



SUSTAINABILITY REPORT
2017

TEMES



Mouzaki village

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Methoni Castle

LETTER FROM THE MANAGING DIRECTOR

It is an honor to introduce the third edition of our Sustainability Report. This report reflects our ongoing commitment to sustainable tourism development, as well as the direct and indirect contribution towards the UN Sustainable Development Goals (SDGs). TEMES remains focused in long-term growth and value creation, for its stakeholders, associates, partners and local communities where it operates. 2017 was a milestone year for TEMES, celebrating its 20th anniversary while having accomplished a major part of its mission to position Messinia and Costa Navarino -the company's flagship development- among the best destinations globally. We have applied a new

model of sustainable tourism development which has demonstrated that it can be financially successful, generate value for our stakeholders, have a positive contribution to the broader area, create a memorable experience for our guests and bring satisfaction among our associates.

In terms of financial performance, 2017 marked a significant growth in turnover (57.5m EUR vs. 43.8m EUR in 2016) driven both by the hotels' operation as well as by real estate sales. Accessibility is ever-increasing and the broad range of markets attracted to the destination, demonstrates the success of developing a diverse range of tourism products, activities and experiences for

our guests. 2017 was also the first year, during which we actively promoted our real estate offering, generating interest among several international markets. Responding to a rapidly changing environment where technology, new trends and tourism products are drastically changing the landscape, we are launching the development of our next integrated resorts in the coming year, which complement the existing facilities and broaden our target markets and audiences. More specifically, two new signature golf courses at Navarino Hills, a vibrant, lifestyle resort at Navarino Waterfront and an ultra-luxury resort at Navarino Bay.

Tourism can have direct and indirect contribution to all 17 Sustainable Development Goals (SDGs) and sustainable tourism development has a firm position in the 2030 Agenda. This year we have decided to present our activity, through the corresponding Sustainable Development Goals (SDGs). We have adapted the SDGs as a guiding principle for the formation of our strategy and the evaluation of our performance, and we believe wholeheartedly that sustainable tourism is the only path moving forward.

Stephanos Theodorides
Managing Director
TEMES S.A.



Omega Beach



ABOUT THIS REPORT

Scope & reporting standards

This is the third 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 impact and substantively inform 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 company has adopted an annual reporting cycle.

The report focuses on our commitment to promote sustainable tourism and contribute, directly or indirectly, to the

UN Sustainable Development Goals relevant to our operation. This report refers to the period from 1/1/2017 to 31/12/2017, unless otherwise noted, covering the entire range of activities of TEMES S.A. This report has been prepared in accordance with the GRI Standards: Core option and the AA1000 AccountAbility Principles Standard.

The report outlines our policies and management practices, as well as our company targets and achievements for 2017, in a simple and comprehensive way with the use of key performance indicators.

The Property Ownership, Compliance and Sustainability department of TEMES S.A. is

responsible for the preparation, submission and distribution of this report. Ernst & Young Hellas has supported the preparation of this report, and its adherence to the GRI Standards.

Independent assurance

Our sustainability report has been externally assured by TÜV HELLAS (TÜV NORD) according to the requirements of the AA1000 Assurance Standard, as described in the independent Assurance Report accompanying the sustainability report (see p. 114).

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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Akritohori Beach

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OUR COMPANY

Profile



TEMES S.A. is a leading investor, developer and operator in the luxury hospitality and leisure and second home residential real estate sectors in Greece.

Our business principally comprises (a) the operation of our integrated resorts at Costa Navarino; (b) the joint ownership of the Hilton Athens, (c) the development of our land bank located in the region of Messinia in the southwestern Peloponnese in Greece and (d) the acquisition and development of new hospitality and leisure assets, either on our own or in partnership with others.

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

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

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Founded in 1997 by the Constantakopoulos family, TEMES has fulfilled the vision of its founder, Captain Vassilis Constantakopoulos, to establish his homeland, Messinia, as a world-class, high-end tourism destination. The Constantakopoulos family holds just over 75% of the company shares, while the remaining shares are owned by Fivedunes Limited.

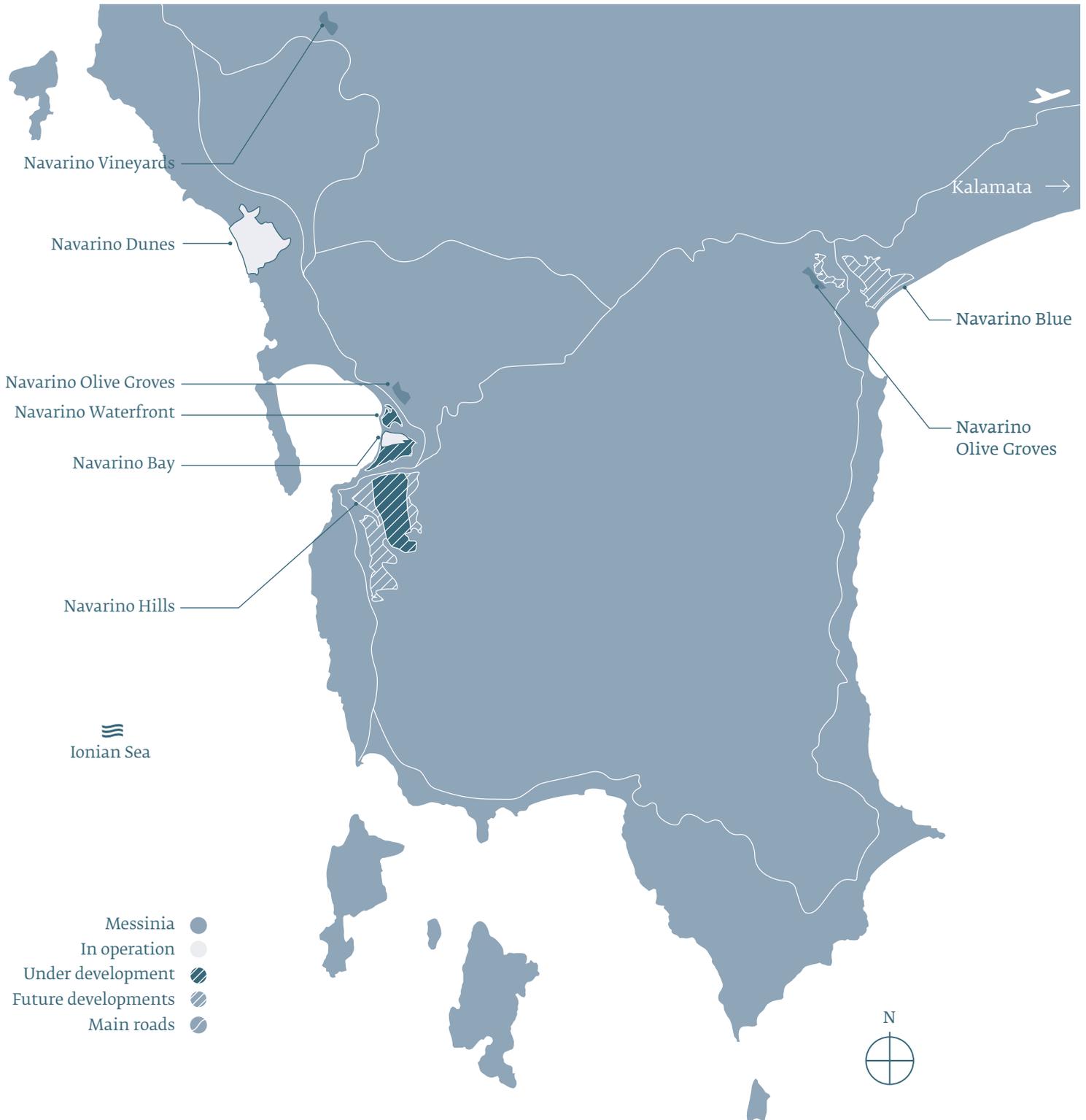
Costa Navarino, our flagship development, is a major ongoing tourism investment in the Mediterranean, where we have begun developing five distinct integrated resorts, namely “Navarino Dunes”, “Navarino Bay”, “Navarino Waterfront”, “Navarino Hills” and “Navarino Blue”, covering a total area of 1,000 hectares.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

Each of our integrated resorts is carefully master-planned and developed to capitalize on the synergies offered by the combination of the above components into a cohesive gated resort, providing our visitors and residential owners an all-in-one experience within each resort and across the broader destination of Costa Navarino.

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

Our primary operating assets at Navarino Dunes include two luxury 5-star hotels, “The Romanos, a Luxury Collection Resort”, and “The Westin Resort Costa Navarino” (with a total of 766 keys) and the signature golf course, The Dunes Course. At the second, partially developed, site, the second signature golf course, The Bay Course, has been in operation since 2011. In addition, we have launched sales of our residential real estate offering at Navarino Dunes.

During the coming year, we plan to commence construction of two more luxury 5-star hotels, one at Navarino Bay and one at Navarino Waterfront. Also in 2018, we will begin the development of two new 18-hole golf courses at Navarino Hills, designed by golf legend José María Olazábal. The golf offering will also be enhanced by the development of an earth-sheltered clubhouse at The Bay Course. The map shows our main existing, ongoing and planned future developments within the region of Messinia.



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For 2017 TEMES published consolidated financial statements that included the financial statements of TEMES S.A. (the parent company) and the following consolidated subsidiaries and joint ventures (hereinafter “the Group”):

	ACTIVITY	COUNTRY	RELATION TO PARENT	COMPANY'S PARTICIPATION 31/12/2017	COMPANY'S PARTICIPATION 31/12/2016
GREKA ICONS S.A.	Retail	Greece	Direct	75%	75%
BYZADIUM S.A.	Retail	Greece	Direct	91.85%	91.85%
GLOBAL RESERVATION SYSTEM S.A.	Services provider	Greece	Direct	-	-
COSTA NAVARINO NORTH PROPERTIES S.A.	Retail	Greece	Direct	100%	100%
COSTA NAVARINO SOUTH PROPERTIES S.A.	Retail	Greece	Direct	100%	-
NEFERTIA INVESTMENTS LTD	Holding Company	Cyprus	Direct	100%	100%
HOME HOLDINGS S.A.	Holding Company	Greece	Joint Venture (JV)	50%	50%

Due to the fact that TEMES is responsible for the vast majority of the Group's activities that could have a significant social, economic or environmental impact on a local and national level, this report presents information relevant only to the activities of TEMES. This approach was adopted in order to facilitate comparison with the disclosures of our previous report. The company may reconsider this approach, depending on the overall activity of the subsidiaries and joint ventures during the preparation stage of next year's report.

2017 was the first year when both of the two luxury 5-star hotels of Navarino Dunes, "The Romanos, a Luxury Collection Resort", and "The Westin Resort Costa Navarino" operated under the full management of TEMES, under the franchise agreement signed in February 2016 with Starwood Hotels & Resorts Worldwide LLC. This agreement allowed us to operate our hotels on a fully-integrated basis with other resort facilities, reducing duplicative overhead costs.

The company's full access to Starwood's international platforms and systems ensured the continuity and enhancement of our relationship with our clients and partners across the world.

In 2017, we officially launched our residential sales at Navarino Dunes.

During 2017, Ionian Hotel Enterprises S.A., whose shareholders are TEMES S.A. and D-Hospitality B.V., continued the development of a property improvement plan to upgrade existing facilities and introduce new products and services to a landmark hotel in Athens, managed by Hilton. It is a unique building in the center of the city with an exceptional legacy in international hospitality.

The company aims to reposition the hotel on the Greek and international market by establishing a city destination comprising luxury hotel services, branded and serviced private residences, signature culinary venues and themed retail concepts.

