



**GEK TERNA**  
GROUP OF COMPANIES

# Sustainable Development Report 2022



**COORDINATOR**  
Directorate of Strategic Communication,  
Corporate Social Responsibility  
and Sustainable Development

[www.gekterna.com](http://www.gekterna.com)



# CREATING VALUE FOR A BETTER TOMORROW

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# 01 ESG Performance and Key priorities

The following summary discloses the performance of GEK TERNA Group for the year 2022 in relation to the environment, society and governance (ESG) issues, and reflects our key priorities for 2023.

Focusing on sustainable development issues and integrating them into the Group's strategy is a key commitment for GEK TERNA Group, aiming to create long-term value for all stakeholders.

## ENVIRONMENT

**35%**  
green energy

Preventing the emission of  
**1,119,784 tons CO<sub>2</sub>**

**63% decrease**  
of Scope 2 indirect emissions (Market based approach)

## SOCIETY

**>€ 5 million**  
for investments in local community

**18,170**  
Training hours

**45%**  
increase in the number of student internships in the Group

## GOVERNANCE

**Zero**  
incidents of discrimination

**83.4%**  
domestic suppliers

**Policies**  
Human Rights Policy  
Policy against Violence and Harassment at work

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| Group's Material Topics                     | Targets 2022   | Performance 2022   | Targets 2023   |
|---|--|--|--|
| Business Ethics and Regulatory Compliance   | Retaining zero confirmed incidents of corruption.  |   | Retaining zero confirmed incidents of corruption.  |
|   | Implementing one emergency drill per facility annually.                                    |   | Implementing at least one emergency drill per facility annually.   |
| Decarbonization & Climate change mitigation | Training of all Group's employees (100%) in the management of emergency incidents.         |   | Training of all Group's employees (100%) in the management of emergency incidents.                                       |
|   | Securing the required sources to procure appropriate emergency management equipment.       |   | Securing the required sources to procure appropriate emergency management equipment.                                     |
|   | Operation of all Group companies (100% of the Group's subsidiaries) amid external factors. |  | Identification and timely treatment of internal and external factors that could potentially lead to business disruption. |

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| Group's Material Topics         | Targets 2022  | Performance 2022  | Targets 2023  |
|---------------------------------|---|---|---|
| Environmental & Energy Strategy | Retaining high percentage of environmental training to all Group's employees.   |    | Retaining high percentage of environmental training to all Group's employees.   |
|                                 | At least one environmental inspection per project/ facility.  |    | At least one environmental inspection per project/ facility.  |
|                                 | Maintaining zero incidents of non-compliance with environmental licenses, standards and regulations.  |    | Maintaining zero incidents of non-compliance with environmental licenses, standards and regulations.  |
|                                 | Maintaining zero monetary fines or other penalties regarding the violation of environmental legislation and relevant regulations.   |    | Maintaining zero monetary fines or other penalties regarding the violation of environmental legislation and relevant regulations.   |
| Climate Change                  | Increase of guarantees of origin .  |  |   |
|                                 | Completion of an action plan for the reduction of carbon footprint.   |  | Finalization of a specific action plan for the reduction of carbon footprint.   |
|                                 | Participation in CDP (Carbon Disclosure project).   |  | Maintaining and/ or improvement of the CDP (Carbon Disclosure project) rating   |
|                                 | Protection of the environment, ecosystems and cultural heritage: <ul style="list-style-type: none"> <li>• Maintaining zero environmental incidents.</li> <li>• Maintaining zero incidents of pollution - contamination of ecosystems (Natura).</li> <li>• Maintaining zero incidents in cultural heritage sites.</li> </ul> |  | Maintaining high performance in environmental compliance issues and alignment with legislative and regulatory frameworks regarding the protection of the environment, Biodiversity and the cultural heritage by incorporating new technologies. |

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| Group's Material Topics            | Targets 2022  | Performance 2022      | Targets 2023   |
|------------------------------------|---|-----------------------|--|
| Employment Practices               | Maintaining a high level of efficiency in critical position recruitment.  | <input type="radio"/> | Maintaining a high level of efficiency in critical position recruitment.   |
|                                    | Average time of job position fulfillment to be 8 weeks.   | <input type="radio"/> | Average time of job position fulfillment to be 8 weeks.  |
|                                    | Recruitment within the time schedule of each project.   | <input type="radio"/> | Recruitment within the time schedule of each project.  |
| Health & Safety                    | Zero fatalities   | <input type="radio"/> | Zero fatalities  |
|                                    | Improving employee culture regarding Health & Safety issues, through regular trainings, newsletters, campaigns, and specific certification.   | <input type="radio"/> | Establishment of employee culture regarding Health & Safety issues through regular trainings (generic and specific), and targeted actions (eg. Lessons Learned, Newsletters, Campaigns, Certifications). |
|                                    | Annual training to all (100%) employees on an in general H&S issues regarding the improvement of employee culture but also based on the type of projects and the skills of employees. | <input type="radio"/> |  |
|                                    | At least one compliance audit in Health & Safety issues per semester, per facility.   | <input type="radio"/> | At least one compliance audit in Health & Safety issues per semester, per facility.  |
|                                    | Ensuring availability of resources - financial and human- to maintain Health & Safety at a high level.  | <input type="radio"/> | Ensuring availability of resources - financial and human- to maintain Health & Safety at a high level.   |
|                                    | Development of an e-learning platform for all employees.  | <input type="radio"/> | Activation of the e-learning platform and provide training to all employees.   |
|                                    | Training update (Euro/ Trainee).  | <input type="radio"/> | Increase of soft skills trainings for all employees.   |
| Employees Training and Development |   | New Target            |  |
|                                    |   | New Target            |  |
|                                    |   | New Target            | Human Rights trainings for all employees.  |

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| Group's Material Topics    | Targets 2022   | Performance 2022 | Targets 2023  |
|----------------------------|--|------------------|---|
|                            | Further increase of direct economic value.                           | ○                | Further increase of direct economic value.                |
| Creation of economic value | Further increase of distributed economic value.                      | ○                | Further increase of distributed economic value.           |
|                            | Further increase of sponsorships and social contribution activities. | ○                | Maintaining Group's performance in social support issues. |



# 02

## Chairman's message

In 2022, the international energy crisis, high inflation, and the increase in the cost of money created a challenging environment for Greek businesses and the domestic economy. Despite the international geopolitical and macroeconomic uncertainties, GEK TERNA Group, has remained focused on its growth strategy, managing to further strengthen its financial position, through a robust operational performance in all activity areas.

Specifically, the Group's total revenues for 2022 almost quadrupled compared to 2021, reaching 4 billion Euros, while net profits increased almost 6 times than the previous year. GEK TERNA is going through its most productive period, and this is the cornerstone for even further growth. It is our priority to ensure our projects' sustainability and added value for the Group and its shareholders.

The Group's priority is the development and implementation of a strategy that focuses on continuous improvement and achievement of high goals in sustainability. Having this in mind, old ESG priorities have been redefined and new ones have been developed, regarding innovation and digital transformation, climate change and the promotion of the circular economy, protecting health, safety and the development of employees, social responsibility, integrity and business ethics. To demonstrate these efforts, we are publishing the 10th Sustainable Development Report of GEK TERNA Group, for the reporting year 2022.

### **Sustainable development and governance**

The continuous promotion of business ethics and regulatory compliance is a matter of key importance for the Group, as it is the baseline for the way it conducts its business and also, characterizes the relationships that the Group develops with all employees, suppliers, and partners.

### **Environmental Protection**

In 2022, the Group concentrated its efforts on developing a targeted action plan to reduce the carbon footprint of its activities, which will be in line with the objectives of both the SBTi (Science Based Target initiative) and the Paris Agreement and will be finalized in the upcoming year.

The Group successfully participated in the Carbon Disclosure Project (CDP) and received a B rating, demonstrating good environmental management and proper identification of environmental impacts, while it was also an important recognition of our strategy and performance related to climate change mitigation. Next year's goal is to improve this rating.

### **Strengthening the Social Footprint**

GEK TERNA Group believes that sustainability is not just about the environment but also about creating meaningful impacts in the communities it serves. As part of its commitment, it actively sponsors cultural and educational initiatives throughout Greece. Thus, it is always an active supporter of the society, via its corporate social responsibility program, which reached , 5.1 million Euros in 2022.

The Group's most significant, exclusive sponsorship of the new professional postgraduate program in Infrastructure and Construction Project Management of the National Technical University of Athens, was presented at the beginning of this year and aims to give young engineers the knowledge and skills they need for the new generation of projects; the Group consistently supports student teams which create innovative projects, participate in international STEM competitions and seek new solutions related to engineering and energy efficiency challenges.

We really believe in the new generation of our country, and we wish to stand by their side, to support them to both learn and progress. The Group is committed to providing them with the knowledge and skills they require, in order to be able to gain professional experience in interesting projects and well-paid jobs.

### **Development of a Responsible Market**

GEK TERNA Group has been systematically investing in Greece for several decades, focusing on the sectors of clean energy production and storage, circular economy, infrastructure, and concessions. With investments totaling over 6.5 billion euros, the Group is generating over 20,000 new jobs across diverse industries.

What we have achieved is the basis on which we step for a new leap forward for even greater growth in the future. Our achievements are the result of the hard work of our people, the excellent human resources of the Group companies and the good reputation we have built over time with skills, professionalism, consistency, insight and empathy that distinguish our Group, virtues that constitute our most substantial and convincing legacy for the future.

GEK TERNA Group is more profitable than ever in the last 50 years of its activity, expecting a significant added value in the coming years.

### **George Peristeris**

**Chairman and CEO, GEK TERNA Group**

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# 03 About GEK TERNA Group

GEK TERNA Group is one of the largest business groups in Greece, operating in Central and Southeastern Europe and the Middle East. The Group holds a leading position in the fields of construction, production, supply, and trading of electricity from thermal and Renewable Energy Sources (RES), concessions, waste management, real estate and the quarry-industry. GEK TERNA, is listed on the Athens Stock Exchange (FTSE / Athex Large Cap) with a turnover of € 3,938 million.

The backlog of the Group, at the date of preparation of the Financial Statements, amounted to €2.9 billion, while including the new agreements to be signed, amounts to €5.3 billion. Moreover, the Group's investment plan in the field of RES is increasing rapidly, having in operation, under construction or ready for construction, RES facilities with a total capacity of 2,000 MW in Greece, Central and Eastern Europe. Including a wide range of projects in various levels of maturity, the Group's total capacity exceeds 12 GW.

The main pursuit of GEK TERNA Group is the development of a balanced portfolio, based on the solid foundations of the Group's investment history. The Group aims to strengthen and expand its business activities while adhering to the principles of Sustainable Development. Regarding the transition to an economy less dependent on fossil fuels, the Group has the knowledge and the willingness to continue playing a leading role in the field of Sustainable Development and Green Economy. This includes activities that contribute not only to the economic development, but also to the mitigation of the negative impacts of climate change.

The Group's strategy is based on the following principles which characterize its business activity:



**Respect for humans  
and the natural environment.**



**Value creation  
for our stakeholders**



**Honesty & reliability  
in all business activities.**



**Contribution to society  
through targeted initiatives.**

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**€3,938 million**  
Turnover



**16 Countries**  
of operation



**6,873**  
Employees



**€2.9 billion**  
construction backlog



**1,487 MW**  
Installed capacity



**1,500 km.**  
of motorway concessions



## 3.2 Group activities

GEK TERNA Group is one of the most significant Greek Groups, with a strong presence in the following sectors:



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**Infrastructure**

GEK TERNA Group is active in the construction field, through its subsidiary TERNA S.A. Founded in 1972, TERNA ([www.terna.gr](http://www.terna.gr)), holds a prominent position among the top construction companies in Greece. It specializes in executing complex infrastructure projects that adhere to rigorous standards and closely collaborates with international conglomerates.

TERNA S.A.'s proven experience in the execution of large road, building, and port construction projects, as well as large energy projects, along with its established presence in the markets where it operates, renders it one of the most recognized technical companies in Greece.



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## ⚡ Energy Production

With a presence in the energy sector since the mid-1990s, GEK TERNA Group is one of the protagonists both in the field of Renewable Energy Sources, through TERNA ENERGY Group, and thermal energy, through HERON Group.

### RES electricity generation

TERNA ENERGY S.A. Group is one of the largest vertically integrated Greek Groups in the field of Renewable Energy Sources (RES), with activity in the development and operation of RES projects. TERNA ENERGY is listed on the Athens Stock Exchange (FTSE / Athex Large Cap), while as of December 1st, 2022, is included in the MCSI index. The activity of TERNA ENERGY Group includes a wide range of RES technologies and in particular:

|  |  |   |
|--|--|---|
| <br>Wind farms      | <br>Hydroelectric projects | <br>Pumped storage projects                |
| <br>Photovoltaics | <br>Hybrid stations      | <br>Biogas and waste management projects |

The Group has in operation, under construction or ready for construction, RES facilities in Greece, Central and Eastern Europe with a total capacity of almost 2,000 MW. Encompassing projects in diverse levels of maturity, the Group's total capacity exceeds 12 GW.

### Production of electricity from Thermal Energy Sources - Sale of electricity

GEK TERNA Group is active in the fields of thermal energy sources and the trade of electricity and natural gas through its 100% stake in HERON II and HERON ENERGY, with a combined capacity of 582 MW. Notably, HERON Group is a leader in the market with vertically integrated and business operations that span from natural gas-based electricity generation to trading and supply of electricity and natural gas.



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**↕ Concessions-Self/Co-Financed Project**

GEKTERNA Group manages a diverse portfolio of concessions, including major infrastructures (transportation, tourism, environmental), as well as important ventures within the realm of the digital economy. Examples include:

- Motorways
- Airports
- Tourist and entertainment developments
- Ports
- Integrated waste management infrastructure
- Car stations
- Digital transformation projects

It is noteworthy that GEK TERNA Group currently is the largest group in Greece specializing in motorway concessions, boasting an extensive portfolio of over 1,500 km of highway management.



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**Real Estate Development**

GEK TERNA Group is also active in the development and management of real estate with a wide portfolio in Greece, Bulgaria and Romania, that includes shopping malls, logistic centers, industrial parks, amusement parks, residential complexes, hotels, etc.

**Industry/Mining**

The Group also invests in the natural resources sector through TERNAMAG S.A., ([www.ternamag.com](http://www.ternamag.com)) which is a mining and trading company whose main activity is the production and processing of magnesite and caustic magnesia products. The company has significant export activity, as a reliable partner on a customer-centric approach, operational excellence and commitment to sustainable development.



# 3.3 Value chain and business relationships

Cooperating with many suppliers and subcontractors is part of the Group's everyday business.

The following table presents, in detail, the value chain of the Group per activity sector:

| Upstream  | Activities of GEK TERNA  | Downstream  |
|---|--|---|
| <ul style="list-style-type: none"> <li>Material suppliers</li> <li>Equipment suppliers</li> <li>Energy providers</li> <li>Subcontractors</li> </ul>   |  <b>Infrastructure</b>  | <ul style="list-style-type: none"> <li>Customers (Individuals or Public)</li> <li>Infrastructure users</li> </ul>   |
| <ul style="list-style-type: none"> <li>Supply of electricity for the operation of the stations</li> <li>Wind</li> <li>Solar radiation</li> <li>River water (hydroelectric stations)</li> <li>Supply of fuels and materials for operation and maintenance purposes (H2 for cooling, special chemicals, oils for turbine maintenance)</li> <li>Biological raw materials (waste from dairy farms, corn and / or other organic raw materials)</li> <li>Suppliers of raw materials</li> <li>Equipment suppliers</li> </ul> |  <b>RES electricity generation</b>  | <ul style="list-style-type: none"> <li>Transmission and distribution through the national electricity grid (Substations, Transfer lines, Distribution lines)</li> </ul> |
| <ul style="list-style-type: none"> <li>Fuel supply (natural gas)</li> </ul>   |  <b>Production of electricity from Thermal Energy Sources - Sale of electricity</b> | <ul style="list-style-type: none"> <li>National electricity network (substations, transmission lines, distribution lines)</li> <li>Consumers</li> </ul>                 |
| <ul style="list-style-type: none"> <li>Manufacturers</li> <li>Service Providers</li> <li>Material suppliers</li> </ul>  |  <b>Concessions-Self/Co-Financed Projects</b>                                       | <ul style="list-style-type: none"> <li>Drivers</li> <li>Passengers</li> <li>Retail Sellers</li> <li>Airlines</li> </ul>   |
| <ul style="list-style-type: none"> <li>Manufacturers</li> <li>Service Providers</li> <li>Material suppliers</li> <li>Equipment suppliers</li> <li>Energy/water suppliers</li> <li>Security companies</li> <li>Subcontractors</li> </ul>   |  <b>Real Estate Development</b>   | <ul style="list-style-type: none"> <li>Tenants</li> <li>Buyers</li> </ul>   |
| <ul style="list-style-type: none"> <li>Equipment suppliers</li> <li>Energy suppliers</li> </ul>   |  <b>Industry/mining</b>   | <ul style="list-style-type: none"> <li>Product distribution</li> <li>Industries (pharmaceutical, animal feed, etc.)</li> </ul>  |

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\*As they are listed on the above pages for each sector of activity.

## 3.5 Sustainability linked bond

Sustainable investments are directly linked to the Group's strategy, regarding the implementation of its business model and business objectives goals in achieving long-term value creation and the reduction of its overall environmental footprint.

In this regard, the Group has linked its 2021 established bond program with the strategy and goals it has set for sustainable development. This connection proves the significance of the specific objectives for the future trajectory of the Group as well as its commitment to create incentives for their achievement. In addition, through the issuance of a bond linked to a sustainability clause, GEK TERNA Group aims to further disseminate good practices of sustainable financing and improve ESG performance.

To reinforce this approach, GEK TERNA Group has established a bond and integrated it with their sustainable development objectives and strategy. Moreover, GEK TERNA Group aspires to promote the growth of sustainability financing in Greece and improve ESG performance by issuing a linked bond to a sustainability clause. The Sustainability Linked Bond Framework<sup>1</sup> ("the Framework") is in force as of 29.11.2021 and has been developed in accordance with the Sustainability Linked Bond Principles (SLBP), established by the International Capital Markets Association (ICMA) in June 2020.

### Selection of Key Performance Indicator (KPI)

The Index included for the purposes of the Framework and related to the reduction of greenhouse gas emissions, reflects the organization's commitment in monitoring its performance and aligning it with its broader strategic business objectives. The KPI concerns the reduction of the intensity of greenhouse gas emissions from the Group's subsidiaries that are active in the field of electricity generation (thermal sources and RES), and are fully consolidated in the Group's financial statements, in accordance with the applicable International Financial Reporting Standards (IFRS).

$$\text{KPI} = \frac{\text{(Tonnes of Scope 1 and Scope 2 Greenhouse Gas emissions)}}{\text{Wh of Energy Produced}}$$

**1** **SCOPE 1**  
Direct greenhouse gas emissions

**2** **SCOPE 2**  
Indirect emissions of purchased greenhouse gas from the consumption of purchased electricity

### Sustainability Performance Target (SPT)

Considering its commitments and strategy for continuous improvement of its performance and contribution to the mitigation of climate change, GEK TERNA Group aims to reduce the KPI by 25% until 31.12.2025 in relation to the performance for the period 1-1-2021 – 31-12-2021 (Base Year). This reduction corresponds to a **KPI performance of 0.1368 t CO<sub>2</sub> eq/ MWhe**. Therefore, the high importance of reducing the Group's environmental and energy footprint, is further highlighted.

| Key performance indicators of green bonds |   | 2021             | 2022             | Units                            |
|---|---|------------------|------------------|----------------------------------|
| A1  | HERON ENERGY S.A.                                       | 73,159           | 4,346            | tn CO <sub>2</sub> eq            |
| A2  | HERON II VIOTIA S.A.                                    | 691,876          | 791,846          | tn CO <sub>2</sub> eq            |
| A3  | TERNA ENERGY S.A.                                       | 792              | 372              | tn CO <sub>2</sub> eq            |
| <b>A</b>                                  | <b>Total CO<sub>2</sub> Emissions (Scope 1 &amp; 2)</b> | <b>765,826</b>   | <b>796,565</b>   | <b>tn CO<sub>2</sub> eq</b>      |
| B1  | HERON ENERGY S.A.                                       | 106,695          | 6,590            | MWhe                             |
| B2  | HERON II VIOTIA S.A.                                    | 1,808,590        | 2,127,300        | MWhe                             |
| B3  | TERNA ENERGY S.A.                                       | 2,284,255        | 2,416,333        | MWhe                             |
| <b>B</b>                                  | <b>MWh of Group's produced energy</b>                   | <b>4,199,540</b> | <b>4,550,223</b> | <b>MWhe</b>                      |
| <b>A/B</b>                                | <b>Energy Intensity</b>                                 | <b>0.1824</b>    | <b>0.1751</b>    | <b>tn CO<sub>2</sub> eq/MWhe</b> |

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## Bond Characteristics

According to the Issuance Bond Program up to €300,000,000 & the Agreement for Representative of Bondholders dated at 01.12.2021, there will be an «Activation Event» which will affect only the financial characteristics of the bond. This Activation Event is the result of at least one of the following observations:

1. The Group has not achieved the SPT on the Target Observation Date,
2. The annual disclosure of information does not meet the requirements of the Group Framework,
3. The KPI verification has not been provided or publicized on an annual basis.

**Grant Thornton**

### Έκθεση Περιορισμένης Διασφάλισης Ανεξάρτητου Ορκωτού Ελεγκτή Λογιστή

Προς το Διοικητικό Συμβούλιο της GEK TERNA A.E

Το Διοικητικό Συμβούλιο της Εταιρείας «GEK TERNA ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ» (εφεξής η «Εταιρεία») ανέθεσε στην «Grant Thornton A.E. Ορκωτοί Ελεγκτές και Σύμβουλοι Επιχειρήσεων» (εφεξής η «Grant Thornton») την επεξεργασία και την κατάρτιση συμπερασμάτων σχετικά με την επιβεβαίωση του αρχικού Βασικού Δείκτη Επίδοσης (γραμμή βάσης) στο πλαίσιο Έκδοσης Ομολόγου Συνδεδεμένου με Πήληρα Αειφορίας («Sustainability-Linked Bond») της GEK TERNA A.E. Η Εταιρεία εφάρμοσε τις αρχές των Συνδεδεμένων με Πήληρα Αειφορίας Ομολόγων (ΑΣΡΑΟ), που θεσπίστηκαν από τη Διεθνή Ένωση Κεφαλαιγορών (ICMA) τον Ιούνιο του 2020 (εφεξής η «Κριτήρια»), και ενσωματώσε στο Πλαίσιο Έκδοσης του Συνδεδεμένου με Πήληρα Αειφορίας Ομολόγου που εξέδωσε τον Νοέμβριο του 2021 τον ακόλουθο Βασικό Δείκτη Επίδοσης (BΔΕ). Ο βασικός δείκτης επίδοσης (BΔΕ) αφορά στη μείωση της έντασης των εκπομπών των αερίων του θερμοκηπίου από τις δραστηριότητες της Εταιρείας, στον τομέα της παραγωγής ηλεκτρικής ενέργειας.

**BΔΕ = Τόνοι εκπομπών Αθ Score 1 και Score 2 / MWh Παραγόμενης Ενέργειας**

Η σύνθεση του παραπάνω Δείκτη περιλαμβάνει τις θυγατρικές της Εταιρείας που δραστηριοποιούνται στην παραγωγή ενέργειας και οι οποίες ενσωματώνονται πλήρως στις οικονομικές καταστάσεις που δημοσιεύει σύμφωνα με τα ισχύοντα Διεθνή Πρότυπα Χρηματοοικονομικής Αναφοράς (ΔΠΧΑ) και συγκεκριμένα, τις:

- i) ΤΕΡΝΑ ΕΝΕΡΓΕΙΑΚΗ ΑΒΕΤΕ και τις θυγατρικές αυτής οι οποίες ενσωματώνονται πλήρως στις οικονομικές καταστάσεις σύμφωνα με τα ισχύοντα ΔΠΧΑ,
- ii) ΗΡΩΝ II ΒΕΡΜΙΟΝΗΛΕΚΤΡΙΚΟΣ ΣΤΑΘΜΟΣ ΒΟΙΩΤΙΑΣ Α.Ε.,
- iii) ΗΡΩΝ ΕΝΕΡΓΕΙΑΚΗ Α.Ε.

Η εργασία μας διενεργήθηκε σύμφωνα με το Διεθνές Πρότυπο Εργασιών Διασφάλισης 3000 "Εργα Διασφάλισης πέραν Ελέγχου ή Επακόπησης Ιστορικής Οικονομικής Πληροφόρησης" (ISAE 3000).

### Κριτήρια που εφαρμόστηκαν

Ο Δείκτης BΔΕ περιλαμβάνει εκπομπές αερίων θερμοκηπίου κατηγορίας Score 1 και Score 2 όπως αυτές ορίζονται από τα Διεθνή πρότυπα μέτρησης εκπομπών αερίων του θερμοκηπίου «Greenhouse Gas Protocol» και ειδικότερα με βάση το ισχύον πλαίσιο στην Ελλάδα όπως αυτό ορίζεται στο ISO 14064:

- Score 1: Άμεσες εκπομπές αερίων θερμοκηπίου
- Score 2: Έμμεσες εκπομπές αερίων θερμοκηπίου από την κατανάλωση αγορασμένης ηλεκτρικής ενέργειας από MWh παραγόμενης ενέργειας

Το πρότυπο ISO 14064-1:2018, καθορίζει τις αρχές και τις απαιτήσεις για την ποσοτικοποίηση και τη σύνθεση εκθέσεων σχετικά με τις εκπομπές αερίων θερμοκηπίου και την εξάλειψή τους για τους οργανισμούς, και το οποίο καλύπτει και τις αρχές του διεθνούς πρωτοκόλλου GHG.

<sup>1</sup> <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

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### Ευθύνη της Διοίκησης

Η Διοίκηση της GEK TERNA A.E. είναι υπεύθυνη για την προετοιμασία των στοιχείων βάσει των οποίων υπολογίζεται ο αρχικός Βασικός Δείκτης Επίδοσης στο πλαίσιο Έκδοσης του Ομολόγου Συνδεδεμένου με Πήληρα Αειφορίας, καθώς και την παρουσίαση των σχετικών με αυτό στοιχείων, με πληρότητα και ακρίβεια. Επιπλέον, η Διοίκηση έχει την ευθύνη για τη διατήρηση αρχείων και επαρκών δικαιωμάτων ασφαλείας, που έχουν σχεδιαστεί ώστε να υποστηρίξουν τη διαδικασία καταγραφής και παρακολούθησης του Βασικού Δείκτη Επίδοσης του Ομολόγου καθώς και για τη διεξαγωγή κατάλληλων εσωτερικών ελέγχων και διαδικασιών, που έχουν σχεδιαστεί για την υποστήριξη της προετοιμασίας και του υπολογισμού του αρχικού Βασικού Δείκτη Επίδοσης (γραμμή βάσης).

