



Corporate Social
Responsibility Report 2011





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About The Report

The Report you have in your hands is the second Annual Corporate Social Responsibility and Sustainable Development Report prepared by PPC S.A. It covers the year 2011 (01/01/2011 – 31/12/2011).

Scope and Limitations

The aim of this Report is to present the Company's achievements relating to Corporate Social Responsibility and Sustainable Development by examining three core issues: "Economy – Environment – Society". The report is addressed to all Company's stakeholders, namely its customers, shareholders and investors, its partners and employees, statutory and public bodies, as well as local communities, etc.

The Report concerns the activities of the parent company in Greece, PPC S.A. Specific sections make reference to data of the subsidiary, "PPC Renewables S.A.", due to its importance for Greece's energy balance without, however, such data being consolidated. The Report does not include data relating to other subsidiaries, joint ventures, suppliers or third parties.

In November 2011, as a result of the reform of the electricity market legal framework, the Transmission Division of PPC S.A. was spun off to a new subsidiary of PPC.

The data in this Report relates to the parent company, including data from the Transmission branch that has been spun off (data covers the period up until 30/11/2011 in the case of that branch) and reflects the Company's situation on 31/12/2011, namely its situation after its structure was changed.

The scope and limitations and the assessment methods applied in this Report are similar to those in the previous one without any significant changes having been made. Any adjustments to data that were required are highlighted together with the reason for such adjustments.

Content Determination Process

To determine the issues that were to be included in the Report, both the expectations of the Company's stakeholders as well as the principles of the Global Reporting Initiative were taken into account:

- > Principle of "Inclusiveness"
- > Principle of "Materiality"
- > Principle of "Sustainability Context"
- > Principle of "Completeness".

In order to optimize the management of CSR/Sustainable Development issues and to ascribe the necessary importance to each one of them, PPC has identified and prioritized the fundamental issues involved according to their potential impact on the Company itself and its stakeholders.

Guidelines

The PPC CSR and Sustainable Development Report for 2011 was drafted in accordance with the Global Reporting Initiative guidelines (GRI – G3 version). Moreover, the GRI – Electric Utilities Sector Supplement was taken into account.

Data Collection - Methodology

A CSR Team was set up, which included employees from all operational units, responsible for collecting the data needed to prepare the Report. A similar team exists within PPC Renewables. Moreover, a Steering Committee was established. Management is represented on that committee along with 2 members of the Board, so that Management of the Company can actively contribute to the process of drafting the Report.

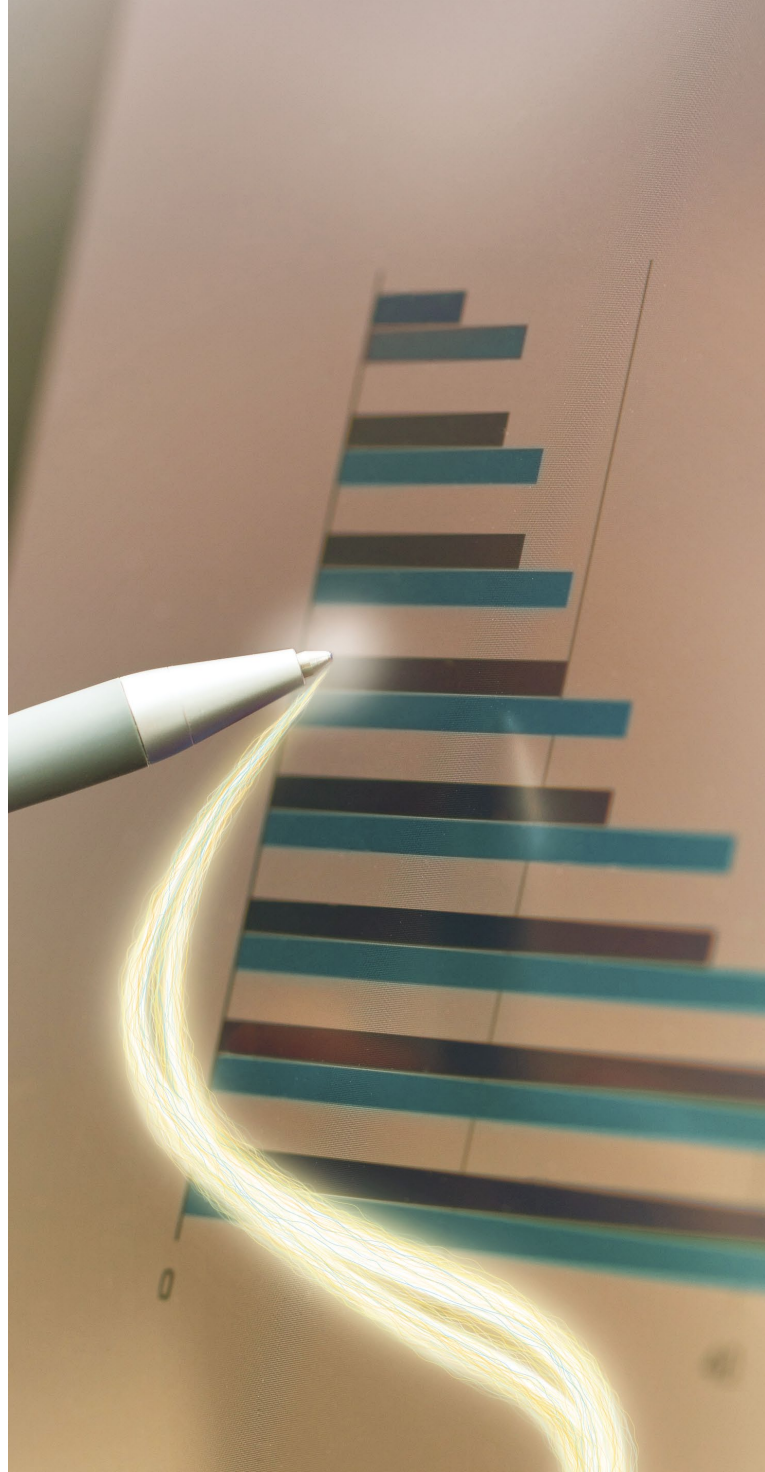
The data and the information presented have been collected and processed from the databases held either centrally at PPC or at its individual Divisions, with the support of different computer systems, applications, archives and established processes. In cases where it was impossible to collect homogeneous data referring to all PPC activities so that general overall results could be produced, the Report presents selected data with clear reference to the operational unit involved.

Wherever processed, non-primary data are presented, the methods or approaches used are explained, and the Global Reporting Initiative guidelines are applied.

The Report was prepared with the support and expertise of Sustainable Development Ltd. (www.sdev.gr).

External Assurance

The Report was submitted to external assurance by an independent assurance provider, according to the International Assurance Standard 3000 (ISAE 3000). The GRI Application Level was checked and confirmed by GRI.



Share your opinion with us

We value the opinion of the Report's readers. We welcome your remarks, questions and any queries, clarifications or proposals for improvement.

Please send your remarks to:

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Message From The Chairman

PPC S.A. plays a significant role in supporting development in Greece, and has a presence throughout the whole country. However, given the current economic crisis, PPC has to deal with complex financial, environmental and social challenges.

One important development in 2011 was that the Company's Transmission Division was spun off. Pursuant to Law 4001/2011, PPC S.A. transferred management, running, development and maintenance of the Hellenic Electricity Transmission System to its wholly owned subsidiary Company by the name of Independent Electricity Transmission Operator (ADMIE).

In 2011 and 2012, despite the adverse economic environment at national level, we at PPC have continued our efforts to ensure the Sustainable Development of PPC in favour of the Local Communities in the regions where we are active and for the benefit of Society as a whole.

The 2011 Corporate Social Responsibility and Sustainable Development Report contains a detailed, transparent presentation of the initiatives that we have taken in order to accommodate the challenges in a responsible manner and pursue the achievement of our goals for a sustainable development. The information is presented in accordance with the requirements laid down in the guidelines of the Global Reporting Initiative's international Corporate Responsibility standard.

We applied best available technologies to energy savings systems, air pollutant reduction systems (in 2011 sulphur dioxide emissions were down by 31%), and encouraged more efficient waste management and water reuse, and we have reduced our carbon footprint by limiting travel and by using smart meters. We have also been supporting eco-protection programmes.

As to the support we provide to the Society, we have implemented actions and programmes based on our needs and our priorities focusing on vulnerable social groups and the Local Communities in the regions where we are active. All our activities enhance the long-term development and economic prosperity of the neighboring areas, and involve the creation of jobs, the purchase of goods and services from local suppliers, and the implementation of infrastructure projects. Moreover, we continued to run the district heating schemes and provide offset benefits.

Our employees' health and safety is very important and for this reason we have been investing in our people by organizing Health and Safety training seminars. We have been certifying our Power Generation Plants in accordance with the requirements of the OHSAS 18001 international standard. The Health and Safety Department also received certification in line with the ELOT ISO 9001:2008 standard.

For 2012 and over the time to come we intend to remain focused on our goal, namely to build a resilient and competitive enterprise in terms of sustainability by applying absolute transparency principles and establishing trust between our employees, associates, and customers.

As far as the immediate future is concerned, our priority remains to further reduce our environmental footprint through a diverse range of actions that will eventually promote renewable energy sources, the reduction of carbon dioxide emissions and the application of Environmental Management Systems to all other power generation plants as well. At the same time we are pursuing the adoption of a more customer-centered approach and we are encouraging dialogue and accountability vis-a-vis our social partners. One of the many ways we are doing this is by publishing this Report.

The current situation does not allow us to rest on our laurels. Over the months to come we will build on the foundations we have already laid, and will continue to work intensively to make continuous improvements, so that we can assist those in need. The greatest challenge that our Organization – and our Society by and large – need to deal with is to ensure a sustainable future for ourselves and for future generations. In that sense it is very important to put in place a long-term energy plan based on renewable energy sources and on the rational use of energy.

Arthouros Zervos
Chairman & CEO

Our Corporate Profile

1.1 Brief overview

The Public Power Corporation S.A. (PPC S.A., or the Company) is Greece's largest company producing and supplying electricity with more than 7.3 million customers. Along with its 100% subsidiaries, ADMIE S.A. and DEDDIE S.A., it owns the National Power Transmission System and the Distribution networks. PPC has extensive infrastructure that includes lignite mines, generation, transmission and distribution facilities for electricity. It is also one of Greece's largest industrial companies in terms of fixed assets, and is a leading public utility offering electricity in Greece.

On mainland Greece most of the Company's production capacity is concentrated in the north of the country close to large lignite mines which are the main source of fuel.

The Ionian and some Aegean islands are connected to the mainland Greece power transmission system and together with that system form the interconnected system.

The other islands are classed as non-interconnected islands and have their own power generation plants which are oil-fuelled. In addition, demand on some islands is met by renewable energy sources (RES).

PPC's strategic goal is to ensure sustainable development, while at the same time to meet the requirements of all its stakeholders in equal measure by:

- > Providing customers with comprehensive, innovative and high quality products and services
- > Providing its employees with an excellent working environment
- > Providing its suppliers and associates with mutually beneficial relationships
- > Offering its shareholders added value
- > Respecting and protecting the environment
- > Providing society with economic growth and social prosperity.



PPC S.A. in numbers

 **12,659** MW
Installed capacity

41,242 GWh
Net energy output

49,317 GWh
Total electricity sales

5,180.3 € million
Net Sales

1,002.3 € million
Investments:

19,466
PPC employees:

1.2 Shareholder structure

PPC's share capital stands at € 1,067,200,000 divided into 232 million ordinary shares with a nominal value of € 4.60 each. Over the last at least 5 years there has been no change in the Company's SC.

Shareholder line-up (31/12/2011)	Percentage (%)
Greek State	51.12%
IKA-ETAM / TAP – PPC Fund and TAYTEKO/TEAPAP-PPC (ex OAP) Fund	3.81%
General public & institutional investors*	45.07%
Total	100%

*This includes the "Silchester International Investors LLP" holding of 32.024.558 shares (13.8% of PPC voting rights) as of 8/12/2011 in its role as manager of its clients' investments.

Changes in the electricity market legislative framework

In August 2011 the Hellenic Parliament enacted a law brought forward by the Ministry of the Environment, Energy & Climate Change on operation of the electricity and natural gas energy markets, prospecting, production and transmission networks for hydrocarbons and other provisions (Law 4001/2011) which transpose the provisions of Directives 2009/72/EC and 2009/73/EC into national law.

Among other things this Law provides for:

- > The establishment of an independent transmission operator:
The Independent Transmission Operator (ITO) model has been adopted:
 - > Management, running, development and maintenance of the Hellenic National Transmission System have been transferred to a 100% subsidiary of PPC S.A. by the name of Independent Electricity Transmission Operator (ADMIE). All fixed assets and employees of the PPC's Transmission Division were spun off to ADMIE as well as all receivables and liabilities of PPC relating to those activities.
 - > The activities of the Hellenic Transmission System Operator S.A. other than running the electricity market were transferred to ADMIE S.A., in other words activities relating to the management, running, development and maintenance of the transmission system.
 - > Running of the electricity market (and in particular day-ahead scheduling) is now done by an independent company called Electricity Market Operator (LAGIE).
- > The establishment of a Hellenic Electricity Distribution Network Operator (DEDDIE):
During 2011 distribution activities and all receivables and liabilities of PPC S.A. relating to distribution were transferred to the 100% subsidiary of PPC S.A. by the name of Hellenic Electricity Distribution Network Operator (DEDDIE).

1.3 Subsidiaries and Joint Ventures

On 31/12/2011 PPC S.A. had holdings in the following subsidiaries:

PPC S.A.	Percentage
PPC Renewables S.A.	100%
PPC Rhodes S.A. (now DEDDIE)	100%
ADMIE S.A. (ex PPC Telecommunications S.A.)	100%
PPC FINANCE PLC	90%
PPC QUANTUM ENERGY LTD	51%
LARKO G.M.M.S.A.	11.45%
LAGHE S.A.	49%
SENCAP S.A.	50%
WASTE SYCLO S.A.	49%

1.4 Business Activities

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

Mines

PPC's mining activities are managed by the Mines Division. The Mines Division is responsible for prospecting, mining, managing and trading in solid fuels, utilising the products generated, and providing top quality services to ensure energy security for the country and to promote economic growth, while respecting both man and the environment. Greece's most important fuel for generating energy is lignite. Power generation in Greece since the time PPC was founded has been based on mining and utilising lignite. The low cost of mining, the fact that the price is fixed and can be directly controlled, and the stability and security in fuel supply have transformed lignite into a strategically important fuel for PPC. Lignite mining has also created thousands of jobs for the residents of the Greek countryside, especially in areas where PPC is active.

Generation

PPC's Generation Division is responsible for power generation. Its main task is to develop the generation capacity of thermal power plants and large hydroelectric plants belonging to PPC and to ensure optimal running of those facilities while also complying with environmental requirements.

To maintain its position in the deregulated energy market, the PPC Generation Division has taken certain strategically important decisions such as:

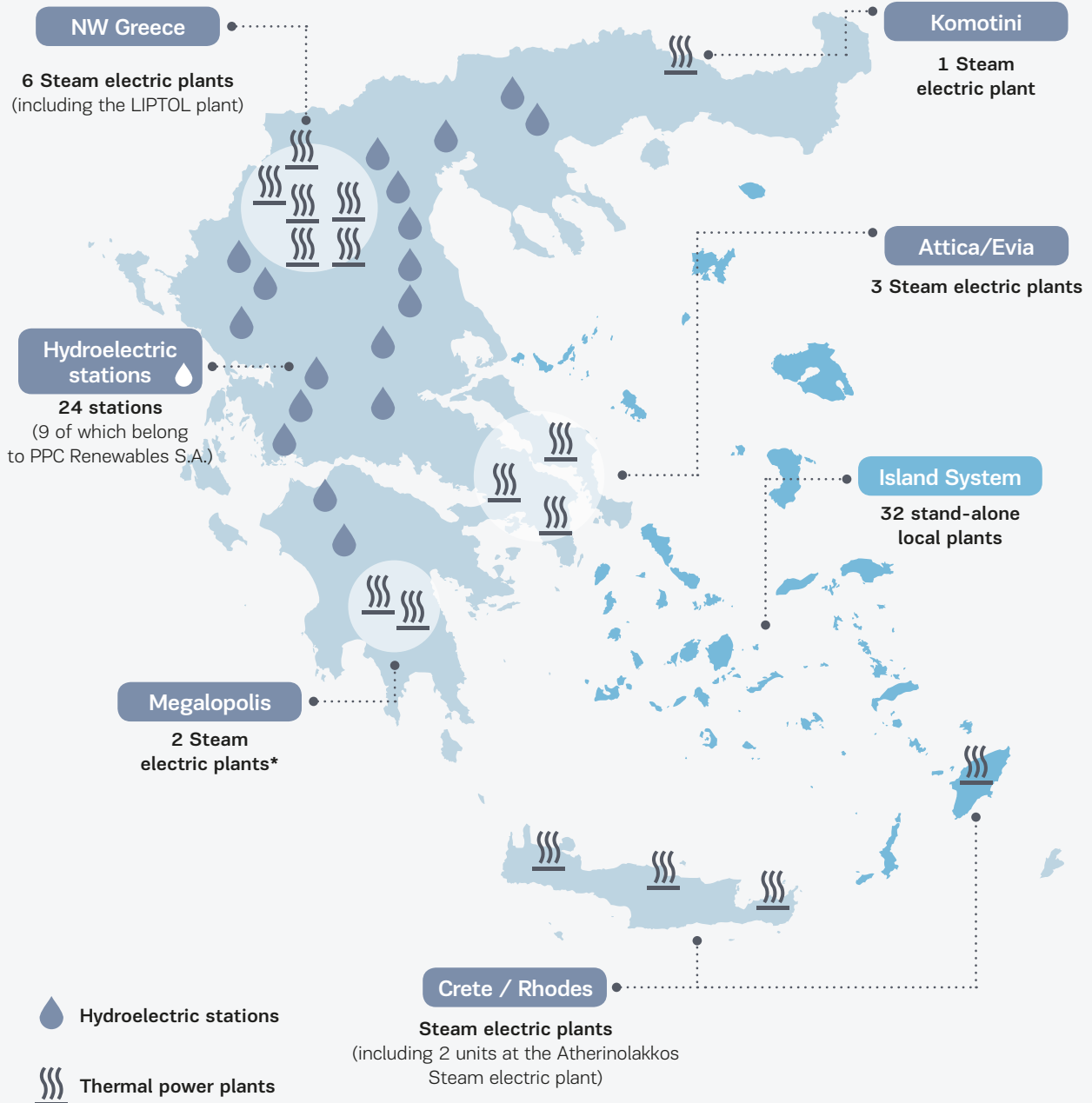
- > the decision to build new power plants that incorporate cutting edge technologies and optimal techniques
- > the decision to phase out old, inefficient power plants
- > the decision to speed up completion of hydroelectric projects
- > the decision to upgrade stand-alone, local power plants on the non-interconnected islands
- > the decision to reduce CO₂ emissions.



Lignite constitutes a strategic fuel for PPC. At the same time, the Company keeps on developing big hydroelectric power plants.

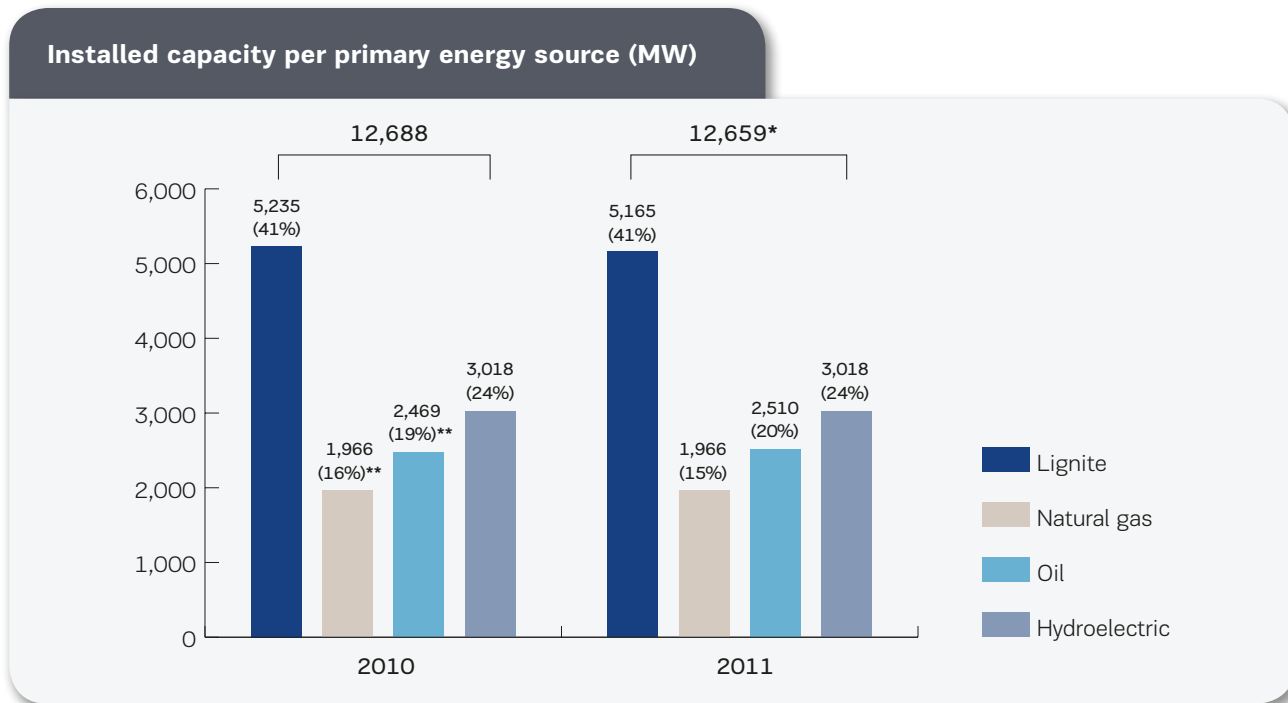


Geographical allocation of power plants



* On 30/09/2011 lignite units I and II of the Megalopolis I Steam Electric Plant went permanently offline.

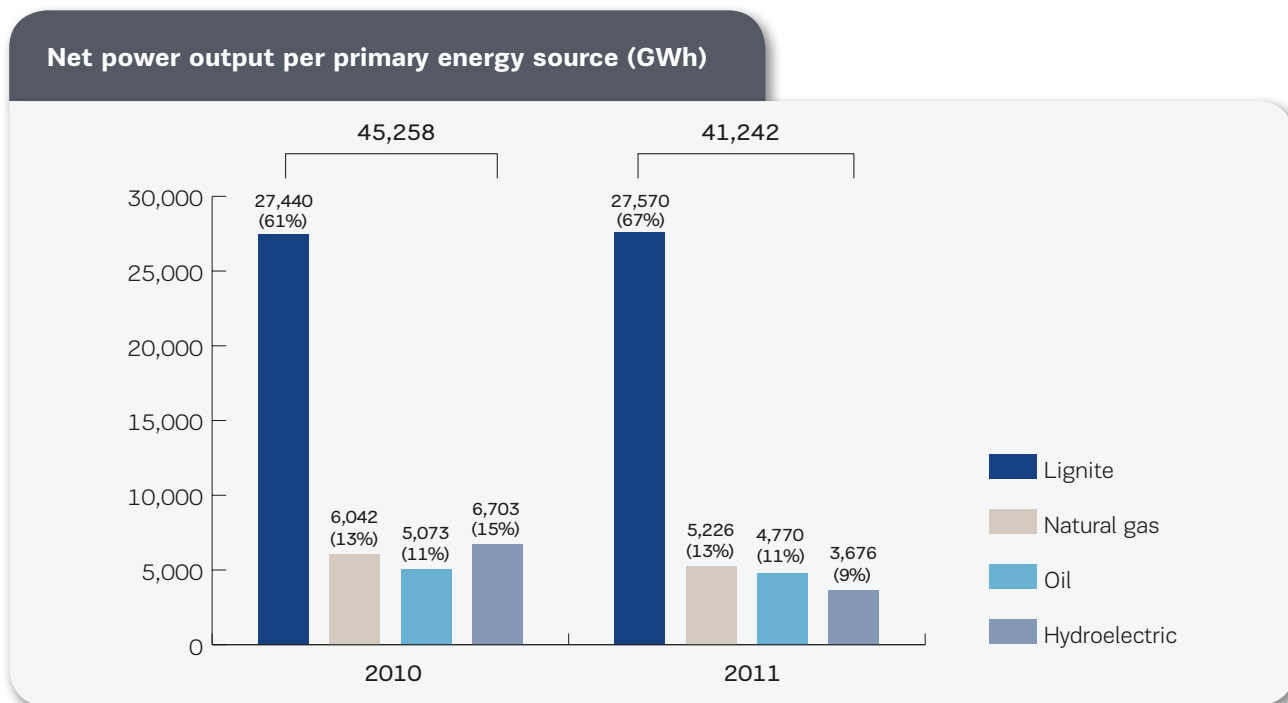
The portfolio of power plants with a total installed capacity of 12,659* MW (RES not included) per category of energy source is shown in the table below:



*Units I & II of the Megalopolis I Steam Electric Plant are included.

**Revised figures since they had been inserted the wrong way round due to a typing error.

The portfolio of power plants in terms of net power output (41,242 GWh) per category of energy source is shown in the table below:



The availability rates and average performance rates of PPC facilities are shown in the table below:

Facilities	2011		2010	
	Availability % ¹	Average performance (%) ²	Availability % ¹	Average performance (%) ²
Lignite plants	81.55	34.99	78.76	34.77
Oil plants on the interconnected system	85.12	36.69	80.18	34.52
Natural gas plants	90.18	45.76	85.21	48.62
Total for interconnected system	84.03	36.44	80.57	36.31
Oil plants on Crete (crude oil)	89.80	36.55	87.05	36.56
Oil plants on Crete (diesel)	83.45	32.75	84.02	33.61
Total for Crete	86.20	35.56	85.36	35.83
Oil plants on Rhodes (crude oil)	89.47	38.03	88.75	38.20
Oil plants on Rhodes (diesel)	81.02	27.07	85.26	27.31
Total for Rhodes	85.80	36.17	87.40	36.18
Oil plants (other non-interconnected islands)	87.86	42.30	87.80	42.18

¹ Average availability is cited. The calculation relates to the weighted average value for availability for all plants using a specific fuel. Likewise, 'total' relates to the weight average availability of all PPC thermal plants.

² Average performance is calculated based on the degree of performance of the energy produced. The calculation relates to the weighted average value for performance for all plants using a specific fuel. Likewise, 'total' relates to the weight average performance of all PPC thermal plants.

Note that the reduced availability of thermal power plants on the interconnected, Crete and other island systems compared to 2010 was primarily due to the increased level of maintenance work carried out in 2011, and to strikes or other causes. On the contrary, the higher level of availability on Rhodes can be attributed to the drastic reduction in time lost due to breakdowns.

Transmission

Article 12 of Law 2773/1994 states that the Hellenic National Interconnected Transmission System, which the Hellenic Transmission System Operator (HTSO) uses to transmit electricity, belonged to PPC. The Transmission Division had 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 with plans and instructions from the HTSO, whereas HTSO was responsible for third party access to it. Electricity was carried via high voltage lines from power plants (which belonged to PPC or other producers) and from the interconnection points with neighbouring countries on the distribution network and to high voltage customers.

The Transmission Division's mission was to design and build transmission system facilities, to maintain and operate them, and to ensure the transmission of the necessary quantity of electricity to all users irrespective of the conditions, in a reliable, quality manner that respects both man and the environment.

Law 4001/2011 decided that PPC S.A. should transfer management, running, development and maintenance of the Hellenic Transmission System to a 100% subsidiary by the name of Independent Electricity Transmission Operator S.A. (ADMIE). All fixed assets and employees of the PPC's Transmission Division were spun off to that company as well as all receivables and liabilities of PPC relating to its activities.

That Division was spun off and contributed to the new company under the provisions of Laws 2190/1920, 2166/1993 and 4001/2011. The transaction was completed in November 2011.

Distribution

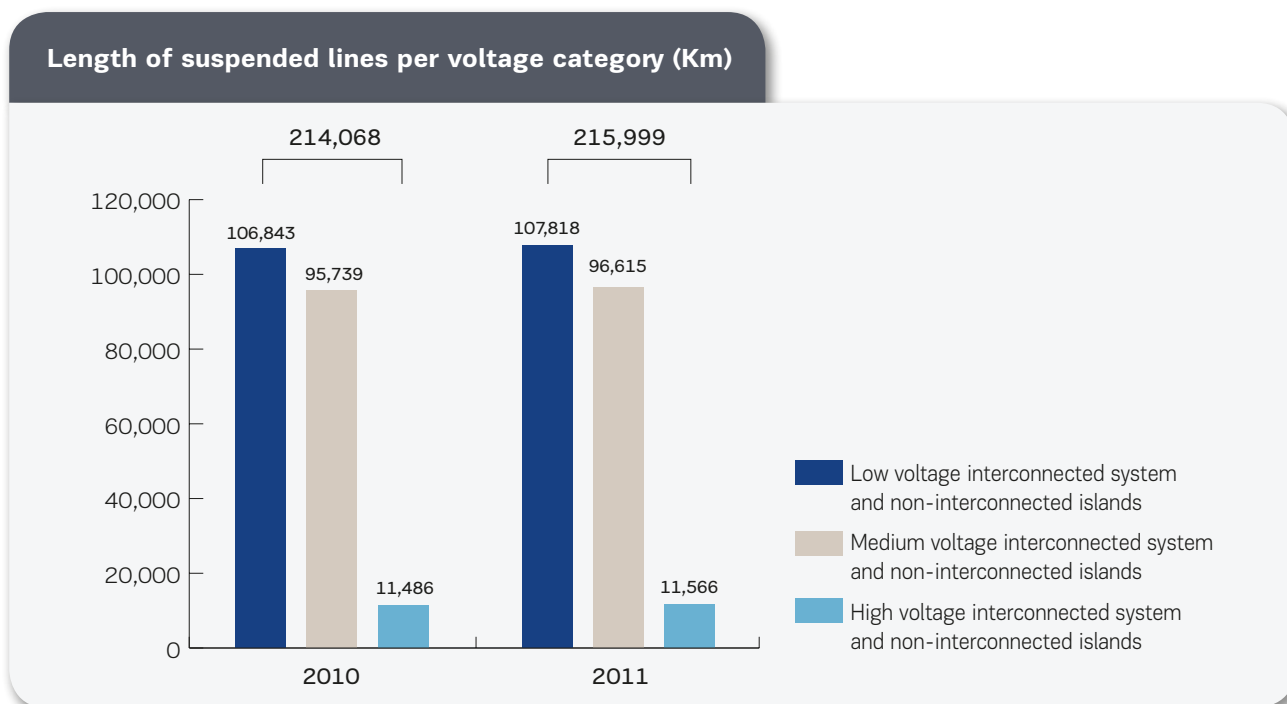
PPC was the sole distributor and operator of the electricity distribution network in Greece. The Distribution Division was responsible for the delivery of electricity throughout the country both in the areas covered by the Interconnected System and on the Non-interconnected islands. PPC's aim was to ensure the best possible quality of services to the network 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.

Law 4001/2011 stipulated that the Distribution Division and the Islands Management Department, namely the entire PPC Distribution sector, should be spun off to a 100% subsidiary of PPC called Hellenic Distribution Network Operator S.A. (DEDDIE). The contribution included assets of PPC S.A. and the receivables and liabilities relating to them which fell within the competence of the Distribution sector, with the exception of real estate properties and fixed assets of the Distribution Network and the Non-Interconnected Islands network.

