

Corporate Sustainability Report 2023





Making a Difference Making it Happen

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ABOUT THE REPORT

The Corporate Sustainability Report 2023 (the "Report") covers the period from 1 January to 31 December 2023, unless otherwise stated, and is addressed to the stakeholders of AstroBank Public Company Limited ("AstroBank", the "Bank").

The aim of the Report is to present the strategy, activities, practices and results that the Bank has achieved during the reference year, in the wider context of sustainable development.

The content of the Report is based on the needs and expectations of the Bank's key stakeholders as revealed from the value chain mapping and the materiality assessment exercises, carried out by the Bank. Through these exercises, the Report meets the goal of transparency, providing clear, accurate, unbiased and comprehensive information to all stakeholder groups, regarding the Bank's approach to economic, social and environmental issues, including its impact on human rights.

The ESG Unit has prepared the Report and has ensured that all material topics were covered. The Report has been reviewed and approved by the Bank's Board of Directors. The Report has been prepared in reference to the GRI Standards (2021 update). The index table for each of these standards is provided in the Appendix.

The Report has been posted on the Bank's website, in electronic form. Any suggestions and comments regarding the Report are welcome. For any feedback in relation to the Report and its contents you may contact:

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MESSAGE FROM THE CEO

Dear Stakeholder,

It's becoming clearer yet that a transition to a greener economy, and by extension a sustainable society, is the right path towards ensuring better quality of living standards. As a key pillar of the Cyprus economy and budding ecosystem, AstroBank has remained steadfast in its commitment to responsibly respond to emerging local and sovereign priorities, from business practice and environmental stewardship to colleague and community positive experience and societal impact.

Climate change is the defining challenge of our time. Consequently, our environmental and climate-related goals are setting specific targets for our decarbonization, raising awareness within our stakeholder groups, and designing and developing products to protect the environment and improve the use of natural resources. At the same time, we remain focused at supporting and guiding the entities we finance through this transition.

In support of our customers' green transition, over the past four years we have financed 49 PV Parks, and launched environmentally-friendly lending products to support households and businesses in their green transition journey: the EcoLogic home, for house renovations with purpose to improve the energy efficiency of the primary or holiday home, the EcoLogic consumer, for the purchase of photovoltaic and other energy-saving systems, the EcoLogic FastAuto, for the purchase of electric or hybrid vehicles and the EcoLogic Business that is addressed to companies that wish to upgrade the energy efficiency of their office buildings.

We have also implemented a solution for the ESG assessment of business entities which will also result in a development plan to support customers in their ESG transition.

As part of our ESG working plan, we estimated the Scope 1 and Scope 2 greenhouse gas (GHG) emissions that relate to our own operations and are designing a strategy for their reduction. We have also begun estimations of our non-financed and financed Scope 3 GHG emissions and are planning to design and implement a strategy for their reduction. Moreover, we have come to an agreement for the purchase of electricity from Renewable Energy Sources and have also installed a photovoltaic system in our headquarters.

Part of our training strategy is to increase awareness around ESG matters. Within this context, we have facilitated attendance to external seminars and training courses as well as organised internal training sessions for the members of the Board of Directors, Senior Management, and employees.

We continue to actively support Europa Donna Cyprus as a strategic partner. For 14 consecutive years, we have been co-organizing the Pink Silhouettes March, an initiative that aims to raise public awareness on matters related to breast cancer or gynecological cancer and empower women to fight the disease. We also systematically sponsor and support several non-governmental organisations.





Within the framework of supporting employees, we remain focused in their continuous learning and development, with high quality training sessions being offered via traditional and modern delivery methods.

The 'We Care' initiative is part of our actions to support a better work-life balance for our employees. The initiative provides, inter alia, 26 weeks fully paid maternity leave, 3 weeks fully paid paternity leave, educational leave, gift vouchers for newlyweds and new parents. Moreover, we continue to offer the 'Employee Assistance Programmes', which provide free guidance and counselling to employees by trained professionals on a 24/7 basis. Additionally, we organize workshops for the children of employees, and volunteering events such as blood donations and beach cleaning activities.

Transparency, credibility, accountability, and security are the fundamental corporate governance principles in the contemporary corporate environment. These provide the framework for the achievement of the Bank's objectives, reflecting our values and safeguarding the interests of the shareholders.

The Board of Directors is sufficiently diverse and reflects an adequately broad range of experiences to facilitate a variety of opinions and critical challenge, while also having adequate collective knowledge, skills and experience to be able to understand the institution's activities.

We aim at achieving at least 33% women representation in the Board of Directors by 2026. As at 31 December 2023, the women representation in the Board of Directors was 29% and at Senior Management level, we had a 44% representation of women.

The transition to a more sustainable future will require concerted action in the years to come. Banks will be important drivers of growth and AstroBank intends to play a pivotal role in this process by leading the way in sustainable initiatives while making a difference for the society we live and work in.

Aristidis Vourakis

Chief Executive Officer Nicosia, September 2024







AstroBank Public Company Limited was incorporated in Cyprus on 29 December 2006 as a private limited liability company (Reg. No. HE189515), in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and is operating under the supervision of the Central Bank of Cyprus. The registered office of the Bank is located at 1 Spyrou Kyprianou Avenue, CY-1065 Nicosia. The subsidiaries of the Group were incorporated in Cyprus in accordance with the provisions of the Cyprus Companies Law, Cap. 113.

The principal activities of the Bank during the year continued to be the provision of banking and financial services. The principal activities of the property subsidiaries are the holding, administration and disposal of property acquired by the Bank in debt satisfaction. A separate subsidiary operates as an insurance agency.

The Bank provides banking and financial services through its branch network, digital channels and ATMs.

AstroBank's operations are based on four pillars:



Corporate, SME and Shipping

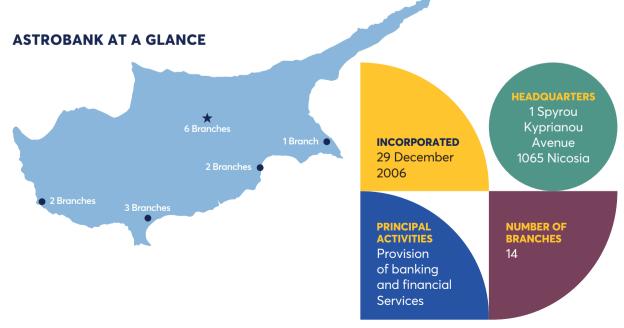




The Bank provides lending to creditworthy businesses with focus in the sectors of manufacturing, health and education, renewable energy and hotel and accommodation. The lending provided to households is focused on retail housing and secured lending.

AstroBank's Service Centres

Retail Branches	14
ATMs	15
Service Centres for large corporate companies	3
Shipping Unit	1
Service Centres for SMEs	1
Private Banking Service Centres	1
International Business Service Centres	4





Our Values

We earn the trust of our customers, regulators, investors and each other by always acting with integrity and holding ourselves to high standards. We aim to develop and invest on building long-term relationships with our customers. Our employees, as the Bank's brand ambassadors, have a duty to uphold the principles and values which reflect our brand identity.

Our Strategy

SUSTAINABLE GROWTH

Our strategy is focused on long-term growth (organic and by acquisition). To achieve this, we aim at taking into consideration the environmental, social and governance impact in our strategic planning and execution of banking operations and business activities, and harmonizing three core elements: economic growth, social inclusion and environmental protection.

CAPITAL OPTIMIZATION

The primary objective of our capital management is to ensure compliance with the relevant regulatory capital requirements and maintain healthy capital adequacy ratios, in order to support growth and maximise value for our shareholders.

ASSET MANAGEMENT

Our asset management strategy is focused on three elements: 1. expanding our portfolio to include healthy, viable facilities, 2. reducing our non-performing loans through customer restructuring, consensual debt settlement arrangements, debt-for-asset swaps and foreclosures and 3. disposing our on-boarded properties.

TECHNOLOGY AND INNOVATION

Well-aware of the ever-changing technological landscape and the customers' increasing expectations, we have always been a strong advocate of technology and innovation. As such, we are allocating a large portion of our resources to research and development, with a view to upgrade our offering and create innovative products and solutions.

Memberships and Awards

We had the honor of receiving the **Best Private Bank – Cyprus** award at the Global Private Banking Innovation Awards for two consecutive years, in 2023 and 2024. AstroBank was awarded by Global Private Banker, alongside dozens of global financial and investment institutions, with the jury highlighting that AstroBank's Private Banking Division provides innovative solutions to high-net-worth individuals.



We are actively involved in various initiatives relating to the economy, the environment and society. More specifically, we are a member of the following associations:

- Association of Cyprus Banks (holding a place in the governing body)
- Cyprus Employers and Industrialists Federation (OEB)
- Cyprus International Business Association
- Cyprus Investment Funds Association (CIFA)
- Cyprus Chamber of Commerce and Industry
- District Chambers of Commerce and Industry
- Corporate Sustainability & Responsibility (CSR Cyprus)
- · Cyprus Iran Business Association
- Cyprus China Business Association
- Cyprus Lebanon Business Association
- Cyprus Ukraine Business Association
- · Cyprus UK Business Association
- Cyprus Greece Business Association

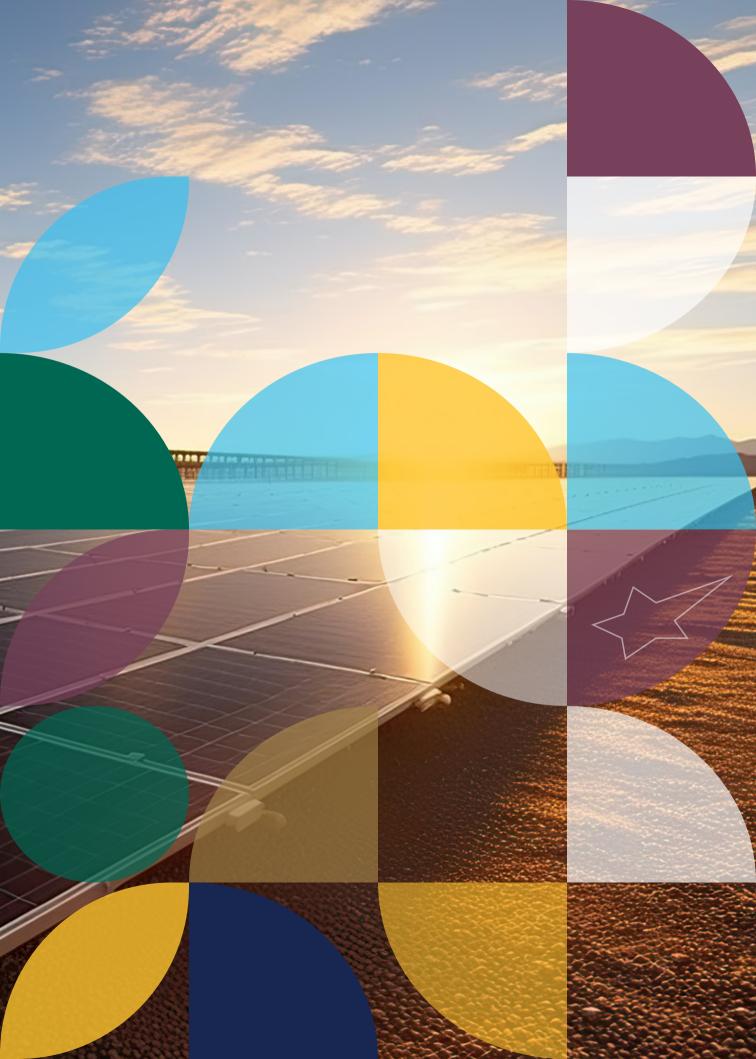
Conferences

Throughout the year, we participated as sponsors and speakers in conferences and forums, including:

- 11th Banking Forum & FinTech EXPO
- ANIMA Investment Network Annual Forum 'Innovation for the Planet'
- Fire side chat on: Making sense of the economy
- Workshop with Nicosia Municipality: Getting to know my city







Economic Performance

In September 2023, after almost 12 years, Moody's Investors Service (Moody's) upgraded Cyprus to investment grade and in May 2024, proceeded to upgrade Cyprus' outlook from stable to positive. According to Moody's, the upward rating pressure could be further supported by increased confidence in the strengthening and deleveraging of Cyprus' banking sector, which has reduced the country's vulnerability to banking sector risks and is expected to foster robust growth and solid fiscal results.

In June 2024, Standard and Poor's upgraded Cyprus long-term ratings to 'BBB+' from 'BBB' and assigned a positive outlook. They noted that the strengthening financial position of the banking system should lead to greater convergence of domestic financing conditions to the broader euro area, with possible positive ratings implications.

Within this economic environment, AstroBank has maintained its solid position in the Cyprus economy with healthy liquidity levels. Its Liquidity Coverage Ratio of 366% was well in excess of the regulatory minimum of 100%.

The primary objective of the Bank's capital management that was to ensure compliance with the relevant regulatory capital requirements and maintain healthy capital adequacy ratios in order to support its growth, has been achieved. The Bank's capital adequacy ratio was 23.7%, above the regulatory minimum Overall Capital Requirement ('OCR') of 15.04% and above the OCR including Pillar II Guidance ('P2G'). Moreover, loans to deposits ratio improved from 57% in 2022 to 47% in 2023.

Highlights of the financial results are summarised below. A more detailed analysis is available in the Group's Annual Financial Report 2023, that can be found in the Bank's website.

Financial results highlights (€m)	2021	2022	2023
Total Assets	3,018	2,726	2,725
Customer deposits	2,191	2,112	2,155
Gross loans to customers	1,298	1,203	1,007
Profit before provisions	17.3	13.6	37
Capital adequacy ratio	16.58%	17.96%	23.7%
Loans market share	5%	5%	4%
New lending	240	165	90
(Loss)/Profit after tax	3.3	12.2	30.4
Liquidity Coverage Ratio	260%	281%	366%
Regulatory minimum Overall Capital Requirement (OCR)	13.6%	13.6%	15.04%

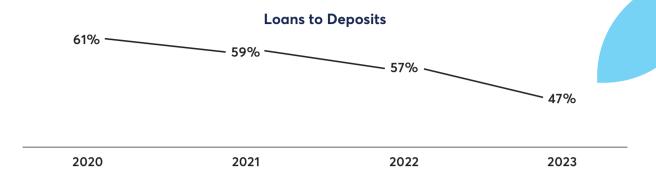




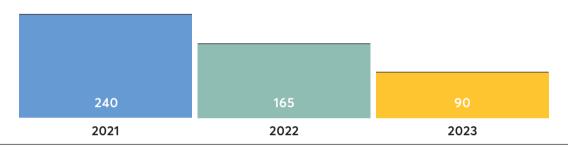








New Lending (€m)

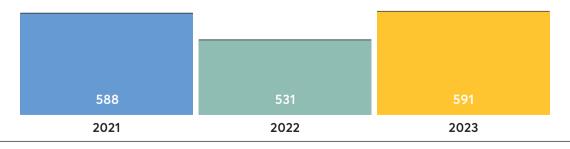


Direct Economic Value Generated and Distributed (€m)	2021	2022	2023
Direct economic value generated:			
Revenues	72	75	114
Economic value distributed:			
Payments to providers of capital (Refer to Note 1)	(5)	(4)	(22)
Employee wages and benefits	(26)	(26)	(27)
Operating costs	(22)	(24)	(16)
Impairment losses	(10)	(3)	(7)
Payments to Government (Refer to Note 2)	(5)	(5)	(6)
Community investments	(0,2)	(0,2)	(0,1)
Economic value retained	4	13	36

Note:

- 1. Includes payments to depositors and other interest expense.
- 2. Includes tax payments such as special levy and VAT.

