



2017

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT



Public Power Corporation S.A.-Hellas
Always by your side



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1. MESSAGE FROM THE CHAIRMAN AND CEO

PPC and Social Responsibility are two interconnected concepts!

The company, currently operating in a highly competitive environment, develops its corporate characteristics by combining its necessary financial strength with the fulfillment of its social mission.

PPC has adopted the 17 Sustainable Development Goals of the UN, which are at the heart of the 2030 Agenda and are linked to the most important challenges of our time.

The strategy for the sustainable development of PPC is intertwined with the full spectrum of its activities, from its financial performance, the market and the customers to its environmental footprint, its working relations and its social responsibility.

In terms of entrepreneurship, PPC is being transformed into a modern European company with international activity, with partnerships and investments of crucial importance for the energy security of the country. Moreover, the company invests in technological and environmental modernization and innovation, while accelerating the development of the Renewables and developing products and services aiming at improving energy efficiency and savings in the context of EU policies.

Fundamental Principles: adequate provision of services and respect for customers. The personnel entrusted with this duty is encouraged and trained to act in a consistent, professional and responsible manner, achieving tangible results.

Provision of services to our customers:

- 112 sales offices across the country, equipped with the most advanced information systems. We will shortly be opening new sales offices in Athens-Piraeus-Thessaloniki-Patra.*
- The Call Center which operates at national level provides in a satisfactory manner a full range of information and services pertaining to the common transactions with the company.*



- The corporate website (www.dei.gr) provides access to all required information.
- The electronic bill, used by more than 550,000 customers, has dramatically improved the customer service support in the most secure and reliable way, while enhancing our environmental footprint.

PPC investments which exceed 2.3 billion from 2015 till to date, apart from having modernized and enhanced the energy installations and infrastructure of the country, have created thousands of new jobs.

With regard to the environment, suffice it to say that 94% of PPC power is generated by environmentally certified Power Plants, while the Ptolemaida - Amyntaio Lignite Center is ISO /4001-certified.

As far as Human Resources and its development are concerned, it is noted that 135,000 hours of training were provided to 8,000 employees in 2017. Approximately 40,500 training hours concerned matters of Occupational Health and Safety, a field in which PPC is among the most advanced companies at an international level.

Moreover, a modern Personnel Evaluation System was established, aiming at improving not only employees' performance but their development according to merit-based criteria as well.

PPC is implementing a social responsibility policy in favour of vulnerable groups of consumers and supports programs of cultural and sporting development for which it granted EUR 1.4 million in 2017.

Within this framework:

- It continues to implement the district heating program (standard system of sustainable energy management), playing thus a determining role in the reduction of heating costs of households and businesses in local communities where PPC's power plants are located.
- It continues to support the agricultural production nationwide by implementing special tariffs, as well as the hundreds of thousands of our citizens who suffer from poverty. In 2017 approximately 690,000 customers joined the Social Residential Tariff (SRT).

- It supports local communities in areas where PPC's power plants are in operation and, inter alia, last year, through the countervailing fee for the development of industrial areas where power generation takes place (special lignite fee), it funded infrastructure projects, as well as projects on environment protection and stimulation of local economies, amounting to EUR 24.2 million.
- In the context of contribution to culture, it supports the initiatives and the activities of the residents in areas where PPC is very active and at the same time it carries out projects on the maintenance and enhancement of our cultural heritage. In particular, in 2017 it granted EUR 6.8 million for archaeological salvage excavations at the mines of Ptolemaida and Amyntaio.

The Annual Report of the current year records and analyzes our performance in sustainable development issues using objective evidence and reflects with clarity the Company's commitment to transparent practices of corporate governance.

Today we acknowledge that we are moving into a "new era of responsibility"; that is why PPC is among the companies whose business is oriented towards the economy of the future taking into account the corporate social responsibility and the sustainable development.

With these in mind, we have mapped out our future.

Emmanuel M. Panagiotakis

Chairman and CEO

2. ABOUT THE REPORT

The Corporate Social Responsibility and Sustainability Report 2017 covers the period 1.1.2017 to 31.12.2017 and is PPC's seventh sustainability report.

Scope and boundary

The Report refers to the activities of the parent Company, namely the Public Power Corporation S.A. (hereinafter "PPC" or the "Company") in Greece. Data relating to subsidiaries, possible joint ventures, suppliers or third parties have not been included in the Report.

Where data have been revised, the reasons for such revisions are indicated.

Defining content

The Report seeks to present PPC's performance on Corporate Social Responsibility (CSR) and sustainable development issues, by examining the three core issues of Economy, Environment and Society. It is aimed at all the Company's Stakeholder groups, such as customers, shareholders and investors, associates, employees, institutional and public bodies, and local communities.

The Report has been prepared in accordance with the core option of the Global Reporting Initiative guidelines (GRI Standards). Reference is also made to PPC's contribution to the achievement of the 17 UN Sustainable Development Goals.

The process for defining the report's content was based on the GRI Standards guidelines, as well as the principles of inclusiveness, materiality, sustainability and completeness, and the related GRI Technical Protocols for Indicators are included. Moreover, the GRI - Electric Utilities Sector Supplement, the principles of the Accountability AA1000 standard on inclusiveness, materiality and responsiveness, the criteria in the Hellenic Sustainability Code, Stakeholders' expectations and the characteristics of Greek society were also taken into consideration.

The material aspects included were ranked based on their impact on the Company and Stakeholders, based on the PPC sustainability materiality analysis and contact with Stakeholders (as outlined in sections 4.3 and 4.4. of the Report).

Finally, the completeness of the aspects was assessed and the content of the Report was determined.

Drafting the report

The Corporate Social Responsibility Section, which falls under the Corporate Affairs and

Communications Department, is responsible for collecting the data needed for this Report. The Report Steering Committee may also participate in the process. The role of this Committee, comprised of Management executives, is to facilitate workflows where the Corporate Social Responsibility Section fails to resolve issues.

The Corporate Social Responsibility Section follows the steps of the Sustainability Report Data Collection process that have been internally adopted by the Company. This process oversees the formulation of questions on sustainable development that are addressed to company Divisions in charge. Also as part of process, answers are collected through electronic forms, which ease their uniform processing structure. The CSR team, plays a leading role in the data collection process. It is established by the CEO and comprises of the Divisions' and Independent Unit's employees.

To collect the data required for this Report, updated data collection forms were used in order to improve the Report preparation process and to increase the quantity of information disclosed.

The Corporate Social Responsibility Section then groups the necessary data by information source and coordinates the Corporate Social Responsibility Team members as they gather the relevant information. The data collected are approved by the relevant Directors and sent to the Corporate Social Responsibility Section. The Section evaluates the data and may request clarifications, modifications or additional information where necessary. After the quantitative indicators are calculated, the data are consolidated (where required), and then the Report is drafted. The final draft of the Report is checked and approved by the Company's Senior Management.

The method of processing raw numerical data to cover composite indicators is described in the respective sections of the Report. Note no major changes have been carried out to data measurement and processing methods used compared to those employed in the previous report. Where differences arise, this is clearly stated in the relevant section.

Data sources

The data and the information presented in this Report have been collected and processed from the databases held at PPC headquarters and by its individual Departments, with the support of different computer systems, applications, archives and established processes.

In cases where it was impossible to collect homogeneous data from all PPC activities to allow general, comprehensive results to be produced, the Report presents selected data with clear reference to the operational unit involved.

External assurance

The Report was submitted for external assurance by an independent assurance provider in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000).

YOUR OPINION COUNTS

Your opinion as a reader of this Report is very important to us. We welcome your comments, questions, and any queries, clarifications or proposals for improvement that you may have.

Please forward your comments to:

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Corporate Affairs and Communications Department
Public Power Corporation S.A.

32 Chalkokondyli st., Athens GR-10432

Tel.: 210 5292 597, Fax: 210 5234 379

E-mail: n.mademlis@dei.com.gr, v.vassileiadi@dei.com.gr

Company Website: **www.dei.gr**

3. CORPORATE PROFILE



Natural gas - Unit V - Megalopolis

KEY FINANCIAL INFORMATION (mil. euro)

4,847

REVENUES

406

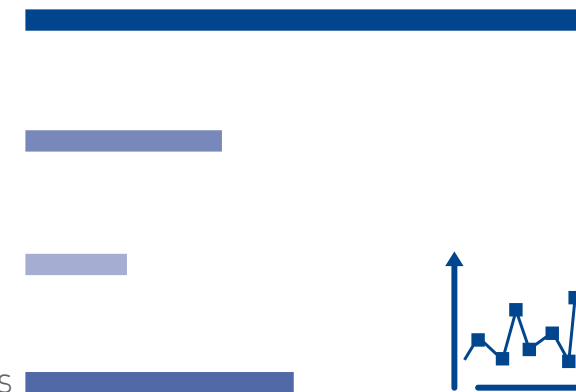
INVESTMENTS

216

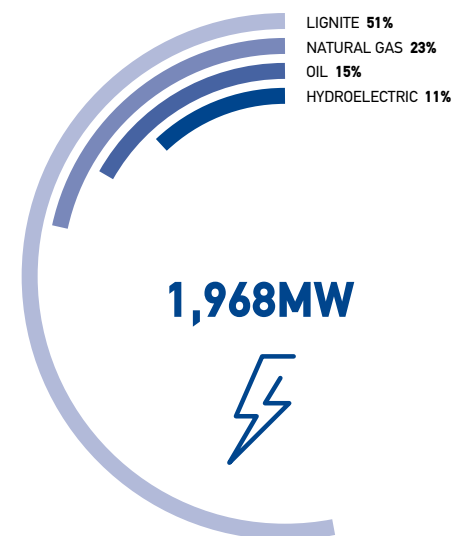
NET REVENUE

559

SALARIES AND EMPLOYEE BENEFITS
INCLUDING EMPLOYER SOCIAL SECURITY
CONTRIBUTIONS



INSTALLED CAPACITY



NET ENERGY OUTPUT

32,326GWh



OIL 15%
NATURAL GAS 22%
HYDROELECTRIC 27%
LIGNITE 36%

The Public Power Corporation S.A. (PPC or the Company), trading as PPC S.A., is Greece's largest electricity producer and supplier. PPC has its own lignite mines, and power generation and distribution facilities. It is one of Greece's largest industrial companies in terms of fixed assets, and is a leading public utility offering electricity in Greece.

MINES - GENERATION - SUPPLY

9

MINES

13

THERMAL POWER PLANTS

16

HYDROELECTRIC POWER PLANTS

32

AUTONOMOUS AND LOCAL
POWER PLANTS

112

SALES OFFICES

3.1 ACTIVITIES

The Public Power Corporation S.A. (PPC or the Company), trading as PPC S.A., is Greece's largest electricity producer and supplier. PPC has its own lignite mines, and power generation and distribution facilities. It is one of Greece's largest industrial companies in terms of fixed assets, and is a leading public utility offering electricity in Greece.

The Company's registered offices are at 30 Chalkokondyli st., Athens, GR-10432.

PPC's main objective is to engage in commercial and industrial activity in the energy sector in both Greece and abroad. Just some of its main activities include designing, supervising, constructing, operating as well as maintaining and running power plants. In addition, the Company also supplies and sells electricity, operates mines, produces and procures fuels to generate energy, and outsources such activities to third parties. The Company's objectives also include setting up other companies, participating in joint ventures, and acquiring shares in other companies, whether Greek or foreign, and participating in businesses in general that have objectives related to those outlined above, or activities which are directly or indirectly associated with the PPC's objectives, or which seek to utilise the PPC's moveable or immovable assets and to capitalise on its resources.

In 2011, the Transmission business moved to Independent Power Transmission Operator S.A. (IPTO). In 2017, the full ownership unbundling of IPTO SA was completed as provided for in articles 142 et seq. of Law 4389/2016.

In 2012 the Distribution business was transferred to Hellenic Electricity Distribution Network Operator S.A. (HEDNO). After the spin-off, PPC retained ownership of the property and the assets of the Distribution Network and the Network of Non-Interconnected Islands.

Law 4001/2011 states that HEDNO is responsible for suitably running, maintaining and developing the Distribution Network in light of private economy considerations, and therefore is responsible for ensuring that electricity reaches homes and businesses nationwide without interruption. Under that same law, an operator has been established for all networks nationwide (HEDNO), apart from certain small networks which may have their own operator. All network fixed assets remain the property of PPC, apart from the internal network at Athens Airport (which is owned and operated by the Airport itself).

As the owner of the network, PPC must ensure that the resources needed to develop the network in line with the plans prepared by HEDNO are available. The Law also safeguards PPC's financial rights as owner of the Network, including PPC's right to set general limits of the extent of its own borrowing, and the right to approve HEDNO's annual budget.

PPC (THE PARENT COMPANY) IN FIGURES

REVENUES

€ 4,847 mil.

EMPLOYEES

10,672*

INSTALLED CAPACITY

11,968MW

NET ENERGY OUTPUT

32,326GWh

INVESTMENTS

€ 406.06 mil.

MINES

9 (5 administrative units)

THERMAL POWER PLANTS

13

HYDROELECTRIC PLANTS

16

AUTONOMOUS AND LOCAL POWER PLANTS

32

CONNECTIONS

7,176,162

SALES OFFICES

112

* This includes PPC's employees working at PPC Renewables S.A.

Today the Company is organised and operates in sectors as follows:

Mines

PPC's mining activities are managed by the Mines Business Unit. The mission of the Mines Business Unit is to explore, extract, manage and market lignite and other solid energy raw materials and to use the proceeds of its activities, to contribute to the energy security and economic development of the country, while respecting the environment and man.

The low cost of lignite mining, its stable and readily controllable price and the fact that there is stability and security in fuel supply, make lignite a fuel of strategic importance for the Company. Moreover, the lignite extraction process creates thousands of jobs for the residents of the Greek regions, especially in areas where the Company operates.

Generation

The PPC Generation Business Unit is responsible for power generation. Its main task is to develop the generating capacity of thermal power plants and large hydroelectric power plants (HPP) belonging to PPC and to ensure the optimal running of those facilities, while complying with environmental requirements.

On mainland Greece most of the Company's generation capacity is concentrated in the north of the country close to large lignite mines which are the main source of fuel. On the Aegean islands, which are not connected to the National Transmission Network, our autonomous power stations are fuelled by oil. RES (renewable energy source) Plants are also in operation on both the Interconnected System and the Non-Interconnected Islands.

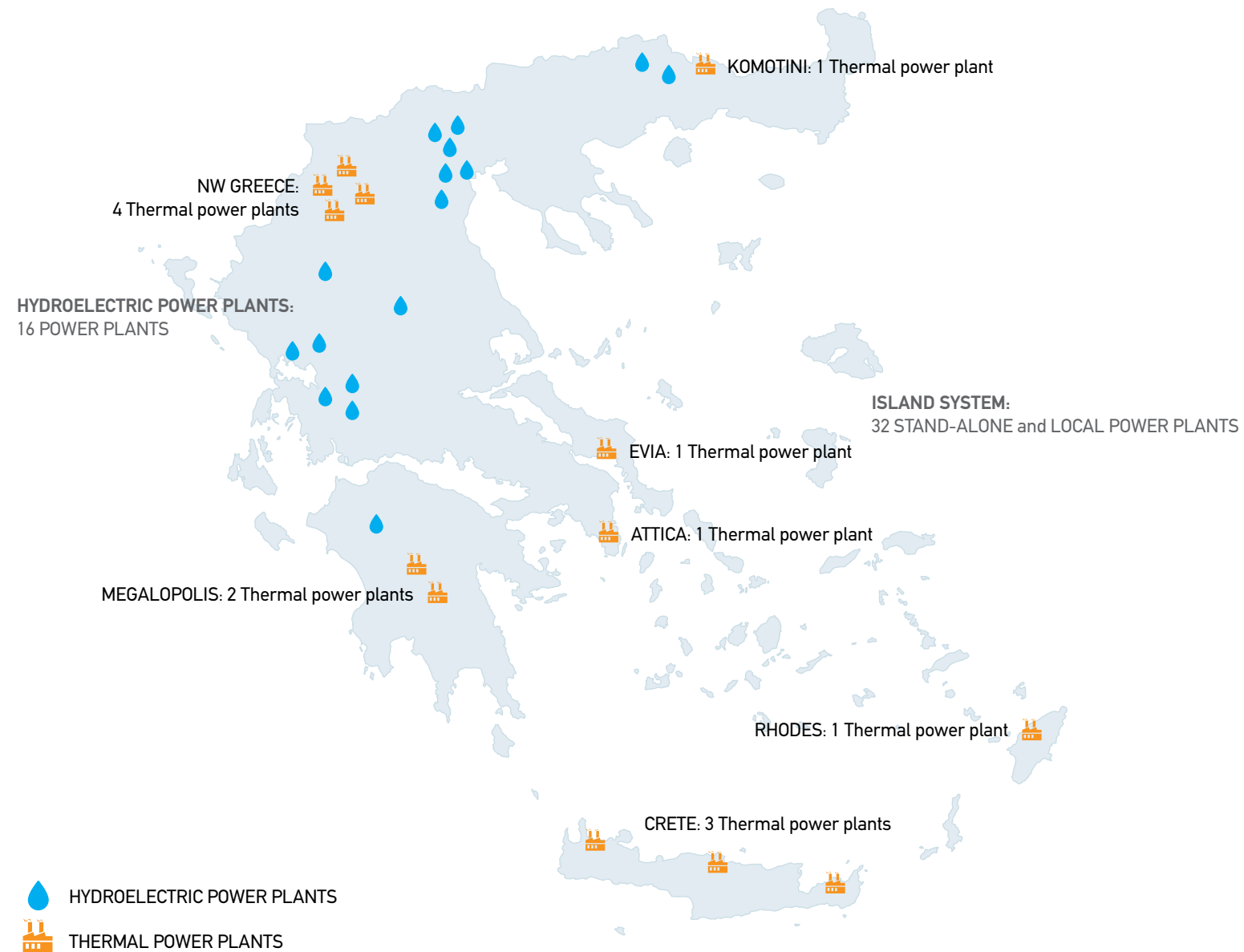


Megalopolis Lignite Centre

To maintain its position in the deregulated energy market, PPC's Generation Business Unit has made certain strategically important decisions. These include:

- Construction of new power Plants that incorporate cutting-edge technologies and optimal techniques.
- The phasing out of old, inefficient power plants.
- Speeding up completion of hydroelectric projects.
- Upgrading autonomous and local power plants on the Non-Interconnected Islands.
- Reducing CO₂ emissions.

GEOGRAPHICAL DISTRIBUTION OF POWER PLANTS



The distribution of power plants with a total installed capacity of 11,968MW by primary energy source as of 31.12.2017 (RES excluded) is shown in the table below

PRIMARY ENERGY SOURCE	INSTALLED CAPACITY IN 2015 (MW)	INSTALLED CAPACITY IN 2016 (MW)	INSTALLED CAPACITY IN 2017 (MW)
Lignite	4,337 (34%)	4,337 (36%)	4,337 (36%)
Natural Gas	2,849 (22%)	2,689 (22%)	2,689 (22%)
Oil	2,514 (19%)	1,779 (15%)	1,771 (15%)
Hydroelectric	3,171 (25%)	3,171 (27%)	3,171 (27%)
Total	12,871	11,976	11,968

In 2017, the total installed capacity, presented a marginal decrease compared to 2016. This marginal decrease was attributed to the 8MW decrease of the Island Generation Department's APP/LPP installed capacity.

The distribution of power plants in terms of net power output 32,326GWh per category of energy source is shown in the table below

PRIMARY ENERGY SOURCE	NET POWER OUTPUT IN 2015 (GWH)	NET POWER OUTPUT IN 2016 (GWH)	NET POWER OUTPUT IN 2017 (GWH)
Lignite	19,418 (57%)	14,898 (50%)	16,387 (51%)
Natural Gas	4,424 (13%)	5,603 (19%)	7,656 (23%)
Oil	4,573 (14%)	4,638 (15%)	4,827 (15%)
Hydroelectric	5,391 (16%)	4,843 (16%)	3,456 (11%)
Total	33,806	29,982	32,326

In 2017, the total net power output of all Plants operated by PPC's Generation Business Unit was 32.33 TWh, showcasing an increase of 7.8% compared to 2016. This power output increase is attributed to the increase of aggregated demand by 2.7%, the natural gas crisis that occurred the first two months of the year as well as the decrease of electricity imports from PPC και other energy companies by 17.2%.

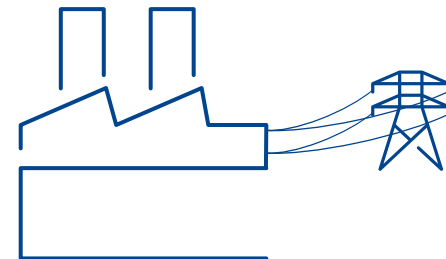


Kastraki HPP

More specifically, PPC's electricity generation showcased an increase of 2,344GWh (7.8%), which stemmed from the natural gas power Plants' increase in energy generation by 36.6% (2,053GWh), as well as the increase of the lignite power Plants' net power output by 10% (1,489GWh). On the contrary, hydroelectric power output was reduced by 28.6% (1,387GWh), since the overexploitation of the Hydroelectric Power Plants' generation capacity in January 2017, caused a large decrease in water reserve levels, which couldn't be restored due to the extremely low water inflow that occurred in the remaining of the months of 2017.

The availability rates and average performance rates of PPC facilities are shown in the table below: The efficiency rate is affected by the dispatching of the plants and by the exploitation rate.

FACILITIES	2015		2016		2017	
	AVAIL- ABILITY [%]*	AVERAGE EFFICIENCY [%]**	AVAIL- ABILITY [%]*	AVERAGE EFFICIENCY [%]**	AVAIL- ABILITY [%]*	AVERAGE EFFICIENCY [%]**
INTERCONNECTED SYSTEM						
Lignite plants	74.78	31.22	77.39	31.13	70.45	30.72
Oil plants	-	-	-	-	-	-
Natural gas plants	69.53	51.50	66.71	49.60	81.30	50.82
Total	73.20	33.29	73.30	34.67	74.52	35.15
CRETE						
Oil plants (LFO)	87.39	33.96	83.36	34.37	82.79	34.10
Oil plants (diesel)	84.92	32.95	87.69	33.08	78.42	32.67
Total	86.01	33.72	85.77	34.04	80.32	33.72
RHODES						
Oil plants (fuel oil)	87.01	35.72	86.09	36.30	82.91	36.65
Oil plants (diesel)	97.08	28.49	96.74	28.71	96.89	28.52
Total	92.24	34.24	91.65	34.90	90.12	34.86
OTHER NON-INTERCONNECTED ISLANDS						
Oil plants	89.20	39.91	88.56	39.99	87.76	40.02



* Average availability is cited. The calculation in each instance refers to the weighted average availability of all Plants using a specific type of fuel. Likewise, 'total' relates to the weighted average availability of all PPC Thermal Plants..

** Net efficiency is cited, in other words average efficiency is calculated based on the efficiency rate of the energy output. The calculation relates to the weighted average annual efficiencies for all Plants using a specific fuel. Likewise, 'total' relates to the weighted average efficiency of all PPC Thermal Plants.

Supply

The aim of the General Supply Business Unit is to present the modern face of PPC, by making use of its esteemed reputational "inheritance" of being the largest energy provider in Greece by:

- building on its values with integrity and consistency,
- modernizing the Company's procedures to reflect international trends, the customers' current needs and at the same time stay attuned with the regulatory framework in Greece's new liberalised electricity market,
- designing new services and energy products, which will result in the conservation of energy and the long run reduction of energy costs,
- sustaining and cultivating PPC's trust relationships with its customers on a new basis, by offering direct, impeccable customer service support both in terms of timing and quality, via the phone or internet, and through a network of modern sales offices:
 - with a highly trained sales-focused team
 - using improved, cutting-edge procedures
 - in a comfortable, secure environment for all
 - focused on creating an enlarged multi-channel sales network.

The table below shows the various categories of medium and high voltage connections available from the Company and the corresponding number. Out of a total of 7,176,082 connections, 78% are household connections and 16% are commercial.

MEDIUM AND LOW VOLTAGE CONNECTIONS	NO. OF CONNECTIONS IN 2015	NO. OF CONNECTIONS IN 2016	NO. OF CONNECTIONS IN 2017
Residential	5,756,719	5,711,928	5,608,069
Agricultural	206,223	206,213	199,149
Commercial	1,232,277	1,202,546	1,167,024
Industrial	56,366	52,350	47,781
Public lighting (roads & squares)	106,663	107,214	107,398
Public authorities	46,333	46,635	46,563
Traction	98	98	98
Total	7,404,679	7,326,984	7,176,082



PPC Sales Office

In addition to low and medium voltage customers, in 2016, PPC also served 80 high voltage connections.

At the end of 2017, PPC had 112 sales offices; 20 of which were located in Attica, 41 in the North of Greece and 51 in the South of Greece. Additionally there are 11 major customer service points; 3 in Athens, 5 in Thessaloniki and 3 in Patras.

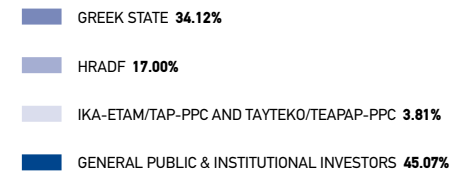
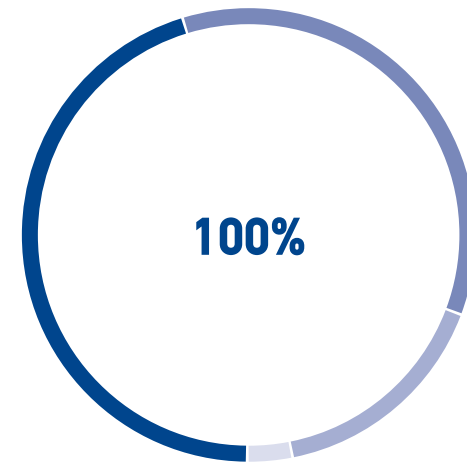
3.2 SHAREHOLDER STRUCTURE

Following the decision from Shareholders' General Meeting, held on the 17th January 2017, PPC's share capital was decreased. In present monetary terms, the decrease is estimated at € 575,360,000, divided into € 232,000,000 ordinary shares with a nominal value of € 2.48 each.

SHAREHOLDER STRUCTURE (31.12.2017)	PERCENTAGE
Greek State*	34.12%
Hellenic Republic Asset Development Fund (HRADF)	17.00%
IKA-ETAM/TAP-PPC Fund and TAYTEKO/TEAPAP-PPC Fund (ex OAP/ PPC Pension Fund)	3.81%
General public & institutional investors**	45.07%
Total	100.00%

* Through the Hellenic Republic Asset Development Fund (HRADF), which is wholly owned by the Greek State, the Greek State directly or indirectly controls 51.12% of the ordinary shares in PPC S.A. On 8.4.2014 the Interministerial Committee for Restructuring and Privatisation decided to transfer 39,440,000 ordinary shares with voting rights in PPC (accounting for 17% of the company's share capital at that time) from the Greek State to HRADF free of consideration, in accordance with the provisions of Law 3986/2011. The transfer took place after an over-the-counter (OTC) transaction which had taken place on 9.4.2014.

** This includes the "Silchester International Investors LLP" holding of 32,024,558 shares (13.8% of PPC voting rights) as of 8.12.2011, in its role as manager of investments of its following clients: Silchester International Investors International Value Equity Trust, Silchester International Investors International Value Equity Taxable Trust, Silchester International Investors International Value Equity Group Trust, Silchester International Investors Tobacco Free International Value Equity Trust and The Calvea Trust.



On 31.12.2017 PPC was not aware of any shareholders other than the "Greek State", "Silchester International Investors LLP", "Horizon Growth Fund N.V. and the "IKA-ETAM/TAP- PPC Fund" and "TAYTEKO/TEAPAP-PPC Fund" taken collectively, who directly hold 3% or more of its share capital.

More information is available in the 2017 Annual Report.

3.3 HOLDINGS IN SUBSIDIARIES

The following table presents the companies that were wholly owned by PPC on 31.12.2017.

SUBSIDIARY	BUSINESS
PPC Renewables S.A.	Renewable energy sources (RES)
HEDNO S.A.	Management, development, operation and maintenance of the Hellenic Electricity Distribution Network (HEDN)
PPC FINANCE PLC	Financial services
PPC ELEKTRİK TEDARİK VE TİCARET ANONİM ŞİRKETİ	Electricity supply
PPC ALBANIA Sh.A	Electricity supply

3.4 CORPORATE GOVERNANCE FRAMEWORK

For PPC, complying with corporate governance principles is a key commitment and priority. Since the Company aims to ensure that it is optimally organised, managed and run, that there are increased levels of transparency in its relations with shareholders and generally that the Company's interests are safeguarded, it has adopted and implements a Code of Corporate Governance. This Code provides a framework of principles and procedures which the Corporate Governance System of the Company follows as regards management, shareholders, internal audits and risk management.

The Code of Corporate Governance is available on the PPC website: www.dei.gr

3.5 ADMINISTRATIVE ORGANISATION

In 2017, PPC proceeded with the establishment of the Corporate Development Division to support and implement PPC's business development activity.

The Strategy and Transformation Division was established in order to support PPC's corporate restructuring, in accordance with the Corporate Plan, and upgrade its regulatory and environmental issues' management process.

In addition, the Risk Management, Planning and Control Department was established as part

MATERIAL TOPIC: CORPORATE GOVERNANCE, ETHICS AND VALUES

Corporate governance, ethics and values have been recognised as material aspects by Management and the Company's very own employees, customers, associates and suppliers, non-Governmental/Non-Profit Organisations, by the State, regulatory authorities and by public agencies. With the Board of Directors' approval PPC implements a Code of Corporate Governance which sets out the corporate Governance framework and guidelines.

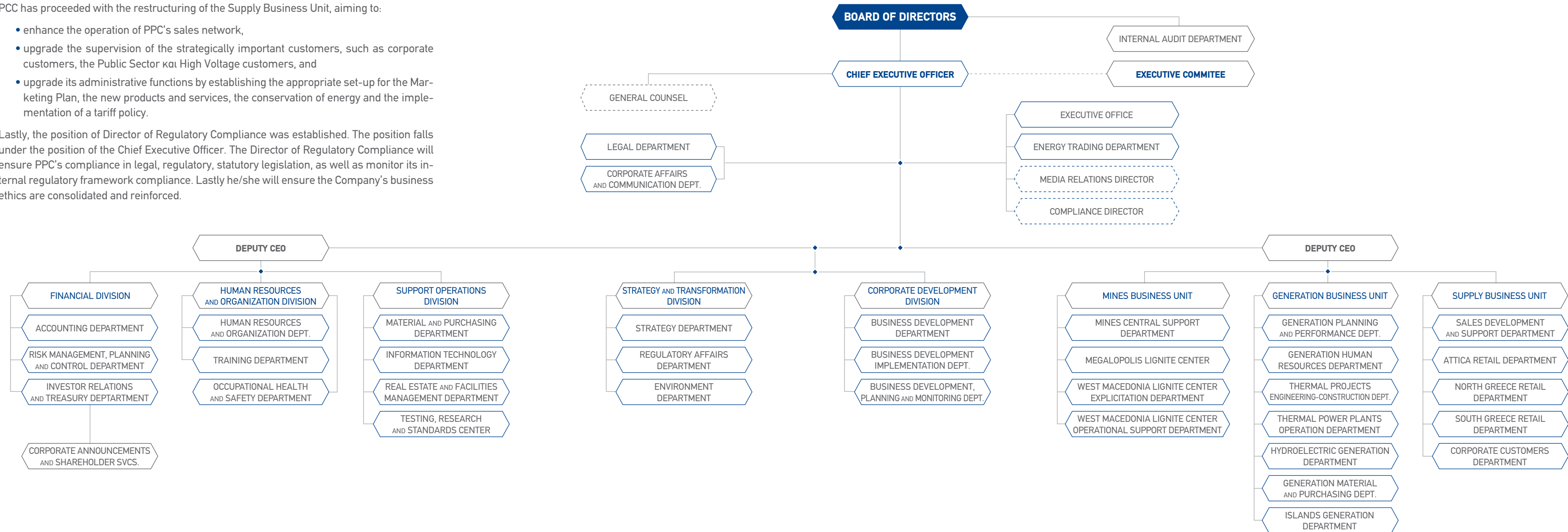
of the Finance Division, by integrating the former independent Risk Management Department into the Financial Planning and Control Department.

PPC has proceeded with the restructuring of the Supply Business Unit, aiming to:

- enhance the operation of PPC's sales network,
- upgrade the supervision of the strategically important customers, such as corporate customers, the Public Sector and High Voltage customers, and
- upgrade its administrative functions by establishing the appropriate set-up for the Marketing Plan, the new products and services, the conservation of energy and the implementation of a tariff policy.

Lastly, the position of Director of Regulatory Compliance was established. The position falls under the position of the Chief Executive Officer. The Director of Regulatory Compliance will ensure PPC's compliance in legal, regulatory, statutory legislation, as well as monitor its internal regulatory framework compliance. Lastly he/she will ensure the Company's business ethics are consolidated and reinforced.

PPC ORGANISATIONAL CHART



3.6 GOVERNANCE STRUCTURE

PPC's General Meeting of Shareholders is the supreme management body and has the right to take decisions on any issue affecting the Company.

Apart from the General Meeting of Shareholders, the Company's governance bodies include:

- The Board of Directors
- The CEO
- The Executive Committee

Summary information is provided below about the governance bodies and the procedures that applied on 31.12.2017. Detailed information about the governance bodies is available in the 2017 Annual Report.

Board of Directors

The Board of Directors (BoD) is PPC's highest-ranking management body. The BoD lays down the Company's strategy and its development policy, while also overseeing and reviewing management of its assets. On a proposal from the CEO, the BoD approves:

- the Strategic Plan that outlines the strategic goals for achieving the Company's objectives,
- the Company's Business Plan for the next 3 to 5 years, that provides further details about the objectives set in the Strategic Plan for each year,
- the methods for implementing the Strategic Plan and the Business Plan for each year,
- the Company's annual budget.

The Board of Directors consists of 11 members who are elected as follows:

- Nine (9) members, including the CEO, are elected by the Company's General Meeting of Shareholders. Of those members, the Board elects a Chairman and Vice Chairman.
- Two (2) members representing the PPC employees are elected by direct, universal ballot after PPC's most representative employee trade union is notified.

On 31.12.2017, the BoD consisted of 10 men and one women, all aged over 50.



NAME	POST	EXECUTIVE MEMBER	NON-EXECUTIVE MEMBER	INDEPENDENT	AUDIT COMMITTEE	REMUNERATION COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY SUPERVISION
Emmanuel Panagiotakis	CHAIRMAN CEO	√	-	-	-	-	-
Georgios Andriotis	VICE CHAIRMAN	-	√	√	√	√	-
Panagiotis Alexakis	MEMBER	-	√	√	√	√	√
Demetrios Vassilakis	MEMBER	-	√	√	-	-	-
Aris Vatalis	MEMBER	-	√	-	-	-	√
Pantelis Karaleftheris	MEMBER Employee representative	-	√	-	-	-	-
Christos Papageorgiou	MEMBER	-	√	√	√	√	-
Lazaros Stathakis	MEMBER	√	-	-	-	-	-
Frangiskos Topalis	MEMBER	-	√	√	-	-	-
Maria Founti	MEMBER	-	√	√	-	-	-
Nikolaos Fotopoulos	MEMBER Employee representative	-	√	-	-	-	-

CEO

The PPC's CEO is elected by the General Meeting of the Shareholders and has a 3-year term in office:

- He is the PPC's Chief Executive Officer.
- He supervises all divisions and departments and manages their operations.
- He decides on how the Company is to be organised, within the context laid down by the Articles of Incorporation and the relevant decisions of the Board of Directors.
- He takes the necessary decisions in light of the provisions governing how the PPC operates the approved programmes and budgets, as well as the Strategic Plan and the Business Plan.
- He represents the Company within the limits of his powers as specified by the Articles of Incorporation and the relevant decisions of the Board of Directors.

Executive Committee

The Executive Committee is composed of the CEO, who chairs it, the Deputy CEOs, if any, and the Chief Officers. The Executive Committee meetings may also be attended by the Company General Counsel, at the CEO's discretion.

The Executive Committee operates in accordance with the decisions of the Board of Directors, the Articles of Incorporation and the Company's by-laws, ensuring the necessary degree of collective responsibility when handling PPC administrative and operational issues, and consistency in its own operations.

Board of Directors Committees

The Board of Directors has set up the Audit Committee and the Remuneration Committee, in implementation of the current legislation on corporate governance and in order to ensure the best corporate governance practices.