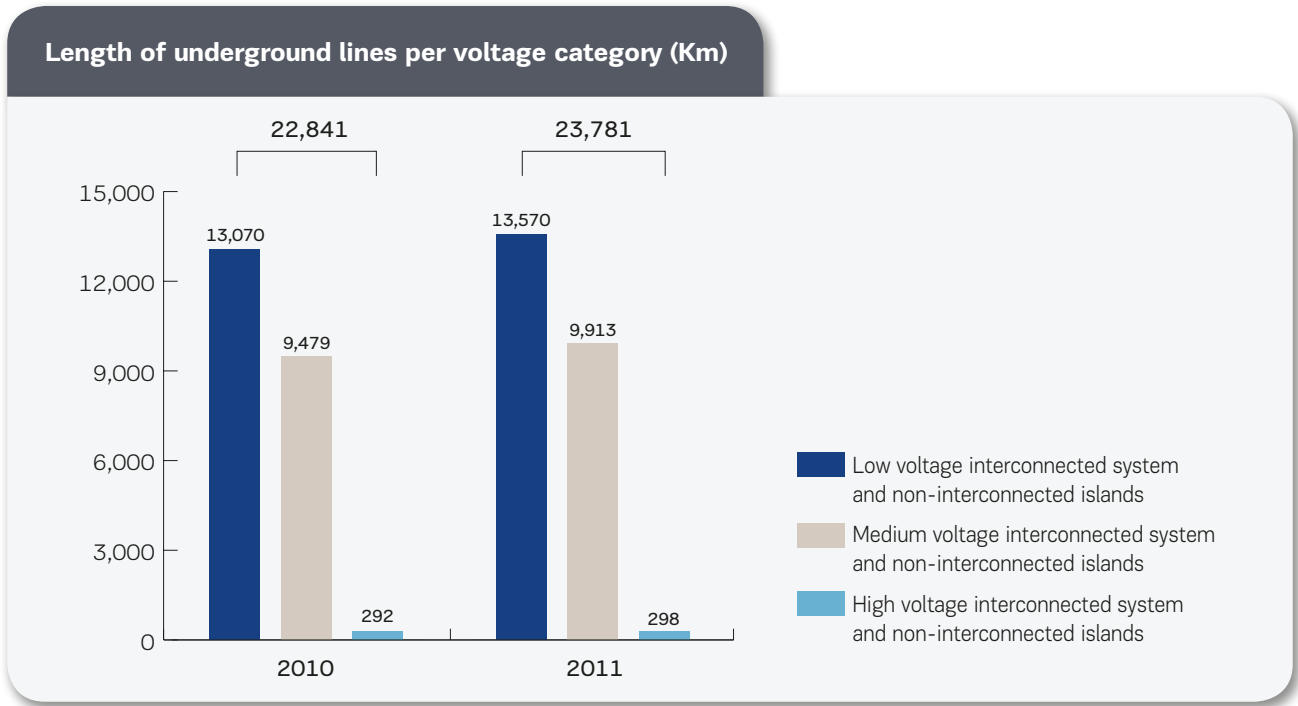
In November 2011, the PPC Board of Directors decided that on 31/12/2011 a stock-take of the assets of the sector to be contributed would be carried out, while on 28/2/2012, the Board of Directors approved the spinoff of this sector.

Transmission and distribution lines

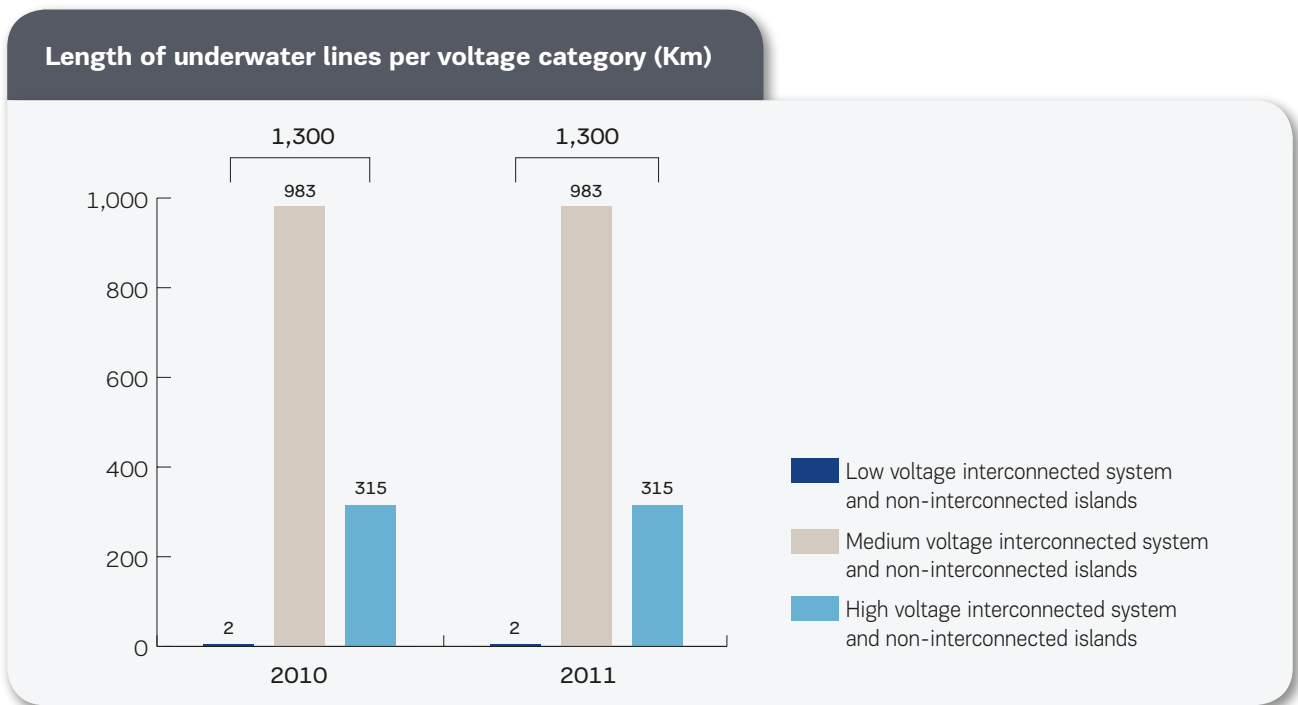
The suspended transmission and distribution lines in km per type of voltage on the interconnected and non-interconnected network are:



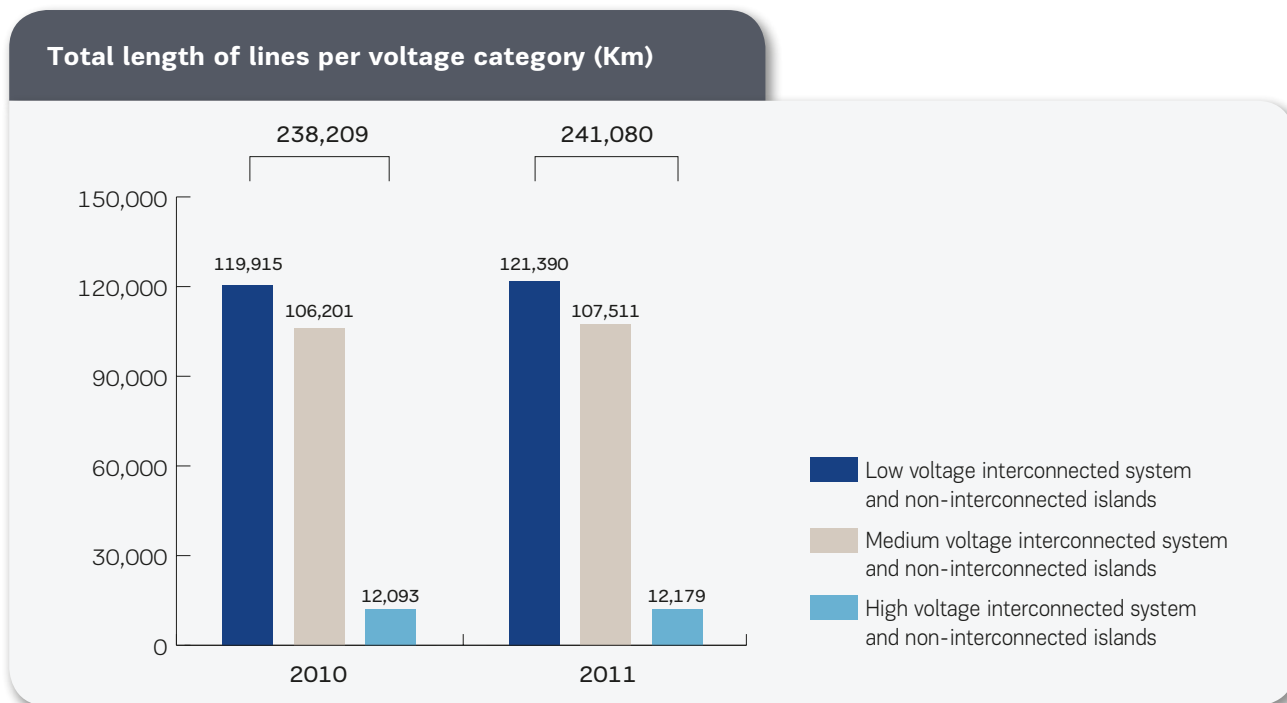
The underground transmission and distribution lines in km per type of voltage on the interconnected and non-interconnected network are:



The underwater transmission and distribution lines in km per type of voltage on the interconnected and non-interconnected network are:



Total length of transmission and distribution lines in km per type of voltage on the interconnected and non-interconnected network are:



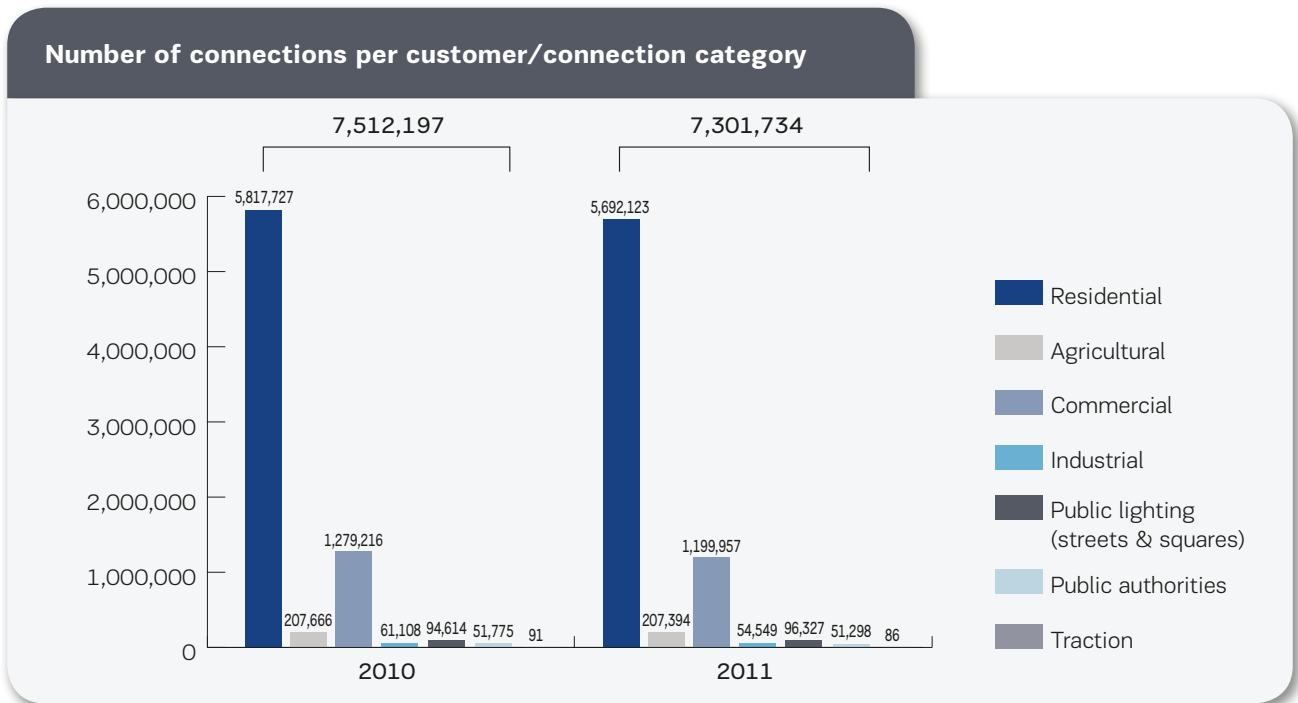
Supply

The Supply Division is responsible for sales of electricity to consumers in each category, and its mission is to act as electricity supplier on behalf of PPC. The Supply Division aims at maintaining PPC's leading position in the deregulated 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 deregulated market has created a new framework within which PPC must operate, which, coupled with competition, has resulted in new conditions and requirements for PPC. The Supply Division has responded positively to this deregulation of the electricity market with fair competition and lack of distortions, and has given practical support to all measures required. In this context, the role of the Supply Division is two-fold:

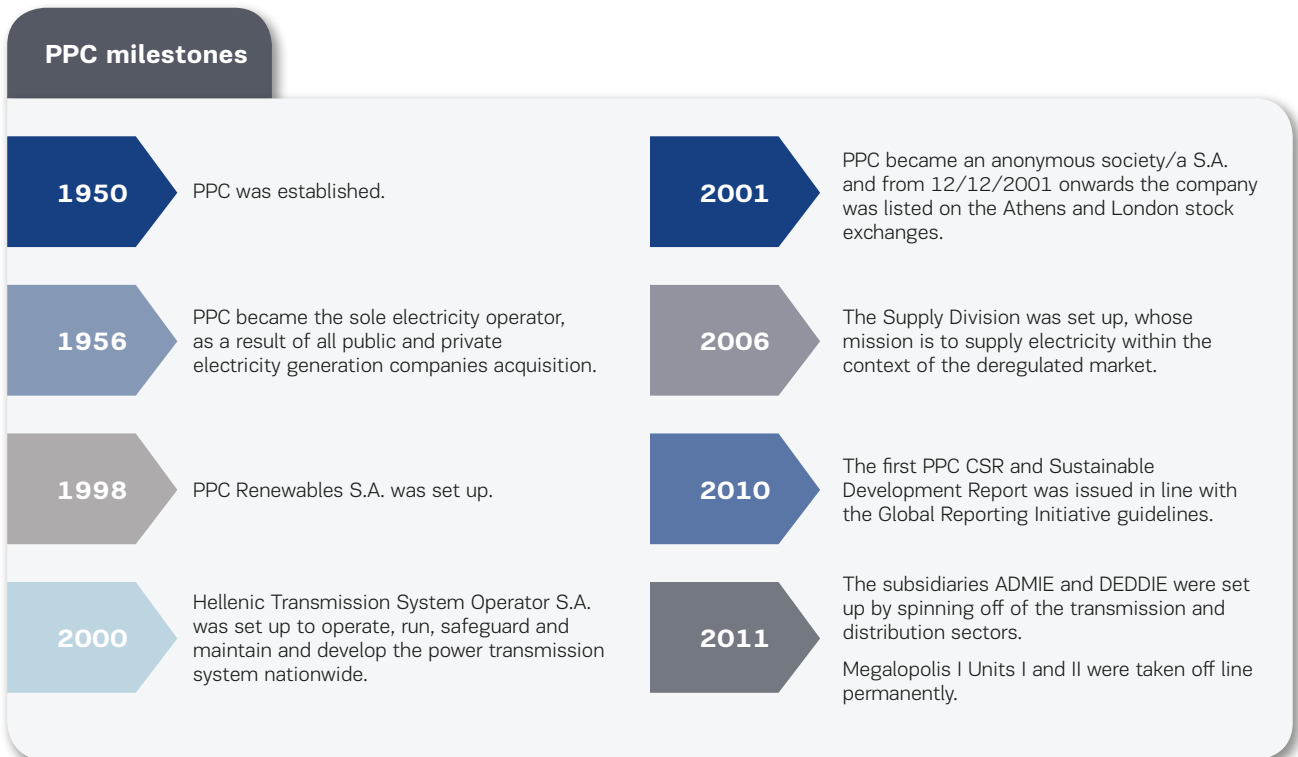
- > To ensure sufficient energy to meet the needs of PPC's customers in the best possible way through participation in the wholesale market as a supplier.
- > To provide top quality services to customers at the most competitive prices possible as a supplier and to actively contribute to healthy competition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

The table below sets out the categories of PPC's customer accounts/connections, and the relevant number of connections in each category. Out of a total of 7,301,734 connections, 77.96% are household connections and 16.43% are commercial.



1.5 PPC milestones

Just some of the main milestones in the history of PPC are as follows:



1.6 Financial Data

2011 was a particularly difficult year since it was the year with the deepest recession the Greek economy has experienced in recent decades, yet PPC managed to close the year with just limited losses. A major factor contributing to that was the significant drop in payrolling costs, better utilisation of human resources and rationalisation of audited expenditure resulting in increased productivity.

The 2011 financial results reflect the major changes in extraneous factors such as a drop in overall demand, increased competition in the wholesale and retail markets, increased fuel prices internationally and the imposition of or increase in taxes on them, and the unfavourable hydrological conditions.

2011 was a difficult year in which PPC reported losses. The Group and parent company reported net losses of around € 149 million and € 273 million respectively as at 31/12/2011. The net debt stood at € 4,703 million up some € 493 million compared to 2010.

In 2011 PPC paid dividends totalling € 183.3 million for 2010, compared to € 231.8 million paid in 2010.

Financial value and social product (in € '000)	2010	2011
Turnover	5,519,352 ¹	5,180,332
Financial Income	40,662 ¹	43,346
Direct financial value generated	5,560,014¹	5,223,678
Salaries and employee benefits including employer social security contributions	879,502	763,634
Financial expenses	145,257 ¹	201,394
Income tax, other taxes, duties and provision for surtaxes	216,286 ¹	48,466
Donations and sponsorship (other than donations and sponsorship included in operating cost)	100,196 ³	890
Operating cost balance	3,688,790 ¹	4,459,926
Financial value allocated	5,030,031¹	5,474,310







1. Adjusted figures due to the transmission sector being spun off.



2. Does not include employees payrolling which is included in the tangible assets and the cost of extracting lignite.

3. Includes part of employees payrolling cut following Law 3833/2010 και 3845/2010, which, pursuant to the extraordinary general meeting on 26/04/2010, was provided to support the IKA-ETAM & TAYTEKO social security funds.

1.7 Membership of associations and organizations

PPC actively participates in more than 40 national and international networks, associations, organizations and agencies to engage in constructive collaboration in the energy, industrial and business sectors, and to promote corporate responsibility. Just some of these organizations are:

Organization	Description of organization and its purpose	Member since
 <p>Hellenic Network for Corporate Social Responsibility</p>	<p>The Hellenic Network for Corporate Social Responsibility is the national representative on the European Network for Corporate Social Responsibility (CSR Europe). Its objective is to promote the concepts of sustainable development, CSR and social cohesion in Greece.</p>	<p>2007</p>
 <p>The Union of the Electricity Industry - EURELECTRIC</p>	<p>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.</p>	<p>1998</p>
 <p>Hellenic Electricity Association (HELAS)</p>	<p>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.</p>	<p>2007</p>
 <p>International Council on Large Electric Systems (CIGRE)</p>	<p>CIGRE is a non-profit scientific organization with more than 10,000 members that include scientists from 92 countries from around the world. CIGRE 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 CIGRE.</p>	<p>1998</p>
 <p>Hellenic Association for the Cogeneration of Heat and Power (HACHP)</p>	<p>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.</p>	<p>1994</p>
 <p>Council for Sustainable Development at the Hellenic Federation of Industry (SEV)</p>	<p>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.</p>	<p>2010</p>

Organization	Description of organization and its purpose	Member since
 World Business Council for Sustainable Development (WSCDS) Hellenic	<p>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.</p>	<p>2009</p>
 Hellenic Management Association (HMA)	<p>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.</p>	<p>1999</p>
 Hellenic Organization for Standardisation (ELOT)	<p>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.</p>	<p>1989</p>
 EuroCharity	<p>We are also a member of EuroCharity, an organization dealing with corporate responsibility issues, the green economy, sustainable development and business excellence.</p>	<p>2009</p>
 Hellenic Purchasing Institute (HPI)	<p>We are one of the founding members of the Hellenic Purchasing Institute. 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.</p>	<p>1979</p>
 Hellenic Logistics Society (HLS)	<p>We have been a member of the Hellenic Logistics Society a non-profit scientific association committed to promote and assist the science of Logistics and the supply chain in general since 2003.</p>	<p>2003</p>

1.8. Prizes – Awards

PPC received a double award as part of the Georgios Ouzounis – Chrima Business Awards. PPC won awards in two categories, obtaining second place in both. Those were the Best Public Sector Company and Improved Results categories. Prizes were awarded in 17 categories overall to listed companies which made a real contribution to the business world in 2010.



PPC RENEWABLES S.A.

PPC first became interested in utilising renewable energy sources at the start of the 1970s through research activities and innovative applications at European level. The first wind farms and photovoltaic plants to operate in Greece were built by PPC and at the same time large and small hydroelectric projects were built as part of an endeavour to ensure that RES accounted for a higher proportion of Greece's energy balance.

Thanks to PPC Renewables S.A., a 100% subsidiary of PPC, with an installed capacity of 144.7 MW and a portfolio of projects in development with a capacity of 36.46 MW and a significant number of new projects in the pipeline, the PPC Group is aiming to become a leader in the RES sector in Greece. Investment plans include the development of RES projects with a capacity of 825 MW by 2016.

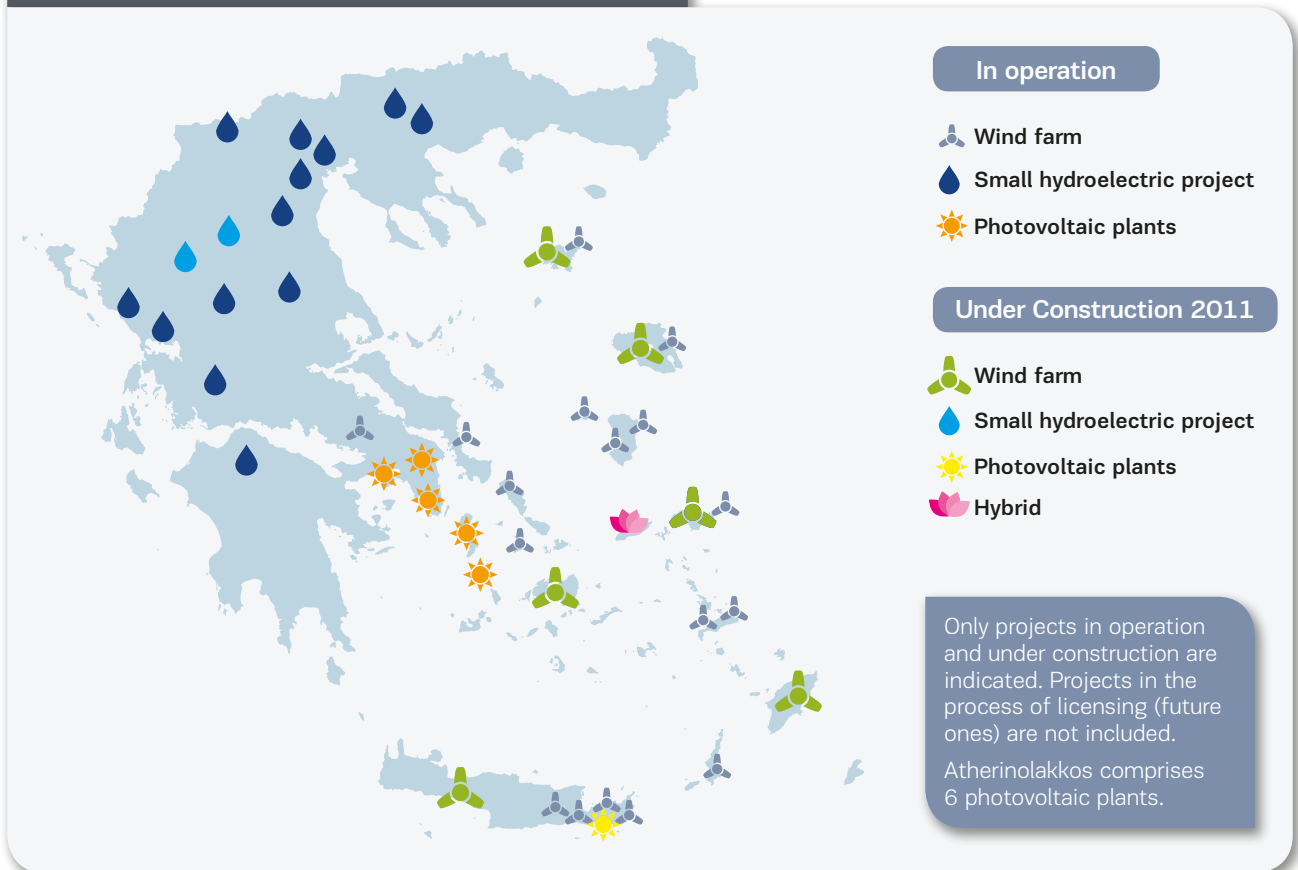
Brief overview

PPC Renewables S.A. is a company with a single shareholder since all shares are held by PPC S.A. The company was founded in 1998 and its registered offices are at 3 Kapodistriou St., Agia Paraskevi, Athens GR-15343.

PPC Renewables primarily focuses on the following types of renewable energy sources: wind, hydroelectric, solar and geothermal energy, hybrid systems and biomass energy.

With a total of 23 wind farms, 15 small hydroelectric stations and 11 photovoltaic plants with a total installed capacity of 144.7 MW, PPC Renewables has become a dynamic player in the Greek RES sector and already accounts for around 6% of the market. It is the only Greek RES company to have projects so widely spread around the country, with projects from Crete to the North of Greece and from the Dodecanese to Epirus. Utilising its fully trained employees, the company is investing in nature's power and collaborates with some of the world's largest groups and manufacturers in the energy sector to promote projects that project clean energy.

Location of PPC Renewables projects





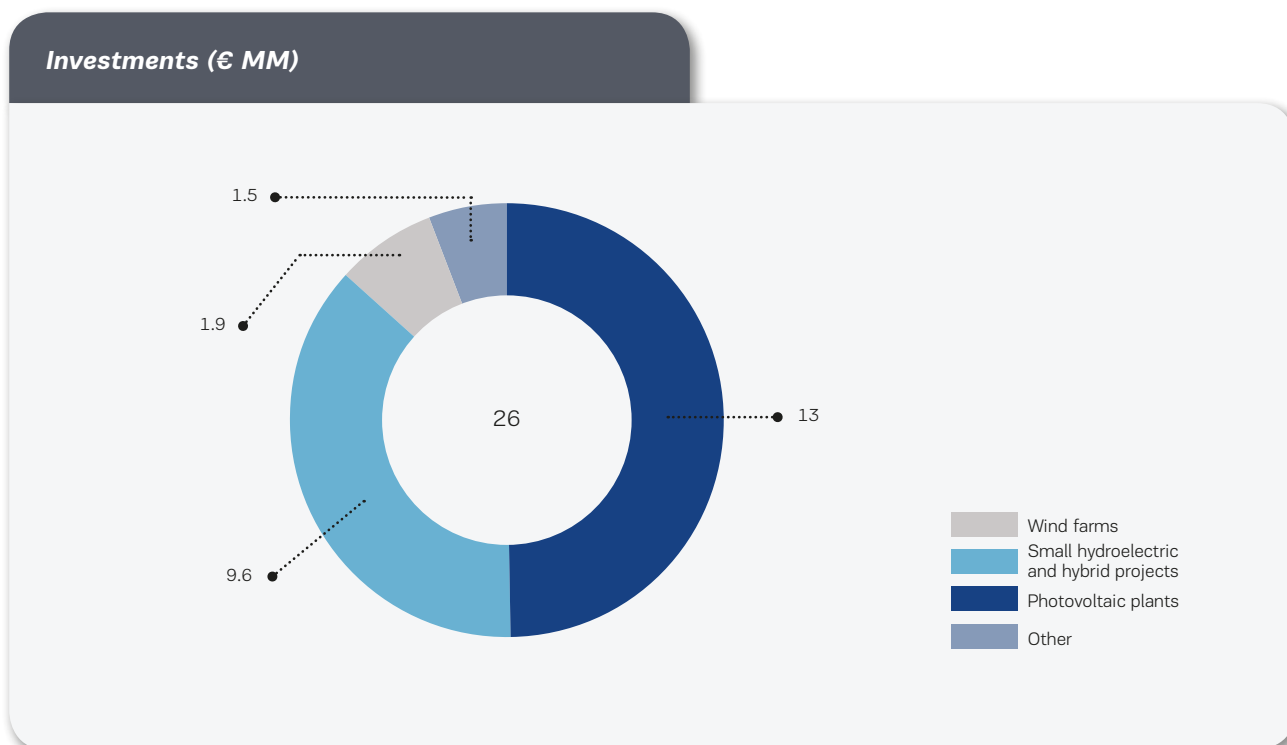
Financial Data

In 2011, PPC Renewables S.A. reported turnover down 8.6% compared to 2010 (€ 22.8 million compared to € 24.9 million). Earnings before tax (in line with the IAS) stood at € 8.6 million for 2011, compared to € 10.9 million in 2010, a drop of some 21%. During 2011 the company increased its overall assets by around € 12.5 million due to investments made in the context of developing 9 wind farms at Paros, Lesvos, Lemnos, Samos (Marathokambos and Pythagorio), Rhodes, Crete (Koprino and Akoumia) and Sifnos, and the Ikaria hybrid energy project.

The share capital remained unchanged but the Company did make use of a short-term € 9.7 million bank loan. Its cash assets stood at € 2.4 million.

PPC Renewables key figures (€ MM)	2010	2011
Earnings before tax	10.9	8.6
Tangible assets	115.9	136.9
Share capital	55.6	55.6
Total equity	97.8	105.1
Long-term loans	0	0
Short-term loans	0.2	9.7

PPC Renewables' most important investments relate to the construction of 9 wind farms on 7 islands in the Aegean Sea and on Crete, and the construction of one of the most innovative projects in Greece to date, the Ikaria Hybrid Energy Project.





Power generated

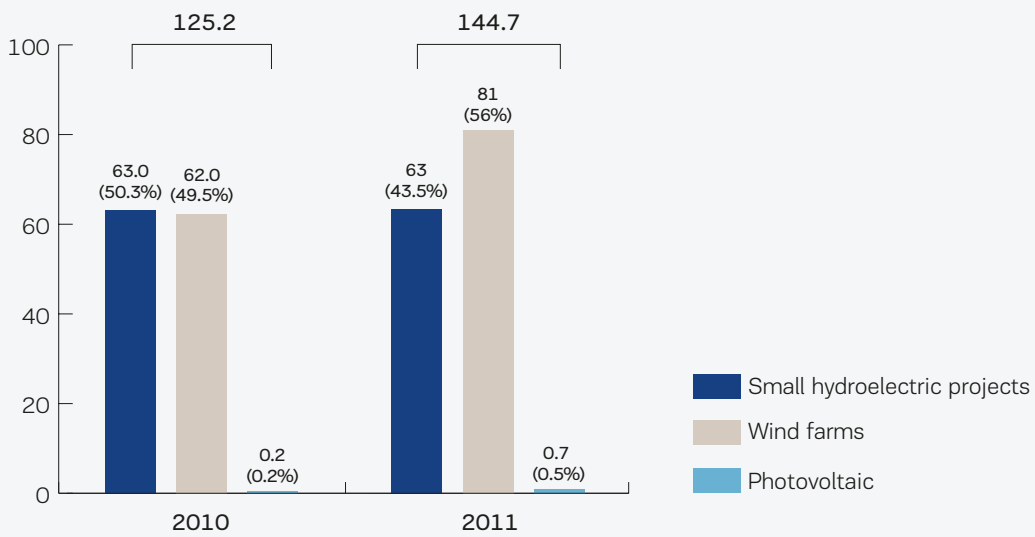
In 2011, the level of power generated by PPC Renewables was affected by the installation of new wind farms which led to a significant increase in the wind energy generated. Power generated from small hydroelectric projects dropped due to the smaller quantities of water available compared to 2010.

