

*The Social Image of  
PPC S.A.*



# *The Social Image of PPC S.A.*

*We create the National Infrastructure for Energy  
Electrification – Big Energy Projects*

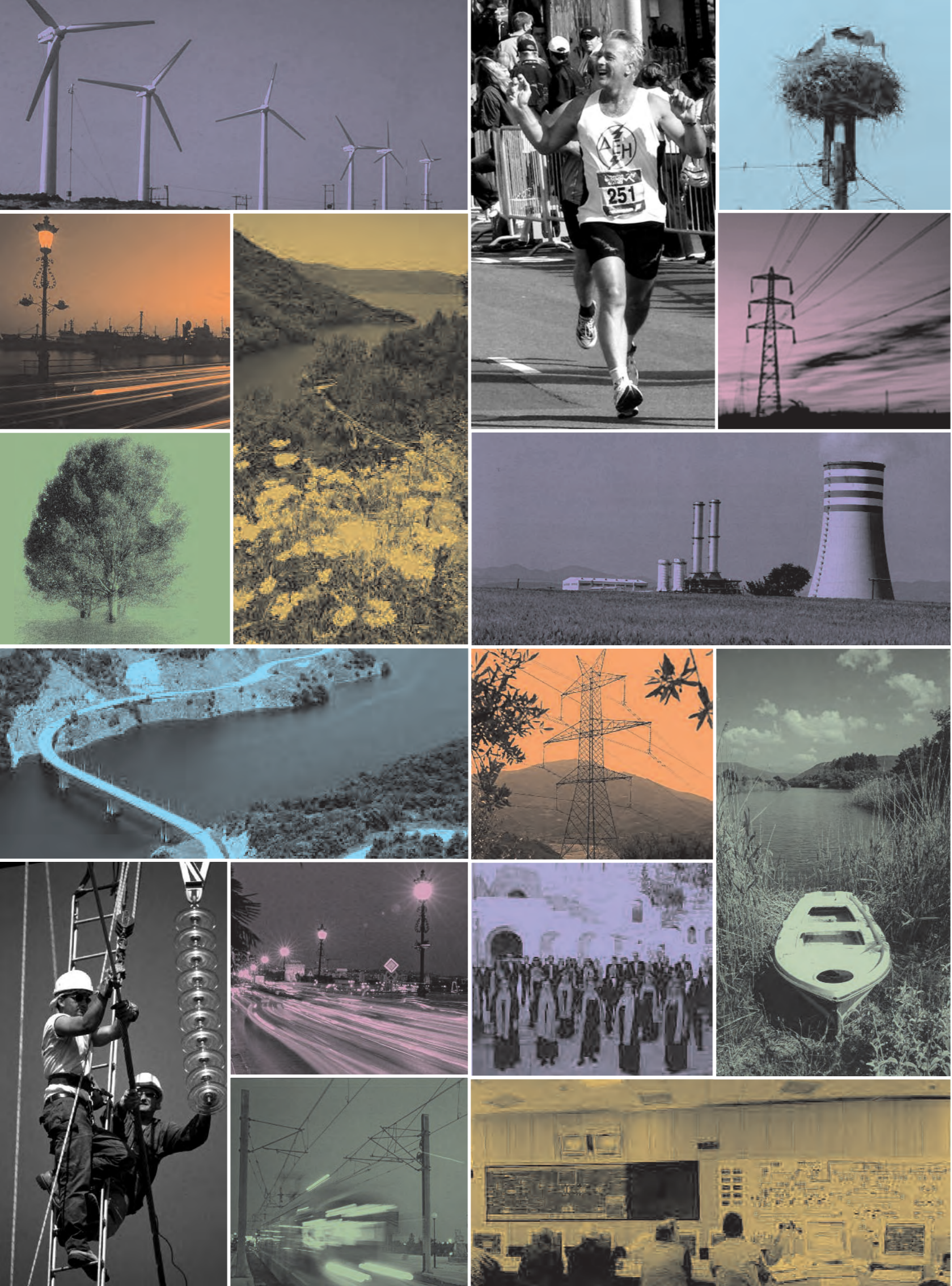
*We contribute to the Economy and the Society  
Irrigation – Water Supply through dams – Low Tariffs – Social Welfare Services*

*We care for the Environment  
Big Investments for the decrease of pollutants – Mines Land Rehabilitation - Development  
of RES – Protection of Ecosystems*

*We support Education and Culture  
Support of Training Programs – Scientific Research  
Organization of Conferences - Sponsorship of Cultural Events*

*We reinforce Local Communities  
Creation of Working Positions and Income  
Development of Relations of Mutuality among the inhabitants*

*JULY 2007*



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## INTRODUCTION



### *About PPC S.A.*

**P**PC is the largest power generation and power trading company in Greece. It transmits electricity to about 7.2 million customers and it owns the national transmission and distribution system. Its net power generation for the year 2006 amounted to 53 TWh.

PPC is the 15th largest electricity company in Europe with regard to the volume of electricity sales, while it ranks 1st among Greek industrial companies on the basis of its fixed assets. The Group's total electricity sales amount to 4.8 billion €, its operating income before interest, taxes, depreciation and amortization to 740 million € and its net profits to 22 million €. On December 31st 2006, the Group's total installed capacity was estimated at 12,698 MW, while the number of its employees amounted to 26,208.

The electricity is generated in 98 power plants owned by PPC, by a total number of 524 power units. Thereafter, it is transmitted via 11,600 km of high voltage transmission lines (66, 150, 400 kV) so as to be distributed to consumers throughout the Greek territory through a medium (20 kV) and low voltage (220V) network measuring approximately 210,000 km. For the operation of its lignite-fired power plants in the year 2006, PPC produced 62.5 million tones of lignite at both the privately owned Lignite Centers of Ptolemais and Megalopolis (2nd largest lignite producing company in the EU). Finally, PPC has installed a 1.600 km-long optical fiber network in the existing transmission lines, as well as an underground network measuring 170 km in urban areas.

At present, PPC adopts a fresh corporate culture. Remaining true to its environmental policy, it adopts advanced technologies and expands its business operations in new markets, such as the market of Renewable Energy Sources. It has established strong energy relations with the markets of South-East Europe where it seeks to expand its business through SENCAP (45% of the company is controlled by PPC).

## The Company

### Our mission

Our mission is to provide high-quality services in all the fields of our business operations, so as to maximize the Company's value and to accelerate its development to the benefit of all stakeholders (shareholders, employees, Hellenic State, associates, customers). In order to fulfill our mission, we remain true to our principles, we establish ties based on trust and respect with our highly competent and loyal employees and we fully and efficiently exploit all of our resources.

### Our vision

Our vision is to establish a modern, innovative Electricity Company which honors the values of social responsibility and environmental respect, and to create new values for our personnel, our shareholders, our associates and customers. By making the most of our resources, we seek to maintain the leading position, not only in the Greek market but also in the wider region of South-East Europe.

### The Electricity Market in Greece

The Greek electricity market ranks among the faster developing markets in Europe. Yet, it still has a relatively low per capita consumption. In recent years, Greek electricity demand has increased at an average growth rate, which is much higher than the respective rate in Europe. As for the household tariffs proposed by PPC S.A., they are the lowest in Europe.

### PPC S.A. today

- PPC is a fully vertically-integrated Electricity Company.
- It maintains a leading position in the Greek electricity market, despite the fact that competition may become even fiercer.
- It holds a considerable advantage over its competitors, thanks to the low-cost electricity generation resulting from lignite exploitation.
- It generates and distributes electricity all over Greece, to every single household and to all of the country's production units.
- It changes its structure so as to achieve the goals it has set in its new Business Plan.
- It gradually enters the world of Commercial Companies, while it seeks to improve customer service in a continuous effort to upgrade its services.
- It remains true to its environmental policy.
- It adopts advanced technologies.
- It has established strong energy ties with the markets of South-East Europe.
- It expands its business operations in new developing markets.
- It implements strategies that lay the foundations for sales increase. It has a strong presence in the renewable energy sources field through its subsidiary, PPC RENEWABLES S.A.
- It maximizes shareholder value and it ensures the best

returns to all stakeholders by implementing generation, operation and investment programmes.

