

CORPORATE
RESPONSIBILITY
REPORT
2016

GEK TERNA
GROUP OF COMPANIES

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GROUP OF COMPANIES

CORPORATE
RESPONSIBILITY
REPORT
2016

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Message by the Management

Dear friends and partners,

We are happy to present the 4th annual Corporate Responsibility Report of GEK TERN, for 2016. In this report, we have included in detail the fundamentals that define our corporate identity and ensure that our goals and our vision are achieved. Our people are without doubt our driving force that ensure that our vision for Sustainable Development becomes a reality. With profound knowledge of local affairs, and a dynamic expansion in the markets of South East Europe, the Middle East and Africa, GEK TERN Group recognizes and firmly supports that Sustainable Development can only take place through impactful investments. As a Group, we invested over 1.5 billion euros during the financial crisis. These investments reflect the Group's commitment to take risks, to further expand in the green energy sector and create opportunities for all its stakeholders. Through a contemporary Corporate Governance framework, the Group strengthens its responsible business practices in all aspects of its business activities and implements its commitments for the future.

As we continue our national and international investment plan, in 2016, we commenced the construction of the Ptolemaida V Power Plant, and we signed the contract for the construction of metering stations for the TRANS ADRIATIC PIPELINE (TAP). The construction of the innovative Wind Park on the islet of Aghios Georgios and the construction of the Stavros Niarchos Foundation Culture Center (SNFCC) were completed. We implement our strategy with the support of international strategic partners, such as ENGIE (formerly GDF Suez), Qatar Petroleum, and the European Bank for Reconstruction and Development (EBRD).

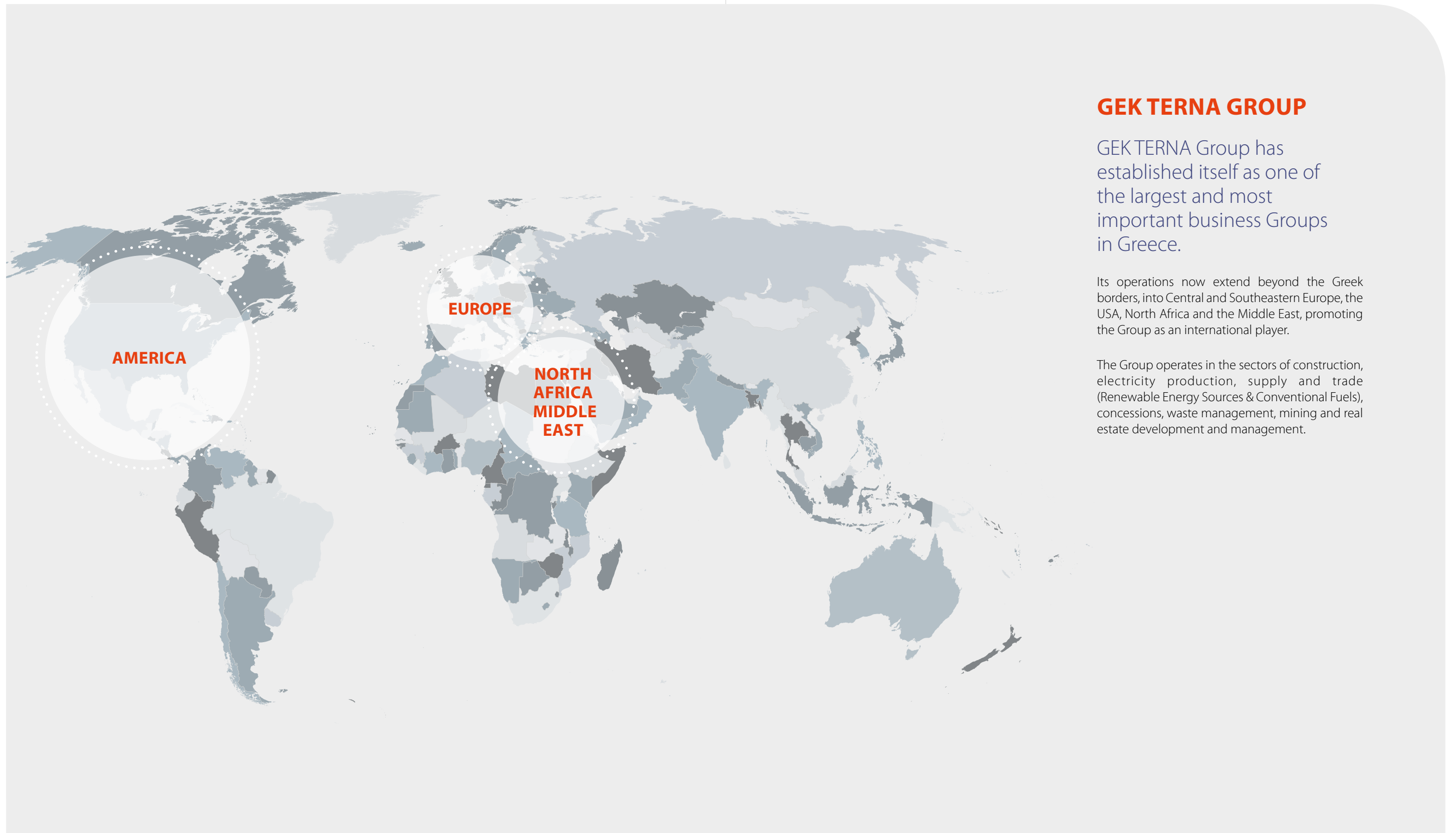
At the same time, the wholistic environmental protection strategy the Group has established and follows, is based on integrated environmental management systems, supported by systematic audits and specialized training with the aim to reduce environmental impact and climate change. The systems used in the Group companies, some already since 1999, ensure the efficient management of business impact. In 2016 alone, over € 3 million were invested in this area.

The Group recognizes the contribution of its employees in realizing its vision and strategy, and ensures a secure, fair, and equitable working environment which recognizes their role to the Group's success. Our employees attended almost 10,000 training hours in 2016 to further their knowledge and skills.

Committed to its community policy, the Group multiplied its contribution towards social development, with its "Social Product" amounting to approximately € 1,364,941 thousand with € 350,000 dedicated to programs and initiatives that support social growth and create financial value for local communities (increased by 84% in comparison to 2015). Almost 95% of the Group's suppliers regarding its Greek activities are Greek.

Sustainable Development involves assuming individual, social, and environmental responsibility and, in our case, it has to extend beyond the narrow national borders of Greece, given that our Group views Sustainable Development as a global issue. Sustainable Development is the link that unites business ethics, values and responsible practices with excellence and business leadership. Nonetheless, above all, Sustainable Development remains a conscious choice and a self-commitment.

Thank you for your trust and support



GEK TERNA GROUP

GEK TERNA Group has established itself as one of the largest and most important business Groups in Greece.

Its operations now extend beyond the Greek borders, into Central and Southeastern Europe, the USA, North Africa and the Middle East, promoting the Group as an international player.

The Group operates in the sectors of construction, electricity production, supply and trade (Renewable Energy Sources & Conventional Fuels), concessions, waste management, mining and real estate development and management.

AT A
GLANCE



5,593
EMPLOYEES
AROUND THE WORLD



112
BUSINESS UNITS



€1,163million
TURNOVER



PRESENCE IN **4 continents**
AND **16 countries**



€1.365million
SOCIAL PRODUCT



738MW
TOTAL INSTALLED CAPACITY
FROM RES IN GREECE AND
ABROAD
• **468MW** IN GREECE
• **138MW** IN U.S.A.
• **102 MW** IN POLAND
• **30MW** IN BULGARIA



980MW
TOTAL CAPACITY OF RES
POWER PLANTS OPERATED,
MANUFACTURED OR
FULLY LICENSED
BY THE GROUP



242MW
RES UNDER CONSTRUCTION
OR READY FOR CONSTRUCTION
IN GREECE AND ABROAD



1,5GW
TOTAL INSTALLED CAPACITY OF THE
ENERGY PLANTS THAT THE GROUP
OWNS OR PARTICIPATES IN



**Investment of
€110million**
ON AVERAGE PER YEAR IN THE
PRODUCTION OF ELECTRICITY
FROM RENEWABLE ENERGY SOURCES
OVER THE LAST FIVE YEARS



€34million
NET PROFIT



€165million
(APPROX.) OF EQUITY
INVESTED IN CONCESSION
PROJECTS



€253million
ADJUSTED
EBITDA



€237million
TOTAL INVESTMENTS IN 2016 OF
WHICH **€168 MILLION** CONCERN
CAPITAL EXPENDITURE AND
€68 MILLION CONCERN CONCESSION
CONSORTIA FOR CAPITAL EXPENDITURE



€2.5billion
CURRENT GROUP
CONSTRUCTION BACKLOG



Europe*
"CONSTRUCTION OF METERING
STATIONS IN GREECE AND
ALBANIA" FOR THE TRANS
ADRIATIC PIPELINE (TAP AG)
OF ABOUT **€130 MILLION****



Europe*
DEVELOPMENT OF THE
AYIA NAPA YACHT MARINE IN
CYPRUS WITH AN ESTIMATED
BUDGET OF
€86 MILLION

Europe
DEVELOPMENT AND OPERATION
OF OFFICE BUILDING
IN SOFIA - BULGARIA,
WITH A TOTAL BUDGET OF
€41 MILLION



America
DEVELOPMENT OF A 150 MW WIND
PARK IN TEXAS, WITH A BUDGET OF
\$ 237 MILLION

Greece
COMPLETION OF CONSTRUCTION
OF THE STAVROS NIARCHOS
FOUNDATION CULTURAL CENTRE



Iraq*
RECONSTRUCTION OF MOTORWAY
NO1 SECTION R7 NASIRIA - RUMAILA,
ESTIMATED AT ABOUT
€90 MILLION

Greece
COMPLETION OF THE WIND PARK
IN AGIOS GEORGIOS,
€150 MILLION INVESTMENT



Qatar
MOTORWAY AND INFRASTRUCTURE
CONSTRUCTION IN DOHA, ESTIMATED
AT ABOUT
€97 MILLION**

Bahrain*
CONSTRUCTION OF MAIN SEWAGE
NETWORK, ESTIMATED AT ABOUT
€12 MILLION** AND OTHER
INFRASTRUCTURE PROJECTS
ESTIMATED AT **€46 MILLION****

*In joint venture
**Approximately, according to the group's
participation rate
*** The amounts stated for the above
construction projects refer to total budgets
and not to backlogs



1. GEK TERNA GROUP

1.1. Vision and Principles

Based on the principles of Sustainable Development, its efficient organisational structure, its insightful business strategy and the high expertise of its people, GEK TERNA Group excels in important business areas.

Its dynamic presence and established leading position go hand in hand with its unwavering support to the local communities where it operates, absolute respect for the natural environment and the completion of milestone projects that generate value for future generations.

For almost half a century, the Group operates by prioritising universal humanistic values, showing that ethical and sustainable business is a lever of growth, and not a barrier to economic efficiency. These are:

- Respect for people and the natural environment
- Creating value for employees, partners, clients and shareholders
- Honesty and reliability
- Targeted social contribution

1.2 Operating Sectors

CONSTRUCTION SECTOR

The execution of construction works for concession projects in Greece, and the construction of energy projects for third parties, contribute to further improving the Group's financial and other figures, offering high profitability prospects. TERNA, one of the most influential Greek construction companies, with a strong presence

in the Balkans and the Middle East, is the Group's main construction branch.

Activity: in Greece: 80.8%, in Balkan countries: 3.9% Middle East: 15.3%.

CONSTRUCTION SECTOR	2016	2015
Turnover	955	779
Turnover among Group sectors	46.2	48
EBIT	128.1	30.3
EBITDA, excluding non-cash income	153.4 increased by 159%	59.2
EBITDA	149.8	56.49
Loan	74	94
Net Debt of the construction sector (cash available minus borrowing liabilities)	380	108
Signing of new contracts and project extensions in 2016	660	270
Backlog of signed contracts on 31.12.2016	2,485	2,770
Amounts are in EUR millions		

ENERGY PRODUCTION SECTOR

GEK TERNA Group has been a leader in the field of Renewable Energy Sources (RES) since the 1990s, through TERNA ENERGY SA (TERNA ENERGY), with investments amounting to EUR 151 million in 2016. Net profit for the energy sector totalled EUR 18.1 million, versus EUR 17.6 million in 2015.

The Group continues developing selected RES projects in Greece and at the same time, capitalising on its experience, is stepping up its efforts to further establish its presence in the USA.

It has installed:

- 468MW in Greece
- 138MW in the USA
- 102 MW in Poland
- 30MW in Bulgaria

It has commissioned:

- 738MW in Greece and abroad

It is currently completing the development of:

- a 150MW Wind Park in Texas, USA
- 90 new MW in Greece

Goal: 1 GW in operation

SECTOR OF ELECTRICITY PRODUCTION FROM RENEWABLE ENERGY SOURCES	2016	2015
Sales from RES	151.1	140.3
EBITDA, excluding non-cash income	109.2	97.8
EBIT (RES Units)	67	60
EBITDA (RES Units)	109.1	97.8
Amounts are in EUR millions		

SECTOR OF ELECTRICITY PRODUCTION FROM THERMAL ENERGY SOURCES THROUGH "HERON THERMOELECTRIC S.A." AND "HERON II" - ELECTRICITY TRADING	2016	2015
Earnings net of tax, integrated	1.8	(13.7)
EBITDA	0.4	0.3
Sector turnover	31.8	26.7
Amounts are in EUR millions		

REAL ESTATE DEVELOPMENT SECTOR

In the Real Estate Development sector, the uncertain economic environment and the continued adverse financial conditions in the real estate market since 2010 led to stagnation of investments.

REAL ESTATE DEVELOPMENT SECTOR	2016	2015
Turnover	5.8	6.1
EBITDA, and excluding non-cash income	(5)	(0.7)
Profit after tax The loss is mainly due to impairments in the value of specific investment properties and stock so that they respond to the new economic conditions in the real estate market.	(6.2)	(15.3)
Sector Debt to Total Assets ratio	72%	65%
Amounts are in EUR millions		

CONCESSION - SELF/ CO-FINANCED PROJECTS SECTOR

In the concessions sector, the Group is managing a portfolio of three major road concessions. It has a 57.19% stake in the "Ionia Odos" Motorway, a 33.33% stake in the "Kentriki Odos" Motorway (E - 65) and a 17% stake in the "Olympia Odos" Motorway. The estimated duration of the concessions is until 2037 for Nea Odos and E-65, and until 2041 for Olympia Odos. In total, the Group now has invested equity of approximately € 165 million in these three projects.

The Group also actively operates in the management and operation of parking stations, with 2,159 parking spaces and results of minus € 0.6 million. Furthermore, the Group has a 70% stake in the Societe Anonyme "Hellas Smarticket", for a 10-year concession after the construction period.

CONCESSIONS SECTOR	2016	2015
Turnover	15.5	14.7
EBITDA, excluding cash income	(0.4)	(0.1)
EBIT	(0.8)	(0.5)
Almost the entire sector is consolidated using the equity method. Amounts do not include the Kentriki Odos motorway (E65) which is not included in the financial statements due to its negative equity position.		
Amounts are in EUR millions		

INDUSTRIAL SECTOR

The Group operates through its subsidiary, TERNA MAG S.A., in the production of quarry products and in the mining and processing of magnesite (magnesia), through the mining permits and concessions it holds.

INDUSTRIAL SECTOR	2016	2015
Turnover	4.2	3.5
Until 31/12/2016, investments amounting to approximately € 28 million had been made, as part of a major investment program estimated at a total of € 100 million in equipment and new facilities to be implemented over the next three years.		
Amounts are in EUR millions		

1.3 Financial Performance

In 2016, the Group recorded a significant increase in sales and profitability, with consolidated sales exceeding € 1.16 billion, € 971 million in 2015, marking a 19.7% increase.

Total Group investments in 2016 amounted to € 236 million and concern mainly concessions and RES. At year-end, cash reserves amounted to € 621 million and total liabilities to

€ 1.024 billion, therefore, total net bank liabilities at the end of 2016 stood at € 403 million.

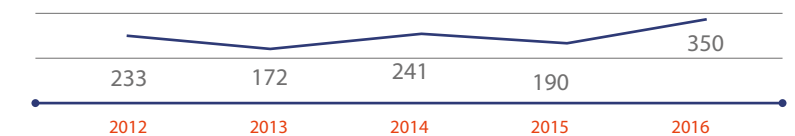
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (EUR IN THOUSANDS)	2012	2013	2014	2015		2016		
	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	TERNA	GEK TERNA GROUP	TERNA	TERNA ENERGY
Total Revenue	549,411	602,877	923,894	971,773	700,870	1,163,480	825,960	225,560
Total Operating Cost	529,838	576,054	898,711	898,255	679,302	989,134	716,655	164,779
Total Salaries and Employee Benefits *	81,491	94,849	124,090	129,757	86,771	134,789	92,507	8,423
Total Dividends Paid	-	-	-	315	8,000	6,177	12,000	8,697
Total Interest Paid to Capital Providers	54,012	54,332	53,051	64,911	22,144	55,697	10,319	34,479
Total Taxes Paid	49,504	40,781	73,010	126,742	80,819	135,962	85,830	36,540
Total Grants / Donations / Charity	233	172	241	190	116	351	230	97

* Salary employees and freelancers with an employment relationship equated to salary employment (e.g. lawyers, accountants, economists or engineers, when working full-time)

FINANCIAL INFORMATION (EUR IN THOUSANDS)	2012	2013	2014	2015		2016		
	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	TERNA	GEK TERNA GROUP	TERNA	TERNA ENERGY
Total Group Equity	670,371	640,058	565,951	562,365	193,370	598,505	156,861	355,230
Parent company Capitalisation	168,704	308,534	175,518	152,743	N/A	223,923	N/A	289,795
Total Assets	2,389,302	2,317,029	2,380,913	2,608,799	1,181,750	3,084,493	1,265,970	1,437,611
Total Liabilities	1,718,931	1,676,971	1,814,962	2,046,434	905,497	2,485,998	1,109,109	1,082,381
Number of Group Business Units	107	101	96	104	32	112	37	52

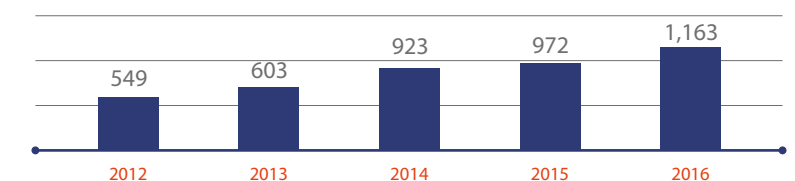
The figures for the years 2013 and 2012 are restated for comparability purposes, due to the application of the IFRS 11 "Joint Arrangements" as of 01.01.2014, but do not include payments of other taxes and fees of foreign companies.

