



Electricity  
Authority  
of Cyprus

# **SUSTAINABLE DEVELOPMENT REPORT 2023**

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# MESSAGE FROM THE CHAIRMAN

**True to its mission, EAC is evolving by adopting the necessary, appropriate adjustments, both in the energy sector and in its other activities, while utilizing new digital technologies.**

The «green» transition and the ambitious targets set by the European Union are radically changing the Cyprus business landscape. Aligning with these requirements involves the adoption of costly but effective policies that have been developed to reduce the carbon footprint, promote renewable energy and improve sustainability across all sectors. These policies mark a transformational shift towards a more sustainable economic model.

In the near future, businesses in Cyprus will have to invest in «green» technologies, adapt their activities to stricter environmental regulations and innovate in ways that meet sustainability criteria. The «green» transition is expected

to make a central contribution to key issues of concern to the local and European economy, as it will bring significant benefits for energy security, technological progress and create a stronger competitive advantage in the European market.

True to its mission, EAC is evolving by adopting the necessary, appropriate adjustments, both in the energy sector and in its other activities, while utilizing new digital technologies. Changes are always made based on the Organisation's respect for society and the environment and its contribution to the sustainable development of the country.



**GEORGE PETROU**

Chairman of the BOD

In a rapidly changing international energy landscape, EAC is making changes that enhance its operational flexibility, speed, capacity and efficiency. In this way, the Organisation will be able to continue to play a leading role in its field, ensuring the energy stability and security of Cyprus.

At the core of EAC's priorities is the reduction of electricity prices for the benefit of all households and businesses. We know, however, that a substantial reduction in this price will be achieved through the «green» energy transition. By recognising and assuming its responsibility and with the European targets set for 2030 in mind, EAC is able to play the crucial role of guaranteeing Cyprus' «green» energy transition.

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### **This year, following an evaluation of specific criteria, EAC was awarded the Gold Environment Protector Award by the prestigious Cyprus Centre of Environmental Research and Education (CYCERE).**

Our vision is clear: A «green» energy future. For this reason, the Organisation is implementing its development/ investment programme, which involves expansion in Renewable Energy Systems (RES), technological upgrading, modernisation of mechanical equipment and existing infrastructure, as well as the creation of new infrastructure.

At EAC, we recognise our leading role in the effort to reduce carbon emissions and we are ready to work with other stakeholders for the benefit of our country and its people. This requires an understanding of sustainable development issues, as well as of the expectations and concerns of stakeholders.

The operating environment in which EAC operates is complex and is significantly influenced by external factors beyond the Organisation's control. That is why we constantly strive to implement best practices in all our areas of activity, with an emphasis on environmental, social and corporate governance issues. Full compliance with the regulatory, statutory and legislative framework, as well as

with the new Public Governance Code, is a self-evident obligation for EAC.

The Organisation is developing an implementation plan for the three pillars of ESG, Environment, Social, Governance, based on specific international indicators. The plan includes areas such as environment, health and safety, society, governance, culture, education, etc.

This year, following an evaluation of specific criteria, EAC was awarded the Gold Environment Protector Award by the prestigious Cyprus Centre of Environmental Research and Education (CYCERE). This honorary award confirms EAC's firm commitment to internationally recognised high environmental standards and the implementation of good practices in environmental management. The Organisation is now firmly on track to reduce its environmental footprint and its efforts are exceeding regulatory requirements. Its certification with the International Standard for Environmental Management ISO14001 proves the Organisation's responsible attitude towards the environment and society as a whole.

Through the application of ESG criteria, we measure, disclose and manage our actions on issues related to the trinity of environment, society and governance. We aim to enhance EAC's transparency on sustainable development issues, through the presentation of quantitative as well as qualitative key performance indicators, while seeking to maximise our positive impact on the environment, society and the local economy.

In addition, with the opening of the competitive market in electricity generation and supply, the publication of such reports and the integration of Sustainable Development in our strategy, strengthens EAC's position in the new demanding competitive environment.

Our next step in terms of Sustainable Development Reporting is EAC's harmonisation with the European Corporate Sustainability Reporting Directive (CSRD) for the 2025 report. The Report will be published in 2026 as part of the Management Report together with the Organisation's financial statements and will be based on the new European Sustainability Reporting Standards (ESRS), for which external assurance will now be required.

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# MESSAGE FROM THE GENERAL MANAGER



**ADONIS I. YIASEMIDES**

General Manager

Sustainable development and ensuring a positive outlook are the main challenges that EAC must overcome against the headwinds of the rapidly changing international and domestic environment, as well as the continuous and intense changes in the energy sector. The trinity of respect, prudence and responsibility summarises the characteristics that have always governed the relationship between EAC and the Cypriot society. In this context, the four key strategic priorities are defined, ranging from measures to halt climate change, to the continued effort to provide electricity at affordable prices, to security of electricity supply, to the quality of service to our customers and consumers. These are global issues that require our immediate attention.

**EAC is a Public Benefit Organisation, which in simple terms means that it belongs to society, to the citizen, to every consumer.**

Therefore, its existence is not limited to the supply of electricity. On the contrary, EAC is present and actively supports programs and actions with positive social impact in a wide range of areas such as health, environment, Health and Safety, corporate governance, education, sports, culture, etc.

But the most important thing is that these actions are not just supported in the context of social responsibility, but are implemented for the common good, for the good of every inhabitant of our country, for the good of Cyprus itself.

Last December, we published our first Sustainable Development Report, which reflects our actions and performance in the areas of environment, social responsibility and governance. This Report is an important milestone for

our Organisation, as new practices are adopted that enhance transparency and sustainable development. The Report is based on the international standards for Sustainability Reporting, GRI.

For EAC, the trinity of corporate social responsibility - environment, society, corporate governance (known as ESG) - is included in our daily management. Sustainability is part of our development strategy and has now been transformed into a corporate philosophy that is constantly evolving, always considering the major economic, technological, environmental, and social demands of the times.

This philosophy also characterises the relationship of trust between the Organisation and its employees, suppliers, partners, and customers. With all those affected, directly or indirectly, by its activities.

In addition, we anticipate that this approach will turn the other social partners and stakeholders towards sustainability, so that we can join forces for a better and more promising future for all.

Our aim is the dynamic presence of a strong and modern EAC, with society and the environment being part of our values and the focus of our actions for sustainable development.

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HISTORICAL REVIEW

# HISTORICAL REVIEW

**1903**

Installation of a power generator to serve the needs of the Governor in Nicosia.

**1912**

Generation and public distribution of the electricity commodity on a wider commercial scale.

**1913**

Establishment of the Nicosia Electricity Company.

**1922**

Establishment of electricity companies in other cities and rural centres, with the installation of distribution networks (low voltage).

**1952**

Establishment of the Cyprus Electricity Authority.

**1953**

Establishment of the first Power Station (PS) at Dhekelia with government funding and construction of the main transmission lines connecting the station with the main towns.

**1954**

Increased energy supply in eleven electrified towns and villages.

**1960**

Increased energy supply to a hundred towns and villages, with a corresponding increase in transmission lines, transmission substations, the grid and distribution substations.

**1966**

Completion of the first phase of the second Power Station (PS) at Moni.

**1976**

Completion of the last phase of the second Power Station (PS) at Moni. Upgrading and expanding the transport and distribution network in city centres.

**1980**

Start of works for the construction of the first phase of the new Dhekelia B PS.

**1993**

Completion of works for the construction of the new Dhekelia B PS.

**1997**

Start of works for the construction of a new PS in the Vasiliko area.

**2000**

Operation of the first phase of the Vasiliko PS with two steam generating units and one open cycle gas turbine.

**2002**

Demolition of the old station at Dhekelia.

**2004**

Operation of a third steam power generator at the Vasiliko PS.

**2009**

Installation and operation of an internal combustion engine at the Dhekelia PS.

**2010**

Operation of an additional combined cycle gas turbine unit at the Vasiliko PS. Installation and operation of an internal combustion engine at the Dhekelia PS.

**2011**

Operation of an additional combined cycle gas turbine unit at the Vasiliko PS.

**2014**

Operational Unbundling of EAC in accordance with the relevant European Directive and relevant decisions of the Cyprus Energy Regulatory Authority (CERA).

**2022**

Signing of the contract for the sixth combined cycle gas turbine unit at the Vasiliko PS with a total maximum capacity of 160MW.

**2023**

Operation of the two new photovoltaic parks of EAC at Akrotiri. First Sustainable Development Report of EAC.

# ELECTRICITY AUTHORITY OF CYPRUS

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The Electricity Authority of Cyprus (EAC) is a Legal Entity of Public Law, established under article 3 of the Electricity Development Law, Cap. 171, to carry out activities related to the generation, transmission, distribution, and supply of electricity in Cyprus.

# ELECTRICITY AUTHORITY OF CYPRUS

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## EAC

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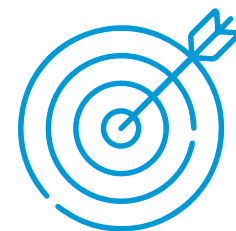
According to the Cypriot legislation, Legal Entities of Public Law are established to provide services or exercise powers related to public utility sectors and are governed by Boards of Directors, whose members are appointed by the Council of Ministers. For EAC, policy guidelines are provided by the Ministry of Energy, Commerce and Industry.

EAC has three subsidiaries, ESCO AHK LTD, Elektriki Ananeosimes Ltd and EAC LNG Investments Company Ltd. This Sustainable Development Report concerns the report of EAC as a Vertically Integrated Undertaking (VIU).



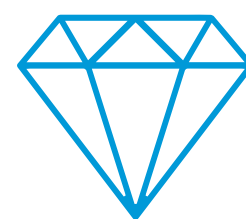
### OUR VISION

to be the leading player in the energy sector, services and other activities.



### OUR MISSION

is to provide consumers, customers and network users with the highest quality of safe and reliable services in the energy sector and in other activities, utilizing new technologies, respecting society, the environment and our people and contributing to the development of our country.



### OUR VALUES

- Integrity
- Respect for all stakeholders
- Quality

- Human capital
- Environment, society and corporate governance





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# EAC IN NUMBERS

	2021	2022	2023		2021	2022	2023
 <b>REVENUE (€000)</b>	835.247	1.314.250	1.249.516	 <b>NUMBER OF TRANSMISSION SUBSTATIONS</b>	56	57	57
 <b>EMPLOYEES (ANNUAL AVERAGE)</b>	2.126	2.160	2.223	<b>NUMBER OF DISTRIBUTION SUBSTATIONS</b>	6.266	6.349	6.469
<b>EMPLOYEES' SALARIES AND BENEFITS</b>	108.568	109.727	116.117	<b>NUMBER OF OVERHEAD DISTRIBUTION TRANSFORMERS</b>	10.849	10.958	11.048
<b>AND EMPLOYER'S CONTRIBUTIONS (€000): INCLUDING THE AMOUNT CAPITALISED (€000)</b>	13.172	14.605	15.845	 <b>INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (€000)</b>	89.881	128.290	139.214
 <b>INSTALLED CONVENTIONAL POWER CAPACITY (MW)</b>	1.478	1.478	1.478	<b>INVESTMENT IN SUBSIDIARY/ ASSOCIATE (€)</b>	-	-	-
<b>NET CONVENTIONAL ENERGY GENERATION GWH</b>	4.099	4.143	3.968	<b>WATER PRODUCTION FROM DESALINATION PLANT (M<sup>3</sup>)</b>	8.379.095	11.784.540	12.122.200
<b>INSTALLED RES POWER CAPACITY (MW)</b>	3	3	15	<b>E-CHARGE SERVICE</b>	31/62	32/64	32/64
<b>NET RES ENERGY PRODUCTION (GWH)</b>	3.8	3.2	6.8	<b>A. CHARGERS/CHARGING POINTS</b>	49.216	158.640	194.340
 <b>TOTAL LENGTH OF DISTRIBUTION NETWORK LINES (KM)</b>	27.623	28.169	28.735	 <b>NUMBER OF NETWORK USERS (1)</b>	597.342	669.033	618.588
<b>TOTAL LENGTH OF TRANSMISSION NETWORK LINES (KM)</b>	1.257	1.362	1.285,92	<b>NUMBER OF SUPPLY CUSTOMERS (NUMBER OF CONTRACTS WITH EAC SUPPLY)</b>	597.192	604.245	615.479
				<b>NUMBER OF CUSTOMER SERVICE CENTRES</b>	10	10	10

(1) It is based on the total number of active meters installed at a supply point.

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## DEVELOPMENT PROJECTS

### EAC's most important development projects in 2023 were:

- Managing the integration of private photovoltaic systems, for the benefit of sustainable development and the gradual decoupling of the economy from liquid fuels.
- Upgrading the equipment to telemetered and telecontrolled switching and other equipment in the distribution network for central monitoring by the National Distribution Control Centre (NDCC) and the new Distribution Management System (DMS), through which a more efficient and effective operation of the distribution system will be achieved in real time.
- Design and installation of SCADA/DMS (System Control and Data Acquisition/Distribution Management System), aiming at an integrated, dynamic and real-time management of the distribution network. The project includes equipment, software and the establishment of the National Distribution Control Centre (NDCC).
- Development of an advanced intelligent metering system, known as AMI (Advanced Metering Infrastructure), which includes the replacement of 400,000 conventional meters with «smart» meters and has a completion date of 2026. This transformation of the grid into an intelligent electricity management system has substantial benefits, especially for consumers, as it provides more and more accurate information on energy use.
- Development and operation of the modern system for recording and managing all metering data.
- Upgrade and expansion of the GIS platform (GeoDiaS) in order to contribute more effectively to the digitisation and automation of the processes of the vertically integrated Organisation, but also to offer better service to other stakeholders.
- Operation of EAC's photovoltaic park at Akrotiri, with a total capacity of 12 MW. In the context of Cyprus' «green» transition, the operation of photovoltaic parks marks the entry of EAC into the renewable energy sector, reducing the cost of electricity for all consumers. On an annual basis, the project generates more than 20,000 MWh of electricity, saving around 4,700 tonnes of fuel and reducing carbon dioxide emissions by 14,000 tonnes.
- EAC Supply continued its preparations for the upcoming Competitive Electricity Market (CEM).
- Further implementation of the programs for the maintenance, expansion and upgrade of the transmission and distribution networks at an intensive pace, considering that:
  - The upgrade of the automation system at «Afroditi» substation has been completed.
  - The first stage of the upgrade at the «Orounda» substation has been completed, while the upgrades at «Strovolos», «Ypsonas», «Athiainou» and «Lanitio» substations are in progress.
  - The tender for the construction of 132kV overhead transmission lines such as «Kofinou - Alambra», «Anatoliko - Ypsonas», «Vasilikos - Ypsonas», «Ypsonas - Trimiklini» has been awarded. This tender also includes the dismantling of old lines which affect residential areas.
- The software installation project for the participation of EAC Procurement was completed by the contractor in June 2024. The third and final test phase of the Competitive Electricity Market is expected to be operational in early 2025. During the test phase, the functions and interfaces with the DSO/TSOC systems will be tested.
  - Preparation and planning for offering dynamic pricing, as foreseen in CERA's decisions, by hiring consultants.
  - Continuation of the study for upgrading the customer management and billing software.
  - Update of the Rules of Procurement.

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EAC's activities are divided into  
two independent business units:  
the Network Business Unit and the  
Generation and Supply Business Unit.

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## BUSINESS UNITS AND ACTIVITIES

EAC’s activities are divided into two independent business units: the Networks Business Unit and the Generation and Supply Business Unit. These two business units are divided into four Core Regulated Activities (CRAs) which are the Monopolistic Activities of Transmission and Distribution and the Competitive Activities of Generation and Supply.

In addition, EAC has a non-regulated activity (NRA) falling under the Non-Regulated Services Management which covers, among others, third party services, renewable energy and desalination.

The Common Services of the Organisation support the operation of the four CRAs and the NRA.

### Network Business Unit

The Networks Business Unit (NBU) has been established by EAC in the context of its compliance with CERA’s Regulatory Decision (RD) 04/2014 and includes the Core Regulated Activities of Transmission and Distribution, which are monopolistic activities.

The NBU is responsible for the development, construction, maintenance and management of the National Distribution Network as well as for the construction and maintenance of the National Transmission Network. The NBU also has jurisdiction over the EAC’s four Area Offices.

### Generation and Supply Business Unit

The Generation and Supply Business Unit has also been established by EAC in accordance with CERA’s RD 04/2014 and includes the Core Regulated Activities of Generation and Supply which are competitive activities.

The Generation and Supply Business Unit is responsible for the operation of the two Power Stations and the supply of electricity to its customers.

### Non-Regulated Activities

EAC’s Non-Regulated Activities include a wide range of activities; among others, the desalination plant, participating in the LNG infrastructure, upgrading street lighting, the electric vehicle charging service, the photovoltaic park at Tseri, providing services to third parties for renewable energy systems (RES) and energy

saving, as well as «smart» lighting and «smart» piles. The Manager of the Non-Regulated Activities reports to EAC’s General Manager.

### Common Services

Common Services report to the General Manager and play a supporting role for EAC’s core activities. They consist of the Human Resources Management, the General Management Office, the Information Technology Management and the Corporate Finance Unit which includes the Financial Accounting Management and Accounting and Budget Management.

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## FINANCIAL FRAMEWORK

FINANCIAL PERFORMANCE	2021 (IN THOUSANDS €)	2022 (IN THOUSANDS €)	2023 (IN THOUSANDS €)
<b>Direct economic value generated</b>	859.967	1.334.929	1.262.908
<b>Income (before the special discount)</b>	849.446	1.322.044	1.249.516
<b>Other operating income</b>	10.476	12.801	13.392
<b>Direct economic value distributed</b>	908.409	1.327.050	1.238.691
<b>Operating costs and other *</b>	893.791	1.313.310	1.219.745
<b>OF WHICH:</b>			
<b>--Employees' salaries and benefits and employer's contributions **</b>	95.396	95.122	100.272
<b>--Payments to capital providers</b>	2.046	2.735	14.303
<b>Payments to the State (taxes)</b>	73	5.763	16.023
<b>Social contribution</b>	14.545	7.977	2.923
<b>Undistributed economic value</b>	(48.442)	7.879	24.217

\*Includes payments to suppliers for raw materials, materials and services recognised in the income statement for each year. More information can be found in EAC's annual report at the following link: [eac.com.cy/EL/EAC/FinancialInformation/Pages/AnnualReports.aspx](http://eac.com.cy/EL/EAC/FinancialInformation/Pages/AnnualReports.aspx)

\*\*Does not include staff salaries capitalised in fixed assets and in plants under construction.