In 2011, PPC Renewables had an installed capacity of 144.7 MW.

That capacity includes several projects operated as joint ventures:

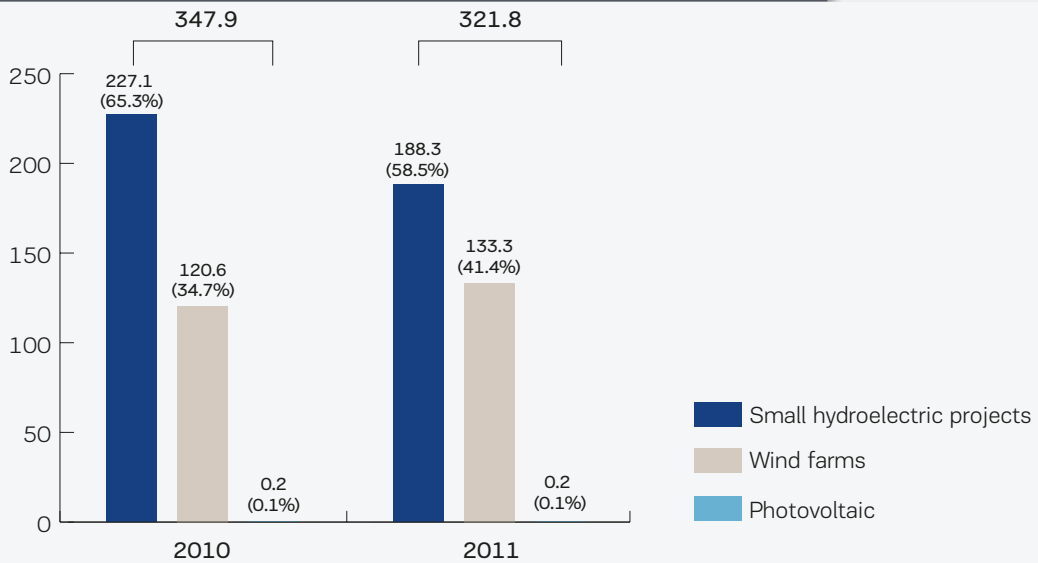
- > The Kos and Leros Wind Farms operated in collaboration with Iberdrola-Rokas
- > The Viotia Wind Farm operated in collaboration with EDF, Energies Nouvelles
- > The Gitani Small Hydroelectric Station operated in collaboration with Nanko Energy S.A.
- > The Vorino Small Hydroelectric Station operated in collaboration with MEK Energy S.A.
- > The Eleousa Small Hydroelectric Station operated in collaboration with TERNA Energy S.A.

Installed capacity per primary energy category* (MW)



*Including joint ventures.

Net power generated per category of primary energy source* (GWh)

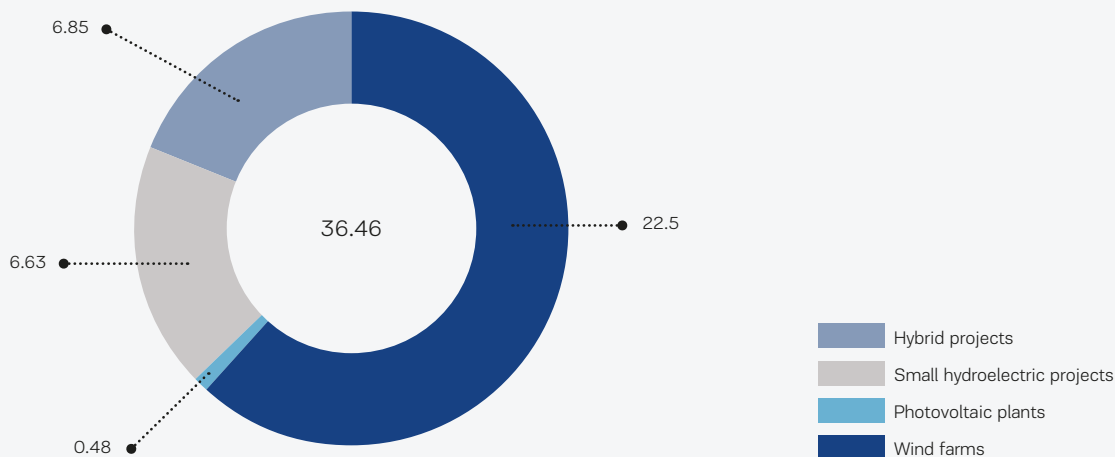


*Including joint ventures.



It should also be noted that there are other jointly operated projects in addition to those listed above that are currently being developed such as the Kalama and Ladonas Small Hydroelectric Projects which is being developed in collaboration with TERNA Energy S.A., and the Alatopetras Small Hydroelectric Project being developed in collaboration with Hellenic Technodomiki Anemos.

Planned capacity being installed / built per category of energy source (MW)



In 2011, the Company conceded use of the Aguia Small Hydroelectric Project in the Hania area of Crete so that it could be turned into an exhibition venue. The plant was one of the first hydroelectric plants to open in Greece, having been commissioned back in 1929 and officially opened by the then Prime Minister, Eleftherios Venizelos. It had been closed since 2009. The plant will be renovated and transformed into an exhibition space which will be used to showcase renewable energy source technologies. PPC Renewables will make € 400,000 available for this purpose.

Membership of organizations

PPC Renewables S.A. is a member of various strategically important organizations. It is a member of the Board of Directors of the European Wind Energy Association and the Hellenic Wind Energy Association (ELETAEN). PPC Renewables' CEO was on the association's Board of Directors as Vice Chairman in 2011. In addition, the Company is also a member of the Hellenic Electricity Companies Association, the Photovoltaic Companies Association and the European Solar Thermal Electric Association.

Corporate Governance

“Complying with corporate governance principles is a key commitment and priority for PPC S.A. given its major role in the Greek economy and the public utility aspect of the services it provides.”

Quote from Corporate Governance Code

2.1 Corporate Governance Framework

PPC is a large organization engaging in an extensive range of activities. On 31/12/2011 (after Transmission was spun off to another company) the company consisted of 6 Divisions.

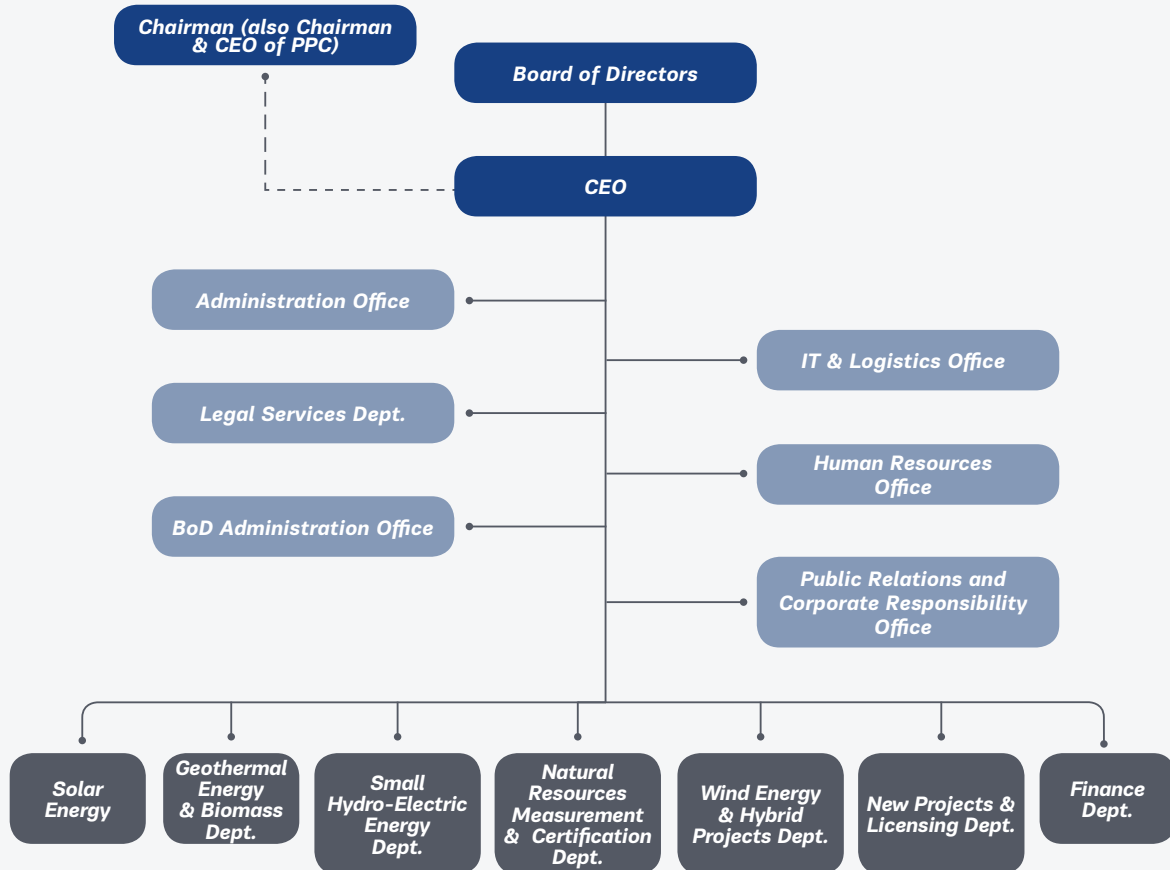


Public Power Corporation S.A. Organizational Chart





PPC Renewables – Organizational Chart



2.2 Corporate Governance bodies

The PPC General Meeting of Shareholders is the supreme management body which is entitled to take decisions on all corporate affairs. As a shareholder in the Corporation, the Greek State exercises the rights granted to it by the Articles of Association and the provisions of the law on anonymous societies. In that context, the Greek State attends the General Meeting represented by the Minister of Finance or his legal representative. The Minister supervising the organization or his legal representative may also attend the General Meeting but with no voting rights.

In addition to the General Meeting, PPC also has the following management and corporate governance bodies:

- > The Board of Directors
- > The Managing Director
- > The Competitive and Corporate Functions Management Board
- > The Network Management Board

Code of Corporate Governance

Seeking to ensure optimal organization, management and running of the company, and to guarantee better levels of transparency in its dealings with shareholders and to safeguard the company's interests overall, the Public Power Corporation (PPC) has put a Code of Corporate Governance in place. This Code of Corporate Governance lays down the framework of principles and procedures that govern the PPC Corporate Governance System.

The PPC Code of Corporate Governance primarily focuses on:

- > **Management:** This addresses the line-up of management bodies, their competences and how they operate. It also deals with Board of Directors' committees and their competences.
- > **Shareholders:** This addresses the competences of the General Meeting of Shareholders and how it operates, shareholder rights, the provision of information to shareholders and reporting requirements in line with Article 10(1) of European Parliament and Council Directive 2004/25/EC.
- > **Internal audits and risk management:** This provides a description of the main features of the Company's internal audit and risk management system in relation to the procedure for preparing the financial statements.

The PPC Code of Corporate Governance is available on the company's website (<http://www.dei.gr>) in the section PPC / Company / Corporate Governance).

2.2.1 The Board of Directors

With the exception of the General Meeting of Shareholders, the Board of Directors is the PPC supreme management body and consists of 11 members.

Name	Post	Executive Member	Non-executive member	Independent Member	Audit Committee	Remuneration Committee
Arthouros Zervos	Chairman & Managing Director	✓	-	-	-	-
Konstantinos Theos	Vice Chairman	✓	-	-	-	-
Urania Ekaterinari	Member	✓	-	-	-	-
Panayiotis Alexakis	Member representing minority shareholders	-	✓	✓	✓	✓
Elias Antoniou	Member Economic and Social Committee Representative	-	✓	✓	✓	-
Harilaos Vasilogeorgis	Member	-	✓	✓	-	-
Nikolaos Vernikos	Member	-	✓	✓	✓	✓
Leonidas Theoklitos	Member	-	✓	✓	-	✓
-	Member Representing minority shareholders	-	✓	✓	-	-
Ioannis Karavasilis	Member Employee representative	-	✓	-	-	-
Evangelos Bouzoulas	Member Employee representative	-	✓	-	-	-

Ratio of men to women on Board of Directors and age line-up of Board members

Gender	Members of Board of Directors	<30	30-50	>50
Women	1	-	1	-
Men	10	-	3	7
Total	11	-	4	7

For more information about members of the PPC Board of Directors see the 2011 Annual Financial Report, pages 37 to 41.

The Board of Directors members are elected as follows:

- > 6 members, including the CEO, are elected by the PPC General Meeting of Shareholders. The Board of Directors then elects the Chairman and Vice Chairman among those members.
- > 2 members to represent PPC employees are elected in elections run by a returning panel appointed by PPC's most representative employee trade union.
- > 2 members to represent minority shareholders are elected by a special meeting of the Company's shareholders.
- > 1 member who comes from organizations in fields relating to PPC's activities is appointed by the Economic and Social Committee.

Powers and Competences of the CEO

PPC's CEO is elected by the General Meeting of Shareholders and his term in office is 3 years.

- > He is the PPC's chief executive officer.
- > He supervises all departments and divisions, and manages their operations.
- > He decides on how the Company is to be organized, within the context laid down by the Articles of Association and the relevant decisions of the Board of Directors.
- > He takes the necessary decisions in light of the provisions governing how PPC operates, and decides on approved programmes and budgets, the strategic plan and the business plan.
- > He represents the company.

More information about the role and powers and competences of PPC's CEO can be found on page 33 of the 2011 Annual Financial Report and in the PPC Code of Corporate Governance on pages 7 to 9.

Competences of the Board of Directors

PPC's supreme management body is its Board of Directors which primarily lays down strategy and the company's development policy, and supervises and reviews how its assets are managed. Following a recommendation from the CEO, the Board of Directors approves:

- > The Strategic Plan which sets out the strategic objectives necessary to achieve PPC's purposes.
- > The PPC Business Plan which covers a period of 3 to 5 years and sets out the objectives of the Strategic Plan in more detail for each year.
- > The method to implement the Strategic Plan and the Business Plan for each year.
- > PPC's annual budget.

Representation of minority shareholders

Where it is necessary to elect a representative of minority shareholders to the Board of Directors, the minority shareholders are invited by the Board of Directors to attend a special meeting at the company's HQ whose sole item is the election of members of the Board of Directors those persons are entitled to elect. Every shareholder who sits on the Board and votes lawfully is entitled to nominate the Directors he wishes at least 3 days before the date set for the General Meeting, irrespective of the number of shares he holds. The Greek State, as a shareholder, is not permitted to attend this meeting.

More information about the rights and representation of minority shareholders can be found on page 35 of the 2011 Annual Financial Report and in the PPC Code of Corporate Governance on pages 18 to 20.

Employee representation

Company employees have 2 representatives on the Board of Directors who serve for a 3-year term in office. Those members are elected by members of the most representative employee trade union by means of a direct, universal vote which uses the ordinary proportional representation system.

2.2.2 Management Boards

PPC operates two top-level management boards: the Competitive and Corporate Functions Management Board (CCFMB) and the Network Management Board (NMB).

The Competitive and Corporate Functions Management Board is responsible for managing corporate affairs and issues which are exposed to competition (Mines, Generation, Supply) whereas the Network Management Board is responsible for managing issues and affairs that are not exposed to competition (transmission system and distribution networks).

The CCFMB is comprised of the CEO, also serving as Chairman, any Deputy CEOs, the General Managers who are responsible for corporate affairs exposed to competition, financial affairs and operations, and human resources.

The NMB is comprised of the CEO, also serving as Chairman, any Deputy CEOs, the General Managers who are responsible for corporate affairs not exposed to competition, financial affairs and operations, and human resources.

These management boards ensure that the company's administrative and operational affairs are dealt with collectively and that operations are consistent. Each of these boards handles important issues within their remit such as productivity, the output of power plants, the organization and operation of activities, budgeting, and strategic and business planning.

At the end of 2011, PPC was obliged to transfer its Transmission operations to an independent subsidiary of PPC, Independent Electricity Transmission Operator S.A. (ADMIE), in implementation of the provisions of Law 4001/2011. That resulted in the Network Management Board (NMB) becoming defunct within PPC and its competences being taken up by ADMIE.

2.2.3 Board of Directors Committees

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

Audit Committee

The Audit Committee consists of at least two non-executive members and one independent, non-executive member of the Board of Directors. The members of the Audit Committee are appointed by the General Meeting of Shareholders and their powers and obligations are as follows:

- > Monitoring financial reporting procedure
- > Monitoring the effective operation of the internal control and the risk management systems and also monitoring of the proper functioning of the internal audit department
- > Monitoring the mandatory audit of individual and consolidated financial statements
- > Reviewing and monitoring issues relating to the establishment and continued objectiveness and independence of the certified public accountants, especially in relation to other services provided by them to the PPC and its subsidiaries

Remuneration Committee

The company's Remuneration Committee consists of 3 non-executive members of the Board of Directors, at least 2 of whom are independent. The Remuneration Committee is responsible for examining and submitting proposals to the Board of Directors on all manner of pay and remuneration for Board members, and for company senior executives. In the latter case it acts in concert with the CEO.

2.3 Internal Audit

PPC has an Internal Audit Department which reports directly to the Board of Directors and is supervised by the Board of Directors' Audit Committee. The Internal Audit Department's mission is to ensure that all PPC business risks are audited in the same way.

The Internal Audit Department's annual audit programme is prepared by identifying, updating, and assessing the PPC S.A. business risks. It takes into account the PPC strategic objectives and all developments that relate to it and the environment in which it operates, including the potential risk of corruption. The audit programme is then submitted by the Audit Committee to the Board of Directors for approval. No audit programme was drawn up for 2011, given that the Department was set up in December 2010. No corruption-related audits were carried out during 2011.

2.4 Risk Management

The overall risk management programme focuses on the uncertainty of financial and non-financial markets and seeks to minimize the unfavourable results this can have on the PPC's financial position. PPC identifies and assesses the risks associated with its operations and if necessary hedges those risks. PPC does not enter into speculative transactions and it also periodically audits and reviews its policies and procedures on financial risk management.

At the start of 2011, PPC designed and implemented a procedure for identifying key sustainability issues as part of the process for identifying and ranking business risks and their impact on the three fundamental areas of Corporate Social Responsibility: economy, society and environment. This procedure will be periodically repeated in order to update recognized risks and impacts.

More information about the risks PPC faces and the procedure for identifying and managing them can be found on pages 14-15, 35 and 120-123 of the 2011 Annual Financial Report.

2.5 Conflicts of interest

In order to avoid conflicts of interest, PPC implements a series of procedures which ensure that cases of conflict between the interests of members of the Board of Directors, executives and other employees and the Company are avoided. The rules which apply are as follows:

- > Board members, Deputy CEOs, General Managers, Managers and employees of the Company are prohibited from engaging in activities on an occasional or professional basis on own account or on behalf of third party in activities which fall within the scope of the Company or from being members of the Board of Directors, employees or representatives of companies pursuing similar objectives as those of the Company, and from participating as partners in partnerships or other forms of companies or joint ventures pursuing objectives similar to those of the Company, without having first obtained permission from the Company's General Meeting of Shareholders. Subsidiaries and companies in whose capital PPC participates are excluded from the said prohibitions.
- > These prohibitions apply for a period of 2 years after the end of the term in office of any member of the Board of Directors or his departure from the Board, or after an executive or employee leaves the Company, if he had participated in a company Management Board or the Board of Directors.

More information about how PPC avoids conflicts of interest can be found on pages 32-33 of the 2011 Annual Financial Report.

2.6 Corporate Social Responsibility in the Company

PPC acknowledges that there is an ever increasing need for businesses to implement responsible management practices in order to achieve sustainable development. PPC strategy on sustainable development is an integral part of its strategic planning and its business operations, and finds expression in the following three ways:

- > By providing top quality services to customers,
- > by managing its footprint in local communities and the natural environment, and
- > by promoting sustainable development for the benefit of society and its employees.

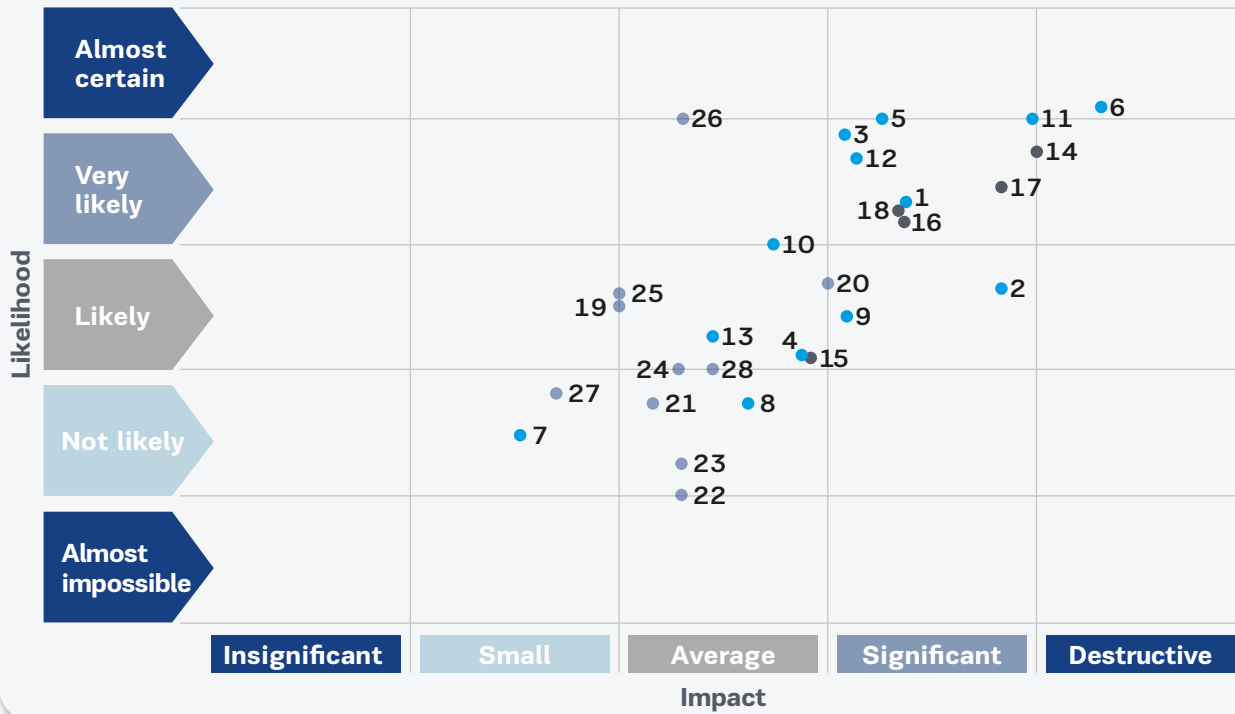
In order to ensure optimum management on Corporate Social Responsibility and Sustainable Development issues, and to attach the appropriate importance to each issue, PPC has identified a series of key issues and attached priority to them in light of the impact they could have on PPC and its stakeholders. The degree of impact these issues have, depends on the likelihood of them occurring and on the potential scale of the impact. The diagrams below show the full list of sustainable development issues and how PPC has prioritized them.

Coding	Impact area	Sustainable development issues/impacts	Likelihood	Impact
1	Society	Corporate governance, morality and values	3.34	3.50
2	Society	Employee & third party H&S	2.64	3.86
3	Society	Job security	3.90	3.10
4	Society	Employee training	2.14	2.86
5	Society	Career advancement / work satisfaction	4.00	3.29
6	Society	PPC employees	4.19	4.31
7	Society	Equality at work	1.33	1.56
8	Society	Management – employee relations	1.67	2.67
9	Society	Customer satisfaction – safeguarding products & services	2.28	3.15
10	Society	Shaping customer consumption habits	3.00	2.67
11	Society	Outward looking approach – PR	4.06	4.06
12	Society	Relations / dialogue with local communities	3.83	3.13
13	Society	Contractor/ supplier management	2.25	2.50
14	Economy	Financial position / return	3.75	4.00
15	Economy	Supplier management and logistics	2.17	2.92
16	Economy	New markets and investments	3.27	3.53
17	Economy	Regulatory affairs	3.49	3.93
18	Economy	Risk management (including legal risks) / crisis management	3.33	3.40
19	Environment	Climate change and greenhouse gases / particulate matter emissions	2.50	2.00
20	Environment	Dust	2.50	3.00
21	Environment	Noise	1.75	2.25
22	Environment	Waste	1.00	2.33
23	Environment	EMFs	1.33	2.33
24	Environment	Raw materials / fuels / water	2.00	2.33
25	Environment	Ecosystems / biodiversity	2.67	2.00
26	Environment	Aesthetic nuisance / eyesores	4.00	2.33
27	Environment	Energy efficiency / new technologies	1.75	1.75
28	Environment	Promotion of RES	2.00	2.50

Likelihood: 1. Almost impossible, 2. Not likely, 3. Likely, 4. Very likely, 5. Almost certain

Impact: 1. Insignificant, 2. Small, 3. Average, 4. Significant, 5. Destructive

Matrix approach of material issues



The procedure for identifying, assessing and prioritizing key issues and their impact on sustainable development is implemented periodically and is approved by PPC's top level management.

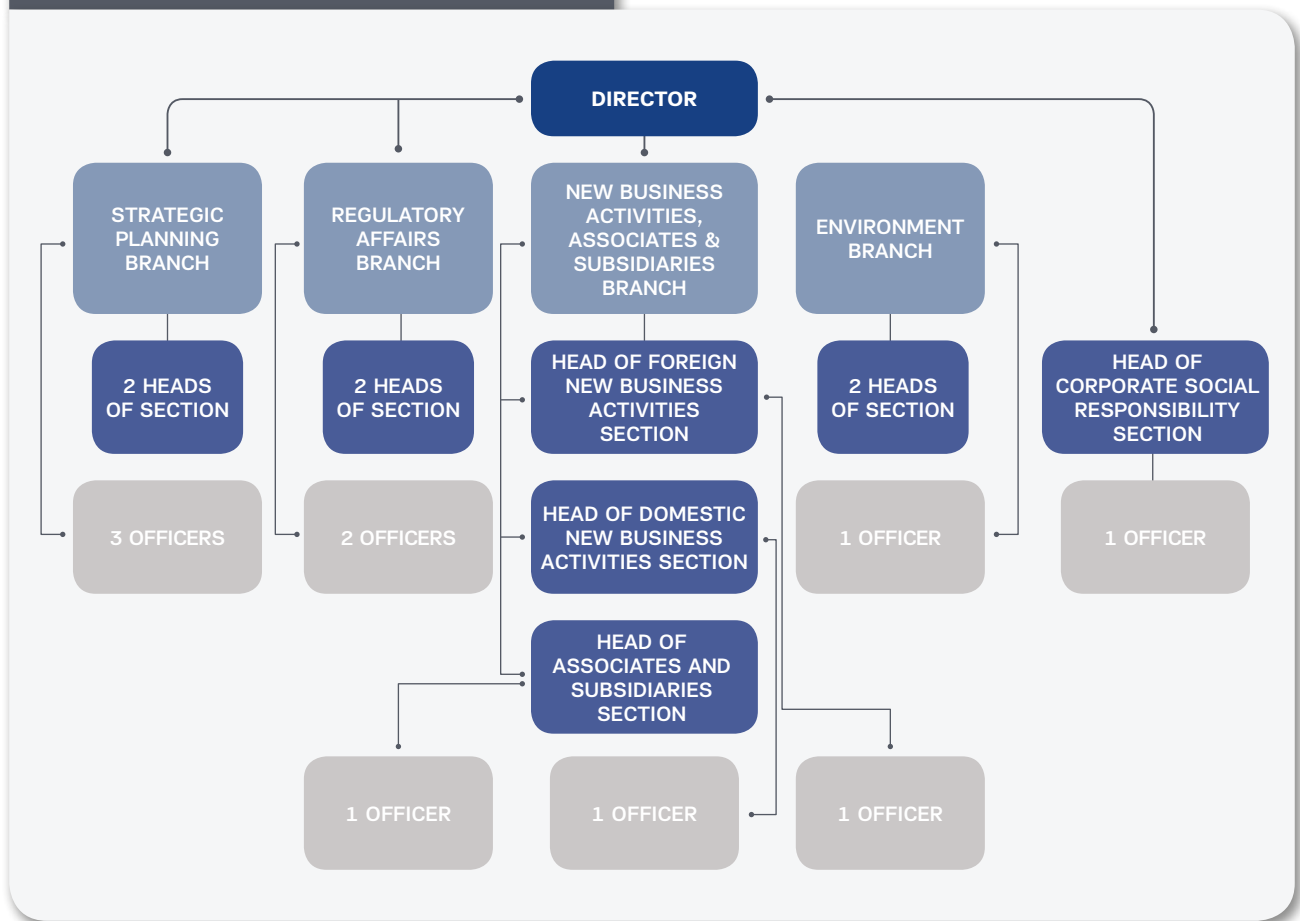
2.7 Organizational structure for Corporate Social Responsibility

Having acknowledged that corporate responsibility is a vehicle for achieving sustainable development, PPC has set up a separate Corporate Social Responsibility Section within the Strategy Department.

The mission of PPC's Corporate Social Responsibility Section is to identify, develop and implement Corporate Social Responsibility strategy to meet the needs of stakeholders in a balanced manner, and to showcase those activities and practices which shed light on PPC as a force for social good.

To ensure that sustainable development and Corporate Social Responsibility issues are given their proper place and are managed properly, the Board of Directors has assigned two members (Mr. Panagiotis Alexakis and Mr. Elias Antoniou) the task of overseeing how the Corporate Social Responsibility Department is run and of submitting an annual report to the Board of Directors.

Strategy Department organizational chart



2.8 Communication with stakeholders

It is particularly important for PPC to communicate and cooperate with its stakeholders. PPC recognizes the major benefits for all sides that arise from real communication and collaboration with various stakeholder groups.

PPC has identified its stakeholder groups via a series of internal consultations, debates and working meetings between the PPC management team and its executives. The main stakeholder groups and the communication channels used for each group are shown in the diagram below.

- > Partnerships with associates at national and international level
- > Development of online fora
- > Constant communication with suppliers
- > Public consultations

Associates/ Suppliers

- > Ordinary or extraordinary meetings of shareholders
- > Board of Directors secretariat within the management office
- > Investor Relations Office
- > Meetings with existing shareholders and potential investors to inform them about financial results and the PPC performance
- > Presentations of financial results (quarterly, half-year and annual results) – conference calls with analysts
- > Attendance at roadshows in Greece and abroad

Shareholders/ Investors

- > Participation in the Hellenic Electricity Association (HELAS) which is actively involved in EURELECTRIC

Competitors

- > PPC Strategy Department has a Regulatory Affairs Branch whose main responsibility is to collaborate with the competent departments of PPC to set forth the PPC views on regulatory framework issues relating to it, and to promote those views to the competent ministries (Ministry of the Environment, Energy & Climate Change and Ministry of Foreign Affairs) and the regulatory authorities (RAE).
- > The Supply Division Power Transactions

State, regulatory authorities, public agencies

Department ensures that PPC is represented as an electricity supplier in its dealings with the regulatory authorities and other competent authorities, handling issues which are related to the regulatory framework on power transactions by suppliers.

