

Sustainable Development Report 2022

COORDINATOR

Directorate of Strategic Communication,
Corporate Social Responsibility
and Sustainable Development

www.terna-energy.com

INVESTING IN GREECE. INVESTING IN THE FUTURE.

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01 ESG Performance, Priorities and Goals

The following summary discloses the performance of TERNA ENERGY Group for the year 2022, regarding the environment, society, and governance (ESG) issues and reflects the Group's priorities and goals, for 2023.

The Group's commitment through the implementation of projects is to aim at the continuous modernization of the country and acceleration of the green transition, combined with its focus to sustainable development, creating long-term value for all stakeholders.

ENVIRONMENTAL

100%
green energy

~97%
increase in non-hazardous waste recycling

215 hours
of training on environmental issues

Participation
in the evaluation of the international sustainability non-profit organization CDP through the "Climate Change" and "Water Security" questionnaires (with reference year 2021), receiving a B rating

SOCIAL

>€ 3.66 million
The social support program of the Group

3,758 hours
of employee training

25
students completed their internship at the Group

Zero
incidents of human rights violations and/or discrimination

GOVERNANCE

Zero
discrimination incidents

75%
of procurement from national suppliers

Establishment
of Human Rights & Harassment at work policies

€ 240.4 million
investments

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PILLAR	MATERIAL TOPICS	PRIORITIES & GOALS 2023
	Climate change	<ul style="list-style-type: none"> • 100% green energy in Greece (Indirect emissions - Scope 2 through obtaining guarantees of origin for all electricity consumed within the Group). • Maintain and/or improving the received rating from the international organization CDP (Carbon Disclosure Project). • Maintain high performance in terms of energy conservation and promotion of energy from renewable energy sources.
	Environmental strategy	<ul style="list-style-type: none"> • Maintain high performance in environmental compliance and legislative and regulatory alignment regarding the protection of the environment, biodiversity and cultural heritage by incorporating new technologies.
	Waste management and circular economy	<ul style="list-style-type: none"> • Maintain an integrated recycling system with the use of special collection bins for each material and further raising awareness among employees. • Minimization of waste storage time in facilities. • Zero environmental incidents related to waste management.
	Biodiversity and local ecosystems	<ul style="list-style-type: none"> • Prevention of soil and water pollution. • Protection and preservation of wild fauna and avifauna (e.g. installation of bird collision prevention systems in the wind farms under construction in Kafireas, development of a bird monitoring program at the operating Dafnozouara Hydroelectric Station). • Restoration of biodiversity and geosites, where required, due to business activities. • Protection of the environment, ecosystems & cultural heritage: Maintain zero environmental incidents. • At least one audit per facility on environmental compliance.
	Sustainability of local communities	<ul style="list-style-type: none"> • Continuation and further strengthening of the Group's social support program with substantial actions that maximize its social footprint.
	Training and development of employees	<ul style="list-style-type: none"> • Strengthening individual training plans by upgrading trainings (€/trainee). • Increase Soft Skills training for all employees. NEW GOAL • Training on New Technologies for all employees. NEW GOAL • Training on Human Rights for all employees. NEW GOAL
	Health, safety and well-being	<ul style="list-style-type: none"> • Zero accidents. • Zero breaches of Health and Safety legislation. • At least one Health & Safety compliance audit per facility. • Establishment of a Health and Safety culture through systematic trainings conducted for all employees, (on both broad and specific topics), coupled with strategic initiatives (e.g. Lessons Learned, Newsletters, Campaigns, and Certifications). • Implementation of 7 evacuation drills from wind turbines in operating wind farms. • Ensure adequate allocation of financial and human resources to maintain Health & Safety issues at a high level. • Continuous consultation between Management and employees on Health & Safety matters.
	Employee employment practices	<ul style="list-style-type: none"> • Maintain a high level of effectiveness in successful employee recruiting in critical positions. • Sustain a swift average time to complete the recruitment process for vacant positions. • Successful recruitment within Project needs schedule. • Empower young people through internships and increasing their absorption rate by the Organization. NEW GOAL
	Regulatory compliance and business ethics	<ul style="list-style-type: none"> • Maintain zero incidents of corruption. • Maintain zero incidents of non-compliance with the legislative and regulatory framework. • Maintain zero fines and/or non-monetary penalties for non-compliance with laws and/or regulations relating to the Group's business operations and activities.
	Business continuity	<ul style="list-style-type: none"> • Conduct at least one emergency preparedness drill per facility. • Continuous Training of all employees on effective emergency management (e.g. accident, fire, heat stress, etc.). • Secure resources for the supply of appropriate equipment in case of emergency management situations (e.g. medical equipment, Personal Protective Equipment, etc.). • Identify and promptly address internal and external factors that potentially lead to disruption of the business activity.
	Creating value	<ul style="list-style-type: none"> • Further increase the economic value generated by the Group. • Further increase the total value delivered to our stakeholders.

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Message from the CEO

2022 was the year that clearly demonstrated that Renewable Energy Sources are the primary answer to the demand for low-cost, sustainable, and inexhaustible energy. It was also a milestone year for TERNA ENERGY Group as it marked 25 years since its establishment and its recognition as the leading Greek investor in clean energy internationally. TERNA ENERGY plays a leading role in Greece's efforts to exploit its comparative energy advantage and transform into a strong regional energy power in Southeastern Europe. In 2022, we continued to design and implement projects that contribute to tackling the climate crisis, achieving energy independence, and reducing energy prices.

During the recent energy crisis, TERNA ENERGY provided significant support to the Greek electricity system and consumers, with a total contribution to the Energy Transition Fund (TEF) exceeding €500 million (from July 2021 to March 2023). Our ability to provide affordable, domestically produced, and sustainable energy is a testament to our efforts and investments throughout the years. It gives us confidence and strength to continue generating value for our shareholders, society, and employees.

In this context, we are publishing the 8th Sustainable Development Report of the TERNA ENERGY Group for 2022.

Sustainable development and governance

The steadfast commitment to business ethics and compliance with regulations remains of utmost importance to the Group, as it serves as the foundation for all operational aspects and determines the interaction with employees, suppliers, and partners. To this end, the Group implements comprehensive policies that cover the entire spectrum of its activities. Specifically, in 2022, a Procurement Policy developed for the first time, aiming to enhance a transparent framework of collaboration. Furthermore, the implementation of the Policy to combat violence and harassment in the workplace was initiated.

Environmental Protection

The installed capacity of the Group, which was 906 MW at the end of 2022, will be increased to over 1,200 MW by autumn. Additionally, as a pioneer in large-scale energy storage, TERNA ENERGY proceeded, according to project schedule, with the construction of the pumped storage project in Amfilochia (680 MW). Significant capacity of new projects in Greece and abroad, mainly in photovoltaics, is ready for construction. The gradually generated revenues stemming from these new investments, starting in 2023, will contribute to further long-term profitability, with a goal of reaching 6 GW of installed capacity by 2029.

It is worth noting that in 2022, the Group's renewable energy power plants generated 2,416 GWh, contributing to the avoidance of 1.1 million tons of greenhouse gas emissions (CO₂e) into the atmosphere. Additionally, the Group proceeded with the acquisition of guarantees of origin for the total consumed electricity within the organization, thus eliminating the indirect greenhouse gas emissions (Scope 2/market-based).

Finally, in 2022, the Group submitted its first report to the international environmental non-profit organization CDP, disclosing extensive information about the actions for climate change mitigation. As a result, Terna Energy received a B Score on climate action, a similar score with international peer companies, highlighting the Group's achievements in corporate transparency and performance on climate change.

People and Society

The employees of the Group are its most valuable asset. It owes its developmental path and business continuity to them. For this reason, the Group ensures the effective management of potential risks and the utilization of opportunities to secure a balanced and safe working environment.

In 2022, we actively supported our employees with approximately 4,000 hours of training, while simultaneously increasing the per cap-

ita cost per training. At the same time, we continuously ensure a safe working environment by conducting regular inspections and audits in our operational areas. It is important to note that for another year, we maintained a zero number of fatal incidents in our workplaces. Furthermore, we ensure complete transparency in the process of professional development for our employees through a comprehensive performance evaluation system.

Finally, we responsibly stood by the Greek society for another year, with a significant social support program amounting to €3.66 million. Additionally, the compensatory benefits to the municipalities where the Group's projects and activities take place exceeded €6 million, which corresponds to 3% of the gross revenue from the operation of the projects.

Responsible Procurement Strategy

For another year, the Group continued the smooth implementation of its investment program, with ongoing investment activities aimed at creating the conditions for stabilizing increased revenue and profitability on a long-term basis. As a result, there was a 10.6% increase in investments compared to 2021, with the total investment amounting of €240.4 million. It is worth noting that 93% of our total investments were aligned with the rules of the EU Taxonomy.

Through our 8th Annual Sustainable Development Report, we evaluate the past year and set new ambitious goals for innovation, responsibility, transparency, and sustainability for the future. Our driving force remains and will always be our people, who with their daily efforts create the foundation for continuous modernization and a new, dynamic framework for sustainable development, generating multiple value for all our stakeholders.

Emmanouel Maragoudakis

CEO
TERNA ENERGY Group

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About Terna Energy Group

TERNA ENERGY Group operates in the clean energy market with a vision for sustainable development. With a leading presence for more than 25 years in Greece and abroad, it designs and implements innovative projects in the overall RES value chain. The implementation of such projects has multiple benefits as they contribute to the modernization of the country and the achievement of the national energy transition goals, while at the same time upgrading the quality of life of the affected communities.

The Group's successful growth is based on its vision and the commitment of its employees to the values and priorities set by the Group since its establishment. The main values and priorities are:



Significant increase
of installed capacity.



Strengthening the Group's leading presence
in Greece and its position globally.



Expansion of its activities across a range of technologies, maintenance of the leading position in the wind energy sector and expansion into solar, hydroelectric and environmental projects.



Further utilization of its potential
in the RES value chain.

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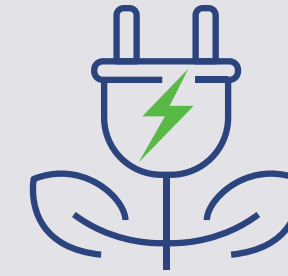
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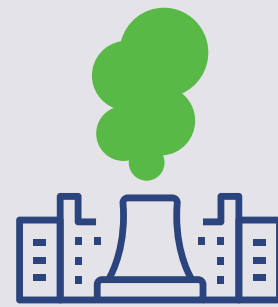
€298million
Turnover



556
Employees



2,416 GWh
Energy produced from RES



Prevention of
1,119,784 tn CO₂e
GHG emissions into the atmosphere



906 MW
Total installed RES power capacity
in Greece and abroad

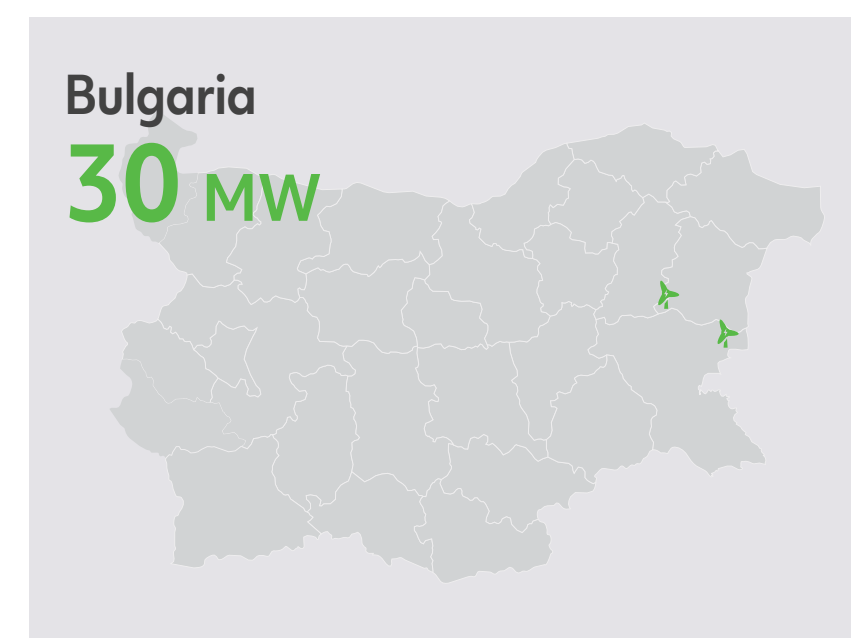
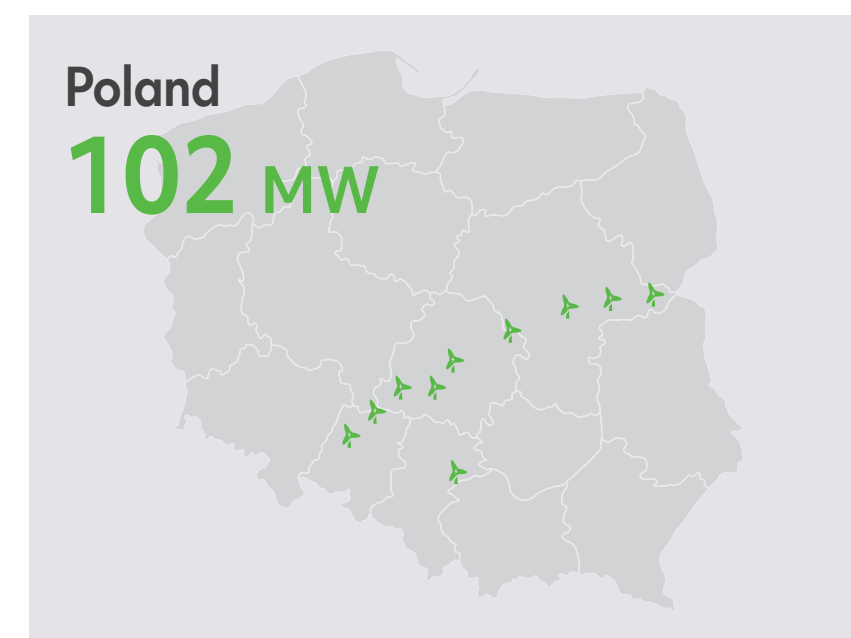
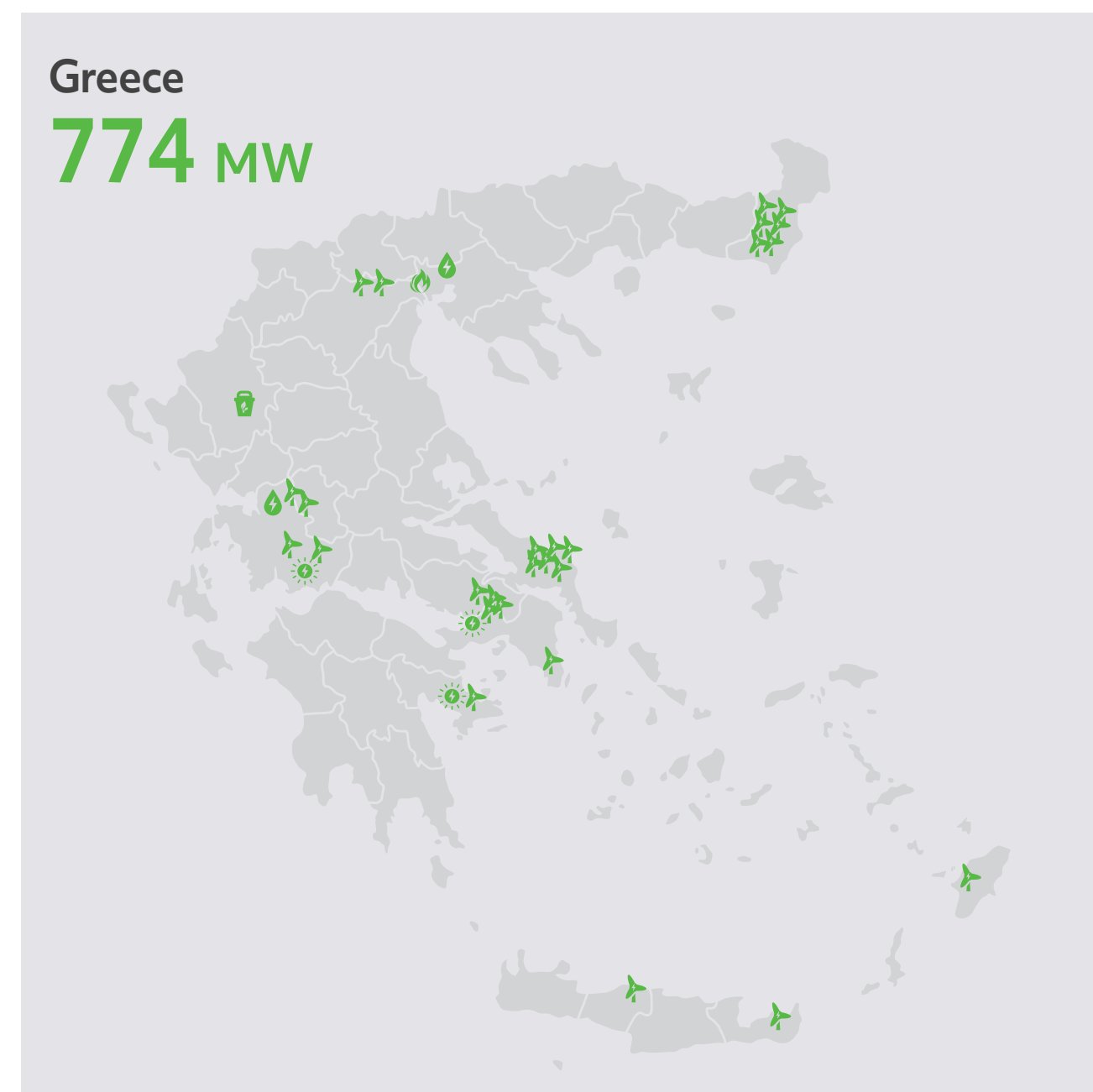


3.2 Activities, value chain and business relationships

TERNA ENERGY Group is based in Athens and is one of the most significant vertically integrated Greek groups in the field of Renewable Energy Sources (RES). The TERNA ENERGY shares are listed on the Athens Stock Exchange (FTSE / Athex Large Cap), while as of December 1st, 2022 the company also participates in the MCSI index.

The Group's activities include the technical study, construction and operation of RES projects, the undertaking of integrated waste management and biogas production projects as well as the maintenance and technical management of an Integrated Automated Fare Collection Information System (e-ticket).

During 2022, the Group was active in Greece, Bulgaria, Poland, USA, and Cyprus.



On the 31.12.2022, the Group had a capacity of almost 2.000MW in operation, under construction or ready for construction in Greece and East & Central Europe. Including projects in various stages of maturity, the Group's portfolio exceeds 12GW.

Projects	In operation	Under Construction	In Licensing
Wind farms	876.4 MW	323.6 MW	857 MW
Hydroelectric projects	17.8 MW		93.6 MW
Pumped storage projects	-	680 MW	336 MW
Hybrid plants	-	153 MW	-
Photovoltaic parks	8.5 MW	-	2,281 MW
Biogas and waste management projects	2.6 MW	2.4 MW	33 MW

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ACTIVITIES

⚡ Energy

Wind power

The Group has been constructing, operating and maintaining wind farms since 1997, owning currently facilities in Greece, Poland and Bulgaria. The Group has a strategic partnership with Ocean Winds for the joint development of floating offshore wind farms in the Greek seas, with a total capacity of 1.5 GW. Additionally, the Kafireas project in Evia which will be the largest wind farm in Greece with a total installed capacity of 330MW is currently under construction.

Hydroelectric projects

Hydroelectric energy contributes to increasing the penetration of RES in the energy mix and to Greece's independence from imported fossil fuels. TERNA ENERGY has two hydroelectric projects with a total installed capacity of 17.8 MW (Eleousa – capacity of 6.6 MW and Dafnozouara – capacity of 11.2 MW), alongside new hydroelectric projects in development phase.

Pumped storage projects

The Group leads into the promising energy storage sector, investing in the development of pumped storage projects. The project «Pumped Storage System in Amfilochia» is under construction and is the largest grid energy storage investment in Greece (exceeds 500 million euros) with an annual energy production of ~816.00 GWh.

Hybrids

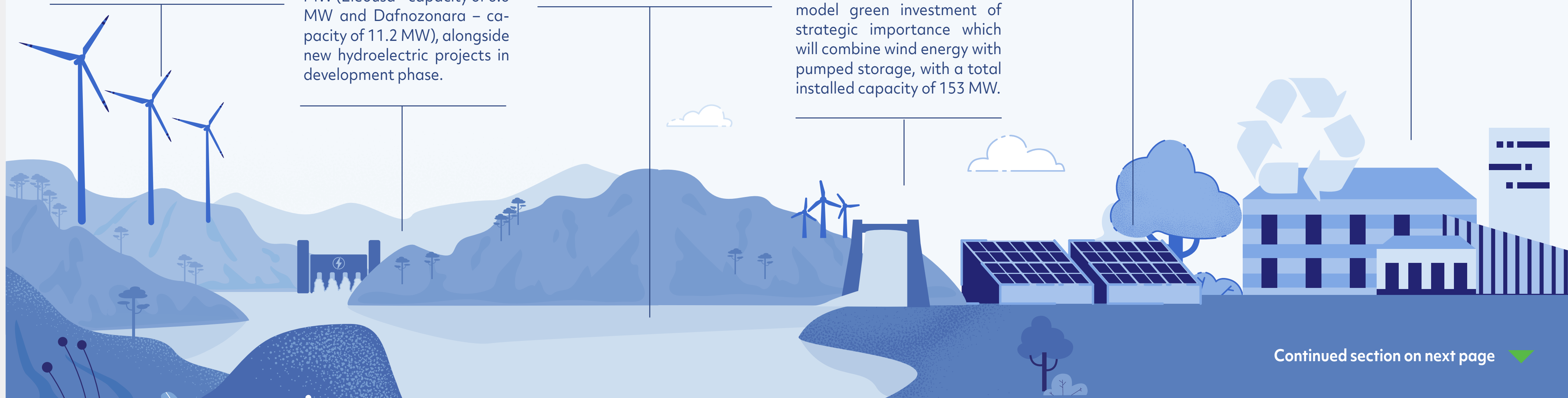
In the field of hybrid RES projects, TERNA ENERGY develops the largest hybrid project in Europe. The Hydro Pumped Storage in Amari, Crete is a model green investment of strategic importance which will combine wind energy with pumped storage, with a total installed capacity of 153 MW.

