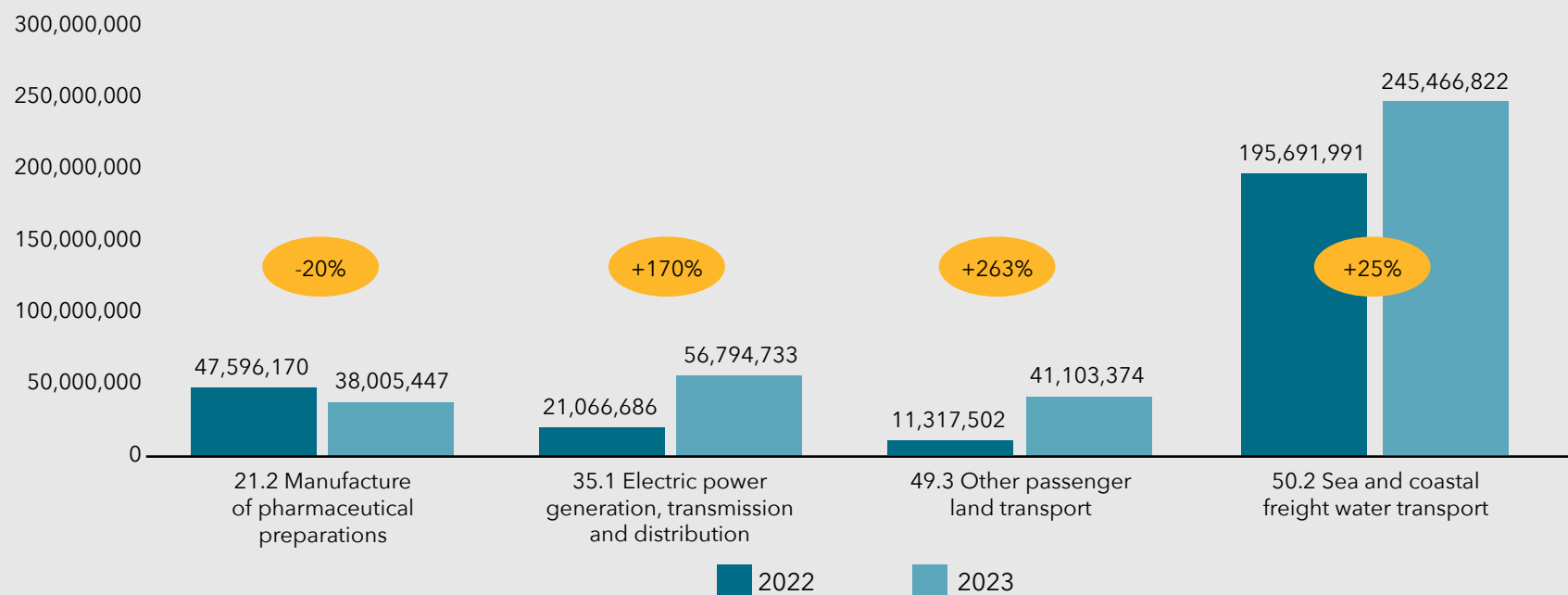
As at 31 December 2023, the Bank's gross loans on relevant key sectors that create negative impact on air (i.e. Animal production, Manufacture of bakery and farinaceous products and Sea and coastal freight and water transport) have increased by 24.22%, from €392.470mn in 2022 to €487.517mn in 2023.



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, with an exposure of 9.89%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, have an exposure of 42%, of the portfolio under assessment (i.e. combined financing of 51.89% of the portfolio under assessment).

**Gross loans to key NACE sectors that create negative impact on air
(as per the 2023 PRB Impact Analysis) (€)**



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, with an exposure of 9.89%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on air, have an exposure of 42%, of the portfolio under assessment (i.e. combined financing of 51.89% of the portfolio under assessment).

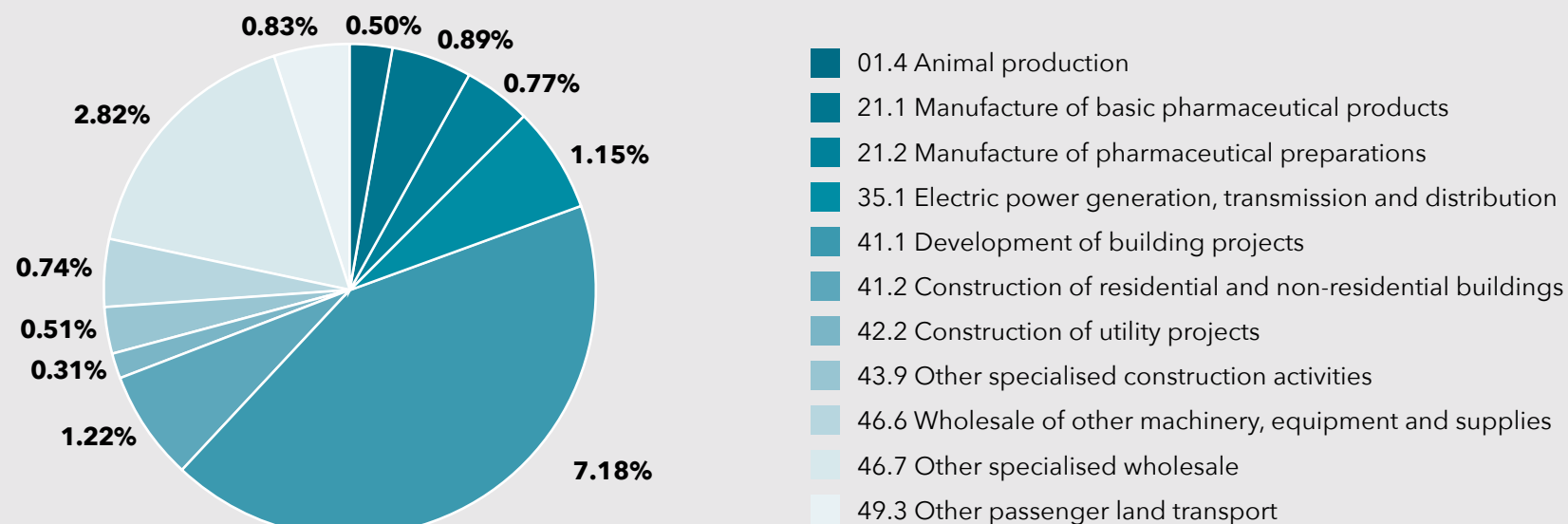
Soil

Soil is a crucial natural resource that supports a wide range of ecosystem services. However, soil degradation, caused by activities such as deforestation and intensive agriculture, poses significant risks to the environment, society, and the economy.

(Internal indicator: Financing to NACE sectors that create negative impacts on soil)

As part of its business activity, the Bank provides financing to certain sectors that as per PRB impact analysis of 2023, create negative impact among other, on the composition of soil and its ability to deliver ecosystem services. As per the 2023 PRB institutional banking impact analysis, financing sectors that amount to 60.54% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €2.985bn of loans, create negative impacts to the impact topic of Soil, by exposing it to pollutants and factors that may interfere with soil stability for future land use.

Financing to key NACE sectors that create negative impact on soil (as per the 2023 PRB Impact Analysis)

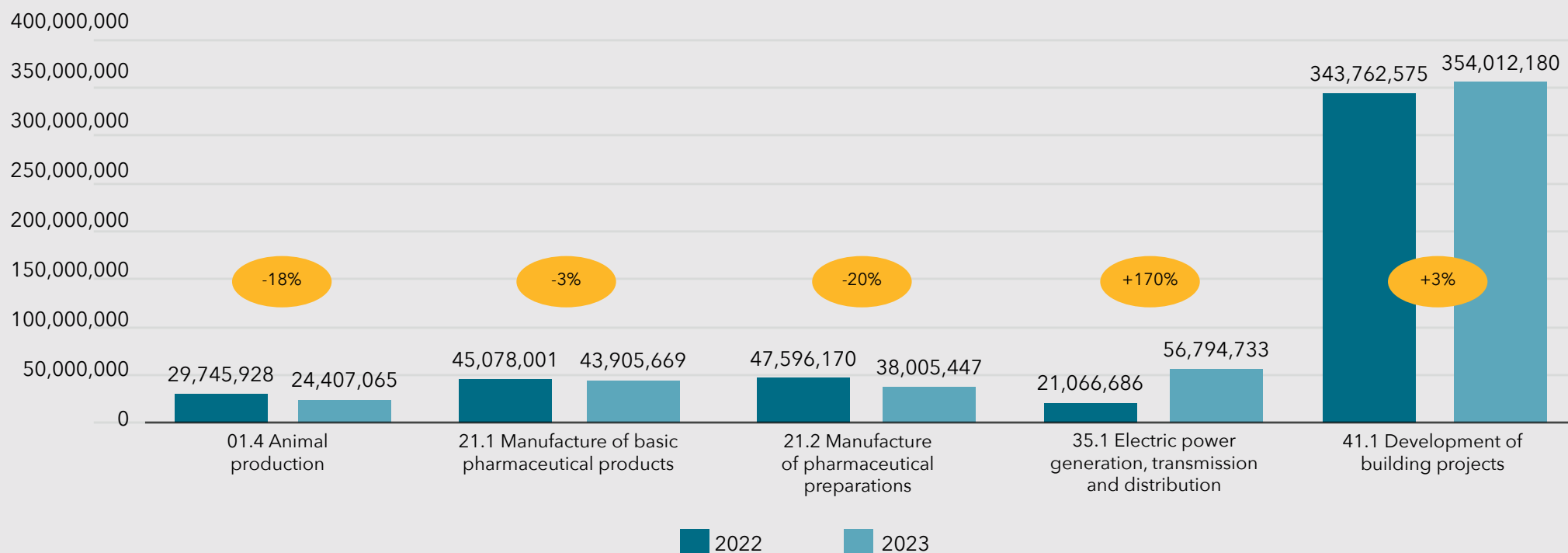


Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, with an exposure of 16.92%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, have an exposure of 43.62%, of the portfolio under assessment (i.e. combined financing of 60.54% of the portfolio under assessment).

A reduction was observed in the gross loans on relevant key sectors that create negative impact on soil by 1.21%, from €844.542mn in 2022 to €834.339mn in 2023. The most significant increase was observed on Electric power generation, transmission, and distribution sector which was increased by 169.60% compared to prior year. The most significant decrease was observed in Construction of residential and non-residential buildings in which exposure was reduced by 58% in 2023 compared to 2022.

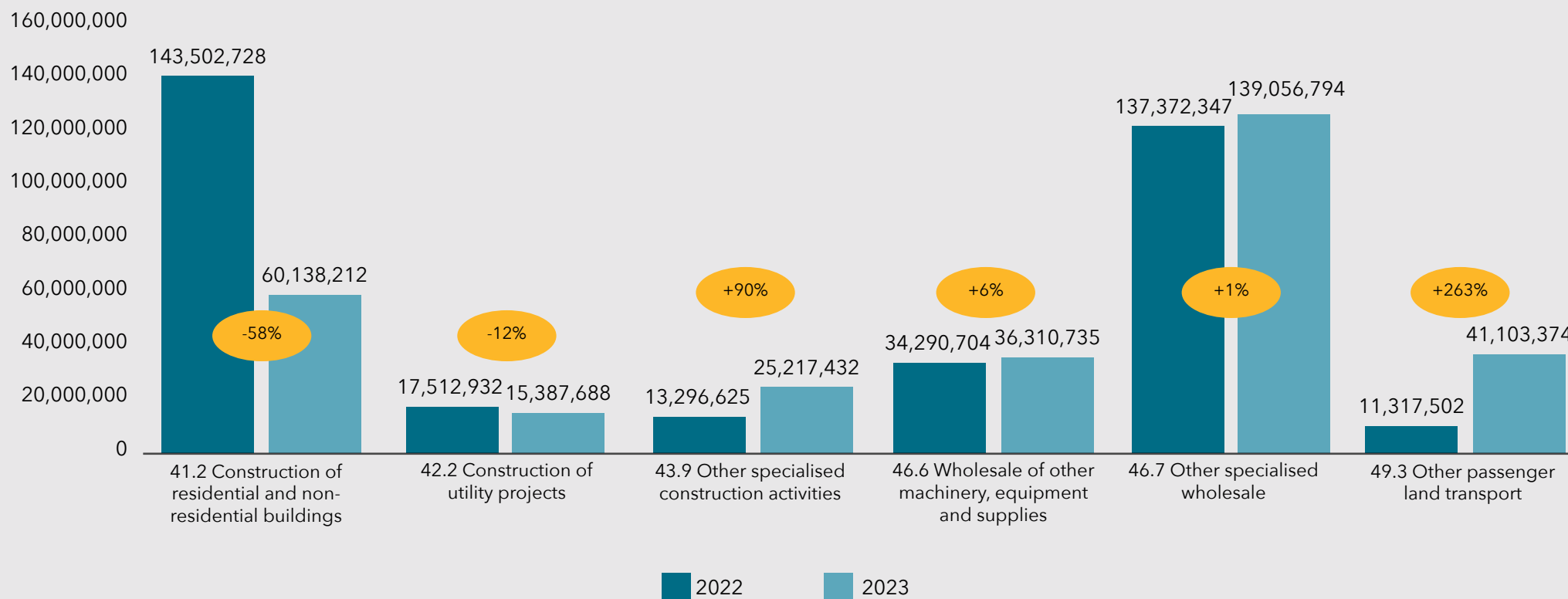
Gross loans to key NACE sectors that create negative impact on soil (as per the 2023 PRB impact analysis) (€)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, with an exposure of 16.92%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, have an exposure of 43.62%, of the portfolio under assessment (i.e. combined financing of 60.54% of the portfolio under assessment).

**Gross loans to key NACE sectors that create negative impact on soil
(as per the 2023 PRB impact analysis) (€)**



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, with an exposure of 16.92%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on soil, have an exposure of 43.62%, of the portfolio under assessment (i.e. combined financing of 60.54% of the portfolio under assessment).

Our approach to operational impacts: Contributing to biodiversity

The Bank is committed to promoting sustainable practices and addressing environmental challenges.

In particular, the Bank aims to minimise the impact that its assets and operations have on the natural environment and the quality of air, in line with its decarbonisation plan. To this respect, the Bank monitors its emissions and plans to invest in energy efficient installations and actions and replace fuel intensive machineries and vehicles from 2024 to 2025, leading to c.3-4% reduction in Scope 1 and Scope 2 GHG emissions by 2025 compared to 2021. The Bank is also considering several other actions aiming to a further reduction of c.30% in Scope 1 and Scope 2 GHG emissions by 2030 compared to 2022. A number of carbon reduction initiatives are already underway and contribute to the reduction of carbon footprint in the immediate future. For further details refer to [Chapter Setting an environmental strategy and contributing to climate stability](#) of this Report.

The Bank actively contributes to a healthier environment, reduces carbon emissions, and enhances the well-being of communities. The Bank's SupportCY, businesses and organisations joined forces and supported the Fire Service and Forest Department in the prevention and protection of Cypriot forests.

Prevention measures and actions, related to public awareness, on the protection of forests, as well as the fire protection programme 'I Be a Fire Detector', in the forests of Cyprus, were launched in the summer of 2023. In addition,

a series of forest patrols have been executed by the SupportCY Volunteers Corps, as well as participation in forest fire incidents following official requests by the Fire Department. Concurrently, educational and informative actions have been planned in shopping centers and rural municipalities with the collaboration of the Forest Department and Fires Service.

Our approach to operational impacts: Protecting biodiversity through Partnerships

"Melissa-Zoi" - Bee Artificial Insemination Centre

The "Melissa Zoi" Centre, a queen bee artificial insemination project for biodiversity, was inaugurated in June 2022, by the Bank and the Rotary Clubs of Cyprus. The initiative aims to revitalise the environment and restore economic activity to areas where honey is produced, and which were devastated by wildfires. The 2021 wildfires affected about 75% of beehives so the project aims to revive the destroyed ecosystem, revitalising the affected honey-producing communities. The goal is to provide the necessary support to nature and to the communities that suffer environmentally, financially and professionally. The Centre's operation benefit nine communities and 38 small and medium-sized honey-making businesses.

Joint Sea Venture (for life under water)

"Σεαμπαξία", a Joint Sea Venture, is a project funded by the Bank and includes the study and installation of a pilot system for monitoring the quality of sea water at the coasts of Cyprus. The first installation took place in the area of the

Ayia Napa Marina. The purpose is to monitor and record important water quality parameters in real time. The main goal of the project is the provision of early detection of pollution indices, which in turn will provide warnings for necessary corrective actions to ensure environmental protection, not only for the Ayia Napa area, but also other coasts of Cyprus thus creating a national sea water quality control system. The pilot program is implemented by the EMERGE research group of the Cyprus University of Technology in collaboration with CYMEPA and the Ayia Napa Marina.

In order to further expand and enrich the Cyprus marine water pollution data management system, during 2023 the Bank entered into a partnership with the Cyprus Marine & Maritime Institute (CMMI). CMMI conducted research for the marine environment of Blue Lagoon Bay in the Akama region, to assess the possible effects of the intense tourist activity there, especially during the summer months, on marine organisms. The project consists of two phases: the first phase includes four seasonal field surveys in the area and the second phase includes the analyses. The final report will be presented in 2024.

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Social

Supporting financial inclusion and resilience



2023 Highlights (as of 31 December 2023)

€2,025mn

of new lending
(2022: €2,092mn,
2021: €1,792mn)

€454mn

new lending on retail housing
(2022: €510mn)

77

branches and unmanned
branches

€53.04bn

total monetary value traded in
digital channels

Digital Transactions Ratio (Total
Portfolio):

95.56%

40%, 18% and 11%

increase on Instagram, Facebook
and LinkedIn followers respectively

Our impacts

(GRI: 3-3)

The financed and operational activities of the Bank create or may create positive and negative impacts on the population's accessibility to the use of financial services by individuals and firms and to adequate, safe and affordable housing: a place to live in security, peace and dignity. Financial inclusion allows individuals and firms to take advantage of business opportunities, invest in education, save for retirement, and insure against risks. This includes four elements; managing day-to-day finances to meet short term needs; capacity to absorb financial shocks (resilience); capacity to reach future goals; feeling secure and in control of finances (confidence).

Positive impacts

Contribute to the accessibility of financial services and to adequate, and affordable housing:

- through the provision of products and financing activities to certain sectors, as assessed under PRB institutional and consumer banking impact analysis of 2023, that create impacts on the availability, accessibility, affordability and quality of resources and services by providing accessibility to:
 - use of financial services by individuals and firms (i.e. to take advantage of business opportunities, support start-ups and young Cypriot entrepreneurs and meet their everyday finance needs); and
 - adequate, safe, and affordable housing: a place where to live in security, peace, and dignity; and
- through operational activities that improve population's accessibility to the use of financial services by ensuring financial inclusion and accessibility, provision of innovative digital means and ensuring customer experience and protection.

Negative impacts

Contribute to the creation of negative impacts on the population's accessibility to the use of financial services:

- through the provision of products to certain sectors, as assessed under PRB consumer banking impact analysis of 2023 (i.e. credit cards, consumer loans and overdrafts), that affect population's accessibility to the use of financial services and being confident for their financial future (i.e. due to inherently higher rates under this portfolio); and
- through operational activities that affect population's accessibility to the use of financial services (i.e. closure of Bank's branches).

Our approach to financed impacts: Financing access that improve accessibility to the use of financial services and adequate, safe, and affordable housing

(SASB FN-CB-240a.1, SASB FN-CB-240a.2)

Bank of Cyprus provides a wide range of high-quality financial products and services, including retail and commercial banking, factoring, private banking, life and general insurance, aiming to cover fully and effectively the constantly changing needs of its customers, whether businesses or individuals. Products such as Housing loans, Consumer loans, Credit Cards and Overdrafts as well as loans granted to the Real estate sector, positively contribute to the accessibility to adequate, safe and affordable housing (a place where to live in security, peace and dignity) and to the use of financial services by individuals and firms.

The Bank is aiming to facilitate financial inclusion and allowing individuals and firms to take advantage of business opportunities, invest in education, financial health, save for retirement, and insure against risks. This includes four elements: managing day-to-day finances to meet short term needs, capacity to absorb financial shocks (resilience), capacity to reach future goals, feeling secure and in control of finances (confidence).

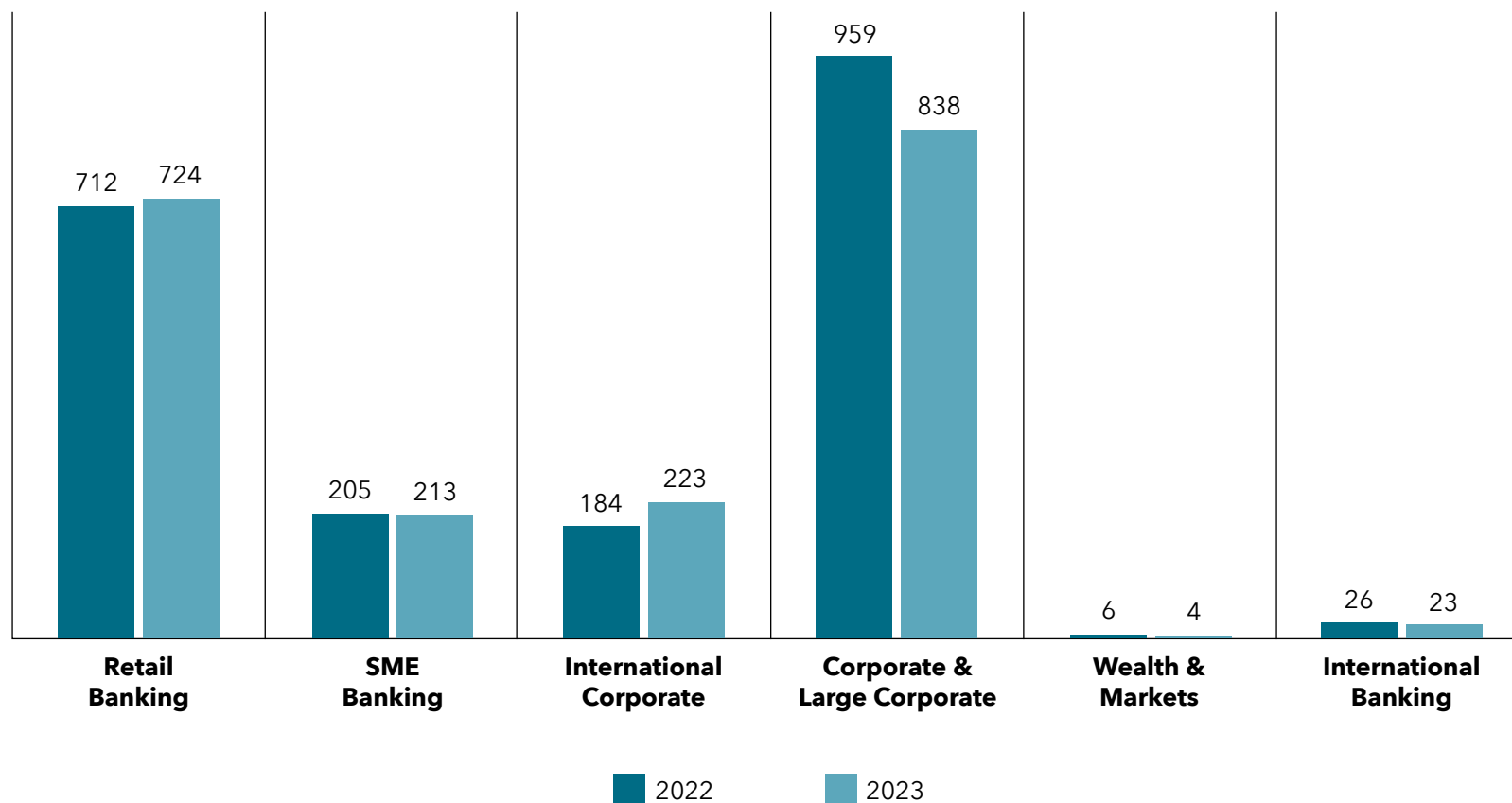


Finance

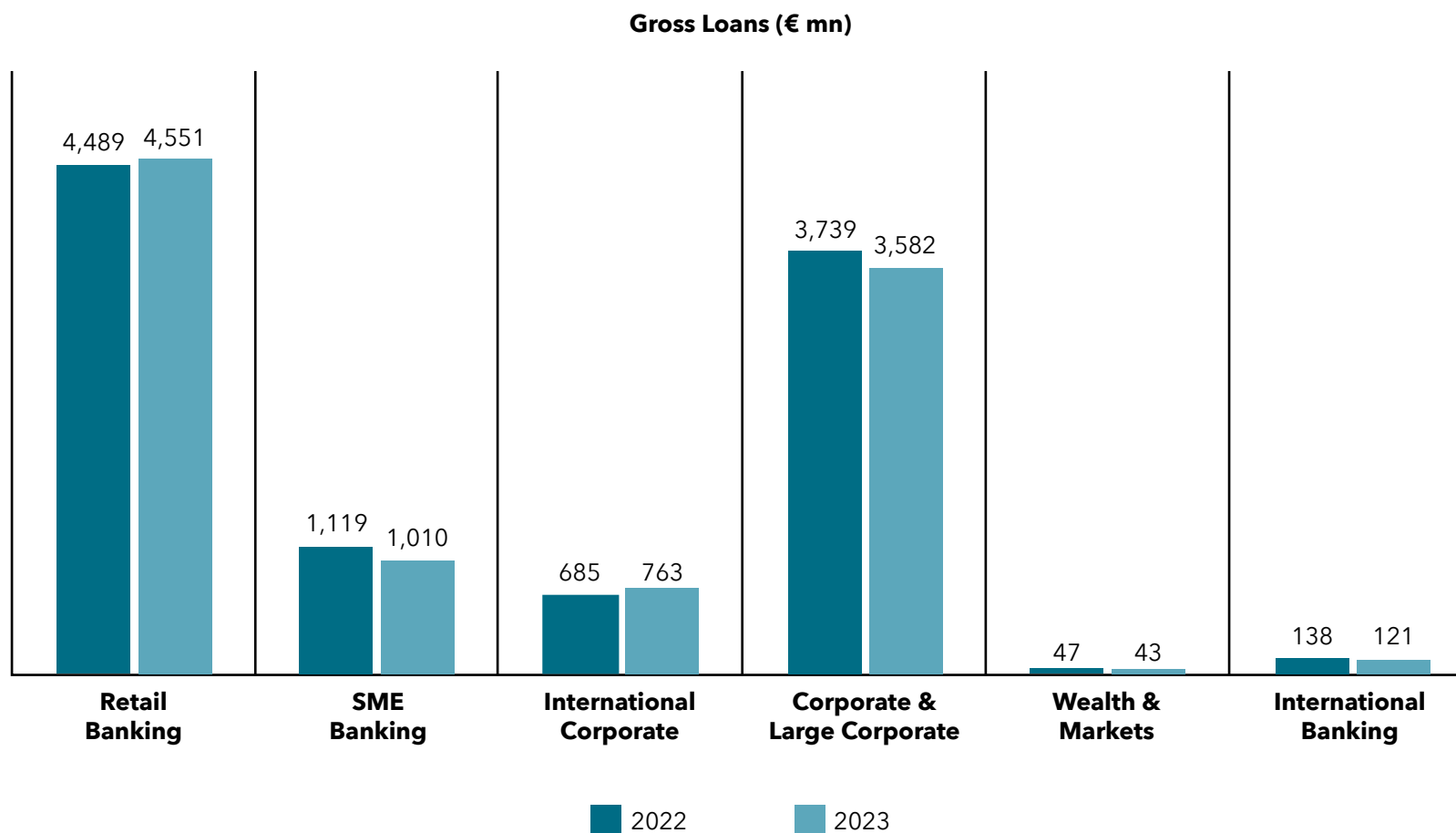
With a view to keep adding value to society and to contribute to the acceleration of financial inclusion, the Bank supports business, including SMEs by maintaining its collaborations and participation in relevant initiatives, such as providing financing solutions, accelerating digital transformation and focusing on the enhancement of business activity.

New lending granted in Cyprus reached €2,025mn in the year ended 31 December 2023, compared to €2,092mn in the year ended 31 December 2022, despite the rising interest rate environment, driven mainly by corporate demand.

New lending (€ mn)

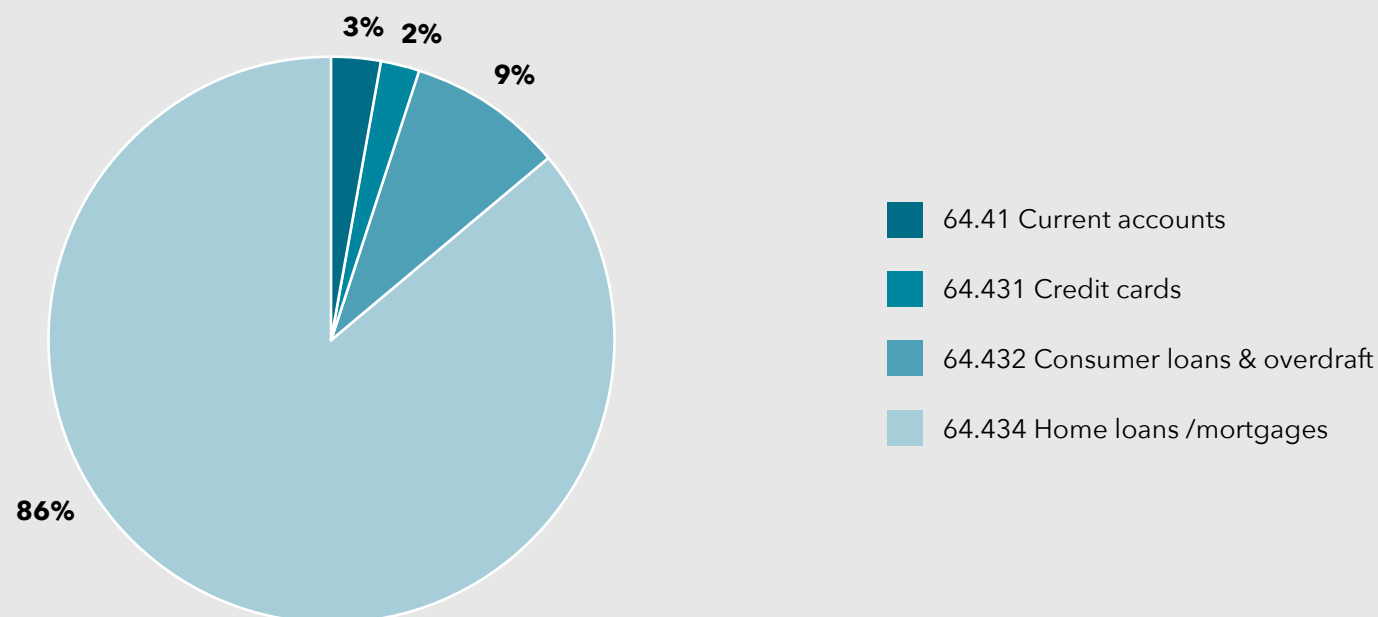


As of 31 December 2023, the Bank's Gross Loans amounted to €10,070mn, compared to €10,217mn at 31 December 2022, broadly flat compared to the beginning of the year, as repayments offset new lending



Specifically, the Bank, as part of its business activity, provides financing to certain sectors that as per the PRB impact analysis of 2023, create positive impact among other, on the availability, accessibility, affordability, and quality of resources and financial services. As per the 2023 PRB consumer banking impact analysis, financing to sectors that amount to 94.24% of the portfolio under assessment (i.e. 48% of the Bank's overall business activity represented per product) and account for €4,505mn of loans, create positive impacts to the impact topic of Finance, referring to population's accessibility to the use of financial services by individuals and firms.

Financing to NACE sectors that create positive impacts on finance (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the consumer banking business segment that accounts for 48% of the bank's overall business activity (as total Gross Loans).

Housing is of strategic importance for the Bank and is expected to further grow in the upcoming years and conclusively contribute further to the accessibility to Finance.

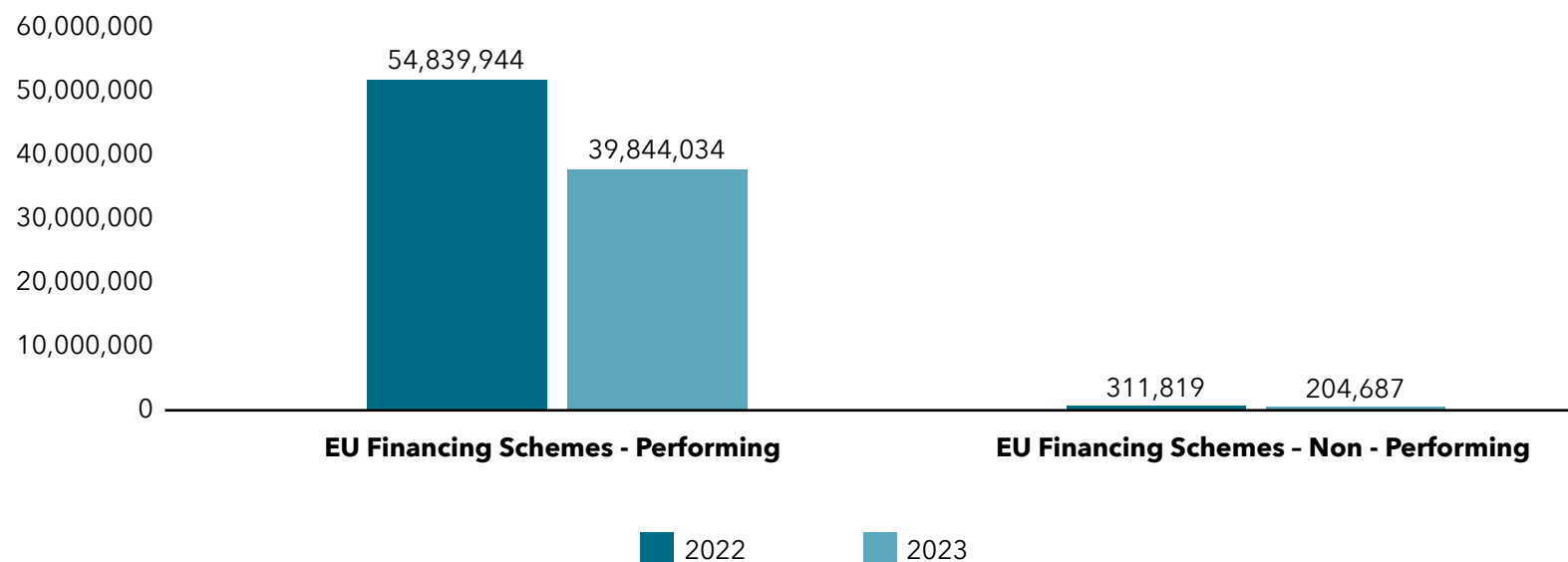
European Financing Schemes

The Bank positively contributes to access to Finance through European Financing Schemes. Through the Bank, businesses or self-employed persons seeking loans and other facilities on favorable terms, and interested in expanding and growing their business, have the opportunity to

participate in European financing schemes, in collaboration with the European Investment Bank (EIB), the European Regional Development Fund (ERDF), the European Bank for Reconstruction and Development, the Republic of Cyprus and the European Investment Fund.

As at 31 December 2023, the Bank has 333 (2022: 461) performing and 20 (2022: 22) non-performing loans from European Financing schemes, amounting to €39.8mn and €0.2mn respectively. These resulted to a decrease by 27.3% on performing and 34.4% on non-performing loans, compared to €54.8mn and €0.3mn in 2022 respectively.

Amount of loans provided under European Financing Schemes



Consumer Banking

The Bank also provides a full range of day-to-day banking products and services, designed to meet unique needs and circumstances of individuals, such as current accounts, deposits and savings, cards, loans and insurance. The Bank can support the main cash-management needs with the use of current, savings and notice account, and also create appropriate tailor-made deposits, taking into consideration the new challenges and complexities of the markets.

The Bank acknowledges that its retail product offerings relating to Credit cards, Consumer loans and Overdrafts positively impact the customers' access to finance. At the same time, the Bank also understands that those offerings may impact the customers' disposable income due to higher interest rates and fees.

The above-mentioned product offerings correspond to 11% (€530mn) in 2023 and 10% (€514mn) in 2022 of the Bank's consumer banking portfolio, as per the 2023 PRB consumer banking impact analysis. In addition, those correspond to 5% of Gross Loan portfolio in 2023 and 2022 respectively. Even though not significant in terms of value those products provide individuals with access to finance for any unexpected expenses and cover their needs. In addition, the Bank associates Credit Card products with 'Privileges' to boost the access to finance and mitigate the inherent negative impacts:

- Participation in Antamivi Scheme (refer to page 147 of this Report for more information on Antamivi Scheme);
- Worldwide free ATM withdrawals;
- Lounge key;
- Free travel insurance and purchase protection insurance.

In addition, the Bank in 2022 has introduced the AEGEAN Mastercard which provides additional Privileges such as flight discounts and coupons, as well as collection of miles through card transactions that can be redeemed at Aegean products. In 2023, additional discounts and offers were introduced to those who own an AEGEAN Mastercard.

The Bank, early in 2024, introduced the "pronomia" loyalty scheme, a leading initiative designed to express our gratitude to our loyal customers by offering them an array of exclusive rewards and benefits. The "pronomia" loyalty scheme is a pioneering effort, rewarding each client's overall relationship and cooperation with the Bank. This initiative is our way of saying thank you to those who have placed their trust in us over the years. It is tailored specifically for our customers (physical persons), aiming to recognize and reward their loyalty through a structured system of tiers and benefits. The scheme categorizes customers into three tiers, Silver, Gold, and Diamond, based on the number of products and services they hold and the extent of their cooperation with the Bank and its subsidiaries, Eurolife and Genikes Insurance.

