



Corporate Social
Responsibility and
Sustainability Report
2010



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Table of contents

1.	STATEMENT FROM THE CHAIRMAN AND CEO	5
2.	KEY REPORT PARAMETERS	7
3.	CONTRIBUTION TO THE ECONOMY	9
3.1.	COMPANY PROFILE	10
3.1.1.	Key figures	17
3.1.2.	Shareholder structure	18
3.1.3.	Subsidiary holdings	19
3.1.4.	Important changes in the Corporation in 2010	19
3.1.5.	Membership in associations and organizations	20
3.1.6.	Awards – distinctions	21
3.2.	CORPORATE GOVERNANCE	22
3.2.1.	Administrative organization	22
3.2.2.	Governance structure	24
3.2.3.	Mechanisms for shareholders and employees to communicate with the management	27
3.2.4.	Internal audit and risk management	28
3.2.5.	Conflicts of interest	30
3.2.6.	Corporate Social Responsibility Governance	30
3.2.7.	Compliance with international standards and regulations	32
3.3.	KEY FINANCIAL INFORMATION	33
4.	CONTRIBUTION TO SOCIETY	35
4.1.	INTERACTION WITH STAKEHOLDERS	36
4.2.	CUSTOMERS	41
4.2.1.	Supply of electricity throughout Greece	41
4.2.2.	Customer categories and respective tariffs	42
4.2.3.	Energy quality	42
4.2.4.	Customer service	43
4.2.5.	Responsible practices	45
4.2.6.	Compliance with legislation and regulations	49

4.3.	HUMAN RESOURCES	50
4.3.1.	Key human resources information	50
4.3.2.	Additional benefits	53
4.3.3.	Training and professional education	54
4.3.4.	Equal opportunities and human rights	57
4.3.5.	Occupational health and safety	57
4.4.	LOCAL COMMUNITIES	64
4.4.1.	Participation in the development of Public Policy	64
4.4.2.	Contribution to the development of local communities	66
4.4.3.	Contribution to the fulfillment of social needs	71
4.4.4.	Contribution to the preservation of our history	74
4.4.5.	Fighting corruption	74
4.4.6.	Achieving regulatory and legislative compliance	75
5.	PARTICIPATION TO THE PROTECTION OF THE ENVIRONMENT	77
5.1.	CARE FOR THE ENVIRONMENT	78
5.1.1.	Climate change and pollutant emissions	79
5.1.2.	Liquid waste and water effluence / discharge	85
5.1.3.	Solid-waste management	86
5.1.4.	Materials used	90
5.1.5.	Energy self-consumption	91
5.1.6.	Water management	91
5.1.7.	Visual impact	96
5.1.8.	Biodiversity	98
5.2.	COMPLIANCE WITH ENVIRONMENTAL LEGISLATION	101
5.3.	PURSUE OF CONSTANT IMPROVEMENT	102
6.	ABBREVIATIONS	104
7.	TABLE OF STANDARD GRI DISCLOSURES IN THE REPORT	106



1. Statement from the Chairman and CEO



I would like to welcome you to the “Corporate Social Responsibility and Sustainability Report 2010”, the first such report, in Public Power Corporation’s 60 years of operation.

Since 1950 PPC has been an innovative force behind the rise in Greece’s standard of living, while at the same time, being a key supporter of its continued development.

Today, the Corporation faces many complex and interrelated challenges of financial, social and environmental nature as part of its daily operation.

In collaboration with other institutions and organizations, PPC discovers opportunities and practical ways to implement the knowledge and outstanding expertise it possesses in order to make a positive contribution towards the solution of important environmental issues such as climate change and water management.

PPC’s main concern is the continuous care for the human factor. Improving health and safety conditions at work, training our personnel and contributing towards a better quality of life for local communities constitute not only areas of enduring interest but also fields of intense activity for the Corporation.

By incorporating Corporate Social Responsibility into PPC’s strategic planning we encapsulate the tackling of social, financial, and environmental issues in our long-term operation and undertake responsible initiatives regarding:

- The management of our footprint on local communities and the environment.
- Our growth, with the support of our employees and the wider community.
- The provision of high-quality services to our customers.

Our commitment to the principles embodied in Corporate Social Responsibility is more focused than ever before, now that our country is facing a very serious financial crisis. An organization of the size and potential of PPC is capable of substantial and multifaceted support of the efforts towards the recovery of the Greek economy, by pursuing specific strategies.

For all the aforementioned reasons, but also so as to fairly record, systemize, and promote actions and good practices, this report discloses important issues and impacts that arise from PPC’s operation in Greece, in accordance with the Global Reporting Initiative guidelines (GRI G3).

The fundamental challenge we are presently summoned to address, not only as PPC but also as a wider community, is to ensure a sustainable future for ourselves and for the generations to come. This can be achieved through long-term energy planning - with renewable energy sources and rationalization of energy consumption as its main components - which will make the Corporation itself accountable towards society, in absolute and measurable terms.

It is with this first report that Public Power Corporation affirms its positioning as the country’s largest industry and expresses its commitment to contribute towards the modernization of the energy model, the confrontation of climate change and Greece’s sustainable development. Our aim is to keep our stakeholders continually informed of our efforts on sustainability through such annual reports.

We realize that we have a long way ahead of us and major challenges to confront. However, with your support, we are confident that we will succeed.

Arthouros Zervos
Chairman & CEO



2. Key Report Parameters

The “Corporate Social Responsibility and Sustainability Report 2010”, hereafter referred to as the “Report”, is the first attempt of Public Power Corporation S.A. (hereafter “PPC” or the “Corporation”) to record and disclose important issues relating to the three fundamental Corporate Social Responsibility (CSR) principles and the Corporation’s impact in Greece. The Report was prepared in accordance with the guidelines set out in version G3 of the Global Reporting Initiative (GRI) and is supplemented with information relating to the indicators stipulated within the GRI’s Electric Utilities Sector Supplement.

PPC’s “Corporate Social Responsibility and Sustainability Report 2010” refers to the Corporation’s activity in calendar year 2010. It is addressed to all PPC stakeholders, namely its Customers, the Greek State, Regulatory Authorities, Public Entities, Shareholders and Investors, Non-Governmental Organizations (NGOs), Employees, Competitors, Partners and Suppliers, Local and Regional Authorities, and Communities. Our aim is to inform stakeholders by a CSR and Sustainability Report such as this on an annual basis.

The data and respective text included in this publication refer to material issues relating to the sustainability of the parent company, PPC. Special reference (without consolidation with PPC’s data) is made to subsidiary PPC Renewables S.A. (hereafter referred to as “PPC Renewables”) in specific sections of the Report and displayed in its own distinct frame. This reference is made due to the subsidiary’s important role in the achievement of the Corporation and the Greek State’s strategic goals concerning Renewable Energy Sources and sustainability in general.

Preparing the Report

With a sense of responsibility, we at PPC have recognized the material sustainability issues and challenges that concern the Corporation (Materiality Principle). We have done so by combining information from an analysis of internal and external parameters, such as our operation, international sustainable development issue disclosure guidelines, peer group practices, an understanding of our impact, as well as available information derived from our interaction with stakeholder groups (Stakeholder Engagement). Because of the lack of a structured procedure which would ensure effective compliance with the Materiality principle, in the first two months of 2011 we established a specific procedure in order to identify material sustainability issues. The procedure was carried out with the active participation of the Management of all PPC business units, including the Management of the Transmission and Distribution Divisions and of the subsidiary PPC Renewables. The results of the implementation of this procedure will be presented in detail in our next report. It should be noted that the findings have to a great extent confirmed the already identified areas of material impact, which are as follows (Sustainability Context):

- **Economy:** Corporate governance, energy market and investments, and financial position.
- **Society:** Labor issues (training, health and safety, etc.), relations with local communities, regulatory issues, customer satisfaction.
- **Environment:** Climate change, biodiversity, natural resources, electromagnetic fields, and renewable energy sources.

The above areas have been examined by PPC's Corporate Social Responsibility Section (CSR Section) which was responsible for the preparation of the Report and the determination of its content. In order to support the CSR Section and to ensure the active participation of all business units, a "CSR Team", comprised of PPC employees was established. A similar team was set up in the subsidiary PPC Renewables. The CSR Section, through person-to-person meetings and the provision of constant support and guidance, coached the members of these teams, so as to gather all required information. Since this was the first Report to be published, a special CSR training program was implemented to help employees with the Report's preparation. This training program included the following:

- Employees in the CSR Section attended a certified training program on how to develop Social Responsibility reports in accordance with the international GRI standard.
 - Top PPC Management Executives were updated on current international trends on sustainability and CSR.
 - All PPC Management Executives whose Divisions were directly involved in the provision of information for the Report's preparation received training related to CSR and international corporate social responsibility reporting Standards.
 - The CSR Team and the respective team of PPC Renewables were also trained on how to develop the Report in accordance with the GRI requirements.
- Data relating to the distributed energy quality were obtained from summary reports generated by the application used by the Distribution Planning and Performance Department for processing Failure Restoration Notices.
 - CO₂ emissions data calculations were based on the "Power Plant Monitoring Application" platform, which was used as an aid for the development of the THERMO information system. The THERMO system manages data relating to the operation of thermal plants supervised by the Thermal Power Plants Operations Department and the Islands Generation Department. Part of the THERMO system is the ENVIRO subsystem, which is used for the management of data relating to CO₂ emissions from the Corporation's thermal plants.
 - Data from the analysis of categories in Human Resources were obtained from the Information Technology Department's database.

In various sections of the Report specific references to the method and procedure used for gathering information are made.

In cases where it was not possible to collect uniform data from all PPC activities – in order to achieve the presentation of aggregate results – selected data are presented in the Report, with explicit reference to the relevant business unit from which they were derived.

Finally, a Steering Committee comprised of Management Executives and two (2) Board of Directors (BoD) members was established, thus enabling PPC's Management to take an active part in the preparation process.

Data sources

The information presented in the Report was obtained from PPC's business units, as described above. Quantitative data were calculated from databases kept by PPC's central offices / headquarters and individual Divisions, with support from various information technology systems (such as the HERMES system), applications, files and established procedures. Indicative data sources are presented below:

Contact details

The "Corporate Social Responsibility and Sustainability Report 2010" is also available on PPC's website at: www.dei.com.gr. To submit your comments, views and recommendations, please contact:

Lena Sarikaki

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Strategy Department

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E-mail: e.sarikaki@dei.com.gr

A hand in a dark suit sleeve points towards a digital interface displaying a bar chart and a line graph. The background is a deep blue with a grid pattern. The hand is positioned in the foreground, reaching towards the data on the screen. The overall aesthetic is professional and technological.

Economy

3. Contribution to the economy

3.1 Company profile

The company bearing the name “Public Power Corporation Société Anonyme” and distinctive title “PPC S.A.” or “PPC” was established by conversion and as a successor of the previously existing Public Corporation bearing the name “Public Power Corporation”. In 1999, the Hellenic State implemented Law 2773/1999 (the “law on liberalization”) which stipulated, inter alia, that PPC would be converted into a Société Anonyme. In accordance with Presidential Decree 333/2000 (Articles of Incorporation), PPC was converted into a société anonyme on 1 January 2001 with license to operate for 100 years. PPC is registered with the Registry of Sociétés Anonymes with No. 47829/06/8/00/2. It is subject to the Athens Tax Office for Industrial Companies, with VAT No. 0900000045 and its headquarters are located in the Municipality of Athens, at 30 Chalkokondyli Street, Postal Code 104 32.

Historical background

Public Power Corporation was established in August 1950 to operate as a “public utility company” aiming towards the set up and implementation of a national energy policy which, through intensive utilization of domestic resources, would make electricity available and a basic right to all Greek citizens at the lowest possible price. Upon establishment PPC made an effort to utilize domestic energy sources by building lignite and hydroelectric power plants and initiated the integration of all electricity networks into one national Interconnected System.

Accordingly, a decision was made in 1956 for PPC to purchase all private and municipal energy generating enterprises to ensure the existence of one controlling entity. PPC proceeded to gradually purchase all these enterprises and hire their employees.

Throughout all the years of its existence, PPC has managed to ensure energy independence for Greece and has completed the country’s electrification while simultaneously providing support to the largest part of its heavy industry.

PPC has operated as a société anonyme since 1.1.2001, and has been listed in the Athens and London Stock Exchanges since 12.12.2001. It is now operating in a liberalized energy market and is a vertically integrated enterprise covering all electricity related activities, a leading company in one of the fastest growing electricity markets in Europe - that of Greece and the Southeastern Europe. Today, PPC is the largest energy generator in Greece and owns the national Interconnected Transmission System, the Non-interconnected Islands Transmission System and the entire energy distribution network.

Following the liberalization of the Greek electricity market in February of 2001, any company (or person) gained the right to generate electricity. Thus the responsibility for electricity transmission was delegated to an independent company established for this specific purpose, The Hellenic Transmission System Operator (HTSO). The Greek Electricity System (generation, transmission, distribution of electricity) is now supervised by the Regulatory Authority for Energy (RAE).

12,688 MW
Installed Capacity

€ **5.79** billion
Revenues

€ **928.10** million
Investments

45,258 GWh
Net energy generation




€ **726.15** million
Earnings before tax

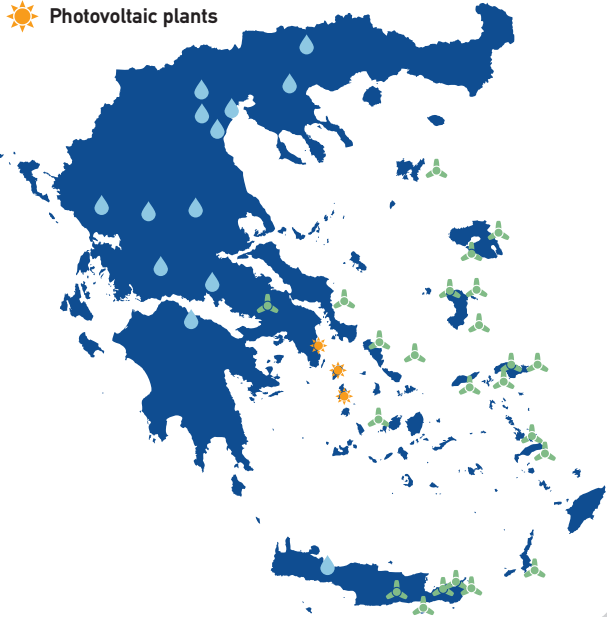
95% of revenues
Value distributed to society

The company bearing the name "SOCIÉTÉ ANONYME FOR THE MANAGEMENT OF RENEWABLE ENERGY SOURCES" and the distinctive title "PPC Renewables S.A." was established in 1998 and is a société anonyme under Codified Law 2190/1920. It engages in the generation of electricity from Renewable Energy Sources (RES); it is a wholly owned subsidiary of PPC. PPC Renewables' portfolio includes small hydroelectric plants, wind parks and photovoltaic plants throughout Greece. Depending on their geographic location, they supply electricity to the Inter-connected System (on the mainland) or the Non-interconnected System (on the islands). Among all RES enterprises in Greece, PPC Renewables has the widest dispersion of projects, from Crete to Northern Greece and from the Dodecanese islands to Epirus.



Map of activity

-  Wind parks
-  Small hydroelectric plants
-  Photovoltaic plants



Fields of activity

Our main purpose, according to PPC's Statute, is to engage in commercial and industrial activity in the energy sector in Greece and abroad. This activity includes, but is not limited to, the design, supervision, construction, utilization, maintenance and operation of power plants and transmission and distribution networks. Activities also include the supply and sale of electricity, the mining, generation and supply of energy raw materials, as well as outsourcing such projects to third parties.

Our purpose also includes activities such as the establishment of companies, participation in joint ventures, acquisition of shares in other domestic or foreign companies, participation in enterprises that have similar purposes to those described above, whose activities are directly or indirectly linked to the purposes of PPC, or whose purpose is to develop PPC's tangible or intangible assets and to utilize its resources.

Mines

We engage in this field through the Mines Division. Its mission is to carry out exploration, mining, management and trading activities for solid raw materials employed in energy generation, to utilize the by-products of its activities, as well as to provide top quality services that contribute to Greece's energy security and economic growth, with respect for the environment and the human capital.

Lignite is the most important energy fuel for the Greek economy and the country's electrification has been based on the use of this fuel since PPC's establishment.

The use of lignite for energy generation provides Greece with annual savings of approximately \$1 billion. Lignite is a strategically important fuel for the Corporation as its mining is cost effective, its price is fixed and directly controllable and it ensures stable and secure supply. By mining lignite, we have offered thousands of jobs to people in the Greek periphery and especially in regions with increased unemployment rate.

Generation

We are active in energy generation through the Generation Division which primarily focuses on the development of the Corporation's generation capacity from its thermoelectric and large hydroelectric plants so as to ensure their optimum operational management, while complying with environmental requirements.

Moreover, through the Generation Division, we aim to maintain our leading position in the liberalized energy market. In order to do so we adopt strategic measures such as:

- The construction of new plants using state-of-the-art technologies and optimized techniques.
- The shutting down of older and inefficient power plants.
- The acceleration of the completion of hydroelectric plants.
- The upgrading of independent and local power plants on the Non-interconnected Islands.
- The reduction of CO₂ emissions.

THERMAL POWER PLANTS

NORTHWESTERN GREECE
6 Thermal Power Plants
(Including the LIPTOL Thermal Power Plant)

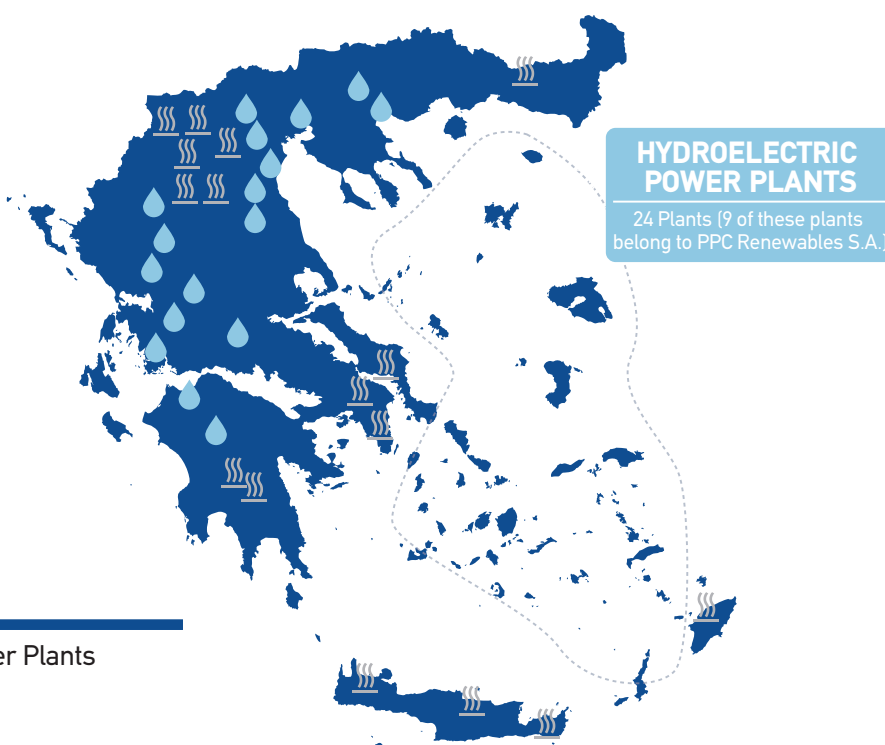
MEGALOPOLIS
2 Thermal Power Plants

CRETE / RHODES
4 Thermal Power Plants
(Including the two new units of the Atherinolakkos Thermal Power Plant)

ISLANDS
32 Independent and Local Plants

ATTICA / EVIA
3 Thermal Power Plants

KOMOTINI
1 Thermal Power Plant

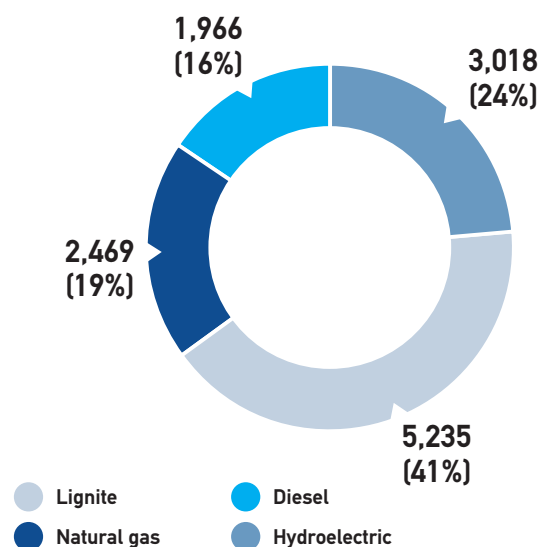


Geographical Distribution of Power Plants

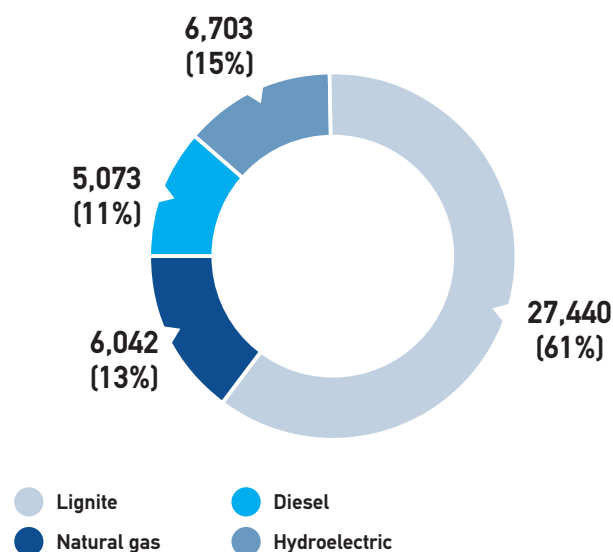
- ☞ Thermal power plants
- 💧 Hydroelectric power plants

Note: The Lignite Unit I at the Ptolemaida Thermal Plant ceased to operate in the beginning of 2010. The relevant Ministerial decision from the Ministry of the Environment, Energy and Climate Change was issued in the beginning of 2011 under document Δ5/ΗΛ/Α/Φ7/161/3800/09.03.2011.

Portfolio of power plants totaling an installed capacity of 12,688 MW by primary energy source



Portfolio of power plants totaling a net energy generation of 45,258 GWh by primary energy source



The following table presents the availability and average efficiency indicators of PPC's plants and units/facilities.

PLANTS	AVAILABILITY (%) ¹	AVERAGE EFFICIENCY (%) ²
Lignite plants	81,55	34,99
Diesel plants in the Interconnected System	85,12	36,69
Natural gas plants	90,18	45,76
Total in Interconnected System	84,03	36,44
Diesel plants in Crete (fuel oil)	89,80	36,55
Diesel plants in Crete (diesel)	83,45	32,75
Total in Crete	86,20	35,56
Diesel plants in Rhodes (fuel oil)	89,47	38,03
Diesel plants in Rhodes (diesel)	81,02	27,07
Total in Rhodes	85,80	36,17
Diesel plants (other Non-interconnected Islands)	87,86	42,30

¹ Refers to average availability. The calculation in each instance refers to the weighted average availability of all plants using a specific type of fuel. Respectively, "Total" refers to the weighted average availability of all PPC thermal plants.

² The average efficiency is calculated on the basis of the efficiency rate relative to energy output. The calculation refers to the weighted average value of the annual efficiency of all plants using a specific type of fuel. Respectively, "Total" refers to the weighted average efficiency of all PPC thermal plants.

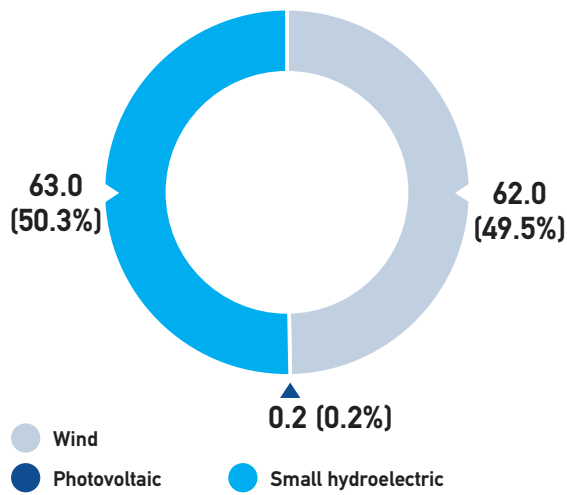
PPC Renewables' installed capacity was 125.2MW in 2010. The following joint venture projects are included in this capacity:

- The wind parks on the islands of Kos and Leros operated in collaboration with Iberdrola-Rokas and the wind parks in Viotia operated in cooperation with EDF.

- The Small Hydroelectric Power Plant (SHPP) at Gi-tani operated in collaboration with Nanko Energeia S.A., the SHPP at Voreino operated in collaboration with MEK Energeiaki S.A., and the SHPP at Eleousa.

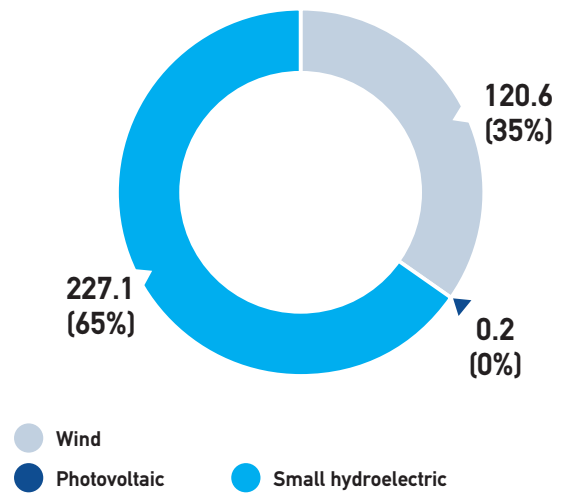
It should be noted that there are also other joint venture projects under development such as the SHPPs at Kalamas and Ladonas in collaboration with TERNA Energeiaki S.A. and the SHPP at Alatopetra in cooperation with Helliniki Technodomiki Anemos.

Installed capacity of 125.2 MW* by primary energy source



* Including PPC Renewables joint venture projects.

Net energy generation of 347.9 GWh* by primary energy source



* Including PPC Renewables joint venture projects.

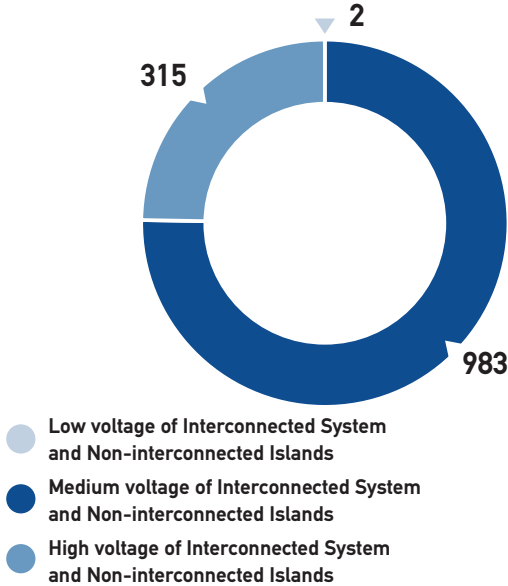


Transmission

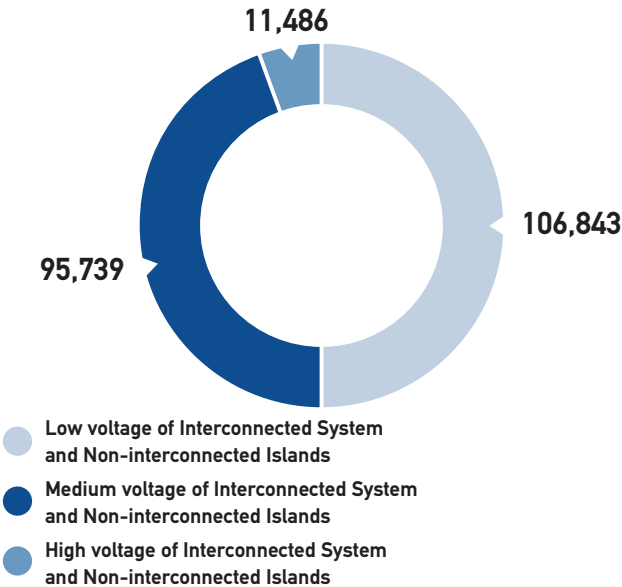
The Transmission Division owns the national Interconnected Transmission System used by the HTSO to transmit electricity. Energy is transmitted to distribution networks and high voltage customers via high voltage lines from power plants (owned either by PPC or other producers), as well as from interconnection points with neighboring countries.

The System is owned by PPC according to article 12 of Law 2773/1999 and the HTSO is responsible for its operation, maintenance and development, as well as for third party access to it. The Transmission Division has been appointed to carry out the mandatory development of new transmission projects and to ensure the operation and maintenance of the Interconnected Transmission System, in accordance to planning and instructions from the HTSO. The Transmission Division's mission includes the study and construction of Transmission System installations, their maintenance and operation. It also includes securing the transmission of the demanded amount of electricity to all end-users, with quality, reliability and respect for people and the environment and under all circumstances. In accordance with Law 4001/2011, the transmission activity is the responsibility of an independent subsidiary, the Independent Electricity Transmission Operator (IETO).

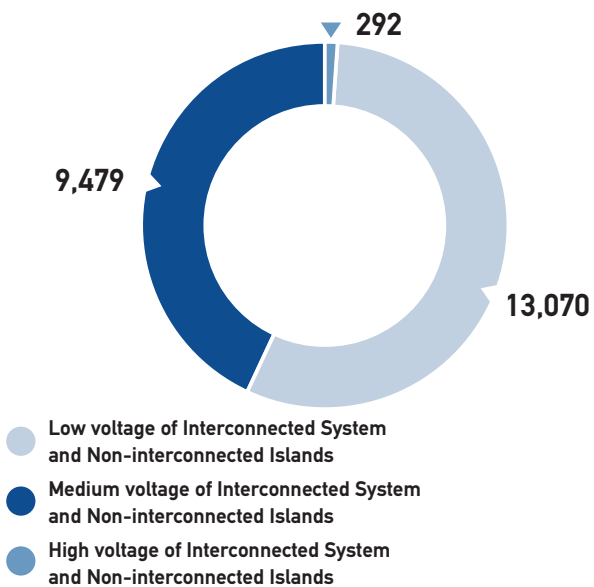
Length (km) of submerged transmission and distribution lines per voltage type of Interconnected and Non-interconnected Network



Length (km) of overhead transmission and distribution lines per voltage type of Interconnected and Non-interconnected Network



Length (km) of underground transmission and distribution lines per voltage type of Interconnected and Non-interconnected Network



Distribution

Through the Distribution Division, PPC is the sole electricity distributor in Greece and is still the operator of the distribution network. The Distribution business unit is responsible for the delivery of electricity throughout the country both in the areas covered by the Interconnected System and on the Non-interconnected Islands. Today, PPC and independent producers, as well as energy importers, offer electricity on the wholesale market and supply it to the country's Interconnected System. This energy reaches consumers after first passing through the transmission network and finally the distribution networks respectively. The Distribution Division's mission includes the development, maintenance and operation of the Medium and Low Voltage network. Its aim is to ensure the best possible quality of services to the network's users and to provide top quality energy; by modernizing and enhancing the reliability of distribution installations and improving performance in order to reduce the extent and number of power outages (scheduled and non-scheduled), to achieve faster supply restoration time, to improve voltage quality level etc., all with the lowest possible cost. Again, in accordance with Law 4001/2011, the distribution is the responsibility of an independent subsidiary, the Hellenic Electricity Distribution Network Operator (HEDNO).