The Audit Committee consists, in general, of at least three non-executive members of the Board of Directors, the majority of which are independent. The members of the Audit Committee as a whole have, proven, substantial knowledge of the activities of the Company. While at least one member shall be inactive or retired chartered auditor-accountant or shall have sufficient knowledge of accountancy and auditing. The members of the Audit Committee are appointed by the General Meeting and their powers and duties are as follows:

- The follow-up of the financial information procedure and the submissions of recommendations or proposals for ensuring its integrity.
- The follow-up of the efficient operation of the internal audit system, the quality assurance system and the risk management system, as well as the follow-up of the proper operation of the Internal Audit Department, in particular with regard to the Company's financial information, while preserving its independence.
- The follow-up of the process of compulsory audit of stand-alone and consolidated financial statements and the process of informing the Board of Directors on its results, by means of explaining its contribution to the quality and integrity of the financial information and the role of the Audit Committee in the said process.
- The review and follow-up issues relating to the selection and continued objectiveness and independence of the certified auditors, especially in relation to other services provided by them to PPC and its subsidiaries.
- The responsibility for the selection process of chartered auditors-accountants or audit firms.

The Company's Remuneration Committee consists of three non-executive members of the Board of Directors, and at least two are independent. The Remuneration Committee is responsible for examining and submitting proposals to the BoD to set any remuneration and pay for Board members, as well as for the Corporation's senior executives, in this case with the involvement of the CEO.

3.7 CONFLICT OF INTEREST

In order to avoid conflict of interest, PPC implements a series of procedures which ensure that conflict between the interests of members of the Board of Directors, of executives and other employees and the Company are avoided.

More information on how conflict of interest are avoided is included in the 2017 Annual Report.

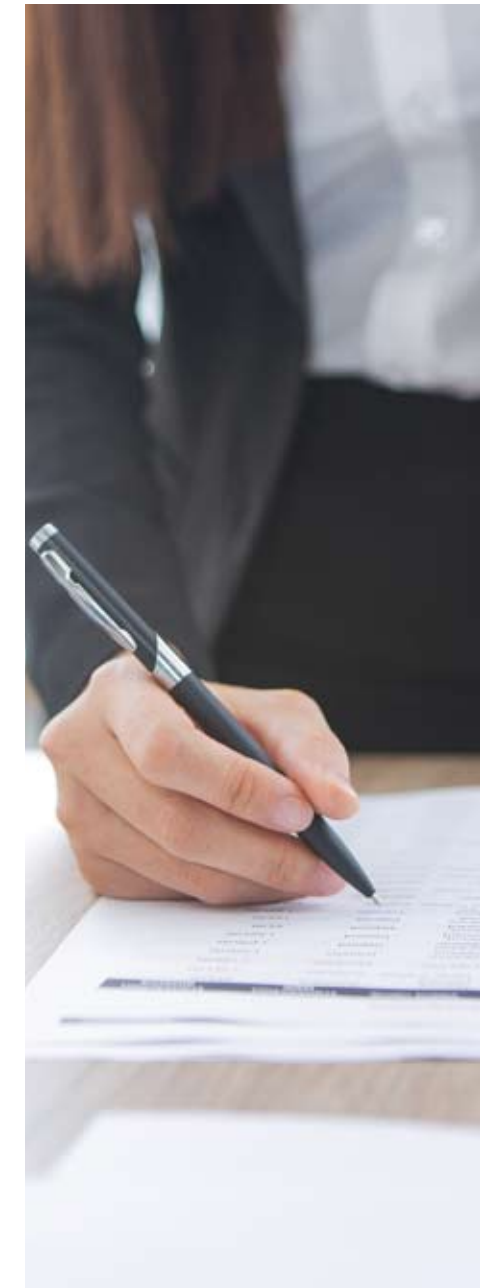
3.8 AUDITS AND REGULATORY COMPLIANCE

PPC has an Internal Audit Department that reports directly to the Board of Directors and is supervised by the Audit Committee. The Internal Audit Department's mission is to ensure that all PPC business risks are audited in the same way. It controls and evaluates the implemented from the Company Internal Audit System, with respect to its competence and effectiveness, by submitting proposals aimed towards its continuous improvement.

The Internal Audit Department, in accordance with the Company's Articles of Incorporation, inter alia, controls, evaluates and submits proposals regarding the Company's exposure to fraud and existing fraud detection and prevention methods.

In 2017, in exercising its powers to monitor the correct running of the Internal Audit Department, the Audit Committee held 10 meetings with staff of the Internal Audit Department. The agenda for those meetings focused on briefing the Audit Committee about the findings and results of audits the Internal Audit Department had carried out, and issues relevant to how the Department operates.

The Internal Audit Department's annual audit schedule is drawn up by identifying, updating and assessing PPC's operational risks and taking into account the Company's strategic goals, as well as all developments relevant to the environment in which it operates. The Audit Committee then submits the audit schedule to the Board of Directors for approval.



In 2017, 43 new audits were carried out on the Company's departments, involving compliance checks, as well as administrative, financial, special forms of audits and IT audits. From the aforementioned audits, 12 were completed within 2017 and 26 in the beginning of 2018, while 5 remain in progress. Additionally, within 2017, 22 audits that commenced in 2016, were completed.

In 2017, PPC, by aiming to further enhance its corporate precautions for regulatory compliance, proceeded with the establishment of the Director of Regulatory Compliance position, whose responsibilities among others include:

- Establishing a "Business Ethics and Compliance Programme", in accordance with international best practices, principles and rules, and monitoring of its implementation progress.
- Launching a communication procedure for Regulatory Compliance and Business Ethics issues, and managing a suitable channel for the submission of complaints and general non-compliance reports.
- Defining training needs and develop, in cooperation with the Training Department, training programs that will train and inform personnel on matters of Regulatory Compliance and Business Code of Conduct.

More information is presented in the Annual Report 2017.

COMPANY'S DEPARTMENTS AUDITS (2017)

43

NEW CARRIED OUT AUDITS

12

WERE COMPLETED WITHIN 2017

26

WERE COMPLETED IN THE BEGINNING OF 2018

5

REMAIN IN PROGRESS

22

THAT COMMENCED IN 2016, WERE COMPLETED

Audits involving compliance checks, as well as administrative, financial, special forms of audits and IT audits.

3.9 RISK AND CRISIS MANAGEMENT

The Company has defined 'risk' as a group of uncertain and unpredictable situations that could affect its overall operations, its business transactions, its financial performance or operating results, as well as implementation of its strategy and achievement of its objectives. The 2017 Annual Report sets out the key risks identified, including risks associated with macroeconomic conditions in Greece (the imposition of capital controls), risks associated with providing public utility services, with potential strikes, and with the acquisition and renewals of permits, the availability of lignite reserves, information system hacking, and laws and regulations pertaining to employee health and safety, among others. The 2017 Annual Report also lists risks which have been identified related to climate change and to CO2 trading rights, hydrological conditions, laws and regulations concerning the environment, and natural disasters.

PPC has established the Risk Management, Planning and Control Department but Risk Management has not been staffed, as a result of the lack of experienced staff due to constraints in hiring, as well as due to other adverse factors mentioned in the previous section. So far its line Management, on a case by case basis, is engaged in identifying and primarily assessing risks in order to submit recommendations to the Board of Directors regarding the design and approval of specific risk management procedures and policies.

The Energy Management Department has drawn up procedures to manage the wide range of risks associated with the performance of its mission. Those procedures seek to address:

- Operational risks related to faithful observance of procedures, how to avoid mistakes, inspection and verification of steps taken, data security and business continuity.
- Business risks associated with taking clear-cut, transparent, optimal business decisions at the right time.
- Cash flow risks, in cooperation with the Company's Financial Division, to ensure that financial obligations arising from day-to-day dealings can be met.
- Exchange rate risks arising from the international nature of the transactions the Energy Management Department engages in.
- Regulatory risks arising from the ever-changing nature of the energy market which is constantly developing.
- Counterparty Risks associated with the insolvency of counterparties the PPC does business with.

MATERIAL TOPIC: RISK / CRISIS MANAGEMENT

Risk/crisis management was primarily selected as a material aspect by company Management, employees, customers, associates and suppliers, the State, regulatory authorities and public agencies, and by non-governmental/non-profit organizations. PPC's Management makes concerted efforts to recognise, prevent and manage risks and crises in good time. PPC's Board of Directors examines the key risks PPC faces and refers to them in detail in the Board of Directors' Annual Financial Report.

PPC has purchased a cutting-edge Energy Trading and Risk Management (ETRM) system. Its installation has been completed to a significant degree. It aims to support the Company's business activities, manage the aforementioned risks, as well as prepare PPC for the requirements of the new energy market, that is expected to operate in the near future.

PPC has also developed and implemented a process to help it identify Sustainable Development Materiality Topics, to allow it to identify and prioritise its business impacts/risks based on the triptych of principles fundamental to Corporate Social Responsibility (economy, society and environment). This process is analysed in more detail in section 4.3.

Business Continuity

To ensure that PPC can continue to offer customers top quality services without interruption, the Company has developed a system to identify and respond in time to situations which affect or could affect the business continuity of critical functions, like the Mines at the Megalopolis Lignite Centre.

The Business Continuity Management System run by the Megalopolis Lignite Centre Department has received ISO 22301:2012 certification from an independent certification body. By rolling out this system to the mines, it is able to provide a direct, effective response to emergencies and unexpected developments, to take the right steps in each case to enable the Thermal Power Plants in the area to be supplied with fuel without interruption.

The Megalopolis Lignite Centre Department's Business Continuity Plan includes continuous, systematic identification of risks and threats, and assessment of their impact, thereby enabling it to plan and test in advance how to best react and recover from them.

The following tools are used in this regard:

- business impact analyses,
- risk assessment, and
- business continuity plans,

which cover all critical operations at the Megalopolis Lignite Centre Department. These are reviewed and updated at regular intervals to ensure that they accurately reflect the current situation.

Business Continuity Plans are regularly tested through drills to ensure that they can be successfully used in emergencies and that the Lignite Centre Department and employees understand how they are to be implemented, and that they also fully comprehend their roles and responsibilities.



3.10 ENERGY MARKET OPERATIONS AND PUBLIC POLICY

Greece's electricity sector is regulated in accordance with the European regulatory framework which has been transposed into Greek law and consists of various laws, Presidential Decrees, Ministerial Decisions and decisions of the Regulatory Authority for Energy that have the force of law.

The regulatory framework affects PPC's operations and its dealings with competitors and customers, and the decisions it takes about planned investments in technology, services and infrastructure. PPC responds to all regulatory issues that arise, and to achieve this it:

- Collaborates with the Regulatory Authority for Energy and the State (Ministry of the Environment and Energy) to shape an investment-friendly policy that bolsters fair competition. PPC is also actively involved in nationwide consultations on these matters.
- Puts forward its views in debates on how the new European regulatory framework should be transposed into national law, and about competition law.
- Strives to ensure that the RAE treats it impartially, to remove regulatory obligations for those services where adequate competition has developed.
- Presents its views to national and European regulatory authorities, agencies and judicial authorities about legal and competition issues.
- Ensures that regulatory obligations are adjusted appropriately, bearing the Company's interests in mind.
- Complies with regulatory obligations and participates in shaping the national and European regulatory framework by advancing views on regulatory issues in both national and European consultation processes.
- Has established a special organisation unit, namely the Regulatory Affairs Department, for the coordinated Management of all actions mentioned above.

The Regulatory Affairs Department is responsible, among others, for the monitoring of the regulatory framework that governs the energy market and the Group's activities as a whole, the estimation of regulatory risks, the assurance of regulatory compliance, the dispersion of information, views, analysis and additional processing matters. In cooperation with other organisational units of the Company, the Department aims to safeguard the Company's successful representation towards the regulatory institutions and bodies and secure the promotion of the Company's interest.

As Greece's main electricity supplier, PPC is involved in shaping and promoting the country's public policy on energy, publishing position papers setting out Management speeches and



MATERIAL TOPICS: REGULATORY ISSUES, MANAGEMENT OF NEW ENERGY MARKET CONDITIONS AND ENGAGEMENT IN PUBLIC POLICY IN GREECE ON ENERGY ISSUES

Management and company competitors have recognised PPC's involvement in managing regulatory issues as a material aspect of its operations. Further market deregulation has created uncertainties and challenges for PPC, and the Company considers that the need to generate results when it comes to regulatory issues will intensify.

The rapid developments in the energy market in Greece, coupled with the country's commitments under the MoUs which are bringing about changes in Greece's energy landscape, have made Management and employees more interested in the role the Company will play in the emerging energy and economic environment. PPC's goal continues to be to ensure a competitive environment, where the key concern is benefit for customers.

PPC's engagement in Greece's public policy on energy issues is recognised as a material aspect by the Company's Management team and employees, and by the State, regulatory authorities and public agencies. PPC is actively involved in shaping public policy, expressing its views on a range of issues relating to its operation, and more generally the modernisation of the domestic electricity market.

announcements, press releases, sending top executives to international and national conferences, engaging in discussions with agencies, attending events and participating in public consultations. In 2017 executives from PPC took part in more than 25 public consultations on issues which had a direct or indirect impact on the Company.

Additionally, already by the early period of 2017, PPC has established a Representation Office, falling under the Executive Office of the Company, where a senior member has been relocated. Its main objective is the continuous, reliable and detailed safeguarding of the Company's briefing on all the imminent updates of the European Legal Framework, as well as the promotion of its sentiments in cooperation with the respective responsible Services in charge. Already, from the first days of its operation, the Office has been active and has meaningfully intervened, during the last phase of negotiations, in the new Directive for the European Trading Scheme (2021-2030) as well as in the negotiation for the new package of the Clean Energy Protocol (CEP).

It is noted that in the ETS, due to PPC's intense mobilization, Greece was able to achieve equal treatment with regard to low carbon emission technology funding, among all Member States with low per capita salary, from the European Parliament. The funding will be provided through the Modernization Fund of European Union Emissions Trading System, for the period 2021-2030. As a result of the implemented directive, a significant amount of funding was collected for the decarbonization of energy in the Greek islands.

Over recent years PPC has repeatedly reiterated its arguments about the need to rationalise the electricity market, to ensure it operates competitively in a truly deregulated environment that benefits consumers.

PPC has argued for the need to set up a modern electricity market that:

- operates in a transparent, predictable manner to attract new investments when they are needed,
- bolsters competitiveness for the benefit of consumers and the national economy and
- effectively contributes to secure energy supplies for Greece over the long term.

The Greek framework of electricity purchasing is adjustable. With Law 4425/2016 (as amended and applicable by the Law 4512/2018 and Law 4546/2018) the rearrangement of the Greek electricity market has been institutionalized, in accordance with the European legislation on the establishment of the single European energy market, especially for its transition to the "Target Model". The Target Model's main objective is to achieve continuous offset between electricity's supply and demand at real time, through the forecasting of the factors that affect the equilibrium. The rearrangement, pertains to the management and organisation of one or

more Energy Markets (Electricity Market, Natural Gas Market, Environmental Market) or Financial Energy Markets from the Greek Energy Stock Market, which are expected to operate as an anonymous company (S.A.) following the prerequisite approvals from the regulatory Authorities in charge (Regulatory Authority For Energy and the Capital Market Commission). With regard to electricity, it is specified that electricity trading taking place at the Interconnected Electricity System, will be processed at the Forward Market, the Day-Ahead Market, the Intra-Day Market and the Balancing market. The Regulatory Authority for Energy (RAE) has set a public consultation on the Markets' regulations.

The establishment of the Energy Stock Market, for which PPC has expressed positive stance, is the prominent mean for the modernization of the energy markets and the implementation of the "Target Model". The new financial electricity market that is being established, will operate under conditions that will safeguard the transactions. It will attract investments due to the uniform and clear-cut operating rules and its similarity with the rest of the European markets. At the same time it will create the necessary liquidity, from the increased transaction volume, attracting company interest from South-East Europe.

Lastly, the NOME (Nouvelle Organisation du Marché de l'Electricité), that consist of individual future electricity products with physical delivery which result from a Special Purposes Regulated Mechanism, were implemented through Law 4336/2015. The Law imposes PPC to offer through the wholesale market's auctioning, a precise amount of electricity originating from its lignite and hydropower generation. The electricity is purchased at starting price set by RAE, which is derived from PPC's generation cost. The main aim is the rearrangement of market shares in the electricity retail market and the steady reduction of PPC's shares below 50% by 2020.



The Representation Office of the Company at Brussels



3.11 NEW MARKETS AND INVESTMENTS

In 2017 the PPC Group invested € 411 million in upgrading and modernising its infrastructure. In the renewables sector, the subsidiary PPC Renewables has opened plants with a 153 MW capacity in total (accounting for around 2.9% of all RES in Greece) and in 2017 it generated around 323 GWH (around 3.5% of the country's total generation). A major investment plan is also currently under way to significantly bolster PPC's position in the market for all types of renewable energy sources. More information can be found in section 6.4.

Greece's geographical location, its good relations with neighbouring countries and the technical and construction capabilities of Greek businesses are major advantages that simply need to be utilised as much as possible. PPC aims to achieve a leading role and lead its penetration in the surrounding markets and as such transform from an electricity generation and distribution company into a company that evolves and offers composite energy products and services, that focus on the satisfaction of its customers' energy needs.

For those very reasons, continuous efforts are being made to identify potential new business activities in Greece and abroad, including fields which have traditionally been outside PPC's core operations. Any and all opportunities for the Company to expand and grow its operations, whether by expressing interest in and participating in projects expected to be built in the wider Southeastern Mediterranean region, or by engaging in regular discussions with other interest businesses, are examined diligently. Potential business partnerships with companies and company groups, in the form of joint venture schemes (J-V) or Special Purpose Vehicles, are being investigated. These partnerships are expected to contribute towards the necessary technical know-how and secure the necessary funds for activities such as the following: electromobility, green energy services in docks and ships, faster uptake of Renewable Energy Sources / energy storage, energy sector equipment maintenance and repair services, participation in competition processes for the uptake of energy related projects, energy conservation services and penetration in the natural gas market.

To assist it in expanding its operations, PPC has set up a wholly owned electricity supply company in Turkey, which since 2014 has been involved in the Turkish wholesale market and in cross-border trade. Another subsidiary has been set up in Bulgaria (in which it has an 85% stake) in partnership with the Swiss firm ALPIQ (which holds the remaining stake). The subsidiary has been operating on Bulgaria's wholesale market and in cross-border trade since the end of 2015. These companies will be used as valuable building blocks towards further expansion into additional markets. With that in mind, in September 2016 PPC's Board of Directors set up a subsidiary in Albania (PPC Albania) to trade electricity and

MATERIAL TOPIC: NEW MARKETS AND INVESTMENTS

Both PPC and Stakeholders have identified and agreed that key material aspects for the Company's sustainable development are the investments made and expansion into new markets. Generally speaking, PPC's strategic goal (which it is working intensively on) is to offset domestic losses due to the market liberalisation measures imposed on it, by expanding into fresh markets and capitalising on business partnerships.

provide energy services while also making energy investments in Albania and the Western Balkans in general.

An example of a company partnership, seeking new opportunities, is the Partnership Contract signed by PPC and General Electric. The two companies will examine their partnership for the provision of services such as, maintenance, leasing, education, damage inspections and gas turbine, steam turbines, generators, boilers and other equipment repairs which are used either in power plants or for industrial purposes. Such services will be provided in Greece and Europe and could expand in other regions as well. The two companies have established a common team, that will segment the project, divide the respective duties, examine the opportunities and create a business proposal for the best possible business model.



MoU on electromobility

3.12 KEY FINANCIAL INFORMATION

In 2017, revenues stood at € 4,847 million down from € 5,063.9 million in 2016 by some € 216.9 million (representing a -4.3% drop). EBITDA stood at € 745.4 million in 2017 compared to € 765.7 million in 2016, down 2.6%, while net profits stood at € 215.9 million compared to € 136.3 million in 2016, increased by 58.4%. The carried balance of grants on 31.12.2017 was € 251.6 million.

Total PPC investments stood at € 406.1 million and were allocated as follows: € 83.8 million to the Mines Business Unit, € 176.7 million to the Generation Business Unit, € 5.2 million to the Supply Business Unit, € 2.2 million to the Support Operations Division, € 0.2 million to Corporate Functions Divisions and € 138 million to the Distribution Network.

FINANCIAL VALUE AND SOCIAL PRODUCT (in € '000)	2015 ¹	2016 ¹	2017
Revenues	5,423,968	5,063,942	4,847,036
Financial income	107,699	215,055	110,223
Direct financial value generated	5,531,667	5,278,997	4,957,259
Salaries and employee benefits including employer social security contributions ²	565,940	557,936	559,396
Financial expenses	240,992	220,704	200,450
Income tax, other taxes, duties and provision for surtaxes	55,469	42,970	52,924
Donations and sponsorship	928	853	1,446
Operating cost balance	5,077,885	4,352,267	4,132,866
Financial value allocated	5,941,338	5,174,730	4,947,082

1. Revised data to reflect adjustments made, as explained in note 36 to the Annual Financial Report for the period (1st January 2017 - 31st December 2017).

2. Payrolling costs incorporated in tangible assets are not included.

All PPC's published financial data is available in the 2017 Annual Report.

Steps taken to increase liquidity

In 2017 PPC implemented a comprehensive set of scalable, mutually complementary actions to improve debt collection rates.

MATERIAL TOPIC: COMPANY'S FINANCIAL POSITION / PERFORMANCE

PPC's financial position / performance was indicated as a material aspect primarily by Management, shareholders and investors, employees and competitors. It is a key priority for Management. The Company's financial data is available in the 2017 Annual Report. In addition to the value generated, it is also important to identify the value allocated to society and Stakeholders.

The main steps it took in this regard were as follows:

- Instructions were issued to HEDNO to cut off connections and re-check those previously cut off, and disconnect orders effective immediately were issued to debtors who owed large sums.
- Flexible debt repayment plans were put in place offering customers very favourable terms, so that they could start to repay their bills in instalments.
- Targeted legal measures taken against debtors who owed large amounts or had been in debt for a long time.
- Telephone service for notices (soft calls).
- Steps were taken to get Public Sector Bodies to settle their debts.
- The extensive array of incentives was continued to be offered to household and business customers, including 15% off for household customers, professionals and businesses from 1.7.2016 onwards if they were consistent in paying their bills or any instalment-based repayment plans.
- Legal actions for overdue debt above € 3,000.
- Replacement of "e-bill info" with the new electronic platform "e-bill" and the commencement of the "Monthly Bill" issuing to registered customers on the e-bill platform.
- Upgrade of the overdue debt management strategy through the cooperation with an external partner, for the provision of specialised support services.

4. SUSTAINABLE DEVELOPMENT

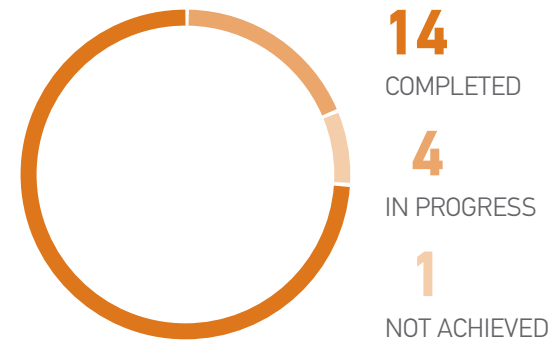


Servia High Bridge - Polyfyto Artificial Lake

SUSTAINABILITY STRATEGY

In this chapter of the Report, PPC's approach on sustainable development, that is associated with the Company's operation, activities, financial performance, as well as its interaction with the environment and society, is being presented. All sections of the Report cover the different aspects of sustainable development at PPC, and provide more information on each individual topic.

GOAL ACHIEVEMENT 2017



COMMITMENT

PPC's strategic goal is to assure its sustainable operation and development satisfying, at the same time, the requests of all interested parties in a balanced way, providing integrated, innovative, high quality services and products to its customers, excellent work environment, mutual benefit relations, economic growth, environmental contribution and social prosperity. For the achievement of its strategic goal, PPC is committed to make constant efforts for the improvement of its economic, environmental and social performance.

Sustainability Strategy

- EMPLOYEES
- ENVIRONMENT
- MARKET AND CUSTOMERS
- CONTRIBUTION TO SOCIETY

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS



4.1 MANAGEMENT APPROACH

Although PPC no longer enjoys the monopoly it used to as the only fully vertically-integrated electricity generation company in Greece, it continues to monitor the needs of the entire country as well as key issues, such as electricity demand, across its entire range of operations to ensure a secure energy supply for the country.

PPC is the Supplier of Last Resort and the Universal Service Supplier, and for that reason is poised to deal with System and Network that arise, and in how the electricity market overall operates.

The Company ensures that:

- Its staff are regularly briefed and trained in how to use all technological equipment that will help them perform their task better.
- Consumers receive information about best practices and market trends associated with energy savings, through customer information programmes.
- It provides considerable input to Greece's legislature, regulatory and executive authorities to ensure that the statutory framework here complies with the EU's targets so that Greece can become an attractive destination for the growth of economic activities in the wider Southeastern Europe region. The Electricity Market Unit of the Energy Trading Department has had its procedures for monitoring the regulatory framework and notifying the competent Departments certified according to the ISO 9001/2015 standard.
- It creates partnerships with the objective of expanding its activities abroad.
- It signs bilateral agreements, on a monthly and annual basis, with the most important electricity firms of Europe, for the import of electricity in Greece. The objective of the agreements is to supply the adequate amount of electricity in the domestic network over the span of the year.
- It continuously monitors its thermal and hydroelectric Plants, ensuring their continuous and reliable operation as well as their optimum performance, on a daily basis. Also, it ensures that it possesses the emissions permits corresponding to its thermal Plants' CO₂ emissions, in compliance with the European and Greek legislation.
- It increases the installed capacity in the north and south system, by building a new state-of-the art electricity generation Units (such as the natural gas Unit in Megalopolis V, which has already been in operation, and the lignite Unit in Ptolemaida V, which is under construction) to satisfy society's current needs.
- It upgrades the existing transmission system in mainland Greece and continues to

PPC's partnerships with the objective of expanding its activities abroad.

- *in the autumn of 2014, PPC established a 100% subsidiary Electricity Trading company in Turkey, which partakes in the cross-border trade market and the wholesale electricity market,*
- *in September 2015, in cooperation with the Swiss company ALPIQ, PPC established a subsidiary company with similar business activity in Bulgaria, where it holds 85% of its capital share,*
- *in January 2017, PPC established a 100% subsidiary company in Albania that would additionally ensure the supply of electricity and the provision of energy services in the developing domestic market as well as in the markets of the nearby region.*

work on the islands' electricity connectivity (it has been announced, that in the beginning of March 2018, the APP of Paros was brought into cold standby), aiming at providing a continuous supply of electricity to the whole of Greece.

Working with the Strategy Department, the Energy Management Department monitors the energy market and emerging trends. Both are responsible for preparing the Company's strategy and policy to manage electricity and optimise PPC's overall portfolio under the wholesale electricity market.

This approach allows the Company to monitor short-term and medium to long-term energy demand, schedule generation, imports and the supply of fuel, in order to respond to market needs in good time. Moreover PPC offers a night tariff as a tool for managing demand.

In addition, the Electricity Market Unit of the Energy Trading Department has had its ISO 9001/2015 Quality Management System certified for the following procedures:

- the daily customer demand forecast processes and
- the Company's participation in the Electricity Market as a supplier,

aiming to improve the forecasts' reliability and avoid any additional charges being imposed.

Sustainable Development Policy

Management is interested in strengthening its commitment to sustainability and in April 2014 released PPC's Sustainable Development Policy which was also sent to all the Company's employees. The policy is available to all PPC Stakeholders on the Company's website (www.dei.gr).

Business Model

PPC's business model seeks to generate value for its Stakeholders. PPC invests in its employees and infrastructure, as well as in developing new technologies and services. Stakeholder engagement using the means available to the Company at both national and local level enables PPC to understand the impact of our business activities and improve our performance by taking into account the advice, concerns, needs and recommendations of all parties affected by and affecting PPC. PPC ensures that it offers suitable conditions within which its employees can grow, specialise, be healthy and safe; after all it is they who contribute to a growth in its operations. The Company supplies electricity nationwide, contributes to the growth of RES and to reaching national targets, and actively supports society.



Land rehabilitation - Megalopolis Lignite Centre

Challenges and strategic priorities

In the last couple of years, due to regulatory as well as business reasons, PPC has been steadily transforming into a Group with an international presence, especially in the Balkans. The main objective is for PPC to become a major player and develop new products and services.

PPC's strategic guidelines, which are the basis of everything it does, can be summarized in the following 3 pillars:

- Flexibility - Adaptability
- Expansion - Diversification of activities
- Business partnership

PPC's objective is to be transformed into an efficient, competitive and intensely extrovert company. In 2017, PPC implemented a series of measures, with the most important ones being the following:

- Processing and organising the implementation of a new employee evaluation system. This is an important step for increasing efficiency, establishing meritocracy and upgrading the Company's managerial operation.
- PPC incentively encouraged the departure of around 275 employees for the renewal of its workforce. This took place within the boundaries set by the law. Also, 50 employees were transferred, through objective criteria, from Units whose operation was terminated; an action that was introduced for the first time within PPC.
- Systematic skills evaluation of PPC's higher education personnel. This evaluation was carried out to the personnel that was employed after 2011. The objective was to fully utilize the personnel's skills and strengthening critical areas of action.
- Commencement of PPC's Business and Strategic Plan design.
- Significant organisational restructuring focusing specifically on the restructuring of the existing Departments and the establishment of new ones (see section 3.5).
- Ratification of important agreements and business initiatives.

Within 2018, the Company's new strategic and business plan will be completed and will include:

- a series of actions, whose results can be quantified to help improve PPC's financial state until 2022,
- measures for the enhancement of PPC's Company and Group operation, in accordance with the corporate governance principles and the demands for the development of the Group,

KEY RESOURCES

FINANCIAL CAPITAL
Use of financial capital for investment in the Group's activities

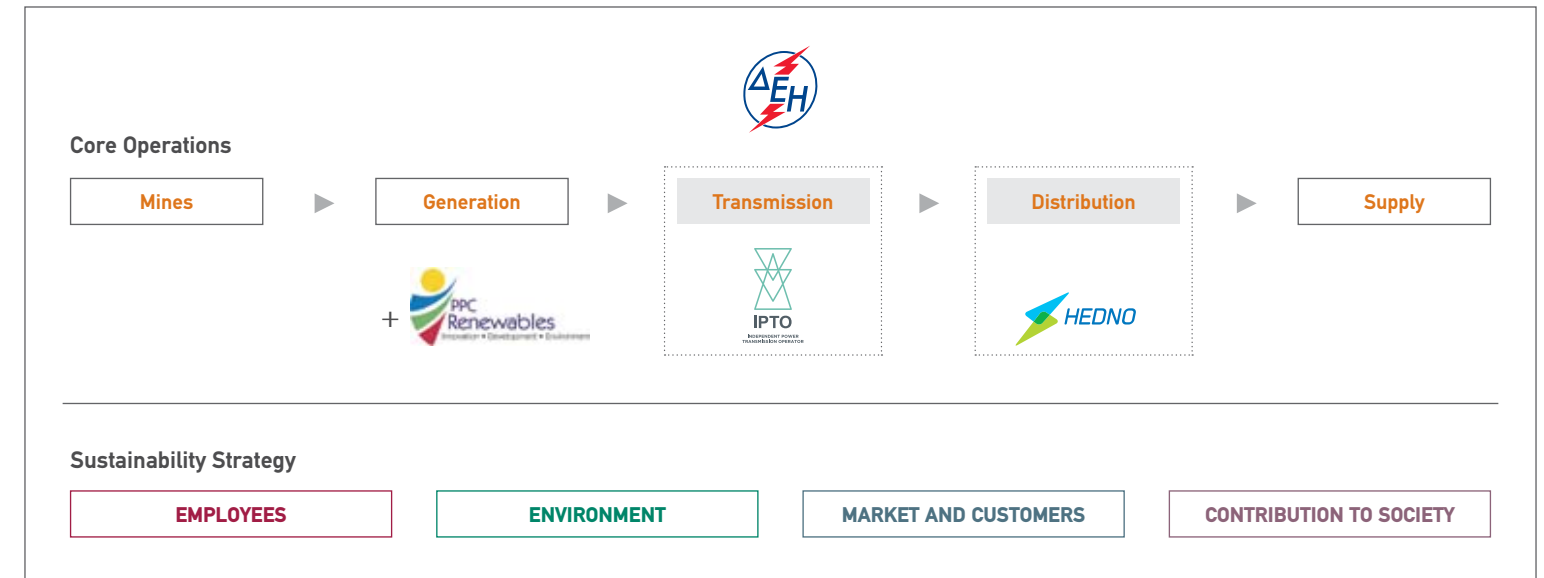
HUMAN CAPITAL
Development of qualified personnel, for the efficient operation of companies

MANUFACTURED CAPITAL
Investment in new infrastructure and the upgrade of generation capacity

NATURAL CAPITAL
Use of natural resources, mainly lignite, and renewable energy sources to generate electricity

INTELLECTUAL CAPITAL
Investment in the development of low carbon technologies, innovative renewable technologies and new products / services

SOCIAL AND RELATIONSHIP CAPITAL
Dialogue and cooperation with the stakeholders, in order to ensure the Group's efficient operation and society's support



FINANCIAL CAPITAL
Dividends paid, Taxes paid, revenues

HUMAN CAPITAL
Assuring health and safety conditions for highly skilled employees

MANUFACTURED CAPITAL
Modernized infrastructure for electricity supply

NATURAL CAPITAL
Development of RES, energy efficiency improvement, reduction of greenhouse gas emissions

INTELLECTUAL CAPITAL
Development of new technologies and services

SOCIAL AND RELATIONSHIP CAPITAL
Customers satisfaction, support vulnerable customers, local communities development and support programs

VALUE CREATION

Note: In 2017, the sale of the IPTO was finalised. As of June 20th 2017 IPTO follows the model of proprietary separated Administrator (Ownership Unbundling) and is fully harmonized with the Directive 2009/72/EC.

- PPC's strategic development activities over the next 10 years, which are in line with the Generation System's emerging and projected needs, the European policy framework and technology trends, and
- new business guidelines addressing PPC's diversification and growth in other markets.

PPC formulates its strategy and proceeds to change, by adapting to the new trends. It aligns with European policies, searches and implements new business activity areas and improves its productivity.

4.2 GOVERNANCE FOR SUSTAINABLE DEVELOPMENT ISSUES

The PPC Board of Directors has appointed 2 of its members to be in charge of managing sustainable development issues. In addition, it has set up the Corporate Social Responsibility Section which is part of the Corporate Affairs and Communications Department. Its mission is to establish, develop and implement a Corporate Social Responsibility strategy that aimed at meeting the needs of Stakeholders in a balanced manner, while highlighting the actions and practices that showcase the Company's social profile.

The fact that BoD members have been assigned the task of supervising the Corporate Social Responsibility Section and submitting the annual Sustainability Report to the BoD, demonstrate that the Company takes CSR seriously.

In 2017, the CSR Section was transferred to the Corporate Affairs and Communications Department, reflecting the Management's intention to enhance the communication of its approach to all Stakeholders.

Important agreements and business initiatives with:

- *the Shenhua Group Corporation of China for joint business initiatives in Greece, in the Balkans, in Turkey, in Eastern Europe and in the Middle East,*
- *General Electric, aiming to establish a joint technical support company to thermal power plants in Greece and overseas,*
- *the Hellenic Aerospace Industry S.A., aiming for the provision of maintenance services to thermal power plants both domestically and abroad,*
- *Archirodon Group for the deployment of energy projects in Africa and the Middle East,*
- *the Korean company KEPCO, aiming to examine the possibility of construction of a "smart island" in Greece and the deployment of "smart meter" pilot projects.*
- *the Chinese company CMEC, with which it has in principle agreed to jointly establish and operate a "smart meters" manufacturing plant in Greece and in other international markets.*

4.3 MATERIALITY ANALYSIS

PPC monitors international trends on how sustainable development is being managed and strives to improve its own performance, to ensure greater transparency in procedures and to ensure accountability. With that in mind, given that the heart of revisions to the GRI Guidelines is that each company must identify and evaluate its material topics, in December 2016 the Company's Divisions carried out a sustainability materiality analysis for the third time.

During the meetings held, the sustainability issues which had been graded in 2011 and 2013 were re-scored and new issues proposed at various meetings were added, making the existing list of materiality topics longer. The process was implemented with the participation of Chief Officers and Heads of Independent Units.

The objective of this exercise was to engage in real dialogue and identify the important issues that affect PPC and its Stakeholders and also to increase the degree of transparency and accountability by publishing the results of this process. More than 1,000 representatives of all Stakeholder Groups participated in the assessment.