## PRODUCTS AND SERVICES

EAC's core product is the supply of electricity to domestic customers, commercial and industrial businesses throughout the country.

## ENERGY POLICY, REGULATORY FRAMEWORK AND LEGISLATIVE COMPLIANCE

Cyprus' energy policy is based on the European energy policy. However, due to the small size and geographic isolation of the power system, such policy differs in some respects based on guidelines issued by the Ministry of Energy, Commerce and Industry.

EAC fully complies with the applicable state laws, provisions and regulations and EU regulations, as well as with the correct and full implementation of the Operational Unbundling Regulatory Decision 04/2014 and Unbundling of Accounts Regulatory Decision 05/2014. As a result, the Organisation operates as a fully separated Vertically Integrated Undertaking (VIU) in the electricity sector.

The Electricity Market Rules govern the operation of the electricity market, while the independent Transmission System Operator of Cyprus is the market operator and transmission system operator. The competitive electricity market is not yet operational and the transitional arrangements of the electricity market, a market of bilateral contracts with monthly clearing, in which EAC does not participate, are temporarily in place.

The law regulating the electricity market (the 2021 Law on Electricity Market Regulation, L. 130(I)/2021, as amended) is harmonised with European directives and regulations.

On 31 March 2023, a fine of €50.000 was imposed on EAC (Supply CRA) by CERA in relation to the calculated overcharged electricity bills issued during 2022.

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## CUSTOMERS AND NETWORK USERS

### Analysis of Customers and Services

EAC provides electricity to domestic customers, commercial and industrial businesses throughout the country, at any place where there is a request for connection and the network can be extended. According to the existing legislative framework, EAC's tariffs are regulated by CERA based on the relevant methodology, the key principle of which is cost effectiveness.

### Certification as Supplier of Guarantees of Origin

By ensuring the «green» energy consumption of its customers, EAC Supply is the first supplier to be registered in the Electronic Register of Guarantees of Origin for the generated energy. The Guarantee of Origin certifies that the electricity for which the certificate is issued is generated from RES. According to the 2006 Law on the Promotion of Combined Heat and Power Generation (L. 174(I)/2006), the issuing authority for Cyprus (authorised issuer) is the TSOC.

### Special Categories of Customers

#### • Life Support Customers

This is a special category of customers, as they need continuous support from medical devices and, therefore,

uninterrupted electricity supply. In cases of planned interruption of supply to properties of this category, customers are informed in good time by the Distribution System Operator (DSO), who ensures the restoration of electricity supply as soon as possible.

#### • Vulnerable Customers and Households Affected by Energy Poverty Included in Critical Times

This special category concerns vulnerable customers and households affected by energy poverty who, for medical reasons and after approval by the competent medical board, need uninterrupted electricity supply during critical times. This category of customers is protected by the measure of no disconnection or reconnection of electricity during critical times.

#### • Vulnerable Customers with Special Tariff Code 08

By decision of the Minister of Energy, Commerce and Industry, on 4.4.2006, pursuant to Articles 111 and 112(1) of the 2021 Law on Electricity Market Regulation, L. 130(I)2021, and as amended by new decisions taken later, a special household tariff under Code 08 for certain categories of vulnerable consumers was implemented. The beneficiaries of this particular tariff are registered in the Government Data Warehouse, on the basis of which their identities are checked, after submitting their request to EAC Supply.

The categories of beneficiaries of this tariff are listed in detail on EAC's website at the link: [eac.com.cy/EL/RegulatedActivities/Supply/tariffs/Pages/Beneficiaries-of-tariff-code-08.aspx](http://eac.com.cy/EL/RegulatedActivities/Supply/tariffs/Pages/Beneficiaries-of-tariff-code-08.aspx).

### Customer-oriented Payment Processes

Sending the electricity bill by e-mail, apart from the significant environmental benefit of saving paper, ensures that customers receive the bill on time and facilitates the planning of its payment. The customer can choose how to pay the bill by using the following options:

- To a Customer Service Centre
- Through special terminals installed at the Customer Service Centres
- Via e-banking
- Via direct debit (SEPA)
- Online and through the EAC MOBILE APP
- By special arrangement (settlement)
- By prepayments

By evening out seasonal fluctuations in the bill, EAC gives its non-net metering residential customers the possibility of monthly instalments. At the same time, EAC Supply, evaluates the cases of non-payment and the profile of each customer and offers the possibility of repayment through a special arrangement (settlement).

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## Network Users

A network user is defined as the user of the property connected to the distribution system and the legal successors, heirs, assigns or any other person who may be in possession of the property from time to time. Similarly, property owner means the owner, tenant, licensee or other occupant of the property connected to the distribution system.

NETWORK USER	NUMBER
<b>PV parks</b>	85
<b>Wind parks</b>	6
<b>PV Rooftop (residential buildings)</b>	112
<b>CHP Plant</b>	0
<b>Biomass</b>	13
<b>PV Solar Tracking</b>	0
<b>Electricity storage</b>	0
<b>Commercial – small</b>	122.720
<b>Commercial – large (hotels)</b>	376
<b>Commercial – large (shops and stores)</b>	2.370
<b>Water pumps</b>	4.188
<b>Residential</b>	439.967
<b>Storage Heaters</b>	19.863
<b>Street lighting</b>	9.778
<b>Industrial (net billing)</b>	107
<b>Industrial (small)</b>	18.009
<b>Industrial (large)</b>	658
<b>Residential (net metering)</b>	328
<b>Commercial (net metering)</b>	8



# ELECTRICITY AUTHORITY OF CYPRUS

EAC

EAC IN NUMBERS

DEVELOPMENT PROJECTS

BUSINESS UNITS AND ACTIVITIES

FINANCIAL FRAMEWORK

PRODUCTS AND SERVICES

ENERGY POLICY, REGULATORY FRAMEWORK AND LEGISLATIVE COMPLIANCE

CUSTOMERS AND NETWORK USERS

RESPONSIBLE COMMUNICATION

PERSONAL DATA PROTECTION

CERTIFICATIONS, PARTICIPATIONS IN BODIES AND AWARDS



## RESPONSIBLE COMMUNICATION

### Management of Complaints and Requests

EAC is committed to open, transparent, impartial and timely communication with all interested parties. Valuing the experience of customers and network users, EAC examines, within deadlines defined by performance indicators, each request and complaint and notifies the consumer of its decision or action to resolve the request. If the consumer's complaint is not resolved, the consumer has the right to make a new request within seven days. If the customer is not satisfied with EAC's decision, they can submit a written complaint to CERA, which will investigate it in accordance with the applicable regulations.

### How to contact the Customer Service and Network Users departments:

- 1818 Supply Customer Call Centre for information regarding the electricity bill
- 1800 Network User Call Centre for breakdowns, pruning and street lighting
- On the website eac.com.cy, through the contact form
- By e-mail to eac@eac.com.cy
- Via the EAC mobile app
- By post and by fax to the addresses and numbers listed on EAC's website eac.com.cy
- In person at the Customer Service Centres

### Communication with the Media and Stakeholders

For all EAC's business activities, responsible, appropriate and timely communication is of paramount importance. EAC is committed to open, transparent, impartial and timely communication with the media and other stakeholders, desiring to build long-term relationships of mutual trust.

All communication with the media is carried out in coordination with the Public Relations Department, which is responsible for external communication.

### Communication with customers and network users takes place through:

- The bill (electronically or by post), which includes a full explanation of the charges and guidance on how to pay it, energy saving possibilities and possible interruption of supply.
- The meter reading logging service, which enables the network users to submit their meter reading.
- The new application service, which informs the network user about the documents accompanying the application for electricity supply and the status of the application.
- The customer call centre.
- The network user call centre.
- The EAC website and the online contact form for complaints, information and requests.

### Guiding Customers and Network Users on Safe Use and Energy Saving

For EAC, information and awareness raising about the protection of the Health and Safety of consumers and users of electricity, as well as energy saving, is a responsibility of primary importance.

EAC provides advice on the safe use of electrical appliances through campaigns promoted through the media, social media accounts and its website. At the same time, in line with EU directives on fostering an energy-saving culture, the Organisation runs information campaigns and distributes brochures on simple ways to save energy and save costs.

On an international scale, the price of electricity remains high due to the upward trend in oil prices and greenhouse gas emission rights. In order to raise awareness among consumers and network users, at the beginning of the 2023 summer season, EAC launched an information campaign via radio and internet giving simple tips on energy saving. The duration of the campaign was one month.

EAC also participates in energy industry exhibitions, such as the annual SAVENERGY exhibition, offering the opportunity to interact with its customers and the general public, with answers and targeted information to their questions. Highlighting the benefits of electromobility, the Organisation participated for the fourth consecutive year as a sponsor of European Mobility Week (23-24/09/2023).



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## Personal Data Protection

To ensure proper operation, EAC collects and processes personal data of customers, network users, suppliers and electricity producers who are natural persons in a confidential manner. The protection of personal data is the responsibility of the Board of Directors, the Management and authorised persons who process personal data at EAC. EAC's Code of Conduct includes EAC's Personal Data Protection Policy.

EAC strictly applies the provisions of the Law on the Protection of Natural Persons regarding the Processing of Personal Data and the Free Movement of such Data and its relevant amendments and replacements, as well as the provisions of the General Data Protection Regulation (GDPR - EU 2016/679) for the protection of natural persons with regard to the processing of personal data and the free movement of such data.

## Certifications, Participations in Bodies and Awards

### Certifications

The Electricity Authority of Cyprus has been certified according to the international standards CYS EN ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for the Quality Management, Environmental Management and Health and Safety Management Systems. In addition, at the two chemical laboratories of the Power Stations (PS)

and the Meter Inspection and Repair Centre (MIRC), EAC applies an ISO 17025:2017 certified quality system for the adequacy and quality of laboratory testing and calibration. EAC's long-standing commitment and actions to promote gender equality is reflected in the «Gender Equality at Work» certification it has received from the National Business Certification Body.



### Participation of EAC in major bodies:

- Eurelectric
- CIGRE Cyprus
- Cyprus Employers and Industrialists Federation
- Cyprus Chamber of Commerce & Industry
- Institute of Energy for South East Europe
- PLATTS
- EEX - European Energy Exchange
- ECMWS - European Centre for Medium-Range Weather Forecasts
- Cyprus Energy Agency
- EUDSO
- E.DSO for Smart Grids
- CSR Cyprus
- Cyprus Association for Quality

### Awards

The prestigious Cyprus Centre of Environmental Research and Education (CYCERE) awarded the Electricity Authority of Cyprus the Gold Environment Protector Award, after positively evaluating the addition of energy from photovoltaic parks to its energy mix, as well as the environmental management system implemented within the Organisation.



# CORPORATE GOVERNANCE

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EAC applies transparent corporate governance principles, balancing the rights and obligations of all stakeholders for effective and responsible management.

# CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

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## GOVERNANCE AND ORGANISATION

In accordance with its corporate governance systems, EAC implements a strict framework of principles taking into account the rights and obligations of customers, network users, all participants in the electricity market of the Republic of Cyprus, as well as all interested parties and persons connected to it who have a legitimate interest in its activities.

### The implementation of the principles of corporate governance within EAC promotes:

- Balance between the State’s responsibility to actively exercise its ownership role, such as the appointment of the members of the Board of Directors of the EAC, and a potentially excessive political interference in the management of the Organisation.
- The establishment of appropriate structures to ensure the good governance of the Organisation, based on the principles of transparency, consistency, impartiality, honesty and credibility.

### Corporate Governance Code

EAC has drafted a Corporate Governance Code, which describes in detail its governance model, with emphasis on:

- The role of the Board of Directors
- The mechanism allocating the Board of Director’s functions and responsibilities
- The responsibilities of the General Manager

- The composition and responsibilities of the Joint Ad Hoc Subcommittees
- Compliance with the legislation

The Board of Directors adopts the Corporate Governance Code, which it reviews periodically. In case of doubt or misinterpretation regarding its application, the Code shall be interpreted and/or clarified by decisions of EAC’s Board of Directors.

EAC fully complies with the Corporate Governance Code approved in 2019 by the Council of Ministers.

### Governance Bodies

#### EAC’s management bodies are:

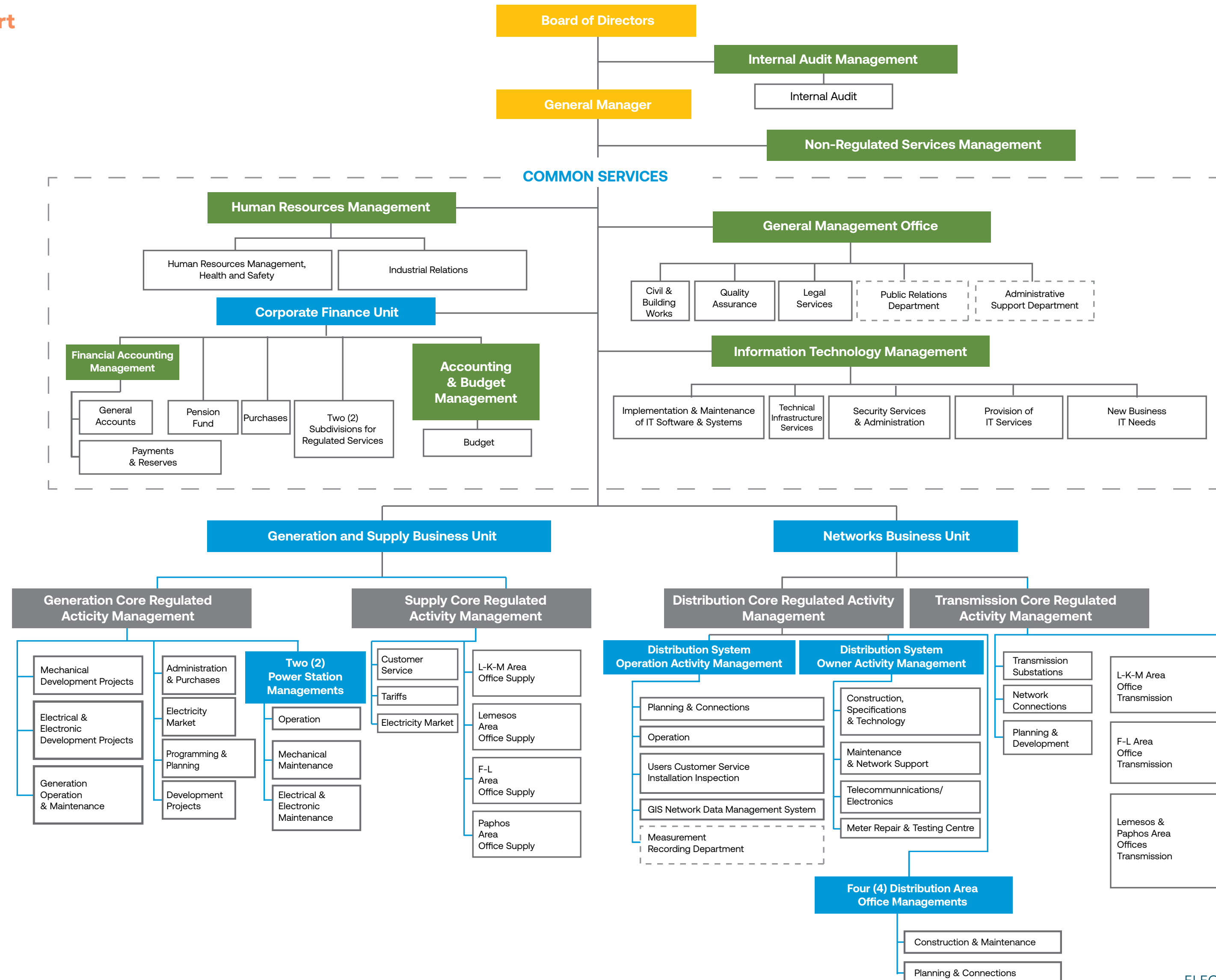
- The Board of Directors
- The Joint Ad Hoc Subcommittees of the Networks and Generation - Supply Business Units
- The other committees of the Board of Directors

#### The main Joint Ad Hoc Subcommittees and other committees are:

- Authority’s Advisory Subcommittee on Personnel Matters
- Finance Committee
- Audit Committee
- Joint Ad Hoc Subcommittee on Networks
- Joint Ad Hoc Subcommittee on Generation - Supply
- Risk Management Committee



Organisation chart



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- OPERATIONAL UNBUNDLING
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## OPERATIONAL UNBUNDLING

EAC implements an Operational Unbundling of Activities in compliance with the CERA’s RD, which applies the corresponding provisions of the European acquis.

Under the Operational Unbundling, the four Core Regulated Activities within EAC –the Monopolistic Activities of Transmission and Distribution and the Competitive Activities of Generation and Supply– are operationally unbundled. The Operational Unbundling ensures that EAC does not exploit its dominant position in the market and that private producers or suppliers are offered equal opportunities to compete. On this basis, EAC has created independent Managements for its core regulated activities, fully ensuring their independent operation. A Non-Regulated Services Management has also been created, which deals with additional activities such as third party services, renewable energy systems, desalination, etc.

Common Services remain organised under EAC’s General Management.

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## RESPONSIBLE OPERATION AND BUSINESS CONTINUITY

EAC is focusing on the completion of the business continuity and disaster recovery system, with a view to its implementation in 2025. This system detects and comprehensively addresses the risks that threaten the Organisation and ensures the continuity of its business activities following an unforeseen disaster or adverse event.

Important aspects of the system are staff training, risk analysis and assessment, the study and development of risk management plans and simulation exercises of the plans.

In 2023, impact assessments were completed and the recording of business continuity policies of all EAC's Managements started. It is estimated that within 2024 the mapping of the single business continuity policy of the VIU EAC will be completed.

## ANTI-CORRUPTION

In strict compliance with the relevant legislation, EAC does not allow bribery, illegal payments and unfair practices, applying strict practices of disclosure, prevention and combating such incidents.

EAC complies with the Law on Prevention of Corruption, Cap.161 and the 2022 Law on the Protection of Persons Reporting Violations of EU and National Law (L. 6(I)/2022), also referred to as «Whistleblowers» to combat and

prevent incidents of corruption. For this reason, an ad hoc committee with members from various Managements has been set up to put in place a procedure and policy for the submission of reports (anonymous and eponymous) concerning violations of EU and national law.

All employees without exception, members of the Board of Directors and managers acting on behalf of EAC must comply with the applicable laws and EAC's Code of Conduct. No incidents of corruption within the Organisation or in relation to the Organisation were recorded in 2023.

