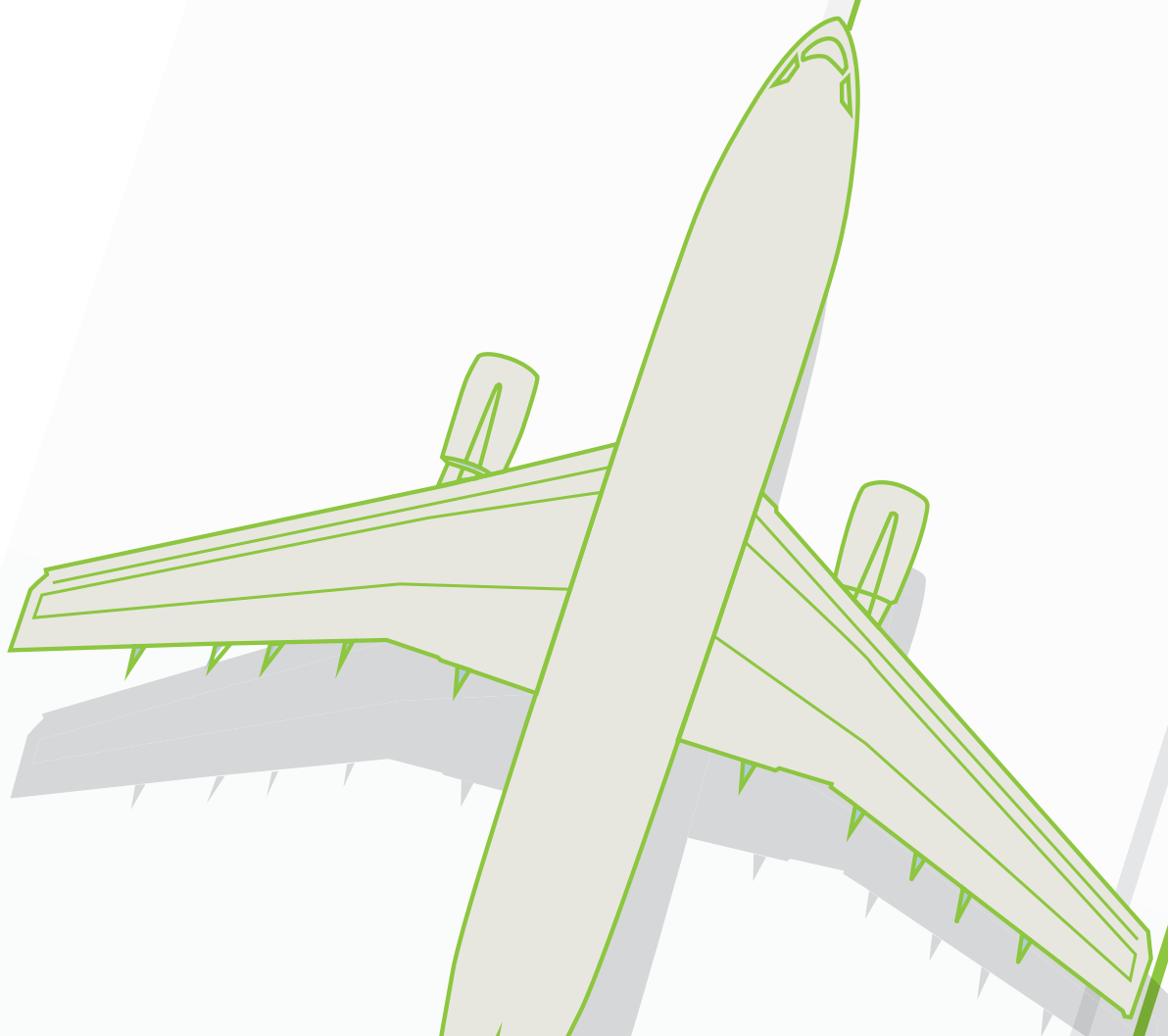




Sustainability Report 2023

OUR ESG
IMPACT REPORT





This is the third annual Sustainability report of Hermes Airports, covering the period 01 January 2023 until 31 December 2023. In some instances, references are made to previous periods, where applicable.

The Sustainability report has been prepared in accordance with the Global Reporting Initiative framework (GRI Standards: 2021).

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Eleni Kaloyirou
Chief Executive Officer
Hermes Airports Ltd

CEO's message

2023 was a successful year for Hermes Airports, a year during which we managed to exceed 2019 passenger numbers for the first time after the end of the Covid-19 pandemic. There is no doubt that the pandemic was the worst crisis for aviation and tourism globally, severely impacting our industry over the past three years. Our Airports contribute significantly to sustainable economic and social development for our island country and our return to pre-pandemic performance levels has also had a material positive impact on the economy of Cyprus, particularly its tourism sector.

Even during the pandemic period and despite the difficult financial conditions we were experiencing, sustainable development continued to be an important focus area in our strategic planning. It is therefore with great pleasure that we now publish our 2023 Sustainability Report (our third annual report) in which we set out the various initiatives that we have undertaken during this year towards ensuring a sustainable future for our Airports.

Sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs", as defined by the Brundtland UN Commission in 1987. This is a laudable goal and one we are proud to embrace in our strategic planning.

Taking this a step further, and recognising that sustainability means balancing the social, economic, and environmental impacts of an activity, we have developed our sustainability strategy to ensure that we do indeed achieve this balance. At Hermes Airports, we acknowledge that while Airports and travel significantly bolster the social and economic

aspects of sustainable development, they also present environmental challenges, particularly due to carbon emissions. Our Sustainability strategy ensures that through appropriate initiatives we address our environmental impact, so that we can continue to operate and to grow, and thus be able to continue providing the social and economic benefits to the local and global communities served by our Airports.

Our sustainability initiatives cover a broad spectrum of areas, including energy efficiency, waste management, and carbon reduction. We actively implement measures to minimise our environmental footprint and enhance our positive impact on the environment. We are committed and play a leading role in Cyprus towards the collective European goal of achieving Net Zero carbon emissions by 2050 and will continue collaborating with our partners to promote a culture of sustainability within the Airport community and the broader Cyprus tourism industry.

We are also deeply committed to our social responsibilities by prioritising the wellbeing and safety of our employees, investing in their professional and personal growth, and promoting diversity and inclusion. We are equally dedicated to providing a high-quality experience for our passengers, fostering an environment that reflects the unique culture and hospitality of the people of Cyprus. Additionally, we actively engage with local communities through various activities that support their social and economic development.

At the same time, we aim to boost the positive economic impact of our Airports by increasing flights and connectivity, which are vital for our country. The influx of visitors supports the tourism industry

“ We remain committed to our **Net Zero** carbon emissions target by 2050. ”

and the broader economy by creating jobs and attracting investment. Our commitment to making Cyprus a year-round sustainable destination, a goal we are pursuing together with all tourism industry stakeholders, is an additional step in our sustainable development journey.

We understand that the path to sustainability is long and challenging. Experience has shown that progress, particularly on the environmental front, can be slow and demand substantial investment. Nonetheless, we remain steadfast in our commitment to achieving Net Zero carbon emissions by 2050, for which a detailed plan has been developed and published. We are determined to make sustainable development a cornerstone of our enduring legacy and by sharing our actions towards a sustainable future for aviation we hope to inspire more people to join us on this journey.

Company's highlights

Environment



Recycling of **885 tons** of operational waste generated from both Airports in 2023



Construction of two solar power (photovoltaic) plants, which started operating in 2023, resulted in the total reduction of **1.219 tons** CO₂ emissions in 2023. The Company is also aiming at further larger scale reductions in the following years.



Hermes continued to participate in several Work Packages of the **EU-funded project TULIPS**, which aims at the development and implementation of innovative solutions that will facilitate the transition to low-carbon mobility and enhance sustainability at Airports.

LARNACA AIRPORT
6.5% Reduction in Scope 1 emissions compared to 2022

PAFOS AIRPORT
4.4%

LARNACA AIRPORT
28.6% Reduction in Scope 1 emissions relating to ozone depleting substances (refrigerant gases), compared to 2022

SINCE 2010 LARNACA AIRPORT
59.3% Reduction of Scope 2 Gross Location-based emissions

SINCE 2010 PAFOS AIRPORT
43.9%

People

SINCE 2010 MORE THAN
200 CSR actions have taken place

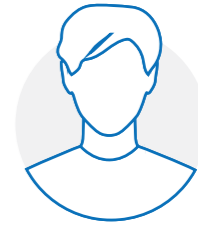
4.38/5

Highest Employee Satisfaction Score

WORKFORCE COMPOSITION



34%
Female



66%
Male

Economy

MORE THAN
33K Jobs related to the Airports operations

APPROXIMATELY
30K€ on an annual basis in marketing campaigns promoting Cyprus

PERFORMANCE 2023

Passengers in million

- Larnaka
- Pafos



8.1M
Larnaka



11.6M
TOTAL

3.5M
Pafos

AIRLINES
55 20

ROUTES
97 60

MARKETS
36 22

CHAPTER ONE: Company's Identity

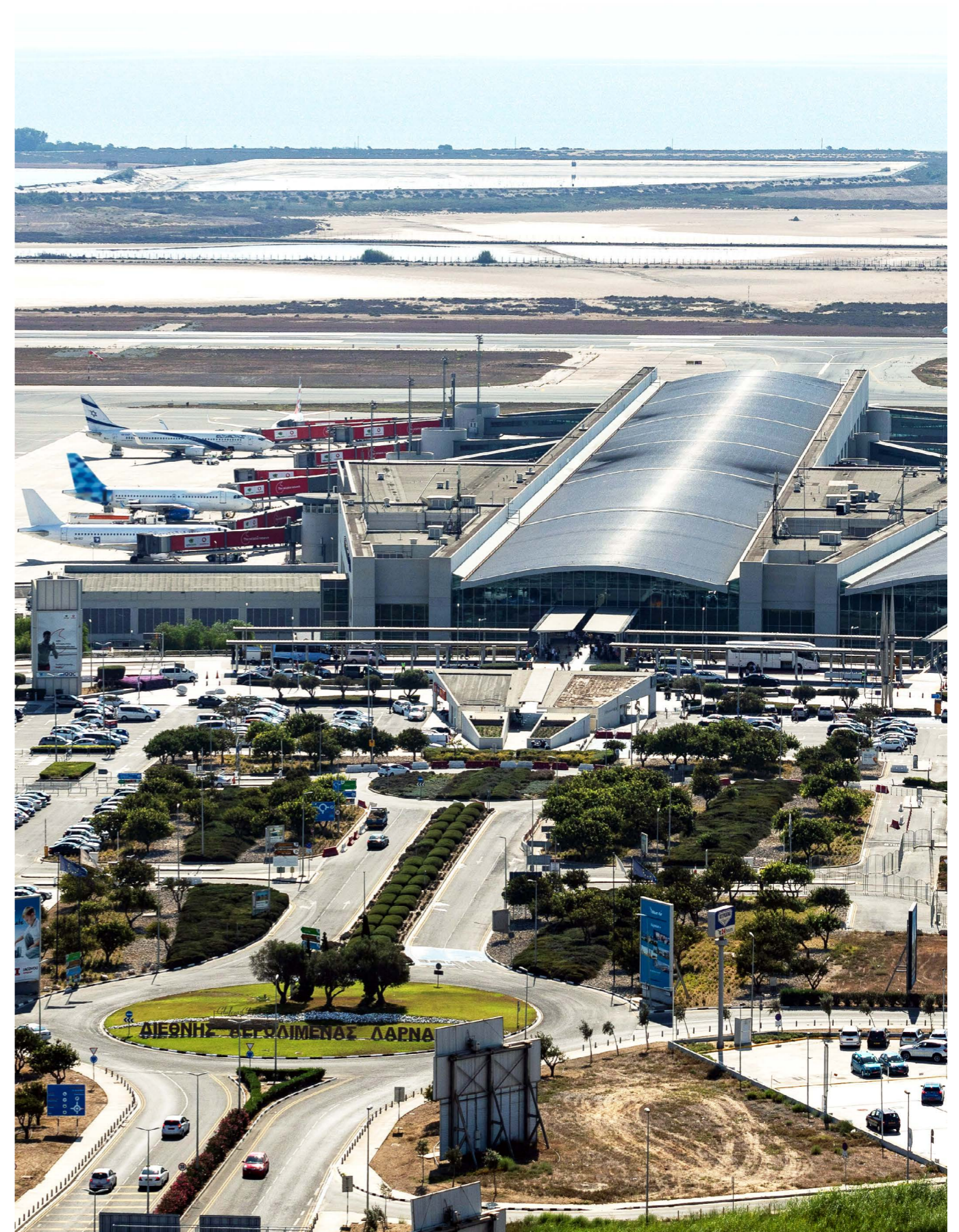
Corporate profile

Hermes Airports is a Cyprus registered company with 9 shareholders, comprising a mix of Cypriot and international partners. The shareholders are presented in the table below:

Shareholders 2023

1. Bouygues Construction Airport Concessions Europe	22%
2. Egis Investment Partners S.C.A	20%
3. Halpi Alpha Limited	11,34%
4. Hellenic Mining Public Company Limited	11,33%
5. AER Rianta International (Middle East) WLL	11%
6. Vantage Airport Group (Cyprus) Limited	11%
7. Iacovou Brothers (Constructions) Limited	5,67%
8. Charilaos Apostolides Public Limited	5,66%
9. Nice Airports Engineering	2%
TOTAL	100%

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



Historic timeline and major milestones

Key Events

**20
06**

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

**20
08**

Inauguration ceremony in November of Pafos new terminal.

**20
09**

Inauguration ceremony of Larnaca new terminal in November.

**20
11**

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

**20
12**

Ryanair launches a base at Pafos Airport with 2 based aircraft.

**20
15**

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

**20
17**

Larnaca 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 Larnaca 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 Larnaca and Pafos Airports. An overall increase of 67% since 2006.

Hermes signs the Net Zero 2050 resolution of ACI Europe.

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" accreditation for Larnaca and Pafos Airports.

Hermes Airports receives Platinum accreditation by Investors in People for its people practices, the only Airport to achieve this level of accreditation.

**20
20**

Wizz Air establishes a base at Larnaca 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 Larnaca Airport.

Signing of Agreement for Solar Power Plants at both Airports.

**20
22**

Hermes Airports signed the Toulouse declaration, the first ever public private initiative supporting European Aviation's goal to reach Net Zero CO2 emissions by 2050, signed by 89 Airport operators of 311 Airports.

Hermes Airports is re-accredited at Platinum level by Investors in People for its People practises.

Hermes Airports receives Gold accreditation by Investors in People for its Wellbeing practises.

**20
23**

Record 11.6m total passengers for Larnaca and Pafos, exceeding for the first time the pre-pandemic passenger levels.

New joint incentive 5-year agreement with the Government comes into effect. The novelty of this scheme is that it offers opportunities to airlines to grow in several ways (new routes, existing routes, base operation, and winter) and to benefit from a variety of different incentives.

Solar Power Plants at both Larnaca and Pafos Airports become operational.

Hermes receives ACA Level 4+ "Transition" accreditation for Larnaca and Pafos Airports.

About the Airports

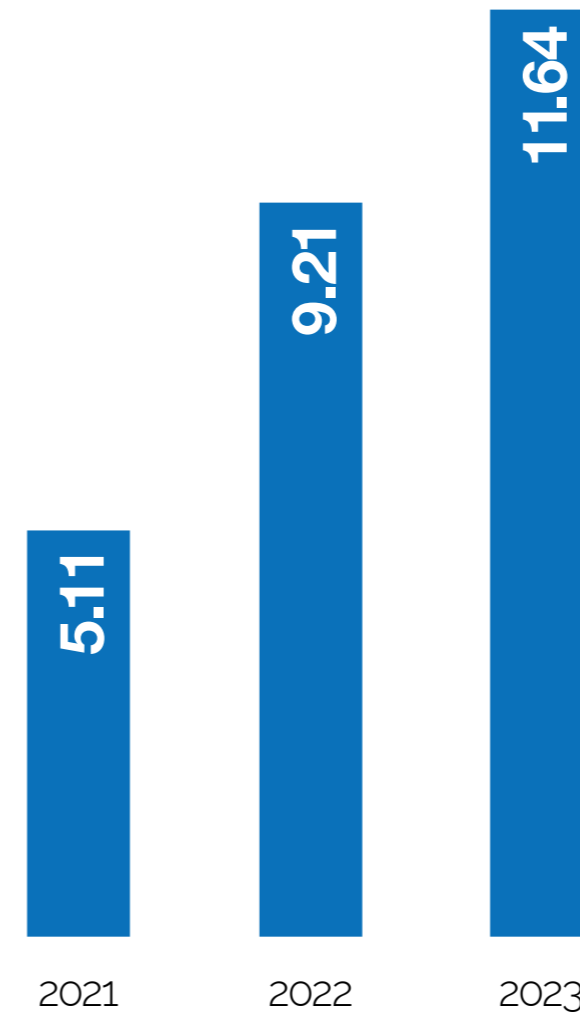
Larnaca and Pafos Airports are the main gateways to Cyprus with a significant contribution to the country's economic development, as they support direct and indirect connectivity to/from the island.

In 2023, the passenger traffic for both Airports, exceeded for the first time the pre-pandemic numbers reaching 11.6 million passengers, compared to 9.2 million in 2022 and 11.3 million in 2019. More than 33,000 jobs were estimated to be induced by the Company's 750 million euros GDP contribution. Additionally, in 2023, Hermes was in a growth/recovery phase, with revenues growing strongly in 2023 to reach 238.2 million, an increase of 33.5% compared to 2022.



1.1 Main Financial and Performance Data

Passengers (in million) (LCA & PFO)



Routes (LCA & PFO)



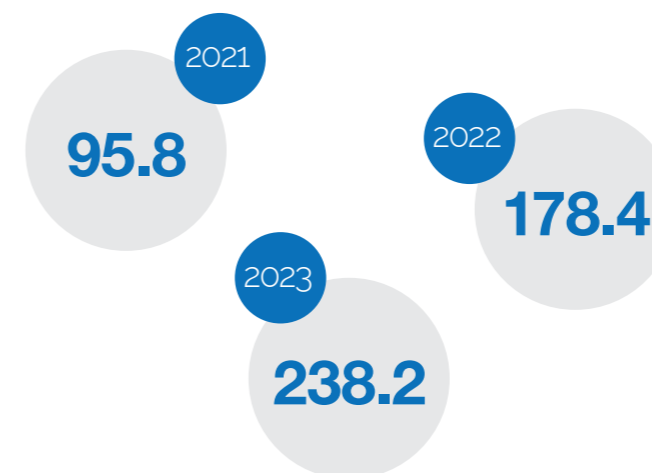
Airlines (LCA & PFO)



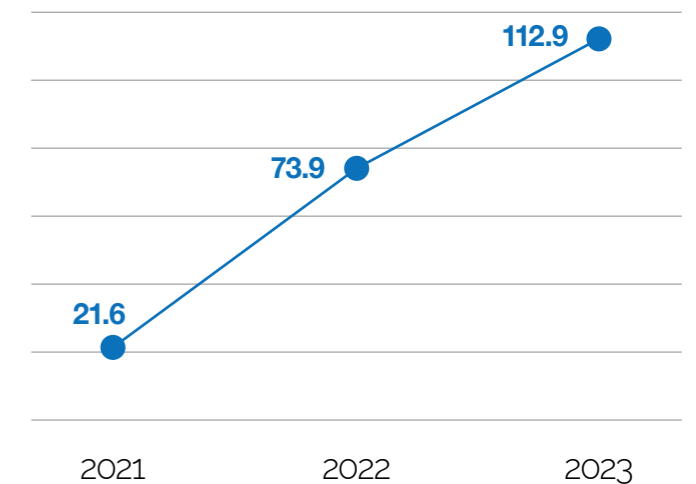
Markets (LCA & PFO)



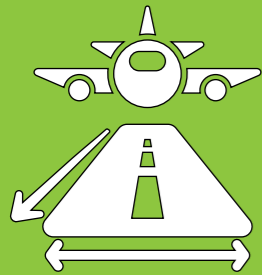
Gross Revenues (in million EUR) (LCA & PFO)



EBITDA (in million EUR) (LCA & PFO)

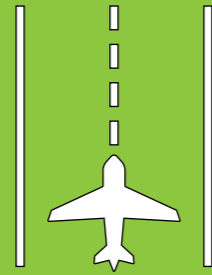


1.2 Airport Facilities



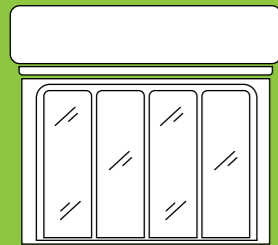
Runway dimensions
(length x width)

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



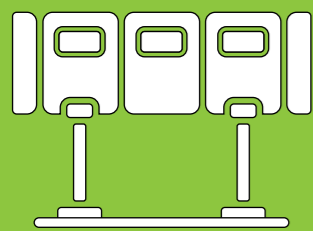
Check In Counters

LCA
72
PFO
28



Self Service Kiosks

LCA
26
PFO
6



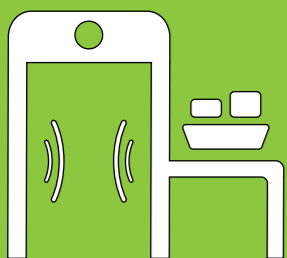
Air Bridges

LCA
16



Boarding Gates

LCA
23
PFO
7



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

Our Company values incorporate the following parameters under the principle "As One", achieving customer service excellence.

- Caring - For our Customers, our Colleagues and Teams, the Society, and the Environment;
- Results Oriented - Always striving to achieve the desired results, based on the objective set, as well as based on the highest standards of quality;
- Proud - Being proud of our achievements, for not compromising our quality and for offering an outstanding experience to all internal and external customers;
- Trustworthy - 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

<p>Grow Traffic</p>	<p>Improve Commercial Revenues</p>	<p>Achieve Operational Excellence</p>
<p>Improve the Customer Experience</p>	<p>Strengthen Stakeholder Relationships</p>	<p>Focus on People</p>

Sustainability Strategy—An integrated approach

Hermes Airports is dedicated to incorporating sustainability as an essential component of its business strategy throughout all facets of its operations. Regarded as a structured governance system and aligned with industry best practices in terms of planning, execution, measurement, and transparent reporting of non-financial performance, the Company commits to embracing a well-balanced business model aimed at generating value for its stakeholders.

The Company's sustainability strategy is based on three main pillars:



CHAPTER TWO: Corporate Governance

Governance structure and composition

The Shareholders' Agreement and the Articles of Association of the Company set out the Company's governance structure. In accordance with the relevant provisions of these documents, the management of the Company is vested in the Board of Directors (also "the Board") except for certain matters which are reserved for the Shareholders. The Board of Directors may delegate certain powers to management. The day-to-day management of the Company has been delegated by the Board to management. The Board may also delegate any of its powers to a committee or committees consisting of such members as they think fit. The Board has set up the Audit, Accounts and Risk Committee, and the Executive Resources and Remuneration Committee, which are described below. The powers and duties of the said Committees are set out in each Committee's respective Charter.

The Board of Directors consists of nine members, all of whom are non-executives. The members of the Board of Directors are appointed and removed by Shareholders as per the relevant provisions in the Shareholders' Agreement and in the Articles of Association of the Company. Each shareholder that owns, or several shareholders who together own between them, 11% of the total issued share capital of the Company has the right to appoint, for each such holding of 11%, one person as a Director to the Board of the Company. The Directors vote to appoint one of them as Chairperson of the Board. The Chairperson holds office as Chairperson for one year and shall retire at the end of one year but shall be eligible for re-election. The Board also appoints a Vice-Chairperson.

Almost all members hold executive positions in their employment. The members of the Board of Directors, all non-executives, are currently the following:

- Christophe Petit, [Chairperson](#)
- Iacovos G. Iacovou, [Vice Chairperson](#)
- Patrice Cahagne, [Director](#)
- Christakis Charalambous, [Director](#)
- Panayiotis Hadjipantelis, [Director](#)
- Neville Weir, [Director](#)
- Romain Uthurriague, [Director](#)
- Renaud Beziade, [Director](#)
- Nuno Amaral, [Director](#)

- Martin Anthony Cedric, [Alternate Director](#)
- Eric Jean Nicolas Fleurisson, [Alternate Director](#)
- Patrick Martin Noel Mckenna, [Alternate Director](#)
- Marine Meiller, [Alternate Director](#)
- Stewart Winston Steevers, [Alternate Director](#)
- Patrick Viellard, [Alternate Director](#)
- Demetriou Demetris, [Alternate Director](#)
- George Mitsides, [Alternate Director](#)
- Nicos Philippou, [Alternate Director](#)
- Ioannis Charilaou, [Alternate Director](#)

Nomination and selection of the highest governance body

The maximum number of Directors is 9, whereas there is no minimum.

The Chairperson of the Board is elected, and Vice Chairperson of the Board is appointed by the Board of Directors.

All Audit, Accounts and Risk Committee members are appointed by the Board of Directors. The Chairperson of the Committee is either a current Director (including alternates) of the Board or is a current member of the Committee. The appointment or renewal of the Chairperson is undertaken annually at the Board of Directors meeting where the Chairperson of the Board is also elected.

All Executive Resources and Remuneration Committee members are appointed by the Board of Directors and must be current Directors (including alternates). The appointment or renewal of the Chairperson of the Committee is undertaken annually at the Board of Directors meeting where the Chairperson of the Board is elected.

The members of the Audit, Accounts and Risk Committee should have a financial background and appropriate expertise and experience with accounting, financial reporting, or auditing matters. The members of the Executive Resources and Remuneration Committee should have a good knowledge of the Company's structure and its executive management, in addition to a good understanding of trends in shareholder concerns, a good understanding of all aspects of recruitment and remuneration policies of comparable companies, and a good knowledge of best corporate governance practices. These criteria are set out in each Committee's Charter.

Highest governance body

The Board elects a Chairperson and appoints a Vice-Chairperson but neither of them has a casting vote or is a senior executive or has an executive position in the Company.