PPC's business plan for the years 2006-2010 aims at the company's full modernization, as well as at the constant improvement of its competitiveness, so as to successfully face up to the challenges arising from the liberalization of the Greek electricity market and from the prospects for a fierce competition.

Within the framework of its new strategy, PPC has already embarked on the "HERACLES" program, which provides for 12 specific actions aimed at changing the company's structure in all the fields of its business operations (fixed assets, expenses reduction, reserves management, modernization of procedures etc.) and, in consequence, at achieving continuous improvement in its operating results.

In accordance with its articles of association, PPC first started operating as a State-owned public utility whose main mission lay in the design, planning and implementation of strategies aimed at the country's electrification. In an effort to remain true to this mission, PPC has succeeded in making electricity a privilege of all Greek citizens, while embracing and committing itself to the principles of social responsibility.

## The social image of PPC today

*Having followed a unique course of development, we, employees of PPC, undertake vital initiatives and actions in order to adjust to the contemporary needs dictating to each modern company to prove its social awareness. The projects of the company that stand out for their social character fall under three main categories, which may be summarized as follows:*

### Economy and Society

- We cooperate with the country's construction companies to carry out large-scale and complex structural works.
- We promote employment (both at a Company level and by assigning work to our subcontractors - associates).
- We transfer know-how to thousands of employees.
- We contribute to the coherent and rational management of the country's water resources, as well as to the satisfaction of water needs in the areas of our business presence (free water supply from the dams to farming, water supply for the purposes of irrigation, flood protection through the dams of hydroelectric projects, drought - water shortage protection measures).
- We provide district teleheating services at a fairly low cost, in cooperation with the municipal authorities of the regions where Steam Electric Plants operate, while we minimize at the same time the environmental impact arising from the emissions of oil burners.
- We encourage and sponsor selected initiatives of social or cultural character in local communities, particularly so in the areas where our production operations are intensive (mines, power plants).
- We boost the country's educational program (sponsoring of conferences and one-day seminars in which we

directly or indirectly take part).

- We contribute to the country's cultural and sports development.
- We make strong efforts to offer to customer services of ever-increasing quality that extend beyond our contractual obligations and our customers' expectations.

### Environment

We have set the environment as the cornerstone of our development policy. Thus, we carry out special studies and we take all the necessary measures for minimizing the environmental impact, especially in the areas of intensive production activity. We ensure waste control, we promote research and we implement communication programmes with regard to our environmental action plan.

### Human Resources

- We put special emphasis on health & safety at work.
- We give extra importance to our employees' training.
- We support our employees by giving them incentives and rewards.
- We offer opportunities for cultural development.
- We respect our employees' personal life and we try to make it easier.
- We offer to our employees opportunities for recreation.



## *PPC for the society*

### *We contribute to the development of the National Economy*

Ever since it was founded, PPC makes a decisive contribution to the development of the National Economy. Throughout the post-war period, PPC has been the driving force, the "backbone" of the industry, of commerce and of the field of services.

From 1950, when PPC was set up to electrify Greece, which was struggling at the time to regroup its forces, until today, that it seeks to meet the ever-growing electricity needs, the Company has given its unrivalled support to the country's development and progress. Its construction work throughout Greece, especially in the areas stricken by unemployment, has provided employment opportunities to the Greek population.

The intensive use of lignite and of the other indigenous energy sources has guaranteed low-cost energy generation, as well as foreign-exchange saving for fuel imports. Furthermore, lignite exploitation has contributed to the development of the districts. More precisely, the extraction of lignite and the generation of lignite-based electricity in the Greek districts have created numer-



ous jobs for the scientific and the working communities, reducing thus unemployment and discouraging the population drift from rural to urban areas. It is worth noting that the overall workforce that is directly or indirectly employed in the lignite industry - including Power Plants - is estimated to exceed the number of 18,000 employees.

Moreover, as regards Hydroelectric Power Plants, apart from their contribution to the National Economy through the generation of low-cost electricity, they also provide employment to numerous citizens, contributing, thus, to the development of the regions where they operate.

Each year, PPC's Thermolectric and Hydroelectric Power Plants welcome thousands of visitors, pupils and students. As a result, they provide a springboard to the diffusion of knowledge on technology, as well as a source of income to local communities thanks to tourism development.

Furthermore, PPC's Power Plants are a considerable source of income to the Municipalities of the areas where they operate, due to the large sums paid for municipal taxes, fees etc.

Other than the above, in various regions where PPC runs Power Plants, it has conceded assets to the local authorities (buildings, churches, land etc.)

## We supply water for irrigation purposes and domestic use

We, in PPC, take energetic steps towards the exploitation of our country's water resources. The Hydroelectric Projects Development Department is responsible for the management of 15 large-scale and 9 small-scale Hydroelectric Power Plants operating throughout Greece.

The above Hydroelectric Power Plants have a total installed capacity of 3,060 MW, which accounts approximately for 25% of the overall installed capacity of Greek power-generating units and, in consequence, for about 8% of the total electricity generation. Within the framework of Directive 2001/77/EC, according to which our country has to increase the electricity percentage generated from Renewable Energy Sources (from 8% to 20.1%) until 2010, the need to design, construct and put into operation new Hydroelectric Power Plants is urgent. To this end, we shall ensure the exploitation of the country's unexploited hydro-potential, so as to increase the domestic electricity generation from renewable energy sources.

Since most of our Hydroelectric Power Plants serve multiple

purposes, we satisfy various needs, other than electricity generation. More precisely:

- We make sure that the reservoirs (artificial lakes) have sufficient water reserves throughout the year, meeting thus water demand both for the purposes of irrigation and for domestic use.
- We provide flood protection.
- We minimize downstream mass transport.
- We create lake ecosystems which upgrade the local environment and maintain the environmental flow on the riverbed throughout the year.



- We influence the regions' microclimate, since we cope with extreme weather conditions (temperature etc.).
- We lay the foundations for the development of ecotourism (N. Plastiras HPP), water sports (Polyfyto and Stratos HPPs) and fish breeding, as well as of other activities that contribute to regional development.
- The production of "clean" electricity minimizes greenhouse gas emissions, while the rapid integration of Hydroelectric Plants into the System makes a

significant contribution to dealing with particularly high peak demands.

PPC's dams retain the water flowing down the rivers, creating thus large water reservoirs that supply water to vast areas of farmland on various mountainous regions of Continental Greece, such as:

- The Plains of Preveza and Arta, through the Louros Dam which was constructed in 1954.
- The Plain of W. Arcadia through the Ladonas Dam (1955) in Gortynia.
- The Plain of Edessa through the dams of Agras and Edesseos Rivers (1954 and 1969 respectively).
- The plains of Karditsa and Larissa through the Lake Plastira dam (1962) of Tavropos River.
- The fertile plain of Aitoloakarnania through the Kremasta (1969), Kastraki (1969) and Stratos dams of Acheloos River.
- The cultivated land of Imathia, Pelli and Thessaloniki through the Polyfyto (1975), Sfikia (1985) and Asomata (1986) dams of Aliakmonas River.
- The plain of Chrysovitsa through the dam of Aaos River (1991).
- The plain of Arta, through the Pournari dam of Arachtos River (1981).
- Large part of the plains of Drama, Xanthi and Kavala, through the Thisavros (1998) and Platanovrysi (1999) dams of Nestos River.

In parallel, the same reservoirs supply water to towns and villages. Furthermore, through dam construction, we have made a decisive contribution to the development of these regions, by creating lakes and hydro biotopes of unrivalled beauty that serve as recreation spots and tourist attractions, while they also favor activities such as fish breeding, fishing, marine sports etc.

