

CORPORATE RESPONSIBILITY REPORT

2014











CORPORATE RESPONSIBILITY REPORT 2014

Contents

	Message from the Management	5
	GEK TERNA Group Profile	6
1.1	GEK TERNA Group at a glance	
1.2	Areas of activity	
1.3	Brief history	
1.4	Economic developments	
1.5	Key financial results	
1.6	Strategy and opportunities	
1.7	Participation in bodies and organizations	
	Corporate Governance	14
2.1	Governance bodies	
2.2	Corporate Governance Code	
2.3	Code of Conduct	
2.4	Avoiding conflict of interests	
	Communication with the Stakeholders and Material Issues of Corporate Responsibility	18
3.1	Communication with the stakeholders	
3.2	Management of material issues	
	Corporate Responsibility: Our approach	25
4.1	Strategic implementation of Corporate Responsibility	
4.2	Organization and management of Corporate Responsibility issues	
4.3	Management systems and international standards	
	Protection of the Environment	30
5.1	Our approach	
5.2	Environmental Management System	
5.3	Management of the environmental footprint	
5.4	Sustainable buildings	
	Health and Safety	42
6.1	Our approach regarding Health and Safety	
6.2	Health and Safety Management System	
6.3	Health and Safety Programs	
6.4	Our performance concerning Health and Safety	
6.5	Our performance in 2014 and our goals for 2015	
	Care for our People	46
7.1	Our approach	
7.2	Employment	
7.3	Staff training and education	
7.4	Remuneration and benefits policy	
7.5	Equal opportunities and human rights	
7.6	Employment contracts	
	Supporting Local Communities	55
8.1	Social product	
8.2	Social contribution	
	Responsible Procurement	59
9.1	Supporting local suppliers	
9.2	Caring for Health and Safety	
9.3	Procurement with respect to human and labour rights	
9.4	Procurement with respect to environment	
	About the Report	62
	GRI-G4 Indicators Table	64

4 | CORPORATE RESPONSIBILITY REPORT 2014

Message from the Management

We are pleased to present to you the Corporate Responsibility and Sustainable Development Report for 2014. Through this Report, we present in detail our performance in the various areas of our business activity and the way we manage our impact, having Sustainable Development as our vision. Our aim is transparency, the effective and two-way communication with all our stakeholders and the creation of an increasing social product.

Our Group's strategic priorities in relation to Sustainable Development are clear: we aim at operating responsibly, with respect for the natural environment, minimizing our environmental footprint, caring for our people, respecting human and labour rights, caring for the health and safety of our employees and cooperating with the local communities in the areas we operate, aiming at maximizing the benefit for these regions.

During the year 2014, the intensity of the Greek economy's problems continued to remain unabated. The political uncertainty in conjunction with the continuous tax regulation's changes resulted into an economic environment with intense political and financial uncertainties. Furthermore, the lack of liquidity in the market led to the postponement of new investments in significant areas of the economy.

The essential initiation of the construction of large motorway projects in which our Group also participates, contributed directly to the economy due to the substantial added value at a local level, the increase in employment with tens of thousands new jobs (new salaries – social security fund contributions) and the provision of immediate liquidity to the market. However, the above development was not sufficient enough to reverse the country's unfavorable investment climate.

Meanwhile, our continuing efforts, despite difficulties, were fruitful in 2014. We are very proud for creating 2,003 new working positions on a Group level, presenting a significant increase in the total number of employees by 47%. In Greece, the Group not only maintained its human resources, but it almost doubled them, as the total number of our employees increased by 1,391 persons, offering employment and partaking in social security fund contributions, respectively.

Regarding the environment, we implement an Environmental Management System (ISO 14001:2004) as well as targeted programmes of environmental management and training of the employees on environmental issues. Through the activity of TERNA ENERGY subsidiary, which is involved in the production of energy from renewable energy sources (RES), we contribute significantly in the drastic limitation of CO2 emissions on a national as well as on a regional level. Let it be noted that in 2014, the TERNA ENERGY RES plants in Greece produced almost 733,532 MWh of electricity, thus contributing to the avoidance of the production of almost 600,000 tons of CO2.

Although our accomplishments are important, we acknowledge the need for even more efforts and we commit to taking action intensifying our efforts, steadily oriented towards our vision for Sustainable Development. We will continue to be active aiming at further incorporating the principles of responsible entrepreneurship to the everyday decision making process.

GEK TERNA Group Management

GEK TERNA Group profile

1.1 GEK TERNA Group at a glance

GEK TERNA Group is one of the leading business Groups in Greece with operations also in Central and Southeastern Europe, USA, North Africa and Middle East.

The Group's main business activities are construction, electricity production, supply and trade, concessions, waste management, mining and real estate development and management.

At the end of 2014, GEK TERNA Group employed about 6,000 people around the world, while its total investments

from 2008-2014 exceeded 1.5 billion euros. At the end of 2014, the Group's backlog was 3.3 billion euros, while the total capacity of the energy plants which were operated or licensed by the Group or were under construction was 885 MW.

The Group's headquarters are in Athens, 85, Mesogeion Avenue, 11526. GEK TERNA and its subsidiary TERNA ENERGY are listed on the Athens Stock Exchange (FTSE/ Athex Large Cap).

GEK TERNA Group in numbers	2012	2013	2014
Number of employees	4,298	4,287	6,290
Number of the Group's business units	107	101	96
Total capitalization	168,704	308,534	175,518
Total liabilities	1,718,931	1,676,971	1,814,962
Total equities	670,371	640,058	565,951
Total assets	2,389,302	2,317,029	2,380,913
Total sales	549,411	602,877	923,894

Our culture and values

In the past 45 years, GEK TERNA Group has earned a high reputation and has cultivated long-lasting relationships with its partners and shareholders, through the culture and values that characterize its business activities:

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



GEK TERNA Group aims at:

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

The Group's Accomplishments

- Leading position in construction, energy and concessions in Greece
- Establishment in main energy and construction markets outside Greece (Southeastern Europe, the Middle East and Africa etc.)
- Strong capital structure, which ensures an easier access to investment opportunities' funding

1.2 Areas of activity

GEK TERNA Group's individual areas of activity per sector/domain are presented below.

Construction

GEK TERNA Group has been actively involved in the sector of construction for 45 years, through its 100% subsidiary TERNA S.A. TERNA (www.terna.gr) is involved in the implementation of a broad spectrum of public and private projects of considerable budget and complex know-how, such as the construction of highway and railway networks, buildings, hospitals, museums, industrial facilities, hydroelectric plants, dams, power plants, etc. At the end of 2014, the company's backlog was 3.3 billion euros.

Renewable Energy Sources

TERNA ENERGY G E K T E R N A G R O U P

GEKTERNA Group has been actively involved in the sector of Renewable

Energy Sources (RES) since 1997 through TERNA ENERGY S.A., a leading company in the development of the RES market in Europe, with a strong portfolio of technologies and projects in Europe and the U.S.A. At the end of 2014, the total installed capacity of the Group amounted to 640 MW. The Group had installed 386 MW in Greece, 138 MW in the U.S.A., 86 MW in Poland and 30 MW in Bulgaria. Meanwhile, the Group owned RES plants under construction or ready for construction of a capacity of 245 MW in Greece and abroad. At the end of 2014, the company was operating, had constructed or had fully licensed 885 MW of RES plants in total, in Europe and the U.S.A.

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





NEA ODOS

GEK TERNA Group participates in "NEA

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

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

The project follows the construction and operation standards of motorways, thus it is a dual carriageway with two lanes per direction and a design speed of 120 km/ hour.

lonia Odos is a project of paramount importance of a total budget of 1.118 billion euros, with huge benefits for our country. "NEA ODOS" company aims at constructing modern motorways according to European standards which will contribute to the overall development and progress of our country.

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

KentrikiOdos

KENTRIKI ODOS: Central Greece Motorway

GEK TERNA Group participates in

"KENTRIKI ODOS" company, which has undertaken the study, design, construction, operation, exploitation and maintenance of "Central Greece Motorway – E65" <u>Concession project.</u>

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

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

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

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

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

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



OLYMPIA ODOS

GEK TERNA participates in "OLYMPIA ODOS" company with 17%, which was selected by the Ministry of Environment Physical Planning and Public Works as a result of tender, to design, finance, construct and operate the motorway "Elefsina – Korinthos – Patra" Thermal Energy



GEK TERNA Group is area of thermal energy

production through its participation in HERON S.A. Apart from GEK TERNA Group, GDF Suez and Qatar Petroleum, two leading international energy production companies, participate in the share capital of HERON S.A.

Concessions

GEK TERNA is also dynamically involved in financing, managing and commercially exploiting concession projects. In particular, the Group participates in the Road Concession companies NEA ODOS, KENTRIKI ODOS and OLYMPIA ODOS. Meanwhile, the Group has participated in the construction and operation of 10 parking stations.

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



Mining

TERNA MAG GEK TERNA GROUP

TERNA MAG is a Greek magnesite and magnesia producer, established in 2013.

It is a member of GEK TERNA Group, one of the leading business groups in Greece. It exploits the world-class magnesite deposits in the northern part of Euboea island. Its large volume reserves consist of high-purity, boronfree, low-iron, cryptocrystalline magnesite.

TERNA MAG, at present, produces Caustic Calcined Magnesia of high purity and consistency. Through a stateof-the-art beneficiation and calcination equipment it can produce and supply CCM with MgO varying from 83 % to 97 % and with custom-made specific characteristics.

The company is currently implementing an extensive investment plan to increase capacity for CCM and additionally produce high quality Dead Burned Magnesia. Based on its customer-focus, operations excellence and sustainable development, TERNA MAG is a reliable business partner that delivers value to its customers.



Real Estate

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



1.3 Brief History

The main highlights of the Group's history, from its foundation to the present day, are the following.



1.4 Economic Developments

In 2014, GEK TERNA operated in a challenging economic and political environment in Greece, primarily shaped by the problems faced by the Greek economy that persisted throughout the year, thus influencing the Group's activities. More specifically, political uncertainty in combination with the continuous tax changes resulted in the creation of an economic environment dominated by the lack of liquidity and the subsequent discouragement of new investments in important areas of the economy. Although the actual beginning of the large road construction projects, in which our Group actively participates, boosted the economy thanks to the great domestic added value, the increase of employment with the creation of dozens of thousands of jobs (wages – social security contributions) and the supply of direct liquidity

Significant changes in 2014

to the market, was not however enough to change the investment climate sufficiently.

Within this framework, GEK TERNA Group continued to pursue its investment programme, focusing primarily on renewable energy sources, on construction, regarding the necessary equipment for the realization of the projects, as well as on the industrial production of magnesia, as its capital structure remains satisfactory.

Our Group, despite these challenging conditions continues to operate in countries outside Greece, as a significant part of the construction and energy turnover comes from countries of Southeastern Europe and the Middle East.

- During 2014, the construction of 7 wind parks of total capacity of 118.1 MW was completed and there were new licenses of operation issued for 4 wind parks of a total capacity of 53.9 MW.
- In Poland, the Group acquired three companies, which are licensed to establish wind parks of a total capacity of 16 MW, while in August of 2014 a wind park of a total capacity of 12 MW was put to operation.

