

SUSTAINABLE DEVELOPMENT POLICY

Cyprus Telecommunications Authority

Cyta

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1. INTRODUCTION

Cyta strives to embed Sustainable Development principles into its strategy, governance, and operations while considering all stakeholders.

We aim to incorporate more and higher goals and commitments, covering the full range of ESG (Environment-Society-Governance) sustainability criteria, and through a series of actions, we seek to maximize our positive impact on the Environment, Society and Economy of our country.

The Sustainable Development Policy is the basic framework of our commitments in order to maintain and enhance the long-term value of the Organization, taking into account the impact of the external volatile environment on Cyta's financial performance, on the one hand, and the shared value for the Society and Stakeholders, on the other hand. The Policy also defines the framework for the management of Sustainable Development issues and ESG criteria, as well as the governance structure of these issues within the Organization.

2. DEFINITIONS

"Authority" or "Organization" or "Cyta " means the Cyprus Telecommunications Authority.

"Board" means the Board of Directors of Cyta.

"Management" means the team consisting of the Directors of the Services working in the Cyprus Telecommunications Authority.

"Personnel" means all employees, monthly salaried personnel, hourly paid personnel and contract personnel of the Authority.

"Policy" means the Sustainable Development Policy.

"Stakeholders" means individuals or groups whose interests are or may be affected by the Organization's activities. It also means individuals or groups whose actions can reasonably be expected to affect the Organization's ability to implement its strategy and to achieve its goals. Cyta has carried out a mapping of Stakeholders: employees/employee representatives, society, academic institutions, research and development bodies, mass media, suppliers/partners, state/government bodies and regulators, customers (consumers: individuals and businesses).

"Sustainable Development Strategy Committee" means the Committee appointed by the Board of Directors, which operates on the basis of approved bylaws and carries out supervision, communication and reporting in relation to Cyta's Sustainable Development and climate change issues.

3. PURPOSE

Cyta focuses on Sustainable Development issues related to its business activities and the economic, environmental and social impacts (positive and negative) that it creates.

The Policy sets out the Strategic Priorities and Goals for Sustainable Development and the impact areas that the Organization has prioritized as material (the "Material Issues") in order to more effectively and comprehensively capture the Organization's management approach and performance. Based on the Material Issues, the ESG criteria and indicators are selected and published to reflect the Organization's Sustainable Development performance.

4. SCOPE OF APPLICATION

This Policy is binding on the entire Organization and its Subsidiaries. It applies to all members of the Board of Directors, the Management and all Personnel, regardless of the legal framework in which they are employed.

It also binds all third parties who deal with the Organization by providing materials and services including Suppliers, Contractors, Consultants, etc.

It also applies to all of Cyta's activities and business areas in order to maintain and increase the long-term value of the Organization, guided by the principles of Sustainable Development.

5. BEST PRACTICES AND INTERNATIONAL/EUROPEAN STANDARDS

Cyta's Sustainable Development Policy is in line with international and European Directives and practices contained in international treaties, initiatives and actions on Sustainable Development. In particular, the Policy is based on:

i. The 17 United Nations Sustainable Development Goals (SDGs)
ii. The International Standards for Sustainable Development Reporting GRI (Global Reporting Initiative)

iii. The Sustainability Accounting Standards Board (SASB) standards for the telecommunications industry
iv. Current legislation on Sustainable Development issues
v. The relevant EU decisions and directives, such as the CSRD (Corporate Sustainability Reporting Directive) and the relevant ESRS (European Sustainability Reporting Standards)
vi. The application of double materiality, which includes measuring the impact of Cyta's activities on the environment, society and the economy, as well as the impact of the external environment on the long-term financial performance of the Organization.

At Cyta we comply with all applicable laws and regulations relating to Sustainable Development and ensure that our policies and practices are consistent with the principles of these laws and regulations.

