



HELLENIC
PETROLEUM

Social and Environmental Report 2005

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Social and Environmental Report

A Message to our Stakeholders

In the past the HELLENIC PETROLEUM's annual report has been used as a vessel to inform stakeholders, about the most significant social and environmental aspects of our activities. This year, 2005, within the context of HELLENIC PETROLEUM's vision of sustainability, the Social & Environmental Report continues the tradition with a different approach. Presenting this report to you, our stakeholder, we believe that we have taken a step forward in understanding what sustainable development means for HELLENIC PETROLEUM.

Our stakeholders are the organisations, groups and individuals whom we affect and who affect us. They are a diverse group, including employees, suppliers, customers, investors, the media, local communities and governmental and non-governmental organisations.

We, at HELLENIC PETROLEUM, wish to reassure you, our stakeholders, for our determination to be a company that develops in harmony with the communities in which we operate. Our effort, during the last two years, to transform and develop HELLENIC PETROLEUM continues and focuses on the local communities, the quality of life and, of course, in open dialogue.

160 million euros have been invested in such projects. We extensively use the Best Available Techniques in order to assure the coexistence of the industrial facilities and the local communities.

It is our responsibility to invest by targeting on a timely response towards new health and safety requirements or environmental protection measures, over and above the obligations imposed by regulations and legislation. This approach, as far as sustainability is concerned, is a real contribution to our stakeholders.

We realize that there is still a long way to go before all aspects of sustainable development have become integrated into our business. If we are to continue to be successful in the future, we will have to continue addressing the needs of our stakeholders and both be aware of and respect the values of our society.

We are close to the local communities and we see no contradiction in being profitable, transparent and ethical. Our contribution to society is amongst our primary objectives.

Having this perception, in the near future, we shall focus on the needs of areas like Western Attica and Western Thessaloniki, where the heart of our business activities lies. It is our belief that a modern company is to be considered successful when it contributes to the communities that surround it.

Sustainability is an issue referred to throughout this report, whether it is over the discussion on production or energy conservation, the communities where we work or the safety of our people. Realizing that there is no contradiction between business development and respect to the environment, we invest continuously in projects related to the environmental protection and sustainability. During the last five years

A peek at HELLENIC PETROLEUM

Today, HELLENIC PETROLEUM is a dynamic Group, with solid foundations and a continuous profitability that holds a leading position in the Greek energy sector as well as in the greater area of Southeast Europe.

Its activities date back in 1958, when the government decided to establish the first oil refinery in the country, in Aspropyrgos, Attika.

Later on, Hellenic Aspropyrgos Refineries S.A. (ELDA) undertook the refining, supply and marketing of refined products, which later on were fully controlled, on behalf of the State, by the established PUBLIC PETROLEUM CORPORATION S.A. (DEP). During the following years, DEP is transformed to a group with the founding of DEP-EKY, assigned to exercise the State's rights for hydrocarbon exploration and production, and with the founding of the PUBLIC GAS CORPORATION (DEPA), responsible for the supply and distribution of natural gas in Greece. Additionally, the company ESSO was acquired by the State and renamed EKO.

HELLENIC PETROLEUM group of companies is one of the largest industrial and commercial groups in Greece nowadays with:

- Three refineries in Greece and one abroad
- Strong position in the domestic oil products market
- Remarkable co-operation abroad for hydrocarbon exploration and production and exclusive rights in Greece
- Prevailing position in petrochemicals / chemicals
- Offer of specialized services for industrial investments
- Electric power production
- Promotion of natural gas
- Participation in transportation of crude oil and products (pipelines, maritime transportation).



1998 is the year of significant structural changes that are due to signalise the Group's future development. DEP is renamed HELLENIC PETROLEUM S.A. and merges with DEP-EKY, ELDA and EKO (Refining and Chemicals).

HELLENIC PETROLEUM S.A. is listed in Athens and London Stock Exchanges and floats a 23% of its share capital.

In the following years the company has been developed rapidly, either through the acquisition of companies, such as the acquisition of 54% of OKTA refinery in Skopje, or through the establishment or participation in companies in Greece and abroad.

In 2003 PETROLA HELLAS S.A. was merged by absorption, thus the Group, apart from the two refineries that operates in Aspropyrgos and Thessaloniki, acquires a new refinery in Greece, located in Elefsina.

The modern technical infrastructure, the state-of-the-art technology, the qualified and specialized personnel, the high quality of products and services, the healthy financial base and its dominate position in the market, provide the most fertile ground for the fruition of the Group's carefully planned initiatives.

Brief Financial Data 2005

(amounts in million €)

Sales proceeds	6,653
EBITDA, pro forma	671
Net profit, pro forma	334
Capital employed	2,956
Net borrowing	700
Number of employees (in Greece)	3,578
Number of employees (total)	5,516



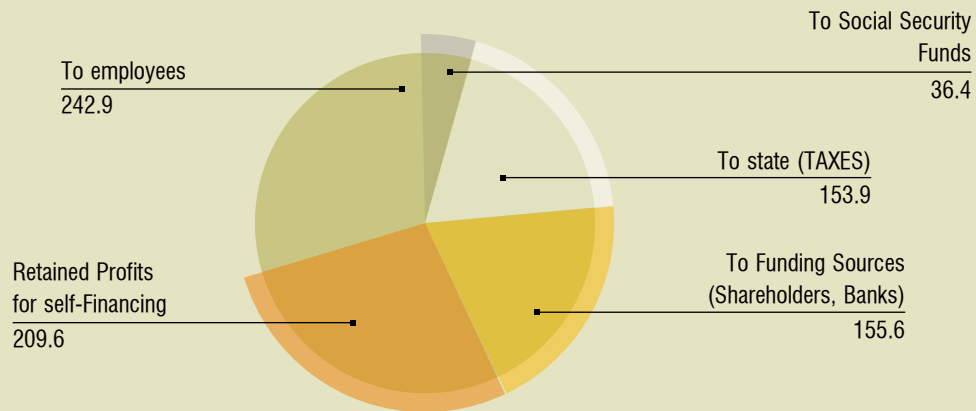
Our Values

- Transparency in all areas
- Know-how of all the sectors
- Encouragement of knowledge
- Studies and research for new and improved technologies
- Predominant emphasis on people as a factor
- Protection and respect of the environment
- Effort for continuous improvement and development
- Trust and respect for the client