For further information, you may refer to the Annual Report, p. 8-9.

1.5 Key Financial Results

In 2014, revenue from third parties from continuing activities reached 924 million euros approximately versus 603 million euros in 2013, recording an increase of approximately 53%, mainly due to the increase of the activities in the construction and energy divisions.

Respectively, earnings before taxes from continuing operations corresponded to losses of 54.8 million euros in 2014 versus losses 76.1 million euros for financial year 2013, due to increased provisions for impairment of assets and provisions for impairments from construction projects.

More economic data are presented below.

Turnover (million euros)







-88

Direct produced and distributed economic value		2013	2014
Total income	549,411	602,877	923,894
Total operating cost	529,838	576,054	898,711
Total wages and benefits	81,491	94,849	124,090
Total paid dividends of shares	-	-	-
Total paid interests to capital providers	55,696	54,332	53,051
Total taxes and levies due		55,969	85,290
Total sum of sponsorships/donations/charity	233	172	241

Key data of financial performance

1.6 Strategy and opportunities

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

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

1.7 Participation in bodies and organizations

The Group participates in various business associations, organizations and bodies relating to its activities, sectoral

issues or more general issues such as the economy and the business market. We indicatively mention the following bodies and organizations. The participation of the Group to them is strategic:

- Greek Association of RES Electricity Producers (participation in the Administration via Mr. G. Peristeris – president)
- Hellenic Association of Independent Power Producers (participation in the Administration via the CEO of Heron – member)
- Hellenic Scientific Association of Wind Energy (participation in the Administration via an executive of TERNA ENERGY – member of the Board of Directors)
- SEV: Hellenic Federation of Enterprises
- Hellenic-American Chamber of Commerce
- Business Council Greece-Serbia
- Hellenic-Romanian Chamber
- Hellenic Business Council in Bulgaria (a senior Group executive served as Vice President in 2014)

ORPORATE RESPONSIBILITY REPORT 2014

Corporate Governance

GEK TERNA Group implements a modern corporate governance framework in order to ensure the duration and effectiveness of its operation, for the benefit of the shareholders and the rest of the stakeholders.

2.1 Governance bodies

The Board of Directors

The Board of Directors (BoD) is the supreme governance body and its scope and responsibility is to formulate and implement the strategy of the Group, primarily aiming at the protection of the interests of all its shareholders.

Being the supreme administrative body of the Group, the Board of Directors makes decisions on all issues relating to the Company, except for those that are deemed in the responsibility of the General Assembly.

Composition

The Board of Directors is composed of 12 members (7 executive, 2 non-executive and 3 independent non-executive), as provided by Law 3016/2002, for S.As listed on the Athens Stock Exchange.

Composition of the Board of Directors of GEK TERNA (31.12.2014)

Capacity	Name & Surname	Relation	Nationality
Chairman	Nikolaos Kampas	Non-executive Member	Greek
Vice Chairman	Dimitrios Antonakos	Executive Member	Greek
Vice Chairman	Michael Gourzis	Executive Member	Greek
Vice Chairman	Angelos Benopoulos	Executive Member	Greek
Chief Executive Officer	Georgios Peristeris	Executive Member	Greek
Member	Konstantinos Vavaletskos	Executive Member	Greek
Member	Emmanuel Vrailas	Executive Member	Greek
Member	Emmanuel Moustakas	Executive Member	Greek
Member	Panayiotis Pothos	Non-executive Member	Greek
Member	Panayiotis Kyriakopoulos	Independent Non-executive Member	Greek
Member	Aggelos Tagmatarhis	Independent Non-executive Member	Greek
Member	Apostolos Tamvakakis	Independent Non-executive Member	Greek

* Executive Members are the top executives of the Company that are responsible for the realization of its goals and for its management.

* Non-executive and Independent Non-executive Members are persons with objective judgment that are responsible for ensuring corporate governance.

Proportion of sex and age distribution in the Board of Directors

Sex	<30	30-50	50+	Total
Women	-	-	-	-
Men	-	1	11	12

Selection criteria

The composition of the members of the Board of Directors is particularly important for the operation of the Group. The BoD members are elected by the General Assembly according to the following criteria:

- · contribution to growth prospects
- managerial skills and effectiveness
- · credibility and integrity
- deep and sufficient knowledge of the company's affairs
- efficient and effective cooperation with the company's senior executives and staff
- loyalty towards the company

These criteria as well as the ratio between executive and non-executive members ensure the coherence, continuity and smooth succession at the Group's highest

Composition of the Audit Committee

level of administration and contribute to maintaining the company's efficiency.

BoD Committees

The BoD is supported by Committees, which have an advisory role and influence the BoD significantly in making decisions. The Committees are as follows:

- Nomination and Remuneration Committee
- Investments Committee
- Audit Committee

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

Capacity	Name & Surname	Relation		
Chairman	Nikolaos Kampas	Non-executive BoD Member		
Member	Panayiotis Pothos	Non-executive BoD Member		
Member	Aggelos Tagmatarchis	Independent Non-executive BoD Member		
More information regarding these committees is presented in p. 23-26 of the 2014 Annual Financial Report of GEK TERNA Group (corporate website www.gekterna.com, section Investor Relations/Financial Statements/Year 2014/Financial Statements of GEK TERNA Group/Financial				

Statements of Group on 31/12/2014).

General Assembly

The General Assembly of the shareholders is the supreme governance body of the company and has the right to take decisions regarding any issue relating to the company. The BoD members attend the General Assembly along with the auditors and other executives of the higher administration of the company, the presence of whom is necessary for the provision of detailed information and clarification regarding questions on behalf of the shareholders.

Internal Audit

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

The BoD makes efficient and effective use of the internal

audit system in order to protect the Group's assets, to evaluate any upcoming risks from its operations and to provide the shareholders with exact and detailed information regarding the present situation, the prospects of the Group and alternative solutions for coping with detected risks.



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

2.2 Corporate Governance Code

GEK TERNA, aims at ensuring the duration and effectiveness of its operation and within the framework of implementing an integrated and operative system of Corporate Governance, puts into effect a specific Corporate Governance Code. This Code defines the established rules and business practices implemented by the company.

The Corporate Governance Code (CGC) is the foundation

for the integration of a corporate governance system that continuously evolves and adjusts to the changing conditions of the Group's economic, social and business environment, while it guarantees the adherence to transparency principles, business ethics and proper management of all the company's resources at each management level.

2.3 Code of Conduct

The Code of Conduct (or Code of Ethical Conduct) implemented in GEK TERNA Group defines the general framework of the professional (ethical) conduct of every employee. All employees are expected to abide by these rules which ensure the high level of integrity portrayed by our people.

2.4 Avoiding conflict of interest

The Board of Directors –among other responsibilities– sees to avoiding conflict of interest. Special policies and practices are being implemented that ensure its prevention. Executives or employees who hold important positions in the Group ought to sign, following the Group's relevant order, a solemn declaration that neither they nor the members of their family have or had any interest or acted, during an agreed time period, in a way that opposes the interests of the Group or/and are related to suppliers, customers or other persons, natural persons or legal entities, that wish to establish commercial relations with the Group.

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

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



3.1 Communication with the stakeholders

GEK TERNA Group acknowledges the importance of reciprocal, ongoing communication and cooperation with the various groups of stakeholders to which it is connected.

Our stakeholders

Any persons and/ or social groups that influence or are influenced, directly or indirectly by the Group's activities are its stakeholders. More specifically, to us, stakeholders are social groups or persons influenced by or influencing a project directly or indirectly and those who are interested in a specific project or/and are able to influence its outcome, in a positive or negative way.

Due to the volatility of the economic, business and social environment, the company redefines the various stakeholder groups on a regular basis in relation to the Group's strategy and activities.

We have grouped our stakeholders in two main categories:

- Primary stakeholders (those who are of primary importance to the company)
- Secondary (those who are influenced by or influence, on a smaller scale, the decisions and activities of the Group)



Our approach

The Group is in constant, two-way communication with the various groups of stakeholders with which it interacts. The key issues, the way it communicates with the main

stakeholders as well as our response are presented in the following table.

Investors, shareholders and other providers of capital	Customers	Employees
 Communication channels Publication of press releases, announcements and reports on a regular basis relating to all important events Presentation of results on a 3-month, 6-month, 9-month and yearly basis Annual Shareholders' General Assembly Shareholders' Department The Board of Directors informs the shareholders about any important developments Continuous communication between financial analysts and investors and the Group's delegated executives Investors Relations Officer Annual presentation to the analysts Publication of Annual Financial Report Corporate website 	 Communication channels Project Management Department Ongoing communication with the delegated executives, Participation in exhibitions, conferences, presentations and organizations Corporate website Publication of Annual Corporate Responsibility and Sustainable Development Report 	 Communication channels Continuous communication between the Administration and staff. Briefing through informative material on notice boards Briefing through our Company's website Publication of Annual Corporate Responsibility and Sustainable Development Report Internal Communications Department / Corporate Communication Division
 Key issues Enhancing competitiveness Proper Corporate Governance Extroversion Cooperation with the interested parties and transparency 	 Key issues Compliance with all necessary requirements and specifications High level of know-how and competence Provision of services and support following the completion of projects High level of cooperation Right, timely and reliable execution of projects 	 Key issues Various labour and social security issues Protection of Health and Safety in the workplace Development of human resources Briefing regarding key issues of the Group, its goals and their fulfillment
 Our response Implementation of a modern, transparent and effective framework of Corporate Governance Improvement of financial results Reinforcement of the communication with the interested parties Wide range of activities Extroversion Publication of Annual Corporate Responsibility and Sustainable Development Report 	 Our response Continuous improvement of know-how and competence Full compliance with projects' contractual obligations and requirements Innovation through the provision of new services, products and solutions Quality assurance based on international standards Participation in consortiums 	 Our response Implementation of a certified System for the management of Health and Safety in the workplace Provision of opportunities for on-going education and training Competitive wages and bonuses Additional benefits aiming at a high sense of reward and the balance between professional and personal life

Suppliers and partners	Local communities, authorities and bodies	Governmental, state & other institutional bodies
 Communication channels Communication with the suppliers through the Procurement Department Visits to suppliers and audits 	 Communication channels Continuous communication with local authorities, institutional bodies, associations and unions Participation in the activities of local bodies and associations Events of open dialogue Participation in conferences and consultation bodies Relevant studies and reports Publication of Annual Corporate Responsibility and Sustainable Development Report 	 Communication channels Consultation with State representatives and institutional authorities on a national or/and regional level Participation in conferences and events of sectoral or general business interest Publications and articles in the press Publication of Annual Financial Report Publication of Annual Corporate Responsibility and Sustainable Development Report
 Key issues Supporting of local suppliers at various regions Pricing policy Meritocratic/objective assessment Enhancment of communication and briefing 	 Key issues Cooperation with the local communities Support of the local economy and labour market Reduction of the negative impact and increase of the positive impact Response of the Group to issues of the local community Development of local regions 	 Key issues Key issues Compliance with the existing legal framework and regulations Boosting of the national economy Other issues of economic policy Support of local communities Contribution to the economic development on a national level Boosting of employment
 Our response Selection and support of suppliers from the local community Implementation of transparent procedures of selection of suppliers Supplier audits Participation in consortiums 	 Our response Cooperation with suppliers from the local community A large percentage of the needs of the projects in employees is covered from the local community Support of local community bodies, associations and organizations Management of the economic, any ironmental and social impact of 	 Our response Implementation of procedures in order to ensure full compliance with the existing legal framework Cooperation with suppliers from the local communities and suppliers operating on a national level Provision of employment on a national and local level Extensive consultation and

environmental and social impact of the projects

- Provision of employment on a national and local level
- Extensive consultation and cooperation with the local
- •
- communities Boosting of entrepreneurship Support of the national economy and boosting of extroversion •

For a more analytic presentation of the Group's response to every key issue concerning the various groups of stakeholders, refer to the relevant chapters/sections of the Corporate Responsibility and Sustainable Development Report.

