

ENVIRONMENTAL
and SOCIAL REPORT 2006



planning for a sustainable future

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Planning for a sustainable future

by implementing a consistent strategy

led by the people at MOTOR OIL

aiming at

creating value

for all stakeholders

INTRODUCTION

At MOTOR OIL, we believe that running the business responsibly means complying with the principles and objectives of both Corporate Social Responsibility and Sustainable Development, the kind of development that pursues the meeting of today's needs without putting at stake the availability of resources for future generations. We believe that with a commitment to these principles, the company's ability for long-term value creation can continue on a sound foundation, and thus we proceed with firm and effective actions and growth plans to deliver our corporate targets, while paying due respect to our people, the environment and society as a whole.

This annual MOTOR OIL Environmental and Social Report for 2006, the fifth of the series, presents in detail the activities of the company and those of its subsidiary AVIN OIL, in caring for their employees, in matters of workplace Health and Safety, and in Environmental Protection activities. MOTOR OIL's collaboration with local communities in the areas where it conducts its business operations, as well as its contribution to society as a whole, is also described.

We believe that this fifth Environmental and Social Report is an appropriate demonstration of the fact that, in pursuing our strategy for value creation, we attach high significance to society, our people and the environment.



MOTOR OIL's PROFILE

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TIMELINE OF MOTOR OIL'S GROWTH

1972

Refinery begins operations. It comprises a crude oil distillation unit, base oils production unit and port facilities.

1975

Construction of a 100,000 barrels /day crude distillation unit and new storage facilities with a capacity of 1.5 million cubic metres.

1978

Construction of a catalytic reformer unit (further processing of naphtha for gasoline production).

1980

Commissioning of a catalytic cracking unit (for converting fuel oil to higher-value products).

1984

Construction of a power plant, burning fuel gas. Company granted the right to sell surplus energy to the national power grid.

1993

ISO 9002 quality certification for the entire range of the company's commercial and manufacturing activities.

1996

Purchase of 50% of the company's shares by Aramco Overseas Company B.V., a wholly-owned subsidiary of the Saudi Arabian Oil Company (Saudi Aramco). Relocation of head office to new modern facilities in Maroussi.

2000

Production of fuels conforming to EU specifications for 2000. New units were constructed and the naphtha reformer was upgraded into a continuous catalyst regeneration unit operating at 103-octane number. New central control room and installation of a Distributed Control System. The Environmental Management System is ISO 14001:1996 certified.

2001

Increase of the company's equity capital through public offer of shares and listing on the Athens Stock Exchange. Installation of a new gas turbine in the power production plant. Upgrade of the lubes vacuum distillation unit.

2003

Development of a Quality Management System, which was certified compliant with ISO 9001:2000 in January 2003.

2004

The refinery's Truck Loading Terminal begins operations. The Environmental Management System is recertified, according to ISO 14001:2004, for a further three years.

2005

A new Hydrocracker unit is commissioned, facilitating the production of clean fuels conforming to European Union specifications for 2005 and 2009. Motor Oil Holdings S.A. acquires the stake in MOTOR OIL previously held by Aramco Overseas Company B.V.

2006

Recertification, according to ISO 9001:2000 for three more years. ISO 17025:2005 certification of the refinery's chemical laboratory. Cooperation agreement signed with IBERDROLA S.A. of Spain for power production by KORINTHOS POWER S.A.

REFINERY HIGHLIGHTS

- Produces the full range of fuel products. It is one of the most complex and technologically advanced in Europe, having both Hydrocracking and Catalytic Cracking units and a Nelson Complexity Index of 12.0.
- Produces clean fuels (gasoline and automotive diesel) complying with EU clean fuels specifications for 2009.
- Environmental Management certification to ISO 14001:2004 and Quality Management certification to ISO 9001:2000 certification of the refinery's Chemical Laboratory to ISO 17025:2005.
- The only Greek refinery that produces base oils.
- Energy self-sufficient through installed generating capacity of 68.3 MW.
- Tank farm capacity of 2,200,000 cubic metres.
- Berthing facilities for tankers capable of handling vessels up to 450,000 DWT capacity.

MOTOR OIL's Corporate Vision and Mission, based on a consistent set of Values and Principles, have provided the framework that led us to continuous growth and value creation for all stakeholders. Combining a progressive perception on corporate responsibility with effective organisation, and with competent people and management, we effectively carry out our social role, we enhance our societal contribution and we pave the way for our future growth.

MISSION, PRINCIPLES AND VALUES

Since 1972, when MOTOR OIL began operating as an oil refiner and oil products marketer, it has always functioned with responsibility and integrity, and aimed for sustainable profitability and growth in a socially responsible way. Its Corporate Vision and Mission define the context which drives the planning and realization of its dynamic growth. Moreover, all its operations are guided by a set of firm Principles and Values that underpin its business activities.

Our Vision

- To establish the company as a leading oil refiner and oil trading enterprise in Greece and the greater Eastern Mediterranean region.

Our Corporate Mission

- To carry out our business operations so as to increase the company's enterprise value for the benefit of all stakeholders – shareholders, personnel, customers, suppliers, associates and partners, as well as the local and greater community – effectively exploiting both the refining technology and the product promotion and sales opportunities.
- To satisfy our customers' needs in an effective and responsible way, while at the same time expanding our market share of the domestic market.
- To be reliable, swift and flexible in our relationships with our people, our customers and suppliers, and the wider public, using practices that demonstrate responsibility and integrity, as well as respect for people and for the environment.



MOTOR OIL's Vision and Corporate Mission are underpinned by three basic **Principles**

■ **Respect for our people**

We recognise the value of our people and we promote their personal development within a safe working environment and an atmosphere of mutual trust and respect.

■ **Respect for the environment**

We recognise the value of our natural environment and commit ourselves to the implementation of effective operational procedures and technology for its protection.

■ **Transparency**

We operate responsibly and to high professional standards, fully respecting the principles of corporate governance.

The realization of the Vision and Corporate Mission is based on the following four corporate **Values**:

■ **Efficacy**

■ **Responsibility**

■ **Social responsibility**

■ **Integrity**

Efficacy

- Achieving defined objectives
- Creating value for shareholders and the society in general
- Protecting the environment
- Servicing customers' needs
- Providing a safe, pleasant and reciprocal workplace
- Promoting learning and innovation

Responsibility

- Customers
- Personnel
- Associates and partners
- Society



Social responsibility

- Respect for people and their needs
- Respect for the environment
- Pursuit of sustainable growth
- Ensuring that the company is an active and responsible corporate citizen

Integrity

- Respect for laws and regulations
- Applying the principles of corporate governance
- Honest and open communication
- Credibility and propriety in all company relations

MOTOR OIL IN BRIEF

The company plays a leading role in the oil refining sector, supplying the region with a wide range of high quality products. With a consolidated income, in 2006, equivalent to approximately 1.7% of Greece's GDP, it has developed into one of the main pillars of the national economy, and in parallel is a leading player in the broader region.

MOTOR OIL was established in 1970 and has been listed on the Athens Stock Exchange since 2001. It is included in the FTSE/ATHEX International Index, the FTSE/ATHEX-20 Index, the General Index (ATHEX Composite Index), and in other sectoral indices. Since May 2006 it has been a

component of the MSCI (Morgan Stanley Capital International) Index.

The company owns 100% of AVIN OIL shares and, directly or indirectly, is a shareholder at various participations in five other companies. One of these companies, KORINTHOS POWER S.A., has obtained an electricity production licence from the Ministry of Development, for an Aghioi Theodoroi/Corinth located 396 MW natural gas combined-cycle gas turbine power plant. In 2006, MOTOR OIL signed a corporation agreement with IBERDROLA S.A. of Spain covering electricity production, according to which IBERDROLA S.A. acquired a 70% stake in KORINTHOS POWER S.A.

The consistent and successful pursuit of MOTOR OIL's strategy has resulted in successively increased sales and profitability. The charts show the evolution of MOTOR OIL's sales volume by market and by product, and the progress of three key indicators of consolidated performance – Turnover, EBITDA (earnings before interest, taxes, depreciation and amortization) and EBT (earnings before taxes), while the table presents the company's share of the inland market. MOTOR OIL's consolidated financial statements – apart from the parent company – also incorporate the results of the wholly owned subsidiary company AVIN OIL with the «full consolidation» method, and Olympic Fuel Company S.A. and Athens Airport Fuel Pipeline Company S.A. with the «net equity» method.

INVESTMENTS

SUBSIDIARIES	Participation
AVIN OIL	100%
AVIN ALBANIA S.A.*	100%
ASSOCIATED COMPANIES	Participation
KORINTHOS POWER S.A.*	30%
OLYMPIC FUEL COMPANY S.A.	28%
HELLENIC AVIATION FUEL COMPANY S.A.	50%
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.	16%

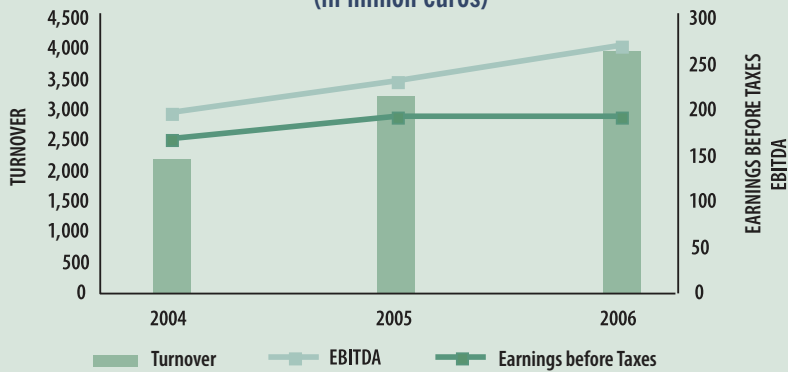
* Have not yet started operations and are not included in the consolidated financial statements

467
million euros

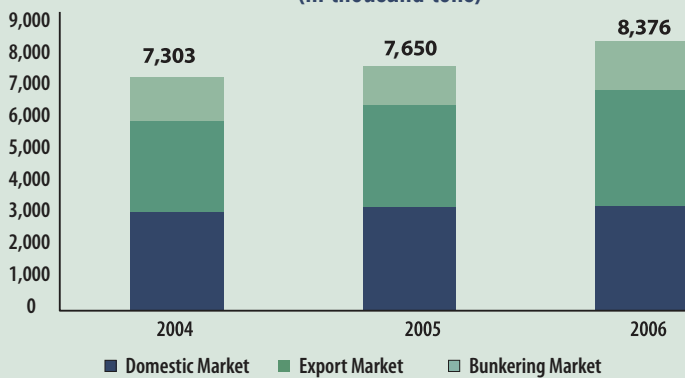
SPENT FOR PUBLIC WELFARE INITIATIVES
AND FOR PRODUCTIVE AND ENVIRONMENTAL
PROTECTION INVESTMENTS OVER THE LAST
THREE YEARS.



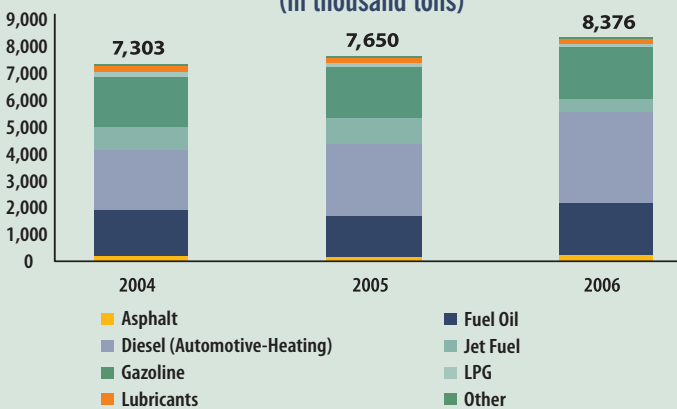
Key Consolidated Figures (in million euros)



MOTOR OIL Sales by Market (in thousand tons)



MOTOR OIL Sales by Product Group (in thousand tons)



MOTOR OIL SHARE IN THE INLAND MARKET

	2004	2005	2006
Domestic Market	20.7%	21.4%	21.6%
Bunkering Market	26.9%	24.8%	29.0%
Λιπαντικά	57.2%	56.5%	53.0%
INLAND MARKET TOTAL	22.2%	22.2%	23.4%

The company's refinery is located in Aghioi Theodoroi, Corinth, approximately 70 km outside Athens. Together with its auxiliary facilities, its marine and truck loading terminals, it is the largest private industrial complex in Greece and is regarded as one of the most flexible refineries of Europe. It processes crude oil of various types, producing a wide range of oil products, complying with the most stringent international specifications, and supplies major oil companies in Greece and abroad. Moreover, it is the only Greek refinery that produces lubricants.

MOTOR OIL's contribution (on the basis of the consolidated results) to the «social product», analysed in the section Value Added - Economic Benefits to Society, has been in proportion to its financial performance. Indicative of this is the fact that, in the past three years, it has contributed in excess of 174 million euros revenue to the state budget, through taxes and other payments, and has paid its personnel, in net salaries and other benefits, over 177 million euros. Furthermore, during the past three years, its contribution to public welfare initiatives and its productive and environmental protection investments amount to about 467 million euros.

STRATEGIC TARGETS



The core of MOTOR OIL's business model comprises the responsible growth of the company for the benefit of all stakeholders, with due respect for people and the environment (see section Mission, Principles and Values). This is achieved by means of an on-going and duly targeted investment programme and the application of effective processes and management systems, which lead to high operational efficiency in all sectors, with consequent superior economic yields.

In this context, our strategic target remains the consolidation of MOTOR OIL's position as a leading refining and fuel products marketing company in the broader Eastern Mediterranean region. In order to achieve this target, we implement a consistent but flexible business strategy, which breaks down to the following three key goals:

■ **Maximising economic performance (i.e. the refining margins) by means of:**

- Economically efficient and timely meeting of the latest product specifications by exploiting state-of-the-art technology.
- Improving the energy-efficiency of the refinery, thus reducing its operating cost.
- Fully automating of refinery operations.
- Increasing the efficiency of production processes and reducing the down-time of process units.

■ **Effective product marketing in a way that enables the attainment of optimal overall profitability from the three principal markets (domestic, bunkering and export), while:**

- Maximising domestic share through the improvement of the distribution network.
- Developing export sales, particularly targeting the developing markets of high potential for significant profit margins.

■ **Implementing a consistent and targeted investment programme aiming at technical, operational and organizational improvements in the refinery** so as to achieve the highest possible standards of Quality, Health and Safety, and Environmental protection.

Achieving our strategic aim – value creation through the production and marketing of oil products conforming to the most stringent EU and international specifications, without compromising health and safety or environmental protection – requires major capital investments. In the five-year period 2002-2006, total capital investments approached 600 million



euros (refer to chapter Environment). The major part of this investment was spent for the construction of the Hydrocracker complex, the commissioning of which, in November 2005, allowed the production of clean fuels compliant not only with European Union specifications for 2005 but also with the stricter specifications applying from 2009. At the same time, it helped to increase the production of middle distillates of which there is a shortage in Greece and in Europe. The refinery has also gained more flexibility, allowing the maximization of either diesel or gasoline production, according to seasonal demand. Finally, commissioning of the Hydrocracker helped further improve the refinery's environmental performance by reducing emissions.

Over and above the Hydrocracker itself, the rest of the capital investment programme of recent years has been directed towards the technical upgrading of the refinery, in terms of vertical integration, automation,

energy sufficiency and environmental protection. As a result, it is now considered as one of the most technically advanced refineries in Europe and worldwide (on the basis of the Nelson Complexity Index achieved), with ISO 14001:2004 and ISO 9001:2000 accreditations for its environmental and quality management systems, respectively.

Specifically, these significant other investments have included: the installation of a gas turbine at the refinery's Power Plant, that ensures the refinery's energy sufficiency; the installation of the Distributed Control System; the ongoing installation of the Advanced Process Control System; the upgrading of the Custody Transport System at the refinery's jetty; the construction of a new refinery Truck Loading Terminal; the construction of a new Sulphur Recovery Unit; the ongoing phased renewal of steam boilers; and the upgrading of the Waste Water Treatment Unit.

Awards

2006

- The LEADERS OF THE YEAR Award to MOTOR OIL's Chairman and Managing Director, Mr. Vardis Vardinoyannis, for «Consistent Business Achievements».
- The MONEY Business Award in the category «Investor Relations».

2005

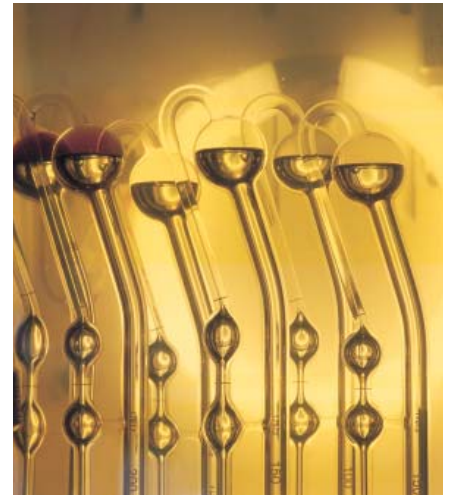
- The MONEY Business Award in the category «Best Company in the FTSE /ATHEX-20 Index».
- The MONEY Business Award in the category «High Investments».

2004

- The MONEY Business Award in the category «High Investments».
- The MONEY Business Award in the category «Investor Relations».

2003

- The MONEY Business Award in the category «High Investments».



HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION - QUALITY

Ensuring Occupational Health and Safety and Environmental Protection are part of our corporate Values and constitute fundamental strategic aims. That is, we strive to carry out our industrial and commercial operations without compromising the health and safety of our employees and collaborators, while maintaining the highest standards of environmental protection and respecting the quality of life of those living in the vicinity of our industrial facilities.

The importance we attach to the management of Health, Safety and Environmental Protection, and our commitment to the continuous performance improvement in these areas, is set forth in the relevant policy, and is reflected in our *Environmental Management System* and *Health and Safety Management System*, that lay down the detailed programmes and auditable targets to be achieved.

Health, Safety and Environmental Protection Policy

MOTOR OIL operates with due respect for health and safety, and the protection of the environment.

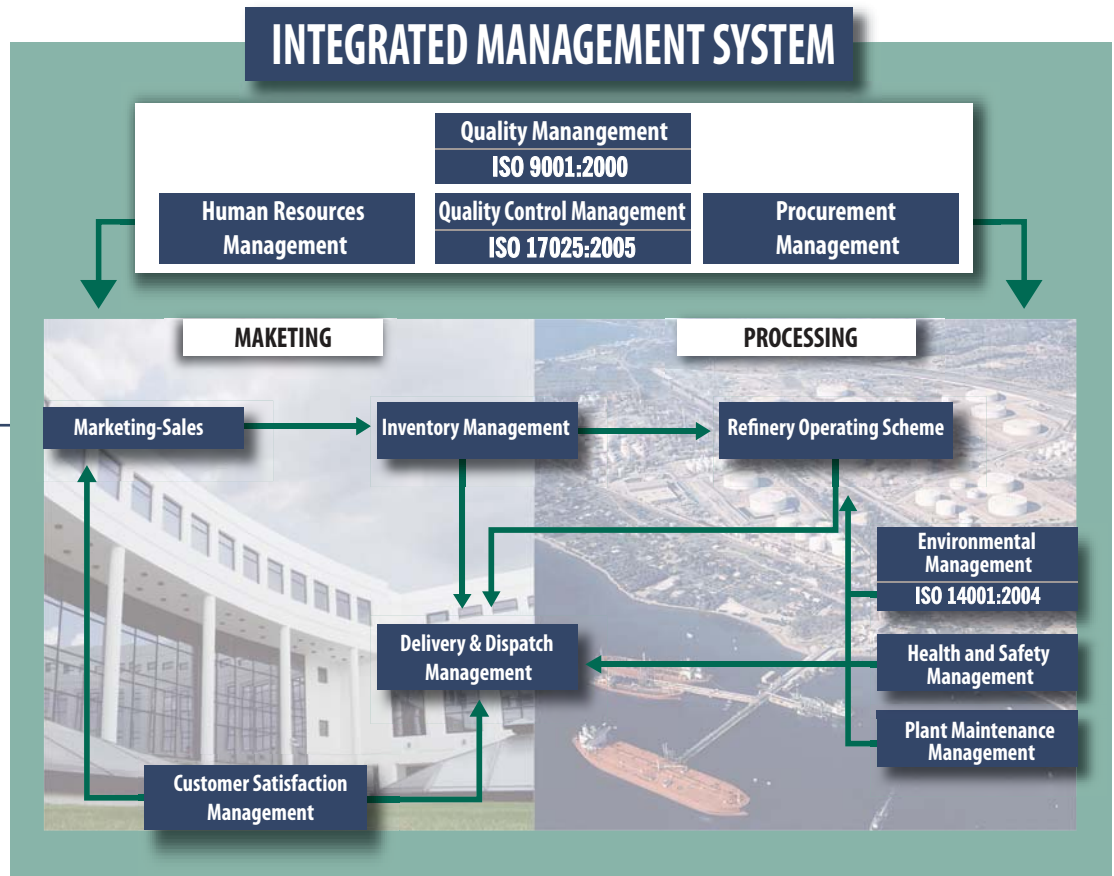
To that end, the company is committed to:

- Setting goals compatible with the continuous improvement of its health, safety and environmental management systems.
- Complying with, or exceeding, the requirements of relevant legislation and official guidance.
- Producing high-quality environmentally friendly products, through the efficient use of raw materials, energy and technology.
- Reporting its performance, good or bad, and thus helping to promote the concepts of social care and corporate social responsibility.
- Maintaining emergency action plans which are regularly rehearsed.
- Operating a coherent *Integrated Management System* that takes account of health and safety, and environmental protection factors when plans are drawn up, or business and operational decisions are being taken.
- Offering advice, information and training, to its own employees and to those of subcontractors and others working on its premises, so as to ensure their vigilance and commitment to compliance with safe working practices.
- Actively and uncompromisingly complying with environmental operating standards that set limits on waste and polluting emissions.
- Co-operating with all interested parties for developing health, safety and environmental protection programmes.

