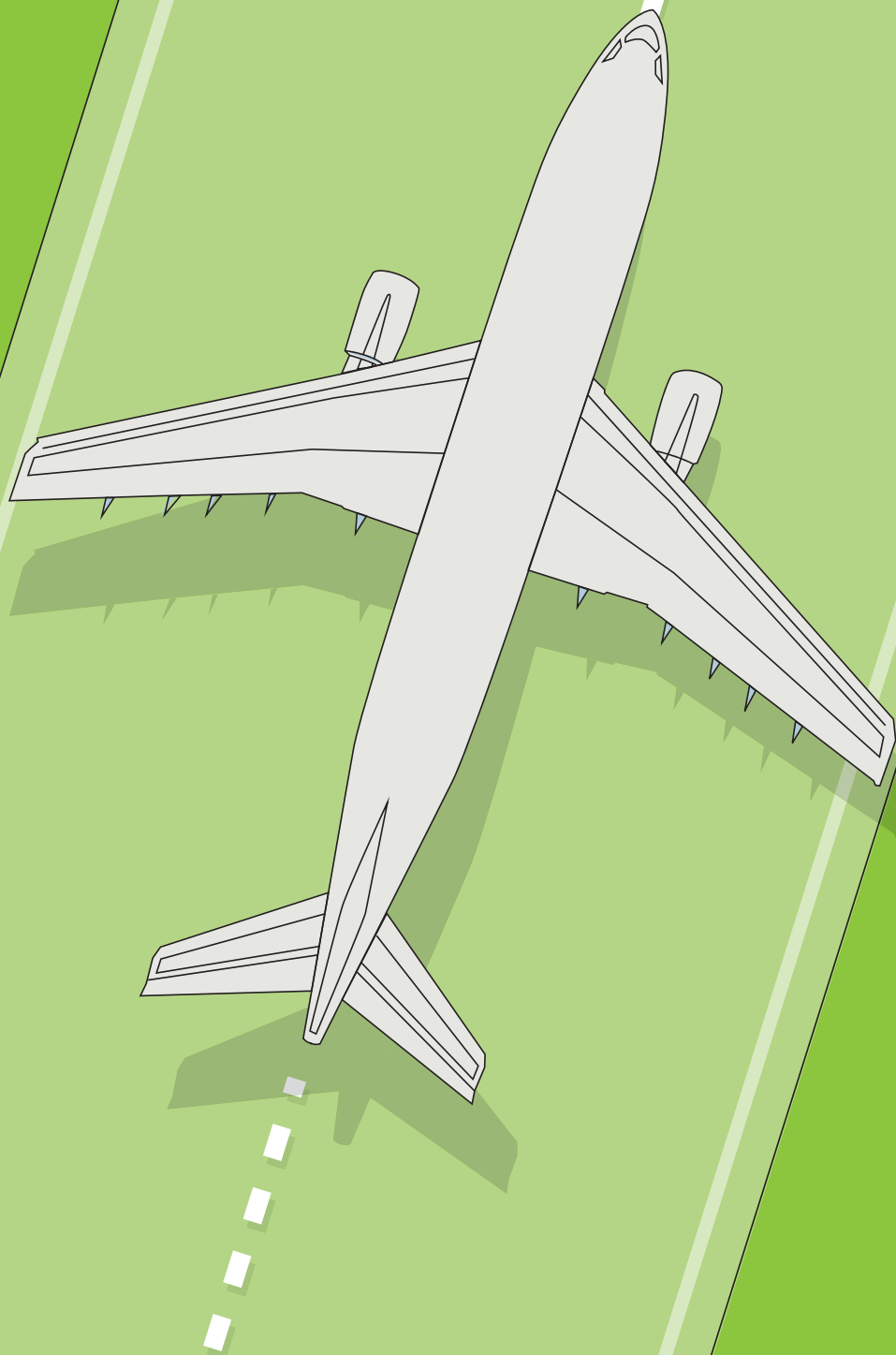




Sustainability Report 2021

OUR ESG
IMPACT REPORT.





This is the first report of Hermes Airports covering the period 01st of January 2021 until 31st of December 2021. In some instances, references are made to previous periods, where applicable.

The Sustainability report has been prepared in accordance to the Global Reporting Initiative framework (GRI Standards: Core option).

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Two airports. One journey to a sustainable future.

CEO's (Chief Executive Officer) message

Hermes Airports has a pivotal role to play in helping the country's economy to prosper, with our strategy proactively supporting a green economy. We are devoted to addressing sustainability as an integral part of Hermes Airports business strategy, across all aspects of its operation and development, implemented as a structured governance system acknowledging industry best practices with respect to planning, implementing, measuring and transparently reporting its ESG performance.

The discussion on the aviation industry and its emissions is nothing new; it's over a decade since Europe's airports made a resolution to begin working on carbon emission footprint reduction, and in 2019 we had set the collective European goal of reaching Net Zero emissions by 2050. At Hermes Airports, both Larnaka and Pafos airports have been accredited under the global Airport Carbon Accreditation programme for several years now.

Despite the unprecedented crisis that 2020 brought, we remain committed to taking forward our long-term growth plans and we'll continue to be passenger-oriented and efficient airports with a strong focus on contributing positively to the community, the economy and the environment.

Throughout the history of Hermes, partnerships and collaborations have been a cornerstone of the company's way of operation. Becoming climate positive is no exception. In this report you can find out more about how we are working together to make aviation sustainable. Please join us on this journey.


Eleni Kaloyirou



Company's highlights

Operational Responsibility

 Both Airports accredited by ACI with Health Accreditation Certificate for applying industry health and safety best practices.

 Introduced touch-less technologies for both airports

Performance 2021

● Larnaka ● Paphos



Passengers
in million

Airlines

63 20

Routes


91 66

Markets

37 24

Environment

 Recycling of 590 tones of waste in 2021

 Solar Park - 28% production of the total energy

 4 charging stations for electric vehicles at public car park

SINCE 2010 Energy reduction projects
95

46% Reduction of carbon emissions since 2010



Social

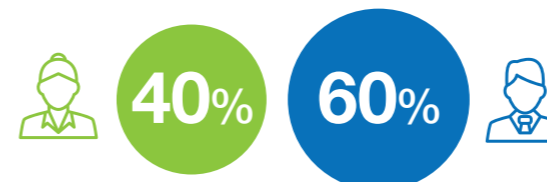
SINCE 2010 MORE THAN
180
CSR actions

4.25
Highest Employee Satisfaction Score

Economic Impact

MORE THAN **20k** jobs related to the airports operations

Workforce composition



on an annual basis in marketing campaigns promoting Cyprus
OVER **2m/€**

CHAPTER ONE Company's Identity

Corporate profile

In May 2006, Hermes Airports Ltd undertook the operation and management of Larnaka and Pafos International Airports, under a 25-year BOT (Build-Operate-Transfer) concession agreement with the Republic of Cyprus. Hermes Airports is a Cyprus registered company with 9 shareholders, comprising a mix of Cypriot and international partners. The shareholder companies are presented in the table below:

Shareholders 2021

1. Bouygues Construction Airport Concessions Europe	22%
2. Egis Investment Partners S.C.A	20%
3. Halpi Alpha Ltd	11,34%
4. Hellenic Mining	11,33%
5. Vantage Airport Group	11%
6. Irish airport operator Aer Rianta International	11%
7. Iacovou Brothers	5,67%
8. Charilaos Apostolides	5,66%
9. Aéroport Nice Côte d'Azur Chambre de Commerce et d'Industrie	2%
TOTAL	100%

The company's registered office is Larnaka International Airport, Larnaka, Cyprus.



Historic timeline and major milestones

20 06

Concession agreement with the Government of Cyprus was signed, and Hermes assumed responsibility for the operation of Larnaka & Pafos Airports in May.

20 08

Inauguration ceremony in November of Pafos new terminal.

20 09

Inauguration ceremony of Larnaka new terminal in November.

20 11

Launch of Aegean Airlines base at Larnaka Airport with 3 based aircraft.

20 12

Ryanair launches a base from Pafos airport with 2 based aircraft.

20 15

Introduction of Hermes' Energy strategy for 2015-2020 in January.

20 17

Larnaka Airport wins Most Accessible Airport award at the ACI (Airports Council International Europe) Awards.

Hermes receives ACA (Airport Carbon Accreditation) Level 2 accreditation 'Reduction Level' for Larnaka and Pafos Airports.

Launch of Hermes Academy

20 18

Pafos Airport wins Most Accessible Airport award at the ACI Europe Awards.

20 19

11.3 million total passengers were recorded for the first time ever for Larnaka and Pafos Airports. An overall increase of 67% since 2006.

Hermes signs the NetZero 2050 agreement.

More than 90 energy saving projects have been completed, resulting to 32% less power consumption, while the traffic has increased significantly.

Achieved 97% LED-technology lighting at both airports (conventional lights replaced with LED).

Hermes receives ACA Level 3+, Neutrality for Larnaka and Pafos Airports

20 20

Wizzair establishes a base at Larnaka airport with 3 aircraft.

20 21

Hermes joined TULIPS consortium for innovative technology "Green" projects as part of low-carbon mobility and airports' sustainability.

New and redesigned commercial areas were unveiled at Larnaka Airport.

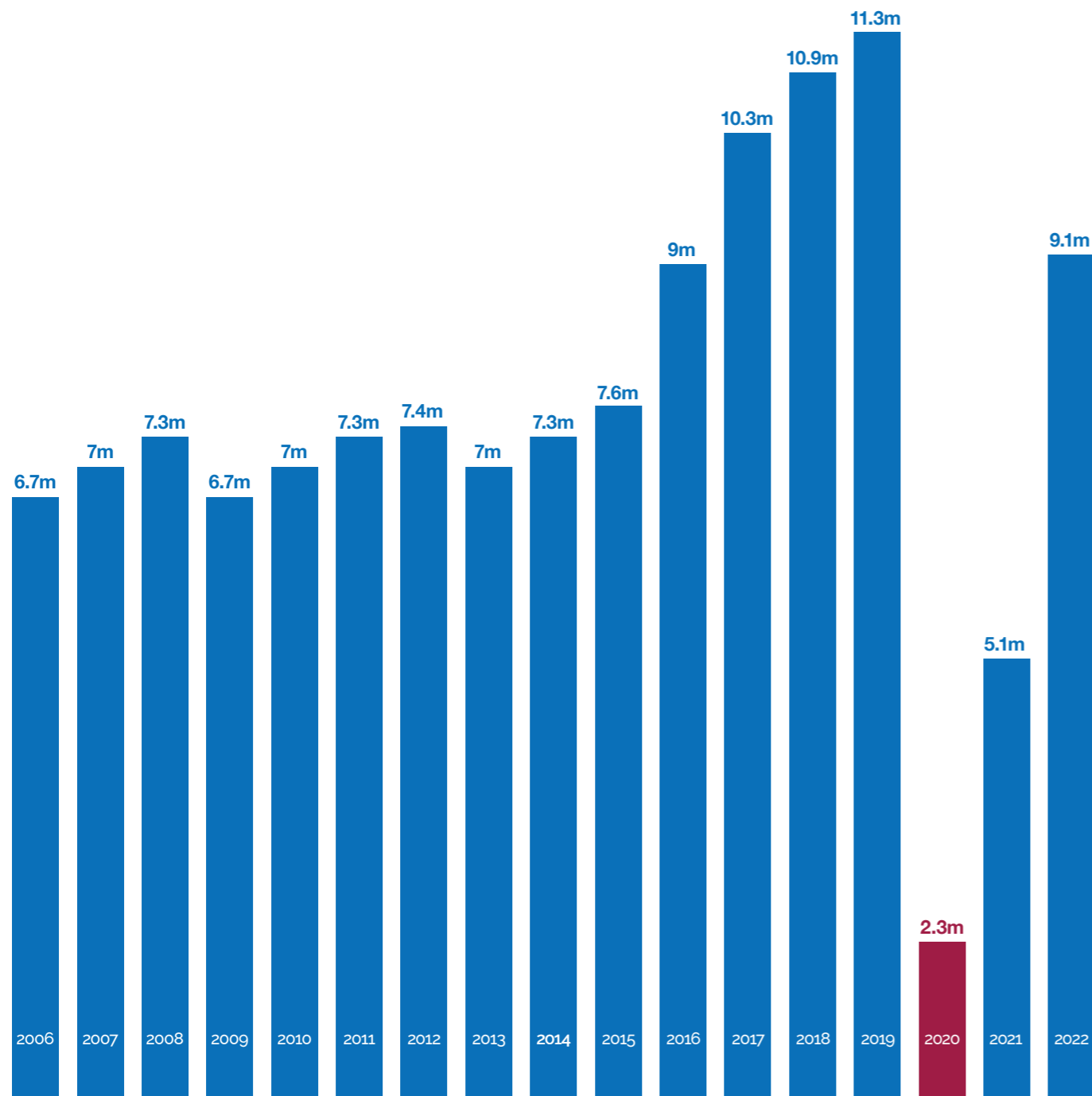
Signing of Agreement for Solar Park to be operational end of 2022.

20 22

Hermes Airports signed the Toulouse declaration.

About the Airports

Larnaka and Pafos airports are the main gateways to Cyprus with a significant contribution to the country's economic development as they support direct and indirect connectivity to/from the island. In 2019 the passenger traffic for both airports reached a record number of 11.3m total passengers whereas in the same year the company contributed around 3% in the country's GDP supporting the creation of over 45.000 jobs. In 2020 the company suffered a severe loss of traffic and revenue decline as a result of the pandemic outbreak, however from 2021 onwards the company returned to a growth/recovery phase.



1.2 Main Financial and Performance Data

Traffic



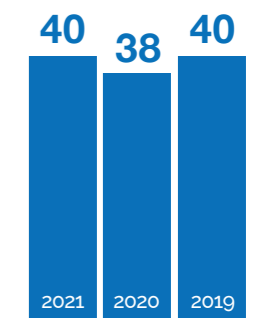
Routes (LCA & PFO)



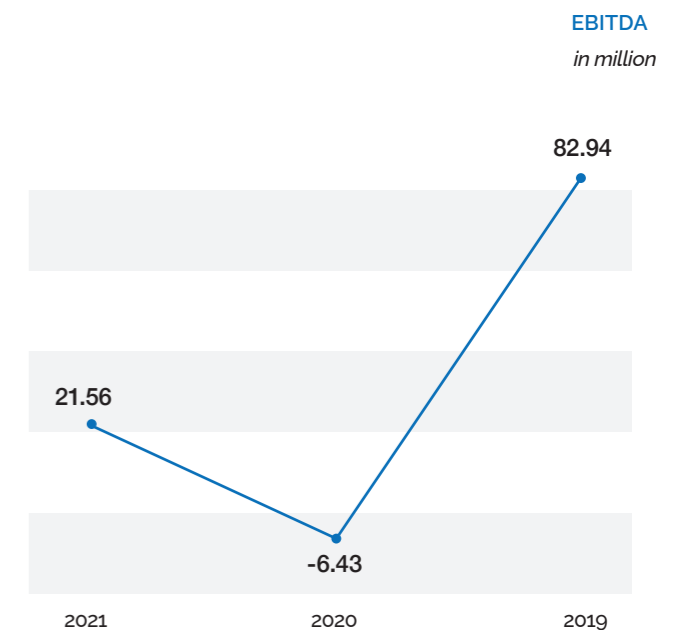
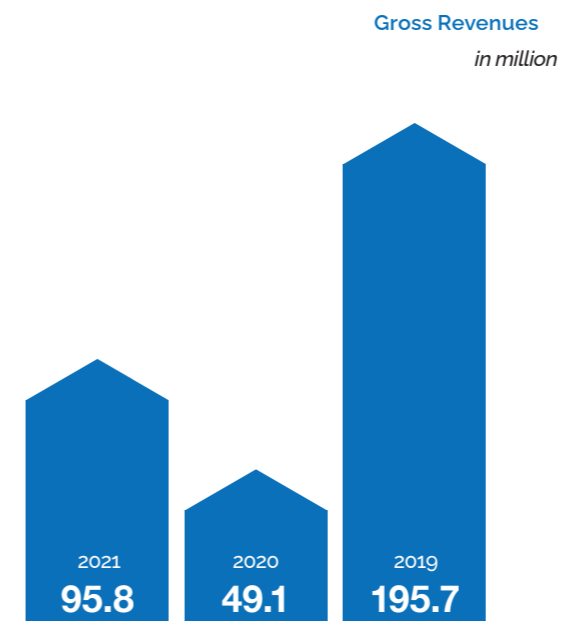
Airlines (LCA & PFO)



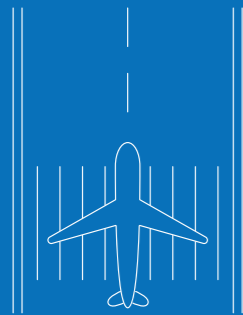
Markets (LCA & PFO)



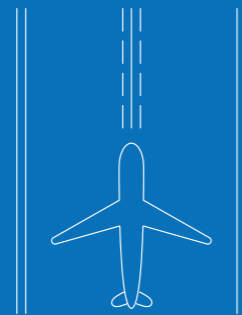
Financial Data



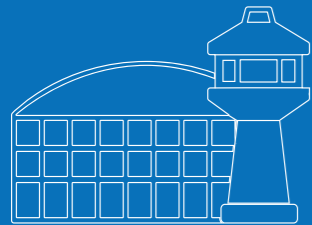
1.3 Operational Information



Runway dimensions
LCA
 2.994m x 45m
PFO
 2.699m x 45m



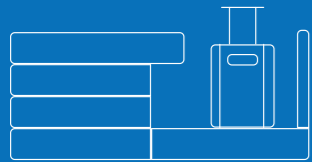
Taxiway dimensions (width)
LCA
 23m
PFO
 23m



Terminal Building Area
LCA
 100.000 m²
PFO
 20.000 m²



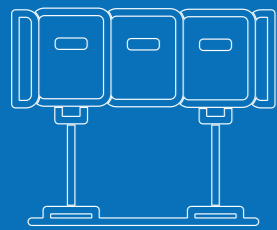
Retail Area
LCA
 9.477 m²
PFO
 2.064 m²



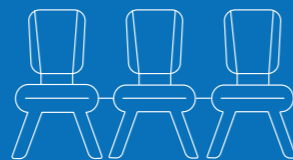
Check In Counters
LCA
 72
PFO
 28



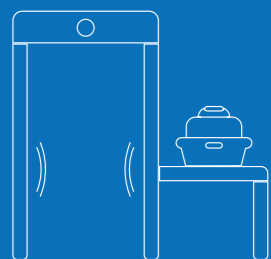
Self Service Kiosks
LCA
 18
PFO
 6



Air Bridges
LCA
 16



Boarding Gates
LCA
 23
PFO
 6



Security Screening Positions
LCA
 8
PFO
 6



Baggage Reclaim Carousels
LCA
 5
PFO
 3



Vision/ Mission / Values / Strategic Priorities

Vision

To be Best in Class Airports offering a unique Cypriot Sense of Place, playing a leading role in the island's economy, particularly in the tourist industry.

Mission

- To serve our customers by operating innovative, safe, and efficient airports in an environmentally friendly and socially responsible manner.
- To inspire our People and the Community.
- To create value for the country and all stakeholders.

Company's values

- Caring for our customers, our Colleagues and teams, the Society, and the Environment.
- Always striving to achieve the desired results, based on the objective set, as well as based on the highest standards of quality.

- Being proud of our achievements, for not compromising our quality and for offering an outstanding experience to all internal and external customers.