Supply

PPC's Supply Division is responsible for the sale of electricity to all consumer categories and its mission includes performing the role of electricity supplier on behalf of the Corporation and in accordance with the Greek and European regulatory framework. It also aims at maintaining PPC's leading position in the liberalized market by developing an appropriate commercial and pricing policy, focusing on providing customers with reliable services and establishing long-lasting and sincere communication with them. The Supply Division's strategic goals include securing and promoting competitive products and services that fully meet customer needs by developing an extensive, state-of-the-art, sales network using modern marketing tools and setting up alternative channels for sales promotion. The Division seeks to achieve the above with an evidently customer-oriented culture which spans across all its activities. Keeping in mind this culture, its key priority is to modernize its infrastructure utilizing suitable information technology systems.

The new operational framework and competition scheme presented by the liberalized market have imposed new conditions and requirements. The Supply Division encourages the sound and undistorted liberalization of the energy market by actively offering practical support for all necessary statutory actions in this direction. Thus, the scope of the Supply Division is twofold:

- To ensure sufficient energy to meet the needs of PPC's customers in the best possible way through participation in the wholesale market as a supplier.
- To provide top quality services to customers at the most competitive prices possible as a supplier and to actively contribute to healthy competition with regard to energy supply and sales.

The following table presents the categories of PPC's customer accounts/connections, and the relevant number of connections under each category. Out of a total of 7,512,197 connections, 77.44% are classified as residential versus 17.03% that are classified as commercial.

CUSTOMER / CONNECTION CATEGORY	NUMBER OF CONNECTIONS
Residential	5,817,727
Agricultural	207,666
Commercial	1,279,216
Industrial	61,108
Public lighting (roads, squares, etc)	94,614
Public authorities	51,775
Traction (ISAP/Urban Railway, ILPAP/Electric Buses, Tram, Attiko Metro, etc.)	91
Total	7,512,197

3.1.1. Key figures

PPC is the largest industrial enterprise in Greece on account of its tangible assets, with revenue of almost €5.8 billion.

Table of PPC key figures

Earnings before taxes (€ thousand)	726,150
Tangible assets (€ thousand)	13,236,285
Share capital (€ thousand)	1,067,200
Total equity (€ thousand)	6,746,334
Long-term borrowings (€ thousand)	3,885,413
Short-term borrowings (€ thousand)	966,899
Installed capacity (MW)	12,688
Net energy generation (GWh)	45,258
Domestic sales (GWh)	51,131
Total number of regular employees	21,681
Share in the domestic energy market*	95.8%

* Refers to an estimate, taking also into account other suppliers' sales.

Table of key PPC Renewables figures

Earnings before taxes (€ thousand)	10,900
Tangible assets (€ thousand)	136,500
Share capital (€ thousand)	55,700
Total equity (€ thousand)	97,800
Long-term borrowings (€ thousand)	0
Short-term borrowings (€ thousand)	250
Installed capacity in Renewable Energy Sources (MW)*	125.2
Net energy generation (GWh)*	347.9
Total number of regular employees (permanent employment contracts)	24

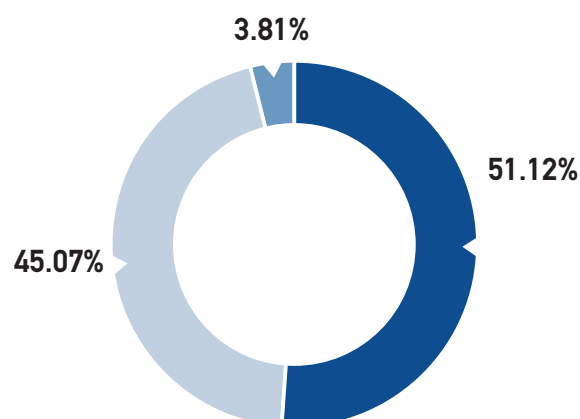
* Including joint venture projects currently in operation.

3.1.2. Shareholder structure

The Corporation's share capital as of 31.12.2010 amounted to €1,067,200,000, divided into 232,000,000 ordinary shares of nominal value €4.6 each.

The Corporation is unaware of any shareholders other than the "State", "Silchester International Investors" and "IKA-ETAM/TAP-PPC" and "TAYTEKO/TEAPAP-PPC" (the last four in aggregate), holding 3% or more of the Corporation's share capital. Apart from the relevant legislation for publicly listed entities in the Athens Stock Exchange, PPC is also subject to specific laws and regulations applicable to enterprises operating in the wider public sector. As long as the Hellenic State holds 51% of its share capital, PPC will remain, in certain respects, a Greek Public Sector Enterprise. Consequently, its functions will continue to be subject to laws and provisions applicable to Greek Public Sector Enterprises, thus affecting certain procedures.

PPC shareholder structure (31.12.2010)



- Hellenic State
- General & institutional investors*
- IKA-ETAM/TAP-PPC and TAYTEKO/TEAPAP-PPC

* Includes the total holdings of Silchester International Investors LLP on 1.11.2010 which are comprised of 14,783,793 shares, representing 6.37% of PPC's voting rights, in the capacity of investment administrator for its following customers:

- 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,
- The Calleva Trust.

3.1.3. Subsidiary holdings

The following table presents the enterprises which were wholly owned by PPC on 31.12.2010.

ENTERPRISES	HEADQUARTERS IN
PPC RENEWABLES S.A.	Greece
PPC RHODES S.A.	Greece
PPC TELECOMMUNICATIONS S.A.	Greece
ARKADIKOS ILIOS 1 S.A.	Greece
ARKADIKOS ILIOS 2 S.A.	Greece
ILIAKO VELOS 1 S.A.	Greece
ILIAKO VELOS 2 S.A.	Greece
SOLARLAB S.A.	Greece
ILIAKA PARKA MAKEDONIAS 1 S.A.	Greece
ILIAKA PARKA MAKEDONIAS 2 S.A.	Greece
HYDROELECTRIC OINOUSA S.A.	Greece
PPC FINANCE PLC	U.K.

3.1.4. Important changes in the Corporation in 2010

An Extraordinary General Assembly of of PPC Shareholders was held on 30 December 2010, passing the following resolutions:

- To transfer all the electricity transmission activities currently carried out by PPC's Transmission Division to its 100% owned subsidiary "PPC TELECOMMUNICATIONS S.A.", and to transfer all the electricity distribution activities currently carried out by PPC's Distribution Division and Island Network Operations Department to its 100% owned subsidiary "PPC RHODES S.A."

- Implementation of Directive 2009/72 requiring a change of PPC's organizational structure separating electricity transmission and distribution activities from PPC. The law, since it was passed on 22.08.2011, determines both the structure and the activities of the new companies and their relations with the parent company.

The following are important changes in PPC Renewables that took place in 2010: (a) headquarters were moved to 3 Kapodistriou St., Agia Paraskevi, Athens; (b) share capital was increased by €15.3million as the company used a short-term bank loan amounting to €250.4 thousand; and (c) continuing the construction of the Ikaria Hybrid Power Project and of 9 wind parks on the islands of Paros, Lesvos, Limnos, Samos (at Marathokampos and Pythagorion), Rhodes, Crete (at Koprino and Akoumia), and Sifnos.

3.1.5. Membership in associations and organizations

PPC's membership in national and international official bodies enables the Corporation to discuss important business issues related to the energy market and to ensure that our industry sector contributes to sustainable development. PPC, through its Divisions, participates in more than 40 national and international networks, associations, unions or organizations. Some of these are the following:

The Union of the Electricity Industry – EURELECTRIC

PPC is a member of EURELECTRIC which is active at all levels and stages of the energy market (generation, networks and trade). Electricity companies based in non-European countries are also represented in the union.

Hellenic Electricity Association (HELAS)

PPC is a member of HELAS, an association that has an active role in EURELECTRIC. The association's main purpose is to represent and safeguard the interests of Greek electricity producers and suppliers at domestic and international level, as well as to ensure that stakeholders are informed more systematically and effectively about energy-related issues.

International Council on Large Electric Systems (CIGRÉ)

CIGRÉ is a non-profit scientific organization with more than 10,000 members that include scientists from 92 countries from around the world. CIGRÉ operates with 16 Study Committees, each active in a specific technical domain. Working Groups have been set up under each Study Committee carrying out research on more specific technical issues. The issues which are studied are at the cutting edge of technology and many of the conclusions that are reached are used as a basis for the development of new international regulations. PPC's Deputy CEO responsible for the networks, who is also Chairman of the Study Committee for Dispersed Generation, represents PPC in CIGRÉ.

Hellenic Association for the Cogeneration of Heat and Power (HACHP)

We are members of HACHP, which was established in March 1995 as a non-profit scientific association. Its primary goal is to support and to promote proper implementation of the Cogeneration of Heat and Electricity in Greece, aiming at a sustainable energy future.

Council for Sustainable Development at the Hellenic Federation of Enterprises (SEV)

PPC is a member of SEV's Council for Sustainable Development, an official body established for the purpose of being a powerful and dynamic support to enterprises in the following areas: (a) promoting sustainable development in the Greek business environment, and (b) setting up a necessary framework for dialogue to discuss and ponder on critical sustainable development issues among enterprises, the State and society at large.

World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development is an organization dealing exclusively with business and sustainable development. It provides a platform for companies to explore sustainable development and to share knowledge, experiences and best practices. WBCSD also gives companies the ability to support their positions in a variety of fora, working with governments and non-governmental and intergovernmental organizations. PPC is a subscriber to the organization.

Hellenic Network for Corporate Social Responsibility

Since 2007, we have been a member of the Hellenic Network for Corporate Social Responsibility, a network of enterprises operating as a non-profit association. Its mission is to promote and highlight the concept of CSR, both among enterprises and in society, with a long-term goal of balancing profitability and sustainable development.

Hellenic Management Association (HMA)

We participate in the Hellenic Management Association which was established in 1962. It is a non-profit association whose purpose is to develop, promote and communicate modern management principles, methods and practices.

Hellenic Organization for Standardization (ELOT)

We are a member of ELOT, the organization in Greece responsible for preparing, approving, issuing and distributing Greek Standards. Standards are prepared by ELOT's Technical Committees and Working Groups that represent the public and private sectors and aim at achieving the maximum possible consensus among them.

EuroCharity

We are also a member of EuroCharity, an organization dealing with corporate responsibility issues, the green economy, sustainable development and business excellence.

Hellenic Purchasing Institute (HPI)

We are one of the founding members of the Hellenic Purchasing Institute, since 1986. HPI is the only non-profit organization in Greece focusing on purchasing and supply management. Its primary goal is to promote innovation, ideas, techniques and applications so as to increase the prospects for sales executives working with Greek enterprises by helping them improve their efficiency at strategic and implementation stages.

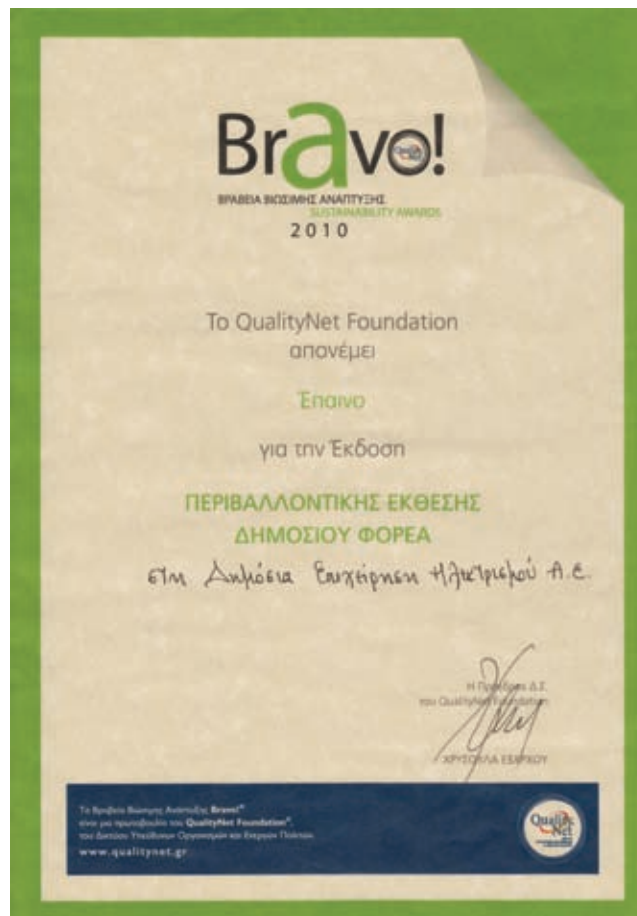
Hellenic Logistics Society (HLS)

We have been a member of the Hellenic Logistics Society since 2003, a non-profit scientific association committed to promote and assist the science of Logistics and the supply chain in general.

PPC Renewables is a member of the European Wind Energy Association (Board Member) and of the Hellenic Wind Energy Association (HWEA), where PPC Renewables' CEO served as Chairman of the Board of Directors in 2010. The company is also a member of the Hellenic Electricity Association (HELAS) and the European Solar Thermal Electricity Association (ESTELA).

3.1.6. Awards – Distinctions

In 2010 PPC received an accolade for the Public Sector Environmental Report titled "The Environment – Our World! PPC on the path to Sustainable Development" (published in 2009). The accolade was given as part of the "BRAVO" sustainability awards organized by the QualityNet Foundation, the Network of Responsible Organizations and Active Citizens.



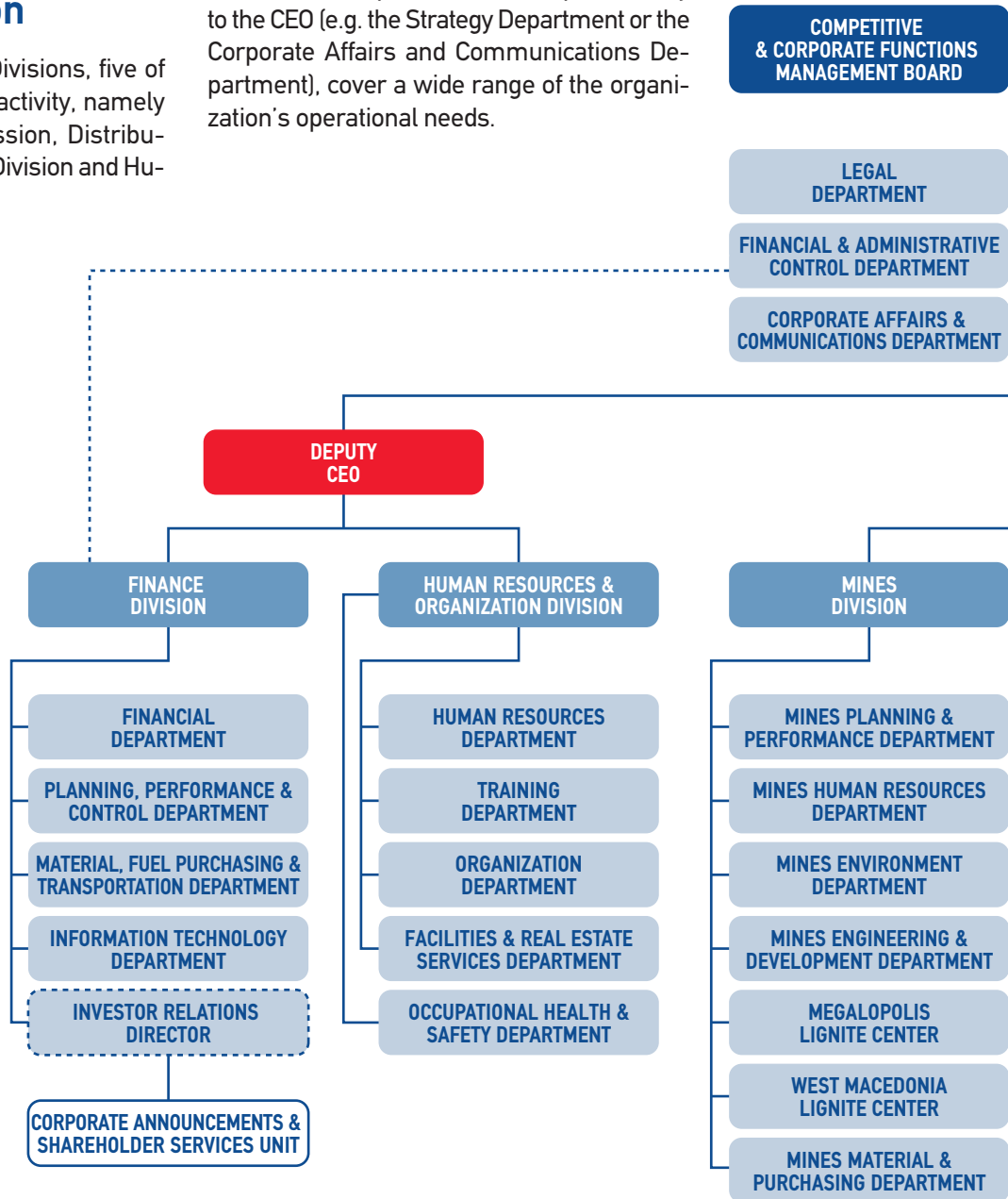
In 2010, PPC was included in the top 250 electrical energy companies (Platts Top 250 Global Energy Companies Ranking for 2010). Platts' ranking is global and considers geographical region and field of activity while considering 4 major indicators: assets value, revenue, profit and return on capital employed.

3.2 Corporate Governance

3.2.1. Administrative organization

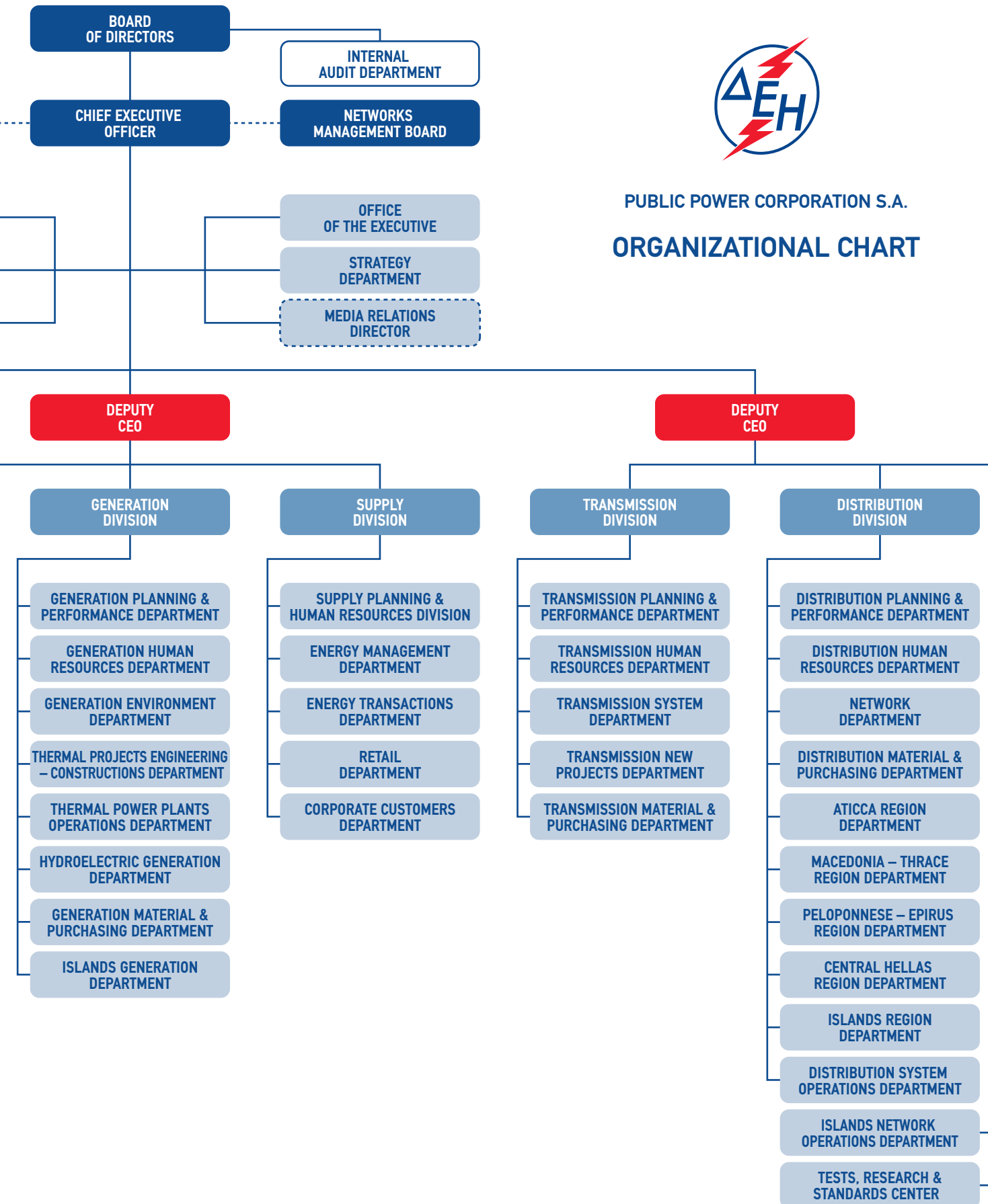
PPC is comprised of seven Divisions, five of which cover its key areas of activity, namely Mines, Generation, Transmission, Distribution and Supply. The Finance Division and Hu-

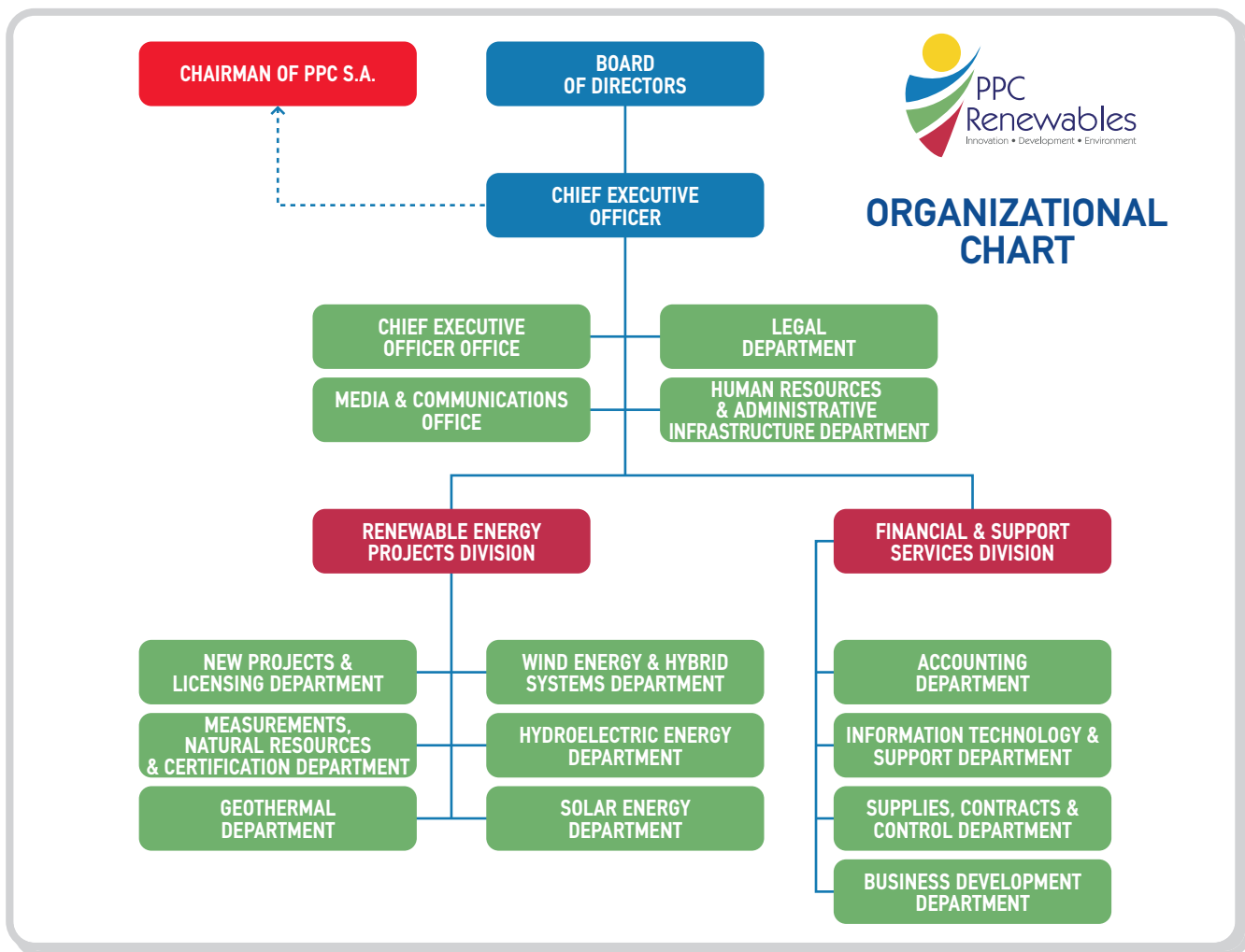
man Resources and Organization Division, as well as other departments that report directly to the CEO (e.g. the Strategy Department or the Corporate Affairs and Communications Department), cover a wide range of the organization's operational needs.





PUBLIC POWER CORPORATION S.A.
ORGANIZATIONAL CHART





3.2.2. Governance structure

The Corporation’s General Assembly of Shareholders is the highest-ranking management body and has the right to pass resolutions on any issue affecting the Corporation, unless specified otherwise in the Statute.

The Corporation’s Governance bodies include:

- The Board of Directors (BoD).
- The Chief Executive Officer (CEO).

- The Competitive and Corporate Functions Management Board (CCFMB).
- The Networks Management Board (NMB).

According to article 10 of the Statute, PPC’s BoD is comprised of eleven (11) executive and non-executive members. As of 31.12.2010 the BoD members were:

Arthouros Zervos	BoD Chairman and CEO Executive member	Commencement of term: 15/12/2009	End of term: 14/12/2012
Evangelos Petropoulos	BoD Vice Chairman Non-independent non-executive member	Commencement of term: 29/6/2010	End of term: 29/6/2013
Members			
Panagiotis Alexakis	Independent non-executive member Minority representative	Commencement of term: 17/12/2009	End of term: 16/12/2012
Ilias Antoniou	Independent non-executive member Finance and Social Committee Representative	Commencement of term: 20/7/2010	End of term: 29/6/2013
Ioannis Karavasilis	Non-independent non-executive member Employee representative	Commencement of term: 2/3/2010	End of term: 1/3/2013
Ioannis Katsoulakos	Independent non-executive member Minority representative	Commencement of term: 17/12/2009	End of term: 16/12/2012
Apostolos Baratsis	Non-independent executive member	Commencement of term: 29/6/2010	End of term: 29/6/2013
Evangelos Bouzoulas	Non-independent non-executive member Employee representative	Commencement of term: 2/3/2010	End of term: 1/3/2013
Georgios Nellas	Independent non-executive member	Commencement of term: 29/6/2010	End of term: 29/6/2013
Konstantinos Panetas	Independent non-executive member	Commencement of term: 29/6/2010	End of term: 29/6/2013
Ioannis Tsarouchas	Non-independent non-executive member	Commencement of term: 29/6/2010	End of term: 29/6/2013

The method used for the appointment of BoD members is the following: (a) Six (6) members, including the CEO, are elected by the Corporation's General Assembly of Shareholders and the BoD elects its Chairman and Vice Chairman from among these members; (b) two (2) members representing PPC employees are chosen through an election conducted by an electoral commission appointed by the Corporation's Most Representative Labor Union; (c) two (2) members representing minority shareholders are elected by the Corporation's Special Assembly of Shareholders; and (d) one (1) member is appointed by the Economic and Social Committee, consisting of members from organizations relevant to the Corporation's activities.

CEO

PPC's CEO is elected by the General Assembly of Shareholders and serves for a term of three-years. He is the highest ranking executive of the Corporation and oversees all services, manages their work, decides on how to further organize it within the framework of the Statute and relevant BoD decisions, makes necessary decisions based on the provisions governing the Corporation's operation, on approved programs and budgets, on the Corporation's Strategic Plan, the Business Plan and the conditions laid out in the Management Contract drawn up with the Corporation under article 17 of its Statute. The CEO submits proposals and recommendations to the BoD, as necessary for the achievement of the company's pur-

poses, as specified in the Strategic Plan and the Business Plan and decides on the set up of contracts up to such an amount specified by the BoD. He represents the Corporation within the confines of his duties specified in the Statute or in any relevant BoD decision and may authorize or empower other BoD members or senior executives to represent him.

Board of Directors

The BoD is PPC's highest-ranking management body focusing mainly on the drawing up of the Corporation's strategy and development policy, supervising and reviewing the management of its assets. Following a proposal from the CEO the BoD approves: (a) the Strategic Plan, laying down the strategic goals for the achievement of the Corporation's purpose; (b) the Business Plan, covering the next three (3) to five (5) years, providing further detail on the goals laid down in the Strategic Plan for each year; (c) the methods for the implementation of the Strategic Plan and Business Plan for each year. The BoD also follows up the implementation of both the Strategic Plan and the Business Plan.

The BoD represents the Corporation, it is responsible for making decisions concerning any potential corporate action and it exercises all powers relating to the Corporation's administration, the management of its assets and the overall achievement of its purpose, without any restrictions whatsoever, except for any issues that are directly subject to the authority of the General Assembly in accordance with the law or the Statute.

Following a proposition from the CEO, the BoD approves of the Corporation's annual budget, it draws up, approves and submits the Corporation's annual financial statements to the General Assembly for approval, and it prepares and submits the corporation's annual report to the General Assembly.

Management Boards

The Competitive and Corporate Functions Management Board (CCFMB) and the Networks Management Board (NMB) are responsible for managing any issues and affairs relating to: (a) the former, to the Corporation's corporate activities and activities that are exposed to competition (Mines, Generation and Supply of electricity); and

(b) the latter, to those activities that are not exposed to competition (Transmission system – Distribution networks).

The CCFMB and NMB are comprised by the CEO, also serving as their Chairman, the General Managers who are responsible for Financial Affairs, and Human Resources, as well as the Deputy CEOs and General Managers who are responsible for the Corporation's activities that are exposed, or not, to competition respectively.

The Management Boards function in accordance with BoD decisions, ensuring that the Corporation's administrative and operational affairs are handled collectively and the Corporation's operation is coherent within each Management Board scope of activity. The Boards deal with important issues relating, inter alia, with productivity, the performance of the different plants and business units, the organization and function of activities in their respective fields of responsibility, the budget and the Strategic and Business Plans. They decide on the drawing up of procurement, project and service contracts, as well as all kinds of contracts up to such amounts as set forth by the BoD. They decide upon and regulate any issue relating to the implementation of such contracts. Both Boards function in accordance with their Operating Regulations, which are approved by the BoD following a proposal from the CEO.

Committees

In compliance with the legislation in force relating to corporate governance, as well as to be aligned with corporate governance best practices, PPC has established two committees at a BoD level, the Audit Committee and the Remunerations Committee.

The Audit Committee consists of at least two (2) non-executive BoD members and one independent non-executive BoD member who should have proven knowledge of accountancy and auditing. The members of the Audit Committee are appointed by the General Assembly of Shareholders and without altering or reducing their obligations as members of the BoD, they undertake the obligations provided for by corporate governance law. The Audit Committee consists of Mr. K. Panetas, Mr. P. Alexakis and Mr. I. Katsoulakos.

