



Energy for Life

[Sustainability Report 2007]



HELLENIC
PETROLEUM



HELLENIC
PETROLEUM



Introduction

HELLENIC PETROLEUM S.A. publishes this Sustainability Report 2007 with the intention to communicate with its stakeholders. Furthermore, this report is a supplement to the HELLENIC PETROLEUM'S Annual Report 2007.

The Sustainability Report 2007 begins with a short financial data presentation and follows with a detailed social and environmental review.

This year, the Group's Sustainability Report is written with a holistic approach taking into consideration the principles of the United Nations Global Compact and the indicators of the Global Reporting Initiative.

The present edition is the third one of the Group highlighting its policies, practices and the results of its corporate social responsibility activities, mainly, in the following sectors:

- ❖ Society
- ❖ Human Resources
- ❖ Health & Safety
- ❖ Environment
- ❖ Quality

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Message to the Stakeholders



During the last years, through a number of joint ventures, buyouts and mergers, HELLENIC PETROLEUM has been transformed to an even more powerful Group, having the concepts of CSR and sustainable development integrated in its corporate strategy. The company's business duty is to respond to the unhindered market – consumer supply, with fuel of the most recent and strict specifications, ensuring at the same time the health and safety at the workplace, the protection of the environment and the cooperation of the local communities as a real social citizen.

The Group continued its development, in 2007, renewing and improving its human capital with modern training and management techniques, investing in both safety & environment, as it is confirmed by the significant improvements of the safety index, the emissions of air pollutants and the quality of the processed effluent discharges.

Quantitative and qualitative indices are used in order to evaluate and assess our safety and environmental performances. The use of these indices is an international best practice, for businesses in

the energy sector, and at the same time these indices are comparable with the corresponding indices of our sector, in Europe.

In particular, during 2007, the Lost Workday Injury Frequency (LWIF Index) kept its declining trend, converging even more to the European distinction "best in class". Safety remains the primary concern and efforts are made for the continuous improvement.

The long-standing activities of the company in energy saving issues contribute to the national and global effort to reduce emissions to air and CO₂, by means of investments in technologies that improve the energy efficiency. As a consequence the total carbon dioxide emissions, of the three refineries of HELLENIC PETROLEUM Group in Greece, account for only 2% of national greenhouse gas emissions.

During the last five years nearly € 200 million have been invested in environment related projects, while, at the same time, new projects are planned. These investments are directly related with the production of environmentally friendly fuels and the installation of relevant units of

antipollution technology.

HELLENIC PETROLEUM started, in the 90s, to continuously invest in projects directly related to the production of fuels that are environmentally friendly and to install relevant environmental units. These fuels are market available well in advance of the dates mentioned in the relevant national and European legislation, contributing to the improvement of the environment and the national economy.

It has already been decided the € 1.1 billion investment for the upgrading and the modernisation of the Elefsina refinery. This project perfectly expresses the objective for sustainable development because it contributes to the environmental improvement with a significant reduction, on the one hand, of the air emissions locally and, on the other hand, of the quality and quantity of the processed effluent discharges.

This new investment, using the Best Available Techniques (BAT), shall give the capacity to nullify the sulphur concentration of our fuels, eliminate the production of fuel oil and minimize the use of self-consumption fuel oil at the refinery, thus



contributing to the further improvement of air quality in the atmosphere. The environmental benefits of this investment will not be limited to the immediate environment surrounding the project, but will have far reaching effects throughout the country, since consumers will be using cleaner fuels.

Furthermore, an upgrading and modernising project is planned at the Thessaloniki refinery aiming at the production of cleaner fuels, for both the consumers and the self consumption in the refinery, with a simultaneous safety improvement and competitiveness increase.

In parallel, we are directly interested for the needs (expectations) of the people living in all the regions in which we operate and the broader society. We cooperate with them in order to identify solutions in the current social problems. The last year we supported numerous activities that amounted to € 1.2 million, in Greece, and € 461,000 abroad, promoting this way the CSR concept.

The citizens' views and the society trends are systematically monitored, by means of planned surveys, so that we can be proactive as far as the needs and the ex-

pectations of the local communities and the society are concerned.

This "Sustainability Report 2007" presents to you, our stakeholder, our major achievements and activities, in 2007, as well as our primary investing objectives for the years to come, which are based on:

- Occupational health and safety
- Environmental protection
- Rational use of the natural resources
- Recognition of the human capital and protection of the human rights
- Concern for the local communities and the society in general

Last but not least, we would like to express our appreciation and thanks to all our stakeholders for their trust, and particularly to our employees for their efforts, and to ask for your contribution in the implementation of our objectives.



I. The Group in brief



2007 was a particularly good year for the largest industrial and commercial Group of the country.

The very satisfactory financial results were also due to exogenous factors, with main characteristic the price rise, globally, of the crude oil and its products.

At the same time emphasis was given in the planning of the Group's five years investment programme, which includes, among other things, the upgrading and the modernization of the HELLENIC PETROLEUM's industrial installations, especially the Elefsina and Thessaloniki refineries.

The following sectors and branches are included among the Group's spectrum of activities:

- Refining of crude oil and fuel supply.
- Marketing of oil products, including sales abroad.
- Oil & Gas exploration and production.
- Production and trading of petrochemicals and chemicals.
- Power generation production and trading.
- Participation in natural gas projects, through DEPA SA.
- Participation in the transportation of crude oil and products (fuel pipe-lines, sea transportation).



The Group's business plan includes investments mainly in the refining sector, in power generation, in hydrocarbons' exploration & production abroad, as well as investments concerning the expansion of its international activities, with priority set in S. E. Europe and particularly in the Balkan region.

During the last five years, the investment programme included projects of € 184 mil, concerning the environmental protection in the refining sector. It is mentioned, indicatively, that in the frame of the continuous energy saving attempts, during 2006, the Group's refineries participated with only 2% in the country's total CO₂ emissions.

The HELLENIC PETROLEUM Group is active in a wide spectrum of sectors, in Greece and abroad, through the parent company HELLENIC PETROLEUM SA, its subsidiaries, the affiliated companies and its participations in consortia.

Group's Companies & Participations per Activity Sector



REFINING	HELLENIC PETROLEUM SA
FUELS MARKETING	EKO A.B.E.E. CALYPSO LTD
CHEMICALS	DIAXON A.B.E.E. ARTENIUS HELLAS SA
INTERNATIONAL ACTIVITIES (Refining & Retailing)	OKTA AD SKOPJE (Refining & Retail) HELLENIC PETROLEUM CYPRUS LTD EKO BULGARIA EAD S.A. EKO YU AD BEOGRAD S.A. EKO GEORGIA LTD JUGOPETROL AD KOTOR S.A. GLOBAL S.A. ELDA PETROLEUM ALBANIA SH.P.K



OIL & GAS EXPLORATION AND PRODUCTION	CALFRAC WELL SERVICES LTD WOODSIDE ENERGY NORTH AFRICA/REPSOL MELROSE EGYPT
POWER GENERATION PRODUCTION & TRADING	THESSALONIKI ENERGY SA
ENGINEERING	ASPROFOS SA
TRANSPORTATION OF CRUDE / PRODUCTS & FUEL PIPELINE NETWORKS	E.A.K.A.A. SA. VARDAX S.A. HELPE SA – THRAKI SA HELPE POSEIDON M.C. HELPE APOLLON M.C.
NATURAL GAS	DEPA SA



Group's Key Financial Data

Group's Key
Financial Data 2006 - 2007
(amounts in million €)

	2006	2007	% (ch)
Turnover	8,122	8,538	5
EBITDA	502	617	23
Profit before tax	358	489	36
Net profit	260	351	35
Capital employed	2,398	2,580	
Net borrowing	1,048	981	

Our Business Principles and Values

- Priority to Safety
- Protection and respect of the environment
- Transparency in all areas
- Predominant emphasis on human factor
- Respect for the client
- Constant development of know-how in the sectors of our activity
- Continuous improvement of competitiveness
- Focusing on results
- Emphasis on social responsibility

KEY FINANCIAL INDICATORS (in million euro)

	2004	2005	2006	2007
Sales turnover	4,907.3	6,653.0	8,121.5	8,538.0
Operating profit	210.7	526.3	355.3	477.3
Profit before tax	239.6	494.8	358.5	488.6
Operating cash flow	147.2	(11.2)	(60.8)	372.1
Investment in fixed assets & acquisitions	296.8	185.0	144.8	195.0
Shareholders equity	1,949.3	2,256.4	2,397.6	2,580.5
Average capital employed	2,103.6	2,647.9	3,200.0	3,499.3
Total assets	3,281.7	4,193.7	4,363.5	5,058.9

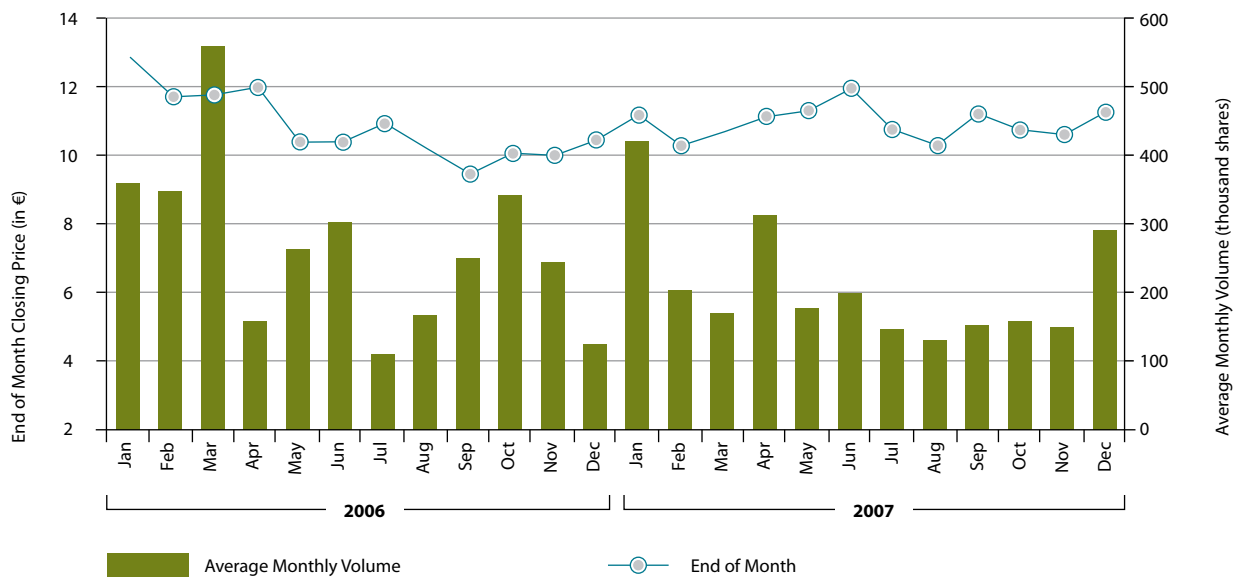
KEY OPERATING INDICES (in thousand tones)

In Greece	2004	2005	2006	2007
Refinery output	14,013	14,402	14,233	14,463
Refinery sales	16,603	16,481	16,977	17,130
Retails volume	4,783	4,713	4,788	5,236
Petrochemicals sales	393	383	419	430
Group's No of employees	3,664	3,578	3,529	3,427

HELLENIC PETROLEUM in Stock Markets

The following chart shows the closing prices, at the end of each month, and the average monthly volume of shares traded in the period 2006-2007:

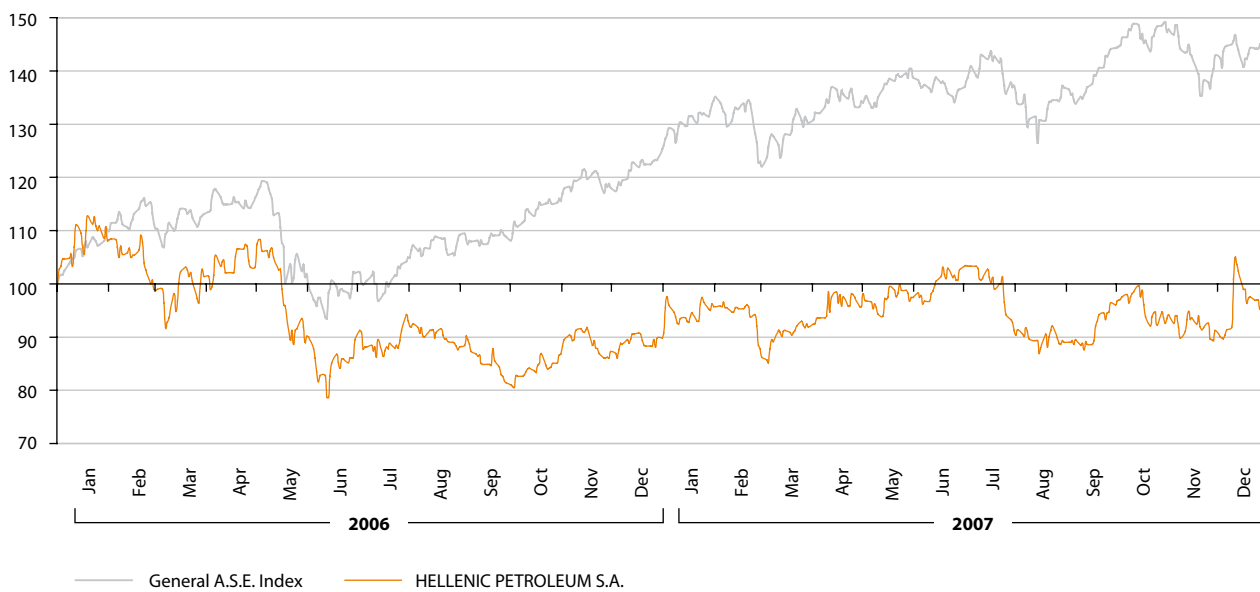
HELLENIC PETROLEUM'S S.A. SHARE PERFORMANCE ON A.S.E.





Comparative performance of HELLENIC PETROLEUM's share and ASE's General Index, during the period 2006-2007

The following chart shows the percentage change of the HELLENIC PETROLEUM's share and of the General Index of the Athens Stock Exchange, for the period January 2006 – December 2007:





Social Product



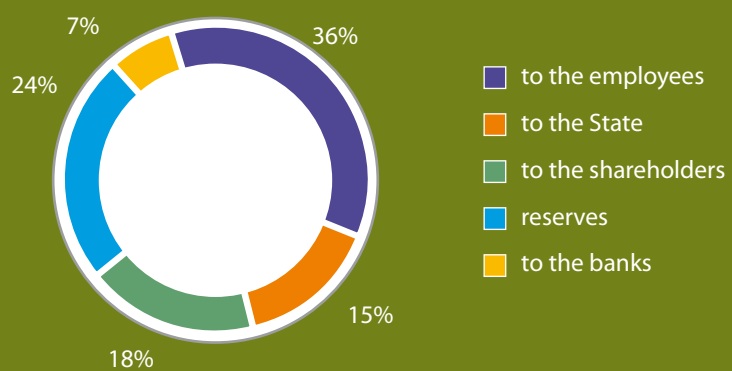
HELLENIC PETROLEUM has recognised and defined its stakeholders. Stakeholders are the interesting parties with whom the company communicates, converses or cooperates. Such stakeholders are the:

- employees
- customers
- suppliers / subcontractors
- shareholders / investors
- local communities / society
- media
- trade unions / professional associations

The Group's policy and all of its activities aiming at the establishment of two-way relations with the above mentioned parties, in order to assure, on the one hand, that the Group shall be proactive to their needs and expectations and, on the other hand, in order to minimize the risks associated with the company's image and operation. Moreover, HELLENIC PETROLEUM can make the most of the competitive advantages that these synergies are generating.