At MOTOR OIL whatever we aspire to achieve, or plan to implement, we do it:

- safely,
- without risk to the environment, and
- in an economically acceptable way.

INTEGRATED MANAGEMENT SYSTEM



We are equally committed to quality management, which is an integral part of our strategy. Since the start of its operations, MOTOR OIL, with respect and responsibility towards its customers, has focused its efforts on supplying them with high-quality products.

MOTOR OIL's quality policy is summed up in two key principles, to which both management and employees are fully committed:

- *MOTOR OIL will produce and sell products that satisfy its customers, always taking under consideration the stakeholders' interests.*
- *MOTOR OIL focuses on its customers, examines and evaluates their requirements and applies all necessary technologies and actions, in order to avoid compromises in quality matters and constantly strives to*

improve the effectiveness of its Quality Management System. Quality is everyone's business.

The quality policy is applied through preventive management procedures, which allow potential problems to be pre-empted before they arise.

The company's *Integrated Management System*, through which its quality policy is implemented, is certified according to ISO 9001:2000, by Bureau Veritas (BV).

The customer-oriented *Integrated Management System* takes full account of quality issues in all operational and management processes, as shown in the diagram. The consolidation of the *Environmental Management System* and the *Health and Safety Management System*, into the *Integrated Management System* confers an overall coherence to the company's operational management and links these management systems with other related processes, helping to maximise their effectiveness.



CUSTOMER SERVICE

MOTOR OIL aims to be as customer-focused as possible and is adopting a systematic approach to satisfying customer requirements. Besides its direct contact with customers, it conducts every two years a quantitative and qualitative customer satisfaction survey, covering the full spectrum of its clientele. This is aimed at establishing an objective view of their level of satisfaction, learning about their perception of the quality of our services, and obtaining feedback about their overall impression of MOTOR OIL's corporate image.

The basic objectives of this research are:

- Evaluating customer satisfaction.
- Evaluating the perceived quality of the whole range of MOTOR OIL's services.
- Determining aspects of MOTOR OIL's current products, services and offers that need to be improved.
- Determining the criteria used by those selecting MOTOR OIL as a supplier and assessing the impression they have of MOTOR OIL's image as a supplier or partner.
- Assessing MOTOR OIL's overall corporate image.

The results of the research are analysed and evaluated with a view to building on the company's strengths, detecting weaknesses and taking action to correct them, thus demonstrating the customer-focused nature of the company's strategy.

ISO 17025:2005

As part of the on-going development of the *Integrated Management System*, the process of Quality Control Management has been restructured, in order to meet the requirements of ISO 17025:2005 standard and, in September 2006, the Hellenic Accreditation System (ESYD) certified the refinery's Chemical Laboratory as fit for purpose and able to carry out testing in accordance to the requirements of the standard, and issue Quality Certificates endorsed by ESYD for practically all the company's products. This certification provides us with the further competitive advantage that the quality of our products is now guaranteed.

CORPORATE GOVERNANCE

The company's management and control is based on the modern principles of corporate governance, as prescribed by legislation and the relevant regulations, and by other international best practice codes and auditing standards. Its strategy and daily operations are deployed within the framework of corporate governance principles, which govern issues like: the structure of its Board of Directors; its compliance with legal and regulatory provisions; the respect for, and

protection of, shareholders interests; the reliability of information disseminated; and the systematic assessment and management of corporate risks.

In 2006, the continuous effort of the company for equally reliable information to its shareholders resulted in the award of the MONEY Business Award in the category of «Investor Relations». This same award had previously been received in 2004 as well.

ADDED VALUE – ECONOMIC BENEFITS TO SOCIETY

By faithfully applying the principles of corporate governance, we create value for both our shareholders and other stakeholders, and for the society as a whole.

The scale of our operations, combined with our consistent orientation for steady growth, yields a very significant contribution to the national economy. This contribution, linked directly to the

effectiveness and commercial success of our industrial operations, encompasses wealth creation and generation of jobs, with the simultaneous implementation of measures to protect the quality of the environment and of measures that contribute to social development and cohesion.

Our functioning in the especially important energy sector reduces the country's dependence on foreign

sources of supply of oil products. On a first level, our interaction with other parties creates primary value for all concerned. On a second level, it contributes to their creation of value for the national economy and society as a whole. This is achieved by creating jobs, continuously improving our production systems and environmental protection procedures, as well as by investing in expanding or upgrading our own facilities.

Our stakeholders

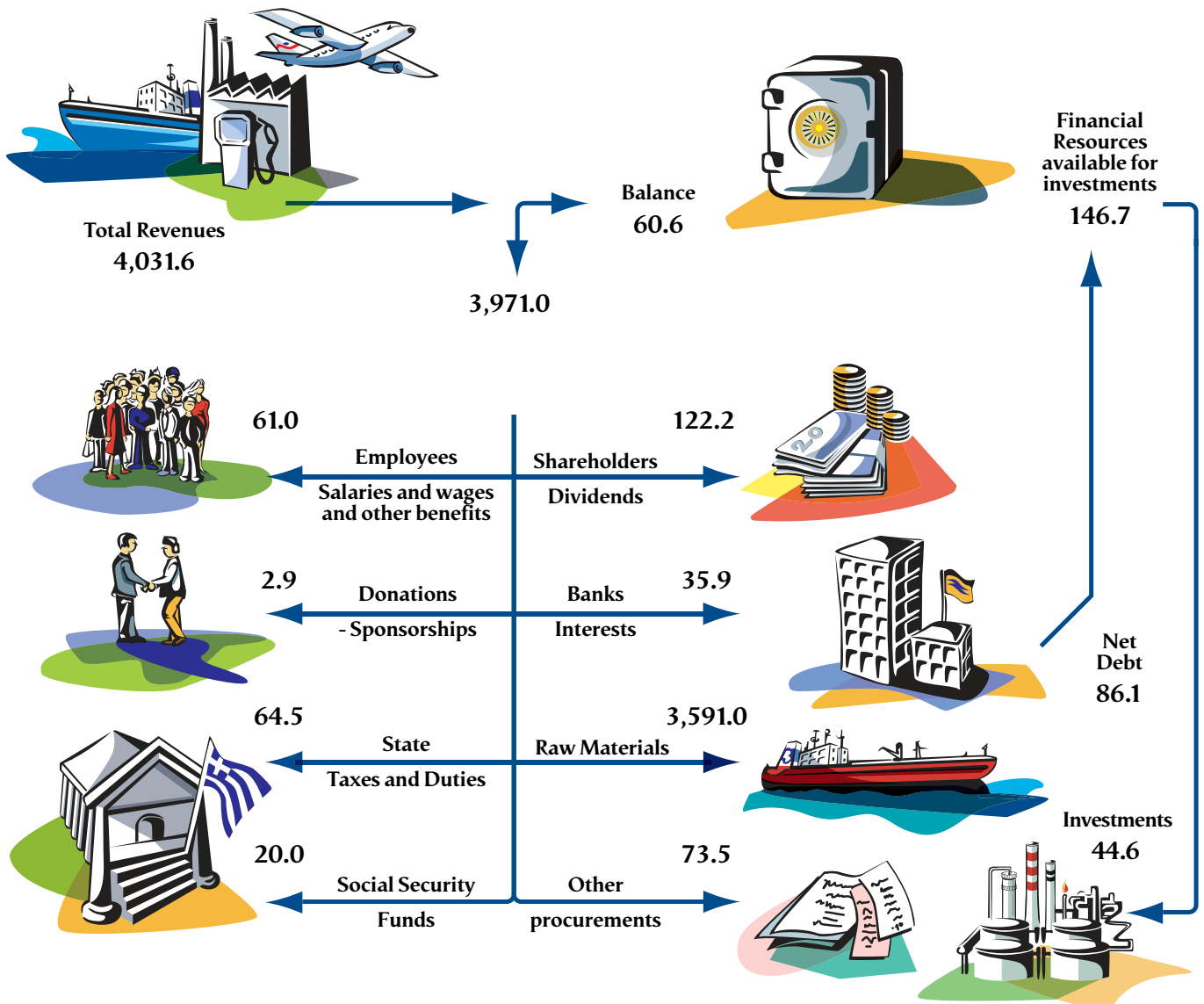
- Shareholders
- Employees
- Society
- Customers
- Partners and Suppliers
- The State and the Social Security Funds

Our interaction with stakeholders

- Shareholders invest their capital in MOTOR OIL and receive dividends in return.
- Employees contribute their effort and skills and are rewarded by wages, additional benefits and opportunities for career and personal development.
- MOTOR OIL contributes to society by creating jobs, through its investments and social contribution in supporting good causes both locally and further afield.
- Through its broad and continuous investment programme, MOTOR OIL is able to offer its customers high quality products and services that satisfy their needs, and in turn, is rewarded by the collected revenues.
- Suppliers and partners are rewarded for supplying products and services to MOTOR OIL, the end result being a substantial contribution to the overall economic development.
- MOTOR OIL generates income for the State and the Social Security Funds through payment of taxes, duties and pension contributions (on the part of both the employer and the employees).

In 2006, the group's income totalled 4,031.6 million euros, equivalent to approximately 1.7% of Greece's Gross Domestic Product (GDP) that year. Of this, 3,591.0 million euros were allocated to the purchase of raw materials (crude oil) and fuel products, accounting for 89.1% of the group's total revenue, this high proportion being an inevitable consequence of the nature of the group's activities.

Financial Social Report of 2006 (in million euros)



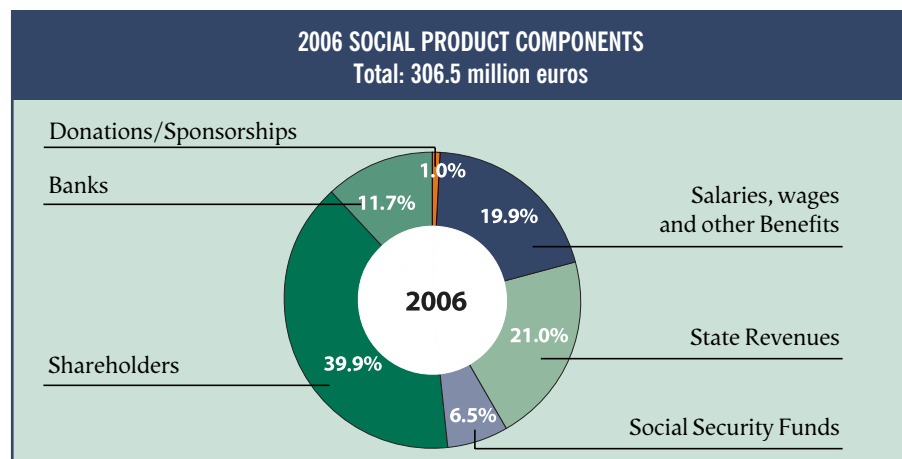


The extent of our contribution to society is clearly determined by the magnitude and the constituents of the *social product* we produce.

The *social product* can be defined as that part of our income that is allocated to a selected group of stakeholders, that is: the company employees, the state and social security funds, the shareholders, the banks and the society in general (donations and sponsorships). It encompasses: payroll expenditure and various other employee benefits, over and above those required by legislation (such as health insurance and pension allowances); social insurance contributions made to the various social Security funds;

corporate income taxes and duties paid to the state; donations and sponsorships; interest paid to credit institutions; and dividends paid to shareholders.

On the basis of the above data for 2006, the social product allocated to stakeholders was 306.5 million euros (compared with 262.0 million euros in 2005).



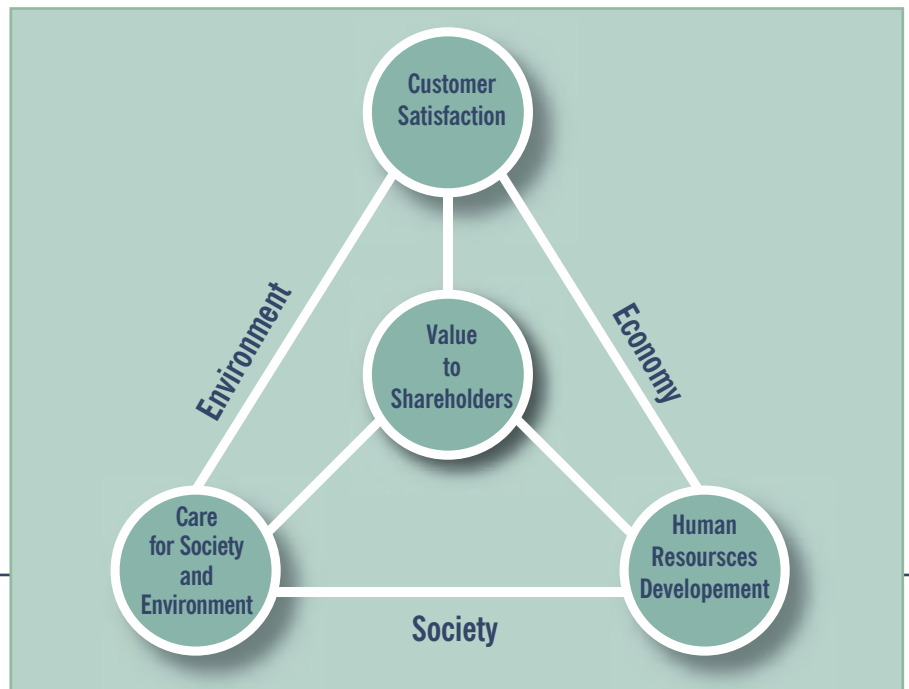
306.5 million euros | THE 2006 SOCIAL PRODUCT

1.7% of GDP | THE 2006 CONSOLIDATED INCOME

COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Corporate Social Responsibility (CSR) indicates a balanced approach to the economic, social and environmental impact of business operations that is consistent with the well-known triangle: «society – environment – economy». This is widely and universally accepted by responsible members of the global business community and underpins the main aspiration of any corporation in terms of creating value for its shareholders, while satisfying customers, ensuring employee welfare, protecting the environment and contributing to society. This encompasses the notion of sustainable development, the kind of development that pursues the meeting of today's needs without putting at stake the availability of resources for future generations.

Corporate Social Responsibility emerged as a prominent issue for the business world in the early 1990s, although social responsibility – in the sense of initiatives by businesses to integrate community and environmental activities into their programmes – was adopted by businesses in both the United States and the European Union many years before the development and establishment of this concept as a part



of modern business practice. In the past few years, the world's major and most responsible businesses have begun to move away from the traditional approach – which confined their social role merely to donations for charitable causes, sponsorships of events and basic welfare measures for their employees – and are gradually adopting a systematic and strategic approach to Corporate Social Responsibility, both internally and externally. This strategy aims at a long-term increase in their performance, through practices that satisfy all stakeholders as illustrated by the triangle: «society – environment – economy».

MOTOR OIL operates in the oil sector, where the principles of Corporate Social Responsibility and sustainable development need to be particularly applied and respected, given that crude oil reserves are finite, and that their exploitation – from extraction and transportation, to refining and refined-products' use – has environmental consequences that need to be effectively dealt with, using the latest available technology.

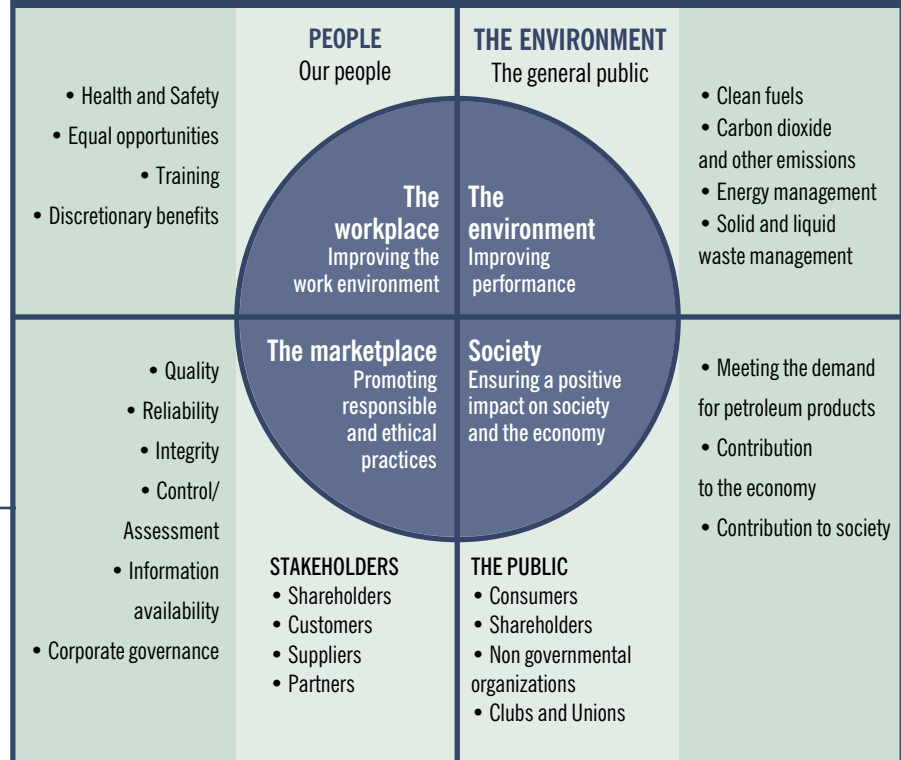
We fully acknowledge the importance of the above-mentioned issues and we express our social responsibility by recognising the extent of our obligations in this area, as expressed in our commitment to pursuing our business activities with due respect for people, the environment and society. A natural consequence of this commitment is the adoption of a holistic approach to implementing Corporate Social Responsibility principles, fulfilling our obligations to all stakeholders (our employees, shareholders, customers, suppliers and the society in general) and in respect of the environment.

Today, MOTOR OIL as a responsible public company, listed on the Athens Stock Exchange, ensures that its activity complies with the current code of business ethics and meets contemporary demands for more transparency, and the reliable and timely dissemination of information to all stakeholders.

As a founding member of the Hellenic Network for Corporate Social Responsibility, we systematically support its aims for the promotion of



MANAGING CORPORATE SOCIAL RESPONSIBILITY



corporate social responsibility and the fostering of social cohesion by demonstrating compliance with «best practices».