The Board of Directors holds regular meetings and at least four meetings are held each year. Additional meetings are held if circumstances require or if a Director requests so. At these meetings the Board decides or approves, amongst other things, the development and update of the Company's vision, mission, values, strategies, policies, and goals related to sustainable development in close cooperation with the management.

Furthermore, to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development, regular reporting to the Board on sustainability measures is included in the information package submitted to the Board before Board meetings.

The evaluation of the performance of the Chief Executive Officer of the Company in overseeing the management of the organisation's impacts on the economy, environment, and people, is conducted annually by the Executive Resources and Remuneration Committee and the Board of Directors and includes sustainability criteria and targets.

Executive Remuneration

The members of the Board are not entitled to any remuneration in their capacity as Directors of the Company, unless otherwise decided by the Shareholders at an Annual General Meeting.

The remuneration policies for senior executives take into account, among others, their objectives and performance in relation to the management of the organisation's impacts on the economy, environment, and people. More specifically, there are sustainability objectives and KPIs which form part of the overall strategy.

The remuneration policies do not include sign-on bonuses or recruitment incentive payments, termination payments, and retirement benefits.

In 2023, the members of the Board and of the Committees received a fixed fee, an incidental expense allowance, and an additional amount as an attendance fee. All expenses related to their Board and Committee attendance are reimbursed upon presentation of invoices.

The results of the votes of Shareholders on remuneration policies and proposals are recorded in the minutes of the Annual General Meetings.

Equal Opportunity, Discrimination, and Harassment Policy

Hermes' Equal Opportunity, Discrimination and Harassment Policy details how the organisation embeds each of its policy commitments for responsible business conduct through its activities and business relationships.

More information regarding policies can be found in the chapter "Employee Experience and Engagement" of this report.

Grievance Policy and Allegation Policy

Hermes' Grievance Policy and Allegation Policy detail the organisation's commitments to provide for and cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to, as well as its approach and processes in place to identify and address such impacts.

More information regarding policies can be found in the chapter "Employee Experience and Engagement" of this report.

Overseeing the management of impacts

The Board of Directors and the Committees hold regular meetings to oversee the organisation's due diligence and other processes to identify and manage the organisation's impacts on the economy, environment, and people. The highest governance body engages stakeholders through its decisions and instructions to management. The CEO and Senior Managers give regular updates on stakeholders at Board meetings, including issues of critical concern. The outcomes of stakeholders' engagement and the effectiveness review are presented by the CEO and all Senior Managers at Board meetings, during which the Directors may provide guidance or instructions to management. Also, the Committees' Chairmen report to the Board, at its meetings, the findings and issues discussed at each Committee meetings.

Board Committees

The Board Committees that operate within the Company are:

- the Audit, Accounts and Risk Committee and
- the Executive Resources and Remuneration Committee.

The Audit, Accounts and Risk Committee consists of 7 members and the Executive Resources and Remuneration Committee consists of 6 members. The members of each of these two Committees are appointed by the Board of Directors. The Chairperson of the Audit, Accounts and Risk Committee is either a current Director (including alternates) of the Board or is a current member of the Committee. The Chairperson of the Executive Resources and Remuneration Committee is a current Director (including alternates). The appointment or renewal of the Chairperson of each Committee is undertaken annually at the Board of Directors meeting where the Chairperson of the Board is also elected.

The members, the responsibilities, and the attendees of each Committee's meetings are elaborated below:

Audit, Accounts and Risk Committee

The purpose of the Audit, Accounts and Risk 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 Committee is accountable to the Board.

The members of the said Committee are:

Chairperson

- Neville Weir

Members

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

Executive Resources and 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. In addition, and as mentioned previously, the Remuneration Committee conducts the annual assessment and evaluation of the CEO including sustainability criteria and targets. 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 primary objective of the Enterprise Risk Management (ERM) procedure is to identify, record and measure all risks to which the Company is exposed. The methodology was introduced back in 2010 and now covers the entire spectrum of Hermes' business. High-ranking risks are reported to the Board of Directors and to the Audit, Accounts and Risk Committee regularly, along with a statement showing how these risks have moved since the last reported date.

Sustainability Steering Committee

The main responsibility of the Sustainability Steering Committee is to oversee the implementation of the sustainability policy and to validate the various action plans submitted by the material topic owners and review their progress accordingly.

The members of the said Committee are:

Chairperson

- CEO - Chief Executive Officer

Members

- COO - Chief Operating Officer
- Director of Aviation Development, Marketing and Communication
- Director of Human Resources & Executive Coach

Coordinator

- CFO – Chief Financial Officer.

Conflicts of interest

The Company has a Code of Business Ethics in place which must be adhered to by all employees, Committees and Board members. Following the adoption of the Code of Business Ethics, conflicts of interest must be disclosed to the Company, including conflicts of interest related to cross-board membership, cross-shareholding with suppliers and other stakeholders, the existence of controlling shareholders, related parties, their relationships, transactions, and outstanding balances.

Membership of associations

Hermes participates in various associations to consistently develop its sustainability agenda.

Airports Council International (ACI) Europe

Hermes is a member of ACI Europe, and its CEO is a member of the ACI Europe Board of Directors. ACI Europe is a strong advocate of sustainable development for the aviation industry, and Hermes was a contributor to the development of the ACI Europe Sustainability Strategy for Airports, now in its second edition, which is in turn used by the Company as a guideline for the development of its own sustainability strategy.

Hermes is a signatory of ACI Europe's Resolution committing to Net Zero by 2050, since 2019, and has developed its detailed Road Map to Net Zero which is published in the ACI Europe repository.

Hermes staff and management actively participate in all ACI Europe's committees relevant to their position within the Company. These committees report to the Board of ACI Europe and focus on Policy, Aviation Security, Economics, Environmental Strategy, Facilitation and Customer service, Technical Operations and Safety, and Cyber Security.

In addition to the committees, there are several forums and task forces of ACI Europe in which Hermes participates. In particular, Hermes' Director of Human Resources & Executive Coach participates in the ACI Europe Leadership and HR Forum (and was the Chairperson from 2021 to 2023), the Director of Commercial and Business Development participates in the ACI Commercial Forum (and was the Chairperson from 2018 to 2020), and the Director of Legal Affairs participates in the ACI Europe Legal Task Force and in the ACI Europe State Aid Task Force.

Hermes received several ACI accreditations, such as the Level 4+ Airport Carbon Accreditation for both Larnaca and Pafos Airports, and the Level 2 Airport Customer Experience Accreditation for both Airports. Hermes is accredited with the Investors in People Platinum for its People practices and the Investors in People Gold for its Wellbeing practices.

TULIPS Project.

Hermes is one of four participating Airports in the TULIPS project, short for "Demonstrating lower polluting solutions for sustainable Airports across Europe", a European Union funded project, the overarching aim of which is to create green Airports in Europe through accelerating the roll out of sustainable technologies in aviation and contributing towards zero emissions and zero waste Airports by 2030 and climate neutral aviation by 2050.



Board of the Flight Safety Foundation Mediterranean

Hermes is a member of the Board of the Flight Safety Foundation Mediterranean, a non-Governmental organisation established in Cyprus in 2008. The main objective of the Board is to contribute to the enhancement of aviation safety by facilitating training in aviation issues and encouraging the adoption of Global and European aviation policies as well as fostering cooperation between the countries of the Mediterranean and Middle Eastern regions.

Corporate Sustainability and Responsibility (CSR) Cyprus

Hermes is represented on the Board of CSR Cyprus, founded in 2016, as an independent, non-Governmental organisation, with business members, aiming to promote the concepts of corporate sustainability and responsibility to Cypriot businesses and organisations.

Information Systems Audit and Control Association (ISACA)

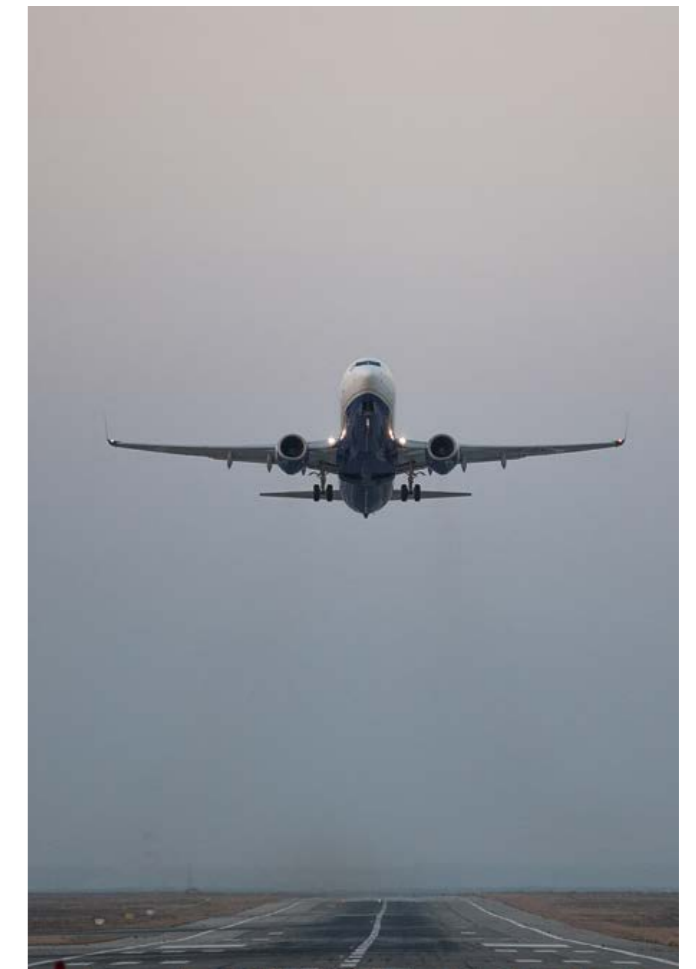
Hermes is a member of ISACA, an independent, nonprofit, global association that engages in the development, adoption, and use of globally accepted information system (IS) knowledge and practices.

International Association of Privacy Professionals (IAPP)

Hermes is a member of the IAPP, which provides resources for privacy professionals who are helping their organisations successfully manage privacy risks and protect personal data. IAPP is the world's largest and most comprehensive global information privacy community.

ICAEW Travel, Tourism and Hospitality Community advisory group

Hermes CEO is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) Travel, Tourism and Hospitality Community advisory group, which focuses on key issues impacting this industry, offering guidance and advice including training on these matters to ICAEW members.



CHAPTER THREE:

Approach to Sustainability

Hermes produced this report to be in accordance with the Global Reporting Initiative (GRI) Standards.

The GRI standards have undergone changes in 2021 and therefore, Hermes has adapted its approach to sustainability and reporting strategy to align with the changes.

The procedures outlined below have been conducted as part of the 2022 report and have remained unchanged for this 2023 report.

Stakeholder engagement

Hermes 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 Airport community, suppliers, subcontractors, and others.

A comprehensive methodology was developed by Hermes to engage with its stakeholders, starting with identifying the key stakeholder groups; both internal and external.

The key stakeholder groups were then mapped with key personnel within Hermes, depending on their knowledge, expertise, and general field of work. Hermes' key personnel acted as representatives (proxies) to the external stakeholders.

Successful engagement with the proxies has been achieved through a series of face to face and virtual meetings, workshops, calls, emails, and included the completion of questionnaires, surveys, and data templates.

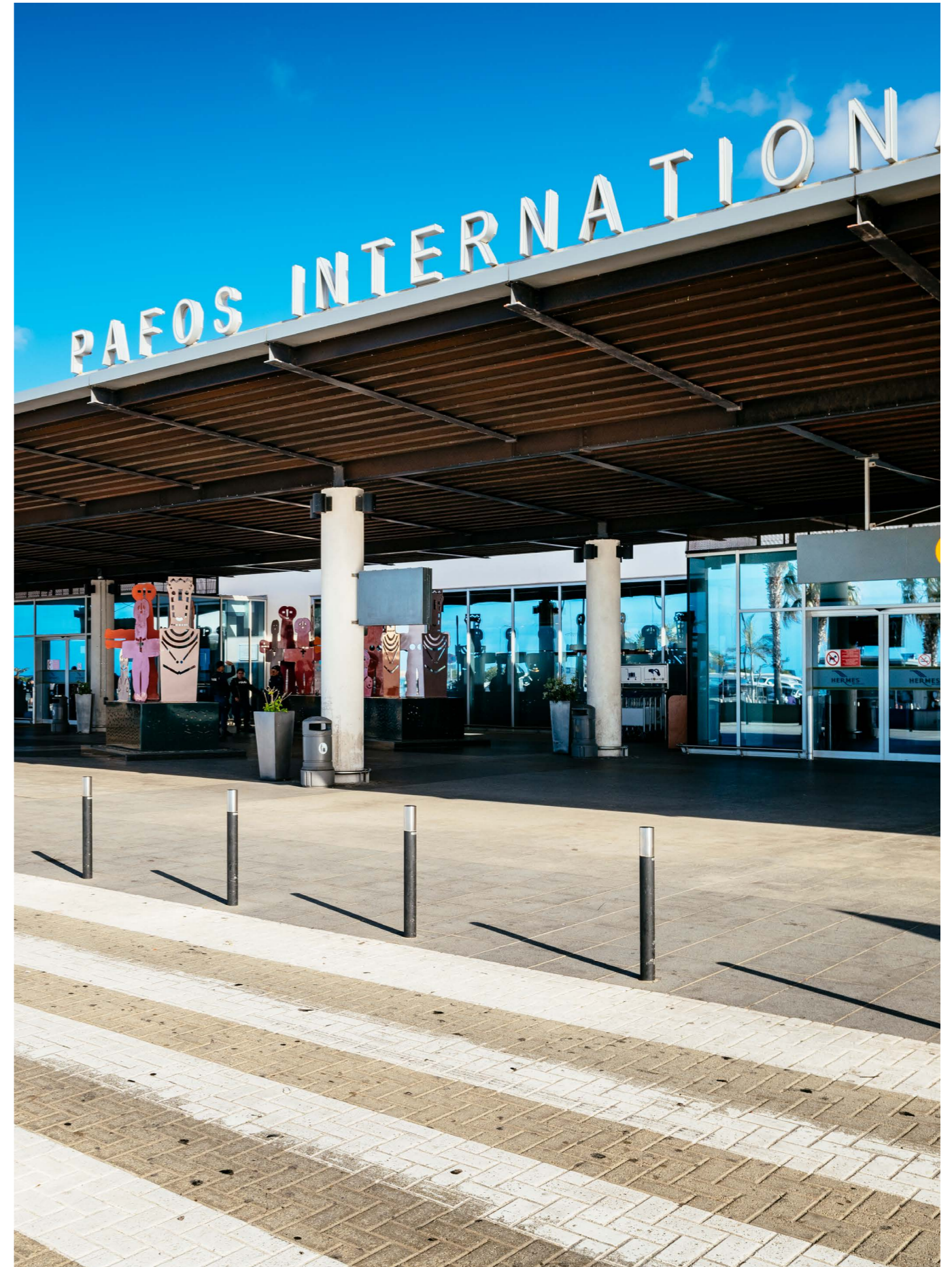
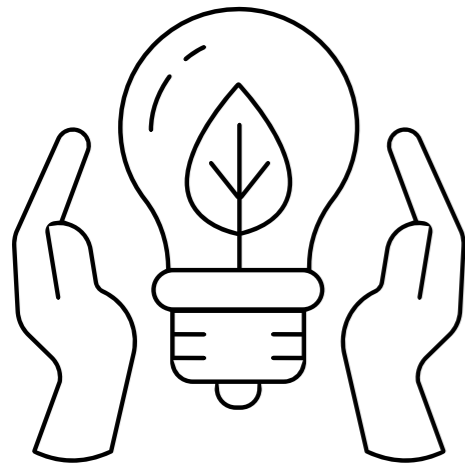
Materiality analysis

The materiality analysis's purpose is to develop a comprehensive list of ESG topics which will reflect Hermes' most significant impacts on the economy, environment, and people, including on human rights.

The materiality analysis process followed by Hermes was based on the multiphase guidance as set out by the updated GRI standards:

- Understand the organisation's context;
- Identify actual and potential impacts;
- Assess the significance of the impacts;
- Prioritise the most significant impacts for reporting.

The first three phases in the process to determine material topics relate to the ongoing identification and assessment of impacts by Hermes. During these phases, the Company identified and assessed its impacts, considering that impacts evolve with time and new ones arise. Whilst these first three phases are conducted independently of the sustainability report, they feed into phase four, which establishes the report's basis.



3.1 Understand the organization's context

The Company created a high-level overview of its activities and business relationships along with the sustainability context in which they occur. This phase provided Hermes with critical information for identifying the actual and potential impacts.

3.2 Identify actual and potential impacts

Hermes identified its actual and potential¹; positive and negative impacts on the economy, environment, and people, including impacts on human rights. The impacts have been identified across the Company's activities and business relationships and have been mapped across three dimensions; Economy, Environment, People incl. Human Rights.

The Company used various resources and techniques to identify its impacts:

- Incorporating relevant sectoral guidance such as the ACI Europe Sustainability Strategy for Airports Worldwide
- Recognising the views and expectations of both internal and external stakeholders
- Considering any sustainability trends at the time of the materiality assessment
- Understanding the relevant regulatory environment; both current and upcoming
- Setting a benchmark by conducting a benchmark assessment with a representative sample of Hermes' peers. The analysis of the assessment provided key information such as:
 - Key Stakeholders and engagement methods,
 - ESG material topics identified by the representative organisations,
 - Available ESG disclosures,
 - ESG Key Performance Indicators reported for performance monitoring for the respective material topics.
- A high-level value chain review was conducted to assess possible direct and indirect impacts resulting from the Company's business relationships.

The above outcome produced a list of various topics discussed amongst the external stakeholder proxies through the engagement methods described above. Across the discussions, the topics were mapped to impacts related to the Company.

Through the stakeholder engagement, 32 impacts have been identified.

¹ **Actual vs Potential:** Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred.

3.3 Assess the significance of the impacts

During this step, Hermes prioritised the impacts and mapped them to material topics. To assess the significance of the impacts, a severity and likelihood framework has been developed. This framework was developed to reflect the GRI reporting standards guidelines, based on which the significance of the impacts was determined by assessing the severity of the impact and, in the case of potential ones, their likelihood of happening. Furthermore, the significance of the impacts was also determined based on how they can affect human rights.

Following the framework, each impact was rated following a specific rating methodology for negative and positive impacts. A rating has been given to each impact in terms of its Scale, Scope, and Irremediable Character. In cases where an activity had an impact on more than one dimension (economy, environment, people, and human rights), the assessment of their significance was performed separately for each dimension.

3.4 Prioritize the most significant impacts for reporting

The outcome of Phases 1-3 was presented to Hermes' management through a validation and consensus workshop, which included a description of the methodology followed, the relevant assumptions made and the finalization of the material topics.

The outcome of the materiality analysis produced 11 material topics. Hermes considers these material topics to be equally important and has therefore not ranked them.

The Sustainability Steering Committee has overseen the process and has reviewed and approved the material topics to ensure that the range of impacts included provides a complete representation of Hermes.

Material topics

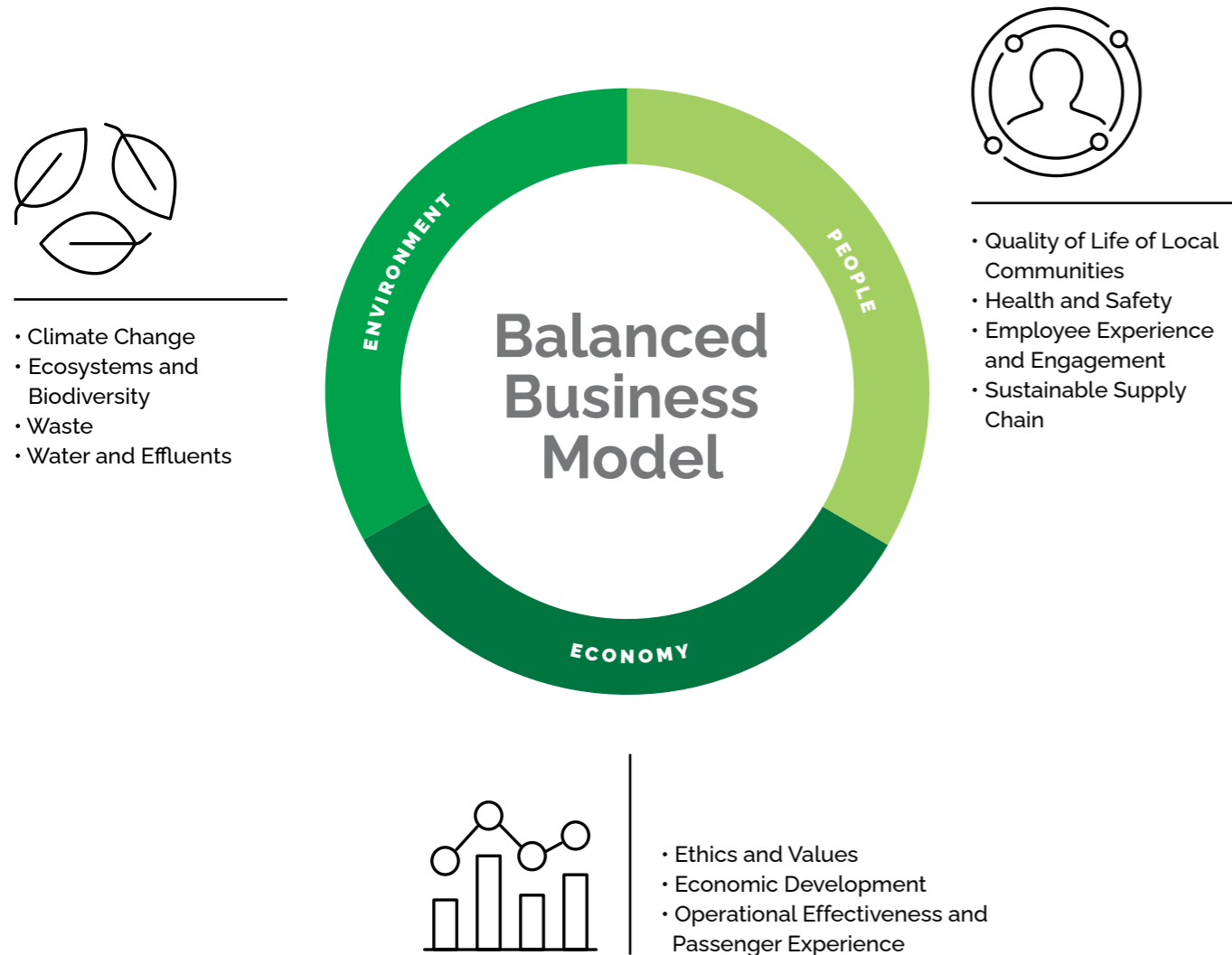
The materiality assessment process has been revised to align with the new GRI Standards requirements. Specifically, the presented materiality assessment and subsequent analysis focused on the Company's outward impacts on the environment, economy and people including impacts on human rights, through its operations and business relationships. The identified impacts were grouped together to form the material topics which determined the content of this report.

There were no changes in the list of material topics this year, compared to the prior year. The list encompasses 11 material topics, which are presented below, with no particular ranking:



Sustainability Strategy

Specific action plans for each of these material topics have been developed indicating a roadmap for their implementation. The Company's strategic priorities around sustainability are presented in the following diagram across 3 dimensions, the Environment, People, including Human Rights, and the Economy, representing a balanced business model.



Sustainability Policy

The key elements of the 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 a 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.

Balanced business model – A horizontal approach

Hermes aims for an all-embracing "Balanced Business Model", seeking an optimal balance between the impacts of its activities on the environment, the people and the economy whilst also incorporating and considering the aspect of human rights. Developing its business model in a balanced way is a core value for the Company. This is achieved by marking its footprint in the country's economy and society, contributing to mitigating climate change and creating a more sustainable world for future generations.

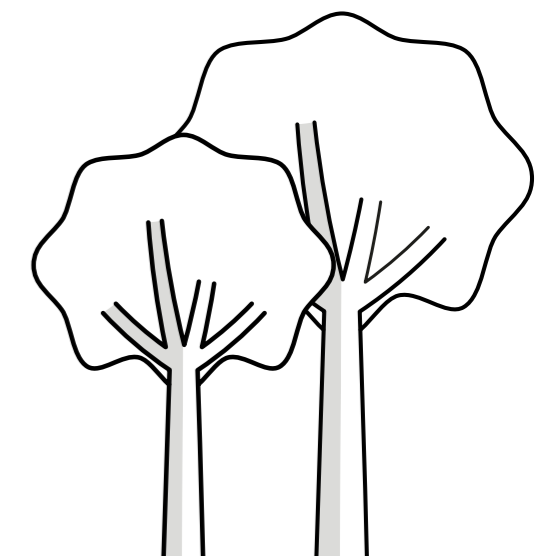
Hermes provides a safe, healthy, and inclusive workplace that offers equal opportunities to all staff, whilst also seeking to enhance the quality of life of the local communities and the country overall. Complying with all relevant laws and regulations, while maintaining internally developed policies, secures the rights of the staff and customers. At the same time, it aims to ensure that the passengers traveling through Larnaca and Pafos Airports receive a seamless experience and enjoy a safe and healthy journey. An internal Customer Care Steering Committee and

an internally developed strategy make sure that the overall passenger experience standards are met. We use digitalisation and new technologies whenever we can to further increase the efficiency and improve the quality of services of our Airports.

Hermes continuously strives to increase airline connectivity and thus further contributes to the creation of more jobs and to the further enhancement of the country's Gross Domestic Product (GDP).

The Company is currently sourcing products and services mainly from local suppliers, while it is also promoting corporate values of fairness and transparency across its supply 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 maintains an environmental policy that ensures conformity to international standards and procedures whilst at the same time reaffirms its commitment to the environment. Amongst Hermes priorities is the preservation of resources for present and future generations. This is achieved through responsible management of materials and water while applying the principles of circular economy where applicable. The Company is committed to reaching Net Zero carbon emissions by 2050, at the latest, 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 on track with the targets set, as these are defined in the Company's energy strategy. Hermes also has an 'Energy and Climate roadmap' which can be found under the chapter "Climate change" of this report.



