



# **2022** **SUSTAINABILITY** **REPORT**

**Leading the transition of Cyprus  
into a sustainable future**

**Bank of Cyprus**





# Contents

<b>03</b>	Message from the CEO
<b>05</b>	About this report
<b>06</b>	The Bank of Cyprus
<b>39</b>	Our approach to sustainability
<b>71</b>	Environment
<b>124</b>	Social
<b>202</b>	Governance
<b>253</b>	Appendices



# Message from the CEO

(GRI: 2-22)

Dear Stakeholders,

The Bank of Cyprus has stepped into a new era. With most of our legacy issues successfully resolved, we are even more confident about the resilience of our business model, our capability and our dedication to serving our people, our customers, the wider stakeholders and the society as a whole in ever-changing economic conditions. We are dedicated to a disciplined purpose of delivering our strategy over the coming years.

Our ESG journey has come a long way and we remain committed to achieving more by delivering our strategy and our targets. During

2022, recognizing that the global challenges relating to the climate crisis and social issues affect us all, we have enhanced our policies and developed a specific ESG agenda which is supported by our digital transformation program. We are orienting into a forward-looking organization that actively participates in protecting the environment, strengthening social structures, and ensuring effective corporate governance. Through our “Beyond Banking” approach, we aim to become market leaders for sustainable banking and lead the transition of Cyprus to a sustainable future. We aim not only to deliver financial but also environmental and social value to our stakeholders.

## Protecting the environment

We aim to have an important role and impact in addressing wider environmental issues and in particular climate risks. We are committed to leading by example, by minimizing our environmental footprint and advancing the green economy.

We realize that climate change presents both risks and opportunities, and we have therefore developed a plan of action that is directly linked with our overall strategy with the aim to address the heightened demands and expectations of our shareholders. Recognizing the importance and the opportunity that ESG lending and investing offers, we already provide environmentally friendly loans and have started investing in financial products that support ESG values. We are placing a high priority on a sustainable book of business, providing funding not only to those firms that can benefit from the green transition but also to those working diligently and actively engaged in environmental efforts.

Following closely on our 2050 Net Zero strategy, we are the first bank in Cyprus that has estimated and published its Financed Scope 3 GHG emissions associated with c.88% of its Gross Loans and advances portfolio, using the Partnership for Carbon Accounting Financials (PCAF) standard and proxies, facilitating the setting of decarbonization targets in the loan portfolio in the near future.

In terms of managing our risks, in line with our broader risk management strategy, we have performed an identification exercise on the environmental risks of our loan portfolio, assessing the impact of climate change on our book of business. In addition, the Bank has employed voluntarily the UNEP FI's (United Nations Environment Program Finance Initiative) Impact Analysis Tool, in order to further understand and manage actual and potential positive and negative impacts of the financing it provides.

Within the context of our underwriting processes, we are in the process of incorporating an ESG assessment, amending the relevant policies and procedures in such a way that the potential impact from ESG is eventually reflected in the fundamental elements of creditworthiness.

At the same time, we are conscious of the effect climate change may have on our operations, and the long-term financial risks it poses to the economy. We are determined to lead the Green transition by acting as a role model in running our own operations. We have developed a decarbonization plan to reduce our own carbon footprint relating to Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions, and ultimately achieve our goal of becoming Carbon Neutral by 2030, which entails a decrease of 42% (absolute target) by that year.

## Strengthening social structures

Our belief that sustainability starts with people is stronger than ever. In this regard, 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, and €8.8mn new lending was provided during 2022 in this sector. More than 60,000 hours of trainings on various topics, were offered to our employees (approximately 10,000 hours more than the previous year), with 60.8% of training attendees being female.

The health and safety of our employees remains a top priority, reflecting our dedication to a culture that puts people first. In terms of our contribution to Cyprus society, our efforts are focusing on generating Social capital through long-term partnerships and structured cooperation with other organizations, including businesses, NGOs, and the state. 37% of our Social Responsibility budget is allocated to health and social welfare. €1,121,000 was contributed to our Bank of Cyprus Oncology Centre, which represents the biggest and most successful partnership between the public and the private sector. SupportCY continues to play a core role in Cypriot society, with an estimated amount exceeding €880,000 to be channelled through all SupportCY members into society, in the areas of Health, Education and the Environment. At the same time, we constantly strive to become an even more client-centric organization.

A targeted transformation program is already underway, with the goal of facilitating the shift to a more modern way of conducting banking business, enhancing the digitization of services provided to our clients, as well as the digitization of our internal operations. The percentage of the Bank's digital transactions in its total portfolio stands at 93.94%, with €49.01bn total monetary value traded in digital channels during 2022. The Bank has also played a leading role in wider efforts underway to digitize and technologically upgrade the Cypriot economy and entrepreneurship.

On the cultural front, through our own Foundation (the Bank of Cyprus Cultural Foundation) and various programs, and collections, the Bank continues to strongly promote our Culture and Heritage, substantially contributing to Cyprus' cultural life. During 2022, the Bank of Cyprus Cultural Foundation has organized 50 main activities attended by over 54,000 participants.

## Ensuring effective corporate governance

Bank of Cyprus is committed to further enhancing 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 CSE Code and the CBC 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. As of right now, women hold 27% of the key positions in

management bodies, with a target of having more than 30% by 2030. With climate action and the ESG agenda having a pivotal role, we have developed further our ESG Governance in 2022, enhancing ESG oversight and accountability at all levels of the organization.

## Investing in the Future, Beyond Banking

The future continues to present several challenges. We remain true to our vision to lead the transition of Cyprus to a sustainable future, and in collaboration with our stakeholders, we are moving ahead with confidence. ESG is a priority for the Bank. Net zero constitutes a primary end goal.

We remain committed to expanding our business, supporting inclusive growth, maintaining our leading social footprint, and contributing towards a more prosperous, sustainable, and resilient Cypriot economy, building long-term value for all.

**Panicos Nicolaou**  
Chief Executive Officer



# About this report

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

The 2022 Sustainability Report (hereinafter the 'Report') is the 6th Annual Sustainability Report of Bank of Cyprus Public Company Ltd (hereinafter 'Bank of Cyprus' or the 'Bank').

The 2022 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 01/01/2022 to 31/12/2022. The Bank has committed to communicate its activities through its Sustainability Report on an annual basis. The previous Report concerning the period from 01/01/2021 to 31/12/2021 was published in June 2022. Comparative information from 2020 and 2021 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 UNEP FI 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 2022 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 285 of this Report.

## Contact details for questions about this Report

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

At Investor Relations & ESG Department:

- Annita Pavlou, Manager of Investors Relations & ESG Department, at +357 22122740, or via email at [annita.pavlou@bankofcyprus.com](mailto:annita.pavlou@bankofcyprus.com)
- Nicolas Christodoulides, Senior ESG Analyst, at +357 22122744, or via email [nicolas.christodoulides@bankofcyprus.com](mailto:nicolas.christodoulides@bankofcyprus.com)
- Stella Antoniadou, ESG Analyst, at +357 22126144 or via email [stella.antoniadou@bankofcyprus.com](mailto:stella.antoniadou@bankofcyprus.com)

[Message from  
the CEO](#)

[About  
this report](#)

[\*\*The Bank of Cyprus\*\*](#)

[Our approach  
to sustainability](#)

[Environment](#)

[Social](#)

[Governance](#)

[Appendices](#)

# 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 2,461 (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 organization 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 organization 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 Kyprion" is a reality

**1960**

Launch of the first computer offering services to other organizations (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 rationalization 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

# 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 37.2% as at 31 December 2022, compared to 34.8% as at 31 December 2021.

The Bank is also the largest credit provider in Cyprus with a market share of 40.9% at 31 December 2022, compared to 38.8% at 31 December 2021.

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

## 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	Global Corporate Banking	Wealth & Markets	International Banking	Total
<b>2021</b>							
<b>Individuals</b>	661,046	6,497	1,457	243	790	29,229	<b>699,262</b>
<b>Legal Entities</b>	33,075	5,609	1,898	966	236	19,568	<b>61,352</b>
<b>Total Number of Customers</b>	<b>694,121</b>	<b>12,106</b>	<b>3,355</b>	<b>1,209</b>	<b>1,026</b>	<b>48,797</b>	<b>760,614</b>
<b>2022</b>							
<b>Individuals</b>	650,179	6,029	1,265	212	1,690	36,437	<b>695,812</b>
<b>Legal Entities</b>	34,831	5,351	1,763	948	226	18,095	<b>61,214</b>
<b>Total Number of Customers</b>	<b>685,010</b>	<b>11,380</b>	<b>3,028</b>	<b>1,160</b>	<b>1,916</b>	<b>54,532</b>	<b>757,026</b>



## Our presence

	Nicosia	Paphos	Limassol	Famagusta	Larnaca	Total
<b>2021</b>						
Branches	33	10	18	6	13	<b>80</b>
Unmanned Branches	7	1	2	0	0	<b>10</b>
Cash Offices	5	0	1	2	2	<b>10</b>
ATMs	73	15	34	12	23	<b>157</b>
<b>Total</b>	<b>118</b>	<b>26</b>	<b>55</b>	<b>20</b>	<b>38</b>	<b>257</b>
<b>2022</b>						
Branches	24	7	17	2	10	<b>60</b>
Unmanned Branches	8	3	1	2	3	<b>17</b>
Cash Offices	1	0	1	1	1	<b>4</b>
ATMs	54	14	34	9	22	<b>133</b>
<b>Total</b>	<b>87</b>	<b>24</b>	<b>53</b>	<b>14</b>	<b>36</b>	<b>214</b>

20 branches were closed in 2022

Number of branches on 01/01/2023: 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 to work towards becoming a more customer centric organization. A transformation program "Project Sunrise" started in 2021 to redefine the distribution model across existing and new channels, digitally transform the way the Bank serves its customers and operates internally and improve employee engagement through a robust set of Organizational Health initiatives.

The transformation and the initiatives are monitored by the Transformation Office.

In 2022, the Bank focused to deliver critical operating shifts.

1. The Bank set the foundation for commercial excellence:
  - Consumer banking: Shifted to segment-based operating model and reduced branch footprint to a more customer-centric operating model by defining customer segment strategies.
  - Insurance business: Improved internal operations, optimized our re-insurance strategy and re-defined our Bancassurance operating model.
  - Lending: Delivered process enhancements

to drive unsecured lending, enabling launch of Quick Loans.

- Digital Sales: Established a new digital sales squad.
2. The Bank increased efficiency:
    - IT operating model: Adopted agile practices, established value streams and rolled out new Planning and Prioritization framework.
    - Support functions: Improved operations through enhanced decisioning, automated reporting and upgraded systems.
  3. The Bank improved the Organizational Health:
    - 5 Culture Initiatives launched to improve the Group's Health priorities: knowledge sharing, employee involvement, personal ownership and career opportunities.
    - 2 Pulse checks executed to assess the progress of our Health priorities with improved results.
    - 37 Knowledge Sharing & Capability Building sessions organized to keep our management teams & young talent aligned and trained on how to role model new behaviors.

In 2022, under the "Organizational Health" project, the Group executed two Pulse check surveys. The Pulse checks remain valuable tools to reassess people's perspectives, management's commitment and engagement around the Group's selected health priorities (Personal Ownership, Knowledge Sharing, Employee Involvement and Career Opportunities). Following Pulse checks all practices were improved and

dedicated Group and Divisional action plans were designed.

The Bank has continued to upgrade its staff's skill set by providing training and development opportunities to all staff, and capitalizing on modern delivery methods. In 2022, the Bank heightened its emphasis on staff wellness by offering webinars, team building activities and family events with sole purpose to enhance mental, physical, financial and social health, attended by 1,424 employees, through its "Well-at-Work program".

### Improving the Bank's operations

In 2022, a number of organizational restructurings were implemented by Central Operations, resulting in the merging of units, the set-up of new units, and the transfer of responsibilities across units.

In 2022, Central Operations achieved:

1. Trade Services and especially the Letters of Guarantee Department, utilizes Digital Signatures. All guarantees issued in favor of the Government authorities are signed digitally and at the same time electronically submitted, thus eliminating paper printouts and paper warehousing.
2. The Centralized Local Remote Authority (LRA) team has been audited in June 2022 and has successfully passed the audit for the recertification by QCERT (Auditor for eIDAS) for the period June 2022-May 2023.
3. Introduction of "return reasons" in Proteas in order to facilitate the reporting process and enable the identification of common and repetitive mistakes/omissions and proceed with necessary actions/system enhancements.



4. Targeted training sessions organized for Line 1 (Head Advances and Branch Managers) and Line 2 (all employees) aiming to reduce errors in applications submitted to Advances Documentation Department ('ADD') and return rates.
5. Installation of 24inch monitors in ADD which allows multiple viewing of legal documents and minimizes printing.
6. Successful and in time implementation of project for Restart loans.
7. Central Operations centralized the below processes in year 2022:
  - Mail management for 21 Retail branches
  - KYC reviews for Line 1 Low Moderate customers (non STP and manual Reviews)
  - Non STP Customer Digital on boarding
  - Customer and other Data Enrichment campaigns based on priorities set by Data Governance
  - Analysis and input of Financial Statements
  - Issue, Digital Signing and distribute of Auditors Certificates
  - Cheques Deposits of Pay In machines
  - Process for ordering structure reports by a dedicated team through the development and introduction of Structure/Co Registrar Reports Flow.
8. Below automations have been achieved for the simplification or streamlining of processes:
  - Automation of Cash Deposits from Pay-In Machines
  - Reconciliation of Cash 360 machines deposits

- Automation of Cash collection deposits
  - Introduction of Legal Documents Flow which enables the electronic submission of legal documents from ADD to Lines for obtaining customers' signature.
  - New BPM Flow (products and portfolio opening) for improved communication between the Back Office Operations and the front lines for better monitoring of work.
  - Various automations / validations / enhancements in Proteas system which resulted in improved efficiency, reduced errors and better customer service.
9. Implementation of below Cost Cutting Initiatives:
    - Termination of posting account statements to physical persons who are 1Bank subscribers with mobile. Annualised postages savings €335,000.
    - Rationalization of the process of ordering structure reports for local companies (reports are either ordered from the external provided or directly from the Companies' Registrar). This resulted to cost savings of €114,000 in 2022.
    - Implementation of the new mail operating model through the reduction in the number of daily routes executed for the transportation of internal mail bags throughout the Bank. This resulted in the reduction of the vendor cost by €143,000.
    - Release of three Warehouses, which resulted in:
      - (a) Significant savings in rental and other operating expenses and (b) Elimination of

risks related to Health & Safety and construction issues. Total savings from the release of all three Bank's Warehouses €245,000 (Operating expenses and insourcing cost).

- 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.

### 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 efficiencies, 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 or Yammer application.

#### In 2022:

**Received:** 156 recommendations

**Implemented:** 25 (e.g. development of new electronic workflows to streamline and automate processes)

**In the process of implementation:** 74



## Our financial performance

### Key Performance Indicators

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

In 2022, the Group's total economic value distributed is €522 million, 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 increased by 18% in 2022 compared to 2021.

	2020	2021	2022
	€ mn	€ mn	€ mn
<b>Direct economic value generated</b>			
Revenues	567	581	699
<b>Economic value distributed</b>			
Operating costs	142	142	150
Employee wages and benefits	195	202	190
Restructuring costs - Voluntary Staff Exit Plan (VEP)	6	16	104
Payments to providers of capital*	29	30	31
Payments to government**	34	38	44
Community Investments	3	3	3
<b>Economic Value Retained</b>			
Direct Economic value generated	567	581	699
Economic value distributed	409	431	522
<b>Total</b>	<b>158</b>	<b>150</b>	<b>177</b>

Notes:

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



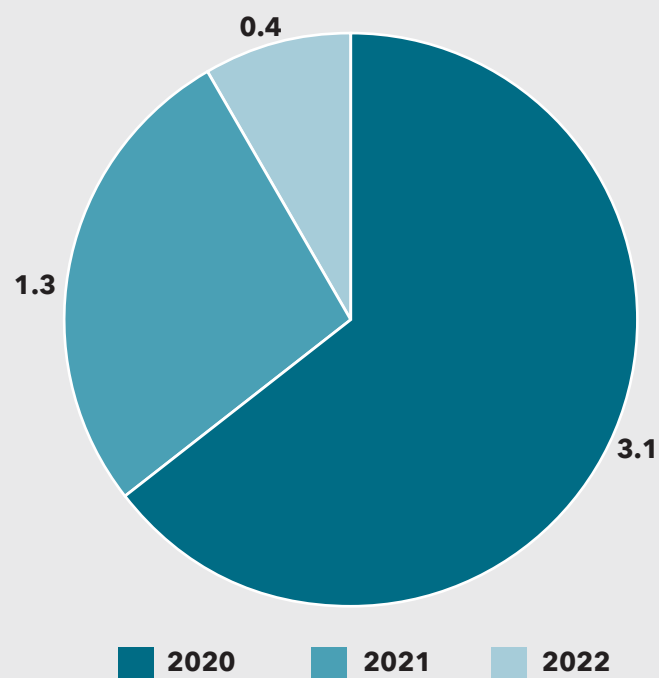
## Non-Performing Exposures

Non-performing exposures (NPEs) reduced to €0.4bn (as reported)

€1.3bn in December 2021 (as reported) / €0.8bn pro-forma for held for sale<sup>1</sup>

€3.1bn in December 2020 (as reported) / €1.8bn pro-forma for held for sale<sup>2</sup>

**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 97% to €0.4 bn and the NPE ratio has been reduced by 59%, from 63% to 4%.

More information on Project Helix 3 is available in the 2022 Annual Financial Report ([Annual Reports - Bank of Cyprus](#))

<sup>1</sup> Pro-forma of Project Helix 3 and Project Sinope

<sup>2</sup> Pro-forma of Project Helix 2

## Financial Performance

In 2022, the Bank generated a total income of €699 mn and operating profits of €319 mn. The profit after tax and before non-recurring items reached €189 mn and the net profit €71 mn. Total operating expenses (employee costs and other operating expenses) stood at €381 mn and the cost to income ratio same basis (i.e. excluding special levy on deposits and other levies/contributions) stood at 49%, down 11% year on year. During the year, the Bank further strengthened its capital position. As of 31 December 2022, capital ratios (on a transitional basis) were 20.6% for the Total Capital ratio and 15.5% for the CET1 ratio.

## Liquidity Performance

Liquidity Coverage Ratio (LCR): On 31 December 2022, the Group Liquidity Coverage Ratio (LCR) stood at 291% (compared to 298% on 31 December 2021 and 254% on 31 December 2020), above the minimum regulatory requirement of 100%. The liquidity surplus in LCR on 31 December 2022 amounted to €7.2bn (compared to €6.3 bn on 31 December 2021 and €4.2 bn on 31 December 2020).

Net Stable Funding Ratio (NSFR): On 31 December 2022, the Group's NSFR stood at 168% (compared to 147% on 31 December 2021 and 139% on 31 December 2020).

## Financial Investments

2022 has been a year of continued market volatility and uncertainty as to market developments, rate movements, growth and inflation expectations, as well as ECB actions. The Bank has continued investing part of its liquid assets, mainly in highly rated and low

capital usage bonds such as bonds issued by governments, government agencies, supranational and international organizations, and banks.

From 2021, the Bank has incorporated ESG bonds in its acceptable investments. There was also close monitoring of the measures taken by the ECB in its effort to assist banks. Following the changes in the terms of the TLTRO III announced by the ECB in October 2022, and given the Bank's strong liquidity position, the Bank proceeded with the repayment of €1 bn TLTRO III funding in December 2022. As at 31 December 2022 the outstanding balance of TLTRO III amounts to €2.0 bn (2021: €3.0 bn and 2020: €1.0 bn).

## ESG Investments

In 2022, the Bank intensified its emphasis on ESG criteria and the issuer's ESG score. It avoided industries with high ESG risks and ensured that ESG risks were contained. Where an ESG score was not available, the Bank examined publicly available information such as issuer information, news, and rating agency evaluations in order to formulate an opinion on the issuer's activities before proceeding with new investments. Published information has helped the Bank assess and identify issuers that have initiated sustainable investments or included ESG criteria in their strategies. As published ESG related information is evolving, additional ESG criteria are expected to be incorporated in the investment decision-making process to ensure ESG risks are contained. The incorporation of additional ESG criteria will further facilitate the increase in the Bank's portfolio of ESG investments and will provide support to issuers with limited ESG risks or/and which take initiatives in ESG areas. Bond Investments are in line with the Risk Appetite

Statement and as per the approved strategy. Investments are governed by a number of approved limits, policies, and guidelines. As at 31/12/2022, the Bank has invested a total of €219 mn in ESG bonds (including Green, Social and Sustainable bonds) (2021: €60mn invested).

## 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 the current and future capital needs for the material risks identified and assesses the Group's absorption capacity under both the baseline scenario and stress testing conditions, aiming to demonstrate that 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 quarterly review identifies whether the Group has adequate capital levels to withstand stress conditions. The quarterly ICAAP reviews of 2022 have indicated that the Group has sufficient capital and available mitigants to support its risk profile, its business and to enable it to meet its regulatory requirements, both in base and stress conditions.

The 2022 ICAAP has been submitted to the ECB on 31 March 2023. The 2022 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 2022, 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 2022, i.e. HSBC and KBW, participated in several virtual roadshows, conferences and one-on-one meetings with debt and equity investors. The Management had frequent communication with major active shareholders in order to provide an update on the quarterly financial results and any other significant corporate transactions. During 2022, the Group attended a total of 16 conferences and roadshows and held 147 meetings with 127 investors.

Specifically, the Group organised a debt roadshow in Cyprus attended 3 debt roadshows abroad, held 77 meetings with 76 debt investors, 12 equity conferences/roadshows and 70 meetings with 51 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 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 2022, the Senior Independent Director held virtual and physical meetings with 3 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 2022

Analysts	25
Debt Investors	77
Equity Investors	70
Rating Agencies	8
Correspondent Banks	28
<b>Total</b>	<b>208</b>



## How we Create Value

(GRI: 2-1, 2-6)

Input	How we operate	How we add value Outputs and Impacts (2022)	Relevant SDGs
<b>Financial Capital</b> <ul style="list-style-type: none"> <li>Total Assets</li> <li>Cost (staff costs, other operating expenses, Special levy on deposits and other levies/contributions): <b>€381mn</b></li> <li>Customer deposits: <b>€18,998mn</b></li> </ul>	<b>Group Key Activities</b> <ul style="list-style-type: none"> <li>Banking</li> <li>Financial services</li> <li>Insurance services and management</li> <li>Disposal of property predominately acquired in exchange of debt</li> <li>Investment products and services</li> </ul>	<ul style="list-style-type: none"> <li>Net profit: €71mn</li> <li>Total income: €699mn</li> <li>Tax: €36mn</li> <li>Gross loans: €10,217mn</li> <li>Net Interest Income: €370mn</li> </ul>	  
<b>Social and Relationship Capital</b> <ul style="list-style-type: none"> <li><b>€620,000</b> social responsibility budget to support society</li> <li><b>€1.1mn</b> in 2022 for Oncology Centre</li> <li>more than 167 members in SupportCY Network</li> <li>Support to start-ups: <b>€4mn</b> invested in start-up business creation up to 2022 (financial and probono) through the IDEA Innovation Center</li> </ul>	<b>Group Key products and services</b> <ul style="list-style-type: none"> <li>Retail Banking</li> <li>SME Banking</li> <li>Corporate Banking</li> <li>Large Corporate Banking</li> <li>International Corporate Banking</li> <li>Shipping Finance</li> <li>Project Finance and Syndicated Loans</li> <li>International Banking</li> <li>Brokerage Services (CISCO)</li> <li>Commercial Banking</li> <li>Asset Management (BOC Asset Management Company)</li> <li>Finance</li> <li>Wealth Management Services (Private Banking and Institutional Management)</li> <li>Custody and Depositary Services</li> <li>Global Markets execution services</li> <li>Factoring</li> <li>Investment Banking (CISCO)</li> <li>Life Insurance (Eurolife)</li> <li>General Insurance (Genikes Insurance)</li> </ul>	<ul style="list-style-type: none"> <li>Bank of Cyprus Oncology Centre: 60% of diagnosed cancer cases in Cyprus are being treated at the Center and in total 2,297 new patients treated</li> <li>Bank of Cyprus Cultural Foundation: 42,545 event attendees with physical presence</li> <li>82 new start-up companies established through the IDEA innovation Center which is founded and supported by Bank of Cyprus to date</li> <li>€880,000+ has been channeled through the Bank's SupportCY into Cypriot society in products, services, and money (March 2020 to December 2022)</li> <li>€428,000 raised for the Cyprus Anti-Cancer Society with the Bank's contribution</li> <li>€18,000 raised for the Cyprus Anti-Cancer Society via the Antamivi Card Reward Scheme</li> </ul>	   

Input	How we operate	How we add value Outputs and Impacts (2022)	Relevant SDGs
	<p><b>Where we operate</b> 60 branches 4 cash offices 17 unmanned branches Representative offices in Russia (2), Ukraine (1) and China (1)</p> <p><b>How we are governed</b></p> <ul style="list-style-type: none"> <li>• Transparent Corporate Governance</li> <li>• Solid risk management</li> <li>• Strong leadership team</li> </ul>		
<p><b>Intellectual and industrial Capital</b></p> <ul style="list-style-type: none"> <li>• 77 Manned and Unmanned Branches</li> <li>• 133 ATMS</li> <li>• Dedicated Business Centres</li> <li>• Digital transformation</li> </ul>	<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 2022, the Bank operated through 60 branches, 4 cash offices and 17 unmanned branches. On 31 December 2022, the Group's Total Assets amounted to €25.4 bn and Total Equity was €2.1 bn.</p> <p>The Bank of Cyprus Group employed 2,889 employees worldwide as at 31/12/2022. 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"> <li>• 2 branches, 4 unmanned or cash outlets and 6 ATMs in branches and ATMs in rural, sparsely populated or remote and economically disadvantaged areas</li> <li>• 79% of all branches accessible for people with disabilities</li> <li>• Total monetary value traded digitally: €49.01bn</li> <li>• Digitally engaged customers (individuals) ratio at 82% as at 31 December 2022 (2021: 79%, 2020: 75%)</li> <li>• Zero overdue pending complaints as of 31/12/2022</li> <li>• €11.083 mn transactions completed through the automated machine network</li> </ul>	  
<p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>• Employee costs: €190mn</li> <li>• training hours: 64,576</li> <li>• training participants: 3,106</li> <li>• Strong team of data scientists, engineers and analysts</li> <li>• Members in the full service in-house digital team</li> </ul>		<ul style="list-style-type: none"> <li>• 2 Organisational Health Pulse Checks completed by 80% and 63% of employees</li> <li>• 42 employees attended division open days</li> <li>• Internal communication tools</li> <li>• Over 98% performance appraisals completed</li> <li>• 265 employees recognized via the Extra Mile initiative</li> </ul>	  



Input	How we operate	How we add value Outputs and Impacts (2022)	Relevant SDGs
<b>Natural Capital</b> <ul style="list-style-type: none"> <li>• ESG strategy</li> <li>• ESG working plan designed to deliver the ESG agenda of the Group</li> <li>• ESG working group</li> <li>• ISO 50001 for the Data centers</li> <li>• €270k investment in energy-saving activities</li> <li>• Installation of 8 photovoltaics and in process to install 4 photovoltaics at owned buildings</li> <li>• Launched internal portal communication and "Green at work" program to enhance awareness and provide tips for energy efficient actions at work</li> <li>• Launched low emission vehicle loan product (hybrid or electric) in 2022</li> </ul>	<p>Investor relations &amp; 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"> <li>• €20.9 mn outstanding loan amount for environmentally friendly products as at 31 December 2022</li> <li>• Designed the decarbonization strategy to meet the carbon neutrality target by 2030</li> <li>• 1.466mn kWh energy savings</li> <li>• 8% reduction in Scope 1 and Scope 2 GHG emissions compared to 2021</li> <li>• Estimated 1,281,810 tonnes of CO<sub>2</sub>e arising from loan portfolio</li> <li>• Solar Energy Production 174k KWh</li> </ul>	 

## 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

2022			
Category	Number of Suppliers	%	Amount Paid (€ - includes VAT)
Local Suppliers	1,244	72.6%	110,711,962
Foreign Suppliers	306	17.9%	60,373,778
Rents paid to third parties	163	9.5%	4,104,959
<b>Total</b>	<b>1,713</b>	<b>100%</b>	<b>175,190,699</b>

The Group's Sourcing Procurement & Vendor Management Policy sets the general principles governing the procurement process (purchase of goods and services), which are organized 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 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, utilize 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 2022.

The evaluation of tenders must be transparent and be using standardized 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. In 2022, the Bank signed 697 contracts with 411 suppliers.

The Bank pays particular attention to the relationships it forges with its suppliers and business partners. In 2022, 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 Organizations of the Treadway  
Commission Frameworks (COSO)

---

International Financial Reporting Standards (IFRS)

---

International Accounting Standards Board (IASB)

---

Payment Card Industry Security Standards (PCI)

---

International Standard on Auditing (ISA)

---

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	√	√		

### 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 aligned 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 2022 by the international and reputable Euromoney magazine
- Best Private Banking and Wealth Management 2022 award by the international and reputable Euromoney magazine via Private Banking and Wealth Management Survey 2022 for the 7th year
- National Certification as “Equality Employer” by the Cyprus Ministry of Labour, Welfare and Social Insurance
- International Compliance Association: Outstanding achievements, innovation and teamwork in financial crime and regulatory compliance has been awarded as the Silver Winner for the best Compliance Team
- “Quality Recognition Award” from JP Morgan Chase Bank NA in recognition of the high-quality money transfer procedures through the SWIFT system
- Best Corporate/Institutional Digital Bank Award in Western Europe for 2022 at World’s Best Digital Bank Awards
- Best Consumer Digital Bank in Cyprus at World’s Best Digital Bank Awards by the Global Finance magazine (UK)
- Gold for Motor and Home Insurance via BoC Mobile App - New Digital Product Launch
- Gold for Digital Onboarding on BoC Mobile App - Paperless Digital Initiative (ATM processing, e-signature, digital ID, etc.)
- Bronze BoC Mobile app - Best Mobile app



The distinguished magazine Euromoney has named Bank of Cyprus as the ‘Best Bank’ in Cyprus for 2022, the accolade coming at an especially difficult juncture for the world economy and the financial system. Manager of Investors Relations & ESG Department, Annita Pavlou and Director REMU, Anna Sofroniou, received the award

## Conferences and Summits

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

- IMH Conference
- CYFA Brainstorming Event
- Maritime Cyprus Conference
- IMH - 8th International Compliance Forum
- IMH - 13th Limassol Economic Forum
- IMH - 10th Banking Forum & Fintech EXPO
- Posidonia 2022 - International Shipping Exhibition
- Marine Money
- Lloyd's Awards 2022
- Slide2Open Webinar
- Greece - Cyprus Business Summit
- 8th International Funds Summit & Expo - "Insights for 2023 and beyond"
- CIFA training seminar for SFDR Level 2
- CBA INSOLVENCY CORPORATE SERIES
- The 6th Business Leaders Summit - The New Generation of Cypriot Business Leaders
- 5th Anti - Fraud Conference - Next Generation Fraud Examiner
- ICA Webinar: General Compliance and ABC Management BigMaker
- Corporate Integrity in Action: Walking the Talk!
- Business Ethics & Integrity - The Cornerstone of Corporate Sustainability
- Transparency in the Health Sector: Lessons for Cyprus
- Cyprus Forum: Mobilising business and finance against modern slavery
- C5 London Forum on Global Economic Sanctions
- Ernst & Young Financial Reporting Outlook Conference 2022 - London UK



Panicos Nicolaou, CEO, participated in the 13th Limassol Economic Forum



Harris Pistos, International Banking Director, chaired the 7th Cyprus Professional Services Conference

- Empowering Women Panel Discussion - organised by Cyprus Technological University ("TEPAK")
- Ernst & Young Attractiveness Forum - Investment Realized
- Ernst & Young - 2nd Annual Corporate Reporting Insights event
- International Financial Reporting Standards (IFRS)
- Christian Identities and Cultures in Early Modern Cyprus and Beyond
- ICOM 26th General Conference
- European Week of Regions and Cities 2022 - "Relaunching European Sustainable Tourism through Cultural Heritage Cooperation and Digitalisation"
- EUROMED 2022- Workshop "Data Space in Cultural Heritage during the digital transformations: the case of Greece and Cyprus"
- 14th Corporate Sustainability & Responsibility Conference
- Conference on the Future of Europe: "The future is in your hands"
- Hubs of Innovation and Entrepreneurship for the Transformation of Historic Urban Areas
- Leveraging Digital Economy Cyprus Conference organized by CCCI
- Europe in Crisis: Dynamics & Implications for the Cyprus Economy
- "Women & Politics & Leadership" by Embassy of Israel
- CITEA - Digital Cyprus Conference 2022
- 7th Cyprus Professional Services Conference



Marios Scandalis, Compliance Director, chaired the 8th International Compliance Forum



George Zornas, Internal Audit Director, chaired the 5th Cyprus Anti-Fraud Conference Cyprus



## 2022 Roadshows and Conferences

- HSBC Non-Deal Roadshow
- Morgan Stanley European Financials Conference 2022
- CITI's Greece and Cypriot Investor Day
- KBW European Financials Conference
- WOOD Greek Retreat
- Goldman Sachs 26th Annual European Financial Conference
- WOOD Prague Spring EME Conference
- BofA Greek Cypriot DEBT Conference
- CY Institutional Event
- Goldman Sachs CEEMEA & LatAm Financials Symposium
- BofA 26th Annual Financials CEO Conference
- Goldman Sachs 14th Annual CEEMEA
- WOOD Non-Deal Roadshow
- WOOD Winter Wonderland EME Conference



On the occasion of International Women's Day, Executive Director Finance, Eliza Livadiotou, participated in a panel discussion at the Cyprus University of Technology, focusing on the importance of gender equality in the workplace



Demetris Nicolaou, Chief Digital Officer, addressed the 10th Banking Forum and Fintech Expo



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

### Disclaimer

The use by the Company and the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Company or the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.



## Our Goals

Area	2022 Goal	2022 Main achievement	2023 Goal
Environment	<ul style="list-style-type: none"> <li>Set milestones to become Carbon Neutral by 2030</li> </ul>	<ul style="list-style-type: none"> <li>The Bank designed the decarbonization strategy relating to Scope 1 and Scope 2 GHG emissions, in order to be reduced by 42% and become Carbon Neutral by 2030</li> <li>c.8% reduction achieved in 2022 on Scope 1 and Scope 2 GHG emissions compared to 2021</li> </ul>	<ul style="list-style-type: none"> <li>Implement energy efficiency actions based on the decarbonization strategy designed in 2022 to reduce further Scope 1 and Scope 2 GHG emissions</li> <li>Increase utilization of renewable energy in own operations</li> </ul>
	<ul style="list-style-type: none"> <li>Set milestones to become Net Zero by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Estimated Financed Scope 3 GHG emissions relating to the loan portfolio using PCAF standard and proxies which is the first step to set milestones to the Net Zero by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Set decarbonization targets on Mortgage portfolio and carbon concentrated sectors of loan portfolio</li> <li>Estimate Financed Scope 3 GHG emissions of investment and insurance portfolio</li> </ul>
	<ul style="list-style-type: none"> <li>Reduce energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>c.€270k investment in energy saving initiatives</li> <li>c.1,466k kWh of energy savings (comparing 2022 with 2021)</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Reduce paper consumption</li> </ul>	<ul style="list-style-type: none"> <li>c.12% reduction in printed paper in 2022 compared to 2021</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Steadily increase Green Asset Ratio</li> </ul>	<ul style="list-style-type: none"> <li>Setting the foundations for the estimation of Green Asset Ratio as at 31/12/2023</li> </ul>	<ul style="list-style-type: none"> <li>Estimate Green Asset Ratio as at 31/12/2023</li> </ul>
	<ul style="list-style-type: none"> <li>Steadily increase Green Mortgage Ratio</li> </ul>	<ul style="list-style-type: none"> <li>Setting the foundations for the estimation of Green Mortgage Ratio as at 31/12/2023</li> </ul>	<ul style="list-style-type: none"> <li>Estimate Green Mortgage Ratio as at 31/12/2023</li> </ul>
	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>Quantify the potential impact from Climate related and environmental transition risks</li> </ul>
	<ul style="list-style-type: none"> <li>Increase the investments in ESG Bonds</li> </ul>	<ul style="list-style-type: none"> <li>ESG investments increased to €219mn as at 31/12/2022 compared to €60mn as at 31/12/2021</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Increase loan portfolio for social and environmental loans</li> </ul>	<ul style="list-style-type: none"> <li>Launched low emission vehicle hire purchase product</li> <li>Environmentally friendly loans increased to €20.9mn as at 31/12/2022 compared to €18.5mn as at 31/12/2021</li> </ul>	<ul style="list-style-type: none"> <li>Launch Green Mortgage product</li> <li>Increase renewable energy projects loan portfolio</li> <li>Increase loan portfolio for social loans</li> </ul>
	<ul style="list-style-type: none"> <li>Renew ISO 50001 certification</li> </ul>	<ul style="list-style-type: none"> <li>Renewed certification</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>

## Our Goals

Area	2022 Goal	2022 Main achievement	2023 Goal
Social	<ul style="list-style-type: none"> <li>Facilitate financial technology solutions and promote digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>Digitally engaged customers (individuals): 81,69%</li> <li>Digital transactions ratio (total portfolio): 93,94%</li> <li>Digital cheque deposit feature launched in 2022</li> <li>Quick loan feature through digital platform introduced in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Maintain leadership and continue playing an active and positive role in the community</li> </ul>	<ul style="list-style-type: none"> <li>167 members in SupportCY</li> <li>€620,000 social responsibility budget to support society</li> <li>€880,000+ of support channelled into Cypriot society by SupportCY since establishment (March 2020)</li> <li>Beach cleaning by volunteers' employees</li> <li>"Σεαμυρία" (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, Cyprus</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Enhance and raise awareness on various environmental issues within the society</li> </ul>	<ul style="list-style-type: none"> <li>As part of the SupportCY Environmental Year, Bank of Cyprus and the Bank's SupportCY businesses and organizations joined forces and supported the Fire Department and the Forest Department in the prevention and protection of Cypriot forests</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Contribute and support cancer patients and their families through the Bank of Cyprus Oncology Centre</li> </ul>	<ul style="list-style-type: none"> <li>2,297 new patients treated in 2022</li> <li>€1.1mn financial contribution in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Increase fundraising for the Cyprus Anti-Cancer Society</li> </ul>	<ul style="list-style-type: none"> <li>€446,000 raised</li> <li>36% increase compared to 2021</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Increase Bank of Cyprus Cultural Foundation activities and attendees</li> </ul>	<ul style="list-style-type: none"> <li>50 main activities by the Bank of Cyprus Cultural Foundation with 12,213 online and 42,545 physical attendees</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Continue supporting start-ups under IDEA Innovation Center</li> </ul>	<ul style="list-style-type: none"> <li>7 start-ups joined in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>

## Our Goals

Area	2022 Goal	2022 Main achievement	2023 Goal
Social	<ul style="list-style-type: none"> <li>Build the employee capabilities required to enable the organization of tomorrow</li> </ul>	<ul style="list-style-type: none"> <li>64,576 hours of training conducted</li> <li>New talent Management initiative in 2022 "UGrow" with one Development Center performed in 2022 with 26 participants</li> </ul>	<ul style="list-style-type: none"> <li>Provide upskilling/reskilling opportunities in line with the digital transformation initiatives to broaden career opportunities</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct organizational Health Pulse Checks annually</li> </ul>	<ul style="list-style-type: none"> <li>2 Organizational Health Pulse Checks completed by 80% and 63% of employees</li> </ul>	<ul style="list-style-type: none"> <li>Continue executing annual survey checks with improved results</li> </ul>
	<ul style="list-style-type: none"> <li>Maintain and improve Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>21 evacuation drills nationwide</li> <li>Health and Safety Organizational Processes and Policy were updated to reflect new legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> <li>Perform an independent external audit on Health and Safety Management system</li> </ul>
	<ul style="list-style-type: none"> <li>Organize training seminars on Health &amp; Safety topics</li> </ul>	<ul style="list-style-type: none"> <li>390 hours in First aid training</li> <li>1,404 hours in Safety in workplace training</li> <li>3,807 hours in preventative and protective services for Occupational Safety and Health issues</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Enhancement of "Well at Work" program</li> </ul>	<ul style="list-style-type: none"> <li>Offered 16 webinars to 1,047 employees</li> <li>Offered 5 team building events attended by 225 employees</li> <li>Offered 1 family event attended by 41 employees</li> </ul>	<ul style="list-style-type: none"> <li>Continue supporting and engaging employees under our wellbeing program "Well at Work"</li> </ul>



## Our Goals

Area	2022 Goal	2022 Main achievement	2023 Goal
Governance	<ul style="list-style-type: none"> <li>Establish ESG Governance based on best practices</li> </ul>	<ul style="list-style-type: none"> <li>Clarified and enhanced Sustainability Committee's roles and responsibilities</li> <li>Clarified and enhanced Board Committees roles and responsibilities</li> <li>Designed an ESG working plan</li> </ul>	<ul style="list-style-type: none"> <li>Conduct quarterly update on ESG working plan to the Board of Directors</li> <li>Conduct monthly Sustainability Committee meetings</li> <li>Introduce C&amp;E risk report</li> </ul>
	<ul style="list-style-type: none"> <li>Develop 6th Corporate Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Published</li> </ul>	<ul style="list-style-type: none"> <li>Develop 7th Sustainability Report</li> </ul>
	<ul style="list-style-type: none"> <li>Communicate ESG Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Published ESG disclosures included in the Annual Financial Report of 2022 incorporating the Task Force on Climate-Related Financial Disclosures (TCFD), non-financial information and EU taxonomy disclosures</li> <li>Published disclosures on ESG risks under Pillar 3 disclosures (Table 1, 2, 3 and Template 1, 2, 4, 5, 10)</li> </ul>	<ul style="list-style-type: none"> <li>Publish Task Force on Climate-Related Financial Disclosures (TCFD) for 2023</li> <li>Published disclosures on ESG risks under Pillar 3 disclosures (Table 1, 2, 3 and Templates 1, 2, 4, 5, 6, 7, 8, 10)</li> </ul>
	<ul style="list-style-type: none"> <li>Embed ESG Sustainability in the Bank's culture</li> </ul>	<ul style="list-style-type: none"> <li>2,585 hours of training to all staff regarding ESG matters and ESG strategy through e-learning</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>≥30% women in the ExCo and Senior Management by 2030</li> </ul>	<ul style="list-style-type: none"> <li>27% women in the ExCo and Senior Management as at 31/12/2022</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Encourage Whistleblowing</li> </ul>	<ul style="list-style-type: none"> <li>Trained 2,348 employees on Antibribery, Corruption and Whistleblowing</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Maintain a 'zero tolerance' to acts of bribery and corruption by anyone and continue to prevail against money laundering</li> </ul>	<ul style="list-style-type: none"> <li>8,421 customer relationships terminated/suspended and 4,112 potential new customers were rejected exclusively for compliance reasons</li> <li>Trained 2,756 employees on AML and Prevention of Terrorism</li> </ul>	<ul style="list-style-type: none"> <li>Maintain goal</li> </ul>
	<ul style="list-style-type: none"> <li>Membership at Business Integrity Forum (BIF) and our commitment to continue effective adherence to the governance framework of this Forum as our contribution to society and business ethics principle</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing membership and support to the mission and values of the BIF</li> </ul>

## Our Goals

Area	2022 Goal	2022 Main achievement	2023 Goal
Governance	• New Goal	• New Goal	• Introduce an ESG and an Environmental policy
	• New Goal	• High level Green Lending Policy based on Green Loan Principles	• Revise and enhance the existing Green Lending Policy to facilitate green lending
	• New Goal	• ESG criteria are reflected in the remuneration policy	• Embed specific KPIs relating to the implementation of ESG strategy to the Senior Management
	• New Goal	• New Goal	• Acquisition of granular physical risks database
	• New Goal	• New Goal	• Establish an ESG due diligence process through the usage of customer questionnaires as part of the credit underwriting process
	• New Goal	• New Goal	• Design an ESG data strategy
	• Set up Sustainable Finance Framework for the issuance of bonds with an ESG format	• Finalized the Sustainable Finance Framework	• Set the foundations which will enable Green/ Social or Sustainable bond issuance in the future

Message from  
the CEO

About  
this report

The Bank of Cyprus

**Our approach  
to sustainability**

Environment

Social

Governance

Appendices

A photograph of a hand reaching down to touch the surface of a body of water. The sun is low on the horizon, creating a warm, golden glow and long, soft shadows. The water is calm with gentle ripples. A teal-colored rectangular box is overlaid on the right side of the image, containing the title text.

# 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 2022 and beyond.

Bank of Cyprus is determined to lead the transition of the country into a sustainable future. During 2022, 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 2022:

- **Become Carbon Neutral by 2030**
- **Become Net Zero by 2050**
- **Steadily increase Green Asset Ratio**
- **Steadily increase Green Mortgage Ratio**
- **≥30% women in management bodies by 2030**



## Primary ESG Targets

<b>Become Carbon Neutral by 2030</b>	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 2022 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.
<b>Become Net Zero by 2050</b>	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.
<b>Steadily increase Green Asset Ratio</b>	<p>The Bank will indicate the degree of alignment with the EU Taxonomy, such as showing the proportion of the share of credit institutions' 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 Green Asset Ratio disclosure becomes mandatory in January 2024 for the period ending December 2023.</p> <p>The Bank has calculated its eligibility ratio as at 31 December 2022, which was published within the 2022 Annual Financial Report, and can be found in the Bank's website (<a href="#">Annual Reports - Bank of Cyprus</a>).</p>
<b>Steadily increase Green Mortgage Ratio</b>	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.
<b>≥30% women in management bodies by 2030</b>	The Bank is committed to ensuring women's full and effective participation in the management bodies, namely the ExCo and the Senior Management.

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. 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 decarbonization issues, risk identification and impact assessment.

# Our material impacts

(GRI: 3-1, 3-2)

## Principles for Responsible Banking (PRB) Impact Analysis

In September 2022, Bank of Cyprus voluntarily conducted an impact analysis, using its loan portfolio, in accordance with the Principles for Responsible Banking (PRB) initiative of the United Nations Environment Programme – Finance Initiative (UNEP FI), which aims to ensure that the banks are aligned with society's vision set out in the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement.



## Creating the future of banking

The **Principles for Responsible Banking** are 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. They were created in 2019 through a partnership between founding banks and the United Nations.



### 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.



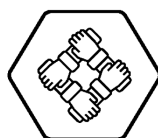
### PRINCIPLE 3: **CLIENTS & CUSTOMERS**

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 UNEP FI, 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 93.1% of total Gross Loan portfolio as at 31 December 2022 was examined under the Institutional and Consumer Banking PRB Impact tools, so as to identify the key Impact areas and Impact topics.

<b>Scope</b>	Institutional & Consumer loan portfolio
<b>Geographic location</b>	Cyprus
<b>Excluded from scope</b>	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.