MOTOR OIL: as a responsible employer,

cares about the career and personal development of its employees, invests in their training, provides a creative and supportive workplace environment characterised by good team-work and mutual respect, and conducive to initiative and innovation; where Health and Safety constitute major priorities that are assured through state-of-the-art technical support and management practices.

having a responsible attitude towards the environment,

tries to ensure that its activities have the minimum possible impact on the environment, by having in place an effective *Environmental Management System*, using Best Available Techniques and other up-to-date systems for environmental protection and efficient energy saving and management.

as a responsible member of society, seeks fruitful social dialogue, in a climate of mutual trust and respect, with the local communities in which it

chiefly operates; it supports these communities, by participating in programs that enhance their economic, social and cultural life, and takes part in similar activities that benefit society as a whole.

having a responsible position in the market,

respects market rules and produces top quality products; it focuses on relations of trust with its customers, suppliers and partners, and strives – through the systematic and consistent achievement of its business targets – to obtain the best possible return for its shareholders without compromising its corporate social responsibility standards.

The above commitments of ours, are realized through specific programmes and activities detailed in the Annual Operating Plans and in the Five-year Business Plans, as explicit short- and long-term goals of the

company's overall strategy, on the basis of which we operate and we are assessed.

The four areas of activities involved in the Corporate Social Responsibility programmes, in accordance with internationally accepted standards – particularly the Global Reporting Initiative, whose main principles, directions and guidelines form the basis for the publication of our Environmental and Social Reports – are:

- The Environment
- The Workplace
- Society
- The Market

Each one of these areas has its respective stakeholders. The diagram indicates these areas, the respective stakeholders and the current issues of interest on which MOTOR OIL's activities are focused.

ABOUT AVIN OIL



MOTOR OIL maintains a dynamic presence in the retail fuels market through its 100% subsidiary AVIN OIL, which began operations in 1977. In the Greek oil market, AVIN OIL distributes products that meet the latest fuel and lubrication requirements, including high-quality fuels for automobiles, the aviation and industry sectors, as well as



domestic heating diesel, asphalt, liquefied petroleum gas and lubricants, which comply with API and ACEA international product specifications as

well as with those of major automotive manufacturers. In 2005 AVIN OIL launched into the Greek market the new automotive diesel oil, DIESEL Best, and in 2006 launched the additive-enriched lead-free petrol, Win 95 Unleaded. These products ensure excellent performance and protection of the engine, a cleaner environment and greater fuel economy.

AVIN's main supplier is MOTOR OIL, and its most significant business advantage is the ability to market products of high quality that comply to the latest specifications at competitive prices.

Since 1987, AVIN OIL is operating its own Truck Loading Terminal at Aghioi Theodoroi, which is directly connected by pipeline with the MOTOR OIL refinery. It has constructed and operates the Megara Twin Petrol Station and holds a 14% stake in Olympic Fuel Company S.A., which has built and operates the Aviation Fuel Supply System (Hydrant System) at the «El. Venizelos» Athens International Airport. Also, the company has a 50% stake, together with Chevron, in the Hellenic Aviation Fuel Company S.A. (HAFCO S.A.), which currently operates at four Greek airports.

AVIN OIL applies strict management and distribution procedures throughout the three stages of fuel delivery: from the loading points (company installations and refineries), to the transport vehicles (road tankers), and to the final delivery points (petrol stations, factories, residences, etc.) in order to ensure both the safe transportation and quality of the product delivered to the final consumer. In its petrol stations network, the company is running since year 2000, a Quality Competition, conducted by a specialist research company, aiming at improving its brand image, the image and reputation of the network itself, and the standards of service offered at each station.

The petrol stations network of AVIN OIL comprises of more than 550 petrol stations throughout Greece, and with annual sales (for 2006) of 1.2 million tons, it holds the 4th position among the 20 oil marketing companies operating in the Greek oil market. It also exports significant fuel quantities to neighbouring countries. The company's turnover for 2006 was 796 million euros, with a net profit of 5.7 million euros before taxes.

WORKPLACE



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Realising our vision requires the active involvement of all our people. With their participation we can achieve our corporate objectives, implement our growth business plans and safeguard our long-term competitiveness. The proper management, development and efficient use of our employees is therefore of utmost importance for the success of our operations and the maintenance of the quality of our products and services. This requires employees to perform well which, in turn, requires us to provide a safe workplace and good terms and conditions of employment.

HUMAN RESOURCES POLICIES

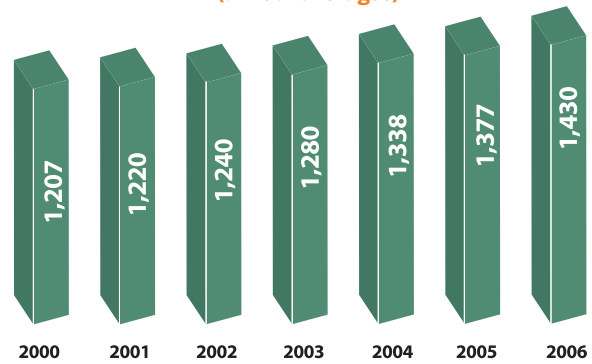
One of our three declared corporate Principles concerns the value we attach to our employees and the respect for our people. We believe that caring for the welfare of employees and their families is a vital social and corporate obligation. This concern is manifested in our continuous effort to develop and motivate employees, to

support and encourage them and offer them equality of opportunity; to create a work environment in which they can achieve their full potential through professional and personal development, a work environment that will be attracting competent people to come and work with us. This same philosophy underpins our policies and programmes that aim at fostering a

coherent corporate culture that ensures employee job satisfaction, provides professional development opportunities and achieves a healthy balance between work and family life. These aims are manifested in a coherent set of human resources policies and in various programmes that apply contemporary approaches to human resources management.



**Direct Employment
(annual averages)**



EMPLOYMENT

The total number of people directly employed (average for the year) in 2006 increased by 53, compared to 2005.

Overall, personnel levels have been increasing, despite new investments aimed at increasing the level of refinery automation. The significant rise in the total number employed since 2003 reflects increasing numbers required at the refinery, in order to complete and operate the expanded and upgraded facilities for the production of clean fuels conforming to the relevant 2005 and 2009 EU specifications. This investment programme was completed in 2005 when the new units were commissioned.

In 2006, 1,038 of MOTOR OIL’s 1,230 employees (average for the year) were based at its main site (the refinery in Aghioi Theodoroi, Corinth). The remaining 192 were based at the company's head office in Maroussi. About half of the refinery personnel live in the Aghioi Theodoroi area, where MOTOR OIL is the biggest employer.

AVIN OIL, by comparison, employed 200 people in 2006. Besides employees directly employed by the two companies, it should be noted that a significant number of people are indirectly employed through sub-contractors.

**BASIC PRINCIPLES GOVERNING
OUR HUMAN RESOURCES POLICIES
AND PROGRAMMES**

- Compliance with legislation in force and with universally established principles of human and labour rights.
- Creation of strong bonds between employees and the organisation, through candid, reciprocal and open communication.
- Fairness in all aspects of employee relations.
- Ensuring equal opportunities for employees and offering them possibilities for professional and personal development.
- Accountability of employees for the achievement of the company’s business goals.
- Fair and competitive remuneration linked to employees’ performance and expectations, and in line with prevailing market conditions.
- Providing allowances exceeding the legally anticipated and those provided for by collective labour agreements.
- Providing continuous education and training to ensure that the necessary skills are acquired and that work can be carried out effectively and safely.
- Extending the scope of welfare provisions to cover employees’ families and making efforts to improve their work/life balance.

1,430

- 1,430 PEOPLE (AVERAGE OVER THE YEAR) WERE EMPLOYED IN 2006 BY MOTOR OIL AND AVIN OIL.
- MOTOR OIL REMAINS ONE OF THE BIGGEST EMPLOYERS IN GREECE.

EQUAL OPPORTUNITIES

All aspects of human resources management are pursued with transparency, fairness and on the basis of meritocracy. Recruitment, transfers, promotions, remuneration, education and training, etc. are governed by equal opportunity principles, the avoidance of any form of discrimination and the respect for employees' dignity. In applying the equal opportunities policy we try to ensure that:

- The composition of management reflects the composition of the workforce as a whole.
- Education and training programmes are available to all personnel, in accordance with business needs.
- The various benefits and welfare provisions provide additional support for employees and their families, while aiming at the maintenance of a healthy balance between their professional and personal lives.
- The exclusion of disadvantaged groups, such as the disabled, from the workforce, is avoided. In 2006, we were employing disabled people, offering them equal access to employment, training and other means of professional development.

COMPOSITION OF PERSONNEL

Gender profile

We try to create an inclusive work environment where all employees have equal opportunities, and we do not discriminate on grounds of gender, although the nature of most refinery jobs means that few are taken by women. Thus, in 2006, 13% of all employees were female, rising to 35% for head office personnel. Among management, women made up 12% of the total, while in other office and technical jobs the percentage was 14%.

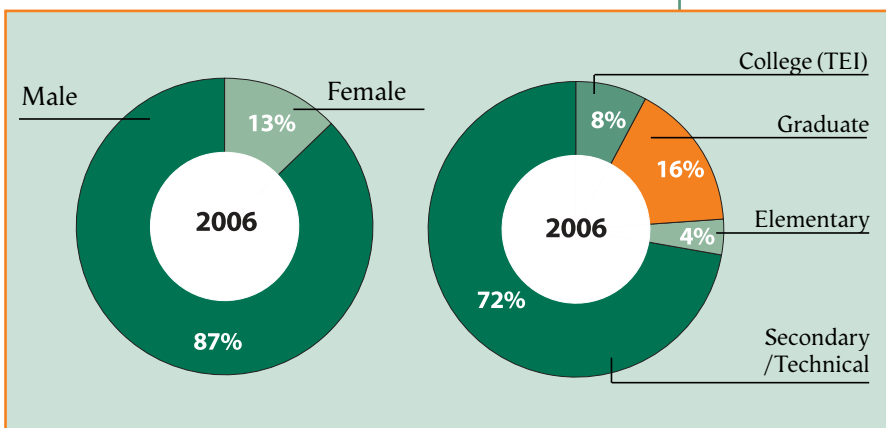
Educational level

Considerable importance is attached to the educational level of our workforce, of whom approximately 24% are graduates.

We aim to attract and retain suitable and competent employees. In order to develop the skills of personnel and maintain a high-output culture in the workplace, we operate various educational, vocational training and personal development programmes, and the personnel are encouraged to follow external courses leading to the acquisition of recognized qualifications.

Categories

In 2006, across the two companies, management grades made up 12% of the total personnel, while technician and administrative personnel accounted for 88% of the total.



123

RECRUITMENTS IN 2006



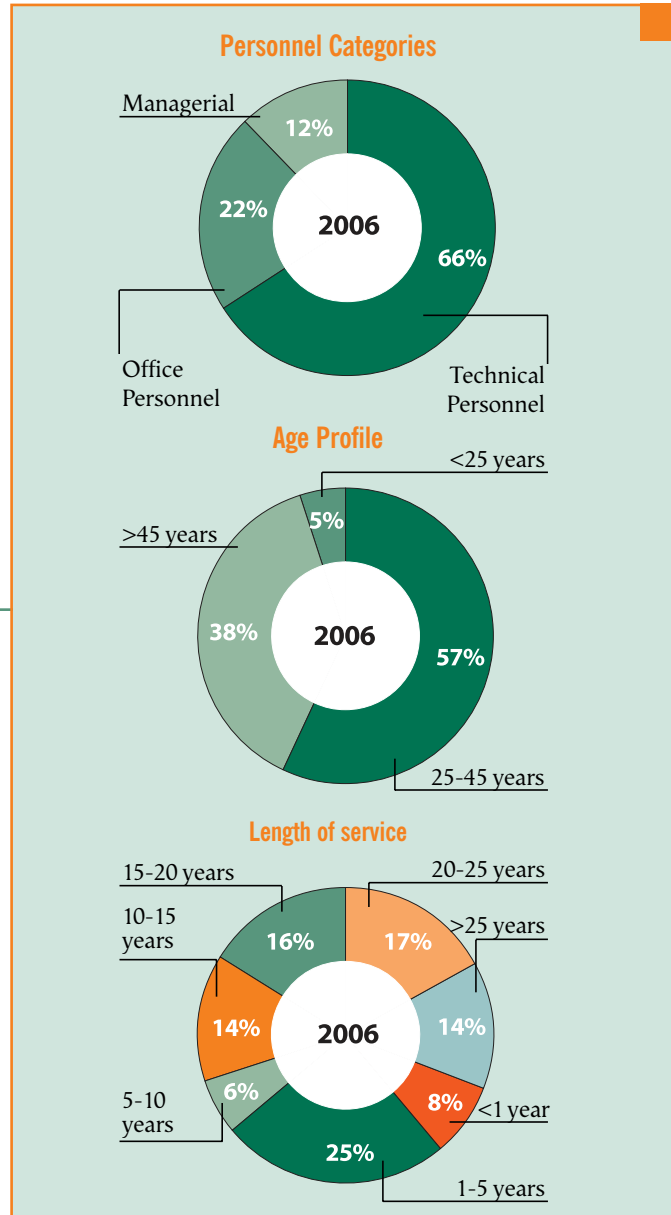
Age profile and personnel mobility

The average age of the companies' employees in 2006 was 41.6 years, compared with 42.3 years in 2005, while 57% of the personnel were aged less than 45.

As far as length of service is concerned, the average was 14.4 years, reflecting the low level of personnel turnover. Some 47% of the combined workforce of the two companies has more than 15 years' service, while only 33% have less than 5 years' service. These figures suggest a healthy balance in the age profile of our personnel: between experienced, older employees and those, more recently recruited, who bring dynamism to the workforce as a whole.

In 2006, we recruited 123 new employees, while 77 left for various reasons. The number recruited in 2004 had been particularly high, reflecting the extensive scale of work involved in the refinery's expansion for producing fuels conforming to the EU specifications for 2005 and 2009. The number of those recruited in 2006 was also high, to compensate for an expected imminent rise in the number retiring.

The remarkably low level of personnel turnover (averaging 5.4% across the two companies' workforces in 2006) reflects the harmonious, long-term relationship established between the companies and their personnel. The fact that personnel turnover rose slightly in 2006, compared with 2004 and 2005, is a reflection of a higher level of leaves in this year.



Personnel Mobility

	2004	2005	2006
NEW HIRINGS	150	63	123
RESIGNATIONS BY REASON			
Retirement	49	50	56
Resignation	15	10	12
Other	2	6	9
Total	66	66	77
PERSONNEL MOBILITY	4,9%	4,8%	5,4%

$$\text{Personnel Mobility (Turnover Index)} = \frac{\text{Number of personnel leaving}}{\text{Average personnel number}} \times 100$$

5.4%

PERSONNEL MOBILITY REMAINED PARTICULARLY LOW



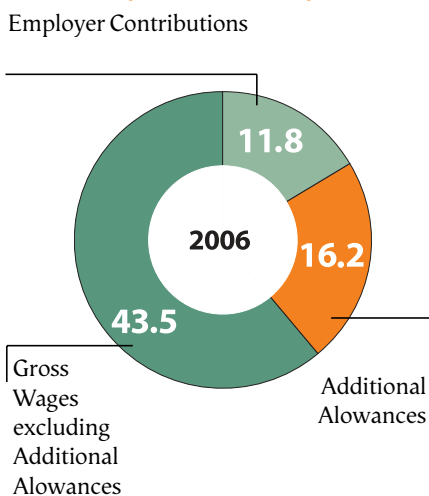
LABOUR RELATIONS

Labour relations are at a particularly good level. We not only comply with legal requirements, relating to worker participation and the protection of human rights, but also aim to cultivate mutual trust and co-operation. We operate a progressive system of human resources management policies, which enshrines clarity and fairness in matters of recruitment, transfers, promotion, remuneration, education and training, benefits, holidays and other types of leave. A reflection of the harmonious state of industrial relations is the fact that there have been no strikes in recent years. Terms and conditions of employment are covered by a company collective labour agreement, approved by the Ministry of Labour, which has been in place (for MOTOR OIL) since September 1974. Refinery employees have their own union which has been a signatory to a collective labour agreement with the Federation of Greek Industries since 1986. This agreement, which lays down terms of employment and pay levels at the refinery, is supplemented by an annual local agreement between the company and the union.

COMPENSATION AND BENEFITS

Our approach to pay policy is to set, manage and review salary levels in a consistent, transparent and objective way. We offer competitive and performance-linked remuneration packages. Total personnel expenditure during 2006 amounted to 71.5 million euros. This includes the compensation cost of both regular and overtime working, the various mandatory employer's contributions to Social Security Funds and other additional employee allowances not required by legislation. Additional, non-statutory discretionary payments are made, including allowances intended to significantly enhance pay and benefits, reward performance and foster long-term relationships.

Compensation Cost Breakdown (in million euros)



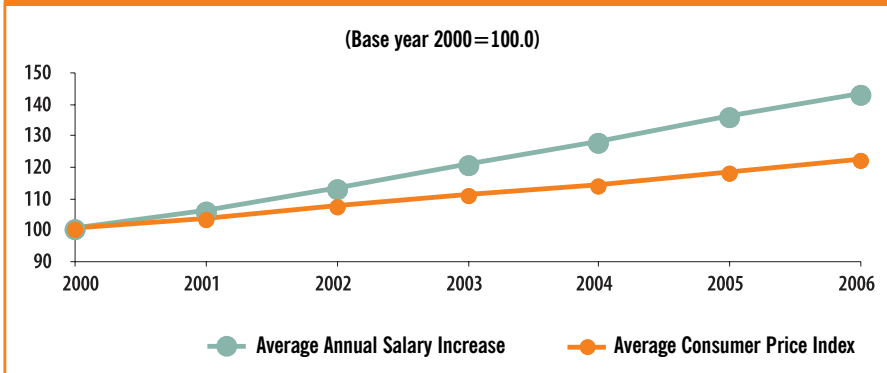
THE BASIC PRINCIPLES OF OUR COMPENSATION SYSTEM

- Competitive remuneration compared with market rates.
- A fair and reliable salary review process.
- Consistency and meritocracy in pay policy.

97.7%

OF EMPLOYEES IN 2006 WERE WITH OPEN-ENDED CONTRACTS.

Average Annual Salary Increase vs. the Average Consumer Price Index



The average annual salary increments, as a rule, significantly exceed the average Consumer Price Index.

PRINCIPAL SUPPLEMENTARY ALLOWANCES

- A long-service supplement to basic salary is first paid after three years' service and increased after every further three years' service, up to a maximum of 47% of base salary (for the refinery personnel).
- A further long-service supplement, equivalent to a double annual leave allowance, is paid to those who complete five years of employment, and a double Easter bonus is paid to those who complete 10 years of employment. This means that an employee with 10 years of employment receives the equivalent of 15 months pay each year.
- A continuous attendance allowance is paid to refinery employees who achieve exceptionally low levels of absenteeism.



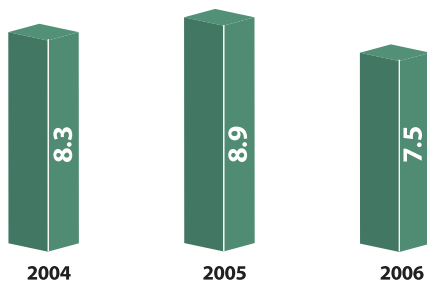
- On completing 25 years of service, refinery employees receive a one-off payment equivalent to one month's basic salary; a similar payment is received after completion of 30 years of service.
- Marriage allowance.

DISCRETIONARY NON-WAGE BENEFITS

Besides the basic pay and benefits package, we make available to our employees and their families a wide range of discretionary non-wage benefits. These provisions aim at providing for their welfare and security over and above what the law requires, at strengthening their bonds with the company, at cultivating co-operation and team spirit, and at helping towards achieving of a healthy work/life balance. Among the benefits introduced on the company's initiative are:

- A private health and life insurance scheme.
- A company pension scheme.
- Child-friendly working arrangements for working mothers.
- Availability of three occupational physicians to deal with both occupational and personal health concerns.
- Financial support of the employees' football team to compete in Corporate Games.
- Operation of a restaurant at the refinery.
- Organization of excursions.

Discretionary non-Wage Benefits of Employees and their Families (in million euros)



- Provision of a financial facilities to cover emergencies.
- A wedding present allowance.
- Paid leave arrangements on special occasions (e.g. covering bereavement, school childcare needs, etc.).
- Organization of Christmas parties for employees' children.
- Provision of «name-day» gifts.
- Free transportation of employees to/from work by bus.
- Other special benefits for refinery employees.

