



Corporate Responsibility Report 2015

Corporate Responsibility Report 2015



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Message from TERNA ENERGY Management

Our company operates in the RES field and is one of the pioneers in the development of the European RES market. Currently we hold a strong portfolio in terms of technologies and projects both in Europe and the USA, with approximately 1GW in operation, under construction or at an advanced stage of development on a global scale.

In 2015 the RES facilities of TERNA ENERGY produced approximately 1.6 MWh of electricity, thus avoiding CO₂ production of approximately 1,121,097 tons. Moreover, in the same time period we proceeded with the construction of 73.2 MW capacity wind farms on Aghios Georgios islet in the municipality of Lavreotiki while three new wind farms installation licenses of 48 MW total capacity, a new production license of 16.2MW capacity and four new operation licenses of 74.2MW total capacity were issued in Greece. Further, we started the development of a new wind farm of 150 MW total capacity in Texas, USA.

TERNA ENERGY is committed to sustainable development and the priority of green energy in terms of achieving a sustainable world. We believe that energy is a key driver for the development of our society and we wish to contribute to building a sustainable future for the world by increasing the use of renewable energy sources.

In this context, our priorities for the near future are as follows:

- To significantly increase the installed capacity
- To strengthen our leading position in Greece and expand our international presence
- To hold a diversified portfolio of technologies by maintaining a strong position in wind energy and by expanding to the hydro, solar and biomass fields.
- To put to use the Group's competencies in the RES value chain by gaining experience in areas such as submarine energy transmission cable laying, pumped energy storage and batteries.

Despite the important challenges and risks in the local and regional environment where we operate, we are firmly committed and we shall pursue our vision to create a sustainable future with more clean energy and greater energy safety while creating value for our stakeholders and respecting the environment, the society and the economy.

Emmanouel Maragoudakis
Chief Executive Officer

TERNA ENERGY Group Profile

1.1 TERNA ENERGY Group at a glance

TERNA ENERGY is a leading company in the development of the renewable energy sources market in Europe and holds a strong portfolio in technologies and projects in Europe and the USA.

Its core business involves wind energy, hydro projects, solar energy as well as waste and biomass management and exploitation.

USA 138 MW
21%



Presence in
4 countries

Turnover
198.6 million Euros

Direct employment
273 employees

Installed capacity globally
664 MW

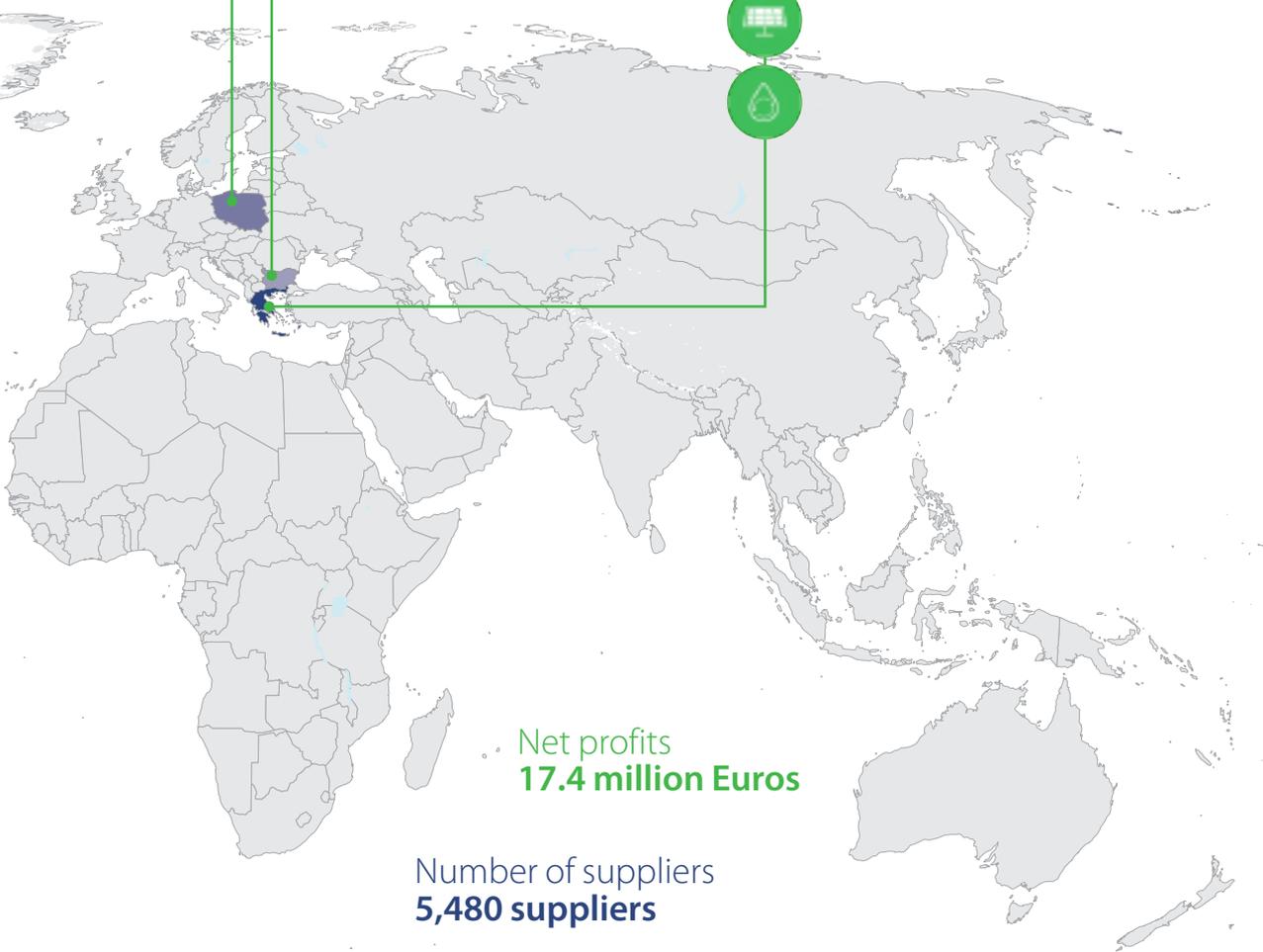
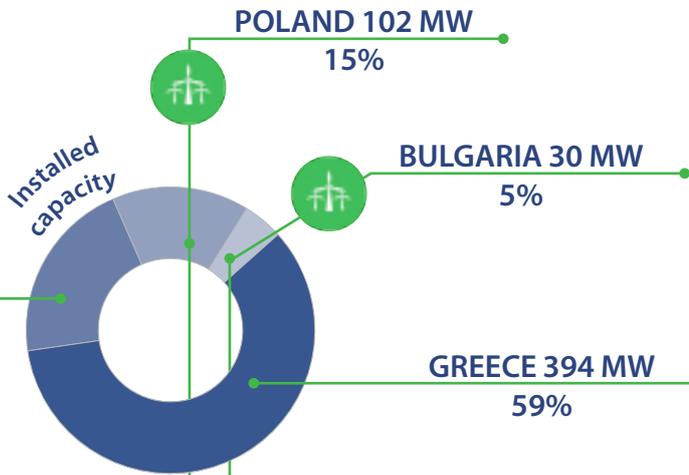
Installed capacity in Greece
394 MW

Net power generation
1,594,733 MW

Number of business units
36

(*) Number of business units: It involves the companies of the Group that have projects in operation. The companies that have projects under construction or the construction of which has not started yet are not included.

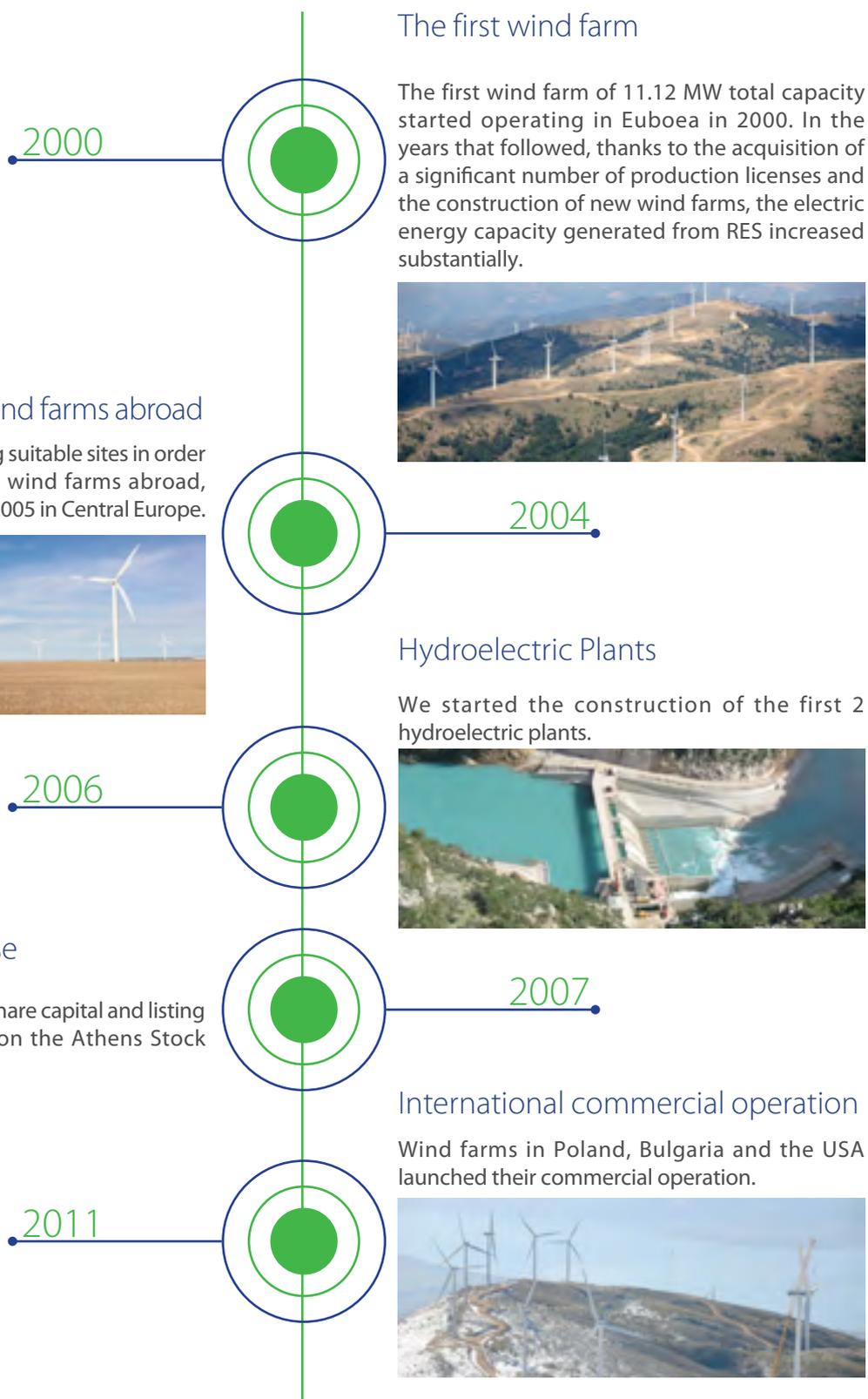
In 2015, Terna Energy's RES facilities in the countries where the company operates produced 1,594,733MWh of electricity, thus avoiding the production of approximately 1,121,097 tons of CO₂.