A contribution to society through our products (social product)

HELLENIC PETROLEUM's dominant position implies a strong, direct contribution to the national economy. The HELLENIC PETROLEUM's direct contribution to society (by means of taxes, social security, wages, shareholders dividends, etc), in m€, in 2005 is as follows:

Composition of the Social Product



Apart from the above financial contribution, HELLENIC PETROLEUM by making significant investments in new products, enhancing existing ones, further improving production and environmental processes, exploring new technologies and by expanding and renovating facilities thus creates secondary revenues, new job opportunities and reduces the dependence on foreign companies.

Corporate Governance

The Board of Directors is the ultimate decision-making body of the company, reporting to the shareholders and protecting their interests taking into account the company's overall performance and society's needs. The CEO recommends the senior management team, whose task is the conduct of the company's business, after receiving approval by the BoD. Having approved the senior management team, the BoD monitors its performance and makes decisions. Currently, different persons hold the positions of Chairman of the Board and Chief Executive Officer. The function of the BoD is complemented by the presence of two non-executive and non-executive independent Directors of stature. Among them, two members of the BoD represent the minority shareholder and two members represent the employees.

It is the general policy of the company that the Board as a whole consider all major decisions. As a consequence only a limited number of committees facilitate its function.

The BoD appoints the members and chairs of these committees.

The chair of the committee determines the frequency, length and agenda of the meetings of each of the committees. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently prior to the meeting, where necessary, to allow the members to prepare for a discussion on the items at the meeting.

The BoD determines the responsibilities of each of the committees. Each committee, regularly, informs and reports. The Surveillance of Audit Dept. Committee supervises the Internal Audit Department, in accordance with the law (N3016/2002) and its functions. A national and an international auditing firm annually verify the company's financial statements.

The Compensation & Succession Planning Committee introduces, to the BoD, annual and long-term performance goals and objectives for executives and provides with an assessment and evaluation of the junior and senior management.

Currently these committees are:

- The Executive Committee
- The Surveillance of Internal Audit Department Committee
- The Compensation & Succession Planning Committee
- The Financial and Economics Planning and
- Crude and Petroleum Products Procurement Committee.

The Executive Committee performs the duties and exercises the powers delegated to it by the Board of Directors.

The Chairman and the CEO are responsible for establishing effective communications with the company's stakeholder groups, such as shareholders, customers, employees, company associates, communities, suppliers, creditors, governments and corporate partners.

Key Financial Data

Key Income Statement Items				
<i>million €</i>	2005	2004	2003	2002
Net Sales	6,653	4,907	3,895	3,186
Operating Profit	526.4	210.8	260.0	182.7
Profit before Income Tax	494.8	239.7	297.2	215.8
Profit for the year	340.4	130.8	209.0	134.4

Key Balance Sheet Items				
<i>million €</i>	2005	2004	2003	2002
Non - Current Assets	1,939	1,770	1,644	1,357
Current Assets	2,281	1,512	1,352	1,124
Total Assets	4,190	3,281	2,996	2,481
Total Equity	2,257	1,950	1,884	1,415
Current Liabilities	1,174	802	649	789
Non - Current Liabilities	759	530	463	276

Sales Volumes

Refinery, Marketing and Petrochemical Sales Volumes

Refineries Sales Volumes				
<i>000 tons</i>	2005	2004	2003	2002
Greek Refineries Sales				
Inland Market	10,494	10,634	9,272	8,151
Aviation and Bunkers	3,182	3,219	1,889	1,409
Exports	1,210	1,676	1,401	1,001
Other Sales	445	428	621	563
Greek Refineries Sales	15,331	15,958	13,183	11,123
OKTA Sales	982	822	936	763
Total Refineries Sales	16,313	16,780	14,119	11,886