Assets Under Management (€m)



Note: Assets Under Management include €98 million in deposits for 2023, €84 million for 2022 and €83 million for 2021. These are also included in customer deposits.

Our Business

AstroBank's operations are based on four pillars: Retail, Corporate, SME and Shipping, Private Banking and Wealth Management and International Business Banking.

RETAIL DIVISION

In 2023, the Retail Division focused at maintaining a healthy loan portfolio, despite the increase of the lending rates.

- > €38 million of new credit facilities were disbursed in 2023.
- > At the end of 2023, gross loans at amortised cost remained at the same levels, at €264.7 million (2022: €265.1 million) and deposits increased to €1.33 billion (2023: €1.25 billion).

CORPORATE, SME AND SHIPPING DIVISION

The Corporate, SME and Shipping Division continued to provide fully integrated business solutions and excellent customer service to its customers, consisting of large corporate customers and medium and small-sized enterprises.

- > In 2023, Corporate, SME and Shipping Division focused on maintaining a healthy lending portfolio.
- > Green lending was promoted, taking advantage of opportunities to finance the transition to a green economy. The total facilities granted for the construction and development of Photovoltaic Parks amounted to €26 million as at 31 December 2023.
- > At the end of 2023, gross loans at amortised cost decreased to €604.5 million (2022: €727.6 million) and deposits increased to €140.8 million (2022: €118 million).

INTERNATIONAL BUSINESS DIVISION

The International Banking Division focused on expanding its business on targeted market segments in line with its low-risk policy, fully harmonized with the stricter international AML standards.

- > A new customer-centric structure was adopted, where all customers were assigned to four Business Centres, each specializing in a different market segment and dedicated to offer excellence in quality of service via expert knowledge on the specifics of each market.
- > For 2023 total income increased to €17.3 million, consisting of interest income €12 million and fee income €5.3 million (2022: €9.3 million).
- > For 2023, deposits decreased to €587.4 million (2022: €651.4 million).

PRIVATE BANKING

In 2023, Private Banking continued to offer quality services, through innovative ideas and products, combined with a constant focus on building long-term relationships of mutual trust with clients.

As a recognition of these best practises, AstroBank received the Best Private Bank – Cyprus award at the Global Private Banking Innovation Awards 2023. The Bank went on to win the award for a second consecutive year, at the Global Private Banking Innovation Awards 2024.

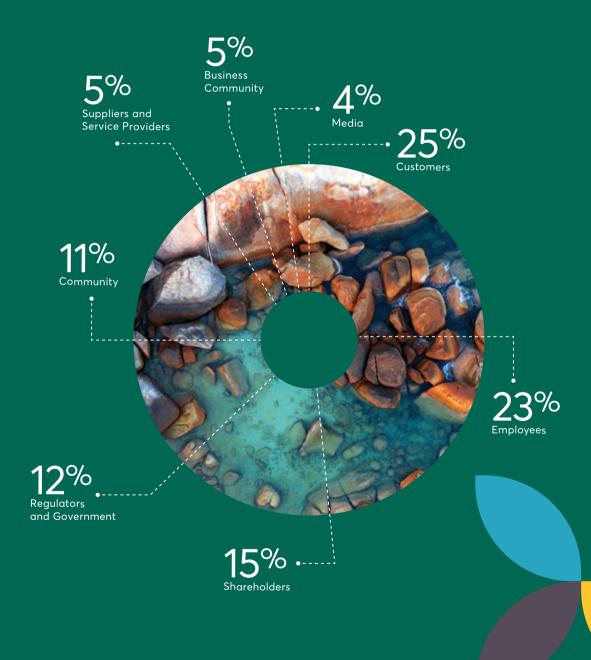
- > In 2023, Assets Under Management increased by 60 million, an 11% increase (2022: €531 million).
- > The investment portfolio increased to €493 million (2022: €451 million).
- > Moreover, the Unit continued to include several ESG funds and securities in the investment product list available to clients.





Engaging with Our Stakeholders

As part of our sustainability approach, we aim to establish long-term, strong relationships of trust with all our stakeholders. The key stakeholders of the Bank, as identified through the value chain mapping exercise performed, are presented below along with their estimated relative significance and impact on the Bank:



To be able to actively meet the expectations, concerns and issues we believe are important for our stakeholders, we promote an ongoing dialogue with them through various communication channels.

STAKEHOLDER GROUP	NEEDS / EXPECTATIONS	MEANS OF COMMUNICATION	FREQUENCY
Customers	Customer service, provision of products and services with transparency, responsible information, personal data protection	 Retail branch network Expert Advisors in all Business Lines 24/7 call centre Corporate Website Social media channels Complaints Procedure Mystery Shopper Surveys 	Ongoing
Shareholders	Reporting of accurate, timely and complete information on the Bank's annual and semi-annual financial results, Return on investment	 Annual General Meetings and Extraordinary General Meetings of Shareholders Investor Relations Section of Corporate Website Annual and semi-annual Financial Report and disclosures Press Releases 	Ongoing
Employees	Issues concerning the Bank, training and development of skills, equal opportunity, fair pay, safety and well-being, work-life balance, labour rights	 Employee engagement surveys Appraisals and mid-year review of performance Training sessions Social events Informative emails, newsletters and intranet Participation in volunteer actions 	Ongoing
Regulators and Government	Compliance with the supervisory and regulatory framework	 Provision of data and information, reports and action plans Meetings Through regulations, directives and circulars Participation in consultations 	Ongoing
Suppliers and Service Providers	Cooperation based on transparent procedures and criteria to achieve mutually beneficial agreements	 Supplier evaluation procedure Meetings Consistent payments Providing information about the Bank's Procurement Procedure 	Ongoing
Business Community	Mutual cooperation, promoting new businesses based on specified criteria and transparent procedures	 Press releases Meetings Open communication channels with professional associations and chambers of commerce Forums, summits 	Ongoing

STAKEHOLDER GROUP	NEEDS / EXPECTATIONS	MEANS OF COMMUNICATION	FREQUENCY
Community	Support of actions with a social impact	 Requests processed with consistency Participation in volunteer actions and support for organisations and associations in the form of sponsorships and donations Press Releases Social media 	Ongoing
Media	Cooperation to ensure optimum presentation of the Bank's actions, social initiatives, products and services	- Media monitoring - Press meetings	Ongoing

Materiality Assessment

The materiality assessment is carried out by the Bank, to identify its actual and potential impacts, assess their significance and determine and highlight material topics that are linked to the activities of the Bank.

For this process, we follow the Global Reporting Initiative (GRI) Standards that have been updated with effect January 2023. The disclosures require that companies report on several aspects of their company value chain and governance, as well as their materiality process, including assessment of actual and potential impacts, stakeholder engagement and prioritisation of topics, and a description of how the defined material topics are managed.

The materiality analysis carried out in 2022 also applies to the 2023 financial year and is described in the paragraphs below.

The Bank performed the process for the identification of its most material aspects, which was completed in four phases:

1. Understanding the organization's context

We started by creating an initial, high-level overview of our activities and business relationships, the sustainability context in which these occur, and an overview of our stakeholders. This provided critical information for the next phase: identifying our actual and potential impacts.

2. Identification of actual and potential impacts

The second phase included identification of our actual and potential impacts on the economy, environment, and people, including impacts on human rights, across the organization's activities and business relationships. For this, the results of the GRI materiality analysis conducted for the purposes of the 2021 Sustainability Report were taken into account, as well as financial audits, assessment of our loan portfolio and occupational health and safety inspections.

3. Assessing the significance of impacts

For the assessment of impacts, key internal stakeholders from all functions and departments of the Bank, completed a questionnaire where they were called to determine the significance of positive and negative impacts, taking into consideration specific criteria defined by the GRI.

4. Prioritization of the most significant impacts for reporting

The final list of material impact areas was reviewed and validated by the Senior Management of the Bank. The identified and prioritized material impact areas are presented in the table below.

The management of these material impacts by the Bank is analyzed within this Report.

Pillar	Material Topics	Positive Impacts		Negative Impacts	
		Financed	Operational	Financed	Operational
Environmental	Climate stability	•	•	•	•
	Circularity				•
	Financial health and inclusion				•
Social	Training and education		•		9872
	Health, safety and well-being		•		
	Contribution to society (CSR)				
Governance	Business ethics		•		•
	Data privacy		•		•



Alignment with the United Nations Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals were set up in 2015 by the United Nations General Assembly, as a call-to-action for people worldwide to address five critical areas of importance by 2030: people, planet, prosperity, peace, and partnership. Governments, non-governmental organizations and companies pledged to make the goals a success. However, nine years from their launch, little progress has been made. The SDG Progress Report released in June 2024 shows that on average, only 16 percent of the SDG targets are on track to be met globally by 2030, with the remaining 84 percent showing limited progress or a reversal of progress. Cyprus ranked 58th out of the 166 countries on the SDG index rank.

So while there are pockets of success and innovative solutions being implemented, the global community needs to intensify efforts to stay on track for achieving the SDGs by 2030. This includes addressing inequalities, strengthening climate action, and enhancing data systems to better monitor progress.

Financial institutions play a leading role in SDG implementation. By using their resources to promote economic and social development in virtually every field they can accelerate the development of sustainable finance and sustainability in general.

As such, we are working towards embedding and integrating the SDGs into our strategy and defining sustainable development actions and goals, taking these into consideration and aiming to contribute to their achievement.







































Our ESG Strategy and Goals

GOALS STRATEGIC PILLARS

Increase energy efficiency
 Support customers

- Support customers in their green transition
- Support local communities
 - Employee wellbeing
 - Diversity and inclusion
 - Transform in a sustainable, resilient Bank
 - Increase ESG awareness
 - Invest in Bank's digitalization

- Support our customer's transition to a sustainable economy
- Make a positive impact on community and the environment
- Invest in our employee wellbeing

Our updated sustainability strategy, goals and action plan was presented and approved by the BoD in December 2023. Our priority remains to manage our impact on environmental and social issues effectively, while maintaining a sound corporate governance framework. We aim to embed key ESG principles in our own operations and products and to transform into an organization that supports and guides the entities we finance through this transition. At the same time, investing in our employees wellbeing remains a priority.

ESG Steering Committee

In support of the implementation of our ESG agenda, in 2022 we established an ESG Steering Committee as well as an ESG Unit. The Committee's main responsibility is to assist the Board of Directors in overseeing the development and implementation of the Bank's general strategy with respect to ESG matters. Within 2023, six meetings of the Committee were held.

Role and Responsibilities

- > To consider and recommend policies, practices, and disclosures that conform with the Bank's ESG strategy.
- > To advise the Board of Directors on the effective management of climate related risks.
- > To advise the Board of Directors on ESG matters in ensuring sustainable growth of the Bank, within the framework of the Bank's policies.
- > To oversee the Bank's reporting and disclosures with respect to ESG matters.
- > To assist in overseeing internal and external communications regarding the Bank's position or approach to ESG matters.
- > To consider current and emerging ESG matters that may affect the business, operations, performance or public image of the Bank.
- > To put systems in place, as deemed necessary and appropriate, to monitor ESG matters.
- > To pre-approve the Annual Corporate Sustainability Report prior to its submission to the CEO and Board of Directors for approval.



ESG Unit

The ESG Unit is responsible for the coordination and implementation of actions to achieve alignment with the Bank's ESG strategy.

Role and Responsibilities

- > To collaborate closely with internal teams and the ESG Steering Committee to develop an integrated and coordinated corporate sustainability strategy.
- > To manage the planning, designing, pricing, positioning and market launch of green products.
- > To manage the annual sustainability report development, including running the materiality assessment process, coordinating data collection across departments, project managing the effort with internal teams and drafting the report.
- > To manage execution of reporting, including coordinating data collection across departments and project managing the effort.
- To research and evaluate evolving ESG trends, legislation, standards and disclosures; assist with development of policy recommendations; pursue preparedness within the Bank for ESG regulations and supervisory requirements.
- > To develop and deliver internal training sessions and material to enable awareness.
- > To prepare material and reports for actions and projects to the ESG Steering Committee and the Board of Directors.



PILLAR	OUR GOALS FOR THE FUTURE	TARGETS	2022-23 ACTIONS
7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AN		Measurement of Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions and target setting for their reduction	Measure 2022-2023 Scope 1 and 2 and create action plan for their reduction
10 RESPONSIBLE 10 CLIMATE		Reduction of total energy consumption	Purchase of electricity from RES PV system in HQ building
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE AND PRODUCTION	Support customers in their green transition	Increase of green lending	19 projects of RES Four green lending products for individuals and businesses
People and Society 3 GOOD HEALTH 4 QUALITY EDUCATION	Supporting local community	Continue to support society with donations and sponsorships (CSR actions)	Strategic partner of Europa Donna Cyprus, Donations and Sponsorships to many other NGOs
8 DECENT WORK AND ECONOMIC GROWTH 10 REQUALITIES	Employee wellbeing	Further enhance the 'We Care' initiative with purpose to improve employees work-life balance, offering tangible benefits	Increase in maternity and paternity leave, wedding and educational leave, paid care-leave, vouchers for new parents
11 SUSTAINABLE CITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Diversity and inclusion	Increase of the members of the under-represented gender in the Board of Directors	Increase of the participation of the under-represented gender to 29%
	Increasing employee awareness	Sustainability-related seminars to all members of staff to raise awareness and incorporate sustainability in our corporate culture	14 ESG training sessions Circulation of ESG newsletter and pamphlet with ecologic tips Dedicated ESG section in intranet
9 INDUSTRY, INDUSTRICE 12 RESPONSIBLE CONSUMPTION AND PRODUCTS AND PRODUCTS		Upgrade internal and external systems and processes, improving efficiency and security and reducing risks	Various internal applications developed to streamline internal processes New internet banking and mobile app
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Transform into a sustainable, resilient Bank	Create resilient internal frameworks by adhering to ESG frameworks	Establishment of 3-year action plan for the management of climate related and environmental risks Incorporation of ESG risks in Risk Management Framework





Fighting climate change and protecting the environment have become pressing matters over the recent years, as impacts related to these are evident globally, in sectors such as human health, ecosystems, agriculture and food safety. As an organisation, we recognise climate change as the defining issue of our time. Consequently, our environmental goal for the years to come is to monitor our performance and minimise our carbon footprint by setting specific targets, raising awareness within our stakeholder groups, and designing and developing projects to protect the environment and improve the use of natural resources. Moreover, we remain fully compliant with environmental laws and regulations, and we aim to embed sustainability across our Bank's operations.