- > Freedom of association Employee representation on the Board of Directors and at General Meetings of shareholders
- > Employee participation in level I and II career advancement boards

Employees

- > 10500 phone line available at all times
- > Website available at all times
- > Social domestic tariff helpline available at all times
- > Customer surveys (as and when appropriate)
- > PPC service surveys (as and when appropriate)
- > Customer service in person and via newsletters at PPC stores
- > Information communicated to customers in bills and in PPC stores
- > Direct mail campaigns to selected customers
- > Visits to selected customers by Supply Division top executives

Customers

- > Requests for support from PPC accepted

NGOs


- > Constant communication between PPC executives and regions, local government authorities and local communities
- > Requests to PPC examined and accepted
- > Consultation with local bodies and the Ministry of the Environment, Energy & Climate Change when issuing decisions approving environmental terms and conditions for PPC projects, in order to identify the offset benefits / projects to be implemented

Regions, local government authorities, local communities

The key issues which each stakeholder group was consulted on and the way in which PPC responded are shown in the table below.

Stakeholder groups	Main issues discussed	PPC's response
Customers	<ul style="list-style-type: none"> > More frequent, more in-depth communication with customers > Issuing of a new, easier to understand, customer-focused bill > Improved service levels > Development of a customer-focused approach and attitude 	<ul style="list-style-type: none"> > Customer satisfaction surveys were performed > The results were evaluated and corrective actions taken > A survey of customer views about the printed bill was carried out as part of a move to introduce a one-page bill from 2012 onwards
Employees	<ul style="list-style-type: none"> > Labour and social security issues > Employee assessment issues > HR development and advancement > Information about company objectives and whether they are achieved > Protecting employee H&S > Training 	<ul style="list-style-type: none"> > An employee assessment system was introduced > Training courses were held > Additional benefits were offered to all employees > A H&S at work management system was introduced > Programmes, activities and training courses were run to promote H&S at work

Stakeholder groups	Main issues discussed	PPC's response
State, regulatory authorities and public sector bodies	<ul style="list-style-type: none"> > Implementation of one of three models specified in Directive 2009/72/EC on electricity, relating to the transmission operator (Ministry of the Environment, Energy & Climate Change) > Simplification of licensing procedures for power generation projects and system and network development projects (Ministry of the Environment, Energy & Climate Change) > Compilation and completion of the Islands Management Code (Regulatory Authority for Energy) > Environmental legislation issues (Federation of Greek Industry) > Regulatory affairs 	<ul style="list-style-type: none"> > PPC attended and took part in the relevant committees and consultations with the Ministry of the Environment, Energy & Climate Change, RAE and Federation of Greek Industry. > PPC actively participated in consultations on a new Grid and Power Transactions Code and a new Customer Supply Code.
Shareholders and investors	<ul style="list-style-type: none"> > Increased voting rights for shareholders at GMs > Increased competitiveness > Profitability > Keeping down running costs 	<ul style="list-style-type: none"> > The Corporate Social Responsibility and Sustainable Development Report was issued > A Code of Corporate Governance was issued
Shareholders and investors NGOs – not-for-profit organizations	<ul style="list-style-type: none"> > Environmental, social and economic issues based on local requests to examine them. Examples include requests from local government authorities to improve the look of the distribution network. > Contributing to employment at local level in different areas in which PPC operates. > Improving the local economy by selecting local suppliers > Developing offset projects in areas where the company operates > Dialogue and consultations before new projects are implemented 	<ul style="list-style-type: none"> > Offset projects / benefits arising from consultation during the process of issuing environmental terms and conditions for projects. Issues raised by local bodies are handled in a positive manner by PPC > Use of land is granted and local entrepreneurialism is encouraged > Underground networks are developed for environmental and operational reasons. The policy to improve the look of the distribution network includes placing sections of the network underground and converting distribution substations suspended on pylons into indoor substations or smaller substations in rundown city centres, and in traditional villages and areas of tourist interest > Financial support for local communities to allow them to develop in multiple ways (support for educational, sporting and cultural bodies)
Associates and suppliers	<ul style="list-style-type: none"> > Collaboration of supply issues > More favourable pricing policy > Collaboration in relation to joint ventures and RES projects > Collaboration to promote clean energy 	<ul style="list-style-type: none"> > Consultations and open communication to improve products
Competitors	<ul style="list-style-type: none"> > Fair competition > Promotion of sectoral issues > Collaboration on energy issues > Regulatory affairs 	<ul style="list-style-type: none"> > Participation in sectoral organizations > Participation in consultations with competent bodies

 When implementing projects, PPC Renewables approaches local communities during the design, build and operational phase, in order to achieve the necessary level of social support. In particular, PPC Renewables talks with local communities and the competent authorities, organizing info-events, one-day events and interviews on the benefits these projects entail.





We devote all our energy
to people and their needs,
with choices, solutions
and innovations

The Market And Our Customers

PPC provides services in a responsible manner to consumers in Greece, making efforts to ensure quality services and a high level of customer service, by utilising practices focused on generating mutual benefit for both PPC and society. We manage our relations with customers by seeking to ensure customer satisfaction irrespective of whether they are individual or business customers. To achieve this, we use new technologies, we are upgrading our network of stores and we are promoting alternative bill payment methods.

With more than 60 years of experience in the energy sector, PPC is a responsible firm that provides top quality and safe products. PPC:

- > is constantly improving the quality of the energy provided by utilising new technologies,
- > is upgrading the level of service provided by promoting alternative forms of information dissemination to customers and alternative bill payment methods,
- > is significantly reducing the time required for network operations (new connections, relocations, extensions, etc.),
- > has developed special pricing policies for specific population groups (e.g. victims of earthquakes / fires, and farmers),
- > is making its website (<http://www.dei.gr>) friendly to persons with special needs,
- > is managing, facilitating and accelerating the process of including applicants in its social residential tariff scheme, irrespective of the power supplier; this scheme was introduced to protect vulnerable groups of consumers and especially those on a low income, families with three or more children, the long-term unemployed and the persons with special needs.

3.1 Products and services

TPPC core product is the supply of electricity to household customers, professionals and large businesses nationwide. PPC provides electricity to all locations for persons who apply for a connection, if it is possible to extend PPC networks (complying with existing rules for NATURA areas, and obtaining approval from the forestry service where necessary, etc.). The countryside electrification scheme was completed in the 1980s, resulting in 99.9% of the country's population having electricity.

PPC offers different tariffs for different categories of customers.

The tariffs depend on the voltage (high, medium and low) and the use to which the electricity is put.

- > Residential tariffs, which include a sliding scale of fixed charges and energy usage fees, depending on the amount of energy consumed and the type of electricity used (single and three-phase electric power).
- > Industrial tariffs which vary depending on the voltage category: low (three specific tariffs), medium (two specific tariffs) and high.
- > General tariffs which vary depending on the voltage category: low (three specific tariffs) and medium (two specific tariffs).
- > Agricultural tariffs which include tariffs for irrigation and drainage activities. There is also a discounted agricultural tariff available.
- > Daily newspaper and street/square lighting tariffs which relate to municipalities and communities throughout the country.

The residential tariffs available in 2011 can be divided into:

- > Standard residential tariff: This tariff applies a standard charge for energy consumed round the clock which differs, depending on the overall level of consumption over a 4-month period.
- > Discounted night-time tariff.
- > Special tariffs: For large families with 4 or more dependent children
- > Social Residential Tariff for vulnerable groups of customers who need support.

3.1.1 PPC Social Residential Tariff

In order to protect vulnerable groups of consumers such as those on a low income, families with 3 or more children, the long-term unemployed and the persons with special needs, the Greek State decided to introduce a Social Residential Tariff which offers these groups a discount, ranging from 30% to 35% on the normal residential tariff rate for power consumption up to 800 kWh. Applications to join this tariff scheme can be submitted by all beneficiaries irrespective of the power supplier they have selected. A total of 363,186 applications were submitted in 2011, of which 280,074 (77%) were approved. In addition to the procedures laid down in the relevant Ministerial Decision for this scheme, PPC has opted to make it easier for customers to submit applications for the scheme:

- > The down payment payable when the contract is signed is no more than € 20.
- > The application can be submitted over the phone by calling 210 9298000.
- > Information about the status of the application and the outcome of the process, can be obtained at any time by calling the above number.

Partnership with the Centre for Renewable Energy Sources & Energy Savings (CRES)

The Centre for Renewable Energy Sources & Energy Savings is a national agency whose mission is to promote renewable energy sources, rational energy use and energy savings.

CRES operates to protect the environment and promote sustainable development, and it implements innovative projects and important actions to disseminate and establish new energy technologies. In 2011 PPC began collaborating with CRES in order to implement investments to improve energy performance in the household sector.

In particular, PPC and CRES are seeking to improve the energy efficiency of households by providing energy services which will be repaid depending on the degree of energy savings achieved.

In particular, households which join the pilot scheme will be able to make energy improvements to their home without paying anything up front, but by paying for the improvements over time via the electricity bill.

Categories of social residential tariff beneficiaries	No. of applications	Approved applications
Persons with special needs	92,281	65,114
Persons on low income	206,255	172,254
Unemployed	32,010	22,343
Large families	32,640	20,363
Total	363,186	280,074

In 2011, to ensure uniform, equal treatment of all customers, the Board of Directors of PPC approved a new procedure for settling outstanding bills, depending on the category of customer (residential, business customers, vulnerable groups, etc.), and the degree to which they consistently settle their bills. In addition, special provision was made for customers of vulnerable groups such as beneficiaries of the Social Residential Tariff scheme and individuals with serious health problems who use mechanical support equipment.

PPC as the last resort supplier and universal service supplier

Law 4001/2011 has been a milestone in 2011, as it transposed Directive 2009/72/EC concerning common rules for the internal electricity and natural gas market into Greek law.

Among other things, this law contained reforms relating to consumer protection from unfair practices, as well as it provided for two services:

- > **Last resort supplier:** The last resort supplier is obliged to supply electricity to consumers who are not any more represented by a supplier, due to the supplier's fault (and not due to the customer's fault). This service is provided temporarily for a maximum of 3 months until the customer concludes a new contract with a supplier of his choosing.
- > **Universal service supplier:** The universal service supplier for electricity is obliged to supply residential customers and small businesses (for supplies of up to 25 kVA), who have not opted to use their right to freely select a supplier, or those who cannot find a supplier in the deregulated market under the current applicable commercial terms and conditions.

For the time being both these services are provided to consumers by PPC. The procedure for selecting suppliers, the terms and conditions, criteria and all related modalities are laid down in a decision of the Regulatory Authority for Energy. The procedure was completed on 31/7/2012. If no interest is expressed, the supplier with the largest market share for each category of customer will be selected as the universal service provider, which in this case is PPC.

Under the Power Supply Code, PPC does not currently collect a down payment/guarantee for the said services in lieu of future consumption from customers who are provided with electricity either under the last resort supplier scheme or from customers transferred to the universal service scheme. At the same time PPC is obliged to supply electricity to them, applying the same charges it applies to other customers who have paid the set down payment in accordance with the terms stipulated in the contract between them and PPC. These facts entail unequal treatment of consumers. They constitute a counterincentive for customers to sign a contract with another supplier of their choice, while they benefit from the last resort supplier scheme and further on from the provision of the universal service. In addition, being the universal service provider, PPC bears added customer service costs due to the significant delay between the cost incurred for providing electricity to the said customers and the revenues collected through their bills. Consequently, there is an additional financial cost for securing working capital, and a higher risk of bad debt among this category of customers (due to outstanding bills).

For these reasons, the Energy Regulatory Authority decided that until the process of appointing a universal service supplier is completed, PPC may apply a surcharge of up to 7% on the tariff applied by competitors for all customers in the universal service scheme, in order to cover the cost of providing this service. This surcharge applies until the universal service customers sign a contract with the supplier of their choice.

3.2 Quality assurance and new technologies

PPC considers that continuous electricity supply is particularly important. For that reason PPC is making concerted efforts to make investments in infrastructure networks to ensure a continual improvement in the services it offers.

PPC monitors and checks the quality of the energy supplied using the internationally accepted indices SAIDI 2010 (System Average Interruption Duration Index) and SAIFI 2010 (System Average Interruption Frequency Index).

These indices indicate the annual outage time and the annual number of outages per customer. The values of these indices do not include planned outages and outages due to emergencies, such as floods or fires, or outages due to third parties, neither outages at generation plants or in the power transmission network. The indices for 2011 were 110 minutes and 2.1 outages respectively, which is a considerable improvement in terms of the overall impact on average customers due to blackouts, compared to 2007 when the SAIDI value was 220 minutes.

The following projects, seeking to integrate new technologies into the way the Company operates, were completed in 2011:

KRONOS IT system

The KRONOS IT system is supported by a database and collects all data about the operation of the day ahead wholesale market and the PPC pricing policy.

Thanks to a wide range of reports and queries available, the application's GUI allows users to reliably and flexibly process data and view data on screen relating to PPC operations since 2004 in the following fields:

- > Financial and energy data for the wholesale market
- > Daily load forecast reports for PPC as a supplier
- > Temporary and final meter data from ADMIE
- > Customers Data contributing to the establishment and choice of tariffs

New cash collection system (with transactions being updated in real time)

280 new cash registers were procured and put into use at PPC branches. This project has improved the cash collection function and has replaced the previous system which had been in operation since 1994.

New billing – customer care system

In 2011, the development of the new SAP system has continued, in an effort to improve the quality of services provided to customers.

3.3 Customer relationship management

Concerted efforts are being made to provide services in a way that ensures maximum customer satisfaction. Efforts are being made to take a more customer-focused approach, with the Company carrying out surveys and managing complaints, and taking into account consumer needs.

3.3.1 Taking a more customer-focused approach

In 2011, PPC changed its website (<http://www.dei.gr>) in line with modern customer-focused standards, on the one hand allowing consumers to directly access key information and on the other by designing the site to be disabled-friendly. It is also worth noting that PPC has developed a special application that allows services to be provided via smartphones.

In order to improve the Company customers' overall experience and to increase the level of service provided to them, the look of the stores in Athens, Kos, Veria, central Thessaloniki and Volos has been changed. This new look has made the in-store environment more pleasant and contemporary, giving consumers a sense of comfort, while also ensuring rapid, high quality customer service.

In 2011, in order to approach its customers, to increase the level of service provided and to promote direct dialogue, PPC took various steps:

- > 300,000 letters were mailed to customers to inform them about new tariffs applicable from 2012 onwards.
- > Supply Division executives held meetings with key customers to understand their real needs and take steps to meet those needs.
- > Visits were paid to major customers in order to better understand their needs.
- > Documentation was provided to customers in the stores.

3.3.2 Managing customer complaints

In PPC we see any customer complaint as an opportunity to improve the services we offer and to increase customer satisfaction. Complaints and requests from customers to PPC can be submitted in writing (directly by customers, or via the Ombudsman, the Consumer Ombudsman, the Greek Parliament or the Ministry of the Environment, Energy & Climate Change, etc.) or by email. All questions put to PPC are answered. Around 6,300 complaints/questions were sent by email in 2011. 10% were complaints and 90% were requests/questions.

A call centre operates in the Attica region (call 10500) and it receives around 86,000 calls a month on average. Customers can contact the call centre and obtain information. The call centre has contributed to the improvement of the contact with the customers, to an increased level of customer service and to an improved image of PPC.

Year	No. of incoming calls	% of successful calls
2009	722,235	36%
2010	748,813	96%
2011	1,035,905	93%

The great increase in the number of incoming calls in 2011 was due for the most part to the imposition of the special property tax via the electricity bill.

3.3.3 Customer opinion surveys

In 2011, to further improve the quality of services provided, a survey was carried out by a specialized firm, about the introduction of a one-page bill, starting in 2012.

The main view expressed through the survey was that the existing bill is not clearly comprehensible, it can be ambiguous and it does not provide all the necessary information.

PPC, having taken into account its customers' opinion, has started designing a new bill, which will be an improved version of the existing one, more simple for customers to understand.

3.3.4 Developing new activities and services

PPC is constantly striving to find new ways to meet the increasing needs of customers. PPC joined forces with an external associate to explore the possibility of providing new energy services.

This partnership explored the opportunities available in the Greek market for providing energy services, for designing a business strategy and business plan for PPC, for selecting an organizational structure, methodology and procedure, for implementing new business activities in this field. The project was completed in 2011.

3.4 User and consumer H&S

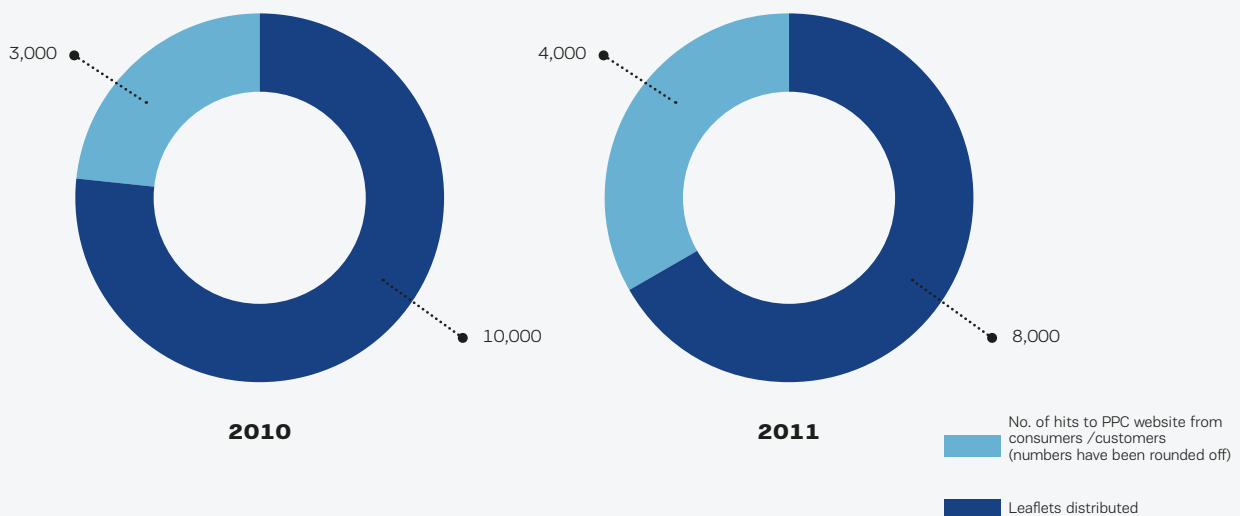
Protecting the H&S of consumers and users of electricity is a key concern of PPC. For that reason, PPC places particular emphasis on preventing risks arising from the use of electricity and on managing electromagnetic fields at its facilities.

3.4.1 Preventing risks from the use of electricity

To prevent risks, PPC procedures include a requirement to check building facilities every time the name associated with a connection is changed, or a tariff changed, or whenever there are changes in user/consumer details. This ensures that facilities are re-checked more often than every 14 years, the period stipulated by the law as the mandatory period for such a re-check.

In 2011, PPC continued its campaign to spread information and raise awareness among the public about the safe use of electricity. Leaflets on this subject were printed and distributed. The same information is also available on the PPC website.

Awareness arising about the safe use of electricity





You can rest assured!

Electrical and magnetic fields carry very little energy, which is not sufficient to cause thermal or genetic harm to living organisms. In addition, the more the distance from the source increases the quicker the field strength weakens.

All well-respected epidemiological studies and lab research carried out do not indicate any relationship between human exposure to these fields and possible harm to health, nor has any mechanism for biological impacts on the human body been confirmed.

3.4.2 Electromagnetic fields and permissible limits

PPC follows the guidelines and limits proposed by the International Commission on Non-Ionising Radiation Protection (ICNIRP), the most widely respected international independent scientific body which operates under the aegis of the World Health Organization. The same limits (which are also the safe exposure limits for the public) have also been adopted by the Greek state.

To ensure that these limits are respected, measurements are taken by the competent departments of PPC S.A., ADMIE, DEDDIE or by independent organizations such as the Greek Atomic Energy Commission or the Democritus Science Centre, and universities such as the National Technical University of Athens, the Patra Technical University or the University of Athens. The results of electrical and magnetic field measures carried out to day show that not only there is no exceedance of the limits set by law, but that the values measured are many times below the marginal exposure limits.

When transmitting electricity:

- > We meticulously comply with ICNIRP requirements when building and operating our facilities.
- > We systematically perform measurements around transmission lines and in the area around substations and high voltage units to ensure that the EMF values recorded at our facilities are way below the statutory limits.
- > We carry out on-site measurements of fields at our facilities (if complaints are made); whenever such on-site measurements have been made, we have confirmed that PPC complies with the safety limits.

Audits and Responsibility: PPC field management

Audits and Responsibility: PPC field management
PPC systematically performs measurements around transmission lines and in the area around substations and high voltage units to ensure that the EMF values recorded at our facilities are way below the statutory limits.

PPC safeguards the H&S of users and customers by meticulously complying with the requirements of the International Commission on Non-Ionising Radiation Protection (ICNIRP) and the World Health Organization (WHO) when building and running its facilities, ensuring that the organization complies with said limits, and that there are additional ample safety margins in place.

For more information visit the PPC website www.dei.gr (PPC / Press Centre / Info-leaflet / Customer info-leaflets / Electrical and magnetic fields).

When distributing electricity:

- > We perform continuous measurements and carry out studies, in collaboration with independent scientific organizations and educational institutions, to safeguard public health and safety. The measurements taken reflect the fact that the values measured are hundreds to thousands of times lower than the limits set in the EU Council Recommendation.
- > At distribution centres (indoor high/medium voltage substations) built in urban centres the strength of electrical and magnetic fields is lower than the permitted EMF exposure limits.

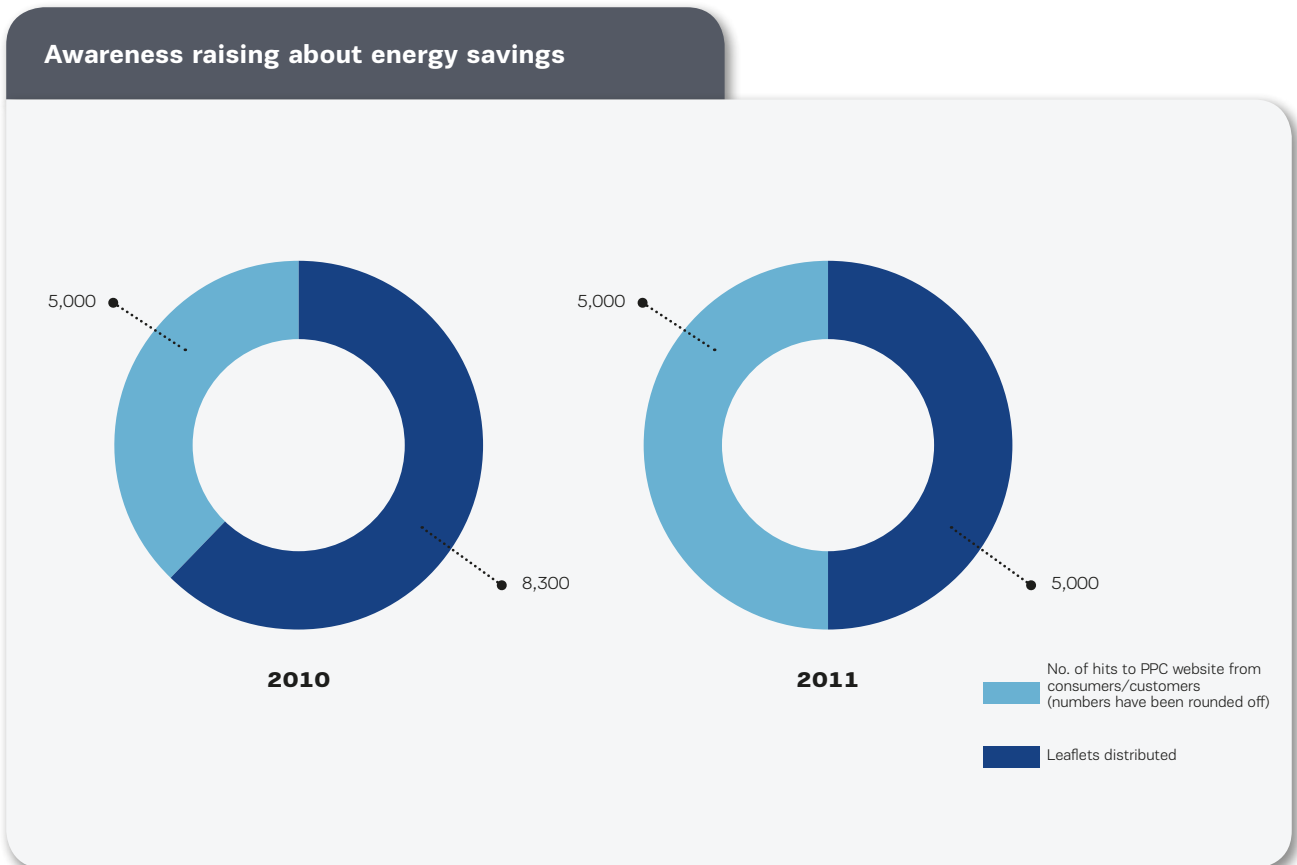
In 2011, a study about “Measurements of low frequency magnetic field levels generated at various locations at the Aristidou Distribution Centre in the Municipality of Athens / Prefecture of Attica” was prepared. The study relates to EMFs at distribution centres in operation which are in contact with other buildings. The study was prepared in October 2011 by the Greek Atomic Energy Commission and showed that the measured values were from 20.5 to 2,083 lower than the limit value of 100 μ T.



3.5 Energy savings and provision of information to customers / awareness raising

PPC has made it a strategic choice to inform the public and customers about energy savings and to raise awareness on this topic. Energy savings and efficient use of energy can lead to important economic, environmental and social benefits for all parties involved.

In 2011, PPC continued its campaign to spread information and raise awareness among the public about energy savings. Leaflets on this subject were printed and distributed. The same information is also available on the PPC website.



3.6 Responsible Purchasing

To meet its needs for raw materials and other items, PPC engages in large scale purchases due to its size as an organization. PPC implements practices which ensure the transparency of the procedures it implements with suppliers of critical materials, and the follow-up procedures used.

In addition, where possible, PPC purchases locally in different areas to make a significant contribution to local development. In areas where PPC is engaged in construction activities, the benefits from PPC presence are significant in terms of economic development.

To ensure optimum management of purchasing operations/suppliers, PPC:

- > has included a general clause in all tender notices to ensure that contractors and subcontractors comply with labour and social security law for their employees; the clause states that contracts will be terminated and contractors disqualified from future tender procedures if they repeatedly fail to comply with those requirements; this allows PPC to ensure that it collaborates with contractors who comply with labour law and have their employees insured in line with the relevant legislation,
- > is in ongoing contact with key suppliers to exchange views about the way the equipment procured is operating, and to transfer know-how to them,
- > keeps an updated register of accepted service and product suppliers, based on the quality evaluation and reliability of the services and products the suppliers offer, giving them incentives to improve and raise the overall standard of the market,
- > posts project and supply tender notices to its website to promote public dialogue in a fully transparent and objective manner.

3.7 Regulatory and legislative compliance

Complying with the applicable legislation and other regulations lies at the core of PPC operations, not only in relation to the products and services it offers, but also in all its activities. However, due to the size of PPC and the large range of activities it carries on, various critical issues do arise from time to time. The issues which arose in 2011 are referred to below.

In 2011, a class action was filed by consumer associates against PPC before the Athens Multi-Member Court of First Instance requesting:

- > non-imposition of the special levy on buildings payable via the PPC electricity bill,
- > that electricity supplies are not disconnected were that levy not paid; it should be noted that the Athens Single-Member Court of First Instance has already rejected an application for an interim order on the same matter, ruling in favour of PPC; under the current legislation, PPC is obliged by law to collect the above mentioned levy.

In 2011, in addition, a total of 63 actions were filed against PPC relating to losses incurred: a) by a PPC contractor, b) by a network fitter, c) due to voltage spikes or short circuits, d) due to an explosion, b) due to tree felling, f) due to electricity post relocation, g) due to fire, and h) due to installation of a pylon. The total amount claimed in these actions is € 16,628,611.95.

Issue	No. of cases / non-conformity cases	Amount of fine (€)	Comments / development
Network regulatory affairs	2	915,000	Administrative appeals have been lodged and a decision is expected (underway)

Targets for 2012

- > Training course for senior Supply Division executives on modern marketing and sales techniques.





We devote all our energy
to the people working
by our side

Our People

Our people are the most precious asset we have. PPC implements responsible HRM practices and ensures a modern, equal opportunities workplace. PPC makes concerted efforts to ensure that it safeguards its employees' H&S, both by implementing H&S at Work management systems and by running training courses. In addition, the work–personal life balance and the provision of personal advancement opportunities via lifelong learning are key priorities in PPC HRM policy.

4.1 Employee key data

PPC is one of Greece's most important employers. On 31/12/2011, PPC had 19,466 full-time employees (the employees of ADMIE which was spun off not included), the majority of whom work in the generation and distribution sectors.

To support local areas in which PPC operates and to give something back to those areas, PPC, when feasible, recruits employees from local communities.

Around 70% of PPC employees are employed outside Attica, due to the considerable spread of production activities nationwide, while the other 30% are employed in Attica. The Western Macedonia and Peloponnese regions employ around 40% of PPC's employees since those regions are home to both mining and generation activities (mines and power plants) and are the location of major construction works (thermal plants, hydroelectric stations and wind farms).

Geographical allocation of employees



PPC Renewables S.A.:

- > Total no. of employees: 27 (18 men / 9 women)
- > Full-time employees: 27 (100%)
- > Open-ended contracts: 25 (93%)
- > Fixed-term contracts: 2 (7%)

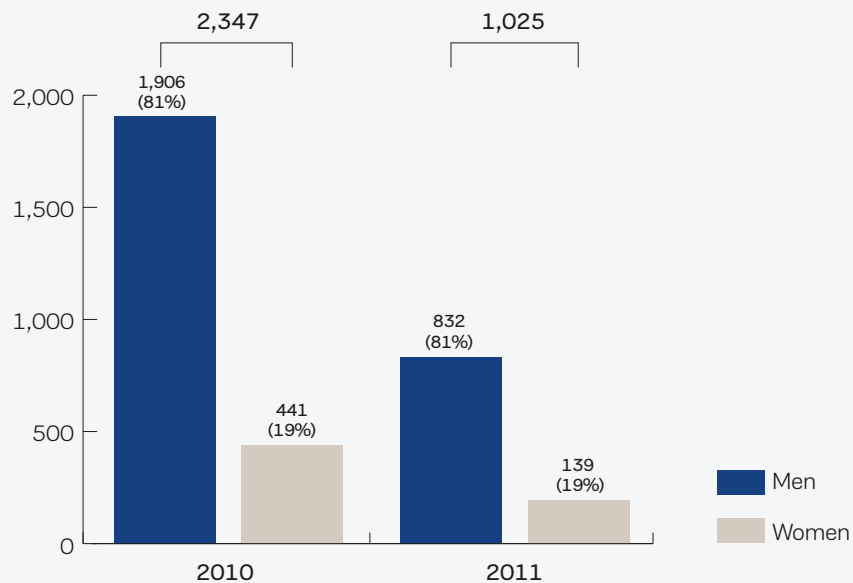
Note: There is not available information for another 88 employees.