Photovoltaics

In the field of photovoltaic projects, TERNA ENERGY develops and operates photovoltaic stations in various regions of Greece, while planning the development of new photovoltaic parks (land and floating).

Biogas and waste management projects

The Group is also active in the field of electricity production through the production and combustion of biogas, having a Biogas Production plant in Adendro, Thessaloniki with installed capacity of 1 MW.



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↕ Concessions

In the concessions sector, TERNA ENERGY is active in the construction and operation of public interest projects) in exchange for granting long-term service admission to the public.

Unified Automatic Fare Collection System

Since 2021, the Group has a leading position in the market of Automatic Fare Collection Systems implementing and operating the Unified Automatic Fare Collection System of Athens Urban Transport Organization. Alongside, it develops a similar activity regarding the digital transformation of Thessaloniki Urban Transport Organization (OASTH) through the signing of the project «Digital Transformation, Telematics, and Unified Automatic Fare Collection System for the Transport Authority of Thessaloniki” in accordance with the best practices of other transportation operators in Europe.

Additionally, it has undertaken the interconnection of the Automatic Fare Collection System (AFCS) of the Athens Urban Transport Organization with the central academic identity information management system of the Hellenic Ministry of Education and Religious Affairs which manages the National Infrastructures for Research and Technology (GRNET).

Waste Mangement

In the circular economy sector, the Group is continuously strengthening its role by undertaking Public-Private Partnerships (PPP) waste management projects in the Region of Epirus and the Peloponnese Region. The Waste Management Unit of Epirus is currently operational for commercial purposes and has a projected operational lifespan of 25 years. The construction of the Peloponnese PPP project also began in 2021. Moreover, the Group also participates in new tenders to further strengthen its position in this sector.



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VALUE CHAIN AND BUSINESS RELATIONSHIPS

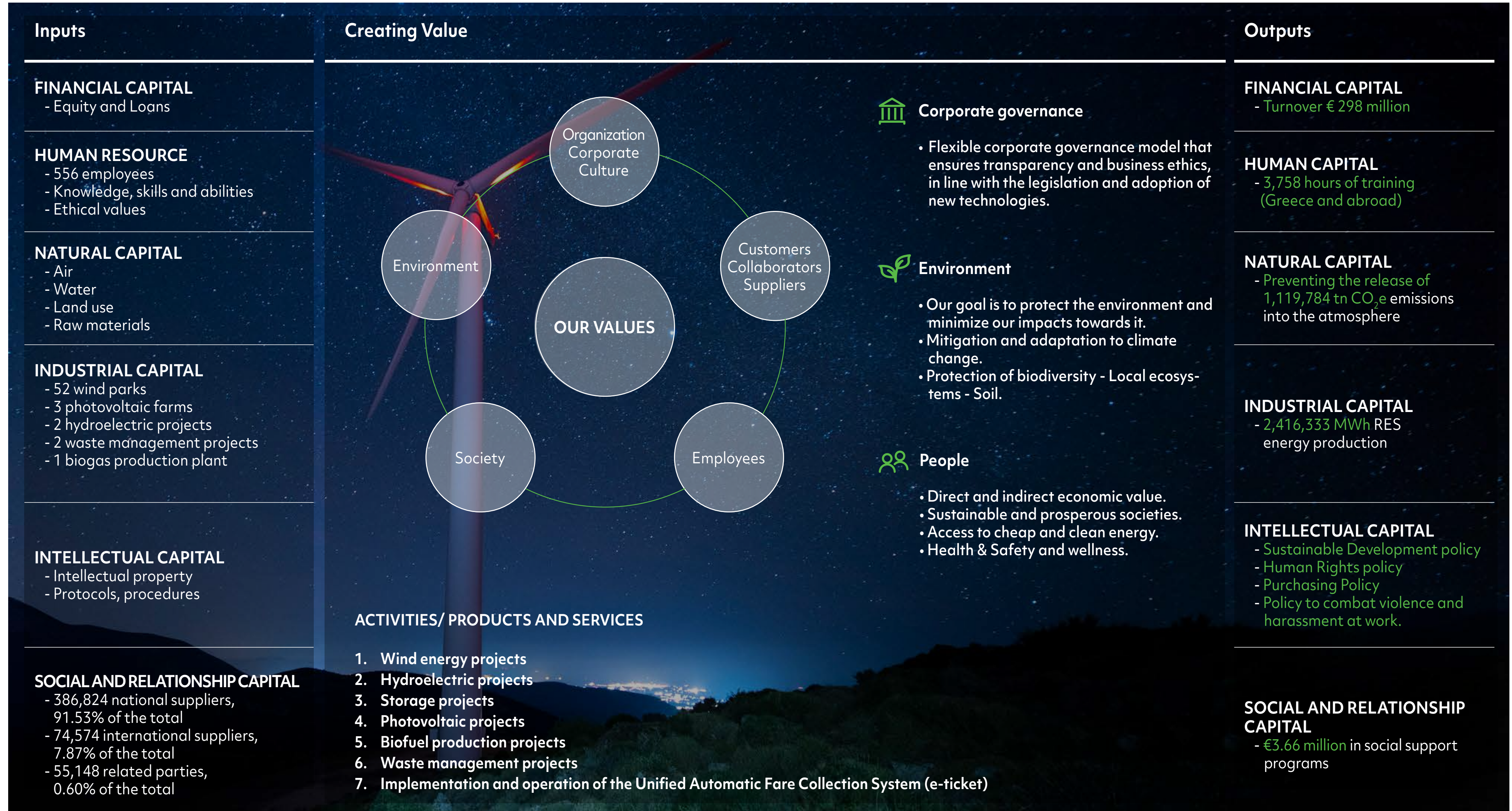
The Group's value chain is continuously strengthened through its business activities, giving a strong positive social and economic footprint.

Upstream	Activities	Downstream
<ul style="list-style-type: none"> • Supply of electricity for the operation of the facilities • Wind • Solar radiation • River water (hydroelectric stations) • Supply of fuels and materials for operation and maintenance purposes (hydrogen (H2) for cooling, special chemicals, lubricants for turbine maintenance) • Organic raw materials (waste from dairy farms, corn and/or other organic raw materials) • Suppliers of raw materials • Equipment & services suppliers • Technology providers 	 Wind farms	<p>Transmission and distribution through the national electricity grid: substations, transfer lines, distribution lines</p> <p>Local government</p> <p>Buyers of produced recyclable materials</p> <p>End users – passengers</p>
	 Hydroelectric projects	
	 Energy storage projects	
	 Photovoltaic stations	
	 Biofuel production projects	
	 Waste management projects	
	 Implementation and Operation of the Unified Automatic Fare Collection System	



3.3 Business model

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3.4 Participations in bodies and associations

The development of dialogue, the exchange of know-how and expertise with bodies and organizations with active presence in the energy sector, the empowerment of collaborations as well as the promotion of business responsibility, define the Group's active participation in national and international bodies, organizations, and associations.

The Group is a member of:

 <p>(SEV) Hellenic Federation of Enterprises</p>	 <p>(HELLAS RES) Greek Association of RES Electricity Producers</p>	 <p>(EREF) European Renewable Energies Federation</p>	 <p>(HWEA) Hellenic Wind Energy Association</p>	 <p>WindEurope</p>
 <p>(AITCG) Association of Industries of Thessaly and Central Greece</p>	 <p>(IENE) Institute of energy for South- East Europe</p>	 <p>(OME) Observatoire Méditerranéen de l'Énergie</p>	 <p>(IHA) International Hydropower Association</p>	 <p>Eurelectric</p>
 <p>(PASEPPE) Greek Association of Environmental Protection Companies</p>	 <p>Global Wind Energy Council</p>	 <p>(HSWMA) Hellenic Solid Waste Management Association</p>		

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Sustainable Development at the core of the Group

Corporate responsibility and sustainable development are key components of the culture and business activity of the Group. Its business strategy is based on the Group's vision and values, aiming at constructing and operating RES projects of high quality and safety standards as well as at improving its corporate performance and creating value for the society, the environment, the employees, and the market while contributing to the achievement of the 17 Sustainable Development Goals of the United Nations (17 UN SDGs).

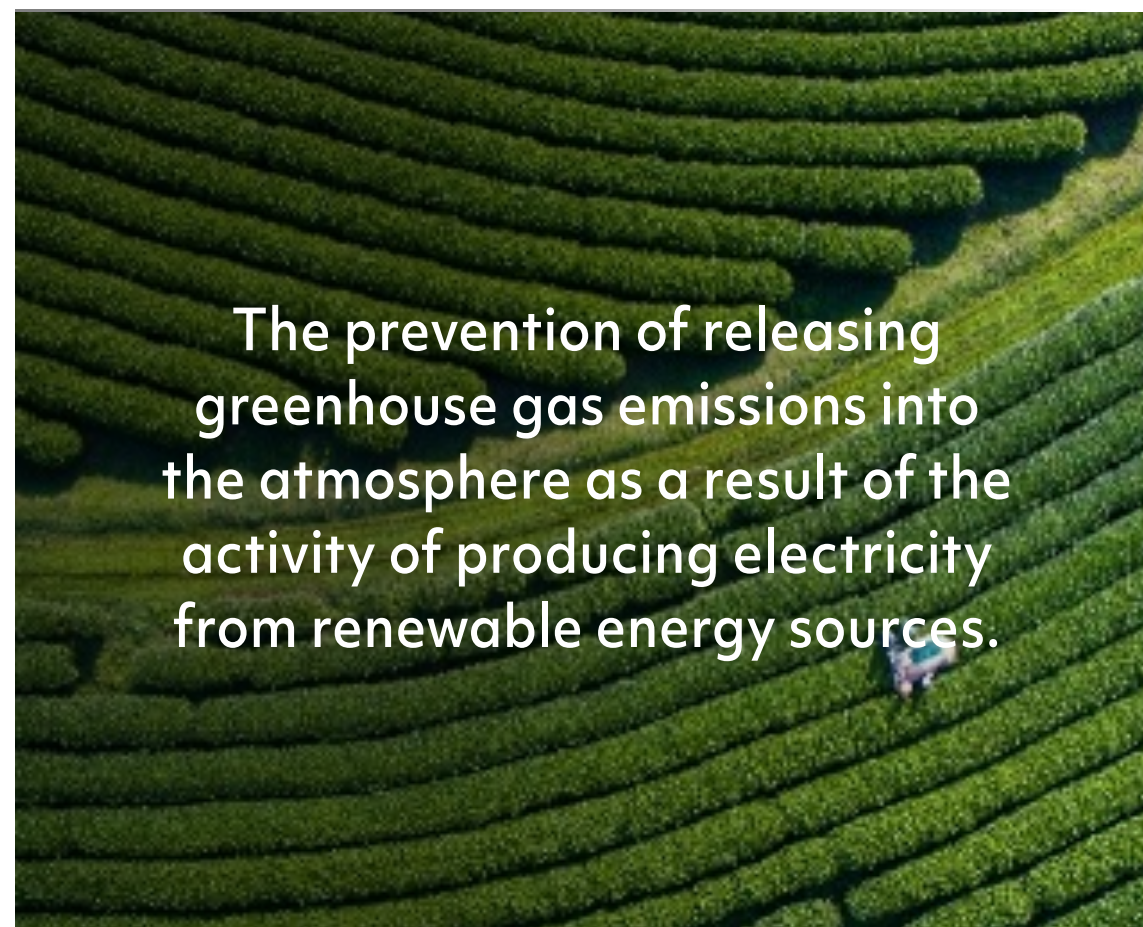


We have identified four pillars within the corporate responsibility and sustainable development context:



4.1 Sustainable Development Policy

The Group places climate change at the centre of its activities and focuses on addressing it through:



We actively support 14 out of the 17 UN SDGs



Through the Sustainable Development Policy, the Group supports the dialogue with the stakeholders, understands their needs and encompasses them into the strategic decisions and actions for the environment and society, in full alignment with the Sustainable Development Goals of the United Nations (UN). Additionally, the Group sets individual Sustainable Development Goals, which are evaluated in terms of their progress on an annual basis, proceeding with appropriate adjustments or updates, if necessary. At the same time, individual management systems, policies and procedures are established and implemented, specific measurement indicators are evaluated, and effective action plans/programs are adopted for implementing and achieving the Sustainable Development strategy.

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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 comprised of executives from all key divisions of the Group. The team's main responsibility is to establish policies and procedures and implement programs related to the environment, society and employees based on the Group's Sustainable Development Strategy. The team is coordinated by the Group's Directorate of Strategic Communication, Corporate Social Responsibility and Sustainable Development with the Board of Directors being briefed on ESG issues on a monthly basis.



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4.3 Stakeholder engagement

Having acknowledged as stakeholders, entities or individuals who are directly or indirectly influenced by, and have an impact on, the Group's business operations, a systematic dialogue is pursued to facilitate a comprehensive documentation of the most significant economic, social, and environmental impacts stemming from the Group's activity.

The Group has various channels of communication and cooperation with its stakeholders, the frequency of which varies according to the type of relationship developed with each party. Thus, the Group strengthens its commitment, responds effectively to significant economic, social, and environmental issues, and recognizes new opportunities and challenges related to its activity.

In this communication context, the consultation with the teams presented below, aims to enhance transparency and build relationships of mutual trust and understanding.



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The table below includes the key Group's stakeholders categories, their engagement methods and their frequency.

Stakeholders	Communication Channels/ Engagement methods	Frequency of Engagement
 Employees	Regular meetings and updates Company announcements Internal Communication (email, newsletter) Website Company Events Social Media Financial Report Sustainable Development Report	When required When required When required Where appropriate Where appropriate Weekly Quarterly Annually
 Local Communities/ Local Government	Phone Communication Email Meetings Company Events Social Media Financial Report Sustainable Development Report	When required When required When required Where appropriate Weekly Quarterly Annually
 Suppliers/ Subcontractors/ Partners	Email Phone Communication Meetings Financial Report Sustainable Development Report	Daily Daily When required Quarterly Annually
 Clients	Email Company Events Telephone Communication Meetings Website Financial Report Sustainable Development Report	Where appropriate Where appropriate When required When required When required Quarterly Annually
 Regulatory Authorities /Government Bodies	Phone Communication Meetings Email Corporate Events Sustainable Development Report Financial Report	Where appropriate Where appropriate Where appropriate Where appropriate Annually Quarterly

Stakeholders	Communication Channels/ Engagement methods	Frequency of Engagement
 Local Communities, Authorities & Institutions	Phone Communication Website Meetings Email Corporate Announcements Corporate Events Sustainable Development Report Financial Report	When required When required Where appropriate Where appropriate Where appropriate Where appropriate Annually Quarterly
 Financial Community	Phone Communication Email Meetings Group Website Corporate Events Social Media Financial Report Sustainable Development Report	When required When required When required When required Where appropriate Weekly Quarterly Annually
 Media	Corporate Publications and Articles Conferences and Events Studies and Corporate Reports Social Media Personal Communication Group Website Financial Report Sustainable Development Report	Where appropriate Where appropriate Where appropriate Where appropriate Weekly When required Quarterly Annually
 Non-governmental/ Non-profit organizations	Social Media Conferences and Events Corporate Publications and Articles Financial Report Sustainable Development Report Group Website	Where appropriate Where appropriate Where appropriate Quarterly Annually Daily

Stakeholders	Communication Channels/ Engagement methods	Frequency of Engagement
 Business Community	Corporate Publications and Articles Conferences and Events Studies and Corporate Reports Social Media Financial Report Sustainable Development Report	Where appropriate Where appropriate Where appropriate Where appropriate Quarterly Annually
 Independent Evaluation and Audit Bodies	Company Publications and Articles Conferences and Events Studies and Corporate Reports Financial Report Sustainable Development Report	Where appropriate Where appropriate Where appropriate Quarterly Annually



4.4 Materiality Analysis

The Group focuses on issues that pertain to substantial economic, environmental, and social impacts, encompassing its value chain and consequently affecting all stakeholders involved. The relevant methodology followed, is based on the new GRI standards (2021 GRI standards) and includes the identification, assessment, prioritization, and validation of the positive and negative impacts that the Group 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.

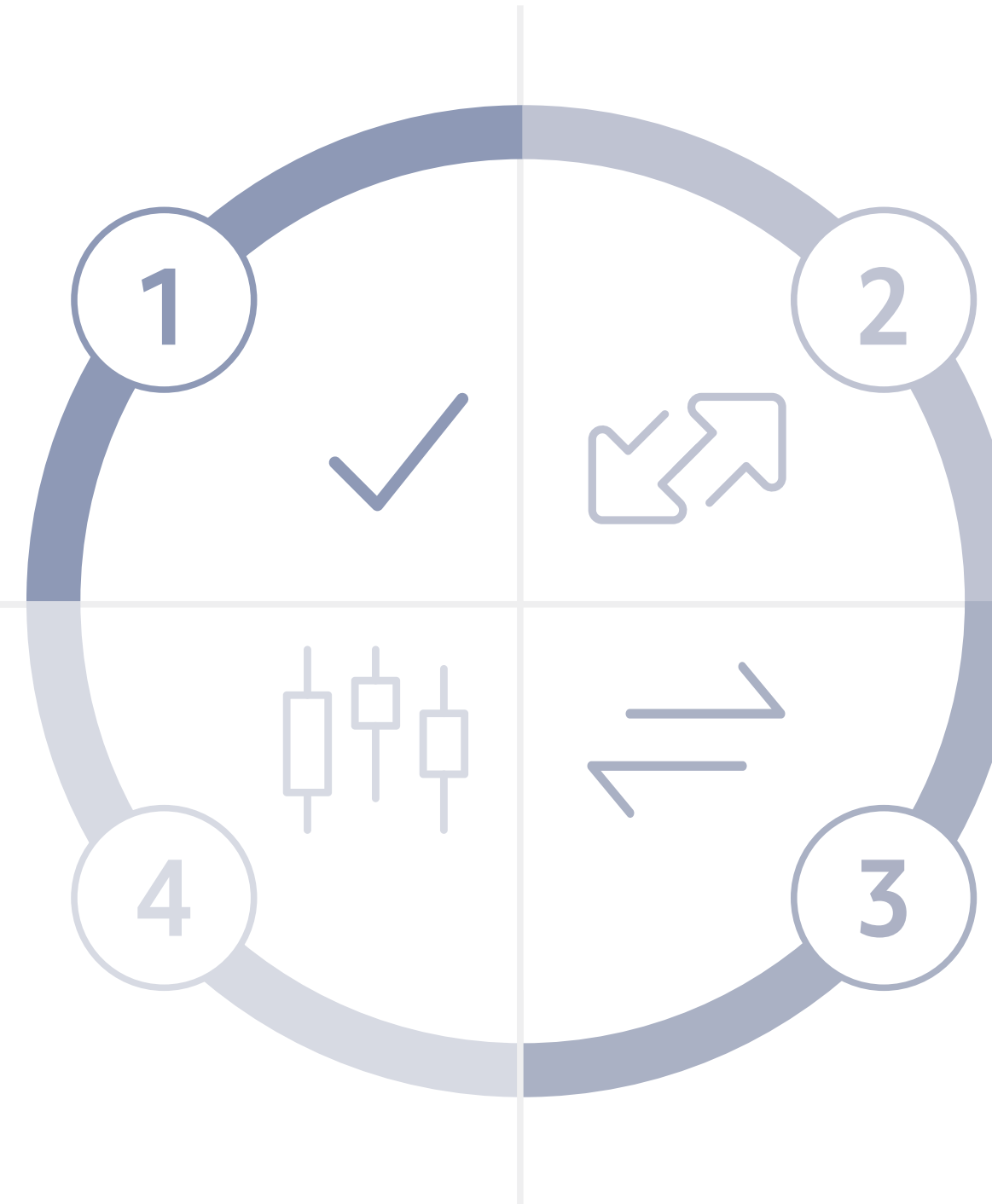
The materiality analysis was carried out through the following four (4) phases:

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

- 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

Material issues survey conducted internally and also among Capital Providers.