	<b>Business segments</b>	
<b>Indicator</b>	<b>Institutional Banking</b>	<b>Consumer Banking</b>
Geographic scope	Cyprus	
Size of Business segment (total Gross Loans, in € mn)	4,697*	4,812
Proportion of the Bank's overall business activity represented per Business segment (as total Gross Loans, in € mn)	46%	47.1%
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

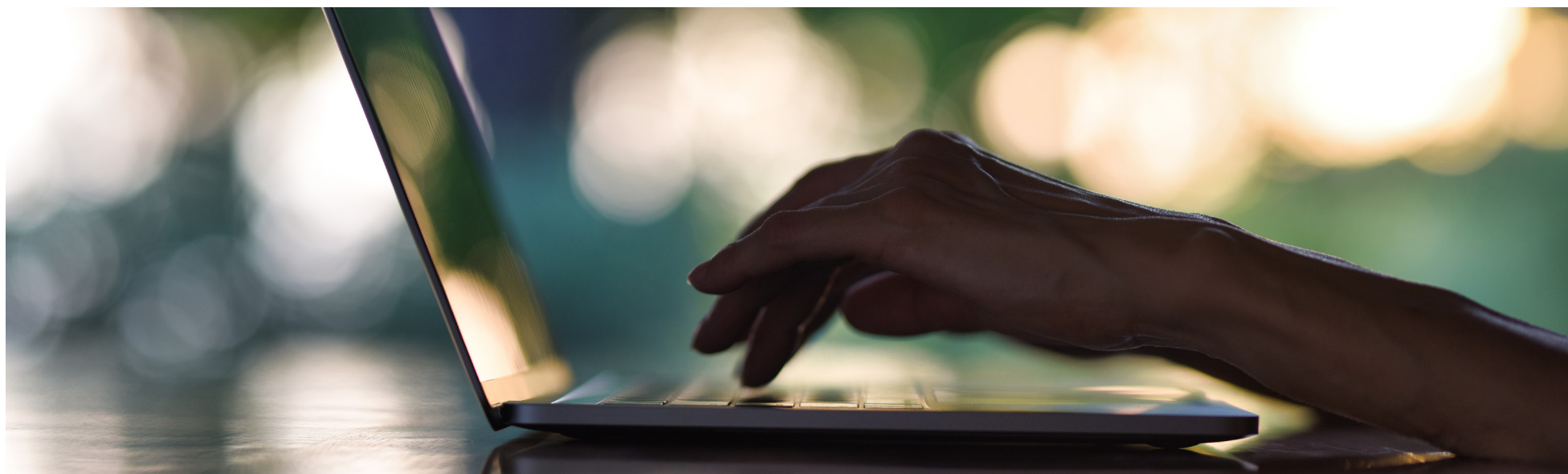
Source: <https://www.unepfi.org/impact/impact-radar-mappings/>

## 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	Finance	 	<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Housing	 	<ul style="list-style-type: none"> <li>• 41.1 Development of building projects</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Education	    	<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Healthcare & sanitation	   	<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
Negative	Climate Stability	Climate Stability	   	<ul style="list-style-type: none"> <li>• 41.1 Development of building projects</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
	Circularity	Resource Intensity	  	<ul style="list-style-type: none"> <li>• 41.1 Development of building projects</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Waste	   	<ul style="list-style-type: none"> <li>• 41.1 Development of building projects</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
	Biodiversity and healthy ecosystems	Species	  	<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Habitat	 	<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>
		Air	  	<ul style="list-style-type: none"> <li>• 50.2 Sea and coastal freight water transport</li> </ul>
		Soil		<ul style="list-style-type: none"> <li>• 68.1 Buying and selling of own real estate</li> <li>• 68.2 Rental and operating of own or leased real estate</li> </ul>

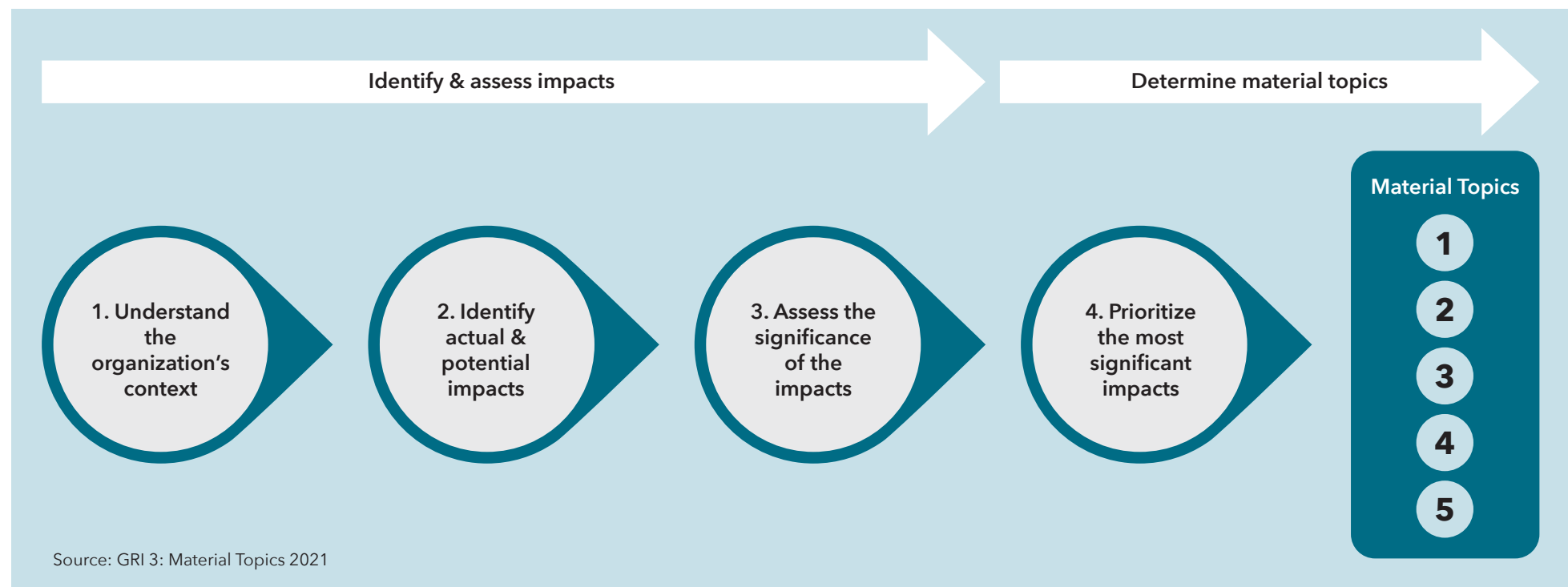
## Bank of Cyprus - Consumer banking key impacts

Impact	Impact areas	Impact topics	Associated SDGs	Key contributing sectors (Top 2)
Positive	Availability, accessibility, affordability & quality of resources and services	Finance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> <li>64.432 Consumer loans &amp; overdraft</li> <li>64.434 Home loans/mortgages</li> </ul>
		Housing	1 NO POVERTY 11 SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> <li>64.434 Home loans/mortgages</li> </ul>
Negative	Availability, accessibility, affordability & quality of resources and services	Finance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> <li>64.431 Credit Cards</li> <li>64.432 Consumer loans &amp; overdraft</li> </ul>
	Climate Stability	Climate Stability	1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	<ul style="list-style-type: none"> <li>64.434 Home loans/mortgages</li> <li>64.435 Vehicle related loans</li> </ul>
	Circularity	Resource Intensity	6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> <li>64.434 Home loans/mortgages</li> <li>64.435 Vehicle related loans</li> </ul>



## 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 organization'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 organization 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 [2021 Sustainability Report](#) were taken into account while performing the GRI materiality analysis for this year's Report under the new GRI Standards 2021. As in 2022 there were changes in the process of the materiality analysis conducted compared to prior year (as both the operational and finance positive and negative impacts of the Bank were taken into consideration), an updated and further enhanced list of the identified actual and potential impacts is included further below.

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 Report Steering Committee of the Bank, with selected internal stakeholders, with deep knowledge and expertise on the organization'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 prioritization 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"> <li>• Scale</li> <li>• Scope</li> <li>• Likelihood</li> </ul>	<ul style="list-style-type: none"> <li>• Scale</li> <li>• Scope</li> </ul>

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

## Step 4. Prioritize the most significant impacts

Prioritization of the impacts based on their significance, by the Sustainability Report Steering 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 2022, the Bank confirmed the stakeholder groups identified in the 2021 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
<b>BOC Group</b>				
	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Participation in Steering Committee meetings for specific projects</li> <li>• Progress update on implementation of projects</li> <li>• Participation in Board Committees</li> <li>• Meetings for Subsidiary results and KPIs progress</li> <li>• Group Financial Results</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly</li> <li>• As needed</li> <li>• As needed</li> <li>• As needed</li> <li>• Monthly</li> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> <li>• Departmental</li> </ul>	Human & financial resources
<b>Board of Directors</b>				
	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• AGMs</li> <li>• Ask the Board</li> <li>• Trainings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular basis</li> <li>• Annually</li> <li>• Ongoing</li> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> <li>• Departmental</li> </ul>	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
<b>Employees</b>				
	<ul style="list-style-type: none"> <li>• Personal</li> <li>• Group meetings</li> <li>• Presentations</li> <li>• Internal portal</li> <li>• Email announcements</li> <li>• Internal workshops</li> <li>• Open days</li> <li>• Employee Opinion Survey</li> <li>• Management Practices Survey</li> <li>• Internal Customer Satisfaction Survey</li> <li>• Yammer Internal Collaboration Tool</li> <li>• Extended Leadership Team</li> <li>• Ask the CEO</li> <li>• Ask the Board</li> <li>• Organizational Health Project</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• Quarterly</li> <li>• As needed</li> <li>• Daily</li> <li>• As needed</li> <li>• As needed</li> <li>• Twice per year</li> <li>• Annually</li> <li>• Biennially</li> <li>• As needed</li> <li>• Weekly</li> <li>• Quarterly</li> <li>• As needed</li> <li>• As needed</li> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> <li>• Departmental</li> </ul>	Human & financial resources
<b>Investors and Shareholders</b>				
	<ul style="list-style-type: none"> <li>• Website</li> <li>• Email</li> <li>• Announcements</li> <li>• Annual and extraordinary general meetings</li> <li>• Conference calls</li> <li>• Meetings</li> <li>• Roadshows</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Ongoing</li> <li>• Annually</li> <li>• Quarterly</li> <li>• Ongoing</li> <li>• 15 in 2022</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> <li>• Departmental</li> </ul>	Human & financial resources



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

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
<b>Business Community</b>				
	<ul style="list-style-type: none"> <li>• SupportCY Network</li> <li>• Telephone</li> <li>• Email</li> <li>• Personal meetings</li> <li>• Media campaigns</li> <li>• Focus on groups and surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Twice per month</li> <li>• As needed</li> <li>• As needed</li> <li>• As needed</li> <li>• Depends on product and medium</li> <li>• Frequency depends on topic and nature of the survey/focus group</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> </ul>	Human & financial resources
<b>Civil Society</b>				
	<ul style="list-style-type: none"> <li>• Regular direct contact and honest cooperation</li> <li>• 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</li> <li>• Interviews, press releases</li> <li>• Advertising campaigns</li> <li>• Content creation and support on non-banking issues</li> <li>• SupportCY</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• Indicative participation in conferences and events on pages 30 &amp; 31.</li> <li>• Three times per week</li> <li>• Three times per week</li> <li>• Twice per week</li> <li>• Twice per month</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> </ul>	Human & financial resources

	Type of stakeholder engagement / Engagement Channels	Frequency of stakeholder engagement	Level of stakeholder engagement	Resources allocated to stakeholder engagement
<b>Government and Regulations</b>				
	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• SupportCY</li> </ul>	<ul style="list-style-type: none"> <li>• As needed</li> <li>• In any given situation of emergency and crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational</li> <li>• Departmental</li> <li>• Project level</li> </ul>	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 Relationship Matrix and SDG KPIs subsections that follow.

## Environment

- Environmental Footprint
- Waste Management
- Energy Consumption
- Climate Change and Decarbonization
- 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 Digitalization
- Service Quality, Customer communication and Satisfaction
- Financial Inclusion

## Governance


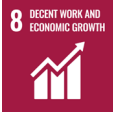

- Sustainability Governance
- Inclusion and Diversity
- Reporting
- Policies
- Cyber Security & Data Protection
- Data Privacy
- Training





## UN SDG relationship matrix

UN SDGs	Linking SDGs and SDG targets with the Bank's pillars	Environment	Social	Governance
<b>3. Good Health and Well-being</b>				
	<ul style="list-style-type: none"> <li>• 3.6 Reduce the number of deaths and injuries from road traffic accidents.</li> <li>• 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.</li> </ul>		√	
<b>4. Quality Education</b>				
	<ul style="list-style-type: none"> <li>• 4.3 Ensuring equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>		√	




## UN SDG relationship matrix

UN SDGs	Linking SDGs and SDG targets with the Bank's pillars	Environment	Social	Governance
<b>5. Gender Equality</b>				
	<ul style="list-style-type: none"> <li>5.1 End all forms of discrimination against all women and girls everywhere.</li> <li>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.</li> </ul>		√	√
<b>8. Decent Work and Economic Growth</b>				
	<ul style="list-style-type: none"> <li>8.9 Devising and implementation of policies to promote sustainable tourism that creates jobs and promotes local culture and products.</li> <li>8.10 Strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</li> </ul>		√	
<b>9. Industries, Innovation and Infrastructure</b>				
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	√	√	

## UN SDG relationship matrix


UN SDGs	Linking SDGs and SDG targets with the Bank's pillars	Environment	Social	Governance
<b>11. Make cities inclusive, safe, resilient and sustainable</b>				
	<ul style="list-style-type: none"> <li>11.1 Ensuring access for all to adequate, safe and affordable housing and basic services.</li> <li>11.4 Strengthening efforts to protect and safeguard the world's cultural and natural heritage.</li> <li>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.</li> <li>11.A Supporting positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning.</li> </ul>	√	√	
<b>12. Responsible Consumption and Production</b>				
	<ul style="list-style-type: none"> <li>12.2 Sustainable management and efficient use of natural resources achievement.</li> <li>12.5 Substantial waste generation reduction through prevention, recycling and reuse.</li> <li>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</li> <li>12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.</li> </ul>	√	√	

## UN SDG relationship matrix


UN SDGs	Linking SDGs and SDG targets with the Bank's pillars	Environment	Social	Governance
<b>13. Climate Action</b>				
	<ul style="list-style-type: none"> <li>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</li> <li>13.2 Integrate climate change measures into national policies, strategies and planning.</li> <li>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</li> </ul>	√	√	
<b>14. Life below Water</b>				
	<ul style="list-style-type: none"> <li>14.1 Prevention and significant marine pollution reduction of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</li> <li>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.</li> </ul>	√	√	
<b>17. Partnerships for the Goals</b>				
	<ul style="list-style-type: none"> <li>17.14 Enhance policy coherence for sustainable development.</li> <li>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership.</li> </ul>	√	√	√





## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>3.6 Reduce the number of deaths and injuries from road traffic accidents.</li> </ul>	<ul style="list-style-type: none"> <li>Hours of training in relation to Health &amp; Safety provided to employees</li> <li>Number of events organized on road safety with total number of participants</li> </ul>	<ul style="list-style-type: none"> <li>CPR &amp; AED: 69 participants/518 hrs</li> <li>Emergency First Aid at work: 135 participants/1,013 hrs</li> <li>First Aid at work: 21 participants/315 hrs</li> <li>1,108 friendly vehicle mechanical checks within the annual Road Safety Campaign, by 5 expert volunteers</li> <li>97 lectures to schools and 32 lectures to military camps on road safety: ~2,425 students and ~1,120 soldiers participated</li> </ul>	<ul style="list-style-type: none"> <li>CPR &amp; AED: 34 participants/255 hrs</li> <li>Emergency First Aid at work: 52 participants/390 hrs</li> <li>Safety in workplace (e-learning): 2,808 participants/1,404 hrs</li> <li>580 friendly vehicle mechanical checks within the annual Road Safety Campaign, by 5 volunteers with expertise on the matter</li> <li>6 lectures to schools and 34 lectures to military camps on Road Safety: ~320 students and ~1,020 soldiers participated</li> <li>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)</li> <li>Road Safety Educational Campaign (Driving with Bad Weather)</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Number of patients benefited from Bank's actions</li> </ul>	<ul style="list-style-type: none"> <li>20,318 patients and their families (via the Bank of Cyprus Oncology Centre, Cyprus Anticancer Society, En Ergo programme for paraplegics and quadriplegics)</li> </ul>	<ul style="list-style-type: none"> <li>39,924 patients and their families (Bank of Cyprus Oncology Centre, Cyprus Anticancer Society, En Ergo programme for paraplegics and quadriplegics)</li> </ul>


## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>4.3 Ensuring equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees have attended trainings per level, gender, department and training subject</li> <li>Total hours of training per level, gender</li> </ul>	<ul style="list-style-type: none"> <li>3,209 employees attended 260 sessions</li> <li>Board Members: 12* (4w/8m)</li> <li>Senior Management: 17* (4w/13m)</li> <li>Management: 602 (256w/346m)</li> <li>Officers: 2,588 (1,666w/922m)</li> <li>49,787 hours of training (30,477w/19,310m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>	<ul style="list-style-type: none"> <li>3,106 employees attended 324 sessions</li> <li>Board Members: 10* (4w/6m)</li> <li>Senior Management: 19* (5w/14m)</li> <li>Management: 596 (263w/333m)</li> <li>Officers: 2,489 (1,575w/914m)</li> <li>64,660 hours of training (39,299w/25,361m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Total investment of new lending in education sector (in €)</li> </ul>	<ul style="list-style-type: none"> <li>€29.3mn new lending in education sector</li> </ul>	<ul style="list-style-type: none"> <li>€8.8mn new lending in education sector</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Total investment in scholarships granted per gender (in €)</li> </ul>	<ul style="list-style-type: none"> <li>Total amount invested through partnerships with educational institutions: €21,000</li> <li>Total number of students benefited with scholarships through partnerships: 35 (23w/12m)</li> </ul>	<ul style="list-style-type: none"> <li>Total amount invested through partnerships with educational institutions: €21,000</li> <li>Total number 28 (10w/16m/3) beneficiaries to be announced</li> </ul>


## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Number of individuals that participated in trainings provided through the Bank of Cyprus CSR Actions in pillar Education divided per subject per gender</li> </ul>	<ul style="list-style-type: none"> <li>80 SupportCY volunteers (40%w/60%m)</li> </ul>	<ul style="list-style-type: none"> <li>60 SupportCY Volunteers (38%w/ 62%m)</li> </ul>
	<ul style="list-style-type: none"> <li>5.1 End all forms of discrimination against all women and girls everywhere.</li> </ul>	<ul style="list-style-type: none"> <li>Number of promotions per gender, per annum</li> <li>Total hours of training per level, gender</li> </ul>	<ul style="list-style-type: none"> <li>633 promotions: 345w (55%) and 288m (45%)</li> <li>3,209 employees attended 260 sessions</li> <li>Board Members: 12* (4w/8m)</li> <li>Senior Management: 17* (4w/13m)</li> <li>Management: 602 (256w/346m)</li> <li>Officers: 2,588 (1,666w/922m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>	<ul style="list-style-type: none"> <li>No promotions were provided in 2022</li> <li>3,106 employees attended 324 sessions</li> <li>Board Members: 10* (4w/6m)</li> <li>Senior Management: 19* (5w/14m)</li> <li>Management: 596 (263 w/ 333 m)</li> <li>Officers: 2,489 (1,575 w/ 914 m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>

## UN SDGs KPIs


SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of women participation in the Board of Directors and Senior Management positions</li> <li>Total hours of training per level, gender</li> </ul>	<ul style="list-style-type: none"> <li>38% of the key positions below Senior Management occupied by women</li> <li>33.3% women members of the Board of Directors</li> <li>3,209 employees attended 260 sessions</li> <li>Board Members: 12* (4w/8m)</li> <li>Senior Management: 17* (4w/13m)</li> <li>Management: 602 (256w/346m)</li> <li>Officers: 2,588 (1,666w/922m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>	<ul style="list-style-type: none"> <li>39% of the key positions below extended ExCo/Senior Management are women</li> <li>40% women participation in the Board of Directors</li> <li>3,106 employees attended 324 sessions</li> <li>Board Members: 10* (4w/6m)</li> <li>Senior Management: 19* (5w/14m)</li> <li>Management: 596 (263w/333m)</li> <li>Officers: 2,489 (1,575w/914m)</li> </ul> <p>* The number of Senior Management excludes the two Executive Directors who are included in Board Members number</p>

## UN SDGs KPIs


SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>8.9 Devising and implementation of policies to promote sustainable tourism that creates jobs and promotes local culture and products.</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<p>New for 2023:</p> <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to Accommodation industry</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio under the NACE sector of Accommodation and Food Service activities</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>
	<ul style="list-style-type: none"> <li>8.10 Strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of transactions carried out through digital networks and other electronic solutions</li> </ul>	<ul style="list-style-type: none"> <li>€40.25bn total monetary value traded in digital channels</li> <li>Digital Transactions Ratio (Total Portfolio): 88.93%</li> </ul>	<ul style="list-style-type: none"> <li>€49.01 bn total monetary value traded in digital channels</li> <li>Digital Transactions Ratio (Total Portfolio): 93.94%</li> </ul>




## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of transactions carried out through digital networks and other electronic solutions</li> </ul>	<ul style="list-style-type: none"> <li>€40.25bn total monetary value traded in digital channels</li> <li>Digital Transactions Ratio (Total Portfolio): 88.93%</li> </ul>	<ul style="list-style-type: none"> <li>€49.01bn total monetary value traded in digital channels</li> <li>Digital Transactions Ratio (Total Portfolio): 93.94%</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Total amount of small-scale/ SME loan portfolio to total loan portfolio (YoY change)</li> </ul>	<ul style="list-style-type: none"> <li>Total number of SME customers: 11,380 (Individuals: 6,029 Legal entities: 5,351)</li> <li>Gross Loans (31/12/2021): €1,198mn</li> <li>New Lending (31/12/2021): €189mn</li> </ul>	<ul style="list-style-type: none"> <li>Total number of SME customers: 12,106 (Individuals: 6,497 Legal entities: 5,609)</li> <li>Gross Loans (31/12/2022): €1,119mn</li> <li>New Lending (31/12/2022): €205mn</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<p>New Goal for 2023:</p> <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to customers</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>


## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>11.1 Ensuring access for all to adequate, safe and affordable housing and basic services.</li> </ul>	<ul style="list-style-type: none"> <li>Total amount of housing loan portfolio to total loan portfolio (YoY change)</li> </ul>	<ul style="list-style-type: none"> <li>Gross Housing loans (31/12/2021): €3,741mn</li> <li>New lending (31/12/2021): €475mn</li> </ul>	<ul style="list-style-type: none"> <li>Gross Housing loans (31/12/2022): €3,542mn</li> <li>New lending (31/12/2022): €510mn</li> </ul>
	<ul style="list-style-type: none"> <li>11.4 Strengthening efforts to protect and safeguard the world's cultural and natural heritage.</li> </ul>	<ul style="list-style-type: none"> <li>Total number of CSR Actions aiming to improve resource use and reduce pollution and poverty, and safeguard the world's cultural and natural heritage</li> </ul>	<ul style="list-style-type: none"> <li>8 main activities by the Bank of Cyprus Cultural Foundation with 14,151 online and 5,930 physical attendees</li> </ul>	<ul style="list-style-type: none"> <li>50 main activities by the Bank of Cyprus Cultural Foundation with 12,213 online and 42,545 physical attendees</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	New Goal for 2023: <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to customers</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>
	<ul style="list-style-type: none"> <li>11.A Supporting positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>€81,222</li> </ul>	<ul style="list-style-type: none"> <li>€82,607</li> </ul>




## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>12.2 Sustainable management and efficient use of natural resources achievement.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of increase to clean energy, by the Bank, year by year</li> </ul>	<ul style="list-style-type: none"> <li>6.53% increase comparing 2020 with 2021</li> </ul>	<ul style="list-style-type: none"> <li>9.43% increase comparing 2021 with 2022</li> </ul>
	<ul style="list-style-type: none"> <li>12.5 Substantial waste generation reduction through prevention, recycling and reuse.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of reduction of paper usage (tonnes/year)</li> </ul>	<ul style="list-style-type: none"> <li>1% consumption reduction</li> </ul>	<ul style="list-style-type: none"> <li>12% consumption reduction</li> </ul>
	<ul style="list-style-type: none"> <li>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	New Goal for 2023: <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to customers</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>
	<ul style="list-style-type: none"> <li>12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	<ul style="list-style-type: none"> <li>New Goal</li> </ul>	New Goal for 2023: <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to Accommodation industry</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio under the NACE sector Accommodation and Food Service activities</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>

## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</li> </ul>	<ul style="list-style-type: none"> <li>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)</li> <li>Total number of CSR activities/ actions aiming to improve the reduction of forest fires prevention, sea pollution and biodiversity protection</li> </ul>	<ul style="list-style-type: none"> <li>80 SupportCY Volunteers (40%w/60%m)</li> </ul>	<ul style="list-style-type: none"> <li>60 SupportCY Volunteers (38%w/62%m)</li> <li>54 programmes and activities under SupportCY / ~150 training Hours Cyprus and Abroad</li> <li>58 CSR programmes and activities</li> </ul>
	<ul style="list-style-type: none"> <li>13.2 Integrate climate change measures into national policies, strategies and planning.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage (%) of electricity consumption decrease: % of electricity</li> <li>Consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption</li> <li>Scope 1 and Scope 2 GHG emissions to be reduced by 42% to become carbon Neutral by 2030</li> </ul>	<ul style="list-style-type: none"> <li>10.48% decrease of electricity consumption comparing 2021 with 2020</li> <li>0.94% of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption</li> </ul>	<ul style="list-style-type: none"> <li>8.83% decrease of electricity consumption comparing 2022 with 2021</li> <li>1.15% of electricity consumption derived from eco-friendly sources or renewable sources of energy per total electricity consumption</li> <li>Reduction of 8% in Scope 1 and Scope 2 GHG emissions</li> </ul> <p>New Goal in 2023:</p> <ul style="list-style-type: none"> <li>Steadily increase the transition finance provided to customers</li> <li>Set decarbonization targets in Financed Scope 3 GHG emissions associated with the loan portfolio</li> <li>Establish ESG scorecards in the loan origination process</li> </ul>

## UN SDGs KPIs

SDGs	SDG target	KPIs	2021 performance	2022 performance
	<ul style="list-style-type: none"> <li>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</li> </ul>	<ul style="list-style-type: none"> <li>Total training hours on ESG and climate matters</li> </ul>	<ul style="list-style-type: none"> <li>New Goal in 2022</li> </ul>	<ul style="list-style-type: none"> <li>2,585 hours of e-learning on all staff relating to ESG</li> <li>112 hours of physical training on ESG updates and Understanding the Green Transition</li> <li>118 training hours on officers and Managers on Understanding the Green Transition</li> </ul>
	<ul style="list-style-type: none"> <li>14.1 Prevention and significant marine pollution reduction of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Total number of CSR activities/ actions aiming to improve the reduction of sea pollution</li> </ul>	<ul style="list-style-type: none"> <li>New goal for 2022</li> <li>Beach cleaning by volunteers employees</li> </ul>	<ul style="list-style-type: none"> <li>Beach cleaning by volunteer employees</li> <li>“Seaproxia” (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</li> <li>Early in 2023 the Bank launched a campaign on new Visa Debit cards produced from recyclable plastic extracted from the ocean</li> </ul>
	<ul style="list-style-type: none"> <li>17.14 Enhance policy coherence for sustainable development.</li> <li>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Number of partnerships established each year with NGOs, corporations, associations and governmental services</li> </ul>	<ul style="list-style-type: none"> <li>19 main partnerships with NGOs targeting Health and Education</li> <li>130 companies and NGOs, members of SupportCY Network</li> <li>~€780,000 of support channeled into Cypriot society through SupportCY Network</li> </ul>	<ul style="list-style-type: none"> <li>78 partnerships targeting Health and Education</li> <li>167 companies and NGOs, members of SupportCY Network</li> <li>~€880,000+ of support channeled into Cypriot society through SupportCY Network</li> </ul>



[Message from  
the CEO](#)

[About  
this report](#)

[The Bank of Cyprus](#)

[Our approach  
to sustainability](#)

[Environment](#)

[Social](#)

[Governance](#)

[Appendices](#)



# Environment

# Setting an environmental strategy and contributing to climate stability



## 2022 Highlights (as of 31 December 2022)

**8%**

reduction in Scope 1 and Scope 2  
GHG emissions

Total direct (Scope 1) emissions:

**983.96tCO<sub>2</sub>e**

Total Scope 2 Emissions  
(purchased electricity):

**10,415tCO<sub>2</sub>e**

**First bank in Cyprus that has  
estimated and published  
its Financed Scope 3 GHG  
emissions** associated with c.88%  
of its Gross Loans and advances  
portfolio using PCAF standard  
and proxies. Total Financed  
Scope 3 GHG Emissions:

**1,281,810tCO<sub>2</sub>e**

**5.3mn MJ** (1,466k kwh)

reduction in electricity consumption

Total Electricity Consumption:

**54.6mn MJ**

**€270k** investment in energy-  
saving activities

Installation of Photovoltaics at  
**12** owned buildings

**Finalization of Sustainable  
Finance Framework** to enable  
the Bank to issue Green/Social  
or Sustainable bonds with the  
proceeds allocated to eligible  
lending

## 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 2022, that create positive impacts on climate stability;
- 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 2022, 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 the leading financial services provider in Cyprus, Bank of Cyprus plays a pivotal role in addressing the climate crisis. The Bank is committed to leading by example, by minimizing its environmental footprint and promoting the green economy. It is conscious of the effect that climate change may have on the operations of the Bank itself, as well as the financial risks it brings to the economy in the longer term. However, it also realizes that climate change presents both risks and opportunities, and has therefore developed a plan of actions aiming to meet increased stakeholder needs and expectations.*

## Taking a stance on Climate

Environmental considerations are priority for financial institutions globally. The business model and operations of the Bank could be affected by climate change and climate-related risks. In addition, the ever-growing regulatory expectations regarding climate change, environmental products and services, climate-related disclosures, and the transition to low-carbon economy will impact both the Bank's own operations and customer behavior.

The Bank's approach to climate action is evolving over time and has progressively been embedded into the Bank's activities and actions. The Bank is determined to create a stronger, safer, and future-focused organization. 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:

- Reinforcing the impact of climate financing;
- Building resilience to climate change; and
- 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 objectives:

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

To ensure delivery on its ambition, the Bank is formulating a long-term action plan that covers areas such as the decarbonization of the Bank's own operations and portfolio, risk identification and impact assessment, and streamlining of the Bank's policies with the ESG strategy. This plan is further supported by a solid governance structure 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 organization 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 decarbonization targets that will be set.



Time horizon label	Start Year	End Year	Rationalisation
<b>Short-term (1-3 years)</b>	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.
<b>Medium-term (4-7 years)</b>	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.
<b>Long-term (8-27 years)</b>	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 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

Changing regulatory and legal requirements, increased stakeholder concern, shifts in consumer preferences, and the mandates on and regulation of existing products and services, are just a few ways that the Bank can be exposed to climate risk. The Bank periodically reviews the risks it faces and considers how they may affect its customers and operations.

The table below provides an overview of the actions to mitigate climate risk the Bank intends to take or is already taking. These actions relate to the previously identified C&E risks that affect the primary risk types.

Risk Type	Controls / Mitigations Used
<b>Credit</b>	<p><b>Transition Risks</b></p> <p>Going forward, the Bank intends to perform detailed analyses ('deep dives') for specific Corporate clients with large exposures, in order to carry out strategic initiatives with respect to the following:</p> <ul style="list-style-type: none"> <li>- Determination of financing terms for Corporate clients with different levels of transition risk;</li> <li>- Financing of Corporate clients' 'green' transition;</li> <li>- Collection of additional information on Corporate clients' environmental performance (e.g. GHG emissions data).</li> </ul> <p><b>Physical Risk Assessment</b></p> <p>In the context of further future actions, the Bank intends to perform detailed analyses ('deep dives') regarding its exposure to specific areas with high physical risk vulnerabilities. This will be facilitated through the acquisition of detailed geolocation data which will allow the Bank to consider the physical risk of collaterals during loan origination process, to appropriately adjust the underlying financing.</p>
<b>Liquidity</b>	The 2022 ILAAP scenario considers increased outflows on climate sensitive areas of the loan portfolio.
<b>Market</b>	The Bank will consider the ESG rating of bonds purchased.
<b>Operational</b>	The Bank, through its current policies and procedures within its BAU and Recovery Plans is already addressing these risks. Furthermore, it plans to capture these risks and mitigating actions through its third-party assessment procedures.

## Identifying the impact of climate change on the Bank's financed portfolio

### (TCFD - Pillar III - Risk Management)

As part of the Bank's overall risk management process of climate and environmental risks, a risk identification analysis and assessment exercise has been carried out for the consideration of the impact of climate change on its financed portfolio for different time buckets. The identified risks are assessed on an on-going basis to ensure that these remain up to date given the developments in the business environment and the mitigating actions taken by the Bank.

The Bank has employed the UNEP FI's Impact Analysis Tool, which provides a two-step process to understand and manage actual and potential positive and negative impacts of the financing it provides.

### Exposures identification

To identify the exposures that are vulnerable to transition risks, the Bank employed the Climate Policy Relevant Sectors (CPRS) approach. This approach is a classification of activities whose revenues could be affected positively or negatively in a disorderly low-carbon transition. It allows the assessment of the economic and financial risk when firms are misaligned with the climate and decarbonization targets specified in

the Paris Agreement or with other defined policy objectives.

CPRS are identified considering their:


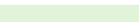


- direct and indirect contribution to GHG emissions;
- role in the energy value chain;
- relevance for climate policy implementation (i.e., their cost sensitivity to climate policy or regulatory change, e.g., the Carbon Leakage Regulation); and
- business model (input substitutability of fossil fuel).

### Risk identification

Several sources were examined, to identify the risks that can have a financial impact on the Bank. The process involved a rigorous analysis of several risks and all of the possible impacts they could have on a number of high transition sectors within the CPRS framework, marking which combination of risks and impacts were relevant to Cyprus, the local market and finally the Bank itself. The analysis revealed over a hundred relevant impacts across the 22 physical/transition risks that can be disclosed in Note 1 of the Consolidated Financial Statements under Risk and Capital Management Report. Based on the analysis carried out the Bank was able to map the sectors sensitive to climate and environmental risks as shown below:

## Risk identification

Risks	Type	Driver	REAL ESTATE ACTIVITIES	ACCOMMODATION & FOOD SERVICE	CONSTRUCTION	TRANSPORTATION & STORAGE	WHOLESALE & RETAIL TRADE; REPAIR OF MOTOR VEHICLES	MANUFACTURING	AGRICULTURE, FORESTRY AND FISHING
Change in Precipitation - Change in average precipitation level	Physical	Chronic							
Change in Precipitation - Increased intensity, frequency and/or duration of flooding	Physical	Acute							
Change in Temperature - Change in average temperature	Physical	Chronic							
Change in Temperature - Extreme temperature spells	Physical	Acute							
Changing customer behaviour	Transition	Market							
Desertification	Physical	Chronic							
Energy supply	Transition	Market							
Enhanced emissions-reporting obligations	Transition	Policy & Legal							
Exposure to litigation	Transition	Policy & Legal							
Extreme weather - Droughts - Increased intensity, frequency and/or duration of droughts	Physical	Acute							
Extreme weather - Droughts - Increased intensity, frequency and/or duration of droughts	Transition	Market							
Extreme weather - Storms - Increased intensity, frequency and/or duration of storms	Physical	Acute							
Increased cost of raw materials	Transition	Market							
Increased pricing of GHG emissions	Transition	Policy & Legal							
Increased stakeholder concern or negative stakeholder feedback	Transition	Reputation							
Loss of biodiversity	Physical	Chronic							
Mandates on and regulation of existing products and services	Transition	Policy & Legal							
Pests	Physical	Chronic							
Shifts in consumer preferences	Transition	Reputation							
Substitution of existing products and services with lower emissions options	Transition	Technology							
Uncertainty in market signals	Transition	Market							
Sea level rise	Physical	Chronic							

Explanation of colours:    

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

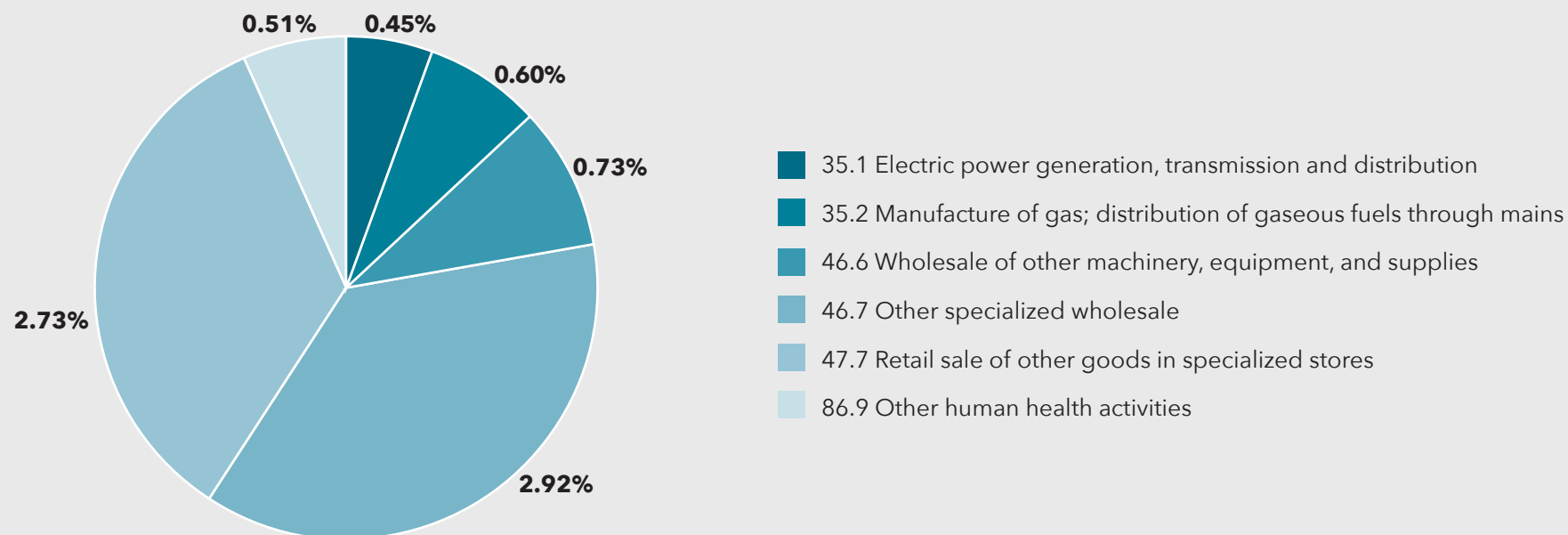
### (TCFD - Pillar III - Risk management)

As new data and modelling capabilities become available, the Bank continues to build upon the transition and physical risk scenario analyses. The Bank's ambition is to use various models and programmes within its risk assessment process to guide the climate strategy, by allowing it to quantify further the financial impacts of such risks on its portfolios. Furthermore, it is expected that managing the portfolio to net zero should also help to substantially mitigate transition risk. On physical risks, the Bank considers that raising the awareness of its customers on acute and chronic physical risks can assist both parties in identifying the best adaptation mechanisms to support a resilience to adverse scenarios through the right products.

In particular, the Bank in order to assess the financial impact of transition risks on its portfolio, is carrying out a sensitivity analysis on the Business Plan to reflect the potential impact of a short-term disorderly scenario according to which a set of policies would be frontloaded. Under such a scenario, it would be expected that fuels costs and energy use become more expensive and thus would push the operating margins of corporates downwards as a result of absorbing a part of these costs. At the same time, the increased cost of energy would increase the living costs for households and thus on the grounds of affordability assessment, certain households would face challenges which would be reflected in their cost of risk. Considering the specific composition of the Bank's portfolio, such policies would most likely affect customers in the Construction and Real Estate sectors and customers with mortgage loans granted prior to 2010 implying thus less energy-efficient properties.

The Bank as part of its business activity, provides financing to certain sectors that as per PRB impact analysis of 2022, create positive impacts among other, that address climate change and contribute on climate stability. More specifically, as per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 7.95% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €373.5mn 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 2022 PRB Impact Analysis)

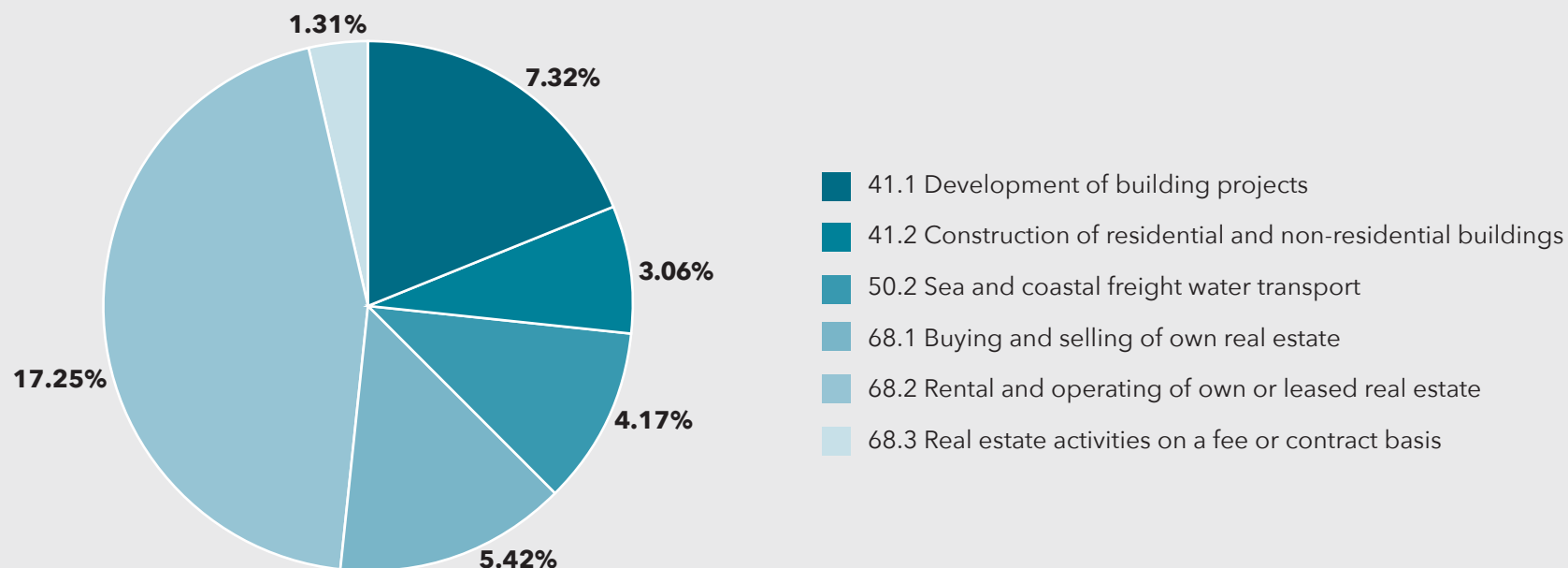


#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022, create negative impacts among other, on climate stability. More specifically, as per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 59.8% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €2.8bln 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 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis, that create negative impact on climate stability, contributing to a combine exposure of 2%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on climate stability, have an exposure of 19.3%, of the portfolio under assessment (i.e. combined financing of 59.8% 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 are considered to be the 95%-98% of the total emissions of a financial institution. The Bank has estimated Financed Scope 3 GHG emissions relating to the loan 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.

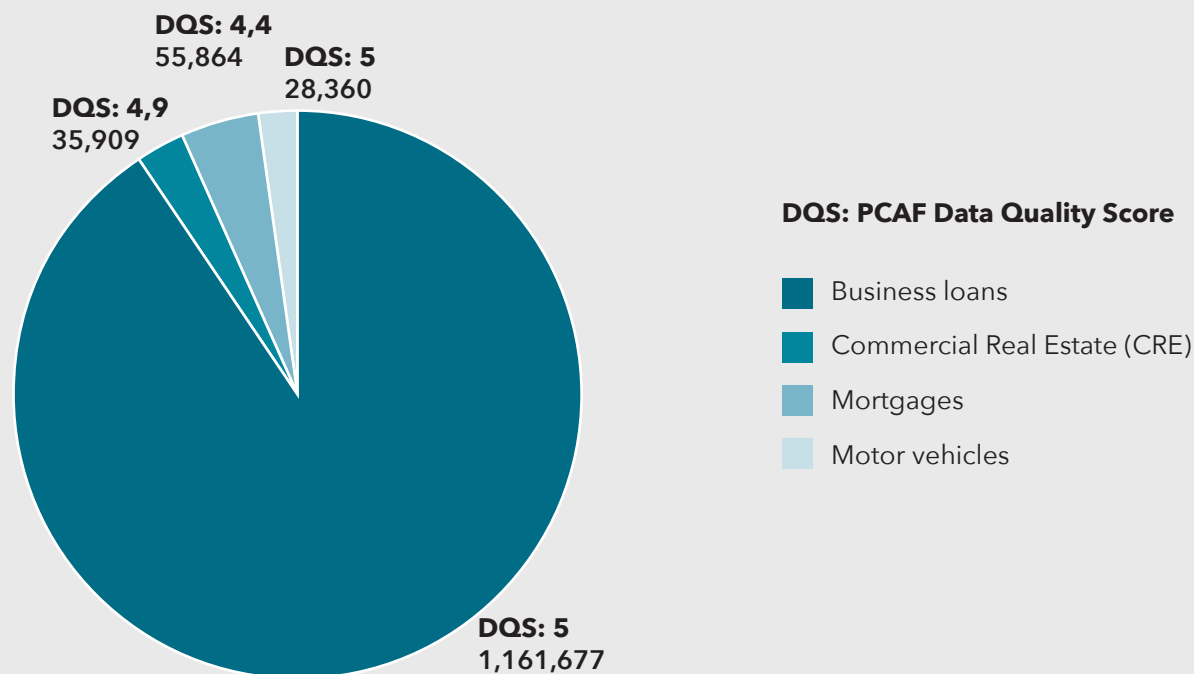
The Bank aims to continuously enhance the data quality used on the estimation of Financed Scope 3 GHG emissions and eliminate the data gaps, therefore in 2023 a client questionnaire is expected to be launched to gather the relevant

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 2023.

The Bank estimated the Financed Scope 3 GHG emissions for c.88% of Gross Loans and advances portfolio which fall under the below-mentioned PCAF asset classes, which facilitate the setting of decarbonization targets in the future.

PCAF Asset class	Definition
<b>Business loans</b>	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 Commercial Real Estate-secured lines of credit are also included. Any off-balance sheet loans and lines of credit are excluded.
<b>Commercial Real Estate (CRE)</b>	This asset class includes on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of commercial real estate (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.
<b>Mortgages</b>	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.
<b>Motor vehicles</b>	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'.

### Financed Scope 3 GHG emissions (CO<sub>2</sub>e tonnes per year) - 2022 - Loan Portfolio



Given that the majority of Financed Scope 3 GHG emissions derive from Business Loan asset class, the carbon concentrated sectors under Business Loan asset class have been identified, based on PCAF definition, which are the primary sectors for setting decarbonization targets. The Bank has initiated the process to set decarbonization targets aligned with a climate scenario for its loan portfolio in 2023. The primary sectors identified under Business Loan asset class are Transportation and Storage (24%), Construction (20%), Manufacturing (16%), Accommodation and Food Service Activities (12%) and Wholesale and Retail Trade (10%).