Allocation of employees by category of employee and age bracket

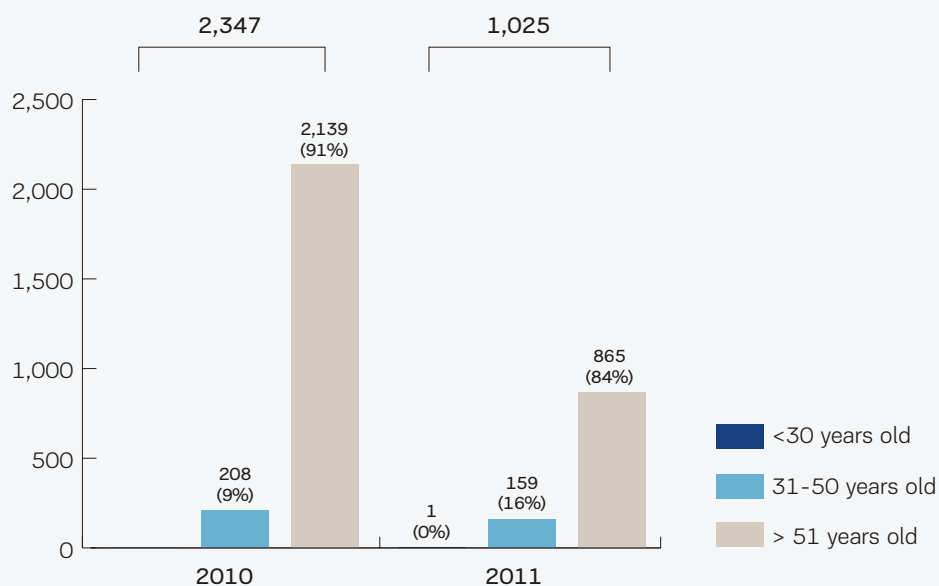
	2011							Total 2011
	Total 2010	Men			Women			
		<30 years old	31-50 years old	> 51 years old	<30 years old	31-50 years old	> 51 years old	
Executives	195	0	24	121	0	10	10	165
Admin. / Finance employees	4,836	11	1,031	785	21	2,193	398	4,439
Technical – technological employees	2,447	9	1,003	890	9	266	51	2,228
Technical support employees	12,663	164	7,896	2,879	10	336	69	11,354
Workers	1,305	14	488	318	3	148	169	1,140
Specialized personnel	209	0	24	19	4	83	9	139
Consultants	10	0	0	0	0	1	0	1
Unspecified category	16	0	0	0	0	0	0	0
Total	21,681	198	10,466	5,012	47	3,037	706	19,466

All PPC employees work full-time with open-ended employment contracts. Due to specific operational needs, 2,287 seasonal employees were hired in 2011.

Employee turnover by gender



Employee turnover by age



Employee turnover by region

	2010	2011
Eastern Macedonia – Thrace	45	22
Attica	625	298
Northern Aegean Islands	42	19
Western Greece	-	31
Western Macedonia	797	325
Epirus	43	26
Thessaly	55	43
Ionian Islands	18	8
Central Macedonia	154	50
Crete	98	32
Southern Aegean Islands	78	43
Peloponnese	252	88
Central Greece & Evia	137	33
Unspecified region	3	7
Total	2,347	1,025

PPC employee levels overall dropped by 10.2% compared to the previous year when the figure was 21,681 employees. This drop was primarily due to employees retiring and the spinning off of the Transmission Branch.

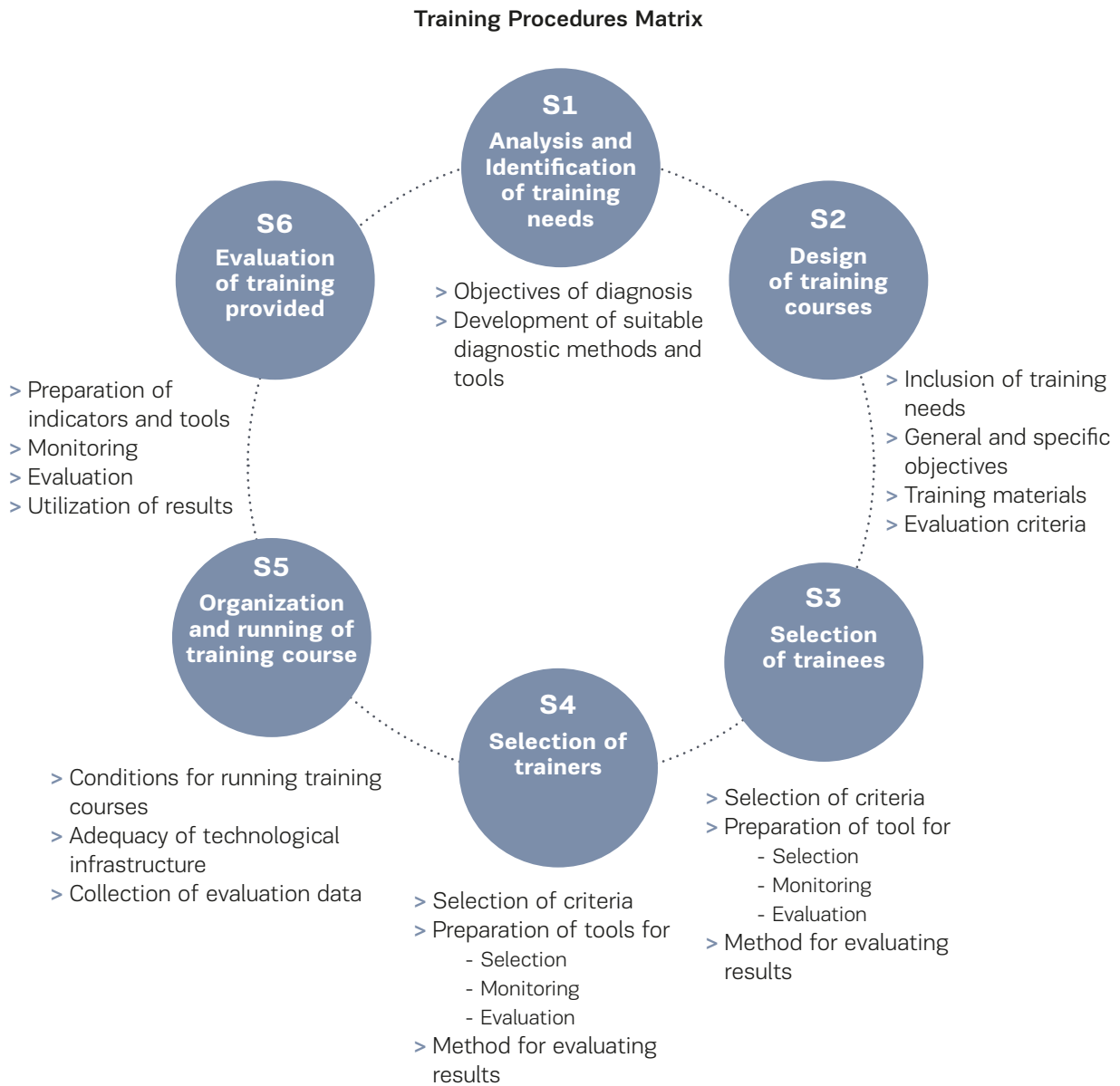
4.2 Training and Development

PPC recognizes the importance of providing continual training to employees so as to allow them to develop professionally. That is why we ensure that we provide employees with training which couples the requirements of the sector with PPC business objectives.

The mission of the Training Department is:

“To provide top class training services, to develop employees and achieve strategic objectives both for PPC and its external clients”.

The Training Department implements specific procedures when developing training courses, which, taken as a whole, comprise the Training Procedures Matrix.



It should be noted that, in order to meet the PPC training needs, the Company runs 6 training centres at various locations nationwide. These training centres are fully equipped and accessible to all employees or visitors, as well as persons with special needs.

Europe's most cutting edge simulators are used in northern Greece to train PPC power generation plant employees.

4.2.1 Training Courses

PPC Training Department is engaged in the important task of organizing and running a series of training courses aimed at PPC employees. In particular, the courses held relate to:

- > Training and practical experience for PPC new recruits
- > Training for PPC employees on technical issues and topics of general interest
- > Training for the employees of third parties
- > Training for employees via mobile training units
- > Comprehensive "training the trainer" courses
- > Executive development courses
- > Postgraduate courses – foreign language courses
- > Lectures
- > Attendance of PPC employees at conventions and seminars organized by external bodies

In 2011, a total of 6,891 PPC employees received training at least once (35.4% of the workforce). In 2011, each participant in training received on average 30.4 hours of training.

Categories	Training courses	2010		2011		
		Total no. of hours of training	Average no. of hours of training per participant	Training courses	Total no. of hours of training	Average no. of hours of training per participant
Executives	44	720	16.36	44	368	8.36
Admin. / Finance employees	2,067	33,070	16.00	1,016	16,276	16.02
Technical – technological employees	1,456	27,721	19.03	1,057	35,825	33.89
Technical support employees	4,451	331,489	74.47	3,908	141,078	36.10
Workers	265	10,890	41.09	274	9,025	32.94
Specialized personnel	53	1,087	20.50	3	63	21
Consultants	-	-	-	1	8	8
Unspecified category employees	409	3,685	9.00	516	4,269	8.27
Total	8,745	408,662	46.73	6,819	206,912	30.34

4.3. Employee evaluation

Employee evaluation programmes tend to have a positive impact on how a company is run, by rewarding outstanding performance among employees and encouraging efforts to improve performance. From the outset PPC has had an employee evaluation system in place. Employee evaluation covers all PPC full-time employees (19,466 employees) and it is performed on the basis of special evaluation regulations. Evaluation takes place once a year.

In 2011, all employees underwent evaluation.

The main features of the evaluation system

- > Evaluation is based on 3 types of evaluation reports. The content and the criteria weighting differ, depending on the category that the employee being evaluated belongs to (see above).
- > There are two evaluators who are the employee's supervisors and 1 other person who reviews the findings of those supervisors and formulates the final decision.
- > The employee being evaluated is not given a score by his supervisors on a fixed numerical scale (such as 1 to 20) but is evaluated by ranking him/her in 1 of the 5 evaluation brackets (A to E) for each criterion. To ensure that the evaluator is as objective as possible, a brief analysis of the scoring for each criterion must be provided.
- > The central HR Department is responsible for ensuring that all such scores are converted to numbers. The sum of all these criteria is the overall evaluation score which is used to assess the general quality of each employee being evaluated.

4.4 Equal opportunities and respect for human rights

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

Respect for human rights is an inviolable principle that PPC works by. We are opposed to all types of forced or child labour. PPC fully complies with national legislation on child labour and implements procedures which preclude such things occurring (by checking the official documents of employees before hiring them, etc.). In 2011, as in the previous years, there were no cases of forced or child labour reported. In addition, no cases of infringement of the rights of native populations have been recorded. PPC fully respects human rights and implements the relevant national legislation. PPC does not discriminate in terms of pay or in any other way based on employee gender.

4.5 Additional Benefits

For PPC it is important to ensure employee satisfaction. To ensure a balance between work and personal life, PPC offers a series of additional benefits to employees on top of the basic salary.

Some of these benefits are:

- > Medicare at the PPC medical facilities
- > Low-interest rate loans to purchase or repair a main residence
- > Assistance when employees face serious health problems
- > Special paid leave when employees face emergencies
- > Training (seminars, foreign language courses, post-high school training, postgraduate courses, etc.)
- > Free attendance by employees' children at the PPC campsites, kindergartens and crèches, and in the case of partnership with private kindergartens, subsidisation of the greater part of the cost
- > Shuttle buses for employees when their place of work lies at a considerable distance from urban centres or towns
- > Canteens and food available at PPC restaurants at prices below retail prices.

These benefits relate to all 19,466 employees, irrespective of the type of job they do or the type of contract they are on.

4.6 Health and Safety

Protecting our people's Health and Safety (H&S) is a top priority for us. We have put programmes, procedures and systems in place to protect employee H&S by identifying, assessing and eliminating risk factors in the H&S at work sector.

The particular importance we attach to the health and safety of our employees and associates has found an official outlet in our occupational H&S policy.

4.6.1 Occupational H&S management systems

To ensure comprehensive management of occupational health and safety issues, PPC implements an Occupational H&S Management System, in line with the requirements of the ELOT 1801 (OHSAS 18001) standard. In parallel the company has also begun to gradually obtain certification for these systems.

The following power plants have OHSAS 18001 certification:

- > Hania Power Plant
- > Agios Dimitrios Power Plant

Certification of the Occupational H&S Management System at the Agios Dimitrios Power Plant

In the summer of 2011, the Occupational H&S Management System in place at the Agios Dimitrios Power Plant was certified in line with the requirements of the international OHSAS 18001 standard after an audit was carried out by an independent certification body. The Agios Dimitrios Power Plant is the second PPC power plant to obtain certification for its Occupational H&S Management System. In the foreseeable future PPC intends to gradually obtain certification for an additional 4 power plants (Komotini, Atherinolakkos, Meliti and Amynteo). By implementing and certifying Occupational H&S Management Systems PPC is demonstrating its practical commitment to develop a working environment where the focus will be on employee H&S.

4.6.2 H&S issues administrative structure

The Occupational Health & Safety Department is the central body that coordinates all relevant activities, develops policy and lays down H&S objectives, in order to prevent accidents and occupational diseases, deal with occupational risks and, in general, improve working conditions at PPC.

In addition, it has appointed employees to all PPC facilities (central services, power plants, lignite centres, etc.) in order to more effectively coordinate and implement H&S actions in a uniform matter, as well as to tailor actions to the needs of the local units.

4.6.3 H&S actions and programmes

PPC implements programmes and practices in the H&S sector to identify, assess and eliminate occupational H&S risk factors.

Examples of the sort of actions taken by PPC as part of its accident prevention policy are set out below:

- > The Occupational Health & Safety Department functions as an in-house protection and prevention unit duly authorized by the Ministry of Labour. It coordinates the task of safety engineers and work physicians who are employed at the PPC's units. Safety engineers and work physicians have been appointed at all PPC units in compliance with the relevant legislation.
- > Job descriptions and roles have been clearly specified and segregated in relation to the management of rules, safety measures and safe work instructions for all production activities. PPC employees are suitably trained for their post, in accordance with the stipulations of the existing regulations.
- > Occupational H&S regulations and guidelines are prepared to properly carry out production processes. Suitable measures are put in place and implemented to protect employees and third parties working with PPC or in its workplaces.
- > A written occupational risk assessment report is prepared to identify sources of risk for each job position, to measure harmful factors, to assess the results of measurements by correlating them with recorded accident statistics, and to plan and implement measures to eliminate risks or at least reduce them to the greatest extent possible. During 2011, two occupational risk assessment studies were prepared at PPC plants.
- > Emergency plans are prepared at each PPC plant and drills are held. In 2011, emergency drills were held at the headquarters of the Macedonia-Thrace Region Division, the Megalopolis II Plant and the Atherinolakkos Plant.
- > Medical records and an individual occupational risk booklet are kept for each employee, check-ups are performed which are tailored to each group of employees, and the findings of these check-ups are associated with the special working conditions of each group (workplace, harmful factors they may be exposed to, etc.). Measures are taken to improve working conditions, in cases that it is considered necessary.
- > Support infrastructure has been put in place and there is nursing staff at production plants: there are 28 fully fitted clinics at the power plants and mines staffed by nurses and there are also 29 ambulances which can also be used to help the local community in emergency cases. There is a first aid clinic at smaller units and plants.
- > PPC procures all the necessary personal protection equipment (PPE) for employees and also procures fire-fighting equipment.
- > Training material on occupational H&S issues is provided, either in hard copy or electronic format and it is distributed to employees (manuals, videos, etc.).
- > Employees are trained in safe working methods and in ways to properly use PPE by safety engineers, the heads of work crews, executives and experts of H&S issues, in order to systematically develop a sense of responsibility among employees for themselves, third parties and PPC.
- > Hazardous and other waste materials used at PPC facilities and plants, such as PCBs (polychlorinated biphenyls), spent oils, Pb and Ni-Cd batteries are managed and light bulbs are recycled.

H&S Audits

To effectively implement H&S rules, identify possible related risks and improve the procedures being used, PPC conducts scheduled and unscheduled H&S audits. These audits are carried out on 3 levels.

1°

Audits by direct supervisors of units to inspect their employees

2°

Audits by safety engineers and work physicians

3°

Audits by mixed teams of inspectors from the Occupational Health & Safety Department who are certified as H&S Auditors in line with the ELOT 1801:2008 standard, and from the Division in question

The results of these audits are notified to the senior executives in the Department concerned, so that the necessary corrective measures can be taken. In 2011, a total of 107 inspections were carried out at plants, projects and subcontractors.

Plants / Departments	2010	2011
Inspections at plants / divisions	48	67
Inspections of projects / subcontractors	27	40
Total	75	107



In 2011, PPC Renewables carried out 33 safety engineers visits and 12 work physician visits to the Company's offices. There were no fatal accidents at PPC Renewables in 2011.

4.6.4 H&S Training

Training is one of the most important factors in preventing accidents. For that reason, H&S training in PPC is an integral part of all kinds of training of our employees.

The Occupational Health & Safety Department, which is responsible for occupational H&S training, works in partnership with the Training Department to organize and run seminars to cover the Divisions' HR training needs. Instructors normally come from the Occupational Health & Safety Department or are executives experienced in occupational H&S issues from other units within PPC.

Employee training on health & safety issues

On the job training

The work physician and the safety engineer working with the manager of each unit prepare a special training plan depending on the training needs of each unit. The work physician and the safety engineer act as trainers. Training relates to health issues, medicine, occupational safety, safe use of work-related equipment and PPE. Employees are also briefed about contagious diseases and take part in civil protection and emergency drills, in collaboration with local agencies, the Fire Brigade and the Hellenic Police.

Training seminars

- > 100-hour long seminars are held for safety engineers and members of the Occupational H&S Committees. In 2011, 2 rounds of training seminars for safety engineers were held.
- > Seminars are held for employees on H&S issues and how to use PPE.
- > Seminars are also run by the Training Department on occupational H&S issues such as orientation training for new recruits.

Training on H&S issues*	Participants	Man-hours of training	No. of hours of training per participant	Participants	Man-hours of training	No. of hours of training per participant
2010			2011			
Mines	882	7,584	8.60	2,235	27,256	12.20
Generation	549	2,784	5.07	732	6,832	9.33
Transmission	121	1,628	13.45	60	525	8.75
Distribution	135	11,260	83.41	11	336	30.55
Finance	-	-	-	2	80	40.00
HRM	16	4	0.25	87	870	10.00
Other units / central offices	-	-	-	28	236	8.43
Total	1,703	23,260	13.66	3,155	36,135	11.45

*The data relates to training organized by Training Department (it does not include 'local' training organized by individual divisions).

4.6.5 Monitoring H&S performance

PPC produces H&S related statistics. To ensure that data is collected in an appropriate and effective manner, PPC has introduced a uniform set of forms for all areas in which PPC operates and which are filled out by local units.

Occupational H&S data (PPC employees)	2010	2011
Total number of accidents ¹	121	122
Total number of fatal accidents ²	0	1
Accident frequency rate ³	3.22	2.89
Total no. of days off work due to accident	4,326	16,186
Accident severity rate ⁴	0.12	0.38
Total number of days off work ⁵	195,500	169,372
Absence rate ⁵	3.62%	3.50%

1 The number of accidents includes all accidents that occurred at work and resulted in an absence from work for more than 3 calendar days. The figure does not include accidents on the way to or from work, or medical conditions which are examined separately from a statistical viewpoint.

2 Fatal accident rate (no. of accidents per 10,000 employees): 0.41.

3 The methodology followed for the calculation is in line with the European Statistics on Accidents at Work (ESAW) – Methodology – 2001 edition, which is also followed by the European Occupational Safety & Health Agency EU-OSHA and EURELECTRIC (Calculation Method No. of accidents per 106 hours of exposure to risk).

4 The methodology followed for the calculation is in line with the European Statistics on Accidents at Work (ESAW) – Methodology – 2001 edition, which is also followed by the European Occupational Safety & Health Agency EU-OSHA and EURELECTRIC [Calculation Method: No. of days absent from work (calendar days) per 103 hours of exposure to risk].

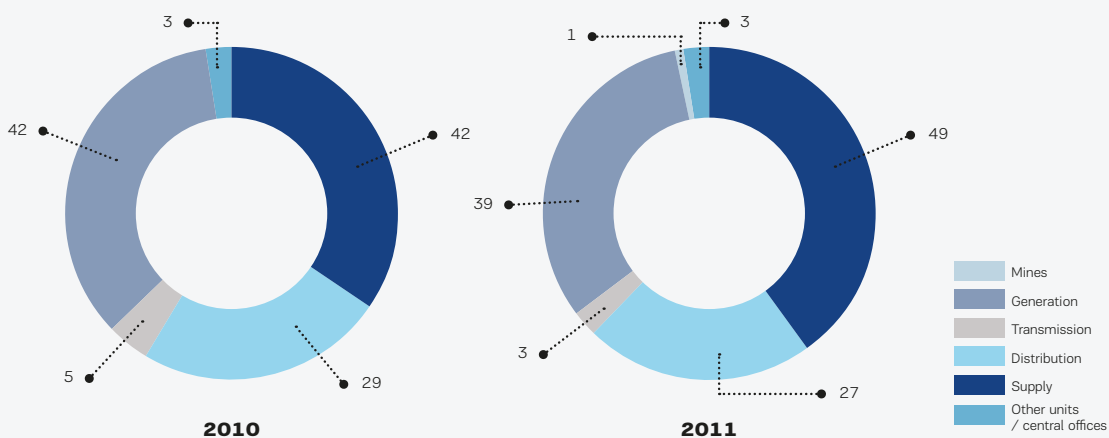
5 The total number of days of absence and the corresponding absence rate relate to absence from work due to health reasons, irrespective of whether the reasons are work-related or not.

Total number of accidents and fatal accidents	Accidents		Fatal accidents	
	2010	2011	2010	2011
PPC	121	122	0	1
Contractors ¹	14	23	2	3
Third party accidents ²	8	4	4	5

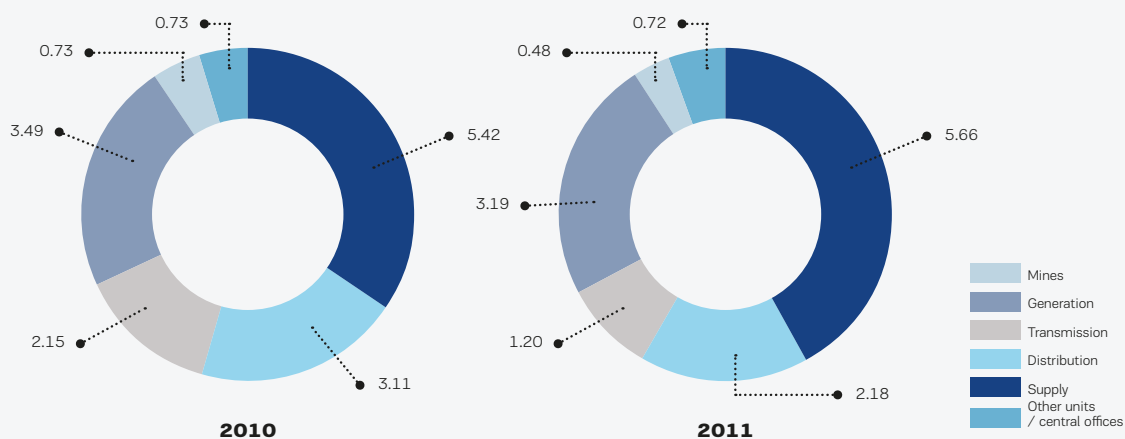
¹ There is a significant likelihood that accidents are overlooked because it is possible that contractors fail to report them to the authorities and consequently to PPC.

² These accidents primarily relate to electrocution caused by involuntary contact with the network while power is flowing through it, or during construction work (buildings, advertising boards, etc.) or when hoisting items using lifting gear. As a rule they are due to safety distances not being observed, or even to the fact that individuals were not asked to turn off the electricity in specific sections of the network.

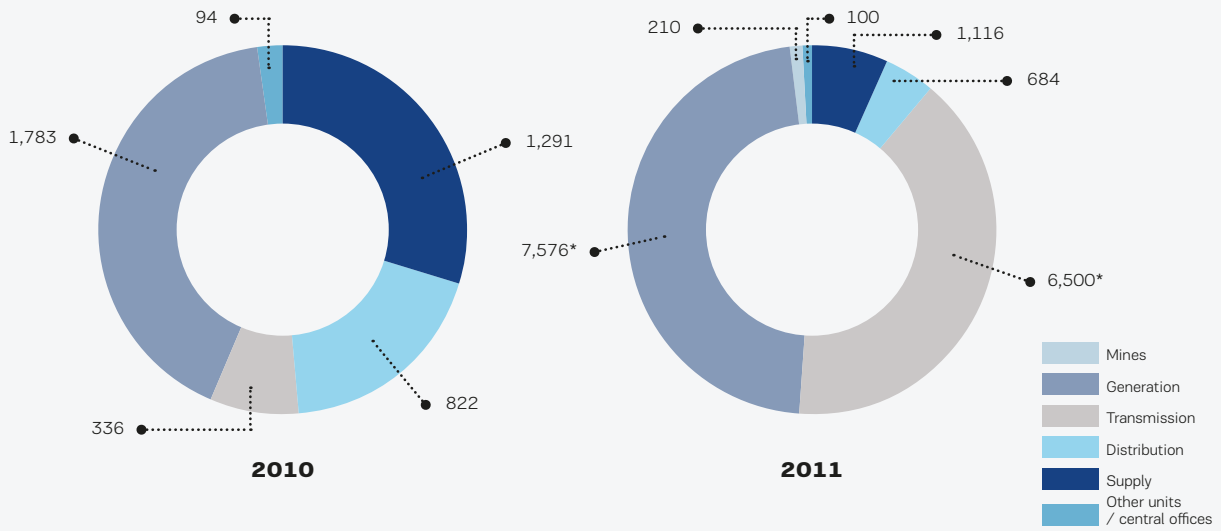
Accidents per Division



Accident frequency rate per Division

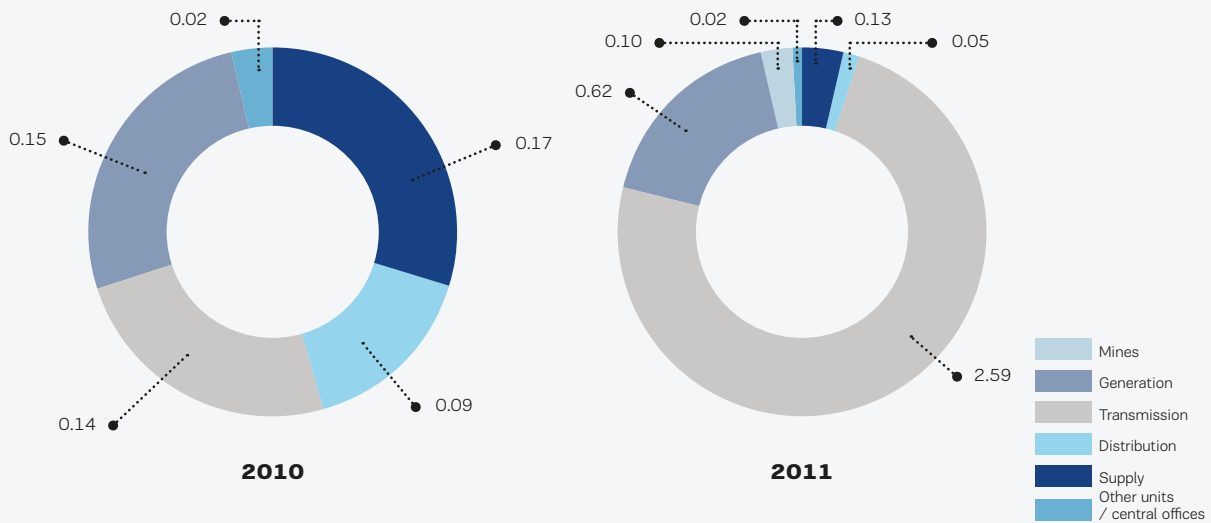


Days of absence due to accident per Division



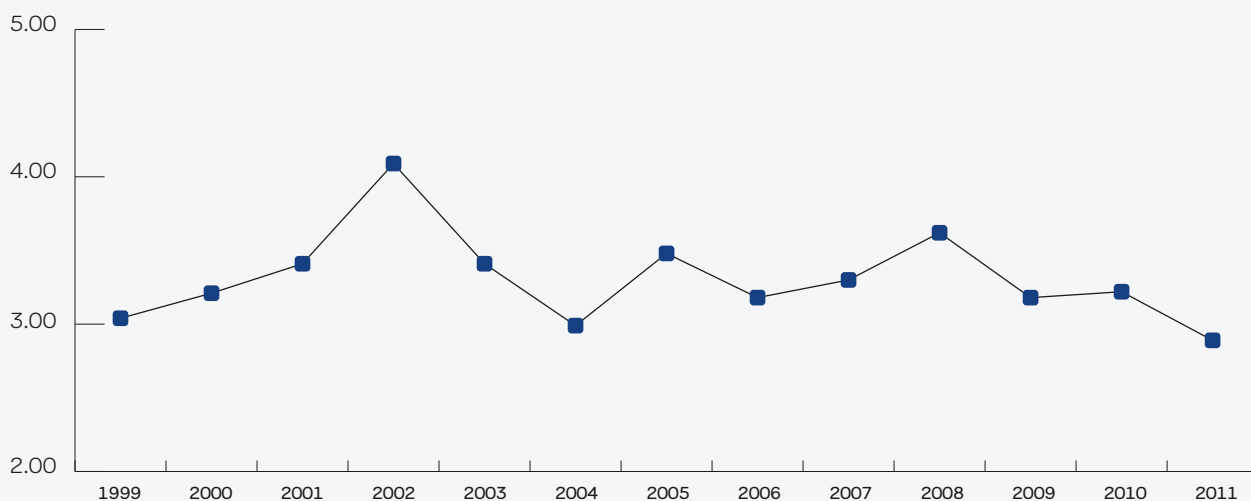
* Due to serious accident

Accident severity rate per Division

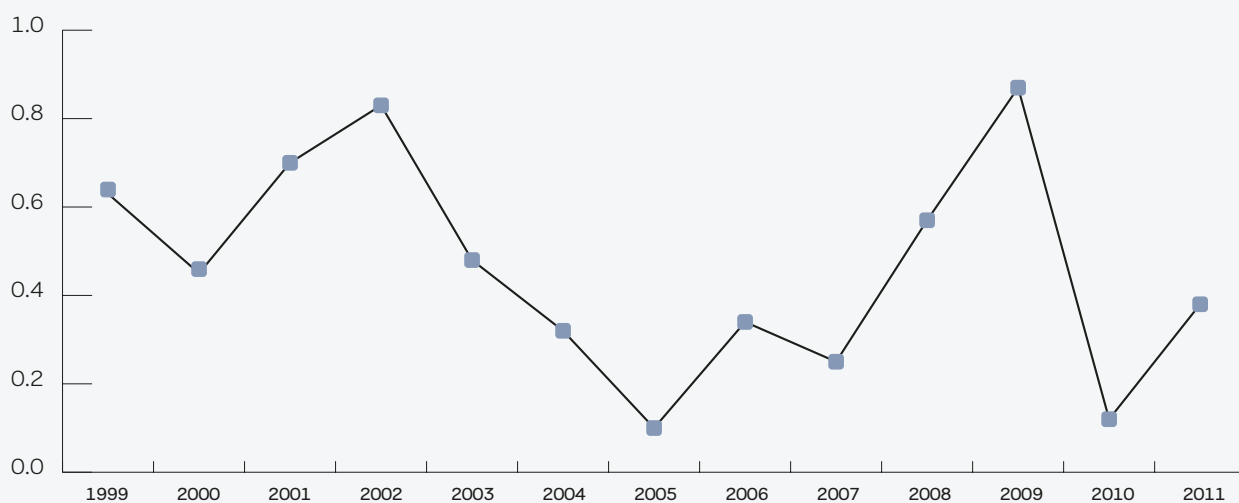


The next two diagrams show the change in the frequency and severity of accidents at work over time (using the ESAW methodology).

