

SUSTAINABILITY POLICY FRAMEWORK

21.03.2025

EUROBANK CYPRUS LTD

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1. Purpose of the Sustainability Policy Framework

Eurobank Cyprus (hereinafter also referred to as “Bank”) recognizes the significance of the impact of its activities on society and the environment. The Bank places high importance on the effective integration of Sustainability principles and ESG aspects throughout the activities of the organization, its governance model and related commitments.

This Policy Framework outlines the approach for adherence to applicable regulatory requirements and any voluntary initiatives as well as adopted standards and guidelines enabling the Bank’s contemporary and continuously updated approach towards Sustainability, in line with international best practice.

2. Our Principles and Commitments

2.1. Guiding Principles

The Bank is committed to actively contributing to the achievement of the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda goals as well as playing an active role in the implementation of the Paris Agreement on Climate Change.

Eurobank Cyprus also acknowledges and applies international standards related to Sustainability. The adopted list of standards and framework evolves dynamically, in line with industry practice and sustainability-related emerging developments.

The Bank is certified according to ISO 14001 (International Standard for Environmental Management) and it is listed in the European Eco-Management and Audit Scheme (EMAS) Register for Environmental Management, underscoring its commitment to environmental protection and sustainable practices. The Bank follows ISO 14064 for measuring and validating its Greenhouse Gas (GHG) emissions (Scope 1 and Scope 2).

The Bank further aims to implement ISO 45001:2018 - Occupational Health and Safety Management System in 2025.

Eurobank Cyprus, as a member of Eurobank Holdings SA (Eurobank Group), is committed to continuously enhancing both its performance and governance, ensuring alignment with the parent bank’s standards and objectives.

2.2. Net Zero Commitment

The Bank aims to align its operations, portfolio and investments with the ultimate objective of reaching Net Zero by 2050.

In this context, the Bank, as a member of Eurobank Group which is a signatory of the UN-convened Net Zero Banking Alliance, aligns its commitments to transitioning all GHG emissions from its lending and investing portfolio to align with pathways to net-zero at the latest by 2050, with interim targets.

In line with the Operational Impact pillar of the ESG Strategy, the Bank aims to minimize its negative impact across the value chain in order to achieve Net Zero in its operations earlier than 2050.

2.3. Zero Tolerance Commitment

Focusing on the social aspect of ESG, Eurobank Cyprus aligns its actions with corporate values, principles and commitments by issuing various policies including the Diversity, Equity and Inclusion Policy as well as the Anti-Harassment Policy. In order to further enhance its efforts against Harassment and Violence in Workplace, the Bank implements a relevant focused training program to all employees. This approach outlines zero-tolerance for various types of violation and discrimination as well as for the equal opportunities with fairness and meritocracy and irrespective of gender, nationality, age or other traits throughout the entire employee life cycle (i.e., recruitment

and selection, learning, performance, talent and career development, reward management).

The Bank's Anti-Bribery and Corruption Policy clearly defines active and passive bribery, as well as potential cases leading to corruption. The Code of Conduct and Ethics describes how the Bank prevents instances of bribery and corruption and how it promotes integrity within the business environment. Furthermore, the Bank's Policy for Reporting Illegal or Unethical Conduct (Whistleblowing) provides an independent mechanism for anonymous reporting of illegal or unethical conduct and the confidential treatment of all reports.

3. Group's and Bank's approach to Sustainability

3.1. Group's approach to sustainability

Our Group supports the sustainable transition of the economy and considers sustainability and climate change as an opportunity. A key strategic objective is to adapt its business and operation in a way that addresses climate change challenges, accommodates social needs within its banking business model, and safeguards prudent governance for itself and its counterparties, in accordance with supervisory initiatives and following international standards/ best practices.

Eurobank Group expresses the Environmental, Social, Governance (ESG) aspect of its business through the lens of Impact generation. The aim is to define the Bank's ESG Strategy in a holistic approach, in line with the material sustainability matters identified, across two pillars of impact: the operational impact arising from its own activities and the financed impact resulting from the Bank's lending and investing activities to specific sectors and clients. These two pillars of impact aim to capture the essence of the Bank's business effect on the climate, the protection of the natural environment, its contribution to addressing societal challenges at large, the prosperity of its own people, its contribution to raising business capacity in the markets where the Bank operates, and the internal processes that build and secure the confidence of its stakeholders.

The Group's Sustainability Policy Framework is available at Group's website at [sustainability-policy-framework.pdf \(eurobank.gr\)](https://www.eurobank.gr/sustainability-policy-framework.pdf).