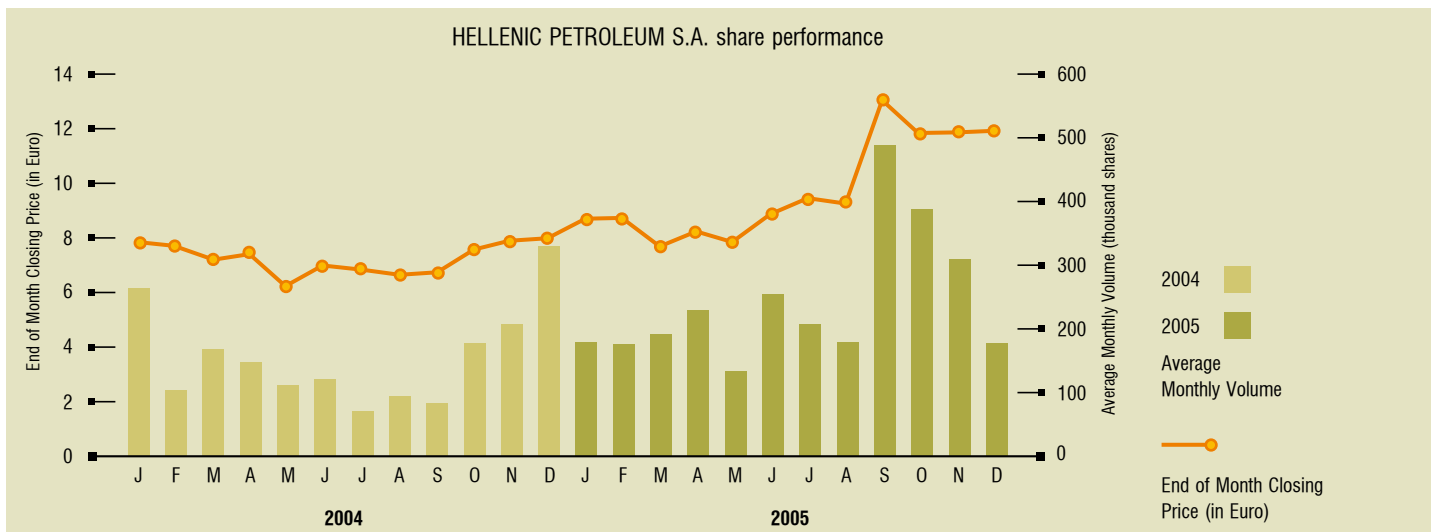
Petrola consolidated since 4th Q 2003

Marketing Sales Volumes				
<i>000 tons</i>	2005	2004	2003	2002
Greek Marketing Sales				
Inland Market	2,180	2,184	2,249	2,045
Aviation and Bunkers	1,735	1,788	1,729	1,635
Total Greek Marketing Sales	3,915	3,971	3,978	3,680
Exports	19	88	198	403
Total Marketing Sales	3,964	4,060	4,176	4,083

Chemicals Sales Volumes				
<i>000 tons</i>	2005	2004	2003	2002
Polypropylene	160	149	167	107
BOPP	22	22	20	22
PVC	60	77	71	60
Solvents	73	80	70	74
Inorganics	60	58	63	53
Others	8	6	5	5
Total Chemicals Sales	382	393	396	321

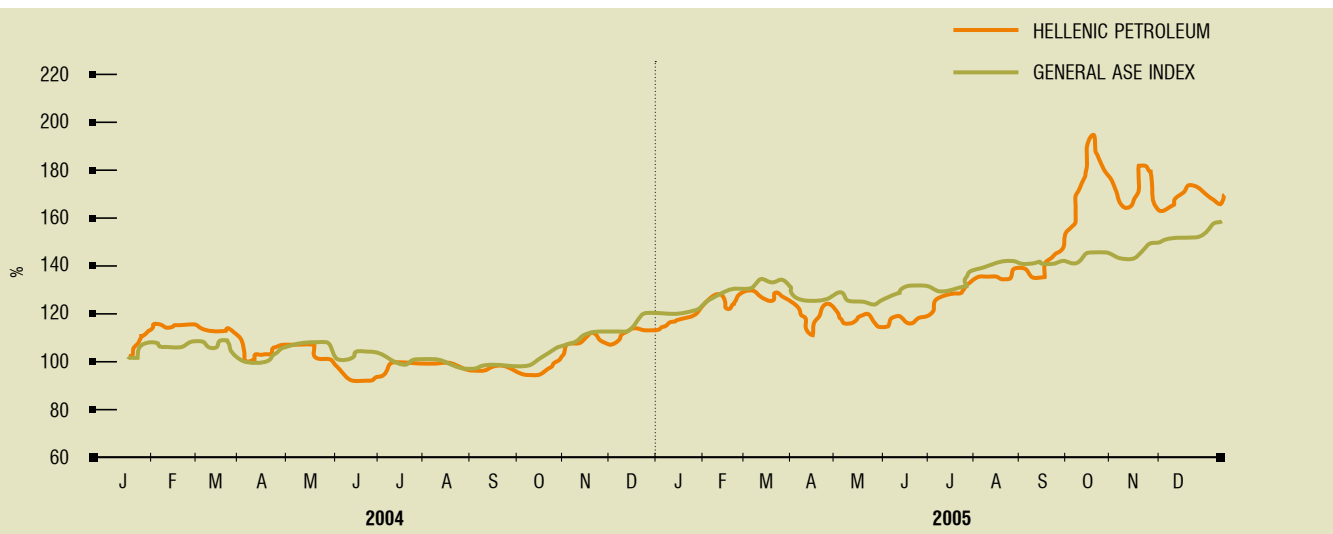
Diagram of HELLENIC PETROLEUM share performance

The following diagram shows the closing share price, at the end of each month and the average monthly volume of HELLENIC PETROLEUM shares traded in 2005.



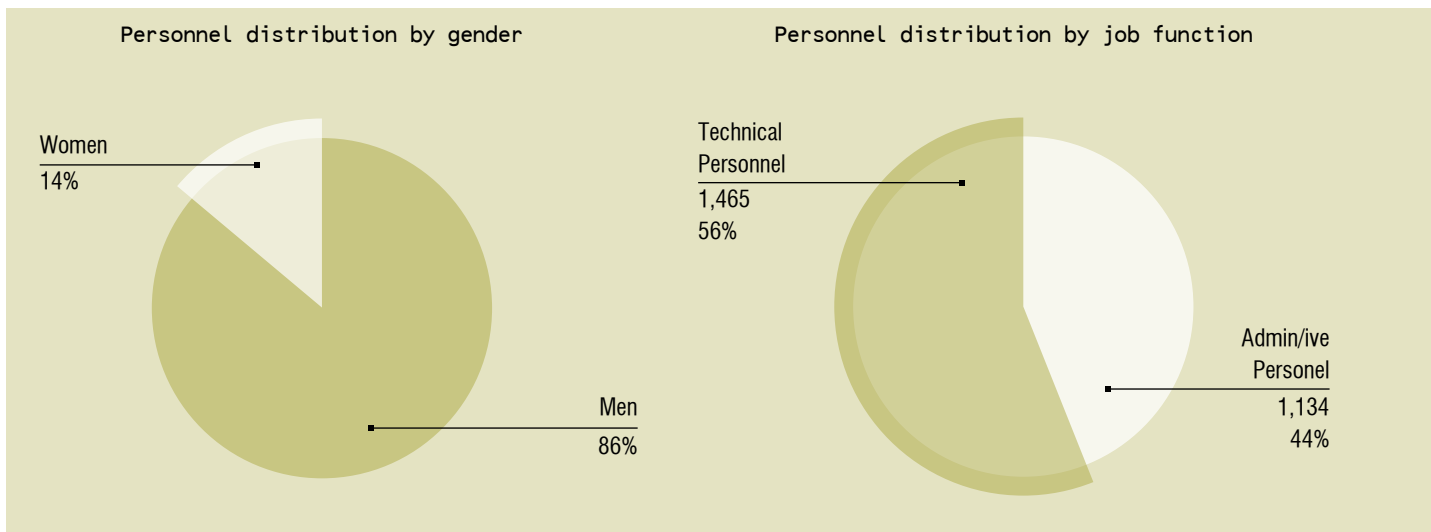
Comparative performance of HELLENIC PETROLEUM share and A.S.E. General Index up to December 31st, 2005