The Corporation's Remunerations Committee consists of three (3) non-executive BoD members, at least two (2) of

which should be independent. The Committee is responsible for the study and submission of recommendations to the BoD regarding remuneration of: (a) BoD members, and (b) in collaboration with the CEO, the Corporation's top management. The Remunerations Committee consists of Mr. G. Nellas, Mr. P. Alexakis and Mr. I. Katsoulakos.

Through its official management bodies PPC looks into issues relating to the economy, the society and the environment (on a case-by-case basis, and whenever such issues arise).



3.2.3. Mechanisms for shareholders and employees to communicate with the Management

Communication with investors / shareholders is the responsibility of the relevant department that is also responsible for providing investors with valid and balanced information about events that take place in the Corporation, as well as all important corporate developments. There exists a two-way communication facilitated by mechanisms implemented in accordance with the applicable regulatory framework.

Such mechanisms include the following:

The annual General Assembly of shareholders

Each shareholder of fully-paid shares with voting rights takes part in the Corporation's General Assembly of shareholders, depending on the number of shares he or she holds. The Hellenic State, as one of the Corporation's shareholders, attends the General Assembly and, when exercising its rights following the Statute and other legal provisions applicable to sociétés anonymes, it is represented either by the Minister for Finance himself or by his legal representative.

When issues referred to in paragraphs 2a and 5a of Article 10 of the Statute are being dealt with by the General Assembly, the Supervising Minister or his legal representative may attend the General Assembly, though without a voting right.

Special Assembly of shareholders

Whenever a BoD minority representative has to be elected, minority shareholders are invited by the BoD to a Special Assembly held in the Corporation's headquarters with the sole purpose to elect the BoD members that they are entitled to. Each shareholder, who is present and eligible to vote at least three (3) complete days before the General Assembly meeting, has the right to propose and vote for the members of his or her choice, irrespective of the number of shares held. In the event that any of the minority members elected as per the above resigns or passes away, the same election procedure should be repeated for the member's replacement. The Hellenic State, as a shareholder, may not attend this Assembly.

Minority Interests

Upon request by shareholders representing one twentieth (1/20) of the paid up share capital, the BoD is required to convene an extraordinary General Assembly, the date of which should be set for no more than forty five (45) days from the date of submission of the relevant request to the Chairman of the BoD. The request must set out the exact items on the agenda. The BoD is also responsible for adding any additional issues to the agenda of an already convened General Assembly, if the relevant request has reached the BoD fifteen (15) days prior to the General Assembly.

Upon request from shareholders representing one twentieth (1/20) of the paid up share capital, the Chairman of the General Assembly is required to postpone the passing of resolutions by the ordinary or extraordinary General Assembly only once and to set a date to hold an assembly to pass the resolutions indicated in the shareholders' request. This date cannot be later than thirty (30) days from the date of postponement.

Upon request from shareholders representing one fifth (1/5) of the paid up share capital, which must be submitted to the Corporation at least five (5) days prior the General Assembly, the BoD is required to provide information on the progress of the Corporation's affairs and the state of the Corporation's assets to these shareholders or to a representative thereof, irrespective of their representation to the BoD, before or during the General Assembly at its discretion.

Upon request from shareholders representing one twentieth (1/20) of the paid up share capital, a resolution concerning an item on the agenda of the General Assembly is passed with a roll-call vote.

Shareholders representing one twentieth (1/20) of the paid up share capital have the right to request an audit on the Corporation from the One-Member Court of First Instance of the region where the Corporation is headquartered. Furthermore, shareholders representing one fifth (1/5) of the paid up share capital have the right to request an audit on the Corporation from the above court if it is possible to ascertain from the overall progress of the Corporation's affairs that the management of the entity's affairs is not carried out in accordance with the principles of sound and prudent management.

Representation of employees to the Board of Directors and the General Assemblies of shareholders

The Corporation's employees are represented in the BoD by two (2) members, serving for a three-year term. These members are elected through direct and universal ballot using a simple proportional voting system, within two (2) months from the date on which the Most Representative Labor Union was notified. The election for choosing the employee representatives to the BoD must be conducted by an electoral commission appointed by the Corporation's Most Representative Labor Union, and must include at least one representative from the other labor unions.

There also exist several other mechanisms which can be used by shareholders and employees to submit recommendations or propositions to the Corporation's BoD. These are the following: capability to contact and be informed through PPC's website, the Investor Relations Department, the Corporate Announcements and Shareholder Services Unit and the Office of the Executive – BoD Secretariat Department. Other than that, provisions laid down in article 18 of Law 2190/1920 apply proportionally or forthright.

3.2.4. Internal audit and risk management

Controls at corporate level

In December 2010 PPC's BoD decided upon the merger of the Internal Audit Entity with the Administration and Financial Control Department and their conversion into the Internal Audit Department (IAD), which reports directly to the BoD. Its mission is integrated audit coverage of all of the Corporation's business and operational risks. The Internal Audit Department is supervised by the Audit Committee.

The members of the Audit Committee, in accordance with the Operation Regulations, undertake the obligations included in corporate governance law, including:

- Supervision of the financial information procedure.
- Supervision of the effective operation of the internal audit system and the risk management system, as well as supervision of the proper functioning of the IAD.
- Supervision of the process of statutory audit of parent entity's and consolidated financial statements.
- The review and monitoring of issues relating to the objectivity and independence of chartered auditors-accountants, especially with regard to other services rendered by them to the Corporation and its Subsidiaries.

The annual audit plan of the IAD is drawn up on the basis of identification, updating and assessment of the PPC Group's business risks taking into account the Corporation's strategic goals and any developments relating to the Corporation and the environment in which it operates, including the potential risk of corruption. The audit plan is submitted to the BoD for approval through the Audit Committee.

Financial risk management policies

The risk management program focuses on the uncertainty of financial and non-financial markets and aims at minimizing the negative impacts on the Corporation's financial position. The Corporation identifies, assesses and, if necessary, hedges risks related to its operating activities. The Corporation carries out no speculative transactions and, on a periodical basis, examines and revises relevant financial risk management policies and procedures.

Moreover, as referred to in the "Key Report Parameters" section of this Report, in the first two months of 2011 PPC planned and implemented a procedure to identify important sustainability issues, within the framework of the recognition and prioritization of business risks and impacts on the triple bottom line (economy, society, environment). This procedure will be repeated periodically in order to update the identified impacts/risks.



3.2.5. Conflicts of interest

PPC endeavors to prevent any conflicts of interest between employees and the Corporation, through such procedures contained within its Statute and as implemented in the context of its Corporate Governance system. These procedures concern all BoD members and employees.

Liability of BoD members and other liable persons

Members of the BoD will be liable to the Corporation for any offence committed during the performance of their duties, as specifically stipulated in articles 22a and 22b of Codified Law 2190/1920, as currently in force. Members of the BoD will also be bound to secrecy with regards to all confidential information concerning corporate affairs that come to their knowledge in their capacity as members of the BoD.

Given their access to such privileged information, and in accordance with PPC's Operation Regulations, members of the Management must immediately inform the BoD of any transactions that they carry out. PPC's competent Department should monitor any share-transactions carried out by members of the BoD and other Liable Persons, as set out in the Operation Regulations, and must inform Management, in writing, of any transactions in transferrable securities.

Prohibition of competition – Participation in the BoD of subsidiaries

Under current policy, BoD members, Deputy CEOs, General Managers, Managers and PPC employees are forbidden to perform, on occasion or by profession, without the authorization of the Corporation's General Assembly of shareholders, either on their own behalf or on behalf of others, acts that fall within the Corporation's scope. Also they are forbidden to serve as BoD members, executives, employees or representatives of companies pursuing aims similar to PPC's, or to participate as partners in personal enterprises or other forms of undertakings or joint ventures pursuing aims similar to those of PPC. PPC subsidiaries or undertakings in which PPC has an interest or holding are not subject to the above-mentioned prohibitions. The prohibition referred to above

is valid for two years following expiry, for any reason whatsoever, of the term of office of a BoD member, or his or her retirement from the Board, or following retirement from the Corporation of an executive or employee who served on any of PPC's Management Boards or its BoD.

3.2.6. Corporate Social Responsibility governance

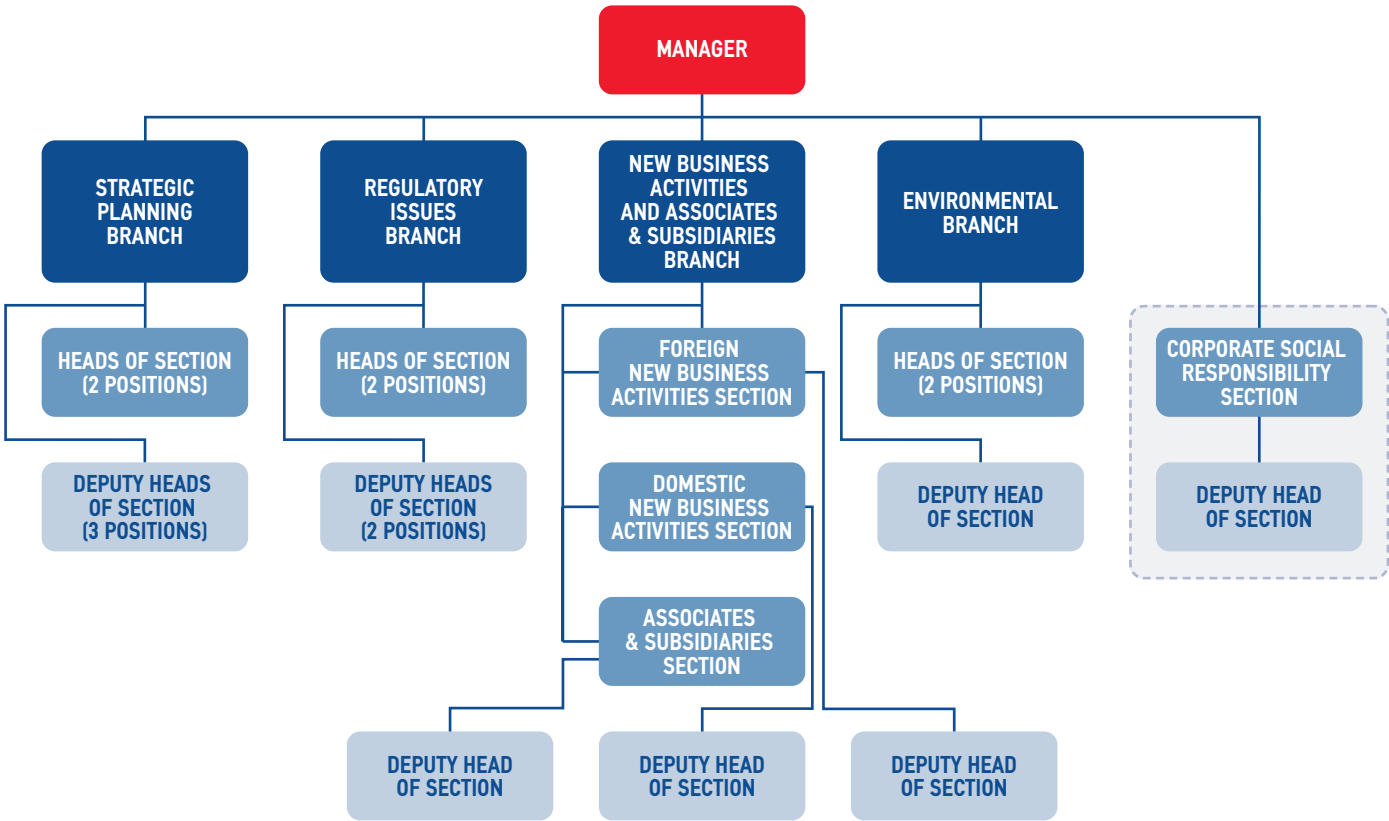
The Corporation's sustainability strategy is an integral part of its strategic planning and business operation and includes the following three aspects: (a) providing customers with top quality services; (b) managing its impact on local communities and the environment; and (c) ensuring its sustainable development, to the benefit of the society and its employees. Corporate Social Responsibility applies to the entire operation of the Corporation, stemming primarily from its organizational structure.



Setting up a CSR Section

Taking into account the imperative need to promote CSR towards becoming a strategy tool for the entire Corporation, a distinct CSR section was set up within the Strategy Department.

ORGANIZATIONAL CHART OF THE STRATEGY DEPARTMENT



The mission of PPC’s CSR Section is to determine, develop and implement the company’s CSR strategy, in order to meet the needs of stakeholders in a balanced way as well as promoting actions and practices that highlight the Corporation’s social character. Due to the importance of CSR issues for the sustainability of enterprises, international business practice requires that CSR

actions be overseen by members of the BoD so that they are regularly informed in order to achieve long-term and effective operation of an organization. This is the reason for which the BoD has decided to appoint from among its members, Mr.Panagiotis Alexakis and Mr. Ilias Antoniou to oversee the operation of the CSR Section and to submit an annual report to the BoD.

3.2.7. Compliance with international standards and regulations

In December 2001, PPC was listed on the Athens and London Stock Exchanges, in compliance with the Regulations of the Capital Market Commission. In compliance with legislative provisions on Corporate Governance, PPC compiled its Operations Regulations in 2002, which included a provision for setting up the Internal Audit Entity (currently the Internal Audit Department). The Corporation also proceeded with the preparation of a Corporate Governance Statement, included in the 2010 Annual Report. It has also completed the compilation of the Code of Corporate Governance in 2011, which is posted on its corporate website.

In order to comply with international standards, PPC's financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The choice and presentation of issues covered in the Corporate Social Responsibility and Sustainability Report 2010 have been prepared in accordance with the GRI-G3 guidelines.

For further information concerning the Corporation's Corporate Governance, see the 2010 Annual Report, as posted on PPC's website at <http://www.dei.com.gr>.



3.3 Key financial information

PPC is currently being dynamically transformed from the old monopolistic enterprise that focused on Greece's electrification into a modern enterprise with a multi-faceted role. It supports the strategic choices made by the Hellenic State regarding the security of supply of electricity in Greece and participates in the liberalized electricity market by offering cost-effective services and products, as well as ensuring the maximum possible benefit to its shareholders.

In 2010, despite the difficult economic environment and increased competition, PPC's revenues amounted to €5,794 million and its earnings before taxes amounted to €726 million, whereas the Corporation's non - amortized value of subsidies on 31.12.2010 amounted to €421 million. During the same period, the total demand for electricity was stable at 61,817 GWh and the amount of electricity generated by PPC reached 45,258 GWh. Respectively, energy losses and electricity self-consumption on the national system / grid amounted to 4,774 GWh i.e. 8.07% of the total demand (excluding exports).

In fiscal year 2010, PPC Renewables increased its revenues due mainly to increased water availability which led to a significant rise in the amount of electricity generated by hydroelectric plants, thus compensating for the lowest wind park production in the last five years. The earnings before taxes amounted to €10.9 million. The company increased its assets by approximately €38 million, through the investments it is implementing at the nine wind parks and the Ikaria Hybrid Power Project. Its share capital was increased in 2010 by €15.3 million and its available capital amounted to €1.91 million.

TABLE OF ECONOMIC VALUE 2010	AMOUNT (€ thousand)	PERCENTAGE OF THE VALUE GENERATED
Revenues	5,793,731	
Financial income	40,665	
Direct economic value generated	5,834,396	
Payroll cost including employee benefits and employer's social security contribution*	947,571	
Interest paid	156,545	
Dividends paid	231,831	
Income tax, other taxes and duties	237,072	
Donations and sponsorships (exclusive of other donations and sponsorships included in the operating cost)	99,600	
Remaining operating cost	3,863,200	
Economic value distributed	5,535,819	95%
Economic value retained	298,577	5%

* Payroll incorporated into intangible assets and lignite mining costs are not included.

95% of the value created is allocated to society. This is an example of the important role PPC plays in generating and distributing wealth, thus contributing towards Greece's economic development and social welfare.

For further information concerning the Corporation's financial results, see the 2010 Annual Report, as posted on PPC's website (<http://www.dei.com.gr>).

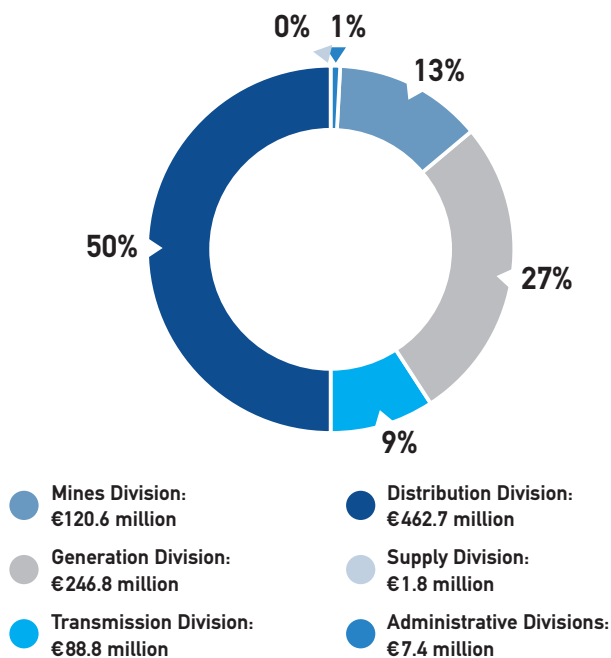
Investment activities

In 2010 PPC financed and successfully implemented its investment plan amounting to almost €928 million; 76% of which was spent by the Distribution and Generation Divisions.

As set out in the Generation Division's investment plan regarding a provision for an increase of the Interconnected System's capacity, PPC is using the best available techniques to modernize its generation potential by replacing older low-efficiency plants with new, state-of-the-art plants. These will be lignite plants and combined cycle plants using natural gas. In these plants, it will be possible to install CO₂ capture equipment, when it becomes technically and financially viable and environmentally acceptable, in accordance with Directive 2001/80/EC, as amended by Directive 2009/29/EC. Provisions have been made to include in the Interconnected System two natural gas power plants (Aliveri V is planned to be included in 2012 and Megalopolis V in 2015) and two lignite plants (Ptolemaida V and Meliti II are planned to be included in 2018 and 2019 respectively).

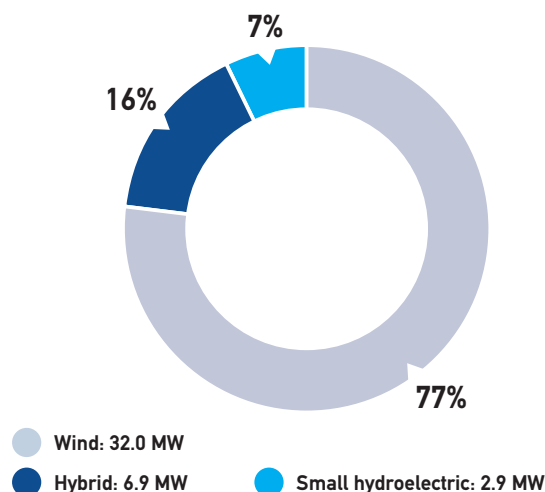
With regards to hydroelectric plants, provision has been made to include three new large plants in the Interconnected System (Ilarionas in the river Aliakmonas, Metsovitiko in the river Metsovitiko and Mesochora in the river Acheloos which are planned to be included in 2012, 2013 and 2014 respectively). Furthermore two small hydroelectric plants (at Ilarionas and Mesochora) are planned to be included in the same years as their large counterparts. Provision has also been made to include a pumping and reservoir complex at Kastraki II (located in Alevrada).

Divisions' investment plan in 2010 totaling €928.1 million



PPC Renewables is active - or is expected to be active in the next few years - in the five main RES forms of wind, solar, hydroelectric, geothermal and biomass. The objective is to exceed 1,200 MW of installed capacity and acquire a 20% market share in RES by 2015 by investing €2 billion. The investments carried out by PPC Renewables in 2010 amounted to €34.6 million.

Planned capacity under installation / construction in 2010 by energy source totaling 41.75 MW





Society

4. Contribution to society

4.1 Interaction with stakeholders



At PPC, we recognize that our business operation and our decisions as well, both affect and are affected by, different stakeholder groups. The procedure used to identify these groups included a series of internal consultations, discussions and workshops organized between the Corporation's Management and its executives. The result was the identification of PPC's eight (8) key stakeholder groups:

- Customers
- The State, Regulatory Authorities, Public Entities
- Shareholders, Investors
- NGOs
- Employees
- Competitors
- Partners, Suppliers
- Regional Authorities, Local Authorities, Local Communities

The following diagram presents the approach channels and methods used to interact with each individual group during 2010.

Diagram presenting PPC's stakeholder groups and approach methods

- Stakeholder groups
- Approach methods

21,681

Regular employees

408,662

man-hours employee training

3.22

Accident frequency rate

0.12

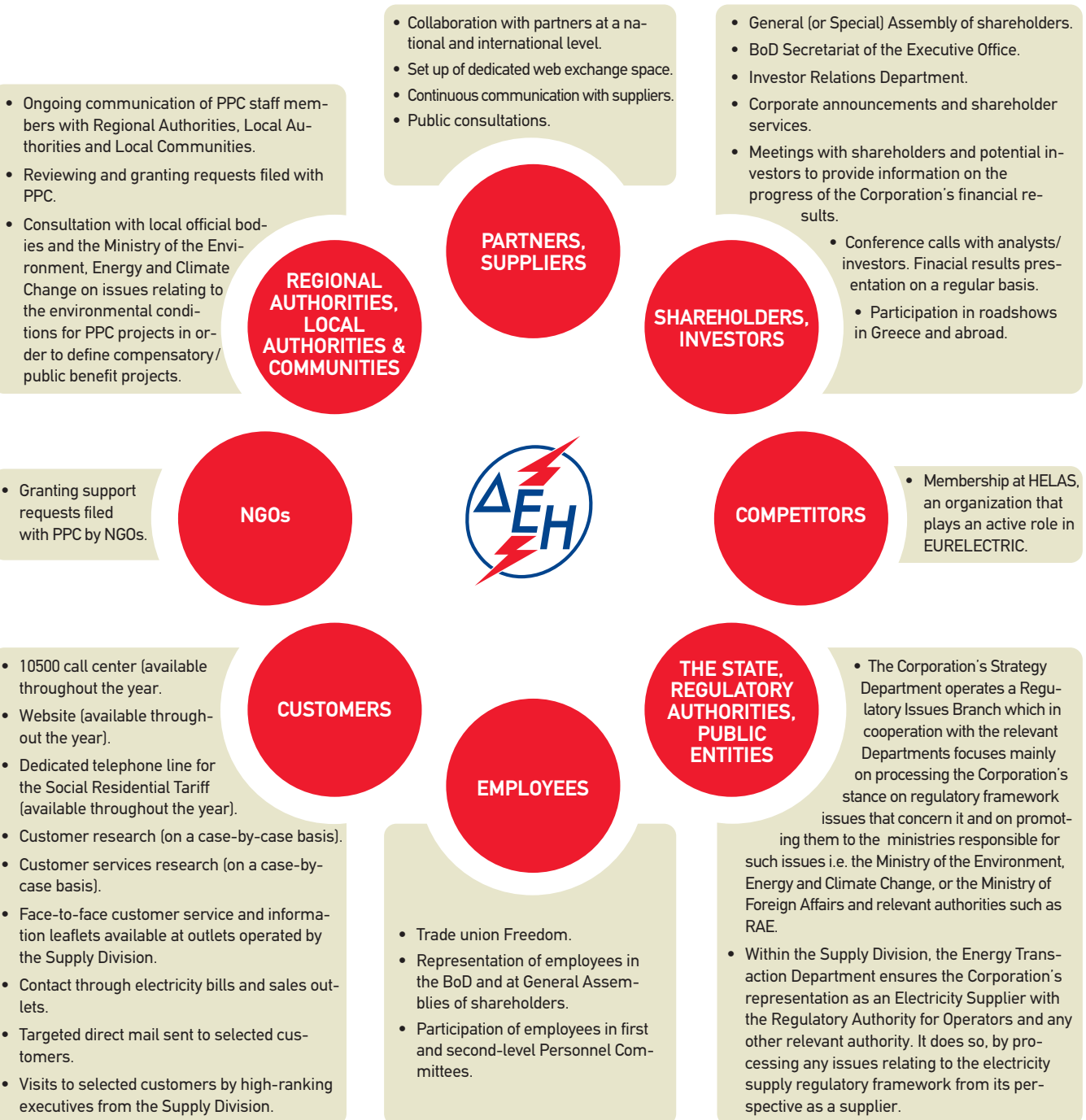
Accident severity rate

Customer oriented services

Communication with stakeholders

Actual support to local communities

Public benefit infrastructure projects all over Greece



Through our communication with the different stakeholder groups in 2010, we identified several issues which we attempted to respond to. Some examples of key issues

and actions taken during the above interaction process are the following.

INTERACTION WITH CUSTOMERS	
Key issues raised	PPC's response
<ul style="list-style-type: none"> • More frequent and substantial communication with customers. • Issue of a more friendly and customer-oriented electricity bill. • Improvement of the services we provide. • Adoption of customer-oriented attitude and behavior. 	<ul style="list-style-type: none"> • Standardization of the communication process in order to define common treatment of customers with regards to the payment of bills. • Development of a new customer-oriented website. • Set up of a state-of-the-art call center. • Providing the public with extensive information on our tariffs, which will remain fixed throughout 2011. • Implementation of a special customer visitation schedule in order to record opinions, views and issues that need to be specially handled. • Investigation on how to alter the format of electricity bills.

INTERACTION WITH THE STATE, REGULATORY AUTHORITIES AND PUBLIC ENTITIES	
Key issues raised	PPC's response
<ul style="list-style-type: none"> • Contribution to the implementation of one of the three models mentioned in the EU Energy Directive 2009/72/EC regarding the Transmission Operator (Ministry of the Environment, Energy and Climate Change). • Simplification of the licensing procedure for energy generation projects as well as system and network development projects (Ministry of the Environment, Energy and Climate Change). • Preparation and completion of the Island Network Management Code (RAE). • Environmental law issues (SEV). 	<ul style="list-style-type: none"> • PPC's presence and participation in relevant committees and in consultations with the Ministry of the Environment, Energy and Climate Change and official bodies such as RAE and SEV. • Active participation in consultations for the formulation of the System Management and Electric Energy Transaction Codes, and the Customer Supply Code.

INTERACTION WITH SHAREHOLDERS AND INVESTORS	
Key issues raised	PPC's response
<ul style="list-style-type: none"> • Broadening of shareholder voting-rights at General Assemblies. 	<ul style="list-style-type: none"> • Upon request from the majority shareholder in 2010 – the Hellenic State – the Corporation's Statute were amended in order to broaden shareholder voting-rights.

INTERACTION WITH NON-GOVERNMENTAL ORGANIZATIONS

Key issues raised

- Support and reinforcement of the work of NGOs.

PPC's response

- Support of volunteer-organization and NGO activities, following an evaluation and approval of relevant requests filed by these organizations (sponsorships).
-

INTERACTION WITH REGIONAL AUTHORITIES, LOCAL AUTHORITIES AND LOCAL COMMUNITIES

Key issues raised

- Environmental, social and financial issues, identified through locally-filed requests. One example includes requests filed by Local Authorities for the visual aesthetic improvement of the distribution network.

PPC's response

- Compensatory projects / benefits that result from the consultation for the determination of environmental terms for PPC projects. Requests filed by local authorities at a later stage are also positively handled by the Corporation.
 - Land concessions and encouragement of local entrepreneurship.
 - Development of underground networks for environmental and operational purposes. The distribution network Aesthetic Upgrade Policy includes mainly the construction of underground network and the conversion of overhead distribution substations into indoor substations or compact substations in aesthetically burdened city centers, traditional construction areas and tourist settlements.
 - Provision of financial support for the multi-faceted development of local communities.
-

Relations with partners and suppliers

PPC believes in the long term building of positive relationships with suppliers and diffusing CSR and sustainable development principles and practices within the supply chain.

The Corporation invests in good cooperation with suppliers through bilateral partnerships and other forms of interaction in the context of everyday “entrepreneurship”. Through the commercial agreements we sign with our various partners i.e. EDF Energies Nouvelles, EP Global Energy Ltd or Urbaser, we promote dialogue between parties and exchange views and best practices while identifying new possibilities for cooperation at a financial, environmental or social level. Following are some examples of such partnerships:

- The development and operation of large, complex, and state-of-the-art RES projects.
- The development of energy-from-waste projects and urban or industrial waste-management projects.
- The development of large power-generation projects which include the construction and operation of power plants, the construction and operation of natural gas plants, the development of mines, etc.

We also make an effort to ensure more constructive and effective interaction with our suppliers by:

- Setting up dedicated web exchange spaces for the cooperation with external partners and international advisors in order to ensure better online collaboration and faster implementation of activities.
- By encouraging bilateral communication through our website and allowing our various suppliers to propose solutions, new technologies, equipment or other products that assist us in our activities.
- By encouraging continuous communication with key suppliers to exchange views concerning the behavior of the supplied equipment and transferring expertise in order to improve the end-products.
- By holding public consultations on our website. The aim is to carry out a public discussion in order to develop and shape the Corporation’s calls for tender, in a fully transparent and objective manner.

When implementing its projects, PPC Renewables approaches local communities during the design, construction and operation of these projects in an effort to achieve the essential social consensus. One such example is the work carried out for the construction of the Ikaria Hybrid Power Plant, which is currently in progress.

4.2 Customers



Due to its considerable size and its different customer categories, PPC's customer base is quite demanding. The satisfaction of our customers whether private or corporate, is our primary concern. We ensure that contact with our customers is as transparent, honest and reliable as possible, as we strive to provide them with responsible and timely information in all the services we offer. We also focus on constantly improving the quality of the electricity that we supply and of the services we provide. We do so by applying new technologies, modernizing our network and facilities, upgrading our transactions by promoting alternative communication and payment methods and finally, planning the provision of new competitive services, thus simplifying our customers' everyday lives.

4.2.1. Supply of electricity throughout Greece

We supply electricity throughout the country, provided there are connection requests and we are able to expand our network, following approval from the Forestry Department and in compliance with regulations applicable to Natura areas, etc. It should be noted that the state-run Countryside Electrification programs have been completed since the 1980s and provide electricity for the 99.9% of the Greek population.

With regards to the expansion of our network, in recent years we have improved our response time considerably for requests such as ordinary overhead connections, power supply by network expansion, and network relocation.

In cases of small, isolated, non-connected settlements or clusters of homes, these are reviewed and assessed at a local authority level for their inclusion within the broader project planning prepared for each Prefecture.

It should also be noted that PPC is currently acting as a "Last Resort Supplier" to consumers who are currently in transition between suppliers, and thus not represented by any electricity supplier (due to the previous supplier's liability and not the customer's). The service is provided for a period of three months until the customer is able to negotiate service terms with a new supplier of his or her choice.

4.2.2. Customer categories and respective tariffs

The Corporation applies a uniform pricing policy throughout the country in compliance with all applicable laws. PPC tariffs differ depending on voltage (high, medium and low) and category of use.

PPC's tariffs for 2010 are uniform and are broken down into the following categories of use:

- Residential tariffs that include a fixed fee and a fee based on consumption both of which are increased incrementally depending on the amount of energy consumed and the type of power supply (one-phase, three-phase supply).
- Industrial tariffs that are calculated per voltage category: low voltage (with three individual tariffs), medium voltage (with two individual tariffs) and high voltage.
- General purpose tariffs that are also calculated per voltage category: low voltage (with three individual tariffs) and medium voltage (with two individual tariffs).
- Agricultural tariffs that include those relating to irrigation and drainage operations while there is a discounted agricultural tariff as well.
- Tariffs for daily newspapers and tariffs for the lighting of roads and squares in Municipalities and Communities throughout Greece.