Financed Scope 3 GHG emissions - Business loan asset class			
NACE	Sector	OS Loan Amount € million	Emissions (CO <sub>2</sub> e tonnes per year) - 2022
H	TRANSPORTATION AND STORAGE	275	281,389
F	CONSTRUCTION	318	236,487
C	MANUFACTURING	360	189,249
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	770	135,124
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	785	119,988
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	262	46,021
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	48	48,527
A	AGRICULTURE, FORESTRY AND FISHING	42	22,734
Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	86	19,882
L	REAL ESTATE ACTIVITIES	685	17,325
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	4	10,541
K	FINANCIAL AND INSURANCE ACTIVITIES	135	10,353
J	INFORMATION AND COMMUNICATION	33	8,013
B	MINING AND QUARRYING	12	5,004
P	EDUCATION	44	3,202
R	ARTS, ENTERTAINMENT AND RECREATION	15	2,876
S	OTHER SERVICE ACTIVITIES	18	2,696
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	24	2,266
<b>Total Financed Scope 3 GHG emissions - Loan portfolio</b>		<b>3,916</b>	<b>1,161,677</b>

In 2023, the Bank is expected to set decarbonization target on its Mortgage portfolio due to the fact that 91% of building stock in Cyprus was built before the implementation of minimum energy performance requirements (in line with the [Implementation of the EPBD Cyprus](#)). Therefore, renovation of building stock in Cyprus is vital for reaching Net Zero by 2050. In 2023, the Bank is expected to estimate the Financed Scope 3 GHG emissions per square meter financed in Cyprus and set a decarbonization reduction target to 2030 using a 1.5C climate scenario. The decarbonization target will then inform the Bank's strategy from 2023 onwards as it will impact the new mortgage lending strategy as well as the incorporation in the new lending strategy of the provision of finance for improvement in energy performance of residential buildings taking into account any government schemes.

### **Incorporating climate change risk on the Bank's loan origination process**

Within the context of its underwriting processes the Bank is currently in the process of incorporating the assessment of ESG matters (including climate change risk), amending the relevant policies and procedures in such a way that potential impact from ESG is reflected in the fundamental elements of the creditworthiness assessment i.e., in repayment capacity and collateral assessment. In doing so, the Bank

is taking the necessary steps to develop an approach which will allow this impact to be assessed, depending on the case, both within the base-case assessment and within stress scenarios as applicable. The rationale of elaborating on such an approach is that certain risks might be already affecting the fundamental parameters and are not dependent on realization of a scenario, whereas other risks are scenario dependent, and their impact would materialize only in case of the scenario being realized. The exercise includes the design of ESG questionnaires per sector which will then be leveraged for deriving an ESG classification. The amendment in procedures will also account for the decision-making process in the form of potential alteration of pricing, setting of specific covenants and monitoring requirements, etc.

### **Performing climate change risk sensitivity and stress testing**

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. The Bank is in the process to enhance the Risk Quantification capabilities regarding the quantification of ESG and climate risks both in terms of an Economic perspective and Normative perspective. In doing so, the Bank will focus/take into consideration the below:

- Incorporation of ESG and climate into its risk parameters (PD, LGD, etc.).
- Development of methodology to quantify the ESG and climate risks on the basis of risk parameters.
- Development of methodology to quantify the impact from specific scenarios, by considering whether the said scenario would directly affect risk parameters, or the impact would be propagated via macroeconomic factors.

Following the above, the Bank aims to assess the impact on capital in relation to the level of risks it is or might be exposed to, under both normal and stress conditions from both the normative and economic perspectives. Climate change risk will be considered in the risk identification process of the assessment. Where relevant, outcomes from climate scenario analysis and stress tests will be reflected in the assessment documentation. With the aim to integrate climate risk into the existing risk taxonomy and risk registry of the Bank and inform the various business processes, the Bank will assess the potential need to capitalize climate risk, considering regulatory and supervisory expectations. The Bank will also be carrying out sensitivity analysis on the vulnerable areas of its loan portfolio. Such analysis is expected to be carried out on a top-down basis.

## 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
<b>Financing activities</b>			
Products and Services	Development and/or expansion of low emission products and services	Short/Medium/Long	<ul style="list-style-type: none"> <li>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</li> </ul>
Markets	Use of public-sector incentives	Short/Medium/Long	<ul style="list-style-type: none"> <li>Identify public funding schemes stemming from the RRF in order to further support interested parties and assist in the acceleration of transition efforts</li> </ul>
	The development of new revenue streams from new/emerging environmental markets and products	Medium/Long	<ul style="list-style-type: none"> <li>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</li> </ul>
	Improved ratings by sustainability/ESG indexes	Short/Medium/Long	<ul style="list-style-type: none"> <li>Continuously improve internal procedures and disclosures in order to acquire better ESG ratings</li> </ul>



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

## Sustainable lending policies and practices

### Environmental and Social Policy

The Bank has in place an Environmental and Social Policy in relation to its lending activities. The Policy is in place since 2015 and is based on the Bank's commitment to applying certain Environmental and Social (E&S) procedures derived from the policies and guidelines of the European Bank for Reconstruction and Development (EBRD). The policy which is revised annually and is subject to ExCo and RC approval, applies to:

- All new lending secured by mortgage on immovable property, irrespective of type, amount, or customer activity;
- Granting of funded facilities to legal entities (excluding credit cards).

Under this commitment the Bank applies a set of measures as described below:

#### New lending to physical and legal persons, secured by mortgaged property

The Bank verifies acceptable levels of E&S risk as indicated in the relevant section of the Valuation report of the mortgaged property.

#### New lending to legal entities

The Bank verifies acceptable levels of E&S risks by:

- Screening out customers who are carrying out activities that appear on EBRD's 'Exclusion and Referral Sectors' list. The said list excludes, among other:
  - Activities involving thermal coal mining or coal-fired electricity generation capacity;
  - Upstream oil exploration;

- Upstream oil development projects - except in exceptional circumstances where the proceeds of the project exclusively target the reduction of Greenhouse Gas-GHG emissions or flaring from existing producing fields.
- Making an initial assessment for the E&S risk in order to be classified as Low, Medium, or High depending on:
  - The customer's business activity;
  - The amount and term of the facility;
  - The type of the collateral.

For customers assessed as Low Risk, the Bank obtains written customer confirmation for proper business conduct, relevant licenses and work permits. For customers assessed as Medium or High, the Bank:

- Obtains written customer confirmation for proper business conduct, relevant licenses and work permits;
- Requests an E&S Due Diligence Report (E&S Study) by external experts for new lending greater than €100 thousand and with duration longer than 6 months. The Due Diligence Report assess social performance as follows:
  - Safety & Health at Work as required by the law;
  - Legal entities should indicate whether there were any accidents, complaints or fines imposed by Competent Services on H & S matters and/or on labour issues;
  - Legal entities should declare that it does not employ minors or illegal workers;
  - Legal entities should declare that they implement measures for protecting workers from any discrimination and prejudice at the workplace.

Any negative findings in the report should be either be resolved before application submission or reported to the approving authority to assess the risk before approving / granting the credit facility.

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

Environmental and Social Studies on new lending to legal entities:

2022: 208

2021: 195

2020: 124

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

### Green Lending Policy

The Bank has approved a high-level Green Lending Policy based on the Green Loan Principles ('GLPs'), and its purpose is to provide the framework for the procedures and the requirements that the Bank will implement for the creation of 'green' loan products and ultimately the development of a green loan portfolio. The Green Lending Policy provides instructions regarding the information that the Bank should require from borrowers so to ascertain whether an application for a green loan product can be considered for approval and adopts an indicative list of eligible categories for green project financing.

## 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.

A key metric to assess progress against this target is the proportion of the Bank's climate action financing as a percentage of total financing. The Taxonomy eligible exposures as a percentage of the Bank's total assets are presented in the 2022 Annual Financial Report ([Annual Reports - Bank of Cyprus](#)).

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.

## 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 and 2022 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				
	2021		2022	
	#	OS Loan Amount (€)	#	OS Loan Amount (€)
Environmentally Friendly Car Loan	2	24,559	63	1,294,892
Environmentally Friendly Energy Loan	10	75,229	263	1,842,170
Renewable energy projects	11	18,419,879	13	17,822,077
<b>Total</b>	<b>23</b>	<b>18,519,667</b>	<b>339</b>	<b>20,959,139</b>

Notes:

- i. The number of applications and the amount of Environmentally friendly products included in prior year's Sustainability Report, has been restated to disclose the outstanding amount of loans as at the year end, in order to ensure comparability between the years (in prior year's report the information provided related to the application approvals granted regardless of whether the corresponding amount was drawn as at the year-end).

The Bank will continue to enrich its environmentally friendly products and services in line with its ESG strategy and the Recovery and Resilience Plan for Cyprus. Looking forward, in 2023 the Bank will continue to further develop its green product offering and expects to discuss ESG matters at the point of loan origination to enable loan classification as green or transition.

## 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

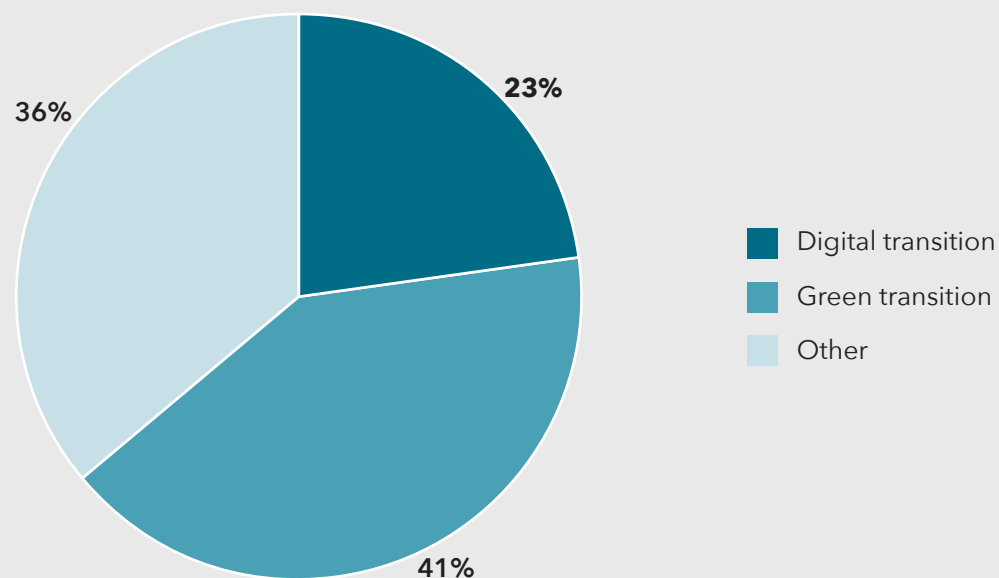
ICMA Category	SDGs
Access to Essential Services – Healthcare	
Employment Generation and SME financing	



## Recovery and Resilience Plan

Cyprus's Recovery and Resilience Plan responds to the urgent need of fostering a strong recovery and making Cyprus future-ready, and will help Cyprus become more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions. The plan consists of 75 investments and 58 reforms. They will be supported by €1,006bn in grants and €0.2bn in loans. 41% of the plan will finance the green transition and 23% of the plan will foster the digital transition.

### Cyprus Recovery and Resilience Plan



### Cyprus Recovery and Resilience Plan (RRP)

- €1.2bn From EU mechanism
- €1.0bn additional funds mobilised in Cyprus

Increase in GDP for 2022 - 2026 : 7%

Increase in employment for 2021 - 2026: 3%

New high value - added jobs: 11,000+

Preparing for a green and digital era

## 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 CO<sub>2</sub> 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 commitment, and in order to set the baseline for carbon neutrality target, the Bank's Scope 1, Scope 2 and material non-Financed Scope 3 GHG emissions were calculated for 2021, 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 decarbonization goals. The base year for the estimation of Scope 1 GHG emissions, as well as target setting on Scope 2 GHG emissions is 2021, when the Bank has initiated its decarbonization actions to reduce Scope 1 and Scope 2 emissions.

The Bank has formulated a decarbonization 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 meet the carbon neutrality target, the Scope 1 and Scope 2 GHG emissions should be reduced by 42% (absolute target) by 2030. The absolute reduction target has been set following the climate scenario of 1.5C which is aligned with the Paris Agreement. The Bank, in 2022, designed the plan of actions to meet the carbon neutrality target by 2030 and progress towards Net Zero target of 2050.

For the purpose of the calculation of the 2021 and 2022 Carbon footprint, the Bank has set its organizational boundaries based on the operational control approach. The 2021 and 2022 carbon footprint for Scope 1 and Scope 2 GHG emissions was estimated based on the methodologies described in the Greenhouse Gas Protocol ('GHG Protocol') and ISO14064-1:2019 Standard. The Bank's own carbon footprint will continue to be calculated on an annual basis which will enable comparisons to be made and progress against decarbonization targets to be monitored.

The Bank plans to invest in energy efficient installations and actions and replace fuel intensive machineries and vehicles from 2023 to 2025, leading to c.5-10% reduction in Scope 1 and

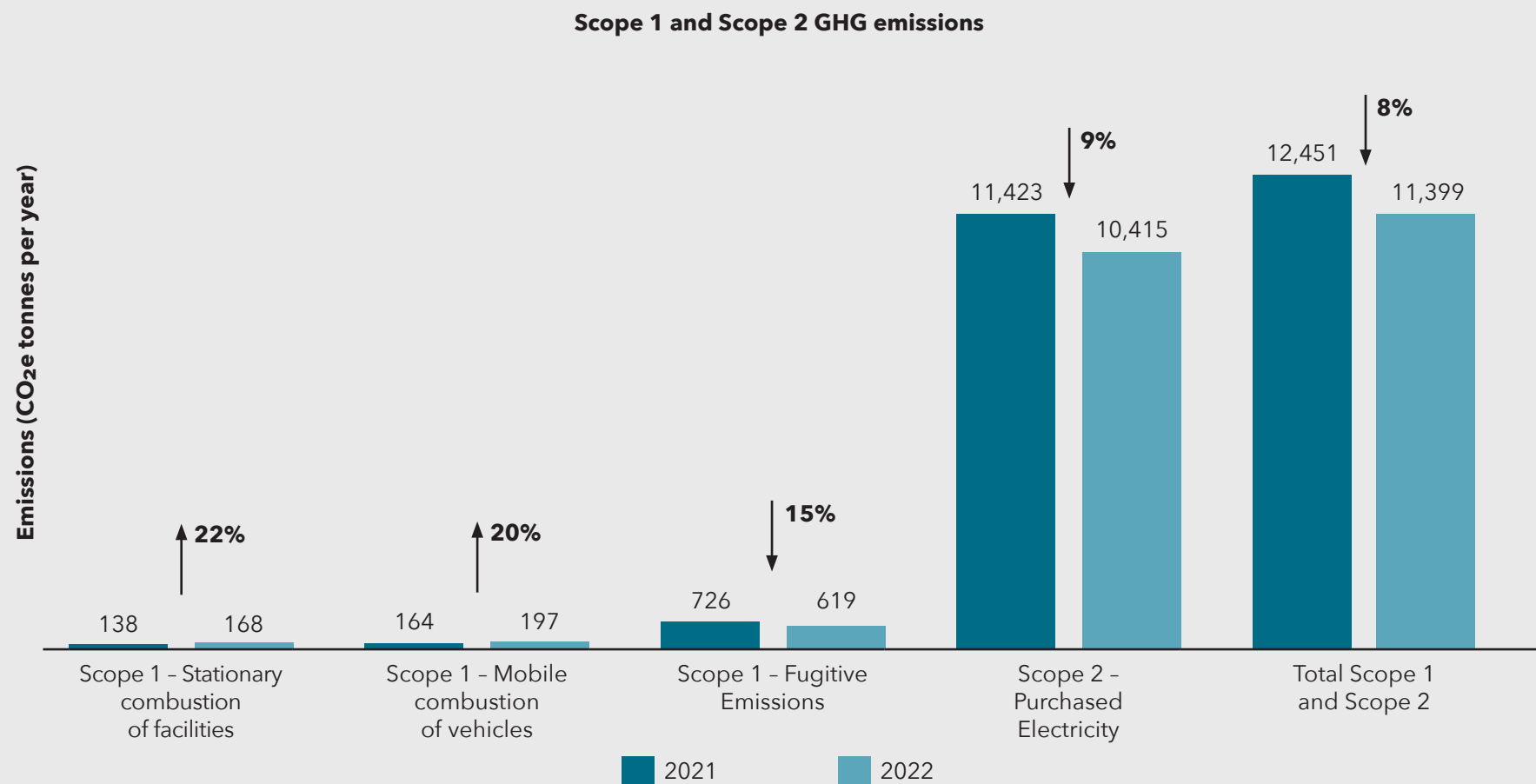
Scope 2 GHG emissions by 2025 compared to 2021. The Bank expects that the Scope 2 GHG emissions will be reduced further when the energy market in Cyprus shifts further towards renewable energy. The actions planned by the Bank between 2023 to 2025 include:

- Air-conditioning systems replacements;
- Boiler replacements;
- Photovoltaic (PV) installations;
- Roof insulation;
- CO<sub>2</sub> sensors installation; and
- 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.

The Bank has estimated Scope 1 and Scope 2 GHG emissions for 2022 in order to monitor the progress on carbon neutrality target:

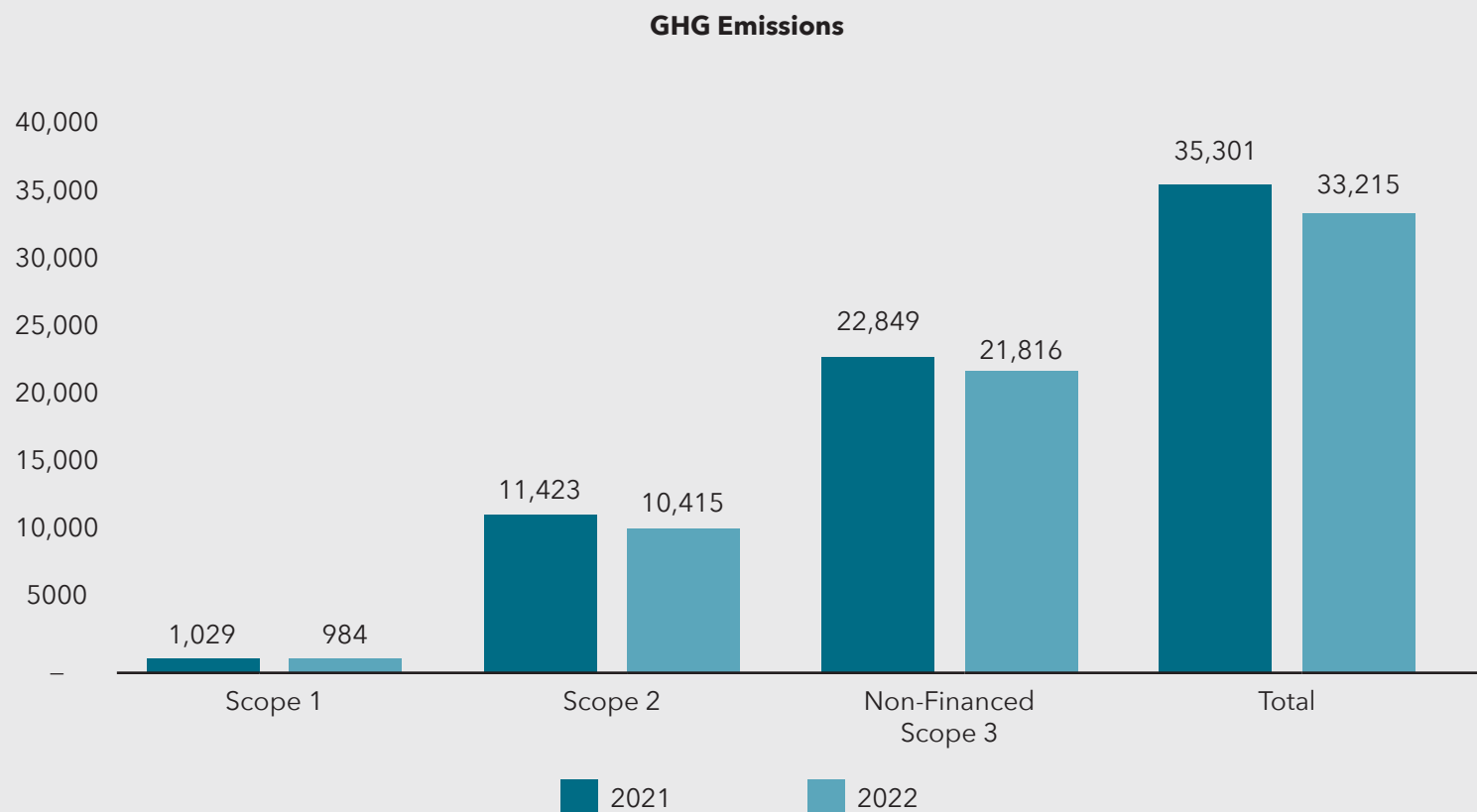


Notes:

- i. 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 <sub>2</sub> e)	2021	2022
<b>Stationary combustion emissions</b>		
Liquid Fuels	18.64	32.77
Heating Oil	119.53	135.59
<b>Total</b>	<b>138.17</b>	<b>168.36</b>
<b>Mobile combustion emissions</b>		
Diesel	121.30	144.15
Petrol	43.27	52.93
<b>Total</b>	<b>164.57</b>	<b>197.08</b>
<b>Fugitive emissions</b>		
R407C	166	142.67
R410A	456.11	387.75
HFC-32	103.86	88.1
<b>Total</b>	<b>725.97</b>	<b>618.52</b>
<b>Total direct (Scope 1) emissions</b>	<b>1,028.71</b>	<b>983.96</b>

Notes:

- The gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- The base year for the estimation of Scope 1 GHG emissions, as well as target setting on Scope 1 GHG emissions is 2021, when the Bank has initiated its decarbonization actions to reduce Scope 1 and Scope 2 emissions. Thus, the 2020 data are not available and not presented above.
- 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 carbon footprint, the Bank has set its organizational boundaries based on the operational control approach, given its existing processes/available data. The 2021 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO<sub>2</sub>e are in line with the applicable GWP (AR5).



## Scope 2 Emissions

(GRI: 2-4, 305-2)

GHG Emissions (tonnes CO <sub>2</sub> e)	2021	2022
<b>Market-based energy indirect emissions</b>		
Purchased Electricity	11,423	10,415

Notes:

- The gases included in the calculations are CO<sub>2</sub>.
- The base year for the estimation of Scope 2 GHG emissions, as well as target setting on Scope 2 GHG emissions is 2021, when the Bank has initiated its decarbonization actions to reduce Scope 1 and Scope 2 emissions. Thus, the 2020 data are not available and not presented above.
- 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 2021 as no EAC for 2022 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 carbon footprint, the Bank has set its organizational boundaries based on the operational control approach, given its existing processes/available data. The 2021 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard.

## Scope 3 (non-financed) Emissions

(GRI 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 <sub>2</sub> e)	2021	2022
<b>Stationary combustion emissions</b>		
Purchased Goods and Services (Cat. 1)	13,968.66	13,835.31
Upstream transportation and distribution (Cat. 4)	2,161.23	2,169.35
Waste generated in operations (Cat. 5)	4,332.98	3,544.22
Business Travel (Cat. 6)	138.44	144.26
Employee commuting (Cat. 7)	2,247.64	2,122.55
<b>Total indirect (Scope 3) emissions</b>	<b>22,848.95</b>	<b>21,815.69</b>

Notes:

- i. The gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- ii. The base year for the estimation of Scope 3 GHG emissions, is 2021, when the Bank has initiated its main activities regarding non-financed Scope 3 emissions. The Bank is not planning to set a decarbonization target on non-financed Scope 3 emissions as the majority of BOC emissions derive from the loan portfolio. Thus, the 2020 data are not available and not presented above.
- 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 carbon footprint, the Bank has set its organizational boundaries based on the operational control approach. The 2021 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO<sub>2</sub>e are in line with the applicable GWP (AR5).

## GHG emissions intensity

(GRI: 2-4, 305-4)

GHG Emissions (tonnes CO <sub>2</sub> e)		2021		2022
		FTE before VRS	FTE after VRS	
Scope 1 Emissions intensity	tCO <sub>2</sub> e/FTEs	0.34	0.42	0.4
Scope 2 Emissions intensity – Market-based	tCO <sub>2</sub> e/FTEs	3.8	4.71	4.23
Scope 3 (non-financed) Emissions intensity	tCO <sub>2</sub> e/FTEs	7.6	9.4	8.9

Notes:

- The gases included in the calculations for Scope 1 emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>.
- The gases included in the calculation for Scope 2 emissions are CO<sub>2</sub>.
- The gases included in the calculation for Scope 3 (non-financed) emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>.
- The base year for the estimation of Scope 1 and Scope 2 GHG emissions, as well as target setting on Scope 1 and Scope 2 GHG emissions is 2021, when the Bank has initiated its decarbonization actions to reduce Scope 1 and Scope 2 emissions. Thus, the 2020 data are not available and not presented above.
- The base year for the estimation of Scope 3 GHG emissions is 2021, when the Bank has initiated its main activities regarding non-financed Scope 3 emissions. The Bank is not planning to set a decarbonization target on non-financed Scope 3 emissions as the majority of BOC emissions derive from the loan portfolio. Thus, the 2020 data are not available and not presented above.
- 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.
- For the purpose of the calculation of its 2021 carbon footprint, the Bank has set its organizational boundaries based on the operational control approach. The 2021 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO 14064-1:2019 standard and relevant rates used for the conversion to CO<sub>2</sub>e are in line with the applicable GWP (AR5).

## GHG emissions reduction

(GRI 305-5)

GHG emissions reduction	2022-2021	
	tCO <sub>2</sub> e	%
Scope 1 emissions reduction	-45	-4.4%
Scope 2 emissions reduction	-1,008	-8.8%
Scope 3 (non-financed) emissions reduction	-1,033	-4.5%

Notes:

- i. The gases included in the calculations for Scope 1 emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>.
- ii. The gases included in the calculation for Scope 2 are CO<sub>2</sub>.
- iii. The gases included in the calculations for Scope 3 (non-financed) emissions are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>.
- iv. The base year for the estimation of Scope 1 and Scope 2 GHG emissions, as well as target setting on Scope 1 and Scope 2 GHG emissions is 2021, when the Bank has initiated its decarbonization actions to reduce Scope 1 and Scope 2 emissions. Thus, the 2020-2021 reduction is not available and not presented above.
- v. The base year for the estimation of Scope 3 GHG emissions, is 2021, when the Bank has initiated its main activities regarding non-financed Scope 3 emissions. The Bank is not planning to set a decarbonization target on non-financed Scope 3 emissions as the majority of BOC emissions derive from the loan portfolio. Thus, the 2020-2021 data are not available and not presented above.
- vi. For the purpose of the calculation of its 2021 carbon footprint, the Bank has set its organizational boundaries based on the operational control approach, given its existing processes/available data. The 2021 carbon footprint for Scope 1, Scope 2 and material Scope 3 categories was estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard and relevant rates used for the conversion to CO<sub>2</sub>e are in line with the applicable GWP (AR5).

## Energy Management

### (TCFD - Pillar IV - Metrics and targets)

Energy consumption accounts for a large percentage of the GHG emissions of own operations. The Bank works to reduce consumption in all aspects of its operations. Optimizing the amount of energy consumed helps reduce both the Bank's environmental footprint and operational costs. The Bank implements initiatives for its branches and owned buildings across Cyprus as well as its Head Office, aiming to make a significant, positive impact on the environment and reduce costs. Renewable energy from solar panels has been extremely important in mitigating the Bank's climate change impacts. A reduction of c.9% in Banks' Scope 2 GHG emissions has been observed in 2022 compared to 2021 following the installation of energy efficient lighting, installation of Energy Management Systems, on-site photovoltaic systems at eight owned buildings and replacement of old air conditioning units.

The Bank has managed to reduce its energy consumption by c.1,466k kWh in 2022 compared to 2021. In addition, the Bank invests continuously in updating its internal practices, and upgrading equipment and technologies, adopting new standards, and complying with international best practices.

Mobile combustion has been increased by 20% due to the fact that COVID-19 measures were applicable in 2021 whilst no COVID-19 related circulation restrictions were effective in 2022 leading to increased consumption. However, the Bank disposed of five passenger vehicles in 2022 and is in the process to establish a policy for all vehicle replacements to be hybrid or electric.

Scope 1 GHG emissions relating to Stationary combustion was increased by 22% due to the fact that in one of the buildings the fuel intensive machinery was idle in 2021 but was fully utilised in 2022 for heating purposes due to a mechanical failure on the electricity intensive heating machineries. In addition, fuel consumption was increased in 2022 due to the fact that one building of the Bank, which was idle from March 2020 onwards, become fully operational in 2022. These two properties recorded zero stationary combustion GHG emissions in 2021 whilst led to 31.35 CO<sub>2</sub> tonnes in 2022.

The overall environmental impact relating to Scope 1 and Scope 2 GHG emissions reduced by 1,053 CO<sub>2</sub>e tonnes in 2022 compared to 2021 which represents c.8% reduction. The Scope 3 (non financed) emissions have been reduced by 1,033 CO<sub>2</sub>e tonnes in 2022 compared to 2021 which represents c.4.4% reduction.

## Our Energy consumption

(GRI: 2-4, 302-1)

Energy Consumption within the Organization			
	Unit	2021	2022
Energy Consumption by fuel Type			
Fuel consumption within the organization from non-renewable sources (in MJ)			
Liquid Fuels			
Heating Oil	MJ	1,686,769	1,916,553.96
Diesel	MJ	260,260.67	458,067.96
Business owned vehicles			
Diesel	MJ	1,702,543.32	2,043,932.15
Petrol	MJ	641,744.64	786,159.5
Electricity Consumption			
All Sources			
Electricity Consumed	MJ	59,839,812.47	54,561,913.31
Renewable Sources (self-generated)			
Solar PV	MJ	571,737.6	626,400
<b>Total Energy Consumed</b>	<b>MJ</b>	<b>4,291,317.63</b>	<b>5,204,713.57</b>
<b>Total Electricity Consumed</b>	<b>MJ</b>	<b>59,839,812.47</b>	<b>54,561,913.31</b>

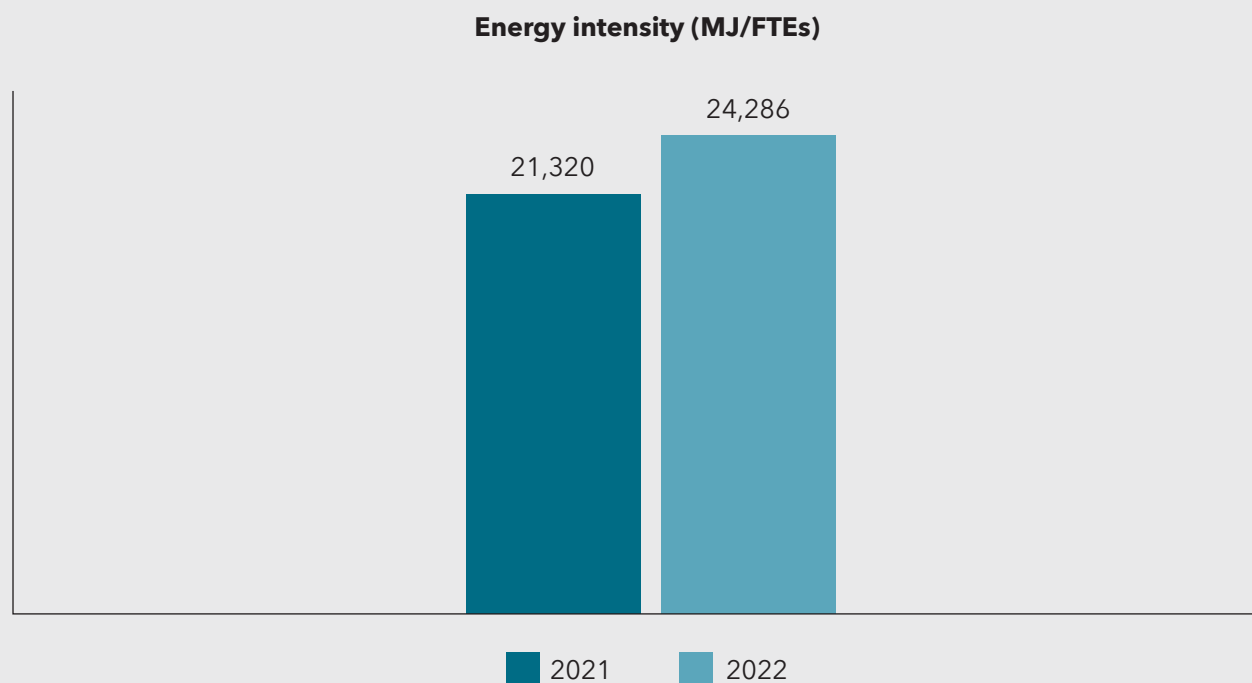
Notes:

- 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 and 2022 from kWh to MJ for the purposes of this report are sourced from the [Laws Specifications for Oils and Fuels 2003 to 2018](#).
- The 2020 data are not presented above due to lack of available data.



## 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 and 31/12/2022).
- The 2020 data are not presented above due to lack of available data.

## Energy Saving Investments 2022

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

Total cost of the installation of PVs in 11 buildings is €316,855 (incl. VAT) paid over in 2021 and 2022. The amount corresponding to 2022 is €285,169 and will be paid upon project completion.

**€7,700**

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

**€41,650**

Energy Audit

**€95,056.61**

Initiation of the installation of PV's

## 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 specialized ESG-related training events. It also publishes a bi-monthly Sustainability & ESG Newsletter, available to all employees via the employee portal.

During 2022, the following ESG trainings were carried out:

2022 ESG trainings	Participants	Training Attendance (hours)		
		Women	Men	Total
Environment, Social, Governance (1st e-learning)				
Individual Contributors and Managers	2,819	870	562	1,432
Environment, Social, Governance (2nd e-learning)				
Individual Contributors and Managers	2,306	702	451	1,153
ESG Updates				
Leadership Team*	20	12	28	40
Understanding the Green Transition				
Leadership Team*	20	12	28	40
Individual Contributors and Managers	59	80	38	118

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



## 2022 Highlights (as of 31 December 2022)

**19%**

decrease in paper packages  
consumption (2022: 74,205,  
2021: 91,610)

**12%**

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

**53%**

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

### Introduction of Green@Work

for work related tips to employees  
on paper consumption,  
tonner consumption, energy  
consumption and environmental  
awareness

A new method was implemented  
for the **recycling of paper from  
branches**

**200,000 kg**  
of paper recycled

## Our impacts

(GRI: 3-3)

The financed 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:**

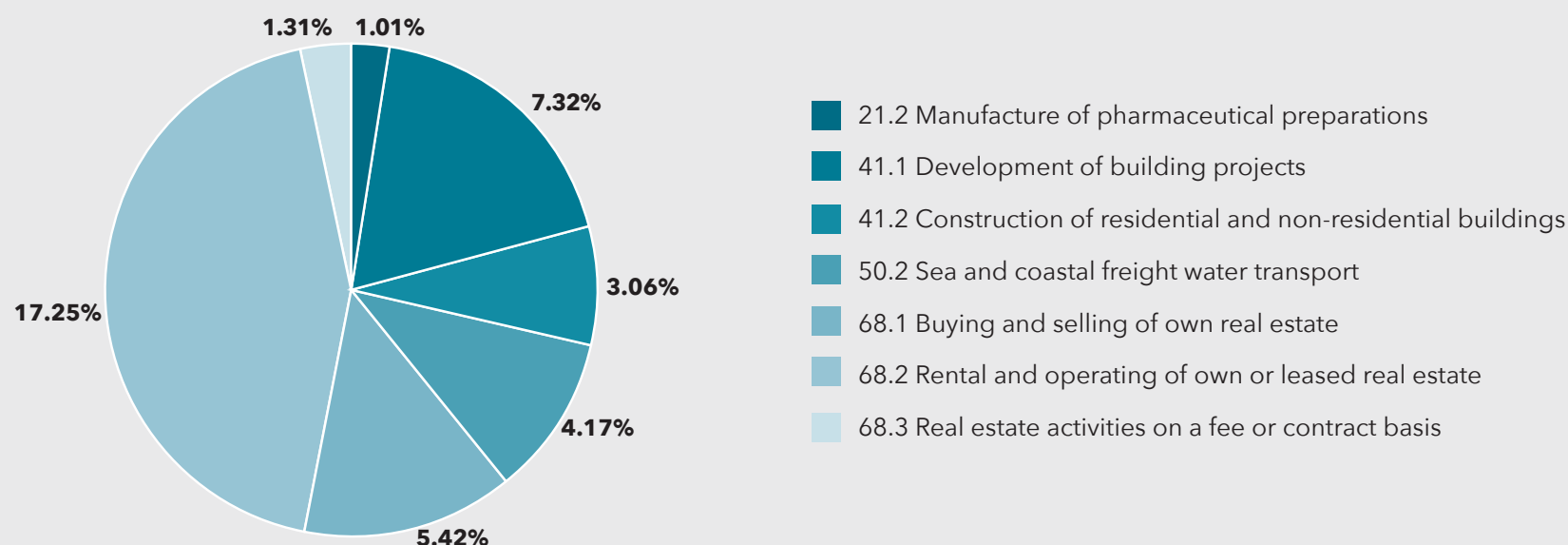
- through the provision of financing activities to certain sectors, as assessed from the PRB institutional banking analysis of 2022, that affect the efficient use of limited, non-renewable natural resources and renewable natural resources in the process of exploiting nature for production and consumption 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).

## 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 2022, create negative impact among others, on the efficient use of limited, non-renewable and renewable natural sources. More specifically, as per the 2022 PRB institutional banking analysis, financing to sectors that amount to 48.27% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €2,267mn 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 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis, that create negative impact on resource intensity, contributing to a combined exposure of 5.57%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on resource intensity, have an exposure of 3.17%, of the portfolio under assessment (i.e. combined financing of 48.27% of the portfolio under assessment).



The Bank is in the process of introducing new ESG Scorecards within its credit granting process which will allow a more granular identification of ESG risks and at the same time this will open a communication line with its clients to better prepare them to comply with upcoming EU legislation. The exercise includes the design of ESG questionnaires per sector which will then be leveraged for deriving an ESG classification per customer. The amendment in policies and procedures will also account for the decision-making process in the form of potential alteration of pricing, setting of specific covenants and monitoring requirements, etc. The Bank is in process to set decarbonization targets and design the decarbonization strategy on its loan portfolio. This exercise involves the discussion with carbon concentrated customers and industries so to understand their needs and support them, mainly through financing, in their transition to Net Zero by 2050.

## Our approach to operational impacts: Managing of waste and recycling

The Bank recognizes the critical role that waste management and recycling, play in achieving its sustainability goals and to minimize 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 minimize 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).

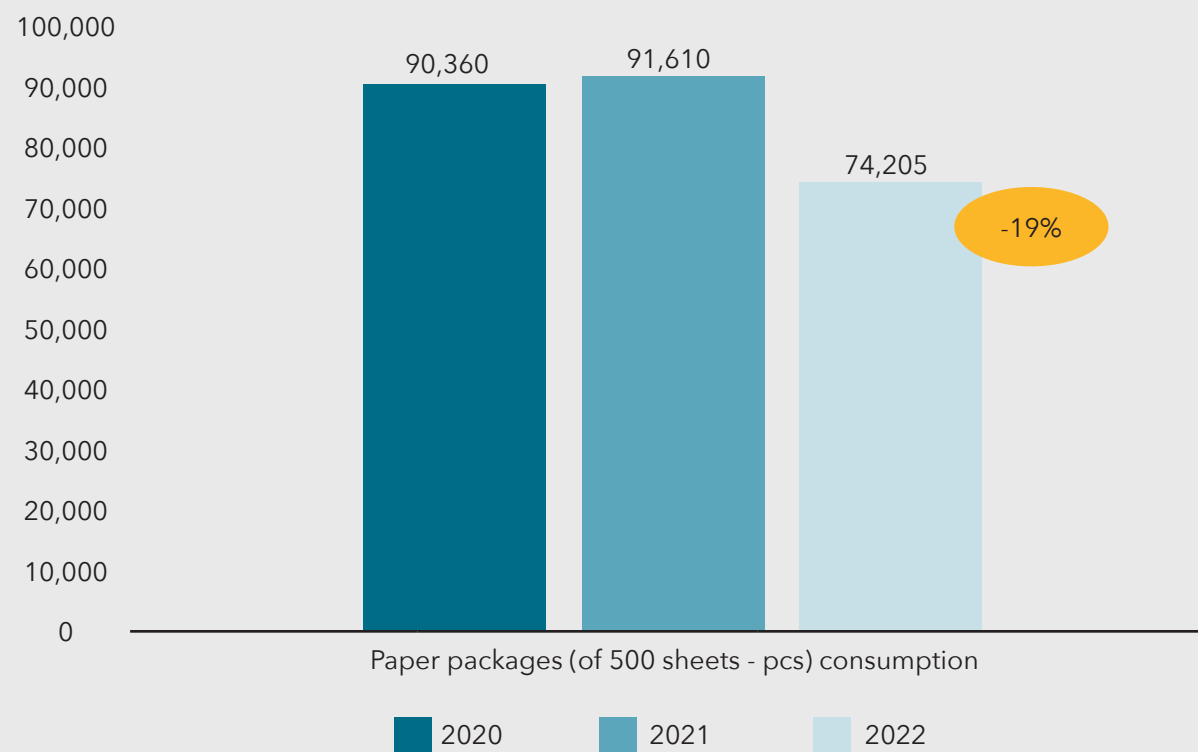
The Bank in 2022 introduced Green@Work in its internal communication portal providing work related tips for employees on paper consumption, tonner consumption, energy consumption and environmental awareness.

## Paper consumption

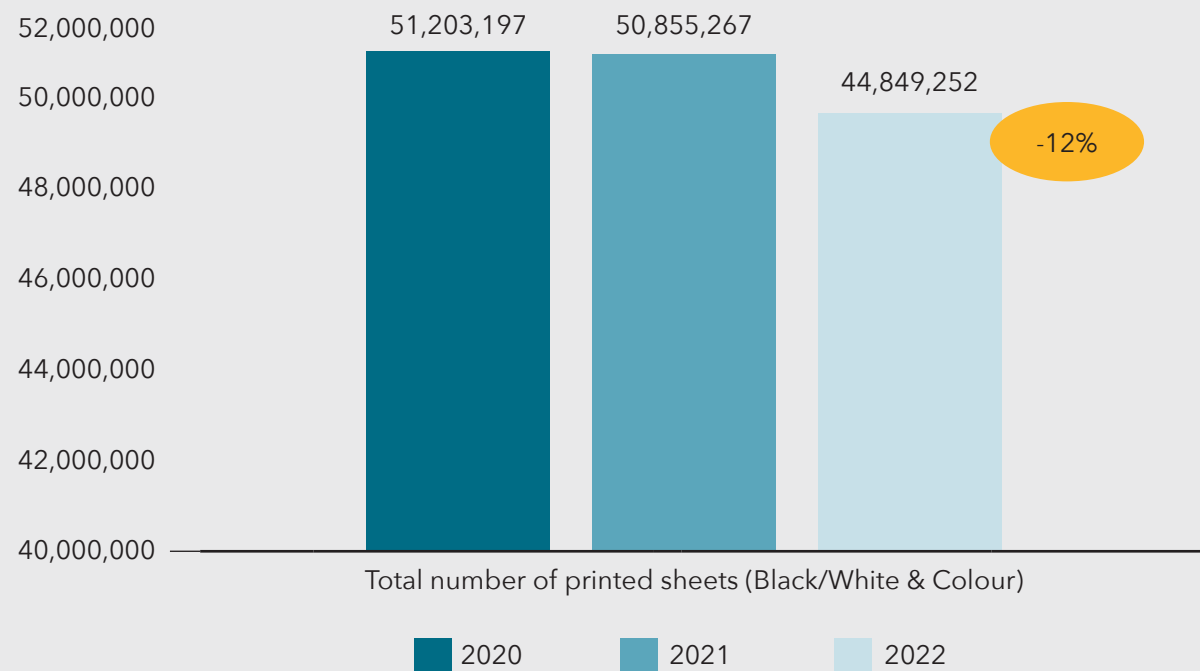
(Internal indicators: Paper consumption, Paper consumed / printed)

In 2022, the Bank has managed to reduce its paper consumption (in paper packages) by 19% compared to 2021 (i.e. 74,205 paper packages were consumed during 2022 compared to 91,610 in 2021). The paper consumed / printed has also decreased by 12% (i.e. from 50,855,267 in 2021 to 44,849,252 in 2022).

### Paper packages consumption



### Paper Consumed / Printed



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

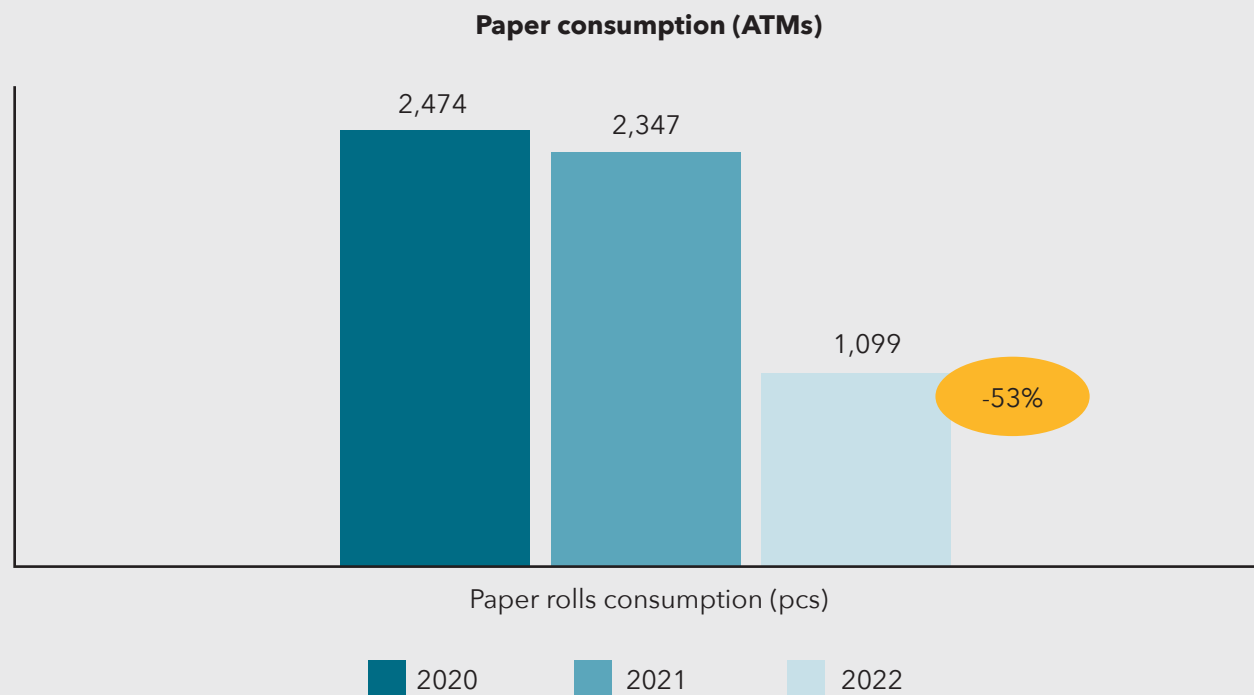
In particular, the Bank launched the following paperless services in 2022 which are expected to reduce the paper consumption further in the future:

- QuickCards (Through Internet banking and Mobile App)
- QuickLoans (Through Internet banking and Mobile App)
- 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. This has resulted to a significant decrease by 53% 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 centralized, 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 annualized 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 optimized 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. In this respect, a total of 26,000 archiving boxes equal to approximately 200,000kg from Bank of Cyprus warehouses and from closing branches were recycled. This is a significant decrease compared to the paper recycled during 2020 (i.e. 2,020,000kg), as during that year, a massive destruction project to eliminate a vast number of paper boxes (approximately 260,000 boxes) was performed. As per the Data Retention Policy, during 2021 a total of 35,000 boxes equal to approximately 265,000kg have been destroyed and 50,000 kg have been recycled through the internal mail process.