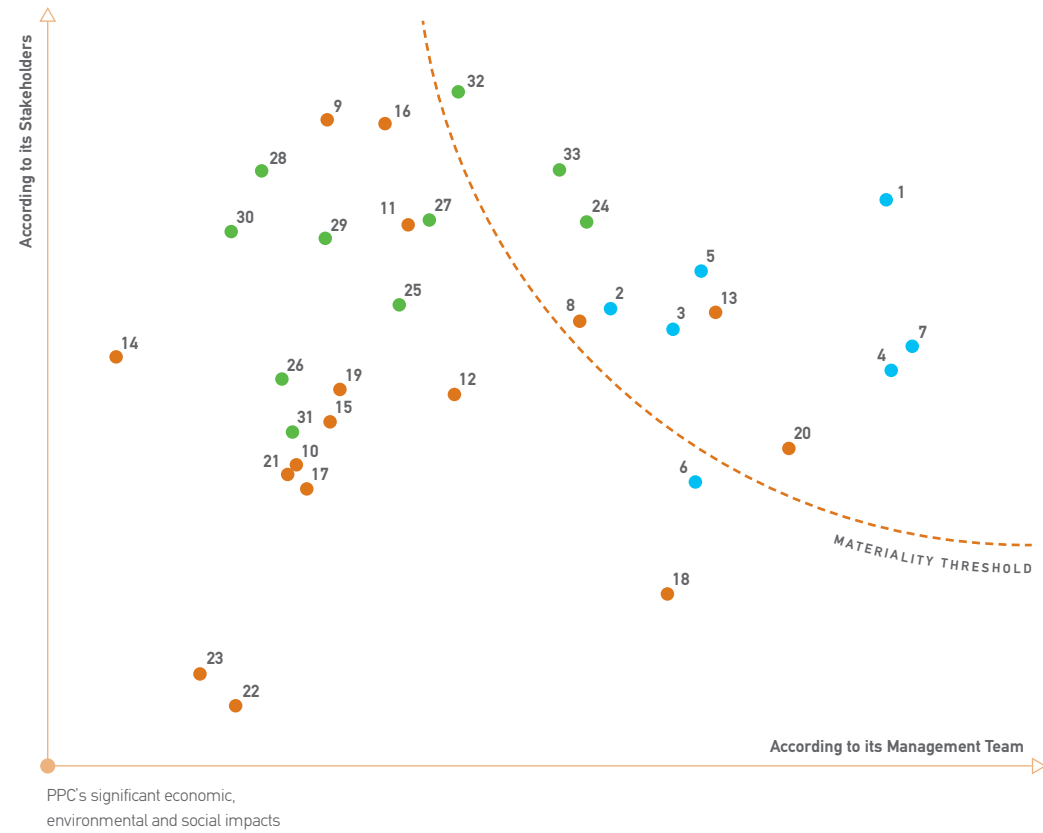
A detailed description of the process used by PPC Management and Stakeholders to identify material issues is presented in the 2016 Corporate Social Responsibility and Sustainable Development Report which is available on the Company's website (<https://www.dei.gr/en/i-dei/etairiki-koinwniki-euthuni/entupa-gia-etairiki-koinwniki-euthuni>).

The results of the PPC in-house process and the results generated by processing Stakeholder questionnaires were then presented in a single material topics heatmap. In the following diagram, the horizontal axis depicts PPC Management's views (which is derived by multiplying the impact of each aspect by the corresponding likelihood of it occurring), while the vertical axis depicts the views of Stakeholders.

PPC is making concerted efforts to continuously improve how it organises and monitors sustainable development issues. The results of this materiality analysis are expected to be used to take important decisions about PPC's future and about the general outline of its Corporate Social Responsibility strategy.



PPC SUSTAINABILITY MATERIAL TOPICS



ECONOMY

- 1 Company's financial position / performance
- 2 Procurement and logistics management
- 3 New markets and investments
- 4 Regulatory issues
- 5 Risk / crisis management
- 6 Managing relationships with subsidiaries
- 7 Management of new energy market conditions

SOCIETY

- 8 Corporate governance, ethics and values
- 9 Employee and third party health and safety
- 10 Job security
- 11 Staff training
- 12 Work advancement / job satisfaction
- 13 Recruitment
- 14 Equality in the workplace
- 15 Employee / Management relations
- 16 Customer satisfaction / products and service assurance
- 17 Shaping the public's consumer behaviour
- 18 Extroversion / PR
- 19 Relationship / dialogue with local communities
- 20 Engagement in public policy in Greece on energy issues
- 21 Contractor / supplier management
- 22 Sponsorship
- 23 Volunteerism among PPC staff

ENVIRONMENT

- 24 Climate change and greenhouse gas / particle emissions
- 25 Dust
- 26 Noise
- 27 Waste
- 28 Raw materials / fuel / water
- 29 Ecosystems / biodiversity
- 30 Rehabilitation of degraded land
- 31 Visual / aesthetic nuisance
- 32 Energy efficiency / new technologies
- 33 Promotion of renewable energy sources

KEY MATERIAL TOPICS (for Management and Stakeholders)

- 1. **Company's financial position / performance**
- 2. **Procurement and logistics management**
- 3. **New markets and investments**
- 4. **Regulatory issues**
- 5. **Risk / crisis management**
- 7. **Management of new energy market conditions**
- 8. **Corporate governance, ethics and values**
- 13. **Recruitment**
- 20. **Engagement in public policy in Greece on energy issues**
- 24. **Climate change and greenhouse gas / particle emissions**
- 32. **Energy efficiency / new technologies**
- 33. **Promotion of renewable energy sources**

DEMARCATIION (inside / outside company)

- This is primarily an internal issue impacting on the Company's operations, but could affect shareholders, employees, suppliers and customers.
- This is primarily an external issue, with direct impacts on the Company's suppliers and contractors.
- This is primarily an internal issue impacting on the Company's operations, but could affect shareholders and employees.
- This is an internal issue, but depends on how the Company manages regulatory issues, but is also directly affected by decisions of the State, the regulatory authorities and public agencies.
- This is primarily an internal issue impacting on the Company's operations, but could affect shareholders, employees, suppliers, customers and local communities.
- This is primarily an internal issue impacting on the Company's operations, but could affect shareholders, employees and other Stakeholders.
- This is primarily an internal issue impacting on the Company's operations, employees and associates (contractors and subcontractors).
- This is primarily an internal issue impacting on employees, and consequently on the Company's operations.
- This is an internal issue, since it depends on the involvement of the Company's executives with public policy, but is directly affected by the degree to which the State, the regulatory authorities and public agencies want the Company to engage in shaping Greece's public policy.
- This is an internal issue to the extent that major expenditure is required to meet the targets set for air pollution, to change the energy mix required to generate electricity and to procure the necessary quantity of emission trading rights. But it is also an external issue since the impacts of air pollution and climate change affect all the Company's Stakeholders.
- This is primarily an internal issue since it directly impacts on the Company's financials (through the purchase of fuels, procurement of emission trading rights, etc.), but is also external since improving energy efficiency helps reduce air pollution and curtail GHG emissions that lead to climate change.
- This is an internal issue since it affects the Company's operations but is also an external issue since promoting RES helps combat climate change and, by extension, affects all the Company's Stakeholders.

4.4 STAKEHOLDERS

It is particularly important for PPC to communicate and cooperate with its Stakeholders. PPC has identified its Stakeholder groups via a series of internal consultations, debates and working meetings between the PPC Management team and its executives. The main Stakeholder groups PPC recognises are its employees, its customers, the State, the Regulatory Authorities and Public Bodies, shareholders and investors, non-governmental / non-profit organisations, regions, local authorities, local communities, as well as our partners, suppliers and competitors.

Just as it does every year, the Company continued to communicate at both national and local level with all Stakeholders using means available to it. Stakeholder engagement is an integral part of PPC's daily work enabling it to understand the impact of our business activities and improve our performance by taking into account the advice, concerns, needs and recommendations of all parties affected by and affecting PPC. The fact that Stakeholders were involved in the Company's materiality analysis process demonstrates in practical terms PPC's commitment to real Stakeholder engagement. PPC recognises the major benefits for all sides that arise from the real communication and cooperation with various Stakeholder groups.

Employees

PPC Management maintains direct contact with its employees. Employees are represented through their trade unions, through their representatives on the Board of Directors and at General Meetings of Shareholders, and they also participate in level one and two boards and committees PPC has set up. Responding to the need for keeping employees properly briefed, Management is in direct contact with their trade unions to keeping them briefed about changes in PPC's structure. Just some of the issues Management addresses through a series of actions and procedures are labour, health and safety at work, training and benefits. More details are provided in section 5 of this Report.

Customers

The Supply Business Unit is in constant contact with our customers through our sales offices, telephone lines, our website, customer satisfaction surveys, information material, direct mailing campaigns involving selected customers, and the specialized mobile phone application (iPhone and Android) e.tc. More information can be found in section 7 of this Report.

The State, Regulatory Authorities and Public Bodies

PPC is in contact with the State, Regulatory Authorities and Public Bodies on a number

5 TOP MATERIAL TOPICS FOR

EMPLOYEES

- 1 CUSTOMER SATISFACTION / PRODUCTS AND SERVICE ASSURANCE
- 2 FINANCIAL POSITION / PERFORMANCE
- 3 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY
- 4 STAFF TRAINING
- 5 ENERGY EFFICIENCY / NEW TECHNOLOGIES

CUSTOMERS

- 1 CUSTOMER SATISFACTION / PRODUCTS AND SERVICE ASSURANCE
- 2 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 3 WASTE
- 4 PROMOTION OF RENEWABLE ENERGY SOURCES
- 5 RAW MATERIALS / FUEL / WATER

THE STATE, REGULATORY AUTHORITIES AND PUBLIC BODIES

- 1 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 2 PROMOTION OF RENEWABLE ENERGY SOURCES
- 3 WASTE
- 4 RAW MATERIALS / FUEL / WATER
- 5 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY

Source: PPC Materiality Analysis, 2016-2017.

of energy-related issues. Regulatory Affairs Department, which is part of the Company's Strategy and Transformation Division, is the Department primarily responsible for preparing position papers and representing PPC on regulatory framework issues of concern to the Company. PPC participates in committees and engages in consultations at both national and European level on environmental and market deregulation issues and about how the energy market operates. The main PPC positions and activities on public policy issues are described in section 3.10 of this Report.

Shareholders and Investors

The PPC Investor Relations and Treasury Department coordinates communication with shareholders and investors. The official PPC website contains information about "Investor Relations" and all announcements and the information required by the applicable legislation, as well as information frequently requested by a particular group of Stakeholders. In addition, meetings are held with existing shareholders and potential investors to brief them about the change in the Company's financial results or simply present the results (Q1, Q2, Q3 and annual financial results), conference calls are held with analysts, and there are also roadshows within Greece and abroad. Shareholder and investor interest is focused on PPC performance, which is presented in more detail in the 2017 Annual Report and in this Report, on the Company's prospects, on developments in the regulatory framework applicable to the electricity market, and on any issue which affects or could affect PPC's operations and financial results in the future.

Non-Governmental / Non-Profit Organisations

Non-governmental / non-profit organisations mainly make inquiries to the Company about our environmental performance and request support for their activities. The steps we take to manage our environmental footprint are discussed in Section 6 of this Report. Requests for sponsorship are evaluated and approved at the local or central level. Just some of the sponsorship PPC provided in 2017 is presented in section 8 of this Report.

Regions, Local Authorities and Local Communities

PPC executives continuously communicate with the Regions, local authorities and the local communities, either formally when specific requests are submitted or through consultations, or informally, via daily contact between our staff and representatives of the local communities and authorities. Responding to the concerns of the local communities, wherever possible PPC selects employees and suppliers from the local communities we do business in, thereby bolstering the local economy.

5 TOP MATERIAL TOPICS FOR

SHAREHOLDERS AND INVESTORS

- 1 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 2 FINANCIAL POSITION / PERFORMANCE
- 3 WASTE
- 4 RAW MATERIALS / FUEL / WATER
- 5 REHABILITATION OF DEGRADED LAND

NON-GOVERNMENTAL / NON-PROFIT ORGANISATIONS

- 1 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY
- 2 CLIMATE CHANGE AND GREENHOUSE GAS / PARTICLE EMISSIONS
- 3 WASTE
- 4 ECOSYSTEMS / BIODIVERSITY
- 5 REHABILITATION OF DEGRADED LAND

REGIONS, LOCAL AUTHORITIES AND LOCAL COMMUNITIES

- 1 CUSTOMER SATISFACTION / PRODUCTS AND SERVICE ASSURANCE
- 2 PROMOTION OF RENEWABLE ENERGY SOURCES
- 3 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 4 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY
- 5 STAFF TRAINING

Source: PPC Materiality Analysis, 2016-2017.

Section 8 of this Report presents compensatory projects resulting from the consultation procedure before the environmental terms and conditions for PPC projects are adopted, as well other actions to support local communities.

Partners and Suppliers

The Company collaborates with its suppliers and partners at local, national and international level to effectively carry out projects, promote "clean" energy and improve our products and services. Section 7.5 of this Report summarises our communication channels with our suppliers and our approach to transparent procurement procedures and contract awards.

Competitors

PPC strives to promote competition in the energy sector. Its participation in shaping public policy on this issue is proof of this. Attempting to promote sectoral issues and to strengthen cooperation on energy issues, PPC works with international energy companies and participates in consultations with relevant bodies, as well as with industry organisations and associations, such as the Hellenic Electricity Association-HELAS and EURELECTRIC.

4.5 CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the Members of the United Nations announced the 17 Sustainable Development Goals (SDGs). The aim is to achieve sustainable economic growth and prosperity for all, by alleviating every form of poverty, inequality and injustice and at the same time safeguard the conservation of the environment. PPC, as one the largest companies in Greece, directly contributes through its activities in the achievement of the SDGs.

PPC reviewed its value chain impacts in the 17 Sustainable Development Goals. Through its assessment: 6 Goals were identified as ones where PPC can significantly contribute towards their attainment, 3 Goals were identified as ones where the Company has a moderate contribution and 3 Goals where PPC has a minor contribution.

5 TOP MATERIAL TOPICS FOR

PARTNERS AND SUPPLIERS

- 1 CUSTOMER SATISFACTION / PRODUCTS AND SERVICE ASSURANCE
- 2 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY
- 3 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 4 RAW MATERIALS / FUEL / WATER
- 5 PROMOTION OF RENEWABLE ENERGY SOURCES


COMPETITORS




- 1 EMPLOYEE AND THIRD PARTY HEALTH AND SAFETY
- 2 ENERGY EFFICIENCY / NEW TECHNOLOGIES
- 3 CUSTOMER SATISFACTION / PRODUCTS AND SERVICE ASSURANCE
- 4 RAW MATERIALS / FUEL / WATER
- 5 PROMOTION OF RENEWABLE ENERGY SOURCES

Source: PPC Materiality Analysis, 2016-2017.

PPC'S MAJOR CONTRIBUTION TO 6 SUSTAINABLE DEVELOPMENT GOALS

GOALS	PPC'S ACTIVITY	VALUE CHAIN
	<p>Together with the use of Greece's water reserves for the generation of electricity, PPC handles large amounts of water resources, which are used for irrigation, water supply and / or cooling purposes. The Company significantly contributes in the sustainable management of its water resources, while at the same time proceeds with the recycling and reuse of significant amounts of water from its activities.</p>	
	<p>As the largest electricity supplier in Greece, PPC strives to provide access to reliable and modern energy to the whole of its client population. The Company invests in the growth of Renewable Energy Sources, setting the stepping stone for a future that will rely on sustainable and environmental friendly energy sources. It invests in the R&D of technologies that will increase the efficiency of its generation.</p>	
	<p>Through its Sustainable Development Policy, PPC promotes lengthy, sustainable and inclusive economic development. In addition, it promotes the complete, productive and respectful employment for all. PPC follows specific practices, that ensure its value chain adheres to fair working practices. In the meantime, it strives to improve the efficiency of natural resource consumption and promote economic growth with respect to the environment.</p> <p>The Company is committed in ensuring a safe working environment, both internally, through Health and Safety Management Systems, as well as externally, for the various contractors.</p>	

 Maximising positive impact
  Minimising negative impact

 Suppliers / Contractors
  Operation
  Service and Product use

PPC'S CONTRIBUTION TO THE ACHIEVEMENT OF UN SUSTAINABLE DEVELOPMENT GOALS

MAJOR CONTRIBUTION



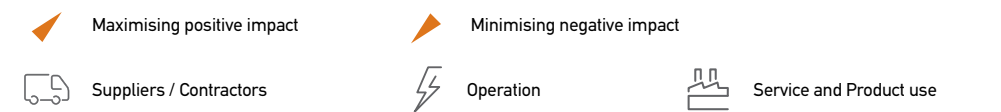
MODERATE CONTRIBUTION



MINOR CONTRIBUTION



GOALS	PPC's ACTIVITY	VALUE CHAIN
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> PPC, in cooperation with HEDNO, informs its customers on the responsible and safe use of energy. The Company has proceeded with the design and implementation of an annual action plan. The objective of the plan is to safeguard end-use energy saving practices. Responsible generation and consumption, is part of PPC's sustainable operation. Having developed environmental policies and systems, PPC aims towards the efficient management of its waste and the reduction of its emissions that stem from the generation of electricity. In the meantime, it promotes energy efficiency programmes that use state-of-the-art technologies. 	
	<ul style="list-style-type: none"> PPC actively contributes in the alleviation of climate change and its impacts. At the same time, through the uptake of Renewable Energy Sources, PPC has proceeded with the development of a strict environmental policy as well as the creation of Environmental Management Systems, aiming to reduce CO2 emissions that stem from the generation of electricity. The increase of energy efficiency practices and investments in Renewable Energy Sources, constitute the Company's main strategic pillars for the conservation of the environment. 	
<p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> PPC's activities have a direct effect on the mainland's ecosystems, due to the nature of its activities. As a result, PPC has developed a specific policy for the conservation of biodiversity and natural habitat, by applying the best pollution abatement technologies and proceeding with systematic land restoration projects through reforestation and other similar actions. 	



4.6 MEMBERSHIP OF ASSOCIATIONS AND ORGANISATIONS

PPC actively participates in more than 30 national and international networks, associations, organisations and agencies to engage in constructive partnerships in the energy, industrial and business sectors and to promote corporate responsibility.

4.7 AWARDS - DISTINCTIONS

For the 8th consecutive year, PPC was included in the Platts Top 250 Global Energy Company Rankings for 2017, in recognition of its economic and business performance in the energy sector.

PPC was awarded the golden prize in the 2017 Facilities Management Awards, for the restoration and energy upgrades that were carried out in one of its buildings, located in Skipi and Arapaki Street in Kallithea.

PPC received 1st prize in the "Best public company for 2017" category at the CHRIMA 2017 Business Awards. Winners were chosen for prizes after assessing them against a series of criteria such as growth in financials, stability, increased market share, flexible response to changes in the external environment, stock market performance and relations with investors, and level of customer service, to name a few.

MEMBERSHIP OF ASSOCIATIONS AND ORGANISATIONS

 Hellenic Network for Corporate Social Responsibility	 Council for Sustainable Development at the Hellenic Federation of Industry (SEV)
 The Hellenic Institute of Entrepreneurialism and Sustainable Development	 Global Sustain
 Hellenic Electricity Association (HELAS)	 Institute of Energy for South-East Europe
 International Council on Large Electric Systems (CIGRE)	 European Coal Combustion Products Association
 The Union of the Electricity Industry - EURELECTRIC	 European Federation of Energy Traders (EFET)
 Hellenic Adult Education Association (HAEA)	 Junior Achievement Greece (SEN/JA)

4.8 KEY CORPORATE RESPONSIBILITY PERFORMANCE DATA

PPC's key financial, environmental and social performance data for 2015-2017 are presented in the table below. More information can be found in the relevant sections of this Report.

ECONOMY	2015	2016	2017
Revenues (in € '000)	5,423,968 ¹	5,063,942 ¹	4,847,036
Total Liabilities and Equity (in € '000)	15,733,345 ¹	15,392,554 ¹	14,740,889
Total liabilities (in € '000)	10,153,531 ¹	9,654,757 ¹	9,263,035
Total Equity (in € '000)	5,579,814 ¹	5,737,797 ¹	5,477,854
Domestic sales (GWh)	47,327 ¹	45,613 ¹	43,821
Financial income (in € '000)	107,699	215,055	110,223
Salaries and employee benefits including employer social security contributions (in € '000) ²	565,940	557,936	559,396
Dividend payments (in € '000)	11,598	86	46
Earnings (losses) before tax (in € '000)	(408,804 ¹)	98,962 ¹	223,423
Long-term borrowings (in € '000)	4,365,184	3,950,912	3,738,864
Short-term borrowings (in € '000)	476,652	661,102	530,378
EMPLOYEES	2015	2016	2017
Total No. of employees	10,431	10,607 ³	10,672 ³
Female employees	20%	21%	21%
No. of employees with a collective labour agreement	10,419	10,589	10,651
Total No. of accidents	56	60	50
Total No. of fatal accidents	0	1	0
Fatal accident frequency rate	0	0.81	0



Atherinolakkos TPP

1. Reformed figures reflecting adjustments, as depicted in Note 36 of the Annual Financial Report (1st January 2017 - 31st December 2017).

2. Payrolling costs incorporated in tangible assets are not included.

3. This includes PPC employees working at PPC Renewables S.A.

Accident frequency rate	2.95	2.77	2.37
Total No. of days of absence due to accidents	1,934	7,576	1,819
Accident severity rate	0.10	0.35	0.09
Total No. of days of absence from work	63,930	64,692	54,231
Absence rate	2.48%	2.47%	2.05%
ENVIRONMENT	2015	2016	2017
Number of Power Plants (lignite centres, thermal power generation Units, hydroelectric units, etc.) with certified Environmental Management Systems	18	20	20
CO ₂ emissions from electricity generation (in thousands of tons)	34,352	28,468	31,794
Greenhouse gas (CO ₂) trading rights (€ '000)	251,128	178,172	181,215
Surface area of PPC's facilities (hydroelectric facilities) in protected areas ⁴ (km ²)	65.30	77.54	77.54
MARKET AND CUSTOMERS	2015	2016	2017
Installed capacity (MW)	12,862	11,976	11,968
Net energy output (in GWh)	33,806	29,982	32,326
No. of connections (low and medium voltage)	7,404,679	7,326,984	7,176,082
Supply market share (average annual) ⁵	96.4%	91.8%	86.7%
SOCIETY	2015	2016	2017
Social contribution (donations and sponsorships ⁶ , support of local communities and institutions / organisations etc.) (€ '000)	928	853	1,446
Total amount of lignite levy payable to local communities (in € '000)	28,377	25,776	24,235



Rehabilitation of land in Western Macedonia Lignite Centre

4. In 2016 a reassessment of the area of the PPC protected areas was performed, subject to possible fluctuations in real estate register.

5. Generation market share is defined as the percentage of the electricity generated by PPC over the total electricity generated in Greece each year.

6. The figure for donations / sponsorship relates to amounts recorded in the accounts from 1 January to 31 December.

4.9 COMMITMENTS - GOALS

The following tables show the goals set for 2017 and the degree to which they were accomplished, as well as our goals for 2018. The tables follow the structure of the Report.

2017 GOALS

- Publish Corporate Responsibility and Sustainability report in line with the new GRI Sustainability Reporting Standards.



2018 GOALS

- Analysis of material issues from PPC's Management and Stakeholders.
- Enhance the communication of PPC's approach on sustainability issues.



IMPLEMENTATION

Completed

This Report has been prepared in accordance with the core option of the GRI Sustainability Reporting Standards. (see section 10.1)



Agios Dimitrios TPP

2017 GOALS

- New evaluation system for staff and executives.
- Voluntary retirement scheme for company employees.
- To support efficiency and develop a more professional approach, in 2017 a new round of Business English classes for around 100 executives of PPC will be launched.
- Prepare and complete at least 10 Written Occupational Risk Assessment (WORA).
- Comment on the features of accidents affecting staff at the Mines and Generation Business Units in 2016.
- Publish a safe working practices manual for electrical works at the Mines.
- Continue to work in partnership with the Fire Service to have the heads of fire safety teams trained by experienced fire-fighters.
- Provide nursing staff with occupational first aid re-training.
- At least 6 social worker visits to the regions.



2018 GOALS

- Utilise newly-hired higher education personnel through structured interviews.
- Digitalise personnel's folders.
- Connect the new evaluation system with other human resource management systems.
- Start the Business English classes-training programme for almost 100 PPC executives.
- Certify the Occupational Health and Safety Department's Quality Management System, in accordance with the Hellenic Organisation for Standardization new EN ISO 9001:2015 standard.
- Update PPC's work health and safety policy.
- Prepare and complete at least 10 Written Occupational Risk Assessments (WORA).
- Issue a statistical report for accidents and comment on the features of accidents affecting staff at the Mines and Generation Business Units in 2017.
- Perform at least 8 social worker visits to the regions.

IMPLEMENTATION

Completed (see section 5.3)

Completed (see section 5.1)

In progress

The new programme will start in 2018

Completed (see section 5.5)

Completed (see section 5.5)

Completed (see section 5.5)

Completed (see section 5.5)

Could not be achieved within 2017. Expected to be completed within 2018.

Completed (see section 5.5)

2017 GOALS

- Transition to the requirements of the new version of the ISO 14001:2015 standard and adjust the Environmental Management Systems at power plants which already have certification.
- Continue steps to put in place an Environmental Management System in line with the ISO 14001:2015 standard at the Lesbos, Chios, Limnos, Samos, Milos, Santorini and Karpathos autonomous power plants, the Symi and Megisti local power plants and the N. Plastiras Hydroelectric Power Plant.
- Run training seminars for new recruits at the power plants covering core environmental requirements and the key principles of the ISO 14001 standard.



2018 GOALS

- Transition to the requirements of the new version of the ISO 14001:2015 standard and adjust the Environmental Management Systems at power plants which already have certification.
- Continue and complete the Environmental Management System's development and implementation process according to the ISO 14001:2015 standard at the Lesbos, Chios, Limnos, Samos, Milos, Santorini and Karpathos Autonomous Power Plants, the Symi and Megisti Local Power Plants and the N. Plastiras Hydroelectric Power Plant.
- Certification of Hilarion HPP, located in the Aliakmonas Complex, according to the ISO 14001:2015 standard.
- Run training seminars for new recruits at the Power Plants covering core environmental requirements and the key principles of the ISO 14001 standard.



IMPLEMENTATION

In progress (see section 6.1)

In progress (see section 6.1)

Completed (see section 6.1)



Land rehabilitation at Amyntaio mine

2017 GOALS

- 6% discount on bill charges for all low or medium voltage customers who pay an entire year's bill up front.
- Complete the e-bill service allowing bills to be issued in electronic format only, offering a customer-friendly picture of the connections each customer has, and making electronic payments easier.
- Improve customer management, with an emphasis on overdue debts, by entering into partnership with an external associate who will offer specialist support.



2018 GOALS

- Reduce overdue debts by 10% and thus improve the Company's liquidity.
- Further develop PPC's electronic customer service, enabling them to sign their contracts electronically.
- Extend the digitalization pilot scheme of all new documents and contracts that are managed within all customer service points, aiming at developing an electronic database that will include all customers' files.
- Update PPC's customer archive, following the General Data Protection Regulation (GDPR) legislative layout.
- Design and implement end-use energy saving actions / measures, that will lead to the cumulative energy saving of 40 Ktoe (470 GWh) for the 2018-2020 period.

2017 GOALS

- Implement at least 3 social solidarity actions.
- Continue programmes designed to develop and strengthen local communities.
- Provide career guidance to at least 150 high school students in the Municipalities of Kozani, Amynteo and Megalopolis.



2018 GOALS

- Implement at least 3 social solidarity actions.
- Start the courses in the Private Vocational Training Institute PPC Energy Institute in Kozani.
- Continue programmes designed to develop and strengthen local communities.
- Provide career guidance to at least 150 high school students in the Municipalities of Kozani, Eordea and Megalopolis.

IMPLEMENTATION

Completed (see section 7.1)

Completed (see section 7.1)

Completed (see section 7.1)

IMPLEMENTATION

Completed (see section 8.4)

Completed (see section 8.1 and 8.2)

In progress (see section 8.5)

5. EMPLOYEES



Atherinolakkos TPP

HUMAN RESOURCES

The PPC approach to the health and safety of its workers is in accordance with the PPC Group's policy on occupational health and safety and its accident prevention policy. Since March 2012 the Occupational Health and Safety Department, which is responsible for managing these issues in PPC and is the In-House Protection and Prevention Service, has held ELOT EN ISO 9001 certification for the Quality Management System it operates.

TRAINING AND DEVELOPMENT

125,454

TRAINING HOURS

8,189

PARTICIPATIONS IN TRAINING COURSES

EMPLOYEES

10,672

TOTAL



42%

WESTERN MACEDONIA



77%

TECHNICAL AND LABOR STAFF



99.8%

OPEN-ENDED EMPLOYMENT CONTRACTS



100%

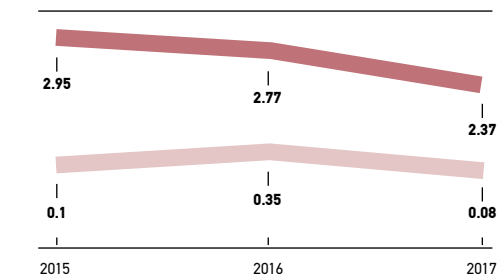
OPEN-ENDED EMPLOYMENT CONTRACTS ARE COVERED BY THE ENTERPRISE-SPECIFIC COLLECTIVE LABOUR AGREEMENT



HEALTH AND SAFETY

40,374

TRAINING HOURS ON HEALTH AND SAFETY ISSUES



ACCIDENT FREQUENCY INDICATOR
ACCIDENT SEVERITY INDICATOR



5.1 HUMAN RESOURCES DATA

At the end of 2017 (31.12.2017) PPC had 10,672 full-time employees. Only 24% of the PPC employees work in the Attica region, given that the vast majority of them work in other Greek regions, mainly in the mining and generation sectors (in mines and power plants). Special rules apply to PPC about recruiting local staff. During the short-listing process the permanent residents of local municipalities and communities where the Company has power plants and mines receive preference. These 'locality' rules do not apply to company executives.

37 PPC employees have been seconded to posts outside the Company. In compliance with applicable legislation and with well-established PPC practice, the Company has seconded employees to the political offices of members of the government, parliamentary deputies, political parties, ministries, and so on. Of the 37 employees who have been seconded, 33 are still being paid by PPC and remain on its full-time staff, while 4 are being paid by the bodies they have been seconded to. 5 PPC employees have been elected at a public office.

Geographical allocation of employees by gender

REGION	NO. OF EMPLOYEES (31.12.2015)	NO. OF EMPLOYEES (31.12.2016)	NO. OF EMPLOYEES (31.12.2017)		
			MEN	WOMEN	TOTAL
Eastern Macedonia and Thrace	160	161	113	43	156
Attica	2,526	2,518	1,337	1,191	2,528
Northern Aegean	158	170	166	16	182
Western Macedonia	4,449	4,507	4,034	420	4,454
Epirus	154	153	119	32	151
Thessaly	119	123	81	34	115
Ionian Islands	16	19	5	0	5
Central Macedonia	205	216	141	71	212
Crete	429	488	445	89	534
Southern Aegean	431	454	491	43	534
Peloponnese	1,376	1,403	1,214	198	1,412
Mainland Greece (Sterea Ellada) and Evia	408	395	309	80	389
Total	10,431	10,607	8,455	2,217	10,672

MATERIAL TOPIC: RECRUITMENT

Recruitment (i.e. staffing the Company) was indicated as a material aspect primarily by Management, shareholders and investors, employees and competitors. An ageing staff coupled with restrictions on new recruitments because of legal provisions applicable to companies in the Greek public sector, are aspects of this topic which directly impact on the Company's operations.

Allocation of employees by Employee Category, Gender and Age

EMPLOYEE CATEGORY	NO. OF EMPLOYEES (31.12.2015)	NO. OF EMPLOYEES (31.12.2016)	NO. OF EMPLOYEES (31.12.2017)						
			MEN			WOMEN			TOTAL
			< 30 Y. OLD	31 - 50 Y. OLD	> 50 Y. OLD	< 30 Y. OLD	31 - 50 Y. OLD	> 50 Y. OLD	
Executives	133	137	0	4	100	0	2	22	128
Admin. / Finance employees	2,139	2,169	4	262	443	6	830	619	2,164
Technical-Technological employees	1,375	1,432	5	514	674	1	144	80	1,418
Technical support employees	6,051	6,139	111	2,983	2,913	8	177	70	6,262
Workers	599	581	2	129	267	1	90	56	545
Expert staff	133	142	0	11	27	0	69	42	149
Consultants	1	7	0	0	6	0	0	0	6
Total	10,431	10,607	122	3,903	4,430	16	1,312	889	10,672

Allocation of employees by employee category with a pension entitlement over the next five years

EMPLOYEE CATEGORY	ESTIMATED NUMBER OF EMPLOYEES WITH PENSION ENTITLEMENT OVER THE NEXT 5 YEARS	ESTIMATED % OF EMPLOYEES WITH PENSION ENTITLEMENT OVER THE NEXT 5 YEARS
Executives	58	45%
Admin. / Finance employees	360	17%
Technical-Technological employees	494	35%
Technical support employees	3,922	63%
Workers	173	32%
Expert staff	16	11%
Consultants	1	17%
Total	5,024	47%

Men comprise of nearly 80% of the Company's workforce. The large male presence in the company workforce is attributed to the nature of the Company's works. 77% of employees are technical and labour staff, where 92% of which are men. From the sum of all other employee categories, women comprise of 65% of the Company's workforce.

The majority of employees (50%) are over 50 years old. It is estimated that 47% of them could become entitled to a pension over the next 5 years. Any forecast for the next 10 years would be very risky because of the general fluidity and uncertainty about the Company's future ownership regime and structure.

Over the past 3 years (2014-2016) a decline in the number of people retiring has been noted. This is primarily because at present the potential pension pay is significantly lower than the salary of active members of staff, which is a financial disincentive towards leaving active service. However, in 2017 PPC's BoD adopted a decision allowing salaried staff to voluntarily resign if they had become eligible for their main pension and reached a specific age. 263 employees invoked the voluntary exit programme and left the Company (see attritions below) It is likely that this practice will continue in the years to come.

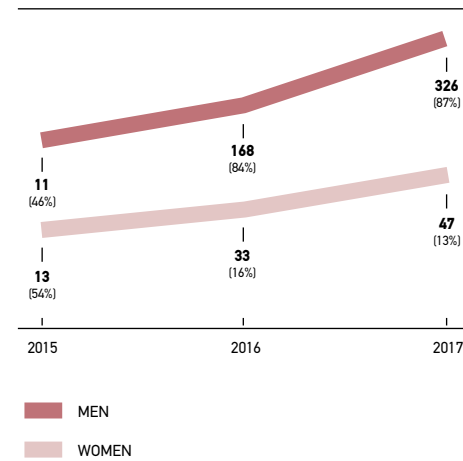
PPC is subject to rules and provisions applicable to Companies in the Greek public sector which affect specific procedures like recruiting new staff. Management is aware that the high average age of staff and the limitations on recruitments are factors that could negatively impact on the Company's ability to carry on its business activities.

In 2017 PPC recruited 373 new members of staff. To meet operational needs, it also recruited 1,352 full-time seasonal staff (1,230 of whom were on 8-month contracts, 96 on 2-month contracts and 26 on project contracts).