In 2010, PPC, in compliance with legal requirements established a new distinctive tariff structure to be implemented in 2011. Within this structure there are provisions for competitive prices relating to the electricity market as well as to the regulated charges relating to the fees paid for the transmission and distribution and Public Utility Services. Regulated charges apply to all suppliers.



4.2.3. Energy quality

Through the Distribution Division we control the energy quality that we supply by using, among others, the most up-to-date international indicators such as:

- SAIDI 2010 (System Average Interruption Duration Index): 129 minutes, and
- SAIFI 2010 (System Average Interruption Frequency Index): 2.1 interruptions

that indicate the annual power outage time and the number of power outages per customer annually, respectively. The values of the above indices do not include scheduled outages or outages caused by extraordinary events such as floods or fires or due to third parties or outages at electricity generation and transmission units and facilities. The total outage time due to failures/malfunctions for a typical customer (SAIDI index value) was substantially reduced to 129 minutes in 2010 as opposed to 220 minutes in 2007, due to the investments applied in the Corporation's distribution network.

4.2.4. Customer service

Focusing on the provision of services to all categories of customers we have developed a wide network of outlets and have established alternative methods of service (for further information, visit the “Customer Service” section on our website at www.dei.com.gr), while making a continuous effort to improve our services in response our customers’ needs and recommendations.

Customer-oriented services


In 2010, we provided our customers with a number of services focused on further meeting their needs. These include:

- The capability to pay an electricity bill at various payment-points anywhere in Greece. There is at least one payment-point per area at which no commission is charged.
- In addition to PPC outlets, low voltage bills can be paid at more than 6,000 alternative payment-points, Hellenic Post outlets, ACS courier offices, Vodafone and Wind outlets, selected super markets, OPAP agencies and pharmacies, participating banks (via standing order, at bank tellers, ATM machines, and electronically with e-banking services). Medium voltage bills can be paid at PPC outlets and participating banks (via standing order, at ATM machines, and electronically with e-banking services). The addresses of all alternative payment-points are posted via Google Maps at www.dei.com.gr.
- Overdue bills can be paid at ATMs or electronically with e-banking services in remote areas or areas where there are no PPC outlets. Overdue bills can also be paid at Hellenic Post outlets.
- Warnings of impending disconnection due to unpaid bills are included on the customer’s unpaid bills.
- The provision of a complete range of customer services are available from a “One Stop Shop” at PPC’s outlets or through Corporate Customer Services.
- Telephone calls are made through the upgraded Call Center which services low-voltage customers in Attica.

- Immediate information about our services and an integrated service dealing with all commercial issues are both available by telephone, whereas the shipment of relevant documents to us can be done through a co-operating company in areas where there are no PPC outlets.
- Support to customers sending e-mails through our website.
- Answers to customer frequently asked questions (FAQs) are posted on PPC’s website.
- Payment settlements are offered to customers who are unable to pay their overdue bills due to rational causes.
- PPC representatives have direct contact with corporate customers (providing customized services); representatives take all necessary actions immediately to provide timely and the best possible solution to each request or problem that is brought to their attention.
- PPC commercial representatives conduct visits to the facilities of medium and high voltage customers to assist them with commercial issues. Telephone service for these customers is also available

We have also implemented the new “Billing-Customer Care” computer system; we have installed queuing systems in all larger outlets and completed the installation of new state-of-the-art cash registers in all of our outlets.

ARTEMIS system



To provide medium-voltage corporate customers with better services, we have installed a system called “ARTEMIS” at all Corporate Customer Services. ARTEMIS provides historical data on the fluctuation of consumption and idle power, the monitoring of the consumed power utilization factor and information on how to optimize this, as well as a comparison with all medium-voltage tariffs so that the customer is able to choose the most advantageous tariff for his/her enterprise. Thanks to this new service, every new business-owner can, together with an experienced PPC employee, plan the operation of his/her enterprise’s equipment and electrical installations, so as to achieve better energy efficiency and cut down on electricity costs.

Customer satisfaction surveys

We conduct surveys at regular intervals relating both to the level of service provided to our customers and the specific services provided in our fields of activity. In 2010, a quantitative customer-satisfaction survey was conducted to determine the level of customer-satisfaction with regards to our outlets and a qualitative survey was conducted to examine our customer's view on PPC's electricity-bill format.

The results showed that eight (8) out of ten (10) customers were satisfied with the service they had received at PPC outlets which comes as an acknowledgement of the effort we have made to improve our services. Our customers trust the services we provide and recognize reliability as one of our key characteristics.

Regarding recommendations for further improvement the following areas were identified:

- Reinforcing the customer-oriented attitude and behavior.
- Providing customers with more frequent and substantial information.
- Making additional investments to increase reliability.
- Progressing in the provision of services.
- Issuing a more friendly and customer-oriented electricity bill.

In response to the above recommendations made by our customers, in 2010, we developed a strategy to provide consumers with more extensive information by setting up "info corners" at our outlets, we standardized the procedures to ensure uniform treatment of customers concerning bill-payment, we developed and we are still working on the improvement of a more customer-oriented website and a state-of-the-art Call Center. We also planned and implemented a special customer-visitation schedule to record opinions, views and problems that should be handled in a special way and began to study ways in which we could ameliorate the look and contents of the electricity-bill.

Customer complaints management

We treat our customers responsibly, by responding to their enquiries, complaints, or requests in order to increase their satisfaction, improve our services as well as identifying the causes of complaints in order to eliminate them. Any complaint or request is filed with the Corporation in writing (directly from customers or through the Ombudsman, the Consumer Ombudsman or even through Parliament, the Ministry of the Environment, Energy and Climate Change) or by e-mail. Approximately 3,000 customer e-mails were sent to the Corporation in 2010; 30% of these were complaints, and 70% of them requests or enquiries.

Disconnections

Despite the difficult economic situation in Greece, most PPC customers are consistent in paying their bills. Where disconnections are required due to increased debt, we ensure that the respective customers are notified well in advance. We do so, by including a warning of impending disconnection in the bills. Disconnections are implemented uniformly for all customers, irrespective of use, except for customers who belong to vulnerable social groups, such as those entitled to a Social Residential Tariff and persons with serious health problems who are supported by electrical equipment. In 2010, 319,000 disconnections were implemented. It is estimated that 50% of the disconnected customers pay in full or arrange a settlement of their debt.

New modern outlets with a uniform visual identity

Following a relevant study, we have implemented a pilot program for the uniform visual identity of our outlets in Athens, Tripolis, Volos, and Veria, while increasing the security of our outlets through appropriate measures which include, among other actions:

- Installation of security systems (CCTV, alarm-systems and time-delay safes).
- Cash In Transit (CIT) and special security services for outlets handling large amounts of money.
- Arranging insurance policy for cash handled by the Corporation’s payment points.
- Continual issuance of administrative instructions on how to safeguard and handle money.
- Installation of bullet-proof glass panels.
- Pilot installation of a “controlled access entrance” in outlets.

- Upon execution of the SRT contract the down payment should under no circumstance exceed €20.
- Possibility of filing a telephone application by calling 210 9298000 (charged at local rate throughout Greece).
- Provision of information about the SRT during the first two (2) months in which applications were filed, by properly trained personnel at PPC outlets.

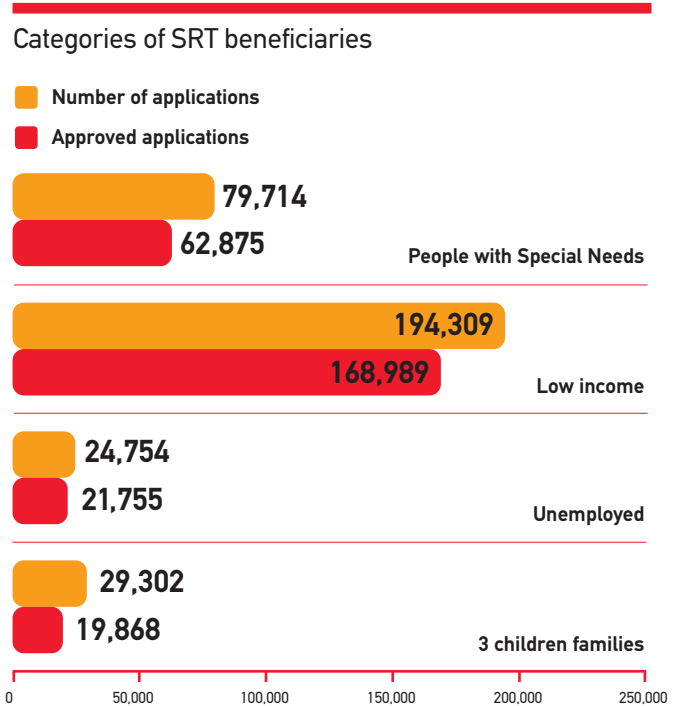
For all the above PPC published information leaflets with detailed instructions concerning the above and also carried out a television ad-campaign.

4.2.5. Responsible practices

We apply the Social Residential Tariff to protect vulnerable citizen / consumer groups

By virtue of Decision Δ5-ΗΛ/Β/Φ29/16027/6.8.2010 issued by the Ministry of the Environment, Energy and Climate Change, and as amended by Decision Δ5-ΗΛ/Β/Φ29/6713/24.3.2011, the Hellenic State established the Social Residential Tariff (SRT) to protect vulnerable consumer groups and in particular people with low income, families with three children, long-term unemployed and People with Special Needs. All beneficiaries, irrespective of the electricity supplier they have chosen may file a request to be subject to this tariff. A total of 328,079 applications were filed in 2010, of which 273,487 were approved. To assist candidates, we made it even easier to file an application going even further than the relevant Ministerial Decision; for example:

- Exemption from the obligation to submit an Installer Legal Statement for a change of name, in cases where the previous one had expired.



We observe compliance thresholds for electromagnetic fields

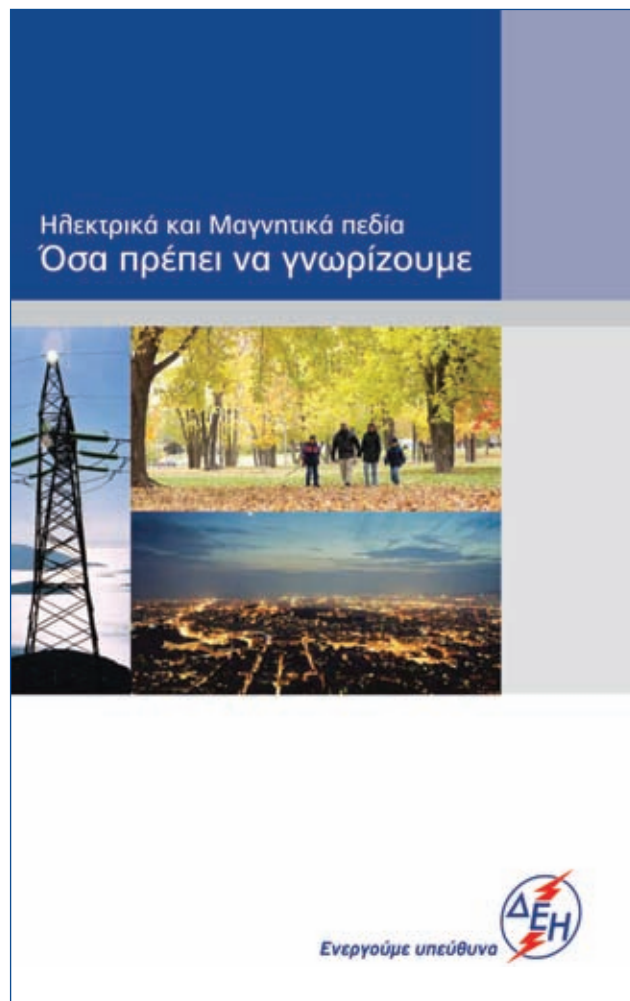
In both of our activities that relate to the creation of electric and magnetic fields (electricity transmission and distribution) we abide with the guidelines and reference levels proposed by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) – the most important international independent interdisciplinary scientific body operating under the auspices of the World Health Organization. These levels were adopted by the Hellenic State by virtue of Joint Ministerial Decision 512/25.4.2002 by the Minister for Development, the Minister for the Environment, Physical Planning and Public Works, and the Minister for Health and Welfare (Government Gazette 512/25.4.2002). The reference levels are safe exposure thresholds, not danger thresholds.

The Transmission and Distribution Divisions make continuous efforts to ensure compliance with the above thresholds in the transmission and distribution networks responding to the different challenges that arise as a result of each.

With regards to electricity transmission:

- We comply meticulously with the ICNIRP requirements during the construction and operation of our facilities (electricity transmission lines and substations) thus ensuring observance of the specified thresholds with considerable safety margins.
- We systematically conduct measurements around transmission lines and in the perimeter of substations and ultrahigh voltage centers in an effort to ensure that the electromagnetic field values that are recorded at our facilities are significantly lower than established thresholds. It should be noted that the magnetic and electric field values under a high and ultrahigh voltage transmission line is 0.3-4 μT and 500-4,000 V/m respectively, whereas 25 meters away from the line they are reduced to 0.05-2 μT and 50-500 V/m. This means that, even if a person were to stand right underneath the towers, he/she will not exceed exposure thresholds; if this person were to stand several meters from them, field values will be tens of times lower than the thresholds. The above values are derived from measurements taken by the Greek Atomic Energy Commission.

- We also carry out on-site field measurements, at our facilities (when complaints are filed). Such measurements have confirmed that the Corporation is in compliance with safety thresholds.
- We have issued a special leaflet on electromagnetic fields, providing citizens with key scientifically-documented information. This can be found on our website at <http://www.dei.gr/Default.aspx?id=37420&nt=18&lang=1>.



- We use the appropriate phase configurations in designing the transmission system so as to substantially reduce the values of both electric and magnetic fields.

It should be noted that no epidemiological studies or laboratory research conducted, have ever indicated any relationship between human exposure to such fields and possible harm to human health neither has any mechanism biologically affecting the human body been identified.

With regards to electricity distribution:

- We immediately respond to requests filed by our customers to conduct measurements of the electric and magnetic fields created by the equipment installed on our network (medium and low voltage, 50 Hz frequency). The measurements are taken either by the relevant PPC Departments or by independent Scientific Organizations and Educational Institutions. According to the electric and magnetic-field measurements conducted so far at typical locations around all types of structures included in the distribution network (overhead or underground medium and low voltage lines in different configurations and with different conduit-types, outdoor or closed distribution substations), the values that were measured are from several hundred to several thousand times lower than the thresholds established by the European Council's recommendation, with considerable safety margin (5 kV/m and 100 μ T for a 50 Hz electric and magnetic field). Despite the extensive research conducted, no proof exists so far that shows these fields to be harmful to health (from an evaluation of all the work done by IC-NIRP) and the thresholds established reflect very high safety factor in order to prevent any adverse impacts. Electric field values in particular, are actually quite negligible taking into account the shield provided by ordinary building materials (reduction by a factor of 10) and magnetic field values are at levels comparable to average levels created in all modern homes and workplaces by indoor electric installations and by electric equipment usage. They are also much lower than those created near a number of electric appliances put together.
- We construct distribution centers (with closed-type high/medium voltage substations) in urban centers ensuring that electric and magnetic field-intensity is lower than electromagnetic field exposure thresholds. Electricity supply would be impossible without the existence of distribution centers, which are installed within urban centers according to international practices. These are high voltage reduction installations (150 kV/20 kV) used to supply most consumers. In densely built urban areas where the electric field is equally dense, the distance between two successive distribution centers or substations, is approximately 2 km.

- The design and construction of distribution centers are in full compliance with safety requirements concerning distances from buildings, trees, the ground, etc., as laid down by relevant laws i.e. the Outdoor Electric Line Installation and Maintenance Regulation with which the "Standard Distribution Structures Manual" is fully compliant.

Three studies were conducted in 2010 to measure electric and magnetic field at the Aigaleo and Ampelokipoi distribution centers in the Attica Prefecture. In particular:

- "Electric and Magnetic Field Measurements in the Area of PPC's 150/20 kV Distribution Center of Aigaleo" (National Technical University of Athens, December 2010). As the study concludes: "... the operation of the Aigaleo Distribution Center does not increase field values in nearby areas. The electric and magnetic field measurements taken in the area surrounding the Aigaleo Distribution Center, as well as other locations further away, are all below the thresholds established for ensuring safe prolonged exposure of the public in accordance with national and international laws".
- "Report on the Low Frequency Magnetic and Electric Field Measurement Levels in the vicinity of the Aigaleo Distribution Center, in the Prefecture of Attica (Greek Atomic Energy Commission, October 2010). According to the study, "... on the basis of measurement results, the values of magnetic induction and electric field intensity do not exceed the reference levels set out in the relevant Joint Ministerial Decision".
- "Electric and Magnetic Field Measurements in the Area of PPC's 22/6.6 kV Substation of Ampelokipoi" (National Technical University of Athens, August 2010). According to the study, "... the operation of the 22/6.6 kV Ampelokipoi Substation does not have a significant impact on the nearby area. The electric and magnetic field measurements taken in the area surrounding the Substation are all below the thresholds established for ensuring safe prolonged exposure of the public in accordance with national and international laws".

Assessment and prevention of risks resulting from the use of electricity

Joint Ministerial Decision Φ A' 50/12081/642 (Government Gazette 1222/05.09.2006) on "Indoor Electric Installation Safety Issues and on the establishment of an obligation to install differential current devices and set up structural foundation grounding", in particular article 1 "Protection of electricity consumers from electric shock" clearly describes the obligation to install electric shock protection devices in all existing and new Indoor Electric Installations referred to in the scope of article 103 of ELOT HD 384 Standard. Moreover, article 2 "Structural Foundation Grounding" of the same Joint Ministerial Decision establishes an obligation to set up structural foundation grounding in all new buildings, except for prefabricated ones, in accordance with applicable European or international Standards.

According to existing legislation (Law 4483/65), indoor electric installations must be rechecked by licensed electric installers who will issue a relevant legal statement to be submitted to PPC. Rechecking should be carried out at regular intervals as required by article 5 of Decision Φ.7.5/1816/88 made by the Deputy Minister for Development (Government Gazette 470/05.03.2004). Rechecking must be carried out on houses at least every 14 years and should also take place, irrespective of whether 14 years have lapsed or not, whenever there is a change of beneficiary, change of tariff, etc. in the respective connection.

We facilitate the accessibility of information to the People with Special Needs

In a special section on our website and with an audio message, visually impaired citizens are able to obtain information on how to receive services from PPC, on how to pay their electricity bills, or on how to contact us directly. We are also looking into further developing new applications for the people with special needs.

We provide information and promote awareness among our customers

The key topics highlighted in special leaflets accompanying customer electricity bills in 2010 were the following:

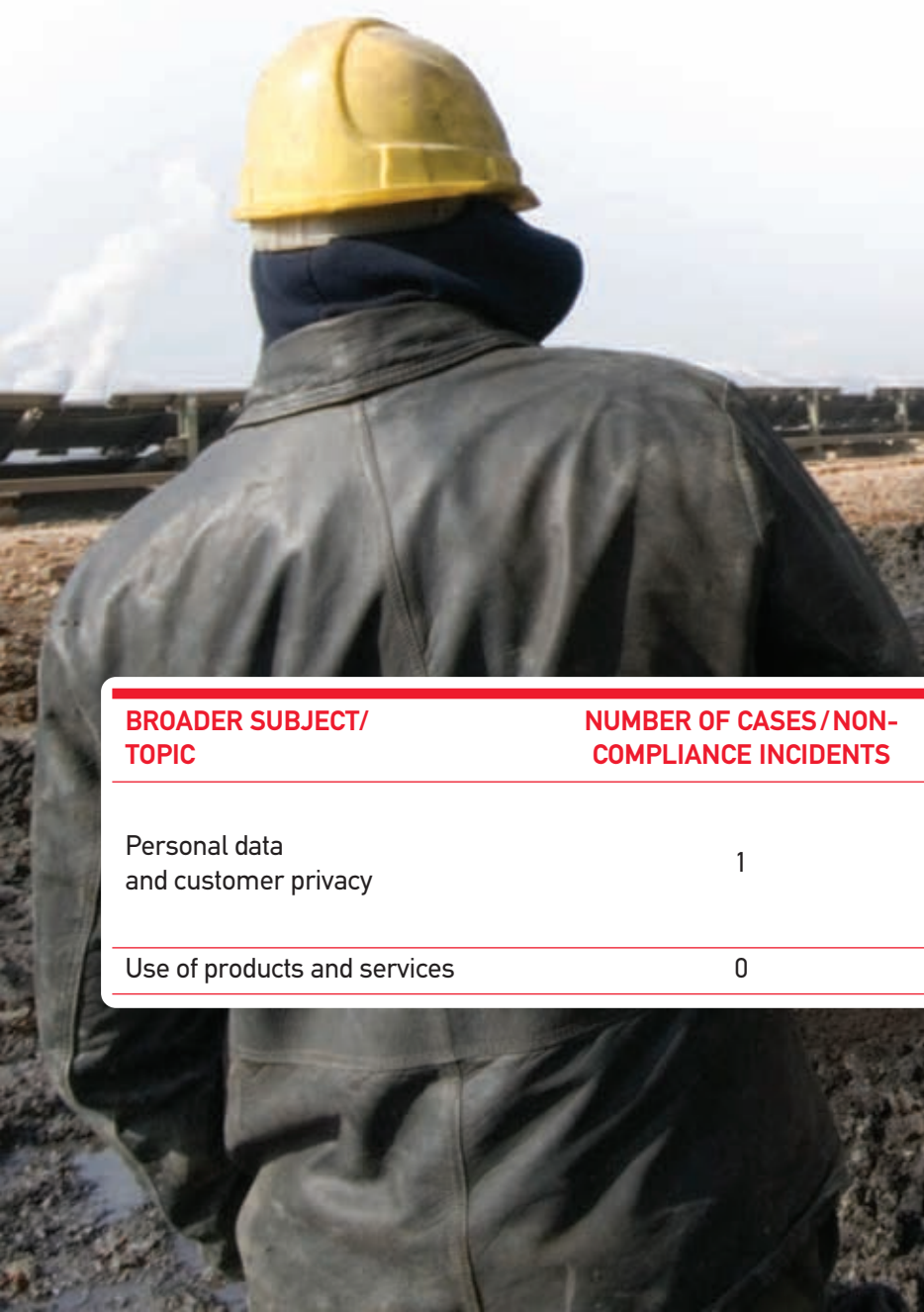
- the safe use of products – protection of electric appliances, and
- the ways to save electricity.

The above are also supported by information provided through our website on specific topics.

TOPICS	NUMBER OF LEAFLETS IN 2010	NUMBER OF VISITS TO RELEVANT SECTIONS OF PPC'S WEBSITE BY CONSUMERS / CUSTOMERS IN 2010
Safe use of products – protection of electric appliances	10,000	3,000
Saving energy	8,300	5,000
Total	18,300	8,000

4.2.6. Compliance with legislation and regulations

PPC endeavors to comply with legislation and regulations related to products and services offered to its customers. The following table presents the number of incidents that arose in 2010 in connection with personal data, customer privacy and use of products and services.



BROADER SUBJECT/ TOPIC	NUMBER OF CASES /NON- COMPLIANCE INCIDENTS	COMMENTS
Personal data and customer privacy	1	The case was closed as PPC paid compensation and the relevant complaint filed with the Hellenic Data Protection Authority was withdrawn.
Use of products and services	0	-

4.3 Human Resources

In recognition of the value of the active contribution made by its people towards achieving its strategic goals, and in response to their needs, PPC aims to develop and establish a modern and creative working environment, marked with cooperation and trust. We follow, and continually improve, an organized set of policies used as a basis for systematically utilizing and developing our regular personnel. Employee life-work balance, training and life-long learning, offering equal opportunities and ensuring appropriate working conditions – with an emphasis on occupational health and safety issues – are the key personnel management principles that directly impact our daily operation.

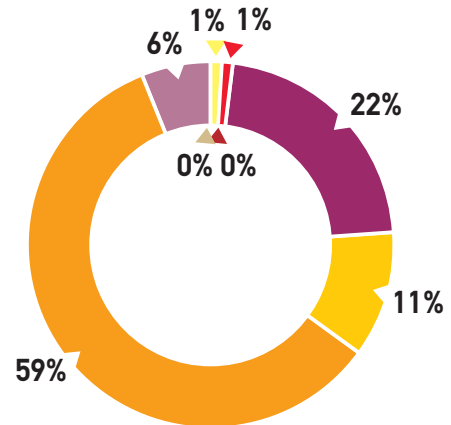
4.3.1. Key human resources information

At the end of 2010, a total of 21,681 people were employed by PPC (regular employees) in all of its operations, most of them working in the areas of generation and distribution.

All of our employees working on a full-time basis on permanent employment contracts; due to our operating needs in 2010, it was also necessary to hire 3,350 seasonal employees on temporary employment contracts.

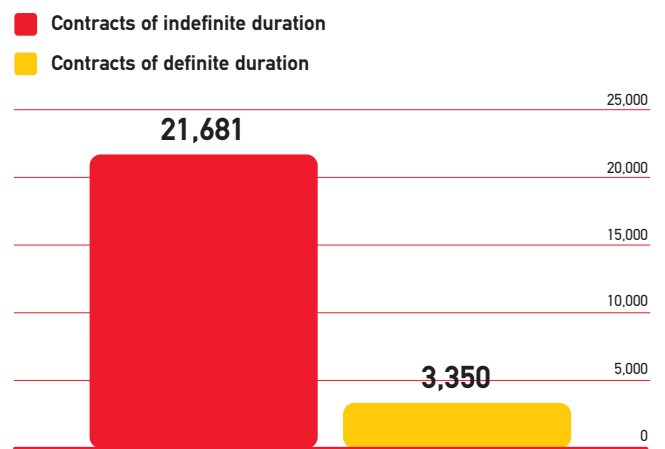
As we are present throughout Greece, we encourage and give priority to the hiring of local employees, always in relation to our fields of activity and aiming to attract and choose capable people who will be able to make an effective contribution towards the realization of our strategy and goals. Approximately 70% of all our employees work in areas outside Attica, whereas 30% are engaged within Attica. 44.4% of our employees are stationed in Western and Central Macedonia and the Peloponnese, mainly due to the mining activity taking place there and the extensive construction work conducted by the Corporation (thermal plants, hydroelectric plants and wind parks) in the area of generation.

Allocation of human resources per employee category totaling 21,681 employees



- Executives: 195
- Administration - Finance employees: 4,836
- Technical - Technological employees: 2,447
- Technical support employees: 12,663
- Workers: 1,305
- Specialized personnel: 209
- Consultants: 10
- Unspecified category: 16

Human Resources contract categories in 2010



Geographical distribution of employees

Note: PPC also employed 101 employees for whom the corresponding information has not been registered.

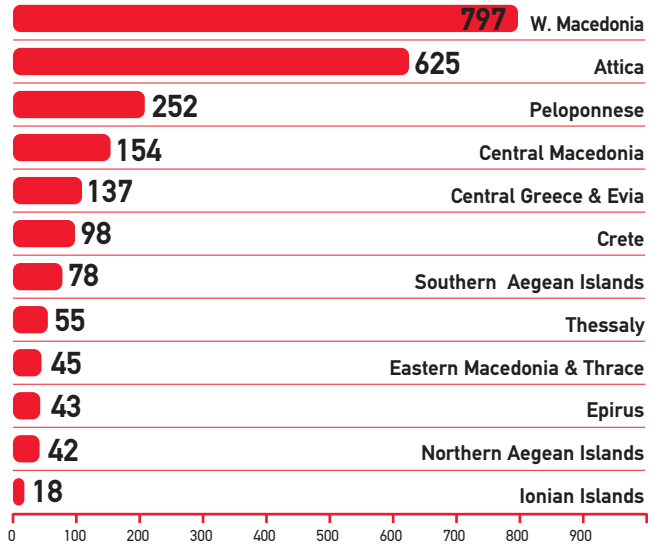


At the end of 2010 PPC Renewables employed 25 employees, 36% of which were women. All of these people are employed on a full-time basis; their allocation per type of employment contract is as follows: 24 employees working on a permanent contract and one employee working on a temporary contract. Project basis contracts are also applicable for specialized personnel in order to meet the company's needs.

Turnover of human resources

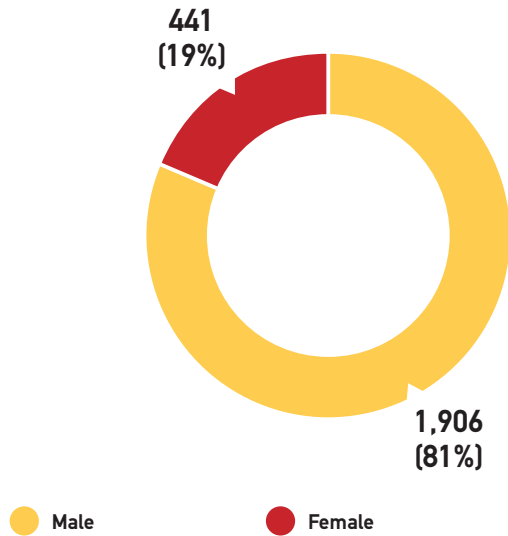
With regards to human resources turnover a total of 2,347 employees departed from the Corporation in 2010, representing 10.8% of the total regular employees. 81.2% of departing employees were males and nine (9) out of ten (10) were over 51 years of age. Most departures took place in Western Macedonia and Attica; the main reason of departure was retirement.

Employee departures per region

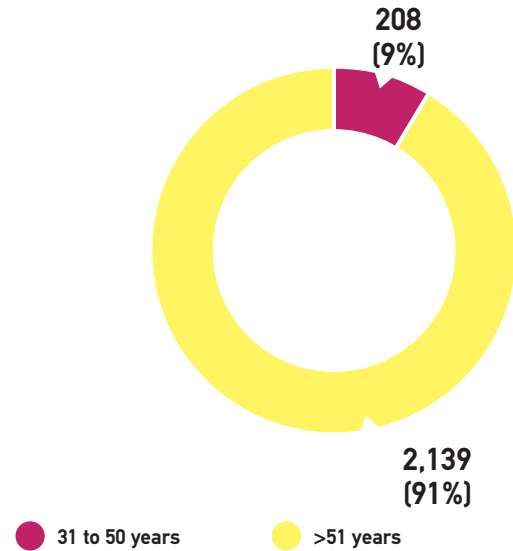


Note: In addition, 3 employees also departed for whom the corresponding information has not been registered.

Employee departures per gender



Employee departures per age group



Employee performance evaluation

Ever since our first years of operation at PPC we have established and applied a performance evaluation system for its regular employees, closely linked not only to their performance but also to their training and development needs. In 2010, all PPC's regular employees (100%) were evaluated.

4.3.2. Additional benefits

PPC aims to establish a life-work balance of its employees whenever possible. For this reason, PPC has been consistently implementing a broad and varied set of benefits for its regular employees and their families. This is aimed at recognizing our people's efforts and in rewarding them by maintaining and improving employee benefits.

Following are listed some of these benefits:

- Granting loans for purchasing or repairing one's first residence.
- Granting aid to employees for serious health problems.
- Providing special paid leaves of absence to employees dealing with emergencies.
- Providing training (seminars, foreign languages, post-secondary education or postgraduate programs, etc.).
- Operating privately-owned children's camps and day-care units as well as establishing partnerships with private daycare units for employees' children.
- Using Corporation-owned vehicles to transport employees in cases where the workplace is at a distance from urban centers or towns.
- Snack bars operating in the Corporation units.