6. KEY POLICY PILLARS AND FRAMEWORK FOR ACTION

Cyta has defined the key Strategic Priorities related to energy and environmental footprint of the Organization, the digital society and investing in the future. The Strategic Priorities and Sustainable Development Goals are summarized below.
In addition, Cyta focuses on Sustainable Development issues related to its business activities and the economic, environmental and social impacts (positive and negative) that it creates. In this context, it carries out a Materiality Analysis in order to prioritize the issues that cause or are likely to cause the most significant economic, social and environmental impacts.

6.1 STRATEGIC PRIORITIES AND GOALS

Energy and Environmental Footprint
We recognize our customers' need for flexible products and services, but we also focus our efforts on reducing the negative impact on the environment. We seek, invest and develop new innovative solutions that make a positive contribution to climate stability.

Digital Society
Cyta plays a leading role in the digital landscape of Cyprus, providing the technological foundation for the future of the country and its society. Through significant infrastructure investments, including state-of-the-art fibre optic networks, submarine cable systems and certified data centres with a focus on information security, Cyta is laying the foundation for Cyprus' digital transformation.

At the same time, the rapid achievement of 100% population coverage with ultra-high-speed technologies underlines the strength of Cyprus' digital infrastructure among European countries and creates the conditions for a competitive digital society and economy. We are working to ensure that everyone participates fully and equally in this digital society, without exclusion, regardless of economic status, gender, age or choice.

Investing in the Future - Responsible Governance

Cyta operates within the framework of the law, with reliability, transparency, honesty, integrity, professionalism and diligence. It always seeks to make a positive impact and contribution towards all Stakeholders. The Organization has codified its Governance Principles so that Board Members, Executive Management and Personnel have a clear understanding of the regulations, the role they perform and their Terms of Reference. Our Business Principles help the Organization and employees operate within a framework that ensures the trust of our customers, our partners, the state and our society.

Strategic Priorities		
Energy and environmental footprint	**Digital society**	**Investing in the future**
Green transition through the integration of selected environmental projects, based on Cyta's Sustainable Development Strategy.	Actions to be implemented by Cyta as one of the protagonists of the Cyprus ecosystem, with the aim of strengthening Cyta's leading role in the digital transformation of the country.	Corporate governance actions related not only to Cyta's existing core activities, but also to the activities it needs to undertake for a smooth transition to a digitally sustainable future.
Goals		
<u>Energy efficiency</u> Optimizing the use of renewable versus non-renewable energy sources, aiming at maximum independence from the latter, as well as increasing energy efficiency. <u>Decarbonization</u> Reducing and offsetting carbon emissions with a future net zero carbon target. <u>Circular economy</u> Study, planning of the circular economy and definition of actions and timetables leading to the implementation of the circular economy programme.	<u>Digital inclusion</u> Providing services that lead to the completion of digital transformation through appropriate mechanisms to protect privacy and provide cybersecurity. <u>Connectivity and accessibility</u> Geographical coverage of networks to provide access to the maximum percentage of the population, as well as the provision of technological facilities to increase connectivity for all social strata.	<u>Workforce and corporate culture development</u> Training, equal opportunities, inclusion and diversity to transform the culture into an organization with environmental and social ambitions, while seeking to attract and develop talent. <u>Responsible governance</u> Establishing policies and governance mechanisms that promote sustainable practices for managing environmental and other risks. <u>Institutional innovation</u> Developing the institutional framework governing Cyta with the aim of simplicity, speed, flexibility and innovation.

6.2 MATERIAL ISSUES

Based on the results of the current evaluation, impact areas have been prioritised by the Organization as being material and have been grouped into "Material Issues" in order to more effectively and fully capture the Organization's management approach and performance, as listed below:

Material Issues		Sustainable Development Goals (SDGs)
1.	Climate stability & air pollution	 3. Good health and prosperity 11. Sustainable cities and communities 12. Responsible consumption and production 13. Climate action 15. Life on land
2.	Waste management and use of materials	 3. Good health and prosperity 6. Clean water and sanitation 8. Decent work and economic growth 11. Sustainable cities and communities 12. Responsible consumption and production 15. Life on land
3.	Infrastructure, Connectivity & Innovation	 9. Industry, innovation and infrastructure 11. Sustainable cities and communities
4.	Protection of personal data	 16. Peace, justice and strong institutions
5.	People and Society - Employment and Social Welfare - Wages - Training - Health & Safety	 1. Zero poverty 3. Good health and prosperity 5. Equality of genders 8. Decent work and economic growth 10. Less inequality 16. Peace, justice and strong institutions

Based on Cyta's Material Issues, ESG criteria and indicators are selected and published that reflect the Organization's performance in Sustainable Development.