As social product is defined the Group's financial contribution to the broader society, namely the stakeholders. In the frame of our strategy and operation, significant investments are carried out and contributing in the country's economic development, creating, furthermore, secondary revenues; through the development of new activities in parallel with the main investments. Consequently, job opportunities are created – through the significant investments in new products and technologies, the employees' competencies and skills are improved, the human resources expertise is developed and cash flow to the national social security deficit is secured. Moreover, income is created – through the taxation and the savings – contributing to an income increase of the public sector.

Social Product Distribution



In 2007, the company's turn over was € 8,538 million and the associated social product was 834,000€. This financial contribution to the society is distributed as follows:

- 36% to employees for salaries, pensions and social benefits
- 15% to the State in the form of taxes and social security contributions
- 18% for dividends to shareholders
- 24% reserves for new investments
- 7% to creditors (bank loans interest payment)



II. Corporate Governance





According to the rules on corporate governance, the primary obligation and duty of the members of the Company's Board of Directors is to constantly pursue the strengthening of the company's long-term economic value and efficiency, and the promotion of its general interests.

The Board of Directors protects the interests of shareholders and makes decisions in the context of the applicable legislation and bylaws, taking into account the greater public interest.

The Board of Directors is the company's primary administrative body and is elected by the General Meeting of shareholders.

The Board of Directors comprises thirteen (13) members with a five-year term of office:

- Seven (7) members are appointed by the State.
- The shareholding company «Pan-European Oil and Industrial Holdings S.A.» or its affiliates appoint two (2) members.
- Employees, by means of a direct and universal voting procedure, using the simple quota system, elect two (2) members representing the employees in the company.
- The Special General Meeting, of the remaining minority shareholders, appoints two (2) members representing the minority shareholders.



The Board of Directors, upon setting up, determines the capacities and competences of its members as executive and non-executive. The number of non-executive members of the Board of Directors may not be less than 1/3 of the total number of its members.

The Board of Directors (BoD) elects the Chairman and the Managing Director, capacities which may be concentrated in one person and, following the Managing Director's proposal, appoints the General Directors and Directors I of the company.

The Internal Audit Division is supervised by non-executive BoD members and reports directly to the BoD.

The Board of Directors may assign the exercise of part of its powers or competences, apart from those requiring collective action, and the management, administration or direction of the company's affairs or representation, to the Chairman, the Managing Director, one or more members, Directors or company employees, and set up relevant committees comprising BoD members.

The Chairman of the Board of Directors represents the company before the Courts and any Authority, chairs and directs the meetings of the Board of Directors and takes all actions for which he is competent, as provided for by Law, the Articles of Association and Bylaws.

Where the Chairman is an executive BoD member, as is currently the case, the BoD Chairman and the Managing Director are the company's primary executive agents.

The Managing Director supervises all company services and manages their operations. In the context of Operational Planning, Regulations and Decisions of

the BoD which regulate the company's operation, he makes all necessary decisions and submits to the company's BoD the proposals and motions required for the achievement of the company's objectives.

Certain Staff, Supporting and Operating Divisions, Divisions I and General Divisions of the company directly report to the Managing Director.

Moreover, upon authorization of the Board of Directors, the Managing Director undertakes the supervision of Group subsidiaries and coordinates their operations.



BoD committees

These committees comprised of members of the Board of Directors (executive and non-executive), are set up by means of decision of the Board of Directors and directly report to the Board of Directors. The committees are:

- Internal Audit Committee (consists of non-executive BoD members).
- Oil products Supply Committee.
- Financial and Economic Planning Committee.
- Compensations and Succession Planning Committee.

Other committees

These indicatively include:

- Strategic Planning and Development Board, supervised by the BoD Chairman.
- Executive Committee, supervised by the Managing Director.
- Investments Committee, supervised by the Managing Director.



III.

Contribution to the Society



Since its establishment, the HELLENIC PETROLEUM Group has supported initiatives and actions that promote the concept of Corporate Social Responsibility (CSR). In 2005 HELLENIC PETROLEUM and EKO became active members of the Hellenic Network for CSR, (a member of CSR Europe), participating in various activities. Relevant EKO's CSR initiative was included in the book "Guide 50+ Good Practices" published by the Hellenic Network for CSR.

CSR is one of the main objectives of the Group's development strategy. Special emphasis is given to the development of the local communities, the improvement of the citizens' standard of living and the smooth and safe operation of our facilities; bearing in mind, always, the human factor, the environment and the culture diversity of the places where the Group operates.



Close to the local communities



The Group pays particular attention to the many-sided support of the local communities. Every year, significant amounts of money are spent for the procurement of goods and services from the "local" market and businesses. At the same time the new technology investments, at the Elefsina refinery, create 120 new job opportunities and 1,500 job places during the implementation period of the investment programme; besides the main environmental benefits.

In this framework, the Group either supported or took on a number of activities concerning the local communities, groups of population with special needs, educational institutions, cultural and athletic events, (apart from the activities concerning directly the environment, the health and safety). Moreover, the Group is always prepared to contribute, participate or support in case of emergencies, both at national and international level.

For activities like the ones mentioned above, HELLENIC PETROLEUM and its subsidiary EKO ABEE invested, in Greece, € 1.2 million. Furthermore, the Group invested the amount of €461,000 in similar activities abroad.

Especially for the victims of the devastating fires, in August and September, the Group decided to allocate the amount of €5 million, besides the support in material and goods, means of transport and fire fighting equipment.

In the corporate social responsibility framework, the Group, in 2007, continued the development of a number of activities, concerning the local communities and the society in general, supporting initiatives and events, both in Greece and abroad. These activities are presented in the following paragraphs.

HELLENIC PETROLEUM decisively supports the attempts of the municipalities, in the communities where it operates, to improve the infrastructure, the provided services and the everyday life.

In this framework and in order to detect the needs and expectations of the local communities, in 2007, the Group financed a survey that wrote down the views and opinions of the communities around our industrial complexes. As a consequence, actions have been scheduled and a decision to repeat the survey in 2008 was taken.

Among the significant Group's initiatives, during 2007, were:

- **Donation of three dump trucks, wastes containers and wastes bin to the neighbouring municipalities.**
- **Road cutting and fire confining zones open-up in the Mandra Municipality.**
- **Vehicles donation to the Thessaloniki Prefecture.**

HELLENIC PETROLEUM covered all the expenses concerning the purchasing of four flexible vehicles suitably equipped for the fire protection needs at the SeehSou forest and the Department of Environment of the Thessaloniki Prefecture. The vehicles patrol and can immediately intervene in case of fire.

- **Sponsorship to the Thessaloniki Prefecture on the World's Day for the Environment.**

The event aimed at the citizens' awareness and their information on issues related with the environmental protection.

- **Sponsorship to the Thessaloniki Air-Club.**

Keeping in mind the fire problems of summer 2007, this sponsorship gave the ability to the planes of the Air-Club to patrol, over the broader area of Thessaloniki, serving as an early warning system for fire prevention and fighting. Moreover, these air patrols could detect cases of sea water pollution.

- **Food provision to destitute families, in the Thriasio region, and support of the Church's charity at Thessaloniki.**
- **Support of the AHEPA HELLAS initiative to the research activities at the Oncology Department of the AHEPA HELLAS Hospital.**
- **Sponsorship for the renovation and opening of a day nursery at the Mandra Municipality.**
- **Sponsorship for the building of infrastructure for open air events at the Mandra Municipality.**
- **Supply of free heating oil to schools which are located in the communities where we operate.**
- **Financial support to schools, at the regions of Thriasio and Kordelio, for infrastructure and events organisation.**
- **Educational visits to the Foundation of the Hellenic World.**

During the school year 2007-2008, HELLENIC PETROLEUM carried out a visiting programme in the cultural centre "Foundation of the Hellenic World" for pupils, students and families from the municipalities of Elefsina, Aspropyrgos, Mandra, Megara, N. Peramos and Feles. The visitors had the opportunity to attend two programmes:

"Meeting at the Ancient Agora": the exhibition focuses on the values that were born in the Ancient Agora of Athens and shaped contemporary political thought: freedom, justice, education, isonomy, freedom of speech, sociability and participation to common affairs.

"A Journey to the World of Greek Mathematics": through the use of new technologies (video, digital interactive applications, Virtual Reality exhibits) and the adoption of modern museological conceptions, the exhibition attempts to demonstrate the importance of ancient Greek mathematics for Hellenic and European culture.



Over 3,000 pupils, students and members of their families participated in these programmes.

- **Scholarships were granted to students, of the Piraeus University, who excel at their studies.**
- **Sponsorship for the renovation of athletic facilities.**

This initiative to cover part of the expenses for the restoration and renovation of the Athletic Park, at the Menemeny Municipality, is part of our CSR policy. The agreement with the municipality provides for the arranging of modern and safe athletic spaces and a pleasant landscape.

- **Financial support to 10 athletic clubs, unions and associations of the Thriasio region.**
- **Support to numerous cultural clubs and cultural events of neighbouring municipalities.**
- **Support to the Orchestra Festival of Echedoros Municipality.**



Our presence in the society

Actively supporting and helping, to shape a future worth living is one of our guiding principles. Within this frame, the Group supported a large number of events, actions and initiatives such as:

- Decision of the financial support of € 5 milion to the victims of the devastating fires in Evia and Peloponnesus.
- Supporting the fire fighting work at the Helias Prefecture.

EKO ABEE allocated, during the fire fighting period, five water tankers in order to keep supplied with water the fire fighting forces in eight villages of Elias prefecture. Each EKO's water tanker could keep supplied with water 15 fire-fighting vehicles; thus minimizing the water supplying time and maximizing the fire fighting time.

- Second donation to the Korinthos General Hospital, in continuation of the Intensive Care Units equipment programme, concerning hospitals close to national roads with a high frequency of accidents.

This initiative includes the purchasing and installation of: two new technology intensive care electric beds, one respirator with full accessories, one portable ultrasonic scanner, one crane with full accessories for the lifting of seriously wounded, per hospital. The programme continued with the second donation to the Korinthos General Hospital, the years 2006-2007.

- Support to the Elpida Society for the building of the A' Pediatric Oncological Hospital in Greece.
- Donation of two invalid's carts to the Pan Hellenic Association of the Physically Handicapped Athletes, to help them in games participation.
- Support to non-for benefit organizations and institutions for persons with special needs or serious health problems, pan Hellenic associations and clubs, orphanages, care centres, senior citizens' homes, etc.
- Initiatives for population groups with special needs, in order to improve the standard of living.
- Supply of free heating oil to schools, associations, organizations, municipalities, orphanages, etc.
- Financial support to the 3rd Macedonia Environmental Conference, organized by the Union of Greek Chemists.

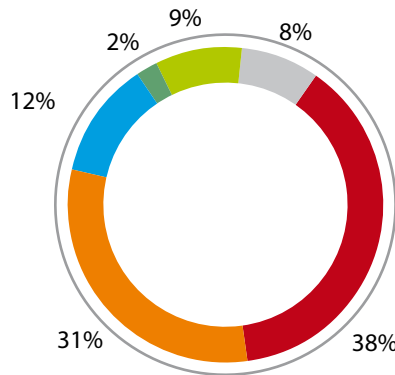


Visits at our facilities

With an increasing rate continued the visits, from various levels educational and academic institutions, to our industrial complexes at Aspropyrgos, Elefsina and Thessaloniki. The visits aim to familiarise the pupils and student with our installations, the work areas and the operation of a modern refinery.

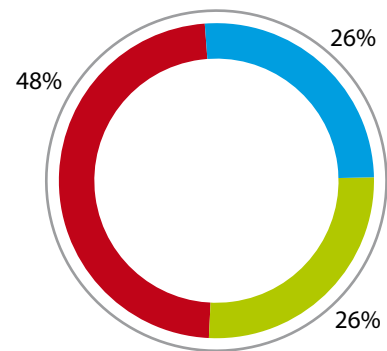
The following pie charts present the visitors distribution and the visits at our facilities, in Athens and Thessaloniki, accepted during 2007.

Distribution of visitors from educational institutions (%)



- Secondary schools
- High schools
- Universities/Colleges
- Vocational Training
- Others
- Primary schools

Visitors per industrial installation (%)



- Aspropyrgos Industrial Installations
- Elefsina Industrial Installations
- Thessaloniki Industrial Installations



Social activity abroad

The Group, expanding its activities abroad and mainly in the Balkan region, holds a dominant position in the “energy map” of S.E. Europe and plays a leading role in the energy evolution. Taking these into account, our responsible action, as corporate citizen, is not limited in Greece.

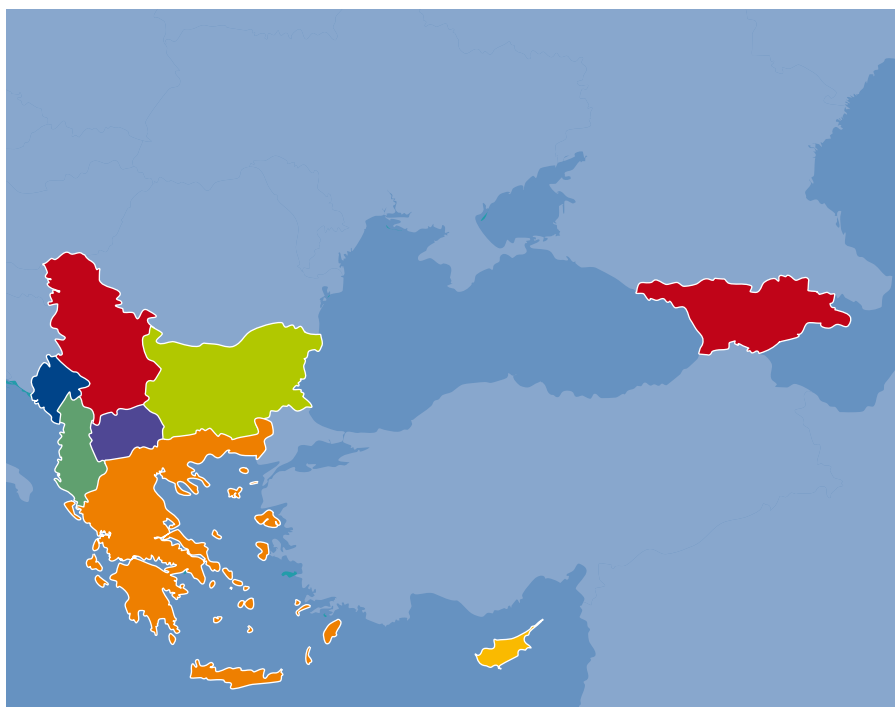
The Group is active, through its subsidiaries, in FYROM, Serbia, Montenegro, Bulgaria, Albania, Georgia and Cyprus. Bearing in mind, always, the human factor and the culture diversity of the countries where we operate, we pay special attention in the development of the local communities, the improvement of the citizens’ standard of living and the smooth and safe operation of our facilities.

The Group invested the amount of € 461,000 in social responsibility activities abroad. The most significant of these activities, in 2007, per country, are the following:

✦ FYROM

OKTA Crude Oil Refinery A.D. - Skopje

- Sponsorships to the National Children’s Music Festival, the Ohrid Summer Festival, the International Skopje Mini Marathon, the 12th Annual Assembly of ACI FYROM, the International Conference “Ukraine-FYROM parallels in the history and in the modern time”, etc.
- Support of the humanitarian concert of Tose Proeski organized by USAID, for improving the working conditions of the students and the quality of the education in the country; organizing the II National Winter Games for children with special needs in Krusevo.
- Donation to the Police Sport Federation; donation in fuel to the National Championship – games for blind people; participation in the project “Peking 2008” supporting one handicap person in his trip on wheel chair to Peking for the opening of the Summer Olympic Games 2008.



❖ Cyprus Hellenic Petroleum Cyprus Ltd.

