



SUSTAINABILITY REPORT
2015

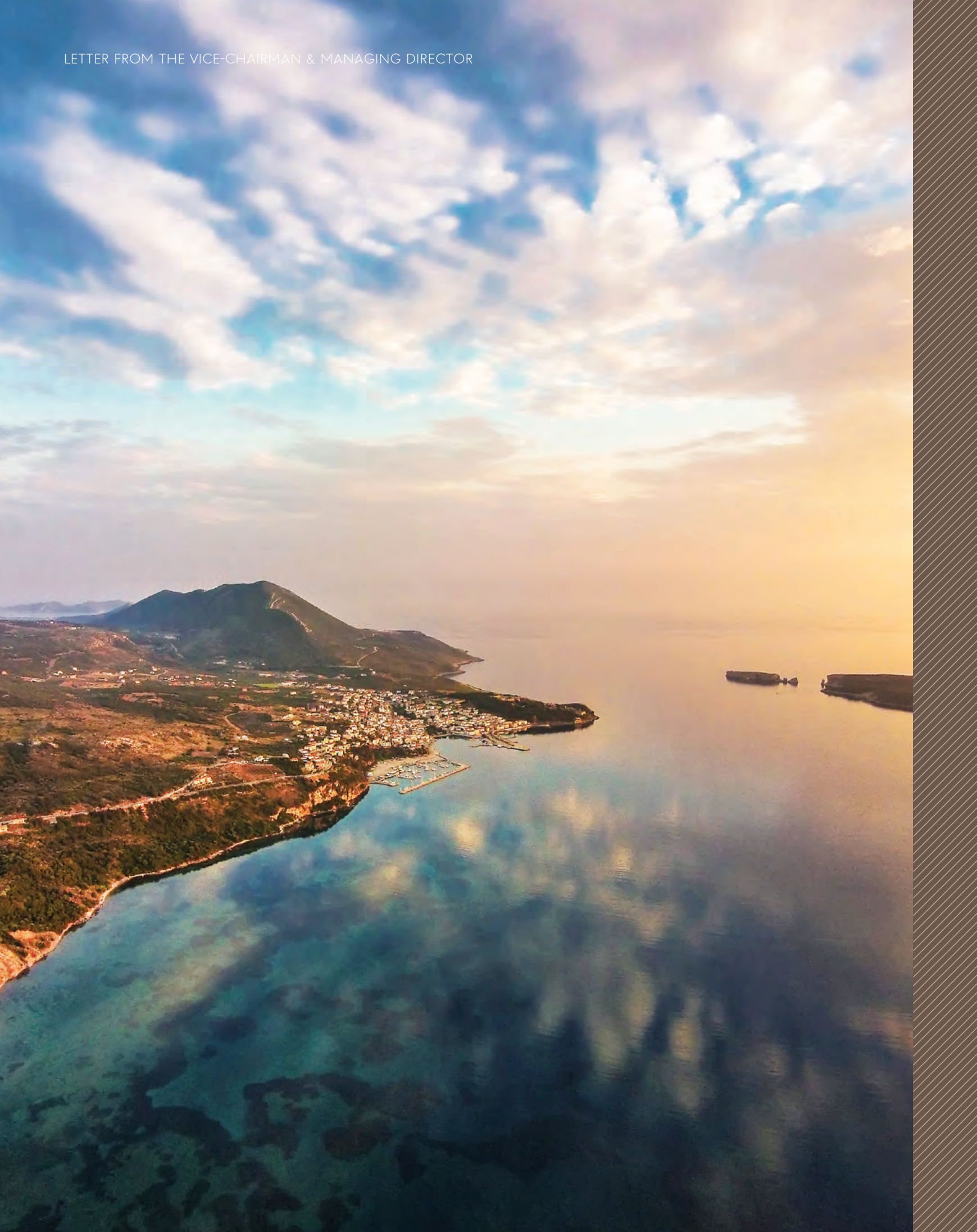
TEMES

TEMES



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LETTER FROM THE VICE-CHAIRMAN & MANAGING DIRECTOR

TEMES grew out of the inspiring vision of the Constantakopoulos family to give something back to their beloved birthplace, Messinia, which until recently was one of the least developed areas of Greece.

The essence of this vision was to place Messinia and Costa Navarino on the global map as one of the highest quality destinations in the Mediterranean and a model of sustainable development. The idea was enthusiastically embraced by a number of talented and passionate individuals who have been working with us at TEMES from the outset. In addition, the local community and authorities, the press, academics and numerous organizations have all made a decisive contribution and helped us accomplish so much.

Our combined efforts have been rewarded. Today, Costa Navarino is globally considered a beacon of sustainability, as highlighted by a number of prestigious international accolades, including the WTTC Tourism for Tomorrow award in 2014 (first place in the “Destination” category) for our environmental practices and strong commitment to sustainable development.

We are proud that our investment in sustainability – representing over 10% of our total budget of €580 million – has been so effective in helping to preserve the landscape, biodiversity, history and culture of the region.

The benefits for the local community too have been considerable, with the Costa Navarino investment adding €907.5 million to the regional economy since construction began. At the same time, the secondary impact for Messinia from revenues generated by Costa Navarino has also been substantial, totaling at €117.4 million in 2014 according to research by Center of Planning & Economic Research.

Costa Navarino has also been leading efforts to improve the accessibility of the region, which have led to a massive increase in arrivals and “Captain Vassilis Constantakopoulos” International Airport becoming the third fastest growing airport in Europe. This has helped boost incoming tourism in the Peloponnese as a whole, since the vast majority of arrivals stay at local hotels throughout the region.

Our people are at the center of all we do. As representatives of our values and philosophy, they are writing the story of Costa Navarino through their daily contact with guests. Professionals of the highest caliber, they are also ambassadors of Costa Navarino and our vision. With everyday initiatives, ideas big and small, close attention to details, they surpass not only the expectations of our guests but also themselves, so that together we may achieve our next major objective, to become a point of reference internationally, a paradigm of quality and provider of an authentic Greek experience.

It is our company’s goal to be a pivotal force in the development of the country’s tourism industry, in which we shall continue to commit our efforts and resources, as always within a framework of sustainable development.

And we shall not be alone in pursuing this goal. For now more than ever, synergies and collaboration are key to achieving desired outcomes. By combining forces and sharing expertise, it is possible to achieve far more. For this reason, where others may see competitors, we see partners.

Lastly, I would like to underline that at the heart of whatever we do is the genuine desire to provide authentic experiences and high quality services to our guests, to create an environment in which our people can develop and excel, to serve as a driving force for local communities, and to preserve our traditions and heritage for generations to come.

Stephanos Theodorides
Vice-Chairman & Managing Director



ABOUT THIS REPORT

Scope & reporting standard

THIS IS THE FIRST SUSTAINABILITY REPORT COMPILED BY TEMES S.A. WHICH AIMS TO PROVIDE ACCESSIBLE AND COMPARABLE INFORMATION ON ISSUES THAT REFLECT THE COMPANY'S SIGNIFICANT ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS AND SUBSTANTIVELY INFLUENCE OUR STAKEHOLDERS' ASSESSMENTS AND DECISIONS. THE REPORT IS AVAILABLE ON THE COMPANY'S WEBSITE WWW.COSTANAVARINO.COM AND ON THE GRI WEBSITE WWW.GLOBALREPORTING.ORG

The report focuses on our commitment to environmental and social responsibility, aiming at a sustainable tourism development in harmony with the natural environment and local communities of Messinia. This report refers to the period from 1/1/2015 to 31/12/2015, unless otherwise noted. It covers the entire range of activities of TEMES S.A. in the framework of the Integrated Tourism Development Area of Messinia, as defined by the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines in accordance "core" requirements and the AA1000 AccountAbility Principles Standard. It is the company's intention to adopt an annual reporting cycle.

The report outlines our policies and management practices, as well as our company targets and achievements for 2015, in a simple and comprehensive way with the use of key performance indicators.

Responsibility for preparing, submitting and distributing the report lies with the Compliance and Sustainability department of TEMES S.A., which coordinates the inputs from all company departments. The preparation of this report, and its adherence to the GRI G4 Sustainability Reporting Guidelines has been supported by Ernst & Young Hellas.

Independent assurance

Realizing the benefits, both internal and external, from the process of external independent assurance, we had our first Sustainability report externally assured by TÜV HELLAS (TÜV NORD) according to the requirements of AA1000 Assurance Standard, as described in the independent Assurance Report accompanying the Sustainability report (see p. 87).

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.

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OUR COMPANY

Profile



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

Greek Tourism Confederation (SETE)

Athens Chamber of Commerce & Industry (EBEA)

Hellenic Federation of Enterprises (SEV)

Foundation for Economic & Industrial Research (IOBE)

American-Hellenic Chamber of Commerce

British-Hellenic Chamber of Commerce

French-Hellenic Chamber of Commerce & Industry

Hellenic-German Chamber of Commerce & Industry

Hellenic-Swedish Chamber of Commerce

Russian-Hellenic Chamber of Commerce



TEMES is a premier destination developer & operator in the high end tourism and real estate sector. Costa Navarino, its flagship development, is one of the largest tourism investments in the Mediterranean and the biggest tourism-related investment in Greece.

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, the prime sustainable destination in the Mediterranean, is located in the region of Messinia in the southwest Peloponnese, amidst one of the most unspoiled and breathtaking seaside settings, in a land shaped by 4,500 years of history.

The development to date has focused on two distinct seaside locations, “Navarino Dunes” and “Navarino Bay”. Navarino Dunes is the setting for two luxury 5-star hotels, “The Romanos, a Luxury Collection Resort”, and “The Westin Resort Costa Navarino” both operated by Starwood. It is also home to The Dunes Course, Greece’s first signature golf course, designed by former US Masters Champion and Ryder Cup Captain Bernhard Langer in association with European Golf Design.

The second signature golf course, The Bay Course, has been designed by the legendary Robert Trent Jones Jr. at the nearby Navarino Bay site. Both courses are managed by Troon Golf.

Navarino Dunes also features the 4,000 m² Anazoe Spa, offering a full range of specialist treatments inspired by ancient Greek practices; the House of Events, a multi-purpose and highly versatile conference center accommodating up to 1,700 people; the SandCastle, a specially designed youth hub offering exciting recreational/educational activities; the Agora, an authentic village center; Navarino Natura Hall, an interactive environmental exhibition center; as well as a wide range of sports and cultural activities for all ages.

When fully developed, Costa Navarino will comprise five areas: Navarino Dunes, Navarino Bay, Navarino Hills, Navarino Blue and the Waterfront, covering a total area of 1,000 hectares.

During 2015, there were no significant changes to the organization’s size, structure, ownership or supply chain.

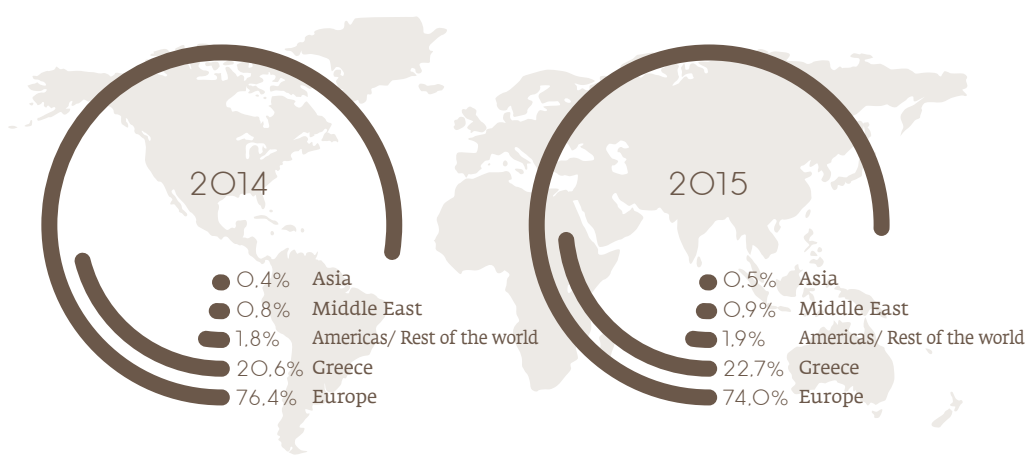
Markets served

The majority of our guests in 2015 came from Europe. 22.7% of our guests came from Greece and 74% from the rest of Europe.

