



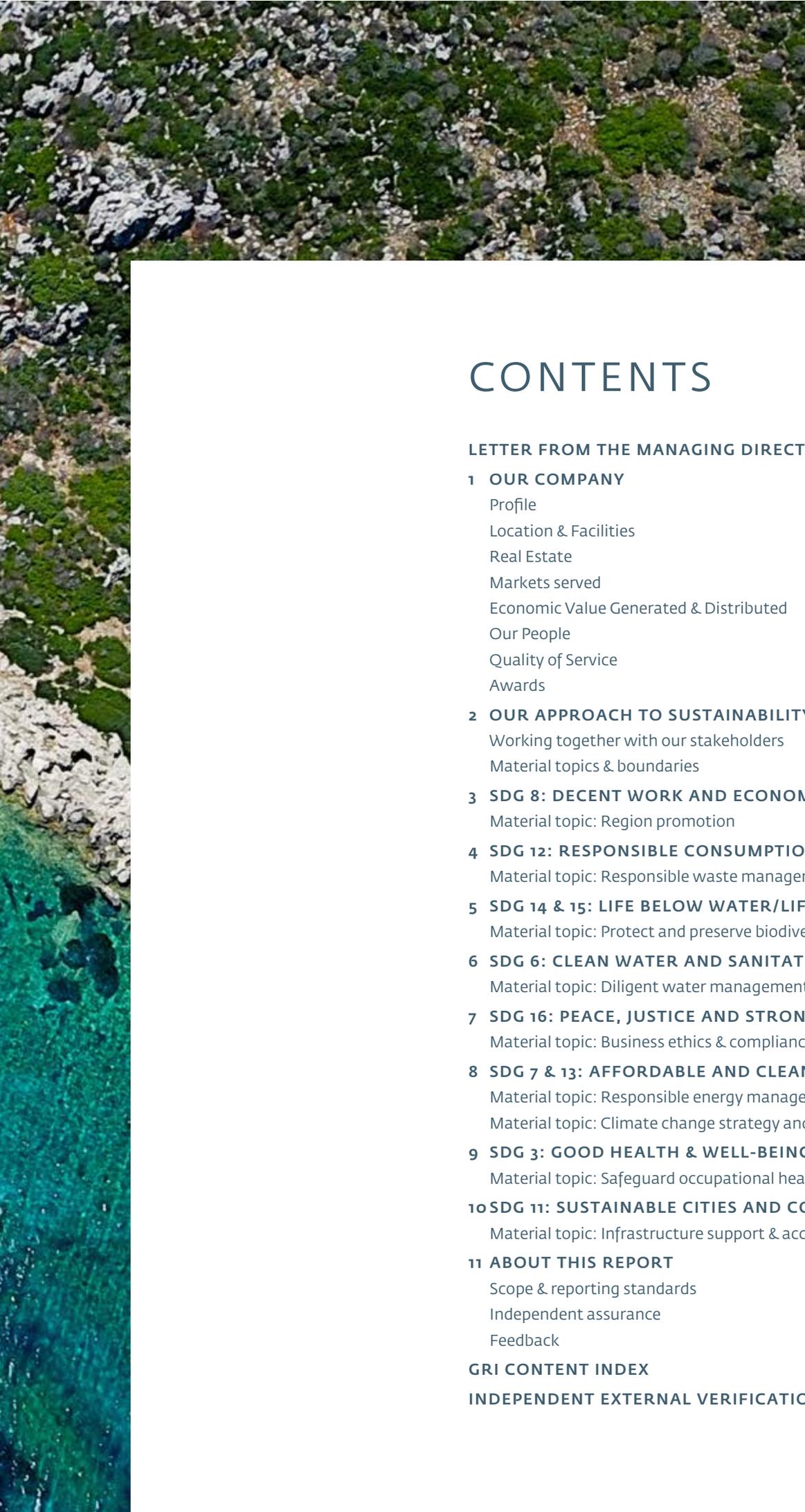
SUSTAINABILITY REPORT  
2018

TEMES



TEMES





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# LETTER FROM THE MANAGING DIRECTOR

The fourth edition of our company's sustainability report reflects our firm commitment to sustainable tourism development, as well as our contribution towards the UN Sustainable Development Goals (SDGs) through our activities.

TEMES continues to focus on long-term sustainable growth. 2018 was a year marked by positive financial performance, as well as by the advancement of our development plans and new partnerships. 2018 saw a significant growth in turnover (60.12m. EUR vs. 57.5m EUR in 2017) which was a result not only of the successful operation of the hotels but also of real estate sales. In 2018 we made further progress on the development of our forthcoming integrated resorts by launching the construction of the two new signature golf courses at Navarino Hills, as well as the new earth-sheltered Clubhouse at Navarino Bay.

We also formed a new partnership with Consillium S.A. for the ownership and development of the Navarino Hills site and The Dunes Course, as part of our ongoing strategy to further develop the golf component of Costa Navarino.

In 2018 we further expanded our real estate portfolio, following the successful launch of Navarino Residences in 2017.

We introduced The Residences at The Westin Resort Costa Navarino, a collection of fully-furnished, freehold resort apartments for sale in the heart of Navarino Dunes.

The model we have applied for sustainable tourism development has proven to be both financially successful and value-generating for our stakeholders, while also having a positive impact for the region of Messinia by enhancing its profile, growth and accessibility. Everything we have accomplished so far would not have been possible without the ongoing commitment, passion and professionalism of our people.

Together, we will continue to grow and have a positive impact in the areas where we operate by supporting the local economy, safeguarding the natural environment and preserving the cultural heritage.

**Stephanos Theodorides**  
Managing Director  
TEMES S.A.



# #1

## OUR COMPANY



### Profile

TEMES S.A. is a leading investor, developer and operator in the luxury hospitality and leisure, and second home real estate sectors in Greece. Our vision is to transform Greek tourism through innovative, high-quality products & experiences and create value through developing sustainable destinations.

Our business principally comprises (a) the operation of our integrated resorts at Costa Navarino; (b) the joint ownership of Ionian Hotel Enterprises S.A., owner of the Hilton Athens, (c) the development

of our land bank in Messinia in the southwestern Peloponnese region of Greece and (d) the acquisition and development of new hospitality and leisure assets, either on our own or in partnership with others.

Our company operates in Messinia and Athens, with an intention to diversify to other locations in Greece in the future. Our extensive land bank includes properties at prime locations which were assembled over 30 years of carefully planned acquisitions in the region of Messinia.

At the heart of our philosophy is our effort to protect and preserve the natural beauty and heritage of the areas in which we operate through a strong commitment to environmental sustainability and respect for local communities and traditions.

Founded in 1997 by the Constantakopoulos family, TEMES has fulfilled the vision of its founder, Captain Vassilis Constantakopoulos, to establish his homeland Messinia as a world-class, high-end tourism destination.

The Constantakopoulos family holds just over 75% of the company shares, while the remaining shares are owned by Fivedunes Limited.

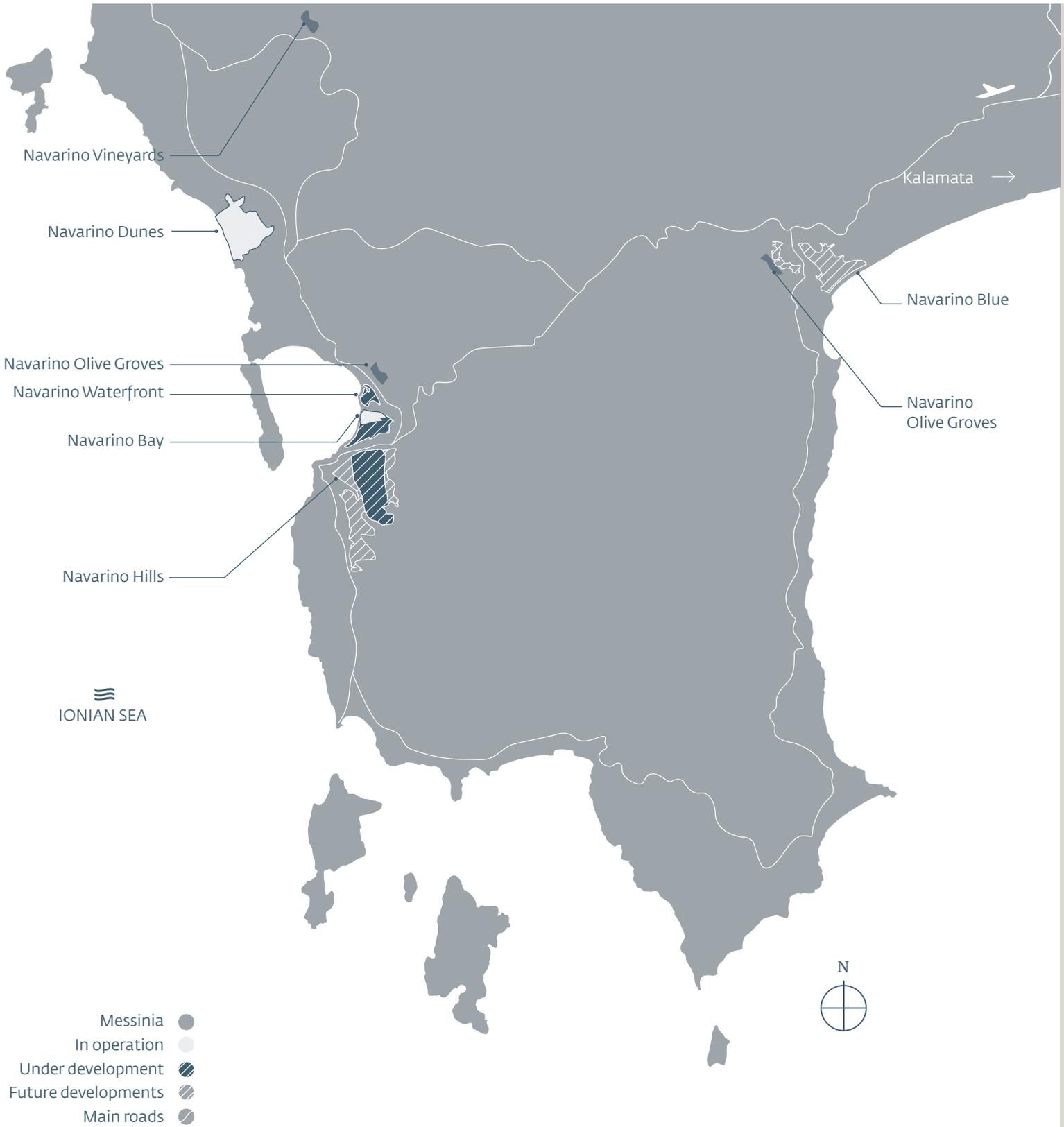
Costa Navarino, our flagship development, is a major tourism development in the Mediterranean, where we have developed and continue to develop five distinct integrated resorts, namely "Navarino Dunes", "Navarino Bay", "Navarino Waterfront", "Navarino Hills" and "Navarino Blue", covering a total area of 1,000 hectares. The integrated resort concept applied at Costa Navarino combines three major components: (a) hospitality and leisure, (b) signature golf courses and (c) freehold residences.

Each of these integrated resort sites is currently at a different stage of the development process, with Navarino Dunes being the most developed and fully operational.

Our primary operating assets at Navarino Dunes include two luxury 5-star hotels, "The Romanos, a Luxury Collection Resort", and "The Westin Resort Costa Navarino" (with a total of 766 keys) and the signature golf course, The Dunes Course. The second signature golf course, The Bay Course, is located at the second partially developed site, and has been operating since 2011.

In addition, we have launched sales of our residential real estate offering at the Navarino Dunes. In 2018, we also began construction of two signature 18-hole golf courses at Navarino Hills.

During 2019 we plan to commence construction of two additional luxury 5-star hotels, one at Navarino Bay and the other at Navarino Waterfront. The map below shows our main existing, ongoing and planned future developments within the region of Messinia.



**Entities included in the consolidated financial statements**

COMPANY	ACTIVITY	COUNTRY	RELATION TO PARENT	% COMPANY'S PARTICIPATION 31/12/2018	% COMPANY'S PARTICIPATION 31/12/2017
COSTA NAVARINO NORTH PROPERTIES S.A.	Real Estate	Greece	Direct	100%	100%
COSTA NAVARINO SOUTH PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
GRECA ICONS S.A.	Retail	Greece	Direct	75%	75%
BYZANTIO S.A.	Tourism	Greece	Direct	100%	91.85%
PANORAMA	Tourism	Greece	Direct	100%	-
NAVARINO BELLA VISTA S.A.	Tourism	Greece	Direct	100%	-
NAVARINO VINEYARDS	Retail	Greece	Direct	100%	-
ARMIDE PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
ASIS PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
AZOV PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
CABRIAN PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
PHILOMEL PROPERTIES S.A.	Real Estate	Greece	Direct	100%	-
NEFERTIA INVESTMENTS Ltd	Investments	Cyprus	Direct	100%	100%
IONIAN HOTEL ENTERPRISES S.A.	Tourism	Greece	JV	50%	50%

Due to the fact that TEMES is responsible for the vast majority of the Group's activities that could have a significant social, economic or environmental impact on a local and national level, this report presents information relevant only to the activities of TEMES.

This approach was adopted in order to facilitate comparison with the disclosures of our previous report. The company may reconsider this approach, depending on the overall activity of the subsidiaries and joint ventures during the preparation stage of next year's report.

The year under review saw the successful launch of residential sales at Navarino Dunes. We further developed the sales of Navarino Residences, the freehold, luxury villas for private ownership, while also introducing The Residences at The Westin Resort Costa Navarino, a collection of fully-furnished, freehold resort apartments for sale. During 2018, we commenced the development of two new 18-hole golf courses at Navarino Hills, designed by golf legend José María Olazábal.

The new courses will bring the total number of signature golf courses at Costa Navarino to four, all within 13 km, establishing it as one of the few upscale golf destinations in the world with such characteristics.

Also, during 2018 we signed a new partnership with Consillium S.A., for a 50/50 joint venture between a TEMES subsidiary, Panorama S.A., and one of the investment companies managed by Consillium, Consiltech S.A, for the ownership and development of the Navarino Hills site and the ownership and operation of The Dunes Course.

During 2018, Ionian Hotel Enterprises S.A., continued the development of a property improvement plan to upgrade existing facilities and introduce new products and services to a landmark hotel in Athens, currently managed by Hilton. It is a unique high-rise building in the center of the city with an exceptional legacy in international hospitality. The company aims to reposition the hotel on the Greek and international market by establishing a city destination comprising luxury hotel services, branded and serviced private residences, signature culinary venues and themed retail concepts.

**TEMES S.A. is a member of the following national organizations / chambers:**

Greek Tourism Confederation (SETE)

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Athens Chamber of Commerce & Industry (EBEA)

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Hellenic Federation of Enterprises (SEV)

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Hellenic-German Chamber of Commerce & Industry

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Hellenic-French Chamber of Commerce & Industry

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Hellenic-Swedish Chamber of Commerce

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Hellenic Management Association (EEDA)

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Foundation for Economic and Industrial Research (IOBE) Supporters Club

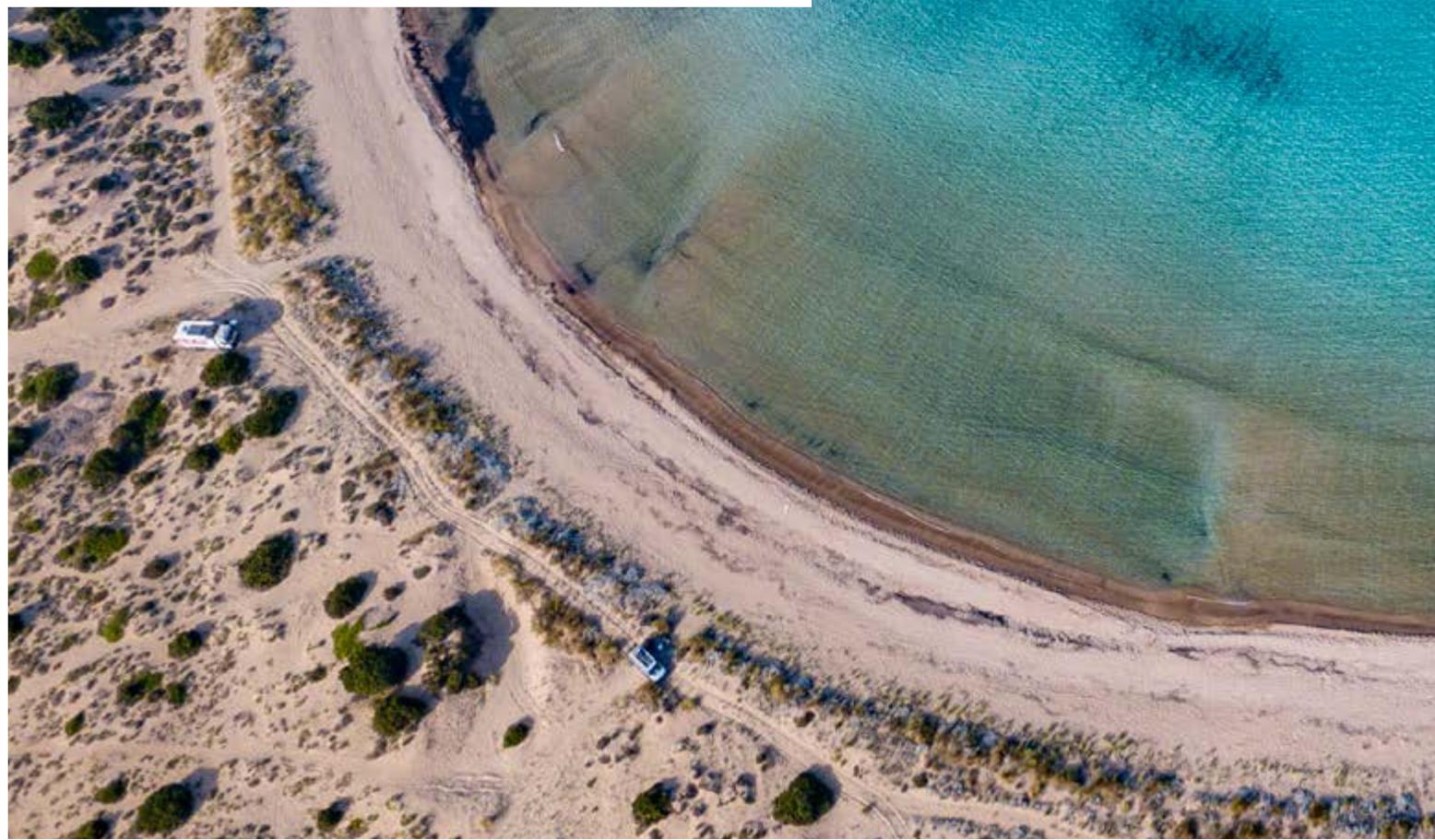
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Association of Chief Executive Officers

## Location & Facilities

Costa Navarino comprises five distinct areas featuring 5-star deluxe hotels, private luxury residences, conference facilities, spa and thalassotherapy centers, signature golf courses, along with leisure, sports and cultural facilities and activities.

The first two sites, Navarino Dunes and Navarino Bay, are located in distinct seaside landscapes in southwest Messinia, Peloponnese, covering 130 and 140 hectares respectively.



