

# 2017 Bank of Cyprus Corporate Responsibility Report



Bank of Cyprus



# 2017 Key Indicators of Our Corporate Responsibility



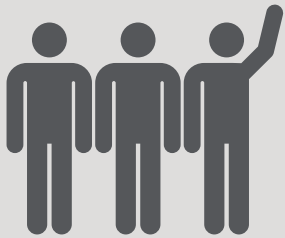
## Our Community



**More than 2,500 new patients** received treatment from the Bank of Cyprus Oncology Centre (**36,000+ in total since 1998**).

**We co-organised** with NGO Reaction **five debates between students** with Cypriot leaders (the President of the Republic of Cyprus, the Archbishop, the President of the House of Representatives, the Minister of Health and with 4 players from the national football team).  
**500+ students in total.**

## Our People



**460+** staff volunteers supported our community initiatives.

## Our Environment

**Estimated energy consumption reduction in 2017 is**

**4%**

compared to 2016.

**We upgraded the internal portal** to enhance its capabilities thus encouraging our staff to further reduce the use of paper.

## Our Responsible Services



Based on Anti Money Laundering (AML) measures, **the Bank rejected 1,354 potential customers and suspended 2,401 customer relationships** of which 1,862 have been terminated.

**The Board of Directors maintain a "zero tolerance" approach to acts of bribery** by any of our employees or any business partners.



**Contributed to the €470,000 funds**

raised for the Cyprus Anticancer Society.

**#stiMaxi**

**2,400+ children**

visited the **Bank of Cyprus Cultural Foundation** to meet archaeologists, writers, musicians and artists and become actively involved in activities.

**99%**

of our staff participated in **e-learning** programmes.

**We have completed 8,800+ hours of training** on financial crime issues for all members of our staff.

We continue to encourage our customers to use

**our innovative web and phone banking services,**

with significant results in paper reduction and a positive environmental impact.

We recycled approximately

**290,000 kg**



**We recycled 1,900+ kg**

of metal (metal parts of old furniture, machinery etc).



New procedures and criteria were introduced for **the supply chain**, ensuring a smooth and transparent process in the selection of suppliers.



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**Cover photo:** The BOC (Bank of Cyprus) Kids Innovation Dome at the Afro Banana Republic Festival, at Kornos Forest, Larnaca, July 2017. The Dome and the activities for children it included "travelled" to the Bank's Cultural Foundation, in September, 2017. A new "travelling plan" is organised for 2018.

# 01.

## About the Bank of Cyprus and Corporate Responsibility

The aim of the Corporate Responsibility Report is to fully and thoroughly inform the Bank's stakeholders on issues related to its impact on the environment, society and employees.

### Scope and reporting period

This Report aims to chart the Bank of Cyprus strategy and annual activities on matters of Corporate Responsibility (reporting period 1.1.2017 - 31.12.2017) and illustrates the commitment undertaken by Bank of Cyprus to the principles and strategy of Corporate Responsibility.

### Implementation of the Global Reporting Initiative (GRI)

This is the first Corporate Responsibility Report of Bank of Cyprus that is based on the guidelines of the Global Reporting Initiative (GRI) and, more specifically, on the G4 version in compliance with the level Core (In Accordance - Core).

### External Assurance Report

An External Assurance Report was conducted for the 2017 Bank of Cyprus Sustainability Report. The aim of the assurance process is to provide confirmation to the stakeholders of Bank of Cyprus for the accuracy, the reliability and the objectivity of the information in the Sustainability Report and that the Sustainability Report contains all the material issues for Bank of Cyprus and for its key stakeholder groups. The 2017 Corporate Responsibility Report of Bank of Cyprus has been conducted by the Centre for Sustainability and Excellence (CSE) according to the G4 reporting guidelines (In Accordance - Core) of the Global Reporting Initiative (GRI).

You can review our existing performance in the GRI Index publication on the Bank's website  
<http://www.bankofcyprus.com/en-GB/our-responsibilities/csr-reports>

### Communication about the Report

For any clarifications on the Corporate Responsibility Report for the year 2017, please contact the Corporate Affairs Division at 22122304, email: [bankofcypruscsr@bankofcyprus.com](mailto:bankofcypruscsr@bankofcyprus.com).

The Bank has adopted a specific model to manage important issues embedded in its strategy, which is detailed below. The Bank of Cyprus Corporate Responsibility Report covers the four key pillars: community, workplace, the Bank's responsible services and environment.



John Patrick Hourican  
Bank of Cyprus CEO

## 02. Our Commitment to Corporate Responsibility: **Beyond Banking**

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Having survived a difficult financial crisis, the Bank of Cyprus is now embarking on a transformative agenda which will affect the entire country. The agenda includes plans that will refocus the business on achieving safer and more sustainable growth. The Bank is playing an important role in reshaping the digital footprint of Cyprus and modernising financial services. At the same time, we are better placed and more capable to capitalize on higher-return businesses than it was during the previous years.

At Bank of Cyprus, we take our Corporate and Social Responsibility seriously. We endeavour to take into account the needs of all our stakeholders in everything we do. We take decisions that, in the long-term, are positive for our customers and clients, shareholders, employees and the communities we serve. The goal is to go further and be recognised as an essential part of Cyprus sociological fabric. This will require greater collaboration between the public and private sector and we are committed to this.

We operate and act with integrity and transparency ensuring, first and foremost, the principles of confidentiality and privacy. We strive to earn our customers' trust by placing them at the very centre of our organization's focus, and by understanding and anticipating their financial needs.

We respect and recognize the efforts of all our partners and the results they bring. We believe that the best results come through teamwork and collective action. Our Corporate Responsibility Strategy emphasises social aspects that are of great importance to our stakeholders. We are committed to being active members of the communities we serve. Employees are encouraged to volunteer their time and skills to support a wide range of charitable and social projects. We encourage charity work and volunteerism.

During 2015-2017, Bank of Cyprus set out to serve society's trust, confirming and reaffirming that we remain one of the central pillars of Cypriot society. We focused our resources on actions primarily in the areas of health and education. We have always been a supporter to the efforts to upgrade healthcare quality in Cyprus, for all its citizens. Over the last 20 years, Bank of Cyprus has played a major role in the "Fight against Cancer" initiatives, as a long-time sponsor of the Bank of Cyprus Oncology Centre.

Helping young people to fulfil their potential is a passion for us. Education-led initiatives develop skills, build confidence and provide access to employment opportunities.

This Report provides further information on a range of initiatives we have under-taken to ensure we act as a responsible partner to business and society. We are committed to continuing these efforts over the coming years and in building a stronger and more successful Bank.

Even greater than being "Bank of Cyprus", we are The Bank for Cyprus.

**John Patrick Hourican**  
**Bank of Cyprus CEO**

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## 03. Our History

Newly under British rule in the latter parts of the 19th century, Cypriots found themselves trapped in an underdeveloped economy life with sharking, endemic exploitation and lack of capital.

The Nicosia Savings Bank, envisioned by the lawyer Ioannis Economides and doctor Antonios Theodotou, was one of the first efforts to release the suppressed entrepreneurial spirit of Cypriots by supporting local businesses.