Climate Stability

Our Impacts

Impacts on climate stability are created through specific products that address climate change, through energy use, energy reduction and efficiency initiatives in the Bank's supply chain and operations.

Our impacts	Financed	Operational
Positive	Financing activities of specific sectors such as generation of renewable energy create actual and potential positive impacts on climate stability.	Installing PV system in HQ building, promoting the rational use of lighting in the Bank's buildings, purchasing electricity from RES.
Negative	Financing activities of certain sectors (i.e., manufacture of plastic products, sale of automotive fuel) with actual negative impacts to climate stability.	Creation of Scope 1, 2 and 3 Greenhouse Gas (GHG) emissions (excluding financed) due to the Bank's operations across its value chain.

GREENHOUSE GAS (GHG) EMISSIONS

Greenhouse gas emissions from human activities strengthen the greenhouse effect, contributing to climate change. Most direct emissions are carbon dioxide (CO_2) from burning fossil fuels, as well as methane (CH_1) and nitrous oxide (N_2O) .

The Bank produces emissions directly, from its own operations and indirectly, from the purchase of energy and through its value chain. Calculating our GHG emissions is the first step towards understanding our contribution to climate change and thus, taking action to reduce these. Acknowledging the need to monitor and control our energy consumption, we also perform energy audits in our office buildings, for the improvement of the energy performance of branches and headquarters.

Scope 1, 2, 3 GHG Emissions

The following parameters are used for the measurement of our carbon footprint:

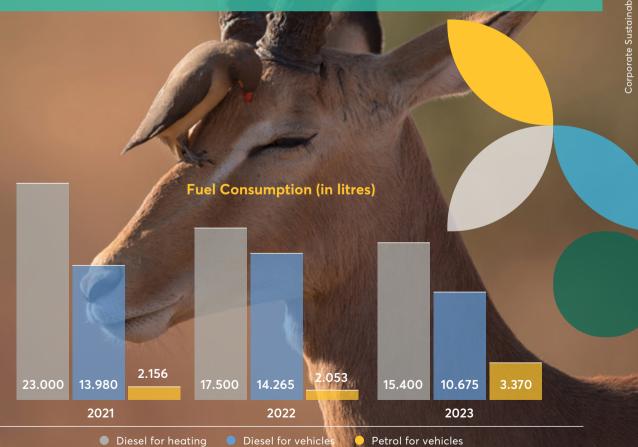
- Scope 1 GHG emissions: These include GHG emissions produced directly from the Bank's owned sources, such as fuel, refrigerants, and emissions from combustion in boilers, as well as emissions from fleet vehicles.
- Scope 2 GHG emissions: These include GHG emissions produced indirectly by the Bank, from purchased energy, such as electricity.
- Scope 3 GHG emissions: These include all indirect GHG emissions that occur in the value of the Bank, including business travel, employee commute, and financed emissions.

The Bank has estimated its Scope 1 and Scope 2 GHG emissions relating to own operations for 2022 and 2023 and has developed an action plan for their reduction. The average emissions of 2022-2023 will be used as the baseline against which emissions will be measured going forward. Scope 3 GHG emissions, including financed emissions, will also be estimated and a strategy for their reduction will also be designed and implemented.

At the time of finalizing the current report, the calculations were under the ISO 14064 verification process and therefore the final results may have minor variations.

Scope 1: Direct GHG Emissions	2022 tCO ₂ e	2023 tCO ₂ e
Stationary combustion	46.96	41.32
Mobile combustion	43.65	37.05
Total Scope 1: Direct GHG Emissions	90.61	78.37

- 1. The gases included in the calculations are CO_2 , CH_4 and N_2O_2
- 2. The calculation includes premises located in Cyprus.
- 3. AR5 Global Warming Potential (GWP) values were used for the calculations.
- 4. Stationary combustions: Emission factors from the Cyprus National Inventory Report (NIR) were used, applicable to the tupe of fuel.
- 5. Mobile combustions: Emission factors from the Cyprus Common Reporting Format (CRF) were used, applicable to the type of fuel and vehicle.
- 6. Fugitive emissions: Due to data availability issues, fugitive emissions are not presented within this report. Relevant data will be available and presented from 2024 onwards.



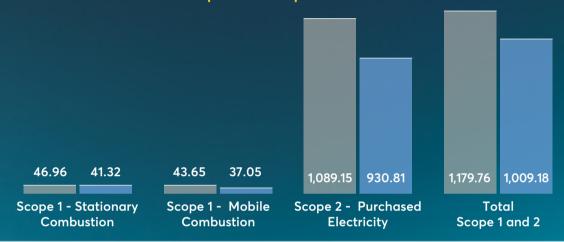
Notes: Number of vehicles decreased from 18 in 2022 to 16 in 2023.

Scope 2: Indirect GHG Emissions	2022 TCO₂e	2023 TCO ₂ e
Purchased electricity	1,089.15	930.81
Total Scope 2: Indirect GHG Emissions	1,089.15	930.81

Notes:

- 1. The gases included in the calculations are ${\rm CO}_2$, ${\rm CH}_4$ and ${\rm N}_2{\rm O}$ 2. The calculation includes premises located in Cyprus.
- 3. A market-based approach was used for estimating the emission. Specifically, electricity consumption was multiplied by the appropriate emission factors sourced from the Electricity Authority of Cyprus (EAC) website and the Abio Power website, which are the electricity suppliers of the Bank.

Scope 1 and Scope 2 Emissions



0 2022 **2023**

in financing of renewable energy projects in 2020-2023

Using renewable energy sources, provides environmental and economic benefits such as generating energy that does not produce GHG emissions, diversifying energy supply and creating economic development.

We were the first to finance renewable energy projects, supporting energy transition and at the same time, decarbonising our portfolio.

In 2023, we financed the construction and development of five new Photovoltaic Parks with total capacity of 6,7 MW. The total new lending amounted to €4 million.

///////////////////////////////////////	2020	2021	2022	2023	Total
Number of Financed Projects	16	14	14	5	49
Total MW	34,8	30,8	17,8	6,7	90,1
Amount Financed (€m)	32.4	20	13.4	4	69.8

ENVIRONMENTALLY FRIENDLY PRODUCTS

Focused on our commitment to support activities that will raise awareness and reinforce the protection of the environment, we have launched a series of environmentally friendly products and services. These aim to support customers in their transition towards a greener economy, by upgrading the energy efficiency of their homes and businesses and reducing their consumption of energy from non-renewable energy sources.

Ecologic Lending Products

We offer four environmentally friendly lending products, under the brand name 'EcoLogic':

- **EcoLogic home:** for house renovations with purpose to improve the energy efficiency of the primary or holiday home of the customer to category A or B
- EcoLogic consumer: for the purchase of photovoltaic and other energy-saving systems
- **EcoLogic Business:** addressed to companies that wish to upgrade the energy efficiency of their office buildings
- EcoLogic FastAuto: for the purchase of electric or hybrid vehicles.



Biodegradable Cards

Our range of cards that were launched at the end of 2021 are biodegradable, aiming to reduce waste by removing significant quantities of plastic which would otherwise end up in the ecosystem. Within 2024 new Touch CardsTM will be launched, which will allow people who are blind or partially sighted to easily distinguish between different payment cards in their wallet by touch alone.

RECOVERY AND RESILIENCE PLAN OF CYPRUS

Our aim is to continue supporting our customers in their transition towards sustainability, by launching products and services aligned with our ESG Strategy and the Recovery and Resilience Plan of Cyprus.

The Covid-19 pandemic uncovered the necessity to build stronger, more resilient economies and the European Union has taken various initiatives towards that direction. One of them is the Recovery and Resilience Facility (RRF) that was created under Next Generation EU, the EU's landmark instrument for recovery from the pandemic. The aim of the RRF is to support member states into making their economies and societies more sustainable and prepared for the green and digital transitions.

The RRF is also crucial for implementing the REPowerEU plan - the Commission's response to the socio-economic hardships and global energy market disruption caused by Russia's <u>invasion of Ukraine</u>.

Cyprus is set to receive €1.2 billion in total over the lifetime of the plan, with €1 billion provided in grants and €200 million in loans, allocated in 75 investments and 61 reforms, for reinforcing economic and social resilience. 45% of the funding is intended for green transition and 25% for digital transition.

September 2021

disbursement of €157 million pre-financing

December 2022

disbursement of first paymen of **€85 million**

January 2024

disbursement of **€21 million** pre-financing for REPowerEU

Within 2024

expected disbursement of €152 million

INVESTMENT IN RENEWABLE ENERGY SOURCES (RES)

Purchase of Electricity from RES

Committed to reducing our greenhouse gas emissions from non-renewable energy sources, we have entered into an agreement with a vendor for the purchase of electricity generated from Renewable Energy Sources. By the end of 2023 all branches and buildings operated by the Bank have been connected and powered through renewable energy sources.

Installation of PV System and EV Charger in Our Head Office Building

The installation of a Photovoltaic System in our Head Office building with 23 kW capacity was completed in 2023. Moreover, an electric vehicle charging station was installed in the parking space of our Head Office Building, to accommodate customers and employees.

Circularity

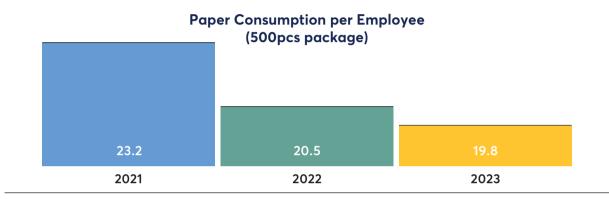
Our Impacts

Impacts on circularity are created through operational activities focused on waste management and the efficient use of non-renewable resources.

Our impacts	Financed	Operational
Positive	No financing activities with positive impacts on efficient waste management.	Recycling of electronic and office equipment, recycling of paper and reduction of paper consumption, increase of waste diverted from disposal and directed to recycling.
Negative	Financing activities of certain sectors (i.e., rental and operating of own or leased real estate) with actual negative impacts on the ability to manage and reduce waste.	Use of non-renewable materials (i.e., plastic) and offices supplies (i.e., printer consumables, paper). Production of hazardous waste (PCs, monitors, printers, etc.) which is diverted to disposal.

PAPER USE AND RECYCLING

Our efforts focus on reducing our paper consumption within the organisation, by encouraging double-sided printing and printing email correspondence only when it is necessary. Moreover, coloured printing is discouraged. This effort will be enhanced within the next years, through raising awareness with various internal campaigns, training our employees on environmental issues and communication of targets and achievements.



Paperless Cashier

The Paperless Cashier service offers customers the option to carry out their over-the-counter transactions by signing digitally on a signature pad, instead on paper. The digitally signed transaction is sent to the customer's personal email, which also enables the customer to store it on their computer or mobile device for easier retrieval in the future.

Online Statements

As part of the process of reducing our paper consumption, we switched all our monthly paper statements of credit cards, current and savings accounts, to online statements. Customers who are subscribers to our electronic banking service can safely view their monthly account statements online, any time and on any device.

Online Service for Submission of Documents

Via the electronic banking portal, customers have the option to safely upload specific documents required by the Bank and avoid being physically present at branches, as well as the printing of documents.

Recycling

Paper is not discarded in common bins but collected in appropriate recycling bins. We have a total of 30 recycling bins in our branches and offices with capacity 20 liters each, that are collected by licensed contractors and sent for recycling on a monthly basis.



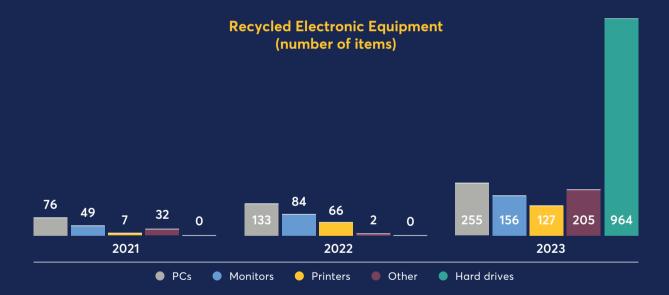
WASTE MANAGEMENT AND RECYCLING

As the safe disposal of batteries, toner cartridges and other types of solid waste prevents the risk of polluting both the soil and water with heavy metals and other hazardous substances, we make every possible effort to recycle and/or redirect these. Depending on type, waste is collected in the appropriate bins or at designated areas, to be delivered to licensed waste management contractors. The safe disposal of batteries and toner cartridges prevents the risk of polluting both the soil and water with heavy metals and other hazardous substances.

We have a 'Pay as you Print' agreement with a vendor, meaning that Multifunction Peripheral devices are delivered to the Bank on a need basis. The vendor also manages the recycling of the consumables (toner cartridges and other parts).

Our goal is to continue expanding our recycling programmes in order to ensure the safe management of all outgoing recyclable materials.

Electronic equipment such as monitors and printers that are decommissioned, are safely disposed, through recycling.









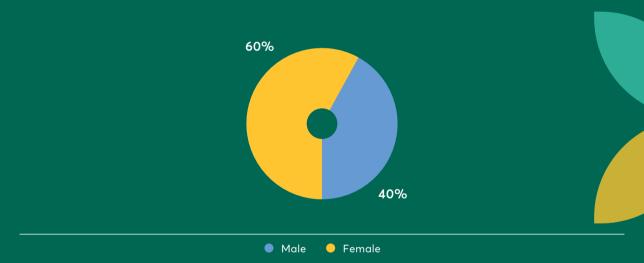


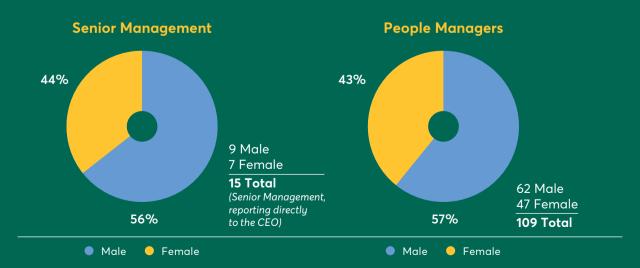


We are committed to investing in our workforce, since we consider our people to be our most important asset. In 2023, we continued to implement a series of actions in support of our employees' growth and professional development, as well as initiatives to improve work-life balance and promote well-being.