Through its digitalisation journey and quick access to finance, the Bank has launched in early 2023 the Quick Loans which provide easy access to Consumer loans with less impact to the customers' disposable income. The customers have quick access to finance as the applications for such products are submitted and assessed electronically based on the creditworthiness, repayment ability and the Bank's credit policy. The decision for the approval or rejection of the online credit application will be reached by processing the personal data using solely automated means (including profiling), without human involvement, and only after the explicit consent to do so.

Therefore, the Quick Loan products are offered without any initial bank charges (arrangement or documentation fees). The only initial payment relates to stamp duties as per the relevant legislation which applies from time to time. For more information on the Bank's digitalisation, refer to page 136 of this Report.

Housing

The Bank is supporting to improve the availability and affordability of housing in Cyprus. Housing is a key strategic priority, representing 35% of its loan portfolio as at 31 December 2023.

Taking into account the high construction costs and increased property prices in Cyprus market, the Bank understands that through the provision of finance it supports the increase of the housing supply in Cyprus. In addition, the Bank recognizes that increasing housing supply has a very significant positive social impact and acknowledges any potential negative environmental impacts from the construction.

At the end of 2023, the Bank launched the "Green Housing" product, aligned with Green Loan Principles of Loan Market Association, in order to support the decarbonisation of residential properties in Cyprus and ensure feasibility of the decarbonisation target set. The "Green Housing" product enhances the accessibility and affordability on Housing, as it finances the construction or acquisition of an energy efficient residential property (Energy Performance Certificate (EPC) Category A) which has lower environmental impact and lower energy costs, reducing the impact from climate transition risks. In addition, the "Green Housing" product is offered at lower interest rates as it provides discounts to those who provide the design and post construction (EPC) Category A.

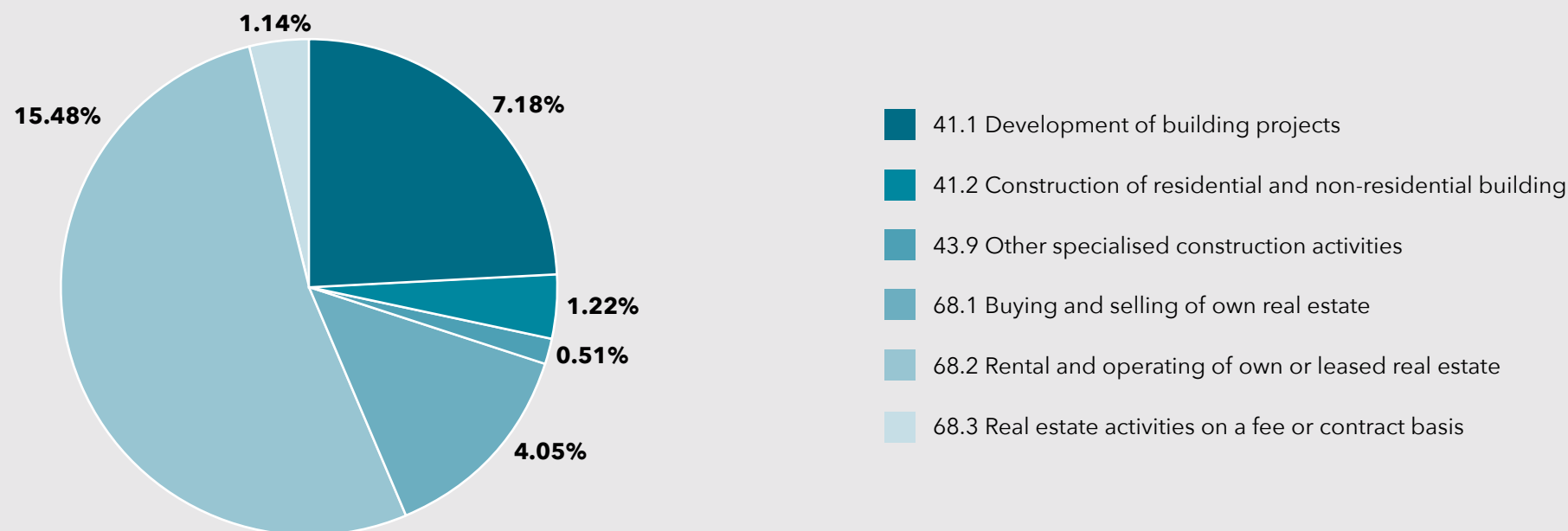
The retail housing is considered a critical financial product to support our customers to acquire their own home. The Bank supports the customers who are buying their first home, their holiday home, carrying out upgrades to their existing home or acquiring a home for investment. The Bank aims to make the mortgage journey as straightforward as possible for all of its customers. In the Bank's website, new and existing customers can find useful information to support them on their way. The Bank offers also an online calculation tool to provide an indicative instalment to its customers.

During the year, the Bank offered €454mn new lending on retail housing (2022: €510mn, 2021: €475mn, 2020: €363mn) which comprises 22% of Bank's new lending and indicates the Bank's strong commitment to this area. The total gross loans under retail housing amounts to €3,556mn as at 31 December 2023 (2022: €3,542mn, 2021: €3,741mn 2020: 3,640mn). The Bank, in 2024, aims to steadily increase its retail housing portfolio and continue its positive impact to the accessibility of affordable housing.

As part of its business activity, the Bank provides financing to certain sectors that as per the PRB impact analysis of 2023, create positive impacts among others, on the availability and accessibility of housing in Cyprus. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 34.54% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €1,702mn of loans, create positive impacts to the impact topic of Housing, referring to accessibility to adequate, safe and affordable housing.



**Financing to key NACE sectors that create
positive impacts on housing
(as per the 2023 PRB Impact Analysis)**



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The table above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on housing, with an exposure of 29.58%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on Housing, have an exposure of 4.96%, of the portfolio under assessment (i.e. combined financing of 34.54% of the portfolio under assessment).

The Bank, in 2024, aims to steadily increase its new lending on Real estate sectors and continue its positive impact to the accessibility of affordable housing.

Our approach to operational impacts: Supporting accessibility to the use of financial services and ensuring customer experience and financial protection

Ensuring financial inclusion and accessibility

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.

Our branch network

As a leading player in the banking sector, the vision of the Bank is to drive progress across Cyprus and aims to make its services, assets, resources and opportunities accessible to all.

To this end, through its branch network (incl. unmanned branches) (2023: 77, 2022: 77, 2021: 90), cash offices (2023: 4, 2022: 4, 2021: 10) and ATMs (2023: 131, 2022: 133, 2021: 157), the Bank aims to maintain its presence in remote and inaccessible areas, serving populations having difficulty to physically access services, as well as people with disabilities (e.g. special tactile buttons at ATMs).

Drive-through branches

Bank of Cyprus maintains the only drive-through branches on the island (2023: 2, 2022: 2, 2021: 2), in key urban locations, in Nicosia. These branches are among the Bank's most popular and they provide accessible access to individuals with disabilities.

Machines		
For the public (Self Service machines in production)	2022	2023
ATMs	133	131
Notes (Note 360° machines)	38	34
Coins (Cash 360° machines)	23	15
Coin Deposits	34	34
Coin Dispenser	9	9
For the branches		
TCR Machines for tellers	164	164
ePads	274	244
Scanners	312	295
New solution machines		
Pay-in Machines (new solution to simplify the process of depositing cash, checks and coin)	35	43

Access to our products and services by people with disabilities

(Internal indicator: Percentage of branches, buildings and ATMs accessible by people with disabilities)

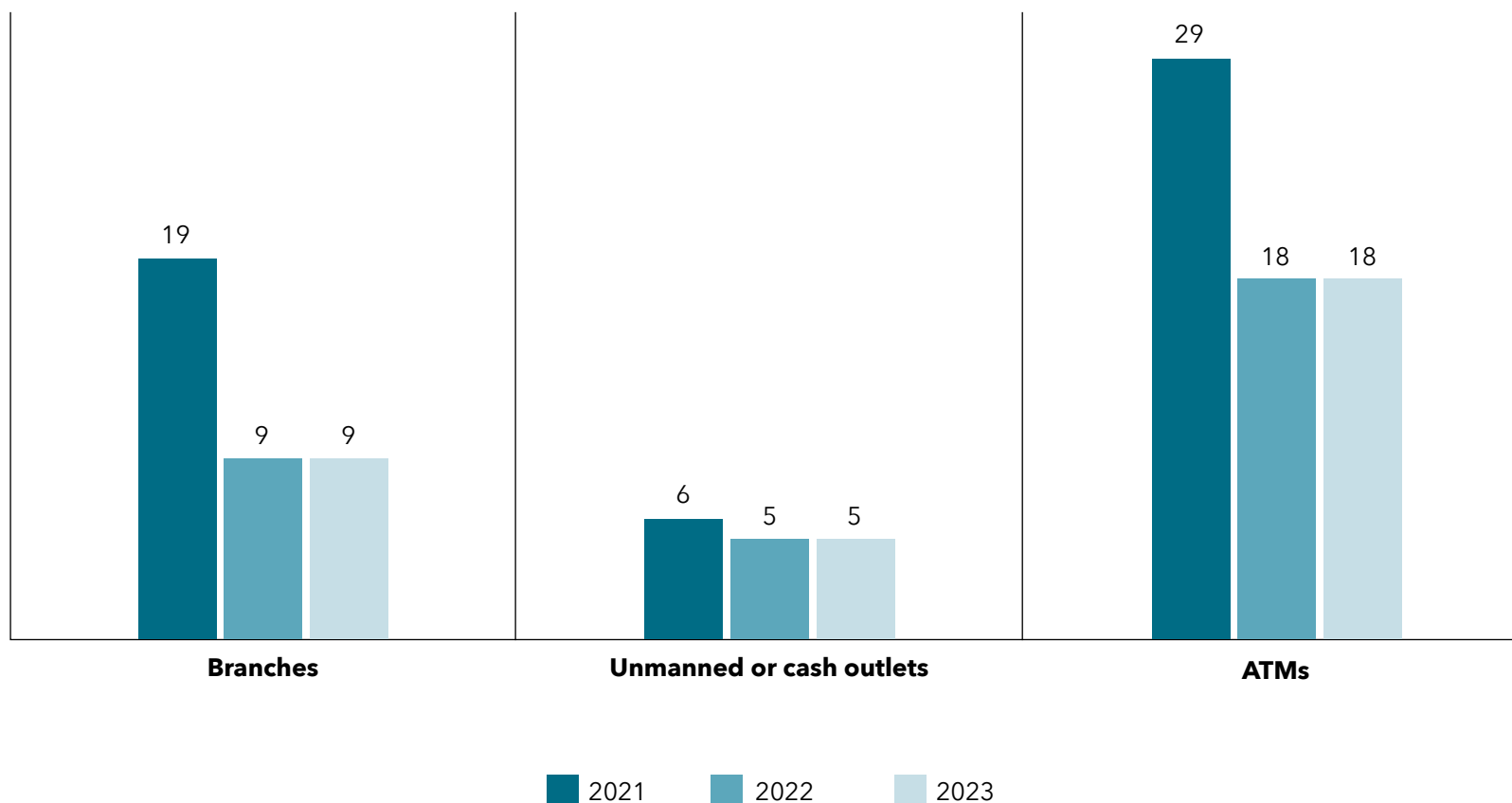
Bank of Cyprus has been making sure its branches and ATMs are accessible for people with mobility impairments. This applies to branches, ATMs, buildings, and safe deposits lockers.

Accessibility for people with disabilities		
Branches	2022	2023
% of accessible branches	79%	75%
Total number of branches	81	77
Buildings		
% of accessible buildings	66%	97%
Total number of buildings	38	31
ATMs		
% of accessible ATMs	74%	91%
Total number of ATMs	133	131

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.

Branches and ATMs in rural communities



Supporting digitalisation and innovation

Being an exogenous systemic institution, Bank of Cyprus leads the way to digital innovation, and guides society to adapt to a more digital world.

Due to the continuous situation with the pandemic, customers were driven to alternative solutions to their banking needs and transactions. Shifting away from traditional banking channels marks the acceleration of innovation to offer products and services that add value and reflect contemporary lifestyles.

Since, the Bank has put into practice a digital transformation scheme aimed at better customer service and the optimisation of internal operations, focusing on a leaner and more efficient operating model and providing a high-quality transaction experience 24/7 through its digital networks. At the same time, the Bank has played a leading role in wider efforts underway to digitize and technologically upgrade the Cypriot economy and entrepreneurship.

Through new solutions and products, tailored to the needs of its customers, the Bank enhances safety and facilitates the transition to a digital and mobile economy, green products, and sustainable solutions. The provision of innovative digital means to its customers, such as Internet Banking (1bank), Mobile Banking App, QuickPay, provides access to financial services without their physical presence at a network site.

For more information on the Bank's digital solutions refer to [Digital offerings - Bank of Cyprus](#).



Digital products and features

Internet Banking

The Bank has upgraded and revamped its Internet Banking, affording to customers the opportunity to get tasks done even faster at their own leisure.

In 2023, the Bank has launched QuickLoans through 1bank which enhances access to finance along with enabling the customer to sign QuickLoan documents digitally. QuickHub was launched an innovative digital branch that provides direct access to products and services with a simple tap or click. New features such as dispute card transactions and opening of debit cards were added.

There is a year-on-year increase of Bank customers connected to 1bank (CIFs connected to active subscriptions) by approximately 8% (2023: 580,000, 2022: 538,000, 2021: 493,000, 2020: 451,000).

Mobile Banking App

The Mobile App, enable the customers by providing quick, easy, and smart solutions for their daily banking transactions without the need to visit the branches.

New features added in 2023 on the Bank's Mobile App include the full launch of 4 QuickLoan products along with enabling the customer to sign QuickLoan documents digitally. QuickHub was launched an innovative digital branch that provides direct access to products and services with a simple tap or click. New features such as Fixed Deposit Management and opening of debit cards were added.

The number of new active subscribers on Mobile App was increased by 14.4%, reaching 411k whereas there was an increase in the number of transactions conducted through the App by 19.5%, compared to 2022.

QuickPay

Through the innovative QuickPay service, individual 1bank subscribers can make easy, secure and quick transfers to other Bank of Cyprus individual customers (1bank subscribers and non-subscribers).

The number of new active subscribers using QuickPay increased by 20%, with an increase in the number of transactions conducted through QuickPay by 28% compared to 2022.

Digital products and features

Digital card 'wallets'

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 be added to these wallets. In November 2022, the Bank has launched Google Pay. The use of digital card 'wallets' continued to increase rapidly in 2023. The number of customers using these 'wallets' has increased by 35.84% compared to 2022 (2023: 213,703, 2022: 157,309).

BOC eTrader

BOC eTrader is an electronic trading platform, which provides clients access to "live" prices for the execution of FX Rolling Spot transactions and Future contracts on a leverage basis. It is available for trading but may also be used for hedging against FX and Commodity risk. The monetary value of the trades executed on the BOC eTrader platform in 2023 was €208,929,540 (2022: €458,957,630).

Flagship store promoting digitalisation

From 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.

Digital Economy Platform (Jinius)

The Jinius platform shapes the digital ecosystem of the Cypriot economy, bringing together businesses, organisations, suppliers, and customers in a single digital environment. It offers every business innovative services and tools that digitalise, simplify, and speed up their daily transactions and activities.

In a world filled with choices and complexities, we simplify. We empower and facilitate online business and consumer journeys by providing the optimal tools through one digital platform.

Vision

Enable everyone to achieve more, through a seamless digital experience – spark new possibilities, inspire progress, and drive innovation

Jinius Ecosystem

Connects Businesses Together

- Facilitate securely end-to-end business transactions and key activities, including Invoicing management, Remittance management and Tenders management
- Enables businesses to manage their operations more efficiently and securely, while minimising operational costs

Connects Customers with Businesses

- By creating and offering lifestyle online services (Jinius marketplace, launched in February 2024*)
- Continuously working on enhancing its e-commerce services further by including banking and insurance products relevant to the Jinius marketplace

Supported by Bank's Products/Services

- Businesses' online payments are forwarded to and then executed via Bank's systems
- Previous processes such as the Invoicing management and Tenders management are now shifting to the Jinius platform, improving efficiency and communication while minimising the environmental impact
- Consumers can now upgrade their online shopping experience through a customer-friendly marketplace, enjoying a unique combination of benefits including 5 Antamivi points per €1 when paying with the Bank's cards, free shipping and returns, and shopping from multiple stores with the convenience of a single checkout

Scope

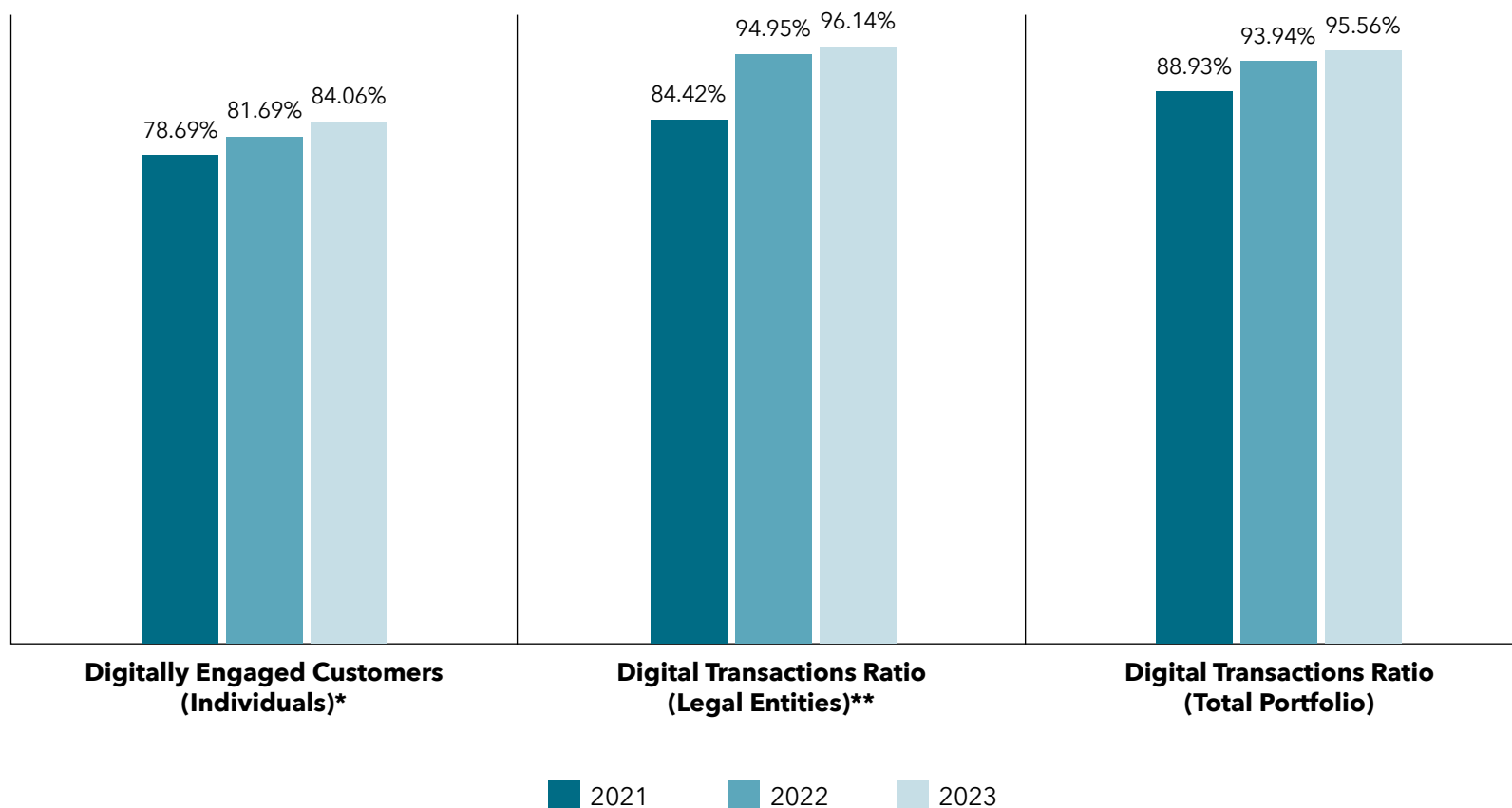
- Jinius' cutting-edge solutions are available to every business and consumer, creating the conditions for digital growth, paving the way for everyone to join the digital economy
- It enables businesses to shift manual transactions and activities from paper-based to online, eliminating the need for physical storage and traffic-polluting commutes, while it improves communication flow and efficiency
- It assists in establishing stronger bonds with the Bank's clientele, reinforcing their existing relationship and creating cross-selling opportunities for banking services across Jinius products

*The Bank launched the Jinius Marketplace service in February 2024 with a product marketplace covering fashion and technology products. As of 31 December 2023, over 50 retailers were onboarded and over 100,000 products were available across all categories. Jinius' monthly pricing plans offer the opportunity to businesses of any size to sign up for Jinius and become part of the new digital economy. As of 31 December 2023, over 2,000 companies had registered and over €360 million was exchanged via the platform in 2023, through invoicing and remittance services.

(Internal indicator: Percentage change in the number / value of transactions through the internet / mobile platforms)

During 2023, 84.06% of the Bank's private clients are digitally engaged (an increase compared to 78.69% and 81.69% in 2021 and 2022 respectively), while digital transactions ratio across the portfolio have increased from 93.94% in 2022 to 95.56% in 2023, an increase by 1.62%. The value of financial transactions performed via Digital Channels have increased from €49.01bn in 2022 to €53.04 bn in 2023 an increase by 8.22%.

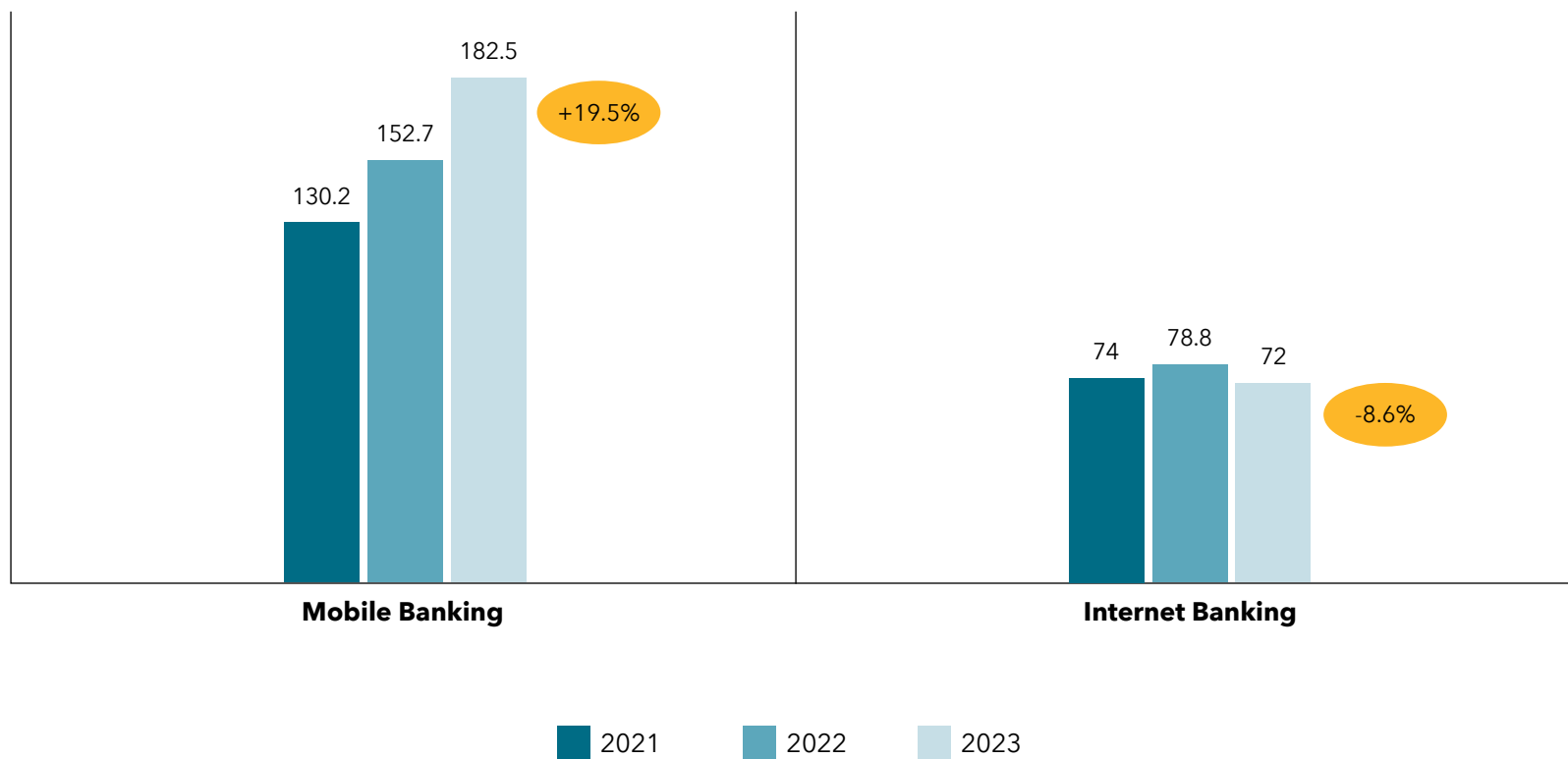
Rate of digitally engaged customers



Notes:

- i. *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.
- ii. **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.

Number of transactions (in mn)

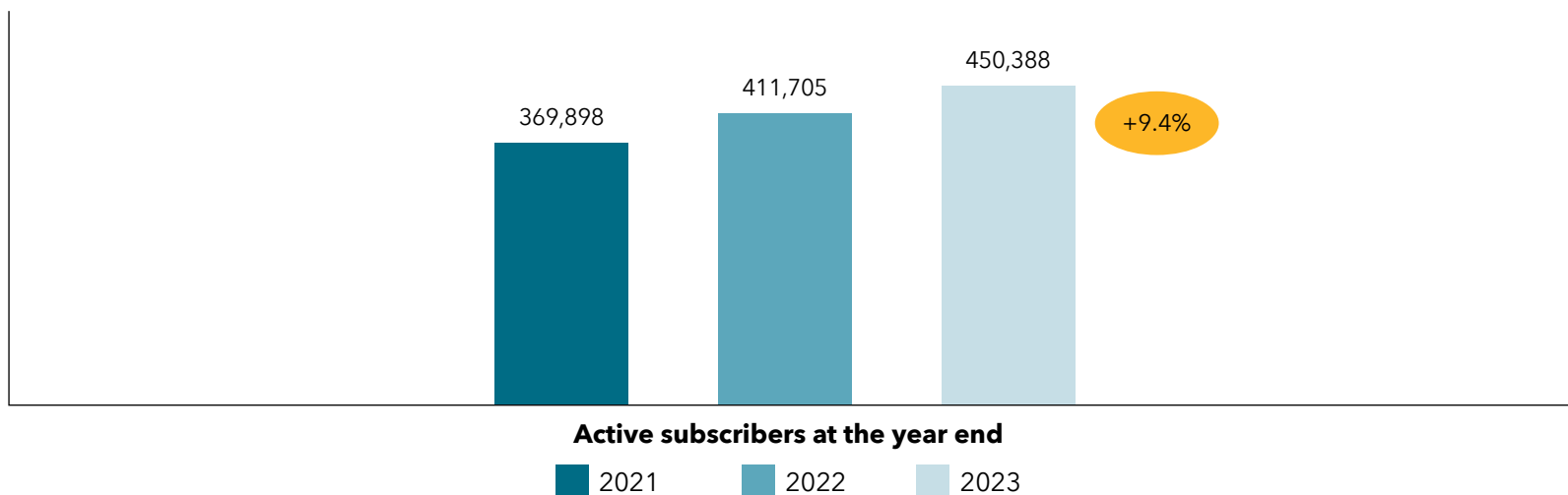


Notes:

i. The average daily number of logins in 1bank has increased from 198,000 in 2021 and 248,000 in 2022 to 299,000 in 2023 (maximum logins in a single day 567,000).

(Internal indicator: Percentage change in the number of users of the internet / mobile platforms)

Digital active subscribers on Internet Banking and/or Mobile Banking App



Notes:

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

Digital wallets performance	2022		2023	
	Digital Cards	Customers	Digital Cards	Customers
Apple Pay digital cards	167,567	88,910	173,440	95,207
BoC Wallets cards	91,741	54,710	73,278	46,162
Google Pay	15,057	11,440	95,975	75,568
Garmin Pay devices	2,250	1,944	1,940	1,692
Fitbit Pay devices	388	305	82	74

Innovation

IDEA Innovation Center

IDEA Innovation Center is the largest non-profit incubator-accelerator for start-ups and an entrepreneurship hub for Cypriot young entrepreneurs.

In 2023 IDEA successfully completed its 8th cycle, introducing its revamped Startup Program. The comprehensive business-creation training Program was redesigned to leverage on current trends, optimising efficiency and empowering entrepreneurs. Through its extensive panel of more than 80 high-profile mentors and trainers working mostly pro-bono, participating startups work closely with industry experts to receive feedback, mentoring, consultation and professional services.

In 2023 IDEA has brought to life innovative businesses relating to HR, eCommerce, booking & social platforms and real estate sectors, through its start-ups: Hello Radius, Freyia Labs, Park in Town, Design Inspiration Group and Insavior.

Hello Radius provides AI recruitment software to help businesses find, evaluate and hire the right talent for their teams. By making intelligent candidate screening and management tools accessible, Hello Radius empowers all businesses to hire strategically without the need for extensive resources.

Freyia Labs is a food and beverage manufacturing company committed to providing healthy and sustainable alternatives to the current food system. Their vertically integrated agribusiness approach allows them to control every aspect of the production process, from seed to harvest to the final product. Using traditional philosophy,

cutting-edge fermentation methods harness the power of bacteria, yeast, and fungi to create delicious, nutritious, and environmentally responsible food and beverage options.

Park in Town tackles city centre mobility issues via a Smart Parking app and management platform, which aims to address negative driver experiences, traffic congestion, and economic activity. Their solution aims to manage all private parking in a city, creating a unique opportunity in the market. It benefits thousands of affected drivers and professionals and generates profit while having a social and environmental impact.

DeSigN Inspiration Group is a technology-driven architectural design platform that automates the design process using AI technology. Their platform saves architects time by considering customer preferences and inviting partner engineers to collaborate on the dashboard. Bring your client's vision to life faster with Design Inspiration Group.

Insavior (Instant Savior) is an innovative app made by women, for women. Their aim is the safety and protection of every woman during crisis or emergency. With Insavior you can both help or get helped and the main moto of Insavior is "women stronger safer together".

Notable 2023 events

- IDEA start-ups have attracted investment capital, grants and business partnerships from Cyprus and abroad, have established their own offices and employ staff of their own.
- The Center co-organised and participated in "ThinkTank", the first intrapreneurship competition held by the Bank of Cyprus, fostering innovation and driving positive change within the organisation.

- Co-organised and hosted the BOC Fintech Hackathon 4.0 along with the Bank of Cyprus.
- Collaborated with Centre for Entrepreneurship – University of Cyprus (C4E) in the CyEC2023 to promote entrepreneurship that leads to viable businesses.
- Participated as partners and mentors in the 'Nicosia i-days' Digital Health initiative addressed to university students, aiming to find innovative solutions to oncology challenges in Cyprus while building their own company.
- Participated in international conferences, fora, and panel discussions to promote innovation.



The IDEA team participated at the Reflect Festival

IDEA Highlights

	2021	2022	2023
Start-ups joined	12	7	7
New companies established	12	7	7
Total start-ups supported (cumulative)	74	82	89
Companies successfully completed the IDEA Start-up Program	5	5	5
Mentors	70	70	50+
Trainers	42	42	30+
Financial support received	€60,000 (€12,000 to 5 companies)	€60,000 (€12,000 to 5 companies)	€100,000 (€20,000 to 5 companies)
Number of entrepreneurs trained since 2015	160	190	210
Total new jobs created (cumulative)	90+	90+	100+

Ensuring customer experience and financial protection

Customer experience

The Bank provides a range of products and services, including digital products, aiming to provide an optimal experience to its customers.

The Bank's 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.

For more information on the Bank's customers experience and complaints mechanisms, refer to [Business Ethics and Compliance – Whistleblowing, grievances, and complaints](#).

"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 center 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".

Customer call center

The Bank of Cyprus Call Centre is yet another channel of communication with customers, as well as a way for the Bank to ensure that its solutions (including its digital solutions) can be easily accessible by all.

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 2023, about 644,670 calls (2022: 473,445) calls were received, with a customer abandonment rate of 7.80% (2022: 5.86%).

Presence on social media

The Bank has a strong presence on social media, both in terms of followers and posts interactions. The Bank is active on Instagram, Facebook and LinkedIn. The Bank on a monthly basis, designs and approves the social medial plan of the upcoming month

Social Media are used as a medium to communicate the expertise of the Bank on daily banking issues and challenges that the customers

might be facing, the solutions that the Bank offers, and the competitive advantages of the Bank's products.

The Bank's social media are interactive, connecting, newsworthy, adapting and their features are continuously evolving, with additional highlights such as application features, budget tips, news, services etc.

The Bank has compiled a comprehensive Social Media Strategy and action plan, which is

monitored on a daily basis, aiming to achieve:

1. Consistency in Audience Growth;
2. Improvement in the Bank's Brand sentiment;
3. Increased Community Engagement;
4. Winning over GEN Z'S.

The Bank's social media followers increased in 2023 both on Instagram, Facebook and LinkedIn by 40%, 18% and 11% respectively.

Number of Followers in Social Media	2022	2023	Absolute Change	% Increase
Instagram	8,428	11,840	3,412	40%
Facebook	50,488	59,517	9,029	18%
LinkedIn	25,977	28,956	2,979	11%

The Bank's Instagram engagement rate in 2023 is 2.4% which is above the average engagement rate of Financial Industry 0.45%. The average Instagram post engagement rate is 1.82% which is within the industry average of 1-2%. The Bank's Facebook engagement rate in 2023 is 3.88% which is over the Finance Industry average 0.42%. The Bank's Facebook average post engagement rate is 3.8.% which is considered a high.

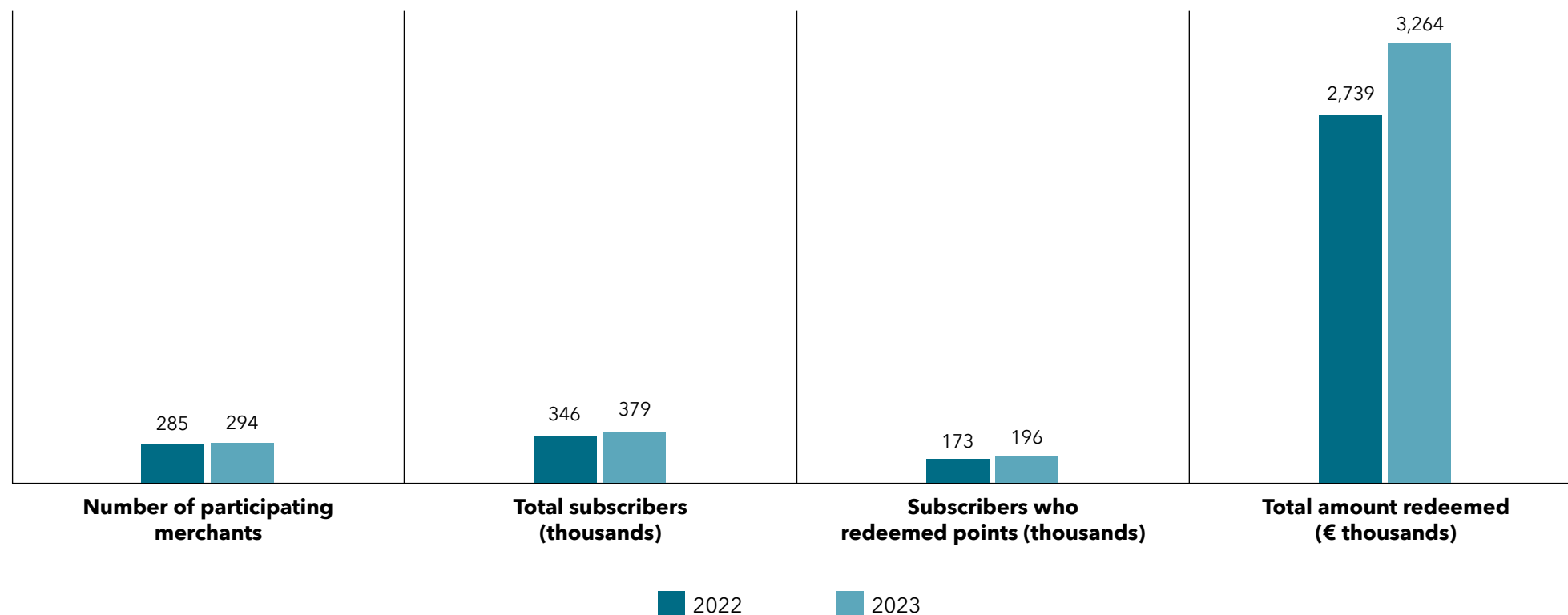
Reward program - Antamivi Scheme

Bank of Cyprus has developed several reward schemes to give back to customers. The

innovative card reward scheme “Antamivi” rewards every card transaction. More information on the scheme is provided on the Bank’s website ([antamivi - Bank of Cyprus](#)). In 2023, a total of 294 merchants (2022: 285, 2021: 264) and 379k active

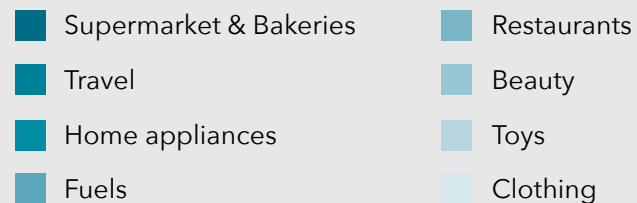
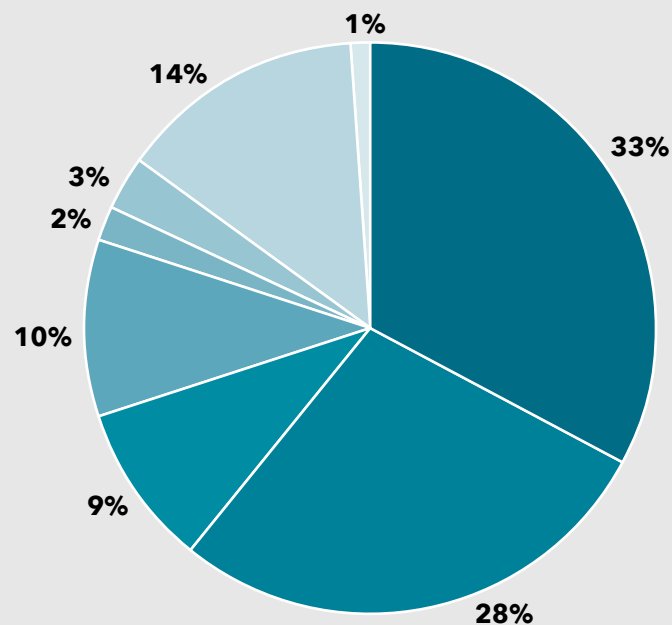
subscribers (2022: 347k, 2021: 133k) participated in the Scheme redeeming a total of €3,264,076 (2022: €2,739,490, 2021: €1,887,951, 2020: 1,905,239).