## We offer district teleheating possibilities

The combined generation of heat and power, also known as "co-generation", and the relevant technologies are applied in Greece, particularly so during the last decade, in district teleheating systems. Through these systems, the power generated by the power plants is used for heating residences that lay on the borders of districts.

In collaboration with various municipal authorities, we have embarked on a series of projects for generating energy in the form of hot water. In this way, we contribute to the effort made to ensure a method of continuous heating of urban residences harmless to the environment.

In brief, our projects in this field are the following:

- Ptolemais city district teleheating, 25 MWth capacity by Unit I of LIPTOL TPP.
- Ptolemais city district teleheating, 50 MWth capacity by Unit III of Ptolemais TPP.
- Kozani city district teleheating, 67 MWth capacity by Units III/IV of Ag. Dimitrios TPP.
- Kozani city district teleheating, 70 MWth capacity by Unit V of Ag. Dimitrios TPP.
- Megalopolis city district teleheating, 20 MWth capacity by Unit III of Megalopolis TPP.
- District teleheating of the greater Amyndeon city area, 25 MWth capacity

by Units I/II of Amyndeon TPP.

- Option to provide 70 MWth capacity for the district teleheating of the region of Florina by Meliti TPP.

The generation of thermal energy in Steam Electric Power Plants is carried out through partial removal (extraction) of the steam that activates steam turbines. This steam is then conducted to appropriate heat exchangers, where the water of the district teleheating network of the nearest city to the TPP is pressurized.

The district teleheating networks of the areas of Ptolemais and Kozani have already been successfully in operation for several years, thus providing residents with high thermal power availability and contributing to the reduction of air pollutant emissions. As a result, there has been an increased interest from the part of municipal authorities in the promotion and completion of remote heating projects.

In response to such demand, we already promote the implementation of the following projects:

- Additional thermal heat supply of 40 - 80 MWth capacity to the Municipality of Ptolemais by the Units of Kardias TPP.
- Expansion of the district teleheating network of Kozani with the supply of steam from Units III - IV of Ag. Dimitrios TPP (total thermal capacity of 134 MWth).

The technical specifications of the projects mentioned above are fully compliant with the requirements laid down in the Reference Documents on Best Available Techniques.

## We provide social welfare services

### Dealing with Special Events

In particular cases arising from extraordinary events or under specific circumstances, as well as for the benefit of sensitive social groups, the Company makes exceptional expenses, such as the following:

- Expenses for the construction of electrical networks.
- Expenses for the smooth development of the ATHENS 2004 Olympic Games.
- Expenses for the benefit of the earthquake victims of the Attica region (construction of temporary networks, electricity supply to the buildings built in the place of the ones that collapsed, exemption of the victims from their obligation to pay overdue bills, financial support through discounts on electricity bills).

- Expenses for the electrification of the island of Gavdos (construction of a local power plant, installation of a medium and low voltage network).

### Sponsoring Social and Cultural Activities

We provide financial support to bodies of social and cultural character, so as to boost our social role.

Given that on January 1st 2001 PPC became a Soci?t? Anonyme, our sponsoring programme was readjusted so as to apply only to cases falling under our approved sponsoring policy, which aims at promoting the Company's social image. The Company's financial support and sponsoring programmes are aimed at two directions:

- Energy-related actions that directly or indirectly promote the Company's work.
- Actions for strengthening PPC's presence in social projects and activities, particularly so in the areas where its business operations are intensive (i.e. mines, power plants etc.).



### We actively support:

1. Universities, institutes, organizations and associations that organize conferences or one-day seminars on energy issues. In this context, in the year 2006 we supported, among others:

- The Institute of Energy for South-East Europe (IENE), in organizing the 11th National Energy Conference, "Energy and Development 2006", which took place at the Evgenidion Conference Center on November 14 - 16 2006.

- The Association of Greek Chemists, in co-organizing the Conference "ENERGY 2006", which took place on November 23-26 2006.

- PPC's District Energy Association (Kozani, Ptolemais, Florina), "SPARTAKOS", in organizing a one-day conference on the prevention of accidents at work, as well as for the publication of brochures aiming at fully informing the employees.

2. Prefectures, Municipalities or communities in areas where PPC has a strong business presence. In the year 2006, we supported, among others, the following municipalities:

- The Municipality of Dimitrios Ypsilantis in the Kozani Prefecture, in constructing a central square in the Municipal District of Mavrodendri, as well as in designing a front yard in the former community store of the Pontokomi Municipal District.

- The Municipality of Lavrion, in reshaping the central square of Lavrion city.

3. Sports clubs, associations, federations and other Greek entities. In PPC S.A., we actively support the sponsoring of



sports bodies. We promote amateur athletics and we orient employees towards this direction. In the year 2006, we sponsored the following well-known events:

- The International Athletics' Meeting "Papaflessia", which was organized by the Municipality of Kalamata, in cooperation with the Messinian Association and other bodies, on June 3rd.

- The International Track and Field Meeting "VARDINOYANNIA", which was held on July 21st in Rethymno (financial support to the Atromitos Club of Rethymno).

4. Social requests, only when judged of special importance. Indicatively, we cite the financial aid to:

- The Telemarathon "Act of Hope", which was organized on May 16 by Alpha Channel.

- The Consulting Room of the Municipality of Ptolemais in the Kozani Prefecture, for the purchase of a cardiograph.

5. Cultural bodies or private artists, when their work is of exceptional cultural importance. We sponsor various cultural events organized throughout Greece, we support the work of various centers and cultural associations for the preservation of our cultural legacy and our religious traditions. Within this framework:

- We supported the Koutloumousiou Monastery in completing a project regarding the design, reconstruction and equipment of its library, as well as the preservation of its content.

- We provided financial support to the West Macedonia District for the organization of the one-day seminar "Kozani Crocus - The gold of the Greek soil", which was held on March 11.

The contribution of PPC's Power Plants to local communities, as a result of the provision of materials, equipment and services, is highly important as well. We have granted materials, equipment and special machinery for the execution of various projects to numerous municipalities, communities, schools, churches, cultural associations or military and public services across the country. We have constructed for these same entities several buildings, track fields, playgrounds, enclosures, sheds and electric lightings. We have assisted the local authorities with the building and construction works carried out in numerous schools, public services and community stores. Furthermore, we have carried out several small-scale works (road construction, church refurbishments etc.).





**Contributing to HR training**

PPC's Vocational Training Centre plays an active role in the training of human resources. It takes part in international open competitions and it undertakes projects that aim at the continued vocational training of both the unemployed and the employed. These last three years, PPC's Vocational Training Centre trained about 360 individuals (58900 man-hours).

Within the framework of our contribution to the upgrade of the national education program, we receive each year 600 students from Higher Education Institutions, 180 students from Technological Education Institutions, as well as 650 students from the Technical-Vocational Centers of the Greek Manpower Employment Organization (OAED) for practical training inside our facilities.

PPC's Education Department transfers our know-how by offering training programs to external organizations. Ministries, large companies and several other organizations entrust us with the training of their personnel on issues pertaining to the mines and to electricity generation. It is worth mentioning that during the past three years, we were entrusted with the training of 250 third-party executives (7100 man-hours).



**Improving customer services**

Better serving our customers is our primary aim. To this end:

- We systematically monitor the degree of customer satisfaction.
- We always seek cooperation with social State bodies that represent the Greek consumers.

In order for the electricity to reach our 7.2 million customers throughout the Greek territory, both in the region of the national interconnected system and on the Greek islands, a distribution network is used measuring approximately 210,000 km.

Our 277 offices that come under the Distribution Division are responsible for dealing with issues pertaining to new service, failure recovery, and system maintenance - monitoring, aiming at ensuring the smooth supply of electricity to all of our customers.