OUR PEOPLE IN NUMBERS











*People managers include the members of the Senior Management, reporting directly to the CEO



60%

60% of the total permanent employees are female, however females only account for 44% of the senior management (reporting directly to the CEO). As we believe that gender diversity is a success factor for team performance, we remain focused on achieving a gender balance in senior positions.

95%

of our employees are permanent. As at 31 December 2023, one employee was working part-time.

91%

of female and 81% of male employees have a University or College degree or a professional title.

Notes

- 1. People managers includes Heads, Managers, Supervisors, Team leaders and any other role that has subordinates.
- 2. Numbers are reported in head count, as at 31 December 2023.

DIVERSITY AND EQUAL OPPORTUNITY

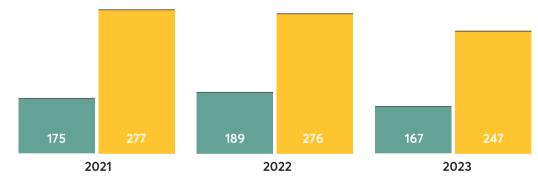
The Bank implements high standards of professionalism and policies against discrimination and exclusion, aiming at an open work environment for all, with respect to diversity and individual rights. Diversity within the organisation leads to a broader range of experience, knowledge, skills and values and facilitates independent opinions and constructive challenging in the decision-making process. The Bank believes in equal opportunities and is committed to creating a fair environment, where people can succeed regardless of gender, age, ethnicity, disability, religion, sexual orientation or cultural background. The Bank has fostered and promotes an anti-discrimination culture and has promoted high ethical standards of behaviour among its employees. For the period 2018-2023, there were no reported incidents of discrimination.

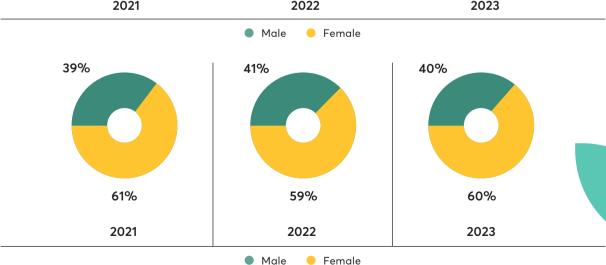


Employees by Gender and Region

	Male	Female	Total
Nicosia	130	187	317
Limassol	12	26	38
Larnaca	11	12	23
Paphos	11	15	26
Famagusta	3	7	10
	167	247	414

Employees by Gender





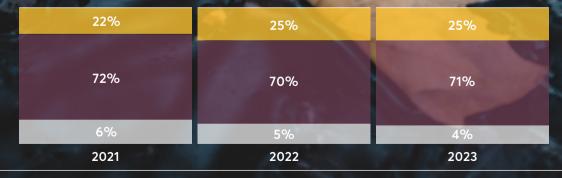
Employees by Employment Status, Gender, and Region

		Nicosia	Limassol	Larnaca	Paphos	Famagusta	Total
Full-time	Male	120	12	11	11	3	157
Permanent	Female	175	25	12	15	7	234
	Total	295	37	23	26	10	391
Part-time	Male	0	0	0	0	0	0
Permanent	Female	1	0	0	0	0	1
	Total	1	0	0	0	0	1
100000000000000000000000000000000000000	Male	10	0	0	0	0	10
Non-permanent	Female	11	1	0	0	0	12
	Total	21	1	0	0	0	22
Total		317	38	23	26	10	414

Employees by Age Group, Gender and Region

		Under 30 years old	Between 30-50 years old	Over 50 years old		Total
	Nicosia	9	75	46	1	130
	Limassol	0	8	4	10000	12
Male	Larnaca	0	8	3		11
Male	Paphos	0	6	5	85	= 11
	Famagusta	0	2	1 %		3
	Total Male	9	99	59		167
	Nicosia	7	145	35		187
	Limassol	2	20	4		26
Female	Larnaca	0	10	2	B	12
	Paphos	0	14	1		15
	Famagusta	0	6	1	500	7
	Total Female	9	195	43		247
Total	1	18	294	102		414

Employees by Age Grou



Under 30 years old

Between 30-50 years old

Over 50 years old

Employees by Employee Level and Region

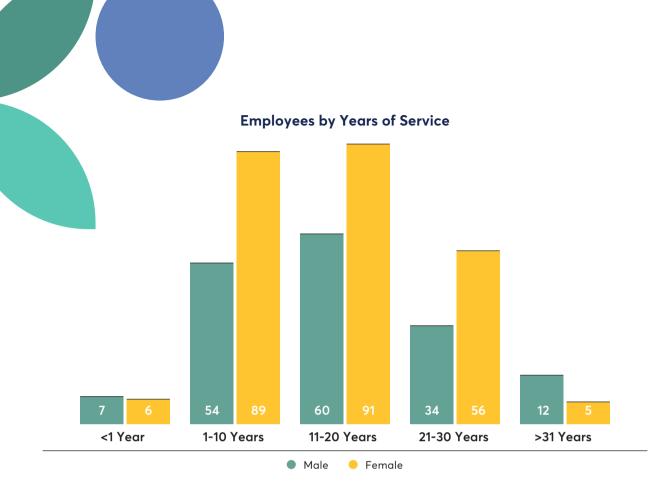
		People Managers	Non-managers	Non-permanent Employees	Total
	Nicosia	46	74	10	130
	Limassol	5	7	0	12
Male	Larnaca	5	6	0	11
Male	Paphos	6	5	0	11
	Famagusta	0	3	0	3
	Total Male	62	95	10	167
	Nicosia		137		187
	Limassol	5	20	1	26
Female	Larnaca	1	11	0	12
Cindic	Paphos	0	15	0	15
	Famagusta	2	5	0	7
	Total Female	47	188	12	247
Total		109	283	22	414

Employees by Employee Level and Age Group

		Under 30 years old	Between 30-50 years old	Over 50 years old	Total
	People Managers	0	34	28	62
Mada	Non-managers	4	61	30	95
Male	Non-permanent Employees	5	4	1	10
	Total	9	99	59	167
	People Managers	0	35	12	47
Female	Non-managers	5	154	29	188
remale	Non-permanent Employees	4	6	2	12
	Total	9	195	43	247
Total		18	294	102	414

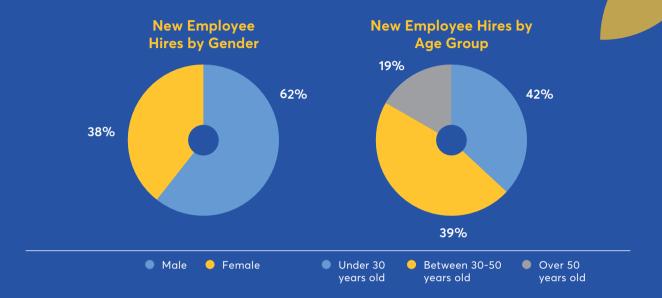
Remuneration ratios by employee level	2023
Non-people Managers	1:1,76
People Managers	1:0,68
Non-permanent	1:1,37





New Employees Hires

		Under 30 years old	Between 30-50 years old	Over 50 years old	Total
	Nicosia	7	6	2	15
	Limassol	0	0	1	1
Male	Larnaca	0	0	0	0
Male	Paphos	0	0	0	0
	Famagusta	0	0	0	0
	Total Male	7	6	3	16
	Nicosia	4	3	2	9
	Limassol	0	1	0	1
Female	Larnaca	0	0	0	0
	Paphos	0	0	0	0
	Famagusta	0	0	0	0
	Total Female	4	4	2	10
Total		11	10	5	26



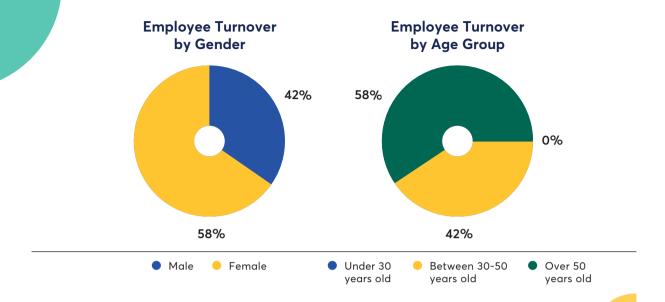
The Bank has a positive market presence in Cyprus and supports the local community. During the reporting period, 100% of Senior Management at significant locations of operation were hired from the local community.

Notes:

- 1. Senior Management is defined as Managers reporting directly to the CEO.
- 2. Local refers to Cyprus.
- 3. Significant locations of operation refer to the country's main regions: Nicosia, Limassol, Larnaca, Famagusta and Paphos.

Employee Turnover

		Under 30 years old	Between 30-50 years old	Over 50 years old	Total
	Nicosia	0	12	11	23
	Limassol	0	0	2	2
Male	Larnaca	0	0	2	2
Male	Paphos	0	0	0	0
	Famagusta	0	0	0	0
	Total Male	0	12	15	27
	Nicosia	0	14	 16	30
	Limassol	0	1	3	4
Female	Larnaca	0	0	1	1
Commen	Paphos	0	0	2	2
	Famagusta	0	0	0	0
	Total Female	0	15	22	37
Total		0	27	37	64



SUPPORT AT WORK

Training and Education

Our Impacts

Our people's development strategy is centred on training and education. It offers empowerment to employees to evolve constantly, in the rapidly changing world of employment, and at the same time keep abreast of the constant changes in rules and regulations. This is achieved with high quality training sessions being offered across the Bank via traditional and modern delivery methods.

Our impacts	Financed	Operational
Positive	Financing activities of certain sectors (i.e., higher education, educational support services) create a direct actual positive impact on training and education.	Upskilling and creation of employment opportunities. Annual performance assessments.
Negative	Financing activities do not create any negative impact on training and education.	Operating activities do not create any negative impact on training and education.

Learning Module in SAP Success Factors

The Bank offers a range of high-quality specialist training courses designed to meet employee-specific needs in all the areas of Banking as well as courses for personal and professional development. The Bank also offers training sessions through the online learning platform of SAP Success Factors, providing employees with access to study material in the form of presentations and short videos at their own time and pace.

Training Sessions

- > 150 sessions were delivered in-class or online (webinars), with 1212 attendees.
- > 4 e-learning seminars were provided, with the participation of 592 employees.

Average training hours, by gender	2021	2022	2023
Male	13	16	11
Female	11	17	11
Total average hours	12	17	11

Average training hours, by employee status	2021	2022	2023
Permanent			11
Non-permanent	-	-	7
Average	12	17	11

Average training hours, by employee status	Male	Female
Non-people Managers	11	11
People Managers	12	13
Non-permanent Employees	7	7

154 courses delivered

1,804 participants

average training hours per employee

ESG Training

During 2023 and as part of the Bank's training strategy to increase awareness around ESG matters, it has facilitated attendance to relevant external seminars and training courses as well as organised internal training sessions for the members of the Senior Management and employees. 14 sessions of ESG training were delivered to 17 participants.

Members of the Senior Management and ESG Unit employees also participated in various conferences and forums that revolved around sustainability.

Raising ESG Awareness

The Bank issued its first ESG newsletter in 2022. The newsletter has since circulated internally on a regular basis and includes updates on ESG matters, the Bank's latest news on its sustainability journey, as well as issues around Cyprus' transition towards economic growth and sustainable development.

A separate pamphlet, providing ecologic tips to reduce our carbon footprint at work has also circulated within the members of staff. In addition, a dedicated ESG section was created in the Bank's internal portal.

14
ESG training sessions

ESG newsletters

Anti-bribery and corruption Seminars

Our organisation follows a set of policies and procedures on anti-bribery and anti-corruption. We adhere to a zero-tolerance policy towards bribery and corruption, and we strive to promote transparency and integrity.

14 sessions, with 195 participants were provided in 2023 on the topics of anti-bribery and anti-corruption. Moreover, 2 sessions were delivered to 430 participants on anti-money laundering.

Professional Development Courses

Withing 2023, the Bank has offered three Dale Carnegie Training courses to 50 employees, for a total of 450 hours, for the development of their leadership and communication skills. 32 soft-skill sessions were also provided to 287 employees, for a total of 515 hours.

hours of Dale Carnegie Training courses



Human Resources Business Partner (HRBP)

The HRBP role was established in 2021 and involves a holistic management of Human Resources issues for all departments in relation to HR's specialization areas, such as staffing, training, performance management, employee satisfaction, rewards, employee relations. The HRBP is responsible for providing guidance and aligning business objectives through the establishment of trust relationships within the members of the staff and Heads of the Departments and Divisions that result in increasing productivity and building morale.

Improving Communication and Employee Experience

The SAP SuccessFactors application that was launched in 2021 helps improve communication across the Bank and increases user autonomy and mobility. Specifically, through the available options, which are accessible 24/7 onsite and via all smart devices, users can:

- Access their personal profile and their colleagues' work contact details
- Enter and manage leave requests and their personal details through an easy to navigate process
- Access a modern performance management platform, provide ongoing feedback and set development goals.

The Bank's intranet portal keeps employees up to date on important strategic, business and HR-related issues. It also includes a 'share your thoughts' section to facilitate communication within the Bank and prompting employees to share their thoughts and suggestions in any aspect.

PERFORMANCE ASSESSMENT

Human Capital Management System

Continuing to invest in our people's growth, in 2021 we launched the SAP SuccessFactors System, creating a one-stop shop for all employee needs and allowing an even more user-friendly experience and 24/7 access. SAP Success Factors is a complete, cloud-based Human Capital Management (HCM) system that covers and simplifies core HR processes, including a variety of modules such as Performance and Learning module.

Appraisal and Development Plan

With the launch of SAP SuccessFactors, we provided our employees with the opportunity to set individual job related and developmental objectives which were aligned with those of their department's as well as the Bank's. Individual objectives are directly linked to the person's job description and to the Key Performance Indicators of the role.

Performance

Employee performance is evaluated on the extent to which quantitative and qualitative objectives are realized. Through the Performance module, both employees and managers can monitor and manage performance goals in real time, 24/7, through all smart devices, while they are also able to provide instant feedback, regarding goals, strengths and development areas throughout the year, keeping employees engaged and building productive, thriving teams.

Employees who received regular performance and career development review, by employee level and gender

			2021			2022			2023
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent	161	262	423	179	268	447	157	235	392
Non-permanent	0	0	0	10	8	18	10	12	22
Total							167	247	414

^{*}Numbers don't include the CEO

100%

of employees
received performance
and career
development
reviews

HEALTH, SAFETY AND WELLBEING

Our Impacts

Impacts on health, safety and wellbeing are created through specific products and services that affect the ability of the stakeholders to live in a state of physical, mental and social well-being.