Accident frequency rate (ESAW)



Accident severity rate (ESAW) (including fatal accidents)



PPC complies in full with the relevant legislation and implements procedures to record and notify occupational accidents and diseases to the competent authorities and social security providers. The necessary data is then collected to fully investigate the causes and factors that contributed to the accidents occurring.

4.7 Regulatory and legislative compliance

Complying with the applicable legislation and other regulations is a core principle of PPC operations, both in relation to HRM issues, and in general in all its activities. However, due to the size of PPC and the large range of activities it carries on, various critical issues do arise from time to time.

The issues which arose in 2011 are referred to below.

In 2011, the criminal courts handed down 2 final judgements against employees. The cases related to embezzlement of the sum of € 56,000 by a PPC employee and to theft of electricity by an employee, which resulted in financial loss to PPC of € 1,437.39.

In addition, 2 other offences were committed in 2011. They were referred to the disciplinary board of PPC to be dealt with. They related to embezzlement of € 18,337 from PPC and bribery by a customer in order to obtain a power supply certificate. Disciplinary proceedings are underway.

Criminal cases against employees

Issue	No. of cases / incidents	Comments / developments
Criminal proceedings against employees (employees of PPC or PPC contractors)	4	<ul style="list-style-type: none"> > Repeated embezzlement by a PPC employee (the hearing of the case was adjourned to 14/11/2012). > A criminal complaint was filed by PPC concerning felonious embezzlement, breach of duty, fraud and other offences against employees and suppliers (for a total amount of € 3.5 million). > Embezzlement of € 95,000 by an employee. > Theft of 5 barrels of oil. The employee has already been convicted by the Kozani Single-Member Court of Misdemeanours.
Σύνολο	4	4 pending

Actions pending

Issue	No. of cases	Amount requested (in €)	Comments / developments
Actions claiming compensation for moral harm by PPC employees	11	4,932,560	<ul style="list-style-type: none"> > 7 actions relate to occupational accidents. > 2 actions are claims for compensation for moral harm due to occupational disease where the amount requested is € 2.5 million. > 1 case relates to intellectual property rights from a completed project where the amount requested is € 660,000. > 1 case relates to dismissal where the amount requested is € 85,330.
Total	11	4,932,560	11 pending

Fines

Issue	No. of cases / incidents	Amount of fine (€)	Comments / developments
Labour / social security law	2	57,433.40	Underway
Labour Law	2	6,000	Underway
Total	4	63,433.40	4 pending

Targets for 2012

- > To obtain ELOT ISO 9001:2008 certification for the Occupational Health & Safety Department.
- > To prepare a written occupational risk assessment for the building housing ADMIE's central services.
- > To obtain authorization for the Occupational H&S Department as an external protection and prevention agency.
- > To train staff from the Financial Services Division about finance and managing energy risks.
- > To install a Management Information System (MIS) at the Training Department.

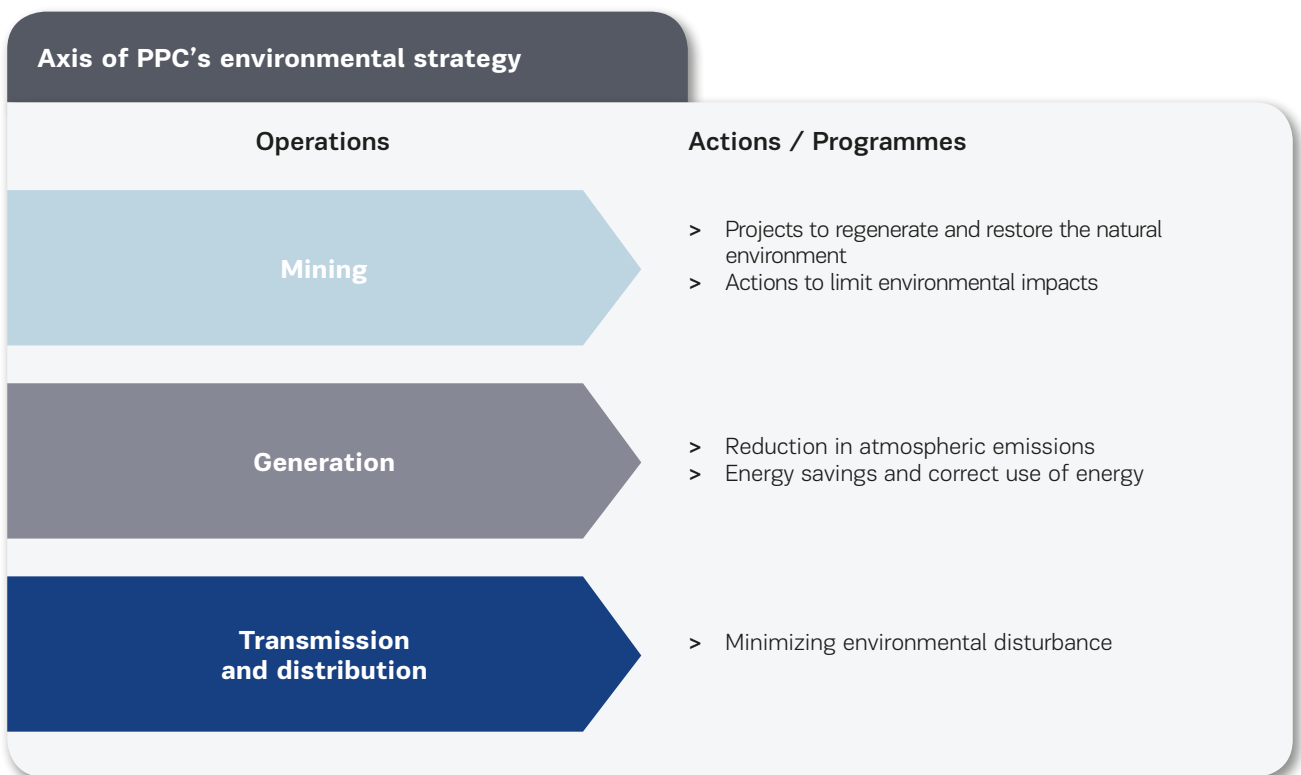




We devote all our energy
to the reduction of our
ecological footprint

Our Environment

PPC strategic goal is to minimize the environmental impact of its operations: lignite mining, power generation, transmission and distribution of electricity. The goal of environmental protection is achieved by implementing specific programmes and actions.



5.1 Environmental Management Systems

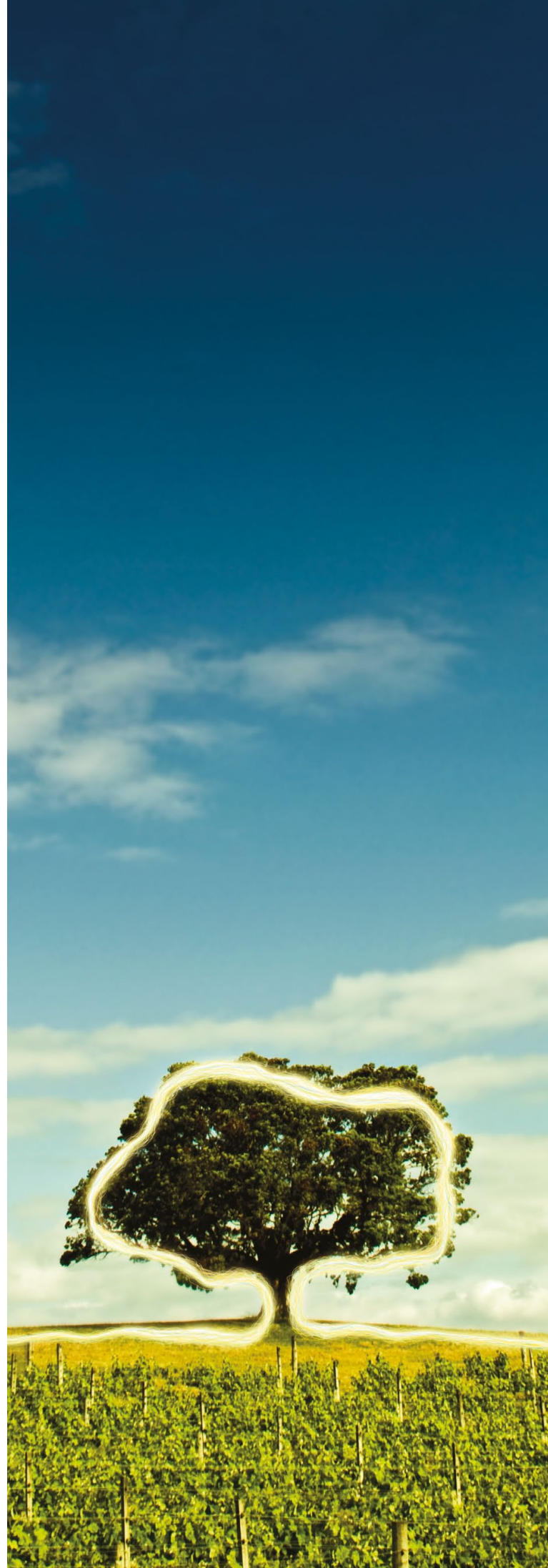
PPC has made environmental protection one of its top priorities, taking all necessary measures in this regard and implementing the relevant legislation to achieve this. PPC is implementing environmental management systems at its power plants and is gradually obtaining certification for those systems. To date, PPC has ISO 14001:2004 certified environmental management systems for the following power plants:

Steam electric power plants

Atherinolakkos	Agios Georgios
Hania	Megalopolis II
Meliti	Komotini
Keratea – Lavrio	Kardia
Megalopolis I	Aliveri
Ag. Dimitrios	Amynteo – Filota

Hydroelectric stations

Acheloos
Nestos
Ladonas



Reducing our environmental footprint

In order to reduce its environmental footprint and promote green technologies and applications, PPC has taken the following steps and implemented the following actions:

- > PPC voluntarily participates in the building energy efficiency improvement and certification programme “Greenbuilding” run by the European Union. As part of this programme, during 2011 energy efficiency improvement studies were prepared for privately owned buildings in Kallithea and Pagrati in Athens, to meet the energy savings requirements laid down by the programme and then to have them certified by the competent EU body.
These will be PPC’S first certified energy efficient buildings.
- > PPC also participates in EURELECTRIC Energy Wisdom programme. EURELECTRIC is Europe’s electricity energy association. The programme is contributing to the European goal of reducing greenhouse gas emissions by 20%, of achieving a 20% primary energy saving and of achieving a 20% increase in the use of RES to generate electricity by 2020.
- > On 31/2/2011, the research programme on electric cars [FP7 MERGE (Mobile Energy Resources in Grids of Electricity)] was completed. The aim was to examine the impact of a major penetration of electric cars in Europe’s electricity grids. The programme ran for the 2010-2011 period.
The programme was coordinated by PPC Tests, Research and Standards Centre.
- > Since May 2011 PPC has been participating in GREEN e-motion, coordinated by the Tests, Research and Standards Centre, and has undertaken to create the first pilot e-motion project in Kozani, in collaboration with the Municipality of Kozani.
- > PPC is a member of the World Business Council for Sustainable Development (WBCSD), the global business proponent of business views on sustainable development issues. PPC is actively involved in the electricity company working group and the environmental impact management working group. It has also served as a member of the water working group whose work was completed in July 2011.

5.2 Climate Change and greenhouse gas emissions

In order to deal with climate change, PPC has adopted a comprehensive energy strategy that includes cutting back CO₂ emissions, which will also contribute to achieving the EU energy policy objectives and those of the Ministry of the Environment, Energy & Climate Change for 2020.

It should be noted that PPC CO₂ emissions from 2005, when the European Emission Rights Trading Scheme started, until now have dropped due to the increased use of natural gas and RES in the power generation mix.

Type of facility	CO ₂ emissions (tonnes)		Electricity generation (GWh)		CO ₂ tonnes per MWh	
	2010	2011	2010	2011	2010	2011
Lignite	39,679,674	40,706,143	38,555	37,566	1.020	1.13
Fuel oil	2,975,218	2,844,232				
Diesel	906,124	852,494				
Desulphurisation (FGD)	134,979	204,183				
Natural gas	2,732,732	2,199,129				
Plants not included in EU ETS system	70,880	74,640				
Hydroelectric	-	-	6,703	3,676		
RES plants	-	-	347.9	321.8		
Wind farms (PPC Renewables)	-	-	120.6	133.3		
photovoltaic plants (PPC Renewables)	-	-	0.2	0.2		
Small hydroelectric stations (PPC Renewables)	-	-	227.1	188.3		
Total	46,499,607	46,880,821	45,606	41,564		

Note 1: Annual CO₂ emissions are computed using the computation method outlined in paragraph 5 of Decision 2007/589/EC which sets out the following mathematical formula:

CO₂ emissions = activity data (TJ/year) * emission factor (tCO₂/TJ) * oxidation factor

Where for combustion emissions activity, data means the energy content of the fuel consumed in TJ over the period of one year.

Activity data = fuel consumption (t or m³/year) * net calorific value (TJ/m³ or TJ/t)

Note 2: Steam electric plants / autonomous power plants / local power plants which participate in the ETS have developed, documented and operate a quality management system to monitor greenhouse gases.

Annual CO₂ emissions are verified by independent verification bodies.

Note 3: RES units also include PPC Renewables joint venture projects.

Allocation of CO₂ emission allowances

To achieve its objective of reducing greenhouse gas emissions, the EU revised the European Union Emission Trading Scheme (EU ETS) for electricity production companies. From 2013 onwards, power generators will be obliged to purchase all their emissions through tenders conducted by the Member States. More intense and systematic efforts must be made from that date on to reduce greenhouse gas emissions at EU power generation facilities.

PPC's thermal facilities (thermal power plants) with a thermal output of over 20MW are included in the EU ETS. Every facility participating in the scheme (and in the case of power generation plants, every plant with a nominal thermal output of 20MW or over) is obliged to limit annual CO₂ emissions to the levels set in the National Allocation Plan for Emission Allowances. If that figure is exceeded, flexible mechanisms can be used to cover the shortfall by purchasing allowances. The flexible mechanisms include:

- > The purchase of emission allowances from other facilities covered by the scheme in the EU that have excess emission allowances (emission allowances of this type are called European Union Allowances, EUA).
- > Purchase of emission allowances from Clean Development Mechanism (CDM) and Joint Implementation (JI) Projects.

To ensure transparency, free emission allowances and verified CO₂ emissions for each facility within the EU for each year are posted on the DG CLIMA website (http://ec.europa.eu/clima/documentation/ets/registries_en.htm). Under the National Allocation Plan for Emission Allowances for 2008-2012, the existing PPC facilities included in the scheme have been granted allowances for 219.3 Mt CO₂. The figure for 2011 is 44.8 Mt CO₂.

5.2.1 Investment Programme – Reduction in greenhouse gases

PPC acknowledges the importance of contributing to the fight against climate change, and for that reason ensures that it limits emissions arising from its operations to the extent that this is feasible. In implementing the PPC strategic priorities, the Generation Division has undertaken to implement investment projects to replace old power plants with new ones that are more environmentally-friendly, incorporate cutting edge technology and perform more efficiently.

For more information about the progress in implementing these projects in 2011, see the 2011 Annual Financial Report, pages 10-12.

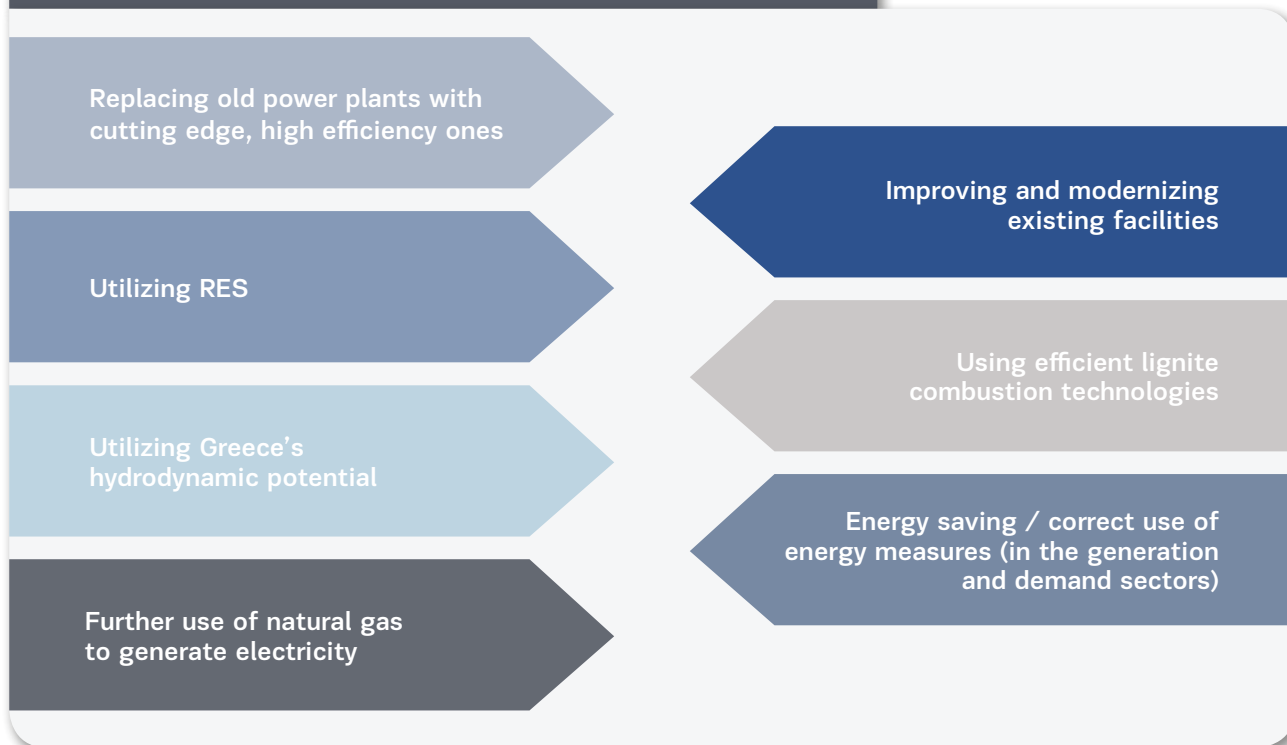
Between 1990 and 2011 PPC's programme resulted in a 29.4% reduction in specific CO₂/kWh emissions.

As part of the programme to implement greenhouse gas emissions from its operations, PPC implemented various measures in 2011 which included:

- > Minimizing the operation of Units III and IV at the Aliveri Power Plant and Units I and II at the Lavrio Power Plant which are oil-fuelled, by substituting them with Units fuelled by natural gas.
- > Limiting the operation of lignite-fuelled Units I and II at Megalopolis and lignite-fuelled Units I and II at LIPTOL.
- > Installing a lignite quality analysis system at the Amynteo power plant.
- > Improving the efficiency of Unit IV at the Ptolemaida Power Plant.
- > Planting trees especially at the site of old lignite mines.
- > Making energy saving investments for the electrical equipment at lignite mines.
- > Installing digital control devices on medium voltage substation transformers to optimize power transmission.



The PPC long-term investment plan includes actions such as those outlined below:



Initiatives to reduce the environmental impacts of electricity

Lignite-fuelled Units I and II at Megalopolis I with an output of 125 MW each have been in restricted use since 2008 (since 01/01/2008 they can only be used for 20,000 hours) in implementation of Article 4(4a) of Directive 2001/80/EC (transposed into Greek law by Joint Ministerial Decision No. 29457/1511/2005, Government Gazette 992/B). Given that Units I and II at the Megalopolis I Power Plant had reached the limit on the number of hours for which they could be used, operations were suspended in 2011.

In 2011, a 12-month dry flue gas desulphurisation test was approved by injecting absorbent materials into the flue gas pipeline at Unit III of the Agios Dimitrios Power Plant.

Adapting to new technologies to capture and store CO₂

Using new technologies is essential in combatting climate change. Over recent years the innovative Carbon Capture and Storage (CCS) technology that captures and stores CO₂ has been developed, thereby reducing CO₂ emissions to the atmosphere. PPC has ensured that the new lignite plant at Ptolemaida which will be built, will be CCS ready when that technology matures.

Reducing travel – using new, smart meters

During 2011, PPC launched a tender procedure to procure 60,000 smart meters for low voltage consumers. These smart meters which will be installed in the place of existing meters will send consumption data to a central system. In this way there will be no further need for on-site readings of the meters, and consumers will do away with 'in lieu' electricity bills.

At the same time, customers will have a picture of consumption levels at any given time and, coupled with a time-variable tariff plan, customers will be able to decide the best time at which to carry out energy-consuming tasks.

5.2.2 Air Pollutant Emissions

One result of burning conventional fuels to generate electricity at power plants is that gases which are pollutants are released to the atmosphere, the most important being SO₂ and NO_x.

In 2011, SO_x emissions fell considerably, by some 31%. That reduction was due to the difference in the quantity of electricity produced in 2010 and 2011, the difference in the quality of fuels used, and the increase in the rate at which the FGD unit at Megalopolis II was used.

Air Pollutant Emissions (tonnes)	2010	2011
Sulphur Oxides (SO _x)	159,000	109,000
Nitrogen oxides (NO _x)	77,800	79,000
Particle emission (PM)	15,400	15,100
Lead (Pb)	1.300	1.220
Nickel (Ni)	0.027	0.027
Copper (Cu)	1.100	1.050
Total chromium (Cr)	2.100	2.000
Zinc (Zn)	0.880	8.200
Cadmium (Cd)	0.080	0.074
Mercury (Hg)	1.400	1.380
Arsenic (As)	0.800	0.700

5.2.3 Investing in renewable energy sources

PPC environmental strategy not only includes developing low emission technologies but also highly investing in order to increase its share of electricity produced from renewable energy sources such as wind power, hydroelectric power, solar and geothermal power.

Utilizing Greece's remarkable terrain, PPC is building dams and creates reservoirs to utilize the country's water resources to generate electricity while respecting the balance of supply and demand within the catchment basin on each river. To date PPC has built and manages 15 large hydroelectric power plants in various regions of Greece.

Note that the Sfikia Hydroelectric Plant on the Aliakmonas River and the Thisavros Hydroelectric Plant on the Nestos River are pumping plants; in other words, they store excess hydroelectric energy and then release it when there is excess demand compared to the system's output at that time.

These hydroelectric plants replace fossil fuels thereby contributing to a reduction in CO₂ emissions and curtailing the greenhouse phenomenon.

Over the period to come, PPC plans to develop quite a few large hydroelectric stations such as the:

- > Ilarionas station with an installed capacity of 153 MW
- > Metsovitiko station with an installed capacity of 290 MW
- > Mesohora station with an installed capacity of 160 MW
- > Temenos station with an installed capacity of 18.9 MW.



PPC Renewables S.A. uses innovative technology and is constantly modernizing its facilities. Good examples of this are the Samothrace Wind Farm where in the place of 4 wind turbines with an output of 55 kW each (or 220 kW in total) the Company will install a 900 kW wind turbine, and also the innovative Ikaria Hybrid Project which will meet the majority of the island's energy needs (especially during winter months), bolster the local economy, create new jobs and make Ikaria an international scientific tourism destination.

5.3 Use of materials and fuels

As a very large organization, PPC uses and consumes large quantities of raw materials and other items, both to generate electricity and to cover its other needs. The main material used by PPC as a fuel to generate electricity is lignite which is in effect the only fossil fuel Greece produces.

Fuels used	Quantity in 2010	Quantity in 2011
Lignite (a solid fossil fuel) (in tonnes)	57,655,745	60,036,926
Hard coal (tonnes)	158,046	34,337
LFO (kilolitres)	957,670	915,639
Diesel (kilolitres)	385,525	356,354
Natural gas (kNm ³)	1,051,870	902,951
Liquid gas (kNm ³)	267,959	174,427
Biomass	-	-
Desulphurisation limestone (tonnes)	426,245	469,774
Lubricants and mineral oils without PCBs (tonnes)	4,930	4,250
Lubricants and mineral oils without PCBs (kiloliters)	2.3*	1.5

* In the 2010 report, 2.3 kiloliters of lubricants and mineral oils were mistakenly reported as containing PCBs.

Note that in 2011, PPC used 991,003 GJ of electricity to power its own power plants.

5.4 Water Management

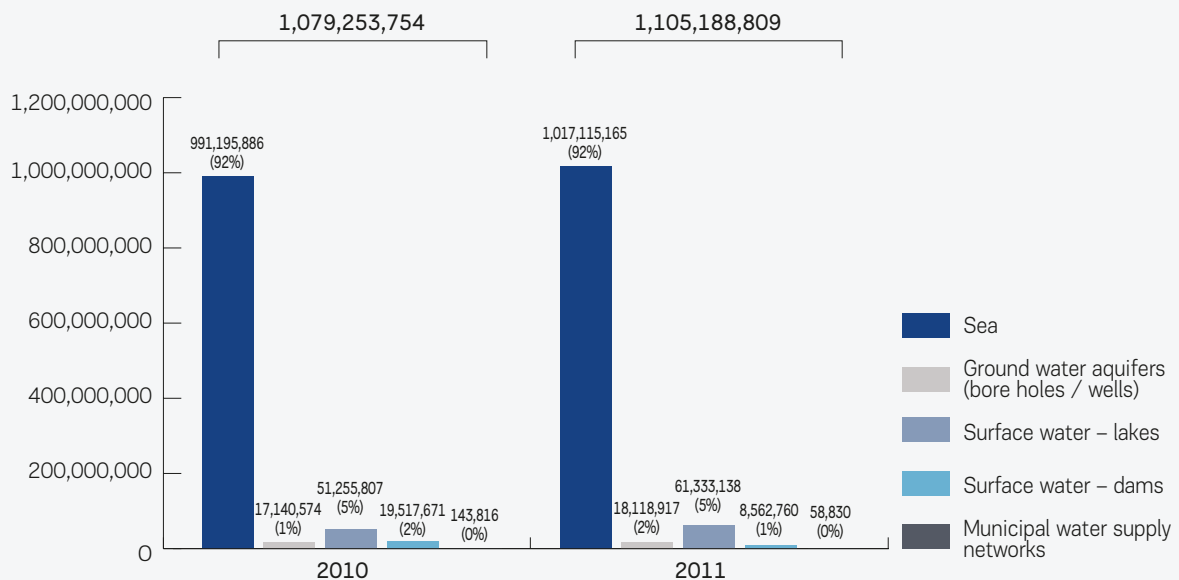
PPC is implementing a series of preventive measures and actions to responsibly protect and manage water resources in an integrated way, so as to maximize the overall social and environmental benefit. PPC is building dams and creates reservoirs using Greece's hydrodynamic potential. Thanks to its hydroelectric projects, it provides considerable protection against flooding and provides sufficient water for irrigation and water supply in nearby regions. In addition, dams ensure that there is a minimum flow of water in the river bed (for ecological purposes) even during periods of extended drought, thereby significantly protecting and managing Greece's water resources.

It is worth noting that PPC participates in the water working group (WG Water) of the World Business Council for Sustainable Development (WBCSD), which is the global forum for businesses to express their views on sustainable development issues. In 2011, the working group's task was to develop a global water tool to record water usage by electricity companies, in line with the Global Reporting Initiative guidelines. This tool relates to hydroelectric and thermo-electric power plants, geothermal energy, wind turbines, solar and photovoltaic systems. The key objectives of the tool are:

- > Assessing risks and opportunities relating to water abstraction and consumption by electricity companies
- > Making it easier to record water usage by electricity companies that have not been doing it so far
- > Making it easier to record the optimum use of water by electricity companies
- > Setting standards and guidelines on recording water usage by electricity companies

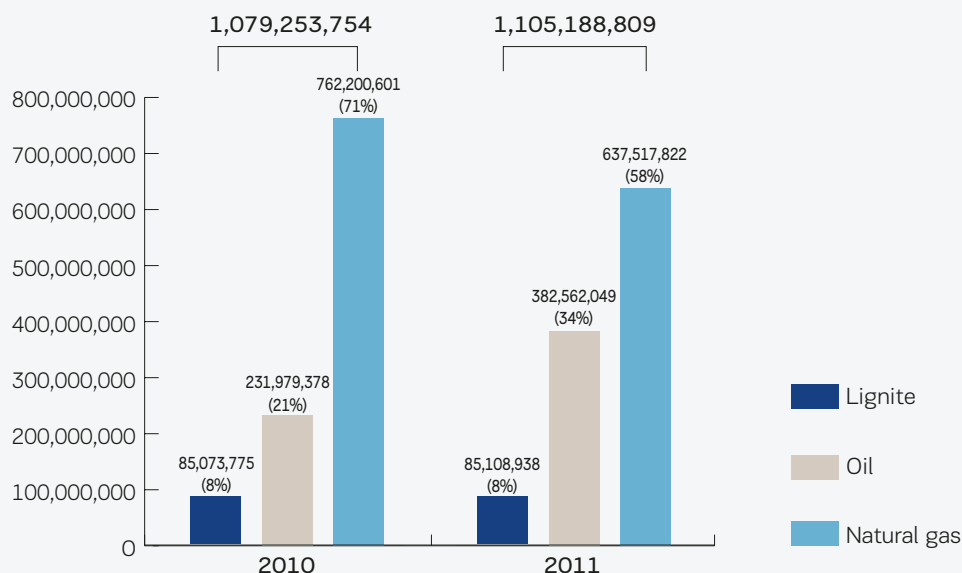
The working group completed its mission in July 2011.

**Thermal Power Plants Operations Department
Quantity of water drawn from abstraction sources* (m³)**



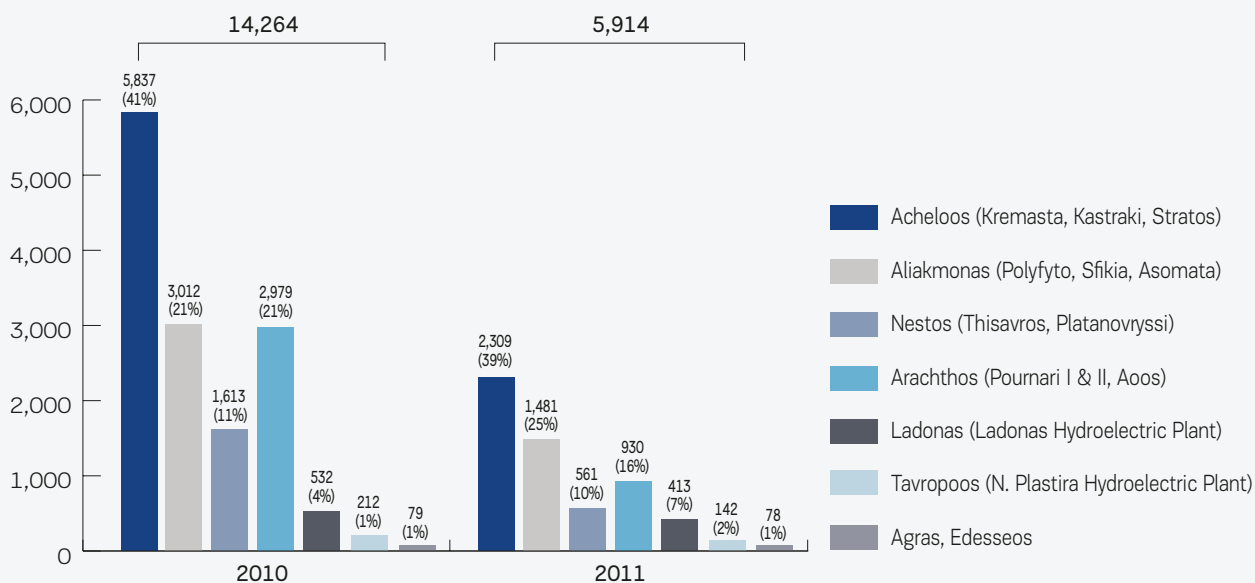
*Includes the quantity of sea water needed for cooling (2010: 989,892,235, 2011: 1,015,833,783 m³).