7. GOVERNANCE AND POLICY IMPLEMENTATION

The Board is responsible for ensuring the Organization's adherence to Sustainable Development principles and values. It oversees the adoption, approval, review, and

implementation of this Policy. Furthermore, the Board evaluates the impact of climate change on Cyta's business model and the manner in which the Organization should adapt in order to respond to the needs of a net-zero carbon economy, within the framework of a long-term strategy.

The Board has established the Sustainable Development Strategy Committee consisting of its members and operating on the basis of a statute to ensure, oversee and communicate the integration of Sustainable Development issues into the operations of the Organization. The Sustainable Development Strategy Committee is also responsible for setting the Sustainable Development Goals and coordinating their implementation.

The Management shall ensure the achievement of the Sustainable Development Goals by adopting the principles and values of Sustainable Development and the implementation of the Policy, by participating in projects and actions to this end.

The Organization shall maintain a Sustainable Development Directorate within its organisation chart, with the following responsibilities and/or competences:

- Responsibility for the holistic management of Cyta's Sustainable Development.
- Participating in the determination of Sustainable Development goals and strategy, coordinating and managing their dissemination and implementation throughout Cyta.
- Determining and monitoring Sustainable Development indicators, working to ensure the timely and effective implementation of projects and actions planned to improve them.
- Responsibility for carrying out the Materiality Analysis.
- Managing the implementation of projects and activities arising from the holistic management of Sustainable Development.
- Reporting progress on related issues to the hierarchy and to the Sustainable Development Strategy Committee.
- Providing training and information to the Personnel to ensure that they are aware of their value and role in integrating Sustainable Development into Cyta's strategy, governance and operations, and that they are aware of their legal obligations in relation to Sustainable Development.
- Preparing the Annual Report on Sustainable Development, as provided for by the Governance Charter of the Authority.

To ensure effective integration and communication of Sustainable Development issues throughout the Organization, duties of "Sustainable Development Liaison Officer" have been assigned to an executive officer in each Directorate. The network of Liaison Officers shall be in constant and direct contact with the Sustainable Development Directorate.

8. COMMITMENT TO STAKEHOLDERS

At Cyta, we focus on issues related to maintaining and enhancing the long-term value of the Organization and, more broadly, the shared value of the economy, society and environment in which we operate. In this context, we are committed to adopting a Sustainable Development Strategy, setting targets and implementing projects to positively impact all Stakeholders.

The participation and contribution of Cyta's Stakeholders in its activities and initiatives is important and necessary for the effective and responsible operation of the Organization.

Within the framework of this Policy, Cyta recognizes the expectations of its Stakeholders and seeks dialogue through the communication channels it has chosen for each individual stakeholder group, providing information on its activities in relation to its products and services, as well as on all issues of concern to society from time to time.

Decisions are made through the feedback the Organization receives from Stakeholders. In this way, the needs and expectations of Stakeholders are identified and assessed on the basis of effective two-way communication.

9. MONITORING AND REPORTING

The Sustainable Development Directorate shall determine and monitor the Sustainability Indicators resulting from the annual Materiality Analysis.

The Goals related to the Strategic Priorities shall be monitored on a regular basis.

The ESG criteria and indicators that reflect the Organization's Sustainable Development performance shall be published in the Annual Report on Sustainable Development.

10. CONTINUOUS IMPROVEMENT AND REVIEW OF THE POLICY

The Policy shall be reviewed in accordance with the approved Policy Review Framework and shall be updated periodically, as required by organisational and/or operational needs.