Our impacts	Financed	Operational
Positive	Financing activities of certain sectors (i.e., manufacture of pharmaceuticals, hospitals, other health services) create an actual positive impact on health and safety.	Providing a safe and supportive workplace, protecting against occupational risk andpreventing any injuries. Supporting employees' well-being and work-life balance.
Negative	Financing activities of certain sectors (i.e., mining and quarrying) create an actual negative impact on the ability of the stakeholders to live in a state of physical, mental and social well-being.	Negative impacts created as a result of potential work-related injuries and illnesses.



Health and Safety

The Bank's occupational health and safety management system is aligned with the Legal Framework requirements described below. The Legal Framework provides for the implementation of measures that promote the health and safety of persons at work as well as other persons who may be affected by work activities. For this purpose, the Legal Framework contains general principles in relation to the prevention of occupational risks, the protection of health and safety, the elimination of the risk factors of accidents at work and occupational diseases, the prevention of major accidents and the limitation of the consequences of such accidents, the briefing, consultation, balanced participation, the tutoring or training of persons at work and their representatives as well as rules for the implementation of these general principles.

The occupational health and safety management system covers the workers, activities, and workplaces of the Bank, as described below.

- Workers: All the job positions reflected in the Bank's organisational chart.
- Activities: All activities carried out within the Bank, including Cashiers, Office Work, IT, Maintenance Department, Messengers, Cleaners.
- **Workplaces:** All the facilities where the Bank's permanent or non-permanent staff of the Bank work from, including the Head Office, Business Centres, Branches, Offices, Warehouses.

The Bank has established Health and Safety Committees at all premises and regions. The committees:

- Organise joint actions of the employer and employees to ensure compliance with the requirements of the occupational safety and health regulations
- Organise inspections of working conditions (every three months) and occupational safety and health at workplaces
- Inform employees of the results of these inspections
- Collect proposals subject to the section of the collective agreement on occupational safety and health

There is also a designated Health and Safety Officer who deals exclusively and full-time with occupational safety and health issues in accordance with the provisions of the Cyprus Safety and Health at Work legislation.

The Bank has the following prevention and support mechanisms in place, to efficiently deal with any personal problems or emergencies:

- First-aid and occupational health and safety training
- Evacuation and emergency response drills at all the Bank buildings

In 2023

- Eight health and safety training sessions including first-aid, defibrillator use and harmful factors in the workplace, 370 participants, 2,179 hours in total
- One evacuation drill was completed with the participation of 150 employees
- · Zero serious or non-serious work-related injuries recorded



2,179
hours of Health
and Safety
trainings



Health Insurance Benefits

All employees (permanent and non-permanent) are covered under a Life Insurance Scheme with maximum insurance coverage equal to 60 gross salaries. They are also covered under an Accident Insurance Scheme.

Employees also remain insured under the TY-ETYK Medical Scheme which complements the Government Health Care Scheme (GESY) and supports serious medical and urgent conditions.

Bank's contributions towards employees' health insurance benefits

Contributions to General Health System (GESY)	€602,187
Contributions to TYETYK Medical fund	€643,403
Group life insurance	€254,223

Freedom of Association and Collective Bargaining

All employees have the irrevocable right to organise themselves in trade unions. In Cyprus there is only one banking union, the Cyprus Union of Banking Employees (ETYK). 96% of our employees are members of ETYK. The Union's elected representatives are consulted in matters that relate to employment and working conditions and participate in Internal Committees that handle employee issues (Disciplinary, Appeals, Grievances). The Bank commits to informing, consulting, and negotiating, whenever needed, with employee representatives during decision making processes.

In December 2021, the Bank reached an agreement with the Cyprus Union of Bank employees for the renewal of the collective agreement for the year 2022. The agreement related to certain changes including the introduction of a new performance-related pay component as part of the annual salary increase. All permanent employees are covered by the provisions of the Collective Agreement.

In reference to operational changes in collective agreements, a party seeking to modify a collective agreement is obligated to give the other party at least two months' notice, prior to the expiration of the agreement, of their intention to do so, accompanied by a list of claims and/or modifications. This may or may not be stipulated in the collective agreement but is the common practice followed as per the Industrial Relations Code. Employees are given a minimum of two to four weeks' notice – on average depending on the significance of the operational change – prior to the implementation of significant operational changes that could substantially affect them.

	2021	2022	2023
Number of employees represented by Trade Unions (permanent employees)	393	430	376
Number of permanent employees	427	443	392
	92%	97%	96%

Supporting Our Employees and Their Families

We continued to provide towards the well-being of our employees and their families, through a series of supportive actions. The 'We Care' initiative was launched in 2022 and further enhanced in 2023, as part of the Bank's actions to support a better work-life balance for its employees. It provides, inter alia, gift vouchers for new parents, marriage leave, paid care-leave, working from home arrangements and more.

Leave Benefits

Maternity and Paternity Leave

Our employees enjoy the full benefits emanating from the relevant legislation, in relation to their maternity and paternity leave rights.

Moreover, in the Collective Agreement between the Bank and the Cyprus Union of Banking Employees that was renewed at the end of 2021, it was agreed that maternity leave is extended to six months, (the Bank offered this prior to being officially passed as legislation by the Cyprus Parliament), and paternity leave to three weeks with full salary compensation. The Bank also pays employees on maternity or paternity leave their full salary and receives the relevant compensation from the Social Insurance Services.

Maternity and Paternity leaves 2023

- > 17 female
- > 7 male
- > 100% returned to work upon the completion of the leave.





Parental Leave

Any parent can receive unpaid parental leave up to 18 weeks, for the purpose of caring and raising their child, following birth or adoption. In 2023, 20 days of parental leave were granted.

Care Leave

The Bank can grant paid care leave to an employee acting as a carer for a child or close family member, in the event of a serious illness. 48 days of care leave were granted in 2023.

Marriage Leave

Employees getting married receive an additional three days of annual leave as a wedding gift from the Bank. Six days of marriage leave were granted in 2023.

Compassionate Leave

Employees are allowed an annual leave day for the funeral of a close family member. 27 days of compassionate leave were granted in 2023.

Other Leave Benefits

These include force majeure leave, for reasons having to do with accident or illness of a close family member, educational leave for exams in reference to bachelor's, master's degree or other qualifications and trade Union leave, for the participation in trade union seminars.

Gift Voucher to New Parents

New parents receive a gift voucher to support them with the expenses of a new child. In 2023, €5,400 were granted in gift vouchers.



Children's First Day of School

Parents with children at pre-school, 1st and 2nd grade of elementary school are provided with flexible working hours so they can escort their children on their first day of school without the additional stress of making it to work on time.

TALKS

Acknowledging the importance of wellbeing in the workplace, a series of wellness programs was initiated, under the umbrella TALKS, providing our employees with tools for their personal development and self-improvement. The program includes online seminars, podcasts and flyers. During 2023, eight online seminars were delivered around the subjects of work-life balance and improving mental health and seven flyers were distributed.

Team-Building Activities

Events for members of staff and their families

Staff events: A staff event took place in March, as well as our annual Christmas party which took place in December. Our employees had the opportunity to meet in a relaxed atmosphere, enjoy good food and music and meet with colleagues from across Cyprus.

Children's Christmas and carnival parties: Our employees' children were all invited to parties during Christmas and Carnival, filled with activities, music and surprises. NGOs were also invited to sell their products. **Children's tennis day:** A tennis day for children was also organized where children had the opportunity to learn or practise their tennis skills.

Bring-your-kid-at-work-days: Our employees had the option to bring their kids at work during the holiday season, where they had the opportunity to participate in various workshops and activities.

Hiking Group

Our hiking group meets regularly, exploring trails throughout Cyprus and sharing adventures.

Shooting Team

The Bank's shooting team meet regularly for training purposes and participates in various shooting events.

Christmas Carols

Children's choirs from four different primary schools sung Christmas carols in the lobby of the Head Office building, spreading joy and holiday spirit.

Employee Assistance Programme

The 'Employee Assistance Programme' that was introduced in 2013 provides counselling to employees for personal and work-related problems. The following complimentary services are offered to employees and family members:

- **24/7 Support line:** the line offers unlimited counseling and guidance, provided by trained professionals for the management of personal/family or work matters, to employees and family members. The calls are anonymous and strictly confidential.
- **Counselling services:** The employees and their family members also have the option to have one-to-one counselling sessions with an experienced professional.

Remote Working Arrangements

186 employees (45%) worked from home within 2023, in various instances.

Credit Facilities

Employees enjoy discounted rates for the Bank's products and services. In 2023, the balances of employee facilities that enjoyed discounted rates were €17.9 million. It is noted that this amount includes facilities of employees that have opted for the Voluntary Retirement Scheme and maintain their benefits for a period of five years.

Supporting Our Employees Who Opted for the Voluntary Retirement Scheme

The Bank provides the following benefits to our employees who opted to take the VRS over the past 3 years:

- Offers coverage and pays contributions for existing members of TY-ETYK Medical Scheme as well as their existing dependents for a period of two years from their departure date or until the member reaches the age of 65
- Special Tariff Scheme Benefits continue to apply, regarding transactions effected through their AstroBank account for the next five years, or until the member reaches the age of 65
- Coverage under the Life Insurance Scheme, for a period of two years from departure date or until they reach the age of 65
- Existing discounted pricing in loans (as provided in the applicable Collective Agreement) remains as is for a period of five years from departure date or until they reach the age of 65

Our Customers

We pride ourselves to be a customer-centric Bank. Our customers are the core of our business, and it is our top priority to offer them high quality services, professional customer service, security and fraud protection.

CUSTOMER PRIVACY AND PROTECTION

Our Impacts

Data breaches, digital fraud, cyber-security attacks and compromised customer data are all becoming more common as people become more reliant on technology and the use of digital channels to conduct financial transaction is constantly expanding. Information security and data protection continues to be one of our top priorities. The actual or potential use of stakeholders' personal data in an unauthorized manner create negative impacts on data privacy.

Our impacts	Financed	Operational
Positive	Financing activities do not create any positive impact on data privacy.	Operational activities do not create any positive impact on data privacy.
Negative	Financing activities do not create any negative impact on data privacy.	The stakeholders' accessibility to the right of personal privacy.

Information Security

One of our defence lines is the Information Security Department, which reports directly to the Board Risk Management Committee. The mission of the department is to manage the part of the business risk that derives from the dependency that our organization (like all modern organizations) has on Information and Information Systems and allowing them to fully take advantage of today's interconnected economy.

In 2023, a large number of companies in Cyprus experienced a cyber-attack, a testament to the growing sophistication, complexity and frequency of these digital threats. The Bank continued to use an established risk framework while also implementing a series of actions and policies to improve its cybersecurity.

It also continued educating employees and customers on the importance of security awareness. An Information Security Awareness Training has been delivered to all employees in May 2023, which covered information security and privacy threats, safe computing practices, physical security aspects, data security, mobile and remote computing best practices and reporting guidelines upon a security incident detection. Moreover, banners are uploaded periodically on the employees' internal portal, reminding them that the protection of Bank's sensitive information is everybody's responsibility.

A campaign has been promoted through the Bank's official accounts on social media, making the customers aware that the Bank will never ask for their personal data (such as passwords, account numbers, card codes or verification codes) through SMS, email, phone calls and/or pop-ups.

Moreover, useful security guidance is provided through a dedicated site within the Bank's official website. This covers topics such as the protection of transactions at ATMs, protection of cards PINs, protection when travelling, or navigating the web, protection against malware, scam emails/SMSs and protection against fraud through mobile phones.

In 2023, the Bank:

- Continued to ensure its compliance with the evolving regulatory and legal requirements.
- Successfully deployed a new fraud monitoring system
- Implemented a Web Application Firewall
- Implemented a volumetric anti-DDoS protection service
- Implemented a Network Access Control at its Headquarter building
- Executed an enterprise-wise penetration test to identify exploitable vulnerabilities.
- Defined the criticality of business applications
- Assessed the compliance with SWIFT Customer Security Controls Framework
- Implemented an OTP, dynamically linked with each transaction, in accordance with PSD2 requirements.
- Continued to cooperate and share intelligence and knowledge with its peers, the Central Bank of Cyprus, the Association of Cyprus Banks, the Police Cyber Crime Division, and the National Computer Security Incident Response Team of Cyprus.

Zero
successful cyberattacks
in 2021-2023

Customer Privacy

The Bank has adopted and has been operating in full compliance with the General Data Protection Regulation [Regulation (EU) 2016/679 of the European Parliament], more commonly known as GDPR. The Bank collects, records, uses, consults and, in general, processes personal data of individuals in the context of its business activity, in full compliance with applicable laws, to guarantee their protection.

The Bank has prepared and provides 'AstroBank's Privacy Notice' to all individuals, upon collection of their personal data, to inform them about the processing of personal data carried out. The document is also posted in the Bank's website. The Bank has an appointed Data Protection Officer (DPO) responsible for overseeing the overall data protection strategy and implementation and ensuring compliance with GDPR requirements.

The Bank communicates information on how to protect customer privacy, to all members of staff, through email, to all Bank's customers via SMS, as well as through notifications in the Bank's corporate website and internet banking portal.

So far, the Bank has faced a minor number of complaints, concerning breaches of customer privacy and losses of customer data. In 2022-2023, no substantiated complaints were received by customers. Moreover, no substantiated complaints were received from regulatory bodies.

ENHANCING ACCESSIBILITY AND FINANCIAL INCLUSION

Our Impacts

Financial health and inclusion impacts are created through products and services offered; these include the stakeholders' ability to enjoy financial stability, afford homeownership and create wealth.

Our impacts	Financed	Operational
Positive	Financing activities of certain sectors (i.e., rental and operation of own or leased real estate, buying and selling of own real estate) create a direct actual positive impact on the accessibility of financial services.	Digital banking for remote access to services. ATMs across the island with free cash withdrawals. Branches accessible to disabled persons.
Negative	Financing activities of certain sectors create an actual negative impact on accessibility to finance.	Negative impact linked with the potential closure of the Bank's branches.

'Freezing' of Base Interest Rates for Primary Residence Housing Loans

We acknowledged the difficulties our customers faced following the inflationary pressures, which have led the European Central Bank to continuously raise interest rates. These increases have affected the installments of mortgage loans linked to the European Central Bank's base rate and the Euribor rate. In this context we deemed it imperative to support our customers and absorb any additional interest rate increases by 'freezing' the base rate for all housing loans for primary residence, with ECB rate or Euribor, to 2.75% for a period of six months.

Payment Accounts with Basic Features

We have been offering our customers the option to open a payment account with basic features, since 2020. The account provides individuals access to banking, including free over the counter services, access to ATMs and cash withdrawals that are free of charge, access to online banking and other services.