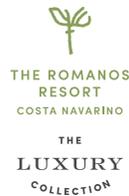


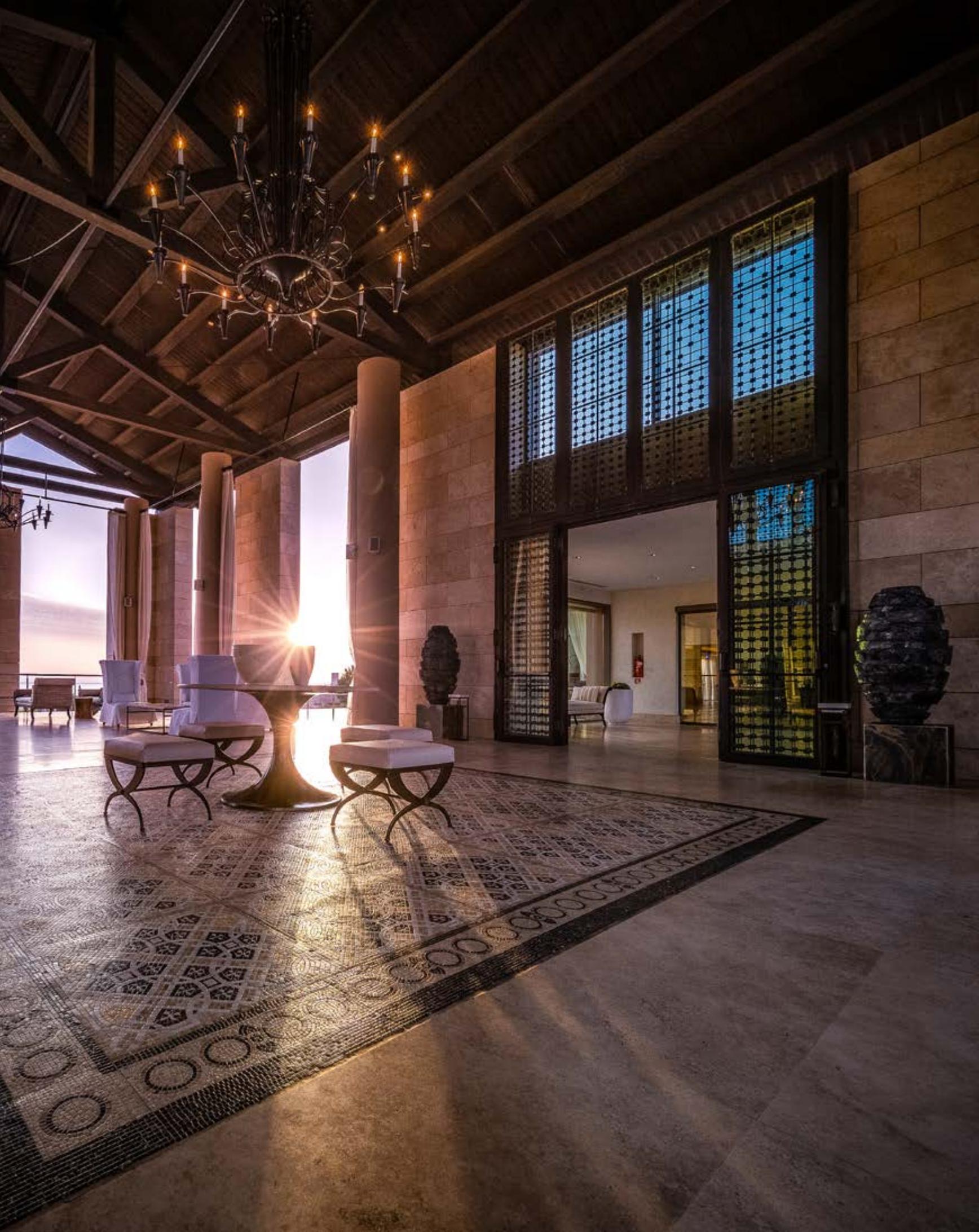
### Navarino Dunes

The first resort area is Navarino Dunes, home to two luxury 5-star hotels, The Romanos, a Luxury Collection Resort and The Westin Resort Costa Navarino.

The Romanos, a Luxury Collection Resort features 321 luxury rooms, suites and villas ranging from 43 m<sup>2</sup> to 192 m<sup>2</sup>, including the 630 m<sup>2</sup>. Royal Villa Methoni and the 660 m<sup>2</sup> Royal Villa Koroni. All accommodation creates a distinctive and inspiring environment of authentic luxury and heartfelt hospitality.

The Westin Resort Costa Navarino features an exceptional selection of deluxe rooms, family rooms and suites ranging from 40 m<sup>2</sup> to 80 m<sup>2</sup>, and a combination of golf, sea and pool views. In this unique family-friendly resort, guests enjoy state-of-the-art facilities and upscale services, as well as a wide array of sports and leisure activities.





Two fully equipped health centers, one at each hotel, boast training programs as well as extensive swimming facilities, saunas and steam rooms.

The Sports & Entertainment Center features a FIBA-standard basketball court, several indoor courts, a bowling alley, pool tables, mini cinema and game consoles, while the nearby Aqua Park offers endless hours of fun.

A memorable culinary experience awaits guests at 21 dining venues, cafés and bars, featuring signature cocktails, local, continental, Greek fusion and ethnic cuisine, making optimum use of the locally sourced quality produce.

Navarino Dunes is also home to the 4,000 m<sup>2</sup> Anazoe Spa, which offers an extensive menu, based on a unique concept for signature treatments, combining the health and beauty practices of ancient Greece with the region's natural ingredients and spa products from around the globe.

The House of Events is a multi-purpose and highly versatile conference center accommodating up to 1,700 people, covering more than 5,000 m<sup>2</sup>. It has successfully hosted a multitude of small, medium and large-scale conferences and events.







The Cocoon (for babies from 4 months old up to 3-year-old infants) and the SandCastle (for children aged 4-12) are two centers offering exciting recreational/ educational programs and specially designed activities which introduce young guests to the unspoiled nature and rich culture of the region.

A varied choice of quality goods awaits guests at the Agora, built in the style of an authentic village center, ranging from designer wear to handcrafted creations.

Navarino Natura Hall is an environmental exhibition center dedicated to the nature of Messinia, where visitors can learn about the region's exceptional biodiversity and familiarize themselves with environmental protection issues.

As part of Costa Navarino's philosophy to promote the region and share the stories of its rich heritage, as well to develop unique cultural activities for its visitors, Navarino Dunes offers several traditional and cultural experiences ranging from olive-oil tasting and wine-making, to cooking traditional recipes and joining philosophy walks or astronomy nights.



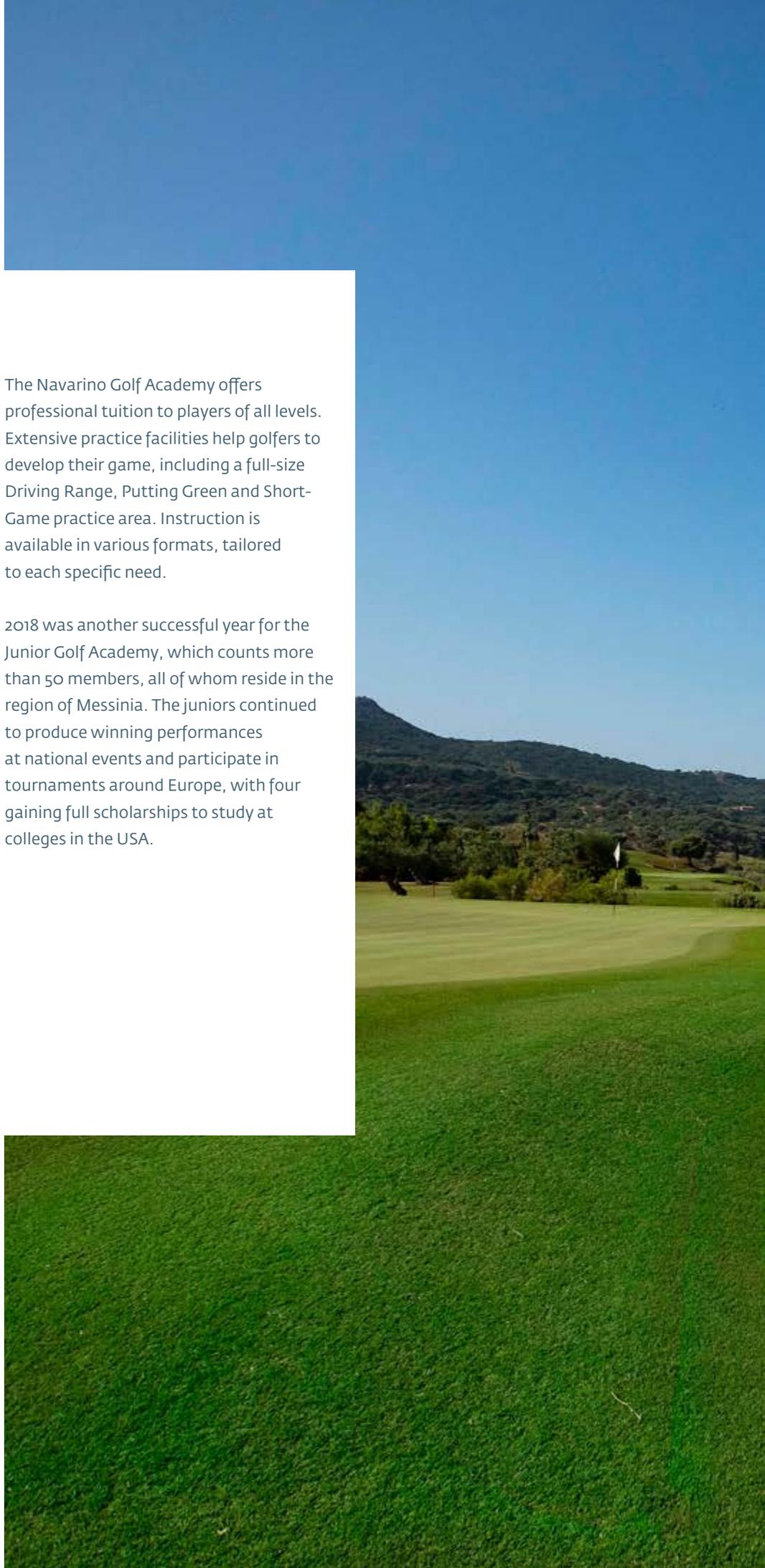
### Golf at Costa Navarino

The 18-hole Dunes Course at Navarino Dunes has been designed by former US Masters Champion and Ryder Cup Captain Bernhard Langer in association with European Golf Design. The course measures 6,018 meters from the back tees with a par of 71. It features a full-size driving range and a short-game practice area, an impressive clubhouse housing Flame restaurant, a designated members' lounge and an exclusive pro shop.

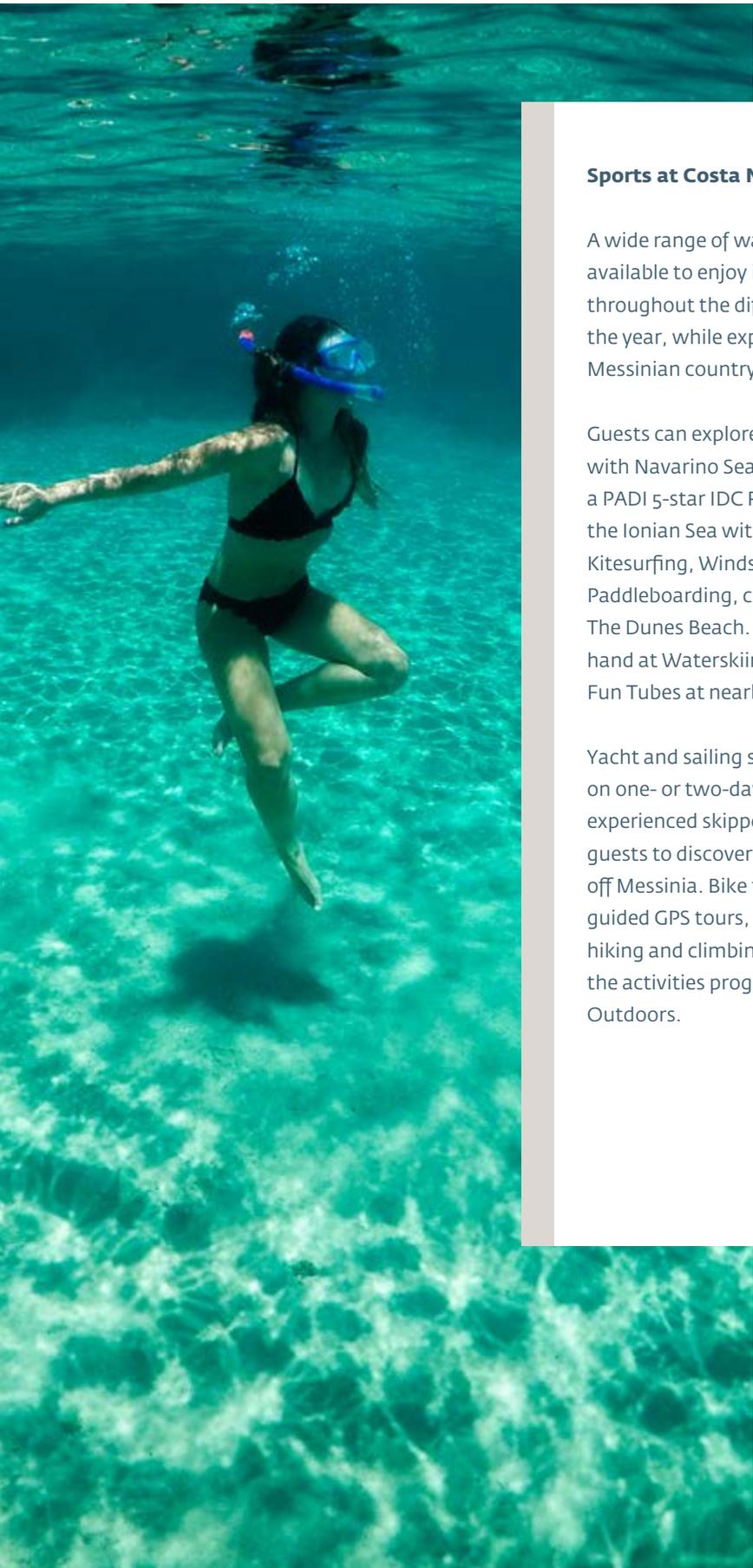
The Bay Course at Navarino Bay is the second signature-designed course at Costa Navarino, playing to a par of 70, at 5,422 meters from the back tees. Situated just a few minutes' drive from Navarino Dunes, shuttle services are available for all guests. It has been designed by Robert Trent Jones Jr., while Troon Golf, the world's leading luxury brand golf management company is a consulting partner for both courses.

The Navarino Golf Academy offers professional tuition to players of all levels. Extensive practice facilities help golfers to develop their game, including a full-size Driving Range, Putting Green and Short-Game practice area. Instruction is available in various formats, tailored to each specific need.

2018 was another successful year for the Junior Golf Academy, which counts more than 50 members, all of whom reside in the region of Messinia. The juniors continued to produce winning performances at national events and participate in tournaments around Europe, with four gaining full scholarships to study at colleges in the USA.







### Sports at Costa Navarino

A wide range of water experiences are available to enjoy in the mild climate throughout the different seasons of the year, while exploration of the rich Messinian countryside beckons.

Guests can explore the underwater world with Navarino Sea by Aqua Divers Club, a PADI 5-star IDC Resort and enjoy the Ionian Sea with Kayaking, Surfing, Kitesurfing, Windsurfing and Stand Up Paddleboarding, courtesy of Surf Salad at The Dunes Beach. They can also try their hand at Waterskiing, Wakeboarding and Fun Tubes at nearby Navarino Bay.

Yacht and sailing services are available on one- or two-day cruises with an experienced skipper and crew, allowing guests to discover the crystal blue waters off Messinia. Bike trekking, MTB and self-guided GPS tours, as well as organized hiking and climbing tours, are all part of the activities program offered by Navarino Outdoors.

Guests can enjoy a full range of racquet sports such as tennis (including private lessons), as well as Mini Tennis for aspiring young players, along with Squash, Padel, Table Tennis, Racquetball, Badminton, Speedminton, Beach Tennis & Beach Racquets. Navarino Speed Experience is all about adrenaline-filled fun at the high standard race track, where experienced personnel provide lessons for all ability levels and ages. Equipped with brand new CRG karts, a state-of-the-art timekeeping system, a lighting system for evening hours and high standard simulators, Navarino Speed Experience Park operates to the highest safety standards.



## Real Estate



### Costa Navarino Residences

Costa Navarino Residences features a collection of luxury freehold villas for private ownership, as well as The Residences at The Westin Resort Costa Navarino, a collection of fully-furnished, freehold resort apartments for sale in the heart of Navarino Dunes.

Located just a few meters from the beach or nestled among verdant olive groves, all villas offer unobstructed sea views for life. Costa Navarino Residences owners will enjoy privileged access to all resort services, sports facilities, golf courses and events, as well as a range of benefits available exclusively to them.

The initial phase of Costa Navarino Residences provides for a limited number of freehold pool villas ranging in size from 400-1,400 m<sup>2</sup> internal area (4-6 bedrooms), all on large plots (1,500-3,000 m<sup>2</sup>), some only 30 meters from the beach, designed by internationally acclaimed Greek architects (A.N. Tombazis & Associates, ISV Architects, KLab Architecture, K-studio, Kois Associated Architects, Potiropoulos + Partners).

So far, more than 50% of the project's initial phase has been sold on plans, while construction of the first homes has already begun.





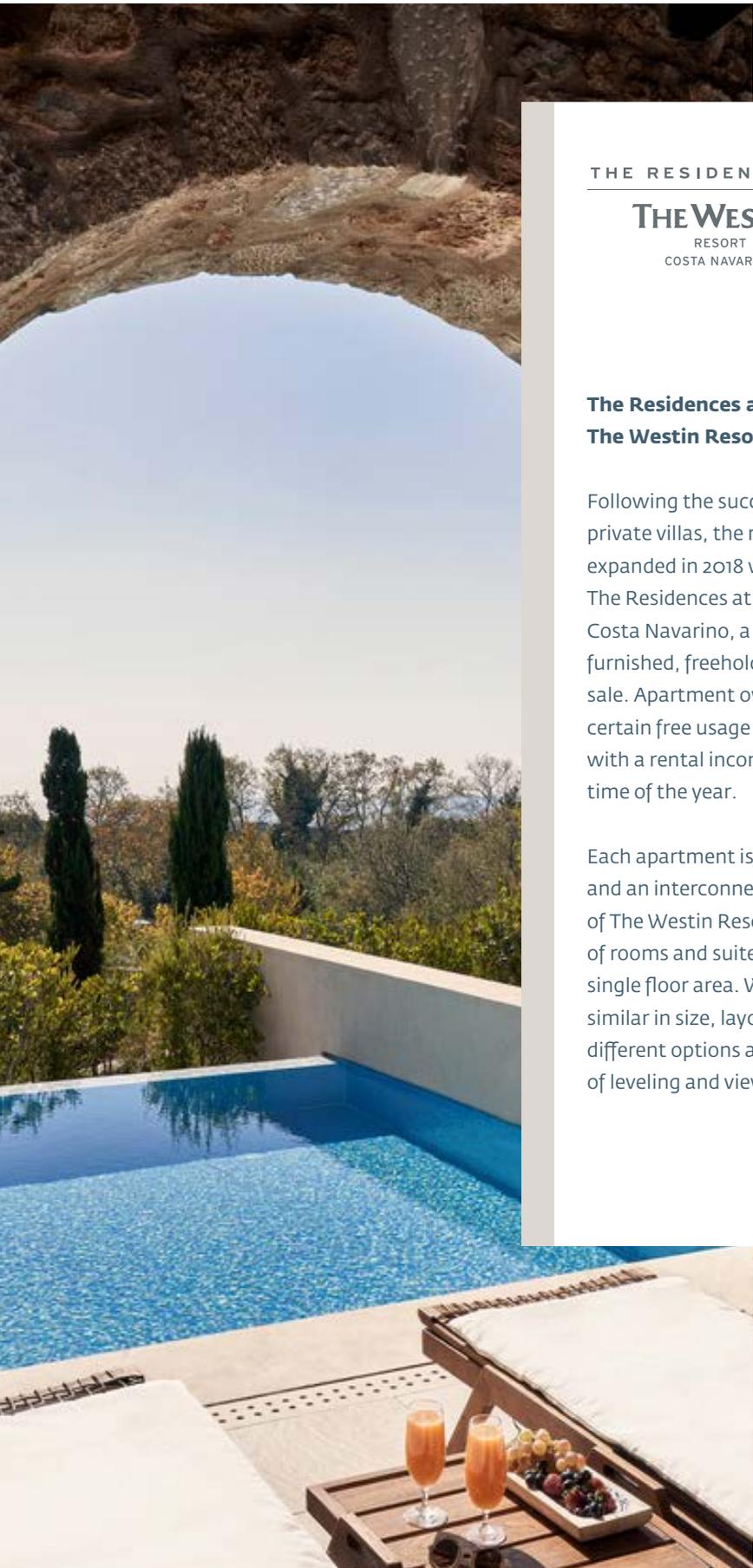
Following the design principles of Costa Navarino, which are based on bioclimatic architecture, the villas will be aligned with the region's traditional architectural patterns in terms of form, volume and scale. This safeguards not only the integrity of the unique local landscape but also the villa views. All villas feature high aesthetic standards, quality of construction and finishing details. The villas are offered with extensive customization options within a framework that ensures harmony between the built and the natural environment, governed by comprehensive design guidelines and operating regulations that safeguard the interests of all owners.