Antamivi scheme composition



Card Reward Antamivi Scheme

Top 20 Contributors (2023)



€512mn

(2022: €370mn)

partners turnover

€3,976,763

(2022: €2,972,449)

contribution points

€3,264,076

(2022: €3,739,490)

redemption points

Customer financial protection

Cybersecurity risk is considered as a significant risk applicable for the banking sector, based on the continuous enhancements of the bank's digital channels, the increased usage of the digital channels from the customers, but also due to the significant increase in terms of volume and sophistication of the cyberattacks for the industry in the last few years.

To this respect the Bank is taking a number of measures in order to protect its digital customers against the risks they are facing, and to enhance the security of the alternative channels. Cybersecurity is fully integrated by the Bank into its way of operation, strategy and structure and is not considered as a standalone/separate business objective.

Established and mature Information and Cyber Security Risk Management controls, technologies and processes are in place and are managed by established teams within the Bank. Information and Cyber Security Management, which includes the protection of customer information is designed and implemented based on industry and internationally recognised security control standards and frameworks (ISO27001, NIST) and as per directives and regulations as required by the financial industry and regulators (CBC and ECB Guidelines, SWIFT, PSD2, NIS, PCI-DSS, etc.).

The Bank has not encountered any cyber security breaches in the year and has adequate systems and controls in place to prevent such breaches, failures and issues.

Safe@Web

The Safe@Web is a service offered by the Bank to its cardholders, which adds security to online purchases, by authenticating identity at the time of a purchase via the 3D Secure Technology platform. It protects customer's cards against unauthorised users when performing online purchases at merchants participating in the Visa Secure and/or the Mastercard Identity Check service.

Online purchases can be secured by authenticating yourself through either:

- the use of a One Time Password (OTP) sent to you via SMS along with the provision personal Internet/Mobile Banking (1bank) passcode or;
- confirmation through the Bank's Mobile Banking App.

For more information on the Bank's policies and practices on Data protection, refer to [Data Privacy](#).

Contributing to quality education and lifelong learning opportunities



2023 Highlights (as of 31 December 2023)

2,426

employees (decreased by 1.4% compared to 2022) (39 new hires and 64 leavers within 2023)

99.5%

of the Bank's employees are employed on a permanent contract

61%

of the Bank's employees are women

New Lending in Education:

€2.8mn (2022: €7mn)

Training hours:

71,650

(2022: 64,576)

Training participants:

2,463

(2022: 3,106)

60.3% of training attendees are women

276

employees recognised via the Extra Mile initiative

43%

of the Social Responsibility budget allocated to Education

Our impacts

(GRI: 3-3)

The financed and operational activities of the Bank create or may create positive impacts in population's ability to access quality education and lifelong learning opportunities, in an inclusive and equitable way. This refers to accessibility for all to elementary education, free and compulsory; and to technical, professional and higher education, as made available, equally accessible to all on the basis of merit.

Positive impacts

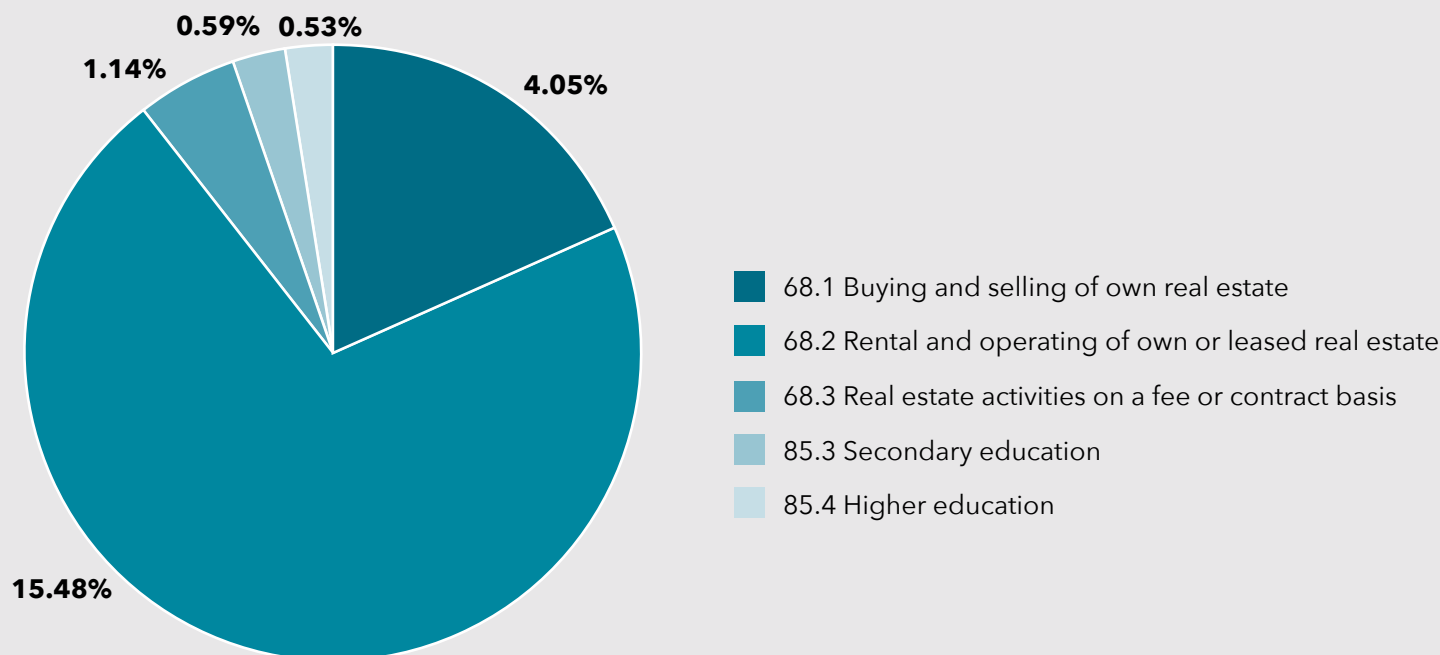
Contribute to the creation of opportunities that promote education and development:

- through the provision of products and financing activities to certain sectors, as assessed under PRB institutional and consumer banking impact analysis of 2023, that create impacts on the availability, accessibility, affordability, and quality of education and lifelong learning opportunities;
- through the operational activities that improve population's accessibility to quality education and lifelong learning opportunities by providing:
 - education and training to the Bank's employees, lifelong learning opportunities, and annual performance appraisals, in an inclusive and equitable way; and
 - various CSR initiatives and partnerships with institutions, financial and in-kind support to a variety of NGOs, and investment in education through scholarships to university students.

Our approach to financed impacts: Financing access to education and lifelong learning opportunities

As part of its business activity, the Bank provides financing to certain sectors that as per the PRB impact analysis of 2023, create positive impacts among others, on the availability, accessibility, affordability, and quality of education. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 21.79% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €1,074mn of loans, create positive impacts to the impact topic of Education, referring to population's ability to access quality education and lifelong learning opportunities in an inclusive and equitable way.

Financing to NACE sectors that create positive impacts on education (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refer to the institutional banking business segment that accounts for 45% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.

The Bank provides also financing products, such as education-related loans which contribute to the accessibility for all to elementary education, free and compulsory; and to technical, professional, and higher education, as are made and available, and equally accessible to all on the basis of merit.

In particular, the Bank offers two student loan schemes, named 'Starter' and 'Advance'.

During the year 63 new loans were provided under these two student loan schemes, with a total amount of €2,269,015. The majority of those loans were provided to the parents of the students.

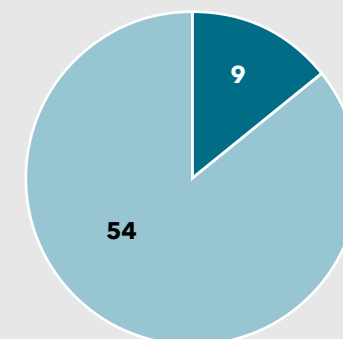
Starter Student Loan scheme

Starter scheme covers the education cost from elementary school all the way to the university, such as tuition fees (private primary and secondary schools, colleges, universities), books, uniforms, purchase of personal computer, transportation, living expenses.

Advance Student Loan scheme

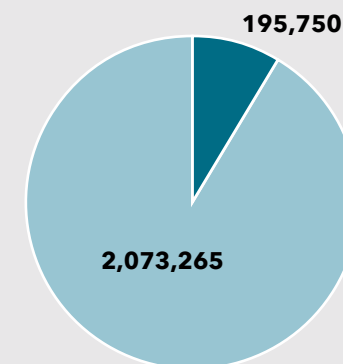
Advance scheme covers the costs of postgraduate studies and/or professional qualifications in Cyprus or abroad. For both schemes, eligible persons for financing are parents who wish to cover the costs for educating their child, and also working students who wish to finance their studies on their own.

Number of student loans provided (in 2023)



■ Student Loans Advance
■ Student Loans Starter

Amount of student loans provided (in 2023) (€)



■ Student Loans Advance
■ Student Loans Starter

Our approach to operational impacts: Contributing to the development of our people

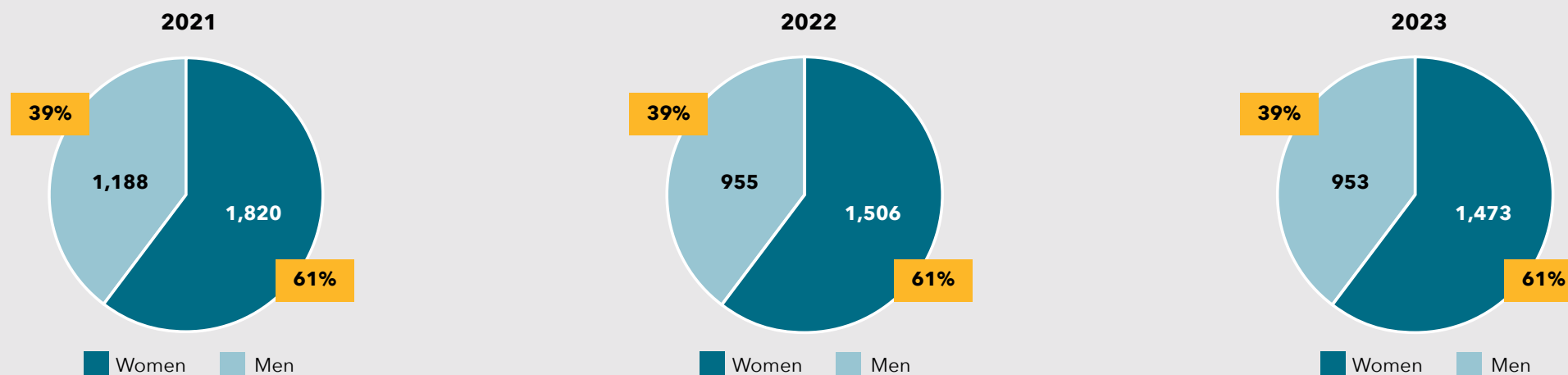
Creation of employment opportunities - The Bank and its People

(GRI: 401-2)

Bank of Cyprus recognizes the significance of investing in employee empowerment and development. Employees are brand ambassadors and define public perception. They are a key contributing factor for the growth and establishment of the Bank as one of the largest organisations in Cyprus, with ability on planning and implementing the Bank's business purpose. They are first and foremost empowered to do the right thing for customers, society, shareholders, and all stakeholders.

In 2023, the Bank continued to maintain a safe environment, and work genuinely to maintain a positive work environment. During the year there were 39 new hires and 64 leavers, mainly due to early retirement. The total number of the Bank's employees were decreased by 1.4% compared to 2022 and by 19.3% compared to 2021.

(GRI: 2-7)



Notes:

- i. The data has been collected based on the detailed payroll registers as of 31/12 for every fiscal year, in headcount.
- ii. The data relates to the Bank's human resources in Cyprus, the only region of operation.
- iii. BoD members are not included.

(GRI: 2-4, 2-7, 2-8)

In 2023, the Bank had 201 workers (2022: 181, 2021: 151) who are not employees and whose work is controlled by the organisation. These are external associates providing services to the Bank, usually from other organisation, working at Information Technology Department and Restructuring & Recoveries Division. The increase in the year was due to the 137 new hires, although there were 117 workers who left the Bank during the year.

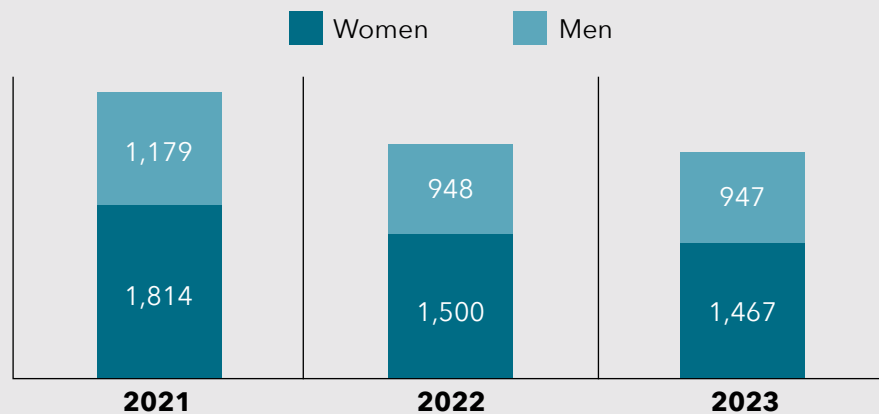
Total number of employees and workers									
	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of workers	66	85	151	64	117	181	64	137	201
Total number of employees	1,820	1,188	3,008	1,506	955	2,461	1,473	953	2,426
Permanent employees	1,814	1,179	2,993	1,500	948	2,448	1,467	947	2,414
Temporary employees	6	9	15	6	7	13	6	6	12
Full-time employees	1,794	1,187	2,981	1,492	954	2,446	1,458	952	2,410
Part-time employees	26	1	27	14	1	15	15	1	16

Notes:

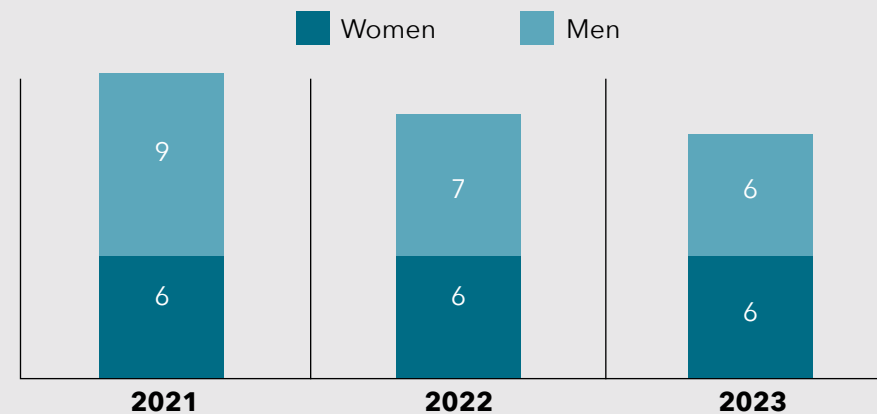
- The data has been collected based on the detailed payroll registers as of 31/12 for every fiscal year, in headcount.
- The data relates to the Bank's human resources in Cyprus, the only region of operation.
- The Bank does not employ any non-guaranteed hours employees.
- The new joiners and leavers of 2021, 2022 and 2023 do not include the transfers of employees between the Companies of the Group.
- The 2022 data on total number of workers have been restated (from 179 to 181) as 2 workers had run leaving action in 2022 and were not incorporated in total number of workers but cancelled their leaving action.
- The 2021 data on total number of workers have been restated (from 181 to 151) from the figure reported in the Sustainability report of 2021, as 30 workers were not active during 2021 and the Bank had to terminate them.

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. Since 2020, employees may opt to change their terms to part-time work or to take a long-term unpaid leave.

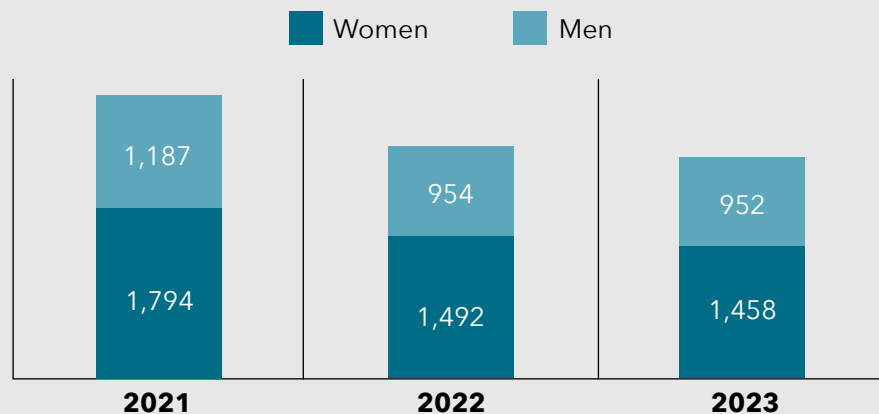
**Number of permanent employees
(by gender)**



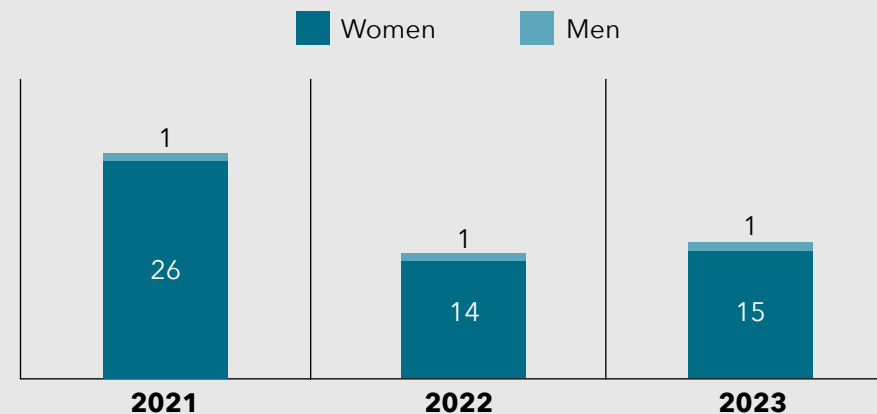
**Number of temporary employees
(by gender)**



**Number of full-time employees
(by gender)**



**Number of part-time employees
(by gender)**



(GRI: 2-30)

	2021		2022		2023	
	Number	%	Number	%	Number	%
Employees covered by collective bargaining agreements	2,922	97.14%	2,362	95.98%	2,290	94.39%
Total	2,922	97.14%	2,362	95.98%	2,290	94.39%

Notes:

- The % of employees covered by collective bargaining agreements is calculated using the number of employees covered by collective bargaining agreements / Total number of employees *100.
- Temporary employees are entitled to Provident Fund benefit under the collective agreement with ETYK. They are eligible to all other benefits included on the collective agreements with full -time employees (including Medical Fund and Life Insurance, in case of death or permanent total disability - once permanency is confirmed).

Attraction and retention

The Bank's recruitment practices are inclusive, based on objective criteria, such as skills and talent, and in line with its principles for equal opportunities and non-discrimination in the workplace. The Bank strives to attract and retain top talents, while providing opportunities that support their personal and professional development. Gender-neutral remuneration practices are in place that are non-discriminatory against any candidate, while retaining the right to equal remuneration for equal work.

Building relationships with the academic world / Investing in the future business professionals

The Bank participates in the 'University Labor Market Liaison Offices' Project, which is funded by the European Social Fund and its consortium. The main purpose of the Liaison Offices is to place students in companies and organisations as part of their study programme, in order to gain professional experience, enhance their skills and increase student employability. Over and

above the 'Liaison Offices', the Bank is assessing additional ad hoc requests from high caliber undergraduates from top tier universities abroad.

Internal Opportunities

The Bank is committed in providing career development opportunities to all employees, to improve both individual and career opportunities and business capability. To enable this strategy, the employees have the opportunity to apply for open positions in a consistent and transparent manner through the 'Internal Opportunities Process' (internal vacancies announced on the Employee Portal).

New employee on-boarding process

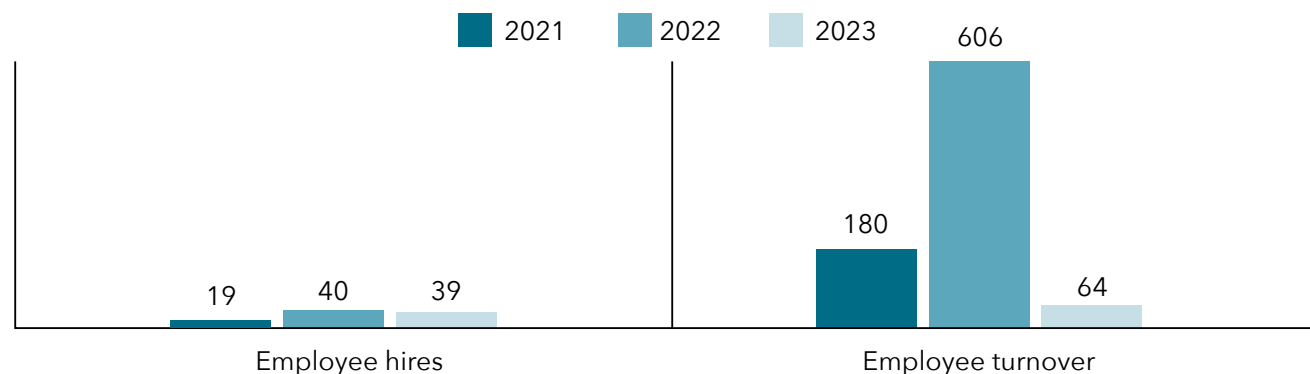
In 2021, an onboarding site was set-up on the employee portal where new employees find the tools and information needed to help their integration in the Bank and its culture. The revised onboarding process includes a welcome box with essentials and a welcome card for each new employee.

In 2023

12 Students for Internship programmes (9 through Liaison Offices & 3 ad hoc)

(GRI:2-4, 401-1)

New employee hires and turnover



Turnover Analysis 2023

- 45** Early retirement
- 14** Resignation
- 1** Contract Dismissal
- 4** Other reason

Notes:

- i. Employee turnover of 2022 is significantly higher compared to 2021 and 2023, due to 583 employees retired under the VRS (including employees left early in 2022 through 2021 VRS).
- ii. The recorded data regarding employee hires and employee turnover for 2021 has been restated compared to those reported in the Sustainability report of 2021, as these were inaccurately reported.

2023									
New employee hires	< 30 years old			30 - 50 years old			> 50 years old		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of new employee hires	9	3	12	6	21	27	0	0	0
Total number of employees	16	11	27	937	493	1,430	520	449	969
Rate of new employee hires	0.56	0.27	0.44	0.01	0.04	0.02	0	0	0
Employee turnover									
Number of employees turnover	1	0	1	25	15	40	7	16	23
Total number of employees	16	11	27	937	493	1,430	520	449	969
Rate of employee turnover	0.06	0	0.04	0.03	0.03	0.03	0.01	0.04	0.02

Learning Opportunities for our people

(GRI: 2-4, 205-2, 404-1)

The human capital of the Bank is considered as the driving force that actively contributes to the achievement of its vision, mission and values and culture. For this reason, the Bank recognizes this effort and continues to invest in new learning tools and alternative training methodologies.

Employees can record their training needs through the ESS/MSS Training Pre-booking platform. A list of predefined training topics is provided to select based on their specific needs. In case a specialised need is identified then a direct communication is made with L&D department.

In 2023, a series of live online courses/webinars, e-learning modules, classroom-based trainings were 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's strategy. The trainings aimed at providing continuous training, meeting in full the needs of the Bank's employees, in line with their positions, roles and responsibilities, along with the strategic priorities of the Bank.



Our employee training performance

A total of 2,463 (2022: 3,106, 2021: 3,209) employees attended 401 (2022: 324, 2021: 260) training offered via webinars (2023: 207, 2022: 85, 2021: 145), either through e-learning (2023: 74, 2022: 165, 2021: 81) or in physical format/classroom (2023: 120, 2022: 74, 2021: 34).

Training Attendance by Employee level	2021			2022			2023		
	Attendees			Attendees			Attendees		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior Management	5	14	19	6	15	21	6	14	20
Management	256	346	602	263	333	596	218	257	475
Officers	1,666	922	2,588	1,575	914	2,489	1,263	705	1,968
Total	1,927	1,282	3,209	1,844	1,262	3,106	1,487	976	2,463

Notes:

- The table above excludes information on information for BoD members as this is included in [Corporate Governance – Directors’ Induction and ongoing development](#).
- The number of participants included in the Sustainability Report of 2021, which related to the year-end number of employees, have been restated to include the number of participants who have attended the trainings throughout the year, in order to ensure comparability within the years.

Training Attendance by Employee Category	2021			2022			2023		
	Training Attendance (in hours)			Training Attendance (in hours)			Training Attendance (in hours)		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior Management	108	354	462	217	444	661	121	340	461
Management	4,637	6,097	10,734	6,750	9,574	16,324	6,806	8,558	15,364
Officers	25,725	12,840	38,565	32,302	15,289	47,591	38,261	17,564	55,825
Total	30,470	19,921	49,761	39,269	25,307	64,576	45,188	26,462	71,650

Notes:

- The table above excludes information on information for BoD members as this is included in [Corporate Governance - Directors' Induction and ongoing development](#).
- The training hours included in the Sustainability Report of 2021, which related to the training hours associated with year-end number of employees, have been restated to include the training hours associated with the number of participants who have attended the trainings throughout the year, in order to ensure comparability within the years.

Training Attendance by function	2021			2022			2023		
	Training Attendance (in hours)			Training Attendance (in hours)			Training Attendance (in hours)		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
CEO Office	248	115	363	229	138	367	140	137	277
Business Banking Division	22,241	12,977	35,218	27,270	15,666	42,936	34,096	17,142	51,238
Finance Division	3,308	1,898	5,206	3,907	2,220	6,127	3,238	2,480	5,718
People & Change Division	994	366	1,360	1,894	582	2,476	422	1,778	2,200
Technology & Operations Division	1,573	1,967	3,540	2,959	3,629	6,588	3,261	4,209	7,470
Information Security Division	5	56	61	9	146	155	22	158	180
Risk Management Division	698	755	1,453	1,090	1,075	2,165	955	752	1,707
Compliance Division	712	310	1,022	984	477	1,461	1,073	512	1,585
Internal Audit Division	691	847	1,538	927	1,374	2,301	625	650	1,275
Total	30,740	12,291	49,761	39,269	25,307	64,576	43,832	27,818	71,650

Notes:

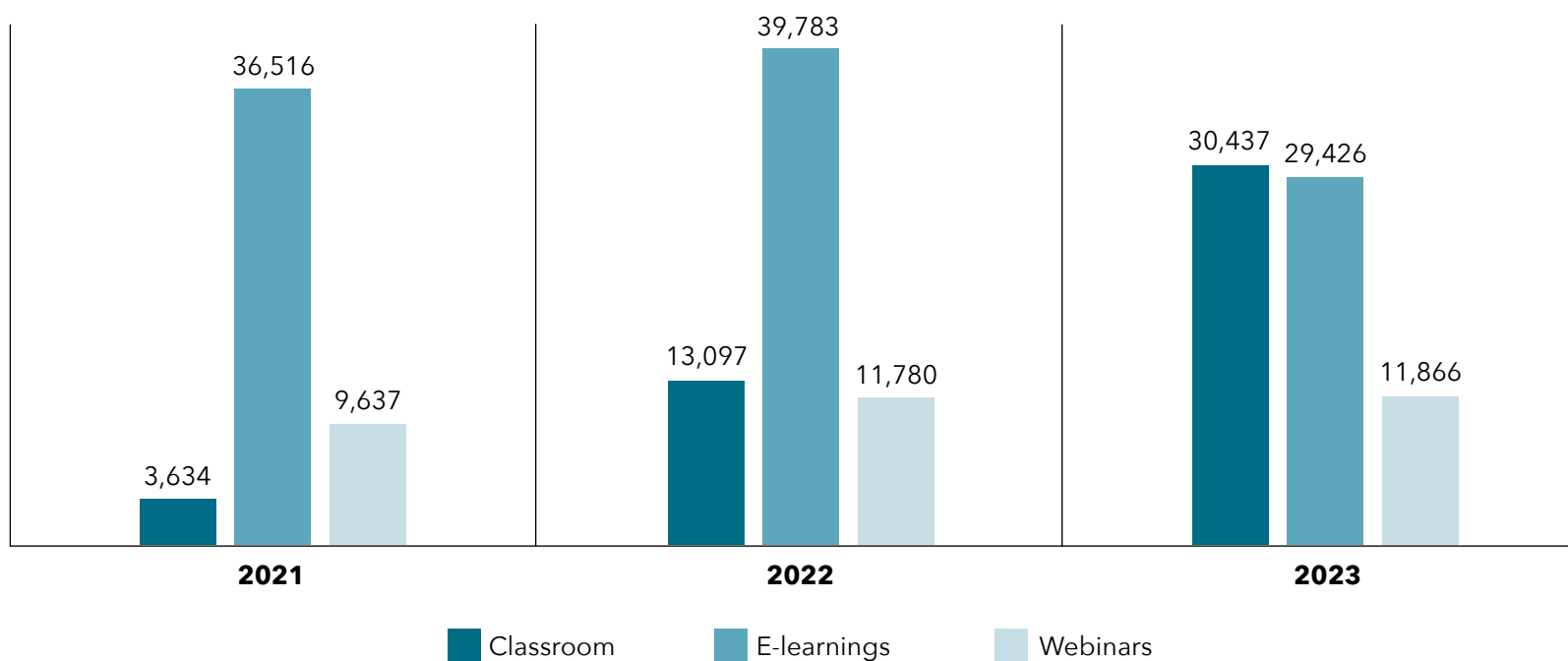
- i. The table above excludes information for BoD members as this is included in [Corporate Governance – Directors’ Induction and ongoing development](#).

	Average hours of training per year per employee								
	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior Management	21.6	25.3	24.3	36.2	29.6	31.5	20.2	24.3	23.1
Management	18.1	17.6	17.8	25.7	28.8	27.4	31.2	33.3	32.3
Officers	15.4	13.9	14.9	20.5	16.7	19.1	30.3	24.9	28.4
Total	15.8	15	15.5	21.3	20.1	20.8	30.4	27.1	29.1

Notes:

- The average hours of training per employee is calculated using the total number of training hours provided to employees / Total number of employees, by gender and employee category.
- The number of participants by function is not readily available, thus the average hours of training by function are not presented above.
- The table above excludes information for BoD members as this is included in [Corporate Governance – Directors’ Induction and ongoing development](#).

Training attendance by means of delivery (in hours)



Notes:

i. The graph above includes information for BoD members.

Performance Assessments

(GRI: 2-4, 404-3)

Evaluating the performance of employees plays an important element to their personal development and contributes to skills management and development of human capital within the Bank as a whole. Regular performance and career development reviews can also enhance employee satisfaction, which correlates with their improved organisation performance.

The integrity of this assessment is safeguarded through the annual Performance Appraisal Quality Check process, which is performed on a sample of appraisals conducted, to assess their quality against predefined pillars, identify deviations and areas for improvements, and provide feedback to Management on the quality of Performance Appraisals conducted within the year. In 2023 the sample for the 2022 Appraisals Quality Check reached approximately 10% (312 appraisals were randomly selected and assessed against predefined pillars) compared to 11% in 2022.

The performance appraisals for 2023 were completed in 2024. A total of 24 appraisals were not completed within the set timeline, but the Bank closely monitors appraisals to ensure completion. Non-completion usually occurs due to the absence of one of the appraisee, 1st appraiser or 2nd appraiser.

Employees who received a regular performance and career development review (by category)	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior Management	100%	100%	100%	100%	100%	100%	100%	100%	100%
Management	99%	97%	98%	98%	98%	98%	99.1%	99.6%	99.3%
Officers	99%	99%	99%	98%	98%	98%	98.4%	99.9%	99.0%
Total	99%	99%	99%	98%	98%	98%	98.5%	99.8%	99.0%

Notes:

- i. BoD members are not included.
- ii. The performance appraisal process is an ongoing process that may not be finalised until the Sustainability Report is published.

98.5% as at 28.04.2024

of women completed their performance assessment (1,475 out of 1,497 women – 2022: 1,587 out of 1,621 women – 2021: 1,749 out of 1,766 women)

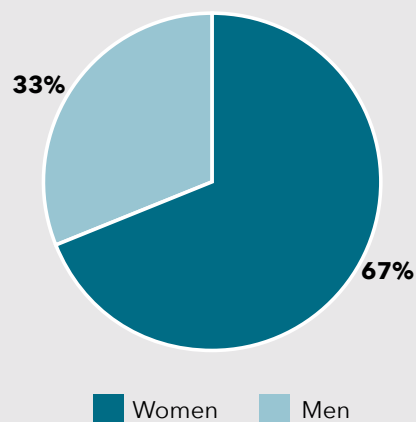
99.8% as at 28.04.2024

of men completed their performance assessment (968 out of 970 men – 2022: 970 out of 989 men – 2021: 1,131 out of 1,146 men)

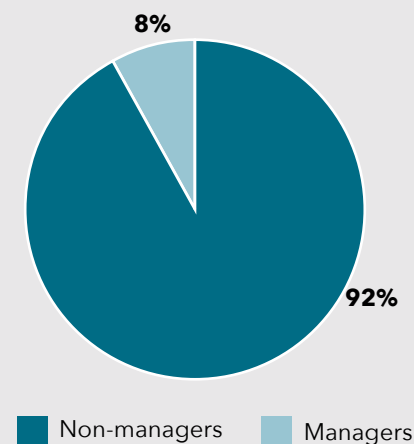
Rewarding Behaviors and Accomplishments

The Extra Mile Scheme has been running successfully in the Bank since 2018, with a revamp in 2022 in the context of the Organisational Health project. The scheme aims to recognise consistent mindsets and behaviours demonstrated throughout each 6-month period since the scheme is ongoing and is running every year (June & December of each year). The categories under which the employees are rewarded can change on an annual basis and are in line with strategic priorities. For 2022 and 2023 the categories were aligned with the 4 Health priorities, Knowledge Sharing, Personal Ownership, Employee Involvement and Career Opportunities.

**Extra Mile Rewards 2023
(by gender)**



**Extra Mile Rewards 2023
(by level)**



In 2023, a total of 276 employees (i.e. 11% of total staff) (2022: 266 or 10% of total staff) were acknowledged for their exemplary behavior.

Extra Mile Rewards	2023				
	Women	Men	Managers	Non-Managers	Total
Personal Ownership	88	44	13	119	132
Employee Involvement	55	27	3	79	82
Knowledge Sharing	35	18	6	47	53
Career Opportunities	8	1	0	9	9
Total	186	90	22	254	276

Notes:

i. Extra Mile scheme offered to all staff including Insurance Business (included in above figures).