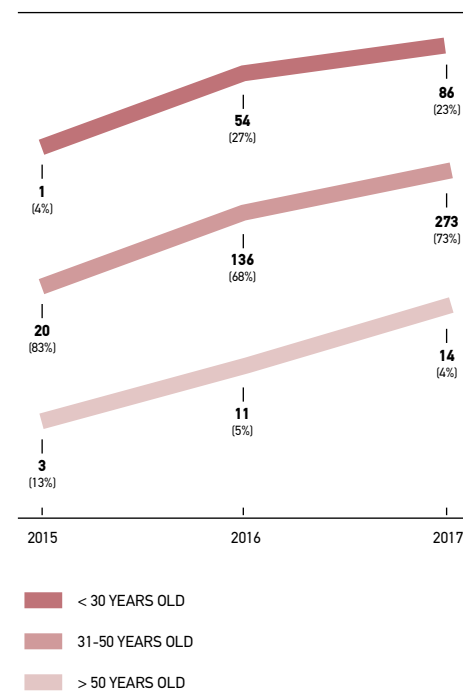
Recruitment in 2017

REGION	NO. OF RECRUITMENTS IN 2015	NO. OF RECRUITMENTS IN 2016	NO. OF RECRUITMENTS IN 2017
Attica	5	57	68
Northern Aegean	-	11	17
Western Macedonia	16	33	138
Ionian Islands	-	1	1
Central Macedonia	-	6	3
Crete	-	52	38
Southern Aegean	-	33	80
Peloponnese	3	8	27
Mainland Greece (Sterea Ellada) and Evia	-	-	1
Total	24	201	373

RECRUITMENT IN 2017 PER GENDER



RECRUITMENT IN 2017 PER AGE



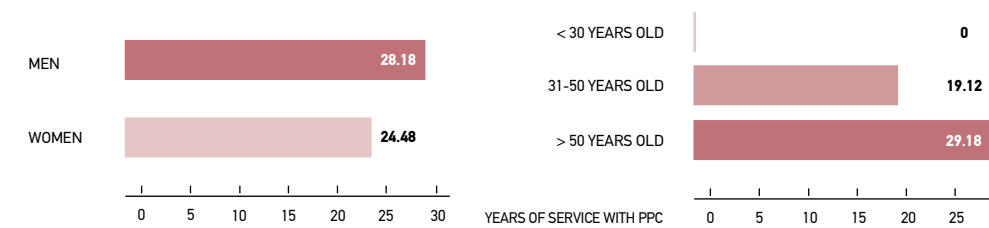
PPC's staff are employed full-time. Of a total of 10,672 employees, 10,651 are employed on the basis of open-ended employment contracts and are included in the Enterprise-Specific Collective Labour Agreement signed in 2015 which is valid for 3 years, while 21 employees have fixed-term employment contracts.

346 employees left service in 2017; 76% of which invoked the option of the voluntary exit programme. The attrition rate, as a percentage of all full-time employees, has been calculated at 3%.

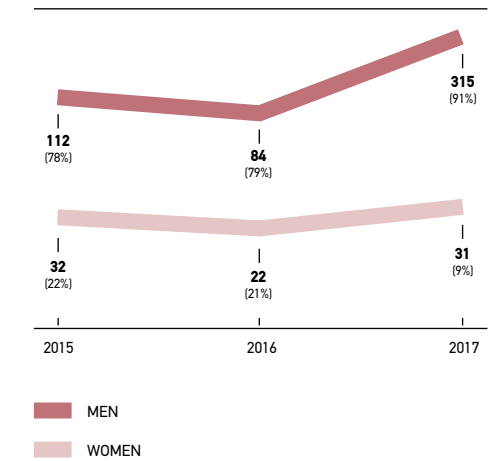
Attrition in 2017

REGION	NO. OF EMPLOYEES WHO LEFT IN 2015	NO. OF EMPLOYEES WHO LEFT IN 2016	NO. OF EMPLOYEES WHO LEFT IN 2017
Eastern Macedonia & Thrace	2	2	1
Attica	52	34	89
Northern Aegean	-	2	3
Western Macedonia	46	32	187
Epirus	9	3	4
Thessaly	1	2	4
Ionian Islands	1	-	-
Central Macedonia	7	2	6
Crete	6	4	5
Southern Aegean	6	7	8
Peloponnese	11	16	27
Mainland Greece (Sterea Ellada) and Evia	3	2	12
Total	144	106	346

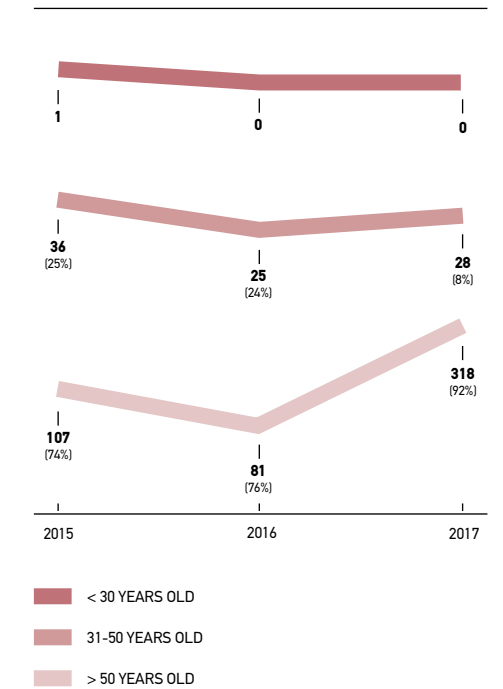
AVERAGE LENGTH OF SERVICE OF EMPLOYEES WHO LEFT IN 2017



ATTRITION IN 2017 PER GENDER



ATTRITION IN 2017 PER AGE



Parental leave

PPC offers paid parental leave for parents-employees.

Employees of both genders, either as biological, adoptive or foster parents, as well as surrogate parents are entitled to paid parental leave, in accordance with the Company's existing arrangements, regardless of the type of the other parent's employment activity and even if the other parent does not work.

Cumulative paid leave (calculated as the total of the entitled reduced daily working hours) can be granted to parent-employees, instead of the reduced daily working hours, as follows:

- 10 months, for children up until the age of 5
- 14 months, for twins, triplets, etc. up until the age of 5
- 17 months, for parents with 4 children or above, up until the youngest child attends the first grade of elementary school

An employee through an application may choose a cumulative paid leave, instead of the reduced daily working hours, and take it either all at once or in portions. The paid leave is managed taking into account the Company's work needs. In each case, the entitled annual paid leave of the previous working calendar must be used up.

The Company's temporary personnel, who serve a probation service in order to be integrated into the permanent personnel, is only granted reduced daily working hours for child care.

In 2017, 249 men and 100 women applied for and were granted parental leave. During the year, 81 men and 40 women returned to work after their leave ended. The Company has never so far terminated the employment contract of employees who return to work after cumulative maternity leave. Furthermore, in 2017, no employee left service within 12 months of returning from parental leave.

Trade Unions

PPC supports freedom of association for its employees and gives trade union representatives time to perform their trade union duties. The PPC trade unions represent employees from different areas of specialisation and regions. The General Federation of PPC Electricity Sector Personnel (GENOP / PPC-CCDs), which includes 23 unions with 8,976 registered PPC employees in 2017, the Electricity Industry Workers' Federation that



consists of 4 unions and has 263 registered employees and 5 more independent unions with which 314 employees are registered, all operate within the Company.

The fact that there is an Employment Trade Union Relations Sector within the Human Resources and Organisation Department, responsible for handling trade union-related issues, demonstrates Management's participative attitude towards employees.

Where major organisational changes are about to be made, the most representative trade union (GENOP/PPC) is notified and given a specific deadline within which to inform the other trade unions below it, so that they can make proposals or submit views. Employees and trade unions are also briefed in sufficient time by the relevant HR Unit.

Given that electricity is an essential good, PPC ensures that energy continues to be supplied even during strikes by using backup staff.

5.2 TRAINING AND DEVELOPMENT

The PPC Training Department monitors, manages and evaluates the training needs of PPC employees, to develop the Company's human capital and to achieve its strategic objectives. The systems used in the training field include analysing and identifying training needs, designing training courses, selecting trainees and instructors, running training courses, and evaluating training activities (the training cycle).

PPC has training facilities which are fully equipped and accessible to all employees or visitors. They are also disabled-friendly. These include the Athens Intensive Studies Academy and classrooms at head offices in the Attica region, the Megalopolis Intensive Studies Academy in the Peloponnese, the Kardia Intensive Studies Academy and the Mines Staff Intensive Studies Academy in Macedonia).

PPC employees attend training on diverse matters: technical and general issues, post-graduate courses, foreign language courses, lectures, conferences and seminars.

For the use of the new Employee Evaluation System, all employees who have an evaluators role, underwent training. In total, 1,533 participants were trained for 12,264 man-hours.

In addition, in 2017, 18 cycles of employee empowerment training, regarding the "Management of Technical Staff" agenda, were completed. Overall, 299 participants took part in the programme for 2,392 man-hours.

In 2017, a total of 125,454 man-hours of training were recorded, and the average train-

TRAINING PROGRAM 2017

MEN

6,856

WOMEN

1,333

MAN-HOURS

125,454

ing hours per participant was 15 hours. Of 8,189 participants, 6,856 were men and 1,333 women and the average training hours per participant were 16.19 hours and 10.82 hours respectively. Of all employees, the average length of training per employee was 12 hours, and 13 hours for men and 7 hours for women.

EMPLOYEE CATEGORY	2015			2016			2017		
	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT
Executives	36	391	10.86	29	316	10.90	113	922	8.16
Admin. / Finance employees	1,488	31,062	20.88	830	13,027	15.70	1,256	10,904	8.68
Technical-Technological employees	628	9,383	14.94	894	14,351	16.05	1,299	13,387	10.31
Technical support employees	3,656	40,562	11.09	4,175	39,929	9.56	4,690	91,087	19.42
Workers	267	2,813	10.54	280	3,464	12.37	278	2,498	8.99
Expert staff	27	234	8.67	18	140	7.78	18	138	7.67
Consultants	-	-	-	-	-	-	-	-	-
Unspecified category*	405	7,384	18.23	582	7,826	13.45	535	6,518	12.18
Total	6,507	91,829	14.11	6,808	79,053	11.61	8,189	125,454	15.32

* The category the participant belongs to is unrecorded.

5.3 EMPLOYEE EVALUATION AND BENEFITS

Employee evaluation programmes tend to have a positive impact on the operation of a company generally speaking, as employee good performance is rewarded and it encourages efforts to further improve performance. Right from the outset, PPC has had an employee evaluation system in place. In 2017, the annual employee evaluation was implemented for the last time, based on the Special Evaluation Regulation. 10,625 employees whose contracts are governed by PPC's Staff Regulations, were evaluated.

PPC, in order to be capable of coping with the new conditions of the market and the European energy map, modernizes its systems and structure, moving towards the implementation of a new Evaluation System for its staff. This system is a product of the Company executives' analytical and systematic work, that was guided and supported by the Management and assisted by the executives from its productive activities. It was also evaluated by Professors of the Athens University of Economics and Business and was also sent to GENOP/PPC for comments.

The implementation of the new System introduces two basic reforms. The first reform concerns the prompt acknowledgement by the evaluated employee of his/her annual assessment. The second reform concerns the evaluation's assignment to employees up to the level of head of workshop/team. Under certain conditions, the evaluation may be assigned to the Heads of Units, who reside below the Subsection level of hierarchy. This approach aims to ensure full understanding of employees' performance. Gradually, as the System's culture is consolidated, the evaluation will be performed in cooperation with the evaluated employee.

The evaluation of employee performance for 2017 will be completed, through the new System, in 2018. The System aims at achieving personnel development and improvement of the working environment in all areas.

PPC recognises its employees as the most valuable asset and strives in ensuring their maximum satisfaction and commitment to the Company and its goals; therefore besides offering a basic salary to its employees, it has established a range of additional benefits. Just some of these benefits are:

- Reduced electricity tariffs.
- Granting of low-interest loans for the coverage of medical needs, funding for purchasing or repair of main residence, studying expenses for families' children who study outside their home-city, funding for car purchasing or for the coverage of needs stemming from notable social events (wedding, death etc.).
- Financial support to employees facing serious health problems).



Meliti TPP



5.4 EQUAL OPPORTUNITIES AND RESPECT FOR HUMAN RIGHTS

The Company is constantly striving to develop an equal opportunities workplace where employees respect each other and where there is no discrimination. To date, no cases of discrimination have been recorded or reported.

Respect for human rights is an inviolable principle for PPC. PPC is against all types of forced or child labour. The Company fully complies with Greek legislation on child labour and implements procedures which preclude cases of child labour occurring. As in previous years, no cases of forced or child labour were reported in 2017. In addition, no cases of the human rights or the rights of indigenous populations being violated have been recorded. PPC fully

- Special leave for employees in addition to normal leave (study leave, family leave, extra 5-day leave for employees working on alternating shifts at power plants and mines, leave for customer service staff at the sale offices run by the Supply Business Unit).
- Training (seminars, foreign language courses, post-high school training, postgraduate courses, etc.).
- Free private crèches for children of employees, or coverage of part of the cost of private crèches or coverage of the cost of private campsites, up to the amount set by the competent Ministry.
- Mobile phones for staff, with free calls to other company staff members.
- Shuttle buses for employees when their place of work is located at a considerable distance from urban centres or towns.
- Residences for executives and staff transferred to problematic areas (such as inaccessible areas) for work.
- Food vouchers worth up to €6 for each day worked.
- Commendations awarded to children of PPC employees who excelled in their secondary and tertiary education studies. Events were organised in Athens, Kozani and Megalopolis in 2017 to award commendations to children of PPC employees and pensions who achieved top grades during the 2015-2016 school year. A total of 458 commendations were conferred.
- Career guidance services are offered to the children of company employees and retirees. In 2017, the Training Department provided free advice to 280 children of PPC employees and retirees. The sort of advice offered by the Department has garnered particularly positive responses nationwide from both parents and children alike.

respects human rights and implements the relevant national legislation. PPC does not discriminate on pay or on other issues such as the gender, age, race, colour, heritage, national or ethnic background of its employees.

5.5 HEALTH AND SAFETY

The PPC's approach to the health and safety of its workers is in accordance with the PPC Group's policy on occupational health and safety and its accident prevention policy. Since March 2012 the Occupational Health and Safety Department, which is responsible for managing these issues in PPC and is the In-House Protection and Prevention Service, has held ELOT EN ISO 9001 certification for the Quality Management System it operates. Moreover, since 2012 the Occupational Health and Safety Department has held a licence as an External Protection and Prevention Service Provider with the ability to provide protection and prevention services to customers inside and outside the PPC Group.

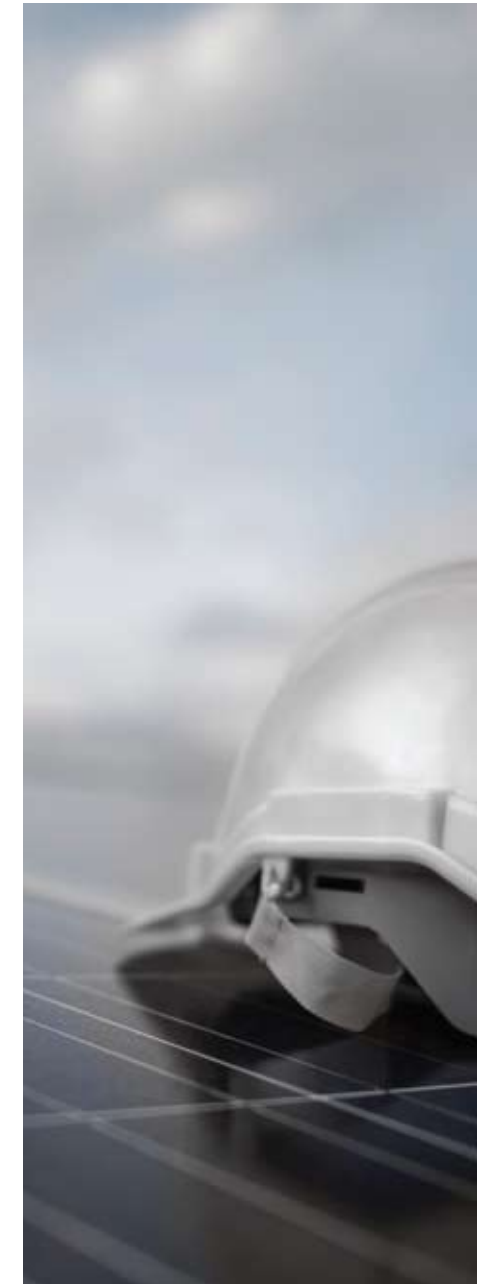
PPC is committed to implementing the relevant provisions of Greek law on occupational health and safety, and to immediately bringing its practices into line with all new European directives in this field. Thus in 2016 the Occupational Health and Safety Department set up a platform offering legal advice to its units, and assessing their compliance with legal requirements.

To curb the risk of accidents occurring, the Occupational Health and Safety Department's priority is to cultivate a culture of occupational safety at all levels within the organisation. The Department's goal is to have all employees at all levels and anyone who has a working relationship with the Company committed to the general accident prevention objectives.

The PPC Group's health and safety policy clearly refers to ongoing consultation with trade unions and employee representatives concerning occupational health and safety issues.

Inspections, emergency drills and management systems

In 2017, 14 studies of Written Occupational Risk Assessment (WORA) were elaborated in PPC Group's facilities: 1 at PPC Renewables, 4 at HEDNO (Main Services, Chalkida, Chalkida warehouse, Piraeus) and 9 at PPC (Information Technology Department, Kithnos Local Power Plant, Serifos Local Power Plant, Sifnos Local Power Plant, Milos Autonomous Local Power Plant, West Macedonia Lignite Centre Exploitation Department Central Maintenance Unit, Drama Sales District, Kavala Sales District, Heraklion Sales District).



According to PPC's regulation which foresees emergency protocols, the Occupational Health and Safety Department runs training courses in risk/disaster management and carries out emergency drills (Emergency Situation Plans - ESP), in order to ensure that Company employees can be in a position to tackle any emergencies / incidents. In 2017, 12 ESPs were completed. Notable mention is the earthquake preparation "Aisios Oionos" emergency drill, that took place for the first time in PCC's central offices with the Fire-brigade and the Earthquake Planning and Protection Organisation. Also, the first full scale emergency drill "KERAS 2017", with the presence of executive bodies, has been completed.

In addition, the annual inspections that were completed by the independent bodies successfully completed the annual review of the OHSAS 18001:2007 (ELOT 1801) compliant Occupational Health and Safety Management Systems at: Agios Dimitris, Kardias, Amyntaio-Filota, Meliti, Komotini, Aliveri, Keratea-Lavrion, Rhodes, Megalopoli A', Megalopoli B', Chania, Linoperamata and Atherinolakkos Thermal Power Plants, as well as the Megalopoli Lignite Centre and the Main Mining Site of the Western Macedonia Lignite Centre. Lastly, in November 2017, the Occupational Health and Safety Management System of Kardias Mining Site was certified in accordance with the OHSAS 18001:2007/ ELOT S.A. 1801 standard.

Within the framework of the System, the Megalopolis Lignite Centre undertook a series of actions for the promotion of Health and Safety to employees in Lignite Mines. More specifically:

- Update and training of ESP's teams and completion of the "Pelagos 2017" (seismic phenomenon) emergency drill.
- Distribution of the updated Occupation Risk Assessment Report to all staff members.
- Issuance of safe work instructions.
- Implementation of the electricity accidents interventions such as the implementation of checkpoints in Stations- Substations, electricians' education on First Aid matters (cardiopulmonary revitalization), the securing of power rooms gates and the placement of First Aid guides in Sub-plants.
- First Aid seminar for technical staff.
- Collection and processing of material safety data sheets and staff briefing.
- Measurement of harmful agents in cooperation with the Occupational Health and Safety Department.
- Special seminar for the use of personal protective equipment (PPE) and harmful agents (dust / noise) in line with measurements and medical checks findings.

During the year, 12 level-3 inspections were carried out at HEDNO by teams of inspectors from both the Occupational Health and Safety Department and HEDNO. During the inspection for Kardias Mining Site certification, which was in line with the OHSAS 18001:2007 certification, 1 internal inspection was carried out by inspectors from the Mines Central Support Department at the Mine and 1 level-3 inspection was carried out by a team of inspectors from the Occupational Health and Safety Department and PPC's Mines Business Unit. Also, the Occupational Health and Safety Department assisted the Generation Business Unit with 3 of its inspections that were carried out in Power Plants, with the help of expert inspectors. The inspections examined occupational safety issues and their results were notified to the heads of the Department.

Note that level-3 inspectors from the Occupational Health and Safety Department have attended the ELOT 1801:2008 Occupational Health and Safety Inspector Certification seminar.

Health and safety training

Health and safety training is an integral part of the basic and special, technical training our employees receive. Training courses are held at PPC plants. The courses are designed in partnership with the Occupational Physician, the Safety Technician and the Plant Manager, or take the form of training seminars held by the Training Department.

The training courses include the following subjects: health, medicine, occupational safety, first aid, and the safe use of work equipment and of the personal protective equipment. Furthermore, employees are informed about contagious diseases and participate in emergency drills in collaboration with local organisations, agencies of the General Secretariat for Civil Protection and in some cases the Armed Forces. In 2017, 1 Independent Emergency Design Policy (IEDP) training cycle for authorized personnel of HEDNO and PPC was completed. Also, 2 additional cycles were scheduled for the first semester of 2018. In addition, 5 training cycles for 560 employees (4,480 hours) on ESP were completed.

As part of the partnership with the Fire-brigade, that was initiated in 2016, 4 seminars were completed in 2017 by lecturers of the Fire-brigade Academy on the topic "Fire safety according to Fire Brigade Regulation 14/2014".

The 33 Occupational Physicians, when training and briefing staff on health, medical and occupational safety issues, provide information to staff on diseases, first aid practices, medical check-ups and other matters of their competence. Worthy of mention is that in 2017, 2 educational events on the topic of "Prevention and Early Diagnosis of Cancer" were organised. The events were carried out in cooperation with the Greek Tumor Foundation and were aimed for PPC's staff who work in the region of Attica.



Platanovrysi HPP, Nestos River

The training - briefing seminars addressed to the Safety Technicians are the main occupational health and safety seminars. In 2017, 1 training cycle for Safety Technicians in Athens (1st and 2nd phase) was completed.

Specific occupational health and safety topics and relevant subjects are included in the materials for other seminars run by the Training Department, such as the orientation training which new recruits receive. Over a 2-month period in 2017 seminars relevant to health and safety issues were held for all technical staff at Mines at PPC's training centre in Megalopolis.

A quarterly manual entitled "Foreman and accident prevention" is published by the Mines Business Unit to brief foremen about those occupational health and safety issues which are a constant concern for PPC.

In 2017, the implementation of Iraklis Group's Road Safety programme "Good Driver" was approved for 1,000 professional cargo transport drivers of the Mines Business Unit. The programme aims at re-briefing drivers on the rules of good road behaviour, as well as encouraging and inspiring them to respect the road behaviour protocols, rendering them responsible of their own safety. The programme will be enforced within 2018.



1

INDEPENDENT EMERGENCY DESIGN POLICY (IEDP) TRAINING CYCLE IN 2017

2

INDEPENDENT EMERGENCY DESIGN POLICY (IEDP) TRAINING CYCLES IN THE FIRST SEMESTER OF 2018

5

TRAINING CYCLES ON ESP WERE COMPLETED

4

SEMINARS ON THE TOPIC "FIRE SAFETY ACCORDING TO FIRE BRIGADE REGULATION 14/2014" WERE COMPLETED IN 2017

2

EDUCATIONAL EVENTS ON THE TOPIC OF "PREVENTION AND EARLY DIAGNOSIS OF CANCER" IN 2017

1

TRAINING CYCLE FOR HEALTH AND SAFETY IN 2017



The employees of the Mines Central Support Department participated in training programmes on:

- the use of an automatic external defibrillator, purchased by the Department,
- rescue teams work, and
- First Aid kit use.

PPC UNITS	2015			2016			2017		
	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT	NUMBER OF PARTICIPANTS IN TRAINING PROGRAMMES	TOTAL TRAINING MAN-HOURS	AVERAGE TRAINING MAN-HOURS PER PARTICIPANT
Mines Business Unit	2,871	32,151	11.20	2,709	28,703	10.60	2,524	24,295	9.63
Generation Business Unit	1,420	11,188	7.88	2,767	24,670	8.92	1,431	13,217	9.24
Supply Business Unit	131	587	4.48	198	510	2.58	128	316	2.47
Finance Division	-	-	-	85	216	2.54	-	-	-
HR Division	124	857	6.91	91	656	7.21	46	148	3.22
Support Operations Division	4	32	8.00	39	306	7.85	453	2,368	5.23
Other divisions/units	-	-	-	61	308	5.05	3	30	10.00
Total	4,550	44,815	9.85	5,950	55,369	9.31	4,585	40,374	8.81

Note: The data in the table above relate to training programmes handled and organised by the Training Department ("locally" implemented training conducted by the Divisions in PPC Business Units is not included).

Health and Safety for contractors and subcontractors

To ensure the health and safety of the staff of PPC's contractors, the latter are responsible for implementing occupational health and safety legislation and are subject to the legal sanctions involved. Contractors expressly undertake exclusive responsibility for designing and implementing safe working practices for persons employed on project construction and for third parties.

Contractors/subcontractors are obliged to provide staff with suitable personal protective equipment (PPE) depending on the work being carried out, to take all health and safety at work measures required by law and to comply with the obligations for a Safety Technician and an Occupational Physician, to assess and prevent occupational risk, to protect against harmful agents and to keep employees informed about these issues.

Upon entering the worksite, contractors are obliged to provide the Company with a list of staff to be employed (number, area of specialisation) as well as all other information which the Company considers necessary about such staff. If the Company considers this necessary, the contractor's staff must undergo training relevant to specialised technical work tasks which are to be undertaken. That training is provided at the PPC Vocational Training Centre.

PPC inspects contractor work crews and examines:

- The personal protective equipment, the group protective equipment and tools, to check that they are adequate, what condition they are in and whether the contractor's staff are using them.
- Whether the contractor's staff hold the necessary licences and permits.
- Whether the provisions of contracts and the PPC CEO's decision No. 96/2010 are being implemented, to ensure that PPC's contractors implement labour and social security law.

In 2017 inspections were carried out on 12 contractor work crews engaged by HEDNO and on 6 contractor work crews engaged by PPC. An inspector from the Occupational Health and Safety Department took part in the inspections.

12
INSPECTIONS ON CONTRACTOR
WORK CREWS ENGAGED BY HEDNO

6
INSPECTIONS ON CONTRACTOR
WORK CREWS ENGAGED BY PPC

Health and Safety Performance

PPC HEALTH AND SAFETY DATA	2015	2016	2017
Total No. of accidents ^{1a}	56	60	50
Total No. of fatal accidents ^{1b}	0	1	0
Fatal accident frequency rate ²	0	0.81	0
Accident frequency rate ³	2.95	2.77	2.37
Total No. of days of absence due to accidents	1,934	7,576	1,819
Accident severity rate ⁴	0.10	0.35	0.09
Total No. of days of absence from work ⁵	63,930	64,692	54,231
Absence rate ⁵	2.48%	2.47%	2.05%

1a. The number of accidents includes all accidents occurring during employment of the permanent and seasonal/ temporary staff, which caused absence from work for more than 3 calendar days. Accidents occurring while travelling to and from work or cases of sickness, which are analysed separately (from a statistical viewpoint), are not included.

1b. Total No. of fatal accidents among employees based on the European statistics on accidents at work (ESAW) - Methodology - 2001 edition.

2. Calculation Method: No. of fatal accidents per 10,000 employees in line with ESAW.

3. The methodology taken into account to calculate the indicators is the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", which is also followed by the European Agency for Safety and Health at Work (EU-OSHA) and EURELECTRIC Calculation Method: Number of accidents per 10⁶ hours of exposure to risk.

4. The methodology taken into account to calculate the indicators is the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", which is also followed by the European Agency for Safety and Health at Work (EU-OSHA) and EURELECTRIC Calculation Method: Number of calendar days of absence from work per 10³ hours of exposure to risk.

5. The total number of absences from work and the respective absence rate relate to absence from work, registered as absence due to illness and sick leave.

ACCIDENTS	2015		2016		2017	
	NUMBER OF NON-FATAL ACCIDENTS	NUMBER OF FATAL ACCIDENTS	NUMBER OF NON-FATAL ACCIDENTS	NUMBER OF FATAL ACCIDENTS	NUMBER OF NON-FATAL ACCIDENTS	NUMBER OF FATAL ACCIDENTS
PPC employee accidents	56	0	59	1	50	0
PPC contractor accidents ¹	16	3	1	0	7	1
Third party accidents ²	0	0	1	0	0	0

1. It is quite possible that some accidents may have gone unnoticed as a contractor may have failed to report them to the relevant authorities and consequently to PPC.

2. These accidents usually relate to electrocution or road traffic accidents. Electrocution is caused by involuntary contact with "live" parts of the network either during the construction of structures (buildings, advertising signs, etc.) or during the operation of lifting equipment. These are usually due to failure to keep the correct safety distances or even due to the failure (by private citizens) to request that specific parts of the network be disconnected.

In 2017, no fatal accident involving PPC employees occurred during working hours.

One of the fatal accidents took place during the testing of load erection at Kardia mine with a vehicle of CLARK type. The said vehicle was overturned and the driver was fatally injured in his head.

Inspections were also carried out as to whether personal protective equipment was being properly used. These are still continuing.

Of the 50 non-fatal occupational accidents involving PPC's employees, 2 occurred at the PPC the sale offices in the Attica Regional Unit, 3 took place in offices in the Attica Regional Unit, 9 occurred in activities unrelated to lignite-fired generation (5 on Rhodes, 1 on Crete, 2 on various Aegean islands and 1 at Acheloos Facility) while 36 involved lignite-fired generation activities. Of those 36, 32 took place in the Western Macedonia Region (29 in the Kozani Regional Unit and 3 in the Florina Regional Unit) and 4 took place at Megalopolis.

From the 7 non-fatal contractor accidents, 4 of them took place during the construction works of the new Rhodes TPP, 2 of them took place in the Local Power Plants of Icaria and Othonoi and 1 in the Northern Field Mine of the West Macedonia Lignite Centre.

From the above, the need to increase the inspection of the contractors' work, especially in the new Unit's construction, has emerged.

Following the fatal accident that took place in 2016, the Mines Business Unit, through the Mines Central Support Department, organised the same year a working meeting on the topic "Preventing electrical accidents in the Mines Business Unit". After the meeting, the following actions were implemented within 2017:

- *Issuance and distribution of the "Safety Manual for Mining Electrical Works" to the Mines' electricians and Safety Technicians.*
- *Development and use of a control list for performed electrical tasks.*
- *Staff training of the Electrical Sections.*
- *Adequacy test of personal protective equipment and group protective equipment.)*

The absolute number of accidents exhibited a decrease (from 60 in 2016 to 50 in 2017), which resulted in the subsequent decrease of the accident frequency indicator's value; despite the fact that the total actual working hours decreased (which coincide with the hours of exposure to risk).

With regard to accident severity, the indicator's value decreased significantly, due to the absence of fatal accidents.

The Occupational Health and Safety Department ensures that PPC's Accident Prevention Policy and its effectiveness are fully documented and systematically evaluated. In 2017, 2 accident statistical analysis reports for 2016 (1 for PPC and 1 for HEDNO) and 1 report / commentary on the features of accidents involving staff of the Mines and Generation Business Units for the 2016 period were published. The commentary on the most important accidents was sent to all PPC Business Units to prevent similar incidents from occurring again.

PPC UNITS	2015			
	NO. OF ACCIDENTS	ACCIDENT FREQUENCY RATE	NO. OF DAYS ABSENT DUE TO ACCIDENTS	ACCIDENT SEVERITY RATE
Mines Business Unit	37	5.16	1,202	0.17
Generation Business Unit	15	1.94	610	0.08
Supply Business Unit	0	0	0	0
Other divisions / headquarters	4	1.79	122	0.05

PPC UNITS	2016				2017			
	NO. OF ACCIDENTS	ACCIDENT FREQUENCY RATE	NO. OF DAYS ABSENT DUE TO ACCIDENTS	ACCIDENT SEVERITY RATE	NO. OF ACCIDENTS	ACCIDENT FREQUENCY RATE	NO. OF DAYS ABSENT DUE TO ACCIDENTS	ACCIDENT SEVERITY RATE
Mines Business Unit	41	5.15	7,020	0.88	31	4.09	636	0.08
Generation Business Unit	18	1.92	534	0.06	15	0.08	719	0.08
Supply Business Unit	1	0.54	22	0.01	2	0.01	20	0.01
Other divisions / headquarters	0	0.00	0	0.00	2	0.12	302	0.12



Support to employees and their families

The Occupational Health and Safety Department's Social Workers Subsection / Occupational Medicine Section's job includes offering individual and family counselling and support to employees, briefing them and referring them to the competent agencies, preparing detailed social surveys and short statements of their recommendations / findings, among other things.

In 2017 the Social Workers Subsection / Occupational Medicine Section prepared 117 social surveys (88 were requested by PPC and 29 by HEDNO). 41 employees (27 from PPC and 14 from HEDNO) who needed social protection, support and assistance, received counselling and support and had confidential informative memos issued.

In 177 cases (105 from PPC and 72 from HEDNO), employees were provided with guidance, counselling about how to address their personal problems, and when deemed necessary, they were referred to specialised centres and agencies outside PPC.

As part of the Social Worker's visits in Greece's provinces to identify and address problems, 14 visits in PPC's and HEDNO's Units in Rethymno, Sparta, Nafplio, Chalkida, Amfissa, Thebes, Ptolemaida, Kozani, Florina, Chania, Karystos, Astros, Nafpaktos and Mesolonghi were completed.

A Psychologist's Office operates in a separate section of the Occupational Physician's Offices in Thessaloniki, providing personal or family psychological and counselling support to employees facing difficulties handling workplace issues as a result of physical or mental illness, psychotherapy, psychological evaluations through collaboration with executive agencies, bodies outside PPC, Occupational Physicians and Social Workers. In the mean-



time, a psychological support programme is being carried out once a week at the Western Macedonia Lignite Centre in Ptolemaida to provide psychological and counselling support to PPC staff in the Western Macedonia region and members of their families.

In 2017, the Psychologist's Offices in Thessaloniki and Ptolemaida had 45 people (employees and members of their families) come in for the provision of psychological and counselling support and 192 sessions were administered (21 people-116 session in Thessaloniki and 24 people -76 session in Ptolemaida). Also, 8 psychologists' visits were completed in other Units of the Company.

It is mentioned, that for the Social Workers Subsection's and the Psychologist's Offices' activities, strict personal data protection is adhered.

5.6 INTERNAL COMMUNICATION

In addition to the steps mentioned above, PPC's Corporate Affairs and Communications Department also keeps employees well-informed about electricity, about how to use it safely, how to make energy savings and various other issues. The following measures were taken in 2017:

- Information is provided on the PPC intranet about energy savings, the safe use of energy and/or general health and safety at work issues.
- Staff are briefed each month about European energy market issued based on the EURELECTRIC information bulletins.
- Executives and staff receive weekly, monthly and special online briefings about:
 - Current statutory, regulatory and other issues at various levels (European Commission, European Parliament, etc.) of direct concern to European energy businesses.
 - Studies, reports and so on, about the state and prospects of energy and electricity companies..
- Comprehensive memos are drafted about talks given at colloquia, conferences, etc. in Greece about energy, energy technologies, environmental protection policies, etc. that are of interest to PPC executives and staff.
- Meetings were jointly organised with trades unions on the following topics:
 - "Lignite Memories - a Tribute to the Lignite Miners", a sports event with races for PPC employees, retirees and athletes from various parts of Greece.
 - Staff info-events.

5.7 REGULATORY AND LEGISLATIVE COMPLIANCE

Complying with the applicable legislation and other regulations lies at the very core of what PPC does, both in relation to HR issues, and in general in relation to all its activities. However, due to PPC's size and sheer scale of its operations, various critical issues do arise from time to time.

All cases of corruption which come to the PPC's attention, either as a result of complaints or inspections carried out by a supervisor/departmental team and/or the Internal Audit Department, are fully investigated and then disciplinary measures are taken against the employees involved in line with Chapter VI of the PPC's Staff Regulations. In most cases, given the severity of the disciplinary offences that cases of this type by employees involve, these disciplinary matters are referred by the CEO to the First Instance Disciplinary Board which can impose any of the sanctions specified in Articles 26 and 32 of the PPC Staff Regulations. In 2017, 2 company employees was subject to disciplinary proceedings for corruption issues. Both have been fired without compensation.

In 2017, there were no final criminal courts convictions on matters falling within the criminal offenses of corruption, abuse of power, embezzlement, theft, infidelity, corruption, bribery, fraud, forgery, false testimony or falsification of documents, use of false testimonies and official secrecy violation.

One (1) legal proceeding was launched against a Company employee for failing to avert a common risk. The case ended with an acquittal.

In addition, there are 10 cases that are still ongoing, one (1) for physical harm by negligence due to the particular due diligence legal branch duty, two (2) for criminal fraud and infidelity against of the Company while on duty, one (1) for forgery after the use of false testimony, one (1) for homicide by negligence from power outage, one (1) for a labour accident, one (1) for fire by negligence and two (2) for embezzlement of large value.

In 2017 PPC paid fines of € 43.3 thousand for labour issues.