In 1912, the Nicosia Savings Bank became Bank of Cyprus.



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3



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**From Left** 1. Old signage of a Bank of Cyprus branch./ 2. Blood donation organised by our staff in Limassol, in 1965. /3. A contribution of CY£50,000 was offered for the relief of victims of the Turkish invasion, in 1974. / 4. Thanking letter sent by the consul of Greece to our staff for the contribution of CY£32 to support the national struggle, during the World War II, in 1941.



## Key Milestones in our History

- 
- 1899** — Establishment and operation of the “Nicosia Savings Bank”.
  - 1943** — Bank of Cyprus merges with banking institutions in other towns and expands throughout Cyprus. Ancient Cyprus coin bearing the inscription “Koinon Kypriou” (Common to all Cypriots) adopted as the Bank’s emblem.
  - 1955** — Establishment of Bank of Cyprus (London).
  - 1984** — Establishment of Bank of Cyprus Cultural Foundation.
  - 1997** — Opening of the first branch of Bank of Cyprus in the United Kingdom.
  - 1998** — Opening of the Bank of Cyprus Oncology Centre.
  - 2013** — Placed under resolution from March 24 to July 30 following the Eurogroup decisions of March 2013 and the decrees issued by the Central Bank of Cyprus.
    - Recapitalisation and restructuring through Bail-in.
  - 2014** — €1 billion share capital increase. The largest Foreign Direct Investment (FDI) in Cyprus history.
    - Appointment of new Board of Directors chaired by Prof. Dr. Josef Achermann.
  - 2016** — Completion of the deleveraging strategy through the disposing of non-core operations.
  - 2017** — Final repayment of the Emergency Liquidity Assistance (ELA) amounting to €11,4 billion mostly acquired from Laiki Bank in mid-2013.
    - Issuance of Tier 2 Capital (€250 million).
    - Admission of the shares of the new holding company to the standard listing segment of the Official List of the United Kingdom Financial Conduct Authority, to trade on the Main Market for listed securities of the London Stock Exchange, to list on the Cyprus Stock Exchange (CSE) and to trade on the Main market of the CSE.

## 04. About Bank of Cyprus Group

Founded in 1899 and headquartered in Nicosia, Bank of Cyprus is the largest banking and financial services group in Cyprus, with significant market shares across all business segments. Bank of Cyprus is at an advanced stage of its transformation, becoming a stronger, Cyprus and UK focussed, outcome-driven organisation.

The Group has 123 branches, of which 121 are in Cyprus, 1 in Romania and 1 in the United Kingdom. Bank of Cyprus also has representative offices in Russia, Ukraine and China.

### Our Awards, Honours and Certifications

- 2017 Best Corporate Governance Award, Cyprus, by World Finance (UK)
- 2017 Bank of the Year Award (Cyprus) of Corporate Insider's Business Excellence Awards
- Best Private Banking in Cyprus 2017 Global Finance magazine
- Best Private Banking in Cyprus 2017 Euromoney magazine
- Best Subcustodian Bank in Cyprus 2017 Global Finance magazine
- Best Bank FX Providers 2017 Global Finance magazine
- Citibank Award of "USD Straight – Through Processing (STP) Excellence Award", for the payments orders
- ISO 9001:2015 certification for International Banking (IB), the International Business Units (IBUs) and the International Lending Units (ILUs)



### Social Honorary Awards

- In Business Corporate Social Responsibility Award 2017
- IMH Award for overall contribution to Corporate Social Responsibility
- NGO Reaction Excellence Award
- NGO Goal sti Zoi

## 05. Our Bank's New Culture of Values

Bank of Cyprus has engaged since the beginning of 2014 in a very demanding and rigorous anti-financial crime remediation programme which has successfully been implemented by the end of 2015. Today's compliance function of Bank of Cyprus is of a world class standards which amongst others adhere to the principles of the US Patriot Act and local and EU law.

Over the last four years and until 31 December 2017 this strict programme resulted in the following:

- A decrease of the international business clientele portfolio by 33%.
- Termination of around 80% of relationships with professional intermediaries introducing customers to the Bank, leading to a decrease of this portfolio of intermediaries from 1,601 to 324.

Also, in the last 3 years the Bank proceeded with the termination/suspension of 5,359 customer relationships solely on compliance/financial crime reasons corresponding to an estimated over €3.6 billion of turnover and yearly profitability of €10.5 million.

The Group has further established a robust regulatory framework which is governed by the Group Regulatory and Ethics Compliance Governance Policy.

This Policy is fully aligned with the requirements of the relevant CBC Directive as well as the EBA Guidelines on Internal Governance. The Compliance function has further issued and reviews annually 16 regulatory compliance policies, 4 corporate governance policies and 4 anti-financial crime policies to ensure the compliance framework remains up-to-date and incorporates best practices in managing compliance risk.

Following the successful implementation of this uniquely robust compliance framework, Bank of Cyprus received independent recognition of its proven spectacular transformation which led to the establishment of its new corporate culture of ethics, as follows:

- The shares of the holding company (Bank of Cyprus Holdings Public Limited Company) were listed on

the London Stock Exchange and consist today the only corporation in Cyprus that fully complies with both the London Stock Exchange Corporate Governance Code and the Corporate Governance Code of the Cyprus Stock Exchange.

- Positive comments and feedback received from various Regulatory Authorities on the new level of compliance and corporate governance of Bank of Cyprus.
- Won the 2017 Best Corporate Governance Award, Cyprus, by World Finance (UK).
- Won the 2017 Bank of the Year Award (Cyprus) of Corporate Insider's Business Excellence Awards.

This new culture of values of our new Bank forms the hallmark of the relationship with our shareholders, customers, regulators and other stakeholders.



Listed on the London Stock Exchange, on January 19th, 2017.

## 06. Our Stakeholders & Our Priorities

Our relationship with our stakeholders is a critical component of the drive towards sustained and sustainable growth.

The response to the concerns of our stakeholders is a key element of our Social Responsibility and Transparency projects.



Based on our stakeholder's guidance, we determined that the most important priority areas are:

**Local Communities**

**Customer Privacy**

**Equal remuneration for women and men**

**Indirect Economic Impacts**

**Employment**

**Training and Education**

*More information on our Relationship with our Stakeholders and on the Methodology of selecting our priorities (the Materiality Assessment) can be found on the Appendix "GRI Index".*

## 07. Our Corporate Governance

Sound corporate governance policies are critical for maintaining the confidence of stakeholders and creating shareholder value. The Board of Directors provides the leadership for the Group within a framework of prudent and effective controls for the assessment and management of the risk.

The Bank of Cyprus Group as a leading organization and publicly traded financial institution is in compliance with the Corporate Governance Code of the Cyprus Stock Exchange, the UK Code of Corporate Governance and the Directive on Governance and Management Arrangements of the Central Bank of Cyprus. Beyond these, Bank of Cyprus adheres to best practices on corporate governance.