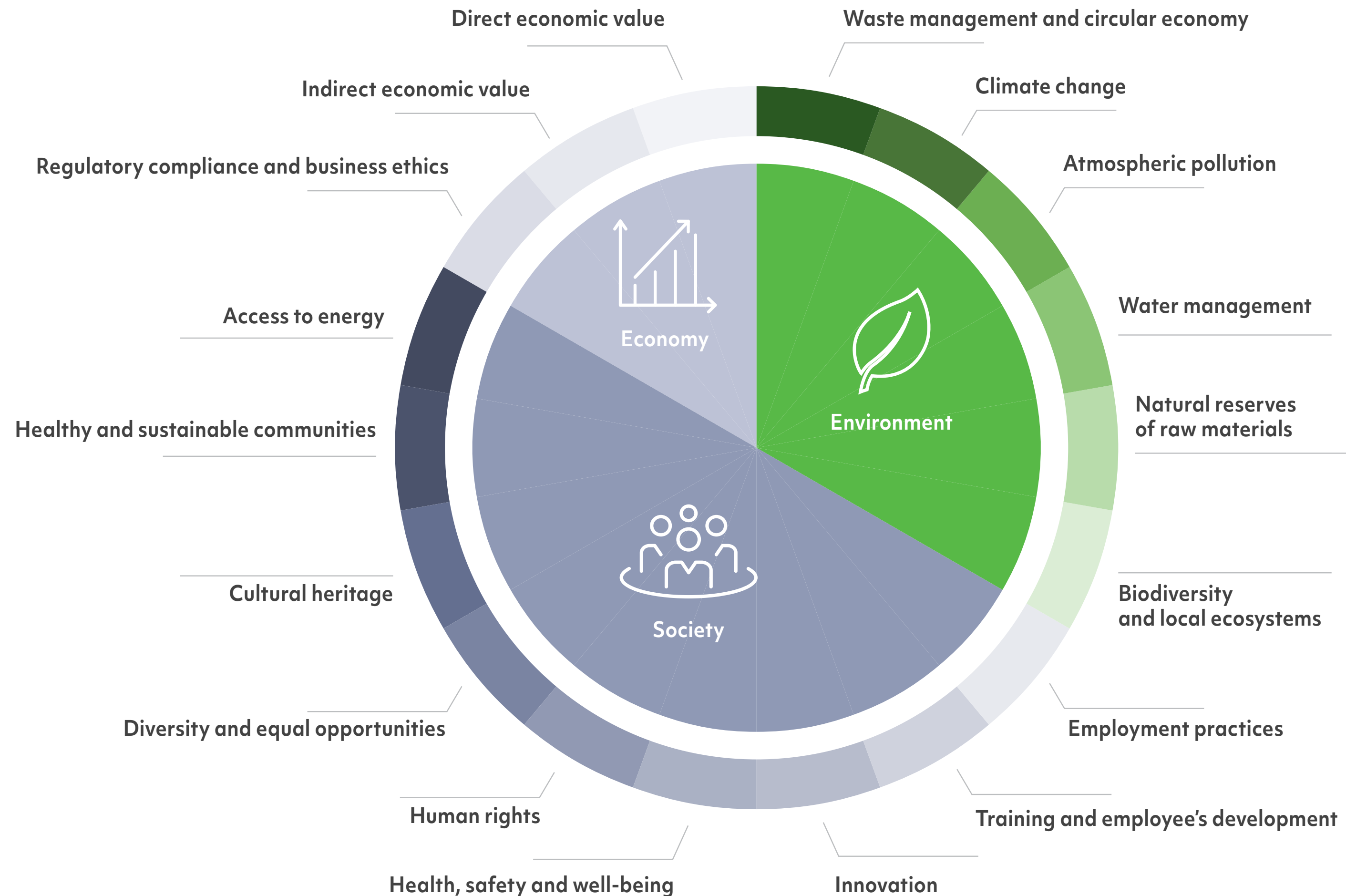
Criteria for assessing positive (actual and potential) impacts:

- Scale,
- Scope,
- Likelihood of occurrence in case of potential impacts
- Time horizon - when the impact is expected to happen.

Criteria for assessing negative (actual and potential) impacts:











- Scale,
- Scope,
- Irremediable character
- Likelihood of occurrence in case of potential impacts
- Time horizon - when the impact is expected to happen.

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



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	SDGs
Climate Change	Mitigation of climate change from the delignification of electricity production, as well as from the establishment of targets for the decarbonization of the Group's operation.	+	  
	Impacts on climate change, due to energy consumption from non-renewable sources, and possible failure of systems and processes aiming at the reduction of energy consumption.	-	
Biodiversity and local ecosystems	Maintenance and protection of biodiversity and ecosystems, through planting and reforestation, as well as by monitoring fauna in projects that are developed in or near areas of high biodiversity interest.	+	  
	Disruption of biodiversity and ecosystems, from the construction and operation of RES projects in areas of high biodiversity and ecosystem interest, and from possible improper implementation of policies and procedures.	-	
Waste management and circular economy	Ensure soil protection through site remediation, solid waste recycling, and modern waste treatment facilities.	+	
	Protection of natural resources through the recovery and production of recyclable materials and the use of environmentally friendly materials.	+	  
	Soil pollution through improper management of solid, liquid, and gaseous pollutants, and through possible damage to facilities and equipment.	-	
	Increase of waste directed to landfills because of incomplete implementation of circular economy practices and depletion of natural resources, using materials from non-renewable sources, such as plastic and concrete.	-	

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S Material Topic

Impact

Type of Impact

SDGs

Employment practices

Support of employment in the local community, through recruitment of candidates from the areas of operation and through the assignment of work to local subcontractors.



Inadequate utilization of local human capital due to possible lack of locality terms in recruitment procedures and reduction in jobs in the local community.



Training and development of employees

Contribution to education and training of employees, through enhancement of their technical and professional skills.



Reduced contribution to education and training of employees, due to non-implementation of an evaluation process, and to possible non-implementation of an individual training plan.



Health, safety and well-being

Protection of employee physical and mental health through the implementation of a certified health and safety management system at work and information.



Reduced contribution to the protection of physical and mental health, from possible omissions or improper implementation of health and safety procedures by employees, partners, or suppliers.



Human Rights

Protecting human rights, promoting diversity, and ensuring equal opportunities for all, through the implementation of the Human Rights Policy, and the grievance mechanism.



Reduced contribution in protecting human rights, promotion of diversity and ensuring equal opportunities for all due to possible incomplete recording and examination of related complaints.



Sustainability of local communities

Active contribution to the creation of resilient, sustainable, safe cities and communities through social contribution actions.



Inadequate contribution to the creation of resilient, sustainable, and safe communities from a possible failure of the implementation of procedures and measures for the well-being and safety of the local community.



Access to green energy

Promotion of access to green energy, through reduced electricity costs for residents of municipalities where wind farms are located.



Reduced contribution to access to green energy due to increase in electricity prices because of geopolitical conditions.



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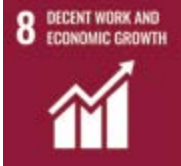



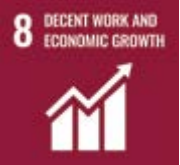

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 **Material Topic**

Material Topic	Impact	Type of Impact	SDGs
Regulatory compliance and business ethics	Ensuring regulatory compliance and business ethics, through the implementation of policies and procedures, and through employee training and awareness on relevant issues.	+	 
	Failure to ensure regulatory compliance and business ethics from potential violation of policies and procedures by employees, partners, and suppliers.	-	
Creating value	Enhancement of social well-being and economic value creation from increase of turnover, new job creation and RES project offsets to local communities.	+	   
	Possible lower or negative direct distributed economic value from potential disinvestments in business sectors and from delays in the implementation of the Group's investment plan due to delays from external factors.	-	

Compared to 2021, «Training and Development of Employees», «Employment Practices» and «Human Rights» emerged as new material areas of impact. As in 2021, two (2) topics that have not been identified as material through the materiality analysis for FY 2022, have been selected by Management to be included and analyzed in this Report as they are strategic directions for the operation of the Group and its subsidiaries. These topics are «Emergency Situations - Business Continuity» and «Indirect Economic Value».

Actions to mitigate and address actual and potential negative impacts, as well as actions to enhance actual and potential positive impacts on the above material issues are described in more detail in the following chapters.

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Corporate Governance



TERNA ENERGY Group focuses on the implementation of established operating rules and principles of good corporate governance to build trust between its stakeholders. Therefore, transparency in Management and independence in Audit are ensured.

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5.1 Corporate governance model

Corporate Governance constitutes the set of established rules and business practices that the Group adopts and applies, so as to ensure its business performance and continuity while creating sustainable, profitable growth and value for its shareholders and other stakeholders. The principles and practices of responsible corporate governance applied by the Group are reflected in the [Hellenic Corporate Governance Code \(CGC\)](#) adopted by Management, which covers all the Group's companies and subsidiaries at national and international level.

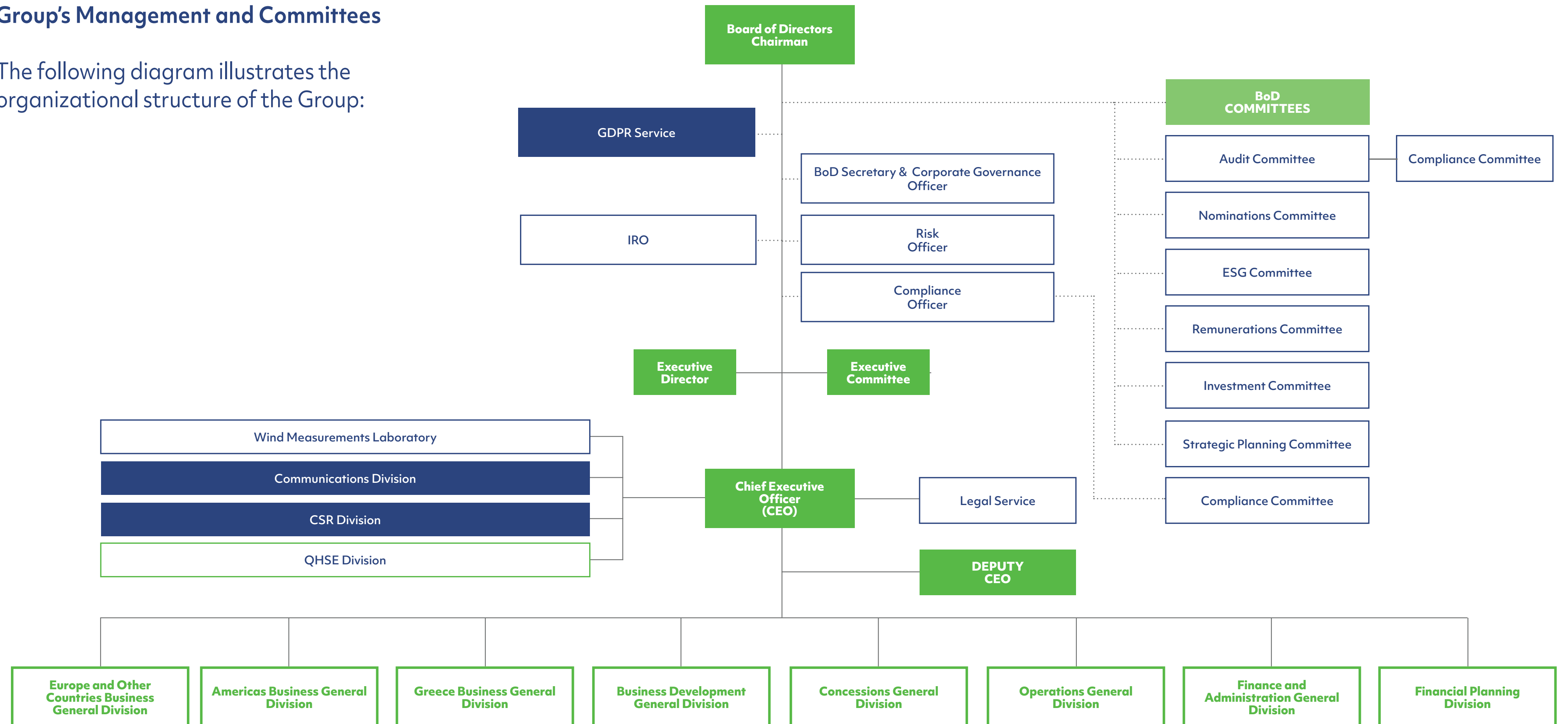
At the same time, the Group has created all the necessary regulatory tools to respond to the stakeholders' needs and requirements. In this context, the Group maintains [Internal Rules of Operation \(IRO\)](#) which apply to all TERNA ENERGY Group subsidiaries. The Internal Rules of Operation fully comply with the content of the recent legislative framework (L.4706/2020) with the Board of Directors being responsible for reviewing and updating it when required.



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Group's Management and Committees

The following diagram illustrates the organizational structure of the Group:



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11 members

The Board of Directors (BoD) of TERNA ENERGY Group is the highest administrative body, with its members being elected by the General Meeting of Shareholders. Its mission is to provide guidelines and formulate the business strategy, effective administrative operation, the implementation of the principles and management philosophy of the Group, while deciding on all corporate affairs, except those that fall under the competence of the General Assembly.

27% Participation of women

4 years of tenure

45% Participation of independent members

18.1% Participation of members in the 30-50 age group

The tenure of the Board of Directors is four years and consists of four (4) executive and seven (7) non-executive members (5 of which are independent). From the BoD members, nine (9) are in the over 50 age group and two (2) in the 30-50 age group. It is noted that three (3) women participate in the BoD (27% of total BoD members).

[Further information about the BoD members of the Group is available on the Group's website.](#)



PRESIDENT OF THE BoD
(executive member)
Mr. Georgios Peristeris

VICE-CHAIRMAN OF THE BoD
(independent, non-executive member)
is Mr. Georgios Mergos

CEO
(executive member)
Mr. Emmanuel Maragoudakis

At the same time, for the efficient operation of the Group, an Executive Committee has been formed, which consists of six (6) members with executive responsibilities. The Executive Committee is responsible for the implementation of the strategic planning, which is determined by the BoD. Moreover, the Executive Committee is responsible for the implementation of the decisions of the BoD and the execution of the actions required for the management of the Group.

[Further information about the BoD's Committees is available on the Group's website.](#)

The ESG Committee has been established to ensure the efficient supervision of Sustainable Development issues. The Committee meets at least four (4) times a year, or when required, and discusses the Group's performance and goals regarding ESG issues. The ESG Committee consists of four (4) members, three (3) of which are Independent Non-Executive BoD members of TERNA ENERGY.

[Further information about the ESG Committee and its members is available on the Group's website.](#)

Conflict of interests



All issues concerning the avoidance of conflicts of interest, are described in detail in the Code of Conduct and Ethics [which is posted on the Group's website](#).

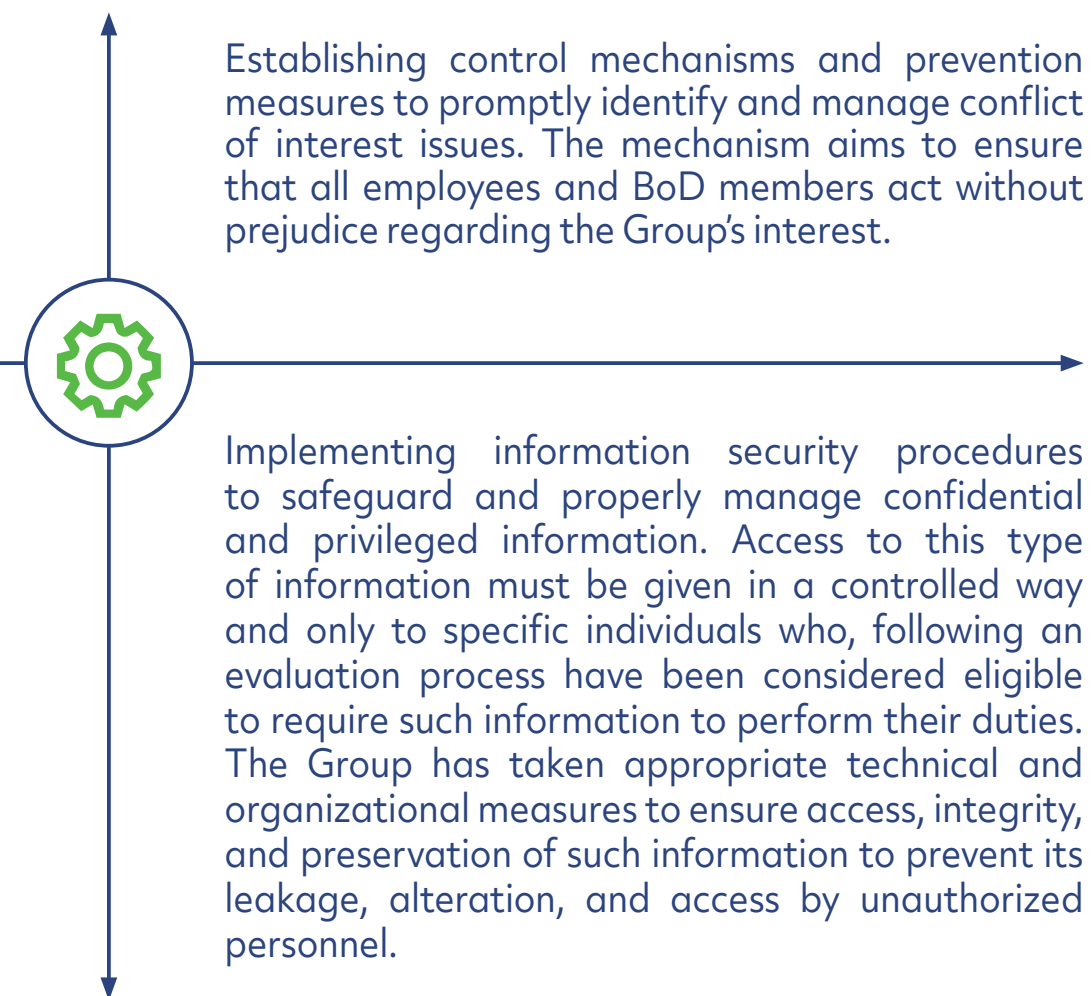
At the same time, the Group has established a Conflict-of-Interest Policy which aims to define the main principles that every employee must follow in matters of conflict of interest that affect or may affect the Group's interests and its affiliated companies, as well as the interest of its customers, suppliers and partners.

The Policy aims:

- To identify potential situations of conflict of interest between employees and the Group.
- To ensure the rules that should be followed by all employees to effectively manage these situations, when they arise.
- The assignment of roles and responsibilities for the implementation of the Policy.
- To ensure compliance with the institutional and supervisory framework.

The Group, aiming to achieve the above objectives, takes appropriate preventive measures and commits to:

Raising awareness and conducting trainings to employees and the BoD members on the Code of Conduct and Ethics and the applicable Policies and Procedures to ensure the reputation, prestige and transparency of the Group.



Establishing control mechanisms and prevention measures to promptly identify and manage conflict of interest issues. The mechanism aims to ensure that all employees and BoD members act without prejudice regarding the Group's interest.

Transaction controls through the Internal Control Unit (ICU). The Unit supervises the transactions of the covered persons in the Group's financial instruments on a regular basis, to identify potential transactions that conflict with the Group's interests, and/or occasions of possible abuse of privileged information.

Implementing information security procedures to safeguard and properly manage confidential and privileged information. Access to this type of information must be given in a controlled way and only to specific individuals who, following an evaluation process have been considered eligible to require such information to perform their duties. The Group has taken appropriate technical and organizational measures to ensure access, integrity, and preservation of such information to prevent its leakage, alteration, and access by unauthorized personnel.

Suitability Policy for the Members of the BoD



The Group has in place a [Suitability Policy for its BoD members](#), which has been established by the Nominations Committee, in accordance with Law 4706/2020. The Policy aims to ensure quality staffing and efficient operation of the Board of Directors based on the overall strategy and both medium and long-term business aspirations of the Group. According to the Policy's provisions, all BoD members must meet individual and collective eligibility criteria which are described in the Policy.



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



Training Policy for the BoD members & Executives

The adequate and effective training of the BoD members and Executives is a matter of highest importance for the Group. For this reason, the relevant Policy has been established to ensure the training of the BoD members and Executives on operation and organizational structure issues, business model, potential risks, but also financial and regulatory developments in the company's fields of activity at an international and national level.

Additionally, the Policy provides the possibility to BoD members and Executives to develop their skills as well as their knowledge for the effective performance of their duties, such as cyber security and business continuity.

Procedure for evaluating the performance of Senior Managers



The Group has established a dedicated procedure for assessing the performance of Senior Executives, aiming to ensure the effective functioning of both the Board of Directors and the Group as a whole.

The evaluation procedures are outlined as follows:



CEO Evaluation Process

CEO's evaluation process is carried out annually for the effective fulfillment of his duties, as defined by the current legislation, the statutes and the internal regulation of operation of the Group n as well as the suitability policy. The evaluation is carried out by the BoD members and 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.



Evaluation process of the BoD members

The self-assessment process of the BoD members is carried out annually for the effective fulfillment of their duties based on the individual eligibility criteria, as provided for 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 BoD members and the Board Committees, including the ESG Committee.



Evaluation process of the Senior Executives

The evaluation process of the Senior Executives is carried out annually for the effective fulfillment of their duties based on specific quantitative and qualitative criteria, as defined in the Company's Evaluation system.



Remuneration policy for the BoD members

The Group applies the Remuneration Policy which outlines the terms for determining the compensation of the BoD members and senior executives. This policy aligns with the prevailing legislative framework to promote transparency in the process of determining and disbursing all forms of remuneration.

The guiding principles governing the Remuneration Policy are depicted below:



The Remuneration Committee assumes the responsibility of formulating the Remuneration Policy, taking into consideration market conditions, competitive factors, the significance of retaining Senior Executives, and the attraction of capable new Executives. The Remuneration Committee, in collaboration with an external consultant, examines and revises the Policy following a study conducted on the range of pay levels in the market.

[Further information on the remuneration and additional benefits is available in the Remuneration Policy, on the Group's website.](#)

Risk Management

The identification, assessment and management of existing and potential risks is an important part of the Group's operation, as it affects the decision-making process and the implementation of the business model. The responsible executives have daily communication with Management, in order to timely identify the risks take any necessary measures to address the risks.

The Group applies a risk analysis process, which concerns the ISO 9001, 14001, 45001, 50001, 27001, 37001 and 37301 systems.

The risk assessment analyzes the risk factors per activity and process, as well as their impacts (threats and opportunities), captures the existing control measures and finally assesses the degree of risk, examining the severity of the impact and each risk's probability of the occurrence.

In 2022, the Group completed the relevant study on the recommendations of the Financial Stability Board Task Force on Climate Related Financial Disclosures (TCFD).

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5.2 Ensuring regulatory compliance and business ethics

The continuous promotion of business ethics and regulatory compliance are a critical pillar of the Group's operation, affecting employees, partners, and suppliers, as well as government, state and institutional bodies.

In this direction, the Group successfully completed its certification in 2022 in accordance with the new international standard ISO 37301:2021 «Compliance Management Systems», which is based on the principles of proper governance, proportionality, transparency, and sustainability.

Certifications, procedures and policies

To strengthen its regulatory compliance, the Group maintains international certified ISO systems and undergoes periodic audits by accredited bodies.