In an effort to comply with the new institutional framework, which was created by the liberalization of the Greek electricity market, we develop the Company's commercial profile by adopting a customer-oriented policy (the consumer becomes customer). In this context, we have set as our primary target the continuous improvement of the services we render. The failure recovery time has already been reduced and it may be compared to the average time needed by other modern electricity companies in Europe to deal with power outages. At the same time, we offer new customer service techniques for our customers' convenience, such as:

**10500: PPC Customer Information Call Centre**

Information services on work-days from 7:00 am to 7:00 pm

**Customer Service throughout Greece**

In PPC's offices we serve all

requests, no matter where your property is located.

**Phone Customer Service**

We satisfy your demands with a single phone call, without the need for you to go to the competent PPC office.

**Bill Payment Options**

- At PPC's offices.
- At Banks (by Automatic Payment, through ATMs, through the internet (e-banking service), or through phone-banking)).
- At the Post Office.
- At authorized pay stations (Lottery Stores, pharmacies, haberdasher's), as well as at super markets.

Finally, as from 1997 we have drawn up and adopted the Charter of Obligations to our Customers, on the basis of which we commit to the fulfillment of specific requests within a specified time period.

## PPC for the Environment

*In today's era of globalization and serious ecological problems, environmental issues are of great concern for the international community, whereas they play a vital role not only in a State's political and financial decision-making but also in corporate development strategies, especially in the case of corporations whose activity is closely related to the environment.*



**E**nvironmental protection, competitiveness and security of supply are the three main pillars of the EU energy policy. The environmental strategy applied by electricity companies is determined by the continuous pursuit to minimize the environmental impact arising from electric power generation, transmission and distribution.

In this context, we in PPC could do no less

than set the Environment as the cornerstone of our development policy and we take the appropriate measures so as to ensure the least possible environmental impact, especially in the sites of intensive production activity (mines, thermal plants).

Environmental protection is one of the main principles that govern our strategy and daily operational activity, as it is integrated into the

Corporation's decision-making process for achieving its strategic goals.

The "Environmental Sensitivity OICOPOLIS 2006" award, which was given to us for our environmental investments aimed at electricity generation, not only makes us proud but also encourages us to keep on our work in a more decisive manner so as to achieve even greater results.



## Operating our mines

Lignite is Greece's most important indigenous energy source, as well as the core element of our development and energy programmes. Lignite exploitation has made a decisive contribution to the development of the Greek energy sector and it is estimated that it shall continue contributing to the Greek energy balance for at least another 40 years.

It is true that the exploitation of lignite deposits has led to the occupation of extensive areas of land, to the alteration of the soil's morphology, to the disturbance of the fauna and flora, to the need to relocate settlements, to the alteration of the atmosphere through the emission of dust, as well as to the accumulation of various other pollutants, such as noise, liquid and solid waste.

Acting in accordance with the existing legislation and other

regulations on environmental protection, both at a national and at an EU level, all of these phenomena, alongside the big questions of the middle - long term perspectives for the development and regeneration of the regions upon cessation of the mining activities, as well as of the management and utilization of the land occupied by the mines, took the form of middle-long term Environmental Impact Assessment studies, during the preparation of which the negative parameters of the production activity were identified.

### Lignite extraction

In order for our mines to start operating, we draw up a series of studies and we take all necessary measures. In detail, such measures and studies include:

- Special technical implementation studies on the redevelopment and rehabilitation of the mines' final surfaces (tree-planting, agricultural cultivation, creation of lakes etc).

- Special studies on soil stability, as well as hydrogeological

studies (water balance, integrated underground and surface water management etc.) in the greater mining area.

- Measures for reducing disturbance to neighboring areas (creation of green spaces, noise and vibration measurements at the borders of residential areas, reduction of dust etc.).

- Treatment and disposal of liquid waste.

- Environmental quality monitoring in the greater mining area by means of an extended network for monitoring atmosphere air quality.

- Integrated management and disposal of by-products (obsolete equipment, old tires, batteries, oil - lubricants etc.).

- Fire protection measures to prevent self-combustion of the lignite.

- Logbooks and up-to-date records on environmental parameters.

- Periodic reporting to all competent authorities - Submission of an annual report.



Our environmental policy, which covers all the activities of our lignite mines, that is lignite excavation, loading, transportation and deposition, focuses on the following:

- Compliance with the approved Environmental Terms for the operation of the mines.
- Compliance with the national and European statutory or other regulatory requirements.
- Continuous improvement in environmental performance in all operations.
- Development and implementation of realistic information programmes aiming at establishing the personnel's awareness on environmental issues, so as to improve environmental behavior and protection.
- Development and maintenance of an efficient and effective environmental management system.

#### Land rehabilitation

We acknowledge that the restoration of the mining areas is an issue of outmost ecological, social and financial importance. Therefore, acting in accordance with EU Directives, we proceed at an accelerating pace to the systematic restoration of the land released

from the mines, as well as to the protection and upgrade of the environment.

The Lignite Centers of West Macedonia and Megalopolis systematically implement projects for the restoration of the land gradually released from the mines, in order to provide such land, inter alia, for the purposes of farming and foresting.

To this end, an interdisciplinary team from the National Technical University of Athens has carried out special strategic studies on the rehabilitation of the mine's new land, which we take into account for the formulation of the finalized recommendations on the Environmental Impact Assessment studies.

According to the aforementioned studies, it is anticipated that after the completion of the mining activities at the West Macedonia Lignite Center, 11,300 ha of farmland will be created as well as 7,500 ha of forestland. To date, 2,120 ha of forestland have been planted, mainly on the inclined planes formed by depositions, whereas the farmland of the final leveled surfaces amounts to 1,870 ha.

As regards the Megalopolis Lignite Center, 2,700 ha of forestland are expected to be

created, while the remaining part will mainly include farmland with recreational parks, sport centers, buildings, lakes and wet-lands.

To date, we have created 520 ha of forestland on inclined planes, as well as 250 ha of farmland on the final leveled surfaces.

The main principles set forth for the success of the environmental management policy implemented by the Mines Division are the following:

- Knowledge of the area's environmental conditions.
- Selection of the appropriate methods and techniques of land rehabilitation.
- General land planning of the areas to be restored (land use maps).
- Regular implementation of environmental protection and restoration programmes in accordance with the approved Environmental Terms (Joint Ministerial Decrees).
- Monitoring and evaluation of the results of environmental restoration by means of modern Geographical Information Systems (GIS).

## Generating power

During electricity generation, PPC implements its environmental policy through a series of preventive measures, programmes and actions aiming at protecting the environment, while promoting social responsibility.

Today, we have an appropriate and up-to-date organizational structure and we follow procedures for the implementation of our environmental policy, which is integrated into the power generation activities.

#### The main lines of our environmental policy

Our environmental policy during electricity generation focuses on the following principles:

- Strict application of the European and national environmental legislation as an inviolable condition for every activity.
- Integrated approach towards overall environmental protection.
- Monitoring and coping with Climate Change.
- Application of Best Available Techniques, both to new and to existing Power Plants, in compliance with the Directive on Integrated Pollution Prevention

and Control (IPPC).

• Exploitation of domestic energy resources, mainly of the indigenous lignite and the country's hydro-potential, with respect for the environment. Design and operation of Hydroelectric Projects in compliance with an integrated water resources management and with a view to maximizing the social - environmental benefits arising from the projects' combined use.

• Dialogue with the parties concerned on the preparation of development programmes and projects, as well as on our existing operations.

• Development of the scientific knowledge and expertise, via

participation in European Union environmental research projects.

• Coordination with other related policies, such as the policy for health and safety at work etc.

• Continuous information exchange and collaboration with other European bodies of the same industry, aiming at the development of pollution abatement techniques.

• Development of realistic programmes in order to inform the personnel of PPC's environmental issues.

• Development of external communication for informing the public of the environmental protection programmes and measures taken by the Generation Division.

• Evaluation of environment - related performance compared to the results achieved by similar European bodies, as well as to the methods applied by the latter.

• Reinforcement of environmental issues management.



