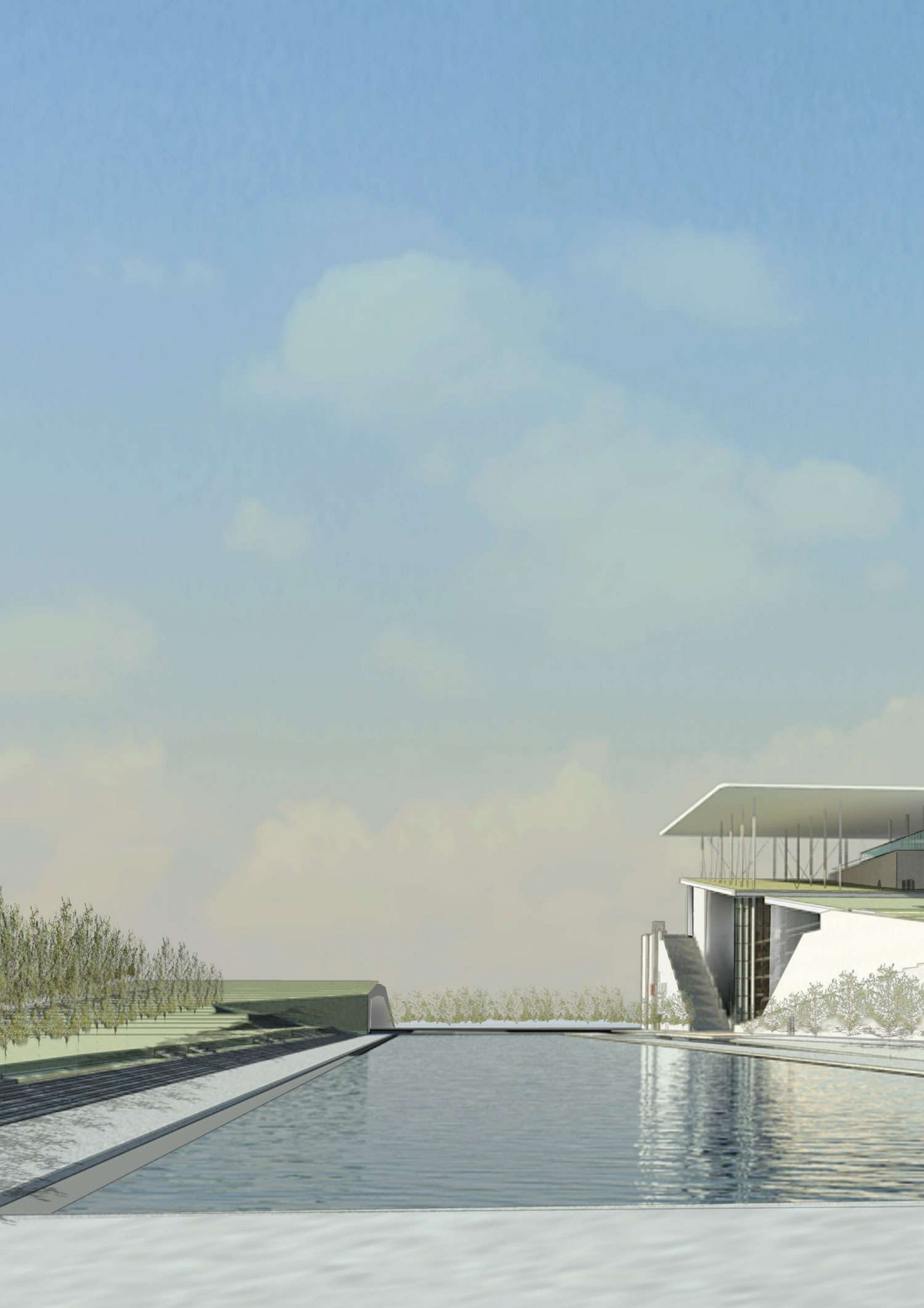




GEK TERNA
GROUP OF COMPANIES

Corporate
Responsibility
Report

2013



INDEX

1. Group's profile

- 1.1 GEK TERNA Group at a glance
- 1.2 Sectors of activity
- 1.3 Brief history
- 1.4 Distinctions – awards

2. CORPORATE RESPONSIBILITY AT GEK TERNA GROUP

- 2.1 CSR as a part of corporate strategy
- 2.2 Creating value
- 2.3 Communication with stakeholders

3. CORPORATE GOVERNANCE

- 3.1 Corporate Governance Code
- 3.2 The Board of Directors
- 3.3 Code of Ethics
- 3.4 Avoiding conflict of interest

4. CARE FOR OUR PEOPLE

- 4.1 GEK TERNA Group as an employer
- 4.2 Equal opportunities and human rights
- 4.3 Staff training and development
- 4.4 Remuneration and benefits policy
- 4.5 Employment contracts

5. HEALTH AND SAFETY

- 5.1 Health and Safety Management System
- 5.2 Health and Safety Policy
- 5.3 Health and Safety Programmes
- 5.4 Health and Safety in numbers

6. PROTECTION OF THE ENVIRONMENT

- 6.1 Environmental Management System
- 6.2 Environmental Policy
- 6.3 Environmental footprint management

7. SUPPORTING LOCAL COMMUNITIES

- 7.1 Social product
- 7.2 Social contribution
- 7.3 Supporting local suppliers

GROUP PROFILE

1.1 GEK TERNA GROUP AT A GLANCE

GEK TERNA Group is one of the leading Business Groups in Greece, with operations in Central and Southeastern Europe, the U.S.A., North Africa and the Middle East.

The Group is actively involved in construction, electricity production, supply and trade, concessions, waste management, mining and real estate development and management.

At the end of 2013, the Group employed about 4,300 people around the world, while its total investments from 2008 – 2013 exceeded 1.5 billion euros. At the end of 2013, the Group's backlog was 3.9 billion euros, while the total capacity of energy plants which were operated by the Group or were under construction was 1,420 MW.

GEK TERNA and its subsidiary TERNA ENERGY are listed on the Athens Stock Exchange (FTSE / Athex Large Cap).

During the past 45 years of its history, GEK TERNA Group has achieved a high reputation status and with its partners and shareholders, through the culture and values that govern its business activity:

- Respect for people and the natural environment
- Creating value for our employees, partners, customers and shareholders
- Honesty and credibility
- Targeted social contribution

GEK TERNA GROUP AIMS AT:

- Sustainable growth
- Maintaining and strengthening its leading position in its traditional business activities (construction, electricity production) in Greece
- Constantly expanding in new business sectors (waste management, mining activities etc) as well as in new markets abroad



OUR PRESENCE



America

United States of America

Europe

Greece
Albania
Bulgaria
FYROM
Romania
Serbia
Poland

Middle East & North Africa

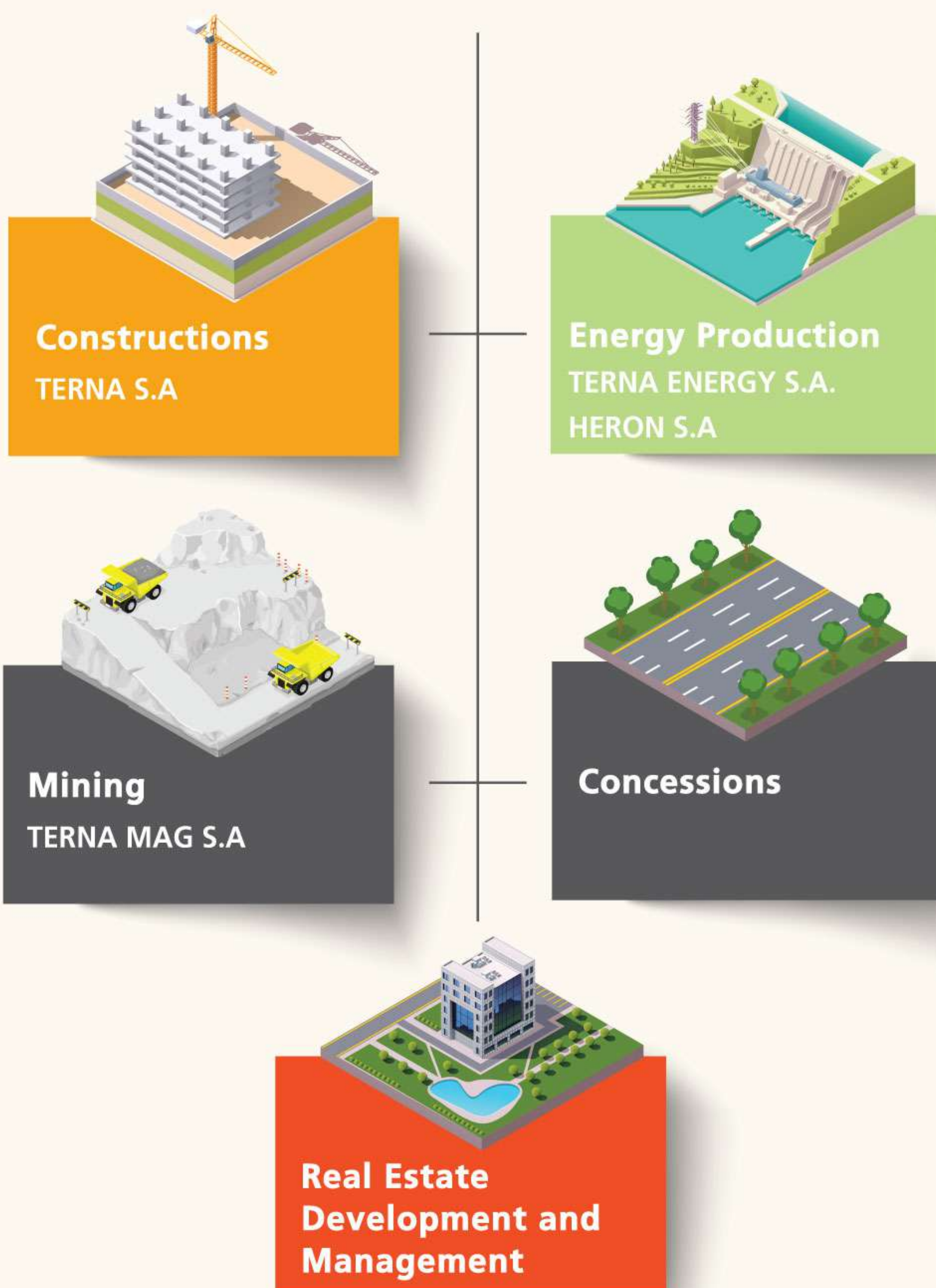
Bahrain
United Arab Emirates
Qatar
Saudi Arabia
Libya
Iraq
Egypt



1.2 SECTORS OF ACTIVITY

GEK TERNA

GROUP OF COMPANIES

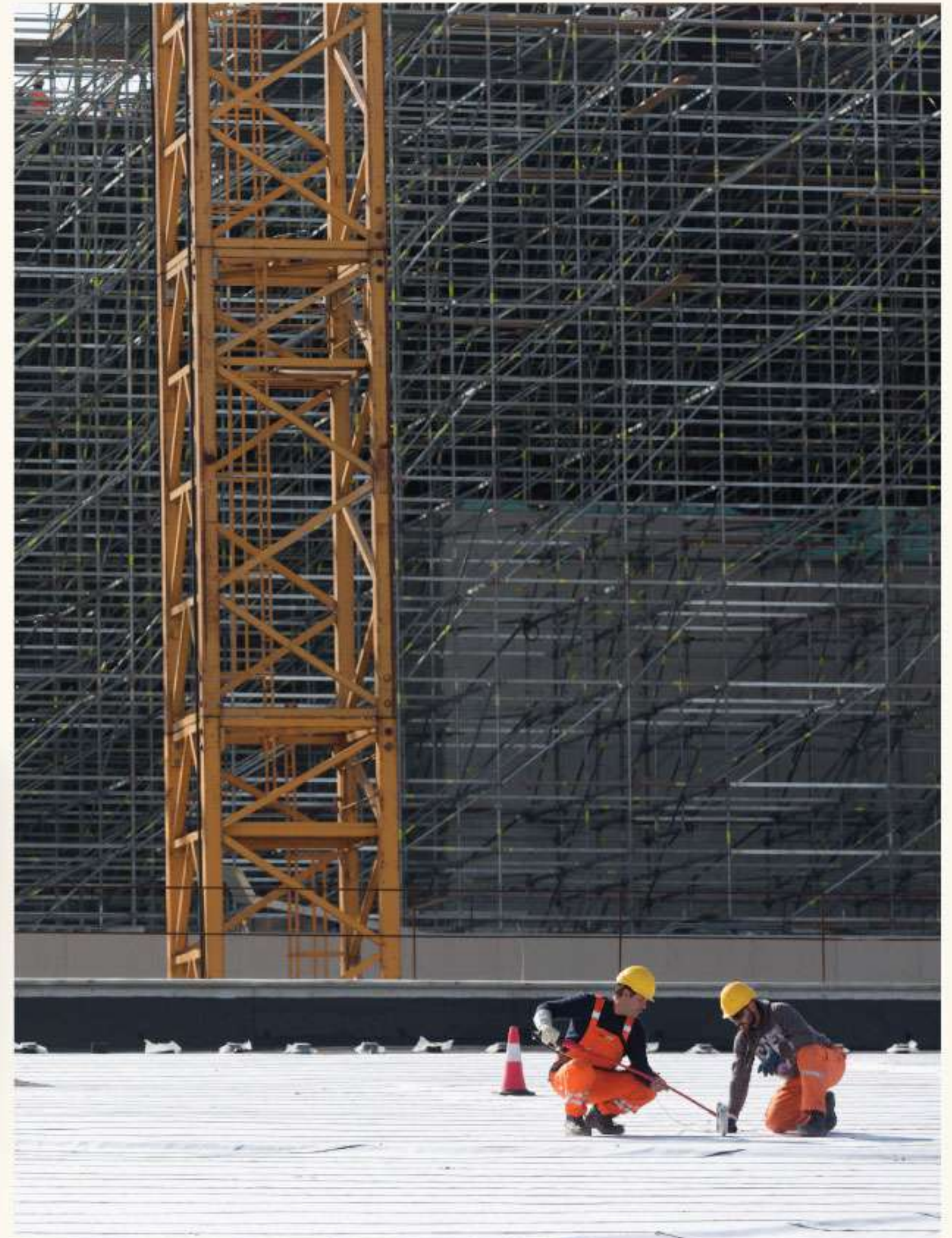


Construction

GEK TERNA Group has been actively involved in the sector of construction for 45 years, through its 100% subsidiary TERN A S.A.