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

- Greek Tourism Confederation (SETE)
- Athens Chamber of Commerce & Industry (EBEA)
- Hellenic Federation of Enterprises (SEV)
- Hellenic-German Chamber of Commerce & Industry
- Hellenic-French Chamber of Commerce & Industry
- Hellenic-Swedish Chamber of Commerce
- Hellenic Management Association (EEDE)
- Foundation for Economic and Industrial Research (IOBE) Supporters Club
- Association of Chief Executive Officers

Location & Facilities

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

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







NAVARINO DUNES

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

The Romanos, a Luxury Collection Resort, features 321 luxury rooms, suites and villas ranging from 43 m² to 192 m², including the 630 m² Royal Villa Methoni and the 660 m² Royal Villa Koroni. All accommodation creates a distinctive and inspiring environment of authentic luxury and heartfelt hospitality.

The Romanos, a Luxury Collection Resort, has received several accolades, including the Condé Nast Traveller Readers' Travel Awards and Gold List.

The Westin Resort Costa Navarino was featured an exceptional selection of deluxe rooms, family rooms and suites ranging from 40 m² to 80 m², and a combination of golf, sea and pool views. In this unique family-friendly destination, guests enjoy state-of-the-art facilities and upscale services, as well as an abundance of sports and leisure activities.

The Westin Resort Costa Navarino was featured in the Condé Nast Traveler Readers Choice Awards 2017.

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

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

An enhanced culinary experience awaits guests at Navarino Dunes, through 21 dining venues, cafés, bars featuring signature cocktails, local, continental, Greek fusion and ethnic cuisine, utilizing locally-sourced quality produce.

It is also home to the 4,000 m² Anazoe Spa, which continues to expand and upgrade its offering, based on a unique concept for signature treatments, combining the health and beauty practices of ancient Greece with the region's natural ingredients and spa products from around the globe.

The House of Events is a multi-purpose and highly versatile conference center accommodating up to 1,700 people, covering more than 5,000 m². It has successfully hosted a multitude of small, medium and large-scale conferences and events.





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

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

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

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





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GOLF AT COSTA NAVARINO

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

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

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

2017 was another successful year for the Junior Golf Academy, which counts more than 50 junior golf members, all of whom reside in the region of Messinia. Building on from the success of past years, the juniors produced even more winning performances in national events and participations in tournaments around Europe. Costa Navarino was named "European Golf Resort of the Year 2017" by the International Association of Golf Tour Operators (IAGTO).









SPORTS AT COSTA NAVARINO

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

Guests can explore the underwater world with Navarino Sea by Aqua Divers Club, a PADI 5-star IDC Resort and enjoy the Ionian Sea with Kayaking, Surfing, Kitesurfing, Windsurfing and Stand Up Paddleboarding, courtesy of Surf Salad at The Dunes Beach.

They can also try their hand at Waterskiing, Wakeboarding and Fun Tubes at nearby Navarino Bay. Yacht and sailing services are available by Navarino Sea on one- or two-day cruises with an experienced skipper and crew, allowing guests to discover the crystal blue waters off Messinia. Bike trekking, MTB and self-guided GPS tours, as well as organized hiking and climbing tours, are all part of the activities program offered by Navarino Outdoors.

Guests can enjoy a full range of racquet sports, at the Navarino Racquet Academy, including tennis (and private lessons) on one of the courts, as well as Mini Tennis for aspiring young players, along with Squash, Padel, Table Tennis, Racquetball, Badminton, Speedminton, Beach Tennis & Beach Racquets. Navarino Speed Experience is all about fun, at the high standard race track, where experienced personnel provide lessons for all ability levels and ages.

Equipped with brand new CRC karts, a state-of-the-art timekeeping system, a lighting system for evening hours and high standard simulators, Navarino Speed Experience Park operates to the most stringent safety standards.



Real Estate

NAVARINO RESIDENCES

Navarino Residences is a collection of luxury villas for private ownership, at the heart of Navarino Dunes.

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

of freehold pool villas ranging in size from 400-1,400 m² internal area (4-6 bedrooms), all on large plots (1,500-3,000 m²), some only 30 meters from the beach, designed by internationally acclaimed Greek architects (A.N. Tombazis & Associates, ISV Architects, KLab Architecture, k-studio, Kois Associated Architects, Potiropoulos + Partners). So far, more than 40% of the project's initial phase has been sold off-plan, while construction of the first homes has already begun. Following the design principles of Costa Navarino, which are based on bioclimatic architecture,

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

In 2017, Navarino Residences were further enhanced with the introduction of the villa owners' exclusive club. Navarino Residences Club is a doorway to a community of like-minded people who wish to fully experience the understated lifestyle of Costa Navarino. People brought together by a genuine appreciation of the region's remarkable history, rich cultural heritage and authenticity, a belief in children's freedom to explore and discover, and a desire to embrace sustainable living in an intimate relationship with unspoiled nature. Club membership offers a wide range



Beachfront Villa

of benefits, including 24-hour support from Navarino Dune's highly trained team of onsite professionals as well as priority booking and discounts at the resort's unparalleled selection of facilities and activities.

Navarino Residences Club offers villa owners three distinct membership options – each with a wide range of exclusive benefits to ensure that their time spent at Costa Navarino is both unforgettable and eminently relaxing.

In December 2017, Navarino Residences achieved a triple success at the prestigious

International Property Awards. After being named “Best Residential Development, Greece” and “Best European Residential Development”, Navarino Residences were crowned “Best International Residential Development” on a global level, judged by an independent panel that evaluates and awards the highest levels of achievement by companies operating in all sectors of the global property and real estate industry.

THE RESIDENCES AT THE WESTIN RESORT COSTA NAVARINO

The real estate offering at Costa Navarino will be enhanced in 2018, with a new residential proposition: the perfect real estate offering for families wishing to acquire an income-generating apartment in one of Europe's best family destinations. This collection of apartments is also an ideal offering for long stay golfers.





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	RESPONSES	ITREC SCORE
NAVARINO DUNES	983	74.7/100
THE WESTIN RESORT	820	74.8/100
THE ROMANOS RESORT	163	74.2/100

** The final score for ITRec results from guests answering in a scale from 1 to 10. Only the ranking of 09/10 and 10/10 is measured in the final score.*

Quality of Service

The evaluation of the quality of our service is, in essence, the indicator that reveals how well we meet our stakeholders' needs. In other words, it is the result of the assessment of the performance of our management system.

Having already achieved international recognition for the quality of service at Costa Navarino, our operational policies aim to enhance guest experience and improve the services provided to our stakeholders.

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

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

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

In 2017, due to the integration of Starwood with Marriott, both our hotels used the Marriott GuestVoice platform to collect feedback via online Guest Satisfaction Surveys (GSS) sent to guests after their stay at the resorts. This fact does not allow us to compare the 2017 results with those from 2016, measured with the Starwood's Guest Experience Index (GEI) platform,

due to the different operating modes of the two platforms. In addition to the online surveys, a dedicated team monitors social media and relevant websites, collecting feedback and responding to guest inquiries in real time.

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

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

In 2017, according to the GuestVoice platform, the score results for the Intent to Recommend (ITRec) metric can be seen in the table above.

In 2017, due to the integration of Starwood with Marriott, both our hotels used the Marriott GuestVoice platform to collect feedback via online Guest Satisfaction Surveys (GSS) sent to guests after their stay at the resorts. According to the GSS results, The Romanos Resort and The Westin Resort both scored 4.7/5, an exceptional score highlighting the quality of services offered.

The 2017 results do not compare with those from 2016, measured with the Starwood's Guest Experience Index (GEI) platform, due to the different operating modes of the two platforms.



Awards

During 2017, worldwide recognition was further enhanced through international institutions and awards, highlighting the unique elements of the destination, in terms of sustainable practices, quality facilities and services.

Awards and accolades received during 2017 include among others:

World Travel Awards

Costa Navarino – “Europe’s Responsible Tourism Award”

Condé Nast Traveler Readers’ Choice Awards

The Westin Resort Costa Navarino & The Romanos Luxury Collection Resort – Category: “Top Resorts in Europe”

International Property Awards

Navarino Residences – “Best International Residential Development” & “Best Residential Development Europe”

World Luxury Hotel Awards

The Romanos Luxury Collection – Global award – “Luxury Coastal Hotel” & “Luxury Business Hotel for Greece”

The Westin Resort Costa Navarino – “Luxury Spa Hotel for Europe” & “Luxury Wellness Hotel for Greece”

European Hospitality Awards

The Romanos Luxury Collection Resort – “Green Hotel of the Year”

Prix Villegiature

The Westin Resort Costa Navarino – Shortlisted as “Grand Prix du Meilleur Resort en Europe”

Great Golf Magazine

Top 100 greatest Golf Resorts – “Family-Friendly Golf Resort”

Golf World

The Dunes Course – Top 100 Golf Courses in Continental Europe

World Golf Awards

The Bay Course – “Greece’s Best Golf Course”

World Luxury Spa Awards

Anazoe Spa – Global Winner: Best Luxury Eco Spa, Regional Winner: Southern Europe – Best Luxury Destination Spa, Regional Winner: Southern Europe – Best Luxury Golf Resort Spa

Junior Design Awards

The Westin Resort Costa Navarino – Gold Winner “Best Family Hotel” (UK & Worldwide)

Tourism Awards

Gold Award in Sustainability / Facilities Management: Monitoring Environmental Indicators

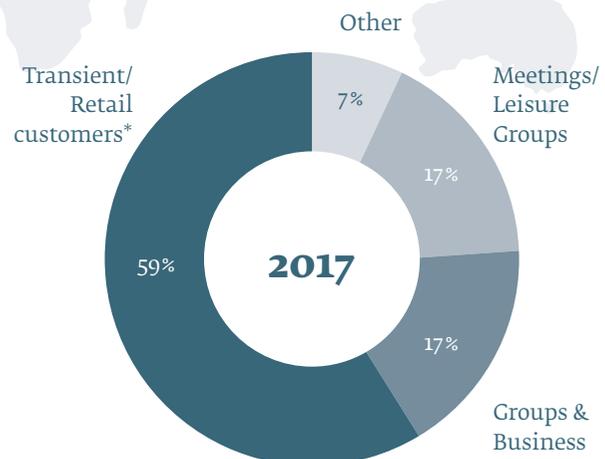
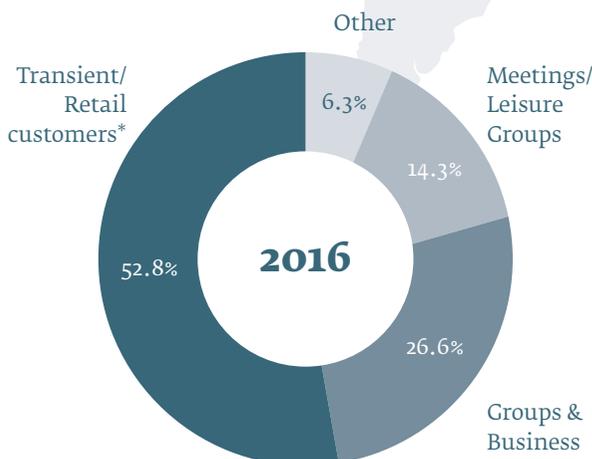
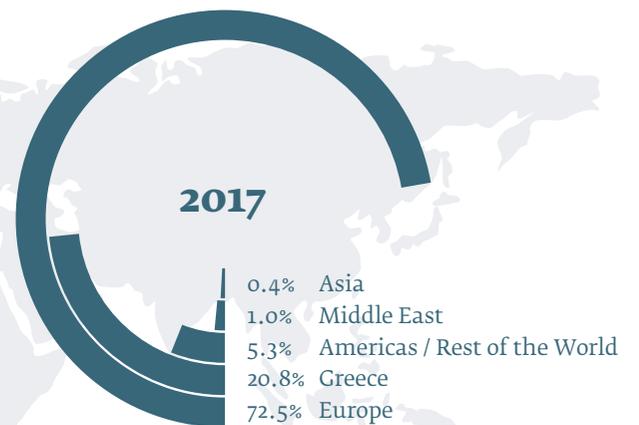
Greek Hospitality Awards

Best Greek Green Hotel – Gold award, Top Greek Hotel – Silver award



Markets served

Following last year's trends, the majority of our guests in 2017 came from Europe. 20.8% of our guests came from Greece and 72.5% from the rest of Europe.