2000-2015

TERNA ENERGY is a subsidiary company of GEK TERNA Group, established in 1997 as a subsidiary of TERNA S.A.

1.2 Brief History



1.3 TERNA ENERGY GROUP

TERNA ENERGY is a member of GEK TERNA Group of companies and operates in the energy and construction sector. It is a vertically organized renewable energy sources company undertaking the development, construction, financing, and operation of renewable energy projects (wind, hydro, solar, biomass, waste management).

TERNA ENERGY, with a strong pipeline of RES projects in operation, under construction or in an advanced stage of development, has a leading position in Greece, with footprint in Central and South East Europe, as well as in the USA.

Moreover, TERNA ENERGY is classified in the 6th Class (second highest Class in Greece) by the Greek Ministry of Public Works which allows the company to undertake projects either as the main contractor, the subcontractor or a joint venture.



All TERNA ENERGY Group companies are listed in detail in the Group's 2015 Annual Financial Report (pp. 48-53).

1.3.1 The Group's sectors of operation

The Group's sectors of operation

- Constructions:** Construction of technical projects.
- Electricity from Renewable Energy Sources:** electricity production from wind generators (wind parks), photovoltaic parks and hydroelectric plants.
- Trading of electric energy**
- Concessions:** Construction and operation of public infrastructure projects in exchange for the long term operation

TERNA ENERGY is a developer and operator of renewable energy projects with a capacity that spans from site investigation and assessment of available renewable energy potential, to the design, licensing, construction, as well as the operation, maintenance and commercial exploitation of RES projects.

TERNA ENERGY, being a member of GEK TERNA Group, enjoys strong synergies from the Group's presence in South East Europe, Middle East and North Africa in construction, industrial production, concessions, as well as thermoelectric stations.

TERNA ENERGY is active in the RES production carrying out three distinctive as well as complementary objectives:

- Investment in the development of new power generation plants.
- Development of new RES plants by utilizing its specialized personnel and own equipment for the wind

measurements, energy capacity planning, licensing and construction procedures.

- It owns and commercially operates its energy units. The company makes strong efforts to inform local communities about critical energy issues. It also utilizes specialized consultants and the available media to this effect.

For more information

Annex I

Installed projects / operating in 2015 (Greece): page XX



TERNA ENERGY has filed an application to obtain pumped energy storage licenses for more than 2,400 MW total capacity in different locations in Greece. Two licenses have already been obtained for projects of 680 MW total capacity in the Municipality of Amphilochia, Aitoloakarnania Region.

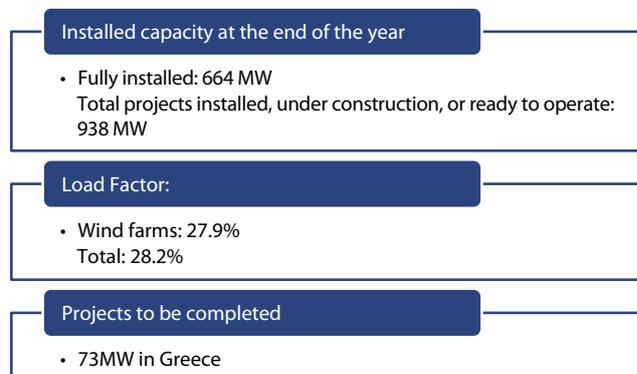
1.3.2 Significant developments and changes

In 2015, the company continued the construction of a wind farm of 73.2 MW capacity on the islet of Aghios Georgios in the Municipality of Lavreotiki. Its operation is expected to begin in 2016.

In the same time period, three new wind farm licenses of 48 MW total capacity were obtained, a new production license of 16.2MW capacity and four new operation licenses of 74.2 MW total capacity were issued in Greece whereas we started the development of a new wind farm of 150 MW total capacity in Texas, USA.

Moreover, the Court of Audit approved the partnership with the Region of Peloponnese regarding the 'Peloponnese Region Integrated Waste Management via a PPP scheme', which is expected to be signed soon.

Developments



TERNA ENERGY: €150 million investment for a 73,2 MW wind park on Aghios Georgios island

TERNA ENERGY's investment for the construction of a wind park with a capacity of 73.2 MW on Aghios Georgios Island is entering its final stage with a goal to have it in operation in 2016. It is a very important investment of 150 million euro that will have multiple energy and environmental benefits. The annual produced electricity will correspond to the coverage of the energy needs of over 40,000 households per annum, while it will contribute to the savings of over 60,000 tons of oil and the reduction of over 180,000 tons of emissions per annum.

The wind park of TERNA ENERGY on Aghios Georgios Island constitutes the largest investment in the area of electricity production from renewable energy sources being implemented in Greece and the most innovative one since it incorporates a submarine connection between the island and the continental system. In essence, it is the first on shore wind park with characteristics of an off shore wind park installation, exploiting the high wind potential of the Aegean Sea, to such a large scale.



1.3.3 Registered office and shareholder structure

The Company is listed on Athens Exchange. The Parent company of TERNA ENERGY, which is also listed on the Athens Exchange, is GEK TERNA SA and on 31/12/2015, owned 39.686% of the Company's share capital.

The company is based in the Municipality of Athens (85, Mesogeion Av., Athens 11526, Greece).

i For more information

Annual Financial Report

Significant direct or indirect participation according to the definition of the provisions of L. 3556/2007: p. 19



1.4 Financial data and overall trends

In 2015, the financial business environment, both in local and international level, remained challenging for many industries and sectors of the economy, especially

the wind industry, which continues to be one of the best investment options worldwide.

The RES sector remains among the top selected investments at a global level. TERNA ENERGY, currently capitalizes on its know how and experience, to build an important presence not only in Greece but also in the USA, Poland and Bulgaria.

Key figures	2013	2014	2015
Turnover	139,595	158,251	198,608
Total capitalization	2,176,940	2,280,548	2,444,576
Total liabilities	737,492	802,029	875,507
Total equity	350,978	338,245	346,781
Total assets	1,088,470	1,140,274	1,222,288

TERNA ENERGY continues to dynamically invest in this sector, with a total installed capacity of 664 MW in Greece and abroad. The Group has installations of 394 MW in Greece, 138 MW in the USA, 102 MW in Poland and 30 MW in Bulgaria. At the same time, the Group has RES installations currently under construction with a capacity of 124 MW in Greece. At the same time, it continues the development of a new Wind Park of 150 MW capacity in Texas, USA.

Direct economic value generated and distributed (amounts in thousands euro)	2013	2014	2015
Direct economic value generated			
Revenues	139,595	158,251	198,608
Direct economic value distributed			
Operating costs	35,299	43,512	62,687
Employee wages and benefits	6,329	4,720	4,014
Dividends paid	-	-	315
Payments to providers of capital (interest paid)	23,317	23,800	37,111
Payments to government (taxes)	5,693	7,054	7,722
Community investments (donations, charities, sponsorships)	114	106	58
Economic value retained			
Economic value retained	68,843	79,059	86,701

For the year 2015, the Group's consolidated sales amounted to 198.6 mil euro compared to 158.2 mil euro in 2014, posting a 25.5% increase mainly due to increased income from the sales of the electricity energy trading division. Operating profit (EBITDA) amounted to 99.3 mil euro compared to 74 mil in the previous year, increased by 34.1% due to the Group's increased capacity in the energy sector. Earnings before tax amounted to 30.3 mil, increased by 149.6% compared to the previous year due to the increase in capacity.

Earnings after tax and minority interest amounted to 17.4 mil euro, posting a 198.4% decrease.

1.5 Membership in national and international bodies

In order to promote sectoral issues and manage those that arise in the sector more effectively, TERNA ENERGY is a member of various bodies and organizations. By way of example:

- It is actively involved in the Greek Association of RES Electricity Producers, an established and reliable interlocutor on RES issues in Greece, putting forward interventions of institutional nature and undertaking information and awareness raising initiatives.
- It is a member of ELETAEN (Hellenic Wind Energy Scientific Association), established in 1990 as Hellenic

Wind Energy Society and renamed into Hellenic Wind Energy Scientific Association in 2005. ELETAEN's aim is to promote science and research in the field of wind energy, while trying to voice effectively the well-meant interests of the sector and the market by operating as an advocacy group.

- It is a member of IENE (Institute of Energy of SE Europe), a non-profit organization which conducts studies relevant to energy issues and keeps the professionals of the community and the wider public informed.
- It is actively involved in international agencies and associations that promote RES, such as EREF (European Renewable Energies Federation) and EWEA / Wind Europe (European Wind Energy Association).

The company participates in the WISE Power project, funded through Intelligent Energy Europe and seeking to foster social acceptance of onshore wind projects by supporting and facilitating effective social engagement, and innovative local financing arrangements. WISE Power has developed an interactive tool for use by developers and any interested stakeholders, which guides users to design, develop and implement an effective social engagement strategy.

Strategy and Governance

TERNA ENERGY is committed to sustainable development and the priority that green energy has in achieving a sustainable world. We believe that energy is a key driver for the development of our society and we are committed to building a sustainable future for the world by increasing the use of renewable energy sources.



2.1 Strategy

TERNA ENERGY aims to establishing a competitive position in the RES projects' chain, from development to energy production, building a strong position in a

portfolio of technologies, with a strong presence in Greece and abroad.

Our priorities are the following:

- To significantly expand the installed capacity
- To further strengthen our leadership position in Greece and expanding our international presence
- To hold a diversified portfolio of technologies, maintaining a strong position in wind, and expanding in solar, hydro and biomass.
- To exploit the Groups's competencies in the RES value chain by gaining experience in areas such as sub-marine energy transmission cable laying, pumped energy storage and batteries.

Advantages and benefits of renewable energy sources

The renewable energy sources:

- ▶ Are practically inexhaustible sources of energy (sun, wind, rivers, organic matter, etc.) and contribute to reducing the dependence on depletable conventional energy resources, such as oil, natural gas, coal, etc.
- ▶ Their exploitation/utilisation is widely accepted by the general public, due to their environment- and human-friendly nature.
- ▶ They constitute (together with energy conservation) the most ecologically sound solution for the effective reduction of carbon dioxide emissions and the combating of the greenhouse effect. In addition, by replacing energy generation plants which use conventional fuel resources, they lead to a reduction in the emissions of other pollutants as well, such as sulphur oxides which cause acid rain, nitrogen oxides which cause photochemical smog, airborne particulates, etc.
- ▶ They are domestic sources of energy and contribute to strengthening the energy independence and security of supply at the national level.
- ▶ They are geographically dispersed, leading to the decentralisation of the energy system, making it possible for energy needs to be met at the regional and local level, thus relieving the pressure on infrastructure systems (electricity grids, roads, etc.) and reducing the losses from energy transmission.
- ▶ They provide opportunities for the rational use of energy sources, because they cover a wide range of users' energy needs (i.e. solar energy for low temperature heat, wind energy for electricity production, etc.).
- ▶ They usually have low operating costs, which are not influenced by fluctuations in the international markets and especially in the prices of conventional fuels (crude oil, natural gas, coal).
- ▶ RES installations are usually designed to meet the specific energy needs of users/consumers, both at large or at small scale, and they have relatively short materialisation times, thus allowing quick response of energy supply to energy demand.
- ▶ RES investments create a significant number of new jobs, especially at local level.
- ▶ In many cases, they can become a catalyst for the regeneration of economically and socially deprived areas and a focal point for local development, through the promotion of relevant investments (for example, greenhouses using geothermal energy, district heating of local communities and towns via hot water/steam produced by the energy exploitation of agricultural and forestry biomass, etc.).