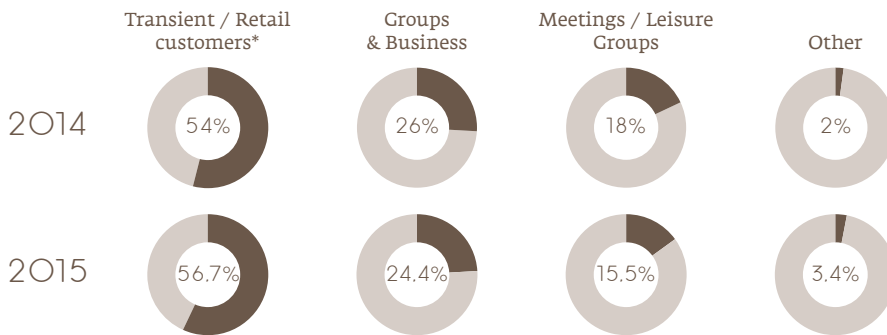
TEMES S.A. is an active participant (Sustainability Ambassador) in the initiative “Sustainable Greece 2020” in partnership with 33 business associations, 120 companies, 17 local authorities and 43 organizations of the civil society organizations. The aim of the initiative, which is endorsed by international bodies such as the European Commission, the German Sustainability Council, the World Business Council for Sustainable Development and EIRIS, is to raise awareness among the Greek business community and society, on issues of Sustainable Development, Responsible Entrepreneurship and Social Responsibility.

OUR COMPANY ENDORSES THE 17 SUSTAINABLE DEVELOPMENT GOALS AS PRESENTED IN THE UN 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND ACTIVELY CONTRIBUTES TO NATIONAL AND INTERNATIONAL EFFORTS FOR THEIR IMPLEMENTATION.

MARKETS SERVED



SECTORS SERVED



* Customers visited directly or via Travel Agents/ Tour Operators



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, such as shareholders, associates, suppliers and the local communities of Messinia.

The Board of Directors appoints, pursuant to law and the Articles of Association, its executive members and assigns the management of 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.

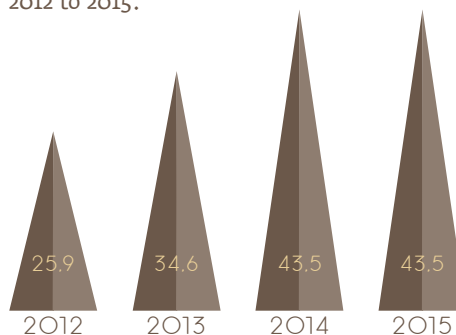
Economic Performance

KEY FINANCIAL DATA FOR 2015
IN COMPARISON WITH 2014
(Values in Million Euro)

| | 2014 | 2015 |
|--------------|-------|-------|
| TOTAL SALES | 43.5 | 43.5 |
| TOTAL ASSETS | 516.4 | 503.4 |
| EQUITY | 350.7 | 340.8 |

Source: TEMES Financial Statement for 2015

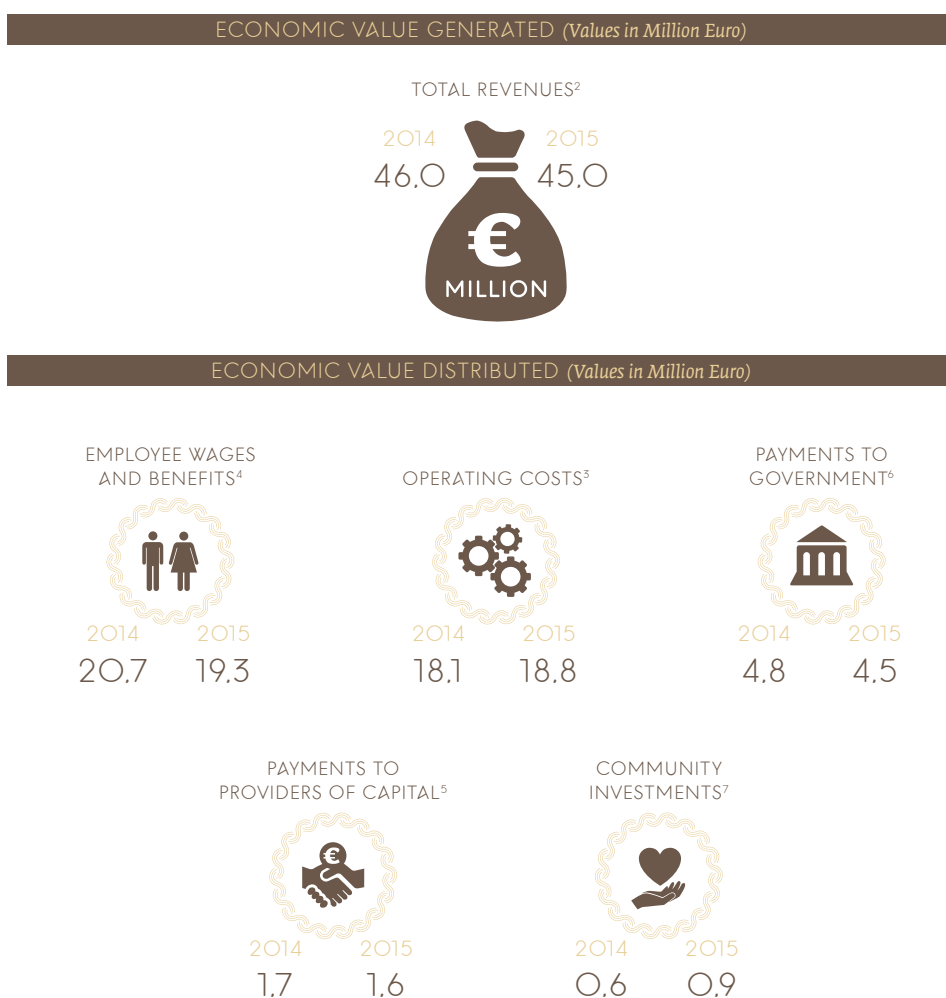
The following chart presents the steady growth of sales from operations from 2012 to 2015.



In 2015 TEMES maintained the economic value distributed to the various stakeholders to almost the same level as in 2014 having a significant positive impact to the national and local economy.

Additionally the main shareholder family and the “Captain Vassilis and Carmen Constantakopoulos” Foundation have a significant contribution in the development of the region through a wide range of activities. For more information please visit: www.cvf.gr

DIRECT ECONOMIC VALUE
GENERATED AND DISTRIBUTED¹



Source: TEMES Financial Statement for 2015

¹ Figures are compiled according to C4-EC1, expressed in million euros and rounded up at the first decimal

² Includes revenues from sales, financial investments and sales of assets along with other operating income

³ Includes costs for materials, products and services purchased from third parties

⁴ Includes wages, benefits and social contributions

⁵ Includes payments to providers of loans

⁶ Includes all taxes such as corporate, property, VAT and taxes paid on behalf of third parties

⁷ Includes donations made for charitable purposes and costs for increasing accessibility of Kalamta airport, destination promotion, provision of food rations



OUR APPROACH TO SUSTAINABILITY

THROUGH OUR BUSINESS POLICY WE STRIVE IN OUR EVERYDAY OPERATION TO ACHIEVE OUR VISION FOR SUSTAINABLE TOURISM DEVELOPMENT. WHICH CONSTITUTES A FUNDAMENTAL ASPECT OF THE DESTINATION'S IDENTITY. THE COMPANY'S CORE VALUES AND OPERATING PRINCIPLES ARE SET OUT IN OUR ENVIRONMENTAL POLICY DOCUMENT, WHICH FORMS PART OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM. CERTIFIED ACCORDING TO ISO 14001, AS WELL AS IN THE COMPANY'S CODE OF BUSINESS CONDUCT AND ETHICS. BOTH DOCUMENTS ARE REVIEWED ANNUALLY AND ARE AVAILABLE TO OUR ASSOCIATES, STAKEHOLDERS AND THE PUBLIC.

At the heart of our business philosophy lies a strong commitment to economic, environmental and social responsibility, aiming at a sustainable tourism development in harmony with the natural environment and local communities of Messinia.

Sustainability is embedded in the development concept of Costa Navarino; not only as a fundamental design factor but also as a guiding principle that determines our actions from the planning phase, to the construction and the operation of this new sustainable destination.

Costa Navarino introduces a new model for tourism development. A model which does not base its success on the success of the individual hotels, golf and SPA facilities, but on the success of the overall destination.

The key pillars on which our proposal for sustainable tourism development is based upon are extensive analysis of local conditions, application of the latest scientific knowledge and broad cooperation in seeking the best local solutions.

Our policies are the tools that help us identify the risks and opportunities for the company and plan actions to address them.

This genuine approach towards sustainability has been recognized not only by the local community, which honors us with its unanimous support for the development of Costa Navarino, but also by our guests and the global tourism market that welcomed Messinia and Costa Navarino as a new sustainable destination in the Mediterranean.

Ethics and Integrity

The reputation of TEMES S.A. is one of our most valuable assets and has a significant impact on every relationship the company maintains. This is what enables us to achieve our goals while conducting our business with the highest moral and ethical standards. Therefore, we expect our associates to conduct themselves in accordance with both the letter and the spirit of the law, as well as our Code of Business Conduct and Ethics (the Code).

Our Code of Business Conduct and Ethics, together with the various policies adopted by the company, represent our commitment to the highest moral and ethical standards. The Code is designed to give a broad and clear understanding of the conduct expected from all of our associates.

The fundamental ethical principles that guide our business activities are described below:

Integrity and Compliance with the Law

All aspects of our business must be conducted in an ethical manner that reflects our dedication to integrity, honesty and fairness, obeying at all times, the laws of the jurisdictions where we conduct business.

Protection of Confidential Information

All non-public information belonging to TEMES S.A or our customers is protected and kept confidential.

Fair Dealing

Business must be conducted fairly and in good faith with our customers, suppliers, competitors, shareholders and associates, in accordance with applicable anti-trust and other laws.

Provision of Full, Fair and Accurate Disclosure in All Public Communications and in Compliance with All Applicable Law

We are committed to providing full, fair and accurate disclosure in all public communications and in compliance with all applicable law, regulations and rules.

Treat Associates with Respect and Dignity and Help Provide a Safe Work Place

We are committed to respecting our associates' rights to fair treatment and equal opportunity, free from discrimination based on - but not limited to - race, religion, national origin, age, sex, sexual orientation or disability.

If a situation is not covered by the Code, we advise our associates to review our more detailed company policies (available through our Human Resources Department), or seek guidance from their supervisor or our Human Resources Department, as we firmly believe that nothing should ever compromise our commitment to acting with integrity.

Working together with our stakeholders

The stakeholders groups presented in this section are selected due to their close relevance to the company's operation. Cooperation with each of these groups is essential in order for the company to design and implement its management policies in harmony with its commitment for a sustainable tourism development with respect to the environment and the local community.

One of the main priorities of our business policy is to build a close relationship with all of our stakeholder groups, in order to understand and address their interests and concerns. This approach allows us to maintain an open dialog with them, which in turn provides significant input in our effort for continuous improvement.

TEMES has adopted this open communication policy from the early design stages of the Costa Navarino investment and is fully committed to its continuation. This open dialog has in many cases taken the form of collaboration programs, initiatives and actions designed and implemented together with our stakeholders.

This ongoing collaboration with our stakeholders has provided us with a valuable aid in our effort to proactively identify issues of concern in order to inform our policies, reporting and disclosure.