Following is the performance of the share of HELLENIC PETROLEUM compared with the performance of the Athens Stock Exchange General Index, in 2005.



Human Resources

HELLENIC PETROLEUM is a large, fast developing dynamic Company with promising prospects for the future. The investment in human capital and its proper utilization, is crucial for its course of development. The vision, the values and the operational objectives of HELLENIC PETROLEUM are indissolubly linked to the effectiveness and the quality of its staff. Therefore, we are focused on formulating a flexible staff management policy aiming at ensuring the highest job satisfaction possible.



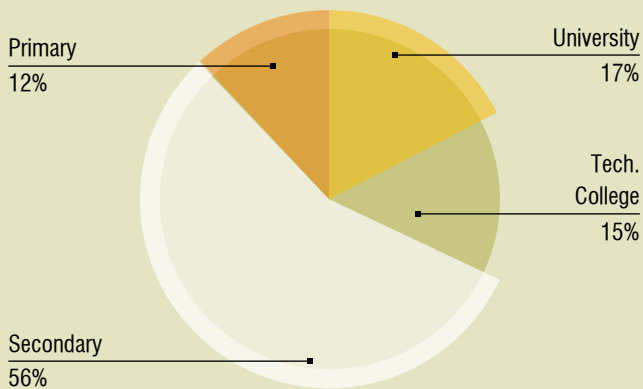
Business Integrity

A number of significant changes, concerning the human resources development, were introduced in 2005. The Development Department, in the frame of the company's business policy, implemented a series of policies and procedures. The long list of such new policies and procedures includes:

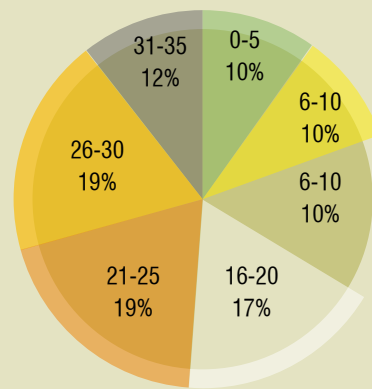
- Implementation of a state of the art procedure concerning the recruitment and the selection of personnel.
- Implementation of the "succession planning procedure".
- Review of the employee evaluation procedure.
- Implementation of an integrated performance evaluation scheme for the managers and executives at all levels. This evaluation is both quantitative (performance, objectives, goals) and qualitative, (skills, competencies, talents, behaviour).
- Implementation of a new policy, concerning the stock option plan, directly connected with performance and evaluation.

"Beyond our very positive results which, to a large extent, are the result of a careful economic planning, I'd like to point out that basic company policy is completely transparent in the management of all our activities. We are what we appear to be. There is nothing that anyone knows of concerning the manner in which the company operates and its policy that is not clear and that is not to public knowledge", (extract from interview of the HELLENIC PETROLEUM's Chairman to the newspaper "New Europe" on 26.02.06).

Personnel distribution by level of education



Personnel distribution by no of service years



Core Labour Standards

HELLENIC PETROLEUM values the benefits of a diversified workforce and gives fair consideration for employment and contract opportunities to individuals and businesses.

At the same time, we, at HELLENIC PETROLEUM, respect people and build upon individual differences. We know this is a challenge. For example, it is difficult to quickly increase gender diversity in the traditionally male dominated refinery sector. The human resources processes are designed to ensure equality of opportunity and they track data (on gender, education, etc) in order to monitor the trend.

HELLENIC PETROLEUM has established an objective remuneration scheme based solely on the employee's position and performance.

The annual employee appraisal is based on reliable assessment methods and combines personal and corporate goals.

Since its establishment, HELLENIC PETROLEUM has supported initiatives and actions that promote the concept of Corporate Social Responsibility. In 2005 HELLENIC PETROLEUM became an active member of the HELLENIC Network for CSR, (a member of CSR Europe).

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 Internal Employment Regulation was put into effect.



Due to rapid globalisation, HELLENIC PETROLEUM has had to confront an increasing variety of economic and social realities. In order to be effective we have to work in partnership. In choosing our partners, whatever their size or reputation, we pay great attention to quality and credibility. We, also, prefer partners who share the same values and principles as HELLENIC PETROLEUM does.



Working Environment

Occupational Health and Safety

At HELLENIC PETROLEUM our first priority is the health and safety of our employees and the communities around our facilities. We aim to provide a safe workplace for all employees. The existing and operating 'Occupational Health and Safety Management System' (OHSMS) gives the possibility to identify, manage and control potential risks. Individual employees are made aware of the risks they face and the actions that are taken to minimise those risks.

All operations are in accordance with all relevant national and european legislation and other broadly recognised relevant codes and practices. The above legislation, codes and standards enable us to identify and control Occupational Health and Safety risks, prepare emergency response plans, and improve our performance. The identified occupational hazards are categorized against predefined criteria that comply with legislative and regulatory requirements.