Stakeholders and construction projects

The construction projects undertaken by the Group are mainly large and complex and that is why they have a significant impact on the regions where they are being realized. For this reason, commitment to the stakeholders is not just a formality, but it ought to be honest, reciprocal and effective, as it directly influences the success of every project. Within this framework, we aim at being constantly close to the local communities during preparation (activities that lead to construction) as well as during the stage of construction of plants, infrastructure or buildings (as well as during the "temporary works" required in order for the construction to be completed, e.g. access roads).

Due to the nature of our activities, the economic, social and environmental impact (positive and negative) is found on a regional as well as broader level. Regarding local communities that are influenced as well as the groups of stakeholders that are interested in the maintenance of biodiversity and the natural environment, the construction phase is characterized by an increased interest or/and concern. On the other hand, experience has shown that local communities and authorities perceive the phase of construction as an opportunity to ensure financial benefits for the local communities, either through offsets, direct or indirect jobs, the use of temporary construction projects for the support of the development of local infrastructure or through specialized developmental programmes for the local community.

We believe that engaging with the stakeholders at the right time, during the design of a project, in combination with the necessary relevant impact assessments (Environmental and Social Impact Assessments), ensures that the majority of significant negative consequences are predicted and taken into account. Through this process they can be managed and addressed in such a way that is within acceptable limits or is counterbalanced.

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

Relation with the local communities

The Group's contribution at the regions where it operates is particularly important (enhancment of employment and the local economy), with a special focus on relationships with the local communities. Despite the potential reservations expressed during the first phases of construction of the various projects, the good cooperation and communication that follow in combination with the right development (from an environmental, social and economic point of view) and implementation of the projects lead to excellent relationships with the local authorities and communities.

3.2 Management of material issues

With an ongoing focus on the principles of Sustainable Development, the Group aims at the economic efficiency of its activities, the protection of the environment and social prosperity. In this way, the Group constitutes a business partner, whose activities have a total positive impact on the society.

As the Group's range of activities is wide a materiality analysis was introduced in order to define the material issues of corporate responsibility relevant to our activities. The analysis was based on the process and specifications of GRI guidelines, G4 edition.

Material issues are revised on a regular basis according to the changes of the economic, business and social environment as well as the Group's activities. The final list of material issues of the Group reflects the Group's perspective and that of its stakeholders.

Materiality matrix



Economic issues

earroweak Environmental issues earroweak Social issues

Boundary of material issues and limitations

Material issues	Boun	Limitations	
Material issues	Εντός Ομίλου ΓΕΚ ΤΕΡΝΑ	Outside GEK TERNA Group	Linitations
Economic performance	\checkmark	(society at large)	-
Indirect economic impacts	\checkmark	(local communities)	-
Procurement practices (support of local suppliers)	\checkmark	(suppliers)	-
Use of raw materials	\checkmark	-	-
Energy consumption and saving	\checkmark	-	-
Water usage	\checkmark	-	-
Protection of biodiversity	\checkmark	-	-
Emissions	\checkmark	-	-
Effluents and waste	\checkmark	-	-
Environmental impact of services & products	\checkmark	-	-
Environmental compliance	\checkmark	-	-
Employment	\checkmark	-	-
Health and Safety of employees and third parties	\checkmark	-	-
Training and education	\checkmark	-	-
Local communities (evaluation of impact and cooperation)	\checkmark	-	-
Prevention of corruption	\checkmark	-	-
Public policy	\checkmark	-	-
Health and Safety of customers or/and end users	\checkmark	-	-

CORPORATE RESPONSIBILITY REPORT 2014 | 25

Corporate Responsibility: Our Approach

4.1 Strategic implementation of Corporate Responsibility

Since its establishment, GEK TERNA Group has aimed at operating in a responsible way and incorporating responsible management in everyday practices. The Group's goal is to conduct business ethically, in harmony and in cooperation with the local communities at the regions where it operates and with all its stakeholders. In order to ensure responsible operation, there are specific priorities set by the Group, programmes that are being implemented, while performance is being monitored aiming at continuous improvement. In addition, we have defined the framework of Corporate Responsibility for our Group in order to determine our actions and to create a culture of mutual understanding concerning the relevant issues on behalf of the executives and the employees.

Corporate Responsibility Framework of GEK TERNA Group

Market & Environment	Employees	Local communities
----------------------	-----------	----------------------

Corporate Responsibility in GEK TERNA Group

To us, Corporate Responsibility is a necessary condition and the vehicle for the Sustainable Development of our Group and of the economy in general. Responding to the expectations of our stakeholders, we operate responsibly and we ensure the long-term business success of the Group.

4.2 Organization and management of Corporate Responsibility issues

We believe that it is the responsibility of every employee to ensure that every Department operates in a responsible manner.

In order to better address issues of Corporate Responsi-

bility, we have established a CSR Team that comprises of executives from the Group's various business divisions. More specifically, the Corporate Responsibility Team:

· Consists of executives from the Group's various Depart-

ments, who are responsible for managing relevant issues and for collecting all necessary data on a yearly basis.

- Is coordinated by the Communication and Corporate Responsibility Department.
- Is responsible for the collection of all necessary data for the publication of the Annual Corporate Responsibility and Sustainable Development Report.

Furthermore, on the matter of management of key sub-issues (such as Environmental Management and Health and Safety), different individuals have been introduced as responsible parties for the coordination of the relevant programmes and the implementation of the relevant policies.

The Corporate Social Responsibility Team reports to senior management on a regular basis.

4.3 Management systems and international standards

Management systems

In order to fully address the various issues relating to the different operations/departments of the Group, we have developed Management Systems, some of which are also certified by an independent certification body. In this way, we have a systematic administration based on the policies, procedures, goals and measurements. Such Management Systems are the following:

- ISO 9001: Quality Management System (TERNA, TERNA ENERGY, ILIOCHORA, GEK SERVICES, TERNA MAG, TIES)
- ISO 14001: Environmental Management System (TERNA, TERNA ENERGY, GEK SERVICES, TERNA MAG, HERON)
- OHSAS 18001: Health and Safety in the Workplace Management System (TERNA, TERNA ENERGY, GEK SERVICES, TERNA MAG, HERON)

Corporate Responsibility Report based on the Guidelines of Global Reporting Initiative

GEK TERNA Group has decided to publish a Corporate Responsibility and Sustainable Development Report on an annual basis according to the Guidelines of GRI (Global Reporting Initiative) international organization, following GRI-G4 edition. The publication of the Corporate Responsibility and Sustainable Development Report is only the final stage of the process of constant improvement and management of the Group's issues.

Other standards and guidelines for Corporate Responsibility

The range of issues of corporate responsibility and sustainable development that is related to the Group's operations corresponds to GEK TERNA Group's range of activities.

ISO 26000

GEK TERNA Group follows and aims at the implementation of the guidelines of ISO 26000, as this is one of the most acknowledged and comprehensive tools for social responsibility on an international level. The core subjects of ISO 26000 are:

- Organizational governance
- Human rights
- Labour practices
- The environment
- Fair operating practices
- Consumer issues
- · Community involvement and development

Guidelines of the Organization for Economic Cooperation and Development

Meanwhile, it follows and implements the guidelines of the Organization for Economic Cooperation and Development (OECD) for multinational corporations. These guidelines seek to:

- ensure that the operation of the companies aligns with the governmental policies,
- enhance mutual trust between the companies and the communities in which they conduct business,
- · improve the climate for foreign investments,
- encourage the participation of multinational corporations in sustainable development.

United Nations Global Compact

The United Nations Global Compact is an international initiative of the United Nations towards the companies on a global scale, aiming at supporting 10 principles. GEK TERNA Group supports the United Nations Global Compact and its activities are oriented towards this direction.

Category	The 10 Principles of the Global Compact	Relevant GRI-G4 indexes	GEK TERNA Report Section
Human Rights	1st Principle: Support and respect towards the internationally proclaimed human rights.	EC5, LA4, LA6-9, LA13, LA14, HR1-11, SO5, PR1, PR2, PR8	Care for our people
	2nd Principle: Ensuring the non-involvement in human rights abuses.	HR1-11, SO5	
	3rd Principle: Protection of the freedom of association and effective recognition of the right to collective bargaining.	LA4, LA5, HR1-3, HR5, SO5	
Labour Conditions	4th Principle: Elimination of all forms of forced and compulsory labour.	HR1-3, HR7, SO5	Care for our people
	5th Principle: Effective abolition of child labour.	HR1-3, HR6, SO5	
	6th Principle: Elimination of discrimination in respect of employment and occupation	EC7, LA2, LA13, LA14-15, HR1-4, SO5	
	7th Principle: Support of precautionary approach to environmental challenges.	EC2, EN18, EN26, EN30, SO5	
Environment	8th Principle: Taking initiative to promote greater environmental responsibility.	EN1-30, SO5, PR3, PR4	Protection of the environment
	9th Principle: Encouragement of the development and diffusion of environmentally friendly technologies.	EN2, EN5-7, EN10, EN18,EN26, EN27,EN30, SO5	
Anti-corruption	10th Principle: Fight against corruption in all its forms, including extortion and bribery.	SO2-6	GEK TERNA Group Profile

Sustainable Development Goals

Recently, following negotiations that lasted several months, more than 190 countries have reached an agreement regarding "Agenda 2030" of the United Nations for Sustainable Development. Sustainable Development Goals or Global Goals aim to address the main challenges of humankind on a global level, such as poverty, climate change, the protection of the environment, gender equality, hunger and education, amongst others.

GEK TERNA Group supports the Sustainable Development Goals of the United Nations and takes action in order to face the aforementioned global problems.



(source: www.un.org)

Protection of the Environment

95% Construction waste recycled



18 kilos

Lamps

5.1 Our approach

The Group's activities inevitably affect the natural environment, thus we try to manage them in the best possible way. Environmental protection is a highly important issue not just for our company but on a broader level thus we commit to implementing practices towards this direction. The company has established and is implementing a specific Environmental Policy that sets the foundations for the integrated management of the impact that its operations have on the environment. At the same time we set goals for continuous improvement.