TERNA (www.terna.gr) is involved in the implementation of a broad spectrum of public and private projects of considerable budget and complex know-how, such as the construction of highway and railway networks, ports, buildings, hospitals, museums, industrial facilities, hydro-electric plants, dams, power plants, etc.

At the end of 2013, the company's backlog was 3.9 billion euros.



Renewable Energy

GEK TERNA Group has been actively involved in the sector of Renewable Energy Sources (RES) since 1997 through TERN A ENERGY S.A., a leading company in the development of the RES market in Europe, with a strong portfolio of technologies and projects in Europe and the U.S.A. At the end of 2013, the total installed capacity of the Group amounted to 544 MW.

By the end of 2013, the Group had installed 302 MW in Greece, 138 MW in the U.S.A, 74 MW in Poland and 30 MW in Bulgaria. At the same time, the Group owned RES facilities under construction or ready for construction of a capacity of 294 MW in Greece and abroad.

In total, the company, at the end of 2013, was operating, had constructed or had fully licensed 838 MW of RES installations, in Europe and the U.S.A.

TERN A ENERGY (www.terna-energy.com) is listed on the Athens Stock Exchange (FTSE / Athex Large Cap).

Mining

One of the most recent and very promising investments of the Group is its involvement in magnesite (Mantoudi, Evia) reserves.

TERNAMAG S.A. (www.ternamag.com) is a mining and commercial company, founded in 2013 in North Evia, Greece, that specializes in magnesia products. GEK TERNAGroup realizes an investment plan of 100 million euros for the revival of the mining activity in Mantoudi, one of the most ambitious productive efforts that are being realized in Greece at the moment.



Thermal Energy

GEK TERNAGroup is actively involved in the sector of thermal energy production through its participation in HERON S.A. Apart from GEK TERNAGroup, GDF Suez and Qatar Petroleum, two leading international energy players, participate in the share capital of HERON S.A.

HERON S.A. (www.heron.gr) operates in the sectors of electricity production, supply and trade. It owns two thermal power plants in Viotia, Greece, with a total installed capacity of 582 MW (HERON I – 147 MW and HERON II – 435 MW).

Real Estate

GEK TERNA Group is also actively involved in the development and management of real estate, having a wide portfolio in Greece, Bulgaria and Romania which includes shopping centers, logistic centers, industrial parks, recreation parks, housing developments, hotels, parking stations, etc.



Concessions

GEK TERNA Group is also dynamically involved in financing, managing and commercially exploiting concession projects. In particular, the Group participates in the Road Concessions companies NEA ODOS, KENTRIKI ODOS and OLYMPIA ODOS. At the same time, the Group has participated in the construction and operation of 10 parking stations, while three (3) more were under construction at the end of 2013. Moreover, in 2013, the Group was appointed as temporary contractor for the project of Public-Private Partnership for Waste Management in the Peloponnese.

NEA ODOS

GEK TERNA Group participates in "NEA ODOS", the company that has undertaken the study, design, construction, operation, exploitation and maintenance of a concession project of a total length of 380 km that is divided into two main sections and includes:

- "Ionia Odos" motorway of an approximate length of about 196 km from the end of "Ch. Trikoupis" bridge in Antirio to Egnatia Odos near Ioannina (Egnatia Odos I/C).
- Part of PATHE motorway of an approximate length of about 172.5 km from Metamorphossi I/C (area of Attiki Odos) to the area of Skarfia – after Kamena Vourla – and PATHE connecting branch "Schimatari – Chalkida" of a total length of 11 km.

The Project follows the construction and operation standards of motorways, thus it is a dual carriageway with two lanes per direction and a design speed of 120 km/hour. Ionia Odos is a project of paramount importance of a total budget of 1.118 billion euros, with huge benefits for the country. "NEA ODOS" company aims at constructing modern motorways with European standards which will contribute to the overall development and progress of the country.



The main objective is to provide safe and faster transportation for all Greek citizens as well as high quality services.

KENTRIKI ODOS: CENTRAL GREECE MOTORWAY



GEK TERNA Group participates in "KENTRIKI ODOS" company, which has undertaken the study, design, construction, operation, exploitation and maintenance of "Central Greece Motorway – E65" Concession project.

Having undertaken one of the major national projects in Greece, with a total budget of 1.4 billion euros and strategic importance for the country's development, KENTRIKI ODOS aims at the construction of a modern motorway according to highway standards.

Central Greece Motorway – E65 concession project concerns the construction of a motorway from PATHE semi-I/C to the I/C with Egnatia Odos (total length of 174 km) as well as the exploitation of the PATHE section from Skarfia to Raches.

Central Greece Motorway – E65 has the necessary capacity of a modern dual carriageway with two lanes per direction and crosses the plain of Fthiotida, Mount Orthys, the Thessaly plain and Peneus river passing by the cities of Karditsa, Trikala, Kalampaka, to the foothills of Antichassia, Ion river and Chassia mountains to be eventually connected with Egnatia Odos at the forest of Pindos.



The construction of the motorway, which connects PATHE with Egnatia Odos:

- contributes to the regional development and economic cohesion of the various local areas that it crosses and connects
- completes the transportation system on a regional and local level
- improves traffic speeds and safety conditions and reduces accidents
- connects Central Greece with Trans-European Networks
- connects the ports of Igoumenitsa and Volos
- ensures top quality service

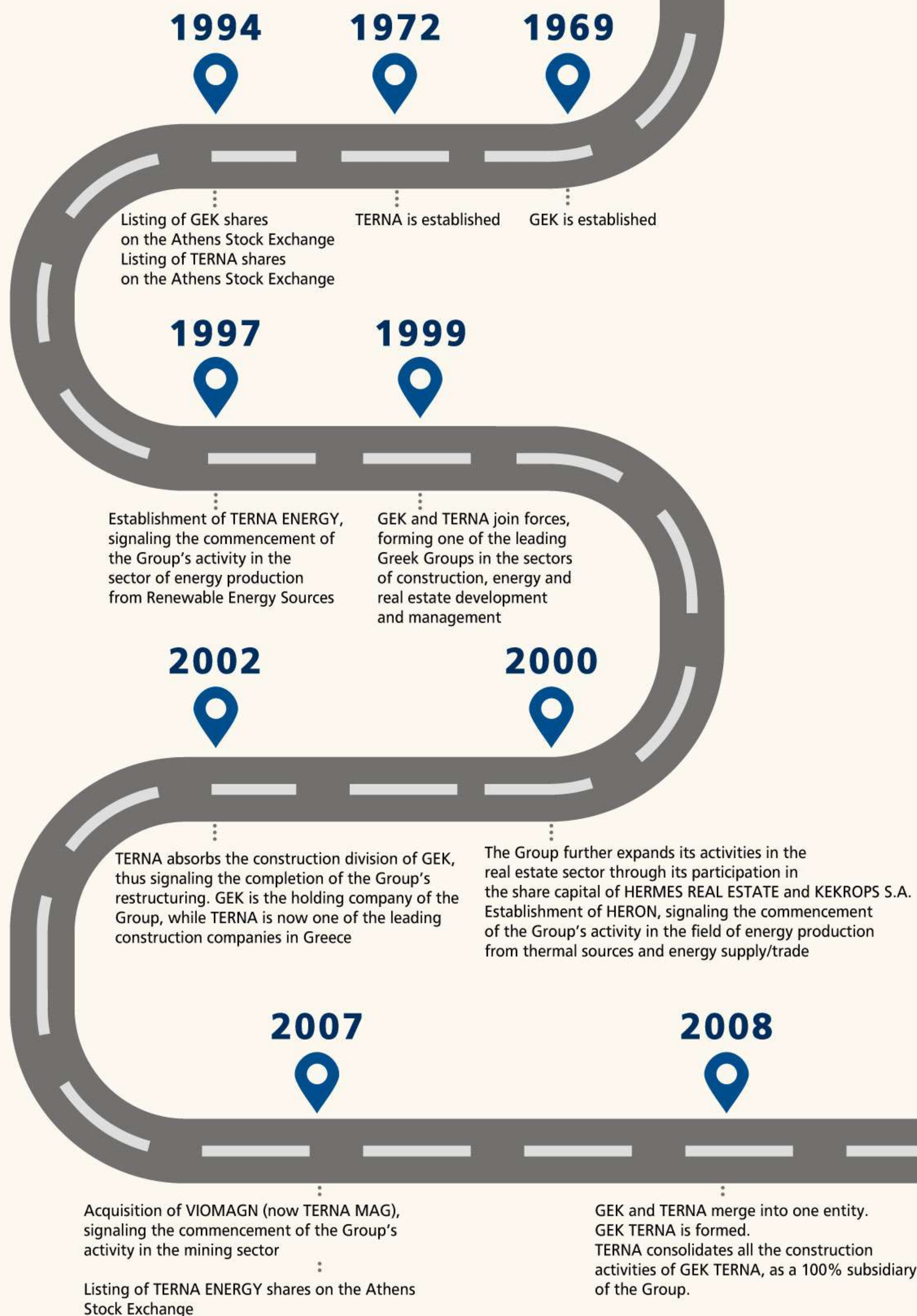
The design of the motorway follows modern, national and European standards, respecting the natural environment and the local communities while it will ensure safety and convenience for the users and the greatest possible saving of time and fuel.

OLYMPIA ODOS

The Board of Directors sets the Group's vision, outlines and defines its business development strategy and oversees its implementation aiming, on the one hand, at the protection of the long term interests of its shareholders by ensuring that all necessary conditions processes and methods establishing and securing the Company's trustworthiness in the business community and the society as a whole prevail while, on the other, all other stakeholders are fully respected. In order to ensure transparency and effective management of risks, the BoD is in daily communication with senior management staff so as to have real time information on key issues and risks thus being able to take decisions and swift corrective actions if necessary.

1.3 BRIEF HISTORY

The main highlights in the history of the Company, from its foundation to the present day, are the following;



ECONOMIC DEVELOPMENTS

In 2013, GEK TERNA Group operated in a challenging economic and political environment in Greece, primarily shaped by the problems faced by the Greek economy that persisted throughout the year, thus influencing the Group's activities. These problems, in combination with the continuous reshaping of the taxation regime during the year, created an environment of uncertainty and of reduced liquidity which made the realization of new investments difficult or, in some cases, even impossible.

On the positive side, the restart of the construction of the major road projects at the end of 2013 in Greece, provided a positive perspective to the Group and to the Greek economy as a whole, due to the projects' contribution of high domestic added value, the resulting increase in employment with the creation of tens of thousands of jobs and the immediate provision of much needed liquidity to the market.

Despite these challenging conditions, GEK TERNA Group continued to pursue its investment programme, focusing, primarily, on the Renewable Energy Sources' sector, mainly thanks to its capital structure which remained satisfactory. At the same time, the Group continued to be present and develop its business outside Greece since a significant part of the construction and energy turnover is generated in countries of Southeastern Europe and the Middle East.