- Financial help for the medical treatment of a 4 year old child in USA; financial support for improving the conditions in Psychiatric Hospital "Negorci" - Gevgelija.
- Donation for organizing the 70 anniversary of the Elementary School "Brothers Miladinovci"; donation for the Annual Assembly and the 25 years anniversary of OKTA's Red Cross.
- Financial support to buy books for pupils of several schools and to buy fire fighting equipment, firefighting extinguishers and self-protection equipment in the Municipality Ilinden.
- Sponsorships to various athletic events (Efthimiadis Football Academy, Golf Club) and to the 9th Seminar on Road Safety.
- Participation to the annual charity event, of the Ioannou Foundation, for people with special needs.
- Donation to the victims of the devastating fires in Greece.
- Donations to two cancer fighting institutions for patients relief.
- Scholarships to refugees from Kyrenia who study at the Cyprus University; donations to educational institutions and foundations.

❖ Serbia EKO YU AD - Beograd

Sponsorships to EKO RACING TEAM for its participation in rallies; the 13th Inter-speed International Rally and the 7th Car Show for Old Timers, in Zrenjanin.

- Sponsorships to the "Gala Concert Remembrance of Maria Callas" under the auspices of the Embassy of Hellenic Republic and Greek entrepreneurs; the 7th Summit of the Republic of Serbia with theme "Serbian Economy: Consolidating Stability – Envisioning the Future", under the auspices of the Serbian Chamber of Commerce and the Foreign Investor's Council; the EKONOMIST Conference "The 1st Round Table with Serbian Government Representatives"; the annual film festival in Nish, one of the most important events in the Serbian cultural life.
- Special support is given to various charitable events, professional agencies, cultural and social clubs and charitable and welfare associations through donations. Traditionally, the company also supports charity work

of the Embassy of the Hellenic Republic and HE Princess Catherina.

- Financial support to the charity Ball of Roses (donation to the Serbian Institute of Oncology and Radiology).

❖ Montenegro Jugopetrol A.D. Kotor

- General Sponsor of the "15th Children's Theater Festival", the "Kotor Boat Show" and the "12th International TV Festival" in Bar.
- Various donations to hospitals, schools, orphanages, humanitarian and religious institutions and sport clubs.

❖ Bulgaria EKO Bulgaria E.A.D.

- Sponsoring campaign with motto "call when you get there" for the drivers' information and encouraging them to take responsibility for themselves and for the others on the road. The campaign aimed at road accidents prevention. The sponsorship included informative advertising printed material, which was distributed to drivers, in cooperation with the police and local authorities.
- Sponsor of the Bulgarian football championship.
- Donation of medical equipment to the Stara Zagora hospital and heating oil to the Vidrare Social Institution for children with special needs.

❖ **Albania** **Global Petroleum** **Albania Sh.A**

- In recognition of its CSR activities the company was awarded the special prize of the Confederation of Industrialists and Employers in Bulgaria for the support to the society. The prize is given for successful social projects financed and implemented by commercial organisations. Also, EKO received a second recognition the "2007 Annual Responsible Business Award" of the Bulgarian Business Leaders Forum. The award was given in the Society Investor Category.
- Sponsor of the "In Memory of Maria Callas" event organized under the auspices of the Embassy of Hellenic Republic.
- Donation of heating oil to the "Nazaret Laboratory", the hospital "Evangelismos", the Orthodox Academy "Saint Vlasios", the high school "Love Spirit" and the cultural centre "Shalom".

❖ **Georgia** **EKO Georgia Ltd.**

- Sponsor of the Traditional Song Festival organized under the auspices of the International Charity Foundation for Education "KHOBI"
- Donations to destitute families of the Greek community in Georgia.







IV. Human Resources



HELLENIC PETROLEUM recognises that the investment in the human capital is a critical factor for its competitiveness. In this framework it makes the most of all the available means – performance evaluation, motivation, continuous training and education – in order to attract, retain and motivate the human resources. In this way the Company gradually transforms to a knowledge company and to the best place to work.

Therefore the Company pays special attention to the formation of a flexible policy, for the personnel management, in order to assure the highest possible employees' job satisfaction.



HELLENIC PETROLEUM provides opportunities for personal and professional development, with no discrimination. The equal opportunity policy is a meaningful prerequisite for a fair, prosperous and efficient work environment.

All employees have the chance to move up through, both, quantitative evaluation (performance, objectives, goals) and qualitative evaluation (skills, competencies, talents). HELLENIC PETROLEUM's basic objective is to promote its own people, wherever and whenever it is possible.

Each facility has its own infirmary, operating 24 hours a day, staffed with physicians and nurses and adequately equipped to handle emergency cases and provide immediate medical assistance to employees. Vaccinations (e.g. against tetanus) are also provided. Com-

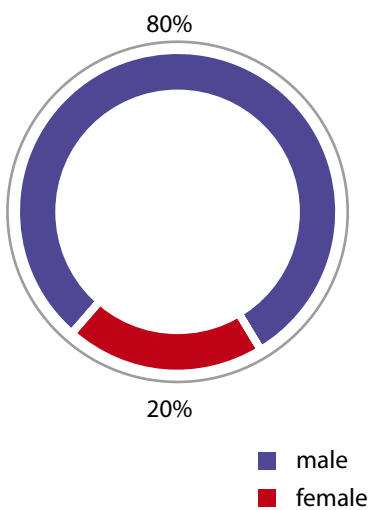
pany owned ambulances are also available in case an immediate transfer to hospital is necessary.

As part of the company's preventive medicine program, employees are encouraged to participate in annual check-ups free of charge. The examination results are confidential and evaluated only towards protecting the employees' health.

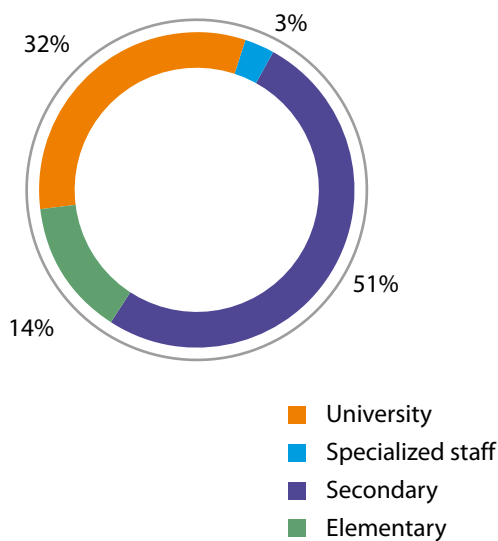
In the following table the Group's employees' distribution is presented, whereas in the next two pie charts employees' distributions are shown:

Company	No of employees
HELLENIC PETROLEUM SA	2,445
EKO ABEE	680
THESSALONIKI ENERGY SA	7
ASPROFOS ENGINEERING	155
DIAXON ABEE	96
POSEIDON MARITIME COMPANY	20
APPOLON MARITIME COMPANY	24
GROUP, in Greece	3,427
EKO - GEORGIA LTD	150
JUGOPETROL AD KOTOR	535
OKTA CRUDE OIL REFINERY	921
EKO YU AD BEOGRAD	38
GLOBAL PETROLEUM ALBANIA	23
EKO BULGARIA EAD	41
HEL.PE. CYPRUS LTD	59
GROUP, abroad	1,767
GROUP, total	5,194

Personnel distribution by gender



Personnel distribution by educational level



HELLENIC PETROLEUM's employees experience no problems exercising their right to freedom of association. Currently there are five unions of employees and 97% of the staff are union members and have the opportunity to participate in various forms of

representation. In 1999, HELLENIC PETROLEUM and the "most representative union" signed, for first time, an agreement concerning collective bargaining. In 2001, the "work regulations" were put into effect.



Training

Employees' competence development is closely linked to HELLENIC PETROLEUM's overall business strategy and success. The continuous education and training needs are systematically analyzed and actions are scheduled in each functional area. In general, constantly upgrading the employee's qualification is the responsibility of both managers and employees. The development and maintenance of qualifications and skills of each individual is vital for HELLENIC PETROLEUM.

To make all this happen, HELLENIC PETROLEUM invests heavily in training at all levels, across different areas, including the environment, quality and safety.

Among the main priorities is the emphasis to the "continuous training & education" for all employees. The necessary training programs are implemented through an integrated educational plan that will eventually turn HELLENIC PETROLEUM to a "Learning Organization".

With reference the Company's strategic planning and the short and long-term needs, the education and training policy is investigated and developed. In this framework, on a year basis, the educational and training programmes are planned and implemented. HELLENIC PETROLEUM has adopted policies that involve and cover employees' participation in seminars and conferences in Greece and abroad, training programs, in-house library facilities, foreign language learning programmes, employees' participation to Open University courses or post graduate programmes and subscriptions in technical and scientific journals and professional associations.

The 2007, HELLENIC PETROLEUM's and EKO's, investments, in education and training were €1,243,326 and €148,000 respectively.



More specifically the following activities were carried out:

- 21 interdepartmental seminars, (both in-house and at third party's facilities), concerning 55 groups in which participated 644 employees (831 participations), with a duration of 10,352 training hours.
- participation of 179 employees (209 participations) in 90 open third party seminars, with a duration of 4,130 training hours.
- 45 training trips abroad, with the participation of 70 employees and duration of 2,009 training hours.

As far as the in-house seminars are concerned, 937 employees received training

related with health, safety and fire fighting.

47 employees attended foreign languages courses. 9 employees registered in Open University's programmes and 8 employees registered in postgraduate courses.

The investment in training and education, 2007, was €728,246.

In the same period a further amount of € 515,080 was invested in educational activities as follows:

- Enrich the facilities' libraries
- Subscriptions to scientific and technical magazines and papers
- Subscriptions to scientific associations and unions

In parallel with the above mentioned activities, for the EKO's employees were organized:

- 77 seminars (53 interdepartmental and 24 open) attended by 580 employees (935 participations) and duration of 2,383 training hours.
- One-day seminars, about the organisation of a competitive gas station, for the gas stations' employees. Main axis of the seminar was the quality behaviour and the entrepreneur mentality, along with the gas station profile, company culture, company's philosophy and goals, successful sales, knowing the products, professional relations. The one-day seminars took place in 18 cities with the par-

ticipation of more than 650 gas station managers.

Indicatively, the investments, in continuous education and training, in two members of the Group, the EKO Bulgaria and the EKO YU, were €20,000 and €18,000 respectively.

Training and educational programmes in the following subjects were planned and implemented:

- Orientation training of newly-hired personnel about the plant equipment, the physical and chemical processes, the regulations and procedures for health, safety and environment, the use of fire extinguishing equipment and first aid.

- Training of technical personnel regarding gas monitoring, correct use of the personal protective equipment and work equipment. Furthermore, training on basic principles and exercise examples in order to avoid accidents at workplace.
- Readiness drills for the members of the emergency teams using hypothetical event scenarios.
- Learning of foreign languages.
- Basic informatics skills
- Managerial skills and marketing
- Training in commercial and financial subjects
- Joint drills among the country's refiner-



ies and the National Search Rescue Team to face up major accidents.

- Evacuation drills (both partial and full) at all sites.
- Training of the contractors' personnel (operators and supervisors) in the policies and safety procedures.
- Training of the non-technical staff in the basic health and safety regulations, the use of fire extinguishing equipment and first aid.
- Training of the technicians on topics regarding safe handling of dangerous substances that are produced or transferred within the installations.



Care for our people



Realizing that people is the prime mover, of a successful and continuously evolving organization, we believe that maintaining our people satisfaction at high levels is a primary aim.



HELLENIC PETROLEUM offers high wages to its workers, rewarding them for their valuable contribution. A Remuneration System covers all personnel (except for Senior Executives and Attorneys on fixed retainer) and is established by the Collective Labour Agreement. Senior management is remunerated on the basis of the Senior Executives Remuneration System, which is directly connected to the Performance Evaluation System. Performance is evaluated annually by structured processes and aims at providing feedback about each executive regarding his/ her performance, encouragement, motivation and the identification of his/ her educational needs.

The employee retention rate is clearly linked to job satisfaction. More specifically, records show that 90% of employees stay with HELLENIC PETROLEUM for more than 5 years whereas 80% of employees stay with HELLENIC PETROLEUM for more than 10 years.

The Company provides its staff with an exceptional benefits- policy, which varies and covers a wide range. HELLENIC PETROLEUM's employees enjoy benefits such as:

- Productivity bonus
- Low interest rate on small loans.
- Operation of infirmaries staffed with physicians and nurses qualified to handle emergencies.
- Special emphasis is given to preventive medicine (free annual check-ups, special medical examinations, preventive vaccination).

- Health insurance scheme covering treatment and hospital care, for employees and their families.
- Life insurance / pension schemes.
- Supplementary pension fund.
- Foreign language courses.
- Free transport services to / from work.
- Financial assistance for employees who are in particular need.
- Shopping vouchers on Easter and Christmas periods.
- Special events are organized for the operators (and their families) who work shifts on Christmas Eve, New Year's Eve, etc.
- Covered expenses for summer-camping, for the employees' children aged from 6 to 16 years.
- Childcare allowance and financial assistance, for employees' children, at the beginning of the school year.
- Extra financial support (by means of shopping vouchers) for families with more than 3 children.
- Gifts to employees with many years of service behind them.
- Employees may use the facilities' restaurants free of charge and they are provided with an additional annual subsidy to use at the canteen.
- Extra financial support to employees based on marriage, having a baby, etc.



In 2007, HELLENIC PETROLEUM implemented a rich in activities programme proving the care for the human capital. A few, indicative, actions are:

Cultural event in the Athens Concert Hall

A two days event was organized, in January, with the opportunity of 50 years operation of the Aspropyrgos refinery. All employees (in the greater area of Attica) families included, attended the performance ("a summer's night dream") of the Ballet of Zurich. In the framework of this anniversary the painter R. Akalestou created the aquarelle "view from Aspropyrgos". The aquarelle was reproduced, by silkscreening, and given to all employees.

Awards to top students - pupils

For one more year employees' children that excel in their studies, during the academic year 2006-2007, were rewarded. In the events, which took place in Athens and Thessaloniki, with the top management participation, pupils, students, as well as newly admitted students were rewarded or given scholarships.



Leisure activities for employees and their families

The excursions for the employees and their families were successfully organized for one more year. They all enjoyed pleasant moments.

Christmas with our children

As every year, the employees' children, at Athens and Thessaloniki, celebrated Christmas and New Year, received presents, played and danced.



Participation in European Corporate Games

In this annual multi-athletic event the participants have the chance to combine sports, entrepreneurialism and team spirit. HELLENIC PETROLEUM participated in with 113 employees, in 8 different events, and received 24 medals getting the fifth position among 150 companies.

Participation in Oil Companies' tennis, table tennis & 5x5 soccer tournaments

Twelve companies took part in this annual athletic event. HELLENIC PETROLEUM participated in with 22 persons and 4 teams.

Participation in basketball games

The company's basketball team successfully participated in championship organized by the Centre of Thessaloniki Labour Unions.

Blood donation programme

The employees actively participate in the blood donation programmes organised by the Group's companies and the employees' unions. The blood banks cover the needs of all employees and their families.



Lectures on health issues

As part of the company's policy to inform, and keep aware, both the employees and the citizens of the local communities on health and health prevention issues, two lectures were presented in cooperation with:

- The Pan-Hellenic Association of Women with Breast Cancer and
- The Hellenic Cardiology Foundation

Rewarding EKO's gas stations staff

The company rewarded gas stations' staff for long and even cooperation, loyalty, entrepreneur mentality, goals achievement and increase of the mutual benefits.



V. Occupational Health & Safety



Health & Safety Management System & Policies

HELLENIC PETROLEUM's top priority is the health and safety, both of its employees as well as that of the residents of the neighbouring communities. That is why it provides its employees, colleagues, visitors and the students and undergraduates that employs with a safe workplace.

The Group's particular interest in its employees' health and safety is based on:

- The policy, which considers the issues of healthy and safety as a primary prerequisite for exercising the Group's operations and a management commitment.
- The implementation of this policy, through a complex and versatile safety management system, the basic points of which are presented below.