- To be considered trustworthy by:
 - Our people, our teams, business partners and stakeholders, building lasting relationships based on honesty, integrity, and modesty
 - Our customers through our high standards of safety and security
 - Our shareholders, by being reliable and meeting their expectations

Strategic Priorities

- Grow Traffic.
- Improve Commercial Revenues.
- Achieve Operational Excellence.
- Improve the Customer Experience.
- Strengthen Stakeholder Relationships.
- Focus on People.



Sustainability Strategy—An integrated approach

Hermes Airports is committed to addressing sustainability as an integral part of its business strategy, across all aspects of its operation. Perceived as a structured governance system and based on industry best practices with respect to planning, implementing, measuring, and transparently reporting its non-financial performance, the company commits to adopting a balanced business model and creating value for its stakeholders.

The company's sustainability strategy is based on four main pillars:

- > **Operational Responsibility**
- > **Environment**
- > **Social**
- > **Economic Impact**

More information and what each pillar contains is presented in section 2.

Corporate Governance

The Company is governed by the Board of Directors. The Directors manage the business of the company. They can exercise all such powers as are not by the Companies' Law, or the Articles of Association of the company required to be exercised by the shareholders in General meetings.

The maximum number of Directors is 9 whereas there is no minimum. Each shareholder that owns, or several shareholders who together own 11% of the total issued share capital of the company have the right to appoint one person as Director for each such holding of 11%. The decisions of the Board are reached by a majority of at least three quarters of the Directors or their alternates attending the meeting in question. Each Director has one vote.

Unless otherwise decided by the Board, meetings are held at least once every three months and otherwise as circumstances require or as requested by a Director via the Secretary, whereas meetings should be held in Cyprus, France or England. Usually 4 meetings are held, one in February, one in April, one in July and one in October and other meetings are held as the circumstances may require. The members of the Board of Directors are currently the following:

- > CHRISTOPHE PETIT, **Chairman**
- > IACOVOS G. IACOVOU, **Vice Chairman**
- > PATRICE CAHAGNE, **Director**
- > CHRISTAKIS CHARALAMBOUS, **Director**
- > PANAYIOTIS HADJIPANTELIS, **Director**
- > GEORGE H. CASEY VI, **Director**
- > ROMAIN UTHURRIAGUE, **Director**
- > RENAUD BEZIADE, **Director**
- > NUNO AMARAL, **Director**

More information regarding the Board of Directors and the Management Team of the Company is included in the Company's website.

<https://www.hermesairports.com/corporate/who-we-are>

Board Committees

The following Board Committees operate within the Company:

- I. Audit and Accounts Committee
- II. Executive Resource & Remuneration Committee

The members of each of these two committees, the responsibilities and the attendees of the meetings are elaborated below:

Audit and Accounts Committee

The purpose of the Audit and Accounts Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the preparation of Financial Statements, the financial reporting process the review approval and subsequent follow up of the Company's annual budget, financial controls, the financial audit process, the tax policy and management and the Company's processes for monitoring compliance with applicable laws and regulations. The members of the committee, who are appointed by the Board of Directors, are:

Chairperson

Neville Weir

Members

- > Régis Plourin
- > Romain Uthurriague, alternate for Régis Plourin
- > George Iacovou
- > Demetris Demetriou
- > Patrice Cahagne
- > Pat McKenna
- > Panayiotis Hadjipantelis

Executive Resource & Remuneration Committee

The purpose of the Executive Resources and Remuneration Committee is to assist the Board of Directors in discharging its duties relating to approving appointments of Executives, setting Chief Executive Officer's goals and objectives, evaluating Chief Executive Officer performance, ensuring a succession plan for Executives and other key employees, ensuring a broad plan of Executive remuneration is established that is competitive in order to attract, retain, inspire and motivate the Executives and other key employees who will create value for the shareholders, and to recommend incentive awards for Executives. The Committee is accountable to the Board. The members of the committee are:

Chairperson

Nicos Philippou

Members

- > Neville Weir
- > Christakis Charalambous
- > Romain Uthurriague

- Eric Fleurisson, alternate for Romain Uthurriague
- Nuno Amaral
- Panayiotis Hadjipantelis

Enterprise Risk Management

The ERM (Enterprise Risk Management) procedure was introduced back in 2010, a period during which several systems, procedures and operations were being set up. The ERM was gradually enhanced to cover the entire spectrum of our business. The objective of this methodology is to identify, record and measure all risks to which the company is exposed and then to introduce to the extent possible measures that would mitigate those risks whilst maintaining those areas under consideration operational and effective. High ranking risks are reported to the Audit and Accounts Committee on a regular basis, along with a statement showing how these risks have moved since the last reported date.

Procurement Policy

Within the framework of complying with all applicable laws, and doing business honestly and ethically, Hermes requires its suppliers to provide evidence that they act along these lines. Moreover, the purchasing procedure of the company includes an environmental purchasing policy section, based on which all staff, when reviewing to purchase certain products, take into consideration the purchasing guidelines provided in the ISO 50001 (Energy Management) and ISO 14001 (Environment Management System). More details regarding the Supply Chain of the Company may be found in Section 3.4.2 of the report below.

Personal Data Privacy Protection Policy

Recognizing that the correct and lawful treatment of Personal Data maintains the confidence in the organization and is associated with successful business operations, the company ensures that all personnel comply with a Privacy Policy and that all practices, processes, controls and trainings take place to ensure this compliance. The Privacy policy is further elaborated in the Section 3.2 (Human Rights Section) of this report.

The Sustainability Steering Committee

The main responsibility of the Steering Committee is to oversee the implementation of the sustainability policy and to validate the various action plans

submitted by the material issues owners and review their progress accordingly. The committee reports to the Board of Directors. The members of the committee are:

Chairperson

CEO Chief Executive Officer

Members

- COO - Chief Operating Officer
- CFO - Chief Financial Officer
- Senior Manager Aviation Development, Marketing and Communication
- Senior Manager Human Resources

Coordinator

Senior Business Development Officer
Marketing Department

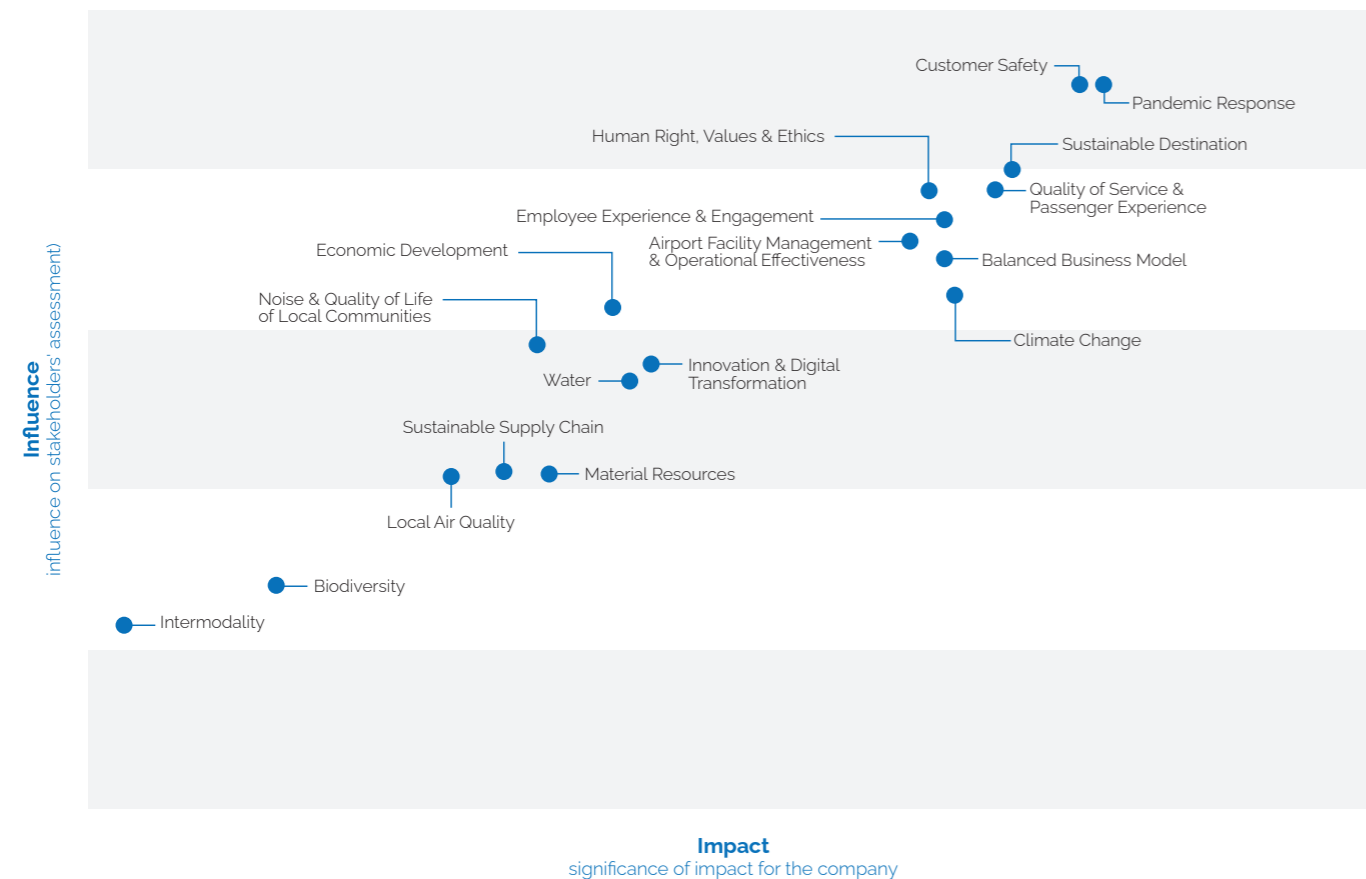


CHAPTER TWO Our approach to Sustainability

Materiality Analysis

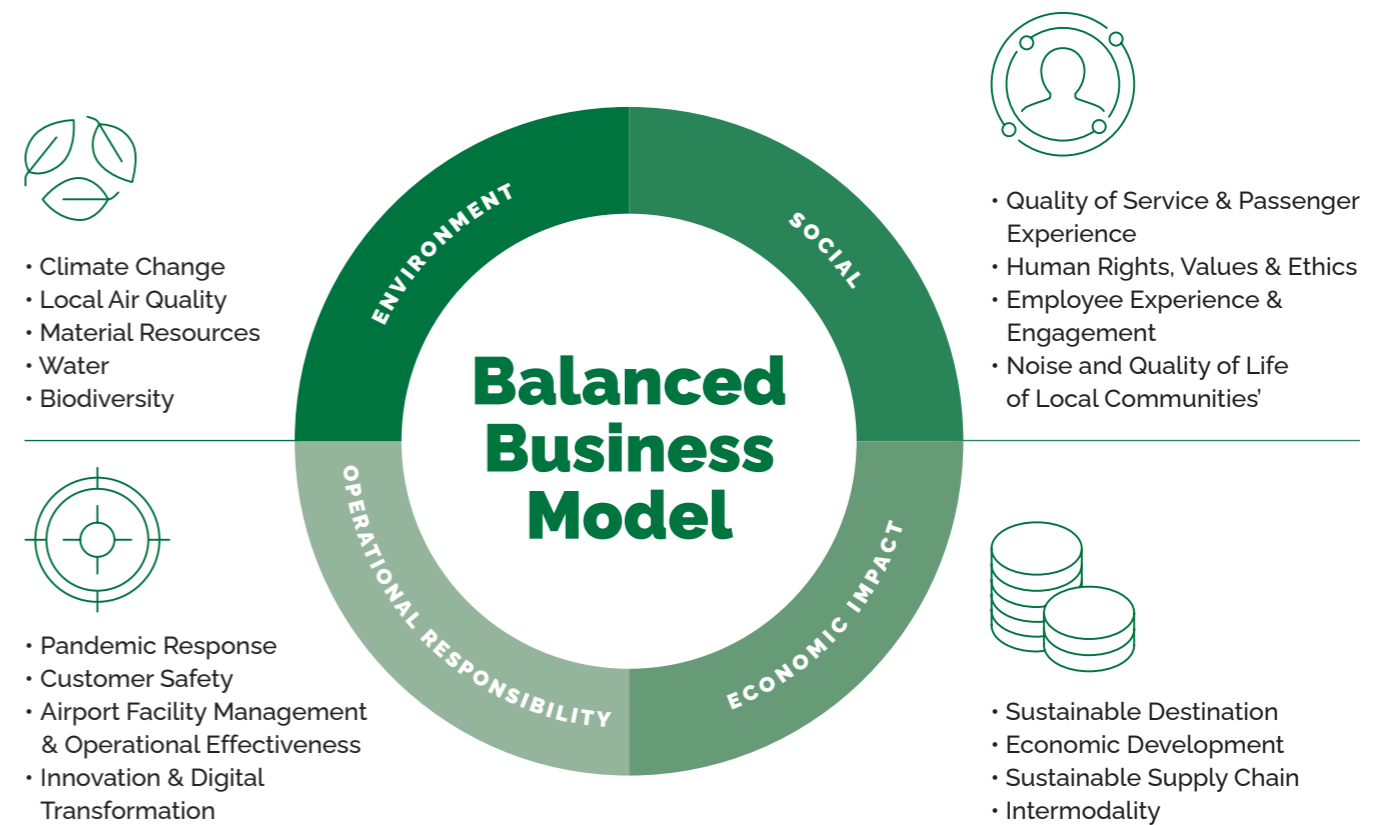
The first materiality analysis used the material issues identified by the ACI Europe Sustainability Strategy for Airports, complimented with some operational responsibility issues. The development of the first materiality matrix was done during a workshop with the management team and key personnel dealing with sustainability matters. Moreover the results of a survey of 26 major stakeholders were taken into consideration. The final matrix produced, indicated the priorities for the year by placing the most material issues higher on the map.

Hermes Airports
Sustainability Matrix



Sustainability Strategy

Specific action plans for each of these material issues have been developed indicating a roadmap for their implementation. The company's strategic priorities around sustainability are presented in the following diagram across 4 dimensions representing a balanced business model:



Sustainability Policy

Another main deliverable of the Workshop was the Sustainability Policy which was approved by the Board of Directors of the Company. The key elements of this policy are the Sustainability Governance structure and responsibilities, the Materiality Analysis and the Sustainability Action plan, as well as the commitment for producing a report presenting the results of the period's action plan elaborating on ESG performance. The policy is subject to regular review by the Steering Committee in line with emerging developments related to sustainability management on local, sectoral, and global level, and annual review by the Board of Directors of the Company.



Hermes Contribution to the UN Sustainable Development Goals

In line with the Company's acknowledgement of the sustainability principles for Human Rights, Labour Relations, Environmental Impact and Anti-Corruption adopted by the UNGC (United Nations Global Compact), Hermes is committed to adopting and upholding these principles as part of its daily operations. At the same time, the Company acknowledges the UN SDGs (United Nations' Sustainability Development Goals) and the Agenda 2030, pledging to contribute to the global effort for addressing major sustainability challenges. The matrix below presents the correlation between the material issues and the UN SDGs:

Category	Material Issue	SDG 8	SDG 3	SDG 4	SDG 5	SDG 10	SDG 11	SDG 12	SDG 13	SDG 15
OPERATIONAL RESPONSIBILITY	Balanced Business Model	8								
	Pandemic Response		3	8	4					
	Customer Safety		3							
	Airport Facility Management & Operational Effectiveness						9			
	Innovation & Digital Transformation						9			
SOCIAL	Quality of Service & Passenger Experience						9			
	Human Rights, Values & Ethics						12	9	16	
	Employee Experience & Engagement	8	3	4	5	10				
	Noise & Quality of Life of Local Communities						11	4		
ENVIRONMENT	Climate Change							7	13	
	Local Air Quality						9		11	
	Material Resources							12		
	Water							6		
	Biodiversity								15	
	ECONOMIC IMPACT	Sustainable Destination						11		
Economic Development		8					11		9	
Sustainable Supply Chain								12		
Intermodality		8					11			

Material issues
Correlation with SDGs



Stakeholders – Material Issues Boundaries

Hermes airports has a continuous dialogue with its stakeholders, consisting of a wide range of groups and individuals, including the company's shareholders and staff, the Government and other local authorities, the wider airports' community, the suppliers subcontractors and others.

The approach used to specify the engagement with each stakeholder, was to link every material issue with the Stakeholder involved, defining the level of engagement and the range of primary impact (airport, local, national, or global).

The level of engagement and type of communication with the different stakeholders varies according to the subject. Several communication means are used at each level such as meetings, conferences, social and other events, calls, e-mails, and other more indirect forms of communication.



Material Issues Boundaries																
	Material Issue	ACI SSA ref. (2nd Ed. Nov. 20)	Level of Engagement with Stakeholders	Scale of Primary Impact	HERMES	Customers	Groundhandlers	Concessionaires	Other Users	Government / Authorities	Suppliers / Contractors	Passengers	Finance Parties	Local Society	Tourism Industry	Bus Associations
1	Balanced Business Model	6.1	2-Push Communication (as needed)	4-Global	x	x	x	x	x	x	x	x	x	x	x	x
2	Climate Change	6.2	5-Partnership (direct engagement)	4-Global	x	x	x	x	x	x	x		x			x
3	Local Air Quality	6.2	2-Push Communication (as needed)	2-Local	x	x				x				x		
4	Material Resources	6.2	3-Consultation (regularly)	1-Airport Community	x		x	x	x	x	x		x			
5	Water	6.2	2-Push Communication (as needed)	1-Airport Community	x		x	x	x	x	x	x				
6	Biodiversity	6.2	1-Pull Communication (as needed)	1-Airport Community	x					x				x		
7	Human Right, Values & Ethics	6.3	3-Consultation (regularly)	3-National	x	x	x	x	x	x	x	x	x	x	x	x
8	Noise & Quality of Life of Local Communities	6.3	3-Consultation (regularly)	2-Local	x	x				x				x		
9	Employee Experience & Engagement	6.3	3-Consultation (regularly)	1-Airport Community	x											
10	Quality of Service & Passenger Experience	6.3	5-Partnership (direct engagement)	1-Airport Community	x	x	x	x	x			x				
11	Economic Development	6.4	2-Push Communication (as needed)	3-National	x	x	x	x	x	x	x		x	x	x	x
12	Sustainable Supply Chain	6.4	2-Push Communication (as needed)	3-National	x		x	x			x					
13	Sustainable Destination	6.4	5-Partnership (direct engagement)	3-National	x	x				x		x		x	x	x
14	Intermodality	6.4	3-Consultation (regularly)	2-Local	x				x	x		x			x	
15	Customer Safety	none	5-Partnership (direct engagement)	1-Airport Community	x	x	x	x	x	x	x	x				
16	Operational Effectiveness	none	4. Participation (keep satisfied)	1-Airport Community	x	x	x	x	x	x	x	x				
17	Innovation & Digital Transformation	none	2-Push Communication (as needed)	1-Airport Community	x	x	x	x	x	x	x	x				
18	Pandemic Response	none	5-Partnership	4-Global	x	x	x	x	x	x	x	x	x		x	

CHAPTER THREE

Performance section

Balanced Business Model – A horizontal approach

Hermes aims to an all-embracing "Balanced Business Model", seeking an optimal balance between the economic, social, and environmental impacts of its activities. Developing its business model in a balanced way, by marking its footprint in the country's economy and society and contributing to mitigating climate change and to creating a more sustainable world for future generations, has become a core value for the company.