In 2006, the cost of the discretionary non-wage benefits was 7.5 million euros; this was slightly lower than the two previous years because of variations in the cost of the private health and life insurance scheme.

Discretionary non-wage benefits to refinery employees in 2006

- 69 performance awards for secondary school children.
- 130 educational grants for university students.
- 42 participations in children summer camps.
- 62 long-service awards.
- 22 wedding present allowances.
- 35 allowances covering child care.
- 900 allowances to an equal number of children for the start of the school year.



Schemes covering retirement benefits and life and health insurance

We aim at supporting our personnel and their families with pay and flexible benefits in line to contemporary trends and requirements and at providing protection and financial assistance in cases of unforeseeable medical emergencies, which can bring along hard to bear costs. In this context, since 2002, we have operated a group health insurance scheme covering employees, their spouses and their

dependent children.

This health insurance scheme provides compensation in the following cases:

- Loss of life caused by illness or accident
- Permanent total disability caused by illness or accident
- Permanent partial disability caused by accident
- Loss of income caused by illness or

2,400

EMPLOYEES AND MEMBERS OF THEIR FAMILIES TOOK PART IN 42 EXCURSIONS IN GREECE DURING 2006.



accident

- Hospital and out-patient care
- Maternity allowance

Employees also benefit from a private pension scheme which pays out a lump sum to those retiring at normal retirement age or earlier due to disability.

The entire cost of both these schemes is covered by the two companies.



In 2006, for one more year, the MOTOR OIL employees' football team won the Athens Corporate Games Football League championship, in which 22 teams competed (it also played in the «cup final» of the corporate football knock-out championship). The team has competed for 14 consecutive years in these games and achieved several major trophies: seven «doubles» (championship and cup), four championships, one cup, and two ethos awards. The team has also succeeded in international competition having won the World Corporate Championship in 2004 and the European Corporate Games tournament in 2003 and 2005.

The equivalent AVIN OIL football team in the last three years participates in the Greek oil companies' «5x5» football competition; 2006 was a success year as it won the first place.

"...Bringing a team together is the easy part. The hard part is to keep going and have patience in the face of difficulties and obstacles. This is where you have to stand firm and be ready to fight. The MOTOR OIL team - having the devout support of the company's Chairman Mr Vardis Vardinoyannis himself - has been determined to succeed. By playing fairly and in the spirit of noble emulation, the team has won the respect and admiration of the other corporate teams. This year, we have again been successful in winning the championship. We look forward to further successes in the future..."

Elias Alexiou,
MOTOR OIL employee
and football team coach.





EDUCATION AND TRAINING

We recognise that in a globalised, high technology and highly specialised sector, such as oil, following our growth path and implementing our business strategy is closely linked with the development of the skills and competencies of our staff. Hence, our education and vocational training activities, and the personal development of our employees, are of paramount importance and we allocate significant resources to those activities, both in terms of money and effort.

The companies' training policy aims to ensure that each employee's knowledge and skills match their job function, the ultimate goal being the continuous, flexible and comprehensive vocational education, training and personal development of employees.

Education and training programmes are planned, according to the needs arising, on an annual basis. The following factors are taken into account when planning vocational training activities:

- The prevailing corporate priorities and goals.
- The training activities of previous years.
- The needs for specialist training on particular technical themes, on Health and Safety, on Environmental Protection and on Quality Management.
- Individual employee requirements for personal development.

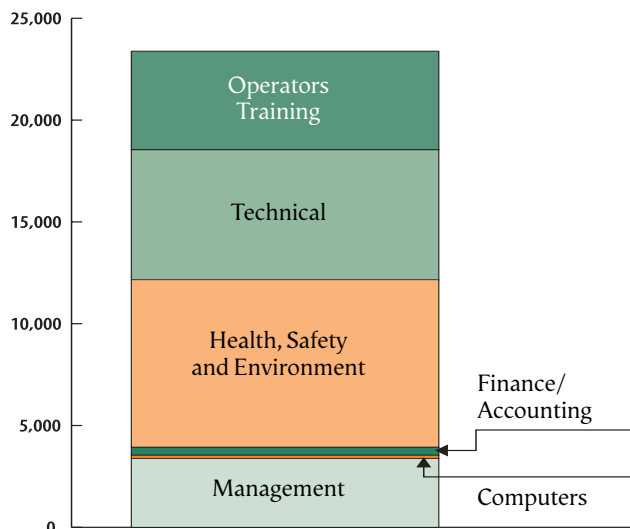
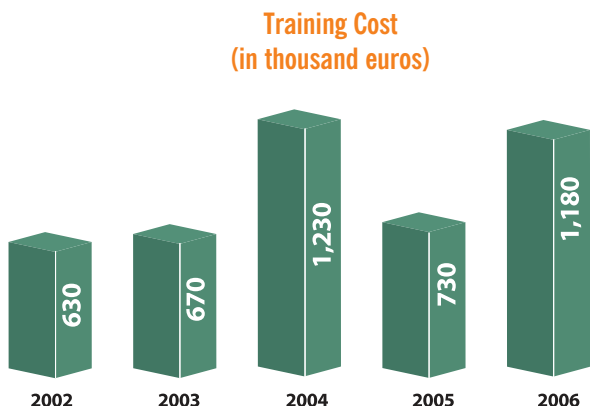
The implementation of vocational training programmes is achieved through various approaches, including:

- In-company training seminars.
- Participation of employees in seminars organised by internationally-recognised educational and training bodies, such as the Institute of Petroleum and the Oxford Princeton Programme, and in local or international conferences, such as the European Refining Technology Conferences (ERTC) and the CONCAWE (of which MOTOR OIL is a member) seminars and meetings.
- Offering opportunities for employees to continue their education or to follow post-graduate courses, by covering the

1.2
million euros

THE 2006 INVESTMENT
IN EMPLOYEE EDUCATION
AND TRAINING

Training Man-Hours by Subject in 2006
Total Training Hours=23,400



relevant cost.

- Encouraging employees to learn foreign languages, according to business requirements, and sponsoring them accordingly.
- Paying for technical magazine subscriptions and covering professional society membership fees.

A total of 23,400 man-hours of vocational training were delivered in 2006, at a total cost (including indirect costs) of 1.2 million euros.

The number of employees participating in the 2006 training programmes was 581 in total (76 managers and engineers and 505 other employees). The average length of training undertaken was 40.3 hours per participant.

Workplace Health and Safety, and

Environmental Protection were the two themes attracting the most hours of education and training of our employees. Furthermore, emphasis was given on technical training aimed at developing and improving the specialist technical skills of employees, as well as on managerial issues aiming at developing management skills. Finally, induction training for new operators was of central importance.

MOTOR OIL and AVIN OIL are subject to a 0.45%-of-payroll levy, which applies to all employers, administered by the state employment and training body (OAED) and paid to the employment and vocational training fund (LAEK).

The in-company training seminars are carried out in dedicated in-house

training facilities, fully equipped with state-of-the-art IT and presentation systems, available at both the refinery and the head office.

Also in 2006, in line with the policy of paying tuition fees of employees following graduate or post-graduate studies, we covered the following: the cost of the post-graduate Business Administration course run by the Hellenic Management Association (EEDA) for two people; a Business Administration degree for another employee; and post-graduate courses on Business for Lawyers, Applied Economics and Finance, and Strategic Management, for further three employees respectively. In addition, tuition fees were paid for four employees who followed foreign language courses.

23,400
THE 2006 EDUCATION AND TRAINING MAN-HOURS



Comprehensive technical training manuals, covering refinery operations

The training needs of those working at the MOTOR OIL refinery are covered, in a structured way by a four-volume set of training manuals focused on the operations and processes of the particular refinery, published in 2005 (*Vol. I – Fundamentals and Lubricants’ Processes, Vol. II – Fuels’ Processes, Vol. III – Products, Vol. IV – Electromechanical Equipment*). They replaced earlier documentation published during the 1980s, which became obsolete following the recent large-scale upgrading and expansion of the refinery. The new manuals were written by MOTOR OIL refinery engineers and cover all aspects of the current refinery processes and products. Moreover, by including all necessary theoretical and technical documentation, they constitute single, integrated and comprehensive sources of information. It is obvious that this new documentation is important not only for the company; as a unique training aid it can offer much to the training of the technical staff of the country on issues related to the highly specialized sector of the refining industry.

Computerized Training Simulator – a modern training tool

The Computerized Training Simulator (CTS) is a fundamental tool for the training of the operators of the most complex refinery plant (the complex of Fluid Catalytic Cracking) and of the operators of the new production units (Hydrocracker Complex).

The simulator, the first of its kind in the Greek industrial sector, contributes greatly to the safe operation of the refinery.

The installation of the CTS was carried out by the suppliers, in close collaboration with MOTOR OIL’s Distributed Control System Department. The CTS is housed in the training facilities of the refinery’s New Centralized Control Room. It consists of a network of computers

and workstations similar to those used for the actual control of the refinery units. Each refinery unit is artificially represented by the simulator’s computer system. The accuracy with which the real operation is replicated is very high; also, the actual work environment is accurately simulated, thereby rendering the training very effective. The company gains many benefits from the development of the CTS, including:

1. The ability to train the operators on the new process units before they actually come into operation, thus minimizing the start up problems and difficulties; safety during both start up and normal



Training and induction of new operators: an integrated system

- operation is increased as a result.
2. The ability to provide realistic full training for new operators, without the restrictions that apply during the actual operation of the process units.
 3. The capability of organising regular training on emergency procedures.

The CTS is used for «refresher training» after the start up of new units and both new and experienced operators are trained in all aspects of operational procedures on an ongoing basis.

The CTS was commissioned in 2005 at a total cost of 1.2 million euros.

It is MOTOR OIL policy that, when refinery operators are retiring, their successors must be both adequately trained and experienced in performing the duties of their prospective posts before assuming actual responsibilities. To achieve this, any hiring of new operators is effected about one year before the retirement of their predecessors. The training takes the form of a specially organized multi-faceted and comprehensive induction programme, including both technical and theoretical components. This programme, which includes appropriate theoretical and practical training, ensures that the refinery's future technical personnel have acquired both technical skills and competencies and a full understanding of the responsibilities associated with their work in a demanding and potentially hazardous environment. The approximately nine-month induction training is carried out by refinery managers, engineers and skilled operators from various units of

the refinery, according to the responsibilities the new recruits will take on. The induction training schedule is as follows:

- Two months training on fundamental subjects (Health and Safety, Protection of the Environment, Fire Protection, Quality, First Aid, Properties and Specifications of Petroleum Products, Refining Processes, Maintenance, English, Computers, etc).
- One-and-a-half months of day-shift practice in the particular job function to be taken up.
- Six months practice shift-working, without the assumption of actual operational responsibilities.

After completion of the above training, the new operators take up their posts in a phased way, initially taking on basic tasks before moving on to assuming their full responsibilities.

- STATE-OF-THE-ART TRAINING THROUGH THE USE OF A TRAINING SIMULATOR.
- INTEGRATED SYSTEM FOR INDUCTION OF NEW OPERATORS.
- COMPREHENSIVE TECHNICAL TRAINING MANUALS.



HEALTH AND SAFETY

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Our Principles and Values guide the way in which we perform our commercial and industrial operations. One of our fundamental Values is the respect for people and their needs, from which there follows our commitment to a safe working environment and to the continuous improvement of the Health and Safety conditions of our workplaces, which we accomplish by the application of a soundly-based system for Health and Safety management.

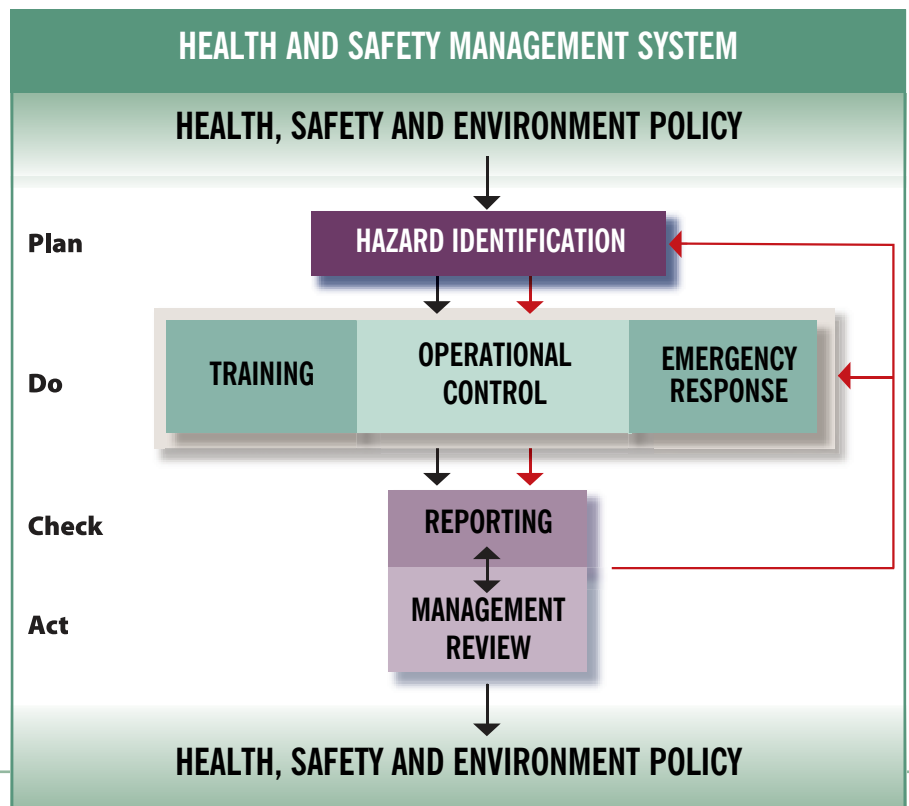
HEALTH AND SAFETY MANAGEMENT

Our principal concern, arising from our Health, Safety and Environmental Protection policy, is to take all necessary measures and institute all appropriate projects, programmes and procedures that allow us to achieve our Health and Safety goals. MOTOR OIL's management is committed to providing all necessary resources for completion of these actions and programmes so as to achieve continuous improvement of Health and Safety at our facilities and ensure the development of a soundly-based safety culture.

Delivering on this commitment relies on the application of the integrated *Health and Safety Management System* which has been developed by our own specialists, and is based on best-practice elements of other internationally-recognized safety management systems. The *Health and Safety Management System* comprises a four-stage (Plan → Do → Check → Act) management cycle that operates as a self-checking and self-correcting mechanism, designed to ensure continuous improvements in the system's operation.

Our Health and Safety goals for a safe workplace

- To minimize the risk of major accidents to the lowest possible level.
- To eliminate occupational accidents.
- To achieve continuous improvement in working conditions.
- To ensure that all employees (including subcontractors' employees), the quality of life of neighbouring communities, the environment and the company's own installations, are protected from any harm that might arise from its activities.





The successful implementation of the *Health and Safety Management System* relies on a number of components. Each one of these components is an essential building element of the system, and when applied simultaneously, work in synergy to greatly increased overall effect:

1. Management commitment for setting goals, responsibilities and accountabilities.
2. Strict compliance with relevant legislation, with international standards and codes of practice and with established operational rules.
3. Systematic identification, control and assessment of all risks associated with the hazards arising from the refinery's operations
4. Continuous monitoring of equipment and workplaces for potential risks.
5. Provision of appropriate and full training to all employees.
6. Ensuring that all operations are carried out in full compliance with safety rules and regulations.
7. Continuous review and updating of the company's *Emergency Response Plan*.
8. Systematic recording, investigation and analysis of all incidents.
9. Active involvement of all employees.
10. Excellent cooperation with public authorities and other stakeholders, including providing them with all relevant information.
11. Systematic monitoring of safety performance, using established industry indicators, so as to ensure constant improvement in performance and the highlighting of malfunctioning and vulnerabilities.

During 2006, our efforts to achieve our Health and Safety goals were directed in four principal directions:

- To ensure that no accidents occurred during the course of the 2006 planned shutdowns of refinery units for maintenance purposes.
- To further improve the safety and quality of the working environment.
- To further consolidate and improve the operating procedures.
- To deliver training, to foster safety awareness and preparedness, and to extend the cooperation with stakeholders.

Health and Safety Management System

AN INTEGRATED SYSTEM UNDERPINNING THE ACHIEVEMENT OF OUR GOALS.

PLANNED SHUTDOWNS OF REFINERY UNITS

Two planned shutdowns of refinery units for maintenance purposes were completed during 2006, without a single accident occurring - an exceptionally satisfactory outcome.

Such extended interruptions of a unit's operation require special vigilance and precautionary safety measures, because of the greatly increased risk of accidents. Careful planning, continuous supervision and special accident prevention measures are required during the shutdown period, including the following: achievement of a heightened state of safety awareness among all those involved, by providing them with guidance and information about the increased risk level; co-operation with site managers, on a daily basis, to jointly identify hazards and initiate remedial measures; and the carrying out of daily site safety inspections.

IMPROVING THE SAFETY AND QUALITY OF THE WORK ENVIRONMENT

Improvements in working conditions and in the safety of the work environment are achieved by making the required investments in equipment, through the introduction of new procedures, and by means of Health and Safety inspections.

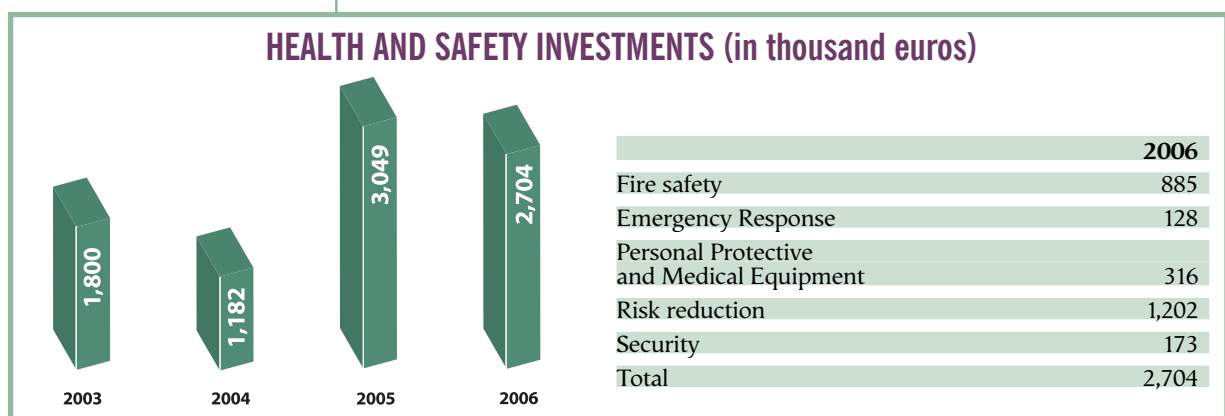
The continuous monitoring of equipment and workplaces to identify potential hazards by carrying out planned Health and Safety inspections are essential procedures that are given the highest priority. At the refinery, the planned Health and Safety inspections are realized by both internal inspection teams and external safety auditors, including Greek or foreign specialists. The internal inspections are carried out on the basis of an annual schedule by teams consisting of refinery managers and operators. The findings and recommendations arising from these audits are evaluated and lead to

appropriate technical and/or organizational measures being taken to achieve long-term improvements in working conditions.

Projects under construction are inspected on a daily basis.

The refinery was designed, built, and operates, in accordance with Greek and international regulations and standards. However, there is a continuing programme of investments in technical upgrades, aiming at maintaining the highest possible standards of safety and accident prevention, by taking account of engineering developments. The cost of the company's capital projects for improving Health and Safety standards, and for acquiring and maintaining safety and medical equipment, was 2.7 million euros in 2006.