2.2 Risks and opportunities

2.2.1 Risks and uncertainties

The last developments leading to capital controls and the application of the medium term program for the support of the Greek economy, may have an effect on the broader medium to financial conditions of the domestic market, and also on the Group's investment plan with regard to investments planned in the Greek geographic area. The significant activity of the Group in the foreign markets, Europe and North America, contributes to the dispersion of the relative risks and balances the effect from the above unfavorable domestic developments on the Group's financial performance.

i For more information

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Risks and
uncertainties:
p. 7-10



2.2.2 Developments in 2015 and opportunities

The outlook for TERNA ENERGY Group for the year 2016 is stable given that the construction of new RES is to be completed, while new investments, which will soon be incorporated in the construction plan, are at a mature stage as regards to licensing and financing.

In the context of implementing its investment plan, the Company continued during the year 2015 the construction of a Wind Park of 73.2 MW capacity in Aghios Georgios island of Lavreotiki Municipality with the aim to complete the project and operate the park within 2016. During the same period, 3 new installation licenses of 48 MW capacity, 1 new production license of 16.2 MW capacity, and 4 new operating licenses of 74.2 MW capacity were issued in Greece, whereas the company commenced the development of a new Wind Park of total capacity 150 MW in Texas, USA. Moreover, the Court of Audit approved the contract concerning the joint agreement with the Periphery of Peloponnese for the "Integrated Waste Management System of Peloponnese PPP". The signing of the agreement is expected.

Opportunities and benefits from clean energy production using renewable energy sources

The production of energy from RES is one of the most dynamic and fastest growing sectors worldwide, due to:

- the urgent need for substantial increase in RES capacity, in accordance with the Kyoto Protocol
- the high RES potential (wind, hydroelectric, solar, biomass, etc.), which can be utilized under viable techno-economic terms
- the gradual exhaustion of conventional energy resources (ie lignite, oil, natural gas)
- the availability of reliable technological solutions for the commercial utilization of the inexhaustible domestic RES resources, in an environmentally friendly manner.

The obvious benefits from the steadily growing activity in the RES sector are:

- the substantial reduction of air pollutant emissions (CO₂, NO_x, SO₂, etc) and, subsequently, the reduction of the large adverse effects on the environment.
- the minimization of the very high dependence on conventional fuels
- the creation of a decentralised system of energy production units (production close to consumption), with beneficial effects on the safety of energy supply and energy efficiency
- the creation of a substantial number of new employment positions, during construction, operation and maintenance of the RES units, both at regional and local level.

2.3 Governance structure

TERNA ENERGY Group implements a modern corporate governance mechanism involving a set of rules, which ensure the interests of both shareholders and investors while protecting the company against anyone who has the intention and/or the capacity to put their personal

interests ahead of the company's.

The shareholders' General Meeting is the company's supreme body and makes decisions regarding all corporate issues.

2.3.1 Corporate Governance Code

The Corporate Governance Code (CGC) is a foundation for the integration of a corporate governance system that continuously evolves and adjusts to the changing conditions of the company's economic, social and business environment, while it guarantees the adherence to transparency principles, business ethics and proper management of all company resources at all management levels. TERNA ENERGY has drafted and implements the Corporate Governance Code, which is posted on its corporate site www.terna-energy.com.

2.3.2 Board of Directors

The company is managed by a Board of Directors consisting of 9 members with a five year tenure. As the highest authority in the company's management, the Board of Directors sets the guidelines and sees to the effective implementation of its strategy, by aiming at ensuring and promoting the long-term interest of all company Shareholders, under terms and methods that establish a sense of reliability for the company in the financial-business community and in the broader social environment, thus ensuring respect from and towards any related or relevant party.

Composition

The Board of Directors has six executive, one non-executive and two independent non-executive members.

Composition of the Board of Directors (31.12.2015)			
Capacity	Name	Title	Nationality
Chairman of BoD	George Peristeris	Executive member	Hellenic
Vice-Chairman of BoD	George Perdikaris	Executive member	Hellenic
Chief Executive Officer	Emmanuel Maragoudakis	Executive member	Hellenic
Member	George Spyrou	Executive member	Hellenic
Member	Michael Gourzis	Executive member	Hellenic
Member	Panagiotis Pothos	Executive member	Hellenic
Member	Theodoros Tagas	Non-executive member	Hellenic
Member	Aristeidis Ntasis	Independent non-executive member	Hellenic
Member	Nikolaos Kalamaras	Independent non-executive member	Hellenic

*Executive members are the Company's officers who are responsible for the implementation of the goals set and for their respective management.

*Non-executive and independent members are persons with objective judgment, responsible for ensuring the corporate governance.

Board of Directors Committees

The BoD is assisted by committees that have an advisory role but are key players in the decision making process. These committees are the following:

- Nominee and Remuneration Committee
- Investment Committee
- Audit Committee

i For more information

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Corporate governance rules and practices: p. 13-17



Corporate Governance Code

Corporate Governance Code: p. 4-5

Communication with stakeholders and material Sustainability issues



3.1 Communication and engagement with our stakeholders

TERNA ENERGY believes that increased transparency and accountability constitute fundamental principles governing our social responsibility. Communication and consultation with our stakeholders is the main mechanism we apply to ensure the company's accountability and commitment vis-à-vis its stakeholders on a regular basis. Moreover, this provides multiple benefits at both strategic and operational level, such as better understanding of business issues, improved management in terms of essential issues and effective risk management. Thus, TERNA ENERGY considers this as a critical tool for the management of all issues within the scope of its responsibility.

3.1.1 Our stakeholders

The groups of stakeholders have been recognized at Group level and have been assessed and listed on the

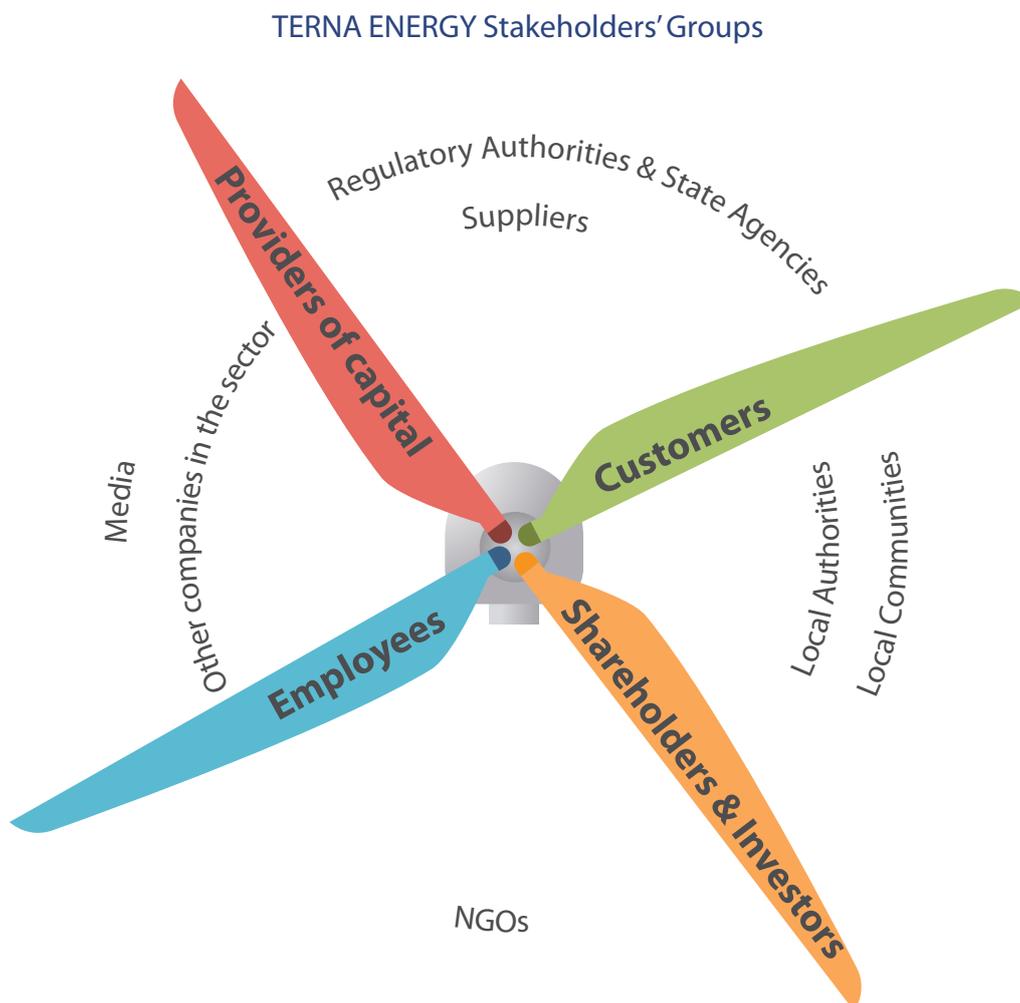
basis of their importance in two categories:

Main stakeholders: Customers, Shareholders and Investors, Employees, Providers of capital,

Secondary stakeholders: Local communities, Local authorities, Regulatory authorities and state agencies, Suppliers, NGOs, non-profit organizations, Media, other companies in the sector

The main criterion to recognize and prioritize the stakeholders refers to the level of their interaction with the activities of the Group and vice versa (to what extent they are affected).

Stakeholders identification and mapping is a process that is implemented at a Group level every year, so that the company can maintain a relevant Corporate Responsibility Strategy. However, the stakeholders of a specific project might differ and have particular concerns. In order to address that, the company has integrated the stakeholders' identification and mapping process in the planning of each project and its review at specific milestones or according to the particular conditions of each project (e.g. after a conflict/complaint or consultation process with the stakeholders).



3.1.2 Frequency of communication and response to stakeholders' expectations

TERNA ENERGY takes into account the stakeholders' expectations and strives to respond to them. The Group identifies the important issues/concerns of each main stakeholders' group during the stakeholders' identification process.

The consultation with stakeholders is an ongoing process all through the year and through different communication channels (telephone and e-mails, face to face meetings, presentations and publications etc.) and the company is always willing to respond and fulfill their expectations. However, during the Sustainability Report elaboration process, no special consultation was carried out as part of the report's preparation.