While seeking to enhance the quality of life of the local communities and the country overall, Hermes also provides a safe, healthy, and inclusive workplace that offers equal opportunities to all staff. Complying with all relevant laws and regulations, while maintaining internally developed policies secures the rights of the staff and customers. At the same time, it aims to ensure that the passengers traveling through Larnaka and Pafos airports are recipients of a seamless experience while enjoying a safe and healthy journey through the two airports. An internal Customer Care Steering Group and an internally developed strategy make sure that the overall passenger experience standards are met. The digitalisation enhancement seeks to further increase the efficiency and improve the quality of services at the airports.

Hermes diversified connectivity services contribute to the growth of the country's GDP (Gross Domestic Product) while they also support the creation of jobs. Currently it is sourcing products and services mainly from local suppliers, while it is also promoting corporate values of fairness and transparency across its chain. The company undertakes numerous initiatives and works closely with the local tourism stakeholders to ensure that Cyprus remains a sustainable destination for travellers. The company also encourages intermodal access to the two airports, where this is possible.

Hermes reaffirms its commitment to the environment by maintaining an environmental policy while ensuring, at the same time, conformity with international standards and procedures. Amongst Hermes priorities is to preserve resources for present

and future generations. This is achieved through a responsible management of materials and water while applying the principles of circular economy where applicable. The company is committed to reach by 2050 at the latest, net zero carbon emissions for sources under its direct control whilst it cooperates with its partners to support them in also reducing and ultimately eliminating their impact. An energy committee and energy team have the responsibility to keep the company in the path with the targets set, as these are defined in the company's energy strategy. The climates' actions with some other initiatives also aim to improve local air quality.

3.1 Operational Responsibility Issues

Further to the 14 material issues taken from the ACI Sustainability Strategy, Hermes included in its materiality analysis 4 Operational issues, that were considered critical for the passengers and the employees' health and safety as well as for the smooth and effective operation of the airports.

Pandemic Response

The COVID-19 pandemic has been a challenge of unprecedented proportions. The aviation industry has been heavily affected by this crisis, with airports forced to implement various infrastructure and procedural adaptations. Inevitably, this had an impact on the pace but not the commitment towards sustainable development.

Hermes role

During the pandemic, guidelines were developed by EASA (European Aviation Safety Agency) and the ECDC (European Centre for Disease Prevention and Control) for the management of passengers, the general public and the employees in the aviation industry. The Cyprus Government used these guidelines as the basis for issuing a Health Safety & Protocol concerning flights to/from Cyprus. A Crisis Management Team of the Aerodrome Operator was activated since the start of the pandemic in 2020, with the objective to maintain safe and secure airport operations, whilst mitigating the risk of the spread of the virus. The health and safety measures

that were implemented throughout Larnaka and Pafos airports included increased cleaning of high touchpoint surfaces, electrostatic spraying, signage on preventive health measures, social distancing markers, hand sanitizer stations and a face-mask requirement in the airports' area. Relevant announcements were also broadcasted through the airport Public Address system at regular intervals to inform passengers about the measures, whilst videos were displayed on the screens to further enhance the overall communication. Hermes also assumed the responsibility to coordinate the airport community in applying all relevant health measures. Stakeholder online coordination meetings were held initially daily and then three times a week, something that proved very effective in solving various issues on the spot.

Staff Wellbeing

Since the start of the pandemic, hybrid working arrangements were introduced allowing the company's employees that could work remotely, to do so. At the same time, the company implemented a systematic COVID-19 testing procedure for its personnel, aiming the safety of the staff, and ensuring business continuity and operational resilience. Through the health protocols, working patterns and arrangements established in the airports, positive Covid-19 cases were kept to the absolute minimum.

Despite the difficult financial situation of the company, Hermes decided not to implement any job cutting or salary reductions for its employees. At the same time, from April 2020 until July 2021 Hermes Airports used the Government's scheme with the State contributing partially in the employees' compensation.

Touchless Technologies

The pandemic created the need to minimize the person-to-person interactions in various traditional processes. In this respect Hermes decided to invest in technologies such as the Self-Service Bag Tag equipment and Self-Service Bag drops at both airports.

ACI Health Accreditation Certificate

In November 2020, both Larnaka and Pafos Airports were awarded with the ACI Health Accreditation Certificate (it was renewed in November 2021) demonstrating the commitment of the company to apply industry health and safety best practices to protect the passengers and the staff.

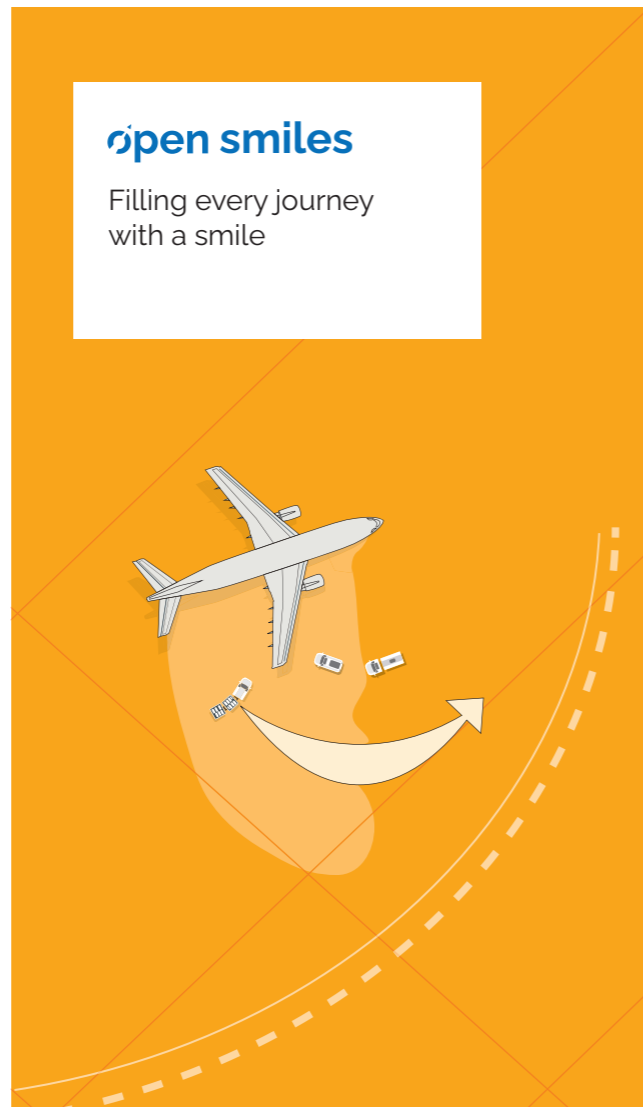


Customer Safety

The operational safety of aircraft, passengers as well as the people working in the two airports, is a primary concern for Hermes.

For this reason, the company maintains a Health & Safety Management System that covers the Aviation Safety Management System and the Occupational Health and Safety (relevant Health and Safety data are enclosed in Appendix 1). The System consists of a policy, relevant procedures, and documentation and is reviewed on an annual basis, based on safety data and feedback received from line managers and front-line staff, as well as the results from internal and external audits. The objective is to continuously monitor the performance of the system and proceed with updated regulatory requirements and organizational changes where needed. The System is certified with the ISO 45001:2018. Parallel to this, Hermes as the operator of the two airports, audits the airport users that are involved in aerodrome operation.

Further to developing its own system, Hermes identified the need to share data and exchange safety information with other airports. This proved to be helpful in acting proactively, by considering safety-related incidents that occurred at other airports.



● LCA ● PFO

		2021	2020	2019
Customer Health & Safety Accidents	Number/Pax	23 / 3,592,011	14 / 1,679,702	64 / 8,229,346
		6 / 1,517,465	6 / 632,890	28 / 3,044,402
Customer Fatalities	Number/Pax	0	0	0

A more detailed analysis of the accidents/incidents that occurred during this period including the passengers, Hermes staff and the staff of 3rd party companies (including contractors and other community companies) may be found in Appendix 1.

Wildlife Strike: prevention and monitoring

The overall goal is to reduce wildlife hazards and associated risks to operating aircraft. For this reason, the company has trained wildlife coordinators at each airport who have the responsibility to implement relevant practices and procedures, included in the Wildlife Hazard Management Plan, in order to reduce the wildlife hazards for the aircraft, where needed.

Innovation & Transformation

Innovation and transformation have always been amongst the company's priorities when seeking to optimize operations. Innovative solutions through new equipment, new services and digitalization enhancement are pursued aiming to improve the passenger processing and the overall experience at the two terminals.

The IT (Information Technology) Department has introduced technology to improve productivity, make operations more cost effective, and enhance security. Various initiatives have been undertaken towards this direction, including the upgrade of the IT Backbone infrastructure to support future technologies and the reduction and further upgrade of the Data Center equipment in both airports. Furthermore, the Self-Service check-in equipment has been upgraded to new generation kiosks, providing full compatibility with cutting edge technologies like facial recognition for further implementation. At the same time the Express Lane Kiosks and the E-Gates have been upgraded and increased in order to enhance the customer experience.

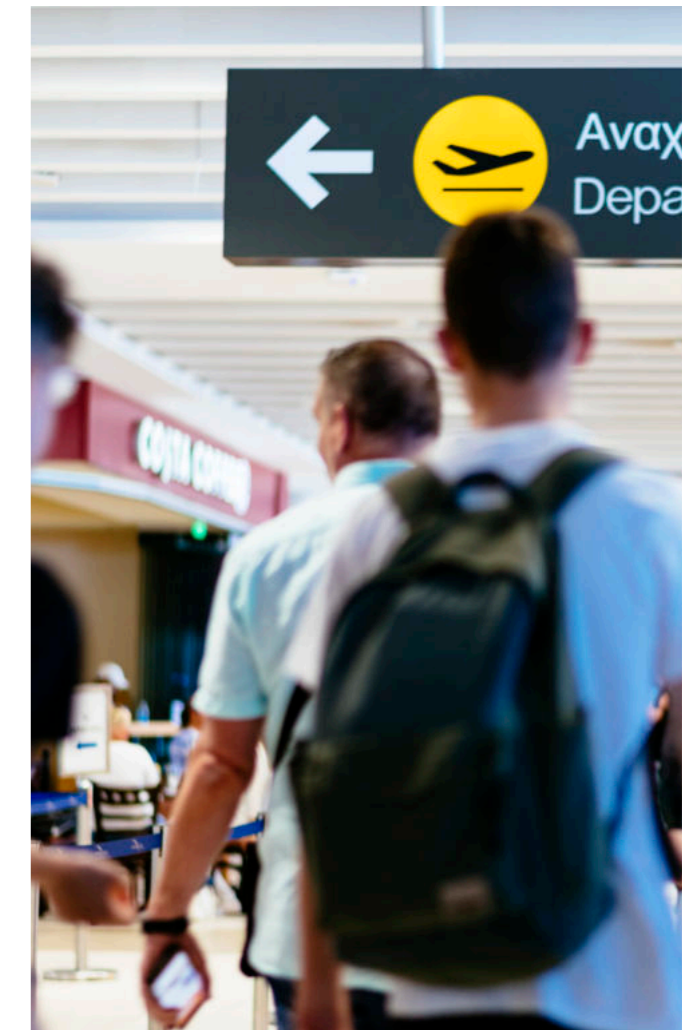
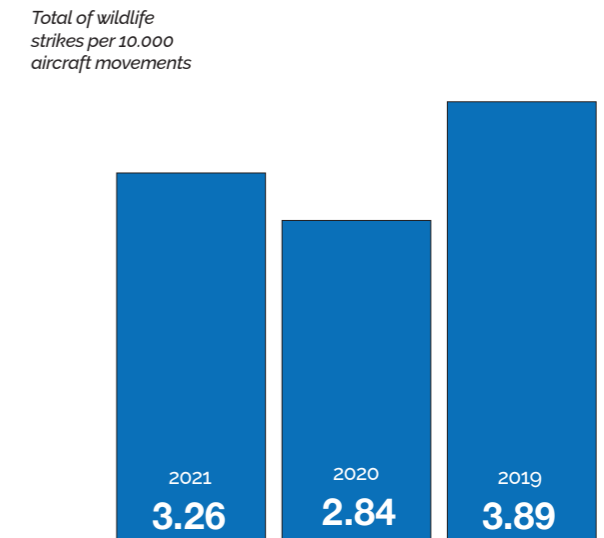
Facility Management & Operational Effectiveness

Acknowledging the incidents that may affect critical operations, Hermes invests in acquiring the necessary tools that can provide a maximum degree of resilience and may manage adverse and extraordinary circumstances.

Business continuity planning

The Business Continuity Program is the company's roadmap to maintain operations even during times of distress and disruptions caused by all types of incidents, crisis, and emergencies. Five areas have been identified under the Corporate Risk Management System and Business Continuity Program: 1. Airfield Lighting, 2. Runway Surfaces, 3. Medium Voltage systems, 4. Baggage Handling System & Security screening equipment and 5. Passenger Boarding Bridges. The maintenance processes in each of these areas aim to avoid any

Annual Number of Wildlife Strikes for Larnaka and Pafos Airports



failure of the systems. Each area is handled by different material owners and the overall target is to achieve operational effectiveness.

The company has an Internal auditing process based on an automated CMMS (Computerized Maintenance Management System), which helps staff to track issues, and trace equipment history and maintenance. Parallel to that, there are external audits on specific systems carried out by specialists of other associated airports related to the Hermes shareholder companies. Other mechanisms deployed to this effect are the market norm benchmarking, the service provision feedback from the airport stakeholders and the regular reporting system. All the above ensure that in case of an incident there will be fast recovery of operations. Finally, Hermes performs mock drills which engage all involved airport stakeholders with a goal to assess effectiveness of the emergency response processes and procedures. Real-time simulated exercises are used to check the efficiency of procedures and how personnel can respond to minimize a real emergency's effects.

3.2 Social

Through the accomplishment of the material issues included in the social dimension, Hermes aims to provide a healthy, safe and inclusive environment for the company's employees, a safe and smooth experience to its passengers, and also improve

the quality of life of the local communities and the country overall.

Customer Service and Passenger Experience

Enhancing Customer Experience and achieving Operational Excellence are strategic priorities for Hermes Airports. Given that the airports form part of the value chain experience of the inbound travellers visiting Cyprus, to provide a positive first and last experience to any visitor at the airports is of utmost importance. Despite the major challenges faced during the last two years due to the pandemic, Hermes is proud that no major compromises have been made in terms of the quality of services offered to its customers.

Customer Service Operations - A bird's eye view

The Concession Agreement with the Government includes specific performance standards with measurements and reporting procedures, for certain services that are provided either directly by Hermes or by third parties. At the same time, there are other customer service areas which are still monitored and measured by Hermes as part of its own Customer Service Strategy, MIMIC (Move, Inform, Measure, Involve and Care), that has been in effect since 2014. The measurements of this Strategy are also used to determine the development needs of the people in the company, the investment requirements in technology, and the revisit of processes. All in all,



this strategy allows to have a bird's eye view for matters that affect passenger flows and passenger experience. More details regarding the philosophy of the Strategy are provided in Appendix 1.

To ensure the seamless customer experience, Hermes established an internal Customer Care Steering Group, headed by Hermes CEO and with the participation of the company's top management, with a mandate to evaluate and select ideas that will enhance the customer experience.

Hermes also participates in the ACI Airport Customer Experience Accreditation program, a quality control framework for customer experience management, designed to help airports to promote service excellence and improve customer experience. The program consists of 5 levels¹ of accreditation. Airports are accredited based on their practices in customer experience. Larnaka and Pafos are certified to Level 2 which is interpreted that both airports are committed to promoting a clear customer experience strategy.

Passengers with Disabilities and Reduced Mobility

The customer experience and services provided to PRM (passengers with disabilities and reduced mobility) is of utmost importance for Hermes Airports. Special assistance is provided to passengers travelling from and to both Larnaka and Pafos airports through a structured operation undertaken by a subcontracted company.

The PRM assistance service is compliant with EU1107/2006, the European regulation governing the rights of persons with disabilities and reduced mobility when travelling by air. In this respect, assistance is provided to customers with all kinds of disabilities, such as mobility, sight and hearing impairments, and cognitive impairments, as mandated by the regulation. Training is also a vital part of the regulation, and as such, Hermes delivers 'Disability & Equality Awareness training' to the staff of the PRM service provider and the airport community. The training program of Hermes has been recognized as 'Best Practice in Europe' by the European commission in 2014. During the pandemic, the trainings continued with online sessions.

Enhancing the services offered beyond the regulation, the company introduced also some special schemes for specific PRM groups such as the 'I can Fly' scheme that was designed to cater for the needs of persons with Autism and the 'Sunflower Lanyard scheme' addressed to persons with hidden disabilities.

Larnaka and Pafos airports were awarded as the Most Accessible Airport in Europe in 2017 and 2018 respectively by ACI Europe and the European Disability Forum.



¹ <https://aci.aero/programs-and-services/asq/airport-customer-experience-accreditation/>

Human Rights, Values and Ethics

Measures in place to protect staff rights

Hermes places great emphasis on the protection of human rights. The company's policies, and procedures give the guidelines on how staff should behave and act during their employment with Hermes but also indicate the protection rights of the staff. Such policies are the Code of Ethics, the Allegation Response procedure and the Equal opportunity, Discrimination, and Harassment policy. These are included in the Employee Handbook to which all staff has access online. More information may be found in the Section Employee Experience & Engagement – Diversity & Inclusion.

As regards staff data, a Privacy Notice for Employees, Workers, and Contractors describes how and why the company may collect and use personal information of staff during their working relationship with the company. An Employee Satisfaction and Engagement survey every year identifies any issues that may be addressed in focus groups that follow the survey.

Measures in place to protect passengers' rights

Human Trafficking

Maintaining and developing its commitment to respect human rights, Hermes pursued, in 2021, collaborative opportunities with other stakeholders to raise awareness of Human Trafficking. Initiatives, such as the airport wide awareness campaign, have been agreed with other stakeholders and are expected to be implemented during 2022. The aim is to intensify these efforts in the future with specific actions and plans.

Customer privacy

Airport security systems, regulations and practices require collecting and retaining passenger personal data, via Closed Circuit Television images, via the company's website when purchasing online services offered at the airports etc. For this, Hermes ensures compliance with the Law providing for the Protection of Natural Persons with regards to the Processing of Personal Data and for the Free Movement of such Data of 2018 (Law 125(I)/2018) and the General Data

Protection Regulation (EU) 2016/679 (Data Protection Law and Regulation) for all processing activities. The components of how the company manages Customer privacy are based on Privacy Laws and Regulations as well as on guidelines and best practices issued by the Office of the Commissioner for the protection of personal data and by the Digital Security Authority of Cyprus, by privacy working groups, and by independent bodies active in the privacy and information security field (IAPP, ISACA, ENISA etc).

At the same time, the company has a Privacy policy in place (uploaded on website) setting out how the company handles personal data of passengers and other third parties as well as the rights of passengers in relation to their data and how they can exercise the same. In addition, a Data Protection Officer has been appointed, a Data Subject Request process has been implemented and Data Processing Agreements are entered into with all data processors ensuring compliance with applicable law.

People with reduced mobility (PRM)

The company complies fully with European Regulation 1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air. At the same time, the facilities offered go beyond the Regulation's requirements with facilities such as the RoomMate² and the Changing Place³ which aim to provide the best possible service to the passengers. Further information regarding the PRM policy of the company may be found in Customer Service and Passenger experience (Chapter 3, Social).

Security practices

Third-party organizations providing security personnel are contractually obligated to implement a non-discriminatory policy, extending but not limited to issues relevant to sex, race and religion. Wherever allowed by Law, passengers and personnel may choose to be screened via a preferred security method (e.g., machine or hand search). Hand search is conducted by personnel of the same gender as the person being searched. Moreover, private rooms are available for hand or visual inspections in the cases that the security alerts are not resolved by

simple hand search. The company's security manual includes in an explicit manner the special procedures for accommodating security screening of people with disabilities.