In this context, TERNA ENERGY implements:

 Code of Conduct and Ethics (CoC)	 Regulatory Compliance and Corruption-Bribery control Policy	 Human Rights Policy	 Conflict of Interest Policy
 Policy to combat Violence and Harassment at work	 Sponsorships and Donations Policy	 Unfair Competition Policy	 Remuneration Policy
 Gifts Policy	 Purchasing Policy	 Due Diligence Procedure	
 Whistleblowing Procedure	 Travel and Hospitality Policy		

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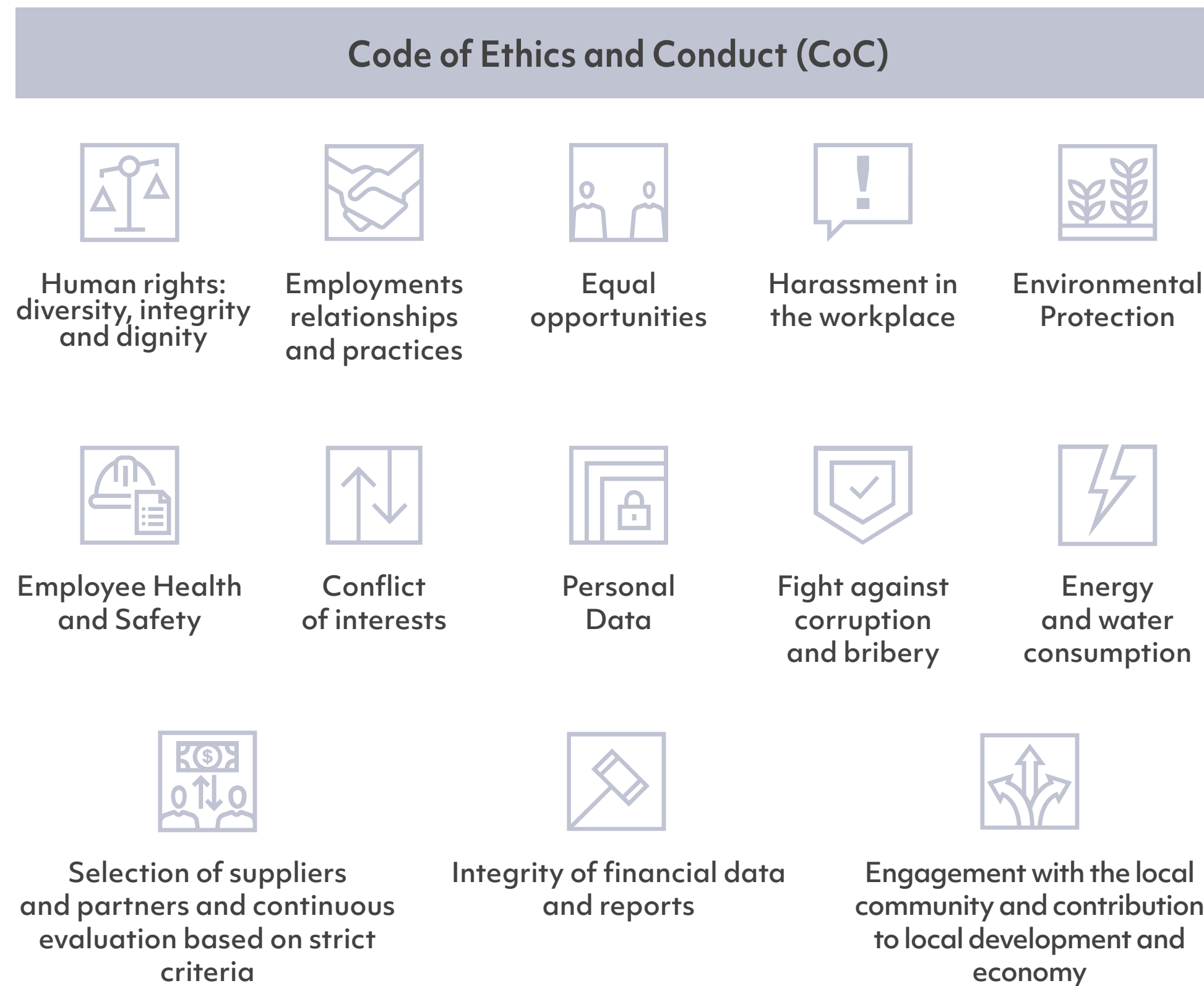
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Code of Conduct and Ethics (CoC)

The [Code of Conduct and Ethics \(CoC\)](#) is the basic operating framework of the Group, defining the professional conduct expected from its personnel. The CoC encompasses various thematic elements, including but not limited to the following:



Monitoring of the implementation of the CoC.



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Implementation of CoC and implementation monitoring


The Code of Conduct (CoC) is in accordance with the general principles provided by International Regulations and Conventions as well as the international ISO 9001, ISO 14001, ISO 45001, ISO 37301, ISO 37001, ISO 50001, and SA 8000 standards. The implementation of the Code covers all the companies and subsidiaries of the Group at national and international level, concerns all areas of activity and is considered in the partnerships and joint ventures in which it participates. The Regulatory Compliance Officer, who reports directly to the Board of Directors, monitors the implementation of the Code.

Continuous information and training


The proper implementation of the Code of Conduct and Ethics requires training (live and online). In this context, an e-learning session was held in 2022 regarding «Regulatory Compliance, Code of Conduct and Ethics, Control of Corruption and Bribery which aimed to explain the concepts and requirements of the Anti-Corruption and Bribery Management System, the Regulatory Compliance and the Code of Conduct and Ethics as well as the presentation of cases and scenarios of illegal behavior, and actions of corruption and bribery.

Reporting Availability

The Group has established reporting and whistleblowing mechanisms for its employees, as well as for its partners and suppliers. These communication channels are available for the reporting of fraud incidents, corruption, bribery, conflict of interest, harassment at work and general deviations from the Code of Conduct and Ethics. Reports may be carried out either by name or anonymously.

 **Sending an e-mail** to the following address compliance@terna-energy.com

 **Utilizing the Platform** <https://ternaenergy.integrityline.com/frontpage>

 **Sending a letter to the address** TERNA ENERGY S.A. 85, Mesogeion Ave., Athens 115 26, Greece, to the attention of the «Compliance Unit» of the Company, marked «Confidential».

The above mechanisms also apply to partners/suppliers.

TERNA ENERGY Group shows zero tolerance in cases of retaliation against employees who have made reports regarding moral and ethical issues.

Evaluation of deviations and response measures

The Code of Conduct and Ethics comprehensively addresses a broad spectrum of matters and regulates all interactions stemming from the Group. Its implementation spans over time and fosters the establishment of a work environment that fosters mutual trust, transparency, cooperation, recognition, integrity, and equal opportunities. This conducive work environment incentivizes employee development, aids in overcoming personal and interpersonal challenges, nurtures innovative thinking and actions based on past accomplishments, and ultimately cultivates a sense of security and meritocracy for all employees and associates of the Group within a contemporary business environment.

During 2022, no report was made to the Group related to the issues of the Code of Conduct and Ethics. Specifically:

There were no confirmed incidents of corruption. There was no incident of corruption that led to the removal or disciplinary action of employees, the termination or non-renewal of cooperation with partners and no related court case.	There were no confirmed cases of non-compliance with laws and regulations.	There were no financial losses as a result of breaches of business ethics.
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	2022
Number (or percentage) of management executives who have been informed and trained on the anti-corruption policy/procedures	100%
Number (or percentage) of department directors who have been informed and trained on the anti-corruption policy/procedures	100%
Number (or percentage) of employees who have been informed and trained on anti-corruption policy/procedures	67%
Number of lawsuits related to anti-competitive behavior and violations of antitrust and monopoly laws	0

Policy for personal Data Protection

 **GRI** 418-1  **ATHEX ESG** C-G6, SS-S2, SS-S5

TERNA ENERGY Group places the utmost importance on protecting the personal data of its stakeholders engaged in transactions with the Group. In this regard, a personal data policy is implemented, and an Information Security Management System has been developed, certified according to the international standard ISO/IEC 27001. Additionally, a Data Protection Officer (DPO) and a Data Protection Unit have been assigned to monitor the compliance of the Group with relevant laws and regulations.

The Group processes personal data of individuals for which identification is obtained, in accordance with the European legislation regarding the General Data Protection Regulation (GDPR-GPRD 2016/679) and the law 4624/2019. In the context of ensuring a level of security commensurate with the criticality and confidentiality of the data and information in circulation, the Information Security Management System Manager collaborates with the Group's Head of Information Security Systems (CISO). Moreover, the Board of Directors during its meetings, is informed on a regular basis about data security issues.

In 2022, there were no reports of customer privacy breaches or data losses. Also, there have been no incidents of leaks, theft or loss of customer data.

[Further information for Personal Data Policy is available on the Group's website.](#)



Terms of cooperation with suppliers

 **ATHEX ESG** C-S8

The primary objective is to foster responsible and sustainable supply chains, generating long-term value for suppliers, partners, and communities. The Group acknowledges that the responsible management of the supply chain is an inherent component of its business operations. Consequently, the Group ensures that its collaborating suppliers adhere to environmental, energy, and social criteria as delineated in the applicable [Purchasing Policy](#) which was established in 2022.

Indicative criteria prescribed by the relevant Policy are the following:



Certification according to international standards eg, 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, in addition to their suitability and usability, have high health and safety standards, are environmentally friendly and have low energy consumption.

Necessary conditions for cooperation with any supplier, subcontractor and partner are to be in full compliance with the regulatory framework for Health and Safety, the environmental management, as well as the observance of the Group's Code of Conduct and Ethics.

The above framework is a necessary precondition for the proper and safe operation of the supply chain and the safe execution of all operations. For 2022, 64% of the Group's main suppliers / subcontractors are certified by EN ISO 14001.

5.3 Business continuity

Recognizing that the Group's activities may pose risks to employees and visitors to its facilities, the Group ensures the effective preparedness in case of emergencies.

Business continuity plan

Due to the spread of the COVID-19 pandemic, the integrated Business Continuity Plan was implemented. Through this plan, strict operating rules were established, with their implementation monitored daily by a special team in which Group executives participate, alongside specialized scientific collaborators.

As part of the Business Continuity Plan, the following are provided among others:

Remote or rotating work schedule.

Special care for parents of little children and for those who need increased attention and care.

Strict operating rules at all points of presence and operation in Greece and abroad.

Emergency response plan

The Group acknowledges the necessity of direct and effective emergency management to protect its employees and partners from potential risks. Prior to the implementation of a project or the operation of an installation, a detailed Emergency Management Plan is established, describing the direct and indirect actions that must be carried out, as well as the appropriate resources that each installation should have for effective management planning.

The company focuses on facilities located in uninhabited / isolated areas providing special concern to ensure timely response to emergency situations. An indicative example is the "Agios Georgios Island" Wind Farm, where the Group is collaborating with a private helicopter to ensure timely intervention in case of emergency, due to the difficulty of access. Additionally, at the construction site of the Kafireas wind farms project, the company is collaborating with a private ambulance in order to address timely emergency situations.



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Emergency Drills

The Group ensures the preparedness level of its employees and partners in emergency situations and for this reason regularly carries out simulation response drills, such as employee accident, fire, earthquakes, concerning the timely and effective reaction of those present on site.

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

Adequacy of plans and procedures that should be implemented.

Cooperation and response of involved Departments, Authorities, entities, and personnel.

Any oversights in the involved people's roles and responsibilities.

Necessary resources.

In 2022, a total of 23 emergency preparedness drills were successfully carried out by the Group

The preparedness exercises showcase the notable level of employee readiness and responsiveness, enabling the identification and rectification of weaknesses and errors that emerged during the exercise phase. As a result, the safety culture among the Group's employees has been enhanced.

Employee training

Within the framework of the Emergency Response Plan, the Group ensures the continuous update and training of its employees on relevant issues, in order to be able to protect themselves, their colleagues and partners, as well as the environment by recognizing, recording/ communicating and reducing potential causes of accidents.

The training actions and programs aim to:

Enhance the readiness levels of the 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.

Analyze the ways of improving the response in the event of the recurrence of similar incidents.

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Our environmental footprint



Environmental protection is a priority for TERNA ENERGY Group. We apply the principles of prevention and protection, with the aim of identifying potential risks and integrating environmental issues into our business model. The Group implements actions that actively contribute to energy saving, pollution prevention, recycling program enhancement, the protection of biodiversity as well as the promotion of proper water management.



The material issues identified, are strategic priorities for the Group and include:



Climate Change



Waste Management and Circular Economy






Biodiversity and local ecosystems

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Environmental and energy strategy

In pursuit of effective environmental management, optimal energy efficiency, and energy saving, significant progress has been made in formulating the environmental and energy strategy. This strategy encompasses well-defined commitments, objectives, initiatives, and performance indicators to gauge its effectiveness.








	Implementation of an Environmental and Energy Management System
	Implementation of the Eco-Management and Audit Scheme (EMAS)
	Climate change impacts mitigation
	Protection and preservation of biodiversity
	Implementation of circular economy and responsible waste management
	Responsible water management

Environmental and energy management

 **GRI**
307-1, 2-27

Recognizing and applying the principles of prevention, the Group aims to examine and recognize environmental risks related to its business operations.

The Group has an environmental and energy management system, which also covers all its subsidiaries and adopts actions in the light of:

-  Compliance with the requirements of the international standards ISO 14001:2015, ISO 9001:2015 and ISO 50001:2018.
-  Pollution prevention.
-  Compliance with the legislative requirements for the protection of the environment and ecosystems.
-  Saving natural resources through the reuse and recycling of materials.
-  Responsible use of energy and the identification and elimination of energy wastage across all areas of operation.
-  Implementation of a Community Ecological Management and Audit System in accordance with EMAS Regulation 1221/2009 (as amended by 1505/2017).
-  Continuous improvement of environmental performance and achievement of environmental goals.

It is noted that during 2022, there were no incidents of non-compliance with environmental laws and regulations and relevant fines.

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Environmental training of employees

Throughout 2022, the Group continued its consistent effort to inform, train, and enhance employee awareness on environmental and energy issues as well as the environmental and social impacts associated with the construction and operation of projects. Specifically, during the current year, the QHSE Department, as well as the Environmental Officers of the projects implemented 1,618.5 hours of training for employees on Health and Safety, Environment and Energy issues.



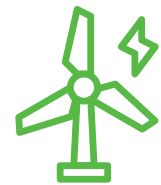
6.1 Climate change and greenhouse gas emissions

Mitigation and adaptation to climate change is the main component of the sustainable development strategy implemented by the Group, which seeks to harmonize its actions with the European Union's goals for energy efficiency and the achievement of a carbon neutral balance.

The Group is committed to reducing its carbon footprint, following specific actions:



Implementation of a strategy to reduce energy consumption and greenhouse gas emissions in its buildings and facilities.



Use of 100% green electricity in all its facilities in Greece, therefore zero indirect emissions of greenhouse gases (Scope 2) by acquiring the necessary Guarantees of Origin.



Ongoing assessment of risks and opportunities related to climate change, carried out as part of our Environmental Management System, and alignment with TCFD recommendations.



Contribution to global decarbonization, by increasing our installed capacity of renewable energy production by the end of 2029.



Acceleration of investment plans in the field of energy storage, with the objective of making a substantial contribution to the maximization of renewable energy sources (RES) integration and attaining the national energy and climate objectives.

2022 Milestones

- For 2022, TERNA ENERGY Group proceeded to obtain guarantees of origin for all electricity consumed within the Group (6,371.7 MWh), thus zeroing out the indirect (Scope 2, market-based) greenhouse gas emissions.
- In 2022 the Group participated, for the first time, in the global initiative CDP*, by publishing extensive quantitative and qualitative data related to environmental management issues and actions it has taken to tackle climate change.
- It is worth noting that the Group was graded with B (on a D-/A scale) which places it very high in terms of transparency and completeness of the published environmental information and is an important recognition of the Group's strategy and performance for the mitigation of climate change.
- In the context of fully understanding of the natural and transitory risks and opportunities related to climate change, the examination of the implementation of appropriate management measures and their impact on the financial position of TERNA ENERGY, the Group completed, in 2022, the relevant study the Financial Stability Board Task Force on Climate Related Financial Disclosures (TCFD).

*CDP is a non-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

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Greenhouse Gas Emissions

GRI 305-1, 305-2, 305-3 **ATHEX ESG** C-E1, C-E2, A-E1 **SASB** IF-EU-110a.1

TERNA ENERGY systematically monitors Greenhouse Gas Emissions deriving from its operations, as an integral part of its environmental and energy strategy.

The calculation of the emissions includes direct (Scope 1) emissions that generated from the entities where the Group has operational control, indirect (Scope 2) from electricity consumption, as they are specified according to ISO 14064-1:2018 and GHG Protocol Corporate Standards and (Scope 3) emissions that relate to indirect emissions generated by its Value Chain.

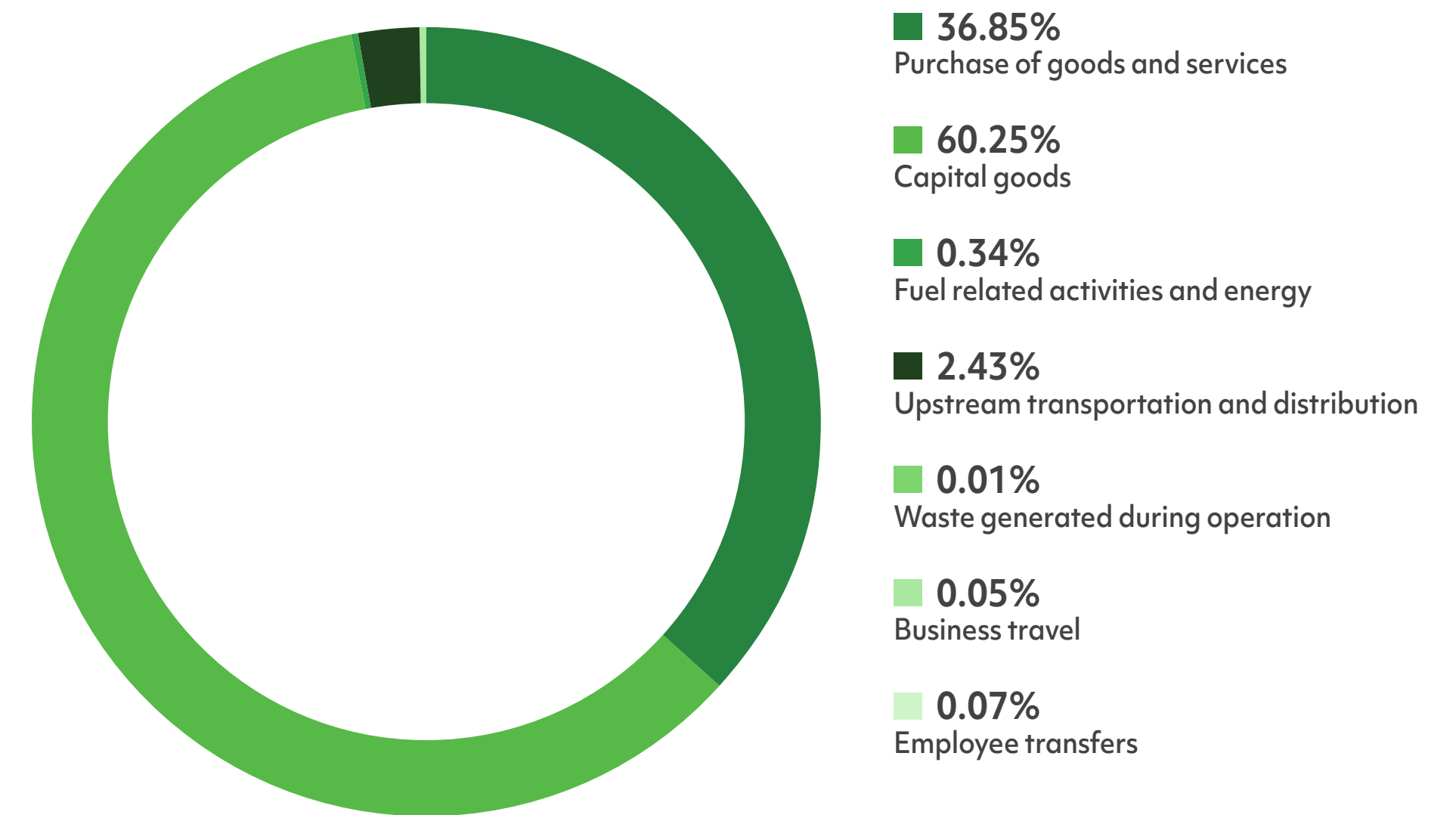
<p>Direct GHG emissions Scope 1²</p> <p>372.42 tCO₂e</p> <p>Direct greenhouse gas emissions (Scope 1) result from activities that take place within the Group's premises under its operational control.</p>	<p>Indirect GHG emissions Scope 2³</p> <p>0 tCO₂e</p> <p>Indirect GHG emissions (Scope 2) from the consumption of electricity, purchased by the Group for its own use.</p>	<p>Indirect GHG emissions Scope 3⁴</p> <p>207,505.21 tCO₂e</p> <p>Indirect GHG emissions (Scope 3) result from activities in the Group's value chain and not directly from Group's activities.</p>
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²KPI according to the "European Commission Guidelines on reporting climate-related information". The calculation of direct greenhouse gas emissions (Scope 1) is carried out through the conversion of Fuel Consumption (in TJ), to carbon dioxide equivalents (CO₂eq), with the use of conversion factors. The figures at the end of the reference period (year 2022) are used for the calculation.

³KPI according to the "European Commission Guidelines on reporting climate-related information". The calculation of indirect greenhouse gas emissions (Scope 2) is carried out through the conversion of electricity, heating, cooling and steam consumption (in TJ), to carbon dioxide equivalents (CO₂eq), with the use of conversion factors. The figures at the end of the reference period (year 2022) are used for the calculation.

⁴The calculation of indirect GHG emissions (Scope 3) is based on GHG Protocol – Corporate Standard methodology.

The distribution of indirect GHG emissions (Scope 3) among GHG protocol's reporting categories, is analyzed in the graph below. The largest percentage is attributed to categories 1 and 2, concerning consumer goods and services.(Cat 1: Purchased Goods and Services, Cat 2: Capital Goods).