* Customers visited directly or via Travel Agents/Tour Operators





3

OUR APPROACH TO SUSTAINABILITY

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

The Sustainable Development Goals (SDGs), according to the UN, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The SDGs work in the spirit of partnership and pragmatism to make the right choices now to improve life, in a sustainable way, for future generations.

According to the UNWTO, tourism can become a major driving force for realizing the SDGs as it represents up to 10% of the world's GDP and employment. By applying a business model aiming at the company's inclusive and sustainable economic growth directly linked with the sustainable development of the areas where operate,

we have found in the SDGs a policy roadmap and a common international language that can enhance our cooperation with our stakeholders on a national and international level.

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The SDGs reflect stakeholder expectations as well as future policy direction at the international, national and regional levels. By endorsing the SDGs and working towards their achievement we have the opportunity to connect our business strategies with national and global priorities.

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

The report is structured around the SDGs, with each chapter representing and disclosing our contribution to a different goal. The first three chapters present our contribution to SDG 8, "Decent work and economic growth", SDG 12 "Responsible consumption and production" and SDG 14 "Life below water", in which tourism is featured by the UN.

As we contribute, directly or indirectly, to more SDGs, the rest of them are presented, not in numerical order, but according to the relevance of the material topics relating to each SDG (pg. 46-47).





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Working together with our stakeholders

In order to adopt the business practices that will maximize the value created for our stakeholders through the company's operation, we have built a close relationship with all of our stakeholder groups. This approach helps us understand their interests and proactively identify issues of concern in order to inform our policies, reporting and disclosure.

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.

NAVARINO ENVIRONMENTAL OBSERVATORY (NEO)

Inspired by their common interest in climate change and the need for scientifically based mitigation and adaptation policies, 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 established the Navarino Environmental Observatory (NEO) in 2009.

NEO is dedicated to the study of climate change and its impact on the natural environment and human activities in the Mediterranean region, with a focus on atmospheric composition, past climate variations, current conditions and future climate projections.

Recent NEO research initiatives, covering topics such as the effect of agriculture on biodiversity and water resources and the co-management of ecosystem services in Natura 2000 areas (including Gialova lagoon), illustrate our ambition to widen the scope of NEO inter-disciplinary research

towards strategies for sustainable development of social-ecological systems and multifunctional landscapes in Messinia. The work undertaken by NEO is in line with SDG 13 (Climate action) and most of the UN SDGs relating to social and environmental issues.

So far, nine institutes and universities from Greece, Europe and the US have joined forces with NEO as Associated Members, while our network is constantly expanding to include local stakeholders and policymakers. Since 2010, NEO researchers have produced more than 50 international publications, while three PhD studies are currently in progress (with five already completed).

In 2017, seven courses, a summer school, two workshops and several fieldwork visits took place at NEO Research Station, bringing to Messinia no less than 210 researchers/students who stayed for 1,061 nights in total.

For more information please visit: www.navarinoneo.se

NAVARINO NATURA HALL

Another successful example of cooperation with our stakeholders is the establishment of Navarino Natura Hall, an interactive environmental exhibition centre at Costa Navarino. Navarino Natura Hall was the result of cooperation between TEMES, Stockholm University, the Academy of Athens and a number of NGOs.

Its main purpose is to provide environmental education in an entertaining manner, inform visitors and locals about the unique biodiversity of Messinia and the work currently undertaken by NEO, while familiarizing them with current environmental issues.

A special educational program for local schools, created together with the University of Peloponnese, started in 2012 and in 2017 completed its sixth season of operation. The program is based at the center and has so far been attended by more than 4,300 schoolchildren.







**CAPTAIN VASSILIS
AND CARMEN
CONSTANTAKOPOULOS
FOUNDATION**

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

In 2017, the Foundation focused on three main axes, namely social, agricultural and cultural development. With regard to social development, one of the most innovative and important projects is the Center of Family and Employment Support initiated together with SOS Children's Villages in Kalamata. Its aim is to support families with financial and/or domestic problems. The children participate in a support program after school, while their parents take part in a consultation program with social workers and employment consultants.

Adopting a similar approach, the Center for Agricultural Entrepreneurship of Kalamata aims to support farmers. Its seminars aim to transfer knowledge in a broad spectrum of issues, from geotechnical

to sales instruments, while special consultation sessions are available for more advanced projects that need support in order to take the form of business plans and be implemented.

Lastly, in the field of culture, the Foundation is a proud sponsor of the Kalamata International Dance Festival while it also supports a number of archaeological excavations in the area, including the ancient theater of Thouria, the Gymnasium of Ancient Messene, and the "Warrior's Tomb" at Chora.

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

STAKEHOLDER GROUP	WAYS OF ENGAGEMENT	TOPICS / CONCERNS
Investors & Shareholders	<ul style="list-style-type: none"> • Website • Meetings & presentations • Financial reports • Newsletters / Press Office 	<ul style="list-style-type: none"> • Customer health & safety • Occupational health & safety • Human rights • Regulatory compliance
Government & local authorities	<ul style="list-style-type: none"> • Website • Meetings & presentations • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Regulatory compliance • Economic value generated & distributed • Creating new jobs and business opportunities • Procurement practices
Guests & Customers	<ul style="list-style-type: none"> • Website • Ad campaigns • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Customer health & safety • Occupational health & safety • Human rights • Regulatory compliance
NGOs Advocacy Groups Academic Community	<ul style="list-style-type: none"> • Website • Meetings & presentations • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Regulatory compliance • Biodiversity, ecosystems & habitat protection • Environmental education & research • Water management
Local Community	<ul style="list-style-type: none"> • Website • Meetings & presentations • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Region promotion • Customer health & safety • Occupational health & safety • Biodiversity, ecosystems & habitat protection
Associates (Employees)	<ul style="list-style-type: none"> • Meetings & presentations • Training programs • Newsletters / Press Office 	<ul style="list-style-type: none"> • Customer health & safety • Occupational health & safety • Human rights • Regulatory compliance
Industry Associations	<ul style="list-style-type: none"> • Website • Meetings & presentations • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Regulatory compliance • Economic value generated & distributed • Infrastructure support & accessibility • Creating new jobs and business opportunities
Media	<ul style="list-style-type: none"> • Website • Meetings & presentations • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Region promotion • Cultural experience • Sports & events • Gastronomy
Partners & Suppliers	<ul style="list-style-type: none"> • Website • Meetings & presentations • Social media • Hotel & facility tours • Conferences & events • Newsletters / Press Office 	<ul style="list-style-type: none"> • Customer health & safety • Regulatory compliance • Economic value generated & distributed • Creating new jobs and business opportunities

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

The frequency of engagement with each group varies according to 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 for the preparation of this report is also presented. The company's approach to each of these topics is presented in the relevant chapters of the report.



3

Material topics & boundaries

The content of this report was defined by applying the GRI Standards' Reporting Principles for defining report content, namely Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness, and presents information on the company's sustainable development management and performance for the period from 01.01.2017 to 31.12.2017.

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

The first dimension is the significance of the topics for our stakeholders, as assessed by the company's Management Team, based on our regular stakeholder engagement performed throughout the year. The second dimension presents the extent to which each topic contributes to the SDGs at the local level (Messinia) as well as the extent to which each topic affects the company's business model, reputation and ability to achieve its goals. This year, for the first time, in order to assess each topic's importance to sustainable development, in addition to the internal dimension (i.e. the extent to which each topic affects our company), we also took into account various external factors such as sectoral and international standards, as well as media review for 2017.

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

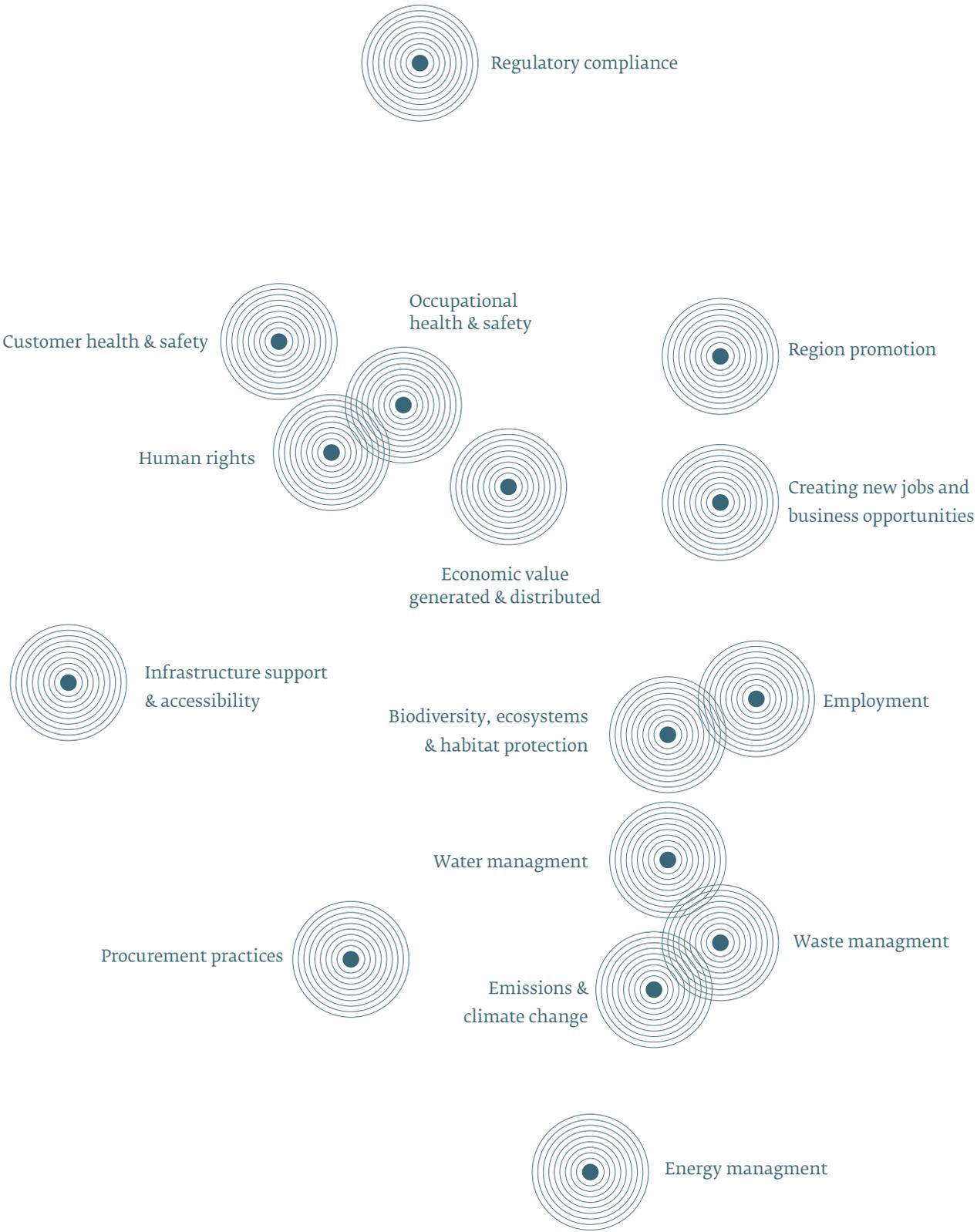
This year, two new topics, namely "Customer health & safety" and "Human rights", were prioritized as material and are presented in this report.

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

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

Materiality map 2017

HIGH
 IMPORTANCE FOR THE STAKEHOLDERS
 LOW



IMPORTANCE OF IMPACTS ON SUSTAINABLE DEVELOPMENT

HIGH

3

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

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

The connection of each material topic with the relevant SDG, along with the boundaries for each of them for the reporting period, can be seen in the table on pages 46 and 47.