The admission to Listing and Trading on the London Stock Exchange in addition to the Cyprus Stock Exchange in 2017 is a solid confirmation of the Board's commitment to best international practices of corporate governance and transparency.

*More information on our Corporate Governance can be found at Appendix "GRI Index".*



**Dr. Josef Ackermann,  
Chairman of the  
Board of Directors,  
addresses the Annual  
General Meeting, on  
August 29th, 2017.**

The Board sets **the Group's values and standards** and ensures that its obligations towards its shareholders and other stakeholders are understood and met.

## Financial Results 2017

The Financial Results for the year ended 2017, can be found on our website:  
<http://www.bankofcyprus.com/en-GB/investor-relations-new/reports-presentations/financial-results/>

## 08. Our Community

Bank of Cyprus remains a pillar of society and a key driver of sustainable growth in Cyprus.

Reflected in our logo, **“Koinon Kyprion”** (Common of Cypriots), the Bank undertakes sustainable support actions where:

- A compelling societal need exists.
- The said need is not served by the public sector.
- The proposed actions/strategies best serve all Bank of Cyprus stakeholders (investors, customers, employees, shareholders, regulators etc.).

These actions fall within the two pillars: **Health and Education**

In 2017 we supported more than 180 NGOs, charity organizations, associations, municipalities, schools, sports federations and sports academies with the amount of €1.2 million.



The Bank of Cyprus Cultural Foundation is situated in the heart of the old city of Nicosia, aiming to become the cultural centre of Cyprus.



The Bank of Cyprus Oncology Centre has been the flagship of our Community Support in the Health Pillar since 1998.



The total number of patients enrolled in the Bank of Cyprus Oncology Center from 1998 until the end of 2017, is **more than 36,000.**

## Health Pillar

### Main Partnerships and Actions

- Continued our financial supports towards the Bank of Cyprus Oncology Centre.
- Renewal of the contract for Medica group insurance for children orphaned by tragic accidents (Helios, Sharm-el-Sheikh, Mari, Soleas forest fire).
- Coordinated the "Fight against Cancer" campaign with the Cyprus Anticancer Society (Christodoula March).
- Established partnership in implementing the "En Ergo" Carers Training Programme for paraplegics (a collaboration with the Ministry of Labour and the Cyprus Paraplegics Organisation).
- Created the "Kyprou" Blood Bank in Greece in collaboration with the Republic of Cyprus (the Ministry of Health) and NGO Reaction.
- Established partnership and inauguration of "Folia," the centre providing support and training to persons suffering from rare disorders, by the Cyprus Alliance for Rare Disorders.
- Repeated our partnering to provide financial and other support to needy families through the Nicosia Large Families Association, FunRaising Limassol and Alkyonides (refurbished computers - Bank's old stock), delivery of 30 heaters during the winter, financial support covering major medical expenses.
- Offered hospitality and a Christmas meal to the families of the Elpida Foundation For Children With Cancer & Leukemia.
- Repeated our partnership with FunRaising at the Children's Cultural Festival and Xmas charity events in Limassol.
- Organised the 1st pancyprian blood donation drive (Collaboration with the Blood Bank, NGO Reaction, General Insurance of Cyprus and EuroLife).
- Organised a fun day at our "Equal Opportunities Park" for children with disabilities with the Larnaca-Kition Rotary Club.

### BANK OF CYPRUS ONCOLOGY CENTRE

The Bank of Cyprus Oncology Centre was founded in Nicosia in partnership with the Republic of Cyprus, and started offering services in 1998.

The Centre has become the Nation's flagship in cancer treatment targeting some 80% of diagnosed cases in Cyprus. The country maintains one of the highest survival rates among OECD (Organisation for Economic Co-operation and Development) countries thanks to the Centre.

Bank of Cyprus Oncology Centre is the first hospital in Cyprus and Greece to receive quality accreditation CHKS (Caspian Healthcare Knowledge Systems), Europe's leading hospital accreditation organization. The Centre ranks amongst the most distinguished

hospitals in terms of its operating and quality standards.

In 2017, it was decided that from 2018 onwards, the Bank's Group Internal Audit will be performing annual audits to the Bank of Cyprus Oncology Centre, in order to provide assurance to the Centre's Board of Directors in relation to the adequacy of the existing governance, risk management and internal control framework.

### CYPRUS ANTICANCER SOCIETY

Bank of Cyprus remains a long-standing partner of the Cyprus Anticancer Society, and since 1999 we have been supporting the Cyprus Anticancer Society's efforts to raise public awareness about cancer, as well as raise funds to maintain and upgrade its services and facilities.

The annual "Christodoula March" during April is heavily supported by Bank of Cyprus and our volunteers. Through #stimaxi (fight against cancer) campaign that was originally launched in 2016, we invited our fellow citizens to "join the battle" and support the Cyprus Anticancer Society.

In 2017, the campaign raised more than €470,000, marking an increase of 5% on funds raised before 2016.

### FOLIA CENTRE

We engaged as the main partner in the establishment and operation of the model "Folia (nest) Centre", a point of reference as well as a centre for information and education to patients with rare disorders and their families.

The Centre, which began operating on Thursday, 6 July 2017, was established in collaboration with the Cyprus Alliance for Rare Disorders and the support of the Ministry of Health.

The decision to set up the Centre realises the dreams of some 60,000 patients and their families, as the centre will provide them with information, support and education.

In December 2017, our volunteers assisted during the Christmas event at "Folia Centre".

### PANCYPRIAN BLOOD DONATION DRIVES

In 2017, we ran a Pancyprian week-long Blood Donation Drive under the slogan, "What type are you? Someone needs your blood type."

The blood drive, organised by the General Insurance of Cyprus, a member of the Bank of Cyprus Group, took place in all cities and the call for participation went out to existing but also new blood donors, members of the Group employees as well as the general public.

Our partners in the drive are EuroLife, a member of the Bank of Cyprus Group, and the NGO Reaction. The blood drive is supported by the Blood Bank of the Ministry of Health.

### BLOOD BANK "KYPROU" IN GREECE

During the end of 2017, we announced the setup of the "Kyprou" Blood Bank in Greece. In cooperation with NGO Reaction and the Ministry of Health of the Republic of Cyprus, the "Kyprou" Blood Bank in Greece will provide relief to Cypriots in need of securing blood for treatment or surgery in Greece.

The "Kyprou" Blood Bank began operating on 12 December 2017 at the Ayios Savvas Hospital, in Athens, in the presence of the permanent secretary of the Ministry of Health of Cyprus,

the Cypriot Ambassador in Greece, the chairman and members of the Cypriot expatriate community in Greece, state officials and volunteers. On the same day the first official blood donation took place in order to create a blood stock, with volunteers from NGO Reaction, Cypriot embassy staff and students.