Employee experience and engagement

A strategic objective of Hermes, set as early as 2013, is the company to be an Employer of Choice in Cyprus and abroad, by having strong leadership and high-performance culture through which people feel recognized, respected, and benefit from developmental opportunities.

The People Action Plan was established for the first time in 2013 and has been developed over the years according to the overall strategy of the company, the industry best practices and the feedback received from the staff through surveys. The Plan covers actions in all areas elaborated below.

Diversity and Inclusion

Hermes implements an equal opportunity employment policy, respecting the diversity of all employees. To this extent an Equal Opportunity, Discrimination and Harassment Policy was

developed to ensure that all employees respect one another's human rights, and any type of discrimination is forbidden. This policy is also embedded in all other policies, procedures, and practices to ensure that regardless of their diversity, all Hermes employees and applicants can have equal opportunities in the organization such as learning and development, talent management, promotions, remuneration etc.

In 2021, the company employed 147 employees (60% men and 40% women) with the Executive Team, including the CEO, comprising 4 females and 3 males. Also, at Hermes people of all ages are employed, with the average age for all company employees for 2021 being 43 years. A more detailed Age and Gender group allocation is included in Appendix 1 in the end of this report.

With regards to remuneration, every three years a salary survey is conducted by an external partner to update the Salary Grading System accordingly. The remuneration of women to men has been relatively balanced for the last years reaffirming the company's commitment for an equal treatment for all employees.

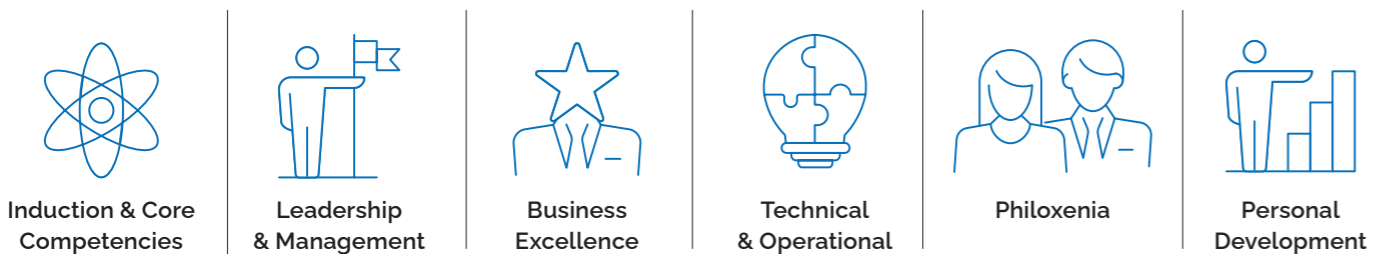
Female to Male Remuneration

Female to Male Remuneration Ratios by Employee Level			
FTE'S	RATIO		
EMPLOYEE LEVEL	2021	2020	2019
Managerial Staff (C-Suites & Senior Manager)	122.10%	126.70%	125.70%
Middle Management (Manager)	94.60%	94.30%	100%
Supervisory Staff (Team Leader)	92.50%	88.38%	98.10%
Staff (Team Members)	96.90%	96.60%	96.47%

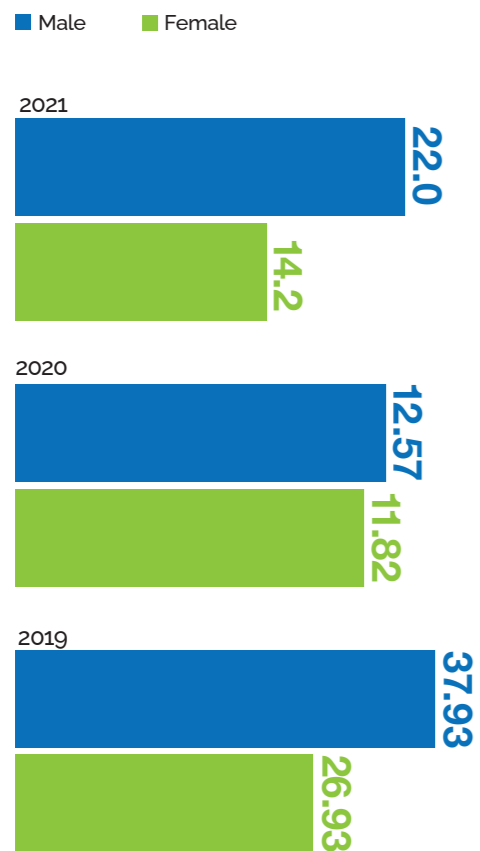
² RoomMate is an electronic wall-mounted device which gives bespoke audio description to guide the persons with visual impairments in the room and is located at the PRM toilet in the "Check-In Area" on Departures Level2 at Larnaka Airport.
³ A Changing Place facility provides sanitary accommodation for people with multiple and complex disabilities who have one or two assistants with them. Changing places are located in both Larnaka and Pafos Airports.

People Development

In 2017, the Hermes Academy for Hermes employees was designed to provide targeted learning and development opportunities aiming to build a high caliber, agile workforce. The Academy's mission is to establish a Learning Culture that supports the continuous development of the company's people technical knowledge, skills, and competencies. The model of the Hermes Academy focuses on the following pillars:



3.4 Average Training Hours by Gender



In 2020, despite the Covid-19 restrictions, Learning & Development scored a high 4.19/5.00. In 2021, the employee satisfaction survey was measured through the Investors in People (IIP) standard, with slight amendments, and Learning & Development scored 4.28/5.00 in the employee satisfaction survey.

Hermes Academy for the airport community

In 2020, the scope of the Hermes Academy expanded to cover the airport community with courses designed and offered to the community's staff, to achieve an alignment in the way they act, operate, and serve customers. The vision of the Academy was to "establish a shared Airport Culture and Collaborative Mindset, where all Stakeholders, acting as ONE, inspire People to create an environment for customers to experience the exceptional professional services and enjoy the warmth of the Cypriot Philoxenia (Greek word for hospitality)".

The model of the Hermes Academy focuses on the areas of Philoxenia, Business Excellence, Leadership & Management, Personal Development and Technical & Operational. In September 2020, Hermes Academy was recognised by Cyprus Human Resources Development Authority (HRDA) as a training institution⁴.

⁴ As an approved HRDA training institution Hermes Airports have the opportunity to offer subsidised training courses to the wider airport community on various topics related to airports and beyond.

Leadership

Recognizing leadership as one of the most important elements in the company, Hermes introduced a number of initiatives and programs, like the Operating Agreements of the leadership team, the 360-feedback (Leadership Circle Profile) for the leadership and management team, the 180-degree feedback for the Team Leaders and Airport Duty Managers, and others. Following the above mentioned initiatives, in 2020 leadership was one of the organization's main strengths, scoring 4.14/5.00 at the Employee Satisfaction survey⁵.

Performance Management

In 2014, the electronic Performance Management System was updated, incorporating the core and leadership competencies, with the aim to ensure provision of constructive feedback and safeguard that all employees possess the required self-awareness levels.

Coaching

Since 2014 Coaching has become a part of Hermes Airports' culture and HR practices, and is integrated with the leadership, talent management, succession planning processes, as well as the strategic priorities implementation.

Talent Management

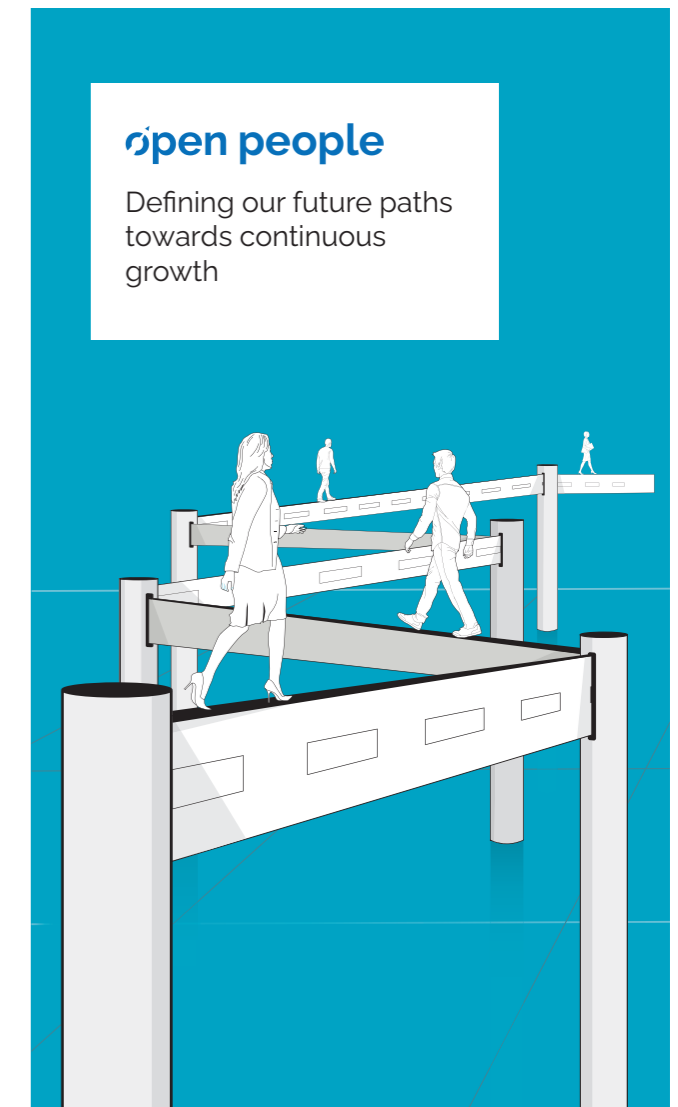
The Talent Management and Succession Planning was firstly introduced in 2016 in order to identify and retain talents and therefore ensure leadership continuity and technical expertise in critical positions. The Talent Management process was repeated again in 2021 and 27 employees were identified as talents.

Wellbeing

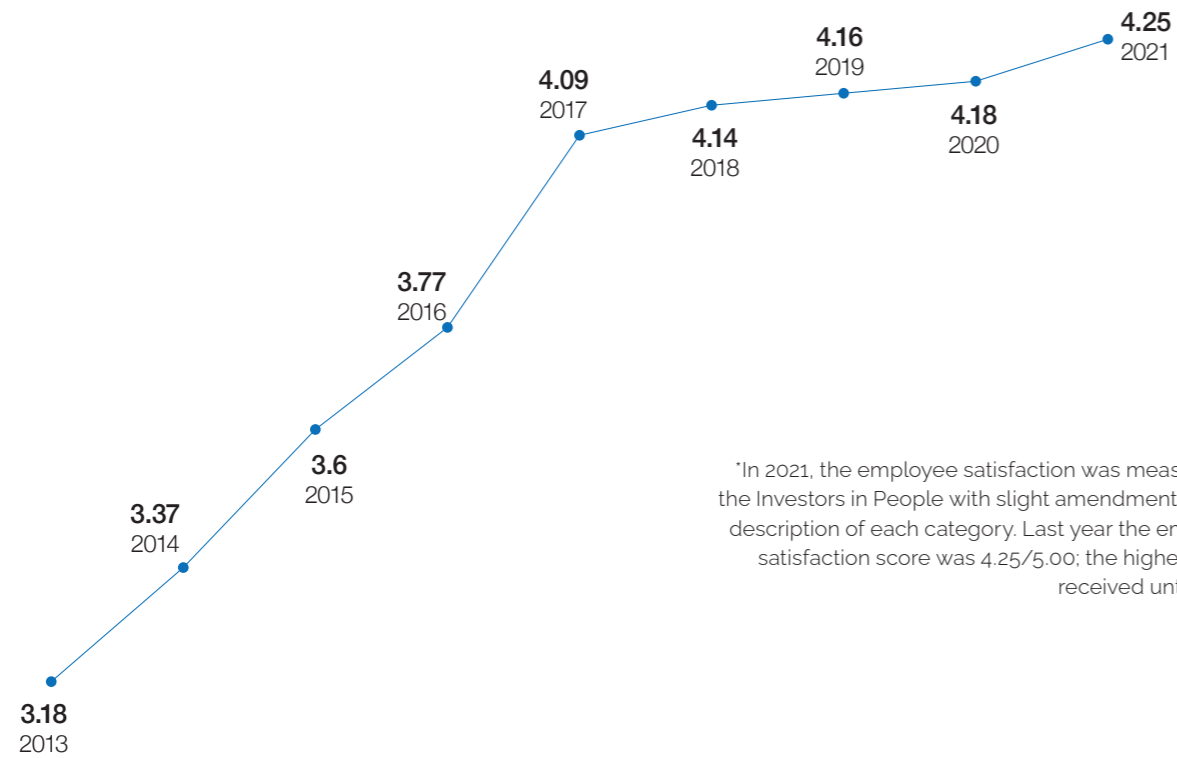
In 2017 the Evexia Being Well Program was established to support employees to promote and maintain a happy, healthy and productive life. Since its inception, several initiatives were introduced, such as the Employee Appreciation week, on-site blood testing and health checks, massage sessions, parental coaching workshops, hiking, and others. Furthermore, during the pandemic, this program took a step further to support employees. One of the initiatives introduced was the SafeSpace program, a confidential counselling service by a professional psychologist.

⁵ At the IIP report in 2021, Leadership received again a high score (4.14/5.00).

All the above initiatives implemented through the years were well received and appreciated by the employees as indicated from the Employees Satisfaction survey results. Below are the results included in this survey until 2021, indicating the significant improvement in all areas.



Employee Satisfaction Scores



*In 2021, the employee satisfaction was measured by the Investors in People with slight amendments on the description of each category. Last year the employee satisfaction score was 4.25/5.00; the highest score received until today.



In addition, to the employees' acknowledgement, the last years the company received various awards, recognitions, accreditations, and designations from national and international organizations which recognized the People practices. Some of these recognitions are the Platinum Investors in People Accreditation from the UK, the Gold MEECO designation from USA, the HR Excellence Award from the Airports Council International Europe and others.

Noise and Quality of Life of Local Communities

'Inspiring our Community', is part of Hermes mission and to this extent our effort is always to improve the Quality of Life of the people in the country, not just by creating jobs and contributing to the country's income, but also by paying attention to the social aspect, which takes into consideration the well-being and welfare of the people here.

Quality of Life of local communities

Various initiatives are being undertaken to ensure that the quality of life of the communities living near the airport is not affected by the operation of the airports. Measuring the quality of the air in the vicinity of the airports, establishing noise measuring systems to assess the impact of the aircraft overflying the nearby communities of the two airports, performing water studies to assess the quality of the water disposed from the two airports' operation are only a few initiatives towards this direction. More information regarding the other initiatives is provided in sections Local Air Quality & Water Management.

At the same time the airports are always active to provide support to communities on the island that may have suffered from extraordinary events. Hermes supported in 2021 the tree restoration of the villages that were hit by fires during the summer season whereas it also funded the NGO Reaction organisation for the purchase of additional fire services uniforms.

A long-standing collaboration with the foundation 'Sophia for children' supports the improvement of the quality of life for children in several elementary schools in Larnaka that belong to low-income families. Moreover, several other organisations were supported, such as the Cyprus anticancer Association, the Multiple Sclerosis Association, the Pancyprian antinarcotics association with a view through them to improve the life of vulnerable groups of people. In this context Hermes supported a marathon organized by PASYKAF (a voluntary

association of Cancer patients and Friends), as well as the creation of a music-theatre workshop of the Autism association. All the relevant community engagement initiatives taken during the year are enclosed in Appendix 1.

Noise Management

Hermes Airports proceeded with the installation of a Noise Management System at Larnaca International Airport to monitor the impact of aircraft noise to the surrounding communities. Three noise monitoring terminals have been installed, correlating the noise event with the aircraft. The Noise Management System is certified with the international standard ISO 45001:2018 and the EMAS.

3.3 Environment

This section deals with the material issues for mitigating the climate change and sustaining the resources of the planet. The Climate Change focuses on the energy consumption and carbon emissions whereas the Local Air Quality assesses the quality of air in the vicinity of the airports. The Material Resources touches upon the limited material resources and the measures taken by the Company towards a circular rather than a linear economy whereas the Water Management focuses on how the company manages the Water resources. Finally, Biodiversity examines the actions taken by the company for protecting the biodiversity in the vicinity of the airports.

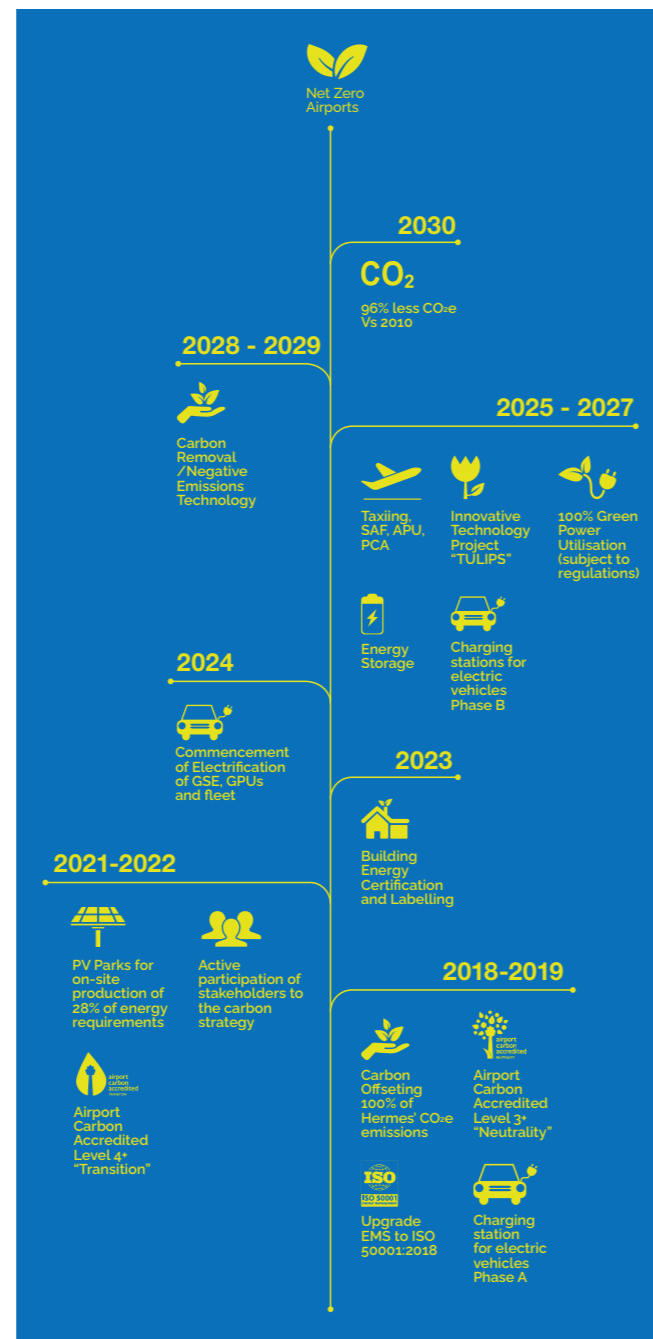
Climate Change

Energy Strategy

Hermes aims to minimize the impact of its operation to the environment through a series of actions and initiatives with an ultimate target to reach the NetZero emissions the latest by 2050. This can be achieved through a series of initiatives based on the conservation of energy and the optimization of the use of energy while increasing the share of the green energy used in the company's operation.