Paper Recycled	2020	2021	2022
Paper (kg)*	2,020,000	315,000	200,000*

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 minimize 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	2021	2022
Empty packaging of printing toners (laser, inkjet, etc.) (pieces)	2,444	1,594
Electronic equipment (kg)	5,647	3,461
Metal (metal parts of old furniture, machinery, etc.) (kg)	4,625	560
Miscellaneous appliances - machines (kg)		
Plastics, glass, wood & metal (kg)	36,405	80,140

## Partnership in Sustainability

An ecological message on sustainability was sent by the Bank for Zero Waste Christmas in 2022. In collaboration with Alternative Brains Rule a Zero Waste Christmas tree was created 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



## 2022 Highlights (as of 31 December 2022)

**9.06%**

increase in gross loans on relevant key sectors, under the institutional banking portfolio (as assessed by 2022 PRB impact analysis) contributing to a positive impact on Air

**27%**

decrease in gross loans on relevant key sectors, under the institutional banking portfolio (as assessed by 2022 PRB impact analysis) contributing to a negative impact on Air

**7%**

decrease in gross loans on relevant key sectors, under the institutional banking portfolio (as assessed by 2022 PRB impact analysis) contributing to a negative impact on Soil

**Tree-planting activities** for the two years of SupportCY

## Our impacts

(GRI: 3-3)

The financed 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 2022, that create impacts on the quality of air;
- through operational activities as part of the Bank's decarbonization plan (such as the monitoring of emissions, replace fuel intensive machineries and reduce energy consumption) and through several actions, such as tree planting activities 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 2022, 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 derived from its loan portfolio and has identified carbon concentrated sectors, while currently is in the process of incorporating ESG criteria in the loan origination assessment (including biodiversity and ecosystems) and amending the relevant policies and procedures. This will result to a potential impact from ESG to be reflected 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

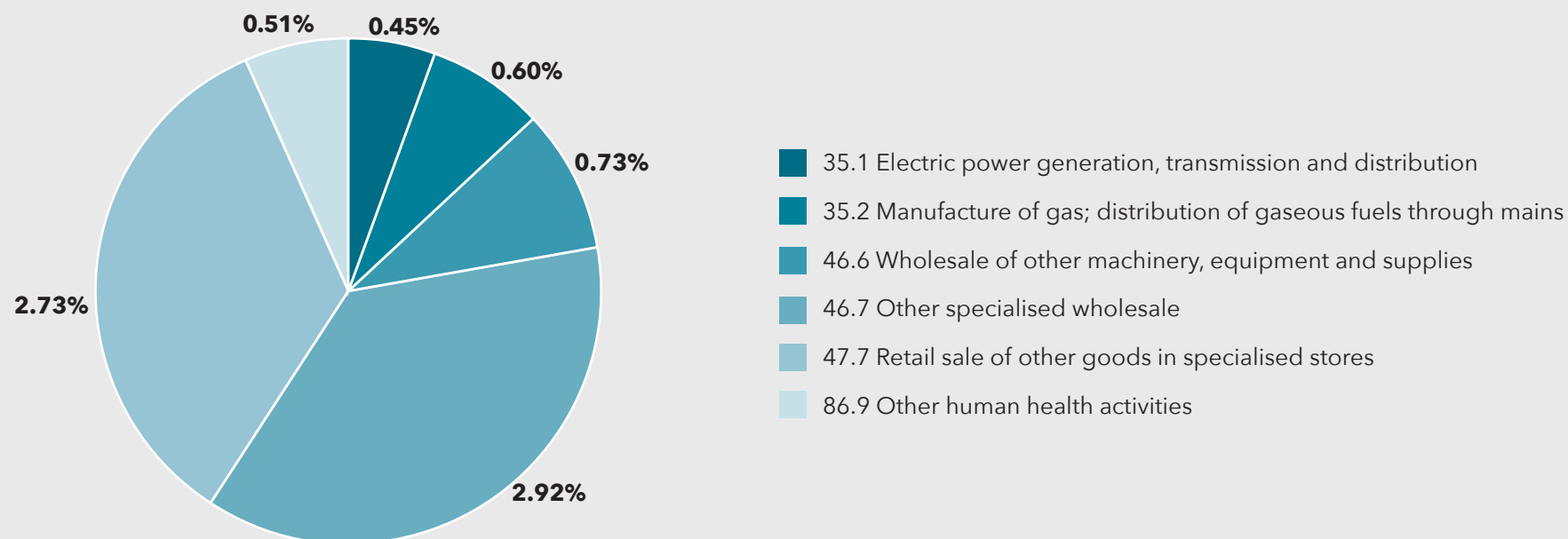
significant impacts on this topic, based on their financed Scope 3 GHG emissions and other ESG criteria set, so to be able to initiate engagement with customers and support them to reduce their negative impacts through financing. The Bank is also implementing its Environmental and Social Policy in relation 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 2022, create positive impact among other, to improve the quality of ambient (outdoor) and household (indoor) air. As per the 2022 PRB institutional banking impact analysis, financing sectors that amount to 7.95% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €373.5mn of loans, create positive impacts to the impact topic of Air.

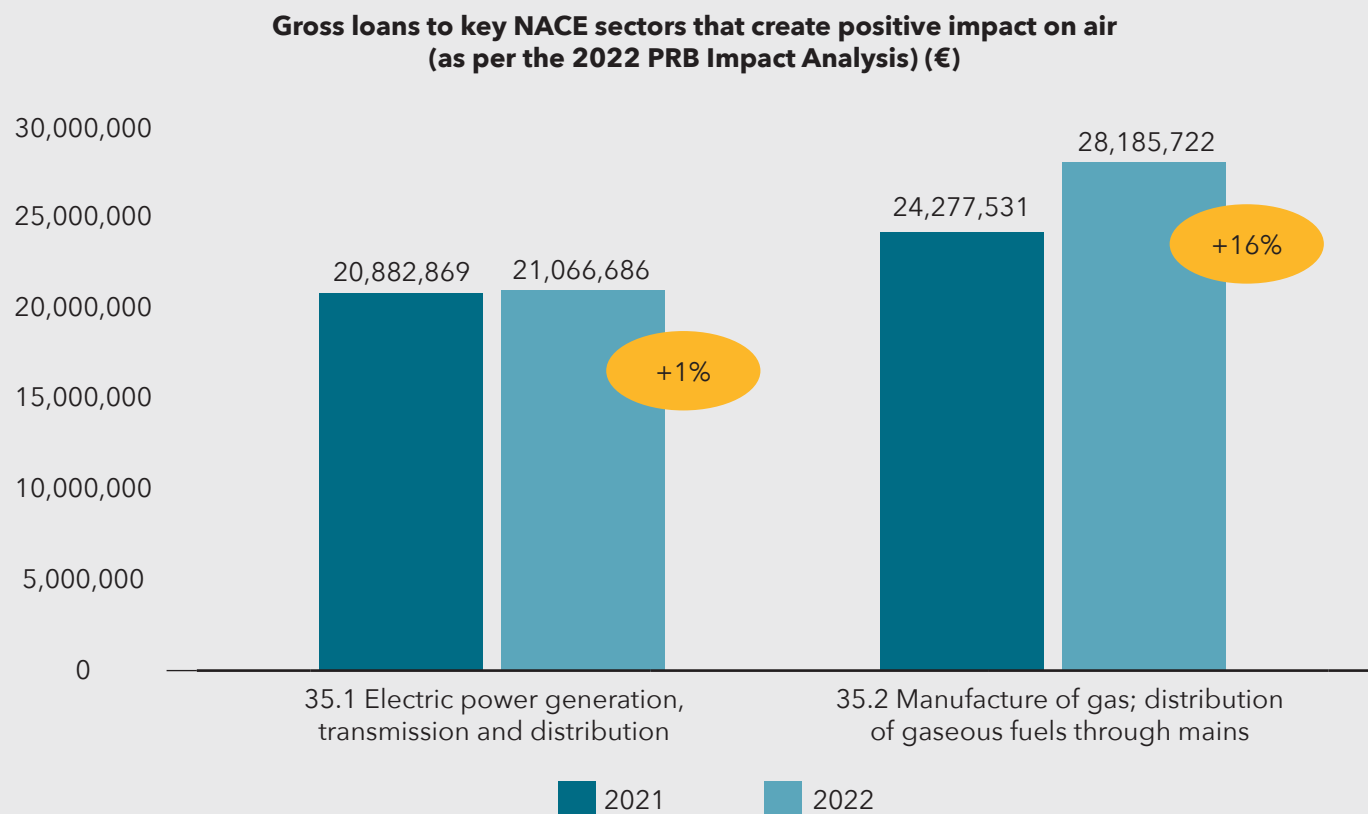
### Financing to NACE sectors that create positive impacts on air (as per the 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.

In particular, as at 31 December 2022, the Bank's gross loans on the key sectors that create positive impact on air (i.e. Electric power generation, transmission and distribution and Manufacture of gas; distribution of gaseous fuels through mains) have increased by 9.06%, from €45.160mn in 2021 to €49.252mn in 2022.



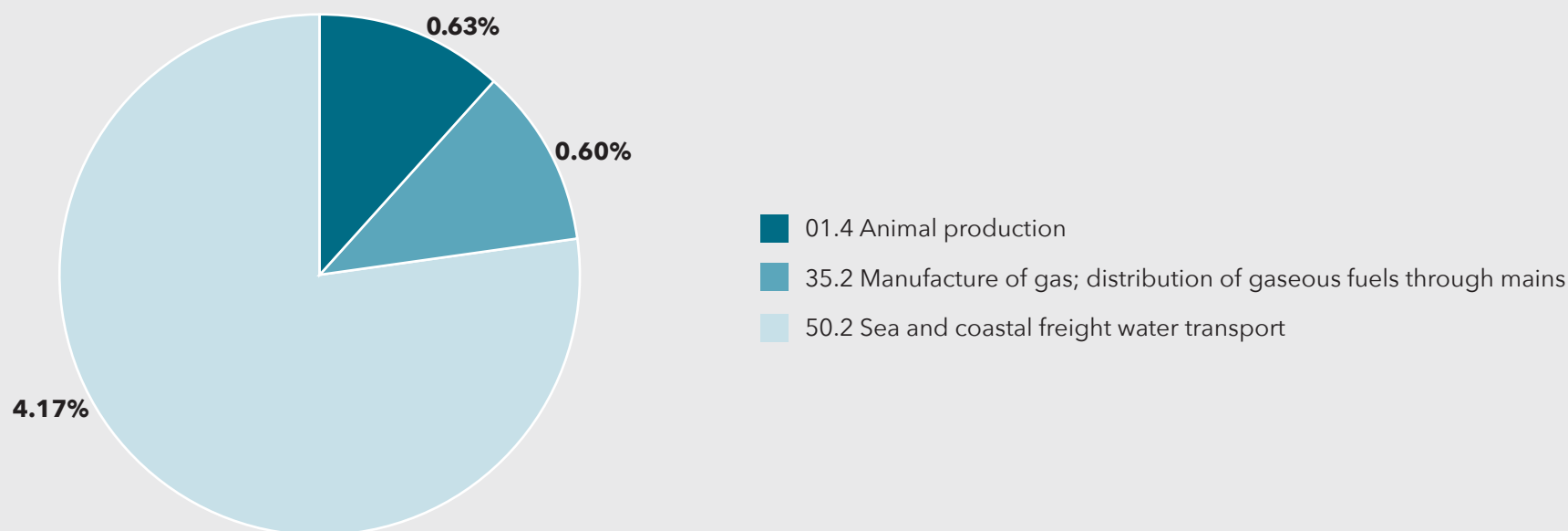
Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create positive impact on air, with an exposure of 1.05%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create positive impact on air, have an exposure of 6.9%, of the portfolio under assessment (i.e. combined financing of 7.95% of the portfolio under assessment).

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

At the same time, the Bank recognizes 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 will be included in the ESG questionnaires for assessing key sectors such as Real estate (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 2022, the Bank provides financing to certain sectors that create negative impact among other, to the air quality. As per the 2022 PRB institutional banking impact analysis, financing sectors that amount to 56.31% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €2.645bn 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 2022 PRB Impact Analysis)

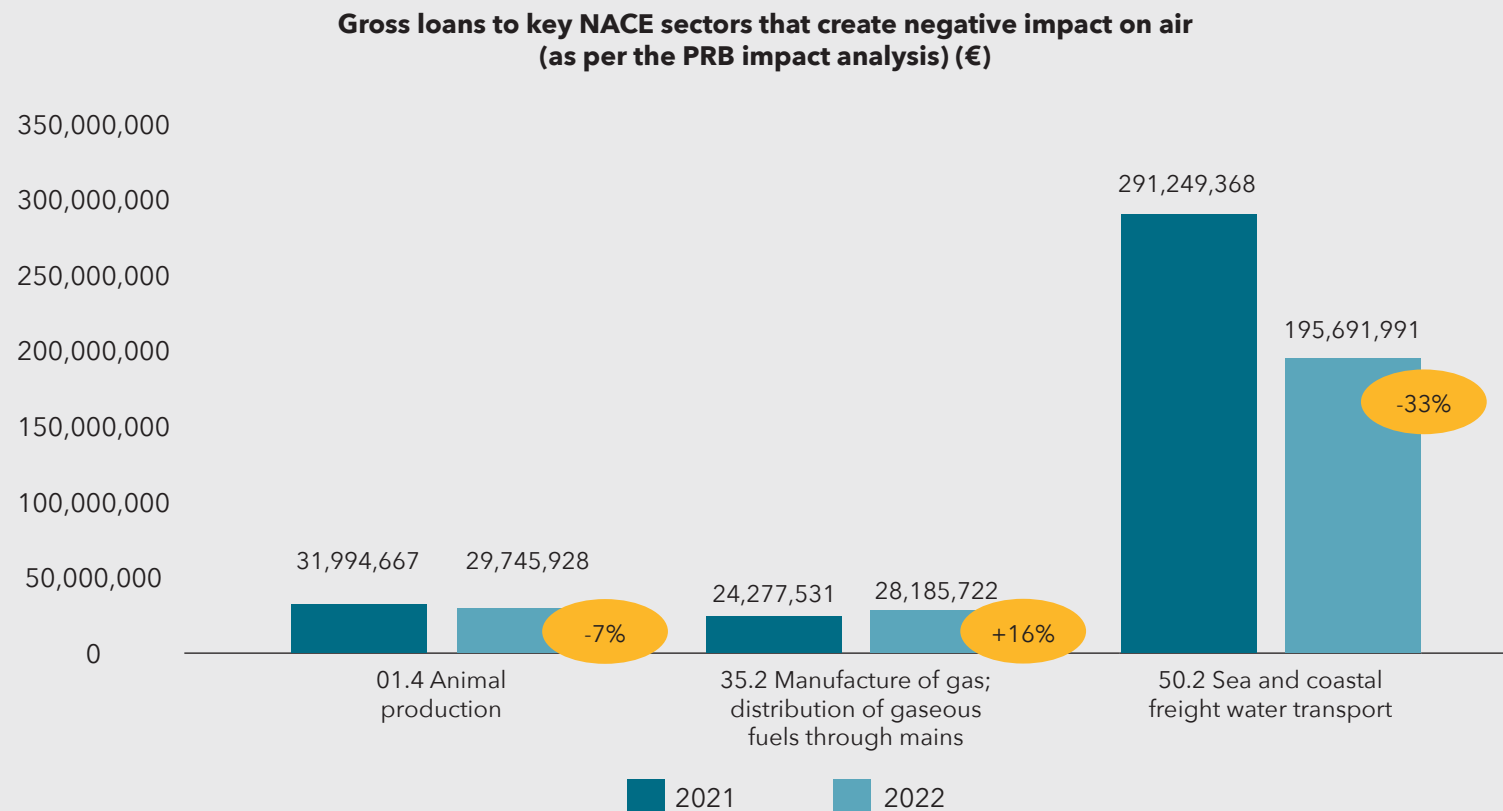


#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create negative impact on air, with an exposure of 5.4%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on air, have an exposure of 50.91%, of the portfolio under assessment (i.e. combined financing of 56.31% of the portfolio under assessment).



As at 31 December 2022, the Bank's gross loans on relevant key sectors that create negative impact on air (i.e. Animal production, Manufacture of gas; distribution of gaseous fuels through mains and Sea and coastal freight and water transport) have decreased by 27%, from €347.522mn in 2021 to €253.624mn in 2022.



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create negative impact on air, with an exposure of 5.4%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on air, have an exposure of 50.91%, of the portfolio under assessment (i.e. combined financing of 56.31% of the portfolio under assessment).

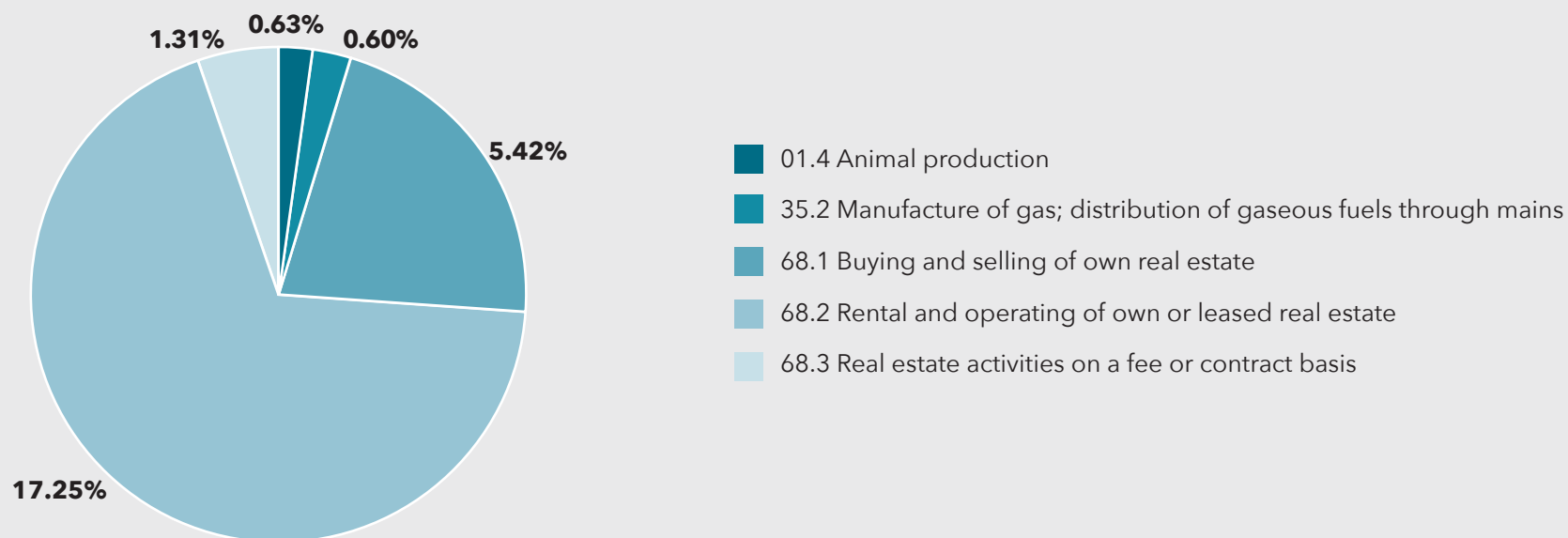
## Soil

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 2022, create negative impact among other, on the composition of soil and its ability to deliver ecosystem services. As per the 2022 PRB institutional banking impact analysis, financing sectors that amount to 66.58% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €3.127bn 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 2022 PRB Impact Analysis)

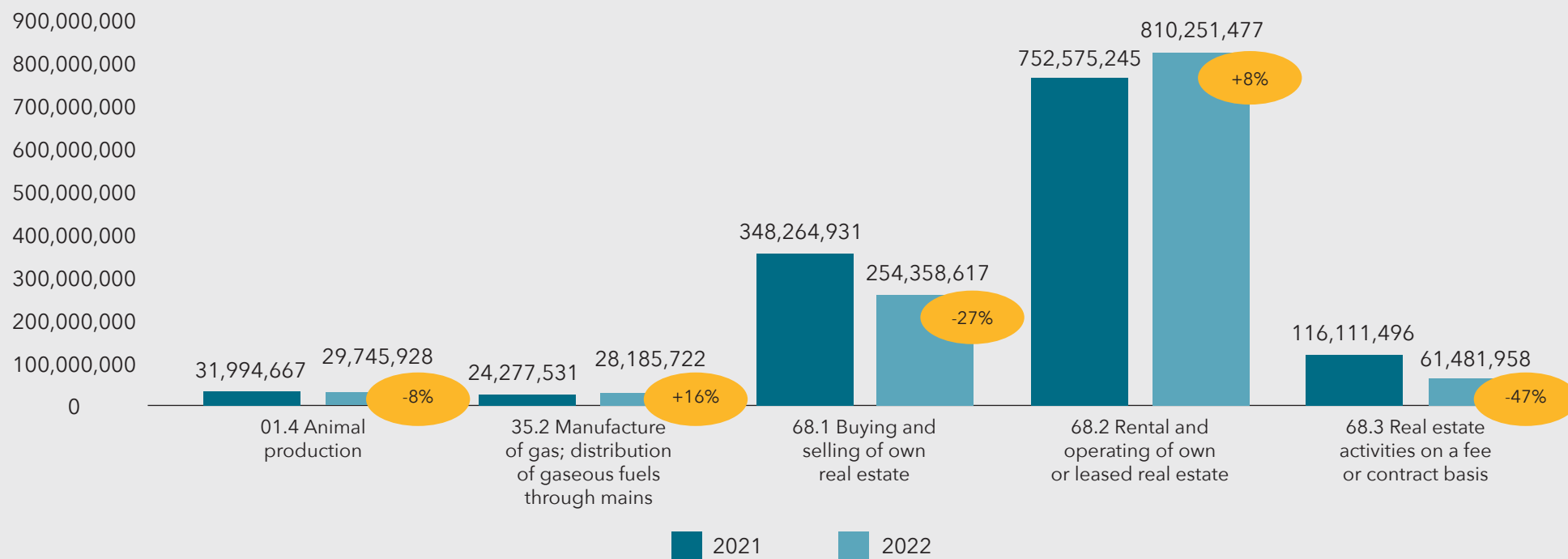


#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create negative impact on soil, with an exposure of 25.21%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on soil, have an exposure of 41.37%, of the portfolio under assessment (i.e. combined financing of 66.58% of the portfolio under assessment).

However, a reduction was observed in the gross loans on relevant key sectors that create negative impact on soil by 7%, from €1.273bn in 2021 to €1.184bn in 2022. The most significant decreases relate to Real estate activities on a fee or contract basis sector, which was decreased by 47% compared to 2021 and to Buying and selling of own real estate sector, which was decreased by 27% compared to the prior year.

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



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create negative impact on soil, with an exposure of 25.21%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create negative impact on soil, have an exposure of 41.37%, of the portfolio under assessment (i.e. combined financing of 66.58% 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 minimize the impact that its assets and operations have on the natural environment and the quality of air, in line with its decarbonization 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 2023 to 2025, leading to c.5-10% reduction in Scope 1 and Scope 2 GHG emissions by 2025 compared to 2021. 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 [Setting an environmental strategy and contributing to climate stability on this Sustainability Report](#).

Recognizing the benefits of tree planting in improving air quality, the Bank has organized tree-planting activities with SupportCY as part of its corporate social responsibility initiatives. One hundred and eighty trees - as many as SupportCY's members and partnered organizations and state agencies - were planted at Lourka Forest in Geri - part of the activities for the year 2022, which the Bank named the 'SupportCY Year of the Environment'.

By embracing tree planting as a sustainable solution, the Bank actively contributes to a healthier environment, reduces carbon emissions and enhances the well-being of communities. As part

of the 'SupportCY Environmental Year', the Bank, along with the Bank's SupportCY businesses and organizations joined forces and supported the 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 'It's up to us to never let it happen again', in the forests of Cyprus, were launched in the summer of 2022. Additionally, a series of forest patrols has been executed by the SupportCY Volunteers Corps, as well as participation in forest fire incidents following official assistant 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.

## 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 will benefit

nine communities and 38 small and medium-sized honey-making businesses.

### Joint Sea Venture (for life under water)

"Seappaxia", 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 in the area of the Ayia Napa Marina in Cyprus. 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 programme is implemented by the EMERGE research group of the Cyprus University of Technology in collaboration with CYMEPA and the Ayia Napa Marina.

### Partnership in Sustainability

Bank of Cyprus joined forces with the NGO Alternative Brains Rule, which also upgraded its environmental policy by adopting ESG (Environment, Society and Governance) criteria, and worked together to create ecological awareness and upgrade their synergy to protect the environment. Bank of Cyprus as a 'Partner in Sustainability' and Alternative Brains Rule as the soul of Afrobanana Festival, collaborated on a common strategy to use environmentally friendly practices. A photovoltaics system was installed on the premises, covering part of the festival needs in electricity, which could also be used by visitors to charge their phones. In the same framework, experts' talks were organised on simple and useful practices to reduce carbon emissions.



[Message from  
the CEO](#)

[About  
this report](#)

[The Bank of Cyprus](#)

[Our approach  
to sustainability](#)

[Environment](#)

**[Social](#)**

[Governance](#)

[Appendices](#)



# Social

# Supporting financial inclusion and resilience



## 2022 Highlights (as of 31 December 2022)

**16.74%**

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

**€510mn**

new lending on retail housing  
(2021: €475mn)

**60** branches and

**17** unmanned branches

**€49.01bn**

total monetary value traded in  
digital channels

Digital Transactions Ratio (Total  
Portfolio):

**93.94%**

**15%, 3% and 8%**

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 2022, 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 2022 (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 improves 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).



'Melissa-Zoi Centre' for bee artificial insemination aiming to revitalize the environment and restore economic activity to fire-affected areas

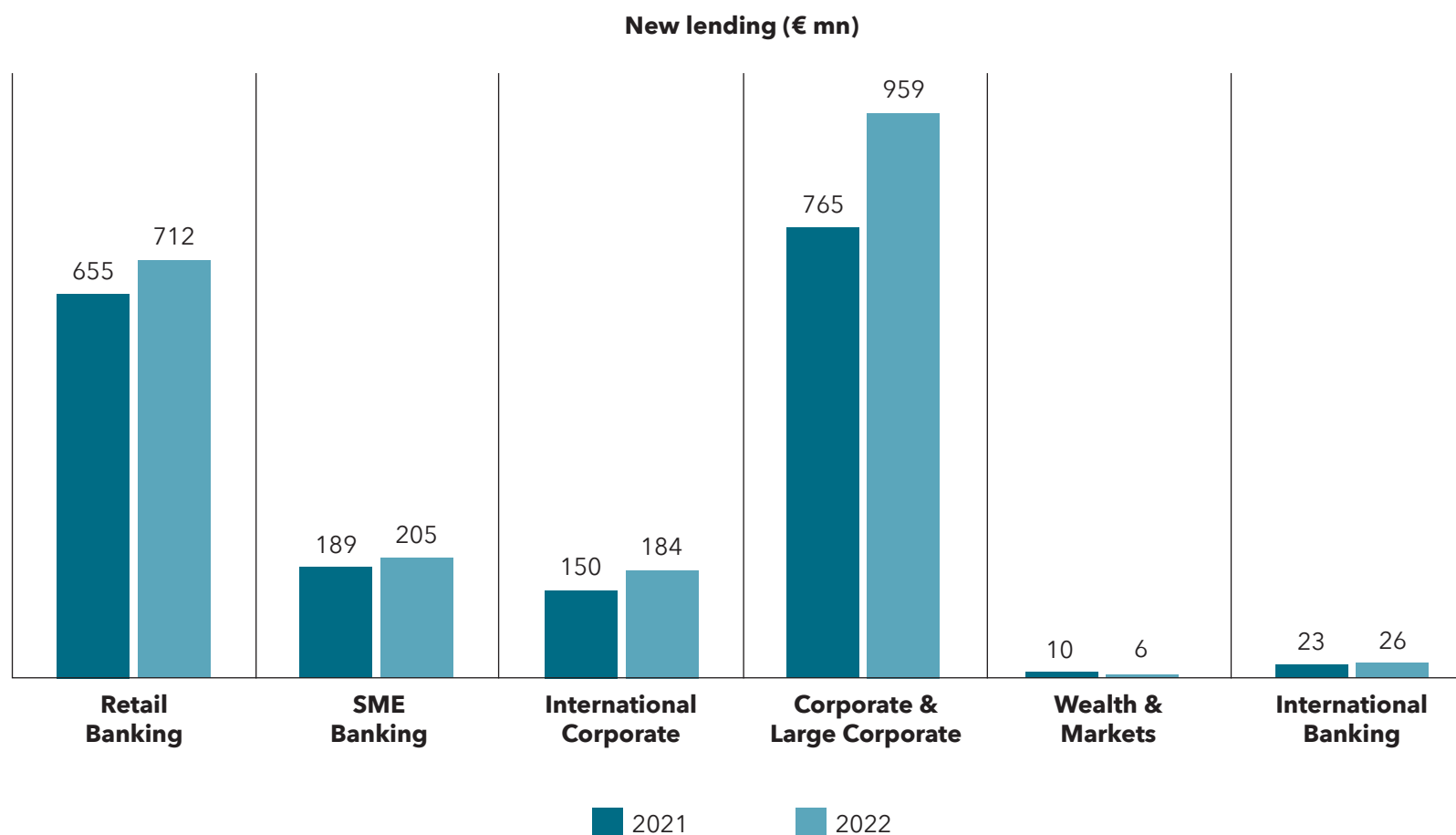


The 'Joint Sea Venture' project for the study and monitoring the quality of sea water

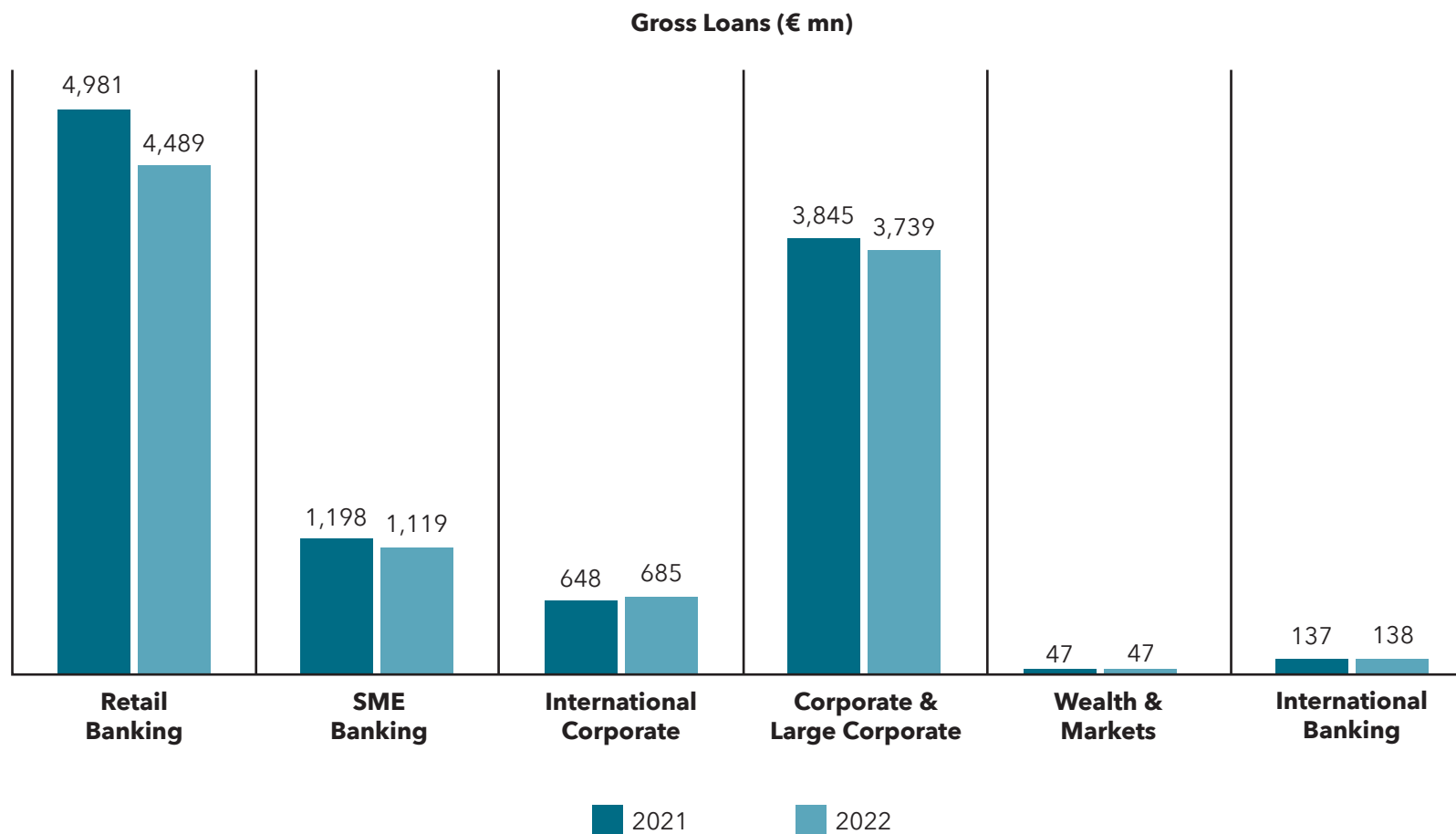
## Finance

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.

During the year, the Bank has provided €2,092mn new loans, an increase by 16.74% compared to €1,792mn new loans in 2021.

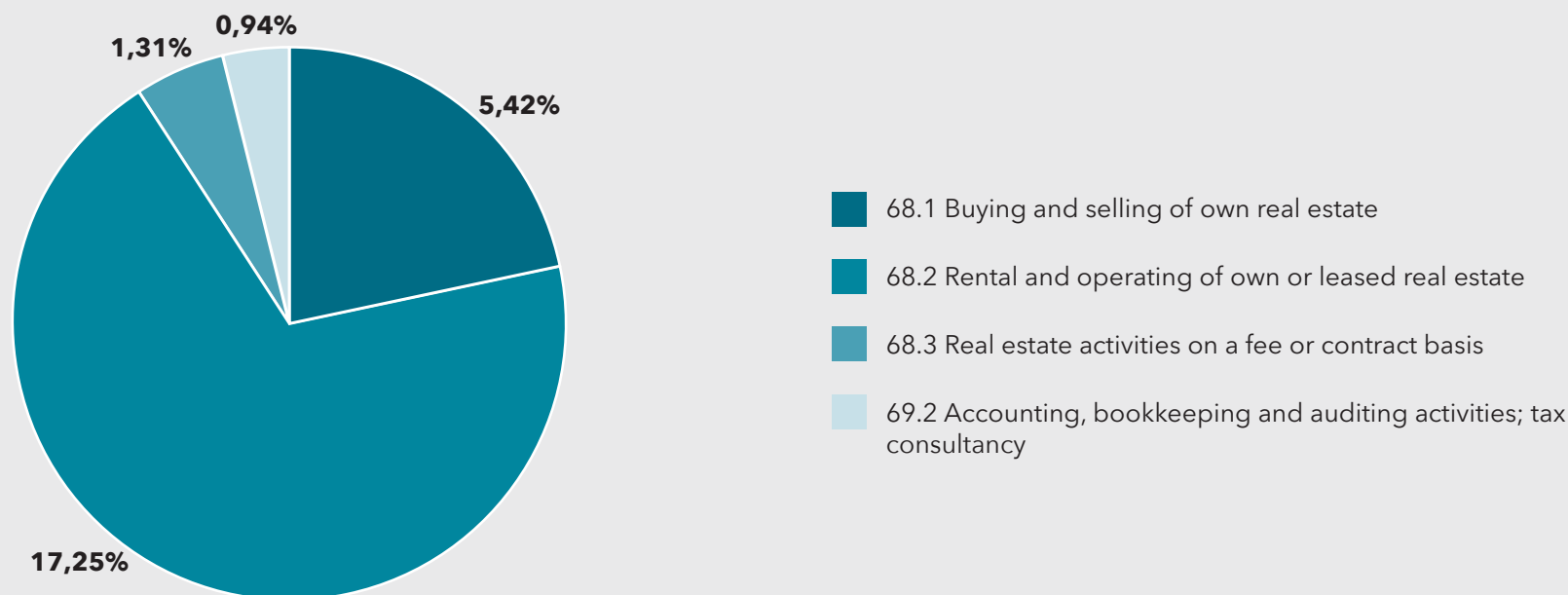


As of 31 December 2022, the Bank's Gross Loans amounted to €10,217mn (2021: €10,856mn and €10,282mn proforma for Held for Sale (i.e. Helix 3 and Sinope)).



Specifically, the Bank, as part of its business activity, provides financing to certain sectors that as per the PRB impact analysis of 2022, create positive impact among other, on the availability, accessibility, affordability, and quality of resources and financial services. As per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 24.92% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €1,170mn 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 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% of the bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.

Real estate sectors are of strategic importance for the Bank and are expected to further grow in the upcoming years and conclusively contribute further to the accessibility to Finance.

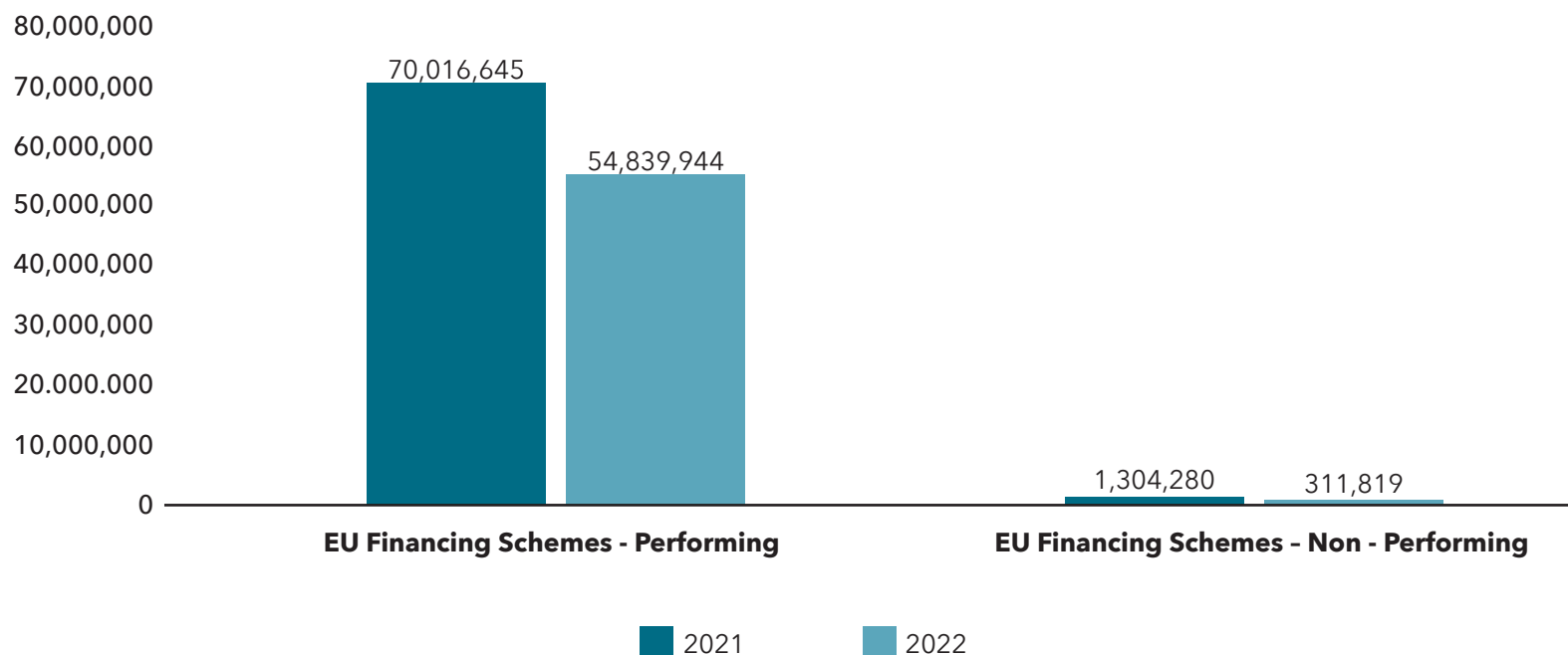
## European Financing Schemes

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 2022, the Bank has 461 (2021: 555) performing and 22 (2021: 30) non-performing loans from European Financing schemes, amounting to €54.8mn and €0.3mn respectively. These resulted to a decrease by 21.7% on performing and 76.1% on non-performing loans, compared to €70.01mn and €1.3mn in 2021 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 consumer's access to finance. At the same time, the Bank also understands that those offerings may impact the customer's disposable income due to higher interest rates and fees.

The above-mentioned product offerings correspond to 10% (€514mn) in 2022 and 12% (€626mn) in 2021 of the Bank's consumer banking portfolio, as per the 2022 PRB consumer banking impact analysis. In addition, those correspond to 5% of Gross Loan portfolio in 2022 and 6% in 2021. 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 148 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 has introduced the AEGEAN Mastercard which provides additional Privileges such as flight discounts on the first two flights, as well as collection of miles through card transactions that can be redeemed at Aegean products.

Through its digitalization 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 customer's 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 digitalization, refer to page 137 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 2022.

Taking into account the high cost of building 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

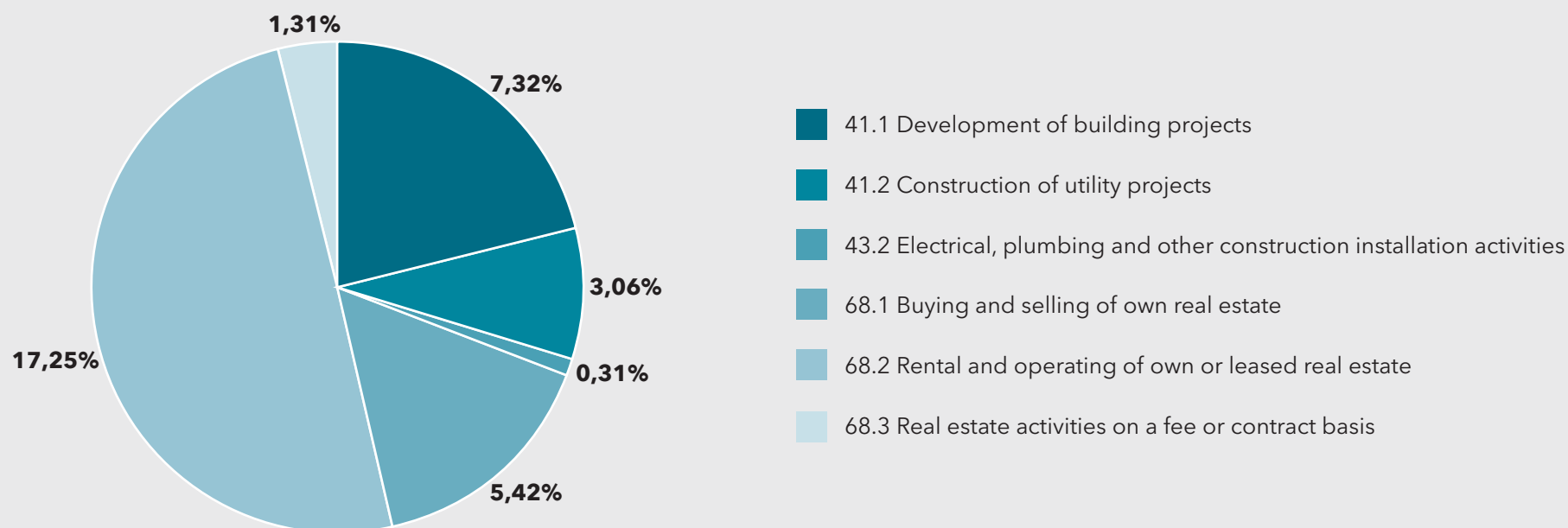
and acknowledges any potential negative environmental impacts from the construction.

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 €510mn new lending on retail housing (2021: €475mn, 2020: €363mn) which comprises 24% of Bank's new lending and indicates the Bank's strong commitment to this area. The total gross loans under retail housing amounts to €3,542mn as at 31 December 2022 (2021: €3,741mn 2020: 3,640mn). The Bank, in 2023, 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 2022, create positive impacts among others, on the availability and accessibility of housing in Cyprus. More specifically, as per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 40.78% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €1,915mn 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 2022 PRB Impact Analysis)**



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create positive impact on housing, with an exposure of 34.67%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create positive impact on Housing, have an exposure of 6.11%, of the portfolio under assessment (i.e. combined financing of 40.78% of the portfolio under assessment).

The Bank, in 2023, 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) (2022: 77, 2021: 90, 2020: 90), cash offices (2022: 4, 2021: 10, 2020: 11) and ATMs (2022: 133, 2021: 157, 2020: 150), 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). Although there is a reduction in the number of branches by 14.44% compared to prior year (overall 30% reduction since December 2019), this derives from the Bank's branch network rationalization, also aligned with its broader digital transformation.

### Drive-through branches

Bank of Cyprus maintains the only drive-through branches on the island (2022: 2, 2021: 2, 2020: 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)	2021	2022
ATMs	157	133
Notes (Note 360° machines)	34	38
Coins (Cash 360° machines)	24	23
Coin Deposits	17	34
Coin Dispenser	1	9
For the branches		
TCR Machines for tellers	185	164
ePads	110	274
Scanners	350	312
New solution machines		
Pay-in Machines (new solution to simplify the process of depositing cash, checks and coin)	35	35

## 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.

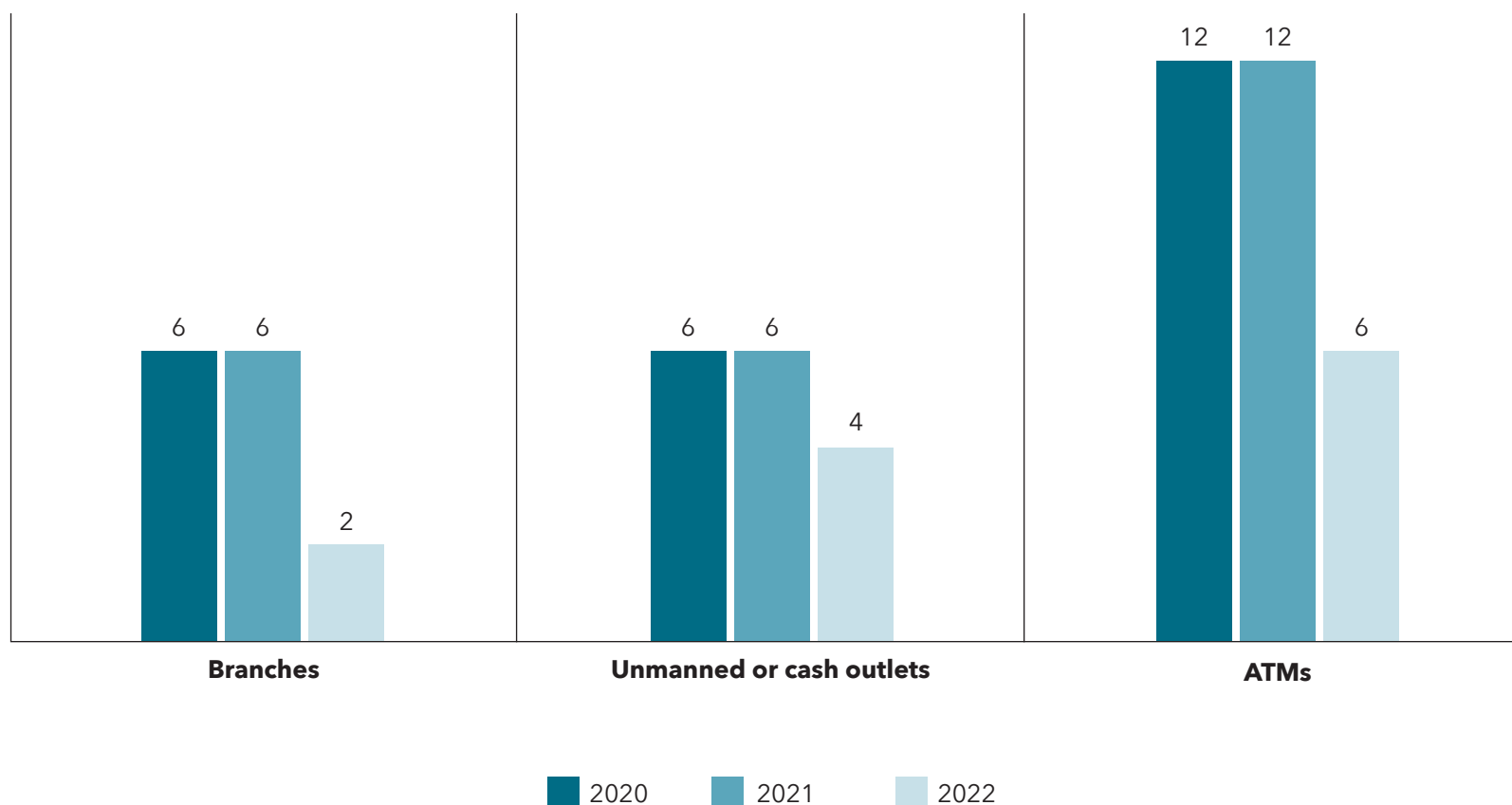
The Bank commits itself to ensuring digital accessibility for people with disabilities, including blindness and low vision, deafness, and hearing loss, and to others who rely on assistive technology, such as screen readers users and keyboard-only users. The Bank applies the Web Content Accessibility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

Accessibility for people with disabilities		
Branches	2021	2022
% of accessible branches	74%	79%
Total number of branches	100	81
Buildings		
% of accessible buildings	66%	66%
Total number of buildings	38	38
ATMs		
% of accessible ATMs	76%	74%
Total number of ATMs	157	133

## 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 digitalization 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. Moving away from traditional banking channels aims at accelerating innovation and offering products and services that create value by responding to modern lifestyles.