## PPC for the Environment

*PPC Management has taken on the commitment to ensure the unimpeded implementation of the environmental policy during electricity generation, which is fully integrated into our business plan, both with regard to the design of new Power Plants and to the operation and exploitation of the existing ones.*

This commitment promises a successful response to the challenge of Sustainable Development, which is not only one of PPC's main targets, but also a demand of all the parties concerned: shareholders, customers, public authorities, associates, suppliers and the society in general.

PPC takes environmental actions and draws up investing programmes with a view to improving the environmental behavior of its Power Plants.

Integrated Environmental Assessment Studies for our new units

To us in PPC, the environment constitutes a key factor for the design of every large-scale energy project (thermal or hydroelectric).

Thus, right from the phase of project site-selection, inter alia, we take into account the following criteria:

- The region's development capacity.
- The consent of the local community.
- The region's geomorphologic

characteristics and seismicity.

- Meteorological and hydrological data.



- Distance and perspective from residential, recreational and archaeological sites, as well as from areas of exceptional natural beauty.

We thoroughly examine all environmental impacts arising from the project's construction and operation, we carry out all the necessary environmental studies (dispersion of air pollutants, heat transfer and diffusion of cooling water, dam failure design studies, etc.) and we seek to identify all the important parameters that should be taken into consideration during the project's design phase.

During the project's detailed engineering studies phase, we apply state-of-the-art integrated technology solutions, including pollution abatement technologies.

All the aforementioned criteria have been fully taken into account for the construction of new units, as well as for those under construction that already operate under approved Environmental Terms with regard to their construction and operation (i.e. New Combined Cycle Natural Gas fired Units at Lavrion, Meliti and Atherinolakkos Thermal Power Plants, as well as at the Hydroelectric Power Plant of Ilarionas, etc.).

### Certification of Environmental Management Systems (EMS) for our Power Plants

Acting in accordance with the Management Contracts signed between the Generation Division and the Generation Environment Department, the Company has already scheduled the procedures for the development, implementation and ISO 14001:2004 certification of Environmental Management Systems to be applied in Thermal and Hydroelectric Power Plants. This decision is of utmost importance, since the development and ISO 14001:2004 certification of Environmental Management Systems is not obligatory, given that it is not provided for by the law.

The implementation of Environmental Management Systems in Power Plants ensures vital advantages such as:

- Optimal management of the natural resources and raw materials with positive effects both on the environment and the financial effectiveness of electricity generation.
- Obligation from our external associates (subcontractors, suppliers etc.) to have the permits and certifications provided for by the law for the projects under way and to comply with the relevant Environmental Legislation.
- Strict application of the legislation in force on the activities of Power Plants (emission of air pollutants, pollutant load of liquid waste, solid waste management, land rehabilitation, improvement of the natural environment etc.).
- Achievement of the EMS target, which lies in the continuous quest for enhancement of the environmental performance,



through the constructive proposals for improvement made by employees.

Improvement of the Company's relations with the Authorities and the local communities, given that the adoption of a transparent information policy makes a substantial contribution to the development of a positive climate of trust and cooperation.

Given the successful development, implementation and certification according to ISO 14001:2004 of the Environmental Management Systems applied at the Thermal Power Plants of Chania and Ag. Dimitrios and the efficient integration of the EMS for the two Hydroelectric Power Plants of Nestos, which shall be certified after the revision of the Environmental Terms for the Operation, it has now been decided that the informal Environmental Management Systems implemented at 10 Thermal Power Plants and one Hydroelectric Power Plant shall be adjusted to the requirements of ISO 14001:2004 standard and shall be certified by an independent certification body.

More precisely, Environmental Management Systems shall be developed, implemented and certified for the Thermal Electric Power Plants of Komotini, Meliti, Amyndeon, Ptolemais, Kardia, Aliveri, Lavrion, Keratsini, Megalopolis and Rhodes, as well as for the Hydroelectric Power Plant of Ladonas.

### Improvement of the Environmental behavior of Thermal Plants

In addition to the studies, measurements and projects provided for by the law, we, employees of PPC's Generation Division, implement a series of projects, in cooperation with Higher Education Institutions and Bodies, with a view to examining the environmental impact arising from the operation of our Power Plants, as well as to developing innovative pollution abatement techniques.

In parallel, in order to achieve compliance with the national and EU legislation and to improve the environmental behavior of the Thermal Power Plants (TPP) already in operation, we implement individual environmental projects as:

- Project for compliance with the Kyoto Protocol requirements.
- Project for the reduction of particle emissions.
- Project for the reduction of sulfur dioxide emissions.
- Solid and liquid waste management programme.
- Project for the enhancement of energy efficiency and energy saving.
- District teleheating project by Thermal Power Plants through co-generation.
- Programme for the installation of additional online equipment for monitoring air pollutant emissions.



We implement an upgrade project in order to enhance energy efficiency and energy saving, as well as to reduce specific CO2 emissions. Through these measures, we aim at optimizing the operation of our Units while ensuring direct environmental benefits. The aforementioned measures also include the application of Best Available Techniques in accordance with the Best Available Techniques Reference Documents on Large Combustion Plants. This project provides for the upgrade of steam turbines, cooling towers, boilers and auxiliary systems.

The main projects that have already been completed are the following: upgrade of two steam turbines (Units II and IV of Kardias TPP), upgrade of five cooling towers (Ptolemais, Kardias and Amyndeon TPPs) and various other upgrade projects (such as

the refurbishment of the boiler at unit I of Ptolemais TPP), as well as the replacement of the lignite Electrostatic Precipitators (ESPs) at Unit III of Megalopolis TPP.

In parallel, the following projects are in progress:

- Upgrade of the old ESPs and installation of new ones at Units I, II, III and IV of Ag. Dimitrios TPP.
- Upgrade of the old ESPs and installation of new ones at Units III and IV of Kardias TPP.
- Installation of a flue-gas desulfurization system at Unit III of Megalopolis TPP.
- Repair and Upgrade of the cooling towers at Units I, II, III and IV of Ag. Dimitrios TPP.
- Upgrade of the steam turbines as well as of the condensate preheating system at Units III and IV of Ag. Dimitrios TPP.

- Upgrade of the Condensate Preheating system at Units I and II of Ag. Dimitrios TPP.
- Repair and Upgrade of the cooling towers at Units I and II of Kardias TPP.
- Upgrade and repair of the cooling tower at Unit III of Megalopolis TPP.
- Integration of a Wastewater Treatment System at Units I, II and III of Megalopolis TPP.
- Supply and installation of Efficiency Measurement Online Systems at the Units of Ag. Dimitrios, Aliveri, Lavrion and Ag. Georgios TPPs.
- Upgrade of the fuel discharge assembly with a submarine electrically-heated conduit, for the receipt of low-sulphur fuel oil at the Linoperamata and Rhodes TPPs, in accordance with EU Directive 1999/32/EC.

## Transmitting electricity

We always examine the issues pertaining to the Transmission System's impact on landscape, groundwater aquifer, flora and fauna, as well as factors such as noise disturbance, risks caused by abnormal situations, electric and magnetic fields, man-made environment, land uses and protected areas.

It is worth noting that the Transmission System has little impact on the landscape, which is, nevertheless, taken into account during the study. Hence, we do our best to minimize it by means of new Transmission Lines (TL), Substations (SS) and Extra-High Voltage Substations (EHVS). During the construction and upgrade of all Transmission Projects, we make sure that the transmission lines are painted, so as to reduce their visual impact on the environment, and we avoid their installation on crests and areas where there is an unobstructed view of the horizon. Furthermore, trees are planted along the enclosure of

Substations and Extra-High Voltage Substations.

Furthermore, we create green spaces with fast-growing trees around Extra-High Voltage Substations, so as to ensure that the facilities are not perceptible to the human eye. Thus, we offer to the surrounding area a "green lung" that contributes to its development and upgrade. In addition, we plan to use environmentally friendly electrical equipment of neutral color to new Substations and Extra-High Voltage Substations.