TOTAL GRANTS / DONATIONS / CHARITY (THOUSAND EUR)

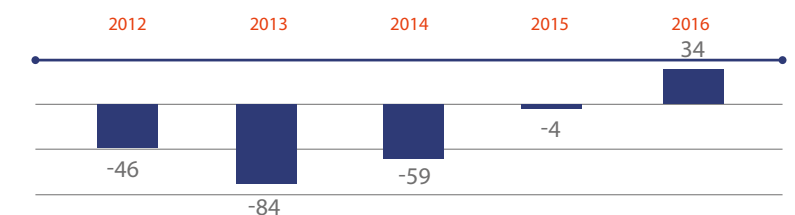


Since 2005, the Group's annual financial reports are prepared in accordance with the International Financial Reporting Standards and are available at: <http://www.gekterna.com>
GEK TERNA and its subsidiary TERNA ENERGY are listed on the Athens Stock Exchange (FTSE / Athex Large Cap).

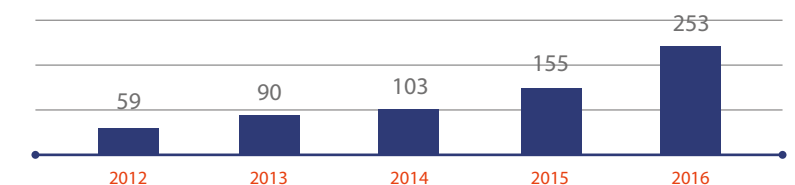
TURNOVER (MILLION EUR)



NET PROFIT (MILLION EUR)



ADJUSTED EBITDA (MILLION EUR)



The figures for the years 2013 and 2012 are restated for comparability purposes, due to the application of the IFRS 11 "Joint Arrangements" as of 01.01.2014.



02 CORPORATE GOVERNANCE

2. CORPORATE GOVERNANCE

GEK TERNA Group operates in a highly dynamic environment, which requires flexibility in making business decisions and heavy responsibility in their implementation.

The Group's ability to sense opportunities and put them to effective use requires a modern Corporate Governance framework that continuously evolves and adapts to the ever-changing conditions of the economic, social and business environment.

The Group has developed and established a framework for stability, transparency and responsible operation, which at large determines the achievement of its business and strategic objectives. Through the principles of Corporate Governance, GEK TERNA Group ensures flexible structures, modern approaches and stable operating rules, allowing it to maintain internal homogeneity and increased competitiveness.

2.1 Governance Bodies

2.1.1 Board of Directors

The Board of Directors (BoD) is the governance body that assumes responsibility for strategy development, efficient management operation and sufficient control of the Group in order to assist it in achieving its purpose. As the body responsible for managing the Group, the BoD must safeguard the interests of all shareholders, respect all stakeholders and protect the broader socio-economic environment, and act based on strict moral criteria and business values.

Line-up of GEK TERNA Group's Board (31.12.2016)

Chairman:
Nikolaos Kampas, non-Executive Member
Vice-Chairman:
Konstantinos Vavaletskos, Executive Member
Vice-Chairman:
Michael Gourzis, Executive Member
Vice-Chairman:
Angelos Benopoulos, Executive Member
Managing Director:
Georgios Peristeris, Executive Member

Board Members
Dimitrios Antonakos, Executive Member
Emmanuel Vrailas, Executive Member
Emmanuel Moustakas, Executive Member
Vasileios Delikaterinis, Non-Executive Member
Georgios Perdikaris, Non-Executive Member
Aggelos Tagmatarhis, Independent non-Executive Member
Apostolos Tamvakakis, Independent non-Executive Member

BOARD OF DIRECTORS	GEK TERNA GROUP			
	<30	30-50	>50	Total
Women	0	0	0	0
Men	0	1	11	12
Total Members	0	1	11	12

The BoD holds ordinary and extraordinary meetings, for managing issues of special interest and importance.

The line-up of the BoD and the ratio of executive to non-executive members contribute to the long-term success of the Group. During the reporting period, all BoD members were Greek nationals.

The BoD line-up is very important for the Group's smooth and profitable operation and should reflect the interests of shareholders utmost extent. BoD members are elected by the General Meeting with the purpose of managing the affairs of the Group and therefore it is important that they:

- promote the Group's image to all stakeholders
- be vigilant, monitoring and evaluating the effectiveness of the targets set
- have credibility and integrity
- have administrative capacity and effectiveness
- have thorough knowledge of corporate affairs
- actively contribute to development prospects
- seek harmonious cooperation with the company's managers and employees
- act with a high sense of corporate loyalty

The BoD provides support to the Boards of Directors of GEK TERNA Group's subsidiaries and plays a decisive role in enhancing their effectiveness. It guarantees consistency in sharing the vision, the operating principles, the strategy and goals set by the Group for all its operations, while supporting their management, by ensuring their smooth operation.

The BoD is also responsible for ensuring the avoidance of conflicts of interest. BoD members, as well as managers or employees holding key positions in the Group, are subject to specific policies regarding their engagements, which may conflict with the Group's interests. All managers and employees in positions of responsibility are obliged to act with integrity, sound judgement and responsibility and refrain from any action that conflicts with the interests of the Group.

The evaluation of the BoD's work is an integral part of its operation. As the role of the BoD is to defend the interests of affiliated parties, the evaluation of its own effectiveness as a collective body, of its members and its committees is an essential and mandatory part of its function. In accordance with the principles of the Corporate Governance Code, an evaluation is carried out at least every 2 years from the assumption of their duties, in order to identify possible weaknesses and to strengthen structures and methodologies where necessary.

2.1.2 Board Committees

The BoD is supported by 3 committees. Even though the committees have an advisory role, their proposals have a considerable impact in decision-making and, therefore, professional competence and knowledge of the issues they deal with are required. These committees are:

1: Nomination and Remuneration Committee: a three-member committee responsible for the nomination of BoD members. The committee proposes policies and systems for determining remuneration at all company levels.

2: Investment Committee: a five-member committee responsible for strategic and development issues
3: Audit Committee: a three-member committee responsible for ensuring compliance with the principles of Corporate Governance.

2.1.3 General Meeting of Shareholders

Communication with shareholders and investors is of key importance for the Group and is supported through personal contacts, by the relevant investor relations department, a special section on the corporate website and through the General Meeting of Shareholders.

In particular, the BoD focuses on protecting the rights of all shareholders, encouraging and facilitating their participation in the General Meeting, which is the company's official and supreme governing body. Moreover, through the BoD, the Group guarantees the completeness, reliability, accuracy and availability of the information received by the General Meeting so that it may smoothly exercise its rights.

2.2 Corporate Governance Code

The Corporate Governance Code is the cornerstone of GEK TERNA Group's Corporate Governance system. It defines the context of its smooth operation and acceptable conduct.

Within this context of established rules, the Group can guarantee the duration and effectiveness of its operation to the benefit of shareholders and other stakeholders. The Code binds all Management and staff members at all organisational levels, in order to ensure compliance with the principles of transparency, business ethics and sound management of all Group resources.

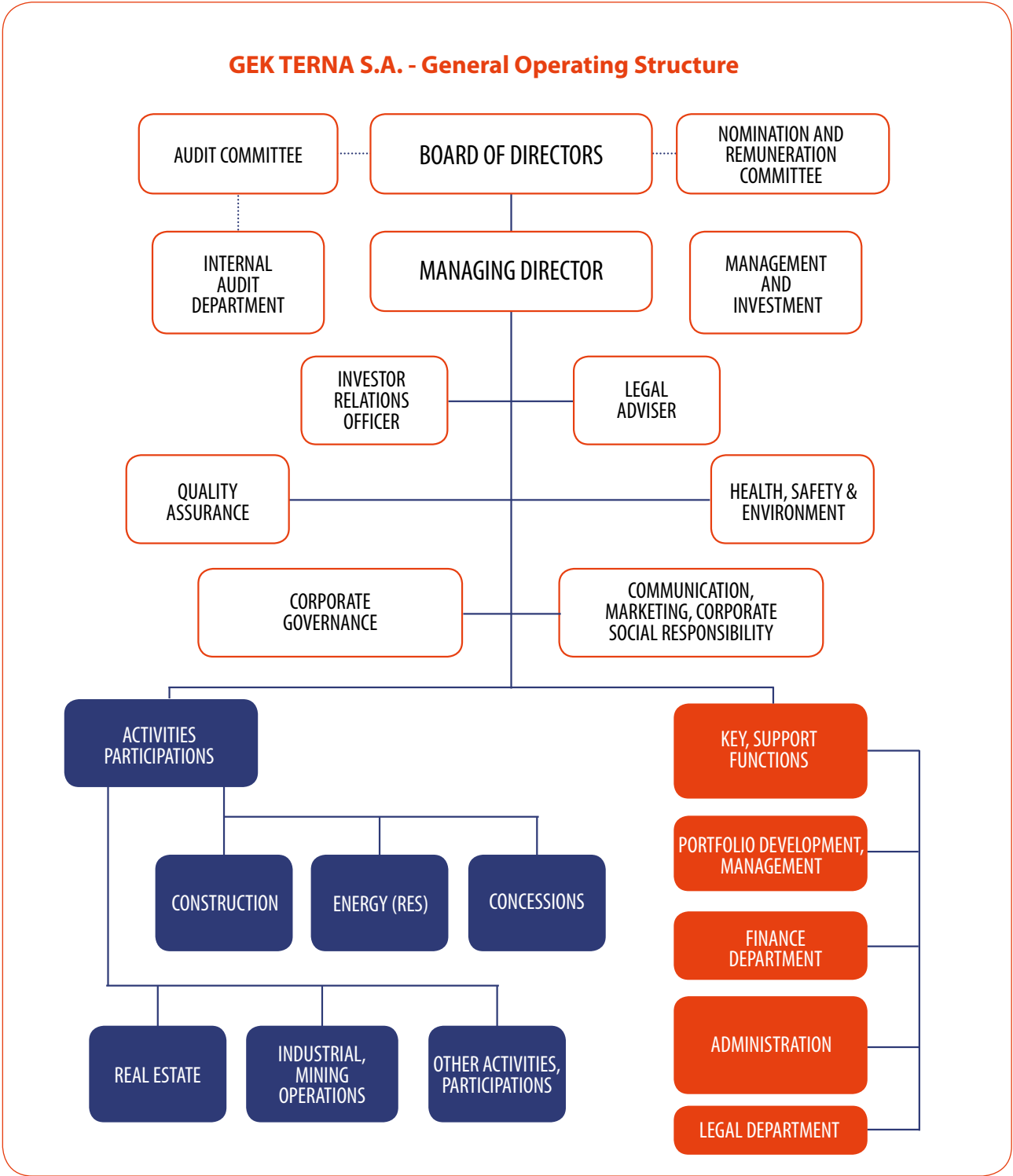
2.3 Internal Audit and Risk Management

The Group is exposed to multiple risks relating to the economic conditions prevailing in Greece, the trends in the construction and real estate sectors, the wind and hydrological conditions and, of course, financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices), credit risk and liquidity risk.

The BoD's Rules of Procedure include internal audit systems and mechanisms that identify, monitor and assess all factors that could jeopardise the Group's operations. The Group's risk management plan aims at promptly identifying and properly assessing potential operational risks, their effective management and the mitigation of their negative impact on its operation and competitiveness. The Group's on going priorities are to take the necessary decisions and corrective measures to protect its assets, to provide comprehensive information to shareholders and to find ways to avoid related future risks.

The Group manages potential risks by carefully monitoring developments and following a specific procedure that includes:

- assessment of the risks associated with its activities and operations
- specific methodology and selection of appropriate risk mitigation tools
- implementation of risk management solutions and actions, in accordance with approved procedures



03

STRATEGY AND CORPORATE RESPONSIBILITY

3. STRATEGY AND CORPORATE RESPONSIBILITY

3.1 Strategy and Development

GEK TERNA Group is gradually expanding its strategy for Sustainable Development. The diversification of its activities is beneficial to shareholders and investors, and minimizes potential risks, as synergies between different business units ensure lower costs and more effective risk management.

Focusing on long-term growth, the Group actively supports the local communities where it operates as well as Greek suppliers. Its Sustainable Development strategy is based on enhancing effectiveness, through best practices, sustainable initiatives and reliable collaborations.

The effective integration of the principles and practices of Sustainable Development into the Group's strategy is analysed as follows:

CORPORATE GOVERNANCE

- to ensure optimal benefits for shareholders, investors, employees and clients
- to ensure business excellence based on ethics, integrity and transparency
- building trusted relationships with employees and all stakeholders
- continuous development based on the principles of Sustainability

ENVIRONMENT

- environmental protection and optimal management of natural resources
- adoption of environmentally friendly technologies and minimisation of the negative impacts from the Group's operations

MARKET AND BUSINESS OPERATION

- continuous expansion both in new business areas (waste management, mining activities, etc.) and in new markets abroad
- maintaining high quality in business activities
- strengthening its strong position in its traditional operating sectors (constructions, energy) in Greece
- maintaining selected suppliers and supporting Greek suppliers

EMPLOYEES

- to develop and strengthen human resources
- to enhance the skills of employees
- to ensure equality and a fair work environment
- to strengthen know-how and innovation

HEALTH AND SAFETY

- to ensure Health and Safety for the Group's employees and subcontractors
- to ensure Health and Safety for users

SOCIETY AND LOCAL SOCIETY

- to strengthen local communities
- to implement support and restoration actions that meet basic needs of local communities

3.1 Corporate Responsibility Strategy

There are 2 key elements that undoubtedly contribute to the success of GEK TERNA Group: the Group's clear vision and its structured strategy which helps achieve this vision.

The strategy, which provides a guideline for a number of business decisions, is based on an all-inclusive framework that ties in with the basic parameters of Sustainable Development. Business success is determined, directly and indirectly, based on the Group's performance in the environmental, market, employee, Health and Safety areas, as well as in society.

The Group's operating framework is continuously enriched and upgraded, but always remains in line with the core principles of Corporate Governance, ethics, quality and effectiveness.

- This framework:
- helps prioritise business issues and the corresponding actions
 - enhances the understanding of Corporate Responsibility and creates a corporate culture
 - defines the corporate objective
 - enhances the role of stakeholders and strengthens dialogue
 - is a driving force, a competitive advantage and a risk management methodology



3.2 Organisation and Management of Corporate Responsibility Issues

GEK TERNA Group acknowledges that it would not have reached its current success without the active and ongoing support of its executives. As Corporate Responsibility issues cover its entire range of operations, their effective management is now the responsibility of the Group's designated Corporate Responsibility Team.

The duties and responsibilities assigned to the Corporate Responsibility Team are complex and require specialised knowledge, skills and extensive experience. To meet these requirements, the team is made up of executives from all the Group's main Departments, and coordinated by the Department of Communications and Corporate Social Responsibility.

- The Corporate Responsibility Team:
- is responsible for Corporate Responsibility issues
 - is responsible for collecting the necessary data required for issuing the annual Corporate Responsibility Report

- is responsible for the accuracy of the Corporate Responsibility Report
- systematically communicates, collaborates and guides employees on the implementation of initiatives that fall under the management of Corporate Responsibility
- regularly provides detailed and substantial information to the Group's senior management
- establishes the necessary procedures for the management of Corporate Responsibility actions
- defines the necessary policies and procedures and the coordination of environmental, social, employment and supply chain programs

3.3 International Standards

For GEK TERNA Group, the integration of standards and systems into its activities and operations is inextricably linked with the effective management of its business operations. International management standards allow the Group to use tools and methodologies necessary in the international competitive environments where it operates.

Thus, the Group seeks to certify these processes and systems in accordance with international standards and management systems and to ensure a sufficiently high level of adequacy. Such tools and methodologies include policies, procedures, targeting mechanisms, performance indicators and measurement systems. These standards are continuous improvement tools for the Group and are internally and externally reviewed on a regular basis. Many of the systems applied have been certified by an independent body and the Group has already planned to expand these in the near future. In 2016, the Group held the following certifications:

- Quality Management System ISO 9001:2008: TERNA, TERNA ENERGY, ILIOCHORA, GEK Services, TERNA MAG, STROTIRES, HERON, TERNA S.A. ABU DHABI BRANCH
- Environmental Management System ISO 14001:2004: TERNA, TERNA ENERGY, GEK Services, TERNA MAG, HERON, ILIOCHORA, TERNA S.A. ABU DHABI BRANCH
- Occupational Health and Safety Management System OHSAS 18001:2007: TERNA, TERNA ENERGY, GEK Services, TERNA MAG, HERON, ILIOCHORA, TERNA S.A. ABU DHABI BRANCH
- ELOT EN ISO 17025 by the Hellenic Accreditation System: Accreditation Certificate for the Wind Measurement Laboratory of TERNA ENERGY

Other certifications of the Group include:

TERNA: Quality System of Pressure Equipment Manufacturers, in accordance with European Directive 97/23/EC - First Certificate in 2009

TERNA - POLYCASTRO QUARRY: Certificate of Conformity of Natural Aggregates Production Control at the Plant in compliance with European Regulation 305/2011/EU - First Certificate in 2007

TERNA MAG: GMP/+B3 certification for caustic magnesia intended for animal feed

Since 2013, when the Group officially began to record and communicate its policies and actions, it has been abiding to the Global Reporting Initiative (GRI) framework. Every year, it evolves the structure and content of its reports to reflect internal advancement and the Group's response to material aspects raised. Specifically for the 2016 Report, the Group has upgraded its methodology to implement the most up-to-date GRI version, "The GRI Standards", released in October 2016. GRI framework is followed both for the Group's Report and for the TERNA ENERGY report, which, as of 2015, issues a separate Corporate Responsibility Report.

3.4 Collaborations for Sustainable Development

GLOBAL SUSTAINABLE DEVELOPMENT GOALS

The adoption of the 17 UN Sustainable Development Goals on 25 September 2015 at the United Nations Headquarters in New York marked the unprecedented commitment of 193 state and government representatives from around the world to take action to combat extreme poverty, inequality and climate change.

GEK TERNA Group, following the dynamic and integrated approach of the global community when addressing environmental, social and economic challenges, supports actions to ensure social equality, prosperity and a sustainable natural environment for future generations. Undoubtedly, these 17 global goals represent a great challenge and an even greater opportunity, as they are inextricably linked

to responsible entrepreneurship, corporate governance principles and Corporate Responsibility.

GEK TERNA Group, assuming its responsibility as a pioneer and business leader, has voluntarily committed to contributing to the success of those goals directly related to its business.

3.5 Memberships














With the aim of continuously improving its projects and strengthening communication channels with stakeholders, GEK TERNA Group actively participates in recognised Greek and international organisations and bodies.

The Group's collaborations promote Sustainable Development and innovation and support best practices in the field of Sustainable Development. The Group's active participation in the public debate aims to change the business and investment climate and to promote a healthy development model.