The Bank has since 2019 put into practice a digital transformation scheme aimed at better customer service and the optimization of internal operations, focusing on a leaner and more efficient operating model, providing 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 (including Digital Signatures), QuickPay, provide access to financial services without their physical presence at a network site.

The Bank supports also businesses in their transition to digital transformation by customization and control of internal processes and minimizing risk of human error. In particular,

the Bank offers business to business Application Programming Interfaces (APIs), a digital connection for businesses, to access to a core suite of online corporate banking services, directly from their company's own Enterprise Resource Planning (ERP) system. The business can take advantage of the Bank's improved transaction rates in relation to the traditional paper-based equivalents.

For more information on the Bank's digital solutions refer to [Digital Solutions - 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 2022, the Bank has introduced QuickLoans through 1bank which enhances access to finance.

There is a year-on-year increase of Bank customers connected to 1bank (CIFs connected to active subscriptions) by approximately 9% (2022: 538,000, 2021: 493,000, 2020: 451,000).

### Mobile Banking App

The Mobile App, helps customers to visit the branches less and encourages them to use digital channels to perform their everyday banking needs.

New features added in 2022 on the Bank's Mobile App include the QuickLoans, QuickCards, MoneyFit, Mobile Cheque Deposit and Card Freeze/Unfreeze.

The number of new active subscribers on Mobile App was increased by 12,8%, whereas there was an increase in the number of transactions conducted through the App by 17,3%, compared to 2021.

The usage of e-statements is prevalent among customers who engaged digitally.

### 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 on QuickPay was increased by 31.3%, whereas there was an increase in the number of transactions conducted through the QuickPay by 51.3%, compared to 2021.

## 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 can 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 2022. The number of customers using these 'wallets' has increased by 60.81% compared to 2021 (2022: 157,309, 2021: 97,820).

### BOC eTrader

BOC eTrader is an electronic margin trading platform, which provides clients with direct access to "live" prices for the execution of instant delivery transactions (FX Spot) and more. It is available for speculative trading but may also be used as a hedging tool against FX and commodity risk. The monetary value of the trades executed on the BOC eTrader platform in 2022 was €458,957,630 (2021: €265,596,330).

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

## Digital Economy Platform (Jinius)

During the year, the Bank has introduced a Digital Economy Platform (Jinius) to optimize processes within the economy, bringing stakeholders together, connecting businesses with each other and with consumer and driving opportunities in lifestyle banking and beyond.

### Vision

Become the go-to platform for Businesses and Individuals by establishing an online ecosystem to perform transactions supported by Bank products and services.

Orchestrator of Cyprus Digital Economy

An ecosystem Driven Platform to Create Opportunities for All

### Jinius Ecosystem

#### Connects Businesses Together

- Facilitate end to end business transactions (e.g. invoicing, tendering, remittance)
- Enable businesses to handle their operations efficiently and provide them with tools and services to enhance their performance

#### Connects Customers with Businesses

- Facilitate end to end integrated economy services (find, order, pay, receive, manage, etc.)
- Through a suite of lifestyle products and services offering convenience, personalisation, transparency and security

#### Supported by Bank's Products/Services

- Bank products and services offered digitally
- Online payments via Bank's systems
- Available to existing and new customers

### Scope

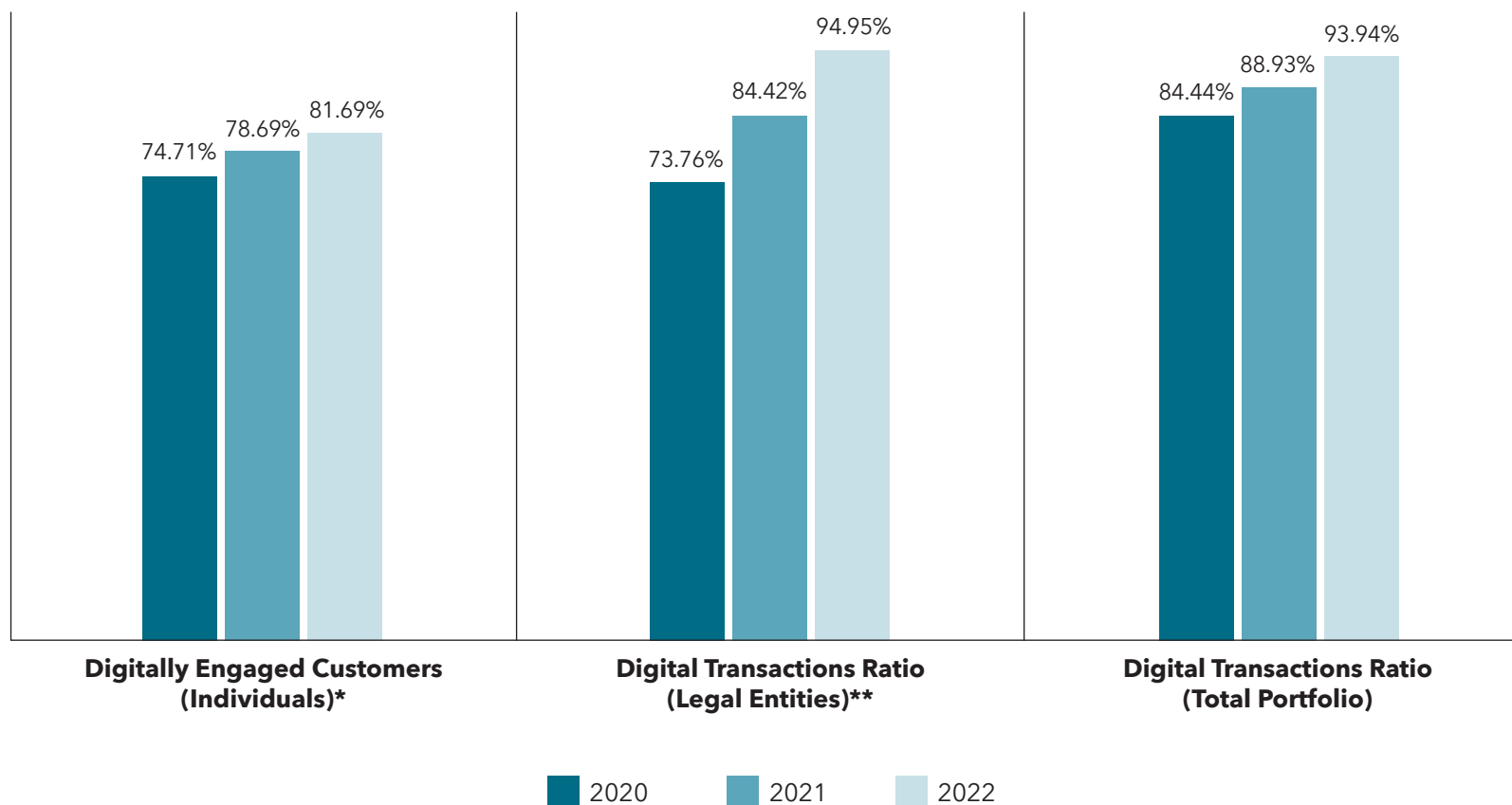
- Facilitate the digitisation of national economy
- Enable efficiencies for our clients
- Establish stronger bonds with customers reinforcing the value of existing banking relationships
- Facilitate clients creating cross-selling opportunities

In 2022, the Bank has launched a first set of services for digitizing business to business activities (e.g. electronic invoicing, remittance management and payments). Approximately 1,500 companies have registered on the platform until today.

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

During 2022, 81.69% of the Bank's private clients are digitally engaged (an increase compared to 74.71% and 78.69% in 2020 and 2021 respectively), while digital transactions across the portfolio have increased from €40.25bn in 2021 (88.93%) to €49.01bn in 2022 (93.94%), an increase by 21.8%.

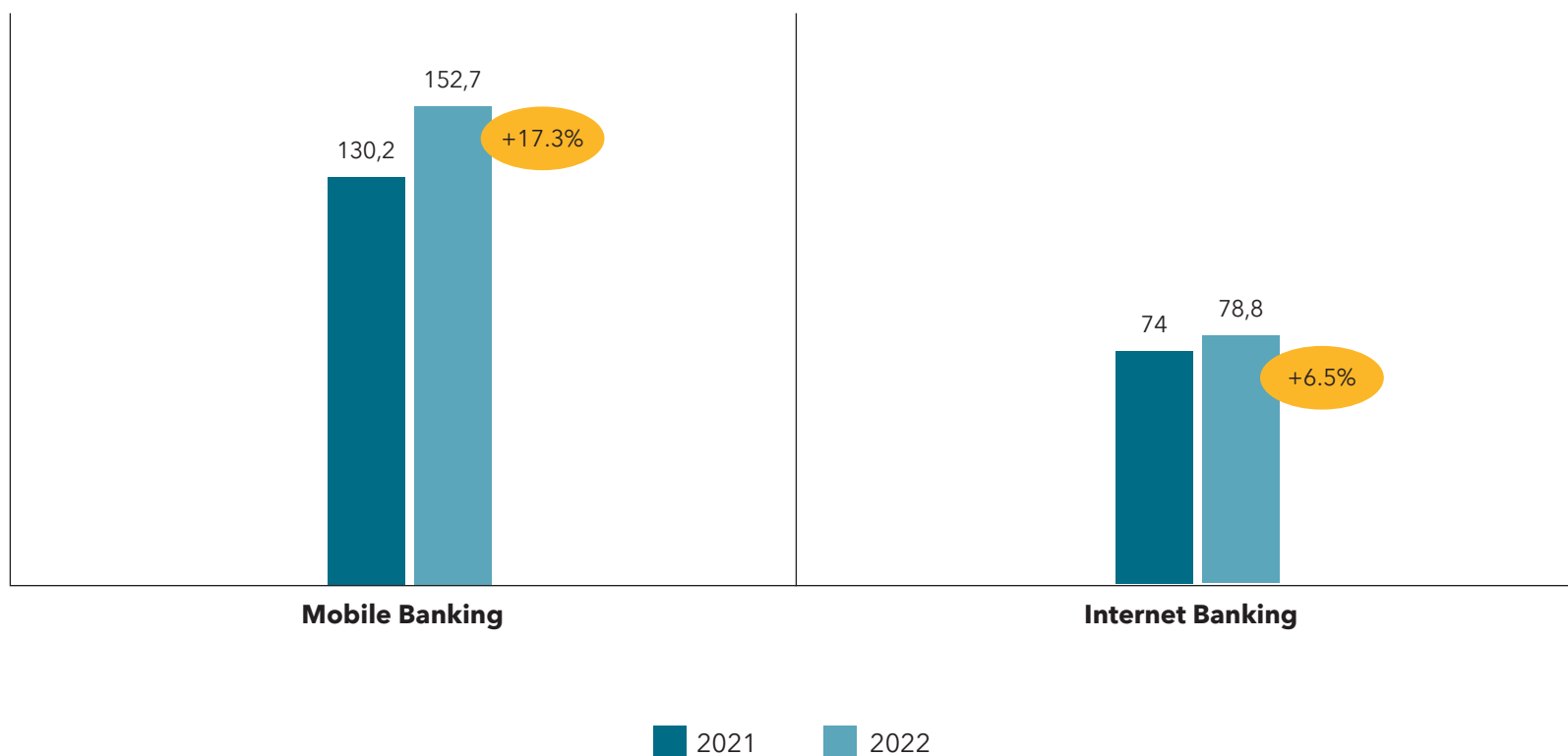
**Rate of digitally engaged customers**



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)

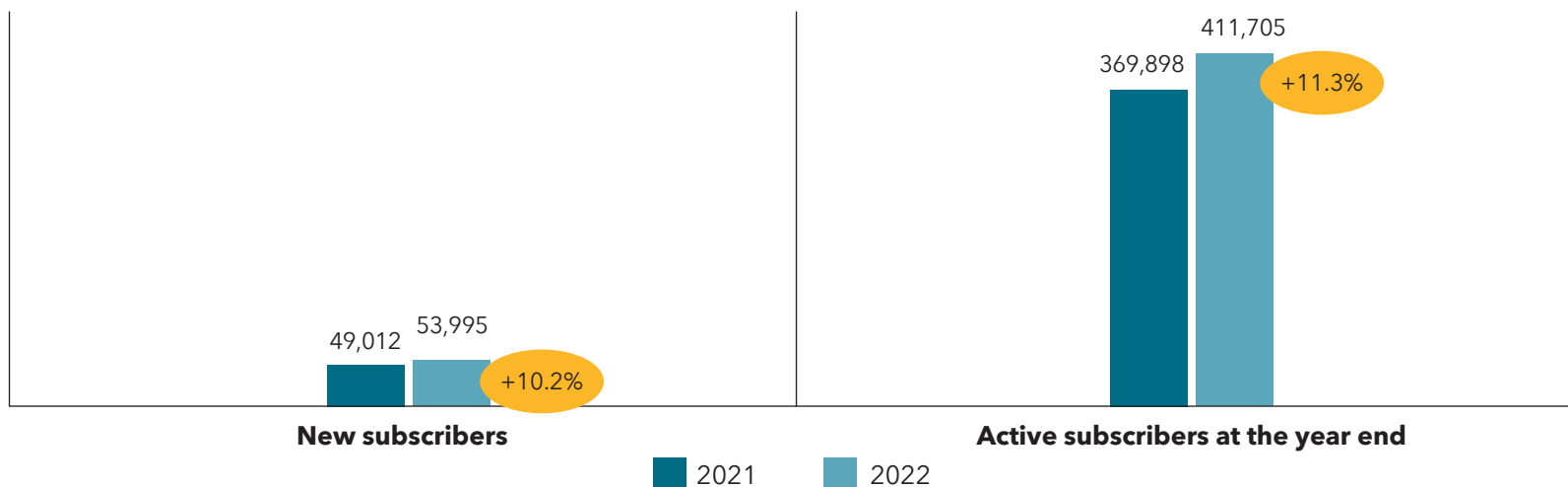


Notes:

i. The average daily number of logins in 1bank has increased from 197,000 in 2020 and 198,000 in 2021 to 248,000 in 2022 (maximum in a single day 358,000).

(Internal indicator: Percentage change in the number of users / new 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	2021		2022	
	Digital Cards	Customers	Digital Cards	Customers
Apple Pay digital cards	112,137	62,704	167,567	88,910
BoC Wallets cards	48,410	33,542	91,741	54,710
Google Pay	-	-	15,057	11,440
Garmin Pay devices	1,478	1,314	2,250	1,944
Fitbit Pay devices	311	260	388	305

Notes:

i. Google Pay launched in November 2022.



## 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 2022, IDEA was recognised as a valuable partner by the State through the signing of a Memorandum of Understanding with the Ministry of Research, Innovation & Digital Policy, thus materializing its strategic pillar for Public-Private Sector cooperation. The Memorandum included a grant of €100,000 for two IDEA start-ups, as well as joint activities to strengthen youth innovative entrepreneurship.

IDEA's cornerstone is its Startup Programme, a comprehensive business creation training programme, which hosts start-ups for a period of 9 months. The training curriculum is designed on international standards, tailored to the start-ups' needs, and is reviewed annually to reflect current trends. Through its extensive panel of more than 80 high-profile mentors and trainers working mostly pro-bono, start-ups work closely with industry experts to receive feedback, mentoring, consultation and professional services. In 2022, IDEA has brought to life innovative businesses relating to healthtech, greentech and tourism sectors, through its current start-ups: MedicalHub, Premno, Humeral, Verum et Accuratus and LuvMySelf.

MedicalHub is a digital health transformation startup creating the smart pharmacy of the future, simplifying interaction with the General Healthcare System of Cyprus (GESY) and beyond, by automating existing processes and easing their

workload in a user-friendly and easy to deal way.

Premno is a platform that offers a multi-prism and multi-sensory experience through the metaverse centered around wine trails, making it appealing to both wine lovers and technology enthusiasts.

Humeral is a medical solution combining machine-learning and motion sensors, that enables specialists to diagnose early and accurately human movement disorders and precisely assess the status of rehabilitation.

Verum is an innovative environmental technology start-up that integrates and streamlines the entire monitoring, reporting, and verification processes to provide greenhouse gas emissions (GHG) and environmental, social, and corporate governance (ESG) accounting and verification.

LuvMySelf is a therapy marketplace that provides holistic support to individuals of all ages, couples and families and helps them to prosper in life by including a wide range of therapists and nutritionists.

### Notable 2022 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-hosted and sponsored the 'Startup Innovation Stories in Cyprus' within the framework of the European Youth Year 2022.
- Collaborated with Centre for Entrepreneurship - University of Cyprus (C4E) in the CyEC2022 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.
- Shared good practices as the leading business incubator in Cyprus at the 'Business start-ups: How can CoVES Support?' webinar of the ETF - European Training Foundation.
- Supported and sponsored the Student Innovators Competition 2022 to educate university graduates with activities that increase their business abilities.
- Hosted the Israel Ambassador in Cyprus at its premises to exchange views on enhancing the cooperation with the Israeli ecosystem.
- Participated at international conferences, fora, and panel discussions to promote innovation.



Deputy CEO & Chief of Business, Dr Charis Pouangare, signing on behalf of the Bank a Memorandum of Understanding between IDEA Innovation Center and the Ministry of Research, Innovation & Digital Policy

## IDEA Highlights

2022 IDEA Highlights	2020	2021	2022
Start-ups joined	11	12	7
New companies established	7	12	7
Total start-ups supported (cumulative)	62	74	82
Companies successfully completed the IDEA Start-up Programme	17	5	5
Mentors	82	70	70
Trainers	35	42	42
Financial support received	€84,000 (€12,000 to 7 companies)	€60,000 (€12,000 to 5 companies)	€60,000 (€12,000 to 5 companies)
Pro-bono services	€528,000 (€48,000 to 11 companies)	€576,000 (€48,000 to 12 companies)	€336,000 (€48,000 to 7 companies)
Number of entrepreneurs trained since 2015	130	160	190
Total new jobs created (cumulative)	80+	90+	90+

## 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 2022, about 635,000 calls (2021: 558,000, 2020: 666,000) calls were received, with a customer abandonment rate of 5.86% (2021: 5.02%, 2020: 8.25%).

## 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 media 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 2022 both on Instagram, Facebook and LinkedIn by 15%, 3% and 8% respectively.

Number of Followers in Social Media	2021	2022	Absolute Change	% Increase
Instagram	7,298	8,428	1,130	15%
Facebook	49,091	50,488	1,397	3%
LinkedIn	23,997	25,977	1,980	8%

The Bank's Instagram engagement rate in 2022 is 2.6% which is above the average engagement rate of Financial Industry 0.45%. The average Instagram post engagement rate is 1.79% which is within the industry average of 1-2%. The Bank's Facebook engagement rate in 2022 is 3.93% which is over the Finance Industry average 0.42%. The Bank's Facebook average post engagement rate is 2.96% which is considered a high.

## Card Reward Antamivi Scheme

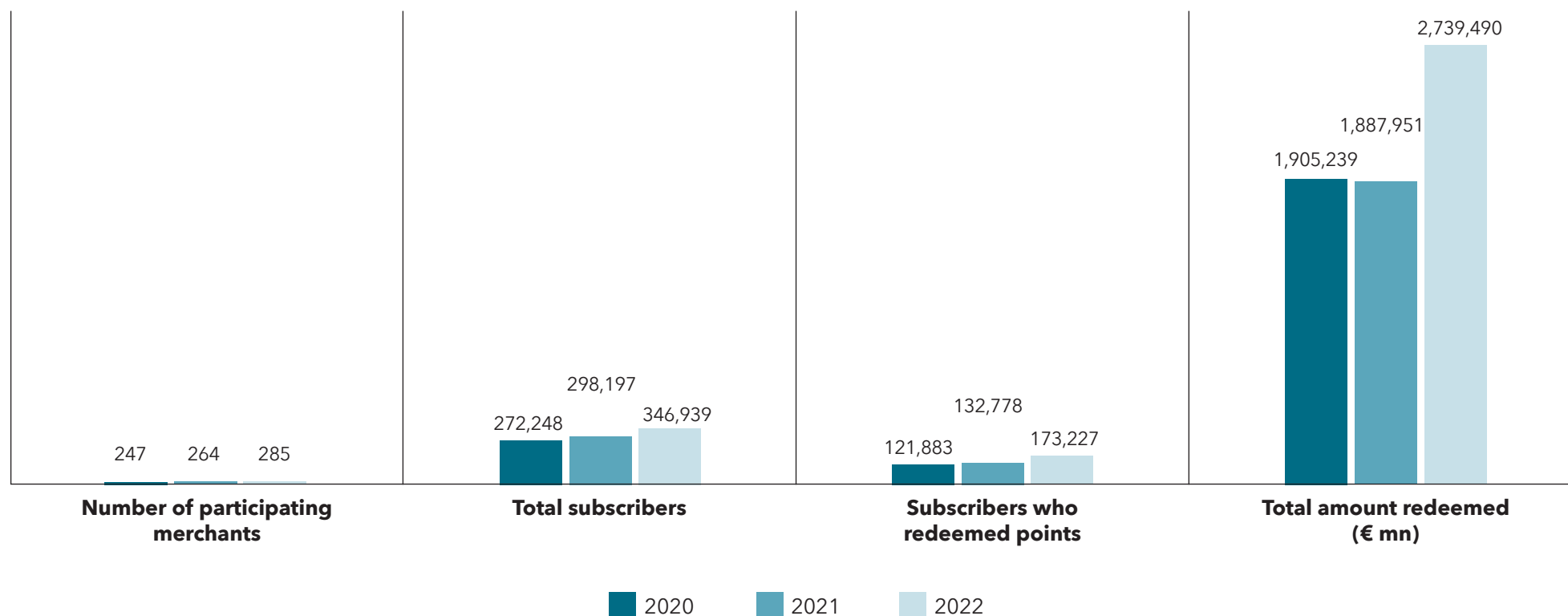
Bank of Cyprus has developed several reward schemes to give back to customers.

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 2022, a total of 285 merchants (2021: 264, 2020: 247) and 346,939 active subscribers (2021: 298,197, 2020: 272,248)

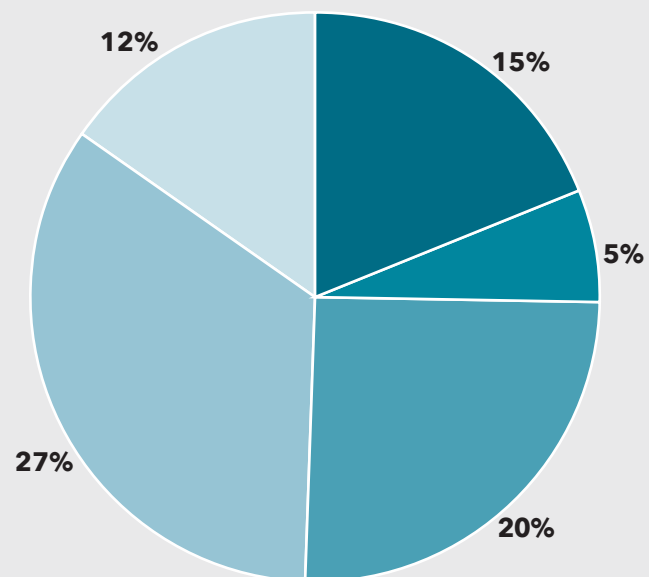
participated in the Scheme redeeming a total of €2,739,490 (2021: €1,887,951, 2020: €1,905,239).

### Antamivi scheme composition



## Card Reward Antamivi Scheme

Top 20 Contributors vs Overall Contribution points (2022)



- General trade
- Clothing & Footwear
- Catering and food & supermarket
- Fuels
- Tourism industry

**€370 mn**

(2021: €232 mn)

partners turnover

**€2,972,449**

(2021: €2,042,293)

contribution points

**€2,739,490**

(2021: €1,887,951)

redemption points



## Customer financial protection

Cybersecurity risk impacts the banking sector, as the number of people accessing the alternative channels of banking, but also the number of cyberattacks have increased significantly throughout the 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 networks. Cybersecurity is fully integrated by the Bank into its way of operation, strategy and structure and is not considered as a standalone/separate issue.

Established and mature Information and Cyber Security Risk Management 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 recognized 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 suffered 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 unauthorized 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



## 2022 Highlights (as of 31 December 2022)

**2,461**

employees (decreased by 18.2% compared to 2021) (40 new hires and 606 leavers within 2022)

**99%**

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

**61%**

of the Bank's employees are women

New Lending in Education:

**€8.8mn** (2021: €29.3mn)

Training hours:

**64,576**

Training participants:

**3,106**

**60.8%** of training attendees are women

**265**

employees recognized 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

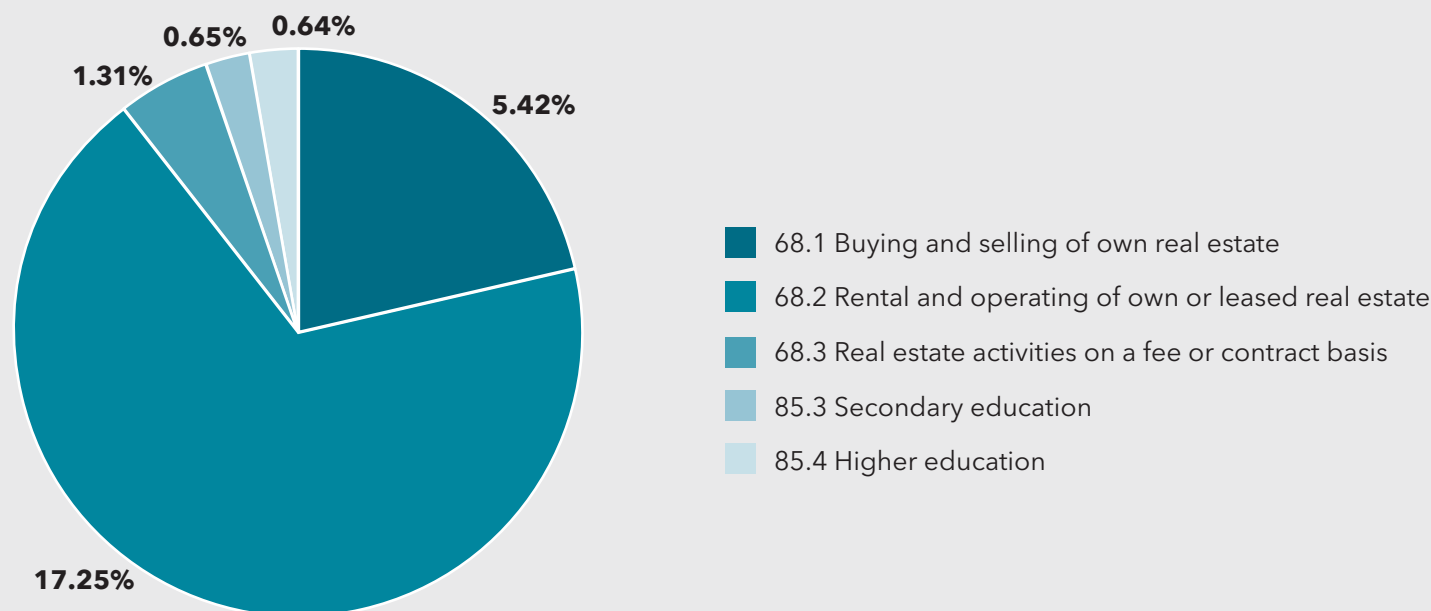
#### **Contribute to the creation of opportunities that promote education and development:**

- through the provision of products and financing activities to certain sectors, as assessed under PRB institutional and consumer banking impact analysis of 2022, 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 2022, create positive impacts among others, on the availability, accessibility, affordability, and quality of education. More specifically, as per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 25.27% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €1,187mn 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 2022 PRB Impact Analysis)



Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 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 177 new loans were provided under these two student loan schemes, with a total amount of €4,475,075. The majority of those loans were provided to the parents of the students.

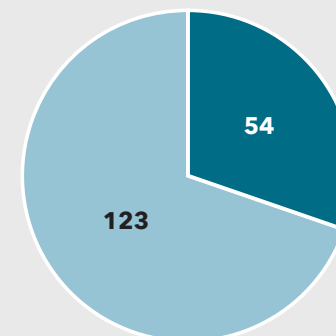
## Starter Student Loan scheme

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

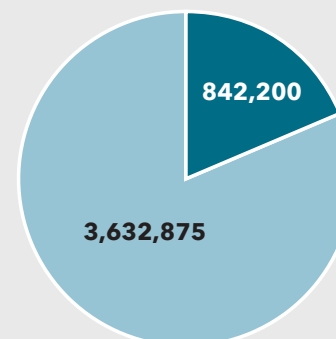
Advance scheme covers the costs of postgraduate studies and/or professional qualifications in Cyprus or abroad. For both schemes, eligible persons for financing are parents who wish to cover the costs for educating their child, and also working students who wish to finance their studies on their own.

**Number of student loans provided (in 2022)**



■ Student Loans Advance  
■ Student Loans Starter

**Amount of student loans provided (in 2022) (€)**



■ Student Loans Advance  
■ Student Loans Starter

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

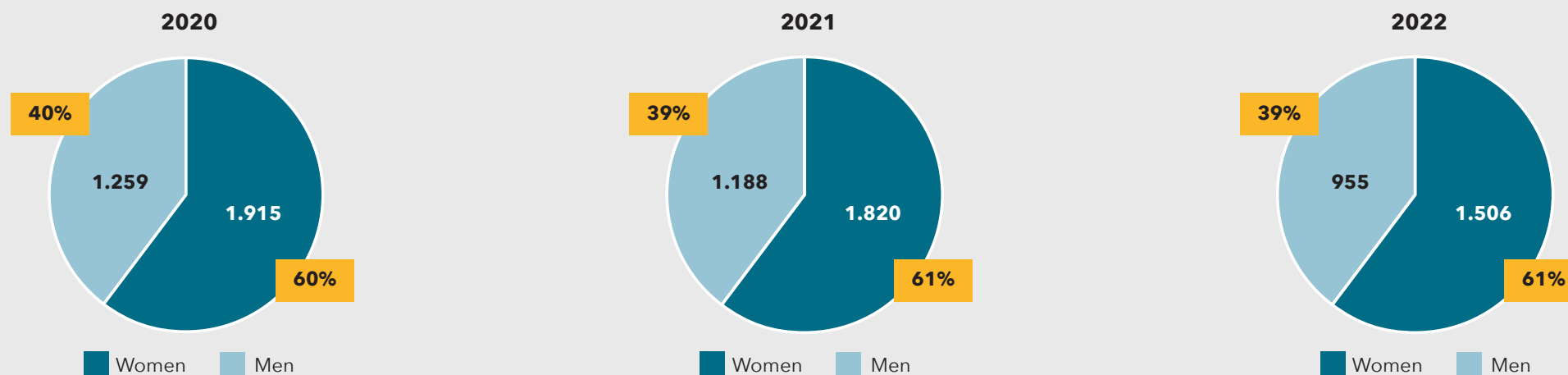
### Creation of employment opportunities - The Bank and its People

(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 organizations 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 2022, the Bank continued to focus on reducing the impact of the pandemic on its employees, maintaining a safe environment, and continuing to work genuinely to maintain a positive work environment. During the year there were 40 new hires and 606 leavers, mainly due to the Voluntary Staff Exit Plan which was completed in July 2022. The total number of the Bank's employees decreased by 18.2% compared to 2021 and by 22.5% compared to 2020.

(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 2022, the Bank had 179 workers (2021: 151, 2020: 193) who are not employees and whose work is controlled by the organization. These are external associates providing services to the Bank, usually from other organizations, working at Information Technology Department and Restructuring & Recoveries Division. The increase in the year was due to the 112 new hires, although there were 84 workers who left the Bank during the year.

Total number of employees and workers									
	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<b>Total number of workers</b>	<b>104</b>	<b>89</b>	<b>193</b>	<b>66</b>	<b>85</b>	<b>151</b>	<b>64</b>	<b>115</b>	<b>179</b>

<b>Total number of employees</b>	<b>1,915</b>	<b>1,259</b>	<b>3,174</b>	<b>1,820</b>	<b>1,188</b>	<b>3,008</b>	<b>1,506</b>	<b>955</b>	<b>2,461</b>
Permanent employees	1,908	1,250	<b>3,158</b>	1,814	1,179	<b>2,993</b>	1,500	948	<b>2,448</b>
Temporary employees	7	9	<b>16</b>	6	9	<b>15</b>	6	7	<b>13</b>

Full-time employees	1,882	1,258	<b>3,140</b>	1,794	1,187	<b>2,981</b>	1,492	954	<b>2,446</b>
Part-time employees	33	1	<b>34</b>	26	1	<b>27</b>	14	1	<b>15</b>

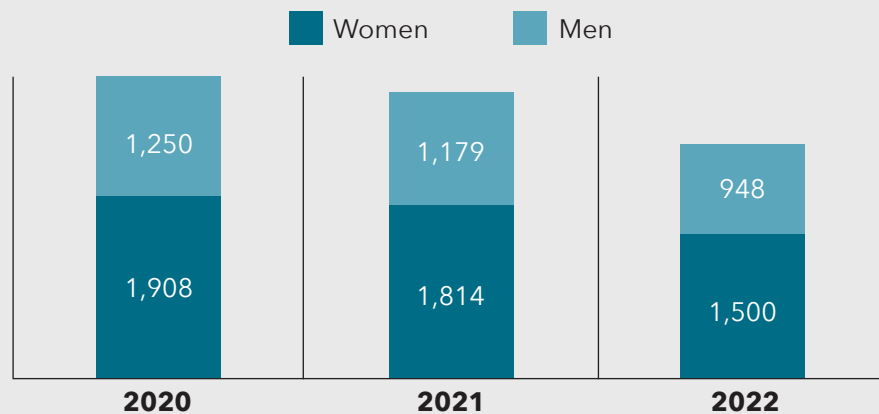
**Notes:**

- 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 2021 data on total number of workers have been restated (from 181 to 151) as 30 workers were not active during 2021 and the Bank had to terminate them.
- The decrease of employees in 2022, by 18.2% compared to 2021 and by 22.5% compared to 2020, was mainly due to the Voluntary Staff Exit Plans which were completed in July 2022 and December 2021 accordingly.

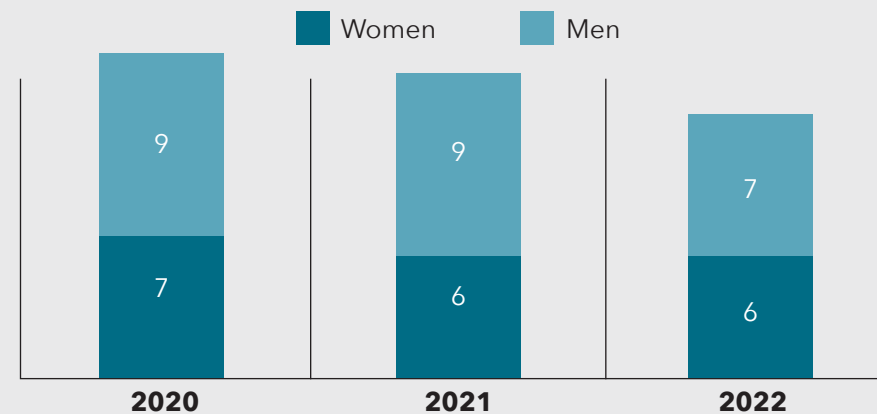
Part-time employees are entitled to equal terms and conditions of employment and equal treatment, and enjoy the same protection as comparable full-time employees. Since 2020, employees may opt to change their terms to part-time work or to take a long-term unpaid leave.



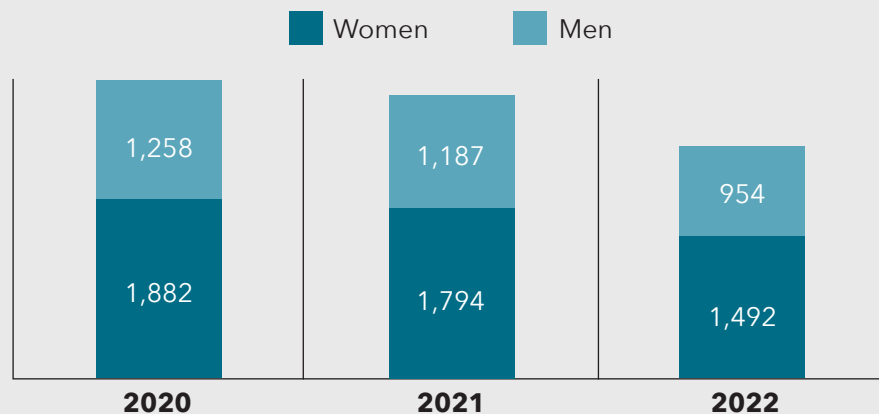
**Number of permanent employees  
(by gender)**



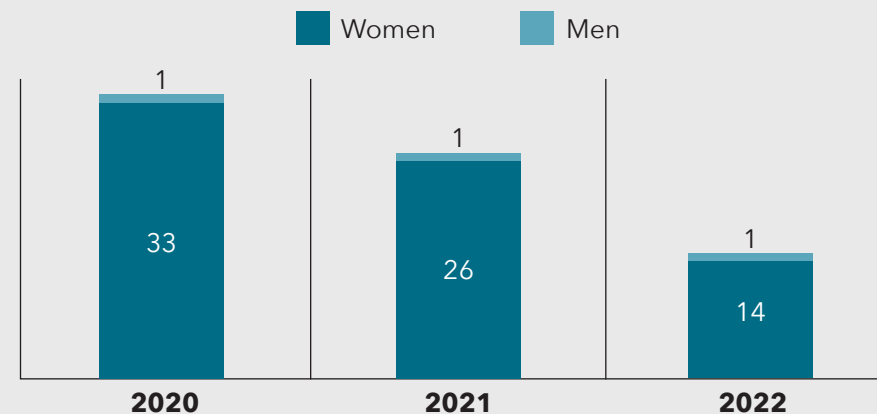
**Number of temporary employees  
(by gender)**



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



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



(GRI: 2-30)

	2020		2021		2022	
	Number	%	Number	%	Number	%
Employees covered by collective bargaining agreements	2,723	85.79%	2,922	97.14%	2,362	95.98%
<b>Total</b>	<b>2,723</b>	<b>85.79%</b>	<b>2,922</b>	<b>97.14%</b>	<b>2,362</b>	<b>95.98%</b>

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 not benefited from the collective agreement with ETYK Medical Fund but they are eligible to all other benefits included on the collective agreements with full -time employees (including life insurance, disability and invalidity coverage, parental leave, provident fund etc.).

## 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 organizations 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

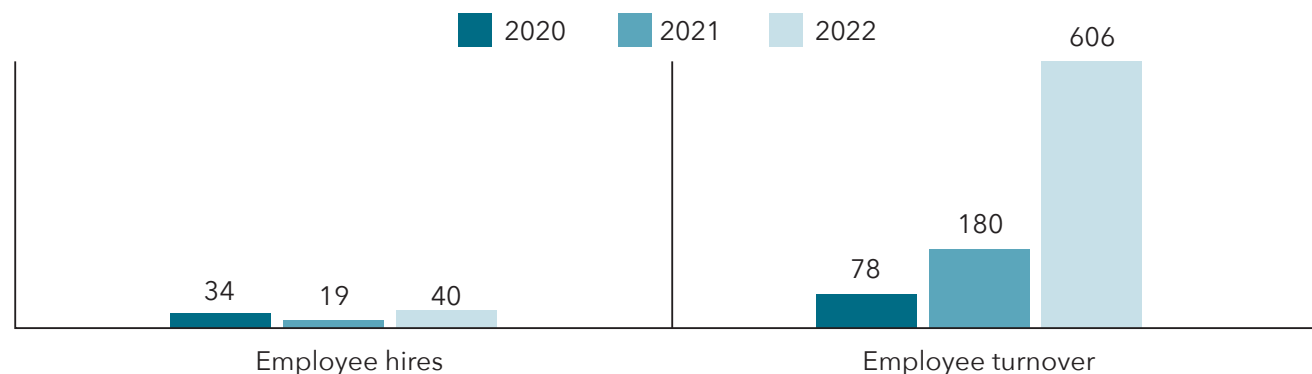
In 2021, an onboarding site was set-up on the employee portal where new employees find the tools and information needed to help their integration in the Bank and its culture. The revised onboarding process includes a welcome box with essentials and a welcome card for each new employee.

## In 2022

**11** Students for Internship programmes

(GRI:2-4, 401-1)

### New employee hires and turnover



Notes:

- i. The recorded data regarding employee hires and employee turnover for both years 2021 and 2020 have been restated to ensure comparability, as these were inaccurately reported in prior years' Sustainability Reports.

### Turnover Analysis 2022

**583** Retired - VRS (incl. employees left early in 2022 through 2021 VRS)

**20** Resignation

**2** Contract Termination

**1** Other reason

2022									
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	6	10	<b>16</b>	9	14	<b>23</b>	0	1	<b>1</b>
Total number of employees	13	10	<b>23</b>	1,047	543	<b>1,590</b>	446	402	<b>848</b>
Rate of new employee hires	0.46	1.00	<b>0.70</b>	0.01	0.03	<b>0.01</b>	0.00	0.00	<b>0.00</b>
Employee turnover									
Number of employees turnover	1	4	<b>5</b>	119	39	<b>158</b>	223	220	<b>443</b>
Total number of employees	13	10	<b>23</b>	1,047	543	<b>1,590</b>	446	402	<b>848</b>
Rate of employee turnover	0.08	0.40	<b>0.22</b>	0.11	0.07	<b>0.10</b>	0.50	0.55	<b>0.52</b>

## 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 specialized need is identified then a direct communication is made with L&D department.

In 2022, 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 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.

### ULead Programme

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

Through the 'ULead' programme, targeted learning journeys are being designed and participants can develop their personal effectiveness and leadership/ management skills utilizing modern forms of learning.

As part of the 'ULead' programme, the following training initiatives were implemented in 2022, in collaboration with external associates, in the fields of Management, Personal Effectiveness, Communication skills and Leading Change:

- Lead Yourself through Change – e-learning for selected individual contributors who currently do not manage a team (26 participants, 20 training hours, implemented in 03/2022);
- Lead Yourself through Change (Managers) – e-learning for Managers (59 participants, 177 training hours, implemented in 03/2022);
- The 5 Choices to Extraordinary Productivity – 2 in class workshops for selected individual contributors who currently do not manage a team – blended learning after the completion of the e-learning on the specific topic in 2021 (11/2021) and in combination with the e-learning 'Lead yourself through change' (33 participants, 264 training hours, implemented in 05/2022);
- The 6 critical Practices for Leading a Team – 7 in class workshops for Managers – blended learning after the completion of the e-learning on the specific topic in 2021 (11/2021) and in combination with the e-learning 'Lead yourself through change' (107 participants, 856 training hours – 05&06/2022);
- Communicating for Influence & Impact – 2 seminars for selected members of staff (16 participants, 240 training hours, 12/2022).

'ULead' managed to gain the interest of the participants and the feedback received from participating members of staff was very positive, a fact that is also reflected in the evaluations of the implemented programmes. The participants had the opportunity to strengthen their knowledge and skills so that they could more effectively:

- respond to challenges and manage change effectively;
- communicate with their team members in an inspiring way;
- set goals and create a vision for their team.

### Ulead programme

A targeted talent development programme that helps participants to:

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

## Our employee training performance

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

Training Attendance by Employee level	2021			2022		
	Attendees			Attendees		
	Women	Men	Total	Women	Men	Total
Senior Management	5	14	19	6	15	21
Management	256	346	602	263	333	596
Officers	1,666	922	2,588	1,575	914	2,489
<b>Total</b>	<b>1,927</b>	<b>1,282</b>	<b>3,209</b>	<b>1,844</b>	<b>1,262</b>	<b>3,106</b>

Notes:

- The table above excludes information on information for BoD members as this is included in [Corporate Governance - Directors' Induction and ongoing development](#).
- The information included in the table above, includes the employee's participation on the trainings performed on anti-corruption and corporate governance (refer to [Business Ethics and Compliance - Anti-Money Laundering for more information](#)).
- The number of participants included in prior year's Sustainability Report, 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.
- The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.

Training Attendance by Employee Category	2021			2022		
	Training Attendance (in hours)			Training Attendance (in hours)		
	Women	Men	Total	Women	Men	Total
Senior Management	108	354	<b>462</b>	217	444	<b>661</b>
Management	4,637	6,097	<b>10,734</b>	6,750	9,574	<b>16,324</b>
Officers	25,725	12,840	<b>38,565</b>	32,302	15,289	<b>47,591</b>
<b>Total</b>	<b>30,470</b>	<b>19,291</b>	<b>49,761</b>	<b>39,269</b>	<b>25,307</b>	<b>64,576</b>

Notes:

- The table above excludes information on information for BoD members as this is included in [Corporate Governance - Directors' Induction and ongoing development](#).
- The information included in the table above, includes the trainings performed on anti-corruption and corporate governance (refer to [Business Ethics and Compliance - Anti-Money Laundering for more information](#)).
- The number of participants included in prior year's Sustainability Report, 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.
- The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.