Thermal Power Plants Operations Department Quantity of water drawn per category of facility* (m³)



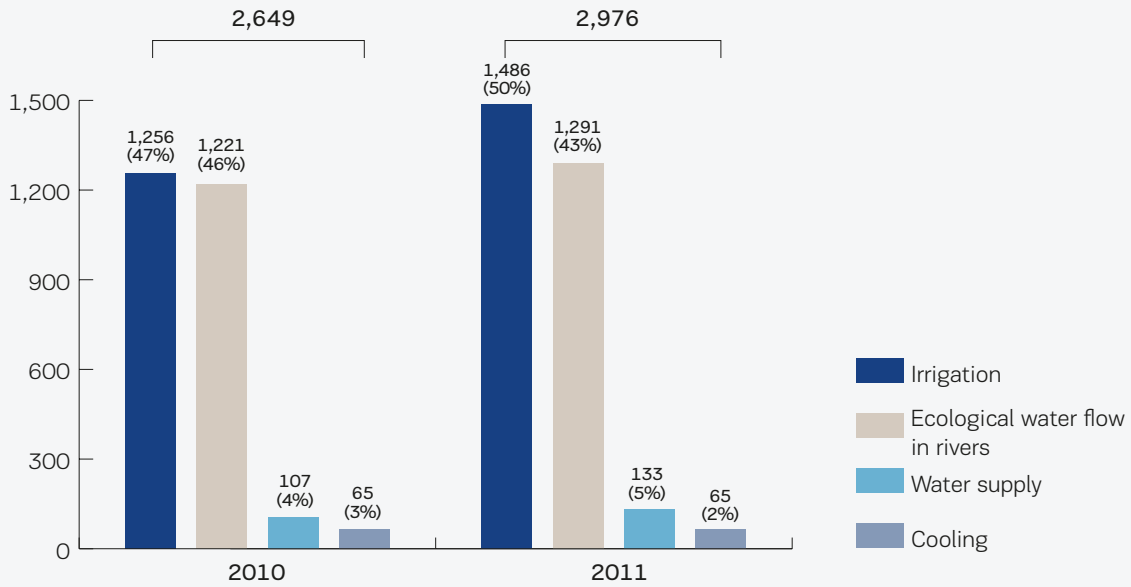
*Includes the quantity of sea water needed for cooling (2010: 989,892,235, 2011: 1,015,833,783 m³).

Hydroelectric Generation Department Water inflow per reservoir (million m³)



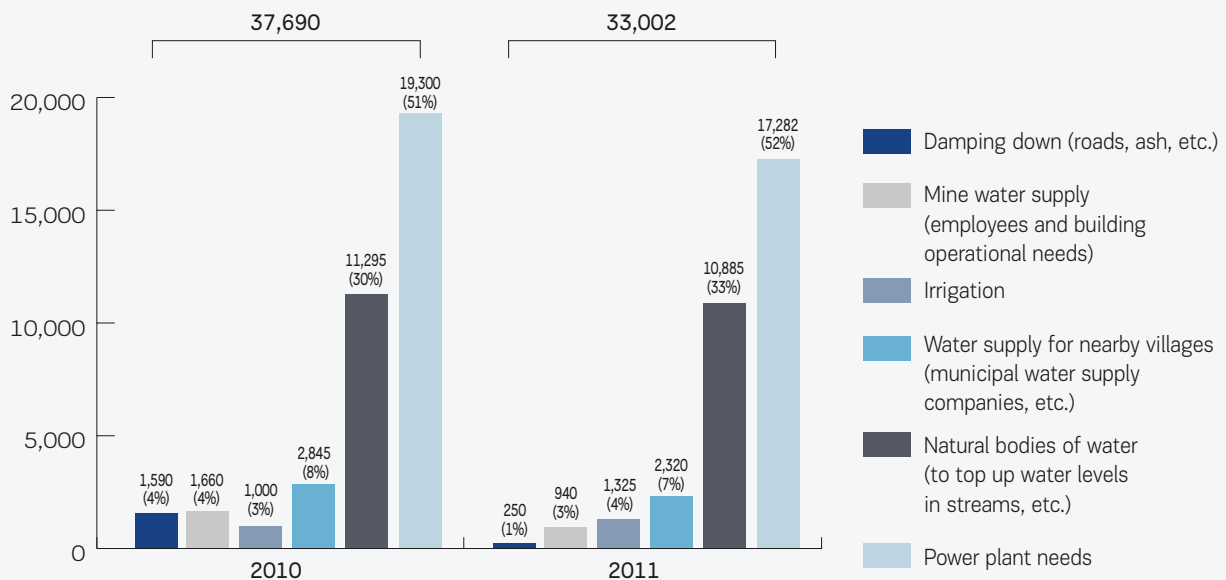
In 2011, considerably less water flowed into the reservoirs due to the reduced level of rainfall during the year.

Hydroelectric Generation Department Use of water per usage category (million m³)



Water is abstracted in the area around projects for various uses, such as cooling of the power generation towers. In areas where mining is carried on, the pumped water is used to meet the needs of mines in water, and, depending on the needs, can also be used for water supply in nearby municipalities or to irrigate nearby fields.

Mines Environment Department Use of water per usage category (thousand m³)



PPC recycles and reuses significant quantities of water resulting in a reduction in the overall volume of water needed to meet its requirements. The relevant quantities of water recycled and reused at power plants are shown in the table below for each type of power plant.

Water recycling – reuse

Facilities	% of Recycling
Lignite	15.0
Oil	0.1
Natural gas	26.6

Pumping water from surface bodies of water can affect entire ecosystems and their ability to sustain life. For that very reason PPC constantly monitors Greece's hydrodynamic potential both in terms of rain fall and in terms of the water carried by the country's rivers. PPC has put in place a model monitoring network in two parts:

- > a rain-meteorological network which is highly reliable, with measuring stations mostly located in mountainous areas of Greece, and
- > a hydrometric network with stations measuring water flow in rivers.

The PPC hydrometric monitoring network is the only one in Greece and can systematically collect comprehensive, reliable information used to estimate water flows in rivers on a continuous or daily basis. The data collected is not only reliable for the purposes of PPC but also allows public and private projects to be properly planned, and is also vital for Greece's compliance with Directive 2000/60/EC for the catchment basin management plans, for environmental impact studies and for monitoring the quality of the aqueous environment in general.

Below is a list of the main sources of water which are affected by power plant pumping activities. The protection regime which applies in each area as a result of the high level of biodiversity is also listed.

Name of water source	Type	Protection regime
Aguia Hania *	Lake	NATURA 2000
Almyros Hania *	Lake (delta)	NATURA 2000
Acheloos (Kremasta / Kastraki / Stratos Hydroelectric Plants)	Reservoirs	None
Aliakmonas (Polyfyto / Sfikia Hydroelectric Plants)	Reservoirs	None
Aliakmonas (Asomata Hydroelectric Plant)	Reservoir	NATURA 2000
Agras	Reservoir	NATURA 2000
Nestos (Thisavros / Platanovyssi Hydroelectric Plants)	Reservoirs	NATURA 2000
Arachthos (Pournari I & II Hydroelectric Plants)	Reservoirs	None
Aoos	Reservoir	NATURA 2000
Ladonas (Ladonas Hydroelectric Plant)	Reservoir	None
Tavropoos (Plastira Hydroelectric Plant)	Reservoir	NATURA 2000

* The specific sources are within PPC Renewables remit. According to the contract between PPC and PPC Renewables, responsibility for running the small hydroelectric plants and for monitoring water quality in these lakes lies with the Hania Power Plant in implementation of the Joint Ministerial Decision on the environmental terms and conditions for these small hydroelectric plants.

5.5 Waste Management

PPC power plants generate both solid and liquid waste which the Company ensures is suitably managed to protect the environment and ensure sustainable development.

5.5.1 Solid Waste

PPC ensures that suitably licensed companies manage the solid waste generated by the activities and operations of its various Divisions. The majority of this waste is recycled.

Lubricants used in various pieces of equipment are collected in appropriate tanks when they become spent, and are then sent to licensed collection, transportation and management companies to be recycled or re-used, in line with the provisions of the relevant legislation. When lubricants are being changed or topped up, necessary measures are taken to avoid possible leaks to the environment.

Below is a table showing the types of waste generated by 3 key PPC Departments and the way PPC managed it in 2011.

Mines Environment Department (tonnes)

Type of waste	Quantity produced	Management method
Iron filings and scrap sheet metal	123.42	Recycling
Spent lubricating oils	314.06	Recycling
Used lead batteries	21.75	Recycling
Used rubber belts	531.00	Recycling
Decommissioned vehicles and machinery	742.93	Recycling
Used wire	3.80	Recycling
ACSR aluminium piping	97.52	Recycling
Aluminium cables with lead insulation	3.73	Recycling
Scrap metal	3,137	Recycling
Used drums with rubber lining	63.58	Recycling
Copper cables	150.95	Recycling
Used railway tracks	151.48	Recycling
Batteries	0.227	Recycling
Scrap electronic equipment	1.84	Recycling
Adhesives meeting other specifications	0.612	Recycling
Used oil filters	10.71	Recycling
Polluted absorbent materials	10.77	Recycling
Paper	35.00	Recycling
Total	5,400.38	

Material, Fuel, Purchasing & Transportation Department

Type of waste	Quantity produced in 2011	Management method
Network pipelines (Al, Cu, ACSR, etc.)	2,171.963	Sale (via highest bidder auctions)
Various types of cables	1,840.920	Sale (via highest bidder auctions)
Transformers	1,511.792	Sale (having removed oils and other lubricants) (via highest bidder auctions)
Metals (iron, wires, Al, Cu)	5,484.508	Sale (via highest bidder auctions)
Other materials	2,294.111	Sale (via highest bidder auctions)
Total	13,303.294	
Vehicles	26 items	Sale (via highest bidder auctions)
Vehicles	257 items	Withdrawal – Recycling

Thermal Power Plants Operations Department (tonnes)

Type of waste	Quantity	Management method
Other bases	0.72	Recycling / Disposal
Used active carbon	2.72	Recycling / Disposal
Fly ash and dust from oil boilers	39.40	Recycling
Non-chlorinated hydraulic mineral oils		
Composite hydraulic oils	1,034.46	Recycling
Non-chlorinated engine, gear box oils and mineral-based lubricants		
Compositive engine, gear boxes and lubricants		
Spent oils and waste fuel oils and diesel	798.70	Recycling
Other fuels (including admixtures)	16.00	Recycling
Packaging containing residues of dangerous substances or contaminated with them	9.98	Recycling
Absorbent materials, filters (including oil filters not in any other category), wipes, protective clothing contaminated with hazardous substances	23.75	Recycling / Disposal
Vehicles at end of useful life	8.21	Recycling
Transfers and condensers containing PCBs	1.21	Disposal
Organic waste containing hazardous substances	4.5	Recycling
Lab chemicals comprised of hazardous substances or containing hazardous substances, including mixes of chemical compounds	1.7	Disposal
Disposable organic compounds comprised of hazardous substances or containing them	1.24	Disposal
Lead batteries	9.42	Recycling
Ni-Cd batteries	20.70	Recycling
Waste containing oil	160.20	Recycling / Disposal
Soil and rocks containing hazardous substances	17.36	Disposal
Insulation containing asbestos	68.76	Disposal
Batteries and accumulators and mixed batteries and accumulated containing the said batteries	0.38	Recycling
Building materials containing asbestos	43.54	Disposal
Fluorescent tubes and other waste containing mercury	2.05	Recycling
Fluorescent tubes and other waste containing mercury	200 pieces	Recycling
Total	2,264.98 tonnes and 200 pieces	

Dangerous and hazardous waste is managed in collaboration with specially licensed companies in Greece, or such waste is sent abroad.

We implemented programmes to remove and decontaminate all apparatus and equipment containing or contaminated with PCBs, in order to fully eliminate PCBs, in line with the requirements of the relevant legislation. All appliances and apparatus withdrawn from networks are checked for the possible presence of PCBs even when it is certain that there has been no contamination.

Hazardous waste sent abroad to be managed (kg)

Category	Quantity
PCBs	101,065
Asbestos and materials containing asbestos	12,420
Total	113,485

Use of by-products

PPC main by-product is fly ash but desulphurisation and heat-power plants also generate large quantities of gypsum. PPC has already registered the quantities of ash it produces in line with the European REACH regulation, and that ash is sold commercially. In 2011, the Company also began to register gypsum so that this by-product can also be disposed off commercially. It is expected that the registration process for gypsum will be completed in 2012.

By-product	Quantity produced (tonnes)	Use (tonnes)	
		Quantities sold	Quantities dumped in mines
Bottom ash	660,467	-	660,467
Fly ash	10,446,609	495,712	8,066,187
Gypsum	631,593	-	-
Total	11,738,668	495,712	8,726,654

Part of the total quantity of ash produced is disposed off at a licensed site. That quantity explains the difference between the total quantity produced and the total quantity used.

5.5.2 Liquid waste

Sea water is used at PPC thermal plants, in the interconnected network and on the islands of Crete and Rhodes to cool power stations. The quantities of sea water are estimated based on the capacity of pumps operating at full power, the units and the number of hours in operation. The relevant quantities are shown in the table below.

Facilities	Sea water for cooling (m ³)	Treated liquid waste (m ³)
Lignite	-	36,375,294
Oil	381,716,004	141,177
Natural gas	634,117,779	1,498,723
Total	1,015,833,783	38,015,194

As far as other liquid waste is concerned, the PPC power plants have cutting edge liquid waste treatment facilities which comply with the decisions on environmental terms and conditions for each plant, and the BAT Manual Large Combustion Plants. Water and treated liquid waste is always disposed off in line with the provisions of the relevant regulations and legislation.

It should also be noted that a significant quantity of treated waste is disposed off for various purposes, primarily irrigation, especially during the summer months. The quantity disposed off in 2011 was around 28 million m³.

PPC is constantly monitoring the quantities of waste produced and briefs the competent government agencies as specified by law.

5.6 Noise pollution and visual impact

PPC seeks to minimize the visual impact and any noise pollution caused by the power transmission and distribution networks.


To achieve this it implements various practices such as:

- > Painting transmission lines and avoiding placing them on the horizon
- > Planting trees and create green zones around substations and high voltage centres
- > Using neutrally coloured electrical equipment
- > Using low noise transformers

In addition, PPC ensures that work is carried out to minimize nuisance to a minimum both in urban areas and in rural ones.

It is worth noting that over recent years new substations which were installed in populated areas were all indoor substations, and PPC also took steps to ensure that its networks blended in better to the residential and natural environment. In particular, in locations of particular natural beauty, in traditional villages and in tourist areas, PPC built smaller substations or routed its networks underground, working in close quarters with local agencies to achieve this.

Submerged cables are used to connect islands to the interconnected network, thereby reducing their dependence on oil. In addition, this also improves the level of customer services both in terms of the quality of the power supplied and in terms of the number of outages.

 PPC Renewables S.A. is removing wind farms that have completed their lifecycle and is also replacing older wind turbines with new, cutting edge, silent models. 2 wind turbines were taken down on the island of Skyros and 4,000 m² of land were regenerated.

5.7 Protecting biodiversity

Protecting biodiversity is an integral part of PPC's environmental strategy. PPC ensures that studies are prepared and programmes implemented wherever there are biotopes close to its facilities, such as hydroelectric stations, in order to ensure full compliance with national and European environmental legislation.

In areas where PPC operates, it ensures that land is regenerated in the best possible way and that the most suitable land use is chosen. This procedure takes into account a whole series of factors such as:

- > The soil morphology and climate conditions
- > Ecosystem variables after the end of mining activities
- > Human geography and the socio-economic structure in the area
- > The prevailing land uses and the need for them.

PPC works in close quarters with agencies in order to take measurements and to implement actions to protect biodiversity. An illustrative example is its partnership with the Ministry of Development, Competitiveness & Shipping to implement the approved Hellenic Eel Management Programme. In 2011 PPC took action to bolster eel stocks in the contexts of European Parliament and Council Directive 2007/1000/EC. It was aided in this effort by the University of Patras which was assigned the project "technical and support measures to improve the stock of the European eels".

In addition, PPC continues to work with the Municipality of Megalopolis concerning the PPC Lignite Centre in the area, by renting out model land parcels in the regenerated western Horemi field covering 2 million m².

Other actions taken by PPC to protect biodiversity include:

- > Developing forest ecosystems depending on the species and the location of the forest.
- > Developing artificial habitats and nests such as the pheasant farm and a small wetland protected from hunting where aquatic animals and plants flourish at the Megalopolis Lignite Centre.
- > Ensuring that storks and other migratory bird species can safely visit and pass through Greece by placing artificial nests on PPC electricity poles.
- > Working constantly with universities to record and save the brown bear.

PPC Renewables

In addition, PPC Renewables planted trees in the area where it carried out work around the Gionas Small Hydroelectric Plant on the River Acheloos.

5.7.1 Studies and research on ecosystem equilibrium

PPC works with agencies such as the Hellenic Centre for Marine Research and the National Agricultural Research Foundation to prepare studies on ecosystem equilibrium. Examples of these include:

- > Studies to protect and manage fish stocks
- > Studies to improve fish stocks in lakes where dams have been built
- > Measurements of physical-chemical parameters



Research programme to regenerate vegetation in Ptolemaida

In order to regenerate areas of land which were previously mines in the Ptolemaida region in Kozani, PPC assigned the Forest Research Institute of the National Agricultural Research Foundation a research programme entitled “Selection of woody species for environmental regeneration of PPC S.A. Ptolemaida mines”. The programme seeks to select a series of economical, sustainable measures to re-integrate these areas into the natural environment, to reduce the unfavourable visual impact of discontinued operations and to achieve ecological equilibrium.

The first phase of the project was completed in 2011 by preparing an implementation study entitled “Special planting study to regenerate vegetation at the Ptolemaida Mines, Prefecture of Kozani”. According to the study, suitably woody species should be planted to create a stable forest environment which will allow fauna to return to the area and create a forest-cum-meadow ecosystem.

In phase two, which will last 3 years, the growth rates of woody species will be monitored, and improvements will be suggested where necessary.

This research programme is an important project which when completed will contribute to an improvement in the ecological, aesthetic, environmental, qualitative and functional features of the area being regenerated.

PPC began collaborating with the University of Patras in 2011 to implement a study on environmental monitoring of physical-chemical parameters at the Pournari I and II hydroelectric station reservoirs and section of the Arachthos River, by installing and operating an experimental automated telemetric network. The study will be completed in 2012.

In 2011, a study for an integrated plan to manage and highlight lakes along the Arachthos river was completed. Approval for the study by the Western Greece regional governor is expected.

In 2010, in addition, PPC had installed an automated station to monitor the physical and chemical properties of the Kastraki reservoir. In July 2011, another two automated stations were installed to monitor the physical and chemical properties of the Kremasta and Stratos Reservoirs. These stations form part of the network which will be installed at the Kremasta, Kastraki and Stratos reservoirs on the Acheloos River all the way down to its delta. Samples from the measurements of physical and chemical properties taken at all hydroelectric plant reservoirs are sent to certified labs and the results of the measurements are disclosed to the competent government agencies.

5.7.2 Protected Natura areas

Certain areas in which PPC is engaged in mining activities fall within Natura 2000 areas, while others do not.


PPC hydroelectric plants which are inside areas protected under the NATURA 2000 scheme according to the Ministry of the Environment maps are shown in the table below:

Name of protected area	Area of PPC land within the protected area in 2011 (Km ²)
Aliakmonas River (Asomata)	2.50
Agras	8.08
Aoos	8.64
Nestos (Thisavros)	18.00
Nestos (Platanovyssi)	3.00
Tavropoos (N. Plastira Hydroelectric Plant)	25.00
Total	65.22

In areas where PPC operates and where biotopes or other protected habitats are to be found, scientific studies are prepared and measures are taken to ensure that the natural equilibrium of the ecosystem is not disturbed.

As part of its environmental strategy to protect and regenerate protected areas, PPC not only carries out studies but also plans and implements actions continuously. During 2011, the following actions were planned and implemented:

Name of protected area	Environmental protection / regeneration actions
Aliakmonas River (Asomata)	<ol style="list-style-type: none"> 1. An additional 400 saplings were planted (which were purchased from nurseries) in the area of an old clay pit in the Asomata area of the Aliakmonas River (ongoing action). 2. Open areas of land were planted with laurels and other shrubs, and a wildflower meadow was created which will be grazed by sheep and goats.
Nestos (Thisavros)	<ol style="list-style-type: none"> 1. In 2011-2012, the National Agricultural Research Foundation / Institute of Fisheries Research will transport fish from the reservoir to the river and vice versa. 2. A new contract was signed on 01/06/2011 with the Inter-Balkan Environmental Centre for the period 2011-2012, to take samples of and measure the physical, chemical and biological parameters of water in the river and reservoir.

 One of PPC Renewable S.A. main objectives is to bring its technologies in the RES sector in line with the need to preserve biodiversity and protect the environment. For that reason, the Company has purchased specialized equipment in order to proceed to ecological evaluation studies so as to protect birds. During the project licensing and construction process it ensures that all measures are taken to guarantee that each new project blends into the environment without problems. When preparing the design for each project, special care is taken to comply with the specific planning framework applying to renewable energy sources.

5.8 Compliance with environmental legislation

PPC seeks to fully comply with national and European legislation and regulations. However, given the size of the company and the sheer scale of its operations, various critical issues do arise from time to time.

In 2011, various authorities such as prefectures, general secretariats of the regions and the Ministry of Environment and Climate Change imposed on PPC fines worth a total of € 475,000 (the sum of the fine depends on the body imposing it) for breach of environmental operating terms of some of its power plants.

As far as those fines are concerned, PPC has filed:

- > an administrative appeal to have the said decision imposing the fine overturned by a superior body (e.g. if the fine was imposed by the prefecture then the administrative appeal was lodged with the general secretary of the region) and
- > an appeal on the merits before the administrative courts of Greece (administrative Court of First Instance and Administrative Court of Appeal).

In 2011, the Appellate Committee of the Athens Court of Appeal for Forestry Dispute Resolutions handed down a judgement in favour of PPC which confirmed that the Milaki area near Aliveri in the prefecture of Evia, the area where the PPC facilities are located, was not a forested area. A petition for annulment is pending before the Council of State relating to annulment of a ruling in a dispute concerning the Prefecture of Rhodes Citizens Environmental Protection Initiative.





We devote all our energy
to supporting society

Our Social Footprint

PPC acknowledges that making a contribution to society is an integral part of its business activity. For that reason, it has taken important action aimed not only at local communities in which it has a presence, but also at society as a whole. PPC performs an important social function, which manifests itself via a series of activities the Company has been implementing for some time now.

In addition, PPC extensive sponsorship programme, along with its employees' firm commitment and involvement in these matters not only supports local communities but also ensures close partnership with all stakeholders (NGOs, local communities, regulatory authorities, etc.).

6.1 Local community development programme

For PPC, the concept of corporate social responsibility is primarily related to satisfying stakeholder expectations (customers, employees, shareholders, suppliers, local communities, etc.). In light of this, PPC places particular emphasis on relations with local communities and performs a particularly important task by implementing a special programme which seeks to:

- > Stimulate local business skills by assigning construction work to local contractors and by procuring the necessary materials from the local market, thereby contributing to the development of the local economy.
- > Use the locality criterion when recruiting employees at power plants and lignite mines, in order to bolster local employment.
- > Allow areas of land to be used free of charge to support the energy municipalities in the region of Western Macedonia and the Municipality of Megalopolis to ensure the socio-economic development of those areas and bolster local entrepreneurialism.

- > Give something back to local communities where transmission projects are implemented (cementing works, rights to use scrap steel, etc).
- > Lay the foundations to develop alternative business activities independent of PPC's operations that encourage job creation and general economic growth in the area.
- > Develop infrastructure in areas where PPC is active (by building roads or bypasses, tanks, water supply projects, by installing lighting or signalling, and by highlighting and showcasing areas of natural beauty, etc.).
- > Provide know-how to the country's municipalities on issues of street and building lighting, to save energy.
- > Build forest roads in collaboration with local bodies.
- > Implement a series of investments to provide energy in the form of hot water and district heating schemes for towns in an effort to ensure a cost-effective, environmentally friendly method of heating homes.
- > Ensure active involvement in sustainably managing Greece's water resources to meet local communities' water needs in the wider area where PPC operates (by providing free water from PPC reservoirs for agricultural irrigation purposes and water supply, by building flood protection works around hydroelectric stations, by protecting the country from drought and dry spells, and thereby protecting the environment, etc.).
- > Support social and cultural events in local communities especially those where PPC has a strong local presence (mines, power plants). This is part of the wider sponsorship programme which is implemented.
- > Implement information dissemination programmes among school pupils and teachers about the work PPC does and the contribution it makes, and about energy saving measures. These programmes are held at PPC academies.
- > Contribute generally to improving the level of education in Greece (by holding conferences and one-day events, attended directly or indirectly by PPC, by sponsoring schools, etc.).

6.1.1 Offset projects / public benefit projects

When obtaining environmental terms and conditions approval decisions for the projects it implements, PPC consults with the Ministry of the Environment and Climate Change and local bodies to specify the offset benefits and projects for local communities. Those are then included in the Joint Ministerial Decision which approves the environmental terms and conditions for those projects. Those offsets and benefits primarily relate to improving roads, planting trees and improving irrigation projects.

Offset / public benefit projects	Category	Project budget (€)	Project total duration (months)	Cost in 2011 (€)	Explanation of project
Maintenance of the Dormition of the Virgin at Torniki monastery, which was to be relocated	Rescuing cultural heritage	40,000	18	29,773	Environmental terms and conditions for the Ilarionas Hydroelectric Station
Payment of cost to 30th Ephorate of Prehistoric and Classical Antiquities	Cultural contribution	10,256,495	65	2,348,079	Contractual obligation for the Ilarionas Hydroelectric Station
Environmental regeneration and demarcation of aggregate extraction zones from the bed of the River Acheloos downstream from the Stratos dam	Environmental upgrades	-	-	75,880	Economic support for Prefectural Government of Etolo-Akarnania
Financing for projects of the Municipality of Deskati	Support for local community	-	-	12,650	Donation
Improvement to / maintenance of road in the Dystia area	Public benefit project as part of the new Aliveri power plant	45,000	-	44,969	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Lawn for the auxiliary pitch in the Aliveri municipal district	Public benefit project as part of the new Aliveri power plant	190,000	-	77,209	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Prasino St. in the former Municipality of Tamynea	Public benefit project as part of the new Aliveri power plant	400,000	-	182,861	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Maintenance and improvement of roads in the Aliveri municipal district / Municipality of Tamynea	Public benefit project as part of the new Aliveri power plant	45,000	-	31,204	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Agios Loukas – Trachili Road / Municipality of Aliveri	Public benefit project as part of the new Aliveri power plant	1,200,000	-	146,306	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.

Offset / public benefit projects	Category	Project budget (€)	Project total duration (months)	Cost in 2011 (€)	Explanation of project
Milaki – Panagitsa Pounta Road	Public benefit project as part of the new Aliveri power plant	350,000	-	115,203	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Zarka road – Municipality of Dystia – Almyropotamo Beach – Municipality of Styra	Public benefit project as part of the new Aliveri power plant	1,100,000	-	126,000	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Regeneration of commercial centre of Aliveri	Public benefit project as part of the new Aliveri power plant	300,000	-	46,535	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Agii Apostoli Road – Municipality of Dystia – Kalamos – Mun. of Avlona	Public benefit project as part of the new Aliveri power plant	800,000	-	54,000	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Lighting of municipal stadium of Aliveri / Municipality of Tamynea	Public benefit project as part of the new Aliveri power plant	150,000	-	64,956	Part of an overall package of public benefit works over 3 years costing PPC € 4,727,500.
Construction of kindergarten in Lavrio	Support for local community	248,000	36	98,154	Donation
MoU with 23rd Ephorate of Byzantine Antiquities	Cultural contribution	150,000	36	39,886	Part of the new Aliveri power plant
Total				3,493,665	

6.1.2 Concession of land

In developing and building good relations with local communities, PPC offers areas of land to allow them to be developed by local bodies. This bolsters local entrepreneurialism, creates jobs and develops the areas. In 2011, the PPC Board of Directors approved the concession of three buildings and their grounds at the Pournari I Hydroelectric Station to the Prefecture of Arta Children with special needs' Parents & Friends Association. The land was granted for a period of 20 years in return for a symbolic rent of € 20 a year. The area will be used to house the offices of the association and the vocational training centre for the children, and as a hostel for children with special needs from the Prefecture of Arta.

6.1.3 Town district heating schemes

In an endeavour to combine environmental protection with cost-effective services, PPC has invested along with local governments in providing district heating schemes in various areas of the country such as Kozani, Megalopolis, Ptolemaida and Amynteo.

These schemes provide heat for household and commercial use in order to heat buildings and water. These schemes which are run by local municipalities allow PPC to utilize the heat generated by lignite-fuelled power plants in Western Macedonia and Arcadia and provide that heat in the form of hot water to heat buildings in nearby towns. The cost of providing energy via these schemes is significantly lower than conventional heating methods.

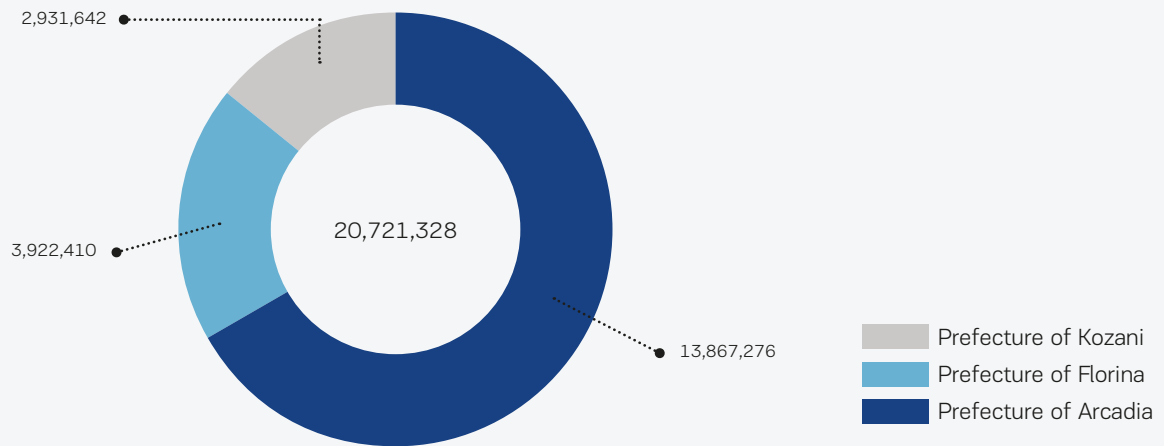
These schemes are a model for sustainable management and generate numerous benefits for all parties involved, the most important being a reduction in atmospheric pollution since hydrocarbons and wood are not being burned to generate heat, and financial benefits for local communities due to the reduced cost of heating buildings and water.