GEK TERNA Group participates in acclaimed associations, organisations and bodies:

- ELETAN: Hellenic Wind Energy Association
- Hellenic-American Chamber of Commerce
- Hellenic-Romanian Bilateral Chamber of Commerce
- Greece - Serbia Business Council

- HAIPP: Hellenic Association of Independent Power Producers
- GAREP: Greek Association of Renewable Energy Producers
- EREF: European Renewable Energy Federation
- SEV: Hellenic Federation of Enterprises
- Arab-Hellenic Chamber of Commerce and Development
- UAE - Green Building Council

GOALS RELEVANT TO THE GROUP'S BUSINESS	SECTORS RELEVANT TO THE GROUP'S BUSINESS	REFERENCE TO THE REPORT
	Local communities, Social Product Local and National Suppliers	81-83, 58-61, 63
	Caring for our People Local Communities	73-79, 81-83
	Local Communities, Social Product	81-83
	Caring for our People	63-71
	Operating Sectors Water Biodiversity	13-15, 51
	Operating Sectors Energy	13-15, 49
	Workplace Financial Impact	15-17, 63-71
	Operating Sectors	13-15
	Operating Sectors	13-15
	Caring for the Environment Materials Raw Materials and Waste	43-51
	Environmental Impact	43-51
	Environment and Climate Change Environmental Impact Materials, Raw Materials and Waste	43-51
	Environment and Climate Change Biodiversity Environmental impact Air Emissions	43-51
	Partnerships for Sustainable Development Memberships	28-29

Goals directly related to our business or fulfilled by our social activities

04 AWARDS



The only public building in Greece with a LEED Platinum certification

In October 2016, the U.S. Green Building Council (USGBC) announced that the Stavros Niarchos Foundation Cultural Centre (SNFCC) won the platinum certificate Leadership in Energy and Environmental Design (LEED) as a Green Building, the highest award for environmental and sustainable buildings internationally.

LEED consists of an integrated set of interlinked rating systems covering all stages of the development and construction process and all types of buildings, with the main goal of promoting sustainable construction. Each project receives the corresponding level of certification depending on its score: Silver, Gold and Platinum (the top distinction).

The system certifies that a building is designed and constructed in accordance with the principles of sustainable building, with environmentally innovative practices aimed at saving energy, reducing water use and CO2 emissions, improving the quality of the indoor environment, improving resource management, integrating innovations in construction and use, achieving local development priorities and addressing health and welfare impacts in the local environment and society.

SNFCC: LEED PLATINUM



The Salini Impregilo SPA - TERNA S.A. Joint Venture won the International Safety Award of the British Safety Council, in recognition of its commitment to Health and Safety at the Stavros Niarchos Foundation Cultural Centre construction site. The internationally acclaimed institution rewards and promotes best practices in Health and Safety Management and supports investments in these areas both in the workplace and across the entire project. The annual International Safety Awards, which have been awarded for over 58 years, recognise and reward good Health and Safety management in organisations of all sizes and industries around the world. The identification process is based on the assessment of risk management practices for occupational Health and Safety by independent judges.

BRITISH SAFETY AWARDS

**ENR 2016 GLOBAL
BEST PROJECTS**



Engineering News - Record, the bible of the construction industry, honoured the Stavros Niarchos Foundation Cultural Centre (SNFCC) through its distinction in the annual Global Best Project Awards, where it won the first place in the Culture category. This is one of the world's highest distinctions in the industry, as it bears the credentials of an international committee of prominent professionals.

The judges reviewed the project's performance in safety, innovation, project challenges, design quality and construction. They also examined the way in which an international project benefits the local community and the construction industry. Particular emphasis was placed on diversity and synergies between international working groups.

**INSTITUTE OF
STRUCTURAL
ENGINEERS**



The distinguished Institute of Structural Engineers, engaged in Construction Engineering and Public Safety of Buildings, awarded a special distinction to the SNFCC. The British body honoured the SNFCC with an award in the "Arts or Entertainment structures" category.

The judging panel hailed the SNFCC as a structure of excellent construction that immediately stood out for the "courageous" implementation of pioneering techniques and for the use of unusual materials. The judges characterised the photovoltaic canopy as a construction masterpiece and were particularly captivated by the high standards of the anti-seismic engineering solutions. They also noted that socio-cultural ambitions are in line with the exemplary sustainability certification.

**BRITISH BUILDING
AWARDS**



The SNFCC won the International Project of the Year Award at the British Building Awards 2016.

The annual British Building Awards is one of the most prestigious international events in architecture and construction. Award categories cover a wide range of industry specialties, allowing companies across all aspects of building to have their achievements held up as an example to sector. The SNFCC won an award in the "International Project of the Year" category. Category nominations are judged on the basis of their planning, sustainability, innovation in construction and collaboration.



5. COMMUNICATION WITH STAKEHOLDERS

As a responsible corporate citizen, aware of its role in society, GEK TERNA Group has placed engagement with stakeholders at the heart of its strategy.

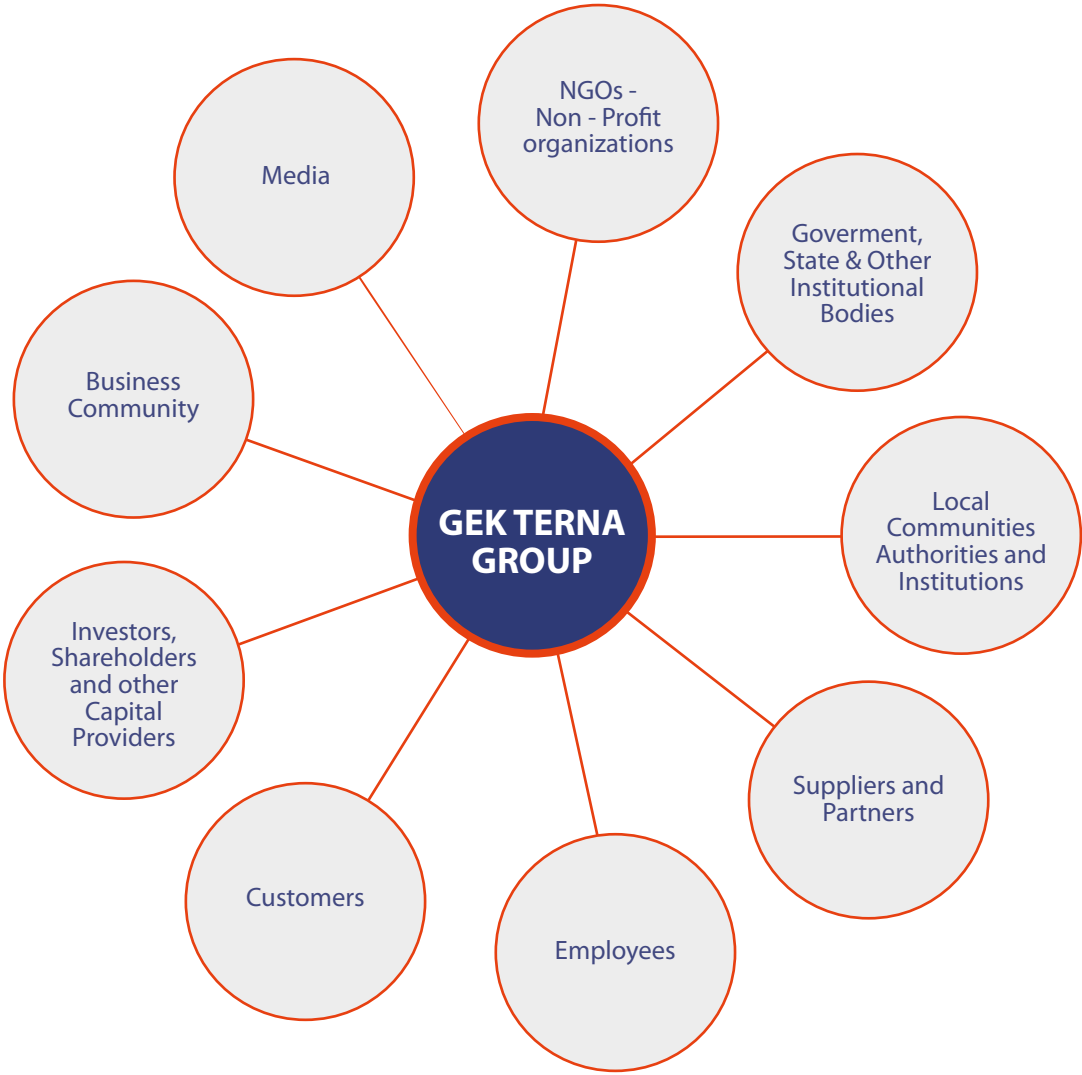
This informed approach, requires recognising the key role of identified stakeholder groups in the business and social environment where the Group operates.

Stakeholders that directly or indirectly affect or are affected by the Group's activities, decisions or projects are divided into 2 categories:

- The main stakeholders, who significantly affect its decisions and are substantially affected by the Group's operation.

- The secondary stakeholders, who are affected by or affect the decisions and activities of the Group to a lesser extent.

The Group has realised that fruitful and effective dialogue, and interactive and regular communications lay the foundations for quality partnerships that create value. For this reason, every year, the Group strengthens and broadens the consultation process with its stakeholders so that it can more effectively manage its relationships and partnerships.



Main Stakeholders	Main Issues	Communication Channels	The Group's Response
Investors, Shareholders and Other Capital Providers	<ul style="list-style-type: none">• Competitiveness Support• Compliance with Corporate Governance Principles• Transparency• Extroversion• Synergies with Stakeholders	<ul style="list-style-type: none">• Regular Reports on Results• Annual General Meeting of Shareholders• Shareholder Department• On going Communication with Competent Executives of the Group• Investor Relations Manager• Annual Analysts' Presentation• Financial Report• Corporate Responsibility Report• Corporate Website	<ul style="list-style-type: none">• Implementation of Corporate Governance Framework• Improving Financial Results• Strengthening Communication with Stakeholders• Expansion of Activities• Strengthening the Group's Extroversion• Corporate Responsibility Report
Customers	<ul style="list-style-type: none">• Correct, Timely and Reliable Execution of the Project• Compliance with Requirements and Specifications• Expertise and Adequacy• Support after Project Completion• Constructive Collaboration• Financial terms	<ul style="list-style-type: none">• Projects Division• Personal Contact with Competent Executives• Conferences, Bodies and Business Associations• Group Website• Corporate Responsibility Report	<ul style="list-style-type: none">• Improvement of Expertise and Adequacy• Full compliance with Contractual Obligations and Requirements of the Projects• Innovation• International Standards Certification• Participation in Joint Ventures
Employees	<ul style="list-style-type: none">• Labour and Social Security issues• Job Safety• Occupational Health and Safety• Skills Development• Update on the Group's Sustainability Issues	<ul style="list-style-type: none">• Continuous Communication between Management and Employees• Regular Meetings and Updates• Bulletin Boards• Group Website• Corporate Responsibility Report	<ul style="list-style-type: none">• Certified System of Occupational Health and Safety• On going Education and Training Opportunities• Competitive Remuneration Packages• Additional Benefits and Recognition• Work-Life Balance
Suppliers and Partners	<ul style="list-style-type: none">• Supporting Local Suppliers• Pricing Policy• Meritocratic / Objective Evaluation• Strengthening Communication and Information	<ul style="list-style-type: none">• Purchasing Department• Inspections	<ul style="list-style-type: none">• Support of Local Suppliers• Transparent Procedures for Supplier Selection• Supplier Audits• Participation in Joint Ventures
Local Communities, Authorities and Institutions	<ul style="list-style-type: none">• Supporting of Local Suppliers• Pricing Policy• Meritocratic / Objective Evaluation• Strengthening Communication and Information• Returning Hospitality	<ul style="list-style-type: none">• Personal Contact with Local Authorities, Local Institutional Bodies, Associations and Unions• Participation in Activities• "Open Dialogue" Events• Participation in Conferences and Consultation Organisations• Studies and Reports• Corporate Responsibility Report	<ul style="list-style-type: none">• Cooperation with Local Suppliers• Employee Recruitment from the Local Community• Supporting Local Institutions, Associations and Organisations• Management of Financial, Environmental and Social Impacts of the Projects• Emergency Response

Main Stakeholders	Main Issues	Communication Channels	The Group's Response
Governmental, State & Other Institutional Bodies	<ul style="list-style-type: none">• Compliance with Legislation• Strengthening the National Economy• Support for Local Communities• Enhancing Employment• Selection of Local Suppliers• Implementation of Transparent Processes for supplier Selection• Audits Suppliers• Participation in joint ventures	<ul style="list-style-type: none">• Consultation with Representatives of the State and of Institutional Authorities at a National and/or Regional Level• Participation in Conferences and Events• Publications and Articles• Financial Report• Corporate Responsibility Report	<ul style="list-style-type: none">• Full Compliance with the Legal Framework in Force• Cooperation with Local and National Suppliers• Providing Employment at a National and Local Level• Extensive Consultations and Cooperation with Local Communities• Strengthening Entrepreneurship• Supporting National Economy and Extroversion

Secondary Stakeholders	Main Issues	Communication channels	The Group's Response
Non-governmental, Non-profit organisations	<ul style="list-style-type: none">• Financial Support• Support of Structures• Synergies to resolve Environmental and Social Issues	<ul style="list-style-type: none">• Interpersonal / Communication• Partnerships• Corporate Website• Corporate Responsibility Report	<ul style="list-style-type: none">• In kind Support• Financial Support• Cooperation on Environmental and Social Initiatives
Media	<ul style="list-style-type: none">• Valid and Timely Information• Continuous Communication	<ul style="list-style-type: none">• Press Releases• Interviews• Presentations• Corporate Website• Individual Updates	<ul style="list-style-type: none">• Full Information on the Actions and issues relating to the Group and its subsidiaries, in a timely and accurate manner• Assurance of Relations
Business Community	<ul style="list-style-type: none">• Healthy Competition• Pricing Policy• Support for Local Communities	<ul style="list-style-type: none">• Press Releases• Regular Presentations• Participation in Exhibitions, Conferences, Presentations, Organisations, and Business Associations• Corporate Website• Corporate Responsibility Report	<ul style="list-style-type: none">• Healthy Competition• Synergies

06

MANAGEMENT OF CORPORATE RESPONSIBILITY MATERIAL ISSUES

6. MANAGEMENT OF CORPORATE RESPONSIBILITY MATERIAL ISSUES

As part of the 2016 Report development, the Group has renewed the process for identifying material issues and the way they are presented, to ensure they are consistent with its key Sustainability pillars. Material issues are linked to the following 6 pillars: **Corporate Governance, Environment, Market, Employees, Health and Safety, and Society.**

Given its investment strategy, the process of identifying material aspects is of particular importance to the Group, especially in the modern business environment where it operates. Entering new markets and expansion to new continents are inherent to the Group's culture, but always involve undertaking risks.

Issues that can potentially significantly affect the implementation of strategic objectives and particular business actions, the natural environment, social prosperity and have an impact on stakeholders, are considered material issues for the Group. The impact of these issues - be it positive or negative - is always multifaceted, as it touches on social, environmental and economic aspects alike. The issues included in the Report are selected through a three-stage process:

Stage 1: Identification and recording of possible issues.

At this stage, the Group takes into account a set of sources from the internal and external environment, which include: the Group's strategic orientation, regulatory requirements, standards and initiatives, trends, best practices, and stakeholder views.

Stage 2: Determination of stakeholders' expectations and requirements.

At this stage, the Group creates a comprehensive overview of stakeholder priorities as regards Sustainable Development and Social Responsibility.

Stage 3: Emphasis on material issues.

At this stage, the results of the 2 previous stages are combined and the original issues of materiality are highlighted. These issues are mapped in a 2-axis framework in line with the table of material aspects presented below. This mapping highlights the material aspects on which the Group decides to focus, which are approved by the Corporate Responsibility Team and are detailed in this Report.

6.1 Sustainability Pillars and Material Issues

CORPORATE GOVERNANCE PUBLIC POLICY COMBATING CORRUPTION ENVIRONMENTAL, FINANCIAL AND SOCIAL COMPLIANCE				
Environment	Market and Business Operation	Employees	Health and Safety	Society and Local Society
<ul style="list-style-type: none">• Materials• Liquid Effluents and Waste• Water• Biodiversity• Emissions• Energy	<ul style="list-style-type: none">• Procurement Practices• Financial Performance• Project Quality	<ul style="list-style-type: none">• Training and Education• Fair Workplace• Employment	<ul style="list-style-type: none">• Occupational Health and Safety• User Health and Safety	<ul style="list-style-type: none">• Indirect Economic Effects• Local Communities

Table of material issues



The boundaries of material issues and the stakeholders affected by the selected aspects are analysed at the end of the Report.

07

CARING FOR THE ENVIRONMENT

7. CARING FOR THE ENVIRONMENT

The Group's strategy for environmental protection focuses on business restructuring and utilising opportunities through a new, human-centric growth model that rewards environmental innovation and green investments.

7.1 Environment and Climate Change

Acknowledging the level of its impact on the natural environment, GEK TERNA Group has set environmental protection as its top priority. The precautionary principle combined with the knowledge of the environmental impacts of its activities, have been taken into consideration in the development of its strategy.

It is clear that climate change affects almost all areas of the Group's operations. The number of days during which construction stops due to difficult weather conditions, the increase in construction costs due to increased manufacturing difficulty, the change of wind data that affect the production of wind power, are issues attributed to climate change.

At the same time, the national and international shift towards Green Economy and Sustainable Development has created excellent opportunities for the Group. Innovative construction projects, such as the SNFCC, have highlighted the Group's expertise. Increased demand for electricity from thermal sources (natural gas) and renewable energy sources (RES), has become a driver of business development.

7.2 Integrated Environmental Strategy

While the causes of climate change are global, its effects are visible in all aspects of people's lives and business activities. The integrated strategy for environmental protection and climate change implemented by GEK TERNA Group is intended to mitigate the causes and support the Group's multidimensional objectives for the future.

As a minimum, GEK TERNA Group fully complies with the relevant legislation and the regulatory framework in the countries where it operates and seeks to go beyond the minimum requirements. Therefore, in 2016, no fine or other non-monetary sanction was imposed for breach of environmental legislation and relevant regulations in force (environmental terms, etc.).

The implementation of the Group's environmental strategy includes actions in the following pillars:

- compliance with legal and other requirements
- implementation and improvement of the Environmental Management System
- environmental impact prevention and use of new technologies
- employee training and stakeholder information
- integrated management of its environmental footprint (natural resources, energy, use of materials, waste)
- synergies to address climate change and creation of an environmental culture
- protection and enhancement of the artistic, cultural and social environment

7.2.1 Environmental Management System

The harmful effects of climate change are becoming increasingly more evident and require measures to reduce greenhouse gas emissions.

The Group has established and strictly applies, across the entire range of its business, a specific Environmental Policy and an Environmental Management System, to reduce its environmental footprint and improve its performance.

All operational activities of GEK TERNA Group, as well as the facilities and construction sites, adhere to strict environmental management standards, and since 2008, the Group has obtained an Environmental Management System certification, in accordance with the international ISO 14001:2004 standard for most of its subsidiaries:

TERNA, TERNA ENERGY, GEK Services, TERNA MAG, HERON, ILIOCHORA, TERNA S.A. ABU DHABI BRANCH.

By implementing an integrated Environmental Management System, the Group achieves a comprehensive overview of its environmental impacts, allowing it to take the necessary precautionary measures. No significant environmental incidents and no significant release of chemicals into the natural environment occurred in 2016.