Since 2010 more than 95 energy saving projects have been implemented to reduce energy consumption (more than 95% of the lights in the two airports were replaced with LED bulbs, HVAC-Heating, Ventilation & Air-Condition system system was redesigned and optimised, power inverters on many HVAC equipment were installed etc). The energy Strategy for the period 2014-2020 has recently been replaced with a new Energy and Climate Strategy for the period 2021-2030. In this strategy, short and long-term targets have been set. These targets are in line with the National Targets for the energy and climate, with the Paris Agreement and the EU Green Deal while they also take into consideration the upcoming requirements of Fit for 55 package. The targets are transformed into a road map with Short, Medium, and Long-Term objectives, targets, and actions, which are tracked and reviewed on an annual basis.

Hermes Airports Energy and Climate Roadmap



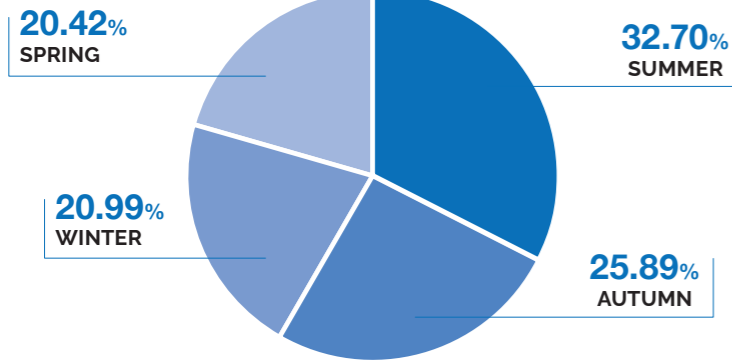
The design and implementation of the Energy reduction projects in Hermes are governed by the Energy Committee and the Energy team of the company. At the same time, there is compliance with certain standards and mechanisms like the ISO 50001 Energy Management System and the Airport Carbon Accreditation program.

Energy consumption

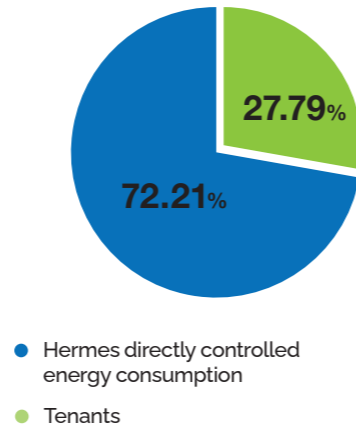
While the reduction of passengers during the pandemic reduced the energy consumed a number of measures taken due to the pandemic had an increased consumption impact. One of these measures was the HVAC (Heating, Ventilation & Air-Condition system) which increased the consumption of electricity compared to the pre-pandemic period as it provided full fresh air instead of recycled air.

Electricity Consumption	Unit	Larnaka airport		
		2021	2020	2019
Total Airport's Community Energy Consumption ⁶	kWh	23,317,152	20,660,238	24,712,646
Airport Consumption per passenger	kWh/Pax	6.49	12.30	3.00
Total Airport Consumption per sq. meter	kWh/Sq meters	291.46	258.25	308.91
Total Energy Consumption sold to the Tenants	kWh	6,465,447	4,680,970	7,373,309
Pafos Airport				
Total Airport's Community Energy Consumption ⁷	kWh	5,809,320	4,856,650	6,725,710
Airport Consumption per passenger	kWh/Pax	3.83	7.67	2.21
Total Airport Consumption per sq. meter	kWh/Sq meters	296.39	247.79	343.15
Total Energy Consumption sold to the Tenants	kWh	1,617,696	1,486,056	2,312,050

6 & 7 Includes the tenants' consumption



Consumption split for 2021



Energy Consumption within the organization other than electricity

	2021	2020	2019
Owned / leased vehicles - Diesel	LCA: 32,718 litres PFO: 18,259 litres	LCA: 27,444 litres PFO: 16,537 litres	LCA: 32,378 litres PFO: 17,064 litres
Owned / leased vehicles - Petrol	LCA: 3,051 litres PFO: 0 litres	LCA: 2,499 litres PFO: 313 litres	LCA: 3,146 litres PFO: 688 litres
Heating Diesel	LCA: 15,737 litres PFO: -	LCA: 24,140 litres PFO: 54,102 litres	LCA: 24,476 litre PFO: 46,735 litres
Kerosene	LCA: 2,000 litres PFO: 0 litres	LCA: 0 litres PFO: 700 litres	LCA: 2,100 litres PFO: 700 litres
Diesel Generators	LCA: 10,392 litres PFO: 2,160 litres	LCA: 139 litres PFO: 0 litres	LCA: 3,291 litres PFO: 7,574 litres



GHG (Greenhouse Gas) Emissions

Source of Emissions ⁹	Unit	Larnaka airport		
		2021	2020	2019
Scope 1 Emissions	Tones CO2e LCA	1,500	500	750
Scope 2 Emissions	Tones CO2e LCA	10,819	10,273	11,729
Scope 3 Emissions	Tones CO2e LCA	250	200	300
	kg CO2e / PAX LCA	3.5	6.53	1.55

Pafos Airport				
Scope 1 Emissions	Tones CO2e PFO	700	750	950
Scope 2 Emissions	Tones CO2e PFO	2,691	2,167	2,986
Scope 3 Emissions	Tones CO2e PFO	40	25	45
	kg CO2e / PAX PFO	2.26	4.65	1.31

Since 2018 Hermes offset 100% of the directly controlled emissions, maintaining a neutrality level of emissions from its operation.

NetZero emissions by 2050

Hermes Airports is committed to contributing to the efforts to mitigate climate change by pursuing initiatives to make Larnaka and Pafos airports carbon neutral. In June 2019, the company signed together with another 193 airports across 23 European countries, a landmark commitment to become Net Zero for carbon emissions from its operations by 2050. This was recently reinforced when Hermes signed the Toulouse declaration, based on which the European governments, the European Commission, the industry, unions, and other key stakeholders were formally aligned on aviation decarbonization.

Many concrete actions have already been successful in reducing the company's emissions. There are more actions included in the strategic plan not

yet implemented which are also expected to further the reduction of the emissions such as the development of renewable energies i.e. the solar park, the 'greening' of the vehicle fleets etc. The target is to have the two Solar Plants at Larnaka and Pafos airports in place to produce "green" power on-site for self-consumption within 2022. These Solar Plants are expected to produce 28% of the annual energy requirements of the two airports. The rest will be purchased from renewable energy suppliers when this option is available. Furthermore, the aim is to cooperate with industry partners – especially airlines, ANSPs (Air Navigation Service Providers) manufacturers and ground handlers, as well as governments, to identify pathways towards net zero emissions aviation.

Airport Carbon Accreditation Mentorship Initiative

Hermes Airports participates in the ACA (Airport Carbon Accreditation) Mentorship Initiative as a mentor to other airports. Based on this initiative,

mentor airports share their knowledge, best practices and experience with candidate airports, and thus help each other and ease their journey to become cleaner, more efficient and eventually accredited (or to upgrade within the ACA programme to a higher level). In addition, through this initiative long-term synergies and cooperation between airports are likely to be developed.

Hermes Airports has obtained the fourth level of the ACA certification Level 3+ Neutrality for Larnaka and Pafos airports, which signifies the continuous reduction of carbon emissions, the engagement of the stakeholders for this target, and the offsetting of Hermes' directly controlled carbon dioxide emissions.

TULIPS ('Demonstrating lower polluting solutions for sustainable airports across Europe')

The European Commission has awarded €25 million in funding to a consortium comprised of 29 parties called TULIPS. The aim of this Consortium is to advance the rollout of sustainable technologies and contribute towards zero emissions and zero waste airports by 2030 and climate-neutral by 2050. Hermes Airports participates in this Consortium together with three other major European airports (Schiphol, Oslo and Torino). The Grant was awarded in July 2021, following a tough competition amongst many consortia. Hermes Airports participates in various work packages of the project, such as "Sustainable intermodal transport connections", the "Smart airport energy hub", the "Zero emissions airside operations", the "Circular Airports", the "Green air and land", the "Performance monitoring and economic data collection and analysis" and the "Roadmap's vision to 2030".

Legal Actions-Monetary sanctions related to environment

During the last three years, no legal action was taken against Hermes whereas no fines or monetary sanctions related to environmental aspects were imposed.

Local air quality

Airport operations cause emissions which may have an impact on local air quality. This adverse effect

could principally be caused from aircraft engines during the landing and take-off cycle, but also from aircraft taxiing and engine testing, the use of aircraft auxiliary power units, the airside ground traffic as well as the passenger surface access traffic. Hermes realizes its role in minimising local air pollution, improving in turn the quality of life for the staff, the passengers as well as local communities.

To this extent, the company has decided to measure, monitor, and report on ambient air quality levels. The measurement is done through the Air Quality Monitoring System, which is installed at Larnaka airport, close to the terminal's main entrance, and monitors key pollutants 24 hours a day. Monitored air pollutants include carbon monoxide (CO), nitrogen dioxide (NO2), ozone (O3), and particulate matter (PM10 & PM2.5). The Air Quality Station was installed at Larnaka airport only in October 2021, therefore a first full year report is expected by the end of 2022.

The improvement of the air quality is interrelated with other specific measures, such as a planned investment in 'greening' Hermes' fleet combined with developing infrastructure for electric vehicles. At the same time, in the near future the use of Fixed Electrical Ground Power (FEGP) will be encouraged, minimizing in this way the use of auxiliary power units and thus fuel consumption through the aircraft engines. Aircraft operators will be also encouraged to taxi with less engines, where possible, thus reducing fuel consumption and CO2 emissions.

Material Resources

In general, the airports have several and multiple activities from which waste can be generated. These include the construction/upgrade of buildings, demolition of existing structures, maintenance works, greeneries, resurfacing of runways, rubber removals from the runways, other litter produced by the passengers, visitors, airport staff, tenants, and subcontractors. Recognizing the fact that limited resources and growing consumption patterns represent a global challenge, Hermes takes active steps to minimise the amount produced and recycle as much as possible. At the same time, Hermes follows a policy of collaborating with key stakeholders for the collective management of waste streams.

⁹ Scope 1 and Scope 3 Emissions data are estimates based on the available information up to now. Final data will be available at a later stage and will be included in the next report of the company. Scope 2 Emissions used the actual Energy data of 2021 and the Emission Factor of 2020. The sources of Emission Factor are the ACI ACERT Tool, the European Residual Mixes Report, the Natural Greenhouse Gas Inventory Report, the Climate Registry and the ICAO CO2 tool. At the time of preparing the report the Company was expecting the guarantee of origin for 100% Green Energy Certificate which will result in the Scope 2 emissions for 2021 to become zero.

Waste Management Procedures

A clear waste segregation applies for both staff and passengers by providing segregated bins for general and recyclable waste. This waste is primarily handled through a licensed subcontractor, which allows for appropriate disposal. Moreover, the licensed subcontractor handles other waste streams including food, electrical and all hazardous waste streams such as fluorescent tubes, batteries etc. The assigned subcontractor shall provide Hermes with all relevant documents/receipts as per applicable laws. All waste coming off aircraft, regardless of its origin, is dealt with by the airline's ground-handling agent.

All waste streams are recorded monthly and documented through Environmental Statement Reports and Waste Disposal License reports. Hermes Airports through its HSE-FM (Health, Safety, Environment and Facility Management Department) reviews all the waste receipts (including dates, weights, and categories) for the preparation of the environmental statements. The data of these reports are evaluated in order to help the company to improve in areas such as the reduction of organic waste (food), the minimisation of waste quantities to landfills, the enhancement of circular economy, the encouragement of tenants and sub-contractors to promote recycling and increase their recycling quantities and others. All subcontractors submit their yearly waste weight bills to Hermes for confirmation. The waste management procedure of Hermes Airports is certified with the ISO 14001 and EMAS.



Ban of Plastic

Being very conscious of the adverse impact that plastic usage can have on the environment and aware of the growing threat to the marine environment of microplastics, the usage of single use plastics such as straws, water bottles, utensils, etc has been banned from the Airports in 2020, making a clear commitment to reducing plastic usage throughout the Airports site. The company went on a step further and provided its staff with an eco-friendly set which included a tote bag, a reusable thermos, a reusable bottle and two stainless steel straws. It is estimated that more than 2,500 kgs of single used plastic consumption was avoided because of this initiative.

Below is the summary of the waste segregation by composition and by type (hazardous/non-hazardous). Further analysis is provided in Appendix 1.

Material resources management

Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste for Larnaka and Pafos Airports.			
Larnaka & Pafos Airports	2021	2020	2019
Non-Hazardous Recyclable ¹⁰	385 tonnes	197 tonnes	842 tonnes
Hazardous Recyclable ¹¹	158 tonnes	14 tonnes	9 tonnes
Composting ¹²	47 tonnes	55 tonnes	62 tonnes
Landfill Waste ¹³	1,067 tonnes	622 tonnes	2,087 tonnes
Other ¹⁴	3,495 tonnes	792 tonnes	1,382 tonnes
Total	5,152 tonnes	1,680 tonnes	4,382 tonnes

¹⁰ Includes PMD, paper, Glass, Metal (Scrap), Liquid Aerosol Gels, Non-hazardous solid waste.
¹¹ Includes Batteries, Printer Cartridges, Bulbs, Electrical Components (appliances, wires etc), Hazardous Solid & Liquid Waste from runways
¹² Includes Pruning of plants and other wood
¹³ Includes Domestic Waste and Bulk Waste
¹⁴ Other includes Concrete, Asphalt, Building and General Waste

Implementing new methods and techniques to Waste Management/material resources

Hermes further considers new methods and techniques with a view to improve the waste management and handling of resources

- Improve supply chains (e.g., new technologies, resource recovery).
- Consider the use of waste for energy generation (e.g., biomass).
- Consider food waste composting to produce fertilisers for use by and beyond the airport.
- Implement more efficient logistics and modify waste & recycling management program with fewer transport routes.
- Explore synergies between digitalisation and circular economy, for instance by optimising the automatic scheduling of maintenance/repairs, maximising the lifetime of equipment.

Water Management

Part of the overall objective of the company to reduce the use of natural resources is the control of the water consumption as well as the safeguarding of water quality. Hermes maintains an Environment Policy, whereas it is certified with the ISO 14001 and the EMAS.

Monitoring Consumption

The company monitors water usage by area to understand where high demand is and where water-saving initiatives can be best targeted. Examples of the initiatives taken up to now, include the operation of sensors on urinals and wash basins, the dual flush toilets, the implementation of drop-by-drop irrigation and the irrigation using treated wastewater, the installation of specialized sink faucets to save water and the installation of water consumption meters at various areas to monitor water consumption.

Water management – Withdrawal, Consumption and Discharge

Larnaka Airport receives water from Larnaka waterboard to cover its needs. Water for irrigation purposes is mainly provided by Larnaka Sewerage and Drainage Board (3rd treatment water) and is 100% recycled water. Pafos Airport receives water from

Pafos waterboard to cover its needs. Also, Pafos Airport might receive water for irrigation purposes from Asprokremmos Dam.

The other source of water for both airports, is the rainwater which is channeled through artificial lakes on the fields or on the pavement/asphalts/parking/aprons, pass through oil interceptors before it is disposed either in the salt lakes for Larnaka or to the sea for Pafos airport. The rainwater is monitored twice a year and a sediment analysis is taking place every year. The relevant license for this activity, that is the waste disposal permit, has been provided by the department of Environment.

Water management

● LCA ● PFO

Water Withdrawal			
	2021	2020	2019

Third Party Withdrawal ¹⁵	92,224 m ³	74,107 m ³	110,537 m ³
Third Party Withdrawal ¹⁶	43,432 m ³	33,176 m ³	61,866 m ³

Water Discharge

Surface Water	95,261 m ³	101,251 m ³	175,609 m ³
	49,142 m ³	50,447 m ³	45,728 m ³
Third Party Water	14,876 m ³	19,749 m ³	128,651 m ³
	22,861 m ³	14,639 m ³	37,503 m ³

Water Consumption

Total Consumption	92,224 m ³	74,107 m ³	110,537 m ³
	43,432 m ³	33,176 m ³	61,866 m ³

^{15 & 16} No withdrawal of water from Surface, Groundwater, Seawater. Produced water for both airports.

Biodiversity

Hermes acknowledges the importance of protecting biodiversity in the vicinity of the two airports and takes the appropriate measures where possible.

Furthermore, the company is conscious of the potential wildlife trafficking, with airports seen as a way of illegally bringing rare and endangered species into Cyprus. Although this has not been a significant issue up to now, as there are no major freight or dedicated animal import facilities, the company remains committed to maintaining its vigilant position and cooperating with the Customs service to ensure that the risk of this kind of activity is managed. At the same time, and as elaborated in the Customer Safety section above, the company maintains an appropriate structure which ensures control of the wildlife hazards for the aircraft operation.

NATURA 2000

Larnaka Airport is surrounded by salt lakes, two of which are interconnected and lie within the airport boundary – one to the north of the runway (Airport Salt Lake) and the other to the south of the runway (Orphani Salt Lake). Several other salt lakes lie outside the airport boundaries most of which are designated as a NATURA 2000 sites and Special Protection Areas under the EU Habitats and Birds Directives.



3.4 Economic Impact

The company has an important role to play in the local economy, as it contributes to the direct and indirect employment, it supports the local suppliers, and it promotes Cyprus as a sustainable destination. This part analyses the material issues related to the Hermes activities that have an economic impact on the country.

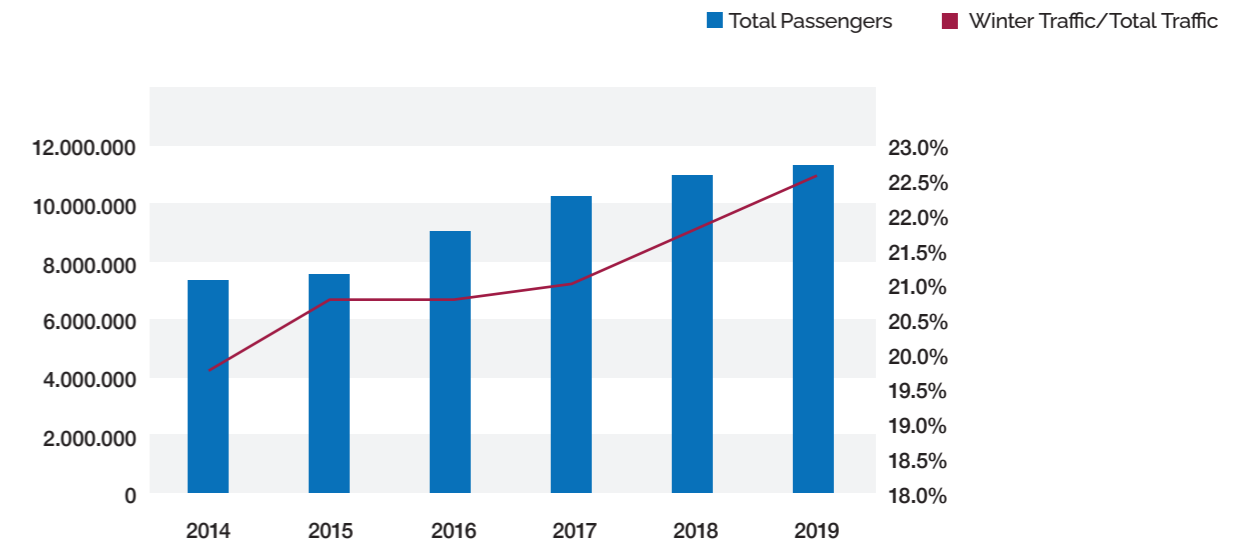
Sustainable destination

Nowadays the airports play an important role in promoting their home base particularly if there is strong dependence on incoming tourism such as the case of Cyprus. Approximately 70% of the total traffic at Hermes Airports is estimated to be leisure travellers. The interdependence between airports and the destination has been identified from the onset of Hermes establishment and over the years the company's strategy has evolved to include the promotion of the country as a sustainable tourism destination.