Branch and ATM Access

We provide access to free cash withdrawals across the island, including remote areas, from our ATMs and from more than 300 ATMs of the Euronet Worldwide network.

Our Premises

93% of our branches are fully accessible for disabled persons and persons with reduced mobility. It is our goal to make all our premises fully accessible.

Accessible Cards for Blind and Partially Sighted People

A new set of debit and credit cards will be launched within 2024. The new Touch Cards™ will offer an innovative set of notches, which will allow people who are blind or partially sighted to easily distinguish between different payment cards in their wallet by touch alone. The cards will also be 84% biodegradable.

CUSTOMER SERVICE

With customer service being at the centre of our activities, we continue to improve our products and services while at the same time adhering to the relevant rules and regulations and providing transparent information to our customers.

Responsible Information and Communication

As part of our responsible customer information policy, we aim at providing comprehensive information to every customer, so as to communicate our products and services in a transparent manner.

Before carrying out any transactions with the Bank, or any requests for products and services, customers may refer to the Basic Terms and Conditions governing the relationship between the customer and the Bank as well as the Tariff Guide that includes all Bank's charges for every product and service provided. The Bank's Privacy Notice is also provided to all individuals, upon collection of their personal data, to inform them about the processing of personal data carried out. The aforementioned documents are also available online and through the branch network. Customers also obtain detailed information about the features of a credit facility they may be interested in, through the special pre-contractual agreements, provided by the Bank's branch network.

A Marketing and Promotional Activities procedure ensures compliant advertising and covers the issue of fair advertising, in order to comply with the provisions of the relevant legislations which govern this matter. A Procedure on Social Media and Alternative Advertising Channels Management, for the management of material, posts and messages published, is also in place. The Bank has also established a Policy on Transaction Transparency and Management of Customer Complaints that sets the framework on how to properly inform its customers about the nature and characteristics of the products and services it offers, as well as about the terms and conditions generally applicable to banking transactions.

Responsible Development of Products

The Bank follows a standardised procedure that includes steps for the design, approval, development and placement of new products and services in the market, as well as any significant changes to existing products and services. It also describes the actions that need to be taken for the development of new markets, business, and for exceptional transactions. The process is also regulated by the Bank's New Product Approval Policy which is aligned with the relevant EBA Guidelines.

The approving Authority for new products and services (and significant changes to existing ones) is the Assets and Liabilities Committee (ALCO). Prior to the submission of a new product to ALCO for approval, the assessment and documented opinion of at least the following departments with respect to their areas of responsibility is necessary: Risk Management, Compliance, Legal Services, Finance, Credit, Organisation & Methods, IT, Human Resources, Business Lines and any other department relevant to the product/service.

The assessments address the following main issues: product rationale and fit within the existing product range, product features, product eligibility criteria and conditionalities, pricing models and profitability, target market, distribution channels, consistency with the risk strategy and risk appetite of the Bank, the impact on liquidity and capital adequacy, risk appetite limits and profitability, regulatory compliance, legal matters, accounting implications, availability of adequate human resources with knowledge and expertise to understand and manage the associated risks, material changes to related IT systems and processes, dependence on third parties, material changes to related processes, identity of the business unit and individuals responsible, product testing and discontinuation and exit strategies.

The product owners supervise the smooth and successful placement of the Product in the market taking any corrective measures, where necessary. During 2023, we did not have incidents of non-compliance concerning product and service information and labelling.

Mystery Shopper

The Bank has been performing mystery shopper surveys to ensure that the quality of its products, customer service and branch environment are of the highest standards. Using an independent vendor who provides an objective evaluation of its standards and procedures, the Bank analyses the results of each survey and uses these as an unbiased metric for setting benchmarks and targets for improving customer experience and existing processes. Within 2023, 56 mystery shopper visits were completed in the Bank's 14 retail branches.



Call Centre

Our Call Centre is available 24 hours a day, 7 days a week.

- > 91% of all incoming calls were answered in 2023, in comparison to 92% in 2022.
- > 70% of the calls were answered within the first 20 seconds
- > The Call Centre also handles emails that are sent from customers and non-customers of the Bank. In 2023, 5,973 emails were received and handled.

Calls Handled by Call Centre 67,052 81.204 58,732 46,486 57.303 2021 2022 2023 Total Number of inbound calls 85.88% 59.97% 92.16% 76.83% 91.00% 70.00% 2021 2022 2023 Answer rate Answered within 20sec umber of Emails Handled 3,470 4,200 5,873 2021 2022 2023 46,486 57,303 issues handled incoming calls

Complaints Procedure

The Bank has in place a complaints procedure and is committed to handling all grievances in a timely, accurate, discreet and respectful manner. The Bank has committed to respond within a period of 10 days from receipt and in the event that more time is needed to investigate the claim, the customer is informed accordingly with an interim letter.

In 2023, the Bank has received 28 complaints. All were resolved by the end of the year.

Customer Complaints Received



Complaints 2023	# of complaints
Pending from 2022	0
New received in 2023	28
Completed in 2023	28
Pending end of 2023	0

Areas of concern	# of complaints
Banking services	13
Reasons for rejection of account opening / closing	1
sKash	2
Other	11
Total	28

Our Society

Our Bank is committed to operate in an economically, socially and environmentally sustainable manner, prioritising the interests of its stakeholders.

For all of us here at AstroBank, giving back to society is an integral part of our culture, values and strategy, as well as our day-to-day operations. Our vision is to work responsibly - as a socially active member of society. We want to reciprocate the trust placed in us by society, by taking part in collective actions that aim to create a better tomorrow. Our mission is focused on being a driving force for prosperity, by adding value to the lives of our employees, customers, partners, shareholders, national economy, society and fellow human beings.

OUR SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Our Impacts

Our vision is to operate responsibly, as an active member of society, adding value to the community that we serve and operate in. In these challenging times, of great financial and social significance, helping society and meeting its specific needs is just as important as our other activities.

Our impacts	Financed	Operational
Positive	Financing activities of certain sectors create actual positive impacts to society.	CSR activities create positive impacts for people and communities.
Negative	Financing activities do not create any negative impact on CSR initiatives.	Operating activities do not create any negative impact on CSR initiatives.

Donations and Sponsorships (€)



€553,000

donations
and sponsorships
in 2021-2023

Europa Donna Cyprus

We continue to actively support **Europa Donna Cyprus**, as a strategic partner. For 14 consecutive years, we have been co-organizing the Pink Silhouette Walk an initiative that aims to raise public awareness on matters related to breast cancer and empower women to fight this disease.

The Pink Silhouette Walk involves community participation, spreading crucial information about breast cancer, and fostering a sense of solidarity and support for those affected by the disease.



Europa Donna Cyprus's 19th Walk sent the message that all those who have experienced cancer have "The Right to be Forgotten", the right to move on with their lives, without discrimination, with access to insurance coverage and financial benefits. Hundreds of people, including representatives of the Bank and other organized groups, participated to share a message of hope, strength, and life.

14 years

Strategic partner of Europa Donna Cyprus





Europa Donna Cyprus's 19th Walk sent the message that all those who have experienced cancer have "The Right to be Forgotten", the right to move on with their lives, without discrimination, with access to insurance coverage and financial benefits. Hundreds of people, including representatives of the Bank and other organized groups, participated to share a message of hope, strength, and life.



Other Initiatives

We also systematically sponsor and volunteer with several non-governmental organisations, such as the Cyprus Red Cross Society, Vagoni Agapis, Alkionides Charity, Telethon and the Cyprus anti-cancer society. We are gold sponsors of the charity fashion show 'Eight with a Cause' and we also support the Cyprus Autistic Association, the Cyprus Association "One dream, one wish", the Association "Mora Thavmata" and the Association "Goal sti zoi".

Continuing our yearly tradition, we also offered awards and grants to honours students of universities in Cyprus.

Volunteering

Our people are the backbone of our Bank. Our employees have always been the driving force behind the organisation's Corporate Social Responsibility programmes.

Blood Donation

Our employees participated in a voluntary blood donation drive that was held in locations all over Cyprus. As part of its long-standing collaboration with the Blood Bank of the Ministry of Health, the Bank's employees and management embraced this initiative by participating for yet another year.

'Movember' Event

Our volunteers participated and raised funds for a 'Movember' event, involving the growing of moustaches during the month of November to raise awareness of men's health issues, such as prostate and testicular cancer.

Education

Our aim is to support the new generation, by providing children and young adults with the tools, as well as inspiration to change their lives for the best. In this framework, our employees volunteer in the following activities of 'Junior Achievement Cyprus':

- Meet your Mentor: Our employees become business mentors to students interested in exploring their
 entrepreneurial skills through experiential learning. Participants learn how to take a business idea
 from concept to reality and have hands-on experience of running a real business. In doing so, student
 companies have the guidance of their teacher and the support of their business mentor who is their
 link to the real business world.
- Economics for Success: An interactive educational programme aimed at 3rd grade Gymnasium students. Our employees present modules that provide students with practical information about personal finance and the importance of identifying education and career goals based on the student's skills, interests and values.



Our Suppliers and Vendors

We follow transparent and standardised procedures in selecting our suppliers, through the relevant procurement procedures and following a predefined evaluation and approval process.

The evaluation of each supplier is based on the assessment of their professional behaviour with regards to the quality with which they meet the technical and operational requirements set by the Bank, the organizational structure, the qualitative and quantitative competence of staff and the operational capabilities in relation to geographic distributions. Moreover, their economic behaviour in terms of long-term financial viability, the impact of their contracts with the Bank on their turnover and the competitiveness of their pricing policy are also important elements in the assessment of existing and prospective vendors.

The Bank's suppliers are selected through a standardised, clear and transparent internal procedure, which is followed to evaluate and approve tenders. The Procedure is fully harmonized with all GDPR and compliance rules, regulations, and directives, while it prevents any conflict of interest.

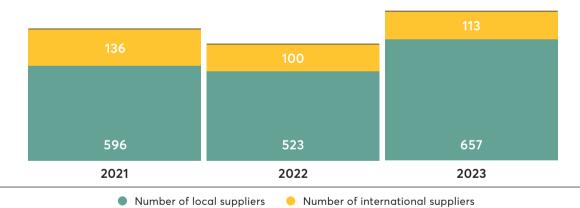
In 2023 we have paid €22 million in total to approximately 765 suppliers.

- > A total of approximately €14 million (66%) was paid to 657 local suppliers (64%) from 75 different industries.
- > 75 types of suppliers, including providers of professional services, legal services, marketing services, insurance services and consultation services.
- > From 9 different countries: Cyprus, UK, Greece, Netherlands, Lebanon, Germany, Switzerland, Luxembourg and USA.

Amounts Paid to Suppliers (€m)



Suppliers



Note: Local refers to Cyprus.





Digital Innovation

Our aim is to promote easier, faster and more secure transactions through the web, gradually eliminating the need to physically visit the Bank's branches. A transformation plan is already in progress aiming to modernize the day-to-day transactions of the customer with the Bank while at the same time building efficiencies within the organization. Despite the digitalization actions, we remain focused on serving the customer by maintaining human interaction.

DIGITAL BANKING

Our customers carry out their transactions at their own convenience, via our digital banking channel. In 2023, a new and improved digital banking and mobile app were launched. Our internet and mobile banking offer a full range of functionalities that cover both corporate and retail needs.

75,870 internet banking subscribers

110,000 average number of logins per month

ATM NETWORK

Our ATMs offer a full range of functionalities and are located in central locations all over Cyprus. Our customers also have access to free cash withdrawals, from more than 300 Euronet Worldwide ATMs across the island.

405,035
ATM
transactions

14,025 cheque deposits through ATMs

SOCIAL MEDIA CHANELS

The Bank maintains official accounts on Instagram, Facebook and LinkedIn. The accounts enable us to share important information in real time and address customer enquiries and feedback in a convenient and accessible manner.

ONLINE APPOINTMENT

At a time when technology has become an integral part of daily life, the online appointment scheduling system simplifies banking even further. It helps save time from waiting in lines at the branch, as every meeting can be scheduled online in advance. Customers can make use of these appointments to discuss with the Bank's specialised staff their needs in reference to lending facilities, insurance products and other banking solutions.

STREAMLINING INTERNAL PROCESSES

New internal applications were developed to help users save time and effort in day-to-day operations and decrease costs. These include switching Call Center vendors, relocation of the Bank's data center to the Head Office, new customer position tool, digitalization of loan implementation and of customer onboarding and other regulatory-related enhancements.

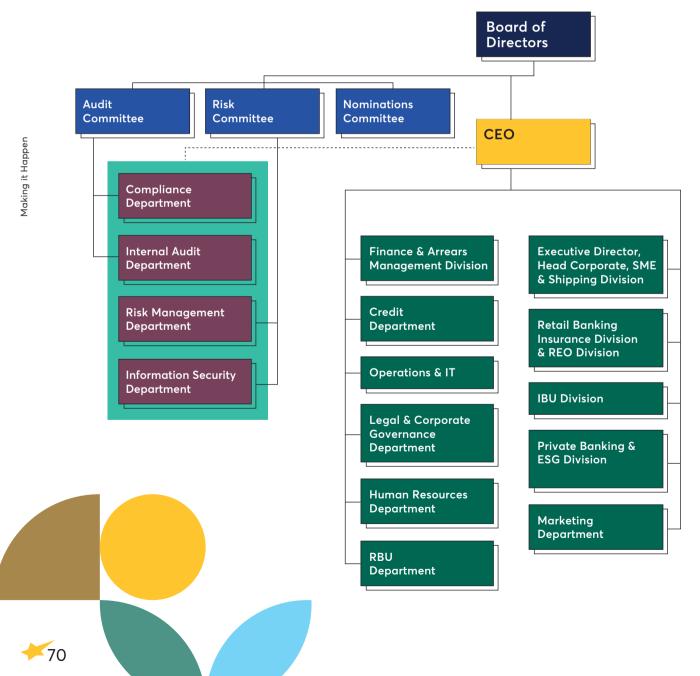




Transparency, credibility, accountability and security are the fundamental corporate governance principles in the contemporary corporate environment. These principles provide the framework for the achievement of the Bank's objectives, reflect the Bank's values and safeguard the interests of the shareholders.

The Internal Regulation on Corporate Governance, which is binding on the instruments of the Bank, incorporates all relative legislative provisions as well as the framework of its internal supervision and management. The aim of the Regulation is to provide transparency and efficiency to the current corporate governance system and to determine the rules of sound and responsible administration in order to strengthen the confidence of shareholders, employees and customers towards the Bank.