The Costa Navarino Residences has introduced an exclusive club for villa owners. The Club is a doorway to a community of like-minded people who wish to fully experience the understated lifestyle of Costa Navarino.

Club membership offers a wide range of benefits, including 24-hour support from Navarino Dune's highly trained team of onsite professionals as well as priority booking and discounts at the resort's unparalleled selection of facilities and activities. The Club offers villa owners three distinct membership options – each with a wide range of exclusive benefits to ensure that their time spent at Costa Navarino is both unforgettable and eminently relaxing.







THE RESIDENCES AT

**THE WESTIN**  
RESORT  
COSTA NAVARINO

**The Residences at  
The Westin Resort Costa Navarino**

Following the successful launch of the private villas, the real estate portfolio expanded in 2018 with the addition of The Residences at The Westin Resort Costa Navarino, a collection of fully-furnished, freehold resort apartments for sale. Apartment owners are entitled to a certain free usage period per annum along with a rental income for the remaining time of the year.

Each apartment is formed by a Family Suite and an interconnecting Deluxe Room, part of The Westin Resort's existing collection of rooms and suites, laid out on a 120 m<sup>2</sup> single floor area. While all apartments are similar in size, layout and interior design, different options are available in terms of leveling and views.

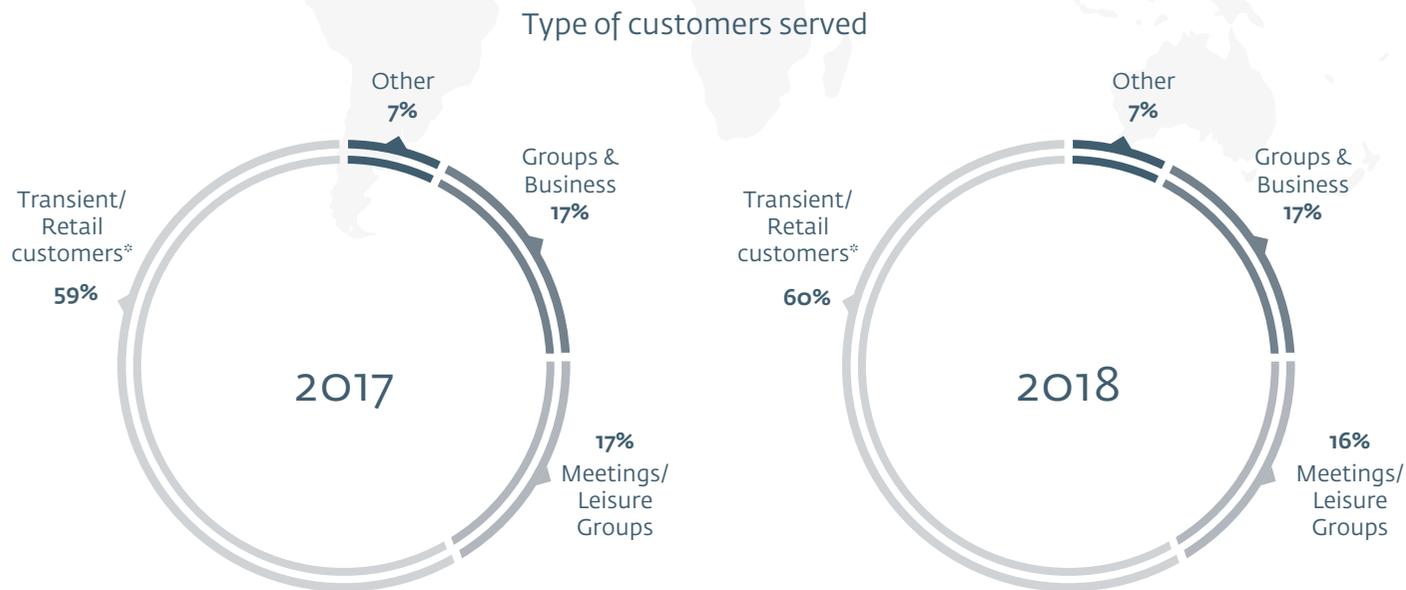
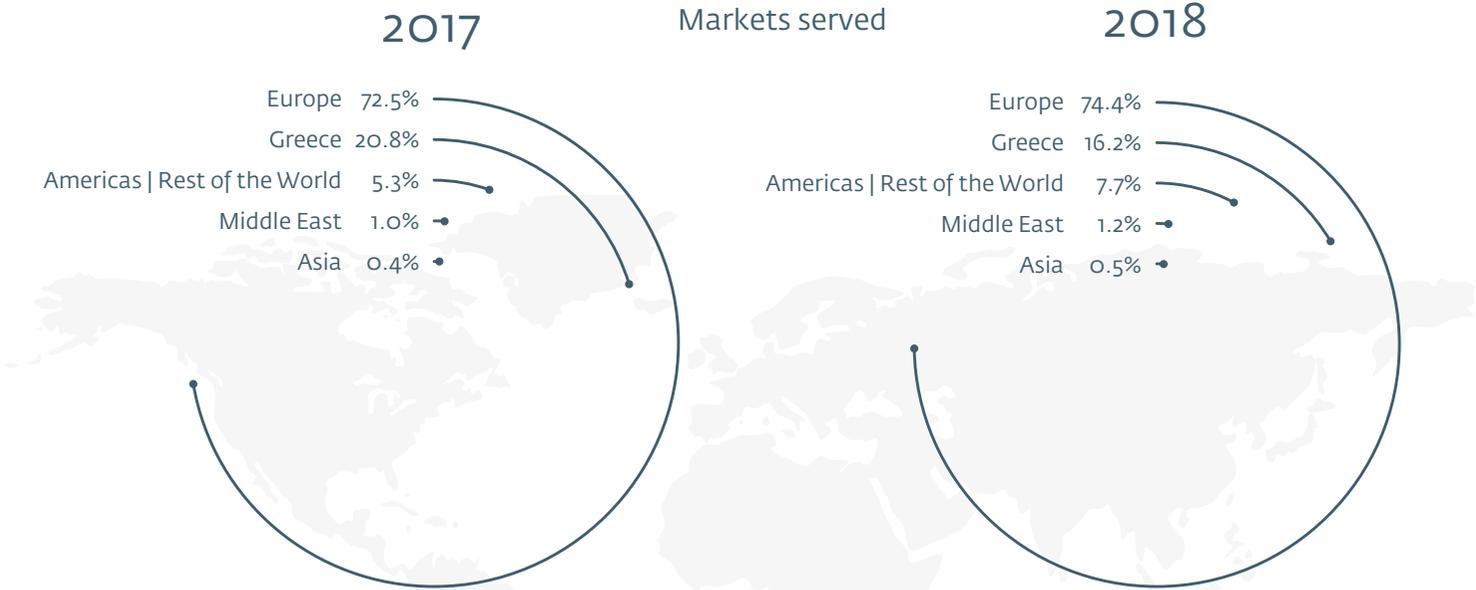
A limited number of apartments feature a private infinity-edge swimming pool. Owners may use their apartment for eight weeks each year, enjoying access to all resort facilities, amenities and experiences. At the same time, they receive an annual income by placing their apartment in the resort's rental pool, when not in use, through a fully managed, mandatory 18-year rental program.





# Markets served

Similar to the previous year, the majority of our guests in 2018 were from Europe (90.6%) with 16.2% coming from Greece.



\*Customers visited directly or via Travel Agents/ Tour Operators

## Economic Value Generated & Distributed

The evaluation of the company's financial performance is a key priority as it provides essential information on our efficiency in creating wealth for our stakeholders.

Monitoring our performance through the indicators relating to economic value generated and distributed is vital for the formulation of both our short-term and long-term strategy.

We are committed to connecting the company's development with the development of the region of Messinia as a whole. We devise and implement policies that advance sustainable tourism and create jobs, while at the same time promoting local culture and products.

### Key financial data for 2018 in comparison with 2017 (in million euros)

	2017	2018
SALES FROM OPERATIONS	45.8	50.9
SALES FROM REAL ESTATE	11.7	9.2
TOTAL SALES (TURNOVER)	57.5	60.1
TOTAL ASSETS	582.1	634.8
EQUITY	351.7	407.8
LIABILITIES	230.3	226.9

**Economic Value Generated**  
(in million euros)

**Direct economic value generated and distributed<sup>1</sup>**

	2017	2018
 TOTAL REVENUES <sup>2</sup>	87.4	88.2

**Economic Value Distributed**  
(in million euros)

	2017	2018
 EMPLOYEE WAGES AND BENEFITS <sup>4</sup>	20.5	21.1
 OPERATING COSTS <sup>3</sup>	27.3	29.3
 PAYMENTS TO GOVERNMENT <sup>6</sup>	7.7	8.4
 PAYMENTS TO PROVIDERS OF CAPITAL <sup>5</sup>	2.1	2.3
 COMMUNITY INVESTMENTS <sup>7</sup>	0.1	0.2

<sup>1</sup> Figures are compiled according to GRI 201-1, expressed in million euros and rounded up to the first decimal.

<sup>2</sup> Includes revenues from sales, financial investments and sales of assets along with other operating income.

<sup>3</sup> Includes costs for materials, products and services purchased from third parties excluding depreciation.

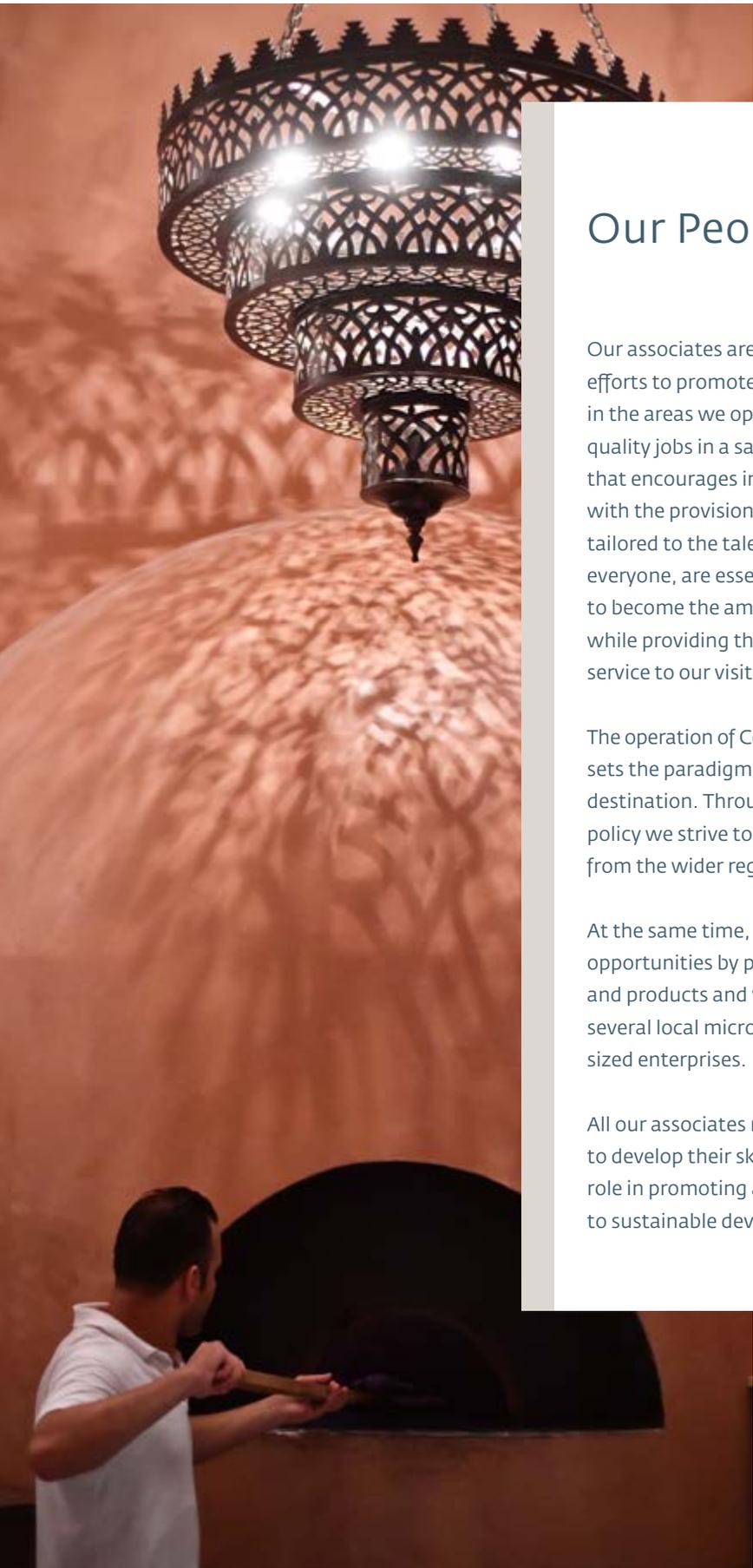
<sup>4</sup> Includes wages, benefits and social insurance contributions.

<sup>5</sup> Includes payments to providers of loans and swaps.

<sup>6</sup> Includes all taxes such as corporate, property, VAT and taxes paid on behalf of third parties.

<sup>7</sup> Includes donations made for charitable purposes, donations to local municipalities for infrastructure development, provision of food rations.

Source: TEMES Financial Statements for 2017 and 2018



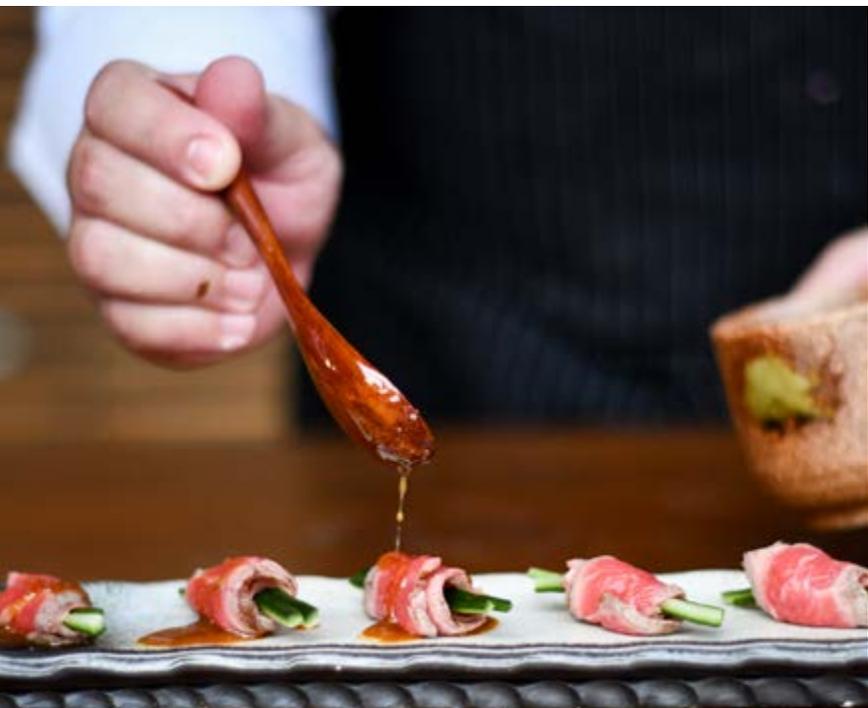
## Our People

Our associates are at the heart of our efforts to promote sustainable tourism in the areas we operate. The creation of quality jobs in a safe working environment that encourages innovation, combined with the provision of high-quality training, tailored to the talents and needs of everyone, are essential for our associates to become the ambassadors of our vision, while providing the highest quality of service to our visitors.

The operation of Costa Navarino in Messinia sets the paradigm of a sustainable tourism destination. Through our employment policy we strive to hire mainly locally, from the wider region of Messinia.

At the same time, we create business opportunities by promoting local culture and products and working together with several local micro, small and medium-sized enterprises.

All our associates receive extensive training to develop their skills and take an active role in promoting a culture of contribution to sustainable development.



The company's commitment to implement a zero-tolerance policy towards discrimination in the workplace is set out in the relevant sections of our Code of Business Conduct and Ethics and the "Associates Handbook", both provided to all our associates as part of their induction training. In collaboration with all our associates, we aim to create a discrimination-free working environment, promoting acceptance, inclusiveness and safety. In 2018, no instances of discrimination were recorded.

In 2018, 53.5% of our associates were hired locally, from the wider region of Messinia.

This figure represents a 5% increase compared to 2017, which was achieved despite the increasing competition in the local employment market due to the overall tourism development and the sharp increase in international arrivals at Kalamata International Airport.

However, our target of hiring 70% of associates locally was not achieved, as the new businesses, including hotels and restaurants mostly located close to Kalamata, hired personnel from the city, the majority of whom have worked and received high-level training at Costa Navarino.

As several people preferred to work as close as possible to their homes, it was not possible for us to achieve our target. However, we remain committed to this target and consider the difficulty in attaining it as proof of the development that Costa Navarino's operation has brought to the region.

In 2018, approximately 52% of our associates at managerial level, including junior & middle management, were hired from the region of Messinia.

In 2018, the total number of TEMES associates during the peak season was 1,229 (August 2018), all covered by collective bargaining agreements. The total number of employees in full time equivalents (FTEs) for 2018 was 706. This figure includes our associates working at our facilities in Costa Navarino and at the central offices of TEMES in Athens.

Due to the seasonal character of our operation, the facilities were closed in December and January. During these two months, our workforce was reduced to 218. All our associates work under a permanent or temporary contract, as presented below.

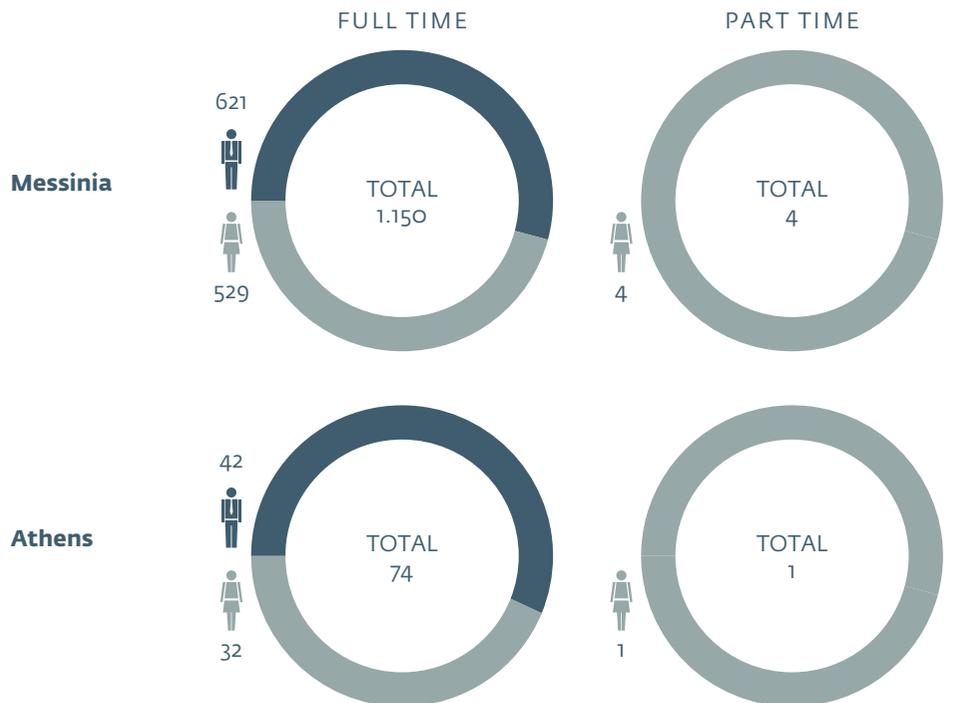


\* The portion of the self-employed individuals offering services to the organization (lower than 1%) is not substantial compared with the total number of associates under contract.