6. ENVIRONMENT



Rehabilitation of land, Megalopolis

ENVIRONMENTAL MANAGEMENT

93.4% of PPC's total electricity output is generated from power plants with certified Environmental Management Systems (ISO 14001:2004)

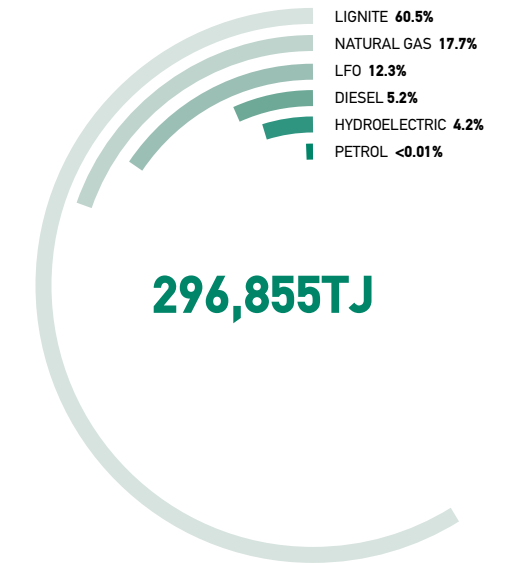
32 air quality and meteorological factor measurement stations, in the wider areas of the Power Units and Mines

170 meteorological network metering stations

39 hydrometric network stations that measure water flow levels in rivers

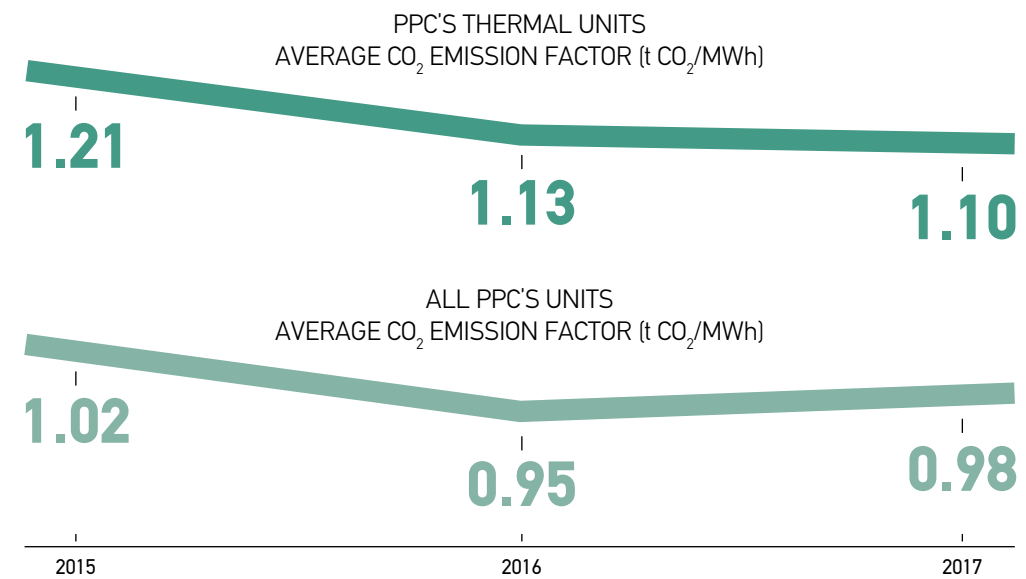


ENERGY CONSUMPTION



GREEN HOUSE GAS EMISSIONS

25% REDUCTION OF PPC'S UNITS CO₂ EMISSION FACTOR COMPARED TO 1990



BIODIVERSITY

3,002

HECTARES HAVE BEEN RESTORED IN THE AREA OF THE PTOLEMAIDA MINES

700

HECTARES HAVE BEEN RESTORED IN THE AREA OF MEGALOPOLIS LIGNITE CENTER



6.1 ENVIRONMENTAL MANAGEMENT

Most electricity generation activities are regulated by strict laws, regulations and permits at global, European, national and local level. PPC manages many different energy sources and technologies with different environmental characteristics and challenges as part of its activities. It recognises that environmental performance is key to the sustainable development of enterprises and to improving their competitiveness.

Given the wide range of PPC's activities and aiming for the best possible coordination of all involved organisational bodies, the Environment Department (part of the Strategy and Transformation Division) was established in 2017. The Department handles, among others, the duties that the Mines Environment Department, the Generation Environment Department and the Environment Unit in the Strategy Department used to have.

Furthermore, there are Environment Sections at the individual power generation facilities (at lignite centres and at power plants).

Environmental Management Systems

To ensure continuous improvements in its environmental performance, PPC has put in place Environmental Management Systems at its power generation facilities. PPC is in the process of gradually obtaining certification for these systems. To date PPC has certified Environmental Management Systems (ISO 14001:2004) for the Western Macedonia Lignite Centre and the following power plants which generate around 93.4% of PPC's total electricity output.

LIGNITE PLANTS	NATURAL GAS PLANTS	OIL PLANTS	HYDROELECTRIC STATIONS
Agios Dimitrios	Keratea - Lavrio	Atherinolakkos	Aliakmon
Amynteo-Filota	Komotini	Chania	Arachthos
Kardia	Aliveri	Linoperama	Acheloos
Megalopolis I		Skyros	Nestos
Meliti		Soroni-Rhodes	Ladonas (HPP)
Megalopolis II (Units IV, V)			

In 2017 the annual inspections to re-assess those Environmental Management Systems were successfully completed meaning ISO 14001:2004 certification was retained for an-

other year. Another Power Plant also obtained ISO 14001:2004 certification for the first time (TPP Soroni-Rhodes, in May 2017). € 14,000 were spent on certification/re-evaluation of the Environmental Management Systems for those hydroelectric and thermal plants (excluding the Acheloos complex). Furthermore:

- A Working Group of PPC employees was assembled, in order to update the Power Plants' Environmental Managements Systems to the new edition of ISO 14001:2015. The procedure is in progress and is expected to be completed within 2018.
- In 2017, the implementation and development of the Environmental Management System was continued in the APP Units of Lesvos, Chios, Limnos, Samos, Milos, Thira, Karpathos and in the LPPs of Simi and Megisti, as well as in the HPP of N. Plastiras.
- In 2017, seven(7) training seminar cycles, aimed at the newly-hired electrical and mechanical technicians, were carried out at PPC's Power Plants. The training included, among others, an introduction to the plants' basic environmental operation demands and the principles of the ISO 14001 standard.
- In 2017, the seminar entitled "EU's new Clean Energy Package" was organised for the newly-hired science personnel.

PPC operates various laboratories to help ensure compliance with the environmental terms and conditions under which its power plants operate, to support implementation of Environmental Management Systems and to enable it to comply with requirements that mandate environmental reporting to the competent authorities (such as annual reports in the context of the European Emissions Trading Scheme). These labs which operate at the PPC Testing, Research and Standards Centre:

- Analyse fuels, lubricants and water used by PPC in its engines.
- Carry out analysis on the water and solid waste PPC generates.
- Develop new photometric methods to measure additional environmental parameters such as ammonia, phenol, hexavalent chromium and cyanide compound levels in liquid waste.
- Calibrate measuring devices at PPC's Plants.

In 2017 the Centre retained its official scope of accreditation as a testing and calibration lab and as a Type B Inspection Body.



Louros HPP Dam



6.2 CONSUMPTION OF RAW MATERIALS AND FUELS

Use of materials and fuels

As a large electricity company, PPC uses and consumes large quantities of raw materials and other items, both to generate electricity and to cover other needs. The main fossil fuel PPC uses to generate electricity is lignite. In effect this is the only fossil fuel Greece produces. Natural gas, though, plays a very important role in ensuring the Company's energy balance. The island power generation systems are based on the consumption of oil products (LFO and diesel) to generate electricity.

RAW MATERIALS	2015	2016	2017
Lignite-solid fossil fuels (tons)	44,023,254	31,427,537	35,368,005
LFO (tons)	878,972	876,505	900,586
Diesel (kilolitres)	336,594	339,396	435,859
Natural Gas (kNm ³)	871,021	1,074,750	1,398,707
Desulphurisation limestone (tons)	371,877	318,412	401,953
Lubricants and mineral oils without PCBs (tons)	5,420	5,488	6,145
(kilolitres)	1.048	1.296	1.100

In 2017, 15.4 tons of combustion improvers and quantities of lubricants and PCB-free oil (510 containers) were consumed in addition to the products listed in the table.

It should be noted that there are no longer any quantities of PCBs in PPC equipment, as the programme to completely remove them and decontaminate all equipment containing or contaminated by PCBs has been completed in line with the relevant provisions of law. Checks for PCBs that may potentially be present are carried out on all equipment decommissioned from the network, even when it is certain that there is no contamination whatsoever.

Energy consumption

PPC's own energy consumption primarily relates to power generation. When PPC consumes energy this is primarily related to electricity generation, to the running of the Company's buildings (for heating/cooling and electrical purposes) and to use of its vehicles (service and corporate vehicles).

15,4t

COMBUSTION IMPROVERS WERE CONSUMED IN 2017

100%

OF EQUIPMENT DECOMMISSIONED FROM THE NETWORK ARE CHECKED FOR POTENTIAL PRESENCE OF PCBs



Natural gas-Megalopolis Unit V

Total direct energy consumption (in primary energy terms) was 296.9PJ in 2017, increased by 12% compared to 2016. This is due to:

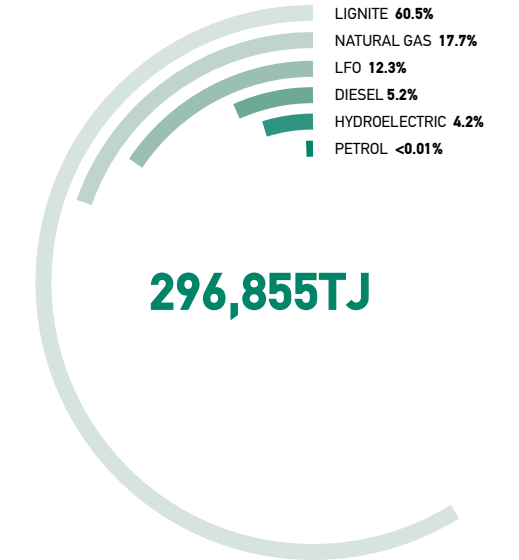
- The increase of energy consumption in Greece by 1.5% in 2017, compared to 2016.
- The decrease of hydroelectric generation by 1,367 GWh, due to the large decrease in water reserve levels, that couldn't be restored/replenished due to the extremely low water inflow that occurred in the remaining months of 2017.
- The increase of the net power output of natural gas (37%) and lignite (10%) Plants to offset the reduced hydroelectric generation and meet the increased demand.

As a result, energy intensity (defined as energy consumed to produce electricity/revenues from the sale of electricity) in 2017 increased by around 15% compared to 2016 (from 53.3MJ/€ in 2016 to 61.2MJ/€ in 2017).

Consumption figures can be broken down as follows:

- Fuel use at thermal plants was 284PJ (accounting for 96% of overall energy consumption). This figure includes consumption by the Plants themselves (0.4 PJ) and consumption for district heating schemes (2.1PJ).
- Electricity produced by PPC hydroelectric power plants (around 4.2% of overall energy consumption).
- Fuel consumption for vehicles (30.7TJ) and to heat buildings (7.7TJ). Overall, these two categories account for 0.01% of total energy consumption.
 - PPC runs a fleet of 1,486 vehicles including 1,061 with ordinary licence plates, 173 which are only used within the boundaries of the Company's premises as well as 252 vehicles with licence plates issued with Prefectural authorisation. Data is available about fuel consumption and vehicle usage for 60% of the vehicles with ordinary licence plates. Those vehicles travelled 6.85 million km (was maintained at 2016 levels).
 - Fuel consumption data for buildings only relates to buildings in Attica (covering a surface area of 530,000m², which consist of offices, substations, storage areas and archives) which account for 27% of all PPC buildings (both rented and owned). 55% of the consumption figure relates to natural gas. This does not include energy consumption in buildings (9.66GWh) since the quantities concerned are generated by the Company itself and are included in the figures for energy consumed in electricity generation.

ENERGY CONSUMPTION IN 2017





6.3 GREENHOUSE GAS AND OTHER GAS EMISSIONS

According to the most recent national survey of GHG emissions submitted by Greece to the Secretariat of the United Nations Framework Convention on Climate Change for the period 1990–2016, GHG emissions from burning fossil fuels and PPC's thermal plant and by individuals to generate electricity and heat in 2016 accounted for 31.41 million tons of CO₂ eq, which was around 34% of all national emissions which stood at 91.6 million tons of CO₂ eq.

Recognising the environmental impacts of its activities, PPC has put in place and is implementing control and prevention programmes. These programmes are based on systematic monitoring of PPC's activities and their impact on the environment.

Greenhouse gas emissions

GHG emissions from thermal Units (which are the main source of PPC emissions) are monitored in line with European Commission guidelines on plants participating in the European Union Emissions Trading Scheme (EU ETS) and monitoring programmes developed by PPC and approved by the Ministry of the Environment and Energy.

Emissions from the thermal power Plants are considered to be direct emissions (Scope 1) according to the terminology of the GHG Protocol Initiative. Methane emissions (CH₄), from lignite exploitation at PPC mines and emissions from fuel consumption at company buildings and by vehicles are also included in the same category. Indirect emissions (Scope 2) from electricity consumption at PPC (self-consumption by Power Plants and electricity consumption at the Company's buildings and other facilities) are not included as they have already been included in the Company's direct emissions. Emissions from business flights were calculated as 'Other indirect emissions' (Scope 3).

GREENHOUSE GAS EMISSIONS	TYPE	2015	2015	2017
Operation of Power Plants				
<i>Per fuel (kt CO₂)</i>	<i>Scope 1</i>	<i>34,352</i>	<i>28,468</i>	<i>31,794</i>
Lignite (kt CO ₂)		28,755	22,430	24,734
Fuel oil (kt CO ₂)		2,765	2,758	2,834
Diesel (kt CO ₂)		822	830	1,078
Desulphurisation (kt CO ₂)		160	129	167
Natural gas (kt CO ₂)		1,797	2,267	2,927
Plants not included in EU ETS system (kt CO ₂)		53	54	54

MATERIAL TOPIC: CLIMATE CHANGE AND GREENHOUSE GAS / PARTICLE EMISSIONS

Climate change is a global environmental problem, whose impacts affect all aspects of human life (the environment, health, the food chain, infrastructure, the economy and politics). According to the 5th IPCC assessment report, it is extremely likely that man-made GHG emissions (CO₂, methane, nitrogen oxide and fluoride gases) are the main cause of climate change. When generating electricity from fossil fuels, GHGs and atmospheric pollutants are released into the air. In this regard, climate change and gas/particle emissions have been recognised as material matters by the Company's Management team, customers, associates and suppliers, the State, regulatory authorities and public agencies, regions, local government authorities and local communities, as well as by non-governmental and non-profit organisations. Keeping the rise in the average global temperature sufficiently below 2°C and the attempt to bring it even lower, to 1.5°C compared to pre-industrial age levels (targets which were agreed at the 21st Conference of Parties to the United Nations Framework Convention on Climate Change in Paris) require measures to be taken to curtail GHGs in the power generation sector.

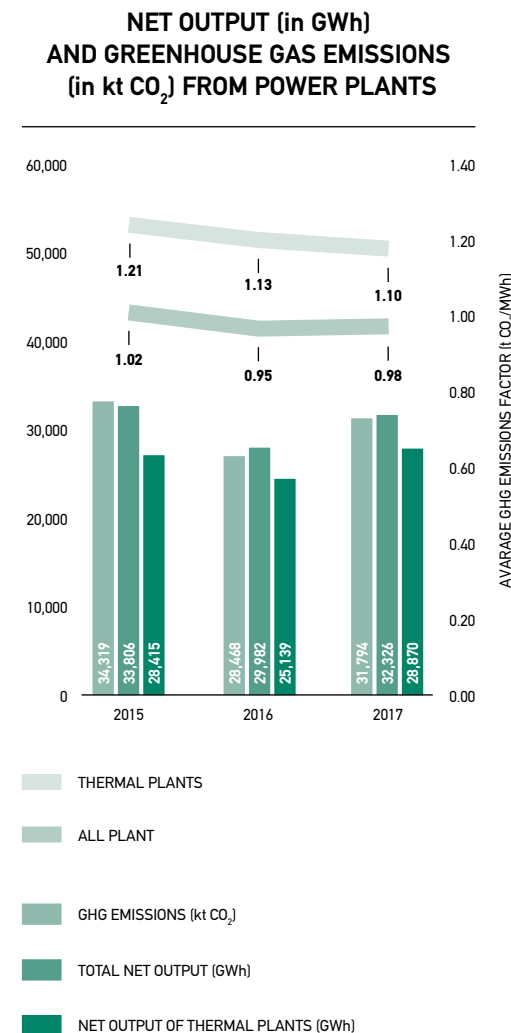
GREENHOUSE GAS EMISSIONS	TYPE	2015	2015	2017
Other activities				
<i>Lignite mining¹ (kt CO₂ eq)</i>	<i>Scope 1</i>	<i>959</i>	<i>684</i>	<i>770</i>
<i>Buildings² (t CO₂)</i>	<i>Scope 1</i>	<i>394</i>	<i>324</i>	<i>494</i>
<i>Fuel for vehicles² (t CO₂)</i>	<i>Scope 1</i>	<i>2,277</i>	<i>4,000</i>	<i>2,250</i>
<i>Flights³ (t CO₂)</i>	<i>Scope 3</i>	<i>81</i>	<i>336</i>	<i>457</i>

Note: Other indirect emissions from electricity imported by PPC are not counted since detailed data about the power plants and/or power systems that provide imported electricity are required, and that data is not available.

- The emission factor from the national emissions inventory has been used. To calculate the Global Warming Potential of methane, the value which appears in Annex III of Decision 24/CP.19 was used (GWP = 25) so that the relevant national obligations conform to the UN Framework Convention on Climate Change (UNFCCC) and European Commission figures.
- The emission factors proposed in the IPCC Guidelines (2006) were used to calculate emissions from fuel consumption at buildings and by vehicles.
- Business flight emissions were calculated by allocating the flights to various categories (domestic, European and transatlantic flights). The emission factors proposed by the GHG Protocol were used.

In 2017, CO₂ emissions from PPC facilities increased by 11.7%, compared to 2016. The average rate of CO₂ emissions by PPC thermal Units (1.10t CO₂/MWh) was down 2.8% compared to 2016 (1.13t CO₂/MWh), while the average emission rate for all Units (thermal and hydroelectric) was up 3.4% (from 0.95t CO₂/MWh in 2016 to 0.98t CO₂/MWh in 2017). This resulted in the emissions intensity (defined as GHG emissions from electricity generation and the extraction of lignite/revenues from the sale of electricity) to increase in 2017 by 16%, compared to 2016 (from 5.8Kg CO₂ eq/€ in 2016 to 6.7Kg CO₂ eq/€ in 2017).

- The values of the average thermal plant emission rate depend on the quality of the lignite extracted and the percentage of lignite and natural gas used to produce electricity, in the overall context of how the electricity market operates. In 2017, the presence of lignite-fired generation in the total net power output of PPC's thermal Plants was reduced to 57% (from 59% in 2016). More specifically, in 2017, net energy generation by lignite Plants increased by 10% (1,489GWh) while net generation by natural gas plants rose by 37% (2,053GWh).
- The value for the overall emission rate is affected to a major degree by the productivity of the hydroelectric Plants. In 2017, the quantity of electricity generated by hydroelectric Units dropped by 29% compared to 2016 (1,387GWh), as due to the overexploitation of the HPPs in January 2017, there was a large decrease in water reserve levels, that couldn't be restored/replenished due to the extremely low water inflow that occurred in the remaining months of 2017. This resulted in the hydroelectric Units'



reduced contribution (11%) to the overall power generation by PPC Power Plants. The reduced hydroelectric generation and its replacement by the operation of natural gas and lignite Units, in conjunction with the increased electricity demand, resulted in the increase of PPC's plants average emission factor.

Overall, PPC has managed to reduce the CO₂ emissions rate of its overall power generation system by around 25% compared to 1990 (1.3t CO₂/MWh).

EU Emissions Trading Scheme

The Emissions Trading Scheme (ETS) is one of the European Union's main tools for reducing greenhouse gas emissions. ETS was launched in 2005 and the third phase of its operation started in 2013 (2013 - 2020).

From 2013 onwards, all electricity companies are obliged to purchase all allowances necessary to cover their emissions arising from electricity generation (as opposed to the free allocation that was in force from 2005 to 2012), excluding the emissions which arise from the provision of thermal energy for district heating. More information about the regulatory framework on how the EU ETS operates can be found on the websites of both the Ministry of the Environment and Energy (<http://www.ypeka.gr/Default.aspx?tabid=456&language=el-GR>) and the European Commission (http://ec.europa.eu/clima/policies/ets/index_en.htm). Detailed data about the plants covered by the scheme in the European Union can be found in the European Transaction Log (<http://ec.europa.eu/environment/ets/>).

In May 2017, the licences of the Ptolemaida and Agios Georgios TPPs were revoked due to the Units' operation being brought to an end, resulted in bringing the number of PPC Plants covered by ETS down to 28. The free CO₂ emission allowances administered to PPC, were 62.8 thousand (only for the operation of the district heatings schemes of Agios Dimitrios, Amyntaio, Megalopolis A and Kardia TPPs' district heating facilities). PPC handed out 31.7 million allowances. The CO₂ emission allowances expenditure remained stable (€ 181.2 million), as the cost from the increased amount emissions (31.7 million tons in contrast to 28.4 million tons) was counterbalanced by the reduced average CO₂ allowance price by 8.9% (from € 6.27/tons to € 5.71/tons).

Air pollutant emissions

As a result of burning conventional fuels to generate electricity at thermal power plants the air pollutants released into the atmosphere contribute to air pollution and cross-border pollution. The most important air pollutants are Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x) and airborne particles. The quality of the consumed lignite is a major defining factor in the emissions produced.

25%

REDUCTION OF THE CO₂ EMISSION FACTOR OF THE TOTAL UNITS OF PPC COMPARED TO 1990



Rehabilitation of land, Megalopolis Unit IV

In 2017 all pollutant gas emissions increased compared to 2016. The reduced generation of the hydroelectric Plants, in conjunction with the increased consumption of electricity in 2017, led to PPC's thermal Plants increased generation and resulted in increased air pollutant emissions.

POLLUTANTS ¹	EMISSIONS IN 2015 ² (tons)	EMISSIONS IN 2016 ² (tons)	EMISSIONS IN 2017 (tons)
Sulphur oxides (SO _x)	51,300	30,400	35,600
Nitrogen oxides (NO _x)	49,100	44,300	46,000
Particle emissions (PM)	3,350	2,760	3,770
Pb	2.46	2.04	1.73
Ni	11.2	9.35	7.9
Cu	3.8	3.72	3.15
Cr(tot)	7.76	5.65	4.78
Zn	9.18	7.11	6.02
Cd	0.37	0.29	0.25
Hg	0.85	0.68	0.58
As	1.92	1.52	1.29

1. The figures in the table are those that PPC publishes in the European Pollutant Release and Transfer Register (E-PRTR, Regulation (EC) No 166/2006).
2. Final historical data.

The Transitional National Emissions Reduction Plan for the period 2016-2020 (in implementation of Article 32 of Directive 2010/75/EU) requires a linear reduction (between 2016 and the first half of 2020) of overall annual emissions by units included in the plan (for SO₂ and particles), while also allowing gradual implementation of the necessary environmental investments at those plants, while for NO_x emissions, compliance must take place by 1.1.2016. The Plan includes the Agios Dimitrios, Meliti, Megalopolis A and B TPPs and the Amyntaio and Kardia TPPs are under a limited-duration derogation (with no more than 32,000 operation hours per flue, from 1.1.2016 until 21.12.2023).

In the context of the Plan, the Company has set out its policy and defined how it will operate its lignite Plants over the time period specified, the actions and environmental projects which are required, and the timeframe for implementing them, coupled with the longer-term maintenance plans it has for those facilities.

The investments being made primarily relate to projects to NO_x emissions reduction (such as replacing existing burners with new low-NO_x emission ones, installing additional and/

or modifying existing gas afterburn systems, recycling cold flue gases and in general any other primary measures deemed necessary to achieve the targets set) at the Agios Dimitrios TPP Units, as well as projects to reduce SO₂ emissions at the Agios Dimitrios TPP (Unit V). The relevant procedures for implementing these projects and signing contracts for them are under way. The following points are important in this regard:

- For the environmental adaptation of Agios Dimitrios TPP's Unit V, the following actions were decided:
 - The construction of a flue gas wet desulphurisation plant at Unit V at Agios Dimitrios TPP (forced oxidation wet desulphurisation using lime). The project was awarded to the lowest bidder J&P-AVAX Group in June 2017 for € 68 million. The project is at the stage where the prerequisite licences are being issued. Following the completion of the prerequisite procedures, the construction works will begin.
 - The upgrade of the boiler for the reduction of NO_x emission by adopting direct measures. On 24.6.2014, the relevant agreement was signed with SOLERGON S.A. at a contractual price of € 2.94 million. In December 2017, the system's performance testing was completed. Today the project is in the preparation phase of the Provisional Acceptance Protocol.
- For the environmental adaptation of Agios Dimitrios TPP's Units I-IV, the following actions were decided:
 - The upgrade of TPP's Units I and II boilers for the reduction of NO_x emissions through the adoption of direct measures. On 23.11.2015 the relevant contract with METKA S.A. was signed at a contractual price of € 13.75 million. According to the planning, the installation works in Unit I will begin in September 2018.
 - The upgrade of TPP's Units III and IV boilers for the reduction of NO_x emissions through the adoption of direct measures. On 12.11.2015 the relevant contract with ERGOTEM S.A. was signed at a contractual price of € 14.82 million. In 2017, the new equipment's installation in Unit IV was completed. The system's preliminary and operational testing is in progress. In May 2018, the equipment installation works in Unit III were initiated.
 - The interconnection of Unit's I-II heat exchangers with the TPP's Units III-IV existing installed energy retrieval systems. On 29.5.2015 the contract with the contractor of the project ERGOTEM S.A. was signed at a contractual price of € 2.884 million. The equipment's installation was completed in December 2017. In 2018, the pair II-IV entered a semi-commercial function.

- Limited scale interventions at Unit IV of the Megalopolis TPP will be needed in order to reduce NO_x emissions, without the boilers having to be replaced.
- In 2017, the investigation for Agios Dimitrios TPP Units' I-IV environmental upgrade, aiming for the reduction of SO₂ emissions, was continued. In 2018, the following actions were decided, for the environmental adaptation of Agios Dimitrios TPP Units' I-IV:
 - The Tender procedure for the supply and installation of a wet desulfurization system in the Agios Dimitrios TPP's Units I-IV. The total budget amounts to € 97 million.
 - The direct investigation for the adoption of the dry desulfurization system, aiming for the best possible management of the amended, short-term needs of TPP's Units I-IV. This investigation will include the trial programming of Unit IV new operational conditions, following the changes from the NO_x reduction project.

In order to monitor pollutant gas emissions, PPC operates a network of 32 stations that measure air quality and meteorological parameters in the wider areas around its Power Plants and Mining sites. This network is expandable when needed. The relevant authorities are systematically briefed, whenever necessary, about air pollutant emissions through annual and quarterly reports, in accordance with the decisions approving the environmental terms and conditions. In the event of excessive emissions, or damage to pollution control equipment, and in other relevant cases, a report is submitted to the competent authorities immediately, within 24 hours.

In 2017, as in previous years, the Critical Environmental Issues Management Team was assembled, comprising of staff from the Generation and Mines Business Units. The Team's task is to constantly monitor the results of air quality measurements and to develop a specific strategy to deal with and limit exceedances of the permissible limits to the minimum possible. In 2017 the results of the Western Macedonia Technical Education Institute's Research programme which objectively estimates extractive operations' involvement in the release of PM₁₀ suspended particulates into the air were used.



Natural gas - Lavrio Unit V

Ozone-depleting substances and fluorinated greenhouse gases

LOCATION	NUMBER OF POWER PLANTS	MEASURED AIR POLLUTANTS
North System ¹	10	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Lavrio	1	SO ₂ , NO _x , PM ₁₀
Megalopolis	3	SO ₂ , NO _x , PM ₁₀
Aliveri	2	SO ₂ , NO _x , PM ₁₀
Komotini	1	NO _x
Chania	3	NO _x
Linoperamata	3	SO ₂ , NO _x , PM ₁₀
Atherinolakkos[1]	3	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Rhodes	2	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Kos	1	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Samos	1	SO ₂ , NO _x , PM ₁₀
Chios	1	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Lesvos	1	SO ₂ , NO _x , PM ₁₀ , PM _{2.5}
Total	32	

1. The North System comprises of 10 PPC power plants in the Region of Western Macedonia, where one of the plants "does not comply with the prerequisites of the Environmental Terms". Also, in Atherinolakkos, one of the three plants does not comply with the Environmental Terms' prerequisites.

It is noted, that with the impending commencement of operation of the new thermoelectric plant of Southern Rhodes, PPC will be responsible for the Plant's and the wider region's air quality. The appropriate location for the installation of the Air Quality Measurement Station (in the surroundings of the former Kattavia Primary School) has been found. Its operation is expected to be initiated in 2018.

Ozone-depleting substances and fluorinated greenhouse gases

PPC's installed cooling capacity for its central air-conditioners at buildings in Attica is 3,573 RT (12.57MW). The cooling fluids used at units are either categorised as ozone-depleting substances (ODS) or fluorinated greenhouse gases.

- *In line with legislative requirements, during 2017 no existing facilities were topped up with R22, which is listed as an ozone-depleting substance.*
- *The fluorinated gases used in air conditioning systems are R407C, R410, R422D, R134A and R600A. The quantities filled were 267Kg in total and correspond to 468t CO₂ eq. emissions.*

6.4 ACTIONS TO REDUCE GREENHOUSE GAS EMISSIONS

PPC recognises the impact of climate change on all sectors of the economy, as well as its own responsibility as regards greenhouse gas emissions from its operations. Over the years PPC has been investing to improve the energy efficiency of its thermal power plants, improving the characteristics of the energy mix for electricity generation and developing hydroelectric power plants and RES projects. As a result, there has been a decrease in the average CO₂ emission factor of the PPC's electricity generation system over time.

PPC's capital expenditure plan

As part of the PPC's strategic priorities, the Generation Business Unit has undertaken to implement investment projects to replace obsolete Power Plants with new, environmentally-friendly, cutting-edge, more efficient Power Plants. The following can be noted regarding the progress of the relevant investment projects in 2017:

- The provisional acceptance of the new natural gas-fuelled Megalopolis V 811MW combined cycle Plant was continued. The procedure to enter the Unit in the Dispatchable Units Register, adhered by IPTO, is in progress. The Megalopils V Unit was brought contractually into commercial operation on 27.1.2016.
- In 2017, the Civil Engineering Works for the new thermal plant at Ptolemaida (Unit V) were continued. Its mechanical and electrical equipment is in operation. The plant runs on pupled lignite, with gross capacity of 660MW and is capable of generating 140MWth of thermal power for a district heating scheme. There are plans to install a CO₂ capture and compression system at this Unit (which will replace the decommissioned Ptolemaida TPP) when CO₂ capture technology is ready.
- In 2017, construction and electromechanical works to build the new Southern Rhodes Thermal Power Plant which consists of 7 identical 4-piston diesel-powered units with a total net output of 115.439MW, fuelled by LFO, but also capable of burning natural gas, continued, as did ancillary buildings and facilities. It is located at Piso Kambos and Plaka Steni in Southern Rhodes. The new Plant is expected to replace older, less efficient Units at the Soroni TPP in Rhodes.

In 2016, the decommissioning programme of lignite, natural gas and petroleum Units of 913MW, 536.5MW and 730MW respectively, was completed. The Units to be withdrawn from service were chosen based on criteria to do with their technical and economic obsolescence, and the inability (in technical and financial terms) to adapt them to new stricter environmental requirements. The commitments undertaken at national level to address climate change, and combat air pollution have also been taken into account.

MATERIAL TOPICS: ENERGY EFFICIENCY / NEW TECHNOLOGIES AND PROMOTION OF RENEWABLE ENERGY SOURCES

Investments in new technologies to improve energy efficiency, and promotion of renewable energy sources are aspects which are deemed material by the Company's Management as well as by all Stakeholders. Improving energy efficiency makes a positive contribution to the Company's financial results, while further promoting RES reduces the Company's exposure to fluctuations in carbon prices in the EU's ETS. At the same time PPC recognises its own responsibility for GHG emissions resulting from its operations, and helps effectively limit such emissions and thereby combat climate change.



To optimise mining operations at the Ptolemaida Mines run by the Western Macedonia Lignite Centre, a project is currently under way to connect the Mavropigi mines via conveyor belts with the Kardias and Agios Dimitrios TPPs. This is the first phase of a wider project to interconnect all Ptolemaida Mines to the TPPs in the area via suitable homogenisation systems. The benefits include improving the quality of the fuel supplied to the TPPs, thereby improving the environmental performance of the power plants as well as reducing costs.

More information about the PPC Capital Expenditure Plan is included in the 2017 Annual Report (pages 39-43).

Renewable energy sources

Apart from developing low carbon technologies, the PPC environmental strategy also includes significant investments to increase the share of power generated by utilising Greece's hydrodynamic potential and by developing projects that use renewable energy sources (through PPC Renewables, a PPC subsidiary, in collaboration with other private investors). This includes investments in wind parks, small hydroelectric power plants, solar parks, biomass plants and geothermal power plants.

The Company takes advantage of the fact that Greece is intensely mountainous and so has built dams and created reservoirs to utilise the country's hydrodynamic potential to ensure that supply meets demand in each local catchment area. Today, PPC owns and operates 16 major hydroelectric power plants in various regions of Greece.

Note that the Sfikia hydroelectric power plant on the Aliakmon River and the Thisavros HPP on the Nestos River are pumping plants which store excess hydroelectric energy to distribute it when there is excess demand compared to output.

The following specific points should be borne in mind with regard to the development of hydroelectric plants (more information is also available in the 2017 Annual Report):

- Operational tests at the Units comprising the Hilarion HPP (with an installed capacity of 157 MW, and estimated new electricity output of 330 GWh) have been completed and in February 2018 the registration procedure to IPTO's Dispatchable Units Register was completed.
- Construction of civil engineering works at the Metsovitiko HPP (29 MW) is also under way. The contract for the supply, installation and operation of the electromechanical equipment was signed on 3.11.2017. The operation of the Project is expected to be commenced within the first six months of 2020.
- The Joint Ministerial Decision approving the environmental terms and conditions for the Mesochora HPP (the hydroelectric project upstream on the Acheloos River



Sfikia artificial lake, Aliakmon river

2x80MW and 1x1.6MW), was issued. It is expected that PPC will complete works for the conservation of a part of the Mesochora village. The drafting procedure of the remaining projects' Tender Notices, which is estimated to be commenced in 2020, is being scheduled, in conjunction with the land expropriation procedure of the remaining areas surrounding the Dam's Reservoir and Mesochora's Sectors A, B and C as well as with the fulfillment of the requirements introduced by the new Joint Ministerial Decision approving the environmental terms and conditions.

Finally, it is mentioned that within 2017, the Decisions or Joint Ministerial Decisions approving the environmental terms and conditions of the existing HPPs of Agra, Edessaioi, Polyfyto, Sfikia, Asomata, Makrochori, Agia Varvara (wider river basin of Aliakmon River), Pournari I and II (in Arachthos river) and Ladonas in Arkadia, have been renewed/amended.

Other initiatives

In order to reduce the environmental footprint of its operations, and to play an active role in international endeavours to combat climate change (by limiting emissions and impacts and by adapting practices), PPC participates in a number of voluntary initiatives and research programmes and takes a series of relevant measures. Some examples of what it does in this area are shown below:

- PPC participates in EURELECTRIC's climate change adaptation working group, which it represents on the EU's Adaptation Steering Group.
- In 2017, PPC in cooperation with the Democritus University of Thrace, submitted an application to the Ministry of Education, Research and Religious Affairs' Joint State Aid Action for Research, Technological Development and Innovation, "RESEARCH - CREATE - INNOVATE" programme. The funding for the research project entitled "Contribution of the tree-planted areas of the Western Macedonia Lignite Centre to the protection of the environment and the mitigation of climate change" was approved. The project, whose duration is 36 months and maximum public spending is € 698,400, includes the development of a methodology for the estimation of CO₂ capture from PPC's tree-planted areas, the estimation of absorbing units, the estimation of the suspended amount of particulates that can be retained, as well as the creation of a prototype park for recreational and environmental education purposes.
- PPC, through the Testing, Research and Standards Centre, participates in the research programme CREEPUT which is funded by the European Commission as part of the Horizon 2020 (project No. 760232) framework. The objective of the project is to develop an innovative device that will use ultrasound technology for the detection of



Wind Parks at Toplou Monastery, Lasithi

mineral creeps, used in the thermoelectric power plants. In this programme, PPC cooperates with companies from Great Britain and Croatia, and the University of Kaunas in Lithuania.