### Ευθύνη του ελεγκτή

Διέξαμε ευθύνη είναι να διενεργήσουμε ένα έργο περιορισμένου εύρους διασφάλισης (limited assurance) και να εκφράσουμε τα συμπεράσματά μας βάσει των διαδικασιών που διενεργήσαμε για τα επιλεγμένα στοιχεία της ανωτέρω ενότητας «Εύρος Εργασίας». Οι διαδικασίες που διενεργήσαμε σχεδιάστηκαν ώστε να αποκτήσουμε διασφάλιση περιορισμένου εύρους (limited assurance), όπως αυτή ορίζεται από το πρότυπο ISAE 3000, και επί της ουσίας διαμορφώσαμε το συμπέρασμα της εργασίας μας. Αυτές οι διαδικασίες είναι λιγότερο εκτενείς από αυτές που σχετίζονται με την απόδοση διασφάλισης εύλογου εύρους (reasonable assurance) και κατά συνέπεια παράγουν χαμηλότερο επίπεδο διασφάλισης. Τα τυχόν ευρήματά μας από τη διενεργηθείσα αξιολόγηση αφορούν στην επάρκεια των μέτρων που έχει σχεδιάσει και εφαρμόσει η Εταιρεία την 20/9/2023 και δεν φέρουμε ευθύνη για γεγονότα ή καταστάσεις που ενδέχεται να συμβούν μετά την ημερομηνία αυτή. Η ελεγκτική μας εταιρεία εφαρμόζει το Διεθνές Πρότυπο για τη Διαχείριση Ποιότητας (ISQM) 1, Διαχείριση Ποιότητας για εταιρείες που διενεργούν ελέγχους ή επακόπησης οικονομικών καταστάσεων καθώς η λογική αναθέτει διασφάλιση και συναφών υπηρεσιών, και κατά συνέπεια διατηρεί ένα ολοκληρωμένο σύστημα διαχείρισης ποιότητας ελέγχου που περιλαμβάνει τεκμηριωμένες πολιτικές και διαδικασίες σχετικά με τη συμμόρφωση με απαιτήσεις δεοντολογίας, επαγγελματικά πρότυπα και ισχύουσες νομικές και κανονιστικές απαιτήσεις.

### Εγγενείς Περιορισμοί

Για τη διεξαγωγή της εργασίας μας, βασιστήκαμε αποκλειστικά στα στοιχεία που τέθηκαν υπόψη μας από τα αρμόδια στελέχη της Εταιρείας, τα οποία αποδεχθήκαμε καλόπιστα ως πλήρη, ακριβή, αληθή και μη παραπλανητικά και ως εκ τούτου δεν τα υποβάλαμε σε επιπλέον διαδικασίες επαλήθευσης, πλην των διαδικασιών οι οποίες ρητά αναφέρονται στην Έκθεσή μας και προκύπτουν από την ομοιόμοια συμπεριληφθείσα μεθοδολογία μας. Η εργασία που διενεργήσαμε δεν μπορεί να διασφαλίσει απόλυτα ότι θα αποκαλυφθούν όλα τα θέματα που θα μπορούσαν να θεωρηθούν ως ουσιώδεις αδυναμίες, σχετικά με την αξιολόγηση της καταλληλότητας των μέτρων που έχει σχεδιάσει και εφαρμόσει η Εταιρεία. Ουσιώδης αδυναμία υπάρχει όταν ο σχεδιασμός του συστήματος εσωτερικού ελέγχου δεν περιορίζει τον κίνδυνο να συμβούν και να μην αποκαλυφθούν σημαντικά λάθη ή αναμειγές, εντός εύλογου χρονικού διαστήματος. Όλα τα θέματα που υπέπεσαν στην αντίληψή μας κατά τη διεξαγωγή της παρούσας εργασίας τέθηκαν σε γνώση της Διοίκησης της Εταιρείας. Οι σχετικές επισημάνσεις μας, όπως προέκυψαν από την αξιολόγηση των εφαρμοζόμενων διαδικασιών από την Εταιρεία, συζητήθηκαν με τα αρμόδια στελέχη της:

- Δεν έχει διεξαχθεί οποιαδήποτε εργασία για δεδομένα προηγούμενων περιόδων αναφοράς, καθώς και για δεδομένα που αφορούν μελλοντικές προβλέψεις και στόχους
- Δεν έχει διεξαχθεί οποιαδήποτε εργασία εκτός του συμφωνημένου εύρους και κατά συνέπεια η γνώμη μας περιορίζεται σε αυτό το εύρος εργασίας.

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### Ποιοτικός έλεγχος

Η Grant Thornton εφαρμόζει το Διεθνές Πρότυπο Ποιοτικού Ελέγχου Νο.1 (ISQC1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements) και με βάση το πρότυπο αυτό έχει αναπτύξει και διατηρεί ένα ισχυρό σύστημα ελέγχου ποιότητας συμπεριλαμβανομένων πολιτικών και διαδικασιών που αποτυπώνουν τη συμμόρφωσή μας με σχετικά ηθικά και επαγγελματικά πρότυπα και απαιτήσεις νόμων και κανονισμών.

### Ανεξαρτησία

Έχουμε συμμορφωθεί με τις απαιτήσεις ανεξαρτησίας και τις λοιπές απαιτήσεις ηθικής του Κώδικα Ηθικής και Δεοντολογίας για Επαγγελματίες Λογιστές της Διεθνούς Ομοσπονδίας Λογιστών που εκδόθηκε από το Συμβούλιο των Διεθνών Προτύπων Δεοντολογίας Λογιστών (Code of Ethics for Professional Accountants – IESBA), ο οποίος βασίζεται στις θεμελιώδεις αρχές της ακεραιότητας, αντικειμενικότητας, επαγγελματικής επάρκειας, εμπιστευτικότητας και επαγγελματικής συμπεριφοράς. Στο πλαίσιο αυτό, η ομάδα διασφάλισης της Grant Thornton είναι ανεξάρτητη και δεν έχει συμμετάσχει με οποιοδήποτε τρόπο στην καταμετρήση του Βασικού Δείκτη Επίδοσης ή στη διαδικασία Έκδοσης του Ομολόγου συνδεδεμένου με Πήληρα Αειφορίας («Sustainability-Linked Bond»).

### Ελεγκτική εργασία που πραγματοποιήθηκε

Σχεδιάσαμε και διενεργήσαμε την ελεγκτική μας εργασία προκειμένου να συγκεντρώσουμε όλα τα στοιχεία, τη σχετική τεκμηρίωση, τις πληροφορίες και τις επεξηγήσεις που θεωρήσαμε απαραίτητα σε σχέση με τα επιλεγμένα στοιχεία της ανωτέρω ενότητας «Εύρος Εργασίας». Οι διαδικασίες μας σχεδιάστηκαν για την απόκτηση ενός περιορισμένου επιπέδου διασφάλισης επί του οποίου βασίζουμε τα συμπεράσματά μας και δεν παρέχουν όλα τα τεκμήρια που θα απαιτούνταν για την παροχή ενός εύλογου επιπέδου διασφάλισης. Η διαδικασία που εφαρμόστηκε αναφορικά με τα επιλεγμένα στοιχεία, περιλαμβάνει:

- Διεξαγωγή συνεντεύξεων με τους υπεύθυνους των αρμόζων τμημάτων και τους κατά τους δεδομένους για την κατανόηση των βασικών δομών, των συστημάτων, των πολιτικών, και των σχετικών διαδικασιών.
- Επακόπηση εσωτερικών πολιτικών, διαδικασιών και γενικότερα της διακυβέρνησης γύρω από την παρακολούθηση του Ομολόγου και την επίτευξη του ΣΛΕ μέσω της εφαρμογής του συγχρονου και ολοκληρωμένου συστήματος περιβαλλοντικής και ενεργειακής διαχείρισης που εφαρμόζει ο όμιλος.
- Επακόπηση εσωτερικών πολιτικών, διαδικασιών και γενικότερα της διακυβέρνησης γύρω από τη διαδικασία παρακολούθησης του Ομολόγου και της εξέλιξής του BΔΕ.
- Επακόπηση της διαδικασίας καταγραφής και μέτρησης του δείκτη και επαλήθευση του επιπέδου του δείκτη για έτος 2022.
- Λήψη διαβεβαιώσεων από τη Διοίκηση της Εταιρείας επί σημαντικών παραδοχών.
- Λοιπές διαδικασίες που κρίθηκαν απαραίτητες για τους σκοπούς του έργου.

### Συμπεράσματα

Με βάση τη διενεργηθείσα εργασία μας και τα τεκμήρια που αποκτήθηκαν δεν περιήλθαν στην αντίληψή μας στοιχεία που θα μας οδηγούσαν στο συμπέρασμα ότι ο αρχικός Βασικός Δείκτης Επίδοσης (αναφορικά με το έτος βάσης) στο πλαίσιο Έκδοσης Ομολόγου Συνδεδεμένου με Πήληρα Αειφορίας («Sustainability-Linked Bond») και ο οποίος αφορά στην καταγραφή της έντασης των εκπομπών των αερίων του θερμοκηπίου από τις δραστηριότητες της ενότητας των ομίλων της παραγωγής ηλεκτρικής ενέργειας, δεν προκρίνει βάσει των ακόλουθων δεδομένων:

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| ΒΑΣΙΚΟΣ ΔΕΙΚΤΗΣ ΕΠΙΔΟΣΗΣ ΟΜΟΛΟΓΟΥ ΣΥΝΔΕΔΕΜΕΝΟΥ ΜΕ ΠΗΛΗΡΑ ΑΕΙΦΟΡΙΑΣ | Ετος βάσης 2021 | 2022      |           |
|--|-----------------|-----------|-----------|
| A1 ΗΡΩΝ ΕΝΕΡΓΕΙΑΚΗ Α.Ε.  | (tN)            | 73.159    | 4.346     |
| A2 ΗΡΩΝ II ΒΟΙΩΤΙΑΣ Α.Ε.   | (tN)            | 691.876   | 791.846   |
| A3 ΤΕΡΝΑ Ενεργειακή  | (tN)            | 792       | 372       |
| <b>A</b> Εκπομπές CO <sub>2</sub> (Score 1 & 2)                    | (tN)            | 765.827   | 796.565   |
| B1 ΗΡΩΝ ΕΝΕΡΓΕΙΑΚΗ Α.Ε.  | (MWh)           | 106.695   | 6.500     |
| B2 ΗΡΩΝ II ΒΟΙΩΤΙΑΣ Α.Ε.   | (MWh)           | 1.808.590 | 2.127.300 |
| B3 Τέρνα Ενεργειακή  | (MWh)           | 2.284.255 | 2.416.333 |
| <b>B</b> MWh παραγόμενης ενέργειας από το σύνολο του Ομίλου        | (MWh)           | 4.199.540 | 4.550.223 |

**Δείκτης Επίδοσης Ομολόγου: KPI\***

|  | A | 0,1824 | 0,1751 |
|--|---|--------|--------|
|  | B |        |        |

Αθήνα, 20/8/2023  
Η Ορκωτή Ελέγκτρια Λογίστρια

*[Signature]*

Αθηνά Μουστακλή  
Α.Μ. ΣΟΕΛ 28871

**Grant Thornton**  
Ορκωτοί Ελεγκτές, Επαγγελματίες Επιχειρηματίες  
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Α.Μ. ΣΟΕΛ 107

Σημαντική σημείωση: Σημειώνεται, ότι το προσέχιο της ετήσιας έκθεσης αυτής δύναται να τροποποιηθεί με βάση τις υποδείξεις και αποφάσεις του αρμόδιου Εποπτικού Φορέα (ΕΛΤΕ).

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# 3.6 Memberships

GEK TERNA Group is constantly expanding and improving for the benefit of its shareholders, investors, employees, and society at large, aiming at strengthening the network of partnerships and promoting business responsibility. For this reason, the Group actively participates in a plethora of organizations and bodies, aiming at promoting the principle of participation, dialogue and transparency, while also integrating the principles of sustainable development in its operations.

Specifically, the Group is a member and cooperates with the following organizations and bodies:

|   |  |   |  |   |  |   |   |   |   |
|---|--|---|--|---|--|---|---|---|---|
|  <b>ΣΕΒ</b><br>Σύνδεσμος Επιχειρήσεων, Στρατηγική Έκθεση | <b>Hellenic Federation of Enterprises</b>                            |    | <b>Hellenic American Chamber of Commerce</b>                                 |    | <b>Arab-Hellenic Chamber of Commerce</b>                                 |    | <b>Hellenic Business Association of Albania</b>   |    | <b>Hellenic Association of Renewable Energy Producers</b>                           |
|    | <b>EREF</b><br>European Renewable Energy Federation (EREF)           |   | <b>EAETAEN</b><br>Hellenic Wind Energy Association                           |   | <b>ΕΣΑΗ</b><br>Hellenic Association of Independent Electricity Companies |  | <b>IENE</b><br>IENE: Institute of Energy of Southeastern Europe                               |  | <b>HELLASTRON</b><br>Hellastron (Hellenic Association Of Toll Road Network)         |
|    | <b>IOBE</b><br>IOBE: Foundation for Economic and Industrial Research |  | <b>TEE</b><br>TCG: Technical Chamber of Greece                               |  | <b>Sustainable Markets Initiative (SMI)</b>                              |  | <b>ome</b><br>Mediterranean Energy Observatory/ Observatoire Mediterranéen de l'Energie (OME) |  | <b>WindEurope</b>   |
|    | <b>Hellenic-Serbian Chamber of Commerce</b>                          |  | <b>CCI FRANCE GRÈCE</b><br>ΕΛΛΗΝΟΓΑΛΛΙΚΟ ΕΜΠΟΡΙΚΟ & ΒΙΟΜΗΧΑΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ |  | <b>iha</b><br>International Hydropower Association                       |  | <b>eurelectric</b><br>Eurelectric   |  | <b>ΠΑΣΕΠΠΕ</b><br>Greek Association of Environmental Protection Companies (PASEPPE) |
|    | <b>ΣΒΘΣΕ</b><br>Σύνδεσμος Βιομηχανιών Θεσσαλίας & Κεντρικής Ελλάδος  |  | <b>GWEC</b><br>GLOBAL WIND ENERGY COUNCIL<br>Global Wind Energy Council      |  | <b>ΕΕΔΣΑ</b><br>Hellenic Solid Waste Management Association (HSWMA)      |   |   |   |   |

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# 04

## Sustainable Development at the forefront of the Group

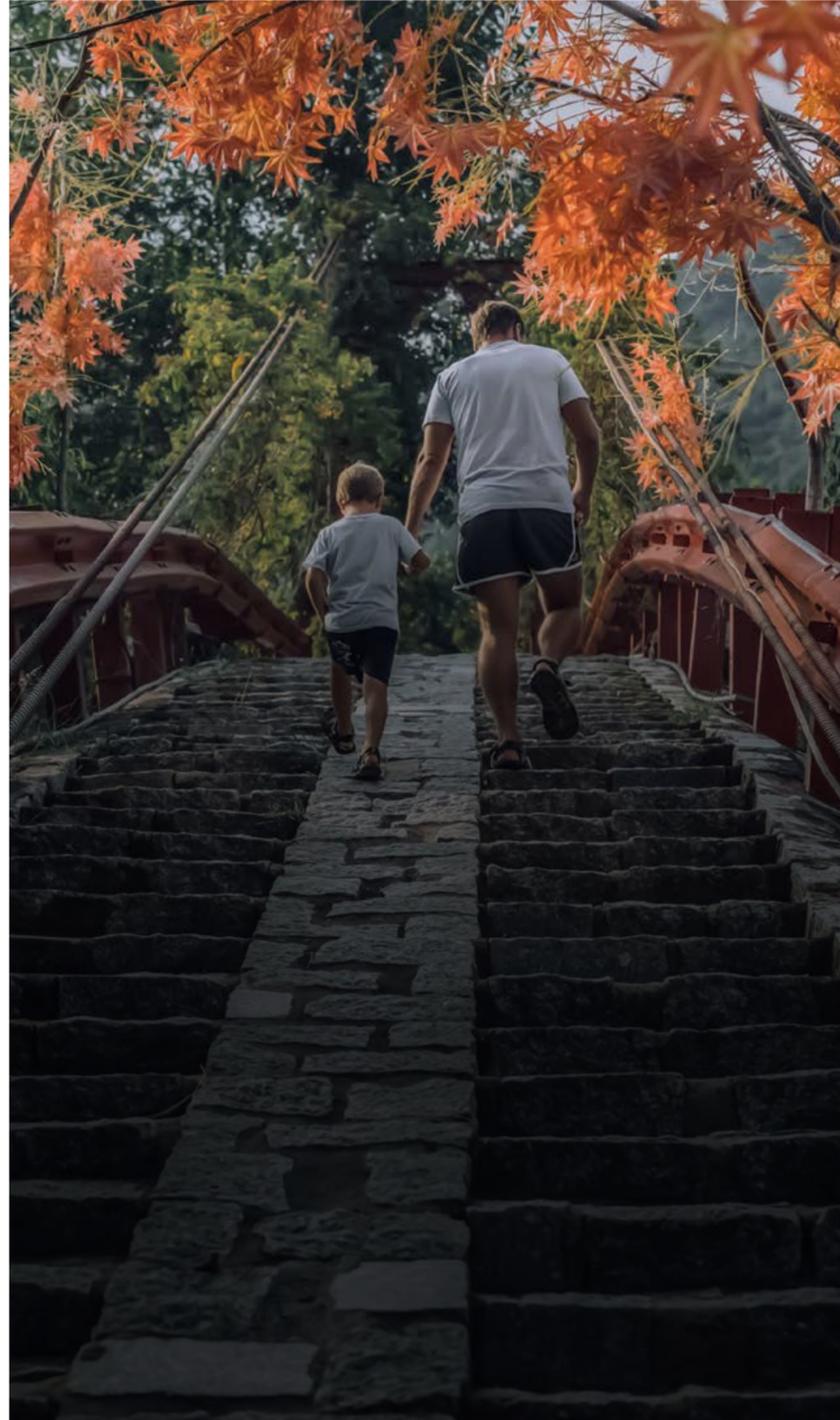
Sustainable Development and corporate responsibility are key components of the strategy and business activity of GEK TERNA Group. In particular, the Group's main objective is to improve its corporate performance by creating long-term value for all stakeholders and contributing to the achievement of the 17 Sustainable Development Goals of the United Nations (17 UN SDGs).

Sustainable Development at GEK TERNA Group focuses on four (4) areas of activity:



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# 4.1 Sustainable Development Policy



The Sustainable Development Policy of the Group outlines its approach towards Sustainable Development issues. It serves as the fundamental commitment framework for the Group's unwavering pursuit of maximizing the economic, environmental, and social value to its stakeholders and society. The Policy is strongly aligned with the expectations of stakeholders (both internal and external), along with the prevailing socio-economic trends and the 17 UN Sustainable Development Goals (SDGs).

The main purpose of GEK TERNA Group is the creation of long-term value for the society, the Group and its stakeholders, with minimum environmental impact, following best available practices and sustainable initiatives.



We actively support 14 out of the 17 UN SDGs

|  |  |  |
|--|--|--|
| <b>1</b> NO POVERTY<br>                              | <b>2</b> ZERO HUNGER<br>                         | <b>3</b> GOOD HEALTH AND WELL-BEING<br>              |
| <b>4</b> QUALITY EDUCATION<br>                       | <b>5</b> GENDER EQUALITY<br>                     | <b>6</b> CLEAN WATER AND SANITATION<br>              |
| <b>7</b> AFFORDABLE AND CLEAN ENERGY<br>             | <b>8</b> DECENT WORK AND ECONOMIC GROWTH<br>     | <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE<br> |
| <b>10</b> REDUCED INEQUALITIES<br>                   | <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES<br> | <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION<br> |
| <b>13</b> CLIMATE ACTION<br>                         | <b>14</b> LIFE BELOW WATER<br>                   | <b>15</b> LIFE ON LAND<br>                           |
| <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS<br> | <b>17</b> PARTNERSHIPS FOR THE GOALS<br>         |  |

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## 4.2 Management of sustainable development issues

The importance of effectively managing Sustainable Development issues led to the establishment of the Group's Sustainable Development Team that comprises specialized executives from all key divisions of the Group. The team is coordinated by the Group's Directorate of Strategic Communication, CSR and Sustainable Development.

The President and CEO, through a direct line of communication, has undertaken the overall management/supervision of Sustainable Development issues, underlining the Group's Senior Management strong commitment towards sustainable operation the commitment of the Group's Senior Management towards sustainable operation.

Specifically, the Sustainable Development team:



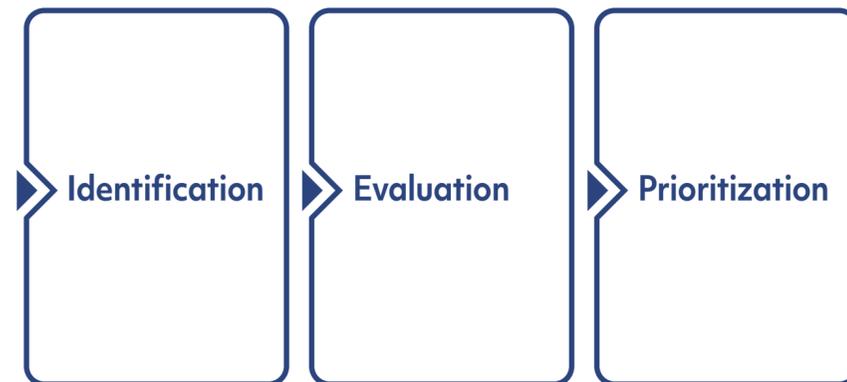
|   |   |   |   |   |
|---|---|---|---|---|
|  |    |                                      |  |    |
| <p>Is authorized to act on sustainable development issues.</p>                      | <p>Is responsible for the data collection, for the development of the annual Sustainability Report and for the accuracy of its content.</p> | <p>Is continuously engaging with employees regarding the implementation of initiatives in social contribution issues.</p> | <p>Provides regular and material information to the Group's top management.</p>       | <p>Defines policies and procedures and coordinates the implementation of programs regarding the environment, employees and society.</p> |

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# 4.3 Stakeholder Engagement

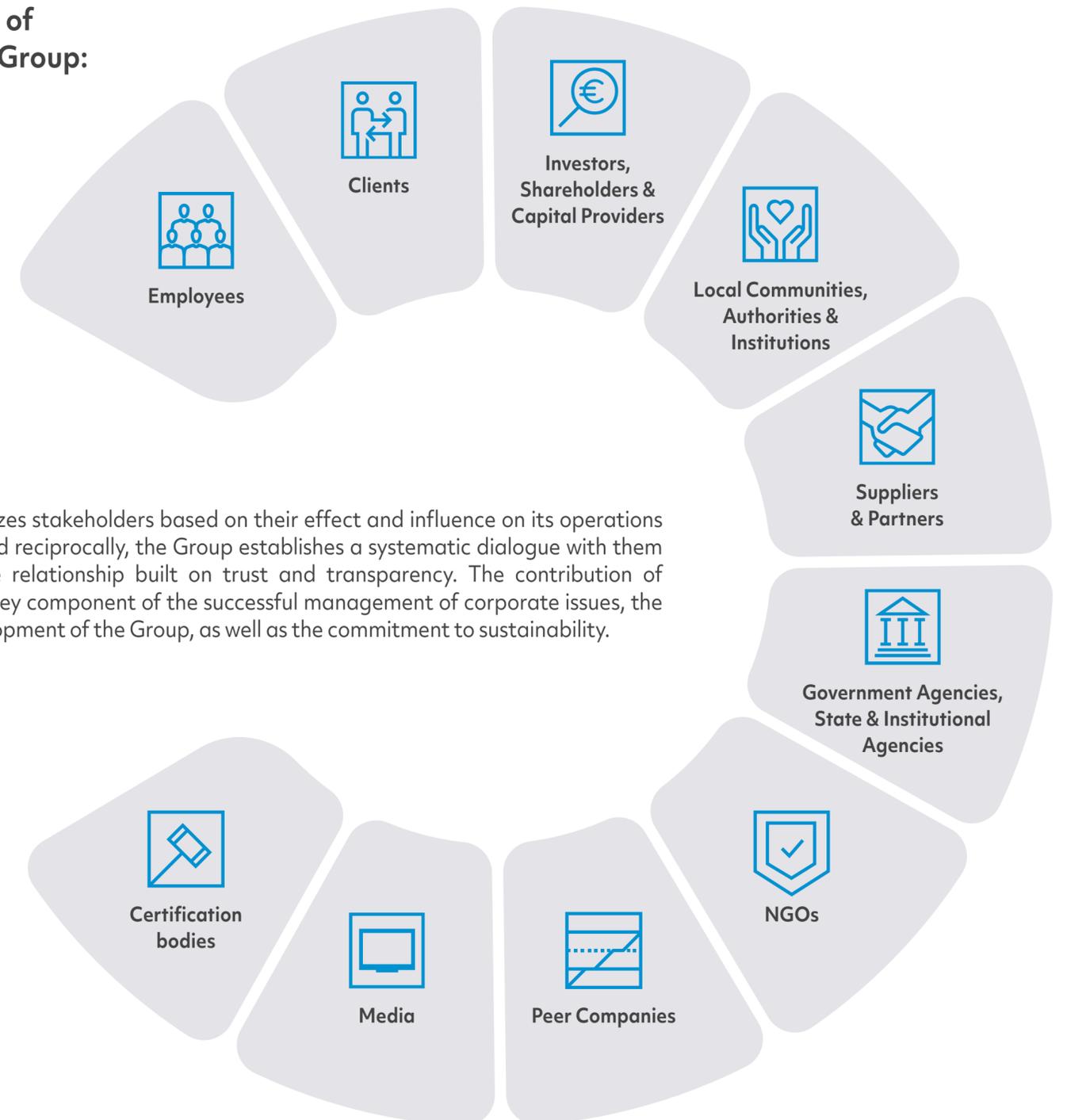
Having identified as the Group's stakeholders the entities or individuals that impact and are impacted, directly or indirectly, by its business activity, GEK TERNA Group endeavors to have a consistent and significant two-way communication approach, which forms the foundation for the evaluation and planning of actions and practices. By engaging in this dialogue, the Group reaffirms its commitment to promoting responsible business operations while placing special emphasis on significant environmental and social issues.

In particular, the Group's Sustainable Development Policy is based on:



of the most important impacts that its activity may have on the environment, people and the economy.

## Stakeholders of GEK TERNA Group:



The Group prioritizes stakeholders based on their effect and influence on its operations and vice versa, and reciprocally, the Group establishes a systematic dialogue with them to strengthen the relationship built on trust and transparency. The contribution of stakeholders is a key component of the successful management of corporate issues, the operational development of the Group, as well as the commitment to sustainability.