## Education Pillar

### Main Partnerships and Actions

- Revamped the Bank's Cultural Foundation under new management and a refreshed strategy.
- Continued successful outcomes in supporting start-ups through IDEA incubator.
- Became the platinum sponsorship at Pafos2017, supporting all efforts to promote culture, creativity and innovation in the European Capital of Culture for 2017.
- Organised 5 debates between students and the President of the Republic of Cyprus, the Archbishop of Cyprus, the President of the House of Representatives, the Minister of Health, players from the national football team (partnership with NGO Reaction).
- Partnered with NGO Goal in Life, a football players' charitable association (Youth Supporter).
- Renewal of the subsidisation of the operating expenses of 6 kitchens in 6 primary schools ("I cook and I offer") - by NGO Sofia Foundation for Children.
- Partnered with the University of Cyprus at the Knowledge Festival, on the premises of the University of Cyprus.



- Partnered with the Ayia Napa Soccer Festival (Youth Supporter for football academies).
- Repeated our partnership with Start-up Weekend Cyprus (Innovation).
- Awarded top students at the Pancyprian Mathematics Competition, the Mathematical Olympiad and the Science Olympiad (Youth Supporter).
- Repeated our partnership with NGO ABR at the Afrobanana Republic Festival and the Kids Innovation Domes at the Bank of Cyprus Cultural Foundation.
- Repeated our partnership with the European Youth Parliament Cyprus (Youth Supporter).
- Participated in "Masterland" educational theme park in Limassol, with Bank of Cyprus being the bank of "model city".



The Bank of Cyprus Cultural Foundation has developed a series of multi-faceted activities over the years, in order to become the centre of culture, art and creativity of Cyprus.

**Information and details on the Bank of Cyprus Cultural Foundation's collections, museums, educational programme and events can be found on [www.boccf.org/museums-and-collections/](http://www.boccf.org/museums-and-collections/)**

The Bank of Cyprus Cultural Foundation organised and hosted at its courtyard the Faneromeni 17 Arts Festival, during the summer months of 2017.



- Offered CIM (Cyprus Institute of Marketing) scholarships to top students in financial distress.
- Repeated our partnership with TEDxUniversity of Nicosia.
- Partnered with sport teams, federations and academies (Youth Supporter).
- Granted towards the Committee on Missing Persons (CMP) for specialised data software, and initiating collaboration with a view to enhancing educational activities and research.
- Offered support to more than 50 schools for teaching equipment and for needy pupils.

#### **BANK OF CYPRUS CULTURAL FOUNDATION**

The Bank of Cyprus Cultural Foundation has developed a series of multi-faceted activities over the years, in order to become the centre of culture, art and creativity of Cyprus. It is housed in the old administrative building of the Bank of Cyprus, situated in the historical centre of Nicosia.

The Foundation keeps six Cyprological collections and manages two museums.

#### **Educational programmes #deneinaisxoleio**

For the 33rd consecutive year, children visited the Bank of Cyprus Cultural Foundation to meet Archaeologists, Writers, Musicians and Artists and become actively involved in exciting activities. Under the title #deneinaisxoleio ("this is not school") the Cultural Foundation's educational programmes are addressed to children aged 4-18, with an eye to socializing them, introducing them to new sciences and crafts, and actively engaging them in activities. Entering into new partnerships with acknowledged educational institutes and skilled animators, the Cultural Foundation launched a series of eight new educational programmes for the 2017-18

school year, with the participation of 2,436 students.

#### **Faneromeni 17 Arts Festival**

Faneromeni 17 presented a multifaceted programme featuring local and international participations. From mid-June to the end of September, the courtyard of the Cultural Foundation became the most vibrant nucleus of culture in the old city of Nicosia.

At night, the Foundation's museums and exhibitions remained open until midnight.

#### **Moments at the Museum**

The Bank of Cyprus Cultural Foundation, in the context of promoting the culture and history of Cyprus, launched a new series of events entitled "Moments at the Museum". The aim of the "Moments at the Museum", hosted at the Foundation's two museums, is to give the Cyprus public the opportunity to acquaint itself with the culture of Cyprus from a different perspective, gaining new experiences through contact with the exhibits of the Museum Collections. Musical performances, poetry nights, actions and much more unfolded successfully in the museums, laying the basis for a special journey into knowledge and interaction.

#### **Temporary Exhibition "Rooms to Contemplate: Content and Perspective of a Collection"**

This was the first in a series of presentations aspiring to display and at the same time highlight a host of works from the largest private collection in Cyprus, the Collection of the Cultural Foundation. To date, the collection had never been displayed in a single, permanent exhibition area: parts of it are kept in Bank of Cyprus offices. The educational programmes combined the exhibition's visual part with other arts such as theatre, music and creative writing with an eye to rendering art more accessible to a younger public through creative and interactive experiences.

#### **IDEA INCUBATOR - ACCELERATOR**

IDEA is an Incubator-Accelerator for start-ups and an entrepreneurship hub, financially backed by Bank of Cyprus. IDEA aspires to boost the entrepreneurial spirit and put Cyprus higher on the innovation map, by changing mindsets. It promotes entrepreneurial activities and supports the creation of viable businesses from idea-stage, contributing in this way to youth employment at a national level. It hosts start-up companies offering them the highest quality of business services, guiding them to transforming their innovative ideas into viable businesses with a global outlook. Through IDEA, Bank of Cyprus offers mentoring, facilities to hosted start-ups and eventually assists them in launching a final product.

In 2017, IDEA attracted considerable attention from the diplomatic world and from the Ministries of Foreign Affairs, Finance and Energy, Commerce, Industry and Tourism. As a result, several common events took place and several visits were exchanged with the diplomats and officials. The popularity of IDEA is also reflected in the local ecosystem, as it is regularly invited to participate in judging panels, panels of speakers during conferences and delivering speeches in educational institutions.

#### **PARTNERSHIP WITH NGO REACTION**

NGO Reaction is a group of young people actively involved in research, education and community support. Through our partnership, during 2017 we co-organised the following:

- Creation of "Kyprou" Blood Bank in Greece.
- Five debates between students and the President of the Republic of Cyprus, the Archbishop of Cyprus, the President of the House of Representatives, the Minister of Health



Students from various schools of Cyprus questioned the President of the Republic of Cyprus during the debate organised by our Bank and our partners NGO Reaction, on May 15th, 2017.

and the national team football players. Participation of more than 500 students in total.

- Blood donations.
- Fire-fighting training of our staff volunteers.

#### **PARTNERSHIP WITH NGO ABR**

NGO ABR is a group of young people involved in art and technology with the goal to develop the Cypriot creative alternative scene. As their "Partner in Innovation", we share the vision in promoting innovation in the arts. During the summer of 2017, we enforced the successful "Afro Banana Republic Festival" a 2-day festival combining music, art and technology. Our focus was on families with small children being able to attend the Festival and enjoy specific actions. Musical, theatrical and innovating activities took place inside the "BOC (Bank of Cyprus) Kids Innovation Domes", which later hosted at the Bank of Cyprus' Headquarters and at the Bank of Cyprus Cultural Foundation.

#### **POWERED TEDx UNIC (UNIVERSITY OF NICOSIA)**

During 2017, we powered one more

TEDx event in Cyprus. Since TED stands for Technology, Entertainment, Design consisting of talks and performances from some of the most fascinating people on the planet, we identify with values and traits such as innovation, entrepreneurship, social inclusion and social responsibility.