3.2 Focus on materiality

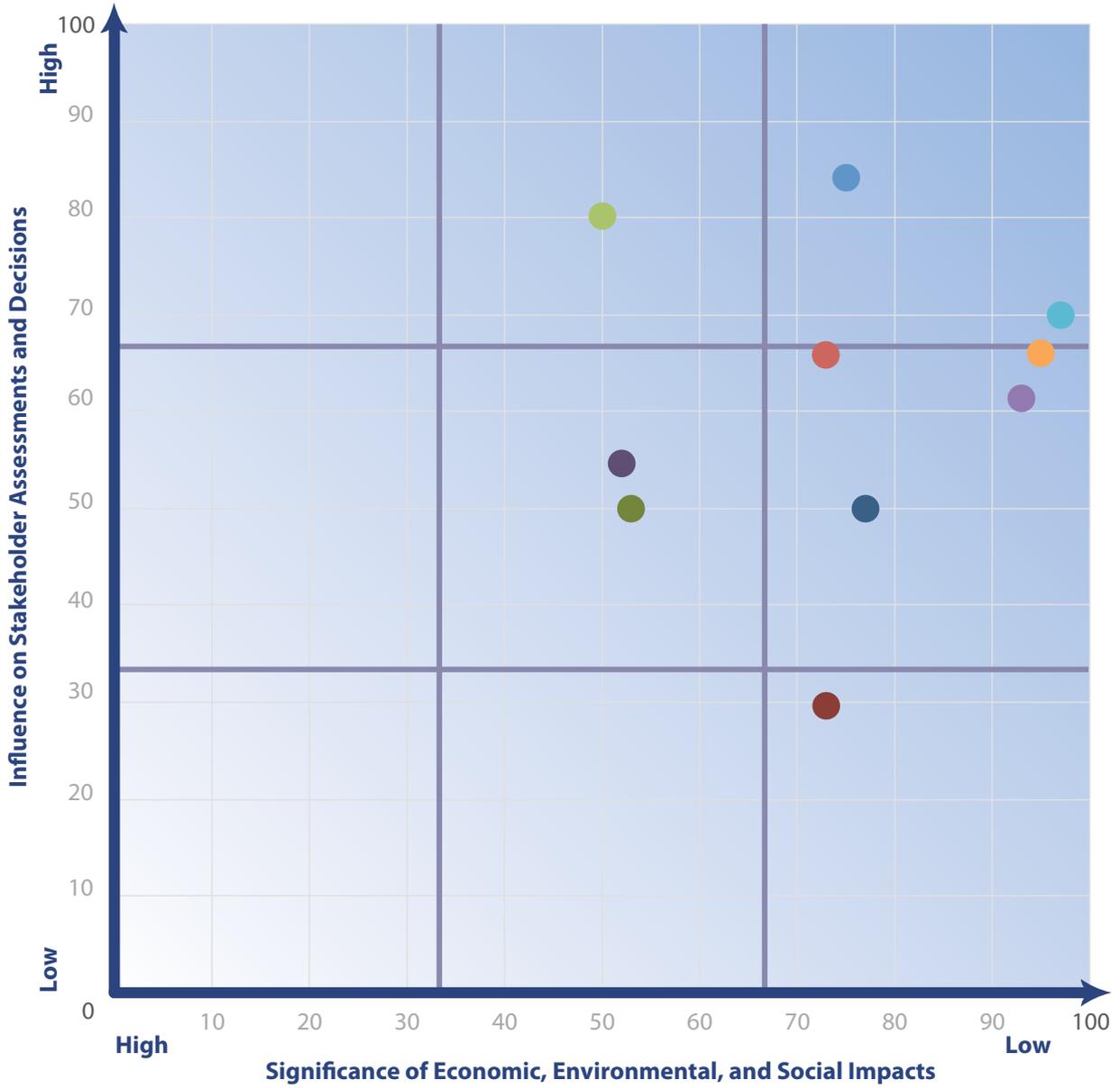
3.2.1 Materiality analysis process

In order to draft the Sustainability Report, we have followed the recognized GRI G4 international guidelines and we have conducted a materiality analysis to define the Report's content. Initially we identified the company's

stakeholders that influence us and are mostly influenced by us. In the following step, we assessed these groups by using criteria such as the level of influence, proximity, dependence, representation and commitment in relation to TERNA ENERGY, and concluded with the most important ones.

Thereafter, we identified the material issues both for the company and the stakeholders and at every stage of the process, we applied the principles required to determine the content and the quality, as those are described in the GRI guidelines. Initially we reviewed the press for the reporting period, we compared relevant issues of similar companies, we examined sectoral studies on renewable energy sources, and we took into account international standards and scientific publications in order to create a list of issues relevant to the company. Then, the Sustainability Report Project team organized a special workshop to prioritize the issues that we have identified by assessing their materiality for the company and stakeholders while mapping their limits. Thus, we ensured that the issues in the Report would reflect the most important economic, environmental and social effects of TERNA ENERGY and how those may influence the judgment of the stakeholders vis-à-vis the company. At the end we concluded the process by validating the finalized key issues for 2015.

Illustration of our material issues



- Occupational Health and Safety
- Compliance (with laws and regulations concerning products and services)
- Local communities (impacts assessment and cooperation)
- Environmental compliance
- Biodiversity
- Training and education
- Compliance with laws and regulations
- Anti-competitive behavior
- Economic performance
- Disaster / emergency planning and response

Material issues list of TERNA ENERGY and boundaries

Sustainability pillars	TERNA ENERGY sustainability material issues	Aspect boundaries		Limitations		Interested stakeholders	How we respond to material issues
		Inside the Group	Outside the Group	Inside	Outside		
Economy	Economic performance	TERNA ENERGY Group	<ul style="list-style-type: none"> ▪ Providers of capital ▪ Shareholders and investors 	-	-	<ul style="list-style-type: none"> ▪ Providers of capital ▪ Shareholders and investors ▪ Employees ▪ Customers ▪ Suppliers ▪ Local communities ▪ Local authorities ▪ Media ▪ Other companies in the sector 	p. 11-13, 16-17
Environment	Biodiversity	-	<ul style="list-style-type: none"> ▪ Local level / Local communities 	-	-	<ul style="list-style-type: none"> ▪ Local communities ▪ Customers ▪ Shareholders and investors ▪ Employees ▪ Providers of capital ▪ Regulatory authorities & state agencies ▪ Local authorities ▪ NGOs 	p. 43-44
	Environmental compliance	TERNA ENERGY Group	<ul style="list-style-type: none"> ▪ Local level / Local communities ▪ Local authorities 	-	-	<ul style="list-style-type: none"> ▪ Customers ▪ Shareholders and investors ▪ Providers of capital ▪ Local communities ▪ Media ▪ NGOs 	p. 44
Society	Occupational Health and Safety	TERNA ENERGY Group	<ul style="list-style-type: none"> ▪ Subcontractors and associates 	-	-	<ul style="list-style-type: none"> ▪ Customers ▪ Shareholders and investors ▪ Employees ▪ Providers of capital ▪ Regulatory authorities & state agencies ▪ Local communities ▪ Local authorities ▪ Media 	p. 30-32
	Training and education	TERNA ENERGY Group	-	-	-	<ul style="list-style-type: none"> ▪ Shareholders and investors ▪ Employees ▪ Providers of capital 	p. 33-35
	Local communities (impacts assessment and cooperation)	TERNA ENERGY Group	<ul style="list-style-type: none"> ▪ Local communities ▪ Local authorities 	-	-	<ul style="list-style-type: none"> ▪ Customers ▪ Shareholders and investors ▪ Employees ▪ Providers of capital ▪ Regulatory authorities & state agencies ▪ Local communities ▪ Local authorities ▪ Media ▪ NGOs 	p. 22, 41-42, 44

Sustainability pillars	TERNA ENERGY sustainability material issues	Aspect boundaries		Limitations		Interested stakeholders	How we respond to material issues
		Inside the Group	Outside the Group	Inside	Outside		
Society	Anti-competitive behavior	TERNA ENERGY Group	<ul style="list-style-type: none"> Other companies in the sector 	-	-	<ul style="list-style-type: none"> Customers Shareholders and investors Providers of capital Regulatory authorities & state agencies Other companies 	p. 39
	Compliance with laws and regulations	TERNA ENERGY Group	<ul style="list-style-type: none"> Regulatory authorities 	-	-	<ul style="list-style-type: none"> Customers Shareholders and investors Employees Providers of capital Regulatory authorities & state agencies Local communities Local authorities Media NGOs 	p. 39
	Disaster / emergency planning and response	TERNA ENERGY Group	<ul style="list-style-type: none"> Local communities Customers 	-	-	<ul style="list-style-type: none"> Customers Shareholders and Investors Providers of capital Local communities Local authorities NGOs 	p. 37-38
	Compliance (with laws and regulations concerning products and services)	TERNA ENERGY Group	<ul style="list-style-type: none"> Customers Regulatory authorities Local authorities 	-	-	<ul style="list-style-type: none"> Customers Shareholders and investors Providers of capital Regulatory authorities & state agencies Local communities Local authorities Media NGOs 	p. 39

3.2.2 Scope of Report

The Corporate Responsibility Report of TERNA ENERGY was designed to cover all material issues of the entities that belong to the company. For this reason, we shall present the company as a whole as well as the provided products and services. However, in order for the data collection procedure to meet the requirements of the

standard disclosures of GRI G4 guidelines, it was initially limited to the geographical area of Greece. Concurrently, we are designing data collection mechanisms that will enable us to present data concerning all corporate activities on a worldwide scale in future Corporate Responsibility Reports.

Corporate responsibility: Our approach

In order to ensure the systematic management of the effects of our operations, we put into practice management systems, we follow principles and guidelines, we implement standards and we support international initiatives. Through our operation, we contribute to the achievement of some of the sustainable development goals.

4.1 Management of sustainability issues

A Corporate Responsibility team has been set up, consisting of representatives from the key company Divisions/Departments, to address Corporate Responsibility issues. The Team is coordinated by the Communication and Corporate Responsibility Division and is responsible, inter alia, for collecting the data required to draft a Corporate Responsibility Report on an annual basis.

At the same time, as regards the management of major separate issues (such as Environmental Management, Health and Safety), officers have been appointed who coordinate the relevant programs and implement the relevant policies.

The top management of the company is regularly briefed about the actions and operations of the CSR Team.

4.2 We implement principles and standards

TERNA ENERGY implements a number of principles, certified management systems and standards. Specifically, the company implements:

- A Certified Quality Management System in accordance with the requirements of ISO 9001
- A Certified Environmental Management System in accordance with the requirements of ISO 14001
- A Certified System on the management of Health and Safety at Work in accordance with the requirements of OHSAS 18001

In addition:

- We support the principles of the United Nations Global Compact.
- We seek to implement the guidance of ISO 26000 which is highly acclaimed and one of the most integrated tools regarding social responsibility worldwide.
- We follow and implement the guidelines of the Organization for Economic Co-operation and Development (OECD) on multinationals.
- We support the Sustainable Development Goals (SDGs) or Global Goals and we undertake actions seeking to address these global problems.