CHAPTER FOUR:
Quality of Life of Local
Communities

The company realises its role of contributing positively to the local communities near the Airport but also overall to the Cyprus society. Every year, Hermes implements various initiatives and activities which aim to achieve this purpose. The company is currently reevaluating its CSR Strategy with a view to redefine priorities and objectives for the upcoming years.

Hermes understands the importance of giving back to the people. Whether through volunteering activities, awareness campaigns or philanthropy, the Company is committed to serve everyone and make a difference in the community.

Health and Wellbeing

The physical and mental health and wellbeing of the local community is of utmost importance to Hermes. Over the last year, several donations were made to aid people battling illnesses and provide financial assistance to children with special needs for their reintegration back into society. In particular, the Company provided financial sponsorship to 'Agios Stephanos' which is a Cyprus disabled persons organisation that specialises in assisting individuals with intellectual disabilities. In addition to that, Hermes assisted 'Unique Smiles Association' in their endeavours to enhance the existing health centres in Cyprus and establish a centre of excellence for rare diseases. Hermes also contributed to the 'Pancyprian Association of Multiple Sclerosis', which offers services and initiatives for people affected by Multiple Sclerosis. Lastly, Hermes supported the 'Cyprus Anti-Narcotics Association' in their efforts to prevent dissemination of drugs and other addictive substances but most importantly to aid users through the innovative program 'STOHOS'.

Community support

Hermes believes in the importance of investing in people and is committed to making a difference in the young lives within the community. In 2023, Hermes Airports organised an event at Larnaca Airport, featuring the participation of 30 children attending art schools, who transformed a section of the parking area by painting the characters of their favourite Superheroes. All the proceeds generated from reservations made at these specific parking locations were directed towards supporting the 'Alkinoos Artemiou Foundation', an organisation dedicated to assisting and bringing relief to families and children with oncological and haematological conditions. Moreover, a long-standing collaboration with 'Sophia for Children Foundation' aims at the improvement of the quality of life of children attending elementary schools in Larnaca and who come from low-income families. In 2023, Hermes continued its monetary contribution to support the 'I Cook & I Offer' program, providing lunch to the children of all day primary schools in Cyprus. Moreover, during the year, Hermes hosted the 'Sophia Charity Bazaar' at Larnaca Airport.

During 2023, Hermes also provided financial support for 'Systema Cyprus', which offers music education to all children and young people of Cyprus, including migrants, refugees, and disadvantaged youths. In addition, Hermes supported the initiative 'Adopt a family for Christmas' with gift vouchers to support vulnerable families during the festive season. During Christmas, Hermes also organised special days at Larnaca Airport where the children attending primary schools from the Larnaca district had the opportunity to participate in interactive workshops.

Additionally, Hermes provided monetary support to the annual 'Limassol Book Fest', promoting literature and culture across the local community. The Company also supported the 'Pafos City Smart Campaign' resulting in the promotion and strengthening of the tourism product and local brand along with infrastructure development and the improvement of local residents' quality of life.

Hermes also hosted, at Larnaca Airport, a photo exhibition by UCLAN University relating to Cyprus experiences.

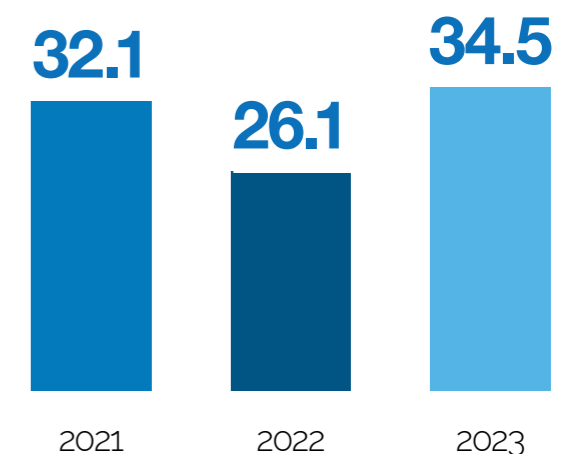
CASE STUDY - Climate Action

Climate change is one of the most pressing issues that humanity faces. Hermes is committed to contributing both to public awareness as well as engaging society with initiatives that create environmental culture. Specifically, this past year, Hermes donated a drone for educational purposes to the Cyprus Forestry Department and 1.200 trees and aromatic plants were donated to the public under the 'Green Lemonade' project. This recurring annual initiative included a collaboration with KEAN², which transformed the lemons gathered by employees of Hermes, from the 120 lemon trees at Larnaca Airport, into 'homemade lemonade'. Hermes Airports donated approximately 3 tonnes of lemons and KEAN matched that number by donating an additional 3 tonnes. The lemonade resulting from the aforementioned lemons, were either packaged in sustainable bottles or served in sustainable cups, and were sold to passengers, the Airport community, and hotels, with the proceeds being used to support the environment, as described above. One of the main purposes of this initiative is to create awareness around the subject of sustainability and the circular economy in particular and to show that anyone can contribute to a more sustainable society.



4.1 Community Investments performance

Community investments (Euros thousands)



² KEAN Group offers a wide range of high-quality food and beverage products for the Food & Beverage sector, including retail and HORECA.

Air connectivity

Air connectivity is critical for the economy of an island such as Cyprus. The contribution of Hermes in this regard is significant, since the operation of new airlines, the addition of new routes, and new operations on existing routes, all have a positive impact on a multitude of aspects, including on the quality of life of Cyprus residents and on the country's economy as a whole.

A dynamic airline environment with aircraft availability challenges, increased airline switching activity, price sensitive and well-informed passengers, as well as increased competition between Airports to attract routes, is expected to continue posing challenges in growth objectives. Alongside these developments, it is important to consider how the macroeconomic climate of Hermes can be impacted by geopolitical events, which may have both negative and positive effects.

Hermes' affiliation with Cyprus as a leisure destination, implies alignment of growth objectives pertaining to market priorities and target route selection, as well as joint efforts to promote Cyprus, particularly regarding the off-peak flight activity. Over the last few years, especially since the pandemic period, significant improvements have been made both in the alignment of the stakeholders as well as the development of new products and services. There is still though a lot of ground to be covered to address long-standing issues of Cyprus as a tourism destination that need to be the backbone of sustainable growth.

Focus Areas

In this respect, Hermes growth objectives and strategy would focus on:

- Developing air connectivity from routes in markets of tourism priority that are currently unserved or underserved, whilst at the same time closing gaps in main European cities, where there is lack of adequate year-round connectivity such as Brussels, Madrid, and Tallin, amongst others.
- Promoting connections to/from Cyprus from other source markets with significant catchment areas, taking advantage of airlines that are expanding their fleet and are growing in other bases.
- Reduction of seasonality and promotion of year-round flying. This would require significant commitment from hoteliers and other related businesses to stay open as well as developing and promoting a diversified portfolio of winter experiences. Hermes would target extension of summer programs from most of the source markets with priority to UK, Poland, Israel, Scandinavia, Germany, Switzerland, Austria, and the Baltics where there seems to be better opportunity to attract off-peak customers.
- The possibility to penetrate long – haul markets by collaborating with nearby destinations for the creation of a regional product offering and ensuring affordable regional air connectivity.

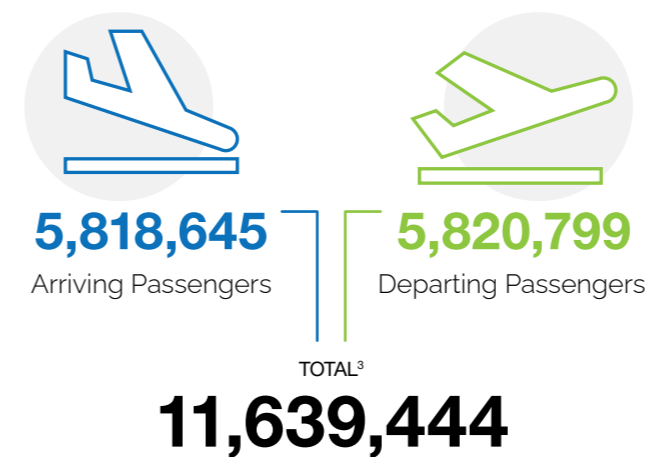
The use of incentive schemes will continue to be an integral part of our air service development strategy, supporting growth in new and existing routes, but also using marketing funds to promote the creation of demand.

Parallel to that, Hermes will continue to be active in tourism matters, aiming to support the implementation of the tourism strategy focusing especially on the development of tourism experiences and the promotional repositioning of Cyprus through modern and collaborative techniques and initiatives.

Passenger numbers provide an important indicator of economic performance, as revenues are mainly driven by passengers. Transfer and transit passengers, which comprise a very small percentage of the total, do not leave the Airport facilities, and therefore mainly, have an economic impact for the Airport operator. Origin-and-destination passengers may have a significant impact both on the local economy and the Airport operator.

4.2 Total number of passengers

Total number of passengers annually, broken down by passengers on international and domestic flights, and broken down by origin-and-destination and transfer passengers, including transit passengers 2023.



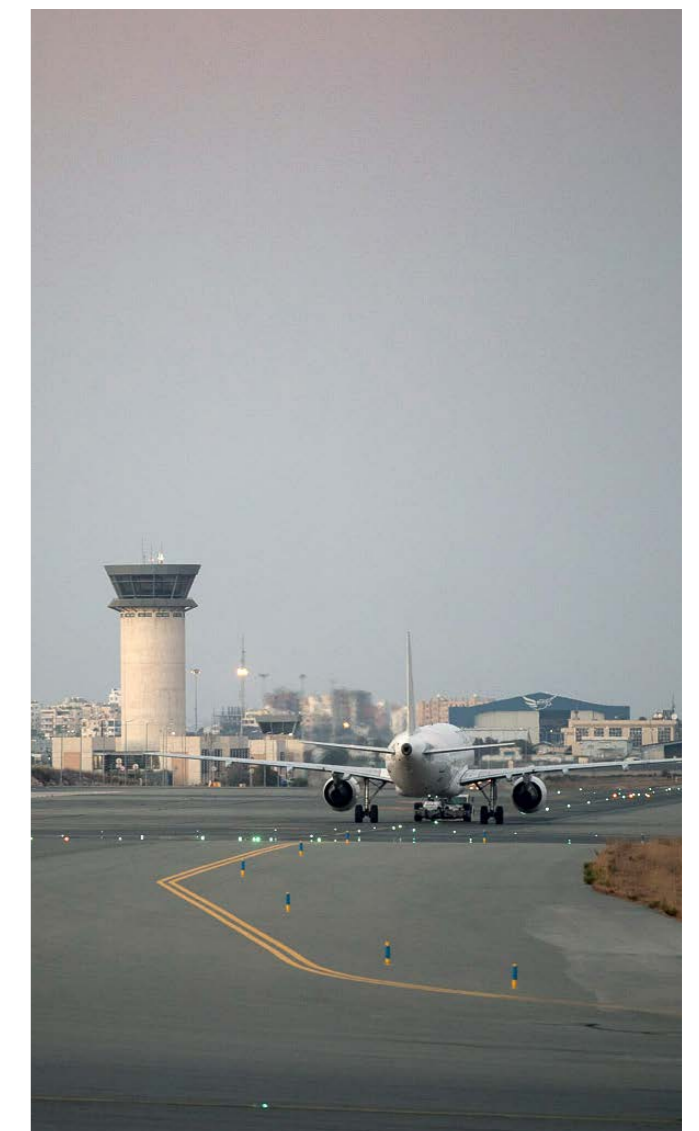
³ All passengers are international since there are no internal flights on the island.

4.3 Total number of aircraft movements

Total number of passengers annually, broken down by origin-and-destination and transfer passengers, including transit passengers 2023.

Passenger type	
Origin and Destination*	11,629,528
Transfer	9,916
Transit**	232,032
TOTAL	11,871,476

* Passengers originating or terminating their journey at the Airport.
 ** Transit passengers are not included in the total passenger number



Departures and Arrivals

An Airport operator's aircraft departures and arrivals provide an important indicator of its economic performance and contribution to the local economy of the Airport's region.

4.4 Larnaca Airport, 2023 - Total number of aircraft movements

Total number of arriving and departing aircraft movements by day and night for the reporting period - Larnaca Airport, 2023

Larnaca Airport	Commercial Passenger	Commercial Cargo	General Aviation	State Aviation
Day	37,619	1,856	3,898	792
Night	14,484	194	622	176
Domestic	No domestic flights within Cyprus			
International	52,103	2,050	4,520	968
TOTAL	52,103	2,050	4,520	968

4.5 Pafos Airport, 2023 - Total number of aircraft movements

Total number of arriving and departing aircraft movements by day and night for the reporting period - Pafos Airport, 2023

Pafos Airport	Commercial Passenger	Commercial Cargo	General Aviation	State Aviation
Day	13,583	2	1,150	1,104
Night	7,520	1	134	177
Domestic	No domestic flights within Cyprus			
International	21,103	3	1,284	1,281
TOTAL	21,103	3	1,284	1,281

Cargo

An Airport operator's cargo tonnage provides another important indicator of the Airport's economic performance and direct and indirect economic impacts to the region.

4.6 Total amount of cargo tonnage 2023

LCA & PFO	All - cargo flights	Cargo transported on passenger flight (belly cargo)
Total cargo tonnage arriving at the Airports (flights)	Not available	Not available
Total cargo tonnage departing from the Airports (flights)	Not available	Not available
Total cargo tonnage arriving at the Airports (broken down by cargo transported on all-cargo flights and cargo transported on passenger flights as belly cargo)	11,313	6,127
Total cargo tonnage departing from the Airport (broken down by cargo transported on all cargo flights and cargo transported on passenger flights as belly cargo).	2,809	4,481

Noise

One of Hermes' primary objectives is to manage safe and secure Airports and to actively reduce the impact of operations on the local community and the environment.

The Department of Environment of the Cyprus Government, as the authority responsible for the implementation of the Environmental Noise Law, sees to the preparation of strategic noise maps and action plans. In the first round, no noise was estimated in relation to both Larnaca and Pafos Airports because fewer than 50,000 movements were recorded annually. Nevertheless, Hermes Airports has developed Strategic Noise Maps for the Airports in Larnaca and Pafos. These maps show the expected noise values for a period of 10 years from the date of their preparation. Within the framework of the 4th round of Strategic Noise Mapping that was performed in 2022, limits were proposed for the day-evening-night index (Lden) and the night index (Lnight). Both Larnaca and Pafos Airports were part of these Strategic Noise Mapping.

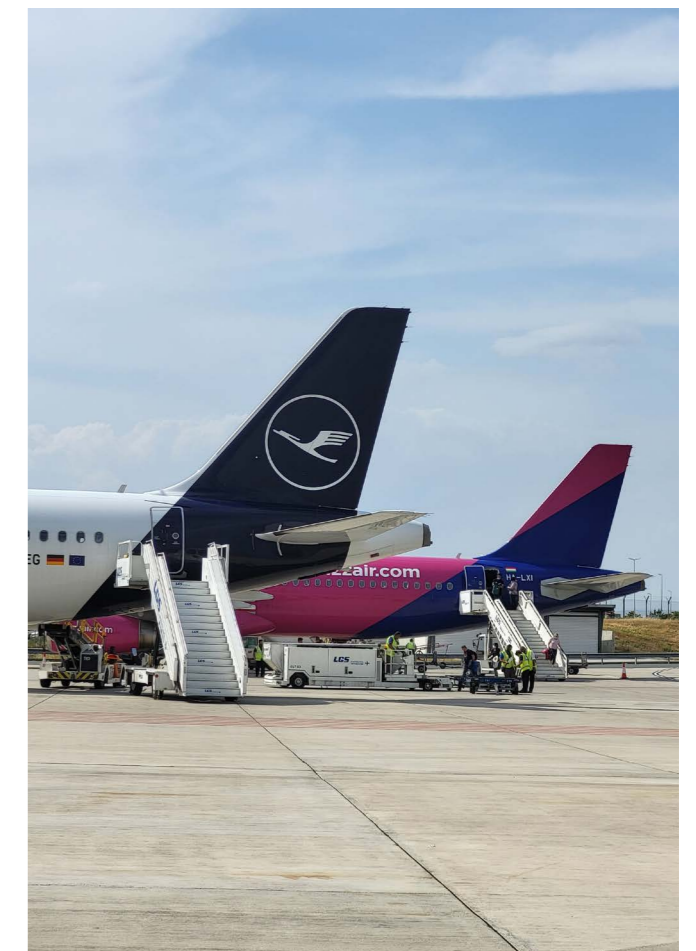
Hermes Airports proceeded with the measurement of the aircraft noise outside the Airport boundaries. As from 2022, three noise monitoring terminals have been operating in the surrounding communities of Larnaca Airport, to monitor the environmental noise generated by Airport operations. Hermes does not currently undertake any noise monitoring at Pafos Airport.

No noise complaints have been recorded for the year 2023 for either Larnaca or Pafos Airports.

Local air quality

The aircraft, vehicles, and fuel-based equipment (generators, boilers, etc.) operated at Hermes Airports, may have an adverse impact on the local air quality. An Air Quality Monitoring station has been installed at Larnaca Airport, measuring carbon monoxide (CO), nitrogen dioxide (NO₂), ozone (O₃) and particulates (P.M.2.5 and P.M.10). 2022 is the first year in which full recordings were obtained from the station. These parameters are measured and monitored against the limits set by the European Directive 2008/50/EC (Ambient Air Quality Directive), transposed into the Cyprus Ambient Air Quality Law and regulations. Hermes has successfully monitored the air quality for two consecutive years, starting from 2022.

Hermes continues its efforts in reducing emissions to the atmosphere from its vehicles, by "greening" its vehicle fleet through the gradual replacement/removal of vehicles below the EURO 6 emission standard. A table with the 2023 recordings, is provided under the "Other Significant Air Emissions" Section Climate Change chapter.

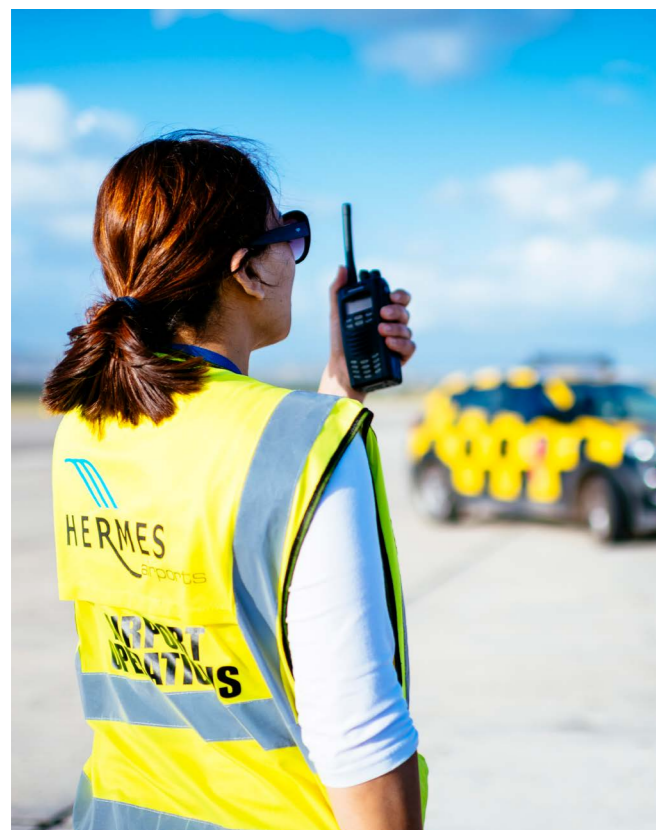


CHAPTER FIVE: Health and Safety

Occupational health and safety management system

To ensure the safety of every employee under its supervision, Hermes follows international standards in its daily operations and activities. Hermes Health and Safety Management System (H&S MS) has been developed based on the requirements of the ISO 45001:2018 standard, the applicable national legislation, the needs and expectations of its stakeholders, as well as any other relevant legislation affecting the Company's activities.

The basic components of the occupational health and safety management system are the Risk Assessments (RA) and Safe Methods of Work (SMW). The system covers all workers' activities in all workplaces under Hermes Airports jurisdiction. Amendments to the H&S MS as well as new up-to-date RAs and SMWs are carried out in the case of the introduction of new equipment and operational activities, as well as in case of changes in procedures.



Hazard identification

Hermes Airports' Health, Safety and Environment, Safety Management System and Facility Management (HSE-SMS and Facility Management) department is responsible for developing policies and procedures relevant to the workplace hazards and risk assessments. Hermes Airports' staff and external associates provide valuable feedback and expertise for the development of the RAs and SMWs.

RAs and SMWs incorporate specific processes and measures that need to be implemented to ensure the quality and safety of internal activities. Moreover, workers and staff are encouraged to express their concerns and request their removal from work situations that they believe pose a risk to their health or wellbeing. Hermes respects and takes into consideration such situations and is open to recommendations that will further contribute to the improvement of current H&S related policies and procedures.

Reprisals are not acceptable within the safety culture of the organisation. Hermes encourages and highly values reports received from its personnel regarding any health and safety concerns that they might have, as well as any recommendations for improving the H&S culture and workplace. The H&S Management System provides a channel for the voluntary reporting of occurrences or hazards related to both aviation and non-aviation activities, whilst maintaining confidentiality of the person reporting.

Hermes has implemented a process to enhance workplace safety and incident reporting. Any individual who identifies a hazardous situation or witnesses an incident or safety-related event occurring in the workplace is encouraged to submit a claim directly to the HSE-FM department. The HSE-FM department is responsible for conducting all necessary investigations to address the reported issue or incident that took place and proceed with all necessary actions to eliminate or minimise the risk for similar incidents reoccurring in the future.

Employees' participation in H&S issues

Hermes considers of critical importance, the involvement and participation of its employees in creating and developing an internal Health and Safety agenda. In view of this and to achieve this goal, Hermes established HSE Committees in both Larnaca and Pafos Airports. The HSE Committees consist of representatives from various departments within the organisation so that different types of work and Airport operations will be represented in the committees, thus enabling participants to identify and report potential H&S risks associated with their tasks.

The HSE Committees meet at least once every six months, as required by the Regulations on the Management of Safety and Health Issues at Work (Regulatory Administrative Act 158/2021). The HSE Committees are responsible for establishing and maintaining communication channels with management to observe current practices, discuss any H&S concerns and provide relevant recommendations for improvement. Recommendations may relate to measures to prevent accidents and occupational diseases. At the same time, another important goal of the HSE Committees is to promote and encourage the cooperation of all employees to implement H&S measures, safe methods of work and develop a strong H&S culture.

In addition to the above, Hermes organises additional working groups aiming to further develop the Safety Management System. The various groups, which include the Airport Safety Committee, Local Runway Safety Team, Executive Safety Oversight Group, Safety Action Group consist of Hermes employees and/or external associates and participants.

In this way, Hermes ensures that its employees participate in the development, oversight and implementation of H&S management policies and procedures to further enhance the establishment of a safe working environment for all personnel.

Training and education

As an Airport operator, Hermes must ensure that all work activities are carried out by trained personnel and has thus implemented a number of robust mandatory H&S training courses. These were developed to provide employees with the necessary knowledge and skills for preventing or mitigating any significant negative occupational health and safety risks that employees might be exposed to during their daily activities. Workers are not allowed to conduct hazardous activities prior to receiving mandatory training and passing the relevant examination.

Trainings, both generic and H&S-specific are conducted for all new employees and refresher trainings when deemed necessary by the organisation. Most training programs have a validity date, which means that these will have to be repeated. The responsibility for planning the training lies with the HR department.

The H&S training is provided to the employees and departments based on the activity they perform and risks and hazards, related to their function. Thereby, the front-line employees attend, amongst others, First Aid and Use of Automatic External Defibrillators (AED) trainings, while staff performing roof works attend the Working at Height trainings. The list of mandatory learnings may also include Safety Management System, forklift operation, safety inductions, and emergency response trainings.

Also, Hermes has established a buddy scheme, under which more senior and experienced employees are responsible for the smooth induction of and provision of support to new staff members. At Hermes, we believe that such an approach ensures a gradual and safe adjustment to the work environment and serves in preventing accidents.

Promotion of employees' health

As an organisation we care for the health of our employees. All employees of Hermes Airports are covered by medical insurance, in compliance with the requirements of the Social Insurance Law (Law 59(l) of 2010 and Regulations). Moreover, Hermes organises annual blood tests and health checks, which are conducted at the workplace by a certified laboratory. In this way it is ensured that the employees receive full and comprehensive medical and healthcare services. We also care about the emotional health and wellbeing of our people. Since 2017 we have developed the Evexia | Being Well programme which covers eight dimensions of wellbeing. The Company offers to its people, among others, regular newsletters on wellbeing, support through counselling and stress management courses. Initiatives implemented by Hermes in 2023 include: Understanding menopause (21 participants), Self-defence (20 participants), session on Limiting Beliefs (21 participants), session on "The Fundamental Fantasy" (21 participants), Hiking (8 participants). These are in addition to the initiative "SafeSpace Counselling" introduced in 2022 and which provides a confidential space where individuals can speak privately to a psychoanalyst. This service aims to support mental health by offering a safe environment

for people to discuss their thoughts, feelings, and challenges with a professional. The initiative emphasises confidentiality and trust, ensuring that participants can express themselves openly without fear of judgment or breach of privacy.

Hermes upholds a culture of workplace safety, focusing on robust health and safety requirements and promoting internal training courses. The Company proudly reports zero fatalities from work-related injuries or illnesses in 2023 and previous years. Additionally, Hermes closely collaborates with tenants and collects incident data. Tenants' data are promptly reported to the Operations department and are included in a consolidated spreadsheet. Hermes does not maintain data on the number of tenants' staff; therefore, such data is not provided in this report. Zero incidents, injuries, and work-related ill health cases were recorded in 2023 for Hermes' employees and Hermes' tenants' employees, as in the previous years. Hermes makes continuous efforts to enhance its risk assessment agenda.