The story of a Guardian writer who re-evaluates his duties and decides to invest in a simpler, less extravagant life, the painful confession of a woman beaten in front of her children who becomes an international viral, an expert who shares his philosophy of giving life on dead land and a pioneering researcher of human genetics are few of the stories told, developed and inspired within the "Game Over. Play Again?" theme.

The event attended more than 900 participants on-site, while more than 980 watched it on-line, via live streaming.

#### **PARTNERSHIP WITH EUROPEAN YOUTH PARLIAMENT (EYP) CYPRUS**

The EYP is one of the largest European platforms for debate, intercultural dialogue, European Civic Education and exchange between young people in

Europe. The network is present in 40 European countries, where thousands of young people are actively volunteering. EYP encourages independent thinking and initiatives for young people and facilitates the development of very important social and professional skills.

In 2017, with the Bank's support, EYP (Cyprus) organised more than five events which involved more than 460 students/participants.

#### **STUDENT AWARDS**

During 2017, recognising the importance of awarding more than 250 students that focus on Maths and Science, we partnered with the Cyprus Mathematical Society and the Cyprus Physicists Society and we offered awards to their various competitions, while we hosted their end-of-year ceremonies at our Headquarters in Nicosia.

# 09. Our People

Our colleagues are the most valuable asset of the Bank. It is through their hard work, patience and persistence that the Bank recovered from the situation it found itself in, in 2013.

Personal development, career options and employee wellness remain at the heart of the Bank's efforts to strengthen the relationship between staff and management.

The Bank maintains an open and transparent relationship with the Trade Union, in the context of its industrial obligations, for the benefit of our employees.

Our employees abide by the Code of Conduct which is published on the Bank's internal Portal and is available to all. The Employee Code of Conduct sets out the framework within which all employees must operate. It covers, among others, interpersonal relations in the workplace, sexual harassment, harassment and violence in the workplace, punishable acts, etc.

The Bank maintains mechanisms that provide assurance regarding the implementation and effectiveness of Group Policies relating to Anti-Bribery & Corruption, Conflict of Interest and Whistleblowing.

In 2017 the Employees Code of Conduct was enhanced further so as to highlight the continuous obligations of all Directors and employees of the Bank of Cyprus Group and its Subsidiaries regarding the possession of inside/privileged information about the Group and its customers or suppliers that are listed companies.

## Equal Opportunities Policy for our People

Bank of Cyprus supports equal opportunities as well as the respect for diversity. The aim is to ensure that all members of staff receive fair and impartial treatment in the workplace.

Therefore, the Bank ensures that all employees receive equal opportunities through relevant practices implemented on employee selection and recruitment, training and development, performance assessment and rewards, promotions, and transfers. Such practices are adopted and implemented irrespectively of gender, age, religion, ethnicity or race, sexual orientation, physical abilities or political convictions.

Moreover, the Bank has a Grievances Procedure in place aimed at the effective handling and eventual elimination of any form of discrimination or unfair treatment.

All personal employees' cases are handled with the utmost respect, yet without creating a conflict of interest in relation to the terms of employment, other Bank regulations or the legislation in force.

## Occupational Health & Safety

Bank of Cyprus considers the health and safety of its employees as a primary concern. To this end, working conditions are systematically monitored and upgraded by the Business Protection, Safety &

Health Department. Bank of Cyprus regularly carries out Evacuation Drills in all key buildings, while all premises throughout Cyprus undergo inspections twice a year. During these inspections, written risk assessments of branches are generated with a view to constantly improving working conditions.

Around 200 employees have received First Aid training, and defibrillators have been installed in 100 points inside Bank premises, for use by both customers and employees. To reduce the risk of robbery, branches have been equipped with security doors. As part of the same objective, the Bank trained more than 850 employees on Security in the Workplace.

## Employee wellbeing

Part of our commitment to our employees' wellbeing and quality of life is the Sports Centre. Through the Centre, our employees enjoy a fully-equipped sports centre, complete with a gym, outdoor swimming pool, indoor and outdoor sports facilities for tennis, table-tennis, squash, etc.

The venue is accessible to the Bank's employees for free, while specialised services and lessons are offered at low prices. The venue in Nicosia also includes restaurants and coffee shops, as well as event and lecture halls.



Our staff volunteers organised a fun event at the Equal Opportunities Park in Larnaca, through our partnership with Larnaca-Kition Rotary Club, on November 12, 2017.



Our staff volunteers assisted on the organisation of the 48-hour Charity Classic Vehicle Rally for the Cyprus Anticancer Society, on April 1, 2017.

2017 number of Staff Volunteers: **460+**



Our staff volunteers attended a special fire-fighting training, through our partnership with NGO Reaction, on June 1, 2017.



Our staff volunteers and runners participated in the 11th Limassol Marathon, and collected €10,500 for the Cyprus Anticancer Society from sponsorships, on March 19, 2017.

**Internal Communication**

The Bank considers Internal Communication to be of utmost importance and invests in a number of internal communication initiatives.

The Bank's Employee Portal was redesigned and upgraded in 2017 and additional collaboration tools are also being considered. An annual Internal Communication Calendar outlining the main internal communication activities of the Group is also in place and aims to keep staff informed of major developments. Our employees are given the opportunity to start a dialogue through a number of interactive tools.

In 2017, a total of six presentations took place in all regions, held by senior management and attended by all staff. The purpose of these presentations was to inform staff for the upcoming digital transformation of the Bank as well as other important Human Resources matters and developments.

Additionally, the Staff Opinion Survey is run on an annual basis, aiming at continuously improving the relationship between employees and management, promoting a healthy communication and coordination at all levels. Various initiatives includ-

ing the Open Day, offer an opportunity to every member of our staff to discuss face-to-face any issues, thoughts and suggestions with their Director.

Employees also have the opportunity to provide feedback to managers through their participation in various surveys, such as the Management Practices Survey (MPS) and 360° evaluation of their supervisors.

**Training & Education**

We recognise that our employees are the main key to achieving our strategic plan and objectives. We are therefore committed to ensuring that all staff has access to learning and development opportunities which create and/or develop the relevant competencies and appropriate behaviours for meeting the Bank's specific strategic priorities.

We are continuously exploring new ways of learning, with 99% of our employees participating in e-learning programs during the course of 2017, including Anti-Corruption & Bribery and Conflicts of Interest.

In 2017 our anti-financial crime training program focused mostly in reforming the culture of all staff to adapt to the new

behavioural pattern stemming from the new Anti-Financial Crime framework of our Bank. During 2017 we have completed 8,854 hours of training on financial crime issues for all of Bank employees.

**Employee volunteerism**

Our colleagues maintain a long history of volunteerism in our community. We encourage them to actively participate and engage with our Bank's various actions and initiatives, confirming that the values instilled in the culture of an organisation can only be the very values held by its people. Our values are guided by volunteering and solidarity.