SUSTAINABLE DEVELOPMENT GOAL (SDG)	MATERIAL TOPIC	BOUNDARIES <i>(entities inside or outside the company that may cause or be connected with impacts)</i>
8 DECENT WORK AND ECONOMIC GROWTH  CHAPTER 4	• Employment • Human rights	• TEMES • Associates • Partners & suppliers
	• Economic value generated & distributed	• TEMES • Local community • Partners & suppliers
	• Region promotion	• TEMES • Partners & suppliers • Government & local authorities
	• Creating new jobs and business opportunities	• TEMES • Partners & suppliers
12 RESPONSIBLE CONSUMPTION AND PRODUCTION  CHAPTER 5	• Procurement practices	• TEMES • Partners & suppliers
	• Waste management	• TEMES • Partners & suppliers • Government & local authorities
14 LIFE BELOW WATER  CHAPTER 6	15 LIFE ON LAND 	• Biodiversity, ecosystems & habitat protection
		• TEMES • Partners & suppliers
16 PEACE, JUSTICE AND STRONG INSTITUTIONS  CHAPTER 7	• Regulatory Compliance	• TEMES • Government & local authorities • Associates

SUSTAINABLE
DEVELOPMENT GOAL
(SDG)

MATERIAL TOPIC

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



- Occupational Health & Safety
- Customer Health & Safety

- TEMES
- Associates
- Partners & suppliers

CHAPTER 8



- Water management

- TEMES
- Government & local authorities
- Partners & suppliers
- Local community

CHAPTER 9



- Energy, management
- Emissions & Climate Change

- TEMES
- Investors / shareholders
- Government & local authorities
- Partners & suppliers

CHAPTER 10



- Infrastructure support
& accessibility

- TEMES
- Guests & customers

CHAPTER 11

8 DECENT WORK AND
ECONOMIC GROWTH



PROMOTE SUSTAINED,
INCLUSIVE AND
SUSTAINABLE
ECONOMIC
GROWTH, FULL
AND PRODUCTIVE
EMPLOYMENT AND
DECENT WORK FOR
ALL

4

PROMOTE SUSTAINED, INCLUSIVE ECONOMIC GROWTH

SDG 8

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

TEMES' contribution to the realization of goal 8 comes primarily under target 8.9:

“By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.”

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

With our employment policy focused on hiring locally, we strive to reduce unemployment, especially among young people, while providing high quality training. Our operation creates value that we share with our stakeholders, as the development of our company is directly linked with the development of the areas in which we operate. Our business model is based on providing genuine experiences to our guests based on local culture and traditions, while contributing to the development of the region by creating new business opportunities for people from the local community.

4

Material topic: Creating new jobs and business opportunities

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

At Costa Navarino, sustainable tourism is used as a propulsive industry to create the necessary momentum for the continuous, inclusive and sustainable economic development of an entire destination. It creates

links with the agriculture and services sectors and stimulates the development of key infrastructure (road construction, upgrade of airport facilities) and the provision of financial services from which the local economy as a whole can benefit.

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

The operation of Costa Navarino has contributed significantly to the reduction of unemployment in Messinia, as the company applies a policy of preference to hiring locally (see material topic "Employment").

In 2017, approximately 6% of our associates at managerial level, including junior and middle management, were hired from the region of Messinia.

The next phase of our development plan, which is currently in progress, 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.



4

Material topic: Employment and human rights

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

The operation of Costa Navarino in Messinia sets the paradigm of a sustainable tourism destination. Through our employment policy we strive to hire mainly locally, from the wider region of Messinia. At the same time, we create business opportunities by promoting local culture and products and working together with a series of local micro, small and medium-sized enterprises. All our associates receive extensive

training in order to develop their skills and take an active role in promoting a culture of contribution to sustainable development.

Our employment policies promote an inspiring, safe and secure working environment for all, safeguarding equality, promoting equal opportunities and eliminating discrimination based on race, color, religion, social or national origin, political opinion, age, sex, sexual orientation, disability or gender, also in line with the targets of UN SDG 5 and 10.

The company's commitment to implement a zero tolerance policy towards discrimination in the workplace is set out in the relevant sections of our Code of Business Conduct and Ethics and the "Staff Handbook", both provided to all our associates as part of their induction training. In collaboration with all our associates, we aim to create a

discrimination-free working environment, promoting acceptance, inclusiveness and safety. In 2017, no instances of discrimination were recorded.

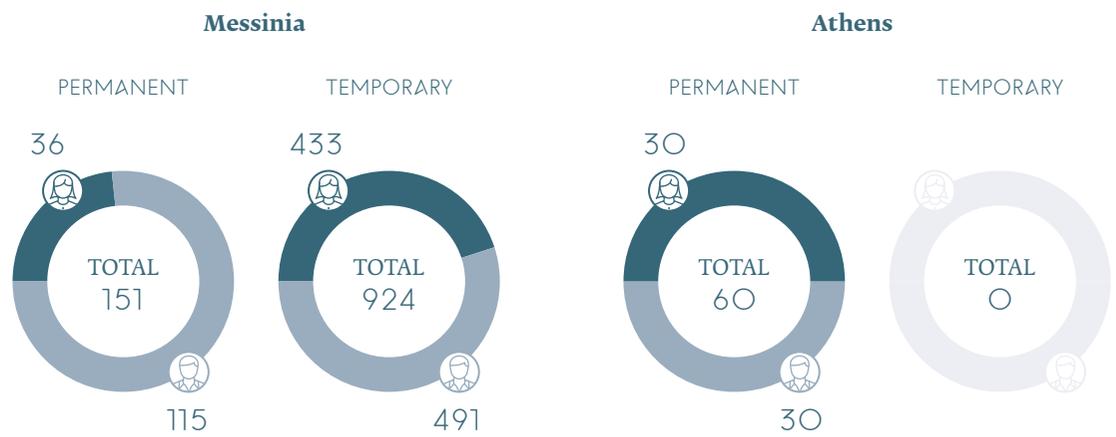
In 2017, 48.19% of our associates were hired locally, from the wider region of Messinia. This figure represents an 18% decrease compared to 2016. The reason for this decrease is the establishment of new tourism businesses in the region due to the overall tourism development and the sharp increase in international arrivals at Kalamata airport. These businesses, including hotels and restaurants mostly located close to Kalamata, hired personnel from the city, the majority of whom have worked and received high-level training at Costa Navarino. As a number of people preferred to work as close as possible to their homes, it was not possible for us to achieve our target of hiring 70% of associates locally.

However, we remain committed to this target and consider the difficulty in attaining it as proof of the development that Costa Navarino's operation has brought to the region.

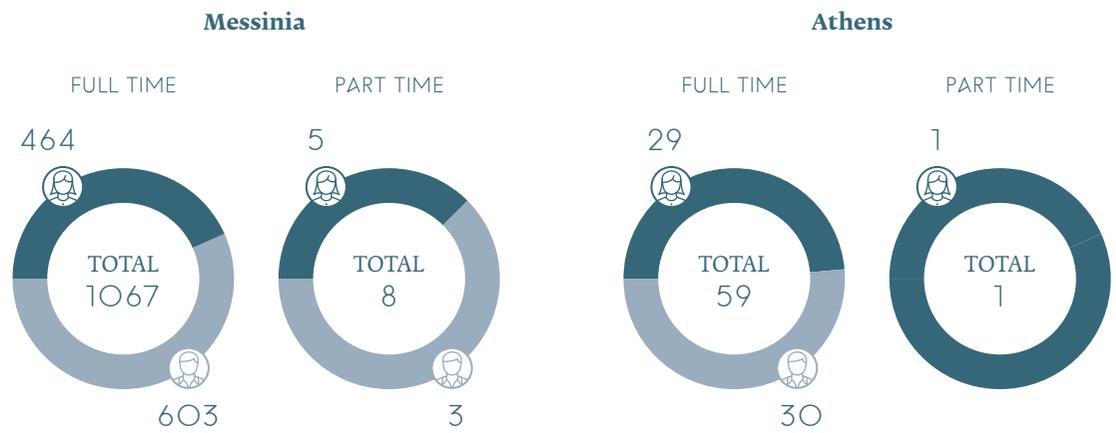
In 2017 the total number of TEMES associates during the peak season was 1,135, (August 2017), all covered by collective bargaining agreements. The total number of Full Time Equivalents (FTEs) for 2017 was 661.42.

This figure includes our associates working at our facilities in Costa Navarino and at the central offices of TEMES in Athens. Due to the seasonal character of our operation, the facilities were closed in December and January. During these two months, our workforce was reduced to 214. All our associates work under a permanent or temporary contract, as presented below.

Employment contract



Employment type



* All our associates are considered to be employees. The term “workers”, as described in the GRI Standards, does not apply to our company according to Greek legislation.
 * The portion of self-employed individuals offering services to the organization (lower than 1%) is insignificant compared to the total number of associates under contract.



Of the 1,135 associates in 2017, 328 were newly hired, thus the rate of new hires in 2017 was 28.8%. The following graph presents the distribution of new associate hires, by age group, gender and region.

2017 new associate hires



2017 new associate hires by age group

Location	Age Group	Men	Women	TOTAL
Costa Navarino facilities in Messinia	18-35	140	111	251
	35-55	28	24	52
	55+	2	0	2
Central offices in Athens	18-35	1	1	2
	35-55	13	7	20
	55+	1	0	1

Rate of new associate hires



4

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

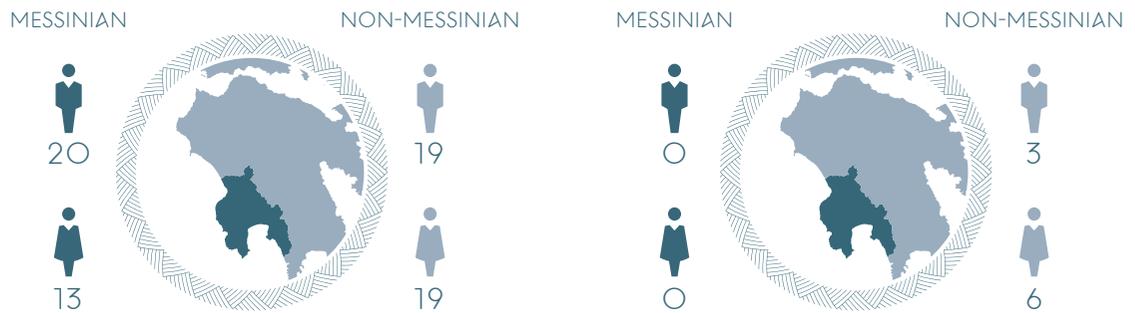
The same turnover rate applies to both men and women, as presented in the graphs on the right. For 2017, employee turnover was 80 out of 1,135 associates, resulting in a turnover rate of 7%, which is very low, especially for the tourism industry given its significant seasonal variations in employment.

In 2017, the minimum wage offered to our associates was 27% higher than the minimum wage under current legislation in Greece. In addition, only a small percentage of our associates (9%) received the minimum wage, with the rest earning higher salaries.

2017 turnover rate

Costa Navarino facilities in Messinia

Central offices in Athens



2017 turnover rate by age group

Costa Navarino facilities in Messinia

Central offices in Athens

	18-35	35-55	55+	TOTAL
Men	28	10	1	39
Women	23	9	0	32
Total	51	19	1	71

	18-35	35-55	55+	TOTAL
Men	0	1	2	3
Women	2	4	0	6
Total	1	3	0	4

Turnover Rate



TRAINING AND DEVELOPMENT

All our associates receive induction training to familiarize themselves with the company’s core values and code of conduct, and also attend thorough training programs in order to develop their skills and enhance their career opportunities. The following tables present the hours of training that our associates received during 2017 by gender and associate category. The average number of training hours per associate was 13.9. Male and female associates of the same grade (Front Line and Managerial Level) received the same hours of training.