The table below presents our key stakeholder groups and the main ways that we engage and collaborate with them. The frequency of engagement with each group varies according to the current needs, 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 is also presented covering the period between 2012 and 2015, incorporating the results of the materiality analysis process, together with the company's response to those key topics and examples of cooperation with our stakeholders.

| STAKEHOLDER GROUP | WAYS OF ENGAGEMENT | TOPICS / CONCERNS | COMPANY RESPONSE / COOPERATION RESULTS |
|--------------------------------|---|--|--|
| Investors & Shareholders | <ul style="list-style-type: none"> • Corporate website • Meetings & presentations • Financial reports | <ul style="list-style-type: none"> • Direct Economic Value Generated & Distributed • Sustainable operation | <ul style="list-style-type: none"> • Next phase investment plan for Costa Navarino |
| Government & local authorities | <ul style="list-style-type: none"> • Advocacy meetings • Briefings • Hotel & facility tours • Conferences & events | <ul style="list-style-type: none"> • Sustainable operation • Job Creation • Region promotion & support • Procurement practices • Ethics & integrity | <ul style="list-style-type: none"> • Implementation of sustainable practices in the design and operation of our facilities • 70% of our associates are hired locally • Design and construction of infrastructure works in the region • Development of the Kalamata Airport • In 2015 12% of our procurement budget was spent on Messinian suppliers • Committed to the highest moral and ethical standards |
| Guests & Customers | <ul style="list-style-type: none"> • Ad campaigns • Special events • Social media • Meetings & presentations • Digital marketing • Conferences & events • Hotel & facility tours | <ul style="list-style-type: none"> • Quality of service • Facilities • Sustainable operation • Health & safety | <ul style="list-style-type: none"> • Guest Experience Index for the improvement of provided services through customer feedback • Implementation of sustainable practices in the design and operation of our facilities • Providing facilities of the highest standards • Creation of organic garden for the production of vegetables used in our restaurants. • Implementation of strict health & safety procedures and standards |

| STAKEHOLDER GROUP | WAYS OF ENGAGEMENT | TOPICS / CONCERNS | COMPANY RESPONSE / COOPERATION RESULTS |
|---|--|--|--|
| NGOs Advocacy Groups Academic community | <ul style="list-style-type: none"> • Corporate website • Meetings • Briefings • Hotel & facility tours • Conferences • Social media | <ul style="list-style-type: none"> • Sustainable operation • Ethics & integrity | <ul style="list-style-type: none"> • Implementation of sustainable practices in the design and operation of our facilities • Special design of the hotel facilities and initiation of the sea turtle protection program and the African Chameleon protection program • Establishment of NEO and Navarino Natura Hall • Committed to the highest moral and ethical standards |
| Local community | <ul style="list-style-type: none"> • Corporate website • Meetings, presentations & special events • Newsletters • Social media | <ul style="list-style-type: none"> • Job Creation • Region promotion & support • Procurement practices • Sustainable operation • Ethics & integrity | <ul style="list-style-type: none"> • 70% of our associates are hired locally • Messinia Authenticity program • Promotion of local products • In 2015 12% of our procurement budget was spent on Messinian suppliers • Implementation of sustainable practices in the design and operation of our facilities • Committed to the highest moral and ethical standards |
| Associates | <ul style="list-style-type: none"> • Intranet • Newsletters • Presentations • Training programs | <ul style="list-style-type: none"> • Fair Labor Practices • Health & safety • Facilities | <ul style="list-style-type: none"> • Best workplace award 2014 • Committed to the highest moral and ethical standards • Implementation of strict health & safety procedures and standards • Providing facilities of the highest standards |
| Industry Associations Partners & Suppliers | <ul style="list-style-type: none"> • Corporate website • Meetings • Briefings • Conferences & events • Newsletters • Presentations • Social media | <ul style="list-style-type: none"> • Quality of service • Ethics & integrity • Direct Economic Value Generated & Distributed • Facilities | <ul style="list-style-type: none"> • Educational programs for local businesses • Committed to the highest moral and ethical standards • Next phase investment plan for Costa Navarino • Providing facilities of the highest standards |



We strongly believe that by combining our experience and drive for sustainable tourism development, with the knowledge and expertise of our stakeholders we can achieve substantial results in our joint effort to apply the principles of sustainability in our everyday lives. Examples of programs, actions and activities that we have designed and implemented together with our stakeholders are presented below.

Messinian Authenticity program

This program gives people from local associations the opportunity to share their customs and traditions with international visitors and at the same time supplement their income. The program enables guests to personally experience local activities and traditions such as olive harvesting, wine harvesting, cooking classes, singing and dance events. The program was launched with the aim of disseminating the rich cultural heritage and traditions to visitors from all over the world, and it has been enthusiastically embraced by local communities.



Establishment of NEO

The Bert Bolin Centre for Climate Research of Stockholm University, the Centre of Environmental Health and Biophysics of the Biomedical Research Foundation of the Academy of Athens and TEMES have joined forces to establish an environmental research station at Costa Navarino.

The Navarino Environmental Observatory (N.E.O.) is dedicated to the study of climate change and its impacts on the natural environment and human activities in the Mediterranean region. Our vision sees N.E.O. becoming a dynamic hub for environmental research, where scientists from all over the world can meet to exchange know-how and develop new research ideas.



Establishment of Natura Hall

Together with Stockholm University, the Academy of Athens and a number of NGOs, TEMES has established Navarino Natura Hall, an interactive environmental exhibition centre at Costa Navarino which informs visitors and locals about the unique biodiversity of Messinia and the work currently undertaken by NEO, familiarizing them with current environmental issues.

A special educational program for local schools, created together with the University of Peloponnese, started in 2012 and is now in its fourth season of operation. The program is based at the centre and has so far been attended by more than 3,000 schoolchildren.



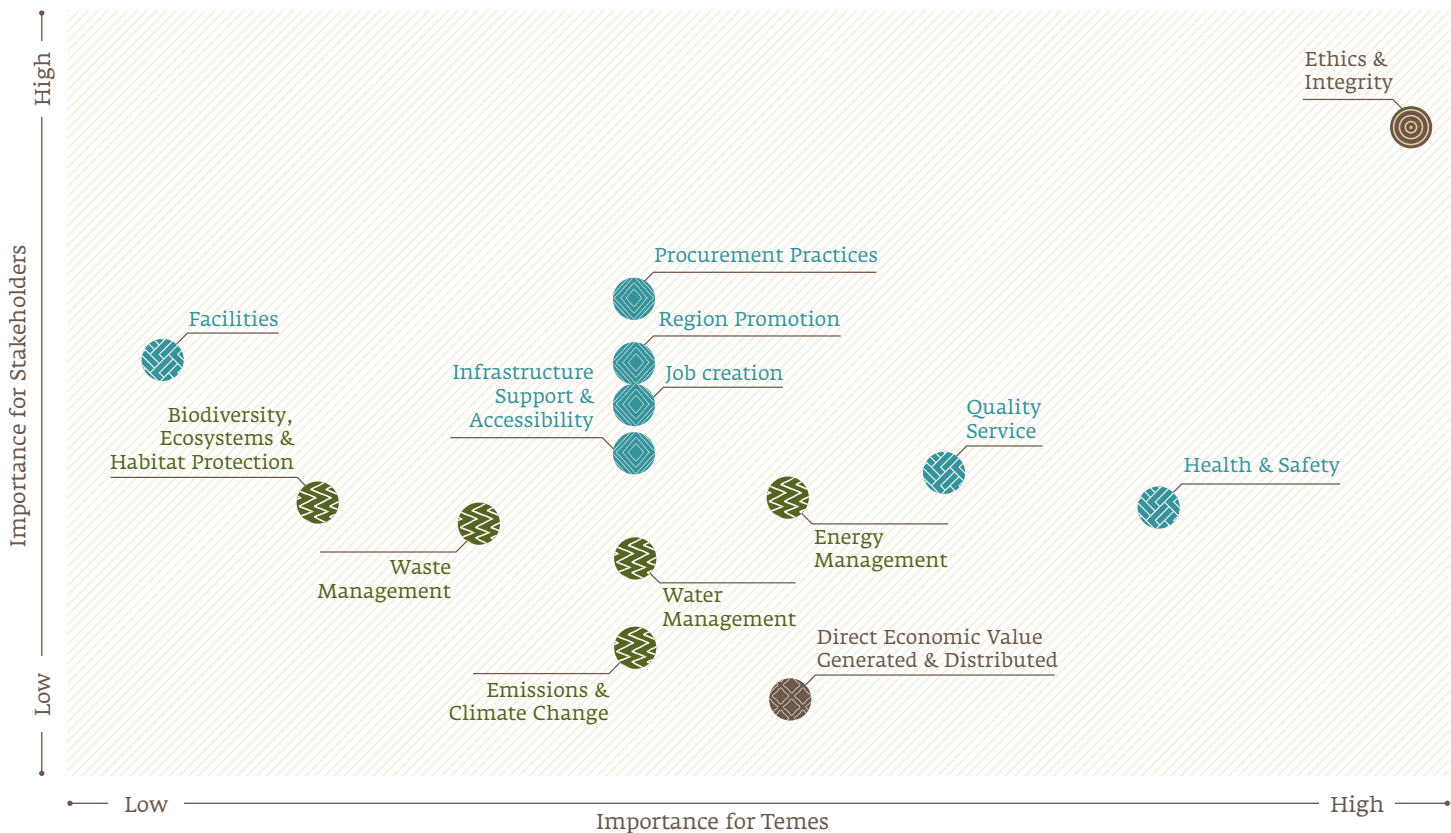
Identified Material Aspects and Boundaries

The content of this report covers the activities of TEMES S.A. during the calendar year of 2015. The financial information presented is publicly available through the financial statements of TEMES S.A. for 2015.

In line with GRI G4's materiality principle, our process for defining report content is guided by our understanding of the most important issues for our Company and our stakeholders, which were determined through a detailed materiality analysis performed by the Company's Management Team.

The analysis included an in-depth review and identification of the environmental, social and economic issues relating to our operations in a local and regional context, while a specially designed electronic questionnaire helped us engage 142 stakeholders from seven different categories (see p. 18,19) in the process of defining the boundaries and assessing the significance for each aspect identified.

The results of the electronic stakeholder survey, which had an average response rate of 47,9%, were analyzed by the company's management team and a priority list was created. The list contained those aspects that were considered most material from the company's perspective, while at the same time, based on the survey results, appear to significantly influence the assessment and decisions of our stakeholders.



Due to the fact that this is the first sustainability report issued by TEMES S.A. based on the requirements of GRI G4, there are no restatements of information from previous reports and no significant changes from previous reporting periods in the Scope and Aspect Boundaries.

The list of material aspects was validated by the company's top management and is presented in the following table.

- 1 Investors/Shareholders
- 2 Government and local authorities
- 3 Guests and Customers
- 4 NGOs / Advocacy Groups / Academic community
- 5 Local community
- 6 Associates
- 7 Industry Associations Partners & Suppliers

| MATERIAL ASPECTS AND BOUNDARIES | | |
|---|---|---|
| MATERIAL ASPECTS | BOUNDARY WITHIN TEMES SA (INTERNAL STAKEHOLDERS) | BOUNDARY WITHIN TEMES SA (EXTERNAL STAKEHOLDERS) |
| Ethics & Integrity | 6 | 2 4 5 7 |
| Health & Safety | 6 | 3 |
| Quality Service | | 3 7 |
| Procurement Practices | | 2 5 |
| Region Promotion | | 2 5 |
| Job Creation | | 2 5 |
| Energy Management | 1 | 3 4 |
| Infrastructure Support & Accessibility | | 2 5 |
| Water Management | 1 | 2 3 4 5 |
| Waste Management | 1 | 2 3 4 5 |
| Facilities | 6 | 3 7 |
| Direct Economic Value Generated & Distributed | 1 | 7 |
| Emissions & Climate Change | | 3 4 |
| Biodiversity, Ecosystems & Habitat Protection | | 2 3 4 5 |

All the above aspects have been identified as material by TEMES S.A.

Awards

COSTA NAVARINO HAS RECEIVED WIDESPREAD RECOGNITION. WITH OVER 80 INTERNATIONAL AWARDS. MANY OF THEM ON THE SUBJECT OF SUSTAINABILITY.

The prestigious award as “Best Destination” was presented to Costa Navarino by the World Travel & Tourism Council’s Tourism for Tomorrow Awards in 2014, highlighting the position of the destination as a global leader in sustainable practices.

Indicative sustainability awards:

- Worldwide Hospitality Awards 2014 – 1 of 3 finalists in the “Best Initiative in Social Responsibility” for Navarino Natura Hall.
- World Travel Awards 2014 – 1st award – “Europe’s Responsible Tourism Award” Category.
- National Champions for the European Business Awards 2014/15 – finalist “Environmental & Corporate Sustainability” category.
- IACTO Sustainability Awards 2014 – Finalist in the “Community Engagement” category.
- National Champions for the European Business Awards 2013/14 – Finalist in the “Environmental & Corporate Sustainability” category

- 2013 EHMA Sustainability Award by Diversey - Costa Navarino.
- Green Key eco-label - The Westin Resort, Costa Navarino.
- Bravo Sustainability Awards 2015
- Travelife Gold certification 2015 - The Westin Resort, Costa Navarino for substantial sustainability achievements in its operations.