Our Health and Safety Policy proves management and personnel commitment and is regularly reviewed and revised. Scheduled audits are carried out by the Department of Health and Safety, of each installation, and by independent, globally recognized, external auditors with a sub-

In both refineries and offices, Health and Safety data is recorded and maintained and the Divisions of Health, Safety and Environment and third party auditors closely monitor our performance. All accidents or near misses are reported and investigated. Corrective actions are taken to avoid recurrence. All incidents are statistically analysed in order to improve safety performance. Health and Safety information is communicated and shared across the business. Each refinery sets measurable targets for improving its Health and Safety performance. Performance against targets is reviewed and reported annually. Moreover, HELLENIC PETROLEUM participates in the CONCAWE's* (CONserva-tion of Clean Air and Water in Europe) annual survey and benchmarking for accidents in the oil sector.



stantial knowledge of the business. In an attempt to disseminate expertise, know-how and good practices, since 2006, peer-audits among the HELLENIC PETROLEUM's refineries are implemented. Moreover, a third party audit from Shell Global Solutions took place in 2004.

To ensure the Health and Safety of our people we go a step further than regulations and legislation impose. In this sense, a Hazard and Operability Study (HAZOP) is a prerequisite for any new unit or major revamps of existing units. During operations, internal procedures assure safety rules are kept.

Since 2002, work related accidents were reduced from 22 to 16. This amounts to 3.5 lost workday accidents per one million work hours (LWIF), which is close to the average rate for European Refineries. The following charts show the continuous reduction of the accident indices LWIF* and AIF**, from 2002 until 2005, compared with the CONCAWE*** indices.

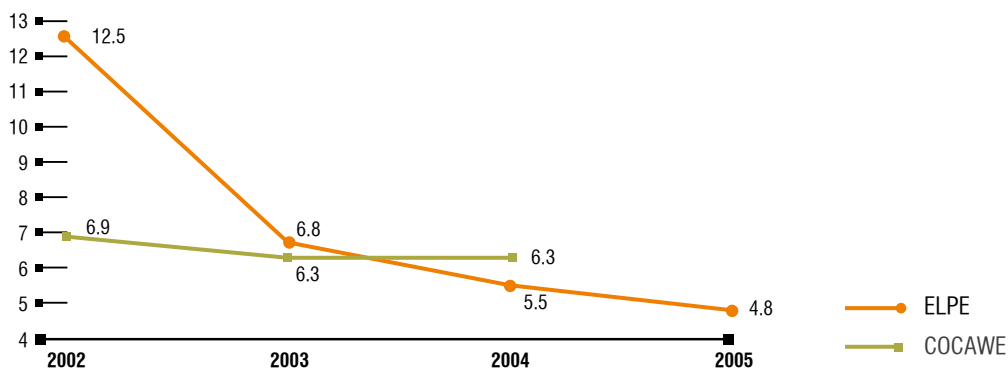
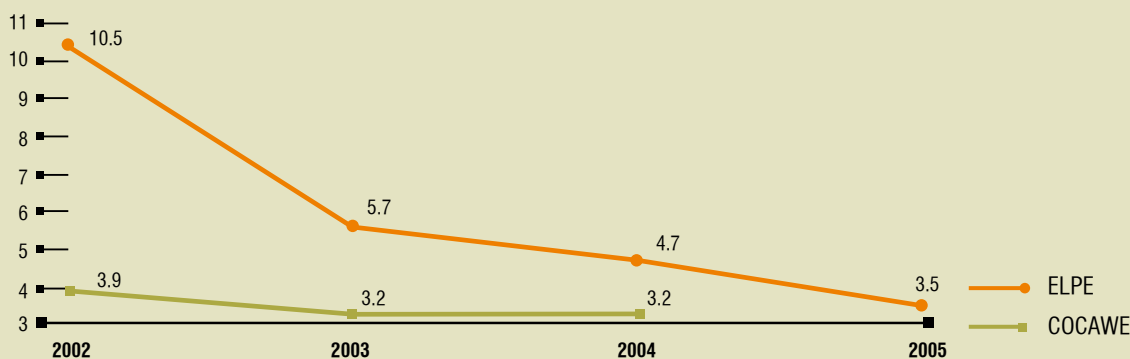
To control major accident hazards, in the light of SEVESO II European Union Directive, safety studies at all HELLENIC PETROLEUM's sites, have been worked out, submitted and registered to the relevant authorities. The competent authorities have successfully carried out SEVESO II inspections, in all the refineries. Emergency plans and relevant evacuation plans, covering different scenarios (earthquake, fire etc), have been drawn up for both refineries and offices. The periodic fire-safety drills and evacuation drills, jointly with the Fire Brigade, assure well-trained staff and equipment adequate for any incident.

* LWIF: Lost Workday Injury Frequency.

** AIF: All Injury Frequency Index includes all recordable injuries (fatalities, lost workday injuries, restricted injuries and medical treatment cases).

*** CONCAWE: The oil companies European Association for Environment, Health and Safety in refining and distribution.

Charts of accident indices LWIF, AIF



Personnel's training also includes, and is not necessarily limited to, the use, the maintenance and the limitations of the personal protection equipment.

In years 2004-2005, HELLENIC PETROLEUM participated in the following joint programmes:

- Safety training and evaluation of contractors, in cooperation with the Motor Oil refinery and the Public Gas Corporation.
- Establishment of SEVESO II inspections in cooperation with the competent authorities and the Polytechnic School of Crete.
- European Development Programme SHAPE RISK for the combined application of IPPC, SEVESO II and ATEX, with "Democritos" Research Centre for Physical Sciences.
- Scheduled meetings on Safety, Health and Environment, with the participation of the competent authorities, the Greek refineries and the Public Gas Corporation.

matters of safety, health and environment. These meetings began as HELLENIC PETROLEUM's initiative, on a voluntary basis, and with the participation of all Greek refineries and the competent national and local authorities.