SIGNIFICANT CHANGES IN 2013

One of the leading global investment capital firms, York Capital Management, now participates in the share capital of GEK TERNA Group, investing 100 million euros in the Group.



KEY FINANCIAL RESULTS

In 2013, turnover reached circa 730 million euros, compared to 673 million euros in 2012, posting an increase of approximately 8.3%, mainly attributed to higher sales in the construction and energy sectors.

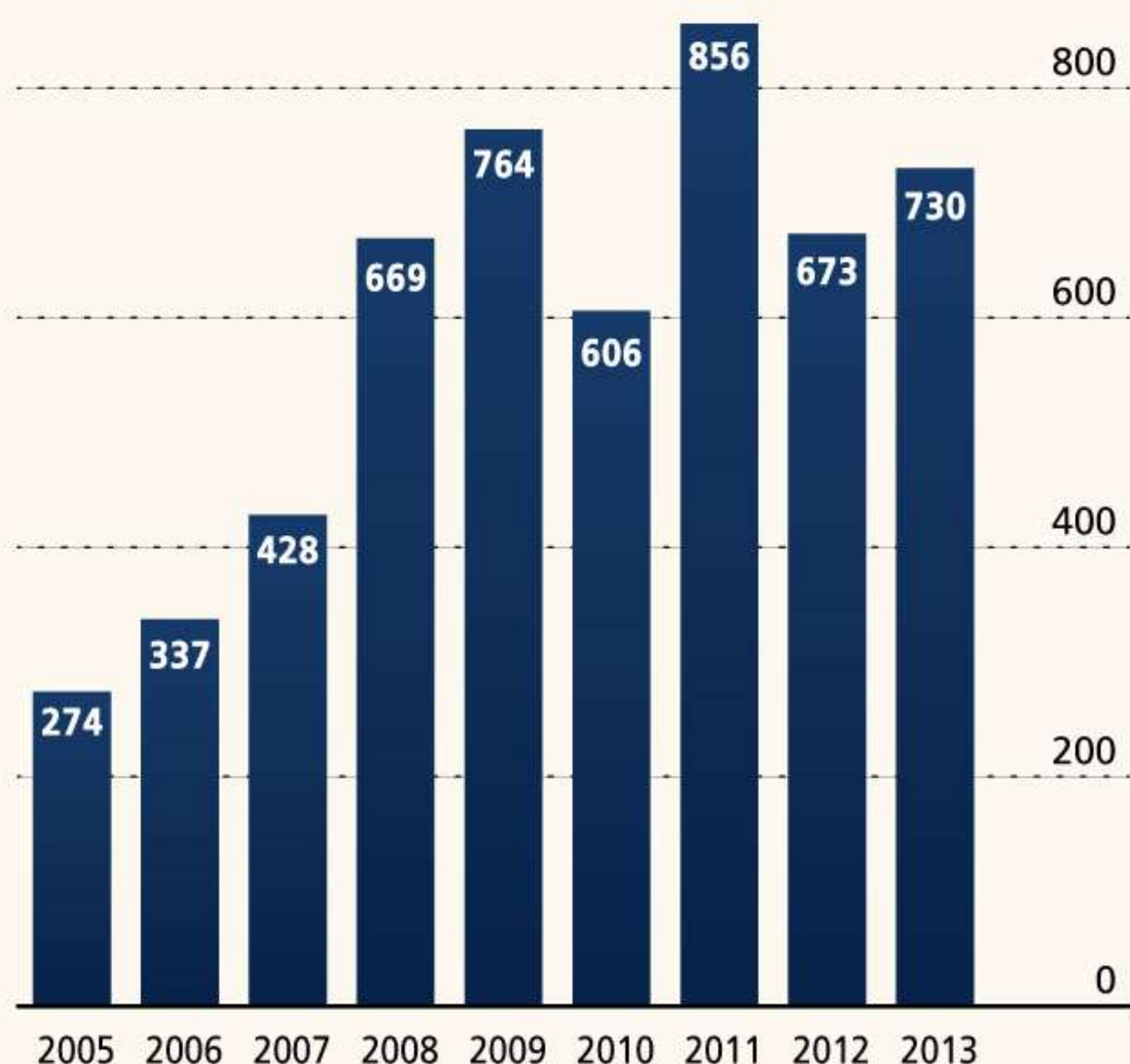
Earnings before interest, taxes, depreciation and amortization (EBITDA) of GEK TERNA Group amounted to 147.4 million euro, adjusted for provisions and non-cash expenses, versus 114.1 million euro, posting an increase of 29.1% compared to 2012, positively affected by the energy division.

Net profit/(losses) after taxes and minority interest corresponded to (89.4) million euro in 2013 versus (52.6) million euro in 2012, Mainly affected by significant non-cash provisions for impairment of assets of approximately 70.1 million euro in real estate and constructions as well as high financing costs.

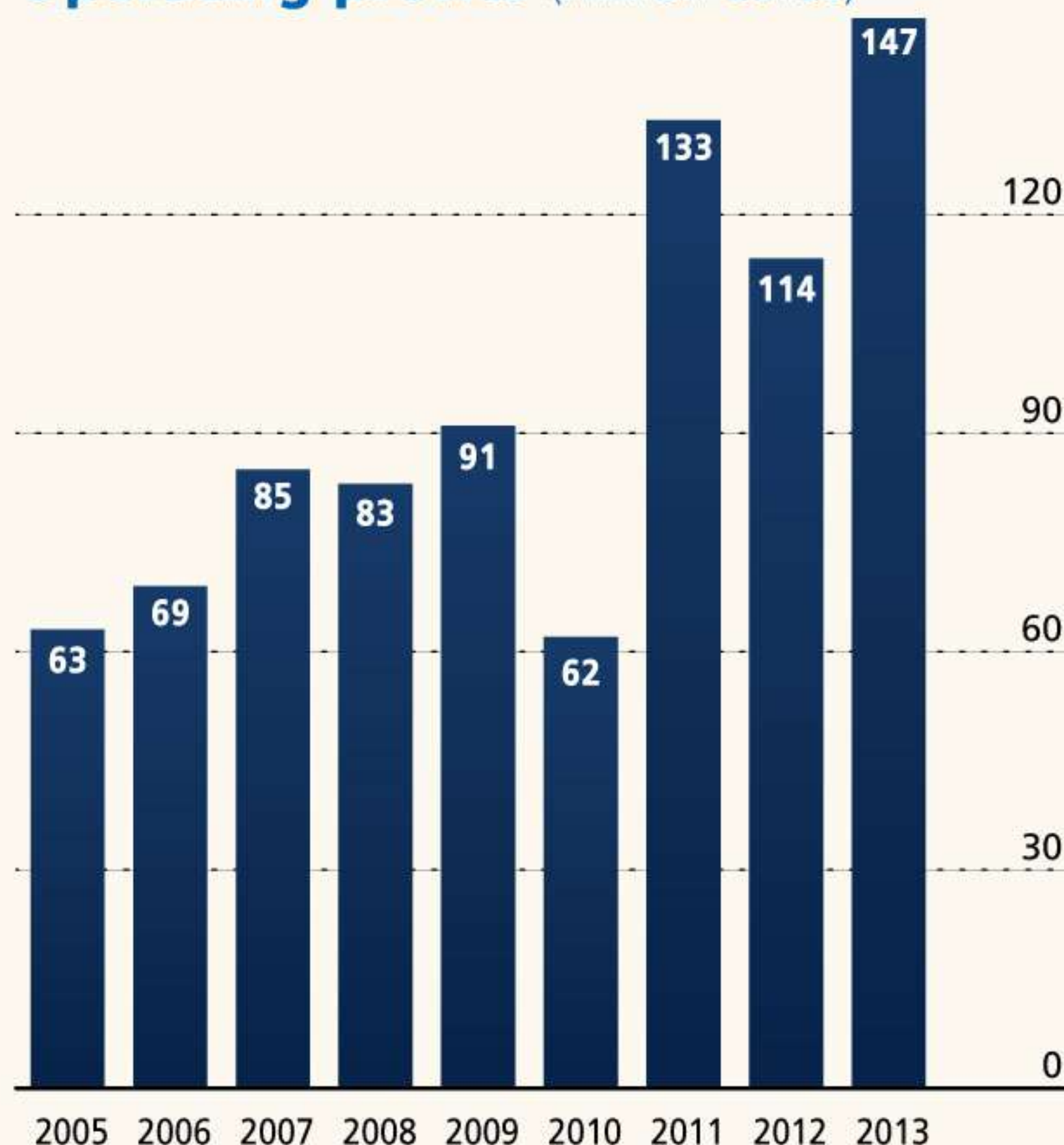
Group Total Assets in 2013 reached 2,705 million euros, compared to 2,698 million euros in the previous year.



Turnover (million euros)



Operating profits (million euros)



ECONOMIC DATA

(amounts in thousands of euros except for the cases where it is mentioned otherwise¹⁾)

	2013
Net turnover	729,838
Other non operating income (Sale of assets)	9,126
Income from financial investments	3,037
Total Income	769,755
Operating cost ²	-684,742
Wages and benefits	-72,514
Financing expenses	-75,571
Earnings – before tax	-71,679
Earnings	-87,839
Net earnings per share (in euros)	-1.0452
Total taxes and levies due ³	-50,769
Other third party taxes withheld	-11,329
Tax withheld and social insurance	-13,212
VAT due to suppliers	-112,394
Investments	83,443
Total capitalization	308,633
Equity	634,442
Total liabilities	2,070,416
Total assets	2,704,858

- 1: Expenses and cash outflows are marked with a minus.
- 2: Not included cost of wages and benefits
- 3: Withheld taxes and insurance contributions of salaried employees that are mentioned separately are not included.



POSITIVE PROSPECTS AND FURTHER DEVELOPMENT POTENTIAL

It is particularly important to note that, despite the present challenging economic conditions, the prospects of GEK TERNA Group, are positive. The diversified activities of the Group spread business and market risk and reduce the Group's dependence on the profitability of particular sectors.

At the same time, it is important to underline the creation and existence of strategic and operational synergies between the different business activities of the Group that are particularly profitable (e.g. the company constructs its own power plants and undertakes its own real estate projects, mining activity, etc.).

1.4 DISTINCTIONS – AWARDS

“TRUE LEADERS”

In 2013, TERN Energy, a 100% subsidiary of GEK TERN Group, received the TRUE LEADERS award.



The TRUE LEADER awards, organized by ICAP Group, recognize companies and groups of companies that meet certain objectives and measurable criteria, reaching high efficiency. In particular, from a total of 20,500 enterprises that were examined, 35 Companies and eight (8) Groups of companies managed to excel in the following:

- Were included in the 500 most profitable Companies or in the 200 most profitable Groups for 2012, according to the data of Business Leaders in Greece edition (EBITDA being a classification criterion)
- Were among the 500 Companies or the 200 Groups of companies with the biggest number of employees or that increased their number of employees from 2011 to 2012
- The companies or the leading companies of the Group that had a high ICAP Credit Score (evaluation of Credit Standing from B2 to A1)
- Were among the top 10 in their Sector (according to turnover).



2012 **True
Leaders**
by ICAP Group

2.

CORPORATE RESPONSIBILITY AT GEK TERNA GROUP

Corporate Responsibility constitutes a *modus operandi* and a vehicle for Sustainable Development. GEK TERNA Group has incorporated the principles of Corporate Responsibility in its business philosophy, aiming at doing business ethically, in harmony and in cooperation with the local communities.

2.1 CSR AS A PART OF CORPORATE STRATEGY

The notion of Corporate Responsibility is incorporated in the Group's philosophy, strategy and *modus operandi*.

In order to ensure responsible operation, there are specific priorities set by the Group, programmes that are being implemented while performance is being monitored aiming at continuous improvement.

In order to better address issues of Corporate Responsibility, we have established a CSR team that comprises of executives from various business divisions of the Group.

2.2 CREATING VALUE

The Group aims at creating value for all its stakeholders including employees, shareholders, customers, local communities, suppliers as well as the broader society by acting responsibly in every aspect of its business.

Having a continuous focus on the principles of Sustainable Development, the Group attends to the economic efficiency of its activities, as well as to the protection of the environment and social prosperity in a way that ensures we are acting as a business partner whose activities have an altogether positive effect on society.