Our Organizational Structure



Our Board of Directors

The Board of Directors is the supreme governing body and responsible with establishing the ethical standards and corporate values that guide the daily activities of the Bank, for the BoD itself, the Senior Management and the remaining employees of the Bank. In this context, the BoD has approved a Code of Conduct for Bank Employees, a Code of Service, a Disciplinary Code, a Policy on Conflict of Interest, a Policy on Whistleblowing and the Procedure on Personal Complaints.

The Chief Executive Officer is the highest management body and has executive functions.

Composition of Board of Directors as at 31 December 2023.

Position	Name	Independence Status
Chairperson	Michalakis Sarris (Non-Executive Director)	Independent
Vice-Chairperson	Bassam Najib Diab (Non-Executive Director)	Non-independent
Executive Director	Aristidis Vourakis (Chief Executive Officer)	Non-independent
Executive Director	Evi Rossidou Antoniadou	Non-independent
Non-Executive Director	Maria Dionysiades	Independent
Non-Executive Director	Costas Partassides	Independent
Non-Executive Director	William J. Gallagher	Independent

- > The Chairperson of the Board of Directors is an Independent Director and does not hold any executive duties within the Bank.
- ➤ Mr. Andreas Vassiliou retired from the Board of Directors on 4 December 2023. Mr Vassiliou was a Non-Independent Non-Executive Director and the Vice-Chairperson of the Board of Directors.
- > Mr Bassam Najib Diab was appointed as Vice-Chairperson of the Board of Directors on 5 December 2023.





THE BOARD COMMITTEES

The BoD has the primary responsibility for internal governance at all times and defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the Bank, including the segregation of duties and the prevention of conflicts of interest. In this respect, the BoD is responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy and internal governance. Additionally, the BoD ensures the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards.

The Board of Directors is supported by three Committees established on the Board level, that aim to make its operations more effective by delegating Directors to focus on specialized areas and facilitate the Board's decision-making process.

Composition of Board Committees as at 31.12.23	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
Chairperson	Costas Partassides	Maria Dionysiades	Costas Partassides
Members	Maria Dionysiades	Michalakis Sarris	Michalakis Sarris
	William J. Gallagher	William J. Gallagher	Bassam Najib Diab
Composition	Male: 2	Male: 2	Male: 3
	Female: 1	Female: 1	Female: 0
	30-50: 1	30-50: 0	30-50: 1
	>50: 2	>50: 3	>50: 2

Audit Committee

The members of the Committee have recent and relevant practical experience in the area of financial markets or professional experience directly linked to financial services activity and knowledge of the Bank's broader business environment, including information systems and technology.

The main responsibilities of the Audit Committee are:

- To monitor and evaluate the process for preparing the annual and interim financial statements of the Bank, according to the Accounting Standards, prior to their submission to the BoD for approval, in order to ascertain the integrity, accuracy and reliability of the information contained therein
- To assist in the financial reporting process and the integrity of the Bank's financial statements and any formal announcements relating to the institution's financial performance and other disclosures
- To develop and implement a policy on the engagement of External Auditors to supply audit and non-audit services for the Bank, taking into account the relevant legislation
- To monitor and assess the adequacy and effectiveness of the Internal Control System and Information Systems
- · To evaluate the work of the Internal Audit Unit and the Compliance Department
- To approve the Code of Conduct of the Bank and any amendments made to it and ensure that is available to all members of staff
- To monitor the Bank's whistleblowing procedures by which the employees may, in confidence and with anonymity, raise concerns

Risk Management Committee

The Committee members have, individually and collectively, appropriate knowledge, skills and expertise in order to fully understand and monitor the risk strategy and the risk-taking policy of the Bank, as well as the risk management and control practices.

The main responsibilities of the Risk Management Committee are:

- To advise and support the BoD on the monitoring of the Bank's overall actual and future risk appetite and strategy, taking into account all types of risks, to ensure that they are in line with the business strategy, objectives, corporate culture and values of the Bank
- To oversee the implementation of the strategies for capital and liquidity management as well as for all other relevant risks
- To provide advice on the appointment of external consultants that the BoD may decide to engage for advice or support
- To review and provide input on the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and on the Pillar III Disclosure reports and recommend them to the BoD for approval
- To monitor the Arrears Management Strategy
- To review and provide input on the Recovery Plan and Business Plan and recommend them to the BoD for approval
- To examine whether incentives provided by the remuneration policies and practices take into consideration the Bank's risk, capital, liquidity and the likelihood and timing of earnings
- To review the quarterly and annual reports of the Risk Management Unit and the annual reports of the Information Security Department and recommend the annual report to the BoD for approval
- To assess and monitor the independence, adequacy and effectiveness of the Risk Management Unit and the Information Security Department and advise the BoD accordingly
- To assess and monitor the adequacy and effectiveness of the information security framework which, ensures the protection of the Bank's confidential and proprietary information

Nomination and Remuneration Committee

The members of the Committee have collectively appropriate knowledge, expertise and professional experience concerning remuneration policies and practices, risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to the Bank's risk and capital profiles. They also have, individually and collectively, appropriate knowledge, skills and expertise concerning the selection process and suitability requirements.

The main responsibilities of the Nomination and Remuneration Committee are:

- To propose, prepare and submit to the Board of Directors an assessment of each individual recommended to succeed the Chairperson of the BoD or the CEO in case of resignation, retirement or permanent incapacity to perform their duties for any reason during their term in office
- To decide on the members of the BoD to be appointed as Chairperson, Vice-Chairperson, Senior Independent Director, the AML Responsible Board Member and the composition of the Board Committees and recommend them to the Board for approval
- To evaluate annually the skills, knowledge and expertise of individual members of the BoD and the BoD collectively
- To examine issues related to planning the succession to ensure that successions within the Board occur smoothly; an appropriate balance of diversity, skills and experience is maintained; and ensure the progressive renewal of the Board and report to the Board accordingly
- To review, in cooperation with the Audit and Risk Management Committees, the composition, powers and independence of the Internal Control Functions and report to the Board accordingly

- To assess the suitability of Key Function Holders and recommend their appointment to the Board of Directors for approval
- To develop, periodically review, and monitor the implementation of the Bank's remuneration policy
- To prepare decisions regarding remuneration, including those which have implications for the risk and risk management of the Bank, and which are to be taken by the Board of Directors
- To review, approve and recommend to the Board for approval, the following policies: (a) Remuneration
 Policy (b) A policy on the nomination, selection, development, appointment and succession of the
 members of the Board of Directors and the Key Function Holders of the Bank; (c) A policy promoting
 diversity on the Board of Directors; and (d) A policy for recruitment, rotation and promotion of members
 of staff.

THE MANAGEMENT COMMITTEES

The Bank is also supported by a number of internal executive and administrative committees that contribute to the efficient operation of the organization.

ESG Steering Committee

The ESG Steering Committee was established in May 2022. The Committee's main responsibility is to assist the Board of Directors in overseeing the development and implementation of the Bank's general strategy with respect to ESG matters. The Committee also recommends policies, practices, and disclosures that conform with the strategy and advises the Board of Directors on the effective management of ESG risks. The Committee is composed of members of the Senior Management of the Bank and is chaired by an Executive Director of the Board.

Assets and Liabilities Committee (ALCO)

The ALCO manages the balance sheet of the Bank from both a risk and a business perspective and oversees the implementation the directives set forth. The committee ensures that business opportunities identified and pursued by business lines fall within safe limits and parameters.

Provisioning Committee

The mission of the Committee is to approve individual and collective Expected Credit Loss provisions prepared in accordance with applicable International Accounting Standards, EBA/ECB Guidelines and the Bank's internal Policies and Procedures, as presented by the Finance Department and Risk Management Department.

IT Steering Committee

The main purpose of the Committee is to monitor and provide guidance for (a) the implementation of the Bank's IT and Information Security Strategy as communicated by the BoD, (b) the implementation of the Policies approved by the BoD relevant to the Security and Integrity of the IT systems and data and (c) the implementation of best practices regarding IT and Information Security Governance.

Appeals Committee

The Appeals Committee, that was established under the Arrears Management Directive, has as its mission to review each borrower's appeal thoroughly, fairly and objectively and to ensure that the borrower's restructuring request has been fairly handled within the Code Framework, so that a compromising solution may be reached between the borrower and the Bank and legal proceedings may be avoided to the maximum possible extent.



Crisis Management Committee

The Crisis Management Committee is responsible for the recommendation of preventive measures and monitors that all control measures and containment steps have been implemented.

Disciplinary Committee

The Disciplinary Code defines the procedures, rules and measures to be followed in cases where a member of the Bank staff commits a disciplinary offence.

Disciplinary Appeals Committee¹

Employees being disciplined have the right to appeal against the decision of the Disciplinary Committee.

Personal Complaints Committee¹

The Personal Complaints Procedure defines the mechanism for the handling of any problem that is created at the workplace (Health and Safety) or results from labor relations (e.g., harassment, threats, etc.) or any other complaint that the staff would like to raise.

Promotions Appeals Committee¹

The object of the Promotions Appeals Committee is to examine objections raised by members of the Bank's staff after the completion of the promotion's procedure and their announcement.

Credit Committees

The Bank has established Credit Committees that are responsible for the decision-making on credit related issues.

Operating Responsibly

NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY

The selection process for the highest governance body, the BoD, is based on the candidates' personal qualifications such as experience, skills and personal characteristics, including personal integrity and judgement. The selection criteria also include reputation and honesty. Our principles highlight the importance of independence, equality and diversity.

The BoD is sufficiently diverse as regards age and educational and professional background to reflect an adequately broad range of experiences and facilitate a variety of opinions and critical challenge, while also having adequate collective knowledge, skills and experience to be able to understand the institution's activities, including the main risks.

The nomination and selection process is carried out by the Nomination and Remuneration Committee, which then presents its recommendations to the Board of Directors for approval.

¹The Disciplinary Committee, Disciplinary Appeals Committee and Personal Complaints Committee all consist of three members appointed by the Bank and two by the Cyprus Union of Bank Employees (ETYK). The Promotions Appeals Committee consists of two members appointed by the Bank and one by ETYK.

The Bank's Policy on the Assessment of the Suitability of Members of the Management Body and Key Function Holders of the Bank:

- (a) Explains in detail the procedures applied by the Bank for the assessment of the suitability, ongoing monitoring and reassessment of their suitability and provides the corrective measures applied in cases where such person is not deemed suitable;
- (b) Sets out the criteria to be used in the assessment of the suitability of the Members of the Management Body of the Bank and the Key Function Holders;
- (c) Sets the requirements for the induction and training of the Members of the Management Body.

The Nomination and Remuneration Committee of the Bank actively contributes to adopting appropriate criteria on the assessment of the Suitability of Members of the Management Body and Key Function Holders of the Bank. The Committee also ensures that the individual and collective suitability assessments of the Members of the Management Body are carried out prior to their appointment.

During the assessment of the members, the Committee ensures that they meet the following criteria:

- (a) sufficient time commitment;
- (b) compliance with the limitation of the number of directorships held as described in the Suitability Directive;
- (c) possess sufficient knowledge, skills and experience to fulfil their responsibilities and functions;
- (d) they are of good reputation, and they act honestly, ethically and with integrity–characteristics which promote a culture of compliance with the regulatory environment governing the operations of the Bank
- (e) they have independence of mind.

Independence Criteria

Each Board member (independent or otherwise) has the responsibility to act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of senior management where necessary, and to effectively oversee and monitor the management's decision-making.

Prior to appointing a Non-Executive and Independent member, the Bank ensures that the candidate member is independent in character and judgement and verifies whether there are any conflicts of interest, relationships or circumstances which could affect or could appear to affect the candidate member's judgement.

The Board of Directors adopts suitable criteria in order to assess whether a member is independent. The minimum criteria that must be satisfied by a candidate member are described in the Directive on the Assessment of Suitability of the Members of the Management Body and Key Function Holders of Authorised Credit Institutions of 2020.

INDUCTION AND TRAINING

The Bank provides sufficient human and financial resources for the induction and training of Members of the Management Body, on an individual and collective basis, to assist Members to maintain and deepen the knowledge and skills needed to fulfil their responsibilities and to ensure that each Member is suitable and meets the requirements for their role. The objectives of the induction and training are to facilitate their clear understanding of the Bank's structure, business model, risk profile and governance arrangements, and their role as Members of the Management Body. Furthermore, the induction and training aim to provide general as well as individually tailored training programmes. Training also promotes their awareness regarding the benefits of diversity in the Management Body and the Bank.

All members of the BoD, especially the non-executive members receive targeted training for developing as well as refreshing their knowledge and skills. The areas in which training is required are identified by the Chairperson, by taking into consideration legal and regulatory developments, governance changes, strategic changes, new products and other relevant changes as well as during the annual evaluation of the individual Members by the Committee.

Within 2023, ESG-related training sessions were carried out by external associates on the Corporate Sustainability Reporting Directive, the Net Zero Strategy in the Banking Sector and the latest sustainability developments, providing updates to ESG developments and underpinning the way which financial institutions are approaching their role in combatting sustainability challenges.

DECISION-MAKING PROCESS

The Board takes decisions on a majority basis with each Director having one vote. External Auditors are invited as needed to participate and provide information/advise the Board of Directors/Committees.

Where necessary, the Heads of Control Functions, Senior Managers and/or other employees are instructed by the Board/Committees to communicate and/or consult with stakeholders both within and outside the Bank and report the outcome to the Board/Committee.

At the instruction of the Board of Directors, Senior Managers are responsible for the development of strategies, policies and goals, which they must present to the Board of Directors for approval.

DIVERSITY IN THE BOARD OF DIRECTORS

The Bank recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. In order to encourage critical thinking and well-rounded opinions and decision making, the Bank strives to achieve diversity in the composition of its Board.

The Nomination and Remuneration Committee sets targets in the Diversity Policy for a minimum participation based on age, gender etc. and, if endorsed by the Board, it prepares and approves an action plan describing the necessary actions needed to reach the targets. The Committee recommends the approval of this target to the Board.

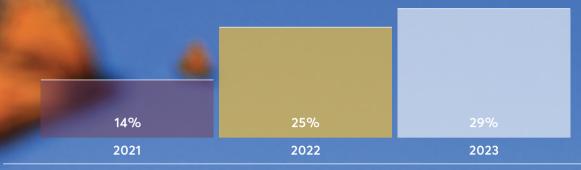
The Nomination and Remuneration Committee assesses periodically, and at least annually the structure, size, composition and performance of the Board and makes recommendations to the Board with regard to any changes. The Committee will discuss and agree every year on all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

The Bank aims at an appropriate representation of all genders within the Board and therefore the current target is to ensure that the proportion of women – currently being the under-represented gender – on the Board increases to 33% by 2026.