This amount included investments for:



- a new technique (introduced despite the higher cost involved), that allows crude oil tanks to be cleaned without the necessity for personnel to enter the tanks, thus entirely eliminating the associated hazards;
- the renewal and upgrading of the basic Personal Protective Equipment (PPE), and of equipment in the refinery Medical Centre;
- the colour marking of the piping through which the products from the production units are transferred to storage tanks, so as to clearly indicate the product contained in any particular pipe;
- an underground catchment tank built to contain any leaks of hydrogen fluoride from the Alkylation Unit;
- the acquisition of a new, high-pressure compressor for the supply of breathable air;
- operational improvements of the Distributed Control System;
- upgrading of the fire protection at the Catalytic Cracking unit's pumping station, through the expansion of the fixed fire-extinguishing foam system, which significantly improves fire safety by reducing response time;
- installing a diesel-powered fire pump at the cooling water basin of the Catalytic Cracking Unit;
- upgrading of the fire-fighting facilities at the Hydrocracker Complex through the installation of an



- elevated fire-fighting monitor and of a foam tank;
 - other upgrades of fire-fighting facilities at various refinery sites (e.g. at the jetty; at the furnace of the Vacuum Distillation Unit, where fire-fighting monitors were installed as well; at the pipework tunnel by the installation of monitors; at the tank farm, by replacing existing sprinkler systems; at the Control Room of the boilers, where hydrocarbon sensors were installed; etc.);
 - upgrading of the wireless communication devices to improve the response in emergency situations;
 - the acquisition of devices for the monitoring and control of equipment;
 - installing a lift at the Catalytic Reforming Unit;
 - safety improvements at various access points to refinery facilities (ladders, platforms, etc.), for lighting improvements, and for improvements in internal roadways.
- At the same time, a number of the major capital investments of the period 2002-2006, whose main purpose was the production of clean fuels and the technical upgrading of the refinery, in terms of vertical integration, automation and energy sufficiency - also had a direct positive effect in improving the safety level at the refinery.

2.7 million euros

**INVESTED IN 2006, PRIMARILY
AIMING AT RISK REDUCTION**



MAJOR SAFETY RELATED CAPITAL PROJECTS IMPLEMENTED IN 2002 – 2006

- The implementation of the Advanced Process Control System (APC) was continued during 2006. To date, the APC (which extends and expands the functionalities of the Distributed Control System) has been implemented in the Catalytic Cracking Complex and in the Vacuum Distillation Unit. The next step is the coverage of the Crude Distillation Unit (budget: 8.8 million euros).
- Work continued during 2006 on the so far 4.5 million-euro project of the phased upgrading of the refinery's steam generating boilers. The largest of the four boilers has now been upgraded, while another one was upgraded previously, and works have started on yet another boiler. The burners of the upgraded units are designed for operation at much lower noise levels than the old ones.
- Installation of the Computerized Training Simulator was completed during 2005, at a total cost of 1.2 million euros. This state-of-the-art facility provides for the training of the operators of the Hydrocracker and Catalytic Cracking Complexes (refer to chapter Workplace for more details).
- Installation of a 3.1 million-euro Power Management System was completed in 2005, increasing the reliability of the refinery's electrical power system with immediate positive consequences for the safety of the refinery.
- The Custody Transfer System was installed in 2004 at the refinery's jetty, enhancing the reliability, safety and effectiveness of product loading (cost: 1.6 million euros).
- Also in 2004 the new Truck Loading Terminal was commissioned. It incorporates innovative technologies with positive Health and Safety implications, including a state-of-the-art automatic loading system and improved fire extinguishing devices operating independently from the refinery fire safety network.
- 2000 saw installation of the Distributed Control System providing for fully computerized control of refinery operations (cost: 20.9 million euros).

IMPROVING THE OPERATING PROCEDURES

We continuously seek to implement best practices by identifying Health and Safety hazards in all workplaces, and applying practices and procedures for their mitigation or elimination. Not only is relevant Greek and European legislation strictly complied with, but other international standards, codes of practice and established operational rules are also complementarily followed where this is judged likely to allow us to achieve even higher standards of Health and Safety than would be achieved by legal compliance alone. More specifically:

- We carry out detailed hazard and operability (HAZOP) studies, as a matter of absolute necessity, for all new facilities and for all modifications to existing facilities.
- We provide appropriate and adequate training to all our workers covering: information and instruction relevant to the hazards arising from their work, correct use of Personal Protective Equipment, safe working practices, appropriate emergency response procedures and first aid.



- We ensure the enforcement of safety rules in all situations, by way of implementing all required protective measures and complying with safe working procedures.
- We systematically record, investigate and analyse all incidents (fires, accidents, near-misses) with a view to effecting corrective and preventive measures.
- We systematically record and analyse all relevant operational data in order to statistically monitor our Health and Safety performance, and through the use of internationally-recognized performance indicators we seek to ensure continuous improvement, and provide a benchmark against which to compare our performance and thus highlight potential vulnerabilities.
- We encourage the active involvement of all workers in Health and Safety arrangements, both individually and through their being represented on the Health and Safety committee.
- Our emergency response set-up is based on our *Emergency Response Plan*, which is regularly reviewed and updated taking account of

refinery expansions and other changes to its configuration, of changing legal requirements, and of best practices resulting from technical developments or by the experience gained by others in dealing with major or non-major accidents. The plan prescribes equipment, organization and facilities available (both internally and from off-site sources) to mitigate the effects of an emergency. Features of the *Emergency Response Plan* are:

- The Mutual Aid Agreement whereby all Greek refineries cooperate in the event of an emergency, dating from 1988. The effectiveness of this collaboration is ensured through six-monthly joint exercises involving MOTOR OIL, the local fire brigade and the other refineries.
- The safety drills, organized weekly, and the preparedness exercises on dealing with major accidents that are organized several times a year. During these exercises, the Major Incident Response procedure is activated.
- The fixed and portable equipment for fire detection, fire-fighting, and

leakage detection which are upgraded according to a regular annual plan.

- The availability on the refinery site of six fire engines and one 12,000 litres bulk foam tender, that are available on 24-hour standby, and are operated by trained fire-fighters.

In 2006, in order to further improve our preparedness for effectively responding to a major incident, a fourth alternative location for an Incident Control Room was established, situated within the Hydrocracker Complex, to complement the three existing such locations on the refinery site.

- For the refinery personnel we have in place a programme of regular medical examinations (including blood tests, X-rays, cardiograms, eye tests, etc.) and of inoculations. We have organised a comprehensive occupational health service at the refinery with the appropriate personnel and material resources in place to provide medical and first-aid services, including:
 - A main Medical Centre for the refinery personnel, occupying modern premises covering 100



square meters, staffed by an occupational physician and a nurse, with appropriate equipment and facilities at their disposal including five beds for patient diagnosis and for delivering first aid, and a separate room for longer-term treatments.

- A Pharmacy stocked with all necessary medicines, surgical dressings and other medical equipment.
- A suitably-equipped first aid station at the Alkylation unit, where there is medical assistance available on a 24-hour basis.
- Three further suitably-equipped first aid stations (sited at the Central Control Room, at the Chemical Laboratory and at the Hydrocracker Complex.
- Three fully-equipped ambulances.

The members of the fire-brigade teams are also trained in rescue practices and in first aid provision.

A Medical Centre, staffed by two doctors, is also available at the company's head office premises to cater for the needs of MOTOR OIL and AVIN OIL personnel located there.

Examples of actions taken during 2006 to improve operating procedures

- A company handbook, titled «Road Tanker Loading Rules», was published and issued to all tanker drivers. This describes requirements for safe loading of road tankers at the Truck Loading Terminal so that the relevant procedures are carried out with maximum safety.
- In the framework of our policy to reward the personnel of refinery sections in which no accidents were recorded, or whose safety performance was significantly improved over the previous year, we rewarded the personnel of two sections with elegant honouring presents.
- Particular emphasis was given to auditing and inspecting hot work and confined space work.
- A system of penalties was established covering sub-contractors who breach the company's Health and Safety rules while working on refinery premises. Persistent breaches lead to the contractor's exclusion from the site for a minimum of a month.
- The development of the database of all Greek Health and Safety regulatory requirements relevant to the refinery's operation was continued.
- Work on the development of specifications for all Health and Safety-related work equipment in use (Personal Protective Equipment, fire-fighting equipment, etc.) was continued.



TRAINING, SAFETY AWARENESS FOSTERING, PREPAREDNESS AND COOPERATION WITH THE VARIOUS STAKEHOLDERS

The continuous training of our employees, their updating with the required information, the creation of a high level of safety awareness, together with the technical and organisational measures, are the essential pillars for accident prevention and the maintenance of a safe workplace. This fundamental approach governs the *Safety Management System* of MOTOR OIL.

Considerable emphasis is placed on the systematic supply of Health and Safety information to sub-contractors involved in refinery site operations, in particular relating to safe working procedures and general principles of accident prevention, the aim being to ensure their full and effective participation in refinery operations.



Toolbox Meetings

In 2006, we introduced, for the first time at the refinery, a new training technique known as «Toolbox Meetings», a relatively recently adopted practice in the field of Health and Safety. These are an effective means of developing team spirit and fostering commitment to established rules and procedures that ensure safe working practices are always followed.

Toolbox Meetings are not formal or scheduled training courses taking place in a classroom; they are short sessions (maximum 15 minutes), involving small groups of workers and taking place in their workplaces on subjects of direct relevance to their particular activities. For example, these might cover: on-the-spot analysis of causes of accidents and near-misses and appropriate preventive measures to avoid their repetition; discussion of Health and Safety issues relevant to the specific team; information on safe working practices, etc.

The Toolbox Meetings approach has many advantages: it raises awareness of safety issues, it strengthens the concept of personal responsibility for safety at work, reduces the risk of accidents, helps to eliminate unsafe working practices, facilitates the reporting of near-misses, fosters team spirit and develops communication between management and staff, and is a tangible demonstration of the company's commitment to Health and Safety.



Some examples of recent Health and Safety training initiatives are the following:

- The operation of the Computerised Training Simulator, significantly improves the effectiveness of operator training (refer to Workplace chapter).
- The main subjects covered by Health and Safety updating and training courses organized in 2006 included the following general and specialized themes:
 - Training for new supervisors and foremen on the safety aspects of permit-to-work systems.
 - Training programmes for those newly in receipt of permits to work, covering issues relevant to Health and Safety.
 - Refresher training for shiftworkers on the proper use of respiratory Personal Protective Equipment.
 - Toolbox Meetings involving all shift workers on underlying causes of accidents.
 - Specialist training for personnel from all shifts on carrying out rescue operations at heights, under the

direction of the Fire Brigade Rescue Team.

- Training of new duty engineers on handling major incidents response (and refresher training for all engineers assigned with duty services) in the form of real-life fire-fighting drills and related desk exercises.
- The structured and focused efforts to provide information to employees of subcontractors, and to raise their safety awareness continued in 2006, covering:
 - An extended information delivery programme (including provision of information, question and answer sessions, recording results in a database, issuing of special cards showing the successful attendance of the programme) covering all employees of subcontractors who receive permits to work at the refinery. The training materials comprised a general component - covering Health and Safety themes relevant to all types of refinery work - and a second, specialist component - relevant to 29 different types of activity. The programme was rolled

out in five cycles of training, each involving four teams of trainees, with a total of 320 individuals benefiting from the programme. Organisation and delivery of the training programme absorbed 2,500 man-hours of effort by specialist MOTOR OIL refinery personnel.

- Toolbox Meetings held with subcontractors operating on the refinery site on Health and Safety issues. These covered various themes relevant to their activities, as well as, discussion of breaches of proper procedure that had been previously recorded during workplace Health and Safety inspections.
- Safety drills and preparedness exercises are regularly rehearsed to improve the preparedness of personnel in handling emergencies and to test equipment and procedures related to the Emergency Response Plan. During 2006, 63 such exercises were carried out: 17 exercises involving response to a major incident; 13 were unscheduled safety drills involving the mobilization of response equipment; the rest were smaller-scale safety drills, at different

320 subcontractor employees

FOLLOWED INFORMATION PROVISION PROGRAMMES THAT ABSORBED 2,500 MAN-HOURS OF EFFORT BY REFINERY PERSONNEL.



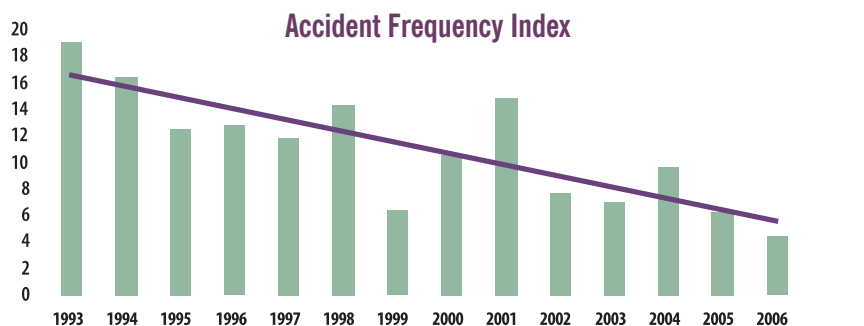
ACCIDENT STATISTICS

parts of the refinery site, involving theoretical and practical training in fire-fighting procedures and familiarization of personnel with fire-fighting equipment and related Personal Protective Equipment.

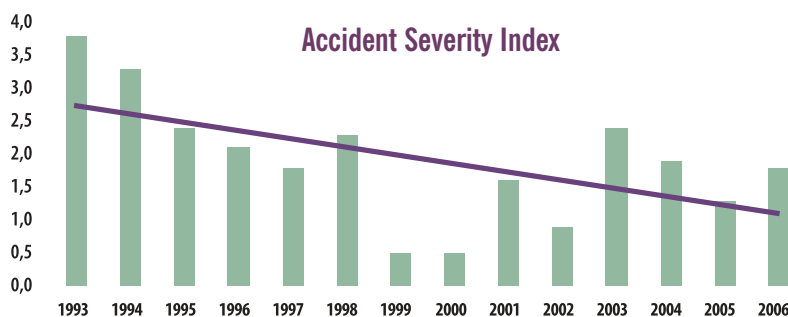
- In order to raise the safety consciousness amongst personnel, Health and Safety messages and posters are regularly displayed on 13 dedicated for this purpose notice boards around the refinery site. In 2006, three new posters were added to the existing collection, aimed at raising awareness of various safety themes.
- The co-operation with other organizations and stakeholders involved in the sector is regarded as essential part of the company's approach to Health and Safety. During 2006:
- The 27th Meeting of Greek Refineries on Health, Safety and Environmental Protection was organized by Hellenic Petroleum. This involved representatives from all Greek refineries, government and local authority officials, the emergency services and other interested parties. These meetings serve the purpose of promoting co-operation and developing and exploiting synergies in an area where there is an extensive scope for exchanging knowledge and experience.

The successful operation of the *Health and Safety Management System* is reflected in accident statistics (indicating both the frequency and severity of accidents) which have shown a clear downward trend over the years. The accident frequency index showed a significant reduction in 2006 compared with the previous year (from 6.3 reduced to 4.5), that was a slightly better performance than what was targeted (4.6). In

contrast, the accident severity index (1.8) showed an increase against 2005 (1.3) and was above the target level (0.8); this related to an increase in the level of man-hours lost due to accidents. These statistics relate to our own employees and do not include accidents involving sub-contractors' employees, which showed a marked reduction: only one such accident was recorded in 2006, compared with five in 2005, four in 2004 and nine in 2003.



$$\text{Frequency Index} = \frac{1,000,000 \times \text{Number of Accidents}}{\text{Total Work Hours}}$$



$$\text{Severity Index} = \frac{1,000 \times \text{Lost Hours}}{\text{Total Work Hours}}$$

THE REACH LEGISLATION

The new EU REACH Regulation (Registration, Evaluation and Authorization of Chemicals), effective as of 1st June 2007, creates a new basis for the protection of human health and the environment from the use of chemicals. Recognising the weaknesses of the existing legal framework, the EU after a long lasting series of initiatives and consultations, has agreed a range of measures, enshrined in REACH, whose essential characteristic is to place responsibility for identification of the hazards of chemicals with their producers.

Conscious of the public interest in human health and environmental protection, we have mobilised our specialists to prepare for compliance with this new legislation.

Furthermore, we are active participants of the CONCAWE organization, which provides technical advice to European refiners on matters of health, safety and environmental protection. Through this participation, we can ensure that the chemical properties of the products we produce and distribute are systematically analysed and scientifically studied, and that appropriate safety data is disseminated, relevant to their uses, throughout their life cycle.



SECURITY – REVISION OF «PORT INFORMATION & REGULATIONS»

We are taking all appropriate preventive measures to protect our installations against likely security threats, both deliberate and non deliberate ones. Our personnel responsible for this protection are suitably trained, both in security and safety matters, so that they can effectively and swiftly carry out their task, in full awareness of the duties assigned to them, and of the need to fully respect human rights and fundamental freedoms.

Furthermore, we give the highest priority to security measures aimed at the protection of our port facilities in order to prevent any incident whatsoever, which apart from any other consequences, may on top cause pollution of the sea. It should be noted that, in 2004, MOTOR OIL became the first Greek company to be certified by the Ministry of Mercantile Marine for compliance with the International Ship and Port Facility Security (ISPS) Code, which is applied according to the

requirements of chapter XI-2 of the International Convention for the Safety of Life at Sea (SOLAS).

In 2006, we have completed a full review of our «Port Information & Regulations», planned to be implemented during 2007. We regard the existence of the «Port Information & Regulations» for our port, which codifies in a single volume all the requirements for the safe docking of vessels at our terminal -according to Ministry of Mercantile Marine and international guidelines, codes and conventions - to be a prerequisite for the best possible protection of both our installations and the vessels themselves. The revised «Port Information & Regulations» consolidates all new provisions arising since its previous issue, including those of the ISPS Code, while it also describes clearly and in detail, our minimum requirements relating to safety and security, as well as to the measures to be taken to avoid pollution.



H AVIN OIL

In respect of Health and Safety, AVIN OIL, in its operations, follows equally strict standards as those described above, aiming at achieving equivalent high standards of health and safety and in avoiding all types of accidents.

The company:

- Fully complies with all relevant legal requirements.
- Regularly makes available to the authorities full and accurate Health and Safety data relating to the risk free use of the products it distributes.
- Provides its employees with a safe and appropriate work environment.
- Ensures that Health and Safety issues are handled by competent

and dedicated in-house personnel (occupational physician, safety engineer, etc.).

- Provides appropriate Health and Safety training to its employees and accordingly informs those with whom it collaborates.
- Keeps abreast and, as far as possible, takes account of international technical developments.
- Continuously strives to improve its Health and Safety performance.

During 2006:

- AVIN OIL reviewed and up-dated the full spectrum of safety rules applying to all its operations, from taking delivery of products to distribution and delivery to its customers.

- The safety training of Road Tanker drivers was repeated and extended to cover not only AVIN OIL's own drivers but also other, contracted Road Tanker drivers involved in the distribution of the company's products.
- The thorough programme of annual inspection of all Road Tankers (owned and sub-contracted) involved in the distribution of the company's products was continued, in line with state and petroleum industry regulations.
- The process of getting acquainted with the provisions of the EU REACH (Registration, Evaluation and Authorization of Chemicals) Regulation was initiated, aiming at full compliance.

ENVIRONMENT



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We are committed to applying our Environmental Policy, which is based on one of our three fundamental corporate Principles, to implement Best Available Techniques for protecting the environment, and to minimise the environmental impacts arising from our industrial activities.

ENVIRONMENTAL MANAGEMENT

Respect and care for the environment is one of our three fundamental corporate Principles and a common denominator of all our activities. We operate competitively but, at the same time, as a responsible corporate organization we espouse the principles of Sustainable Development; that is, the development which is based on mutual respect and on our responsibility towards future generations to protect the world we live in, and to satisfy today's needs without compromising their ability to enjoy access to the resources we currently enjoy. As a society, as a company and as individuals we face the challenge of dealing with environmental problems responsibly and decisively, otherwise human activity could quickly and irreversibly destroy nature's resources and beauty, which it has taken millions of years to create.

We are committed to our core goal of satisfying society's energy needs while contributing to the economic and social progress, respecting the principles of sustainable development and minimising the environmental impact of our business operations. This

commitment is spelled out in our Health, Safety and Environmental Protection Policy and is implemented through the operation of our *Environmental Management System* which is part of the *Integrated Management System*.

The company's *Environmental Management System* was first certified compliant with the ISO 14001:1996 standard in 2000 for all refinery operations; since 2004 it has also been certified compliant with the stricter ISO 14001:2004 standard by BV (Bureau Veritas). The ISO 14001:2004 standard, whose value is recognised worldwide, embodies all provisions, methods and tools required for the development, implementation and maintenance of an effective *Environmental Management System*. In parallel, we are ISO 9001:2000 certified for Quality Management. In the oil refining sector, the combination of the double ISO certification (ISO 14001:2004 for environmental protection and ISO 9001:2000 for quality management) is particularly important and provides multiple advantages.