2.3 COMMUNICATION WITH STAKEHOLDERS

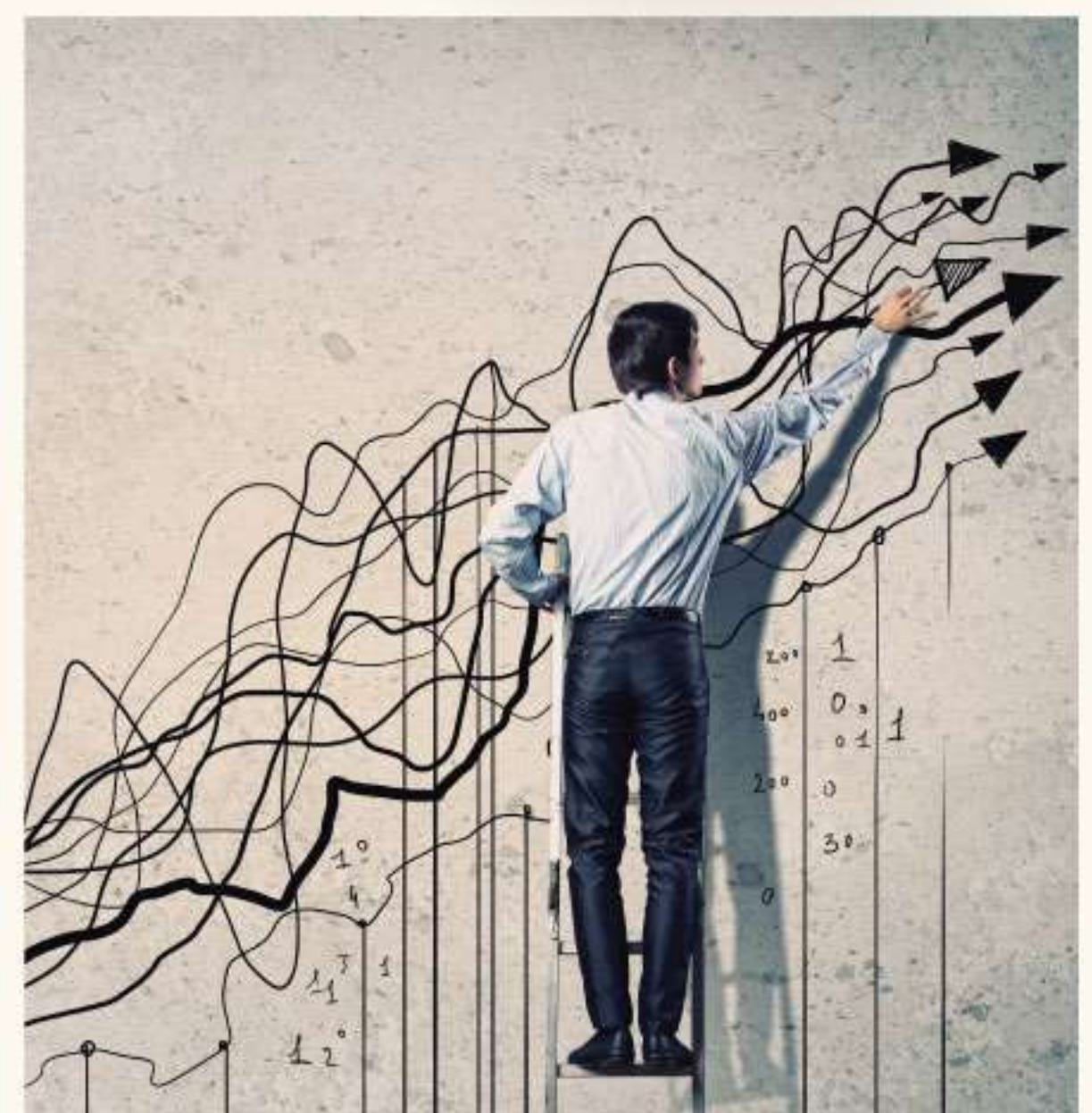
Communication and cooperation with all stakeholders is a fundamental part of the Group's Corporate Responsibility Strategy and contributes significantly to the direction of Sustainable Development.

The Group engages with its stakeholders, through dialogue, in order to identify the most important economic, social and environmental issues that primarily concern them, incorporating them into decision making.

We believe that through engaging with our stakeholders, we may identify opportunities that will help us to further adapt our practices to the social needs and expectations, contributing to creating value for all stakeholders. It is clear that the honest and successful cooperation and engagement with the stakeholders, in a strategic point of view, often constitutes the "local license to operate".

RELATIONS WITH LOCAL COMMUNITIES

The Group's contribution in the areas where it operates, is particularly important (boost of employment and the local economy), while its relations with the local communities are being strengthened. Despite the possible reservations being expressed in the first stages of construction of certain projects, the following good cooperation and communication, in combination with the proper (environmentally, socially and economically) development and implementation of the projects, leads to excellent relationships with the local authorities and communities.



OUR STAKEHOLDERS

Communicating and cooperating with the stakeholders is of primary importance for GEK TERNA Group. Every person or social group that can affect or be affected directly or indirectly by the Group's activities is considered a stakeholder.

We identify our stakeholders as the social groups or individuals affected by or, directly or indirectly, affect a certain project, as well as those who are interested/have interests in a certain project or/and are capable of influencing its outcome, either positively or negatively.

The effective communication and cooperation with all stakeholder groups lead to benefits for the company as well as for the stakeholders. The stakeholders are redefined on a regular basis, according to the principles, the strategy and the activities of the Group and depending on how the local communities are formed and how close they are to our activities.

The stakeholders are divided into two main categories/groups:

- Primary stakeholders (those who are of primary importance to the company)
- Secondary (those who are influenced or influence the company's decisions and activities).

According to this categorization, the Group's primary stakeholders are the following:

- Customers
- Employees
- Suppliers and partners
- Local communities, authorities and bodies
- State, governmental and other institutional bodies
- Investors, shareholders other capital providers

The secondary groups of stakeholders are:

- The media
- Non-governmental/Non-profit organizations
- Business community



STAKEHOLDERS AND CONSTRUCTION PROJECTS

We believe that engaging with the stakeholders, through honest, effective and two-way communication is particularly important for the construction sector.

Stakeholder engagement is related to all our activities, from preparation phase (activities that lead to construction) to the construction of facilities, infrastructure or buildings (as well as the “permanent works” which are necessary in order for the construction, such as the access roads, to be completed).

As for the local communities that are influenced, as well as the parties interested in preserving biodiversity and the natural environment, the construction phase is characterized by an increased interest or/and concern. On the other hand, experience has shown that local communities and authorities perceive the construction phase as an opportunity to ensure financial benefits for the local community, either through offsets, direct or indirect jobs, the use of temporary construction projects for the support of the development of local infrastructure or through specialized development programmes for the local community.

We believe that engaging with the stakeholders on the right time, during the design of a project, in combination with the necessary relevant studies (Environmental and Social Impact Studies), ensure that most of the significant negative consequences are predicted and taken into account and then managed in such a way that is within acceptable limits or is counterbalanced.

Moreover, when the construction phase begins, it is equally important that the stakeholders that are influenced are given the chance to be involved in the monitoring of the expected impact during the whole phase. This way, we achieve the maximum cooperation and consensus.



COOPERATION WITH THE STAKEHOLDERS

We believe that consultation with our stakeholders is not only a discussion, but a series of actions in order for all those who will be influenced by the construction of the project or are interested in it, to fully comprehend it.

At the same time, it is necessary for the company to understand how the stakeholders perceive the project and the related risks, the impact, the opportunities as well as the counterbalance measures.

GEK TERNA Group maintains two way communication channels with all the stakeholder groups, with which it interacts, aiming at cooperating and creating mutual benefit.

3.

CORPORATE GOVERNANCE

Corporate Governance refers to the set of established rules and business practices implemented by GEK TERNA Group in order to ensure its ongoing and efficient operation, to the benefit of its shareholders and other related parties.

3.1 CORPORATE GOVERNANCE CODE

The Corporate Governance Code is implemented within the framework of a complete and operational Corporate Governance system. The Corporate Governance Code (CGC) is a foundation for the integration of a corporate governance system that continuously evolves and adjusts to the changing conditions of the company's economic, social and business environment, while it guarantees the adherence to transparency principles, business ethics and proper management of all company resources at each management level.



3.2 THE BOARD OF DIRECTORS

The Board of Directors sets the Group's vision, outlines and defines its business development strategy and oversees its implementation aiming, on the one hand, at the protection of the long term interests of its shareholders by ensuring that all necessary conditions, processes and methods establishing and securing the Company's trustworthiness in the business community and the society as a whole prevail while, on the other, all other stakeholders are fully respected .

In order to ensure transparency and effective management of risks, the BoD is in daily communication with senior management staff so as to have real time information on key issues and risks thus being able to take decisions and swift corrective actions if necessary.

COMPOSITION

In 2013, the Board of Directors composed of 11 members seven (7) executive, two (2) non-executive and two (2) independent non-executive, as provided by Law (3016/2002), as an S.A. listed on the Athens Stock Exchange.

Composition of the Board of Directors of GEK TERNA (31.12.2013)

CAPACITY	NAME & SURNAME	RELATION
Chairman	Nikolaos Kambas	Non- executive Member
Vice Chairman	Dimitrios Antonakos	Executive Member
Vice Chairman	Michael Gourzis	Executive Member
Vice Chairman	Angelos Benopoulos	Executive Member
Chief Executive Officer	Georgios Peristeris	Executive Member
Member	Konstantinos Vavaletskos	Executive Member
Member	Emmanuel Vrailas	Executive Member
Member	Emmanuel Moustakas	Executive Member
Member	Panagiotis Pothos	Non-executive Member
Member	Nikolaos Panayotopoulos	Independent Non-executive Member
Member	Stavros Fafalios	Independent Non-executive Member

Proportion of sexes and age distribution in the Board of Directors

SEX	<30	30-50	50+	SUM
Women	-	-	-	-
Men	-	1	10	11

SELECTION CRITERIA

The composition of the members of the Board of Directors is particularly important for the operation of the Group.

The members of the Board of Directors are voted by the General Assembly according to the following criteria:

- Contribution to the growth prospects,
- Managerial ability and effectiveness,
- Reliability and integrity,
- Deep knowledge of the company's affairs,
- Congruent cooperation with the company's senior executives and staff,
- Loyalty towards the company.

These criteria as well as the proportion between executive and non-executive members, ensure the coherence, continuity and smooth succession at the highest corporate level and contribute to maintaining the company's efficiency at high levels.

BOD COMMITTEES

The BoD is supported by Committees, which have a consultative role and influence the BoD significantly in making decisions. These Committees are the following:

- Nomination and Remuneration Committee
- Investments Committee
- Audit Committee

The Audit Committee is composed of at least three (3) non-executive members of the Board of Directors, one (1) of whom is independent.

Composition of the Audit Committee

Capacity	Name & Surname	Relation
Chairman	Nikolaos Kambas	Non-executive BoD Member
Member	Panayiotis Pothos	Non-executive BoD Member
Member	Stavros Fafalios	Independent Non-executive BoD Member

More information regarding these committees are presented in p. 21-23 of the Annual Financial Report of GEK TERNA Group (corporate website www.gekterna.com, section Investor Relations / Financial Statements / Year 2013 / Financial Statements of GEK TERNA Group / Financial Statements of Group on 31/12/2013).

GENERAL ASSEMBLY

The General Assembly of the shareholders acts as a liaison between the shareholders and the Group's administration.

The BoD members attend the General Assemblies, along with the auditors and any other executive of the higher administration of the company, the presence of whom is necessary for the provision of detailed information and clarifications regarding questions on behalf of the Shareholders.

INTERNAL AUDIT

The Board of Directors monitors the compliance with the principles of corporate governance, the efficacy of the Group's operation and the protection of the rights of all of its Shareholders. Furthermore, it evaluates the information it receives on a regular basis from the system and the internal audit mechanisms, as well as the Group's executives regarding the internal and external factors that endanger the operation of the Group and the fulfillment of its goals.

The BoD utilizes the internal audit system in order to protect the Group's assets, to evaluate any upcoming risks from its operations and to provide exact and detailed information to the shareholders regarding the actual situation, the prospects of the Group, as well as solutions for coping with detected risks.

More information regarding the Internal Audit System, the Audit committee are presented in the Corporate Governance Code (corporate website www.gekterna.com, section Group / Corporate Governance / Corporate Governance Code)..

3.3 CODE OF ETHICS

The Code of Ethics (or Code of Ethical Conduct) implemented in GEK TERNA Group, defines the general framework of the (ethical) business behavior of every employee.

The implementation of the Code is mandatory for all employees and ensures our people's high level of integrity.

3.4 AVOIDING CONFLICT OF INTEREST

Special policies and practices are being implemented than ensure avoidance of conflict of interest.

Executives or employees who hold important positions in the Group ought to sign, following the Group's relevant order, a solemn declaration in which they will declare that neither they nor the members of their family have or had any interest or acted, during the time which is mentioned by the solemn declaration, in a way that opposes the interests of the Group or/and are related to suppliers, customers or other persons, natural or legal, that seek commercial relations with the Group.