In 2023, Hermes conducted 11 training courses related to occupational health and safety. The trainings with the participants from each Airport are depicted in the table below.

5.1 HSE Training

Number of staff

Training name	LCA	PFO
Automatic External Defibrillators (AED)	29	0
First Aid	29	0
Work Permit System	6	0
HSE Induction Training	15	4
Accident/Incident Refreshing trainings	13	0
Safety workshop	2	0
SMS Training	4	0
AVOP Training	4	0
Airfield Familiarisation	1	0
Basic Airside Safety	9	1
Fire Fighting	29	0

The Company has a well-established Accident/Incident reporting system operating procedure which is communicated to all Airport tenants at both Larnaca and Pafos Airports. All incident reports are reported to the Operations department and relevant investigation reports are conducted. Data collected is analysed to provide statistical data and allow for a more comprehensive view of the status of the workplace. The table below provides statistics on H&S occurrences and accidents/incidents, reported in the last three years.

5.2 Health and Safety Occurrences Category LCA and PFO

Larnaca Airport	2021	2022	2023
Damage to vehicles by vehicles	11	14	8
Damage to facilities by vehicles	6	4	20
Facilities damages	29	26	14
Fire Incidents (smoke/fire)	5	1	8
Fire Alarm Activation	3	5	6
First aid provision	29	86	116
Passenger accidents	23	48	45
Occupational accidents – 3rd Parties	37	32	40
Occupational accidents – Hermes Staff	0	1	0
Other	0	0	0
TOTAL	143	217	257

Pafos Airport	2021	2022	2023
Damage to vehicles by vehicles	1	2	3
Damage to facilities by vehicles	2	10	6
Facilities damages	8	4	4
Fire Incidents (smoke/fire)	3	0	1
Fire Alarm Activation	1	1	2
First aid provision	2	14	7
Passenger accidents	6	19	31
Occupational accidents – 3rd Parties	7	6	12
Occupational accidents – Hermes Staff	0	0	0
Other	0	0	1
TOTAL	33	57	67



5.3 Total Accident / Incident Occurrences LCA and PFO

Larnaca Airport	2021	2022	2023
Total Reported Accidents	396	568	692
Health & Safety Occurrences	143	217	257
Environmental Occurrences	21	36	24
SMS	N/A	210	260
Other	232	105	151

Pafos Airport	2021	2022	2023
Total Reported Accidents	130	204	213
Health & Safety Occurrences	33	57	67
Environmental Occurrences	14	13	7
SMS	N/A	127	140
Other	83	7	1

Passenger safety

As a responsible operator, Hermes remains firm on its commitment for safe, secure, efficient, and value-adding services provided by a well-coordinated Airport community to create an exceptional experience for the Airport travellers. Through a combination of measures and resources, Hermes ensures the safety of passengers, crew, ground personnel, airlines, property, and the public. This is achieved through Hermes' comprehensive Health and Safety Management System (H&S MS).

Within the framework of its H&S MS, Hermes sets priorities and general objectives regarding aviation safety. Hermes is committed to developing, implementing, maintaining, and constantly improving strategies and processes to ensure that all aviation activities take place to achieve the highest level of safety performance and meet regulatory requirements.

The Aviation Safety Management System forms part of the Hermes H&S MS. This system comprises a policy, relevant procedures, and documentation. It is reviewed on an annual basis, using current safety data and feedback received from line managers and front-line staff, as well as the results from internal and external audits.

Hermes continuously monitors the performance of the system and proceeds with updated regulatory requirements and organisational changes where needed. At the same time, Hermes audits the Airport users that are involved in aerodrome operations. Following the development of its own system, Hermes recognised the necessity to share data and exchange safety information with other Airports.

As in the case of the occupational health and safety, Hermes also prepares Risk Assessments for each Airport that are based on the hazard identification and evaluation of risks and appropriate control measures relating to the safety of its passengers. The assessments cover all new equipment and services to ensure the safety of its passengers.

Beyond the collection of safety-related information, Hermes analyses and extracts safety information and intelligence from data that enables continuous monitoring of safety levels. Hermes also identifies the need for data sharing and exchange of safety information between Larnaca and Pafos Airports' airside users and other international Airports to act proactively by considering safety-related incidents that have occurred at other Airports.

During the period of 2021-2023, Hermes did not record any incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.



CHAPTER SIX: Employee Experience and Engagement

An enduring strategic goal formulated by Hermes in 2013, is to emerge as an Employer of Choice, both domestically and internationally. Hermes goal from the beginning was to have a healthy organisation with strong leadership and a high-performance culture, where people from all generations feel recognised, respected, and receive developmental opportunities that will improve both their personal and professional lives, which are fundamental parameters for today's satisfied, productive, and happy workforce.

Introduced in 2013, the People Strategy has evolved in alignment with the Company's overarching strategy, industry best practices, and feedback obtained from employee surveys and focus groups. This comprehensive strategy encompasses all related people practices, including recruitment, retention, development, wellbeing, performance, satisfaction, and productivity. Hermes' HR department revises the action plan annually, incorporating feedback provided by its employees.

Since 2019, Hermes has been accredited with the Platinum Investors in People accreditation (IIP) and in 2023, has also been accredited with the "We Invest in Wellbeing" Gold accreditation by Investors in People (IIP). To date Hermes is the only Airport globally to hold these two accreditations.

Human rights, diversity, and inclusion

Hermes is an equal opportunity employer, respecting the diversity of all employees and the people who are interested to work at the Company. To ensure that, Hermes has developed an Equal Opportunity, Discrimination and Harassment Policy where all employees respect one another's human rights, and discrimination on the grounds of gender, religion, disability, age, gender identity, sexual orientation, race, colour, nationality, ethnic origin, marital status, or other reasons is forbidden. This policy is also embedded in all other People policies, procedures, and practices to ensure that regardless their diversity, all Hermes employees and applicants can have equal opportunities in the organisation such as learning and development, talent management, promotions, remuneration, along with others.

Hermes' Employee Handbook provides information about employee rights, responsibilities, benefits, and procedures applicable to all employees throughout their time with the Company. Key policies, including the Code of Business Ethics which contains information about responsible business conduct and respecting human rights, Allegation Response procedure, Equal Opportunity, Discrimination and Harassment, as well as Grievance, are incorporated into the handbook. Hermes tracks the effectiveness of the grievance mechanisms and other remediation processes, by determining the ratio of number of complaints per employee.

The Company's commitment to human rights, due diligence, ethical behaviour, and responsible business conduct, are communicated not only to employees but also to partners via a declaration form included in the Code of Business Ethics.

Moreover, as part of Hermes' induction program for new employees, the Company implemented the 'buddy scheme' with the goal of helping newcomers become familiar with the Company's policies and procedures and seamlessly adapt to their new working environment.

Hermes takes pride in achieving pay equity on different employee levels and strives to support and promote female leadership without undermining the contribution of male colleagues. The remuneration of women to men has been relatively balanced for the last years for all employees' levels, reconfirming the Company's commitment to having an equal treatment for all employees.

The numbers in the metrics below (where applicable) have been revised and presented in Full-Time Employees (headcount), instead of Full-Time Equivalent (as it was in the 2022 report).

6.1 Number of Employees per age group & gender

	2021		2022		2023	
	No.	%	No.	%	No.	%
<30 Years Old	8	5.67	13	8.78	18	11.92
30-50 Years Old	92	65.25	91	61.49	89	58.94
>50 Years Old	41	29.08	44	29.73	44	29.14
Total	141		148		151	
Male	87	61.70	97	65.54	100	66.23
Female	54	38.30	51	34.46	51	33.77
Total	141		148		151	

6.2 Number of Individuals in Board of Directors per age group & gender

	2021		2022		2023	
	No.	%	No.	%	No.	%
<30 Years Old	1	5.3	0	0.0	0	0.0
30-50 Years Old	3	15.8	2	11.1	2	10.5
>50 Years Old	15	79.0	16	88.9	17	89.5
Total	19		18		19	
Male	18	94.7	17	94.4	18	94.7
Female	1	5.3	1	5.6	1	5.3
Total	19		18		19	

6.3 Ratio of Basic Salary and remuneration of female to male by employee level

	2021		2022		2023	
	Basic Salary	Remuneration	Basic Salary	Remuneration	Basic Salary	Remuneration
Managerial employees (c-suites & senior manager)	122.05%	127.77%	121.95%	140.79%	126.29%	137.68%
Middle management (manager)	93.97%	94.17%	88.7%	92.21%	92.12%	92.13%
Supervisory employees (team leader)	95.59%	95.59%	92.82%	92.00%	93.69%	95.03%
Employees (team members)	99.39%	99.39%	99.55%	99.96%	100.51%	99.94%

Attracting and retaining employees

An important challenge for Hermes is how to retain its people and how to keep the necessary knowledge and expertise until the end of the concession agreement. Alongside Hermes' retention strategy, another area of focus is the recruitment of new employees, providing them with knowledge and relevant experience for their future careers. To attract candidates, Hermes utilises additional sources for job vacancies, such as advertising vacancies on Hermes' website and social media, other career websites, collaborating with Universities/Colleges, participating in Universities' Career Expos, and collaborating with recruitment agencies. In addition, since 2020, Hermes hosts Airport Career Days with its Airport stakeholders.

Hermes employs people from all the main districts in Cyprus. Employees at Larnaca Airport are predominantly from Nicosia and Larnaca. Employees at Pafos Airport are predominantly from Pafos. Individuals from Limassol are employed at both Airports.

Employee learning and development

In Hermes, there is a strong commitment to develop employees based on their individual learning and development needs to achieve their full potential, while simultaneously increasing job satisfaction and supporting their career development.

The Hermes Academy

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



Every 2 years, personal development plans are prepared for each employee, based on their individual training needs, and focused on improving working skills. Employees have their own goals and targets in education and self-development, which they agree with their Manager and the HR Department. In addition, regular on-going performance discussions between Managers and individual employees also take place.

Trainings available include both voluntary and mandatory courses, as well as one-to-one coaching sessions to employees via internal and external executive coaches.

The Hermes Academy for the Airport community

The Hermes Academy was first introduced to the Airport community in 2019 to promote consistency among Airport stakeholders in their actions, operations, and customer service through education and training. The vision of the Academy is to "establish a shared Airport Culture and Collaborative Mindset, where all Stakeholders, acting As ONE, inspire our People to create an environment for customers to experience our exceptional professional services and enjoy the warmth of the Cypriot Philoxenia⁴."

The model of the Hermes Academy focuses on the areas of Philoxenia, Business Excellence, Leadership & Management, Personal Development and Technical & Operational.

From September 2020 onwards, Hermes Academy was recognised by the Human Resources Development Authority (HRDA) as a training institution. As an approved HRDA training institution Hermes could offer subsidised training courses to the wider Airport community on various topics related to Airports and beyond.

Philoxenia

Philoxenia is Hermes' unique program, which was developed in-house, and it is aimed at improving client services. As Philoxenia is at the heart of the Hermes Academy, the first thing done was to develop the Philoxenia Leadership program with the assistance of a Lacanian Psychoanalyst from the Institute of Lacanian Psychoanalysis and Personal Development. As leaders play a significant role in the creation of the culture, the Leadership Philoxenia program places an emphasis on the human mind and the concepts of structural interaction. It aims to assist leaders in enhancing their leadership skills to understand and support the concept of Philoxenia and direct these behavioural changes in their employees with precision and ease, to mark customers' experiences.

In 2023, the Cyprus Police Academy invited Hermes to give an overview of the Philoxenia program to police officers as part of their training.

Hermes systematically monitors and quantifies the average training hours allocated to its employees, as shown in the tables below:

6.4 Training hours

Average training hours by employee			
	2021	2022	2023
Managerial employees (C-Suites & Senior Managers)	10	98	62
Middle management (managers)	9	33	63
Supervisory employees (team leaders)	21	24	18
Employees (team members)	20	26	28
Total	19	28	28
Male	22	31	32
Female	14	20	28
Total	19	28	28

Leadership

Leadership development is considered one of the most important pillars, as the leaders are those who would wholeheartedly champion the various people initiatives. In order to assist the leaders to develop even further their skills, both on an individual and team basis, we have introduced a number of initiatives and programs like the introduction of the Operating Agreements of the leadership team, the 360-degree feedback (Leadership Circle Profile) for the leadership and management team, and the 180-degree feedback for the Team Leaders and Airport Duty Managers. In addition, several Leadership programs and workshops were implemented such as Coaching Skills for Leaders; Lead, Inspire and Develop, Leadership Think Tank; Organisational Agility and Agile Leader; the Motivational Map, and New Era: Leadership and Influence. Due to the latest developments and the new era, the Leadership Competency Framework has also been updated accordingly. In 2023, leadership continues to be one of the organisation's main strengths, scoring 4.50/5.00 in the Leadership category of the employee satisfaction survey.

⁴ 'Philoxenia' is the Greek word for hospitality.

Talent management and promotions

Hermes conducts talent management and succession planning every 2-3 years to find and nurture talent, ensuring technical expertise in key roles and leadership continuity. Hermes has identified over 38 talents since the program's inception in 2016, with 31 in 2022, which was the most recent year this exercise was conducted.

CASE STUDY

At the inception of the Company, all the senior positions were covered by expatriates. However, since 2016, all positions including that of CEO, have been covered by Cypriots. This is an important achievement for Hermes but also for the economy as a whole, since Hermes has been able to disseminate knowledge to the community ensuring that the expertise of managing Airports is now available within the country and can remain and be nurtured in Cyprus going forward.

Employee Remuneration

Hermes follows Cyprus legislation related to minimum wage and strives to provide above-average salaries to its employees. Every 3 years the Company monitors inflation, and other salary trends, and conducts an independent salary survey to understand salary ratios in other companies with the goal of remaining an employer of choice and continue offering attractive remuneration. Information about each employee's remuneration is confidential and discussed only between the employee, their manager, and the HR department.

Hermes' significant market presence in Cyprus is further supported by its approach towards remuneration and local hirings. The Hermes Salary Grading system is in place which determines the minimum wage rules. These are applied to junior positions as well as seasonal employees, depending on position, for all locations of significant operation⁵.

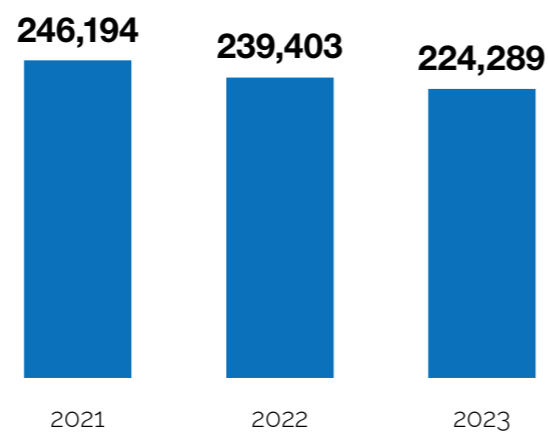
Benefits

Hermes has developed the Total Remuneration Policy which includes all the financial and non-financial benefits offered to its employees such as personal life and personal accident insurance, health care coverage, and parental leave to its full and part time employees, hybrid working arrangements etc.

Provident fund

Hermes places a strong emphasis on the financial stability and safety of its employees. The Company serves as an intermediary in the transfer of funds to the Provident Fund⁶. The employee and the employer contribute to the Provident Fund each at a separate percentage. The Provident Fund has its own investment strategy, which is updated every 3 years, with the latest update made in 2023 and aims to secure the maximum risk adjusted returns for its members. Hermes' commitment is to pay its share of the contributions to the Provident Fund of 6% plus an additional 0.5% which is linked to the Company's performance. The employee can contribute anything between 6% to 15% of their salary to the Provident Fund. The employer appoints two out of the six members of the Provident Fund Administration Committee. The employees do not have defined benefits.

6.5 Estimated value of liabilities that are met by the organisation's general resources (EUR)



6.6 Percentage of salary contributed by employee or employer



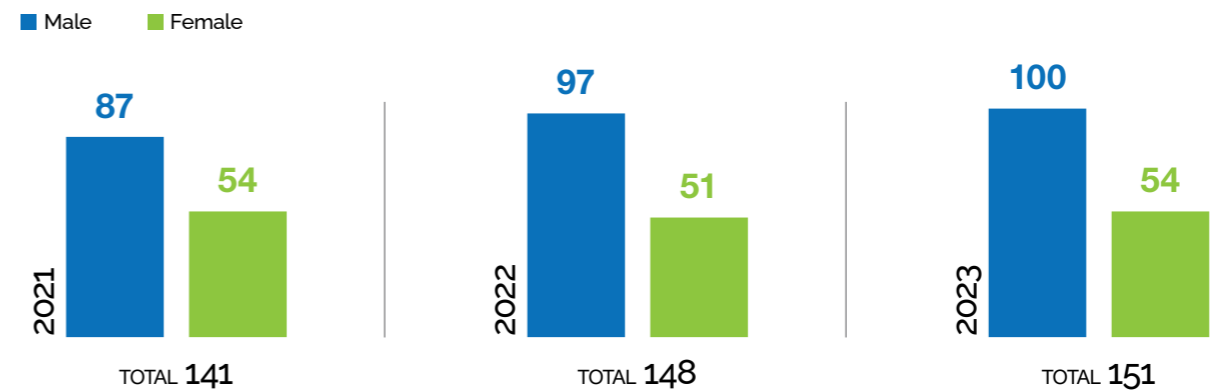
⁶ This is not a defined benefit retirement plan. The Company's insurance plans for employees meet all legal requirements. The Republic of Cyprus is Hermes's main significant location of operations, so Hermes follows the Social Insurance Law (Law 59(I) of 2010 and Regulations).

⁵ Significant locations of operation are defined as: Larnaca district & Pafos district, where the two Airports are located.

Parental leave

Hermes provides maternity and paternity leave in accordance with the Cyprus legislation. After the parental leave is over, Hermes employees return to the same position they had before the leave. Additionally, Hermes appreciates the amount of stress new parents face and provides psychological sessions with a therapist, to help them go through this period. In case of child illness or other family-related situations, Hermes is ready to provide more flexible working hours, change shifts, or suggest another type of work to an employee.

6.7 The number of employees that were entitled to parental leave



6.8 Returning to work after parental leave

	2021	2022	2023
Number of employees that took parental leave, by gender	2	3	1
	3	0	1
Total	5	3	2
Number of employees that returned to work in the reporting period after parental leave ended, by gender	2	3	1
	3	0	1
Total	5	3	2
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	2	3	1
	2	0	1
Total	4	3	2
Return to work and retention rates of employees that took parental leave, by gender	100%	100%	100%
	67%	0%	100%

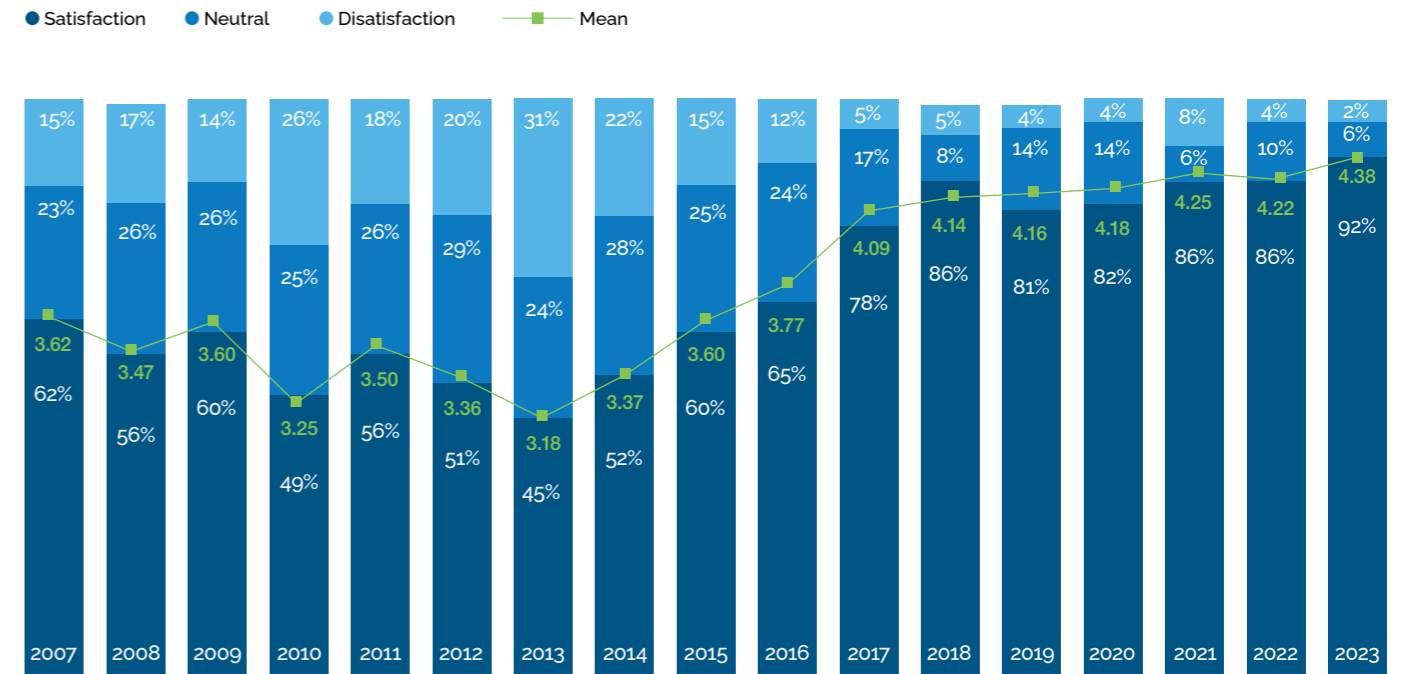


Wellbeing

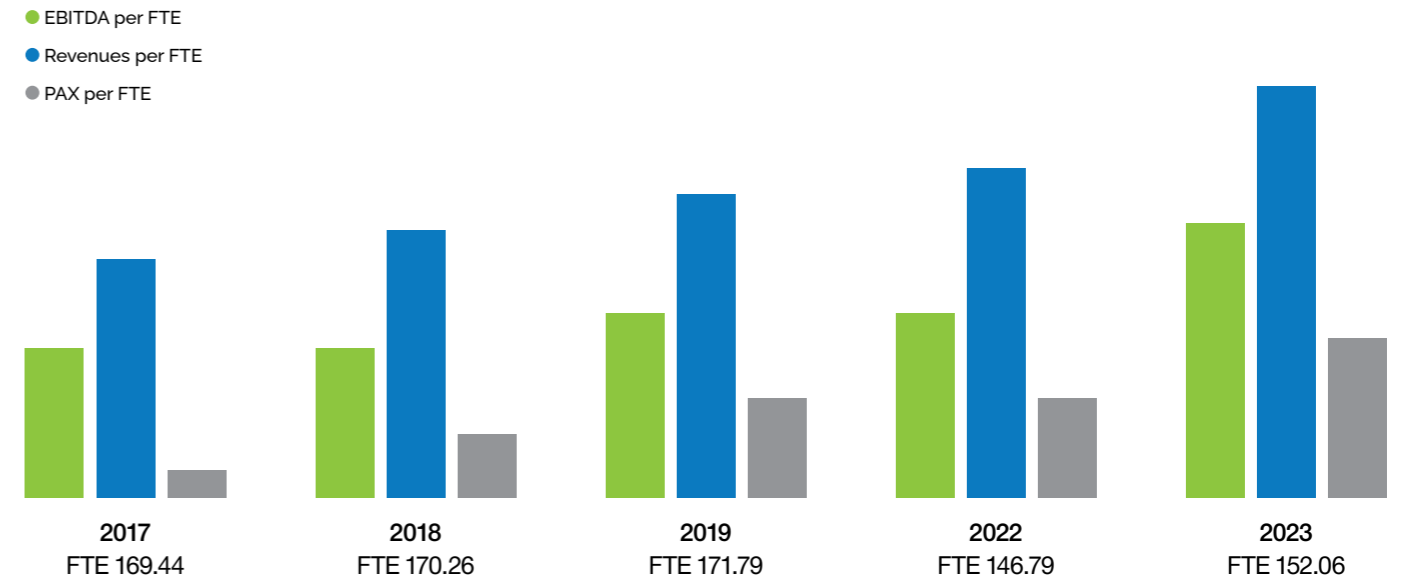
Established in 2017, the 'Evexia | Being Well' Program was created to assist employees in fostering a happy, healthy, and productive lifestyle. Since its inception, a series of initiatives have been introduced, including: the employee appreciation week, on-site blood testing, health checks, muscle relaxation sessions, parental coaching workshops, stress management training, and hiking excursions, among others. A key initiative introduced during the Covid-19 period is the SafeSpace program — a confidential counselling service provided by a professional psychoanalyst. In 2023, Hermes continued to provide free therapy sessions to its employees.

In addition, in 2023, Hermes launched for the first time a Wellness Retreat that took place in May, with the theme "Self-Awareness". The scope of the retreat was to enable participants to reconnect with themselves on a deeper level and increase their self-awareness. During these three days, participants had the opportunity to participate in various sessions such as a workshop on limiting beliefs, sound healing and positive affirmations, yoga, and reiki; all designed to connect the mind and the body. The retreat was a great success with participants commenting that they not only learnt a lot about themselves throughout the retreat, but also had the opportunity to connect with each other on a deeper level.