Upgrading employee skills and transition assistance

(GRI: 404-2)

The Bank provides benefits to members of staff relating to the upgrading of skills and qualifications and is committed to ensuring that all staff has access to learning and development opportunities which create and/or develop the relevant competencies and right behaviors that are appropriate for meeting the Bank's specific strategic priorities. More specifically, the Bank based on certain criteria and conditions:

- Covers the cost for participation in external trainings and
- Supports the obtainment of academic/professional qualifications by allowing educational leave and covering exams costs, were applicable
- For certain academic/professional qualifications the Bank provides additional benefits based on Collective Agreement (e.g., placement from general to special scale, extra increment)

During the year, the Bank has provided the below trainings in order to upgrade employee skills:

- 36 in-house developed e-learning delivered to all staff on Regulatory, Credit/Risk, Compliance, Bancassurance and other business-related topics.
- AML-related trainings: Updates and practices on AML and Sanctions, tailor-made to the specific training needs of front-line, concluded with a knowledge assessment (1,302 participants, 9,114 training hours). Additionally, the AML Essentials e-learning was offered to back office and support functions employees (1,043 participants, 522 training hours).

- Systems training and data analysis: Upskilling opportunities to improve technical skills and data analysis (Power BI, O365, Python, MS Office tools - 282 participants, 3,444 training hours).
- Health & Safety: Trainings delivered to comply with H&S regulations and relevant legislation (ESYPP representatives, Emergency First Aid at Work, CRP&AED 2023, 218 participants, 1,474 training hours).

Winning Moments

The "Winning Moments" training program was a milestone training initiative completed in 2023. The program was delivered to all Consumer Banking staff to support the Division's transformation and strategic objectives for Customer Service Excellence, Cost Efficiency and Sales Effectiveness. The content of the seminar was adapted and customised based on the new operating model and desired culture change in Consumer Banking.

Project perimeter:

- 750 participants (from branches and call centre)
- 9,862 training hours
- 50 highly interactive workshops with practical exercises based on real scenarios (aligned with specific sales campaigns and customer service challenges)
- 6 different role-based training groups with customised content, targeted to the objectives and strategic goals per role (1. Bankers, 2. Customer Service Officers, 3. Branch Managers, 4. Heads of Advances, 5. Heads of Customer Service, 6. Call Centre Team)



BOC employees competed in the Dragon Boat Challenge organised by the Human Resource Department, as part of the 'Well At Work' programme

Project Methodology:

The in-class workshops were combined with pre and post workshops e-learnings to produce a blended learning experience. The pre workshop e-learning aimed at achieving the best possible readiness of the participants and the post implementation one will facilitate revision and reinforcement of the learning.

The project was fully implemented with the support of an external vendor and use of experienced facilitators to ensure high quality and consistent delivery of the learning content to maximize our investment's effectiveness.

Beyond Training... The Bank actively promotes learning and development through other initiatives that extend beyond traditional training. The overall aim is to cultivate a continuous learning and growth culture nurturing the potential within our workforce and equip them with the latest skills and knowledge required to adapt to evolving challenges and provide development opportunities that will contribute effectively to the Organisation's success.

BoC Academy

A milestone initiative which was launched in June 2023, was the foundation of "BoC Academy". The vision of the BoC Academy is to gradually evolve to a "knowledge centre" aiming to enhance corporate knowledge and build on employer branding. The operating model of BoC Academy is based on cooperations with external Academic and Professional institutions (local and international) to offer upskilling / reskilling opportunities, so that members of staff are provided with the opportunities to

attain the highest possible level of training and qualifications.

The collaborations implemented during 2023 were the following:

- With CIM (Cyprus Institute of Marketing) through the offering of 5 co-branded certificates designed with selected modules for the Master-level curriculum of CIM programs (20 students selected based on predefined criteria)
- With UCy (University of Cyprus) for offering 4 full scholarships to selected members of staff to the highly accredited MBA programme of UCy

'UGrow' - Enhanced Talent Management initiative

The 'UGrow' program concerns the implementation of Development Centers for the development of selected 'BOC talent' with the support of experienced external partners supported by targeted training initiatives based on the development areas identified. The Development Centers are one-day workshops where each participant undergoes simulation exercises based on a predefined set of leadership competencies and behaviors aiming to identify and explore areas of strength and development areas for each participant and gain commitment to an individual development plan with specific activities. Participants are provided with continuous feedback and coaching during the day, in an open and transparent environment focused on their growth, explaining the selection of 'UGrow' as the brand name of the Development Centers.

In 2022, the 1st Development Center was implemented with 26 participants, in the Bank's historical building on Lord Byronos Avenue. A 2nd Development Centre was implemented in 2023, with an additional number of 33 participants.

The Development Centers were implemented based on the following a 3-stage process:

Stage 1:

- Revision of the assessment framework, exercises, and tools (December 2022).
- Launch the 2nd Development Center under the 'UGrow' brand name and hold a kick-off event with the participants, in the presence of the Executive team (February 2023).

Stage 2:

- Run the Development Centers (13-20 February 2023) - 6 days, 6 groups at Byron House.
- Production of the Individual Development Reports - results of the assessment process (May 2023).

Stage 3:

- Update Senior Management with the assessment results, the gap analysis and agree on a high-level Development roadmap (May - June 2023).
- Hold discussions with the participants and create comprehensive development plans with specific development activities, in line with the expectations of their target roles (2Q 2023).

The participants, after completing each exercise, received feedback from the experienced partners who acted as assessors during the exercises. An innovation of the program which significantly improved the level of experience was the participation of professional actors in the simulation exercises of managing subordinates and clients. This helped to create real conditions and enhanced the quality of feedback received by the participants and from the actors themselves.

Results: The Development Centers form the basis for targeted development actions and programs. At the same time, the benefit for the Bank is the development and preparation of the next generation of leaders and executives in the Organisation's.

Following the completion of the Development Centres and the identification of certain development areas, the following training initiatives were implemented in 2023 and continue to be part of the Bank's annual training plan for targeted candidates:

- Mastering Emotive Leadership - 2 in class workshops for selected members of staff (22 participants, 154 training hours);
- The Power of Public Speaking - 3 experiential training sessions in a TV studio for selected members of staff (14 participants, 98 training hours);
- Transformational Leadership - 5 selected members of staff participated in this high quality/ high standards Cambridge Executive Education Program (85 training hours).

Organisational Health

In 2023, our "Organisational Health" project achieved remarkable progress. A staff survey executed in October, revealed significant score improvements in the Group's priorities we set in 2022. Additionally, we launched new people and health initiatives, including the BoC Academy and the Group's 1st intrapreneurship competition "Think Tank". Our existing recognition scheme "Extra Mile" which celebrates positive mindsets and behaviours around health priorities, was also greatly embraced with more than 500 internal nominations. Finally, under the wellbeing programme "Well at Work" we organised 32 events with 1,900+ participants.

Our approach to operational impacts: Encouraging lifelong learning in the society as a whole

Impact in Education through Partnerships

Through the Bank's various CSR activities and initiatives, there is a positive contribution in the Education of the Society as a whole. In 2023, 43% of the Social Responsibility budget of the Bank was allocated to Education related initiatives and collaborations with universities and other academia societies.

Collaborating with Universities

In 2023, a Memorandum of Cooperation was signed between the University of Cyprus, a member of SupportCY, and the Bank aiming, among other things, the co-organisation of joint scientific and educational events and activities, the cooperation for the provision of consulting services and expertise as well as the conduct of studies, the possibility of providing scholarships to University students from the Bank and the possibility to students of the University to be placed in departments and services of the Bank to gain experience.

At the same time the Bank renewed its partnership with the Cyprus Institute of Marketing (CIM), a SupportCY member, and offered scholarships to CIM students, based on their academic excellence and financial difficulties. During the academic year 2022-23, the Bank repeated its contribution to the Fundraising Morfosi Scholarship Fund, supporting 25 (2022: 23) university students. Fundraising Cyprus is a voluntary charity organisation that supports families with severe financial difficulties

in Limassol area, and is a member of SupportCY. In addition, the Bank provided awards to university students with outstanding performance at the Open University Cyprus and the Mediterranean Institute of Management.

Enhancing youth dialogue

Relaunch of the programme "Young Voices Ask" that was implemented with great success in previous years, but paused due to the COVID 19 pandemic. The Programme consists of a series of debates and aims to give students the opportunity to express their opinion and ask questions to personalities from the political, business, social and

sports fields. Through the Programme, the Bank's role as a protagonist in information, education and empowerment of youth of our country and the society is strengthened.

During 2023, the Bank renewed its partnership with European Youth Parliament (EYP) Cyprus, a member of SupportCY. EYP is one of the largest European platforms to debate, intercultural dialogue, European Civic Education, and exchange trips. With the Bank's support, EYP Cyprus organised a wide range of events, including workshops and training, hybrid cleaning events, digital sessions for members, physical national sessions, and think tanks.

	2022	2023
Workshops, forums & events	7	7
Participants (Age group: 15-25)	600+	600+



The Bank's CEO participated at the 'Oi neoi rotoun' (Young Voices Ask) with 200 students from schools all over Cyprus and answered their questions

Cyprus Mathematical, Physicists, and Computer Societies

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. In 2023, with the support of Bank of Cyprus, the Cyprus Mathematical Society organised the first STEAME Festival in Nicosia in collaboration with eight other organisations. Twelve organisations presented their work at the festival and provided information on STEAME topics. They also offered to the visiting students, the opportunity to participate in free educational activities. The event hosted 19 schools with 617 students from all over Cyprus. Furthermore, the Bank supported the Cyprus Computer Society which organised the two-day 6th Pancyprian Robotex Robotics, promoting robotics amongst students of all ages. All three associations are members of SupportCY.



The Bank supports the Cyprus Computer Society, which amongst other programme, organises the Pancyprian Robotex Robotics

	Tournaments		Participants		Students honored by the Bank	
	2022	2023	2022	2023	2022	2023
Cyprus Mathematical Society	5	5	3,319	2,817	Top 54	16
Cyprus Physicists Society	3	3	111	90	Top 18	23

6th Pancyprian Robotex Robotics		
Statistics	2022	2023
Volunteers	85	92
Contestants	625	699
Teams	189	212
Coaches	95	97
Robots	218	424
Visitors	>4,000	>5,000
Winners	180	174
Send to Robotex International	200	214

STEAM among girls

In 2023, a new collaboration commenced with the Be an Ally Foundation on the “Girls in STEAM” Academy. It is a nonprofit initiative that strives to close the gap in the underrepresentation of women and girls in STEAM. The aim is to empower girls and women to become future leaders in STEAM fields by providing them with world-class training programs. The aspiration is to create a world where women and girls are equally represented in all STEAM industries.

Girls in STEAM Academy	
	2023
Workshops	3
Participants (Age group: 14-16)	40
Participants (Age group: 17-18)	20

Funding kitchens in schools

Since 2013, the Bank participates in the ‘Cook and Offer’ Programme of the Sophia Foundation for Children. The Programme currently covers 25 kitchens in schools, 11 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.

	By 31/12/2023
Kitchens in schools	25
Children	1,237
Kitchens entirely funded by Bank of Cyprus	11
Children	693

Supporting youth in sports

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 1,400 boys and 50 girls (aged 6-11) from 30 academies participated in the tournament which attracted over 9,000 attendees. Bank of Cyprus granted 24 awards in 12 categories.

In 2023, the Bank supported once again 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. Five upcoming young athletes were awarded in karate, skating, tennis, football and track. The recognition awards, which since 2019 are given by Bank of Cyprus, are awarded to young athletes, whose performance dictates a successful career in their field.

During 2022, Bank of Cyprus and the Cyprus Olympic Committee signed a cooperation agreement valid until the end of 2024, the year of the 'Paris 2024' Olympic Games. Bank of Cyprus joined the sponsorship programme as a 'Gold Partner'. Additionally, this partnership focuses on supporting young athletes who excel in their sport, by rewarding and promoting their success stories.

Promoting economic and digital literacy

The "Update your Skills" programme promotes economic and digital literacy. It is an ongoing project that began in 2023 mainly geared at senior citizens. It also applies to any member of the public wishing to learn in simple terms and with images how to carry out their banking transactions easily by making use of the available technology and digital tools.

The first part of the programme, provided free of charge, features a series of presentations to municipalities and communities. Participants learn about basic economic concepts and mainly how to easily and confidently use the Bank's digital services on a computer, mobile or ATM. The action is being supported by a professor of Economics taking part in the presentations. The "Update your Skills" programme is enriched with additional actions and media communications. Initiatives such as this play a positive role in people's day-to-day lives and contribute to the broader effort underway in Cyprus to disseminate such skills.

Supporting online encyclopedia and digital library for all

The Bank continued supporting 'polignosi.com', a long-term project initiated in 2017 in collaboration with 'Politis' newspaper. Polignosi.com is the first online encyclopedia 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. During 2023, there were 700,000 page views in the online encyclopedia.



Young athletes took part in the ANT1 Soccer Tournament, supported by the Bank

	2022	2023	% Increase
Website visitors per month (approx.)	146,000	160,000	9.59%

*According to Google Analytics

Bank of Cyprus also continues its support to "Read", a digital library offering free-for-reading books. "Read" also promotes local community authors, offering 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.

	2022	2023
Books available online	1,153	1,296
Downloaded books	16,492	19,056

Additional support in education

For the 4th consecutive year, the Bank participated in a joint initiative between the Association of Banks and the Junior Achievement Cyprus (JA Cyprus) on financial education. The Bank participated with three mentors in workshops tackling 'Economics for Success'.

The Bank also provided financial and in-kind support to:

- 43 education related NGOs and associations;
- Sports Federation 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, 3 desks (2022: 95), 53 chairs (2022: 290), 2 tables (2022: 20) and 19 cupboards (2022: 175) 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.

Protecting and promoting health, safety, and wellbeing



2023 Highlights (as of 31 December 2023)

New lending in 'Human, Health
and social work activities' sector
€14mn (2022: €15.7mn)

€2mn

financial contribution for Bank of
Cyprus Oncology Centre

51

Health and Safety (H&S)
Committees

€416,000

raised for the Cyprus Anti-Cancer
Society with the Bank's contribution

1,533

hours spent on Health and Safety
Trainings

40%

of social responsibility budget
allocated to health and social
welfare

Our impacts

(GRI: 3-3)

The financed and operational activities of the Bank create or may create positive impacts in population's ability to live in a state of complete physical, mental and social well-being, as well as population's ability to access quality essential health-care services.

Positive impacts

Contribute to the protection and promotion of health, safety and wellbeing of our employees and society as a whole:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2023, that improve population's ability:
 - to live in a state of complete physical, mental and social well-being; and
 - to access quality essential health-care services and access to facilities that ensure privacy and a clean and healthy living environment;
- through the establishment and systematic implementation of OHS (Occupational Health and Safety) management practices, policies and mechanisms that ensure the health, safety and well-being of the Bank's employees, suppliers and partners (e.g. Health and Safety committees are in place) and training of employees on health and safety issues;

- through various services which are in place contributing to the protection and promotion of physical, mental and social well-being, as well as various CSR activities (such as the Bank of Cyprus Oncology Centre that serves cancer patients and the Cypriot society at large), partnerships with institutions, financial and in-kind support to a variety of NGOs and responsible operations regarding healthcare and sanitation, such as the 'SupportCY' network.

Negative impacts

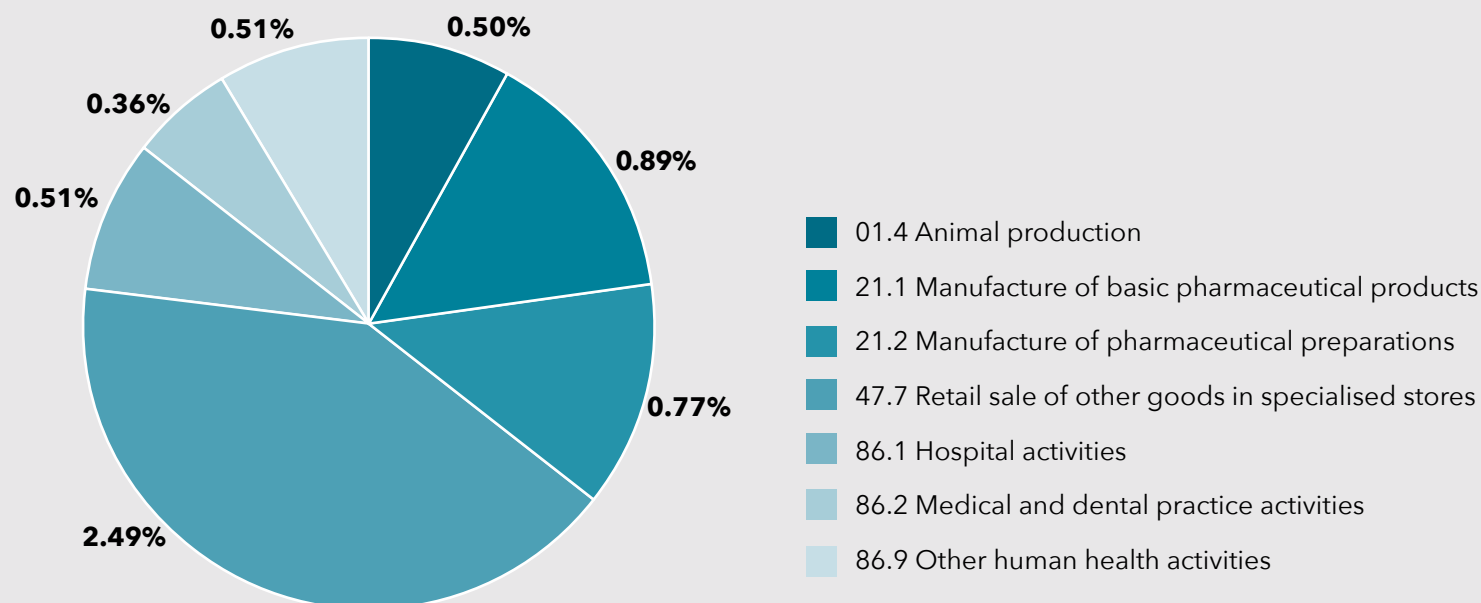
Contribute to the creation of negative impacts to the protection and promotion of health, safety and well-being of our employees and society as a whole:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2023, that impact the population's ability to live in a state of complete physical, mental and social well-being.

Our approach to financed impacts: Financing access to complete physical, mental and social well-being and ability to access quality essential health-care services

As part of its business activity, the Bank provides financing activities to certain sectors that as per the PRB impact analysis of 2023, create positive impacts among others, on the population's ability to live in a state of complete physical, mental and social well-being, including the aspects of safety and not merely the absence of disease or infirmity and the ability to meet various human needs, some of which essential to thrive and feel satisfied with their life. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 53.11% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €2,619mn of loans, create positive impacts to the impact topic of Health & Safety, referring to population's ability to access complete physical, mental and social well-being.

Financing to key NACE sectors that create positive impacts on health and safety (as per the 2023 PRB Impact Analysis)

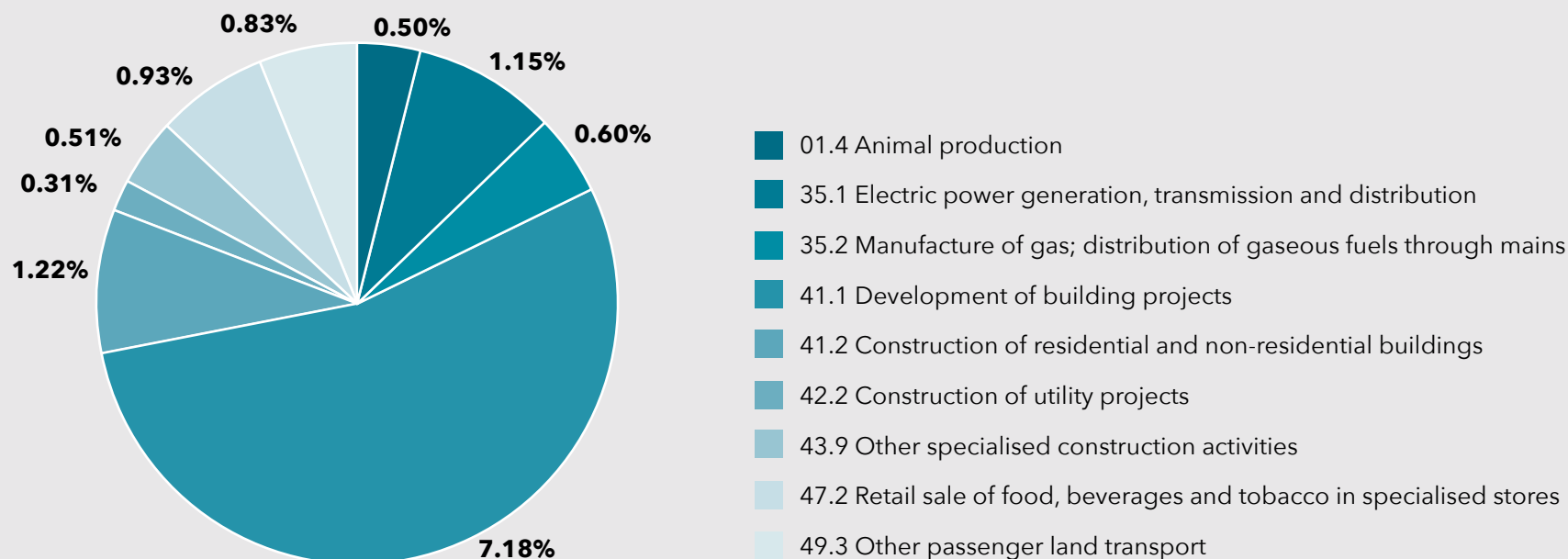


Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on health & safety, with an exposure of 6.03%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on health & safety, have an exposure of 47.08%, of the portfolio under assessment (i.e. combined financing of 53.11% of the portfolio under assessment).

The Bank acknowledges that financing to certain key sectors, as per the PRB impact analysis of 2023, contribute negatively to the impact topic of Health & Safety. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to key sectors that amount to 13.24% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €652.77mn, create negative impacts on the impact topic of Health & Safety, referring to population's ability to access complete physical, mental and social well-being.

Financing to key NACE sectors that create negative impacts on health and safety (as per the 2023 PRB Impact Analysis)

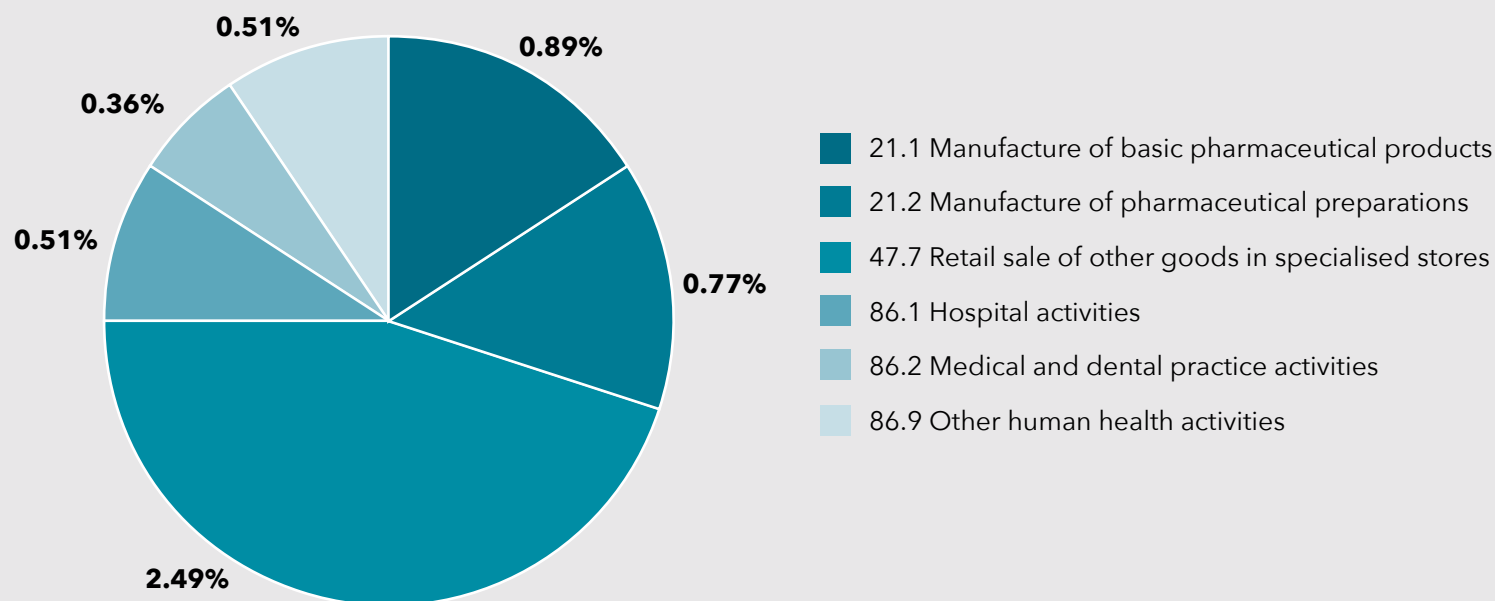


Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on health & safety, with an exposure of 13.24%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create negative impact on health & safety, have an exposure of 78.47%, of the portfolio under assessment (i.e. combined financing of 91.71% of the portfolio under assessment).

Additionally, the Bank's social action to support healthcare and sanitation is also achieved through its financing activities to certain sectors, that as per the PRB impact analysis of 2023, create positive impact to population's ability to access quality essential health-care services and effective, quality and affordable essential medicines and vaccines and ensure privacy and dignity, ensuring a clean and healthy living environment for all. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 31.05% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) and account for €1,531mn of loans, create positive impacts to the impact topic of health and sanitation, referring to population's ability to access quality essential health-care services and ensuring a clean and healthy living environment.

Financing to key NACE sectors that create positive impacts on health and sanitation (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- The graph above presents only the key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on health & sanitation, with an exposure of 5.53%. The financing activities of the Bank to non-key sectors that as per the 2023 PRB institutional banking impact analysis create positive impact on health & sanitation, have an exposure of 25.52%, of the portfolio under assessment (i.e. combined financing of 31.05% of the portfolio under assessment).

Our approach to operational impacts: Ensuring occupational health and safety

Providing priority on our People

Maintaining physical safety, physical and mental health at work, is a long-standing expectation for the Bank to provide and drive its business transformation. Therefore, the Bank is continuously working to scale up new ways of working and operating to protect its people and their families, safeguard their physical and mental health.

Ensuring Health and Safety at the Workplace

(GRI: 403-4)

The Bank seeks to promote health and safety at work and takes all the necessary measures to prevent any occupation hazards and inform and share knowledge to its employees on health and safety issues.

The Bank has approximately 51 Health and Safety (H&S) Committees that meet every six months and, on an ad-hoc basis when there is a request from a member or a serious issue to handle. The Bank's employees are represented in committees by staff from all the units of the buildings.

As per the regulatory framework, a committee must exist at all premises with more than 10 employees and its composition depends on the number of employees stationed at the premises. The presidents of Safety Committees are the manager of the branch or the Technical Project Coordinator of the building. Buildings with less employees have a responsible person for the H&S issues which is the manager.

The Committees are responsible to prevent/ assess risks of accidents and resolve issues at the premises in cooperation with other departments (e.g. Technical Services).

Health and Safety Management System

(GRI: 403-1, 403-8)

The Bank maintains an internal Health and Safety Management System, which is in compliance with the legal requirements, directives, and regulations in the field of Health and Safety (in line with the Cyprus H&S regulation 'The Safety and Health at Work Laws of 1996 to 2020'). The Health and Safety Management System of the Bank describes the responsibilities and processes of involved parties within the Bank (i.e. the Management, employees, various departments with certain responsibilities) for the prevention of possible hazardous situations and responses in handling the identified risks that may affect employees, customers, outsourced workers and associates at the work place.

Health and Safety Management System includes:

- arrangements according to the nature of activities and the size of the facility;
- the employer's health and safety policy;
- the roles of the employees to be designated by the employer and the tasks that will be assigned to them, so that they can carry out the procedures and to monitor the implementation of the measures related to safety and health issues;
- the data on the training of employees on safety and health subjects;
- arrangements for keeping the records provided by the Law and the Regulations;
- where applicable, arrangements for its

preparation and implementation of the safety and health plan and preparation of the safety file, in accordance with the provisions of Regulation regarding the Minimum Specifications for Temporary or Mobile Construction Sites;

- arrangements for handling emergencies.

The Bank's occupational Health and Safety Management System is aligned with the regulatory requirements, and has been reviewed through an external audit process by an external H&S advisor which was completed in 2023. The Bank submits to the Department of Labour Inspection an annual H&S report with no observations or findings in 2023.

All of the Bank's employees, customers, outsourced workers and associates are obliged to follow the Bank's internal policy and instructions in regard to H&S issues. The Health and Safety Management System covers all employees and workers who are not employees, but whose work is controlled by the Bank.

The Bank's H&S Policy has been revised in 2023 and was communicated to employees through the Bank's Internal Portal, along with its updated Organisational Procedure OE156, and the H&S Internal Manual, which include the responsibilities of the related departments, line management, employer and employees.

Hazard identification, risk assessment, and incident investigation

(GRI: 2-4, 403-2, 403-3, 403-4, 403-9)

Ensuring occupational health, safety, and well-being at work is the responsibility of everyone in the Bank. Based on legal requirements, the employees are involved in many ways in the Health and Safety Management System. All the employees are responsible to ensure that H&S hazards related to their work environment are identified and are trained to register them in the Bank's relevant application and refer to the Safety Committee of the respective building or directly to the H&S Officer, in order for them to respond and resolve any issue.

Employees and workers who are not employees, covered by an occupational health and safety management system	Unit	2021	2022	2023
Number and percentage of all employees and workers who are not employees but whose work and / or workplace is controlled by the organisation, who are covered by a health and safety management system	#	3,159	2,642	2,627
	%	100%	100%	100%

Notes:

- The Bank's Health and Safety Management system is aligned with the regulatory requirements and has been reviewed through an external audit process by an external H&S advisor, completed in 2023, and thus the number and percentage of employees covered by an internally or externally audited H&S management system is 100%.
- The 2022 data on total number of workers have been restated (from 2,640 to 2,642) as 2 workers had run leaving action in 2022 and were not incorporated in total number of workers but cancelled their leaving action.

In cases where the Bank employees need to report any incident anonymously or confidentially, they may also follow the whistleblowing process which is in place and in line with the Bank's policy.

The H&S incidents investigation procedure is under the H&S Officer in cooperation with the manager of the related branch or unit. The procedure includes analysis of the cause, description of the incident by the affected employee and people involved (the most common work hazard being the slipping and falling), site inspection and decision on actions to minimise any risks that are identified. Additionally, the Bank has in place emergency response plans and annual evacuation exercises are scheduled.

Emergency response plans are related to buildings evacuation drills which are reviewed and tested once a year through physical exercises. The results and findings are discussed, and relevant measures are decided when necessary. The authorised person to perform these exercises is the Corporate Security Manager who has the responsibility to provide instructions to employees and train the assigned employees to fire prevention and evacuation procedures. This is part of the Health and Management System under the responsibility of the Health and Safety Officer who is by Law the coordinator and responsible person for the effectiveness of the H&S Management System.

51 Safety Committees

197 Trained Employees on H&S

340 Trained First Aiders nationwide at buildings

69 defibrillators

at the premises for employees and
customers

2,219 employees informed

regarding threat incidents

13 threat incidents

against employees

18 evacuation drills

nationwide in 18 buildings

1,941 evacuation drills

for employees

Health and safety risk assessment studies

The occupational H&S risk assessment studies are conducted in cooperation with an external associate/authorised EXYPP (External Services for Provision of Preventive and Protective Services). Based on best practice, the procedure is repeated every 2 years. The hazards and relevant procedures to follow are specified in H&S Regulation.

An action plan is implemented with priority to assess high and medium risks that are identified through the H&S buildings risk assessments. The

relevant actions are either to eliminate or to reduce the identified risks decided in cooperation with the involved departments and the management of Administrative Operations. The risks identified, and the planned deliverables are communicated to the Bank's Management for monitoring and decision making, when necessary.

Medical Scheme

(GRI 403-6)

Almost all employees of the Bank (a staggering 94%) 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. In July 2021, the Company reached agreement with the Cyprus Union of Bank Employees for the renewal of the collective agreement for the years 2021, 2022 and 2023. All Bank employees are entitled to a number of benefits as per the Collective Agreement, including life insurance, health care, and provident fund. For more information on the Bank's collective bargaining agreements refer to [Our approach to operational impacts: Contributing to the development of our people - Creation of employment opportunities - The Bank and its people.](#)

Members of staff benefit from provisions included in the Cyprus Union of Bank Employees Medical Scheme which provides medical and hospitalization insurance coverage to employees and their dependents (such as children up to the age of 18 or children up to the age of 24 performing their military service or studying at tertiary education level, children who are mentally handicapped or have severe disabilities regardless of age).

Additionally, the Bank contributes 3% of employees' total salary to Cyprus Union of Bank scheme which is over and above the contribution performed by employees.

Well at Work

(GRI 403-6)

The Bank recognises and promotes the importance of having a healthy working environment within which our people can ensure professional and personal well-being. Since 2019, we have been running an innovative 'Well at Work' program, which offers a holistic approach to the good health and mental and physical well-being of our staff and is based on 4 main pillars, Mental Health, Physical Health, Social Health and Financial Health.

Through a dynamic human-centric strategy and in collaboration with well-being specialists such as Nutritionists, Psychologists, Physiotherapists etc., we continuously invest in our people's wellbeing with substantial initiatives and events designed to their needs.

In addition, we put in place mechanisms for ongoing support to employees and their families. The Employee Assistance Line is available to all employees and focused on tackling any psychological issues our people might face. The line is managed externally, fully sponsored by the Bank and all data remain confidential.

The Bank is committed to supporting its employees during unforeseen events, providing comprehensive assistance for their physical, mental, and financial health, to ensure they can navigate challenges with confidence. These measures reflect our dedication to fostering a secure work environment and highlight our commitment towards our employee's well-being and sustainability.

In 2023, we organised 30+ events and 1,900+ employees participated:

8 Mental Health webinars

7 Physical Health webinars

13 Social Health / Team bonding events

4 Financial Health webinars

Health and Safety Trainings

(GRI: 403-5)

The employees of the Bank receive trainings on issues related to occupational risks and prevention.

The training needs of the Bank's employees, and their frequency, are assessed by H&S Officer according to the type of work and the regulatory requirements. The cost of these trainings is covered by the Bank and are conducted within the Bank's working hours.

During 2023, targeted H&S trainings were provided by the HR Learning & Development Department in cooperation with the H&S Officer and authorised vendors in order to inform and share knowledge with employees. These included:

- First Aid and CPR & AED training programs were offered by an authorised training institution, in line with the regulatory framework, and staff from all units/branches/buildings were obliged to attend. The First Aid Certificates provided to employees have a duration of 3 years.
- Regulatory Training for Health & Safety Representatives.
- Specialised trainings for the Health & Safety Team.

Health & Safety investments in 2023

€3,210 Trainings

€3,996 First Aid programmes

Health and Safety Trainings	2023	
	Attendees	Training Attendance (in hours)
Cardiopulmonary Resuscitation (CRP) & Automated External Defibrillator (AED)	39	273
First Aid at work	54	378
Health & Safety Representatives	123	814
H&S at Work	1	4
Forklift Safety Training	2	14
Business Management of Epidemic Diseases	2	36
Occupational Health & Safety	1	6
Mobile Elevating Work Platforms F03	1	8
Total	223	1,533

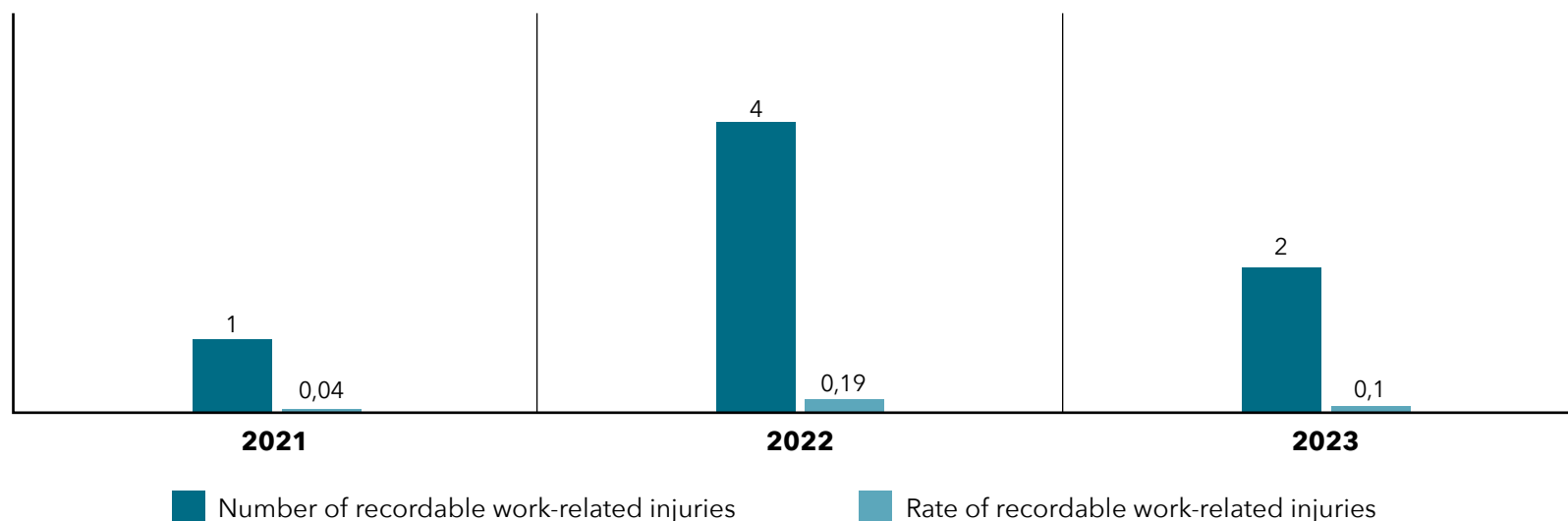
Work-related injuries

(GRI: 2-4, 403-9, 403-10)

The work-related injuries relate to slip and fall injuries that did not caused or contributed to any high-consequence injury. A procedure has been implemented by the Bank in order to provide an analysis of the cause, description of the incident by the affected employee and the people involved, along with the site inspection and decisions taken to minimise the identified incident. Such incidents are addressed on a case-by-case basis, and the actions taken by the Bank include floor inspection, placement of anti-slip tapes and safety signs wherever considered necessary.