One of the Group's objectives is the certification of the Safety Management Systems, at all of its facilities, with regard to the internationally recognised standard OHSAS 18001 (Greek Standardisation Organisation, Greek edition, ELOT 1801). In 2006, the certification of the Health and Safety Management System for the Elefsina refinery was completed, according to the above standards. In 2007, the annual review of the Safety Management System was successfully carried out by BVQI.

In the organisation framework for health and safety, the following have been set up and are in operation:

- The Corporate Health, Safety and Environment Division, for health and safety issues at Group level.
- The Health, Safety and Environment Department, at each facility.
- The number of appointed safety supervisors, in-house physicians and nurses more than cover the requirements with regard the relevant legislation for occupational health and safety, (Law no. 1568/1985 and Presidential Decree 17/1996).
- The Internal Service for Protection and Prevention, according to P.D. 95/1999, with objective to monitor the health and safety of employees, maintain healthy working conditions and enforce protective and accident avoidance measures.

- Occupational Health and Safety Committees, at each facility, consisting of elected representatives of the employees, according to Law 1568/1985. In 2007, elections were held at the Thessalonica Industrial Complex to elect a new committee.

These committees take part in regular meetings with the facility management and put forward recommendations to improve the workplace with regard to Health and Safety.

Occupational Risk Management

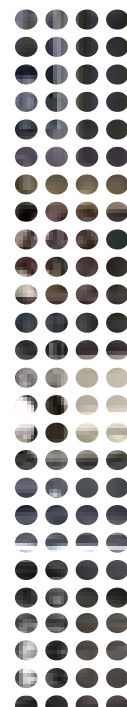
Potential risks are detected and controlled according to the criteria of Greek legislation (PD 17/1996), European and international codes and good practices. All facilities keep written occupational risk assessment studies, which also include measures taken to eradicate or control risks and to keep them at low and acceptable levels. These studies are drawn up taking into consideration the opinions of employees, who are invited to fill in special questionnaires regarding the nature of their working environment.

In order to improve and better organise the occupational risk assessment study, at each individual facility, aiming to make it as complete and efficient as possible, the drafting and application of a common procedure, stipulating the basic principles for assessing a potential occupational risk, was completed and implemented during 2007.

According to the latter, the studies are revised whenever the working conditions

and environment change or at the latest every five years, and they are passed on to all of the staff, so that every employee can be aware of the risks that s/he might face and the actions which have been taken or which should be taken in order to eradicate or minimise these risks.

All activities are carried out according to the relevant Greek and European legislation and other internationally recognized codes and practices relevant to this subject.





The legislation and codes make it possible to recognise and control health and safety occupational risks, to draw up emergency plans and to improve the H & S performance.

To illustrate this, the following recent examples are mentioned:

- Since 2005, all of HELLENIC PETROLEUM's facilities have started to and are continuing to be prepared for the application of the European REACH (Registration, Evaluation & Authorization of Chemicals) regulation on protecting the community as a whole from the consequences of the use of chemical substances.
- The Group's facilities were notified of the new Seveso II Directive (Joint Ministerial Decision 12044/613/2007) and the differences between the new and the previous edition were pointed out, as well as any consequences on Safety Studies.
- The Group's facilities were informed of the requirements of the new American Petroleum Institute regulation, which establishes the minimum safe distances between portable buildings and refinery production units (API 753).

Scheduled, first and third party, safety audits are carried out by:

- The Departments of Health and Safety at each facility.
- The Special Committees of the facility.
- The exchange visits between the Supervisors of various units of each facility.
- The Group's Corporate Health and Safety Division. The competent department of this Division organizes and participates in peer-audits among the Company's refineries and in general, it regularly inspects all facilities so as to ensure that experience, knowledge and the implementation of good practices is passed on.
- Independent internationally recognised and experienced third party auditors.

In 2007, experts from insurance companies, that cooperate with the Group, carried out an audit of the Aspropyrgos industrial facilities. Recommendations for improving safety were set out and they are gradually being implemented.



Safety & Change Management



With the aim to ensure Health and Safety in the workplace, techniques and measures, beyond those imposed by the regulations and legislation, are being implemented. Within this framework, the conduct of a study in order to analyse operational hazards (HAZOP or Hazard & Operability Study) is a necessary prerequisite for every new unit or major modifications made to already existing units.

The operation and maintenance of facilities relies upon well-trained and experienced staff and is based upon compliance with the safe operating procedures. What is considered to be particularly important is the work permit procedure to protect staff, contractors and equipment while the necessary work is being carried out. Employees have at their disposal written instructions on how to deal with a loss of power, the loss of utilities (steam, air, etc.) and they are periodically trained in how to apply them.

Any changes to equipment or to working conditions shall be checked from a safety point of view prior to implementation.



Targets and Indexes

Number of accidents, as defined by CONCAWE

	Aspropyrgos Refinery	Elefsina Refinery	Thessaloniki Refinery	Thessaloniki Chemical Plant	Central Offices	Total
Number of man hours worked	1,632,021	769,467	746,910	343,757	938,428	4,443,583
LWI (Lost Workday Injuries)	9	2	2	0	0	13
Lost workdays due to LWI	156	15	315	0	0	486
Fatalities	0	0	0	0	0	0,00
MTC (Medical Treatment Cases)	0	1	0	0	0	1,00
RWI (Restricted Workday Injuries)	0	0	0	0	0	0,00
LWIF index	5.51	2.60	2.67	0.00	0.00	2.93
LWIS index	17.33	7.50	157.50	0.00	0.00	37.38
AIF (All Injury Frequency) index	5.51	3.90	2.67	0.00	0.00	3.15

Each industrial facility sets measurable targets for improving its performance, in Health and Safety. The performance, as opposed to the targets, is examined on an annual basis and a relevant report is presented.

All accidents or near misses are recorded, investigated and corrective measures, if it is necessary, are taken so as to avoid re-occurrence. All incidents are statistically analyzed with the aim to improve safety.

Within this framework, in 2007, standard definitions and categories of incidents were established, aiming to distribute and report uniformly all incidents at the facilities of the HELLENIC PETROLEUM. Incidents like injuries, ignitions, leaks, damages or road accidents are included in the list of the monitored incidents.

It is worth mentioning that at EKO ABEE, for the third year in a row, there were neither environmental pollution incidents nor type LWIF accidents.

In addition, HELLENIC PETROLEUM participates in the annual survey and in the comparative assessment, which CONCAWE¹ carries out, with regard to accidents. Through this cooperation, HELLENIC PETROLEUM keeps up with the international developments with regard to establishing additional indexes for monitoring safety performance.

Since 2002, work related accidents were reduced from 22 to 13, which equates to 2.93 lost workday accidents per million man hours (LWIF²), and are close to the average rate of European Refineries. In addition, no fatalities were recorded

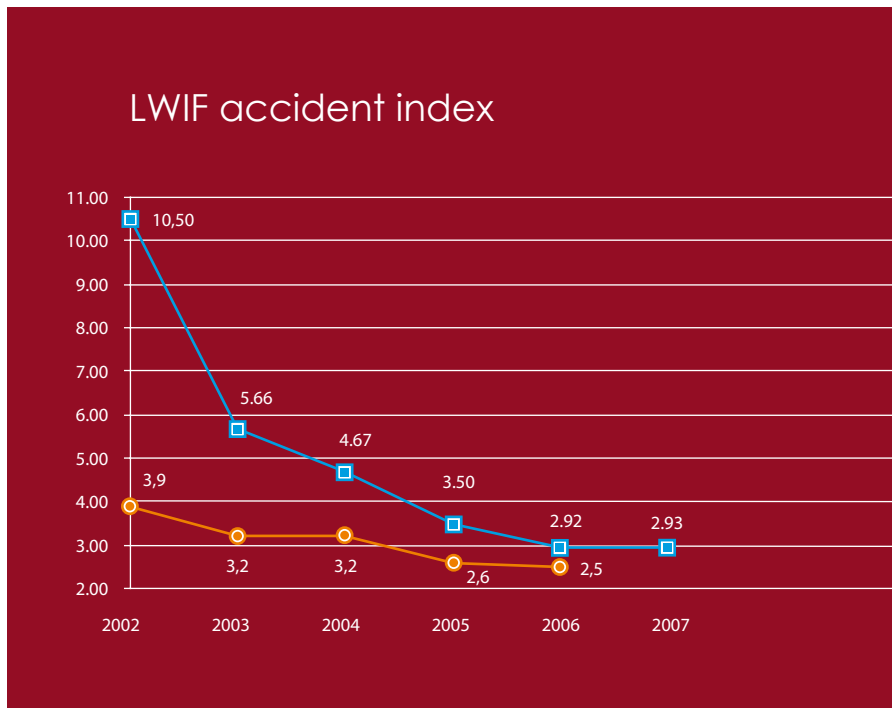
at any of HELLENIC PETROLEUM's facilities from work related accidents in 2007. The above table shows statistics of lost workday incidents for HELLENIC PETROLEUM, in 2007, according to CONCAWE's instructions, with the corresponding indexes LWIF, AIF³ and LWIS

¹ CONCAWE: Conservation of Clean Air and Water in Europe, the oil companies' European organisation for the environment, Health and Safety

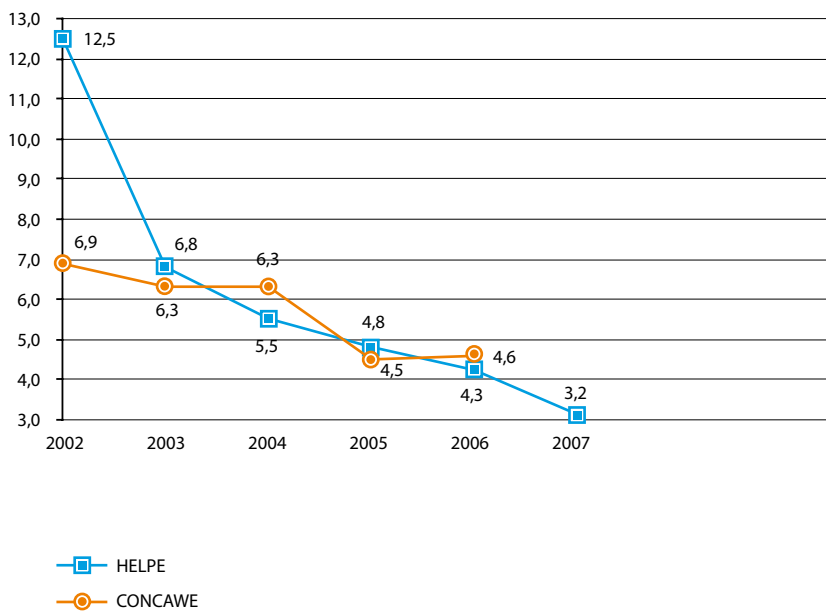
² LWIF: Lost Workday Injury Frequency is calculated from the number of Lost Workday Injuries (LWIs) divided by the number of hours worked expressed in millions.



³ AIF: All Injury Frequency is calculated from the sum of fatalities, LWIs, Restricted Workday Injuries and Medical Treatment Cases divided by number of hours worked expressed in millions.

The following diagrams show the continuous decline in LWIF and AIF accident indexes, from 2002 until 2007, compared with CONCAWE's corresponding, (HELPE stands for HELLENIC PETROLEUM).



AIF accident index





In the framework of a joint effort, among the european refineries, to establish additional process safety indices, by means of a comparative index, it has been decided the systematic record of hydrocarbons or other substances leaks, in accordance with the CONCAWE's instructions.

At the same time, investigations of important international accidents are monitored and the Company assesses their conclusions internally. Some recent examples are the major accidents at BP in Texas in 2005 and in Buncefield in the UK in 2005. Information relating to accidents is announced to the company and is available to all units.



Emergency Plans



At all HELLENIC PETROLEUM's industrial facilities, safety studies have been drawn up and filed with the competent authorities, in accordance with the SEVESO II European directive. These include the most important major accident scenarios and the measures for preventing and coping with them, in case of emergency.

Emergency plans and plans for evacuation due to an earthquake, fire, etc. have been drawn up for both the industrial plants as well as the office buildings. Regular fire drills and evacuation exercises, performed jointly with the Fire Brigade, ensure staff is well trained and equipment and plans to deal with such an emergency are adequate.

Moreover, scenarios dealing with sea pollution accidents (oil spills) have been worked out, taking into consideration the relevant legislation and the local port authorities. The safety assessment studies of the harbour installations are completed and relevant safety plans have drawn up for each harbour installation.

Especially for dealing with a possible major accident, apart from the internal emergency plans, external emergency plans (commonly known as Plans for Dealing with Major Technological Accidents, SATAME) specifying how the state should intervene, have also been drawn up by the authorities. The protection and safety of the public plays a vital role in the internal and external emergency plans. The SATAMEs include instructions that should be given to the local communities.



Employees' Health

Every industrial complex has its own infirmary (first aid facility), which operates on a 24-hour basis. The facilities are staffed by physicians and nurses. They have the necessary equipment to cope with emergency situations and can provide immediate medical assistance to employees. They also administer vaccinations (eg. anti-tetanus). The facilities also have privately owned ambulances in case an immediate transfer to hospital is necessary.

Employees participate, free of charge, in preventive medical check-up schemes and in the required laboratory tests for checking their health. The results of the tests are handled as personal and sensitive data and they are evaluated, always with the aim to protect the health of employees.

All of HELLENIC PETROLEUM's facilities have a non smoking policy. Smoking is only permitted in specific places - in smoking rooms and in individual employees' offices.

Independent laboratories carry out periodic tests on the quality of drinking water.

HELLENIC PETROLEUM, in compliance with the relevant legislation, carries out measurements of harmful factors, in the working environment, in order to confirm that employees are not being exposed to levels that can be harmful to their health.

In 2007, the following actions were taken:

- The implementation of a common basic programme of periodic measurements of harmful factors has been initiated. This includes the necessary measurements that have to be taken at every facility according to the legislation.
- Personal protective equipment was supplied to all of the company's facilities based on common, improved specifications. Indicatively, it is mentioned that over the last five years special antistatic fireproof uniforms have been given to all employees in the production, storage and distribution units, in accordance with the requirements of the ATEX legislation.
- The 24 hours a day staffing of the facility's infirmary was extended at all facilities.



The Group's staff training, in Health and Safety issues, is multi-faced, comprehensive and includes the following subjects:

- Fire safety – use of means of fire extinguishing and prevention.
- First aid – dealing with burns.
- Use of personal protective equipment (e.g. breathing apparatus)
- Investigation of international accidents (causes – conclusions).
- Periodic review / re-training on important safety and emergency procedures.
- Participation in drills.
- Participation in drills.
- Material Data/Safety Sheets.
- Defensive driving.

The safety training also extends to contractors, customers, truck drivers, gas station staff, students and undergraduates. The visitors are informed on safety issues by means of relevant informative leaflets.

Over the last two years, a joint training scheme has been completed, in collaboration with other companies, especially for the contractors who are working at the facilities. The relevant data has been entered in a common database with the objective to implement this scheme soon.



Participation in joint activities with similar companies and other bodies

In 2007, HELLENIC PETROLEUM:

- Participated in the regular cooperation conference, among the other Greek refineries and the competent Authorities for Health, Safety and the Environment, which was organised by the Hellenic Gas Transmission System Operator (DESFA). HELLENIC PETROLEUM participated actively by presenting a number of topics.
- Participated in a newly established work group consisting of the competent authorities, scientific bodies and industry, with the aim to draw up guidelines regarding the content of Safety Studies according to the revised Seveso II directive.
- Participated and presented its positions at events related to health and safety.
- Presented its views concerning amendments in directives or new directives, concerning the environment, health and safety, via the permanent Greek delegation at the European Commission, the Oil Companies' European Organization for the Environment, Health and Safety (CONCAWE) and the European Petroleum Industry Association (EUROPIA), of which HELLENIC PETROLEUM is a member.

Furthermore, the HELLENIC PETROLEUM Group:

- Promotes, both the company's and state's positions on important issues (like the european regulation REACH, carbon dioxide trade, etc), through participations in EU's and EUROPIA's working groups.
- Participates in the UN's committee for the climate change, in the relevant working groups for the best available techniques, in the inter-ministerial committee for the carbon dioxide and in the relevant european directive.