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

Offered to all our associates since 2015, the program provides ongoing training from H&S experts, a private Group Medical Plan, an in-house doctor and a blood bank. At the same time, our associates participate in a series of activities focusing on personal wellbeing, including special initiatives on healthy living and wellness, wellness weeks, when associates are offered access to the Westin Workout, Spa and Superfoods menus as well as a range of benefits for associates’ children such as the Associates’ Kids Club.

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

Front Line



Managerial Level



Total training hours



4

Material topic: Economic Value Generated & Distributed

The evaluation of the company's economic performance is a key priority as it provides essential information on our efficiency in creating wealth for our stakeholders. Monitoring our performance through the indicators relating to economic value generated and distributed is vital for the formulation of our short- and long-term strategy.

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

In 2017 the company started reporting its financial statement according to IFRS instead of the Greek G.A.A.P. used until 2016, in compliance with EU legislation. For comparison reasons, the economic results for 2016 are presented as calculated by both standards.

	2016 (GREEK G.A.A.P.)	2016 IFRS	2017 IFRS
SALES FROM OPERATIONS	40.4	41.5	45.8
SALES FROM REAL ESTATE	2.3	2.3	11.7
TOTAL SALES (TURNOVER)	42.7	43.8	57.5
TOTAL ASSETS	549.1	575.0	582.1
EQUITY	393.7	319.8*	351.7
LIABILITIES	155.4	255.1	230.3

**The difference in the value of equity for 2016 is due to the fact that IFRS includes state subsidies in the category of Long-Term Liabilities while the Hellenic Accounting Standards included them in Equity.*

Direct economic value generated and distributed¹

Economic Value Generated (in million euros)

		2016 (GREEK G.A.A.P.)	2016 IFRS	2017 IFRS
TOTAL REVENUES ²		81.2	83.5	87.4**

Economic Value Distributed (in million euros)

		2016 (GREEK G.A.A.P.)	2016 IFRS	2017 IFRS
EMPLOYEE WAGES AND BENEFITS ⁴		18.9	18.9	20.5
OPERATING COSTS ³		23.4	24.4	27.3
PAYMENTS TO GOVERNMENT ⁶		6.3	6.3	7.7
PAYMENTS TO PROVIDERS OF CAPITAL ⁵		1.4	1.4	2.1
COMMUNITY INVESTMENTS ⁷		0.8	0.8	0.1

Source: TEMES Financial Statements for 2016 and 2017

¹ Figures are compiled according to GRI 201-1, expressed in million euros and rounded up to 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 excluding depreciations.

⁴ Includes wages, benefits and social contributions.

⁵ Includes payments to providers of loans and swaps.

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 the accessibility of Kalamata airport, destination promotion, provision of food rations.

** Includes 25.4 mil as goodwill, derived from valuation of land at fair value according to Valeur S.A. (independent third-party appraisal).

4

Material topic: Region promotion

New cultural and sports activities are added each year to the rich program offered to guests at Costa Navarino, with the aim to continuously expand the tourism season in the region of Messinia, as well as to introduce visitors to centuries-old customs, traditions and enhanced experiences. At the same time, major international conferences, seminars and events play a significant role in attracting new audiences and raising awareness of the region, especially in the traditionally 'low-season' period.

CULTURE

For the third consecutive year, a special weekend was organized in partnership with The New York Times as part of The New York Times Athens Democracy Forum. During this year's event, entitled "Democracy & Film", participants engaged in conversation with a number of distinguished speakers.

The Benaki Museum, Athens International Airport and Costa Navarino joined forces once again to present the cultural exhibition "Under the spell of

Greek costume: Contemporary creations animate the Benaki Museum collections". The exhibition showcased works inspired by traditional Greek costume and presented the infinitude of Greek influence on artistic creation and fashion. An immersive cultural weekend was also held, highlighting the relevance and importance of craftwork and tradition in today's ever-changing environment.

An exhibition titled "Sustainable nutrition and the secrets of the healthy Mediterranean diet" was also organized by Costa Navarino and WWF Greece, aimed at raising awareness on the connection between environment and nutrition.

Meanwhile, 2017 saw the second Faliro House / Sundance Institute Mediterranean Screenwriters' Workshop hosted at Costa Navarino, with the aim of discovering new talent from the Mediterranean region.

BUSINESS & SCIENCE

A multitude of conferences and seminars were held in 2017, especially in off-season months, resulting in bookings for more than 22,800 room nights at the two hotels at Navarino Dunes.

GOLF

Golf tournaments that attract international participation are hosted yearly at The Dunes Course and The Bay Course. The inaugural Messinia ProAm tournament was held in February 2017, signaling the launch of the tourism season and drawing professionals and amateurs from 14 countries.

The Aegean Airlines ProAm was held for the 12th consecutive year, seven of which at Costa Navarino. Several international charity tournaments also took place during 2017, including the Eagles Presidents Golf Cup, which returned to Costa Navarino for the third time. The destination also hosted the 2017 PGAs of Europe Annual Congress and International Team Championship (ITC) for the first time in Greece.

SPORTS

Navarino Challenge, the award-winning sports event, was held for the fifth consecutive year in Messinia in 2017, co-organized with Costa Navarino, bringing together more than 2,000 participants of all ages to compete in 16 different sports activities. The annual event is helping to firmly position Messinia and Greece as a year-round sports tourism destination.



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



ENSURE SUSTAINABLE
CONSUMPTION
AND PRODUCTION
PATTERNS



5

RESPONSIBLE CONSUMPTION & PRODUCTION

SDG 12

The tourism sector needs to adopt sustainable consumption and production (SCP) modes, accelerating the shift towards sustainability. Tools to monitor sustainable development impacts for tourism including for energy, water, waste, biodiversity and job creation will result in enhanced economic, social and environmental outcomes. TEMES' contribution to the realization of goal 12 comes directly under target 12.b: "Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products".

Working towards the adoption of a sustainable consumption and production model, our company strives to minimize the intake of natural resources, as well as any toxic materials used, and manage according to the best available environmental option the waste and pollutants generated from our operation. Our procurement policy comprises the framework under which we cooperate with our suppliers, aiming to apply sustainable practices to our entire supply chain, facilitate our suppliers, improve their performance and contribute to the development of the local economy.

Material topic: Procurement practices

The management of our supply chain is closely linked with the company's vision to connect the development of Costa Navarino with the development of the destination of Messinia as a whole. The operation of our supply chain strengthens the local economy of Messinia and creates new business opportunities in the region. It provides us with the opportunity to work together with local stakeholders and address common economic, environmental and social issues arising from our operations. Apart from the region of Messinia, the impact of our supply chain extends also to the national level, making a positive contribution to the development of the national economy, especially during a period of economic recession for most European countries.

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

This aim is in line with the specific targets of SDG 12 while touching on the basic principles of most of the SDGs covering the social, environmental and economic aspects of a supply chain operation.

Costa Navarino used goods and services from more than 1,826 vendors in 2017. Our payments to suppliers totaled 25.6 million euros.

82% of our vendors are located in Greece, 24% of whom are suppliers and businesses operating in Messinia. The remaining 18% of our vendors are based mainly in other European countries.

In 2017, the percentage of our procurement budget spent on Messinian suppliers reached 21%, up from 19% in 2016. In the F&B category alone, 41% of our procurement budget was spent on Messinian suppliers.



5

Again this year, the Captain Vassilis & Carmen Konstantakopoulos Foundation organized free seminars for food service professionals and producers of Messinia, providing valuable knowledge in the field of market outreach and presence to a series of local businesses.

The Foundation also organized seminars on the prospects of the agricultural sector in Messinia and the dissemination of best practices in agricultural development to local farmers, with the cooperation of specialized scientists and local authorities.

In 2016, TEMES initiated a pilot program for the creation of a tool for measuring and monitoring our progress towards a sustainable supply chain, based on national and international best practices. As part of this program, during 2017, a number of local food suppliers and producers were invited to participate in a survey to record their level of certification and their willingness to participate in certification schemes that would improve the quality of the services they provide, with the help and support of TEMES. The results of this survey will be evaluated during 2018 and a database with the profile of

each food supplier/producer will be created, together with a ranking system to monitor their progress towards commonly agreed sustainability targets. As part of our efforts to raise awareness on the benefits of organic farming and promote sustainable agriculture in Messinia, we operate our own organic vegetable garden in Costa Navarino, covering an area of 1,000 m². Here, we cultivate different varieties of fruit, vegetables and aromatic herbs with a production process that is certified organic according to EU regulations 834/2007 and 889/2008. All our production is used in the restaurants of Costa Navarino. In 2017 our garden produced more than 1,500 lettuces and 9,000 kg of other fruit and vegetables. We have installed a drip irrigation system in the organic garden to maximize water use efficiency, while we use only organic fertilizer and compost produced at our composting facility in Costa Navarino.

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









NAVARINO ICONS

In partnership with small and medium scale local producers, we aim to acquaint people internationally with the region's rich culinary and cultural history. Under the Navarino Icons brand, we have developed high-quality food products and cultural objects from the Peloponnese. Navarino Icons products are available at Costa Navarino and at 600 international landmark venues – including Marks & Spencer, Julius Meinl am Graben, Urban Deli, Dean & DeLuca, Whole Foods, Zabar's, and Wally's – in more than 14 countries. They are also served in the business class of international airline companies such as Aegean Airlines, Saudi Airlines, Lufthansa, British Airways and Air France.

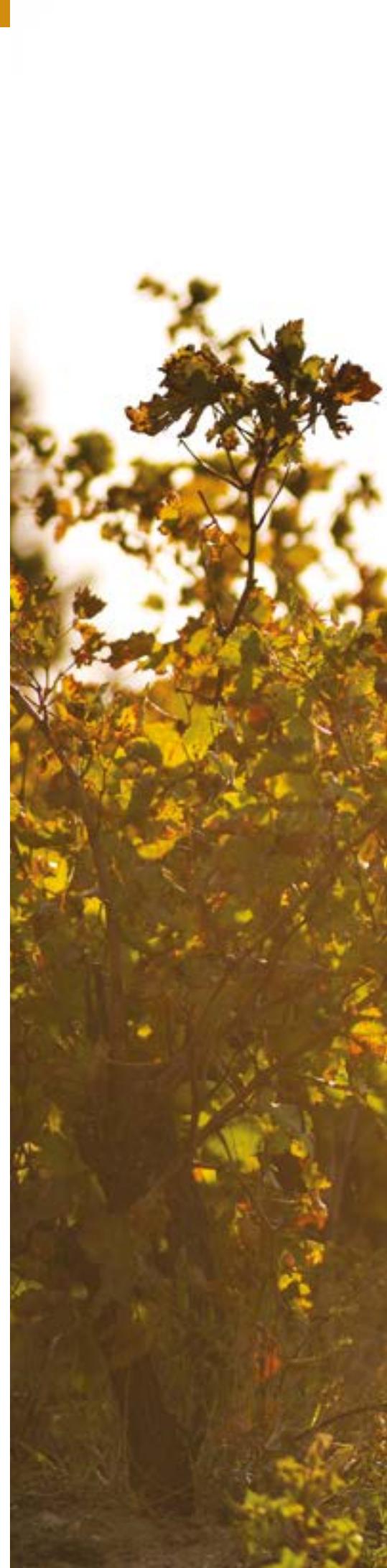
In 2017, the Extra Virgin Olive Oil (EVOO) World Ranking named Navarino Icons Estate Grown Extra Virgin Olive Oil as EVOO of the Year for the second consecutive year. Navarino Icons EVOO was also placed 4th among 84 international olive oil brands from Greece, Spain, Portugal, Israel, USA, Chile and Brazil, in a list of the Best of Koroneiki Variety for 2017.

5

**NAVARINO VINEYARDS**

Through the operation of Navarino Vineyards, the destination's organic vineyards launched by TEMES in collaboration with acclaimed Greek vintners, we are introducing locally produced fine wine and spirits to international markets. Navarino Vineyards are located close to the nearby village of Mouzaki, in an area covering 55 hectares at approximately 550 m altitude. These old vines grow in an area with an ideal climate which, due to its temperature variation between morning and night, coupled with the advantageous elevation and level of humidity, is perfect for producing grapes of excellent quality. The end result brings out the unique characteristics of the Messinian soil.