Our commitment

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

- Meeting all applicable legislative and regulatory requirements in order to ensure the protection of the environment.
- Identifying and evaluating the Environmental Aspects of its activities.
- Providing appropriate environmental training for its employees.
- Minimizing the amount and toxicity of waste generated and ensuring their safe treatment and disposal.
- Conserving natural resources by reusing and recycling materials, purchasing recycled materials and using recyclable packaging and other materials.
- Ensuring the responsible use of energy throughout its business.
- Protecting its employees and the community in which it operates, by using safe technologies and operating procedures.
- Communicating its commitment to environmental quality to its employees, suppliers, customers, public services and the community in which it operates.
- Protecting the ancient monuments, the cultural heritage and the flora and fauna of the ecosystem by adopting eco-friendly methods and technologies.
- Cooperating with environmental bodies and services for the protection of the environment.
- Continuously improving the company's Environmental Management System.

5.2 Environmental Management System

The administration's commitment regarding the management of the company's environmental impact is proven in practice through the implementation of a certified Environmental Management System, according to the requirements of the international ISO 14001:2004 standard. TERNA's Environmental Management System was certified for the first time in 2008 and aims at constantly improving the performance of the company in this area.

The company ensures the constant improvement of the Environmental Management System and of its performance, through the process shown in the following figure:

In addition, in all the operating construction sites, we implement an Environmental Management System showing in practice our commitment to integrated management of environmental issues.

5.2.1 Implementing the precautionary approach

In the area of environmental management, the philosophy of our company is based on the precautionary approach.



Our primary goal is to predict and control all possible risks regarding the protection of the environment.

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

Extract from the Environmental Policy

5.2.2 Employees' training on the protection of the environment

Employees and environmental officers are trained on a yearly basis on issues regarding the protection of the environment. Meanwhile, there are specialized training sessions on various aspects of the protection of the environment (e.g. management of explosives).

Training is offered by the Environment Department and the environmental officers or external bodies, while in all the construction sites a full record of training sessions is available. The training of the staff is based on the needs and requirements of the projects undertaken by the company as well as on the new roles and duties of the company's executives.

In 2014, 106 employees attended trainings on issues relating to the rational waste storing and management, either dangerous or not. More specifically, the environmental officers of the various construction sites were trained on the Environmental Management System.

5.2.3 Environmental protection audits

In order to ensure a high level of environmental protection, there are specific audits taking place on a yearly basis at construction and other sites. The audits are conducted by the Department of Environment (internal audits) and by external bodies. Their aim is to detect deficiencies, to ensure the compliance with legislation and other regulations and to achieve continuous improvement. During 2014, there were 8 internal environmental audits in total in addition to a re-certification of the Environmental Management System by an external body.

5.2.4 Incident management

The company holds exercises and training sessions in order to achieve the maximum readiness regarding the management of any emergency relating to the environment. In 2014, no accidents took place relating to the environment and no significant leakage of chemical substances to the natural environment occurred.

5.3 Management of the Environmental Footprint

The aim of the implemented Environmental Management System is to address the company's environment issues and thus reduce its environmental footprint. More specifically, we detect the environmental impact from the various activities with the use of a relevant procedure and we proceed with all necessary measures in order to improve our performance in this area.



5.3.1 Use of materials

The company uses a wide range of recyclable and non-recyclable raw materials relating to the processes as well as semi-constructed materials for its activities. The Group's policy is to use raw and other materials in the most efficient way, in order to protect the environment and to achieve economic efficiency.

Meanwhile, we reuse various materials whenever this is a feasible option, either in the same processes or in other cases. For instance, there is a significant number of cases in which the sub-products of a process (e.g. inert materials) are used in another process.

Recycling waste

During the construction and erection of Stavros Niarchos Foundation Cultural Centre and according to the general orientation of the project towards sustainability, waste recycling practices were widely implemented.

In particular, construction waste created in the various phases of the project's construction, instead of being disposed in landfills and incinerators –which is the common practice–, was recycled and reused as a raw material. Thus, the construction waste was recycled by 95%.

Indicatively, some of the main materials and raw materials used in the wide range of the Group's various activities are cement, steel and other metals, timber as well as inert materials (such as sand, gravel etc.).

5.3.2 Energy consumption

In the wide range of the Group's various activities, there is direct (use of fossil fuels) and indirect (e.g. electricity consumption provided by third parties through a network) consumption of energy. Meanwhile, energy is consumed for the needs of the employees' transportation, the transportation within the framework of the various






projects and/or for the needs of disposal of the Group's products and services.

5.3.3 Gas emissions

GEK TERNA Group's companies systematically monitor gas emissions from energy consumption and take measures in order to manage them, as provided by legislation and the relevant regulations.

> It is important to mention that a significant part of the Group's activities, through its subsidiary **TERNA ENERGY, focuses** on energy production from renewable energy sources (RES), which contributes to the drastic reduction of CO, emissions. In 2014, **RES plants of TERNA ENERGY in Greece** produced almost 733,532 MWh of electricity, thus contributing to the avoidance of production of almost 600,000 tons of CO_a.

5.3.4 Water usage

The protection of water resources is particularly important on a global level. GEK TERNA Group acknowledges their importance and ensures the maximum efficiency regarding their use.

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

Meanwhile, whenever possible, we implement practices for limiting the use and reuse in order for the water footprint from the activities to be reduced to the absolute necessary.

Water resources management and environmental protection

At large construction sites, certain quantities of water are regularly required for machinery cleaning. However, as provided by the relevant Studies of Environmental Impact, there are practices implemented in order to protect water resources and to reduce environmental impact. In particular, the site teams create settlement deposits where used water is directed, left to calm so as for the solid particles to sink down at the bottom and then the cleaner water is redirected to other basins to be reused for the next machinery cleaning.

5.3.5 Waste management

Dangerous Solid – Liquid Waste / Non-Dangerous Waste

GEK TERNA Group's approach regarding waste focuses, by way of priority, on reducing waste production, on reusing it whenever this is necessary and, at the final stage, on its proper disposal. In any case, our aim is to reduce the quantity and risk from produced waste. The management of dangerous and non-dangerous waste is realized through specially licensed companies.





Practices of water reuse at Stavros Niarchos Foundation Cultural Center

Stavros Niarchos Foundation Cultural Center, the construction of which is undertaken by TERNA S.A. in joint venture, is a project of high importance, from a sustainability point of view, particularly its design and construction as well as its operation.

More specifically, regarding water resources management, performance is astonishing, since the irrigation of Stavros Niarchos Park and of the greenery is realized by:

- The use of non-potable water and drilling wells
- The use of rainwater
- The use of adjustable plants with limited needs for irrigation
- Underground drop-by-drop instead of superficial irrigation
- Use of gravel mulch at all green surfaces

All the above measures ensure that there is no potable water used for the needs of irrigation of Stavros Niarchos Park.

Regarding other applications of non-potable water, the following initiatives of water management are being implemented:

- System of collection and processing of greywater
- Rainwater collection system
- Reuse of rainwater and greywater

With all the above measures, 85% of the produced greywater (wastewater from washing machines, cookers, taps, baths, shower units) is reused. In addition, the channel operates as flood protection and will be filled with seawater, excluding the use of potable water for the purpose of its filling.

Category of waste	Kind of waste	Type of waste	Way of disposal	Quantity 2014
Oil filters	Solid	Dangerous		3,882 kilos
Absorbents	Solid	Dangerous		183 kilos
Tetrachloroethylene	Liquid	Dangerous		1,146 kilos
Grease lubricant oils	Liquid	Dangerous		780 kilos
Used lubricant oils	Liquid	Dangerous		43,780 kilos
Batteries	Solid	Dangerous		10,147 kilos
Mixed waste	Solid	Non-dangerous		113,320 kilos
Waste water (lt)	Liquid	Non-dangerous		200 kilos
Iron	Solid	Non-dangerous		94,920 kilos
Aluminium	Solid	Non-dangerous		25 kilos
Wires	Solid	Non-dangerous		8,550 kilos
Plastic	Solid	Non-dangerous	Disposal to	7,181 kilos
Paper	Solid	Non-dangerous	appropriately licensed	7,790 kilos
Timber	Solid	Non-dangerous	companies	22,481 kilos
Inert materials	Solid	Non-dangerous		33,103 kilos
Mixtures of structural constructions	Solid	Non-dangerous		800 kilos
Massive solid waste	Solid	Non-dangerous		1,600 kilos
Municipal waste (non-specified)	-	Non-dangerous		1,000 kilos
Plastic	Solid	Non-dangerous		24,170 kilos
Mineral asphalt	Solid	Non-dangerous		960 kilos
Electronic equipment (items)	Solid	Non-dangerous		142 items
Lamps	Solid	Non-dangerous		18 kilos
Tires	Solid	Non-dangerous		286 items 4,170 kilos
Cartridges	Solid	Non-dangerous		117 items
Batteries	Solid	Non-dangerous		173 kilos

Maintenance of the project's machinery at the construction sites is realized by temporary teams, licensed via Technical Environmental Assessments, approved by the competent services of the Ministry of Environment, Energy and Climate Change.

In particular, dangerous liquid waste (e.g. used lubricating oils) is collected into proper metal "UN type" barrels, while the insignificant leakages are dealt with immediately through proper "spill kits" (sawdust, absorptive towels etc). All collected liquid waste is processed as dangerous waste by specially licensed companies which our company has contracted with.

Paper recycling

Although impact from paper use is smaller in relation to other categories of waste, paper is recycled at the Group's head offices as well as at the construction sites. In 2014, 7.8 tn of paper were recycled.

Electronic and electrical equipment recycling

Recycling of electronic and electrical equipment is particularly important. Due to the various substances and metals from which appliances are made of, the inappropriate management can cause significant pollution. For this reason, the Group implements recycling programmes – reuse of electronic and electrical equipment, and as a result, in 2014, 142 items of electronic and electrical equipment, such as old PCs, printers, plotters, display devices etc. were recycled.

5.3.6 Noise

Some of the Group's activities produce noise and vibration to the environment. We aim at reducing the levels of noise and vibration through a series of practices, including:

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

5.3.7 Protection of Biodiversity

It is true that in the last decades the rate of biodiversity loss on a global level has dramatically increased. The protection of biodiversity is of significant importance, thus GEK TERNA Group takes all necessary measures at the regions in which it operates.

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

5.3.8 Environmental compliance

GEK TERNA Group makes every possible effort not only to comply with the existing legislation and the regulations for the protection of the environment, but also to satisfy minimum demands.

Environmental legislation developments and the relevant regulations are monitored on a regular basis by competent and specialized executives. Also, an evaluation

Caring for local communities

During the construction and erection of Stavros Niarchos Foundation Cultural Center and given the fact that the construction site is situated at a build-up area, the company has taken all necessary measures and implements best practices in order for the nearby areas not to be significantly disturbed.

In particular, strict procedures for the minimization of noise from the construction site's activities at the neighbouring area are implemented, with measures such as:

- EU certification of noise limit for all the machinery of the construction and compliance with the noise limits values.
- Systematic measurements of noise at the construction site neighbourhood in order to detect possible exceedance (every month).
- Installation of mobile noise barriers of special construction.

In addition, the construction site is open to individuals living nearby in order to visit it, according to schedule, and get informed about the project, the measures implemented and express any complaints so as to ensure that all necessary measures are taken in order to limit disturbance. of the compliance with environmental legislation and the rest of the regulations that are in effect (Environmental Conditions etc) takes place on a yearly basis. In 2014, our efforts resulted in absolutely no fines or other non-financial sanctions for violation of environmental legislation and other regulations.