7.2.2 Environmental Protection Audits

To document its compliance with the requirements of external certifications, internal systems, legal and other regulations, GEK TERNA Group conducts annual audits in all its operations.

The objective and main requirement of internal management system audits is to:

- assess the degree to which the requirements of the standards are met
- assess the level of systems' implementation by the Group's companies
- identify points that need improvement and reinforcement
- improve the implementation of Risk Management and Management Systems

Internal audits are carried out by the Environment Department, while additional audits are carried out by an external auditor (independent engineer), external certification bodies and, in the case of concessions, by special consultants appointed by the Concession Joint Venture.

In 2016, a total of 48 internal and 3 external Environmental audits were conducted. Moreover, 28 audits were carried out by the Joint Venture Consultant for Joint Venture projects.

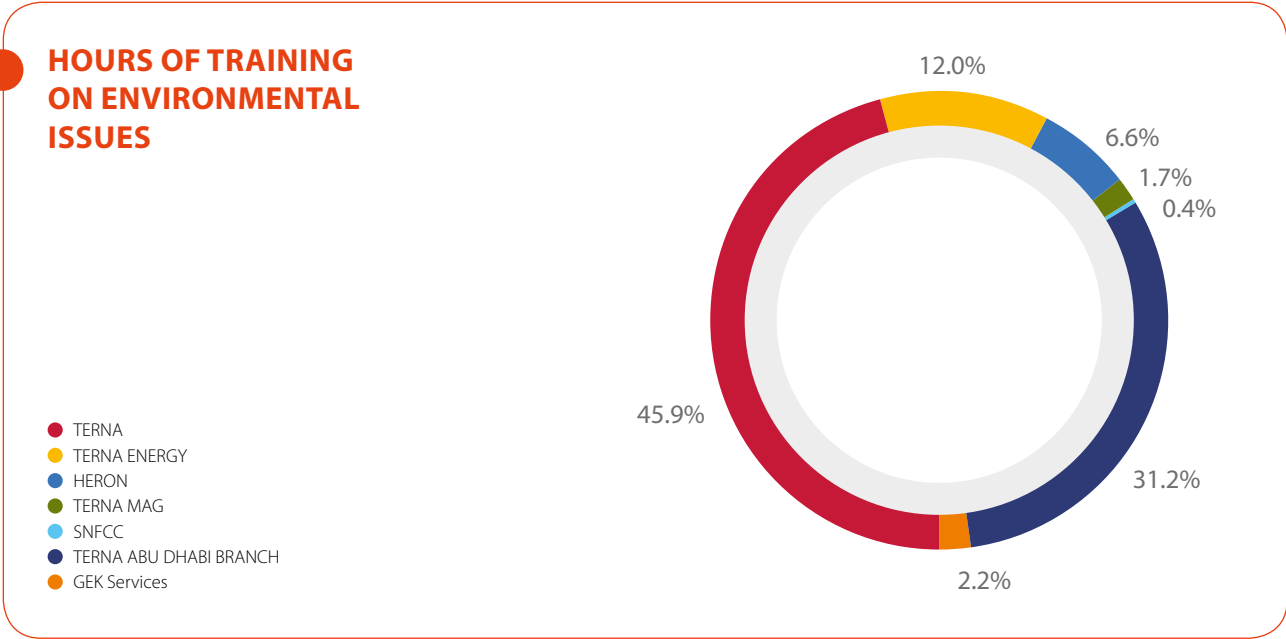
Environmental audits	GEK TERNA GROUP	TERNA	TERNA ENERGY
Environmental Audits (Int.)	48	24	8
Environmental Audits (Ext.)	3	-	-
Joint Venture Consultant	28	28	-
Includes: TERNA, TERNA ENERGY, ILIOCHORA, SNFCC			

7.2.3 Environmental Training of Employees

Prevention and minimisation of environmental impacts require comprehensive, in-depth consultations and systematic training of employees. In order to develop a corporate culture on environmental protection issues and to improve the environmental footprint in its entire business, the Group implements a series of planned annual environmental training programs.

The specialised training courses are in line with the needs and requirements of the projects undertaken by the Group and effectively respond to the roles and duties of employees. Basic environmental information sessions is also conducted for site visitors to ensure both their own and the project's safety.

Training is conducted by both the Environmental Department and external bodies, while a comprehensive training file is kept at all worksites and at the headquarters.



Training on Environmental Issues	TERNA	TERNA ENERGY	HERON	GEK SERVICES	TERNA MAG	TERNA S.A. -ABU DHABI	SNFCC
Number of Participants	113	27	35	40	13	4	7
Hours of Training	143	10	210	55	30	8	2

7.3 Environmental Impact

GEK TERNA Group's strategy focuses on preventing and reducing the impact of its activities. Through targeted interventions, the Group implements actions that have measurable results in terms of reducing its overall environmental footprint.

7.3.1 Equipment, Raw Materials and Waste

Most of the Group's activities focus on the construction sector, through TERNA S.A., for which it uses a wide range of recyclable and non-recyclable raw materials and equipment. The efficient use of raw and other materials and their re-use, wherever possible, are central to the Group's policy in order to protect natural resources and ensure economic benefit.

WASTE

GEK TERNA Group's policy on waste management focuses first on reducing the amount of waste generated and then on reducing its level of risk and its proper disposal. The Group has assigned the management of both hazardous and non-hazardous waste to duly licensed companies.

The quantities recorded are provided by waste management and recycling partners.

HAZARDOUS WASTE				
WASTE CATEGORY (KG)	TYPE OF WASTE	GEK TERNA GROUP	TERNA	TERNA ENERGY
Oil Filters	Solid	17,252	12,443	2,930
Absorbent Materials, Contaminated	Solid	6,980	50	6,235
Used Lubricants	Liquid	135,991	123,797	10,292
Dangerous Sludge from Excavation / Dredging / Drilling	Solid	418		
Contaminated Soil	Solid	418		
Dangerous Sludge from Water Treatment Plants	Solid	4.18		
Batteries	Solid	5,258	3,415	970
Grease Waste	Solid	590		590
Asbestos Cement Plates	Solid	134		
Empty Contaminated Packaging	Solid	1,878		1,484

NON-HAZARDOUS WASTE				
WASTE CATEGORY	TYPE OF WASTE	GEK TERNA GROUP	TERNA	TERNA ENERGY
Soil / Stones (Kg)	Solid	124,846	124,846	
Excavation Soil (Kg)	Solid	1,911,596	1,911,596	
Excavation Waste: Fluids (Sludge) and Solids (Kg)	Fluid and Solids	13,157.10		
Packaging (Kg)	Solid	3,527		
Electronic equipment (pieces)	Solid	80	80	
Electronic Equipment (Kg)	Solid	314.60		
Mixed /Waste (Kilograms)	Solid	156,420	130,323	2,897
Absorbent Material, Filter Materials (Kg)	Solid	31,211	31,211	
Mixed / Unsorted (Kg)	Solid	56,600	56,600	
Concrete (Kilograms)	Solid	920,000	920,000	
Ceramic Tiles (Kg)	Solid	365,000	365,000	
Mix of Concrete Bricks and Ceramics (Kg)	Solid	371,993	365,000	
Glass (Kg)	Solid	20,655.60	20,280.00	
Wood (Kg)	Solid	75,000	75,000	
Plastic (Kg)	Solid	225,373.10	225,000	
Ferrous Metals (Kg)	Solid	246,146	246,146	
Paper / Cartons (Kg)	Solid	120,330	120,330	
Mixed Metals (Kg)	Solid	30,448	25,149	
Iron (Kg)	Solid	264,540	250,750	
Aluminium (Kg)	Solid	3,580	610	
Plastics (Kg)	Solid	137,323	136,633	
Paper (Kg)	Solid	97,723	95,713	1,600
Wooden Packaging (Kg)	Solid	156,058	156,058	
Metallic Packaging (Kg)	Solid	62,423	62,423	
Bulky Solid Waste (Kg)	Solid	62,423	62,423	
Trimming and Machining Products (Kg)	Solid	25,149	25,149	
Bitumen (Kg)	Solid	60,000	60,000	
Lamps (Kg)	Solid	16	16	
Tires (pieces)	Solid	2,524	1,708	
Toners (pieces)	Solid	381	213	168
Batteries (AFIS) (Kg)	Solid	659	659	
Retired Cars (Scrap in Kg)	Solid	2,500		
Includes: TERNA, TERNA ENERGY, HERON, TERNA MAG				

WASTE MANAGEMENT AND RECYCLING

Lubricating oil waste is particularly dangerous for public health and the environment, as it contains high concentrations of toxic and carcinogenic substances. It is collected and stored in UN-type drums, certified for the transfer of hazardous waste; in case of minor leakages, Spill Kits are used to control, contain and clean up spills.

The Group's office buildings and construction sites implement an integrated system, allowing the recycling of paper, electronic and electrical equipment, lamps and batteries. Special emphasis is placed on recycling electrical and electronic equipment waste, as it is harmful to human health and causes serious environmental degradation. European legislation requires recycling in certified plants, where valuable metals and materials are recovered, preventing the leakage of hazardous heavy metals to the environment.

7.3.2 Mechanical Equipment

GEK TERNA Group acknowledges that the machinery necessary for implementing its projects has a significant environmental impact.

It therefore invests in servicing project machinery to prolong its useful life. For project machinery, the Group puts together temporary worksite crews, which have an environmental license based on Technical Environmental Studies approved by the competent departments of the Greek Ministry of Environment and Climate Change.

The Group strictly adheres to the institutional framework for the eco-friendly dismantling and recycling of vehicles, while, true to its commitments, it purchases new equipment that meets the highest operating standards.

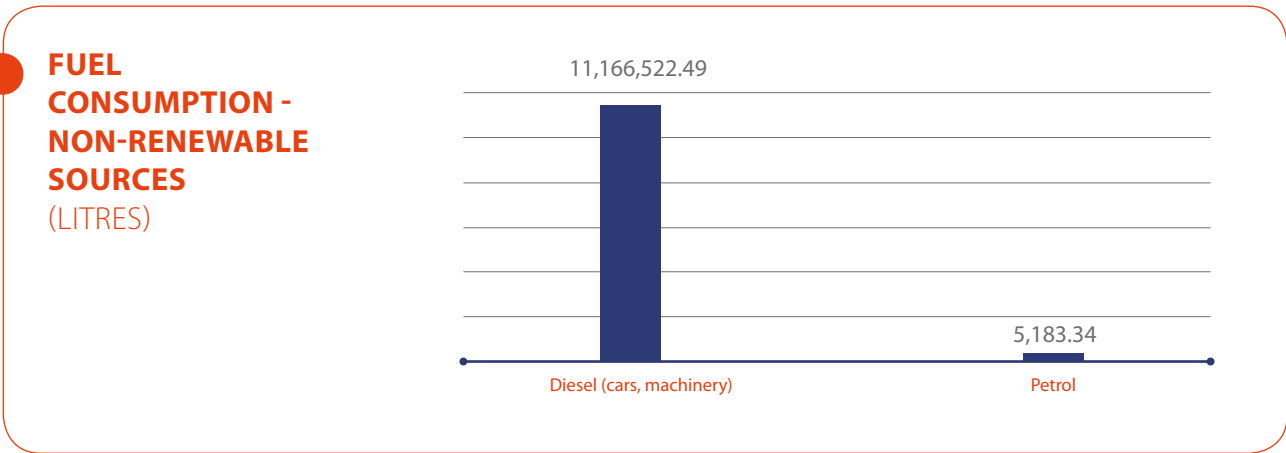
TERNA				TERNA ENERGY	
New Equipment		Withdrawal / Recycling / Destruction-Sale (not including intra-group transfers)		New Equipment	
ROAD ROLLERS	9	TRUCKS	6	TRUCK	1
AIR COMPRESSOR	1	PASSENGER CARS	4		
MINI EXCAVATOR	1	AIR COMPRESSOR	1		
PAVER FINISHER	1	TOWER CRANE	1		
GENERATOR	2				
CONCRETE MIXER	1				
CONCRETE PUMP	1				
TRAILERS	2				
HYDRAULIC HAMMER	1				
TRENCHER	1				
FORKLIFT	1				
SWEEPER	1				
TUNNEL MOULD	2				
BOGIE FOR TUNNEL REINFORCEMENT IRON	2				
SUBSTATIONS	6				
ASPHALT CUTTER	1				
VIBRATORY PLATE	1				

7.3.3 Energy

GEK TERNA Group makes systematic efforts to measure energy consumed in worksites and offices, as assessing energy performance is the first step in reducing consumption.

In 2016, the Group expanded its data collection methodology to cover more sites and activities and to identify opportunities for improving energy efficiency, at both company and Group level.

The actions covered by the Group's policy include direct energy consumption (use of fossil fuels) and indirect consumption (e.g. electricity consumption supplied by third parties over a grid).



Data for TERNA S.A. Specifically, in 2016, the SNFCC managed to reduce its energy consumption by 12,500 kWh by installing timers and water pumping systems.Total electricity consumed by the Group for 2016: 14,665,533 KWh

ENERGY PRODUCTION (MWH)	TERNA ENERGY
Solar energy	13,265.89
Hydropower	82,852.71
Wind Power	1,670,058.23
From Biomass	2,767.01

7.3.4 Emissions

As they are inextricably linked to energy consumption, the Group also systematically monitors its gas emissions.

The emphasis placed by the Group on energy and gas emission management is made evident through its subsidiary TERNAL ENERGY S.A., which is involved in energy production from RES, thus contributing to substantially reducing CO₂ emissions.

The main sources of CO₂ emissions are the combustion of fossil fuels and other materials for electricity production. Total direct CO₂ emissions in 2016 stood at 500,122 t CO₂e.

TOTAL CO ₂ EMISSIONS (t CO ₂ E)	HERON	SNFCC
Scope 1 (Direct emissions)	500,122	79.3
Scope 2 (Indirect emissions)		535.8

HERON Group greenhouse gas audits are externally assured every year by a certified verification body.

7.3.5 Water

GEK TERNA Group considers the proper management of water resources an obligation. It is directly linked to the Group's commitment to the Sustainable Development principles and to the awareness of the environmental impacts of its companies.

Recognising its responsibility, the Group gradually upgrades its infrastructure to maximise water resource efficiency, often exceeding the minimum requirements of the relevant Environmental Impact Assessments. Most of the water consumed in the Group's various activities and at worksites comes from the national water supply network.

The Group looks to minimise water use at the absolute minimum levels, implements practices for efficient use and re-use, and in rare cases and where access to the national network is not possible, it secures licenses to pump from worksite-hosted drills.

WATER CONSUMPTION (LITRES)	GEK TERNA GROUP	TERNA	TERNA ENERGY
National Water supply Network	64,243	2,251	
Drillings	78		
Bottles / Drinking water	197,113.70	130,251.40	39,822.30

The data include: TERNA SA, TERNA ENERGY, HERON

7.3.6 Biodiversity

Biodiversity is part of the Group's environmental strategy, which recognises its commitment to take action for the sustainable management and conservation of resources. Biodiversity is a valuable and irreplaceable asset; its protection requires the design and implementation of planning and management processes, using state-of-the-art scientific knowledge and available expertise.

For any project, the Group takes into account the specific features of protected areas and:

- faithfully implements the project's approved environmental terms
- adequately trains employees and visitors in the preservation and management of biodiversity
- accepts that its activities burden the environment and manages the impact
- recognises that climate change is currently the most critical threat to biodiversity
- has in-depth knowledge of the protected areas and the richness of ecosystems through which its projects pass or are adjacent to
- implements restoration practices where necessary
- promotes the importance of preserving biodiversity and protected areas in society

Both the construction industry and the energy sector play a key role in protecting biodiversity. In particular, the Group is required to effectively manage the impact on biodiversity, as part of its activities (roads, wind parks and hydroelectric dams) are located in particularly sensitive areas, in areas adjacent to protected areas or with high biodiversity value.

7.4 Environmental Investment

ENVIRONMENTAL INVESTMENT CATEGORIES (IN €)	TERNA*	TERNA ENERGY	HERON	TERNA MAG
Waste disposal costs, emission treatment and restoration costs				
Waste Management and Disposal	349,630.64	7,329.62	18,692.46	1,348
Insurance for Environmental Responsibility	1,102,691.08			
Expenditure for Equipment and Signage Equipment Maintenance Settling Worksites - Supply of Chemical Toilets Decontamination Systems Removal of Temporary Deposits and Debris, Stream Diversion, Flow Restoration	164,171.56		126,211.45	
Worksite Costs	389.20		40,066.91	
Other costs	19,375			
Cost of prevention and environmental management				
Environmental Education and Training	1,070.00			
Technical Environmental Studies of Project Companions. Special and Supplementary Studies	6,986			
External Certification of Management Systems	3,717	900	700	
Construction of Special Watertight Spaces for Temporary Storage of Waste	6,699.76			
Supply of Leak Management Material	2,200			
Wetting of heaps, Worksites and Roads	131,000			
Temporary Storage of plant Earth Depot (Lease of Premises)	35,000			
Planting soil	623,156			
Removal of temporary deposits	300,000			
Planting & Area restoration	191,000			25,090
Employees expenditure for environmental management and compliance with the EMS	76,000			
Environmental Measurement Expenditure				818
Environmental monitoring activities (laboratories, instruments, measurements, etc.)	3,325			

* Includes SNFCC for six months and TERNA activities in the UAE

7.5 Major projects completed in 2016

The SNFCC was designed by the **Renzo Piano Building Workshop** and includes the new facilities of the **National Library of Greece** and the **Greek National Opera**, as well as the Stavros Niarchos Park, covering 210,000 m². The SNFCC was developed thanks to an exclusive donation of the Stavros Niarchos Foundation (SNF) and was constructed by the Salini Impregilo SpA-TERNA S.A. Joint Venture, after completing a long process to meet demanding international standards.

This aspiring venture is the first cultural project of this scale in Greece and Europe to win the Platinum LEED certification. It was achieved through an extremely rigorous control process and was eventually acclaimed as a building of environmentally innovative practices in terms of design, construction and operation.

The unique nature of the SNFCC lies in the exemplary implementation of a series of features. Indicatively:

- selection of location, improved residential density and interconnection with the social fabric
- innovative design
- open space maximisation
- sanitation of contaminated area, protection and restoration of the residential environment
- rainwater management and innovation in wastewater management
- water saving and low water demand
- reduction of the urban heat island effect and light pollution
- certification of energy systems, energy efficiency and renewable energy sources
- storage and collection of recyclable materials
- waste management and pollution prevention
- use of low-emission and energy saving vehicles
- use of recycled, local and certified materials
- environmental quality of indoor spaces

At a national level, there are multiple benefits, the most important being the expertise developed at local level and the potential of adopting respective best practices in other constructions in Greece in the near future.



MEGALOPOLIS COMBINED CYCLE POWER PLANT (CCP) V



The construction of the MEGALOPOLIS CCP Unit V is an Engineering, Procurement, and Construction (EPC) project of a Combined Cycle Power Plant, for PPC S.A.

A combined cycle plant fuelled by natural gas, with a nominal capacity of 811 MW, it had a contract price set at € 500 million.