Awards for hotels, the golf courses, the spa and other facilities continuously enhance the positioning among the top luxury destinations, including amongst others: US Condé Nast Traveler’s Gold List 2015, UK Condé Nast Traveller Readers Travel Awards 2013, 2012, 2011 (ranking 4th in the world’s top 100 list of experiences).





CREATING VALUE FOR OUR GUESTS AND CUSTOMERS



CREATING VALUE FOR OUR GUESTS AND CUSTOMERS


Location & Facilities

Navarino Dunes and Navarino Bay, the first two areas in operation within Costa Navarino, are located in southwest Messinia, in an untouched landscape framed by rolling hills, dotted with 514 villages. Along centuries-old olive groves stretches the fourth longest coastline in Europe.

Within short driving distance are three UNESCO World Heritage sites; Olympia, Mystras and the Temple of Apollo Epicurius. There are also monuments of worldwide significance including Ancient Messene, the Palace of Nestor and the extensive medieval castles of Pylos and Methoni.


Navarino Dunes is the setting for The Romanos, a Luxury Collection Resort, and The Westin Resort, Costa Navarino. Navarino Dunes has a car-free commute within the Resort developed on privately owned land with its own internal road network and pathways, and is gated with 24h security – offering privacy and safety to all visitors, hotel guests and residence owners.

OUR COMMITMENT TO SUSTAINABILITY IS REFLECTED BY THE WAY WE DESIGN AND OPERATE OUR FACILITIES. UPON COMPLETION OF COSTA NAVARINO DEVELOPMENT, OF THE OVERALL BUILDING FOOTPRINT WILL BE LESS THAN 10% OF THE TOTAL LAND AREA.



As in Navarino Dunes, the architectural design of all future development phases will be based on the principles of bioclimatic architecture, fully aligned with the area's traditional architectural history.

This concept, which has already been applied at Navarino Dunes, leads to an overall reduction of energy consumption as the building design and the orientation of our facilities optimizes the use of natural elements.





Ancient Olympia



Mystras



Temple of Apollo Epicurius





Polylimnio Waterfall



The Dunes Beach



Sfaktiria



Voidokilia Beach

Hotel Facilities

The Romanos, a Luxury Collection Resort

Set amid lush olive groves and overlooking the storied waters of the Ionian Sea, 320 beautifully appointed deluxe rooms and suites ranging from 43m² to 192m² with private infinity pools in almost all ground-floor units, along with the sumptuous 660m² Royal Villa Koroni, create a distinctive and inspiring environment of genuine luxury and heartfelt hospitality.

The Romanos, a Luxury Collection Resort, has been awarded among “Favourite Holiday Hotels: Europe, Turkey and Russia” at the Condé Nast Traveller Readers “Travel Awards 2013, 2012 & 2011” and included in the “Gold List 2012”. Royal Villa Koroni has been awarded the prize “Best Suite, Interior Design of the Year” at the European Hotel Design Awards 2010.

The Westin Resort Costa Navarino

Set in a verdant hillside landscape, 444 beautifully appointed deluxe rooms, family rooms and suites, ranging from 40m² to 80m², as well as the grand 625m² Royal Villa Methoni, offer a mix of golf, sea and pool views and spacious terraces or balconies with lounge areas, while most ground-floor units have private infinity pools. The magnificent Royal Villa Methoni features butler service, a spa treatment suite with steam room, a media room, a private gym and a dedicated outdoor dining area with barbecue.

The Westin Resort Costa Navarino features in the Condé Nast Traveler Gold List 2015.

Golf Courses

Open since May 2010, The Dunes Course is Greece’s first signature golf course. The acclaimed 18-hole, par 71 seaside course was designed by former US Masters Champion and Ryder Cup Captain Bernhard Langer in association with European Golf Design.

Open since October 2011, The Bay Course is an 18-hole par 71 seaside course overlooking Navarino Bay. Designed by Robert Trent Jones II, the course offers both a fun experience and a challenging test for golfers of all levels.

Troon Golf, the world’s leading luxury brand golf management company provide ongoing support to Costa Navarino ensuring that both golf courses are maintained in pristine condition and providing access to its full range of services.

The golf course facilities include a golf academy where instruction - tailored to the specific needs of individuals, couples, families or small groups - is provided by PGA professionals with the support of the latest technology, including Video Analysis and Golf Simulator.





The Romanos lobby

CREATING VALUE FOR OUR GUESTS AND CUSTOMERS



The Dunes Course









Anazoe Spa

The award-winning, 4.000m² Anazoe Spa offers, a full range of specialty treatments based on practices of ancient Greece, which make full use of the region's exclusive natural and revitalizing ingredients, particularly olive oil.

Sports & Entertainment

Extensive indoor and outdoor swimming facilities are available in the two resorts at Navarino Dunes, as well as saunas, steam rooms, a whirlpool, relaxation room and locker facilities in each hotel.

The Aqua Park, with three slides and a play pool, provides hours of fun and excitement for young guests in particular.

Two fully equipped gyms await guests at Navarino Dunes offering a variety of training programs including fitness classes, Yoga, aqua gym and Pilates classes.

The Sports & Entertainment Center at Navarino Dunes features a FIBA-standard basketball court. Regardless of age and skill level, guests at Navarino Dunes can enjoy the finest racquet sports facilities, including four tennis courts, as well as squash and paddle courts. The fully equipped Navarino Racquet Academy offers instruction by experienced coaches for beginners and children.

Extensive indoor entertainment facilities include a bowling alley, pool tables, mini cinema and game consoles.

Kids' Facilities

While parents are otherwise engaged, youngsters can be creatively occupied at the Cocoon and the SandCastle, two specially designed youth hubs offering exciting recreational/educational programs and overnight-stay options, or enjoy the Aqua Park and other outstanding facilities with children's activities that are unique throughout the Mediterranean.

Gastronomy

Costa Navarino has over 21 exclusive cafes, bars and dining venues to choose from, serving a range of ethnic, continental, Greek fusion and local fare prepared by award-winning chefs. Most of the dishes are based on seasonal, organic ingredients, including those freshly picked from Costa Navarino's vegetable garden.

Shopping

Shopping at Navarino Dunes, Costa Navarino is a stimulating and varied experience, with an extensive choice of quality goods on offer in a comfortable and relaxing environment. From designer outlets stocked with a wide selection of luxury items and casual apparel, to handmade creations and Messinian products that bring the local culture even closer.





Scuba, Snorkeling and Water Sports

The mysterious island of Proti, whose name derives from the ancient sea god Proteus, lies just off the west coast of Messinia. Along its shores are hidden coves and sea caves which made it a perfect base for local pirates such as the notorious Katoulias. Guests have the chance not only to explore the island but also search underwater for Katoulias' hidden treasure, courtesy of Navarino Sea by Aqua Divers Club, a PADI 5-star IDC Resort.

A vast range of water experiences are available to enjoy in the mild climate throughout the different seasons of the year. Guests can try Sea Kayaking, Surfing, Kitesurfing, Windsurfing and Stand Up Paddleboarding at The Dunes Beach or Waterskiing, Wakeboarding and Fun Tubes in nearby Navarino Bay.

Yacht and Sailing

During half-day, one-day or two-day cruises with an experienced skipper and crew, guests can discover the crystal-clear waters and secrets of this crossroads of ancient civilizations, aboard the motor yacht Ferretti or the sailing boat Gib Sea 43.

Outdoor Activities

The Navarino Outdoors programs of bike trekking, MTB and self-guided GPS tours, as well as organized hiking tours, take participants to places where nature is untouched and the locals still embrace their ancestral traditions. These carefully planned tours are an invitation to become part of the story of Messinia and its people, one that goes back thousands of years. In addition to the regular program, Navarino Outdoors can organize custom tours to match specific needs and preferences. New activities include a climbing experience that can be enjoyed either inside or outdoors.

Cultural Activities

Guests are invited to discover the beauty, history and culture of Messinia by engaging in authentic cultural experiences that enable them to become part of a rich heritage spanning the millennia. These experiences include cookery lessons in local homes, learning new culinary skills inspired by the region's cuisine, wine-making and tasting tours, traditional olive harvesting, as well as local dance and singing events.

Navarino Golf Academy

At Greece's first signature 18-hole championship golf courses, guests can take the first steps on the fairway or shave a few shots off the game. At the Navarino Golf Academy, beginners can learn the basics while experienced players will have the opportunity to hone their skills with the help of expert tuition and extensive practice facilities that include a full-size driving range, putting green and short-game practice area.

Navarino Racquet Academy

Guest can master their shot at the Navarino Racquet Academy, during private racquet lessons, or just book one of our four tennis courts amidst lush olive groves and play with professional coaches. Tennis enthusiasts enjoy the finest coaching while kids receive the best introduction to racquet sports through Mini Tennis. Squash provides an excellent cardiovascular workout and Badminton helps improve explosive strength and coordination. Fun-based sports such as Padel, Table Tennis, Racquetball, Badminton, Speedminton, Beach Tennis & Beach Racquets are also available.





Residences

At the heart of Navarino Dunes, Navarino Residences are a collection of luxury freehold villas for private ownership. Located just a few meters from the beach or nestled among verdant olive groves, all villas offer unobstructed sea views for life. 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 form, volume and scale. This safeguards the integrity of the unique local landscape and the villas' views of it. While the properties incorporate local design elements and the use of natural materials, their finishing, internal outfitting and configuration will adhere to the latest standards in architecture and construction.

The villas are offered with extensive customization options within a framework to ensure harmony of the built and natural environment, governed by comprehensive design guidelines and operating regulations that safeguard the interests of all owners.

A dedicated on-site team, managed by TEMES, is available on a 24/7 basis. This team will assist all owners in the process of developing and operating their property, ensuring that every step of the way is hassle-free.

Residence owners will enjoy privileged access to all resort services, sports facilities, golf course and events as well as exclusive benefits available only to them. They can also enjoy seasonal local products, including wine and olive oil harvested from a dedicated garden. Specialized programs will enable owners to produce – with the help of professionals – their own homegrown products and even brand them for families and friends. Navarino Residences offer much more than a residential proposition – they are a way of life. The exquisite location of Navarino Dunes, property and facility management services of the highest level, a wide range of hospitality services, two signature golf courses and premier sports facilities create a unique experience that is the Navarino Residences lifestyle.



Quality of Service

SERVICE QUALITY PLAYS A VITAL ROLE IN OUR EVERYDAY OPERATIONS AND IS A KEY ELEMENT OF OUR DESIRE TO OFFER GUESTS A UNIQUE EXPERIENCE OF MESSINIA.

In order to gain a deeper understanding of how our guests value their experience of Costa Navarino and improve our services, we seek their feedback in a number of different ways.

Through Starwood's Guest Experience Index (GEI) platform we collect feedback via online surveys sent to guests after their stay at Costa Navarino. In addition a specialized team monitors social media and websites dedicated to tourism, collecting feedback and responding to guest inquiries in real time.

The combined analysis of the information collected through these different channels provides a credible and quantifiable assessment on how well we meet guests' expectations, together with valuable insights into how to make our services even better.

The analysis 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.

IN 2015, WE RECEIVED APPROXIMATELY 2,000 COMPLETED SURVEYS FROM OUR GUESTS. THE KEY RESULTS FROM THE GEI PLATFORM FOR THE RESORTS REVEALED THAT THE GUEST LOYALTY INDICATOR (MEASURED ON A SCALE OF 10) INCREASED FROM 8.67 IN 2014 TO 8.83 IN 2015 FOR THE WESTIN RESORT AND FROM 8.54 IN 2014 TO 8.67 IN 2015 FOR THE ROMANOS.

The information received has been a valuable tool in our ongoing efforts to enhance guest experience and improve our services based on guest feedback.

Customer Health and Safety

At Costa Navarino, TEMES has taken all reasonable steps to ensure the health, safety and welfare of guests, associates, and any third parties at all our facilities, where a rigorous Health & Safety policy is in place. Health and safety is a key component of our day-to-day operations and a fundamental factor in safeguarding the company's reputation.

THE ULTIMATE GOAL OF OUR HEALTH AND SAFETY POLICY IS TO PREVENT THE RISK OF INJURY AND ILLNESS AND MINIMIZE ANY HARMFUL IMPACTS FROM OUR OPERATIONS ON BOTH THE LOCAL AND GLOBAL ENVIRONMENT.