3.2. Bank's approach to sustainability

The Bank adopts the Group's approach to sustainability while the Bank's ESG Strategy aims to include targets and commitments along the two key pillars:

3.2.1. Operational Impact Strategy

The Bank aims to create positive economic, social, and environmental impacts from all aspects and areas of its operations. To this end, the Operational Impact strategy will comprise of 3 strategic pillars of impact, namely Environmental, Societal and Governance & Business, as following:

Environmental Impact	<ul style="list-style-type: none">• Net Zero Operational Impact• Paperless Banking• Circular Economy• Preservation of Natural Resources/ Biodiversity
Societal Impact	<ul style="list-style-type: none">• Diverse & Inclusive Internal Environment• Wellbeing Culture• Inclusive Entrepreneurship• Socio-Economic Impact• Accessibility & Inclusion for Customers

Governance & Business Impact	<ul style="list-style-type: none"> • Sustainable Procurement • Engagement & Awareness • ESG Capacity - Internal • ESG Capacity - External • Ethics & Transparency
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3.2.2. Financed Impact Strategy

The Bank aims to foster favourable economic, social, and environmental outcomes across all facets and sectors of its financing endeavours, with a commitment to sustainability and responsible stewardship. To achieve this objective, the Financed Impact strategy will be structured around four strategic pillars namely:

- i. Clients' engagement and awareness to adapt their business so as to address climate change challenges;
- ii. Actions for supporting clients in their transition efforts towards a more ESG-friendly economic environment;
- iii. Enablers and tools such as frameworks and products to underpin Sustainable Financing;
- iv. The assessment and management of climate-related material exposures.

Making progress along the two pillars of the ESG Strategy, the Bank aims to maximize its contribution to achieving the Paris Climate Agreement's targets and the UN Sustainable Development Goals. Through a set of actions with measurable targets, the ESG Strategy will reflect the Bank's vision in the short, medium, and long term in relation to the environment, its social footprint, with focus on its people, and the ESG impact on the market and its portfolio.

3.2.3. ESG and Climate Risk management

Transitioning to a low-carbon and more circular economy entails both risks and opportunities for the economy and financial institutions. To this end, the adoption of a strategic approach for the management of risks and the identification of opportunities in relation to sustainability and climate change is of great importance to the Bank. In full alignment with applicable supervisory expectations, the Bank's approach aims to integrate climate-related and broader ESG risk considerations into its business model, strategy, risk management, governance arrangements, policies, and procedures, as well as reporting and disclosure frameworks.

The Bank aims to implement a set of tools for the identification, measurement, and management of CR&E risks, including the credit granting and monitoring processes. These will be utilized by the involved Units across both the 1st and 2nd Line of Defense. In addition, the Bank has an established climate risk reporting dashboard with appropriate climate risk KRIs that are submitted to the management body on a regular basis, to effectively oversee Climate-related and Environmental risks across the Bank.

3.2.4. Sustainable Finance

Eurobank Cyprus envisages to play a key role for the financing of landmark projects that are necessary for pursuing economic growth in line with ESG criteria. The Bank's Sustainable Finance Framework, adopting international standards, provides a clear and comprehensive methodology for classifying sustainable lending solutions offered to its customers, specifying the classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). The Sustainable Finance Framework scope encompasses a wide range of sustainable lending products covering the lending portfolios of the Bank.

3.2.5. Sustainable Procurement

The Bank aims to apply green procurement practices, embedding environmental specifications included in the Environmental Policy and guidance for the selection, where possible, of environmentally and socially responsible goods from suppliers that are aligned with ESG principles.

In the context of implementing Sustainable Procurement, the Bank aims to establish ESG criteria for the tendering processes. These criteria consider factors related to the impact on the Environment and Society, as well as for Governance issues (Environmental, Social and Governance – ESG Factors).

Additionally, the life cycle perspective of the impacts on society, the economy and the environment will be taken into account for the entire supply chain, transparency and ethical behavior are promoted and equal opportunities are provided to suppliers.

3.2.6. Financial Inclusion

The Bank promotes financing products that specifically relate to infrastructure and supported services, aiming to assist small businesses to grow and become updated, boost their competitiveness, and improve the quality of the products and services they offer.

Focusing on customer service, Eurobank Cyprus aims to make its services, assets, resources, and opportunities accessible to all. This means continuous investment in banking services friendly towards persons with disabilities, but above all, training and awareness for all of us on financial inclusion.

3.2.7. Sustainability in Investment Services

Wealth Management Division's 'Sustainability Risk Policy in Investment Services' is available at Bank's website at [https://www.eurobank.com.cy/Eurobank/media/docs/ERBCY_WM-Division_Sustainability-Policy_2024 .pdf](https://www.eurobank.com.cy/Eurobank/media/docs/ERBCY_WM-Division_Sustainability-Policy_2024.pdf). The said policy outlines the approach of Wealth Management's Division of the Bank in identifying and managing sustainability risk in the Investment Services (as defined in the 'General Terms for Investment Services'), offered by the Division to its Clients, subject to the Sustainable Finance Disclosure Regulation (SFDR2) and other related regulatory and legislative requirements, as noted in the related MIFID Information Package - available at Bank's website at <https://www.eurobank.com.cy/en-us/laws-regulations/mifid>.