Health and Safety at the Subsidiaries



EKO ABEE

HSE Policy and certifications

Significant parameters of the EKO's development policy, its corporate management and social responsibility are the focus to the product and services quality, the minimisation of the occupational risk, the prevention of accidents, the protection of the environment, the employees' health protection and the occupational safety.

In this framework, EKO established a Health, Safety and Environmental Policy and is committed to follow it. Basic elements of this policy are the desire and the intention of the company to work for the satisfaction of the customers, employees and colleagues, the company's respect for the consumers and the society in general and the cultivation of mutual trust.

The following of the company's facilities already have certified activities in accordance with broadly accepted international standards such as EN ISO 9001, OHSAS 18001 and EN ISO 14001.

A' Quality

(in accordance with the standards EAOT 1801/OHSAS 18001 and EAOT EN ISO 14001)

- Design, production, transport, storage and sales of lubricants
- Jet fuels sales (retail and operation of 18 fuel supply stations)

B' Health - Safety- Environment

(in accordance with the standard EN ISO 9001)

- Design, production, transport, storage and sales of lubricants. Transport and storage of chemicals and fuels at the Skaramaga, Elefsina and Aspropyrgos facilities
- Operation of a jet fuel supply station (retail and storage) in the Heraklion Airport



The next target is to have the rest of the EKO's facilities certified. The development of a H-S-E management system, is in progress at the Amfilochia facilities and in the airport facilities at Corfu, Thessaloniki and Rhodes.

HSE Organisation

The following organisational scheme implements the health, safety and environmental systems:

- A central QHSE Division coordinates and monitors the relevant issues. Certain persons are responsible at each installation.
- Safety supervisors and occupational physicians have been appointed to each installation according to the relevant national legislation.
- A Safety Committee, consisted of the above mentioned safety supervisors, occupational physicians and company's executives, has been established and operates. The committee's role is to consult top management on HSE issues, to support and inform employees and to present further measures to sustain and improve the HSE culture.

The committee comments also on the implementation of good safety practices concerning the design, operation and maintenance of installations.

Assessment of the Occupational Risks

Potential risks are detected and controlled according to the criteria of Greek legislation (PD 17/1996), European and international codes and good practices. All facilities keep written occupational risk assessment studies, which also include measures taken to eradicate or control risks and to keep them at low and acceptable levels. These studies are drawn up taking into consideration the opinions of employees, who are invited to fill in special questionnaires regarding the nature of their working environment.

These studies are revised whenever the working conditions and environment change and they are passed on to all of the staff, so that every employee can be aware of the risks that s/he might face and the actions which have been taken or which should be taken in order to eradicate or minimise these risks.

Monitoring and application of legislation

All activities are carried out according to the relevant Greek and European legislation and other internationally recognized codes and practices relevant to this subject.

The legislation and codes make it possible to recognise and control health and safety occupational risks, to draw up emergency plans and to improve the H & S performance.

To illustrate this, the following recent examples are mentioned:

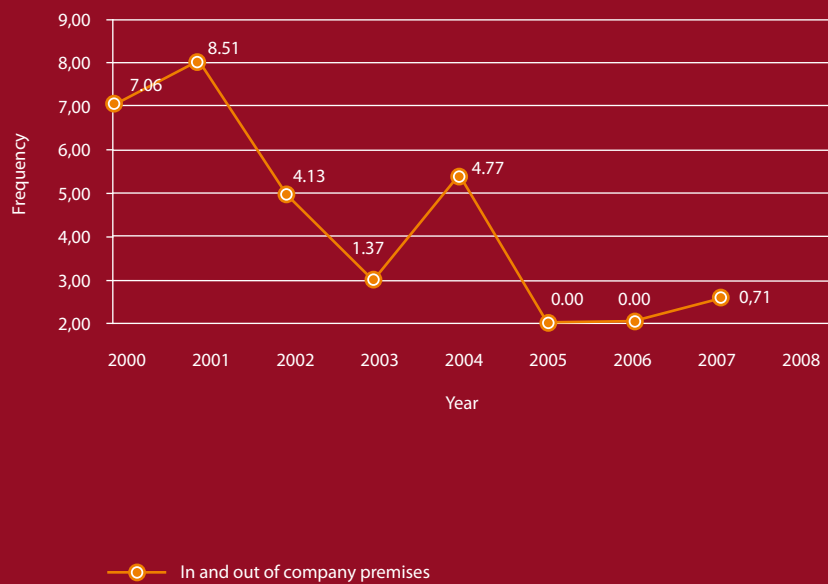
- The required actions, in order to keep the timetable and comply with the current legislation about REACH (Registration, Evaluation & Authorization of Chemicals) have been completed.
- The reviewing process for all Seveso studies, at all relevant installations, started in 2007 and shall be completed in 2008. New computational models for scenarios development, in accordance with the recent international practices, shall be used for the reviewing of the studies.

1st & 3rd party audits

Scheduled, first and third party, safety and environmental audits are carried out by:

- the trained auditors of the Department of Q-S-E Management, as well as auditors from other Departments. The results of these audits were particularly satisfactory with evident progress signs. The implementation of corrective actions, the knowledge and the experience dissemination are achieved through the regular internal audits.
- the Group's Corporate HSE Division, and
- independent, internationally recognised and experienced third party auditors, coming from both customers and colleagues (IATA, ExxonMobil).

Lost Workday Injury Frequency - EKO



Safety Operation - Change Management

With the aim to ensure Health and Safety in the workplace, techniques and measures, beyond those imposed by the regulations and legislation, are being implemented. Within this framework, a study in order to analyse operational hazards (HAZOP or Hazard & Operability Study) has been carried out in the VRU's and the liquid gas units. Moreover, a HAZOP analysis is a necessary prerequisite for the installations where a safety study review (SEVESO) has taken place.

The operation and maintenance of facilities relies upon well-trained and experienced staff and is based upon compliance with the safe operating procedures. What is considered to be particularly important is the work permit procedure to protect staff, contractors and equipment while the necessary work is being carried out. Employees have at their disposal written instructions on how to deal with an emergency situation - loss of power, loss of utilities (steam, air, etc.) - and they are periodically trained in how to apply them.

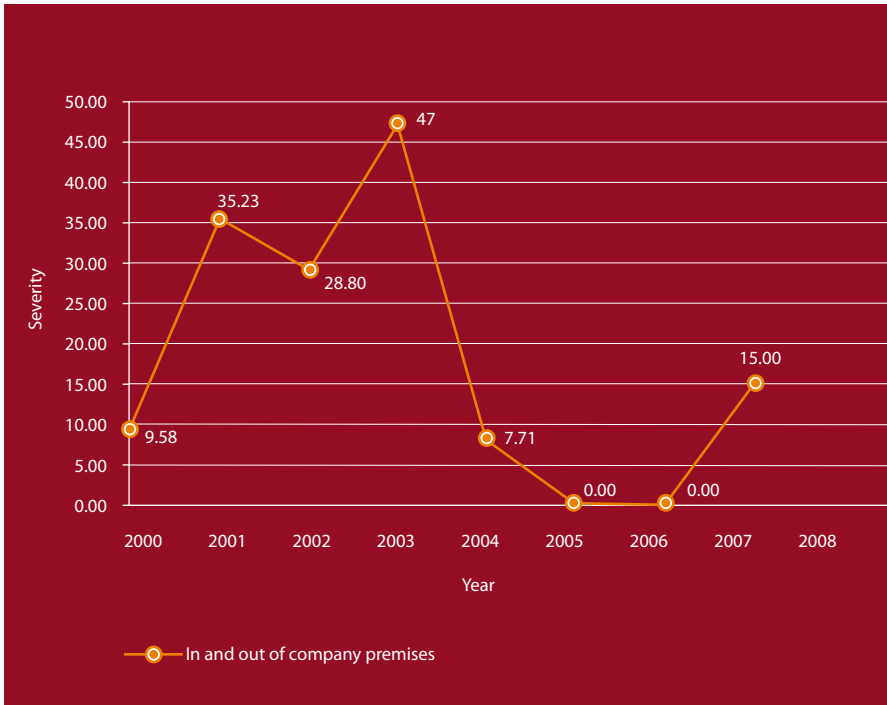
Any changes to equipment or to working conditions shall be checked from a safety point of view prior to implementation.

Targets and Indexes

Each industrial facility and certified activity sets measurable targets for improving its performance, in HSE. The performance, as opposed to the targets, is examined on an annual basis and a relevant report is presented to the top management.

In addition, EKO participates (through the data notification to HELLENIC PETROLEUM) in the annual survey and in the comparative assessment, which CONCAWE carries out.

Lost Workday Injury Severity - EKO



Occupational Health & Safety

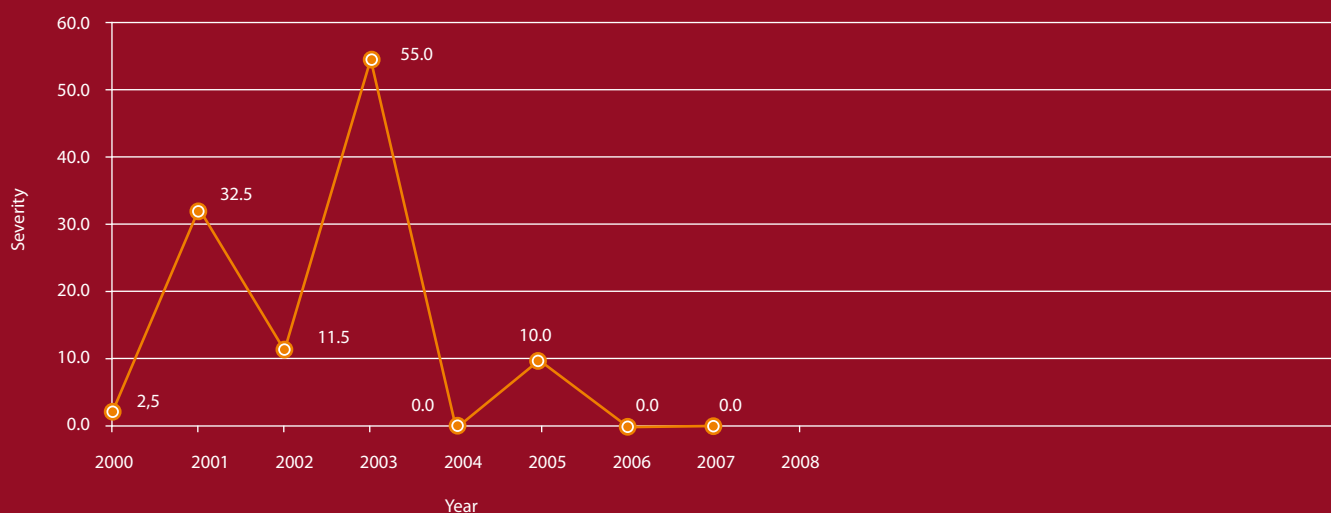
All accidents or near misses, concerning people, equipment, products or environment, are recorded, investigated and corrective/preventive measures, if it is necessary, are taken so as to avoid recurrence. The Safety Committee, during its regular monthly meetings, reviews the accidents too. The information about the accidents is notified to all installations.

All incidents are statistically analyzed with the aim to improve safety. At the same time the investigation process concerning large accidents internationally is closely followed in order to assess and evaluate the conclusions for internal use.

For the third year in a row, there were no lost workday accidents within the company installations. One accident occurred at the company's offices. Also, no accident, regarding environmental pollution, happened because of work at the company's installations or during product transportation, proving the company's professionalism and its respect towards people.

The above diagrams present the LWIF index and the lost workday injury severity index concerning EKO's employees. On the next page the diagram presents data for contractors and third persons accordingly.

Lost Workday Severity Index for Contractors, Transportes and third persons



In particular, when a “zero lost workday accidents” target is achieved, the employees are rewarded. The reward is a bonus for a four and six months period without lost workday accident and a special bonus every 1 million man-hours without lost workday accident.

Emergency Plans

At all EKO’s installations, safety studies have been drawn up and filed with the competent authorities, in accordance with the SEVESO II European directive. These include the most important major accident scenarios and the measures for preventing and coping with them, in case of emergency.

Emergency plans and plans for evacuation due to an earthquake, fire, etc. have been drawn up for both the installations

as well as the office buildings. Regular fire drills and evacuation exercises, performed jointly with the Fire Brigade, ensure staff is well trained and equipment and plans to deal with such an emergency are adequate.

Moreover, scenarios dealing with sea pollution accidents (oil spills) have been worked out, taking into consideration the relevant legislation and the local port authorities. The safety assessment studies of the harbour installations are completed and relevant safety plans have been drawn up for each harbour installation.

Employees’ Health

Employees participate, free of charge, in preventive medical check-up schemes and in the required laboratory tests for checking their health. The results of the

tests are handled as personal and sensitive data and they are evaluated, always with the aim to protect the health of employees. Vaccination schemes and blood bank are in operation.

HELLENIC PETROLEUM, in compliance with the relevant legislation, carries out measurements of harmful factors, in the working environment, in order to confirm that employees are not being exposed to levels that can be harmful to their health.

In 2007, the following actions were taken:

- Measurements of the quality of the air and VOCs at Attica installations.
- Noise level measurements at installations in the Attica region.

HSE Training

The staff's training is multi-faced, comprehensive and includes the following subjects:

- Fire safety – use of means of fire extinguishing and prevention.
- First aid.
- Use of personal protective equipment (e.g. breathing apparatus)
- Presentation of international accidents (causes – conclusions).
- Periodic review / re-training on important safety and emergency procedures.
- Participation in drills.
- Participation in drills.
- Material Data/Safety Sheets.
- Defensive driving.

The training extends to contractors, visitors, customers, truck drivers and gas station staff.

Occupational
Health & Safety

OKTA Refinery - Skopje

Among the OKTA's top priorities is the protection of the environment as well as the health and safety of the employees, citizens of the neighbouring villages and contractors.

OKTA's particular interest in Health and Safety is currently based on:

- National Legislation and European Directives and
- The Company's Work Instructions and Preventive safety procedures.


The potential risks are identified and controlled according to national legislation and good practices. All units have written Instructions for fire fighting and operational procedures, which also include measures taken to eradicate or control risks and to keep them at low and acceptable levels.

Organisation for H & S

All activities intended to ensure a high-level of safety are conducted by the Safety Department.

Within this Department the following Sections have been organized and are in operation:

- Health & Environmental Protection Section.
- Security, Fire Fighting & Occupational Safety Section.
- Waste Water Unit Operation Section.
- Occupational Risk Assessment.



The operation and maintenance of the facilities is conducted by well trained and experienced personnel in compliance with OKTA's safe operating procedures. Aiming to the aforementioned, the following measures are taken in order to ensure the employees' health and safety:

- The use of personal protective equipment is obligatory. For emergency case additional personal protective equipment is available at all units.
- Personal H2S detectors are used at the workplaces where a danger for high concentrations of H2S exists.
- Regular controls of working conditions at places with higher risks.
- Regular controls of contractor's employees for using personal protective equipment.
- Controls of tank trucks during loading and unloading.
- Regular equipment controls from the Technical Audit Section to assure occupational safety.

Application of legislation

All health, safety and environment related activities are carried out according to the relevant national legislation.

To illustrate this, the following indicative examples are mentioned:

- Preventive employees' check-ups, in accordance with the occupational health and safety legislation.
- In accordance with the aforementioned legislation, an approved body shall provide first aid training to the employees.

External audits

In January 2007, the Health, Safety & Environment Corporate Department of Hellenic Petroleum S.A audited the OKTA refinery as far as safety was concerned. Recommendations for improving safety were set out and they are gradually implemented.

Moreover, OKTA is regularly audited, every second year, by insurance companies experts and recommendations for safety improvements are presented.