## ANTI-COMPETITIVE BEHAVIOUR

EAC is committed and ensures that its activities are carried out in strict compliance with the relevant legislation, protect competition law and do not have as their object or effect the prevention, restriction or distortion of competition (e.g. price fixing and sharing of markets or customers).

In this context, EAC separates its core activities and applies appropriate organisational and operating models to ensure independence in decision-making and the autonomous operation of each Business Unit and Management.

The Code of Conduct ensures that the Organisation avoids discriminatory behaviour towards third parties by complying with four key principles:

- Confidentiality
- Transparency

- Equal treatment
- Independence

### In 2023

- No fines were imposed on EAC by CERA and the Commission for the Protection of Competition (CPC) for anti-competitive behaviour and monopolistic practices.
- Five Appeals were filed against decisions of EAC's Board of Directors before the Tenders Review Authority. In 2023, the Tenders Review Authority issued five decisions concerning EAC, of which four were in favour and one against EAC.
- No Appeal was recorded on behalf of the EAC.

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### CONFLICT OF INTEREST

In accordance with the relevant laws and regulations of EAC, employees and members of the Board of Directors are not allowed to hold, directly or indirectly, a significant financial interest in a supplier, customer, competitor or other company active in the electricity market. The relevant provisions regarding conflicts of interest are also described in the EAC's Code of Conduct.

In 2023 there was a relevant conflict of interest incident, involving a member of the Board of Directors, which led to his resignation.

### INTEGRATED MANAGEMENT SYSTEM

EAC implements management systems, some of which cover the entire range of its activities while others relate to individual activities, and has been certified by an independent body for their proper compliance and implementation. These systems, which form the Integrated Management System, have been designed on the basis of relevant policies, which reflect the commitment of the General Manager to their full implementation.

### RISK MANAGEMENT

EAC acknowledges that Risk and Opportunities Management is part of the new Public Governance Code, as approved by the Council of Ministers on 25 July 2019, by decision no. 87869. The Organisation is committed to introducing and maintaining an institutionalised Risk and Opportunities Management framework.

To this end, the Board of Directors has appointed a Risk and Opportunities Management Committee consisting of six members of the Board of Directors, as well as a Risk and Opportunities Management Unit to monitor the full range of risk and opportunities management systematically and effectively.

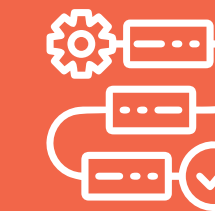
In addition, the Board of Directors has adopted an extensive risk and opportunities management methodology, which is followed to identify and assess risks and opportunities and to determine the measures to address them. In order to monitor the system more effectively, specialised software has been designed and implemented to facilitate the processes. A large number of managers and other employees have been trained to use the software, identify risks and opportunities and follow the specific process.

### RISK MANAGEMENT



#### RISK AND OPPORTUNITIES MANAGEMENT COMMITTEE

The Board of Directors has appointed a Risk and Opportunities Management Committee consisting of six members of the Board of Directors.



#### EXTENSIVE RISK AND OPPORTUNITIES MANAGEMENT METHODOLOGY

The Board of Directors has adopted an extensive risk and opportunities management methodology, which is followed to identify and assess risks and opportunities and to determine the measures to address them.

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## ENERGY SECURITY

Cyprus is going through an era of unprecedented changes and challenges, such as the opening of the competitive electricity market, but also the continuous effort to ensure that the island is no longer «electrically isolated».

The storage of «green» energy is considered one of the key parameters of the flexibility needed in modern energy management systems, especially those with a significant penetration of RES. As there is no electricity interconnection with other systems in Cyprus, energy storage becomes even more imperative for the security and flexibility of the energy system.

Following the European Union’s “Fit for 55” package of measures to reduce greenhouse gas emissions by 2030 and the plan for transitioning from conventional generation to “green” energy, Cyprus is preparing the revised National Climate Action Plan, based on which it will commit to implementing some measures in order to achieve its national targets.

For this reason, EAC focuses its efforts on the development of RES projects and explores solutions for energy storage, while creating the conditions for a potential reduction of electricity costs.





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Recognising the importance of research and innovation as pillars of growth and prosperity, EAC cooperates closely with significant organizations.

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## RESEARCH AND DEVELOPMENT PARTNERSHIPS

Recognising the importance of research and innovation as pillars of growth and prosperity, the Deputy Ministry of Research, Innovation and Digital Policy and EAC signed a Memorandum of Cooperation, which focuses on policies and actions related to the Green Deal, research, innovation and digital policy, in order to inform, network and develop technological applications of common interest.

Since 2017, EAC has been working closely with the University of Cyprus' KIOS Research and Innovation Centre of Excellence. The ultimate goal of the cooperation is the modernisation of Cyprus' electricity network, which will facilitate the «green» and digital transition.

Further strengthening its ties with the scientific community, EAC has signed Memoranda of Cooperation with Cyprus University of Technology and Frederick University to contribute to the exchange of know-how and to encourage the implementation of innovative ideas and applications.

In February 2023, EAC signed a Memorandum of Cooperation with the Research and Innovation Foundation (RIF), aiming at cooperation on issues of common interest

related to research and innovation in the energy sector. Under the Memorandum, RIF will launch a special research and innovation programme to fund proposals that are expected to meet the challenges faced by EAC.

EAC has signed a memorandum of cooperation with the PPC Group (DEI), which includes regulatory issues regarding the operation of the electricity market and is based on the intention to strengthen cooperation in the electricity and gas sectors.

In addition, EAC has signed a memorandum of cooperation with the Israel Electric Corporation, which focuses on smart grids, smart cities, the use of new technologies and green energy.

In 2023, EAC signed a memorandum of cooperation with Hellenic Minerals for the production of caustic soda through the utilisation of desalination brine and/or other raw material (e.g. sodium chloride) and the construction of photovoltaic parks to serve the desalination project and other needs.

Also in 2023, EAC signed a memorandum of cooperation with the Cyprus Sports Organisation (CSO). Cooperation with CSO includes the support of CSO's «Sport for All» programme, the promotion of sports and EAC's areas of interest. The framework of cooperation also prescribes

the promotion of actions of common interest, the support and promotion of CSO's plans, with the aim of developing the dual career of athletes, the transfer of know-how for common benefit, the utilisation of EAC's experience in energy efficiency issues of CSO's sports facilities and the development of Green Sport, as recommended by the European Commission.

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## RESEARCH PROGRAMMES AND INNOVATION

Research programmes carried out in 2023 are:

### 1. FLEXITRANSTORE (Horizon 2020 LCE04)

It concerns the development of an Active Distribution Node with the installation of a large storage system in the network, as well as advanced controllers that optimise on a technical/financial level the services offered and, in general, the investment in its participation in the competitive electricity market.

### 2. ERIGENEIA (Research Promotion Foundation Solar-ERA NET)

This is a pilot project for the installation of advanced hybrid storage systems in five producers-consumers with energy management systems that optimise the benefit for the owner and the DSO.

### 3. LightSense

It involves the use of fibre optic transmission network for network fault diagnosis. In this way, errors can be diagnosed in time and their immediate resolution is facilitated.

During the period 2017-2023, the following research projects were completed in collaboration with «Kios»:

- The impact of the withdrawal of peak demand charging on the profile of the electricity system in Cyprus.
- Strategic planning of EAC regarding telecommunications infrastructure:
- Redesign of the electricity system in Cyprus in view of 2021-2030.
- Creation of a platform for congestion management in the network, as well as for reducing phase asymmetry in real time, in order to optimise the management of transmission and distribution systems (One Net).

At the same time, the project «Identification and calculation of erroneous transmission line parameters using PMU measurements» is expected to be completed in 2024.

## INVESTMENT IN TECHNOLOGY INFRASTRUCTURE

As part of the modernisation projects investments have been made related to equipment and technology, which include:

- Smart meters and advanced metering infrastructure (AMI)
- National Distribution Control Centre and SCADA/ADMS with modern hardware and software
- Modern equipment installed in the network for telemetering, telecontrol and power quality monitoring.
- The technologies and tools of the GIS platform (GeoDiaS) that contribute to the digitisation and automation of the Organisation's processes, while offering better service to stakeholders.
- The advanced system for recording and managing all metering data that serves the needs of consumers, suppliers, producers and all electricity market participants in general (MDMS).

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## RESPONSIBLE SUPPLY CHAIN

### Purchasing Practices

EAC uses the e-Procurement platform for the execution of procurement procedures. Through e-Procurement, invitations to tenders, the issuance of clarifications and/or amendments, as well as the electronic submission of tenders are made electronically.

A major tender will take place in 2024 and during tender evaluation, reward criteria related to Corporate Governance will be considered, including policy commitments, procedures for remediation of negative impacts, mechanisms for seeking advice and raising concerns. The aim is to include reward criteria in tender evaluation up to 20% of 2025 tenders.

### Approval and Evaluation of Suppliers

Upon completion of the award procedure, each contractor is obliged, to declare in writing, inter alia, that:

- He has not been convicted of corruption, fraud or money laundering.
- He has not been convicted of child labour and other forms of human trafficking, in accordance with Article 2 of the 2014 Law on Prevention and Combating of Trafficking and Exploitation of Persons and Protection of Victims.
- He has not committed any serious professional misconduct.

Depending on the scope of the contract, the contractor is requested to submit evidence of certification.

As regards the supply of materials, their quality is assessed upon receipt to ensure that they comply with the technical specifications. If the specifications are not met, the materials are not accepted.

## CYBERSECURITY

The energy sector is going through an era of unprecedented changes and challenges, along with increasing cyber threats. As the energy sector becomes increasingly interconnected and dependent on digital systems, any software and hardware vulnerabilities or human errors can expose critical infrastructure to potential breaches, data theft and outages.

### Focusing on the criticality of protecting information and related systems, EAC has allocated resources for:

- Its compliance with legislation, as well as with the European Directives (NIS) governing information security.
- Awareness raising and training of staff on cybersecurity issues.
- Upgrading the resilience of critical systems for power supply.
- The adoption of advanced technology and the implementation of best practices.

- Developing proactive strategies to achieve satisfactory recovery times from cyber-attacks and minimise service disruptions.
- The development of business continuity and risk management practices related to information security.

The security of information and systems is the responsibility of those who manage information at EAC and, by extension, of both the Board of Directors and the Management.

### CYBERSECURITY



The security of information and systems is the responsibility of those who manage information at EAC and, by extension, of both the Board of Directors and the Management.

A nighttime cityscape featuring a multi-level highway with light trails from cars. In the background, several modern skyscrapers are illuminated with blue and white lights. A large teal circle is overlaid on the center of the image, containing white text.

# OUR APPROACH TO SUSTAINABLE DEVELOPMENT

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EAC promotes sustainability and ensures its positive outlook, taking into account energy challenges at local and international levels.

## OUR APPROACH TO SUSTAINABLE DEVELOPMENT

OUR APPROACH

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MATERIAL TOPICS

SUSTAINABLE DEVELOPMENT GOALS IN OUR STRATEGY

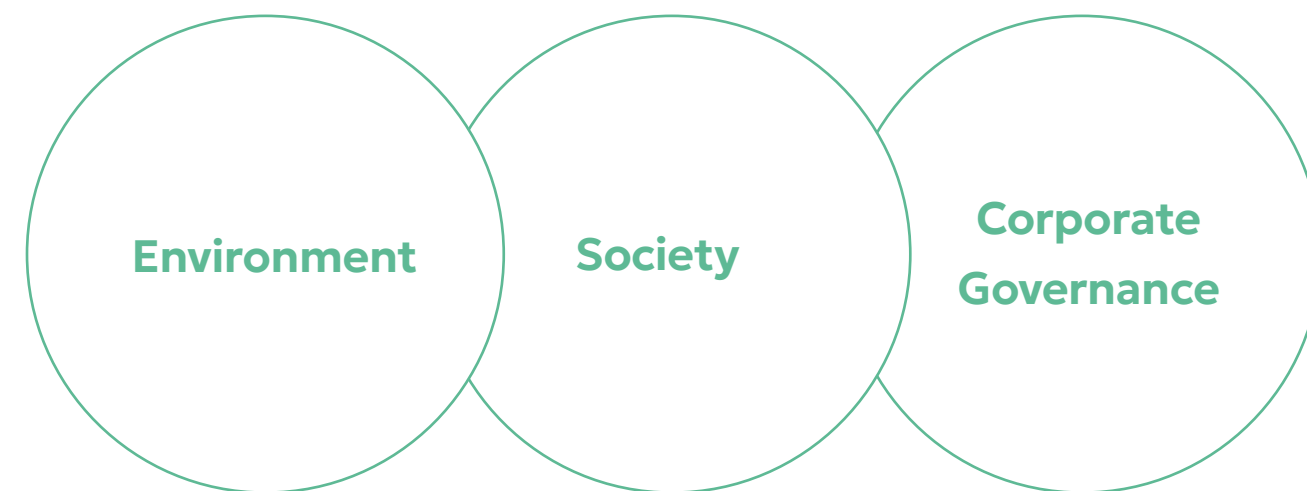
THE CONTENT OF THE REPORT

### OUR APPROACH

EAC’s commitments to sustainable development are part of a broader set of initiatives focused on creating long-term value.

In a context of continuous and intense changes in the energy sector, both locally and internationally, the overriding challenge for EAC is sustainable development and ensuring its positive outlook. This is based on respect, prudence and responsibility towards Cypriot society. For EAC, climate change, the supply of electricity at affordable prices and the security of electricity supply are the key global issues that require vigilance, in cooperation with stakeholders in Cyprus and with representation in relevant European committees.

EAC has taken a leading role in the effort to reduce carbon dioxide emissions in cooperation with other stakeholders. This requires an understanding of sustainable development issues, as well as the expectations and concerns of the Organisation’s stakeholders.



### EAC’S STRATEGIC PRIORITIES



#### CLIMATE CHANGE

The world has begun to realise the devastatingly negative effects that climate change could have on our planet.



#### SECURITY OF ELECTRICITY SUPPLY

Security of supply is a key concern of the Organisation and significant investments are being made both in a technical level and in staff training.



#### ELECTRICITY AT AFFORDABLE PRICES

EAC stands by its customers who belong to the vulnerable customers category and generally tries to always maintain the lowest possible prices.



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## STAKEHOLDERS

The identification of stakeholders, systematic communication and constructive dialogue with them are particularly important parameters for EAC.

### Key identified stakeholder groups:

- Employees
- Customers
- State
- Regulatory authorities and public bodies
- Non-governmental/non-profit organisations
- Local authorities and local communities
- Partners and suppliers
- Competitors in the energy market
- Financial institutions
- Mass media
- Trade union bodies

Using the means at its disposal, EAC communicates with all stakeholders in order to achieve a better understanding of the impacts resulting from the Organisation’s activities and to improve its performance. EAC recognises the significant benefits that arise bilaterally through meaningful communication and cooperation with the various stakeholder groups.

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KEY STAKEHOLDERS	CONTACT	MATERIAL TOPICS	
<b>Employees</b>	EAC is in direct communication with its employees, who are represented by their trade union bodies. Responding to the need of employees to monitor changes, the Management is in open communication with the trade union bodies for their timely information.	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Business continuity and improvement of internal structures</li> <li>• Customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Education, training, development and retention of workers</li> <li>• Building relationships with all stakeholders</li> <li>• Social welfare</li> <li>• Labour relations</li> </ul>
<b>Customers and Network Users</b>	Supply CRA and Distribution CRA are in constant contact with customers and network users, through branches, telephone lines, website, customer satisfaction surveys and information material. A typical example of a service developed following dialogue with customers is the e-bill.	<ul style="list-style-type: none"> <li>• Fair transition to renewable energy sources</li> <li>• Management of natural resources</li> <li>• Customer service</li> <li>• Climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Energy security of the Republic of Cyprus and accessibility</li> <li>• Innovation and technology to improve energy efficiency and environmental footprint</li> <li>• Building relationships with all stakeholders</li> <li>• Social welfare</li> </ul>
<b>State, Regulatory Authorities and Public Bodies</b>	EAC is in contact with the State, the Regulatory Authorities and public bodies and takes a position on energy-related issues. The General Management Office and the four CRAs of EAC mainly deal with and represent the EAC on regulatory framework matters concerning the Organisation.	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Business continuity and improvement of internal structures</li> <li>• Good governance</li> <li>• Energy security of the Republic of Cyprus and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>• Financial management, growth and investment</li> <li>• Building relationships with all stakeholders</li> <li>• Social welfare</li> <li>• Legislative compliance</li> </ul>
<b>Non-Governmental/Non-Profit Organisations</b>	Requests from non-governmental/non-profit organisations communicated to the Organisation mainly concern questions on environmental performance, as well as requests for support for their activities. EAC's actions to manage environmental issues are discussed later in the report.	<ul style="list-style-type: none"> <li>• Fair transition to renewable energy sources</li> <li>• Health and Safety</li> <li>• Management of natural resources</li> <li>• Climate change</li> <li>• Energy security of the Republic of Cyprus and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation and technology to improve energy efficiency and environmental footprint</li> <li>• Building relationships with all stakeholders</li> <li>• Social welfare</li> <li>• Legislative compliance</li> <li>• Labour relations</li> </ul>
<b>Local Authorities and Local Communities</b>	EAC's communication with the Local Authorities and local communities is continuous and takes place both on an institutional level, through the submission and evaluation of specific requests and consultations, as well as on non-institutional level, through the daily contact of managers with representatives of local communities and authorities. To support local communities, EAC selects - as far as possible - employees and suppliers from local communities, thus strengthening the local economy. Compensatory projects resulting from the consultation during the process of adopting the environmental conditions for EAC's projects and other actions to support local communities are presented later in the report.	<ul style="list-style-type: none"> <li>• Management of natural resources</li> <li>• Good governance</li> <li>• Energy security of the Republic of Cyprus and accessibility</li> <li>• Financial management, growth and investment</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation and technology to improve energy efficiency and environmental footprint</li> <li>• Building relationships with all stakeholders</li> <li>• Legislative compliance</li> </ul>
<b>Partners and Suppliers</b>	In order to implement projects more effectively, promote energy and improve its products and services, EAC works with its suppliers and partners at local, national and international level. The channels of communication with suppliers and EAC's approach to transparent procurement procedures and project assignments are summarised later in the report.	<ul style="list-style-type: none"> <li>• Fair transition to renewable energy sources</li> <li>• Business continuity and improvement of internal structures</li> <li>• Customer service</li> <li>• Good governance</li> <li>• Financial management, growth and investment</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation and technology to improve energy efficiency and environmental footprint</li> <li>• Education, training, development and retention of workers</li> <li>• Building relationships with all stakeholders</li> <li>• Legislative compliance</li> </ul>





# OUR APPROACH TO SUSTAINABLE DEVELOPMENT

OUR APPROACH

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MATERIAL TOPICS

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EAC's strategic approach to sustainable development is founded on the triptych of Environment, Society and Corporate Governance and Organization.