(source: sustainabledevelopment.un.org)

We actively contribute to the achievement of the Sustainable Development Goals

7th goal: Affordable and clean energy



Through its operations, TERNA ENERGY makes a substantial contribution to the 7th goal: Affordable and clean energy. In addition, TERNA ENERGY makes a major contribution to the attainment of a sub-goal: To substantially increase the quota of renewable energy sources in the global energy mix by 2030. **Having a large number of RES projects in operation or under construction or at an advanced stage of development with a total capacity of approximately 1GW, TERNA ENERGY makes a dynamic and substantive contribution to the attainment of the 7th global goal.**

13th goal: Climate action



Climate change currently presents one of the most important global threats and international community makes efforts to tackle it. TERNA ENERGY makes full use of renewable energy sources for energy production and makes a substantial and major contribution to combating climate change. **During 2015, the RES facilities of TERNA ENERGY generated 1,594,733 MWh of electricity in all countries where the company operates, thus helping avoid the generation of approximately 1,121,097 tons of CO₂.**

4.2.1 Corporate Responsibility Report based on Global Reporting Initiative Guidelines

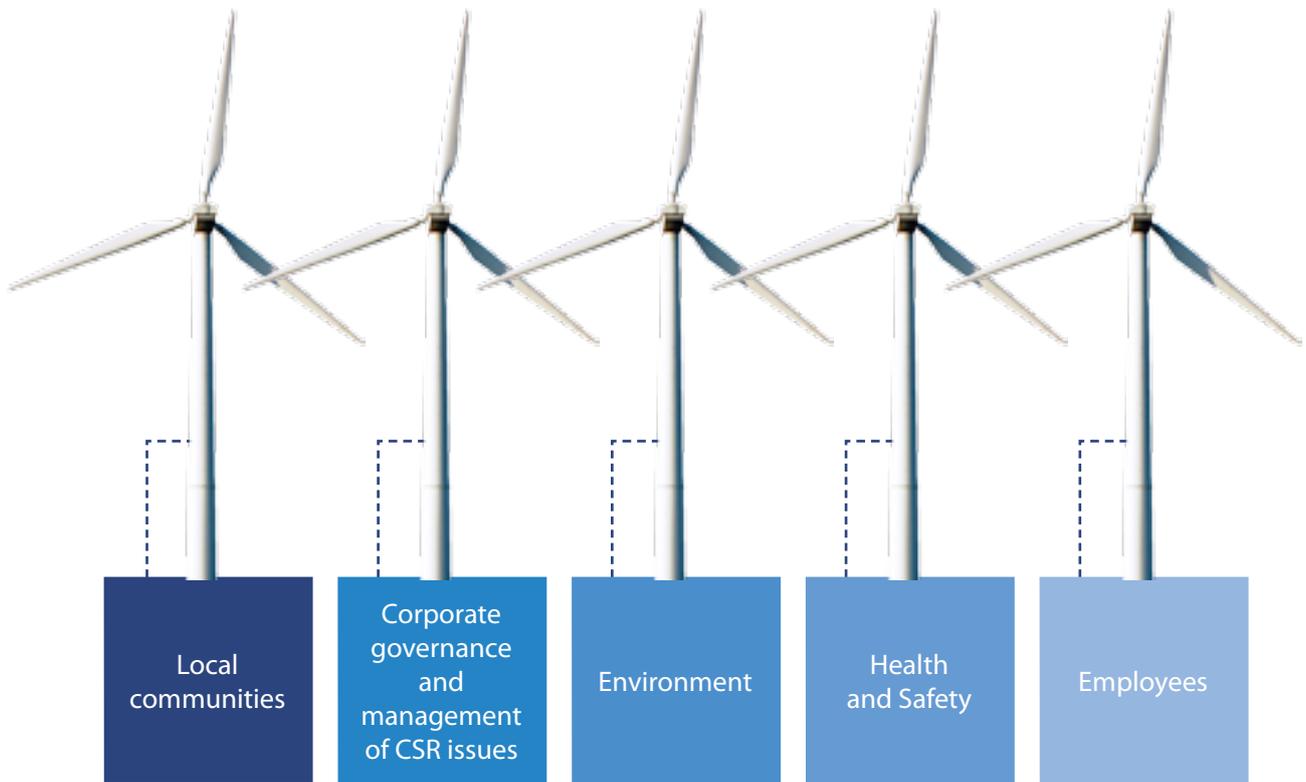
TERNA ENERGY has decided to publish a Corporate Responsibility and Sustainable Development Report

on an annual basis in accordance with the guidelines of Global Reporting Initiative (GRI), in line with GRI-G4 edition. The Corporate Social Responsibility and Sustainable Development Report represents only the final stage in the process of continual improvement and management of corporate issues.

4.3 Corporate Responsibility strategy and program

With a view to managing systematically the effects of its operations, TERNA ENERGY has designed and has been implementing a corporate responsibility program. The implementation of this program helps the company improve its performance in sustainability and corporate responsibility issues.

The main pillars of this program are:



4.4 Our goals for 2016

We seek to improve at all times, to develop and achieve better performance. In this framework, we have set goals for both the next year and the upcoming medium-term period.

Goals for 2016

These are some of our goals for 2016.

Goals for 2016
To prevent any fatal accident during the year
To achieve zero non-compliances from external bodies regarding applicable laws in terms of Health and Safety (zero non-compliance index)
To provide more than 500 hours of training in occupational Health and Safety to employees, executives and safety engineers of our company
To train more than 300 employees in occupational Health and Safety
To carry out at least one environmental audit per project
To implement corrective actions for all potential non-compliances from external bodies regarding environmental issues
To prevent any serious environmental incident
To adapt the Environmental Management System to the requirements of the new version of ISO 14001:2015

Goals for 2016

- To provide training courses on how to tackle emergencies, extending to: rescue and evacuation from wind turbines, fire safety, hoisting operations
- To provide medical check-ups for all employees at work sites and obtain certificates by physicians
- To certify all special Personal Protective Equipment of personnel engaged in special works
- To improve the Sustainability Report by disclosing more information and covering more indicators

Goals for 2016-2018

These are some of our goals for the medium-term period 2016-2018:

Goals for 2016-2018

- To inform a group of suppliers about sustainability issues
- To design and implement a corporate policy on equal opportunities, promotion of diversity, child labor, forced and compulsory labor, and human rights
- To hold informative events about the benefits of RES at local communities and schools

Caring for employees

Our people are our driving force. We provide employment and we care for the development and education of our people.

We have a long history of employing experienced and skilled personnel and providing continuous training to our employees at all levels.

5.1 Our people

All our employees contribute to the success of TERNA ENERGY Group, since they are leading the Group towards development and growth. The knowledge, expertise, creativity and dynamism of our employees guarantee the success of the company in the future.

Workforce by type of employment, contract and gender

Categories of employment type & contract	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total workforce	267	53	320	256	53	309	220	53	273
Employees	196	42	238	192	39	231	138	38	176
	82%	18%	100%	83%	17%	100%	78%	22%	100%
Associate officials (e.g. engineers)	71	11	82	64	14	78	82	15	97
(Collective) labor agreement	196	42	238	192	39	231	138	38	176
	%	%	100%	%	%	100%	%	%	100%
Without (collective) labor agreement	-	-	-	-	-	-	-	-	-
Indefinite duration employment contracts	196	42	238	192	39	231	138	38	176
	%	%	100%	%	%	100%	%	%	100%
Fixed term employment contracts	-	-	-	-	-	-	-	-	-
Full-time	196	40	236	192	37	229	138	36	174
Part-time	-	2	2	-	2	2	-	2	2
Seasonal workers	-	-	0	-	-	0	-	-	0

At the end of 2015 the company employed a total of 273 employees, of whom 220 were men and 53 women. The ratio between the genders is higher for men; to a significant extent this is due to the nature of activities and

the requirements that must be applied, which render the work environment more preferable for men. In 2015 a total of 31 people were recruited.

Employment per geographical region and gender

Area	Men	Women	Total
Central Greece	114	35	149
Ionian Islands	10	1	11
Epirus	5	-	5
Thrace	-	2	2
Macedonia	5	-	5
Peloponnese	4	-	4
Total	138	38	176

Employment per employee category

Categories	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	7	1	8	7	1	8	7	1	8
Senior Executives	24	10	34	24	10	34	21	10	31
Administrative personnel	28	36	64	25	34	59	22	32	54
Technicians	87	4	91	83	5	88	72	4	76
Workers	121	2	123	120	-	120	102	2	104
Total	267	53	320	259	50	309	224	49	273

5.2 Education and training

We care for the training and education of our employees since thereby they achieve personal development

and enhance their responsiveness to specific business challenges.

Average hours of training per employee category (2015)

Categories	Total training hours			Average training hours per category		
	Men	Women	Total	Men	Women	Total
Directors	-	-	-	-	-	-
Senior Executives	-	-	-	-	-	-
Administrative personnel	152	99	251	6,9	3,1	10,0
Workers	-	-	-	-	-	-
Total	152	99	251	0,7	2,0	0,9

Training hours per subject matter

Subject matter	Total training hours
Quality	40
Accounting	187
IT	24
Total hours	251

In addition to the above courses, a series of training seminars on Health and Safety at Work and Environmental Management were held. More information can be found in the respective sections.

Health and Safety at Work

Our standing goal: to eliminate accidents and minimize risks

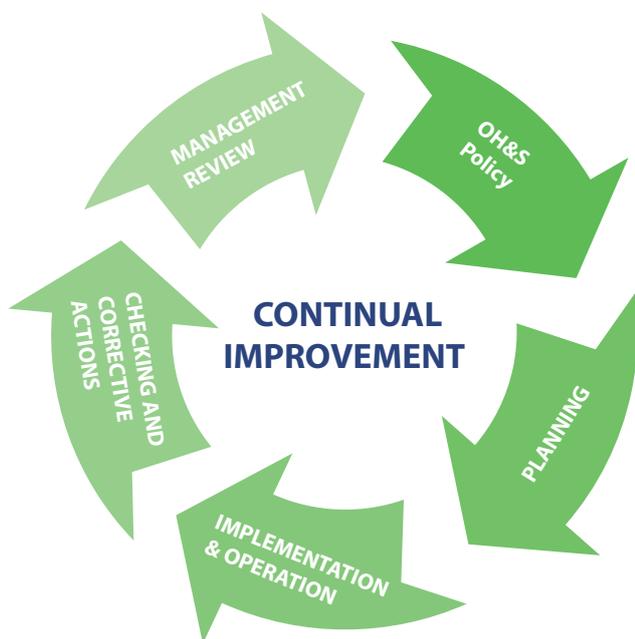


6.1 Our approach

Protecting the health and safety of our people is a top priority for TERNA ENERGY Group. A standing goal of the company is to eliminate accidents and reduce any risk to acceptable levels.

6.1.1 Health and Safety Management System

For the integrated management of Health and Safety issues, the company implements an Occupational Health and Safety Management System, certified by an external body in accordance with the requirements of OHSAS 18001:2007 standard. The company strives to constantly improve the system and its performance in Health and Safety issues.



6.1.2 Health and Safety Policy

TERNA ENERGY Group's policy is to provide and maintain safe working conditions in all its activities.

By implementing OHSAS 18001: 2007 certified Safety Management System, TERNA ENERGY is committed to preventing and reducing accidents, as well as to preventing any errors/omissions and their effects on the health and safety of employees.