PPC personnel cooperative

The Corporation has supported the PPC Personnel Supply Cooperative, an important means of protecting the income of employees and pensioners. After 70 years of successful operation, it serves 22,500 members, including PPC employees and pensioners. It is active in the commercial and customer services areas. The Cooperative has four large stores in Athens, Ptolemaida, Kozani and Megalopolis and offers a wide range of products, mobile telephony, car insurance and real estate agency services for purchasing plots of land in seaside areas at low prices.

PPC settlements

PPC has privately-owned settlements at power plants and lignite mines. Employees can rent houses in these settlements at low prices even if they own houses in the broader area. It is also possible to allow sub-station supervisors to occupy such houses for a very low rent.

4.3.3. Training and professional education

The Training Department is the primary official body used to implement our training policy and ensure the professional development of our employees. This department is an operational training entity aimed at providing ongoing professional education, training and support to the Corporation's internal and external customers.

Its aim is to ensure that professional education and training are oriented towards the actual needs of the working

environment and its main concern is to provide training services to our regular employees by combining the needs of the energy sector and PPC's business goals.

The Training Department is a modern training entity with six fully-organized and fully-equipped training centers in Attica, the Peloponnese and Western Macedonia, which are used to implement training programs covering such fields as the training of newly hired technical employees, the professional education and training of employees under transfer as well as the additional training of current employees.



PPC's training infrastructure

REGION	TRAINING CENTERS	CLASSROOMS	LABORATORIES	MOBILE TRAINING UNITS
Attica	2	29	27	4
Peloponnese	1	6	7	-
Western Macedonia	3	26	27	2
Total	6	61	61	6

It should be noted that the training simulators used in Northern Greece to train the employees working at power plants are the best regarded state-of-the-art simulators currently available in Europe.


Most of the activity of the Training Department includes intra-company training programs providing education and further training in technical fields, administration and organization fields, financial fields, computers and occupational health and safety.

In particular, the activities of the Training Department include:

- Training on technical and general-interest topics related to the PPC Group.
- Skill development at the Corporation's various locations, with mobile training units.
- Development programs for the Corporation's executives.
- Function of the Department as a certified Vocational Training Center.
- Management of specific training courses (postgraduate courses, foreign languages).
- Organization of scientific-training lectures.
- Participation of the Corporation's employees in conventions and seminars conducted by external entities.
- Internships for Greek students from Universities, Technical Colleges, the Greek Manpower Employment Organization, and foreign students through IAESTE and AIESEC.

- PPC's registration and membership in Greek and international organizations.
- Production of educational and audio-visual training material.
- Training provided to third parties.

Corporate Social Responsibility initiatives



As part of the Corporation's CSR strategy, the Training Department has been developing actions focusing on human capital – employees and the wider society – by placing emphasis on the following initiatives:

- Awards and commendations to Corporation employee's children who excel at school.
- Crisis/disaster management training programs.
- Guided tours at Training Centers offered to schools (information on electricity-saving issues).
- Voluntary participation of staff members in School Vocational Orientation Programs.
- Vocational Orientation for Corporation employees' children.

Central PPC Library

The Training Department supervises the Central PPC Library, which is fully computerized and constitutes an important information center both for PPC employees and others who would like to access its rich content (University and Technical College students, etc.)

The Library includes approximately 10,000 books (technical, financial, literary, etc.) and 400 different magazines.

The Library also operates a multimedia room with televisions, video, computers with internet access, and educational movies to be used by interested parties. It is also possible to link to other libraries.

Following are some of the actions organized as part of the services provided by the Library:

- “The Library in your email”
- Electronic management of selected foreign-language magazines accessed through the Corporation’s Intranet
- Permanent and temporary borrowing of books and magazines.
- Computerization of the contents of the Central Library and its Branches.
- On-line link to other Greek libraries.
- Ability to provide student services.

Finally, the Library supervises and supports 116 branches all over Greece by purchasing and shipping books and supporting other libraries in remote parts of Greece.

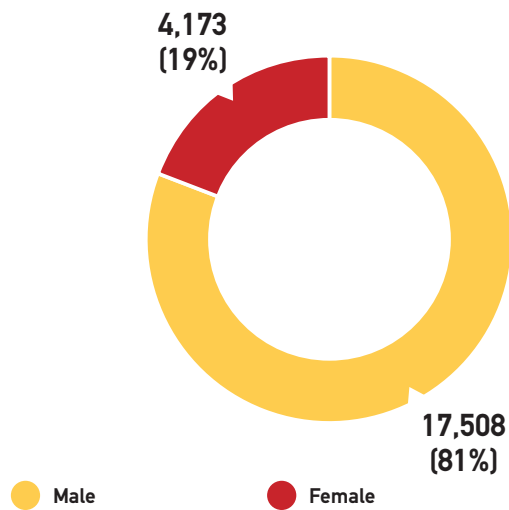
The Training Department completed in total 408,662 training man-hours and the average number of training hours per participant was 46.73.

TRAINING PER EMPLOYEE CATEGORY	PARTICIPANTS IN TRAINING PROGRAMS	TRAINING MAN-HOURS	TRAINING HOURS PER PARTICIPANT
Executives	44	720	16.36
Administration – Finance employees	2,067	33,070	16.00
Technical – technological employees	1,456	27,721	19.03
Technical support employees	4,451	331,489	74.47
Workers	265	10,890	41.09
Specialized personnel	53	1,087	20.50
Unclassified	409	3,685	9.00
Total	8,745	408,662	46.73

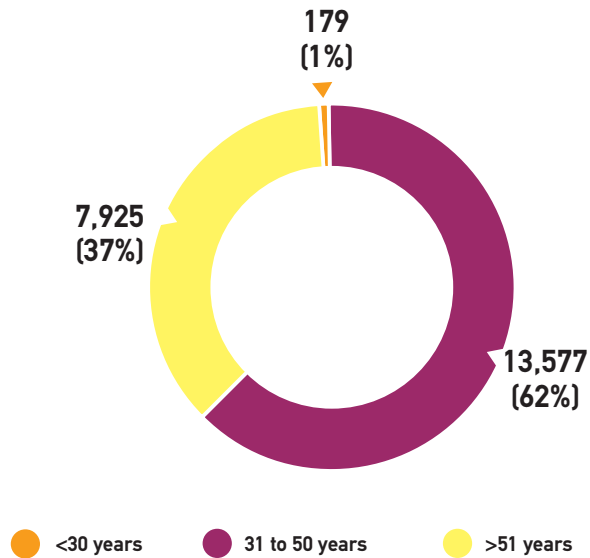
4.3.4. Equal opportunities and human rights

Ensuring a fair working environment is one of our primary objectives. Within the entire range of labor issues, from the administration and development of salaries and the participation in training programs to the development of collective action for boosting team spirit, we have taken careful care that there is no discrimination due to the gender, ethnic origin, age or due to particular needs of our employees. Consenting fully to international human rights protection principles, we oppose any practice which could encourage the imposition of any form of forced labor and child labor (the Corporation complies fully with national legislative provisions on child labor). In 2010 no incidents were reported concerning the violation of the rights of indigenous populations or discrimination in the workplace. Finally, it should be noted that the salary and wages paid to our employees are not dependent on gender.

Allocation of employees per gender



Allocation of employees per age group



4.3.5. Occupational health and safety

In line with our commitment to set up an excellent working environment for our employees, we are constantly trying to identify, assess and eliminate any factors leading to occupational health and safety risks. The great importance we place on such issues is reflected on the organizational structure that has been adopted. The Occupational Health and Safety Department coordinates relevant actions centrally by developing policies and defining goals in order to prevent accidents and occupational diseases, dealing with occupational hazards and the improvement of working conditions in general within the Corporation. In addition to central offices / headquarters, positions of responsibility have been established at thermal power plants, lignite centers, etc. in an effort to ensure a more effective coordination and implementation of coherent actions while at the same time adapting to the local needs of the different units.

The specific actions defined on the basis of the Accident Prevention Policy are:

- Implementing relevant provisions in Greek Law and complying with any recent European Directive on occupational health and safety.
- Developing regulations and instructions concerning occupational health and safety and proper realization of operating procedures in accordance with the provisions of the applicable laws, in cooperation with jointly competent boards. Adopting and implementing appropriate measures for the protection of employees, as well as third parties who work with them or who are present at the premises of PPC.
- Operating the Occupational Health and Safety Department as an Internal Protection and Prevention Service licensed by the Ministry of Labor, including coordination of the work by the Safety Engineers and Occupational Physicians employed by the Corporation's different units. Appointing Safety Engineers and Occupational Physicians in all of PPC's plants in compliance with the relevant laws.
- Preparing "Written Occupational Risk Assessment" studies relating to the identification of risk sources at each workstation, measurement of harmful factors, assessment of measurements, comparison against recorded accident data as well as planning and implementing measures to eliminate risks or, at least, reduce them to the lowest possible degree. Ten Occupational Risk studies were conducted in PPC's plants and units during 2010.
- Preparing "Emergency Plans" for each one of the Corporation's units. Emergency drills were conducted in 2010 in the Alexandroupolis area (Distribution Division) at the central offices of the Mines and Transmission Divisions (Rossignol street) as well as at the Thermal Power Plants of Agios Dimitrios, Ptolemaida and Atherinolakkos.
- Performing Occupational Medicine operations so as to ensure the implementation of procedures for keeping a Medical File and Personal Occupational Risk Register for each employee, performing preventive medical checkups tailored to each group of employees, linking checkup findings to the specific working conditions of each group (location, hazards to which the employee is exposed, etc.) and intervening in order to improve the specific working conditions, where required. The Preventive and Periodic Medical Checkup is coordinated by the 39 Occupational Physicians. There are 28 fully equipped infirmaries operating at power plants and mines which are staffed with appropriate medical personnel (88 in total), most of which are university graduates; there are also 28 state-of-the-art ambulances, occasionally providing services to local communities as well. There are also infirmaries operating in smaller units to meet Occupational Medicine and First Aid needs.
- Supplying and providing occupational safety materials such as Personal Protective Equipment (PPE) and fire-fighting equipment to all service units.
- Handling guidelines related to hazardous or non-hazardous waste (Polychlorinated biphenyls - PCB), used mineral oils, Pb and Ni-Cd batteries, asbestos, electric light-bulb recycling, etc.) that exist or used at the premises of PPC units.
- Publishing printed or electronic occupational health and safety training materials, such as manuals, films, etc. In 2010 a manual was published on how to deal with risks from explosive atmosphere and a DVD-film was produced to provide newly hired employees with health and safety training.
- Making a clear distinction and separation at all hierarchy levels of the roles and duties related to the management of safety rules and measures, that relate to regulations and instructions on how to safely carry out the different operations of each operating activity. PPC employs trained and educated professionals of such appropriate categories and fields of specialization as required by relevant regulations.
- Training of employees on safe working methods and proper use of PPE, by Safety Engineers, heads of Crews, executives and health and safety technicians in order to develop a sense of responsibility among employees for themselves, third parties and the Corporation, as well.

- Developing an occupational safety culture among all employees at all hierarchy levels and ensuring that they, as well as third parties working for the Corporation, are committed to the achievement of the overall goals related to accident-prevention and occupational health and safety.

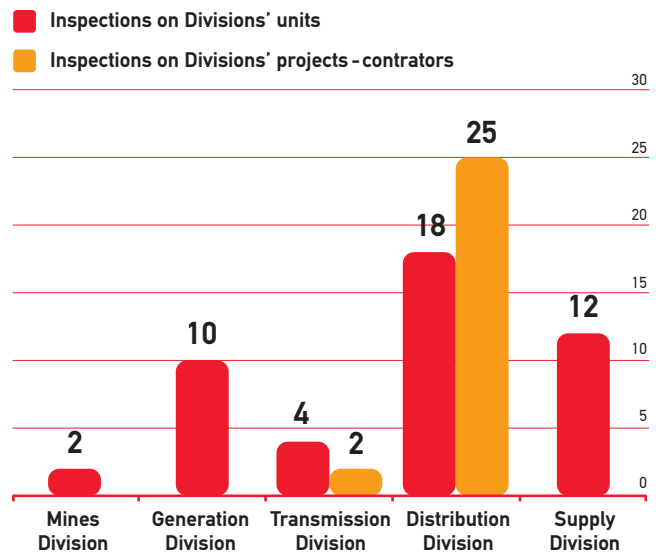
The Occupational Health and Safety Department coordinates scheduled or non-scheduled inspections for the adherence to rules and regulations regarding health and safety. Health and safety inspections are aimed at reviewing and improving safe working conditions and reducing the frequency and severity of occupational accidents and diseases.

Such inspections are carried out at three (3) levels:

- At the first level, inspections are performed by the direct supervisors of service units on the relevant employees.
- At the second level, inspections are performed by Safety Engineers and Occupational Physicians.
- At the third level, inspections are performed by joint boards of Inspectors from the Occupational Health and Safety Department (who have attended a relevant seminar for the “Accreditation of Occupational Safety Inspectors” in accordance with ELOT 1801:2008) and the respective Division.

These inspections are usually performed on an annual basis using approved health and safety checklists and the relevant results are communicated to the hierarchy of the corresponding Department.

Number of 3rd level inspections in 2010



PPC Renewables performs health and safety inspections both at the workplace (office area) and during the construction and operation of RES projects. These inspections are performed by the Safety Engineer and Occupational Physician in accordance with the requirements and specifications laid out in, or arising from, applicable legal provisions. 10 Safety Engineer and 5 Occupational Physician visits took place at the company's offices in 2010. No fatal accident or fatality was recorded in PPC Renewables in 2010.

The Occupational Health and Safety Department is also responsible for the documentation, systematic evaluation and review of the effectiveness of the Accident Prevention Policy. The numbers of accidents are recorded every year and then they are statistically analyzed in order to determine the respective frequency and severity rates.

Data concerning all accidents are gathered by the Occupational Health and Safety Department in accordance with an established procedure. Standard forms have been prepared for all PPC fields of activity, which are fil-

led out by local units. In accordance with the law, competent Authorities and insurance bodies are notified and necessary information is gathered in order to identify the causes and factors leading to the relevant accidents. Subsequently, all forms are communicated to the Occupational Health and Safety Department to process them.

A record of all the accidents that took place in 2010 and the Corporation's performance in connection with selected health and safety indicators can be found below.

OCCUPATIONAL HEALTH AND SAFETY DATA CONCERNING PPC EMPLOYEES

Total number of accidents ¹	121
Total number of fatal accidents ²	0
Accident frequency rate ³	3.22
Total number of days of absence due to accidents	4,326
Accident severity rate ⁴	0.12
Total number of days of absence from work ⁵	129,968
Absence rate ⁵	2.41%

¹ The number of accidents includes all accidents occurring during work which caused absence from work for more than three (3) calendar days. No accidents occurring during traveling to and from work or pathological incidents, which are separately analyzed (statistically), are included.

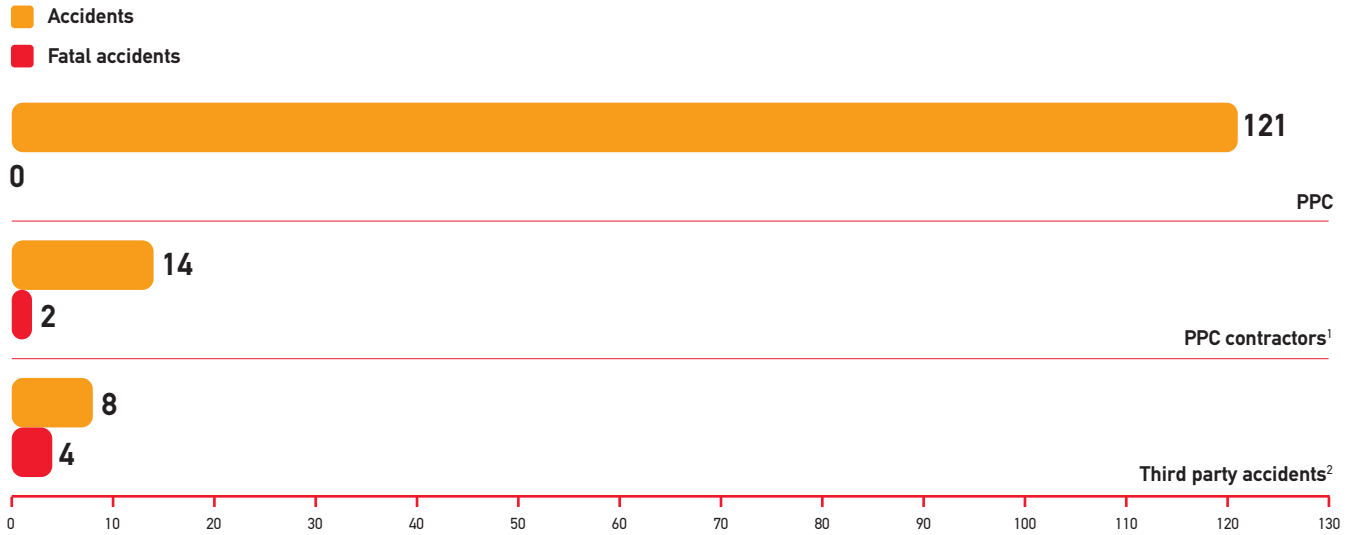
² The fatal accident indicator is calculated considering the number of accidents per 10,000 employees. The indicator was 0 for 2010, as no fatal accidents occurred.

³ The methodology used to calculate the indicators is in compliance with the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", as 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 used to calculate the indicators is in compliance with the "European statistics on accidents at work (ESAW) - Methodology - 2001 edition", as 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, irrespective of whether it is due to health reasons or not.

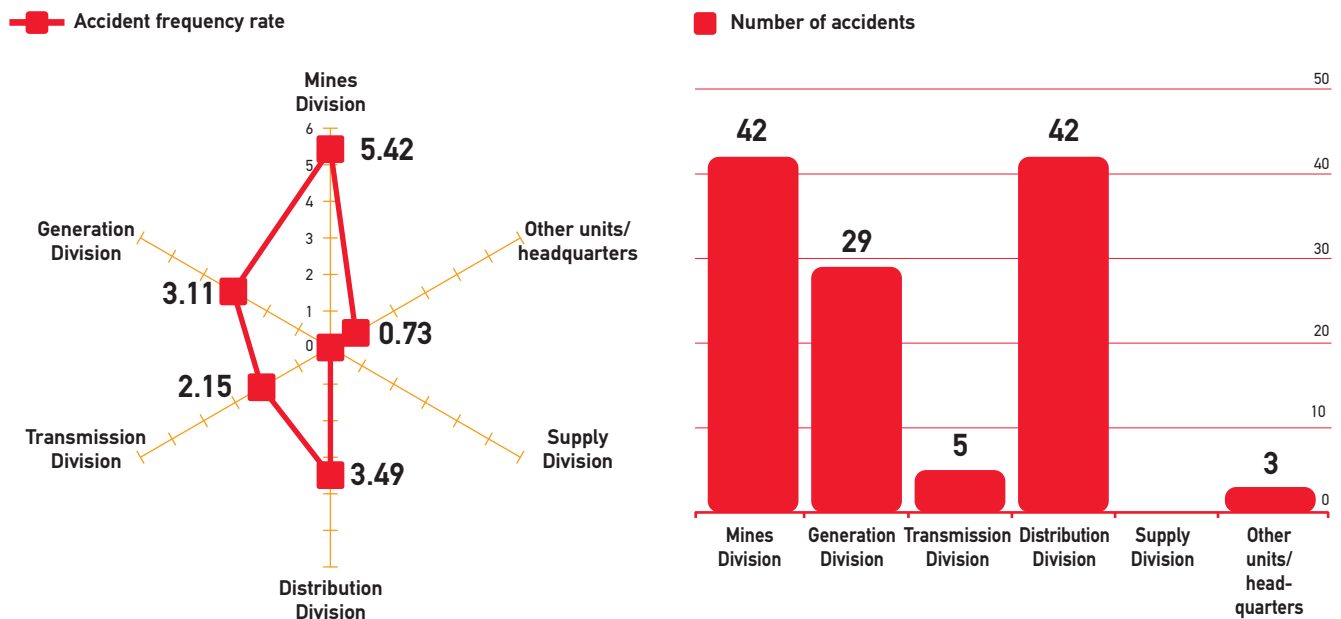
Total number of accidents and fatal accidents in 2010



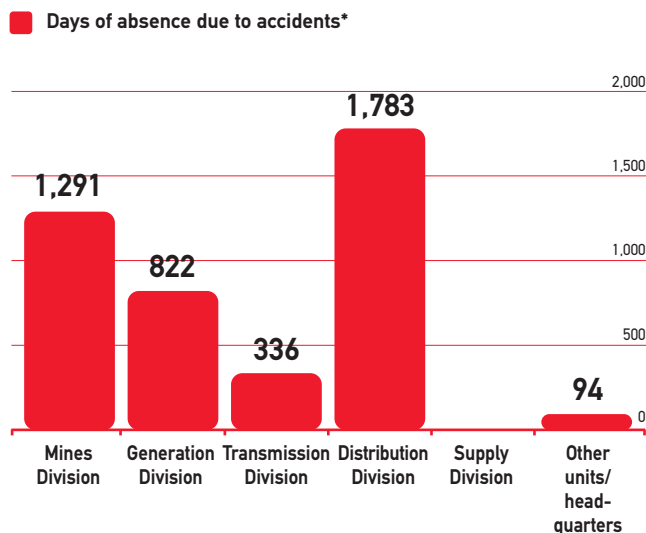
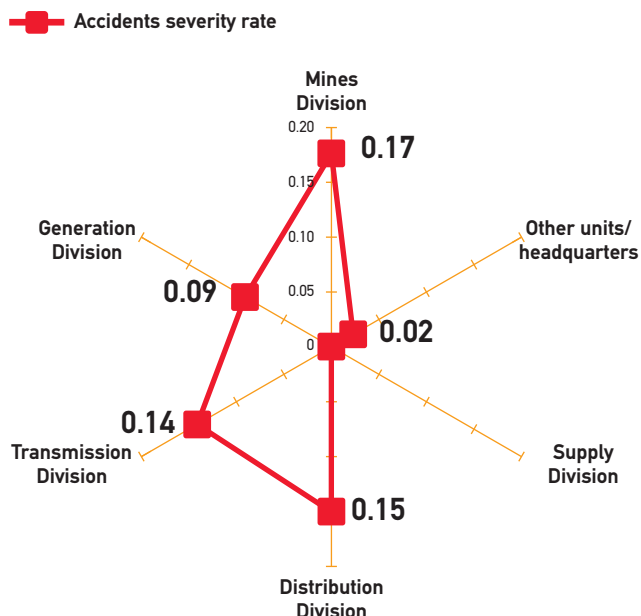
¹ It is quite possible that some accidents may have gone unnoticed as a contractor may have failed to report them to relevant authorities and consequently to PPC.

² These accidents relate mainly to electric shocks caused by involuntary contact with "live" parts of the network either during the construction of structures (buildings, advertising posters, etc.) or during the operation of lifting equipment. These are usually due to failure to comply with safety distances or even due to the failure (by individuals) to request disconnection at specific parts of the network.

Accident frequency rate per Division



Accident severity rate per Division



* Days of absence due to accidents are calculated from the day following the accident to the day the injured person returns to work.

Health and safety education and training practices

Health and safety training in the Corporation is an integral part of the training provided to employees. However, additional training practices are implemented as well:

- An onsite training program is prepared at each unit, with the cooperation of the Occupational Physician, the Safety Engineer and the relevant Manager. The program is customized depending on the training needs of each unit. Normally, the unit's Occupational Physician and Safety Engineer are the trainers and the training covers occupational health, medicine and safety, and safe use of site equipment and PPE. Employees are also informed about contagious diseases and take part in Civil Protection and emergency drills in collaboration with local organizations, the Fire Department and the Hellenic Police.
- The Occupational Health and Safety Department, which is responsible for providing occupational health and safety training, collaborates with the Training Department in organizing and implementing the seminars requested by the respective Human Resources Departments to meet their needs. The Occupational

Health and Safety Department prepares the detailed schedule and cooperates with the Training Department in determining the trainers. Coordinators are usually from the Occupational Health and Safety Department or executives with experience in health and safety issues from other Corporation units.

- Training and informative seminars for Safety Engineers (lasting 100 hours) and members of the Occupational Health and Safety Committees, which constitute the key occupational health and safety seminars.
- Seminars focusing on specific occupational health and safety issues and the inclusion of specific topics in the training syllabus implemented by the Training Department (e.g. training seminars for newcomers).

The Training Department organized and implemented 23,260 training man-hours on health and safety in 2010.

The Divisions also actively contribute towards providing the required health and safety training as they plan, organize and implement local specialized training programs for their personnel in addition to the central training provided in cooperation with the Training Department.

Occupational health and safety data for PPC employees

HEALTH AND SAFETY TRAINING PER DIVISION*	PARTICIPANTS IN TRAINING PROGRAMS	TRAINING MAN-HOURS	TRAINING HOURS PER PARTICIPANT
Mines Division	882	7,584	8.60
Generation Division	549	2,784	5.07
Transmission Division	121	1,628	13.45
Distribution Division	135	11,260	83.41
Human Resources and Organization Division	16	4	0.25
Total	1,703	23,260	13.66

* The data above relates to training programs handled and organized by the Training Department ("locally" implemented training conducted by the Divisions is not included).

Occupational health and safety management systems

The Generation Division, recognizing the importance of obtaining Occupational Health and Safety Management Systems certification has initiated, since 2008, procedures to certify the Systems which had been adopted and included in the safety studies of power plants in accor-

dance with OHSAS 18001. The certification of the above systems for the Chania Thermal Power Plant was completed in 2009 and the one for the Agios Dimitrios Thermal Power Plant was completed in the summer of 2011; the respective certification procedures for another four Thermal Power Plants are currently in progress (Kotini, Atherinolakkos, Meliti and Amyntaion).

PPC Renewables provides its employees with health and safety coverage through the services of a Safety Engineer and an Occupational Physician.

The Safety Engineer's duties include:

- Making recommendations and giving advice to the company on the safety of employees and the prevention of occupational accidents.
- Giving advice concerning the design/scheduling/construction and maintenance of installations.
- Checking the safety of installations and technical equipment.
- Performing regular (health and safety) inspections on workstations.
- Supervising the proper use of personal protective equipment.
- Carrying out investigations concerning the causes of occupational accidents in order to prevent similar incidents in the future.
- Supervising the fire safety drills and taking part in the preparation and implementation of employee safety training programs.

The Occupational Physician's duties are:

- Making recommendations and giving advice to the company on the health of employees.
- Providing advice concerning the design/scheduling/construction and maintenance of installations in accordance with health rules.
- Performing health checkups on employees and assessing their fitness for the performance of their respective duties.
- Supervising the implementation of protection and accident-prevention measures.
- Performing regular inspections on workstations.
- Looking into the causes of occupational diseases in order to recommend preventative measures.
- Providing emergency treatment in case of accidents or sudden illness.

The frequency of visits by the Safety Engineer and Occupational Physician is determined in accordance with relevant legal provisions. During the construction of RES projects PPC Renewables is not required to appoint a Safety Engineer and Occupational Physician, as this is arranged by the contractor responsible for each project.

4.4 Local Communities

Through its presence in Greece, PPC has been supporting the development and progress of the country. By means of a number of social, cultural and environmental initiatives it continues to assist Greek society through ongoing support offered to citizens. In this way, it makes a multilateral contribution towards the development of local communities in its areas of activity. Its construction work and business activity in the rural areas has ensured, and is still ensuring, employment for a significant number of scientists and workers, thus reducing unemployment and promoting decentralization.

4.4.1. Participation in the development of Public Policy

Our participation in public consultations held for the formulation of legal and regulatory provisions, the announcements made by the Management and the attendance of the Chairman and CEO as speaker at international conventions and in social organizations, the support offered to a number of conventions and activities in Greece (e.g. the Council of Ministers on Energy, the Mediterranean Climate Change Initiative Launch Event, the annual convention on Competition and Market Regulation, etc.) are some of the initiatives by the Corporation through which we make our positions known, we propose and adopt various views and therefore contribute as much as possible to the development of Public Policy.

Some of these initiatives can be found below:

- PPC participated in an informal committee established by the Minister for the Environment, Energy and Climate Change, Ms. Tina Birbili, in order to implement one of the three models provided for in the EU Energy Directive 2009/72/EC regarding the Transmission Operator.
- PPC participated in a formal committee established on account of an initiative taken by the Minister for the Environment, Energy and Climate Change to simplify the licensing procedure for electricity generation projects, and system and network development projects.
- PPC participated in SEV's councils concerning environmental laws, at European or national level.

Equally important was the Corporation's cooperation with RAE for the preparation and completion of the Island Network Management Code by means of relevant committees and prior consultation. There is also an established lobbying effort being carried out by PPC, through EURELECTRIC, on environmental and energy regulatory framework issues.

Our participation in activities that can affect government policy requires that we ensure transparency in all transactions and political relations. In 2010, the Corporation offered no donation, sponsorship or financial support to any political party or politician. It is common practice for PPC, in compliance with applicable law, to provide the political offices of Government members, the Prime Minister's political office, Members of the Parliament, political parties, Members of the European Parliament, ministries, central services of ministries, municipalities, local authorities, the Parliament, the Presidency of the Republic, etc. with seconded employees.

Our disclosed positions on sustainability, which are the basis of our participation in the development of Public Policy, are as outlined below:

Development of the electricity market

We favor the liberalization of the energy market offering practical support for all necessary institutional actions. Having accepted the new conditions, the Corporation has managed to respond to the important demands of the new regulatory environment by promoting the creation of a new structure for the PPC Group, developing new activities and establishing independent subsidiaries responsible for Transmission and Distribution operations in compliance with the relevant European Directives.

Development of the electricity generation system

In view of the new energy environment to be developed in the next ten years and utilizing domestic energy resources in the best possible way, we are reinforcing our generating portfolio with new, efficient, and more environmentally friendly plants as well as with RES projects. We are investing in state-of-the-art infrastructure for the provision of top quality energy services, the improvement of the provided electricity quality and the promotion of RES projects.

Energy management and saving

Increasing energy efficiency and saving energy are important priorities as included in the agendas of both the EU and Greece and constitute the Corporation's new field of activity. In this direction, we are implementing targeted partnerships and planning the provision of new products and services in order to assist consumers to substantially cut down on their energy expenditures through respective energy saving activities.

RES penetration and support policies

RES plants now play a major role in the European electricity generation system as they are the energy sources of both the present and future. That is why we feel it is necessary to increase the penetration of RES in the energy mix. In the following ten years and up until 2020 with wind energy taking the lead and solar energy acting as



a supplement, RES can help meet the targets set by the RES Directive for Greece for construction applications and general use as well. RES energy is unlimited and comes at a fixed cost as it is not affected by fuel price fluctuations. It can also help overcome the economic crisis by creating new jobs and ensuring the influx of funds for the implementation of large investments. PPC, in cooperation with its subsidiary PPC Renewables, supports the promotion of RES plants.

Protecting the environment and dealing with climate change

Being perfectly aware of the Greek society's need for a better environment, PPC has made environmental protection one of the key priorities of its modernization and development policy. Today, not only have we been systematically following up on all climate change and environmental technology developments, but we have also been developing those policies that will allow us to become a force contributing to the rapid development of the green economy in Greece.