6.10 Employee Satisfaction Scores - Key Findings



6.11 Employee Productivity KPIs⁷



⁷ FTE - Full Time Equivalent



6.12 New employee hires and employee turnover by age and gender

HEADCOUNTS (Permanent & Seasonals employees)

Age Group	No. of Recruitments			Total No. of Staff as of Dec 2021			Rate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<30 Years Old	8	14	13	8	13	18	100%	108%	72%
30-50 Years Old	0	15	9	92	91	89	0%	16%	10%
>50 Years Old	2	3	1	41	44	44	5%	7%	2%
Grand Total	10	32	23	141	148	151	7%	22%	15%
Male	7	23	13	87	97	100	8%	24%	13%
Female	3	9	10	54	51	51	6%	18%	20%
Grand Total	10	32	23	141	148	151	7%	22%	15%

6.13 Employee departures by age and gender*

HEADCOUNTS (Permanent & Seasonals employees)

Age Group	No. of Departures			Total No. of Staff as of Dec 2021			Turnover Rate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
<30 Years Old	6	9	6	8	13	18	75%	69%	33%
30-50 Years Old	13	10	10	92	91	89	14%	11%	11%
>50 Years Old	3	7	6	41	44	44	7%	16%	14%
Grand Total	22	26	22	141	148	151	16%	18%	15%
Male	13	13	13	100	97	100	13%	13%	13%
Female	9	13	9	51	51	51	18%	25%	18%
Grand Total	22	26	22	141	148	151	15%	18%	15%

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

6.14 Employee breakdown

	2021 - Headcount as of Dec 2021	2022 - Headcount as of Dec 2022	2023 - Headcount as of Dec 2023
Total Employees	141	148	151
Female	54	51	51
Male	87	97	100
Other*	0	0	0
Total Employees in Larnaca	118	122	126
Total Employees in Pafos	23	26	25
Total Permanent Employees	141	148	151
Female	54	51	51
Male	87	97	100
Other*	0	0	0
Total Employees in Larnaca	118	122	126
Total Employees in Pafos	23	26	25
Temporary employees	4	11	10
Female	0	4	4
Male	4	7	6
Other*	0	0	0
Total Employees in Larnaca	3	6	8
Total Employees in Pafos	1	5	2

Note: Hermes does not employ "Non-guaranteed hours employees" nor "Part-time employees".

* Gender as specified by the employees themselves.

CHAPTER SEVEN: Sustainable Supply Chain

Procurement practices

Hermes relies on a variety of suppliers and vendors providing goods and services that guarantee superior quality and effective operations. These goods and services cover all of Hermes' operations both upstream (aviation security, territory maintenance, information technology and information security supplier services, janitorial services etc.) and downstream (handling and check-in services provided by airlines and handling agents, customer service and support services, airside services provided to passengers by concessionaires including retail, food and beverage products, transportation services, lounge services etc.). The largest portion of Hermes' procurement budget is spent on local suppliers demonstrating the Company's strong emphasis on local procurement.

Hermes is committed to integrating ESG principles into its procurement practices to create a positive impact on the environment, the people and the economy. In light of this, Hermes has been working towards the development of a Sustainable Procurement Policy, as a means to minimise its environmental footprint, promote social responsibility and responsible business practices and contribute to a sustainable future, throughout its supply chain. A 5% weight for environmental, social, and governance (ESG) criteria has been incorporated into the Company's procurement processes for proponents to be assessed based on those criteria, effective as of 1st January 2024. Another initiative decided by Hermes in 2023 and which will be actioned in the year to follow, is the Supplier Screening Process evaluating specifically, the ESG practices followed by its top-valued suppliers. Through the implementation of this action, Hermes will identify and mitigate ESG risks associated with its top-valued suppliers, ensure their compliance with environmental and labour regulations, diversity and inclusion, and ethical practices and contribute to building a more responsible, resilient, and competitive business. In addition, from 2024 Hermes will become more active in its screening for new suppliers by incorporating additional social impact criteria in its Know Your Client (KYC) review system.

Furthermore, in compliance with its Procurement Policy and procedures, Hermes is committed to the following:

- Implementation of the **Code of Business Ethics** introduced in July 2015, to prevent, identify, and manage potential conflicts of interest in the procurement process. Hermes is dedicated to conducting business in an honest and ethical manner and to follow all applicable rules and regulations. As part of this commitment, Hermes requires entities with which it conducts business, to provide a warranty, or otherwise make a declaration of compliance, in the form and content of the declaration that is part of the procurement documentation.
- Performance of a **compliance review** during the procurement process to verify the identity of all prospective proponents and assess any potential risks involved in doing business with them.
- Implementation of the **iKYC screening system** since 2021. Via this system, a screening takes place for politically exposed persons (PEPs), sanction lists and adverse media coverage, in order to identify potential risks associated with certain individuals or entities throughout the procurement process.
- Development of **Key Performance Indicators (KPIs) to measure progress towards sustainability goals** and assess the effectiveness of its procurement strategies. The KPIs are essential tool and will help Hermes to identify and mitigate sustainability risks in the supply chain, like environmental degradation, labour violations and ethical concerns.
- Application of **contract management best practices** to improve supplier performance, increase business efficiency and develop long-term relationships with suppliers. Where applicable, agreements include performance monitoring mechanisms through **service-level agreements (SLAs)** to ensure a high level of service.
- Development of **key performance indicators outlined in the SLAs**, with their consistent tracking and summary to monitor and evaluate performance and compliance.

- Promotion of **fairness, transparency, equal treatment, and integrity throughout the procurement process**. The procurement function ensures that the process is conducted fairly and transparently, and that all information provided to suppliers is identical. The weights and scoring criteria differ based on the type of purchase or service.

Additional actions contributing to the effectiveness of the process, include the training of employees on an annual basis to ensure their understanding on conflict-of-interest rules and guidelines as well as the verification of completed and signed declaration forms in the procurement documents to evaluate whether conflicts were appropriately addressed and/or mitigated. Furthermore, Hermes engages with its stakeholders in its procurement process through the request of feedback from the involved departments after the completion of a tender, in relation to the alignment of products or services with Hermes' requirements (i.e., operational effectiveness and quality) and conformance to Hermes' overall strategy and objectives.

Proportion of spending on local suppliers

Emphasising its commitment to acquiring products and services from local sources, the largest portion of Hermes' procurement budget is allocated to local suppliers, as provided below.

7.1 Proportion of spending on local suppliers



Supplier social impact assessment

Hermes is committed to conducting business with suppliers and vendors who adhere to human rights' laws, implement fair labour practices, and create a safe working environment throughout their supply chain. As mentioned in the previous section, from 2023 Hermes has become more active in the suppliers' and vendors' screening process, by incorporating additional social impact criteria in its KYC system and assessing its supply chain based on these criteria.

In 2023, all new suppliers that entered into an agreement with Hermes were screened and assessed against the social impact criteria and none were identified as having significant actual or potential negative social impacts throughout the supply chain.

Supplier environmental assessment

The 5% weight relating to ESG criteria which was incorporated in 2023 into the Company's procurement processes (with effectiveness from January 2024), also accounts for the suppliers' environmental assessment. The screening criteria incorporated, include energy efficiency requirements, reduced carbon footprint and greenhouse gas emissions, and waste and recycling practices, with the ultimate goal of achieving a more sustainable future.

No new suppliers were screened against environmental assessment criteria in 2023, since no applicable purchases were made during the year.

CHAPTER EIGHT: Climate Change

Energy management

Hermes' Energy and Carbon Management Policy 2019 together with Hermes' Health, Safety, Environmental and Social Responsibility Policy 2018, set the framework for its energy management. The former has replaced the Company's Energy Policy developed in 2016, so as to include all aspects that have an impact on the organisation's carbon footprint. The majority of topics covered under these policies are not mandatory by law but have been voluntarily targeted by Hermes.

Hermes has and continues to demonstrate commitment to its policies relating to energy management through various initiatives including the following activities:

- implementation of its energy management system in accordance with the ISO 50001:2018 standard since 2016
- operation of the "Energy Committee" since 2015
- formulation of the initial Hermes Energy and Climate Strategy and its revision for the period 2021 – 2030. The Strategy is expressed as a roadmap with short, medium, and long-term targets and actions monitored and reviewed on an annual basis. The targets are in alignment with the national targets for energy and climate, as well as the requirements of the Paris Agreement, EU Green Deal and the Fit-for-55 package.

Hermes' energy management policies also extend where practically possible, to its stakeholders and tenants to ensure alignment of their operations with the Energy and Climate Strategy and all related programs/actions.

Another important milestone is the completion of the construction of the two solar power (photovoltaic) plants: the 3.5MWp at the Larnaca Airport and 1.1MWp at the Pafos Airport. The two plants became operational in June 2023. The purpose of these projects is to boost Hermes' own renewable energy production as per the Company's commitment towards green energy. The plants upon full utilisation and operational capacity are estimated to cover approximately 28% of Hermes' energy requirements. Furthermore, since the beginning of its operation and up to present, Hermes has been active in the ongoing implementation of energy conservation and efficiency

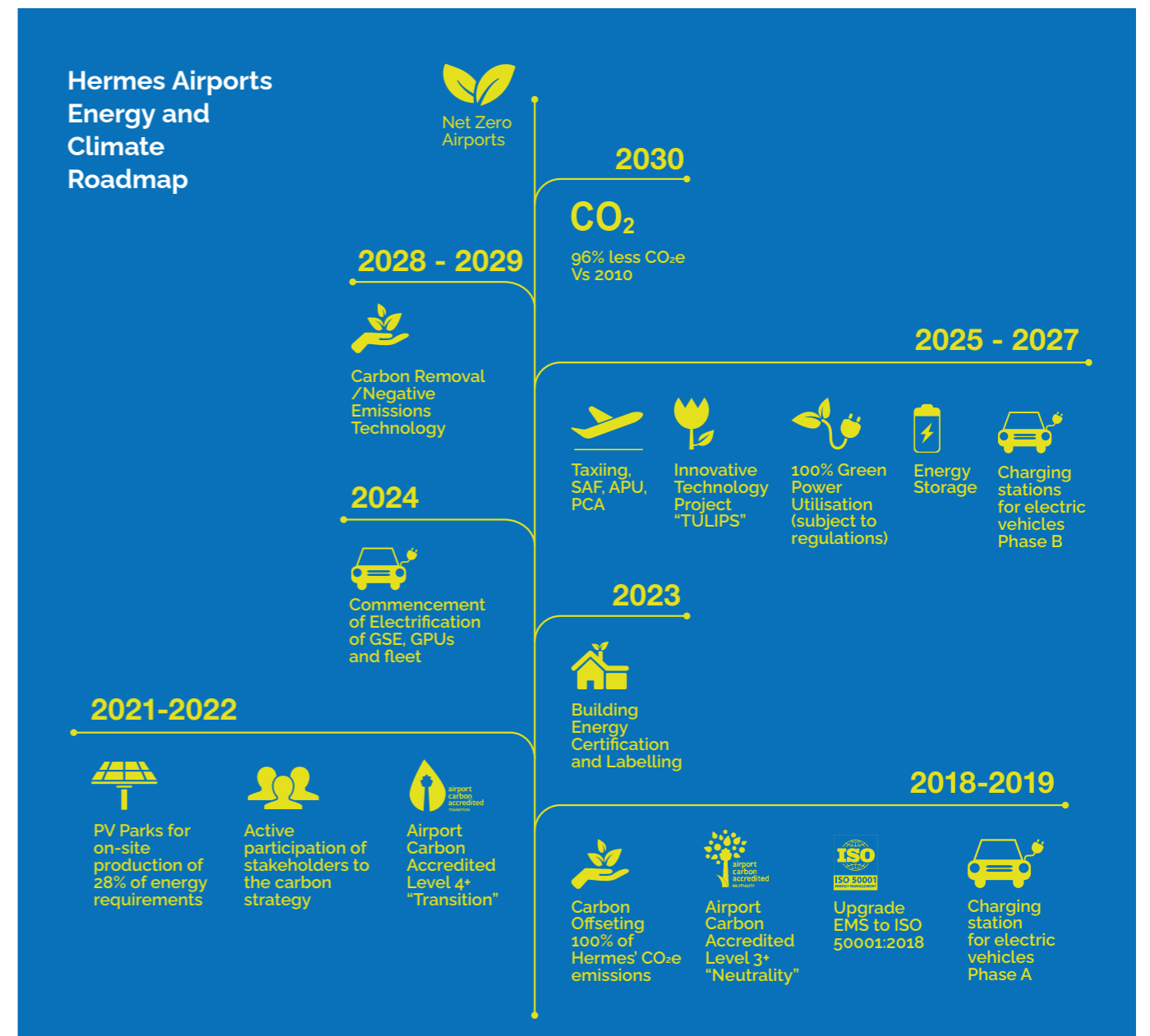
measures, at both Larnaca and Pafos Airports. Examples of these include the installation of LED lighting, the redesign and optimisation of the buildings' systems such as the HVAC system, the installation of inverters on HVAC equipment, the rationalistic use of equipment, and the implementation of energy-saving awareness programs for the whole Airport community. Additionally, and in 2023 specifically, Hermes initiated tenders for the replacement of the aprons' floodlighting at both the Larnaca and Pafos Airports. The total energy reductions achieved since 2010, which is the baseline year, is 32%.

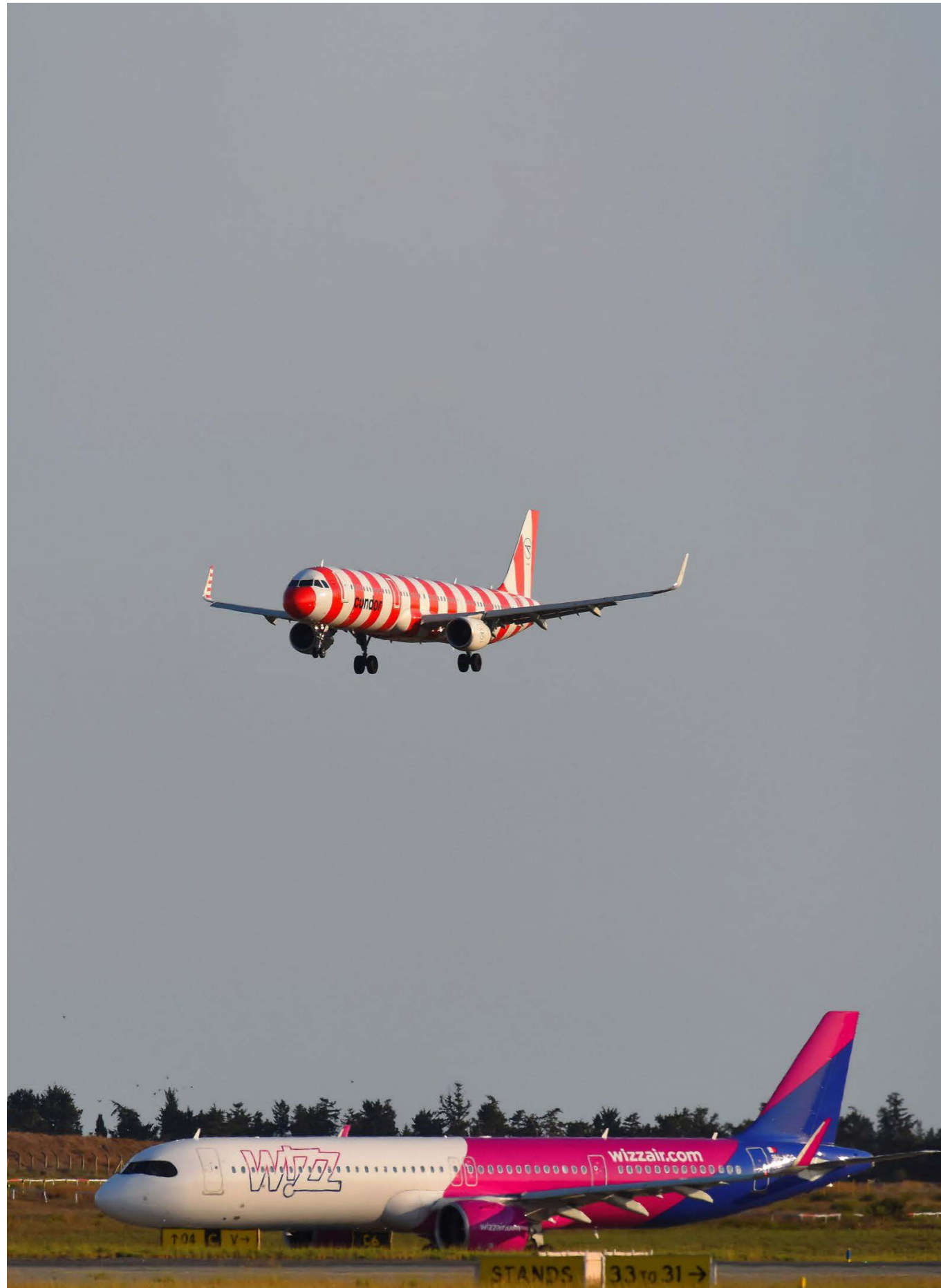
Hermes also participates in an ambitious EU-funded project named TULIPS with 31 other partners including three other European Airports. The project commenced in January 2022 and has been running throughout 2023. The purpose of TULIPS is to accelerate the implementation of innovative and sustainable technologies to reduce emissions at Airports. In October 2023, Hermes hosted at Larnaca Airport, the TULIPS Annual General Assembly. Hermes participates in various work packages aiming at the decarbonization of the aviation industry, including:

- Work Package 1 – Sustainable Intermodal transport connections for both Airport staff and the passengers
- Work Package 3 "Smart Energy Hub" for simulation of the thermal energy performance of the Terminal building and the performance of the solar plant at Larnaca Airport. This is to determine when the solar plant production can be fully utilised by the Terminal and also examine the potential for battery storage for the excess energy produced by the PV plant during certain times of the year. Following that, improved airside electricity management including storage and direct charging of electric vehicles and ground support equipment from PVs, will be examined and proposed.
- Work Package 4 "Zero Emissions Airside Operations" which will include the testing at Larnaca Airport during 2025 of a ground power unit that will be powered by a hydrogen fuel cell. The experience gained from Work Package 4 will be used to develop a plan for the evolution of hydrogen supply chain to Airports.

- Work Package 6 – Circular Airports – aiming at operational innovations to reduce passenger waste and to encourage and grow the reuse of construction materials.
- Work Package 7 "Airport Land Carbon Sequestration" includes biochar field tests at Larnaca Airport aiming to assess and optimize the carbon sequestration potential of Airport land assets.

Hermes' energy performance is monitored against the performance indicators, annual goals and targets set within the framework of its ISO 50001 energy management system. These are approved by the Energy Committee every year and are monitored on a regular basis to validate their effectiveness.





Energy consumption

Despite the increase in passenger traffic in 2023 compared to the previous year, the electricity consumption dropped by 1.8% at Larnaca Airport and 5.8% at Pafos Airport, compared to the previous year. Consequently, there is a decrease in the energy intensity ratio for 2023, expressed as the electricity consumption per floor area (m²). A decrease in the total electricity per passenger ratio by 26.4% for Larnaca Airport and 16% for Pafos Airport has also been recorded, due to both the decrease in electricity consumption and increase in passenger traffic. Fuel consumption has increased by 4.8% and 34.8% at Larnaca and Pafos Airports, respectively.

2023 was the first year of operation of the two photovoltaic (PV) power plants at both Airports. A total of 1.95 GWh of renewable energy was generated, leading to a reduction in the consumption of electricity drawn from the national grid. Specifically, a 5% reduction has been achieved at Larnaca Airport and 12% at Pafos Airport. Hermes plans to increase those percentage contributions, through the full and more efficient utilisation of the existing plants, but also the construction of additional PV plants in the future.

8.1 Energy Consumption

■ LCA ■ PFO

Electricity Consumption (kWh)			
	2021	2022	2023
Within the organization	16,851,705	16,615,782	16,633,632
	4,191,624	4,660,328	3,943,813
By tenants	6,465,447	8,089,502	7,629,623
	1,617,696	2,007,363	2,335,506
Total	23,317,152	24,705,284	24,263,255
	5,809,320	6,667,691	6,279,319
Electricity consumption per passenger (kWh/PAX)	6.49	4.09	3.01
	3.83	2.10	1.76
Electricity consumption per floor area (kWh/m ²)	291.46	308.82	303.29
	293.40	336.75	317.14
Heating Consumption (kWh) ¹	168,701	225,120	235,840
	375,200	413,792	201,536
Cooling Consumption (kWh) ²	7,811,022	7,590,671	7,890,932
	1,531,841	1,615,821	1,357,515
Fuel Consumption from non-renewable sources (TJ) ³	90,925	72,617	76,133
	776	2,417	3,257

1 Diesel in liters used in boilers for heating, converted to kWh.

2 These figures are already included in the figures of electricity consumption within the organization.

3 These figures include fuel consumption of vehicles and diesel generators operated by the organization.

Hermes approach to reducing carbon emissions

As in the case of its energy management, actions by Hermes to monitor and reduce the emissions from its operations, are implemented within the framework of its Energy and Carbon Management Policy, the Health, Safety, Environmental and Social Responsibility Policy and the Energy and Climate Strategy 2021 - 2030. The focus in the last decade has been the reduction of the electricity consumption as this comprises 90% of Hermes' carbon emissions, with the remaining 10% breaking down to its Scope 1 emissions from fuel consumption and emissions from refrigerant gases (approximately 5% each respectively). Hermes' operations are accountable for approximately 8% of the total Airports' emissions.

Another landmark for Hermes in 2023, is the achievement of the Airport Carbon Accreditation Level 4+ "Transition", which is an upgrade from the previous year's accreditation level 3+ "Neutrality". The level 4+ "Transition" accreditation has been achieved in recognition of the Airport's exemplary work in aligning its carbon management with global climate goals to reach absolute emission reductions. This requires mapping of all carbon emission sources of the Airports, the continuous reduction of their directly controlled Scope 1 and 2 emissions, as well as Scope 3 emissions related to Hermes' staff business travel and commuting to and from work. In terms of the Scope 3 emissions, the Company also aims at the continuous reduction of Scope 3 emissions from at least one source/category of activity per year. Hermes has also been engaging with other stakeholders to reduce their carbon emissions, developing, and implementing a carbon management action plan and offsetting the remaining controlled emissions which cannot be reduced further, by supporting accredited offsetting projects (renewable energy projects, hydropower, efficient cookstoves etc.).

Additional initiatives include the following:

- signing the collective ACI Europe resolution "Net Zero2050" which commits Airport operators in achieving net zero emissions without offsets by 2050;
- participation in the EU-funded TULIPS project and specifically in the "Smart Energy Hub", "Zero Emission Airside Operations", "Circular Airports", "Intermodal Services" and "Green Air and Land" work-packages.

The effectiveness of the various actions undertaken to serve the ongoing carbon emission reduction efforts of Hermes is further evidenced through the Airport Carbon Accreditation, which is a stringent accreditation that requires continuous monitoring. Furthermore, goals, targets and indicators relating to carbon emissions reductions are also linked to the Company's energy management system and are monitored on a regular basis to validate their effectiveness.

Engagement with stakeholders during these efforts is achieved by means of the detailed Stakeholder Engagement Plan which is also a requirement of the Airport Carbon Accreditation Program. As part of the requirements of the Level 4+ accreditation, Hermes has enhanced the level of engagement to the active participation of its stakeholders in various initiatives, to support them in reducing their carbon footprints (including their energy consumption).



Greenhouse gas (GHG) emissions

Hermes' Scope 1, 2 and 3 emissions are provided in the table below.

8.2 GHG Emissions

■ LCA ■ PFO

	2010 (base year)	2021	2022	2023
Scope 1 - Direct (Tonnes CO₂e¹)	850 276	435 242	324 454	303 434
Total	1,126	677	778	737
Scope 2 - Energy Indirect (Tonnes CO₂e¹) Gross Location-based	23,913 4,107	14,675 3,650	14,953 4,064	9,727 2,306
Total	28,020	18,325	19,017	12,033
Gross Market-based	23,913 4,107	10,819 2,691	10,445 2,839	10,492 2,488
Total	28,020	13,510	13,284	12,980
Scope 3 - Other Indirect (Tonnes CO₂e¹)	not available not available	101,054 37,082	506,931 235,075	592,389 222,291
Total	-	138,136	742,006	814,680
Combined Scope 1 and 2 Emissions Intensity Ratio (kgCO₂e/PAX)	4.6 1.9	4.2 2.6	2.5 1.4	1.3 0.8
Scope 3 Emissions Intensity Ratio (kgCO₂e/PAX)	- -	28 24	84 74	73 62

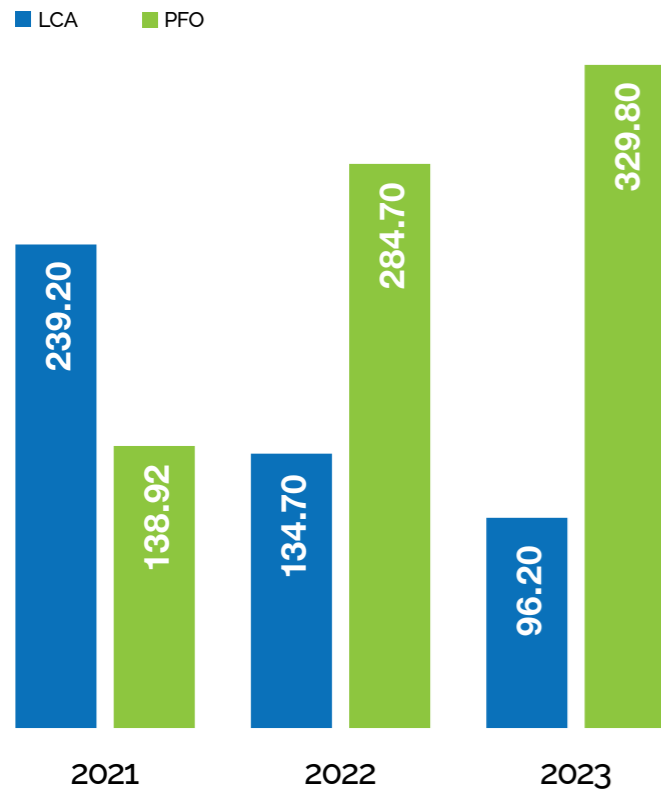
1 Gases included in the calculation: CO₂, CH₄, N₂O

All emissions are consolidated on the operational control basis and as per the Airport Carbon Accreditation standard which is aligned with the GHG Protocol and ISO 14064 principles. Various sources of emission factors and global warming potentials (GWP) are used, specifically, the ACI ACERT Tool v7.2338 and The Climate Registry February 2024 for Scope 1 emissions, the European Residual Mixes (Market Based), Transmission System Operator Cyprus (TSOC), ACI ACERT Tool v7.2338 (Location Based) and National Greenhouse Gas Inventory Report Cyprus (Equivalent) for Scope 2 emissions, and the ACI ACERT Tool v7.2338 and ICAO CO₂ Calculator for Scope 3 emissions. The emissions base year is 2010, which is the first year of full operation of both Hermes Airports' terminals.