Our flagship support towards the Cyprus Anticancer Society is also based on volunteer work by our employees, who contribute to fundraisers. Our employees are encouraged to participate in actions and volunteerism. The Corporate Social Responsibility Strategy 2017-2019 includes clear volunteering targets per action. These will be monitored periodically to ensure that volunteering options, opportunities and encouragement continue.

*More information regarding our responsibilities towards Our People can be found in Appendix "GRI Index".*

# 10. Our Responsible Services

Integrity, transparency, accountability, confidentiality and sustainability are the core principles of every action of our Bank. In everything that we do, we are creating value for our customers, shareholders and employees. We further strive to meet social and environmental challenges.

- We take into account all factors which affect our organisation, be it risk management or management strategies for alternative investments.
- We introduced new procedures and criteria for the supply chain, ensuring a smooth and transparent process in the selection of suppliers.
- We adopted and upgraded supplier assessment and selection procedures in all areas of cooperation.
- We have introduced a larger bidders' list by 10%.

Following the equity participation of the EBRD in the Bank's capital during 2014, and in view of our commitment to environmental and social (E&S) issues, the Bank is committed to applying certain environmental and social policies and procedures to its lending activities based on specific criteria. The key elements of these procedures are as follows:

- Screening of lending activities against any eligibility criteria and determining the level of E&S risk.
- Obtaining satisfactory assurance that customers comply, at a minimum, with national environmental, health, safety and labour regulations and standards.
- Conducting further due diligence as required on lending above a specified E&S risk level and including such findings in the overall lending decision making.
- Using contractual requirements (where required) to ensure customer compliance with national health and safety requirements, and any

other actions (e.g. corrective action plan) to be taken by the customer to mitigate E&S risk.

- Monitoring Environmental and social transactions throughout the life of the facility.
- Reporting to the EBRD on E&S issues on an annual basis.

## Customer Personal Data Protection

Protecting the security and privacy of personal data is important to the Group so as to conduct our business fairly and lawfully. The Bank implements a Group Data Protection Policy that outlines the principles for data privacy and these are fully supported with relevant implementation and monitoring procedures.

The Bank is committed to further preserve the clients' ability to better control of their personal data and to pursue their new rights under the EU General Data Protection Regulation (GDPR), in terms of how their personal data is collected, processed and secured. Therefore, the Bank actively takes steps to fully comply with the provisions of the GDPR that comes into force in May 2018.

The Board of Directors and Senior Management are fully supporting the efforts to ensure GDPR compliance.

## Anti-Corruption & Bribery

The Board of Directors continue to apply a "zero tolerance" approach to acts of bribery by any of our employees or any business partners. During 2017, the Bank of Cyprus was the main

sponsor of a special meeting for the international standard ISO 37001 (Anti-Corruption Management System).

In this context the participants were presented with the 'Good Practice Implementation of International Standard ISO 37001 in Bank of Cyprus'.

In 2017, all employees attended one-hour e-learning seminars on the topics of Anti-Corruption & Bribery and Conflicts of Interest and everyone passed the relevant assessments.

The 2017 our anti-financial crime training program focused mostly in reforming the culture of all staff to adapt to the new behavioural pattern stemming from the new Anti-Financial Crime framework of our Bank.

We have completed 8,854 hours of training on financial crime issues for 3,699 Bank employees.

## Handling of Complaints

The Bank continues to maintain a robust complaint's management framework. To further strengthen the complaint management process the Complaints Management Unit was established. The Unit operates under the Consumer & SME Banking Division and its responsibility is to handle and monitor complaints, facilitate resolution of complaints, recommend remedial actions and organize and facilitate the implementation of these required actions.

During 2017, the specific unit captured 567 customer complaints concerning all lines of business within the Bank.



Our Bank supported and backed the inaugural assembly of Association of Certified Fraud Examiners (ACFE) in Cyprus, on October 3rd, 2017.

Based on **Anti Money Laundering (AML) measures**, the Bank rejected 1,354 potential customers and suspended 2,401 customer relationships of which 1,862 have been terminated.

These complaints are handled within the time frame set up by the Central Bank.

### Enhancing our services

Throughout the year, our Bank engages in various activities in order to connect, communicate, educate and enhance the quality of the services provided by our branches and business centres. Specifically:

#### Consumer & SME Banking

The Director Consumer & SME Banking Division conducted a presentation, to all employees of Bank of Cyprus, twice a year, which includes the goals, discussion on the results presented and various problems/procedures of the line. Additionally, the Director conducted frequent visits, with Regional Directors, throughout the year, to branches and business centres. In order to improve the quality offered to our customers, we organised four to five times yearly, regional meetings between all the branch/business centres managers and their Regional managers with the participation of the Director of Consumer & SME Banking, discussing various issues.

Additionally, through various surveys (mystery visitor, mystery phone call survey, auditor visits, customer branch rating & surveys on customer general feedback) throughout the year, we target the improvement of the services provided, as well as the performance of our staff. Employees who excel in achieving their annual targets and in the quality of the provided services, are rewarded at annual events. Finally, in 2017 we organised various events for key clients, members of the Premier Club.

#### Corporate Division

In March 2017, the Corporate Division organised the "Business

Leaders Summit 2017" with main speakers being seven distinguished business leaders, from important sectors of the economy. They shared successful practices which contributed to the development and growth of their business through the difficult financial crisis. An audience of over 500 professionals attended this unique forum, with an aim to share knowledge and further develop themselves. Other events such as cocktails and breakfast meetings are organised regularly with various businessmen in an effort to further develop trust and transparency between our Bank and our clients.

#### International Banking, Wealth & Markets

In our continued bid to improve the quality of service provided, the International Banking, Wealth & Markets Division conducted throughout the year a quantitative survey aiming to improve the quality of our telephone service, as well as once-a-year Customer Satisfaction Survey aiming to improve the quality of products and services provided by getting customer general feedback.

Additionally, in January 2017, the Division, successfully organized the "2nd Wealth Management Forum: Global Markets-Outlook 2017" and in February 2017, on the occasion of the launch of its Shipping Finance Department, organized the Shipping Forecast Summit 2017.

By the end of 2017, we gradually installed Skype for Business Application for all International Business Units (IBUs) employees. The ultimate goal is to establish Skype for Business as a means of communication between clients and their Relationship Officers.

#### Real Estate Management Unit (REMU)

In 2016, the Bank set up REMU (Real Estate Management Unit) with the aim to drive Real Estate on Boarding and Sales Momentum with a mandate to manage the bank's non-core properties. REMU's predominant focus is on reviving investment activity in Cyprus. In that respect, REMU aims to play a key role in attracting overseas as well as local investors, both retail and zzzinstitutional, in order to drive growth in the local real estate market.

#### Group Internal Audit

During the period 2016/2017, an External Quality Assessment of Group Internal Audit (GIA) was performed by external specialists. The objective of this was to evaluate the effectiveness and efficiency of the internal audit activity, its conformance level to the Institute of Internal Auditor (IIA) Standards, as well as to identify areas where further improvement is needed.