Winter operation

One of the focus areas of Hermes Airports has been the establishment of Cyprus as a year-round destination. This would yield multiple benefits, as it promotes tourism experiences beyond the sun and sea, such as the inner land road trips, special interest tourism, but also gives the opportunity for promoting local products and services, and of course it helps to reduce overpopulation in areas that are getting overcrowded especially during the summer season. The efforts of Hermes have been consistent through: (a) Its published incentive schemes, supporting the airlines that have been operating during the winter months (b) Marketing campaigns organized in collaboration with tourism authorities, airlines, and other stakeholders to promote Cyprus during the Winter Season (c) Workshops and other marketing activities that promote Cyprus as a year-round destination. During the last few years, the connectivity during the winter months has increased significantly, and although the pandemic held back this trend, it is expected that it will be reinstated with the traffic recovery soon.

Winter Operation VS Total Traffic 2014-2019



Promotional Initiatives for the destination

In 2021 Hermes has contributed over 2m euro in marketing campaigns with airlines as well as with other stakeholders to promote Cyprus. Particular reference was made to the off-peak tourism experiences, the multi diversity of the island, the authentic experiences and local products, and the cultural heritage. All these aim to differentiate Cyprus and build on its competitive edge.

Moreover, in the Cyprus Aeropolis, which is the brand name of the social media for Larnaka and Pafos airports, we dedicate over 30% of the posts (Facebook, Instagram, twitter and You tube) to promote Cyprus authentic experiences and tourism products. Another 30% is dedicated to promoting airlines that operate to Cyprus and support the island's connectivity.

National Tourism Strategy

Hermes has participated and partly funded the development of the National Tourism Strategy, a project commissioned by the Cyprus Government. This formed the basis for the current strategy being implemented by the Deputy Ministry of Tourism. The strategy takes into consideration amongst other things, how the tourism sector of Cyprus can evolve in an environmentally sensitive manner, contributing to the quality of life for Cypriots as well as offering truly sustainable experiences for visitors.

Sense of Place: Promoting Visitor Experience

Since the beginning of the concession period Hermes Airports has placed emphasis in offering the travellers a sense of Cyprus by installing a number of art pieces by Cypriot creators throughout the two airports. Through its sub concessionaires also acts as an ambassador for the local suppliers and products through its shops in the two airports with a special section for the sale and promotion of Cyprus traditional products, including Cyprus wine, sweets, crafts etc. At the same time, it promotes the local culture, nature and history through the Sense of Place project, a project currently implemented with a view to Enhance the sense of 'Cypriotness' at the two airports.

The most important projects implemented or currently under implementation are:

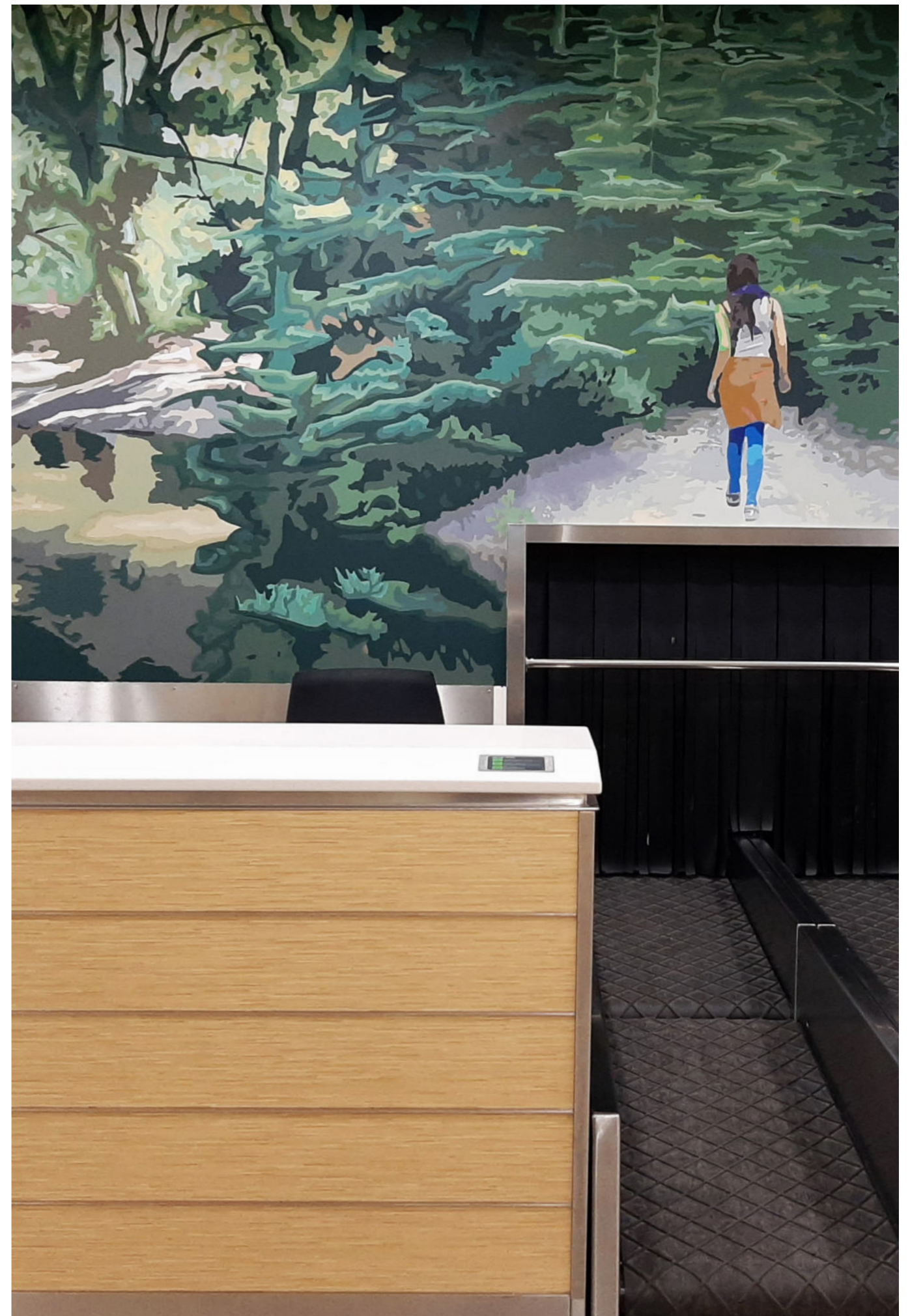
- Artwork installation: 'Volant Migrants, 2020', an art piece of 55 sq. meters, which is composed by 4 hand-woven surfaces made of stainless-steel thread and is hanging suspended from the roof structure of Larnaka airport.
- Interactive projections: With the use of special projectors, images, and videos from landmarks in Cyprus will be displayed in the arrival corridors of Larnaka airport, right before entering the hall for the Passport Control.

Wall mural: a 120 sq. meter graffiti is covering the wall around and behind the check-in counters at Pafos airport. The wall mural entitled 'A trip to the City of Aphrodite' presents successive landscapes of the city and province of Pafos, enriched with human and animal elements that characterize the region's landscape over time. Hermes recognizes that the operations may also have a negative impact on the community. As such it tries to identify and measure its impact and take all necessary measures to mitigate negative impact. One of the areas that effort is put, is the noise for which there is a separate analysis in the report in the section 3.2.4 (Quality of Life/Noise). At the same time, Hermes understands that there may be impact on the wildlife and other biodiversity near the airport and for this reason it designated the salt lakes near the airport in NATURA 2000 sites (more information is given in the relevant section for Biodiversity).

Economic development

The role of Hermes Airports in the economy is vital, as Cyprus is an island and Larnaka and Pafos Airports are the main gateways to/from of the island. The inbound tourism consists of approximately 70% of the total passenger traffic traveling through the two airports. In 2019, the year prior to the pandemic, 4m tourists arrived in Cyprus through the two airports, whilst the tourism sector contributed over 20% to the country's GDP. Overall, Hermes airports served 11.3m passengers that year, marking a record in their history. In 2020 the passenger traffic suffered a radical drop due to the pandemic with a low 2.3m passengers. In 2021 the traffic showed signs of recovery with the year ending with 5.1m passengers, whereas the 2022 traffic is expected in the area of 8.7m passengers.

According to an economic impact study commissioned by Hermes some years ago, the two airports contributed more than 3% to the country's overall GDP. At the same time, the two airports generate thousands of jobs directly in core airport operations (airlines, ground handling, security, customs, maintenance, etc.), indirectly through the companies that supply and support the airports' operation, but also through the induced effect of the spending of the people working at the airports. The Economic Impact Online Calculator, a tool developed by ACI Europe, was used to update the findings of the 2012 study for the years 2019-2021 for the Direct, Indirect and Induced effects.



Economic Impact 2019-2021¹⁷

	2021				2020				2019			
	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
Larnaca GDP	139.70m	69.48m	30.49m	239.67m	68.88m	34.26m	15.03m	118.17m	313.38m	155.86m	68.39m	537.63m
Jobs	3,543	2,055	2,090	7,688	1,747	1,013	1,031	3,791	7,948	4,610	4,689	17,247
Pafos GDP	50.75m	25.24m	11.07m	87.06m	27.52m	13.69m	6.01m	47.22	105.51m	52.48m	23.03m	181.01m
Jobs	1,287	746	759	2,792	698	405	412	1,515	2,676	1,552	1,579	5,807
Total GDP	190.45m	94.72m	41.56m	326.68m	96.4m	47.95m	21.04m	165.39m	418.89m	208.34m	91.42m	718.56m
Jobs	4,830	2,801	2,849	10,480	2,445	1,418	1,443	5,306	10,624	6,162	6,268	23,054

Enhancing the Connectivity of Cyprus

Air connectivity is critical for an island economy such as Cyprus. The contribution of Hermes airports is significant as the operation of new airlines, the introduction of new routes and new operation on existing routes has a positive impact on creation of jobs and overall on the country's economy. The re-building of connectivity is a major priority following the negative impact that the pandemic had on the economy. Hermes airports managed to recover most of its pre-pandemic network in close collaboration with the airlines and all relevant stakeholders. In 2021 a total of 63 airlines operated to 105 destinations in 40 countries, close to the pre-pandemic levels.

Economic value generated and retained

After taking into consideration the Operating Costs of the Company, the Employee Wages and Benefits, the payments to Capital providers, as well as the payments to the government, the Economic Value Retained in 2021 was marginally negative with -€1.4m compared to a -€32m in 2020 and a €22.6m retained in 2019.

Economic Value Generated And Distributed

	2021	2020	2019
Direct Economic Value Generated:			
Revenues	95.8	49.1	195.7
Economic Value Distributed:			
Operating costs	35.0	31.7	42.7
Employee wages and benefits	4.6	4.3	6.6
Payments to providers of capital (including depositors)	56.1	33.9	75.5
Impairment Losses	-	-	-
Taxation	0.0	0.0	0.5
Payments to government	1.4	11.0	47.8
Community investments	0.1	0.1	0.1
Economic value retained ('Direct economic value generated' less 'Economic value distributed')	-1.4	-31.9	22.6

Overall, the above reflect the company's efforts to contribute towards the sustainable, long-term, high-quality socio-economic development of Cyprus.

Sustainable supply chain

The operation of the two airports is heavily related and depended upon a number of different suppliers and third party vendors ranging from workforce supply, suppliers related to the operation, maintenance, retrofitting works, and others. The effort would be to use the company's influence and positioning as the airport operator to require, encourage and facilitate others to use sustainable practices.

Hermes employees are encouraged to promote sustainability benefits to the maximum extent feasible when writing specifications, evaluating bids, and making other purchasing decisions. Regularly engaging with the stakeholders through different communication channels ensures any concern is effectively addressed. Approximately 90% of the company's purchases are from local suppliers. This helps in delivering an enhanced experience to the customers, while it also provides a certain degree of agility and flexibility, which is of special importance especially in such challenging periods. At the same time, this contributes to a significant number of job creation in the country.

Intermodality

While airports are key enablers of air connectivity, the latter also depends on other transport modes and the access they offer to the airport.

Larnaka and Pafos Airports are primarily accessed through road transportation, with passengers using their own vehicles, or the airport shuttle bus, taxi operator buses, taxis and car rentals. Hermes Airports also facilitate connectivity from both airports to all cities through the public bus transport system. And the close collaboration with the Public Transport Bus Providers ensures, amongst others, that they have prime access to drop-off and pick-up areas.

The Government has key requirements on Public Transport Bus providers to ensure that their



operations are energy efficient while they work to reduce emissions. These include the requirement for all fleets to meet EURO 6 emission standards¹⁸ and the need to have 30% of their fleet comprised of electric vehicles from 2022. The company will work to install the necessary charging stations for the electric vehicles whereas it is considering undertaking initiatives that will incentivize the use of electric cars at the airports.

¹⁷ The data in the tables is an indication for the contribution of the company in Cyprus' GDP and the jobs creation and is not a tailored economic impact assessment of Hermes Airports.

¹⁸ The European emission standards are vehicle emission standards for exhaust emissions of new vehicles sold in the European Union and EEA member states and the UK. The standards are defined in a series of European Union directives staging the progressive introduction of increasingly stringent standards



Appendix 1:**Additional Information**

This appendix includes additional information on general operational responsibility, social, environmental and economic impact disclosures.

GRI 102 GENERAL REPORTING INFORMATION

- GRI 102-50 Reporting period for information provided Year ending 31st December 2021
- GRI 102-51 Date of the most recent previous report (if any) N/A
- GRI 102-52 Reporting cycle Annual
- GRI 102-53 Contact point for questions regarding the report The Aviation Development, Marketing & Communications Department
- GRI 102-53 Claims of reporting in accordance with GRI standards The report was prepared in accordance with the GRI standards: Core option

GRI 102-12 A LIST OF EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES, OR OTHER INITIATIVES TO WHICH THE ORGANISATION SUBSCRIBES, OR WHICH IT ENDORSES

- EMAS ISO's 50001, 14001, 45001

GRI 102-13 A LIST OF THE MAIN MEMBERSHIPS OF INDUSTRY AND OTHER ASSOCIATIONS, AND**NATIONAL OR INTERNATIONAL ADVOCACY ORGANISATIONS**

Hermes is a member of ACI (Airport Council International) Europe with a participation in the various ACI committees. In 2019 the company hosted 29th ACI EUROPE General Assembly, Congress & Exhibition. It is also participating in ACI's Airport Service Quality (ASQ) survey, the Airport Carbon Accreditation programme (Level 3+), ACI Customer Experience Accreditation Program.(Level 2). It is signatory to Airport Council International's NetZero 2050 Resolution (signed in 2019) whereas it has also been accredited with the ACI Health Accreditation Certificate in 2020 and 2021. It is a member of Cyprus Chamber of Commerce and Industry, Larnaka and Pafos Chambers of Commerce and Industry, Cyprus Employers and Industrialists Federation and Flight Safety Association. It is also a member of the CSR Cyprus with a participation in the Board of Directors.

GRI A01 Total Arriving and Departing Passengers for 2021

Total Number of Arriving and Departing Passengers for 2021			
Passengers	Domestic	International	Total
Arriving Passengers	0	2,564,575	2,564,575
Departing Passengers	0	2,544,887	2,544,887
Total Passengers	0	5,109,462	5,109,462

Total Number of Passengers by Airport Use for 2021

Passengers	Origin and Destination	Transfer	Transit
	5,107,431	2,031	70,744

GRI A02 Flights for 2021

Larnaka Airport	Commercial Passenger	Commercial Cargo	General Aviation	State Aviation	Other ¹⁹
Day	21,101	1,808	4,849	129	10,973
Night	5,776	108	811	19	834
Domestic	0	0	0	0	
International	26,877	1,916	5,660	148	11,807
Total	26,877	1,916	5,660	148	11,807
Pafos Airport	Commercial Passenger	Commercial Cargo	General Aviation	State Aviation	Other
Day	8,112	1	1,842	18	2,071
Night	2,578	2	175	3	189
Domestic					
International	10,690	3	2,017	21	2,260
Total	10,690	3	2,017	21	2,260

¹⁹ Other include Training Flights, Military Flights, Positioning & technical Stop flights and others.

GRI A03 Cargo for 2021

TOTAL AMOUNT OF CARGO TONNAGE (Larnaka & Pafos Airports)	All-Cargo Flights	Cargo Transported on Passenger Flights (Belly Cargo)	Total Cargo Transported on Both Cargo and Passenger Flights
Total Amount of Cargo Tonnage Arriving at the Airport by Flights	10,418 tonnes	5,186 tonnes	15,604 tonnes
Total Amount of Cargo Tonnage Departing at the Airport by Flights	4,040 tonnes	4,805 tonnes	8,845 tonnes
Total Amount of Cargo Tonnage (Arriving & Departing at the Airports by Flights)	14,458 tonnes	9,991 tonnes	24,449 tonnes



Operational Responsibility

GRI 403-10 Health & Safety Occurrences

LCA Airport Health & Safety Occurrences Category	2021			2020			2019		
	H1	H2	Total	H1	H2	Total	H1	H2	Total
Damage to Vehicles by Vehicles	7	4	11	2	3	5	2	11	13
Damage to Facilities by Vehicles	2	4	6	3	2	5	12	9	21
Facilities Damages	11	18	29	17	8	25	9	10	19
Fire Incidents (Smoke/Fire)	2	3	5	0	0	0	7	3	10
Fire Alarm Activation	1	2	3	1	1	2	2	4	6
First Aid Provision	3	26	29	2	1	3	74	21	95
Passengers' Accidents	6	17	23	7	7	14	19	45	64
Occupational Accidents – 3 rd Parties	12	25	37	6	9	15	39	33	72
Occupational Accidents – Hermes Staff	0	0	0	0	0	0	0	0	0
Other	0	0	0	1	0	1	0	0	0
Total	44	99	143	39	31	70	164	136	300

PFO Airport Health & Safety Occurrences Category	2021			2020			2019		
	H1	H2	Total	H1	H2	Total	H1	H2	Total
Damage to Vehicles by Vehicles	0	1	1	0	0	0	0	5	5
Damage to Vehicle	1	2	3	1	0	1	0	0	0
Damage to Facilities by Vehicles	0	2	2	2	8	10	4	2	6
Facilities Damages	3	5	8	1	4	5	0	0	0
Fire Incidents (Smoke/Fire)	2	1	3	0	0	0	0	0	0
Smoke Sensor Activation	1	0	1	0	0	0	0	0	0
First Aid Provision	0	2	2	2	1	3	4	3	7
Passenger's Accidents	0	6	6	1	5	6	18	10	28
Occupational Accidents – 3 rd Parties	1	6	7	4	0	4	3	5	8
Occupational Accidents – Hermes Staff	0	0	0	0	0	0	1	0	1
Other	0	0	0	0	0	0	0	0	0
Total	8	25	33	11	18	29	30	25	55

GRI 418-1 – Substantiated complaints related to the Customer privacy

Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data			
	2021	2020	2019
a. Total number of substantiated complaints received concerning breaches of customer privacy categorized by:			
i. Complaints received from outside parties and substantiated by the organization;	0	0	0
ii. Complaints from regulatory bodies.	0	0	0
b. Total number of identified leaks, thefts, or losses of customer data.*	1	0	0
If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.			