### EMPLOYMENT CONTRACT



### EMPLOYMENT TYPE

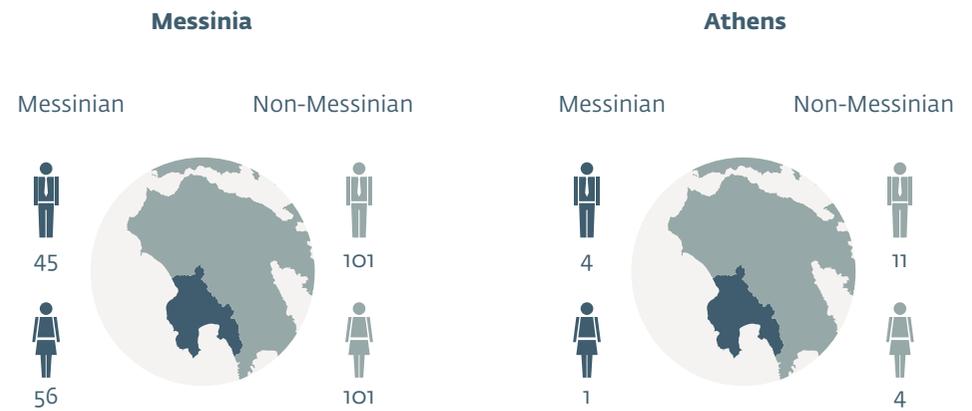




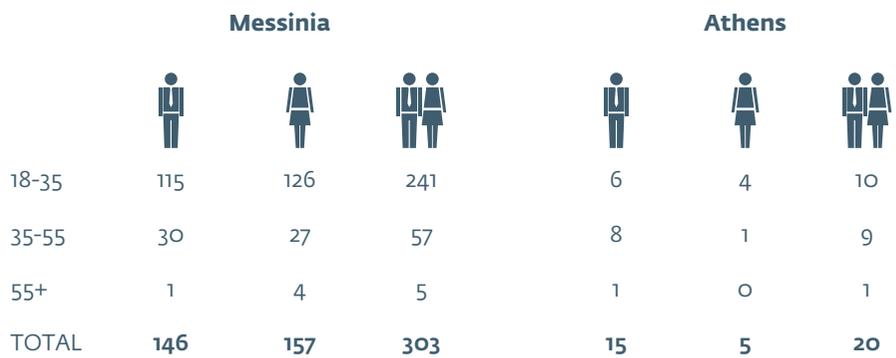
Of the 1,229 associates in 2018, 323 were newly hired, including 59 interns, thus the rate of new hires in 2018 was 26.3%.

The following graph presents the distribution of new associate hires, by age group, gender and region.

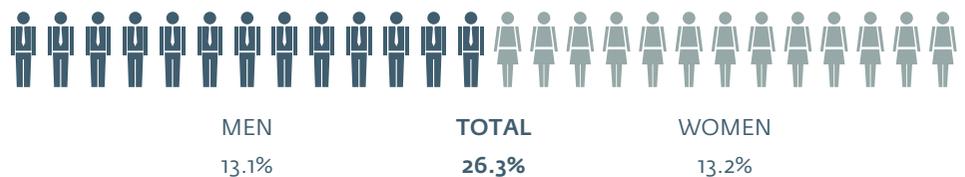
### 2018 NEW ASSOCIATE HIRES



### 2018 NEW ASSOCIATE HIRES BY AGE GROUP



### RATE OF NEW ASSOCIATE HIRES



# #1 OUR COMPANY

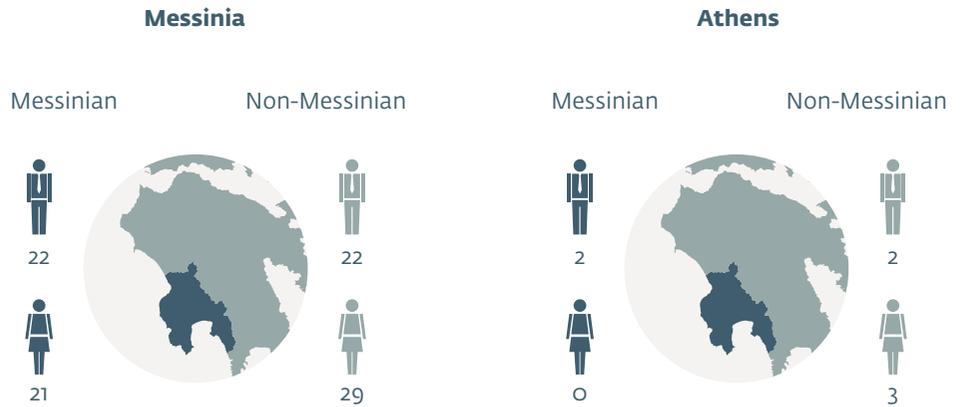
One important figure that illustrates the level of job satisfaction among our associates and reflects their sense of security at Costa Navarino is the low rate of employee turnover.

The same turnover rate applies to both men and women, as presented in the graphs on the right.

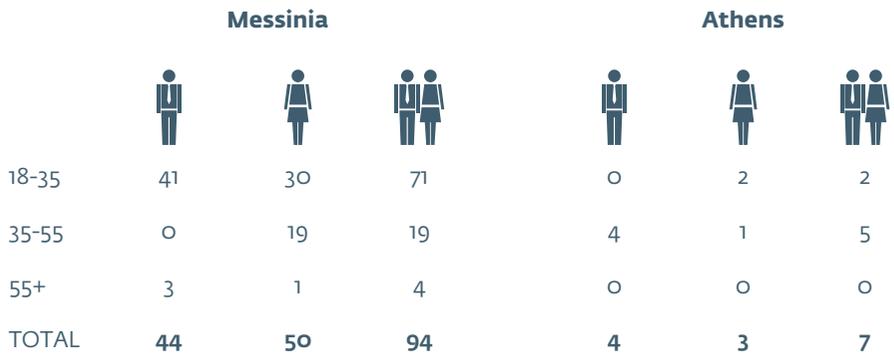
For 2018, employee turnover was 101 out of 1,229 associates, resulting in a turnover rate of 8.2%, which is very low, especially for the tourism industry given its significant seasonal variations in employment.

In 2018, the minimum wage offered to our associates was 27% higher than the minimum wage under current legislation in Greece. In addition, only a small percentage of our associates (9%) received the minimum wage, with the rest earning higher salaries.

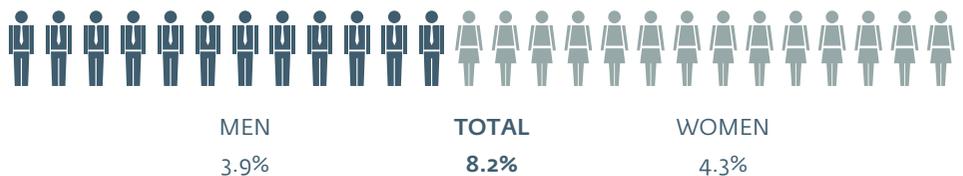
## 2018 TURNOVER RATE



## 2018 TURNOVER RATE BY AGE GROUP



## TURNOVER RATE



## Training and development

All our associates receive induction training to familiarize themselves with the company's core values and code of conduct, and attend thorough training programs to develop their skills and enhance their career opportunities.

The following tables present the hours of training that our associates received during 2018 by gender and associate category\*.

The average number of training hours per associate was 22.2, per male associate 21.6 and per female associate 22.9. Male and female associates of the same grade (Front Line and Managerial Level) received the same hours of training.

### FRONT LINE

Number of associates



548



456

Training hours/associate



16



16

Total training hours



16,064

### MANAGERIAL LEVEL

Number of associates



73



77

Training hours/associate



64



64

Total training hours



9,600

### TOTAL TRAINING HOURS



13,440



12,224



25,664

The above training figures refer only to employees in Messina.

## Quality of Service

The evaluation of the quality of our service is the indicator that reveals how well we meet our stakeholders' needs. In other words, it is the result of the assessment of the performance of our management system. The system frames and encapsulates the procedures and processes through which the company identifies its stakeholders' needs and allocates the required resources to meet them. Having already achieved international recognition for the quality of service at Costa Navarino, our operational policies aim to enhance guest experience and improve the services provided to our stakeholders.

This approach extends to all aspects of our operation; from procurement to associates' training, from the design and construction of our facilities to our strategic decision to work closely with local businesses and social stakeholders for the development of the whole destination of Messinia.

The quality of our service is directly linked with the ethical framework under which we operate, as we strive for inclusive and sustainable economic growth as defined in the UN SDGs. We thus believe that our efforts for quality improvement contribute to the realization of all the SDGs relevant to our operation.

Through several different channels, we seek to gain a deeper understanding of how our guests value their experience of Costa Navarino and identify areas for improvement.

Since 2017, both our hotels have been using the Marriott GuestVoice platform to collect feedback via online Guest Satisfaction Surveys (GSS) sent to guests after their stay at Costa Navarino. In addition to the online surveys, a dedicated team monitors social media and relevant websites, collecting feedback and responding to guest inquiries in real time.

The combined analysis of the information collected covers the entire guest experience from arrival to departure, assessing the quality of activities and provided services, from housekeeping and staff attitude, to pools and fitness centers, Spa, golf courses, bars & restaurants, lobbies, shops, kids' facilities and all other guest areas.

The use of Key Performance Indicators provides a credible and quantifiable assessment of how well we meet guests' expectations, together with valuable insights into how to make our services even better.

The results of the Intent to Recommend (ITRec) metric for 2018, compared to the previous year, were as follows:

2017	Responses	ITRec score
NAVARINO DUNES	983	74.7/100
THE WESTIN RESORT	820	74.8/100
THE ROMANOS RESORT	163	74.2/100

2018	Responses	ITRec score
NAVARINO DUNES	1,638	78.4/100
THE WESTIN RESORT	1,250	77.8/100
THE ROMANOS RESORT	388	80.4/100

*\*The final ITRec score derives from guests answering on a scale from 1 to 10. Only rankings of 09/10 and 10/10 are measured in the final score.*

According to the results of the online Guest Satisfaction Surveys (GSS) sent to guests after their stay, The Romanos Resort scored 4.8/5 and The Westin Resort 4.7/5, both exceptional results that highlight the quality of services offered.





# Awards

During 2018, worldwide recognition was further enhanced through international institutions and awards, highlighting the unique elements of the destination in terms of its luxury hotel facilities and services, signature golf courses, high-end properties and numerous events.

## **Condé Nast Traveller Readers'**

### **Travel Awards**

Costa Navarino - "Best Hotels in Europe, Turkey & Russia"

### **World Luxury Hotel Awards**

The Romanos, a Luxury Collection Resort - Global award - "Luxury Coastal Hotel"

### **Travelife**

The Romanos, a Luxury Collection Resort & The Westin Resort Costa Navarino – Gold Award

### **Home Overseas Awards**

Navarino Residences - "Best Luxury Development" & "Best Off-Plan Development in Greece"

### **Golf Digest Editors' Choice Awards**

Best International Resorts – Greece: Costa Navarino

### **National Club Golfer -**

#### **Top 100 Golf Resorts**

Costa Navarino – ranked 1st in Continental Europe

### **Leadingcourses.com -**

#### **Best golf resorts in Europe**

Costa Navarino ranked 4th among the Best Golf Resorts in Europe

## **World Golf Awards**

The Bay Course – "Greece's Best Golf Course"

The Romanos Resort, Costa Navarino - Greece's Best Golf Hotel 2018

### **Sports Marketing Awards**

Messinia ProAm – Gold award in Special Editions category, Silver award in Individual Sports category, Bronze award in Integrated Marketing Campaign category

Navarino Challenge – Silver award in Sports Tourism category

### **Event Awards**

Navarino Challenge – Gold award in Gold for Tourism Event category

### **Digital Media Awards**

Navarino Challenge - Bronze in Best Public Service / CSR category

Our company endorses the 17 Sustainable Development Goals (SDGs) as presented in the UN 2030 Agenda for Sustainable Development and actively contributes to national and international efforts for their implementation.

According to the UNWTO, tourism can become a major driving force for realizing the SDGs as it represents up to 10% of the world's GDP and employment.

We strongly believe that the transformative ambitions of the SDGs will not be achieved through business as usual. Therefore, in close cooperation with our stakeholders, we apply a business model that is geared towards the company's inclusive and sustainable economic growth and which is directly linked to the sustainable development of the areas in which we operate.

We actively pursue partnerships at a business or sectoral level which will help as tackle broader systemic issues and make SDGs as actionable as possible to accelerate progress.



#2

## OUR APPROACH TO SUSTAINABILITY



## #2 OUR APPROACH TO SUSTAINABILITY

In this report we present the economic, environmental and social impacts deriving from the company's business activities using the GRI Standards, in the context of their contribution to the realization of specific SDGs, as these relate to tourism businesses.

The report is structured around the SDGs, with each chapter presenting our contribution to a different goal.

The first three chapters present our contribution to SDG 8, "Decent work and economic growth", SDG 12 "Responsible consumption and production" and SDG 14 "Life below water", in which tourism is featured by the UN.

As we contribute, directly or indirectly, to more SDGs, the rest of them are presented, not in numerical order, but according to the relevance of the material topics relating to each SDG (pg. 59).





## Working together with our stakeholders

To adopt the business practices that will maximize the value created for our stakeholders through the company's operation, we have built a close relationship with all our stakeholder groups. This approach helps us understand their interests and proactively identify issues of concern in order to inform our policies, reporting and disclosures. This open dialog has in many cases taken the form of collaboration programs, initiatives and actions designed and implemented together with our stakeholders.

### **Navarino Environmental Observatory (NEO)**

Motivated by their common interest in climate change and the need for scientifically based mitigation and adaptation policies, Stockholm University, the Centre of Environmental Health and Biophysics of the Biomedical Research Foundation of the Academy of Athens and TEMES in 2009 established the Navarino Environmental Observatory (NEO). NEO is dedicated to the study of climate change and its impacts on the natural environment and human activities in the Mediterranean region, with a focus on atmospheric composition, past climate variations, current conditions and future climate projections.

Recent NEO research initiatives, covering topics such as the effect of agriculture on biodiversity and water resources

and the co-management of ecosystem services in Natura 2000 areas (including Gialova lagoon) illustrate our ambition to widen the scope of NEO inter-disciplinary research towards strategies for sustainable development of social-ecological systems and multifunctional landscapes in Messinia. The work undertaken by NEO is in line with SDG 13 (Climate action) and most of the UN SDGs relating to social and environmental issues.

So far, nine institutes and universities in Greece, Europe and the US have joined forces with NEO as Associated Members, while our network is constantly expanding to include local stakeholders and policymakers. Since 2010, NEO researchers have produced more than 60 international publications, while three PhD studies are currently in progress (with five already completed).

In 2018, nine courses, a summer school, and several fieldwork visits took place at NEO Research Station, bringing to Messinia no less than 313 researchers/students. At the same time, four café-NEO events (open science cafés) were held in cities around the Peloponnese. In addition, under the umbrella of the European Union's COASTAL project, NEO hosted and facilitated six sectoral workshops bringing together more than 70 local stakeholders from the sectors of agriculture, local industry, fishing and tourism, along with representatives from the public sector, universities, institutes and NGOs. Such



wide-ranging exchanges had never taken place before and they provided a unique experience for all involved. The focus of the project is to combine local and scientific knowledge in order to identify problems and develop practical and robust business road maps and strategic policy guidelines with the ultimate aim of improving land-sea synergy.

For more information please visit:  
[www.navarinoneo.se](http://www.navarinoneo.se)

### **Navarino Natura Hall**

Another example of successful cooperation with our stakeholders is the establishment of Navarino Natura Hall, an interactive environmental exhibition centre at Costa Navarino. Navarino Natura Hall is the result of cooperation between TEMES, Stockholm University, the Academy of Athens and a number of NGOs. Its main purpose is to provide environmental education in an entertaining manner, inform visitors and locals about the unique biodiversity of Messinia and the work currently undertaken by NEO, while familiarizing them with current environmental issues. A special educational program for local schools, created together with the University of Peloponnese, started in 2012 and in 2018 completed its seventh season of operation. The program is based at the center and has so far been attended by more than 5,000 schoolchildren.





CAPTAIN VASSILIS & CARMEN  
CONSTANTAKOPOULOS  
FOUNDATION

### **Captain Vassilis and Carmen Constantakopoulos Foundation**

The «Captain Vassilis and Carmen Constantakopoulos» Foundation is a charitable non-profit private foundation, founded in 2011 to honor Captain Vassilis and Carmen Constantakopoulos. Its aim is to establish Messinia as a model for sustainable development by supporting and promoting related projects. The foundation plans, manages and finances programs related to research, education and support of local structures in Messinia. It is active in a wide range of areas related to rural development, society, culture and the environment by developing partnerships with institutions and bodies in those fields.

In 2018, the foundation focused mainly on three axes, namely social, agricultural and cultural development, while also supporting environmental activities. With regard to social development, one of the most innovative and important projects was the Center of Family and Employment Support initiated together with SOS Children's Villages in Kalamata. Its aim is to support families with financial and/or internal problems. The children participate in a support program after school while their parents take part in a consultation program with social workers and employment consultants.

Adopting a similar approach, the goal of the Center for Agricultural Entrepreneurship of Kalamata is to support farmers. Its seminars are aimed at transferring knowledge in a broad spectrum of issues from geotechnical to sales instruments, while special consultation sessions are available for more advanced projects that need support in order to take the form of business plans and be implemented. 2018 was also the initial year for supporting the development of precision agriculture through pilot projects with the participation of farmers.

Lastly, in the field of culture, the foundation is a proud sponsor of the Kalamata International Dance Festival as well as Oxbelly labs for screenwriters and directors. In addition to contemporary art, it also supports a number of archaeological excavations in the area, including the ancient theater of Thouria, the Gymnasium of Ancient Messene, and the "Warrior's Tomb" at Chora.

The work undertaken by the foundation is in line with the priorities and targets of SDGs 1, 2, 4, 5, 8, 12 and 15. For more information please visit: [www.cvf.gr](http://www.cvf.gr).



## #2 OUR APPROACH TO SUSTAINABILITY

The table below presents our key stakeholder groups, selected due to their close relevance to the company's operation and the main ways that we engage and collaborate with them.

The frequency of engagement with each group varies according to needs at the time. However, we endeavor to engage with each group in one of the ways described below at least once per calendar year.

A list of key topics and concerns which have been raised through stakeholder engagement for the preparation of this report is also presented. The company's approach to each of these topics is presented in the relevant chapters of the report.