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## MATERIAL TOPICS

In the context of the commitment to sustainable development, the identification of material topics helps to prioritise environmental, social and governance issues, to better identify actions and, by extension, their outcomes.

Material topics relate both to the activity of EAC and the priorities of stakeholders. The selection of material topics focuses on their impact on the Organisation, but also on society and the environment. Recognition of material topics ensures that the EAC strategy is aligned with national plans and national commitments and priorities, as well as with the global sustainability agenda.

### PROCEDURE FOR IDENTIFYING MATERIAL TOPICS

The procedure for identifying the topics included in the report took place during the preparation of the report and went through three distinct steps:

- 1** Procedure of reviewing and confirming material topics, which considered:
  - International standards
  - Industry issues
  - The Organisation's Strategy
  - The National Energy Strategy
  - European climate change targets
  - Stakeholder surveys
  - UN Sustainable Development Goals (SDGs)
  - The characteristics of the Cypriot environment

- 2** Workshops with managers from selected Managements of the Organisation
  - Evaluation and analysis of the wider impact of topics

- 3** Validation of the topics by the Board of Directors, which also approved the Sustainable Development Report



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## MATERIAL TOPICS

PILLARS	ENVIRONMENT	SOCIETY	CORPORATE GOVERNANCE AND ORGANISATION
<b>Objectives</b>	Achieving a world-class performance with zero adverse environmental impact and reducing our environmental footprint.	Responsible contribution to society High-performance human resources	Adoption of organisational, governance and strategic models that enable us to meet our customers' needs now and in the future.
<b>Material topics by pillar</b>	Fair transition to renewable energy sources	Health and Safety	Business continuity and improvement of internal structures
	Management of natural resources	Customer service	Good governance
	Climate change	Energy security of the Republic of Cyprus and accessibility	Financial management, growth and investment
	Innovation and technology to improve energy efficiency and environmental footprint	Education, training, development and retention of workers	Building relationships with all stakeholders
		Social welfare	Legislative compliance
		Labour relations	Risk and opportunity management

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## SUSTAINABLE DEVELOPMENT GOALS IN OUR STRATEGY

The Sustainable Development Goals have been integrated into EAC’s business model. Material topics are inextricably linked to the Sustainable Development Goals.

PILLARS	MATERIAL TOPICS	UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)
Environment	Fair transition to renewable energy sources	7, 8, 9, 10, 11, 12, 13
	Management of natural resources	6, 7, 11, 13, 14, 15
	Climate change	7, 9, 11, 12, 13, 14, 15
	Innovation and technology to improve energy efficiency and environmental footprint	7, 9, 12, 13
Society	Health and Safety	3
	Customer service	12, 16
	Energy security of the Republic of Cyprus and accessibility	7, 8, 9
	Education, training, development and retention of workers	4, 5, 8, 9
	Social welfare	1, 3, 5, 8, 10, 11, 16
	Labour relations	5, 8, 10
Corporate Governance and Organisation	Business continuity	8, 9, 12
	Good governance	8, 12, 16
	Financial management, growth and investment	8, 9
	Building relationships with all stakeholders	10
	Legislative compliance	12, 16

## THE CONTENT OF THE REPORT

The content of the Report is based on the material topics that have been identified.

The EAC’s Quality Assurance leads the data collection process from the relevant Core Regulated Activities and Non-Regulated Activities. The Project Team, composed of staff from the CRAs, NRAs and Common Services, plays an active role in data collection.

The data collected is evaluated by the Quality Assurance team, which is also responsible for preparing the Report, to ensure that the Report reflects international good practices, the strategies of the Organisation and the needs of its stakeholders.

The correctness and accuracy of the content of the Report is confirmed by the contributing Management of the CRAs and NRAs, and the Common Services, from which such content has been collected. The Report is reviewed and approved by all contributing Managements and is subject to review by the Board of Directors.



# ENVIRONMENTAL MANAGEMENT

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In line with European objectives and the National Energy and Climate Plan, EAC is acting to address climate change and reduce its impacts.

# ENVIRONMENTAL MANAGEMENT

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As an Organisation operating in the energy sector, EAC fully understands every aspect of the impact its operations have on climate change and is in line with European targets and the National Energy and Climate Plan. Therefore, it acts to reduce greenhouse emissions by focusing on electricity generation while fostering responsible environmental awareness and behaviour.

**Considering the severity of climate crisis, EAC has recorded the following impacts on its activities:**

- Risk of financial impact due to the increased cost of greenhouse gas emission allowances.
- Risk of financial impact on turnover due to the increased price of electricity as a result of the increase in demand.
- Opportunity to reduce greenhouse gas emissions with the introduction of natural gas, which is estimated to result in a reduction of 25-30%.
- Opportunity to reduce greenhouse emissions and power generation costs with the introduction of RES into the energy mix.
- Opportunity to reduce greenhouse gas emissions and power generation costs with the installation of generation units of increased efficiency (e.g. unit No.6 at the Vasiliko PP).
- Operational and financial risk from extreme weather events.

- Risk of financial impact due to fines related to air pollutants, as well as liquid and solid waste.
- Reputational risk for the Organisation.
- Opportunity to adopt new innovative technologies to reduce emissions (e.g. energy storage).



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## FACING CLIMATE CHANGE

EAC has completed and continues to implement a series of strategic actions, which include:

Conversion of all units at the Vasiliko PS so that they can operate immediately after the natural gas arrival and commercialisation.

Installation of a new unit (No.6) at the Vasiliko PS with natural gas as fuel.

Installation of new, more efficient power generation units at the Dhekelia PS and decommissioning of existing energy-intensive units.

Where operationally feasible, the fleet of service cars is being upgraded from conventional to electric.

Carbon dioxide emissions from PSs and from the EAC fleet are being calculated, monitored and targeted.

Monitoring of air quality at ground level from mobile units around the Power Stations.

In 2023, a tender was launched for the upgrade of the obsolete Building Management System (BMS) to BEMS (Building Energy Management System) at the head offices. Implementation of subsidised energy saving projects for end consumers within the scope of its responsibilities as obligated party.

## ENVIRONMENTAL MANAGEMENT

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## POLLUTANTS AND GREENHOUSE GAS EMISSIONS

According to the industrial emission permits, EAC sends an annual report to the Department of Environment of the Ministry of Agriculture, Rural Development and Environment with the results of the measurements of the pollutants in the gaseous and liquid waste, as well as the quantities of liquid and solid waste produced by the PPs and given to licensed companies for management.

Measurements of the emissions of pollutants from gaseous waste are made with special instruments available to

the PPs, which measure the content of sulphur dioxide, nitrogen oxides, carbon monoxide, dust, etc. in flue gas.

Minimising carbon dioxide emissions is a focal point for the Generation CRA, as daily generation scheduling utilises more efficient units, reducing the amount of fuel used and, consequently, greenhouse gas emissions. The operation of the new combined cycle unit No. 6 at the Vasiliko PS is expected to also contribute to the reduction of greenhouse emissions, as it will reduce the need to use more energy-intensive units, such as the steam units of the Dhekelia PS and the open cycle turbine generators of the Moni PS. It is estimated that the introduction of natural gas will drastically reduce greenhouse emissions, as its carbon

content per thermal kilowatt-hour is about 30% less than that of fuel oil. EAC has almost completed all the necessary modifications to operate the steam and combined cycle units with natural gas.

Carbon dioxide emissions from the Power Stations are presented in the table below.

### GREENHOUSE GENERATION EMISSIONS

Year	Power Stations						Total emissions (t CO <sub>2</sub> )	Generation (MWh)	Emission Factor (t CO <sub>2</sub> /MWh)	Emission Factor Target (t CO <sub>2</sub> /MWh)
	Vasilikos		Dhekelia		Moni					
	HFO (Heavy Fuel Oil)	DIESEL	HFO (Heavy Fuel Oil)	DIESEL	HFO (Heavy Fuel Oil)	DIESEL				
2021	1,023,255	870,767	1,153,067	53	0	30,546	3,077,688	4,337,147	0,710	0,74
<b>Total</b>	1,894,022		1,153,120		30,546					
2022	969,441	976,943	1,125,384	121	0	27,053	3,098,942	4,380,174	0,707	0,74
<b>Total</b>	1,946,384		1,125,505		27,053					
2023	1,008,365,7	862,253,7	1,132,695	61,7	0	46,544	3,049,920	4,201,983	0,726	0,74
<b>Total</b>	1,870,619		1,132,757		46,544					





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Greenhouse gas emissions can be reduced with proper planning of the Generation CRA, but the indicator related to the correlation of emissions per megawatt-hour generated has a fixed target. The reason is that without the use of natural gas there can be no substantial reduction in greenhouse emissions per megawatt-hour generated,

given the characteristics of liquid fuels and the efficiency of existing plants. Although the penetration of RES in the energy mix of generation will lead to a reduction in total GHG emissions, it is estimated that it will not change the combustion characteristics of the reduced conventional generation per megawatt-hour, as the fuel and efficiency

of conventional plants remain the same. Therefore, greenhouse gas emissions per megawatt-hour generated can be reduced by up to 25-30% just by replacing the fuel from heavy fuel oil to natural gas.

MEASUREMENT INDICATOR	INDICATOR NO.	TARGET 2021	RESULTS 31/12/21	TARGET 2022	RESULTS 31/12/22	TARGET 2023	RESULTS 31/12/23	10-YEAR TARGET OF THE EUROPEAN UNION 2023-2032
<b>Greenhouse gas emissions per megawatt-hour generated</b>	5.1.2	0,74t/MWh	0,7096t/MWh	0,7t/MWh	0,707t/MWh	0,74t/MWh	0,726t/MWh	0,4t/MWh



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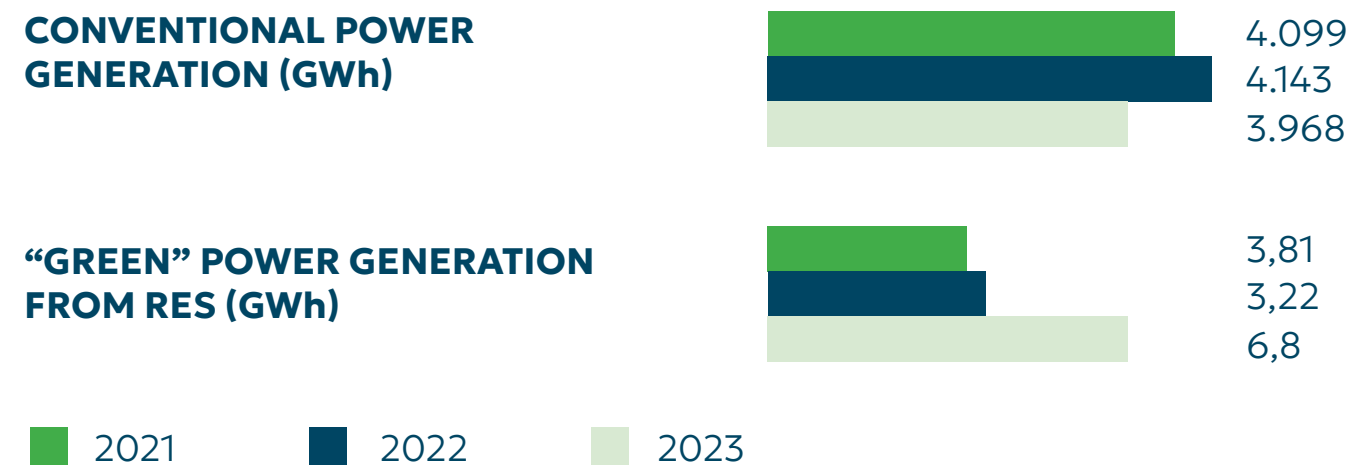


The following table shows carbon dioxide emissions from EAC’s vehicle fleet. Even though the workload of the construction crews has increased in recent years, the Organisation’s objective remains the continuous reduction of emissions in relation to the number of kilometres driven.

YEAR	INDICATOR VEHICLES	TOTAL KM DRIVEN	CO2 (KG)	RON95 PETROL (LT)	DIESEL (LT)
2021	681	7.760.266	1.887.446	84.990	895.093
2022	725	7.726.517	1.925.049	85.952	846.967
2023	732	7.974.244	1.924.985	83.300	913.578

## ENERGY TRANSITION AND RES

Power generation at EAC’s power stations is based on conventional fuels, while the units of the Vasiliko power station are suitably configured for natural gas combustion. Power generation from Renewable Sources, specifically from photovoltaics, is included in EAC’s energy mix.



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## ENERGY EFFICIENCY

EAC seeks to maximise its energy efficiency.

### Energy Audits

In total, eighteen energy audits have been carried out in offices, warehouses and Customer Service Centres, in EAC’s vehicle fleet and as regards the industrial process of desalination. The results of the energy audits, together with the technical proposals for improving energy efficiency, were presented to Management in 2023.

Multiple energy saving solutions and energy generation measures were analysed and evaluated based on life cycle costs. Solutions that were most cost-effective based on a techno-economic approach and were proposed for implementation are, among others:

- Replacement of conventional office lighting with efficient LED lamps.
- Replacement of air conditioning systems, such as water chillers, VRF, split type air conditioners.
- Installation of solar thermal systems for Domestic Hot Water that will replace conventional boilers.
- Installation of photovoltaic systems.
- Replacement of conventional vehicles with electric vehicles

### Electromobility

- Expansion of the electric vehicle charging network and stations.

- Study for the supply of electricity from RES to e-Charge chargers.

### Street Lighting

- Continuation of the replacement of energy-intensive street lighting fixtures with «smart» LED lighting.

### Installation of Photovoltaic Systems for Third Parties

- Supporting Cyprus’ «green» transition, EAC continued to promote the installation of photovoltaic systems on roofs and parking lots for third parties, such as schools and hospitals, which will help reduce electricity costs for consumers and reduce emissions.



# ENVIRONMENTAL MANAGEMENT

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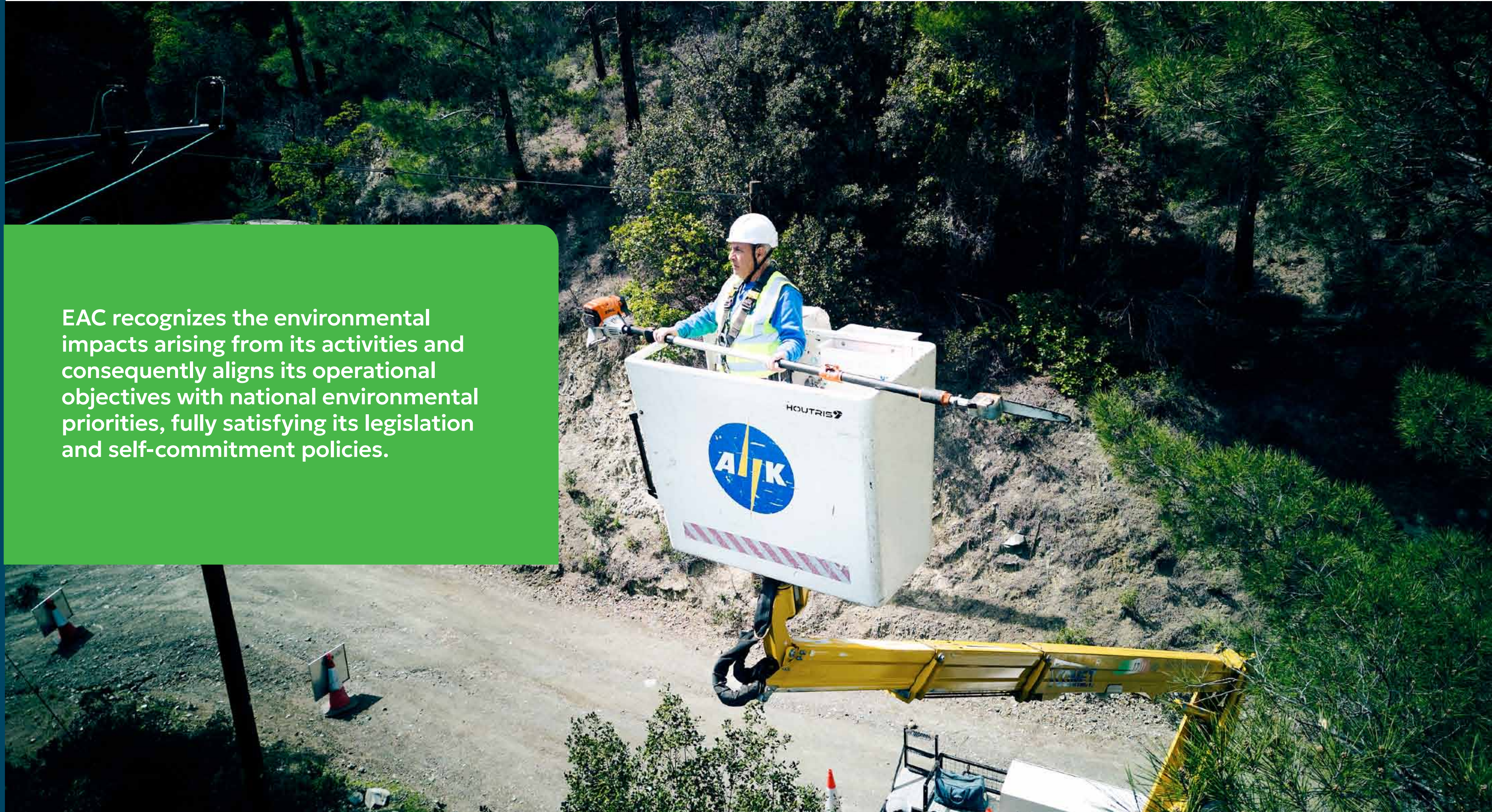
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EAC recognizes the environmental impacts arising from its activities and consequently aligns its operational objectives with national environmental priorities, fully satisfying its legislation and self-commitment policies.



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## ENVIRONMENTAL MANAGEMENT

EAC recognises the environmental impact arising from its activities and therefore aligns its business objectives with national environmental priorities, fully complying with legislation and its self-commitment policies.

EAC implements an Environmental Management System based on ISO14001:2015 standard, certified by an independent body, achieving a comprehensive assessment of the environmental impact of its activities, the identification of environmental risks and opportunities and the monitoring and recording of air emissions. By extension, EAC is driven to minimise the consumption of natural resources, reduce the impact of emergencies and manage its waste in an integrated way.