Our environmental policy includes the firm commitment to disseminate information relating to the environmental impact of our activities, thus allowing all stakeholders to be informed about, and to judge, our performance. In the framework of this commitment, and beyond our legal obligations, we decided in 2006 to adopt and implement, on a voluntary basis, the non-mandatory Eco-Management and Audit Scheme (EMAS) specified in EU directive 761/2001.

Our first annual Environmental Report under EMAS will be published in 2007. The validity and completeness of the data in this report will be certified by BV. It will then be submitted to the Ministry of the Environment for approval, following which it will be disseminated to the public.

The *Environmental Management System* is an effective tool for implementing, and monitoring compliance with, the company's various environmental protection policy objectives, which are:

Environmental Management System

- ISO 14001:2004 CERTIFIED
- PREPARATION FOR IMPLEMENTING EMAS



- Keeping abreast of legislative developments and ensuring full compliance with all Greek and EU environmental legislation in force.
- Planning and implementing company projects and activities so as to minimise environmental impact.
- Training of, and awareness-raising among, all our personnel and sub-contractors' employees who work on our premises, on the implementation of the company's environmental protection policy.
- Monitoring and minimizing gas emissions, as well as the solid and liquid waste, so far as technically and economically possible.
- Monitoring and, as far as possible minimizing, the consumption of energy.
- Pre-empting any risk of environmental pollution and preparing, implementing and testing the appropriate emergency and mitigation procedures.
- Evaluating our environmental performance and continually improving our *Environmental Management System*.
- Developing communication and dialogue with all stakeholders.

ENVIRONMENTAL INVESTMENTS AND COSTS

During the last five years, as shown in the table (which includes AVIN OIL data), a massive investment programme totalling 596 million euros has been implemented, the major part of which was related to the upgrade and expansion of the refinery's processing configuration, (mainly the construction of the Hydrocracker complex), for clean fuels production satisfying the EU specifications coming into force in 2009. A total of 449.3 million euros were channelled to environmental protection projects (75.4% of the entire investment programme). Of this amount, 407.7 million euros was the capital invested in the projects for the production of clean fuels completed and commissioned in 2005.

Of the total 44.6 million-euros capital investment programme during 2006, 15.1 million euros (equivalent to 33.8%) concerned investments that serve the environmental protection objectives and improve the overall refinery's environmental performance.

ENVIRONMENTAL INVESTMENTS AND COSTS 2002-2006 (in million euros)

Year	2002	2003	2004	2005	2006	Total	Percent
Total Capital Investments	47.4	88.5	251.0	164.5	44.6	596.0	
Environmental Projects	9.3	58.3	234.6	132.0	15.1	449.3	75.4%
- For clean fuels	1.0	54.6	231.5	120.6	0.0	407.7	68.4%
- For improving performance	8.3	3.7	3.1	11.4	15.1	41.6	7.0%
Environmental costs	0.6	0.7	0.7	0.8	0.3	3.1	
TOTAL OF ENVIRONMENTAL INVESTMENTS AND COSTS	9.9	59.0	235.3	132.8	15.4	452.4	

A significant step in the improvement of the refinery's environmental performance was attained in 2006 with the completion of a major project: the upgrading of the Waste Water Treatment Plant, for which the construction works commenced a couple of years ago. Also of special significance was the replacement of a gas turbine in the refinery's Power Generation Plant, the upgrading of steam generation boilers including the installation of low-NOx burners, and the implementation for the first time of a Best Available Technique for tank cleaning.

449.3
million euros

ENVIRONMENTAL
PROTECTION PROJECTS
IN THE LAST FIVE YEARS.



COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

We rigorously comply with the environmental protection terms of our operating licence as have been laid down by the relevant state authorities, and with all the other related obligations emanating from the effective Greek and European environmental legislation. Moreover, our investment programme does not only aim at the timely compliance with any new requirements, but also provides for implementing projects that go beyond the requirements of the legislation.

In 2006, MOTOR OIL's compliance with environmental legislation and with its own environmental protection terms, was confirmed by the state authorities, and other independent inspection bodies, following relative inspections. Also, the the Peloponnese Regional Authorities approved the permissions for the processing and management of hazardous and non-hazardous wastes, according to the revised in 2006 legislative provisions.

We regularly report to the authorities, as we are required to do. Thus we:

- Submit annual reports to the competent authorities on the quantities of emissions to air, and the amounts of liquid and solid waste arising from the refinery's operation, in accordance with EU law (decision 2000/479/EC), as required for the implementation of the European Pollutant Emission Register (EPER).
- Report to the competent authorities on total annual emissions of sulphur dioxide, nitrogen oxides and particulate matter from the major combustion units of the refinery, as required by EU directive 2001/80/EC.
- Similarly, reports are made to competent authorities and the local authorities (Corinth Prefecture and Aghioi Theodoroi Municipality) on annual emissions to air, on the amounts of liquid and solid waste and, on a monthly basis, in respect of liquid waste.
- Report to the competent authorities on the way we handle solid waste, and where appropriate, we collaborate on this with licensed solid waste disposal companies to ensure their most effective disposal.

BEST AVAILABLE TECHNIQUES

Our commitment to environmental protection is demonstrated by the fact that we choose Best Available Techniques (BAT) at the decision stage for both new capital investment projects and for upgrades of existing production facilities.

The BAT concept is covered by EU directive 96/61/EC concerning the Integrated Pollution Prevention and Control in the industrial sector. BATs are deemed to be techniques that most effectively contribute to the prevention or control of pollution, that can be effectively implemented and that are economically feasible and technically practicable, while achieving the aims of the directive.

In 2006, we submitted to the Ministry of the Environment a detailed technical report on BATs used in the refinery for pollution prevention and control.

A tangible example of our implementation of BATs at the refinery was the commissioning in 2005 of three new pollution control units, whose capital cost was 19.8 million euros. Other applications of BATs in new projects in 2006 are covered in the relevant sections of this report.

**Best
Available
Techniques**

**WIDELY APPLIED AT OUR REFINERY BOTH
FOR NEW PROJECTS AND FOR UPGRADING EXISTING
PRODUCTION FACILITIES.**

Three «Best Available Techniques» pollution control units

1. Electrostatic Precipitator capturing and removing catalyst particles in the Fluid Catalytic Cracking unit

The Fluid Catalytic Cracking process involves the continuous recirculation of the catalyst for its re-activation by thermal regeneration. The result of this process is the partial fragmentation of the catalyst and the production of particles that if dispersed into the atmosphere become a form of potentially hazardous, inhalable, micro-particulate pollution. The usual and most economical method of controlling these emissions is through the use of cyclones. For improving further the removal efficiency, MOTOR OIL proceeded in installing an Electrostatic Precipitator through which the flue gases of the Catalytic Cracker unit are passed. This is the most environmentally efficient technology available for removing suspended catalyst particles. The process achieves a reduction in the concentration of suspended particles to far lower levels than is required by legislation. The total cost of the project was 6.4 million euros.

2. Closed-loop system for sulphur recovery handling

Sulphur is a by-product of the fuel desulphurisation process and is recovered by the Sulphur Recovery Units. The final product is in the form of solid flakes which in the past used

to be piled up in the open air. In order to minimise the environmental impact of this process (associated with an unsavoury odour and dispersion of sulphur dust into the air), it was decided to upgrade the sulphur solidification process and to store the final product in silos. The process is now carried out in an entirely closed-loop system, thus reducing the environmental impact as much as possible, while improving product quality and the quality of the working environment in that area of the refinery. The cost of the project was 6.6 million euros.

3. New sour waste water treatment unit

Construction of a new sour waste water treatment unit, to remove hydrogen sulphide and ammonia from the liquid effluents of the production processes, was part of the major refinery expansion associated with construction of the Hydrocracker complex. In order to maximise the environmental benefits arising from these new facilities, they were designed with a greater capacity than what was necessary, so as to be able to process all liquid effluents produced in the refinery, in the most efficient way by taking advantage of the environmental effectiveness of the technology, its efficiency being 99.9%. The total cost of the project was 2.3 million euros.

OPTIMIZING ENERGY CONSUMPTION

The refinery's production processes are especially energy-intensive, with similarly large requirements for steam and water. Refineries are industrial plants with large combustion facilities and are covered by the Kyoto Protocol provisions, as far as the emission of greenhouse gases is concerned. Therefore, we are particularly concerned with the refinery's «energy footprint» and with rationalising the way we manage our energy needs and use fuel – as subjects of particular environmental significance. We identify areas with potential for more efficient energy use and we implement the appropriate projects by using Best Available Techniques where appropriate.

To this end, we have achieved total energy self-sufficiency at the refinery through self-generation of all electric power requirements. The Power Production Plant of the refinery is of the combined-cycle type and it consists of four gas turbines producing a total of 68.3 MW, and of two boilers which recover heat from the flue gases to produce approximately 100 tons of steam per hour. The total yield of the combined cycle is 80%. The Plant utilizes the fuel gas produced in various units of the refinery and represents one of the most significant means of energy saving on the site.



According to a survey conducted by Solomon on the energy efficiency of refineries in Europe, Africa and the Middle East on the basis of 2004 data, MOTOR OIL's Energy Intensity Index was estimated at 92, the lowest score being 53 and the highest being 175.

Computerised control of refinery processes

The Distributed Control System (DCS), commissioned in 2002, provides for the fully computerized control of the refinery's operating processes. Although DCS is not primarily an environmental protection investment, it has had a significant positive effect on environmental performance, since the automation of production processes results in significantly more reliable operation and in minimal unscheduled operation interruptions, which are associated with inherent risks of accidents and pollution.

Similarly, there will be further environmental benefits resulting from the implementation of the Advanced Process Control System (APC), an extension of the DCS, which is in the process of being introduced in additional refinery units. The APC system is a fundamental tool for the more efficient use of production units, the reduction of refinery operational costs and better use of energy, raw materials, steam and water, all of which result in improving the environmental performance. During 2003-2006, as part of an 8.8 million euros investment programme, APC was applied on two refinery units (the Vacuum Distillation Unit and the Catalytic Cracking Unit), while it is also scheduled to be applied to the Crude oil Distillation Unit.

- The phased replacement of all boilers used in steam production, at a cost of 4.5 million euros to date, was continued in 2006 with the upgrading of the biggest of the four boilers and the start of works on another one. This project aims at reducing energy consumption, and consequently at reducing gaseous emissions; in particular, the installation of low-NOx burners (yet another Best Available Technique) contributes to the reduction of NOx emissions. An additional environmental characteristic of these burners is that they operate at lower noise levels, thus producing less noise pollution.
- In 2006, we commenced the construction of the natural gas internal distribution network, which has an estimated cost of 10.5 million euros, in preparation for the scheduled connection of the refinery to the main natural gas pipeline to Corinth in 2007. As a result of MOTOR OIL being the major prospective industrial consumer of natural gas in the region, it was economically feasible for the natural gas pipeline network to be extended to Corinth, Patras and the surrounding region, a project which will have significant positive economic and environmental consequences for the region as a whole.



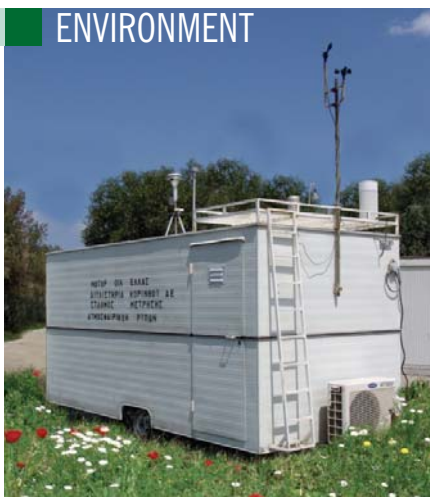
MANAGEMENT OF GAS EMISSIONS AND MONITORING OF AIR QUALITY

Climate change - the Kyoto protocol

The Kyoto protocol came into force two years ago, introducing legally binding targets for the reduction of greenhouse gas emissions in developed countries. In order to achieve these goals, the EU adopted directive 2003/87 establishing a system for trading in greenhouse gas emission rights. Under the directive, member states are required to submit comprehensive national allocation plans for emissions by sector, and by reference to relevant installations. The trading system, amongst other, covers large fuel-combustion industrial installations (including power generation plants, oil refineries and cement manufacturing plants) and aims at encouraging the adoption of energy-efficient methods capable of producing less CO₂ emissions.

The use of natural gas at the refinery will help improve its economic efficiency, given that it is the best fuel for power production and the best raw material for hydrogen production, while its use as a fuel in refinery furnaces will lead to less polluting emissions. Natural gas is used in the refinery for the following purposes:

- As an alternative raw material and/or fuel for the Hydrogen Production plant, primarily as raw material for hydrogen production but also as fuel to power the plant (the feedstock currently used by the hydrogen plant is naphtha or LPG).
 - As an alternative fuel for the gas turbines of the refinery's Power Generation Plant.
 - As an alternative or supplementary fuel for those refinery furnaces that currently use fuel gas.
- Gas turbine No1 at the refinery's Power Generation Plant was completely replaced (instead of being serviced), at a cost of 4.1 million euros, thereby increasing its efficiency from 30% to 33%, with a corresponding decrease in energy consumption.
 - During 2005, the installation of a 3.1 million-euros Power Management System (PMS) was completed - a Best Available Technique, increasing significantly the reliability and performance of the refinery's electrical power system, subsequently resulting to a positive effect on environmental performance as well. The installation of a fourth gas turbine at the Power Generation Plant was also completed, covering the needs of the Hydrocracker unit. The new gas turbine ensures the autonomy and self-sufficiency of the refinery in respect of electric power.
 - Also during 2005, the 2.7 million-euros upgrading of the crude oil preheating furnace at the Atmospheric Distillation column was completed. This upgrade had the effect of increasing the thermal output of the process to 87% from a previously 80%, resulting in a fuel economy in the order of 1 metric tonne per hour. The final outcome is a significant reduction in the energy consumption of atmospheric distillation, and in the level of air pollutants emitted.
 - During 2005, we completed the construction of a new desalination plant which produces water for the steam generation boilers. The new unit has an improved efficiency, thus reducing the energy requirements of the refinery.



During the first phase of operation of the trading system (2005-2007), MOTOR OIL was allocated emission rights within the National Allocation Plan covering both its existing operating units and those under construction during that period. Second-phase (2008-2012) National Allocation Plans are currently being drafted and submitted to the European Commission for approval.

A series of measures were implemented aiming at the reduction of carbon dioxide emissions, and of the emissions of other greenhouse gases (which in the case of the refinery means methane and nitrogen dioxide), including:

- Covering the refinery's entire energy requirements through operation of the four gas turbines (of an installed total capacity of 68.3 MW), and the planned use of natural gas as an alternative fuel for power generation.
- The planned use of natural gas as a feedstock for hydrogen production.
- The revamping of the crude oil pre-heating furnace and the subsequent increase of its

efficiency.

- The phased renewal of all steam boilers, already under way.
- The reduction of sulphur and nitrogen oxides emissions from the Fluid Catalytic Cracking unit as a result of the installation of the Hydrocracker complex.
- The optimized control and operation of the refinery units following installation of the DCS and APC electronic control systems.

Quality of fuel gas

Fuel gas, before it is used as such, is pre-treated for the removal of hydrogen sulphide so that the emission of sulphur dioxide in flue gases is minimized. Following the commissioning of the new sulphur recovery unit in 2003, the efficiency of this process was considerably improved. In 2005, as part of the improvements associated with bringing on stream the Hydrocracker complex, further new sulphur recovery units were commissioned resulting in a recovery efficiency of more than 99.9% (Best Available Technique); effectively, this means that the hydrogen sulphide content of

fuel gas is reduced to near-zero.

Air quality

Monitoring, control and improvement of atmospheric air quality is being achieved through a series of investments and procedures completed in recent years, but which are continuously extended and developed:

- The monitoring of air quality at the peripheral zone of the refinery, as well as in the greater area around the refinery, is directly effected by three appropriately placed fixed gas analysers and a mobile analyser which measures the concentration of pollutants in the air. The principal pollutants –nitrogen oxides, hydrogen sulphide, sulphur dioxide, hydrocarbons, particulate matter PM10, and total suspended solids – are monitored continuously.
- The flue gases of the main refinery chimneys are continuously monitored by analysers, linked to the DCS, measuring the following parameters: temperature, oxygen, dust, humidity, nitrogen and sulphur oxides. In this way, full control and real-time monitoring of



point emissions from the refinery's main units is achieved. Computational methods are also used, in combination with the measurement of relevant parameters.

- The flue gases from the incinerator that burns the tail gas of the sulphur recovery process are continuously monitored by analysers measuring hydrogen sulphide, sulphur dioxide, carbon disulphide, flow rates, temperature, carbon monoxide, and oxygen; they are also connected with the DCS in order to ensure that the sulphur recovery process operates at greater than 99% efficiency.
- The control and minimization of fugitive and diffuse emissions of volatile compounds from refinery equipment is achieved by applying the Leak Detection and Repair Program (LDAR), which is a Best Available Technique based on the EPA 21 method. By this technique, the concentration of volatile compounds is measured at the potential leak points. When a reading above 5,000 ppm is registered,

immediate action is taken to repair the relevant item of equipment.

- Reduction of emissions of suspended catalyst particles in flue gases from the Catalytic Cracking unit is achieved by means of an electrostatic precipitator, which treats the flue gases stream; this is a preventive measure according to Best Available Techniques. The electrostatic precipitator, commissioned in 2005 at a cost of 6.4 million euros, is not a legal requirement, achieving far greater reduction in suspended particulate matter than the legal limits.
- Commissioning of the Hydrocracker unit in 2005 has reduced the emission of sulphur and nitrogen oxides in the flue gases of the Catalytic Cracking unit.

In 2006, the following were implemented:

- Total sulphur concentration monitors were installed in the main pipe-work leading to the flare of the Hydrocracker complex, and to the pipe-work of the flare of the

fuels' production complex. These are continuous flow type analysers and are connected to the DCS.

- A programme of measurements, aimed at detecting and repairing leaks of volatile compounds from all equipment at the Truck Loading Terminal, was completed. Among the targeted volatile compounds were hydrocarbon volatile organic compounds (VOC), hydrogen sulphide (H₂S) and methyl mercaptan (MeSH).
- In order to follow the spirit, as well as the letter, of the legislation, CO₂ monitors were installed in the flare of the fuels' production complex, and in the flare of the lubricants' production complex; CO₂ emissions were previously assessed by means of approximate computational methods.
- The application of the Leak Detection and Repair Program (LDAR) for the reduction of fugitive and diffuse emissions from equipment led to the replacement of a number of valves with safer, more up-to-date types.



PRODUCTION OF CLEAN FUELS

The 350-million-euros investment in the Hydrocracker complex, commissioned in November 2005, enables us to produce practically «zero sulphur» (10 ppm) fuel, corresponding to the EU specifications for gasoline and automotive diesel, to be implemented on January 1, 2009. The current specification, applied on 1 January 2005, allows 50 ppm of sulphur content, while, between 2005 and 2009 both types of fuel (50 and 10 ppm) must be made available on the market. In practice, we already supply low sulphur (less than 50 ppm) fuel, thus contributing to environmental protection ahead of what the legislation requires us to do.

The Hydrocracker Complex

The Hydrocracker unit is considered as one of the Best Available Techniques for the production of practically «zero-sulphur» gasoline and automotive diesel.

The complex comprises of the following units:

- A 37,000 barrels/day capacity, medium pressure Hydrocracker (Mild Hydrocracker).
- A 32,000 barrels/day capacity, diesel-fuel polishing unit.
- A 65,000 Nm³/hr hydrogen production plant.
- An 150 KV sub-station for the connection of the refinery with the interconnected electricity transmission system, along with a newly-installed gas turbine, raising the installed power capacity to 68.3 MW.
- A new sulphur recovery complex.

Since February 2006, we have been supplying automotive diesel containing up to 2% biodiesel, moving towards the target specified for 2010 by EU legislation, namely a minimum of 5.75% of biofuels content in the fuels used in the transportation sector. Biodiesel, (a mixture of fatty acids methyl-esters derived from oil producing seeds, such as, sunflower, soya and rape), can be used as a substitute fuel in diesel engines. It is not toxic, does not contain aromatic compounds, it is easily biodegradable, and in comparison to diesel oil produces less emissions of particulates, carbon monoxide and hydrocarbons.