STAKEHOLDER GROUP	WAYS OF ENGAGEMENT	TOPICS/CONCERNS
INVESTORS & SHAREHOLDERS	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Financial reports</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Business ethics &amp; compliance</li> <li>• Region promotion</li> <li>• Safeguarding occupational health &amp; safety and wellbeing</li> <li>• Infrastructure support &amp; accessibility</li> </ul>
STATE & LOCAL AUTHORITIES	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Diligent water management</li> <li>• Climate change strategy and GHG emissions</li> <li>• Business ethics &amp; compliance</li> </ul>
GUESTS & CUSTOMERS	<ul style="list-style-type: none"> <li>• Website</li> <li>• Ad campaigns</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Promote diversity, inclusiveness and protect human rights</li> <li>• Protect and preserve biodiversity</li> <li>• Region promotion</li> <li>• Generate and distribute economic value</li> </ul>
NGOS ADVOCACY GROUPS ACADEMIC COMMUNITY	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure support &amp; accessibility</li> <li>• Responsible procurement practices</li> <li>• Generate and distribute economic value</li> <li>• Robust training &amp; development</li> </ul>
LOCAL COMMUNITY	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Region promotion</li> <li>• Infrastructure support &amp; accessibility</li> <li>• Protect and preserve biodiversity</li> <li>• Responsible waste management</li> </ul>

STAKEHOLDER GROUP	WAYS OF ENGAGEMENT	TOPICS/CONCERNS
ASSOCIATES (EMPLOYEES)	<ul style="list-style-type: none"> <li>• Meetings &amp; presentations</li> <li>• Training programs</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Region promotion</li> <li>• Protect customer privacy and personal data</li> <li>• Fair employment practices</li> </ul>
INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Promote customer health &amp; safety and well being</li> <li>• Economic value generated &amp; distributed</li> <li>• Protect and preserve biodiversity</li> <li>• Responsible waste management</li> <li>• Infrastructure support &amp; accessibility</li> </ul>
MASS & SPECIALIZED MEDIA	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Business ethics &amp; compliance</li> <li>• Customer health &amp; safety and wellbeing</li> <li>• Responsible energy management</li> <li>• Region promotion</li> </ul>
PARTNERS & SUPPLIERS	<ul style="list-style-type: none"> <li>• Website</li> <li>• Meetings &amp; presentations</li> <li>• Social media</li> <li>• Hotel &amp; facility tours</li> <li>• Conferences &amp; events</li> <li>• Newsletters / Press Office</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible waste management</li> <li>• Climate change strategy and GHG emissions</li> <li>• Responsible procurement practices</li> <li>• Responsible energy management</li> </ul>

## Material topics & boundaries

The content of this report was defined by applying the GRI Standards' Reporting Principles for defining report content, namely Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness, and presents information on the company's sustainable development management and performance for the period 01.01.2018 to 31.12.2018.

The GRI Standards' Reporting Principles were used to define the topics that reflect the company's significant economic, environmental and social impacts and substantively influence the assessments and decisions of our stakeholders. Material topics, as presented in the following graph, were prioritized based on the two dimensions of the GRI Standards' Materiality Principle.

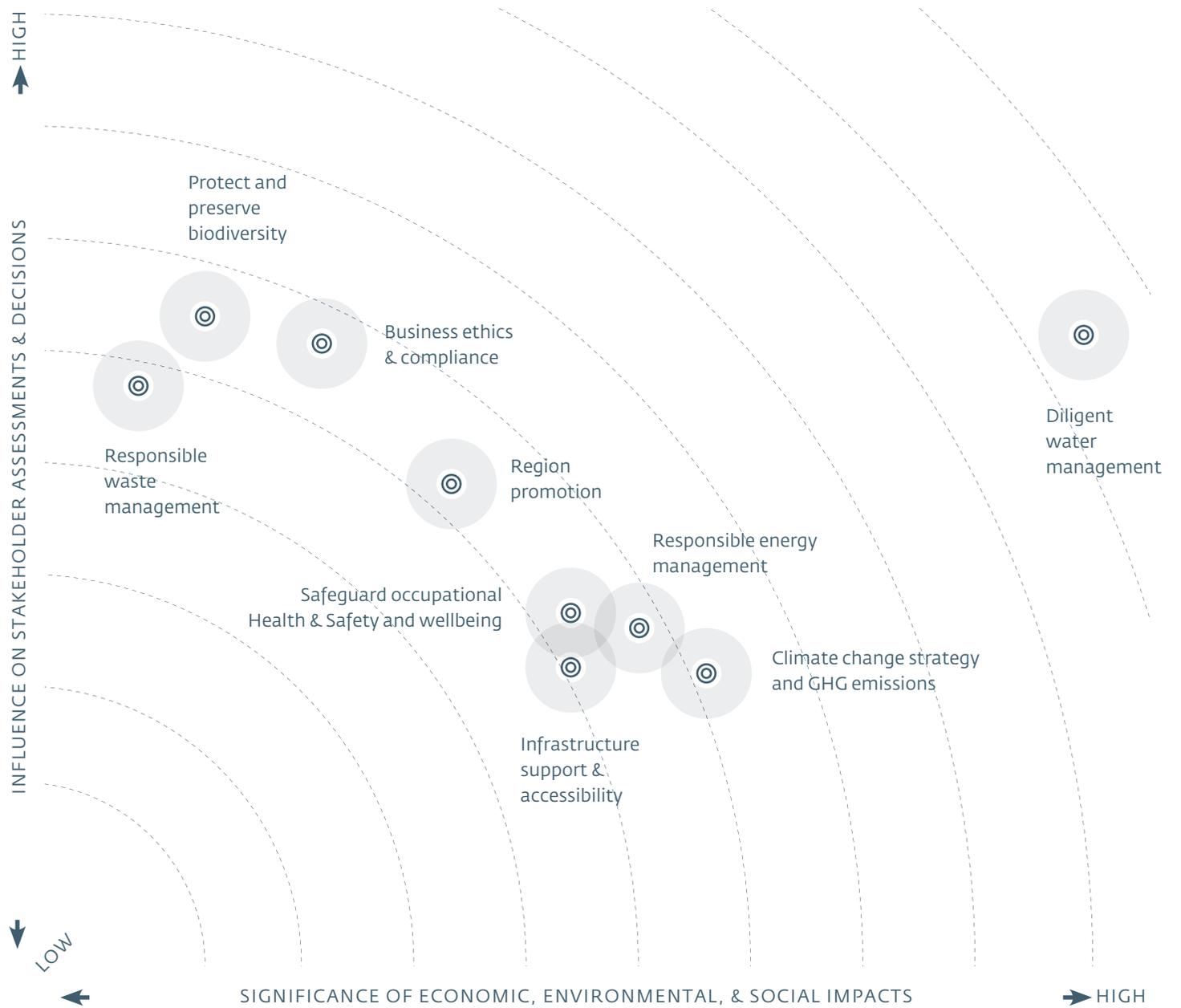
The first dimension is the significance of the topics for our stakeholders, as assessed by an extensive electronic survey sent to all key stakeholders. The second dimension presents the extent to which each topic contributes to the SDGs at local level (Messinia) as well as the extent to which each topic affects the company's business model, reputation and ability to achieve its goals. To assess each topic's importance to sustainable development, in addition to the internal dimension (i.e. the extent to which each topic affects our company), we also considered various external factors such as sectorial/international standards and a media review for 2018.

The results of the materiality analysis were assessed by the company's management team and validated by senior management.

A major outcome of our materiality analysis is that most of our stakeholders value environmental protection as a fundamental element of tourism development in line with the principles of sustainable development. Environmental protection has been a major design factor from the planning and construction phases through to the operation of Costa Navarino, underlining our firm belief that investing in the value of local ecosystems and protecting the environment is a key driver for the development of the destination.

Based on the precautionary principle, our environmental policy covers all aspects of our operation that could cause, or contribute to, a potential impact on the local environment, as identified through our materiality analysis. Our ongoing collaboration with stakeholders has provided us with a valuable aid in our efforts to proactively identify issues of concern in order to inform our policies, reporting and disclosure. At Costa Navarino we implement specific policies for sustainable water, energy, and waste management, together with programs for the protection and preservation of the biodiversity of Messinia, thereby contributing to the realization of specific targets of the relevant SDGs as presented in the following chapters.

MATERIALITY MAP 2018



After the validation of the results, and with the intent to align our efforts to the SDGs as previously stated, we proceeded with the connection of each material topic to a specific SDG.

The connection was made with the use of the official UN tool, and even though we understand that the way we manage each topic has impacts on more than one goal, we chose to connect each one with the goal it contributes the most to and has the most direct connection with (only exception are the SDGs 7 and 13 and SDGs 14 and 15, which are presented in the same chapter). This decision was made based on our experience and the local context.

The connection of each material topic with the relevant SDG, along with the boundaries for each of them for the reporting period, can be found on the table on the right.



SUSTAINABLE  
DEVELOPMENT GOAL

MATERIAL TOPIC

BOUNDARIES  
*(entities inside or outside the company  
that may cause the impacts)*

**8** DECENT WORK AND  
ECONOMIC GROWTH



- Region promotion

- TEMES
- Associates
- Partners & suppliers

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



- Responsible waste management

- TEMES
- Partners & suppliers

**14** LIFE  
BELOW WATER



**15** LIFE  
ON LAND



- Protect and preserve biodiversity

- TEMES
- Partners & suppliers

**6** CLEAN WATER  
AND SANITATION



- Diligent water management

- TEMES
- Partners & suppliers

**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



- Business ethics & compliance

- TEMES
- Associates
- Partners & suppliers

**7** AFFORDABLE AND  
CLEAN ENERGY



**13** CLIMATE  
ACTION



- Responsible energy management
- Climate Change strategy and GHG emissions

- TEMES
- Investors / shareholders
- Partners & suppliers

**3** GOOD HEALTH  
AND WELL-BEING



- Safeguard occupational health & safety and wellbeing

- TEMES
- Associates
- Partners & suppliers

**11** SUSTAINABLE CITIES  
AND COMMUNITIES



- Infrastructure support and accessibility

- TEMES

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all





# #3

## DECENT WORK AND ECONOMIC GROWTH

According to the UNWTO, tourism is one of the top four export earners globally, currently providing one in ten jobs worldwide. Decent work opportunities in tourism, particularly for youth and women, and policies that favor better diversification through tourism value chains can enhance tourism positive socio-economic impacts.

TEMES' contribution to the realization of goal 8 comes primarily under target 8.9: "By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products."

Through our policies we intend to create the necessary conditions for sustained and inclusive economic growth in the areas we operate as we believe that this is essential for achieving sustainable development.

With our employment policy focused on hiring locally, we strive to reduce unemployment, especially among young people, while providing high quality training. Our operation creates value that we share with our stakeholders as the development of our company is directly linked to the development of the areas in which we operate.

Our business model is based on providing genuine experiences to our guests in the framework of local culture and traditions, while contributing to the development of the region by creating new business opportunities for people from the local communities.

## Region promotion (Material topic)

Cultural, leisure and sports activities each year further enhance the diverse offering for guests visiting Costa Navarino, creating year-round experiences and opportunities to explore the region of Messinia.

The program at Costa Navarino reflects the decision to introduce people from all over the world to the region's millennia-long history, to its culture and traditions, as well as to its pristine natural landscape.

### Culture

For the fourth consecutive year, a special weekend was organized in partnership with The New York Times International within the framework of the Athens Democracy Forum. During this year's event, entitled "Democracy & Books", participants were able to converse with the event's distinguished speakers, while also attending book readings and curated cultural activities.

The Benaki Museum, Athens International Airport and Costa Navarino joined forces in a unique cultural project for the third time. They presented the exhibition "When Pictures Paint a Thousand Words", featuring book illustrations by Nikos Hadjikyriakos-Ghikas, one of the greatest Greek artists of the 20th century. The exhibition took place across Navarino Dunes, as well as at Athens International Airport.

2018 saw the third Faliro House - Oxbelly Screenwriters & Directors Lab hosted at Costa Navarino with the aim of discovering new filmmaking talent from the Mediterranean region.

### Business & Science

A broad array of conferences and seminars were held in 2018, especially in off-season months, resulting in bookings for more than 25.800 room nights at the two hotels at Navarino Dunes.

### Golf

Golf tournaments that attract golf aficionados and professionals from all over the world are hosted each year at the destination's signature golf courses. 2018 saw the second edition of the Messinia ProAm tournament, organized by Costa Navarino, which took place in February and drew 44 teams from 23 countries.

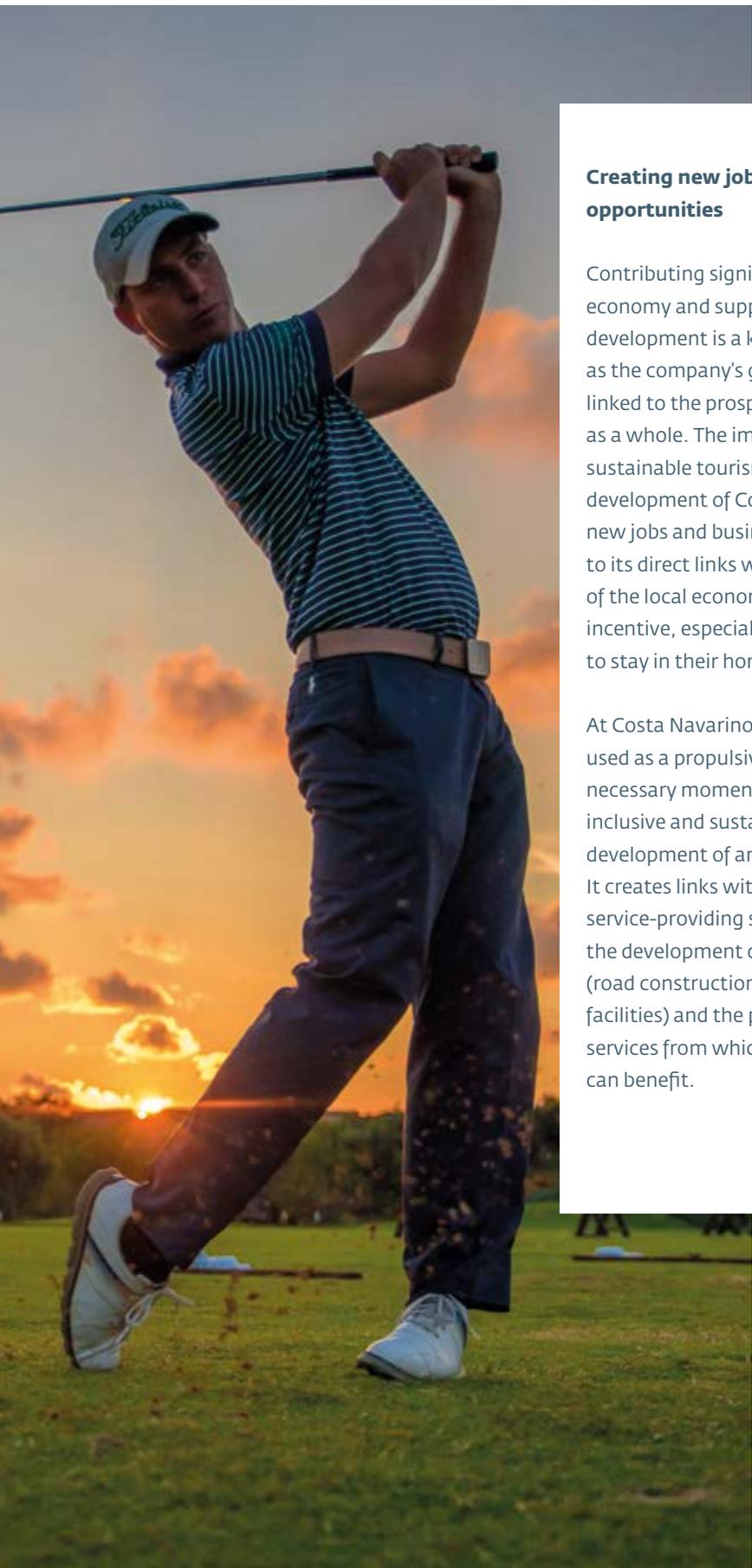
The Aegean Airlines ProAm was held for the thirteenth consecutive year, eight of which at Costa Navarino. Several international tournaments also took place during 2018, including the charity event "Eagles Presidents Golf Cup" which returned to Costa Navarino for the fourth time. The destination also hosted the 2018 PGAs of Europe Annual Congress and International Team Championship (ITC) for the second time.

### Sports

Navarino Challenge, the award-winning sports event, was held for the sixth consecutive year in Messinia and Costa Navarino, bringing together more than 2,500 participants of all ages from 36 countries to compete in 28 sports activities.







### **Creating new jobs and business opportunities**

Contributing significantly to the local economy and supporting regional development is a key priority for TEMES, as the company's growth is directly linked to the prosperity of the destination as a whole. The implementation of a sustainable tourism business model in the development of Costa Navarino creates new jobs and business opportunities due to its direct links with most of the sectors of the local economy, providing a strong incentive, especially among young people, to stay in their homeland of Messinia.

At Costa Navarino, sustainable tourism is used as a propulsive industry to create the necessary momentum for the continuous, inclusive and sustainable economic development of an entire destination. It creates links with agriculture and service-providing sectors and stimulates the development of key infrastructure (road construction, upgrade of airport facilities) and the provision of financial services from which the local economy can benefit.

The revenue generated by the increase in tourist arrivals in the region has positive direct impacts on a series of local SMEs from a wide range of economic sectors incorporated in the tourism value chain. As these companies buy goods and services from local suppliers, the positive impact from tourism growth on income and employment in the local community is multiplied, creating a vibrant local economy.

The operation of Costa Navarino has contributed significantly to the reduction of unemployment in Messinia, as the company applies a policy of preference to hiring locally.

The next phase of our development plan which is currently in progress, is expected to create 900 new direct jobs and several more indirect job positions in the broader area.

### Procurement practices

The management of our supply chain is closely linked with the company's vision to connect the development of Costa Navarino with the development of the destination of Messinia as a whole. The operation of our supply chain strengthens the local economy and creates new business opportunities in the region. It provides us with the opportunity to work together with our local stakeholders and address common economic, environmental and social issues arising from our operations.

Apart from the region of Messinia, the impact of our supply chain extends also to the national level, making a positive contribution to the development of the national economy.

At Costa Navarino we are committed to using mostly locally sourced products and we strive to contribute to the development of new, sustainable local businesses that can be included in our supply chain.

In 2018, Costa Navarino used goods and services from more than 1,800 vendors. Our payments to suppliers totaled 26.5 million euros.

83% of our vendors are in Greece, 23% of whom are suppliers and businesses operating in the Peloponnese and 17% in Messinia. The remaining 17% of our vendors are based mainly in other European countries.

In 2018, the percentage of our procurement budget spent on Messinian suppliers reached 25%, up from 21% in 2017. In the Food & Beverages (F&B) category alone, 43.4% of our procurement budget was spent on Messinian suppliers.

As part of our efforts to raise awareness on the benefits of organic farming and promote sustainable agriculture in Messinia, we operate our own organic vegetable garden at Costa Navarino, covering an area of 1,000 m<sup>2</sup>. Here, we cultivate different varieties of fruit, vegetables and aromatic herbs with a production process that is certified organic according to EU regulations 834/2007 and 889/2008.

All our production is used in the restaurants of Costa Navarino. In 2018, our garden produced more than 2,000 lettuces, 4,700 kg of fruit and 6,500 kg vegetables. We have installed a drip irrigation system in the organic garden to maximize water efficiency, while we use only organic fertilizer and compost produced at our composting facility in Costa Navarino.

The organic vegetable garden at Navarino Dunes is open to visitors, while special educational and experiential activities for children and adults are organized throughout the year.



#3 DECENT WORK AND ECONOMIC GROWTH



## Navarino Icons

In partnership with small and medium scale local producers, we aim to acquaint people from all over the world with the region's rich culinary and cultural history. Under the Navarino Icons brand, we have developed high-quality food products and cultural objects from the Peloponnese.

Navarino Icons products are available at Costa Navarino and at more than 600 stores around the world, including several landmark venues such as Marks & Spencer, Julius Meinl am Graben, Urban Deli, Dean & DeLuca, Whole Foods, Zabar's, Wally's and many more – in more than 14 countries. The mini items are also served in the first and business class of several international airline companies, such as Aegean Airlines, Saudi Airlines, Lufthansa as well as British Airways, Air France and Emirates for selected routes departing from Greece.

Navarino Icons has received more than 40 awards and accolades for the quality of the products while in 2018 the Extra Virgin Olive Oil (EVOO) World Ranking named Navarino Icons Estate Grown Extra Virgin Olive Oil as EVOO of the Year for the third consecutive year.





### Navarino Vineyards

Through the operation of Navarino Vineyards, the destination's organic vineyards launched by TEMES in collaboration with acclaimed Greek vintners, we are introducing locally produced fine wine and spirits to international markets.