In the framework of our health and safety policy, the company undertakes the commitment to:

- Provide and maintain safe and healthy working conditions taking into account local statutory requirements.
- Provide training and instruction to enable associates to perform their work safely and efficiently.
- Make available all necessary safety devices and protective equipment and supervise their use.
- 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.
- Minimize waste by evaluating operations and ensuring they are as efficient as possible.
- Minimize toxic emissions through the selection and use of its fleet and the source of its power consumption.
- Actively promote recycling both internally and amongst its customers and suppliers.

All our associates are trained to actively participate in the implementation of our health and safety policy:

- By exercising general care.
- By working safely, efficiently in an environmentally friendly way.
- By using protective equipment provided and by meeting their statutory obligations.
- By observing hotel procedures to ensure a safe and environmentally friendly workplace.
- By assisting in the investigation of accidents with the aim of preventing their recurrence.
- By reporting any damaged equipment, accidents, dangerous or potential accident hazard occurrences to the department supervisor or department head.

Detailed health and safety procedures are in place to ensure compliance with legal and best international practice requirements and assess health and safety impacts for improvement in the following areas that cover 100% of our service categories:

Design Construction & Engineering

- Fire safety
- Legionella Engineering Self-Assessment

Operations Safety & Security

- Health and Safety Generic Risk Assessments
- Guest Bedroom Safety
- Food Hygiene Policy & Procedures, HACCP and ISO 22000 Procedures
- Leisure/Pool/Spa Safety
- Security Guidance
- Training – training modules
Pandemic Updates
- Child Safety
- Control of Contractors
- Safety & Security
- Crisis Management
- Environmental Management, ISO 14001 Procedures
- Safety in Water Management
- Safety in Waste Management
- Chemical Safety Hazard Communications

A COPY OF THE FULL HEALTH SAFETY AND WELFARE POLICY IS KEPT IN THE EXECUTIVE OFFICE AND CAN BE VIEWED AT ANY TIME ON REQUEST BY ANY ASSOCIATE. INFORMATION MATERIAL REGARDING HEALTH AND SAFETY PRACTICES IS DISPLAYED ON ALL INFORMATION BOARDS AND WORK STATIONS WITH CONTENT RELEVANT TO THE ACTIVITIES PERFORMED.

The company's health and safety manager keeps the facility's safety records, annually reviews our health and safety procedures and monitors their implementation. Web based tools like the StarQA System and the Diligence System, both of which are installed in our facilities, provide the health and safety manager with real time information on the implementation of Health and Safety procedures together with customer feedback, allowing for immediate action that minimizes the risk of the occurrence of a non-compliance incident.

A series of Key Performance Indicators (KPIs) covering all aspects of our activities are used to monitor the company's performance in health and safety matters.

In 2015 we did not identify any incident of non-compliance with regulations resulting in a fine, penalty, or warning. However, one incident of non-compliance with voluntary codes was identified during an internal health and safety audit. The incident involved the height of an access door to the Kids Facility in The Romanos, a Luxury Collection Resort. The recommended corrective action was taken (raise the height of the door) and the non-compliance rectified.

The Costa Navarino Safety & Security Committee is another key component in the safety management of our facilities. It is an executive committee comprising managers from different departments of the company which meets at least once a year, with the participation of the General Managers of both hotels, to discuss health and safety matters, assess the overall progress achieved in the company's performance and set targets for the next season.

CREATING VALUE FOR OUR PEOPLE



CREATING VALUE FOR OUR PEOPLE

Employment

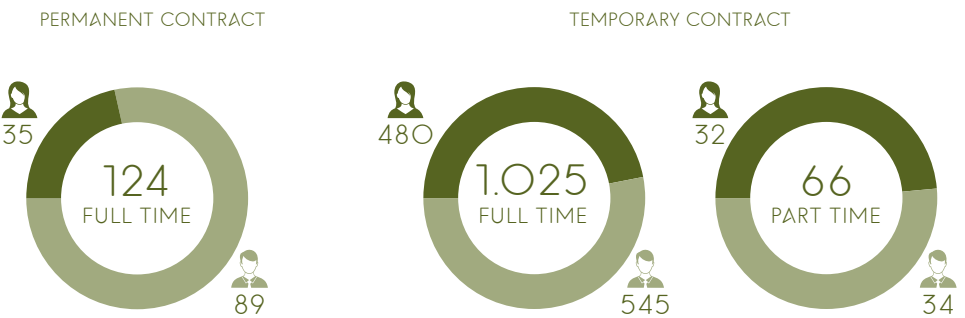
COSTA NAVARINO ENSURES THAT 70% OF OUR ASSOCIATES ARE HIRED LOCALLY. FROM THE WIDER REGION OF MESSINIA.

Our employment practices and our overall market presence have significant economic and social impact on the local communities.

The result of this policy has been the creation of new jobs and additional sources of income for the local people.

At the same time, our practices have a bearing on job satisfaction, a key factor for providing the highest quality of service to our visitors.

In 2015 the total number of associates at Costa Navarino during the peak season was 1.215 people, all covered by collective bargaining agreements. Due to the seasonal character of the operation the facilities were closed in December and January. During these two months, our workforce was reduced to 124. All our associates work under a permanent or temporary contract as presented in the below table.

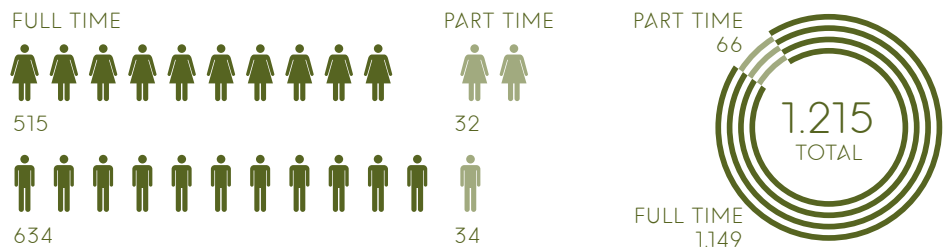


** All our associates are considered to be employees. The term "supervised workers", as described in G4 Implementation manual, does not apply to our company according to the Greek legislation.*

** 4.3% of the total number of our associates is located in TEMES central office in Athens.*

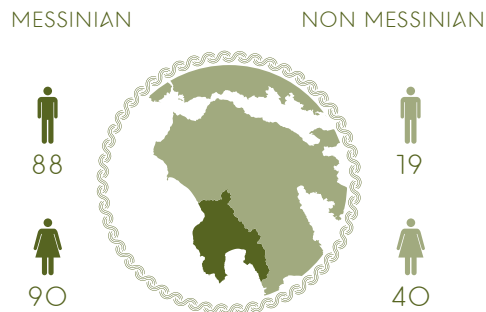
** The portion of the self employed individuals offering services to the organization (1.6%) is not substantial compared with the total number of associates under contract.*

ASSOCIATES *BY EMPLOYMENT TYPE AND GENDER



Of the 1.215 associates in 2015, 237 people were newly hired, thus the rate for the new hires in 2015 was 19.5%. The following graph presents the distribution of new associate hires, by age group, gender and region.

2015 NEW ASSOCIATE HIRES BY REGION

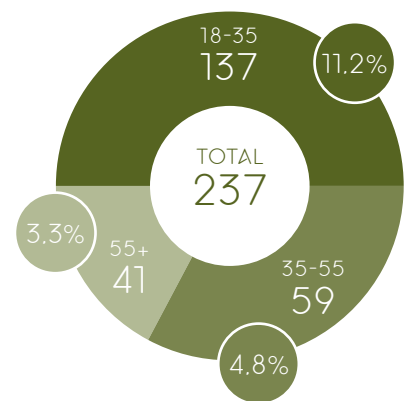


RATE FOR NEW HIRINGS



2015 NEW ASSOCIATE HIRES BY AGE GROUP

| Age Group | Female | Male |
|--------------|------------|------------|
| 18-35 | 72 | 65 |
| 35-55 | 34 | 25 |
| 55+ | 24 | 17 |
| TOTAL | 130 | 107 |





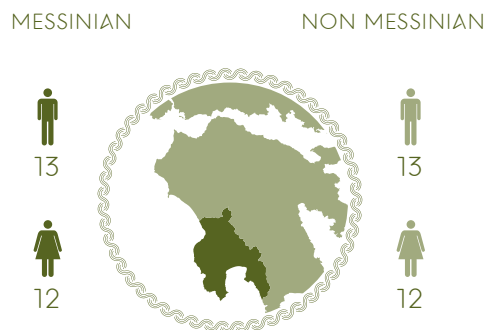
One important fact that illustrates the level of job satisfaction among our associates and reflects their sense of security at Costa Navarino is the low rate of employee turnover. This positive picture is further enhanced by the even pattern of distribution of turnover by gender, as presented in the graphs on the right. For 2015 the employee turnover was 50 people out of 1.215 associates, resulting in a turnover rate of 4.1%, which is very low, especially for the tourism industry given its significant seasonal variations in employment.

In 2015 the minimum wage offered to our associates was 27% higher than the minimum wage under current legislation in Greece, thus making a positive contribution to their economic well-being. In addition, only a small percentage of our associates (11,7%) received the minimum wage with the rest receiving higher salaries.

A recent survey on associate satisfaction at 1.100 Starwood hotels around the world is most revealing, with 89% of our associates stating they feel secure working at Costa Navarino, compared to an average percentage in south east Europe of 81%.

TEMES / COSTA NAVARINO IS THE ONLY TOURISM BUSINESS THAT HAS RECEIVED THE AWARD FOR "BEST WORKPLACES 2013" IN GREECE.

2015 TURNOVER RATE BY REGION

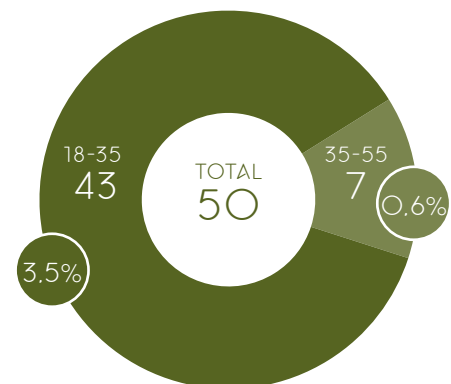


2015 TURNOVER RATE



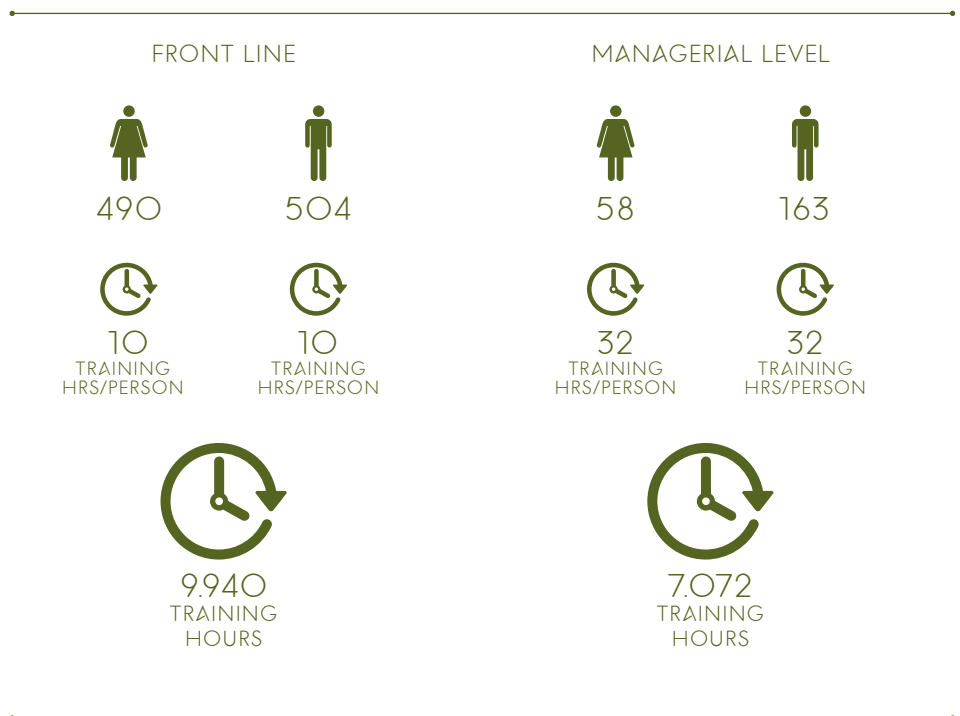
2015 TURNOVER RATE BY AGE GROUP

| Age Group | Men | Women |
|--------------|-----------|-----------|
| 18-35 | 19 | 24 |
| 35-55 | 7 | 0 |
| 55+ | 0 | 0 |
| TOTAL | 26 | 24 |



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 in order to develop their skills and enhance their career opportunities. The following table presents the average hours of training that our associates undertook during 2015 by gender and associate category. The average number of training hours per associate was 13.4. Male and female associates received the same hours of training according to their position (Front Line or Managerial Level).