In 2017, the 1827 Rose Syrah 2016, the 1827 Cabernet Sauvignon 2016 and the KOTYLE Cabernet Sauvignon 2014 labels were each awarded the Silver medal at AWC Vienna 2017, the international leader of officially recognized quality awards for wine, after competing with 12,615 wines of 1,802 producers from 40 countries.







Type of waste/quantity (T)*

	PACKAGING 	LED BATTERIES 	OTHER BATTERIES 	OILS 	EDIBLE OILS 	LIGHT BULBS 
2016	310	7.45	0.12	0.6	3.09	0.340
2017	320	9.51	0.311	0.26	3.895	0.480

	ELECTRONIC WASTE 	GLASS 	DETERGENTS - SOAP 	FERROUS METALS 	TIRES 
2016	0.124	40.57	0.080	-	-
2017	0.277	63.43	0.077	3.78	0.18

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

Material topic: Waste management

The integrated solid & liquid waste management system of Costa Navarino has been designed in accordance with the principles of waste reduction, reuse and recycling.

In cooperation with hotel operators, an extensive recycling program for paper, plastics, glass, used oil, batteries and organic waste has been set in motion, resulting in a significant reduction of the amount of waste ending up in landfills.

All quantities are reported annually to the prefectural authority of the Peloponnese which is responsible for waste management. For 2017, the amount of non-recyclable municipal waste ending up in landfills reached 973 t.

The composting facility we operate (within our premises) turns the trimmings from the trees at Costa Navarino into compost that is subsequently used in our gardens and on the golf courses. In 2017 our composting facility produced 100 m³ of compost.

In 2017 we initiated the recycling of ferrous metals and used tires by signing contracts with waste management contractors.

Food wastage was reduced by 78.47% during the 2017 season. By adopting a totally different approach to our menus and purchasing philosophy, we decided to go for a better taste, freshness and greater emphasis on locally sourced ingredients. Going local enabled us to have much better control of food orders and reduce stocks, which in turn led to minimization of food waste.

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

The table above presents the total weight of different types of waste recycled in 2017 compared to 2016.

14 LIFE
BELOW WATER



CONSERVE AND
SUSTAINABLY USE THE
OCEANS, SEAS AND
MARINE RESOURCES
FOR SUSTAINABLE
DEVELOPMENT

15 LIFE
ON LAND



PROTECT, RESTORE
AND PROMOTE
SUSTAINABLE USE
OF TERRESTRIAL
ECOSYSTEMS,
SUSTAINABLY
MANAGE
FORESTS, COMBAT
DESERTIFICATION,
AND HALT AND
REVERSE LAND
DEGRADATION AND
HALT BIODIVERSITY
LOSS

6

LIFE BELOW WATER & LIFE ON LAND

SDG 14 SDG 15

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

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

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

14.7

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

15.1

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

15.5

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

6

Material topic: Biodiversity, ecosystems & habitat protection

PROTECTING SEA BIODIVERSITY

The sea, apart from a significant tourism asset, particularly important for Greece, is a key natural resources provider and a major carbon sink contributing to the mitigation of climate change. Coastal areas support numerous human activities vital for the development and coherence of human societies. Understanding the importance of maintaining a healthy sea environment, TEMES implements a series of policies for the protection of marine ecosystems and sea biodiversity.

At Costa Navarino we pay special attention to the procurement of our seafood, which comes mainly from local fishermen. Understanding the magnitude and severity of marine pollution, we have eliminated the use of plastic bags in all outlets at Costa Navarino and constantly strive to minimize the use of plastic in general.

The beach in front of Navarino Dunes is periodically cleaned with the help of special equipment and personnel, before and after the nesting period of the loggerhead sea turtle (*Caretta caretta*), while the team of divers of Navarino Sea Underwater by Aqua Divers Club ensures that the sea bed is free of plastics and litter. Since 2010, TEMES, in cooperation with the Sea Turtle Protection Society of Greece (Archelon), has been running an extensive monitoring and protection program for the loggerhead sea turtle.

The program, which completed its seventh year of operation in 2017, covers the 2.7 km stretch of The Dunes Beach and annually records the sea turtle population while protecting, monitoring and mapping nests using GPS technology.

	NUMBER OF NESTS	HATCHLINGS REACHING THE SEA SAFELY
2010	13	738
2011	14	1,265
2012	5	331
2013	24	2,004
2014	13	664
2015	18	1,067
2016	27	1,703
2017	21	1,842

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

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

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 above table presents the nesting data collected at The Romanos Beach since 2010.





PROTECTING LAND BIODIVERSITY

Working towards the achievement of SDG 15 (Life on land), we are committed to the sustainable management of our operations in a way that reverses land degradation while protecting and preserving the ecologically important habitats that surround the existing and future sites of Costa Navarino. This approach is incorporated in all our development plans through consultation with experts and utilization of Navarino Environmental Observatory (NEO) research findings, as inputs to our business development policy.

Just 2.5 km from Navarino Bay, between the village of Gialova and the bay of Voidokilia, lies Gialova Lagoon, one of the most significant wetlands in Europe. The area, also known as Divari, from the Latin vivarium (“fish farm”) has been designated a Special Protection Area (Site code GR2550008) and a Site of Community Importance (Site code GR2550004). It is also a Wildlife Refuge and one of the Important Areas for Birds in Greece. Gialova has a unique and diverse bird population

comprising 271 species. It is the first stop for migratory birds from Africa, and home to a great number of mammals, reptiles, amphibians and fish. Gialova Lagoon is home to Europe’s only population of African chameleons. TEMES supports a unique program for the protection of this rare and endangered species, managed by the Hellenic Herpetological Society.

TEMES supports research projects on the lagoon’s avifauna and the impact of climate change on the ecosystem of the lagoon through NEO. In collaboration with key stakeholders, including local authorities and NGOs, the company has initiated discussion for the formulation of an overall biodiversity protection management plan for the area. This plan will aim to provide appropriate guidance for all human activities within and around the protected area, introduce conservation activities and promote biodiversity-friendly entrepreneurship.

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

During construction, on-site olive trees are moved and temporarily planted in a specially prepared reception area. As construction progresses, these trees are replanted in their final location, restoring the beauty of the landscape. At the present stage of development, 6,500 olive trees have been moved and replanted, while 800,000 endemic shrubs of different species have already been planted.



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS

PROMOTE PEACEFUL
AND INCLUSIVE
SOCIETIES FOR
SUSTAINABLE
DEVELOPMENT.
PROVIDE ACCESS TO
JUSTICE FOR ALL AND
BUILD EFFECTIVE,
ACCOUNTABLE
AND INCLUSIVE
INSTITUTIONS AT ALL
LEVELS



7

GOVERNANCE

SDG 16

As an industry that brings together millions of people from different cultures, tourism has the opportunity to act as a catalyst for the promotion of a culture of tolerance, peace and understanding.

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

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

16.6

Develop effective, accountable and transparent institutions at all levels.

16.10

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

16.B

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



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

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

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



Material topic: Regulatory Compliance

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

In every aspect of our operation we comply with all relevant national and international legislation, aiming to apply internationally acceptable best practices, and

thereby contributing to the promotion of peaceful and inclusive societies and the establishment of effective, accountable and inclusive institutions at all levels. We respect 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.

Our Code of Business Conduct and Ethics (the Code), 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.

Every new associate is introduced to the Code as part of his/her induction training and is committed to its implementation through his/her contract. Responsibility for keeping the Code in line with best international practices lies with the company's HR department.

Our Environmental Policy Document, which forms part of our Environmental Management System, certified according to ISO 14001, discloses our commitment to the development of a sustainable

tourism destination with respect for the environment and the local communities of the areas in which we operate. It outlines our operating principles based on continual improvement of our sustainability performance, compliance with all applicable legislation and the minimization of any negative impact on the environment and society deriving from our activities.

For 2017 we have not identified any instance of non-compliance with laws and/or regulations.

3 GOOD HEALTH
AND WELL-BEING



ENSURE HEALTHY
LIVES AND PROMOTE
WELL-BEING FOR ALL
AT ALL AGES



8

HEALTH & SAFETY

SDG 3

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

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

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

Material topic: Customer and occupational health & safety

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

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

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

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

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

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

The Costa Navarino Health & Safety Committee is another key component in the safety management of our facilities. It is an executive committee composed of managers from various departments of the company which meets at least once a month, with the participation of the General Manager of the hotels, to discuss health and safety matters, assess the overall progress achieved in the company's performance and set targets for each department.

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

Offered to all our associates since 2015, the program provides ongoing training from H&S experts, a private Group Medical Plan, an in-house doctor and a blood bank. At the same time, our associates participate in a series of activities focusing on

personal wellbeing, including special initiatives on healthy living and wellness, wellness weeks, when associates are offered access to the Westin Workout, Spa and Superfoods menus as well as a range of benefits for associates' children such as the Associates' Kids Club.

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

During 2017 we achieved a 52.17% reduction in the use of chemicals in our restaurants and kitchen outlets. This is a result of careful planning and proper training of our team members.

The major improvement was due to the fact that we switched to a total closed-system approach to chemical management, so that proper dilutions and no-manual handling are achieved.

In 2017 we did not identify any incident of non-compliance with regulations resulting in a fine, penalty, or warning. No incident of non-compliance with voluntary codes has been identified during this year's internal health and safety audits.

In 2017 there was one accident due to slip and fall (not fatal). In general, injury and absentee rates were very low, a fact that can be directly attributed to the efficiency of the applied H&S management practices.

Costa Navarino facilities in Messina

			
INJURY RATE (IR)	0%	0.001%	0.001%
ABSENTEE RATE (AR)	0%	0%	0%
OCCUPATIONAL DISEASES RATE (ODR)	0%	0%	0%
LOST DAY RATE (LDR)	0%	0%	13

Central offices in Athens

			
INJURY RATE (IR)	0.11%	0.11%	0.22%
ABSENTEE RATE (AR)	0%	0%	0%
OCCUPATIONAL DISEASES RATE (ODR)	0%	0%	0%
LOST DAY RATE (LDR)	0%	0%	0%

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

* Lost Days refer to "calendar days".

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

6 CLEAN WATER
AND SANITATION



ENSURE AVAILABILITY
AND SUSTAINABLE
MANAGEMENT
OF WATER AND
SANITATION FOR ALL



9

WATER

SDG 6

Material topic: Water management

Sustainable water management that safeguards water availability and quality is a prerequisite for economic development and a crucial factor for social stability. A significant portion of the local economy in Messinia is based on agriculture and water availability is therefore vital for the wellbeing of the community.

The implementation of a sustainable tourism development model with a long-term perspective at Costa Navarino is directly linked with the availability of water resources in the local area and their management in cooperation with all local stakeholders. Water quality and availability are considered by TEMES to be a major sustainability risk that is addressed through the implementation of appropriate short- and long-term policies in

line with the targets of SDG6. TEMES' contribution to the realization of goal 6 comes under targets 6.5 and 6.B:

6.5

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

6.B

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

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

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

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

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

The study revealed that substantial quantities of surface water from local rivers (more than 50 million 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 in order to meet the irrigation needs of Costa Navarino, including the golf courses.

The reservoirs, fully integrated into the surrounding landscape, are filled by utilizing only a very small percentage of the runoff from local rivers, just before flowing into the sea. The study was donated to the prefecture of the Peloponnese and formed the basis for the water management plan for the southwest Peloponnese, published by the Ministry of the Environment in 2013.

TEMES constantly monitors the quantity of water withdrawn from local rivers in order to ensure full compliance with the relevant licenses. This information together with additional data on river flows and height are reported to the local water authority. Water quality in the local rivers is monitored in cooperation with accredited laboratories. At the same time, continuous efforts are made to reduce water needs through recycling process optimization.