Extract from the Code of Ethics of HERON S.A.
(company of GEK TERNA Group):

Corruption

Corruption is a symptom of a crucial problem and constitutes an obstacle against the smooth operation of the company. It is illegal, it creates further costs due to the reduction of the economic efficiency, it reflects lack of team spirit and it can undermine the dignity and integrity of the people who unknowingly experience its consequences. That is the reason why HERON S.A. does not accept any form of corruption, regardless of time, place or circumstances.

4.

CARE FOR OUR PEOPLE

The people of GEK TERNA Group constitute the power of the company. They are systematically supported in their professional and personal development, it is the company's philosophy that each employee should face his/her working environment as an ongoing challenge. The success of GEK TERNA Group is achieved with the contribution of all employees, as it is them that lead it to development and growth. The knowledge, specialization, creativity and dynamism the company's success in the future.

OUR COMMITMENT

"The company ought to respect and protect the personality and dignity of every employee. More specifically, it ought to comply with the provisions of labour law and to fulfill all its obligations that derive from the collective agreements and individual employment contracts".

Extract from the internal labour regulation of the company



4.1 GEK TERNA GROUP AS AN EMPLOYER

Our Group is characterized by the long-standing presence of experienced and specialized executives with expertise in various fields, who are devoted to achieving the Group's goals.

There are about 4,300 people from 10 countries working (2013) for GEK TERNA Group, rendering the Group as an important employer in the regions in which it is actively involved, with the main labour supply being detected in Greece and Qatar. In particular, in Greece, at the end of 2013, there were more than 1,400 employees working in various regions of the country.

Total Number of Group Employees (31/12/2013)

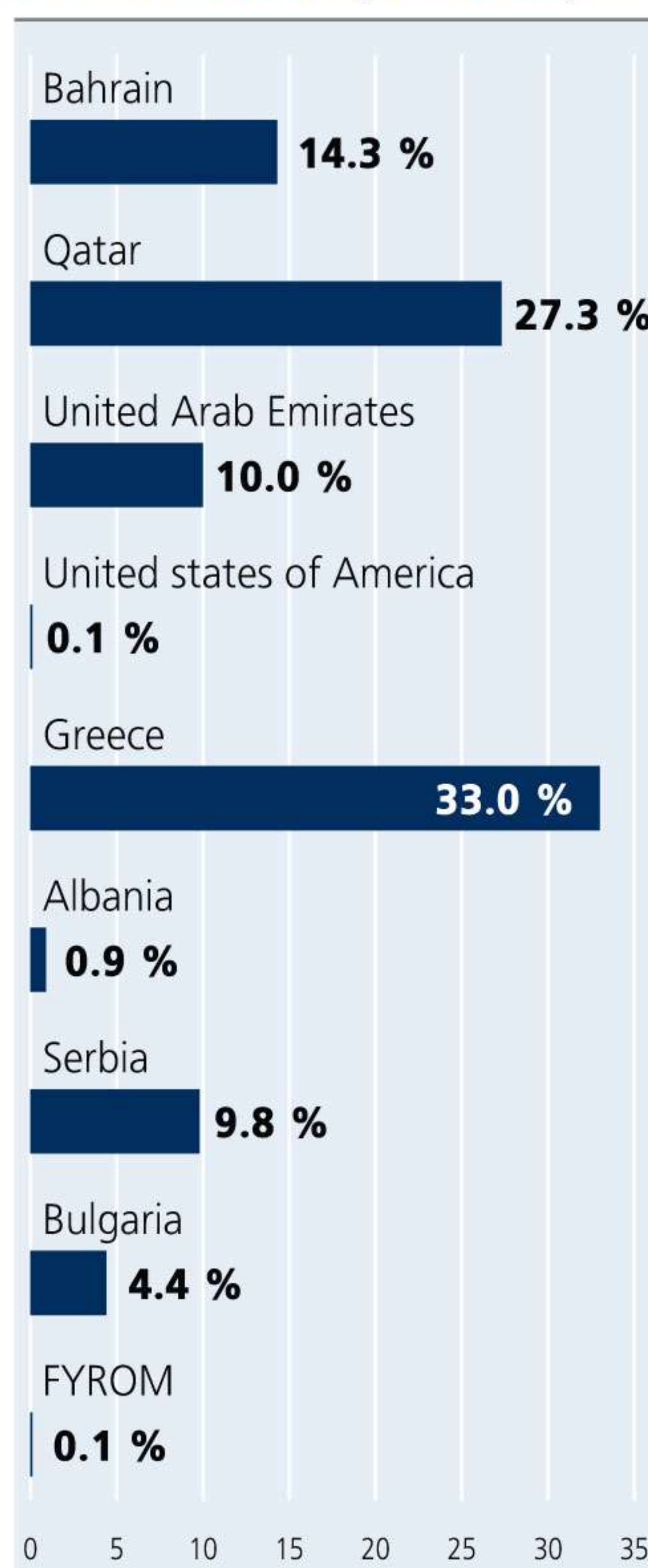
Countries	2011	2012	2013
Greece	1,366	1,239	1,415
Albania	3	29	39
Serbia	19	235	422
Bulgaria	92	96	190
FYROM	2	5	3
Bahrain	969	913	615
Qatar	1,111	1,176	1,169
United Arab Emirates	934	599	428
United States of America	2	6	6
Total	4,498	4,298	4,287

Employees in Greece (31/12/2013)

Gender	2011	2012	2013
Men	1,108	1,004	1,148
Women	258	235	267
Total	1,366	1,239	1,415
Other info			
Departures (eg. retirement, end of contract)	951	508	331
Recruitment	442	492	503
Employees of other nationalities	45	38	32

Despite the ongoing difficult economic situation for the Greek economy and by extension for the construction sector, GEK TERNA managed, in 2013, not only to maintain its work force, but to increase it by 176 persons in Greece, offering employment and contributing respectively with insurance contributions.

Staff distribution per country



Employee mobility (Greece)

Percentage	2012	2013
Incoming	49%	35%
(Total number of incoming employees 31/12/2013)		
Outgoing	41%	23%
(Total number of outgoing employees 31/12/2013)		

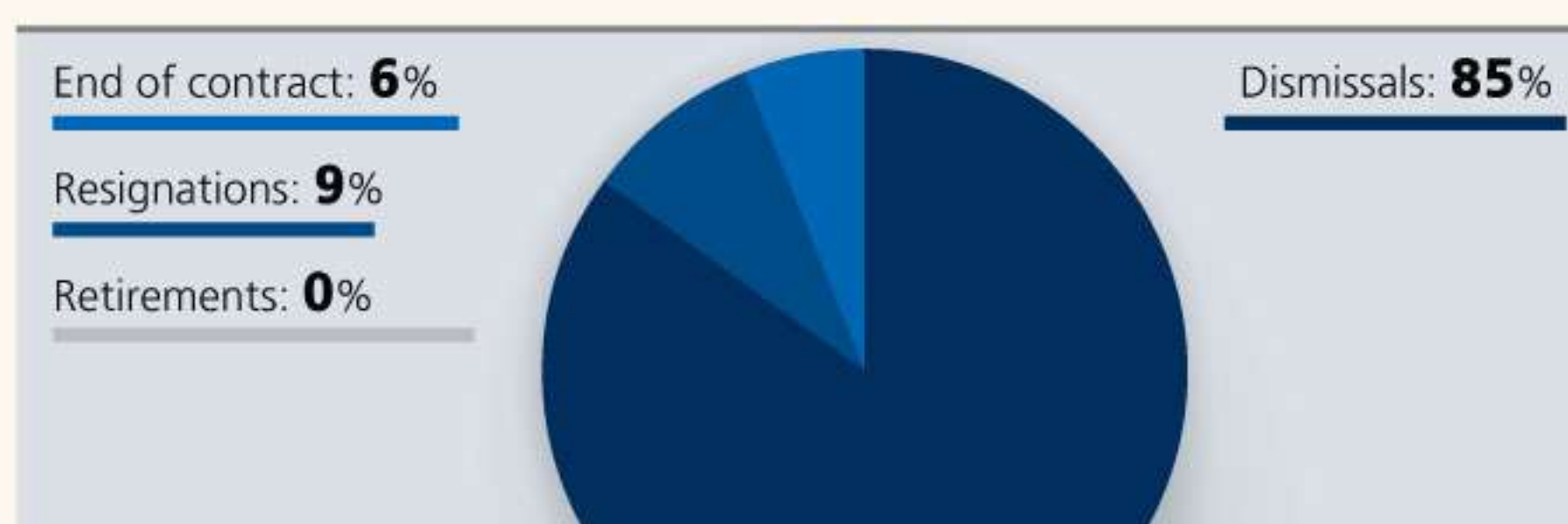
Staff Greece (31/12)



Analysis of departures (Greece)

Category	2012	2013
Dismissals	433	282
End of contract	28	14
Resignations	47	34
Retirements	-	1
Total	508	331

Analysis of departures (Greece) (31/12)



Employee Age and Gender Distribution 2013 (Greece)

	20-25	26-35	36-45	46-55	55+
Men	23	268	385	307	165
Women	10	101	93	47	16
Total	33	369	477	354	181

4.2 EQUAL OPPORTUNITIES AND HUMAN RIGHTS

The Group recognizes the importance of respect and the protection of internationally recognized human rights.

Thus:

- We fully comply with the social standards of the International Labor Organization
- We implement policies for the protection of human rights

Until today, there has been no incident of violation of human rights.

At the same time, the Group aims at shaping a working environment of equal opportunities, rejecting any kind of distinction, for reasons of nationality, sex, religion, marital status, age, special abilities, sexual orientation, socioeconomic status or any other characteristic which is protected by the internationally agreed human rights.

Employees' distribution per country and sex

		2011	2012	2013
Men	Greece	1,366	1,239	1,415
	Albania	2	23	33
	Serbia	16	218	399
	Bulgaria	75	77	171
	FYROM	0	1	1
	Bahrain	919	859	562
	Qatar	1,104	1,160	1,154
	United Arab Emirates	924	591	420
	United States of America	2	4	4
	Total	4,150	3,937	3,892
Women	Greece (salaried)	198	177	197
	Greece (freelancers)	60	58	70
	Albania	1	6	6
	Serbia	3	17	23
	Bulgaria	17	19	19
	FYROM	2	4	2
	Bahrain	50	54	53
	Qatar	7	16	15
	United Arab Emirates	10	8	8
	United States of America	0	2	2
	Total	348	361	395
Grand Total		4,498	4,298	4,287

Staff distribution according to hierarchy and sex (Greece)

2012				2013		
Hierarchy	Men	Women	Total	Men	Women	Total
Administration	135	150	285	203	29	135
Technicians	175	25	200	592	16	175
Skilled workers-other	525	9	534	142	158	525
Other	169	51	220	211	64	275
Total	1,004	235	1,239	1,148	267	1,415

The company encourages women to join its workforce. However, the nature of projects and activities of the company (construction and other activities) mainly leads to the attraction of male employees.