WIND PARK ON AGHIOS GEORGIOS ISLET



As part of its investment plan, TERNA ENERGY completed the construction of the pioneering Wind Park on the islet of Aghios Georgios in 2016.

This key investment of €150 million is the first on-shore wind station with offshore characteristics, enabling the high wind potential of the Aegean Sea to be used on a large scale.

The 73.2 MW Wind Park, with a performance coefficient of over 30%, the largest investment in the RES electricity sector in Greece currently, offers multiple energy and environmental benefits.

The electricity generated annually:

- can cover the energy needs of more than 40,000 households per year (about 1% of the country's households)
- saves more than 60,000 tons of oil per year
- helps avoid over 180,000 tons of emitted pollutants per year

The 4.3 square kilometre islet of Aghios Georgios, located 12 miles south of Cape Sounio, is part of the Municipality of Lavreotiki. 23 wind turbines and a voltage raising substation, connected to the PPC's Lavrio plant, have been installed on the islet. The Wind Park operates as an independent power plant and provides electricity to the National Networked Grid via a high-voltage submarine cable.

TSAKONA ARCH BRIDGE



The Tsakona Arch Bridge is one of the world's longest arched bridges; its opening makes it the 2nd largest bridge in Greece after the Rio-Antirrio Bridge. With a length of 390 metres and an opening of 300 metres, the completion of this extremely important project signalled the completion of the Corinth - Tripoli - Kalamata motorway.

The multi-span arched bridge of Tsakona (T4 bridge), constructed to bridge the area of the great landslide, is a project of exceptional complexity, in terms of both its foundation and superstructure. Given the large thickness and weight of the steel sheets and of the landslide area where it is located, its construction was a very difficult technological feat.

7.6 Major Projects Awarded in 2016

TERNA S.A. was awarded the first construction stage of the Makronisos Marina in Ayia Napa, Cyprus, with a budget of € 220 million. The project is set for completion in 3 years. The marina will include accommodation and recreation areas and shops, with a service capacity of 600 10-60 m. long vessels.

MAKRONISOS MARINA IN CYPRUS

TAP AG is one of the most important energy infrastructure projects in Europe, as it is the European part of the Southern Gas Corridor, a system of energy projects set to transfer quantities of gas from Azerbaijan to Europe. TAP will interconnect with the Trans-Anatolian Natural Gas Pipeline (TANAP) at the Greek-Turkish border and will cross Northern Greece, Albania and the Adriatic Sea before it reaches the coasts of southern Italy, where it will connect to the Italian gas grid.

The joint venture of TERNA with the Italian company Renco SpA was awarded the tender for the design, procurement and construction of the project's compressor stations.

- In Greece, the contract provides for the design, procurement, construction and assignment of a compressor station in Kipi, near the Greek-Turkish border.
- In Albania, the contract provides for the design, procurement, construction and assignment of a compressor station in Fier, and a flow measurement station in Viglista. The flow measurement station is designed to calculate the amount of natural gas passing through the Greek section of the pipeline.

TRANS ADRIATIC PIPELINE (TAP) COMPRESSOR STATIONS



08 MARKETPLACE AND VALUE CREATION

8. MARKETPLACE AND VALUE CREATION

For GEK TERNA Group, the essence of doing business is materialised by creating value through its services and projects. The Group approaches all areas of its business in a transparent and responsible manner, with the aim of creating measurable value for the wider community and meeting market demands to the greatest extent. The marketplace pillar, as expressed through the Group’s Corporate Responsibility strategy, has proven to be an essential and integral part of its business decisions.

8.1 Based on Quality

The Group incessantly works to create a positive social and economic footprint and to be an essential part of the value chain for the market, through its collaborations, the quality of its services and the support it provides to local communities.

A priority for the Group is the observance of at least minimum standards. It fully complies with national legislation, international protocols and the relevant standards for the projects it implements. The Group applies strictly and rigorously international systems to ensure that no project is released from one production phase to the next, unless its quality requirements have been met. The procedures of completion acceptance, temporary handover and final acceptance are observed strictly in public and private projects and ensure the proper execution of the project. At the same time, a non-negotiable principle for the Group is the constant search for innovation that will allow it to exceed the expectations of every project that is completed and delivered.

QUALITY MANAGEMENT SYSTEM

Compliance with the technical specifications of projects is the minimum quality criterion for GEK TERNA Group. For each project, the Group invests in quality procured materials and services to ensure Health and Safety, to project and to highlight its high quality characteristics. The strict conditions imposed by the Group are determined by the technical specifications and standards set by the Project Owner, the legislative framework and, above all, by the qualitative characteristics that constitute the distinctive difference between the Group and other companies in the sector.

The Group proves its commitment to the principles of quality through the ISO 9001:2008 Certified Quality Management System and a set of risk management procedures followed by its companies (TERNA, TERNA ENERGY, ILIOCHORA, GEK Services, TERNA MAG, STROTIRES, HERON).

CLASSES OF INVESTMENTS IN QUALITY (IN €)	GEK TERNA GROUP	TERNA	TERNA ENERGY
ISO 9001 standard certification costs	8,550.0	1,300.0	900.0
Other certification costs	6,798.7	1,300.0	1,368.5
Includes: TERNA, TERNA ENERGY, HERON, ILIOCHORA, GEK Services, TERNA MAG, STROTIRES, TERNA S.A. - ABU DHABI BRANCH			

QUALITY AUDITS	GEK TERNA GROUP	TERNA	TERNA ENERGY
Internal Audits	119	76	25
Audits by Certification Bodies	12	3	2
Audits by the Quality Department of the Construction Joint Venture and by the Independent Engineer	565	374	-
Includes: TERNA, TERNA ENERGY, HERON, ILIOCHORA, GEK Services, TERNA MAG, STROTIREs, TERNA S.A. ABU DHABI BRANCH			

RESPECT FOR LOCAL COMMUNITIES

The positive impact of the Group’s operations stems from its key belief that actual development from infrastructure projects must be seen not only in terms of financial achievements, but also in terms of the opportunities created in society, both during the construction phase and after project completion. For the Group, creating tangible value from its projects is considered a mandate.

During construction, the direct and indirect jobs created contribute to social well-being, while working with local suppliers strengthens the local economy. The completion of infrastructure projects marks the beginning of a new phase in which motorway traffic is safe, access to cultural points is easy, tourism is boosted, and goods are transported at a reduced cost. The development and operation of Wind Farms and hydropower projects enhance access to clean

energy, reduce carbon dioxide emissions, improve air quality and by extension, quality of life, while contributing to meeting global goals at a national level.

Ensuring two-way communication with stakeholders at all stages of project implementation showcases the Group’s respect for all stakeholder groups. As the projects undertaken by the Group are large, complex and usually have a nationwide reach, the concept of the local community has changed and in most cases refers to the entire Greek territory. Major infrastructure projects and RES projects improve the standard of living of all, help to boost business and improve Greece’s ranking in international indicators.

8.2 Responsible Procurement

GEK TERNA Group’s operations go beyond the Greek borders. However, the Group never stops supporting the Greek market and Greek suppliers. As ambassador of Sustainable Development and economic stability, it contributes to the development of local societies, knowing that the social impact from its operation has multiple positive benefits for the Greek society and local suppliers.

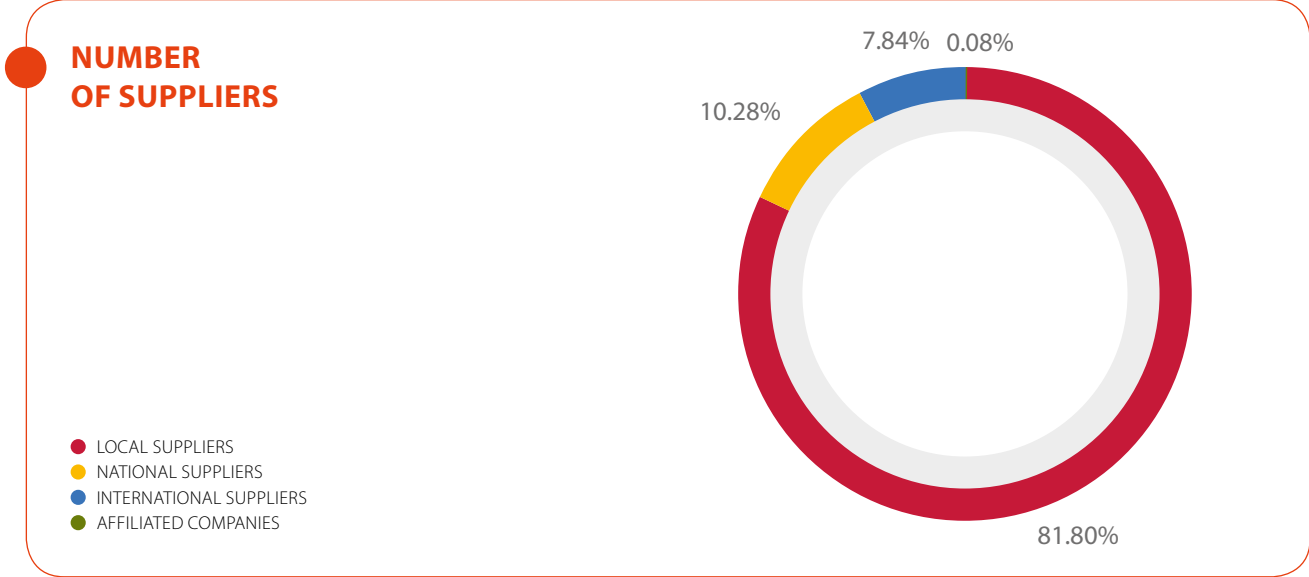
A prerequisite for cooperation with any supplier and/or associate is that they comply with and apply the above specifications in all aspects of the cooperation agreement. Compliance with labour law, Health and Safety, respecting human rights and applying quality systems are key selection criteria for the suppliers. In special cases, compliance with additional certified Environmental Management Systems

may also be a prerequisite. Key suppliers’ types include subcontractors, raw material suppliers, as well as machinery and means of transport suppliers and repairers.

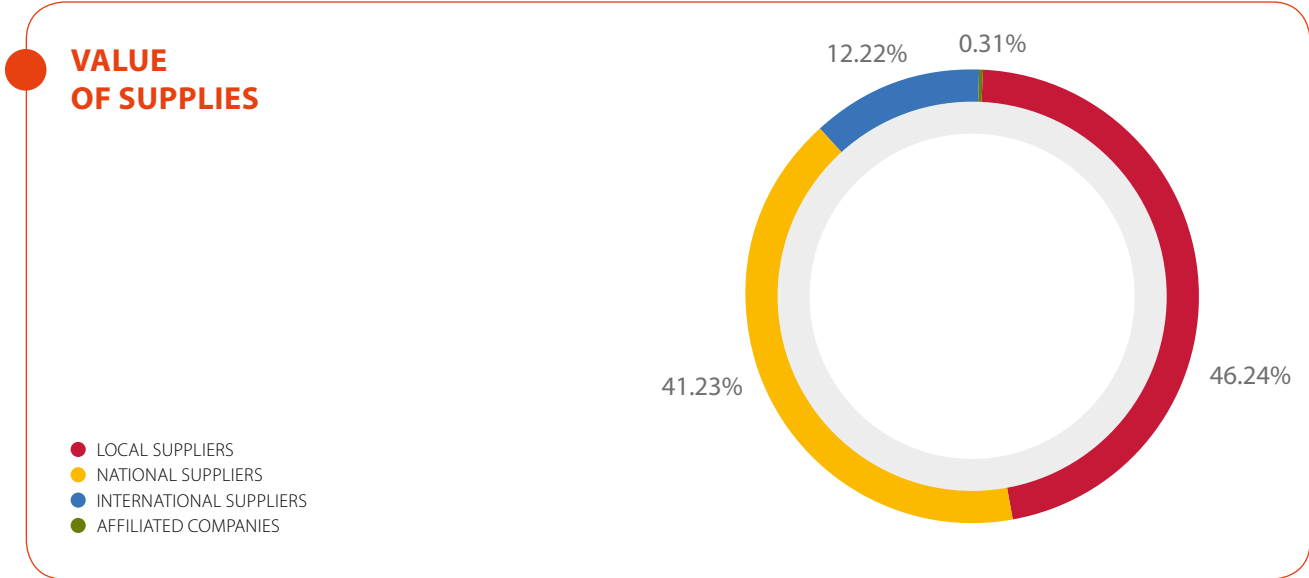
In its agreements with suppliers, associates and sub-contractors, the Group ensures strict compliance with:

- the relevant insurance and labour laws
- the regulatory framework relating to occupational Health and Safety
- the principles of human rights protection
- internal policies, processes, standards and Management Systems

In 2016, the Group had 6,274 suppliers, with a total procurement value of € 1,013 million (€ 839 million in 2015).



Affiliated companies of GEK TERNA Group are its joint ventures and associated companies, consolidated using the equity method.



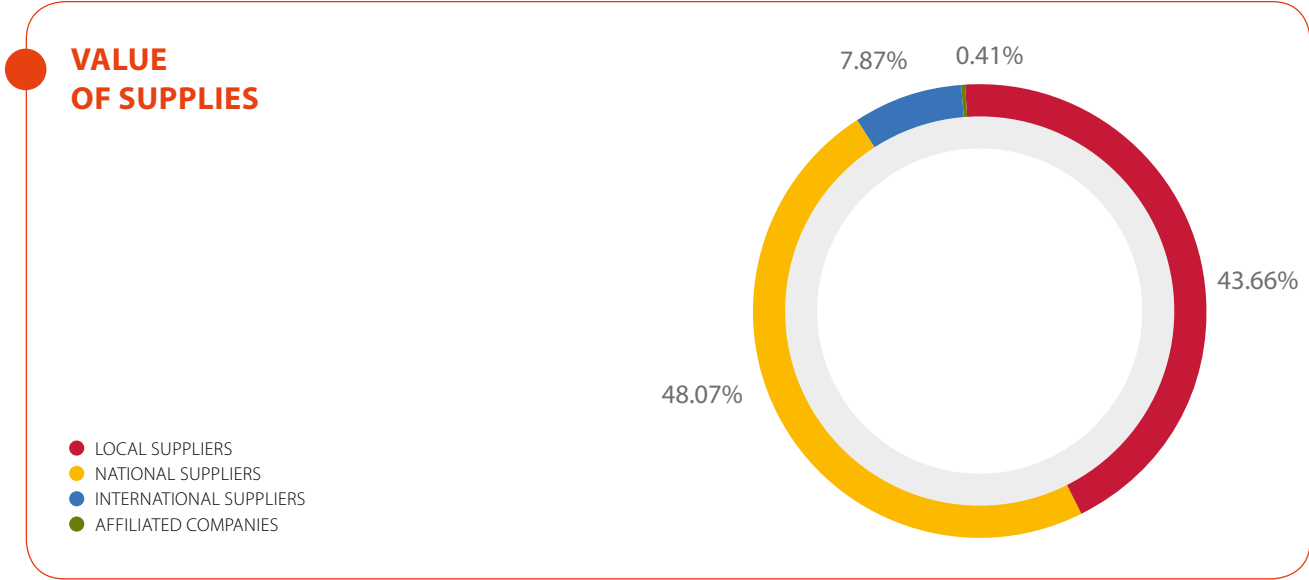
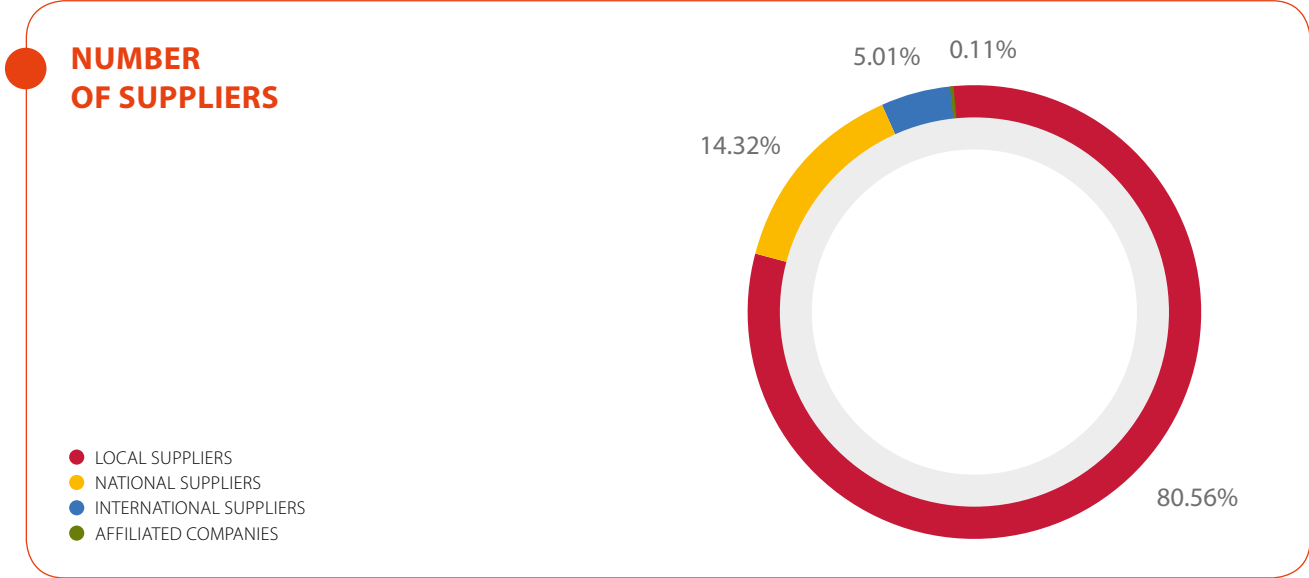
INTERNATIONAL ACTIVITIES CATEGORISATION OF SUPPLIERS BY GEOGRAPHIC AREA	GEK TERNA GROUP		TERNA		TERNA ENERGY	
	Value of Supplies (EUR in thousands)	Number of Suppliers	Value of Supplies (EUR in thousands)	Number of Suppliers	Value of Supplies (EUR in thousands)	Number of Suppliers
Local suppliers	468,667	5,132	311,074	3,863	111,961	1,023
National suppliers	417,800	645	224,836	553	183,793	274
International suppliers	123,849	492	73,681	340	31,163	88
Affiliated companies	3,142	5	14,514	20	1,184	10
Total	1,013,458	6,274	624,05	4,776	328,101	1,395

OPERATIONS IN GREECE

A careful analysis of the statistical data of the Group's supply chain proves its contribution to local suppliers and small communities. GEK TERNA Group supports the areas where it operates and systematically and consciously supports local economies, decisively contributing to their social cohesion and further development. The vast majority (94%) of GEK TERNA Group's procurement investments for its activities in Greece are made from Greek (local and national) suppliers.

In 2016, total value procurement investment for all Group activities paid to Greek suppliers (4,180 suppliers) exceeded €726 million, corresponding to 71.6% of total (€ 1,013,458 billion) procurement value. In this way, the Group verifies its commitment to substantially support the Greek economy.