### Environmental Management policy during electricity transmission

All Transmission facilities (lines, substations and extra-high voltage substations) are of special nature and have a long service life of approximately 50 years. Given that regulations and conditions may be modified several times during their service life, the Transmission facilities must be constantly upgraded to meet the ever-changing technological and environmental requirements. We have taken all the necessary measures during their design, construction and maintenance so as to protect the environment.



## PPC for the Environment

During the System's maintenance and upgrade, all national and EU Directives and laws are taken into consideration so as to minimize the environmental impact arising from its operation. Additionally, we adopt state-of-the-art technologies, which are already applied in European countries. Maintenance is scheduled in periods when it shall have the least possible impact on crops. The use of appropriate vehicles allows for the minimization of the impact on crops. Nevertheless, in case that damage is caused to the farms, we pay the legal indemnification.

### Smaller Substations

The increased city demand for high quality electric power, as well as the need for minimizing visual nuisance, resulted in the construction of new closed-type high voltage substations (located within buildings). Such sub-

stations operate today in various major European urban areas. Their supply is effected underground, given that it is impossible to pass high voltage overhead lines in densely populated areas.

Similar closed-type substations have been in operation in Athens since the early 1970s. Today, there are seven such substations in Athens and one in Thessaloniki, all of which operate with remarkable results.

In spite of the high cost involved, we intend to construct more substations of that type in densely populated areas or in areas which are likely to develop in the future. Moreover, since 1994, a part of the open type substations (20 kV side) has been installed within buildings.

### Electric and magnetic fields

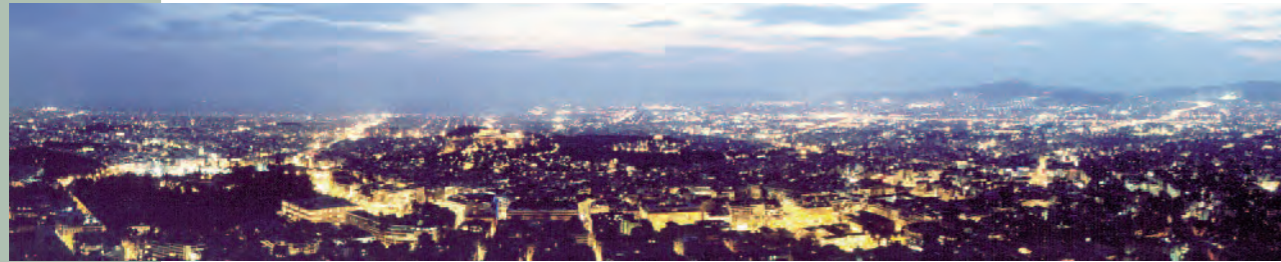
In accordance with the interna-

tional and national regulations that integrate the results of the scientific research on human protection, it may be stated that the electric and magnetic fields of the industrial frequencies emitted by our facilities present no health hazard, since they are constantly below the limits set forth by the strict national and international regulations.

More specifically, the magnetic field values, which have been the subject of scientific research during the last 15 years for their potential impact on human health, are tens to thousands of times inferior to Regulations limits.

Nevertheless, in cases of complaints, we carry out measurements of the fields on the spot. The measurements carried out so far fully confirm our calculations.





## Supplying our customers

### Harmonization with the international, European and Greek standards

In our effort to guarantee the reliable operation of the Distribution Network, always with respect towards the environment, the materials and the equipment we use fully comply with PPC Distribution specifications in force, as well as with the corresponding European and international standards (CENELEC and IEC respectively). Furthermore, the design and construction of the Distribution network always take place in accordance with the respective Hellenic (KESYGHE, KEHE) and international regulations.

### Islands connection project

Within the framework of the islands connection project, the submersion of submarine cables allows for the substitution of autonomous power plants, thus resulting in highly important advantages such as:

- Reduced oil dependence
- Improved service quality
- Improved voltage quality
- Reduced number of blackouts

### Aesthetic interventions on Distribution network

We make various aesthetic interventions in order to ensure that the distribution network blends harmoniously with the

environment. For instance, we use low-noise transformers to reduce noise disturbance, as well as bundled cables, which allow for minimum alterations to the natural environment. In parallel, in areas of high aesthetic value, we construct either compact substations or underground network, in collaboration with local authorities.

### Measures for the protection of wild fauna and of the country's natural resources

We cooperate with environmental associations in scheduling pilot interventions on the facilities located in areas where rare bird species live. Such a project has been carried out at Chalastra of Thessaloniki, in cooperation with the Greek Centre of Wild Animal Sheltering, where special insulating materials have been installed in medium voltage network so as to prevent and minimize stork injuries.

The protection of the country's natural resources is achieved through a series of preventive measures such as tree pruning, clearing of the adjacent vegetation around selected poles, installation of bundled cables, installation of synthetic insulators (where necessary due to increased air pollution), installation of phase separators in low voltage network, installation of bare conductors in areas with strong winds or large openings, as well as systematic supervision of the network with ultra modern infrared cameras.

Finally, we implement an integrated programme for managing hazardous or non-hazardous waste in accordance with the law.

### Actions for the protection of the environment on the islands

We have carried out Environmental Impact Assessment Studies for all the power plants which are located on the islands and come under the Distribution Division. Moreover, we have received from the competent authorities (Hellenic Ministry for the Environment, Physical Planning and Public Works, District Authorities, Prefectures) approved Environmental Terms for their Operation, so as to take all necessary measures aiming at the protection of the environment, as provided for by the Greek and EU law. In this context, we have completed numerous projects such as:

- Air quality measurement stations
- Noise reduction projects
- Harmonious integration of the buildings into the landscape
- Tree-planting operations near Power Plants
- Certification of all Power Plants with regard to CO2 emissions.

Furthermore, we have carried out appropriate studies on the liquid industrial waste produced by the plants and we have constructed adequate treatment systems so as to ensure their purification.

Finally, through special training and briefing programmes, the competent personnel are in position to successfully manage all environment-related issues.

### Objectives and Perspectives of the Distribution Division

The objectives of the environmental policy implemented by the Distribution Division include the following:

- Integrated approach to environmental issues right from the planning and designing phase of the Distribution network.

- Enhancement of internal communication and training, as well as improvement of the Corporation's environmental image.

Keeping abreast of all technical and social developments, PPC Distribution Division shall keep up developing its policy and business activity taking account of all environmental criteria.



## Ensuring waste management control

We give top priority to the successful and environmentally correct management of the waste produced by our business activities, in accordance with the relevant law.

We carry out special studies and we support all our units in detecting, locating and managing hazardous and non-hazardous waste, as well as in keeping up-to-date records on PCBs, asbestos products, Ni-Cd batteries etc.

We put special emphasis on the alternative management and recycling of waste. To this end, we have established full cooperation with authorized companies. In the year 2006, significant progress was made towards the alternative management of waste.

Moreover, special emphasis has been put on the training - briefing of the competent personnel with regard to the control - detection and management of all hazardous and non-hazardous waste, through manuals, training videos, seminars etc.

More specifically, within the framework of developing a central solid waste management policy, we proceeded to the design, planning and environmental licensing of an adequate Industrial Waste Management Site at the deposition areas of the Kardia exhausted mine, at the region of Kozani. Site selection was based on factors such as the proximity principle, which is a fundamental principle of the national and European community legislation on waste management.

This Site is the only authorized site in Greece where industrial waste management is carried out in perfectly insulated cells.

In compliance with the environmental terms, various important infrastructure works have been carried out at this authorized Industrial Waste Management Site. Furthermore, we have taken measures for the Site's control and surveillance.

In order to ensure the environmentally correct management of the industrial waste produced in our facilities at Megalopolis region, we have already launched studies necessary for the environmental licensing of a suitable industrial waste management site, which is scheduled to operate within the area of an exhausted mine at Megalopolis region.