Navarino Vineyards are located close to the nearby village of Mouzaki, in an area covering 55 hectares at approximately 550 m altitude. These old vines grow in an area with an ideal climate which, due to its temperature variation between morning and night, coupled with the advantageous elevation and level of humidity, is perfect for producing grapes of excellent quality. The end product brings out the unique characteristics of the Messinian soil.

In 2018, the 1827 Cabernet Sauvignon 2017, the 1827 Chardonnay 2017 and the KOTYLE Cabernet Sauvignon 2015 labels were each awarded the Silver medal at AWC Vienna, the international leader of officially recognized quality awards for wine, after competing with 12,615 wines of 1,802 producers from 40 countries.

In addition, KOTYLE Chardonnay 2016 and KOTYLE Cabernet 2015 were awarded silver and gold medals respectively at Berliner Wein Trophy 2018, at which almost 6,000 wine labels competed from all over the world. Finally, KOTYLE Cabernet 2015 won the silver medal at Concours Mondial de Bruxelles 2018, where 9,180 wines from all over the world were in competition.



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



Ensure sustainable  
consumption and  
production patterns





# #4

## RESPONSIBLE CONSUMPTION & PRODUCTION

The tourism sector needs to adopt sustainable consumption and production (SCP) modes, accelerating the shift towards sustainability. Tools to monitor sustainable development impacts for tourism including for energy, water, waste, biodiversity and job creation will result in enhanced economic, social and environmental outcomes.

TEMES contribution to the realization of goal 12 comes directly under target 12.b: «Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products».

Working towards the adoption of a sustainable consumption and production mode, our company aims to minimize the intake of natural resources, as well as the use of toxic materials, and manage according to the best available environmental option the waste and pollutants generated from our operation.

Our procurement policy comprises the framework under which we cooperate with our suppliers, aiming to apply sustainable practices to our entire supply chain, facilitate our suppliers, improve their performance and contribute to the development of the local economy.

## Responsible waste management (Material topic)

### Type of waste/quantity (T)\*

		2018	2017
PACKAGING		40.39	320
LED BATTERIES		11.51	9.51
OTHER BATTERIES		0	0.31
OILS		0	0.26
EDIBLE OILS		5.10	3.89
LAMPS		0.18	0.48
ELECTRONIC WASTE		0.10	0.28
GLASS		94.84	63.43
DETERGENTS - SOAP		0.03	0.08
FERROUS METALS		0	3.78
TIRES		0	0.18

\* The data on quantities of each type of waste are provided by the relevant waste management/ disposal contractor.

The integrated solid & liquid waste management system of Costa Navarino has been designed in accordance with the principles of waste reduction, reuse and recycling. In cooperation with hotel operators, an extensive recycling program for paper, plastics, glass, used oil, batteries and organic waste has been set in motion, resulting in a significant reduction of the amount of waste ending up in landfills.

All quantities are reported annually to the prefectural authority of the Peloponnese, which is responsible for waste management. For 2018, the amount of non-recyclable municipal waste ending up in landfills reached 1.175 t.

Up to 2017, the municipality of Tryfilia received all the packaging material from Costa Navarino for recycling. Unfortunately and unexpectedly, during 2018 the municipality was no longer able to provide this service and we had to seek alternative contractors to receive this waste. However, because of the distance to available private facilities and their prior commitments, we managed to send only a fraction of the total quantity of packaging material to a private contractor for recycling. This is the reason for the significant reduction in packaging recycling quantities between 2017 and 2018. Despite this setback, we have already entered into a new contract with a private company to receive the entire quantity of packaging material for recycling during 2019.

The composting facility we operate (within our premises) turns the trimmings from the trees at Costa Navarino into compost that is subsequently used in our gardens and on the golf courses. In 2018 our composting facility produced 80 m<sup>3</sup> of compost.

Food waste was reduced by a further 2.87% during 2018 compared to 2017, reaching a total reduction of 81.34% since 2016. The localization of resources and ordering, together with stock minimization, internal re-work and food donations, have given us the tools to reduce food wastage even further.

Within the framework of the waste management system, a large-scale wastewater treatment facility operates within the premises of Costa Navarino. The table in the previous page presents the total weight of different types of waste recycled in 2018 compared to 2017.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



# #5

## LIFE BELOW WATER AND LIFE ON LAND

The UNWTO reminds us that coastal and maritime tourism rely on healthy marine ecosystems and prompts tourism developments to help conserve and preserve fragile marine ecosystems and contribute to the sustainable use of marine resources.

Tourism businesses can play a key role in the protection of biodiversity and natural heritage on land and sea, which make up the unique identity of each destination, by promoting sustainable tourism and value creation for all stakeholders.

TEMES' contribution to the realization of goals 14 and 15 comes under the following targets:

### **14.7**

«By 2030, increase the economic benefits to Small Island Developing States and Least Developed Countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism».

### **15.1**

By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

### **15.5**

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

# Protect and preserve biodiversity

(Material topic)

## Protecting Sea Biodiversity

The sea, apart from a significant tourism asset, particularly important for Greece, is a key natural resources provider and a major carbon sink contributing to the mitigation of climate change. Coastal areas support numerous human activities vital for the development and coherence of human societies.

Understanding the importance of maintaining a healthy sea environment, TEMES implements a series of policies for the protection of marine ecosystems and sea biodiversity.

At Costa Navarino we pay special attention to the procurement of our sea food, which comes mainly from local fishermen. Understanding the magnitude and severity of marine pollution, we have eliminated the use of plastic bags in all outlets at Costa Navarino and constantly strive to minimize the use of plastic in general. The beach in front of Navarino Dunes is periodically cleaned with the help of special equipment and personnel, before and after the nesting period of the loggerhead sea turtle (*Caretta caretta*), while our team of divers at Navarino Outdoors ensures that the sea bed is free of plastics and litter.

Since 2010, TEMES, in cooperation with the Sea Turtle Protection Society of Greece (Archelon), has been running an extensive monitoring and protection program for the loggerhead sea turtle. The program, which completed its eighth year of operation in 2018, covers the 2.7 km stretch of The Dunes Beach and annually records the sea turtle population while protecting, monitoring and mapping nests using GPS technology.

A detailed action plan ensures that eggs are not harmed and hatchlings are protected until their final journey to the sea. The awareness-raising activities organized at Costa Navarino, which spread the message about how important marine life is and why we need to protect it, are an integral part of the program.

The results from the implementation of the program so far, and the collaboration with Archelon during the stages of development and operation of Costa Navarino, show that human activities such as sustainable tourism can facilitate and enhance efforts to preserve marine and coastal ecosystems.

	Number of nests 	Hatchlings reaching the sea safely 
2010	13	738
2011	14	1,265
2012	5	331
2013	24	2,004
2014	13	664
2015	18	1,067
2016	27	1,703
2017	21	1,842
2018	41	3,065





### Protecting land biodiversity

Working towards the achievement of SDG 15 (Life on land), we are committed to the sustainable management of our operations in a way that reverses land degradation while protecting and preserving the ecologically important habitats that surround the existing and future sites of Costa Navarino.

This approach is incorporated in all our development plans through consultation with experts and utilization of Navarino Environmental Observatory (NEO) research findings as inputs to our business development policy.

Just 2.5 km from Navarino Bay, between the village of Gialova and the bay of Voidokilia, lies Gialova Lagoon, one of the most significant wetlands in all of Europe. The area, also known as Divari, from the Latin vivarium (“fish farm”) has been designated a Special Protection Area (Site code GR2550008) and a Site of Community Importance (Site code GR2550004). It is also a Wildlife Refuge and one of the Important Areas for Birds in Greece. Gialova has a unique and diverse bird population comprising 271 species. It is the first stop for migratory birds from Africa, and home to a great number of mammals, reptiles, amphibians and fish. Gialova Lagoon is home to Europe’s only population of African chameleons.

NEO is developing a unique program for the protection of this rare and endangered species. TEMES, through its collaboration with NEO, supports a series of research projects on the lagoon’s avifauna and the impact of climate change on the ecosystem of the lagoon.

At a site level, to preserve biodiversity and the characteristic Messinian landscape covered with centuries-old olive groves, TEMES has initiated the most extensive olive tree transplanting program in Europe. The program, to be implemented at all Costa Navarino sites, is being carried out by a dedicated team of agricultural scientists, topographers and landscape architects.

During construction, on-site olive trees are moved and temporarily planted in a specially prepared reception area. As construction progresses, these trees are replanted in their final location, restoring the beauty of the landscape. At the present stage of development, 6,600 olive trees have been moved and replanted, while more than 900,000 endemic shrubs of different species have already been planted.



6 CLEAN WATER  
AND SANITATION



Ensure availability and  
sustainable management  
of water and sanitation  
for all





# #6

## CLEAN WATER AND SANITATION

Sustainable water management that safeguards water availability and quality is a prerequisite for economic development and a crucial factor for social stability.

A significant portion of the local economy in Messinia is based on agriculture and water availability is therefore vital for the wellbeing of the community.

The implementation of a sustainable tourism development model with a long-term perspective at Costa Navarino is directly linked with the availability of water resources in the local area and their management in cooperation with all local stakeholders.

Water quality and availability are considered by TEMES to be a major sustainability risk that is addressed through the implementation of appropriate short- and long-term policies in line with the targets of SDG6.

TEMES' contribution to the realization of goal 6 comes under targets 6.5 and 6.B:

### **6.5**

By 2030, implement integrated water resources management at all levels.

### **6.B**

Support and strengthen the participation of local communities in improving water and sanitation management.

## Diligent water management (Material topic)

Reporting boundaries for water consumption encompass activities within the premises of Costa Navarino. This includes the irrigation needs of the two golf courses and the gardens of Navarino Dunes and Navarino Bay, together with the consumption of potable water in the Costa Navarino facilities.

Our sustainable water management policy aims to cover the water needs of Costa Navarino without depriving the local community of resources.

Committed to this approach, TEMES conducted an extensive water resource management study for the area of western Messinia.

The purpose of this study was to:

- identify the area's available water resources;
- explore the impact of climate change on the quality and availability of water resources;
- design a sustainable water management system for Costa Navarino which uses only water that is naturally replaced;
- provide detailed hydrogeological data to local authorities, so that they can develop a sustainable water management system at a regional level.

The study revealed that substantial quantities of surface water from local rivers (more than 50 million m<sup>3</sup> per year) remain unused due to a lack of infrastructure for collection and storage in the area. In response to this finding, two reservoirs of approximately 700,000 m<sup>3</sup> total capacity were designed and constructed by TEMES specifically to meet the irrigation needs of Costa Navarino, including the golf courses.

The reservoirs, fully integrated into the surrounding landscape, are filled by utilizing only a very small percentage of the runoff from local rivers, just before flowing into the sea.

The study was donated to the prefecture of the Peloponnese and formed the basis for the water management plan for the southwest Peloponnese, published by the Ministry of the Environment in 2013.

TEMES constantly monitors the quantity of water withdrawn from local rivers in order to ensure full compliance with the relevant licenses. This information together with additional data on river flows and height are reported to the local water authority.

Water quality in the local rivers is monitored in cooperation with accredited laboratories. At the same time, continuous efforts are made to reduce water needs through recycling process optimization.

The following table shows the total volume of surface water withdrawn for irrigation purposes in 2017-18 from two local rivers (Selas and Gianouzagas), together with the overall river flows as calculated with special monitoring devices installed in the rivers. The data for water withdrawal are taken from specially installed water flow meters.

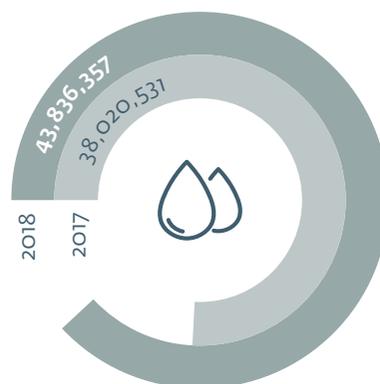
This water, together with highly treated recycled water from our wastewater plant, is more than enough to cover the irrigation needs of Costa Navarino for the whole season.

In 2017 there was an increase in water consumption due to a significant decrease in rainfall as presented in the 2017 sustainability report. At the beginning of 2018, the irrigation plan for both golf courses was revised, aiming to bring water consumption back down to 2016 levels. This target was achieved as presented in the tables on the right.

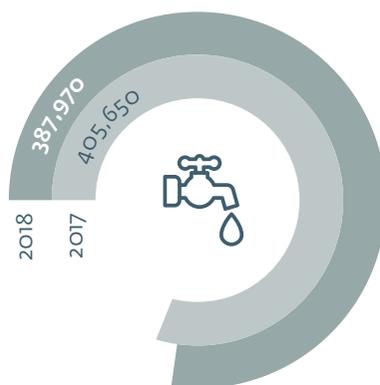
The quantity of water withdrawn from local rivers during 2018 represented only a very small percentage of their annual flow, remaining well below 1%.

#### RIVER SELAS

Overall Flow (m<sup>3</sup>)



Water withdrawn (m<sup>3</sup>)



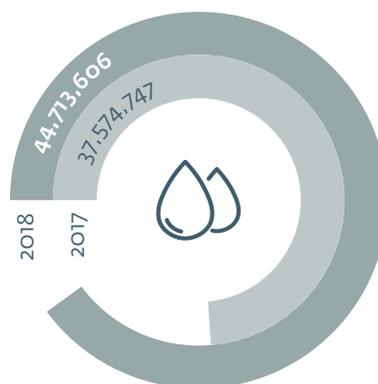
Water withdrawal as a percentage of annual river flow

2018	<b>0.89%</b>
2017	1.07%

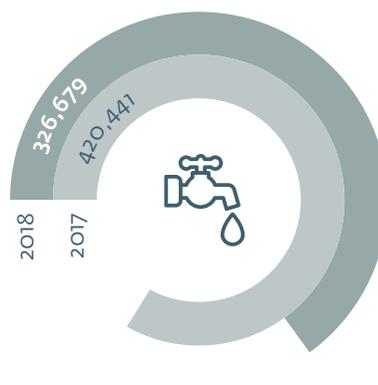


#### RIVER GIANOUZAGAS

Overall Flow (m<sup>3</sup>)



Water withdrawn (m<sup>3</sup>)



Water withdrawal as a percentage of annual river flow

2018	<b>0.73%</b>
2017	1.12%



The water utility of Pylos-Nestor municipality is the provider of potable water for Costa Navarino. The table on the right shows potable water consumption in m<sup>3</sup> for the period 2017-18.

In 2018 there was a 13% increase in potable water consumption at Navarino Dunes. This increase is attributed to leakages in the Real Estate distribution network due to construction work, which were difficult to detect, to an increase of flushings at the Westin Resort before each arrival, to an increase in the consumption of deionized water used in laundries, kitchens and ice-making machines, as well as to an increase in water used for cleaning in the surrounding area of the Westin Resort. Apart from the leakages that were detected and repaired, all other factors will be closely monitored during 2019 to optimize water consumption.

Since there are no hotel facilities at Navarino Bay, water consumption remains very low.

Water recycling takes place at Navarino Dunes mainly through our wastewater treatment plant that operates within the facilities. Additional sources of recycled water are the cooling towers and the water purification facility. All recycled water is used to irrigate the golf course and landscape at Navarino Dunes.

The following graph shows the total quantity of water recycled and reused at Navarino Dunes in 2017-18 as an absolute figure and as a percentage of the total water withdrawal for Navarino Dunes. Total water withdrawn includes the quantity from two local rivers (Selas and Gianouzagas) for irrigation purposes, as presented in the tables on page 85, and the potable water from groundwater sources, which is provided by Pylos-Nestor municipality as shown in the graph on the right. In 2018, no water was withdrawn by the company from the following sources: ground water, rainwater collected directly and stored or wastewater from another organization.

In addition, a series of water-saving measures have been applied, based on best available practices that focus on consumption monitoring (e.g. leak control, improved efficiency), including educational programs for visitors.

The availability and quality of underground and surface water is continuously monitored using state-of-the-art technology, through an extensive network of monitoring stations and sampling points.

POTABLE WATER CONSUMPTION (m<sup>3</sup>)

	Navarino Dunes	2018	<b>297,530</b>
		2017	263,040
	Navarino Bay	2018	<b>2,670</b>
		2017	2,634

TOTAL WATER WITHDRAWN (m<sup>3</sup>)

	2018	<b>1,014,849</b>
	2017	1,091,765

VOLUME OF WATER RECYCLED & REUSED (m<sup>3</sup>)

	2018	<b>128,000</b>
	2017	135,000

TOTAL WATER RECYCLED OR REUSED AS A PERCENT OF THE TOTAL WATER WITHDRAWAL

	2018	<b>12.6%</b>
	2017	12.4%





Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



# #7

## PEACE, JUSTICE AND STRONG INSTITUTIONS

As an industry that brings together millions of people from different cultures, tourism can act as a catalyst in the process of the proliferation of a culture of tolerance, peace and understanding.

The governance model adopted by TEMES is in line with goal 16, which aims to ensure responsive, inclusive, participatory and representative decision-making at all levels, emphasizing the importance of public access to information, protection of fundamental freedoms and the promotion of non-discriminatory laws and policies for sustainable development.

Our contribution to the realization of goal 16 comes under targets 16.6, 16.10 and 16.B, as adapted to the operation of a tourism business:

### **16.6**

Develop effective, accountable and transparent institutions at all levels.

### **16.10**

Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

### **16.B**

Promote and enforce non-discriminatory laws and policies for sustainable development.

## Business ethics & compliance (Material topic)

At TEMES we are committed to conducting our business in an ethical manner that reflects our dedication to integrity, honesty and fairness, in compliance with all applicable laws, regulations and rules while providing full, fair and accurate disclosure in all public communications. This approach consists a fundamental value of the company which is directly linked with our vision for the development of sustainable tourism.

In every aspect of our operation we comply with all relevant national and international legislation, aiming to apply internationally acceptable best practices, and thereby contributing to the promotion of peaceful and inclusive societies and the establishment of effective, accountable and inclusive institutions at all levels.

Our employment policies promote an inspiring, safe and secure working environment for all, safeguarding equality, promoting equal opportunities and eliminating discrimination based on race, color, religion, social or national origin, political opinion, age, sex, sexual orientation, disability or gender.

The company's commitment to implement a zero-tolerance policy towards discrimination in the workplace and abide to the highest moral and ethical standards is set out in the relevant sections of our Code of Business Conduct and Ethics (the Code) and the "Staff Handbook", both provided to all our associates as part of their induction training.

Responsibility for keeping the Code in line with best international practices lies with the company's HR department. In collaboration with all our associates, we aim to create a discrimination-free working environment, promoting acceptance, inclusiveness and safety. In 2018, no instances of discrimination were recorded.

Our Environmental Policy Document, which forms part of our Environmental Management System, certified according to ISO 14001, discloses our commitment to the development of a sustainable tourism destination with respect for the environment and the local communities of the areas in which we operate.

It outlines our operating principles based on continual improvement of our sustainability performance, compliance with all applicable legislation and the minimization of any negative impact on the environment and society deriving from our activities.

For 2018 we have not identified any instance of non-compliance with laws and/or regulations.

## Governance

TEMES S.A. has a long-standing commitment to transparency and integrity in all its corporate governance practices. A key principle of the company's governance model is to safeguard the interests of its stakeholders, including shareholders, associates, suppliers and the local communities of Messinia.

In accordance with applicable legislation and the company's Articles of Association, the Board of Directors appoints its executive members and assigns the management of the company's daily affairs to members or non-members of the Board.

Executive members of the Board, through regular meetings with TEMES senior management, provide guidance on key operational performance issues while ensuring the communication and implementation of the Board's overall short- and long-term strategy. In the company's governance structure there are no committees responsible for decision-making in specific areas.