- The Company participated in the EU's Greenbuilding scheme to carry out energy improvements to and obtain certification for its buildings. It has included its buildings in Kallithea (covering 1,400m²) and Pagrati (covering 1,075m²) that house customer service facilities in the scheme. Energy saving measures with a total capacity of 288 MWh were implemented at these buildings (which accounts for around 68% of consumption at the buildings before the measures were taken). The energy upgrade works on the building in Kallithea were awarded the golden prize in the 2017 Facilities Management Awards in the category of Renovation/Energy Update.



Energy Upgrade of PPC building, Kallithea. Golden prize in the 2017 Facilities Management Awards

6.5 WATER MANAGEMENT

Developing Greece's hydrodynamic potential for electricity generation is one of PPC's most important activities, which contributes to reducing Greece's energy dependence and also reduces greenhouse and other gas emissions. To this end, dams are being built and reservoirs created. At the same time, PPC recognises the importance of water resources for sustainable development and, for this very reason is implementing a series of measures and preventative actions to protect and ensure integrated water management, in a responsible way, with a view to maximising the overall social and environmental benefits.

PPC also places particular emphasis on systematically monitoring the country's hydrological potential by maintaining a model monitoring network, which includes a highly reliable rain and meteorological network, with 170 metering stations primarily in mountainous areas, and a hydrometric network comprised of 39 stations that measure flow levels in rivers.

In addition to using data from the hydro-meteorological network for the PPC's own purposes, and to ensure safe planning of public and private works, the data also provides Greece's public authorities and other parties concerned with valuable information to help them effectively manage and protect the aqueous environment. Hydro-meteorological data continued to be provided free of charge to support education and research activities in the field of water resources.

NAME OF WATER SOURCE	TYPE	PROTECTION REGIME
Almyros, Chania *	Lake (outlet)	NATURA 2000
Acheloos (Kremasta, Kastraki, Stratos)	Reservoirs	None
Aliakmon (Hilarion, Polyfytos, Sfikia)	Reservoirs	None
Aliakmon (Asomata HPP)	Reservoir	NATURA 2000
Agras	Reservoir	NATURA 2000
Nestos (Thisavros, Platanovrysi)	Reservoirs	NATURA 2000
Arachthos (Pournari I and II)	Reservoirs	None
Aoos	Reservoir	NATURA 2000
Ladonas (Ladonas HPP)	Reservoir	None
Tavropos (Plastiras HPP)	Reservoir	NATURA 2000

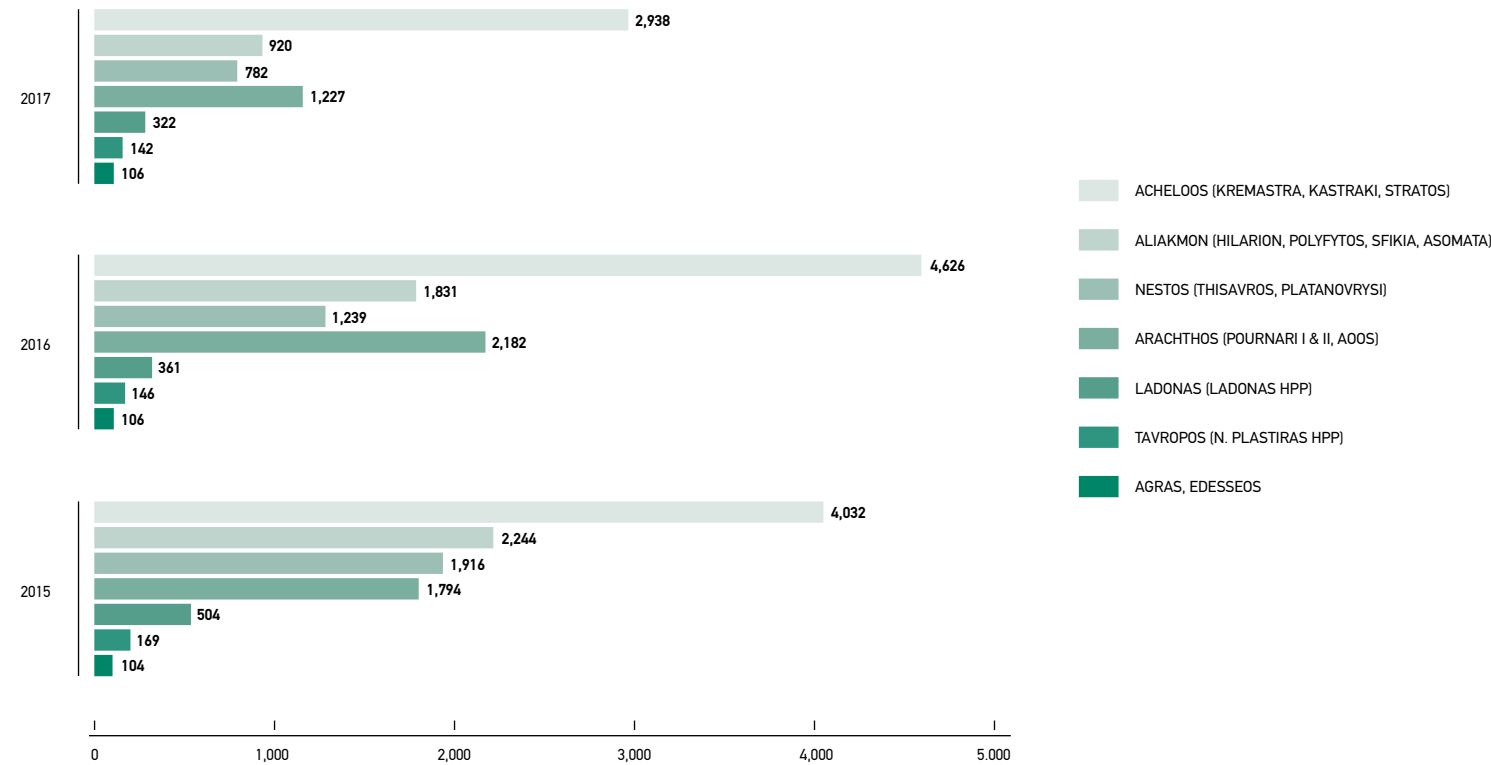
The water sources affected by the pumping carried out by the PPC (for thermal and hydro power plants) are presented in the following table, together with the protection status of each area (due to the high value of their biodiversity features). Information about the European ecological network Natura 2000 is available on the Ministry of the Environment & Energy's website <http://www.ypeka.gr/Default.aspx?tabid=432&language=el-GR>

* The Almyros source at Chania is within PPC Renewables' jurisdiction. According to the contract between PPC and PPC Renewables, responsibility for operating the small hydroelectric power plant and monitoring the quality of water in the reservoir lies with the Chania TPP, in line with the Joint Ministerial Decision on the environmental terms and conditions applicable to the plant.

Water management at hydroelectric power plants

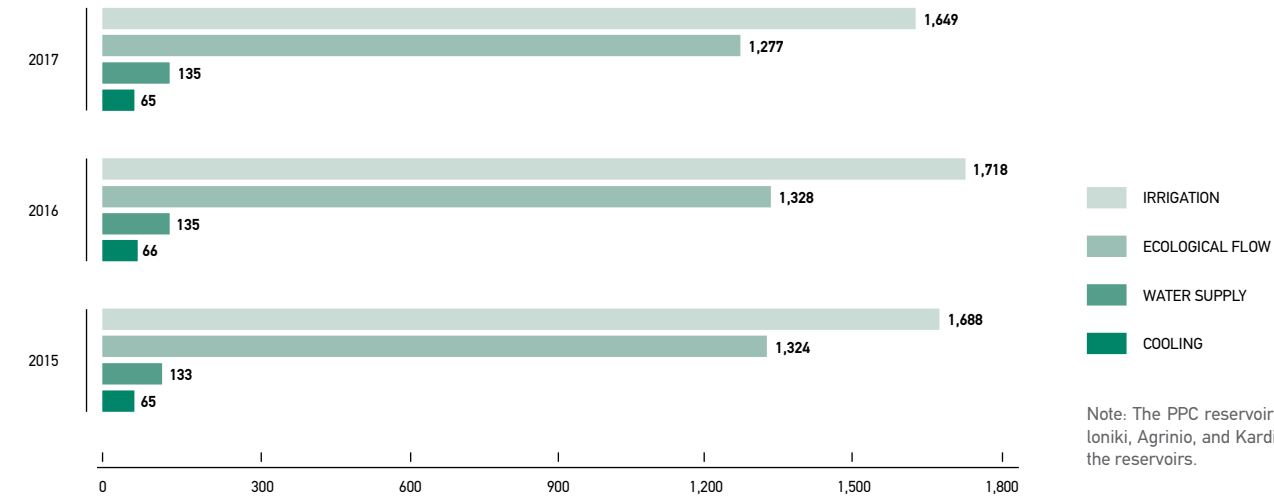
2017 was a year with low hydraulicity, with water inflows to reservoirs down around 39% compared to 2016.

WATER INFLOWS PER RESERVOIR (millions of m³)



Hydroelectric projects ensure flood protection and meet both the water supply and irrigation needs of adjacent areas. In addition, dams ensure a minimum continuous supply of water in the riverbed (ecological flow), even in times of severe drought, thereby contributing significantly to protecting and managing Greece's water resources. Plant operations are scheduled to ensure that ecological flow requirements as well as that water supply and irrigation needs are met. This is achieved in cooperation with the competent regions (for annual and daily scheduling) taking into account the system's energy requirements.

USE OF WATER PER USAGE CATEGORY (millions of m³)

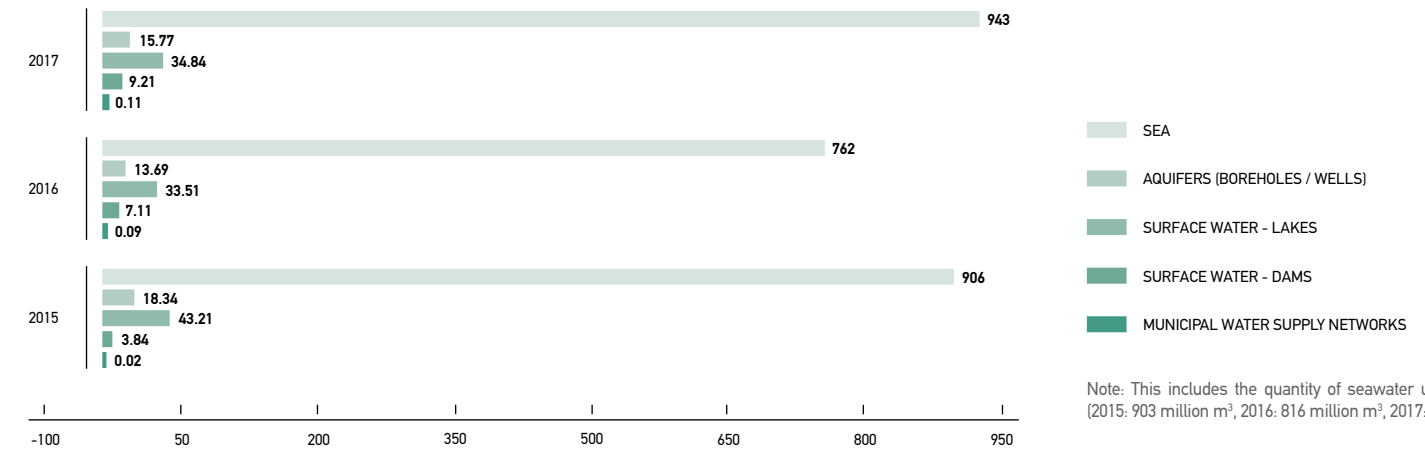


Note: The PPC reservoirs mostly provide water to Thessaloniki, Agrinio, and Karditsa, Lefkada and many areas near the reservoirs.

Water management at thermal power plants

Water is abstracted in the area around thermal power plant projects for various uses, such as for cooling the power generation towers.

QUANTITY OF WATER DRAWN FROM ABSTRACTION SOURCES (millions of m³)



Note: This includes the quantity of seawater used for cooling (2015: 903 million m³, 2016: 816 million m³, 2017: 939 million m³).

To ensure rational water management, PPC recycles and reuses significant quantities of water thereby reducing the total volume required to meet its needs. The relevant amounts of water recycled and reused at its Power Plants, are 11.55% for the lignite-fired Plants and 64.03% for oil-fired Plants. Please note that the estimated recycling rates above do not include the quantity of sea water used for cooling.

Water management at lignite mines

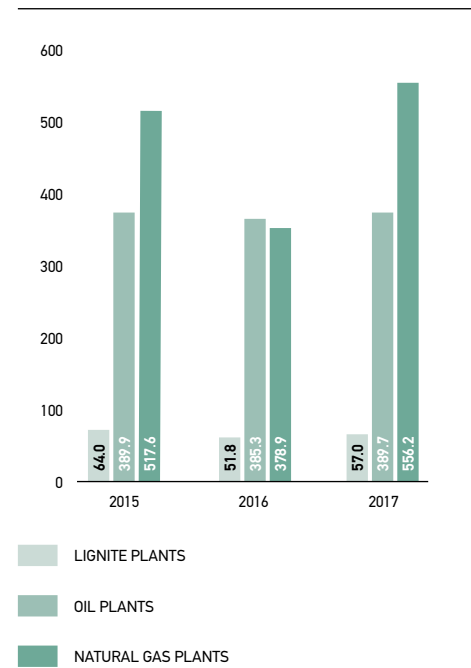
In areas where mining activity is carried out, pumped water is used to meet the needs of the mines (which is either groundwater to protect excavated areas from water ingress, or surface water from the drainage pumping stations located on the mine floors). Furthermore, depending on needs, in the context of existing established policy of good cooperation with local communities, water is made available to neighbouring municipalities to irrigate local crops or for other uses. At the same time, excess amounts of water are returned to natural bodies of water in the region, thereby improving the water balance and their overall quality, since the water is groundwater abstracted from boreholes.

It should be noted that the Company makes a positive contribution to maintaining the Soulou canal in the Ptolemaida area, ensuring that it is sustainable and guaranteeing ecosystem balance.

USAGE CATEGORY	USE OF WATER (thousand m³)
Damping down (roads, ash, etc.)	1,907
Water supply to mines (for personnel and buildings)	123
Irrigation	2,600
Natural bodies of water ¹	40,000
Use at thermal power plants	926

Experts from the Company prepare mine drainage studies every year. In addition to containing data about the quantities of water pumped out during the previous year, these studies also show the hydrogeological conditions in the area around each mine as extraction work progresses, and an assessment of the impact of pumping activities on the aqueous environment in the area is made, and measures to limit that impact are proposed

QUANTITY OF WATER DRAWN PER CATEGORY OF THERMAL POWER PLANT (millions of m³)



Note: This includes the quantity of seawater used for cooling (2015: 903 million m³, 2016: 816 million m³, 2017: 939 million m³).

1. Surface water usage is included for the first time.



6.6 WASTE MANAGEMENT - USE OF BY-PRODUCTS

Solid waste and waste in liquid form

PPC generation processes (power plants and mines) generate solid waste which the Company ensures that is suitably managed in line with the provisions of the applicable legislation. The criteria here are protection of the environment and sustainable development. Waste management is based on PPC cooperating with alternative management system companies that have been approved by the Hellenic Recycling Agency in line with the applicable legislation, and with collection companies that are licenced for each type of waste in relation to the transfer, management and reuse of waste in Greece and abroad.

- PPC takes all necessary measures to minimise leakages/spillages and to ensure the safe collection of waste oils and liquid fuels in suitable tanks.
- During 2017, hazardous waste was transferred (6.14 tons of asbestos and material containing asbestos, 19 kilos of mercury and 19.75 tons of hazardous organic and inorganic materials). Moreover, PPC managed, through alternative management systems, 66.7 tons of accumulators (lead and nickel-cadmium) and 2,379 tones of various types of mineral oil.

PPC currently holds sixty five (65) facilities which fall under the Electronic Waste Register's implementation plan. The Register is an information system which records, collects and processes data that is related to waste production and management. The system was established by the Joint Ministerial Decision 43942/4026/2016 under the implementation of the Directive 2008/98/EC on waste and Article 42 of Law 4042/2012.

WASTE DESCRIPTION	QUANTITY (tons)	MANAGEMENT METHOD
Material, Fuel, Purchasing And Transportation Department		
Metals (iron, steel, steel ropes, etc.)	3,335.02	Sale through highest bidder tenders
Different types of cables	86.12	
Project machinery - decommissioned vehicles - decommissioned machinery	12 items	
Consumables	13.51	
Waste oils / lubricants	2,379.06	

WASTE DESCRIPTION	QUANTITY (tons)	MANAGEMENT METHOD
Thermal Power Plants Operation Department		
Print toner waste containing hazardous substances	0.25	Recovery/disposal
Fly ash and dust from oil boilers	67.08	Recovery
Sludge from on-site treatment of discharged liquids containing hazardous substances	272.33	Recovery
Waste that contains mercury	0.02	Recovery/disposal
Adhesives and caulk waste which contain organic solvents or other dangerous substances	8.45	Recovery
All types of mineral oil	782.11	Recovery
Oils, oils mixed with water, from oil/water separators	98.13	Recovery
Waste oil and diesel	1,157.52	Recovery
Packaging containing residues of hazardous substances or that have been polluted with hazardous substances	19.47	Recovery
Absorptive materials, filter materials, wiping cloths, protective clothing polluted with hazardous substances	89.37	Recovery
Oil filters	0.04	Recovery
Rejected inorganic and organic chemical materials	7.19	Recovery
All categories of batteries and accumulators	35.47	Recovery
Waste containing oil	303.80	Recovery
Construction materials containing asbestos	6.86	Disposal
Excavation, Construction and Demolition Waste (E.C.D.W.), dirt and rocks which contain dangerous substances	22.47	Disposal
Used active carbon	8.86	Recovery/disposal
Waste electrical and electronic equipment, fluorescent tubes and other mercury-containing waste	3.07	Recovery

WASTE DESCRIPTION	QUANTITY (tons)	MANAGEMENT METHOD
Mines Central Support Department		
Ferrous scrap metal	595.20	Recovery
Non-ferrous scrap metal	4.35	Recovery
Copper cables uses (30-65% copper content) and other cables	6.22	Recovery
Used lead accumulators	30.33	Recovery
Used contaminated absorbents and filters	47.19	Recovery
Waste from electronic equipment	167.24	Recovery
Lights, fluorescent bulbs and batteries	1.81	Recovery
Waste oils/lubricants	326.98	Recovery
Packaging with waste belt fixing adhesive	1.00	Recovery
Damaged high pressure flexitubes	9.75	Recovery
Packaging with hazardous material deposits	0.29	Recovery
Paper	34.00	Recovery
Packaging (paper, cardboard and plastic) and plastic	1.11	Recovery
Rejected organic chemical materials, paint and varnishes which comprise from or include hazardous substances	0.26	Recovery
Dense waste	0.03	Recovery
Empty barrels that contained lubricants	18.47	Recovery
Printing ink waste	0.81	Recovery

Note: The figures have been calculated based on those cited in packing lists, delivery notes and invoices from collectors/hauliers. For decommissioned vehicles, the data comes from their disposal certificates. The terms 'recovery' and 'disposal' are used in accordance with the provisions of Annexes I and II of Section B of Law 4042/2012.

Use of by-products

The main PPC by-product is fly and bottom ash while gypsum is produced in large quantities by the desulphurisation units of thermal power plants. PPC has already recorded the quantities of ash it commercially trades, in line with the European REACH Regulation (registration number: 01-2119491179-27-0086). In 2011, the Company also began to register gypsum so that this by-product could also be disposed of commercially. Due to the lack of commercial interest which would make trading in gypsum financially advantageous, the process of registering under the REACH regulation has been temporarily suspended.

In 2017, the burning of lignite at the Company's thermal power plants produced nearly 7.3 million tons of fly ash, 0.5 million tons of bottom ash and 0.7 million tons of gypsum.

- 5.3 million tons of ash were deposited along with inactive materials in the mines of the Western Macedonia Lignite Centre.
- 0.52 million tons of ash and 0.01 million tons of gypsum were deposited in a specifically licenced area near the Meliti TPP.
- 1.4 million tons of ash and 0.6 million tons of gypsum were deposited in a specially designed area within a depleted mine at the Megalopolis Lignite Centre.
- 0.17 million tons of fly ash were sold in 2017.
- For the time being, the gypsum is being placed along with ash from the Units at the Company's mines.

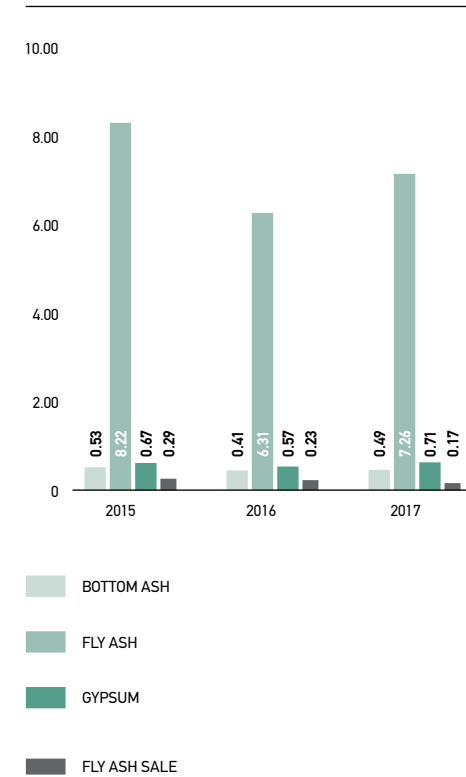
To limit environmental impacts from transporting ash to disposal sites, in 2016 a project was launched to construct conveyor belts to carry the ash generated, from the Agios Dimitrios TPP to the network of conveyor belts at the Southern Field Mine. There the ash is mixed with mine waste materials and then co-disposed of in the mine's deposition sites. The project has been fully operational since the 2nd quarter of 2017.

It is an open, raised conveyor belt of 1,800 mm width, fitted with a damping and misting system. The new conveyor belt for transporting ash has replaced the existing backup ash conveyor belt which has been withdrawn from service. The old main ash line now serves as a backup for the new main line.

This is the first time a conveyor belt of that size is being used in Greece to transport and dispose ash, though one has been used to convey other materials. There are both environmental and operational advantages, since it ensures:

- A major drop in the number of ash transshipment sites, meaning a decline in the leakage of suspended particles to the atmosphere.

USE OF BY-PRODUCTS (quantities in millions of tons)



Note: The difference in the quantities of total quantity of ash produced and the total quantity used, as well as all quantities of gypsum produced, are deposited in specially designed facilities at the Company's mines.

- A drastic reduction in lateral ash leakage, due to the deliberately large size of the conveyor belt. In effect, this ensures that only half the cross-section of the belt is filled.
- Easier cleaning of the surface below the belt is also possible because it is raised. This means that there is easier access for cleaning the equipment.

Liquid waste

All power plants operated by the Company have state-of-the-art systems for treating liquid waste, in accordance with the provisions of relevant decisions approving the environmental terms and conditions of each plant, and in accordance with the Best Available Techniques Manual for Large Combustion Plants. Treated wastewater is either disposed of into natural bodies of surface water or ground water depending on the location of the facility and the authorisations in place. The Company systematically monitors the quantities and characteristics of the waste generated and briefs the competent authorities on a regular basis as it is obliged to.

	2015	2016	2017
Sea water for cooling (m³)			
Lignite plants	-	-	-
Oil plants	387,400,496	382,736,114	387,077,030
Natural gas plants	515,504,779	375,891,713	552,614,300
Treated liquid waste (m³)			
Lignite plants	25,337,549	21,536,217	21,755,015
Oil plants	149,571	146,250	153,816
Natural gas plants	941,017	1,328,471	1,580,001

Note: The quantities of waste are measured by flow meters and the quantities of cooling water are estimated based on the capacity of the pumps under conditions of maximum dispatch, and length of operation.

It should also be noted that a significant quantity of treated waste is disposed of for various purposes, primarily irrigation, especially during the summer months. The quantity disposed of in 2017 was approximately 790 thousand m³.



6.7 BIODIVERSITY

Protecting biodiversity is an integral part of the PPC environmental policy. In line with the applicable legislation and decisions approving the environmental terms and conditions for running its power plants (and the technical studies that accompany the applications submitted to the competent authorities) the Company takes steps to manage the natural environment in those areas where it extracts lignite and generates electricity. These measures seek to preserve or rehabilitate natural habitats for endemic flora and wildlife. As far as technically feasible, it also employs pollution abatement technologies and best practices to limit the pollution load generated for all possible media and to minimise the impact of PPC operations on the environment and the ecosystem.

Around the mines, for decades now PPC has been implementing extensive soil rehabilitation schemes and takes measures to optimise the way in which affected areas are rehabilitated and to select the most appropriate final land use, taking into account a number of parameters, such as:

- the local terrain and the climate conditions,
- ecosystem variables after the end of the mining activity,
- human geography and the socio-economic structure, and
- prevailing land uses and the necessity of these uses.

Soil rehabilitation projects include tree planting schemes, landscaping the ground, planting trial crops, and cleaning and tidying up the mines. The land rehabilitated with tree plantations produces particularly beautiful ecosystems which are home to a variety of wildlife.

Rehabilitated land at the Ptolemaida mine covers 3,002 ha, including 345.5 ha covered with fresh soil, 1,045 ha of farmland, 7.5 ha of lakes, and 1,604 ha planted with trees. In 2017, the following soil rehabilitation projects were carried out:

- Tree planting: In spring 2017's planting season, 10,000 Arizona cypresses and 5,000 fastigiate Mediterranean cypresses were planted, in a stretch of 17 ha around the premises of Administration. In addition 3,000 firethorns and 1,000 leyland cypresses were planted.
- Experimental farming: In the 6.2 ha experimental orchard, plant protection and herbicide projects were carried out with conventional means. Lavender and lemon balm were planted, which were used to produce essential oils, together with other herbal plants. In addition, through the Contract 2015.005/Western Macedonia Lignite Centre, the Department of Agricultural Technologists of the University of Applied Sciences of Western Macedonia was assigned the cultivation of barley in an area of 0.65 ha in the

3,002

HECTARES HAVE BEEN RESTORED
IN THE AREA
OF THE PTOLEMAIDA MINES

700

HECTARES HAVE BEEN RESTORED
IN THE AREA
OF MEGALOPOLIS LIGNITE CENTER



Environment rehabilitation, tree-planting,
Western Macedonia Lignite Center

deposits of the Northern Sector. The aim of the project was to investigate improved methods of land reclamation.

- Soil tests: Soil tests of 164 samples from 55 locations at the main deposition sites were carried out, in cooperation with the Institute of Soil and Water Resources of the Hellenic Agricultural Organisation "Demeter". The objective was to assess the suitability of these new soils for agriculture.

No trees were planted at the Amyntaio mine in 2017. Around 73.5 hectares were planted and the works related to the cleaning and tidying up the mines and maintaining the forests (pruning and thinning of trees, etc.) and green areas (lawns, hedges, etc.) were carried out.

Around 700 hectares so far have undergone rehabilitation at the Megalopolis Lignite Centre, with plantations of forest species having been created on an area of 500 hectares and 200 hectares given over to farming.

- As it happens every year, in 2017, work was carried out to protect restored areas by cleaning of fire safety zones and cutting weeds.
- To manage the areas given over to agriculture use, 13 plots at the Kyparissia inner deposition site and 14 plots at the Choremi western outer deposition site were created.

It is noted that for the cultivation season of 2017-2018, and until the issues, that arose from the forest maps, are settled and the new leasing method of PPC is confirmed, PPC will not lease any plot at the Kyparissia inner deposition site and the Choremi western outer deposition site.

Rehabilitation projects were put to special uses such as artificial wetlands, a forestry park, outdoor disposal areas at the Main Field Mine in Western Macedonia planted with all species of trees that flourish in Northern Greece, leisure parks, exhibition centres, waste disposal facilities, and moto-cross tracks, to name a few. A section of the land covered with fresh top soil at the Western Macedonia Lignite Centre has been transferred to DIADYMA S.A. to house waste management facilities.

Ecosystem equilibrium studies and other protection/rehabilitation measures

In collaboration with institutions such as the Hellenic Centre for Marine Research, the National Agricultural Research Foundation, as well as university departments, PPC conducts studies on ecosystem equilibrium so as to develop specific strategies, operations, actions or plans relating to biodiversity rehabilitation / regeneration / management in accordance with the provisions of national and European law.

In 2017, PPC leased the following areas of cultivable land to others:

- 327 ha at the deposition sites of the Ptolemaida Mines
- 107.8 ha of rehabilitated land at the deposition sites of the Amyntaio Mine
- The recreational park at the 2nd Choremi eastern outer deposition site of 44.5 hectares, was leased to the Municipality of Megalopolis (for 25 years) for recreational and sporting purposes.

Other actions taken by PPC to protect biodiversity are:

- artificial plantations of forest species have been created based on the species deemed suitable for the specific location of the mine deposition sites, and
- artificial nests and habitats have been created and small wetlands developed to encourage a growth in bird populations.

NATURAL AREA
<ul style="list-style-type: none"> Lakes along the course of the Rivers Acheloos, Aliakmon, Nestos, Arachthos, Megdova, Ladonas and Agras
<ul style="list-style-type: none"> River Nestos and the Thisavros and Platanovrysi Reservoirs
<ul style="list-style-type: none"> Hydroelectric power plant complexes
<ul style="list-style-type: none"> Wider area around PPC projects on the Nestos River
<ul style="list-style-type: none"> Aoos Springs Hydroelectric Power Plant
<ul style="list-style-type: none"> Hilarion HPP
<ul style="list-style-type: none"> Skopos - Papadia Dam

PROTECTION / REHABILITATION ACTIONS IN 2017
<p>Dams and the surface of reservoirs in the immediate area around dams are regularly cleaned to remove wood and rubbish (ongoing action).</p> <p>Boats and personnel are provided to take samples of waters from all lakes and measurements of qualitative and biological parameters are performed by the Greek Biotope -Wetland Centre.</p>
<p>PPC/Nestos Complex is also cooperating with the Interbalkan Environment Centre to implement actions to measure quality and biological parameters on river and lake waters in the Nestos system (ongoing action).</p>
<p>The power plants are scheduled to operate so as to ensure that the minimum flow in the bed of the river downstream of the PPC works, which is required for ecological purposes, is maintained.</p> <p>The automatic telemetric network for physicochemical and weather data monitoring was in constant operation and data was stored in the local HEP and the Hydroelectric Generation Department's central server.</p>
<p>Meteorological data is being collected following the installation of two meteorological stations at locations proposed in the study to identify potential changes in microclimates in the wider area of PPC projects on the Nestos River (ongoing action).</p> <p>PPC has provided the Rhodopi Mountain Range National Park Management Agency with 80 timber posts to be installed parallel to the existing road network. This will allow genetic material from bears to be collected.</p>
<p>Materials were cleared from the water abstraction pump room.</p> <p>Partnership was developed between the Municipality of Metsovo, the Epirus Region, the Northern Pindos National Park Management Agency, to combat foreign species in the reservoir at the Aoos Springs Hydroelectric Power Plant (ongoing action).</p>
<p>Over the years, there has been a range of environmental restoration and redevelopment studies, such as architectural landscape and forestry development studies, special technical implementation studies for extraction pits, deposition sites and construction facilities, that have been compiled and approved for Hilarion TPP. In 2017, it was decided to perform a comprehensive study to update and co-ordinate the aforementioned studies. The study, which is still in progress, aims at fulfilling the local community's request, in order for all the proposed actions to be incorporated into one project, causing the least possible disturbance to the environment.</p>
<p>In 2017, the licensing of the Municipal Unit of Meliti Municipal Unit Water Supply System project was completed. This is a compensatory project for the Skopos-Papadias Dam. Works for the rehabilitation of forest vegetation and the improvement of landscape following interventions during construction of the Dam will gradually start to be implemented in accordance with the approved forestry restoration studies.</p>

NAME OF WATER SOURCE LOCATED WITHIN A NATURA 2000 AREA	AREA COVERED BY PPC'S HYDROELECTRIC FACILITIES WITHIN PROTECTED AREA (Km ²)
Almyros, Chania *	0.08
Aliakmon (Asomata HPP)	2.98
Agras	9.41
Nestos (Thisavros)	27.25
Nestos (Platanovrysi)	2.63
Aoos	11.63
Tavropos (Plastiras HPP)	23.56
Total	77.54

* The Almyros source at Chania is within PPC Renewables' jurisdiction. According to the contract between PPC and PPC Renewables, responsibility for operating the small hydroelectric power plant and monitoring the quality of water in the reservoir lies with the Chania TPP, in line with the Joint Ministerial Decision on the environmental terms and conditions applicable to the plant.

6.8 REGULATORY AND LEGISLATIVE COMPLIANCE

PPC seeks to fully comply with national and European legislation and regulations on environmental issues. In 2017, no fines relating to compliance with the environmental operating terms of power plants were imposed on PPC.

PPC has filed appeals against the fines with the relevant appellate bodies or the administrative courts.

It should also be noted that PPC takes all necessary measures to ensure that it complies with the maximum permissible noise limits at its facilities, and in 2017 no fine was imposed on PPC in this regard.



Aoos springs

7. MARKET AND CUSTOMERS



NATIONWIDE PHONE SUPPORT

PPC customers can now dial 11770 to receive customer service rather than visiting one of our sales offices. In 2017 the 11770 line received 2,765,000 calls. PPC successfully answered 97% of those calls.

CUSTOMER SERVICE

2,765,000

CALLS TO **11 770**

25,600

E-MAILS THROUGH THE WEBSITE **WWW.DEI.GR**

724,347

VISITS IN **PPC's** ELECTRONIC APPLICATION

97%

OF CALLS WERE ANSWERED **SUCCESSFULLY**

93,300

USERS OF **PPC's** ELECTRONIC APPLICATION

95%

OF REQUESTS / COMPLAINTS ARE ANSWERED WITHIN **1 DAY**

RESPONSIBLE AND SAFE ENERGY USE

26,775

Users visited PPC's webpage "**Save Energy - Share Life**"

7,676,000

Information and awareness brochures on electricity conservation were distributed in cooperation with **HEDNO**

1,688

Packages with 5 energy saving lamps and an information brochure to vulnerable customers and families customers with more than three children

PRODUCTS AND SERVICES

7,176,162
CONNECTIONS

170,000

REGISTRATIONS IN THE NEW **E-BILL** PLATFORM

709,004

SPECIAL TARIFF BENEFICIARIES

1,000GWh

WERE ALLOCATED TO COMPANIES THROUGH GUARANTEES OF ORIGIN





7.1 PRODUCTS AND SERVICES

The Company's main product is electricity supplied to residential customers, professionals and large businesses nationwide.

PPC offers different tariffs for different categories of customers. The tariffs depend on the voltage (high, medium and low) and on the use (residential, commercial, agricultural and street/square lighting tariffs). In September 2015 PPC launched a new tariff plan (the corporate tariff) available to large enterprises and groups (whose total annual consumption is equal to or greater than 10 GWh) which have many customer service locations nationwide (100 or more meters) connected to the medium and low voltage networks.

RAE has decided that PPC, as the Universal Service Supplier, must undertake to supply electricity to small customers who have not found any other supplier or who cannot find one in the deregulated market taking into account existing commercial terms and conditions. Small customers include households and other customers whose power supply requirements are up to 25kVA. Based on December 2017 data, PPC had 21,398 small customers in the Universal Service scheme.

Detailed information about all PPC connections is available in section 3.1.

Pricing policy

PPC's new pricing policy reflects modern trends in the retail market, and was designed to respond to customer needs, both in terms of the new discount policy offered, and in terms of new tariff plans tailored to companies and groups. A new loyalty scheme has also been launched that rewards household customers who regularly pay their bill on time.

The Company continues, for the second year running, to implement the "Consistent Payer 15% Programme", which rewards professional and household customers who pay off their bill on time, by offering a 15% discount on their bill's electricity usage charges. In addition, from June 2017, the Company offers the "Prepaid Bill Plan" Programme to households, professionals, small and large businesses by providing a 6% discount on the bill's electricity usage charges to the customers who opt to join the Plan and prepay one year's electricity bills. Around 2,000 customers have already asked to be registered with this Programme. Customers who choose to register with more than one programme, can have a total benefit of up to 21% on their bill's electricity charges. Combining this with other available programmes, such as the 15% discount for customers who pay their bills consistently, customers can enjoy up to 21% off the electricity usage charges in their bills.