The aim of the company is to take all necessary measures for the promotion of Health and Safety and to that end it commits to the following:

- To fully comply with legal and other requirements that are applicable to the operation and activities of the company.
- To have the best possible comprehension of any risks and to minimize their consequences for all employees, by taking appropriate preventive measures.
- To prevent injuries, diseases and adverse health and safety incidents arising from the operation and activities of the company.
- To provide appropriate and adequate health and safety training to all employees.
- To immediately investigate any accident/incident in order to draw the appropriate conclusions and to take those measures that will prevent similar situations in the future.
- To use technologies and implement operating procedures that provide the necessary protection and security to its employees.

Moreover, TERNA ENERGY is committed:

- To continuously improving the company's Health and Safety Management System
- To communicating its commitment to promote health and safety of both employees and suppliers, subcontractors, clients, public institutions and the community in which it operates

Under the commitment to continual improvement of Safety, the Management of TERNA ENERGY Group provides all necessary resources and believes that every employee will responsibly and effectively assume his/her own share of obligations in the common effort to prevent and avoid accidents.

The Safety is a commitment and a guide for both the management and personnel of the company.

6.1.3 Health and Safety Training

The successful implementation of Health and Safety programs requires the active participation of all people involved. For this reason, TERNA ENERGY ensures that all its employees, whose work may have a significant impact on occupational health and safety, receive appropriate training.

TERNA ENERGY recognizes the training needs in issues associated with hazards at work as well as with the Health and Safety Management System and undertakes actions to assess the effectiveness of education. In 2015, road safety and safe driving were addressed as part of the executive and employee education and awareness training on Health and Safety.

Case study

The company has established, implemented and maintains a special process to inform and sensitize its employees regarding:

- The consequences of Health and Safety at Work, actual or potential, their work activities, their behavior and the benefits from improved personal performance in Health and Safety at work.
- Their roles and responsibilities in order to conform to Health and Safety policy and procedures as well as the requirements of the management system, including the need to prepare for and respond to emergencies.
- The potential consequences of deviation from specified operating procedures.

- determine whether the Health and Safety Management System
 - ▶ complies with the planned arrangements for Health and Safety management, including requirements of the OHSAS 18001 international standard
 - ▶ has been properly implemented and maintained
- provide information to the company's management on the results of audits

During 2015, a total of 32 Health and Safety audits were conducted, reflecting the application of the company's commitment to creating a safe working environment.

6.1.5 We care about the health and safety of our associates

In TERNA ENERGY we care to protect health and safety not only of our employees, but also of the employees of our partners (subcontractors, etc.) in our projects and other activities. In this context, the Group has set itself a prerequisite to only cooperate with contractors that abide by all necessary regulations for Health and Safety and in full compliance with the respective regulations of the Group.

6.1.4 Health and Safety Audits

The Health and Safety audits are particularly important to ensure compliance with the rules and implementation of all necessary measures to protect the health and safety of employees.

TERNA ENERGY implements internal Health and Safety audits regularly in order to:

6.2 Performance monitoring

TERNA ENERGY systematically monitors and records its performance in Health and Safety issues and then sets targets for improvement.

Health and Safety indicators

Indicators	2013	2014	2015
Total accidents	1	1	1
Fatalities	0	0	0
Near misses	0	2	3
Occupational diseases	0	0	0
Absentee days	1	15	3
Injury rate (IR)	0,0000026	0,0000039	0,0000032
Occupational disease rate (ODR)	0	0	0
Lost day rate (LDR)	0,0000026	0,0000579	0,0000096
Total Man-Hours worked	377.881	258.887	313.082

(*1) The count of absence days starts from the following day. All incidents are logged as specified in the Health and Safety Management System, which covers all company's activities.

(*2) Total accidents concern male workers in Greece (Mytoula wind park, Perdikokorfi wind park, Skopia wind park)

(*3) The above H&S data in the table include the personnel of the company's contractors

$$\text{Injury Rate (IR)} = \frac{\text{Number of injuries}}{\text{Total Man-Hours worked}}$$

$$\text{Occupational Disease Rate (ODR)} = \frac{\text{Number of incidents of occupational diseases}}{\text{Total Man-Hours worked}}$$

$$\text{Lost Day Rate (LDR)} = \frac{\text{Lost days due to accident}}{\text{Total Man-Hours scheduled to be worked}}$$



Responsible energy production

Our main concern is to do business in an ethical manner, with respect to society and the environment. We seek to promote the protection of the environment in our supply chain and to ensure that our subcontractors' employees comply with health and safety rules. We design emergency-driven response plans and we ensure full compliance with laws and regulations.

7.1 Disaster / emergency planning and response

Good provision and hazards/disaster planning can minimize impact on people and facilities. This is why TERN A ENERGY has carefully prepared its emergency response, which includes proper planning and preparedness to react.

An emergency situation is a dangerous situation for health, safety and/or the environment, which requires immediate attention. Hazardous situations may include: fire, explosion, heat, flood, earthquake, terrorism, serious injuries and general damage to the health of a person, which requires immediate attention.

The company has a crisis management plan in place, that includes emergency scenarios from random events or human error to malicious activity, and which require immediate and fast handling (thus called emergencies).

Specifically, the plan provides for the following:

- The needed resources in manpower and equipment
- The required personnel training
- The sequence of the emergency response actions
- The required external communications

Periodically, (once a year for fire and every two years for rescue and evacuation from wind turbines) emergency response exercises are conducted with the involvement of all employees on the field. The corresponding plans are implemented during such exercises and their effectiveness, as well as and readiness of the company, are assessed.



7.2 Responsible procurement

TERNA ENERGY has a big and complex list of suppliers, which is reviewed with the aim to develop a sustainable supply chain adapted to our strategies and values.

7.2.1 Our supply chain

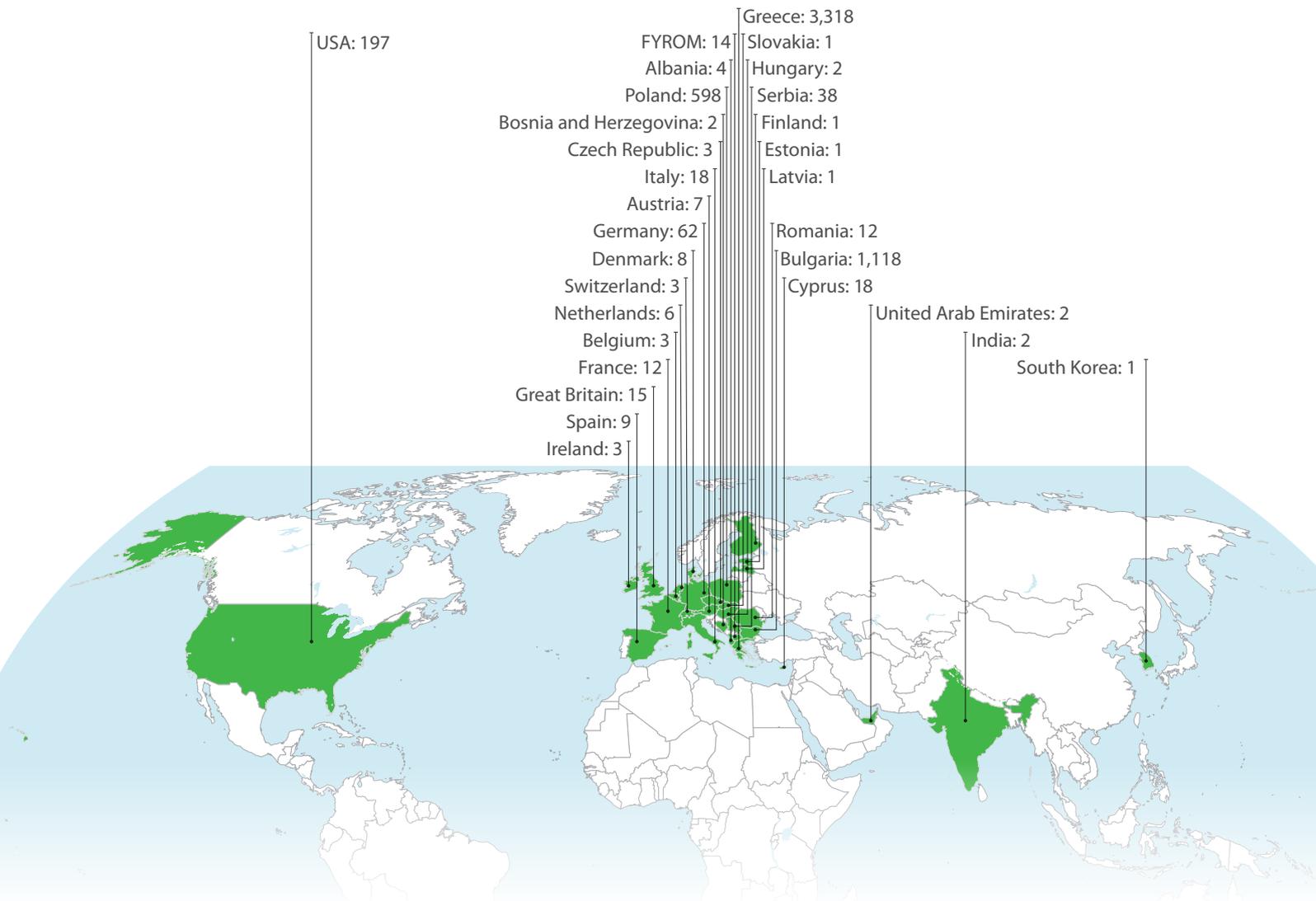
In 2015 the company cooperated with 5,480 different suppliers for a range of different activities. The company's supply chain has the following main objectives:

- Project materials

- Mechanical works' materials
- Electrical works' materials
- Equipment - systems
- Subcontracting
- Services

Compared with the previous year, there were several changes in the supply chain (e.g. choice of alternative suppliers based on quality and price criteria), but since they were not widespread, it is not considered that its basic structure has significantly changed.

Geographical distribution of suppliers



7.2.2 Procurement procedure

Before the procurement of any material or service, the company receives and evaluates offers and, if necessary, conducts a market research. For large purchases procurement committees are appointed and the evaluation criteria take into account quality of materials and the history of cooperation between the supplier and the company.

7.2.3 Health and safety

TERNA ENERGY ensures health and safety of both its own employees and the employees of its subcontractors carrying out work for the company. In this context, the contracts signed with each subcontractor for every project include provisions on compliance obligations with standards on health and safety at work as well as insurance legislation. An indicative example is that the subcontractors' employees at various projects regularly participate in training courses on occupational Health and Safety.

7.2.4 Environmental protection

TERNA ENERGY cares to minimize the impact of its activities on the natural environment. During the suppliers' or partners' selection process, compliance with certified Environmental Management Systems is positively considered and in special cases (e.g. waste management partner companies etc.) such compliance is a prerequisite.

7.3 Compliance

Compliance with laws and regulations are a non-negotiable principle for us. In 2015, no significant penalty was imposed on TERNA ENERGY for non-compliance with the legislation relating to the supply and use of products, or non-compliance with laws and regulations, nor were there any relevant non-monetary sanctions. Similarly, there were no legal actions regarding anti-competitive behavior, anti-trust or monopoly practices.