The following table shows the total volume of surface water withdrawn for irrigation purposes in 2016-17 from two local rivers (Selas and Gianouzagas), together with the overall river flows as calculated with special monitoring devices installed in the rivers. The data for water withdrawal are taken from specially installed water flow meters.

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

River Selas



	OVERALL FLOW (m ³)	WATER WITHDRAWN (m ³)	WATER WITHDRAWAL AS A PERCENTAGE OF ANNUAL RIVER FLOW
			
2016	40,353,346	331,518	0.82%
2017	38,020,531	405,650	1.07%

River Gianouzagas



	OVERALL FLOW (m ³)	WATER WITHDRAWN (m ³)	WATER WITHDRAWAL AS A PERCENTAGE OF ANNUAL RIVER FLOW
			
2016	38,447,299	248,021	0.65%
2017	37,574,747	420,441	1.12%

In 2017 there was an increase in water withdrawal from local rivers in comparison with 2016. The main reason for this was the significant decrease in rainfall during 2017. As can be seen in the following table, even though the total days of rainfall remained the same, there was an approximately 40% reduction in the total mm of rain for 2017 relative to 2016. This decrease was particularly evident during March, April, May, September and October, which in turn led to an increase in water consumption for irrigation (implementation of an emergency irrigation plan) in order to safeguard the operation of The Dunes Course and The Bay Course.

In the case of The Bay Course, the significant increase in water withdrawn from the Gianouzagas is attributed not only to the decrease in rainfall, but also to the decision of The Bay Course management to withdraw additional quantities of water before the end of the year to fill up the Pylos reservoir. These quantities, which would normally be counted for 2018, created the significant increase by adding to the water withdrawn in 2017.

At the beginning of the new season (January 2018), the irrigation plan for both golf courses was revised in order to bring water consumption down to 2016 levels.

Even though 2017 was a year with decreased rainfall, the quantity of water withdrawn from local rivers still represented only a very small percentage of their annual flow (approximately 1%).

Rainfall measurements for 2016-17



	2016		2017	
	TOTAL RAINFALL (mm)	DAYS OF RAIN (> 0.5mm/day)	TOTAL RAINFALL (mm)	DAYS OF RAIN (> 0.5mm/day)
IAN	105	13	159	23
FEB	22	6	70	11
MAR	108	13	20	3
APR	12	3	4	2
MAY	43	5	10	3
JUNE	35	3	4	2
JULY	0	0	37	3
AUG	24	1	39	1
SEPT	185	4	4	5
OCT	115	10	7	4
NOV	156	11	27	7
DEC	24	7	132	13
ANNUAL	828	76	512	77

The water utility of Pylos-Nestor municipality is the provider of potable water for Costa Navarino. The table on the right shows potable water consumption in m³ for the period 2016-17.

In 2017, despite an 8% increase in guest nights, the potable water consumption per guest night fell by 7%. This reduction is attributed to the successful implementation of a series of water-saving measures, such as the installation of aerators in most faucets in the facility and the effectiveness of our leak detection system. Due to the fact that there are – as yet – no hotel facilities at Navarino Bay, water consumption is very low.

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

The following graph shows the total quantity of water recycled and reused at Navarino Dunes in 2016-17 as an absolute figure and as a percentage of the total water withdrawal for Navarino Dunes. Total water withdrawn includes the quantity from two local rivers (Selas and Gianouzagas) for irrigation purposes, as presented in the tables on page 72, and the potable water from groundwater sources which is provided by Pylos-Nestor municipality as shown in the graph on the left. In 2017, no water was withdrawn by the company from the following sources: ground water, rainwater collected directly and stored or waste water from another organization.

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

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

Potable water consumption (m³)

2016			2017	
NAVARINO DUNES	NAVARINO BAY		NAVARINO DUNES	NAVARINO BAY
262,320	2,241		263,040	2,634

Total water withdrawn during the reporting period (m³)

2016		2017
844,100		1,091,765

Volume of water recycled and reused (m³)

2016		2017
123,000		135,000

Percentage of total water withdrawal

2016		2017
14.6%		12.4%

7 AFFORDABLE AND
CLEAN ENERGY



ENSURE ACCESS TO
AFFORDABLE, RELIABLE,
SUSTAINABLE AND
MODERN ENERGY
FOR ALL

13 CLIMATE
ACTION



TAKE URGENT ACTION
TO COMBAT CLIMATE
CHANGE AND ITS
IMPACTS

10

ENERGY, EMISSIONS & CLIMATE CHANGE

SDG 7 | SDG 13

Tourism is an energy-intensive sector that contributes to and is affected by climate change.

As a major tourism stakeholder in Greece, we intend to play a leading role in the national response to climate change by promoting investments in clean energy sources and reducing our carbon footprint.

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

7.3

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

13.2

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

13.3

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

Energy consumption is the main contributor to direct and indirect GHG emissions from the operation of Costa Navarino. GHG emissions are the main driver for climate change which is affecting people on a local and global scale. Changing weather patterns, rising sea levels and extreme weather events are all impacts of climate change which are occurring with

increasing frequency, causing disruption to the economy and human communities.

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

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

Geothermal instalation underneath The Dunes Course



Material topic: Energy management

The architectural design of Costa Navarino is based on the principles of bioclimatic architecture.

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

The construction of Navarino Dunes features:

- Free-standing open roofs
- Over 5,000 m² 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, thereby minimizing the use of LPG for cooling and heating



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

The amount of fuel consumed by the company's fleet in 2017 was 20,271 lt of gasoline and 42,844 lt of diesel. Due to its minor contribution, this form of energy is not included in the figures presented for the facilities of Navarino Dunes. However, because of the requirements of the Hotel Carbon Measurement Initiative (HCMI) methodology, the emissions from the vehicle fleet are calculated as direct greenhouse gas (GHG) emissions (scope 1) (see p. 101)

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. 103).

In 2017 electricity consumption remained at the same level as 2016 for both hotels, while there was a significant reduction in LPG consumption at The Romanos (-22.40%), compared to 2016 figures. This reduction is mainly attributed to the fact that in 2017 the days when the outdoor pools of the hotel were heated were reduced, compared to 2016.

The increase in LPG consumption at The Westin is attributed to the increase in the days when the outdoor pools of the hotel were heated.

A significant increase in LPG consumption is also noted in the other Navarino Dunes facilities, mainly due to the 60% increase in the turnover of the facilities, such as restaurants and bars, operated by Third

Party Operators (TPOs) which use LPG. An additional reason is the 10% extension of the operating season, and the 8% increase in guest nights in comparison with 2016. At Navarino Bay, the increase in the number of visitors to The Bay Course golf club led to an increase in the electricity consumed. Nevertheless, electricity consumption at Navarino Bay remains very low as the golf course is the only facility in operation so far.

Although overall electricity consumption remained at the same level as 2016, the 9% reduction in electricity consumption per occupied room at The Westin is a significant achievement, particularly in view of the 10% increase in guest nights between 2016 and 2017.



The animated ceiling at Barbouni beach restaurant

Energy consumption comparison 2016-2017

		ELECTRICITY KWH	LPG KWH	TOTAL ENERGY KWH	ELECTRICITY/ ROOMS OCCUPIED	LPG/ ROOMS OCCUPIED
						
NAVARINO DUNES	THE ROMANOS RESORT	-0.27%	-22.40%	-4.89%	-0.61%	-22.67%
	THE WESTIN RESORT	0.50%	12.81%	3.36%	-9.02%	2.12%
	OTHER FACILITIES	-14.24%	131.71%	8.48%	-	-
NAVARINO BAY	THE BAY COURSE	55.43%	-	55.43%	-	-



Material topic: Emissions & climate change

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, resulting from the activities of suppliers outside our premises (except laundry facilities), the guests' travel to the destination

or associates' business travel in non-company cars.

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

CARBON FOOTPRINT

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

Energy indirect GHG emissions (scope 2) result from the generation of electricity purchased from the National Grid for consumption at Costa Navarino. Other indirect

GHG emissions (scope 3), in accordance with the HCMI methodology, include carbon emissions from outsourced laundry operations.

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 center, spa, golf course), are also reported using the emission factors of the HCMI methodology. These factors include emissions of carbon dioxide, methane and nitrous oxide from all the agreed sources.

With regard to the disclosure of market-based energy indirect GHG emissions (scope 2), we followed the GHG protocol's suggestions. Specifically, since we do not currently have any contractual agreements or supplier-specific data, we have used the appropriate residual mix factor for Greece, according to the Association of Issuing Bodies (AIB) (www.aib-net.org).

The emission intensity ratio for each hotel is expressed in tCO₂e/occupied room based on the HCMI methodology, while the emission intensity for the rest of the facilities within Costa Navarino is expressed in tCO₂e/m² of conditioned space (see p. 103).

In 2017, the reduction in direct GHG emissions (scope 1) reached 66.8% for The Romanos and 39.9% for The Westin, relative to base year emissions (2012).

The significant increase in scope 1 emissions at the other facilities of Navarino Dunes is directly linked to the increase in LPG consumption as described in the section "Energy". Scope 3 emissions include outsourced laundry-associated emissions calculated according to the HCMI methodology in direct analogy with hotel guest nights. Thus, the 10% increase in guest nights at The Westin led to a proportional increase in scope 3 emissions.

Despite the significant increase (55%) in guest nights between 2012 and 2016, energy indirect emissions (scope 2) at The Romanos rose by only 6.8%, while at The Westin they decreased by 10.6%.

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

The effectiveness of 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 tCO₂/room in 2012, we achieved 0.098 tCO₂/room, a 39% reduction in 2017.

At The Westin, from 0.146 tCO₂/room in 2012, in 2017 we reached 0.078 tCO₂/room, marking a 46.1% reduction.

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

Emissions from Costa Navarino in 2017 (tCO₂e)

	SCOPE 1	SCOPE 2 LOCATION-BASED	SCOPE 2 MARKET-BASED	SCOPE 3	TOTAL*
THE ROMANOS RESORT	279	2,924	2,371	17	3,220
THE WESTIN RESORT	748	5,959	4,833	45	6,751
OTHER FACILITIES	571	3,469	2,813	-	4,040
THE BAY COURSE	-	240	194	-	240

*Total emissions calculated using Scope 2 Location-based emissions

Emissions comparison 2016-2017 (tCO₂e)

	SCOPE 1	SCOPE 2	SCOPE 3	TOTAL*	EMISSIONS / m ² CONDITIONED AREA	EMISSIONS / ROOMS OCCUPIED
THE ROMANOS RESORT	-12.5%	-0.3%	0.3%	-1.5%	-	-1.8%
THE WESTIN RESORT	14.2%	0.5%	10.5%	1.9%	-	-7.7%
OTHER FACILITIES	131.7%	-14.2%	-	-5.9%	-5.9%	-
THE BAY COURSE	-	55.4%	-	55.4%	-	-



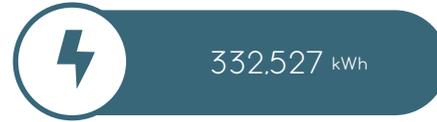
The Bay Course

NAVARINO
BAY

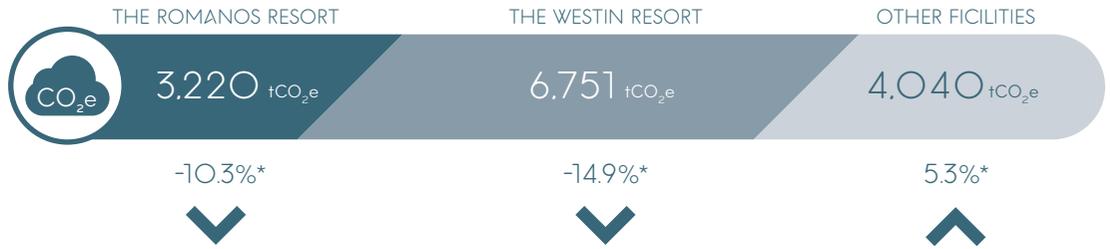
CO₂e Emissions



Energy Consumption



CO₂e Emissions



NAVARINO
DUNES



Energy Consumption



CO₂ emissions
 Electricity
 LPG
 Emission intensity
 Energy intensity

* Comparison with base year emissions, 2012.
Data for electricity consumption are taken from installed electricity meters, while LPG annual consumption derives from the relevant invoices

11 SUSTAINABLE CITIES
AND COMMUNITIES



MAKE CITIES AND
HUMAN SETTLEMENTS
INCLUSIVE, SAFE,
RESILIENT AND
SUSTAINABLE



Material topic: Infrastructure support & accessibility

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

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

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

The continuous increase in flight arrivals since 2009 hit a record high of 413% in 2017 while the growth rate of international passenger arrivals reached 304%, compared to 2009.