The report issued on March 2017, by PwC, concluded that Group Internal Audit (GIA) generally conforms to the International Professional Practices Framework of the IIA. From a benchmarking exercise conducted by PwC during this assessment, GIA's current practices scored higher than the average score of 43 companies around the world, which are operating on a national level in the banking and financial markets sectors.

*More information regarding our Services can be found in Appendix "GRI Index".*

# 11. Our Environment

Being one of the largest organizations on the island, with offices and branches in all cities of Cyprus, we are fully aware of our responsibility to minimize the negative impact of our operations on the environment as much as possible. We are improving our eco-efficiency with an array of measures – from efficient use of energy, water and paper, including green IT, to replacing business trips with video conferences, as well as Skype for Business.

## Digital Transformation

In order to be able to support the Bank's Strategy for Digitization, we aim to modernize the Back-Office Operation with continuous advancement of existing systems, the automation of manual procedures as well as the streamlining of procedures.

More specifically, the list of achievements includes:

- The Modernization Projects for Trade Services, Payments, Treasury Back Office (TBO), Wealth management Back Office (WMBO), Middle Office, Advances Execution, Secretariat Departments and Chief Cashier
- The launch of the "allNET customer portal" offered to our Trade Finance customers via 1bank, which is currently not offered by any other bank in the Cyprus market
- The new "Cash Management Product CASH360" installed at the customer's premises
- The Citibank "USD Straight –Through Processing (STP) Excellence Award", for the payments orders
- The high scorecard by Citibank on the Bank's STP, Sanctions and Resolved Service Inquiries analysis, relating to the payments order
- The ISO 9001:2008 qualification on "Management of bank accounting books and records" for Records management department as well as the "Check Clearance Center" for the Cheque

Clearing department

- The upcoming upgrade with ISO 9001:2015 for Records Management Department and Cheques Clearing Department
- The implementation of "Electronic Archiving" of clients' documents which falls under the umbrella of the Paperless Office Project; it will assist with the Branch Redesign and the overall strategy of Digitization together with other initiatives that are also on the road map and will further add value to the business as well as enhance cost reduction
- The Recycling Agreements that are in place since 2014, with a recorded volume of paper collected for recycling ranging from 238,000-248,000 kg per annum.

## Energy Saving and Carbon Emissions Reduction

In 2017 we continued our energy saving actions as follows:

- Preventive and planned maintenance of heating and air conditioning equipment
- Monitoring and adjustment of operation parameters such as working hours and temperature settings
- Use of Building Management Systems (BMS) to optimize operation of HVAC (Heating, Ventilation and Air Conditioning systems)
- Replacement of old air conditioning equipment with more efficient ones. Relevant studies have been conducted and replacement will start within 2018

- Conventional lighting fittings have been replaced in the 12 largest buildings, with new more efficient LED type
- Installation of 100 kw photovoltaics is expected to start in 2018
- The ISO 50001 is maintained across the two data centres and has been renewed in 2017 after an inspection done by the authorised agency
- Energy audit of all Bank's premises was commenced in 2017 and is expected to be completed during the first quarter of 2018
- A central monitoring system of all the premises electricity consumption is under study and is expected completed in 2018.

We are highly committed to reducing our energy consumption and our energy intensity, thus managing and reducing our contribution to climate change. Apart from the energy consumption and energy efficiency, the use of teleconferencing and skype is increase amongst employees and associates in order to reduce the consumption of fuel and the emission of greenhouse gases from the transportation due to business travel.

The estimated energy consumption in 2017 is 4% compared to 2016.



Estimated  
energy  
consumption  
reduction in  
2017 is 4%  
compared  
to 2016.



We encourage  
innovation and initiatives  
that enhance our natural  
environment and  
its protection.

During the course of 2017 we recycled 1,941 kg empty packaging of printing toners (laser, inkjet etc) and 1,160 kg of metal (metal parts of old furniture, machinery etc).

Recycled	Kg
Empty packaging of printing toners (laser, inkjet etc)	1,941
Metal (metal parts of old furniture, machinery etc)	1,160
Miscellaneous appliances-machines	1,512
Paper	4,770
Plastics, glass, wood, metal	3,305

### Waste Management

We recognize the importance of waste and resource management, and for that reason Bank of Cyprus has for several years a paper recycling program in place in all Bank premises.

### Bank's Paperless Programme

Our efforts to reduce our impact to natural resources and to minimize our waste stream include a number of activities and initiatives.

During 2017, we upgraded the internal portal in order to enhance its capabilities thus encouraging our employees to further reduce their paper use.

The portal hosts:

- Circulars
- Announcements

- Policies
- Internal requests and applications
- System details
- Product and services details
- Tools
- Employees assessments

We encourage our customers to use our innovative web and phone banking services, with significant results in our paper and operating costs.

Through the «Stop Paper Statement» function, our customers can stop receiving statements for their accounts by mail, contributing to the protection of the environment and conserve natural resources.

The Bank has also introduced new Fees and Commissions Schedule providing

incentives to customers to switch to digital and other paperless services. The new Fees and Commissions provide online services which are either cheaper than physical services, or entirely free.

Additionally, our customers, who use the ATMs of our Bank, are offered the choice to view the balance of their account on the ATM screens instead of receiving a printout.

Also Diligent Boards -a Board Meeting Software solution- is used at the Board of Directors and Senior Management Committees, enabling safer and paperless meetings.

# External Assurance Report for Bank of Cyprus 2017 Corporate Responsibility Report

The External Assurance Report was conducted by the Centre for Sustainability and Excellence (CSE) and refers to the 2017 Corporate Responsibility Report of Bank of Cyprus for the period between January 1st 2017 and December 31st 2017. The aim of the assurance process is to provide confirmation to the stakeholders of Bank of Cyprus for the accuracy, the reliability and the objectivity of the information in the sustainability report, and that the sustainability report contains all the material issues for Bank of Cyprus and for its key stakeholder groups. The 2017 Corporate Responsibility Report of Bank of Cyprus has been conducted according to the G4 reporting guidelines (“in-accordance core”) of the Global Reporting Initiative (GRI).

## Scope of Work

The scope of work contained the review of the activities described in the 2017 Corporate Responsibility Report, as well as the information and data about the sustainability performance of Bank of Cyprus during the reporting period. Specifically, it included:

1. Statements, information and performance data contained in the Report.
2. The process followed by the Bank of Cyprus for the determination of the material issues contained in the Report, and the management’s approach towards these material issues.
3. Data and information contained in the Report according to the guidelines of the G4 reporting guidelines of the Global Reporting Initiative, as presented in the GRI Index Table.

The external assurance process was conducted according to the specifications of the internationally recognized assurance standard AA1000AS (2008). The scope of work was defined and agreed upon with the Bank of Cyprus to be a Type 2 moderate assurance.

## General Conclusions

With respect to the scope of work, it was observed that:

- The description of the activities and performance of Bank of Cyprus during 2017, as well as the manner in which they have been described in the Report, is accurate.

- Bank of Cyprus complies with the principles of inclusivity, materiality and responsiveness of the AA1000 Assurance Standard.

In case of any future translations of the 2017 Corporate Responsibility Report, the English version of the Report will prevail with respect to our conclusions.