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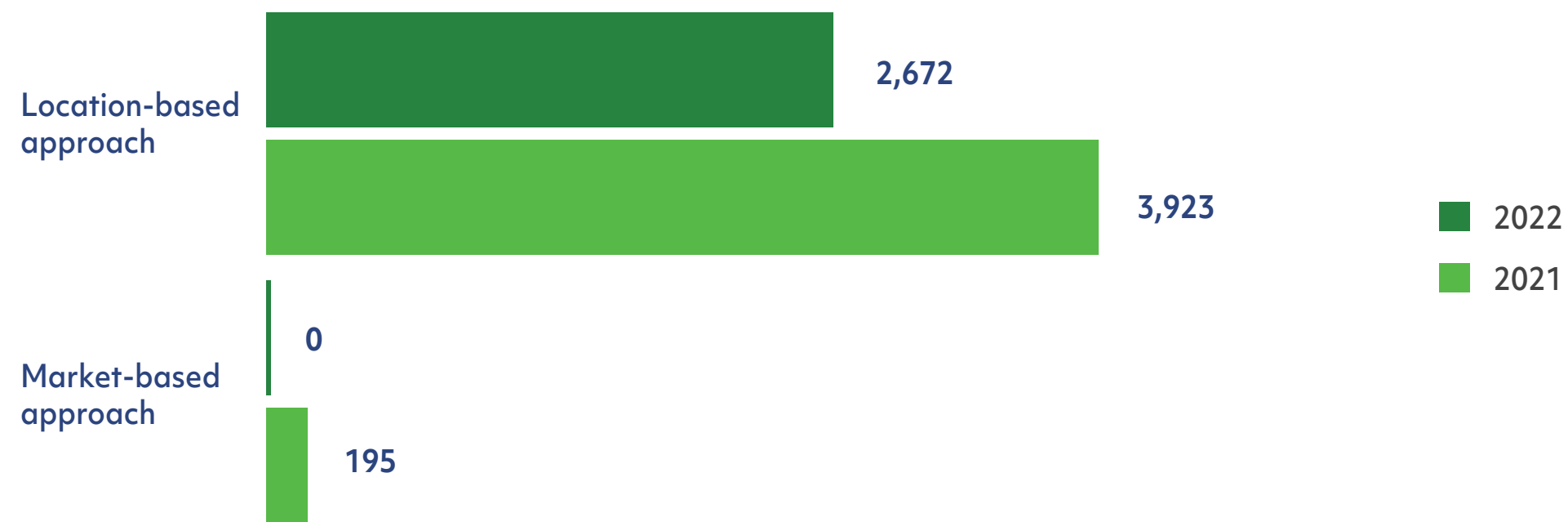
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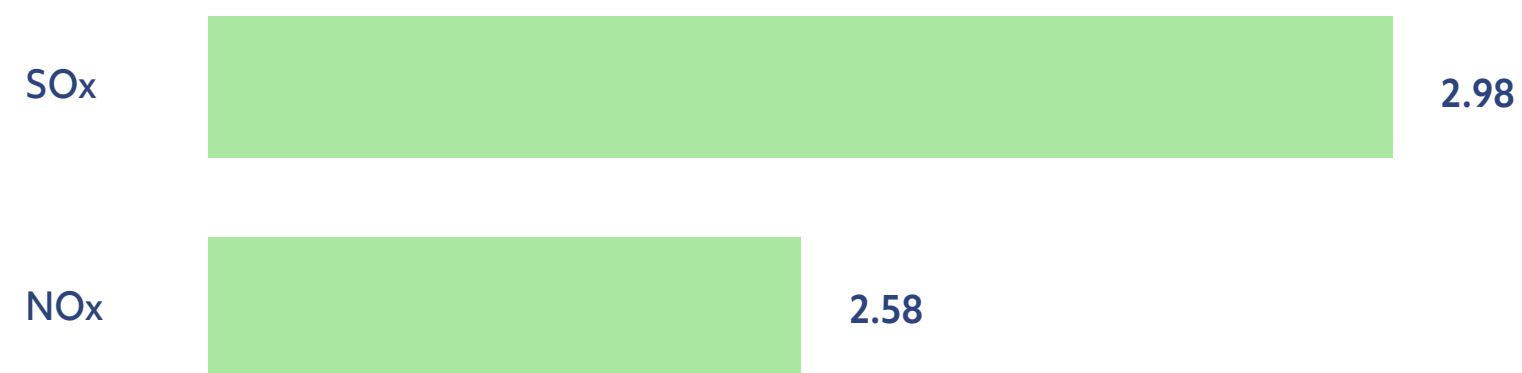
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The graph below presents the indirect GHG emissions (Scope 2) based on the two different approaches (location-based emissions and market-based emissions), for reporting years 2021 and 2022, according to the GHG Protocol – Corporate Standard.

Image 2: Indirect GHG Emissions (Scope 2): market-based and location-based (in metric tons CO₂e)



At the same time, the Group also calculates the oxides of nitrogen (NOx) and sulfur (SOx), and the results for 2022 are presented in the graph below. It is pointed out that for 2022, there is a 25% decrease in NOx emissions.



It is worth noting that the Group, through the production of clean energy, is preventing the release of significant amounts of CO₂ emissions, into the atmosphere. More specifically, for the reporting year 2022, the Group's production capacity prevented the release of 1,119,784 tn CO₂e into the atmosphere.



Responsible energy management



GRI
302-1, 302-3

ATHEX ESG
C-E3

SASB
IF-EU-000.B

Energy consumption is systematically monitored across Group's buildings and activities, as it is an integral part of the Group's business operation and aims at improving energy efficiency through appropriate initiatives.

Thus, the Group invests in the renewal and maintenance of its machinery, as well as in the improvement of its lighting system.

Energy Consumption	2022	2021
Total Energy Consumption within the Group (MWh)	29,158	27,241
Fuel consumption within the Group from renewable sources (MWh)	21,243	19,218
Fuel consumption within the Group from non-renewable sources (MWh)	1,543	1,389
Electricity consumption within the Group (MWh)	6,372	6,634
Electricity consumption within the Group, from renewable energy sources – from the grid, with guarantees of origin (MWh)	6,372	6,186
Percentage of energy consumed within the Group from renewable sources (%)	95	93

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

In the last three years TERNA ENERGY has commenced several Research and Development activities, the most important of which are: The start of construction for an innovative large-scale project on the island of Agios Efstratios, which will be the first energy-autonomous island in Greece. The project comprises wind and solar energy, a BESS system and a district heating network and aims to make the island energy self-sufficient with RES penetrating the electrical system at a rate greater than 85%.

Furthermore, within its R&D activities, TERNA ENERGY has carried out several studies on the production, transport and use of green hydrogen in Greece, has partnered up with research institutions and universities to submit several research proposals for new technologies, such as offshore floating PV, wave energy and green hydrogen and has participated in a European research program to further strengthen cooperation and coordination between the Transmission System Operators of South-East Europe (SEE) in order to support the integration of the electricity markets in the region, whilst promoting higher penetration of clean energies.






In addition to the above, TERNA ENERGY has become a member of the Energy Web, an organization that promotes blockchain in energy with the aim to accelerate the energy transition by developing and deploying open-source Web3 technologies that help companies unlock business value from clean and distributed energy resources.

Finally, TERNA ENERGY has been carrying out extensive due diligence on various innovative technologies ranging from energy storage to green hydrogen, wave energy, floating solar, floating substructures for offshore wind, energy digitization and others.

6.2 The protection of biodiversity and the preservation of local ecosystems

The protection and preservation of biodiversity, as well as the restoration of the natural landscape of the affected areas from the Group's activities, are considered as a significant challenge for TERNA ENERGY, in terms of reducing its impact on local ecosystems and contributing to a more sustainable business model. The Group undertakes initiatives and implements actions aiming at biodiversity protection and in full compliance with national environmental legislation and best available practices.

In this context, the Group implements the following prevention and control actions to limit any possible negative effects on the natural receptors, thus preserving their quality and, by extension, the conditions for the development of the local flora and fauna:

-  Investigation for the proper siting of the projects and the required infrastructure regarding whether they include areas or sections thereof governed by specific regulatory restrictions based on established land uses, the existence of Natura 2000 areas, as well as other protected areas.
-  Implementation of technical design of the projects including provisions for the protection of fauna, to ensure the integration of the projects in a compatible manner in the environment, and minimization of the impacts on the fauna.
-  Environmental Impact Studies (EIA) and other special studies preparation in accordance with the provisions resulting from the current international and national legislative framework.
-  Implementation of a certified environmental management system (EMS) and training for the Group's employees.
-  Installation of ecosystem monitoring programs before construction and during project operation.

For example, in the «Small Hydroelectric Station Dafnozouara - Sanidi» project, in 2022, a Bird Monitoring Program installed for the recording of the presence and the behavior of the significant bird species in the area, in order to assess the possibility of a crash or/ and electrocution. In addition, through the monitoring program, an attempt to identify any nesting sites and passages of the significant bird species, across the High Voltage lines, will be made.

In addition, at wind farms that are in areas of high ornithological importance, like Crete and Evros, the Group installs bird monitoring and protection technology systems. The system detects and records birds through a camera, while, at the same time, producing warning sounds, at specific frequencies, in order to deflect their course and protect them from a possible collision. In case these actions are not successful, the system forces the stoppage of the wind turbine. Thirtysix such systems have already been installed in project areas, while other protective actions, such as monitoring by specialists, are also being implemented.

Relevant post-construction monitoring programs have been implemented at the wind farms «DERVENI» & «XIROVOUNI», in Evros, with a three-year duration and a two-year extension plan. Moreover, a two-year monitoring program at the wind farm «HYLOS» and an annual post-construction monitoring program, at the wind farm «CHONOS», in Crete, are currently in progress.

In addition, for each project situated in woodland, the Group apart from restoring work site areas, also undertakes the responsibility to reforest an area of the size of each wind farm site, indicated by the forestry service, so that no forest area is lost.

In this context, the Group continued the development of restoration, reforestation, and regeneration activities, covering an area of 950 hectares, which includes the care of approximately 132,307 trees which were planted in 2021. These actions are implemented in accordance with the provisions of approved studies, by local authorities and national frameworks.

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REFORESTATION


A/A	Name-Location	Area(Acre)	Number of Plants	Period
1	REFORESTATION IN TREPIA, MUNICIPALITY OF TANAGRA, W/P RACHOULA, BOEOTIA	17.24	1,434	2020-2023
2	REFORESTATION IN TREPIA, MUNICIPALITY OF TANAGRA, W/P MAYROPLA-GIA- KASTRO, BOEOTIA	93.18	8,900	2020-2023
3	REFORESTATION IN TREPIA, MUNICIPALITY OF TANAGRA, W/P PLAGIA- PSY-LOMA, BOEOTIA	55.26	5,155	2020-2023
4	REFORESTATION AT THE MAYRORACHI LANDFILL SITE, MUNICIPALITY OF LAGADA, THESSALONIKI, W/P ERESOS, MACEDONIA	170.00	37,500	2020-2023
5	REFORESTATION IN POTAMI, MUNICIPALITY OF EORDEA, KOZANI, W/P LEYKES, MACEDONIA	43.00	2,150	2020-2023
6	REFORESTATION IN AGNADI, MUNICIPALITY OF PYLAIA, THESSALONIKI, W/P LEYKES, MACEDONIA	18.00	3,600	2020-2023
7	REFORESTATION IN MOSXOPODI, MUNICIPALITY OF THEBES, W/P TARATSA, BOEOTIA	108.77	9,747	2020-2023

REGENERATION

A/A	Name-Location	Area(Acre)	Number of Plants	Period
1	REGENERATION IN PLATOMA GYMNOY, MUNICIPALITY OF ERETRIA, W/P SEREVOUNIA , EUBOEA	144.50	3,125	2021-2026
2	REGENERATION IN MESONISI, MUNICIPALITY OF KYMI, W/P PYRGARI- NTARD-IZA, EUBOEA	90.02	1,018	2021-2026

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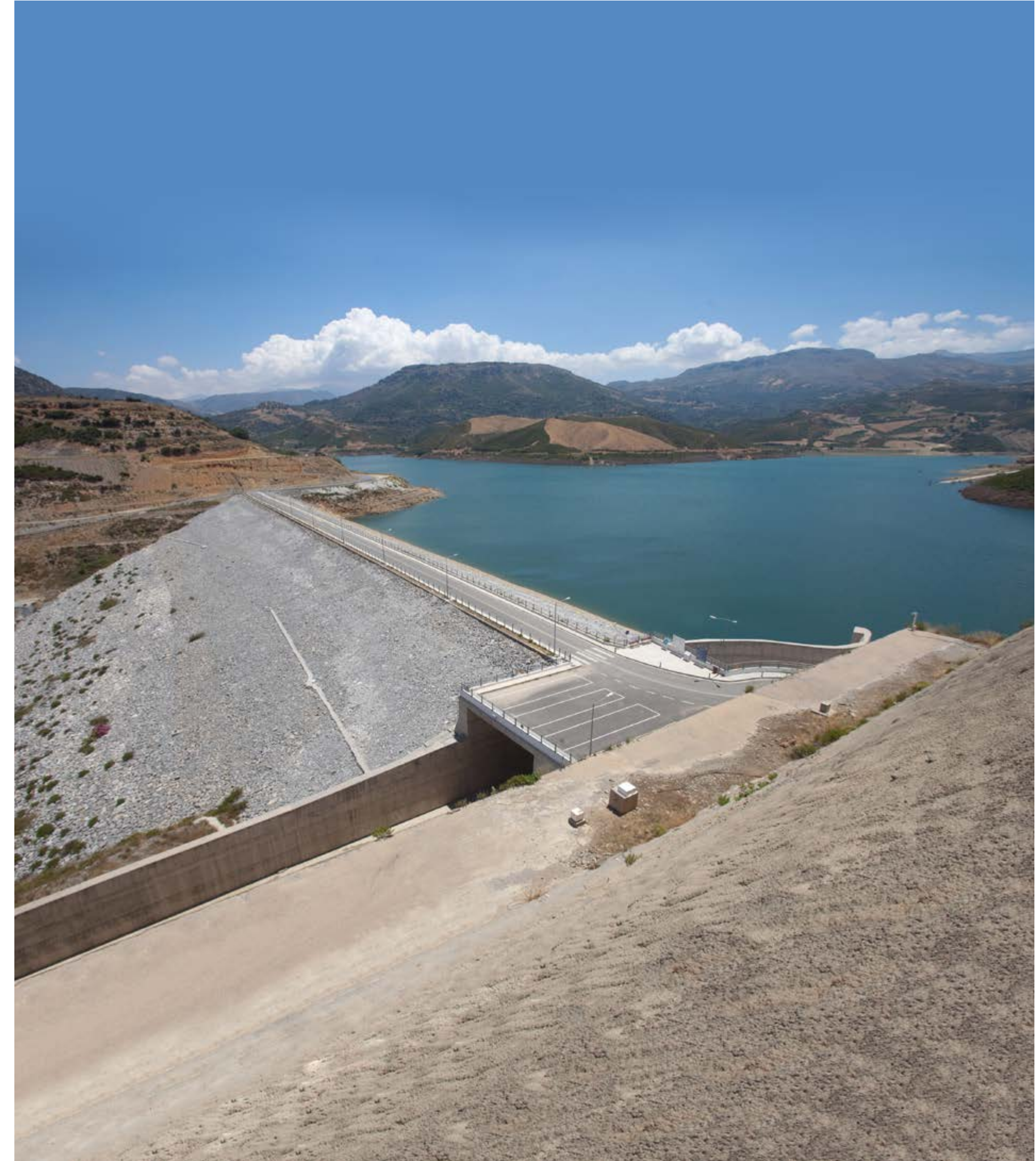
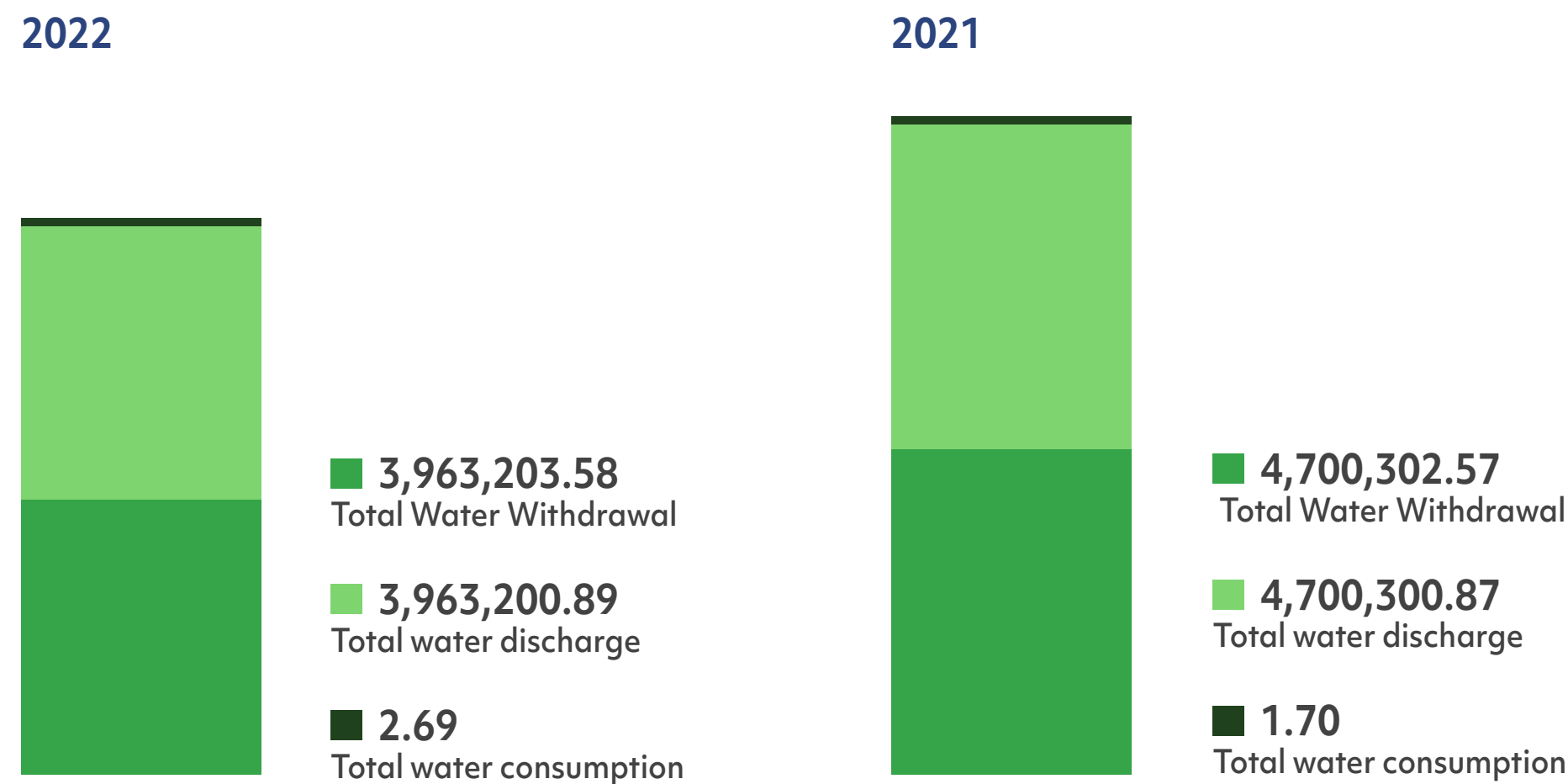
Water management

 **GRI** 303-1, 303-2, 303-3, 303-4, 303-5 **ATHEX ESG** SS-E3 **SASB** IF -EU-140a.1

The Group recognizes the importance of water as a natural resource and focuses on its sensible and more efficient use, decreasing consumption to the bare minimum and adopting all necessary management measures. In addition, the water consumption within the Group's activities strictly follows the Decision approving environmental conditions (DAEC).

It is worth mentioning that in 2022, the Group was, also for the first time, evaluated by CDP in the Water Security category, regarding the management of its water resources. The Group was awarded a B rating (on a D-/A scale) which ranks among the top performance of the «Management level» category.