The chart below illustrates only Bank's employees, as no work-related injuries occurred for workers who are not employees but whose work is controlled by the Bank.

Recordable work-related injuries



Notes:

- The rate of recordable work-related injuries has been calculated as follows:

$$(\text{Total number of recordable work-related injuries}) / (\text{Total number of hours worked}) \times 200.000.$$
- The number of hours worked was compiled using estimation. The total number of hours (2023: 4,057,242, 2022: 4,115,776, and 2021: 5,030,579) is estimated based on total number of employees at each year end multiplied by 52 weeks/year multiplied by 5 working days/week and excludes average leave days per employee and public holidays.
- The number of recordable work-related injuries was restated for the financial year 2021, as in the Sustainability report of 2021 the specific disclosures included injuries of customers while visiting Bank's premises.

No fatalities existed as a result of work-related injuries or high-consequences work-related injuries, nor any work-related ill health occurred in any of the years reported.

Business relationships, health and safety

(GRI 403-7)

The protection of health and safety is not only related to the Bank's employees, but also to the Bank's supply chain, such as external associates and vendors, who are obliged to follow the Bank's internal policy and instructions regarding H&S issues. The Bank has responsibility to prevent and mitigate any negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships.

The Bank's vendor selection process, ensures that the essential health and safety principles are satisfied, through written risk assessments for the type of work and instructions to implement the work with safety, and in case of the use of lifting machineries, the provision of check certificates. These assessments are reviewed in order to eliminate or minimize the identified risks and hazards at premises and are repeated every 2 years.

For the lifting machineries, in general the responsibility is under the business owner of each machinery. By Law the owner maintains a registry with the information about the checks and maintenance of the machinery and inspections are performed by an approved person from the Labour Inspections department as per the regulation for lifting machineries. The Bank is fully aligned with the relevant legislation on ensuring health and safety at work.



Our approach to operational impacts: Contributing to population's ability to access quality essential health-care services

Servicing cancer patients through Bank of Cyprus Oncology Centre for 25 years

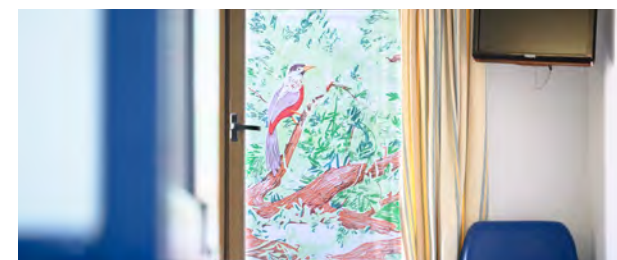
The Bank of Cyprus Oncology Centre represents the biggest and most successful partnership between the public and the private sector. Since its inauguration in 1998, it has served cancer patients and the society at large. It is also the

first hospital in Cyprus and Greece to receive quality accreditation from Caspe Healthcare Knowledge Systems, Europe's leading hospital accreditation organisation. In 2023, the Bank of Cyprus Oncology Centre completed 25 years of successful operation. On the occasion of this anniversary, a historical edition was published, presenting important milestones. As part of the implementation of the Centre's five-year strategic planning, the Centre's Board of Commissioners approved the installation of a Cyclotron Unit, for radiopharmaceutical production for the operation of PET/CT and the development of the surgical oncology service. In 2023, the art piece 'Immersed

in Athalassa' by Milenko Stevanovic was exhibited on the surrounding walls of the Centre as part of the Wall Gallery Project. This follows a project 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 5th 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 center

- Cancer patients treated in 2023: 17,142
- New patients treated in 2023: 2,418
- Medical and Administrative employees: 280
- Patients registered and treated at the Centre since 1998: 50,006
- Medical Suppliers: 199
- Other Suppliers: 106
- 55% of the diagnosed cases in Cyprus treated at the Centre.
- Financial contribution in 2023 (in €): 2mn / cumulative investment approx. 70mn



The Wall Gallery, as viewed from a ward window. A giant display outside the windows of the Bank of Cyprus Oncology Centre aiming to boost the morale of patients and employees

Responding immediately to social needs through SupportCY

The SupportCY network was created in March 2020 by Bank of Cyprus for immediate support to frontline professionals working in the battle against COVID-19, by forming a unique chain of supporters, receivers and enablers, and creating Social Capital. SupportCY 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.

SupportCY keeps playing a core role in the Cypriot society, with 180 companies and organisations to be in its dynamic by the end of 2023. By 31 December 2023, SupportCY contributed to society, more than €1mn worth in funds, services and products with the Bank contributing most of the monetary support, as well as covering all operating costs. The SupportCY network operates under the direction of the Bank's CSR Unit, in the Corporate Affairs Department, and is bound by the Group's Corporate Social Responsibility Strategy, the Group's Corporate Social Responsibility Policy, the Group's Donations, Sponsorships and Partnerships Procedure and the SupportCY Procedure.

In 2023, aiming to enhance operations and readiness to respond to any situation or need, the Bank continued to develop 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. From 2021 up to 31 December 2023 various members of SupportCY (including the Bank) contributed financially to purchase equipment or provided equipment for the Crises & Disasters Centre, to be utilised in cases of emergency.

SupportCY Volunteers Corps:

- A group of trained men and women volunteers (Bank of Cyprus and other SupportCY 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 (Fire Department, Cyprus Police, Civil Defence, Ambulance Service, National Guard, etc.).



Highly trained SupportCY volunteers patrolling the Cyprus forests

SupportCY House:

- Created for hosting 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 and it has become the reference point for SupportCY events.

SupportCY Key Initiatives implemented for 2023

- Organise and implement with expert partners First Aid Courses for the public and SupportCY Volunteers Corps at SupportCY House.
- Invite partners and members to participate in the blood donation drives organised by the Bank in collaboration with the Blood Centre.
- Organise and implement with expert partners a PHTLS (Pre-Hospital Trauma Life Support) training for the SupportCY Volunteers Corps.
- Organise and implement with expert partners a Tactical Combat Casualty Care (TCCC) training for the SupportCY Volunteers Corps.
- Organise and implement the Road Safety Awareness Programmes before summer and winter, in collaboration with the Ministry of Transportation and Cyprus Police with the participation and support of SupportCY members.

Vehicles and Equipment acquired by 2023

1 Fire truck

1 Rescue car 4x4

1 Water pump for floods

1 Drone

Search and Rescue equipment (ropes, harnesses, carabiners, pulleys, GPS Devices, thermal cameras etc.)

Actions in 2023

44 Responses to fires, floods & other incidents

More than 250

Hours of patrols to prevent fires & other incidents

More than 150

Hours of training and exercises









Events in 2023

12 Training sessions

4 Press conferences

3 Other Events (Partners Events)

SupportCY and Sustainable Development Goals

Initiatives	SDGs
Support Families in need, by offering clothing and food coupons to families, schools, students in need, etc.	 
Support to Cyprus Health Ministry and various healthcare NGOs	
Support to Cyprus Ministry of Education, Sport, and Youth, educational institutions, educational NGOs, etc.	
Strengthening entrepreneurship and sustainable business practices	
Cooperation with municipalities and local authorities to support society	
Support to Cyprus Ministry of Agriculture, rural development, and environment through volunteers and seminars in fire prevention and nature protection	
Partnership has been the fundamental principle of the operation and success of the SupportCY network, and its legacy for the years to come	

Offering support abroad

During February 2023, SupportCY coordinated the mission of medical equipment and essential goods to the deadly earthquake victims in Syria and Turkey. The packages were gathered at the Larnaca airport and sent to the Beirut airport, for the representatives of the Patriarch of Antioch and All East Balamand Monastery to collect and delivered where needed.

In August 2023, medical equipment and essential

items were sent by SupportCY to Greece for the hundreds of professionals and volunteers, who were operating on the fire fronts, including eye drops, burn creams and other medical materials.

Additionally, during the floods in the area of Larissa in Greece, in September 2023, the SupportCY Volunteer Corps mobilised equipment and volunteers from Cyprus to support the Greek Fire Service. The SupportCY mission transported equipment to Greece and proceeded to pump

tonnes of water from properties in areas within and in the wider area of Larissa. Upon its departure from Greece, the SupportCY Volunteer Corps team donated the equipment and pumps to colleagues at NGO The Smile of the Child, to continue pumping where needed. One of the main buildings that SupportCY volunteers helped was the local elementary school. One month after the destructive floods, SupportCY representatives visited the school and offered laptops and other equipment to replace the ones destroyed.

Health-related partnerships and volunteering

Contributing for the provision of support to patients and their families

The Cyprus Anti-Cancer Society relies on fundraising activities, particularly the 'Christodoula March', and in 2023 under the new slogan "Be There", Bank of Cyprus co-organised the annual campaign, to support its free services, for the 25th consecutive year. Since 1999, the Bank of Cyprus' contribution to the Cyprus Anti-Cancer Society has exceeded €2.7mn. With the partnership and support of the Bank, donations reached €416,000, including the contribution of the Bank's Antamivi Card Reward Scheme with the donation of €17,915 (five cents per transaction at any participating merchant).

In 2023, the Cyprus Anti-Cancer Society, treated hundreds of patients at the 'Arodafnousa' Palliative Care Centre in Nicosia, at the 'Evagorio' Day Care Centre, in Limassol, and at patients' homes and other care facilities throughout Cyprus. Overall, the Cyprus Anti-Cancer Society has offered 76,151 palliative care services to cancer patients and members of their families, free-of-charge. The Cyprus Anti-Cancer Society is a member of SupportCY that also contributed to the campaign.

"The Cyprus Anti-Cancer Society"

5,570 overnight stays at 'Arodafnousa' Palliative Care Centre in Nicosia

12,474 services were offered to patients by Arodafnousa's multidisciplinary team (including overnight stays, medical monitoring, nursing care, psychological and social support, physiotherapy and aromatherapy)

Additionally, the following services were offered to patients throughout Cyprus:

- Home Nursing Care : 47,982 services to patients in cities and villages all over Cyprus
- Psychological Support : 6,735 services (patients and families)
- Social Support : 5,839 services (patients and families)
- Aromatherapy: 2,150 treatments
- Physiotherapy : 4,907 sessions
- Patient Transport: 1,647 transfers

In 2023 Campaign funds raised: €416,000

Since 1999 Bank of Cyprus has contributed more than €2.7 million to Cyprus Anti-Cancer Society



Bank of Cyprus Runners volunteer team, delivered €14,000 raised for the Cyprus Anti-Cancer Society through their participation in local and international marathons

'Folia Centre'

The 'Folia (Nest) Centre' was established in 2017 with the support of the Cyprus Ministry of Health and in collaboration with the Cyprus Alliance for Rare Disorders (CARD). The Bank of Cyprus has been its main partner and sponsor since its establishment. In 2023 the Bank continued to offer building premises to be used as office area by 'Folia Centre'. 'Folia Centre' is currently available to approximately 60,000 patients, providing information, support, and education to them and their families. Other actions within 2023 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. In 2023, on CARD's initiative, the National Committee for Rare Diseases of the Ministry of Health was re-established and reactivated..

Red Cross

Through an annual partnership, Bank of Cyprus supports Red Cross Cyprus and with emphasis to the Children Therapy Centre, Stella Soulioti, in Limassol. The Centre treats more than 100 children aged up to 22 years old that live with severe physical disabilities and developmental problems and offers a variety of therapies providing mobility solutions for the children's comfort. In collaboration with the Ministry of Education and Culture, the Centre offers special education to children. In collaboration with the Ministry of Health and the Limassol General Hospital, it provides orthopaedic, neurological and other treatments on a regular and ad hoc basis.

Folia Centre

Patient Support Service

- Replied to 68 individual patient requests
- The call centre received an average of 21 calls by individual patients per week

Psychological Support Programme

- Replied to 25 individual patient requests
- 334 private sessions

Blood Donation Drives

The Bank, in collaboration with the National Blood Centre, organised two blood donation drives, in June and December, in the offices of the Bank in Nicosia and other districts, with the participation of the Bank's employees.

210 Volunteer blood donors
(including those rejected)

171 Blood bottles collected

Orphans Scheme Plan

In 2005 the Bank's Board of Directors approved financial support for children orphaned due to major, nationwide 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 2023, the Plan continued, and the medical health contracts were renewed to include additional beneficiaries.

Additional support in health

The Bank also provided financial and in-kind support to 33 health related NGOs and associations.

Contribution through Corporate Volunteerism

In 2023, Bank of Cyprus employees supported charities, foundations, and people in need:

Organisation Supported	Action performed	Amount raised (€)
Cyprus Anti-Cancer Society	Main annual fundraising event	€24,775
	Bank of Cyprus Runners' participation in national and international marathons	€16,762
	Pebble artwork	€70
One Dream One Wish	Cinema night	€2,125
Saint Loucas Community	Participation in blood donation drive and breakfast for members of staff	€1,083
Food Bank Larnaca	Fundraising amongst members of staff for providing to needy families	€730
Sophia for the Children	Bazaar and breakfast for colleagues	€1,771
Pancyprian Volunteerism Coordinative Council	Christmas Bazaars	€861

Safeguarding and promoting culture & heritage



Our impacts

(GRI: 3-3)

The financed and operational activities of the Bank create or may create positive impacts in population's ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits. This includes the safeguarding and promotion of cultural heritage in all its forms: tangible and intangible, cultural and natural, movable and immovable.

Positive impacts

Contribute to the safeguarding and promotion of culture & heritage:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2023, that improve population's ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits;
- through various internal and CSR activities that increase access to culture and heritage, through the Bank of Cyprus Cultural Foundation (BOCCF), lecture programs and conferences on Cypriot topics related to museums, collections, exhibitions.

Negative impacts

Contribute to the safeguarding and promotion of culture & heritage:

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2023, that impact the population's ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits;

2023 Highlights (as of 31 December 2023)

78

main activities organised by the Bank of Cyprus Cultural Foundation (BOCCF)

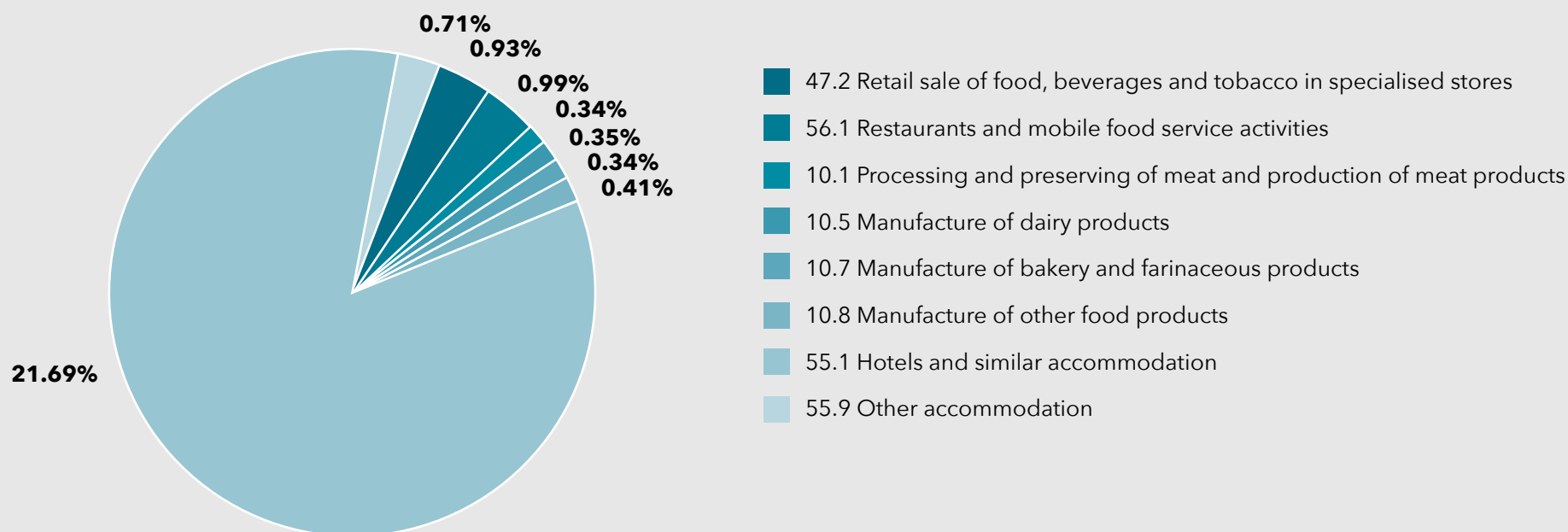
51,803

participants on BOCCF events (10,593 online and 41,210 physical attendance)

Our approach to financed impacts: Financing accessibility to our cultural life and heritage

As part of its business activity, the Bank provides financing to certain sectors that as per the PRB impact analysis of 2023, create positive impacts among others, on population's ability to access and participate in cultural life. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 25.77% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) that account for €1,270mn of loans, create positive impacts to the impact topic of Culture, referring to the population's ability to access to our culture life and heritage.

Financing to NACE sectors that create positive impacts on culture (as per the 2023 PRB Impact Analysis)

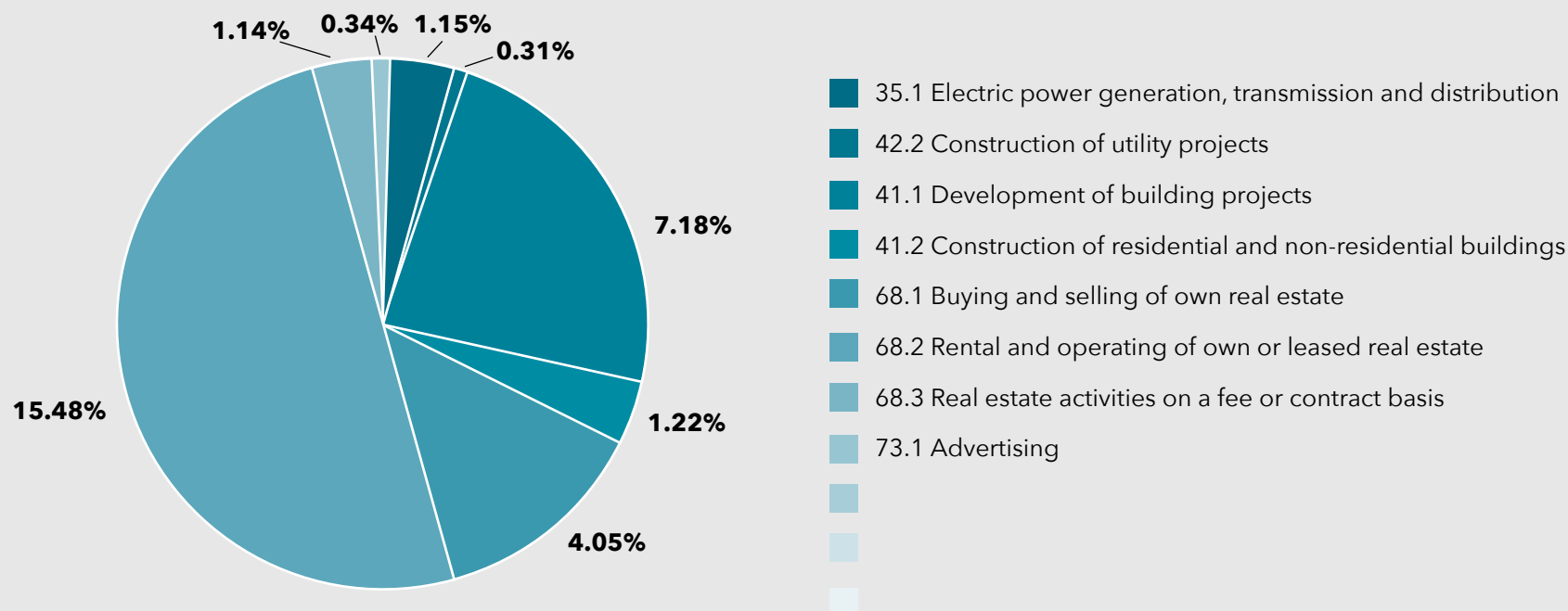


Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3).
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- As per the 2023 PRB institutional banking impact analysis, the positive impact on culture arises from providing financing activities on both key sectors (with an exposure of 1.92%) and non-key sectors (with an exposure of 23.85%) of the portfolio under assessment (i.e. combined financing of 25.77% of the portfolio under assessment).

As part of its business activity, the Bank provides financing to certain sectors that as per the PRB impact analysis of 2023, create negative impacts among others, on population's ability to access and participate in cultural life. More specifically, as per the 2023 PRB institutional banking impact analysis, financing to sectors that amount to 30.9% of the portfolio under assessment (i.e. 45% of the Bank's overall business activity represented per business segment) that account for €1,522mn of loans, create negative impacts to the impact topic of Culture, referring to the population's ability to access to our culture life and heritage.

Financing to NACE sectors that create negative impacts on culture (as per the 2023 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2023, using the Portfolio Impact Analysis Tool for Banks (version 3)
- The geographic scope of the exercise is Cyprus, whereas the perimeter of the financing activities refers to the institutional banking business segment that accounts for 45% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- As per the 2023 PRB institutional banking impact analysis, the negative impact on culture arises from providing financing activities on both key sectors (with an exposure of 1.46%) and non-key sectors (with an exposure of 29.41%) of the portfolio under assessment (i.e. combined financing of 30.87% of the portfolio under assessment).

Our approach to operational impacts: Promoting our culture and heritage in the society

The Bank has always undertaken actions in an effort to support our culture and heritage. The Bank actively participates in Cyprus' cultural life through its own Foundation, programs and collections.

Bank of Cyprus Cultural Foundation

The Bank of Cyprus Cultural Foundation (BOCCF) was established in 1984, and since then it has developed a range of activities in line with the objectives set by the Bank of Cyprus. The main strategic objectives of the Cultural Foundation are:

- the promotion of research;
- the study of Cypriot culture in the fields of archaeology, history, art and literature;
- the preservation and dissemination of the cultural and natural heritage of Cyprus, with particular emphasis on the international promotion of the long-standing Greek culture on the island;
- the shift to research and development of cultural sustainability through European grants;
- extroversion and communication with the general public;
- the upgrading and promotion of the educational role of the Foundation;
- the development and upgrading of the institution's social role for vulnerable/disadvantaged groups, aiming at permanent changes/adaptations in its museums and actions that promote and facilitate the participation of all vulnerable/disadvantaged groups in culture.

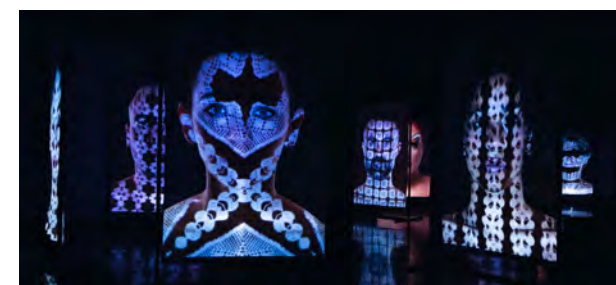
The strategy and the annual planning of the Foundation is decided by the Board of Directors of the Foundation. The Foundation fully embraces what appears to be the new international momentum for Cultural Sustainability. According to the UN's Sustainable Development Goals, cultural sustainability is now considered to be the 4th pillar of sustainable development (along with the social, the economic and the environmental ones). This connection allows cultural heritage organisations to find their place in the global agenda and helps them demonstrate and redefine their relevance and their impact. This forms the basis of the Foundation's strategy.

As the third line of defense, Internal Audit (IA) includes BOCCF in its Risk & Audit Universe. Subject to a risk assessment, audits relevant to this area are included in IA's Annual Audit Plan.

2023 BOCCF activities

Each year the annual program of events is presented by the Director of BOCCF to the BOD based on their initial guidelines. There is a strong emphasis on the main exhibition which will be hosted by the foundation, the selecting performances for the series Faneromeni, Moments at the Museum, The Roof, which are selected through open calls procedure, the educational programs for schools and the specialised designed workshops 'Aisthisis' for vulnerable groups.

Furthermore, it was a year full of events and exhibitions for everyone's interest. Many visitors had the opportunity to attend or participate in events related to the arts-theatre, music, dance, science, history, archaeology as well as social and personal education. The 2023 program was well received by the public, families, students and beyond.



Events and exhibitions at the BOC Cultural Foundation

In 2023, the following activities took place:

Anniversary temporary exhibitions

The BOCCF hosted the 'Siko Psihi Mou - Pictures and music of the 1922 refugees' exhibition of the Hellenic Parliament Foundation for Parliamentarianism that commemorates the 101st anniversary of the Asia Minor Catastrophe.

The exhibition traced the role and importance of music and songs as identity, collective memory and driving force for Greek refugees across the globe.

Photographs, audiovisual and archived material, held by foundations in Greece and Cyprus, as well as a host of artifacts contributed by local associations, organisations, and individual collectors, were blended in the exhibition along with lyrics and a diversity of tunes (lamentations, traditional music and dances, songs of Rebetiko genre from Asia Minor, and also contemporary Greek music influenced by the musical sentiment of the refugees).

Educational programmes for schools and families

The Cultural Foundation has embarked on a series of innovative, specialised programmes, aiming at bringing the youth of Cyprus closer to art, the letters and civilisation. Through specially designed educational programs and guided tours since 1984, more than 100,000 students have had the opportunity to enrich their knowledge on the history and civilisation of Cyprus and other countries too, while enjoying unprecedented aesthetic experiences.

Entering new partnerships with acknowledged educational institutes and skilled animators and professionals, the Cultural Foundation continued the successful series of educational programmes

and workshops both for schools during workdays and for families taking place over weekends. The series has the general title #deneinaisxoleio, has been endorsed by the Ministry of Education and consists of the following programmes:

- Allow me to introduce myself: I'm an archaeologist;
- Botanical colors and aromas;
- Priceless: Coins and other values;
- Form and shape in earth.

Faneromeni 23 Arts Festival

The BOCCF continued the tradition of the Faneromeni 23 Arts Festival and successfully opened again in the city's largest venue in the old city. From mid-June until the end of September, a multidimensional interactive arts festival organised five events and 4 film screenings. A unique amalgamation of arts, eras, and artists from different areas, based on the rich history of the Cultural Foundation, enabled a series of events appealing to all ages.

Photographic exhibition, interactive workshop, and dancing performance

The BOCCF hosted the photographic exhibition 'The Asia Minor Campaign' with the collections of the Greek National Historical Museum.

The exhibition was a journey with references to the flourishing Greek population in Asia Minor and Eastern Thrace. In the main part of the exhibition, the documents narrated the Greeks presence in Asia Minor and the events of the Asia Minor Campaign, up to the retreat of the Greek army and the destruction of Smyrna.

Part of the 'Moments at the Museum 23' series, the foundation organised the participatory performance titled 'Wildflowers in the city'

inspired by Electra Megaw's collection of watercolours 'The Wildflowers of Cyprus' from BOCCF's collection. This immersive participatory performance was held at the foundation's museum and was transformed into a wildflower oasis where the audience could walk around, explore and consider the cultural and the unique environmental heritage of endemic wild flowers of Cyprus as well as the importance of nature conservation.

The series 'Moments at the Museum 23' were completed with the dance performance 'Some pieces of stone', a dance walk through the museum of George and Nefeli Tziapra Pierides, through an alternative spectrum at the exhibits and the archaeology of Cyprus, with the contribution of music, dance and text.

Conferences and online workshops

Aiming to make culture accessible to all, the BOCCF, within the framework of the new multi-sensory museum experience 'Aisthisis', organised a two-day conference entitled 'Culture for All'. The conference took place in the Patsalides Hall and engaged distinguished speakers from Greece and Cyprus.

In June 2023, in the context of ReThinking Conflicts, BOCCF hosted the online workshop 'How can museums include intangible heritage in their work' by Dr. Marilena Alivizatou on Conflicts. The workshop provided an introduction to how museums and museum professionals can include intangible heritage in their work. This was followed by a group activity in three breakout rooms, each focusing on one of the three ReInHerit exhibition thematic areas: Conflict, Craft, and Identities. Each breakout room presented the findings identified from the group activity along with discussion on the general findings identified.

Lecture series

The 'Let's talk history' digital series of recorded lectures, along with 'Let's talk history for High School' and 'Culture Means Business', which are available on digital platforms (Apple podcasts, Buzzsprout, Spotify, Google podcasts), continued their successful presence for another year by hosting renowned scholars with new lectures related to the exhibitions, the Foundation's activities and other Cypriot topics related to all historical periods of Cyprus, archaeology, art and literature.

Competition Sponsorships

Literary Competition for books for children:

The BOCCF since its establishment in 1985 sponsors the annual literary competition of the Cypriot Association of Children and Young Adults' Books. More than sixty works have been granted with awards and appraisals. Since 2000 the Cultural Foundation has undertaken the editing and publishing of the awarded work. The Competitions are addressed to Greek speaking candidates.

34 Pancyprian School Theatre competition: The BOCCF has been the sponsor of the Competition for more than twenty years, thus enhancing its own contribution to education. It is organised in memory of Panayiotis Serghis, who served as a founding member of the Cultural Foundation Board, and who has also greatly supported this annual event. The Competition is organised by the Ministry of Education and Culture and by the Cyprus Theatre Organisation. All secondary education schools of Cyprus participate and the number of performing students is around 1,000 annually.

Children book illustration competition: Since 2002 the Foundation runs an annual Illustration Competition for the book awarded the First Prize in its Literary Competition for children. It is the only illustration competition in Cyprus. The winner illustrates the book when edited.

Other events

International Museum Day: Each year the BOCCF is participating in the celebration of the International Museum Day (18 May) and European Night of Museums 2023, with performances and guided tours in its museums and exhibitions. One of them was 'RelnHerit a Museum Immersive Performance' through which the audience embraced the Foundation as a place of cultural preservation and creation.

'History and Archaeology for all': The Foundation organised a day of fun activities for families to learn about local and global archaeology and heritage in celebration of International Archaeology Day.

European Researchers Night: For the past five years the Foundation actively participates in the celebrations of the European Researchers Night, a night that is celebrated simultaneously around Europe, presenting different aspects of its research programs and its Museums and Collection making use of fun, interactive, immersive ways to engage families and children. European Researchers Night is organised by the Research Innovation Foundation in Cyprus.

'Beyond the Melodies: Interactive Technologies for the Promotion of Musician's Health':

The Foundation hosted the first scientific concert 'Beyond the Melodies'. The event was the first of its kind in Cyprus and expanded the horizons of music interaction.

The uniqueness and fundamental principle of the scientific concert lay in the combination of live music performance and augmented reality, aiming to create an engaging and educational experience for the audience. Motion activity data were collected from the musicians and analysed in real time, while verbal explanations contributed to their understanding.

Summer School

In 2023, the foundation organised a special summer learning experience 'Summer at the Museum 2023' where an adventurous group of children explored and studied the foundations of museums and collections.

In a journey of discovery and creativity, our little friends revealed hidden stories inside and outside the museum, enriching their knowledge of Cyprus' history and culture. The journey commenced with the introduction of BOCCF's collections and museums (archaeological finds, postcards, maps and coins).

Well at work events

In an effort to enhance bonds between the Bank and BOCCF, the Foundation has organised a series of events for the Bank's staff and their families. The events fell under the Well at Work umbrella of Bank's HR department. The events were highly successful, with more than 500 people participating, and further cultivated a sense of belonging within the Bank and a sense of contentment among the personnel. Such events include the film screenings which regularly take place in the amphitheater of the Foundation for families during the summer months. During the nights of screenings, the Foundation's museums and exhibitions remain open for the public until midnight for an after-hours experience.

European projects

The BOCCF, as the main coordinator of the Horizon 2020 research programme 'Redefining the Future of Culture Heritage through a disruptive model of sustainability' (ReInHerit) in collaboration with the Museum of Cycladic Art and the Graz Museum, took part in organizing the following three temporary digital exhibitions revolving around the subject of 'Social Issues'.

- i. ReThinking Craftmanship (BOCCF) - March to May 2023
- ii. ReThinking Conflicts (Graz Museum) - June to September 2023
- iii. ReThinking Identities (Museum of Cycladic Art) - October to December 2023

The themes and reflections of these exhibitions enable the cultivation of various skills and competences to address social issues, as well as the way in which museum collections can serve as a starting point for the display, interpretation and framing of social issues through a pan-European perspective. Using both digital and analogue media, the exhibition utilised the museums' objects to explore different aspects of the subject and to provide an opportunity to rethink the way we perceive our intangible cultural heritage, our relationship with the environment and our identity.

At the same time, the three museums hosted lectures, workshops and other activities covering the range of the three exhibitions.

'Identify Objects' exhibition

Alongside with the exhibition ReThinking Craftmanship, the 'Identify Objects' exhibition, by the artist Christos Symeonides, through an audio-visual installation redefined and examined the concept of identity through characteristic examples

of intangible cultural heritage.

Through digitisation, customs, verbal traditions, dances, music, skills or techniques that constitute evidence of traditional, popular and scholarly culture the exhibitions transformed into oversized faces in an identity frame.

The '**Foodprint photography exhibition**' and cross-media project was hosted by the foundation which explored why the Mediterranean Diet is relevant to our lives today.

Connecting Cyprus, Greece, Italy, Spain, Portugal, Morocco and Croatia, the project was based on photographs by five photographers that bring alive the traditional food based on austerity, creativity, sharing and seasonality.

Recognised by UNESCO as part of humanity's Intangible Heritage due to its unique set of qualities, the Mediterranean Diet consists mostly of plant-based foods, such as vegetables, grains, nuts, legumes, and fruits. Born out of poverty, it also provides solutions to some of the most critical problems facing the planet today, such as the loss of biodiversity, food waste and climate change.

The project's parallel activities included photography workshops, educational programmes, cooking events and culinary walks, explore why the Mediterranean Diet has come to be celebrated as one of the world's richest, healthiest and most sustainable food cultures.

The project is the result of a collaboration between the BOCCF, Anemon Productions and the Goethe-Institute in partnership with the Museum of Cycladic Art in Greece, the Fondazione Brescia Musei in Italy, and the Cyprus Food Museum. It is supported by the Creative Europe programme of the EU and the Cyprus National Commission for UNESCO.

Multisensory museum experience programme 'Aisthis'

With the aim of making culture accessible to all, BOCCF launched successfully the new multisensory museum experience titled 'Aisthis'. The Foundation, in full alignment with the Bank's ESG principles and in accordance with the principles for the social development of museums espoused by the H2020 ReInHerit programme, of which the Foundation is a coordinator, has implemented permanent changes to its museums and actions that promote and facilitate the participation of all vulnerable/disadvantaged groups in culture. The 'Aisthis' program consists of a series of actions and adaptations within the museums and exhibitions of the BOCCF such as permanent video tours in Cypriot sign language, tactile stations, true replicants of statues, vases and coins from the Cultural foundation's museum collections, audio guided tours, museum guides in large print and braille script as well as specially designed workshops by specialists aiming at the integration of all disabled groups in the museum activities.

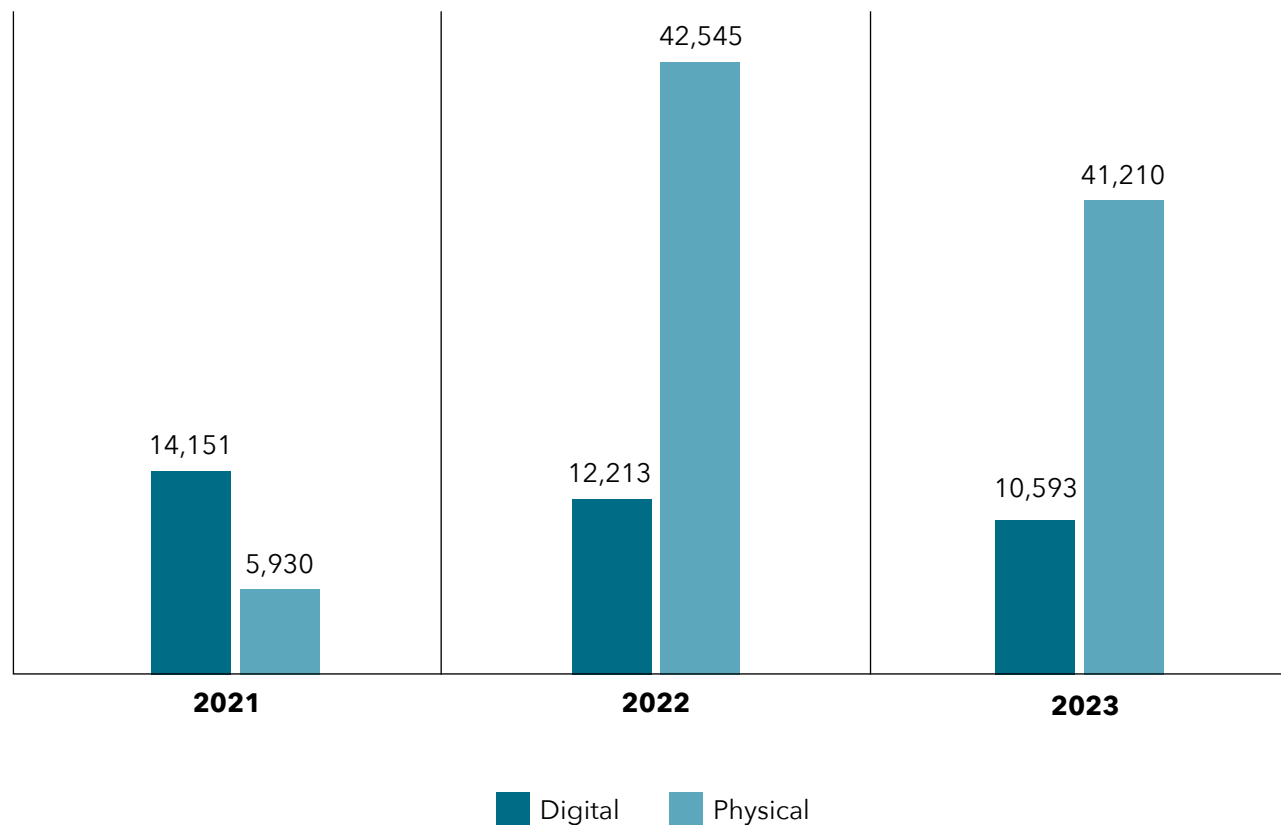
Donations

As part of its overall contribution to education, the BOCCF donates each year part of its publications and digital productions to important institutions in Cyprus and abroad promoting thus the interest in the history of Cyprus. In recent years, more than 15,500 books of a total value €475,000, were donated. These books cover subjects pertaining to Cypriot history, archaeology, numismatics, cartography, art, literature, environment as well as a series of exhibition catalogues. In 2023, the Foundation donated an important selection of its publication to the Cyprus Embassies of Bahrain, Argentina and Brazil.