Finally, OKTA is regularly audited by in-

spectors from the Fire Brigade, the Technical Inspection and the Labour and Sanitary Inspection.

Safety Operation

Techniques and measures, beyond those imposed by the regulations and legislation are implemented in order to assure the required occupational health and safety levels.

The work permit issuing procedure is particularly important for the protection of employees, contractors and equipment during the works implementation. Employees have at their disposal written instructions on how to deal with an



emergency situation - loss of power, loss of utilities (steam, air, etc.).

Any changes to equipment or to working conditions shall be checked from a safety point of view prior to implementation.

HSE Training

The personnel is regularly trained in the following subjects:

- Fire safety – use of means of fire extinguishing and prevention.
- First aid.
- Use of personal protective equipment (e.g. breathing apparatus, H2S detectors).
- Presentation of international accidents (causes – conclusions).
- Periodic review / re-training on important safety and emergency procedures.

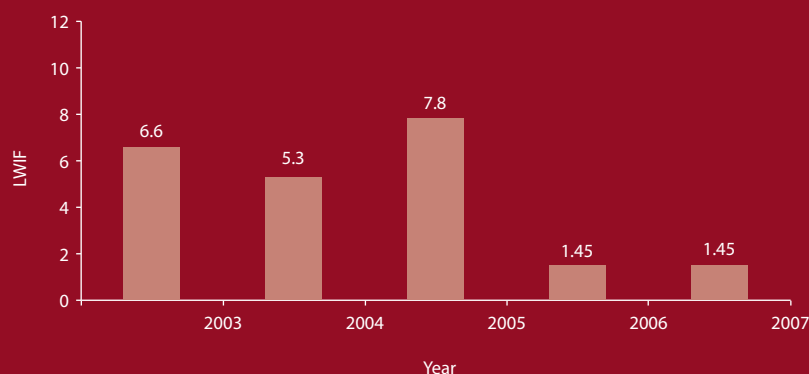
The training extends to contractors, truck drivers and trainees.

Emergency Plans

Written Instructions, especially for dealing with a major accident, i.e. fire and ex-

plosion, are available at all units and they are at the disposal of the employees. Fire extinguishing drills, using portable and fixed equipment, are regularly implemented.

OKTA LWIF index



Targets and Indexes

OKTA refinery sets measurable targets for improving its performance in Health & Safety. The performance is monitored on monthly and annual bases and a relevant report is presented.

Within this framework, in 2004 year, OKTA established standard definitions and categories of incidents, in accordance with HELLENIC PETROLEUM'S INSTRUCTIONS for uniform incident reporting purposes.

According to the above mentioned, the Safety Management Department records, investigates and statistically analyzes all incidents and plans corrective measures in order to avoid reoccurrence. In addition, a monthly report is issued concerning HSE incidents statistics.

As a safety performance indicator, the Lost Work Incident Frequency (LWIF) indicator is used, according to CONCAWE definition. The diagram presents the LWIF's variation in a five years period.

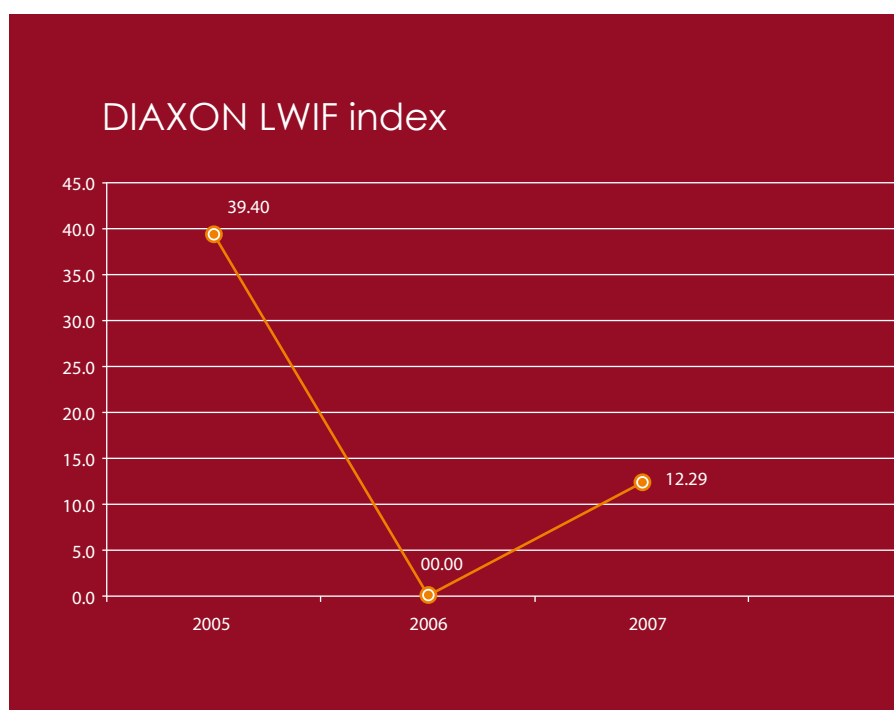
Employees' Health & Hygiene

The employees are regularly trained to cope with emergency situations and can immediately provide first aids to an injured person. An infirmary operates within the refinery's installation and covers issues related with the employees' health. OKTA has its own ambulance for immediate transfer of a person to hospital, in case of emergency.

Employees participate in preventive medical check-up schemes, which are regularly scheduled by registered occupational physician and in accordance with the legislation.

Authorized laboratories carry out tests on the quality of drinking water every month. In addition, the refinery's laboratory weekly performs microbiological analysis of drinking water, periodic test of water supplied to surrounding villages and of water from wells.

A non smoking policy is applied in the refinery's installations. Smoking is only permitted in specific places – in smoking rooms and in individual employees offices.



DIAXON

In the framework of the continuous effort to improve the occupational health and safety, the DIAXON implemented the following, indicative activities:

Safety Operation

Indicative examples, in 2007, are:

- The extruder loading procedure was improved in order to provide the employees with a safer and more convenient working way.
- Various fire-safety and fire-warning improvements were carried out.

Monitoring and application of legislation

- In the framework of the european regulation REACH, a list with the approved substances and materials has been drawn up.

Indexes

DIAXON sets measurable targets for improving its performance in Health & Safety. The diagram presents the LWIF's variation over the last three years:

Emergency Plans

There was cooperation with the local Fire Brigade, in the framework of the development of a regional emergency plan from the Fire Brigade.

Health & Safety Training

All employees, contractors included, participated in two seminars, of five hours each, on health and safety issues.





VI. Care for the Environment



The Group is committed to continuously improve its environmental performance. This is evident from the fact that Elefsina refinery was the first Greek refinery to receive the Eco-Management and Audit Scheme (EMAS) certification. The refinery in Aspropyrgos, which is the biggest in Greece, has developed and implements EMAS and is under the process to be certified.

The installations of the commercial branch (EKO subsidiary) in Skaramagkas, Elefsis, Aspropyrgos, as well as the storage and supply of jet fuel at the Heraklion Airport, are all certified according to the EN ISO 14001 standard.

The objective is to streamline operations, in all other installations, to the requirements of Certified Environmental Management Systems.

Management Systems for Health, Safety and the Environment are already being developed at the installation in Amphilo- chia and at the airports in Thessaloniki, Corfu and Rhodes.



The Group's commitment to continuous improvement of its environmental performance is on-going and not limited to its existing installations. It also applies to any upgrade or new investment. The application of Best Available Techniques (BATs) is always taken into account, so that the environmental impact of the operation of the HELLENIC PETROLEUM Group installations is minimised.

The refineries have to meet fuel market demand. The production process, further to the consumption of a non-renewable natural resource (i.e. crude oil), which is transformed to the various end products, requires energy, which is generated from a small share of end-products as well as from by-products, i.e. gaseous fuels that cannot be marketed. The fuels providing the energy needed for the various refining processes are called self-consumption fuels. The specifications of fuel products are constantly being improved (e.g. reduction of sulphur content), in order to reduce the impact to the environment due to their use. Due to these improved stricter specifications, consumption of additional energy (self-consumption fuels) is required, resulting in additional emissions of air pollutants at their production sites (i.e. at the refineries). This increase in local emissions is considerably smaller than the overall emission reduction achieved due to the use of fuels of improved specifications. For example, the sulphur content of fuels is reduced by suitable processes at the refinery, which transform sulphur to its element form (used as a raw material in the chemical industry) and remove it

from fuel end-products. The net benefit to the environment is considerable, as the produced market fuels give rise to less emissions of air pollutants and can be used in the modern energy-efficient car engines (of lower fuel consumption, which in turn means even less emissions of air pollutants).



Natural Resources and Climate Change



The HELLENIC PETROLEUM Group is a vertically integrated oil company, operating three refineries in Greece (at Aspropyrgos, Elefsina and Thessaloniki) and one in F.Y.R.O.M. (OKTA). The three refineries in Greece account for around 70% of the country's refining capacity. The following chart shows the quantities of crude oil that were refined at the three Greek refineries of the Group.

Fuel production requires energy and water consumption. The refining sector is one of the most energy-efficient industrial sectors. Energy and natural resources are used by taking into consideration, not only the optimisation of production, but also conservation and the protection of the environment.

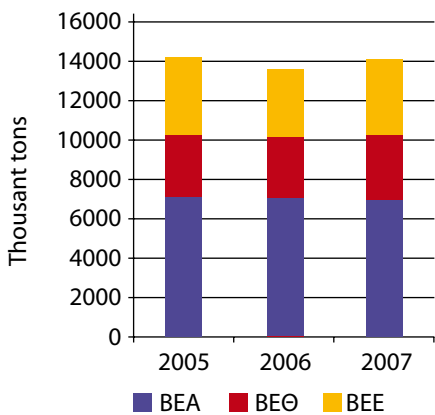


Chart: Quantity of refined crude oil

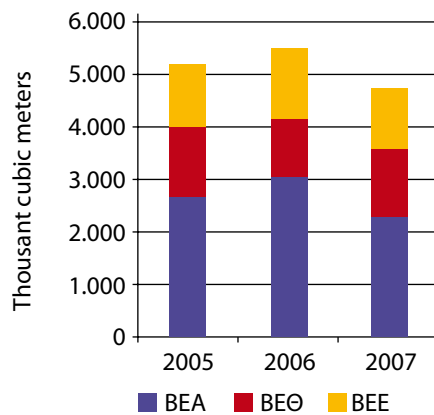


Chart: Water consumption

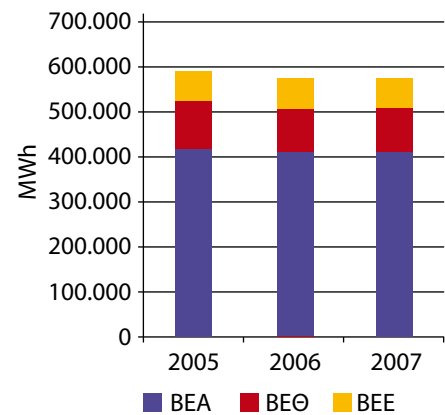




Chart: Electricity consumption

(BEA, BEO and BEE stand for the Industrial Installations at Aspropyrgos, Thessaloniki and Elefsina respectively)



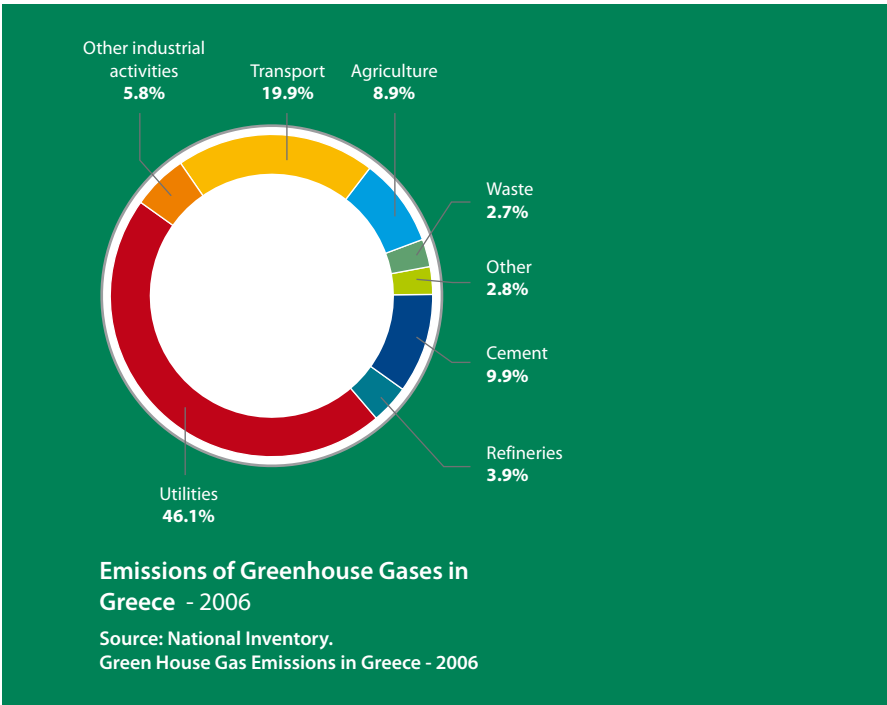
Climate change is, nowadays, a serious environmental concern. It is directly related to economic development and energy consumption. Carbon dioxide is the main greenhouse gas, but it is not considered as a local pollutant that can be evaluated at the emission source level. The reduction or increase of carbon dioxide emissions is evaluated by the total carbon cycle. Almost all of the carbon contained in crude oil, is eventually transformed to carbon dioxide, in part at the fuel production process at refineries and mainly at the final use (combustion) of fuel products (at industrial installations and in the transport sector). Carbon dioxide emission reductions can mainly be achieved by increasing energy efficiency or by utilising renewable energy sources.

In order to confront climate change, an international agreement, namely the Kyoto Protocol, has been established, with separate corresponding objectives for several countries. Carbon dioxide emission reductions can mainly be achieved by energy saving measures. The refining sector is a front-runner when it comes to energy-efficiency initiatives globally.

The refineries have to produce cleaner fuels, i.e. fuels producing less sulphur dioxide emissions when combusted, which can be used in modern car engines emitting lower quantities of air pollutants and being more energy-efficient. In turn, that means lower fuel consumption, resulting therefore in a corresponding reduction of carbon dioxide emissions. It should be noted that emissions from cars will decrease, based on latest EU guidelines, from 186 g CO₂/km (in 1995) to 120 g CO₂/km (in 2012).

In order to produce continuously improved fuels, additional energy consumption is required by refinery processes. However, this does not mean that total (life-cycle) carbon dioxide emissions increase, provided that refined crude oil quantities do not increase. Refinery emissions may increase, due to the production of improved fuel products, yet emissions from their use decrease. Moreover, due to energy-efficiency initiatives in refineries, self-consumption fuel use rate continuously improves. At the same time, self-consumption fuel specifications also improve, as sulphur-free fuel-gas arising from refinery pro-

cesses, as well as low sulphur liquid fuels (similar to end-products) are now used. **It should be noted that the total carbon dioxide emissions, of the three refineries of HELLENIC PETROLEUM Group in Greece, account for only 2% of national greenhouse gas emissions (2006 data).** The following pie chart presents the total contribution of the refining sector.



The following chart shows the indirect carbon dioxide emissions, related to electricity consumption at the refinery in Aspropyrgos. The emissions corresponding to the total electricity consumption are illustrated by the blue bars. Most of this energy, however, is produced by the refinery's co-generation unit (co-generation of heat and electricity). Thus, the corresponding carbon dioxide emissions that would have been caused by additional electricity production from the Public Power Company (PPC) using its conventional fuel mix are avoided. Approximately 330 thousand tons of carbon dioxide emissions are avoided annually at national level (displayed by the green bars), corresponding to the electricity produced by the refinery's co-generation unit. Consequently, the net impact due to electricity consumption is only 90 thousand tons of carbon dioxide emissions annually. All calculations are based on the relevant PPC grid emission factor for 2005, i.e. 0.99 kg CO₂/kWh.