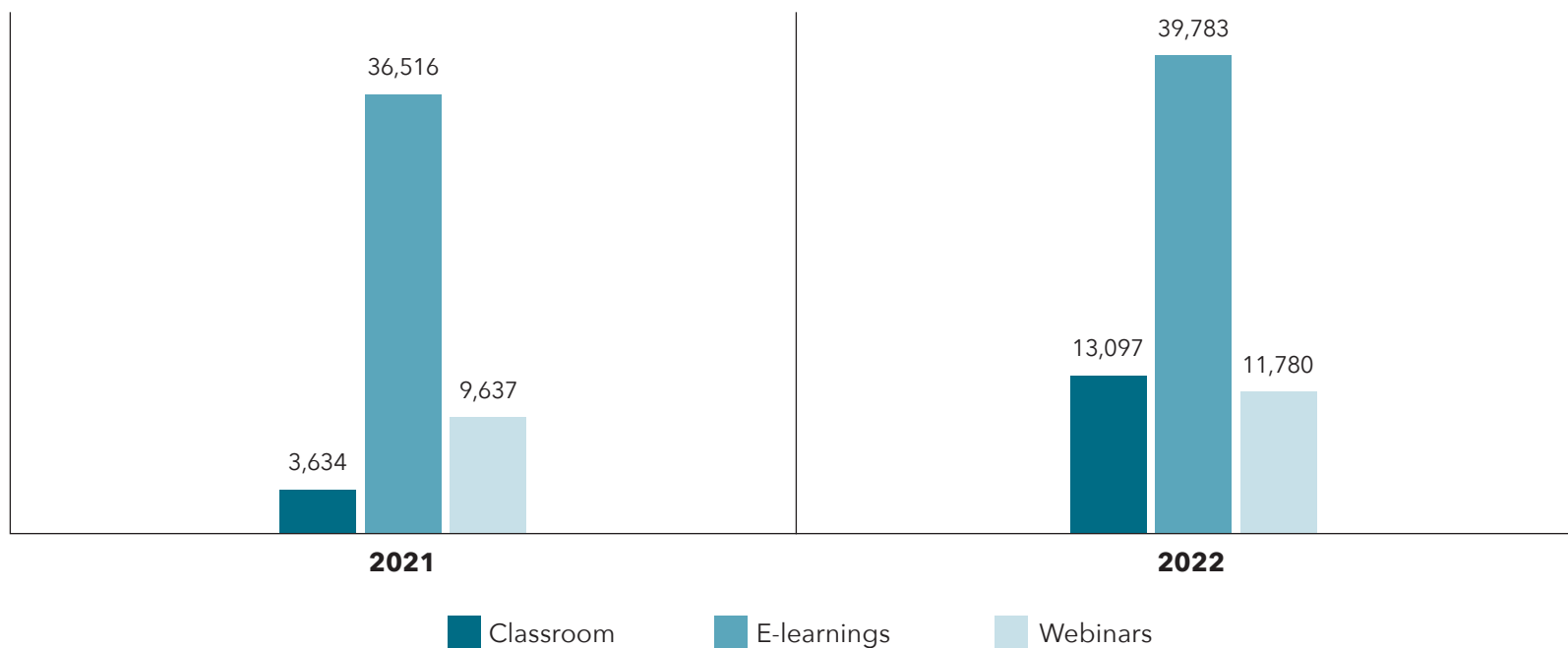
Training Attendance by function	2021			2022		
	Training Attendance (in hours)			Training Attendance (in hours)		
	Women	Men	Total	Women	Men	Total
CEO Office	248	115	<b>363</b>	229	138	<b>367</b>
Business Banking Division	22,241	12,977	<b>35,218</b>	27,270	15,666	<b>42,936</b>
Finance & Legacy Division	3,308	1,898	<b>5,206</b>	3,907	2,220	<b>6,127</b>
People & Change Division	994	366	<b>1,360</b>	1,894	582	<b>2,476</b>
Technology & Operations Division	1,573	1,967	<b>3,540</b>	2,959	3,629	<b>6,588</b>
Information Security Division	5	56	<b>61</b>	9	146	<b>155</b>
Risk Management Division	698	755	<b>1,453</b>	1,090	1,075	<b>2,165</b>
Compliance Division	712	310	<b>1,022</b>	984	477	<b>1,461</b>
Internal Audit Division	691	847	<b>1,538</b>	927	1,374	<b>2,301</b>
<b>Total</b>	<b>30,470</b>	<b>19,291</b>	<b>49,761</b>	<b>39,269</b>	<b>25,307</b>	<b>64,576</b>

Notes:

- i. The table above excludes information for BoD members as this is included in [Corporate Governance – Directors’ Induction and ongoing development](#).
- ii. The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.



### Training attendance by means of delivery (in hours)



Notes:

- The graph above includes information for BoD members.
- The number of participants included in prior year's Sustainability Report, 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.
- The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.

Average hours of training per year per employee						
	2021			2022		
	Women	Men	Total	Women	Men	Total
Senior Management	21.6	25.3	<b>24.3</b>	36.2	29.4	<b>31.5</b>
Management	18.1	17.6	<b>17.8</b>	25.7	28.8	<b>27.4</b>
Officers	15.4	13.9	<b>14.9</b>	20.5	16.7	<b>19.1</b>
<b>Total</b>	<b>15.8</b>	<b>15</b>	<b>15.5</b>	<b>21.3</b>	<b>20.1</b>	<b>20.8</b>

Notes:

- i. 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.
- ii. The number of participants by function is not readily available, thus the average hours of training by function are not presented above.
- iii. The table above excludes information for BoD members as this is included in [Corporate Governance – Directors’ Induction and ongoing development](#).
- iv. The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.

## UGrow - New Talent Management initiative initiated in 2022

The 'UGrow' programme concerns the implementation of Development Centers for the development of selected 'BOC talent' with the support of experienced external partners. 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.

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

### Stage 1:

- Design of the assessment framework, exercises, and tools (September 2022).
- Launch the development centers under the 'UGrow' brand name and hold a kick-off event with the participants, in the presence of the CEO and the Executive team (1st week October 2022).

### Stage 2:

- Run the Development Centers (17-21 October 2022) – 5 days, 5 groups at Byron House.
- Get the Individual Development Reports – results of the assessment process (November-December 2022).

### Stage 3:

- Hold a workshop with Senior Management to present the assessment results, the gap analysis and agree on a high-level Development roadmap (November-December 2022).
- Hold discussions with the participants and create comprehensive development plans with specific development activities, in line with the expectations of their target roles (1Q 2023).

The participants after completing each exercise received feedback from the experienced partners who acted as assessors during the exercises. An innovation of the programme 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 programmes. At the same time, the benefit for the Bank is the development and preparation of executives who are strong candidates for leadership positions in the Organization.

### 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 organization 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 2022 the sample for the 2021 Appraisals Quality Check reached 11% (345 appraisals were randomly selected and assessed against predefined pillars) compared to 13% in 2021 and 10% in 2020.

During 2022, the Performance appraisal process was enhanced to:

- a. make comments and justifications mandatory for low and high performance scores.
- b. publish a Development Plan guide to increase the value and scope of the Development Plan as a forward-looking and performance improvement tool.

The performance appraisals for 2021 were completed in 2022. A total of 29 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 (in progress)		
	Training Attendance (in hours)			Training Attendance (in hours)		
	Women	Men	Total	Women	Men	Total
Senior Management	100%	100%	<b>100%</b>	100%	100%	<b>100%</b>
Management	99%	97%	<b>98%</b>	98%	98%	<b>98%</b>
Officers	99%	99%	<b>99%</b>	98%	98%	<b>98%</b>
<b>Total</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>

Notes:

- i. The data has been collected based on the detailed payroll registers as of 31/12 for every fiscal year, in headcount.
- ii. BoD members are not included.
- iii. The performance appraisal process is an ongoing process that may not be finalized until the Sustainability Report is published. To this respect, in 2021 the % of performance appraisal is restated (95,6% in 2021 as per the 2021 Sustainability Report) due to the additional data collected following the publication of the 2021 Sustainability Report.
- iv. The 2020 data are not comparable, thus not presented above, since the Bank has undergone a restructuring during 2021.

**98% as at 24.05.2023 [appraisal process still in progress (2021: 99%)]**

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

**98% as at 24.05.2023 [appraisal process still in progress (2021: 99%)]**

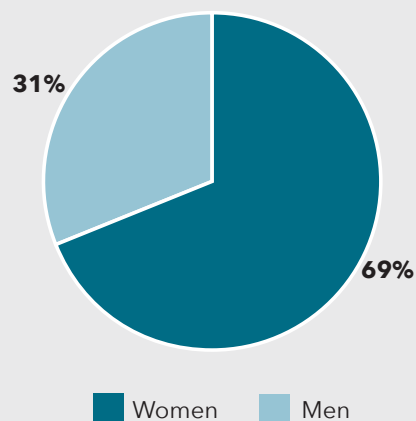
of men completed their performance assessment (970 out of 989 men – 2021: 1,131 out of 1,146 men)

## Rewarding Behaviors and Accomplishments

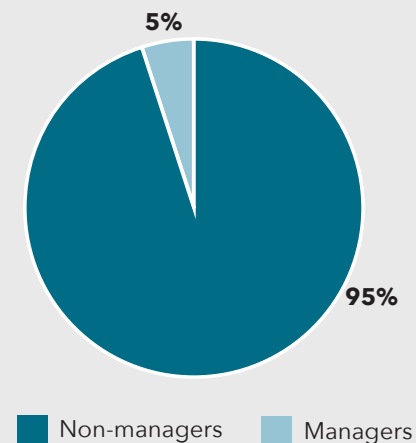
In 2018, the Bank introduced the “Extra Mile”, a scheme aiming to recognize and reward outstanding employee behaviors in five categories:

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

**Extra Mile Rewards 2022  
(by gender)**



**Extra Mile Rewards 2022  
(by level)**



In 2022, a total of 265 employees (i.e. 10% of total staff) (2021: 451 or 14% of total staff) were acknowledged for their exemplary behavior.

Extra Mile Rewards	2022				
	Women	Men	Managers	Non-Managers	Total
Personal Ownership	97	46	6	137	<b>143</b>
Employee Involvement	53	18	1	70	<b>71</b>
Knowledge Sharing	25	13	5	33	<b>38</b>
Career Opportunities	8	5	1	12	<b>13</b>
<b>Total</b>	<b>183</b>	<b>82</b>	<b>13</b>	<b>252</b>	<b>265</b>

Notes:

- i. In 2021, a total of 451 employees were rewarded (303 employees were acknowledged for their Outstanding contribution, 82 for their Team Spirit, 37 for Customer Centricity, 22 for Change and Innovation, 7 for Our Values), out of which 299 (or 66%) were Women and 152 (or 34%) Men, 397 (or 88%) were Non-Managers and 54 (or 12%) Managers.
- ii. The 2020 data are not comparable, thus not presented, since the Bank has undergone a restructuring during 2021.

## 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:

- 35 in-house e-learnings delivered to all staff on Regulatory, Credit/Risk, Compliance, Soft Skills, Bancassurance and other business-related topics. Senior Management Leadership Development: 2 training initiatives implemented on "TV& Media & Public Speaking Techniques" and "Leadership Skills (How the best leaders Ignite Everyone's Intelligence-200 training hours)";
- Credit related trainings: Designed in-house and tailor-made to specific front-line employees

training needs (Proteas System training, Credit Risk Assessment, Basic Lending Principles, Financial Ratio Analysis – 532 participants, 5,198 training hours);

- Systems training and data analysis: Upskilling opportunities to improve technical skills and data analysis (Power BI, O365, Business Objects – 208 participants, 1,715 training hours);
- Health & Safety: Trainings delivered to comply with H&S regulations and relevant legislation (ESYPP representatives, Emergency First Aid at Work, CRP&AED 2022, Safety in the workplace (e-learning to all staff) – 3,026 participants, 6,050 training hours).

During both 2021 and 2022, Voluntary exit plans were offered to staff members, with compensation amounts based on years of service, annual salary and age.

## Organizational Health

In 2022, under the "Organizational Health" project, the Bank executed two Pulse check surveys. The Pulse checks remain valuable tools to reassess peoples' perspectives, management's commitment and engagement around the Bank's selected health priorities (Personal Ownership, Knowledge Sharing, Employee Involvement and Career Opportunities). Following Pulse checks all practices were improved and dedicated Bank and Divisional action plans were designed. In 2022, 6 initiatives were launched (e.g broadcast of podcasts, relaunch and revamp of "Extra Mile" - Group's recognition scheme, capability building programmes for young talent & senior management, 35+ knowledge sharing sessions coordinated and 25+ wellbeing events organized.



Kayaking at Agios Georgios Alamanou sea caves (Staff Wellbeing Programme)



BOC Masterchef. Cooking Challenge (Staff Wellbeing Programme)



## 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 2022, 43% of the Social Responsibility budget of the Bank was allocated to Education related initiatives and collaborations with universities and other academia societies.

### University of Cyprus

In 2022, a Memorandum of Cooperation was signed between the University of Cyprus, a member of SupportCY, and the Bank aiming, among other things, the co-organization 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.

### European Youth Parliament Cyprus

European Youth Parliament Cyprus is a member of SupportCY, and one of the largest European platforms to debate, intercultural dialogue, European Civic Education, and exchange trips. In 2022, with the Bank's support, it organized a wide range of events, including workshops and training, hybrid cleaning events, digital sessions for members, physical national sessions, and think tanks.

	2021	2022
Workshops, forums & events	8	7
Participants (Age group: 15-25)	800+	600+



The Bank offered drawing material to 'Iamatiki' summer school at Eptagonia as part of the support offered to fire-affected schools

### 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.

The Bank also supported the Cyprus Computer Society which organised the two-day 5th Pancyprian Robotex Robotics. All three associations are members of SupportCY.

	Tournaments		Participants		Students honored by the Bank	
	2021	2022	2021	2022	2021	2022
Cyprus Mathematical Society	3	5	1,939	3,319	Top 9	Top 54
Cyprus Physicists Society	3	3	117	111	Top 18	Top 18

### 5th Pancyprian Robotex Robotics

Statistics	2021	2022
Volunteers	38	85
Contestants	329	625
Teams	101	189
Coaches	31	95
Robots	171	218
Visitors	250*	>4000
Winners	110	180
Send to Robotex International	50	200

Notes:

- i. \* The 2021 event was organized under the strict measures of COVID-19. There were 250 people in the venue at any one time.

## Scholarships to university students

In 2022 Bank of Cyprus 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. It also collaborated with Neapolis University Paphos, where it offered two (2021: two) partial scholarships to selected students. During the academic year 2021-22, the Bank repeated its contribution to the Fundraising Morfosi Scholarship Fund, supporting 23 (2021: 28) university students. Fundraising Cyprus is a voluntary charity organization 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.

## Supporting schools in fire-affected areas

After the deadly, catastrophic fires of 2021 in the Larnaca and Limassol mountainous areas, Bank of Cyprus, in collaboration with the Ministry of Education, Culture, Youth and Sports, focused on the provision of emotional and psychological support to children, parents/guardians, and teachers in the four schools located in the fire-affected areas. During 2022, the Bank participated in conferences and events and provided other support for the whole school year, such as psychological guidance to teachers and students and assisted in social and educational activities.

## Sophia Foundation for Children

Since 2013, the Bank participates in the 'Cook and Offer' Programme of the Sophia Foundation for Children. The Programme currently covers 25 (2021: 16) kitchens in schools, 11 (2021: 7) 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.



SupportCY Santa visited students in one of the Bank of Cyprus funded kitchens in schools under the 'Cook and Offer' programme

	2021	2022
Kitchens in schools	16	25
Children	1,200	1,237
Kitchens entirely funded by Bank of Cyprus	7	11
Children	668	693

### Academies Soccer Tournament

The Bank embraced young athletes at the Academies Soccer Tournament organized 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 36 academies participated in the tournament which attracted over 7,000 attendees. Bank of Cyprus awarded 24 awards in 12 categories.

### Cyprus Sports Writers Union

Bank of Cyprus 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.

### Collaboration with the Cyprus Olympic Committee

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'. This partnership will focus on supporting young athletes, while highlighting the ethos of those who are role models for the entire society.

### Polignosi.com online encyclopedia

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 2022, there were 600,000 page views in the online encyclopedia.

	2021	2022	% Increase
Website visitors per month (approx.)	126,000	146,000	15.9%

\*According to Google Analytics

### Read digital library

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.

	2021	2022
Books available online	813	1,153
Downloaded books	13,546	16,492

### Additional support in education

For the 3rd 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:

- 47 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, 95 desks (2021: 27), 290 chairs (2021: 204), 20 tables (2021: 2) and 175 cupboards (2021: 14) were donated to NGOs. The Bank donated refurbished redundant office equipment to help various NGOs and organizations 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.



In the framework of the collaboration with the Cyprus Olympic Committee, young athletes were awarded by the Bank for excellence in ethos and performance



# Protecting and promoting health, safety, and wellbeing



## 2022 Highlights (as of 31 December 2022)

New lending in 'Human, Health  
and social work activities' sector  
**€24 mn** (2021: €21.8)

**65**  
Health and Safety (H&S)  
Committees

**6,050**  
hours spent on Health and Safety  
Trainings

**37%**  
of social responsibility budget  
allocated to health and social  
welfare

**€1,121,000**  
financial contribution for Bank of  
Cyprus Oncology Centre

**€446,000**  
raised for the Cyprus Anti-Cancer  
Society with the Bank's contribution

## 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 2022, that improve population's ability:
  - to live in a state of complete physical, mental and social wellbeing; 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;

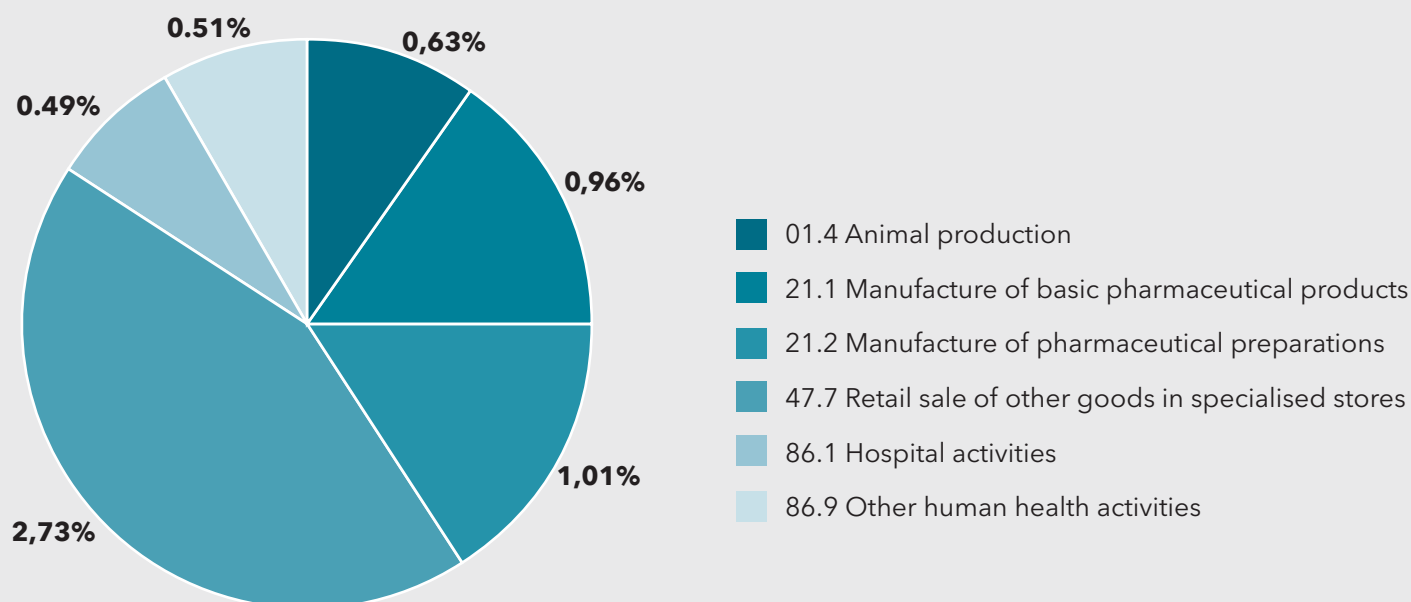
- through various services which are in place contributing to the protection and promotion of physical, mental and social well-being, as well as various CSR activities (such as the Bank of Cyprus Oncology Centre that serves cancer patients and the Cypriot society at large), partnerships with institutions,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



## 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 2022, 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 2022 PRB institutional banking impact analysis, financing to sectors that amount to 58.96% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €2,769mn 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 2022 PRB Impact Analysis)

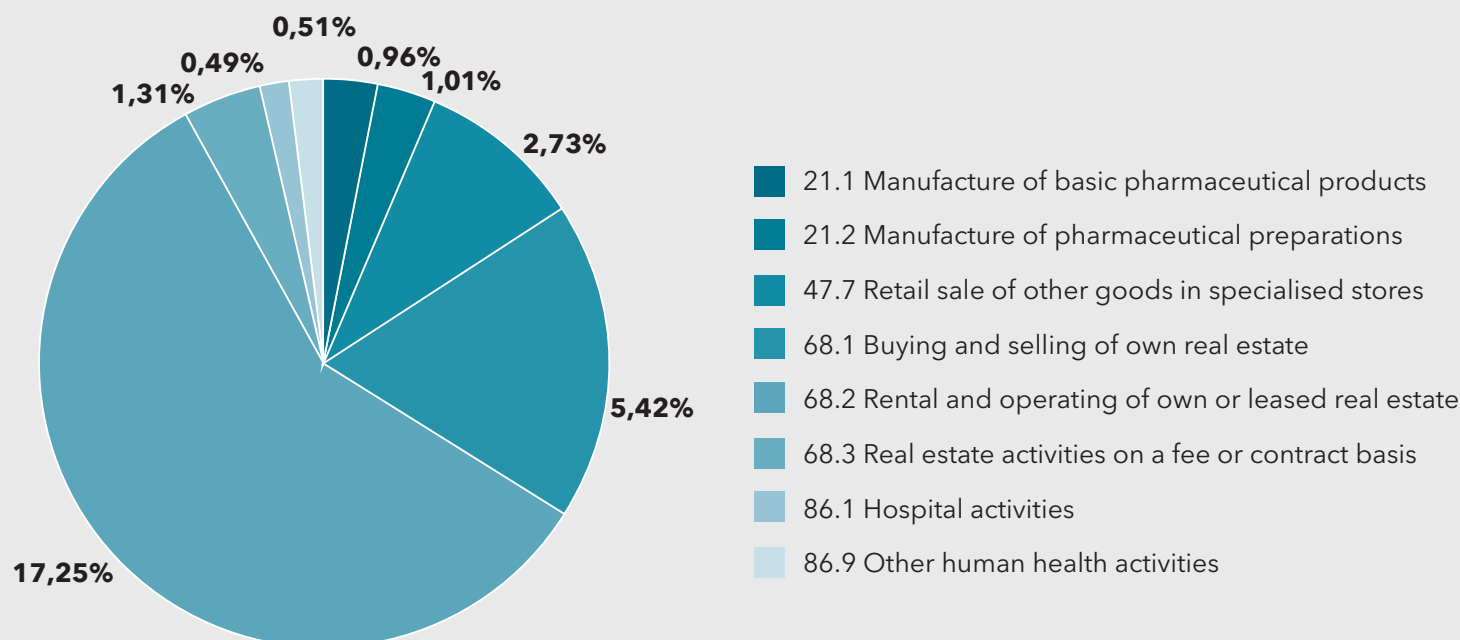


#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create positive impact on health & safety, with an exposure of 6.35%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create positive impact on health & safety, have an exposure of 52.61%, of the portfolio under assessment (i.e. combined financing of 58.96% 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 2022, 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 2022 PRB institutional banking impact analysis, financing to sectors that amount to 35.05% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) and account for €1,646mn 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 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% 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 2022 PRB institutional banking impact analysis create positive impact on health & sanitation, with an exposure of 29.69%. The financing activities of the Bank to non-key sectors that as per the 2022 PRB institutional banking impact analysis create positive impact on health & sanitation, have an exposure of 5.36%, of the portfolio under assessment (i.e. combined financing of 35.05% 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 65 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 the representations, which are also 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 depts with certain responsibilities) for the prevention of possible hazardous situations and responses in handling the identified risks that may affect its 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 is under an external audit process by an external H&S advisor which is expected to be finalized in 2023. The Bank submits to the Department of Labour Inspection an annual H&S report with no observations or findings in 2022.

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 2022 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: 403-2, 403-3, 403-4, 403-9)

Ensuring occupational health, safety, and wellbeing 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	2020	2021	2022
Number and percentage of all employees and workers who are not employees but whose work and / or workplace is controlled by the organization, who are covered by a health and safety management system	#	3,367	3,159	2,640
	%	100%	100%	100%

Notes:

- i. The Bank's Health and Safety Management system is aligned with the regulatory requirements and is under an external audit process by an external H&S advisor which is expected to be finalized in 2023, and thus the number and percentage of employees covered by an internally or externally audited H&S management system is zero.

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 minimize 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 authorized 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.

## 21 evacuation drills

nationwide in 21 buildings

## 69 defibrillators at the premises

for employees and customers

evacuation drills for

## 2,341 employees

## 2,750 employees informed

regarding threat incidents

## 20 threat incidents

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

A collective agreement is also in place. 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 and 2022. 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 provides medical and hospitalization insurance coverage to employees and also to 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 also contributes 3% to employees of their total salary additionally to

the subscription contributed from employees to Cyprus Union of Bank scheme.

### 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' programme, 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.

### We organized 25+ events and 1,424 employees participated:

5 Mental Health webinars

9 Physical Health webinars

9 Social Health / Team bonding events

4 Financial Health webinars

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.

## 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 2022, 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:

- Mandatory generic e-learning training programme on H&S issues, followed by an evaluation assessment, addressed to all of the Bank's employees, was prepared by the H&S Officer.
- First Aid training programmes 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.
- Specialized trainings for the Health & Safety Team (H&S principles - Risk Prevention & Accident Investigation, H&S Officers training).
- Regulatory Training for Internal Services for the provision of preventive and protective services for Occupational Safety and Health Issues.
- Employer Obligations on Health & Safety issues for Compliance Liaisons.

## Health & Safety investments

**€33,600** Certifications

**€32,450** Trainings

**€3,593** First Aid programmes

Health and Safety Trainings	2022	
	Attendees	Training Attendance (in hours)
Cardiopulmonary Resuscitation (CRP) & Automated External Defibrillator (AED)	34	255
Emergency First Aid at work	52	390
Safety in workplace (e-learning)	2,808	1,404
H&S principles - Risk Prevention & Accident Investigation	2	26
Health & Safety Officers	2	32
Internal Services for the provision of preventive and protective services for Occupational Safety and Health Issues	94	3,807
Employer Obligations on Health & Safety issues for compliance Liaisons	34	136
<b>Total</b>	<b>3,026</b>	<b>6,050</b>

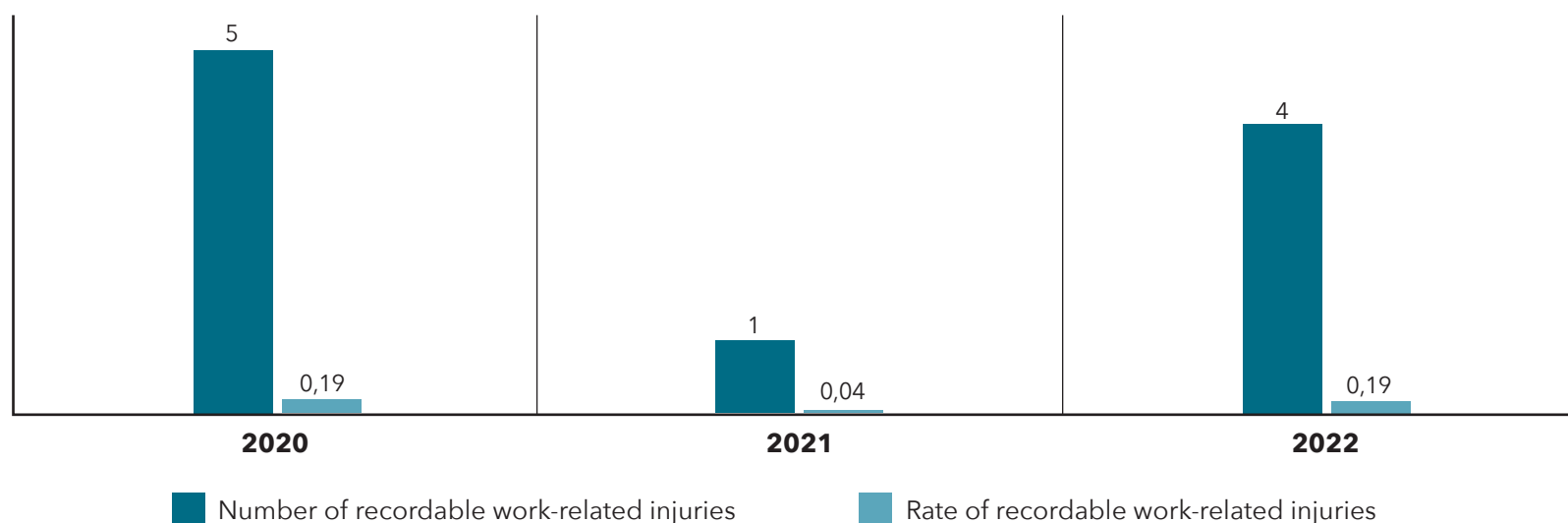
## Work-related injuries

(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 minimize 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: (Total number of recordable work-related injuries) / (Total number of hours worked) x 200.000.
- The number of hours worked was compiled using estimation. The total number of hours (2022: 4,115,776, 2021: 5,030,579 and 2020: 5,308,198) 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 years 2021 and 2020, as in prior years the specific disclosure 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 two 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

### Bank of Cyprus Oncology Centre

The Bank of Cyprus Oncology Centre represents the biggest and most successful partnership between the public and the private sector. Since its inauguration in 1998, it has served cancer patients and the 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 2022, the Bank of Cyprus Oncology Centre started its collaboration with an Interventional Pulmonologist to operate an Interventional Pulmonology Unit. Within the framework of World Cancer Day, Bank of Cyprus Oncology Centre in collaboration with other cancer-related organisations and Bank of Cyprus, organised the Pancyprian Student Competition "Cancer through my eyes". The Bank supported the initiative by awarding prizes to the top candidates in each category (song writing, fine art, essay writing) and supporting financially and otherwise,

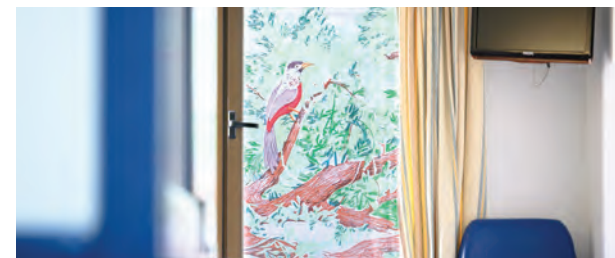
the campaign and award ceremony. In 2022, the art piece 'The Daily Chirp' by Simoni Philippou was exhibited on the surrounding walls of the Centre as part of the Wall Gallery Project. This follows a project established in 2018 in collaboration with the NGO Alternative Brains Rule and involves a giant display outside the windows of both patients and employees, aiming to boost their morale. For the 4th consecutive year, the Bank's Internal Audit completed the annual audit of the Centre. The audit provides assurance to the Centre's Board of Directors in relation to the adequacy of the existing governance, risk management, and internal control framework.

### Key numbers for bank of cyprus oncology center

- Cancer patients treated in 2022: 16,892
- New patients treated in 2022: 2,297
- Medical and Administrative employees: 256
- Patients registered and treated at the Centre since 1998: 47,567
- Medical Suppliers: 76
- Other Suppliers: 142
- 60% of the diagnosed cases in Cyprus treated at the Centre
- Financial contribution in 2022 (in €): 1,121,000 / cumulative investment approx. 70 mn



Movember initiative by Bank of Cyprus Oncology Centre members of staff, creating awareness on male cancer



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



## 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 167 to be in its dynamic companies and organisations by the end of 2022. By 31 December 2022, the SupportCY initiative contributed to society, more than €880,000 worth in funds services and products with the Bank contributing most of the monetary support. 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 Policy, Donations, Sponsorships, and Partnerships Procedure and the Group's Corporate Social Responsibility Strategy.

In 2022, 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 2022 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 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.).



SupportCY Volunteers Corps trained alongside professionals for emergency cases

- **SupportCY House:** Launched in order to organise and host events and to be offered as a free venue to all SupportCY members for their own events. It is located near Eleftheria Square in the centre of Nicosia and it has become the reference point for SupportCY events.

### SupportCY Key Initiatives implemented for 2022

- 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, with friendly mechanical vehicle checks in highways, in collaboration with the Ministry of Transportation and Cyprus Police with the participation and support of SupportCY members.

### Vehicles and Equipment acquired by 2022

- |   |  |
|---|--|
| <b>1</b> Fire truck                             | <b>6</b> Water pumps for floods            |
| <b>1</b> Rescue car 4x4                         | <b>1</b> Drone Search and Rescue equipment |
| <b>1</b> All - terrain vehicle (ATV) rescue 4x4 |  |









### Actions in 2022

- |  |  |
|--|--|
| <b>32</b> Responses to fires, floods & other incidents | <b>112</b> Hours of total training and exercises |
| <b>22</b> Patrols to prevent fires & other incidents   | <b>38</b> Hours of training abroad               |

### Events in 2022

- |                             |                            |
|-----------------------------|----------------------------|
| <b>12</b> Training sessions | <b>5</b> Press conferences |
|-----------------------------|----------------------------|

## 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	

## Health-related partnerships and volunteering

### Cyprus Anti-Cancer Society

The Cyprus Anti-Cancer Society relies on fundraising activities, particularly the 'Christodoula March' and the #stiMaxi (Fight Against Cancer) campaigns, to support its free services, which have been co-organised by Bank of Cyprus for 24 consecutive years. Since 1999, the Bank of Cyprus' contribution to the Cyprus Anti-Cancer Society has exceeded €2.3mn. Despite the pandemic restrictions, with the partnership and support of the Bank, donations reached €446,000, recording an increase of around 36.0% compared to 2021.

In 2022, the Cyprus Anti-Cancer Society, treated hundreds of patients at the 'Arodafnousa' Palliative Care Centre in Nicosia, and at the 'Evagorio' Day Care Centre, in Limassol. Overall, the Cyprus Anti-Cancer Society has offered palliative care services to almost 77,500 cancer patients and members of their families, free-of-charge. SupportCY and the Bank's Antamivi Card Reward Scheme contributed to the campaign and donated to the Cyprus Anti-Cancer Society five cents per transaction at any participating merchant.

- Campaign duration: two weeks
- Amount collected: €18,891.
- The Cyprus Anti-Cancer Society is also a member of SupportCY.

### "Arodafnousa"

4,570 overnight stays at 'Arodafnousa' Palliative Care Centre in Nicosia

10,290 patient services (by the multidisciplinary team (medical monitoring, nursing care, psychological and social support, physiotherapy, aromatherapy) including overnight stays)

- Home Nursing Care : 51,454 services provided in Cyprus
- Psychological Support : 7,374 services (patients and families)
- Social Support : 5,624 services (patients and families)
- Aromatherapy: 2,058 treatments
- Physiotherapy : 3,683 sessions
- Patient Transport: 1,958 transfers

### In 2022 Campaign funds raised: €446,000

Since 1999 Bank of Cyprus has contributed more than €2.3 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

## 'En Ergo' Programme

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

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

## '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). Bank of Cyprus has been its main partner and sponsor since its establishment. In 2022 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 2022 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 2022, En Ergo:

- employed over 106 carers across Cyprus (68% being women)
- offered over 180,000 hours of care
- offered psychological support to more than 630 cases and social support to 600 cases
- offered 120 hrs of specialized professional training and opportunities for personal development
- 100% of its carers acquire the European Carer Certificate and register for relevant seminars
- received more than 100 calls via the on-call line which operates daily from 12:00 until 24:00
- held training sessions for carers

### Folia Centre

#### Patient Support Service

- Replied to 112 individual patient requests
- The call centre received an average of 23 calls by individual patients per week

#### Psychological Support Programme

- Replied to 28 individual patient requests
- 284 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.

**152** Volunteer blood donors  
(including those rejected)

**132** 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 2022, 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 31 health related NGOs and associations.

## Contribution through Corporate Volunteerism

In 2022, Bank of Cyprus employees supported charities, foundations, and people in need:

Organization Supported	Action performed	Amount raised (€)
Cyprus Anti-Cancer Society	Bank of Cyprus Runners' participation in national and international marathons	<b>€14,000</b>
	Participation in Iron Man competition, Hamburg	<b>€12,645</b>
	Pebble artwork	<b>€312</b>
	Sea marathon	<b>€20,222</b>
	Creation of bags	<b>€2,290</b>
	Music and theatre performance	<b>€1,800</b>
One Dream One Wish	Christmas Crafts	<b>€150</b>
Saint Loucas Community	Participation in blood donation drive	-
Sophia for the Children	Bazaar and breakfast for colleagues	<b>€7,190</b>
Pancyprrian Volunteerism Coordinative Council	Christmas Bazaars	<b>€1,384</b>

# Safeguarding and promoting culture & heritage



## 2022 Highlights (as of 31 December 2022)

**50**

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

**54,758**

participants on BOCCF events  
(12,213 online and 42,545  
physical attendance)

With the aim of making culture accessible to all, through a press conference on 12 December 2022, the Bank of Cyprus Cultural Foundation announced the new multi-sensory museum experience titled 'Aisthis'.

## 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

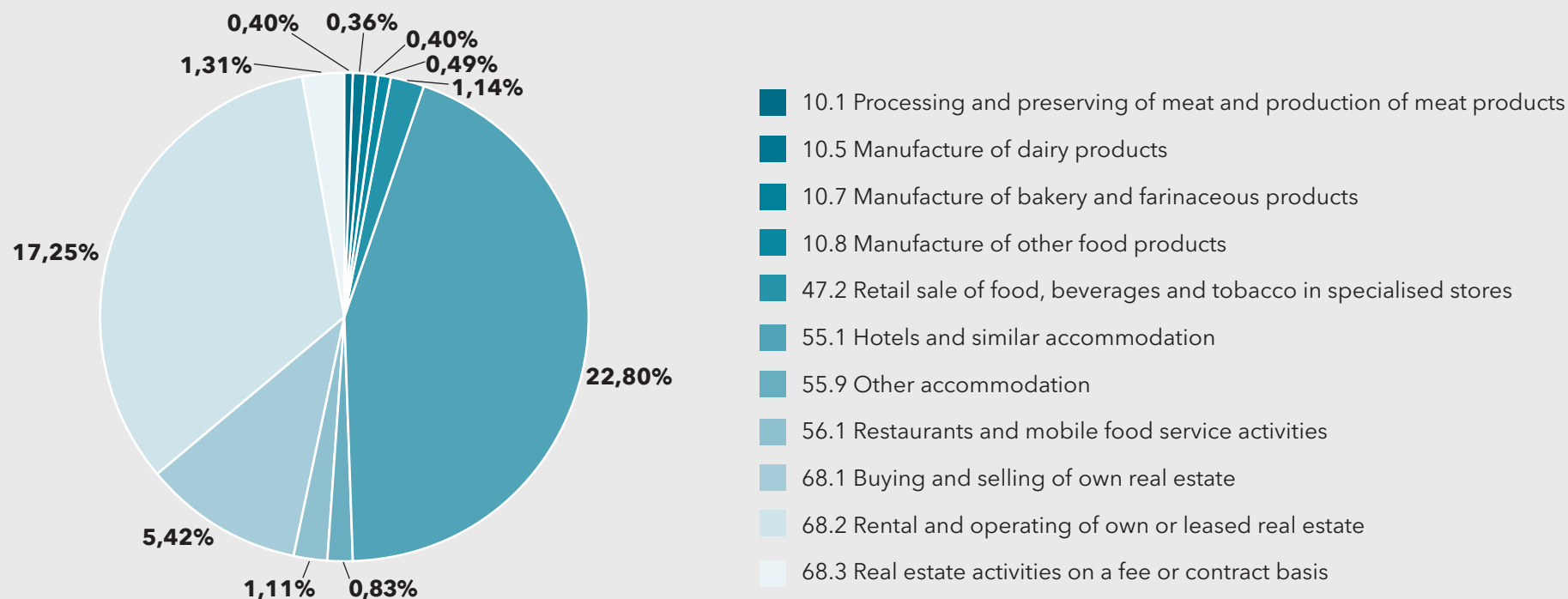
#### **Contribute to the safeguarding and promotion of culture & heritage:**

- through the provision of financing activities to certain sectors, as assessed under PRB institutional banking analysis of 2022, 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 programmes and conferences on Cypriot topics related to museums, collections, exhibitions.

## 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 2022, create positive impacts among others, on population's ability to access and participate in cultural life. More specifically, as per the 2022 PRB institutional banking impact analysis, financing to sectors that amount to 51.5% of the portfolio under assessment (i.e. 46% of the Bank's overall business activity represented per business segment) that account for €2,419mn 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 2022 PRB Impact Analysis)



#### Notes:

- The data emerge from the PRB Impact Analysis conducted in 2022, 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 46% of the Bank's overall business activity (as total Gross Loans).
- Industry classification is based on NACE codes.
- As per the 2022 PRB institutional banking impact analysis, the positive impact on culture arises from providing financing activities on both key sectors (with an exposure of 2.25%) and non-key sectors (with an exposure of 49.25%) of the portfolio under assessment (i.e. combined financing of 51.5% 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, programmes 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 organizations 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.

### 2022 BOCCF activities

Each year the annual programme of events is presented by the Director to the BOD based on their initial guidelines. There is a strong emphasis on selecting performances for the series Faneromeni, Moments at the Museum, The Roof and Educational programmes through an Open Call process, run by appointed evaluation committees so as to allow new and young people to collaborate with the Foundation. The Open Calls are warmly welcomed by the cultural heritage professionals and the public.

For the Cultural Foundation, 2022 was a year full of events and exhibitions for everyone's interest. A large number of visitors had the opportunity to attend or participate in events related to the arts-theatre, music, dance, science, history, archaeology, education as well as social and personal education. The 2022 programme was well received by the public, families, students and beyond.



'21 allios: The Greek War of Independence in Playmobil custom figures and dioramas', a unique exhibition by Bank of Cyprus Cultural Foundation.

In 2022, the following activities took place:

### **Anniversary temporary exhibitions**

The BOCCF, in the context of celebrations to honour the 200th anniversary of the launch of the Greek revolution, organised the anniversary exhibition 'To 21 allios': The Greek War of Independence in Playmobil Dioramas of the National Historical Museum of Greece, in collaboration with National Historical Museum of Greece, from March to November 2022. In a custom-made interactive exhibition hall, children had the opportunity to become better acquainted with the Greek War of Independence and its heroes, as well as to test their knowledge on the topic.

### **Educational programmes for schools and families**

The Cultural Foundation has embarked on a series of innovative, specialized programmes, aiming at bringing the youth of Cyprus closer to art, the letters and civilization. Through specially designed educational programmes and guided tours since 1984, more than 100,000 students have had the opportunity to enrich their knowledge on the history and civilization of Cyprus and other countries too, while enjoying unprecedented aesthetic experiences.

Entering into new partnerships with acknowledged educational institutes and skilled animators, the Cultural Foundation launched a series of new 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 22 Arts Festival**

The BOCCF continued the tradition of the Faneromeni 22 Arts Festival, opening again in 2022 the city's largest venue for Faneromeni 22. From mid-June until the end of September, a multidimensional interactive arts festival organized in 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 to demonstrate a series of events appealing to all ages.

### **Interactive audio and video exhibitions**

The year was rounded off with the interactive audio and video exhibition 'Memory Returns': Voices of Asia Minor, 100 years later, which was part of the 'Moments at the Museum '22' series, and a musical theatre performance for children and adults titled 'Tzitzikas Sings an Apology', part of 'The Roof' 22' series.

### **Online conferences**

On 6 and 7 May 2022, the international visual conference 'Borderland: Christian Identities and Cultures in Early Modern Cyprus and Beyond' was held through the Zoom platform. The conference was part of the research project "Aspects of multi-religion and human geography in early modern Cyprus, from the Venetians to the Ottomans" (0961/0060). The conference examined Cyprus as a "borderland" in the late medieval and early

modern periods and focused on the religious and cultural relations of Christian groups on the island and beyond.

In June 2022, an international interdisciplinary virtual conference, 'Travelling across the Eastern Mediterranean and beyond; travel writing and travel trends throughout the centuries' was co-organized with the Centre for Scientific Dialogues and Research, as part of the BOCCF's research project "Re-inventing age-old Travelling Paths of the Levant in the Digital Era: the example of Cyprus" (ReTraPath), funded by the Research and Innovation Foundation. ReTraPath aimed to address in a scientific way an important aspect of travel literature, by researching the history of ideas and culture in Cyprus from the 15th century to the information age of the 21st century and was successful in participating in the wider discussions on travel literature.

### **Lecture series**

The 'Lets talk history' digital series of recorded lectures, along with 'Lets talk history for High School' and 'Culture Means Business', which is available on digital platforms (Apple podcasts, Buzzsprout, Spotify, Google podcasts), continued its 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 periods of Cyprus' history, archaeology, history, art and literature.



## Competition Sponsorships

**Literary Competition for books for children:** The Cultural Foundation 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 undertakes the editing and publishing of the awarded work. The Competitions are addressed to Greek speaking candidates.

**33 Pancyprian School Theatre competition:** The Bank of Cyprus Cultural Foundation has been the sponsor of the Competition for more than twenty years, thus enhancing its own contribution to education. It is organized 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 organized by the Ministry of Education and Culture and by the Cyprus Theatre Organization. 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 Bank of Cyprus Cultural Foundation is participating in the celebration of the International Museum Day (18 May) and European Night of Museums 2022, with performances and guided tours in its museums and exhibitions.

**'History and Archaeology for all':** The Foundation organized 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 programmes and its Museums and Collection making use of fun, interactive, immersive ways to engage families and children. European Researchers Night is organized by the Research Innovation Foundation in Cyprus.

**'Re-Inherit a monument: Highlighting the monument of Agia Thekla':** For the second consecutive year, the Bank of Cyprus Cultural Foundation organized the cleaning of the sanctuary of the Agia Thekla monument, next to the Costanza Bastion, in Nicosia. This action intended to showcase the monument's icon stand and holy water spring in Nicosia. The event took place in October 2022 as part of the activities undertaken by the Bank of Cyprus Cultural Foundation in order to promote and therefore protect, unknown cultural heritage sites of Cyprus.

**Theatrical play 'Tales of Disability':** a theatre play innovative as far as its inclusion of both actors with and without disabilities is concerned discussing disability issues.

### 'Historical & Caricature Accounts of Europe, before, during and after World War One'

The Bank of Cyprus Cultural Foundation hosted the Satirical Cartography Exhibition 'Historical & Caricature Accounts of Europe, before, during and after World War One' from 8 December 2022

until 8 January 2023.

## Well at work events

In an effort to enhance bonds between the Bank and BOCCF and to provide for the Bank staff, the Foundation has organized 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 750 people participating, and further cultivated a sense of belonging within the Bank and a sense of contentment among the personnel. Such events include the following:

- **Film screenings** regularly take place in the amphitheatre of the Foundation for families during the summer months. During the nights of the screenings, the Foundation's museums and exhibitions remain open for the public until midnight for an after-hours experience.
- **Educational tours for families:** As part of the Foundation's partnerships with acknowledged educational institutes and skilled animators, the Cultural Foundation launches a series of educational programmes and workshops for employees' families taking place over weekends. The series has the general title #deneinaisxoleio and consists of the following programmes:
  - o Allow me to introduce myself: I'm an archaeologist
  - o Botanical colors and aromas
  - o Priceless: Coins and other values
  - o Form and shape in earth



## European projects

In 2022 the Foundation run six European programmes. In 2022, the Foundation pursued its activities as the main coordinator of the European project **"ReInHerit - Redefining the future of cultural heritage, through a disruptive model of sustainability"** which is funded by the EU under the Horizon 2020 programme involving 12 organizations from seven countries. ReInHerit funding was secured in the framework of the Horizon 2020 CSA Programme, on the theme Culture beyond borders - Facilitating innovation and research cooperation between European museums and heritage. Funding for ReInHerit, which is coordinated by the Bank of Cyprus Cultural Foundation, is €2,998,115. The Programme aspires to disrupt the current status quo of communication, collaboration and innovation exchange between museums and cultural heritage sites by interlinking cultural heritage collections and sites but also by presenting Europe's tangible and intangible heritage to citizens and tourists in their wider historical and geographical contexts.

Furthermore, the Cultural Foundation successfully completed three research projects - Excellence Hub ReTrapath, Postdoc Cychrist and Postdoc BEMC - in collaboration with the Research and Innovation Foundation under their RESTART programme.