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The Group ensures a more efficient communication with its stakeholders and prevents possible barriers, such as language, cultural differences, etc. More specifically, there are various ways of communication, the frequency of which is tailored to the particular nature of the relationship between the Group and each stakeholder.

| Stakeholders   | Communication Channels/ Engagement Methods   | Frequency of Engagement   |
|--|--|---|
|  <b>Employees</b>   | Regular meetings and updates<br>Bulletin boards<br>Group Website<br>Social Media   | Ad hoc<br>Daily<br>When required<br>Weekly  |
|  <b>Clients</b>   | Project Management<br>Conferences, bodies and business associations<br>Group Website<br>Sustainable Development Report<br>Social Media   | Daily<br>Ad hoc<br>Daily<br>Annually<br>Weekly  |
|  <b>Investors, Shareholders &amp; Capital Providers</b>   | General Meeting of Shareholders<br>Shareholders Department<br>Presentations to analysts<br>Participation in investment forums<br>Financial Report<br>Sustainable Development Report<br>Group Website   | Annually/when required<br>When required<br>Per quarter<br>Whenever the Group participates<br>Per quarter<br>Annually<br>When required |
|  <b>Local Communities, Authorities &amp; Institutions</b> | Personal communication with local government bodies, local institutional bodies, associations and unions<br>Open dialogue events<br>Conferences and consultation events<br>Studies and corporate reports<br>Sustainable Development Report<br>Social Media | Daily<br>When required<br>Ad hoc<br>Ad hoc<br>Annually<br>Weekly  |
|  <b>Suppliers &amp; Partners</b>                          | Procurement department<br>Regular contacts/visits with/to suppliers and partners<br>Inspections<br>Sustainable Development Report<br>Social Media  | Daily<br>When required<br>Ad hoc<br>Annually<br>Weekly  |

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| Stakeholders   | Communication Channels/ Engagement Methods  | Frequency of Engagement   |
|--|---|---|
|  <b>Governmental Agencies, State &amp; Institutional Agencies</b> | Consultation with state and institutional representatives at national and/or regional level<br>Conference and events<br>Corporate publications and articles<br>Financial Report<br>Sustainable Development Report<br>Social Media | When required<br>Ad hoc<br>Ad hoc<br>Per quarter<br>Annually<br>Weekly              |
|  <b>NGOs</b>  | Social Media<br>Conference and consultation events<br>Corporate publications and articles<br>Financial Report<br>Sustainable Development Report<br>Social Media<br>Group Website  | Ad hoc<br>Ad hoc<br>Ad hoc<br>Per quarter<br>Annually<br>Ad hoc<br>Ad hoc           |
|  <b>Peer Companies</b>  | Corporate publications and articles<br>Financial Report<br>Social Media<br>Sustainable Development Report<br>Group Website  | Ad hoc<br>Per quarter<br>Ad hoc<br>Annually<br>Annually                             |
|  <b>Media</b>   | Corporate publications and articles<br>Personal Communication<br>Conferences and events<br>Studies and corporate reports<br>Financial Report<br>Sustainable Development Report<br>Social Media<br>Group Website                   | Ad hoc<br>Ad hoc<br>Ad hoc<br>Ad hoc<br>Per quarter<br>Annually<br>Ad hoc<br>Ad hoc |
|  <b>Certification Bodies</b>                                    | Financial Report<br>Sustainable Development Report<br>Social Media<br>Group Website<br>Corporate publications and articles  | Per quarter<br>Annually<br>Ad hoc<br>Daily<br>Ad hoc                                |

## 4.4 Materiality Analysis

The Group has placed the concerns of its value chain at the forefront of its strategy, acknowledging their impact on all stakeholders. The relevant methodology followed, is based on the new GRI Standards (2021) and involves the identification, assessment, prioritization, and validation of the positive and negative impacts that it creates or may create on the environment, people and the economy. By prioritizing these recognized impacts, the Group has formulated a set of material sustainable development topics.

The materiality analysis was carried out through the following four (4) phases:

### UNDERSTANDING THE ORGANIZATION CONTEXT

- Understanding of the business model and business relationships in the Group's value chain to identify the relevant sustainability issues and therefore, the relevant impacts.
- Understanding of relevant ESG issues through a review of documents and available relevant material such as sectoral sustainability criteria (e.g., ESRS, GRI, SASB, etc.), sectoral studies and sectoral criteria of ESG evaluation bodies (e.g., MSCI, etc.) and ESG material issues of peer organizations.
- Identification of the main stakeholder groups that affect and/or are affected by the Group's business activities.

### IMPACT PRIORITIZATION

- Collection and analysis of responses to determine the results of the impact assessment.
- Threshold setting by the Group's Management based on which, a sustainable development topic is characterized as material.
- Validation of the list of material topics by the Group's Management.

### IMPACT IDENTIFICATION

- Identification and understanding of positive and negative (actual and potential) impacts, per ESG topic, based on the Group's operation and business relationships.

### IMPACT ASSESSMENT

Internal survey of material issues completed by representatives of the stakeholder groups and of Capital Providers.

#### Criteria for assessing positive (actual and potential) impacts:

- the scale
- the scope
- the likelihood, in case of positive potential impacts

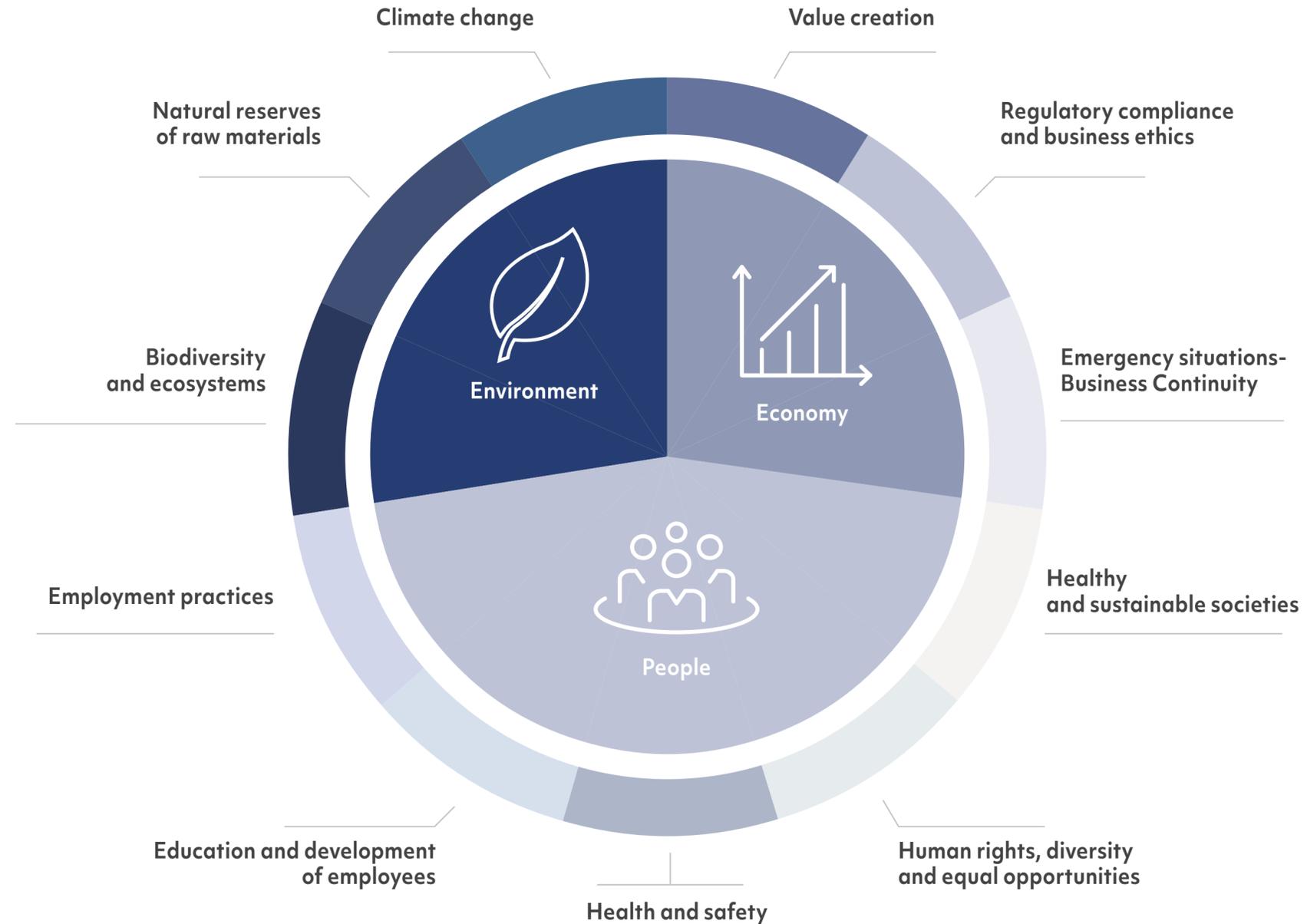
#### Criteria for assessing negative (actual and potential) impacts:

- the scale
- the scope
- the irremediable character
- the likelihood, in case of negative potential impacts



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The Group's activity creates or is likely to create positive and negative impacts on the environment, people and the economy, in the following areas:



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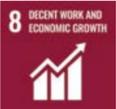
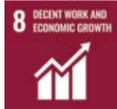
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## Material topics

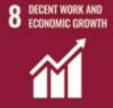
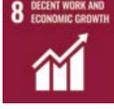
Based on the results of the impact assessment, the following topics were characterized by the Group's Management as material. These topics have formed the basis for determining the content of this Report.

| Material Topic   | Impact   | Type of impact | Sustainable Development Goals   |
|--|--|----------------|---|
|  <b>Environment</b>                         |  |                |   |
|  <b>Climate Change</b>                      | Mitigation and adaptation to climate change, by contributing to the delignification and decarbonization of electricity generation, as well as by possible target setting to reduce the carbon footprint of the Group's operations.   | +              |          |
|  | Business model impacts on climate change, from the direct and indirect consumption of energy from non-renewable sources, as well as from the possible absence or improper function of systems and procedures aimed at reducing energy consumption.   | -              |   |
|  <b>Biodiversity and ecosystems</b>       | Protection and restoration of biodiversity and ecosystems, by carrying out plantings and reforestation, as well as by monitoring fauna in projects that are developed or adjacent to areas of high biodiversity value.   | +              |    |
|  | Disturbance of biodiversity and ecosystems, from the construction and operation of projects (e.g., RES, highways, etc.) in areas of high biodiversity and ecosystem interest, as well as from the possible absence or possible improper implementation of policies and procedures for biodiversity protection. | -              |   |
|  | Preservation of natural reserves of raw materials, from the recovery of recyclable materials in waste management units, as well as from the possible selection of construction materials and equipment with a low environmental footprint.   | +              |   |
|  | Preservation of natural reserves of raw materials, by implementing an integrated recycling system for paper, aluminum, glass, plastic, electronic and electrical equipment, lamps and batteries, with the use of special collection bins in buildings and construction sites of the Group.                     | +              |   |
|  <b>Natural reserves of raw materials</b> | Preservation of natural reserves of raw materials, by cooperating with licensed entities for the collection-recovery, processing, reuse and/or disposal of their waste.  | +              |     |
|  | Maintenance of natural reserves of raw materials, by recording the quantities and types of waste produced, both during the development of the project and during its operation phase aiming at their optimal management.   | +              |   |
|  | Depletion of natural reserves of raw materials, from the use of materials (eg concrete, aggregate, plastic, metal, chemicals) derived from non-renewable raw materials.  | -              |   |

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| Material Topic   | Impact   | Type of impact | Sustainable Development Goals   |
|--|--|----------------|---|
|  <b>Society</b>   | Contribution to employment, from the creation of direct and indirect jobs.   | +              |   |
|  | Utilization of human resources from the local community, directly by recruiting labor from the areas of operation and indirectly through the assignment of tasks to subcontractors from the local community.   | +              |   |
|  <b>Employment</b>  | Contribution to the repatriation of professionals with new jobs in the Construction and Energy sector.   | +              |          |
|  | Strengthening the employment of young people through internships in the Group's companies, and opportunities for training and acquiring expertise from experienced industry professionals.   | +              |   |
|  | Possible reduced contribution to employment and low staff retention, in case of improper management of human resources, which can lead to possible low staff retention.  | -              |   |
|  | Probable underutilization of human resources by the local community, in case disinvestment from foreign projects and a reduction in the supply of jobs in the local community.   | -              |   |
|  | Protection and promotion of physical & mental health and well-being, through the implementation of a certified health and safety management system at work as well as employee and partners' trainings on health and safety issues.  | +              |     |
|  <b>Health and safety</b>                               | Reduced contribution to the protection of physical & mental health and well-being, from possible omissions or improper adherence to health and safety procedures and instructions by employees, partners or suppliers.   | -              |   |
|  | Contribution to the creation of education and development opportunities, through the employee education and training, possible implementation of practices and procedures such as the annual individual training plan and the annual performance evaluation for all employees. | +              |    |
|  | Reduced contribution to employee training and development due to very high increase in new hires.  | -              |   |
|  <b>Education and development of employees</b>          | Defending human rights, promoting diversity and ensuring equal opportunities for all, through the implementation of the Human Rights Policy, and the grievance mechanism.  | +              |    |
|  | Reduced contribution to the defense of human rights, promotion of diversity and ensuring equal opportunities for all in case of incomplete recording and investigation of related complaints.  | -              |   |
|  <b>Human Rights, Diversity and Equal Opportunities</b> | Actively contributing to the creation of healthy and sustainable societies, through the implementation of a wide range of initiatives that support and strengthen local communities.   | +              |     |
|  | Reduced contribution to the creation of healthy and sustainable societies, if the concerns of stakeholders are insufficiently addressed and initiatives that support local communities are not implemented.  | -              |   |
|  <b>Healthy and sustainable communities</b>             |  |                |   |

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| Material Topic  | Impact   | Type of impact | Sustainable Development Goals   |
|---|--|----------------|---|
| <b>Governance</b>   |  |                |   |
|  <b>Regulatory compliance and business ethics</b>  | Ensuring regulatory compliance and business ethics, through the establishment of principles, policies and procedures, as well as employee training and awareness on relevant issues.   | +              |      |
|   | Failure to ensure regulatory compliance and business ethics due to potential violation of policies and procedures by employees, partners and suppliers.  | -              |   |
|  <b>Business Continuity - Emergency situations</b> | Effective emergency management through processes that allow the Group to respond to and recover from any emergency, crisis and/or business disruption enhancing its resilience.  | +              |      |
|   | Ineffective emergency management by not identifying risks related to business continuity that may impact the health and/or safety of workers and the environment.  | -              |   |
|  <b>Value creation</b>                           | Creation of direct economic value, from the timely payment of taxes, salaries, dividends, payments (e.g., sponsorships, social investments), as well as from the possible increase in economic value, produced by the Group, from a possible increase in turnover.   | +              |   |
|   | Creation of indirect economic value, from the creation of indirect employment (employees of suppliers and external partners), the expenses of employees, suppliers and partners to the wider economy and the purchases of products and services, the withholding and payment of the RES offsets (3% on sales) in favor of the local community, through discounts on electricity tariffs and through payment to the affected municipalities for utility projects. | +              |     |
|   | Possible reduced or negative direct distributed economic value, in case of disinvestments in activity sectors, as well as possible reduced or negative immediate distributed value in the wider Greek economy, from delays in the implementation of the Group's investment plan due to delays from external factors/stakeholders.  | -              |   |
|   | Possible reduced or negative indirect economic value, from the possible reduced or negative direct distributed economic value which indirectly affects the expenses of stakeholders in the wider local community.  | -              |   |

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Compared to 2021, «Human Rights, Diversity and Equal Opportunities» and «Healthy and sustainable communities» emerged as new material topics. As in 2021, two (2) topics that have not been characterized as material in the 2022 materiality analysis, have been selected by Management to be included and analyzed in this Report, as they are integral to the strategic direction of the Group and its subsidiaries. The aforementioned topics are «Business Continuity - Emergency Situations» and «Direct economic value».

**The actions taken to mitigate and address the actual and potential negative impacts, as well as the actions to enhance the actual and potential positive impacts on the material topics, are described in more detail in the following chapters.**



# 05 Corporate Governance



At GEK TERNA Group, reliability, transparency and responsibility are fundamental principles of corporate governance. Hence, great significance is attributed to the execution of unambiguous operational rules and principles of exemplary corporate conduct, designed to promote transparency and autonomy in the approaches of overseeing and directing, while considering the exigencies of present-day and ever-evolving operational, financial and societal conditions.

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# 5.1 Model of Corporate Governance

## Hellenic Corporate Governance Code (CCG) and Internal Rules of Operation

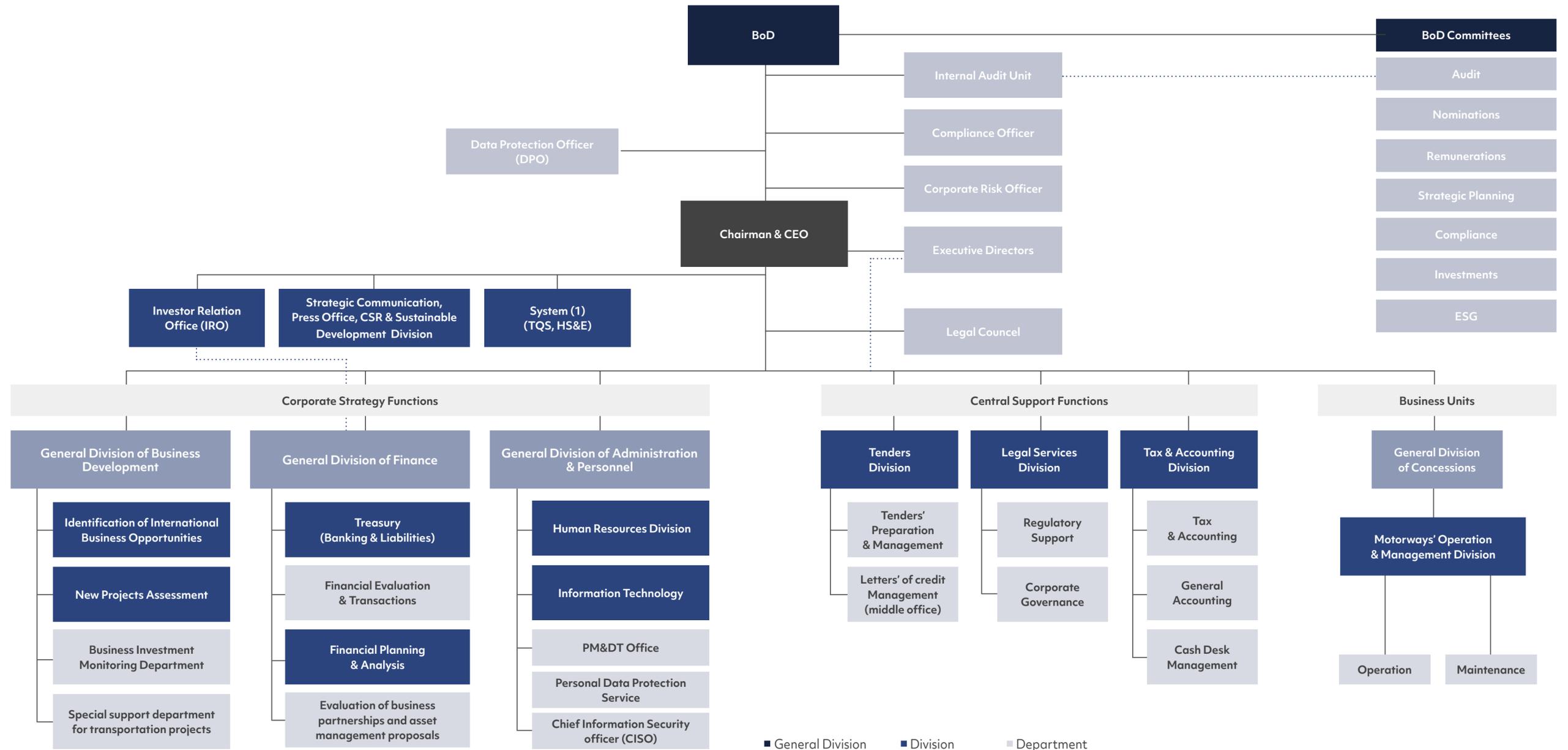
GEK TERNA Group applies the principles of corporate governance, as defined in the relevant legislative framework following the [Greek Corporate Governance Code \(CCG\)](#), of the Hellenic Corporate Governance Council which is governed by principles that promote transparency and responsibility in the way of operation and governance of the Group. In addition, since 2021 the Group adopted the updated [Internal Rules of Operation \(«IRO»\)](#), which are in accordance with the current corporate governance legislation and specifically with Law 4706/2020, as well as the relevant guidelines and decisions of the Hellenic Capital Market Commission.



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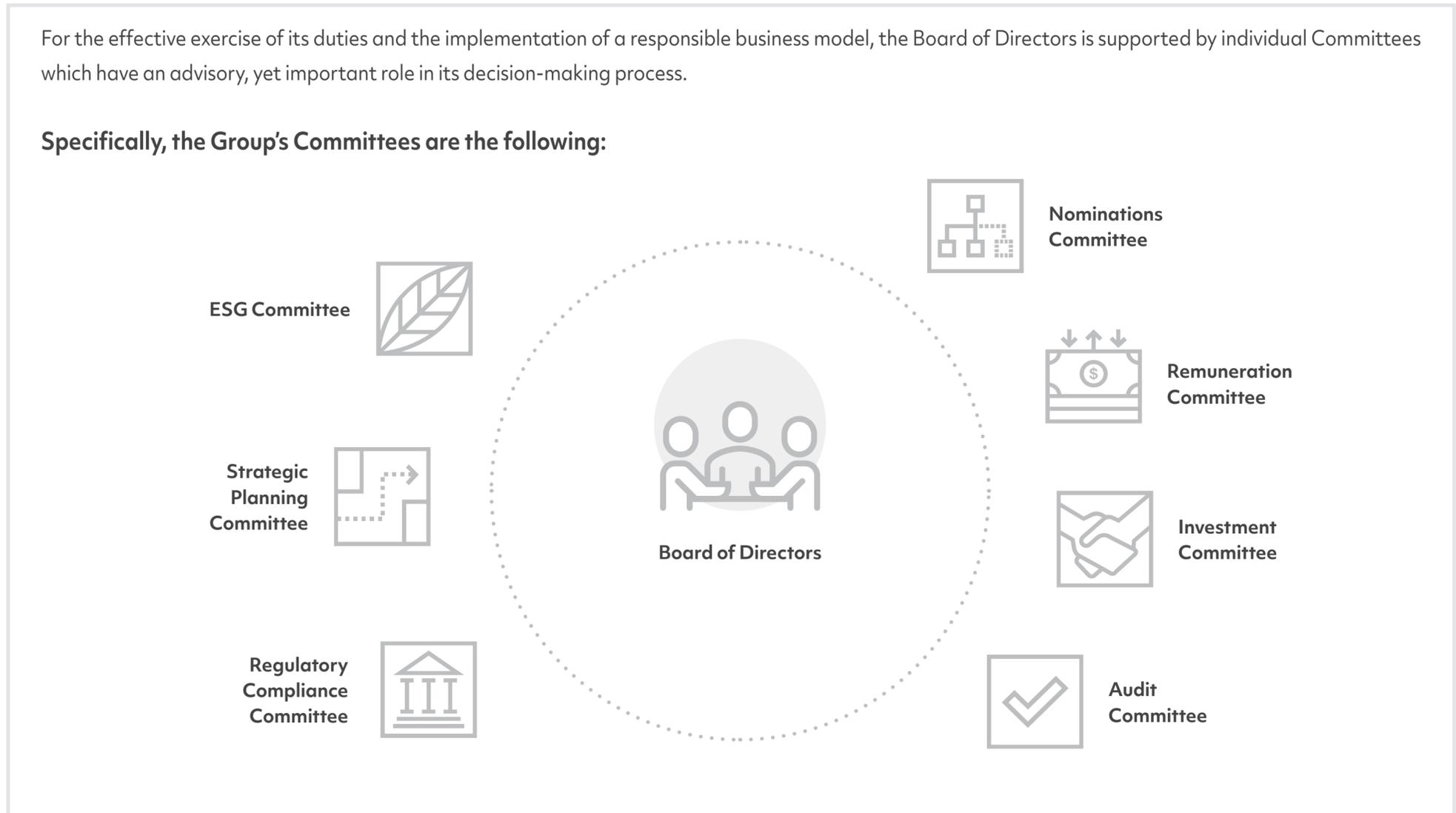
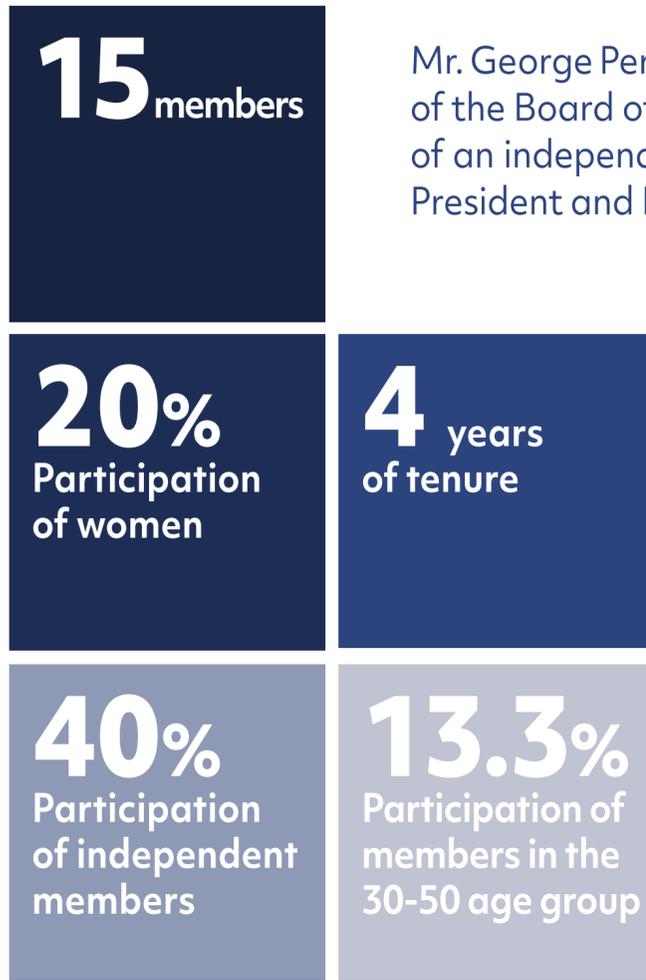
## Group Management and Committees

GEK TERNA Group relies on a modern operating model for its sustainable and responsible development. The following diagram illustrates the organizational structure of the Group:



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## Conflict of interests



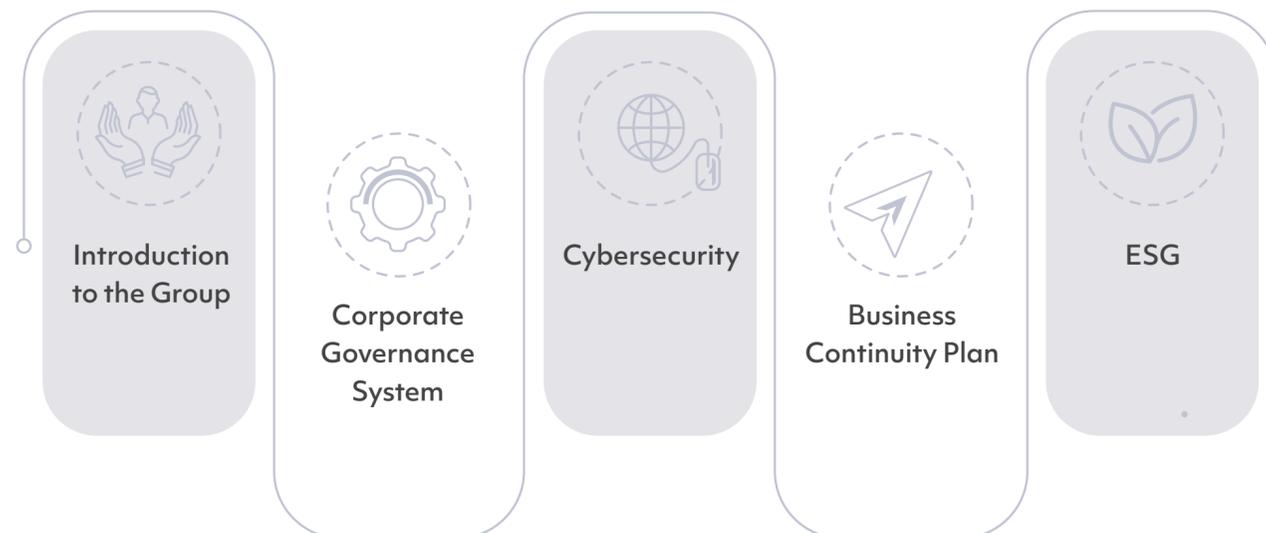
The Group adopted the Conflict-of-Interest Policy which aims to define the basic principles that should be followed by all employees in matters of conflict of interests that impact or may impact the interests of the Group and its affiliated companies, customers, suppliers and partners. The Policy encourages employees and partners to be mindful and watchful for any activities that could be considered a conflict of interest, while it is mandatory to be followed by everyone within the Group.