In 2014, our efforts resulted in absolutely no fines or other non-financial sanctions for violation of environmental legislation and other regulations.

5.4 Sustainable buildings

One of GEK TERNA Group's main activities is construction, through TERNA S.A. The Group has developed its own special know-how as far as the construction of buildings is concerned, which, due to their special features, can be characterized as "sustainable buildings".

More specifically, sustainable buildings are those that satisfy the following conditions:

- Their operation does not impact the natural and artificial environment or people's safety.
- They make good use of energy, water and other resources.
- They protect users' health and they provide improved living and productivity conditions.
- They limit pollution, waste and the degradation of the environment.

Impact on the natural environment and people is significantly reduced through the construction of sustainable buildings, while at the same time economic efficiency is increased.

GEK TERNA Group's office building

GEK TERNA Group has housed its offices in a privately owned pioneering building with particularly eco-friendly and people-friendly characteristics, thus proving its environmentally responsible operation. It is a building constructed by the Group itself, according to the principles of bioclimatic design and sustainable architecture, implementing measures of saving energy and acoustics, while there is an audit of environmental conditions. The measures for saving energy that are implemented are the following:

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

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

- UN

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

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

Constructing the first building in Greece with a LEED certification: Stavros Niarchos Foundation Cultural Center

GEK TERNA Group participates in the Salini Impregilo – TERNA joint venture, which was created specifically for the construction of the Stavros Niarchos Foundation Cultural Center (SNFCC). SNFCC is one of the biggest construction projects in the country's recent history. Its conception, design and realization focus on one goal: to render SNFCC an open and hospitable space, with social dynamics that will contribute to the formulation of new ideas and will offer positive benefits to society, the economy, culture and education, protecting the environment.

Stavros Niarchos Foundation Cultural Center constitutes an ambitious project, which to a great extent, has incorporated, the principles of sustainable development, while pursuing the "green" certification according to LEED.

Implementing LEED certification

LEED (Leadership in Energy and Environmental Design) evaluation is a system of certification of facilities developed by the U.S. Green Building Council – USGBC. The system certifies that a building has been designed and constructed with the use of methods and the implementation of strategies that aim at saving energy in the best possible way, using water efficiently, reducing CO2 emissions, improving the quality of the internal environment, rationally managing resources and facing the impact arising from their use.

Within the framework of the LEED evaluation, there are four levels of certification: the platinum certification is the greatest distinction that is awarded followed by the golden one.

Stavros Niarchos Foundation Cultural Center, through environmentally innovative designs and practices, aims at receiving at least the golden certification and ideally the platinum one for LEED buildings, the first distinction of this kind in Greece.

Incorporating Sustainable Development principles in construction and operation

- When the SNFCC is completed, it will constitute a model of environmental sustainability in Greece and it will operate as a benchmark for all future infrastructure projects. More specifically:
- It will be the first public building in Greece to receive the internationally acknowledged LEED "green

buildings" certification as well as the first project of such a scale in Europe.

- Construction methods are based on eco-friendly standards. Recyclable materials are used and all necessary measures are taken in order to prevent erosion, the creation of sediments and to suppress dust dispersion. At least 50% of the construction waste is going to be recycled and at least 5% of the construction materials are going to be reused.
- At SNFCC, energy efficient activities will contribute to saving almost 2,750 tons of CO2 per year. In addition, there is rational use of water.

A project with special environmental characteristics

The project's aim to constitute a model of environmental sustainability shows in all aspects of its design: from the Stavros Niarchos Park, which also operates as a green roof for the National Library, to the National Opera House and the Channel, which provides flood protection and the photovoltaic roof that produces energy for the needs of the two buildings and contributes to the elimination of CO2 emissions. The Stavros Niarchos Park, which occupies 85% of the total area of SNFCC, will be one of the biggest greenspaces in Athens: an invaluable contribution and breath of life in a city with the least per capita greenspaces in Europe. The Park has endemic, droughtresistant plants, while the allies of shady trees will reduce CO2 emissions.

The building's needs in energy will be covered by the photovoltaic roof, a 100 m x 100 m metallic construction, which dominates at a height of 14 meters above the highest spot of the Park and goes beyond its perimeter. The roof constitutes a structural and mechanical feat, it is supported by 40 metallic columns and its presence expresses the Foundation's and Renzo Piano's commitment to implement environmentally innovative designs and practices.

The Park's visitors can follow paths which lead to a 32-meter high top. Below ground, one can find the building that houses the National Library and the National Opera House, giving the hill a "green roof" character. The green roof, one of the biggest in Europe, significantly reduces the building's demands in air-conditioning and reflects, together with the energy roof, the environmental innovation and commitment of the project. 42 | CORPORATE RESPONSIBILITY REPORT 2014

Health and Safety

Occupational health and safety are a top priority of the Group.

Aiming at ensuring the maximum possible level of protection of occupational Health and Safety, we implement a Management System and a Health and Safety Policy, while at the same time we implement various programmes throughout the year. No fatal accident

No incidents of occupational disease

106 Employees were trained in Health and Safety issues

6.1 Our approach regarding Health and Safety

Within the Health and Safety Management System framework and in order to adopt an organized approach concerning the relevant issues, our company implements a Health and Safety Policy in the workplace. According to this policy, the company takes all necessary measures for the promotion of the Health & Safety of its employees and for this reason it commits to:

- Fully complying with legal and other requirements which are implemented for the Company's operation and activities.
- Recognizing the risks in the best way possible and minimizing their consequences to employees, by taking proper preventive measures.
- Preventing injuries, diseases and serious Health & Safety incidents from the Company's operation and activities.
- Providing proper, sufficient Health & Safety training to the employees.
- Directly investigating any accident/incident in order to reach a satisfactory conclusion and take such measures as to prevent similar situations in the future.
- Protecting its employees, subcontractors and third parties through the adoption of technologies and operation procedures that provide the necessary safety.

We believe that the promotion of Health and Safety in the workplace depends on the active involvement of all personnel. For this reason, our company's aim is to raise employees' awareness and to make them realize that Health and Safety concern us all.

GEK TERNA Group's Administration, within the framework of its commitment to constantly improving Safety,

Our commitment

TERNA commits to:

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

provides all the necessary resources and takes initiatives in order for every employee to take responsibility regarding the common effort for the prevention of accidents.

Our company's aim is to constantly improve its performance regarding Health and Safety in the workplace

6.2 Health and Safety Management System

The commitment of the company's administration regarding the Health and Safety in the workplace is also reflected through the implementation of a certified Health and Safety Management System, according to OHSAS 18001:2007 international standard.

Through the implementation of this system, all regulations are being followed and all necessary measures are being taken for the effective protection of Health and Safety in the workplace. As a company we aim to improve in the area of Health and Safety in a constant and consistent manner.

6.3 Health and Safety Programmes

In order to promote Health and Safety protection and to constantly improve, there is a series of programmes and actions we choose to follow on a yearly basis in order to achieve zero accidents.

Implementing the precautionary approach: business risk assessment

The principle of prevention is implemented in the area of Health and Safety management in the workplace, in order

for all the possible risks regarding health and safety to be predicted and controlled.

In particular, possible risks are detected and controlled according to the criteria of Greek legislation, the European and international codes and good practice. For all plants and projects of the Group, studies on business risk evaluation have been written which also include the measures that are taken for the elimination or control of risks and their maintenance at a low, accepted level.

Employees' training concerning Health and Safety

Employees are trained on a yearly basis on Health and Safety issues. The training of safety officers is a top priority. Training is realized by the Health and Safety Department as well as by safety officers or external bodies, while in all construction sites there is a full record of training sessions. The staff's training focuses on the existing needs and demands of the projects undertaken by the company. In 2014, there was a series of training sessions for 106 employees on issues such as:

- First aid
- Fire safety
- Road safety management
- Safe use of explosives

- Operations at a height
- General safety regulations
- Rational use of individual protection means
- Emergency issues.

More specifically, safety officers were trained on the Health and Safety Management System which is being implemented.

Health and Safety audits

In order to ensure a high level of Health and Safety in the workplace, audits take place on a yearly basis, at construction sites and other sites of the company. Audits are realized by the Health and Safety Department as well as by external bodies. The audits' aim is to ensure compliance with legislation and the rest of the regulations as well as constant improvement. During 2014, there were eight (8) Health and Safety audits in total.

6.4 Our performance concerning Health and Safety

The company systematically monitors and records its performance regarding Health and Safety and it sets goals for improvement.



Health and Safety Rates

H&S Rates	2012	2013	2014
Total accidents with absence days	9	6	27
Fatal accidents	2	1	0
Small-scale accidents (absence from work for up to 3 days)	2	1	11
Serious accidents (absence from work for more than 3 days)	4	3	16
Incidents without absence days	2	1	6

H&S Rates	2012	2013	2014
Near misses	1	0	3
Number of occupational diseases	0	0	0
Absence days	41	80	330
Injury Rate (IR)	0.37	0.22	0.29
Occupational Disease Rate (ODR)	0	0	0
Lost days rate (LDR)	1.7	2.9	3.5
Absentee rate (AR)	14	23	28
Total working hours from the total of the employees	4,838,755	5,551,295	18,690,713

(*1) Absence days are counted after the 3rd day.

The total of incidents concerns male employees at the Company's active construction sites, such as: Apion Kleos, Ionia S1, Ionia S2, Ionia S3B, Stavros Niarchos Foundation Cultural Center, E65, Megalopolis, Serres – Promachonas.

Employees of subcontractors realizing projects at the Company's construction sites are also included in the above Health and Safety rates.

	Injury rate (IR)	=	Number of injuries x 200,000	Occupational disease rate (ODR)	=	Number of occupational diseases x 200,000 Number of manhours worked
İ	Lost Days rate	_	Absence days due to accidents x 200,000	Absence rate		Absence days due to accidents x 200,000
	(LDR)		worked	(AR)	=	Number of manhours worked

6.5 Our performance in 2014 and our goals for 2015

Our aim is to constantly improve in all areas and on a yearly basis. In 2014, we set a series of goals and we managed to achieve them all. In the table below, there is an analytical presentation of our performance regarding our goals for 2014 as well as of our goals for 2015.

Goals for 2014	Performance in 2014	Goals for 2015
Zero fatal accidents.	There were no fatal accidents.	Zero fatal accidents.
Zero non-compliance by external bodies regarding compliance with legislation (zero rate of non-compliance).	The goal was achieved. There was zero non-compliance by external bodies.	Zero non-compliance by external bodies regarding compliance with legislation (zero rate of non-compliance).

46 | CORPORATE RESPONSIBILITY REPORT 2014

Care for our people

TERNAL



47%

Increase in total stuff in comparison with 2013



7.1 Our approach

GEK TERNA Group, with an active presence in 16 countries and various areas of activity, employs a significant number of people, of various specialties. We owe much of our success to our people, as it is them that lead our company towards development and make it flourish.

Our aim is to manage human resources in a responsible manner, cultivating long-term relationships of trust,

Our commitment

giving priority to the protection of Health and Safety of our employees and respecting labour and human rights, promoting equal opportunities and gender equality. GEK TERNA Group provides great opportunities for personal and professional development, as, according to our philosophy, the employee should face the working environment as a constant challenge.