7 AFFORDABLE AND  
CLEAN ENERGY



Ensure access to  
affordable, reliable,  
sustainable and modern  
energy for all

13 CLIMATE  
ACTION



Take urgent action to  
combat climate change  
and its impacts



# #8

## AFFORDABLE & CLEAN ENERGY/CLIMATE ACTION

Tourism is an energy-intensive sector that contributes to and is affected by climate change. As a major tourism stakeholder in Greece, we intend to play a leading role in the national response to climate change by promoting investments in clean energy sources and reducing our carbon footprint.

TEMES' contribution to the realization of goals 7 and 13 comes under targets 7.3, 13.2 and 13.3:

### **7.3**

By 2030, double the global rate of improvement in energy efficiency.

### **13.2**

Integrate climate change measures into national policies, strategies and planning.

### **13.3**

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Energy consumption is the main contributor to direct and indirect GHG emissions from the operation of Costa Navarino. GHG emissions are the main driver for climate change which is affecting people on a local and global

scale. Changing weather patterns, rising sea levels and extreme weather events are all impacts of climate change which are occurring with increasing frequency, causing disruption to the economy and human communities.

By creating the necessary infrastructure and using the latest available technology in energy management, we endeavor to reduce our energy consumption and maximize the use of renewable energy.

Through a series of policies as set out in the following paragraphs, which are in line with the targets of SDGs 7 and 13, we are actively contributing to national and international efforts for sustainable energy management and climate change mitigation. Our policies, which also contribute to the realization of SDGs 3, 9 and 12, integrate climate change measures into the company's operations, promote sustainable energy management and efficient use of natural resources, aiming at a reduced carbon footprint. Through the paradigm of Costa Navarino, the implementation of these policies raises awareness within the tourism sector on a local and national level regarding the importance of climate change mitigation and adaptation.

## Responsible energy management (Material topic)

The architectural design of Costa Navarino is based on the principles of bioclimatic architecture. The buildings are designed and oriented in such a way as to optimize utilization of the natural elements, leading to an overall reduction of energy needs for heating and cooling, while more than 90% of the total land area will be dedicated to natural and planted greenery, ensuring the preservation of the region's natural beauty.

### The construction of Navarino Dunes features:



Free-standing open roofs



Over 5,000 m<sup>2</sup> of planted roofs



Optimal use of natural light through orientation of buildings, landscaping, artificial and natural shading





Geothermal  
instalation  
underneath  
The Dunes Course

**Advanced materials and systems are installed in the buildings of Costa Navarino to reduce energy consumption. These include:**

- Energy-efficient window panes
- High-quality, external wall insulation system that significantly reduces energy losses by wrapping the building in a thermally resistant envelope
- Low-energy technology lighting
- Electronic lighting ballasts
- Central lighting control systems
- Central Building Management System (BMS)

**Significant reductions in energy consumption and GHG emissions are achieved by:**

- installing at Navarino Dunes the biggest geothermal system of its kind in Europe with 123 km of underground pipes, for heating and cooling, the first on such a large scale worldwide to be placed underneath a golf course
- utilizing a heat pump of 1,050 KW cooling power and 1,400 KW heating power, thereby minimizing the use of LPG for cooling and heating

Energy consumption from the operation of the resort is monitored and recorded according to ISO 14064, using advanced electronic measuring systems.

Comparative analysis of the results is used to identify possibilities for further reduction of energy consumption, so that we can continuously improve our performance. The main forms of energy consumed at Costa Navarino are electricity provided by the National Grid and thermal energy generated on-site in boilers using LPG as fuel. At Navarino Bay, where The Bay Course is the only operational facility, the main form of energy consumed is electricity. An additional source of consumption is from vehicles owned by the company.

The amount of fuel consumed by the company's fleet in 2018 was 19,617 lt of gasoline and 49,534 lt of diesel.

Due to its minor contribution, this form of energy is not included in the figures presented for the facilities of Navarino Dunes. However, because of the requirements of the Hotel Carbon Measurement Initiative (HCMI) methodology, the emissions from the vehicle fleet are calculated as direct greenhouse gas (GHG) emissions (scope 1) (see p. 99)

The energy intensity ratio for each hotel is expressed in kWh/occupied room, while the energy intensity for the rest of the facilities within Costa Navarino is expressed in kWh/m<sup>2</sup> of conditioned space (see p. 101).

In 2018 electricity consumption marked a marginal increase compared to 2017 for both hotels, while there was a significant reduction in LPG consumption at The Romanos (-26.71%) compared to 2017 figures.

Both results can be attributed to the extensive use of the heat pump, which also led to a reduction in LPG consumption at the other facilities combined with an increase in electricity consumption. The increase in LPG consumption at The Westin is attributed to the increase in the days when the hotel's outdoor pools were heated.

At Navarino Bay, the greater number of visitors to The Bay Course golf club led to an increase in electricity consumption. Nevertheless, electricity consumption at Navarino Bay remains very low as the golf course is currently the only facility in operation.

**Energy Comparison 2017-2018**

		Electricity (kWh) 	LPG (kWh) 	Total Energy (kWh) 	Electricity/Rooms occupied 	LPG/Rooms occupied 
NAVARINO DUNES	THE ROMANOS RESORT	5.90%	-26.71%	0.35%	1.17%	-29.99%
	THE WESTIN RESORT	6.60%	24.24%	11.07%	8.74%	26.74%
	OTHER FACILITIES	16.25%	-5.75%	8.94%	-	-
NAVARINO BAY	THE BAY COURSE	12.94%	-	12.94%	-	-



## Climate change strategy and GHG emissions (Material topic)

The GHG emissions presented in this report were calculated using the methodology of the Hotel Carbon Measurement Initiative (HCMI) version 1.1., a tool developed by the International Tourism Partnership (ITP) and the World Travel & Tourism Council (WTTC), in collaboration with 23 leading global hospitality companies, which adheres to the GHG Protocol principles of relevance, completeness, consistency, transparency, and accuracy.

### Boundaries and assumptions

Reporting boundaries include all GHG emissions resulting from activities within the premises of Costa Navarino (scopes 1 and 2) and from outsourced laundry operations (scope 3). This includes restaurants, meeting spaces, shops, golf courses, spa, garden space, fitness centers, 'back of house', vehicles owned or controlled by the company and any other amenities that are located within our premises, excluding private space\*.

The HCMI methodology does not include other scope 3 emissions, upstream or downstream, coming from the activities of suppliers outside of our premises (except laundry facilities), the guests' travel to the destination, or associates' business travel in non-company cars.

Laundry-associated emissions are included in the methodology, as they are a significant item in the environmental program of most hotels (towel reuse programs, etc.), and in many cases they comprise a significant portion of a hotel's

overall emissions. Bearing in mind that many hotels outsource some or all their laundry activity, the GHG emissions from outsourced laundry operations have been included in the HCMI methodology to facilitate comparability between the overall footprints of different hotels.

*\* According to the HCMI methodology, private space includes areas which are not accessible to hotel guests or conference attendees (e.g. private apartments) or are not related to the hotel (e.g. the leasing of a floor to a third party). On-site staff accommodation is also considered private space.*

### Carbon footprint

The main source of direct GHG emissions (scope 1) from the two hotels operating at Navarino Dunes is the combustion of LPG for heat production. Emissions from vehicles owned by Costa Navarino are also calculated on the basis of fuel consumption. These emissions are equally distributed between the two hotels of Costa Navarino.

Energy indirect GHG emissions (scope 2) result from the generation of electricity purchased from the National Grid for consumption at Costa Navarino. Other indirect GHG emissions (scope 3), in accordance with the HCMI methodology, include carbon emissions from outsourced laundry operations.

To estimate the overall carbon footprint of Costa Navarino, the emissions deriving from energy consumption (scopes 1 and 2) at the rest of our facilities (conference center, spa, golf course), are also reported

using the emission factors of the HCMI methodology. These factors include emissions of carbon dioxide, methane and nitrous oxide from all the agreed sources. Regarding the disclosure of market-based energy indirect GHG emissions (scope 2), we followed the GHG protocol's suggestions. Specifically, since we do not currently have any contractual agreements or supplier-specific data, we have used the appropriate residual mix factor for Greece, according to the Association of Issuing Bodies (AIB) (<https://www.aib-net.org/>). The emission intensity ratio for each hotel is expressed in tCO<sub>2</sub>e/occupied room based on the HCMI methodology, while the emission intensity for the rest of the facilities within Costa Navarino is expressed in tCO<sub>2</sub>e/m<sup>2</sup> of conditioned space (see p. 101).

In 2018, the reduction in direct GHG emissions (scope 1) reached 72.2% for The Romanos and 26.2% for The Westin, relative to base year emissions (2012\*).

The significant increase in scope 1 emissions between 2017 and 2018 at The Westin is directly linked to the increase in LPG consumption as described in the section "Energy". Scope 3 emissions include outsourced laundry-associated emissions calculated according to the HCMI methodology in direct analogy with hotel guest nights. Thus, the 4% increase in guest nights at The Westin led to a proportional increase in scope 3 emissions.

Despite the significant increase (58%) in guest nights between 2012 and 2018, energy indirect emissions (scope 2) at The Romanos rose by only 13.1%, while at The Westin they decreased by 4.7%. The effectiveness of the energy management measures can be seen in the significant reduction of emissions per room on a daily basis for both hotels.

At The Romanos, from 0.160 tCO<sub>2</sub>/room in 2012, we achieved 0.097 tCO<sub>2</sub>/room, a 39% reduction in 2018.

At The Westin, from 0.146 tCO<sub>2</sub>/room in 2012, in 2018 we reached 0.087 tCO<sub>2</sub>/room, marking a 40% reduction.

The difference in values achieved for each hotel is directly linked to the fact that The Westin operates almost all year round, while the operation of The Romanos is seasonal.

*\* 2012 has been selected as the base year as it is the first year of full operation after the opening of Navarino Dunes in 2010.*

#### Emissions from Costa Navarino in 2018 (tCO<sub>2</sub>e)

		SCOPE 1	SCOPE 2 <i>Location-based</i>	SCOPE 2 <i>Market-based</i>	SCOPE 3	TOTAL*
NAVARINO DUNES	THE ROMANOS RESORT	234	3,097	2,511	18	<b>3,348</b>
	THE WESTIN RESORT	917	6,353	5,152	44	<b>7,314</b>
	OTHER FACILITIES	538	4,032	3,270	-	<b>4,570</b>
NAVARINO BAY	THE BAY COURSE	-	270	219	-	<b>270</b>

*\*Total emissions calculated using Scope 2 location-based emissions*

#### Emissions comparison 2017-2018 (tCO<sub>2</sub>e)

		SCOPE 1	SCOPE 2	SCOPE 3	TOTAL*	Emissions / m <sup>2</sup> conditioned area	Emissions / rooms occupied
NAVARINO DUNES	THE ROMANOS RESORT	-16.1%	5.9%	4.7%	<b>4.0%</b>	-	-0.7%
	THE WESTIN RESORT	22.7%	6.6%	-2.0%	<b>8.3%</b>	-	10.5%
	OTHER FACILITIES	-5.8%	16.3%	-	<b>13.1%</b>	13.1%	-
NAVARINO BAY	THE BAY COURSE	-	12.9%	-	<b>12.9%</b>	-	-



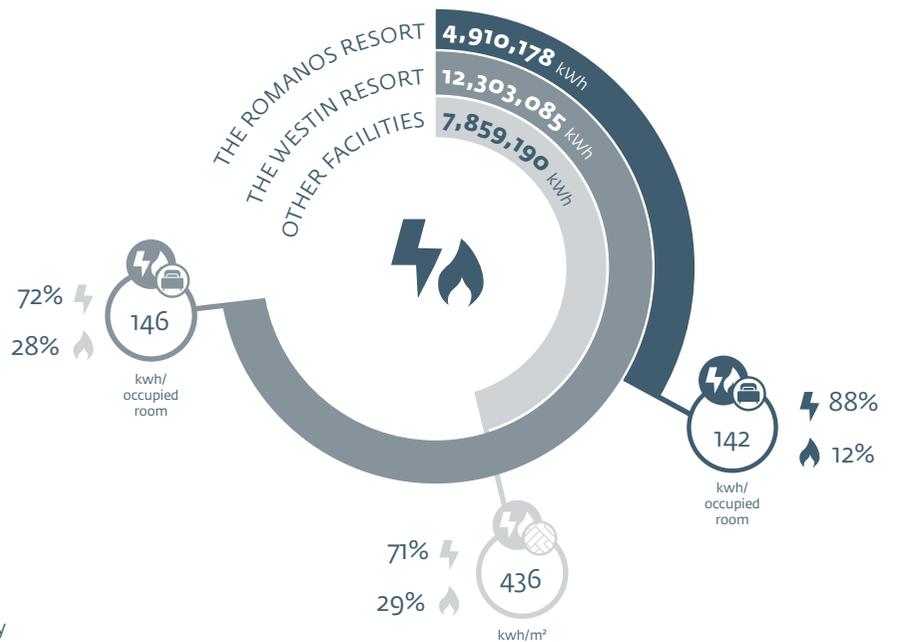
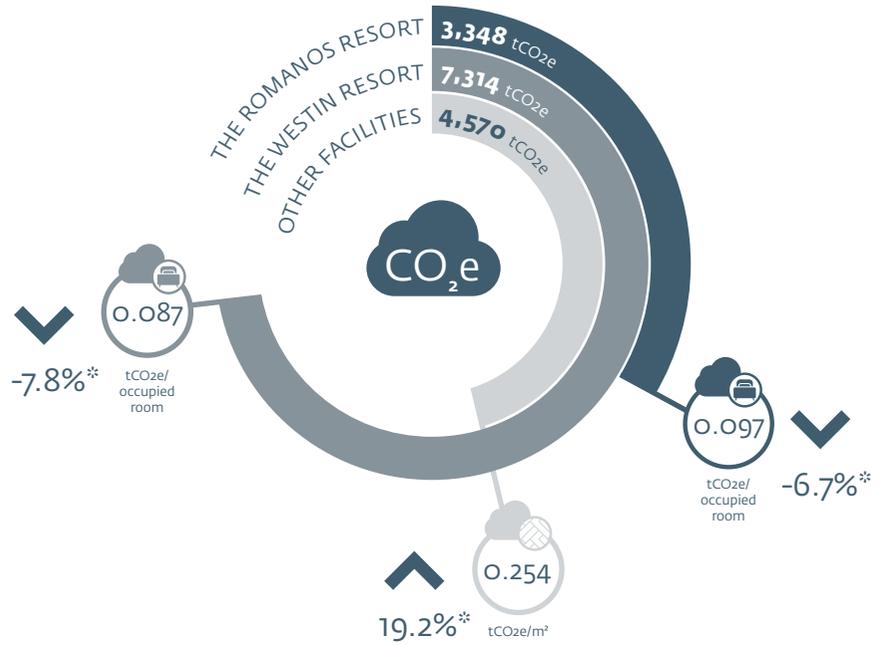
## NAVARINO DUNES

\* Comparison with base year emissions, 2012.

Data for electricity consumption are taken from installed electricity meters, while LPG annual consumption derives from the relevant invoices.



## NAVARINO BAY



3 GOOD HEALTH  
AND WELL-BEING



Ensure healthy lives  
and promote well-being  
for all at all ages





# #9

## GOOD HEALTH & WELL-BEING

Ensuring the health, safety and welfare of guests, associates, and any third parties at all our facilities is a fundamental aspect of our approach towards sustainable operation, directly linked with the company's reputation and credibility.

Providing a healthy living and working environment that promotes well-being for all, contributes to the overall effort for the creation of more prosperous societies. For this reason, TEMES has in place a rigorous Health & Safety policy covering all aspects of our activities.

TEMES contributes to the realization of goal 3 by implementing a series of policies aimed at reducing the H&S risks associated with our operations to a level as low as reasonably practicable (ALARP).

## Safeguard occupational health & safety and well-being (Material topic)

Our H&S Policy, adopting practices as defined in the internationally applied OHSAS 18001 standard, aims to ensure the health, job satisfaction, moral well-being and productivity of our associates by creating a welcoming workplace at Costa Navarino.

In the framework of our H&S policy, the company undertakes the commitment to:

- Provide and maintain a safe and healthy working environment in full compliance with current legislation.
- Provide training and support to enable associates to perform their work safely and efficiently, while developing their personal skills and interests.
- Maintain a constant and continuing interest in health and safety matters in connection with the company's activities by ensuring that associates, wherever possible, undertake hazard spotting as a normal part of their duties.
- Actively promote the application of environmentally friendly practices both internally and amongst its customers and suppliers.

Detailed H&S procedures, covering 100% of our service categories, are in place to ensure compliance with legal and best international practice requirements and assess health and safety impacts for improvement. All our associates are trained to actively participate in the implementation of our H&S policy.

Details regarding H&S practices are displayed on all information boards and work stations with content relevant to the activities performed. In all our operations, we implement a web-based tracking and reporting system on health and safety incidents. This system provides us with real-time information on the implementation of health and safety procedures, including customer feedback, allowing for immediate action that minimizes the risk of the occurrence of a non-compliance incident.

Our tracking and reporting system complies with the requirements of national legislation, which adheres to the guidelines of the ILO Code of Practice.

Our concern for the health and safety of our associates is not restricted solely to their working environment. Through the implementation of the program WANT (Wellbeing At Navarino Team) we aim to help our associates develop a balanced and healthy way of life with particular emphasis on their personal well-being and their connection with the community.

Offered to all our associates since 2015, the program provides ongoing training from H&S experts, a private Group Medical Plan, an in-house doctor and a blood bank. At the same time, our associates participate in a series of activities focusing on personal well-being, including special initiatives on healthy living and wellness, wellness weeks, when associates are

offered access to the Westin Workout, Spa and Superfoods menus as well as a range of benefits for associates' children such as the Associates' Kids Club.

The program also fosters a sense of connection between our associates and the local community, enhancing social and environmental support and awareness based on specially designed projects.

During 2018 we achieved a further 2.48% reduction (compared to 2017) in chemicals usage at our restaurants and kitchen outlets, which brings the overall decrease since 2016 to 56.82%. The total closed-system approach to chemical management with no manual handling is an excellent tool that has helped us to stabilize overall chemical usage and improve our efficiency.

In 2018 we did not identify any incident of non-compliance with regulations resulting in a fine, penalty, or warning. No incident of non-compliance with voluntary codes has been identified during the year's internal health and safety audits.

We have recorded only minor accidents, which according to the relevant H&S audits, occurred due to lack of attention. More specifically, we have recorded 4 falls, 2 cuts and 1 burn, which did not cause any noticeable health issue to the associates involved. No fatalities were recorded in 2018.