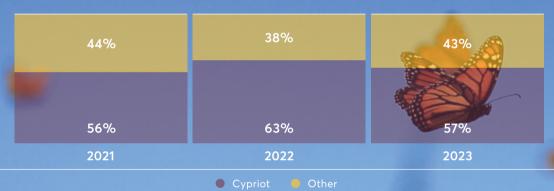
The issue of diversity is not limited to gender. Educational and professional background, age and geographical provenance are also important aspects of the composition of the Board. The educational and professional backgrounds of the Members are also adequately diverse.

Regarding age, the Committee's target is to have Members that are not all in the same decade of their lives.

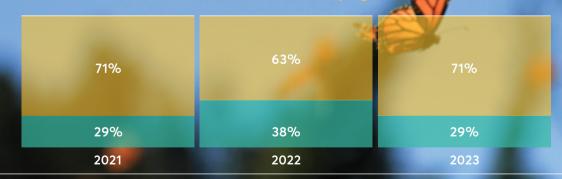
When it comes to geographical provenance, the Members represent all the regions where the main business of the Bank is carried out. Matching business areas and the geographical provenance of Members of the Board, helps the Board take into account the cultural values and the legal and market specificities relevant to those areas.



Board of Directors, by Nationality







30-50years oldOver 50 yeras old

PERFORMANCE EVALUATION

The Chairperson of the BoD ensures that an evaluation of the BoD, its committees and members of the BoD individually is carried out at least annually and acts on the results of such evaluations by recognizing the strengths and addressing the weaknesses of the BoD.

The following processes are followed for evaluating the highest governance body's performance:

- Annual assessments are performed of the Board of Directors as a Body, the BoD Chairperson, the individual members and the Committees. A report on the Chairperson's evaluation as well as an evaluation of the BoD as a whole are submitted to the CBC.
- Annual self-assessments of the Committees.
- Every three years, the Bank appoints an independent external consultant (Audit Firm other than the Statutory Auditors) to perform a review and evaluation of the composition, efficiency and effectiveness of the management body and its committees. The latest review was performed in April 2023.

REPORTING PROCESS

Any highly important issue may be presented to the BoD, if deemed necessary by the Senior Management of the Bank. The Secretary of the Board of Directors will present the issue to the Chairperson of the Board and obtain the necessary approval to include the relevant item in the Agenda of a Board meeting.

The Board of Directors reviews and approves annual reports from the Control Functions, which are discussed during Board meetings. The annual reports are first presented to the respective Committees and the Head of the respective Control Function is present at the meeting and provides all necessary information and clarifications required by the Board. The Control Functions also submit Quarterly reports to the BoD Committees.

REMUNERATION POLICY

The Remuneration Policy of the Bank is consistent with the objectives of the Bank's business and risk strategy, corporate culture and values, long-term interests and the measures used to avoid conflicts of interest and does not encourage excessive risk-taking.

The Board of Directors adopts and periodically reviews the Remuneration Policy and is responsible for its implementation. The Nomination and Remuneration Committee of the Board annually reviews the Remuneration Policy and monitors its implementation. The remuneration of the members of the Board of Directors is approved at the Annual General Meeting of the Shareholders of the Bank.

The Nomination and Remuneration Committee is responsible for setting out the Bank's policy on remuneration and other benefits received by the Senior Management and the staff of the Bank in accordance with the relevant CBC Directive and taking into account where applicable, the Collective Agreements between AstroBank and the Cyprus Union of Bank Employees (ETYK).



Median Annual Total Compensation for all Employees (excluding the highest paid individual)

2021	2022	2023
€39.680.42	€39.499.20	€43.409.34

Annual Total Compensation Ratio

Change in the Annual Total Compensation Ratio

2021	2022	2023	2021	2022	2023
9.83%	9.87%	8.98%	89.77%	0.0%	0.0%

Notes

- 1. Data have been extracted from the Bank's POCKET Payroll System.
- 2. Only permanent employees are included.
- 3. The annual total compensation ratio was calculated using the formula: annual total compensation ratio for the Bank's highest-paid individual to the median annual total compensation for all employees (excluding the highest paid individual).
- 4. The percentage change in annual total compensation was calculated using the formula: Percentage increase in annual total compensation for the Bank's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual).
- 5. There is approximately 1% reduction in the annual compensation ratio compared to 2022 (9.87% in 2022, whereas 8.98% in 2023). Whereas the annual total compensation for the Bank's highest-paid individual hasn't changed, the change in median annual total compensation for all employees (excluding the highest-paid individual) has been reduced.

Our Business Ethics

Our Impacts

Business ethics has been identified as a priority issue that can significantly impact both the Bank's and the stakeholders' operations. For this reason, it is of primary concern for our employees to act with honesty and a high sense of responsibility, and to ensure safeguarding of the information under their responsibility. To reinforce this, the Bank enforces policies to combat corruption, effectively manage conflicts of interest and outline the standards of ethical conduct expected from each member of staff.

Our impacts	Financed	Operational
Positive	Financing activities of certain sectors (i.e., construction of roads) create both actual and potential positive impacts on accessibility to productive work.	Policies and procedures that cover anti-bribery and corruption, anti-harassment, conflicts of interest, whistleblowing as well as a Code of Conduct and Ethics.
Negative	Financing activities of certain sectors create potential negative impacts.	Potential negative impacts are linked to loss of reputation and trust, monetary fines and legal prosecution.

OUR CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics highlights the importance the Bank attaches to integrating principles in the way we behave as individuals and the way we conduct business. The Code is addressed to every employee, irrespective of level or job description. It is further supported and complemented by other Policies, Procedures, Manuals and Circulars and altogether are incorporated in their entirety and constitute part of the employment contract of each member of staff. The Bank has also adopted a Disciplinary Code which outlines the various disciplinary actions available to the Bank, in the event that an employee is found, by means of a fair procedure, to have violated any part of the Bank's Code of Conduct.

OUR ZERO TOLERANCE COMMITMENTS

The Bank is committed to show zero tolerance in the violation of any of the following:

Diversity, Equity and Inclusion

Equal opportunities, the consistent, fair and unbiased treatment of all human beings and the development of the right conditions that reinforce and respect diversity, ensure dignity in the working environment and the broader context of society. We are committed in fostering a culture of diversity, equity and inclusion and appropriate principles are integrated in our policies and practises. We welcome and embrace multiple viewpoints within the organisation and take initiatives towards forming a diverse working environment, inclusive and responsive to different groups.

Anti-bribery and Corruption

One of the Bank's core principles is the commitment to integrity and professional conduct across all levels as well as confidentiality, honesty and transparency in transactions. The Bank's Anti-Bribery and Corruption Policy embodies these principles and applies a zero-tolerance approach to acts of bribery and corruption by any of its employees or business partners.

Within 2023

- > Zero incidents where contracts with business partners were terminated or not renewed due to violations related to corruption
- Zero public legal cases regarding corruption were brought against the Bank or its employees
- > Three incidents of probable misconduct by employees
- > Three incidents in which employees were disciplined

Anti-harassment

We have a zero-tolerance approach for any type of harassment, bullying or victimisation on any grounds. This includes any behaviour that is unwelcome by the recipient which has as its purpose or result the violation of the dignity of a person, particularly when it is creating an intimidating, hostile, degrading, humiliating or aggressive environment. Employee complaints are handled with discretion and confidentiality and in the event that a disciplinary offence is substantiated, a penalty is imposed by the Disciplinary Committee of the Bank.

Whistleblowing Process

A Whistleblowing policy and procedure are in place and aim to enhance the enforcement of the Bank's framework, by laying down the minimum standards, providing for a high level of protection of persons reporting breaches of the Bank's framework. The policy ensures an independent reporting mechanism for anonymous reporting of unethical conduct and the confidential treatment of the reported incidents. The most important principle of the policy is the protection of the anonymity and confidentiality of the persons and especially the employees who submit such reports, as well as the assurance that the employees will be protected against reprisal. Within 2023, no whistleblowing reports were submitted.

Conflicts of Interest

Conflicts of interest may arise when the personal, business or financial interests of an employee deviate from the interests of the Bank or key stakeholders. The Bank understands, identifies, manages and prevents situations that may lead to conflicts of interest. To that end, a Conflicts of Interest policy is in place in order to identify and manage situations that may lead to actual, potential or perceived conflicts of interest entailing a risk of damage to its customers' interests.

With regards to the treatment of conflict of interest of members of the Board of Directors (BoD), members must disclose any conflict of interest and abstain from participating in the decision-making or voting on any matter where they may have a conflict of interest. If a conflict of interest is identified for an item on the agenda, then the member involved must abstain from the discussion and from voting for that particular item either in person or via proxy.

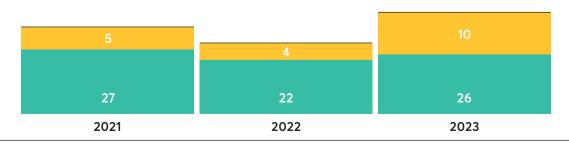
Our Internal Control Functions

INTERNAL AUDIT

The Bank has established a strong Internal Audit Department, which assesses the adequacy and effectiveness of the Internal Control System. The Internal Audit Department is independent and its Head reports to the BoD of the Bank through the Audit Committee. The BoD members are ultimately responsible for maintaining the Internal Control System, the monitoring and evaluation of its adequacy and its effective implementation. The Internal Control System aims at effectively managing risks that threaten the Bank and ensures:

- Effective and efficient operation
- Prudent conduct of business activities
- · Reliability of reported internal and external information
- Sound administrative and accounting procedures
- · Compliance with laws/regulations and internal rules

Number of Audits



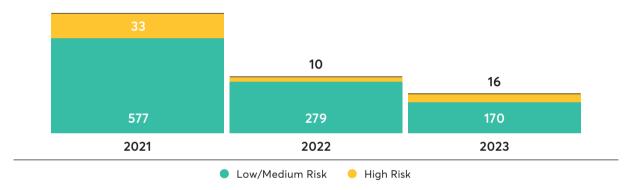
Business and Support functions

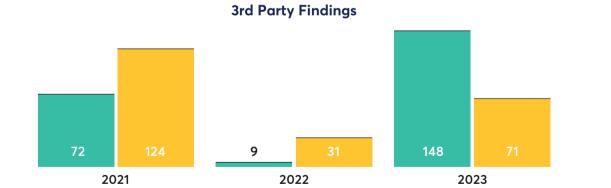
Projects and systems





Resolved Findings





Closed 3rd party findings

Notes:

- 1. New findings include findings identified in the reference year
- 2. Resolved findings include new and brought forward findings closed during the reference year

New 3rd party findings



COMPLIANCE DEPARTMENT

The Compliance Department is an administratively independent department responsible for the implementation of the compliance policy adopted by the BoD to comply with the applicable legislative and regulatory framework. The mission of the Compliance Department is to act pre-emptively in order to effectively address the risk of regulatory compliance. The Compliance Department establishes, implements and maintains appropriate mechanisms and activities for promoting and maintaining a culture of corporate compliance and integrity within the Bank.

The Bank adheres to a zero-tolerance policy towards money laundering and the financing of terrorism, and the Compliance Department ensures that the Bank is in compliance with the current anti-money laundering ('AML') and combating the financing of terrorism ('CFT') regulatory framework. The Bank is constantly faced with challenges resulting from current affairs (the Russia-Ukraine war), frequent paper leaks and publications on financial corruption (e.g., The Russian Laundromat and The Panama Papers), as well as investigative documentaries (the most recent being Al Jazeera's Cyprus Papers) that create a constant need to increase anti-money laundering (AML) and Know Your Customer (KYC) controls on the Bank's customers and transactions.

RISK MANAGEMENT

The Bank places special emphasis on the effective monitoring of risk management with a view to maintain the stability and continuity of its operations. In this context, the Bank's competent bodies make sure to record and regularly re-evaluate its Operational Strategy as it comes to taking up, monitoring and handling risks and classifying transactions and clients by level of risk, setting the maximum acceptable exposure limits applicable each time in total for each type of risk and the further specialisation of each of the above limits, establishing limits for the termination of loss-making activities or other corrective actions.

The Risk Management Framework identifies and defines the following Principal Risks: credit risk, solvency risk, market risk, liquidity risk, operational risk, reputational risk, country risk, concentration risk, strategic risk, and other risks.

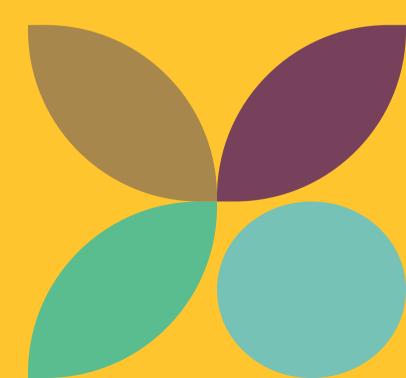
The Risk Management Framework was updated in 2022 to include Sustainability (ESG) risks in the material categories of risk that derive from its operations. These focus on the potential effect an organization's stakeholders (such as customers, outsourcing suppliers, employees etc.) have on the Bank and in reverse the impact that the Bank may have on its stakeholders and the environment due to its activities.

An Operational Risk Management Framework (which is fully aligned with the Bank's Risk Management Framework) is also in place.

The Risk Appetite Framework defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress.



APPENDIX I: Content Index



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GOVERNANCE

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PRIVACY 2016

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ABBREVIATIONS

ACA	Associate Chartered Accountant
ACCA	Associate Chartered Certified Accountant
ALCO	Assets and Liabilities Committee
AML	Anti-Money Laundering
AstroBank, Bank	AstroBank Public Company Limited
ATM	Automated Teller Machine
BoD	Board of Directors
CBC	Central Bank of Cyprus
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CFT	Combating the Financing of Terrorism
CISO	Chief Information Security Officer
Covid-19	Coronavirus disease
CRR	Capital Requirements Regulation
CSR	Corporate Social Responsibility
DPO	Data Protection Officer
EBA	European Banking Authority
ECB	European Central Bank
ESG	Environmental, Social, Governance
ETYK	Cyprus Union of Bank Employees
EV	Electric Vehicle
GDPR	General Data Protection Regulation
GHS (GESY)	General Healthcare System
GRI	Global Reporting Initiative
IMF	International Monetary Fund
kW	Kilowatt
MW	Megawatt
OCR	Overall Capital Requirements
P2G	Pillar 2 Guidance
PV	Photovoltaic
Report	Corporate Sustainability Report 2023
RES	Renewable Energy Sources
RRF	Recovery and Resilience Facility
SDGs	Sustainable Development Goals
SME	Small and Medium Enterprises Unit
USA	United States of America
UK	United Kingdom
TY-ETYK	Medical Scheme of the Cyprus Union of Bank Employees
VAT	Value Added Tax
VRS	Voluntary Retirement Scheme

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