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

Extract from the internal labour regulation

7.2 Employment

In 2014, GEK TERNA Group employed more than 6,000 people of various specialties, in 11 countries, aiming at acomplishing the Group's goals on a daily basis. The greatest number of employees works in Greece,

Bahrain and Qatar. More specifically, in Greece, by the end of 2014, there were more than 2,800 employees in various regions of the country.

Group's total staff – Distribution per country

Total staff per country (31/12)	2012	2013	2014
Greece	1,239	1,415	2,806
Albania	29	39	2
Serbia	235	422	390
Bulgaria	96	190	259
FYROM	5	3	4
Bahrain	913	615	1,320
Saudi Arabia	-	-	3
Qatar	1,176	1,169	931
United Arab Emirates	599	428	561
Poland	-	-	8
United States of America	6	6	6
Total Group's staff	4,298	4,287	6,290

In 2014, the total number of employees increased by of important projects (road concession projects of IONIA 2,003 people on a Group level, presenting a significant increase of 47%. This was mainly due to the undertaking

ODOS & E65).





We support employment and the economy

Despite the ongoing difficult economic situation of the Greek economy and by extension of the construction sector, GEK TERNA managed, in 2014, not only to maintain its work force, but also to increase it (total increase of the number of employees by 1,391), offering employment and contributing respectively to social security funds.

Staff data - Greece (salaried staff)

Staff - Greece (31/12)	2012	2013	2014
Men	1,004	1,148	2,409
Women	235	267	397
Total staff of Greece	1,239	1,415	2,806

Total of employees Greece (salaried employees, 31/12)



Country & age (1/1 – 31/12)	<30	30-50	>50	Total
Greece	620	416	423	1,459
Albania	-	-	-	-
Serbia	98	141	63	302
Bulgaria	39	77	31	147
FYROM	-	2	-	2
Bahrain	390	417	11	818
Saudi Arabia	1	1	-	2
Qatar	41	81	10	132
United Arab Emirates	61	84	5	150
Poland	-	2	-	2
United States of America	-	-	-	-
Total	1,250	1,221	543	3,014

Total recruitments on a Group level per country & age

Total recruitments (Greece - salaried employees) per sex & age (1/1 - 31/12)



Total recruitments (Greece - salaried employees) per region & age (1/1 - 31/12)



Country & age (1/1 – 31/12)	<30	30-50	>50	Total
Greece	196	122	118	436
Albania	-	-	-	-
Serbia	94	185	55	334
Bulgaria	23	39	25	87
FYROM	-	1	-	1
Bahrain	35	68	10	113
Saudi Arabia	1	1	-	2
Qatar	81	194	31	306
United Arab Emirates	9	29	0	38
Poland	-	-	-	-
United States of America	-	-	-	-
Total	439	639	239	1,317

Total departures on a Group level per country & age

Total departures Greece (salaried staff) per sex & age

Sex & age (1/1 – 31/12)	<30	30-50	>50	Total
Men	169	117	112	398
Women	27	6	5	38
Total	196	123	117	436

Total departures Greece (salaried staff) per region & age

Region & age (1/1 – 31/12)	<30	30-50	>50	Total
Continental Greece	154	94	87	335
Epirus	5	2	-	7
Peloponnese	19	15	13	47
FYROM	16	10	14	40
Thessaly	2	2	3	7
Total	196	123	117	436

Rates of employee turnover - Greece: recruitments (percentages of recruitments per sex and age, 1/1 - /31/12)

Sex & age	<30	30-50	>50	Total
Men	1.19	0.34	1.58	0.72
Women	0.69	0.17	0.36	0.39
Total	1.09	0.32	1.53	0.68

Sex & age	<30	30-50	>50	Total
Men	0.37	0.10	0.42	0.21
Women	0.24	0.04	0.45	0.14
Total	0.35	0.09	0.42	0.20

Rates of employee turnover - Greece: departures (percentages of departures per sex and age, 1/1 - /31/12)

7.3 Staff training and education

The nature of the Group's activities is such that there is a constant need for education, training and development of its employees in order to face the challenges that arise. The Group's policy is to provide opportunities for education, training and professional and personal development for all its employees.

bodies are being realized on a yearly basis and on a series of subjects according to the existing needs. However, due to the nature of the Group's activities, a significant part of the employees' training takes place in the form of "on the job training" by directors, partners and/or special trainers. In 2014, 167 employees in total participated in the training programmes that were organized.

In-house training sessions or training sessions by external

Average number of hours of training per category of employees Greece (salaried staff)

	2014						
Position/Category	Total of hours of training			Average number of hours of training per category			
	Men	Women	Total	Men	Women	Total	
Administrative staff	585	183	768	4.3	0.9	2.3	
Technicians	-	-	-	-	-	-	
Skilled workers – other	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
Total	585	183	768	0.31	0.68	0.36	

Distribution of hours of training per subject

Subject	Total of hours of training (1/1 – 31/12)
Accounting	584
Health and Safety	184
Total of hours	768

7.4 Remuneration and benefits policy

A reward policy is implemented in GEK TERNA Group and it follows parameters such as education, experience, responsibility as well as the value/weight of the position in the labour market. However, reward never depends on the gender (or other characteristics of diversity of the employee) and there is a policy of equal rewards between men and women for the same job.

At the same time, apart from the basic salary, the company offers additional benefits, according to the job and the relative needs, such as a car, a laptop and/or a mobile phone, in order to cultivate long-standing relationships of trust and support with its employees.

7.5 Equal opportunities and human rights

GEK TERNA Group aims at shaping a working of discrimination, for reasons of gender, age, nationality,

political and religious beliefs, sexual orientation, race environment of equal opportunities, rejecting any form or any other characteristic which is protected by the internationally agreed human rights.

Distribution of the Group's employees per country and sex (31/12)

Sex	Country	2012	2013	2014
	Greece	1,004	1,148	2,409
	Albania	23	33	1
	Serbia	218	399	363
	Bulgaria	77	171	238
	FYROM	1	1	1
Men	Bahrain	859	562	1,242
	Saudi Arabia	-	-	3
	Qatar	1,160	1,154	915
	United Arab Emirates	591	420	548
	Poland	-	-	б
	United States of America	4	4	4
	Total of Men	3,937	3,892	5,730
	Greece	235	267	397
	Albania	6	6	1
	Serbia	17	23	27
	Bulgaria	19	19	21
	FYROM	4	2	3
Women	Bahrain	54	53	78
women	Saudi Arabia	-	-	-
	Qatar	16	15	16
	United Arab Emirates	8	8	13
	Poland	-	-	2
	United States of America	2	2	2
	Total of Women	361	395	560
Total staff of the	Group	4,298	4,287	6,290

At GEK TERNA Group, we recognize the importance of respect and protection of internationally acknowledged human rights. For this reason:

- The Group fully respects the internationally agreed human rights and ensures their full implementation within the framework of its activities.
- Policies for the protection of human rights are being implemented.

Up to date, there have been no incidents of violation of human rights.

Catalan	2012		2013			2014			
Category	Men	Women	Total	Men	Women	Total	Men	Women	Total
Administrative staff	135	150	285	203	29	232	135	201	336
Technicians	175	25	200	592	16	608	217	26	243
Skilled workers – other	525	9	534	142	158	300	1,520	41	1,561
Other	169	51	220	211	64	275	-	-	-
Total	1,004	235	1,239	1,148	267	1,415	1,872	268	2,140

Distribution of human resources Greece (salaried staff) per category and sex

GEK TERNA Group is against child and forced labour. The Group ensures that all employees are over 18 years of age

and implements proper procedures during recruitment,

*The members of the BoD are not included in the total human resources.





The participation of women in the Group's human resources is encouraged and there are efforts aiming at the increase of their percentage in relation to the total number of employees. However, the nature of the Group's activities (construction and other) is such that it attracts mostly men.

Motherhood is supported by GEK TERNA Group and all the existing regulations and legislation regarding maternity and paternity leave are strictly implemented.

Data regarding maternity and paternity leaves

through which the age of employees is verified.

Data regarding maternity and paternity leaves	Number of employees
Number of employees who requested a parental leave in 2014	13
Number of employees granted parental leave in 2014	13
Number of employees who returned to work after the parental leave	13
Number of employees who returned to work after the parental leave, in 2014, and were still among company staff, after 12 months from the date of return	13
Employees' return to work rate	100%
Employees' retention rate	100%

7.6 Employment contracts

The Group's policy in all the countries in which it operates is the strict implementation of the existing legislation and the collective labour agreements that are in effect.

The total of the Group's employees is covered by the existing collective labour agreements. More specifically,

in Greece, the total (100%) of employees is covered by the National General Collective Agreement or the General Collective Agreements in effect (regarding Greece) with a contract of indeterminate duration for full-time employment.

Human resources Greece (salaried staff) per type of employment, contract and sex

Turner of		2012		2013			2014		
Types of employment & contract	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total staff	720	177	897	812	197	1,009	1,872	268	2,140
General Collec-	720	177	897	812	197	1,009	1,872	268	2,140
tive Agreement	100%	100%	100%	100%	100%	100%	100%	100%	100%
Not within the General Collec- tive Agreement framework	_	-	-	-	-	-	-	-	-
Contract of	720	177	897	812	197	1,009	1,872	268	2,140
indeterminate duration	100%	100%	100%	100%	100%	100%	100%	100%	100%
Fixed-term contract	-	-	-	-	-	-	-	-	-
Full-time	720	177	897	812	197	1,009	1,872	268	2,140
Part-time	-	-	-	-	-	-	-	-	-
Seasonal employees	-	-	-	-	-	-	-	-	-

All employees, in all projects and in all countries, where we operate, are insured, as provided by the regulations, while

the majority of the employees' remuneration significantly exceeds the legally established national minimum wage.

CORPORATE RESPONSIBILITY REPORT 2014 | 55

Supporting local communities

TER

N

GEK TERNA Group is always aiming at cooperating with and supporting the local communities at the areas where it operates via infrastructure development, the offer of employment and the cooperation with suppliers from the local regions.

56 | CORPORATE RESPONSIBILITY REPORT 2014

8.1 Social product

GEK TERNA Group's range of activities has a significantly positive impact on the economy and the society. The Group, through its activities, produces value for the society directly and indirectly. The payments to suppliers, the wages and benefits towards the employees and the respective contributions to the social security organizations, the payments to the providers of capital and the donations/sponsorships/investments in local communities in the areas in which the company operates, are only some of the ways through which the national economy and social growth are supported directly and indirectly. In 2014, the Group's "Social Product" reached about 1.16 billion euros.

Annual contribution to social growth – "Social product" (in thousands of euros)

	2013	2014
Payments to suppliers (operational cost, except for materials and cross- company exchanges)	576,054*	898,711
Wages and benefits of employees (including social security contributions)	94,849*	124,090
Total taxes paid	55,969	85,290
Payments to providers of capital	54,332*	53,051
Donations/sponsorships to the local communities (1*)	248	241
Total	781,452*	1,161,383

(*) revision due to reformation

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

Impact on the local economy from the opening (or closure) of a Company's production unit

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

Impact of the construction of infrastructure projects

The construction of infrastructure projects has significant economic and social impact during the period of construction as well as following the completion of the projects. In particular, during construction, a creation of direct and indirect jobs and a great demand of products and services (including subcontracts) takes place, mainly on a local scale (particularly in places where there is transportation cost or other factors favoring the demand of resources on a local level). In addition, following the completion of the infrastructure projects and during their operation, transportation costs of goods are reduced, entrepreneurship and labour market mobility are encouraged, cultural convergence is boosted and the emission of air pollutants is decreased.