Economic efficiency

PPC is still a key factor for the development of the Greek economy by realizing important investments in new power plants, networks and RES. We aim to maintain our leading role in the electricity sector on the basis of sustainable development, environmental protection and fair competition principles by ensuring competitive electricity prices and top quality services for our customers as well as attractive returns for our shareholders. PPC's profitability in 2010 was not based on tariff increases despite the significant fluctuation of international fuel prices during that period. The major factor contributing to PPC's profitability was the substantial reduction of controllable costs.

4.4.2. Contribution to the development of local communities

What is quite important, although least recognized, is the financial support offered by PPC to local communities which aims at their multifaceted development. The funds

granted to local communities for the implementation of studies and infrastructure projects, the compensatory / public benefit projects, the concession of land to benefit society, the district heating programs in cities and the special lignite levy formulate the key axes of our contribution.

The table below presents some typical examples of action taken in support of local communities in 2010.

PROJECT DESCRIPTION	PROJECT COST
Financing for development and equipment procurement projects granted to the Municipalities of Taminai and Dystia in the Prefecture of Evia.	Financing approved up to a total of €3,500,000.
Financing for additional development projects granted to the Municipality of Taminai in the Prefecture of Evia.	Financing approved up to a total of €315,000.
Financing for projects and studies granted to the Prefectural Authority of Lasithion.	Financing approved up to a total of €1,100,000.
Financing for projects and studies granted to the Municipality of Southern Rhodes.	Project financing approved subject to certain conditions up to a total of €3,900,000.
Preparation of a Strategic Study for an Integrated Plan for the development, utilization of new land in mine and lakeside areas, improvement of environmental conditions, landscape restoration in the energy axis of Kozani-Ptolemaida-Florina, a cooperation of the Ministry of the Environment, Energy and Climate Change, the Regional Authority of Macedonia and PPC.	Financing approved, subject to the agreement between the Corporation and the Regional Authority of Western Macedonia and the Ministry of the Environment, Energy and Climate Change, up to a total of €1,500,000.



Compensatory / public benefit projects

In the areas where transmission and generation projects are carried out, we provide local communities with compensatory benefits. Compensatory projects / benefits are defined following prior consultation with local authorities during the determination process of the environmental

terms of the relevant projects, which are in turn included in the Joint Ministerial Decision on the approval of Environmental Terms. The table below presents some of the compensatory/public benefit projects realized by the Generation Division, most of which pertain to the enhancement of irrigation networks and the improvement of road networks.

COMPENSATORY / PUBLIC BENEFIT PROJECTS REALIZED BY THE GENERATION DIVISION	CATEGORY	PROJECT BUDGET (€)	TOTAL PROJECT DURATION (months)	COST IN 2010 (€)	IMPACT FROM THE PROJECT
Participation of PPC in the reconstruction of an irrigation network (Ilarionas HP)	Contractual obligation	41,000	12	18,000	Enhancement of an irrigation network. Water supply for irrigation purposes.
Improvement of the Kremasta Dam-Alevrada road and restoration works in the area of Kremasta HPP (Kremasta HPP)	Contractual obligation	3,078,000	24	308,000	Improvement of the road networks and provision of access to remote areas.
Construction of the central part of the irrigation dam downstream from Pournari II HPP (Arachthos Complex)	Contractual obligation	350,000	1	350,000	Enhancement of an irrigation network. Water supply for irrigation purposes.
Payment made to the Community of Potamoi, in the Prefecture of Drama, for restoration purposes -in connection with community's inhabitants who are affected by the reservoir construction for Thisavros HP (Nestos HP)	Contractual obligation	880,000	48	12,000	Social restoration of affected residents.
Financing granted to the Association of Nea Chasia (Ilarionas HP)	Donation	5,000	1	5,000	Good relations with the local community.
Financing granted to the Municipality of Kamvounia, in the Prefecture of Kozani. Construction of a retaining wall in the Municipal District of Elati (Ilarionas HP)	Donation	45,000	2	45,000	Improvement of the road network.
Asphalt paving of municipal roads in the Municipal District of Soroni – Installation of electric lights on municipal road leading to the beach, in the Municipal District of Soroni.	Donation	398,600	26	173,778	Improvement of the road network.
Total		4,797,600		911,778	

Concessions of land

The purpose of this action is to provide the areas affected by our operations with substantial and active support and to promote entrepreneurship through the development of alternative commercial activities. Given that these commercial activities are independent of PPC's main operation

it is quite obvious that there are positive results relating to the creation of new jobs and the overall development of the ceded lands. In 2010, the Corporation approved of the following concessions of land, resulting undoubtedly in availing the society and the environment.

CONCESSIONS OF LAND	PROJECT
Free concession to the Municipality of Parakampylia of the right to use land of 100 m ² for nine (9) years.	This area will be used for the construction of a pumping station with capacity 43,800 m ³ of water per year, in order to meet the water-supply needs of the Municipal District of Sidira, in the Municipality of Parakampylia.
Renewal until 2020 of the temporary free concession to the Municipality of Neapolis, Aitoloakarnania, of the right to use a PPC-owned fenced area of 6,444.95 m ² in the area of Stratos Hydroelectric Plant.	This area will be used for recreational purposes.
Free temporary concession, for a period of thirty (30) years, to the Hellenic State, to the Municipality of Stratos in particular, of the right to use two plots of land of a total surface area of 580.67 m ² .	This piece of land will be used for the construction of two pumping stations and for obtaining a permit to construct a waste channel on the side street to the west of the Fygi Canal, at Stratos Hydroelectric Plant.
Free temporary concession, for a period of nine (9) years, to the Hellenic State, to the 9th Infantry Brigade in particular, of the right to use a building of 100m ² , and of part of its surroundings with a surface area of 483 m ² , at Papadia dam.	This building will be used as a storage facility.
Concession to the Municipality of Megalopolis, essentially token fee, of the full ownership of a land with a surface area of approximately 380,000 m ² in the Lignite Center of Megalopolis.	This land will be used for setting up an Industrial and Business Zone after settling the relevant district heating issues in the Municipality, which are still pending.

District heating programs from lignite thermal plants

District heating is a “heat distribution system for urban and commercial use, produced usually by cogeneration at specific central locations and used for heating of various spaces and water”.

Taking as granted the operation of lignite thermal power plants in Western Macedonia and Arcadia, in cooperation with local Municipalities we have invested in setting up energy generating systems in the form of hot water in order to provide nearby towns with district heating. District heating programs are implemented to ensure a stable, pollution-free heating system for residences which also results in various economic benefits for local communities.

Active district heating programs in Ptolemaida, Kozani and Amyntaion provide citizens with large amounts of available thermal energy and have improved their quality of life. The cost incurred for the supply of heating energy is lower and the entire process helps reduce, or even eliminate, emissions from residential and central heating systems installed at various locations in urban areas.

With regards to the most recent projects in this field, the district heating system in the Municipality of Kozani was completed in 2009 and is being supplied with thermal energy from the Agios Dimitrios Thermal Power Plant. A similar project is under way in the Municipality of Ptolemaida, to be supplied from Units III and IV of Kardias Thermal Power Plant. Moreover, approval has been given for the extension of the district heating system to the city of Florina, supplied from Meliti Thermal Power Plant.

The table below presents the PPC power plants supplying district heating systems and the quantity of the energy output per plant.

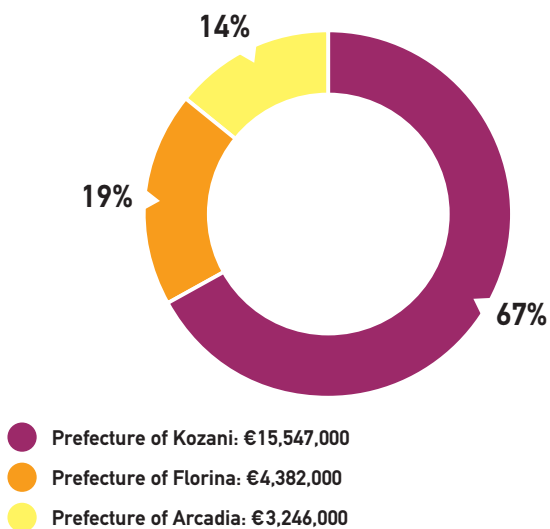
Finally, in respect to the administration mechanism used to control district heating systems, the Corporation, in collaboration with the interested Municipalities and their municipal enterprises, modifies its plants in order to enable the supply of thermal energy. The modification cost is borne by the consumer (Municipality / municipal enterprise) and the process is finalized by entering into an appropriate “Thermal Energy Supply Contract”, defining the thermal energy selling price and each party’s rights and obligations.

PPC POWER PLANTS SUPPLYING DISTRICT HEATING SYSTEMS	INSTALLED CAPACITY (MWth)	ENERGY OUTPUT (GJ)
Agios Dimitrios III	67	684,554
Agios Dimitrios IV	67	254,880
Agios Dimitrios V	70	342,516
Ptolemaida III	50	343,652
Amyntaio I	25	71,625
Amyntaio II	25	54,048
Megalopolis III	20	40,262
LIPTOL I	25	236,392
Total	349	2,027,929

Lignite levy

Law 2446/1996 established a compensatory levy for the development of industrial areas that generate electricity at lignite thermal plants in the Prefectures of Florina, Kozani and Arcadia. The levy was set to 0.04% of PPC's revenue. The lignite levy is a significant source of income covering the needs of local communities in the Municipalities where PPC plants are located, given that the total sum of the levy paid in 2010 amounted to more than €23 million.

Payment of the lignite levy per applicable area totaling €23,175,000



Relocation and compulsory expropriation

The Corporation's operation, the construction of new power plants or the expansion of mining activities in particular, require the compulsory expropriation of lands or even the relocation of certain settlements. A compulsory expropriation procedure can be initiated by virtue of a decision taken by PPC's BoD in compliance with the provisions in Law 2882/2001 on the compulsory expropriation of real estate (land and settlements). It includes two stages, publication of the declaration of compulsory expropriation in the Government Gazette and publication of its completion thereof. The expropriation procedure

normally takes 2.5 to 3 years on condition that the land to be expropriated is already located in an environmentally approved area, i.e. in a project area for which the environmental terms provided in the environmental impact assessment have been approved. The procedure followed for the expropriation of land ceded for the Corporation's mining activities (lignite mines) is based on the provisions set out in the Mining Code (Legislative Decree 210/1973) while certain cases are covered by Law 2882/2001.

PPC has gained extensive experience in expropriation issues due to the numerous and different power plant or lignite mine projects completed during its many years of operation. Following, are two (2) indicative decisions taken by the BoD concerning the approval of expropriations and relocations in 2010:

- On 7.12.2010 the BoD issued an opinion for the initiation of procedures for the compulsory expropriation of land with a surface area of 2,755,952.32 m² in the Municipal Districts of Olympiada and Galateia, in the Municipality of Ptolemaida located within the Prefecture of Kozani (OA 10), in order to expand the outdoor storage area of Amyntaion Mine in favor and at PPC's expense taking into account that prior to implementation of the expropriation, its feasibility should be reexamined on the basis of prevailing conditions.
- On 26.8.2010 the BoD issued a positive opinion for the compulsory expropriation of a land with a surface area of 14,663.30 m² in order to install the 150Kv/MT Substation of Kantanos at Kampos in the Municipal District of Kantanos located within the Municipality of Kantanos in the Prefecture of Chania on the island of Crete. In the same meeting, the BoD approved payment of €835,000 for the completion of the compulsory expropriation of the village of Kleitos, in the Municipality of Hellispontos, in the Prefecture of Kozani. The corresponding amount will be used for the removal of the cemeteries of the old village, the creation of a new cemetery for the needs of the new village, construction of a Monument of Heroes in the square of the new village, payment of the rent for the relocation of seven (7) families and assistance for the construction of the temple in the new local church.

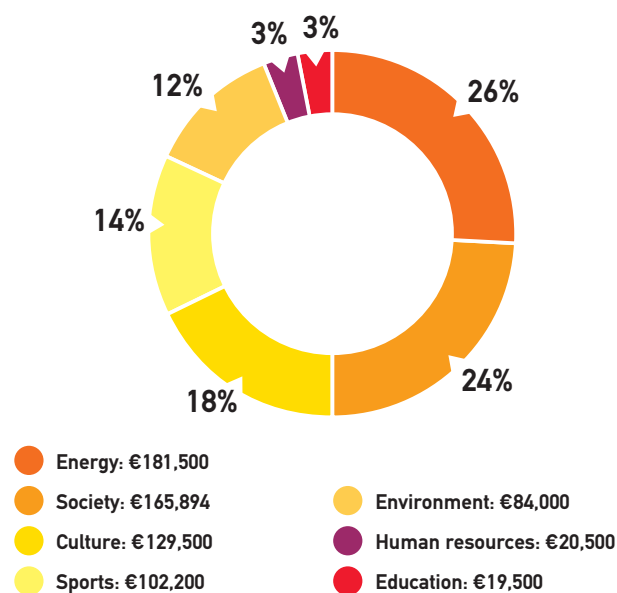
4.4.3. Contribution to the fulfillment of social needs

As an inseparable part of society itself, we contribute towards the fulfillment of social needs. Despite the adverse economic conditions we offered €703,094 in 2010 for important areas such as the environment, culture, sports and education. Special emphasis was placed on supporting social initiatives as well as energy-related actions.

Furthermore, we also financed the replacement of conventional water drawing systems with digital (card-controlled) systems which are aimed at saving water and electricity in the Municipal District of Imera in the Prefecture of Kozani; and responded immediately to a similar request placed by the Mayor of Hellispontos according to which we provided water tank trucks to meet the Municipality's needs.

We also donated 2.5 tons of copper derived from cables for various purposes such as church bells or statues, we donated 5 computers and 1 digital projector to associations and schools, 37 tons of reclaimed wooden posts (from the stock of removed posts) as well as 30 gift certificates for toys.

Sponsorships allocation totaling €703,094*



* The aforementioned sponsorships amount does not include the amount of local sponsorship actions (implemented in most regions where the Corporation carries out its business activities) in relation to the enhancement of infrastructure works (churches, roads, electrification of public squares and sports fields, etc.), the support of local sports and cultural events, etc.

Procurement, by direct assignment of 100,000 pieces of metal roller coverings from the "Lighthouse for the Blind in Greece"

The Corporation's Management Board approved without tender, but by direct assignment, the procurement of 100,000 pieces of metal roller coverings from the non-profit organization "Lighthouse for the Blind in Greece", for a total amount of €50,000. The materials were manufactured by the organization's metal-processing plant, thus increasing its production activity and employing more visually impaired people. These materials were procured to meet the needs of the mines in the Lignite Center of Western Macedonia.

Sponsorship of a three-day cultural event held by the "Vocational Rehabilitation Center for the People with Special Needs" at Attiko Metro, Syntagma

The "Vocational Rehabilitation Center for the People with Special Needs", providing help to mentally ill people aged 14 or older, was founded in 1993 by the parents of People with Special Needs. The Center's key aim is to ensure that these people receive education and vocational training and the event, which was held for the 7th consecutive year, is a primary source of revenue for the Center. That is why we responded to the Center's request to sponsor this important initiative.

Invitations offered to PPC employees for the play "The last cigarette"

In celebration of the International Occupational Health and Safety Day, PPC reserved all tickets at the ANE-SIS theater, where the play "The last cigarette" was taking place. The play attempts to communicate a unique message to smokers, dealing with their dependency on smoking, an addiction which is often malignant or even fatal. The Occupational Health and Safety Department, in cooperation with the Communications Department, handed out the tickets to Corporation employees who smoke, thus making a practical contribution towards fighting smoking.

Financial aid to the “Bridge of Life” Association of Kozani Volunteer Blood Donors

The “Bridge of Life” Association of Kozani Volunteer Blood Donors has been performing very important work, not only by attracting volunteer blood donors, platelet donors as well as organ and bone marrow donors, but also by organizing blood donating programs and conventions concerning the donation of omphaloplacental blood and tissue, and organs. “Bridge of Life” covers 25% of the needs for platelets in Western and Central Macedonia. In recognition of the great importance of the social work carried out by the Association, which operates in Western Macedonia, an area closely linked to the Corporation, we proceeded to support its actions financially for the procurement of suitable infrastructure.

Donation of a piano to the Primary School of Maistros, in the Prefecture of Evros

We believe that musical education is a fundamental right of all children, particularly those growing up in frontier regions where the limited funds available for school committees are unable to cover the costs for purchasing key technical equipment. In accordance with this line of action, we responded to the request placed by the Principal of the Primary School of Maistros, purchased and donated a piano to be used for the musical education of the school’s 120 pupils, as well as those of neighboring schools.

Financial aid granted to the Directorate of Primary Education of the Prefecture of Serres to set up an environmental program

The Ministry of Education, Lifelong Learning and Religious Affairs has included environmental education in its key actions, in order to increase environmental awareness among young people. As we take a special interest in environmental education and awareness among young people, we provided the Directorate of Primary Education of the Prefecture of Serres with financial support for the development of a website accessible by all primary and secondary schools in the country. With support from this website, school students will be able to calculate their ecological footprint.

Saving storks in Xanthi – an example of Corporate Social Responsibility among PPC employees



An action taken by PPC employees in the area of Xanthi clearly proves that our employees are at the very heart of the Corporation’s corporate responsibility.

On Sunday 20.6.2010, at Vafeika in Xanthi a manmade stork’s nest which was placed on top of an electricity post tilted and the five small feathered nestlings fell to the ground. Two of them died instantly and one was injured.

People in the area contacted the Hellenic Wildlife Hospital, which in turn contacted PPC’s local Area Manager.

The PPC Manager and technical employees rushed to the area and installed a new nest for the nestlings and their parents.

Volunteer blood donation by PPC employees

Through an initiative developed initially by Local Labor Boards and when these were terminated through different associations and labor unions, our employees have participated in a range of volunteer blood donation programs. In 2010, this humanitarian activity was organized by 3 employee associations who were able to collect approximately 1,323 blood units. The following programs were implemented:

- Three blood donation actions by the Panhellenic Association of Employees, in cooperation with Alexandra Hospital (110 units).
- Seven volunteer blood donation actions by the Association of Administrative and Financial Employees, in cooperation with Laiko Hospital (213 units).
- Thirty seven actions by the Association of Technicians, in cooperation with Agia Sophia Children’s Hospital (approximately 1,000 units).

“Athens in Action”

PPC participated in the responsible action festival “Athens in Action” as a sponsor to the “ENERGY” theme section, held at Zappeion on 3-6 June 2010.

The aim of the “ENERGY” theme section was to provide children, as well as adults, with information on “friendly energy” issues, focusing primarily on RES. An effort was also made to highlight PPC’s projects and activities in the RES sector, as a leader in the sector, and special emphasis was placed on wetlands within PPC’s premises.

The following training activities for children were organized in the “ENERGY” theme section:

- Guided tour
Tour through the section, which was especially decorated to encourage education, helped children gain an insight into energy, RES and energy saving.
- Presentation
As a result of the presentations organized in a specifically-arranged area children had fun, asked questions and discussed issues about the environment and biodiversity.
- “I have energy” – experiential game
Mobility and theatrical games helped children understand how RES function.
- “Energy race” – floor game
Children competed in their knowledge of energy and energy saving.
- Arts workshop
Children expressed their views of energy through various arts, by using different materials.

“Athens in Action” was organized by the NGO QualityNet Foundation in cooperation with the Municipality of Athens, under the auspices of the following Ministries: Environment Energy and Climate Change, Transport, Education, and Foreign Affairs.



In 2010, within the social responsibility context, PPC Renewables:

- Participated with a group of employee volunteers in the voluntary planting of trees of Penteli, on the International Forestry Day. The initiative was taken by the Ministry of the Environment, Energy and Climate Change, in cooperation with the Association of Municipalities and Communities to Protect and Restore Penteli in the Attica Region. Family members of company employees also took part in the effort, highlighting the coexistence of business activity and “green philosophy”.
- Granted financial support to the “Smile of the Child”, a voluntary, nonprofit organization. Supporting an organization that helps children by protecting their rights and tackling serious problems in their daily lives, is in line with PPC Renewables’ vision for a better world.

4.4.4. Contribution to the preservation of our history

In an effort to make an active contribution towards preserving our cultural and historical heritage we arranged for the restoration of the Government House of Kapodistrias on the island of Aegina as it is a unique historic building of nationwide value and recognition. The building, which was used to house the first government of Greece as a free country, was at the same time the residence of Ioannis Kapodistrias. The budgeted cost of the initiative amounts to €1,500,000.

4.4.5. Fighting corruption

In 2010, there were no civil lawsuits against the Corporation or its employees for corruption issues. In dealing with employee-related corruption, not all cases are brought to court but some are referred to the Disciplinary Control Section and are handled by PPC’s Disciplinary Boards. In 2010, 130 incidents were identified and appropriate measures were taken.

ACTION CATEGORY	NUMBER OF INCIDENTS
Dismissal / removal	2
Disciplinary measures: Suspension	49
Disciplinary measures: Fine	1
Disciplinary measures: Written warning	40
Disciplinary measures: Verbal warning	27
Temporary suspension	11
Total	130

Furthermore, 5 cases were referred to civil courts (for embezzlement of funds from PPC by its contractors-agencies authorized by PPC to collect bill payments). These cases were heard in 2010 and relevant convictions were imposed.

4.4.6. Achieving regulatory and legislative compliance

PPC endeavors to comply with laws and regulatory provisions applicable to its operation and requires its partners to comply with these obligations / requirements as well. Therefore, PPC's CEO issued decision 96/31.05.2010, which requires that all PPC contractors and subcontractors comply with labor and social security laws. PPC also includes a general clause in all contracts which demands from contractors and potential subcontractors to comply with labor and social security laws related to their personnel. The decision also includes a provision for contract termination and exclusion of the contractor from future tenders held by the Corporation, in the event that the abovementioned clause is breached repeatedly. Payment to contractors is dependent, among other things upon the submission of all the documents requested by PPC in order to verify compliance with legally specified working hours, payment of wages (these cannot be lower than those specified in the relevant collective contract), strict observance of health and safety requirements and approval of the list of employees by the Social Security Organization (IKA) and the Social Inspection Department of the Labor Inspection Agency.

In 2010 there were 15 pending court cases for the Corporation relating to compliance with labor and social security laws and claims concerning payment of municipal fees through PPC electricity bills. Companies use injunctive measures against the Corporation refusing to pay municipal fees. With regards to these cases PPC attends the hearings in the Administrative Courts since the Corporation acts as an intermediary for their collection on behalf of the true beneficiary i.e. the Local Authorities.

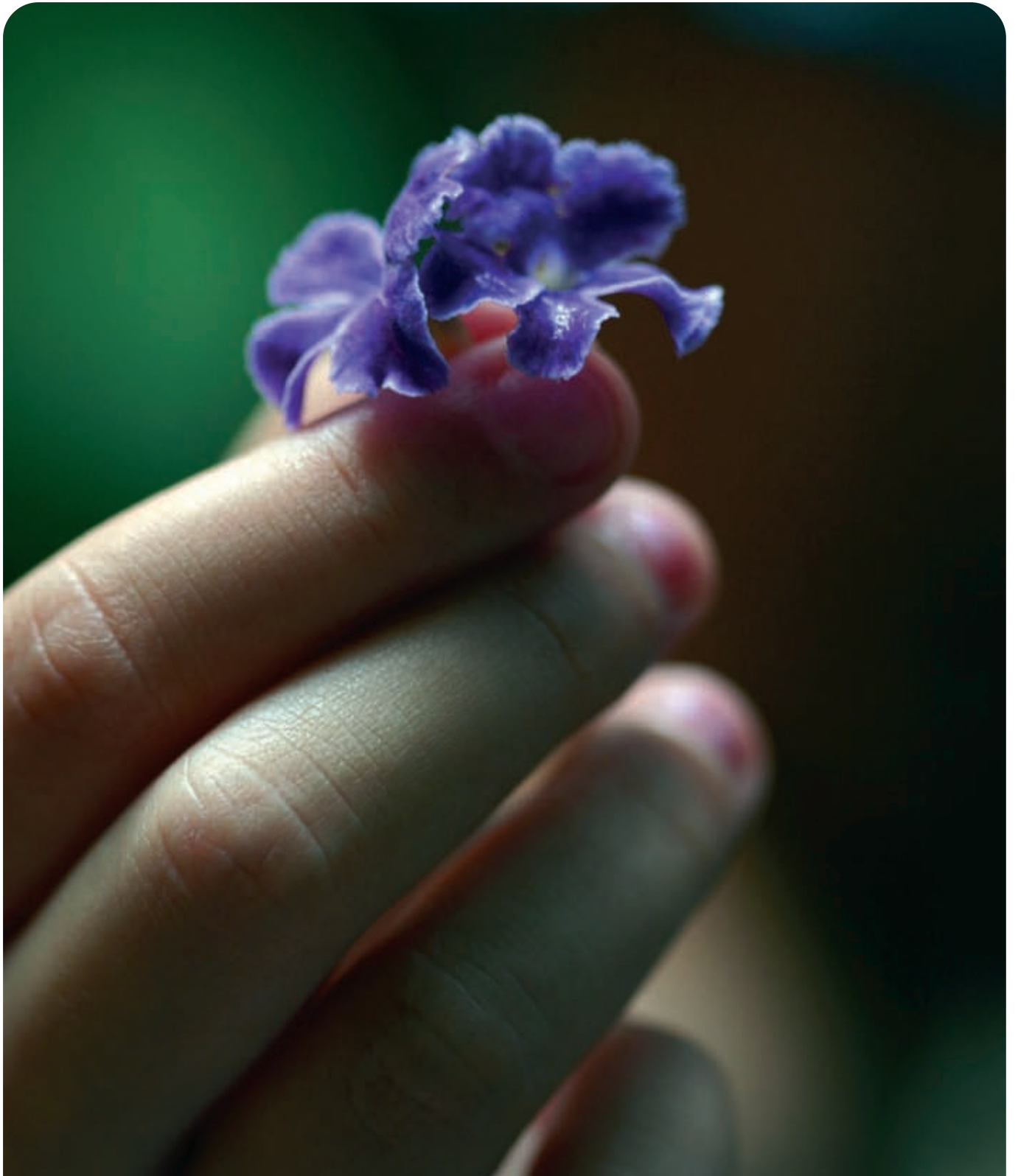
With regards to cases related to labor and social security laws we have lodged seven (7) actions and have therefore managed to suspend the enforcement of relevant fines until the final court rulings are issued. Wherever no agreement is reached between PPC and its labor unions when bargaining labor contracts for PPC's employees (e.g. in the case of excluded personnel), PPC reaches an agreement through arbitration in accordance with article 21 of Law 1264/1982 and in rare cases takes these cases to court.

The following table presents a detailed list of the Corporation's pending court cases in 2010.



BROADER SUBJECT / TOPIC	NUMBER OF CASES / INCIDENTS	FINE AMOUNT (€)	AUTHORITY IMPOSING THE FINE	PROGRESS
Labor / social security legislation	2	12,788.55	IKA/ETAM	Both cases are pending. They were imposed in late 2009 and actions were lodged by PPC in 2010
Claims concerning municipal fees paid through PPC electricity bills	7	0 (injunctive measures) No monetary fines at the expense of PPC.	Local Authorities against legal entities and subsequently applications for injunctive measures by legal entities against PPC	All 7 cases are pending
Labor legislation	4	5,500	Occupational Risk Prevention Center	All 4 cases are pending (actions lodged by PPC against the fine imposition decision)
Labor legislation	1	6,000	Labor Inspection Agency	The case is pending (action lodged by PPC against the fine imposition decision)
Electricity tariffs	1	0	Consumer Institute	The case has been pending since 2008
Total	15	24,288.55		15 pending cases

Finally, concerning court actions for anti-competitive behavior one case was pending in 2010 relating to a regulatory act (decision) of RAE on the mechanism used to impose fines relating to load deviations' declarations. PPC has taken action against this act as a number of its terms are deemed to be incompatible with applicable laws.



Environment

5. Participation to the protection of the environment

5.1 Care for the environment

Ensuring environmental protection is a key priority for PPC included in all of its fields of activity. In the mining activity we implement projects for the restoration and improvement of the environment. In the generation activity we use the best available techniques both in existing and new power plants, reducing primarily our pollutant emissions, while at the same time we take actions to

save energy and use it sensibly, by promoting district heating in towns that are close to our plants. In the transmission and distribution activities we prepare studies for the geographic location of lines and substations in accordance with the requirements laid down by European and international standards in order to minimize negative aesthetic impacts on the landscape.



Renewable Energy Sources projects all over Greece

Rationalized management of water resources

Participation in environmental initiatives

Environmentally friendly fuels for energy generation

Operation of Environmental Management Systems

Tree planting activity of over 400,000 saplings

5.1.1. Climate change and pollutant emissions

Climate change and the rise of average temperature on the planet are associated with a wide range of impacts. According to the Kyoto Protocol, EU Member States have pledged to reduce their greenhouse gas emissions by 8% until 2012 (from the level recorded in 1990).

To deal with climate change issues and in order to ensure our sustainable development we follow an integrated

energy strategy, including among other things, the reduction in carbon dioxide (CO₂) emissions, thus contributing towards the achievement of the targets laid down in the energy policy applied by the EU and the Ministry of the Environment, Energy and Climate Change for 2020.

Due to our energy strategy and the increasing penetration of both natural gas and RES in the fuel mix used for electricity generation in Greece, the Corporation's annual CO₂ emissions have been declining steadily since the launch of the European Emissions Trading Scheme (EU ETS).

CO₂ emissions data for 2010

TYPE OF FACILITY	CO ₂ EMISSIONS (tons)	ENERGY OUTPUT (MWh)	TONS OF CO ₂ PER MWh
Lignite plants	39,679,674		
Fuel oil plants	2,975,218	42,243,916	
Diesel plants	906,124		
Flue-gas desulfurization (FGD) facility	134,979		
Natural gas plants	2,732,732		1.021
Plants not included in the EU ETS	70,880	93,001	
RES plants*	0	3,194,683	
Total	46,499,607	45,531,600	

* Hydroelectric plants, small-scale hydroelectric plants, wind parks, photovoltaic plants, inclusive of PPC Renewables plants.

Allocation of CO₂ emissions allowances

To achieve the goal of reducing greenhouse gas emissions, amongst other issues, EU revised the EU ETS regarding electricity utility companies. From 2013 onwards, electricity producers will need to purchase all their emissions allowances through tenders held by EU Member States. Because of this, EU electric utility companies' effort for reducing greenhouse gas emissions needs to become more intense and systematic.

Our thermal power installations (thermoelectric plants) with a capacity of more than 20 MW are subject to the EU ETS. The EU ETS was established by the European Union with Directives 2003/87/EC and 2004/101/EC, which were transposed into Greek legislation by Joint Ministerial Decisions 54409/2632/2004 and 9267/468/2007.

The implementation period for the above Directives and Joint Ministerial Decisions is from 1.1.2005 to 31.12.2012. The first three-year period (2005-2007) was the zero implementation period of the Trading System ("preliminary" or "preparatory" phase) and the five-year period we are currently in (2008-2012) is the initial phase ("normal implementation" phase).

For each one of the above implementation phases a National Emissions Allowance Allocation Plan was prepared by each EU Member State, laying down the total number of allowances granted, which were then broken down into different activities (e.g. electricity

generation, cement industry, refineries, pottery industry, etc.) and "liable" facilities (e.g. Ptolemaida Thermal Power Plant, Agios Dimitrios Thermal Power Plant, etc.).