Employee health and safety

IN 2015 TEMES/COSTA NAVARINO RECEIVED THE NATIONAL HR AWARD FOR THE "CANDO CONCEPT". AN ENGAGEMENT/PERFORMANCE RECOGNITION PRACTICE THAT IS APPLIED AT COSTA NAVARINO, AS WELL AS THE INTERNATIONAL EAME HR BEST PRACTICES AWARD FOR THE "W@NT CONCEPT". A PROGRAM FOCUSING ON THE WELLBEING OF OUR ASSOCIATES.

Program W@NT (Wellbeing at Navarino Team) has been developed around the following three pillars:

Associates Health & Safety

Including the Private Group Medical Plan, in-house doctor and blood bank, along with constant H&S campaigns and training.

Associates wellness

Including special campaigns on healthy living and wellness, wellness weeks, when the associates are offered access to the Westin Workout, Spa and Superfoods menus as well as special benefits for associates' children such as the Associates' Kids Club.

"We care" program

Including special events that promote social & environmental support and awareness, and the Navarino Pet Community, a volunteer program in the framework of which our associates offer food, shelter and medical care to the area's stray animals.

The health and safety of our associates is one of our primary concerns. Our management approach to occupational Health and Safety aims to ensure the health, job satisfaction, moral wellbeing and productivity of our associates by creating a welcoming workplace at Costa Navarino.

In all our operations, we implement a tracking and reporting system on health and safety incidents that provide us with the necessary information to design and promptly implement on time any necessary measures that help improve our health and safety performance.

- All occupational injuries are reported to the Security department immediately by the Supervisor/Manager of the injured associate.
- The Security department, in cooperation with the in house doctor who initially examines the associate, gathers all relevant information, and submits an "Associate's Accident Report" to the HR department.
- The HR department contacts the injured associate as well as any witnesses to the incident in order to cross check information.
- The HR department fills in the document "Announcement of Employee Injury" and submits it to the Department of Health & Safety of the Ministry of Labor, within 24 hours of the occurrence. Reports include name and job position, time and place of occurrence, description of accident, witnesses, and doctor's diagnosis if available.

- The HR department submits all relevant information to the Safety Technician (third party consultant responsible for H&S matters pursuant to Greek legislation).
- The Safety Technician investigates the incident and prepares a report along with guidelines to management concerning future safety measures if applicable.
- The Safety Technician's report is submitted to the General Manager, the Director of HR and/or any other departments involved.
- Health & Safety department personnel visit the scene of the accident to carry out a critical assessment and prepare a report which is delivered to the HR Director.
- All parties involved take actions, as applicable, to ensure all safety measures are in place and all associates are adequately trained, according to the directions of the Safety Technician and the Department of H&S.
- The HR department submits relevant information to the Payroll department, with respect to sick leave/absences which may have occurred as a result of the accident.
- The Payroll department submits total monthly numbers of sick leave days to HR department.
- The HR department prepares a monthly accident statistics report.
- The Safety Technician and H&S Department conduct a follow-up inspection to verify that all required measures are in place.

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

In 2015 there were five accidents due to slips and falls (not fatal) and one accident due to weight lifting (not fatal). In general, injury and absentee rates were very low, a fact that can be directly attributed to the efficiency of the applied health & safety management practices.

INJURY RATE (IR)

0.005

ABSENTEE RATE (AR)

0.03

OCCUPATIONAL DISEASES RATE (ODR)

0

LOST DAY RATE (LDR)

0.03

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

CREATING VALUE FOR THE LOCAL COMMUNITY



CREATING VALUE FOR THE LOCAL COMMUNITY

Job creation for the local community

A key goal for Costa Navarino is to bring development to Messinia, not only by placing the region on the global tourism map, but also by creating jobs and new business opportunities for local people. Our commitment to sharing with our stakeholders the value created through our operation provides a strong incentive, especially among young people, to stay in their homeland of Messinia despite the ongoing economic crisis.

We are committed to hiring 70% of our associates locally, from the wider region of Messinia. The below table presents our total workforce by region and gender.

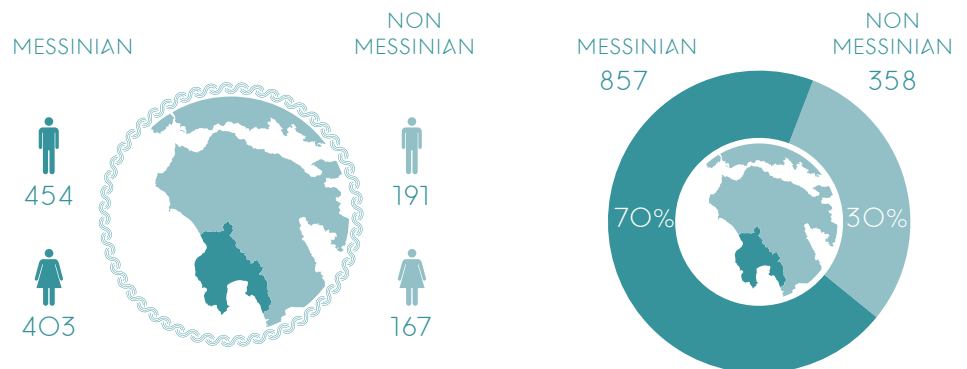
Our managerial positions are divided into three categories:

- senior management
- middle management
- junior management

In 2015, 12,1% of our associates at managerial level, including junior & middle management, were hired from the local community.

The next phase of our development plan, which will be initiated in 2016, is expected to create 900 new jobs. According to a study by the Regional Development Institute of the Panteion University of Athens, published in 2014, for every new job created at Costa Navarino, 0,8 jobs are created in the region of Messinia.

TOTAL WORKFORCE BY REGION AND GENDER



Infrastructure support & accessibility

TEMES continuously provides funding and technical expertise for the construction of infrastructure works in the wider region of Messinia. Since the beginning of the Costa Navarino investment, TEMES has spent more than € 11 million for this purpose. These infrastructure works include the commission of 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, the refurbishment of Kalamata Hospital and a series of other infrastructure works (e.g. playgrounds, public places, public buildings etc.), aiming at enhancing the quality of life of the local communities.

A RECENT STUDY BY THE REGIONAL DEVELOPMENT INSTITUTE OF THE PANTEION UNIVERSITY OF ATHENS (RDI, December 2014) STATES THAT THE ECONOMIC IMPACT OF THE COSTA NAVARINO INVESTMENT IN MESSINIA, FROM THE BEGINNING OF CONSTRUCTION IN 2008 UP TO END OF 2014, IS ESTIMATED AT €907.5 MILLION.

WHILE THE INDIRECT ECONOMIC IMPACT IN MESSINIA IN 2014 FROM THE OPERATION OF COSTA NAVARINO WAS €117.4.

THE SAME STUDY ESTIMATES THAT FOR EVERY €1 SPENT IN COSTA NAVARINO, €1.65 IS SPENT IN THE REGION OF MESSINIA (RDI, December 2014).

At the same time, local food businesses earn annual income of around € 2,25 million from the 75.000 meals ordered by Costa Navarino guests throughout Messinia (average meal cost of € 30/person).

Costa Navarino has played a key role in attracting new and more frequent flights to Kalamata airport: from 200 flights in 2009, to more than 1.000 international flights in 2014, making Kalamata airport the third fastest growing airport in Europe.

IN 2015, A GROWTH RATE OF 296% IN INTERNATIONAL AIRCRAFT ARRIVALS WAS ACHIEVED, COMPARED WITH 2009 FIGURES, ESTABLISHING THE AIRPORT AS A NEW INTERNATIONAL HUB FOR PELOPONNESE.

The growth of Kalamata airport is expected to continue in 2016 as 25 European destinations will have direct connections with the city of Kalamata and more than 110.000 visitors are expected to arrive, bringing an anticipated 267% increase in passenger arrivals relative to 2009.

The key role of Costa Navarino in the remarkable development of Kalamata airport has been widely appreciated by the local community. All the municipalities of the region, the regional authorities of Peloponnese and the local chamber of commerce unanimously decided to rename Kalamata airport as “Captain Vassilis Constantakopoulos Airport”, in recognition of his great contribution to the region, its local economy and people.

Region promotion

The operation of Costa Navarino has extended the tourism season in Messinia, which starts in February and ends in November, while the ultimate goal is to achieve year-round operation. This has been accomplished by introducing new products in the form of golf tourism, agricultural tourism, environmental and scientific tourism and by attracting major international events in the field of business, science and sports.



Business

The annual conference of the Association of British Travel Agencies (ABTA) was held in 2015 at Costa Navarino bringing together more than 550 Tour Operators, Travel Agencies, airlines and business consultants.

In 2014 the international conference of the WV representatives was held in Costa Navarino with more than 5.000 delegates.



Culture

The Art & Democracy Weekend in partnership with The International New York Times, including internationally acclaimed guest speakers such as Nobel Prize-winning Economist Paul Krugman and American pop-culture artist Jeff Koons.



Science

A series of conferences on law, economics and medical science were held in 2015, bringing more than 2.500 delegates to Costa Navarino.



Sports

Navarino Challenge, the award-winning annual sports event, has been held in Messinia and Costa Navarino for four consecutive years along with other sport events.

People of all ages compete in a non-competitive way in a range of sports activities, including running, swimming and many more.



Golf

A series of golf tournaments are hosted at both The Dunes Course and The Bay Course. International golf tournaments include Eagles Charity Golf Tournament and Aegean ProAm 2015, a highly popular international tournament that has been held for 11 consecutive years, six of which at Costa Navarino, attracting professional and amateur golfers from all over the world.





Another contribution to achieving our aim of year-round operation is the program of organized activities to preserve and promote local customs and traditions, which enable members of local associations to share their culture with international visitors, while also supplementing their income. Through the “Messinian Authenticity” program, launched in 2010, guests are able to experience a range of local traditions and customs such as olive harvesting, wine harvesting, authentic village cooking and olive oil tasting, and participate in a botanical tour, an art tour, as well as singing and dancing events. Each year, more than 1,000 guests engage in these authentic experiences for a fee, while many guests take the opportunity to watch (at no cost) local delicacies being prepared at the traditional Kafenio by local women from cultural associations of Messinia. The aim of this program is to disseminate the region’s rich cultural heritage and traditions to visitors from all over the world, and it has been enthusiastically embraced with the broad participation of local communities.

THE CREATION OF SYNERGIES WITH LOCAL STAKEHOLDERS IS KEY TO THE DESTINATION’S SUCCESS. THROUGH SPECIALLY DESIGNED TRAINING PROGRAMS FOR LOCAL BUSINESSES WE ENDEAVOR TO UPGRADE THE REGION’S OVERALL TOURISM PRODUCT.

The promotion of the region’s gastronomy and the revival of its culinary heritage was the goal of a special training program in which more than 450 local businesses have participated.

Another program for local businesses is about understanding and evaluating best and worst tourism practices in other Greek regions. More than 40 businessmen from the region joined us in a trip around Greece to observe how other regions developed tourism, as well as to learn from the good and bad practices and their impact.



Procurement practices

Our supply chain practices provide a further opportunity to address broader environmental and social issues and strengthen our ties with the local community.

Our supply chain includes the following main categories:

- Food & Beverage
- Linen & Uniforms
- Guest Room Supplies
- Cleaning Supplies
- Staff & guest transportation services
- Staff lodging services
- Engineering Maintenance Supplies
- Engineering Maintenance Service Contracts
- Purchase / construction of Capex Assets

At Costa Navarino we use goods and services from more than 1.400 vendors. Our Payments to suppliers in 2014 totaled 26.7 million euros, while in 2015 reached 24.8 million euros.

83% OF OUR VENDORS ARE LOCATED IN GREECE. WITH 20% OF THEM BEING SUPPLIERS AND BUSINESSES OPERATING IN MESSINIA. THE REST 17% OF OUR VENDORS IS COMING MAINLY FROM EUROPE.

In 2015, more than 12% of our procurement budget was spent on Messinian suppliers.