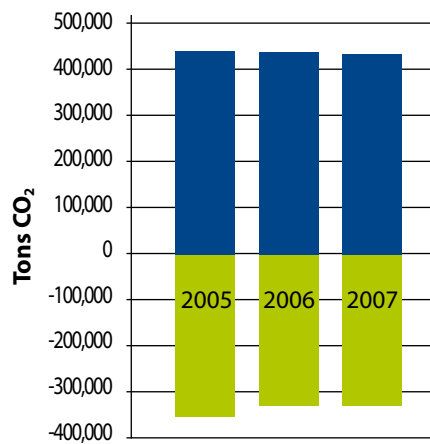


Chart: Indirect carbon dioxide emissions balance for the Aspropyrgos refinery (due to consumption of purchased and co-generated electricity)

Further to the implementation of a national programme for the reduction of greenhouse gas emissions and in order to fulfil the relevant national commitment, a scheme for trading greenhouse gas emission allowances, has been established. The application of this Emissions Trading Scheme (ETS), in international scale and in accordance with the Kyoto Protocol, takes effect in 2008.

The EU, in order to achieve its objective, has adopted Directive 2003/87/EC, establishing a scheme for greenhouse gas emission allowance trading within the Community (EU ETS). The Directive also sets up an introductory emissions trading period (Phase I, 2005-2007). Although Phase I was considered to be a learning period, sanctions were still included in case of non-conformance. Phase II (2008-2012), coincides with the Kyoto Protocol commitment period and the fulfilment of the relevant objectives. Compliance of national law with the above-mentioned Directive was achieved in 2004 by the Joint Ministerial Ruling 54409/2632.

The HELLENIC PETROLEUM group actively participates in the EU ETS, with its three refineries in Greece and its subsidiary's (THESSALONIKI ENERGY T-Power) electricity generation facility. All four installations have been issued

with greenhouse gas emissions permits, by the Ministry for the Environment, Physical Planning and Public Works. The greenhouse gas emissions from the Group's installations are monitored using suitable methodology. Relevant reports of annual emissions are composed, and then checked and verified by an independent competent organisation. The verification process addresses the reliability, credibility and accuracy of monitoring systems and the reported data, in accordance with the Commission Decision 2004/156/EC. The veri-

fied annual reports are submitted to the Ministry for the Environment, Physical Planning and Public Works. Each installation then has to surrender a number of allowances equal to the total emissions from that installation during the preceding calendar year.

The following chart shows the carbon dioxide emissions of HELLENIC PETROLEUM Group installations participating in EU ETS for period 2005-2007. All data have been verified according to relevant EU Directives and Decisions.

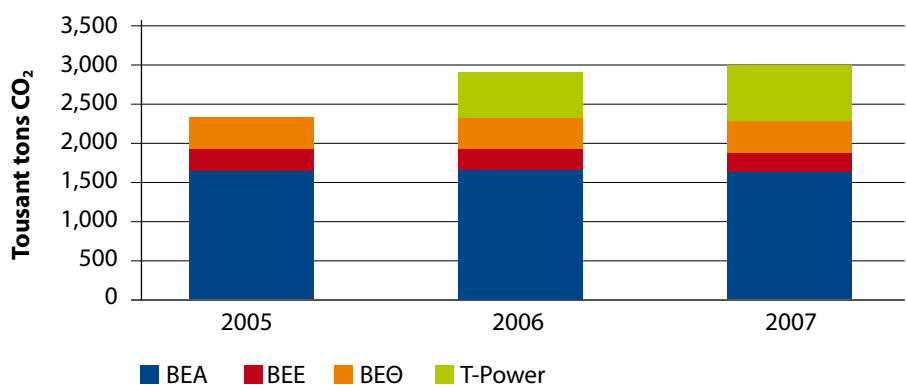
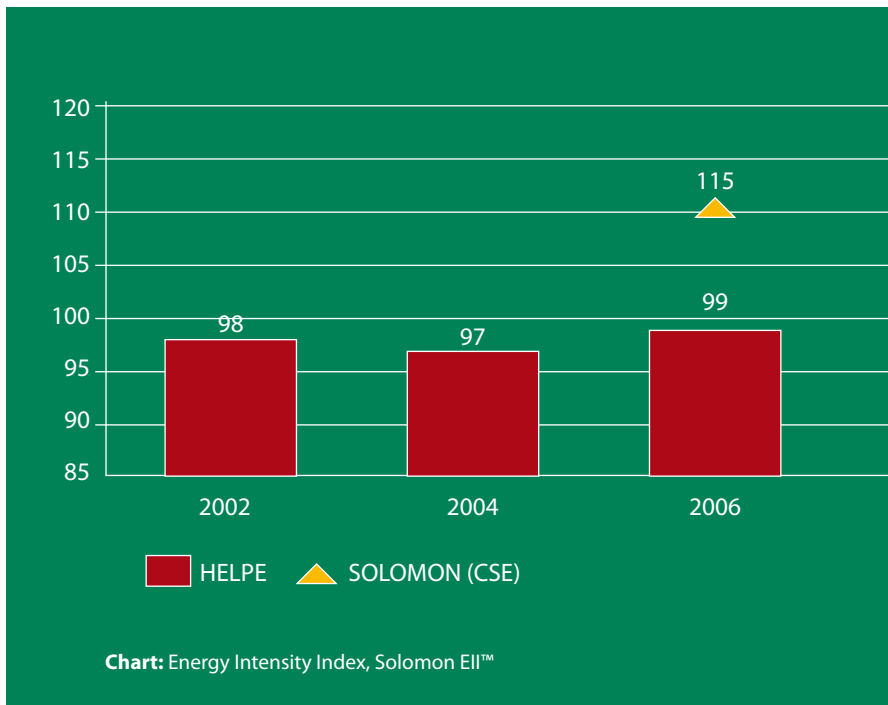


Chart: Carbon dioxide emissions of HELLENIC PETROLEUM refineries in Greece and T-Power



Energy Efficiency Improvement



N.B.

The index average displayed in the chart above concerns Central and South-Eastern Europe (CSE). All values have been updated, according to 2006 calculation basis (100 is equivalent to the overall average of the 2004 survey).

An index, widely used to reflect the energy efficiency level of refineries, is Solomon's Energy Intensity Index (EII™). It is calculated by means of specialized software, taking into account various operational parameters, the types of crude oil processed and the process technologies utilized. Basis value is 100, which is equivalent to the overall average of the 2004 survey. It should be noted that the lower a refinery's index value is, the higher its energy efficiency. It should also be noted that many refineries from all over the world participate in Solomon's benchmarking survey.

HELLENIC PETROLEUM regularly participates in the survey conducted by Solomon. The company's performance regarding energy efficiency is considered very satisfactory and continuously strong, as illustrated in the following chart. The bars represent the rating of HELLENIC PETROLEUM (HELPE) refineries in Greece, according to Solomon EII™, which is significantly better than the corresponding average value of all the participating refineries in Central and South-Eastern Europe (CSE).



Emissions to air, liquid and solid waste

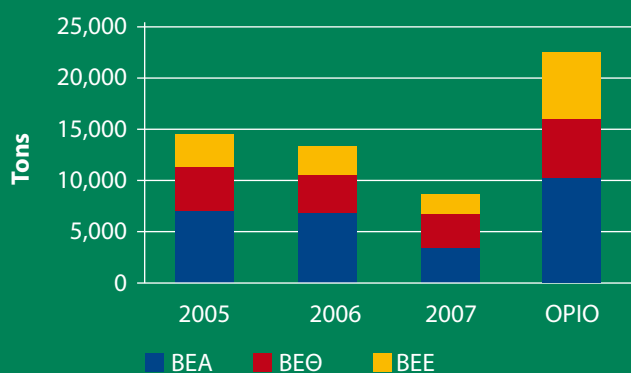


Chart: Sulphur dioxide emissions of HELLENIC PETROLEUM refineries in Greece

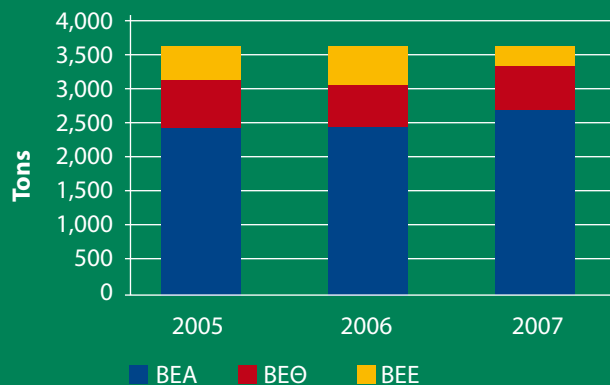


Chart: Nitrogen oxides emissions of HELLENIC PETROLEUM refineries in Greece

The total quantities of emissions to air from the group's three refineries in Greece are illustrated in the following charts. This data is regularly communicated to the competent authorities. The values are either calculated from operational parameters or directly measured, using specific procedures, in compliance with the relevant permits of approved environmental conditions. The actual emissions of air pollutants are well below the regulatory imposed limits. The meth-

odologies used to calculate and measure emissions of air pollutants are in accordance with International and European standards. Sulphur dioxide emissions, in particular, steadily decrease, due to specific projects and initiatives targeting that objective.

The desulphurization of the vacuum distillation unit off-gases at the Aspropyrgos refinery is one of the afore-mentioned projects, contributing to reduction of emissions by 40%. A similar project has

been implemented at the Thessaloniki refinery, to allow for use of desulphurized fuel gas. Total sulphur dioxide (SO₂) emissions of HELLENIC PETROLEUM refineries in Greece are 60% below regulation limits.

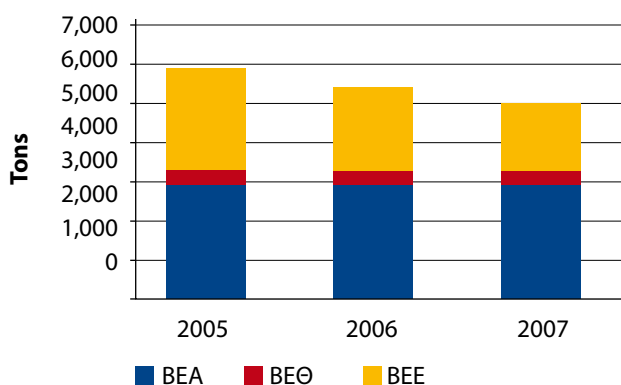


Chart: Volatile Organic Compounds (VOC) emissions of HELLENIC PETROLEUM refineries in Greece

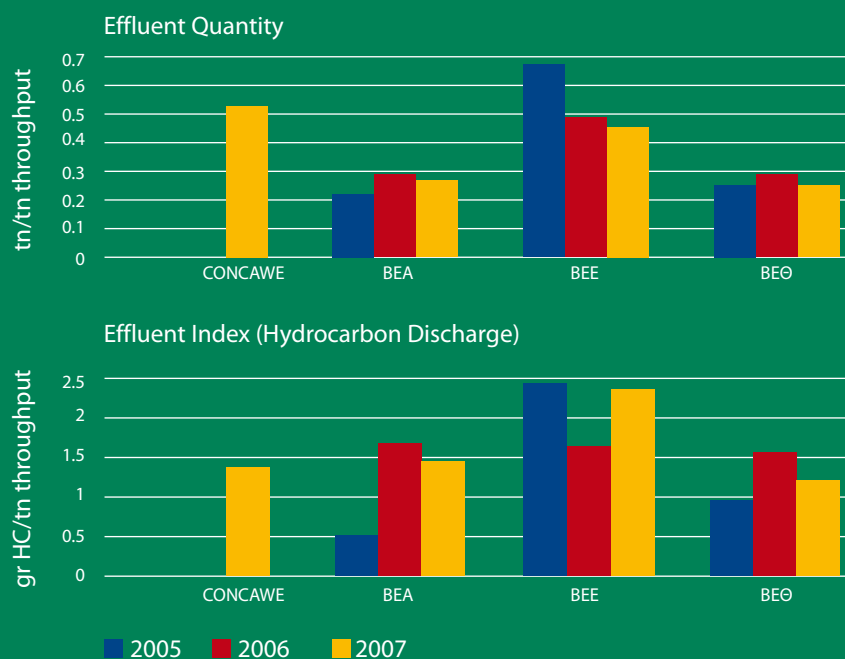
Bottom loading of tank trucks is practiced in almost all installations, due to safety as well as environmental protection issues.

All installations are equipped with vapour recovery systems, used when loading gasoline, according to relevant laws.

Some of the Group's retail fuel filling stations are also equipped with vapour recovery systems, used when receiving gasoline from tank trucks (stage I).

A step introduction of vapour recovery systems, used when delivering gasoline to cars (stage II), is also underway at the Group's retail fuel filling stations.

Wastewater management at the refineries is carried out according to relevant up-to-date process and technology. Discharged effluent is regularly controlled by sample analysis at the qualified installation laboratories. Respective specifications are well below regulatory imposed limits. The two following charts show the indices that are used for monitoring performance of wastewater treatment systems.



The two indices concerned are “effluent discharged (tons) / throughput (tons of crude oil and fuel input)” and “hydrocarbon content of discharged effluent (g) / throughput (tons of crude oil and fuel input). These values are also compared to the corresponding CONCAWE benchmark (average) values, derived from a survey of 84 European refineries in 2000.

CONCAWE (CONservation of Clean Air and Water in Europe) is the technical consultant of European refineries regarding Health, Safety and Environment issues. It should be noted that the index value of hydrocarbon discharged is at 50% of the regulatory imposed limit, i.e. the index value corresponding to the regulatory limit is 5 g of discharged hydrocarbon per ton of raw material throughput. The mean value at group level is 1,7 g of discharged hydrocarbon per ton of raw material throughput.

Minimization and special treatment (separating dangerous from non-dangerous waste) of dangerous waste at the source is a priority for HELLENIC PETROLEUM Group. When this is not technically feasible, the target is to optimise waste management. Recycling of waste is the first priority, e.g. reprocessing hydrocarbons recovered at wastewater treatment units. Other dangerous waste, which is not possible to be managed in a proper way within the installation, is shipped to specialised companies abroad for further management, using authorised shipping companies.

Old exhausted catalysts are properly shipped to specialized companies abroad, so that precious metals contained within can be recovered or thermal destroyed. Dangerous waste is not kept at any facility. Temporary storage, until its final disposal, is carried out according to all relevant laws and good environmental practices.

The hydrocarbon content of effluent discharge is 50% below the regulatory limit.

Care for the Environment

The management of wastewater streams within the installation is also extremely important, i.e. taking advantage of every opportunity to reuse and to recycle the various water and wastewater streams, e.g. recycling wastewater from the sour-water stripping tower to desalting units.

All Group's installations at the seaside have emergency action plans, approved by the port authorities, in case of oil spills. Relevant drills are performed regularly, mostly in collaboration with the competent authority, in order to check the readiness to act and control any oil spill in case of any marine pollution incident.

However, no oil spill incidents have been recorded in the last few years.



Biodiversity protection




HELLENIC PETROLEUM Group recognizes the importance of preserving biodiversity within the context of increased energy demand, sustainable development and improved quality of life in the surrounding areas of its installations.

None of the Group's installations is near protected areas (e.g. NATURA). All installations are in established industrial areas, without any protected ecosystems in proximity.

Refinery operation is inevitably linked with emissions affecting the quality of ambient air and groundwater. In Greece, petroleum refining is the industrial sector with the highest degree of BATs application, thus, minimizing such effects to the environment. Pollution prevention measures, as well as relevant investment projects further contribute towards that objective.

Furthermore, the Group's contribution to environmental protection and transformation of surrounding areas also extends to:

- Extensive planting of trees, in order to create physical limits between areas of separate uses and to upgrade surrounding areas.
- Taking measures to avoid pollution of groundwater and underground water bodies.
- Avoiding the use of eco-toxic raw materials.