From November 2017, PPC provides its customers with the option of choosing the "Monthly



External view of a Sales Office

Billing" programme, in order for them to incorporate their electricity expenditure in their monthly budget. Bills are issued every month. Over the course of a 4-month period, 3 estimated bills are issued followed by one based on actual meter readings. Each month's estimated bill is calculated taking into account the consumption of previous year's corresponding period. The final bill is calculated based on meter readings taken by HEDNO. Customers may choose to receive their bills electronically.

PPC's pricing and commercial policies demonstrate in practical terms its support for households and businesses. Among other things, it has devised schemes to facilitate bill repayments and put in place loyalty rewards for regular, consistent households and professionals given the constantly worsening economic environment, thereby helping preserve jobs and promote economic growth in Greece.

Vulnerable customers

Since 2011 PPC has been offering a Social Residential Tariff following government decisions on this matter. This specific tariff offers up to a 48% discount on the normal residential tariff for selected categories of consumers under the conditions the government has laid down. The discount is available to people on a low income, people with large families, the long-term unemployed, people who are more than 67% disabled and people requiring mechanical support. Since 1996 PPC has also been implementing government policy by giving large families with at least 4 dependent children a special 'large family' tariff which is even more favourable than the recent social residential tariff.

After the Ministry of the Environment and Energy issued Decisions approving the Supply Code and laying down the requirements for households enrolling in the vulnerable customers register, PPC put in place a series of additional, favourable arrangements to help vulnerable social groups pay their bills. Vulnerable groups (i.e. persons benefiting from the social residential tariff, large families and the elderly who meet the relevant criteria) can enjoy the following benefits:

- They now have 40 days within which to pay their bill, rather than 25 days from the date of issue.
- They can pay their electricity bills in the number of monthly interest-free instalments needed to ensure that each instalment is not more than half the value of the normal monthly outlay on electricity.
- Interest-free repayment plans can be individually arranged.

By the end of 2017, around 690,000 customers had joined the social residential tariff.



The Company assists customers submitting applications via the online application form on the HEDNO website, by adopting practices like those listed below which go beyond the requirements of the Ministerial Decision:

- When electricity contracts are first signed, the advance payment required is no more than € 20.
- Customers can now apply over the phone by calling 11770.
- Information is available at any time about the progress of an application and the outcome of the assessment process. Customers simply have to dial 11770.

BENEFICIARIES OF SPECIAL TARIFFS	APPROVED APPLICATIONS IN 2017
The disabled	62,855
The unemployed	65,436
Individuals requiring mechanical support	12,512
Large families	1,603
Families with 3 children	31,362
The elderly (over 70)	16,612
Low income customers	518,624
Total	709,004

E-bill

In 2012, PPC launched the electronic billing service "e-bill info". In the years that followed, PPC proceeded with improvements of its service, taking into account market best practices so that the bill is eventually only available online.

Since June 2017, the new electronic "e-bill" platform is in operation. The platform gives registered customers the option of secure automatic access to the electricity bills of all the properties whose bills are issued in their name. In addition, there are options of receiving only an electronic bill or a monthly bill, instead of a bimonthly one.

The aim of the new service is to provide better information to customers about their bills while also saving resources.

Up until the end of 2017, 170 thousand customers with 256 thousand connections have

BENEFICIARIES OF SPECIAL TARRIFS
APPROVED APPLICATIONS IN 2017

709,004



been registered with the new e-bill platform. The users, in 14% of those connections, have already chosen to receive their bills only electronically. The customers' interest for the specific application is reflected by the fact that in 2017, PPC received a total of 19,200 e-mails on technical support issues.

Since December 2017, a special telephone Technical Support service for the e-bill service has been operating for customers, free of charge, through 800 5000 400.

Guarantees of Origin

Guarantees of Origin (branded as Greenpasses) confirm to anyone concerned that the quantity of electricity consumed at one's facilities has been produced from Hydroelectric Power Plants and has been specifically set aside by PPC in his name. Each Guarantee of Origin relates to 1MWh.

In 2016, PPC approved the pilot disposal of Guarantees of Origin, from its certified HPPs' generation to important customers, for the years 2016 and 2017. In these 2 years the Company granted Guarantees of Origin to COSMOTE group companies, as well to ALPHA BANK, BIC Viorex, MEGA Disposables, Air Liquide, YOULA GLASSWORKS, MASOUTIS, AB VASILOPOULOS and the Athens International Airport "Eleftherios Venizelos". The total allocated Guarantees of Origin for 2017, amounted to 1,000 GWh.

Nationwide customer service line

PPC customers can now dial 11770 to receive customer service rather than visiting one of our Sales Offices. In 2017 the 11770 line received 2,765,000 calls. PPC successfully answered 97% of those calls (a successful call is one which PPC answered which resulted in a conversation). It is noted that PPC customer service can be available in English, through 11 770.

Alternative payment channels

PPC, offers the choice of alternative payment methods, in order to improve its offered services and reduce the time of customer service.

PPC's customers can pay off their bills at PPC's Sales Offices, with cash or by card via POS devices. Debit, credit or pre-paid cards from Alpha Bank, the National Bank of Greece, Eurobank, Piraeus Bank, Attica Bank and the Cooperative banks (Pancreta, Chania, Thessaly, Epirus, Karditsa, Drama, Evros, Serres and Pieria) can be used. On PPC's webpage, customers can search the closest Sales Office through the Google Maps application.

The new e-bill online platform offers customers the following services:

- Ability to access bills electronically/online
- Access to all bills of properties issued in the name of the customer.
- Access to bills dated back 12 months.
- Free SMS or email update on the issuance of bills.
- Secure and easy online payment of bills
- Option to receive only electronic-bills.
- Option for selecting the "Monthly Billing" programme.

The bill payoff can be completed at the Banks' cashier points (National Bank of Greece, Piraeus, Eurobank and Attica bank), at the banks' ATMs (National Bank of Greece, Eurobank, Piraeus and Alpha Bank) or in cash at the ATMs, which are found at the banks as well as through a standing order. For the payments made outside of Greece, PPC offers the option of bill payment through the SEPA remittance from EU countries and Switzerland, Iceland, Lichtenstein, Monaco, Norway and San Marino.

In addition, bills may be paid to the approved by the Bank of Greece Agents of Payment Institutions and Electronic Money Institutions as defined by Law 4446/22.12.2016 on electronic transactions. Customers can be informed on the service points through the web-pages of each Institution.

Lastly, PPC's customers can pay off their bills through PPC's webpage (www.dei.gr) with the use of the contracted banks' debit, credit or pre-paid cards, as well as through e-banking and phone-banking services, which are a more direct and secure payment option.

The number of customer visits to PPC Sales Offices to pay bills is steadily declining. More specifically, in 2017, it decreased from 28% to 20% in 2016.

PPC closely monitors the progress of the different customers' payment methods use trends. On a daily basis, the payments being made at company or cooperative points of service are being monitored. On a regular basis a statistical analysis and processing of data, trends and customer preferences is being carried out.

Repayment plans and disconnections

For several years now PPC has shown that it is a socially aware, responsible company by putting in place actions and repayment plans, depending on the category of customers involved (residential, commercial, vulnerable groups, etc.) and how consistent they are in paying their bills, to ensure that they are all treated in a more favourable way, as a response to the challenges Greek households and businesses are facing in the current economic crisis.

To improve service to customers wishing to enter into a repayment plan and reduce waiting time at PPC Sales Offices, PPC provides the option of a request being submitted over the phone through 11 700, without the customer having to visit a Sales Office.

In March 2017, the "Second Chance" programme was completed. The programme was addressed to the customers, who had their debt settled under the 36 instalments programme within 2016, but since they were unable to respond along the way their instalment plan had been terminated.



PPC, it should be stressed, faces a major issue with overdue debts, which have risen significantly in recent years thanks to Greece's dire economic straits. So any decline in monies received is an issue of vital importance for PPC, since it affects business, competition and any prospect of growth, as well as PPC's ability to implement its societal programmes.

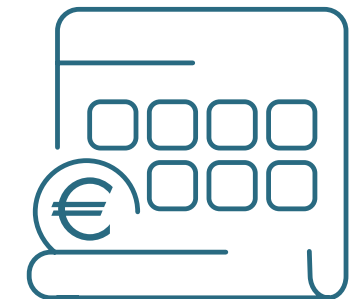
To improve collection rates, PPC has implemented a comprehensive series of mutually complementary, scalable measures

- Flexible settlement programs with favourable terms for customers, in order to pay their bills and instalments on time.
- Targeted legal actions for debtors with high and long-term debts.
- Telephone notification service (soft calls) to debtors, when at least one of their bills has become overdue.
- Specific actions for government entities in order to settle their debts.
- An extended incentive policy program to residential and business customers with 15% discount on their bills from 1.7.2016, if they pay their bills on time.
- A pilot program of prelegal and legal actions by law firms for the Attica customers with debts over € 3,000.

PPC, in November of 2017, following a tender procedure, hired a debt collector consultant to develop a debt management strategy, to set systematic activities for debt management, to design an implementation framework and undertake the management of a selected customer group with overdue debt. The consultant is expected to propose measures and products based on worldwide individual approach practices, which will be more effective both for the Company and the customers. The Company's aim is not only to improve its liquidity, but also upgrade its relationships with its customers and establish a more firm communication with every customer.

Given that PPC is particularly aware when it comes to disconnecting supplies due to debt, it proceeds to power disconnections for customers who are proven bad-payers or who exhibit illegal activity and who, despite their bill pay-off and instalment extension deadlines, continue not to pay their bills. PPC proceeds with these power disconnections to prevent a new financial cost being created, that will affect its overloaded balance sheet.

Of those customers disconnected for failure to pay, only 45% have settled their debt or entered into a repayment plan. Customers like that are usually reconnected the same day. Of the other 55% of customers who were disconnected, around 60% illegally reconnected their electricity supply by tampering with the meters, without paying the debt.



A limited number of disconnection notices for arrears, during the 5 months allowed from the Supply Code (April-June and September-October), are issued for the customers who are listed in the Vulnerable Customers Register, as set by the state (individuals over 70 and large families), and for customers who enjoy the Social Residential Tariff (low income individuals, three-child families, unemployed, individuals with disability above 67% and people who require mechanical support). These orders are issued only for those who have had an unjustified high consumption and who are found, following a Company investigation, not satisfying the prerequisites for the Social Residential Tariff.

It is noted that, in 2017, PPC firmly supported the inhabitants of Kos, who were affected from the catastrophic earthquake. PPC extended for a justified amount of time the suspension of power disconnections due to debt, showing its social sensitivity.

7.2 CUSTOMER RELATIONSHIP MANAGEMENT

The Company constantly strives to improve the way it provides services to its customers to maintain high levels of customer satisfaction. Efforts are being made to strengthen our customer-focused approach, carry out research and examine complaints, taking into account consumer needs.

Modern customer engagement methods

In addition to its stores, PPC uses the internet, electronic means of communication and social networking (Twitter, LinkedIn, Flickr, and YouTube) to communicate with its customers. In 2017, 36 commercial and 17 company news and customer service issues were communicated through Twitter, while through YouTube a total of 9 videos were uploaded, 2 of which were of commercial manner and 7 with company content.

The PPC website (www.dei.gr) offers information in both Greek and English. PPC customers can learn about new plans relevant to them, about commercial issues, company news and find answers to FAQs. There are also contact forms for each issue of concern (bills, general topics, changes in particulars, applications for the Prepaid Bill Plan etc.) that customers can use. Consumers can also contact the Company by email on info@dei.com.gr in Greek or English. In 2017 the website received around 25,600 emails, primarily from customers but also from Stakeholders such as investors or jobseekers. Around 1,100 customer requests for the inclusion in PPC's Prepaid Bill Plan and around 26,100 requests for change/amendment of bill details were dealt.



PPC has developed a special iPhone and Android phone app that allows users to gain immediate, reliable and rapid access to PPC services no matter where they are. By the end of 2017, 93,300 people were using the app, while the total visits reached 724,347. The PPC app offers all current rapid service options available from the Company online, such as e-bill, access to e-banking to enable PPC bills to be paid online, changes to billing address, find the nearest customer service and bill payment location, contact with PPC by phone or email, and access to HEDNO services such as scheduled power cuts and fault reporting. PPC can also send out messages relating to specific geographical areas. Generally speaking, the app has been designed to include the most popular customer service options for anyone on the go.

For people with visual impairments or reading difficulties, PPC also provides information about its services through audio messages.

Given the new corporate identity PPC has adopted, which is gradually being rolled out to all PPC Sales Offices (Sales Offices in Elefsina, Kifissia, Eastern Thessaloniki, Alexandroupoli, Xanthi and Ioannina were redesigned in 2017), Sales Offices have not only been revamped, making them safer and look better to reinforce the corporate brand, but also include special disability access ramps.

Customer service for corporate customers

In 2017, in order for PPC to respond better to its customers' potential and existing needs, the organisational structure of the Supply Business Unit was changed.

Each customer is assisted according to the modern principles and sale promotion practices adhered by trained employees. The employees possess knowledge and experience in managing relationships with important customers, aligned with the modern presale - sale - aftersale needs.

Priority is given in retaining and developing strategic customers. The aim is to achieve comparative advantage and increase customer loyalty, through added value offerings (combined offerings of commercial terms and products/services) on a win-win basis.

This approach is expected to contribute towards the:

- Promotion of PPC's customer-centric character and improve the customer's perception of PPC.
- Efficient management of customer relationships and creation of an environment of trust.

For people with visual impairments or reading difficulties, PPC also provides information about its services through audio messages.

The company has proceeded to the classification of its customers in the following categories:

- **Strategic Customers - Key accounts:**
All High Voltage customers and the customers of individual or multiple connections, regardless of voltage supply, with consumption above 10 GWh / annum.
- **Large Customers - Accounts:**
Customers of individual or multiple connections, regardless of voltage supply, with consumption between 1 and 10 GWh/annum.
- **Medium Customers:**
Customers of Medium Voltage with consumption of up to 1 GWh / annum and customers of individual or multiple connections (excluding household), regardless of voltage supply, with consumption from 0.5 to 1 GWh / annum.
- **Public Sector Customers:**
Customers of the narrow and wider public sector, regardless of voltage supply and consumption trends.

- Value added to the product and the ability of cost estimation from the customer's side.
- Increase of customer loyalty score.
- Strengthen PPC's margins and financial position.

Network Distribution Services

In the context of informing the Distribution Network's users, HEDNO proceeded with the creation of a briefing brochure for the pan-hellenic telephone centre 11 500, where HEDNO reports the basic activities and offered services. Aiming for efficient customer informing, PPC included the brochure in its customers' electricity bills.

Customer satisfaction surveys

PPC conducts qualitative and quantitative surveys in the context of the customer-centred focus which PPC has put in place in a systematic manner to identify its customers' new needs and to explore their views about services offered.

In 2017, a survey was carried out, in collaboration with the National Technical University of Athens, for the measurement of the Company's customer satisfaction, through which PPC aimed at designing targeted actions to increase customer satisfaction. The objective of the survey was to collect qualitative and quantitative data, regarding the requirements, the preferences and the perceptions of household and business customers regarding printed and electronic billing, as well as the provided electronic services of the Company.

Based on the results of the survey, it was found that:

- A significant percentage of customers, mainly household customers, are unaware of PPC's offered electronic services and thus use alternative methods for meeting their needs, such as Sales Offices visits.
- The most common reasons for the Company's website visits are: access to the e-bill account, receiving pricing policy information, explanation of the billing account and information on the discount programmes.
- The most important additional services, that customers would like to be offered through the e-bill service, include the option of a payment and consumption historical archive. The services that follow are the notification on the current balance, payment due day notice, debt settlement and the provision of energy saving tips.

Taking into consideration the survey's results, the Company works on improving the visibility of its website and especially of the offered services and facilities, along with designing

the website's functional and visual upgrades aimed at improving the user's holistic experience. PPC explores the possibility of adding additional functions to the e-bill application.

Managing complaints and customer requests

Any potential complaints from our customers are an opportunity to improve the services we provide and increase their satisfaction. Complaints and requests to PPC are submitted either in writing (directly by customers, through the Ombudsman or the Hellenic Consumers' Ombudsman, etc.) or by email, or over the phone on the customer service line (11 770). An attempt to respond to all requests is being made.

PPC's main objective is to ensure quality customer service and to handle customer requests in the best possible way. The Company has designed specific, uniform procedures to ensure rapid, effective handling of customer requests and complaints. These procedures are in line with the Supply Code (Government Gazette 832/B/9.4.2013) and in particular Annex III on principles for managing consumer requests.

To that end, PPC drew up the Customer Requests and Complaints Management Code, which outlines the method and procedures customers must follow if they need more information or clarifications about the supply of electricity to their property and facilities, or want to make a request/file a complaint. The Customer Requests and Complaints Management Code is available on PPC's official website.

Customer complaints are mainly focused on issues which relate to the regulated charges (Public Utility Services and Special Levy on Pollutant Emissions) and their inability to pay their electricity bills, due to the unfavorable economic situation.

Through its customers' complaints, PPC brought out the great issue of households' distorted charges for Public Utility Services (PUS), calculated according to the legislation of 2012, and the need to rationalize them. It was identified that a great burden raised from the PUS charges, as they were calculated incrementally based on 4 months' consumption. For example, the calculation of PUS charges for customers exceeding the 2,000kWh limit in 4 months was performed by using the highest calculation factor for their total consumption. According to PPC, the normalization of the used calculation factor scale was the only solution. The Company's position, for a proportional PUS charges calculation according to consumption, was justified after RAE's recent decision.

Although charges have been itemised under supply and regulated charges since 2009, in line with legal requirements, a significant number of customers find it even today difficult to grasp how these charges are calculated, due to their extensive analysis.

7.3 RESPONSIBLE AND SAFE ENERGY USE

PPC attempts to respond to customer requests and complaints as soon as possible, and manages to answer 95% of them within one day. Note that those requests / complaints that are answered after more than 10 days, primarily relate to special cases that need to be further investigated due to their complexity, or they may require collaboration with other PPC Divisions (such as Legal, or the IT Division), or collaboration with other agencies (such as municipalities) or may require information requests to be sent to HEDNO (for emergency readings, meter tests, or violations) or may require HEDNO to take steps (such as cases where no bill was issued because the modem was broken or the meter was damaged).

Providing information to the public and raising awareness about energy savings and protecting the health and safety of consumers and users of electricity is a key concern for PPC.

Under current legislation (Law 4483/1965) internal electrical facilities must be re-inspected by licenced electrical fitters who issue a solemn declaration which is then submitted to HEDNO. Re-inspections must be carried out at regular intervals which are specified in Article 5 of Decision No. Φ.7.5/1816/88 of the Deputy Minister of Development (Government Gazette 470/5.3.2004). Properties must be re-inspected at least every 14 years.

New HEDNO guidelines state that re-inspections may be required under these provisions when properties are being reconnected to the grid or when a name is changed. A re-inspection is no longer needed when changing tariff, changing supplier or installing a night-time tariff meter.

Since 2016, the brochure entitled Save Energy – Share Life became available on PPC's new website (www.dei.gr/el/green-pages). The website offers comprehensive information about energy issues and related EU announcements, and also provides information about Green-passes, how they can be acquired and updates about the statutory and commercial framework relevant to them. In addition, the website offers users access to an online energy savings tool which has been available since early 2014, which provides information and raises awareness among the public about how to rationally use electricity. It also allows users to calculate their household energy consumption, while offering tips about how to save energy and improve their home's energy rating by taking specific steps. According to PPC data, in 2017 alone this website had 26,775 unique hits.

In 2017, under the energy efficiency regime of article 9 of the Law 4342/2015, PPC was assigned from the Ministry of Environment and Energy to design and implement end-use ener-

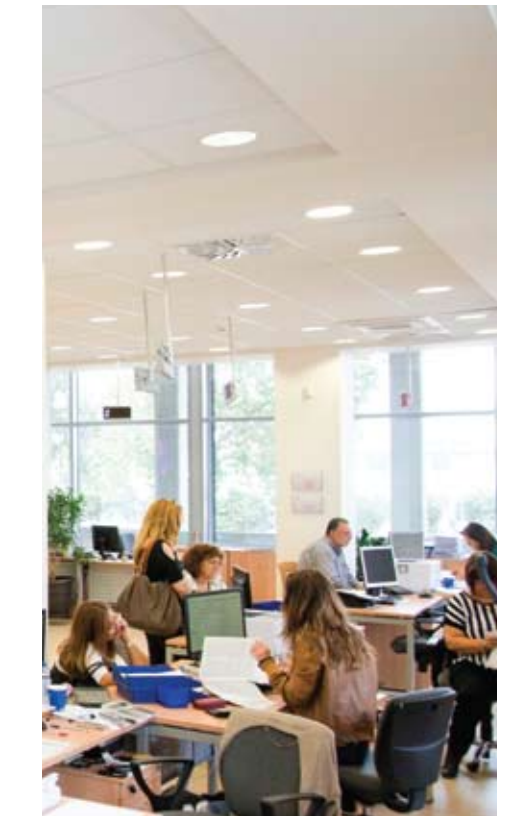
Communication actions:

- During July-December, a campaign was carried out (12 tweets) through social media, with energy-saving tips.
- Shipping of 249 packages with 5 energy saving bulbs and an info-flyer for the inhabitants of the Agathonisi, Agios Efstratios and Gavdos islands.
- Shipping of 1,688 packages with 5 energy saving bulbs and an info-flyer to large families and vulnerable customers.
- Distribution of flyers with energy saving tips from PPC's commercial and Company kiosks, as part of its promotion in events and conferences.

gy-saving actions. According to the Ministerial Decision 174063/11.4.2017, PPC oughts to design and implement an Annual Compliance Plan with actions that will be mainly addressed to its customers and will result in the rationalization and conservation of end-use energy. The objective of this action is to achieve an energy saving of 31.76 Ktoe (approximately 370GWh) for the period 2017-2020.

Following its sustainable policy and implementing the aforementioned decision, PPC, in collaboration with HEDNO, has continued its informing and public awareness campaigns on energy saving practices through printed material. In 2017, 7,676,000 related flyers were distributed through household and business customers' bills, as well as in PPC's Sales Offices during August-September.

More information for the public about how to use energy safely was also provided by HEDNO.



PPC Sales Office

7.4 MARKETING COMMUNICATION PLANS

The Company seeks to inform its Stakeholders about the full range of its activities, such as tariffs, new large energy investments, renewable energy projects, and its environmental and social activities.

PPC communication plans are in compliance with the Hellenic Code of Advertising and Communication Ethics. The Code has been developed by the Advertising Self-Regulation Council, an independent, non-profit association. The aim is to implement ethical standards in all marketing communications. Following a decision of the PPC BoD, the Company set up a Marketing Activities Committee whose members include the current Chairman and CEO, the Corporate Affairs and Communication Department Director and the Chief Officers whose remit is relevant to the topic being advertised or marketed. The Committee verifies that the PPC's marketing materials comply with the Hellenic Code of Advertising and Communication Ethics and the current legal and regulatory framework for energy. It is the body which gives final approval for all large-scale advertising / marketing activities. As a result of this approach, in 2017 all PPC marketing and communication measures (including advertising and marketing campaigns) were fully compliant with the Code.

In the spirit of supporting the local communities in which the Company operates, PPC ensures that these areas are promoted through its advertising campaigns. Special care is taken to ensure that local communities are supported directly or indirectly.



7.5 RESPONSIBLE PROCUREMENT

PPC signs contracts when purchasing materials and services to meet its needs and to carry out engineering works. Where possible, the Company makes agreements with local suppliers, contributing significantly to the development of the local economies.

PPC's procurement procedures are governed by Law 4412/2016 (Government Gazette 147/A). The Company posts tenders notices for works and supplies on its website, to encourage public dialogue in a totally transparent and objective manner.

PPC keeps a register of tried-and-tested suppliers of products and services having evaluated the quality and reliability of the services and products provided by those suppliers, thereby giving them incentives to improve themselves and promoting quality in the market in general. The Company is in constant contact with key suppliers to exchange views about how the equipment procured is working to transfer know-how to them.

The key procurement categories include materials and spare parts, support equipment, services, projects, liquid fuels, lignite (from third parties), natural gas, and the purchase of electricity and GHG (CO₂) trading allowances.

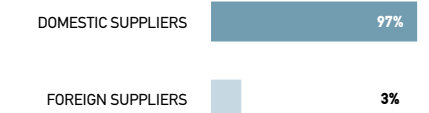
To ensure that contractors and any subcontractors comply with labour and insurance law for their own staff, PPC includes a general clause in all contracts it signs according to which the contract may be terminated and the contractor may be excluded from future tender procedures in case of recurrent non-compliance. When paying contractors, PPC requests proof that the contractor has complied with its obligations to its staff, and paid its employer social security contributions. In doing so the Company ensures that it cooperates with contractors who adhere to labour law and have their staff insured in the manner specified by law. In 2017 there were no breaches of labour legislation from cooperating contractors.



MATERIAL TOPIC: PROCUREMENT AND LOGISTICS MANAGEMENT

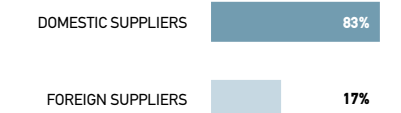
Both PPC's Management team and employees have recognised procurement and logistics management as a material aspect; a reflection of the added interest in developing transparent, effective relationships and partnerships with the Company's suppliers and contractors. PPC complies with Law 4412/2016 on procurement, and attaches particular importance to labour and health and safety issues in its contracts with contractors.

SUPPLIERS 2017



Source: 2017 Data from SAP (SAP MM and SAP FI)

INVOICES' VALUE 2017



Source: Recorded invoices on SAP (SAP MM and SAP FI)

7.6 REGULATORY AND LEGISLATIVE COMPLIANCE

Complying with applicable laws and other regulations on market, product and service issues is fundamental to the operation of PPC. However, some cases emerged that the Company had to handle in 2017.

In 2017, 3 candidates in tender procedures filed administrative appeals against PPC in the pre-contractual stage. In one (1) case the candidate dropped his application for a stay of proceedings on the day of hearing. The other two (2) cases were rejected; for one of them the rejection of the application was issued from the Council of State and for the other one it was issued in favor of PPC, from the Athens Administrative Court of Appeal.

An Athens Administrative Court of Appeal judgment from 2015 reduced a € 4.4 million fine imposed by the RAE in 2013 for PPC's breach of the regulatory framework in its dealings with industrial customers and failure to prepare tailored tariffs in good time. The fine was dropped to € 880,000, meaning that € 3,520,000 of the amount originally paid was returned to PPC. Despite that, PPC filed an application for cassation in 2016 to have the rest of the € 880,000 fine overturned, which is pending before the Council of State.

Following a 2014 final judgment from the Athens Multi-Member Court of First Instance, PPC was ordered to pay compensation of € 4,412,018.86 to a high voltage customer for violating Articles 18 and 86 of Law 146/1914 on unfair competition. PPC appealed that judgment in 2016 and the case is pending before the Athens Administrative Court of Appeal.

In 2017, there were no fines imposed on PPC from RAE and the Hellenic Competition Commission, regarding issues of anti-competitive behaviour and monopolistic practices. There were no complaints about customer personal data being leaked. Furthermore, no failure to comply with proper product and service labelling and information was recorded and there were no cases of our products or services negatively affecting customer health and safety.

8. CONTRIBUTION TO SOCIETY



FOCUSING ON SOCIETY

PPC attaches great importance to its relations with local communities and briefs both local communities and the authorities about any large new projects and invites them to participate in discussions on issues that could affect their activities.

LOCAL COMMUNITY DEVELOPMENT PROGRAMS

€ 650,820

FOR COMPENSATORY/BENEFIT PROJECTS WHICH ARE RELATED TO THE GENERATION'S ACTIVITY



€ 24.2 mil.

LIGNITE LEVY FOR LOCAL COMMUNITIES

€ 17 mil.

FOR THE EXPROPRIATION OF TRIPOTAMOS SETTLEMENT

2.1 mil. GJ

OF ENERGY WAS USED FOR CITY DISTRICT HEATING PURPOSES

SOCIAL CONTRIBUTION



SOCIETY **75%**
CULTURE / SPORTS / EDUCATION **16%**
ENERGY **9%**

EMPLOYEE VOLUNTEER INITIATIVES

€ 6.8 mil.

were spent on rescue digs at the Ptolemaida and Amyntaio Mines

1,709 people

were examined at PPC's medical center in the 82nd Thessaloniki International Fair

1,151 blood units

were collected through volunteering blood donation initiatives

4,025 kilos of fruits

kilos of fruit were offered from the Western Macedonia Lignite Center

283 students

(high school/university) completed their internships at PPC

> 2,000 people

visited the historical exhibition "That's how electricity got saved... A battle with the heart of Liberation", which took place in Agios Georgios TPP



8.1 LOCAL COMMUNITY DEVELOPMENT PROGRAMMES

PPC attaches great importance to its relations with local communities and briefs both local communities and the authorities about any large new projects and invites them to participate in discussions on issues that could affect their activities.

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The Company works in partnership with stakeholders in taking decisions on energy planning and infrastructure development:

- Local communities in areas in which PPC's power generation facilities are installed are involved alongside local government authorities, representatives of various agencies and organisations and local residents.
- The regional branches of the Technical Chamber of Greece express their views to local authorities, PPC and local community bodies.
- PPC's employee trade unions and associations are involved in decision-making by consulting on the relevant legislation.

Stakeholders participate in decision-making via the procedures specified in the legal framework, such as consultation, working alongside PPC's relevant committees and representatives of local community bodies or by attending info-events and conferences. Consultation is normally used when new projects are being licenced or when projects which already have environmental authorisation are being extended, upgraded or modified, when local communities and bodies need to express their views.

Staff from PPC's Mines Business Unit are involved in the statutorily-mandated process of consultation on mine environmental studies when obtaining environmental authorisation for such activities. In some cases, such as the approval for the Environmental Impact Study for the Ptolemaida Mines, PPC took the initiative of hosting a workshop at the Western Macedonia Lignite Centre facilities to discuss the study.

Working with other bodies such as universities, consultants, economic, commercial, technical and other bodies, PPC runs programmes and prepares studies to evaluate and manage the Company's impacts on local communities:

- Before PPC commences operations
With major new projects, PPC may prepare a social impact evaluation study for the

projects, engage in ex ante evaluation and calculate potential social repercussions from the new investment (during the building and running of the projects) in the specific geographical area. The aim of such a study is to identify processes and mechanisms that could be utilised to monitor impacts while implementing the project and to proactively address and offset potential risks or negative social repercussions that the specific project could cause.

An example of one such study is the "Social Impacts Evaluation Study for the new Rhodes Thermal Power Plant" prepared in 2013 to identify and analyse the expected social performance of the new power plant with a total capacity of 120 MW which PPC planned to build in the "Piso Kambos – Plaka Steni" area, within the Kattavia Community in the southern part of Rhodes. The social impact analysis for the new PPC power plant relied on international standards and methodologies such as the Social Return on Investment (SROI) methodology.

- While PPC activities are under way / being implemented

PPC invests in its good relationship and constructive communication with the local communities in which it operates. The Company takes on social responsibility initiatives and develops special programmes, contributing in employment and business activities and takes measures for the protection of the environment and the inhabitants' quality of life. PPC's indicative actions are presented below in this section.

Based on studies that were conducted earlier in this decade, it is estimated that PPC has made a significant contribution to supporting jobs and the local economy in Western Macedonia, contributing to more than 25% of regional GDP via its industrial lignite-fired generation processes.

- After PPC's operations are over

A characteristic example is PPC's participation in the Parliamentary environmental protection committee's meeting, which took place in June 2017. The agenda of the meeting referred to the environmental restoration of Western Macedonia's lignite fields following the exploitation of their deposits. In the meeting, all the issues which were directly linked to the environmental repercussions stemming from the use of lignite for electricity generation, were examined. On behalf of PPC, it was mentioned that all the interventions, which take place in the region of Western Macedonia, are carried out in line with approved environmental terms. In addition, the progress of PPC's lignite mines restoration and the implemented environmental terms for the mines of Ptolemaida and Amyntaio, were presented. The participant representatives of the Region, the energy municipalities and the Kozani Region MPs discussed the specific characteristics



Run on the occasion of the event "Lignite memories"

of Western Macedonia's energy axis and the region's need to adapt to a reduced lignite exploitation period, when other financial activities, not related to the mining and combustion of lignite, will be developed. The Region, the municipalities and MPs submitted their propositions and requests for the steady transition to this new regime.

To rehabilitate the wider area around the mines and preserve PPC's historical legacy in the post-lignite age, in 2016 the Company's Board decided to create a park to showcase Ptolemaida's lignite and industrial heritage.

Compensatory / public benefit projects

When obtaining authorisation for the environmental terms and conditions of projects it implements, PPC consults with the Ministry of the Environment and Energy and local bodies to specify what compensatory benefits/projects for local communities will be implemented. Those are then included in the Joint Ministerial Decision which approves the environmental terms and conditions for those projects.

The cost of public benefit projects associated with power generation for 2017, as described in the table below, amounted to € 650 thousand.

COMPENSATORY / PUBLIC BENEFIT PROJECTS	CLASS	PROJECT BUDGET (€)	TOTAL DURATION OF WORKS (months)	COST IN 2017 (€)	ADDITIONAL INFORMATION
Payment of expenditures to the 30th Department of Prehistoric and Classical Antiquities	Contractual obligation	10,256,495		36,920	Archaeological works around the Hilarion HPP.
Partial funding for the project of the Municipality of Deskati of Grevena Prefecture		1,900,000		122,570	Compensatory projects of the Municipality of Deskati around the Hilarion HPP
Sponsorship for the supply and installation of Theologos Municipal Stadium's artificial turf of the Municipality of Rhodes	Corporate Social Responsibility Project	300,000	4	237,470	CSR project for the construction of a power plant in Piso Kampos and Plaka Steni of the Municipality of Southern Rhodes
Sponsorship for the construction of stands for the stadiums of Neochori and Avlonari in the Regional Unit of Evia	Corporate Social Responsibility Project	280,560	12	50,580	CSR project, co-funded by PPC and the Region of Central Greece / Regional Unit of Evia
Sponsorship for Gavalas Primary School repairs and the construction of a 5-a-side pitch in the Regional Unit of Evia	Corporate Social Responsibility Project	94,130	12	1,270	CSR project, co-funded by PPC and the Region of Central Greece / Regional Unit of Evia
Petroleum supply for the Municipal District Heating Company of Ptolemaida	Contribution for welfare purposes			202,010	Upon the BoD's decision for the coverage of the Municipal District Heating Company of Ptolemaida's petroleum needs due to unexpected situations (TPP Kardias Units malfunction and low temperatures)
Total				650,820	

Some of the projects carried out by the Hydroelectric Generation Department are listed below:

- Organising a mountain triathlon in partnership with the Municipal of Gortynia (swimming, mountain biking and mountain racing) -the Ladonas 2017 X-event triathlon- held around Ladonas reservoir on Sunday 2 July 2017 with the support of the Ladonas HPP.
- Involvement of the Ladonas HPP in the 5th Ladonas-Fengarada Festival on the Lake hosted by the Municipality of Gortynia and the Gortynia Municipal Public Benefit Enterprise as part of their summer of culture events.
- Carrying out the 5th Ladonas lake clean-up, for which PPC / Ladonas HPP cooperated with the club union of the former Kontovazaina Municipality, the Municipality of Gortina and the Gortina Public Welfare Corporation, on Monday 8 October 2017.
- Blessing of waters in Ladonas HPP dam for the 20th consecutive year, in cooperation with Ladonas HPP and the Municipality of Gortina.
- Construction and operation of the new water supply tank in the Local Community of Paliouria of the Municipality of Deskati.
- Installation of additional pipeline for the future irrigation needs of the Local Community of Paliouria, part of the Municipality of Deskati.
- Funding of compensatory projects carried out by the Municipality of Deskati, according to PPC's pertinent Agreement.
- Distribution of stored inactive material from the Zervas tributary to the Region of Western Greece for the construction of the Agrinio-Karpenisi road.
- Distribution of stored inactive materials from Zervas tributary to the Municipality of Agrinio for the construction of regional works.
- Provision of space in the Stratos HPP facilities for the Water Ski Federation's training and competitions purposes.
- Provision of space in the artificial lakes of Kremasta, Kastraki and Stratos for the religious event of the blessing of the waters.
- Visitor tours (for universities, schools, etc.) in the premises of Acheloos HPP complex.
- Supply of tires to the Karpenisi Fire Brigade.
- Renovation of a drinking water treatment system at Kremasta HPP and the Local Community of Agia Paraskevi.



New water supply tank in the Local Community of Paliouria of the Municipality of Deskati

District heating schemes

Through programmes developed with local municipalities and the relevant municipal bodies, PPC utilises the heat generated by its lignite-fired power plants in Western Macedonia and Arcadia and provides the heat generated in the form of hot water to heat buildings to meet the town's needs in Kozani, Amyntaio, Ptolemaida and Megalopolis. The cost of providing energy as part of these programmes is significantly lower than conventional heating methods.