Cooperation with local communities

We always strive to maximize the positive effects and minimize any potential negative ones in the areas where we operate. We work closely with local communities, we provide employment, support local suppliers as well as local associations, institutions and organizations.



8.1 Cooperation with local communities

By default our activity implies interaction and cooperation with local communities, local authorities and municipalities. The installation of infrastructures that exploit renewable energy sources have a significant

positive impact on the environment, the economy and the society, and some limited negative effects on the environment and local communities.

8.1.1 Impact assessments and consultation

Before the implementation of any project, we carry out, as required, all necessary Environmental Impact Assessments and we have consultation with local communities and authorities, while we strictly apply the Environmental

Terms as issued. This ensures the production of clean energy with the lowest possible nuisance at local level. The results of such studies are in any case available to the public by the competent authorities.

 For more information

**Corporate
Responsibility
Report**

9 Care for the environment
9.2 Management of impacts on biodiversity: p. 45

8.1.2 Supporting employment

The construction of each project, whether the installation of a power plant from renewable energy sources, or any other project, results in a creation of employment opportunities, mostly covered by locals. At the same time, a number of jobs are indirectly created due to our activity, which stimulate local economies and societies.

Furthermore, offering local employment has more additional benefits, such as increasing the experience of people, improving their knowhow and skills, thus helping them to have improved competitiveness and capabilities in further job search.

 For more information

**Corporate
Responsibility
Report**

5 Care for employees
5.1 Our people: p. 32

8.1.3 Supporting local suppliers

For the needs of the works carried out for each project, a significant proportion of supplies comes from a local

level. This policy has significantly strengthened the local community and economy.

 For more information

**Corporate
Responsibility
Report**

7 Responsible energy production
7.2 Responsible procurement: p. 39

8.1.4 Offsets and other positive effects

The installation and operation of RES projects in local areas has, inter alia, substantial direct economic benefits for local communities and local authorities: we annually transfer 3% of gross revenues from the operation of each project to the local communities, either directly (in the

form of direct contributions), or indirectly (in the form of discounts to bills, construction of infrastructure works, etc.). Specifically, in 2015 TERNA ENERGY Group yielded a total amount of EUR 2,607,234 in the form of offsets to the local communities.

TERNA ENERGY SA	Greek subsidiaries	TERNA ENERGY Group
€ 691.240	€ 1.915.995	€ 2.607.234

In general, our activities have significant benefits for local areas and communities, while the negative effects are very limited and at low scale. To date, there has been no

need to relocate people from local areas because of our activities.

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

The development and operation of wind parks and hydroelectric projects for electricity production equally reduce the needs for electricity production from thermal sources and the emission of pollutants as well as of substances produced during transportation of the thermal fuels from the locations where they are produced. Furthermore, road construction for the installation of wind generators contributes to extinguishing potential fires in nearby woodland in an effective manner.

Meanwhile, the State, through taxation of business profits and employee income as well as the distribution and consumption of products and offered services, acquires resources for covering the cost of social needs.

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

8.2 Supporting local communities

TERNA ENERGY's continuous pursuit is to contribute to the society in order to return value to various stakeholder groups. Within this framework, the Group's business activity focuses on targeted social contribution such as:

- Supporting vulnerable social groups.
- Intervening and offering support in cases of emergency (e.g. natural disasters).
- Effectively returning the hospitality received by the local communities in the regions where the company operates, through projects and activities that improve quality of life and the daily life of the residents and also highlight their cultural heritage
- Offering opportunities to young people through the financial support of educational programmes and scientific research.

In 2015, a series of actions were implemented to support social groups, organizations, initiatives and bodies in the areas where we operate. Indicatively, we supported:

- Schools
- Local sports clubs
- Cultural and conservation societies
- Local authorities, projects for local communities and cultural events

In addition, a number of educational institutions (Universities and Technical Schools) realized study visits at the various wind farms of the company.

Care for the environment

Objective: Protection of the environment and ecosystems

9.1 Our approach

TERNA ENERGY sets environmental protection high in its agenda and continuously invests its efforts in this direction. The environmental impact of the company's operation is minimal as the main activity is producing energy from renewable sources, hybrid projects and pumped storage projects, with highly significant positive effects on the environment and the economy, due to the production of «clean» energy and, hence, avoidance of air emissions in the atmosphere.

9.1.1 Environmental Management System

Aiming at the integrated management of environmental issues, TERNA ENERGY implements an Environmental Management System which is certified according to the requirements of international standard ISO 14001:2004. The Company sees to constantly improving the system and its performance in relation to environmental protection.

9.1.2 Policy on environmental protection

Respect and social responsibility for people and the environment is of prime importance for TERNA ENERGY. TERNA ENERGY is committed to continuously improving its environmental performance by reducing the impact of its operations on the environment through its Environmental Management System.

With regard to the issues of pollution and hazardous waste generation in its industry, the company is oriented to environmental protection and has committed to:

- Comply with applicable legal and other requirements to ensure protection of the environment.
- Identify and evaluate the environmental aspects of its activities.
- Provide appropriate environmental training to employees.
- Reduce the quantity and hazardousness of waste generated and ensure their safe handling and disposal.
- Save natural resources by reusing and recycling materials, using recycled materials and recyclable packaging and other materials.

- Be a responsible user of energy in all its functions.
- Protect employees and the community in which it operates, adopting safe technologies and operating procedures.
- Communicate its commitment to environmental protection to employees, suppliers, customers, government agencies and the community in which it operates.
- Protect ancient monuments, cultural heritage and the flora - fauna of the ecosystem by adopting environmentally friendly methods and technologies.
- Cooperate with environmental agencies and services acting for environmental protection.
- Continuously improve the Environmental Management System.

The company's management believes that environmental protection is everyone's responsibility and is committed to implementing all possible measures, processes and systems for minimizing negative environmental impacts and maximizing the positive ones.

9.1.3 Environmental protection Training

TERNA ENERGY ensures that any work that can potentially have significant environmental impacts shall be carried out by persons with the requisite competence in terms of education, training or experience. In this context, the training needs related to environmental aspects and the Environmental Management System are identified and relevant appropriate training is provided.

9.1.4 Environmental protection Audits

TERNA ENERGY implements internal environmental audits at regular intervals to:

- determine if the Environmental Management System o complies with the planned arrangements for environmental management including the requirements of the international standard ISO 14001 o has been properly implemented and maintained
- provide information to the Management on the outcome of audits.

During 2015, a total of 32 environmental audits were conducted.

9.2 Management of impacts on biodiversity

Protecting biodiversity is a major issue worldwide. TERNA ENERGY takes all necessary legal and other measures to ensure protection of biodiversity at the regions where it operates. For each project, all necessary Environmental Impact Assessments are carried out and it is ensured that each project strictly complies with the Environmental Terms specifically issued thereof.

Some of the company's activities take place in areas classified as protected (Natura 2000). Such cases are the wind park in Evros and the small hydroelectric 5MW power plant project at Dafnozouara surroundings, at the edge of Evritania and Aitolokarnania regions. All necessary assessments have been carried out, including the Environmental Impact Assessments, and the projects strictly apply the Environmental Terms as issued. This ensures the production of clean energy with the lowest possible local nuisance.

So far in no case has it been found necessary to create migration habitats, or to restore any habitats.

9.2.1 Management of impacts on avifauna

TERNA ENERGY is in constant cooperation with various experts, institutions and organizations in order to gain insight, monitor and evaluate all potential impacts on areas of activity, including the impact on birdlife. Specifically, in each project, in the context of the Environmental Impact Assessments conducted, any probable impacts on avifauna in the local area are reviewed. As part of these studies stakeholders from the local areas are consulted and there is cooperation with local or larger NGOs specializing in birdlife issues (e.g. Greek Ornithological Society, etc.). The company's goal is to reduce these effects to the minimum possible.

9.2.2 Minimizing cumulative impacts

During the various phases of project development, provision is taken to assess and manage cumulative impacts that may arise from other neighboring projects (energy production from renewable energy sources or other projects) in order to control and minimize them.

For the evaluation and management of these cumulative impacts, Environmental Impact Assessments are conducted and the best available practices are considered, along with the specific environmental conditions at the local level.

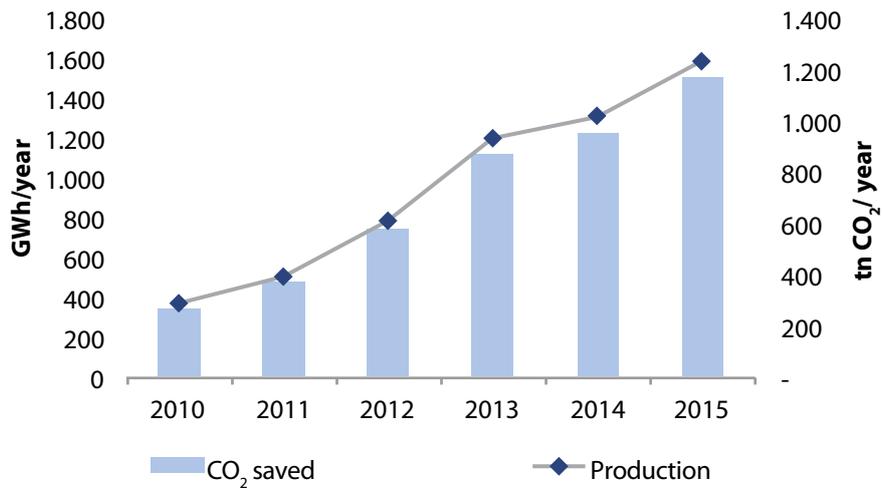
9.3 Environmental compliance

In line with its commitment, TERNA ENERGY ensures full compliance with legal and other requirements regarding environmental protection. During 2015, there was no incident of non-compliance with applicable environmental laws and other regulations.

9.4 Air emissions avoided

TERNA ENERGY's activity is by definition a "clean" activity in environmental terms, since through the installation of renewable energy sources projects clean energy is produced with significant environmental, social and economic benefits. Specifically, as regards the air emissions in 2015, TERNA ENERGY RES facilities in all countries of operation, generated 1.594.733 MWh of electricity, avoiding thus approximately 1,121,097 tons of CO₂. These emissions would have been emitted if the energy consumed was not produced by renewable energy sources.