In line with national planning and European legislation, HELLENIC PETROLEUM supplies the Greek market with diesel for transport having 2% bio-diesel content (on volume basis).

HELLENIC PETROLEUM – RENEWABLE ENERGY SOURCES S.A. was established in 2006 as a subsidiary company, in order to produce, supply and trade energy products coming from renewable sources. This subsidiary is currently a 25% shareholder of BIODIESEL S.A., which aims to build a bio-diesel production facility at Kalohori (Thessaloniki).



Subsidiaries' Environmental Performance



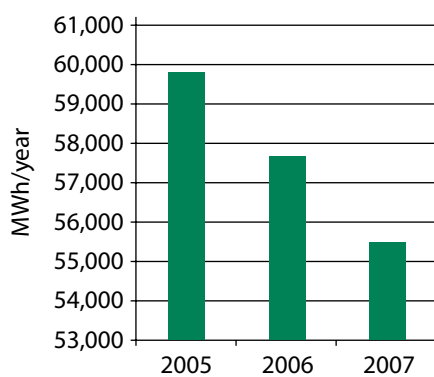
OKTA refinery in F.Y.R.O.M.

The OKTA refinery has recently taken significant measures to target the reduction of air emissions. The major investment is the sulphur recovery unit, aiming to reduce sulphur dioxide emissions. This unit is expected to begin operating in 2008. Low-sulphur fuel production, such as

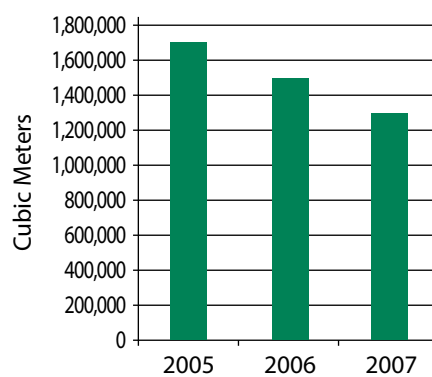
diesel oil of 50 ppm sulphur content, is also an objective of investments at the OKTA refinery.

Electricity and water consumption at the OKTA refinery are illustrated in the following charts.

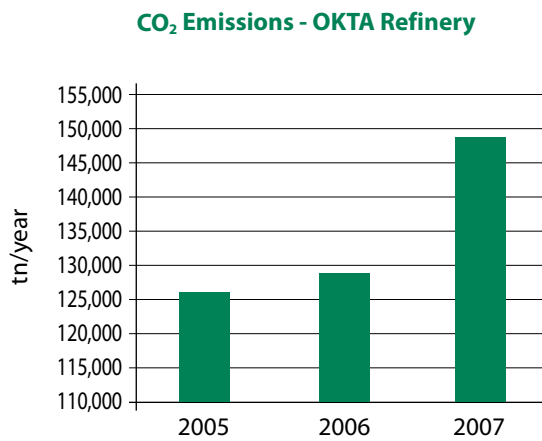
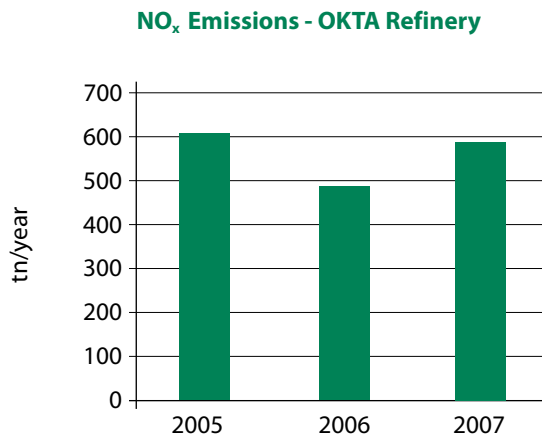
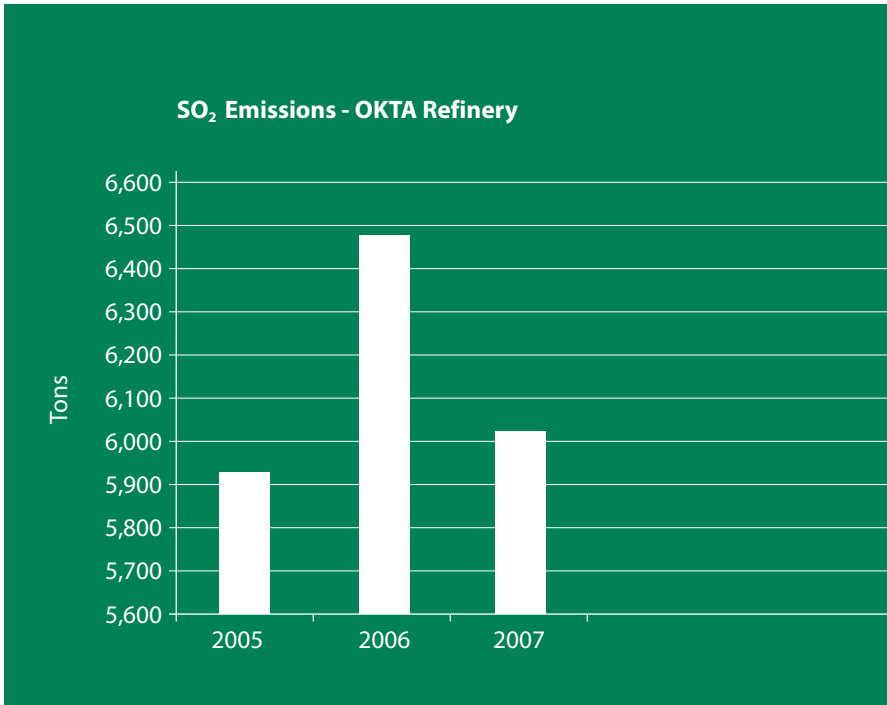
Electricity Consumption - OKTA Refinery



Water Consumption - OKTA Refinery



Emissions to air from the OKTA refinery are illustrated in the following charts.





THESSALONIKI ENERGY SA

The Group, taking into consideration the rapid developments in the area of power generation and trade, took on the construction and operation of a 390 MW power generation unit, in 2005, at the Industrial Complex in Thessaloniki.

The unit runs on natural gas and uses maximally efficient combined cycle technology. This technology was chosen with the utmost respect towards both man and environment. Natural gas is the fossil fuel with the lowest CO₂ emissions. In particular, indicative rates of CO₂ emissions per generated MWh is 1.390 Kg for an old brown coal (lignite) unit, whereas for new-technology units this drops to 950 Kg, 750 Kg for a black coal unit and 375 Kg for a unit specific to natural gas.

In fact, the unit of THESSALONIKI ENERGY, given its high efficiency and excellent operational standards, has already achieved record CO₂ emissions of 372 Kg per MWh of electricity produced (2006 & 2007).



DIAXON A.B.E.E.

In the year 2000, the subsidiary company DIAXON PLASTIC PACKAGING MATERIALS initiated the production custom-shaped BOPP (Biaxially Oriented Polypropylene) film for HELLENIC PETROLEUM. The two production lines produce a combined 26 thousand tones per year.

As previously mentioned, BOPP film production is the final stage of a vertically integrated production scheme, which starts at the Aspropyrgos refinery with the production of propylene, which is turned into polypropylene in Thessaloniki and from there is shifted to Komotini for the final production of BOPP film.

The production unit in Komotini implements high and modern technology and produces BOPP film of all types and all ranges of quality, which constitutes the flexible packaging material required by the market.

It is a rapidly developing product, which already has a wide range of use and is constantly finding new applications due to its particular quality excellence.

The film's production scheme produces mainly solid waste, which is mostly recycled back into the production process or otherwise is supplied as low-quality raw material to other units.



EKO A.B.E.E.

As the largest company in the market of petrol products in Greece, EKO is committed to quality and the protection of the environment alike.

Its environmental management system is certified in accordance with EN ISO 14001 and the company maintains a dynamic approach to environmental policy, keeping up to date with the developments in the field and making constant efforts for the optimization of all its processes, from production up to the final distribution of the product.

As part of this effort the company completed a € 1,020,000 upgrade of the system for the Collection and Transportation of Liquid Waste for its Dendropotamos facilities. It is an original and pioneering system for such applications, as it incorporates oil concentration sensors in its central pump station, which, in combination with a Central Processing Unit, Electric-valves and a Programmable Logical Controller, prevents the discharge of oil-polluted water into Dendropotamos

River and automatically adjusts the flow from the tank safety basins depending on rainfall intensity.

The project was recently completed with the instalment of SCADA surveillance and remote control equipment, which allows for the remote control of the system, remote visualization of the equipment for the supervision of its condition and the development of multiple operational scenarios.

In the transportation sector, EKO applies a system for the management of safety during the Transportation of Dangerous Substances, which is in full accord with national and international standards (ADR, RID) and involves the following measures throughout the triptych of "loading-transportation-unloading":

- A complete record of equipment defects and all other unsafe situations that may arise during the dispatching of fuels by tanker trucks at all the company stations.

- A program for the enrichment of all written processes.
- Routine surface inspections by company staff of all tanker trucks throughout the country, which carry black/white products and gases.
- Continuous training for all drivers of both private and public vehicles.



Environmental Investments



Significant investments, concerning the protection of the environment, are made at all our facilities. A large part of these investments is made within the refineries and aim to increase the quality of both the environment and our products, the latter benefiting the environment in turn, when our greener and ever more energy efficient fuels are put to use by the consumers.

Below is a list of environmental investments carried out by the Group's refineries between 2002 and 2007, which aimed towards the production of cleaner fuels and the protection of the environment:

- Modification of Naphtha desulphurization unit (BEA¹).
- Modification of Diesel hydrodesulphurization unit (BEA).
- Modification of Sulphur Recovery Unit (BEA).
- Desulphurization of low pressure fuel gas (BEØ²).

- Desulphurization Unit for the production of low sulphur diesel (BEØ).
- Management of dangerous waste (BEE³).
- Installation of bottom loading systems for gasoline (all installations).

These investments cost approximately € 184 million.



Below is a list of planned investments for the 2008-2012 period, also aimed towards the objectives mentioned above:

- Refinery modifications in order to be able to process low-sulphur crude oil (Thessaloniki Refinery).
- FCC naphtha desulphurization unit (Aspropyrgos Refinery).
- Desulphurization unit efficiency upgrade (Aspropyrgos Refinery).
- Modification of Diesel desulphurization unit in order to produce fuels with less than 10 ppm sulphur content (Elefsina Refinery).

¹ BEA (Aspropyrgos Industrial Installations)

² BEØ (Thessaloniki Industrial Installations)

³ BEE (Elefsina Industrial Installations)



The estimated cost of these investments is approximately 86 million euros.

In addition, a 1 billion Euro project for the upgrading of the Elefsina refinery has been approved. With this investment we aim to nullify the sulphur concentration of our fuels whilst meeting the demands of the market. Aside from allowing for the production of low-sulphur diesel oil for transport, as required by the EU, this investment will also completely eliminate the production of fuel oil and minimize the use of self-consumption fuel oil at the refinery, thus contributing to the further improvement of air quality in the atmosphere.

These fuels will be produced using the Best Available Techniques (BAT) and "closed-loop technology", which will contribute to the reduction of pollutant emissions in comparison with current levels as well as enhance safety levels during production. Additional noteworthy side-projects to this investment are the implementation of technologies specialised for nitrous oxide reduction and particle retention from furnaces, the upgrading of the current liquid waste unit as well as the construction of a new and modern one.

As far as local pollutants are concerned, the refinery's sulphur dioxide emissions will decrease by 70.2%, nitrous oxides emissions will drop by 11.6% and particulate matter emissions will decrease by 84.2% (results of the dispersion model run by the National Technical University of Athens). The volume of processed wastewater will also decrease by 24%.

The environmental benefits of this investment will not be limited to the immediate environment surrounding the project, but will have far reaching effects throughout the country, since consumers will be using cleaner fuels.

Recycling municipal waste is also pursued. Metal objects, wood, paper as well as any other recyclable material, is properly managed. Recycling of paper and batteries has been established in production and office areas, by having special containers for such materials in various collection points.



Quality and Certification policies



HELLENIC PETROLEUM Group is highly committed to quality and a constant effort to maintain and improve it remains a top priority for all staff. Our Group policy is thus reviewed and re-evaluated regularly and whenever deemed necessary.

The Quality Management Systems for both the Thessaloniki refinery and all EKO facilities have been reviewed by ELOT, the Greek Standardization Organization, and recertified as meeting ISO 9001 standards (initially certified in 2000).

Our other facilities are currently in the process of acquiring the same certification. The Elefsina refinery is the first Greek refinery to be EMAS-certified for its Environmental Management System (EMS). The Aspropyrgos refinery has developed an EMAS-standard Environmental Management System and is in a process to be certified soon.

In addition, both the Elefsina refinery and all EKO facilities have been certified according to the OHSAS 18001 Occupational Health and Safety Assessment Series standard whilst the acquisition of this certification for the Thessaloniki refinery is in the works.

In March of 2001, EKO's jet fuel sales were ISO 9001 certified making it the first Greek company with a quality certification in the jet fuel sector.

The Quality Management System (QMS) of the chemicals factory was found to have improved, according to the annual ELOT inspection. The system had been previously re-evaluated by first party audit, along with that applied at the Thessaloniki distillery with suggestions for improvement implemented soon after.

HELLENIC PETROLEUM's Polypropylene (PP) production plant at the Thessaloniki Industrial complex has also obtained a high quality rating.

For the fourth year running it has been awarded one of the highest distinctions in Europe for its optimal functionality levels by BASELL. BASELL is a company that supplies technology to more than 100 comparable factories worldwide and following global scale research it has ranked HELLENIC PETROLEUM at one of the highest places amongst other European counterparts.

This distinction, coming from Polypropylene Technology specialists corroborates the company's high production

standards whilst at the same time ensuring the highest quality for the products offered to our clients, the smooth operation of the production process and the fullest exploitation of the factory's technological capacity.

This achievement is the result of the professional attitude and collective efforts of the experienced and highly trained staff.

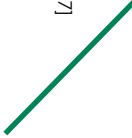


Report compliance with UNGC & GRI

The following table provides references to information on the principles of the United Nations Global Compact (UNGC) and on the core elements and indices of the Global Reporting Initiative (GRI), extracted from the set of G3 guidelines published in September 2006. There is no additional notification for either full or partial coverage.

SUSTAINABILITY REPORT 2007 SECTION	UNGC (*) principles	G.R.I. core elements & indices
Message to the Stakeholders		1.1, 3.1, 3.3
The Group in brief		2.1, 2.2, 2.5, 2.8, 2.9
Principles & Values	10	1.1, 4.8
Group's key financial data		EC1
HELLENIC PETROLEUM in stock market		EC1
Social Product		EC1
Corporate Governance	10	4.1, 4.2
Contribution to the Society	7, 8	SO1
Human Resources	1, 2, 3	EC3, LA1, LA4, LA13, HR5
Training		LA10, LA11
Care for our People	3, 6	EC3, LA8, LA9
Occupational Health & Safety		
Health & Safety System & Policies	1, 2	LA6, LA7
Occupational Risk Management	1	
Safety & Change Management	1	
Targets and Indices	1	LA7
Emergency Plans	1	
Employees' Health	1	
H & S at the Subsidiaries	1, 2	LA6, LA7
Care for the Environment	7, 8, 9	
Natural Resources & Climate Change		EN1-EN3, EN5-EN10, EN16-EN18
Energy Efficiency		
Emissions & Wastes		EN19 - EN25
Biodiversity		EN11 - EN15
Environmental Investments		EN30
Sustainability Report Feedback		2.4, 3.4

(*) Principles 4 & 5: Full compliance with the relevant national & european legislation



Care for the Environment



Sustainability Report Feedback

This Sustainability Report is addressed to our stakeholders aiming at their information regarding our strategy, policy and performance, in 2007, on social corporate responsibility. Any suggestion concerning further improvement of this report, as a tool for a two-way communication between the Group and its stakeholders, is more than welcome.

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