A 6.5% and 4.4% decrease in Scope 1 emissions compared to the previous year has been recorded in 2023 for Larnaca and Pafos Airports, respectively. Part of the Scope 1 emissions' calculations are the emissions from ozone-depleting substances and specifically the refrigerant gases. Emissions from refrigerant gases decreased by 28.6% at Larnaca Airport and increased by 15.8% at Pafos Airport, as per the table below.

8.3 Emissions of Ozone-Depleting Substances

ODS (tonnes of CO₂e)¹



The Scope 2 emissions (gross location-based) of both Airports have decreased significantly in 2023 compared to the previous years. Compared to the base year 2010, a 59.3% reduction has been recorded for Larnaca Airport and 43.9% for Pafos Airport. The combined Scope 1 and 2 emissions intensity ratios for both Airports are lower in 2023, following the recent years' declining trend.

Scope 3 emissions have increased by 16.9% at Larnaca Airport and decreased by 5.4% at Pafos Airport compared to 2022. The 2022 significant increase in the Scope 3 emissions at both Airports compared to 2021, is mainly due to the increase in the reporting scope. The Scope 3 emissions calculations cover the following categories and activities:

- Goods and commodities (transportation, supply chain, etc.)
- Fuels and energy
- Energy used in waste and water processing
- Airport Operator staff business travel
- Airport Operator staff commuting from home to office
- Aircraft landing, taxiing, take-off (LTO)
- Aircraft auxiliary power unit (APU)
- Aircraft maintenance engine run-ups (MROs)
- Fuel for vehicles, machinery, GSE
- Fuel for emergency power generation
- Refrigerants used by tenants/partners
- Other relevant Airport processes
- Landside ground access (staff and passengers commuting to and from Airports)
- Energy bought from Airport operator or third party

During 2023, which is the first year of operation of the 3.5MWp solar power (photovoltaic) plant at Larnaca Airport and the 1.1MWp plant at Pafos Airport, the self-generated renewable energy resulted in the reduction of 749 tons CO₂e and 470 tons CO₂e of Scope 2 emissions at Larnaca and Pafos Airports, respectively.

¹ The above figures comprise of emissions from the refrigerant gases R407-C, R410-A, R134 and R32 and have already been accounted for in the figures provided in Table 28 - Scope 1 (Direct emissions). The sources of emission factors used are The Climate Registries April 2020 and May 2022 and the methodology for calculating the emissions is the EF stated and quantities supplied per year.



Other significant air emissions

Hermes has been successfully monitoring the air quality for two consecutive years, since 2022. The Air Quality Monitoring Station installed at Larnaca Airport, measures carbon monoxide (CO), nitrogen dioxide (NO₂), ozone (O₃) and particulates (P.M.2.5 and P.M.10). These parameters are measured and monitored against the limits set by the European Directive 2008/50/EC (Ambient Air Quality Directive), transposed into the Cyprus Ambient Air Quality Law and regulations.

The main sources of the above emissions include aircraft, vehicles and equipment (generators, boilers and other Airport ground support equipment). Hermes has been continuing its efforts, to reduce emissions to the atmosphere from its vehicle fleet through the gradual replacement and removal of vehicles below the EURO 6 emission standard.

¹ Annual mean concentration
² Lower than the yearly limit of 20 µg/m³. In addition, the daily limit value of 50 µg/m³ has been exceeded 20 times for 2022, which is lower than the maximum allowed number of 35 exceedances per year.
³ Annual average value. This is lower than the yearly limit of 40 µg/m³.

The recording of the aforementioned air quality parameters measured by Hermes for 2023 are provided in the table below.

8.4 Other Significant Air Emissions

	2021	2022	2023
NO ₂ (µg/m ³)	N/A	42.90	32.30 ¹
PM _{2.5} (µg/m ³)	N/A	9.45	6.91 ²
PM ₁₀ (µg/m ³)	N/A	23.66	15.58 ³
CO (µg/m ³)	N/A	747.53	582.05 ⁴
O ₃ (µg/m ³)	N/A	108.44	137.40 ⁵

⁴ Annual mean concentration. CO is measured based on the maximum daily 8-hour mean value set by the legislation at 10,000 µg/m³, but there is no annual limit to compare it against
⁵ Annual mean concentration. There is no annual limit to compare it against.

CHAPTER NINE:
Waste

Waste generated at Hermes Airports

Waste generated by Hermes Airports operations comprises the waste generated by the Company's own activities (Airport staff) and the waste generated upstream and in its value chain (suppliers, subcontractors, tenants, passengers, and visitors).

The main operational waste streams break down as follows:

- non-hazardous solid waste generated at the Airports' facilities including paper/cartons, PMD, glass, pruning waste and other recyclable waste streams, sewage sludge from the Airports' pumping stations and plants for pre-treatment of the aircraft's sewage effluents/wastewater, and landfill (municipal) waste.
- hazardous solid waste including rubber residues removed from the runways, absorbing pads/rolls used in fuel and oil spill incidents, batteries and electrical and electronic waste components.
- non-hazardous liquid waste from the Airports' sanitary facilities and aircraft's lavatories (covered under the "Water withdrawal and discharges" of the Water chapter) and

- hazardous liquid waste including oily water and non-chlorinated engine, gear, and lubricating oils.

In addition to the ongoing waste, a number of other waste streams are also generated at Hermes Airports on a project or "one-off" basis. As an example, these streams are an outcome of new construction projects or upgrades to existing buildings, demolition of existing building structures, and maintenance operations (air handling units, generators, and pumping stations). "One-off" streams include waste which, although generated on an ongoing operational basis, is collected, stored for a period until it reaches a certain volume and then sent out for treatment (every once in a while). Examples are the sewage sludge collected from the Airports' operations (pumping stations) and the plants for the pre-treatment of the aircraft's sewage effluents/wastewater, and the rubber waste from the resurfacing of the runways. A breakdown of the ongoing operational and project-based waste respectively, is provided in the Tables below:

9.1 Ongoing (Operational) Waste*

■ LCA ■ PFO

	2021	2022	2023
Waste Diverted from Landfill (tonnes)	337	515	662
	82	177	223
Non-hazardous solid waste (tonnes) ¹	331	511	660
	80	176	215
Hazardous solid waste (tonnes) ²	0.3	2	1
	-	1	1
Hazardous liquid waste (tonnes) ³	5	2	1
	2	0.4	6
Landfill Waste (tonnes)	712	1,149	1,361
	324	471	530
Landfill (Municipal) Waste (tonnes)	712	1,149	1,361
	324	471	530
Total Waste (tonnes)	1,049	1,664	2,023
	406	648	753

* The previously reported figures under "Non-hazardous solid waste" have been revised, and consequently the "Waste Diverted from Landfill" and "Total Waste" also – Refer to Appendix 2 GRI Content Index – GRI 2 General Disclosures 2021: 2-4

1 Includes paper, PMD, glass, scrap metal, liquids, aerosols and gels (LAG), and pruning waste
 2 Includes fluorescent bulbs, electrical & electronic waste components, batteries, toners/ink cartridges
 3 Includes oily water, non-chlorinated engine, gear, and lubricating oils



There has been a steady increase in total operational waste generated at both Airports, correlated to the increase in the passenger traffic. In 2023, the total waste increased by 21.6% for Larnaca and 16.2% for Pafos, respectively, compared to 2022. The increase in the amount of waste diverted from landfills at Larnaca in 2023 was 32.7 %, compared to an increase of 1.8% in 2022. Similarly, at Pafos, the amount of waste diverted from landfills increased by 29.6 % in 2023 compared to an increase of 2.3% in 2022.

From the total project based/"one-off" waste generated at both Airports, 98% of the Larnaca Airport waste and 93% of the Pafos Airport waste respectively, was diverted from landfill, with the remaining small amounts of waste directed to landfill.

9.2 Project-based/Once-off Waste*

■ LCA ■ PFO

	2021	2022	2023
Total Waste Diverted from Landfill (tonnes)	4,392	1,967,541	1,623
	329	507	760
Sewage Sludge (tonnes) ⁴	777	571	330
	272	319	293
Other Waste Diverted from Landfill (tonnes) ⁵	3,614	1,966,970	1,293
	57	187	468
Landfill Waste (tonnes)	218	22	26
	0	0	54
Total Waste (tonnes)	4,609	1,967,563	1,648
	329	507	814

* The previously reported figures under "Total Waste Diverted from Landfill" and "Total Waste", have been revised due to the addition of the "Sewage Sludge" sub-category - Refer to Appendix 2 GRI Content Index – GRI 2 General Disclosures 2021: 2-4

⁴ Sewage sludge from Airport operations (pumping stations) and the plants for pre-treatment of aircraft's sewage effluents/wastewater)

⁵ Includes rubber debris, asphalt milling, weak organic waste, contaminated packages, absorbents & filter materials hazardous, components removed from discharged equipment, concrete waste, building waste, scrap metal, structural waste, disposed concrete, disposed asphalt

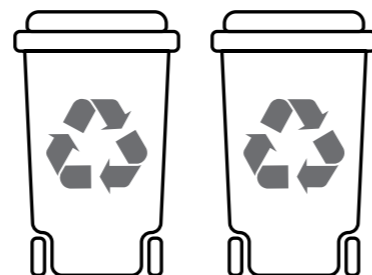
Waste management

Hermes Airports implements a comprehensive waste management system complying with the applicable legislative requirements and terms of its waste disposal permits. The management of all waste streams originating from the Airports' operations (both from Hermes' operations as well as from third parties (subcontractors, tenants etc.) is carried out as per the standard operating procedure of the Company's environmental management system, complying to the requirements of the ISO 14001:2015 standard and Eco-Management and Audit Scheme (EMAS).

Hermes strives to continually improve its waste management system, focusing mainly on the following:

- collaboration with licensed service providers in the design and establishment of the integrated services and facilities required for the collection, transportation and treatment of the various waste streams generated by the Airport and aircraft operations.
- implementation of a well-structured system for maintaining the supporting documentation (i.e., waste delivery receipts and monthly statistical data), as well as reviewing the data for monitoring and reporting purposes. The Health & Safety, Environment SMS, and Facility Management (HSE-SMS & FM) Department is responsible for reviewing the waste receipts and preparing the yearly Environmental Statements. The environmental statements are audited by an external auditor prior to their submission to the Department of Environment.
- simplification to the maximum extent possible, of the segregation of recyclable waste for staff, passengers, and other Airport users, through the provision of segregation bins throughout the Airport facilities with clear instructions.

Hermes appreciates that limited material resources and growing consumption patterns represent a global challenge and has a long-term ambition to embed the principles of the circular economy into its business and beyond. To date, Hermes has focused on reducing waste where opportunities have been identified (i.e., with the ban of single-use plastics throughout the Airport sites), the re-use of certain materials and mainly the recycling of as much waste streams as possible and reduction of the landfill (municipal) waste. At the same time, the Company also acknowledges that the creation of waste is an inevitable consequence of the operation of a busy Airport, and active steps must be taken to minimise the volumes generated. While Hermes has noted good progress in recent years, it acknowledges that there is still room for improvement, to be ensured through the constant monitoring and reviewing of its waste management performance, the ongoing collaboration with and involvement of its key stakeholders in the identification of the waste sources, and improvement of its waste management practices, and the implementation of long-term measures required to facilitate waste management.



Spills

Hermes Airports implements a well-developed and efficient spill response system based on a standard operating spill response procedure, which is well communicated and implemented by all involved stakeholders. The purpose of the procedure is the immediate response to any spill incidents so as to avoid the release of hazardous substances in the Airports' stormwater drainage systems, thus polluting the receiving waterbodies.

The Hermes Emergency Response and Preparedness Plan provides clear guidance to the management, employees, airlines, subcontractors, and tenants to respond to a hazardous spill incident safely, quickly and effectively, with an emphasis on an escalated emergency process in the case of spill occurrences beyond the everyday usual spills (tens of litres of oil, fuels, chemicals etc.).

All spills regardless of volume are reported to Hermes Operations Centre (HOC), recorded, investigated and corrective/preventive action is taken. A variety of spill response materials are available and used depending on the type and the extent of spill. These include absorbing pads/rolls, recyclable absorbing sand, retractable spill containment tanks for the collection of fuel leaking from aircraft wings tanks and liquid agent for the biodegradation of hydrocarbons. The absorbing waste materials used in spill incidents are temporarily stored in a designated area designed for this purpose and collected and treated by service providers as hazardous waste.

Hermes maintains fully updated data on spill incidents, which form part of the data compiled for its sustainability reporting, environmental statements and annual HSE reports. Data maintained on spills is one of the indicators analysed by the HSE department as a means for monitoring and evaluating Hermes' environmental performance and is also presented in the management review meetings.

Spills recorded at Larnaca and Pafos Airports in 2023 mainly include minor oil and fuel spills, with the majority of them taking place in the aprons.

9.3 Spill Occurrences

■ LCA ■ PFO

Spill Category	Total Occurrences		
	2021	2022	2023
Fuel	11 10	18 3	12 5
Oil	10 4	18 9	12 2
Total	21 14	36 12	24 7
Spill Category	Total Liters		
	2021	2022	2023
Fuel	1,655 219	806 63	289 30
Oil	63 13	111 58	116 6
Total	1,718 232	917 121	405 36

All spills in 2023 had been managed appropriately and contained, with no hazardous substances entering the stormwater drainage system or migrating from the property with the potential to pollute the soil and the nearby waterbodies.

CHAPTER TEN: Water and Effluents

Managing water and effluents

In recognition of the island's water scarcity as a critical environmental issue, Hermes Airports Health, Safety, Environmental and Social Responsibility Policy focuses amongst others, on the minimisation of water resources' usage throughout the Airports' daily operations. Water management is also a core component of Hermes' environmental management system, complying with the requirements of the ISO 14001:2015 standard and EMAS.

Hermes monitors its water consumption through water meters installed in various areas/systems, to identify areas of high-water demand and where water-saving initiatives would best be targeted. Examples of these initiatives include the installation of water-saving sanitaryware fittings i.e., urinals with sensors, toilets with dual flushing, wash basin mixers operating with sensors, the installation of drop by-drop irrigation systems, and the use of recycled water (treated wastewater) for irrigation purposes.

Furthermore, in its effort to minimise its impact to the environment, Hermes has established a system for monitoring the quality of the stormwater discharges, identifying any potential sources of pollution caused by its operations to the Airports' nearby receiving waterbodies and ensuring that the appropriate mitigation measures are implemented where necessary. Analysis of the stormwater discharged to the salt lakes, is carried out biannually at Larnaca Airport based on a number of sampling points identified as the discharging routes from the Airport's premises into the salt lakes. Additionally, salt lakes sediment analysis is carried out annually based on sampling from various predefined locations in the drainage outlets, as well as within the salt lakes. For Pafos Airport, analysis of the stormwater discharged to the sea is also carried out annually through sampling from various points in the discharge route. It is ensured by Hermes that the results of the above analyses are within the limits set by the Department of Environment and in accordance with the applicable EU and national legislation. These are reported annually to the Department of Environment.

Quality standards are also set by the national legislation and the Sewerage Boards for the wastewater/effluents from aircraft, which should be met prior to their processing at the Sewerage Boards' central wastewater treatment plants. In compliance to this requirement, Hermes operates plants within its Airports' premises for the pre-treatment of the aircraft effluents.

Monitoring of the performance and outcomes of the above initiatives and procedures, data analysis and reporting, and setting of annual targets on water management, are all part of the scope of Hermes' Environmental Management System. Moreover, the Airport Carbon Accreditation stakeholder engagement and participation plan also covers water management as part of its scope, thus providing the opportunity for feedback to be collected from Hermes stakeholders on water-related issues. Feedback is collected through a fault reporting software that is in place and through meetings between Hermes and the wider Airport community.

Water withdrawal and discharges

Potable water consumed throughout all terminal and auxiliary buildings at Larnaca Airport is supplied by the Larnaca Water Board and the water used for irrigation is recycled water (treated wastewater) supplied by the Larnaca Sewerage and Drainage Board. At Pafos Airport, potable water is supplied by the Pafos Water Board and the water used for irrigation purposes by the Asprokremmos Dam.

Water discharges from Hermes' Airports comprise the stormwater discharges to the salt lakes by Larnaca Airport and to the sea by Pafos Airport, the aircraft wastewater/effluent which is pre-treated on site prior to discharge to the central sewage system, and the sewage effluent from the Airports' facilities.

Data on the water withdrawn and water discharged are provided in the table below.

Water consumption and targets

Hermes Airports sets yearly targets to reduce or sustain its water consumption per passenger. The 2023 target set for Larnaca Airport was to sustain the 2022 consumption per passenger figure which was 14.1 litres/passenger. The actual 2023 consumption per passenger is 11.7 litres/passenger. Similarly, the 2023 target set for Pafos Airport was to sustain the 13.6 litres/passenger, whereas the actual result is 13.8 litres/passenger. These targets are provided in the yearly environmental statements prepared by Hermes for purposes of the EMAS registry.

10.1 Water Withdrawal and Discharges

■ LCA ■ PFO

Water Withdrawal (m3)	2021	2022	2023
Third-party (freshwater) ¹	54,374 28,128	85,113 43,394	94,582 49,267
Third-party (other water) ²	37,850 15,304	16,678 14,965	28,490 11,755
Water Discharge (m3)	2021	2022	2023
Surface water ³	95,261 -	90,235 -	71,844 -
Seawater ⁴	- 63,189	- 92,406	- 66,015
Third-party water ⁵	54,373 28,128	85,112 43,394	94,582 49,267
Water Consumption (m3)	2021	2022	2023
Total Water Consumption	92,224 43,432	101,791 58,359	123,072 61,022
Total Water Consumption per PAX	0.026 0.029	0.017 0.018	0.015 0.017

¹ Potable water supplied by the Larnaca and Pafos Water Boards, respectively

² Water used for irrigation purposes - recycled water supplied by the Larnaca Water Board and Larnaca Sewerage and Drainage Board (for Larnaca) and water supplied by the Asprokremmos Dam (for Pafos)

³ Stormwater discharged from Larnaca Airport to salt lakes

⁴ Stormwater discharged from Pafos Airport to sea

⁵ Comprises sewage effluent from the Airports' facilities discharged to the central sewage system, as per the invoices provided by the Larnaca Water Board and the Pafos Sewerage and Drainage Board, respectively

CHAPTER ELEVEN: Ecosystems and Biodiversity

Protected areas and areas of high biodiversity value adjacent to the Hermes Airports' operational sites

Larnaca Airport

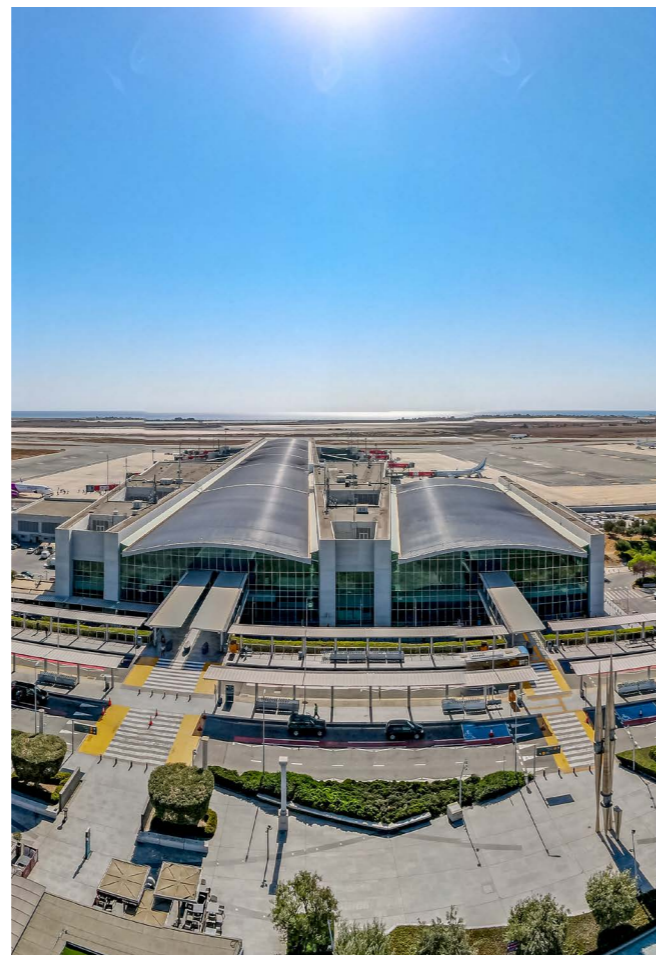
Larnaca Airport, with an operational site of 6.03 km², is built within a wetland system of salt lakes, two of which are interconnected and lie within the Airport's boundary. A number of other salt lakes lie outside the Airport boundaries most of which are designated as a NATURA 2000 site (called "Alykes Larnakas)", a Special Protection Area (SPA) and a Ramsar site (wetlands of international importance) named as "Larnaka Salt Lake".

The SPA of the salt lakes, covering an area of about 1,560 ha, is the habitat for 228 bird species of importance at a national as well as an international level, especially for the migratory and water birds. This includes species listed under Annex I of Directive 2009/147/EC (species subject to special conservation measures concerning their habitat) and Annex II of Directive 92/43/EEC (species of community interest of which their conservation requires the designation of Special Areas of Conservation). The vertebrate fauna of the site includes 19 species of amphibians and reptiles while the invertebrate fauna includes 63 important insects, 35 of them endemic and 8 endemic land snails. The flora recorded comprises 151 taxa (species, subspecies, and varieties), where 126 are indigenous species, 3 are endemic, and the rest either planted or cultivated taxa. Furthermore, the Salt Lakes of Larnaca are also designated as a Barcelona Convention Special Protected Area (UNEP Directory) and have also been characterised as an Important Bird Area (Birdlife International).

Besides the species listed under Annex II of Directive 92/43/EEC, the "Larnaka Salt Lake" area comprises natural habitat types listed under Annex I of the same Directive, including coastal lagoons and salt meadows. A number of rare indigenous flora species have also been recorded in the area.

Pafos Airport

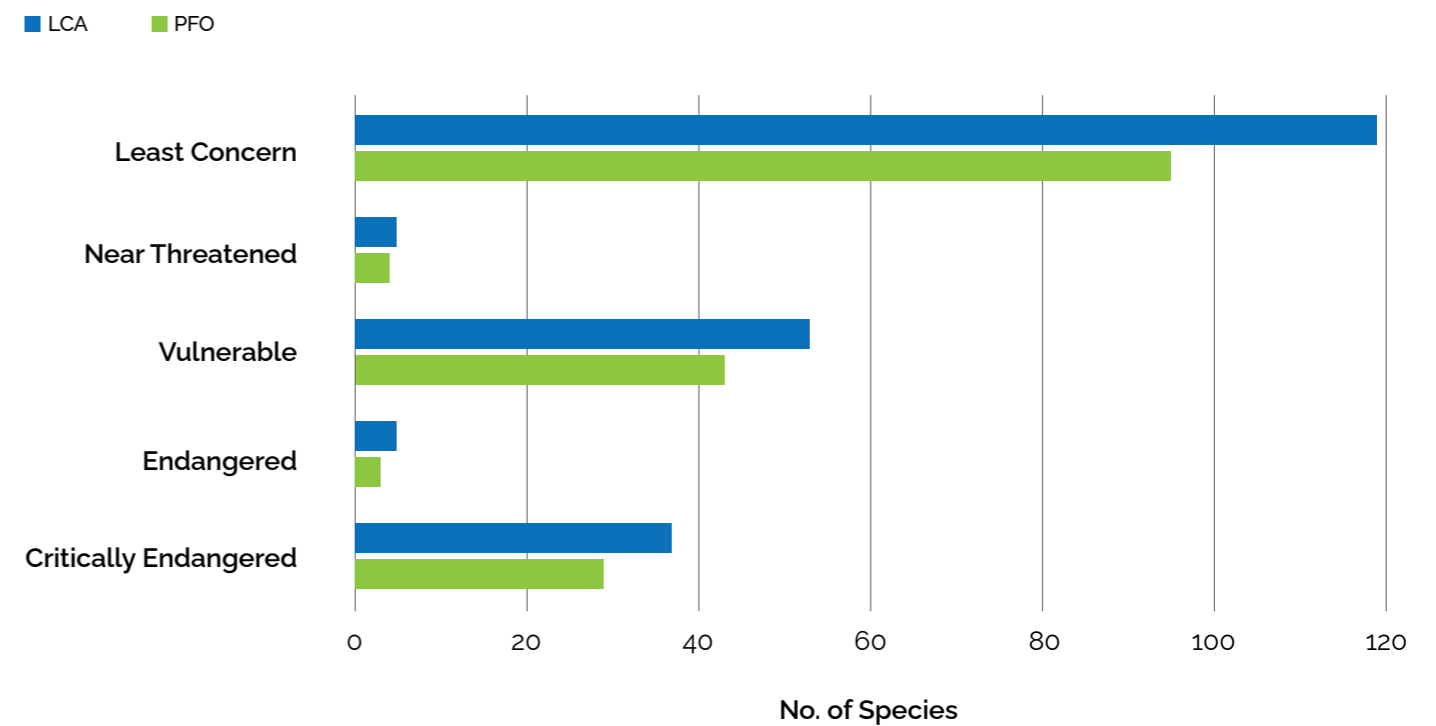
Pafos Airport, with an operational site of 4.15 km², is not adjacent to protected areas or areas of high biodiversity value. However, the wider area of the Airport surrounded by the "Xeros" river in the west and the "Diarizos" river in the east, is of ecological importance due to its bird fauna, including migratory birds, and has been characterized as an Important Bird Area (IBA), according to Birdlife International. A number of these bird species are also listed species under Directives 2009/147/EC and 92/43/EEC.