## Communicating our actions

We ensure the promotion of PPC's environmentally-friendly activity, both within and outside the company, in every prestige campaign, in the brochures we publish, in the audiovisual material we edit, as well as by organizing relevant events. The Annual Environmental Report, which was first published in 2003 and has been updated ever since with fresh material, description of our activities and a report on the achievement of the Corporation's goals as regards environmental protection, represents one of our fundamental communication principles to which we consistently remain true.

All this material has been uploaded to PPC's website ([www.dei.gr](http://www.dei.gr)), together with the Corporation's press releases and environment-related announcements. By keeping abreast with the modern business communication trends, the present brochure offers us the means to continue this great effort since, apart from the activities aimed at ensuring environmental protection, it also presents various other actions that confirm the Corporation's social awareness.

## Developing research

We test, control and analyze all materials, machinery, expendables, supplies and equipment in our 16 modern laboratories at the Tests - Research and Standards Center. Furthermore, we are involved in activities such as accreditations, inspections of the delivered materials and equipment, expert opinions, applied research, updating of the specifications and calibration of measuring devices.

Our laboratories provide solutions to environmental problems in compliance with the Greek legislation and EU directives.



## Participating in EU Voluntary Programs

### "Energy Wisdom" Program

We participate in the "Energy Wisdom" program of EURELECTRIC (Union of the Electricity Industry). This program, which was launched on the initiative of the European electricity companies participating in EURELECTRIC, aims at improving energy efficiency, as well as at reducing Greenhouse Gas (GHG) emissions. Each one of the participating companies is called to present the actions-measures it has taken from 1990 onwards, aiming at a measurable improvement in energy efficiency, as well as at the reduction of GHG emissions. PPC already participates in the program

through 33 projects, which, in the year 2004, contributed to a total minimization of CO2 emissions corresponding to 7949 kton CO2 equivalent. The new report for the years 2005-2006 shall be published in autumn 2007.

### Innovative research programs for CO2 capture and storage

In PPC, we keep up with the environmental developments in CO2 capture and storage. In this context, we participate in innovative research projects aiming at the direct or indirect reduction of CO2 emissions, such as:

- The CASTOR project: post-combustion CO2 capture, transport and storage technologies.
- The ENCAP project: pre-combustion CO2 capture technologies.

• The C2H and ISCC projects: Innovative In Situ Technology for Solid Fuel Gasification with simultaneous CO2 release.

• The RECOFUEL project: Demonstration of direct Solid Recovered Fuel (SRF) co-combustion in pulverized fuel fired power plants.

• The LIGPOWER project: installations of improved cleaning equipment - reduction of boiler fouling - enhancement of performance and availability.

• The DRY COAL project: integration of an innovative method for pre-drying lignite into TPPs - improved performance.

The aforementioned projects are funded by the Research Fund for Coal and Steel, under the 6th Framework Program for Research and Technological Development and Demonstration (FP6).



## PPC for its employees

The number of employees working today for PPC is approximately 26,000. Acting on the belief that people and their prosperity are inextricably linked to the unimpeded qualitative and quantitative corporate performance, we eagerly adopt strategies and policies that prove our social commitment to PPC personnel.

### Top priority to occupational health & safety

We give top priority to issues pertaining to the protection of our employees' health and safety at work.

The high importance we give to our health care policy is proved through the following actions:

- We systematically provide preventive medical check-ups for our employees.
- We assign Safety Technicians & Occupational Physicians to all Units.
- We equip the Mines and Power Plants with ambulances and nursing staff.
- We integrate safety compliance in the production procedure, putting special emphasis on personnel briefing and training.
- We are always prompt in supplying our units with high quality equipment and materials relating to safe work practices.
- We ensure that all safety rules and safe work measures are applied.
- We carry out Occupational Risk Assessment Studies in order to record the risks, to prevent eventual accidents and to improve the working conditions.
- We carry out various measurements,

such as noise and chemical factors measurements, in order to deal with hazardous factors and we take all necessary measures in accordance with the law.

- We have ceased the use of materials that affect the ozone layer (i.e. HALLON fire extinguishers, solvent trichloroethane).
- We implement a hazardous waste management policy focused on the collection, temporary storage and disposal of hazardous waste. More precisely, to date about 250 tons of PCBs, 195 tons of Ni-Cd batteries, as well as 40 tons of asbestos have been successfully disposed of.
- We purchase special containers that comply with international standards for the collection of hazardous waste (both liquid and solid). Furthermore, we purchase special containers for the collection of alkaline batteries and we construct special areas for the temporary storage of hazardous waste.
- We ensure the management of non-hazardous waste, such as waste mineral oils, SF6-containing equipment, batteries and lead, and we construct special areas for their temporary storage.
- We have already established the guidelines on the organization of the Company's open-air storage areas, in cooperation with the competent Units, so as to minimize the adverse effects arising from the management of waste mineral oils.



### Training and career development of employees

The policy aimed at the training and professional development of PPC employees is implemented by the Training Department.

The Training Department first started operating in 1950, in parallel with PPC, so as to guarantee the initial and continuing training of PPC technicians.

Today, the Department runs seven Training Centres: two in the city of Athens and five in the cities of Kozani, Ptolemais, Florina, Megalopolis and Aliveri, all of which are fully equipped with modern laboratories.

It is worth noting that the training simulator which operates in Northern Greece for the personnel of power plants is the most modern in Europe.

Within the framework of the new business plan 2006-2010, which aims at transforming PPC into a modern, internationally competitive corporation, the

Training Department seeks to provide high-quality training services to all personnel, in order to meet the modern training demands and PPC's specific business targets.

Today, the Training Department is also responsible for the Company's internal training programmes, as well as for the participation of PPC employees in other training programmes which are organized by external education bodies.

These internal training programmes, which represent the Department's main activity, are focused on the following thematic fields: Technical Matters, Management and Organization, Economics, Information Technology, Health and Safety at Work. During the last three years, more than 13,400 individuals (483,000 man-hours) have participated in these programmes, whereas in the first semester 2006, the number of training man-hours amounted to 110,000.

The Training Department cooperates with the Greek Manpower Employment Organization (OAED) in financing post-graduate and post-high school study programmes, as well as foreign language learn-

ing programmes for PPC employees. In addition, it encourages the participation of PPC personnel in conferences and seminars organized by external education bodies.

Furthermore, the Training Department is entrusted with the management of PPC's Central Library; a fully computerized library that constitutes an information centre of key importance, not only for the Company's personnel but also for all those who are interested in having access to its rich material (professors of Higher and Technical Education Institutes, students etc). The library counts about 10,000 book titles (technical, financial, literary etc.), as well as 400 titles of magazines. Furthermore, it has a multimedia room equipped with televisions, videos, PCs, internet access and educational films, while there is also the possibility to connect to other libraries.

PPC's Central Library supervises and supports the operation of 110 branches throughout Greece. In addition, it is responsible for purchasing and sending books to the libraries of remote areas, promoting, thus, its social role.

## Motivation and rewards mechanisms

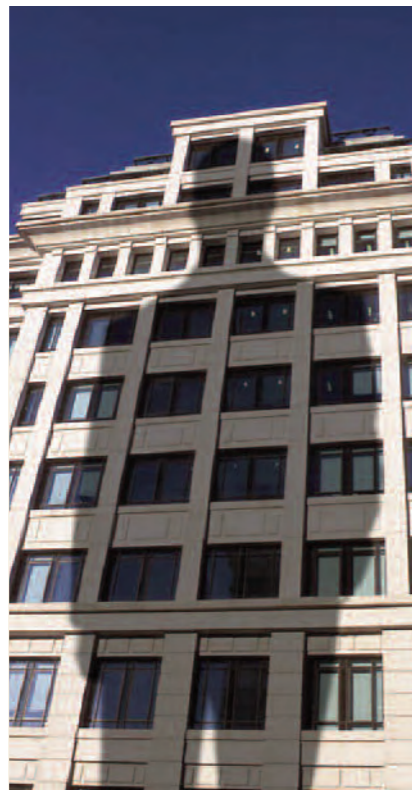
### Special allowances

In the case of employees who fall under specific Personnel Categories, who have special skills or provide their services from a specific position, under special circumstances or to a specific place, we pay special allowances, either because we are obliged to do so by the law or by choice, as incentive or reward. For instance, we pay allowances:

- To the personnel who work in Power Plants, many of which are located at far distant regions, as compensation for the extremely hard working conditions (unhealthy environment, high professional risk, noise etc.).
- To the personnel who work at Sites, as compensation for any additional expenses they incur (temporary settlement or double residence costs, exceptional charges, travel expenses etc.).
- To the personnel of Thermal and Hydroelectric Power Plants who are not permanent residents and have no privately-owned residence (residence allowances).
- To the Electronics-Technicians of Overhead Transmission Lines, to the personnel of medium voltage network and to the divers who install submarine cables, as compensation for their heavy

or dangerous duties.