Besides our close cooperation with local producers and use of mostly locally sourced products, we have developed – in partnership with local producers - high quality food products and art objects from the Peloponnese branded ‘Navarino Icons’ and fine wine and spirits under “Navarino Vineyards” label, with the aim of acquainting people with the region’s gastronomy and history. This line of products is created locally and distributed both on site and globally. They are sold at landmark locations worldwide and the network of international point of sails is constantly expanding.

In addition, the Captain Vasilis Foundation organized seminars to promote exports of local products, bringing together 300 local producers with 18 companies from around the world interested in their products and 10 commercial attaches from different countries. The Foundation also arranges seminars for the dissemination of best practices in agricultural development with the cooperation of specialized scientists and local authorities and the participation of local farmers.

As a paradigm of commitment to sustainable agriculture, at Costa Navarino we have our own organic garden, where we cultivate mainly local varieties of fruit and vegetables that we use in our restaurants.

CREATING VALUE FOR THE ENVIRONMENT



CREATING VALUE FOR THE ENVIRONMENT

ENVIRONMENTAL PROTECTION IS EMBEDDED IN THE CONCEPT OF THE DEVELOPMENT OF COSTA NAVARINO. AS A FUNDAMENTAL DESIGN FACTOR AND AS A GUIDING PRINCIPLE THAT DETERMINES OUR ACTIONS FROM THE PLANNING AND CONSTRUCTION PHASES THROUGH TO THE OPERATION OF THIS NEW SUSTAINABLE DESTINATION.

WE ALLOCATED MORE THAN 10% OF THE FIRST'S DEVELOPMENT PHASE BUDGET TO CREATE THE NECESSARY INFRASTRUCTURE FOR SUSTAINABLE OPERATION.

Our approach to sustainability is realized through the application of our environmental policy across the entire spectrum of our activities, the monitoring and evaluation of our performance and our continuous effort for improvement.

Our ongoing collaboration with our 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. As noted in the materiality analysis (see p. 22), our environmental performance, is a matter of concern for the majority of our stakeholders.

Energy, Emissions & Climate Change

Energy

Energy consumption is the main contributor to direct and indirect GHG emissions from the operation of Costa Navarino. Creating the necessary infrastructure for a sustainable energy management that reduces energy needs and aims to maximize the use of renewable energy has been the key consideration in the design of our facilities. 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 at Navarino Dunes features:



Free-standing open roofs



Over 5,000m² of planted roofs



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



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, for heating and cooling, thus minimizing the need for LPG burning.

The 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 our carbon footprint, so that we can continuously improve our performance.





29%
INCREASE
IN GUEST NIGHTS

49.4%
REDUCTION
IN LPG CONSUMPTION



The main forms of energy consumed at Costa Navarino is electricity provided by the National Grid and thermal energy generated on-site in boilers using LPG as fuel. An additional source of consumption is deriving from vehicles owned by the company. The amount of fuel consumed by the company's fleet in 2015 was 35,937lt of gasoline and 25,875lt of diesel. Due to its minor contribution this energy is not included in the figures presented for the facilities of Navarino Dunes. However, because of the requirements of the HCMI methodology, the emissions from the vehicle fleet are calculated as direct greenhouse gas (GHG) emissions (scope 1) (see p. 68)

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 /m² of conditioned space (see p. 69).

In May 2014, a heat pump unit was installed at Navarino Dunes in order to reduce LPG consumption. This change led to a 37% reduction in LPG consumption, compared with 2013 measurements, combined with an expected increase in electricity consumption that reached 16%. The commissioning year for the new system was 2015, when all the necessary tests to determine optimum operational conditions were performed.

As we expect energy consumption to stabilize in 2016 due to completion of the commissioning process for the heat pump unit, based on the findings of the 2015 energy assessment, an action plan has been drawn up to further reduce energy consumption. These actions include:

- Adjustment of the Fan Coil Units's (FCU) set points to a temperature that ensures maximum guest comfort and optimum energy consumption.
- Optimization of room allocation plan to take into consideration climatic variations and energy consumption needs.
- Completion of the installation of low energy technology lighting (LED) in public guest areas. So far more than 50% of the low energy technology lighting has been installed.

In order to set our reduction targets and measure performance against them, 2012 has been set as a base year. A comparison of energy consumption measurements reveals that in 2015 our main goal to significantly reduce LPG consumption has been achieved.

IMPROVEMENTS IN ENERGY MANAGEMENT AND THE INSTALLATION OF NEW EQUIPMENT LED TO A 49.4% REDUCTION IN LPG CONSUMPTION, COMPARED WITH 2012 FIGURES, WHILE ELECTRICITY CONSUMPTION REMAINED AT MORE OR LESS THE SAME LEVEL (1.3% INCREASE). THE SIGNIFICANCE OF THIS ACHIEVEMENT BECOMES EVEN GREATER IN VIEW OF THE 29% INCREASE IN GUEST NIGHTS BETWEEN 2012 AND 2015.

GHG Emissions

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 (scope 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 have been a significant item in the environmental program of most hotels (re-use of towels programs etc), and in many cases they compose a significant portion of a hotel's overall emissions. Bearing in mind that many hotels outsource some or all of 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 not related to the hotel (e.g. the hotel leases 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 in 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 (Scope 3) emissions, in accordance with the HCMI methodology, include carbon emissions from outsourced laundry operations.

In order to estimate the overall carbon footprint of Costa Navarino, the emissions deriving from energy consumption (scope 1 and 2) at the rest of our facilities (conference centre, spa, golf course), are also reported using the emission factors of the HCMI methodology.

The emission intensity ratio for each hotel is expressed in t CO₂e/occupied room based on the HCMI methodology, while the emissions intensity for the rest of the facilities within Costa Navarino is expressed in t CO₂e/m² of conditioned space (see p. 69).

IN 2015 THE REDUCTION IN DIRECT GHG EMISSIONS (scope 1) REACHED 56.9% FOR ROMANOS AND 42.4% FOR WESTIN, COMPARED WITH BASE YEAR EMISSIONS (2012). THIS IS THE RESULT OF SUBSTANTIAL EFFORTS TO REDUCE LPG CONSUMPTION WITHIN OUR PREMISES (see pp. 69).

Despite the significant increase (29%) in guest nights between 2012 and 2015, energy indirect (scope 2) emissions at The Romanos rose by only 8.7%, while at the Westin they decreased by 9.6%.

As other indirect GHG emissions (scope 3) derive from outsourced laundry, their rise (30,6% average) is the result of the increase (29%) in guest nights between 2012 and 2015.

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.

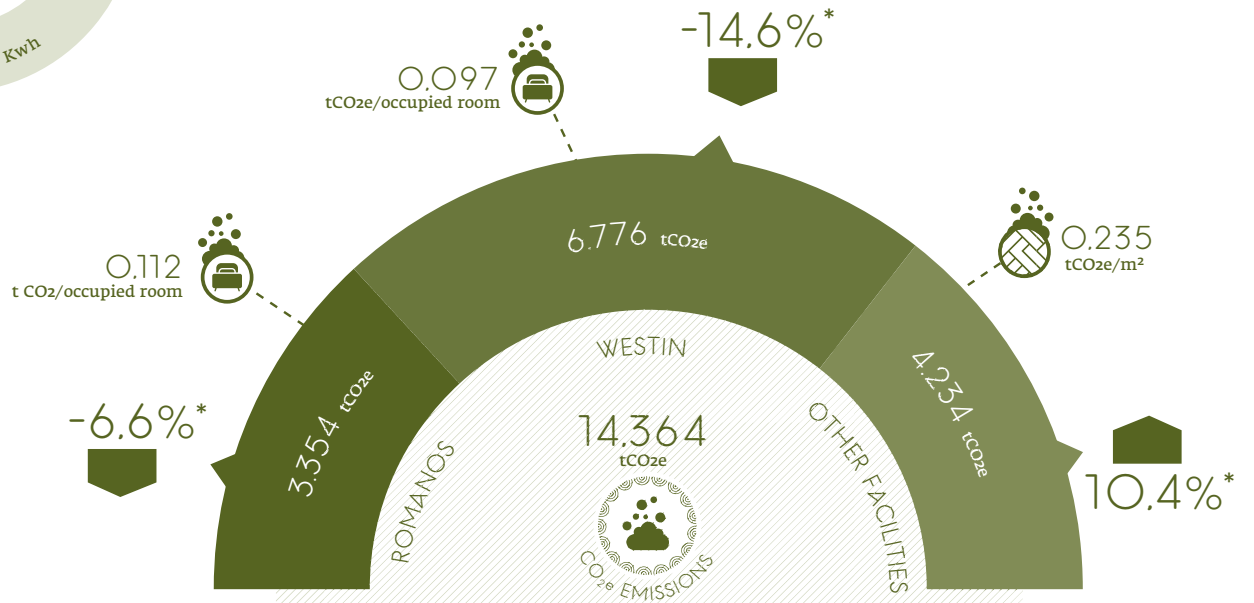
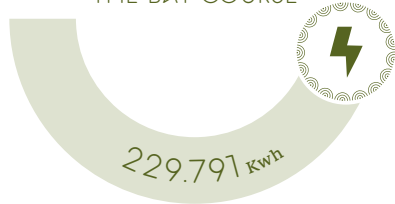
AT "THE ROMANOS" FROM 0.160 T CO₂/ROOM IN 2012, WE ACHIEVED 0.112 T CO₂/ROOM, A 30% REDUCTION IN 2015.

AT "THE WESTIN" FROM 0.146 T CO₂/ROOM IN 2012, IN 2015 WE REACHED 0.097 T CO₂/ROOM, MARKING A 33% REDUCTION.

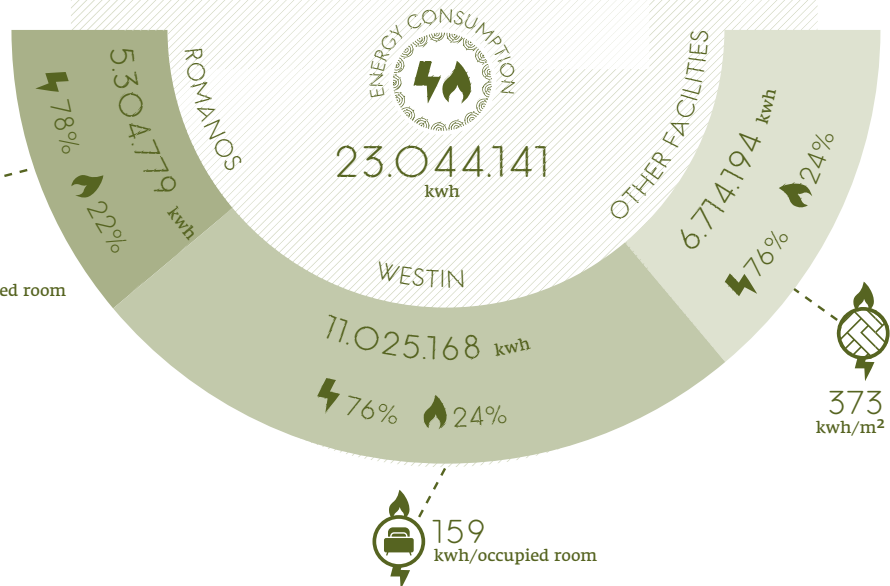
The difference in values achieved for each hotel is directly linked to the fact that "The Westin" is operating almost for the whole year, while "The Romanos" follows a seasonal operation.

EMISSIONS FROM COSTA NAVARINO IN 2015 (tCO₂e)

| | | SCOPE 1 | SCOPE 2 | SCOPE 3 | TOTAL |
|----------------|------------------|---------|---------|---------|-------|
| NAVARINO DUNES | ROMANOS | 362 | 2,977 | 16 | 3,354 |
| | WESTIN | 717 | 6,024 | 36 | 6,776 |
| | OTHER FACILITIES | 297 | 3,937 | | 4,234 |
| NAVARINO BAY | THE BAY COURSE | | 166 | | 166 |



NAVARINO DUNES 2015



- CO₂ emissions
- Electricity
- LPG
- Emission intensity
- Emission intensity
- Energy intensity
- Energy intensity

* Comparison with base year emissions, 2012.

Data for electricity consumption derived from installed electricity meters, while LPG annual consumption derived from the relevant invoices

Water

Committed to the sustainable use of water resources, TEMES has 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 will use only water that is naturally replaced
- provide detailed hydro-geological 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 m³ 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 m³ total capacity, were specifically designed and constructed by TEMES, 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 the local rivers, just before flowing into the sea.