### Environmental Impact from our Operations

EAC has a documented process for assessing environmental impact and defining the relevant management plans. The purpose of this process is both to identify all the elements and impacts of the processes, materials and services of each EAC activity that are relevant to the environment, and to subsequently assess these impacts in order to evaluate which of them are significant based on their severity and likelihood of occurrence. For significant impacts, specific environmental programmes are designed for each geographical area with detailed environmental objectives, which are assessed and reviewed annually.

## INDICATIVE ACTIONS TO MINIMISE THE IMPACT OF EAC'S ACTIVITIES:

Adoption of a new policy on the use of biodegradable insulating oil where its use is appropriate.

Study of alternative biodegradable wood preservatives for use in impregnated wood piles.

In cooperation with the relevant government agencies, installation of pilot applications of insulating covers, the use of which is intended to protect birds and local fauna in general.

In cooperation with the Forestry Department, preparation of a plan for the installation of insulating cables or other equipment in specific areas to protect local fauna and flora (in case of damage).

Use of low sulphur heavy fuel oil (0.5%) for internal combustion engines.

Monitoring and recording of pollutants (air, water, soil) to avoid pollution of the sea, air and soil.

Installation of fire detection and fire extinguishing systems in the PSs for immediate response to a potential fire.

Recycling of oils and other liquid waste.

Measuring the air quality around the PPs.

Pruning work by EAC's crews in the forest areas around the overhead lines. At the same time, under the overhead transformers, clearing of dry vegetation and washing and cleaning of the insulators in the high voltage pylons.



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## Environmental Integration for the Photovoltaic Park Construction Project at Akrotiri

In the wider area of Akrotiri there are important habitats, the main one being the Akrotiri salt marsh, an important wetland at European level. It was a great challenge for EAC to design and build a project that is an example of environmental integration. The environmental licensing of the project includes both the Environmental Impact Assessment and the Special Ecological Assessment, due to its proximity to important habitats.

EAC's approach focused on two pillars: reducing or avoiding the environmental effects of the project and compensating for those effects that could not be avoided.

- Delineation of the project so that existing tree lines are preserved to the maximum extent possible.
- Planting more trees than those removed. Trees were selected based on the area's habitats, reduced water requirements and additional nesting, resting and feeding areas for small mammals, birds and reptiles. To compensate for removing 3,800 trees 8,000 trees were planted, and to ensure success of tree plantings, recycled water from the Sewerage Board Of Limassol - Amathus was used, through the Water Development Department.
- Two rounds of bird watching and recording were conducted at the project site and in the surrounding area (before and during the works).
- Scheduling of the site and work methods to avoid nesting periods and reduce potential impacts on the area's wildlife.
- Changing the foundation method from piles to ground screws, thus drastically reducing the noise produced by the construction site.
- Attempt of agro-photovoltaic application. EAC has initiated a three-year crop rotation effort and is working with the Department of Agriculture, both to transfer the knowledge gained and to receive help in evaluating the results.
- Cleaning is done only by mechanical means, without the use of pesticides or herbicides, creating the conditions for using the area for beekeeping purposes.



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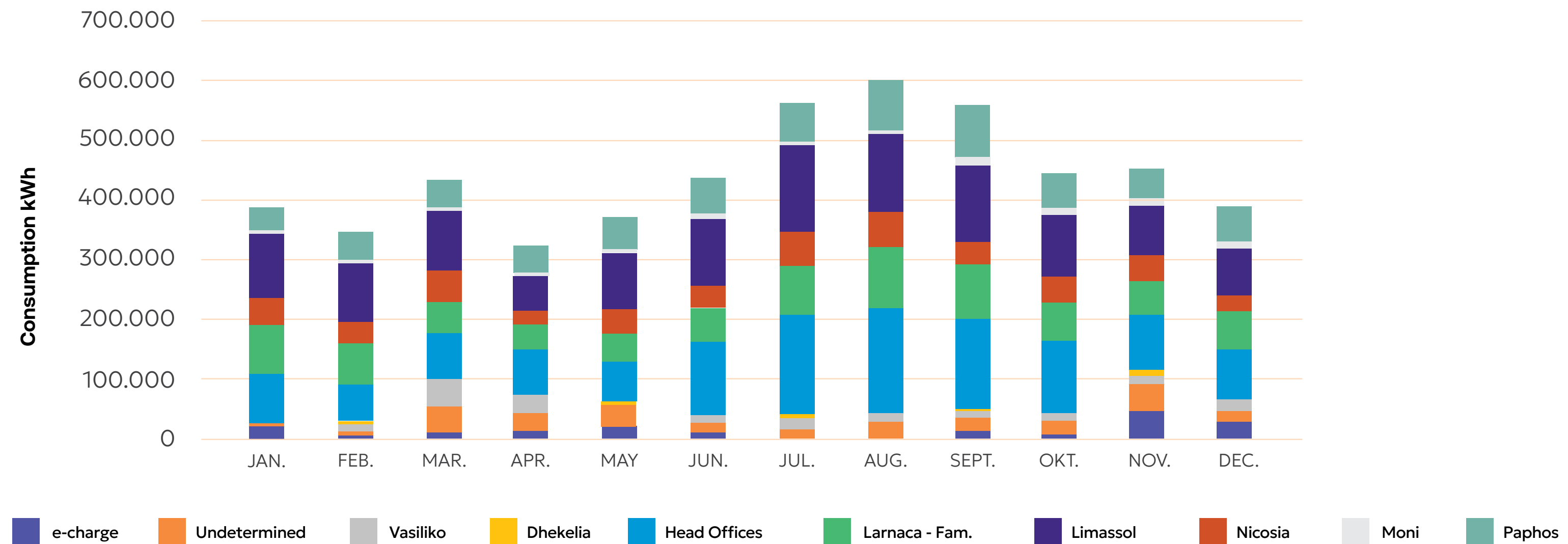
## Energy and Fuels

At regular intervals, electricity consumption by EAC's facilities is recorded and monitored by the CC & Billing system. Consumption includes all EAC's meters for its facilities, buildings and processes.

Targets made for facilities is developed separately from those in processes, as the electricity consumption in processes is directly affected by the production units, such as the amount of water produced in the desalination plant and the charging energy produced by the e-charge stations.

The target energy consumption reduction in EAC's facilities has not been achieved for 2023 as there is an increase of 9.4%.

**ELECTRICITY CONSUMPTION IN EAC'S FACILITIES BY GEOGRAPHICAL LOCATION FOR THE YEAR 2023**



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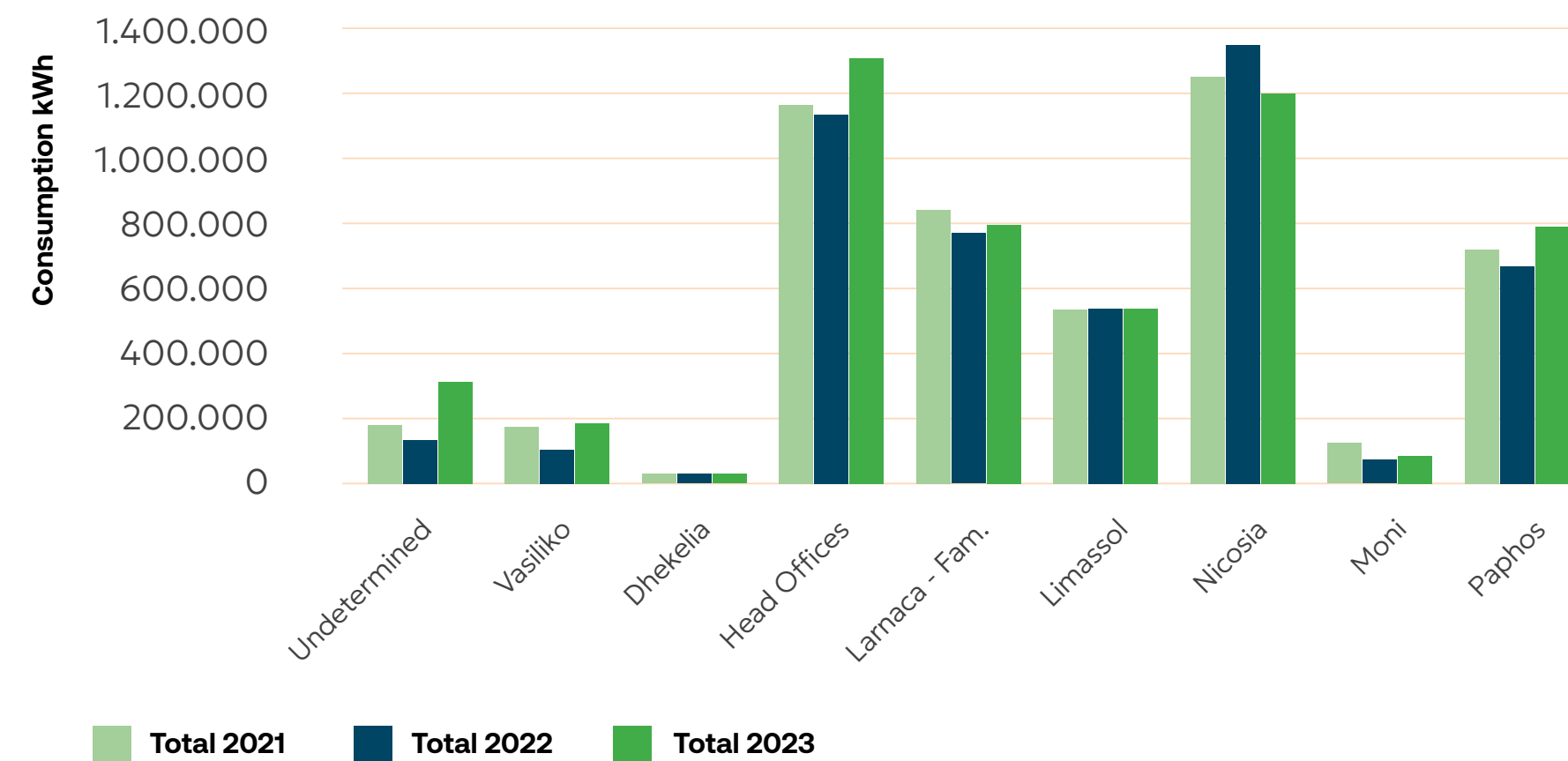
ENERGY TRANSITION AND RES

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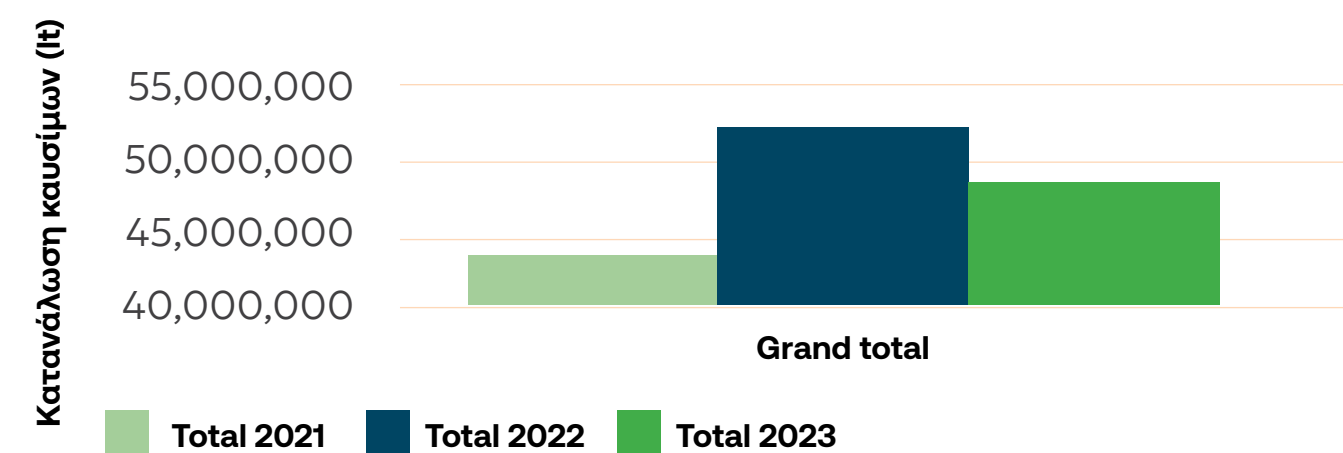
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### TOTAL ELECTRICITY CONSUMPTION IN EAC'S FACILITIES BY GEOGRAPHICAL LOCATION FOR THE PERIOD OF 2021 TO 2023



### TOTAL ELECTRICITY CONSUMPTION OF EAC (FACILITIES AND PROCESSES) FOR THE PERIOD OF 2021 TO 2023



FACILITIES/ PROCESSES	TOTAL CONSUMPTION (KWH) 2021	TOTAL CONSUMPTION (KWH) 2021	TOTAL CONSUMPTION (KWH) 2021	CHANGE 2021 -2022	CHANGE 2022-2023
Undetermined <sup>3</sup>	183.471	111.278	295.272	-39%	165%
Vasiliko <sup>1</sup>	150.564	74.489	172.685	-51%	132%
Dhekelia <sup>2</sup>	14.970	14.633	15.978	-2%	9%
Head Offices	1.157.857	1.147.574	1.291.173	-1%	13%
Larnaca - Famagusta	833.944	791.772	810.719	-5%	2%
Limassol	529.586	528.641	536.119	0%	1%
Nicosia	1.236.948	1.324.827	1.119.574	7%	-9%
Moni	106.695	64.926	96.361	-39%	48%
Paphos	740.648	702.373	790.480	-5%	13%
<b>Total Facilities</b>	<b>4.954.683</b>	<b>4.760.513</b>	<b>5.208.361</b>	<b>-3,9%</b>	<b>9,4%</b>
e-charge	58.322	168.796	222.377	189%	32%
Desalination	38.793.520	46.115.290	43.239.652	19%	-6,2%
<b>Total Processes</b>	<b>38.851.842</b>	<b>46.284.086</b>	<b>43.462.029</b>	<b>19,1%</b>	<b>-6,1%</b>
<b>Grand total</b>	<b>43.806.525</b>	<b>51.044.599</b>	<b>48.670.390</b>	<b>16,5%</b>	<b>-4,7%</b>

1. Consumptions mainly concern subcontractors carrying out work.

2. It concerns the air pollution measuring unit and the EAC settlement housing area.

3. Includes temporary contractor supplies and alternative supply to the photovoltaic park.





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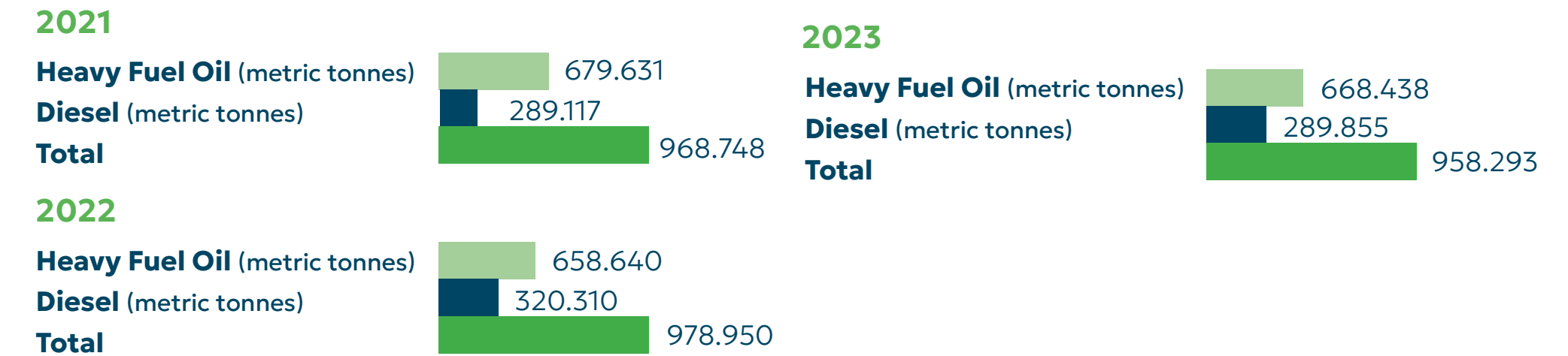
## Consumption of Transport Fuel

The following fuel consumptions refer to the entire fleet of EAC, except for the fleet used within the PPs.

FUEL TYPE	2021	2022	2023
Diesel (lt)	895.093	846.967	913.578
RON95 Petrol (lt)	84.990	85.952	83.300
Total Km driven	7.760.266	7.760.266	7.760.266
CO <sub>2</sub> (kg)	1.887.446	1.887.446	1.887.446
CO <sub>2</sub> (kg)/km	0,24321924	0,24321924	0,24321924
Change from previous year	+3,69%	+2,44%	-3,11%

TYPE OF EAC FLEET VEHICLES	NUMBER 2021	NUMBER 2022	NUMBER 2023
Trucks	116	116	125
Saloons and small two-seater vans	162	156	151
SUV 4x4	78	76	86
Large vans	74	73	77
S/c and d/c pick up 4x4	182	238	239
Motorcycles	69	66	63
<b>Total</b>	<b>681</b>	<b>725</b>	<b>732</b>

## Fuel Consumption for Power Generation 2021 to 2023



## Water

Water consumption for Regional Offices, Head Offices and PPs for the period of 2021 to 2023

GEOGRAPHICAL AREA	TOTAL WATER CONSUMPTION 2021 (M <sup>3</sup> )	TOTAL WATER CONSUMPTION 2022 (M <sup>3</sup> )	TOTAL WATER CONSUMPTION 2023 (M <sup>3</sup> )	DIFFERENCE 2022-2023
Limassol	1.517	2.089	2.458	17,7%
Larnaca-Famagusta	2.131	2.067	2.139	3,5%
Paphos	8.404	6.839	7.324	7,1%
Nicosia	2.039	1.945	2.935	50,9%
Head Offices	7.365	3.276	5.100	55,7%
Vasiliko PP	46.318	135.468*	43.859	-67,6%
Dhekelia PP	3.610	3.223	2.599	-19,4%
<b>TOTAL</b>	<b>71.384</b>	<b>154.907</b>	<b>66.414</b>	<b>-57,1%</b>
<b>TOTAL **</b>	<b>25.066</b>	<b>19.439</b>	<b>22.555</b>	<b>16,0%</b>

\* Deviation in the consumption at the Vasiliko PS in 2022 due to a major water leak, which was investigated and resolved after billing.

\*\* Total in water consumption, excluding the Vasiliko PP where the leakage occurred in 2022.