Water Management (ML)

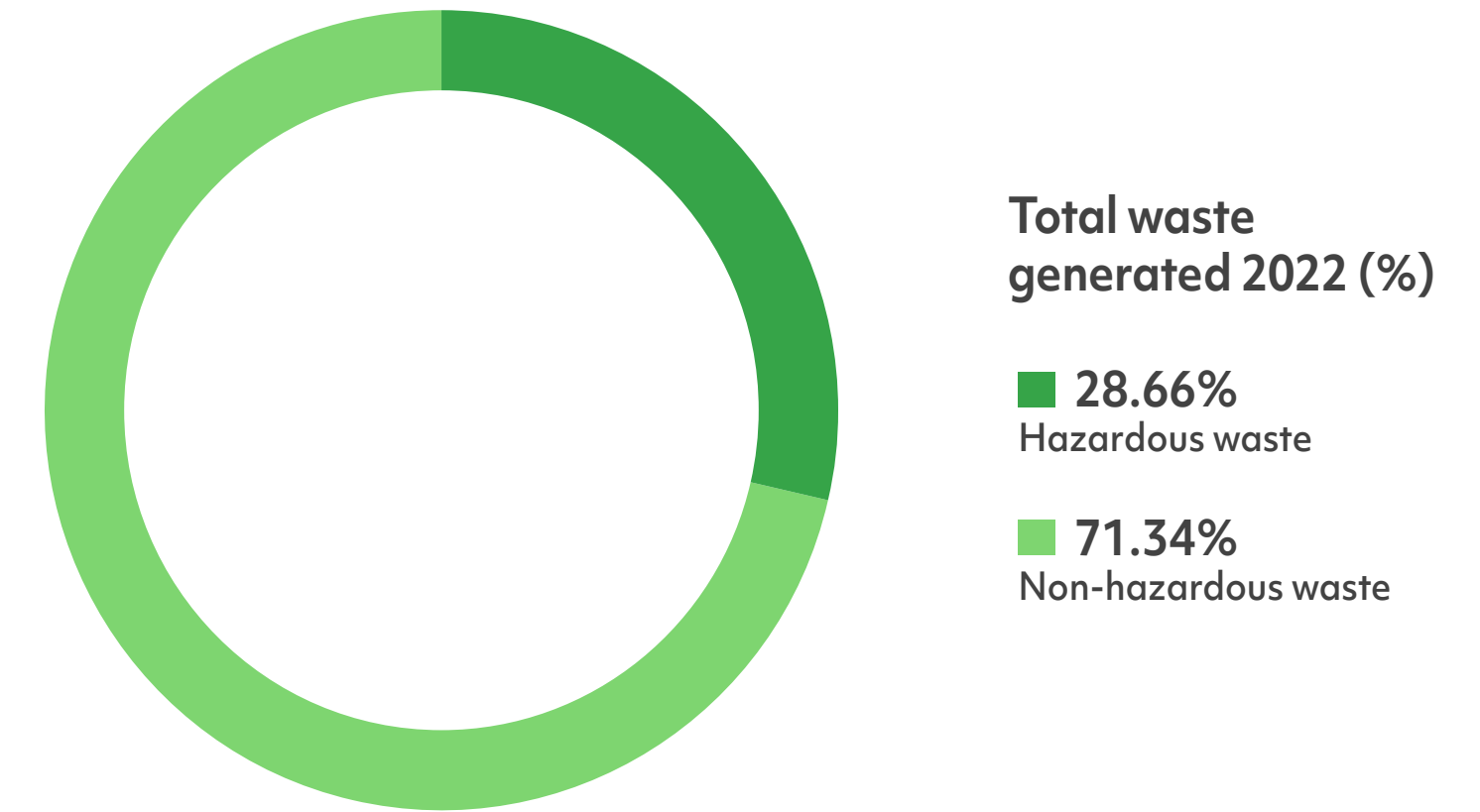


6.3 Waste management and circular economy

GRI 3-3, 306-1, 306-2, 306-3 **ATHEX ESG** A-G3, A-E3

The proper collection and use of waste, derived from the Group’s business activity, is a non-negotiable priority. The Group implements waste management and disposal practices, adopting, as well, relevant education and training initiatives for the employees.

In 2022, the total waste generated was 163.8 tons, with the percentages of waste by category (hazardous and non-hazardous), presented in the graph below. It is worth noting that for 2022 the percentage of waste diverted from disposal (recycling) was 61%.



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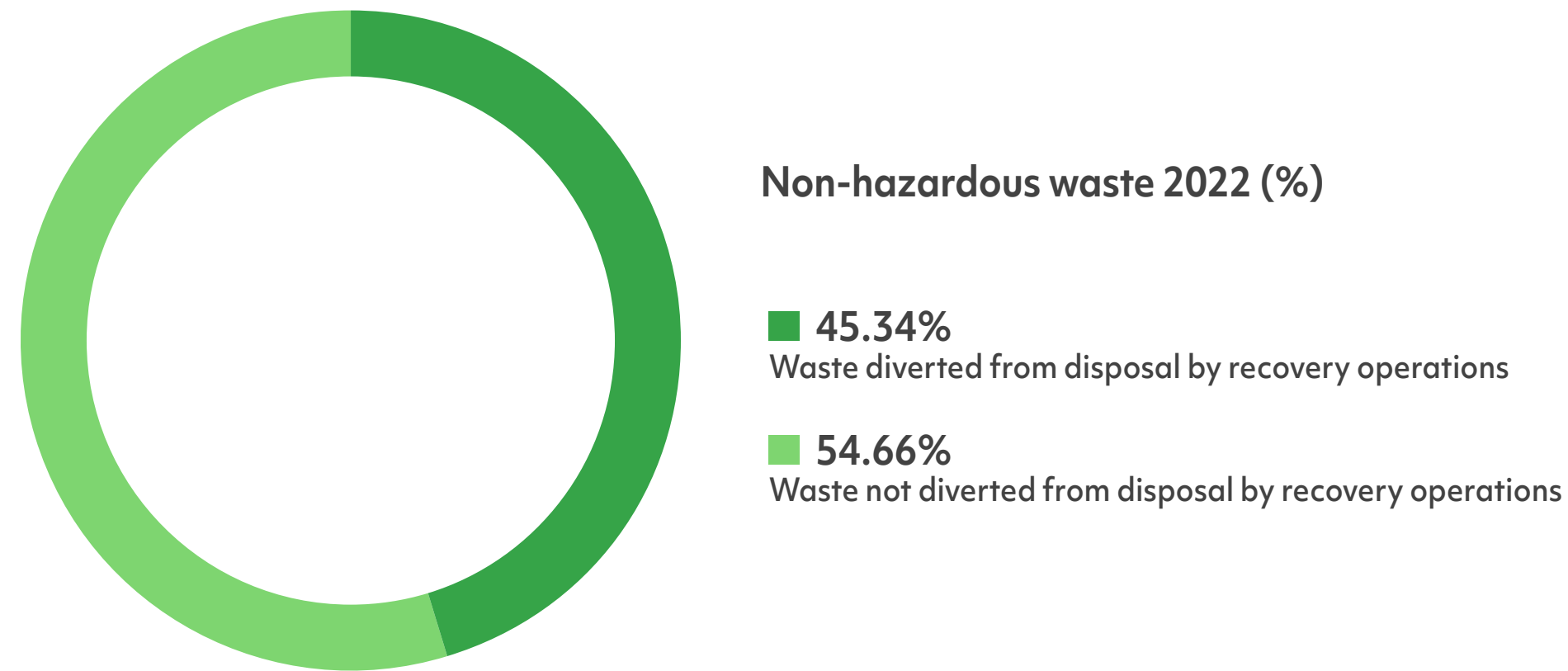
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Regarding non-hazardous waste, 54.66% of the total waste was not diverted from disposal by recovery (sewage) and the remaining 45.34% of waste was diverted from disposal by recycling.



Specifically, in all Group's facilities, an integrated recycling system for paper, aluminum, glass, plastic, electronic and electrical equipment, lamps and batteries is implemented, through the use of special collection bins. The waste disposal and management is carried out through the Group's cooperation with alternative management system operators, who follow all proper legislation provided by the Hellenic Recycling Agency (HRA/EOAN), as well as with licensed (per waste category) companies in Greece and abroad, responsible for the collection, transportation, disposal/use of waste.

Non- Hazardous Waste	2022	2021
Recycling (tons)	52.97	26.9
Landfills (tons)	63.8	13.5
Total waste (tons)	116.9	40.4

Concerning the Group's performance in hazardous waste management, it conducts regular audits to ensure thorough monitoring and appropriate handling. Moreover, the Group meticulously plans and implements all necessary measures to mitigate the risk of potential pollution to the natural environment. This includes employing certified UN type barrels for safe transportation of hazardous waste, as well as ensuring proper collection and storage of lubricants.

Hazardous Waste	2022	2021
Recycling (tons)	46.9	127.8
Sanitary burial (tons)	-	-
Total (tons)	46.9	127.8

Liquid Waste

The liquid waste management, derived from the Group's activity, is completely restored, through measures, determined by the environmental regulations, according to which, the Group has obtained its environmental licenses for every project. The liquid waste generated includes:

- Sewage
- Waste from the production process
- Waste - Lubricants and Oils

6.4 Taxonomy

Taxonomy Regulation 2020/852/EU

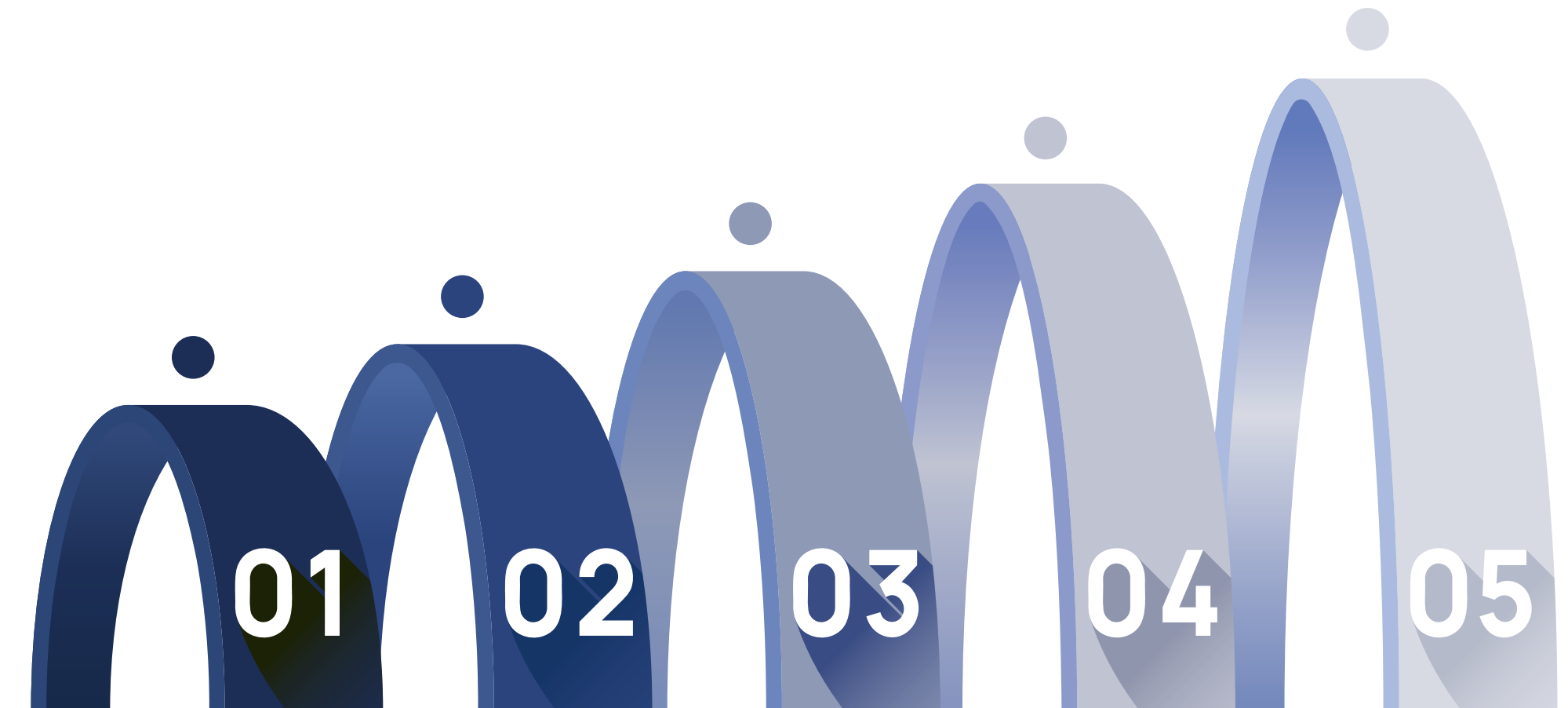
The Taxonomy Regulation is a key component of the European Commission’s action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU climate goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

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.

In accordance with the provisions set forth in Delegated Act 2021/2178 EU (Article 10, paragraph 2), pertaining to the disclosures scheduled for 2023 and applicable to the financial year 2022, non-financial undertakings are now mandated to provide additional information beyond the previous requirement of disclosing the percentage of eligible and non-eligible activities. Specifically, companies are now obliged to disclose whether their eligible activities align with the initial two environmental objectives, namely, the mitigation of climate change and adaptation to climate change.



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



Identifying eligible economic activities

Assessing substantial contribution to at least one of the environmental objectives (compliance with technical screening criteria)

Assessing DNSH criteria for no significant harming any of the other five environmental objectives





Verifying minimum safeguards

Calculating KPIs

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Taxonomy - eligible and aligned economic activities

The eligible and aligned economic activities, in accordance with Annex I and II to the Climate Delegated Act, of TERNA ENERGY for the financial year 2022 include:

Economic Activity	Description	Activity Code (NACE- Code)
 4.1. Electricity generation using solar photovoltaic technology	Construction and operation of electricity generation facilities that produce electricity using solar photovoltaic.	35.11
 4.3. Electricity generation from wind power	Construction and operation of electricity generation facilities that produce electricity from wind power.	35.11
 4.5 Electricity generation from hydropower	Construction and operation of electricity generation facilities that produce electricity from hydropower.	35.11
 4.8. Electricity generation from bioenergy	Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids.	35.11

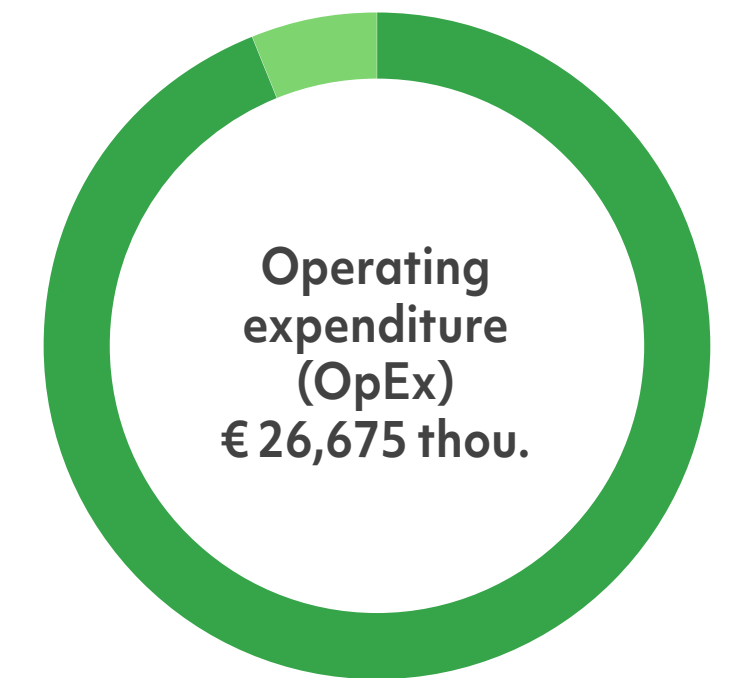
FY 2022



- **79%**
Proportion of Taxonomy-aligned economic activities.
- **21%**
Proportion of Taxonomy- non-eligible economic activities.
- **0%**
Proportion of Taxonomy-eligible (non-aligned) economic activities.



- **93%**
Proportion of Taxonomy-aligned economic activities.
- **7%**
Proportion of Taxonomy- non-eligible economic activities.
- **0%**
Proportion of Taxonomy-eligible (non-aligned) economic activities.



- **94%**
Proportion of Taxonomy-aligned economic activities.
- **6%**
Proportion of Taxonomy- non-eligible economic activities.
- **0%**
Proportion of Taxonomy-eligible (non-aligned) economic activities.

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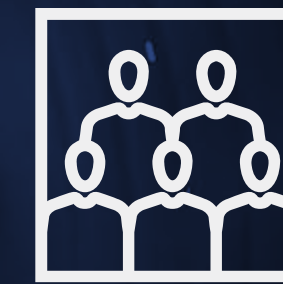
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The Group recognizes that its people are its cornerstone thus, its priority is to provide a working environment that supports and promotes employees' health and safety, respects human rights, provides equal opportunities and diversity, and aims at employees' training and development. Thus, the well-being of its people is pursued, as a key concern for the recruitment process, the investment activity and the business success of the Group.

The material issues identified, that are now strategic guidelines for the Group, are the following:



Employment Practices



Health and Safety



Employee training and development



Human Rights



7.1 Employee training and development

Employee training is one of the necessary means to achieve professional development of human capital. The Group invests in providing the appropriate means as well as employee evaluation, in order to help them develop their skills, in alignment with the Group's strategic goals.

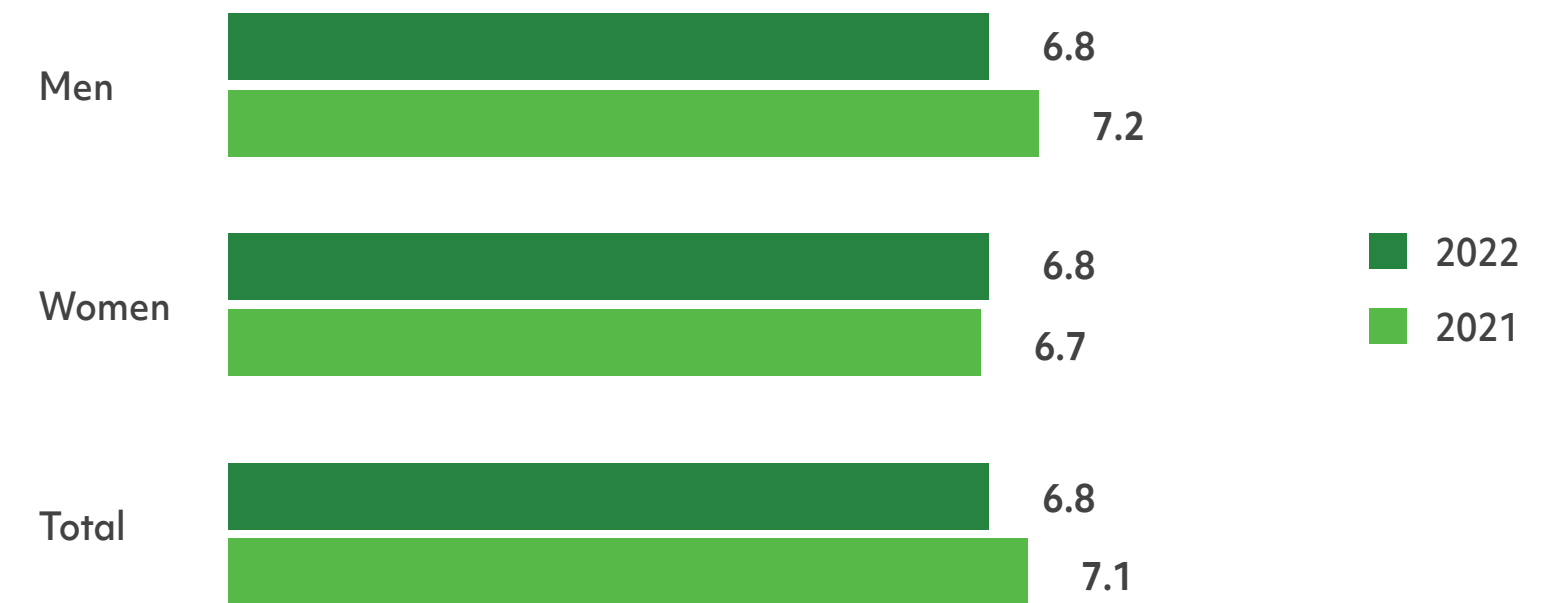
Practices to enhance education

The Group systematically invests in training and enhancing employees' performance, in upgrading their technical capabilities, as well as in improving their skills. The Group consistently prioritizes the implementation of specialized education and training programs tailored to various levels and positions, aligning them with strategic planning and the evolving demands of the human resources landscape. In addition, on an annual basis, internal training is carried out by supervisors and specialists on health and safety issues, environment issues, personal data, cyber-security, and the implementation of Code of Conduct and Ethics.

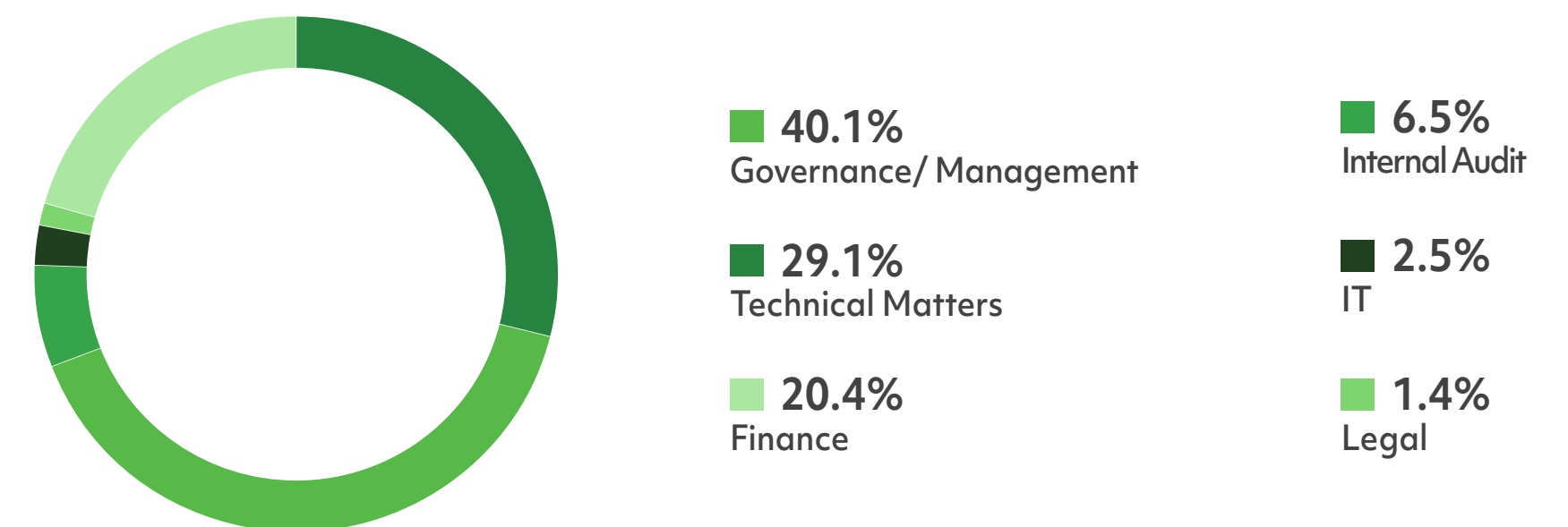
The Group implements a Training Policy, which describes the framework regarding the internal processes related to the Group's human capital and the dissemination of knowledge and experience, with an emphasis on any developments concerning the Internal Audit, Risk Management, Regulatory Compliance, Information Systems, Information Security and Personal Data Protection.