(GRI: 2-4, Internal Indicators: Total number of CSR activities that took place in 2023 aiming to safeguard our cultural heritage, No. of participants attending BOCCF events)

During the year, 78 main activities were organised by the BOCCF with a total of 51,803 participants.

No. of participants attending BOCCF events



Notes:

- i. The 2021 data on the number of participants attending physically BOCCF events has been restated (from 3,000 to 5,930), as in 2021 the physical attendees of the education activities of BOCCF were not disclosed.

Bank of Cyprus Cultural Foundation Museums and Collections

In keeping with the objectives originally delineated for the Cultural Foundation, BOCCF currently curates two important museums (the Archaeological Museum of George and Nefeli Giabra Pierides and the Museum of the History of Cypriot Coinage) and keeps six Cyprological collections (Coins – Maps – Rare Books & Manuscripts, Engravings, Old Photographs & Watercolours – Contemporary Cypriot Art, the Archaeological Collection and the Ethnographic Collection).

Bank of Cyprus Historical Archive

The Bank of Cyprus Cultural Foundation also manages the Bank of Cyprus Historical Archive, which aims to preserve and study the Group's archival material. The Bank of Cyprus Historical Archive was founded by decision of the Board of Directors of the Bank of Cyprus Group in January 2001 in order to locate, gather, classify, archive and make available for study and research the archival material of the Group, as well as that offered by third parties, as long as it pertains to the country's economic history. The Archive is an important source for the economic and social history of Cyprus.

The Archive includes unbound documents and books produced since 1899 (when the "Lefkosia" Savings Account was founded) to the present day, audiovisual material and newspaper archive. It also brings together a rich collection of office devices and other types of equipment, tracing the evolution of technology within the Group.



Concert at the Phaneromeni Arts Festival organised by the BOC Cultural Foundation

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the CEO](#)

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[Environment](#)

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A photograph of a person in a kayak paddling out of a dark sea cave into the bright blue ocean. The water is dark and rippled, reflecting the light from the cave's opening. The cave's interior is dark and rocky, while the exterior shows a bright, sunny day over the sea.

Governance

Corporate Governance

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.

The Groups' governance structure consists of the Board of Directors and its Committees along with Senior Management Committees, which span across both business and legal entity lines. The Board sets the Group's ESG strategy and oversees its implementation by senior management.

2023 Highlights (as of 31 December 2023)

67%
of independent non-executive
directors in Board of Directors

44%
of women participation in the
Board of Directors

33%
representation of women in
management bodies
(ExCo and Extended ExCo)

40%
representation of women at key
positions below the Extended ExCo
level

Board of Directors

Board of Directors' composition

(GRI: 2-9, 2-11)

The Bank is managed by the Board of Directors, which is committed to the highest standards of corporate governance designed to protect the long-term interests of all stakeholders and the long-term success of the Group. The Board of Directors approves and oversees the implementation of the Group's strategic objectives, risk strategy and internal governance, ensures that the necessary financial and human resources are in place for the Group to meet its objectives and reviews management performance. The Board has appointed the Chief Compliance Officer of the Group as the Corporate Governance Compliance Officer, pursuant to the relevant provisions of the Cyprus Stock Exchange and the Corporate Governance framework of the Group.

The governance framework of the Group ensures a modern, transparent, robust, competitive, and sustainable organisation. A key objective of the governance framework of the Group is to ensure compliance with applicable corporate governance requirements, which in 2023 comprised of:

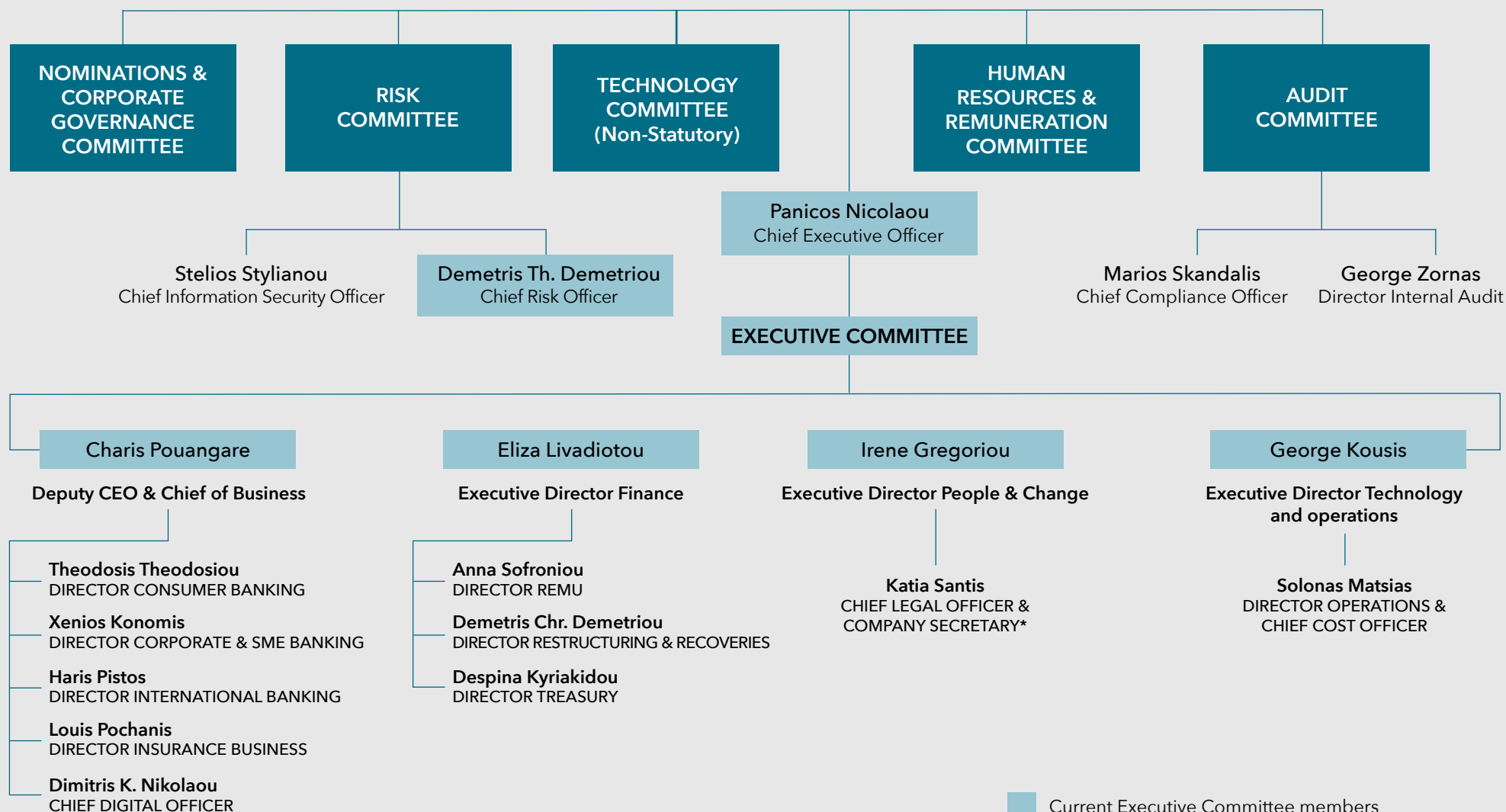
1. The Central Bank of Cyprus ('CBC') Directive on Internal Governance of Credit Institutions (available on www.centralbank.cy).
2. The European Banking Authority ('EBA') Guidelines on internal governance under Directive 2013/36/EU.
3. The CSE Code (5th revised edition - January 2019) (available on www.cse.com.cy).
4. The UK Corporate Governance Code 2018 published by the Financial Reporting Council in the UK (the 'UK Code' which is available on www.frc.org.uk).
5. The Joint European Securities and Markets Authority ('ESMA') and EBA Guidelines on the assessment of the suitability of members of the management body.
6. The CBC Directive on the assessment of the suitability of members of the management body and Key Function Holders (available on www.centralbank.cy), and
7. The Companies Act 2014 of Ireland (as amended) (the 'Irish Companies Act').

Corporate governance principles are constantly evolving, and the Board is committed to monitoring and reviewing the Bank's corporate governance framework accordingly through regular reviews and challenge.

The Board is collectively responsible for the long-term success of the Group, and is committed to effective leadership, which contributes to wider society. The Board's role is to promote the Group'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 following diagram illustrates the Bank's organisational structure:

Board of Directors



■ Current Executive Committee members

* For her role as Company Secretary she reports to the BoD

As at 31 December 2023, the Board comprised of nine (9) members: the Group Chairperson, who was independent on appointment and remains independent, two (2) executive directors and six (6) non-executive directors. In line with the provisions of the CBC Directive on Suitability, six (6) of the non-executive directors are independent. The following table sets forth the current composition of the Bank's Board of Directors as at 31 December 2023:

Board of Directors composition		
Position in Board	Name	Independence Status
Chairperson	Efstathios-Georgios Arapoglou (Non-Executive Member)	Independent
Vice-Chairperson	Lyn Grobler (Non-Executive Member)	Independent
Executive Members	Panicos Nicolaou	Non-Independent
	Eliza Livadiotou	Non-Independent
Non-Executive Members	Adrian John Lewis	Independent
	Paula Hadjisotiriou ¹	Independent
	Constantine Iordanou	Independent
	Monique Hemerijck	Independent
	Yiannis Zographakis ²	Non-Independent

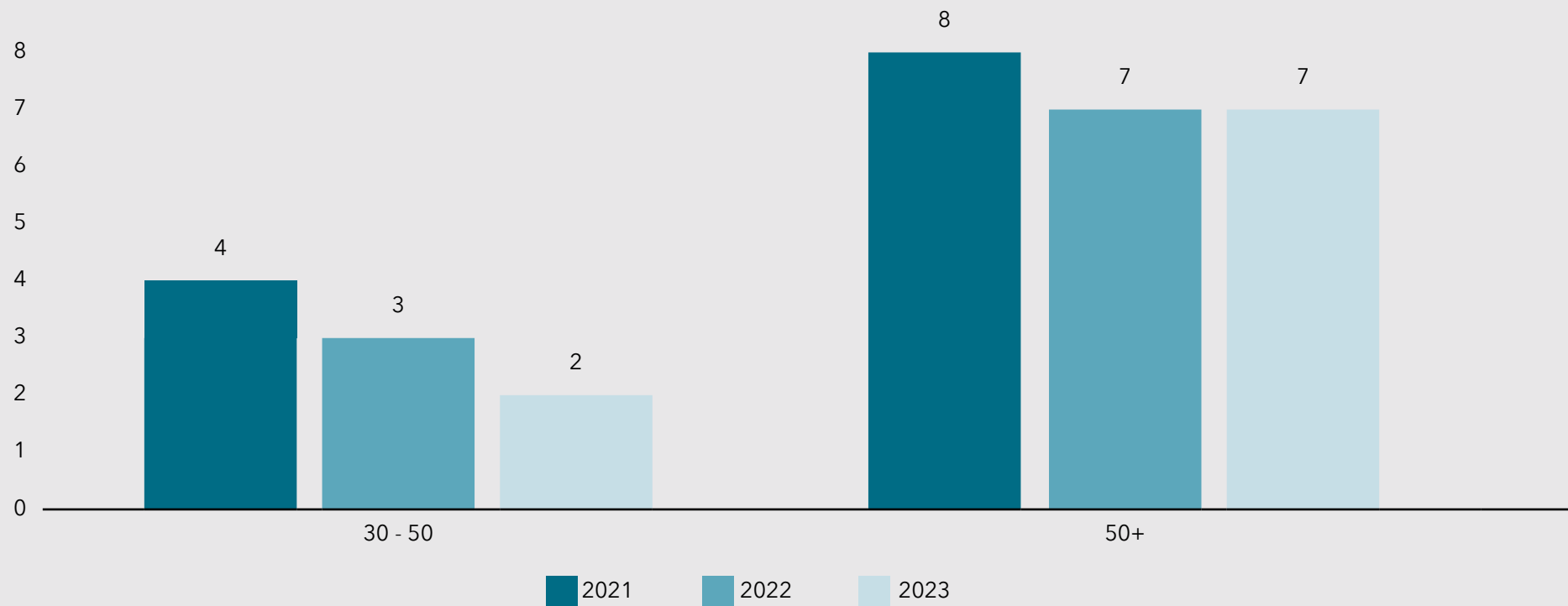
More information on corporate governance, the names and brief biographical details including each director's background, tenure, external directorships and whether these are executive or non-executive, experience and independent status are set out in the [Annual Corporate Governance Report 2023](#), in the Group's website. Further to the latest resignations on 31 December 2023 and although fully functional, the Board currently goes through a transitional phase with two newly nominated members, highly experienced in the areas of ESG and technology as well as cybersecurity, pending approval and looking to further enhance its composition with another one or two members. Once this transitional phase is completed, the Board's size will allow for a good balance between having the full range of skills and experience necessary on the Board and to populate its committees while retaining a sense of accountability by each director for Board decisions; to govern the business effectively, while enabling full and constructive participation by all directors given the size and operations of the Group, and the time demands placed on the directors.

As per the Board Nominations and Diversity Policy, the Board shall be sufficiently diverse in regard to age, gender, educational and professional background to reflect an adequately broad range of experiences and facilitate a variety of independent opinions and critical challenge. The Board composition of the Bank is diverse, with 44% of the Board members being female as at 31 December 2023. The changes in the composition of the Board in 2023 increased diversity at 44%. The Board displays a strong skill set stemming from broad international experience. As of 31 December 2023, there is a 33% representation of women in Group's management bodies (defined as the ExCo and extended ExCo) and a 40% representation of women at key positions such as Managers, Heads, Leads, Team Heads (defined as the wider Group Leadership).

¹ Paula Hadjisotiriou resigned from the Board effective as of 31 December 2023

² Yiannis Zografakis resigned from the Board effective as of 31 December 2023

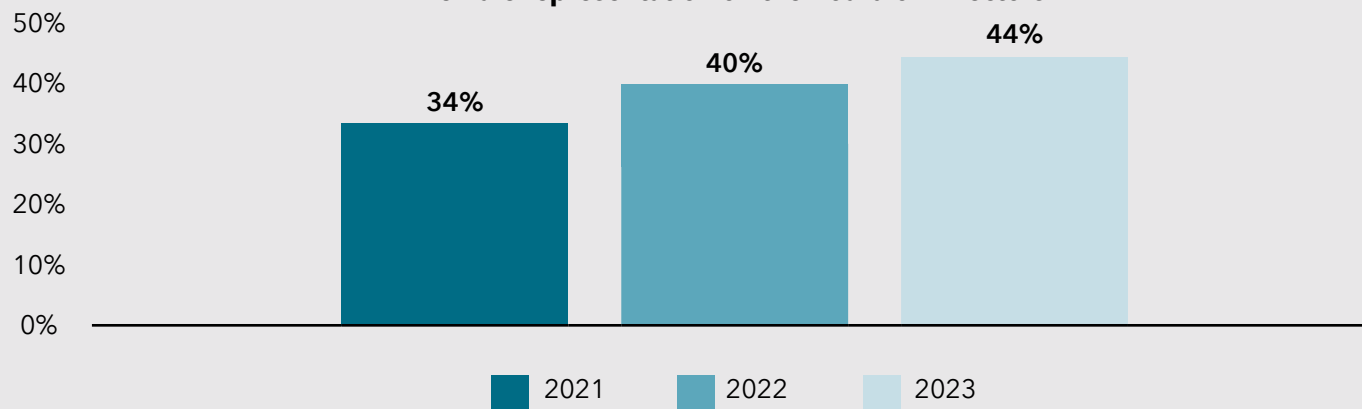
Board of Directors, by Age



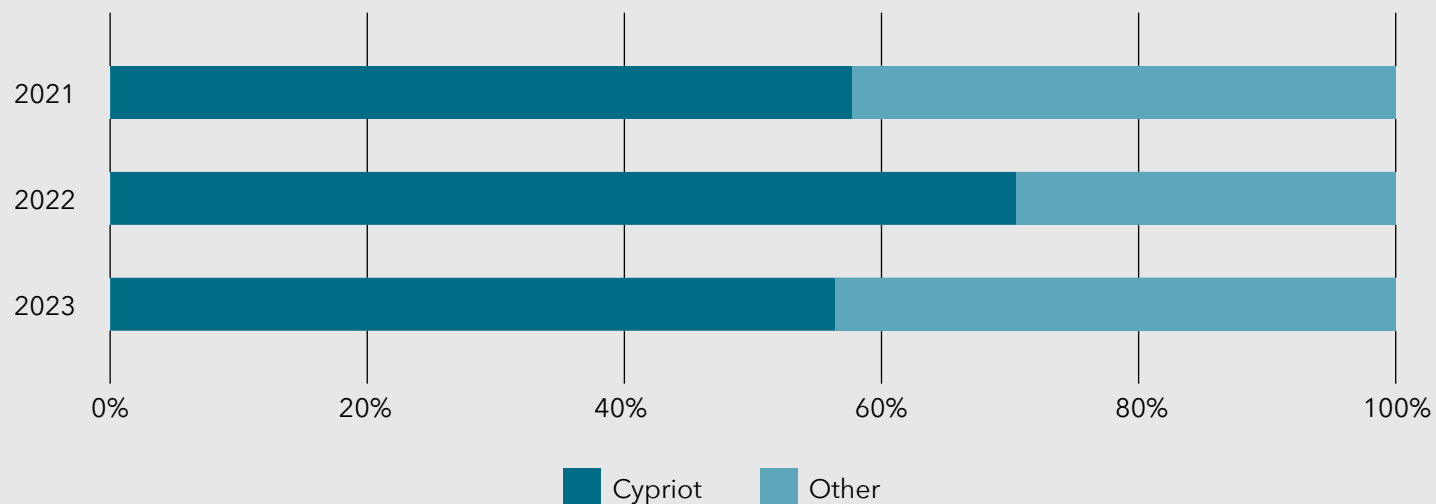
Notes:

i. The number of both women and men on the Board of Directors of the Bank at the category <30 for all the financial years 2023, 2022 and 2021 respectively is zero.

Female representation on the Board of Directors



Board of Directors, by Nationality



In the years 2021 – 2023, all of the Bank's Divisional Directors have a Cypriot Nationality.

Board of Directors' nomination

(GRI: 2-10)

The Nominations & Corporate Governance Committee ('NCGC') assesses periodically, and at least annually, the structure, size, composition, and succession plans of the Board (including skills, knowledge, experience, independence and diversity) and recommends to the Board the skills and experience required to provide sound governance oversight.

The NCGC ensures a formal, rigorous and transparent procedure when considering candidates for appointment to the Board and maintains continuous oversight of the Board's composition to ensure it remains appropriate in regard to its purpose, culture, major business lines, risk profile and governance requirements.

The recommendations made to the Board are on merit based on objective criteria, including skills, ethics and experience (including experience in banking, insurance, markets and regulatory environments, risk management, financial management, strategy development, technology and operations experience and knowledge of law, governance, compliance, audit and climate related, environmental, social and governance risks) and irrespective of color, race, nationality / ethnicity, disability, age, gender, religion, sexual orientation, political opinion or any other unfair criterion. Collectively the members of the Board shall have sufficient knowledge, professional competencies, and experience to understand the Group's activities and related risks.

The Board as a whole, must adequately understand the sectors for which the members are collectively responsible, and to have the

required skills in order to exercise actual management and supervision of the Group, especially in matters of its business activity and the major risks connected thereto, the strategic planning, the financial statements, the compliance with the legislative and regulatory frameworks, the understanding of the corporate governance framework, the ability to recognize and manage risks, the impact of technology on its activity, and issues related to the environment, social responsibility, governance (ESG), within the framework of the Group's strategic plans etc.

Assessing the skills profile of the Board ensures that the Board and committees comprise of members having an all-embracing perception of the Group's activities and the risks associated with them. The composition of the Board remains under continuous review and the NCGC maintains a constant focus on succession planning to ensure the continuation of a strong and diverse Board, which is appropriate to the Group's purpose and the industry within which it operates.

More information on the Board Nominations and Diversity Policy and procedure are set out in the [Board Nominations and Diversity Policy](#) and the [Annual Corporate Governance Report 2023](#), available on the Group's website.

Board of Directors' responsibilities

(GRI 2-12, 2-23)

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 responsible for ensuring that management maintains an adequate and effective internal governance framework and internal control system, which includes a clear organisational structure and the smooth operation of independent risk management, regulatory compliance, internal control and ICT and security risk management functions with adequate powers and resources for the performance of their duties. Furthermore, the Board has the responsibility to present a fair, balanced, and understandable assessment of the Company's and Group's position and prospects, including in relation to the annual and interim financial statements and other price sensitive public reports and reports required by regulators and by law. The Board sets the Group's strategic objectives and risk appetite to support the strategy; integrates sustainability into the way business is conducted; ensures that the necessary financial and human resources are in place for the Group to meet its objectives; ensures that the Group's purpose, values, strategy and culture are all aligned and reviews management performance in that regard. The Board also ensures that its obligations towards its shareholders and other stakeholders are understood and met. The Board recognizes the need to be adaptable and flexible to respond to changing circumstances and emerging business priorities, whilst ensuring the continuous monitoring and oversight of core issues.

The Board is the decision-making body for all matters of importance because of their strategic, financial, and reputational implications or consequences. A formal schedule of matters reserved for approval by the Board ensures that control of these key decisions is maintained by the Board.

The schedule of matters reserved for the Board is reviewed at least annually to ensure that it remains relevant and to reflect any enhancements required under evolving corporate governance requirements and industry best practice. 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 approves the Group Risk Framework on an annual basis and receives regular updates on the Group's risk environment and exposure to the Group's material risk types. 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.

Moreover, 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. The Board assess the suitability of members based on the Board Nominations and Diversity Policy, the Group Suitability policy and Group's ESG strategy.

At Board level, ESG has been set as a clear Board-led strategic priority. The Board oversees the ESG strategy and regularly reviews the progress on related ESG issues, including the identification of material ESG risks and opportunities, establishment of relevant policies and procedures. Prioritizing ESG at a Board level, the Bank is better positioned to meet the evolving expectations of its stakeholders and drive sustainable growth for the long term. In 2023, the Board approved the nomination of Mr. Christian Hansmeyer as a non-executive board member and as a sustainability expert (ECB's approval is pending as at 31 December 2023). Therefore, the collective suitability of the Board in relation to sustainability and ESG matters is expected to be significantly enhanced. During the year, the Board held 22 meetings (2022: 23, 2021: 27).

Board Committees

(GRI: 2-9, 2-12, 2-13, TCFD – Pillar I Governance)

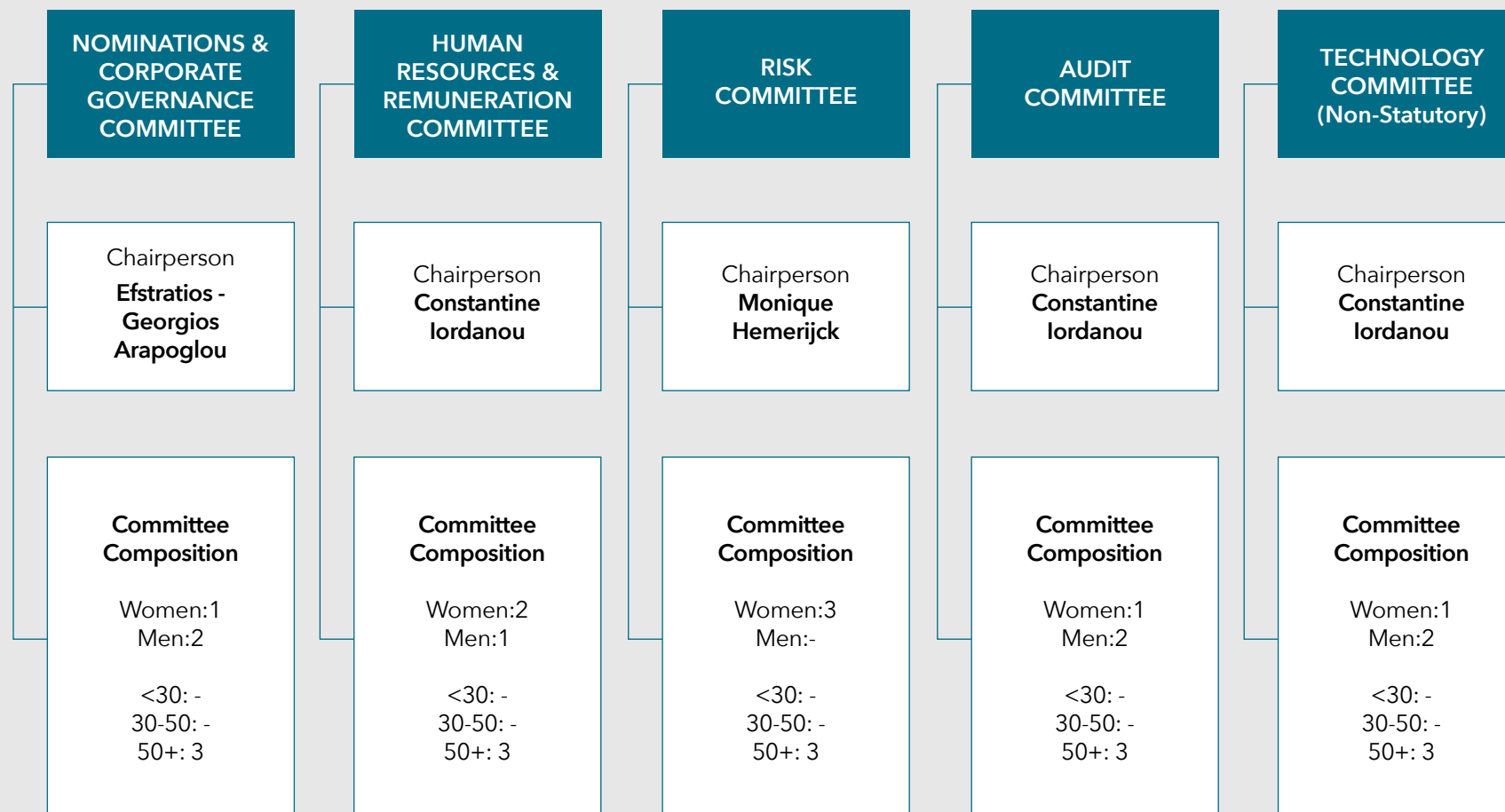
The Board has delegated authority to committees to support its oversight of risk and control.

During 2023, 5 committees operated at Board level including the Nominations & Corporate Governance Committee, Human Resources and Remuneration Committee, Risk Committee, Audit Committee and Technology Committee (Non-statutory). Appropriate cross membership of

key Board committees, including between the AC and the RC and between 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. The NCGC has oversight of the ESG Strategy which is designed by the Sustainability Committee (SC) 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. Detailed information in relation to the Board Committees are disclosed in pages 191-215 of the [Annual Corporate Governance Report 2023](#). Details on the roles and responsibilities of the Board Committees, on ESG & Climate spectrum, are disclosed in pages 92-93 of the [Annual Financial Report 2023](#).

The key responsibilities of the Board committees are set out in their terms of reference, reviewed annually, and approved by the Board. They are available on: [Board Responsibilities and Committees](#).



Management Committees

(GRI: 2-9, 2,12, 2-13, TCFD - Pillar I Governance)

The role and responsibilities of Executive Committee on oversight and providing strategic direction and implementation together with the roles and responsibilities of the Sustainability Committee (SC) regarding ESG goals, risks and disclosures are detailed below.

Management Committee	Role and Responsibilities
Executive Committee	<p>The ExCo is responsible for the following:</p> <ul style="list-style-type: none"> • Consider the overall financial performance and progress of the Group per line of business, including, but not limited to, the Group's capital and liquidity position, the Group profitability, the NPE and the REMU portfolio. • Consider the market conditions and strategic initiatives. • Monitor the recovery and early warning indicators and assess the need to escalate for further action to the RC and the Board. • Consider the Risk Report. • Consider and approve budgets, business strategies/risk strategy to be presented to the Board for approval. • Consider and approve the Group's Risk Appetite Statement to be presented to the RC and Board for approval. • Consider and approve the Group's Capital Plan to be presented to the RC and the Board for approval. • Consider the Compliance Reports/Matters and progress. • Consider the Internal Audit Reports/Matters and progress. • Consider the HR/People Management/Matters and progress. • Consider the Corporate Affairs Report/Matters and progress. • Approve all matters escalated to ExCo within its delegated authorities and/or recommend matters requiring escalation to the Board. • Consider all other matters escalated for discussion by any member of the ExCo or any other Committee/Forum. • Monitor the Board and Board Committees pending decision lists. • Note the minutes of the Acquisition & Disposal Committee (ADC), Group Asset & Liability Committee (ALCO), the Regulatory Steering Group (RSG) and the Business Development Committee (BDC).

Management Committee	Role and Responsibilities
Sustainability Committee	<p>The SC is an executive level committee chaired by the CEO and has as a primary role the oversight of the ESG agenda of the Group aiming to lead the Group towards a cleaner, fairer, healthier, and safer world. This will be achieved by helping its customers manage risks in a long term sustainable and equitable way and aims for the Group to be an employer of choice in Cyprus.</p> <p>The SC is responsible for the following:</p> <ul style="list-style-type: none"> • Monitor and review the development of the Group's ESG strategy for managing ESG risks, including C&E risks. • Oversee the implementation of the Group's ESG & Climate strategy. • Review the institution's response and plan of action to the objectives set out under international agreements. • Review ESG targets and KPIs, including C&E targets and KPIs. • Review the incorporation of ESG including C&E targets, KPIs and KRIs in the business strategy. • Monitor progress against the Group's ESG working plan including the implementation of the ECB Guide on C&E risks. • Monitor progress on KPIs set to manage C&E risks and the performance against wider ESG targets, on a quarterly basis, through the Sustainability Performance Report. The Sustainability performance report will be monitored by the Executive Committee and NCGC on a quarterly basis. • Monitor KRIs set to manage C&E risks, through the Climate Risk report, on a quarterly basis. The Climate Risk Report will also be monitored by the ExCo and RC on a quarterly basis. • Oversee the degree of the Group's alignment with regulatory ESG including C&E related guidance, rules (such as EU Taxonomy, SFDR, NFRD and TCFD) and ECB expectations. • Oversee the establishment of environmentally friendly products and Sustainable Finance Framework. • Review policies relating to ESG matters, including C&E, matters to ensure that they are in line with the needs of the Group and the Group's ESG strategy and that they comply with applicable legal and regulatory requirements. Monitors the implementation of policies relating to ESG including C&E matters (Excluding ESG and C&E risks related policies). • Review and challenge Risk Management Division (RMD) regarding ESG matters and policies, including C&E risks related matters and policies, such as ESG and C&E risk identification, quantification, materiality assessment (MA) and establishment of ESG and C&E criteria in the loan origination process. RMD subsequently submits to RC for approval of ESG and C&E risks related matters and policies, also notifying EXCO. • Review non-financial disclosures including but not limited to the TCFD, relevant ESG disclosures in Pillar 3 and the annual Sustainability Report. • Monitor the external ESG and C&E trends affecting the formulation of ESG policies, strategies and objectives.

Directors' induction and ongoing development

(GRI: 2-17, 205-2, 404-1)

On appointment, each director receives a full, formal induction plan, tailored to his or her specific requirements including committee membership. All incoming directors are provided on appointment with an information pack which includes, among others, the Group Corporate Governance Policy and Framework, key legislation, directives and regulations and the Company's Articles of Association, to facilitate their understanding of how the Group operates and the key issues that it faces.

Meetings are arranged with senior management on Group and divisional strategy, deep dives on businesses, an overview of the Group's risk appetite and Group Risk Framework, corporate governance, internal control systems, regulatory environment, people strategies, technology, and payments. Furthermore, the Company Secretary, under the supervision of the Chairperson, develops programmes based on the directors' individual needs.

The Group's Board Induction and Training Policy establishes procedures with the purpose of educating Board members about the Group's operations, and the external environment in which the Bank and the Bank's subsidiaries operate, so as to possess a deep knowledge of issues relevant to the Bank's business. Each new member is provided with written information about the Group and his/her duties and responsibilities as member and attends an induction course as per the policy.

All members have access to seminars and presentations on aspects of the Group's business activities and opportunities to familiarise themselves with the Group's strategic plans, enterprise risks, group structure, compliance programs, Code of Conduct and corporate governance arrangements. As part of this, members of the Board should avail themselves of opportunities to meet major shareholders.

Ongoing education is provided for the Board, informed by the effectiveness reviews of the Board and individual directors, as well as emerging external developments. Focused training of the Board is arranged in conjunction with scheduled Board meetings where information is provided to ensure that directors receive adequate insight into a particular area through presentations by Group business units and control functions and briefings with senior management. Dedicated training sessions also take place on particular issues usually identified by the directors themselves and the Company Secretary. A training schedule is prepared at the beginning of each year and directors are expected to attend accordingly.

During the year, training sessions on ESG and various Compliance matters were included in the annual plan. In particular, training sessions on ESG and Compliance were delivered to the Board of Directors in 2023 by external consultants and internal experts, while further training has been planned for 2024 for members of the Board, the Executive Management and all employees.

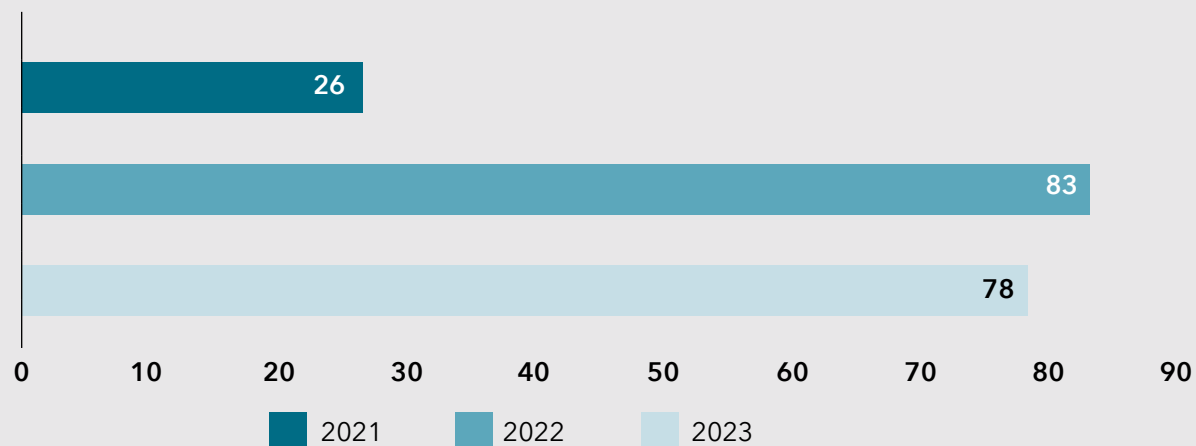
During the year the average hours per Board Member that are performed for trainings is 11.11 (2022: 10.38, 2021: 2.6) and is increased by 7% compared to 2022. Trainings were mainly focused on Corporate Governance, ESG & Climate Risks related matters as well as Compliance and Information Security.