Each liable facility (in the case of electricity generation, every plant of a nominal thermal capacity of more than 20 MW) has to reduce CO₂ emissions to the levels set in the National Emissions Allowance Allocation Plan. If these levels are exceeded, it can use the "flexible mechanisms" to cover its deficit by purchasing allowances. "Flexible mechanisms" include: (a) purchasing emissions allowances from other liable facilities in the EU having surplus emissions allowances (these types of emissions allowances are called European Union Allowances - EUA), and (b) purchasing emissions allowances from CDM and JI projects.

For transparency reasons any emissions allowances granted for free and the verified CO₂ emissions for each facility in the European Union are posted annually on the DG CLIMA website (http://ec.europa.eu/clima/documentation/ets/registries_en.htm). These data are accessible to everyone.

According to the 2008-2012 National Emissions Allowance Allocation Plan, 219.32 Mt CO₂ have been granted to existing PPC plants/facilities. The corresponding number for 2010 is 44,622,049 t CO₂.

To ensure the best possible compliance with EU requirements on climate change we continue to implement our investment plan including:

- Investments for the substitution of older power plants with new, environmentally friendly, state-of-the-art, and highly efficient thermal and hydroelectric plants.
- More intense utilization of RES.
- Further development of Greece's hydrodynamic potential.
- Increase the use of natural gas in electricity generation.
- Upgrade of the existing facilities and operation in accordance with best available techniques.
- Application of efficient lignite burning technologies and participation in pioneering carbon capture and storage research programs.
- Further promotion of energy-saving and rationalized consumption actions, both in generation and demand for electricity (district heating in towns, improvement of the efficiency level of thermal power plants, etc.).
- Development and application of pioneering technologies such as "smart grids" and "smart meters".
- Continued participation in the "Energy Wisdom" program implemented by EURELECTRIC. The program is an initiative taken by European electric companies, members of EURELECTRIC, to increase energy efficiency and reduce greenhouse gas emissions.

We also took on important initiatives in 2010 in order to reduce the environmental impact of our operations, thus reducing emissions on an annual basis. The following, are the Corporation's initiatives:

- Permanent termination of the operation of Unit I of Ptolemaida Thermal Power Plant

Unit I of Ptolemaida Thermal Power Plant (operating since 1959) was permanently inactivated. This initiative helped the Corporation save approximately 550,000 tons of CO₂ emissions annually, while cutting down on SO₂, NO_x and particle emissions thus improving air quality in the broader region of Ptolemaida.

- Minimizing the use of diesel units in the Interconnected System

By only operating diesel Units III and IV of Aliveri Plant and Units I and II of Lavrion Plant during "critical" days and hours, the net energy generation was reduced to 97 GWh in 2010 as compared to 1,696 GWh in 2009 and 3,484 GWh in 2008. As a result, annual CO₂ emissions were reduced by 1.3 million tons as compared to the previous year.

- Minimizing the use of lignite Units I and II of Megalopolis Thermal Power Plant

Since 2008, Units I and II of Megalopolis Thermal Power Plant have been placed under a limited operation regime, i.e. 20,000 operating hours by the end of 2015. These Units were placed under a backup regime at the end of summer 2010 and will consume their few remaining operating hours within 2011. The reduced operation of these Units has helped further reduce CO₂ emissions in 2010 by approximately 1.8 million tons as compared to the previous year.

- Minimizing the operation of the lignite Unit of LIPTOL Thermal Power Plant

The operation of LIPTOL Lignite Plant was reduced substantially so as to cover only the Plant's district heating obligations to nearby Municipalities. Thus, whereas the Plant's net energy generation was 103 GWh in 2009, it was reduced to just 57 GWh in 2010. As a result, in addition to the positive outcome relating to SO₂, NO_x, and particle emissions, CO₂ emissions were also reduced by approximately 80,000 tons.

- Development of RES and other environmentally friendly projects

Increasing our share in the RES market through our subsidiary PPC Renewables is one of our key business goals. At the same time, in an effort to achieve, among other things, a reduction in CO₂ emissions, we continued the construction of three (3) large hydroelectric plants in 2010.

- Ilarionas: with a capacity of 153 MW; possible year of operational inclusion is 2012.
- Metsovitiko: with a capacity of 29 MW; possible year of operational inclusion is 2012.
- Mesochora: with a capacity of 160 MW; possible year of operational inclusion is 2014.

Furthermore, it is a strategic business goal for us to participate in tenders held in the Balkans for the construction and operation of hydroelectric plants of a capacity of 1,000 MW. According to our estimates, every 1 MWh generated by hydroelectric plants helps save approximately 0.7 tons of CO₂.





- Support of environmental projects in other countries (CDM and JI projects) – Obtaining CERs and ERUs emission credits at low prices, benefiting the end-consumer.

On the basis of an option offered by the EU ETS for the use of “flexible mechanisms” under the Kyoto Protocol, PPC uses the “Clean Development Mechanism” (CDM) and “Joint Implementation” (JI) schemes in order to:

- obtain (Certified Emissions Reductions - CERs - and/or Emission Reduction Units - ERUs) at advantageous prices (lower than stock exchange prices), benefiting the end consumer; and
- promote the financing and further development of environmentally friendly technologies (e.g. RES, energy saving projects, waste management projects, etc.) in developing countries.

Together with other companies we participate in “Carbon Funds” investing in a number of CDM and JI projects. There are for example the ICECAP Carbon Funds, the Credit Suisse Carbon Funds, the European Bank Carbon Funds, etc. Overall, our portfolio includes a total of 28 RES projects (mainly wind parks and small hydroelectric plants) and 12 energy saving and waste management projects.

We also participate in the fifth Energy Wisdom Program for the period 2010-2011. The program presents interesting and pioneering technologies to be used by the

Electricity Industry in order to contribute to the achievement of EU’s targets concerning energy efficiency and significant greenhouse gas emission reduction.

Finally, we make an active contribution towards looking into the prospects of pioneering technologies for “Carbon Capture and Storage” (CCS). In this area, the Corporation has made provisions for the following:

- The new natural gas plant under construction in Megalopolis and the new lignite plant to be constructed in Ptolemaida will be prepared for installation of CO₂ capture systems (CO₂ capture ready), when these become technically and financially viable, and environmentally acceptable, in accordance with the provisions of Directive 2001/80/EC and as amended by Directive 2009/29/EC. The Corporation will maintain its existing partnerships with the Institute of Geology and Mineral Exploration and the Institute for Solid Fuels Technology and Applications in order to find areas for and assess the cost of underground CO₂ storage respectively. During 2010 relevant information was provided through the Greek Section of the European Association of Geoscientists and Engineers.
- The Corporation’s participation in events and meetings held in Greece and abroad that concern this technology. For example, PPC participated in the 1st General Assembly of the Technology Platform “Zero Emission Plant” held in Brussels on 12-13.9.2010. PPC also participated in the presentation, by the Bellona Institute, of the Greek roadmap for the implementation of CCS technologies.

Atmospheric pollutant emissions (NO_x, SO_x, particles, etc.)

The main conventional atmospheric pollutants emitted by power plants are as follows:

- Sulfur dioxide (SO₂): Sulfur dioxide is formed when electricity is generated by thermal combustion plants due to the oxidation of the sulfur contained in the fuel. Consequently, its emissions are directly related to the sulfur content of the fuel. The first option for controlling sulfur dioxide emissions is to use a low sulfur content fuel. The use of fuel desulfurization systems helps drastically to cut down on sulfur dioxide emissions in the atmosphere.
- Nitrogen oxides (NO_x): Nitrogen oxides are formed when burning conventional fuels due to the oxidation of nitrogen contained in the fuel and due to the oxidation of the nitrogen contained in the atmosphere. They

include nitrogen monoxide (NO) and nitrogen dioxide (NO₂) at ratios of 90-95% and 5-10%, respectively. Reduction in nitrogen oxide emissions is achieved through properly controlled burning conditions and the use of de-nitrification technologies for flue gases.

- Particle emissions (dust): Dust is produced by the inorganic part of the fuel. During combustion, inorganic constituents of the fuel are turned into ash most of which is carried away with flue gases (fly ash). Due to their composition when solid fuels are burned they create larger amounts of dust than liquid fuel, whereas the respective emissions from the combustion of natural gas are considered negligible.

The total annual nitrogen oxide and particle emissions in 2010 from PPC's existing internal combustion engines are lower than the respective targets set for PPC plants included in the National Emission Reduction Plan referred to in Directive 2001/80/EC.



There was also a significant reduction in sulfur dioxide emissions from PPC's existing internal combustion engines in 2010, mainly due to the operation of the desulfurization system in Unit II of the Megalopolis Thermal Power Plant.

The reduction in sulfur dioxide emissions due to the operation of the desulfurization system in Unit II of the Megalopolis Thermal Power Plant is estimated approximately at 100 kt per year.

PPC is implementing a number of measures aimed at further reducing sulfur dioxide emissions from its lignite plants. In particular, the measures already implemented are:

- Mixing the fuel supplied to the Plant with lignite from the Kardias Mine in order to improve natural fuel desulfurization.
- Assessing the possibility of further reducing sulfur dioxide emissions by using the dry desulfurization method (infusion of hydrated lime into flue gas pipelines between the old and new electrostatic filters) (tests began in January 2010 and run until December 2011).

Competent bodies are regularly informed of atmospheric pollutant emissions through four-month and annual excess reports, as appropriate, in compliance with the decisions on the approval of Environmental Conditions. Immediate notification is provided (within 24 hours) when emission levels are exceeded due to failures in anti-pollution equipment, etc. Our thermal power plants with a capacity of over 50 MW are subject to legislation governing the use of best available techniques and are required to publish their annual gas emissions only if these are above a certain threshold set out by European legislation.

The table below presents emission levels in 2010 as disclosed to the European Pollutant Release and Transfer Register (E-PRTR, Regulation 166/2006/EC), by PPC for its liable plants.

POLLUTANT	QUANTITY (tons)
Sulfur oxides (SO _x)	159,000.000
Nitrogen oxides (NO _x)	77,800.000
Particle emissions (PM)	15,400.000
Lead (Pb)	1.300
Nickel (Ni)	0.027
Copper (Cu)	1.100
Chromium total (Cr)	2.100
Zinc (Zn)	0.880
Cadmium (Cd)	0.080
Mercury (Hg)	1.400
Arsenic (As)	0.800

5.1.2. Liquid waste and water effluence / discharge

All power plants operated by the Corporation have state-of-the-art systems for the treatment of their liquid waste in accordance with the provisions in the relevant decisions on the approval of environmental terms, as well as with the Best Available Techniques Manual for Large Combustion Plants. Water and treated liquid waste is always discharged in accordance with Joint Ministerial Decisions on the approval of the environmental conditions of the relevant thermal power plants.

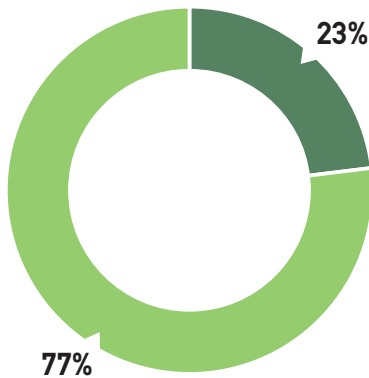
The first graph presents the quantities of seawater used for cooling PPC's plants in the Interconnected System and on the islands of Crete and Rhodes; these are estimated on the basis of the capacity of the pumps used by the plants at full load, and their operating hours.

The second graph presents the quantities of treated liquid waste for all PPC plants in the Interconnected System and on the islands of Crete and Rhodes.

Moreover, significant amount of treated waste of approximately 28 million m³ is used for downstream purposes, mainly for irrigation during summer months.

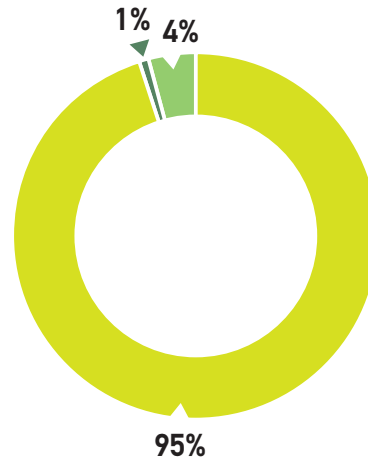
The quality of treated liquid waste is monitored constantly for atmospheric pollutant emissions and competent bodies, as previously mentioned, are also regularly informed about the quality of such waste in accordance with the provisions in the Joint Ministerial Decisions on the approval of environmental terms of the thermal power plants. More specifically, excess reports are filed on a four-month and annual basis and immediate information is provided within 24 hours when emission levels are exceeded due to failures in anti-pollution equipment, etc.

Cooling seawater totaling 989,892,235 m³



- Diesel plants: 230,960,000 m³
- Natural gas plants: 758,932,235 m³

Treated liquid waste totaling 39,282,099 m³



- Lignite plants: 37,403,591 m³
- Diesel plants: 458,665 m³
- Natural gas plants: 1,419,843 m³

5.1.3. Solid waste management

In 2010 we sold or recycled more than 38,000 tons of solid waste, mostly metals which were in turn disposed of by licensed companies. Approximately 2,250 tons of used mineral oil, waste lubricant oil of all types (lubricants, insulating materials, hydraulic materials, etc.), as well as waste fuel (oil and diesel) was removed and disposed. It should be noted that when changing and adding lubricants in the lignite mine areas, appropriate measures are implemented to prevent leakages and used lubricants are collected in tanks installed in the lignite mine areas or placed in barrels first and then within tanks. When lubricants are changed by crews, all appropriate measures are also implemented to collect lubricants in appropriate containers and then transfer them into tanks.

In the waste management field we work together with alternative management system companies such as EL-TEPE S.A., KEPED S.A., SYNDESIS S.A., AFIS S.A., ANA-KYKLOSI SYSKEVON S.A., EDOE S.A. as well as licensed waste collection, transportation, management and utilization companies in Greece and abroad, always in compliance with the relevant laws.

The tables below present a snapshot of the quantity and types of waste produced as well as the disposal methods used by PPC, especially by our three (3) responsible departments: the Mines Environment Department, the Material, Fuel, Purchasing and Transportation Department, and the Thermal Power Plants Operations Department. The data were included in PPC's annual waste producer reports that are submitted to the Ministry of the Environment, Energy and Climate Change.



WASTE DESCRIPTION	QUANTITY PRODUCED (tons)	DISPOSAL METHOD	MINES ENVIRONMENT DEPARTMENT
All types of mineral oil	507.05	Recycling	
Ferrous metal (scrap)	5,157.87	Recycling	
Used rubber drive belts	227.08	Recycling	
Batteries	0.10	Recycling	
Paper	38.00	Recycling	
Waste electronic equipment	3.18	Recycling	
Absorptive materials, filter materials, protective clothing, wiping cloths polluted with hazardous substances	9.34	Recycling / Disposal	
Total	5,942.62		
WASTE DESCRIPTION	QUANTITY PRODUCED (pieces)	MANAGEMENT METHOD	
Empty lubricant barrels	4,233	Recycling	
Empty ink containers	531	Recycling	
Total	4,764		

WASTE DESCRIPTION	QUANTITY PRODUCED (tons)	MANAGEMENT METHOD	MATERIAL, FUEL, PURCHASING AND TRANSPORTATION DEPARTMENT
Network conduits (Al, Cu, ACSR, etc.)	8,952.81	Sale (tenders)	
Different types of cables	1,924.83	Sale (tenders)	
Transformers	2,081.13	Sale (after removing oil or other lubricants) (tenders)	
Metals	14,573.44	Sale (tenders)	
Other materials	389.65	Sale (tenders)	
Total	27,921.86		
WASTE DESCRIPTION	QUANTITY PRODUCED (pieces)	MANAGEMENT METHOD	
Vehicles	564	Withdrawal - recycling Sale (tenders)	
Total	564		

WASTE DESCRIPTION	QUANTITY PRODUCED (tons)	MANAGEMENT METHOD	THERMAL POWER PLANTS OPERATIONS DEPARTMENT
Fly ash and dust from diesel boilers	1,099.07	Recycling	
Sludge from onsite treatment of discharged liquids containing hazardous substances	259.05	Recycling	
All types of mineral oil	892.85	Recycling / Disposal	
Waste oil and diesel	847.73	Recycling	
Absorptive materials, filter materials, protective clothing, wiping cloths polluted with hazardous substances	14.11	Recycling / Disposal	
Vehicles at the end of their life cycle	74.65	Recycling (5 pieces)	
Organic waste containing hazardous substances	14.86	Recycling	
Disposable organic chemicals consisting of or containing, hazardous substances	8.10	Disposal	
All types of batteries	15.73	Recycling	
Waste from cleaning transportation and storage tanks and barrels containing diesel	369.29	Recycling / Disposal	
Debris containing hazardous substances, from excavation works	484.20	Disposal	
Insulation materials containing asbestos	6.00	Disposal	
Construction materials containing asbestos	159.01	Disposal	
Fluorescent lamps and other waste containing mercury	1.51	Recycling	
Unsorted batteries and accumulators	1.82	Recycling	
Total	4,246.16		

In accordance with the European REACH Regulation (Regulation 1907/2006/EC) any quantities of by-products generated from the burning of lignite mainly by electricity producers, which are in turn forwarded to the market, must not be treated as waste but as chemicals substances, which could be widely used as additives in the production of cement, as direct substitutes of cement, in road construction, restoration of exhausted mines, production of gypsum, etc. PPC has already registered the ash in accordance with the above European Regulation since 2010. The registration number assigned to the ash by the European Chemicals Agency is 01-2119491179-27-0086. The burning of lignite in the Corporation's thermal power plants during 2010 produced approximately 10.9 million tons of ash, consisting of 9.5 million tons of fly ash, 0.6 million tons of liquid ash, and 0.8 million tons of gypsum. Of this quantity, 0.75 million tons of fly ash were sold to cement industries and the rest was disposed in disposal - restoration areas, except for a small percentage used for worksite road construction and earth fill works in our lignite mines.

Cross-border transportation of hazardous waste

The responsibility for managing PPC's hazardous and non-hazardous waste lies with the Occupational Health and Safety Department. The disposal of potentially hazardous waste is done mainly by shipping it abroad by specially licensed companies.

In 2010, a total 201.55 tons of hazardous waste was removed from the Corporation's plants to be subjected to treatment abroad. The data per type of waste, as presented in the relevant graph, are obtained from the record of contracts kept by the Material, Fuel, Purchasing and Transportation Department and from the safe disposal/destruction certificates received from each Contracting company.

In 2010, we participated in the Ni-Cd battery management program through the SYNDESIS alternative management system. The quantities to be disposed are gathered

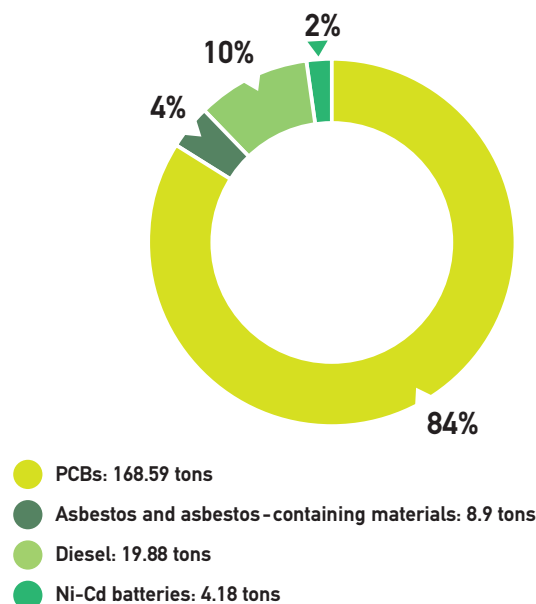
in special containers installed in our premises and, after contacting SYNDESIS, the gathered quantities are disposed abroad.

In order to protect the health of employees, the removal of asbestos from workplaces was continued in many cases, even though there is no such legal obligation.

We implemented a program for removing and cleaning all appliances that either contain, or are polluted with PCBs, in order to eliminate them in accordance with relevant legislation. All appliances removed from the network are checked for PCBs even if there is certainty that they are not polluted.

Almost 20 tons of diesel residue was removed and disposed in 2010, to be treated abroad. The procedure is implemented within the framework of a long-term contract between the Corporation and through a company licensed by the Ministry of the Environment, Energy and Climate Change for the cross-border transportation and disposal of its hazardous waste.

Weight of PPC's Hazardous Waste transported across borders (outside of Greece) totaling 201.55 tons



5.1.4. Materials used

The key materials used by PPC to generate electricity are fuels, lignite in particular - in fact the only fossil fuel produced in Greece. We used a relatively small quantity of biomass as a substitute for fossil fuels in 2010 as part of a pilot program implemented by the Corporation for the reduction of greenhouse gas emissions. We also used significant quantities of limestone for the desulfurization of flue gases from certain thermal power plants. The management of lubricants and mineral oils used in transformers and mechanical equipment is very important from an environmental point of view. As a result of the PCB elimination policy that we are implementing, the quantity of used PCB-containing lubricants has been minimized and is soon to be completely eliminated.

Substituting fossil fuels: experimental use of biomass

In the summer of 2010 a quantity of biomass was consumed experimentally at Kardias Thermal Power Plant. This biomass was grown by local farmers. Specifically, cardoon ("wild artichoke") was cultivated to examine its energy potential and to be used as fuel at Kardias Thermal Power Plant by being mixed with lignite. The aim of the program was to examine all technical, functional and financial parameters and reach conclusions (optimum ratio, impact on equipment, modifications, biomass management, biomass price, and benefit relating to CO₂ emissions) concerning the use of this vegetation plant in the future. Plans have been made for repeated longer tests in 2011. A total of 1,604 t biomass were received from local farmers and consumed in 2010 and respective CO₂ emissions were reduced by 2,240 t.



MATERIALS/FUELS	QUANTITY
Lignite (tons)	57,655,745
Hard coal (tons)	158,046
Low sulfur fuel oil (tons)	957,670
Diesel (kilolitres)	385,525
Natural gas (kNm ³)	1,051,870
LPG (kNm ³)	267,959
Desulfurization limestone (tons)	426,245
PCB-free lubricants and mineral oils (tons)	4,930
PCB lubricants and mineral oils (kilolitres)	2.3

5.1.5. Energy self-consumption

In 2010, 1,065,417 GJ of energy was consumed during the operation of PPC’s power plants as well as for trial energy generation operations.

5.1.6. Water management

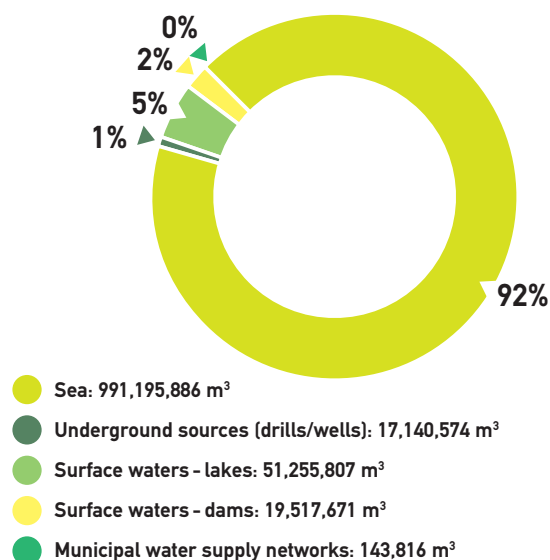
PPC recognizes that the existence and adequacy of water resources is inherently linked to environmental preservation and social progress. We implement measures and develop preventive actions in order to ensure the protection and correct use of water. Corporation’s initiatives are marked with reliability and are implemented to maximize the overall social, regional and environmental benefits from the combined use of its projects.

Corporation’s major construction projects of river dams and artificial lakes (reservoirs), which make use of Greece’s water potential, can be characterized as having great importance and usability, especially if we take into

account that the need for water is ever increasing and the need for storage and rational use of water is now an imperative need. PPC has constructed artificial lakes in Tavropos (Megdovas), Acheloos, Aliakmonas, Edessaïos, Nestos, Arachthos, Louros, Aaos and Ladonas rivers. Our hydroelectric projects lead to multiple benefits, and meet social needs, such as water supply, irrigation and flood protection. They also ensure a minimum flow of water into river beds (ecological supply) even in periods of extreme drought, thus making a substantial contribution towards the protection and management of Greece’s water resources. By utilizing domestic resources these projects help reduce the Greece’s energy dependence on foreign countries, while at the same time substitute fossil fuels, helping to reduce the greenhouse effect impacts.

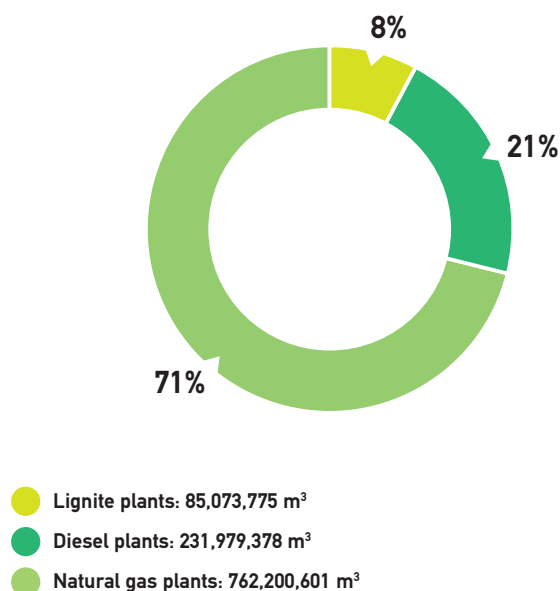
In areas where PPC projects are implemented, water is withdrawn for various purposes such as the cooling of power plants and meeting the needs of the mines in the respective areas. Especially for the mining areas, underground and surface water is withdrawn systematically to ensure their safe operation.

Thermal Power Plants Operations Department
Quantity of water* withdrawn per source totaling
1,079,253,754 m³



* Inclusive of the amount of seawater used for cooling purposes (989,892,235 m³).

Thermal Power Plants Operations Department
Quantity of water* withdrawn totaling 1,079,253,754 m³



* Inclusive of the amount of seawater used for cooling purposes (989,892,235 m³).

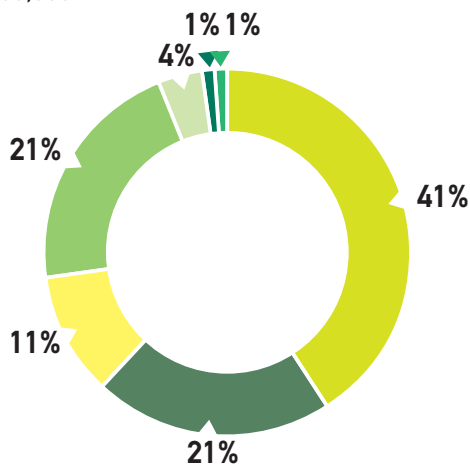
More specifically, in order to protect excavation sites from the ingress of water into the floor of the terraces, drainage wells are drilled perimetrically around the mines and underground water is systematically pumped from them to control the level of the aquifer horizon (to lower it). This results in a local change to the hydrologic and hydrogeologic state in the area around the mines.

Surface water is withdrawn by pumping stations on mine floors. Water quantities depend on precipitation (rainfall, snowfall) and the amount of water coming from the drainage basin of each mine. This drainage work carried out in the mines is a dynamic condition, which changes con-

stantly as mining work progresses and both the drill locations and the amounts of water to be drilled are determined on the basis of relevant studies and research programs.

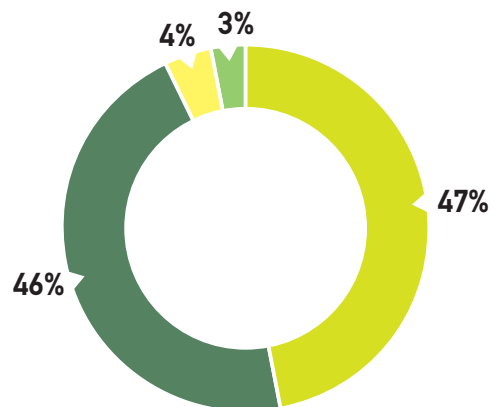
Special care is taken to ensure the correct management of pumped water. "Clean" water (which is water pumped from wells) is used for the following purposes, listed by order of importance: farmland irrigation, water supply to towns, settlements and building facilities in the mining areas. Any surplus is channeled into natural receivers in the surrounding area increasing the water potential and improving its quality, considering that this is "clean" water drawn from wells.

Hydroelectric Generation Department
Water discharge per reservoir location totaling 14,264,000,000 m³



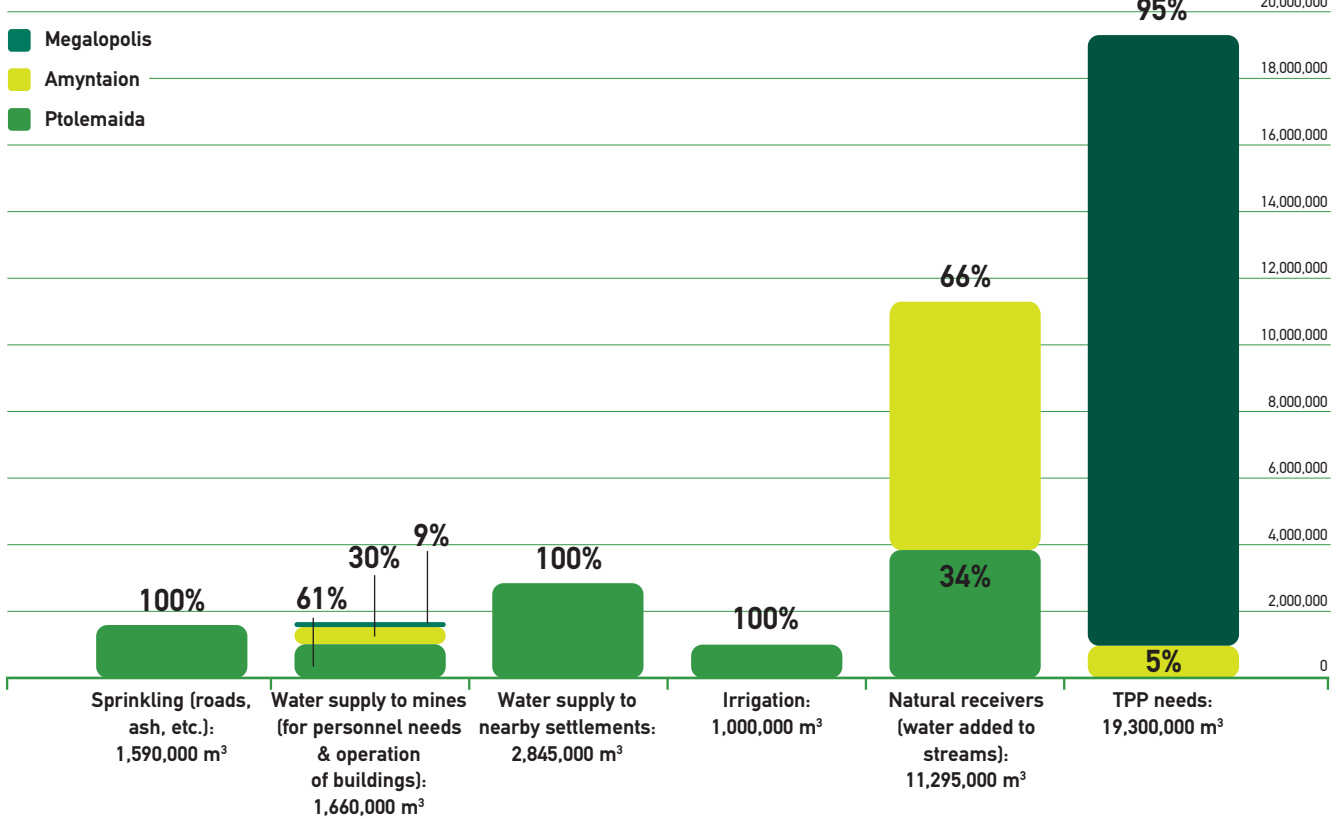
- Acheloos (Kremasta, Kastraki, Stratos): 5,837,000,000 m³
- Aliakmon (Polyfyto, Sfikia, Asomata): 3,012,000,000 m³
- Nestos (Thisavros, Platanovrysi): 1,613,000,000 m³
- Arachthos (Pournari I & II), Aaos: 2,979,000,000 m³
- Ladonas (Ladonas HPP): 532,000,000 m³
- Tavropos (N. Plastira HPP): 212,000,000 m³
- Agras, Edesaioi: 79,000,000 m³

Hydroelectric Generation Department
Water disposal per usage type totaling 2,649,000,000 m³



- Irrigation: 1,256,000,000 m³
- Ecological supply: 1,221,000,000 m³
- Water supply: 107,000,000 m³
- TPP cooling: 65,000,000 m³

Mines Environment Department
 Water disposal per usage type totaling 37,690,000 m³



PPC actively participates in water management improvement initiatives nationally and internationally. PPC’s participation in WBCSD’s Water Working Group (WG Water) is important as the latter represents enterprises from around the world and communicates their position on sustainable development. The Working Group is developing a Global Water Tool to record the use of water by electric utility companies in accordance with the GRI international standard. The development of the tool includes electricity generation by hydroelectric and thermal power plants, geothermal energy, wind turbines, and solar and photovoltaic systems. The objectives of the tool are:

- To assess the risks and opportunities relating to water withdrawal and consumption by electric utility companies.
- To facilitate water recording for any water utilities that have not kept such records so far.