The increasing benefit of infrastructure projects is one of the greatest in an economy. According

In 2014, the Group's "Social product" reached 1.16 billion euros. to the International Monetary Fund, investments in transportation have the highest increasing benefits in relation to all other forms of financial interventions, adding, for every euro that is invested, three euros to a country's Gross National Product.

Impact of the development and operation of renewable energy sources (wind parks and hydroelectric projects)

The development and operation of wind parks and hydroelectric projects of electricity production equally reduce the needs for electricity production from thermal sources and the emission of pollutants as well as of substances produced during transportation of the thermal fuels from the locations where they are produced. Furthermore, road construction for the installation of wind generators contributes to extinguishing potential fires in nearby woodland in an effective manner. Meanwhile, the State, through taxation of business profits and employee income as well as the distribution and consumption of products and offered services, acquires resources for covering the cost of social needs.

In a similar manner, the fact that a number of production units have ceased to operate due to the recession witnessed in recent years, will have a negative impact.



8.2 Social contribution

Social contribution, i.e the return of value to the group's stakeholders is in the company's DNA. Within this framework, the Group's business activity focuses on targeted social contribution such as:

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

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

- Financial support to Non-Governmental Organizations and State Bodies with a focus on improving the quality of life of vulnerable social groups (The Smile of the Child, the Ark of the World, UNICEF, Athens Municipal Nursery, Meal Provision Programmes of the Municipality of Athens, Nursing Homes etc.).
- Free construction of infrastructure projects and interventions for the improvement of everyday life of the inhabitants at the areas that host us (maintenance of schools, health centers, municipal buildings, roads, drilling wells, municipal lighting projects etc.).
- Flood protection projects, especially following natural disasters (fires, floods).
- Interventions at schools, hospitals etc. following earthquakes.
- Sponsoring local athletic and cultural associations at areas of Group operations in Greece and abroad.
- Sponsoring cultural activities that promote our architectural heritage.
- Scholarships to young men and women, support of scientific research programmes and conferences etc.

More specifically, in 2014, various supportive actions took place for the benefit of social groups. Below, we indicatively mention bodies and organizations which were supported by our company:

- Airport of Cephalonia: TERNA provided materials, machinery and technical staff for repairing the damages caused to the airport of Cephalonia following the earthquake of January 2014.
- Social Protection Solidarity and Preschool Education Organization of the Municipality of Ioannina. Our Company offered a prefabricated building for the needs of the Municipal Vegetable Garden that has been created in this area in order to support the residents who face severe financial difficulties.
- Educational institutions and organizations: the

company continued to support various educational institutions and organizations (e.g. Vocational Senior High School of Rethymno, BEST team of the Technical University of Crete, University of Piraeus etc).

In addition, TERNA ENERGY, GEK TERNA's subsidiary, continued to support bodies and actions in the local communities where it operates.

Supported bodies include school organizations (Primary School of Karystos), local sports associations (Municipality of Gortynia, Municipality of Mandra, Municipality of Kymi, Aliveri) as well as cultural and embellishment associations (e.g. Municipality of Feres, of Rethymno, of Nafpaktia). In addition, TERNA ENERGY took action in the following areas:

- Restoration projects of the Holy Metropolis of Megara of Salamina as well as restoration of the Holy Church of Saint Athanassios (Municipality of Tanagra)
- Improvement of rural roads of the Municipality of Karystos
- Financial support of the Municipality of Assimi (Municipality of Alexandroupolis) in order to equip the local playground
- Financial support to the Volunteer Forest Firefighters and Rescuers
- Financial support to an athlete for the purpose of purchasing a sailing vessel for the Olympic Games.

Support of the Athens Municipal Nursery – meal provision programmes for vulnerable groups of the Municipality of Athens

On the occasion of Christmas celebrations and due to the constantly increasing need to support our fellow citizens, we continued to support the Athens Municipal Nursery and the meal provision programme for vulnerable groups of the Municipality of Athens.

Moreover, in 2014, we introduced an internal programme for the voluntary collection of food supplies by the Group's employees for the Municipal Nursery. The participation of employees was remarkable. Significant contribution of the Group's construction sites from all over the country was particularly moving and notable. In only two weeks, food supplies, amounting to a total value of approximately 7,000 euros, were gathered by the employees, while the Group matched the total offered amount. RPORATE RESPONSIBILITY REPORT 2014 | 59

Responsible Procurement

We boost the economy and the society of the provincial regions:

34%

of the all Group's suppliers are from local markets GEK TERNA Group, given its size and activity, provides great quantities of materials and services. Meanwhile, the company cooperates with a large number of local and foreign suppliers.

In order to ensure responsible management of the supply chain, the Group abides by all relevant legislation and pursues cooperation with vendors that comply with social security and labour legislation as well as all regulations regarding the Health and Safety of employees.

In addition, the Group's primary goal is to provide materials and services of excellent quality that will contribute to the overall, admirable quality of the projects that are under construction, as quality benefits all stakeholders in a variety of ways, whilst constituting a proof of responsibility on behalf of the constructor.

9.1 Supporting local suppliers

The Group actively supports the local economy in the areas where we operate in many ways, including coopering with local suppliers. 34% of all the Group's suppliers come from local markets, proving the Group's positive footprint on the national economy as well as the local communities.

Impact of the change of the Group's size/performance on its suppliers

In construction, the biggest share of the cost concerns the materials and equipment used for the various projects, subcontractors and the purchase of construction and transportation machinery. Thus, the change of the levels of construction activity directly leads to a corresponding change of the demand towards the suppliers regarding the immediate cost of projects. That means that the increase or decrease of construction activity results in the increase or decrease of demand towards the Company's suppliers.

In addition, profitability in projects influences the rate of renewal of construction equipment. Due to the large number of suppliers, the impact of the change of activity is great.

In the area of electricity production, as the plants are constructed by the Group itself, the dispersion of suppliers is limited as cooperation focuses mainly on high-tech companies.



CORPORATE RESPONSIBILITY REPORT 2014 | 61

Procurement with responsibility: We obtain and use timber certified according to FSC

The Stavros Niarchos Foundation Cultural Center (SNFCC) has incorporated sustainable development principles greatly, aiming at a "green" certification according to LEED.

Construction methods are based on eco-friendly standards. Recyclable materials are used and part of the timber used for construction is certified according to FSC (Forest Stewardship Council). This type of certification ensures that timber originates exclusively from woods managed in a sustainable way.

9.2 Caring for Health and Safety

Our top priority is to ensure the Health and Safety of our people as well as of the employees working for subcontractors within the Group or in projects undertaken by the Group. Within this framework, the Group demands for the cooperation of any subcontractor regarding the compliance with all necessary Health and Safety regulations and the full compliance of the subcontractor's staff with the relevant regulations of the Group.

9.3 Procurement with respect to human and labour rights

GEK TERNA Group respects the internationally agreed human and labour rights and aims at implementing them within the framework of its activities. A necessary condition for the cooperation with any contractor is the compliance with the legislation regarding labour issues. Contractors who employ staff from other countries, should ensure that their staff possesses the appropriate residence and work permits provided by the law.

9.4 Procurement with respect to the environment

The Group's pursues to minimize the impact of activities on the natural environment. For this reason, during the selection process of suppliers or associates, the compliance with certified Environmental Management Systems is a positive asset. While in special cases, (e.g. cooperation between companies of waste management etc) it is a mandatory condition.

62 | CORPORATE RESPONSIBILITY REPORT 2014

About the Report

The present Report constitutes GEK TERNA Group's first effort to fully illustrate its performance and impact in relation to Corporate Responsibility and Sustainable Development.

The Report covers the period 1/1/2014-31/12/2014 and is the second Corporate Responsibility and Sustainable Development Report of GEK TERNA Group after Corporate Responsibility Report of the year 2013. Still, it is the first Report based on the Global Reporting Initiative Guidelines, GRI-G4 edition, corresponding to the demands of "In accordance-Core" level. Moreover sector disclosures («Construction and real estate») have been used.

GEK TERNA Group intends to publish a Corporate Responsibility and Sustainable Development Report on an annual basis.

Scope and boundaries

The Report covers GEK TERNA Group's activities, emphasizing on TERNA S.A. and TERNA ENERGY, since they are the Group's biggest companies.

The Group's unified data that are presented (e.g. financial) have to do with the legal forms as those are depicted in the Group's Annual Financial Report (Annual Financial Statements 2014, p. 62-69). However,

some data (e.g. Environmental Policy TERNA) concern some specific companies of the Group.

Project Methodology and Team

A special team of executives from all the Group's Departments is responsible for this Report. The team's fundamental mission is to gather all necessary information concerning the areas of Corporate Responsibility and Sustainable Development.

The members of the Corporate Responsibility team that cooperated for this edition are:

- Coordinators: Konstantinos Lamprou, Danae Kalantidi.
- Departments' Representatives persons responsible for the material: Panayiotis Avgoustinos, Vassilis Delikaterinis, Kiriakos Klavariotis, Filippos Tepaskoualos, Andreas Tsaprazis, Christos Zaribas.

External verification

As the present Report is the first such edition of GEK TERNA Group, the Group has decided to not proceed, during this phase, to the external verification of the presented data. However, it acknowledges the importance of such a step and intends to proceed to an external verification in the next Reports.

Contact us

Your opinion is very important to us in order to improve the way we operate and communicate with you. Please do not hesitate to contact us and share your comments and views with us, so that we can offer any clarification or answer any question regarding GEK TERNA Group's activities on issues of Corporate Responsibility and Sustainable Development.

Danae Kalantidi Corporate Communication & CSR

GEK TERNA Group 85, Mesogeion Avenue, Athens, 11526, Greece Tel.: 2106968000, Fax: 2106968098-99 E-mail: sustainability@gekterna.com www.gekterna.com

Support

The Corporate Responsibility and Sustainable Development Report (compilation of data, assessment and writing) was prepared by specialized consultant George Iliopoulos.