## Training policy for the BoD members & Executives



The Group has implemented a training policy for its BOD members & Executives, underscoring the organization's commitment to their professional development. This policy outlines the basic steps of their education plan. As part of the policy implementation, a training plan has been developed, encompassing a range of thematic modules.

Here are a few illustrative examples of the areas covered:



## Suitability Policy for the Members of the BoD



In 2021, the Group introduced the BoD member Suitability Policy, which aims to ensure quality staffing, efficient operation and fulfillment of the role of the Board, based on the overall strategy and medium-term business aspirations of the Group. The Nominations Committee monitors the implementation of the suitability policy.

The Board members must meet specific individual and collective eligibility criteria:



### Individual eligibility criteria

- ✓ Adequacy of knowledge and skills
- ✓ Guarantees of Ethics and Reputation
- ✓ No Conflict of interest
- ✓ Objective Judgement Allocation of sufficient time



### Collective eligibility criteria

- ✓ Collective Expertise
- ✓ Diversity

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## Procedure for evaluating the performance of Senior Executives



The Group's commitment to transparency and efficient operations is emphasized by the process of evaluating the performance of the Senior Executives.



### CEO evaluation process

The evaluation process is carried out once a year for the effective fulfillment of their duties based on the obligations arising from the current legislation, the statutes, the operating regulations and the Suitability Policy. The CEO is evaluated by the members of the Board of Directors. The evaluation process is chaired by the Independent Non-Executive Vice President and the Nominations Committee. The Nominations Committee conducts the evaluation with the support of an external consultant.



### Board members Evaluation (except CEO)

The self-assessment process is carried out once a year for the effective fulfillment of their duties based on the individual eligibility criteria as provided in the Suitability Policy and the obligations arising from the current legislation. The Nominations Committee, with the support of an external consultant, conducts the evaluation of the Board of Directors and the Board Committees including the ESG Committee.



### Senior Executives Evaluation

The evaluation process of Senior Executives is carried out once a year for the effective fulfillment of duties based on qualitative and quantitative criteria, as defined in the company evaluation system.



## Remuneration policy of the BoD members

GEK TERNA Group has adopted a Remuneration Policy which defines the conditions for the remuneration of the BOD members and the senior executives, thus ensuring transparency and integrity.

### The guiding principles governing the Remuneration Policy:



## Risk management

The Group maintains an effective risk prevention and management system to identify, assess and prioritize potential business risks with the aim of limiting its exposure to them. As part of the effective implementation of the risk management policy, the Group follows the following steps:



In addition, the Group has started to identify and qualitatively assess the physical and transitional risks and opportunities arising from Climate Change, in line with the recommendations of the "Task Force on Climate-related Financial Disclosures" (TCFD).

[More information about the corporate governance model is presented on the Group's website.](#)

## 5.2 Ensuring regulatory compliance and business ethics

The continuous promotion of business ethics and regulatory compliance is a top priority for the Group, as it serves as the cornerstone for all its operations and defines interactions with employees, partners, and suppliers.

In addition, the Group has established Policies covering the full range of its activities; indicatively the following are referred:

### Certifications, procedures and policies

To strengthen regulatory compliance, GEK TERNA Group maintains internationally certified ISO systems and undergoes periodic audits by accredited bodies.

For 2022, the Group's valid certificates are:



37301:2021  
Regulatory Compliance Management Systems



37001:2016  
Anti-bribery Management Systems



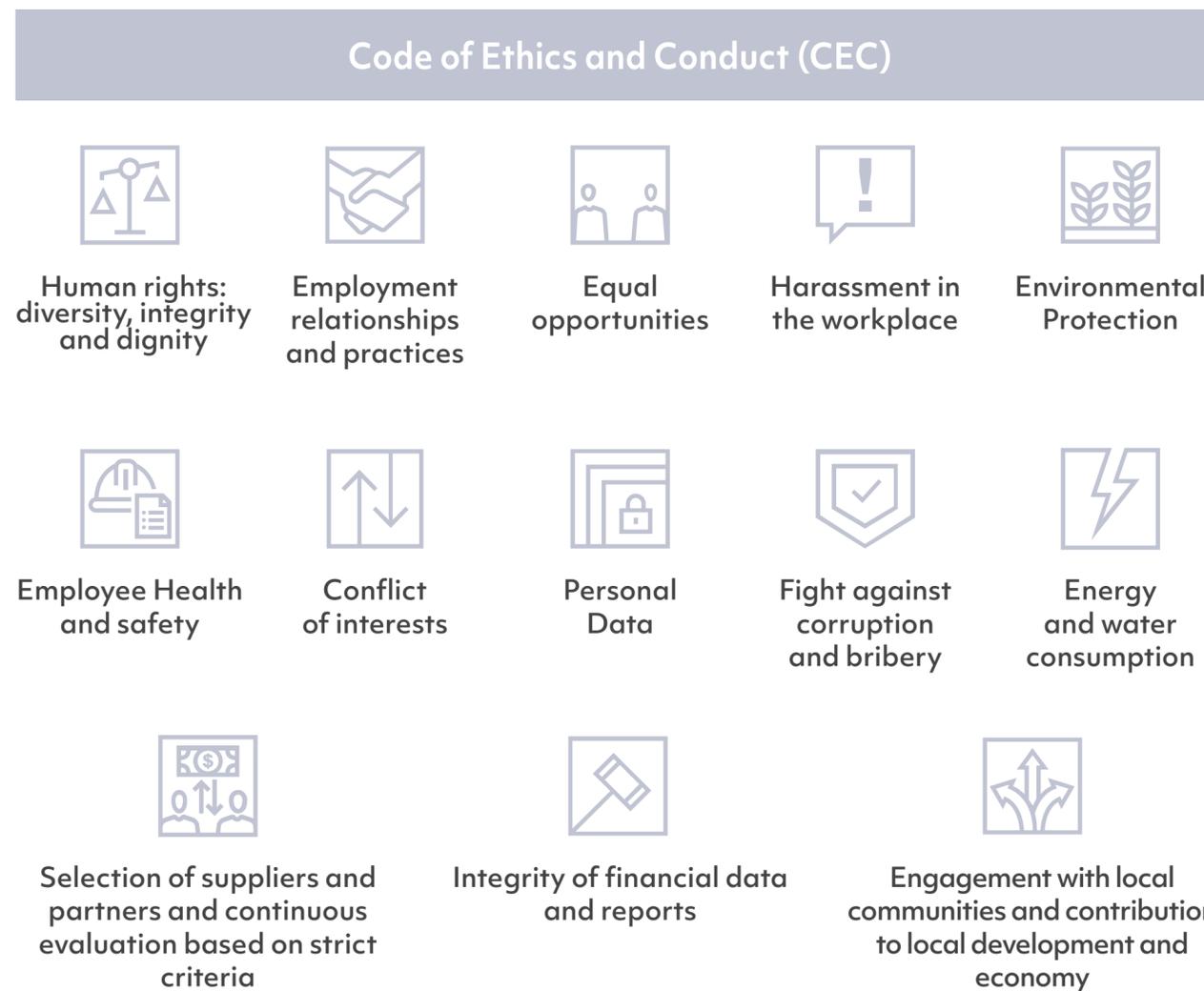
|  |   |   |
|--|---|---|
| <p>Regulatory Compliance and corruption and bribery control Policy</p> | <p>Gift Policy</p>                                      | <p>Sponsorship and Donations Policy</p> |
| <p>Conflict of Interest Policy</p>                                     | <p>Combating Violence and Harassment at Work Policy</p> | <p>Reporting Policy</p>                 |
| <p>Policy related to unhealthy competition</p>                         | <p>Travel and hospitality Policy</p>                    | <p>Code of Ethics and Conduct</p>       |

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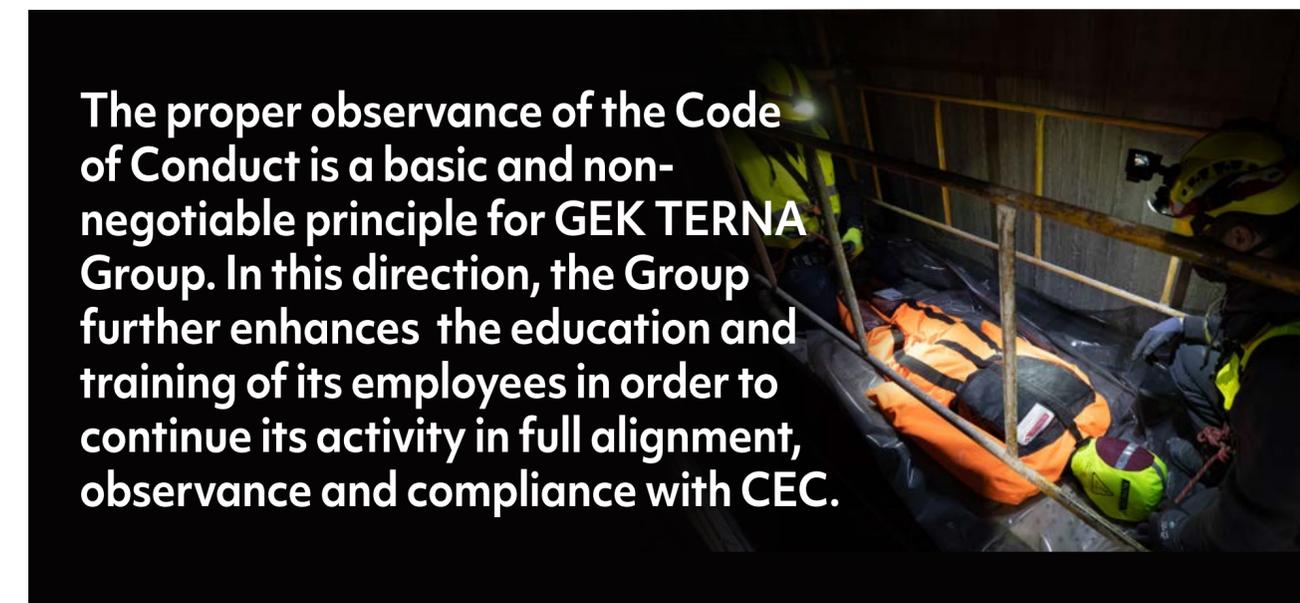
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## Code of Ethics and Conduct (CEC)

The [Code of Ethics and Conduct \(CEC\)](#) is the basic operating framework of the Group, which characterizes the professional behavior of its people. The CEC complies with the general principles provided by international regulations and conventions as well as international standards including, among others, the following thematic elements:



The application of the Code covers all the companies and subsidiaries of the Group at the national and international level, concerns all areas of activity and is considered in all partnerships and joint ventures in which it participates. The Regulatory Compliance Committee and the Regulatory Compliance Unit, which report directly to the Board of Directors, monitor the implementation of the Code of Ethics and Conduct, while at the same time a program of internal inspections is observed by the Regulatory Compliance Officer.



Specifically, in 2022, the following trainings were conducted:

-  Employee training in positions of responsibility in regulatory compliance management system procedures and the fight against corruption.
-  Code of Conduct (generic and specific) training through e-learning.
-  Internal audit and training of the staff of construction sites of E65 motorway and Ptolemaida on the Code of Conduct.

## Reporting mechanisms



The Code of Ethics and Conduct serves as a comprehensive framework covering labor and human rights issues. The Group has established reporting and grievance mechanisms for both employees and partners/suppliers to ensure that stakeholders may report any concerns or issues related to the implementation of the Code, either by name or anonymously through the following communication channels:



**E-MAIL TO**  
[compliance@gekterna.com](mailto:compliance@gekterna.com)



**PLATFORM**  
<https://gekterna.integrityline.com/frontpage>



**LETTER TO THE ADDRESS**  
GEK TERNA SA 85 Mesogeion Ave., 115 26 Athens, in attention of the “Regulatory Compliance Unit” of the Company with the indication “Confidential”.

**GEK TERNA Group does not tolerate any form of retaliation against employees who have complained on Code of Conduct related issues.**



### During 2022:

|   |   |   |
|---|---|---|
| There were <b>no confirmed incidents</b> of corruption, either through complaints or through the audits carried out by the Group itself in the context of preventing and combating any incidents of corruption. | There were <b>no confirmed incidents</b> of non-compliance with laws and regulations. | There were <b>no monetary losses</b> incurred as a result of breaches of business ethics. |
|---|---|---|

|   | 2022 | 2021 |
|---|------|------|
| Number (or percentage) of management members informed of the anti-corruption policy/procedures        | 100% | 100% |
| Number (or percentage) of department heads informed of anti-corruption policy/procedures              | 100% | 100% |
| Number (or percentage) of employees informed of the anti-corruption policy/procedures                 | 100% | 100% |
| Number (or percentage) of management members who have received relevant training                      | 100% | 100% |
| Number (or percentage) of employees who have received relevant training                               | 1200 | 333  |
| Number of lawsuits related to anti-competitive behavior and violations of antitrust and monopoly laws | 0    | 0    |

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## Personal Data Policy



For GEK TERNA Group, the protection of the personal data of individuals who trade in any way with the Group, is of paramount importance. Thus, in order to conduct its business activities, the Group processes stakeholder personal data, in accordance with European legislation and specifically the General Protection Regulation of Data (GDPR-GGPD 2016/679) and Law 4624/2019. To ensure the highest level of security and confidentiality in line with the company's policy, the Group has developed an Information Security Management System, that is certified under the international standard ISO/IEC 27001.



### During 2022:

There were **no reported complaints** or grievances surrounding customer privacy breaches and data loss.

There were **no incidents** of detected leaks, theft or loss of customer data.

## Terms of cooperation with suppliers



As a conscientious corporation, the Group places utmost importance on establishing responsible and sustainable supply chains that actively contribute to the generation of creating value for its suppliers, partners, and the communities of its operations. The Group acknowledges that responsible supply chain management is essential to our overall business operation and for this reason, it ensures that its suppliers comply with environmental, energy and social criteria, such as:



Their certification in international standards e.g., ISO 14001 and ISO 50001.



The implementation of policies and procedures for the protection of the environment and society.



The disposal and use of materials and equipment that, in addition to their suitability and usability, have high health and safety standards, are environmentally friendly and belong to a high energy class.

**Full compliance with the regulatory framework for Health and Safety as well as the acknowledgement of the Group's Code of Conduct are the minimum procurement requirements for any supplier.**

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## 5.3 Business continuity

Emergency preparedness is a matter of primary importance for the Group, as it contributes to enhancing its resilience. Recognizing that its activities may pose serious risks to employees, as well as those who visit its facilities, the Group ensures the timely planning and implementation of effective measures to address them.

Actions to mitigate and address existing and potential negative impacts, as well as actions to maximizing existing and potential positive impacts regarding emergency response are described below.

### Business continuity plan

The Group has implemented a Business Continuity Plan which encompasses stringent operational rules and its implementation is being monitored daily, ensuring the uninterrupted operation of all critical functions in case of emergency or crisis.

Following up on the response to the COVID-19 pandemic, the Group, in 2022, continued to take all the appropriate measures, including:



### Emergency response plan

In the context of organizing a safe working environment, the Group recognizes the necessity of immediate and effective emergency management for the protection of its employees and partners from potential risks.

Prior to the construction of a project or operation of an installation, a detailed Emergency Response Plan is prepared describing all the necessary actions to be carried out, as well as the appropriate resources that each facility should have for effective emergency planning.



In 2022, a total of **66** emergency drills were successfully carried out by the Group.

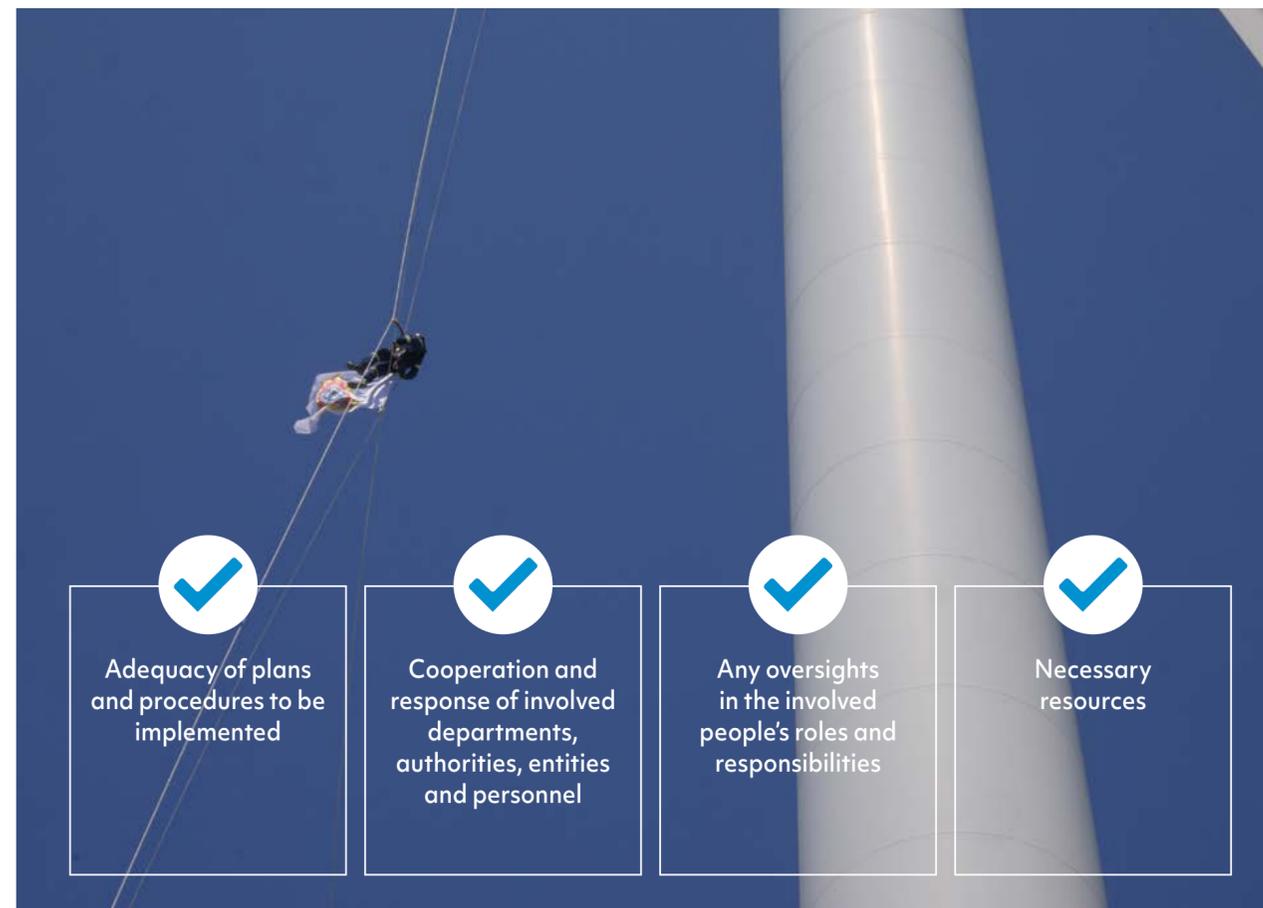
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## Emergency drills

The Group caters for the preparedness level of its employees and associates (subcontractors) in emergency situations and thus, it regularly carries out readiness drills, by conducting critical event simulations (employee accident, fire, earthquake etc.) concerning the timely and effective response to emergency situations. The drill execution reveals the level of readiness and response capabilities of the personnel, while it also allows for rectification of any deficiencies or dysfunctions. Such practices are essential in fostering a safety-oriented culture within the Group.

Through the readiness exercises, the following are checked and evaluated:



In addition to the emergency preparedness exercises, the Group provides systematic training to employees with the aim of immediately identifying possible causes of accidents and specifically improving the following points:



**Enhance**  
The readiness levels of employees.



**Further develop**  
their skills and intensify their technical competence, with the ultimate goal of protecting themselves and the environment in which they work.



**Integrate**  
the knowledge acquired from past incidents and their handling in the content of the educational programs.

**Enhance**  
the preparedness levels of employees.

During 2022, the Group provided  
**1,147**  
training hours to its employees on emergency response issues.

# 06

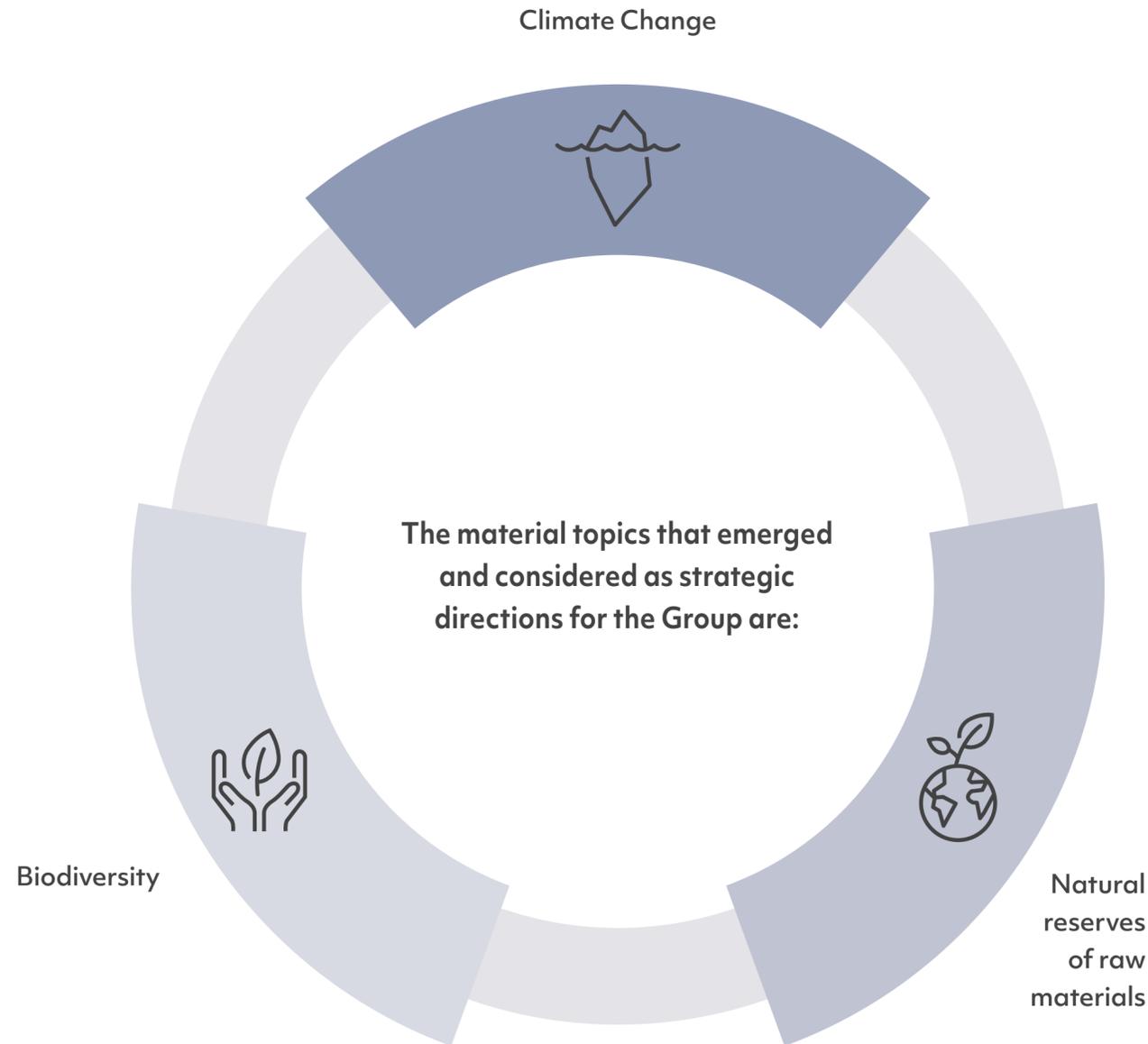
## Our environmental footprint



The protection of the environment and the reduction of the environmental footprint are an integral part of the Group's strategy and one of the central axes of its business activities. The Group aims to identify and deal with potential risks immediately, implementing the appropriate measures and countermeasures and integrating environmental issues into the Group's business model.

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## Environmental and Energy strategy

The Group, recognizing its responsibility towards the environment, acts purposefully and takes measures that lead to the reduction of the environmental and energy footprint through the responsible management of the energy and natural resources it uses.

### The environmental and energy strategy of the Group includes:

-  Defining environmental and energy goals and achieving them through approved programs.
-  Ensuring adequate resources to achieve environmental and energy goals.
-  The implementation of the Environmental and Energy Management System.
-  Responsible energy management.
-  Contributing to tackling climate change.
-  The protection and conservation of biodiversity.
-  Responsible waste management.