With an aim to increase student's awareness, the Erasmus Plus I-school project contributed to the wider recognition of the social and educational value of European cultural heritage by setting, as a primary goal, to foster the knowledge and increase awareness of teachers and students regarding cultural heritage through formal and non-formal settings.

The Creative Europe Foodprint project tells the

story of the creation of the Mediterranean Diet and explores why it is relevant to our lives today. It brings alive a history of sustainability, Health and cultural exchange, helping to explain how simple peasant food has come to be celebrated as the healthiest food for both our bodies and the planet. Connecting Greece, Italy, Spain, Portugal, Morocco, Croatia and Cyprus, the project is based on photographs by five European photographers that bring alive an age-old way of life practiced across the Mediterranean for centuries. Parallel activities include food photography workshops for teenagers, educational programmes, documentary screenings, cooking & food events and culinary walks. Foodprint ultimately seeks to inspire change and to connect a European audience with the past of a region, which although marked by poverty and hunger, created the world's healthiest and most sustainable diet.

## Multisensory museum experience programme 'Aisthisis'

With the aim of making culture accessible to all, through a press conference on 12 December 2022, the Bank of Cyprus Cultural Foundation announced the new multi-sensory museum experience titled 'Aisthisis'. The Cultural Foundation, in full alignment with the Bank of Cyprus ESG principles and in accordance with the principles for the social development of museums espoused by the H2020 ReInHerit programme - of which it the Foundation is a coordinator - has brought about permanent changes to its museums and actions that promote and facilitate the participation of all vulnerable/disadvantaged groups in culture. The 'Aisthisis' programme consists of a series of actions and adaptations within the museums and exhibitions of the Cultural Foundation 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 Cultural Foundation 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.

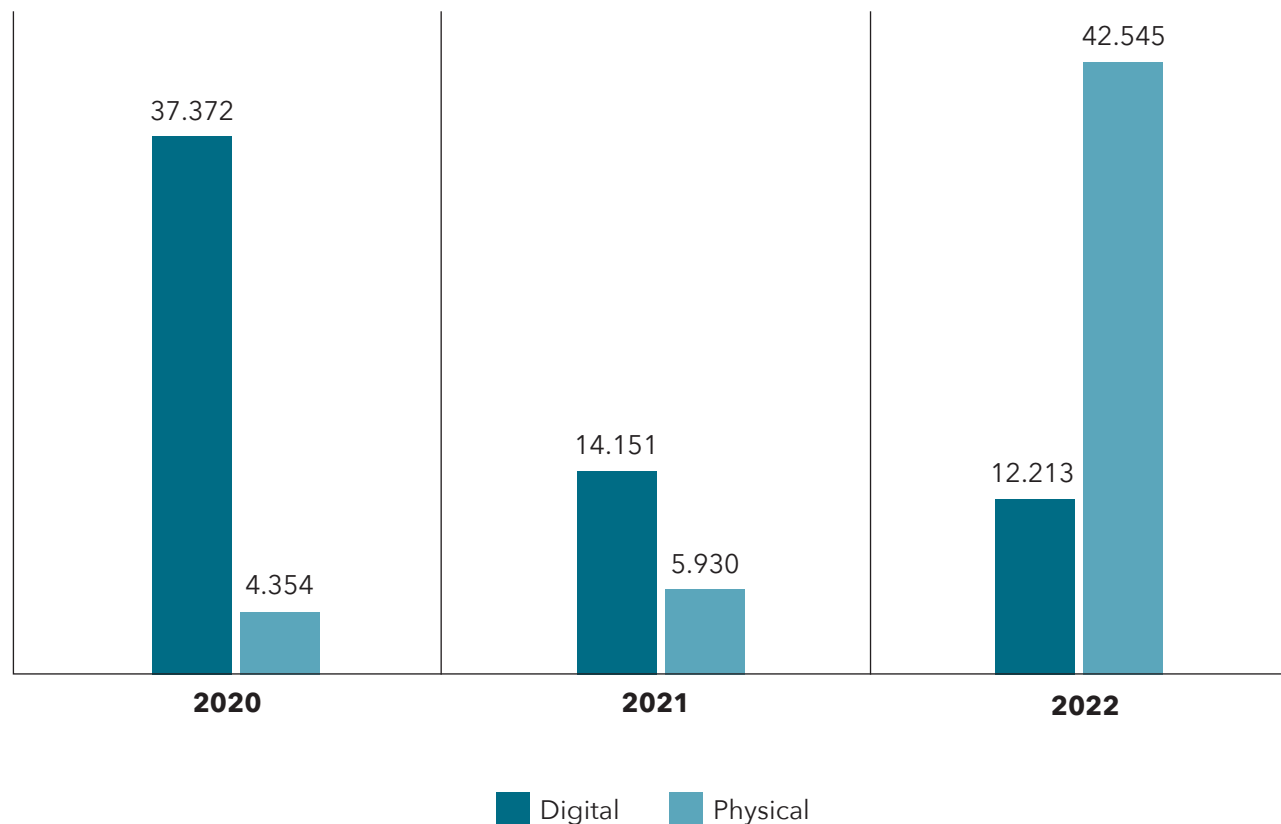
In 2022, the Foundation donated an extensive selection of its publication abroad.

- Book donation to the Library of Alexandria-Egypt in celebration of the opening of a new category on Cypriot History, with an official ceremony in situ by the Ministry of Foreign Affairs of the Republic of Cyprus.
- Book donation to schools and universities in Syria as part of the Foundation's effort to support culture in endangered areas or war zones.

**(GRI: 2-4, Internal Indicators: Total number of CSR activities that took place in 2022 aiming to safeguard our cultural heritage, No. of participants attending BOCCF events)**

During the year, 50 main activities were organized by the BOCCF with a total of 54,758 participants. The number of those who have attended the events physically was increased significantly in 2022, i.e. increased to 42,545 compared to 5,930 in 2021 and 4,354 in 2020, due to the lifting of the restrictions post the COVID-19 pandemic.

### 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.



'Magic Circle' performance at the Faneromeni 2022, organized by Bank of Cyprus Cultural Foundation



# 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.

## 2022 Highlights (as of 31 December 2022)

**70%**  
of independent non-executive  
directors in Board of Directors

**40%**  
of women participation in the  
Board of Directors

**27%**  
representation of women in  
management bodies  
(ExCo and Extended ExCo)

**39%**  
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 Bank 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 2022 comprised of:

1. The Central Bank of Cyprus ('CBC') Directive on Internal Governance of Credit Institutions (available on [www.centralbank.cy](http://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](http://www.cse.com.cy)).

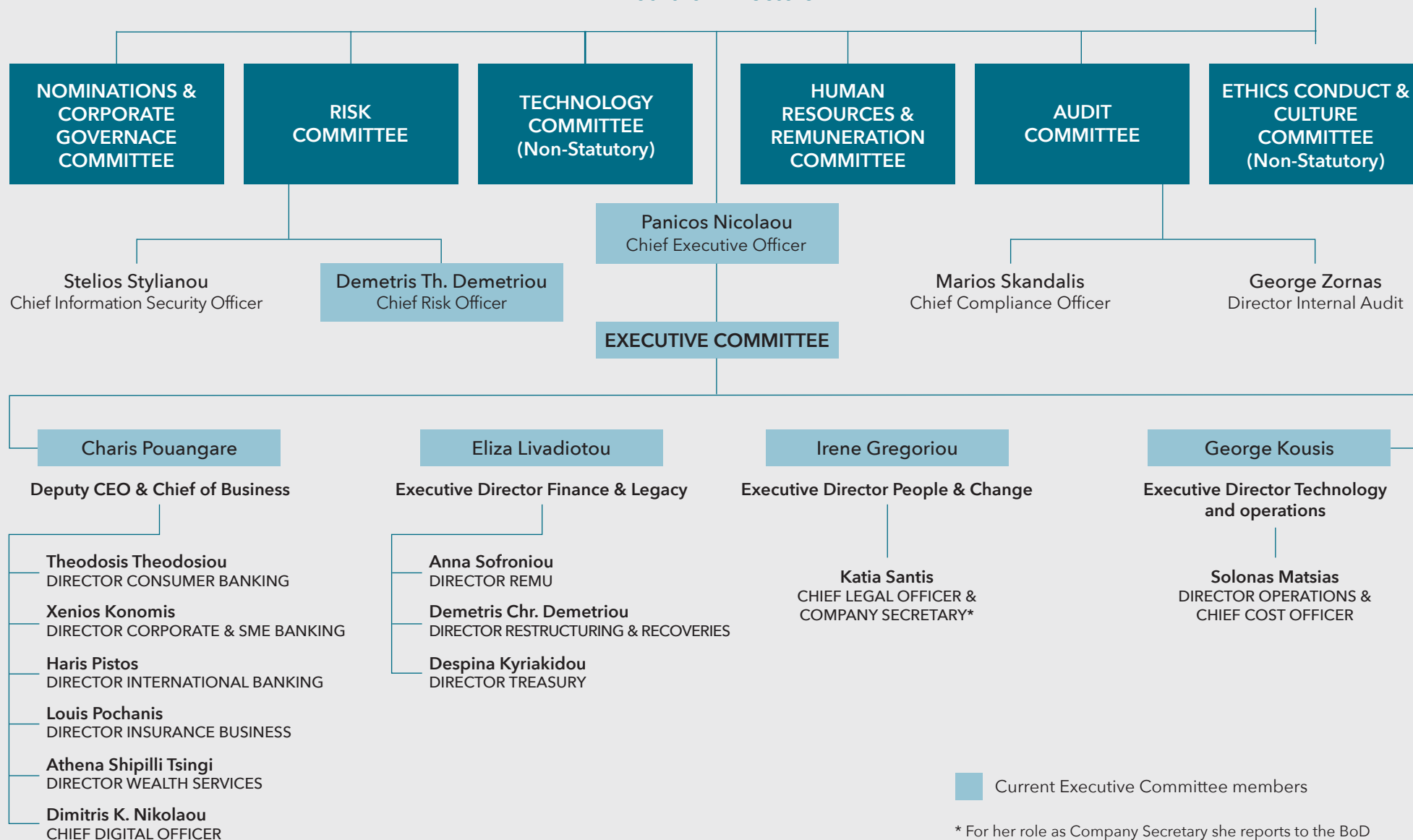
4. The UK Corporate Governance Code 2018 published by the Financial Reporting Council in the UK (the 'UK Code' which is available on [www.frc.org.uk](http://www.frc.org.uk)).
5. The Joint European Securities and Markets Authority ('ESMA') and EBA Guidelines on the assessment of the suitability of members 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](http://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 organizational structure:

## Board of Directors



\* For her role as Company Secretary she reports to the BoD



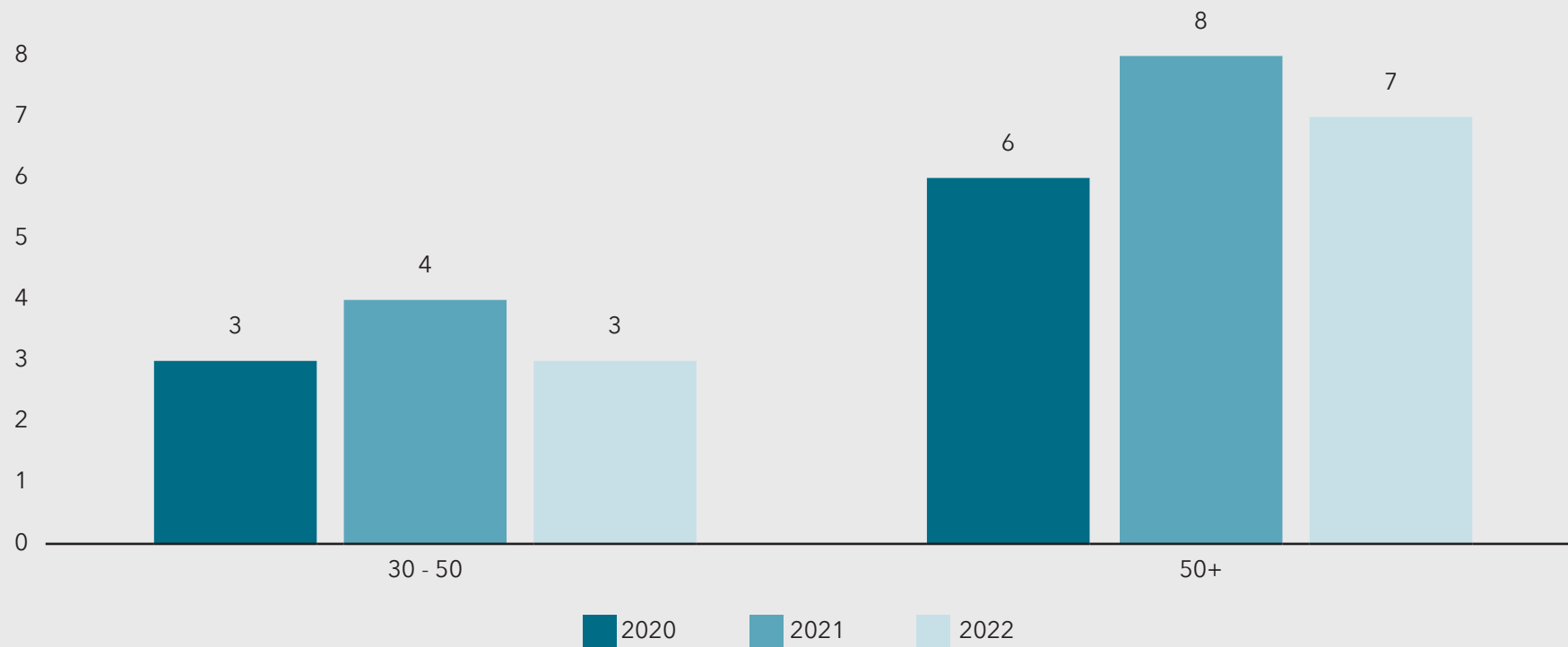
As at 31 December 2022, the Board comprised of ten (10) members: the Group Chairperson, who was independent on appointment, two (2) executive directors and seven (7) non-executive directors. In line with the provisions of the CBC Directive on Suitability, six (6) of the non-executive directors are independent. The following table sets forth the current composition of the Bank's Board of Directors as at 31 December 2022:

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	Arne Berggren	Independent
	Paula Hadjisotiriou	Independent
	Constantine Iordanou	Independent
	Maria Philippou	Independent
	Nicolaos Sofianos	Independent
	Yiannis Zographakis	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 independence status are set out in the [Annual Corporate Governance Report 2022](#), in the Group's website. The Board considers that a Board size of 10-12 directors allows 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 Group Board Nominations 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 40% of the Board members being female as at 31 December 2022. The Board displays a strong skill set stemming from broad international experience. Moreover, the Bank aspires to achieve a representation of at least 30% women in Bank's management bodies (defined as the ExCo and the Extended ExCo) by 2030. As at 31 December 2022, there is a 27% representation of women in Bank's management bodies and a 39% representation of women at key positions below the Extended ExCo level (defined as positions between Assistant Manager and Manager).

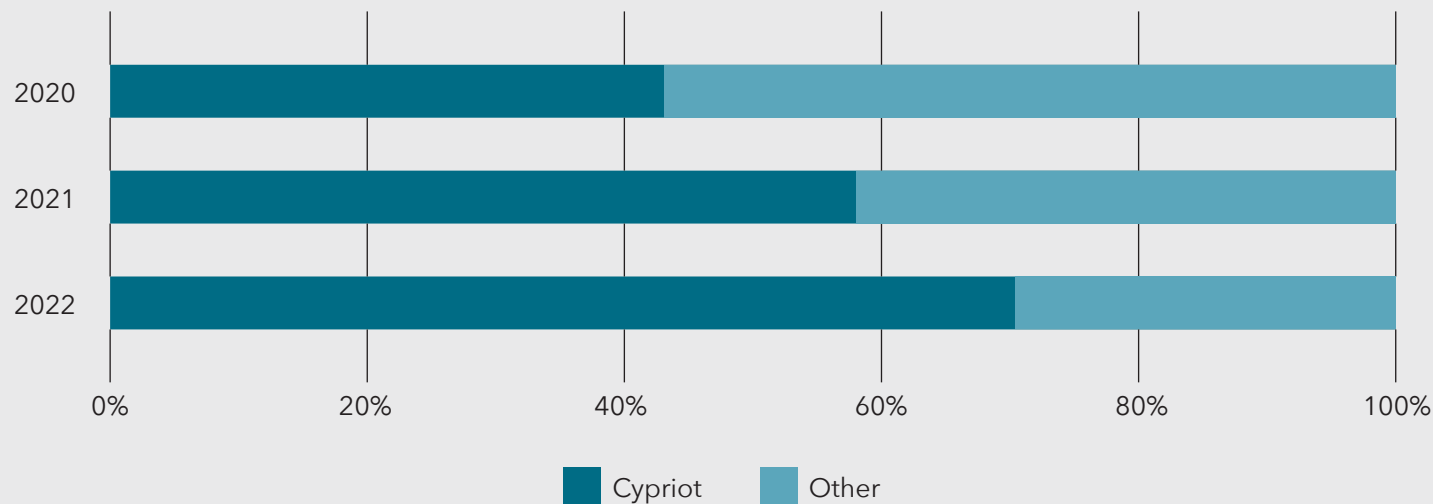
### Board of Directors, by Age



Notes:

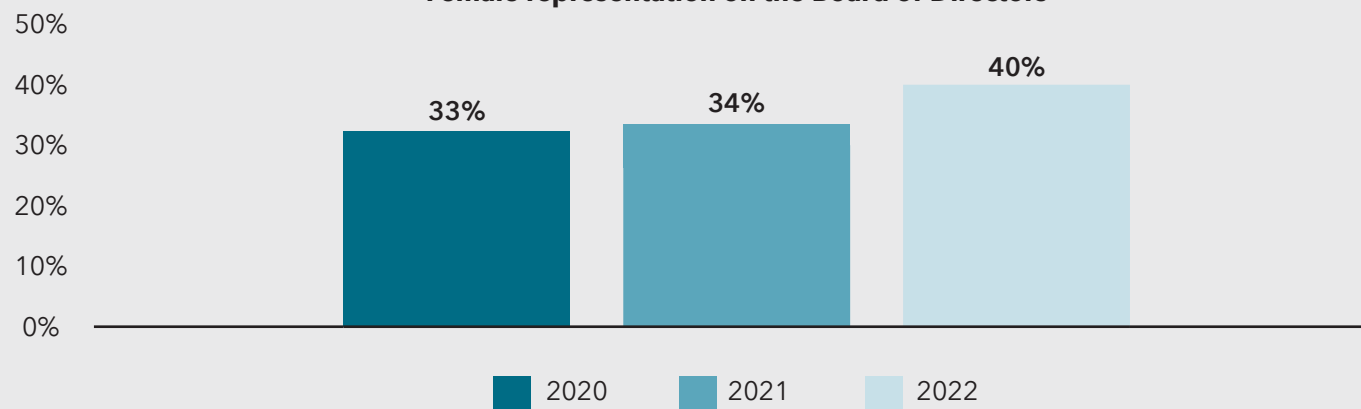
i. The number of both women and men on the Board of Directors of the Bank at the category <30 for all the financial years 2022, 2021 and 2020 respectively is zero.

### Board of Directors, by Nationality



In the years 2020 – 2022, all of the Bank's Divisional Directors have a Cypriot Nationality.

### Female representation on the Board of Directors



## Board of Directors' nomination

(GRI: 2-10)

The Nomination & 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 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 Group's Board Nominations policy and procedure are set out in the [Group Nominations Policy](#) and the [Annual Corporate Governance Report 2022](#), 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 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.

During the year, the Board held 23 meetings (2021: 27, 2020: 25).

## 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 2022, 6 committees operated at Board level including the Nomination & Corporate Governance Committee, Human Resources and Remuneration Committee, Risk Committee, Audit Committee, Technology Committee (Non-statutory) and Ethics, Conduct & Culture Committee (Non-statutory).

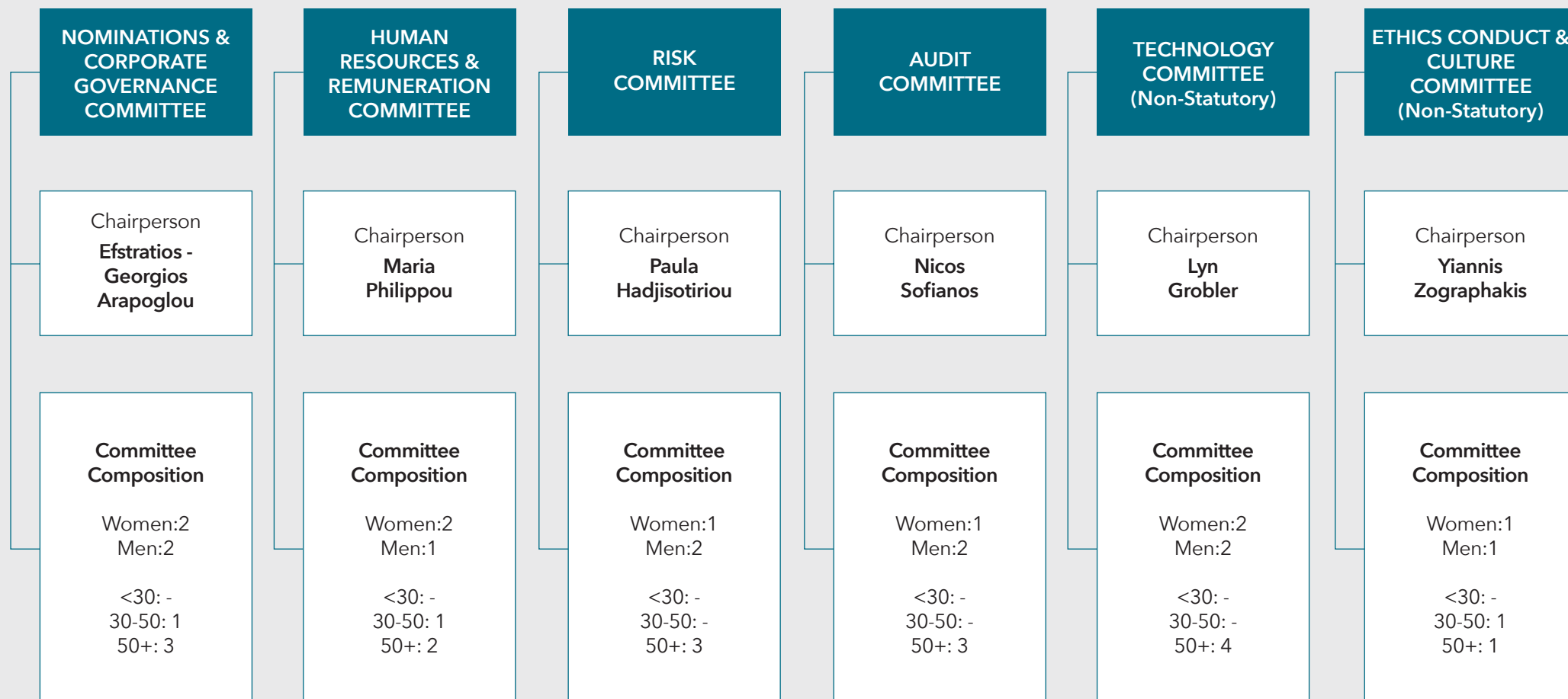
Appropriate cross membership of key Board committees, including between the AC and the RC and between the RC and Human Resources

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.

In 2022, the Bank underwent an update of the Terms of Reference of the Committees, to provide additional clarity on the ESG roles and responsibilities.

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](#).





The roles and responsibilities of the Board Committees are summarized below.

Board Committee	Role and Responsibilities
Nomination and Corporate Governance Committee	<p>The NCGC has been delegated authority by the Board and consists of four (4) non-executive members of the Board, who possess appropriate knowledge, skills, and expertise to provide oversight to the Group's sustainability strategy aimed at achieving present and future economic prosperity, environmental integrity, climate stability and social equity for the Group and its stakeholders.</p> <p>The NCGC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Develop a strategy for ESG matters, focusing on Environmental, Climate, Ethical, Social, and Economic pillars and ensure it is embedded throughout the operations of the Group.</li> <li>• Advise, support and guide the Chief Executive Officer (CEO) and Executive Management Team in formulating and implementing a business strategy geared to the sustainable development of the Group taking into account ESG impacts.</li> <li>• Oversee the SC's implementation and progress regarding the ESG working plan.</li> <li>• Review the institution's response and plan of action to the objectives set out under international agreements.</li> <li>• Review and approve the ESG targets and KPIs and monitor their performance.</li> <li>• Review and approve the non-financial disclosures presented by the SC.</li> <li>• Review and approve the ESG and Environmental Policy and Sustainable Finance Framework which enables BOCH and/or BOC PCL to issue Green/Social or Sustainable bonds.</li> <li>• Support and advise the Board in relation to Director and CEO development and succession planning and ensure it is comprised of members who are best able to discharge the duties and responsibilities of Directors.</li> <li>• Keep the Board's governance arrangements under review and make appropriate recommendations to the Board to ensure that the Group's arrangements are consistent with best practice corporate governance standards and practices in place.</li> <li>• Support the Board with the annual assessment of the knowledge, skills, and experience of the Board members, as well as the annual performance evaluation of the Board and Board Committees and make relevant recommendations to the Board.</li> <li>• To approve the policies of the Corporate Governance Framework.</li> </ul>

Board Committee	Role and Responsibilities
Human Resources and Remuneration Committee	<p>The HRRC has been delegated authority by the Board and consists of three (3) non-executive members of the Board, who possess appropriate knowledge, skills, and expertise to oversee the implementation of Strategic HR initiatives which promote and are aligned with the Group's ESG ambition, strategy and objectives.</p> <p>The HRRC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Oversee that the Group is equipped with the Human Capital at the right size and with the right skill mix necessary for the achievement of its strategic goals, whose rewards will be based on personal performance and Group results.</li> <li>• Review at least annually the appropriate structure of the remuneration system and whether the total amount of variable compensation has been set in accordance with the Remuneration Framework of the Central Bank Directive on Governance. Therefore, any enhancements to the Remuneration Policy to incorporate ESG criteria are approved by the HRRC.</li> <li>• Prevent conflicts of interest and promote sound and effective risk management and are aligned with the Group's capital and liquidity availability.</li> <li>• Review the annual training plan and ensure it creates and/or develops the right competencies and behaviours to meet the Bank's strategic priorities.</li> <li>• Oversee HR initiatives such as the implementation of an Employee Wellbeing Care Programme and the application of fair and transparent recognition initiatives.</li> <li>• Ensure the application and systematic reporting of the Bank's KPIs in relation to strategic goals.</li> <li>• Review the results of the annual Staff Engagement Survey, Management Practices Survey, 360, HR Quarterly Report, Annual Internal Communication Calendar and Quarterly Progress Reports, the annual HVE Report, the quarterly Underperformers report and other HR initiatives, as presented by HRD.</li> <li>• Review the framework of industrial relations and collective agreements and ensure that they are relevant to best practices and conducive to good performance.</li> <li>• Oversee that the Group is equipped with the organisational capital to be able to effect continuous improvement and elicit the right behaviour, which would lead to the desired outcome.</li> <li>• Oversee that the Group is equipped with the information capital and the technology necessary to facilitate process improvements that will create a comparative advantage in the market.</li> <li>• Regularly review, agree and recommend to the Board the over-arching principles and parameters of Compensation &amp; Benefits policies across the Group and to exercise oversight for such issues.</li> <li>• Oversee the implementation of Strategic HR initiatives which promote and are aligned with the Group's ESG ambition, strategy, and objectives.</li> </ul>

Board Committee	Role and Responsibilities
Risk Committee	<p>The RC has been delegated authority by the Board and consists of three (3) non-executive members of the Board, who possess appropriate knowledge, skills and expertise to understand and monitor the strategy regarding the risk appetite of the Group.</p> <p>The main purpose of the RC is to review, on behalf of the Board, the aggregate Risk Profile of the Group, including performance against Risk Appetite for all risk types and ensure both Risk Profile and Risk Appetite remain appropriate.</p> <p>The RC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Assists the Board in overseeing the implementation of the Group's risk strategy.</li> <li>• Oversees the identification, assessment, control and monitoring of financial/economic risks and non-financial risks (including operational, technological, tax, legal, reputational, compliance risks and ESG including C&amp;E risks), which the Group faces in cooperation with the responsible Board Committees.</li> <li>• Considers, challenges, and recommends to the Board for approval the Group's overall Risk Appetite.</li> <li>• Reviews the aggregated Risk Profile for the Group and performance against Risk Appetite and reports its conclusions to the Board.</li> <li>• Identifies the potential impact of emerging issues and themes that may affect the Risk Profile of the Group.</li> <li>• Seeks to identify and assess future potential risks which, by virtue of their uncertainty, of low probability and unfamiliarity may not have been factored adequately into review by other Board Committees.</li> <li>• Ensure that the Group's overall Risk Profile and Risk Appetite remain appropriate given the evolving external environment, any key issues and themes impacting the Group and the internal control environment.</li> <li>• Ensure effective and on-going monitoring and review of the Group's management or mitigation of risk, including the Group's control processes, training and culture, information and communication systems and processes for monitoring and reviewing their continuing effectiveness.</li> <li>• Ensure the effective management of all risks associated with outsourcing.</li> <li>• Report to the Board any current or emerging topics relating to ESG risks and matters, that are expected to materially affect the business, operations, performance, or public image of the Group or are otherwise pertinent to it and its stakeholders and if appropriate, detail actions taken in relation to the same.</li> <li>• Determine the principles that should govern the management of risks (including ESG risks), through the establishment of appropriate Risk Policies.</li> </ul>

Board Committee	Role and Responsibilities
Risk Committee	<ul style="list-style-type: none"> <li>• Review and monitor key enterprise wide ESG, targets, Key Performance Indicators (KPIs), Key Risk Indicators (KRIs) and related goals and monitor the progress towards achieving targets and benchmarks.</li> <li>• Evaluate the Group's governance, risk and control framework and oversee its integration with the Bank's decision-making process, covering the whole spectrum of the Bank's activities.</li> <li>• Receive and review periodic reports from management on ESG trends, issues and risks, including developments in applicable regulations, as well as the corresponding mitigation initiatives and controls.</li> </ul>
Audit Committee	<p>The AC has been delegated authority by the Board and consists of three (3) non-executive members of the Board, who possess appropriate knowledge, skills and expertise to assess the soundness of the methodologies and policies that the management of the Group uses to develop ESG, and other disclosures and to assess the key vendors' plans about sustainability.</p> <p>The AC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Monitor and assess on an annual basis the adequacy and effectiveness of internal control and information systems, based on the reports from Group Internal Audit, and observations and comments of external auditors and competent supervisory authorities and submit proposals to the Board for addressing weaknesses identified.</li> <li>• Ensure the ESG frameworks/standards used are proper and relevant climate-related financial disclosures are investor grade.</li> <li>• Consider materiality in terms of how ESG issues impact the Group's financial performance and ability to create long-term value (Financial materiality) and how the Group's actions impact people and the planet (Social materiality).</li> <li>• Review other material public disclosures with respect to ESG and discuss with management the Group's engagement with stakeholders on key ESG matters, including in response to any proposals or other concerns that have been submitted to BOCH and/or BOC PCL or the Board.</li> <li>• Ensure that Internal audit incorporates ESG, in its Risk and Audit Universe.</li> <li>• Review the Group's whistleblowing policies and procedures, assess their effectiveness and ensure that there are adequate, reliable, and secure internal whistleblowing procedures and arrangements for staff and contractors to raise concerns (including about possible improprieties in matters of financial reporting) in confidence and that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Chairperson of the Committee acts as the Whistleblower's Champion.</li> <li>• Oversee the implementation of the AML&amp;TF Law and relevant directives. The Chairperson of the Committee is the designated Board member responsible for such oversight.</li> </ul>

Board Committee	Role and Responsibilities
Technology Committee	<p>The Technology Committee (TC) assists the Board of Directors in fulfilling its oversight responsibilities with respect to the overall role of technology in executing the business strategy of the Group including, but not limited to, major technology investment, technology strategy, operational performance, and technology trends that may affect the Group's client portfolio and/or affairs in general.</p> <p>The TC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Review and approve the Group's technology planning and strategy within the overall strategy framework approved by the Board.</li> <li>• Monitor and evaluate existing and future trends in technology that may affect the Group's strategic plans, including monitoring of overall industry, and ESG trends.</li> <li>• Oversee the performance of the Group's technology operations including, among other things, project delivery, technical operations, technology architecture and the effectiveness of significant technology investments.</li> <li>• Oversee the application of Information Security policies.</li> <li>• Perform any other activities consistent with these terms of reference, the Group's compliance framework, the Group's ESG Strategy, and other delegated authorities by the Board of Directors.</li> <li>• Oversee delivery of ESG Accountabilities of the IT Division as defined in the Group's ESG Strategy.</li> </ul>

Board Committee	Role and Responsibilities
Ethics, Conduct and Culture Committee	<p>The Ethics, Conduct and Culture Committee (ECCC) supports the Board of Directors in promoting its collective vision of values, conduct and culture and oversees management's efforts to foster a culture of ethics and appropriate conduct within the Group. It decides on matters of conduct and reputational risk and handles issues of Corporate Social Responsibility with an aim of setting and maintaining the right risk, control, customer-centric and economic prosperity culture. The Committee consists of non-executive Directors.</p> <p>The ECCC is responsible for the following:</p> <ul style="list-style-type: none"> <li>• To support the Board in promoting its collective vision of values, conduct and culture.</li> <li>• To oversee management's efforts to foster a culture of ethics and appropriate conduct within the Group.</li> <li>• To oversee the way the Group conducts business focusing on developing a customer-centric culture with an eye on profitability in all its operations.</li> <li>• To oversee the Group's conduct in relation to its corporate and societal obligations, including setting the direction and policies for the Group's approach to customer and regulatory matters.</li> <li>• To oversee the framework for implementing ESG throughout the operations of the Bank and support the NCGC and the Sustainability Committee.</li> </ul> <p>Its role is one of oversight, recognizing that management is responsible for continuously reinforcing and championing the Group's sound ethics, responsible conduct and principled culture throughout the organization.</p>

## Management Committees

(GRI: 2-9, 2,12, 2-13, TCFD - Pillar I Governance)

The role and responsibilities of ExCo 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"> <li>• 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.</li> <li>• Consider the market conditions and strategic initiatives.</li> <li>• Monitor the recovery and early warning indicators and assess the need to escalate for further action to the RC and the Board.</li> <li>• Consider the Risk Report.</li> <li>• Consider and approve budgets, business strategies/risk strategy to be presented to the Board for approval.</li> <li>• Consider and approve the Group's Risk Appetite Statement to be presented to the RC and Board for approval.</li> <li>• Consider and approve the Group's Financial Plan to be presented to the RC and the Board for approval.</li> <li>• Consider the Compliance Reports/Matters and progress.</li> <li>• Consider the Internal Audit Reports/Matters and progress.</li> <li>• Consider the HR/People Management/Matters and progress.</li> <li>• Consider the Corporate Affairs Report/Matters and progress.</li> <li>• Approve all matters escalated to ExCo within its delegated authorities and/or recommend matters requiring escalation to the Board.</li> <li>• Consider all other matters escalated for discussion by any member of the ExCo or any other Committee/Forum.</li> <li>• Monitor the Board and Board Committees pending decision lists.</li> <li>• Note the minutes of the Acquisition &amp; Disposal Committee (ADC), Group Asset &amp; Liability Committee (ALCO), the Regulatory Steering Group (RSG) and the Business Development Committee (BDC).</li> </ul>



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"> <li>• Monitor and review the development of the Group's ESG strategy for managing ESG risks.</li> <li>• Oversee the implementation of the Group's ESG &amp; Climate strategy.</li> <li>• Review the institution's response and plan of action to the objectives set out under international agreements.</li> <li>• Review ESG targets and KPIs.</li> <li>• Review the incorporation of ESG targets, KPIs and KRIs in the business strategy.</li> <li>• Monitor progress against the Group's ESG working plan including the implementation of the ECB Guide on Climate &amp; Environmental (C&amp;E) risks.</li> <li>• Oversee the degree of the Group's alignment with regulatory ESG guidance, rules (such as EU Taxonomy, SFDR, NFRD and TCFD) and ECB expectations.</li> <li>• Oversee the establishment of environmentally friendly products and Sustainable Finance Framework.</li> <li>• Review policies relating to ESG matters and risks, 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.</li> <li>• Review ESG updates and reports across the Group on performance against the ESG Strategy and decide on any necessary actions.</li> <li>• Monitor the implementation of the ESG plan submitted to the ECB.</li> <li>• Review non-financial disclosures including but not limited to the TCFD, relevant ESG disclosures in Pillar III and the annual Sustainability Report.</li> <li>• Review the Company's annual Environmental, Social and Governance Report and Strategy as well as other ESG related disclosures, and submit to the NCGC for approval and informs ECCC which supports and advises the NCGC for ESG matters, also notifying ExCo.</li> <li>• Monitor the external ESG trends affecting the formulation of ESG policies, strategies and objectives.</li> </ul>

## 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 programmes, 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 were included in the annual plan. In particular, training sessions and relevant experience on ESG were delivered to the Board of Directors in 2022 by external consultants, while further training has been planned for 2023 for members of the Board, the Executive Management and all employees.

- **June 2022:** External training relating to the ESG governance and the Board's oversight role on ESG matters (including topics relating to ESG regulatory updates, the procedures and ESG principles in Loan origination process as well as the Road to Net Zero).
- **November 2022:** External training providing an overall regulatory update to the Board of Directors, including ESG regulatory updates.
- **December 2022:** External consultants of BOC, in cooperation with IR&ESG department of BOC conducted a training to the Board of Directors. The thematic area of the training was 'Understanding the Green Transition' i.e. providing an update on ESG regulations and how the Bank is preparing, then explained the bank's role as a transition partner for corporations. Finally, IR&ESG department presented to the board the ESG working plan as well as the operational decarbonisation strategy.

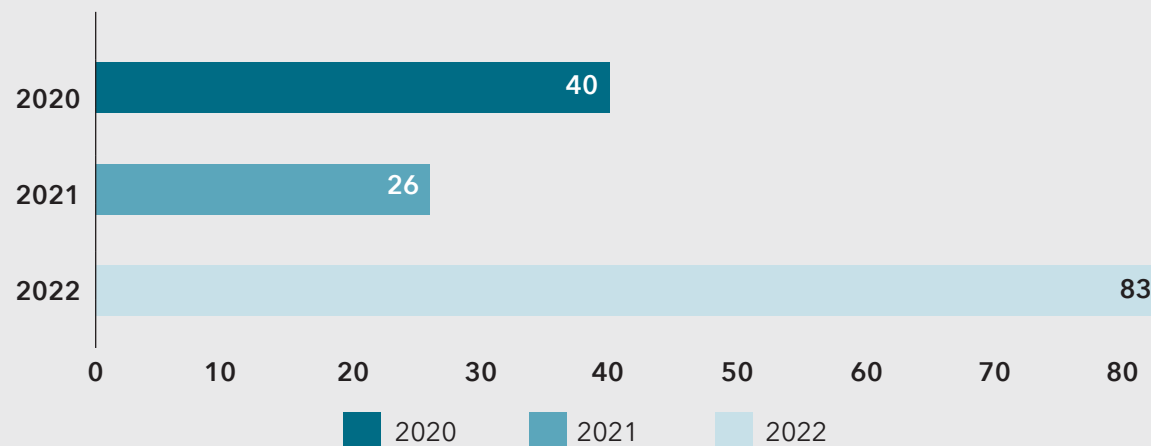
During the year the average hours per Board Member that are performed for trainings is 10.38 (2021: 2.6, 2020: 5) and is increased by 299.23% compared to 2021 and by 107.5% compared 2020. Additionally, ESG related trainings were also conducted during the year with an average of 2 hours per Board Member.

Training conducted in 2022 to BoD				
Trainings	No. of participants	Training Attendance (hours)		
		Women	Men	Total
AML Essentials*	7	1	2.5	3.5
Competition Law	10	3	7	10
GDPR	7	1	2.5	3.5
Info. Security Awareness Q1/2022 (EN)	10	1.5	3.5	5
Info. Security Awareness Q2/2022 (EN)	5	1	1.5	2.5
Info. Security Awareness Q3/2022 (EN)	5	1	1.5	2.5
Regulatory Outlook	8	9	15	24
<b>ESG related trainings</b>				
ESG Updates (June 2022)	8	6	10	16
Understanding the Green Transition	8	6	10	16
<b>Total</b>		<b>29.5</b>	<b>53.5</b>	<b>83</b>

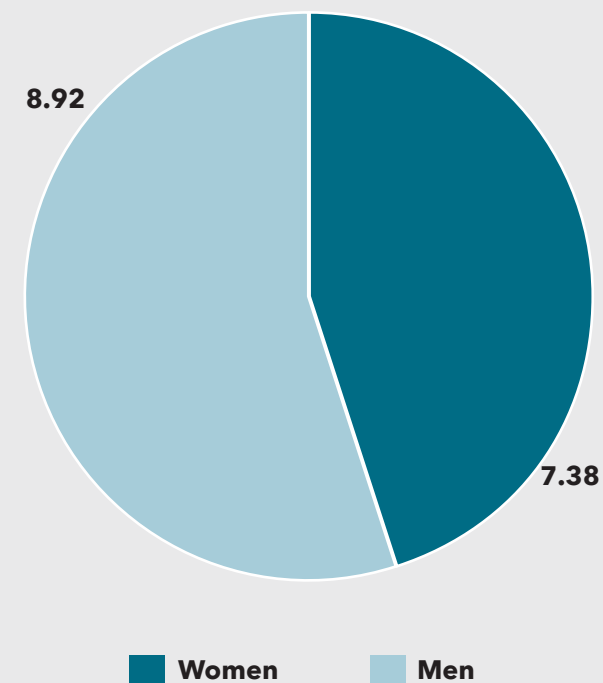
Notes:

- i. The table above excludes the training conducted to CEO and Director of Finance and Legacy, information of which is included in tables below under the section "Anti-Money Laundering".
- ii. \*70% of the BoD participated on trainings on Anti Money Laundering, New Regulatory Developments and Sanctions.

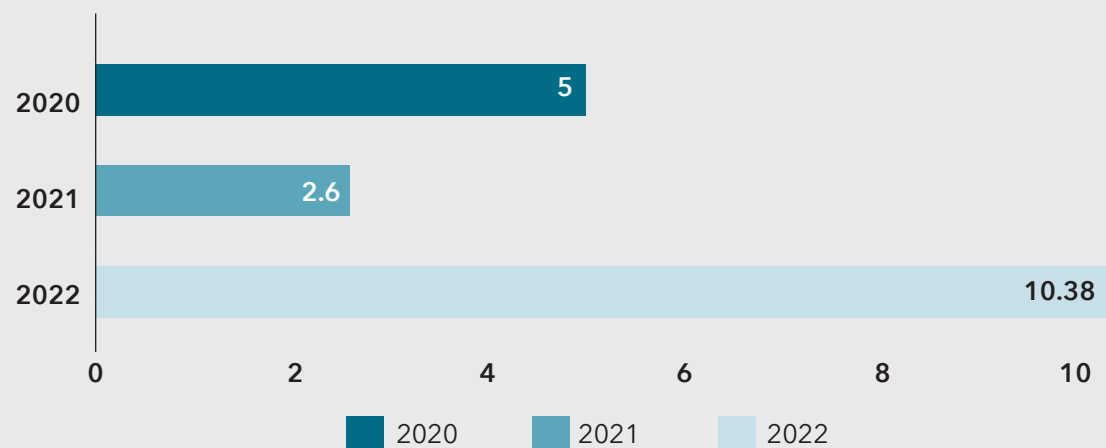
**Total hours of BoD trainings, per year**



**Average hours of BoD trainings, per gender (2022)**



**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. The Board is subject to external evaluation every three (3) years. The latest independent/external review was completed in February 2021.

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.

Following the Board Performance Evaluation in 2022, 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 or Digital Transformation.

# Sustainability governance

(GRI: 2-9, 2-12, 2-13, 2-14, FN-CB-410a.2,  
TCFD - Pillar I Governance)

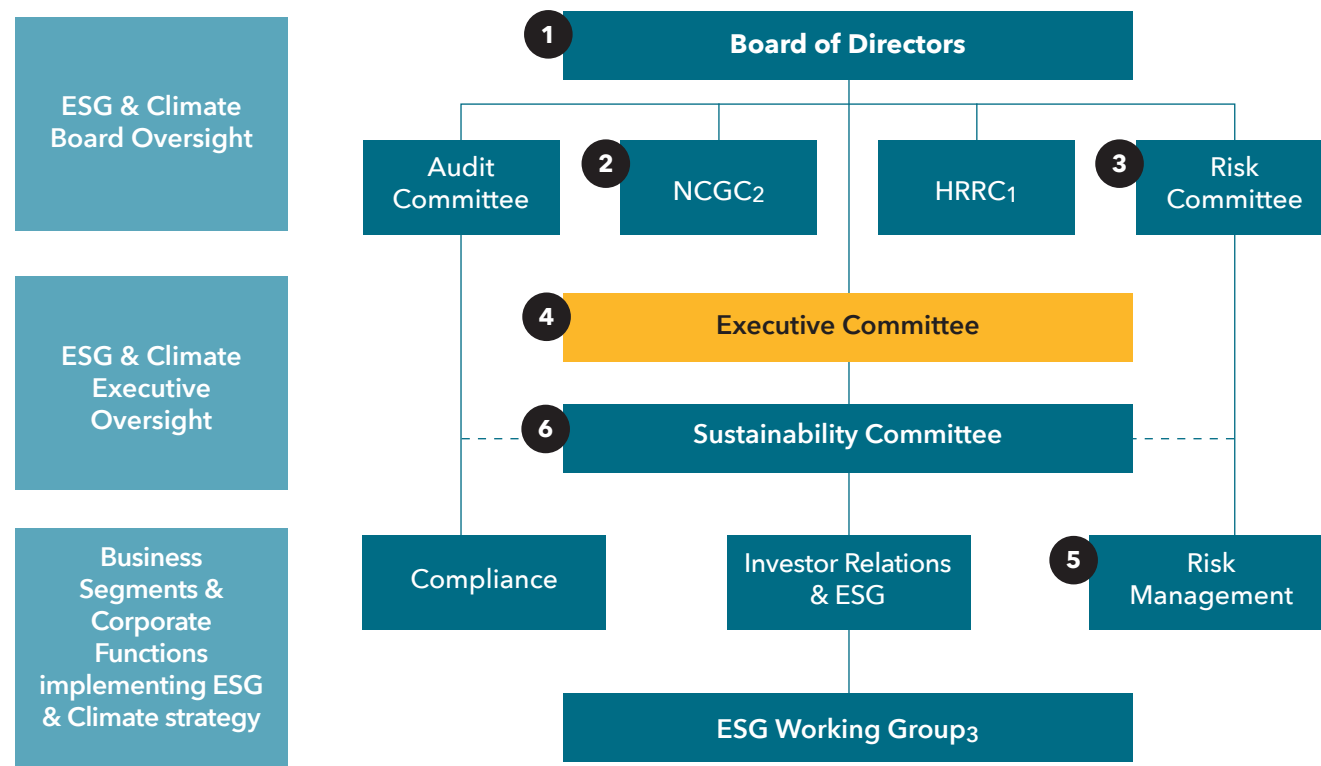
The Group's strategic approach to Sustainability is that its role continues to extend "Beyond Banking", based on the foundations of Sound Governance and Ethics, focusing on three key pillars:

- Environment
- Social
- Governance





The Board has further enhanced its governance structure to provide better oversight and responsibility of the sustainability strategy, as presented below.