Training conducted in 2023 to BoD				
Trainings	No. of participants	Training Attendance (hours)		
		Women	Men	Total
AML Essentials & Sanctions*	7	5.25	7	12.25
Competition Law	7	3	4	7
Corporate Governance Policy & Framework	7	3	4	7
Info. Security Awareness Q1/2023 (EN)	3	-	1.5	1.5
Info. Security Awareness Q2/2023 (EN)	2	-	1	1
Info. Security Awareness Q3/2023 (EN)	2	-	1	1
COI & Market Abuse Regulation	7	3	4	7
Climate Change Risk Identification & Implementation within the credit approval process	7	3	4	7
IFRS9 & Climate related accounting matters	7	4.5	6	10.5
ESG Risks in Credit Assessment	7	3	4	7
ESG Strategic Implications for Banks	7	3	4	7
Credit Scoring	4	1.5	0.5	2
Data Report Quality	7	1.5	2	3.5
Training on Basel III	8	1.5	2.5	4
Total		32.25	45.5	77.75

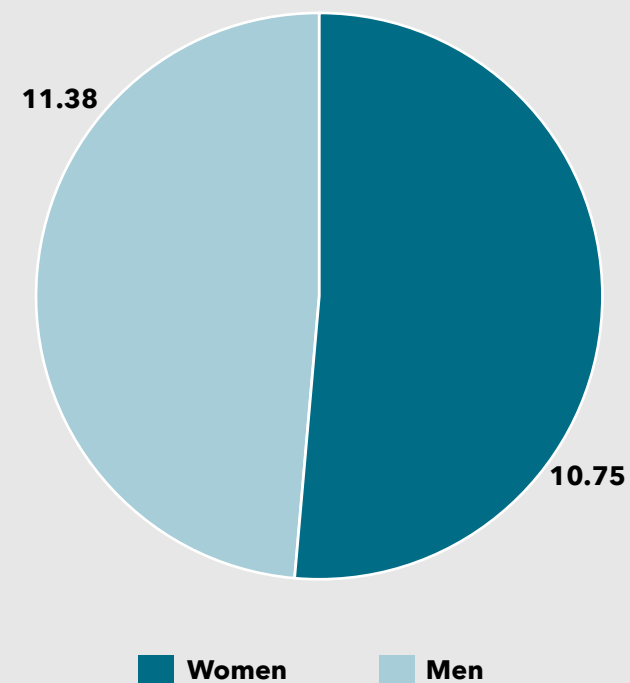
Notes:

- The table above excludes the training conducted to CEO and Director of Finance, information of which is included in tables below under the section "Anti-Money Laundering".
- *78% of the BoD participated on trainings on Anti Money Laundering, New Regulatory Developments and Sanctions.

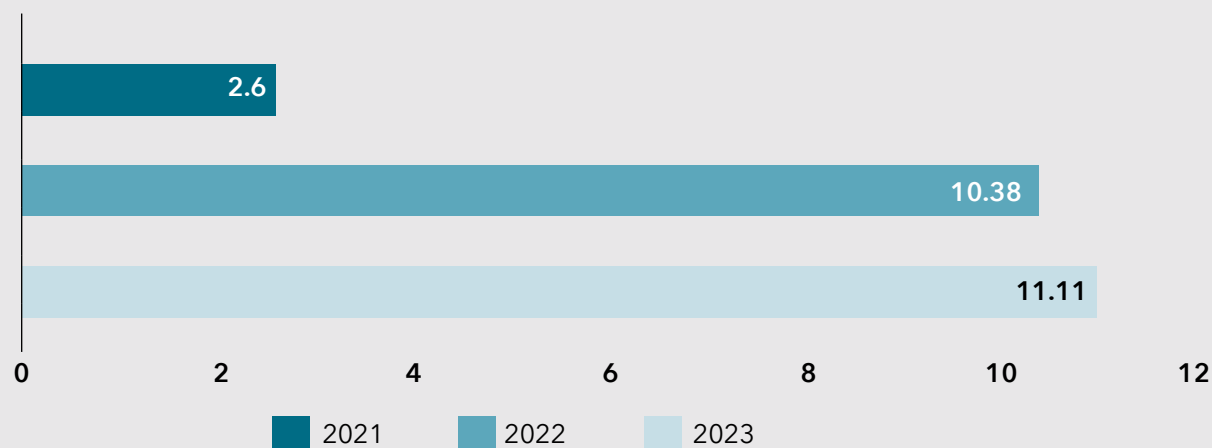
Total hours of BoD trainings, per year



Average hours of BoD trainings, per gender (2023)



Average hours of BoD trainings, per member



Note:

i. For the calculation on average hours of BoD trainings Executive Directors (CEO & CFO) are not included on the calculation.

Evaluating the performance of the highest governance body

(GRI: 2-18)

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 they continue to demonstrate commitment to their role. The executive directors' individual performance includes assessment by the Nomination & Corporate Governance Committee and the Board as a whole.

The Chairperson's performance evaluation is carried out by the non-executive directors in a meeting chaired by the Senior Independent Director.

Following the Board Performance Evaluation in 2023, the NCGC determined that the skills profile of the Board, either academically or through professional experience was appropriate and relevant to the business of the Group including inter alia, banking, insurance, audit and accounting, economics, risk management, dealing with competent authorities, strategy and business models, legal and consultancy services, Information Technology (IT) and human resource management. The NCGC further concluded that the Board could benefit from the appointment of a member with IT knowledge, Digital Transformation and Sustainability. The internal assessment considers overall performance relative to the role of the Board and consists of:

- Online questionnaires completed by each Director on the role of the Board and its committees;
- Online self-assessment of each Director;
- Assessment of each Director by the Chairman;
- Assessment of the Chairman during an executive session of the non-executives led by the Senior Independent Directors (SID) (in the absence of the Chairman); and
- Discussion by the Board of the assessment and recommendations for improvements made in the report.

The Board is subject to external evaluation every three (3) years. The latest independent/external review was completed in February 2024 by Morrow Sodali. The key points raised during the 2023 Board Evaluation include the below:

1. The Board effectively allocates sufficient time to strategy discussions and performance monitoring, with annual offsite meetings significantly aiding in focusing on the Group's long-term strategic goals.
2. Additionally, it was identified that the Board maintains a clear distinction between its role and management, ensuring a balanced approach to strategic and operational oversight.
3. Oversight of the Group's risk profile and internal control framework remains consistent, featuring clear reporting lines and improved communication between the Chief Risk Officer and Risk Committee Chair.
4. Improvements in sustainability efforts have been noted since the 2021 Board Evaluation and the forthcoming inclusion of

a sustainability expert on the Board is seen as a positive step.

5. During the assessment, the Board's composition significantly contributed to its effectiveness, featuring an appropriate mix of skills, diversity, and a balance between local and international perspectives, well-suited to the Group's needs.
6. The Chair's leadership is notably effective, earning commendation for his preparedness, ability to manage agendas, and foster innovative and meaningful discussions.
7. The Board operates efficiently, characterised by high-quality deliberations, constructive contributions from directors, and a strong sense of team spirit. Effective communication is maintained both among directors and between directors and senior management, underlining the Board's cohesive and functional dynamics.

As part of the review, some key recommendations were identified to further enhance the Group's corporate governance framework. These recommendations are integral to the Group's ongoing efforts to uphold best practices in governance and stakeholder engagement. Firstly, the report underscores the importance of maintaining a strong commitment to gender diversity within the Board. It advises that the Board should persistently prioritize gender diversity as a critical agenda item, reflecting the Group's and Board's dedication to fostering an inclusive and diverse leadership environment. Secondly, the evaluation highlights the crucial role of the Senior Independent Director in facilitating transparent and effective communication between the Board and the Bank's shareholders and other key stakeholders. It recommends that the Senior Independent Director continues to report to the Board on his engagements with shareholders and

stakeholders. Thirdly, the report highlights the fact that the Board should continue to identify opportunities for updates and training on developments in key areas – on banking, regulatory compliance, ESG and other key topics. Additionally, the report explicitly suggests that the Board recognises the critical importance of sustainability, technology, and digitalisation in shaping the Group's future. While time constraints have limited in-depth discussions, the Board sees great value in further fostering informal discussions among all members to delve into these essential topics.



Sustainability governance

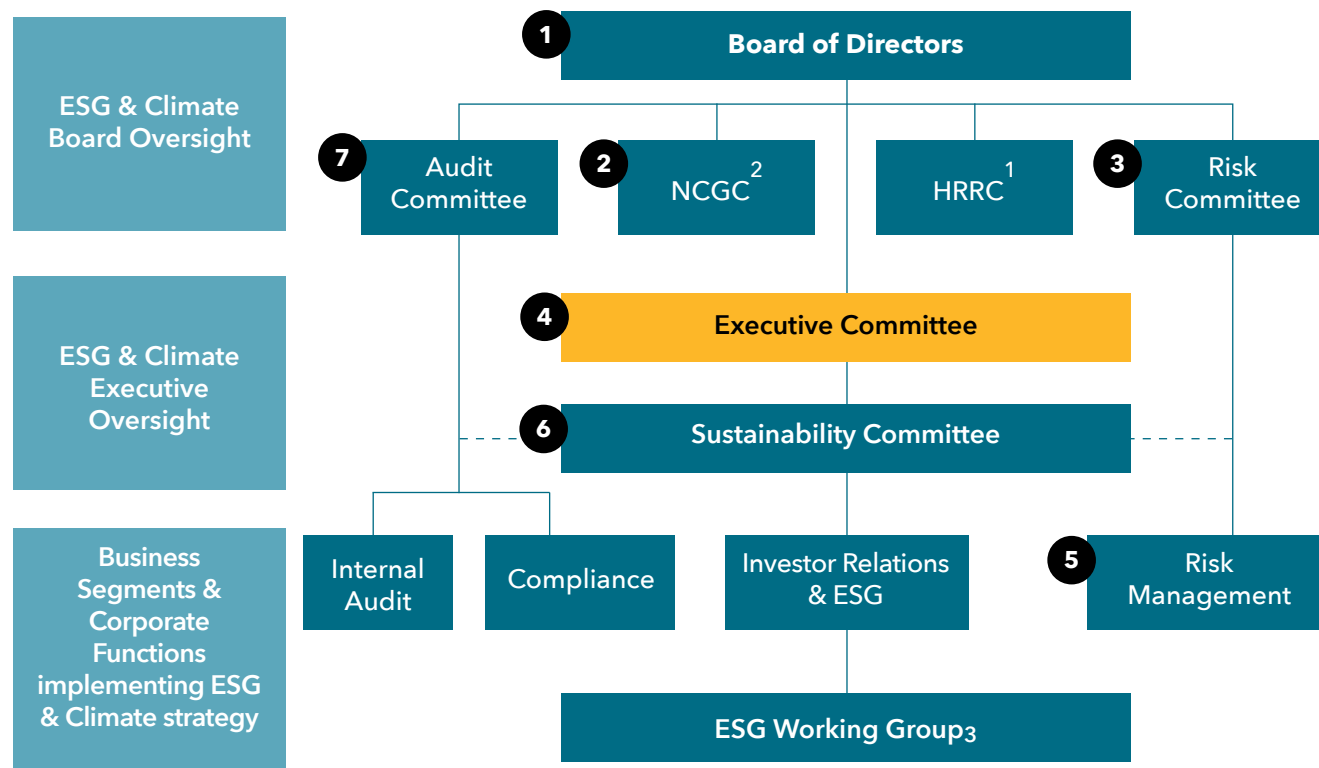
(GRI: 2-9, 2-12, 2-13, 2-14, FN-CB-410a.2,
TCFD - Pillar I Governance)

The Group's strategic approach to Sustainability is that its role continues to extend "Beyond Banking", based on the foundations of Sound Governance and Ethics, focusing on three key pillars:

- Environment;
- Social; and
- Governance.



The Board has further enhanced its governance structure to provide better oversight and responsibility of the sustainability strategy, as presented below.



1. HRRC: Human Resources and Remunerations Committee

2. NCGC: Nominations and Corporate Governance Committee

3. ESG working group has been formed in order to support the implementation of the ESG agenda. ESG working group includes Legal, Finance, Business Lines, Operations & Cost Management, Treasury, Digital office, Strategy, Procurement, IT, HR, CAD and Insurance.

----- Reporting

— Collaboration and Support

1 The Board, through the NCGC² and Risk Committee, oversees the implementation of the Group's ESG and climate strategy. In order to adequately assess climate risks and opportunities, the Board draws on expertise both internally and externally.

2 NCGC² provides oversight to the Group's ESG and climate strategy aimed at achieving present and future economic prosperity, environmental integrity, climate stability and social equity for the Group and its stakeholders.

3 Risk Committee identifies, assesses, controls and monitors financial / economic risks and non-financial risks (including operational, technological, tax, legal, reputational, and compliance, and ESG including climate-related & environmental risks (C&E)) which the Group faces in cooperation with the responsible Board Committees.

4 EXCO recommends to NCGC² all ESG and Climate related matters and policies (Excluding ESG and climate risks matters and policies) for approval.

5 ESG and climate risks related policies and matters are reviewed and challenged by the Sustainability Committee and are subsequently submitted by Risk Management Function directly to Risk Committee for approval, also notifying EXCO.

6 Sustainability Committee reports to EXCO.

7 Audit Committee assesses the soundness of the methodologies, policies and governance of the internal control system of the Bank's ESG structure and framework

Sustainability Oversight at Board Level

The Board has ultimate oversight of the identification, assessment and integration of ESG risks and opportunities throughout the organisation. It sets the Group's strategy and oversees its implementation by senior management.

The Terms of Reference of each committee dictate the responsibilities regarding ESG matters. All ESG matters that are submitted to the Board Committees are in the form of formal documentation describing clearly the purpose and scope of the paper, the methodology applied, any considerations conducted during the process and the conclusions/results reached. The papers are presented to the Board Committees by the responsible division/department. The relevant Board Committee enquires and challenges the responsible division/department in order to approve the relevant paper.

For more information on Sustainability Oversight at Board level refer to Page 95 of the ESG Disclosures included in the [Annual Financial Report 2023](#).

Sustainability Oversight at Management level

The Group's management, led by the CEO, consists of executives who have many years of experience and extensive knowledge of the modern banking sector. The governance structure is flexible and functional in order to serve in the best possible way, shareholders and customers.

For more information on Sustainability Oversight at Management level refer to Page 98 of the ESG Disclosures included in the [Annual Financial Report 2023](#).

Business Ethics and Compliance

(GRI: 2-23, 2-24, 205-2)

The Group, as a leading organisation and publicly traded financial institution, recognizes the need for compliance with the UK Governance Code, the CSE Code, the CBC Internal Governance Directive 2021 and 2023 and adherence to best practices on corporate governance.

Sound corporate governance policies are important for maintaining the confidence of stakeholders and creating shareholder value. The Group's policies and practices are designed to recruit the best people, provide equal opportunities and create an inclusive culture, in line with the Bank's vision, values, culture, and behaviour, collectively responsible for the long-term success of the Bank contribution to wider society. The Bank takes the necessary steps to ensure respect on human rights in its own operations through employment policies and practices, in Bank's supply chain through screening and engagement, and through the responsible provision of the Bank's products and services.

The Board of Directors is responsible for securing the Bank's compliance with its relevant obligation and that appropriate arrangements and structures have been put in place that are, in the Board's opinion, designed to secure material

compliance with the relevant obligations. The Board continually monitors and reviews internally, at least once a year, its governance framework through effective oversight.

The Bank's Code of Ethics sets out clearly the ethical moral principles and values upheld by the Bank and provides a framework for expected behavior and guides the Bank's workforce to appropriate conduct. The Bank acknowledges its responsibility to respect human rights as set out in the International Bill of Human Rights and follows internationally acclaimed directives, principles and initiatives to protect human rights, such as the Core Labor Conventions of the International Labor Organisation (ILO) and the Universal Declaration of Human Rights (UDHR).

The Bank has policies to ensure gender equality, diversity and inclusion and operates based on objective criteria related to ability, ethics and experience, regardless of color, race, national/ethnic origin, disability, age, gender, religion, sexual orientation or political opinion. Policies and procedures, as well as training and a range of tools are available to ensure that the Bank promotes a culture of equality. The zero-tolerance policy on discrimination, harassment and bullying is designed to effectively manage and ultimately eliminate any form of harassment, discrimination or unfair treatment. In order to mitigate against human rights risk, or violations that may occur, the Bank has comprehensive due diligence procedures in place, which include: the implementation of the Code of Conduct which defines specific behaviors, practices, responsibilities and rules for staff of the Bank to follow and uphold as staff members of the Bank's and a suite of reporting mechanisms to support the timely reporting of issues.

The Policies have been adopted by the Board of Directors and are communicated to everyone involved to ensure their commitments to them.

Corporate Governance Policies & Practices

Group Corporate Governance Policy and Framework	Suitability of Members of the Management Body and Key Function Holders Policy
Board Nominations and Diversity Policy	
Corporate Governance Guidelines for Group Subsidiaries	Corporate Governance of BOC Executive Committees Policy
Board of Directors Induction and Training Policy	Terms of Reference of Board Committees

Regulatory Compliance Policies & Practices

Competition Law Compliance Policy	Customer Complaints Management Policy
Group MiFID Policy and other MiFid related Policies	Market Abuse Policy
Financial Tax Exchange Information Policy	Personal Data Protection Compliance Policy
Compliance Policy	Anti-Bribery and Corruption Policy
Coordination and Communication with Authorities Policy	Whistleblowing Policy
	Compliance Division Charter
Conflicts of Interest Policy	Treating Customers Fairly Policy

Financial Crime Compliance Policies & Practices

Customer Acceptance Policy	Risk Appetite Statement Policy
Sanctions Policy	Prevention of Money Laundering and Terrorism Financing Policy

Other Group Policies

Sourcing Procurement & Vendor Management Policy**	Lending Policy
Information Security Policy	Remuneration Policy
Green Lending Policy*	Environmental and Social Policy*
Donation, Sponsorships and Partnerships Policy*	CSR Policy*
Third Party and Outsourcing Risk Management Policy	Fraud Risk Management Policy
Reputational Risk Management Policy	New Products Services Management Policy

Notes:

- i. *These policies are not publicly available through the Bank's website ([Corporate Governance Policies and Other Group Policies - Bank of Cyprus](#)) as these relate to the internal operations of the Bank. Those are available through internal portal to all staff.
- ii. **Under the Sourcing and Procurement & Vendor Management Policy the Bank established specific ESG criteria that the vendors or suppliers must adhere to. Specifically, suppliers must adhere all the principles regarding Labor, Human rights, ethics, working conditions and Health & Safety matters.

The Board considers the Group's governance arrangements as robust, as they include a clear organisational structure with well defined, transparent and consistent lines of responsibility and authority limits, which support the maintenance of a robust control environment. These governance arrangements also include reporting mechanisms to higher levels of management and the Board, as well as effective processes through which to identify, manage, monitor and report risks to which the Group is or might be exposed. The Group has appropriate internal control mechanisms including sound administrative and accounting procedures, Information Technology (IT) systems and controls.

Anti-Money Laundering

In 2022 and 2023, the Bank further enhanced its Anti-Money Laundering (AML)/Counter-Terrorist Financing (CTF)/ sanctions compliance framework by implementing additional measures, mainly concentrating on the implementation and risk management of sanctions on Russia. The measures concentrated on tackling sanctions circumvention and were targeted on a list of countries prone to heightened risk of sanctions. The Bank applies the same strict measures as the ones applied to Russia / Belarus for these countries as well, including:

- Applying a White-List of industries which the clients connected to these countries can operate in, in order to be accepted by the Bank.
- Applying restrictions on transactions involving sale of dual use goods.
- Applying enhanced monitoring (including trade-based checks) for transactions involving these countries.

- Adjusting the AML risk scorecard to reflect the risk of clients connected or transacting with these countries.

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

- In 2023, the AML assurance programme incorporated 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 recognizes 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 AMLCO Annual Risk Management Report and the AMLCO Annual Sanctions Risk Report are prepared, which assesses the overall ML/TF/Sanctions risk of the Bank using a Scenario-Based Risk Assessment Methodology and submitted to the Central Bank of Cyprus.

During 2023, Compliance related seminars were organised and presented successfully to 2,345 employees (through face-to-face or e-learning sessions), management and Bank's Executive Directors and Directors. All participants had to successfully pass a short assessment course related to the training. In addition, Compliance employees attended several external specialised seminars.

Training on Compliance related matters	No of participants	Training (hours)		
		Women	Men	Total
AML ESSESNTIALS & SANCTIONS 2023				
Leadership Team*	3	-	8	8
Individual Contributors and Managers	2,342	6,316	3,911	10,227
Anti-Bribery, Corruption & Whistleblowing				
Individual Contributors and Managers	1,966	584	400	984
Foreign Account Tax Compliance Act (FATCA) Common Reporting Standard (CRS) 2023				
Individual Contributors and Managers	418	425	209	634

Notes:

i. *Leadership team consists of the Bank's Executive Directors and Directors.

iii. The 2022 and 2021 data are not comparable, thus not presented above as different categories of seminars were performed to Leadership team, Individual Contributors and Managers of the Bank for both 2022 and 2021.

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) and the enforcement of Sanctions. 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 2023 in numbers

Decrease of the international clientele portfolio by 6.6%	100% abolishment of the network of business introducers	Termination/suspension of c.9k customer relationships solely on compliance/financial crime concerns, corresponding to a yearly profitability of €7.2 mn	c.2.5k potential new customers rejected exclusively for compliance reasons
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Prevention of conflict of interest

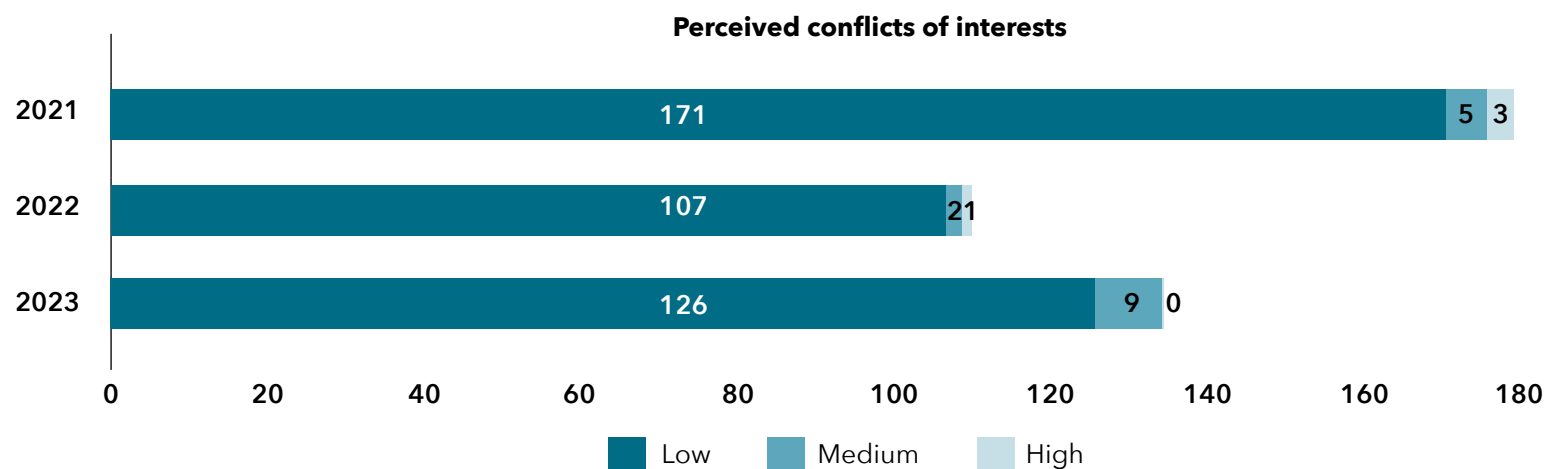
(GRI: 2-15)

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. Procedures are in place 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.

In 2023, the Conflict of Interest Group Policy was thoroughly reviewed with the objective to further align it with the EBA's guidelines on internal governance under CRD (the 'EBA Guidelines'), the EBA/ESMA joint guidelines on the assessment of the suitability of members of the management body and key function holders under CRD and MiFID II (the 'Joint Guidelines') and the Central Bank of Ireland's Corporate Governance Requirements for Credit Institutions 2015 (the 'Corporate Governance Code'). The policy was further amended to reflect the best standards/practices in Ireland and UK as per Arthur Cox recommendations, further to their review/validation process taken place in 2023.

The Conflict of Interest Group Policy focuses on principles, procedures and arrangements for the prevention, identification, documentation, escalation and management of actual, potential or perceived conflict of interests. The policy is reviewed and approved by the Board annually and is disseminated throughout the Group. Board members and senior management self-assess potential conflict of interests annually.

All reported conflicts of interest, actual or perceived, were duly reviewed and actioned in line with the formal policies and procedures and are reported to ExCo and the Audit Committee. The Bank's Group conflicts registry recorded 135 perceived conflicts of interest in 2023 (2022: 110, 2021: 179).



Notes:

i. Zero recorded incidents of conflict of interest (2022: 1, 2021: 3) has been considered as high, 9 (2022: 2, 2021: 5) as medium and the remaining 126 (2022: 107, 2021: 171) as low.

Apart from the above, conflicts are also reported at decision making meetings where a participant in the decision-making process has a conflict, and he/she would be in a weak position to exercise sound judgement. In these cases, conflicts are declared, noted, and the person with the conflict abstains from the decision making.

Whistleblowing, grievances, and complaints

(GRI: 2-16, 2-25, 2-26, FN-CB-510a.2)

The Bank has adopted the Group Whistleblowing Policy, through which procedures are established for the submission of any issues involving compromise and/or violation of ethical norms, legal or regulatory provisions and any conduct that may be illegal, unacceptable or improper. It also aims to ensure that the rights of any person reporting such incidents are respected, and effective procedures are in place, that protect and support anonymity and confidentiality.

The Board of Directors of the Group retains ultimate responsibility for compliance of the Group with applicable laws and provides “tone-at-the-top” to encourage and ensure that the Group establishes appropriate alert procedures enabling staff members to communicate potential or actual breaches of internal or regulatory requirements or concerns of wrongdoing within the Group through a specific, independent and autonomous channel without fear of reprisal.

The information from surveys, the whistleblowing process, other information reported from the Working Team on culture, disciplinary actions, grievances themes etc., were reported to and discussed by the HRRC before being reported to the Board. It is hereby confirmed that the workforce engagement method that the Board has settled on is through internal communication initiatives facilitated by the HRD and reported to the Board.

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 to assess information received through the whistleblowing channels and to conduct investigations, if deemed necessary. The results of the investigations, as well as the recommendations made, allow appropriate action to be taken by the Bank, in order to remedy and manage the incident, reduce the risk of reoccurrence and enhance its procedures. These results are reported to the Board of Directors through the Annual Audit Report. Furthermore, the departments responsible for dealing with grievances and related processes are subject to a risk assessment and audits relevant to these areas are included in the Internal Audit’s Annual Audit Plan.

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.

All employees are encouraged to raise their concerns about workplace practices or conduct in a timely manner anonymously and eponymously.

In 2023, no formal complaint was received related to performance appraisals (2021: 1, 2020: 59). Additionally, 4 complaints were received and handled by HR (directly or through the Whistleblowing channels), that were related to violations of the Code of Conduct (misconduct,

management practices, behaviors).

The effectiveness of grievance mechanisms is measured on a case-by-case basis. Follow up discussions are conducted between the employee and the HR Business Partner (HRBP) to ensure that the grievance has been resolved. In addition, the HRBPs through the frequent communication with employees (one to one meetings performed throughout the year) explore the overall working conditions and employee relations.

For customers, statistics on customer complaints are prepared and reported by Internal Governance & Operations Department to the Audit committee on a quarterly basis. The Regulatory Compliance Division (RCD) also submits to the Central Bank of Cyprus (CBC) a numerical complaints report on a quarterly basis. In addition, following the resolution of a complaint, the customer is requested to provide feedback on how satisfied is with the handling of the complaint. On a monthly basis, the Complaint Management Unit provides a sample of complaints to 1bank so to be provided with customer’s feedback. Furthermore, on an annual basis the customer’s complaints are reviewed by RCD.

All complaints were handled with respect and sensitivity and were resolved fairly and promptly and according to the Bank's policies and procedures.

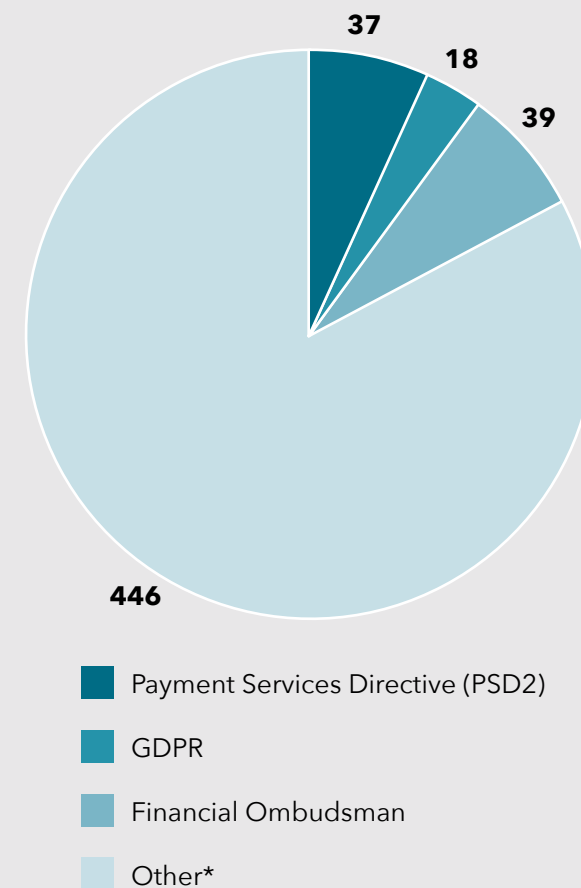
Formal employee complaints			
	2021	2022	2023
Total number	59	4	4

Note:

- i. The significant decrease by 93.2% incurred in 2022, compared to 2021, is due to the fact that in 2021 a promotion process was conducted (receiving increased number of complaints), whilst no such process incurred in 2022.

Customer complaints			
	2021	2022	2023
Total number	687	594	540

**Complaints completed by
legal framework 2023**



Note:

- i. * Other includes categories such as loans, customer services, cards etc.

Remuneration Policy

(GRI: 2-19, 2-20, 2-21)

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 Group HRRC is responsible for annually defining, reviewing and recommending the Remuneration Policy for approval to the Board of Directors.

The Remuneration Policy is included in Internal Audit's Risk & Audit Universe. Therefore, subject to a risk assessment and relevant regulatory requirements, audits relevant to the area are included in the Internal Audit's Annual Audit Plan.

Remuneration schemes in the Bank 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.

The Group has taken necessary steps in embedding its ESG strategic goals within the remuneration policy, adhering to the importance of connecting the performance of its personnel to ESG and climate matters as a way of incorporating ESG culture within the organisation. The remuneration policy promotes - and is consistent with - sound and effective risk management, is in line with the Group's ESG and climate strategy and does not encourage excessive risk taking that exceeds the level of risk tolerated by the Group.

Performance criteria (financial and/or not financial), set to measure the performance of Senior Management, contain KPIs that relate to the implementation of the Group's ESG strategy, reflecting the Group's emphasis on achieving its

climate related objectives, in accordance with the role and responsibility of each Senior Manager in relation to the ESG Strategy. Performance criteria will include incentives set to manage ESG risks, including C&E risks, related objectives and/or limits to ensure that green washing practices are avoided. These are expected to be cascaded down to staff, through the performance appraisal system, in line with the staff's respective roles and responsibilities, so as to continuously enhance the Group's ESG culture, elicit the right behaviors and align individual results with ESG Strategy.

Remuneration schemes in the Bank typically consist of fixed plus variable pay. 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 provision of the collective agreement in place.

In terms of variable remuneration, the following provisions apply:

- The amount of variable remuneration is calculated based on the achievement of the Group's strategic goals (e.g. targets for profitability) and measurable performance criteria (Key Performance Indicators) and taking into account the risk appetite statement of the Bank and the Group's ESG strategy. Furthermore, individual performance and other qualitative criteria are also taken into account.

- The measurement of performance used to calculate the variable remuneration components includes an adjustment for all types of current and future risks and takes into account the cost of capital and liquidity required.
- Disassociation of the remuneration of employees engaged in Control Functions from the targets and performance of the Business Units they oversee and the assessment of Control Functions with regards to their own objectives and responsibilities.
- Association of the payment of variable remuneration with the Bank's values, such as compliance culture, ethics, behavior towards customers and the prevention of conflict of interest, as noted in the Employee Code of Conduct and the relevant Compliance Policy.
- Deferral, payment in instruments and malus & claw back provisions for each variable pay plan will be within the parameters set by legislation and regulatory guidance and in accordance with the stated objectives and characteristics of each plan.
- The whole amount of variable remuneration (100%) is subject to vesting, claw back and malus in accordance with certain criteria.

The Board of Directors, following recommendation of the Group HRRC, may approve the implementation of a Short-Term and/or Long-Term Incentive Plan (LTIP) for a certain group of employees. The implementation of share based, or shared linked Incentive Plans is subject to approval by shareholders at a General Meeting by special resolution. To this end, the AGM which took place on 20th May 2022 considered and authorised the Directors to establish and implement a long-term incentive plan (the "2022

LTIP"). The plan incorporates measurement of performance against an evaluation scorecard consistent with the Group's Medium-Term Strategic Targets, which include ESG targets. The evaluation scorecards used in the abovementioned scheme include KPIs on External ESG ratings. External ESG ratings are granted based on an external assessment performed on ESG aspects of the Group.

Share awards have been awarded to eligible participants under a long-term incentive plan during 2024, 2023 and 2022.

In March 2023, the Board of Directors via the HRRC approved the implementation of a Short-Term Incentive Plan (STIP). The STIP introduces pay-at risk for a wide group of employees, including executive directors of the Company, and is expected to assist in the further enhancement of a pay for performance culture, drive performance against the Group's annual objectives and enable the attraction and retention of talent.

STIP awards may be granted either in cash or a combination of cash and shares, in line with applicable regulatory requirements and other remuneration restrictions, provided the Group achieves its pre-defined financial targets. The performance of the Group and each eligible employee will be evaluated after the end of each respective performance period. A retention period of 12 months will be applicable to each tranche of vested shares.

Awards under the 2023 STIP have been released in April 2024. No variable remuneration was granted in 2022 and 2021. In certain occasions and in line with regulatory restrictions, part of the award has been partially deferred and will be released over a period of 5 years.

Annual total compensation for the organisation's highest-paid individual / CEO

2021	2022	2023
€750,000	€750,000	€1,050,000

Median annual total compensation for all employees (excluding the highest-paid individual / CEO)

2021	2022	2023
€45,193.07	€45,765.59	€52,176.06

Annual total compensation ratio (#)

2021	2022	2023
16.6	16.4	15.5

Change in the annual total compensation ratio

2021	2022	2023
10.49%	0%	0.6%

Notes:

- Data has been extracted from the Bank's SAP-HR system.
- Annual Total Compensation includes both fixed and variable components (i.e. Short-Term Incentive Plan (STIP)).
- The CEO's total compensation includes the total amount of the STIP award granted in 2024 in respect of the performance period FY2023. The STIP award consists of an equal proportion (50%-50%) of cash and shares and is subject to a vesting cycle (40% in the year of the grant and the remaining in equal tranches over a period of 5 years).
- All employees of the Bank are counted, including Cleaners and Fixed-Time employees.
- The annual total compensation ratio can be calculated using the formula: Annual total compensation for the organisation's highest paid-individual / Median annual total compensation for all of the organisation's employees excluding the highest-paid individual
- The change in the annual total compensation ratio can be calculated using the formula: Percentage increase in annual total compensation for the organisation's highest-paid individual / Median percentage increase in annual total compensation for all of the organisation's employees excluding the highest-paid individual
- The difference between the number of employees in 2021 is due to VRS that was given during 2022.
- There is change in the annual compensation ratio compared to 2022 (16.4 in 2022, whereas 15.5 in 2023), due to the COLA, Annual increments and STIP.

Compliance with laws and regulations

(GRI: 2-27, 205-2, 206-1, FN-CB-510a.1)

The Regulatory Compliance Department ensures that the Bank adopts all regulatory, legal, and compliance requirements and is committed to the establishment of relevant controls and procedures to protect its clients and all other stakeholders. Regulatory compliance implemented, through the network of Compliance Liaisons at the various Departments, the compliance management system which automated most of the compliance processes. The system is an integrated compliance management system which provides a comprehensive set of tools for managing regulatory risks, including modules on compliance risk assessments, regulatory change management with live regulatory feeds on new or amended regulations, the recording and management of identified risks through various assessment processes, the recording and management of regulatory incidents, conflicts of interest and gifts, KRIs and the monitoring and follow up of issues and actions.

Additionally, Regulatory Compliance Department regularly performs compliance assurance reviews based on clear and aligned Compliance Review Methodologies aiming to cover high risk areas. The Compliance Division presents its Key Risk and Key Performance Indicators to the ExCo and the AC.

Cases of significant non-compliance are identified through the three lines of defense model, whereby responsibility for compliance reviews lies primarily with management, secondly with the control functions, by assessing the severity of the instances of non-compliance.