MANAGEMENT OF LIQUID WASTE



Waste Water Treatment Plant

Various types of liquid waste created by refinery operations have to be treated, including: water streams from the various production units and from the draining of storage tanks, rain water collected within the refinery area, and ballast water from oil tankers.

Liquid waste is treated in the Waste Water Treatment Plant before being released into the sea through a submerged pipe. A new, upgraded WWT Plant was commissioned in 2006, at a cost of 13.1 million euros. This was designed to incorporate Best Available Techniques, so that the quality of treated waste released into the sea exceeds the requirements of legislation and of the applicable environmental standards relating to industrial liquid waste.

The upgrading of the facility allowed the capacity of the Waste Water Treatment Plant to be increased, so that it could handle the entire liquid waste production of the refinery processes, including those added after the commissioning of the new units. It

also aimed at modernising the facility, by using new technology and introducing additional treatment steps, leading to further improvement of the quality of treated waste, as well as to the smoother operation of the unit.

The design of the upgraded Waste Water Treatment Plant was based on the following guiding principles:

- Incorporation of Best Available Techniques so as to achieve effective and reliable environmental protection.
- Existence of a series of sequential treatment steps, thus providing increased safety and reliability in the event of malfunction of any particular component of the unit.
- Reduced amount of produced sludge and maximised oil recovery in the process.
- Automated operation of the unit, thereby optimising its efficiency.
- Improved safety for operators and the plant itself.

The liquid waste treatment process is fulfilled in two stages:

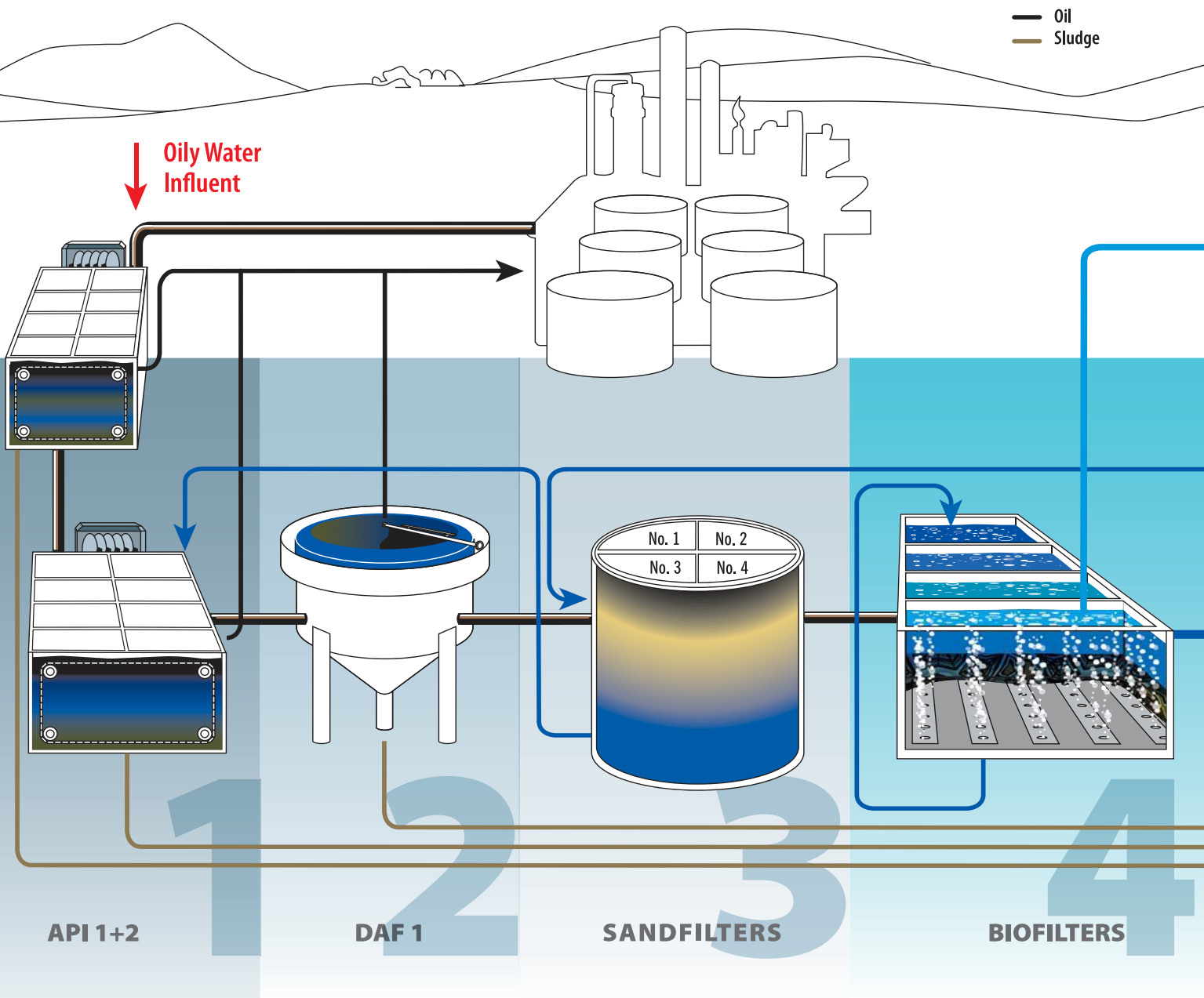
The **first stage** comprises API-type oil separators, a Flotation unit and Sand Filters, while **the second stage** comprises the Biofilters.

It evolves in six steps:

1. **Two API-type oil separators (API-1 and API-2)** are used to achieve primary separation of sludge and oil. The separated oil returns to the oil recovery system (slops) of the refinery for reprocessing. To improve effectiveness and safety, the oil separators are fitted with surface and bottom chain-scrapers, mechanical disc-type oil separators (discoil), floating roofs for odour hold up, etc.
2. After the API-2 oil separator, the waste passes into the **Dissolved Air Flotation unit (DAF-1)** for deeper oil separation, assisted by the addition of chemical agents. The separated oil returns to the oil recovery system (slops) of the refinery to be reprocessed.
3. Subsequently, the waste passes to the **Sand Filtration** step in order to remove suspended particles and the even further removal of residual

13.1
million euros

IN UPGRADING THE WASTE WATER
TREATMENT PLANT INCORPORATING
BEST AVAILABLE TECHNIQUES.



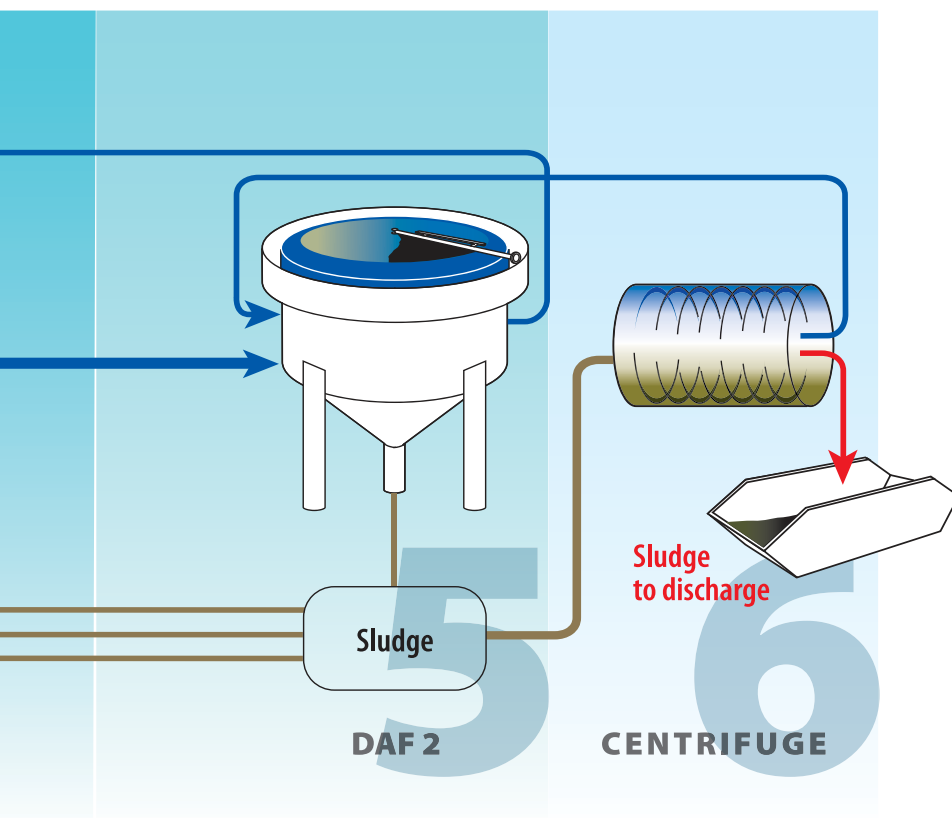
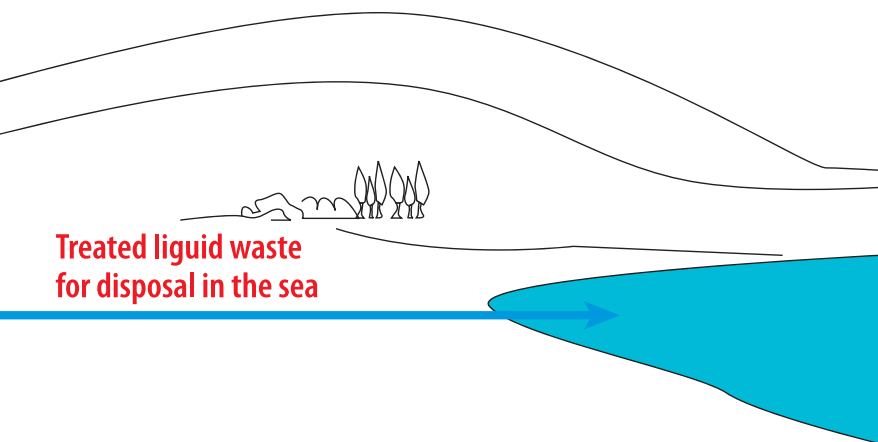
oil, which can interfere with the biofiltration process which follows.

4. The **Biofiltration step**, uses BIOFOR-type filters to achieve accelerated oxidation and degradation of the biological pollutants. Under normal conditions, oxidation and degradation are natural processes of very slow reaction rates, which consume

ecosystem resources. Biological treatment relies on the controlled use of micro-organisms for the biodegradation of organic compounds in a non-toxic environment, into simpler molecules, that are less harmful to the environment. The micro-organisms cling to, and grow as biofilm on fixed surfaces with which the liquid

waste is in continuous contact. The liquid waste is recirculated through the biofilters, so as to achieve greater effectiveness and flexibility, as well as a higher level of safety.

5. The water used to backwash the biofilters is treated in the second **Dissolved Air Flotation unit (DAF-2)** in order to remove the remaining suspended solids.



6. Finally, the produced sludge is dehydrated in a **Centrifuge** and is compressed before final disposal.

The alkaline («spent caustic») and acidic («sour water») liquid waste produced at various stages of the production processes go through a special pre-treatment before being passed to the Waste Water Treatment

Plant:

- Alkaline liquids are treated in the Neutralisation unit using sulphuric acid.
- Acidic waste is treated in the Sour Water Stripper, where 99,9% of the hydrogen sulphide and ammonia content is removed.

Domestic Liquid Waste Treatment Plant

Domestic liquid waste collected through the sanitation system of the refinery, which does not contain any oil products, is processed in the Domestic Liquid Waste Treatment Plant, before disposal into the sea, as provided for by relevant Greek environmental legislation; the process consists of four stages:

1. **Primary treatment**, which attains the removal of solids from the waste by sifting and gravity sedimentation.
2. **Secondary treatment – biological treatment**, using activated sludge for oxidising and deactivating the biological contents of the waste by the controlled use of micro-organisms.
3. **Tertiary treatment**, during which the clear liquid emerging from the secondary treatment is processed to remove nitrogen-containing compounds.
4. **Disinfection** in a chlorination tank, in order to destroy pathogenic micro-organisms.

Following disinfection, the resulting effluent is suitable for disposal into the sea through an underwater pipe.

Monitoring the quality of sea-water in the coastal area of the refinery

In 2006, MOTOR OIL completed four years of collaboration with the Laboratory of Applied Geochemistry of the Geology Department of the University of Patras, which has been researching the quality of coastal waters in the region of the refinery.

In this research, a number of physical and chemical factors (temperature, conductivity, dissolved oxygen, pH, etc.) of the concerned coastal water are recorded. The measurements confirmed the conclusions of the previous studies, indicating that the marine environment in the coastal waters of the refinery is within the normal range of conditions.



MANAGEMENT OF SOLID WASTE - RECYCLING

The oily deposits from crude oil tanks are treated for oil removal, while the resulting solid residue is subjected to biodegradation in specially tailored pieces of land (landfarms), conforming to the relevant API landfarming standard.

Exhausted catalysts are collected by firms licensed to handle hazardous solid waste disposal and are disposed of in a number of approved ways (sold abroad, regenerated for being reused, or disposed of at cement factories for incineration). During 2006, significant quantities of waste catalyst material were taken up by a licensed disposal contractor to be exported; similarly, quantities of contaminated soil were disposed of for treatment to a firm licensed to handle hazardous wastes. We are also researching the possibility of applying new methods for the management of both hazardous and non-hazardous waste, so as to further

improve the handling of such waste.

In 2006, despite its higher cost, we adopted a new technical approach (Best Available Technique) for the cleaning of crude oil tanks; this technique minimises the environmental impact by drastically reducing the quantity of solid waste and by virtually eliminating atmospheric emissions of gaseous hydrocarbons, as compared to the traditional cleaning method.

For used lubricants and their packaging, we have contracts in place with a firm specialising in recycling used mineral oils and with a firm specialising in handling used packaging. These contracts provide for the recycling of used lubricants and of their packaging, contributing to the protection of the environment and to saving of raw materials. We also collaborate with accredited firms specialising in the recycling of batteries, computer toner cartridges, motor vehicle tires and computers.

In 2006, the following were recycled:

- 39 tons of paper**
- 7.8 tons of wood**
- 1,996 tons of scrap iron**
- 3.4 tons of batteries**
- 1,115 computer toner cartridges**
- 22.1 tons of lubricants***
- 9.2 tons of plastic packaging material***

* These quantities refer to the refinery alone, since corresponding reliable figures for the AVIN OIL retail network are not available.

PREPAREDNESS FOR MITIGATING THE ENVIRONMENTAL IMPACT OF EMERGENCY SITUATIONS

The handling of a sea water pollution incident, especially of a large scale, demands a responsible level of prior planning and preparedness so that immediate appropriate action can be taken. This is because the potential consequences of such incidents may be extensive, the geographic area affected may be large and the impact in terms of the destruction of marine life may be serious, causing negative economic effects in affected areas and requiring extensive costs for the remediation of the environmental damage.

MOTOR OIL is committed to taking all possible measures to mitigate the consequences that may occur as a result of accidents – large or small – through the development of more rigorous contingency plans than are required by relevant legislation. We are committed to preventing damage that may occur as a result of the normal operation of the refinery, both on land or in sea areas for which we are responsible. However, should such an eventuality occur, MOTOR OIL has the know-how, the trained staff and the necessary equipment to respond effectively and swiftly to small and medium level pollution incidents (Tier-1 and Tier-2) in the coastal area around the refinery.

Oil Spill Contingency Plan

The company's Oil Spill Contingency Plan is integrated with the Local Contingency Plan for prevention of marine pollution (managed by the local Port Authorities) as well as with the National Contingency Plan (managed by the Ministry of Mercantile Marine).

MOTOR OIL has the suitable equipment for dealing with medium scale (Tier-2) pollution incidents, such as absorbents, booms, skimmers, vessels (boats and towboats), a special vessel equipped with tanks for storing the collected pollutants, equipment for shore cleaning, etc., while its staff is continuously being trained on the mobilisation and use of this equipment. It also has appropriate stocks of oil dispersants, used at the final stage of clean-up operations, when authorised by the port authorities. The oil-spill response equipment is continuously upgraded. Furthermore, the company is contracted with Southampton Oil Spill Response Limited, an international organisation providing know-how, equipment, materials and technical support for dealing with oil pollution, especially large scale (Tier-3) incidents. MOTOR OIL is also a member of the Mediterranean Oil Industry Group (MOIG), a regional oil industry forum on oil-spill preparedness and response for the Mediterranean region, whose aim is to ensure good coordination and cooperation by the oil industry in cases of major oil spill incidents and to the provision of mutual aid.

MOTOR OIL's Oil Spill Contingency Plan lists all tourist and other installations in the area along with the appropriate shore-cleaning method for each situation. Practice drills are carried out on an annual basis – eight for dealing with small scale pollutions (Tier-1) and two for dealing with medium scale pollutions (Tier-2).

Loading and unloading of tankers is inherently associated with pollution risks due to leakage incidents, which may occur as a result of an operational failure, or other type of accident. In order to avoid such incidents, it is necessary for personnel, both on the jetty and on the vessel, to be appropriately informed and trained in procedures to be followed and for equipment, both on the jetty and on the

vessel, to be in perfect condition. At MOTOR OIL, we are fully committed to providing training and information to our personnel on the jetty so as to ensure their awareness of, and compliance with, the proper procedures; we also continuously maintain and inspect the jetty equipment, which is timely replaced if required. These measures have contributed to achieving a high level of success in the prevention of



pollution incidents.

On 28 December 2006, a minor pollution incident occurred in the area of the refinery's jetty during loading the not related to the group tanker «Captain Michalis» with heating gasoil, due to a blockage in the valve of its No4 tank. As a result of this operational failure of the ship's equipment, for which the full responsibility lies with the vessel, approximately 200 litres of gasoil leaked onto the deck of the ship and about 50 litres leaked into the sea. The oil spill surface was initially 10 sq. meters, but subsequently, due to the

nature of the product, it expanded to 70 sq. meters before containment booms could be deployed. MOTOR OIL's Oil Spill Contingency Plan was immediately activated, and the local Port Authorities alerted. The immediate containment of the spill with booms prevented its further spread. The gasoil was then collected from the surface of the sea by use of absorbants and the oil skimmer.

On the MOTOR OIL side the accident was investigated according to standard company procedures and the conclusions were disseminated appropriately to the company's staff.

COMMUNICATION WITH NEIGHBOURING COMMUNITIES

MOTOR OIL uses various means of keeping local authorities informed of its activities, including holding events at the refinery, involving its own staff in local authority conferences and meetings, and making available information about its investment plans, particularly as far as they concern environmental protection measures.

Complaints expressed by refinery neighbours are recorded and analysed, and short or long term measures are taken to address them. During 2006, the number of complaints received was 28, compared with 36 in 2005 and 23 in 2004.

PARTICIPATIONS AND COLLABORATIONS

concaawe

We are an active member of the CONCAWE organisation (CONSERVATION OF CLEAN AIR AND WATER IN EUROPE), which provides technical support to European refineries on health, safety and environmental protection issues. By participating in the various CONCAWE committees, we ensure we are well and systematically informed about environmental issues concerning our sector, such as fuel quality, emissions, environmental protection measures concerning the quality of air, water, soil, etc.

We collaborate with the academic community in research programmes relevant to environmental protection. A project entitled «Development of new chemical processes for the production of biodiesel from biomass and its uses in the Greek market» was under way in 2006; apart from MOTOR OIL, eight other parties are involved, including the National Technical University of Athens, the Centre for Research and Technology Hellas (CE.R.T.H.), and the Agricultural University of Athens.

AVIN OIL

For 29 years, AVIN OIL has been operating responsibly and reliably in the oil products market. Respect for people and the environment has always been, and remains, a priority in all its activities. In order to ensure the safe and uninterrupted supply of its products and services to customers, the company has developed and implements a programme of measures which comprise its «Health, Safety and Environmental Protection Policy». The policy requires compliance with all legal obligations, regulations and codes of practice. The company operates a comprehensive *Health, Safety and Environmental Management System* which provides for regular audits and management reviews to ensure its effectiveness and continuous improvement.