- Establishment of general rules on Personal Protective Equipment issues at all industrial installations.
- Submission and approval, by the Ministry of Employment and Social Protection, of a new revised proposal for the creation of an Internal Protection and Prevention Service, by HELLENIC PETROLEUM.
- Completion of the SEVESO II inspections, mentioned above, at all refineries.
- Implementation of the International Ship & Port facility Security (ISPS) code for the security of all Company's port facilities.
- Greek and European Legislation is followed-up and the viewpoints of the Company are communicated, through the Permanent Greek Representation, the "Oil Companies' European Association for environment, health and safety in refining and distribution" (CONCAWE), and the European Petroleum Industry Association (EUROPIA), where HELLENIC PETROLEUM is a member.



Among the main activities, concerning Occupational Health & Safety, in 2005, were the following:

- Revision of HELLENIC PETROLEUM's policy on Health, Safety and the Environment.
- Improved version of the general accident reporting procedure.
- Revision of Material Safety Data Sheets for all products (MSDAs) in accordance with legislative requirements and issue of MSDAs for new chemical substances used at the installations.
- Completion of procedure for declassification of TAME (Tetra Amyl Methyl Ether) as toxic for reproduction, following the intervention of the Consortium of TAME producers at the E.U., in which HELLENIC PETROLEUM also participated.
- Establishment of a forum, with scheduled meetings, for the cooperation among refineries and the exchange of ideas and BATs in



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.

The 2005 investment, in education and training was 1,256,523€. A total of 657 individuals received 13,285 training hours. Moreover, 61 employees received 1651 hours of training abroad. The training subjects covered issues related to informatics, management, safety, maintenance, finance, labour and technological developments.

A 50% of the employees attended on-the-job-training seminars regarding safety, health and fire drills.

Indicatively, the training and educational programmes are related with:

- 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 examples of accidents at workplace.
- Readiness drills for the members of the emergency teams using hypothetical event scenarios.
- Learning of foreign languages.
- Joint drills among the country's refineries and the National Search Rescue Team to face up major accidents.
- Evacuation drills (both partial and full) at all sites.



In 2005, the average amount spent on training and education, per employee, was approximately 490€.

The necessary training programs are implemented through an integrated educational plan that will eventually turn HELLENIC PETROLEUM to a "Learning Organization". Education and training needs are investigated; the programmes are planned and implemented on the basis of the Company's strategic planning and the Company's short and long-term needs. In this context, 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.

- 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.

Working Conditions

HELLENIC PETROLEUM believes it offers a compelling and unique work environment. Aiming to evaluate our ability to attract and retain high performing employees, starting in 2005, we participated in the “Best Workplaces” survey. Exploiting the results we focus on three main areas: attracting and retaining the right skills and employees, developing the right tools to ensure the best possible use of the company’s knowledge, and assuring employee satisfaction.

In 2005, overtime work was reduced by 19%, in comparison to 2004.

In all HELLENIC PETROLEUM’s facilities there is a no-smoking policy. Despite this, there is provision for smoking areas in the facilities.

Every refinery has its own infirmary, operating 24 hours a day, staffed with physicians and nurses and adequately equipped in order to handle emergency cases and provide immediate medical assistance to employees. An ambulance is also available in case an immediate transfer to hospital is necessary.

Quality, and the continuous effort for its improvement, is HELLENIC PETROLEUM’s firm commitment and an every day care for all personnel. The company’s Policy on Quality is monitored and reviewed as necessary. The Quality Management System (SDP), at the Thessaloniki’s refinery, has been audit in accordance with the standard ISO 9001, by the Hellenic Standardization Organization and its registration was renewed. The Quality Management System of the Chemicals Factory was improved according to the findings of the annual audit, by ELOT. The management reviewed the Quality Management Systems, of the Thessaloniki’s refinery and the Chemicals Factory, and the proposals for improvements were implemented

HELLENIC PETROLEUM complies with all legislative and regulatory requirements carrying out measurements concerning physical and chemical factors. In addition to these measurements, the Greek Institute for Occupational Health and Safety (ELINYAE), carries out third party measurements of harmful physical and chemical factors, in the frame of the project Evaluation of Occupational Hazards at Oil Products, (Aspropyrgos refinery). An external laboratory performs an annual preventive chemical analysis of potable water.

Moreover, the University of Athens carried out measurements concerning concentration of particles, CO, organic volatile substances and air supply, in certain buildings.

Employee Satisfaction

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.

HELLENIC PETROLEUM recognises that effective two-way communication is crucial for a successful operation. Means of information are bulletins, intranet, newsletter and announcements. Intranet sites are available, for information, to employees and are updated daily. Bulletin boards are available in every building and workplace.

In an ever-developing business environment, HELLENIC PETROLEUM provides opportunities for personal and professional development. By evaluating the performance, skills and capabilities of the staff, the Company, provides them with the opportunity to rise through the administration hierarchy. The main aim is to fill open job posts through promotions within the Company, when and wherever is possible. Moreover, pay rise and promotion are based on internal procedures.

The newly recruited workers within the first six (6) months following their recruitment are on a probationary period, in order to make clear whether they are appropriate for the job and to evaluate their performance, their capacity to use their knowledge and experience when performing their duties, their interest and their commitment to the job. Three months after the recruitment they are being evaluated by their supervisors and at the end of the probationary period, they are integrated in the regular staff, if they are considered appropriate.

After scheduling the needs in human resources, the BoD decides and approves the number, the fields of expertise and the required qualifications of the persons to be recruited. Open or new job positions are filled in according to the corporate policy and in the framework of the Internal Employment Regulation.