Further, the Bank's Sustainable Investment Framework ("the Framework" and/or "SIF") outlines' available sustainable investment approaches/strategies, the selection of eligible investments and the monitoring frequency of the sustainable portfolio (the sustainable portfolio is part of the Bank's investment portfolio). The Framework specifies the respective criteria that are utilized in the Bank's banking book's investment strategy, along with the selection process of eligible sustainable investments.

3.2.8. ESG Awareness & Capacity Building

The Bank is placing great emphasis on building capacity among its employees in order to be able to support its clients on their sustainability journey and their green transition. Apart from the general upskilling programmes, the Bank conducts dedicated sessions tailored to the requirements of specific business units and functions, to enhance their understanding, crucial for delivering the Bank's vision towards sustainability. Eurobank Cyprus' internal awareness sessions regarding ESG and CR&E matters cover both members of the management body and other stakeholders across the Bank (e.g. Business Units).

Eurobank Cyprus also assists stakeholders to assimilate ESG terminology, opportunities, and applicability. The Bank aims to foster the ESG capacity building of external stakeholders, and particularly for its clients, through the Bank's ESG Operational Impact Strategy.

4. Stakeholder Engagement & Materiality Analysis

4.1. Stakeholder Engagement

An integral part of the Bank's approach towards sustainability is to foster strong relationships of trust, cooperation and mutual benefit with all stakeholders affected by its activities, directly or indirectly.

- **Engagement with customers**

The Bank places customers at the centre of its activities and one of its purposes is to help them in the transition to a more sustainable future, accompanying them on their journey towards decarbonisation, offering them innovative solutions to finance their investments with positive environmental and social impacts and managing initiatives that better respond to sustainability-related challenges.

Eurobank Cyprus offers to its customers a comprehensive array of banking services through its Banking Centres network and electronic/digital channels, while expert relationship managers are available both at Banking Centres and through video calls, catering to various needs. Customer support is also available via the Bank's call center.

Regarding Investment Services of Wealth Management, for cases where clients declare that they are interested in investing sustainable, the Bank's Relationship Managers at Wealth Management Division provide information to Clients and are collecting Client's sustainability preferences to be matched, where applicable, with suitable investment guidelines/mandates, as per Wealth Management Division's 'Sustainability Risk Policy in Investment Services' (referred to under paragraph 3.2.7. above).

- **Engagement with employees**

Eurobank Cyprus prioritizes employee upskilling and reskilling, maintains professionalism, and enforces anti-discrimination policies to foster an inclusive workplace. The Bank offers comprehensive benefits for employees regardless of gender, age, or marital status. Regular meetings, breakfast sessions, and events facilitate dialogue between management and staff. The Bank promotes work-life balance, social and environmental awareness, and volunteering and implements an ESG upskilling plan and awareness initiatives for employees and clients to support sustainability efforts.

- **Engagement with suppliers**

Eurobank Cyprus provides comprehensive and transparent information in procurement processes to its suppliers, ensuring compliance with legal requirements in labour and the Bank's Code of Conduct and Ethics.

- **Engagement with the business community**

The Bank supports entrepreneurship, innovation, and internationalization through strategic initiatives including dialogue with professional associations and collaborations.

- **Active dialogue with the regulator, peers, NGOs and society**

Eurobank Cyprus collaborates with stakeholders, including NGOs, supporting them through sponsorships and donations. Employee volunteerism fosters community engagement. Collaboration with academia drives innovation in CSR. Meetings with regulatory authorities and other entities facilitate data sharing and issue resolution.

The Bank actively participates in sectoral and other business associations and initiatives aiming at exchanging knowledge and effectively influencing market advancements with respect to Sustainability. In the context of networking with market for sustainable development issues, the Bank participates in the ESG Committee of the Association of

Cyprus Banks and it is one of the founding members of the Cyprus CSR.

4.2. Materiality Analysis

The material sustainability matters are identified through the Double Materiality assessment performed by our Group, Eurobank S.A., and which are adopted by the Bank. More specifically, the Group adopts a Double Materiality approach, incorporating a financial materiality assessment focusing on the external impact on the company's value creation process (outside-in), in addition to the impact materiality assessment (inside-out), in order to identify the material impacts, risks and opportunities to be reported. Materiality assessment is the key process used to define the content of the Group's Annual Report - Business & Sustainability and is largely informed and influenced by stakeholder engagement.