MESSINIA



Injury rate (IR)	0.08%	0.03%	0.06%
Absentee rate (AR)	0%	0%	0%
Occupational diseases rate (ODR)	0%	0%	0%
Lost day rate (LDR)	0.007%	0.006%	0.006%

ATHENS

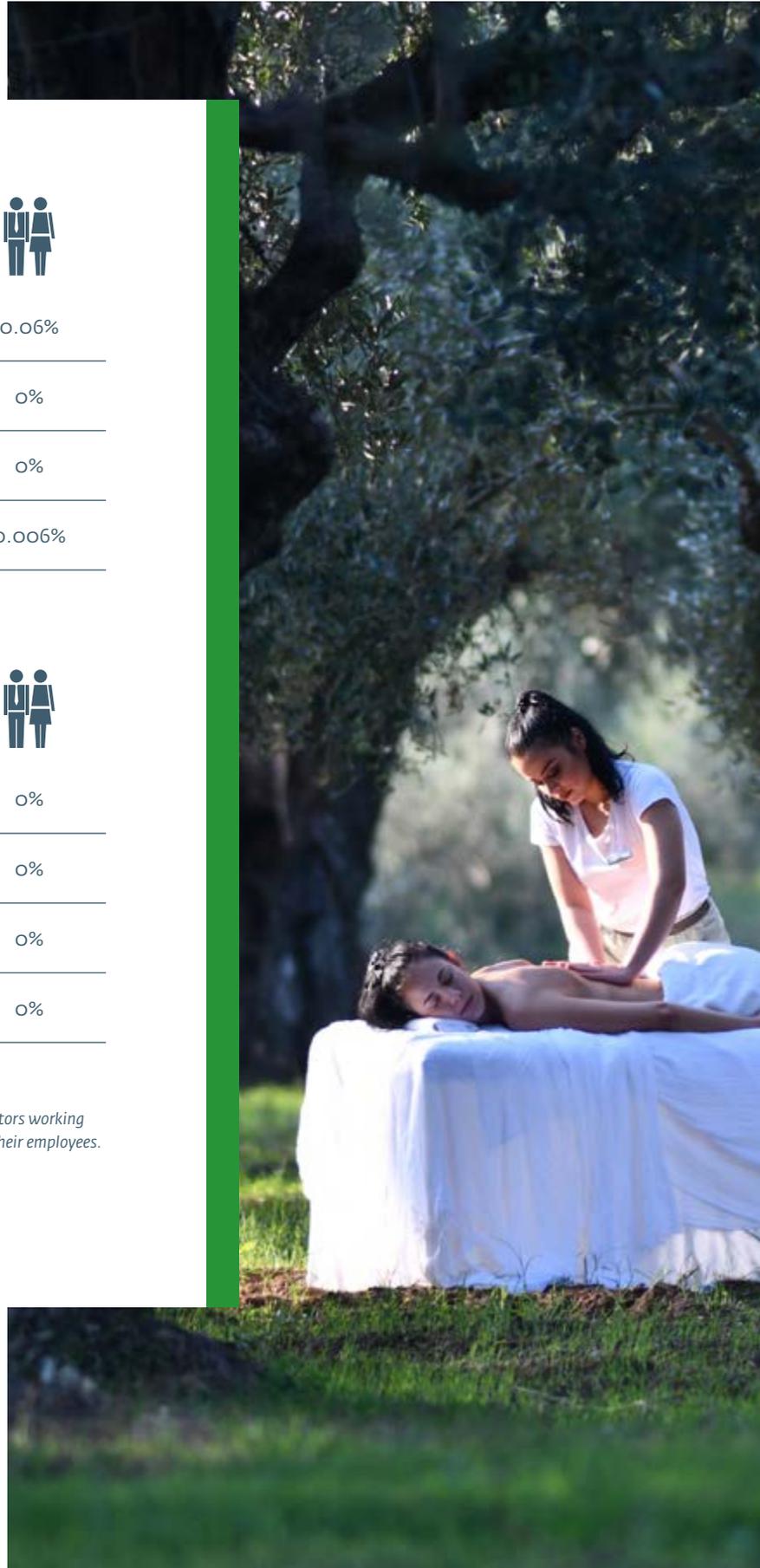


Injury rate (IR)	0%	0%	0%
Absentee rate (AR)	0%	0%	0%
Occupational diseases rate (ODR)	0%	0%	0%
Lost day rate (LDR)	0%	0%	0%

\* Figures refer only to our associates. Independent contractors and third-party operators working onsite, under agreement with TEMES, are responsible for the health and safety of their employees.

\* Lost Days refer to calendar days.

\* The count for Lost Days begins on the day of the accident.



11 SUSTAINABLE CITIES  
AND COMMUNITIES



Make cities and human  
settlements inclusive, safe,  
resilient and sustainable

According to UNWTO, tourism can advance urban infrastructure and accessibility, promote regeneration and preserve cultural and natural heritage, assets on which tourism depends. Investment in green infrastructure (more efficient transport, reduced air pollution) should result in smarter and greener cities, not only for residents but also for tourists.

TEMES contributes to the realization of goal 11 by implementing a series of policies aimed at increasing international awareness of the region and enhancing the network of local infrastructure.



# #10

## SUSTAINABLE CITIES AND COMMUNITIES

### Infrastructure support & accessibility (Material topic)

TEMES continues to play a significant role in attracting new and more frequent flights to Kalamata airport, which is named "Captain Vassilis Constantakopoulos Kalamata International Airport" in recognition of the contribution of the company's founder to the region's profile and development. The region's ever-increasing visibility and promotion as a year-round destination is a key factor in establishing new routes that connect the region to Europe and beyond.

The continuous increase in flight arrivals since 2009 hit a record high of 455% in 2018 while the growth rate of international passenger arrivals reached 326%, compared to 2009.

19 airlines are operating to Kalamata, serving 30 European destinations on a weekly basis. New routes are introduced on an annual basis, while airlines are increasing weekly frequencies and

extending periods of operation, offering travelers significantly reduced transfer times and enhancing connections with major European destinations. Through an investment that has surpassed €11 million so far, TEMES has been providing funds and technical expertise for the development of infrastructure in the wider region of Messinia.

Infrastructure support includes water management studies, road infrastructure design studies, construction of water tanks, wells and pipelines to improve and modernize the water distribution network of neighboring municipalities, and the renovation of Kalamata Hospital, to name just a few examples.

Recent road network construction completed in the area has reduced the travelling time to Messinia and improved access to nearby areas, facilitating both locals and visitors.



# #11

## ABOUT THIS REPORT

### Scope & reporting standards

This is TEMES' fourth annual sustainability report. It aims to provide meaningful, accessible and comparable information on issues that reflect the company's significant economic, environmental and social impact and substantively influence its stakeholders' assessments and decisions. The report is available both on the company's website ([www.costanavarino.com](http://www.costanavarino.com)) and on the GRI website ([www.globalreporting.org](http://www.globalreporting.org)). The report focuses on our commitment to promote sustainable tourism and contribute to the UN Sustainable Development Goals relevant to our operations. Unless otherwise stated, this report covers the period from 1/1/2018 to 31/12/2018 and covers the entire range of activities of TEMES S.A. The report has been prepared in accordance with the GRI Standards: Core option and the AA1000 AccountAbility Principles Standard.

The report outlines our policies and management practices, as well as our company targets and achievements for 2018, in a simple and comprehensive way with the use of key performance indicators.

The Property Ownership, Compliance and Sustainability department of TEMES S.A. is responsible for the preparation, submission and distribution of this report. Ernst & Young Hellas has supported the preparation of this report and its adherence to the GRI Standards.

### Independent assurance

Our sustainability report has been externally assured by TÜV HELLAS (TÜV NORD) according to the requirements of the AA1000 Assurance Standard, as described in the independent Assurance Report accompanying the sustainability report (see p. 118).

### Feedback

We welcome any feedback you may have on this report which will enable us to further improve the structure and quality of information provided.

For matters pertaining to this report:  
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# GRI CONTENT INDEX

GRI Standard	Disclosure	Page number or reference	External Assurance
GRI 102: General Standard Disclosures 2016	<b>102-1</b>	Name of the organization	About this report – Scope & reporting standards (p. 109)
	<b>102-2</b>	Activities, brands, products, and services	Our company – Profile (p. 7)
	<b>102-3</b>	Location of headquarters	About this report – Scope & reporting standards (p. 109)
	<b>102-4</b>	Location of operations	Our company – Profile (p.7)
	<b>102-5</b>	Ownership and legal form	Our company – Profile (p. 7-8)
	<b>102-6</b>	Markets served	Our company – Markets served (p. 31)
	<b>102-7</b>	Scale of the organization	Our company – Profile, Our company – Economic Value Generated & Distributed Our company - Our people (p. 7-8, 32-33, 36)
	<b>102-8</b>	Information on employees and other workers	Our company - Our people (p. 37)
	<b>102-9</b>	Supply chain	Region promotion – Procurement practices (p. 66)
	<b>102-10</b>	Significant changes to the organization and its supply chain	Letter from the Managing Director, Our company – Profile (p. 5, 11)
	<b>102-11</b>	Precautionary Principle or approach	Our approach to sustainability – Material topics & boundaries (p. 56)
	<b>102-12</b>	External initiatives	Our approach to sustainability (p. 48)
	<b>102-13</b>	Membership of associations	Our company – Profile (p. 11)
	<b>102-14</b>	Statement from senior decision-maker	Letter from the Managing Director (p. 5)
	<b>102-16</b>	Values, principles, standards, and norms of behavior	Business ethics & compliance (p. 90)
	<b>102-18</b>	Governance structure	Governance (p. 91)
<b>102-40</b>	List of stakeholder groups	Our approach to sustainability - Working together with our stakeholders (p. 54-55)	
<b>102-41</b>	Collective bargaining agreements	Our company - Our people (p. 36)	

GRI Standard	Disclosure	Page number or reference	External Assurance
GRI 102: General Standard Disclosures 2016	<b>102-42</b> Identifying and selecting stakeholders	Our approach to sustainability - Working together with our stakeholders (p. 54)	
	<b>102-43</b> Approach to stakeholder engagement	Our approach to sustainability – Material topics & boundaries (p. 54-55)	
	<b>102-44</b> Key topics and concerns raised	Our approach to sustainability – Material topics & boundaries (p. 54-56)	
	<b>102-45</b> Entities included in the consolidated financial statements	Our company – Profile (p. 10)	
	<b>102-46</b> Defining report content and topic Boundaries	Our approach to sustainability – Material topics & boundaries (p. 56)	
	<b>102-47</b> List of material topics	Our approach to sustainability – Material topics & boundaries (p. 57)	
	<b>102-48</b> Restatements of information	There were no restatements of information	
	<b>102-49</b> Changes in reporting	Our approach to sustainability – Material topics & boundaries (p. 56)	
	<b>102-50</b> Reporting period	About this report (p. 109)	
	<b>102-51</b> Date of most recent report	December 2018	
	<b>102-52</b> Reporting cycle	About this report – Scope & reporting standards (p. 109)	
	<b>102-53</b> Contact point for questions regarding the report	About this report – Scope & reporting standards (p. 109)	
	<b>102-54</b> Claims of reporting in accordance with the GRI Standards	About this report – Scope & reporting standards (p. 109)	√
	<b>102-55</b> GRI content index	GRI Content index (p. 111-117)	
	<b>102-56</b> External assurance	About this report – Scope & reporting standards (p. 109)	

GRI Standard	Disclosure	Page number or reference	External Assurance
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**Material topic: Region promotion**

GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Region promotion (p. 59, 62-70)
	<b>103-2</b>	The management approach and its components	Region promotion (p. 62-70)
	<b>103-3</b>	Evaluation of the management approach	Region promotion (p. 62-70)

GRI 203: Indirect Economic Impacts	<b>203-2</b>	Significant indirect economic impacts	Region promotion - Creating new jobs and business opportunities (p. 65)
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GRI 204: Procurement Practices	<b>204-1</b>	Proportion of spending on local suppliers	Region promotion - Procurement practices (p. 66)
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**Material topic: Responsible waste management**

GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Responsible waste management (p. 59, 75)
	<b>103-2</b>	The management approach and its components	Responsible waste management (p. 75)
	<b>103-3</b>	Evaluation of the management approach	Responsible waste management (p. 75)

GRI 306: Effluents and waste	<b>306-2</b>	Waste by type and disposal method	Responsible waste management (p. 74)
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GRI Standard	Disclosure	Page number or reference	External Assurance
<b>Material topic: Protect and preserve biodiversity</b>			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Protect and preserve biodiversity (p. 59, 78-80)
	<b>103-2</b>	The management approach and its components	Protect and preserve biodiversity (p. 78-80)
	<b>103-3</b>	Evaluation of the management approach	Protect and preserve biodiversity (p. 78-80)
GRI 304: Biodiversity	<b>304-1</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protect and preserve biodiversity (p. 78-80)
<b>Material topic: Diligent water management</b>			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Diligent water management (p. 59, 84-86)
	<b>103-2</b>	The management approach and its components	Diligent water management (p. 84-86)
	<b>103-3</b>	Evaluation of the management approach	Diligent water management (p. 84-86)
GRI 303: Water 2016	<b>303-1</b>	Water withdrawal by source	Diligent water management (p. 85-86)
	<b>303-3</b>	Water recycled and reused	Diligent water management (p. 86)

GRI Standard	Disclosure	Page number or reference	External Assurance
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**Material topic: Business ethics & compliance**

GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Business ethics & compliance (p. 59, 90)
	<b>103-2</b>	The management approach and its components	Business ethics & compliance (p. 90)
	<b>103-3</b>	Evaluation of the management approach	Business ethics & compliance (p. 90)
GRI 419: Socioeconomic Compliance 2016	<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	Business ethics & compliance (p. 90)

**Material topic: Responsible energy management**

GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Responsible energy management (p. 59, 94-96)
	<b>103-2</b>	The management approach and its components	Responsible energy management (p. 94-96)
	<b>103-3</b>	Evaluation of the management approach	Responsible energy management (p. 94-96)
GRI 302: Energy 2016	<b>302-1</b>	Energy consumption within the organization	Responsible energy management (p. 96, 101)
	<b>302-3</b>	Energy intensity	Responsible energy management (p. 101)
	<b>302-4</b>	Reduction of energy consumption	Responsible energy management (p. 96)

GRI Standard	Disclosure	Page number or reference	External Assurance
<b>Material topic: Climate Change strategy and GHG emissions</b>			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Climate change strategy and GHG emissions (p. 59, 98-99)
	<b>103-2</b>	The management approach and its components	Climate change strategy and GHG emissions (p. 98-99)
	<b>103-3</b>	Evaluation of the management approach	Climate change strategy and GHG emissions (p. 98-99)
GRI 305: Emissions 2016	<b>305-1</b>	Direct (Scope 1) GHG emissions	Climate change strategy and GHG emissions (p. 99)
	<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Climate change strategy and GHG emissions (p. 99)
	<b>305-3</b>	Other indirect (Scope 3) GHG emissions	Climate change strategy and GHG emissions (p. 99)
	<b>305-4</b>	GHG emissions intensity	Climate change strategy and GHG emissions (p. 101)
	<b>305-5</b>	Reduction of GHG emissions	Climate change strategy and GHG emissions (p. 99)
<b>Material topic: Safeguard occupational health &amp; safety and well-being</b>			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Safeguard occupational health & safety and well-being (p. 59, 104)
	<b>103-2</b>	The management approach and its components	Safeguard occupational health & safety and well-being (p. 104)
	<b>103-3</b>	Evaluation of the management approach	Safeguard occupational health & safety and well-being (p. 104)
GRI 403: Occupational Health and Safety 2016	<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safeguard occupational health & safety and well-being (p. 105)

GRI Standard	Disclosure	Page number or reference	External Assurance
<b>Material topic: Infrastructure support and accessibility</b>			
GRI 103: Management Approach 2016	<b>103-1</b>	Explanation of the material topic and its boundary	Material topics & boundaries, Infrastructure support and accessibility (p. 59, 107)
	<b>103-2</b>	The management approach and its components	Infrastructure support and accessibility (p. 107)
	<b>103-3</b>	Evaluation of the management approach	Infrastructure support and accessibility (p. 107)
GRI 203: Indirect Economic Impacts 2016	<b>203-1</b>	Infrastructure investments and services supported	Infrastructure support and accessibility (p. 107)
<b>Additional performance indicators</b>			
GRI 201: Economic Performance 2016	<b>201-1</b>	Direct economic value generated and distributed	Our company – Economic Value Generated & Distributed (p. 32-33)
GRI 202: Market Presence 2016	<b>202-1</b>	Ratios of standard entry level wage by gender compared to local minimum wage	Our company – Our people (p. 40)
	<b>202-2</b>	Proportion of senior management hired from the local community	Our company – Our people (p. 36)
GRI 401: Employment 2016	<b>401-1</b>	New employee hires and employee turnover	Our company – Our people (p. 39-40)
GRI 404: Training and education 2016	<b>404-1</b>	Average hours of training per year per employee	Our company – Our people (p. 41)
GRI 406: Non- discrimination 2016	<b>406-1</b>	Incidents of discrimination and corrective actions taken	Our company – Our people (p. 36)
GRI 416: Customer Health and Safety 2016	<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	Safeguard occupational health & safety and wellbeing (p. 104)
	<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	Safeguard occupational health & safety and well-being (p. 104)

# Independent external verification report



To: Management of TEMES SA

## 1. Independent Verification Report

The company TEMES SA (hereafter TEMES) has commissioned TÜV HELLAS (TÜV NORD) S.A. (hereafter TÜV HELLAS) to provide limited external assurance concerning the Sustainability Report for the period of January 1st of 2018 to December 31st of 2018 (1/1/2018-12/31/2018)

## 2. Scope of the verification project of the Sustainability Report

Scope of the assurance project is the conduction of the Application Level Check, according to the GRI Sustainability Reporting Standards (GRI Standards), referring to the Sustainability Report of TEMES for 2018.

The Application Level Check was conducted based on the corresponding correlation table of GRI Standards Indicators stated by TEMES in its Sustainability Report, in order to confirm the company's compliance to the requirements of the GRI Standards for the "In accordance\_Core" Level.

The methodology used to verify the data as above, was based on the requirements of AA1000AS standard (2008). More specifically, the requirements for the provision of «moderate» service level assurance Type 2, based on AA1000AS, were followed. This service level means that "the assurance provider achieves moderate assurance where sufficient

evidence has been obtained to support their statement, such as the risk of their conclusion being in error is reduced but not reduced to very low or zero".

## 3. The conclusions of TÜV HELLAS

Based on the scope of the project and as part of the verification procedures followed by TÜV HELLAS, the conclusions are as follows:

### A. Adherence to the AA1000 AccountAbility Principles (Inclusivity, Materiality and Responsiveness) against the criteria found in AA1000APS.

#### Inclusivity: Dialogue on Sustainability Issues with the Stakeholders

- We have not realized any matter that causes us to believe that major stakeholder groups were excluded from consultation processes, or that TEMES has not implemented the principle of Inclusivity in developing its approach to sustainability.

#### Materiality: Focus on the Material Issues related to Sustainability

- We have not realized any matter that causes us to believe that the Material Issues' definition approach which was followed by TEMES does not provide a comprehensive and balanced understanding of the Material Issues.

### Responsiveness: Addressing the needs and expectations of Stakeholders

- We have not realized any issue which would lead us to believe that TEMES has not applied the Principle of Correspondence in the selection of subjects included in the Report.

### B. Accuracy and completeness of data (qualitative and quantitative) related to the Application Level Check.

- During the assurance project carried out, nothing came to the attention of TÜV HELLAS which would lead to the conclusion that the Report does not meet to the requirements of the GRI Standards for the "In accordance\_Core" Level, as reflected on the corresponding correlation table of GRI Standards Indicators.

## 4. Review Limitations

The range of the review was limited to the activities of TEMES in Greece. No visits and interviews in subsidiaries and stakeholders of TEMES has been conducted. In case of any discrepancy in the translation between Greek and English version of the Sustainability Report, the Greek version shall prevail.

## 5. Review Methodology

In order to draw conclusions, the external assurance team of TÜV HELLAS conducted the following (indicative and not restrictive) methodology:

- Reviewed the procedures followed by TEMES to identify and determine the Material issues in order to include them within the Sustainability Report.
- Interviews were conducted with selected executives of TEMES having operational role in Sustainability issues in order to understand the current state of Sustainability activities and progress achieved during the period under reference.
- Reviewed the TEMES consultation approach with its stakeholders through interviews with executives responsible for communication with the stakeholders at company level and review of selected documents.

## 6. Responsibilities and Functions

The Team for Sustainability of TEMES carried out the Sustainability Report, thus, is responsible for the information and statements contained therein.

The Level Check conducted do not represent TÜV HELLAS' opinion related to the quality of the Sustainability Report and its contents.

The responsibility of TÜV HELLAS is to express the independent conclusions on the issues as defined in the project scope and in accordance to the relevant contract. The project was conducted in such a way so that TÜV HELLAS can present to TEMES administration the issues mentioned in this report and for no other purpose.

## 7. Impartiality and Independence of the verification team

TÜV HELLAS states its impartiality and independence in relation to the project of assuring the Sustainability Report of TEMES. TÜV HELLAS has not undertaken work with TEMES and did not have any cooperation with the stakeholders that could compromise the independence or impartiality of the findings, conclusions or recommendations. TÜV HELLAS was not involved in the preparation of the text and data presented in the Sustainability Report of TEMES.

Athens, November 27, 2019  
For TÜV HELLAS (TÜV NORD) SA



**Nestor Paparoupas**  
Sustainability Product Manager