Compensation & Benefits

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 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 equivalent to 3,549 monthly salaries and holiday pay increased by 0,12
- Low interest rate on small loans
- Operation of infirmaries staffed with physicians and nurses qualified to handle emergencies

- Special events are organized for the operators (and their families) who work shifts on Christmas Eve, New Year's Eve, etc
- Gifts to employees with 15, 20 or 30 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

Amongst our many social benefits we are also committed to a family-friendly personnel policy, which includes:

- Summer-camp allowance 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.
- Awards to employees' children that excel in their studies at school and to first year students.
- Social events for employees' children and / or families.



- 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
- Leisure, cultural and athletic activities for employees and their families
- 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

- Extra financial support (by means of shopping vouchers) for families with more than 3 children.
- Extra financial support to employees based on marriage, having a baby, etc.

Community Involvement

We, at HELLENIC PETROLEUM, believe that the communities where we operate should benefit from our operations through the generation of employment, business opportunities and taxes. The belief that our responsibility to society extends well beyond simply offering products is part of our corporate culture. Actively helping to shape a future worth living is thus one of our guiding principles.

HELLENIC PETROLEUM provides funding to support athletic organizations, nonprofit cultural bodies and educational organizations. In 2005 our total community investment exceeded 280.000€. Understanding our role in the communities where we operate, we allocated an additional amount of approximately 190.000€ to them.

The long list of projects supported, in 2005, includes:

- Financial support to the Pan-HELLENIC Association of the Physically Handicapped Athletes (PASKA)
- Donations regarding dustcarts and weighing platform for trucks
- For three years in a row, financial aid to Charitable Foundations instead of corporate gifts
- Land hiring for the construction of a waste (packing material) management unit
- Road cutting in the municipality of Megara (area "Iremo Kyma")
- Financial aid to the seminal environmental campsite "Ambassadors for the Environment"
- Financial support to the Association for the Psychosocial Health of Children & Adolescents (EPSYPE) on the International Children's Day
- Financial aid regarding prizes to detainees' work
- Offer of heating oil to schools of the neighbouring municipalities
- Financial support to the Greek-Orthodox Church in Libya



- Publication of two albums concerning "Pontus" and the "Industrial Complex of Thessalonica"
- Financial support to the Schlumberger Children Library in Elefsina
- Financial support and/or participation to conferences mainly on energy issues.
- Financial support to festivities in Elefsina and other communities



All the above activities were accompanied with various other events, such as hosting, guided tours for educational purposes and lectures. The company has also responded cordially to various events regarding elementary and high school pupils, college and university students or professional unions. It has also offered financial support to professional agencies, cultural and social associations, charitable foundations, non profit institutions and independent unions.

At HELLENIC PETROLEUM's headquarters a number of approximately 100 enquiries were received, in 2005, from individuals, schools, athletic unions/teams and organisations. Our businesses and individual sites also made donations to support local charities and community initiatives. The community involvement activities can be summarised as support and donations (either in cash or goods), and community relations. Many of these activities support sports programmes and cultural events, but in general, all are focused on helping people perform to their best and to reach their full potential as individuals and members of their communities.

HELLENIC PETROLEUM, as an active and responsible corporate citizen, cooperates with higher education institutions. In this frame provides opportunities for the training of students (vocational training) in a variety of roles throughout the year. During placement period (practical training) ranging from one to six months, the trainees are exposed to the industry environment (the world of work), participate in projects or work teams, are trained or coached in order to be able to decide for their next step. Experienced HELLENIC PETROLEUM's employees devote time to tutoring apprentices. In 2005, 455 training placements were offered to students compared with the 272 training placements that were offered in 2004, at our facilities.

Moreover, HELLENIC PETROLEUM, acting as a corporate citizen, hosted 95 visits from schools and technical colleges, during 2005. Approximately 2350 pupils and 1250 students and professionals, toured the refineries and were informed about HELLENIC PETROLEUM's contribution to research, technology, the society and the environment. A dedicated booklet was published, in order to inform the pupils and students about the HELLENIC PETROLEUM's activities, its contribution to the environmental issues and its role in the society.



Environment, Greenhouse Gas Emissions

HELLENIC's PETROLEUM basic purpose is to provide energy for the society needs, to assure the stakeholders economic growth and satisfaction and, at the same time, to minimize its impact to the environment.

In the last 30 years, HELLENIC PETROLEUM, as regards its business activities, has shown particular sensitivity towards the protection of the environment. The company assures that its production cares as well as the continuous investments and its performance in this field, are in direct correlation with environmental protection.

HELLENIC PETROLEUM operates within the frame of National and European environmental legislation. HELLENIC PETROLEUM abides by the current regulations and through its investment programme, ensures immediate re/action to new requirements and to the implementation of projects concerning the protection of the environment, over and above the current legislation.

When decisions are made, for any new unit or major revamps of existing units, technologies that minimise any environmental impact are chosen. The 'Best Available Techniques' (BATs) are chosen and we are proud to say that our refineries are pioneer in the application of BATs in the country.

The necessity for quality control of our products, minimisation of pollution and security of our installations made us introduce an advanced 'Distributed Control System' (DCS), which assures extreme reliability in the operation and avoidance of unnecessary shut downs, which cause pollution and accident risks.

Establishing 'Environmental Measuring Stations', in the vicinity of the refineries and using measuring and monitoring devices in the refineries, assure continuous on-line measurement of air pollution. Data concerning measurements of particles PM_{10} , NO_2 , NO_x , H_2S , SO_2 and CO is recorded and annual reports are submitted to the relevant authorities.

Furthermore, detailed plans for the prevention of environmental pollution at the seaport terminals have been issued and they are regularly reviewed. Relevant drills simulating fuel leakage are scheduled. Similar care has been taken to avoid spillages to subsoil and groundwater and a relevant monitoring programme is applied to all installations.

In Aspropyrgos refinery, the environmental investments in the '80s were in the region of 150 m\$US. In the period 1998-2004 the company invested 190 m\$US in environmental protection projects. For the period 2005-2010 the environmental protection investment programme is budgeted to 180 m\$US. In addition to the above mentioned, there are investments in the production process, in order to further reduce the SO_2 and particles emissions.