11

DEVELOPMENT OF A SUSTAINABLE DESTINATION

SDG 11

19 airlines are operating to Kalamata, serving 28 European destinations on a weekly basis. New routes are introduced on an annual basis, while airlines are increasing weekly frequencies and extending periods of operation, offering travelers significantly reduced transfer times and enhancing connections with major European destinations. Through an investment that has surpassed €11 million so far, TEMES has been providing funds and technical expertise for the development of infrastructure in the wider region of Messinia.

Infrastructure support includes water management studies, road infrastructure design studies, construction of water tanks, wells and pipelines to

improve and modernize the water distribution network of neighboring municipalities, and the renovation of Kalamata Hospital, to name just a few examples.

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





GRI Standard	Disclosure	Page number or reference	External Assurance
GRI 102: General Standard Disclosures 2016	102-1 Name of the organization	1. About this report – Scope & reporting standard (p. 7)	√
	102-2 Activities, brands, products, and services	2. Our company – Profile (p. 9-10, 17-28)	√
	102-3 Location of headquarters	1. About this report – Feedback (p.7)	√
	102-4 Location of operations	2. Our company – Profile (p. 11, 14)	√
	102-5 Ownership and legal form	2. Our company – Profile (p.9)	√
	102-6 Markets served	2. Our company – Markets served (p.33)	√
	102-7 Scale of the organization	Our company - Profile, Economic Value Generated & Distributed, Employment (p. 9, 52, 58)	√
	102-8 Information on employees and other workers	Employment (p. 53)	√
	102-9 Supply chain	Procurement practices (p.64)	√
	102-10 Significant changes to the organization and its supply chain	2. Our company – Profile (p. 13)	√
	102-11 Precautionary approach	3. Our approach to sustainability – Material topics & boundaries (p. 44)	√
	102-12 External initiatives	3. Our Approach to Sustainability (p. 35)	√
	102-13 Membership of associations	2. Our company – profile (p. 13)	√
	102-14 Statement from senior decision-maker	Letter from the Vice-Chairman and Managing Director (p. 5)	√
	102-16 Values, principles, standards, and norms of behavior	Regulatory compliance (p. 83)	√
	102-18 Governance structure	Governance (p. 82)	√

GRI Standard	Disclosure	Page number or reference	External Assurance
GRI 102: General Standard Disclosures 2016	102-40 List of stakeholder groups	3. Our approach to sustainability - Working together with our stakeholders (p. 42)	√
	102-41 Collective bargaining agreements	Employment	√
	102-42 Identifying and selecting stakeholders	3. Our approach to sustainability - Working together with our stakeholders (p. 42)	√
	102-43 Approach to stakeholder engagement	3. Our approach to sustainability - Working together with our stakeholders (p. 42)	√
	102-44 Key topics and concerns raised	3. Our approach to sustainability - Working together with our stakeholders (p. 42)	√
	102-45 Entities included in the consolidated financial statements	2. Our company - Profile (p. 12)	√
	102-46 Defining report content and topic Boundaries	3. Our approach to sustainability - Material topics & boundaries (p. 44-47)	√
	102-47 List of material topics	3. Our approach to sustainability - Material topics & boundaries (p. 45)	√
	102-48 Restatements of information	-	√
	102-49 Changes in reporting	3. Our approach to sustainability - Material topics & boundaries (p. 44)	√
	102-50 Reporting period	1. About this report - Scope & reporting standard (p. 7)	√
	102-51 Date of most recent report	1. About this report - Scope & reporting standard (p. 7)	√
	102-52 Reporting cycle	1. About this report - Scope & reporting standard (p. 7)	√
	102-53 Contact point for questions regarding the report	1. About this report - Feedback (p. 7)	√
	102-54 Claims of reporting in accordance with the GRI Standards	1. About this report - Scope & reporting standard (p. 7)	√
	102-55 GRI content index	GRI content index (p. xx)	√
102-56 External assurance	1. About this report - Independent assurance (p.7)	√	

GRI Standard	Disclosure	Page number or reference	External Assurance
Material topics : Creating new jobs and business opportunities, Region promotion, Infrastructure support & accessibility			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Creating new jobs and business opportunities (p. 50) Infrastructure support and accessibility (p. 105) Region promotion (p. 60) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Creating new jobs and business opportunities (p. 50) Infrastructure support and accessibility (p. 105) Region promotion (p. 60)
	103-3	Evaluation of the management approach	Creating new jobs and business opportunities (p. 50) Infrastructure support and accessibility (p. 105) Region promotion (p. 60)
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Infrastructure support and accessibility (p. 105)
	203-2	Significant indirect economic impacts	Creating new jobs and business opportunities (p. 50)
Material topic: Procurement practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Procurement practices (p. 64) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Procurement practices (p. 64-70)
	103-3	Evaluation of the management approach	Procurement practices (p. 64-70)
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	Procurement practices (p. 64)
Material topic: Waste management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our approach to sustainability – Material topics & boundaries (p. 44, 46-47)
	103-2	The management approach and its components	Waste management (p. 73)
	103-3	Evaluation of the management approach	Waste management (p. 73)
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	Waste management (p. 73)

GRI Standard	Disclosure	Page number or reference	External Assurance
Material topic: Economic value generated & distributed			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Value Generated & Distributed (p. 58) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Economic Value Generated & Distributed (p. 58)
	103-3	Evaluation of the management approach	Economic Value Generated & Distributed (p. 58-59)
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Economic Value Generated & Distributed (p. 59)
Material topic: Biodiversity, Ecosystems & Habitat Protection			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Biodiversity, Ecosystems & Habitat Protection (p. 75-79) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Biodiversity, Ecosystems & Habitat Protection (p. 76-79)
	103-3	Evaluation of the management approach	Biodiversity, Ecosystems & Habitat Protection (p. 76-79)
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, Ecosystems & Habitat Protection (p. 76-79)
	103-4	Habitats protected or restored	Biodiversity, Ecosystems & Habitat Protection (p. 76-79)
Material topic: Regulatory compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Regulatory compliance (p. 83) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Regulatory compliance (p. 83)
	103-3	Evaluation of the management approach	Regulatory compliance (p. 83)
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory compliance (p. 83)

GRI Standard	Disclosure	Page number or reference	External Assurance
Material topic: Water management			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Ensure availability and sustainable management of water and sanitation (p. 89) Water management (p. 89) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Water management (p. 89 – 93)
	103-3	Evaluation of the management approach	Water management (p. 89 – 93)
GRI 303: Water 2016	303-1	Water withdrawal by source	Water management (p.90)
	303-3	Water recycled and reused	Water management (p.93)
Material topics: Occupational health & safety / Customer health and safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Ensure healthy lives and promote well-being for all – SDG 3 (p. 85) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Customer and occupational health & safety (p. 86-87)
	103-3	Evaluation of the management approach	Customer and occupational health & safety (p. 86-87)
GRI 403: Occupational health & safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Customer and occupational health & safety (p. 86-87)
GRI 416: Customer health & safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Customer and occupational health & safety (p. 86-87)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer and occupational health & safety (p. 86-87)
Material topics: Employment / Human Rights			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Employment & human rights (p. 52) Our approach to sustainability – Material topics & boundaries (p. 46-47)
	103-2	The management approach and its components	Employment & human rights (p. 52)
	103-3	Evaluation of the management approach	Employment & human rights (p. 52- 56)
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employment & human rights (p. 56)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employment & human rights (p. 55-56)
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employment & human rights (p. 52)

GRI Standard	Disclosure	Page number or reference	External Assurance
Material topic: Energy management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Affordable and clean energy and climate action (p. 95) Our approach to sustainability - Material topics & boundaries (p. 46-47)	
	103-2 The management approach and its components	Energy management (p. 96-99)	
	103-3 Evaluation of the management approach	Energy management (p. 96-99) Emissions & Climate Change (p. 103)	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emissions & Climate Change (p. 103)	
	302-3 Energy intensity	Emissions & Climate Change (p. 103)	
	302-4 Reduction of energy consumption	Energy management (p. 98-99)	
Material topic: Emissions and climate change			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Affordable and clean energy and climate action (p. 95) Our approach to sustainability - Material topics & boundaries (p. 46-47)	
	103-2 The management approach and its components	Emissions & Climate Change (p. 100 - 101)	
	103-3 Evaluation of the management approach	Emissions & Climate Change (p. 100 - 103)	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions & Climate Change (p. 101)	
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions & Climate Change (p. 101)	
	305-3 Other indirect (Scope 3) GHG emissions	Emissions & Climate Change (p. 101)	
	305-4 GHG emissions intensity	Emissions & Climate Change (p. 103)	
	305-5 Reduction of GHG emissions	Emissions & Climate Change (p. 101)	
Training and development			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and development (p. 57)	

Independent external verification report

To: Management of TEMES SA

1. Independent Verification Report

The company TEMES SA (hereafter TEMES) has commissioned TÜV HELLAS (TÜV NORD) S.A. (hereafter TÜV HELLAS) to provide limited external assurance concerning the Sustainability Report for the period of January 1st of 2017 to December 31st of 2017 (1/1/2017-12/31/2017)

2. Scope of the verification project of the Sustainability Report

Scope of the assurance project is the conduction of the Application Level Check, according to the GRI Sustainability Reporting Standards (GRI Standards), referring to the Sustainability Report of TEMES for 2017. The Application Level Check was conducted based on the corresponding correlation table of GRI Standards Indicators stated by TEMES in its Sustainability Report, in order to confirm the company's

compliance to the requirements of the GRI Standards for the "In accordance_Core" Level.

The methodology used to verify the data as above, was based on the requirements of AA1000AS standard (2008). More specifically, the requirements for the provision of «moderate» service level assurance Type 2, based on AA1000AS, were followed. This service level means that "the assurance provider achieves moderate assurance where sufficient evidence has been obtained to support their statement, such as the risk of their conclusion being in error is reduced but not reduced to very low or zero".

3. The conclusions of TÜV HELLAS

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

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

INCLUSIVITY: Dialogue on Sustainability Issues with the Stakeholders

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

MATERIALITY: Focus on the Material Issues related to Sustainability

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

RESPONSIVENESS:

Addressing the needs and expectations of Stakeholders

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

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

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



4. Review Limitations

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

5. Review Methodology

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

- Reviewed the procedures followed by TEMES to identify and determine the Material issues in order to include them within the Sustainability Report.
- Interviews were conducted with selected executives of TEMES having operational role in Sustainability issues in order to understand the current state of Sustainability activities and

progress achieved during the period under reference.

- Reviewed the TEMES consultation approach with its stakeholders through interviews with executives responsible for communication with the stakeholders at company level and review of selected documents.

6. Responsibilities and Functions

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

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

The responsibility of TÜV HELLAS is to express the independent conclusions on the issues as defined in the project scope and in accordance to the

relevant contract. The project was conducted in such a way so that TÜV HELLAS can present to TEMES administration the issues mentioned in this report and for no other purpose.

7. Impartiality and Independence of the verification team

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

Athens, November 26, 2018

For TÜV HELLAS (TÜV NORD) SA

Nestor Paparoupas

Sustainability Product Manager