Highlights 2023:

Compliance Division has successfully completed its 2023 Action Plan ensuring the sound and effective management of compliance risks through:

- the development and maintenance of robust regulatory policies and procedures, automated systems and tools. During the year all policies were reviewed and approved by the Board.
- an effective compliance awareness programme, the Regulatory Compliance Department (RCD) provided 7 training courses to the Compliance Liaisons and relevant stakeholders from the staff and DPD provided 2 specialised trainings, one to all Directors' Personal Assistants to enhance their privacy awareness on data handling, and one to a large group of information Technology colleagues to enhance their GDPR knowledge.
- advanced compliance monitoring by providing oversight, proactive support and constructive challenge to the business in identifying and managing regulatory risks, as well as rigorous training to ensure high level of competency for effectively managing these risks. A large number (7,363) regulatory feeds were received; out of these 1,137 had been assigned to compliance liaisons for specialised assessment and analysis with the ongoing support, monitoring and oversight by RCD. The remaining feeds were handled internally by RCD.
- an effective compliance assurance programme including on-site / off-site reviews and ad-hoc assessments.
- an enhanced unified Compliance Reviews Methodology was introduced with the objective to standardize all relevant processes and supporting documentation in order to ensure consistency and transparency in the execution of Compliance Reviews, as well as to assist the Compliance Division staff in performing the Reviews work efficiently and effectively.
- engaging with regulatory authorities on a regular basis.

2023

A fine of €8000 was imposed on the Bank by the Data Protection Commissioner after a customer complaint. The Data Protection Commissioner's investigation concluded that due to the inaccurate address that was kept in the Bank's systems the Bank was in breach of Article 5(1)(d) of the General Data Protection Regulation (EE) 2016/679 (GDPR) - Principles relating to processing of personal data - "Accuracy"

2022

On February 2022 ECB imposed an administrative penalty on Bank of Cyprus Public Company Ltd for the amount of €575,000 in respect of a breach of an ECB Decision of 23 September 2016 committed by transferring liquidity to the Bank's operating subsidiaries without seeking the prior approval of the ECB in the period from 28 September 2016 to 31 December 2017. The Bank proceed with the payment of the fine.

A penalty was also imposed from CySEC during July 2022, amounted to €586,013 affecting the year 2014 for which the Administrative Court rejected the appeal and refined the decision of CySEC regarding the imposition of an administrative fine of €950,000 relating to Greek Government. The case is still pending on appeal.

Three fines were imposed in November 2022 by the Central Bank of Cyprus (CBC), on Liquidity with a total amount of €6,000 as follows:

2022

- a. €1,500 for the breaches of the Directive on the Computation of Prudential Liquidity in Euro 2008-2011,
- b. €1,500 for the breaches of the Directive on Prudential Liquidity in foreign currencies of 2008-2011; and
- c. €3,000 for the breaches of par. 71(1) of the CBC Directive on Governance and Management Arrangements in Credit Institutions of July 2014 on Liquidity Risk.

2021

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.

Significant instances of non-compliance with laws and regulations during the reporting period

	2021	2022	2023
Instances for which fines were incurred	2	6	1
Instances for which non-monetary sanctions were incurred	-	-	-

Fines for instances of non-compliance with laws and regulations that were paid during the reporting period

	2021		2022		2023	
	#	€	#	€	#	€
Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	-	-	-	-	1	8,000
Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	2	906,950	6	1,184,013	-	-

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 Centers, Corporate Centers, International Business Units, Wealth Services and Large Corporate Banking Centers of the Bank.

Network inspections	2021	2022	2023
Branch inspections	10	9	4
Branch inspections follow up	15	12	9
Business Centers follow up inspections	2	2	0
Corporate Banking Centers follow up inspections	1	3	1
International Business Unit follow up inspection	1	1	3
Cash dispute investigations	3	2	1
Thematic inspections	2	2	2
Complaints Handling Quality Report	0	1	0
Ad Hoc Inspection (Russian Customers)	0	0	1
ATM Malfunction Report for Branch (0148)	0	1	0
Safe Boxes arrears Report	0	2	2
Safe Boxes breaching procedure	0	4	3
Business Centers inspections	2	0	1
Corporate Banking Centers inspections	4	0	0
International Business Unit inspections	4	0	1
Branch New Lending inspections	3	0	2
Branch New Lending inspections Follow up	0	0	3

Based on the 2023 reviews, zero (2022: zero 2021: 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.

Legal Services

In 2023, the Bank, through its legal services, was involved in:

- the consultation for the development of new laws, including the Law on the Establishment of a Framework for the Control of Foreign Direct Investments, the Law on the Management of Co-owned Buildings, the Credit Administrators and Credit Buyers Law;
- discussions on amending, the Companies Law (CAP 113), the Law on Unfair Terms in Consumer Contracts, the Law on Credit Agreements for Consumers in relation to Residential Properties, the Courts of Justice Law, the Civil Procedure Law, the Roads and Buildings Regulation Law, the Customs Code Law, the Criminal Law (CAP154), the Foreign Exchange Law (CAP 262), the Immovable Property (Transfer and Mortgage) Law, the Immovable Property (Tenure, Registration and Valuation) Law, the Urban Development Zones Law, the Land Registry Rights and Charges Law, the Security of Networks and Information Systems Law with a view to transpose the European Directive NIS 2, the Law on Mutual Assistance for the Recovery of Claims relating to Taxes, Duties and other measures, as well as the Business of Credit Institutions Law to provide for an explicit exception to the banking secrecy rule to this effect, and the initiation of the amendment and modernisation 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 significantly contributed

to the creation of the Digital Economy Platform, and the transfer of the DEP operations to the Bank's subsidiary, Jinius Ltd, and has provided legal support in the development of the Bank's Mobile App and 1Bank service. It has also significantly contributed to the facilitation of the required exchange of information between the Bank and the Government for the purposes of the National Solidarity Fund. Furthermore, it has contributed significantly in terms of drafting and providing legal input, to enable the establishment of the Mortgage to Rent Scheme. The Bank's Legal Services Department was instrumental in providing agile advice to the Bank in relation to its strategic projects, such as the acquisition of a portfolio of loans from KEDIPEs, as well as the dividend payment made to its shareholders within 2023. It also effectively handled the litigation against the Bank, consequently reducing the Bank's legacy exposure.

During the year, a number of eco-friendly products were reviewed by the 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).
- Green car hire purchase (involving loan granting for the purchase of electric cars).

The Legal Services Department's governance structure ensures that all sustainability efforts are reviewed, including the products mentioned above, but also any reports/policies produced for such purposes by any committees/departments or other reporting lines within the Bank. Additionally, the Bank's Legal Services Department reviewed agreements with counterparties supporting the Bank to reach its ESG objectives. It has also provided legal support in terms of drafting and various legal input required with respect to numerous new products underway.

In 2022, the Legal Services Department has introduced a new survey tool to assess client satisfaction. For 2023 the results of this survey are as follows:

- Speed: 99% success
- Clear & Succinct Response: 99% success
- Substantive responses to enquiries: 99% success
- Overall Service level satisfaction: 99% success

Internal Audit

Internal Audit, as a third line of defence, provides independent assurance to the Board and Executive Management on the design adequacy and operating effectiveness of the Group's internal control framework, corporate governance and risk management processes according to the risk appetite set by the Board.

During recent years, Internal Audit has taken several actions and initiatives in relation to ESG, commensurate to the increasing importance of this area to the Bank, as well as increased regulatory expectations for the provision of routine assurance to the management body.

An annual audit plan is developed, to ensure that the internal audit activities performed during the year adequately address the various regulatory requirements and at the same time incorporate those areas with the greatest exposure to the key risks that could affect the Bank's ability to achieve its strategic objectives. As part of this exercise, all auditable areas in the Audit Universe are also assessed against ESG risks.

Regarding resources, Internal Audit ensures the existence of adequate resources for all annual audit engagements, including ESG-related audits. The knowledge and skills of the IA staff is assessed on an annual basis, in accordance with its Competency Framework. Based on this assessment, IA takes necessary actions and prepares specific development plans, in order to ensure that its staff possesses the necessary skills and knowledge for the performance of their duties (including for ESG-related topics).

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 minimize 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.

Securing Data Privacy



Our impacts

(GRI: 3-3)

The operational activities of the Bank create or may create negative impacts on the population's accessibility to the right of personal privacy that people have against the possible use of their personal data processors in an unauthorised manner or against the requirements of force. This discipline is to protect the privacy of individuals at risk for the collection and misuse their personal data.

2023 Highlights (as of 31 December 2023)

9,395

employees attended information security awareness trainings

2,339

employees attended code of conduct trainings

2,368

employees attended code of ethics trainings

Negative impacts

Contribute to the creation of negative impacts on data privacy:

- through operational activities (issues of non-compliance) that affect population's accessibility to the right of personal privacy.

Our approach to operational impacts: Protecting personal data

(SASB FN-CB-230a.2)

Cyberattacks and personal data breaches impact the financial services industry, due to the evolution of the new technologies and the expanding use of business / digital channels to conduct financial transactions.

To this respect, the protection of personal information continues to be a top priority for the Bank, not only because of its statutory obligation, but also because the Bank recognizes this as a core element of its good corporate governance and responsibility practices. The Bank is taking a number of measures in order to protect its digital customers against the risks they are facing, and to enhance the security of the alternative networks.

Data Protection Policy

The Bank maintains a robust Personal Data Protection Compliance Policy, which was recently updated (in March 2023), for safeguarding personal data and compliance with relevant data protection regulations. The policy elaborates on the commitment of the Bank to adhere to the protection of personal data of Customers, Suppliers, Business Partners and Employees ('individuals') and implement the relevant regulatory framework. Protecting the security and privacy of personal data is important to the Bank, in order to conduct its business activities fairly and lawfully, and in the context of the envisaged privacy culture.

The Bank's policy is mainly based on the EU General Data Protection Regulation ('GDPR'),

which is applicable to the 28 EU member countries as of 25/05/2018. The GDPR aims at harmonizing the rights and freedoms of individuals regarding processing of their personal data and ensures the free and protected flow of such data between Member States.

The Personal Data Protection Compliance policy complies with the national legislation on the protection of personal data, 'The Protection of Natural Persons with regard to the Processing of Personal Data and for the Free Movement of such Data' Law 125(1)/2018 and section 106 of the 'Regulation of Electronic Communications and Postal Services Law 112(I)/2014', as well as the relevant guidelines issued by the Commissioner of Personal Data protection from time to time. For more information refer to the Bank's [Personal Data Protection Compliance Policy](#).

Protection of personal data

The Bank is fully transparent and has developed and implemented an effective data privacy communication plan to inform individuals as to the processing of their personal data, which is under the principles of GDPR.

The Bank collects, uses or otherwise processes different types of personal data which are received through data subjects in person or via their representative or via the Banks alternative channels of communication such as 1bank or website, within the context of the Bank's business relationship. The data collected relates 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. In March 2024, the Bank's Employee Privacy Notice, which describes the process for collecting and processing of employee personal data has been revised, and the Bank's employees have been notified to this respect. The Employee Privacy Notice is available on the Bank's internal portal and can be accessed by the employees at any point in time.

The Bank ensures that the data collected is relevant and limited to what is necessary for the Bank's activities, and is kept in accordance with GDPR principles, unless otherwise stated by applicable laws. The retention period should be aligned with the guidelines given by the Local Commissioner for Personal Data Protection.

Information to be provided must be:

- Communicated in a concise, transparent, intelligible and be in an easily accessible form;
- Using clear and plain language, in particular for any information addressed to a child (Article 12 of GDPR Regulation);
- In writing, or by other preferable means, including, where appropriate, by electronic means;
- Free of charge.

This information is usually provided via a Privacy Statement through all major points of contact with individuals (electronic or not) i.e. website, Branch, 1Bank, key customer documentation, job applications, contracts with external processors etc. Privacy statements should be maintained and customised where necessary to adequately cover all service channels e.g. website privacy statement, customer privacy statement, employee

privacy statement etc. The Privacy Statement for the Bank's existing or potential customers, who are physical persons, was also updated in July 2023, and this can also be accessed through the Bank's website ([w](#)). As a minimum the privacy statement should contain also the right to withdraw consent at any time, where relevant. As long as an individual has provided specific consent for processing, then the lawfulness of such processing is based on that consent. Individuals have the right to revoke the said consent at any time. Before considering consent as a legal basis to process personal data, it needs to be ensured that this consent is specific, it is appropriately secured and adequately documented. Guidelines should be given on consent management across the Bank to ensure proper understanding and management. The Privacy Statement is subject to annual review and revision process, conducted in collaboration with the Bank's Legal department to ensure alignment with all legal obligations.

In case a supplier processes personal data of the Bank's clients or employees, it should be safeguarded that they properly apply the GDPR principles throughout the contract relationship-lifecycle, in accordance with the Bank's [Sourcing Procurement & Vendor Management Policy](#). Structured assessments utilised, warrant that only suppliers that provide sufficient guarantees in regard to safeguarding the Bank's or third parties' personal data are being on boarded.

The Bank commits itself to safeguard the personal data collected, to promptly identify and mitigate any privacy risks. In this context, the Bank applies the Data Protection Impact Assessment (DPIAs) and Vendors management regarding the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council) ('the Regulation') compliance. The data collected is guaranteed to

be relevant through the meticulous execution of DPIAs at every stage of the data collection process. A robust data minimisation approach is carried out, ensuring that only necessary and pertinent data is collected. Subsequently, internal circulars and manuals undergo comprehensive review and amendment. The verification of data accuracy is systematically conducted through rigorous implementation of Anti-Money Laundering (AML) protocols in strict adherence to the stipulated AML directives which involves the diligent utilisation of certified copies of personal data (i.e. identification card).

The Bank fully implements the requirement of GDPR to designate a Data Protection Officer ('DPO'), who is responsible for supervising the general compliance with GDPR and for providing advice on the implementation and interpretation of the Bank's Personal Data Protection Policy.

The main responsibilities of the DPO, which are provided below, as also included within the Bank's [Personal Data Protection Compliance Policy](#):

- inform and advice the controller ('the Bank') and the processor and the employees who carry out processing of their obligations pursuant to this Regulation and to other Union or Member State data protection provisions;
- to monitor compliance with this Regulation, with other Union or Member State Data Protection provisions and with the policies of the controller or processor in relation to the protection of personal data, including the assignment of responsibilities, awareness-raising and training of staff involved in processing operations, and the related audits;

- to provide advice where requested as regards the Data Protection Impact Assessment (DPIA) and monitor its performance pursuant to Article 35;
- to act as the contact point for the supervisory authority on issues relating to processing, including the prior consultation referred to in Article 36 and to consult, where appropriate, with regard to any other matter;
- DPO shall in the performance of its tasks to have due regard to the risk associated with the processing operations, taking into account the nature, scope, context and purposes of processing. In essence, it requires DPOs to prioritize their activities and focus their efforts on issues that present higher data protection risks;
- Co-operates with DPOs of other Group Companies to disseminate knowledge and expertise, maximize synergies and deal with intra-group GDPR compliance issues;
- DPO is ultimately responsible for ensuring maintenance of Data Inventory records in compliance with applicable requirements;
- Ensures that there is a well-established procedure of Data Breaches and that all data breaches are timely reported;
- Ensures that the data privacy complaints are investigated in an adequate and timely process and are part of the current Complaints handling procedure.

The Bank follows a collaborative approach, where the Chief Information Officer (CIO) is informed to promptly address and mitigate data security issues, including incidents of breaches.

This approach ensures a coordinated response, enabling the Bank to effectively safeguard personal information and uphold the highest standards of data protection.

Conducting trainings on data privacy

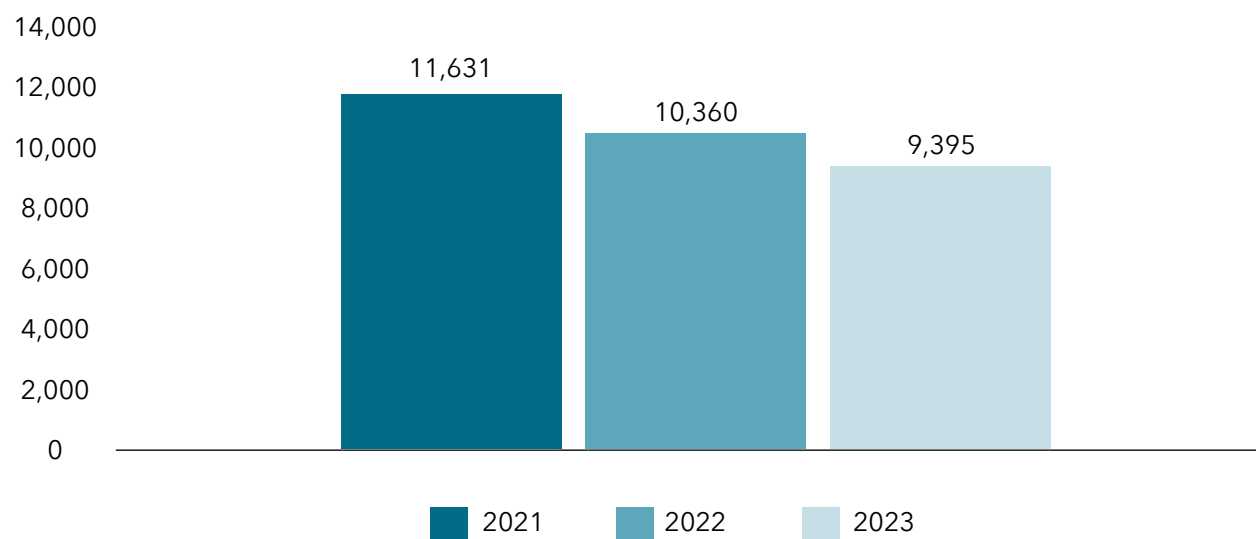
(Internal indicator: Number of entries in data privacy trainings)

The Bank provides training on its Data Protection Policy, related data protection obligations and information security to all its employees, Management & Board members. In-depth trainings are provided on an ongoing basis to specific functions, whereas more detailed trainings focusing on specific local requirements relevant to the compliance of the policy are also provided on a local level. The privacy culture has been enhanced within the Bank to ensure that data is properly protected, and therefore risks are minimised throughout the Bank.

Information security awareness trainings

During 2023, the Bank has developed a series of mandatory information security awareness trainings for all its employees, offered on a quarterly basis. The numbers presented below represent the total number of participants that enrolled in the 30-minutes online training modules, in all quarters, in each of the years presented.

Attendance on information security awareness trainings



Data breach - response and remediation

(GRI: 2-4, 418-1)

The Bank has established a robust incident response plan that includes immediate containment, investigation and notification procedures in the event of data breach. The plan is regularly tested and updated to ensure effectiveness and compliance with applicable laws and regulations.

To facilitate effective reporting of data breaches, the Bank has established a comprehensive guidance that serves as a reference for all employees. This guidance outlines the criteria and procedures for identifying and reporting reportable data breaches, empowering employees to promptly and accurately report any incidents. In the event of suspected data breaches, employees are obligated to expeditiously report such incidents to the DPO, within a maximum timeframe of 24 hours. The reporting can be done through designated communication channels, including email or phone and completing the respective form (Form for Reporting a possible personal data breach). In case where the data breach incident affects a large volume of customers, the Information Security Department is notified, and the Security Incident Response Plan procedures are initiated.

Substantiated complaints are considered to be 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. For further details with regards the process followed

on customer complaints refer to [Business Ethics and Compliance - Whistleblowing, grievances, and complaints](#).

One substantiated complaint concerning breach of customer privacy has been received in 2023. No substantiated complaints concerning breaches of customer privacy have been received in 2022 and 2021 (neither from outside parties, nor from regulatory bodies).

During 2023, the Bank recorded one instance of identified leak, theft, or loss of customer data.

At the end of 2023, the Bank, through its internal reporting procedures has identified a data leak incident. The incident was assessed by DPO within 72 hours and the Commissioner for the Protection of Personal Data (CPPD) was notified. Remedial actions were taken through enhancement of internal controls. The CPPD has imposed a fine of €8,000 for breaching the Regulation 2016/679 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data. The breach concerned the use of inaccurate address to mail the relevant notification letters under the sale of loans. The said fine has already been paid and the matter has now been concluded.

There were no instances of identified leaks, thefts, or losses of customer data during 2022.

At the end of 2021, the Bank, through its internal reporting procedures has identified a data leak incident. The incident was assessed by DPO within 72 hours and the Commissioner for the Protection of Personal Data (CPPD) was notified. The investigation and assessment of the incident was conducted in 2022 by the Security Incident Response Team and remedial action was taken

through enhancement of internal controls. The CPPD has informed the Bank that based on the evidence submitted, there was a breach of Regulation 2016/679 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data. The breach concerned the exchange of data under the sale of a portfolio of credit facilities which did not relate to the transaction. A fine of €17,000 was imposed on the Bank. The said fine has already been paid and the matter has now been concluded.

[Message from
the CEO](#)

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this report](#)

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[Our approach
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[**Appendices**](#)

Appendices

GRI Content Index

Statement of use	Bank of Cyprus has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

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	2-2 Entities included in the organization's sustainability reporting	- About this Report	4				√
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	2-7 Employees	- Social: Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	154	No omission			√
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	403-2 Hazard identification, risk assessment, and incident investigation	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	183	No omission			
	403-3 Occupational health services	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	183	No omission			
	403-4 Worker participation, consultation, and communication on occupational health and safety	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	182, 183	No omission			
	403-5 Worker training on occupational health and safety	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	186	No omission			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Health, safety, and wellbeing							
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	184, 185	No omission			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	188	No omission			
	403-8 Workers covered by an occupational health and safety management system	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	182	No omission			
	403-9 Work-related injuries	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	187	No omission			√
	403-10 Work- related ill health	- Social: Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	187	No omission			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Culture & heritage							
GRI 3: Material Topics 2021	3-3 Management of material topics	- Social: Safeguarding and promoting culture & heritage - Our impacts	196	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- Social: Safeguarding and promoting culture & heritage - Our approach to operational impacts: Promoting our culture and heritage in the society	203				
	Internal Indicators: Total number of CSR activities that took place in 2023 aiming to safeguard our cultural heritage, No. of participants attending BOCCF events	- Social: Safeguarding and promoting culture & heritage - Our approach to operational impacts: Promoting our culture and heritage in the society	203				√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Data privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	- Governance: Securing Data Privacy - Our impacts	240	No omission			√
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	- Governance: Securing Data Privacy - Our approach to operational impacts: Protecting personal data	244	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- Governance: Securing Data Privacy - Our approach to operational impacts: Protecting personal data	243				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Non-material topics							
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	- The Bank of Cyprus: Our business model	16	No omission			
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti- corruption policies and procedures	- Social: Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people - Governance - Corporate Governance - Business Ethics and Compliance	159, 217, 225, 235	No omission			
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	- Governance: Business Ethics and Compliance - Annual Financial Report 2023 – Note 38.2 – page 366	235	No omission			

SASB Index

SASB Financial Sector Commercial Banking Standard Disclosures

TOPIC	DISCLOSURE	SASB STANDARD	LOCATION	PAGES
			SECTION	
Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	- Governance: Securing Data Privacy - Our approach to operational impacts: Protecting personal data	241
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programmes designed to promote small business and community development	FN-CB-240a.1	- Social: Supporting financial inclusion and resilience - Our approach to financed impacts: Financing access that improve accessibility to the use of financial services and adequate, safe, and affordable housing	129
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programmes designed to promote small business and community development	FN-CB-240a.2	- Social: Supporting financial inclusion and resilience - Our approach to financed impacts: Financing access that improve accessibility to the use of financial services and adequate, safe, and affordable housing	129
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	- Environment: Setting an environmental strategy and contributing to climate stability - Our approach to financed impacts: Leading the way to sustainable financing - Governance: Sustainability Governance	72, 222

TOPIC	DISCLOSURE	SASB STANDARD	LOCATION	PAGES
			SECTION	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	- Governance: Business Ethics and Compliance	235
	Description of whistle-blower policies and procedures	FN-CB-510a.2	- Governance: Business Ethics and Compliance	231
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	- The Bank of Cyprus: Our business model - Environment: Setting an environmental strategy and contributing to climate stability - Our approach to financed impacts: Leading the way to sustainable financing	16, 72

The Impact Radar - Definitions

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Integrity & security of person <i>Population's ability (read as ability of the person) to enjoy freedom from injury to the body and mind; freedom from torture and cruel, inhuman or degrading treatment or punishment; freedom from slavery and servitude; freedom from forced displacement from conflicts or climate change/ natural disasters. It also includes data security, data privacy and protection.</i>	Modern Slavery	Population's ability to live free from severe exploitation for personal or commercial gain. This can take the forms of human trafficking, forced labour, debt bondage et al.		
		Child labour	Population's ability for children to live free from the deprivation of their childhood, their potential and their dignity. It can refer to work that is mentally, physically, socially or morally dangerous and harmful to children; and that interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.		
		Data Privacy	Population's accessibility to the right of personal privacy that people have against the possible use of their personal data by data processors in an unauthorized manner or against the requirements of force. This discipline is to protect the privacy of individuals at risk for the collection and misuse of their personal data.	√	Chapter Securing Data Privacy
		Natural disasters	Population's ability to live free from the long-standing effects of natural disasters including the displacement of population and worsened living conditions, additionally involving the limitation of natural resources such as drinking water.		
		Conflict	Population's ability to live free from war, conflict and persecution.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Health & Safety <i>Population's ability to live in a state of complete physical, mental and social well-being including the aspects of safety and not merely the absence of disease or infirmity. Including the ability to meet various human needs, some of which essential to thrive and feel satisfied with their life.</i>	Health & safety	The definition of Impact topic and Impact Area coincide.	√	Chapter Protecting and promoting health, safety, and wellbeing
	Availability, accessibility, affordability, quality of resources and services <i>Population's ability to access resources and services that pertain to their individual needs, this includes the availability, accessibility, affordability, and quality of resources and services.</i>	Water	Population's accessibility to sufficient, safe, acceptable and affordable water for personal, domestic and economic uses. Safe water is water free from micro-organisms, chemical substances and radiological hazards that constitute a threat to a person's health.		
		Food	Population's accessibility, physical, social and economic, to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.		
		Energy	Population's accessibility to modern energy, to include: household access to a minimum level of electricity and to safer and more sustainable cooking and heating systems.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Availability, accessibility, affordability, quality of resources and services <i>Population's ability to access resources and services that pertain to their individual needs, this includes the availability, accessibility, affordability, and quality of resources and services.</i>	Housing	Population's accessibility to adequate, safe and affordable housing: a place where to live in security, peace and dignity.	√	Chapter Supporting financial inclusion and resilience
		Health and sanitation	Population's ability to access quality essential health-care services and effective, quality and affordable essential medicines and vaccines. It also includes sanitation, which refers to population's accessibility to facilities and services that ensure privacy and dignity, ensuring a clean and healthy living environment for all.	√	Chapter Protecting and promoting health, safety, and wellbeing
		Education	Population's ability to access quality education and lifelong learning opportunities in an inclusive and equitable way. This refers to accessibility for all to elementary education, free and compulsory; and to technical, professional and higher education, as made available, equally accessible to all on the basis of merit.	√	Chapter Contributing to quality education and lifelong learning opportunities
		Mobility	Population's accessibility to safe, affordable, inclusive, efficient and sustainable mobility and transport systems and infrastructure.		
		Information	Population's accessibility to information and ideas through any media regardless of frontiers. The right to freedom of expression, which includes the right to seek, receive and impart information and ideas of all kinds, regardless of frontiers, through any media, applies to everyone, everywhere, and may only be subject to narrow restrictions.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Availability, accessibility, affordability, quality of resources and services <i>Population's ability to access resources and services that pertain to their individual needs, this includes the availability, accessibility, affordability, and quality of resources and services.</i>	Connectivity	Population's accessibility to universal and affordable information and communications technology.		
		Culture and heritage	Population's ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits. This includes the safeguarding and promotion of cultural heritage in all its forms: tangible and intangible, cultural and natural, movable and immovable.	√	Chapter Safeguarding and promoting culture & heritage
		Finance	Population's accessibility to the use of financial services by individuals and firms. Financial inclusion allows individuals and firms to take advantage of business opportunities, invest in education, save for retirement, and insure against risks. Financial health means a state in which an individual, household, micro, small or medium-sized enterprise can smoothly manage their current financial obligations and have confidence in their financial future. This includes four elements; managing day-to-day finances to meet short term needs; capacity to absorb financial shocks (resilience); capacity to reach future goals; feeling secure and in control of finances (confidence).	√	Chapter Supporting financial inclusion and resilience

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Livelihood <i>Population's accessibility to full and productive employment and decent work, which delivers a fair income, security in the workplace, social protection for families, and involves prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment.</i>	Employment	Population's accessibility to productive work in conditions of freedom, equity, security and human dignity.		
		Wages	Population's accessibility to a living wage, defined as the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his dependents. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing and other essential needs including provision for unexpected events.		
		Social protection	Population's accessibility to social protection, or social security, as the set of policies and programmes designed to reduce and prevent poverty and vulnerability across the life cycle. Social protection includes nine main areas: child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection, old-age benefits, disability benefits and survivors' benefits.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	Equality & justice <i>Population's ability to live free from discrimination of all kinds (gender, racial, ethnic, age et al.) and to access justice in an equal and inclusive way.</i>	Gender equality	Population's ability to live free from gender inequality, where there is an equal treatment of rights, responsibilities and opportunities of women and men.		
		Ethnic/Racial equality	Population's ability to live free from ethnic/racial discrimination which is defined as any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life.		
		Age discrimination	Population's ability to live free from ageism, defined as the stereotypes (how we think), prejudice (how we feel) and discrimination (how we act) towards others or oneself based on age.		
		Other vulnerable groups	Population's ability for vulnerable groups to live free from discrimination. These groups can include persons with disabilities, LGBT+ persons, migrants, refugees and asylum-seekers.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Socio-economic	Strong institutions, peace & stability <i>Population's ability to benefit from effective, accountable and inclusive institutions, which support the expansion of rule of law, maintenance of civil liberties and overall political and economic stability. Protection from corruption and bribery in all their forms, illicit financial and arms flows, all forms of organized crime and interference with rule of law; and recovery and return of stolen assets.</i>	Rule of law	Population's ability to benefit from effective, accountable and inclusive institutions, which support the expansion of rule of law. Protection from corruption and bribery in all their forms, illicit financial and arms flows, all forms of organized crime and interference with rule of law; and recovery and return of stolen assets.		
		Civil liberties	Population's ability to benefit from effective, accountable and inclusive institutions, which support the maintenance and expansion of civil liberties.		
	Healthy economies <i>Development and creation of sustainable, diverse and innovative markets, that add value to society and the economy. This also includes the process of economic diversification where an economy shifts away from a single income source toward multiple sources from a growing range of sectors and markets.</i>	Sector diversity	Diversifying local and national economies away from a single income source towards multiple sources from a growing range of sectors and markets.		
		Flourishing MSMEs	Development and value creation through successful MSMEs.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Socio-economic	Infrastructure <i>Development and creation of vital services and systems that range from transport systems to power grids and sanitation networks, it provides the services that enable society to function and economies to thrive.</i>	Infrastructure	The definition of Impact topic and Impact Area coincide.		
	Socio-economic convergence <i>Ability of countries to reduce inequality at the individual and population level.</i>	Socio-economic convergence	The definition of Impact topic and Impact Area coincide.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Natural Environment	<p>Climate Stability</p> <p><i>State of the climate when not affected by human activities. Human activities change the composition of the global atmosphere with the exposure to greenhouse gas (GHG) emissions being a direct factor contributing to climate change. Climate stability can be achieved through the:</i></p> <ul style="list-style-type: none"> • <i>avoidance of GHG emissions (avoided emissions are emission reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product)</i> • <i>reduction of GHG emissions (limitation of emissions directly related to the product)</i> • <i>removal of GHG emissions (anthropogenic activities removing CO₂ from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage).</i> 	Climate Stability	The definition of Impact topic and Impact Area coincide.	√	Chapter Setting an environmental strategy and contributing to climate stability

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Natural Environment	Biodiversity & healthy ecosystems <i>Variety of living organisms from all sources including, terrestrial, marine and aquatic ecosystems and the ecosystems they are part of. This includes diversity within species, between species and of ecosystems varying from within waterbodies, soil and in the air.</i>	Waterbodies	Quality, understood as the physical, chemical, biological, and taste-related properties of water, as well as the quantity of surface water and groundwater.		
		Air	Quality of ambient (outdoor) and household (indoor) air as exposed to contaminant or pollutant substances that do not disperse properly and that interfere with human health and welfare, or produce other harmful environmental effects.	√	Chapter Safeguarding Biodiversity and healthy ecosystems
		Soil	Composition of soil and its ability to deliver ecosystem services, in terms of food production, as biodiversity pools and as a regulator of gases, water and nutrients. Exposure to pollutants and factors that may interfere with this ability and soil stability for future land use.	√	Chapter Safeguarding Biodiversity and healthy ecosystems
		Species	Ability to maintain species which can range from an animal, a tree, a coral, a fungus, an insect, or any number of other life forms on this planet. Endangered species are species that are listed as Critically Endangered (CR), Endangered (EN) or Vulnerable (VU) by the IUCN Red list.		
		Habitat	Ability to protect, restore and promote sustainable use of terrestrial and non-terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.		

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Natural Environment	Circularity <i>Circularity is the model of production and consumption that involves the following processes:</i> <ul style="list-style-type: none"> • <i>Reduce by design: reducing the amount of material used, particularly raw material, should be applied as an overall guiding principle from the earliest stages of design of products and services</i> • <i>From a user-to-user perspective: Refuse, Reduce and Re-use</i> • <i>From a user-to-business intermediary perspective: Repair, Refurbish and Remanufacture</i> • <i>From business-to-business: Repurpose and Recycle.</i> 	Resource intensity	Efficient use of limited, non-renewable natural resources (which cannot be regenerated after exploitation) and renewable natural resources (which can return to their previous stock levels by natural processes of growth or replenishment) in the process of exploiting nature for production and consumption purposes. Can also be read as resource security.	√	Chapter Promoting circularity
		Waste	Ability to manage waste, including the control, monitoring and regulation of the production, collection, transport, treatment and disposal of waste, and the prevention of waste production through in-process modifications, reuse and recycling during a project lifecycle. This includes waste reduction.		

Independent auditor's limited assurance report

To

**The Board of Directors of
Bank of Cyprus Public Company Limited**

51 Stasinou Street
Ayia Paraskevi, Strovolos
2002, Nicosia

Dear Sirs,

We have undertaken a limited assurance engagement in respect of (i) the accuracy and completeness of the selected sustainability information listed below in the Bank of Cyprus Public Company Limited (hereinafter "BOC") sustainability report for the year ended 31 December 2023 (hereinafter "Report") and (ii) the preparation of the Report in accordance with the GRI Standards (2021 update).

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31 December 2023 is summarised below:

Disclosures	Description
GRI 302-1	Energy consumption within the organization
GRI 302-3	Energy intensity
GRI 305-1	Direct (Scope 1) GHG emissions
GRI 403-9	Work-related injuries
GRI 404-1	Average hours of training per year per employee
GRI 404-3	Percentage of employees receiving regular performance and career development reviews
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
Internal KPI	Paper consumed / printed
Internal KPI	Financing to NACE sectors that create negative impacts on air
Internal KPI	Financing to NACE sectors that create negative impacts on soil
Internal KPI	Percentage change in the number / value of transactions through the internet / mobile platforms
Internal KPI	Percentage change in the number of users of the internet / mobile platforms
Internal KPI	Total number of CSR activities that took place in 2023 aiming to safeguard our cultural heritage
Internal KPI	Number of participants attending BOCCF events

Our assurance was with respect to the preparation of the Report in accordance with the principles required by the GRI Standards (2021 update) and the Identified Sustainable Information for the year ended 31 December 2023 only and we have not performed any procedures with respect to earlier periods or any other elements included in the Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by BOC to prepare the Identified Sustainability Information is set out in section 'About this report' on page 4 within the Report.

BOC's responsibility for the identified sustainability information

BOC is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emission of different gases.

Our Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information and the preparation of the Report in accordance with the principles required by the GRI Standards (2021 update), based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of BOC's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall

presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- obtained an understanding of the process for collecting and reporting Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that the data had been appropriately measured, recorded, collated and reported;
- considered the disclosure and presentation of the Identified Sustainability Information; and
- considered the preparation of the Report in accordance with the principles required by the GRI Standards (2021 update)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would be obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether BOC's Identified Sustainability Information has been prepared, in all material aspects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that BOC's Identified Sustainability Information for the year ended 31 December 2023 is not prepared, in all material aspects, in accordance with the Criteria.

Moreover, nothing has come to our attention that causes us to believe that the Report does not meet the requirements for reporting in accordance with the GRI Standards (2021 update).

Restrictions on distribution and use

This report, including the conclusion, has been prepared solely for the Board of Directors of BOC as a body, to assist them in reporting on BOC's sustainable development performance and activities. We permit the disclosure of this report within BOC's sustainability report for the year ended 31 December 2023, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent

permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and BOC for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Sincerely,



PricewaterhouseCoopers Limited
Certified Public Accountants and Registered
Auditors

Nicosia
28 June 2024



Consultation & Coordination

The present Report was developed by Bank of Cyprus through the internal cooperation of various divisions and departments. The Bank of Cyprus is responsible for the calculation, collection and consolidation of quantitative data as well as for the accuracy and completeness of the quantitative and qualitative data included in this report.

Information about the Corporate Governance, Policies and Annual Report

Policies are available online on: [Corporate Governance Policies and Other Group Policies - Bank of Cyprus](#)

Vision, mission and values are available online on: [Our Culture - Bank of Cyprus](#)

Reports can be found on: [Governance Reports - Bank of Cyprus](#), [Sustainability Reports - Bank of Cyprus](#)

Information on the Annual Reports can be found on: [Annual Reports - Bank of Cyprus](#)

Information on credit rating can be found on: [Credit Rating - Bank of Cyprus](#)

Information on the regulatory compliance policies can be found on: [Corporate Governance Policies and Other Group Policies - Bank of Cyprus](#)