An Environmental Management System (EMAS) was planned and implemented at Elefsina refinery. The Elefsina industrial complex is the first EMAS certified refinery, in our country. The implementation of EMAS is in progress to the rest HELLENIC PETROLEUM refineries.



Energy use

Energy use is an issue that has major environmental impact especially when living standards rely on carbon-based fuels. Actions to tackle Greenhouse Gases Emissions and Climate Change issues are essential due to the fact that our production operations are related to burning fuels. Creating a more energy efficient culture involves steps to improve and control things. In the frame of these actions we identify areas where we can make energy efficiency improvement and we invest the required resources.

For the past two decades the projects to save up energy, the rational use of fuel energy, the fuel use management and the improvements in energy efficiency led to energy optimisation at the operation of the refineries.

The percentage of fuel self –consumption is at the same level with the international standards (the numbers for the Aspropyrgos, Thessaloniki and Elefsina refineries are 6%, 3.5% and 2.2%), while the use of refinery gas is maximized. Based upon these findings all three refineries have maximised their energy efficiency.

Utilising the refinery gas, at Aspropyrgos refinery, two gas turbines produce electricity and steam in order to make the refinery electricity self sufficient. At the same time the environmental impact, due to the Public Power Corporation current fluctuation, is minimised. Moreover, the CO₂ emission, at a national level, is reduced by 230,000 tn/yr.

In a survey, concerning the energy efficiency of refineries in Europe, Africa and the Middle East, conducted by Solomon in 2005, the HELLENIC PETROLEUM refineries were listed with an Energy Intensity Index of 82 (in a range of 53 minimum and 175 maximum).

Recycling projects, concerning oil by-products, catalysts, paper and batteries are in operation in all HELLENIC PETROLEUM installations. Implementing recycling projects, wherever is possible, waste minimisation has been achieved.



During 1998-2001 the investment on energy saving projects, for the Aspropyrgos refinery, were 14.4 m\$US and the saved energy was 35,927 tn FO/yr, with a reduction of 114,607 tn CO₂/yr.

During 2004-2008 the investment on energy saving projects, for all three refineries, shall be 17.7 m\$US and the projected energy saving shall be 10,288 tn FOeq/yr with a reduction of 32,819 tn CO₂/yr. The above forecast of energy saving is rather small and confirms the small margin for further energy efficiency optimisation.

Water consumption and effluent discharge

HELLENIC PETROLEUM's care for the rational industrial use of potable water is continuous. In the last 15 years, projects for water recycling are implemented and the volume of the effluent discharge has been reduced with a relevant reduction in the potable water consumption.

Indicative list of measures taken for the reduction of usage of water follows:

- Maintenance programme of the pipes network in order to minimize leakages. As an example, at Aspropyrgos refinery, a 40% of savings in water consumption has been achieved.
- The required water, at the desalination process of the crude oil, has been replaced with recycled water, from the sour water stripper unit. For all three refineries there is a total of 40,000 m³/month saved water.
- Pipelines are used for product transfer between the installations. During this procedure a significant quantity of water is used for the washing of these pipelines, before the introduction of a different

In addition, the following actions took place:

- Implementation of a programme for equipment leakage detection and repair (LDAR), in all three refineries.
- Implementation of a monitoring programme, concerning groundwater protection including measures and techniques in order to protect it.
- An e-library, with European and National Environmental Legislation, was created in order to keep the company personnel well informed.



product. A project has begun for the usage of a pigging system, in order to replace the water cleaning process. It is estimated that an amount of 4,000-m³/month water will be saved for an 12 inch pipeline used for this transfer.

- Effluent water is used as service water, for fire fighting, watering, floor washing, etc. The water saved, by means of this usage, at Aspropyrgos refinery, is estimated around 22,000 m³/month.

Within the framework of HELLENIC PETROLEUM's policy for the protection of the environment, the following actions were taken:

- Cooperation with other industries, associations or unions in order to prepare positions and views on issues of common interest.
- Cooperation with the competent authorities (Ministry of Development, Ministry of Environment, Physical Planning & Public Works, Ministry of Labour, Ministry of Merchantile Marine, Fire Brigade Headquarters etc.). In this manner, HELLENIC PETROLEUM functions as a coordinator of the country's refineries for the drafting of new regulations and the revision of existing ones.
- Participation to ministerial studies. An example is the study (of the Ministry of the Environment and Public Works) concerning EPER, volatile organic compounds, annual environmental reports, management plans for solid waste.
- Participating in different working groups of the European Oil Industry Association (EUROPIA), forwards views and positions on important, for both the company and the country, issues. Such issues are the regulation for Chemical Substances (REACH), the legislation concerning the Carbon Dioxide Emission Trading, etc. HELLENIC PETROLEUM is a member of the EUROPIA's BoD.
- Participation in the relevant UN committee for the climatic change, in the relevant working groups for the Best Available Techniques, in the inter-ministerial committee for the CO₂ and the pertinent EU directive.

Mapping out the HELLENIC PETROLEUM's environmental policy and strategy, each project and idea is evaluated, in advance, in order to assess the possible environmental impact. We operate and invest based on the principle of sustainability for the good of HELLENIC PETROLEUM, society and the environment.



Feedback info

This Social & Environmental Report 2005 is targeted at all stakeholders wishing to follow HELLENIC PETROLEUM's performance in these areas. We welcome feedback and suggestions that can help us improve this report.

Contact us:

Department of Public & Corporate Affairs
17th km Athens-Corinth National Highway, GR-193 00
Aspropyrgos, Greece
Tel.: (+30)210 5539 293, (+30)210 5539 290
Fax: (+30)210 5539 240
e-mail: info@hellenic-petroleum.gr