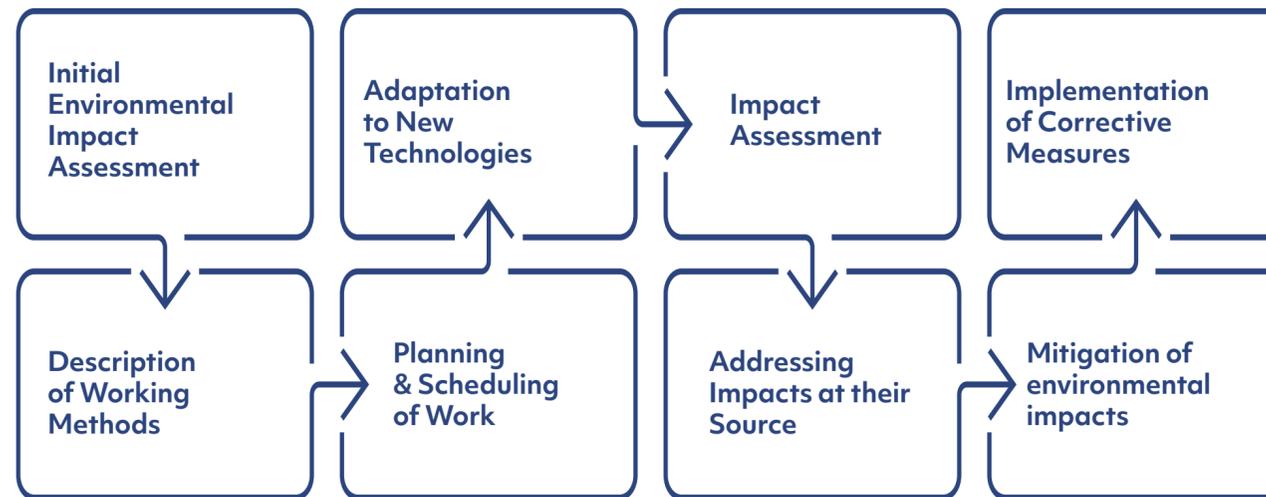
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For the implementation of the above strategy, the Group implements an Environmental and Energy Management system with specific targets and results, whose progress is evaluated on an annual basis.

Through the adoption of a modern and integrated Environmental and Energy Management System, the Group improves its environmental performance while effectively executing its strategy.

**The Group's strategy for reducing the environmental impacts is based on the following basic steps:**



The comprehensive Environmental and Energy Management System of the Group is certified according to the international ISO 14001: 2015 standard for the majority of its subsidiaries: TERNA, TERNA ENERGY, TERNA MAG, NEA ODOS, KENTRIKI ODOS, HERON Group, GEK Services. In addition, the subsidiaries TERNA and TERNA ENERGY are certified according to the international ISO 50001: 2018 standards and apply an energy management system horizontally in all their projects and facilities. Moreover, the Group is certified according to the international ISO 9001:2015.

**Environmental and energy management system audits**

GEK TERNA Group conducts annual internal audits, in all its operational activities, in order to ensure compliance with the approved environmental conditions, as they apply per installation/ operational activity, the special requirements that apply per case, as well as the requirements as defined in the procedures of internal systems and corresponding standards (ISO). In 2022, 94 environmental inspections were carried out at the Group's facilities.

**Internal audits aim at the following objectives:**

- Evaluation of the degree of compliance with the requirements of current legislation.
- Evaluation of the degree of response to the requirements of the Group's customers.
- Evaluation of the degree of compliance with the requirements of the Environmental and Energy Management Systems and ISO of the Group companies.
- Identification of points that need improvement and reinforcement.
- Improvement of the implementation of Environmental and Energy Management and Risk Management Systems.

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Our environmental footprint

**Employees' training on environmental and energy related issues**

GEK TERNA Group acknowledges its responsibility in managing its environmental footprint and thus aims to raise the environmental awareness and provide valuable insights to its employees developing a wider environmental culture across the Group. The Health, Safety, Environment, and Energy (HSEE) Directorate of the Group, along with the project Environmental Officers, organize annual training programs to address the environmental, energy, and social concerns related to the Group's operations. These training programs are tailored according to the specific project needs and trainee roles and tasks. In 2022, the Group conducted over 920 hours of Environmental and Energy training across all its subsidiaries.



The Group's continuous effort to improve its environmental footprint resulted in zero incidents of non-compliance with environmental permits, standards, or regulations in 2022. In addition, no monetary fine or other sanction was imposed in respect of a violation of environmental legislation and related regulations.



# 6.1 Climate Change

Mitigation and adaptation to climate change is one of the most significant challenges faced by the Group, realizing its responsibility towards the environment. As such, the Group understands that it is both a legal obligation and a moral imperative to actively participate in national and international efforts focused on mitigating the effects of climate change.

The Group promotes the transition to a business model which aligns with the new requirements set out by climate change, by designing and implementing a series of projects and planned investments, such as:



Development and operation of wind farms.



Development and operation of hydroelectric projects.



Development and operation of waste treatment plants with green energy production.



Development and operation of photovoltaic parks.



Development of pumped storage projects that will ensure the security of energy supply.



Development of floating wind farms.



Development of infrastructure projects that minimize their energy footprint.

Through this approach, the Group effectively integrates relevant risks into its business processes, strengthening its competitive advantage and its ability to create long-term value to stakeholders.

To ensure effective implementation of its commitment to mitigating and adapting to climate change, specific objectives have been set with their performance evaluated on an annual basis. The substantial contribution of the Group to the mitigation and adaptation to climate change has been demonstrated by the recent (2021) issuance of the bond loan of up to 300 million euros that includes a sustainability clause. As mentioned, the Group's key performance indicator targets a 25% reduction in greenhouse gas emissions intensity from its electricity generation activities by 2025, using 2021 as a base year.

## Task Force on Climate-related Financial Disclosures (TCFD)



In line with the recommendations of the framework «Task Force on Climate-related Financial Disclosures» (TCFD), the Group started the process of identification and quality assessment of physical and transitional risks and opportunities arising from Climate Change.

**Specifically, the Group has proceeded with the following actions:**

- Setting organizational and operational boundaries,
- Identifying the potential transitional and physical risks and opportunities,
- Selecting and analyzing three climate scenarios: RCP 2.6 (Paris Aligned scenario), RCP 4.5 (Moderate overheating scenario), RCP 8.5 (Hot House scenario) and
- Participating in a quality assessment of physical risks and opportunities, including the impacts of the identified risks and opportunities, for the three selected scenarios and over a period of 2023, 2030 and 2050.

The Group will publish the results from the calculation of the assessment of physical and transitional risks and opportunities arising from Climate Change and the methodology followed, in the updated CDP Climate Change disclosure.

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## Greenhouse gas emissions

The strategic axis of the Group's business model is to address climate change and contribute to the European goal of achieving a successful and sustainable transition to a climate-neutral economy by the year 2050. Given the impact of this issue across all aspects of its value chain, effective management is crucial as it affects its business strategy and its ability to create long-term value.

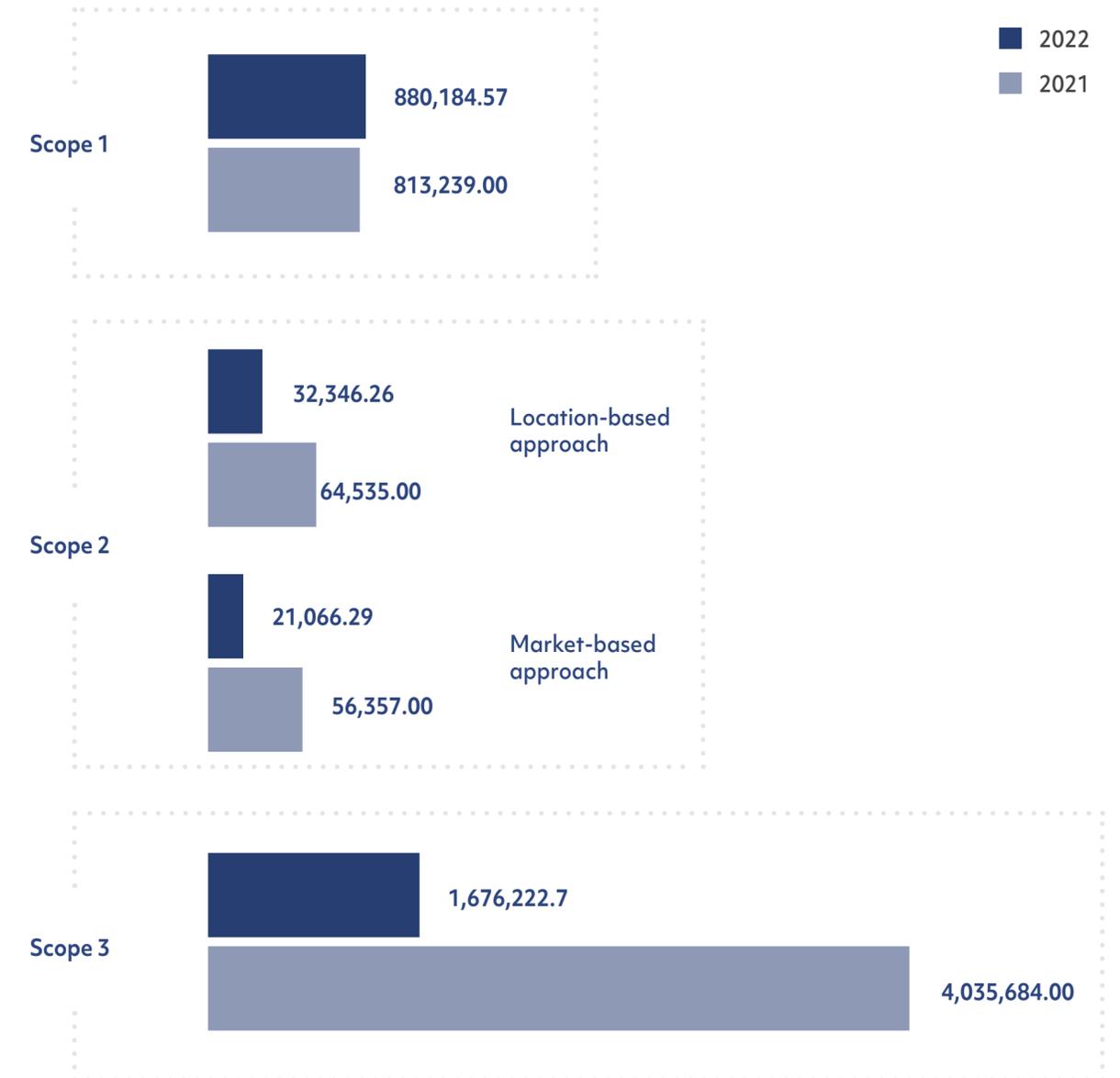
An important component of the problem is the increase in greenhouse gas (GHG) emission both directly by its construction sites, facilities, and power plants (HERON I, HERON II) and indirectly through the activities of third parties, such as suppliers in the transportation of materials and equipment. Therefore, the Group prioritizes the continuous development of Renewable Energy Sources (RES) via TERNA ENERGY Group, effectively mitigating GHG emissions. At the same time, through its activity in Waste Management Units for the proper treatment of waste, the Group contributes to prevention of methane emissions into the atmosphere, a key component of the greenhouse effect.



The calculation of the carbon footprint is a key tool for the implementation of specific and measurable improvement goals through group-wide initiatives. The calculation is based on ISO 14064:2018 and the GHG Protocol Standard and includes:

- Direct greenhouse gas emissions (Scope 1) resulting from the activities that take place within the boundaries of the Group's facilities under its operational control.
- Indirect greenhouse gas emissions from electricity consumption (Scope 2), which are calculated by two approaches:
  - The location-based approach, i.e., calculated using a national conversion rate of electricity consumption to greenhouse gas emissions; and
  - The market-based approach, i.e., calculated based on a specific emission factor by the electricity provider.
- Indirect GHG emissions (Scope 3) resulting from activities in the Group's value chain.

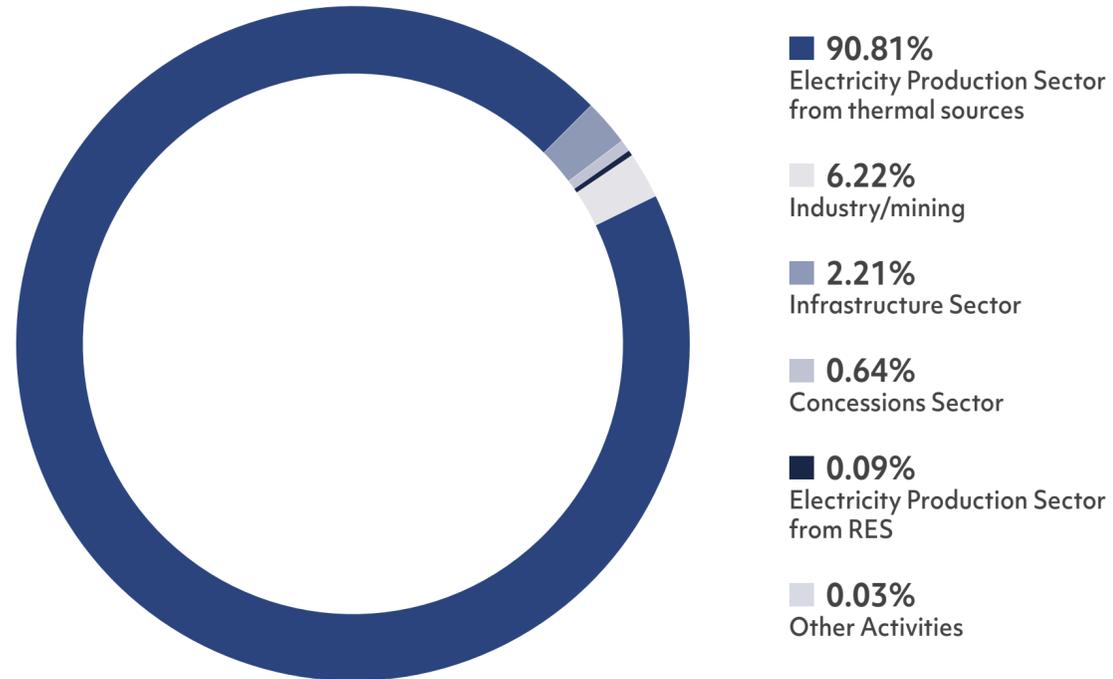
The total direct (Scope 1) and indirect (Scope 2,3) GHG emissions (in tn of CO<sub>2</sub>e) are presented in the following graph.



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In 2022, GEK TERNA Group obtained Guarantees of Origin for a total amount of 26,565.02 MWh of green energy. This consumption accounted for 34.9% of the total electricity used and it resulted in a notable variation of 50% between 2021 and 2022, for Scope 2 emissions.

The following diagram shows the distribution of the direct GHG emissions (Scope 1) for each activity sector:

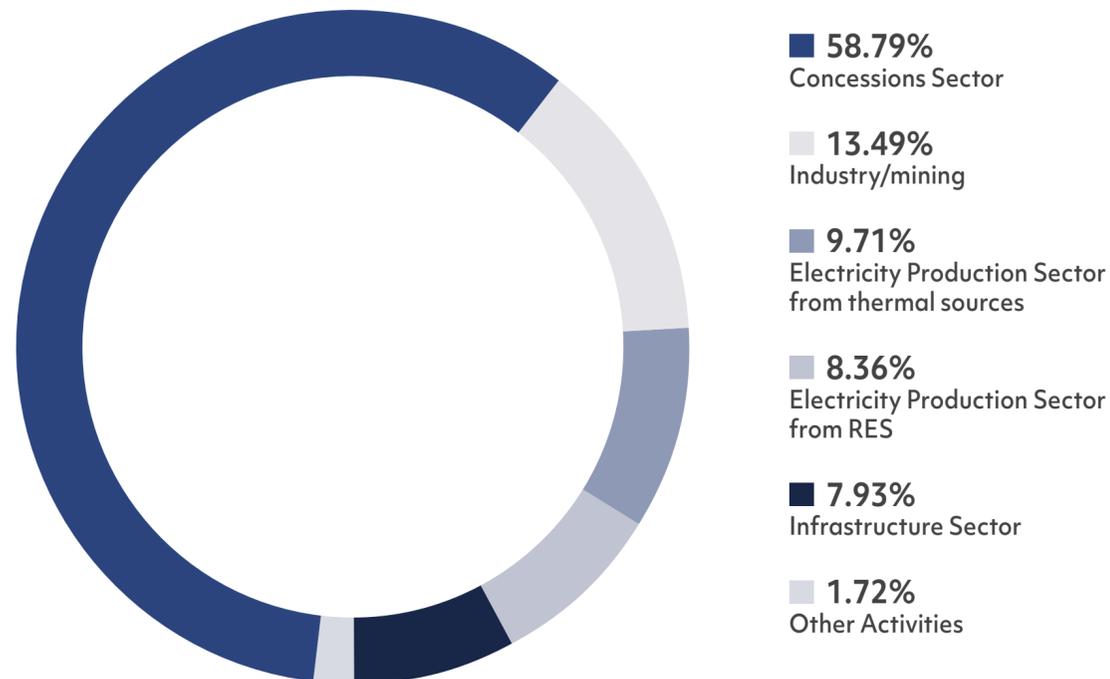


## Responsible energy management



The Group makes efforts to rationally manage the consumption of all forms of energy and protect natural resources throughout its activities by implementing appropriate measures. Therefore, the Group conducts systematic recording and monitoring of energy consumption in offices, construction sites and facilities to evaluate its energy needs and take action to reduce the energy consumption of its activities.

The following diagram shows the Group's total energy consumption for 2022, for each activity sector:



The energy consumption indicators within the Group for 2022 are presented in detail in the table below, compared to the corresponding values of 2021.

|  | 2022         | 2021        |
|--|--------------|-------------|
| Total energy consumption within the Group (MWh)                | 4,302,357.17 | 3,965,958.0 |
| Electricity consumption within the Group (MWh)                 | 76,204.71    | 110,152.0   |
| Percentage of energy consumption from RES within the group (%) | 0.64%        | 0.89%       |

At the same time, the Group invests in identifying opportunities for energy improvement, such as the renewal and maintenance of its machinery with the aim of increasing its useful life and improving its energy efficiency.

## Sustainable Infrastructure

The Group aims, in the field of infrastructure, to participate and undertake projects that meet the criteria of bioclimatic design. Indicatively, projects constructed by the Group, which have been designed based on environmentally innovative practices that promote energy saving, are mentioned below:

- Complex Office Building on Fragoklissias Street
- Office building on Amarousiou-Halandriou and 16 Chimaras 16 Str., in Marousi
- Piraeus Tower
- Hotel Building «Asteria», in Glyfada
- IRC «City of Dreams» in Limassol, Cyprus
- Interbalkan Medical Center
- Complex Office Building «Hub 26», in Thessaloniki.

For the buildings mentioned above, there is an official commitment that, upon completion, they will be certified with Energy Performance Certificates from private institutes (LEED, BREEAM or Passive House) and will be tested for tightness and thermal integrity.

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## Products and services that contribute to decarbonization and reduce energy consumption

### Power Purchase Agreements (PPAs) in Greece

In 2021, TERNA ENERGY and HERON were the first to introduce long-term Power Purchase Agreements (PPAs) in the Greek market.

In this way, end consumers are offered direct access to green energy by making MWh available through «private» PPAs, paving the way for affordable electricity in industry and large commercial companies.

In this context, 16 contracts were signed with well-known industrial and commercial consumers in 2022. The PPAs offered, are aimed at large commercial and industrial consumers and respond to their needs to reduce energy supply costs and achieve their sustainability goals. These PPAs are fully aligned with the goals of increasing the competitiveness of Greek businesses, enhancing further penetration of RES in the country's energy mix and supporting the growth of RES projects through bilateral trade agreements with end consumers.

### Guarantees of Origin

GEK TERNA Group, through HERON, provides Guarantees of Origin to business customers who desire it, as well as to household customers who choose the ECO GENEROUS commercial programs. The Guarantees of Origin or Green Certificates are issued by the Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP), in application of Community Directives 2003/54/EC and 2009/72/EC and national legislation, in order to ensure that a certain portion of electricity generation comes from RES. Electricity suppliers have the option of obtaining Green Certificates from RES power producers and then canceling them on behalf of the customers they represent. In 2022, HERON canceled 351,319 Guarantees of Origin from photovoltaic and wind farms, corresponding to 351.32 GWh. Through the Green Certificates, both the Group and its clients contribute to the reduction of carbon footprint from power generation.

## Green services "Energy Ahead" by the HERON Group

HERON, a company committed to continual evolution and adaptation in market conditions and guided by a focus on Humanity, the Environment, and Society, is dedicated to expanding its range of green services in order to provide new possibilities and perspectives to its customers, such as:

- EcoRoof, through the electricity generation from photovoltaic systems installed on rooftops, promotes the use of green energy.
- The EcoHeat program enables a cost-effective and comprehensive solution for connecting homes to natural gas through 24-month interest-free financing for installing new equipment and replacing an old boiler.
- Consumer CO2 footprint calculation services. The process is accessible to all and is based on the completion of a short questionnaire through the HERO Group website.
- HERON SOLAR GENEROUS: the new commercial electricity program introduced in 2022, which, combined with the additional, innovative service of HERON EN.A, enables consumers to access for free the photovoltaic benefits without the need for installation. Through this collaboration, the energy from existing and future RES in Greece will be committed to the clients of the HERON Group who participate in the program.

## Innovation, research, and development (R&D) actions that contribute to decarbonization and the reduction of energy consumption

### HERON Group

The participation of the HERON Group in the Horizon 2020 and the Horizon Europe programs, as well as in national research programs, enables the active collaboration and transfer of knowledge and technology among academic and research institutions, state-of-the-art technology providers and specialists in consulting services, project management and distribution services. These synergies enable HERON Group to develop and test innovative digital products aiming at promoting sustainable, efficient, and responsible energy consumption.

### Energy Efficiency Obligation Scheme

HERON Group's Applied Research and Development team, actively supports the organization in achieving the objectives of the Energy Efficiency Obligation Scheme (EEOS), as described in article 7 of the EU Energy Efficiency Directive and monitored by the Centre for Renewable Energy Sources and Saving (CRES); the support is twofold:

1. The development of a smart digital solution for monitoring natural gas consumption, which transforms outdated boilers into smart equipment and guarantees 30% decrease in energy consumption with

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the aid of machine learning. This commercial product that can provide a solution for HERON's customers who rely on Natural Gas and simultaneously can provide a significant boost to HERON's EEOS goals.

2. The development of an internal smart monitoring platform for electricity consumption, which enables users, through a template and a mobile application, to monitor, in real time, their household consumption, as well as the consumption of specific energy intensive appliances (i.e., washing machines, air condition units). A service that allows users to remotely control their electric boiler has already been developed. In addition, a service is currently being tested that informs users of the percentage of renewable energy sources in the grid and suggests that they reduce their consumption in periods when renewable generation is very low. Overall, both services aim to reduce electricity consumption and inform users to shift their consumption during periods with high rates of renewable energy in the system.

**Pilot programs and synergies**

The Applied Research and Development team of the HERON Group is actively involved in European research programs, including pilot teams for the monitoring and testing of new commercial products, in a safe and low risk environment.

The first and larger pilot program, so far, is the Residential Pilot program, according to which, the households of Group's employees have been equipped with IoT appliances (smart meters and plugs, relays, sensors).

Another pilot program was developed through the partnership of HERON Group and a small-medium enterprise, is the Living Yard (1 & 2) Pilot program. It is consisted of two short-term and medium-term groups of rental apartments, especially designed for digital nomads. This pilot program includes two historic buildings in Chalkida, with fully equipped rooms, co-working spaces, common areas and shared facilities. Thermal pumps have been placed in both buildings for heat and cooling. The program also includes smart meters in all apartments and common areas, for monitoring energy consumption, in real time. The central digital monitoring platform has been modified accordingly, to provide the building manager with all the necessary equipment for supervising and controlling energy consumption, as well as the identification of energy saving solutions. Future plans include the participation of Living Yard (1 & 2) in the HERON EN.A program of the HERON Group, as well as the inclusion of a third building, Living Yard Deluxe, with similar characteristics.

**Energy Communities**

Recently, the Greek Regulatory Framework for the establishment and operation of energy communities, was amended, to further enhance the number of operating energy communities in Greece. The Applied Research and Development team of the HERON Group has gained experience in energy communities, through its participation in the HORIZON 2020 program; thus, it undertook, along with the pertinent departments (pricing, IT, legal), the responsibility to trace all the required procedures for the operation process of energy communities, in order for them to become an integral part of the client list of the Group.

**TERNA ENERGY Group**

In the past three years, TERNA ENERGY has invested in various Research and Development projects, the most important of which include: The construction of an innovative, large-scale project on the island of Agios Efstratios, which will be turned into the first energy independent island in Greece. The project includes wind and solar energy systems, battery storage system and a heating network, all of which aim to make the island energy independent with more than 85% energy deriving from RES.

Moreover, in terms of R&D activities, TERNA ENERGY has conducted numerous research for the production, transportation, and usage of green hydrogen in Greece. Also, it has collaborated with various institutions and Universities, proposing new technologies, such as offshore photovoltaic panels, wave energy and green hydrogen projects, as well as it has participated in a European research program to further strengthen the cooperation and coordination between the Administrators of the Southeast European (SEE) Transmission System and to support the energy market in the area, while promoting clean energy.

Additionally, TERNA ENERGY has become a member of Energy Web, an organization that promotes energy blockchain, in order to accelerate energy transition, with the aid of Web 3 technologies that support clean energy business models.

Finally, TERNA ENERGY conducts, on an ongoing basis, rigorous research into various innovative technologies ranging from energy storage to green hydrogen, wave energy, floating photovoltaics, offshore wind projects, the digitization of energy etc.

## 6.2 Protection of Biodiversity

The Group prioritizes the protection of biodiversity, as it is a critical indicator for the balance of ecosystems and for the proper functioning of ecosystem services. Therefore, it systematically undertakes initiatives aimed at protecting biodiversity, in full compliance with existing legislation at national and European level. At the same time, the Group implements a management system which ensures the strengthening of the positive and the limitation of the negative impacts that its operation creates or may create on biodiversity and ecosystems.

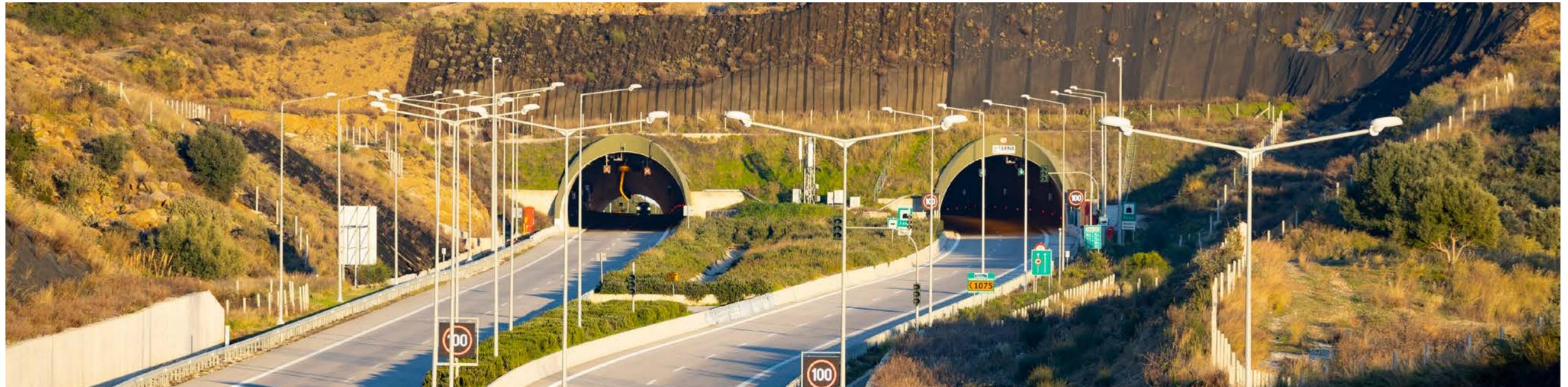
Given that some of the Group's operations take place within areas of high biodiversity, the Group undertakes specific initiatives and measures aimed at reducing the environmental impact of its activity. The main objective of the Group is to operate beyond the prescribed actions mandated by environmental legislation, by using mechanisms to monitor and record its effects on the wider natural environment.