- To facilitate the recording of the best practices for water usage and the development of documentation standards for the electric utility sector.

As part of the adoption of best practice policies and implementation actions by the Corporation, we indicatively refer to the completion of the preliminary study and budget for the construction of a large pumping and reservoir complex (at Kastraki II - Alevrada); the project will be able to utilize the energy from wind turbines to pump water from Kastraki reservoir and to store it in a reservoir located higher than Kremasta reservoir in order to generate electricity during hours of peak demand. It will also be able to utilize wind energy, when its absorption is impossible for technical reasons, in order to maximize the use of the energy generated by wind turbines.

Moreover, in 2010, a year of increased water availability and following consultations with competent Regional Authorities relevant decisions were made concerning the quantities of water to be used for irrigation and water supply, and the relevant Joint Ministerial Decisions were issued. A study addressing any additional projects that may be required as well as the operational mode of hydroelectric projects in Acheloos river, ultimately aiming at homogenizing the flow downstream of the output point of the discharge canal of Stratos HPP, was submitted for approval to the responsible department of the Ministry of the Environment, Energy and Climate Change. The ecological supply was also calculated to examine whether the approved supply should be adjusted taking into account new hydrological data.

Concerning gradual implementation of Directive 2000/60/EC (water framework Directive), PPC:

- Ensured the installation of water quantity and quality monitoring in its plants in Nestos, Acheloos, Aaos and Arachthos rivers and in Polyfyton Lake, and developed measurement networks with automatic electronic analyzers, data and meteorological parameter recording, and remote transmission systems at the responsible Water Regional Authorities.
- Set up a working group responsible for gathering, transmitting and processing information that concerns the water services cost recovery policy, under Directive 2000/60/EC, developing relevant positions and making recommendations for relevant Corporation's actions. The compilation of Management Plans for the Water Districts in Greece by the Greek State has been severely delayed; according to the Directive they should have been established by the end of 2009.



Withdrawal from a water system may affect the environment by lowering the level of the aquifer horizon or by modifying an ecosystem's preservation and development ability. As far as controlling the quantity and quality of water resources is concerned, PPC has a standard monitoring network in place comprised of two parts; a highly reliable rainfall and meteorological measurement network with measurement stations set up mainly in mountainous regions, and a hydrometric network with stations measuring the supply of water into rivers. The latter is unique in Greece as it is able to systematically gather complete and reliable information to estimate the water flow of rivers continuously or on a daily basis. The data gathered, besides being utilized for the needs of

the Corporation and the safe planning of public and private projects, are necessary for Greece to comply with Directive 2000/60/EC concerning the preparation of management plans for catchment areas, the drawing up of environmental impact assessments and the overall monitoring of the quality of water.

The table below presents the water sources affected by water withdrawal from our (thermal and hydroelectric) power plants as well as those located in protected areas included in the Natura 2000 European Ecological Network, which are host to important natural habitats and habitats of species.

WATER SOURCE NAME	TYPE	PROTECTION REGIME
Agya, Chania*	Lake	NATURA 2000
Almyros, Chania*	Lake (discharge)	NATURA 2000
Acheloos (Kremasta HPP, Kastraki HPP, Stratos HPP)	Artificial lakes	None
Aliakmonas (Polyfyton HPP, Sfikia HPP)	Artificial lakes	None
Aliakmonas (Asomata HPP)	Artificial lake	NATURA 2000
Agras	Artificial lake	NATURA 2000
Nestos (Thisavros HPP, Platanovrysi HPP)	Artificial lakes	NATURA 2000
Arachthos (Pournari HPP I and II)	Artificial lakes	None
Aoos	Artificial lake	NATURA 2000
Ladonas (Ladonas HPP)	Artificial lake	None
Tavropos (Plastiras HPP)	Artificial lake	NATURA 2000

* These water sources are under the responsibility of PPC Renewables. There is a specific contract in force between PPC and PPC Renewables stipulating that the responsibility for the operation of SHPPs and the monitoring of water quality in specific lakes, in compliance with the approved environmental terms of SHPPs, lies with the Chania TPP.

Projects implemented towards the minimization of consumption from local water resources

In line with PPC's commitment to make sensible use of available water resources, the Corporation has decided to implement projects aimed at minimizing the use of local water resources at seaside and island plants.

Following are the projects implemented within the last two years or which are close to their completion date:

- Installation of a reverse osmosis seawater desalination unit with capacity 960 m³/day at Rhodes TPP. In addition to ensuring water supply to the plant, the project aimed at restoring the downgraded underground aquifer horizon and increasing underground water reserves in an island region, where (in particular during summertime) the need for water is increased due to the operation of large tourist accommodation establishments as well as from the increased irrigation needs of nearby farmlands. It should be noted that in the future it will be possible to make surplus amounts of water from desalination, which will be available for irrigation purposes.

- Installation of a reverse osmosis seawater desalination unit with capacity 1,000 m³/day at Linoperamata TPP. The project aimed at making water supply to the plant independent of external factors, and reducing the need for untreated water from the local underground aquifer horizon. This plant is also located in a tourist area with increased water supply needs (particularly in the summertime) and therefore PPC's intervention is very important from an environmental aspect.
- Installation of a reverse osmosis seawater desalination unit with capacity 1,000 m³/day at Agios Georgios TPP. The project aimed at making water supply to the plant independent of the water supply network used by the Athens - Piraeus urban complex, and reducing the need for untreated water, making it available for other purposes, thus saving water to be used for the capital's increased water supply needs.

It should be noted that PPC set up and operated seawater desalination units at Lavrion and Atherinolakkos TPPs for a number of years resulting in similar environmental benefits.

5.1.7. Visual impact

The environmental policy for our transmission system is aimed at bringing our operations in harmony with applicable laws and minimizing the impact of our operations on the environment. This policy addresses the impact of transmission operations on the landscape at all stages of development studies for the location of new transmission lines, substations and ultra high voltage centers; its applicability is ensured through the following measures:

- We paint transmission lines as appropriate to make them less visible and avoid their installation on mountaintops or conspicuous locations.
- We plant trees and where necessary, create green belts with fast-growing trees along the fences of substations and ultra high voltage centers to block any visual contact with the facilities.
- We plan the use of neutrally painted, environmentally friendly, electrical elements at new substations and ultra high voltage centers.

- We keep upgrading our transmission installations (lines, substations and ultra high voltage centers) and take appropriate measures, by utilizing state-of-the-art technologies applied by other European countries, in their design, construction and maintenance making them compatible with changing technological and environmental requirements.
- When carrying out maintenance and upgrade works on the transmission system we take into account all national and EU directives and relevant laws, to minimize environmental impacts. Furthermore, maintenance is scheduled at specific times to ensure minimum impact on farming operations.
- We use appropriate vehicles to reduce damage to crops and wherever damage is done, we compensate for it in accordance with the law.
- We use low-noise transformers to reduce noise pollution.
- We protect natural resources by implementing such measures as tree pruning, ground vegetation clearance around selected elements of the overhead lines, and regular network inspections with state-of-the-art thermal imagers.

Compact substations

The increased demand for top quality electricity in urban areas and the effort made to minimize visual impact have resulted in the design and manufacture of new closed-type high voltage substations (in buildings). De-

spite the elevated cost we construct closed substation structures in densely populated areas, or areas of specific characteristics. These are supplied via underground lines given that it is impossible to install overhead high voltage lines in densely populated areas. We are currently operating seven (7) such substations in Attica, two (2) in Thessalonica, one (1) on the island of Rhodes and one (1) in Irakleion, on the island of Crete, with excellent results. Compact 150 kV gates are used, where necessary, to reduce outdoor substation networking.

Underground networks

Aesthetic interventions are applied in order for network installation to be environmentally friendly. In protected locations or traditional and tourist settlements we install compact substations or route our networks underground, in cooperation with local authorities. Special emphasis was placed on the development of underground networks in 2010 resulting in the construction of twice as many than in the previous years. This was also due to the implementation of our distribution network aesthetic upgrading policy according to which construction costs are shared by the Distribution Division and the interested parties on a 50%-50% basis.

Moreover, through the installation of submerged cables, the independent diesel generation units are replaced according to the island interconnection program. This will make the Corporation less dependent on diesel and will improve customer service, both regarding voltage quality and supply outages.

5.1.8. Biodiversity

Lignite exploitation consists of the extraction, transportation and storage of the materials (lignite and its aggregates). Surface lignite extraction results in occupying large strips of land for long periods of time, modifying the morphology of the ground, disrupting the flora and fauna in the area, relocating settlements and population, roads and railroad networks, emitting dust and gaseous pollutants as well as a significant amount of noise, vibrations, solid and liquid waste.

For PPC, landscape restoration in the areas where its mining, generation, transmission and distribution activities are carried out, is aimed at preserving biodiversity and reducing visual impact; it is highly important from an ecological, social, and financial point of view and thus it is taken into account quite seriously throughout the Corporation's decision-making process. The efforts we are making aim at optimizing the restoration method and the choice of the most appropriate end use in accordance with the following parameters:

- Soil morphology and climate.
- Ecosystem variables upon completion of the mining activity.
- Anthropogeography and socioeconomic structure.
- Prevailing land uses and the need for these uses.

For project areas within natural habitats or protected regions relevant studies are prepared and programs are implemented to restore the natural balance to the relevant ecosystems. The restoration techniques we use, in addition to being in harmony with EU and national legislation, are also supported by appropriate scientific methods to ensure optimum results.

Following are some examples of cooperation with third parties in planning and implementing restoration/management programs which began and/or were completed in 2010:

- At Megalopolis Lignite Center we continued our collaboration with the Municipality to deliver farming areas with a surface of 2,000,000 m² in the restored Western external storage area of Choremon. In 2010 we continued the delimitation of farming areas by cre-

ating 7 km of gravel-paved roads and wind barriers, and we planted 10,000 trees along the roads.

- A memorandum of cooperation was signed between the Ministry of Culture and Tourism and the Mines Division in order to strictly comply with the environmental obligations related to Kyparissia Mine, which is next to an archaeological site.
- In Western Macedonia Lignite Center we continued our collaboration with the Aristotelian University of Thessalonica and the Technological Educational Institute of Western Macedonia within the framework of a research program implemented for PPC, which was aimed at estimating the contribution of mines to dust emissions from activities at the sources and at the recipients. We also continued our collaboration with the Aristotelian University of Thessalonica in carrying out soil chemical analyses from the mining areas.
- We continued our cooperation with the Thessalonica Edaphology Institute to prepare a specific forestry engineering study, including a recommendation for a combination of vegetation plants to be used in soil restoration.
- A decision was made to finance a strategic study for the integrated planning of the development, improvement of environmental conditions and landscape restoration in the energy axis of Kozani-Ptolemaida-Florina. The financing will be governed by an agreement between PPC, the Region of Western Macedonia, and the Ministry of the Environment, Energy and Climate Change.
- We promoted more environmentally friendly materials, e.g. by replacing bare overhead conduits with twisted cables in order to reduce the long-term environmental impact caused by distribution networks. By using twisted cables we reduced the need for utilizing trees derived from forests.
- We planted 1,000 saplings (donated by the Ministry of Agriculture) in the old clay storage area, in Asomata of Aliakmonas river.
- In the areas under restoration, at Western Macedonia Lignite Center, we continued in accordance with recommendations from NAGREF the cultivation of eleven types of fruit-bearing trees and grains, i.e. plum trees,

apple trees, peach trees, vines, wheat, barley, oats, alfalfa, sunflower, corn and rape.

- In Nestos region (Thisavros), in cooperation with NAGREF-FRI, we gathered and transported 1,955 fish from Thisavros reservoir to Nestos river and vice versa. The following numbers and fish species were transported: (a) *Squalius orpheus*: 900; (b) *Bargus strumicae*: 551; (c) *Chondrostoma vardarensis*: 120; and (d) *Alburnoides bipunctatus*: 384.

Moreover during 2010 and in line with our responsibility to reduce the impact of our operations on our areas:

- We restored 5 different regions with a total surface area of 2,884,000 m² by planting 393,500 acacia trees. The saplings planted were counted by the supervising authority during the planting process and a topographic diagram of the region, where the trees were planted, was produced.
- We planted 1,700 saplings in Nestos region (Thisavros) with a surface area of 150,000 m² and in accordance with the forestry engineering study.

- We formed slopes in a region with a surface area of approximately 26,000 m² around Aliakmonas river (Asomata). This continued action includes the sowing of 20 kg of grass (*Cynodon dactylon*).
- We formulated 6 regions with a total surface area of 460,000 m², for special activities implementation. These areas are located in the Municipalities of Servia and Filotas at which we created suburban greenery areas and at Ilarionas Hydroelectric Power Plant, at which we performed planting to ensure the cohesion of slopes and to restore the environment in inert material storage areas.

It should be noted that, by 2010, no areas where PPC carried out mining and extractive activities were located in the NATURA 2000 network or in protected areas.

The table below presents the surface area of PPC's hydroelectric facilities that are in designated protected areas in accordance with the NATURA maps of the Ministry of the Environment, Energy and Climate Change.

PROTECTED AREA	SURFACE AREA OF PPC'S HYDROELECTRIC FACILITIES (km ²)
Aliakmonas (Asomata)	2.50
Agras	8.08
Aoos	8.64
Nestos (Thisavros)	18.00
Nestos (Platanovrysi)	3.00
Tavropos (N. Plastiras HPP)	25.00
Total	65.22

Strategy and action plans for reducing impacts on biodiversity

Due to national and European legislation on the development of specific biodiversity restoration / management strategy, actions or plans, PPC has prepared appropriate studies and programs (as required by the Joint Ministerial Decisions regarding the approval of environmental terms and wherever there are such habitats in its jurisdiction e.g. in hydroelectric plants) in order to fully comply with environmental legislation.

In particular:

- We work together with HCMR and NAGREF to prepare ecosystem balance studies for the protection of flora and fauna. These studies pertain to the management of fish population in reservoirs where, after the construction of dams and due to the difference in height, the travel route has been blocked and the construction of a fish canal is not possible. For example, such studies have been prepared for Nestor river, for Aliakmonas river in the area of Ilarionas Hydroelectric Power Plant, for the complex of lakes in Acheloos riverbed and downstream thereof and for the reservoir in Ladonas river. To preserve and protect biodiversity, artificial wetlands were created in the reservoir of Agia Varvara and at Ladonas Hydroelectric Power Plant.
- The Distribution Division worked together with the School of Veterinary Medicine of the Aristotelian University of Thessalonica to identify bear passages (claw imprints and marks on wooden posts in Kastoria region).
- PPC makes sure that storks and other wild birds fly through and stay inside Greece safely. Specific interventions were made at certain parts of the distribution network in a number of areas around Greece, where, in collaboration with the relevant authorities and bodies (e.g. the Hellenic Ornithological Society), young storks were protected when they failed to land on their nests properly during their initial attempts to fly (reported by the Hellenic Wildlife Hospital). Two special insulating coverings were installed on the live conduits around PPC posts in Sounion region as these are used by storks during their annual migration to Africa.
- In certain areas at Megalopolis Lignite Center operates a partridge reserve and a small habitats complex. In the latter, hunting is prohibited, resulting in the development of a significant population of waterfowl.
- Currently in experimental stage, PPC is implementing the installation of completely insulating coverings at substation locations in the area of Chalastra in Western Thessalonica near Axios river delta, and in parts of the lines that are near trees or are installed in bird passages, in Tycherio, Evros, and in the Large Prespa lake.
- Fixed ecosystems for forest plants are created within the storage areas of Ptolemaida mines, including special vegetation plant combinations that are appropriate for the respective soil types.
- PPC, in collaboration with the University of Patras, is preparing a study titled "Environmental monitoring of the natural and chemical parameters in the reservoirs of Pournari I and II Hydroelectric Plants and in part of Arachthos river by installing and operating an experimental automated telemetry network".
- An automated station for monitoring the natural and chemical parameters is being installed and operated in the artificial lake of Kastrakion. The station is part of the network that will be installed in the artificial lakes of Kremasta, Kastrakion and Stratos and in Acheloos river, down to its estuary. The relevant study was prepared by the University of Ioannina.

In addition to the above, we also support NGOs and other organizations by offering biodiversity related sponsorships.

With environmental protection being one of its core values, PPC Renewables places particular emphasis on the protection of biodiversity. Before any RES projects are constructed, appropriate ornithological studies and environmental impact assessments are prepared, as appropriate.

5.2 Compliance with environmental legislation

By virtue of a decision taken by the Special Environmental Inspectors Agency of the Ministry of the Environment, Energy and Climate Change a fine of €469,000 was imposed on the Corporation relating to the operation of Ptolemaida Thermal Power Plant in 2010. Furthermore, by virtue of an opinion issued by the Town Planning De-

partment, a monetary fine was imposed on PPC which amounted to €751,000 for legalizing the 150/20kV High Voltage Center at "Schisto, Korydallos". In addition to the above, fines amounting to €736,000 were imposed on the Corporation for environmental issues.



5.3 Pursue of constant improvement

PPC is fully aware of its role in the effort to make the environment better. In implementing and constantly assessing our Environmental Policy we are taking all necessary measures and in addition, voluntarily certifying our Environmental Management Systems (EMS) for all generation facilities (power plants and lignite centers) according to ISO 14001:2004. The procedure followed for developing and implementing the EMS, according to ISO 14001, includes the following:

- Defining the Environmental Policy for our power plants and lignite centers.
- Designing the EMS:
 - Identifying any activities inside the facilities that interact with the environment and assessing their environmental impacts.
 - Setting forth environmental objectives and goals for our facilities and the actions that need to be taken in order to improve their environmental performance as well as drafting environmental programs.
 - Planning a variety of actions and preparing a time-plan for their implementation.
- Implementing and operating the EMS including, among other things, specialized training for facility employees on ISO 14001:2004, internal audit and corrective actions.
- Review of the EMS by the Environmental Management Board of each power plant .

In line with the above, Accredited Bodies reassessed the certified according to ISO 14001:2004 Environmental Management Systems at the Thermal Power Plants of Komotini, Meliti, Amyntaion-Filotas, Kardias, Agios Dimitrios, Keratea-Lavrion, Agios Georgios and Chania, and the Hydroelectric Complex of Nestos. Additionally, the Environmental Management Systems at the Thermal Power Plants of Aliverion, Megalopolis A' and Megalopolis B', as well as the Hydroelectric Power Plant of Ladonas were accredited according to ISO 14001:2004. Finally, contracts were in force at the end of the year for the development, implementation and support of the accreditation process for Environmental Management Sys-

tems according to ISO 14001:2004 at the Complexes of Arachthos (Thermal Power Plants of Pournari I and Pournari II, and of Aaos), Aliakmonas (Thermal Power Plants of Polyfyton, Sfikia, Asomata and Hydroelectric Power Plant of Agras and Edessaioi) and Achelooi (Hydroelectric Power Plants of Kremastra and Stratos I and II).

We are also taking actions in order to reduce the environmental impact of our operations and our overall ecological imprint. In particular:

- We participate in the European "GreenBuilding" program which is aimed at ensuring the energy upgrade and certification of buildings. The program is part of EU initiatives aimed at improving the energy efficiency of buildings in the tertiary sector in Europe. We have voluntarily decided to carry out energy-related interventions at two privately-owned commercially used buildings (in Pangrati and Kallithea) in order to reduce their energy consumption in accordance with the targets set out by the program.
- We are coordinating a research program on electric cars (MERGE project) aimed at exploring the effects of a potential increased penetration of electric cars into European electric networks (2010-2011).
- We are promoting the installation of 60,000 smart meters for low voltage corporate customers with co-financing from the National Strategic Reference Framework. We have also undertaken the implementation of a pilot project relating to the installation of 160,000 smart meters for residential customers to optimize planning as to ensure their customer-wide installation. Pilot smart-grid applications that work via broadband services have already been implemented in the medium voltage network in Larisa and Lavrion. Smart grids are electric networks capable of intelligently integrating the behavior and actions of all electricity users-consumers and/or scattered RES producers in order to supply electricity very efficiently, safely and cost effectively. Thanks to smart grids, the network operator is aware, at any time, of the optimum solution concerning the cost and quantity so as to meet the energy needs of its customers.
- We have endorsed the WBCSD manifesto on Energy Efficiency of Buildings (EEB).

In addition to our obligations under relevant legislation, we have also developed the following initiatives, thus contributing actively towards the implementation of European and national initiatives for the promotion of efficient use and saving of energy:

- We have voluntarily endorsed the EURELECTRIC Declaration on Climate Change. This Declaration is very important as EURELECTRIC member-companies are bound to eliminate the consequences of carbon use by 2050, by taking all measures required for the realization of this objective.
- We participate in the “Green eMotion” program along with 42 other members from 12 European countries. This is a very ambitious program that aims at homogenizing all pilot-programs in Europe relating to electric cars and use this experience and standards, in three (3) new pilot projects, one of them to be implemented in Kozani, Greece.

To deal with the environmental impacts of its operations, mainly due to noise and visual impact, PPC Renewables uses pioneering technologies and continues to modernize its facilities (e.g. using new-generation, higher capacity wind turbines to minimize noise and reduce long-term visual impact). A typical example is that of Samothraki where four 55 kW wind turbines (a total of 220 kW), will be replaced by one 900 kW wind turbine.



6. Abbreviations

BoD	Board of Directors
CCFMB	Competitive and Corporate Functions Management Board
CCS	Carbon Capture and Storage
CDM	Clean Development Mechanism
CERs	Certified Emissions Reductions
CO₂	Carbon Dioxide
CSR	Corporate Social Responsibility
ELOT	Hellenic Organization for Standardization
EMS	Environmental Management System
ERUs	Emission Reduction Units
ETAM	Unified Social Security Fund for Employees
EU	European Union
EU ETS	European Union Emissions Trading Scheme
EURELECTRIC	Union of the Electricity Industry
EUSS	Electric Utilities Sector Supplement
FRI	Fisheries Research Institute
GJ	Gigajoule
GRI	Global Reporting Initiative
GWh	Gigawatt hour
HACHP	Hellenic Association for Cogeneration of Heat and Power
HCMR	Hellenic Center for Marine Research
HELAS	Hellenic Electricity Association
HP	Hydroelectric Project
HPI	Hellenic Purchasing Institute
HPP	Hydroelectric Power Plant
HTSO	Hellenic Transmission System Operator
Hz	Hertz
IAD	PPC's Internal Audit Department
ICNIRP	International Commission on Non-Ionizing Radiation Protection

IKA	Social Security Organization
ISO	International Organization for Standardization
JI	Joint Implementation
kV	Kilovolt
kW	Kilowatt
μT	Microtesla
MW	Megawatt
MWth	Megawatt thermal
NAGREF	National Agricultural Research Foundation
NGO	Non-Governmental Organization
Nm³	Cubic meters in nominal state / conditions
NMB	Networks Management Board
NO_x	Nitrogen oxides
PCBs	Polychlorinated biphenyls
PPE	Personal Protective Equipment
RAE	Regulatory Authority for Energy
REACH	Registration, Evaluation, Authorization and Restriction of Chemical substances
RES	Renewable Energy Sources
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Duration Index
SEV	Hellenic Federation of Enterprises
SHPP	Small Hydroelectric Power Plant
SO₂	Sulfur dioxide
SRT	Social Residential Tariff
t	Ton
TPP	Thermal Power Plant
V/m	Volt per meter
WBCSD	World Business Council for Sustainable Development

7. Table of Standard GRI Disclosures in the Report

GRI CODE	DESCRIPTION	PAGES	COMMENTS / REFERENCES
STRATEGY AND ANALYSIS			
1.1	Statement from the Chairman and CEO	5	
ORGANIZATIONAL PROFILE			
2.1	Name of the organization	10	
2.2	Primary products and/or services	11-17, 43	
2.3	Operational structure of the organization	19, 22-23	
2.4	Location of the organization's headquarters	10	
2.5	Number of countries where the organization operates	11	
2.6	Nature of ownership and legal form	10,18	
2.7	Markets served	11-12, 16-17, 42	
2.8	Scale of the reporting organization	17-18, 34	
2.9	Significant changes during the reporting period regarding the size, structure or ownership	12, 19, 28	
2.10	Awards received in the reporting period	21	
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	13	
EU2	Net energy output, broken down by primary energy source and by regulatory regime	13	
EU3	Number of residential, industrial and commercial customer accounts	16-17	
EU4	Length of above and underground transmission and distribution lines by regulatory regime	15	
EU5	Allocation of emissions allowances, broken down by carbon trading framework	80	

- Core Indicator
- Additional Indicator
- Indicators from the Electric Utilities Sector Supplement (GRI-EUSS).

GRI CODE	DESCRIPTION	PAGES	COMMENTS / REFERENCES
REPORT PARAMETERS			
3.1	Reporting period	7	
3.2	Date of most recent previous report		There are no previous reports
3.3	Reporting cycle	7	
3.4	Contact point for questions regarding the report or its contents	8	
3.5	Process for defining report content	7-8	
3.6	Boundary of the report	7	
3.7	State any specific limitations on the scope or boundary of the report	7, 8	
3.8	Basis for reporting joint ventures, subsidiaries, etc.	7	
3.9	Data measurement techniques and the bases of calculations	8	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		This version is the first CSR report published by PPC
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		This version is the first CSR report published by PPC
3.12	Table identifying the location of the GRI Standard Disclosures in the report	106-110	
GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
4.1	Governance structure of the organization	24-27	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	25-26	
4.3	The number of members of the highest governance body that are independent and/or non-executive members	25	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	27-28	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	30	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance and adherence or compliance with internationally agreed standards, codes of conduct, and principles	27-29, 30-32	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	79-82, 93, 102-103	
4.13	Memberships in associations and/or national/international advocacy organizations in which the organization participates	20-21	

GRI CODE	DESCRIPTION	PAGES	COMMENTS / REFERENCES
4.14	List of stakeholder groups engaged by the organization	36	
4.15	Basis for identification and selection of stakeholders	36	
4.16	Approaches to stakeholder engagement	7, 37, 40, 44	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics	38-39, 44	
ECONOMIC DIMENSION			
EC1	Direct economic value generated and distributed	33	
EC4	Significant financial assistance received from government official bodies / state interest in the share capital	18, 33	
EC8	Development and impact of infrastructure investments and services provided by the organization primarily for public benefit	67-69, 97	
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	34	
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	13	
EU12	Transmission and distribution losses as a percentage of total energy	33	
ENVIRONMENTAL DIMENSION			
EN1	Materials used by weight or volume	90	
EN3	Direct energy consumption by primary energy source	91	
EN8	Total water withdrawal by source	91-92	
EN9	Water sources significantly affected by withdrawal of water	95	
EN13	Habitats protected or restored	98-99	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	100	
EN16	Total direct and indirect greenhouse gas emissions by weight	79	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	80-82, 90, 93-94	
EN20	NO, SO, and other significant air emissions by type and weight	83-84	
EN21	Total water discharge by quality and destination	85	

GRI CODE	DESCRIPTION	PAGES	COMMENTS / REFERENCES
EN22	Total weight of waste by type and disposal method	85-89	
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII	89	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	80-82, 90, 93-94, 102-103	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	101	
LABOR PRACTICES AND DECENT WORK			
LA1	Total workforce by employment type, employment contract, and region	50-51, 57	
LA2	Total number and rate of employee turnover by age group, gender, and region	52	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	
LA4	Percentage of employees covered by collective bargaining agreements	50	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	57-63	
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	57-58, 62-63	
LA10	Average hours of training per year per employee by employee category	54-56	
LA12	Percentage of employees receiving regular performance and career development reviews	53	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	25-27, 57	
LA14	Ratio of basic salary and remuneration of women to men by employee category	57	
HUMAN RIGHTS			
HR4	Total number of incidents of discrimination and actions taken	57	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken	57	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken	57	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	57	

GRI CODE	DESCRIPTION	PAGES	COMMENTS / REFERENCES
SOCIETY			
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities	45, 67-74, 96-97	
EU20	Approach to managing the impacts of displacement	70	
EU22	Number of people affected by displacements and compensation, broken down by type of project	70	
S02	Percentage and total number of business units analyzed for risks related to corruption	28-29	
S04	Actions taken in response to incidents of corruption	74	
S05	Public policy positions and participation in public policy development and lobbying	64-65	
S06	Total value of financial and in-kind contribution to political parties, politicians, and related institutions by country	64	
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	76	
S08	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	75-76	
PRODUCT RESPONSIBILITY			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	46-48	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	44	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	49	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	49	
EU26	Percentage of population unserved in licensed distribution or service areas	41-42	
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	44	
EU28	Power outage frequency (SAIFI)	42	
EU29	Average power outage duration (SAIDI)	42	
EU30	Average plant availability factor by energy source and by regulatory regime	13	

Table indicating the application level of GRI guidelines

PPC’s Corporate Social Responsibility and Sustainability Report 2010 has been prepared in accordance with the Global Reporting Initiative guidelines (GRI-G3), **application level C**.

REPORT APPLICATION LEVEL		C	C+	B	B+	A	A+
STANDARD DISCLOSURES	G3 PROFILE DISCLOSURES OUTPUT	Report on: <ul style="list-style-type: none"> • 1.1 • 2.1-2.10 • 3.1-3.8, 3.10-3.12 • 4.1-4.4, 4.14-4.15. 	REPORT EXTERNALLY ASSURED	Report on all criteria listed for Level C plus: <ul style="list-style-type: none"> • 1.2 • 3.9, 3.13 • 4.5-4.13, 4.16-4.17. 	REPORT EXTERNALLY ASSURED	Same as requirement for Level B.	REPORT EXTERNALLY ASSURED
	G3 MANAGEMENT APPROACH DISCLOSURES OUTPUT	Not Required.		Management Approach Disclosures for each Indicator Category.		Management Approach Disclosures for each Indicator Category.	
	G3 PERFORMANCE INDICATORS & SECTOR SUPPLEMENT PERFORMANCE INDICATORS OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

* Sector supplement in final version.

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