PPC power plants that operate district heating schemes	Municipality involved in scheme	Installed capacity in 2011 (MWth)	Power generated in 2011 (GJ)
Agios Dimitrios III	Kozani	67	540,292
Agios Dimitrios IV	Kozani	67	445,514
Agios Dimitrios V	Kozani	70	383,632
Ptolemaida III	Ptolemaida	50	350,957
Amynteo I	Amynteo – Filota	25	9,620
Amynteo II	Amynteo – Filota	25	137,779
Megalopolis III	Megalopolis	20	42,896
LIPTOL I	Ptolemaida	25	336,109
Total	-	349	2,246,799

6.1.4 Lignite levy

The lignite levy constitutes an offset amount in order to promote the development of industrial areas where power is generated by lignite-fuelled power plants. It is paid by PPC in the prefectures of Florina, Kozani and Arcadia. Law 2446/1996 set the levy at 0.04% of PPC turnover. It finances infrastructure and environmental projects and works that bolster the community in the specific areas which are affected by mining lignite and by its combustion. In 2011, PPC paid local communities € 20,721,328 in terms of lignite levy.

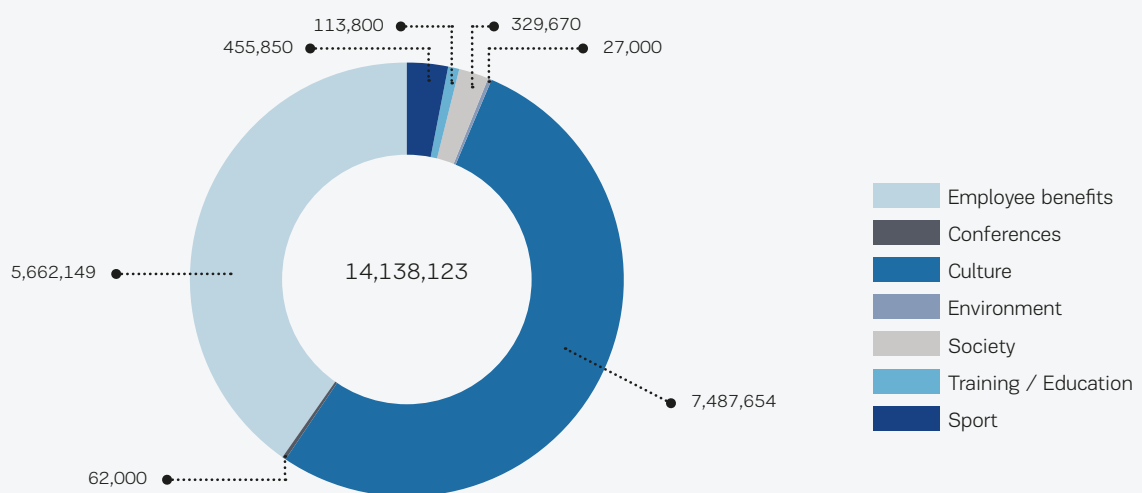
Areas / local communities for which the lignite charge applies (€)



6.2 Sponsorship programme

PPC recognizes the needs of the various areas of the country in which it operates and it is sensitive in responding to these needs. In 2011, despite the difficult economic climate, PPC made available € 14,138,123 for projects in various sectors, such as the environment, sport, training, culture and education.

Sponsorship / donations (€)



Some of the actions implemented in 2011 are listed below.

Education – Training

Support for the Goulandris Museum of Natural History

PPC S.A. and its subsidiary PPC Renewables in collaboration with the Goulandris Museum of Natural History ran a training course on renewable energy sources. The aim was to improve the level of awareness and knowledge among teachers, school pupils and parents about environmental issues.

Support for the Kozani 1st Senior High School

PPC S.A. provided financial support to the Kozani 1st Senior High School to replace old computer screens used in the IT class, with new LCD screens.

Society

Support for the Smile of the Child charity

PPC S.A. provided financial support to Smile of the Child to cover the cost of extra electricity used at the building housing the charity's offices in Patra.

Sponsorship for the Athens 2011 Special Olympics

PPC supported the Athens 2011 Special Olympics. Sponsorship from PPC related to power consumed at the Athens Olympics Sports Centre and the Kallimarmaro Panathenaic Stadium when those facilities were used during the games.

Support for the exhibition 'Finger Prints 2011'

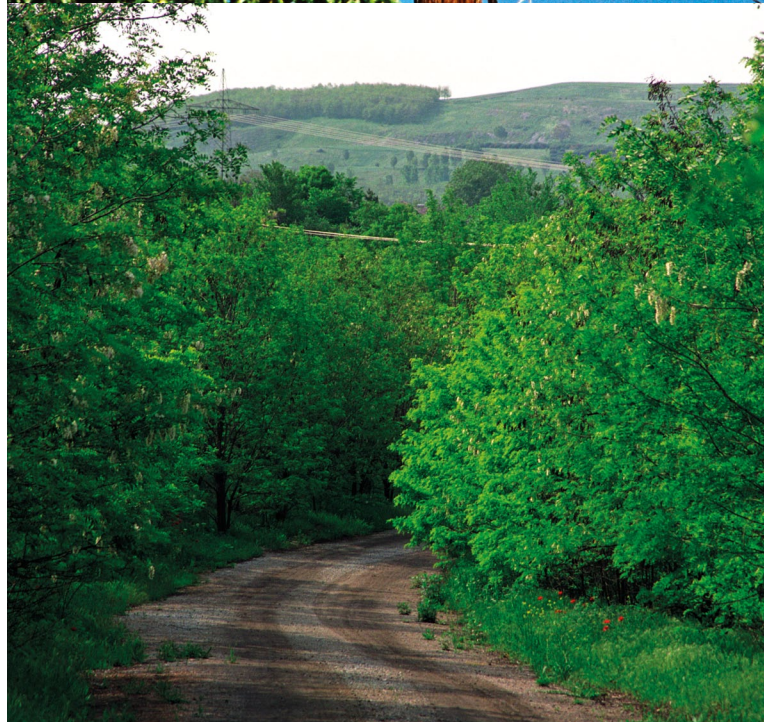
The Association of Social Responsibility for Children and Youth, working with the Vorres Museum hosted a painting exhibition by children and young people with special needs and mental disability, and pupils from ordinary schools, called Finger Prints 2011. The exhibition was dedicated to the Athens 2011 Special Olympics. All revenues from sales of the works were given to special schools and the bodies involved in the exhibition. PPC S.A. was a major sponsor of this exhibition.

Support for the Margarita Special Education Workshop

PPC provided financial support of the Margarita Special Education Workshop to cover its overheads. This organization offers training and education to persons with mild to average mental disability.

Financial support of the Ark of the World NGO

PPC provided financial support to Ark of the World, a not-for-profit organization that provides support and



protection to mothers and children. The Ark provides care to children who were abandoned or neglected, without medical care and without a future. Most of these children come from single-parent families, while quite a few are orphans.

Support for the Greek Children’s Village in Filyro, Thessaloniki

PPC provided financial support for the Greek Children’s Village in Filyro, Thessaloniki. The aim of the village is to provide long-term, lasting care, education, housing and psychological support for children, based on the principles of pedagogics and psychology. The Greek Children’s Village seeks to offer the basics of a family life for children whose parents are no longer alive or who cannot shoulder the burden of raising their children for various reasons.

Renovating the playground at Analipseos Church, Drapetsona

PPC recognizes that there are few places where children can receive adequate stimuli and focus the imagination and creativity, and so it provided financial support to the Mun. of Keratsini-Drapetsona, to repair-renovate the playground at Analipseos Church in Drapetsona.

Sponsorship for the Alma Zois Charity in Thessaloniki

PPC sponsored a programme run by the Alma Zois breast cancer charity in Thessaloniki, to encourage women to carry out preventative checks on their breasts. The association, in cooperation with the Theagenio Cancer Hospital of Thessaloniki, carried out checks on 925 women aged over 40 in the prefecture of Kozani. The programme was run in the city of Ptolemaida and the towns Siatista, Servia, Tsotyli and Drepano. The programme also included a scientific lecture at the Ptolemaida Cultural Centre entitled “Learn, prevent, treat breast cancer” to raise awareness among women so that they realize the value of prevention and getting diagnosed on time.

Culture

Relocating the Monastery of the Dormition of the Virgin at Torniki

At the end of September, the works to relocate the monastery were completed. The monastery was moved 127m to a new location, 27m higher than its previous one.

It was decided to relocate the historical monastery which houses rare wall paintings from the 14th and 16th centuries while building the Ilarionas Dam in the area, since there was a risk of it sinking below the waters of the reservoir.

The Ilarionas hydroelectric project and its reservoir will not only generate 413 GWH of electricity a year but will also supply water to Thessaloniki and meet the irrigation needs of the plains of Imathia, Pella and Thessaloniki. In addition, the creation of the reservoir is expected to highlight the byzantine monuments of the area and to encourage and stimulate tourist development in the prefectures of Kozani and Grevena.

PPC financed the project with a budget of € 850,000 while the contractor was AKTOR S.A.

Sponsorship to restore Government House and the Eynardeio Building on Aegina to house a library and archives

At a meeting held with the leadership of the Ministry of Education, Life-long learning and Religious Affairs and the Mayor of Aegina with the Chairman & CEO of PPC, PPC offered € 1.5 million in sponsorship to restore two historical buildings on Aegina dating from the time of Capodistrias: the Government House and the Eynardeio Building. Under the terms of the sponsorship agreement, the Government House is to house the historical archive, and the Eynardeio Building is to house the public library. Restoration of these two unique, historical buildings of value for the nation overall, is tied into the history of our country and is an important step in highlighting the legacy of Capodistrias.

Environment

Support for the first aid station at the Wildlife Protection & Care Association ANIMA

PPC provided financial support to ANIMA, a wildlife protection and care association, to cover its overheads. The association provides first aid and care to animals which have suffered electrocution.

6.3 Employee volunteer actions

With the support of its employees, PPC organizes volunteer actions every year and gives something back to society.

In 2011, just some of the actions organized were:

Voluntary medicines rally-support for Médecins du Monde

PPC employees from Attica voluntarily collected medicines to offer to the NGO Médecins du Monde. Médecins du Monde set up clinics that help thousands of destitute people who do not otherwise have access to a healthcare system.

Voluntary blood donations

PPC employee associations such as the Nationwide Employee Association (PASYP), the Association of Administrative and Financial Employees (EDOP) and the Association of Technicians (ETE) each year organize voluntary blood donation rallies of the employees. In 2011, four events were organized by PASYP in partnership with Alexandra Hospital, 7 were organized by EDOP in partnership with the Laiko Hospital, and 34 by ETE in partnership with the Agia Sofia Children's Hospital. Employees collected a total of 995 units of blood through their various efforts.

6.4 Other initiatives

As part of the PPC general corporate social responsibility campaign, the Training Department implemented various actions associated with its training function, which were aimed at PPC employees and at the society as a whole.

Just some of these included:

- > A ceremony held in Athens and Northern Greece to award honours on the children of PPC employees who came top of their class at secondary school and in tertiary education.
- > A career guidance test was administered to 159 children of PPC employees.
- > 621 pupils from 14 schools toured the Training Department's training centres and received a talk about PPC's activities and its social contribution, and about issues of energy savings and environmental protection.
- > 150 students visited the Neo Faliro Training Centre as part of papers being prepared relating to the former Faliro power station which used to be housed there.
- > 11 PPC executives took part in training courses organized by the Youth Entrepreneurialism Association to assist young people acquire core skills in the business world, the concept of entrepreneurialism, the importance of the economy and the role of businesses in the global economy.

Collaboration with the Youth Entrepreneurialism Association

The Youth Entrepreneurialism Association runs training courses that promote business thinking among the young, in collaboration with Greek businesses and the Greek public and private educational system at all levels, nationwide.

In 2011, PPC worked with the Youth Entrepreneurialism Association to run programme for junior and senior high school pupils allowing them to spend some time "in the shadow of an executive". As part of the programme, 25 pupils visited the PPC working environment for around 3 hours (the Training Department's central services) and learned concepts such as professions and career advancement, interviews and CVs, skills and abilities needed for work readiness, and understood the necessity of acquiring skills such as how to analyse and interpret information, brainstorming, critical thinking, target setting, oral and written communication, public speaking, self-evaluation and team work.

Targets for 2012

In 2012, PPC plans to:

- > Organize actions focused on women and children, in collaboration with not-for-profit organizations.
- > Develop social programmes employing corporate volunteerism.
- > Implement actions to improve the areas where it operates, by continuing to plant trees and regenerate land.

7. Key CSR Performance Data

Below are presented key financial, environmental and social performance data for our Company.

Key CSR Performance Data

Economic Development	2010	2011
Revenues (€ thousand)	5,519,352 ⁽¹⁾	5,180,332
Total Capitalization (€ thousand)	16,171,222	15,455,837
Debt (€ thousand)	9,424,888	9,155,792
Equity (€ thousand)	6,746,334	6,300,045
Domestic sales (GWh)	51,131	48,726
Financial income (€ thousand)	40,662 ⁽¹⁾	43,346
Payroll cost including employee benefits and employer's social security contribution (€ thousand) ⁽²⁾	879,502	825,980
Dividends paid (€ thousand)	231,831	183,241
Earnings (losses) before taxes (€ thousand)	634,853 ⁽¹⁾	(247,147)
Long term borrowings (€ thousand)	3,885,413	3,142,670
Short term borrowings (€ thousand)	966,899	1,559,066
Marketplace	2010	2011
Installed capacity (MW)	12,688	12,659
Net energy generation (GWh)	45,258	41,242
Total length of transmission and distribution lines (km)	238,209	240,335
Number of connections ⁽²⁾	7,512,197	7,301,739
Share in the domestic energy market ⁽³⁾	95.8%	92.3%
Human Resources	2010	2011
Total employees	21,681	19,466
Number of employees subjected to collective labor agreements	21,681 (100%)	19,466 (100%)
Audits on units, projects and contractors	75	107
Total number of accidents	121	122
Total number of fatal accidents	0	1
Accident frequency rate ⁽⁴⁾	3.22	2.89
Total number of days of absence due to accidents	4,326	16,186
Accident severity rate ⁽⁴⁾	0.12	0.38
Total number of days of absence from work ⁽⁴⁾	129,968	249,365
Absence rate ⁽⁴⁾	2.41%	5.16%
Environment	2010	2011
Number of Power Plants with certified Environmental management Systems	13	15
CO ₂ emissions (tn)	46,499,607	46,880,821
Surface area of PPC's facilities (hydroelectric facilities) in protected areas (km ²)	65.22	65.22
Society	2010	2011
Total amount of Lignite levy paid in local communities (€ thousand)	23,175	20,721

Note: The figures in the table above inside brackets are negative figures (-).

(1) Adjusted figures due to the transmission sector being spun off.

(2) Not including staff payrolling which is included in tangible assets and the cost of extracting lignite.

(3) This is an estimate, taking into account sales by third party suppliers.

(4) For more information see the chapter on human resources, section 4.6.5 'Monitoring H&S performance'.

8. GRI Indicators Table

Following is the table which links the contents of the Corporate Responsibility and Sustainable Development Report 2011 with the GRI - G3 indicators.

GRI Indicators Table

GRI	Description	Comment / Reference Paragraph	Comment / Direct Answer
1.1	Statement from the Chairman and CEO	Pages 8, 9	-
1.2	Description of key impacts, risks and opportunities	Pages 8, 9 / 1.1 / 1.4 / 1.6 / 2.4	-
2.1	Name of the Company	1.1	-
2.2	Primary brands, products, and/or services	1.1 / 1.4 / 3.1 / 3.1.1	-
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1.3 / 1.4 / 2.1	-
2.4	Location of organization's headquarters	-	30 Halkokondili St., Athens, 104 32-Greece
2.5	Number of countries where organization operates	1.4	-
2.6	Nature of ownership and legal form	1.1 / 1.2	-
2.7	Markets served	1.1 / 1.4 / 3.1	-
2.8	Scale of the reporting organization	1.6 / 2.6 / 4.1 / 7	-
2.9	Significant changes during the reporting period, regarding the size, structure or ownership	1.4 / 1.5 / 2.4	-
2.10	Awards received in the reporting period	1.8	-
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	1.4	-
EU2	Net energy output, broken down by primary energy source and by regulatory regime	1.4	-
EU3	Number of residential, industrial and commercial customer accounts	1.4	-
EU4	Length of above and underground transmission and distribution lines by regulatory regime	1.4	-
EU5	Allocation of emissions allowances, broken down by carbon trading framework	5.2	-
3.1	Reporting period	Page 6	01/01/2011 – 31/12/2011
3.2	Date of most recent previous report	Page 6	2010 CSR Report
3.3	Reporting cycle	Page 6	-
3.4	Contact point	Page 6	-
3.5	Process for defining report content	Page 6 / 2.6 / 2.8	-
3.6	Boundary of the report	Page 6	-

GRI Indicators Table

GRI	Description	Comment / Reference Paragraph	Comment / Direct Answer
3.7	Specific limitations on the scope or boundary of the report	Page 6	-
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	Page 6	Data regarding PPC subsidiaries / joint ventures / third parties are not included. (PPC Renewables S.A. data - not consolidated with PPC S.A. own - are distinctively indicated)
3.9	Data measurement techniques and the bases of calculations	Page 7 / 4.6.5 / 5.2	-
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	Page 6	-
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Page 6	No changes have occurred
3.12	Table identifying the location of the Standard Disclosures in the report	Page 104	GRI TABLE
3.13	Policy and current practice with regard to seeking external assurance for the report	Page 7, 114-115	
4.1	Governance structure of the organization	2.1 / 2.2 / 2.2.1 / 2.2.2 / 2.2.3 / 2.3 / 2.4 / 2.5	-
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	2.2.1	-
4.3	Number of members of the highest governance body that are independent and/or non-executive members	2.2.1	-
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	2.2.1	-
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	-	N/A
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	2.5	-

GRI Indicators Table

GRI	Description	Comment / Reference Paragraph	Comment / Direct Answer
4.7	Process for determining the qualifications and expertise of the members of the highest governance body, for guiding the organization's strategy on economic, environmental and social topics	2.2 / 2.2.1	Criteria for selection of members of the Board of Directors do not include gender, nationality or other indicators of diversity. This leads to avoidance of any kind of discrimination
4.8	Internally developed statements of mission or values, codes of conduct, and values relevant to economic, environmental, and social performance	2.1 / 2.2	-
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities	2.6 / 2.7 / Page 6	-
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	2.2.1 / 2.2.3	-
4.11	Explanation of whether and how the precautionary approach or value is addressed by the organization	2.4 / 4.6.1 / 5.1	-
4.12	Externally developed economic, environmental, and social charters, values, or other initiatives to which the organization subscribes or endorses	Page 6 / 1.7	-
4.13	Memberships in associations and/or national/international advocacy organizations	1.7	-
4.14	List of stakeholder groups engaged by the organization	2.8	-
4.15	Basis for identification and selection of stakeholders with whom to engage	2.8	-
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	2.8	-
4.17	Key topics and concerns that have been raised through stakeholder engagement	2.8	-

Economic Performance Indicators

Description	Reference Paragraph	Comment / Direct Answer
EC1 Direct economic value generated and distributed	1.6	-
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	-	N/A
EC3 Coverage of the organization's defined benefit plan obligations	4.5	-
EC4 Significant financial assistance received from government		No financial assistance received
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	-	The Company respects and follows national, collective bargaining and profession-related agreements (National General Collective Agreements)
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	3.6 / 6.1	-
EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	4.1 / 6.1	-
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	6.1 / 6.1.1 / 6.1.2 / 6.1.3 / 6.1.4 / 6.2 / 6.3 / 6.4	-
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	1.1 / 3.1.1 / 4.1 / 6.1 / 6.1.1 / 6.1.2 / 6.1.3 / 6.1.4	-
EU10 Planned capacity against projected electricity demand over the long term, broken down by energy source and by regulatory regime	5.2.3	-
EU11 Average generation efficiency of thermal plants by energy source and by regulatory regime	1.4	-
EU12 Transmission and distribution losses as a percentage of total energy	-	Losses and self-consumption (GWh): 4,681 Losses & self-consumption percentage: 7.95%

Environmental Performance Indicators

Description	Reference Paragraph	Comment / Direct Answer
EN1 Materials used by weight or volume	5.3	-
EN2 Percentage of materials used that are recycled input materials	5.5.1	-
EN3 Direct energy consumption by primary energy source	5.3	-
EN4 Indirect energy consumption by primary source	5.3	-
EN5 Energy saved due to conservation and efficiency improvements	5.2.3	-
EN6 Initiatives to provide energy-efficient or renewable energy based products and services	5.2.3	-
EN7 Initiatives to reduce indirect energy consumptions and reductions achieved	5.2.1	-
EN8 Total water withdrawal by source	5.4	-
EN9 Water sources significantly affected by withdrawal of water	5.4 / 5.7.2	-
EN10 Percentage and total volume of water recycled and reused	5.4 / 5.5.2	-
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5.7.2	-
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	5.7 / 5.7.1 / 5.7.2	-
EN13 Habitats protected or restored	5.7 / 5.7.1 / 5.7.2	-
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity	5.7 / 5.7.1 / 5.7.2	-
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-	N/A
EN16 Total direct and indirect greenhouse gas emissions by weight	5.2 / 5.2.2	-
EN17 Other relevant indirect greenhouse gas emissions by weight	-	N/A
EN18 Initiatives to reduce greenhouse gas emissions by weight	5.1 / 5.2 / 5.2.1 / 5.2.3	-
EN19 Emissions of ozone-depleting substances by weight	-	N/A
EN20 NO _x , SO _x , and other significant air emissions by type and weight	5.2.2	-
EN21 Total water discharge by quality and destination	5.5.2	-
EN22 Total weight of waste by type and disposal method	5.5.1	-
EN23 Total number and volume of significant spills	-	N/A
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	5.5.1	-
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	-	N/A
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	5.1 / 5.2 / 5.2.1 / 5.2.3 / 5.6 / 5.7	-
EN27 Percentage of products sold and their packaging materials that are reclaimed by category	-	N/A
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non compliance with environmental laws and regulations	5.8	-
EN29 Significant environmental impacts of transporting products and other goods and materials	5.2.1	-
EN30 Total environmental protection expenditures and investments by type	5.2.1	-

**Labor Practices and Decent
Work Performance Indicators**

Description	Reference Paragraph	Comment / Direct Answer
LA1 Total workforce by employment type, employment contract, and region	4.1	-
LA2 Total number and rate of employee turnover by age group, gender, and region	4.1	-
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees by major operations	4.5	-
LA4 Percentage of employees covered by collective bargaining agreements	4.1	-
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	-	N/A
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	-	N/A
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	4.6.5	-
EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	4.6.3 / 4.6.5	-
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	-	N/A
LA9 Health and safety topics covered in formal agreements with trade unions	-	N/A
LA10 Average hours of training per year per employee by employee category	4.2.1 / 4.6.4	-
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	4.2.1	-
LA12 Percentage of employees receiving regular performance and career development reviews	4.3	-
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	4.1	-
LA14 Ratio of basic salary and remuneration of men to women by employee category	4.4	-

Human Rights Performance Indicators

Description	Reference Paragraph	Comment / Direct Answer
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	-	N/A
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken	-	N/A
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	-	N/A
HR4 Total number of incidents of discrimination and actions taken	4.4	-
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	-	The Company respects the law and acts in accordance with the relevant legislation
HR6 Child labor	4.4	-
HR7 Forced and compulsory labor	4.4	-
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	-	N/A
HR9 Total number of incidents of violations involving rights of indigenous people	4.4	-




Society Performance Indicators

Description	Reference Paragraph	Comment / Direct Answer
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	3.1.1 / 6.1 / 6.1.1 / 6.1.2 / 6.1.3 / 6.1.4 / 6.2	
EU20 Approach to managing the impacts of displacement	6.1.1 / 6.2	-
SO2 Percentage and total number of business units analyzed for risks related to corruption	2.3	-
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures	-	N/A
SO4 Actions taken in response to incidents of corruption	4.7	-
SO5 Public policy positions and participation in public policy development and lobbying	-	N/A
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	-	N/A
SO7 Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	3.7	-
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations	3.7 / 4.7 / 5.8	-

**Product Responsibility
Performance Indicators**

Description	Reference Paragraph	Comment / Direct Answer
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement	3.4 / 3.4.1 / 3.4.2	-
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	-	N/A
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	-	N/A
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-	N/A
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	3.3.3	-
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	-	N/A
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	-	N/A
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	-	There were no complaints
PR9 Monetary value of significant fines for non compliance with laws and regulations concerning the provision and use of products and services	-	There were no fines
EU26 Percentage of population unserved in licensed distribution or service areas	3.1	-
EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	-	295,458
EU28 Power outage frequency (SAIFI)	3.2	-
EU29 Average power outage duration (SAIDI)	3.2	-
EU30 Average plant availability factor by energy source and by regulatory regime	1.4	-

Public Power Corporation S.A. has covered all necessary disclosures required for level C+ of GRI-G3 Guidelines.

Application Level		C	C+ B	B+ A	A+
Standard Disclosures	Report Application Level  PROFILE DISCLOSURES	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report on criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Same as requirement for Level B	
	 DISCLOSURES ON MANAGEMENT APPROACH	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach disclosed for each Indicator Category	
	 PERFORMANCE INDICATORS & SECTOR SUPPLEMENT	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.	Respond on each core 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.	
			Report Externally Assured	Report Externally Assured	Report Externally Assured



*Sector supplement in final version



Statement GRI Application Level Check

GRI hereby states that **Public Power Corporation S.A.** has presented its report "Corporate Social Responsibility and Sustainability Report 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level C+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 November 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of a globe in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Public Power Corporation S.A. Public Power Corporation S.A. has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 20 November 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

This report is a free translation of the Greek original

Independent assurance statement

To the Management of the Public Power Corporation S.A.

The “Corporate Social Responsibility and Sustainable Development Report 2011” (hereafter “the Report”) of the Public Power Corporation S.A. (hereinafter “PPC” or “the Company”) has been prepared by the management of PPC which is responsible for the collection and presentation of the information contained therein. Our responsibility is limited in carrying out a limited assurance engagement on the quantitative data and the text included in sections 1.1 – 1.4 and 1.6 of the Report (hereinafter “the engagement”).

Our responsibility in performing our assurance engagement is solely to the management of PPC and in accordance with the terms of reference agreed between us. We neither accept nor we assume any responsibility and for any other purpose to any other person or organization. Any reliance any third party may place on the Report is entirely at its own risk.

What we did to form our conclusions

The assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Review of Historical Financial Information” (hereinafter “ISAE 3000”). The quantitative data and text included in sections 1.1-1.4 and 1.6 have been evaluated against completeness and accuracy, based on criteria agreed with the management of PPC as follows:

Completeness

Whether all material reporting units, as defined in the boundaries and time period stated in the Report, are included in the quantitative data presented in sections 1.1-1.4 and 1.6.

Accuracy

Whether the text included in sections 1.1-1.4 and 1.6 accurately reflect PPC’s sustainability performance during 2011.

Whether quantitative data included in sections 1.1-1.4 and 1.6 have been accurately collated, at corporate level, and accurately transposed to the Report.

In order to form our conclusions we undertook (but were not limited to) the following activities:

Interviewed specialists responsible for managing, collating and reviewing at a corporate level, quantitative data in sections 1.1-1.4 and 1.6 for internal and third party reporting purposes.

Reviewed the quantitative data at corporate level, communicated by the reporting units to decide on their extent of coverage and to examine, for selected reporting units, the checks which have been applied at corporate level.

Reviewed relevant documentation, systems and reporting processes at corporate level, including data collation tools, templates, guidance documents etc.

Reviewed sections 1.1-1.4 and 1.6 for the appropriate presentation of the quantitative data, activity which included the discussion of limitations and assumptions relating to the way these data are presented.

Reviewed information or explanations about Management’s statements and assertions included in sections 1.1-1.4 and 1.6 of the Report.

Level of assurance

The evidence gathering procedures were designed to obtain a limited level of assurance (as set out in ISAE 3000) on which we formed our conclusions. The extent of these evidence gathering procedures is less than those designed to obtain a reasonable level of assurance and therefore a lower level of assurance is provided.

Limitations of review

Our scope of work was limited to the corporate level activities for collating and reporting quantitative data for 2011. We therefore provide no conclusions on the processes, completeness or accuracy of data at the reporting unit level or at PPC Group of companies level.

Our review was limited to the Greek version of the Report. In the event of any inconsistency in translation between the English and Greek versions, as far as our conclusions are concerned, the Greek version of the Report prevails.

Our review did not include testing the Information Technology systems used or upon which the collection and aggregation of data was based by the company.

Our conclusions

Based on our review and according to the terms of reference and the limitations of our work, we report the following conclusions on the quantitative data and text included in sections 1.1-1.4 and 1.6 of the Report.

Our conclusions are based on the appropriate application of the selected criteria and should be read in conjunction with section "What we did to form our conclusions" above.

How plausible is the text included in sections 1.1-1.4 and 1.6 of the Report?

We have reviewed information and explanations on selected claims of the management, as presented in sections 1.1-1.4 and 1.6 of the Report, and we are not aware of any misstatements in the assertions made.

How complete and accurate are the quantitative data included in sections 1.1-1.4 and 1.6?

Nothing has come to our attention that causes us to believe that any one of the reporting units, according to boundary setting and time period stated in the Report, is not included into the quantitative data found in sections 1.1-1.4 and 1.6.

Nothing has come to our attention that causes us to believe that errors or inaccuracies exist in the collation of the quantitative data at corporate level, included in sections 1.1-1.4 and 1.6 or the transposition of these data to the Report that would materially affect the way they are presented.

Our Independence

This is the first year that Ernst & Young (Hellas) Certified Auditors Accountants S.A. provided independent assurance services in relation to PPC's CSR and Sustainable Development Report. We have not provided any other services relating to the preparation of PPC's Report.

As auditors of PPC, Ernst & Young (Hellas) Certified Auditors Accountants S.A. is required to comply with independence requirements which prohibit any financial interests that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's independence policies.

We confirm to PPC on an annual basis whether there have been any events or conditions that could limit our degree of independence or objectivity. There have been no such events or conditions during 2011 through today.

The assurance team

The team of professionals which participated in the engagement are members of and are supported by the Global Network of Climate Change and Sustainability Services of Ernst & Young, which undertakes similar engagements in Greece and at a Global level.

Athens, 03 December 2012
For Ernst & Young (Hellas)
Certified Auditors Accountants S.A.



Vassilios Kaminaris
Certified Auditor Accountant
S.O.E.L. No. 20411

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The opinion of readers of this Report is very important to us. We welcome your comments, questions and any queries, clarifications or proposals for improvement you may have. By sending us this questionnaire duly filled out, you will be actively contributing to our attempt to improve our performance and the PPC's annual Corporate Social Responsibility report.

Feedback Form

Which PPC stakeholder group do you belong to?

- | | |
|--|--|
| <input type="checkbox"/> Employee | <input type="checkbox"/> Competitor |
| <input type="checkbox"/> Shareholder / investor | <input type="checkbox"/> Region / local government authority |
| <input type="checkbox"/> Public / statutory body | <input type="checkbox"/> / local community |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Non-governmental organization |
| <input type="checkbox"/> Associate / supplier | |

Other: _____

What is your overall impression of this Report?

	Very good	Good	Average	Poor
It covers key issues relating to the Company's activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quantitative data are comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Texts are comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Images and graphics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The various sections are well balanced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What is your opinion about the following sections of the Report?

	Very good	Good	Average	Poor
Our Corporate Profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate Governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Market and Our Customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our People	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our Social Footprint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there sections which in your view should be longer?

Are there any comments or proposals for improvement you would like to make?

Personal details (optional):

Name-surname: _____

Company / Organization: _____

Address: _____

Tel./fax: _____

Email: _____

Please send the completed questionnaire to the address below:

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Translation from the Greek original which remains
the definitive and prevailing version.





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