### Operations adapted to the needs of ecosystems



During the construction and operation of its projects, the Group prepares Environmental Impact Studies (EIA), Special Ecological Assessment Studies (SEA), Special Ornithological Studies (SOS), as well as monitoring programs in collaboration with specialized scientists and bodies. The main target of these action is to obtain and use the necessary information to ensure the protection of local ecosystems, by taking appropriate measures to protect and restore the impacts of its operation. Indicative measures, as prescribed in the respective approved environmental conditions of the projects carried out by the Group, are the following:

- Construction of uneven passages or tunnels for the unimpeded passage of wildlife
- Planting projects
- Slope formations
- Hydraulic studies which determine the measures for protection against erosion of the natural slopes
- Sound protection works of the area adjacent to the project
- Projects to ensure the smooth flow of surface water
- Installation of bird prevention systems



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## Restoration of areas and construction sites



The Group aims at minimizing the footprint of each of its activities, through the environmental and restoration studies of the natural environment and corresponding action plans carried out for all its projects.

Upon termination of the use of the sites of its projects, the Group makes provisions for its energy and industrial subsidiaries. These provisions are meant to cover the costs of restoring the natural landscape, where power generation plants and quarries were established, in accordance with the permits obtained from the state. The total amount of these provisions for 2022 amounted to € 20,776. This estimate reflects the expenses required to dismantle the equipment and reshape the area using current technology and materials.

These provisions are integral components of a comprehensive restoration planning framework, whereby substantial volumes of raw materials are reclaimed and subsequently repurposed to fulfill acknowledged requirements across the Group's diverse range of activities.

It is noteworthy to highlight that in 2022, following the successful completion of prior years' restoration, revitalization, and reconstruction endeavors, the Group diligently preserved and nurtured a total of 132,307 trees spanning 950 acres of forested land.



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**REFORESTATION**

| A/A | Installation - Geographical area  | Area (Acres) | Number of Plants | Period    |
|-----|---|--------------|------------------|-----------|
| 1   | Rachoula Wind Park, Reforestation in Trepia, Municipality of Tanagra Boeotia, Forest Directorate of Boeotia   | 17.24        | 1,434            | 2020-2023 |
| 2   | Mavroplagia - Kastro Wind Park, Reforestation in Trepia, Municipality of Tanagra, Forest Directorate of Boeotia   | 93.18        | 8,900            | 2020-2023 |
| 3   | Plagia-Psiloma Wind Park, Reforestation in Trepia, Municipality of Tanagra Boeotia, Forest Directorate of Boeotia   | 55.26        | 5,155            | 2020-2023 |
| 4   | Eressos Wind Park, Reforestation at the Mavrorachi Landfill Site of the Municipality of Lagada Macedonia, Thessaloniki Forest Directorate of C. Macedonia | 170.00       | 37,500           | 2020-2023 |
| 5   | Lefkes Wind Park, Reforestation in Potami, Municipality of Eordaea Macedonia, Kozani Prefecture, Forest Directorate of C. Macedonia                       | 43.00        | 2,150            | 2020-2023 |
| 6   | Lefkes Wind Park, Reforestation in Agnanti, Municipality of Pylaia Macedonia, Thessaloniki Forest Directorate of C. Macedonia                             | 18.00        | 3,600            | 2020-2023 |
| 7   | Taratsa Wind Park, Reforestation at Moschopodi Boeotia, Municipality of Thebes, Forest Directorate of Boeotia   | 108.77       | 9,747            | 2020-2023 |

**REGENERATIONS**

| A/A | Installation - Geographical area  | Area (Acres) | Number of Plants | Period    |
|-----|---|--------------|------------------|-----------|
| 1   | Servounia Wind Park, Regeneration at the site of Platoma Gymnou Euboea, Municipality of Eretria (plantings and equipment of recreation area) Forest Directorate of Euboea | 144.50       | 3,125            | 2021-2026 |
| 2   | Pyrgari-Ntardiza Wind Park, Regeneration of the area of Mesonisi Euboea , Municipality of Kymi  | 90.02        | 1,018            | 2021-2026 |

## 6.3 Resource Management and Circular Economy

Strategically, GEK TERNA Group recognizes the importance of conserving natural resources and raw materials combined with efficiently managing waste. The Group prioritizes reducing the quantity and hazardousness of waste, while also utilizing it responsibly through separating waste at the source, recycling, reusing, and disposing of it in order to achieve proper waste management in accordance with legislation and circular economy principles.

Compliance with national and European legislation, as specified in the Decision on the Approval of Environmental Conditions, as well as internal procedures and customer requirements, is paramount in waste management. GEK TERNA Group partners with licensed entities for waste collection, treatment, recovery, reuse, and disposal. By adopting circular economy principles, materials produced from excavation, construction, and demolition are reused within the Group's companies and various points of activity.

### Waste management projects development

The Group seeks to mitigate issues related to waste management and promote the circular economy by investing in the development of Public Private Partnership projects (PPP) for the construction and operation of waste treatment units in the regions of Epirus and Peloponnese.

Through the operation of these units, the Group contributes to the reduction of pollution in both above and underground (water table) natural environment while improving hygiene conditions for local communities and social groups susceptible to waste risk, as well as fostering environmental and ecological consciousness among citizens.



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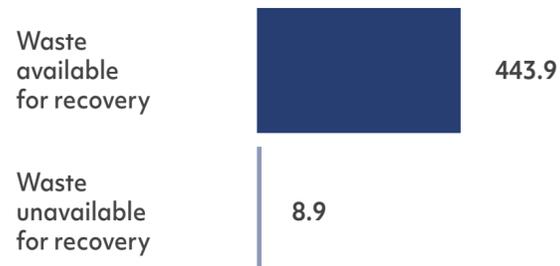
## Waste Management

Achieving accurate assessment and execution of optimal waste management practices necessitates meticulous and methodical documentation of waste, along with the ongoing monitoring of the Group's performance.

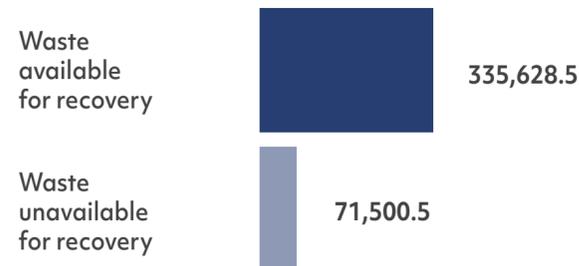
**Percentages of waste corresponding to the Group's activity in Greece and abroad by type of waste (in tons), as well as the distribution of the total amount of waste (Greece and abroad) by type of treatment.**

### Greece

#### Hazardous waste



#### Non-hazardous waste

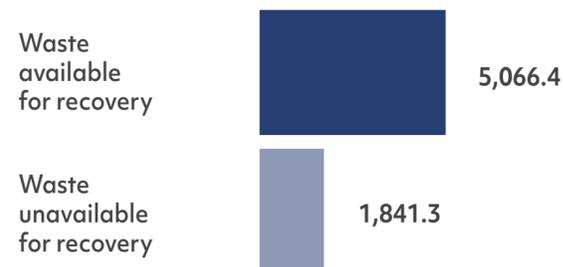


### Abroad

#### Hazardous waste

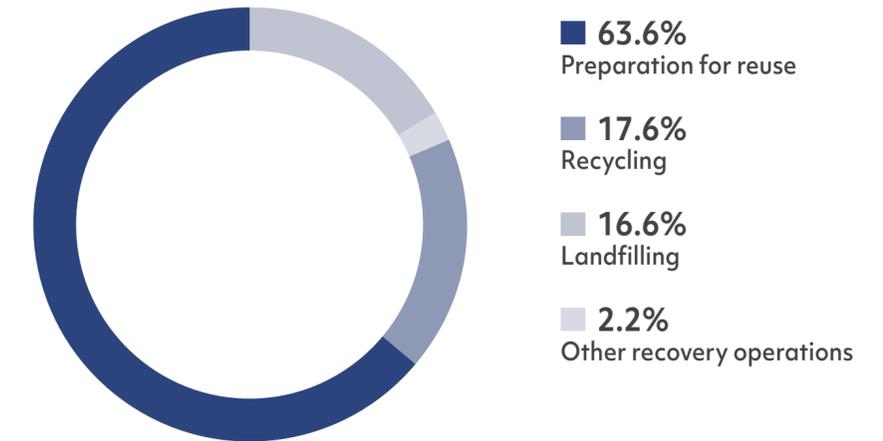


#### Non-hazardous waste

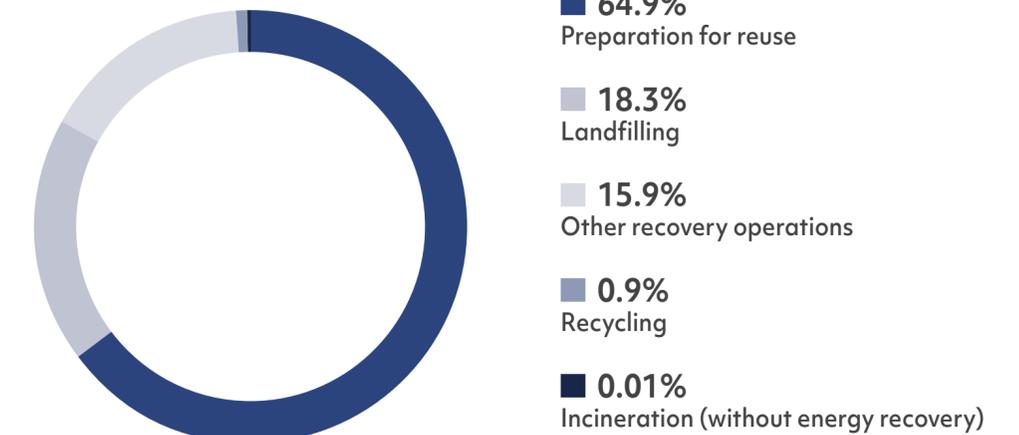


## Distribution of the total amount of waste by type of treatment

2022



2021



To prevent any unforeseeable incidents affecting the environment and public health, the Group meticulously plans and implements necessary measures to eliminate potential pollution of natural resources, ensure safe transportation of hazardous waste and establish safe collection and storage practices.

Liquid waste derived from company processes is divided into industrial/hazardous waste and urban wastewater. Different management practices in terms of their disposal to the final recipient are utilized based on the varying pollutant levels of each waste type, in accordance with existing regulations and project/facility stipulations set by the Approved Environmental Terms.

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## Reuse and recovery

The goods and supplies acquired by the Group are critical components that greatly impact the quality of its projects and the resulting environmental and energy footprint. The Group carefully selects materials that satisfy stringent standards of safety and functionality, even under harsh weather conditions.

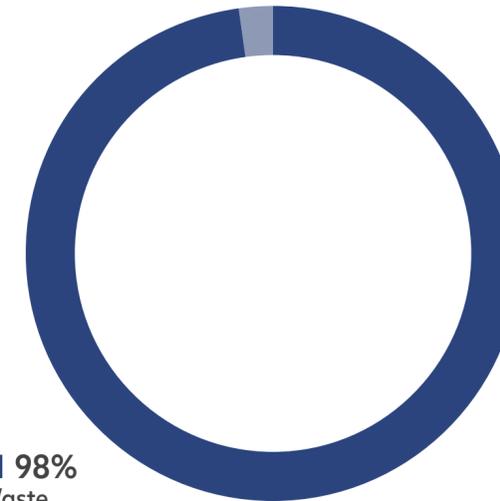
By adopting the principles of circular economy, which promote resource recovery and reutilization, the Group can secure the durability of its infrastructure and sustainability of its activity by reducing the use of natural resources.

## Recycling

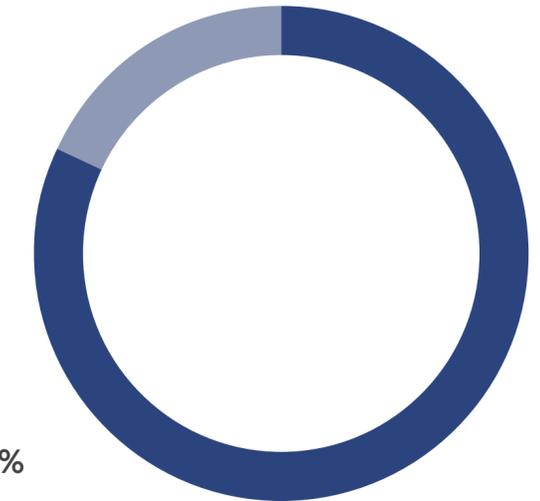
Throughout all group offices and construction sites, a comprehensive recycling system is implemented for paper, aluminum, glass, plastic, electronic and electrical equipment, lamps, and batteries, with the use of specialized collection bins and partnerships to ensure proper disposal and reuse of recyclable materials. Further disposal and reuse of the collected recyclable materials is ensured through cooperation with specialists. Particular attention is given to electronic and electrical waste, which is recycled in certified facilities to recover valuable metals and materials and prevent the spill of harmful heavy metals into the environment.

In 2022, the total amount of waste generated is 419,490.91 tn, of which 99.9% is non-hazardous.

### Hazardous Waste



### Non-hazardous waste



Specifically, for all of the Group's activity in Greece and abroad, the data related to waste management are summarized below:

| GRI 306-3: Waste Generated | 2022            |                              |                                | 2021            |                              |                                |
|----------------------------|-----------------|------------------------------|--------------------------------|-----------------|------------------------------|--------------------------------|
|                            | Waste Generated | Waste available for recovery | Waste unavailable for recovery | Waste Generated | Waste available for recovery | Waste unavailable for recovery |
| Hazardous Waste (t)        | 454.2           | 445.3                        | 8.9                            | 283.9           | 225.5                        | 58.5                           |
| Non-Hazardous Waste (t)    | 414,036.7       | 340,694.9                    | 73,341.9                       | 443,508.3       | 362,122.4                    | 81,385.9                       |

## 6.4 EU Taxonomy Report

The EU Taxonomy Regulation is a tool introduced under the European Green Deal initiative to achieve the EU's goal of climate neutrality by 2050, through redirecting capital flows towards a more sustainable economy. Its main objective is to establish the criteria for determining whether an economic activity is environmentally sustainable, creating a common code of communication between investors and stakeholders that positively impact the climate and the environment.

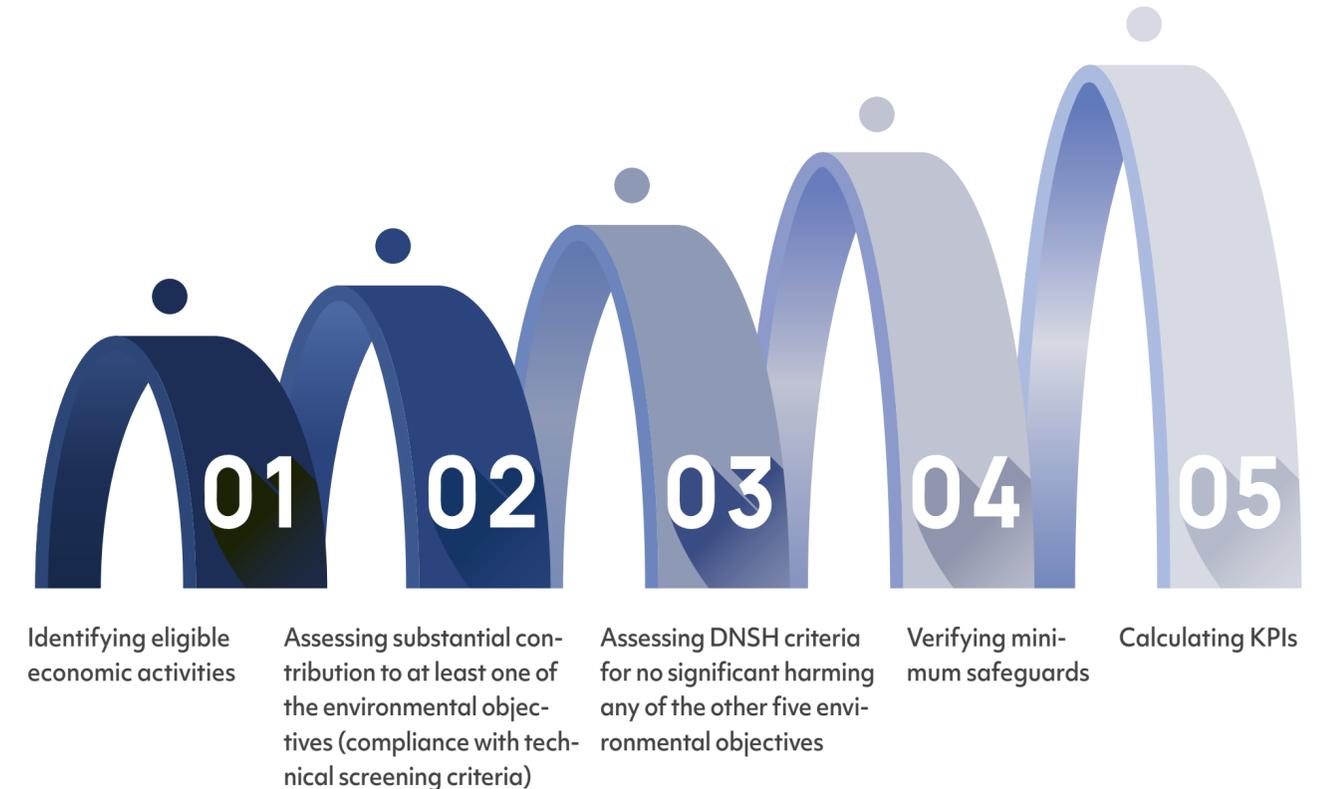
According to Article 8 (1) of Regulation 2020/852/EU, companies required to publish non-financial information (under Directive 2013/34/EU) shall disclose additional information on how and to what extent their activities are associated with environmentally sustainable economic activities, as defined by this Regulation.

More specifically, under the delegated Act 2021/2178 EU (Article 10, paragraph 2) for the disclosures published in 2023 for financial year 2022, non-financial entities are obligated to disclose the percentage of eligible and non-eligible activities, in relation to the following key performance indicators:

- Turnover ("Turnover"),
- Capital expenditure ("CapEx"), and
- Operating expenditure ("OpEx")

Starting from 2023, eligible economic activities must align with the technical criteria of the Regulation, making it mandatory to publish the alignment.

The evaluation process for economic activity sustainability comprises five steps, including:



In order to qualify an economic activity as environmentally sustainable, it must:

- Significantly contribute to at least one of the six environmental objectives (compliance with technical screening criteria)
- Be evaluated based on DNSH criteria
- Comply with minimum safeguards

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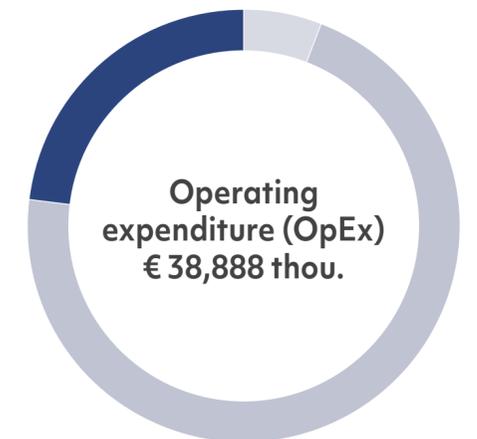
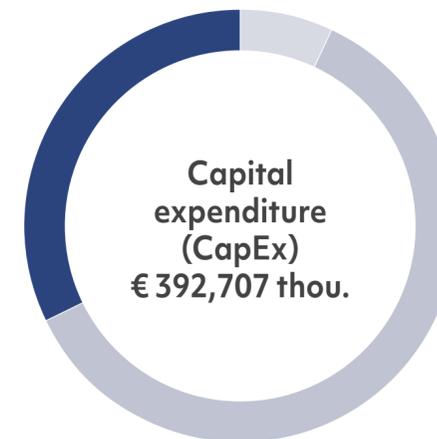
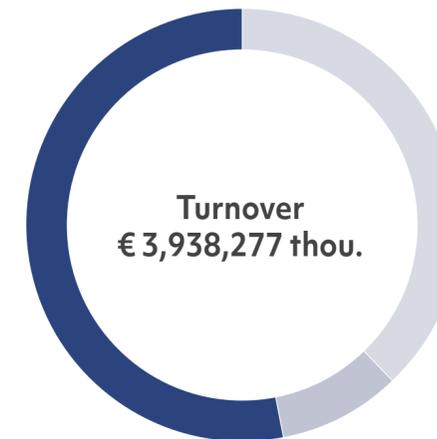
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### Eligible and aligned economic activities

The Taxonomy-eligible and aligned economic activities of GEK TERNA Group for the financial year 2022 include:

| Economic Activity   | Description  | NACE- Code     |
|---|--|----------------|
|  4.1. Electricity generation using solar photovoltaic technology               | Electricity generation using solar photovoltaic technology   | 35.11          |
|  4.3. Electricity generation from wind power                                   | Electricity generation from wind power   | 35.11          |
|  4.5 Electricity generation from hydropower                                   | Electricity generation from hydropower   | 35.11          |
|  4.8. Electricity generation from bioenergy                                  | Electricity generation from bioenergy  | 35.11          |
|  7.1 Construction of new buildings   | Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realize the building projects for later sale as well as the construction of complete residential or non-residential buildings, on their own account for sale or on a fee or contract basis. | 41.1<br>41.2   |
|  6.14 Infrastructure for rail transport                                      | Construction of electrified trackside infrastructure and associated subsystems, as well as stations, terminals and rail service facilities.  | 42.12<br>43.21 |
|  6.15 Infrastructure enabling low-carbon road transport and public transport | Construction, operation, exploitation and maintenance of motorways, including bridges and tunnels, and airfield runways.   | 42.11<br>42.13 |

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The material issues that have been identified and guide the Group's strategic direction moving forward are:

The driving force behind GEK TERNA Group is its people. Our teams play a critical role in creating long-term value and achieving our business objectives. As an organization, we are committed to providing a safe work environment, where employees are encouraged to grow and flourish, and discrimination is not tolerated. Our top priority and basic business commitment is to ensure the health and safety of all employees and partners, as this is essential for our continued business success.

Moreover, as a responsible social partner, GEK TERNA Group is committed to supporting the local communities in which it operates. The Group strive to build strong relationships based on trust, while also contributing to local economies by supporting equal access to social goods and contributing to social progress.



**Employment Practices**



**Health and Safety at work**



**Employee training and development**



**Human Rights**

# 7.1 Employment practices

GEK TERNA Group places great importance on promoting employment and implementing best practices not only for its own benefit but also for the improvement of the local communities in which it operates. The Group's commitment to creating new job opportunities, offering practical training to its subsidiaries, utilizing the talents of the local workforce, and providing secure employment to its personnel serves as a powerful example of its concerted efforts to enhance its entire value chain.

## Employment in the Group

GEK TERNA Group emphasizes the equal treatment in the working environment, the elimination of all kinds of discrimination and the provision of equal opportunities for professional development, in order to ensure that the rights of all employees are respected. Human resources affairs are effectively administered with transparency and impartiality to establish an equitable working environment, foster a wholesome corporate culture, and cultivate working relationships characterized by mutual trust and constructive collaboration.

Establishing a conducive work environment that fosters the flourishing and motivation of all employees, while concurrently promoting the creation of a sustainable business, is of utmost importance to ensure the ongoing capability of generating long-term value for all stakeholders. As a result, one of the primary focal points for the Group revolves around ensuring equitable compensation and benefits, as well as providing satisfactory living conditions for its workforce. This objective is pursued by shaping a remuneration and benefits framework grounded in objective criteria and evaluation indicators, while also considering impartially and transparently the prevailing market trends. The evaluation criteria encompass the magnitude, scope, and accountability of each position's duties, taking into consideration factors such as educational background, experience, skills, goal attainment capability, and the performance level of senior management. Additional benefits are provided based on the specific needs and requirements associated with each job role.

The Group ensures, among others, that new job positions are initially communicated internally to existing employees or executives, who may be interested in transferring to more suitable positions or to be promoted/ upgraded to higher levels in hierarchy.

At the same time, the Group's Recruitment Policy ensures that recruitment decisions are not based on any type of discrimination regarding gender, nationality, language, religion, political beliefs, disabilities, sexual orientation, or other elements of diversity. The Group's Human Resources Department is responsible for the strict implementation of the Recruitment Policy and compliance with the relevant legislation regarding age limits, minimum wages, and respect for diversity.

The Group acknowledges that businesses play a pivotal role in fostering the growth and retention of their employees, while also actively engaging in the competition to attract young individuals and acquire talented, skilled workers to enhance their global presence. The Group invests in the future, emphasizing the increase of youth employment and the creation of professional opportunities, through programs that help the younger generation to join the workforce. Infrastructure development directly generates hundreds of new jobs and a demand for products and services (including subcontracting) locally, commencing from the initial construction phase. The positive social impacts get prolonged and extend to other fields, such as concession cases (e.g., tolls, highway maintenance, etc.). Moreover, filling new positions is achieved through hiring fresh candidates, with a preference towards individuals from the nearby communities in which the Group operates.

### Significant Examples

| Project   | Construction Phase | Operation Phase    |
|---|--------------------|--------------------|
| Construction of a Combined Cycle Gas Turbine Station with natural gas fuel in Komotini by TERNA S.A. The operation of the unit is planned to start in early 2024. | 500 new jobs       | 100 new jobs       |
| Construction and operation of a waste treatment plant: PPP project "Integrated Waste Management of Peloponnese"   | 800 jobs           | 200 permanent jobs |

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## Enhancing youth employment

GEK TERNA Group recognizes the great importance to support initiatives regarding youth employment and ensures the implementation of relevant actions. In particular, the Group collaborates with the most renowned University Institutions of the country (i.e.; the National Technical University of Athens, the National and Kapodistrian University of Athens, the University of Economics of Athens, the University of Piraeus, the Aristotle University of Thessaloniki, the University of Macedonia, etc.), strengthening the employment of the younger generation, by providing them with internship programs and other professional opportunities upon graduation.