A sustainability matter is material from an impact perspective when it pertains to the Bank's material actual or potential, positive or negative impacts on people or the environment (environmental, social and governance matters) over the short, medium and long term time horizons. It includes impacts connected to the Bank's own operations and value chain, including through its products and services, as well as through its business relationships.

A sustainability matter is considered 'material from a financial perspective' if it generates risks or opportunities that affect (or could reasonably be expected to affect) the Bank's financial position, financial performance, cash flows, or cost of capital over the short, medium or long term.

The Sustainability Management Committee of the Group oversees the setting of targets related to Materiality Impact Analysis and approves the proposed contents of the Sustainability Report that derive from the results of the Materiality Impact analysis.

The Group will adopt the consolidated reporting approach i.e. it will report for all its subsidiaries under the Group CSRD report, including Eurobank Cyprus as of 2025. The Bank will provide the required information (quantitative / qualitative) to be consolidated and reported by the Group during the reporting periods and the timeframes specified by the Group. Disclosures will be gradually implemented over a period of 3 years and will include comparative information, anticipated financial effects and additional disclosures addressing the Bank's portfolio on all areas.

5. ESG Governance

Sustainability at Eurobank Cyprus is deployed across an ESG governance structure that addresses both regulatory requirements and voluntary commitments. BoD oversight with respect to ESG Strategy is addressed through the inclusion of ESG items in the Board Meetings agenda as per international best practice. The Three Lines of Defence model enhances risk management and control by clarifying roles and responsibilities within the organization. Eurobank Cyprus' governance structure also ensures that the management of relevant climate-related and environmental risks is integrated into the Bank's three lines of defence, as well as aims to further enhance the effective oversight of ESG and CR&E matters at management / Board level.

In this context and taking into account the significant impact of climate-related and environmental (CR&E) risks both on financial institutions and on the global economy, the Bank developed and approved its CR&E Risks Management Policy. The said Policy aims at fostering a holistic understanding of the effects of CR&E risks on its business model, as well as support decision-making regarding and provide a robust governance under its Risk Management Framework.

In addition, the Board Risk Committee (BRC) oversees the implementation and adherence to the Bank's risk policies, including for CR&E risks, in order to assess their adequacy against the approved risk appetite and strategy; determines the principles which govern CR&E risks management across the Bank in terms of the identification, measurement, monitoring, control, and mitigation of risks; approves risk principles, policies, procedures and methodologies. The BRC updates the BoD on CR&E risks, at least on a quarterly basis.

The Environmental, Social & Governance Management Committee ("ESGMC") is a Management Committee, established by the CEO. The ESGMC consists of the members of the Bank's ExCo and it is chaired by the Bank's CEO so that pertinent decision making and planning are dealt with at the strategic level. The purpose of the ESGMC is to provide strategic direction on ESG initiatives, review the ESG Strategy prior to approval, integrate the elements of the ESG Strategy into the Bank's business model & operations, regularly monitor, and analyze the Bank's progress against

ESG goals and performance targets, ensure the proper implementation of ESG related policies and procedures, in accordance with supervisory requirements and voluntary commitments.

6. Transparency and Disclosures

6.1. Corporate Reporting

Eurobank Cyprus as a member of the Eurobank Group ensures alignment with existing and upcoming regulations / standards applicable to the Group. In this regard, the Bank provides the Group with the required data for the following ESG related disclosures:

- The Group's Annual Report - Business and Sustainability,
- The Group's Sustainability Statement as per the requirements of the Common Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS),
- The Group's Report on Pillar III ESG information as per CRR requirements,
- The Group's Report on Green Asset Ratios in alignment with EU Taxonomy requirements.

Furthermore, the Bank's environmental and energy management performance, with respect to the improvement of its operational footprint, is monitored through specific indicators and associated targets disclosed also in the Environmental Report (EMAS). This constitutes an environment and energy monitoring and self-improvement tool, in line with commitments, regulated by applicable standards, audited & verified by independent third party. Within the EMAS Report framework, the Bank discloses the Green House Gas emissions record in line with the ISO14064 standard.

Through these Reports, the Group provides full disclosure on sustainability impacts, while addressing all material stakeholder interests across the ESG spectrum.

The Group's ESG related reports are accessible to all interested parties through the Group's corporate website.

6.2. Corporate Website

Eurobank Cyprus is also demonstrating transparency to its stakeholders through a dedicated ESG section on its corporate website. Through the ESG section, Eurobank Cyprus presents its strategic approach towards sustainability and all ESG related information.

The Wealth Management Division has a separate 'ESG Investment – Sustainability in Investment Services' section under 'Investment Services Regulatory Information & Disclosures', incorporating the website disclosures as applicable.

The Bank updates the disclosed information on a regular basis.