CATEGORISATION OF GREECE-BASED SUPPLIERS BY GEOGRAPHIC AREA	GEK TERNA GROUP		TERNA		TERNA ENERGY	
	Value of Supplies (EUR in thousands)	Number of Suppliers	Value of Supplies (EUR in thousands)	Number of Suppliers	Value of Supplies (EUR in thousands)	Number of Suppliers
Local suppliers	338,463	3,679	268,998	2,935	59,334	753
National suppliers	372,614	654	188,181	533	178,839	270
International suppliers	61,006	229	53,940	155	5,130	67
Affiliated companies	3,142	5	6,854	19	1,179.0	9
Total	775,225	4,567	517,973	3,642	244,482	1,099



8.3 Responsible Communication

One of the Group's key objectives is to provide information on its operation and activities to all stakeholders. In the context of its communication and marketing strategy, GEK TERNA Group implements strict rules and specifications. All initiatives within this framework are lawful, ethical, reliable and governed by the principles of responsible entrepreneurship. No incidents of non-compliance with external standards and communication rules have been observed to date. The public can be directly informed on the official policies and codes of the Group and its individual companies through their regularly updated websites.

09

CARING FOR OUR PEOPLE

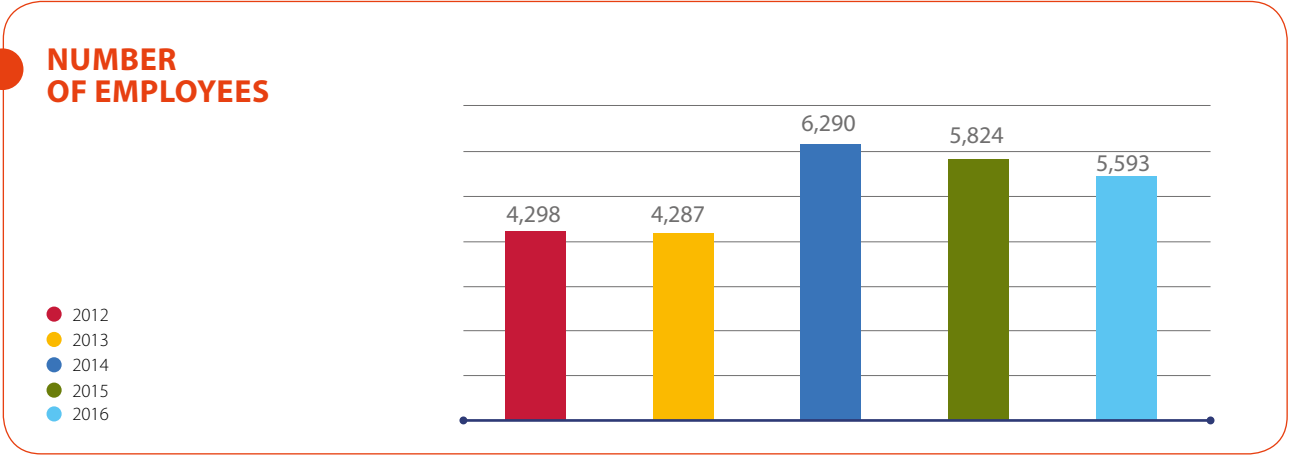
9. CARING FOR OUR PEOPLE

The contribution of human resources to the achievement of the Group's objectives is undoubtedly decisive. The high value of the Group's services is the result of its employees' professionalism, knowledge and dedication. GEKTERNA Group proudly recognises the potential of its staff and invests in a working environment that ensures the Health and Safety of employees, training and development of their skills, respect for their rights, equal opportunities, and support of diversity. The Group recognises its obligation to develop and ensure a balanced and safe work environment that rewards innovation, contributes to realising the Group's vision, broadens international prospects and determines business success.

Following clear procedures that allow its employees to grow, the Group has created an employee centered working environment that stands out for its corporate culture and clear ethical values.

9.1 Job Creation

Across its business activities, GEK TERNA Group employed 5,593 employees in 9 countries in 2016.

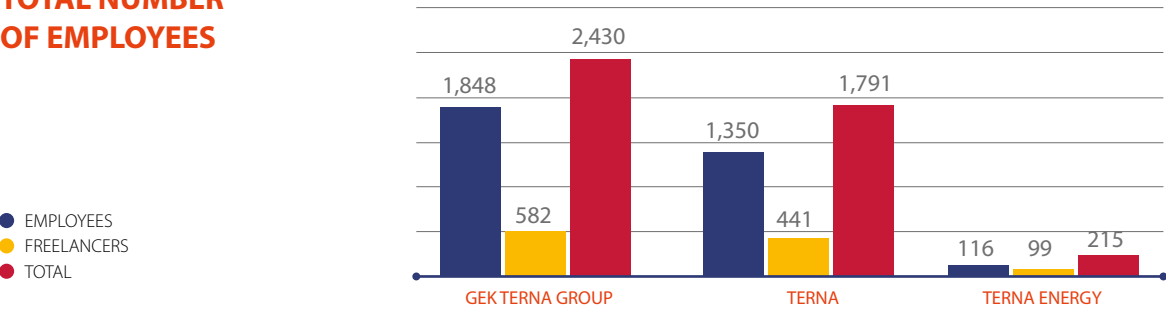


The geographical distribution of employees depends on the projects being implemented. However, as the Group's presence has been established in strategically important geographical areas, most of its employees are employed in Greece and the Middle East (Bahrain and Qatar).

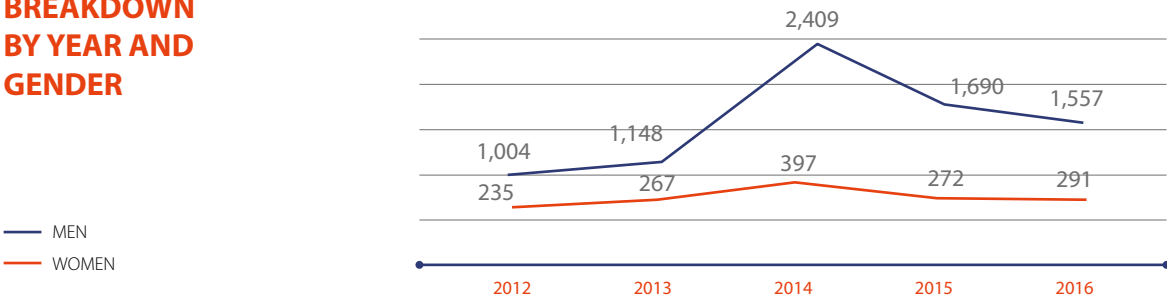
In the following tables and graphs, the employees of the individually presented Group companies (TERNA S.A., TERNA ENERGY S.A.) are also included in the total Group figures.

TOTAL NUMBER OF EMPLOYEES PER COUNTRY	2012	2013	2014	2015		2016		
	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	TERNA	GEK TERNA GROUP	TERNA	TERNA ENERGY
Greece	1,239	1,415	2,806	2,598	1,816	2,430	1,791	215
Albania	29	39	2	2	2	1	1	0
Serbia	235	422	390	245	245	155	155	0
Bulgaria	96	190	259	229	229	101	93	8
Romania	0	0	0	2	2	0	0	0
Former Yugoslav Republic of Macedonia	5	3	4	1	1	3	3	0
Bahrain	913	615	1,320	1,594	1,594	1,992	1,992	0
Saudi Arabia	0	0	3	4	4	3	3	0
Qatar	1,176	1,169	931	668	668	505	505	0
United Arab Emirates	599	428	561	473	473	390	390	0
Poland	0	0	8	0	0	3	0	3
United States of America	6	6	6	8	0	10	0	10
Total number of employees	4,298	4,287	6,290	5,824	5,034	5,593	4,933	236

GREECE:
TOTAL NUMBER
OF EMPLOYEES



EMPLOYEE
BREAKDOWN
BY YEAR AND
GENDER



All 1,848 employees are employed under full-time, open-ended employment contracts

EMPLOYEE HIRES BY COUNTRY AND AGE

COUNTRY AND AGE	GEK TERNA GROUP				TERNA				TERNA ENERGY			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Greece	55	407	126	588	38	268	105	411	5	43	8	56
Serbia	41	83	41	165	41	83	41	165	0	0	0	0
Bulgaria	14	24	9	47	14	24	9	47	0	0	0	0
Bahrain	382	418	14	814	382	418	14	814	0	0	0	0
Qatar	0	9	2	11	0	9	2	11	0	0	0	0
United Arab Emirates	4	0	1	5	4	0	1	5	0	0	0	0
Total	496	941	193	1,630	479	802	172	1,453	5	43	8	56

EMPLOYEE TURNOVER BY COUNTRY AND AGE												
COUNTRY AND AGE	GEK TERNA GROUP				TERNA				TERNA ENERGY			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Greece	40	424	197	661	22	229	129	380	3	42	12	57
Serbia	76	154	66	296	76	154	66	296	0	0	0	0
Bulgaria	49	91	43	183	49	91	43	183	0	0	0	0
Qatar	41	113	22	176	41	113	22	176	0	0	0	0
United Arab Emirates	29	53	5	87	29	53	5	87	0	0	0	0
Total	235	835	333	1,403	217	640	265	1,122	3	42	12	57

GREECE: TURNOVER BY GENDER AND AGE												
GENDER AND AGE	GEK TERNA GROUP				TERNA				TERNA ENERGY			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	32	381	191	604	20	214	126	360	2	31	11	44
Women	8	43	6	57	2	15	3	20	1	11	1	13
Total	40	424	197	661	22	229	129	380	3	42	12	57

GREECE: TURNOVER BY REGION AND AGE												
REGION AND AGE	GEK TERNA GROUP				TERNA				TERNA ENERGY			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Central Greece	33	418	170	621	12	163	105	280	3	42	12	57
Epirus	0	0	0	0	0	0	0	0	0	0	0	0
Peloponnese	4	4	11	19		43	11	54	0	0	0	0
Macedonia	2	2	12	16	3	18	10	31	0	0	0	0
Thessaly	0	0	4	4	6	2	3	11	0	0	0	0
Aegean Islands	1	0	0	1	1	3	0	4	0	0	0	0

9.2 Principles of Human Resource Management

The business excellence pursued by the Group can only be achieved through the creation of a fair and meritocratic working environment. The Group strictly applies international human rights principles and operates in accordance with the national and local authorities of the countries where it operates.

On the one hand, the International Declaration on Human Rights (ILO) and the UN Global Compact, and on the other hand, the high corporate values and principles, guide GEK TERNA Group to strict observance and full implementation of human rights in the entire range of its activities.

FAIR TREATMENT

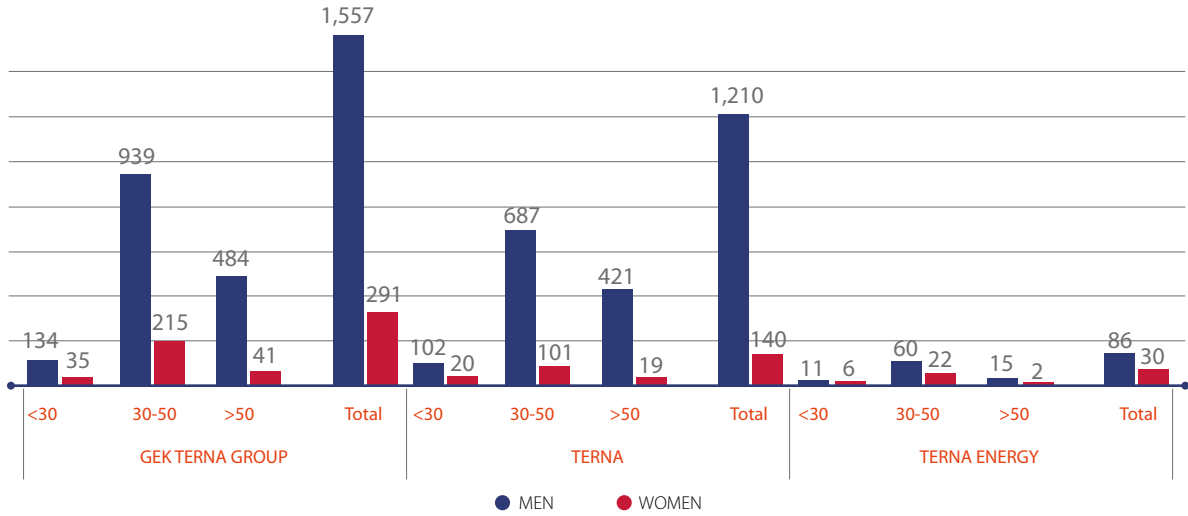
The Group invests in developing an equal opportunities working environment, which is based on the equal treatment of all employees without discrimination. The Group applies non-discriminatory criteria for all matters relating to the management of human resources, from recruitment to the termination of cooperation with the Group. Every employee is treated in a fair and meritocratic manner on the basis of their skills and performance.

In particular, the Group's policy requires the application of equal pay for men and women for the same job and does not allow any discrimination or preferential treatment in terms of remuneration or benefits on the basis of gender or other diversity characteristics of employees.

As the nature of GEK TERNA Group's activities has specific requirements, its workforce mainly consists of male employees. This is not done by choice; on the contrary, the Group's consistent policy is to improve the representation of women in its companies. As a first step, it consistently records the distribution of women in the geographic areas where it operates, by age and by grade. In this way it can receive targeted and effective measures to increase the percentage of women in regards to the total number of employees. The overwhelming majority of women are employed in administrative positions.

EMPLOYEES (GREECE)	2012	2013	2014	2015		2016		
	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	TERNA	GEK TERNA GROUP	TERNA	TERNA ENERGY
Men	1,004	1,148	2,409	1,690	1,216	1,557	1,210	86
Women	235	267	397	272	123	291	140	30
Total	1,239	1,415	2,806	1,962	1,339	1,848	1,350	116

GREECE: EMPLOYEE BREAKDOWN BY GENDER AND AGE



GREECE: BREAKDOWN OF EMPLOYEES BY LEVEL AND GENDER

LEVEL	GEK TERNA GROUP			TERNA			TERNA ENERGY		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Administrative staff	144	222	366	66	114	180	17	23	40
Technicians	227	36	263	131	21	152	32	5	37
Craftsmen - other	1,180	39	1,219	1,010	8	1,018	39		39
Total	1,551	297	1,848	1,207	143	1,350	88	28	116

GROUP EMPLOYEE BREAKDOWN BY COUNTRY AND GENDER (31/12)

GENDER	Country	2012	2013	2014	2015		2016		
		GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	GEK TERNA GROUP	TERNA	GEK TERNA GROUP	TERNA	TERNA ENERGY
Men	Greece	1,004	1,148	2,409	2,206	1,595	2,027	1,561	166
	Albania	23	33	1	1	1	0	0	0
	Serbia	218	399	363	224	224	137	137	0
	Bulgaria	77	171	238	210	210	82	76	6
	Romania	0	0	0	0	0	0	0	0
	Former Yugoslav Republic of Macedonia	1	1	1	1	1	1	1	0
	Bahrain	859	562	242	1,507	1,507	1,899	1,899	0
	Saudi Arabia	0	0	3	4	4	3	3	0
	Qatar	1,160	1,154	915	654	654	494	494	0
	United Arab Emirates	591	420	548	462	462	380	380	0
	Poland	0	0	6	0	0	1	0	1
	United States of America	4	4	4	6	0	9	0	9
	Total Men	3,937	3,892	5,730	5,275	4,658	5,033	4,551	182
Women	Greece	235	267	397	392	221	403	230	49
	Albania	6	6	1	1	1	1	1	0
	Serbia	17	23	27	21	21	18	18	0
	Bulgaria	19	19	21	19	19	19	17	2
	Romania	0	0	0	2	2	0	0	0
	Former Yugoslav Republic of Macedonia	4	2	3	0	0	2	2	0
	Bahrain	54	53	78	87	87	93	93	0
	Saudi Arabia	0	0	0	0	0	0	0	0
	Qatar	16	15	16	14	14	11	11	0
	United Arab Emirates	8	8	13	11	11	10	10	0
	Poland	0	0	2	0	0	2	0	2
	United States of America	2	2	2	2	0	1	0	1
	Total Women	361	395	560	549	376	560	382	54
Total		4,298	4,287	6,290	5,824	5,034	5,593	4,933	236

HUMAN RIGHTS

GEK TERNA Group places special emphasis on issues concerning child and forced labour. In the sphere of its influence and often beyond its own business boundaries, the Group applies control procedures that ensure that all employees are of legal working age. It does everything in its power to ensure that there is no violation of the fundamental human rights.

In any case, the decisions taken by the Group are not connected to or influenced by any form of discrimination with regard to gender, nationality, language, religion, political beliefs, disability or sexual orientation of the employee or any other diversity characteristics.

It should be noted that to date there has been no incident of human rights violation throughout the operation of GEK TERNA Group in the environments where it operates.

REMUNERATION AND BENEFITS

GEK TERNA Group strictly applies the legislation in force in all countries where it operates. All Group employees are covered by the regulatory framework of social security as provided.

Employee remuneration and benefits are determined by a specific internal policy aimed at ensuring the required transparency and meritocracy. Within this framework, the Group has set evaluation criteria and evaluation indicators as regards the importance of job, the responsibilities and the tasks assigned to every job position, as well as the educational background, experience, skills, the ability to implement the objectives and the performance of employees assigned to each job role. The Group, having analysed the cost of living in all environments where it operates offers remuneration that exceeds the minimum, mandatory pay as defined by the relevant legislative framework. The vast majority of Group employees are paid with salaries that exceed the minimum statutory fee provided by the law.

In particular, the remuneration of employees classified as “craftsmen” corresponds on average to a salary that is 25% higher than the average of the collective labour agreement (on average €586.08), without any change compared to 2015.

BENEFITS OFFERED ONLY TO FULL-TIME/PERMANENT EMPLOYEES	GEK TERNA GROUP	TERNA	TERNA ENERGY
Company car	136	118	10

Additional benefits, such as company cars, laptops, mobile phones etc., are given by the Group when certain criteria are met, mainly concerning the needs and requirements of relevant jobs. In the Group, 1,343 people have been provided with a company mobile phone.

GEK TERNA Group demonstrably supports motherhood and fatherhood and applies strictly all applicable regulations and legislation concerning parental leave. In 2016, a total of 37 persons, 2 men and 35 women took parental leave. Of these employees, 1 man and 10 women work for TERNA and 1 man and 3 women work for TERNA ENERGY.

9.3 Training and Employee Development

For GEKTERNA Group, employee training is a prerequisite for the effective management of issues related to the achievement of corporate goals and strategies. Maintaining the Group’s status in Greece and establishing its position abroad, requires executives with advanced interpersonal skills and high expertise.

Providing opportunities through education enhances the self-confidence of employees, strengthens corporate culture and team spirit and promotes innovation. At the same time, the personal and professional development of the executives ensures the continuous growth and development of the Group itself, thus securing its leading position in the market. As expected, within the scope of its activities, the Group designs and implements specialised training and education plans relevant to each job role,

and according to the strategic planning of the Group and the needs of its human resources. Internal training takes place on an annual basis by supervisors and specialised employees, as does training by specialist external bodies.

- In 2016, a total of 9,869 hours of training were implemented in the Group.