In 2022, total employee training hours increased by 2.3% compared to the previous year.

Average training hours for Greece & Abroad



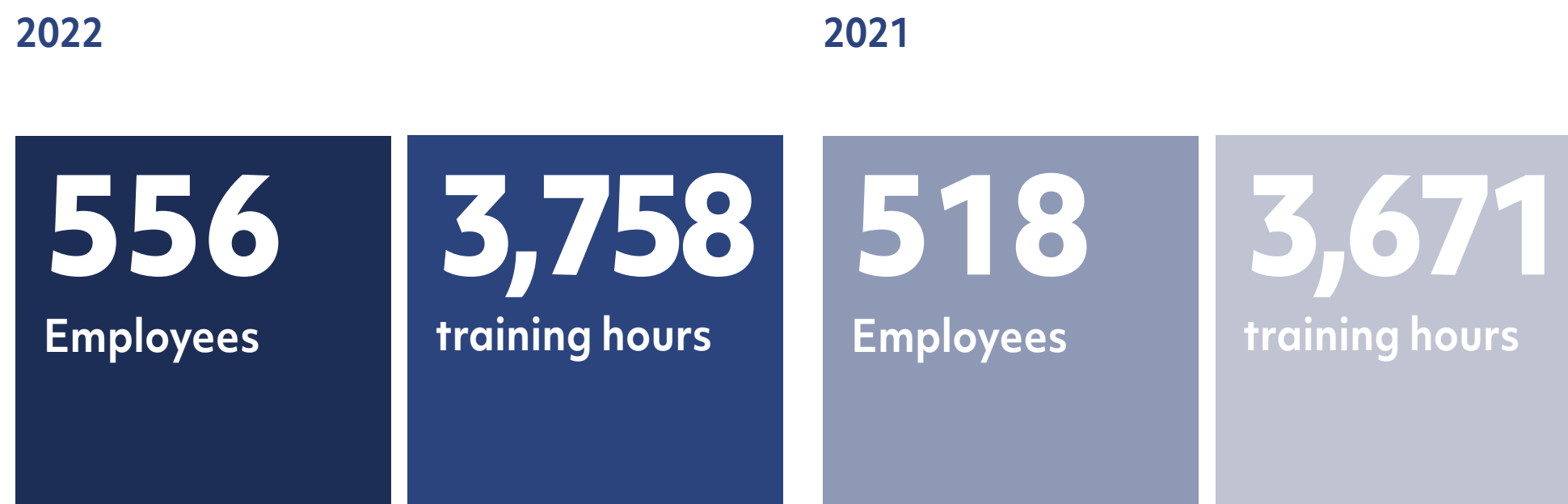
Training programs per subject matter



Employee evaluation and development

TERNA ENERGY Group aims for the continuous improvement and empowerment of its employees. On an annual basis, a performance evaluation system is implemented for its employees, seeking to guide them in their professional development and assess their contribution. The evaluation system measures the total performance of the Group and provides feedback on individual performance, aiming for the continuous improvement of skills, through the achievement of individual goals and merit-based rewarding based on each assessment.

In 2022, an evaluation assessment was conducted for all Group employees.



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7.2 Health, safety and well-being

Caring for its employees, the Group implements a series of actions aimed at ensuring occupational health and safety for all those directly or indirectly involved in its operations. The concern for Health & Safety for the entire human resources of the Group is an integral part of its broader business policy and philosophy.

Health and Safety System

The Group implements an occupational Health & Safety Management System, which is in accordance with the legal and other national, community and international requirements, guidelines and regulations in the field of Health & Safety.

The Group's Occupational Health & Safety Management System is valid for all employees (including subcontractors), and across all projects and activities. In the context of the implementation of the certified Occupational Health and Safety Management System, the Group implements a Management Systems Policy, in which the Health and Safety Policy is integrated.

The Group's Occupational Health and Safety Management System is certified according to international standard ISO 45001:2018. The Top Management actively participates, supports and gives priority to the implementation of the health and safety system at work, across every project in Greece and abroad. In addition, it is committed to collaborating and consulting with employees to implement the goals it sets out to achieve, providing all the necessary resources for continuous improvement.

Risk minimization and incident investigation

To ensure timely prevention and minimization of risks, the Group prepares Occupational Risk Assessment Studies for all its facilities (in operation and under construction), identifying all potential risks, as well as the measures taken to minimize them.

There is close collaboration between the Safety Coordinators/ Officers and the executives of each project, while Management plans and implements measures to address any identified risks with the aim of minimizing their negative impacts.

The Group's main objective is the continuous improvement of the Occupational Health and Safety Management System. The evaluation of the degree of implementation of the established procedures and protective measures for health and safety of employees is carried out through scheduled and unscheduled inspections as well as internal audits. Specifically, in 2022, 54 internal audits were conducted in the Group's operating facilities and construction sites.



GRI 3-3, 403-1, 403-2, 403-7

SASB IF-EU-320a.1

ATHEX ESG A-G3, SS-S6

In addition, repeated inspections and/or follow up meetings are conducted, to assess the degree of implementation of corrective actions, as identified during the inspections.

During the annual review of the Health and Safety Management System, the Management is informed of any issue and hence, the new action plan and the Group's objectives are defined.

The employees of the Group or any other stakeholder are able to report issues related to occupational risks and dangerous situations, and may contact the Quality, Health - Safety and Environment Service of the Group and/or the Compliance Unit, either anonymously or by name, through the following communication channels:



Send an email

completion of a relevant form which is part of the Unified Management System and sending it online to the following email address: departmentqhse@terna-energy.com



Use the Group's platform

<https://ternaenergy.integrityline.com/frontpage>



Send a letter

TERNA ENERGY S.A. 85, Mesogeion Ave, Athens 115 26, Greece, to the attention of the Company's «Quality, Health & Safety, Environment and Standards Department», and marked as «Confidential».

Management takes all necessary measures to ensure the anonymity and confidentiality of all employees who submit their complaints, as well as to protect them from any retaliation, in accordance with the provision of the Group's Code of Conduct and Ethics. At the same time, in order to investigate Health and Safety incidents, the relevant form of the Integrated Management System needs to be completed.

In 2022, there was one (1) recorded injury (minor injury) related to the use of lifting equipment in the workplace. It is worth noting that there was a 17.9% decrease in the index of recordable work-related injuries, compared to the previous year.

Total Recordable Incident Rate (TRIR)



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Health & Safety Performance Indicators

	2022		2021	
	Employees	Workers who are not employees and whose work and/ or workplace is controlled by the organization	Employees	Workers who are not employees and whose work and/ or workplace is controlled by the organization
Number of hours worked	857,416	131,040	704,934.0	110,216.0
Number of fatalities as a result of work-related injury	0	0	0	0
Fatality Rate (FR)	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
High-Consequence Injury Rate (HCIR)	0	0	0	0
Number of recordable work-related injuries	1	0	1	0
Recordable Work-Related Injury Rate (TRIR)	0.23	0	0.28	0
Number of injuries with loss of working time \geq 3 days (Lost Time Injury)	1	0	-	-
Lost Time Injury Rate (LTIR)	0.23	0	-	-

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Health and safety services

Contributing to the identification and elimination of risks, the Group collaborates with occupational physicians, who are responsible for systematically monitoring the health and well-being of employees.



The Group provides training to its employees in basic theoretical and practical modules, in order to be able to recognize, assess and deal with life-threatening situations. In addition, Medical Fitness Certificates are issued to all employees for the work they perform, while Safety Officers have been appointed, as the main advisory body, on matters related to the health and safety of employees and prevention of occupational accidents.



Employee participation and engagement

The Group actively supports the participation and engagement of employees in the development, implementation and evaluation of the Occupational Health and Safety Management System at work.

The Group encourages all its employees to report:

-  **Dangerous situations so that preventive measures can be taken, and corrective actions can be carried out.**
-  **Suggestions / recommendations for improvement regarding health and safety at work.**

The engagement and participation mechanisms for employees, implemented by the Group, are the following:

- Regular Meetings between Management and the Facility Managers. During these meetings, issues related to the identification and implementation of engagement and participation mechanisms, the identification of risks and the assessment of threats and opportunities, resource needs, the investigation of incidents, etc. are discussed.
- Regular Meetings between the Facility Manager and the employees. During these meetings, discussions are held related to understanding the needs and expectations of the stakeholders, the assignment of roles, responsibilities and authorities, determining how to meet legal and other requirements, establishing goals and continuous improvement.
- Use of a Management System form, to record a description of the event, such as the project, the location, the type, its possible causes, as well as the corrective actions to be taken.
- Meetings and discussions of the Safety officer with the employees of each facility / project during the preparation / update of the Occupational Risk Assessment Study.
- Conducting trainings /updates.
- Discussions with the Group's employees during visits/ inspections to the premises.
- Internal communication (correspondence, e-mail, internal notes).

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Health and Safety training

Employees and subcontractors are provided with training programs on occupational risks and their prevention. Trainings are carried out prior to the commencement of works (induction trainings), and during construction or operation of the facilities and during paid working hours for all employees.

All employees (including subcontractors) are trained by the Safety Officer or by other approved trainers on the following key issues*:

 Occupational Health and Safety System	 Use of Personal Protective Equipment (PPE)	 Requirements for the Occupational Risk Assessment Study	 Fire protection	 Workplace behavior
 Use of tools and equipment	 Orderliness of premises / Cleanliness / Waste management	 First Aid (Basic Principles of First Aid)	 Emergency drills	 Work at height
 Evacuation exercises	 Prevention of heat stress	 Rescue exercises from wind turbines	 Measures to deal with the pandemic	

*The Safety Officer is responsible for the enrichment of the above educational subjects, depending on the specificity of the project and the facilities.

2022

1,403
hours of training on Health and Safety issues

79%
participation of employees.

Health and Safety Benefits

The Group provides additional medical and health services to its employees, such as health insurance, including family coverage.

Business relationships, health and safety

The protection of health and safety concerns not only employees, but also interested parties that are part of the supply chain, the Group ensures that contracts with all suppliers and partners, include terms for mandatory compliance with the applicable legislative and regulatory framework for health and safety at work. All Group partners must adhere to its policies, procedures, standards and Management Systems, while subcontractors' employees must also participate in the relevant health and safety trainings, organized by the Group.

In this context, the Group frequently reviews the contracts it has entered into 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 collaboration if any of these criteria is not met.

7.3 Human Rights

A prominent aspect of the Group’s socially responsible corporate behavior is its commitment to respect human and labour rights, alongside actively promoting diversity. The Group’s Human Rights Policy is published on its official website, ensuring accessibility to the wider public.

The Group acknowledges human rights risk within its supply chain and its own activities. Any violation can negatively impact the organization, such as imposition of fines or sanctions on employees, and on the reputation and trust between the stakeholders.

It is worth noting that no incidents of human rights violations were reported during 2022, showing the Group’s long-standing commitment to zero tolerance on human rights violations.

Based on the Code of Conduct and Ethics, all employees can report either anonymously or by name, any incident of discrimination, through the following communication channels:



Send an email to compliance@terna-energy.com



Use the Group’s platform <https://ternaenergy.integrityline.com/frontpage>



Send a letter to TERN A ENERGY S.A. 85, Mesogeion Ave, Athens 115 26, Greece, to the attention of the Company’s «Regulatory Compliance Department», marked as «Confidential».

Preventing and combating Violence and Harassment at Work

In 2022, the Group adopted a policy of Combating Violence and Harassment at Work, which recognizes and respects employees’ right to a workplace free from violence and harassment.

Through this policy, the Group declares its zero tolerance to any incident of violence and harassment, taking all necessary measures to prevent and address such incidents and forms of behavior.



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7.4 Employment practices

The Group aims to create a modern work environment characterized by transparency and meritocracy, seeking to create new positions and support diversity and equal opportunities.

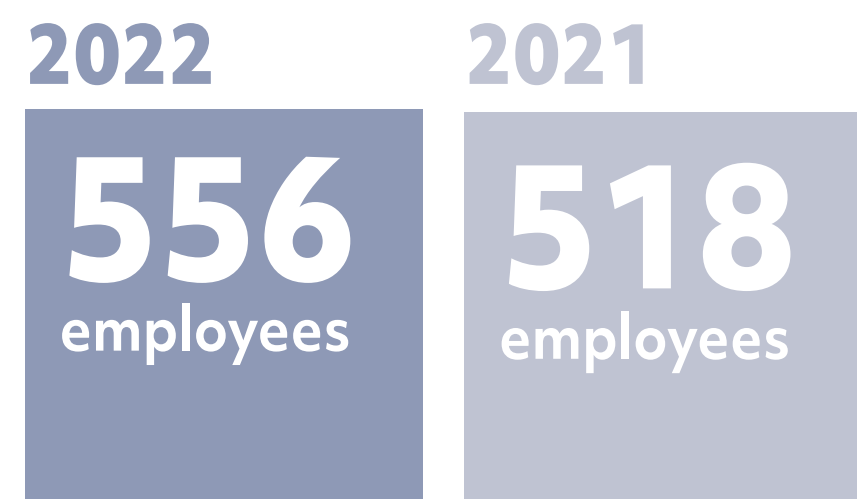
Employment in the Group

Through its activities in Greece and abroad, the Group offers various career opportunities. Attracting foreign investments contributes to further developing the volume and nature of the Group's activities, expanding into new geographic areas and enhancing employment and economic development in local communities.

The Group's recruitment process is based on objective criteria such as education, experience, professional profile, competencies, and skills. At the same time, the Recruitment Policy provides, inter alia, that the Group's decisions regarding recruitment are not based on any form of discrimination related to gender, nationality, language, religion, political beliefs, disabilities, sexual orientation, or other elements of diversity.

Enhancing youth employment

The Group places special emphasis on supporting youth employment and creating professional prospects by implementing programs aimed at facilitating their integration into the labor market. In this context, it collaborates with the most renowned Universities of the country (such as the National Technical University of Athens, the National and Kapodistrian University of Athens, the Athens University of Economics and Business, the University of Piraeus, the Aristotle University of Thessaloniki, the University of Macedonia, etc.) to enhance the institution of internship opportunities and provide students with professional experience, aiming at both a smooth transition to the labor market and their absorption into job positions. In 2022, 25 students completed their internship at the Group.



Employee Data

The contracts of all employees comply with the minimum requirements set by the legislation. All employees in Greece, are covered by the National Collective Bargaining Agreement and accordingly, the collective agreements are followed where required based on specialization. In 2022, the total number of workers who are not employees but whose work and/or workplace is controlled by the organization, amounted to 127.



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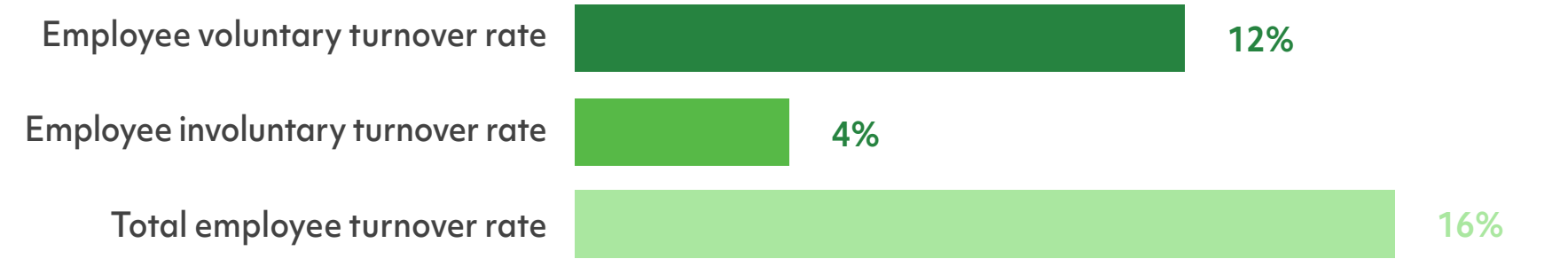
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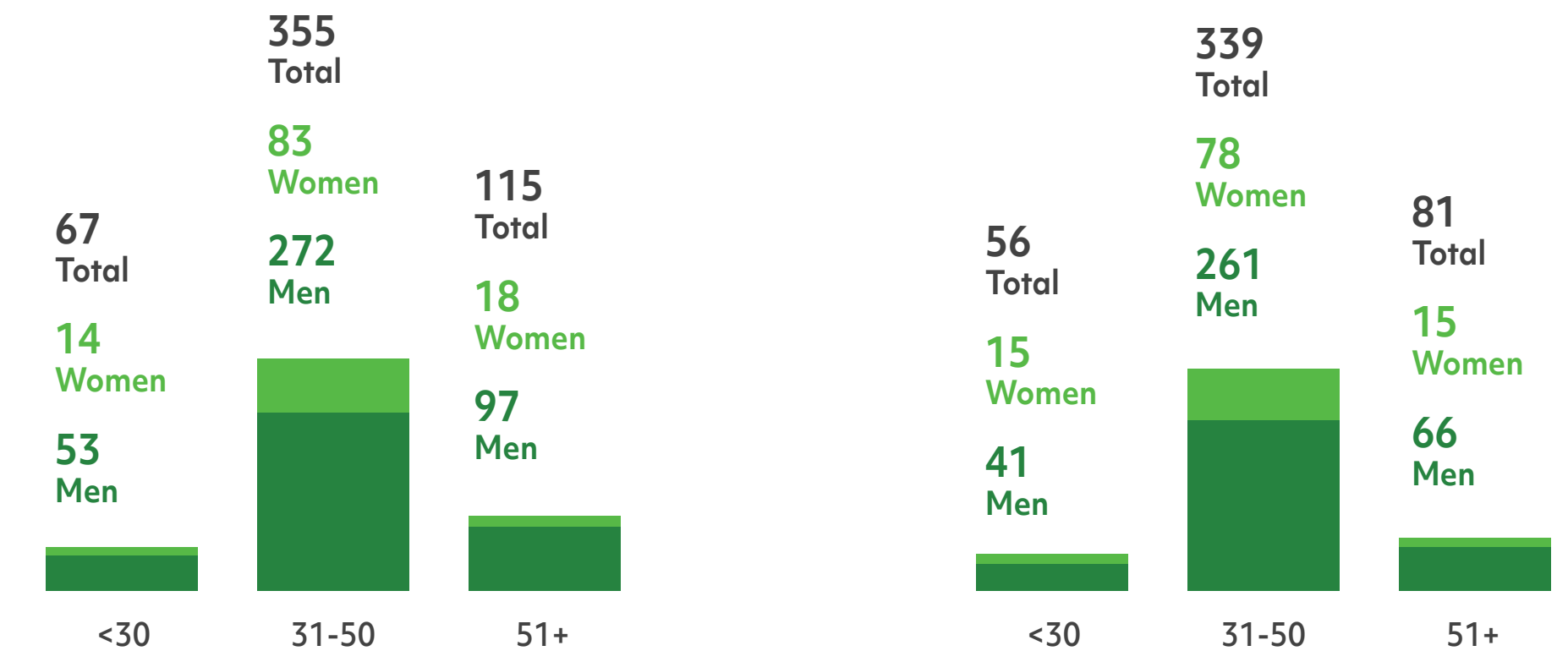
Employment, turnover and recruitment rates of TERNA ENERGY Group



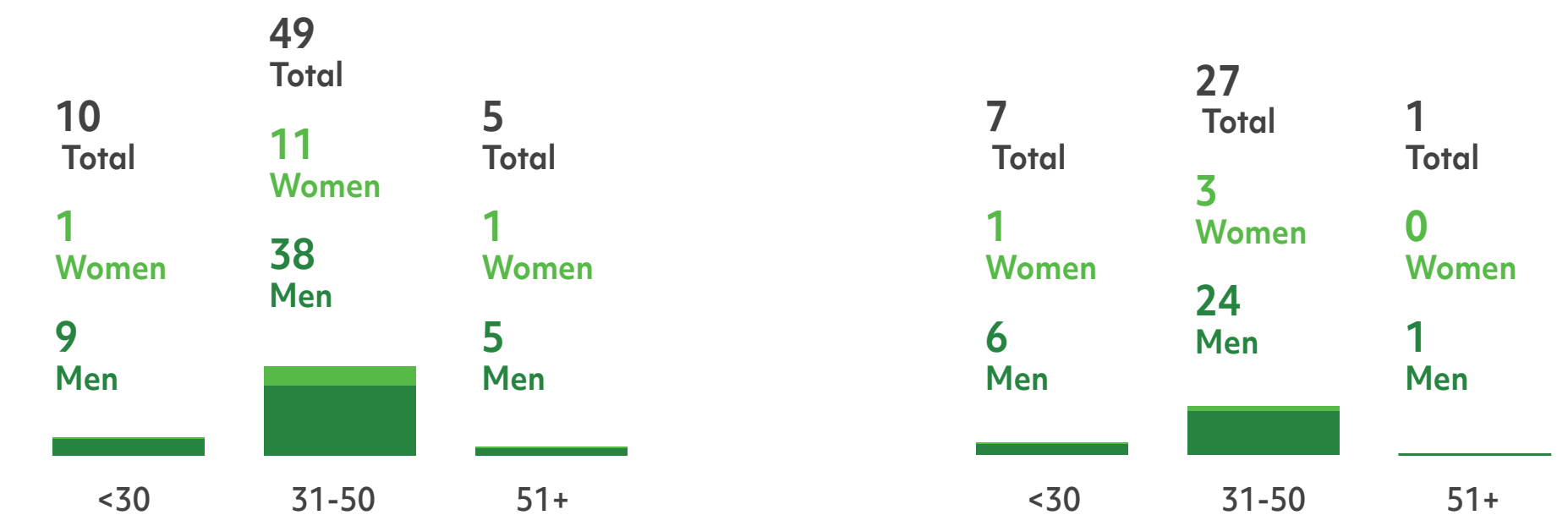
2022 Data

2021 Data

Total hires per gender and age group



Total voluntary turnover per gender and age group



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Equal opportunities, remuneration and benefits

The Group places at the centre of its actions equal treatment in the workplace, the elimination of all forms of discrimination and the provision of equal professional opportunities.