- To the employees who are efficient or have increased duties, within the framework of an incentive policy aiming at the qualitative and quantitative improvement of the work carried out by the Company's personnel.



### Financial rewards and benefits

We reward all exceptional services offered by our employees in dealing with emergency service needs, outstanding employee efficiency and performance, as well as all distinguished community actions. Additionally, we offer financial benefits in case of emergencies concerning our employees' private life (i.e. financial benefits are given to the family members of an employee who died due to a

work-related accident).

Moreover, we may issue salary advances to facilitate our employees or to help them meet urgent needs.

### Moral rewards

We reward all exceptional on-duty services, outstanding service performance, as well as all distinguished community actions. In addition, in our effort to further praise our employees, we announce the award to all PPC Personnel.

### Incentives for employee participation in company activities

Whenever PPC issues shares, we offer to our employees the possibility to buy stocks at a privileged price paid in 12 monthly instalments through a salary deduction system. Furthermore, we make sure that special tariffs or terms are established for our personnel as regards the services provided by our subsidiaries, such as Tellas.

### Incentives for our children as well

Each year, we organize a small celebration at PPC Headquarters where we honour the children of our employees, with small gifts and rewards, for their performance during the previous school or academic year. We draw up a list with the children's names and performance per educational level, as well as with the departments where their parent works, and we announce this list to all employees.

## Employees and culture

We encourage and support the work of various cultural associations whose members are active and retired PPC employees.

The purposes of the 20 autonomous associations vary, promoting numerous activities such as arts and sports or even nature-oriented activities.

With the support of these associations, several festivals and events, such as theatre performances, dance festivals, exhibitions, sport events, excursions etc., are successfully organized each year throughout Greece, not only for our employees but for the benefit of local societies as well.

Below, we give a brief presentation of the cultural, nature-oriented association of PPC employees, "PHYSSIOLATRIS", which counts the biggest number of members in Attica, as well as of the "Cultural and Sports Association of PPC Personnel of Thessaloniki", which ranks among the most representative associations in Northern Greece.

### Physsiolatriis

It encourages and promotes several cultural and artistic activities. It contributes to the enhancement of its members' level of knowledge and the broadening of their cultural horizons by promoting culture, arts, love for nature, ecology and sports. It includes activities such as:

- Publication of a bimonthly informative magazine.

- Soccer, basketball and chess teams.

- Excursions both inside Greece and abroad, as well as training excursions (i.e. excursions to Power Plants).

- Dance team with free dance lessons.

- Theatre team with free theatre lessons.

### Cultural - sports association of PPC personnel of Thessaloniki

It was founded in 1972. Today it counts approximately 750 members: PPC employees or pensioners, as well as other friends outside PPC. Its activities include:

- Publication of the magazine "Thessalonikis Revma".

- Mixed choir that gives various concerts both in Greece and abroad.

- Chess and Table Tennis Learning Academy.

- Basketball and Soccer teams.

- Training courses on Dietetics and Nutrition, in cooperation with the Prefectural Committee for Popular Education (NELE) of Thessaloniki.

- Latin and European dance lessons.

### PPC's Musical Ensembles

PPC's mixed choir was founded in 1978 by a group of PPC employees who shared their love for Choir singing.

Ever since, under the guidance of the Conductors Ioannis Thanopoulos, Christophoros Zissopoulos and Konstandina Papathanassiou, the choir has studied a rich repertoire of works from different composers

and periods. Additionally, it has a strong presence in the country's musical events, either through independent appearances in concerts and choir festivals, in Greece and abroad, or by performing along with other remarkable choirs, orchestras and composers in cultural halls such as the Athens Concert Hall, the Thessaloniki Concert Hall and the Odeon of Herodes Atticus.

Today, PPC's mixed choir and strings orchestra count about 50 active members. It is called "Musical Ensembles" and operates under the responsibility of the Communications Department. As from May 2005, the choir's artistic direction was entrusted to the well-known conductor Kostis Konstandaras.

## Employee benefits

### Loans for everyday needs

We help our employees meet every-day needs by giving them loans at interest rates which are lower than those of the market. More precisely, we grant loans for the purchase, construction, completion or repair of an employee's first residence, for wedding and childbirth expenses, as well as for children's studies in higher education institutes which are located outside an employee's city of residence. Furthermore, we grant loans in case an employee's blood relative dies, as well as loans for damages caused by fire or flood, for moving expenses etc. All of these loans are paid off through salary deduction.

## PPC for its employees



### PPC Personnel Cooperative

We support the Cooperative of PPC Personnel, since it is a vital means of protecting the income of our active and retired employees. After 65 years of successful operation, the Cooperative serves 22,500 members, all of which are active or retired PPC employees. Its activities focus on the provision of goods and services.

PPC's Cooperative owns four large stores in the cities of Athens, Prolemais, Kozani and Megalopolis, which offer a wide variety of products, mobile telephony services, car insurance services and broker services for low-cost purchase of land plots at summer resorts.

Its members have the possibility to buy the offered goods and services on credit and then pay them off through salary deduction. The Cooperative also col-

laborates with large commercial stores and Super Markets, where its members may purchase goods in many interest-free instalments.

### Canteens and Restaurants

Each Company Unit has catering centres, that is canteens or restaurants.

The canteens, which are usually run inside the units of urban centres, offer to the personnel light meals, refreshments and beverages at cost price, without the employees having to leave their workplace. As for the restaurants, they operate inside most of PPC generation units (Mines, Power Plants) and offer monthly menus at cost price.

### PPC Settlements

We have built privately-owned settlements both near Power Plants and Lignite Mines. These settlements offer to the person-

nel a place to live at a minimum cost, even if they already own a house in the wider region.

Furthermore, we rent residences to the supervisors of Transmission Substations at a nominal rent.

### Personnel Transport

Whenever our employees cannot use the public transportation means to go to work, we undertake their transportation to service units by hiring buses.

### Nursery Schools

In Cooperation with the Insurance Organization of PPC Personnel, we run three nursery schools where the children of our employees are looked after. Additionally, we offer financial benefits to the employees who choose to enrol their children to other nursery schools, which are not owned by the Corporation.

## Employees and recreation

Under the auspices of PPC, the Social Activities Organization for Employees of PPC & the Electric Energy Branch was set up, which offers to the employees various low-cost opportunities for holidays in summer resorts or for participation in organized excursions, in Greece and abroad.

In addition, we run two camps, both for the children and the employees, while we finance the holidays of our employees' children in camps which are not owned by the Company.

Finally, each December, PPC Board of Directors gives funds to all of PPC service units for organizing a celebration for the New Year and we give away Christmas gifts to the children of our active and retired employees.

## Social Policy continued

As an exception to the standard personnel recruitment procedures, we recruit family members of employees who died on duty and had not yet established a right to pension, as well as individuals with special needs or members of their families.

Furthermore, we approve paid leaves in various cases, such as for educational purposes, for personal reasons (marriage leave, maternity leave, parental leave, family responsibility leave), as well as for participation in sports events, blood donation etc.

Finally, in special cases, we give to our employees the possibility to work on a part-time basis, always in accordance with the law.



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