These district heating schemes are a model for sustainable management as they generate numerous benefits to all parties involved. The most important are (a) a reduction in air pollution since hydrocarbons and wood are not burned to generate heat, and (b) the financial benefits for local communities due to reduced heating costs.

Overall, in 2017, 2.1 million GJ of energy were generated/used in district heating.

Lignite levy

The lignite levy is an amount charged to promote the development of industrial areas where electricity is generated by the lignite-fired power plants in Florina, Kozani and Arcadia. Law 4062/2012 increased the levy from 0.4% to 0.5% of PPC turnover as of 2012. The levy is used to finance infrastructure and environmental protection projects that bolster the economy in the specific areas which are affected by lignite mining and its combustion.

Relocations and compulsory purchases

If it is necessary to compulsorily purchase land or even relocate villages to build new power plants or to expand mines, PPC follows specific procedures that are fully in line with Greek



LIGNITE LEVY IN 2017 (€ '000)

PREFECTURE OF KOZANI

€ 15,003

PREFECTURE OF FLORINA

€ 5,270

PREFECTURE OF ARCADIA

€ 3,962

TOTAL

€ 24,235



Natural Gas Unit, Aliveri

law. It complies with Law 2882/2001 which contains the codified rules on compulsory purchase of land, and when expanding mines the provisions of the Mining Code contained in Legislative Decree 210/1973 are complied with.

One representative example is local community involvement in the Municipalities of Amyntaio, Eordea, Kozani, Megalopolis and Florina, where important energy projects are implemented, in decision-making about relocating villages to allow PPC mines to be developed.

When PPC developed its mines in Western Macedonia, it was necessary to relocate the villages of Kardia, Haravgi, Exochi, Komanos and Klitos. The villages of Mavropigi and Kleidi have also been compulsorily purchased and the beneficiaries have been paid compensation. Local communities are in the process of being relocated.

The relocation of Pontokomi has not yet taken place since steps which lie within the Greek State's remit still need to be completed. The village of Pteleonas in the Municipality of Eordea in Western Macedonia is also being compulsorily purchased.

PPC follows the provisions of Article 28 of Law 3937/2011 for the village of Akrini in the Kozani Regional Unit and the village of Anargyri in the Florina Regional Unit. Compulsory purchase and relocation procedures both require the involvement of the Greek State and the relevant Presidential Decree is expected to be issued soon.

As for the development of PPC's mines in the Arcadia Regional Unit, the villages of Psathi, Marathousa and Anthohori have all been compulsorily purchased. Residents from the villages have been relocated either by establishing a new settlement or by housing residents in the town of Megalopolis. Also, in 2017, the expropriation of Tripotamos village was completed. PPC paid around €17 million for the compensation of the village and the land around it.

As part of land acquisition procedures, the Mines Business Unit has often set up groups comprised of staff and lawyers in order to negotiate direct purchases with residents in areas around the mines. Teams like these have been set up in Megalopolis in the Arcadia region, and at Amyntaio and at Kleidi in Florina.

In addition to covering the cost of compulsory purchase, PPC also supports the local residents by providing infrastructure (networks and roads, etc.), communal space as well as churches and graveyards.

It is noted that after the landslide, that took place on 10.6.2017 in the area of Anargiroi in Florina (which is located outside PPC's expropriation areas and licenced environmental terms) the Company, by order of its BoD, paid the rents of the families that were forced to move out and compensated the farmers of the area of which agricultural products were

damaged due to the landslide. PPC approved funds of up to € 466,650 for hosting, feeding and rent subsidizing of the village residents, until relocation and forced expropriation takes place.

Creation of farmland and concession to farmers

As part of its general environmental plans, PPC has rehabilitated certain areas as farmland which are conceded to farmers from local areas under annual leases for nominal rents so that it can be cultivated. One example is the western outer deposition site at Choremi, for which a special study was prepared so that all necessary infrastructure and technical works (roads, ponds) could be carried out with proper agricultural land management in mind, and to create flat surfaces suitable for cultivating crops or raising livestock. The fields created are considered to be 'model plots' and are leased to local farmers annually for nominal rents (see section 6.7).

8.2 SPONSORSHIP PROGRAMMES

PPC recognises the needs of the various areas of the country in which it operates and responds to these needs with sensitivity. Many of the Company's actions focus on local communities around its mining and power generation facilities. At the same time, given that its product reach all corners of Greece, PPC runs programmes in other parts of the country as well.

Financial aid

In 2017, PPC provided € 1,446 thousand for projects in various sectors, such as the environment, sports, culture and education. These projects include:

- Financial aid to the Hellenic Tumor Company for its operation.
- Financial aid to the ELIZA society for the prevention of cruelty to children.
- Financial aid to the "Protection of Unborn Child Association"- Agalia for continuing its operation.
- Financial aid to the Municipal Public Benefit Enterprise of Southern Pilio for the coverage of transportation expenses of the Municipality's elementary and high-school students, from Palaio Trikeri Islet to the opposite shore with a marine means of transport.
- Financial aid to "AETOI"; a sports team comprised of people with disabilities.
- Financial aid to the Greek Art Theatre Karolos Koun in 2017.
- Top Sponsor of the 1st Ptolemaida's Festival "The city is celebrating". The festival was an important 10 day cultural festivity that took place in the region of Western Macedonia.

SPONSORSHIP PROGRAMMES
FOR SOCIAL NEED

€ 1,446 thousand

For the seventh consecutive year PPC supported the free pre-symptomatic check-up scheme to raise awareness and provide information to women in the Western Macedonia region about the value of prevention and early diagnosis of breast cancer. This scheme was run in cooperation with the Alma Zois charity for women with breast cancer in the Prefecture of Thessaloniki.

PPC supports major sporting events in areas which are intimately associated with power generation activities and contributes to the development of sport and industrial tourism, generating financial benefits for local businesses while also showcasing the infrastructure, natural beauty and potential for growth those areas have.

In June 2017, the 5th National Greece Off Road Rally took place in Florina with the participation of 35 teams from Greece, Italy, Serbia, Bulgaria, Israel and Turkey. The rally featured special routes through landscape of outstanding natural, mountain roads in Western Macedonia's mountains, which passed nearby the PPC power plants and mines.

PPC supported the last phase of the U16 Girls Panhellenic Olympic Wrestling Championship and the Men's Panhellenic Handball Championship, which took place in Kozani in March 2017. In addition, PPC supported the U20 Girls Panhellenic Volleyball Championship which took place in Ptolemaida in March 2017.

PPC, by actively participating in the Municipality of Eordaia's social and athletic lifestyle, supported for the 9th consecutive year, as top sponsor, the Panhellenic Motocross and Quad Race, which took place in Ptolemaida in April 2017 and had over 110 participations.

As in previous years, in 2017 PPC did not provide any donations, sponsorships or financial aid to any political party or politician.

Donations in kind

In addition to cash sponsorship, PPC also offers donations in kind to support local communities in the areas where it operates. PPC responded positively to request for organisations which perform a social function.

In direct response to requests from residents in villages where PPC operates, the Company has provided extensive support via the Mines Business Unit and has been actively involved in addressing the impact of natural disasters in the prefecture of Kozani, Florina and Arcadia. It is also involved in snow clearance and firefighting teams in those regional units, offering machinery and personnel. In 2017 earthworks machinery was made available to municipalities which neighbour the lignite mines to carry out various works (to create, clean and maintain country roads, to form fire protection zones within forests, provision of water tanks, etc.).

SIZE OF SPONSORSHIP/DONATION IN 2017 (€)

ENVIRONMENT / EDUCATION / SPORTS

€ 103,350

ENERGY

€ 125,140

SOCIETY

€ 1,080,759

CULTURE

€ 136,482

TOTAL

€ 1,445,731

The Western Macedonia Lignite Centre offered the entire harvest from its orchards located on rehabilitated land on the Main Field deposition sites to ecclesiastical, educational and charitable bodies in the local community. 4,025 kg of fruit (100 kg of pears, 1,900 kg of apples, 1,785 kg of cherries, and 240 kg of quinces) were offered to various foundations, local bodies and employees. These included the Analipsi Monastery in Kozani, the Good Samaritan Association in Ptolemaida, the Florina Old People's Home, the Old People's Home run by the Grevena Holy Metropolis, the Eordea Large Families Association, the Soup Kitchen of Kozani and the Boarding School of Servion in Kozani to name a few.

At the 82nd Thessaloniki International Fair, instead of another corporate presentation ,PPC set up a clinic which it turned over to "Medecins du Monde" to provide free primary care medical tests. A specially designed area hosted 3 clinics: internal medicine, ophthalmology and paediatrics. A total of 1,709 people visited the clinics.

8.3 PARTNERSHIP WITH ARCHAEOLOGICAL SERVICES

The provisions of the archaeology law (Law 3028/2002 on protection of antiquities and the cultural heritage in general) and the circular from the General Secretariat of the Ministry of Culture and Tourism about rescue digs on third party technical works state that PPC is obliged to protect archaeological finds discovered while it is mining for lignite.

The Company is obliged to finance the local archaeological service as it carries out rescue digs. After the rescue digs are completed the Archaeological Service will then hand the area back to PPC and allow it to continue mining provided that mining work is carried out under the Archaeological Service's supervision.

In this context, rescue digs have been carried out at more than 20 archaeological sites at PPC lignite mines over the last decade, financed by PPC at a total cost of over € 40 million. In 2017 € 2.5 million was spent on rescue digs at the Ptolemaida mines and € 4.3 million on rescue digs at the Amyntaio mines.

The "Preliminary Protection and Showcasing Study of the Fortified Arcadian City of the Classical Era" has been in preparation, since 2015, for the area of the Kyparissia Megalopolis mine. The Arcadian City was found near the specific mine. The study was examined by the Central Archeological Council and a decision regarding its approval is expected to be announced in the beginning of 2018.



82nd Thessaloniki International Fair,
PPC-Medecins du Monde stand

€ 2.5 million

WERE SPENT ON RESCUE DIGS
AT THE PTOLEMAIDA MINES

€ 4.3 million

WERE SPENT ON RESCUE DIGS
AT THE AMYNTAIO MINES

8.4 EMPLOYEE VOLUNTEER INITIATIVES

With the support of its employees, PPC organises volunteer initiatives every year and gives back to society. In 2017, continuing a tradition that now stretches many years, PPC employees organised voluntary blood donation rallies through their trade unions. More specifically, employee associations such as the Panhellenic Employee Association (PASYP), the Association of Technicians (ETE), the Association of Administrative and Financial Employees (EDOP) and the SPARTACUS Association in Western Macedonia organised rallies and collected 1,151 units of blood in 2017.

In 2017, 12 social solidarity actions were carried out. Indicatively, in Crete, milk was offered to the "Agios Spiridon" Special Children's Centre, to the children of families supported by SOS Children's Villages, as well as to the elder soup kitchen of Agia Triadas Herakleion Parish. While, in Agrinio, groceries were collected for the people who were affected by the floods in Mandra.

In addition, in 2017, the Cultural and Nature Society of PPC's Employees, showcased their solidarity towards the flood victims/residents of Mandra in Attica, by taking the initiative to ask its members to make contributions for the struggling residents of the area. Food of long shelf-life, cleaning products (household and clothing) and personal hygiene products were collected, while in the meantime the Society made a financial contribution for the purchasing of goods. The aforementioned products were handed over to the Municipality of Mandra's Social Grocery Store.

8.5 OTHER INITIATIVES

In addition to the above, PPC has included other initiatives as a contribution to society.

PPC Historical Archives

PPC's Historical Archives, collects, records, classifies and makes available to researchers the Company's important archival units, by consistently adhering to its commitment towards the scientific community. PPC has set up the Oral Testimonies Archive, by promoting the Company's collective memory and revealing unknown aspects of its history. It documents and showcases PPC's industrial heritage (buildings, machinery, tools), contributing at the same time in the study of Greece's technological history. It cooperates with cultural and scientific institutions and bodies for the effective use of the archives and industrial



heritage, while at the same time promotes joint cultural activities.

In 2017 PPC took various measures to publicise its Historical Archives by:

- Publishing the collective 2017 Calendar prototype entitled "PPC. The first years of creation". The publication includes rare graphic material from the Company's first years of operation during the country's era of electrification.
- Jointly organising, together with the Piraeus Directorate of Secondary Education and the Hellenic Parliament Foundation, the teachers' educational guiding tour at the Neo Faliro TPP's historical facilities.
- Curating the exhibition on the nominations and the awards that were submitted and handed out respectively on the occasion of the architectural competition "Redevelopment and reuse of Western Macedonia's former lignite mining areas"(2015), on behalf of the Mines Business Units. The exhibition took place at Neo Faliro TPP.
- Jointly organising, together with the Mines Business Unit, a scientific conference on landscape design international practices, tools and strategies that will contribute in the development of the local communities.
- Supporting and participating in 2017 Athens and Epidavros Festival and especially in the "Opening in the City" section's events. PPC hosted David Edgar's play "Pentecost" in Neo Faliro's TPP historical premises. During the play, the featured exhibition "PPC and its history" was open to the public in Building T of the TPP.
- Curating the historical exhibition "Saving the Power Station...A battle at the heart of Liberation", which took place at the Agios Georgios TPP, following PPC Management's decision to set October 13th (anniversary of the Battle of Power Station), as the Company's official celebratory day. The exhibition started on 11 October 2017 with a special commemorative event that showcased artwork on the Battle of Power Station. The event and the historical exhibition, inaugurated by the President of the Hellenic Republic Mr. Prokopis Pavlopoulos, were carried out under the auspices of the Presidency of the Hellenic Republic. The exhibition, that welcomed more than 2,000 visitors, offered a thorough documentation of the historical event through the showcasing of rare archival and photographic records, which were being published for the first time. PPC's Historical Archives supervised the publication of the event's catalogue as well. Also, in cooperation with the Hellenic Post office, a commemorative collection of stamps which honor the Battle of the Power Station was published.
- Performing inspections and recordings of PPC's inactive facilities, such as the former LIPTOL Industrial Complex (Ptolemaida Lignite Mines) and Neo Irakleio substation.
- Curating and transferring, in cooperation with the Greek division of TICCIH and the Thessaloniki Branch of the Hellenic Society for the Protection of Environment and the



Event celebrating the Battle of the Power Station



Event celebrating the Battle of the Power Station



Cultural Heritage, the exhibition "Greece's Industrial Heritage, 1980-2015. Rescue – Research – Education" from the historical Neo Faliro TPP to the "Euklidis" school complex in Thessaloniki.

- Representing PPC on the Board of Directors of the Greek Branch of The International Committee for the Conservation of Industrial Heritage (TICCIH).
- Making historical and archival material available to researchers and individual Units of the Company.
- Cooperating with the Department of History and Philosophy of Science of the National and Kapodistrian University of Athens, for the initiation of student internships in sections of the Historical Archives.

PPC Central Library

PPC's Central Library has 81 branches nationwide, and is a major resource centre containing around 10,000 books, 105 journals, newspapers and rare studies dating back to the very foundation of PPC. The Library lends material to PPC staff and is open to the rest of the public (researchers, students, academics, etc.) in order to study the material in the reading room of the library and photocopy any information needed. The recently renovated, suitably designed central library premises can also be used for committee meetings, presentations and training courses / seminars.

Thanks to its participation in the Greek National Documentation Centre's Network of Libraries, the PPC Central Library enables network members to order photocopies of articles from journals that the Library holds in its collection online and simultaneously request photocopies of articles from the collections of other libraries that are members of the aforementioned network.

Memorandum of Understanding with the Municipality of Athens

In 2017, PPC signed a Memorandum of Understanding (MoU) with the Municipality of Athens. According to the MoU, PPC will support the Municipality of Athens in the optimal management of its energy needs, the study of new energy generation opportunities, the optimization of its energy mix, as well as the implementation of energy conservation best practices for its operational needs and building facilities. Particular focus will be given on identifying potential electromobility applications in the Municipality of Athens, as well as on special road lighting issues.

At the same time, the Municipality of Athens will support PPC's promotion of services to residents and especially those promoting propositions related to the conservation of en-



The President of the Hellenic Republic, Mr. P. Pavlopoulos and PPC's Chairman and CEO, Mr. E. Panagiotakis



Memorial to the Fallen at the battle of the Electricity Company, work of art made by Christos Kapralos



ergy and natural resources. Also, with the effective use of its existing infrastructure and its resident contact points, the Municipality of Athens will support the showcasing of PPC's environmental and social work, promoting the principles of sustainable development.

Employees choir

The choir was founded in 1978 and has been in continuous operation since then, actively supported by the Company, comprised of staff members, retirees, children of employees and professionals from the sector who has no ties to PPC.

From time to time it has collaborated with leading Greek composers, famous performers and singers. Just some of them include Mikis Theodorakis, Stavros Xarchakos, Vangelis Papathanasiou and Giannis Markopoulos. It has also made appearances at some of Greece's most important theatres such as the Odeon of Herodes Atticus Theatre, the Athens and Thessaloniki Concert Halls, the Panathenaic Stadium, the Ancient Stadium of Delphi and the Greek National Opera. Its rich repertoire consists of works from various eras.

The employees' choir has also taken part in major sporting events such as the Opening and Closing Ceremonies of the Athens 2004 Olympic and Paralympic Games, as well as the ceremony to mark the arrival of the Olympic flame for the Rio 2016 Olympic Games.

During 2017 the choir was involved in the following events:

- Organised the historical concert dedicated to the great composer Mikis Theodorakis, entitled "The whole of Greece for Mikis". The concert took place on 19.6.2017 at Kallimarmaro stadium, with the President of the Hellenic Republic present.
- Organised a concert, in cooperation with the Municipality of Megalopolis, at the Ancient Theatre of Megalopolis on 15 September 2017.
- Participated in the event, that PPC organised, for the historical Battle of Electricity, which took place at Agios Georgios TPP in Keratsini on 11 October 2017, with the President of the Hellenic Republic present.
- Participated in an event that took place on 25 November 2017 at the Athens Concert Hall in memory of the great Greek composer Spiros Samaras. The event was organised by the "MANTZAROS" Philharmonic Society.
- Participated in an event that was organised from the Municipality of Kaisariani for the lighting of the Municipality's Christmas tree on December 9, 2017.
- Participated in an event that was organised from the Association for the Protection of Children and Individuals with Disabilities for the celebration of the International Day of People with Disabilities at the Day Care Centre in Cholargos, on 6 December 2017.



Choir of PPC-HEDNO

- Co-organised with Spartakos Labour Union, the cultural event for the mines' 60th anniversary. The Ptolemaida's Music School choir and the singer Giannis Kotsiras participated in the event that was held in Ptolemaida on 15 December 2017.

Internships

PPC allows students of universities and technical educational institutes, as well as students of Hellenic Manpower Employment Agency programmes, to complete their internships at the Company's plants and units. In 2017 PPC employed 50 university students as part of its life-long learning programme financed by the National Strategic Reference Framework (NSRF), 124 students from technological educational institutes under a programme financed by the Hellenic Manpower Employment Agency, and 85 students from the Hellenic Manpower Employment Agency's Vocational Apprenticeship Schools. Also 24 graduates from Vocational Senior High Schools, following a relevant request from the Ministry of Education, started a 9 month internship in various Company Units.

Pilot apprenticeship scheme

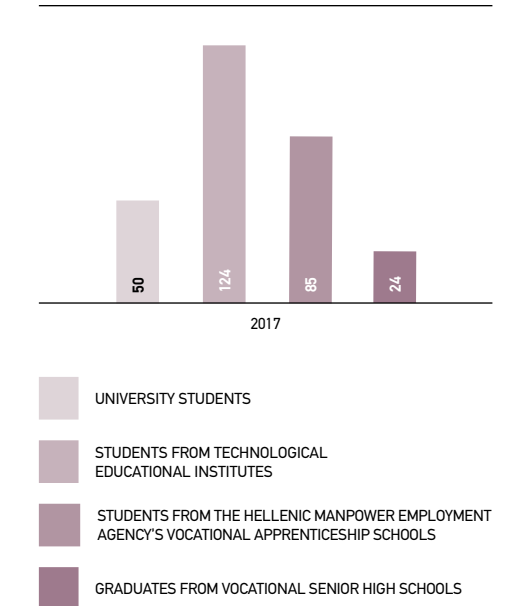
The pilot apprenticeship scheme was devised by the Ministries of Education, Research & Religious Affairs and Labour, Social Security & Social Solidarity, in partnership with the Hellenic Manpower Employment Agency.

PPC was involved, in the pilot apprenticeship scheme during the 2016-2017 school year, by employing 15 students from the Koropi Vocational Senior High School majoring in "Electrical Installations". The students did their internship at the Keratea-Lavrio TPP, the Real Estate and Facilities Management Department and the Testing, Research and Standards Centre. The 9 month programme commenced on 1.8.2016 and was successfully completed within 2017, on 30.4.2017.

Career guidance for young people

Aiming at helping young people to discover their interests and capabilities, PPC offered, within 2017, free career guidance services to 48 student of the Municipality of Amyntaio High Schools. Earlier, an event took place where students from the aforementioned Municipality were informed on the benefits and procedures of the professional orientation scheme. Career guidance is a process which identifies skills, professional interests, professional personality and work values.

INTERSHIPS



9. ABBREVIATIONS

APP	Autonomous Power Plant
BoD	Board of Directors
CSR	Corporate Social Responsibility
ESP	Emergency Situation Plan
EU ETS	EU Emissions Trading Scheme
EURELECTRIC	European Union of the Electricity Industry
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HEDNO	Hellenic Electricity Distribution Network Operator (DEDDIE in Greek)
HEP	Hydroelectric Project
HPP	Hydroelectric Power Plant
IPTO	Independent Power Transmission Operator S.A.
LPP	Local Power Plant
PUS	Public Utility Services
RAE	Regulatory Authority for Energy
RES	Renewable Energy Sources
TPP	Thermal Power Plant
WORA	Written Occupational Risk Assessment

10. ALIGNMENT WITH PRINCIPLES AND STANDARDS

10.1 GRI GUIDELINES

The following table links the contents of the 2017 PPC Corporate Social Responsibility and Sustainability Report with the GRI Standards and with the supplement on the energy sector (GRI- EUSS).

GRI Index

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
GRI 101 FOUNDATION 2016			
GENERAL DISCLOSURES			
	Organisational Profile		
	102-1 Name of the organisation	2	
	102-2 Activities, brands, products, and services	3.1, 7.1	
	102-3 Location of headquarters	3.1	
	102-4 Location of operations	3.1	
	102-5 Ownership and legal form	3.1, 3.2	
	102-6 Markets served	3.1, 7.1	
GRI 102 General Disclosures 2016	102-7 Scale of the organisation	3.12, 4.8, 5.1	
	102-8 Information on employees and other workers	5.1	The total number of employees of contractors / subcontractors engaged by PPC in 2017 is not available to PPC.
	102-9 Supply chain	7.5	
	102-10 Significant changes to the organisation and its supply chain	3.1, 3.5, 3.6	
	102-11 Precautionary Principle or approach	3.9, 5.5, 6.3, 6.4, 6.5	Sustainable development policy
	102-12 External initiatives	2, 4.5, 4.6, 10	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
GENERAL DISCLOSURES			
	102-13 Membership of associations	4.6	
	EU 1 Installed capacity, broken down by primary energy source and by regulatory regime	3.1	
	EU 2 Net energy output broken down by primary energy source and by regulatory regime	3.1	
	EU 3 Number of residential, industrial, institutional and commercial customer accounts	3.1	
GRI 102 General Disclosures 2016	EU 4 Length of above and underground transmission and distribution lines by regulatory regime	3.1	Interconnected Network (length in km)
			Overhead Underground Offshore
			L. Voltage (0.4 kV) 95,423 13,996 2.4
			M. Voltage (15-20kV) 86,581 9,944 507
			H. Voltage (150 kV) 0 217.9 0
182,004 24,157.9 509.4			
			Non-Interconnected Network (length in km)
			Overhead Underground Offshore
			L. Voltage (0.4 kV) 16,044 911 0
			M. Voltage (15-20kV) 13,391 947 494
			H. Voltage (150 kV) 765.8 5.2 0
			30,200.8 1,863.2 494
	EU 5 Allocation of emissions allowances, broken down by carbon trading framework	6.3	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
GENERAL DISCLOSURES			
	Strategy 102-14 Statement from senior decision-maker	1	
	Ethics and integrity 102-16 Values, principles, standards, and norms of behaviour	3.4, 4.1	Sustainable development policy
	Governance 102-18 Governance structure	3.4-3.6, 4.2	
	Stakeholder engagement 102-40 List of stakeholder groups	4.4	
GRI 102 General Disclosures 2016	102-41 Percentage of employees covered by collective bargaining agreements	5.1	The relevant data on contractor employees is not available to PPC.
	102-42 Identifying and selecting stakeholders	4.4	
	102-43 Approach to stakeholder engagement	4.4	
	102-44 Key topics and concerns raised by stakeholders	4.4	
	Reporting practice 102-45 Entities included in the consolidated financial statements	3.1, 3.3, 3.5	
	102-46 Process for defining report content	2, 4.3	
	102-47 Material topics	4.3	
	102-48 Re-statements of information	2, 3.12, 4.8	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
GENERAL DISCLOSURES			
GRI 102 General Disclosures 2016	Reporting practice		
	102-49 Significant changes in reporting	2, 3.1	
	102-50 Reporting period	2	
	102-51 Date of most recent report	2	
	102-52 Reporting cycle	2	
	102-53 Contact point	2	
	102-54 Claims of reporting in accordance with the GRI Standards	2	
	102-55 GRI content index	10.1	
	102-56 External assurance policy	2, 11	
MATERIAL TOPIC Company's financial position / Performance			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components	3.12, 4.1, 4.3, 4.8	Sustainable development policy
	103-3 Evaluation of the management approach		
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	3.12	
	201-2 Financial implications and other risks and opportunities due to climate change	3.9, 4.1, 4.8, 6.4	Annual Report 2017, pages 37-38, 48-49 and 124.
	201-3 Coverage of the organisation's defined benefit plan obligations		Annual Report 2017, pages 172 and 242.
	201-4 Financial assistance received from government	3.2, 3.12	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
MATERIAL TOPIC Energy efficiency / new technologies			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components	4.1, 4.3, 6.4	
	103-3 Evaluation of the management approach		
GRI-EUSS Electric utilities sector disclosures	EU 11 Average generation efficiency of thermal plants by energy source and by regulatory regime	3.1	
	EU 12 Transmission and distribution losses as a percentage of total energy		This indicator is not relevant to PPC's operations. This data is the responsibility of IPTO and HEDNO.
MATERIAL TOPIC Climate change and greenhouse gas / particle emissions			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its Boundary		
	103-2 The management approach and its components	4.3, 6.1, 6.3	Sustainable development policy
	103-3 Evaluation of the management approach		
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.3	
	305-2 Energy indirect (Scope 2) GHG emissions	6.3	
	305-3 Other indirect (Scope 3) GHG emissions	6.3	
	305-4 GHG emissions intensity	6.3	
	305-5 Reduction of GHG emissions	6.3, 6.4	
	305-6 Emissions of ozone-depleting substances (ODS)	6.3	
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	6.3	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
MATERIAL TOPIC Recruitment			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	4.3, 5.1	Sustainable development policy
	103-3 Evaluation of the management approach		
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	5.1	
	401-3 Parental leave	5.1	
GRI-EUSS Electric utilities sector disclosures	EU 14 Programmes and processes to ensure the availability of a skilled workforce	5.2, 8.5	
	EU 15 Employees eligible to retire in the next 5 and 10 years	5.1	
MATERIAL TOPIC Procurement and logistics management			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	4.3, 7.5	
	103-3 Evaluation of the management approach		
GRI 414 Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain	5.5, 7.5	
MATERIAL TOPIC Engagement in public policy in Greece on energy issues			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.10, 4.3	
	103-3 Evaluation of the management approach		
GRI 415 Public Policy 2016	415-1 Political contributions	5.1, 8.2	

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
MATERIAL TOPIC New markets and investments			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.11, 4.3	
	103-3 Evaluation of the management approach		
MATERIAL TOPIC Regulatory issues			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.10, 4.3	
	103-3 Evaluation of the management approach		
MATERIAL TOPIC Risk/crisis management			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.9, 4.3	
	103-3 Evaluation of the management approach		
MATERIAL TOPIC Management of new energy market conditions			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.10, 4.3	
	103-3 Evaluation of the management approach		

GRI STANDARDS	DISCLOSURE	SECTION	COMMENTS / OBSERVATIONS
MATERIAL TOPIC Corporate governance, ethics and values			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	3.4, 4.3	
	103-3 Evaluation of the management approach		
MATERIAL TOPIC Promotion of renewable energy sources			
	103-1 Explanation of the material topic and its Boundary		
GRI 103 Management Approach 2016	103-2 The management approach and its components	4.3, 6.4	
	103-3 Evaluation of the management approach		

10.2 THE AA1000 ACCOUNTABILITY STANDARD

The Company follows the principles in the AS1000 APS Accountability Standard (2008) in identifying, prioritising and responding to sustainability issues. These principles are:

- **Inclusivity:** Stakeholders are involved in developing a responsible, strategic approach to sustainability and corporate responsibility.
- **Materiality:** The relative materiality of each topic is determined to identify how it is to be managed by the Company and to determine the content of the PPC's Corporate Social Responsibility and Sustainability Reports.
- **Responsiveness:** Material aspects and the challenges they present are managed and responded to with the participation of all the Company's organisational units.

The table below shows how the content of the PPC's 2017 Corporate Social Responsibility & Sustainability Report matches the principles of the AA1000 standard.

INCLUSIVITY

4.3 - 4.4
REPORT'S UNITS

MATERIALITY

4.3 - 4.4
REPORT'S UNITS

RESPONSIVENESS

4 - 8
REPORT'S UNITS

10.3 GREEK SUSTAINABILITY CODE - DECLARATION OF CONFORMITY

PPC supports the Greek Sustainability Code and complies with the 20 criteria listed in the Code. The table below sets out the sections of the Report where the Company's activities relevant to each criterion are presented.

PILLAR	CRITERION	RELEVANT SECTION OF REPORT
STRATEGY	1. Strategic analysis and action	4.1 Management Approach
	2. Materiality	4.3. Materiality Analysis
	3. Objectives	4.9. Commitments - Goals
	4. Management of value chain	5.5. Health and Safety 7.5. Responsible Procurement
PROCESS MANAGEMENT	5. Responsibility	3.6. Governance Structure 4.2. Governance for Sustainable Development Issues
	6. Rules and procedures	3.4. Corporate Governance Framework 4.1. Management Approach
	7. Monitoring	4.7. Key Corporate Social Responsibility Performance Data 11. External Assurance Statement
	8. Incentive and reward systems for sustainable development	5.3. Employee Evaluation and Benefits
	9. Stakeholder engagement	4.4. Stakeholders
	10. Product responsibility and innovation	6.4. Actions to Reduce Greenhouse Gas Emissions 7.1. Products and Services 7.3. Responsible and Safe Energy Use
ENVIRONMENT	11. Use of natural resources	6.2. Consumption of Raw Materials, Fuels and Energy 6.5. Water Management
	12. Resources management	6.6. Waste Management - Use of By-Products
	13. Climate-relevant emissions	6.3. Greenhouse Gas and Other Gas Emissions 6.4. Actions to Reduce Greenhouse Gas Emissions

PILLAR	CRITERION	RELEVANT SECTION OF REPORT
SOCIETY	14. Employment rights	5.1. Human Resources Data 5.4 Equal Opportunities and Respect for Human Rights 7.5. Responsible Procurement
	15. Equal opportunities	5.1. Human Resources Data 5.3. Employee evaluation and benefits 5.4 Equal Opportunities and Respect for Human Rights 5.5. Health and Safety
	16. Qualifications	5.1. Human Resources Data 5.2. Training and Development 5.3. Employee Evaluation and Benefits 5.4 Equal Opportunities and Respect for Human Rights 5.5. Health and Safety
	17. Human rights in the supply chain	5.5. Health and Safety 7.5. Responsible Procurement
	18. Corporate citizenship	8.1. Local Community Development Programmes 8.2. Sponsorship Programmes 8.3. Partnership with Archaeological Services 8.5. Other Initiatives
	19. Initiatives and political influence	3.10. Energy Market Operations and Public Policy 4.5. Contribution to the Achievement of the United Nations Sustainable Development Goals 4.6. Membership of Associations and Organisations
	20. Corruption prevention and alleviation	3.8. Audits and Regulatory Compliance 5.7. Regulatory and Legislative Compliance

11. INDEPENDENT LIMITED ASSURANCE REPORT

INDEPENDENT LIMITED ASSURANCE REPORT TO PUBLIC POWER CORPORATION S.A.

We were engaged by the Board of Directors of Public Power Corporation S.A. (referred to as "the Company") to provide limited assurance on section 4.8 titled "Key CSR Performance Data" of the Greek version of the sustainability report titled "Corporate Social Responsibility and Sustainability Report 2017" (referred to as "the Report") of the Company for the reporting period 1 January 2017 - 31 December 2017.

Management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (referred to as "GRI") as described in the Report and relevant internal guidelines as well, and the information and assertions contained within it; for determining the Company's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed for the agreed assurance scope, as described above. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000¹. That Standard requires that we comply with applicable ethical requirements, including independence requirements and that we plan and perform the engagement to obtain limited assurance about whether the section "Key CSR Performance Data" of the Report, referring to the period 1 January 2017 - 31 December 2017, is free from material misstatement. KPMG applies ISQC 1² and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of the Company's processes, on a sample basis, for determining the material issues for its key stakeholder groups.

1. International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or reviews of Historical Financial Information, issued by the International Auditing and Accounting Standards Board.

2. International Standard on Quality Control 1 (ISQC 1): Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, issued by the International Auditing and Assurance Standards Board.

- Interviews with relevant managerial staff on a sample basis, at Company level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Interviews, on a sample basis, with relevant Company staff responsible for providing the information in the section "Key CSR Performance Data" of the Report, during which we were informed about the systems and reviewed, on a sample basis, the processes for information management, internal control and processing of the qualitative and quantitative information, at Company level. In this context, we tested on sample basis, the reliability of selected quantitative and/ or qualitative information (data and/ or text) of the section "Key CSR Performance Data" of the Report.
- Visits to the central offices of the Company in Athens, where we reviewed on a sample basis, the procedures of developing and managing the content of the section "Key CSR Performance Data" of the Report, as well as the current structure of the Corporate Governance in sustainability issues.
- Comparing the information presented in the section "Key CSR Performance Data" of the Report within our agreed assurance scope to corresponding information in the relevant underlying sources to determine on a sample basis, whether the relevant information contained in such underlying sources has been included in the section "Key CSR Performance Data" of the Report.
- Reading the information presented in the section "Key CSR Performance Data" of the Report within our agreed assurance scope to determine on a sample basis, whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

It is noted that for the financial indicators and data reported in the section "Key CSR Performance Data" of the Report and specifically for the "turnover", the "total liabilities and equity", the "liabilities", the "equity", the "financial income", the "payroll cost including employee benefits and employer's social security contribution", the "dividend payments", the "earnings (losses) before taxes", the "long-term borrowings", the "short-term borrowings", the "supply market share (average annual)", and the "emission allowances (CO₂)", KPMG's work was limited to the reliability check of the transfer of these data from the published / approved "Financial report 2017" or the "Annual report 2017" of the Company, to the section "Key CSR Performance Data" of the Report. To obtain a thorough understanding of the Company's financial results and financial position, the 2017 audited Financial Statements should be consulted. In addition, the scope of our work did not include the review / testing of the operational effectiveness of the information systems used to collect and aggregate data in the section "Key CSR Performance Data" of the Report. Finally, our work for the above assurance scope concerned the

operations and activities of the Company (excluding its subsidiaries) in Greece and we have not been engaged to provide assurance over any prior reporting period data or information presented in the Report.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the section 4.8 titled "Key CSR Performance Data" of the Report of Public Power Corporation S.A. for the period 1 January 2017 - 31 December 2017 is not, presented fairly, in all material respects.

Our assurance report is made solely to the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Company those matters we have been engaged to state in this assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Public Power Corporation S.A. for our work, for this assurance report, or for the conclusions we have reached.

KPMG Advisors A.E.



George Raounas
Partner

Athens, 13 November 2018

CONTRIBUTORS

The Corporate Social Responsibility and Sustainability Report 2017 was elaborated by the Corporate Social Responsibility Section of PPC S.A., with the assistance of the CSR team of the company.

The majority of the photos used are held in the PPC archive and are taken by the photographer of the company, Mr. Dimitris Rizos.

Support in the elaboration of the report



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