TRAINING HOURS BY SUBJECT	GEK TERNA GROUP	TERNA	TERNA ENERGY
Quality	2,135	652	167
Accounting	175	120	0
IT related issues	44	16	0
Management / Administration	182	158	16
Health and Safety	6,723	5,561	517
Environment	458	143	10
Legislation & Foreign Languages	152	117	12
Total	9,869	4,505	361

NUMBER OF PARTICIPANTS BY SUBJECT	GEK TERNA GROUP	TERNA	TERNA ENERGY
Quality	433	138	35
Accounting	54	26	0
IT related issues	10	3	0
Management / Administration	42	19	1
Health and Safety	4,744	4,174	295
Environment	239	113	27
Legislation & Foreign Languages	74	32	3
Total	5,596	4,505	361



10

HEALTH AND SAFETY IN THE GROUP

10. HEALTH AND SAFETY IN THE GROUP

Safeguarding occupational Health and Safety is a non-negotiable principle of the Group's strategy. It is a prerequisite for every business activity of the Group and equally applies to employees, subcontractors and the entire network of its associates. A key commitment of the Group is to continuously improve the procedures, controls and strategic framework of occupational Health and Safety management.

10.1 Health and Safety Strategy

For GEK TERNA Group, protecting Health and Safety is a priority and this is demonstrated by its full compliance with the provisions of the national, European and international legislation in force. The Group, implementing a specific Health and Safety policy and a strict Health and Safety Management System, aims to timely identify and minimise risks related to all its activities.

The Health and Safety Policy covers and binds the entire Group and all those who are, directly or indirectly, related to its operation.

The key objectives, which are inextricably linked to strengthening Health and Safety policy and ensuring zero accidents, include:

- implementation of an internationally recognised Health and Safety Management System
- full compliance with legal and other national, regional and international conventions, directives and provisions relating to Health and Safety
- implementation, monitoring, assessment and improvement of Health and Safety actions
- effective identification of occupational risks and development of a coherent and comprehensive prevention methodology
- prevention of injuries, diseases and adverse Health and Safety incidents

- appropriate, adequate training on Health and Safety issues
- immediate investigation of each accident / incident for the evaluation of factors that led thereto and taking measures to prevent similar incidents in the future
- integrating technologies, best practices and operating procedures that ensure the safety of employees and subcontractors

Compliance with all rules and undertaking of all necessary measures to effectively protect the Health and Safety at work, are top concerns of GEK TERNA Group.

The commitment of the Group to Health and Safety issues is demonstrated by its adherence to the Certified Health and Safety Management System, in line with the requirements of OHSAS 18001:2007, as applied in the companies: TERNA, TERNA ENERGY, GEK Services, TERNA MAG, HERON, ILIOCHORA, TERNA S.A., ABU DHABI BRANCH.

10.2 Occupational Health and Safety Framework

HEALTH & SAFETY FRAMEWORK

ACTIVE ROLE
OF MANAGEMENT

PARTICIPATION
OF EMPLOYEES

COLLABORATIONS
FOR HEALTH AND
SAFETY

HEALTH
AND SAFETY
ACTIONS

COMPLIANCE
AUDITS

Promoting occupational Health and Safety is a fundamental principle for the Group and a prerequisite integrated in every operational decision and activity. Health and Safety is the primary concern of GEK TERNA Group. For this reason, two fundamental areas, education and corporate culture have been linked to the promotion of safety.

The systematic communication activities conducted by the Group, provide understanding on the general principles, on the identification and prevention of occupational risks, health and safety protection, stakeholder consultation, and ensure participation of all involved parties. In-depth trainings delivered, concern the elimination of occupational injury and occupational disease risk factors, the rules for general safety principles implementation and are relevant to employees and their representatives alike. The integration of key Health and Safety principles in the corporate culture will drastically contribute to the elimination of accidents and of occupational diseases at work. In this respect, strengthening the company culture is a priority for the Group.

THE GROUP FOLLOWS AN APPROACH BASED ON THE FOLLOWING FIVE PILLARS:

- 1. Active role of Management
- 2. Employee involvement
- 3. Partnerships based on Health and Safety
- 4. Actions that promote Health and Safety
- 5. Compliance audits

1ST PILLAR – ACTIVE ROLE OF MANAGEMENT

The role of management teams in ensuring a safe environment is of the utmost importance. The participation of these teams in the Health and Safety management and, therefore, their contribution to achieving the objectives of the Group are decisive.

The GEK TERNA Group management teams:

- inform employees, subcontractors and other parties involved.
- work to establish a culture for Health and Safety.
- focus on risk prevention and protection and introduce protective measures for employees.
- guide employees and all parties involved in the integration of Health and Safety principles at every stage of their work.

- encourage employee involvement in Health and Safety related initiatives.
- reward responsible behaviour, good practices and safety initiatives.
- immediately intervene in cases of non-compliance.
- continuously assess the implications, systems and measures related to Health and Safety.
- identify the sources of risk associated with its operation through the Occupational Risk Assessment Studies that have been prepared.
- immediately take improvement actions, when required.
- introduce appropriate prevention procedures based on risk and severity of impact. Especially for high-risk projects, a Health and Safety System (SAS) and a Health and Safety File (HSF) are available in every worksite. These studies relate to procedures and protocols that ensure a high level of prevention and protection against risks and concern all stakeholders.

2ND PILLAR – EMPLOYEE INVOLVEMENT

Employee involvement in the issues directly related to Health and Safety at the workplace is an important condition for achieving the high goal set by the Group. Achieving the zero-accident goal requires excellent information management, substantial employee training and at a personal level, the ability to recognise, record and limit possible causes of accidents. These are important for employees to protect themselves, colleagues and associates.

The Group provides systematic training on Health and Safety issues under specific training plans, depending on the particularities and needs of each project. Training programs effectively prepare employees, further develop their skills and strengthen their technical competence to guarantee their own safety, as well as the safety of their associates and of the project. Health and Safety training is not conducted only for the employees of a project, but for visitors too. These trainings are implemented both by internal (by the Health and Safety Department and safety technicians) and external bodies, depending on the level and subject.

TRAINING ON OCCUPATIONAL HEALTH AND SAFETY	GEK TERNA GROUP	TERNA	TERNA ENERGY	HERON	GEK Services	TERNA MAG	TERNA S.A. - EMIRATES	SNFCC
Total Numbers of Participants	4,744	4,174	295	35	40	114	4	71
Total Training Hours	6,723	5,561	517	350	55	146	8	86

3RD PILLAR - PARTNERSHIPS BASED ON HEALTH AND SAFETY

Ensuring an accident-free work environment requires compliance with the policies and management systems of all stakeholders. Contractors and associates working on the relevant projects as well as suppliers and all stakeholders are required to abide by all mandatory Health and Safety regulations and to fully comply with the regulations that have been set and are implemented by the Group.

4TH PILLAR - ACTIONS PROMOTING HEALTH AND SAFETY

GEK TERNA Group undertakes and implements targeted Health and Safety initiatives, which concern all stakeholders. It invests in actions that include employees, suppliers, subcontractors, customers, public services and agencies, always aimed at informing, raising awareness and motivating them. Depending on the projects and the geographic area of focus, the Group dynamically invests in leading technologies, best practices and reliable methods to strengthen existing policies.

Measurements of natural factors: The Group carries out measurements of natural factors on a regular basis in all the facilities and projects where risks associated with natural factors have been identified. These measurements are based on the Occupational Risk Assessment Studies available.

Occupational physicians: In order to prevent and protect the health of employees, the Occupational Physicians cooperating with GEK TERNA Group monitor closely the health of employees, provide advice, and update the individual medical records.

Medical examinations: To protect the health of employees, GEK TERNA Group carries out medical examinations for its employees. The examinations meet the requirements of the legislative framework regarding the risks of the project and are carried out according to each job role requirements and specifications. The examinations include musculoskeletal and eye examination, vaccination, blood tests, spirometry, and audiograms.

Occupational Health and Safety Manual: In 2016, the Occupational Health and Safety Manual, drafted in 3 languages, i.e. Greek, English and Albanian, was completed and distributed to over 1,000 employees. The purpose of this initiative was to present the most important everyday Health and Safety issues, to ensure safe ways to address them and to help improve the perception and approach of employees to Health and Safety issues. The main subjects of the manual include, among other things, the use of personal protective equipment, personal conduct, fire safety, road safety, signage, safe use of machinery and tools, work at height, general safety rules and addressing emergencies.

5TH PILLAR – COMPLIANCE AUDITS

The Group prepares and maintains an annual plan of audits for its operations and facilities. This plan is based on the findings of previous audits, and the complexity and risk of past incidents, as recorded during previous assessments and inspections.

Internal audits are carried out by the Environment Department, while additional inspections are carried out by an external auditor (Independent Engineer), external certification bodies and, in the case of concessions, by consultants appointed by the Ventures.

During 2016, a total of 84 internal and 17 external Health and Safety audits were conducted. Moreover, 56 additional audits were carried out by the Joint Venture Consultant for Joint Venture projects.

H&S AUDITS	GEK TERNA GROUP	TERNA	TERNA ENERGY	SNFCC
H&S Audits (Int.)	84	24	8	47
H&S Audits (Ext.)	17	16	0	1
H&S Joint Venture Consultant Audits	56	56	-	-
Includes: TERNA, TERNA ENERGY, ILIOCHORA				

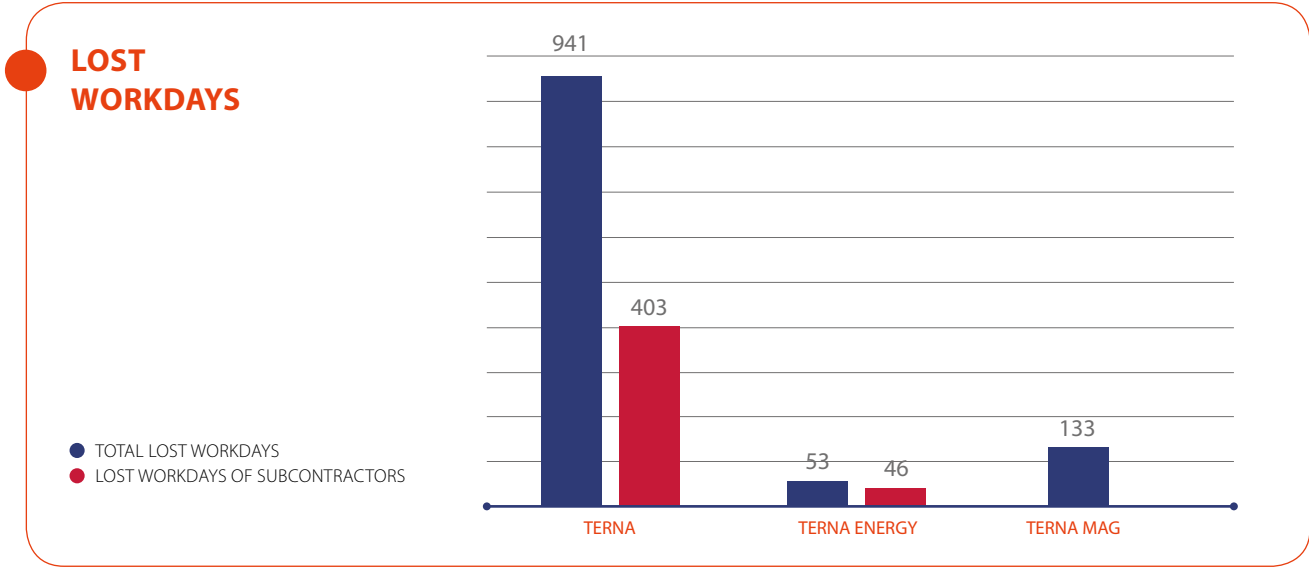
10.3 Occupational Health and Safety

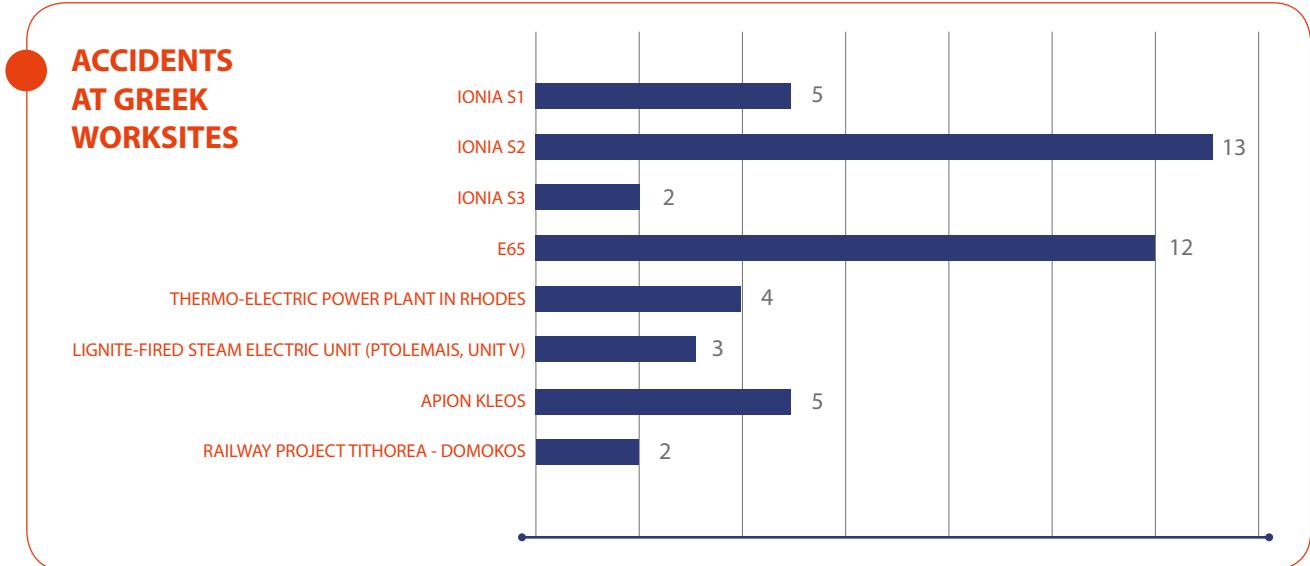
HEALTH AND SAFETY INDICATORS OF EMPLOYEES	TERNA*	TERNA ENERGY	HERON	TERNA MAG	TERNA SA ABU DHABI BRANCH
Lost Workdays due to accident	941	53	0	133	0
Incidents without absence days	11	0	0	3	116
Fatalities	0	0	0	0	
Near misses	2	2	1	3	2
Total accidents with absence days	35	8	0	2	0
Small scale accidents (absence from work of up to 3 days)	2	6	0	0	0
Serious accidents (absence from work for more than 3 days)	33	2	0	2	0
Number of occupational diseases	0	0	0	0	0

* It includes SNFCC with 41 Lost Workdays due to accident

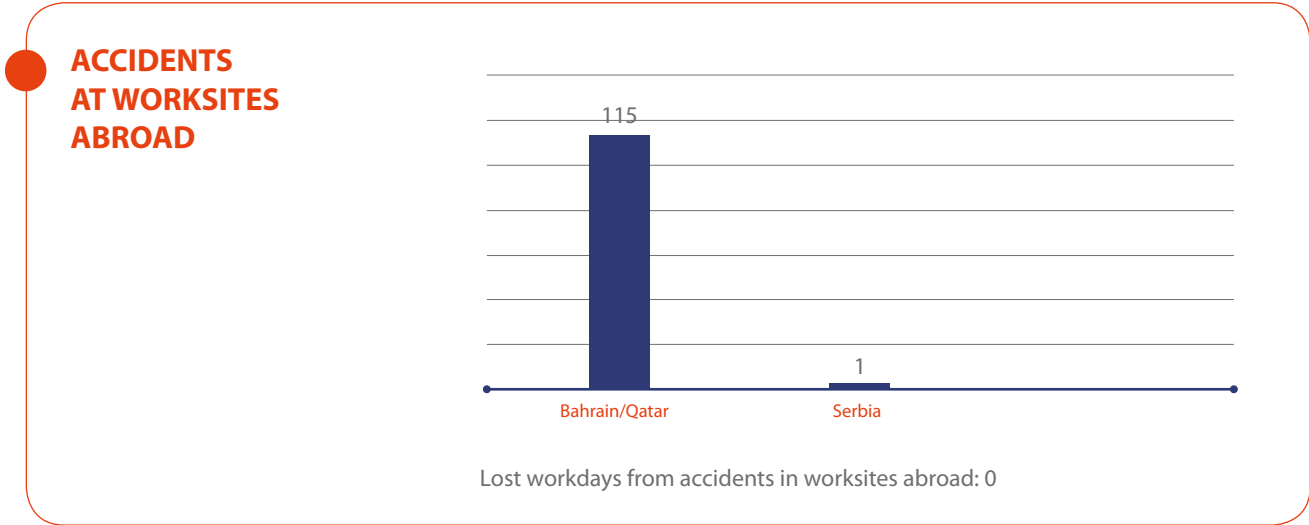
MAN-HOURS	TERNA	TERNA ENERGY	HERON	SNFCC	TERNA MAG	GEK Services
Total Man-hours	44,672,762 (Greece: 32,665,752 Abroad: 12,007,010)	409,228	74,986	197,490	201,864	60,016
Total Man-hours of Subcontractors				573,160	34,920	

LOST WORKDAYS	TERNA	TERNA ENERGY	TERNA MAG
Total Lost Workdays	941	53	133
Lost Workdays of Subcontractors	403	46	





INVESTMENTS IN HEALTH AND SAFETY (IN €)	TERNA	TERNA ENERGY	HERON	TERNA MAG
Personal Protective Equipment	81,958	38,163	15,960	8,852
Upgrade of Mechanical Equipment and Vehicle Purchase				
Certification for Lifting and Other Machinery	4,943	9,732	9,540	960
Safety Signage	208,540	391	6,558	
Reorganisation/ Maintenance of the Fire Prevention System	9,944	6,425	26,923	1.127
Expenses of OHS Management (education, OHS system certification, etc.)	7,392	1,438		
Upgrading of Working Area	1,069		15,742	
Project Insurance	50,384			
Employee Medical Coverage Program (from project insurance)	359,087			
External Certification of Management Systems	2,417		700	500
Occupational Physician/Safety Technician (EXYPP)	180,174	56,899	1,600	24,416
Costs of Staff Medical Examinations	6,079			
Medical Equipment	5,128			
Health, Safety and Environment (HSE) trainings	160	34,951	1,000	920
Construction of rock traps		100,000		
Other	37,008			





11. SUPPORTING LOCAL COMMUNITIES

11.1 Social Product

The Group’s substantial contribution to the construction of modern infrastructure and energy projects that promote Sustainable Development helps achieve social prosperity and promotes Greece internationally.

The multiple benefits of GEK TERNA Group’s business are translated into thousands of jobs, benefits and insurance contributions, taxes and investments and financial support to thousands of suppliers of products and services. The indirect positive impacts from the activity of the Group, are reflected in the safety of travel on modern motorways, the

improvement of urban structures, access to art and culture sites, the improvement of air quality and the securing of a more environmentally friendly energy future.