- 1** The Board, through the NCGC<sub>2</sub> 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** NCGC<sub>2</sub> 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 NCGC<sub>2</sub> 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 discussed in Sustainability Committee and submitted by Risk Management Function directly to Risk Committee for approval, also notifying ExCO.
- 6** Sustainability Committee reports to ExCO.
- 7** ECCC<sub>4</sub> undertakes consultancy role to the NCGC<sub>2</sub> when required.

1. HRRC: Human Resources and Remuneration Committee
2. NCGC: Nomination 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.
4. ECCC: Ethics, Conduct and Culture Committee

----- Reporting  
 ——— Collaboration and Support



## Sustainability Oversight at Board Level

The Board has ultimate oversight of the identification, assessment and integration of ESG risks and opportunities throughout the organization. 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.

Specifically, the process through which the Board Committees are informed on ESG matters is presented below:

- SC reviews policies relating to ESG 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. The SC recommends approval of policies to ExCo (excluding ESG and C&E risks related policies). Following ExCo's approval, the policies relating to ESG including C&E matters (excluding ESG and C&E risks related policies) are recommended to NCGC for approval.
- SC discusses and advises the Risk Management Division (RMD) regarding ESG risks related

matters and policies, such as ESG risks identification, quantification, materiality assessment and establishment of ESG criteria in the loan origination process. The RMD then submits to the RC for approval the ESG risks related matters and policies, also notifying the ExCo.

- SC reviews the institution's response and plan of action towards the objectives set out under international agreements and makes recommendation of the plan of actions for approval to the ExCo. Following ExCo approval and recommendation the plan of actions is submitted to NCGC for approval.
- SC monitors and reviews the development of the Group's ESG strategy for managing ESG risks, and recommends to ExCo for approval. Following ExCo approval and recommendation it is submitted to NCGC for approval.
- SC reviews BOCH's annual non-financial disclosures including, TCFD, relevant ESG disclosures in Pillar III and the annual Sustainability Report and recommends to NCGC for approval, also notifying the ExCo.
- SC reports to the ExCo. The NCGC and RC are updated of the progress of ESG working plan on a regular basis.
- The Board is informed about the performance of the targets as well as the progress of the ESG working plan through NCGC and RC regular update.

The NCGC was informed about C&E matters in March 2022 when it received an update relating to the ESG agenda, decarbonization strategy for Scope 1 and Scope 2 greenhouse gas ("GHG") emissions as well as data gap analysis. NCGC

approved the Corporate Sustainability report of 2021. In November 2022, the NCGC approved the decarbonization strategy relating to Scope 1 and Scope 2 GHG emissions as well as the compilation of a comprehensive ESG working plan. Following the compilation and approval of the ESG working plan, the implementation of which is monitored by the SC, the NCGC will monitor progress of the ESG working plan and C&E issues on a quarterly basis. In 2022, the RC discussed and approved the risk identification and materiality assessment of the Group. In addition, it was updated on the progress of the ESG agenda twice during 2022. Following the compilation and approval of the ESG working plan, monitored by the SC, the RC will monitor progress of the ESG working plan and C&E issues on a quarterly basis.

## 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.

The CEO is responsible for implementing the enterprise ESG strategy.

In 2021, the Group formed the executive SC whose members, working together, take a coordinated enterprise approach to accelerate the Group's ESG ambitions, targets and public engagement, working with a broad set of Group leaders to ensure full alignment and coordination on our ESG strategy and actions.

The processes in which the ExCo and SC are involved in regard to the decisions taken on ESG matters has been described in ‘[Sustainability Oversight at Board Level](#)’ section above.

Following the compilation of the ESG strategy in 2021 and the ESG working plan in 2022, specific accountabilities are assigned to the Group’s Executives and Directors. The responsibilities assigned to key Executives and Directors of the Group are summarized in the table below:

Responsible person	ESG related responsibilities
<b>Chief Executive Officer</b>	The CEO governs the sustainability performance of the Group, driving focus on ESG stewardship and tracking progress made across the business to meet the Group’s ESG ambitions through the long-term ESG working plan. The CEO is involved in the identification of sustainable finance growth opportunities for the Group and promoting the development of these in tackling climate change.
<b>Executive Director Finance &amp; Legacy</b>	The Executive Director Finance & Legacy is responsible for the successful integration of ESG into the Group’s core business operations, in cooperation with business lines Directors, and long-term business strategy as well as the oversight of the progress of the ESG working plan for the implementation of ESG and climate strategy and Sustainability reporting. In addition, the Executive Director Finance & Legacy is responsible for the oversight of the estimation of Scope 1, Scope 2 and Scope 3 GHG emissions of the Group and the establishment of C&E decarbonisation targets and strategy, in cooperation with Deputy Chief Executive Officer and Chief Risk Officer.
<b>Chief Risk Officer</b>	The Chief Risk Officer is responsible and accountable for the process of effectively managing ESG risks of the Group. This includes the responsibility of overseeing the implementation of the ESG working plan which supports the ESG risk identification, measurement, assessment, stress-testing and limit setting, as well as the supporting governance. The role further encompasses the responsibility of reviewing risk appetite and ESG risk appetite metrics.

In 2022, the Group has compiled an ESG working plan, which is monitored by Investor Relations & ESG Department (IR&ESG), RMD, the SC and ultimately by NCGC and RC. The ESG working plan is structured in workstreams which are designed to articulate delivery of Group's ESG strategic objectives and are aligned with ECB expectations, LSE Disclosure requirements and other regulatory disclosure requirements. Each workstream is associated with specific activities designed to meet relevant reporting and regulatory requirements and achieve the Group's targets and objectives. For the successful delivery of the Group's ESG strategic objectives the Group has formed an ESG working group comprising of experts from various departments assigned with specific activities under the ESG working plan. Each activity completed by the ESG working group, is reviewed by the IR&ESG and RMD. The progress, status and output of activities is communicated to SC, as it has the responsibility for the oversight of all ESG activities and SC recommends output for activities relating to ESG policy, strategy and disclosures to ExCo for approval (except those activities relating to ESG and C&E risks). Following ExCo approval those activities are recommended to NCGC for approval (except for those activities relating to ESG and C&E risks).

### **Investor Relations and ESG Department (IR&ESG)**

The Group's IR&ESG department is developing and implementing the ESG and climate Strategy. The IR&ESG main responsibilities are to:

- compile the ESG working plan and monitor its progress;

- develop the action plan for the implementation of the ESG and climate strategy;
- establish the ESG and climate targets and KPIs and monitor their progress;
- prepare ESG and climate-related reporting;
- coordinate the activities and deadlines of the ESG Working Group;
- review in cooperation with RMD the activities completed by the ESG Working Group; and
- report to the SC in frequent intervals and Board Committees in line with the Terms of Reference.

### **Risk Management Division**

The RMD is responsible for the identification, quantification and monitoring of ESG risks, including C&E risks, for own operations and clients. The main responsibilities are to:

- incorporate ESG risks, including C&E risks, in the Risk Management Framework, policies and procedures;
- incorporate ESG and climate criteria in the loan origination process;
- review in cooperation with IR&ESG the activities completed by the ESG Working Group;
- comply with ECB guide on C&E risks;
- establish the ESG and climate targets and KPIs in cooperation with IR&ESG; and
- establish the C&E KRIs through the ESG and climate targets and KPIs set.

The Executive Director of Finance & Legacy and the Chief Risk Officer monitor the progress of the ESG working plan on a bi-weekly basis.

# Business Ethics and Compliance

(GRI: 2-23, 2-24, 205-2)

The Group, as a leading organization 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 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 Organization (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	Group Policy on Suitability
Group Board Nominations Policy	

## Regulatory and Ethics Policies & Practices

Group Competition Law Compliance Policy	Group Customer Complaints Management Policy
Group MiFID Policy	Group Policy for Disclosure of Inside Information
Group Policy on the Exchange of Financial and Tax Information	Personal Data Protection Policy
Group Compliance Policy	Anti-Bribery Group Policy
Regulatory Co-Ordination Policy	Group Whistleblowing Policy
Conflicts of Interest Group Policy	

## Financial Crime Compliance Policies & Practices

Group Customer Acceptance Policy	Risk Appetite Statement Policy
Group Sanctions Policy	Policy Relating to the Prevention of ML and TF
Compliance Division Charter	

## 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*

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 to 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 organizational 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 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 included:

- Revision of Risk Appetite of the Bank with respect to clients with a Russian / Belarusian nexus, which resulted in the termination of the business relationship of more than 10k clients in 2022 and early 2023.
- Refinement of controls to manage risks:
  - \*Implementation of a fully automated Trade Based Money Laundering System to monitor shipping / trading transactions against sanctioned ports / vessels, prohibited / dual use goods.

- \*Enhancement of parameterization in filtering system to capture wire transfers relating to Russia / Belarus.
- \*Performance of Thematic Assurance Reviews on compliance with procedures relating to sanctions.
- Practical full adherence to Sanctions outside our regulatory obligation (USA & UK).
- Recategorization of risk rating of clients with Russian / Belarusian nexus to capture the broader sanctions risk.
- Strategic collaboration with external specialized Law Firms in the USA / EU for ongoing legal support.
- Clear continuous directions and guidance to staff:
  - \*Drafting and continuous update of staff circular on implementation of Russian Sanctions
  - \*Specialized staff training

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

- In 2022, 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 Anti-Money Laundering Compliance Office (AMLCO) Annual Risk Management Report is prepared, which

assesses the overall ML/TF risk of the Bank using a Scenario-Based Risk Assessment Methodology and submitted to the Central Bank of Cyprus.

During 2022 AML seminars were organized and presented successfully to 2,749 employees (through face-to-face, Skype 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, FC&SCD employees attended several external specialized seminars.

Training on Anti-Corruption and Corporate Governance	No of participants	Training (hours)		
		Women	Men	Total
AML ESSENTIALS 2022				
Leadership Team*	18	3	6	9
Individual Contributors and Managers	2,731	823	543	1,366
Anti-Bribery, Corruption & Whistleblowing				
Individual Contributors and Managers	2,348	714	460	1,174
Conflict of Interest				
Individual Contributors and Managers	2,363	718	463	1,181

Notes:

- \*Leadership team consists of the Bank's Executive Directors and Directors.
- The 2021 and 2020 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 2021 and 2020.
- The total number of participants is higher than the total number of employees at the end of the reporting period 2022, due to the reduction of the number of employees following the Bank's VRS, thus % of total employees participated on trainings was not calculated.



## Combating Financial Crime and Enforcement of Sanctions

The Bank is committed to the highest standards in the fight against Money Laundering (ML) and Terrorism Financing (TF). The Bank employs due diligence to discourage money launderers, and anyone involved in illegal activities, including terrorist funding, from using its services and products. The Bank maintains zero tolerance for ML/TF risk, and all associated predicated offenses (such as corruption, bribery, fraud, and tax crimes). It is obliged to transact its business so as to ensure it minimizes the risk of its systems and processes, and those of its affiliates, of being used for ML or TF purposes. Additionally, the Bank maintains zero tolerance for violations of sanctions or other measures imposed by American Authorities such as the US Department of Treasury's Office of Foreign Assets Control, the United Nations, the European Union and the United Kingdom's Her Majesty's Treasury.

### Compliance for 2022 in numbers

Decrease of the international clientele portfolio by 14.2%	100% abolishment of the network of business introducers	Termination/suspension of 8,421 customer relationships solely on compliance/financial crime concerns, corresponding to an estimated €2.4 bn of turnover and a yearly profitability of €7.2 mn	4,112 potential new customers rejected exclusively for compliance reasons
--	---	---	---

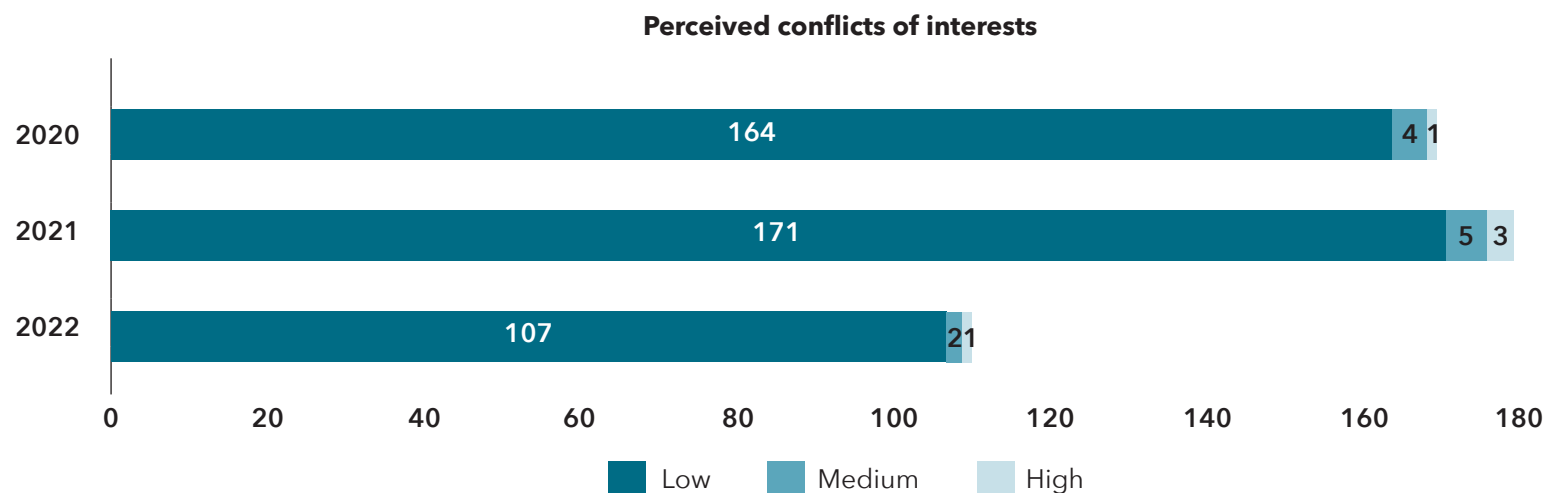
## Prevention of conflict of interest

(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.

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 conflicts of interest annually.

All reported conflicts of interest, actual or perceived, are 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 110 perceived conflicts of interest in 2022 (2021: 179, 2020: 169).



Notes:

- i. The 1 recorded incident of conflict of interest (2021: 3, 2020: 1) has been considered as high, 2 (2021: 5, 2020: 4) medium and the remaining 107 (2021: 171, 2020: 164) low.
- ii. In 2020 Sustainability Report only the BoD conflicts of interest were disclosed.

## 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 and the ECCC 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 conducts 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. Furthermore, the Internal Audit Division, as the third line of defense, includes the departments responsible for dealing with grievances and related processes in its Risk & Audit Universe. Therefore, subject to a risk assessment, audits relevant to these areas are included in the Internal Audit's Annual Audit Plan (AAP). The results of major Investigations performed by Internal Audit, including investigations emanating from reports made through the whistleblowing channels, are communicated, and reported to the Board of Directors through the Annual Audit Report. For the reporting period 2022, there was no major investigation emanating from reports made through the whistleblowing channels (2021: 2, 2020: zero).

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 2022, only 1 formal complaint was received that was related to disagreement of the complainant with the performance appraisal (2021: 59, 2020: 27). The complaint was received by HR and the Trade Union and was assessed by the relevant committee based on Collective Agreement procedures. Additionally, 3 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.

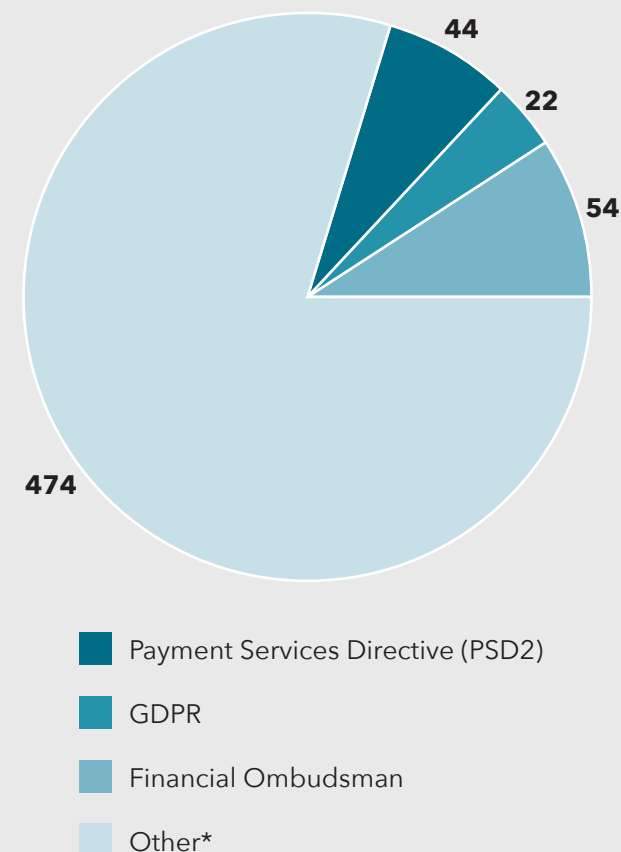
Formal employee complaints			
	2020	2021	2022
<b>Total number</b>	<b>27</b>	<b>59</b>	<b>4</b>

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			
	2020	2021	2022
<b>Total number</b>	<b>690</b>	<b>687</b>	<b>594</b>

**Complaints completed by  
legal framework 2022**



Note:

- i. \* Other includes categories such as loans, customer services, cards etc.

## Communication and Trust

### Yammer

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

### Engaging with the Board

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

### Engaging with HR

**Talk to HR:** A new initiative was launched in 2021 involving open meetings with the Executive Director People & Change and the HR management team under the title "Talk to HR".

In October 2022, all Managers were invited to an online HR presentation where they were informed about:

- The revised Extra Mile Scheme;
- The revised Competencies;
- Well at Work Programme.

After the presentation, Managers had the chance to discuss their questions and share their opinions regarding the topics presented.

### Open Days

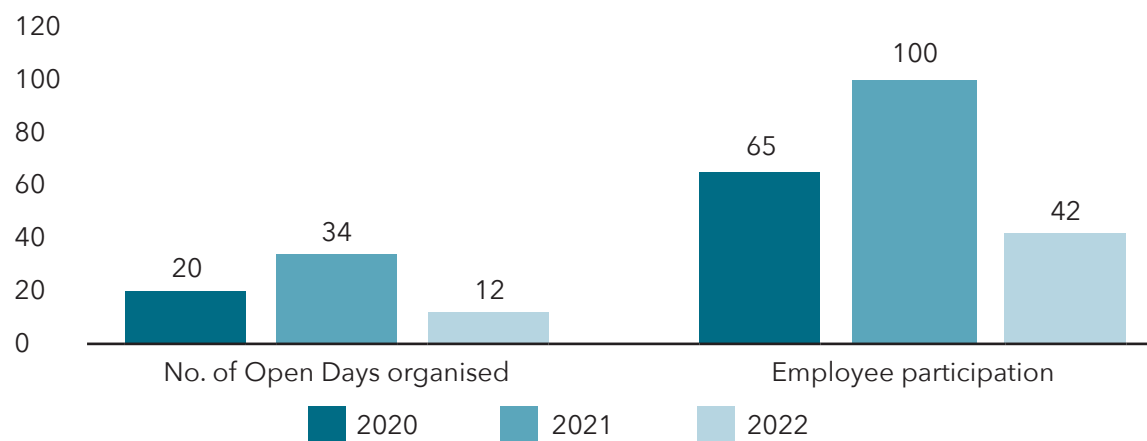
Divisional Directors maintain open communication channels with staff in alignment with an open culture. A number of Open Days and ad hoc one-on-one meetings took place during 2022 in an effort to maintain direct communication channels between the directors and the members of the Divisions.

### Meetings Held

**5** Managers Meetings

**480** Approx. Participants

### Open Days Participation



188 one-on-one meetings were conducted during 2022.

### Compliance Division suggestion box

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

## 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 implementation of the Remuneration Policy is subject to an annual central and independent internal review from the Group Internal Audit Division for compliance with policies and procedures for remuneration adopted by the Board of Directors and relevant provisions of CBC, CSE, MiFID II and the UK Corporate Governance Code.

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 organization. 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.

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 authorized 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.

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.

No variable remuneration was granted in 2022 (2021: nil, 2020: nil).

*Annual total compensation for the organization's highest-paid individual / CEO*

2020	2021	2022
<b>€500,000</b>	<b>€750,000</b>	<b>€750,000</b>

*Median annual total compensation for all employees (excluding the highest-paid individual / CEO)*

2020	2021	2022
<b>€43,136.15</b>	<b>€45,193.07</b>	<b>€45,765.59</b>

*Annual total compensation ratio (#)*

2020	2021	2022
<b>11.6</b>	<b>16.6</b>	<b>16.4</b>

*Change in the annual total compensation ratio*

2020	2021	2022
<b>0%</b>	<b>10.49%</b>	<b>0%</b>

Notes:

- Data has been extracted from the Bank's SAP-HR system.
- 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 organization's highest paid-individual / Median annual total compensation for all of the organization'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 organization's highest-paid individual / Median percentage increase in annual total compensation for all of the organization's employees excluding the highest-paid individual.
- The difference between the number of employees in prior years 2021 and 2020 is due to VRS that was given during 2022.
- There is no significant change in the annual compensation ratio compared to 2021 (16.6% in 2021, whereas 16.4% in 2022), as there is no change in annual total compensation for the organization's highest-paid individual / CEO, and the change in median annual total compensation for all employees (excluding the highest-paid individual / CEO) is considered to be insignificant between the years.



## 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 2022:

- Alignment with the Anti-Financial Crime standards and best international practices.
- Alignment with the best international practices for Anti-Bribery and Corruption policies.
- Reorganization of the Regulatory Compliance Department.

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

The Policies have been adopted by the Board of Directors and are communicated to everyone involved to ensure their commitments to them. The Board of Directors applies a “zero tolerance” approach to acts of Bribery and Corruption by any of the Bank’s employees or any business partners.

### 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 proceeded 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,

- €1,500 for the breaches of the Directive on the Computation of Prudential Liquidity in Euro 2008-2011,
- €1,500 for the breaches of the Directive on Prudential Liquidity in foreign currencies of 2008-2011; and
- €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	2020	2021	2022
Instances for which fines were incurred	2	2	6
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	2020		2021		2022	
	#	€	#	€	#	€
Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	2	20,000	-	-	-	-
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.

Based on the 2022 reviews, 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.

In 2022, the Bank organized a series of training sessions to familiarize employees with procedures to prevent and detect insider dealing and market abuse.

Network inspections	2021	2022
Branch inspections	10	9
Branch inspections follow up	15	12
Business Centers follow up inspections	2	2
Corporate Banking Centers follow up inspections	1	3
International Business Unit follow up inspection	1	1
Cash dispute investigations	3	2
Thematic inspections	2	2
Complaints Handling Quality Report	0	1
ATM Malfunction Report for Branch (0148)	0	1
Safe Boxes arrears Report	0	2
Safe Boxes breaching procedure	0	4
Business Centers inspections	2	0
Corporate Banking Centers inspections	4	0
International Business Unit inspections	4	0
Branch New Lending inspections	3	0

Training on Insider Dealing and Market Abuse	Insider Dealing			Market Abuse		
	2020	2021	2022	2020	2021	2022
No. of participants	23	10	20	45	26	69
Hours of training	115	50	100	256	149	79

## Legal Services

In 2022, the Bank, through its legal services contributed to:

- the development of new laws, including Covered Bonds Law and the relevant Central Bank directive, the Liquidation of Credit Institutions Law;
- discussions on amending: 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 i-justice regulation on electronic filings, the framework on proactive restructuring in relation to the Bankruptcy Law, Company Law and Insolvency Department, the Land Registry Rights and Charges Law, the Business of Credit Institutions Law in order to disapply the set off on liabilities that could be considered as MREL and also for accommodating more digital services to be provided by banks, and the initiation of the amendment and modernization of a number of laws regarding the acceptance of cheques through mobile apps.

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

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

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

In 2022, the Legal Services Department has introduced a new survey tool to assess client satisfaction. For 2022 the results of this survey are as follows:

- Speed: 93.5% success
- Clear & Succinct Response: 97.4% success
- Substantive responses to enquiries: 97.4% success
- Overall Service level satisfaction: 97.4% success

## Internal Audit

Internal Audit (IA) prepares its audit plan with a one-year horizon. The environment in which the Bank operates is dynamic and affected by constant ambiguities; this means that IA is called to adjust its plan on a frequent basis in order to accommodate changes in risks and priorities/ focus areas.

For the preparation of the Annual Audit Plan, IA applies a risk-based approach and updates the risk universe to ensure completeness, relevance, and applicability in relation to the achievement of Bank's strategic objectives. IA maintains an audit universe, which includes all the potential areas to be assessed against the primary risks which are included in the Risk Universe and may adversely affect the achievement of the auditable area's objective(s).

IA reports provide separate opinions on the Internal Control Framework and Management Control Awareness.

In 2022, a total of 60 (2021: 68) audits were conducted and 421 (2021: 352) findings were issued.

Number of audits by category	2021	2022
Data Quality	10	4
Regulatory Requirement	35	33
Health and Safety	3	-
Quality- Information Systems	7	8
Governance	13	15
<b>Total</b>	<b>68</b>	<b>60</b>

Audit findings by category	2021	2022
Operational	72%	81%
Legal and compliance	22%	14%
Financial	3%	4%
Strategic	3%	1%

## Best Practices in Internal Audit

### External Quality Assessment

During 2022, Internal Audit (IA) has undergone external quality assessment by Deloitte, according to the requirements of the Institute of Internal Auditors' (IIA) Standards. Based on this assessment, IA Generally Conforms with the IIA Standards, the International Professional Practices Framework (IPPF) and IIA's Code of Ethics. No findings were identified, with some opportunities for improvements being noted.

Furthermore, IA has been compared to other mature internal audit functions, including institutions of systemic nature, that are highly regulated. IA was weighted against other large European and British Banks, Financial Services Infrastructure entities (exchange clearing), as well as Financial Data Providers that provide critical feeds for asset management and investing activities. According to Deloitte, IA is a mature function with practices ahead of many corporate Internal Audit functions and broadly in line with those at the largest global organizations, who are typically seen as a good practice reference point.

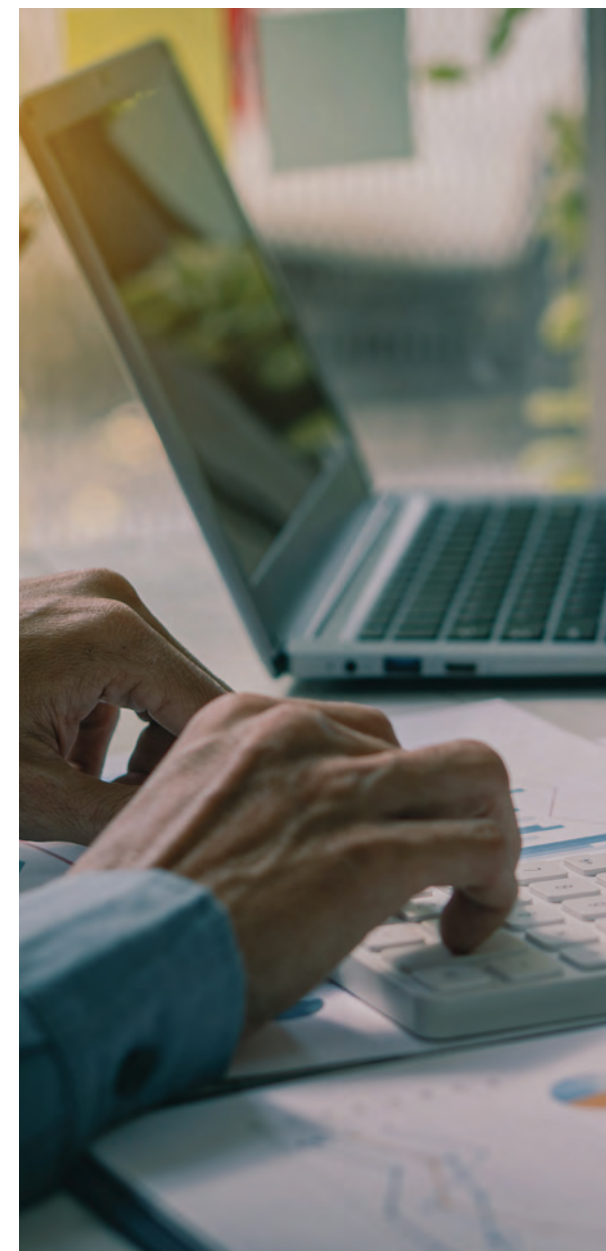
### Fraud Indicators

Among other advisory activities, during 2022, the Data Analytics Auditors presented their work performed in the area of fraud analytics and the corresponding visualized reports to the Fraud Risk Management (FRM) team, within the Operational Risk Management Department (ORM). Following this, Internal Audit devoted time for knowledge sharing and guidance to FRM on how similar fraud analytics may be established and monitored on a continuous basis.

## Role of Treasury

Through its Treasury function, the Bank applies a structured process for the identification of potential threats to the organization 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



## 2022 Highlights (as of 31 December 2022)

**Zero**

substantiated complaints received  
concerning breaches of customer  
privacy

**2,537**

employees attended GDPR  
trainings

**10,360**

employees attended information  
security awareness trainings



## 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 unauthorized 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.

### 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 September 2022), 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.

In addition, this 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 Bank's 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. During 2022, 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 customized 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 2022, and this can also be accessed through the Bank's website ([Bank of Cyprus Privacy Statement - Bank of Cyprus](#)). 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 utilized 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 minimization 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 utilization 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 advise 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

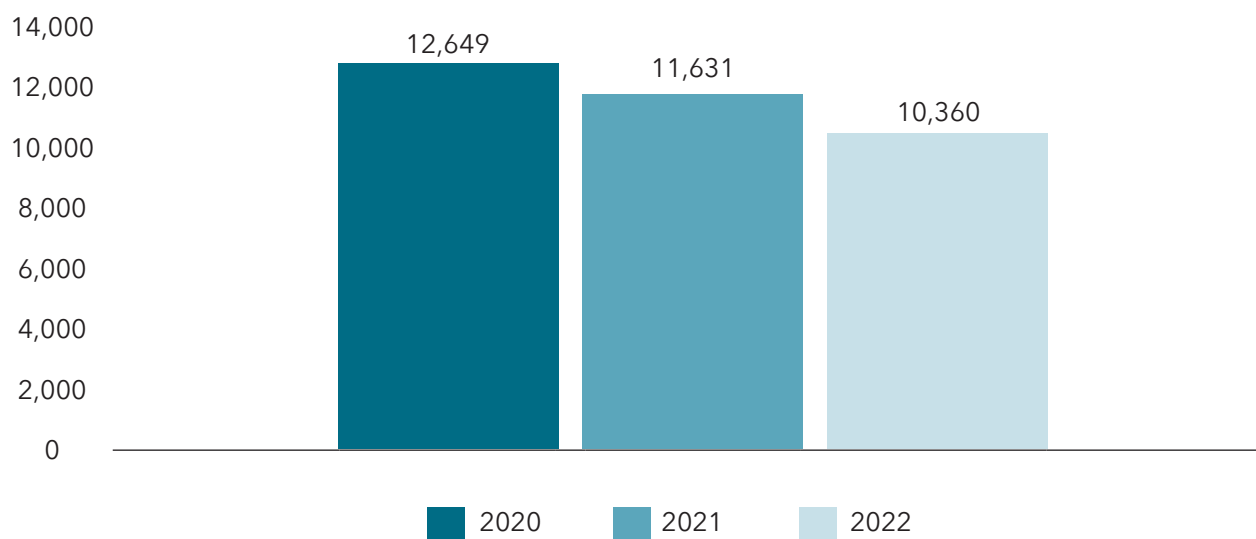
**(Internal indicator: Number of entries in data privacy trainings)**

The Bank provides training on its Data Protection Policy, and related data protection obligations 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 minimized throughout the Bank.

## Information security awareness trainings

During 2022, 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 module, in all four quarters, in each of the years presented.

### Attendance on information security awareness trainings



## GDPR trainings

The Bank demonstrates a steadfast commitment to fulfilling its GDPR accountability obligation by establishing and maintaining a comprehensive framework of procedures. The Bank conducts regular and targeted trainings for its employees, equipping them with the necessary knowledge and skills to effectively navigate GDPR requirements and uphold the highest standards of data privacy. During the year, 2,537 employees have attended GDPR trainings.

3,100  
3,000  
2,900  
2,800  
2,700  
2,600  
2,500  
2,400  
2,300  
2,200

## Attendance on GDPR trainings

3,017

2,537

2020

2022

Note:

i. No GDPR related seminars were delivered to employees in 2021

## 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 to 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](#).

No substantiated complaints concerning breaches of customer privacy have been received in any of the years presented in this Report (neither from outside parties, nor from regulatory bodies).

During 2022, the Bank recorded no instances of identified leaks, thefts, or losses of customer data.

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.

There were no instances of identified leaks, thefts, or losses of customer data during 2020.



[Message from  
the CEO](#)

[About  
this report](#)

[The Bank of Cyprus](#)

[Our approach  
to sustainability](#)

[Environment](#)

[Social](#)

[Governance](#)

**[Appendices](#)**

# Appendices



## GRI Content Index

<b>Statement of use</b>	Bank of Cyprus has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	- The Bank of Cyprus - Our profile - Our business model	7, 20	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available			√
	2-2 Entities included in the organization’s sustainability reporting	- About this Report	5				√
	2-3 Reporting period, frequency and contact point	- About this Report	5				√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-4 Restatements of information	<ul style="list-style-type: none"><li>- <b>About this Report</b></li><li>- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy</li><li>- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people</li><li>- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety injuries</li><li>- <b>Social:</b> Safeguarding and promoting culture &amp; heritage - Our approach to operational impacts: Promoting our culture and heritage in the society</li><li>- <b>Governance:</b> Securing Data Privacy - Our approach to operational impacts: Protecting personal data</li></ul>	5, 95, 96, 97, 98, 101, 156, 159, 160, 167, 184, 200, 252	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-5 External assurance	- About this Report	5, 285				√
	2-6 Activities, value chain and other business relationships	- The Bank of Cyprus: Our business model	10, 20, 23	No omission			√
	2-7 Employees	- Social: Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	155, 156	No omission			√
	2-8 Workers who are not employees	- Social: Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	156	No omission			√
	2-9 Governance structure and composition	- Governance - Corporate Governance - Sustainability governance	204, 210, 218, 224	No omission			√
	2-10 Nomination and selection of the highest governance body	- Governance: Corporate Governance	209	No omission			√
	2-11 Chair of the highest governance body	- Governance: Corporate Governance	204	No omission			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	<b>- Our approach to sustainability</b> - ESG Strategy - Our material impacts <b>- Governance</b> - Corporate Governance - Sustainability governance	40, 51, 209, 210, 224	No omission			√
	2-13 Delegation of responsibility for managing impacts	<b>- Governance</b> - Corporate Governance - Sustainability governance	210, 218, 224	No omission			√
	2-14 Role of the highest governance body in sustainability reporting	<b>- Governance:</b> Sustainability governance	224	No omission			√
	2-15 Conflicts of interest	<b>- Governance:</b> Business Ethics and Compliance	234	No omission			√
	2-16 Communication of critical concerns	<b>- Governance:</b> Business Ethics and Compliance	235	No omission			√
	2-17 Collective knowledge of the highest governance body	<b>- Governance:</b> Corporate Governance	220	No omission			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	- <b>Governance:</b> Corporate Governance	223	No omission			√
	2-19 Remuneration policies	- <b>Governance:</b> Business Ethics and Compliance	238	No omission			√
	2-20 Process to determine remuneration	- <b>Governance:</b> Business Ethics and Compliance	238	No omission			√
	2-21 Annual total compensation ratio	- <b>Governance:</b> Business Ethics and Compliance	238	No omission			√
	2-22 Statement on sustainable development strategy	- <b>Message of the CEO</b>	3	No omission			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-23 Policy commitments	<b>- Governance</b> - Corporate Governance - Business Ethics and Compliance - <a href="#">Our Culture - Bank of Cyprus / ethicscode_eng.pdf (bankofcyprus.com)</a> / <a href="#">our-statement-on-conduct.pdf (bankofcyprus.com)</a>	209, 229	No omission			√
	2-24 Embedding policy commitments	<b>- Governance:</b> Business Ethics and Compliance	229	No omission			√
	2-25 Processes to remediate negative impacts	<b>- Governance:</b> Business Ethics and Compliance	235	No omission			√
	2-26 Mechanisms for seeking advice and raising concerns	<b>- Governance:</b> Business Ethics and Compliance	235	No omission			√
	2-27 Compliance with laws and regulations	<b>- Governance:</b> Business Ethics and Compliance	240	No omission			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures							
GRI 2: General Disclosures 2021	2-28 Membership associations	- <b>The Bank of Cyprus:</b> Our Memberships and Recognitions	25	No omission			√
	2-29 Approach to stakeholder engagement	- <b>Our approach to sustainability:</b> Our material impacts	51	No omission			√
	2-30 Collective bargaining agreements	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	158	No omission			√
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	- <b>Our approach to Sustainability:</b> Our material impacts	42	No omission			√
	3-2 List of material topics	- <b>Our approach to Sustainability:</b> Our material impacts	42	No omission			√



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Climate							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our impacts	73	No omission			√
GRI 302: Energy 2016	302-1 Energy consumption within the organization	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	101	No omission			√
	302-3 Energy intensity	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	102	No omission			√
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	95	No omission			√
	305-2 Energy indirect (Scope 2) GHG emissions	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	96	No omission			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Climate							
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	97	No omission			
	305-4 GHG emissions intensity	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	98	No omission			
	305-5 Reduction of GHG emissions	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to operational impacts: Managing our operational climate change and environmental strategy	99	No omission			
Circularity							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Environment:</b> Promoting circularity - Our impacts	106	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- <b>Environment:</b> Promoting circularity - Our approach to operational impacts: Managing of waste and recycling	108, 113				
	Internal indicator: Paper consumed / printed	- <b>Environment:</b> Promoting circularity - Our approach to operational impacts: Managing of waste and recycling	108				√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Biodiversity & ecosystems							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Environment:</b> Safeguarding Biodiversity and healthy ecosystems - Our impacts	115	No omission			√
Bank of Cyprus	Internal indicators on Financed Impacts	- <b>Environment:</b> Safeguarding Biodiversity and healthy ecosystems - Our approach to financed impacts: Financing access to protect and restore biodiversity and ecosystems	116, 119, 121				
	Internal indicators: Financing to NACE sectors that create negative impacts on air, Financing to NACE sectors that create negative impacts on soil	- <b>Environment:</b> Safeguarding Biodiversity and healthy ecosystems - Our approach to financed impacts: Financing access to protect and restore biodiversity and ecosystems	119, 121				√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Financial inclusion & resilience							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Social:</b> Supporting financial inclusion and resilience - Our impacts	126	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- <b>Social:</b> Supporting financial inclusion and resilience - Our approach to operational impacts: Supporting accessibility to the use of financial services and ensuring customer experience and financial protection	135, 141, 143				
	Internal indicators on Operational Impacts: Percentage change in the number / value of transactions through the internet / mobile platforms, Percentage change in the number of users / new users of the internet / mobile platforms	- <b>Social:</b> Supporting financial inclusion and resilience - Our approach to operational impacts: Supporting accessibility to the use of financial services and ensuring customer experience and financial protection	141, 142, 143				√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Education & development							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our impacts	152	No omission			√
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	159	No omission			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to finance impacts: Financing access to education and lifelong learning opportunities	155	No omission			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Education & development							
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people  - <b>Governance:</b> Corporate Governance	161, 220	No omission			√
	404-2 Programmes for upgrading employee skills and transition assistance programmes	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	170	No omission			
	404-3 Percentage of employees receiving regular performance and career development reviews	- <b>Social:</b> Contributing to quality education and lifelong learning opportunities - Our approach to operational impacts: Contributing to the development of our people	167	No omission			√

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION			EXTERNAL ASSURANCE
		SECTION		REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Health, safety, and wellbeing							
GRI 3: Material Topics 2021	3-3 Management of material topics	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our impacts	177	No omission			√
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	180	No omission			
	403-2 Hazard identification, risk assessment, and incident investigation	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	181	No omission			
	403-3 Occupational health services	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	181	No omission			
	403-4 Worker participation, consultation, and communication on occupational health and safety	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	180, 181	No omission			
	403-5 Worker training on occupational health and safety	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	183	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	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	182	No omission			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	185	No omission			
	403-8 Workers covered by an occupational health and safety management system	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	180	No omission			
	403-9 Work-related injuries	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	181, 184	No omission			√
	403-10 Work-related ill health	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	184	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	- <b>Social:</b> Safeguarding and promoting culture & heritage - Our impacts	194	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- <b>Social:</b> Safeguarding and promoting culture & heritage - Our approach to operational impacts: Promoting our culture and heritage in the society	200				
	Internal Indicators: Total number of CSR activities that took place in 2022 aiming to safeguard our cultural heritage, No. of participants attending BOCCF events	- <b>Social:</b> Protecting and promoting health, safety, and wellbeing - Our approach to operational impacts: Supporting occupational health and safety	200				√

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	- <b>Governance:</b> Securing Data Privacy - Our impacts	247	No omission			√
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	- <b>Governance:</b> Securing Data Privacy - Our approach to operational impacts: Protecting personal data	252	No omission			√
Bank of Cyprus	Internal indicators on Operational Impacts	- <b>Governance:</b> Securing Data Privacy - Our approach to operational impacts: Protecting personal data	250				

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	15	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	160, 220, 229, 240	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 2022 - Note 39.2 - page 244	240	No omission			

## SASB Index

### SASB Financial Sector Commercial Banking Standard Disclosures

TOPIC	DISCLOSURE	SASB STANDARD	LOCATION	PAGES
			SECTION	
<b>Data Security</b>	Description of approach to identifying and addressing data security risks	<b>FN-CB-230a.2</b>	- <b>Governance:</b> Securing Data Privacy - Our approach to operational impacts: Protecting personal data	248
<b>Financial Inclusion &amp; Capacity Building</b>	(1) Number and (2) amount of loans outstanding qualified to programmes designed to promote small business and community development	<b>FN-CB-240a.1</b>	- <b>Social:</b> 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	131
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programmes designed to promote small business and community development	<b>FN-CB-240a.2</b>	- <b>Social:</b> 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	131
<b>Incorporation of Environmental, Social, and Governance Factors in Credit Analysis</b>	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	<b>FN-CB-410a.2</b>	- <b>Environment:</b> Setting an environmental strategy and contributing to climate stability - Our approach to financed impacts: Leading the way to sustainable financing - <b>Governance:</b> Sustainability Governance	85, 224

TOPIC	DISCLOSURE	SASB STANDARD	LOCATION	PAGES
			SECTION	
<b>Business Ethics</b>	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	<b>FN-CB-510a.1</b>	- <b>Governance:</b> Business Ethics and Compliance	240
	Description of whistle-blower policies and procedures	<b>FN-CB-510a.2</b>	- <b>Governance:</b> Business Ethics and Compliance	235
<b>Systemic Risk Management</b>	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	<b>FN-CB-550a.2</b>	- <b>The Bank of Cyprus:</b> Our business model - <a href="#">Annual Financial Report 2022 – ESG Disclosures – page 107</a>	15

## The Impact Radar - Definitions

	Impact Area	Impact Topic	Definition	Material Topic	Reference
Social	<b>Integrity &amp; security of person</b> <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.	√	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	<b>Health &amp; Safety</b> <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
	<b>Availability, accessibility, affordability, quality of resources and services</b> <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
<b>Social</b>	<b>Availability, accessibility, affordability, quality of resources and services</b> <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	<b>Availability, accessibility, affordability, quality of resources and services</b> <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	<b>Livelihood</b> <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
<b>Social</b>	<b>Equality &amp; justice</b> <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	<b>Strong institutions, peace &amp; stability</b> <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.		
	<b>Healthy economies</b> <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	<b>Infrastructure</b> <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.		
	<b>Socio-economic convergence</b> <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><b>Climate Stability</b></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"> <li>• <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></li> <li>• <i>reduction of GHG emissions (limitation of emissions directly related to the product)</i></li> <li>• <i>removal of GHG emissions (anthropogenic activities removing CO<sub>2</sub> 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></li> </ul>	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
<b>Natural Environment</b>	<b>Biodiversity &amp; healthy ecosystems</b> <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	<b>Circularity</b> <i>Circularity is the model of production and consumption that involves the following processes:</i> <ul style="list-style-type: none"> <li>• <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></li> <li>• <i>From a user-to-user perspective: Refuse, Reduce and Re-use</i></li> <li>• <i>From a user-to-business intermediary perspective: Repair, Refurbish and Remanufacture</i></li> <li>• <i>From business-to-business: Repurpose and Recycle.</i></li> </ul>	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 hereby submit our report regarding the results of the work performed, as described in the engagement letter dated 8 June 2023, regarding the limited assurance of the 2022 Sustainability Report (hereinafter "Report"), which was prepared by Bank of Cyprus Public Company Limited (hereinafter "BOC"), for the year ended 31 December 2022.

The work, performed, was conducted under the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements".

### Management Responsibilities

The Management of BOC is responsible for the completeness and accuracy of information included in the 2022 Sustainability Report, its preparation with reference to the GRI Standards (2021 update).

### Our Responsibility

Our responsibility is to conduct our work, as this is described in the section "Scope of work", report our findings and express a limited assurance conclusion. The work performed and the potential findings relate to specific performance indicators, included in the 2022 Sustainability Report (as these are described in the section "Scope of work") and the requirements for reporting in accordance with the GRI Standards (2021 update). The work performed relates to the 2022 Sustainability Report.

### Scope of work

BOC engaged us to:

- Provide limited assurance on the preparation of the 2022 Sustainability Report in accordance with the GRI Standards (2021 update).
- Provide limited assurance on the accuracy and completeness of the following quantitative indicators, linked to BOC's material issues and presented in the Report:

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 / new users of the internet / mobile platforms
Internal KPI	Total number of CSR activities that took place in 2022 aiming to safeguard our cultural heritage
Internal KPI	Number of participants attending BOCCF events

In order to form our conclusions, we performed the following:

- Interviewed and met with Departmental Managers and information owners in order to understand key governance structures, systems, processes, controls and their level of understanding of the information included in the 2022 Sustainability Report.
- Identified existing internal processes related to application of financial, environmental and social policies.
- Applied audit procedures, on a sample basis, in order to collect and review audit evidence.

### Inherent Limitations

The work performed does not provide absolute assurance that all material weaknesses related to the accuracy and completeness of data and relevant disclosures, as these are included in the Report, will be identified. A material weakness exists when the design of the internal controls is not adequate and thus, does not mitigate the risk of material deficiencies occurring without being detected in a timely manner. All issues brought to our attention during the audit work performed were accordingly communicated to BOC Management. Relevant points resulting from our work were discussed with Management and subsequently their written responses were obtained.

### Our Independence

During our work we remained independent of BOC, in accordance with the International Ethics Standards Board for Accountants (IESBA Code) as applied in Cyprus, as well as the ethical requirements EU Regulation 537/2014, and more specifically we complied with the provisions of article 5 of the Regulation regarding non audit services.

### Limited Assurance Conclusion

Based on the procedures we performed, nothing has come to our attention that causes us to believe that the indicators included in the 2022 Sustainability Report, as these are described in the section "Scope of work" are materially misstated.

Moreover, nothing has come to our attention that causes us to believe that the 2022 Sustainability Report does not meet the requirements for reporting in accordance with the GRI Standards (2021 update).

### Restrictions in Use

This Limited Assurance report, prepared as part of our work performed, is intended for the use of the Board of Directors and Management of BOC and covers only the indicated reporting period as well as the abovementioned scope of work.

Sincerely,



PricewaterhouseCoopers Limited

Certified Public Accountants and Registered Auditors

Nicosia  
30 June 2023



## Consultation & Coordination

The present Report was developed with the consulting support of the Climate Change and Sustainability Services practice of Ernst & Young Cyprus Ltd ('EY'). 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](#)