# ENVIRONMENTAL MANAGEMENT

TACKLING CLIMATE CHANGE

POLLUTANTS AND GREENHOUSE GAS EMISSIONS

ENERGY TRANSITION AND RES

ENERGY EFFICIENCY

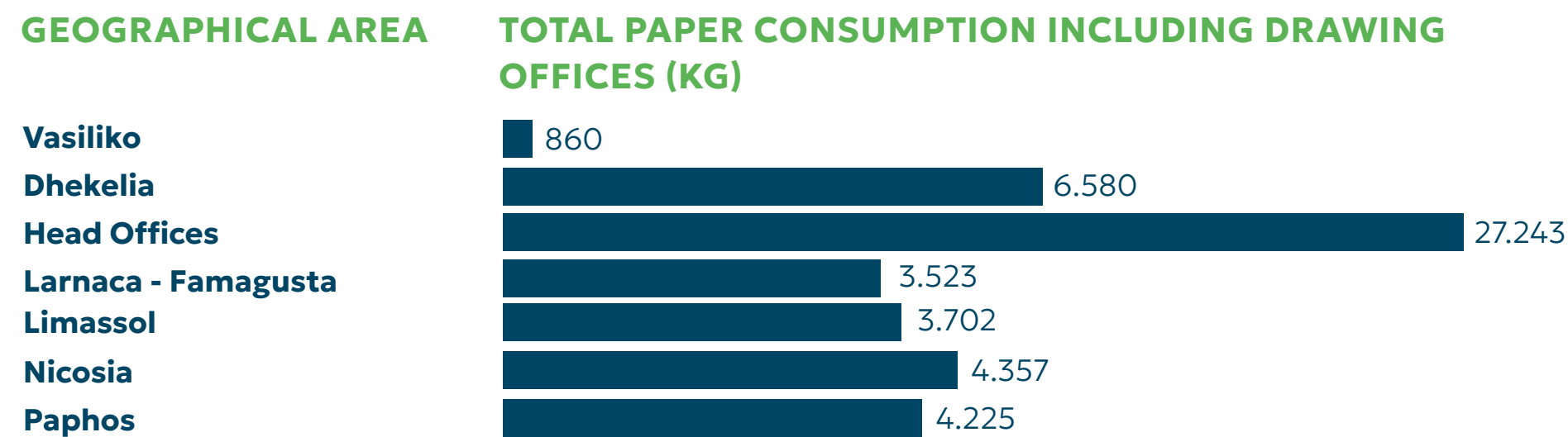
ENVIRONMENTAL MANAGEMENT

BIODIVERSITY



## Paper

Paper consumption by the Regional Offices, Power Stations and Head Offices for the year 2023.



## Resource Management

### Raw Materials and Main Materials

An indicative table of raw materials and main materials is presented below:

TYPE OF MATERIAL/RAW MATERIAL	ORIGIN OF SUPPLIER	QUANTITY 2021	QUANTITY 2022	QUANTITY 2023	MEASUREMENT UNIT
Heavy fuel oil	External	679.631	658.640	668.438	M.T
Diesel	External	289.170	320.310	289.855	M.T
Transmission transformers	External	441	273	174	M.T
Transmission switchgears	External	93	4	0	M.T
Light bulbs	External	227,60	59,60	3,53	M.T
Control monitoring instruments >50cm	External	0,35	0	0	M.T
IT and telecommunications equipment <50cm	External	1,82	0	20,55	M.T

### Waste

EAC follows a specific process for the waste management generated by its activities and facilities. The waste management process incorporates the management of all waste generated by the offices, PPs, workshops and warehouses and includes hazardous waste, for which an annual report is submitted to the Department of Environment via the Electronic Waste Register.

EAC's objective is to improve the process of measuring and monitoring waste data, especially data related to the quantities, type of waste and the units of measurement where it is generated, managed and recycled from all activities and facilities of the Organisation.

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TYPE OF WASTE	QUANTITY 2021	QUANTITY 2022	QUANTITY 2023	MEASUREMENT UNIT	COMMENTS 2021-2022	COMMENTS 2023
Plant effluent from washing, etc.	410.991.545	417.085.409	409.969.634	m <sup>3</sup>	Vasiliko and Dhekelia PSs	Vasiliko and Dhekelia PSs
Cooling water for PPs	145.197.694	939.310.304	1.092.680.457	m <sup>3</sup>	Vasiliko and Dhekelia PSs	Vasiliko and Dhekelia PSs
Combustion and matter residues	422.660	612.760	837.120	kg	Vasiliko and Dhekelia PSs	Vasiliko and Dhekelia PSs
Paper from document shredding services**	36.640	23.600	23.240	lt*	*Exception: Larnaca	All locations included
	1.140	950	4.602	kg	Includes: Paphos	
Alkaline batteries	281	222	340	kg	Exceptions: Larnaca, Head Offices	All locations included
Household waste	20.240	24.910	340	kg	Includes: Head Offices, MARI	All locations included
	1.348.000	1.338.000	70.045	lt*	*Includes: Nicosia, Vasiliko PS	
Distribution transformers	54.620	43.460	62.180	kg	Mari Transformer Centre	Mari Transformer Centre
Distribution Switchgears	37	15	370	pieces	All locations included	All locations included
Scrap metals (cables, conduits, fittings, porcelain, etc.)	651.609	576.706	1.641.512	kg	All locations included	All locations included
Meter reading units	10.100	11.700	20.550	kg	All locations included	All locations included
Lamps	No measurement available	No measurement available	6.271	kg		All locations included by the Distribution Owner, Regional Offices of Paphos and Nicosia, Head Offices
Electrical and electronic equipment (IT)	No measurement available	No measurement available	2.050	kg		All locations included
Polystyrene and other foam materials	No measurement available	No measurement available	600	kg		All locations included
Cloths	2.369	2.103	314	kg		All locations included by the Distribution Owner, Dhekelia PS
Paper packaging and nylon	2.050	14.650	18.200	kg	All locations included	All locations included
Wooden piles	1.472	391	901	pieces	All locations included	All locations included
Accumulators (in Transmission Substations)	0	0	25.260	kg	All locations included	All locations included
Battery acid (electrolytes)	11.141	4.388	2.108	kg	All locations included	All locations included
Used insulating oils	157.498	270.188	84.353	kg	All locations included	All locations included
Toners	102	411	1.525	kg	Excluding Vasiliko PS, Paphos	All locations included
High Pressure Sodium Lamps	227	1.400	207	kg	All locations included	Includes: Vasiliko and Dhekelia PSs
Vehicles at the end of their life cycle	76.151	0	0	kg	All locations included (81 vehicles)	All locations included

\*\*Calculated based on the capacity of the collection bins and the frequency of collection.

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## Recycling

In cooperation with Green Dot, paper and PMD are recycled. Collection from the special Green Dot bins is done weekly from the various EAC locations and the quantity recycled is calculated based on the capacity of the bins and not on the actual volume or weight, as the management company does not carry weighing equipment.

TYPE OF WASTE	QUANTITY 2021	QUANTITY 2022	QUANTITY 2023	MEASUREMENT UNIT	COMMENTS 2021-2022	COMMENTS 2023
<b>Domestic: Paper and paper packaging, PMD</b>	29.660	32.350	20.460	kg	Includes: Limassol, Head Offices, Nicosia Warehouse	All locations (excluding the Limassol Region)
	413.669	431.360	549.400	lt*	Includes: Paphos, Nicosia, Vasiliko PS	

\* Calculated based on the capacity of the collection bins.

In EAC's internal operations, good resource-saving practices include reusing envelopes for internal mail, printing on both sides of paper, and reusing metal parts that have not been damaged by construction crews.



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### BIODIVERSITY

EAC implements targeted actions to protect biodiversity through the Transmission, Distribution and Generation CRA's.

With an emphasis on environmental impacts, the Transmission CRA uses a specific process for determining the appropriate location for the construction of a new substation or overhead transmission line route. This process involves bodies such as the Forestry Department, the Environment Department, the Water Department, the Game and Fauna Service, the Ministry of Agriculture and Rural Development and local authorities.

Specifically, for the design and installation project of the photovoltaic park of Generation CRA at Akrotiri, with its operation starting in October 2023, two bird observation and recording cycles were carried out at the project site and in the surrounding area (before and during the works). During the first stage, observations were noted prior to the commencement of works to record the original use of the site. The second stage of observations and recordings was carried out during the construction works, while additional recordings will be carried out during the park's operation period. The results of the studies will be evaluated in cooperation with the Department of Environment.

**1** Preliminary study regarding the route of the overhead line/underground cable or the location of the substation site, based on environmental criteria

**2** Contacts with affected bodies/agencies to find a site for the construction of a substation or the route of an overhead line or underground cable

**3** Securing of a substation site or a terminal pylon site (purchase or expropriation if owned by private actors, concession or lease if government land, lease if owned by the Department of Forestry

**4** Preparation of architectural plans and submission for the issue of Planning Permit

**5** Preparation and submission of an Environmental Information Study/ Environmental Impact Assessment and/or a Special Ecological Assessment Study (SEAS)

**6** Examination of the Environmental Study by the Department of Environment of the Ministry of Agriculture, Rural Development and Environment

**7** Opinion on the Environmental Study by the stakeholders

**8** Approval of Planning Permit

**9** Preparation of structural and electromechanical drawings for submission and issuance of Building Permit

**10** Issue of a Building Permit and implementation of the project, based on the terms of the Planning Permit and the approved Environmental Study





# COMMITMENTS TO SOCIETY AND OUR WORKERS

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EAC invests in the continuous training of its employees, strengthening their skills, while supporting society through multi-level actions and social contribution.

# COMMITMENTS TO SOCIETY WORKERS

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## HUMAN RESOURCES

### BREAKDOWN BY GENDER AND SERVICE PLAN CATEGORY

Employee Category	2022		2023			
	Total	Average age	Men	Women	Total	Average age
Scientific	326	46,6	275	51	326	46,9
Office	358	50,7	157	198	355	50,9
Technical	1.569	46,9	1.448	117	1565	47
<b>TOTAL</b>	<b>2.253</b>		<b>1.880</b>	<b>366</b>	<b>2.246</b>	

Breakdown was based as at 31/12/2023

### AGE DISTRIBUTION BY SERVICE PLAN CATEGORY

Age distribution	2023							
	Scientific		Technical		Office		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
≤29	4	2	90	15	0	0	94	17
30-50 years old	151	34	774	43	77	94	1.002	171
≥ 51	120	15	584	59	80	104	784	178
<b>TOTAL</b>	<b>275</b>	<b>51</b>	<b>1.448</b>	<b>117</b>	<b>157</b>	<b>198</b>	<b>1.880</b>	<b>366</b>

Breakdown was based as at 31/12/2023

### RECRUITMENT BY GENDER AND AGE

Breakdown was based as at 31/12/2023.  
During 2023 a total of 167 people were hired and 5 of them left by 31/12/2023.

Men		Women		Total	
Age		Age		Age	
≤29	38	≤29	8	≤29	46
30-50	96	30-50	16	30-50	112
≥ 51	4	≥ 51	0	≥ 51	4

Total 162 people

Men	Women	Total
138	24	162



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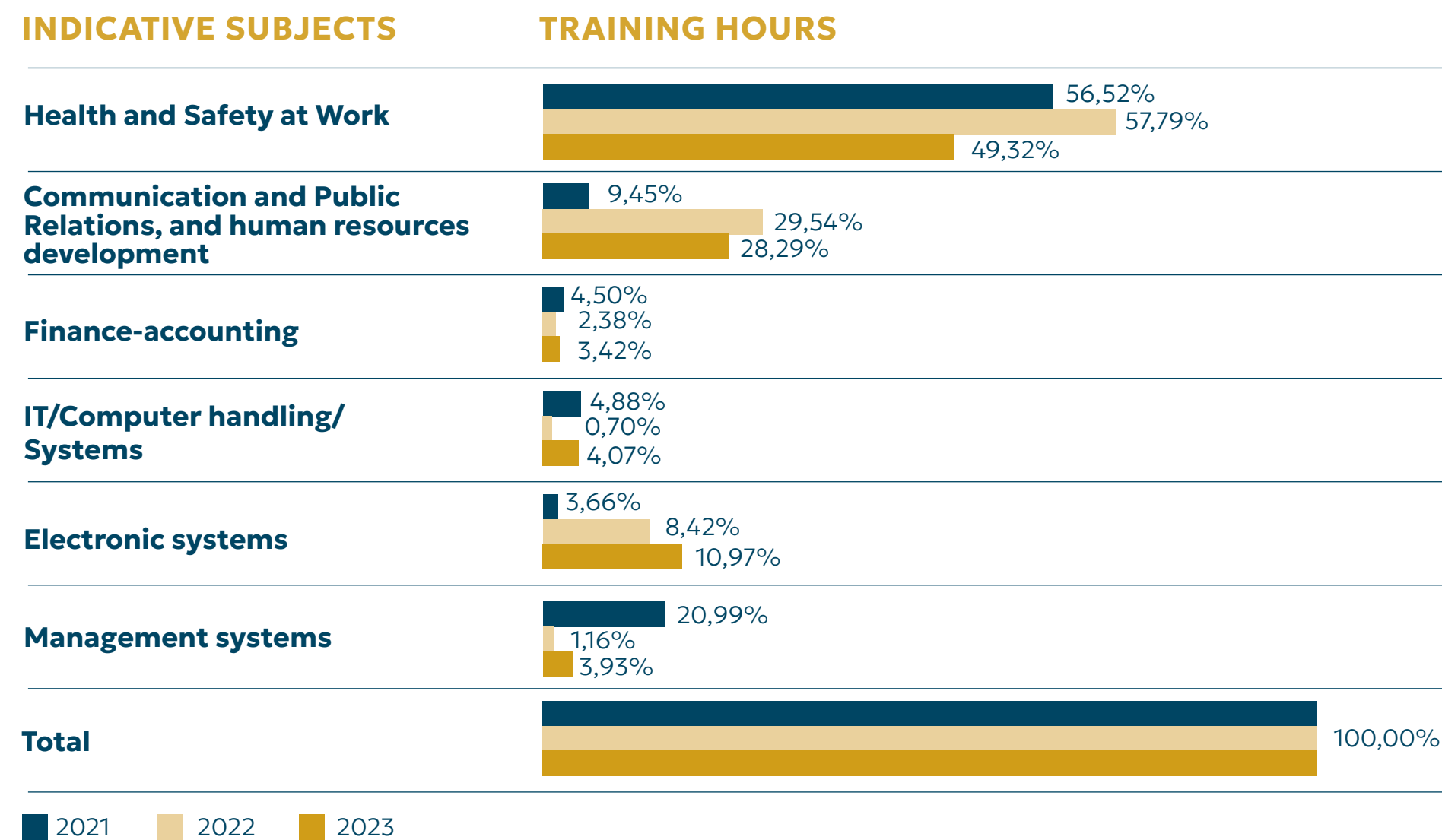
SOCIETY



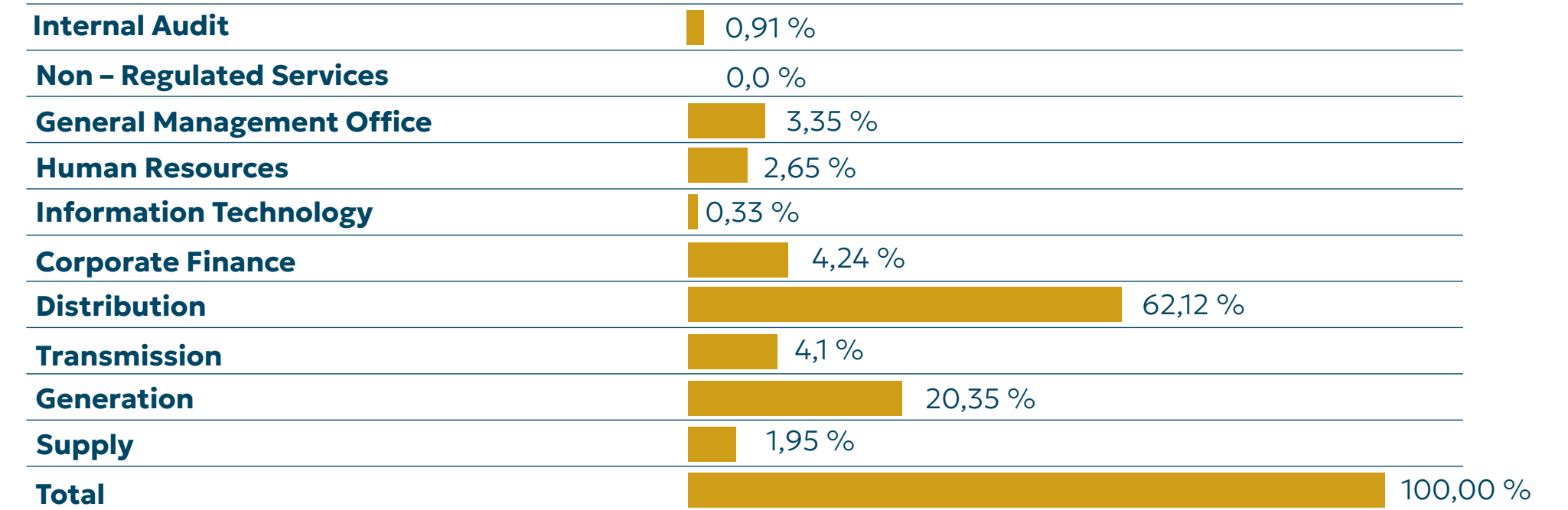
## TRAINING

EAC invests over time in the development and training of its employees, prioritising their training and the strengthening of their skills. In 2023, the Training School of the Labour Relations Division of the Human Resources Management implemented an extensive plan of training programmes and seminars.