IUCN Red List species and national conservation list of threatened species in areas affected by Hermes operations

The number of bird species by category of their corresponding European threat status, recorded in the areas surrounding the operational sites of both Larnaca and Pafos Airports, are presented in section 11.1 below. It is noted that these numbers had been recorded in 2005 for Larnaca Airport and 2006 for Pafos Airport.

11.1 IUCN Red List / National Conservation List of Threatened Species¹



As indicated by the above figures, 43.4% of the total bird species in the area surrounding Larnaca Airport had already been under the status of threatened before commencement of the Airport's operations. This percentage represents the species noted as "Vulnerable" (vulnerable and declining categories of species), "Endangered" and "Critically Endangered" (depleted species). The respective percentage for the bird species of the wider area of Pafos Airport, is 43.1%.

¹ Bird species recorded in 2005 for Larnaca and 2006 for Pafos. Numbers abstracted from:
 a. Inventory, description, mapping and evaluation of the habitat types and flora and fauna species of the Larnaca Airport area, Nov. 2005
 b. Inventory, description, mapping and evaluation of the habitat types and flora and fauna species of the Pafos Airport area, April 2006.

Impacts of Hermes' activities on biodiversity and measures to protect the surrounding habitats and their species

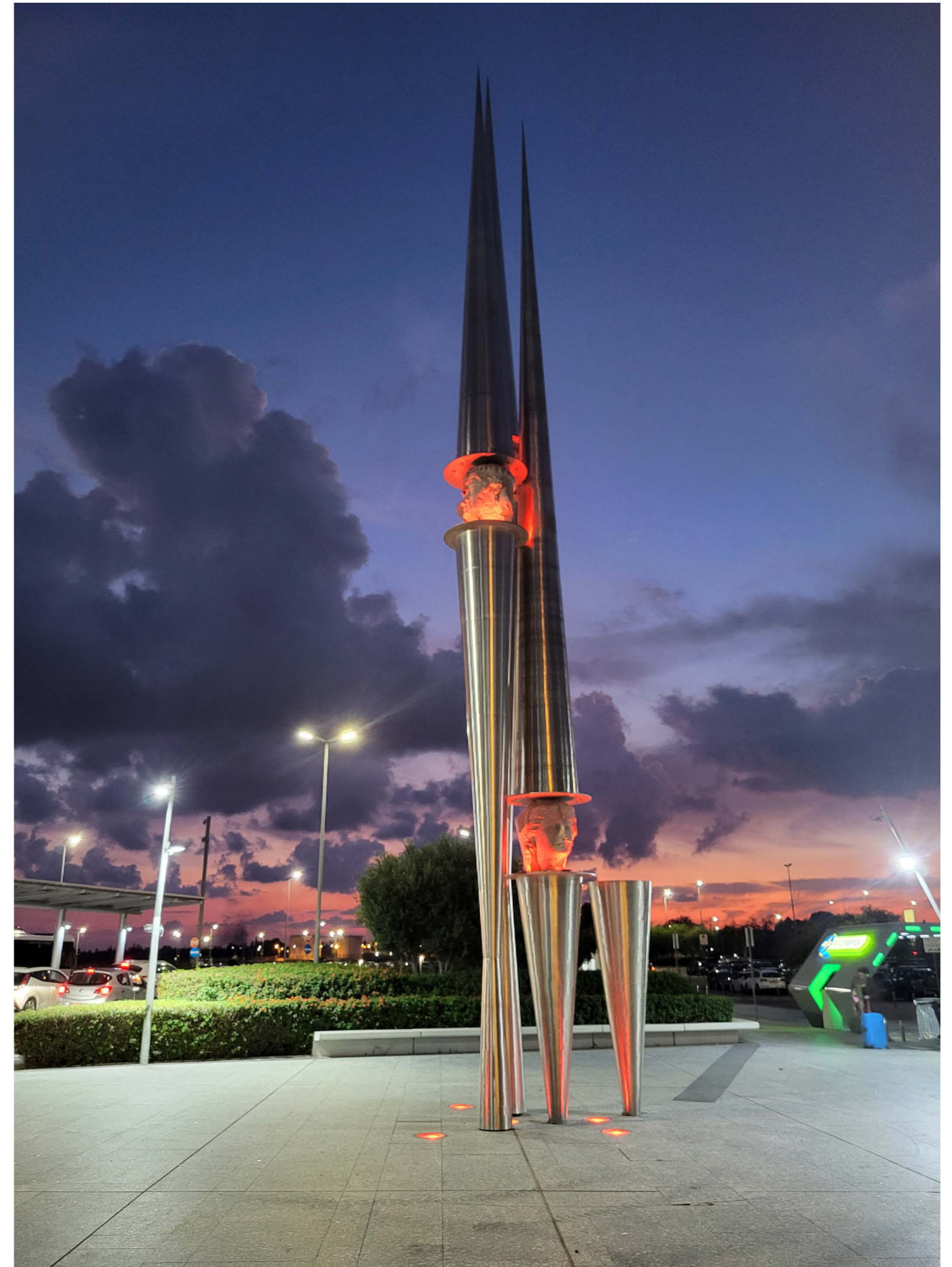
Although no records are available, it is expected that up to a certain extent, Hermes' operations (mainly due to emissions to the air and noise emissions from the aircraft), may have an adverse impact on the surrounding habitats and species, including the aforementioned bird species.

Hermes Airports is implementing measures for the control of various types of pollution (soil, water, air, and noise). These are:

- Monitoring of the stormwater discharges to the nearby waterbodies to prevent and control their pollution and ensure appropriate water quality in accordance with the applicable EU and national legislative requirements. Monitoring includes:
 - Analysis of the stormwater discharged to the salt lakes, carried out biannually at Larnaca Airport - A number of sampling points have been identified as the discharging routes from the Airport premises (e.g., aprons) into the salt lakes, including the oil interceptors.
 - Sediment analysis carried out annually at Larnaca Airport - The sediment sampling locations, include various locations in the drainage outlets, as well as within the salt lakes.
 - Analysis of stormwater discharged to the sea, carried out yearly at Pafos Airport. Sampling of the stormwater is done prior to its discharge to the sea, at various points throughout the discharge route, including the non-absorbent lagoon and hydrocarbon separator.

Hermes submits to the Department of Environment an annual report with all information relating to the above monitoring.

- Implementation of a well-developed and efficient spill response system. This includes the provision of the necessary spill response materials and means appropriate to the type and extent of the spill incident, as well as an efficient and well communicated standard operating spill response procedure. The efficient and immediate response to spill incidents at Hermes' Airports, ensures the prevention of hazardous substances from entering the Airports' stormwater drainage systems and their discharge to the salt lakes and sea, resulting in their pollution. In addition, the prevention of soil contamination is also ensured.
- Measurement of other significant air emissions (NO₂, CO, O₃ and particulate matter) through the environmental station installed in 2022 at Larnaca Airport.
- Monitoring of environmental noise via the three noise monitoring terminals installed in the surrounding community areas of Larnaca Airport, to monitor the noise generated from the Larnaca Airport operations.



CHAPTER TWELVE: Ethics and Values

Hermes is committed to doing the right thing. Integrity is at the core of the values of the Company which ensures ethical, and responsible behaviour through data privacy, security and anti-corruption policies and practices whilst at the same time, preventing anti-competitive behaviour.

The Company upholds a zero-tolerance policy towards corruption and bribery, emphasising fair competition, its values that have been cultivated over the years, and its commitment to respecting human rights. The Board of Directors follows the Code of Business Ethics which incorporates the aforementioned principles, thus ensuring independence and high ethical standards. The Code of Business Ethics is part of the Employee Handbook, which Hermes requires all its employees to familiarise themselves with and abide by. Moreover, all employees receive annual training on the Code of Business Ethics principles, including anti-corruption. The same principles are expected to be upheld by Hermes' business partners and third parties too, as also specified in the Code of Business Ethics.

Competitive behaviour

As a responsible Company, Hermes strictly complies with all relevant and applicable laws, rules, and regulations. Following the introduction of a law in Cyprus, titled "The Protection of Competition Law of 2022", Hermes revised its Competition Law Compliance Manual. Hermes' revised Competition Law Compliance Manual was circulated to all members of the Company whilst it is also accessible online through the Company's intranet, HermesHub.

The Director of Legal Affairs endeavours to ensure Hermes' compliance with Competition Law by updating, where necessary, the Company's Competition Law Compliance Manual, training staff on Competition Law principles and aiding all departments by reviewing tender documentation, contracts, agreements, and any other contractual arrangements involving competition law issues. Hermes' departments consult the Legal Affairs Department prior to taking any actions which involve competition law issues.

In addition to the revision of the said Manual, the Legal Affairs Department has created and circulated to all employees two animated videos; one on abuse of dominant position and one on anti-competitive agreements and concerted practices. The videos are also accessible online through the HermesHub.



Grievance and allegation management

Hermes developed its Grievance Policy and its Allegation Policy to manage incoming complaints and appeals. Both policies are readily available to all employees through the Employee Handbook accessible through HermesHub.

Hermes considers any incoming grievances very seriously and takes immediate and appropriate measures to address them.

In 2023, Hermes recorded zero incidents of corruption leading to the termination of business relationships with partners. Furthermore, no employees have been dismissed or disciplined for corruption, and there are no public legal cases related to corruption against Hermes or its employees. Zero significant risks related to corruption have been identified in 2023, which aligns with the previous two years. Meanwhile, no new complaints against the Company were filed to the Commissioner for the Protection of Competition in 2023.

It is important to note that, 100% of governance body members, employees and business partners have been communicated Hermes' anticorruption policies and procedures, whilst 100% of all employees received training in anti-corruption.

Human trafficking

Tens of thousands of individuals fall victim to human trafficking every year worldwide. Hermes understands its crucial role in combating this phenomenon. Through a partnership with the Cyprus Ministry of Interior, the Cyprus Police, and the Social Welfare Services, Hermes initiated a joint campaign at Larnaca and Pafos Airports. The campaign aims to raise awareness about the abhorrent crime of human trafficking and to educate the travelling public and the front-line staff, to be able to identify possible victims and how to handle such situations.



Digital security practices

A key priority of Hermes is the protection of personal data it collects and/or processes. Hermes is committed to adhering to the principles set out in the General Data Protection Regulation (GDPR) and Law 125(I) of 2018 Providing for the Protection of Natural Persons with regard to the Processing of Personal Data and for the Free Movement of such Data (Law), which govern the way personal data can be collected, used, processed, and stored as well as to the guidelines issued by the Office of the Commissioner of Personal Data Protection in Cyprus. Hermes' Privacy Notice describes how personal information data is collected and used in accordance with the GDPR and the Law.

To support the Company's data protection efforts, the following Privacy Policy and Privacy Notice are in place:

- A Privacy Policy which is applicable to all personal data the Company processes, sets out how the Company handles the personal data of its customers, suppliers, employees, workers and other third parties. This Policy provides information on how the Company collects and processes personal data through the use of its website and/or the use of services it offers, including any data a user may provide.
- A Privacy Notice to Employees, Workers and Contractors describes how the Company collects and uses personal information about employees, workers, and contractors during and after their working relationship with the Company.

To further enhance data privacy and transparency as well as ensure compliance with the GDPR and the Law, additional notices concerning the processing of personal data are in place and are provided to data subjects such as the Privacy Notice of the Surveillance System (CCTV) Data Processing, the Privacy Notice for Work Permits submitted by employees, workers and contractors, and the website's Cookie Policy.

In addition, there is an IT Steering Committee (ITSC) whose responsibilities, among others, include the oversight of information technology, information security and data privacy matters, ensuring that security standards, policies and processes are embedded into the organisation, as well as approving and monitoring compliance to security standards and policies.

To compliment the data privacy policies in place, Hermes makes continuous efforts to introduce adequate technical and organisational measures such as data pseudonymization, anonymization and data minimisation. Through a due diligence process, Hermes ensures it is working with reputable Data Processors and Data Processing Agreements (DPAs) are entered into with all data processors, ensuring compliance with applicable law. The Company has appointed a Data Protection Officer and has in place a Data Subject Request process that enables Data Subjects to exercise their rights and maintains a Record of Processing Activities (ROPA). Where required, the Company conducts Data Protection Impact Assessments (DPIAs), and annual mandatory training is provided to the staff about data protection awareness.

12.1 Total number of substantiated complaints received concerning breaches of customer privacy

	2021	2022	2023
Complaints received from outside parties and substantiated by the organization	0	0	0
Complaints from regulatory bodies	0	1	0
Total number of identified leaks, thefts, or losses of customer data	1	0	0

CHAPTER THIRTEEN: Economic Development

Economic performance

Larnaca 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. Tourism is the largest traffic contributor as a percentage of the total passenger traffic of the two Airports. Approximately 70% of total traffic is inbound traffic, of which 80% is travelling for leisure purposes.

In 2023, approximately 3.8 million tourists arrived in Cyprus, whilst revenues from the tourism sector contributed around 10% to the country's GDP. Overall, in 2023 Hermes Airports served a record 11.6 million passengers, surpassing for the first time the pre-pandemic passenger levels of 11.3 million in 2019. This is a remarkable achievement, considering the impact that the wars in Ukraine and Gaza have had on some of our historically key source markets.

According to an economic impact study commissioned by Hermes Airports a few 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' operations, 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 2014 study for the years 2021-2023 for the Direct, Indirect, and Induced effects.

Economic impact

Hermes maintains its role as one of the key drivers of the economy of Cyprus. Several key direct economic impacts include contributing to the country's GDP, creating jobs, supporting local suppliers, and promoting the island as a sustainable destination.

Furthermore, Hermes also has a significant indirect impact on the economy of the island by actively pursuing growth in the island's air connectivity, an area that impacts all sectors of the economy. The airline incentive schemes, the various agreements and joint promotions with airlines aim to improve the air connectivity of the country.

For more details regarding significant investments and services provided, as well as current or expected impacts on communities and local economies, please refer to the chapter "Quality of Life of Local Communities."

13.1 Total monetary value of financial assistance received by the organization from any government during the reporting period*

	2021	2022	2023
Subsidies (government subsidies for Covid-19 support measures, sick leaves, and trainings)	1,119,505	41,869	29,321
Other financial benefits received or receivable from any government for any operation (EU Funding; TULIPS)	0	279,717	-

* All originate from the Cyprus Government, except from EU funding.

13.2 Combined Gross Revenues, EBITDA, jobs created and other financial information

	2021	2022	2023
Gross Revenues (in million EUR)	95.8	178.4	238.2
EBITDA (in million EUR)	21.6	73.9	112.9
GDP (Direct)	190.5	326.5	436.8
GDP (Indirect)	94.7	162.4	217.3
GDP (Induced)	41.6	71.3	95.3
GDP (Total)	326.7	560.1	749.4
Number of Jobs (Direct)	4,830	8,280	11,079
Number of Jobs (Indirect)	2,801	4,802	6,426
Number of Jobs (Induced)	2,849	4,885	15,736
Number of Jobs (Total)	10,480	17,967	33,241
Number of CSR actions	20	15	14
Money spent annually in marketing campaigns promoting Cyprus	Approx. €2.5m	Approx. €1.5m	€30K ⁸

Note: No persons have been physically or economically displaced, either voluntarily or involuntarily, by the Airport operator or on its behalf, by a governmental or other entity.

13.3 Tax

ALL IN EUROS (MILLION)

	2021	2022	2023
Current Tax	0.2	1.2	3.2
Deferred Tax	-1.8	2.3	3.1
Special Contribution for Defence	0	0	0.2
Charge for the Year/(Credit)	-1.6	3.6	6.5

Note: There were no net VAT payment during years 2021-2023.

13.4 Additional metrics

	2021	2022	2023
Concession Fee Deferred (EUROS € '000)	28.4	31.3	0
Major Maintenance P&L Cost (EUROS € '000)	0.4	5.7	5.1

⁸ All the agreements for marketing support with airlines have ended and have not been renewed given the implementation of the new incentive schemes. The 30k EUR concern the participation of Hermes in the marketing campaign organized with local stakeholders for the promotion of Pafos Region.

13.5 GDP and jobs created per Airport and total – ACI Europe Economic Impact Calculator findings.

■ LCA ■ PFO

	2021				2022				2023			
	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total	Direct	Indirect	Induced	Total
GDP (€m)	139.7	69.5	30.5	239.7	223.9	111.3	48.8	383.8	303.01	150.7	66.13	519.84
	50.8	25.2	11.1	87.1	102.8	51.1	22.4	176.3	133.82	66.56	29.21	229.59
Jobs	3,543	2,055	2,090	7,688	5,673	3,290	3,347	12,310	7,685	4,457	4,534	16,676
	1,287	746	759	2,792	2,607	1,512	1,538	5,657	3,394	1,969	11,202	16,565
Total GDP (€m)	190.5	94.7	41.6	326.7	326.5	162.4	71.3	560.1	436.83	217.26	95.34	749.43
Total Jobs	4,830	2,801	2,849	10,480	8,280	4,802	4,885	17,967	11,079	6,426	15,736	33,241

Source: ACI Europe Economic Impact Calculator. The data in the tables is an indication of the contribution of the Company in Cyprus 'GDP and the jobs creation' and is not a tailored economic impact assessment of Hermes Airports.

13.6 Direct economic value generated and distributed (EVG&D)

Direct economic value generated:	2021	2022	2023
Revenues (Euro millions)	95.8	161.6	215.1
Economic value distributed:	2021	2022	2023
Operating costs (Euro millions)	39.6	48.9	52.8
Employee wages and benefits (Euro millions) ⁹	5.2	7.2	7.4
Payments to providers of capital (including depositors) (Euro millions)	17.7	15.7	14.6
Taxation (Euro millions) ¹⁰	0.2	1.2	4.6
Payments to government (Euro millions)	0.7	24.4	92.1
Economic value retained ('Direct economic value generated' less 'Economic value distributed') (Euro millions)	27.6	65.5	46.7

⁹ Including seconded staff
¹⁰ Corporation tax plus defence tax



Sustainable destination

Nowadays, 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. The interdependence between Airports and Cyprus as a tourist destination has been identified from the early days of Hermes Airports, and over the years, the Company's strategy has evolved to include the promotion of the country as a sustainable tourism destination.

Hermes has recently updated its incentive schemes offered to the airlines with a 360-degree approach program through which almost all airlines benefit based on three different pillars. These are the development of new routes, the development of existing routes during the summer and during the winter period and volume growth. The company is estimated to have returned to the airlines an average of 20% of the total revenue received for

their operation. At the same time Hermes Airports supports the initiatives taken in collaboration with other tourism stakeholders, such as the promotion of Cyprus through marketing campaigns. The aim of these campaigns is to promote the country as a year-round leisure destination, with multiple activities and experiences which on the one hand support the development of the inner part of the island during the off peak and winter periods, and on the other hand contribute to the decongestion of the overcrowded areas especially during the peak summer months.

During 2023 the company participated in a marketing campaign organised in common with other stakeholders for the promotion of Pafos region, contributing the amount of 30,000 Euros. At the same time, the company is very active in promoting the country and the airlines operation to Cyprus through its social media.

CHAPTER FOURTEEN: Operational Effectiveness and Passenger Experience

Achieving Operational Excellence and Enhancing the Passenger Experience are among the key strategic priorities set by the Company and endorsed by the Board of Directors for the period 2018-2023. Hermes C-suite is responsible for ensuring the delivery of the objectives of each of the strategic priorities and a Senior Manager has been made responsible for driving the implementation of each strategic priority. Concerning the enhancement of Operational Excellence and Passenger Experience, the responsible individuals are the two Senior Managers of Operations, one at each Airport, with the Technical Department supporting the delivery of both priorities.

Hermes has entered into maintenance agreements with service providers to fulfil its maintenance obligations outlined in the Concession Agreement¹¹. The aerodrome facilities are maintained in accordance with the Aerodrome certificate issued by the Department of Civil Aviation in conformance with the European Union Aviation Safety Agency (EASA) regulations and the European Union regulation 139 / 2014.

The Company implements contract management practices and utilises a Computerised Asset and Maintenance Management System to ensure that all preventive and corrective maintenance is performed as required. Additionally, the Company performs quality audits, thus ensuring adherence to the performance standards prescribed in the maintenance agreements. Furthermore, when required, Hermes draws on the technical expertise available within the network of its shareholders. There are contingency procedures that describe the actions to be taken in the event of major equipment or system failure. A Major Maintenance plan is also in place for the replacement of systems that have reached the end of their useful life. These practices are supported by ongoing professional training for the technical department engineers.

Hermes assesses and communicates internally, the availability of several Airport systems on a weekly basis and to the Government, with formal reports submitted every six months. The effectiveness of Hermes is evaluated through agreed Key Performance Indicators (KPIs), which are specified in the Concession Agreement.

Meanwhile, Hermes is annually re-accredited by the Airports Council International (ACI) Airport Customer Experience Accreditation Program. For 2023, Hermes will maintain the Level 2 Accreditation, which requires constant development of internal processes and additional actions to reobtain the certification.

The Airport Facilitation Committee Meetings convene quarterly to cultivate a dynamic platform for dialogue and the dissemination of crucial Airport initiatives. This gathering offers an invaluable forum where stakeholders from various sectors of the Airport community converge, exchange insights, and strategize on pertinent matters that shape the facilitation of Airport operations. At the heart of this assembly lies its significant role in providing foresight into projected traffic patterns and operational imperatives for the upcoming seasons. Through comprehensive data analysis and informed projections, the meeting enables stakeholders to anticipate and prepare for fluctuations in passenger volumes, cargo demands, and other operational dynamics. By shedding light on these anticipated trends, the committee empowers stakeholders to proactively tailor their strategies and resources, ensuring seamless and efficient Airport operations.

¹¹ In May 2006, Hermes Airports Ltd undertook the operation and management of Larnaca and Pafos international Airports, under a 25-year BOT (Build-Operate-Transfer) concession agreement with the Republic of Cyprus.

14.1 Passenger Satisfaction Scores

● LCA ● PFO

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 4.99	4.07 4.04
01 November 2019 — 30 April 2020	3.77 4.02	
01 May 2020 — 31 October 2020	3.87 3.84	
01 November 2020 — 30 April 2021	4.14 4.00	3.82 3.93
01 May 2021 — 31 October 2021	4.00 3.97	
01 November 2021 — 30 April 2022	4.08 4.03	
01 May 2022 — 31 October 2022	3.86 3.86	3.97 3.95
Q1 2023**	4.02 4.11	
Q2 2023	3.91 3.96	
Q3 2023	3.90 3.87	
Q4 2023	4.04 3.99	3.97 3.98

** For 2023, there was a change in the procedures followed by Hermes, to comply with the ACI Departures ASQ Report Scheme. Airport Council International (ACI) Departures Airport Service Quality (ASQ) provide feedback on the perceived quality of Airport services on offer by a sample drawn from the departing travelling public. Effective from 1st of January 2023, Hermes contracted with the ACI Departures ASQ Report scheme. The ACI ASQ Departures questionnaire is self-completed by randomly selected passengers at the boarding gates of pre-selected flights. Selection of flights is based on the OAG database according to seat capacity, flights' destination, and carrier in order to obtain a representative sample of all departures from a participating Airport. The ASQ Departures Survey is covering all operating hours of the participating Airport, and each day of a week is evenly distributed between each month of a quarter. This new scheme includes a quarterly reporting instead of by annual as before and the surveys are contacted electronically through tablets instead of papers and forms. Furthermore, the content of the new ACI ASQ scheme is not identical with the previous CSS even though the philosophy remains the same. Also, the ACI ASQ scheme continues to provide Larnaca and Pafos Airports performance, presenting our passengers' profile, behaviours, and satisfaction. The ASQ Departures questionnaire includes:

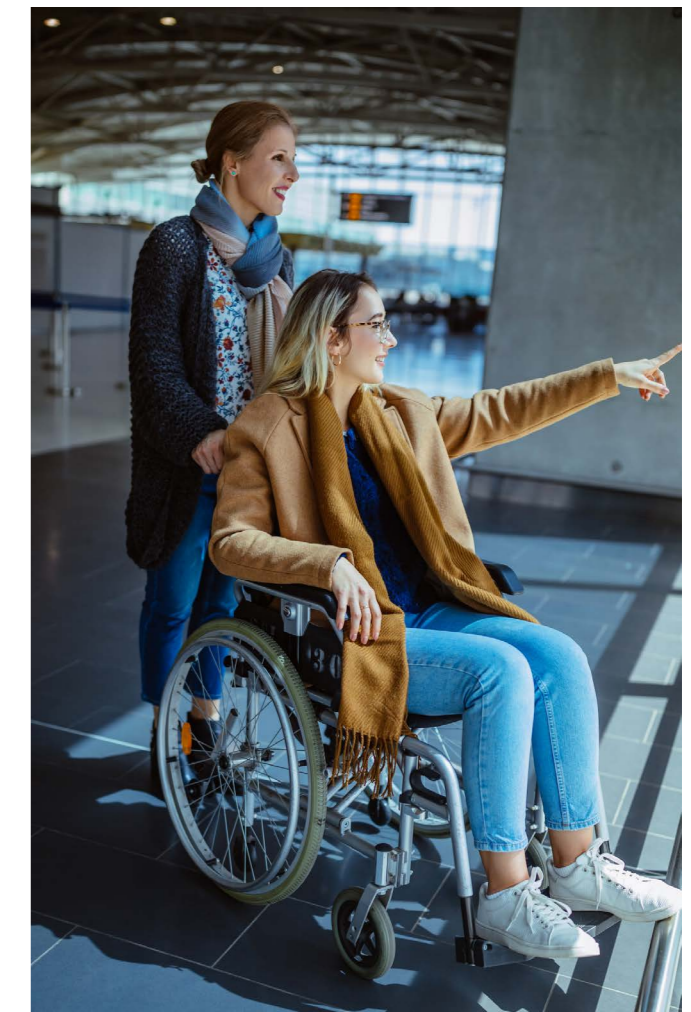
- 31 satisfaction items covering each touchpoint of the Airport journey.
- 5 emotions to understand how passengers are feeling right after they went through the journey.
- 2 overall items: overall satisfaction with the Airport and overall experience at the Airport.
- 13 passenger profiling questions (demographic and behavioural).
- 2 open-ended questions.