Among other things, it ensures support for the filing of vacancies through internal processes in cases where existing employees/ executives are interested in moving to positions they believe they can perform better or even advance to higher hierarchical positions within the Group.

The basic principles included in the Remuneration Policy are:

- 

A working environment that promotes commitment and motivates employees.
- 

The attraction of new competent executives and employees of every level.
- 

An efficient and stable work environment with trained personnel and a common corporate culture and knowledge, is a constant investment of the Group.

In this context, all actions related to employees are based on merit-based criteria, that concern performance, abilities, achievement, effectiveness, and qualifications of each employee. At the same time, attracting new talents, while retaining existing ones, are supported by transparent and objective processes that govern the Group's business strategy.

The Remuneration Committee is responsible for the Remuneration Policy applied to the Board Members, the Committee Members, and all Senior Executives of the Group, in accordance with the provisions of article 110/par.1 of 4548/2018, while the Human Resources Department is responsible for the proper implementation of the Remuneration policy to all employees.

Enhancing diversity

The Group supports and respects diversity among employees. The Group's goal is the equal representation of all genders at all levels of employment, regardless of age, sex, religion, nationality, political beliefs or sexual orientation.

It is noted that in 2022, the Group had zero incidents of discrimination. Furthermore, the representation of female employees reached 21.8%, while the proportion of women in managerial roles remained consistent at 16%, as observed in the preceding two years.



Enhancing accessibility

To promote equal access, use and utilization of workplaces by individuals without exclusions, the Group has been audited and complies with the requirements and recommendations outlined in the ELOT 1439:2013 Standard «Organization Friendly to People with Disabilities - Requirements and Recommendations».



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Value creation and social contribution

 **GRI** 3-3  **ATHEX ESG** A-G3



TERNA ENERGY Group prioritizes the generation and dissemination of economic value as its primary focus, thereby affirming its responsible stance as a social partner and fully aligning with the aspirations of its stakeholders.

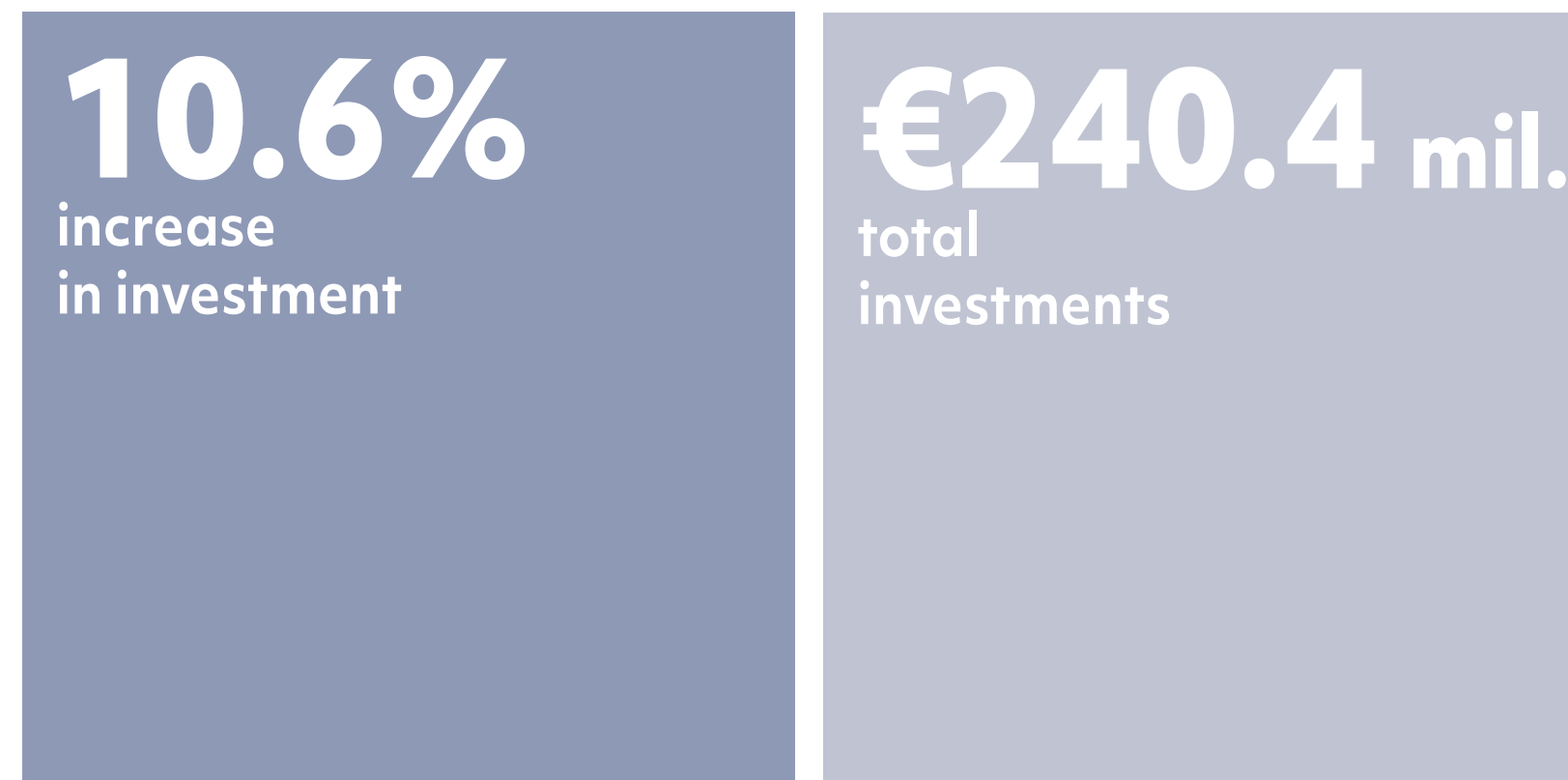
8.1 Creation of direct and indirect economic value

TERNA ENERGY Group prioritizes the generation and dissemination of economic value to the economy and the society. By making significant investments and maintaining open communication channels with local communities, the Group strengthens long-term trusting relationships with its stakeholders and reinforces its responsible approach and contribution.

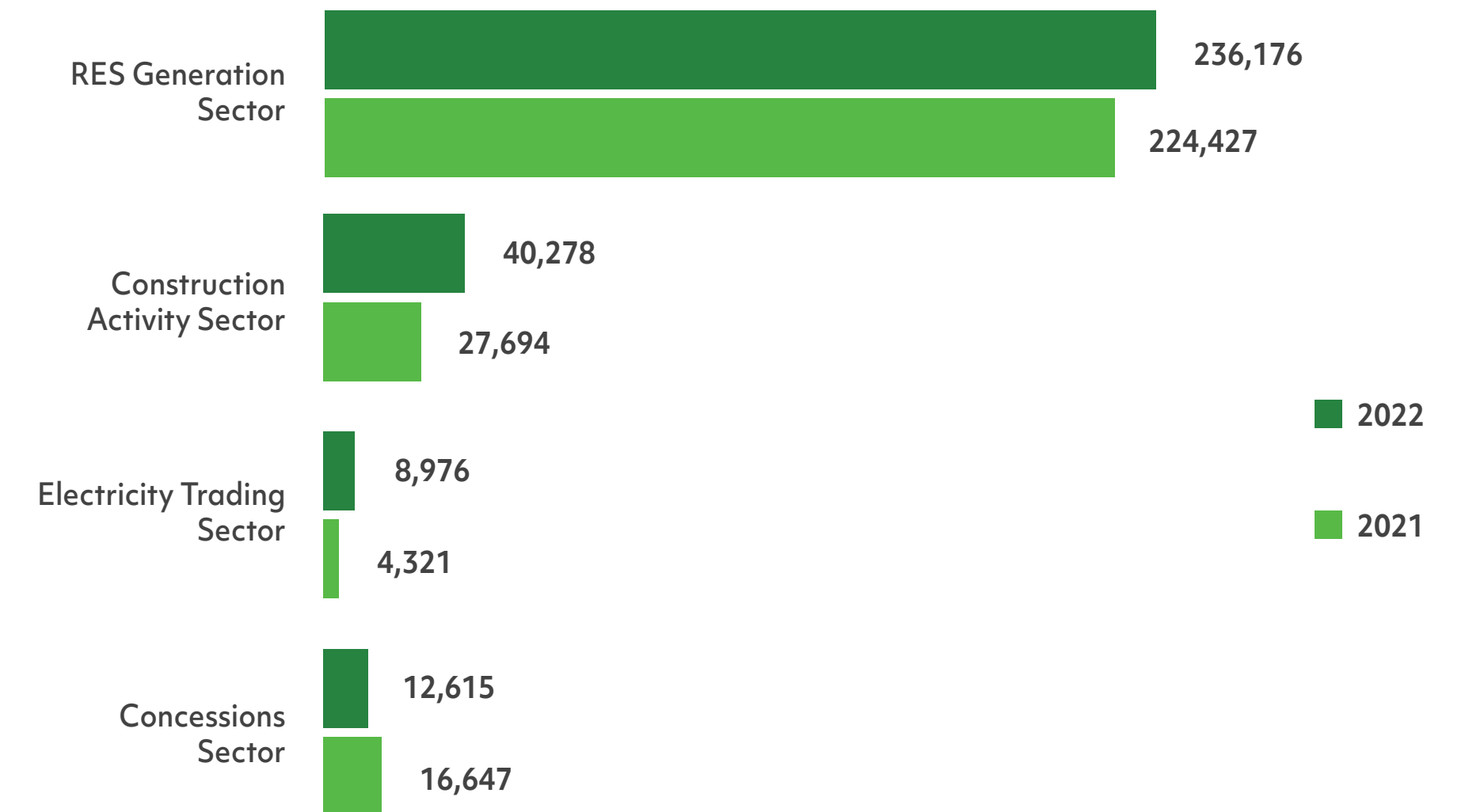
Investment Activity 2022

For another year, the smooth implementation of the Group's investment program continued uninterrupted, creating the conditions for stabilizing increased revenue and profitability on a long-term basis.

2022



Turnover per activity sector (thousands €)



Direct economic value generated and distributed (thousands €)



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During 2022, there were no cancellations or delays of operations related to impacts on society at TERNA ENERGY Group. The continuous upward trend of the Group's activities helps to enhance respectively the generated value for all stakeholders.

The table below shows the direct economic value generated and distributed.

Performance Indicator	2022	2021	Unit
Direct Economic Value Generated			
Turnover	314,747	412,887	thousands €
Direct Economic Value Distributed			
Operating Costs	204,945	267,285	thousands €
Wages and Employee Benefits	15,216	13,837	thousands €
Payments to Capital Providers	79,304	72,934	thousands €
Payments/Contributions to the State, per country (taxes)	35,008	28,779	thousands €
GREECE	31,217	26,759	thousands €
CYPRUS	298	529	thousands €
N. MACEDONIA	4	0	thousands €
ALBANIA	0	2	thousands €
BULGARIA	133	104	thousands €
SERBIA	5	5	thousands €
POLAND	2,212	1,318	thousands €
U.S.A	1,139	61	thousands €
Social Contribution	3,661	1,901	thousands €
Direct Economic Value Distributed (total)	338,134	384,736	thousands €
Undistributed Economic Value (Direct Economic Value Generated - Direct Economic Value Distributed)	-23,387	28,151	thousands €

Supply chain and preference for local suppliers



Responsible procurement is one of the issues that affect the environmental, social, and economic footprint of the Group and is an integral part of its operational activity. The Group's aim is to maintain and seek reliable relationships of mutual benefit while also contributing to the strengthening and development of the domestic economy. Specifically, the Group supports and chooses local suppliers through its collaborations and the creation of new indirect job positions.

The Group's Purchasing Policy aims to create and ensure relationships based on a value system of mutual trust, transparency, collaboration, recognition, integrity, and equal opportunities, with the goal of creating long-term value. It also includes ESG criteria in the selection of its suppliers, ensuring an environmentally and socially responsible supply chain.

Basic principles



Respect for Human Rights



Protection of the Environment



Promotion of Health and Safety at Work



Quality of products and services



Meritocracy and Transparency / Anti-corruption



Prohibition of forced labor and child labor



Respect to freedom of association



Zero tolerance for incidents of violence and harassment



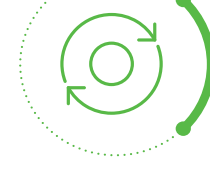
Equality, diversity, and adoption of responsible work practices



Confidentiality and Personal Data Protection



Fair Competition



Tackling climate change

Percentage value of purchases by national and international suppliers⁵

	2022			2021		
	Purchase Value in thousand €	Percentage of purchase value	Percentage of suppliers	Purchase Value in thousand €	Percentage of purchase value	Percentage of suppliers
National suppliers	386,824	74.89%	91.53%	284,396	72.40%	90.00%
International suppliers	74,574	14.44%	7.87%	99,734	25.40%	9.20%
Related parties	55,148	10.68%	0.60%	8,441	2.20%	0.80%
Total	516,546	100.0%	100.0%	392,571	100.00%	100.00%







⁵National suppliers are those who, in the reporting period 2022, supply the Group companies and are located in the same territory (country). International suppliers are those who supply the Group companies and are not located in the same territory (country). Only suppliers with a consolidated purchase amount in the period >€1,000 are counted. It is calculated algorithmically for the specific period. Related parties: as defined in IAS 24 «Related parties» IFRS Joint Ventures, associates, and members of the BoD of the Group companies.

8.2 Responsible actions for the local and wider community

An integral part of the Group's strategic priorities is the tangible support of citizens through its active contribution to the creation of sustainable and resilient communities. Towards maximization of the generated added value, the Group strengthens its relationships with local communities in the areas of its operations and aims to enhance its positive impact.

Social Contribution

The Group actively engages with local communities through the implementation of a corporate social responsibility program, which aims to:

-  Support the operation of social structures and the work of local authorities.
-  Enhance the quality of life of residents in the local communities.
-  Promote education and training of the young generation.
-  Enhance the cultural heritage of each region.
-  Raise environmental awareness.
-  Promote culture and sports.

Specifically, in 2022 the social support program of Terna Energy Group, through sponsorships, donations, and infrastructure projects in the areas of operations, reached 3.66 million euros.

Indicative examples of social contribution for 2022

In 2022, significant progress was accomplished in the implementation of the donation initiative for the conversion of the 115 Air Force Base in Souda into a Near Zero Carbon Emissions Airport, covering its electricity needs by 100% from Renewable Energy Sources (Net Zero Energy Airport).

During the construction of the wind farm complex, in the region of South Evia, special emphasis was given to the improvement of the daily lives of the residents of local communities, through infrastructure projects. These include road maintenance, cleaning of rural roads, renovation building projects, communal spaces, signing of residential areas, etc.

Furthermore, a significant part of the social support program for 2022 was directed towards supporting school and university innovation teams.

Lastly, the Group continued to support prominent archaeological and excavation programs, such as the underwater archaeological excavation conducted in the marine area of Kasos by the Ephorate of Underwater Antiquities of the Ministry of Culture and Sports, in collaboration with the Institute of Historical Research of the National Hellenic Research Foundation. Additionally, financial support was provided to the research program of surface, geophysical, and excavation research at the acropolis of GLA in Viotia, the archaeological excavation at the site of Gourimadi in South Evia, and the study for the restoration and enhancement of the ancient castle «Rizokastro» in the Municipality of Kymi Aliveri.

Responsible social relations and support for local communities

Given the nature and extent of the Group's activities in renewable energy sources (RES) and waste management, it is crucial to establish responsible relationships with local communities. Therefore, the aim is to maximize the positive social impacts, ensuring social acceptance and progress towards Sustainable Development.

Strengthening relations with local communities is achieved through the Group's strategy, which aims to create positive impacts in the areas of its operations. It also focuses on enhancing consultation and open dialogue with the local community, ensuring stakeholders are well-informed, and enabling the identification of potential concerns and issues. This approach contributes to the rational implementation of the Group's projects with a commitment to sustainable practices.

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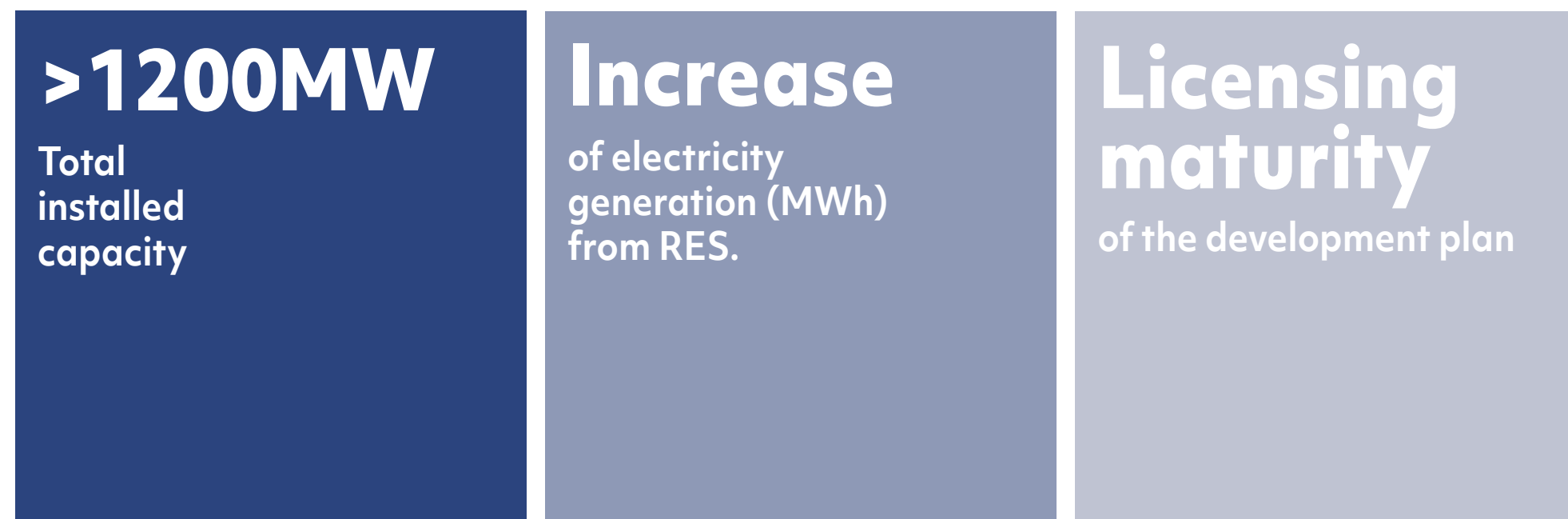
8.3 Access to green energy

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8.3 Access to clean energy

RES projects act as a catalyst in reducing the cost of electricity production and eliminating imported fuels. In this context, the Group's material issue of clean and affordable energy is fully aligned with its investment plan to increase the installed capacity to 6GW by 2029.

2023 Priorities



Reduction of electricity generation costs and offsetting benefits

The development and operation of RES projects reduces the needs of electricity production from conventional energy sources and the release of polluting emissions into the atmosphere, while at the same time, they contribute to addressing energy shortage problems in specific regions of the country.

The Group's activity in the development of RES projects, specifically wind farms and hydroelectric power plants, creates additional social benefits both directly, through contributions, and indirectly, through discounts on the electricity bills of the local residents. In this context, 3% of the gross annual revenue from the operation of each wind and hydroelectric project, as well as from the energy produced by the Waste Management and Biogas Production Units, is allocated to the local communities. Specifically, during the reporting period, almost €6 million of offsets was distributed to the municipalities, hosting the projects of the Group.



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9.1 About the Sustainability Report

This report constitutes the 8th consecutive Sustainable Development Report of TERNA ENERGY Group. The report presents data for the period of January 1st, 2022, to December 31st, 2022. The financial statements of the Group cover the same period, but the Group additionally publishes interim financial statements. It communicates all of the Group's actions related to sustainable development and corporate responsibility and underlines its commitment to continuous improvement and long-term value creation for all stakeholders.

Information of the report

The aim of the Report is to present valid and accurate information regarding the management approach, the performance and commitment of TERNA ENERGY Group on environment, people, and the economy, through quantitative and qualitative data, for the period 01/01/2022-31/12/2022. The responsibility for the calculation, collection and consolidation of quantitative data, as well as the responsibility for the accuracy and completeness of qualitative and quantitative information included in this report, belongs to TERNA ENERGY Group.

Scope of the report

The data of the report refers to TERNA ENERGY Group and more specifically the offices and facilities of the Group, as well as its subsidiaries in Greece, Bulgaria, Poland, USA and Cyprus.

Reporting Principles

This Report has been prepared in accordance («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), the ESG Information Disclosure Guide of Athens Stock Exchange (ATHEX), and the 17 Sustainable Development Goals of the United Nations (SDGs).

For the 2022 Sustainable Development Report, the Group has not proceeded with external assurance of the content of the report.



TERNA ENERGY considers the opinion of each reader on the report content particularly important for the dialogue development 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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Num: 210 69680000, Fax: 2106968098-99,
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COORDINATOR

Directorate of Strategic Communication,
Corporate Social Responsibility and Sustainable
Development

DEPARTMENTS

- Quality, Health, Safety, Environment and Standards
- Human Resources
- Compliance
- Financial Services

ART DIRECTOR

George Charitos

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STATEMENT OF USE: TERNA ENERGY has reported in accordance with the GRI Standard 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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	2-2 Entities included in the organization's sustainability re-portaling	About the Sustainability Report	69
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	2-4 Restatement of information	About the Sustainability Report	69
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	2-8 Workers who are not employees	Employment practices	59
	2-9 Governance structure and composition	Corporate governance model	28-29
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	2-19 Remuneration policies	Corporate governance model	31
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	2-22 Statement on sustainable development strategy	Message from the CEO	5
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	2-24 Embedding policy commitments	Ensuring regulatory compliance and business ethics	33
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	2-27 Compliance with laws and regulations	Ensuring regulatory compliance and business ethics	34, 39
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	205-2 Communication and training about anti-corruption policies and procedures	Ensuring regulatory compliance and business ethics	34
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