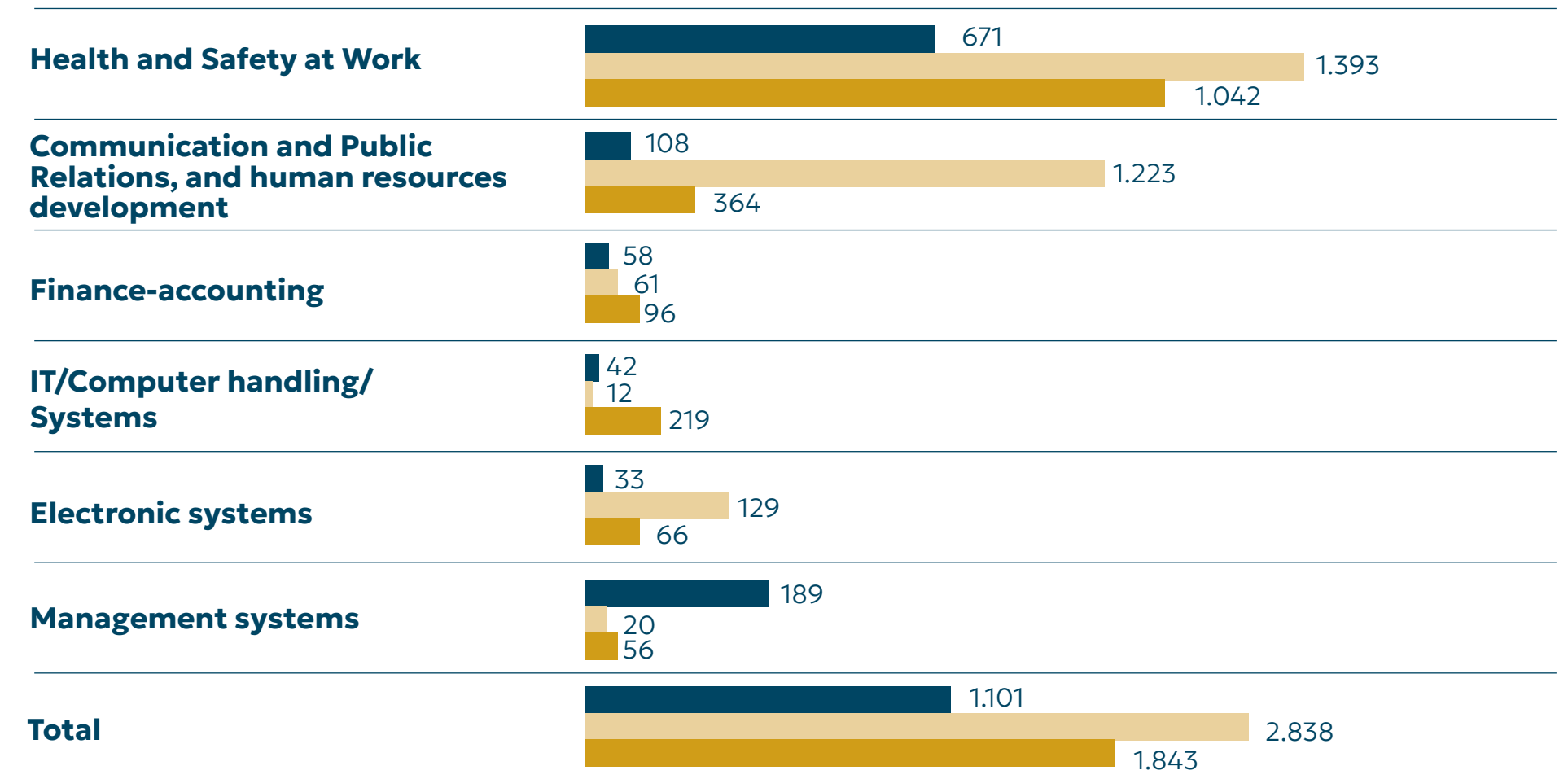
### DISTRIBUTION OF TRAINING HOURS BY SUBJECT



### UNITS/CRA'S/NRA/MANAGEMENTS TRAINING HOURS IN 2023



### INDICATIVE SUBJECTS NUMBER OF PARTICIPANTS





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### 2023

#### IN-HOUSE PROGRAMMES

PROGRAMMES	133
PARTICIPANTS	1.682

#### TRAINING PROGRAMMES, FROM EDUCATIONAL INSTITUTIONS AND ORGANISATIONS IN CYPRUS

PARTICIPANTS	236
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#### EDUCATIONAL PROGRAMMES, SEMINARS AND CONFERENCES ABROAD

PARTICIPANTS	1
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#### TOTAL

PARTICIPANTS	1.919
AVERAGE COST	€118,68/employee

In-house programmes were subsidised by Human Resource Development Authority of Cyprus to the amount of €71.884.



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## LABOUR RELATIONS

### Equal Opportunities and Respect for Human Rights

For EAC, respect for human rights is a non-negotiable condition. In full compliance with the relevant national legislation, there is no discrimination in EAC’s working environment, whether in terms of salary or based on gender, age, race, colour, origin, national or ethnic origin of employees. The Organisation is constantly striving to create a working environment of equal opportunities and mutual respect.

As in previous years, no incidents of forced or child labour or violations of human rights and rights of indigenous people were reported in 2023.

The Ministry of Labour, Welfare and Social Insurance has certified EAC as an Equality Employer, with the certification being valid until 2023. In addition to the regulatory requirements, the Organisation has implemented a package of measures to promote gender equality, which eliminate any long-standing inequalities, discrimination and stereotypes, with the long-term aim of relevant policy-making.

### Freedom of Trade Union Association and Collective Bargaining

Healthy and cooperative working relationships are very important for the smooth operation of EAC. Throughout the Organisation, the freedom of trade union association

and the examination of various labour issues together with the staff unions are guaranteed by the EAC Regulations («Conditions of Service») and their subsequent amendments.

The mutually beneficial cooperation between EAC and the staff unions is based on freedom of speech, social dialogue and free collective bargaining.

## INTERNAL COMMUNICATION

In 2023, EAC enhanced internal communication by launching the «Energy of Life» electronic newsletter. This monthly newsletter provides employees with up-to-date information on the latest developments both within and outside the company, aiming to foster a better understanding of the wider energy sector.

## HEALTH AND SAFETY AT WORK

### Health and Safety Management System

With Occupational Health and Safety being an undeniable priority in all its activities, EAC has developed, implemented and certified an integrated Health and Safety Management System (HSMS), in accordance with the requirements of the CYS EN ISO 45001:2018 standard. HSMS ensures the optimal management of occupational

Health and Safety in all EAC ‘s facilities and activities related to the Generation, Transmission, Distribution and Supply of electricity, as well as common support services. By applying the HSMS throughout the Organisation, EAC aims, on one hand, to minimise and eliminate near misses, accidents and occupational diseases and, on the other hand, to create and maintain a healthy and safe working environment for all.

EAC’s HSMS includes a Central Safety Committee and individual Safety Committees at local level (Regional Offices, Technical Service Centres, Customer Service Centres, PSs, Head Offices). All local committees have a chairman, vice-chairman and members elected by the staff and operate according to guidelines. In accordance with the relevant legislation, EAC has five Officers, who participate in the Safety Committees, carry out inspections and assist in the proper implementation of the HSMS.

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### Occupational Risk Assessment Studies

EAC, in order to effectively address and control occupational risks, applies the Occupational Risk Assessment Study (ORAS) procedure, which consists of the following stages:



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## Incident Management

In order to record, report and investigate incidents, EAC applies a specific procedure that ensures their full and correct management. Incidents can be divided into three categories: injury incidents, non-injury incidents (near misses) and dangerous incidents (as referred to

in Administrative Regulation 319/2017). The procedure identifies the appropriate way to handle, investigate and communicate incidents, the mechanisms for communication and management at all levels of the hierarchy, and the preparation of reports, findings and recommendations.

Year	Total working hours	Total accidental deaths	Frequency of accidental deaths	Total injuries from accidents at work with significant consequences (excluding fatalities)	Frequency of injuries from accidents at work with significant consequences	Total injuries from accidents at work	Frequency of injuries from accidents at work
2021	4.538.368	1	0,22	3	0,66	29 (1)	6,39
2022	4.553.189	0	0	0	0	30 (2)	6,59
2023	4.726.539	0	0	1	0,21	32 (3)	6,77

- (1) of which 4 injuries from road traffic accidents
- (2) of which 13 injuries from road traffic accidents
- (3) of which 9 injuries from road traffic accidents

\* Frequency of fatalities in accidents = (total fatalities/total working hours) \*10<sup>6</sup>

\* Frequency of injuries with significant consequences = (total injuries with significant consequences / total working hours) \* 10<sup>6</sup>

\* Frequency of injuries from accidents at work = (total injuries/total hours worked) \*10<sup>6</sup>



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## Employee Consultation and Participation

In compliance with the relevant legislation, EAC establishes and operates Local Safety Committees at each workplace. Based on Administrative Regulation 240/2021 - The Occupational Health and Safety Act (Code of Practice for Employer-Employee Consultation on Occupational Health and Safety) Decree 2021 and Administrative Regulation 158/2021 - 2021 Regulations for the Management of Health and Safety at Work Issues:

- The composition of the Local Safety Committees is as follows:
  - The elected Safety Representatives
  - The employer or its representative
  - The Safety Officer
- The term of office of the members of the Safety Committee shall be three years, with no limit to the number of terms of office.
- The Safety Committee meets at regular intervals, depending on the nature of the activities carried out at the workplace, with a minimum frequency of once every six months.

Regardless of the provisions of the above laws, EAC also maintains the Central Safety Committee, which existed prior to their enactment. The Central Safety Committee consists of:

- The President appointed by EAC
- The Safety Officers
- The elected Safety Representatives of the respective Regional Offices/Power Stations.

To enhance staff involvement beyond the Safety Committees, the relevant managers have assigned specific employees to carry out Health and Safety audits. These inspections concern operations, facilities and equipment (defibrillators, fire extinguishers, hose systems, first aid boxes, signage, fire exits, action plans, fire safety teams, water quality, etc.).

## TASKS OF THE CENTRAL SAFETY COMMITTEE



Study the findings and recommendations of all Local Safety Committees and submit comprehensive reports/recommendations to the General Manager.



Investigate the circumstances under which incidents occurred.



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### MEDICAL MONITORING OF EMPLOYEES

Before hiring any employee, EAC uses the initial medical screening procedure to ensure suitability for the job and protection against potential risks. After being hired, all employees are subject to medical monitoring and screening to protect their health from occupational hazards, in accordance with the relevant legislation. Specifically for employees who perform climbing duties, EAC has contracted with an occupational physician who conducts examinations for such staff in accordance with the law.

### INFORMING LOCAL COMMUNITIES ABOUT LARGE SCALE ACCIDENTS

Following consultation with the Department of Labour Inspection and Civil Defence, EAC issues from time to time information bulletins on the basic safety instructions in case of a large-scale accident at the Dhekelia and Vasiliko power stations, in accordance with the Administrative

Regulation 347/2015 and the European Directive 2012/18/EU, known as SEVESO III.

In order to prevent large-scale accidents, EAC's PSs have relevant prevention policy manuals and operate on the basis of safety reports, which include all the emergency plans of the installations, the purpose of which is to deal with accidents immediately and properly. Safety reports are evaluated by the Department of Labour Inspection and the facilities are subject to compliance audits by the same department. In the event of a large-scale accident, Cyprus Civil Defence is responsible for the preparation and implementation of an external security plan. EAC is in constant communication with the Department of Labour Inspection, Civil Defence, the Fire Service, the Cyprus Police and the Public Health Services in order to take the necessary preventive measures to prevent or limit the consequences of an accident.

The residents of the communities adjacent to the Dhekelia PS (Ormideia community, EAC settlement and English bases) and Vasiliko PS (Mari, Kalavastos, Zygius, Asgata, Choirokoitia, Maroni, Psematismenou, Pentakomos and Tochni communities) have been informed by EAC on how to deal with a large-scale accident.

### CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

Recognising the importance of job satisfaction, EAC provides its employees with significant benefits, in addition to the pension and welfare funds provided by law.

#### Welfare Fund

The Welfare Fund has 257 members, with no provision for new members to join. EAC contributes 10% to the fund.

#### Medical Care Fund

EAC's Medical Care Fund offers exclusively to its members supplementary coverages not provided by the General Health System. The maximum amount of the Fund's coverage is determined based on a price list for inpatient care or the predetermined annual entitlement for each beneficiary in other cases. In cases where the total cost is higher than the amount covered by the Fund, the difference is paid by the employee.

As of 31 December 2023, the beneficiaries of the Fund were 7.735 (2.198 employees, 1.116 pensioners and 3.721 dependants).



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## Assistance Funds

In order to support employees and pensioners of EAC or members of their families who are facing serious financial problems, we operate Assistance Funds financed mainly by monthly membership fees and a contribution from EAC.

In addition, EAC has established a special fund to provide grants to employees who retired prior to January 1, 1978, with welfare fund benefits, or to employees who retired with an EAC plan pension and are receiving a pension of an amount less than the Social Security basic pension, or to former employees/pensioners whose prior service with the former private energy companies was approved by the EAC as eligible for a grant.

The number of members of the Funds as of December 31 2023 was 1.858 for EAC's Employees' Assistance Fund and 232 for EAC Scientific Employees Fund.

## Welfare funds

For the general welfare and entertainment of employees and their families, EAC has employee Welfare Funds, the purpose of which is to organise, execute, finance and in any way support programmes, events and projects. The number of members of the Funds as of December 31 2023 was approximately 3.462 for EAC's employees' Welfare Fund and approximately 344 for the EAC's scientific staff Welfare Fund.

## Insurance Coverage

In accordance with the applicable legislation and collective agreements, EAC provides the following insurance cover to its employees:

- Employer's liability insurance
- Group personal accident policy
- Travel policy
- Compensation in the event of death from any cause (benefit, not insurance)

- Insurance cover for the members of the Board of Directors and the Managers
- Insurance cover for members of the Pension Scheme Committee

In addition, EAC offers two optional group personal accident policies and life insurance coverage, for which the premiums are paid by the policyholder.

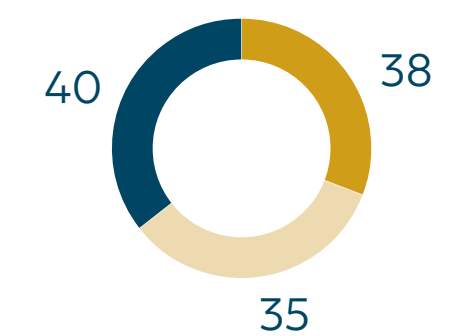
## Parental Leave

According to the Maternity and Paternity Leave Legislation, during the last three years, EAC's employees who used maternity and paternity leave were:

### MATERNITY LEAVE



### PATERNITY LEAVE



### RESIGNATIONS AFTER PATERNITY/MATERNITY LEAVE



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## EMPLOYEE VOLUNTEERING AND SOCIAL CONTRIBUTION

### Blood donation

For thirty-five years now, EAC is constantly present in voluntary blood donation activities and organises a series of blood donations in cooperation with the Blood Center.

2023

### BLOOD BOTTLES

NICOSIA	134
LIMASSOL	70
LARNACA	31
PAPHOS	22
FAMAGUSTA	7
DHEKELIA	2
VASILIKO	26





# COMMITMENTS TO SOCIETY WORKERS

HUMAN RESOURCES

EDUCATION

LABOUR RELATIONS

INTERNAL COMMUNICATION

HEALTH AND SAFETY AT WORK

MEDICAL MONITORING OF EMPLOYEES

INFORMING LOCAL COMMUNITIES ABOUT LARGE SCALE ACCIDENTS

CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

EMPLOYEE VOLUNTEERING AND SOCIAL CONTRIBUTION

SOCIETY



## Additional Welfare Initiatives

In 2023, EAC took welfare initiatives, including:



### LOVE ROUTE 2023

Participation in “Love Route” 2023, a route of hope and strength, by volunteer motorcyclists visiting municipalities and communities across Cyprus. The proceeds are allocated for the treatments and psychological support of children suffering from various forms of cancer and exceeded €365.000, an increase of €35.544.83 (10.86%) compared to last year.



### CO-ORGANISATION OF THE JOY AND GIVING FESTIVAL

Co-organisation of the Joy and Giving Festival, the proceeds of which support the Cyprus Cancer Society in the head offices building.



### LET'S DO IT CYPRUS!

Participation in Let's do it Cyprus! which is part of the Let's Do It! World, a global campaign to clean up the natural environment. In 2023, the campaign took place from 23 to 29 October and was sponsored by EAC, while employees of the Organisation participated in the clean-up.



### BREASTFEEDING ROOM

Supporting mothers who are breastfeeding, EAC is gradually creating a special area, the Breastfeeding Room, in all the provinces of Cyprus. The pilot implementation of the plan started from the head offices in Nicosia in the winter of 2023.

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### HOSTING CHARITY EVENTS

Hosting charity events (e.g. Movember, Sophia Foundation) in the head offices building.



### HOSTING SCHOOL CHOIRS

Hosting school choirs for Christmas carols and providing breakfast.



### MARATHON

Participation in marathon

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## EUROPEAN MOBILITY WEEK

Participation and sponsorship in the European mobility week (23-24/09/2023) for the fourth consecutive year, to promote electromobility and charging.



## CO-ORGANISATION OF A CHARITY FASHION SHOW «FASHION... WITH THE WISH FOR MANY CHILDREN'S SMILES!»

Co-organisation of a charity fashion show «Fashion... with the wish for many children's smiles!» with the Karaiskakeio Foundation and the Pancyprian Association for children with cancer and related diseases «One Dream One Wish».

## OTHER PARTICIPATIONS

- Hosting citizens in need of protection from high temperatures during heatwave periods at EAC'S head offices in July 2023.
- Events in honour of colleagues who have completed thirty and forty years of service to the Organisation.
- Christmas events for employees.
- Participations in exhibitions and lectures.



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## SOCIETY

### Local Community Development Programmes

EAC's contribution for the completion of local community development projects in the period 2015-2023 exceeds €1.500.000. Indicatively, some of the projects involved building sports facilities, restoring churches, installing street lighting and repairing water reservoirs.

### Student Internship

EAC supports the young generation consistently and over time, offering the possibility of internships, providing students of Cypriot and foreign universities with internships in the Organisation. The integration of students into EAC's working environment gives them the opportunity to gain practical experience and prepare themselves for their entry into the labour market.

### EAC's Contribution to Cultural Events

Employees, pensioners, friends and relatives of the employees of EAC have the opportunity to participate in the choir and the dance group of the Organisation. In 2023, these groups took part in various music and dance events, e.g.a music and dance performance by the cultural group of EAC's employees on the occasion of World Music Day in June 2023, a theatrical performance of the Steadfast Tin Soldier (in January 2023, etc.).

### Public Benefit Actions

In accordance with the basic principles of social responsibility, EAC's public benefit actions are integrated in its daily management, activities, philosophy and strategy. The Organisation takes into account the ethical, economic, environmental and social aspects of its operations, as well as its relationship with its employees, suppliers, customers and all stakeholders.

In the summer of 2023, EAC, in cooperation with the Ministry of Education, Sport and Youth (MOEC), completed and put into operation the project for the installation of photovoltaic systems in 405 school buildings. The project included the installation of photovoltaic systems with a total capacity of 4,9 MW, thermal insulation of approximately 84.000 square meters and waterproofing on the surfaces where the photovoltaic systems were installed. The project led to a 30% reduction in overall energy consumption in the schools, while the total cost of the project was €6,6 million, significantly reduced from the original budget of €9,6 million.