4.3 STAFF TRAINING AND DEVELOPMENT

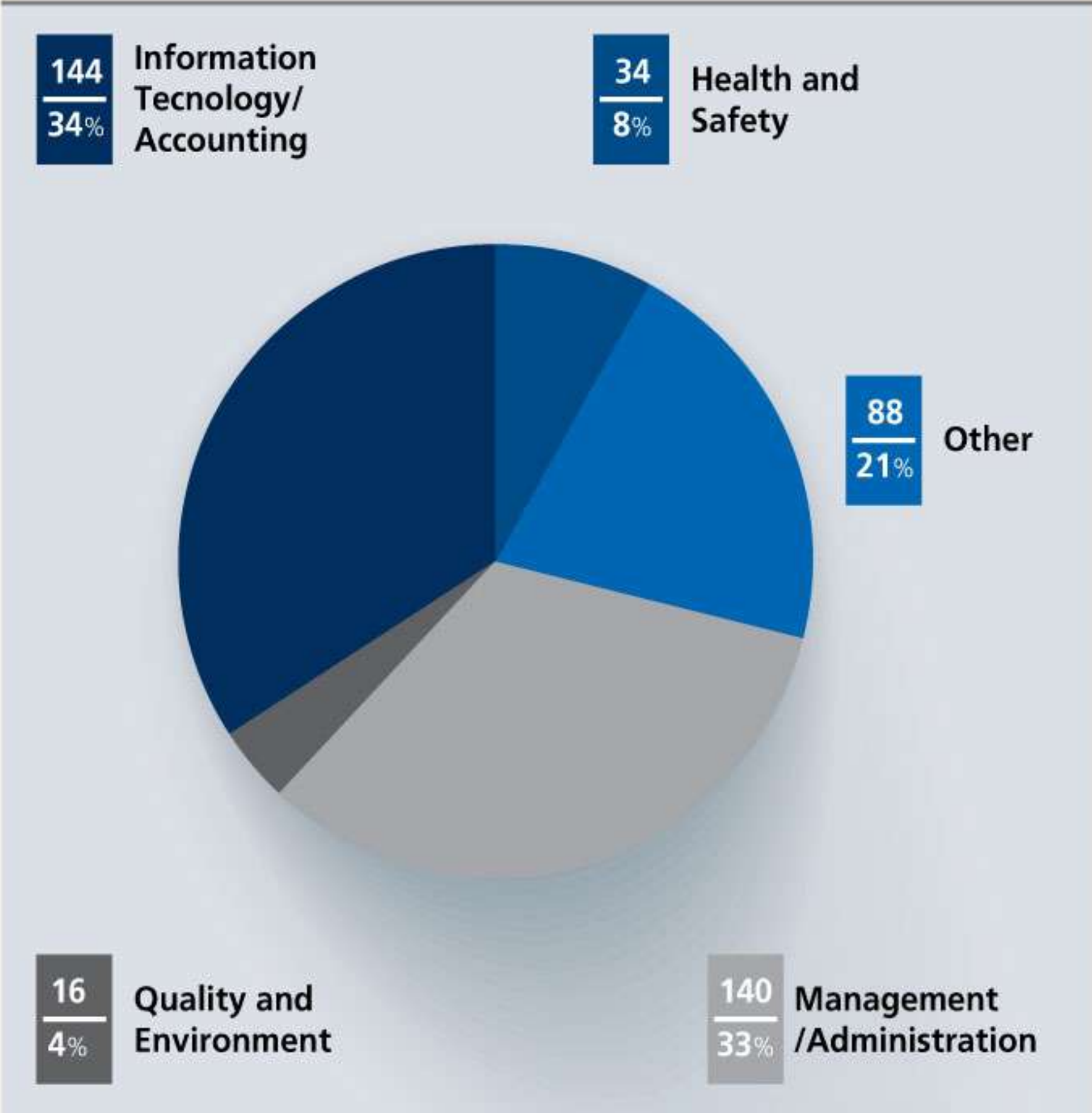
The company’s most important asset is its people and for this reason it sees to the employees’ ongoing education and training, whenever this is necessary.

In 2013, employees participated in 27 training seminars, while the total training man hours reached 422.

Training man-hours (Greece)

	2013
Trainings/ Seminars completed	27
Participants	57
Training man hours	422

Total hours of training per category



4.4 REMUNERATION AND BENEFITS POLICY

A reward policy is implemented in GEK TERNA Group and it follows parameters such as education, experience, responsibility, as well as the value / weight of the position in the labour market.

However, reward never depends on the sex (or other characteristics of diversity of the employee), as there is a policy of equal rewards between men and women for the same job.

At the same time, apart from the basic salary, the company offers additional benefits, according to the job and the relative needs, such as a car, a laptop, or/and a mobile phone.



4.5 EMPLOYMENT CONTRACTS

The company respects and complies with the legislation and regulations relating to the contracts and rewards of its employees. All employees (100%) are covered by the National General Collective Agreement or the General Collective Agreements in effect (regarding Greece) at the year concerned.

Categories of type of employment & contract (Greece, salaried staff)

	2012			2013		
	Men	Women	Total	Men	Women	Total
Total staff	720	177	897	812	197	1,009
General Collective Agreement	720 (100%)	177 (100%)	897 (100%)	812 (100%)	197 (100%)	1,009 (100%)
Without General Collective Agreement	-	-	-	-	-	-
Contract of indeterminate duration	720 (100%)	177 (100%)	897 (100%)	812 (100%)	197 (100%)	1,009 (100%)
Fixed-term contract	-	-	-	-	-	-
Full time	720 (100%)	177 (100%)	897 (100%)	812 (100%)	197 (100%)	1,009 (100%)
Part time	-	-	-	-	-	-

All employees in all projects and in all countries where we operate, are insured, while the majority of employees' remuneration significantly exceeds the legally established national minimum wage.

5.

HEALTH AND SAFETY

Occupational safety and health are a top priority of the Group. We continuously aim to maintain a working environment in which employees are and remain safe and the risk of any job related illnesses is eliminated to the highest possible degree, whether at the offices or at construction sites. We also aim for our partners and subcontractors to act in the same way.



5.1 HEALTH AND SAFETY MANAGEMENT SYSTEM

TERNA, being the 100% subsidiary of GEK TERNA Group that consolidates all of its construction activities, has adopted a Health and Safety Management System that is certified and based on the requirements of the international OHSAS 18001:2007 standard

The company aims at constantly improving its performance as far as Health and Safety in the workplace are concerned.

Apart from complying with the requirements, the company takes all necessary measures to ensure employees' occupational safety.

Extract from the internal labour regulation of the company

"The company ought to arrange the workplaces and places of accommodation of the employees, the facilities, the machinery or tools in such a way that the health, life and dignity of the employees are protected".

5.2 HEALTH AND SAFETY POLICY

The company takes all necessary measures that promote the Health and Safety at the workplace and for this reason it commits to:

- Fully comply with legal and other requirements, which are implemented regarding the operation and the activities of the company.
- To recognize the risks in the best way possible and to minimize their consequences to employees, by taking proper preventive measures.
- To prevent injuries, diseases and serious Health & Safety incidents that result from the operation and the activities of the company.
- To provide proper, sufficient Health & Safety training to the employees.
- To directly investigate any accident / incident in order to reach a satisfactory conclusion and to take those measures that will prevent future similar situations.
- To protect its employees, subcontractors and third parties through the adoption of technologies and operation procedures that provide the necessary safety.

OUR COMMITMENT

TERNA commits to:

- Constantly improving its Health & Safety System
- Promoting Health & Safety ensuring that its employees, suppliers, sub contractors, customers, public services and the society in general are aware of the company's principles.

We believe that the promotion of Health and Safety in the workplace depends on the active involvement of all employees.

GEK TERNA Group's Administration, within the framework of its commitment to constantly improve Safety, provides all the necessary resources and takes initiatives in order for every employee to take his/her own responsibility in the common effort to prevent and avoid accidents.

5.3 HEALTH AND SAFETY PROGRAMMES

The company, within the framework of the Health and Safety Management System in the workplace, is aiming at constantly improving its performance in this sector and implements related programmes on a yearly basis.

Towards this direction, the company organizes, among other initiatives, training seminars on special Health and Safety issues and also reconsiders its initial evaluations of risk. Company employees according to the needs and requirements of the projects undertaken by the company.

In 2013, the training of safety technicians (7 out of 7) on relevant issues was completed, while there was a series of training seminars on issues related to Health and Safety standards and Road Safety standards. Moreover, 14 employees participated in a training seminar that took place at the Fire Brigade Headquarters.

New training seminars will be planned based on is based on existing needs and the commencement of new projects.



5.4 HEALTH AND SAFETY IN NUMBERS

The company systematically monitors its performance in Health and Safety issues in order to take all the necessary measures that will help its on-going improvement.

Despite the fact that there was a tragic incident at a construction site abroad (Serbia), which resulted in the loss of a human life, in 2013 there was an overall improvement in all Health and Safety indicators in relation to the previous year.

H&S Indicators

H&S Indicators	2011	2012	2013
Number of fatal accidents	0	2	1
Number of incidents with days of absence from work and diseases ¹	6	7	5
Accident Frequency Rate ²	1	0	0
Number of incidents without days of absence from work	2	2	1
Total man-hours	6,996,748	4,838,755	5,551,295