In 2016, the Group multiplied its contribution to social growth with its “Social Product” reaching € 1,365 million.

ANNUAL CONTRIBUTION TO SOCIAL GROWTH - “SOCIAL PRODUCT” (IN EUR THOUSANDS)	2014	2015	2016
Payments to suppliers [consolidated amounts after elimination of intra-group transactions with no withholding taxes (VAT, sales tax etc.) with cost of materials]	865,391	810,075	999,777
Salaries and employee benefits (including social security contributions)	124,090	129,757	135,155
Total taxes paid	73,010	126,042	173,962
Payments to capital providers	53,051	67,172	55,697
Donations / Grants to local communities [Amounts with no withholding taxes (VAT, sales tax etc.)]	241	190	350
Total	1,115,783	1,133,236	1,364,941

11.2 Local Communities and Social Contribution

In 2016, with the bold business decisions it took in the midst of a crisis, the Group managed to ensure that its collaborations would continue, to maintain and multiply the high value it generates through an expanded network of partnerships and business relations.

The Group’s policy to enhance local communities reaffirms its vision of strengthening the Greek economy as a whole. The contribution of the Group and its individual companies is significant and constantly increasing. GEK TERNA Group focuses on the following areas of social support:

- 1. creating infrastructure
- 2. providing employment
- 3. cooperation with local suppliers
- 4. in-kind support, financial support and donations

More specifically:

INFRASTRUCTURE

GEK TERNA Group and its subsidiaries, substantially contribute to the development of Greek communities. Local communities have always been the focus of actions implemented by the Group, as they are in line with its philosophy of supporting and strengthening vital infrastructures. During the reporting year, the Group completed a series of initiatives that have dramatically improved the quality of life for thousands of citizens and supported the right to knowledge for hundreds of children through school rebuilding, road construction, public spaces redevelopment, restoration of damages caused by natural disasters, and emergencies' support.

The Group's infrastructure investment for 2016 exceeded € 231,000 and mainly concerned the construction of local infrastructure projects, in the areas where it operates.

PROVISION OF EMPLOYMENT AND PROFESSIONAL DEVELOPMENT

The Group places special emphasis in supporting the youth and it systematically funds excelling postgraduate students, while it also allows young students to intern in the Group.

In 2016, 31 students completed their internship, while 7 of them were employed by the Group.

SUPPORT OF LOCAL SUPPLIERS

By supporting local suppliers, small and medium-sized businesses operating near the areas where the Group operates, it succeeds to empower local communities and strengthen the local market and economy.

In 2016, out of the 6,274 suppliers of the Group, 5,132 (81,7%) were local suppliers. The value of transactions with local suppliers amounted to € 468,667, representing 46.2% of total transactions.

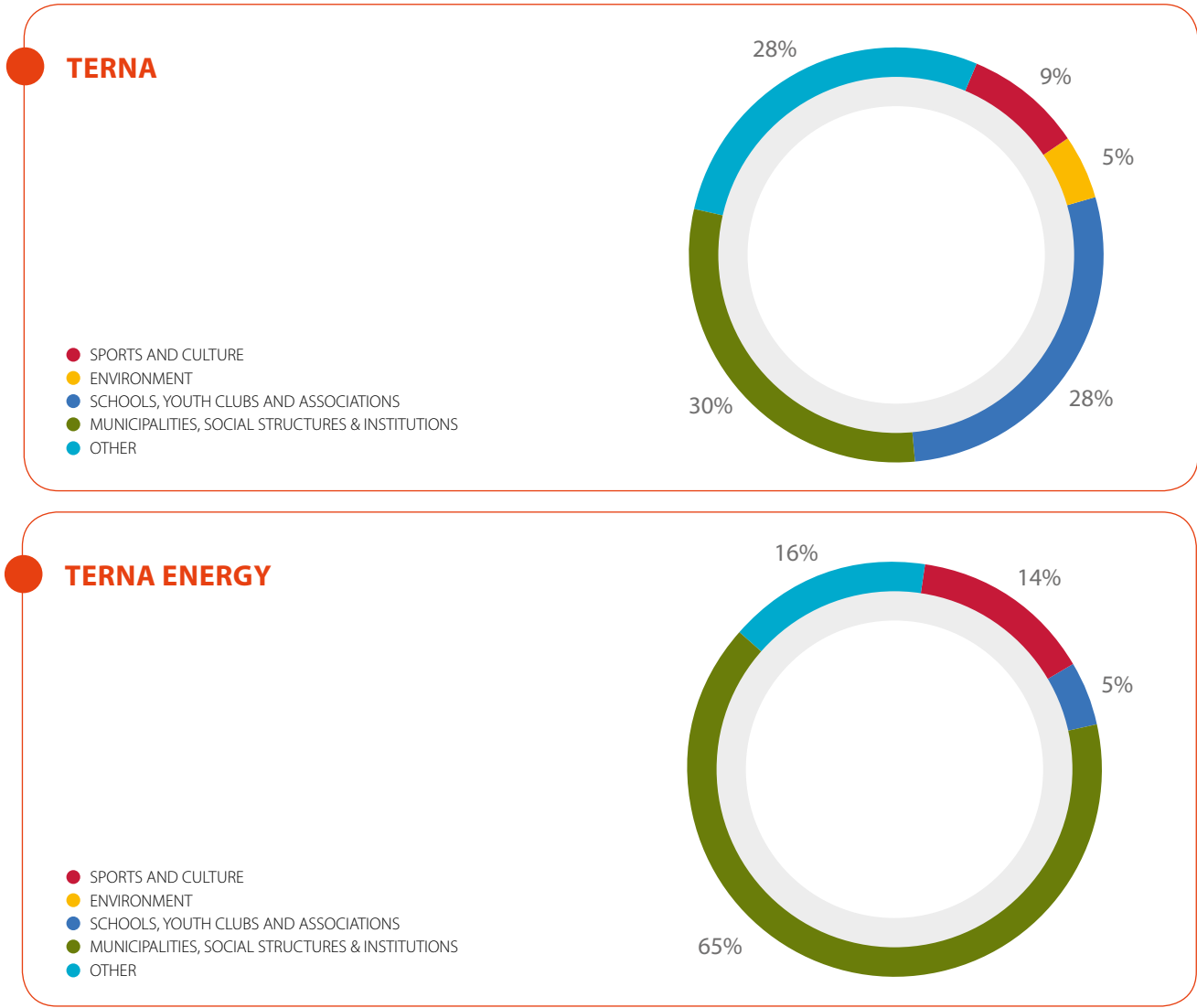
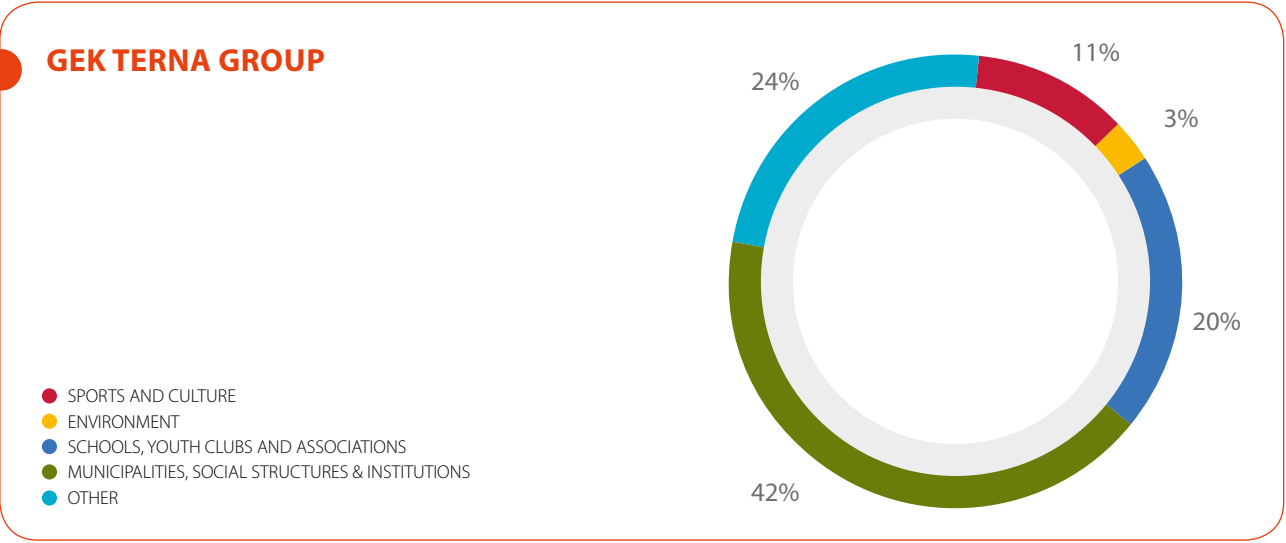
IN-KIND SUPPORT, FINANCIAL SUPPORT AND DONATIONS

The Group's social contribution includes sponsorships and donations to support purposes and programs concerning learning, development and education, arts and sports. Sponsorships are mainly directed to young people in local communities, but elsewhere too, when a great social need is identified. The Group's criterion for supporting solidarity actions is their contribution to improving the quality of life and creating new opportunities.

In 2016, GEK TERNA Group implemented an aspiring social program of in-kind and financial support, which amounted to € 350,000, an increase of 84% compared to 2015.

The Group's program mainly focused on:

- 1. Sports & culture
- 2. Environment
- 3. Schools, youth clubs & associations
- 4. Municipalities, social structures & institutions



12. BOUNDARIES OF MATERIAL ISSUES

Material Issues	Bounadries		Limitations	Stakeholders									
	Within GEK TERNA Group	Outside GEK TERNA Group											
Financial Performance	■	■		■	■	■	■	■	■	■	■	■	■
Indirect Economic Impacts	■	■		■	■	■	■	■	■	■	■	■	■
Procurement Practices	■	■		■	■	■	■	■	■	■	■	■	■
Materials	■	■		■	■	■	■	■	■	■	■	■	■
Energy	■	■		■	■	■	■	■	■	■	■	■	■
Water	■	■		■	■	■	■	■	■	■	■	■	■
Biodiversity	■	■		■	■	■	■	■	■	■	■	■	■
Emissions	■	■		■	■	■	■	■	■	■	■	■	■
Effluents & Waste	■	■		■	■	■	■	■	■	■	■	■	■
Product & Service Quality	■	■		■	■	■	■	■	■	■	■	■	■
Environmental, Financial & Social Compliance	■	■		■	■	■	■	■	■	■	■	■	■
Employment	■	■		■	■	■	■	■	■	■	■	■	■
Fair Working Environment	■	■		■	■	■	■	■	■	■	■	■	■
Occupational Health & Safety	■	■		■	■	■	■	■	■	■	■	■	■
Training & Development	■	■		■	■	■	■	■	■	■	■	■	■
Local Communities	■	■		■	■	■	■	■	■	■	■	■	■
Combating Corruption	■	■		■	■	■	■	■	■	■	■	■	■
Public Policy	■	■		■	■	■	■	■	■	■	■	■	■
User Health and Safety	■	■		■	■	■	■	■	■	■	■	■	■

■ Investors, Shareholders, Capital Providers

■ Customers

■ Employees

■ Suppliers and Partners

■ Local Communities, Authorities, Institutions

■ Governmental, State & Institutional Bodies

■ NGOs/Non-Profit Organisations

■ Media

■ Business Community

13. ABOUT THE REPORT

This Corporate Responsibility Report is the fourth annual Report of GEK TERNA Group. Its purpose is to present the policies, practices and results achieved during 2016. It represents an important communication platform for engagement with the Group's stakeholders and demonstrates the Group's commitment to the principles and practices of Sustainable Development.

The Report refers to 2016 calendar year, from 1/1/2016 to 31/12/2016 and has been prepared in accordance with the Global Reporting Initiative (GRI) guidelines, The GRI Standards, and meets the requirements of the core application level ("In accordance" option Core).

The Report focuses on the Group's Sustainability Issues, which fall under 6 core pillars: **Environment, Market and Business, Employees, Health and Safety, Society and Local Community**. It covers the risks, opportunities and impacts associated with these pillars, consistent with the Corporate Governance Strategy and Structure of the Group. The 2016 Report includes more entities and goes deeper in terms of information provided. By strengthening the structures we set out in our first Report in 2013, we are now able to collect information systematically and provide a more comprehensive picture to our stakeholders. We continue to present data for TERNA and TERNA ENERGY separately, while reference to other entities and business units of the Group are also made wherever possible.

In 2016, the Group's stake in the "lonia Odos" concession project increased from 33%, to 57.19%. No other significant change took place with regard to the Group's structure, supply chain, business relations or relations with its employees.

In accordance with the International Financial Reporting Standards, the Group includes the parent company with its subsidiaries as well as their joint operations, including the construction consortia in Greece and abroad.

For the 2016 Report, the Group has not proceeded to external verification of the Report content.

Project Team

A group with representatives from all key departments/functions has been formed to support the development of the Report

- Coordinators: Konstantinos Lamprou, Danae Kalantidi,
- Department/function Representatives-Content contributors: Panayiotis Avgoustinos, Kiriakos Klavariotis, Georgia Mastoraki, Filippos Tepaskoualos, Andreas Tsaprazis

Support

The development of the Corporate Responsibility Report was supported by Sustainability Knowledge Group (www.sustainabilityknowledgegroup.com)

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14. GRI INDEX TABLE

GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organization	9	
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	102-3 Location of headquarters	85	
	102-4 Location of operations	8-15	
	102-5 Ownership and legal form	www.gekterna.com/el/investor-relations/financial-statements	
	102-6 Markets served	8-15	
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	102-10 Significant changes to the organization and its supply chain	85	
	102-11 Precautionary Principle or approach	19, 23	
	102-12 External initiatives	27-29	
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	102-14 Statement from senior decision-maker	7	
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	102-16 Values, principles, standards, and norms of behavior	19-21	
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	102-40 List of stakeholder groups	35-37	
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	102-42 Identifying and selecting stakeholders	35-37	
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GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
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	201-2 Financial implications and other risks and opportunities due to climate change	43	
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	201-4 Financial assistance received from government	17	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 58-61, 81-83, 84	
	103-2 The management approach and its components	25-27	
	103-3 Evaluation of the management approach	25-27	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	81-83	
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Procurement Practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 81-83, 84	
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	103-3 Evaluation of the management approach	25-27, 58-61	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	58-61	

GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84	
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	103-3 Evaluation of the management approach	25-27	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	19-23	
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	301-2 Recycled input materials used	43-48	
	301-3 Reclaimed products and their packaging materials	43-48	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
	103-2 The management approach and its components	25-27, 43-45, 52	
	103-3 Evaluation of the management approach	25-27, 43-45, 52	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	49	
	302-2 Energy consumption outside of the organization	49	
	302-3 Energy intensity	49	
Water			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
	103-2 The management approach and its components	25-27, 43-45, 52	
	103-3 Evaluation of the management approach	25-27, 43-45, 52	
GRI 303: Water 2016	303-1 Water withdrawal by source	51	
	303-2 Water sources significantly affected by withdrawal of water	51	
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GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
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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	15, 51	
	304-2 Significant impacts of activities, products, and services on biodiversity	51, www.terna-energy.com	
	304-3 Habitats protected or restored	-	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
	103-2 The management approach and its components	25-27, 43-45, 52	
	103-3 Evaluation of the management approach	25-27, 43-45, 52	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50	
	305-2 Energy indirect (Scope 2) GHG emissions	50	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
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GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	51	
	306-2 Waste by type and disposal method	46-48	
	306-3 Significant spills	44	
	306-4 Transport of hazardous waste	Not relevant due to the nature of the Group's activities	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 43-45, 84	
	103-2 The management approach and its components	25-27, 43-45, 52	
	103-3 Evaluation of the management approach	25-27, 43-45, 52	

GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No incidents	
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 63, 67, 84	
	103-2 The management approach and its components	25-27, 63	
	103-3 Evaluation of the management approach	25-27, 63, 67, 70,71	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65, 66	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	70	
	401-3 Parental leave	70	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 67, 73-79, 84	
	103-2 The management approach and its components	25-27, 73-75	
	103-3 Evaluation of the management approach	25-27, 73,75	
GRI 403: Occupational Health and Safety 2016	403-1 Workers representation in formal joint management–worker health and safety committees	73-75	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	76-79	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	73-79	
	403-4 Health and safety topics covered in formal agreements with trade unions	74-79	
Training and Education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84	
	103-2 The management approach and its components	25-27, 45, 71	
	103-3 Evaluation of the management approach	25-27	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45, 71, 74	
	404-2 Programs for upgrading employee skills and transition assistance programs	45, 71, 74	
Non-discrimination			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84	
	103-2 The management approach and its components	25-27, 74-75	
	103-3 Evaluation of the management approach	25-27, 74-75	

GRI STANDARD	Disclosure	Page number(s) and/or URL(s)	Omission
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	70	
Local Communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 81-83, 84	
	103-2 The management approach and its components	25-27, 81-83	
	103-3 Evaluation of the management approach	25-27, 81-83	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	81-83	
	413-2 Operations with significant actual and potential negative impacts on local communities	81-83	
Public Policy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84	
	103-2 The management approach and its components	25-27	
	103-3 Evaluation of the management approach	25-27	
GRI 415: Public Policy 2016	415-1 Political contributions	GEK TERNA Group does not make any contributions	
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84	
	103-2 The management approach and its components	25-27	
	103-3 Evaluation of the management approach	25-27	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	27, 57	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents	
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39-40, 84η	
	103-2 The management approach and its components	25-27	
	103-3 Evaluation of the management approach	25-27	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No incidents	

15. GOALS FOR 2017

SUBJECT	2015 PERFORMANCE	OBJECTIVES FOR 2016	2016 PERFORMANCE	OBJECTIVES FOR 2017
No Fatal Accident	2	No Fatal Accident	✓	No Fatal Accident
Strict Compliance with the Laws	✓	No incident of non-compliance by External Bodies concerning the Observance of Laws (Zero Compliance Rate)	✓	No incident of non-compliance by External Bodies concerning the Observance of Laws (Zero Compliance Rate)
Update on Health and Safety Drafting a Printed Manual for Health and Safety in Several Languages	✓	Distribution and Training with the Use of the Manual	✓ More than 1000 people received the manual	
Join the United Nations Global Compact (UNGC)	New target	Assessment regarding joining the United Nations Global Compact network	Decision to be made in 2017	
Actions against Corruption			New target	Development of a Code of Conduct and Ethics
Achieving the LEED Platinum Distinction for the Stavros Niarchos Foundations Cultural Centre	New target	Compliance with the requirements of the standard to achieve the target	✓	
Certifications	New target	Iliochoira: ISO14001 and OHSAS 18001 TERNA: ISO14001:2008 TERNA ENERGY: ISO14001:2008 TERNA SA Abu Dhabi Branch: OH-SAS 18001:2007 and ISO14001:2004	✓	TERNA, TERNA ENERGY and ILIOCHORA according to the new edition of ISO 9001:2015
Claiming International Recognition of the Group's Health and Safety performance	New target		✓	



CORPORATE
RESPONSIBILITY
REPORT
2016

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