## COMMITMENTS TO SOCIETY WORKERS

### HUMAN RESOURCES

### EDUCATION

### LABOUR RELATIONS

### INTERNAL COMMUNICATION

### HEALTH AND SAFETY AT WORK

### MEDICAL MONITORING OF EMPLOYEES

### INFORMING LOCAL COMMUNITIES ABOUT LARGE SCALE ACCIDENTS

### CONTRIBUTIONS TO FUNDS AND OTHER BENEFITS

### EMPLOYEE VOLUNTEERING AND SOCIAL CONTRIBUTION

### SOCIETY

### Sponsorships

EAC's sponsorship activity in 2023 focused on the areas of health, environment, security, energy, society, education and culture.

NAME OF ORGANISATION	AMOUNT OF SPONSORSHIP/ CONTRIBUTION (€)
Cyprus Cancer Society	15.000
Europa Donna	5.000
Karaiskakeio	10.000
Europa Uomo Cyprus	2.500
Pancyprian Down Syndrome Association	1.000
Pancyprian Antileukemia Association Zoe	2.000
One Dream One Wish	2.000
Association of Greek Ladies MANA	1.500
Multiple Sclerosis Associations	7.000
Alcyonides	5.000
Telethon	1.000
Wagon of Love	1.500
Other Actions (environment, society and CSR)	10.000

### E-bills and Financial Support to Charitable Organisations

EAC has chosen to allocate the money saved from the e-bill service to six charitable organisations. When receiving their bill online, the customers indicate which organisation they wish to support.

Specifically, for the three-year period 2021-2023 the following contributions were made:

E-BILLS - AMOUNTS PAID TO CHARITABLE ORGANISATIONS (AMOUNTS IN EUR)	2021	2022	2023
Wagon of Love	2.000	3.000	4.700
Community of St Luke the Physician	2.300	3.400	4.700
Alcyonides	2.200	3.400	5.000
Europa Donna	3.100	4.900	6.700
One Dream One Wish	5.600	8.500	10.500
Cyprus Cancer Society	7.800	1.800	13.000
<b>Total</b>	<b>23.000</b>	<b>34.000</b>	<b>44.600</b>



**€ 63.500**  
Total sponsorships 2023

**€ 44.600**  
E-bills - Amounts paid to Charitable Organisations



# TARGETS

GOVERNANCE PILLAR

SOCIETY PILLAR

ENVIRONMENT PILLAR

## TARGETS

### Governance Pillar

N/A	TARGET 2023	PROGRESS 2023	TARGET 2024
1	Full implementation of the Information Security Management System based on ISO 27001:2021 standard. Certification of the system in 2024.	70% implementation of the Information Security Management System based on ISO 27001:2021 standard.	<ul style="list-style-type: none"> <li>• Full implementation of the Information Security Management System based on ISO 27001:2021 standard.</li> <li>• Full compliance with the legislation on Digital Security Authority (DSA).</li> <li>• Target Transfer: Certification of the system in 2025.</li> </ul>
2	Full implementation of the Business Continuity System based on ISO 22301:2019 in 2024.	75% implementation of the Business Continuity System based on ISO 22301:2019 in 2024.	Full implementation of the Business Continuity System based on ISO 22301:2019 in 2024.
3	Maintaining certification with ISO 9001:2015.	Fully achieved and involves the whole organisation except for the two PSs.	Maintaining certification with ISO 9001:2015. Long-term objective: integration of the Vasiliko and Dhekelia PSs.
4	Maintaining certification with ISO 45001:2018.	Fully achieved.	Maintaining certification with ISO 45001:2015.
5	Maintaining certification with ISO 14001:2015.	Fully achieved. It concerns the whole Organisation except the Dhekelia PS.	Maintaining certification with ISO 9001:2015 Long-term objective: integration of the Dhekelia PS.
6	Continued implementation of a single risk and opportunity management programme.	Risk reassessment rate 96% Opportunities re-evaluation rate 98,85% 34 new risks and 13 new opportunities were identified.	Continued implementation of a single risk and opportunity management programme: Risk reassessment rate at least 97% Opportunities re-evaluation rate at least 99%
7	Full compliance with the new Public Governance Code.	92,5% compliance with all six governance principles of the new Code was achieved.	Full compliance with the new Public Governance Code
8	Integration of ESG criteria into supplier selection and evaluation processes.	Design of evaluation criteria for the 2024 pilot competition.	This is a high value tender and, when evaluating suppliers, award criteria relating to Corporate Governance will be taken into account. The aim is to include reward criteria in up to 20% of 2025 tenders.

## TARGETS

GOVERNANCE PILLAR

SOCIETY PILLAR

ENVIRONMENT PILLAR

### Society Pillar

N/A	TARGET 2023	PROGRESS 2023	TARGET 2024
<b>1</b>	Ensuring 100% equitable treatment of customers, suppliers and network users based on requests according to the “customer map” and “network user map”.	Achieved by 99,7% Overall figures for 2023: 64320 cases processed and 195 non-compliances.	Ensuring 100% equitable treatment of customers, suppliers and network users.
<b>2</b>	Conducting a customer, stakeholder and network user satisfaction survey in 2023  Improving the level of satisfaction	Customer satisfaction score: Supply 75% Network user satisfaction score: Distribution 54%	Repeating customer, stakeholder and network user satisfaction survey in 2025.  Improving the level of satisfaction
<b>3</b>	Identification of training needs, preparation and approval of programme.  Implementation of the annual approved training programme within the time schedule.	Fully achieved	Identification of training needs, preparation and approval of programme.  Implementation of the annual approved training programme within the time schedule.
<b>4</b>	Carrying out awareness-raising actions in all workplaces regarding the Health and Safety Management System.  Conducting Health and Safety training seminars as part of the Safety Week for all technical staff.	Implemented	Carrying out awareness-raising actions in all workplaces regarding the Health and Safety Management System.  Establishing a Safety Week and conducting Health and Safety training seminars for all technical staff.
<b>5</b>	Maintaining and reducing the duration and frequency of power outages. Maximum limits: • Frequency of power outage: 0,15 times/year/consumer. • Duration of power outage: 30'/year/consumer.	Frequency of power outage: 0,15 times/year/consumer.  Duration of power outage: 30'/year/consumer.	Maintaining and reducing the duration and frequency of power outages. Maximum limits: • Frequency of power outage: 0,15 times/year/consumer. • Duration of power outage: 30'/year/consumer.
<b>6</b>	Effective management of customer and network user complaints within the specified time (3, 20 and 30 days) in all cases.	Achieved 99,9% (one non-compliance in 24.185 closed cases).	Continued effective management of customers and network users complaints within the specified time. (3, 20 and 30 days) in all cases.
<b>7</b>	Improving the impact of actions on society as part of EAC's corporate social responsibility.	Partially achieved	Improving the process of evaluating the results of corporate social responsibility actions.

## TARGETS

### GOVERNANCE PILLAR

### SOCIETY PILLAR

### ENVIRONMENT PILLAR

## Environment Pillar

N/A	TARGET 2023	PROGRESS 2023	TARGET 2024
1	Reducing consumption of natural resources as follows: <ul style="list-style-type: none"> <li>• Paper 3%</li> <li>• Water 3%</li> <li>• Electricity 3%</li> <li>• Transport fuel 3%</li> </ul>	Reducing consumption of natural resources as follows: <ul style="list-style-type: none"> <li>• Water 57%</li> <li>• Electricity 6%</li> </ul> Increasing consumption of natural resources as follows: <ul style="list-style-type: none"> <li>• Transport fuel 6.85%</li> </ul> Paper: measurement completion, non-comparability of data	Reducing natural resource consumption compared to 2023 as follows: <ul style="list-style-type: none"> <li>• Paper &gt;3%</li> <li>• Water &gt;3%</li> <li>• Electricity &gt;3%</li> <li>• Transport fuel &gt;3%</li> </ul>
2	Reduction of greenhouse gas emissions from the EAC fleet by 2% per two years.	3,11% reduction compared to 2022 (Kg/km).  In 2023 there was an increase in the number of vehicles in the fleet by seven vehicles and an additional 247.727 km were travelled	Reduction of greenhouse gas emissions from the EAC fleet by 2% per two years.
3	Maintaining greenhouse gas emissions per megawatt-hour generated with a maximum of 0,74t/MWh.	A reduction to 0.726t/MWh was achieved	Maintaining greenhouse gas emissions per megawatt-hour generated with a maximum of 0,74t/MWh.
4	Efficient waste management with zero fines.  Improving waste management processes for uniform waste counting (long-term).	Achieved  Partially achieved	Efficient waste management with zero fines.  Improving waste management processes for uniform waste counting (long-term).
5	Full operation of the photovoltaic park at Akrotiri Limassol and connection to the grid in 2023.	Achieved	-
6	Development of additional photovoltaic parks with a capacity of up to 30MW in 2023.	Partially achieved with the connection of the photovoltaic park at Akrotiri.  Progress of work for the operation of the photovoltaic parks at Acheras A, with a capacity of 5 MW, and Acheras C, with a capacity of 3 MW, and connection to the grid.	Full operation of the photovoltaic parks at Acheras A, with a capacity of 5 MW, and Acheras C, with a capacity of 3 MW, and connection to the grid.  The target set by EAC, which has been adopted by both the Ministry of Energy and CERA, foresees the development by EAC of a total capacity of 550-600 MW over a ten-year period (long-term).
7	Preparation of a tender for the e-OASIS system.  Paperless for all EAC's processes (internal and external operations/ customers and network users service through the e-OASIS system).	The tender was awarded	Implementation across the Organisation in 2025.
8	Installation of "green" energy storage systems (long-term).	Ongoing	Installation of "green" energy storage systems. (long-term)



## ABOUT THE REPORT

### ABOUT THE REPORT

#### Content of the Report

The Sustainable Development Report 2023 is the second report of the Electricity Authority of Cyprus (EAC). The Report covers the period from 1/1/2023 to 31/12/2023, was issued in December 2023 and is available at [eac.com.cy](http://eac.com.cy).

The Report presents social, economic, environmental and governance issues, as these are embedded in EAC's strategy, through a transparent and consistent presentation. It focuses on the critical areas identified by the Organisation. It also highlights the actions it is taking to improve its positive impact, describing how it manages today's challenges, sets future goals and improves its performance.

The Report has been prepared with the aim of informing all of EAC's stakeholders about its priorities, risks, opportunities and plans for the future, thus strengthening its communication channel with its stakeholders.

The Report was prepared by the Quality Assurance, in collaboration with an external consultant. Its content is the result of the cooperation of all Organisation's Managements, which contributed with information, qualitative data and quantitative data. The Report has been approved by the relevant Managements of the Organisation. The final Report is subject to review by the Board of Directors.

#### Scope of the Report

The Report covers data concerning the operation of EAC as a vertically integrated undertaking. It covers activities of the two business units, the Networks Business Unit and the Generation and Supply Business Unit, i.e. the activities related to the

Generation, Transmission, Distribution and Supply of electricity in Cyprus, the Non-Regulated Activities and the activities performed by the Common Services. The Report covers the geographical region of Cyprus.

The Report does not cover data relating to the three subsidiaries of EAC (ESCO AHK LTD, Elektriiki Ananeosimes Ltd and EAC LNG Investments Company Ltd), partners or suppliers. It presents data for the year 2023, unless otherwise stated and deemed necessary for comparability and transparency.

#### Standards

This Report has been prepared with reference to the Global Reporting Initiative (GRI) standards. Its content follows the principles of the Global Reporting Initiative (GRI) and takes into account the 17 Sustainable Development Goals of the United Nations.

#### External Assurance

For the 2023 Report we did not use external assurance.

#### Scientific Support and Guidance

The preparation of the Sustainable Development Report 2023 was carried out with the support and scientific guidance of an external consultant (Sustainability Knowledge Group). The external consultant shall not be liable to any third party for the content of this Report. EAC is responsible for the assessment, collection and consolidation of quantitative data, as well as for the accuracy and completeness of the information contained in the Report.

#### Managements

A number of executives from different Managements collaborated in the development of the Report:

- Responsibility for coordinating data collection: Quality Assurance, General Management Office
- Managements: Generation CRA, Transmission CRA, Distribution CRA, Supply CRA, Non-Regulated Services, Human Resources, Financial Accounting, General Management Office, Information Technology, Accounting and Budget, Internal Audit.

#### How to Contact EAC

Contact us for comments, clarifications and suggestions:  
Andreas Ioannides  
General Management Manager  
E-mail: [aioannid@eac.com.cy](mailto:aioannid@eac.com.cy)

Head offices: Amphipoleos 11, 2025 Strovolos,  
P.O. 24506, 1399 Nicosia, Cyprus  
Registered office: Amphipoleos 11, 2025 Strovolos,  
P.O. 24506, 1399 Nicosia, Cyprus

## GRI CONTENT INDEX

### GRI CONTENT INDEX

<b>Statement of use</b>	Electricity Authority of Cyprus has reported in accordance with the GRI Standards for the period January 1st, 2023-December 31st, 2023.	
<b>GRI 1 used</b>	GRI 1: Foundation 2021	
<b>GRI Standard/Other source</b>	DISCLOSURE	
<b>General Disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	8, 73
	2-2 Entities included in the organization’s sustainability reporting	73
	2-3 Reporting period, frequency and contact point	73, November 2024
	2-4 Restatements of information	-
	2-5 External assurance	For the 2023 Report we did not use external assurance
	2-6 Activities, value chain and other business relationships	8, 10-12, 28
	2-7 Employees	55
	2-9 Governance structure and composition	19-20
	2-12 Role of the highest governance body in overseeing the management of impacts	19, 22-24, 34, 36
	2-13 Delegation of responsibility for managing impacts	19, 22, 61
	2-14: Role of the highest governance body in sustainability reporting	34, 36
	2-15 Conflicts of interest	23
	2-16: Communication of critical concerns	22
	2-22 Statement on sustainable development strategy	3-5
	2-23 Policy commitments	8, 13, 17, 19, 21, 23, 36, 45, 58
	2-26 Mechanisms for seeking advice and raising concerns	22
	2-27 Compliance with laws and regulations	13, 22-23, zero fines
	2-28 Membership associations	17
	2-29 Approach to stakeholder engagement	16
	2-30 Collective bargaining agreements	31

# GRI CONTENT INDEX

## Material Topics

<b>GRI 3: material topics 2021</b>	3-1 Process to determine material topics	34
	3-2 List of material topics	35
	3-3 Management of material topics	10, 13-14, 16, 19, 21, 24, 31, 38-45, 50, 56, 58-61, 62-63, 68-69

## Biodiversity

<b>GRI 101: Biodiversity 2024</b>	101-2 Management of biodiversity impacts	53
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## Economic Performance

<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	13
	201-2 Financial implications and other risks and opportunities due to climate change	38
	201-3 Defined benefit plan obligations and other retirement plans	62-63

## Anti-Corruption

<b>GRI 205: Anti-Corruption 2016</b>	205-1 Confirmed incidents of corruption and actions taken	22
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## Anti-competitive behavior

<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	22
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## Materials

<b>GRI 301: Materials 20163</b>	301-1 Materials used by weight or volume	50
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## Energy

<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	47-49
	302-2 Energy consumption outside of the organization	42
	302-4 Reduction of energy consumption	47-49

## Water and Effluents

<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	49
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## Emissions

<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	40-42
	305-2 Energy indirect (Scope 2) GHG emissions	40-42
	305-4 GHG emissions intensity	40-42

## GRI CONTENT INDEX

<b>Waste</b>		
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	50-52
	306-2 Management of significant waste-related impacts	50-52
	306-3 Waste generated	50-52
	306-4 Waste diverted from disposal	50-52
<b>Employment</b>		
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	62-63
	401-3 Parental leave	63
<b>Occupational Health and Safety</b>		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	58
	403-2 Hazard identification, risk assessment, and incident investigation	60
	403-3 Occupational health services	62
	403-4 Worker participation, consultation, and communication on occupational health and safety	41
	403-5 Worker training on occupational health and safety	56
	403-6 Promotion of worker health	62
	403-9 Work-related injuries	60
<b>Training and education</b>		
<b>GRI 404: Training and education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	56
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<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	55
<b>Non Discrimination</b>		
<b>GRI 406: Non Discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	58
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<b>GRI 407 Freedom of Association and collective bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58
<b>Local Communities</b>		
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	62, 68-69
<b>Customer Health and Safety</b>		
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	16-17, 62
<b>Customer Privacy</b>		
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	17

## TERMS

### TERMS

<b>CEM</b>	Competitive Electricity Market
<b>TRA</b>	Tenders Review Authority
<b>EAC</b>	Electricity Authority of Cyprus
<b>RES</b>	Renewable Energy Sources
<b>DSA</b>	Digital Security Authority
<b>CRA</b>	Core Regulated Activity
<b>GHS</b>	General Health System
<b>PPC</b>	Public Power Corporation
<b>BoD</b>	Board of Directors
<b>DSO</b>	Distribution System Operator (Distribution System Operation Activity Management)
<b>TSOC</b>	Transmission System Operator of Cyprus
<b>NDCC</b>	National Distribution Control Centre
<b>BU</b>	Business Unit
<b>NBU</b>	Networks Business Unit
<b>CPC</b>	Commission for the Protection of Competition
<b>PS</b>	Power Station
<b>RIF</b>	Research and Innovation Foundation

<b>DSOW</b>	Distribution System Owner (Distribution System Owner Activity Management)
<b>TSO</b>	Transmission System Owner (Transmission Core Regulated Activity Management)
<b>GIW</b>	Government Information Warehouse
<b>MIRC</b>	Meter Inspection and Repair Centre
<b>CSC</b>	Customer Service Centre
<b>CSO</b>	Cyprus Sports Organisation
<b>VIU</b>	Vertically Integrated Undertaking
<b>CYCERE</b>	Cyprus Centre of Environmental Research and Education
<b>ORAS</b>	Occupational Risk Assessment Studies
<b>Media</b>	Mass media
<b>NRA</b>	Non-Regulated Activity
<b>RD</b>	Regulatory Decision
<b>CERA</b>	Cyprus Energy Regulatory Authority
<b>S/S</b>	Substation
<b>DMRID</b>	Deputy Ministry of Research, Innovation and Digital Policy
<b>AMI</b>	Advance Metering Infrastructure
<b>SCADA/DMS</b>	System Control and Data Acquisition/Distribution Management System



Electricity  
Authority  
of Cyprus