The responders at both Airports were 16 years of age and older and the surveys were completed according to ACI strict procedures

14.2 Passengers with Reduced mobility served

● LCA ● PFO

Year	Total PAX	PRM	PRM
2018	8,067,037	43,629	0.54%
	2,872,391	34,718	1.20%
2019	8,229,346	49,057	0.59%
	3,044,402	37,467	1.23%
2020	1,679,807	10,085	0.60%
	632,890	7,280	1.15%
2021	3,592,001	20,735	0.58%
	1,517,465	10,201	0.67%
2022	6,037,049	45,152	0.75%
	3,179,768	32,277	1.01%
2023	8,073,932	65,130	0.81%
	3,565,512	43,431	1.22%



Performance and Operationally Complex Ecosystem

In 2023, Hermes Airports witnessed a traffic increase compared to the previous year. The primary focus of the year was on the extension of operational capabilities through the recruitment of additional staff, to maintain daily operations amidst the aforementioned traffic increase and on the enhancement of the overall effectiveness of operations.

The steady annual increase in passenger traffic at Larnaca and Pafos Airports over the years, including 2023, reflects a significant upward trend in the Airports' popularity and importance within the region's transportation network. This remarkable growth signifies several key factors contributing to the Airport's success and expansion.

Improved infrastructure and facilities at both Airports have likely played a significant role in attracting more passengers. Investments in advancing technology, enhancing security measures, and their overall friendly environment have made the Airports more efficient and appealing to travellers.

Strategic marketing efforts and partnerships with airlines have helped increase the Airports' visibility and accessibility to a broader audience. Collaborations with both low-cost airlines and traditional carriers have diversified the range of destinations served by both Larnaca and Pafos Airports, appealing to various traveller segments, and driving passenger numbers upward.

Larnaca and Pafos Airports serve as a gateway to the island of Cyprus, attracting leisure travellers seeking sun, sea, and cultural experiences. The Airports' location in the Island and proximity to popular tourist destinations, such as historic sites, resorts, and beaches, positions it as a convenient entry point for visitors from around the world.

We believe that the focus by Larnaca and Pafos Airports on customer service helps to enhance the overall travel experience for passengers, which can lead to increased satisfaction and a greater likelihood of repeat business. Travellers often prioritise convenience, reliability, and a hassle-free travel experience, and Hermes Airports' efforts to consistently deliver on these expectations helps build a positive reputation among travellers.

Quality of service

Hermes Airports is dedicated to optimising operational efficiency focusing on minimising passenger waiting time in check-in lines and during security screening and checks. The Company systematically measures and tracks the waiting time in these lines.

Hermes strives to create an environment that facilitates a positive experience for travellers. The Company offers various services to passengers; including restaurants, cafes, retail shops and kiosks. Additionally, Hermes seeks to continually enhance its relationships with its tenants and always aims to increase the number and services already provided.

Use of information systems

Hermes's Information Technology (IT) systems are upgraded and updated on a regular basis, and in 2023 the focus was on network infrastructure. This includes the hardware and software that enable network connectivity and communication between users, devices, applications, and the internet. The Company's objective is to maintain a reliable and secure network aligned with industry standards, regulations, and requirements.

For passengers, Hermes offers IT infrastructure for online check-in, self-service check-in, self-service bag drop, as well as on-screen flight information and status. Tenants can use a comprehensive network infrastructure, including Wi-Fi, TV, and telecommunications services. To ensure the safety of these mentioned IT services, Hermes conducts regular vulnerability assessments, penetration tests, as well as phishing and ransomware exercises.

Regular tests are being conducted and they encompass the evaluation of the security of the IT systems and the examination of human factors, specifically observing individual reactions and behaviours in case of a cyber-attack. The aim is to constantly improve the IT environment and ensure its security.

In preparation for potential hacking attacks or IT failures, Hermes develops and follows various response scenarios tailored to the specific issue at hand.

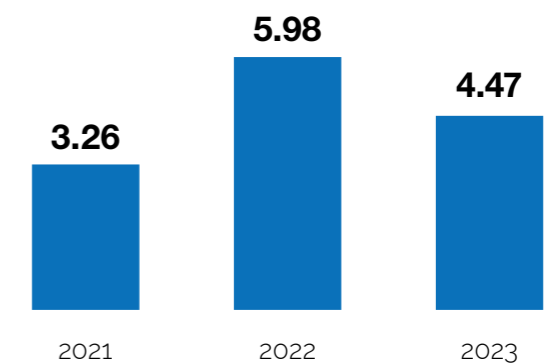


Wildlife strikes

Hermes recognises the potential adverse economic impact of wildlife strikes to airlines using both Larnaca and Pafos Airports and as such has set goals in preventing wildlife hazards and thus reducing associated risks to operating aircraft. For this reason, the Company developed a Wildlife Hazard Management Plan and trained wildlife coordinators at each Airport responsible for implementing relevant practices and procedures.

14.3 Total of wildlife strikes per 10,000 aircraft movements (number)*

Larnaca & Pafos





Appendix

Appendix 1

1.1 Main Stakeholders involved in material issues

Main Stakeholders
Chief Executive Officer
Chief Financial Officer
Chief Operating Officer
Director of Legal Affairs
Director of Aviation Development, Marketing and Communication
Director of Human Resources & Executive Coach
Director of Commercial & Business Development
Head of Operations Larnaca Airport
Head of Operations Pafos Airport
Head of Technical Department
Head of IT & T Department
Financial Controller
Manager HSE, SMS and Facility Management
Data Protection Officer
Information Security Officer
Senior Energy, Compliance and Projects Engineer

1.2 Material Topics Mapping to SDGs

Material Topics	SDGs
Quality of Life of Local Communities	11, 4
Health and safety	3
Employee Experience & Engagement	3, 4, 5, 8, 10
Sustainable Supply Chain	12
Climate Change	7, 13
Waste	12
Water and Effluents	6
Ecosystems and Biodiversity	14, 15
Ethics and Values	9, 12, 16
Economic Development	8, 9, 11
Operational effectiveness and passenger experience	9

Appendix 2

1.1 GRI Content Index

Statement of use	Hermes Airports Ltd has reported in accordance with the GRI Standards for the period 1st of January until 31st of December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIRE- MENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate profile			
	2-2 Entities included in the organization's sustainability reporting	Corporate profile			
	2-3 Reporting period, frequency and contact point	Corporate profile and the contact point is in the appendices			
	2-4 Restatements of information	Water and Effluents			GRI 303-4a v.: The prior years' reported figures on "Third-party water, and the volume of this total sent for use to other organizations", for both Airports, have been restated. This is a result of change in the method of estimation of the sewage generated from the Airports' sanitary facilities, directed to the Sewage Boards. Estimations are now based on the generated volumes as per the invoices issued by the Sewage Boards and not through meter readings. The reasons substantiating the change in the method of estimation so as to maintain consistency throughout the reporting years, are the following: (1) Reporting sewage based on the invoices of the sewerage boards aligns with the reporting of other utilities, electricity and water (2) It aligns with the relevant regulation that requires the sewerage boards to invoice and thereby report sewerage quantities based on the freshwater consumption (3) There is no regulation that requires Hermes to use meters for the measurement of sewage effluent, other than the aircraft sewage (4) Reporting sewage quantities based on the sewerage boards' invoices replaces the need to explain any deviations between meter readings, if they were to be used

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIRE- MENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
		Waste	GRI 306-3a., 306-4a., 306-4b., and 306-4dii.: The sewage sludge forming part of the "Non-hazardous solid waste" sub-category of the "Waste Diverted from Landfill" in section 9.1, page 62 "Ongoing / Operational Waste", has been moved to section 9.2 page 63 "Project-based / Once-off Waste". The reason for this change is that although the sewage sludge from the airports' operations (pumping stations) and the plants for pre-treatment of the aircrafts' sewage effluents/ wastewater, is generated on an ongoing operational basis, this waste is collected, stored for a period until it reaches a certain volume and then sent out for treatment (once in a while). Therefore, it has been decided by Hermes to classify it rather as a once-off waste category. The impact from this change on the reported figures of "Total Ongoing/Operational Waste Diverted from Landfill" of the previous two years (2021 & 2022), is an average 62% decrease for the Larnaca airport and a respective 70% decrease for the Pafos airport. The same decreases are reflected at the same time, as increases of the "Total Once-off/project-based Waste Diverted from Landfill" figures of both reported years and both airports, due to the incorporation of the sewage sludge sub-category under this table.		
		Economic Development	GRI 201-1a: Section 13.6 on page 78 "Direct economic value generated and distributed (EVG&D)" The figures presented in that table have been restated due to a transposition error that occurred in previous reporting periods.		
		Employee Experience and Engagement	GRI 201-3a: Section 6.5 on page 46 "Estimated value of liabilities that are met by the organisation's general resources". The figures presented in that table have been restated due to a transposition error that occurred in previous reporting periods.		
	2-5 External assurance	Corporate profile			
	2-6 Activities, value chain and other business relationships	Sustainable Supply Chain			
	2-7 Employees	Employee Experience and Engagement			
	2-8 Workers who are not employees	Employee Experience and Engagement			
	2-9 Governance structure and composition	Corporate Governance			
	2-10 Nomination and selection of the highest governance body	Corporate Governance			
	2-11 Chair of the highest governance body	Corporate Governance			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIRE- MENT(S) OMITTED	REASON	EXPLANATION
General Disclosures					
	2-13 Delegation of responsibility for managing impacts	Corporate Governance			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance			
	2-15 Conflicts of interest	Corporate Governance			
	2-16 Communication of critical concerns	Corporate Governance	2-16-b	Not applicable	
	2-17 Collective knowledge of the highest governance body	Corporate Governance			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance			
	2-19 Remuneration policies	Corporate Governance			
	2-20 Process to determine remuneration	Corporate Governance			
	2-21 Annual total compensation ratio		2-21	Confidentiality constraints	
	2-22 Statement on sustainable development strategy	CEO's message & Corporate Governance			
	2-23 Policy commitments	Corporate Governance & Ethics and Values			
	2-24 Embedding policy commitments	Ethics and Values			
	2-25 Processes to remediate negative impacts	Ethics and Values			
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and Values			
	2-27 Compliance with laws and regulations	Ethics and Values			
	2-28 Membership associations	Corporate Governance			
	2-29 Approach to stakeholder engagement	Approach to Sustainability			
	2-30 Collective bargaining agreements	Employee Experience and Engagement			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Approach to Sustainability	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	Appendix 1: Material Topics, Main Stakeholders			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Development			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Development			
	201-2 Financial implications and other risks and opportunities due to climate change		201-2	Information unavailable/incomplete	
	201-3 Defined benefit plan obligations and other retirement plans	Economic Development			
	201-4 Financial assistance received from government	Economic Development	201-4 a. i. 201-4 a. iii. 201-4 a. iv. 201-4 a. v. 201-4 a. vi. 201-4 a. vii. 201-4 c.	Not applicable	
Material topics: Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Experience and Engagement			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Experience and Engagement	202-1 b.	Not applicable	
	202-2 Proportion of senior management hired from the local community	Employee Experience and Engagement			
Material topics: Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Development			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Economic Development and Appendix 3			
	203-2 Significant indirect economic impacts	Economic Development and Appendix 3	203-2 b.	Not applicable	
Material topics: Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics and Values			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics and Values			
	205-2 Communication and training about anti-corruption policies and procedures	Ethics and Values			
	205-3 Confirmed incidents of corruption and actions taken	Ethics and Values			
Material topics: Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics and Values			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and Values			
Material topics: Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change	302-1 b. 302-1 c. iv. 302-1 d. ii. 302-1 d. iii. 302-1 d. iv 302-1 e. 302-1 g.	Not applicable	
	302-2 Energy consumption outside of the organization	Climate Change	302-2 b. 302-2 c.	Information unavailable/incomplete	
	302-3 Energy intensity	Climate Change			
	302-4 Reduction of energy consumption	Climate Change	302-4 c.	Not applicable	
	302-5 Reductions in energy requirements of products and services	Climate Change	302-5 a. 302-5 b. 302-5 c.	Not applicable	
Material topics: Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water and Effluents			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Effluents			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Water and effluents					
	303-2 Management of water discharge-related impacts	Water and Effluents	303-2 a. i. 303-2 a. ii. 303-2 a. iii.	Not applicable	303-2 a. i.: Local requirements and standards do exist
	303-3 Water withdrawal	Water and Effluents	303-3 a. i. 303-3 a. ii. 303-3 a. iii. 303-3 a. iv. 303-3 b. i. 303-3 b. ii. 303-3 b. iii. 303-3 b. iv.	Not applicable	Hermes Airports does not withdraw water from these categories
	303-4 Water discharge	Water and Effluents	303-4 a. ii. 303-4 d. i. 303-4 d. ii. 303-4 d. iii.	Information unavailable/incomplete	
	303-4 Water discharge	Water and Effluents	303-4 a. iv. 303-4 b. i. 303-4 c. i. 303-4 c. ii.	Not applicable	
	303-5 Water consumption	Water and Effluents	303-5 b. 303-5 c.	Not applicable	
Material topics: Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ecosystems and Biodiversity	3-3 c. 3-3 d. 3-3 e. 3-3 f.	Not applicable	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecosystems and Biodiversity	304-1 a. ii.	Not applicable	
	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystems and Biodiversity	304-2 a. i. 304-2 a. iii.	Not applicable	
	304-2 Significant impacts of activities, products and services on biodiversity	Ecosystems and Biodiversity	304-2 a. ii. 304-2 b. iv. 304-2 a. v. 304-2 a. vi.	Information unavailable/incomplete	
	304-3 Habitats protected or restored	Ecosystems and Biodiversity	304-3 c.	Information unavailable/incomplete	
	304-3 Habitats protected or restored	Ecosystems and Biodiversity	304-3 d.	Not applicable	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecosystems and Biodiversity			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change	305-1 c. 305-1 d. iii.	Not applicable	
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change	305-2 d. iii.	Not applicable	
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change	305-3 c. 305-3 e. iii.	Not applicable	
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change	305-3 e. ii.	Information unavailable/incomplete	
	305-4 GHG emissions intensity	Climate Change			
	305-5 Reduction of GHG emissions	Climate Change	305-5 c.	Information unavailable/incomplete	
	305-6 Emissions of ozone-depleting substances (ODS)	Climate Change			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate Change	305-7 a. ii. 305-7 a.iii. 305-7 a.iv. 305-7 a.v. 305-7 b.	Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate Change	305-7 c.	Information unavailable/incomplete	
Material topics: Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste			
	306-2 Management of significant waste-related impacts	Waste			
	306-3 Waste generated	Waste			
	306-4 Waste diverted from disposal	Waste	306-4 b. i. 306-4 b. iii. 306-4 c. i. 306-4 d. i.	Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Waste					
	306-5 Waste directed to disposal	Waste	306-5 b. i. 306-5 b. ii. 306-5 b. iii. 306-5 b. iv. 306-5 c. 306-5 c. i. 306-5 c. ii. 306-5 c. iv. 306-5 d. i.	Not applicable	
	306-5 Waste directed to disposal	Waste	306-5 a. 306-5 c. iii. 306-5 d. ii.	Information unavailable/incomplete	306-5 a: The total weight of waste directed to landfill is available, however, not the breakdown of this by composition of the waste 306-5 c. iii. & 306-5 d. ii. Once the municipal waste is collected from the Airport premises it is taken to the landfills where a further segregation takes place up to a certain extent for the recovery of materials (as far as possible) before final disposal to landfill - No figures are provided to Hermes on the total weight of the municipal waste collected neither on the categories and weight of any materials that might be recovered from this stream
GRI 306: Effluents & Waste 2016	3-3 Management of material topics	Waste			
	306-3 Significant spills	Waste	306-3 b. ii.	Information unavailable/incomplete	
Material topics: Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain			
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain	308-2 b. 308-2 c. 308-2 d. 308-2 e.	Not applicable	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Experience and Engagement			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Experience and Engagement			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Experience and Engagement			
	401-3 Parental leave	Employee Experience and Engagement			
Material topics: Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety			
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety			
	403-3 Occupational health services	Health and Safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety			
	403-5 Worker training on occupational health and safety	Health and Safety			
	403-6 Promotion of worker health	Health and Safety			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Occupational health and safety					
	403-8 Workers covered by an occupational health and safety management system	Health and Safety	403-8 ai 403-8 aii 403-8 aiii 403-8 b 403-8 c	Information unavailable/incomplete	The company does not hold any data or percentage for employees of other Airport tenants. It is the responsibility of each employer/company to fulfill all law requirements for its staff, the equipment and the processes which are followed by the Airport tenant in relation to the activities that they are conducted. Checks and audits might be conducted by certified/competent officials of external bodies. Obligations also arise for the companies which possess ISOs and audits are usually conducted to ensure compliance with these requirements/obligations.
	403-9 Work-related injuries	Health and Safety	403-9 aii 403-9 aiv 403-9 v 403-9 bii 403-9 biv 403-9 bv 403-9 cii 403-9 d 403-9 e 403-9 f 403-9 g	Information unavailable/incomplete	* The company has an Accident/Incident reporting Standard operating procedure which has been communicated to all Airport tenants. All accidents/incidents must be reported to the Operations department and relevant reports are compiled. The incidents are sorted in various categories and statistical data are extracted. Relevant tables indicating the Accidents/incidents for LCA and PFO Airports are in sheets LCA and PFO Data

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Occupational health and safety					
	403-10 Work-related ill health	Health and Safety	403-10 aiii 403-10 biii 403-10 ci - iii 403-10 d 403-10 e	Information unavailable/incomplete	There is no such data available and we believe it is very difficult to come to such conclusions and define a case as work-related ill health. However, the company proceeds with preventative measures for the protection of the health of the staff, such as, trainings for manual handling, ergonomics. Furthermore personal protective equipment is issued to the staff (ear protectors, safety shoes) in relation to his/her task(s) to also contribute to the protection of the health.
Material topics: Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Experience and Engagement			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Experience and Engagement			
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Experience and Engagement			
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Experience and Engagement			
Material topics: Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Experience and Engagement			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Experience and Engagement			
	405-2 Ratio of basic salary and remuneration of women to men	Employee Experience and Engagement			
Material topics: Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Experience and Engagement			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Experience and Engagement			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (Chapter)	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Material topics: Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Quality of Life of Local Communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Quality of Life of Local Communities	413-1 a. v. 413-1 a. vi. 413-1 a. vii. 413-1 a. viii.	Not applicable	
	413-2 Operations with significant actual and potential negative impacts on local communities	Quality of Life of Local Communities			
Material topics: Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain	3-3-f	Not applicable	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain			
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain			
Material topics: Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Health and Safety	416-1 a	Information unavailable/incomplete	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety			
Material topics: Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethics and Values			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethics and Values			

The following topics in the applicable GRI Sector Standards were determined by Hermes as not material:

- GRI 207: Tax 2019
- GRI 301: Materials 2016
- GRI 402: Labor/Management Relations 2016
- GRI 407: Freedom of Association and Collective Bargaining 2016
- GRI 408: Child Labor 2016
- GRI 409: Forced or Compulsory Labor 2016
- GRI 410: Security Practices 2016
- GRI 411: Rights of Indigenous Peoples 2016
- GRI 415: Public Policy 2016
- GRI 417: Marketing and Labeling 2016



Appendix 3

1.1 Awards and Recognitions

2023 Hermes Airports wins Routes World Marketing Award

Larnaca Airport won the first place in the highly competitive category of 5-10 million passengers with the votes of the airlines, at the largest meeting of the aviation industry Routes World 2023 held in Istanbul. The Routes Awards take place annually and the voting and decision-making process belongs exclusively to the airlines, which evaluate and reward the broader strategy and various initiatives developed by an Airport to improve connectivity and communication with the aviation industry.

2023 Larnaca and Pafos Airports advance to the ACI ACA Level 4+ Transition Accreditation

The level 4+ "Transition" accreditation has been achieved in recognition of the Airports' exemplary work in aligning its carbon management with global climate goals to reach absolute emission reductions.

2022 Hermes Airports was recognised at the 7th Cyprus Corporate Social Responsibility Awards

Hermes Airports was recognised through an award at the 7th Cyprus Competition in Corporate Social Responsibility, in a ceremony that took place at the Presidential Palace. The award highlights Hermes' implementation of impactful practices and initiatives within its Sustainability and CSR strategy, aimed at benefiting society.

2022 Hermes Airports received an Honorable Distinction at the Cyprus Export Awards

Hermes Airports received an Honorable Distinction at the Cyprus Export Awards, which is co-organized by the Ministry of Energy, Commerce, and Industry and the Cyprus Chamber of Commerce and Industry. This recognition acknowledges Hermes' contribution during the pandemic, which greatly assisted in sustaining the tourism sector, even under challenging circumstances.

2022 Investors in People 'We Invest in People' Platinum Accreditation reaffirmed

Hermes Airports was reassessed by Investors in People for its Platinum accreditation and in January 2022 the Platinum status was reconfirmed.

2022 Investors in People 'We Invest in Wellbeing' Gold Accreditation achieved

Hermes Airports received the Investors in People 'We Invest in Wellbeing' Gold Wellbeing accreditation, acknowledging the initiatives implemented throughout the year focusing on the wellbeing of its people.

2021 Hermes Airports accredited with the Gold Designation by the MEECO Institute

Hermes Airports received a Gold Designation by the MEECO Institute "Measuring, Employment Sciences, Executive Coaching, Corporate Leadership, Organizational Culture" which acknowledges the importance of Human Resources Management within the company, demonstrating the organisation's strong commitment to achieving excellence through the design and execution of its Human Resources program, with an emphasis on Executive Coaching.

2020 CCCI Business Leader award

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

2020 Larnaca Airport Highly Commended at the ACI Europe Best Airport Awards

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

2020 Larnaca and Pafos Airports received the ACI Airport Health Accreditation

Larnaca and Pafos Airports have been accredited with the Airport Health Accreditation by ACI World. This recognition affirms that all health and safety measures are completely implemented.

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 & Organization). The two awards have been presented for hosting of the 29th Annual General Assembly & Congress of the Airports Council International (ACI) Europe in Cyprus and the social events held as part of this hosting.

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

Hermes Airports was highly commended at the 5th Cyprus awards 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 Larnaca 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 Larnaca and Pafos Airports acquire the ACI ACA Level 3+ Neutrality Certificate

Hermes Airports acquired the fourth level of the ACA Certification Level 3+ Neutrality (achieving net zero carbon emissions) for Larnaca and Pafos Airports, which relates to the offset of carbon dioxide emissions.

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 Europe Best Airport Awards

Hermes Airports was the winner of the HR Excellence award, an annual award presented by ACI Europe to European Airports for excellence in HR practices during the 29th Annual General Assembly and Congress of ACI Europe.

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 awarded as the "Best International Airport Management Company in the Mediterranean" at the 2019 Air Transport Awards.

2019 Hermes Airports accredited with the Investors in People 'We Invest in People' Platinum IIP standard

Hermes Airports achieves the Investors in People 'We Invest in People' Platinum accreditation, 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 "Measuring, Employment Sciences, Executive Coaching, Corporate Leadership, Organizational Culture" which acknowledges the importance of Human Resources Management within the company, demonstrating the organisation's strong commitment to achieving excellence through the design and execution of its Human Resources program, with an emphasis on Executive Coaching.

2018 Pafos Airport won Most Accessible Airport Award at the ACI Best Airport Awards

Pafos Airport was awarded as the Most Accessible Airport in Europe in 2018 for persons with disabilities & persons with reduced mobility during the 28th Annual General Assembly & Congress of ACI Europe.

2017 Larnaca Airport won Most Accessible Airport Award at the ACI Europe Best Airport Awards

Larnaca Airport was awarded as the Most Accessible Airport in Europe in 2017 for persons with disabilities & persons with reduced mobility during the 27th Annual General Assembly & Congress of ACI Europe.

Appendix 4

1.1 Glossary and Definitions

ACI: Airports Council International

Aircraft movements: An aircraft take-off or landing at an Airport. For Airport traffic purposes, one arrival and one departure are counted as two movements.

Commercial cargo flight: Flights transporting only cargo.

Commercial passenger flight: Scheduled and non-scheduled passenger flights.

Domestic flights: All flights of national or foreign aircraft in which all the Airports used are located in the territory of the same State. In both cases the flight is considered to consist of the total of its flight stages (i.e., from take-off to its next landing); technical stops are not considered.

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 downstream 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.

EMAS: EU Eco- Management and Audit Scheme

ENISA: European Network and Information Security Agency

General aviation flight: All other flights (including business/corporate flights, private flights, and others).

GHG emissions:

Direct (Scope 1) GHG emissions:

GHG emissions from sources that are owned or controlled by an organisation. 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 organisation.

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

International Flights: All flights of national or foreign aircraft whose origin or destination is located in the territory of a State other than that in which the Airport being reported on is located.

ISACA: Information Systems Audit and Control Association

ISO: International Organisation for Standardization

MEECO: Meeco Institute "Measuring, Employment Sciences, Executive Coaching, Corporate Leadership, Organisational Culture"

PMD: plastic bottles, metal packaging and drink cartons

PRM: Passengers with disabilities and reduced mobility

State aviation flights: State VIP transports, police/customs, and military flights.

Taxi: Taxi is the movement on the surface of an Airport.

Transfer passengers: Passengers who arrive at the Airport and continue their journey by connecting to another destination on another flight.

Transit passengers: Passengers who arrive at the Airport and continue their journey on the same flight.

TULIPS: An EU funded project which stands for "Demonstrating lower polluting solutions for sustainable Airports across Europe".

UN SDGs: United Nations Sustainable Development Goals

Communication

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