**2021**

**38**  
Students  
completed  
their internship  
at the Group

**2022**

**55**  
Students  
completed  
their internship  
at the Group



**GEK TERNA Group consistently extends its support towards exceptional postgraduate students by providing funding and granting young individuals the chance to gain work experience within the Group.**

## Employee Data



**GRI**  
2-7, 2-8, 2-30, 405-1

**ATHEX ESG**  
C-S7

GEK TERNA Group systematically monitors and records the data concerning the employees on an annual basis. These data include gender (men, women, other), the signed contract type (indefinite or fixed-term) and the type of their employment relationship (full-time, part-time, freelancers), resulting to the legal compliance of all employee contracts in Greece and abroad.

It is worth mentioning that the employees of GEK TERNA Group in Greece are fully covered by the National General Collective Agreement. Similarly, in the foreign jurisdictions where the Group conducts its operations, due regard is given to comply with the provisions outlined in collective agreements, in accordance with the relevant national legal frameworks.



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**Greece**

**Data 2022**

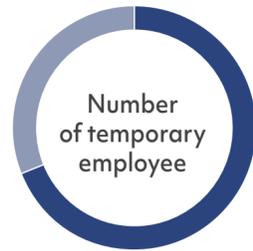


**73% Men**  
2,289  
**27% Women**  
843

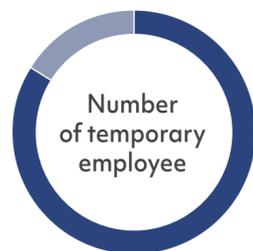
**Data 2021**



**69% Men**  
1,703  
**31% Women**  
756



**68% Men**  
47  
**32% Women**  
22



**84% Men**  
38  
**16% Women**  
7



**73% Men**  
2,325  
**27% Women**  
841



**70% Men**  
1,737  
**30% Women**  
759



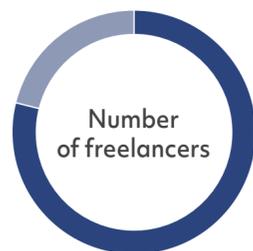
**29% Men**  
10  
**71% Women**  
24



**50% Men**  
4  
**50% Women**  
4



**81% Men**  
555  
**19% Women**  
130



**79% Men**  
449  
**21% Women**  
121

**Abroad**

**Data 2022**



**84% Men**  
382  
**16% Women**  
74

**Data 2021**



**77% Men**  
210  
**23% Women**  
61



**81% Men**  
22  
**19% Women**  
5



**88% Men**  
23  
**12% Women**  
3



**84% Men**  
391  
**16% Women**  
74



**80% Men**  
226  
**20% Women**  
58



**67% Men**  
12  
**33% Women**  
6



**54% Men**  
7  
**46% Women**  
6

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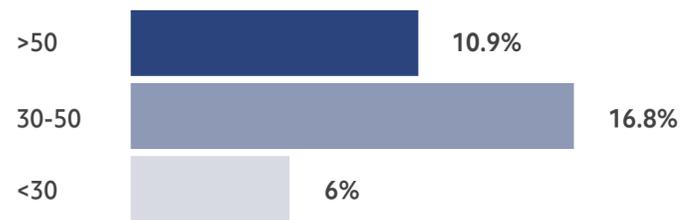
In addition, the Group monitors staff mobility by recording the new hires and turnover, analyzing relevant mobility indicators (voluntary and non-voluntary) in Greece and abroad.

### Employees' Mobility Data for the year 2022 per age group

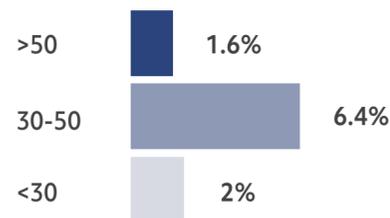


#### Greece

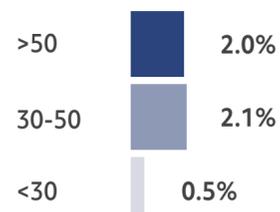
##### New Employee Hire



##### Voluntary Turnover

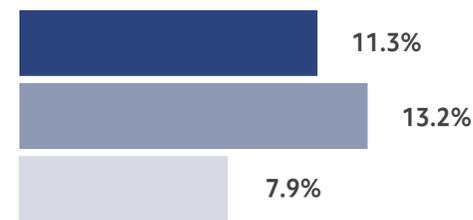


##### Involuntary Turnover

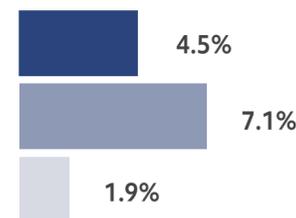


#### Abroad

##### New Employee Hire



##### Voluntary Turnover



##### Involuntary Turnover



## Equal opportunities, remuneration and benefits



GEK TERNA Group emphasizes the equal treatment in the working environment, the elimination of all kinds of discrimination and the provision of equal opportunities for professional development. Therefore, the Group has formulated the remuneration and benefits framework with objective criteria and evaluation indicators depending on the importance, responsibilities of each job position, educational background, experience, skills, ability to implement objectives and level of performance of senior management.

The Group impartially manages human resources matters and ensures that every employee is treated fairly and without discrimination in order to promote a fair working environment, a healthy corporate culture and the development of beneficial working relationships. Within this framework, the Group operates with transparency and meritocracy regarding the provision of remuneration and benefits, applying objective criteria and evaluation indicators depending on the role significance, the responsibilities of each position, the educational background, experience, skills, the ability to implement objectives and the level of performance of each employee.

Moreover, the Group, aims to improve employee performance and create a fair working environment, through the implementation of a Benefits Policy that strengthens all levels of employees, and which includes, among others, the following benefits:

- Private group health and life insurance
- Corporate vehicle
- Meal allowance
- Corporate mobile phone.

In the context of the Group's Remuneration and Benefits Policy, all actions that concern the employees, are based on meritocratic criteria such as performance, ability, efficiency and qualifications of each employee. At the same time, the attraction of new employees and the retention of the existing talents are based on transparent and objective processes that govern the Group's business strategy. The Remuneration Committee is responsible for the Remuneration Policy applied to the BOD members and the to Senior Managers.

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## Promoting equality, inclusion and diversity

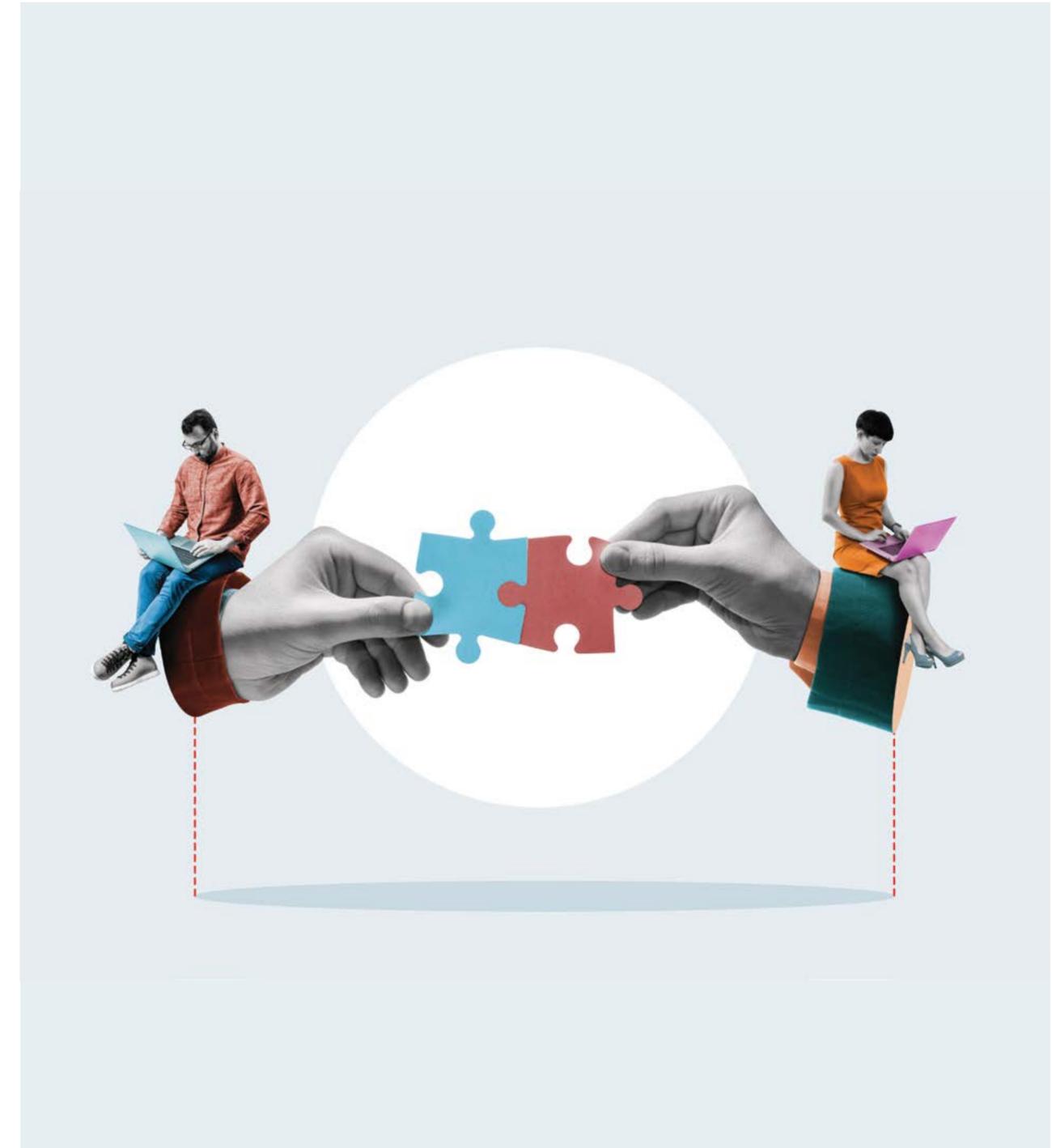
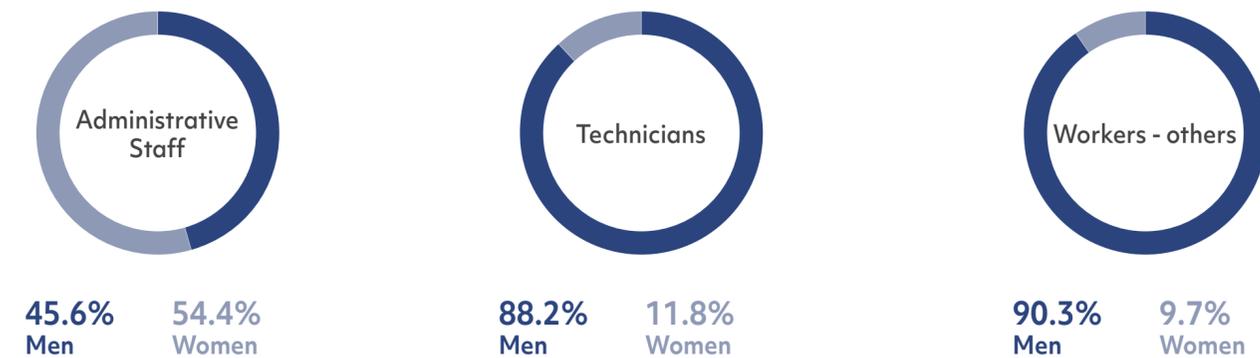
GEK TERNA Group supports and respects diversity by seeking equal gender representation at all levels of jobs. At the same time, its main commitment is to ensure the equal treatment of employees, regardless of age, gender, religion, nationality, beliefs or sexual orientation.

Furthermore, the Group having set set, the representation of all genders in all levels of employment as goal, it focuses in increasing the representation rates of women in its subsidiaries at all levels of employment. In this direction, the Group records and monitors the distribution of women by geographical area of activity, by age and by employment level. It is noted that this year, no incident of discrimination was recorded in the Group, while the percentage of female representation is shown in the tables below:

| Percentage of female employees (%) ♀ | 2022  | 2021  |
|--------------------------------------|-------|-------|
| Greece                               | 25.6% | 28.8% |
| Abroad                               | 16.5% | 21.5% |

| Percentage of female employees in management positions ♀ | 2022  | 2021  |
|--|-------|-------|
| Greece   | 12.3% | 12.1% |
| Abroad   | 15.6% | 3.5%  |



# 7.2 Health and Safety at work

The protection of the Health and Safety of our employees, partners and visitors to our facilities and construction sites is a key target for the Group.

## Health and Safety Management System

The Group implements a Health and Safety Management System at work which is certified according to the ISO 45001:2018 standard, that follows all legal and other national, community and international requirements, guidelines and regulations in the field of Health and Safety. The Group's Occupational Health and Safety Management System applies to all employees (including subcontractors), and to all its operations. In this context, a Unified Management Systems Policy has been adopted in which the Health and Safety Policy is integrated. The Policy applies to all the Group's operations and to all those, directly or indirectly, related to its business activity. At the same time, the Group holds an ISO 39001:2012 certification for Road Traffic Safety (RTS) Management Systems.

### Main points of the Health & Safety system implemented by the Group

- Implementation of a certified Health and Safety Management System,
- Shaping a corporate culture governed by Health and Safety principles,
- Full compliance with legal and other national, community and international requirements, guidelines and regulations in the field of Health and Safety,
- Implementation, monitoring, evaluation and improvement of Health and Safety actions,
- Identification of occupational risks and development of a comprehensive prevention methodology,
- Prevention of injuries, diseases and adverse Health and Safety incidents,
- Drafting and implementation of emergency management plans,
- Conducting measurements of harmful factors in the work environment (noise, suspended particles, etc.),
- Provision of appropriate, adequate health and safety training and information to all employees, suppliers, partners and visitors,
- Compliance and strict adherence to Health and Safety procedures,
- Immediate investigation of any accident / incident to assess the factors that led to it and take precautionary measures,
- Integration of technologies, good practices and operating procedures that guarantee conditions of safety to employees, subcontractors and third parties.



The Group's Top Management is committed to support the implementation of the Occupational Health and Safety system in every project in Greece and abroad and ensures cooperation and consultation with employees to achieve the goals set, providing the necessary resources for continuous improvement.

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**Risk minimization**

For the prompt prevention and minimization of risks, the Group applies a systematic approach which aims to classify the risks that can be controlled according to the following order of priority.

|   |   |  |  |
|---|---|--|--|
| <b>1</b>  | <b>2</b>  | <b>3</b>   | <b>4</b>   |
| Minimizing risks by designing safe work systems, which include administrative control measures. | Replacing risk with less hazardous processes, operations, materials or equipment. | Control of risk at source, using mechanical controls or organizational measures. | In cases where other risks cannot be controlled by collective measures, providing the appropriate personal protective equipment for each employee, free of charge and implementing measures to ensure its use and maintenance. |



To identify work-related risks and assess them, on a regular and non-regular basis, the Group:

-  **Recognizes** the legal and other requirements that apply and relate to occupational Health and Safety risks.
-  **Prepares** occupational risk assessment studies.
-  **Collaborates** with Safety Officers, who act as consultants and propose measures to prevent and deal with risks and potentially hazardous situations.
-  **Employs occupational** physicians, who are responsible for the systematic monitoring of the health of employees.
-  **Ensures** the proper monitoring of the Health and Safety management system, by conducting regular internal audits on an annual basis.
-  **Prepares** Emergency Response Plans.
-  **Plans and implements** emergency preparedness drills.
-  **Performs** assessment measurements of working environment factors (temperature, humidity, lighting, dust, noise).
-  **Gathers and monitors** the safety issues sent by the project/facility Safety Coordinators/Officers, with the aim of better organization and takes preventive measures if deemed necessary.
-  **Checks** the status of Personal Protective Equipment.

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The Group cooperates closely with the Security Coordinators / Technicians and the executives of each project, while the Management plans and implements measures to deal with any identified risks in order to minimize their negative impacts.

Internal audits are carried out to assess the degree of implementation of the established procedures and measures to protect the health and safety of employees, aiming at the continuous improvement of the Health and Safety Management System. Thereafter, follow-up inspections and/or discussions are held to gauge the efficacy of corrective measures identified during previous evaluations, as well as the degree of conformity with legal and other requirements.



During the annual review of the Health and Safety Management System, the Management receives information on any relevant issue for planning the required actions and setting the Group's goals.



The employees or any other stakeholder, participate and can communicate any issue related to Health and Safety at work, Quality and Environment issues of the Group and/or the Regulatory Compliance Unit, either anonymously or by name, through the following channels:



**E-mail to**

by filling in a relevant report form which is part of the Unified Management System and sending it electronically to the following e-mail addresses: [hsedepartment@gekterna.com](mailto:hsedepartment@gekterna.com) or [compliance@gekterna.com](mailto:compliance@gekterna.com)



**The Group's platform**

[www.gekterna.integrityline.com/frontpage](http://www.gekterna.integrityline.com/frontpage)



**Letter to**

to the address: GEK TERNA S.A. 85 Mesogeion Ave., 115 26, Athens, Greece, to the attention of the Company's «Regulatory Compliance Unit», marked «Confidential».

Top Management takes all necessary measures to ensure the anonymity and confidentiality of any employee who files such reports, as well as to protect them from any retaliation, as provided for in the Group's Code of Conduct. At the same time, the investigation of Health and Safety incidents is achieved by completing the relevant form of the Unified Management System.

## Performance in Health and Safety matters

|   | 2022      |  | 2021         |  |
|---|-----------|--|--------------|--|
|   | Employees | Workers who are not employees but whose work is controlled by the organization | Employees    | Workers who are not employees but whose work is controlled by the organization |
| Number of hours worked  | 6,923,812 | 2,540,268  | 5,545,809.05 | 4,189,520  |
| Number of fatalities as a result of work-related injury                 | 0         | 0  | 1            | 0  |
| Rate of fatalities as a result of work-related injury                   | 0.00      | 0.00   | 0.04         | 0  |
| Number of high-consequence work-related injuries (excluding fatalities) | 0         | 0  | 0            | 0  |
| Rate of high-consequence work-related injuries (HCIR)                   | 0.00      | 0.00   | 0            | 0.00   |
| Number of recordable work-related injuries                              | 52        | 65   | 82           | 29   |
| Rate of recordable work-related injuries                                | 2.13      | 3.21   | 2.96         | 1.38   |

### GRI 403-8: Workers covered by an occupational health and safety management system

|   | 2022         |      |
|---|--------------|------|
|   | Total number | Rate |
| Workers and employed persons who are not employees but whose work and/or workplace is controlled by the organization <sup>1</sup>   | 6,873        | 100% |
| Number and rate of all workers and employed persons who are not employees but whose work and/or workplace is controlled by the organization, who are covered by a health and safety system  | 6,873        | 100% |
| Number and rate of all employees and non-employees whose work and/or workplace is controlled by the organization who are covered by an internally audited health and safety system  | 6,873        | 100% |
| Number and rate of all workers and employed persons who are not employees but whose work and/or workplace is controlled by the organization, who are covered by a health and safety system that has been audited by an external body <sup>2</sup> | 6,730        | 97%  |

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## Health and Safety services

GEK TERNA Group cooperates with occupational physicians for the regular monitoring of the health of employees as well as with external certified First Aid instructors to provide training. At the same time, the Group provides trainings to its employees in basic theoretical and practical modules, where the participants are trained in order to be able to recognize, evaluate and deal with life-threatening situations. In addition, all employees are provided with Medical Fitness Certificates corresponding to their job duties, while Safety Technicians have been assigned as the primary consultative body on Health and Safety matters and prevention of occupational accidents.

## Employee participation and consultation

The Group actively supports the participation and consultation of employees in the development, implementation and evaluation of the Occupational Health and Safety Management System through appropriate procedures.

Employees are encouraged to report:

-  dangerous situations so that precautionary measures can be taken and corrective actions can be carried out.
-  suggestions / recommendations for improvement regarding health and safety at work.

**2022**

**8,135**

Training Hours on Health and Safety

## Health and Safety Training

GEK TERNA Group provides training programs to its employees and subcontractors on issues related to occupational risks and their prevention. The trainings are carried out before the commencement of each project (induction trainings) and during the construction or operation of the facilities during working hours for all employees.

**All employees are independently briefed either by the Safety Officer or other approved trainers on the following key issues:**

|  |   |   |  |   |
|--|---|---|--|---|
| <br>GEK TERNA<br>H&S Policy   | <br>Use of Personal<br>Protective Equipment<br>(PPE) | <br>Use of tools and<br>equipment                            | <br>Lifting<br>operations | <br>Road Safety /<br>Defensive Driving |
| <br>Ecological<br>Consciousness / Rational<br>Energy Management /<br>/ Hazardous and<br>non-hazardous waste<br>management | <br>Compliance with Codes<br>of Ethics & Conduct   | <br>Safety culture/ Safe<br>Circulation in the<br>worksite | <br>Work at height      | <br>Hot works                        |
| <br>Scaffolding Use   | <br>Emergency and Fire<br>Protection               | <br>Electrical Safety                                      | <br>Project Machinery   | <br>Radiation protection             |

The Coordinator/Safety Officer conducts additional training according to the specific needs of each project, in accordance with the requirements of the Health & Safety Plans and applicable legislation. The above actions are implemented under the responsibility of each project and installation manager.

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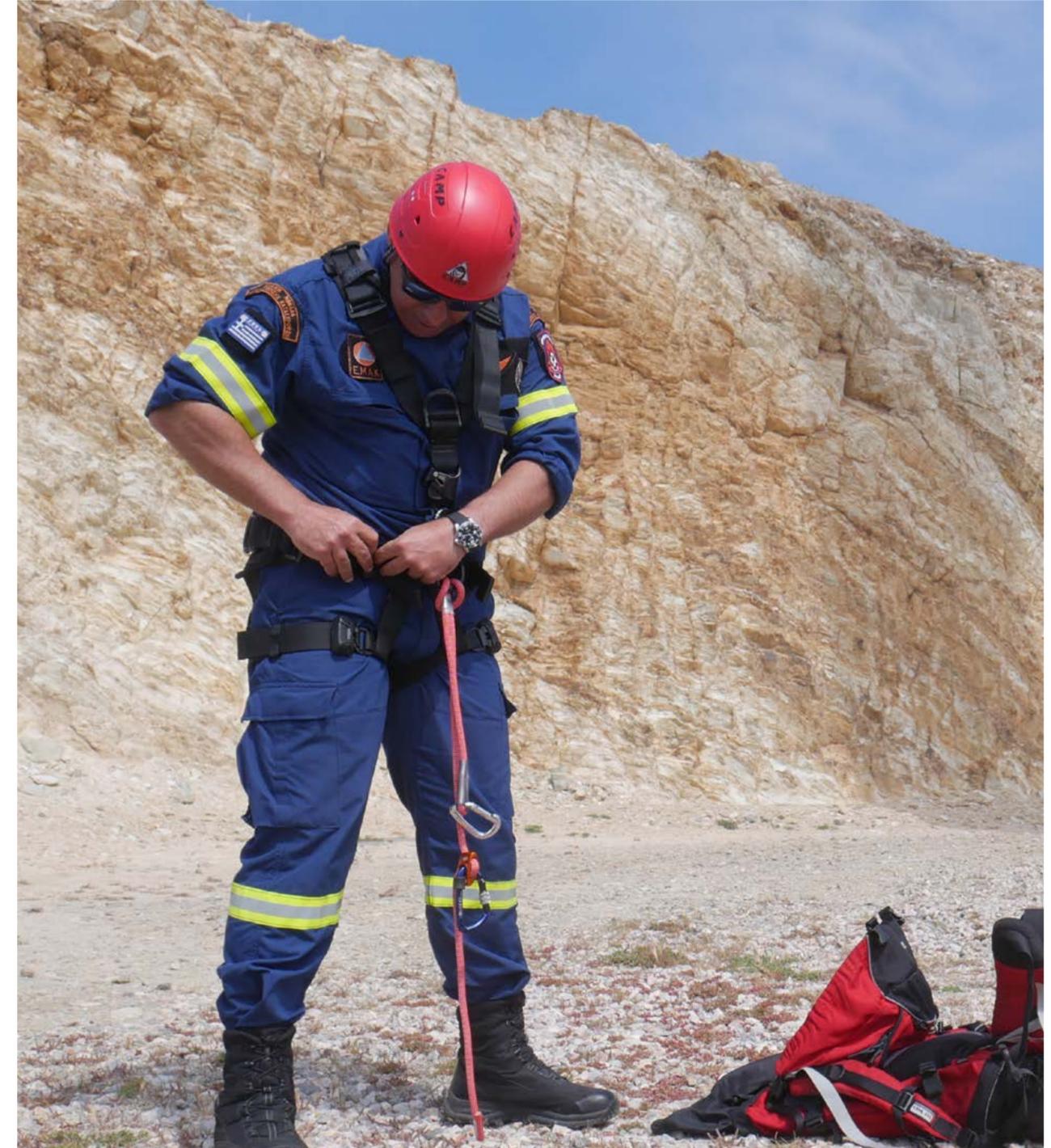
## Health and Safety Benefits

The Group provides its employees with access to various health services and medical care, including health insurance and family coverage. In addition, during the COVID-19 pandemic, the Group provided employees with free diagnostic molecular detection of the virus, through collaboration with special diagnostic centers, in order to ensure their health and safety.

## Business relationships, health and safety

Health and safety does not only concern employees, but also all stakeholders that are part of the supply chain, the Group ensures that contracts include provisions for mandatory compliance with applicable National legislation on Health and Safety at work and with legal and other requirements. All Group partners must follow its policies, procedures, standards and Management Systems, while subcontractors' employees must participate in the Health and Safety trainings organized by the Group related to their tasks.

In this context, GEK TERNA Group frequently reviews the contracts with its partners, taking into account Health and Safety criteria (e.g., number of trained – qualified personnel, risks arising from work-related activities, non-compliance with legal obligations) and does not hesitate to terminate the cooperation in case these criteria are not met.



# 7.3 Employees Training and Development

The attainment of professional growth for GEK TERNA Group’s staff is reliant on educational training. GEK TERNA Group invests in the provision of appropriate resources and the evaluation of employees in order to develop their skills and their evolution in alignment with its strategic goals and their personal development. The Group’s goal is to internally develop the next generation of Executives.

## Training support practices

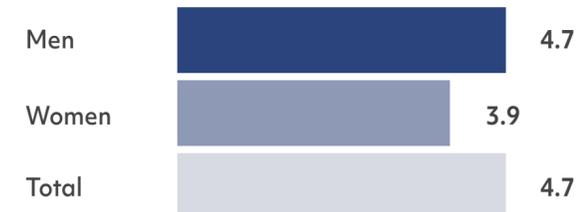
GEK TERNA Group systematically invests in training aimed at enhancing employee’s performance and upgrading their technical capabilities as well as improving their skills. In particular, the Group ensures the conduct of specialized education and training programs which are directly related to the subject of each position, the Group’s strategic planning and human resources needs. In addition, on an annual basis, internal trainings are carried out by supervisors and specialized colleagues in the field of Health and Safety, Environment, Personal Data, Cyber-security and implementation of the Code of Ethics and Conduct.