* The company suffered a confidentiality breach on 31 Mar-01 April 2021. The incident was reported to the Office of the Commissioner for Personal Data Protection and was announced in Hermes website. The incident was part of a cyberattack against the Republic of Cyprus. Upon becoming aware of the incident, Hermes immediately followed the response policy and managed to resolve the data breach on the same day. The company notified the Commissioner for the Protection of Personal Data, CSIRT-CY and the data subjects involved, as required by applicable legislation. No data subject has contacted the company to report any impact on his/her rights and freedoms due to the incident. Hermes also implemented all identified mitigation measures to avoid the occurrence of a similar incident in the future.

GRI 419-1 Non-Compliance with laws and regulations in the Socio-Economic area

Non-compliance with laws and regulations in the social and economic area			
	2021	2020	2019
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:			
Total monetary value of significant fines*	0	€475,761	0
Total number of non-monetary sanctions	0	0	0
Cases brought through dispute resolution mechanisms	0	0	0

* In 2020 the amount is related to a fine imposed by the Committee for the Protection of Competition following a complaint filed to the Committee by some valet companies operating at the airport claiming that Hermes Airports was abusing its dominant position with a view to eliminate any competition with them by enforcing its own pricing policy. The Committee found that Hermes Airports violated the competition rules and on 21 January 2020 imposed a fine of €475,761, 47 representing 0.25% on the Company's turnover for the year 2018. The Company has filed a recourse in the Administrative Court against the decision of the Committee for the Protection of Competition which is currently pending. To promote compliance with Competition Law and enhance the knowledge of its employees of the basic provisions of competition and how these provisions affect their business decision-making, the Company has designed a Competition Law Compliance Manual. Moreover, the Company has engaged the services of a firm with expertise in competition economics which is advising the Company on issues involving competition law issues in cooperation with the Legal Affairs Department of the Company.

SOCIAL

GRI G4 Airport Operators – DMA Approach

MIMIC Strategy Elements Description

Move: The aim is to enable the passengers to move quickly, pleasantly, and efficiently throughout the premises of the airports, by using all available channels. Several new technologies such as the Border-Xpress kiosks, the Self-Service check-in kiosks and the bag drop stations and E-gates for scanning the boarding cards have been introduced and significantly improved the movement of the passengers throughout the terminals.

Inform: The target is to keep the passengers informed during all stages of their journey through the company's available channels, including Hermes website, the Call Centre, the FIDs screens in the terminals as well as the company's staff at the two airports. At the same time, the signage of the terminals is adjusted from time to time to enhance

the information provided and thus optimize the wayfinding of the passengers.

Measure: The results are constantly monitored and measured through various mechanisms. These include the parameters included in the Concession Agreement, the Airport Service Quality (ASQ)²⁰ surveys performed twice a year, the delays caused due to the airports' operations, the passenger processing times and baggage delivery times and others.

The results of the surveys for the last 3 years are presented below:

ASQ (Airport Service Quality) Survey: This survey is carried out to the airports' passengers, and it is measuring the customer satisfaction, business performance and service quality, while applying benchmarking between the ACI members-airports that participate.

● LCA ● PFO

Satisfaction Scores		
Performance Period	Score out of 5	Annual score (avg)
01 November 2018 – 30 April 2019	4.13 4.08	
01 May 2019 – 31 October 2019	4.00 3.99	4.07 4.04
01 November 2019 – 30 April 2020	3.77 4.02	
01 May 2020 – 31 October 2020	3.87 3.84	3.82 3.93
01 November 2020 – 30 April 2021	4.14 4.00	
01 May 2021 – 31 October 2021	4.00 3.97	4.07 3.99

²⁰ More details are given in Appendix 4 (Glossary Section) of this report.

In 2020 there was a drop in the scores considered to be due to the Covid measures and restrictions that were implemented for the first time, whereas in 2021 the company managed to recover the satisfaction levels of the travellers of the survey for the year.

Involve: Aiming a culture of teamwork and collaboration amongst all the companies of the airport community, Hermes provides training programs to the community focused on leadership

and customer service. The trainings are organized for all levels of staff and the overall target is to improve the passenger experience. One of these programs was the Philoxenia Leadership Program that was organized in 2020 which focused on perceptions and traditions of the Cypriot culture, creating a new service experience and enhancing the hospitality offered to the customers. All the trainings taken during the year under this initiative are included in the Table below:

Name of the training	Hours	Participants	Profile
Philoxenia Leadership Program	11	55	Airport leaders (C-Suites, Senior Managers, Managers, Team Leaders, HR professionals)
Disability Awareness	4	98	Front line employees, PRM agents (people who provide PRM services to PRM),
Disability Awareness – Train the Trainer	5	30 – 40 people	Trainers on this subject of the airport community
Sunflower Lanyard	1	192	Front line employees of the airport community

Care: Focusing on the entire customer journey allows to strengthen the ties between all employees and partners at the airport. Listening to and caring for the staff enables to serve the passengers better while acknowledging their excellent work. Within this frame, the company established a system which recognizes the excellent service provided by its employees as well as the employees of subcontracting companies, by issuing an appreciation certificate for excellent service for all employees that receive praise letters by the customers.

4.3.2 Passengers with Reduced mobility served

The figures of PRM that were served from 2019-2021 are as follows:²¹

Year	2021	2020	2019
Larnaka Airport	20,735	10,085	49,057
Pafos Airport	10,201	7,280	37,467

²¹ Approximately 0.60% of the total passengers in 2021 used the PRM service

GRI 102-7 Scale of the Organization

Total Number of Employees by Employee Level and the Regions in Which They Are Employed

FTE'S		REGION		
Employee Level	YEAR	Larnaka	Paphos	GRAND TOTAL
Managerial Staff (C-suites & Senior Manager)	2019	10	1	11
	2020	10	1	11
	2021	11	1	12
Middle Management (Manager)	2019	7.03	1	8.03
	2020	6	1	7
	2021	6	1	7
Supervisory Staff (Team Leader)	2019	11	6	17
	2020	12.67	6	18.67
	2021	11.92	6	17.92
Staff (Team Members)	2019	107.18	24.45	131.63
	2020	101.99	20.08	122.07
	2021	92.84	16.82	109.66
Grand Total	2019	135.21	32.45	167.66
	2020	130.66	28.08	158.74
	2021	121.76	24.82	146.58

Professional Qualifications: FTE'S

	2021	2020	2019
School Graduates	52.51	54.42	55.69
College Graduates	2.00	3.00	2.63
University Graduates	57.17	62.01	70.61
Post Graduates	34.90	39.32	38.73
Total	146.58	158.75	167.66

GRI 401-1 New Employee Hires & Turnover

New Employee Hires and Employee Turnover by Age and Gender									
FTE'S (Permanent & Seasonal employees)	No. of Recruitments			Total No. of Staff			Turnover Rate		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Age Group	2021	2020	2019	2021	2020	2019	2021	2020	2019
<30 Years Old	1.98	0	6.66	6.84	11.42	18.9	29%	0%	35%
30-50 Years Old	0	1.71	5.81	100.11	113.33	116.98	0%	2%	5%
>50 Years Old	0.55	0	0.33	39.63	34	31.78	1%	0%	1%
Grand Total	2.53	1.71	12.8	146.58	158.75	167.66	2%	1%	8%
Men	1.76	1.71	4.01	88.1	92.65	95.39	2%	2%	4%
Women	0.77	0	8.8	58.48	66.09	72.26	1%	0%	12%
Grand Total	2.53	1.71	12.81	146.58	158.74	167.65	2%	1%	8%

Employee Departures*									
FTE'S (Permanent & Seasonal employees)	No. of Departures			Total No. of Staff			Turnover Rate		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Age Group	2021	2020	2019	2021	2020	2019	2021	2020	2019
<30 Years Old	1.8	1.42	3.9	6.84	11.42	18.9	26%	12%	21%
30-50 Years Old	7.7	4.5	5.72	100.11	113.33	116.98	8%	4%	5%
>50 Years Old	0.89	0	0.78	39.63	34	31.78	2%	0%	2%
Grand Total	10.39	5.92	10.4	146.58	158.75	167.66	7%	4%	6%
Men	3.52	3.95	4.62	88.1	92.65	95.39	4%	4%	5%
Women	6.87	1.97	5.78	58.48	66.09	72.26	12%	3%	8%
Grand Total	10.39	5.92	10.4	146.58	158.74	167.65	7%	4%	6%

* Employee turnover: Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service

GRI 404-1 Average hours of training per year per employee

Average Training Hours by Employee Level			
	2021	2020	2019
Managerial Staff (C-Suites & Senior Managers)	10	15	64
Middle Management (Managers)	9	25	84
Supervisory Staff (Team Leaders)	21	10	29
Staff (Team Members)	20	12	28
Grand Total	19.00	12.00	33.00



GRI 404-3 Percentage of employees receiving regular performance and career development reviews

Percentage of Employees Receiving Regular Performance and Career Development Reviews		
2021	2020	2019
100%	100%	100%

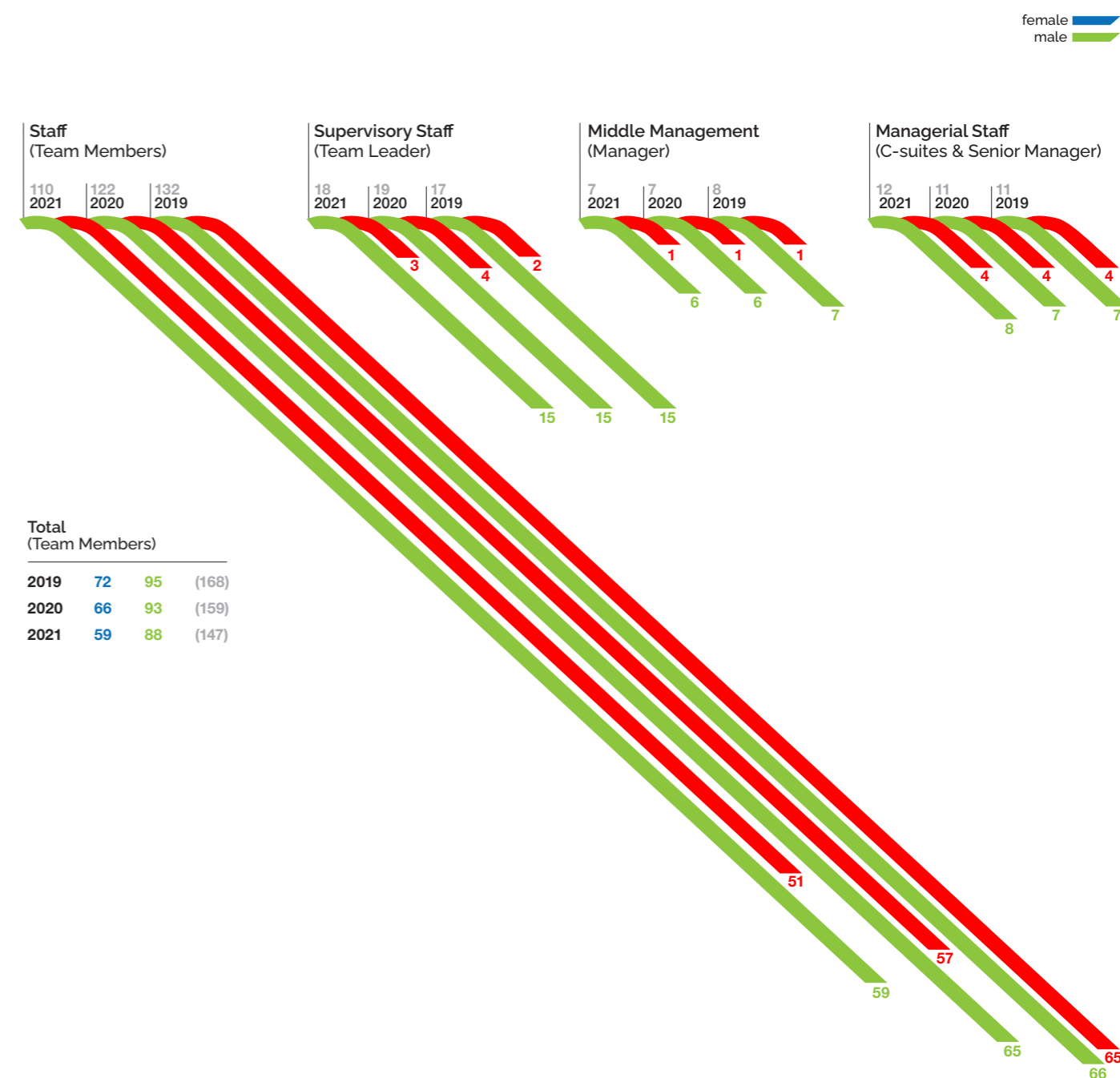
GRI 405-1 Diversity of Governance bodies and employees

Composition in the Board of Directors by Age Group and Gender							
AGE GROUP	NUMBER			GENDER	NUMBER		
	2021	2020	2019		2021	2020	2019
30-50 Years Old	1	2	1	Female	0	0	0
>50 Years Old	8	7	8	Male	9	9	9
Grand Total	9	9	9	Grand Total	9	9	9

Composition in the Board of Directors by Age Group and Gender - Alternates							
AGE GROUP	NUMBER			GENDER	NUMBER		
	2021	2020	2019		2021	2020	2019
30-50 YEARS OLD	3	3	1	Female	1	1	0
>50 YEARS OLD	8	8	10	Male	10	10	11
Grand Total	11	11	11	Grand Total	11	11	11

No of Employees by Age Group and Employee Level					FTE'S
Employee Level	Year	<30 Years Old	30-50 Years Old	>50 Years Old	Grand Total
Staff (Team Members)	2019	19	117	32	168
	2020	11	113	34	159
	2021	6	104	38	148

No of Employees by Gender and Employee Level



GRI 405-2 Ratio of Basic Salary and remuneration of women to men

Female to Male Basic Salary Ratios by Employee Level			
FTE'S	Ratio		
Employee Level	2021	2020	2019
Managerial Staff (C-Suites & Senior Manager)	122.05%	116.90%	116.90%
Middle Management (Manager)	93.97%	94.60%	99.00%
Supervisory Staff (Team Leader)	95.59%	88.52%	99.50%
Staff (Team Members)	99.39%	96.50%	97.50%

GRI 413-1 LOCAL COMMUNITY DEVELOPMENT PROGRAMS FOR 2021

- 
 - > **Cyprus Anticancer Association (Feb 2021)**
 - > Music Concert "A night full of Love"- Support a music concert with Alkistis Protopsalti for fundraising

- 
 - > **Multiple Sclerosis Association (June 2021)**
 - > Financial support to help people with multiple sclerosis

- 
 - > **Support CY (July 2021)**
 - > Provide financial contribution to Fire fighters to buy new Uniforms

- 
 - > **Help Community Councils (July 2021)**
 - > Provide the funds to create a Green Area in Arakapas, a village affected by the catastrophic fires on the mountain region of Limassol and Larnaka
 - > Provide the funds to create a playground for children in Akapnou, a village affected by the catastrophic fires on the mountain region of Limassol and Larnaka.

- 
 - > **Autism Association (Aug 2021)**
 - > Sponsoring the creation of a music/theatrical workshop to improve self-confidence, attention etc.

- 
 - > **PASYKAF (Sep 2021)**
 - > Charity Dinner Event to raise money for fundraising.

- 
 - > **Pancyprian Anti-Drugs Association (Sep 2021)**
 - > Sponsorship to support the association.

- 
 - > **PASYKAF (Oct 2021)**
 - > Financial aid of the Marathon with the support of the Minister of Health.

- 
 - > **Europa Donna (Oct 2021)**
 - > Cooperate with the airport's community to financial support European Breast Cancer Coalition to help people with breast cancer.

- 
 - > **Pancyprian Volunteerism Coordinating Council (Dec 2021)**
 - > Support the Initiative Adopt a family for Christmas with gift Vouchers from a Toy Store and a supermarket to support vulnerable families.

- 
 - > **Sophia Foundation (Dec 2021)**
 - > Sponsorship for I Cook I Offer program



ENVIRONMENT

● LCA ● PFO

GRI 306-4 WASTE PRODUCTION

Waste Production	2021	2020	2019
Paper	83,710 kg 32,940 kg	63,030 kg 9,160 kg	184,710 kg 106,510 kg
PMD	216,280 kg 11,390 kg	99,410 kg 14,340 kg	371,270 kg 117,600 kg
Glass	3,390 kg 0 kg	2,430 kg N/A*	14,010 kg N/A*
Scrap metals	11,665 kg 25,000 kg	2,685 kg 5,490 kg	43,275 kg 0 kg
LAGs (Incineration)	540 kg 0 kg	280 kg 0 kg	2,640 kg 1,580 kg
Hazardous Waste	2021	2020	2019
WEEE (electrical and electronic equipment)	85 kg 0 kg	4,735 kg 0 kg	225 kg 0 kg
WEEE(bulbs) (by licensed recycler)	109 kg 0 kg	184 kg 52 kg	189 kg 71 kg
WEEE(batteries) (by licensed recycler)	124 kg 0 kg	242 kg 19 kg	152 kg 43 kg
Printer Cartridges ²²	20 kg 0 kg	94 kg 0 kg	0 kg 0 kg
Hazardous Liquid Material (Incineration)	145,160 kg 11,000 kg	8,240 kg 0 kg	8,330 kg 0 kg
Composting	2021	2020	2019
Pruning Wastes	16,630 kg 30,250 kg	13,480 kg 41,120 kg	46,250 kg 15,840 kg
Wood	0 kg 0 kg	760 kg 280 kg	N/A N/A
Landfills	2021	2020	2019
Domestic Waste	712,050 kg 323,710 kg	438,070 kg 156,470 kg	1,343,990 kg 472,950 kg
Bulk Waste	31,680 kg 0 kg	23,960 kg 3,380 kg	269,760 kg 0 kg
Landfills	2021	2020	2019
	3,472,030 kg 22,740 kg	777,590 kg 14,440 kg	1,382,040 kg 93 kg
Sewage	2021	2020	2019
Sewage Sludge From Pumping Stations	776,000 kg N/A	968,000 kg 374,000 kg	1,377,000 kg N/A
Domestic Sewage Waste Produced at Sanitary Facilities ²³	14,875 m ³ 22,861 m ³	19,529 m ³ 14,496 m ³	127,456 m ³ 36,838 m ³
Sewage Sludge From Pre-Treatment Plant	1,235 kg 714 kg	689 kg 465 kg	3,660 kg 2,160 kg
Aircraft Liquid Waste Pre-Treatment Unit Effluent ²⁴	433m ³ 234m ³	220 m ³ 143 m ³	1,195 m ³ 665 m ³

KPI 303-4 WATER DISCHARGE

Priority substances of concern for which discharges are treated: Number of incidents of non-compliance with discharge limits.	2021	2020	2019
	0	1 ²⁵	1 ²⁶
	0	0	0



22 Hermes Airports refills the toners. The available waste quantities are the toners and printer cartridges from tenants and subcontractors that Hermes Airports collects and send for proper disposal.
 23 & 24 This waste is disposed through an underground pipeline, and it ends at Larnaka and Pafos Sewerage and Drainage Board treatment plants respectively.
 25 LCA airport - 2020: during the redesign project of retail area, strong acid chemicals seemed to be disposed in the sewerage and drainage pipeline, without Hermes Airports awareness. A tenant might have released this chemical to clean up the kitchen pipes from fats/oils, etc.
 26 2019: Hermes Airports proceeded with the water analysis, but the source was not identified.