## Main Observations and Proposals

Bank of Cyprus performed significant improvements in managing and presenting its sustainability performance during the reporting period, such as:

- The support of more than 100 NGO’s, charity organizations and associations
- The continued financial support towards the Bank of Cyprus Oncology Centre
- The redesign and upgrade of the Employee Portal
- The e-learning seminars, attended by all employees, on Anti-Bribery and Corruption, Conflicts of Interest and financial crime.
- The establishment of clear volunteering targets per action as part of the Corporate Social Responsibility Strategy 2017-2019
- The implementation of “Electronic Archiving” of client documents which falls under the umbrella of the Paperless Office Project
- The reduction of energy consumption by 4% compared to 2016
- The recycling of 12,668 kg of materials during 2017

With respect to the observations and the conclusions from the external assurance process, our main observations and suggestions for improving future sustainability reports, are:

- With respect to the principle of inclusivity, Bank of Cyprus should maintain and aim at further developing its stakeholder engagement and communication model.
- With respect to the principle of materiality, Bank of Cyprus should maintain the existing processes for the determination of the material issues and aim at further developing them, for example by increase the stakeholder groups participating in workshops for the determination of material issues.
- With respect to the principle of responsiveness, Bank of Cyprus should maintain and continue enhancing the existing approach about incorporating the expectations and needs of its key stakeholder groups into products, services and programs it develops.
- Bank of Cyprus should continue, and aim at further expanding, the use of tools and innovative methodologies to monitor its sustainability performance.
- Due to the increasing importance of managing a sustainable supply chain, Bank of Cyprus should maintain and continue empowering the incorporation of its sustainability policies into its supply chain.

## Findings and conclusions about the Principles

- Principle Of Inclusivity – how the key stakeholder groups were identified and how Bank of Cyprus communicated with them about issues related to sustainability. The communication activities with the stakeholders groups involved all the key stakeholder groups of Bank of Cyprus. Also, Bank of Cyprus has implemented the appropriate principles during the development of its approach towards sustainability.
- Principle Of Materiality – the process of evaluating the sustainability issues in order to select the material ones to be included in the report. The process Bank of Cyprus followed for determining the material sustainability issues provides a balanced representation of Bank of Cyprus corporate responsibility performance.
- Principle Of Responsiveness – how Bank of Cyprus responded to the issues that were of concern to the stakeholders and how this process is described in the Report. Bank of Cyprus has applied the principle of responsiveness during the selection of the issues to be included in the Report, as well as to the manner to which they are represented in the Report.
- Specific Performance Information. The quantitative data related to GRI indicators have been collected and presented in the Report with the best possible and commonly acceptable manner. Indicatively, during the assurance process the coverage by Bank of Cyprus of the following indicators was reviewed:
  - ▶ Energy consumption and savings during the reporting period
  - ▶ Waste management and recycling
  - ▶ Benefits provided to the employees of Bank of Cyprus
  - ▶ Employee health and safety data
  - ▶ Number, distribution and characteristics (region, gender, position of responsibility, age group, years of employment) of the Bank of Cyprus workforce
  - ▶ Ratio of basic salary to local minimum wage and remuneration of women to men

- ▶ Complaints during the reporting period, and percentage that were resolved during the reporting period
- ▶ Type and number of Bank of Cyprus suppliers
- ▶ Employee volunteering
- ▶ Complaints, and their management, about Data Protection issues

## Methodology

For conducting external assurance, the following steps were followed:

- Review and analysis of the processes for identifying and communicating with the company's key stakeholder groups.
- Review and analysis of the process for identifying and determining the sustainability issues that were included in the Report.
- Conducted random reviews and analysis of data and information regarding the basic performance indicators of Bank of Cyprus. This specific review does not include any evaluation/validation of the operational efficiency of the information systems that were used to collect and process data.
- Review the information and supporting material that support the claims made in the Report.
- Review the Report with respect the principles of the assurance standard and of the G4 reporting guidelines of the GRI in order to verify compliance to those principles.

## Exceptions and Limitations

Information that relate to the following were not included in the assurance process:

- Activities outside the reporting period or the boundaries/scope of the Report.
- Statements about the positions of Bank of Cyprus.
- Financial data which were derived from the Annual Financial Report of Bank of Cyprus which is assured by an external financial auditor.
- Content of websites or tests by third parties.

## Responsibilities of Bank of Cyprus and the External Assurance Provider

The preparation, presentation and the content of online versions of the Report is an exclusive responsibility of Bank of Cyprus. CSE's responsibility is to provide independent external assurance to the stakeholders about the accuracy, reliability and objectivity of the information contained in the Report, and to express a holistic opinion with respect to the scope of work as it is defined in the present assurance report.

CSE recognizes the need for a thorough, transparent assurance process in order to ensure reliability, and act as a tool for improving the performance of Bank of Cyprus about the company's sustainability strategy and reporting. This is achieved by providing unbiased commentary, through the present assurance report, on the reporting process, and by making recommendations for further improvement.

## Independence, Impartiality and Competence Statement of CSE

CSE, and the external assurance team, confirmed to Bank of Cyprus that it has maintained its independence and objectivity and, specifically, that there were no incidents and no services provided that could influence its independence and objectivity.

CSE's external assurance team has extensive international knowledge in providing assurance services, conducting audits and evaluations of issues and systems relating to the environment, the society, the employees, the recognition and communication of stakeholder groups, the determination and representation of material issues, and through the combined experience in this field, an excellent understanding of good practices in sustainability and in external assurance.

On behalf of the Assurance Team  
**Nikos Avlonas**  
 CSE President



# Our **Goals** for 2018

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## **Our Community**

Contribute and support cancer-patients and their families

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Play an active and positive role through our engagement in our community

## **Our People**

Training and development of our staff

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Encourage volunteerism

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Our commitment to gender diversity

## **Our Environment**

Reduce our environmental footprint

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Integration of environmental awareness in our internal culture

## **Our Services**

Increase customer satisfaction

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Fight Corruption & Bribery

## Goals 2018

Maintain the Bank of Cyprus Oncology Centre's top quality of services and treatments offered to cancer-patients

Increase fundraising for the Cyprus Anticancer Society by 6%

Maintain and improve our support towards NGOs and associations in the pillars of Health and Education

Increase e-learning to 40% of total staff training

Increase of our volunteers and employees engagement in supporting our community initiatives

Target for 40% representation of the underrepresented gender on the Board by 2020

Reduction of total energy consumption by 2%

Reduction of CO<sub>2</sub> emission by 2%

Maintain paper recycling numbers. The volume is expected to decline, within the Bank's Paperless Programme

Apply the Bank's new strategy for Digitization and "Paperless" Programme to all Divisions

Resolve customer complaints within the time frame set by the Central Bank

Maintain "zero tolerance" approach to acts of bribery by any of our employees or any business partners

You can review our existing performance in the GRI Index publication

**Bank of Cyprus**

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For more information on  
Bank of Cyprus, visit:

**[www.bankofcyprus.com](http://www.bankofcyprus.com)**