Moreover, the Group has a Training Policy that describes the framework of the internal procedures concerning the training of the Group’s employees and the dissemination of knowledge and experience, with an emphasis on developments in the fields of Internal Audit, Health, Safety, Environmental and Energy Management, Regulatory Compliance, Information Systems, Information Security and Personal Data Protection.

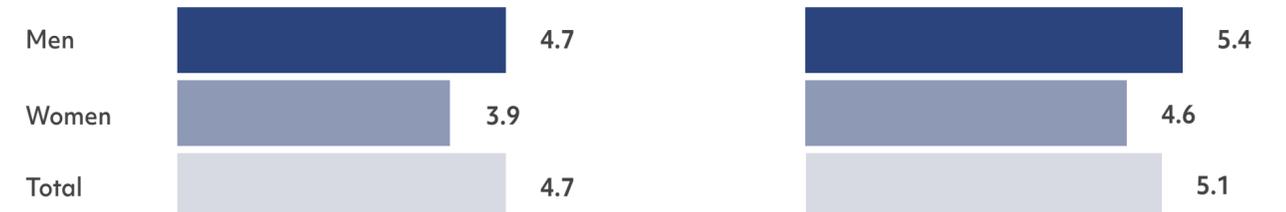
## Average Training Hours

### Greece

#### 2022



#### 2021



### Abroad

#### 2022



#### 2021



## Greece



## Abroad



## Employee evaluation and development

GEK TERNA Group seeks the continuous development and empowerment of its employees through the implementation of a performance evaluation system on an annual basis. The human resource performance evaluation system concerns all the Group’s employees, aiming at the continuous improvement of their skills through the achievement of individual goals and their meritorious reward based on the results of each evaluation.

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# 7.4 Human Rights

GEK TERNA Group acknowledges that upholding human rights is a fundamental aspect of ethical business conduct and essential to promoting sustainable progress. Conversely, any contravention can have harmful repercussions on the broader community, environment and economy.

Therefore, the Group is committed to the timely prevention and detection of any actions that are not in accordance with its operating framework for the protection of Human Rights by implementing control procedures that ensure that no violation of fundamental human rights occurs.

Through the Human Rights Policy applied in all the countries where the Group operates, it becomes clear that no form of discrimination or violation of the rights of employees is accepted, while the protection of the rights of its employees is ensured by covering issues of equality, diversity and inclusion. It is worth noting that in order to ensure transparency, the Human Rights Policy is covered by the complaint mechanism of the Company's Regulatory Compliance Unit, which is available at the following link: <https://gekterna.integrityline.com/frontpage>. In addition, it is noted that internationally recognized human rights and fundamental freedoms, which allow all employees to develop and fully evolve, are an integral part of the Group's business operation.

The Group recognizes the risk of human rights violations occurring within its supply chain and its own activities. Any violation of human rights may have negative effects on the Group itself, such as the imposition of fines or sanctions, on employees and on the reputation and/or trust of its stakeholders. In the year 2022, no incidents of violation of human rights, discrimination based on race, religion, gender, age, disability, nationality, political beliefs, etc., including incidents of harassment, were reported in all its activities.

In order to evaluate the actions implemented to defend and strengthen human rights, the Group sets goals, the progress of which is evaluated on an annual basis.

## Combating Violence and Harassment at Work

In 2022, GEK TERNA Group adopted the policy against Violence and Harassment at Work, which recognizes and respects the right of every employee to a work environment free from violence and harassment. The purpose of this policy is to create and establish a work environment that respects, promotes and guarantees human dignity and the right of every individual to a work environment free from violence and harassment.

Through this policy, the Group declares its zero tolerance for any incident of violence and harassment, taking all appropriate and necessary measures in order to prevent, deal with and manage such incidents and behaviors.



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## Creation of economic value



GEK TERNA Group places utmost importance to the creation and distribution of economic value, confirming its responsible attitude as a social partner and consistent with the aspirations of its stakeholders. By making significant investments and maintaining an open channel of communication with the respective local communities, the Group strengthens its long-term relationships of trust with its stakeholders and confirms its responsible conduct and contribution.

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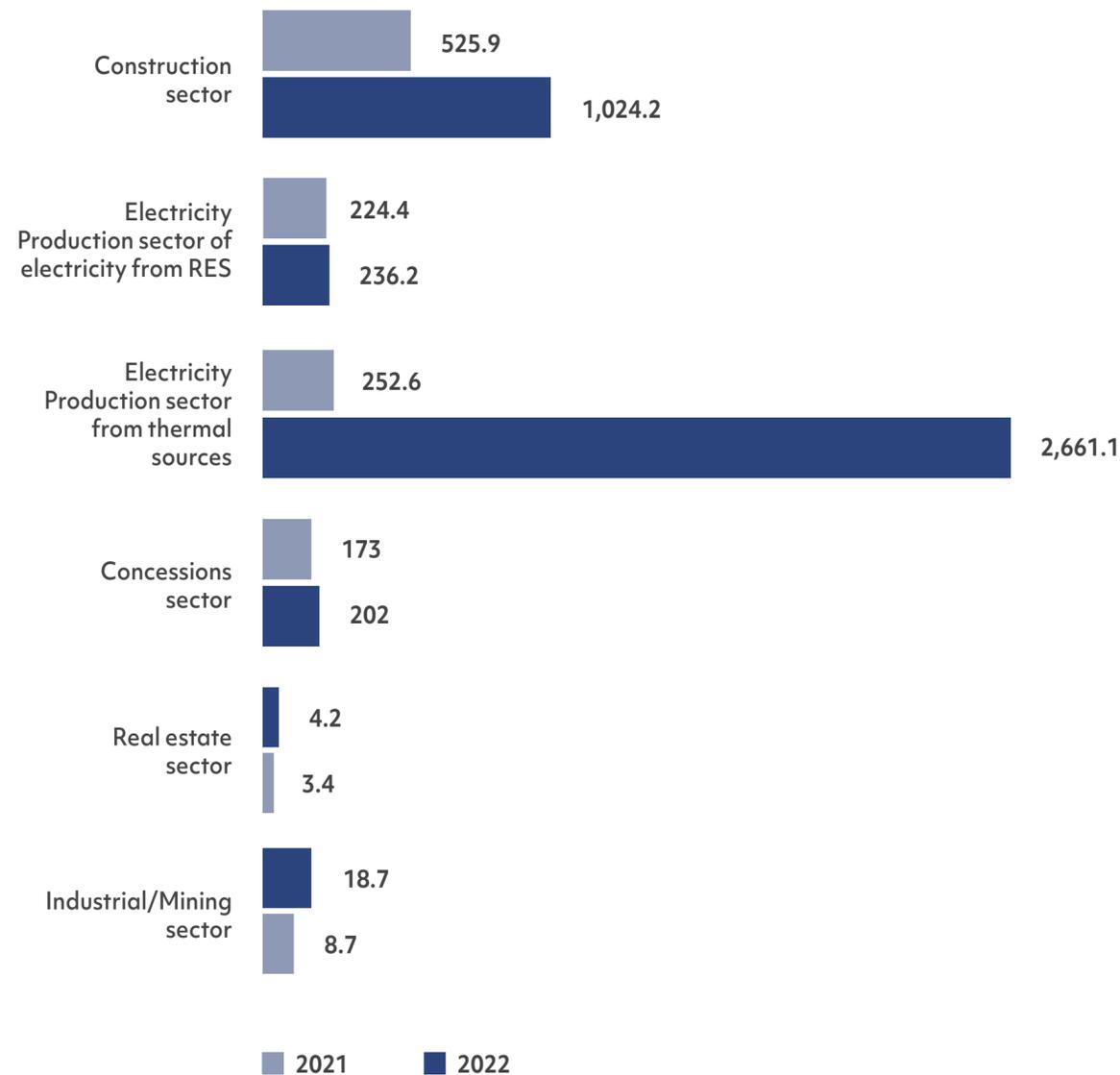
# 8.1 Creation of direct and indirect economic value

During 2022, the Group continued the implementation of its investment program in its areas of activity with the total value of the investments promoted by the Group amounting to 10 billion euros.

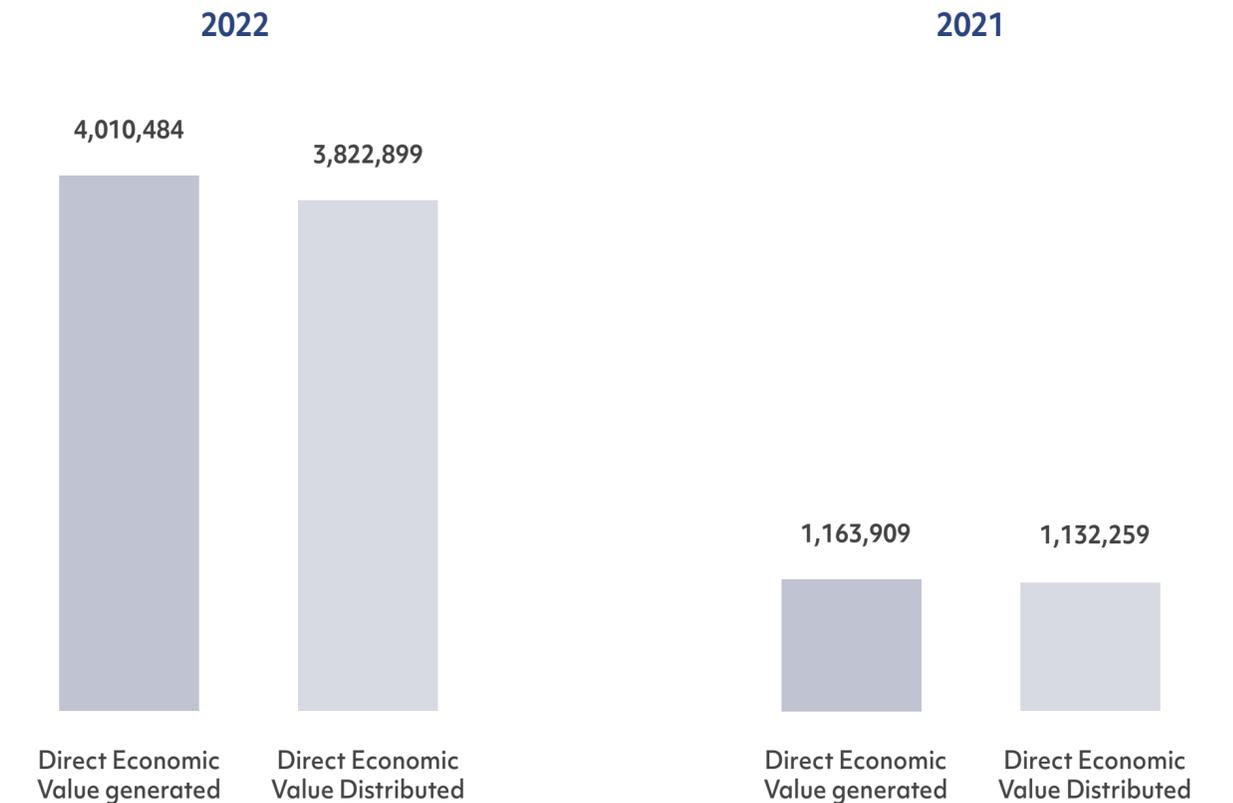
Maintaining unwavering focus on its developmental trajectory, the Group achieved substantial enhancement in its financial metrics during the year 2022. The robust operational performance across all sectors facilitated an expansion of economic scales and further bolstered its financial position. Importantly, it is worth highlighting that no job cancellations were reported due to any adverse impact on society or the environment.

The table below shows the direct economic value generated (revenue) and distributed (operating costs, employee wages and benefits, payments to funding bodies, payments/contributions to the state, by country as well as investments in society) for 2022 and 2021.

Revenue per activity sector (€ million)



Direct Economic Value Generated and Distributed (thousand €)



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The Group significantly boosts fiscal revenues in the countries where it operates through the payment of taxes. In addition, it contributes indirectly to the economy of the countries through the payment of taxes by suppliers and partners. Additionally, the implementation of modern environmental projects leads to the creation of new jobs and the maximization of added value in important sectors for the Greek and European economy (construction industry, metallurgy, concrete, etc.).

|  | 2022<br>(Amount in thousand €) | 2021<br>(Amount in thousand €) |
|--|--------------------------------|--------------------------------|
| <b>Direct economic value generated : Revenue</b> | <b>4,010,484</b>               | <b>1,163,909</b>               |
| Operating Costs                                  | 3,373,510                      | 846,958                        |
| Employee wages and benefits                      | 144,728                        | 106,860                        |
| Payments to providers of capital                 | 164,545                        | 141,473                        |
| Payments/Contributions to the State, by country  | 134,995                        | 33,432                         |
| Greece   | 130,803                        | 30,930                         |
| Cyprus   | 297                            | 551                            |
| North Macedonia                                  | 74                             | 5                              |
| Albania  | 53                             | 115                            |
| Bulgaria   | 189                            | 185                            |
| Romania  | 2                              | 0                              |
| Serbia   | 121                            | 85                             |
| UAE.   | 21                             | 35                             |
| Qatar  | 7                              | 96                             |
| Iraq   | 0                              | 21                             |
| Saudi Arabia                                     | 71                             | 26                             |
| Bahrain  | 4                              | 4                              |
| Poland   | 2,212                          | 1,318                          |
| U.S.A  | 1,139                          | 61                             |
| Netherlands                                      | 1                              | 0                              |
| Donations and investments at the community level | 5,121                          | 3,535                          |
| <b>Direct economic value distributed</b>         | <b>3,822,899</b>               | <b>1,132,259</b>               |
| <b>Direct economic value retained</b>            | <b>187,586</b>                 | <b>31,650</b>                  |

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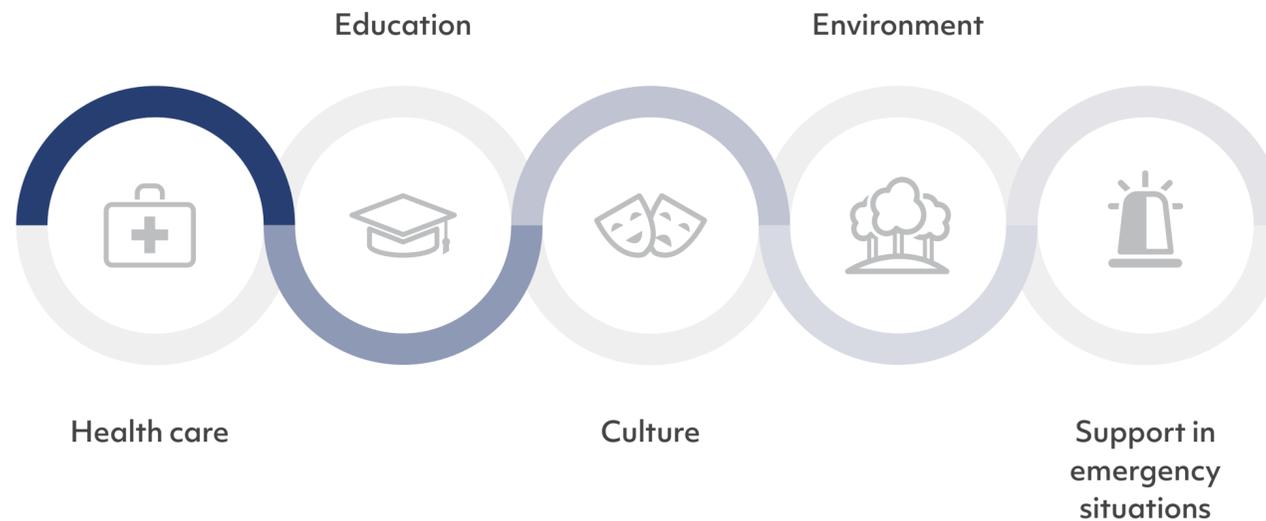
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## 8.2 Caring for the local and wider community

The GEK TERNA Group places great emphasis on supporting citizens in the creation of sustainable and resilient communities, as part of its strategic priorities. Through new actions and projects to strengthen relationships with local communities in the areas of its activity, the Group aims to maximize its positive impact and add value to the communities it serves.

To this end, the Group operates a social support program that reflects its commitment to sustainable development principles in order to strengthen its business activities, meet stakeholder needs and protect the well-being of the local communities it serves.

The actions implemented by the Group are related to the following areas:



**In 2022, the amount allocated by the Group through its subsidiaries to sponsorships, donations and social support programs amounts to more than 5.1 million euros.**

The main initiatives and actions of the Group during the past year can be classified as follows:

- Construction of infrastructure projects and actions to support and improve the quality of life of local communities, such as, donating houses to municipalities and health centers to cover emergency needs, health care facilities, equipment to schools and local authorities, etc.
- Support of social programs, carried out through official social agencies and organizations.
- Support of educational initiatives and scientific and research programs throughout Greece. These actions include, among others, the financial support of the «TUCer» team of the Technical University of Crete, «Greco Racing Team» as well as the «Lamborgenius Team» of the Chemical Engineering Department of the University of Patras, for their participation in global competitions.
- Actions to stop climate change and protect the environment. In this action, it also included the Group's important initiative to convert the military airport of the 115th Combat Wing at Souda Air Base into a «green» facility. In 2022, the project progressed significantly and the 115 C.W. in Souda will soon be a Near Zero Carbon Emissions Airport facility with parallel coverage of all electricity needs by 100% from Renewable Energy Sources (Net Zero Energy Airport).
- Sponsorships for the promotion of cultural wealth throughout Greece. In 2022, the Group supported important archaeological and excavation actions, such as the underwater archaeological excavation research carried out in the maritime area of Kasos by the Ephorate of Underwater Antiquities of the Ministry of Culture and Sports, in collaboration with the Historical Research Institute of the National Research Foundation, the research program of surface, geophysical and excavation research in the Acropolis of the Gla of Boeotia, the archaeological research at the site of Gourimadi in South Evia, as well as the preparation of a study of the understyling and highlighting of the ancient castle «Rizokastro» in the municipality of Kymi Aliveri.
- Continuous support of local communities, through the Group's sponsorship program, supporting cultural organizations and associations, sports teams and individual athletes, as well as providing equipment to schools, the Fire Department, the Police and also to volunteer groups throughout Greece.

The Group also ensures that its activities generate positive social benefits, by providing compensatory benefits to local communities. In addition, consultation and interaction actions are carried out on a regular basis, in the context of strengthening dialogue and building a solid communication relationship with local communities. The aim of these actions is to record the concerns and requests of the local community promoting a framework of transparency regarding the Group's projects.

Finally, the Group's development of Renewable Energy Sources (RES) projects contributes to both direct and indirect benefits for local communities, including contributions and discounts on electricity bills, and a portion of the revenue at a rate of 3% of the gross annual revenue from each wind and hydroelectric project distributed to the communities hosting those projects. More specifically, during the reporting period, an amount of €6 million was distributed to the communities where the Group's projects are hosted. Therefore, it is evident that the Group's activity in the development of RES projects is a socially beneficial activity that actively supports the local economy and contributes to the promotion of sustainable development.

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## Selection of Local Suppliers



Effective management of supply chain and procurement practices is crucial for the Group's environmental, social, and economic footprint, and is integrated into its operational objectives. While the Group's expansion into new markets is plausible due to its steady growth, it prioritizes supporting the national economy by sourcing from local suppliers. Through this effort, the Group has made significant contributions to strengthening the socio-economic landscape of Greece and has created new indirect employment opportunities.

The table below illustrates the value percentages of purchases made by the Group from national and international suppliers, as well as its partners, both in Greece and abroad:



|                         | Percentage of purchase value 2022 | Number of suppliers 2022 | Percentage of suppliers 2022 | Percentage of purchase value 2021 | Number of suppliers 2021 | Percentage of suppliers 2021 |
|-------------------------|-----------------------------------|--------------------------|------------------------------|-----------------------------------|--------------------------|------------------------------|
| National Suppliers      | 83.44%                            | 6,056                    | 90.27%                       | 70.70%                            | 5,421                    | 90.40%                       |
| International Suppliers | 16.50%                            | 637                      | 9.49%                        | 19.50%                            | 537                      | 9.00%                        |
| Related parties         | 0.06%                             | 16                       | 0.24%                        | 9.80%                             | 37                       | 0.60%                        |
| <b>Total</b>            | <b>100%</b>                       | <b>6,709</b>             | <b>100%</b>                  | <b>100%</b>                       | <b>5,995</b>             | <b>100%</b>                  |

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# 9.1 About the Report

This report constitutes the 10<sup>th</sup> consecutive Sustainable Development Report of GEK TERNA Group and is available in electronic form on the Group’s website. It captures all the Group’s activities concerning sustainable development and corporate responsibility and underlines our commitment to continuous development and long-term value for all stakeholders. More specifically, the aim of this Report is to present valid and accurate information regarding the management approach, the performance and commitment of GEK TERNA Group on environment, people and the economy, through quantitative and qualitative data, for the period 01/01/2022-31/12/2022. The financial statements of the Group cover the same period, but the Group additionally publishes interim financial statements.

The responsibility for the calculation, collection and consolidation of quantitative and qualitative information included in this report, belongs to GEK TERNA Group.

## Scope of the Report

The information of this Report concerns GEK TERNA Group namely its offices and facilities, as well as its subsidiaries in Greece and abroad. It is also noted that there are no substantial restatements or variations compared to the previous report of the Group, published in 2022 and covering the period 01/01/2021 to 31/12/2021.

## Defining content

This Report has been prepared «In Accordance» with the Sustainability Reporting Guidelines of the new GRI Universal Standards (GRI 1, GRI 2, GRI 3) and GRI Topic Standards, aiming at meeting the needs and expectations of the stakeholders, as well as highlighting Group’s contribution to sustainable development. The content of this report has also been prepared in accordance with the Sustainability Accounting Standards Board (SASB Standards) and the ESG Information Disclosure Guide of Athens Stock Exchange (ATHEX), while the impacts of the Group are aligned with the 17 Sustainable Development Goals of the United Nations (SDGs).

The analysis of the Group’s material issues for Sustainable Development through the process of Materiality Assessment, determined, to a significant extent, the content of this report, that focuses on the important issues of concern to the Group’s stakeholders and which have significant effects on environmental, social and economic level.

For the 2022 Sustainable Development Report, the Group has not proceeded with external assurance for the content. However, for 2022, the Group has proceeded with external limited assurance for its Sustainability-linked Bond.

GEK TERNA Group considers that the opinion of each reader on the content of the Report is particularly important for the development of dialogue as well as its improvement. For this purpose, you can send your comments and/or any queries to the contact details below:

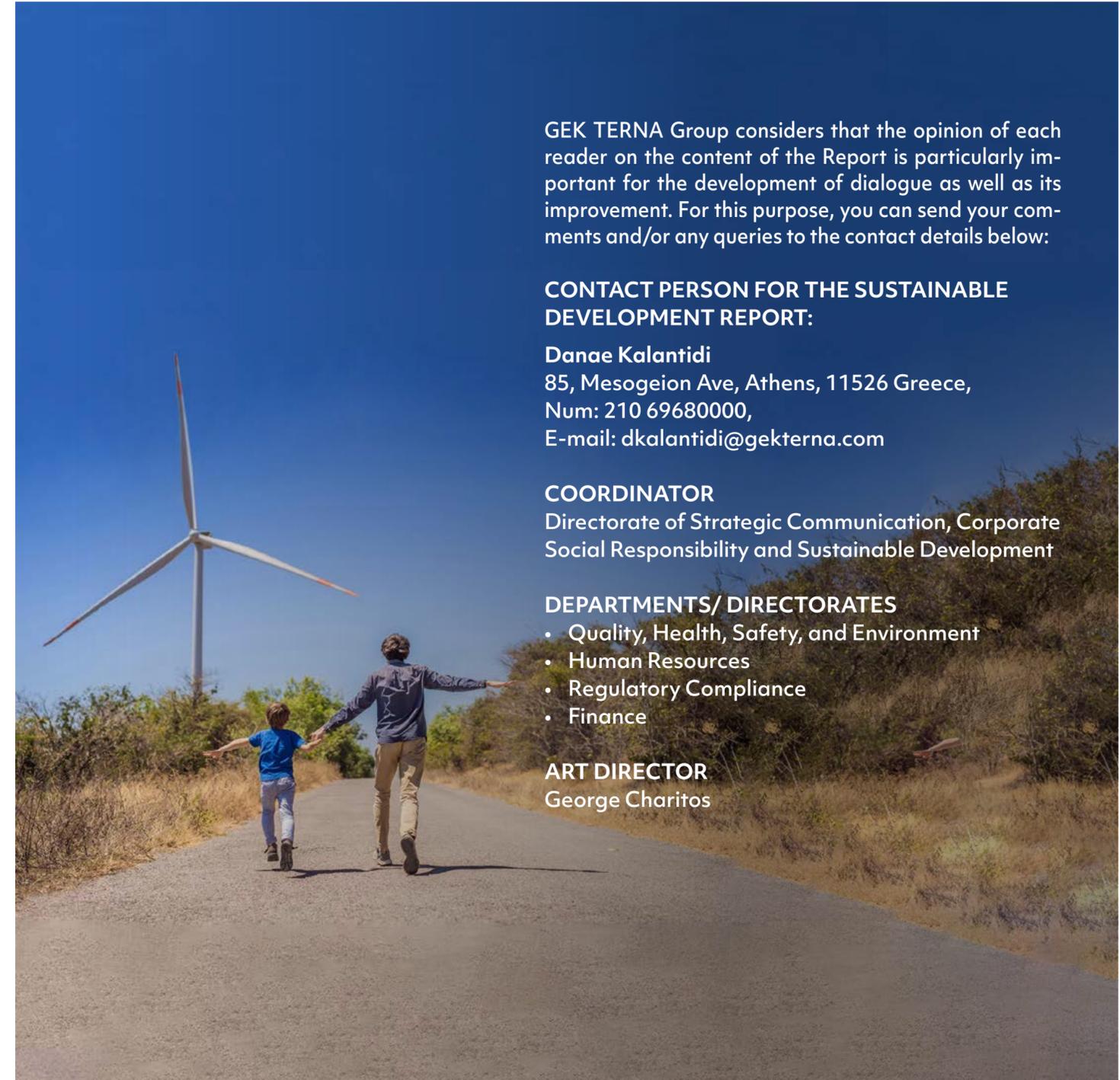
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  - Human Resources
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**ART DIRECTOR**  
George Charitos



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# 9.2 GRI Content Index

**STATEMENT OF USE :** GEK TERNA has reported in accordance with the GRI Standards for the period 01/01/2022 – 31/12/2022

**GRI USED :** GRI 1: FOUNDATION 2021

**APPLICABLE GRI SECTOR STANDARDS:** N/A

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|                                  | 2-3 Reporting period, frequency and contact point                                | About the Report  | 83        |
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| GRI 2:<br>General<br>Disclosures | 2-7 Employees  | Employment practices  | 64-68     |
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|                                  | 2-13 Delegation of responsibility for managing impacts                           | Management of Sustainable Development Issues<br>Model of Corporate Governance     | 23, 35-36 |
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| <b>Core Metrics</b> |      |  |  |        |
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|                     | C-S3 | Female employees in management positions | Employment practices                               | 68     |
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