Appendix 2
4.2 GRI Context Index

GRI Content Index				
GRI Standard	Disclosure	Disclosure Title	Page number (s) and/or URL(s)	
Organizational Profile				
GRI 102: General Disclosures 2016	GRI 102-1	Name of the organization	HERMES Airports	
	GRI 102-2	Activities, brands, products, and services	How do we create value: Our products, services and business model Pages 12-13	
	GRI 102-3	Location of headquarters	How do we create value: Our products, services and business model Page 8	
	GRI 102-4	Location of operations	All activities in Cyprus Page 12	
	GRI 102-5	Ownership and legal form	How do we create value: Our products, services and business model Pages 8, 17	
	GRI 102-6	Markets served	How do we create value: Our products, services and business model Page 13	
	GRI 102-7	Scale of the organization	How do we create value: Our products, services and business model Page 12	
	GRI 102-8	Information on employees and other workers	Employee Experience and Engagement	Pages 33-37, 63-66
			Staff Rights	Pages 32, 33
	GRI 102-9	Supply chain	Activities, products and services, primary brands are described in section: Our products, services and business model Pages 18, 53	
	GRI 102-10	Significant changes to the organization and its supply chain	There were no major changes	
	GRI 102-11	Precautionary Principle or approach	The group follows a precautionary approach to environmental and social risk management. Refer to Environmental/ Social criteria into Investment. Pages 21-23	
	GRI 102-12	External initiatives	Our policies and guidelines reflect the formal commitments we make to internationally recognized standards and principles. The main examples are: Energy Management ISO 50001, ISO 14001 Pages 18, 28, 37, 39, 44-45	
GRI 102-13	Membership of associations	Page 56		

Strategy			
	GRI 102-14	Statement from senior decision-maker	CEO Message Page 5
	GRI 102-15	Key impacts, risks, and opportunities	Governance and Risk Culture, Risk Management Pages 17-18
	Ethics and Integrity		
	GRI 102-16	Values, principles, standards, and norms of behavior	Vision and Mission Values Page 15
	GRI 102-17	Mechanisms for advice and concerns about ethics	Governance and Risk Culture, Governance and Risk Culture, Risk Management Pages 32-33
	Governance		
	GRI 102-18	Governance structure	Governance and Risk Culture Pages 8, 17-18
	GRI 102-19	Delegating authority	Governance and Risk Culture, CSR Governance Pages 8, 17-18
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Governance and Risk Culture, CSR Governance Pages 8, 17-18
	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Governance and Risk Culture, CSR Governance Pages 24-25
	GRI 102-22	Composition of the highest governance body and its committees	Pages 8, 17-18, 66
	GRI 102-23	Chair of the highest governance body	Governance and Risk Culture, CSR Governance Pages 8, 17-18
	GRI 102-24	Nominating and selecting the highest governance body	Page 17
	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Economic Performance & Financial Resilience Pages 17-18

Governance					
	GRI 102-29	Identifying and managing economic, environmental, and social impacts	Economic Performance & Financial Resilience	Page 21	
	GRI 102-30	Effectiveness of risk management processes		Page 18	
	GRI 102-32	Highest governance body's role in sustainability reporting	Governance and Risk Culture, CSR Governance	Page 18	
Stakeholder Engagement					
	GRI 102-40	List of stakeholder groups	Communicating and understanding our Stakeholders	Page 24	
	GRI 102-41	Collective bargaining agreements	All staff and Supervisory personnel are covered by collective bargaining agreements	Pages 33-37, 63-66	
			Employee Management and Engagement, Staff Rights	Pages 32, 33	
	GRI 102-42	Identifying and selecting stakeholders	Materiality Process and Results		
			Communicating and understanding our Stakeholders		Page 24
	GRI 102-43	Approach to stakeholder engagement	Communicating and understanding our Stakeholders		Page 24
GRI 102-44	Key topics and concerns raised	Materiality Process and Results		Page 20	
Reporting Practice					
	GRI 102-46	Defining report content and topic Boundaries	Materiality Process and Results	Pages 15-16	
	GRI 102-47	List of material topics	Materiality Process and Results	Page 20	
	GRI 102-48	Restatements of information	This is our first Report		
	GRI 102-49	Changes in reporting	This is our first Report		
	GRI 102-50	Reporting period	2021	Page 2	
	GRI 102-51	Date of most recent report	This is our first Report		
	GRI 102-52	Reporting cycle	Annual		
	GRI 102-53	Contact point for questions regarding the report		Page 87	

Reporting Practice				
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	This Report has been prepared in accordance with the GRI Standards: Core option. About this report	Page 59
	GRI 102-55	GRI content index	GRI Content Index	Pages 72-83
	GRI 102-56	External assurance	No	
Material Topic:		Governance and Risk Culture		
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal Governance and Risk Culture	Pages 17-19
	GRI 103-2	The management approach and its components	Governance and Risk Culture	Pages 17-19
	GRI 103-3	Evaluation of the management approach	Governance and Risk Culture	Pages 17-19
Material Topic:		Balanced Business Model		
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal Balanced Business Model	Page 26
	GRI 103-2	The management approach and its components	Balanced Business Model	Page 26
	GRI 103-3	Evaluation of the management approach	Balanced Business Model	Page 26
GRI G4: Airport Operators	GRI A01	Total Arriving and Departing Passengers		Page 57
	GRI A02	Flights for 2021		Page 67
	GRI A03	Cargo for 2021		Page 67
Company Specific Issues				
Material Topic:		Pandemic Response		
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal Pandemic Response	Pages 26-27

Material Topic: Pandemic Response			
	GRI 103-2	The management approach and its components	Pandemic Response Pages 26-27
	GRI 103-3	Evaluation of the management approach	Pandemic Response Pages 26-27
Material Topic: Customer Safety			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Boundary: Internal Pages 28-29
	GRI 103-2	The management approach and its components	Pages 28-29
	GRI 103-3	Evaluation of the management approach	Pages 28-29
GRI 403: Occupational Health & Safety	GRI 403-10	Health & Safety Occurrences	Page 59
GRI 4 Airport Operators	GRI A09	Total Annual Number of Wildlife Strikes per 10,000 aircraft movements	Page 29
Material Topic: Innovation & Transformation			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 29
	GRI 103-2	The management approach and its components	Page 29
	GRI 103-3	Evaluation of the management approach	Page 29
Material Topic: Facility Management & Operational Effectiveness			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 29-30
	GRI 103-2	The management approach and its components	Pages 29-30
	GRI 103-3	Evaluation of the management approach	Pages 29-30

Social Issues			
Material Topic: Customer Service & Pax Experience			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 30-31 & 61-62
	GRI 103-2	The management approach and its components	Pages 30-31 & 61-62
	GRI 103-3	Evaluation of the management approach	Pages 30-31 & 61-62
G4: Airport Operators	DMA	Service Quality, Provision of Services or Facilities for Persons with Special Needs	Pages 31 & 62
Material Topic: Human Rights			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 32-33
	GRI 103-2	The management approach and its components	Pages 32-33
	GRI 103-3	Evaluation of the management approach	Pages 32-33
GRI 418 Customer Privacy		Substantiated complaints related to the Customer privacy	Page 60
GRI 419 Socioeconomic Compliance		GRI 419-1 Non-Compliance with laws and regulations in the Socio-Economic Area	Page 60
Material Topic: Employee Management and Engagement			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 33-37, 63-66
	GRI 103-2	The management approach and its components	Pages 33-37, 63-66
	GRI 103-3	Evaluation of the management approach	Pages 33-37, 63-66

Material Topic: Employee Management and Engagement				
GRI 401: Employment 2016	GRI 401-1	New Employee Hires & Turnover	Page 64	
	GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee Training and Education	Page 65
		GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Page 66
GRI 405: Diversity & Equal Opportunity 2016	GRI 405-1	Diversity of Governance bodies and employees	Page 66	
	GRI 405-2	Ratio of Basic Salary and Remuneration of women to men	Page 33	
Material Topic: Noise & Quality of Life of Local Communities				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary: Internal	Page 37	
	GRI 103-2	The management approach and its components	Pages 38-43	
	GRI 103-3	Evaluation of the management approach	Pages 38-43	
GRI 413: Local Communities	GRI 413-1	Stakeholder Engagement Plan	Page 68	
Environment Issues				
Material Topic: Climate Change				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 38-43	
	GRI 103-2	The management approach and its components	Pages 38-43	
	GRI 103-3	Evaluation of the management approach	Pages 38-43	

Material Topic: Climate Change			
GRI 302: Energy 2016	GRI 302-1	Energy inside the organization	Pages 39-40
	GRI 302-2	Energy outside the organization	Page 39
	GRI 302-3	Energy intensity	Page 39
GRI 305: Emissions 2016	GRI 305-1	Scope 1 Emissions	Page 42
	GRI 305-2	Scope 2 Emissions	
	GRI 305-3	Scope 3 Emissions	
	GRI 305-4	Emissions Intensity	
Material Topic: Local Air Quality			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 43
	GRI 103-2	The management approach and its components	Page 43
	GRI 103-3	Evaluation of the management approach	Page 43
Material Topic: Material Resources			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 43-45
	GRI 103-2	The management approach and its components	Pages 43-45
Material Topic: Material Resources			
GRI 306: Waste 2020	GRI 103-3	Evaluation of the management approach	Pages 43-45
	GRI 306-1	Inputs, Activities, Outputs that lead to waste related impacts	Pages 43-45
	GRI 306-2	Actions to prevent waste generation and including circularity measures	Pages 43-45

	GRI 306-3	Total Waste breakdown	Page 70
	GRI 306-4	Waste production	Pages 43-45
Material Topic: Waste Management			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 45
	GRI 103-2	The management approach and its components	Page 45
	GRI 103-3	Evaluation of the management approach	Page 45
GRI 303 Water & Effluents 2018	GRI 303-1	Water management	Page 45
	GRI 303-2		
	GRI 303-3	Water withdrawal	Pages 45, 71
	GRI 303-2	Water discharge	
GRI 303-3	Water Consumption		
Material Topic: Biodiversity			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 46
	GRI 103-2	The management approach and its components	Page 46
	GRI 103-3	Evaluation of the management approach	Page 46
Economic Issues			
Material Topic: Sustainable Destination			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 48-50
	GRI 103-2	The management approach and its components	Pages 48-50
	GRI 103-3	Evaluation of the management approach	Pages 48-50

Material Topic: Economic Development			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Pages 50-53
	GRI 103-2	The management approach and its components	Pages 50-53
	GRI 103-3	Evaluation of the management approach	Pages 50-53
GRI 201: Economic Performance 2016	GRI 201-1	Direct Economic Value Generated and distributed	Pages 50-53
Material Topic: Sustainable Supply Chain			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 53
	GRI 103-2	The management approach and its components	Page 53
	GRI 103-3	Evaluation of the management approach	Page 53
Material Topic: Intermodality			
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	Page 53
	GRI 103-2	The management approach and its components	Page 53
	GRI 103-3	Evaluation of the management approach	Page 53

Appendix 3

4.3 AWARDS AND RECOGNITIONS

2021 CCCI Business Leader award

Business Leader award for Hermes CEO, Eleni Kaloyirou, in the Tourism, Hospitality and Leisure Sector at the 7th Cyprus Chamber of Commerce and Industry (CCCI) Awards.

2021 Hermes Airports received the Gold Designation by the MEECO Institute

Hermes Airports received a Gold Designation by the MEECO Institute.

2019 Larnaka Airport Highly Commended at the ACI Best Airport Awards

Larnaka International Airport has received an important accolade during the 30th Annual Congress and General Assembly of the Airports Council International (ACI Europe), as it was highly commended in the category 5-10 million passengers at the Best Airport Awards 2020.

2020 Hermes Airports won two awards at the Cyprus Events Awards

Hermes Airports has received two awards at the Cyprus Events Awards, in the categories of Corporate Events and Event Partners/Suppliers (Production & Organisation). The two awards have been presented for hosting of the 29th Annual General Assembly & Congress by the Airports Council International (ACI Europe) and the social events held as part of this hosting.

2019 Hermes Airports highly commended at the 5th Cyprus CSR Competition

Hermes Airports was highly commended at the 5th Cyprus Competition in Corporate Social Responsibility, in a ceremony that took place at the Presidential Palace. Hermes was awarded for a series of good practices and actions implemented through its Sustainability and CSR strategy, to benefit the society during the period May2018-May2019

2019 Hermes Airports won two awards at the Business4Climate Awards

Hermes Airports has received two accolades at the Business4Climate & Energy Efficiency Network Awards. The operator of Larnaka and Pafos airports has received the Award for "Collaboration with other businesses and entities for the reduction of carbon emissions", as well as a second award for its outstanding performance on the reduction of carbon emissions, among the businesses participating in the "Business4Climate" initiative.

2019 Hermes Airports won three awards at the Cyprus HR Awards

Hermes Airports was the proud winner at the first-ever Cyprus HR Awards. In total, Hermes won three gold awards across two categories: "Effective Use of Coaching-Mentoring" and "Best Change Management Strategy/Initiative", under the Learning and Development category; and "Excellence in Workplace Wellbeing", under the Wellbeing category.

2019 Hermes Airports won the HR Excellence Award at the ACI Best Airport Awards

Hermes Airports was the winner of the HR Excellence award, an annual award presented by the Airport Council International (ACI Europe) to European airports.

2019 Hermes Airports COO wins the Cyprus Quality Leader of the Year Award

Hermes Airports' Chief Operating Officer, Miltos Miltiadous won the «Cyprus Quality Leader of the Year 2018» award by the Cyprus Association for Quality, in recognition of his work on the promotion of quality within the organization, and the wider airport community.

2019 Hermes Airports accredited with the Platinum IIP standard

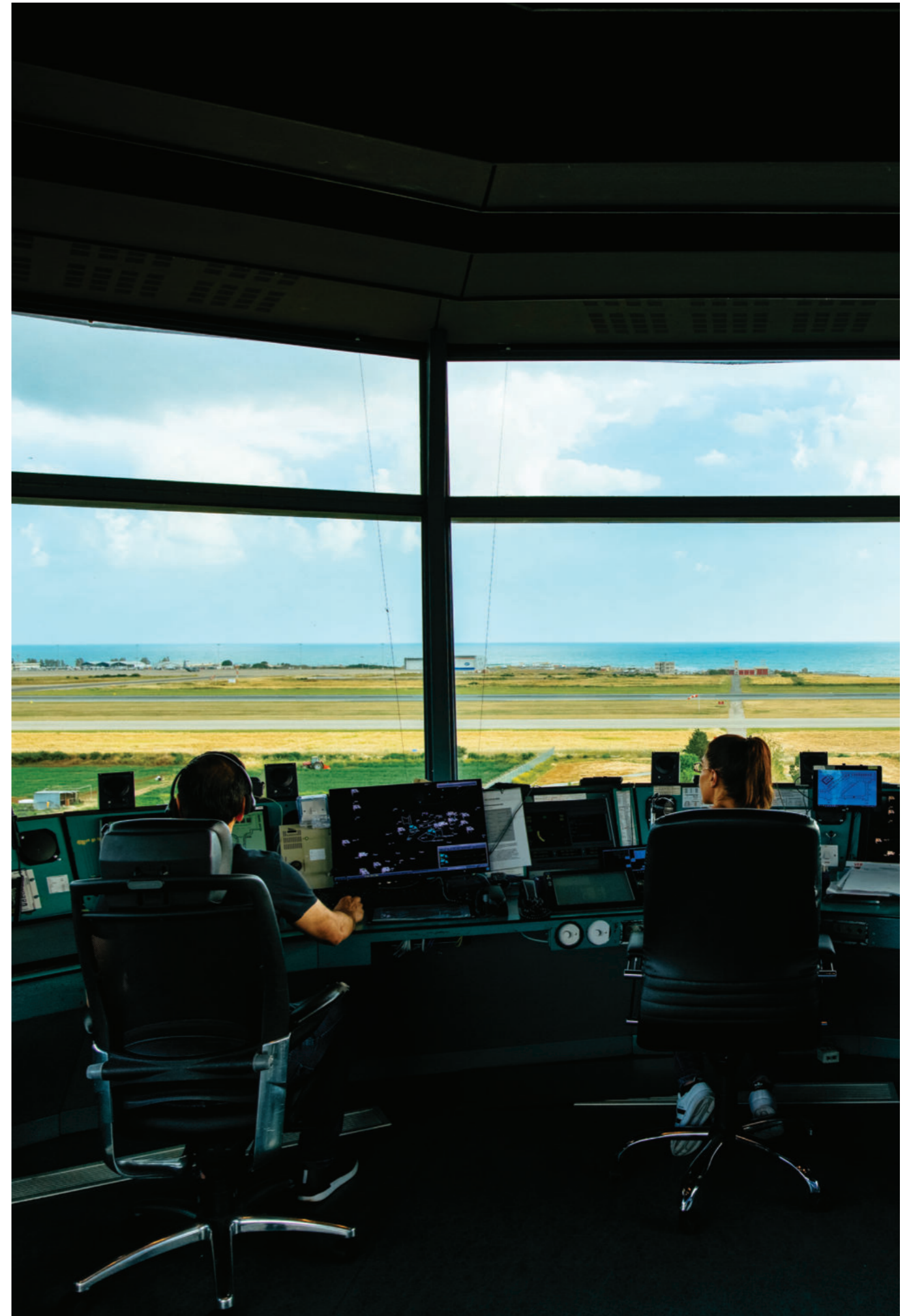
Hermes Airports has been accredited with the Platinum Investors in People standard, demonstrating its commitment to its people.

2018 Hermes Airports received the Silver Designation by the MEECO Institute

Hermes Airports received a Silver Designation by the MEECO Institute.

2017 Larnaka Airport won Most Accessible Airport Award at the ACI Best Airport Awards

Larnaka Airport was awarded as the Most Accessible Airport in Europe in 2017 for persons with disabilities & persons with reduced mobility



Appendix 4

Glossary and Definition

ACI: Airports Council International

CSRIT-CY: National Computer Security Incident Response Team for Cyprus

EASA: European Aviation Safety Agency

ECDC: European Centre for Disease, Prevention & Control

ECONOMIC IMPACT

The economic impact in terms of jobs generation is broken down into the following categories:

Direct Economic Impact

The employment and GDP associated with the operation and management of activities at the airports including firms on-site at the airport and airport-related businesses located elsewhere near the airport. This includes activities by the airport operator, the airlines, airport air traffic control, general aviation, ground handlers, airport security, immigration and customs, aircraft maintenance, and other activities at the airport.

Indirect Economic Impact

The employment and GDP generated by down-stream industries that supply and support the activities at the airport. For example, these could include wholesalers providing food for inflight catering, oil refining activities for jet fuel, companies providing accounting and legal services to airlines, travel agents booking flights, etc.

Induced Economic Impact

This captures the economic activity generated by the employees of firms directly or indirectly connected to the airport spending their income in the national economy. For example, an airline employee might spend his/her income on groceries, restaurants, childcare, dental.

ENISA: European Network and Information Security Agency

EMAS: EU Eco Management and Audit Scheme

GHG EMISSIONS:

Direct (Scope 1) GHG emissions: GHG emissions from sources that are owned or controlled by an organization. Direct (Scope 1) GHG emissions can include the CO₂ emissions from fuel consumption.

Energy indirect (Scope 2) GHG emissions: GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

Other indirect (Scope 3) GHG emissions: indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur from employee business travel on owned vehicles, for business purposes (by plane, car etc), and other emissions.

IAPP: International Association of Privacy Professionals

ISACA: Information Systems Audit and Control Association

ISO: International Organization for Standardization

MEECO: Measuring, Employment Sciences, Executive Coaching, Corporate Leadership, Organizational Culture

PRM: Passengers with disabilities and reduced mobility

PMD: plastic bottles, metal packaging and drink cartons

Taxi: Taxi is the movement on the surface of an airport

UN SDGs: United Nations Sustainable Development Goals

Communication

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