1 The days of absence begin to be counted after the 3rd day

2 AFR:

$$AFR: = \frac{[(a) + (b)] * 100,000}{(e)}$$

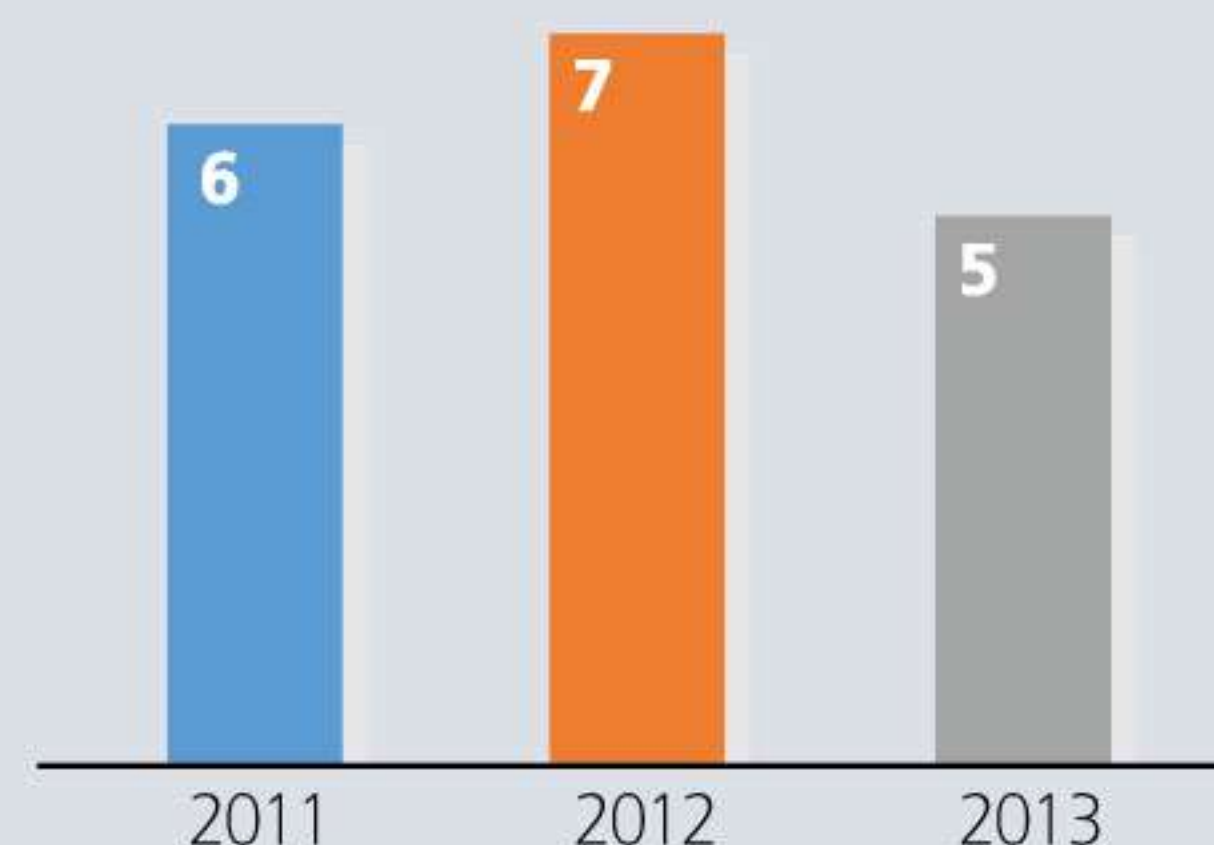
(a): number of deaths

(b): Number of incidents with days of absence from work

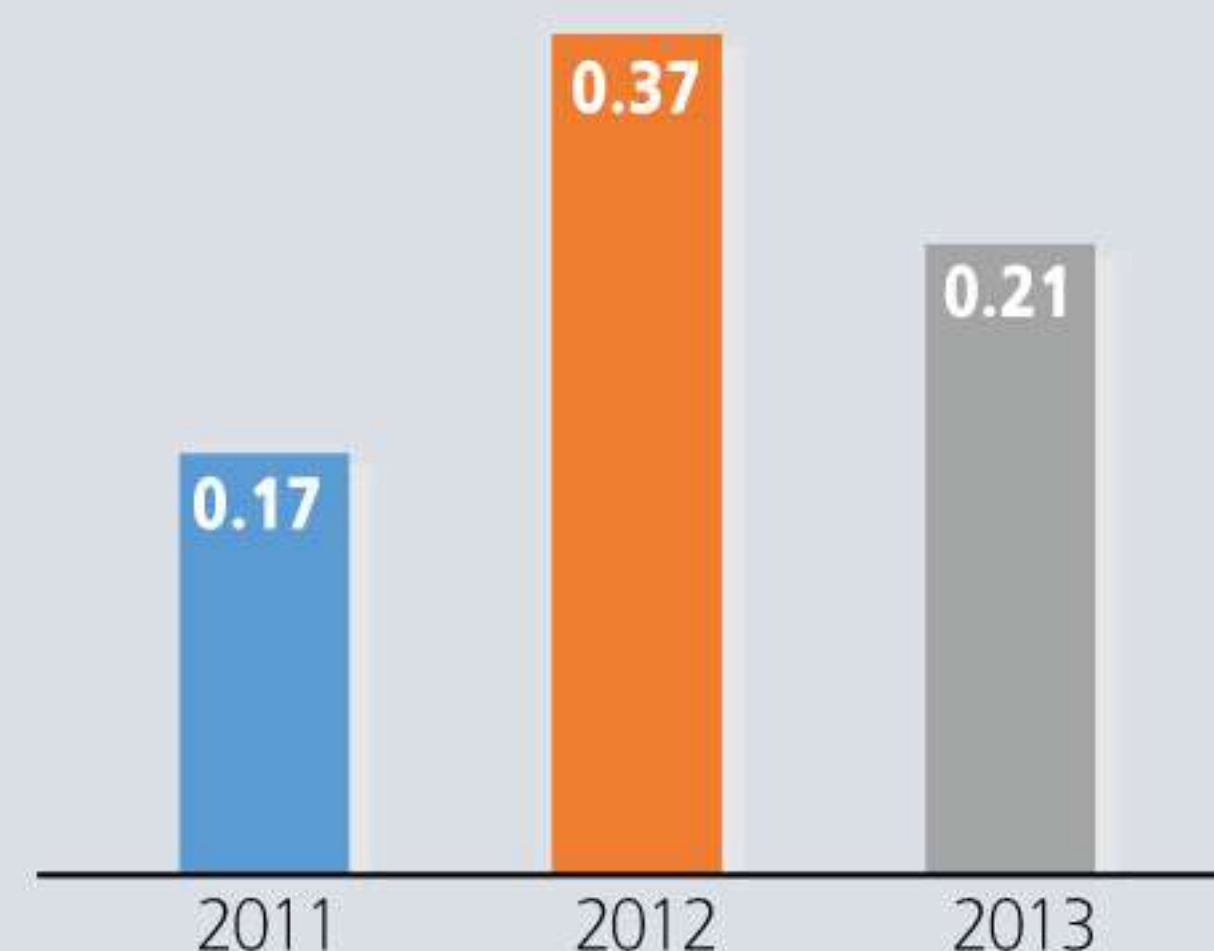
(e): Total man-hours

In case of an accident, the company follows the necessary procedure of the Health and Safety management system. Every accident that takes place is faced effectively; injured people are offered First Aid and are then immediately and safely transferred to the nearby hospital. At the same time, the investigation of the accident takes place, the specifics of which are then sent to the competent Professional Risk Prevention Centres. Lost days are counted from and including the day after the accident.

Number of incidents with days of absence from work and diseases



Lost days and diseases rate



2014 Goals

- Zero fatal accidents
- Maintaining the accident rate below 10%
- No cases of non-compliance with the legislation from external bodies (zero non-compliance rate)

The company aims at eliminating accidents.

6.

PROTECTION OF THE ENVIRONMENT

Environmental protection is a top priority and goal for GEK TERNA Group.

Apart from complying with all regulations and legislation, we implement a certified Environmental Management System ensuring that all our activities are aligned with environmental protection policies. At the same time the Group is taking several initiatives and is implementing different actions, programmes, and techniques in order to minimize its environmental footprint.

It is worth mentioning that an important part of the Group's activities, through its subsidiary TERNA ENERGY, concerns the production of energy from RES (Renewable Energy Resources), which contributes to the drastic reduction of CO₂ emissions.

During 2013, TERNA ENERGY RES facilities, in Greece, produced about 680,000 MWh of electricity, thus contributing to the avoidance of 540,000 tons of CO₂ emissions.



6.1 ENVIRONMENTAL MANAGEMENT SYSTEM

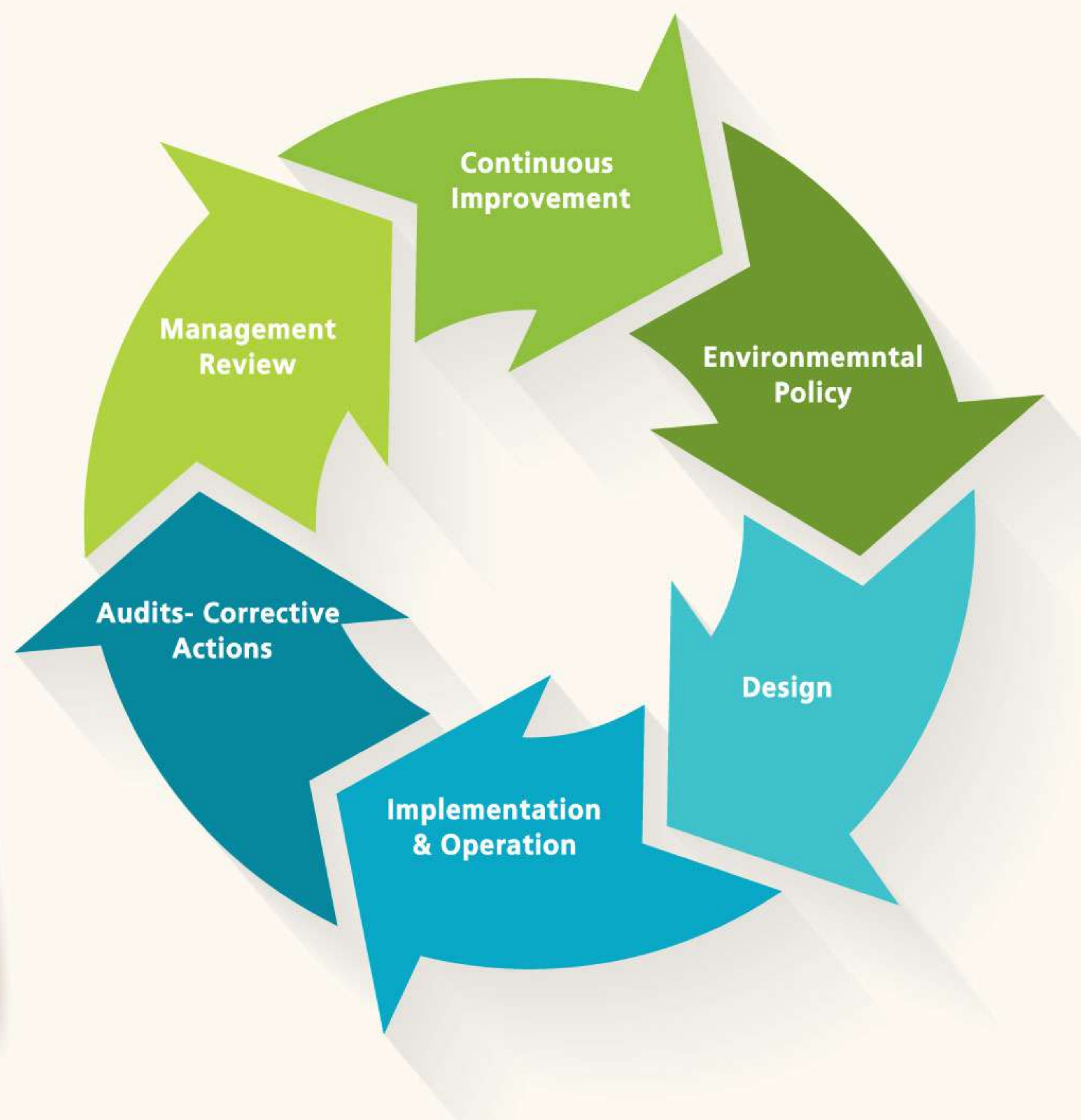


The company, aiming at effectively managing environmental issues, implements an Environmental Management System since 2008, certified according to the requirements of the ISO 14001:2009 international standard. This way, the Management's commitment to environmentally responsible business is proven in action.

The company ensures the continuous improvement of the Environment Management System and its performance, through the process as shown below:

"The company's management believes that the protection of the environment is an obligation for all and it commits to implementing every possible measure, process or system for minimizing the negative environmental impact and for maximizing the positive environmental aspects"

Extract from the Environmental Policy



6.2 ENVIRONMENTAL POLICY

Based on the Environmental Management System, TERN A S.A. has established and is implementing its Environmental Policy. In this way, it sets the basis for fully managing the environmental impact, which derives from its operation, and its goals for improvement.

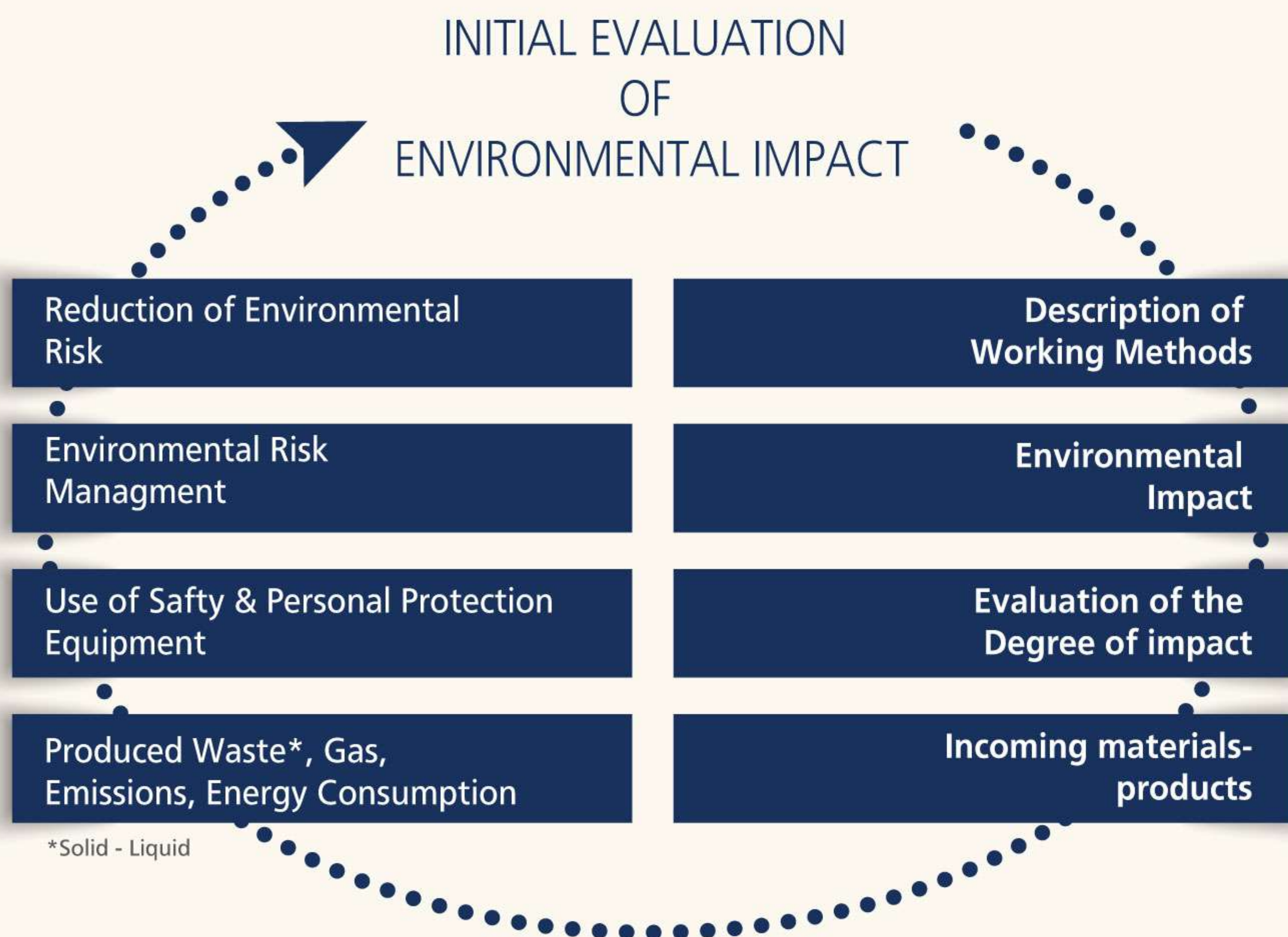
TERN A, taking into consideration the fact that it may be a source of pollution and production of dangerous waste, commits itself to:

- 
- ✓ Meet all applicable legislative and regulatory requirements in order to assure the protection of the environment
 - ✓ Identify and evaluate all environmental aspects of its services
 - ✓ Provide appropriate environmental training and educate employees to be environmentally responsible
 - ✓ Minimize the amount and toxicity of waste generated and ensure the safe treatment and disposal of waste
 - ✓ Conserve natural resources by reusing and recycling materials, purchasing recycled materials, and using recyclable packaging and other materials.
 - ✓ Ensure the responsible use of energy throughout our business.
 - ✓ Minimize risk and protect our employees and the community in which we operate by employing safe technologies and operating procedures in both routine and emergency conditions.
 - ✓ Protect the ancient monuments, the cultural heritage and the flora – fauna of the ecosystem by adopting eco-friendly methods and technologies.
 - ✓ Communicate and reinforce our commitment to environmental quality to our employees, suppliers, customers, other government entities and the community in which we operate.
 - ✓ Work cooperatively with others to pursue common environmental objectives.
 - ✓ Continuously improve the Company's Environmental Management System.