GRI-G4 Indicators Table

GRI Indicator	Description	ISO 26000	Page number or section	External assurance
G4-1	Chairman's statement – Sustainable development strategy		р. 5	-
G4-2	Description of key impacts, risks and opportunities	4.7, 6.2, 7.4.2	p. 13 Annual Financial Report 2014 p. 12-14	-
G4-3	Name of the Company		р. б	-
G4-4	Primary brands, products, and/or services		р. б, 8-10	-
G4-5	Location of organization's headquarters		р. б	-
G4-6	Countries were GEK TERNA operates		p. 7	-
G4-7	Nature of ownership and legal form		p. 6 Annual Financial Report 2014 p. 28-29, 42	-
G4-8	Markets served		p. 7, 8-10	-
G4-9	Scale of GEK TERNA		р. б	-
G4-10	Quantitative data of labor force	6.3.10, 6.4.1-6.4.2,	p. 47-51	-
G4-11	Percentage of total employees covered by collective bargaining agreements	6.4.3, 6.4.4, 6.4.5,	p. 54	-
G4-12	Description of supply chain	6.8.5, 7.8	p. 60-61	-
G4-13	Significant changes during the reporting period		There were not	-
G4-14	How the precautionary approach/ principle is addressed		p. 32	-
G4-15	Externally developed economic, environmental and social charters principles, or other initiatives to which GEK TERNA subscribes or which it endorses		p. 27-29	-
G4-16	Memberships of associations (such as industry associa- tions) and national or international advocacy organiza- tions		p. 13	-

GRI Indicator	Description	ISO 26000	Page number or section	External assurance
G4-17	Entities included in the organization's consolidated financial statements		p. 8-10 Annual Financial Report 2014 p. 66-73	-
G4-18	Process for defining the report content and the Aspect Boundaries – Implementation of Reporting Principles for Defining Report Content		p. 22-23	-
G4-19	List of all the material Aspects identified in the process for defining report content	5.2, 7.3.2, 7.3.3,	p. 22-23	-
G4-20	Aspect boundaries within the organization	7.3.4	p. 24	-
G4-21	Aspect boundaries outside the organization		p. 24	-
G4-22	Restatements of information provided in previous reports		There were not	-
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries		There were no signifi- cant changes	-
G4-24	List of stakeholder groups engaged by GEK TERNA		p. 19	-
G4-25	Basis for identification and selection of stakeholders		p. 19	-
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	5.3	p. 20-22	-
G4-27	Key topics and concerns that have been raised through stakeholder engagement		p. 20-22	-
G4-28	Reporting period		p. 62	-
G4-29	Date of most recent previous report		p. 62	-
G4-30	Reporting cycle		p. 62	-
G4-31	Contact point for the report	7.5.3, 7.6.2	p. 63	-
G4-32	Report of the 'in accordance' option – GRI Content Index - External assurance of the report		GRI-G4 'In accordance' – Core p. 62	-
G4-33	Policy and current practice with regard to seeking external assurance for the report		p. 63	-
G4-34	Governance structure of the organization	6.2, 7.4.3, 7.7.5	p. 15-16	-

GRI Indicator	Description	ISO 26000	Page number or section	External assurance
G4-56	Organizational values, principles, standards and norms of behavior	4.4, 6.6.3	p. 6, 7, 17	-

Economic performance indicators

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/ comments	Reason(s) for omission / non-disclo- sure	External assurance
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 12-13	-	-
	G4-EC1: Direct economic value generated and distrib- uted	6.8.1- 6.8.2, 6.8.3, 6.8.7, 6.8.9	p. 12-13	-	-
Economic Perfor- mance	G4-EC2: Financial implications and other risks and opportu- nities for the organization's activities due to climate change	6.5.5	No significant financial implications on the business activities of the company have been identified	-	-
	G4-EC3: Coverage of the organization's defined benefit plan obligations	6.8.7	GEK TERNA covers insurance expenses for all employees as defined by the law. Retiring employees receive retirement by relevant governmental authorities. No other saving program is being implemented.	-	-
	G4-EC4: Financial assistance received from government	—	Annual Financial Report 2014 p. 101-102, 110	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 13, 56-58, 60-61	-	-
Indirect	G4-EC7: Development and impact of infrastructure investments and services supported	6.3.9, 6.8.1- 6.8.2, 6.8.7, 6.8.9	p. 13, 56-58, 60-61	-	-
Economic Impacts	G4-EC8: Significant indirect economic impacts	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8.1- 6.8.2, 6.8.5, 6.8.7, 6.8.9	p. 13, 41, 56-58, 60-61	-	-
Duran	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 56. 60	-	-
Procure- ment Practices	G4-EC9: Proportion of spending on local suppliers at significant locations of operation	6.4.3, 6.6.6, 6.8.1- 6.8.2, 6.8.7	p. 56. 60	-	-

Environmental performance indicators

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or refer- ence/comments	Reason(s) for omission / non-disclo- sure	External assurance
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 34	-	-
	G4-EN1: Materials used by weight or volume		p. 34	The exact measurement of	-
Materials	G4-EN2: Percentage of materials used that are recycled input materials	6.5.4	p. 34	the volume of materials that are being recycled is not available for the moment. The company aims to be able to measure it within the next period	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 35	-	-
Energy	G4-EN3: Energy consumption within the organization	6.5.4	p. 35	-	-
	G4-EN6: Reduction of energy consumption	6.5.4,	p. 40	-	-
	G4-EN7: Reductions in energy requirements	6.5.5	p. 40	-	-
	CRE1: Building energy intensity	-	p. 40	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 35-37	-	-
	G4-EN8: Total water withdrawal by source		p. 35-37	-	-
Water	G4-EN9: Water sources signifi- cantly affected by withdrawal of water		p. 35-36	-	-
	G4-EN10: Percentage and total volume of water recycled and reused	6.5.4	p. 36-37	The exact measurement of the total volume of water recycled is not possible at the moment	-
	CRE2: Building water intensity	-	p. 35-37	-	
Biodiversity	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 39	-	-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or refer- ence/comments	Reason(s) for omission / non-disclo- sure	External assurance
Biodiversity	G4-EN11: Operational sites owned, leased managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6	р. 39	-	-
,	G4-EN12: Description of significant impacts of activi- ties, products, and services on biodiversity in protected areas		p. 39	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 35	-	-
	G4-EN15: Direct greenhouse gas (GHG) emissions (scope 1)		p. 35	-	-
Emissions	G4-EN16: Energy indirect greenhouse gas (GHG) emissions (scope 2)	6.5.5	p. 35	-	-
	G4-EN19: Reduction of green- house gas (GHG) emissions		p. 35	-	-
	CRE3: Greenhouse gas inten- sity from buildings	-	p. 35, 40-41	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 38-39	-	-
	G4-EN22: Total water discharge by quality	6.5.3, 6.5.4	p. 38-39	-	-
	G4-EN23: Total weight of waste by type and disposal method		p. 38-39	-	-
	G4-EN24: Total number and volume of significant spills		There were no spills	-	-
Effluents and Waste	G4-EN25: Weight of trans- ported, imported, exported, or treated waste deemed hazardous	6.5.3	p. 38-39 The Company does not operate in waste manage- ment sector. GEK TERNA fully complies with Law 2939/2001 and in its framework has contracts with Alternative Waste Management Systems.	-	-
	G4-EN26: Identity, size, protected status, and biodi- versity value of water bodies and related habitats signifi- cantly affected by the organi- zation's discharges of water and runoff	6.5.3, 6.5.4, 6.5.6	p. 38-39	-	-
Products and Services	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 38-39		-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or refer- ence/comments	Reason(s) for omission / non-disclo- sure	External assurance
Products	G4-EN27: Extent of impact mitigation of environmental impacts of products and services	6.5.3, 6.5.4, 6.5.5, 6.7.5	p. 32-33, 37, 40-41	-	-
and Services	G4-EN28: Percentage of products sold and their packaging materials that are reclaimed by category	6.5.3, 6.5.4, 6.7.5	Due to the nature of the Company's products, they are not reclaimed products and services	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 31-32, 40	-	-
Compliance	G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.6	p. 40	-	-

Social performance indicators

	Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/ comments	Reason(s) for omission non-disclo- sure	External assurance	
--	---------------------	--	--------------	--	--	-----------------------	--

Labor practices and decent work

Employment	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 47-52	-	-
	G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region	6.4.3	p. 47-51	-	-
	G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by signif- icant locations of operation	6.4.4, 6.8.7	p. 51-52	-	-
	G4-LA3: Return to work and retention rates after parental leave, by gender	6.4.4	The company provides parental leaves to all employees who already have child or are about to have one. All employees who receive such a leave continue working in the company 12 months after they take this leave.	-	-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/ comments	Reason(s) for omission / non-disclo- sure	External assurance
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 43-45	-	-
	G4-LA5: Percentage of total workforce represented in formal joint management– worker health and safety committees	6.4.6	p. 43 All employees in Greece are covered by the Health and Safety Management System that is being implemented	-	-
Occupational Health and Safety	G4-LA6: Type of injury and rates of injury occupational diseases, lost days, and absen- teeism, and total number of work-related fatalities, by region and by gender	6.4.6, 6.48	p. 44-45	-	-
	G4-LA7: Workers with high incidence or high risk of diseases related to their occupation		p. 45	-	-
	CRE6: Percentage of the organ- ization operating in verified compliance with an interna- tionally recognized Health and Safety Management System	-	p. 43-45	-	-
	G4-LA8: Health and safety topics covered in formal agree- ments with trade unions	6.4.6	There are no relevant agreements- all legal restrictions are applied	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 51	-	-
Training and Education	G4-LA9: Average hours of training per year per employee by gender, and by employee category	6.4.7	p. 51	-	-
	G4-LA10: Programs for skills management and lifelong learning	6.4.7, 6.8.5	p. 51	-	-

Material Aspects	Management approach & performance indicators	ISO 26000	Page number(s) or reference/ comments	Reason(s) for omission / non-disclo- sure	External assurance
Society					
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 20-21, 39, 56-58, 60-61	-	-
Local Communities	G4-SO1: Percentage of opera- tions with implemented local community engagement, impact assessments, and devel- opment programs	6.3.9, 6.5.1- 6.5.3, 6.8	p. 20-21, 39, 56-58, 60-61 Collaboration programs with the local communities are applied in the context of the areas where the company operates, as well as in a wider range. Environmental Impact Assessments are conducted according to the relevant legislation.	-	-
	G4-SO2: Operations with significant actual and poten- tial negative impacts on local communities	6.3.9, 6.5.3, 6.8	p. 39, 56-58, 60-61 There are no negative impacts to local communities as the company takes all the necessary measures and fully complies to the legislative framework.	-	-
	CRE7: Number of persons volun- tarily and involuntarily displaced and/or resettled by develop- ment, broken down by project	-	p. 56-58	-	-
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	p. 16-17	-	-
Anti-corrup- tion	G4-SO3: Total number and percentage of operations assessed for risks related to corruption	6.6.1- 6.6.2, 6.6.3	All business units are being system- atically audited by internal audit function in order to safeguard the implementation of rules p. 16-17	-	
	G4-SO4: Communication and training on anti-corruption policies and procedures	6.6.1- 6.6.2, 6.6.3, 6.6.6	All new employees are explicitly informed regarding the company's Internal Regulation and Code of Conduct which includes relevant issues	-	-
Public policy	G4-SO6: Total value of political contributions by country and recipient / beneficiary	6.6.1- 6.6.2, 6.6.4	The company do not support finan- cially or in another way, political parties or politicians	-	-
Product respon	sibility				
	G4-DMA (Management approach)	6, 7.3.1, 7.4.3,	All important product and service categories that the Group	-	-
Customer Health and Safety	G4-PR1: Percentage of signifi- cant product and service categories for which health and safety impacts are assessed for improvement	7.7.3, 7.7.5	offers, are complied with laws and regulations regarding the protection of end users Health and Safety. In parallel, they are being audited in order their level of Health and Safety protection to be continuously improved.	-	