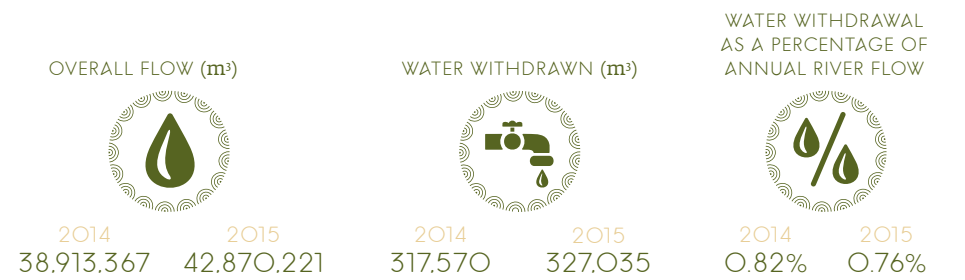
THE STUDY WAS DONATED TO THE PREFECTURE OF THE PELOPONNESE AND FORMED THE BASIS FOR THE WATER MANAGEMENT PLAN FOR THE SOUTHWEST PELOPONNESE. PUBLISHED BY THE MINISTRY OF THE ENVIRONMENT IN 2013.



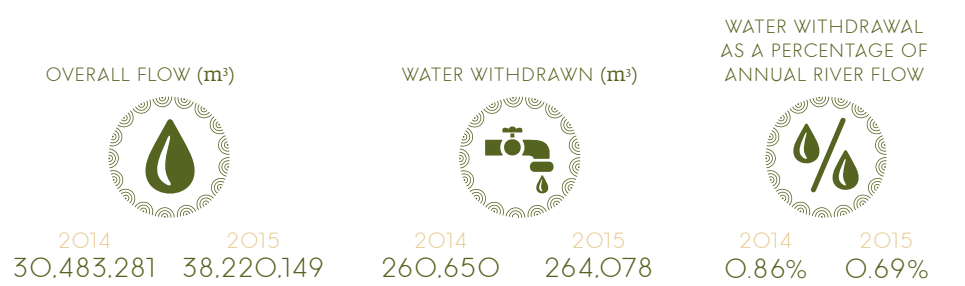
The following table shows the total volume of water withdrawn for irrigation purposes in 2014-15 from two local rivers (Selas and Gianouzagas), together with the overall river flows as calculated with special monitoring devices installed in the rivers. The data for water withdrawal derived from installed water flow meters.

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

RIVER SELAS



RIVER GIANOUZAGAS



The water utility of Pylos-Nestor municipality is the provider of potable water for Costa Navarino. The below table shows potable water consumption in m³ in 2014-15.

POTABLE WATER CONSUMPTION (m³)



| | | |
|----------------|-----------------|-----------------|
| NAVARINO DUNES | 2014 209.080 | 2015 284.870 |
| NAVARINO BAY | 2014 2.844 | 2015 2.061 |

Due to the fact that there are, as yet, no hotel facilities in Navarino Bay, water consumption is very low.

The increase in consumption at Navarino Dunes between 2014 and 2015 was due to a number of leaks that were detected and repaired. As a result of these incidents and in order to improve our monitoring system and reduce our response time for any future incident, we increased the monitoring points in the network by installing additional monitoring devices, all connected to the central control system for real time monitoring.

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

The following graph shows the total amount of water recycled and reused at Navarino Dunes in 2014-15 as an absolute figure and as a percentage of the total water withdrawal for Navarino Dunes. Water withdrawal includes the amount withdrawn from two local rivers (Selas and Gianouzagas) for irrigation purposes, as presented in the tables in page 72, and the potable water coming from groundwater sources provided by Pylos-Nestor municipality as shown in the graph on the left. (No other water withdrawals from the categories mentioned in G4-EN8 took place.)

VOLUME OF WATER RECYCLED AND REUSED (m³)



| | |
|-----------------|-----------------|
| 2014 116.341 | 2015 115.214 |
|-----------------|-----------------|

PERCENTAGE OF THE TOTAL WATER WITHDRAWAL

| | |
|-------------|-------------|
| 2014 22% | 2015 19% |
|-------------|-------------|

Additionally, 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.

Waste

The integrated solid & liquid waste management system of Costa Navarino has been designed on 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.

The following table presents the total weight of different types of waste recycled in 2014-15.

| TYPES OF WASTE / QUANTITY (T)* | 2014 | 2015 |
|--|-------|-------|
| PACKAGING  | 310 | 413 |
| LED BATTERIES  | 4.065 | 4.480 |
| OTHER BATTERIES  | 0.46 | 0.44 |
| OILS  | 0.4 | 0.4 |
| EDIBLE OILS  | 3.27 | 1.50 |
| LAMPS  | 0.253 | 0.263 |
| ELECTRONIC WASTE  | 0.12 | 0.132 |
| GLASS  | 45.85 | 40.30 |

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

All quantities are reported annually to the prefectural authority of the of Peloponnese which is responsible for waste management. For 2015 the amount of non-recyclable municipal waste ended up in landfills reached 1.099 t.

Since 2014, we have been operating a composting facility within our premises, where we turn the trimmings from the trees at Costa Navarino into compost that is subsequently used in our gardens and the golf course. So far, we have produced 30 m³ of compost.

Within the framework of the waste management system, a large-scale wastewater treatment facility operates within the premises of Costa Navarino.

Biodiversity

The habitats of Gialova Lagoon

Messinia is a region with one of the highest biodiversity ratings in Europe, in terms of both species and ecosystems. The preservation of biodiversity and the protection of the ecologically important habitats surrounding Costa Navarino is a key element of the development.

At a close distance from Navarino Bay, between the village of Gialova and the bay of Voidokilia, extends Gialova lagoon, one of the most significant wetlands in all of Europe.

Also known as Divari, from the Latin vivarium, which means “fish farm,” the area 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. It is the first stop for the migratory birds from Africa, and home to a great number of mammals, reptiles, amphibians and fish.

Gialova lagoon has a unique and diverse bird population comprising 271 different species. TEMES supports research projects on the lagoon’s avifauna and the impact of climate change on the ecosystem of the lagoon through the Navarino Environmental Observatory. At the same time, TEMES collaborates with local authorities and NGOs for the design and implementation of habitat protection strategies.

Gialova Lagoon is also home to Europe’s only population of African chameleons. TEMES supports a unique program for the protection of this rare and endangered species, managed by the Hellenic Herpetological Society. The program includes nest recording and protection, monitoring of the egg hatching process, population recording, in combination with public awareness campaigns for the protection of the species.





The habitat of the sea turtle *Caretta caretta*

TEMES has launched an extensive monitoring and protection program for the loggerhead sea turtle (*Caretta caretta*) in cooperation with Archelon, the Sea Turtle Protection Society of Greece. The program, which is now in its sixth year, covers the 2.7 km stretch of Romanos Beach and annually records the *Caretta caretta* population while protecting, monitoring and mapping the nests using GPS technology. A detailed action plan ensures that eggs and hatchlings are protected until their final journey to the sea.

The following table presents the nesting data collected at Romanos Beach, since 2010:

| YEAR | 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 |

The nesting data for the last six years show that the development of Costa Navarino did not have any negative impact on the nesting habits of sea turtles on Romanos beach. The location of the buildings and the special design of the lighting installed at the facilities of Costa Navarino (low intensity lights with special covers), combined with the peripheral planting of selected shrubs, which act as a natural light barrier, provide sufficient protection against artificial light which may discourage female sea turtles from nesting and disorient hatchlings.

The close cooperation between Costa Navarino and Archelon, during the stages of development and operation of the facilities serves as a clear living example of how tourism development and environmental protection can be mutually beneficial.



Preservation of the landscape of Messinia

During the construction phase, TEMES has embarked on a challenging program to move on-site olive trees and temporarily plant them in a specially prepared reception area. As construction progressed, these trees were replanted in their final location on-site, in an effort to preserve what has been part of the landscape for centuries.

At this stage of development, 6,500 olive trees have been moved and replanted, while 500,000 endemic shrubs of different species have already been planted. This is the biggest transplanting program ever attempted in Europe, employing a significant number of agricultural scientists, topographers and landscape architects.

Upon completion of the program, at least 16,000 olive trees will have been removed and replanted in their final position on-site, while 800,000 endemic shrubs will have been planted, preserving the location's natural beauty.



GRI index

General Standard Disclosures

| General Standard Disclosures | Description | Section | External Assurance |
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| ORGANIZATIONAL PROFILE | | | |
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| G4-4 | Primary brands, products, and services | 3.1 Profile (p. 9) | √ |
| G4-5 | Location of the organization's headquarters | 3.1 Profile (p. 7) | √ |
| G4-6 | Number of countries where the organization operates | 3.1 Profile (p. 9) | √ |
| G4-7 | Nature of ownership and legal form | 3.1 Profile (p. 9) | √ |
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| G4-19 | Material Aspects identified in the process for defining report content | 4.3 Identified material aspects & boundaries (p. 22,23) | √ |
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| General Standard Disclosures | Description | Section | External Assurance |
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| G4-25 | Basis for identification and selection of stakeholders with whom to engage | 4.2 Working together with our stakeholders (p. 17) | √ |
| G4-26 | Approach to stakeholder engagement | 4.2 Working together with our stakeholders (p. 18, 19) | √ |
| G4-27 | Key topics and concerns that have been raised through stakeholder engagement | 4.2 Working together with our stakeholders (p. 18, 19) | √ |
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| G4-32 | 'In accordance' option, GRI Content Index and reference to external assurance | 2.1 Scope and reporting standard (p. 7), 9. GRI Content Index (p. 82) | √ |
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|--|---|---|--------------------|
| CATEGORY: SOCIAL | | | |
| LABOR PRACTICES AND DECENT WORK | | | |
| Material Aspect: Employment (Material Issue: Job Creation) | | | |
| DMA | Disclosures on Management Approach | 6.1 Employment (p. 47-50) | |
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender, and region | 6.1 Employment (p. 48, 50) | |
| Material Aspect: Occupational Health & Safety (Material Issue: Health & Safety) | | | |
| DMA | Disclosures on Management Approach | 6.3 Employee Health & Safety (p. 52, 53) | |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | 6.3 Employee Health & Safety (p. 53) | √ |
| PRODUCT RESPONSIBILITY | | | |
| Material Aspect: Customer Health and Safety (Material Issue: Health & Safety) | | | |
| DMA | Disclosures on Management Approach | 5.3 Customer Health and Safety (p. 43-45) | |
| G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement | 5.3 Customer Health and Safety (p. 44) | |
| G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | 5.3 Customer Health and Safety (p. 45) | |
| Material Aspect: Product and Service Labelling (Material Issues: Quality Service/Facilities) | | | |
| DMA | Disclosures on Management Approach | 5.1 Location and facilities (p. 27-40), 5.2 Quality of Service (p. 42) | |
| G4-PR5 | Results of surveys measuring customer satisfaction | 5.2 Quality of Service (p. 42) | |

Independent external verification report

To: Management of TEMES SA



1. Independent Verification Report

The company TOURISTIC ENTERPRISES OF MESSINIA (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 2015 to December 31st of 2015 (1/1/2015-12/31/2015)

2. Scope of the verification project of the Corporate Social Responsibility Report

Scope of the assurance project is the conduction of the Application Level Check, according to the GRI G4 Guidelines Sustainability Reporting, referring to the Sustainability Report of TEMES for 2015.

The Application Level Check was conducted based on the corresponding correlation table of GRI G4 Indicators stated by TEMES in its Sustainability Report, in order to confirm the company's compliance to the requirements of the GRI G4 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 and claims accuracy of Material issues related to GRI G4 Guidelines Sustainability Reporting.

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 G4 for the "In accordance_Core" Level, as reflected on the corresponding correlation table of GRI G4 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 Corporate Social Responsibility 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 corporate responsibility 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 interested parties at company level and review of selected documents.

6. Responsibilities and Functions

The Team for Corporate Social Responsibility of TEMES carried out the Sustainability Report, thus, is responsible for the information and statements contained therein. The Level Check conducted does 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's 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 had not undertaken work with TEMES and did not have any cooperation with the interested parties that could compromise the independence or impartiality of the findings & conclusions. TÜV HELLAS was not involved in the preparation of the text and data presented in the Corporate Social Responsibility Report of TEMES.

Athens, October 24, 2016
For TÜV HELLAS (TÜV NORD) SA

Nestor Paparoupas
CSR Product Manager