GWh produced and CO₂ emissions avoided



Annex I: Additional information

Installed projects / operating in 2015 (Greece)

Technology	Site	Prefecture	Ισχύς (MW)
WIND FARMS	GURI MELES KIAFA VERMI	West Attica	32.20
	DERVENI - SMALL DERVENI - SLIVA	Evros	24.00
	DIDIMOS LOFOS	Evros - Rodopi	26.00
	KREKEZA - MOUGOULIOS	Viotia	30.00
	LOGARAKIA	Argolida	18.00
	LOUZES - AGATHAKI-RIGANI	Aitoloakarnania	24.00
	MAVROVOUNI - MAVROPLAGIA PANORAMA	Viotia	19.55
	MAVROVOUNI II	Viotia	10.00
	MYTOULA - KEFALI	Evros	34.20
	XIROVOUNI	Evros	6.30
	PERDIKOKORYFI	Heraklion	14.45
	PYRGARI	Evia	5.40
	RAHOULA - PASCHALIES	Viotia	30.00
	RAHOULA II	Viotia	8.00
	SKOPIA2	Aitoloakarnania	20.00
	STAVROTI / VIGLA / KATAVIA	Dodecanese	17.85
	TSIKNA - PRINIA - PROPHET ELIAS	Evia	11.22
	TSILIKOKA	Evia	10.20
	TSOUKA - TSOUGKARI	Evia	12.00
	HYDROELECTRIC	HYLOS	Evros
HONOS		Lasithi	4.50
DAFNOZONARA - SANIDI		Aitoloakarnania & Evritania	8.50
PHOTOVOLTAIC	ELEOUSA	Thessaloniki	6.60
	VATHIHORI	West Attica	5.98
	VATHIHORI II	West Attica	1.50
	LOUZES	Aitoloakarnania	1.05

Average hours of training per employee category (2015)

Category	2013						2014						2015					
	Total training hours			Average hours of training per category			Total training hours			Average hours of training per category			Total training hours			Average hours of training per category		
	M	W	Total	M	W	Total	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative staff	115	58	173	4,1	1,6	5,7	143	46	189	5,7	1,4	7,1	152	99	251	6,9	3,1	10,0
Workers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	115	58	173	0,4	1,1	0,5	143	46	189	0,6	0,9	0,6	152	99	251	0,7	2,0	0,9

M: men, W: women

Glossary

RES: Renewable energy sources, W/F: Wind farm, MW: Megawatt

Annex II: About this Report

Report Profile

This Report is the first attempt of TERNA ENERGY Group to provide an integrated view of its performance and impacts in the context of Corporate Responsibility and Sustainable Development in the period 01/01/2015 - 31/12/2015. The Report has been prepared in accordance with the guidelines of Global Reporting Initiative, GRI-G4 version, and covers the requirements for the «Core» option of the guidelines.

TERNA ENERGY Group intends to publish a Corporate Responsibility and Sustainability Report on an annual basis.

Scope and boundaries

The report covers the activities of TERNA ENERGY Group. The consolidated statements of the Group (e.g. financial) relate to legal forms as reflected in the 2015 Annual Financial Report of the Group (pp. 48-52).

Methodology and Project Team

For the preparation of the Report a special team of officials has been appointed with participants from the main Divisions / Departments of the company. The team's basic task was to collect the necessary information on Corporate Responsibility and Sustainability.

The members of the Corporate Responsibility team that worked on this publication were:

- Coordinators: Konstantinos Lamprou, Danae Kalantidi, Filippos Tepaskoualos
- Representatives of Departments / Divisions - content managers: Vassilis Delikaterinis, Dimitra Hatziarseniou, Kyriacos Klavariotis, Andreas Tsaprazis.

Support

Preparation of this publication was made possible with the support and scientific guidance of the specialist consultant in Sustainability issues, George Iliopoulos.

External verification

This Report is the first such publication of TERNA ENERGY, thus the Group decided not to proceed at this stage to external verification of the referred information. However, it recognizes the importance thereof and intends to proceed with external verification in next Reports.

Contact

Your opinion is essential to us, and especially regarding the way we operate and communicate with you. We will be happy to hear your comments and thoughts, and we are willing to offer any clarification or to answer any question regarding the activities of TERNA ENERGY Group on issues of Corporate Responsibility and Sustainability.



Filippos Tepaskoualos

GEK TERNA Group of Companies

Health, Safety and Environment Department
85 Mesogeion Ave., Athens, 11526, Greece
Tel.: 2106968000, Fax: 2106968098-99
E-mail: ternaenergy@ternaenergy.com
www.terna-energy.com

Annex III: GRI Content Index, ISO 26000 and GLOBAL COMPACT GENERAL STANDARD DISCLOSURES

General Standard Disclosures	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance	
Strategy and analysis					
G4-1	4.7, 6.2, 7.4.2	p. 7	-	-	
G4-2		p. 7, 8-9, 11-12, 15-16, Annual Financial Report 2015 p. 6-10, 85-89	-	-	
Organizational profile					
G4-3	6.3.10, 6.4.1-6.4.2, 6.4.3, 6.4.4, 6.4.5, 6.8.5, 7.8	p. 11	-	-	
G4-4		P. 8-9, 11	-	-	
G4-5		P. 12, Annual Financial Report 2015 p. 31	-	-	
G4-6		P. 8-9, 10-11	-	-	
G4-7		P.12 , Annual Financial Report 2015 p. 31, 77	-	-	
G4-8		P. 8-9, 11	-	-	
G4-9		P. 8-9, 12-13	-	-	
G4-10		P. 28-29	-	-	
G4-11		P. 28	-	-	
G4-12		P. 36	-	-	
G4-13		P. 11-12, 16, 36, Annual Financial Report 2015 p. 6-7, 10	-	-	
G4-14		P. 32, 39	-	-	
G4-15		P. 24-25	-	-	
G4-16		P. 13	-	-	
EU1		-	P. 8-9	-	-
EU2		-	P. 8-9	-	-
EU3	-	P. 8-9 Not relevant: TERNA ENERGY does not sell electricity to households	-	-	
EU4	-	Not relevant: TERNA ENERGY activities do not involve transmission nor distribution lines of electricity	-	-	
EU5	-	P. 9, 42-43 TERNA ENERGY does not participate in EU-ETS.	-	-	
Identified material aspects and boundaries					
G4-17	5.2, 7.3.2, 7.3.3, 7.3.4	Annual Financial Report 2015 p. 52-56	-	-	
G4-18		P. 20	-	-	
G4-19		P. 21-23	-	-	
G4-20		P. 22-23	-	-	
G4-21		P. 22-23	-	-	
G4-22		Corporate Responsibility Report 2015 is the first report and there are no restatements	-	-	
G4-23		Corporate Responsibility Report 2015 is the first report and there are no significant changes	-	-	
Stakeholder engagement					
G4-24	5.3	P. 19	-	-	
G4-25		P. 19	-	-	
G4-26		P. 19 – 20, Annual Financial Report 2015 p. 19	-	-	
G4-27		P. 21-23	-	-	

General Standard Disclosures	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
Report profile				
G4-28	7.5.3, 7.6.2	P. 45	-	-
G4-29		P. 45	-	-
G4-30		P. 45	-	-
G4-31		P. 45	-	-
G4-32		P. 46-49	-	-
G4-33		P. 45	-	-
Governance				
G4-34	6.2, 7.4.3, 7.7.5	P.16-17, Annual Financial Report 2015 p. 15-18	-	-
G4-38		P.17	-	-
G4-39		P.17, Annual Financial Report 2015 p. 14-15	-	-
G4-41		Annual Financial Report 2015 p. 14-15	-	-
Ethics and integrity				
G4-56	4.4, 6.6.3	P. 7, 15, 24-25 Annual Financial Report 2015 p. 17-18	-	-
G4-58		Annual Financial Report 2015 p. 17-18	-	-

SPECIFIC STANDARD DISCLOSURES

Category: Economic

Material aspects	Management Approach and performance indicators	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
Economic performance	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 12-13, Annual Financial Report 2015 p. 6-7	-	-
	G4-EC1	6.8.1-6.8.2, 6.8.3, 6.8.7, 6.8.9	P. 12-13	-	-
	G4-EC2	6.5.5	P. 15, 16, 25	-	-
	G4-EC3	6.8.7	No retirement benefits program is implemented	-	-
	G4-EC4	—	Not received Annual Financial Report 2015 p. 74-75	-	-

Category: Environmental

Material aspects	Management Approach and performance indicators	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
BIODIVERSITY	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 42	-	-
	G4-EN11	6.5.6	P. 42	-	-
	G4-EN12		P. 42	-	-
	G4-EN13		P. 42	-	-

Material aspects	Management Approach and performance indicators	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
BIODIVERSITY	G4-EN14	6.5.6	P. 42	-	-
	EU13		P. 42	-	-
COMPLIANCE	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 42	-	-
		4.6	P. 42	-	-

Category: Social

Material aspects	Management Approach and performance indicators	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
LABOR PRACTICES AND DECENT WORK					
OCCUPATIONAL HEALTH AND SAFETY	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 31-33	-	-
	G4-LA5	6.4.6	All employees are represented by Health and Safety Department and Human Resources Department	-	-
	G4-LA6	6.4.6, 6.4.8	P. 33	-	-
	G4-LA7		P. 33	-	-
	G4-LA8	6.4.6	There are no labor unions	-	-
TRAINING AND EDUCATION	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 28-30	-	-
	G4-LA9	6.4.7	P. 29-30	-	-
		6.4.7, 6.8.5	P. 29-30	-	-
SOCIETY					
LOCAL COMMUNITIES	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 20, 22-23, 39-40, 42	-	-
	G4-SO1	6.3.9, 6.5.1-6.5.3, 6.8	P. 20, 22-23, 39-40, 42	-	-
	G4-SO2	6.3.9, 6.5.3, 6.8	P. 39-41, 42	-	-
	EU22	-	P. 21, 40-41, Not relevant and not material issues for TERNA ENERGY, since its operations are focused on electricity production using RES	-	-
ANTI-COMPETITIVE BEHAVIOR	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 37	-	-
	G4-SO7	6.6.1-6.6.2, 6.6.5	P. 37	-	-

Material aspects	Management Approach and performance indicators	ISO 26000	Page number or reference / comment	Reasons for omissions	External Assurance
COMPLIANCE	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 37	-	-
	G4-SO8	4.6	P. 37	-	-
DISASTER / EMERGENCY PLANNING AND RESPONSE	G4-DMA	-	P. 35-36	-	-
PRODUCT RESPONSIBILITY					
COMPLIANCE	G4-DMA	6, 7.3.1, 7.4.3, 7.7.3, 7.7.5	P. 37	-	-
	G4-PR9	4.6, 6.7.1-6.7.2, 6.7.6	P. 37	-	-

Annual Financial Report 2015:



http://www.terna-energy.com/userfiles/c9cd95e3-8082-423d-8c67-8f3c06880b2f/tenerg_fs_notes_31_12_2015_en.pdf

Table of reference: GRI-G4 – United Nations Global Compact

Category		The 10 principles of Global Compact	Relevant GRI-G4 indicators	Report section
	Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>EC5, LA4, LA6-9, LA13, LA14, HR1-11, SO5, PR1, PR2, PR8</p> <p>HR1-11, SO5</p>	Care for employees
	Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>LA4, LA5, HR1-3, HR5, SO5</p> <p>HR1-3, HR7, SO5</p> <p>HR1-3, HR6, SO5</p> <p>EC7, LA2, LA13, LA14-15, HR1-4, SO5</p>	Care for employees
	Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>EC2, EN18, EN26, EN30, SO5</p> <p>EN1-30, SO5, PR3, PR4</p> <p>EN2, EN5-7, EN10, EN18, EN26, EN27, EN30, SO5</p>	Care for the environment
	Anti-Corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	SO2-6	<p>TERNA ENERGY Group Profile</p> <p>Responsible energy production</p>



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