6.3 ENVIRONMENTAL FOOTPRINT MANAGEMENT

GEK TERNA Group makes a considerable effort to manage environmental issues and to reduce the environmental footprint that comes as a result from its activity.

The following procedure that is being implemented, ensures that, the major environmental consequences from the Group's operation are detected, and the company takes all the necessary measures in order to improve of its performance in this sector.



Following, we present a selection of certain practices that are implemented per sector.

ENERGY CONSUMPTION

During 2013, 4,622 tn of fuel were consumed, primarily for the needs of the company's vehicle movement.

GEK TERNA GROUP'S OFFICE BUILDING

GEK TERNA Group, as a proof of its environmentally responsible operation, has housed its offices in a privately-owned pioneering building with particularly eco-friendly and friendly-to-the-people characteristics.

More specifically, it is a building constructed by the Group itself, according to the principles of bioclimatic design and sustainable architecture, implementing measures of saving energy and acoustics, while there is an inspection of the environmental conditions.

The measures for saving energy that are implemented are the following:

- Presence detectors
- Temperature sensors
- Temperature sensors and light level sensors of outdoor areas
- Heat recovery system with "Heat Raisers"

In addition, certain plants have been planted following the selection of particular species from the Greek flora that are characterized by reduced needs in water.

As a result of the eco-friendly and friendly-to-the-people design and operation of the building, the environmental impact from its operation is significantly reduced, confirming the Group's commitment for an efficient operation and the protection of the environment, constituting at the same time an example.



The building has been awarded the Green Building Partner Award by the European Commission, within the framework of the European Green Building Programme initiative for the prevention of pollution and the reduction of energy being consumed by the organizations.

WATER RESOURCES MANAGEMENT AND ENVIRONMENTAL PROTECTION

In every project we undertake, there is an environmental impact assessment which, among other things, provides for specific actions at the construction sites in order to preserve water resources and minimize the project's environmental impact.

At large construction sites, certain quantities of water are regularly required for machinery cleaning. In order to reduce the water footprint, the site teams create settlement deposits where used water is directed, left to calm so as for the solid particles to sink down at the bottom and then the cleaner water is redirected to other basins to be re-used for the next machinery cleaning.

WATER USAGE

GEK TERNA Group recognizes the significance of water resources and the need for their efficient use.

Within this framework, we implement practices for the reduction of use and reuse of water whenever this is necessary, in order for the water footprint from the activities to be reduced to the absolutely necessary.

The main part of water consumption from the Group's activities comes from the National Water Supply Network and more rarely from drilling wells (in certain sites) where access to the national network is not possible.



WASTE MANAGEMENT

Dangerous Solid – Liquid Waste / Non-dangerous Waste

Any solid and liquid waste is produced by the Group which is always managed accordingly. The Group aims at reducing the quantity and risk of the produced waste and to ensure their proper management and disposal.

During 2013, TERNA properly managed 11.6 tn of chemical liquids and lubricants as well as 1.8 tn of used absorptive materials. The management of all dangerous and non-dangerous waste is realized by properly licensed companies.

The maintenance of the Construction Machinery in the construction sites is realized by temporary teams, which are environmentally licensed via Technical Environmental Assessments, approved by the competent services of the Ministry of Reconstruction of Production, Environment and Energy.

Especially the dangerous liquid waste (e.g. used lubricating oils) is collected into proper metal UN type barrels, while the insignificant leakages are dealt with immediately, through proper spill kits (sawdust, absorptive towels etc). All collected liquid waste is then managed as dangerous by specially licensed companies, carefully selected.



Paper recycling

We recycle all waste paper both at the company's offices and at the construction sites. In 2013, 4,8 tn of paper were recycled.

Electronic and electrical equipment recycling

It is very important that we recycle electronic and electrical equipment, as we recognise that its improper management can cause significant environmental pollution.

For this reason, the Group implements a wide recycling program of electronic and electrical equipment. In 2013, 86 items of electronic – electrical equipment were recycled, such as old PCs, printers, plotters, display devices.

NOISE

The company has an ongoing goal for noise reduction and vibration levels that come from its various activities.

For this reason, several practices are implemented, such as:

- Use of construction machinery that have the EU certification regarding noise (special label).
- Placement of noise barriers in areas of frequent passage
- Constant monitoring of the noise and vibration levels with measurements realized during the construction of the projects with certified mobile instruments, as provided for by the relative legislation and regulations.



PROTECTION OF BIODIVERSITY

GEK TERNA Group recognizes the special value of biodiversity and thus it takes all necessary measures in order to protect it, in the areas where it operates.

The Group's activities extend to various regions in Greece, Central and Southeastern Europe, the U.S.A., North Africa and the Middle East. As derived from the nature of our activities, some of them (e.g. Wind Parks and Hydroelectric Dams) are located in sensitive areas and are adjacent to regions which are close to protected areas or areas of a high biodiversity value. In any case, the relative legislation and the environmental terms that are in effect in each case, are fully implemented.

7.

SUPPORTING LOCAL COMMUNITIES

The Group is always aiming at providing substantial support to local communities in the areas where it operates. An important part of the Group's procurement process is conducted at a local level, while at the same time we mostly cover the projects' workforce needs by hiring people from the local communities.

7.1 SOCIAL PRODUCT

GEK TERNA Group, through its activity, produces value for the society directly and indirectly. The payments to the suppliers, the wages and benefits towards the employees and the respective contributions to the social security organizations, the payments to the providers of capital and the donations / sponsorships / investments in local communities in the areas in which the company operates, are only some of the ways through which the national economy and social growth are supported directly or indirectly. In 2013, the Group's "Social Product" reached about 776 million euros.

In 2013, the Group's "Social Product" reached 776 million euros.

Annual Contribution to Social Growth – Social Product (in thousands of euros)	2013
Payments to suppliers (except for materials and cross-company exchanges)	526,286
Wages and benefits of employees (including the insurance contributions)	72,514
Payments to capital providers	176,486
Group donations/sponsorships to / sponsorships to the local communities	248*
Total	775,834

*The amount does not include actions concerning benefits of services to bodies and local communities (e.g. free reconstruction of buildings, building of roads, cleaning of streams, remedial actions due to natural disasters etc).

7.2 SOCIAL CONTRIBUTION

GEK TERNA Group aims at producing value for all its shareholders

Within this framework, a basic axis of its business activity is the targeted social contribution such as:

- Offering support to vulnerable social groups.
- Intervening and offering support in cases of an emergency (e.g. natural disasters)
- Implementing projects and actions at the local communities that improve the quality of life and the people's everyday life and promote their cultural inheritance, in return for their hospitality and support.
- Offering opportunities to young people through financial support of educational programmes and scientific research.

Indicative examples of GEK TERNA Group's social activity are the following:

- We offer financial support to Non-Governmental Organizations and Governmental Bodies that focus on improving of the quality of life of vulnerable social groups (The Smile of the Child, I Kyvotos tou Kosmou, UNICEF, Athens Municipal Nursery, Meal provision programmes of the Municipality of Athens, Nursing Homes etc).
- We intervene, offer our technical know-how and undertake the construction and the construction cost of infrastructure in local communities where we operate in our effort to help improve people's everyday life. (maintenance of schools, health centres, municipal buildings, roads, wells, municipal lighting projects etc).
- We undertake all the work and the cost for cleaning up streams and building flood protection,



- especially after natural disasters (fires, floods).
- We intervene, offer our technical know-how and undertake the construction and the construction cost to rebuild schools, hospitals and other infrastructure after earthquakes.
- We sponsor local athletic and cultural associations.
- We sponsor cultural activities that promote our architectural inheritance.
- We offer scholarships to young men and women, supporting scientific research programmes and conferences etc.

Indicatively, in 2013 GEK TERNA Group supported:

- The smile of the Child
- "Kivotos tou Kosmou" NGO
- Nursing Home of Lefkada

In addition, in 2013, TERNA ENERGY, financially supported the Athens Municipal Nursery, the Nafpaktos Firebrigade, the Technological Educational Institute of Crete, several actions and projects at Municipalities (of Tanagra, Argitheia etc), as well as various schools, local cultural and athletic associations. Moreover, it undertook the restoration cost and works of the Metropolis of Megara and Salamina.



7.3 SUPPORTING THE LOCAL SUPPLIERS

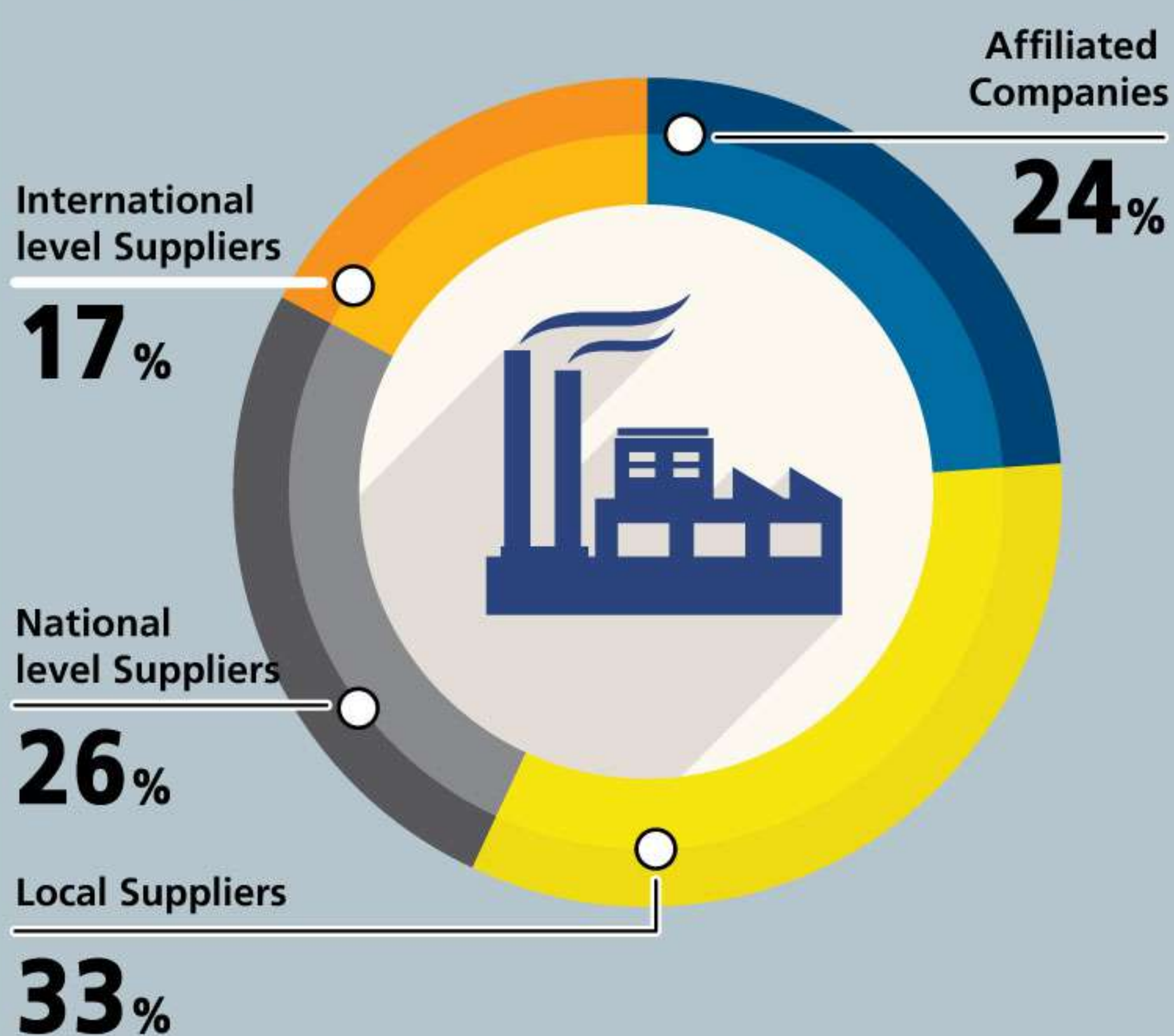
During 2013, local suppliers reached 33% of the total of the Group's suppliers, reflecting the particularly positive impact that the Group has in the local economies and societies.

One such example is that we always try to have as many suppliers as possible from the local communities. We select primarily local suppliers at the areas where we operate.

We support the local economies and societies: 33% of all the Group's suppliers are local



Analysis of Suppliers per Region of Origin (According to Turn Over)



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