The company has invested in its retail network so as to comply with the requirements of EU directive 94/63 (Stage I) concerning the recovery of Volatile Organic Compounds (VOC) emissions from petrol storage and distribution. The company's fleet of road tankers that distribute its products has been properly equipped with the required systems for recovering VOC emissions, and the installation of a Vapour Recovery Unit at AVIN OIL's



Truck Loading Terminal at Aghioi Theodoroi, means that the company's entire fuel distribution operation – the Truck Loading Terminal, the road tankers and the service stations – is now equipped with VOC emissions recovery technology.

AVIN OIL is contracted with a firm specialising in the recycling of used lubricants and with another specialising in the recycling of lubricants packaging; these contracts provide for the collection and recycling of AVIN OIL's lubricants and packages after use.

During 2006:

- The upgraded pumping station at the Aghioi Theodoroi Truck Loading Terminal (TLT) began full operation, resulting in as much as 25% reduction of power consumption. In addition, the loading gantries of the terminal are being replaced to allow for bottom loading (as opposed to top loading).
- The renewal of its fleet of owned road tankers was continued, introducing new vehicles, fully equipped for environmentally-friendly operation, as required by current legislation.

COMMUNITY INVOLVEMENT

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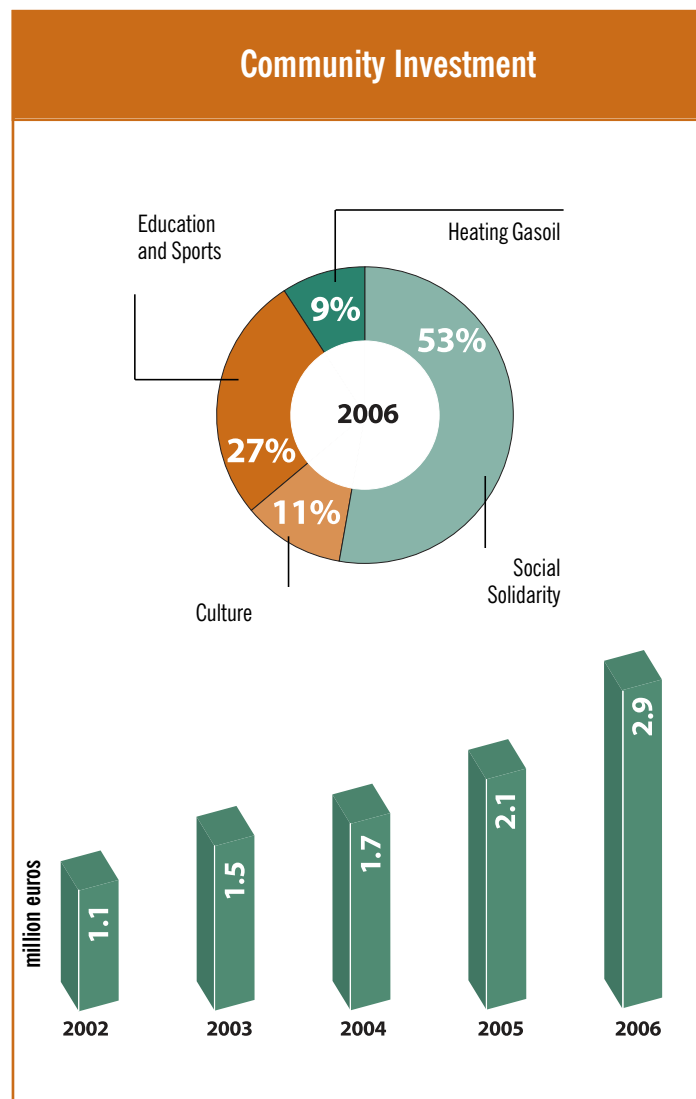


At MOTOR OIL, we strive to ensure that our activities have a positive and productive impact on the social environment in which we operate. Our efforts should contribute to the overall economic development of the country, and benefit the local communities around our refinery through job creation and the fostering of entrepreneurial activity. Moreover, we also believe that, besides simply supplying our products we have a responsibility towards society to actively participate in enhancing social values, and in creating a future worthwhile living in. A future that is more humane and more hopeful. For these reasons, we support by means of various donations and sponsorship programmes, the communal and cultural life in the area surrounding our installations, as well as in society as a whole.

WORKING IN PARTNERSHIP WITH THE COMMUNITY

We strive to work in partnership with the community in a responsible, consistent and reliable manner that is in line with our corporate aims and values. In this context, we support education, healthcare, sports and culture because we believe that these areas are key to contentment and fulfilment in life. During 2006, our continued community involvement was manifested, in line with our long-standing position as a responsible and active corporate citizen, through a number of activities benefiting various groups, including the:

- support for cultural, intellectual, athletic, philanthropic and social activities and initiatives,
- financial contributions to education and the sciences,
- donations and sponsorships for international sports meetings and athletics associations,
- hosting of informative visits to the refinery,
- donations to hospitals and church-run aid agencies,
- support for the work of non-governmental organisations and charitable institutions, and
- general assistance in addressing the social needs of groups and individuals.



CONTRIBUTION TO LOCAL COMMUNITIES

Every year, following a consistent historical trend, we have an active participation in the social, cultural and athletic activities of the surrounding communities, by systematically offering to the municipalities near the refinery site – Corinth, Loutraki, Aghioi Theodoroi, Saronikos and Solygeia:

- financial support for the organisation of cultural, social and sports events,
- financial aid to various associations in the area,
- support for social solidarity projects,

- assistance in the development of the local workforce through educational and cultural initiatives, and

- financial aid for local infrastructure projects which have a social impact.

We contribute to initiatives which promote these areas and facilitate their development, and we constantly seek to upgrade our relations with local communities through creative dialogue, so as to utilize synergies, leading to more tangible results than merely meeting societal needs.

Education

We provide financial support for various school activities and programmes. The following are some examples of these activities in 2006:

- Financial aid for schools in Aghioi Theodoroi (1st and 2nd Kindergarten, Elementary School, and Junior and Senior High Schools) to cover the cost of educational visits, the purchase of a photocopying machine, teaching aids and audiovisual equipment, and the organisation of a cycling tour and theatrical performances.
- Financial aid to the Elementary School and Kindergarten of Xylokeriza for the purchase of seats and desks for pupils.
- Economic assistance to the Isthmia Elementary School and Kindergarten, for cultural events and educational excursions.
- Economic support to the Isthmia Junior High School

for the construction of sports facilities and of a stage in their theatre.

- Economic assistance to the 3rd Corinth Integrated Senior High School, for the organisation of an educational visit to Belgium.
- Financial aid to the Corinth Special Elementary School for the purchase of gymnastics equipment and educational materials.
- Economic support for the 2nd Corinth Junior High School's production of a CD featuring old traditional songs of the Argolis area, as well as for the publication of the school's newspaper.
- Economic assistance to the 12th Corinth Elementary School for the repair and maintenance of its facilities.
- Financial aid to the Elementary School of Almyri for the maintenance of its facilities.

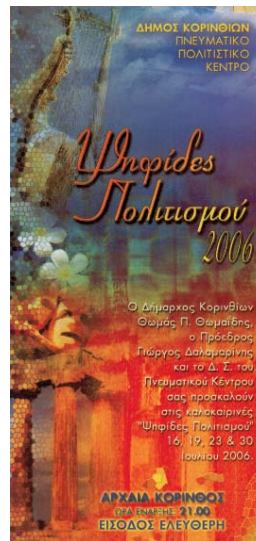
9.3 million euros

MOTOR OIL'S TOTAL COMMUNITY INVESTMENT OVER THE LAST FIVE YEARS.

Culture

We continued in 2006 our significant contribution to activities promoting the cultural level of local communities:

- We sponsored the Corinth Municipal Cultural Centre's organisation of the summer events, «*Cultural Mosaics 2006*», which included concerts (by Kostas Hatzis, Manolis Mitsias, Kostas Makedonas, etc.), presentations of traditional dances and theatrical performances, (*The Frogs* of Aristophanes, *Medea* of Euripides, etc.).
- We supported the organisation of cultural events (concerts, theatrical performances, etc.) by the Aghioi Theodoroi Cultural Centre.
- We provided financial assistance for a series of cultural events organised by various local associations, such as the Isthmia Cultural Club, the Corinth Prefecture for organising the Nautical Week 2006, the Ancient Corinth Cultural Club «*Apollo*», the Cultural Club of Prathi, the Corinth Theaters «*Irida*» and «*Vassilis Rotas*», the «*Mainalo*» Corinth Municipal Arcadians Union, the Examilia Cultural Club, and the Corinth Jazz Club.



Concert by the «*Mikis Theodorakis*» Orchestra

In 2002, a 1,600-capacity open-air theatre was inaugurated at Examilia, Corinth, named after the renowned Greek composer Mikis Theodorakis. MOTOR OIL undertook exclusive sponsorship of a concert at the theatre by the «*Mikis Theodorakis*» Orchestra in 2006, as it had done in the previous four years. The continuation of this sponsorship underlines the company's respect for and appreciation of the composer's work. The 2006 concert took place on July 29, Theodorakis's birthday, and was an important cultural event in the area, presenting high standard entertainment for an appreciative audience of thousands. The concert featured the «*Mikis Theodorakis*» Orchestra, accompanied by Nena Venetsanou, Dimitris Bassis and the Trifono group, with interpretations of the composer's best known popular songs.



Sports

We support activities that promote the spirit of athleticism. Some examples of this contribution to local communities in 2006 include:

- A significant donation to the «Saronikos» Sports Club for the purpose of helping them to continue the construction works at its football ground.
- A donation to the football team «Aris Xylokeras» and to numerous other local athletics clubs, including the «Corinthos» Pan-Corinthian Athletics Club, the «Tiron» Sports Association, the Corinth Gymnastics Sports Union, the «Loutraki» Football and Athletics Club, the «Olympiakos» Football Club of Loutraki, the «Theseas» Athletics Club of Agioi Theodoroi, the Corinth Football and Athletics Academy, the Athletics Club of Almyri, The Football Union of Corinth Football Clubs, the «Kypselos» Athletics Club, the «Corinthos» Football and Gymnastics Club, the Corinth Marine Club, the «Poseidon» Athletics Club of Loutraki, the «Isthmiakos» Sports Club, the «Corinthos» Volleyball Club, etc.



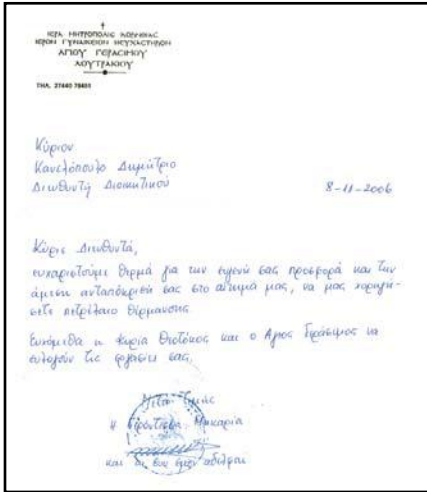
Social solidarity

- We provided the daily lunches for the residents of the Corinth elderly people's home, which are being prepared at the refinery's restaurant.
- We gave significant economic assistance to the Aghioi Theodoroi Protection Centre for Elderly People, for its annual programme of excursions and other events, as well as for covering the cost of visits to health spas.
- We offered economic assistance to the «Efthymeion Centre» for Treatment and Rehabilitation of People with Special Needs, in Corinth.
- We provided economic assistance to the Sickle-cell Anaemia Patient Association of the Corinth prefecture.
- We offered Christmas gifts to the schoolchildren in Aghioi Theodoroi and Isthmia.

- During the Christmas and Easter periods, we offered some economic assistance to more than 600 destitute people in Corinth, Aghioi Theodoroi, Isthmia, Loutraki, and Solygeia.
- We provide assistance to neighbouring communities in emergency situations, placing at their disposal the refinery's technical, fire-fighting and medical equipment whenever necessary, as well as its personnel buses to meet the occasional transport needs of schools and sports clubs.

Improving local infrastructure

- We provided water to about 200 homes around the refinery, out of our own water supply, for watering gardens and cleaning purposes. MOTOR OIL has built and maintains the water supply mains to these homes, as they are not covered by the existing Aghioi Theodoroi water distribution network. During 2006, 52,000 cubic metres of water, at a cost of



more than 230,000 euros, were distributed in this way.

- We made donations to the «Nea Zoi» Katsiviri Development Association to asphalt cover roadworks.
- We also made donations to various local development associations involved in landscaping and related infrastructure projects. These associations included: «Klara Elias», «Apostle Paul», «Glykia Zoi», «Philothei», «Aghios Charalambos», «Arakoukia», «Alkyon», «Arion», «Kiafa Beka», «Protoporos», and the «Aghioi Thodoroi» Forest Protection Association.

Heating

During the winter months, we make significant financial contributions to meet part of the heating expenses for schools, orphanages, public kindergartens, childcare centres, churches and religious institutions in the neighbouring municipalities, as well as for a large number of similar

recipients in other regions of the country, mainly in the Athens area. Examples of these were the «Corinth Special Elementary School» for children with special needs, the «Smile of the Child» charity organisation, the «Efthymeion Centre» for treatment and rehabilitation of people with special needs, the «Pammakaristos» Foundation of Nea Makri, the orphanage of Lamia, the «Amalieion» Orphaned Girls Boarding School in Maroussi, and the «Apostle Paul» elderly people’s home.

Supporting the Corinth market

MOTOR OIL – apart from being the area’s biggest employer, providing direct or indirect income for a large number of families – we also contribute to the overall economic development prospects of the region around the refinery, supporting the market in the Corinth area by implementing a policy of preference for the region’s businesses in order to meet the refinery’s needs in consumables, food, etc., even if cheaper sources are available.

BROADER SOCIAL CONTRIBUTION

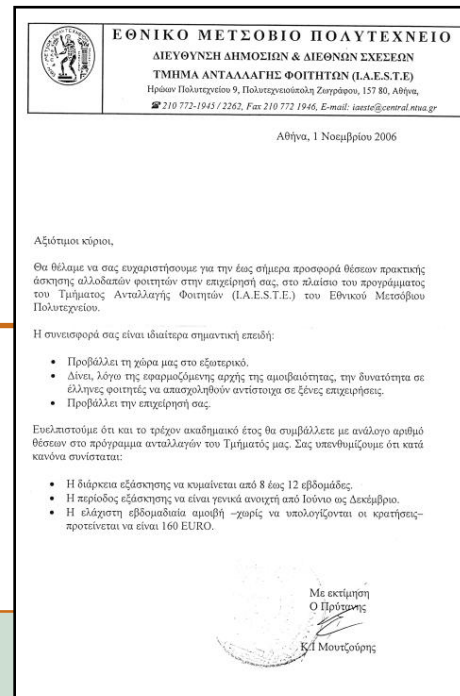
Our contribution to society is not limited to supporting the local communities only, but also extends to cover a wide range of other objectives, including:

- supporting education, science, and culture,
- supporting healthcare services,
- providing economic support for sports,
- providing financial aid for charity events,
- assisting church-run activities and non-governmental/non-profit organisations,
- supporting activities aiming at responding to unexpected societal needs.

Examples of the wide range of activities undertaken in 2006 are given below:

Education, science, and culture

At MOTOR OIL, we believe that knowledge is the factor that cultivates and fosters the development of both individuals and teams, and we care about bolstering and promoting education, research and technology - the three main pillars that constitute the driving force of progress and the support of society's future. We also believe in the role of arts and culture as the components of a healthy social development which is based on solid intellectual foundations. For this reason, we provide multifaceted support for activities that belong to this thought framework. Examples of this long-standing and consistent interest in 2006, are:



«Vardinoyannis Foundation»

The «Vardinogiannis Foundation», sponsored primarily by MOTOR OIL – the other sponsors being other companies of the Vardinoyannis Group – was established in 1989, and is run by a seven-member Board of Trustees. Its mission is to grant scholarships and awards, as well as to provide annual financial assistance, without examinations, for candidates who have distinguished themselves academically, or who are in need of support for graduate or post-graduate studies at tertiary

education institutions either in Greece or abroad. Through these scholarships and financial support the candidates are assisted in overcoming financial problems so as to allow them to smoothly continue their studies. The supported study areas change with each academic year. For the 2006-2007 year, grants were awarded in the fields of Medicine, Architecture, Agronomy and Archaeology. In the past, grants were awarded in several disciplines, such as: Maritime Studies, Archaeology,

Music, Agronomy, Medicine, Masters in Business Administration (MBA), Architecture, Turkish Studies, Environment, Biology, Sociology, Economics, and the Arts.

During the 2006-2007 academic year, there were six grant recipients and 125 others who received the annual financial assistance. Since its establishment, the foundation has awarded more than 100 grants and has provided annual financial assistance in more than 1,000 cases.



- In every year, we organize informative one-day seminars and visits to the MOTOR OIL refinery for University, Technical, Military Academy and High School Students. During these events, visitors are given guided tours of the refinery and are briefed on technical, commercial and career matters, according to their specific interests, as well as on MOTOR OIL's contribution to society and commitment to environmental protection. Within the context of these events, more than 500 people participated in such visits during 2006.

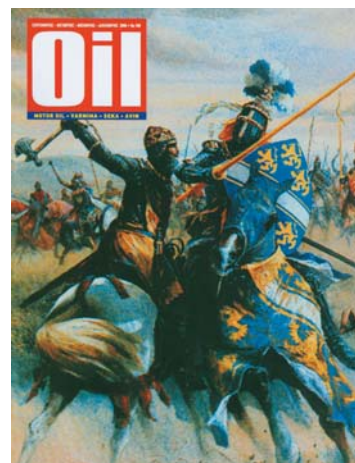
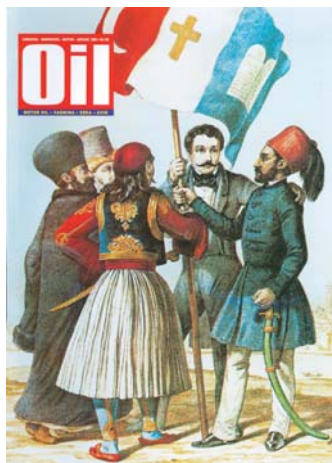
- In each summer, we offer one-month long periods of work experience training for a large number of University and Technical School students at various positions in the refinery and in the head offices. During their stay, trainees are inducted to

the company's work environment and take part in projects involving team-work with experienced personnel of ours, tasked with this particular purpose. Furthermore, a number of students are offered the possibility of six months' practical work experience, relevant to their specific areas of study. During 2006, 130 month-long positions and 10 six-month positions were offered through these programmes.

- Since 1971, MOTOR OIL has been the primary publisher of the quarterly magazine, «OIL», which continues to be regularly published. This issue features high-standard articles on historical, sociological, religious, energy, environmental, scientific and technological topics, and promotes specific important company activities with a broad public impact. The magazine is

read by a significant number of both public and private organisations, as well as by higher educational institutions.

- We sponsored the first «ENERGY 2006» International Exhibition, which took place at the same time as the International Congress «Energy Tec», between 23 and 26 November 2006, in Athens, under the auspices of the Hellenic Association of Certified Mechanical and Electrical Engineers. The themes of the exhibition, which was attended by more than 12,000 visitors from Greece and abroad, was ENERGY EFFICIENCY – COST EFFICIENCY – CLEAN ENVIRONMENT. The principal aims of the «Energy Tec» congress, which was attended by 850 delegates from Greek and foreign scientific and corporate institutions, were:



- To address crucial energy issues of the day: the dwindling resources of energy, their steadily rising prices, and the degradation of the environment.
- To highlight the significance of Renewable Energy Resources for the national economy, and to consider issues of self-sufficiency, cost, and environmental impact.
- To develop proposals for the sustainable maintenance of both the supply and the quality of energy resources, particularly in the Greek and Mediterranean area context.
- To demonstrate the significance of the state-of-the-art technologies in mitigating and resolving problems.
- We also supported with a sponsorship the 1st Corinth Development Congress, the theme of which was «The Corinth Area in the Spotlight». This Congress took place in Loutraki on the 12th of May 2006, and promoted views and

opinions on how current development challenges could be addressed in a modern and constructive manner. Among the subjects discussed were: tourism in its various forms, the promotion of the agricultural production of the



Corinth area, the implementation of an innovative regional energy policy and, finally, the strategy of regional coherence within the framework of EU policies.

- We supported the one-day conference «The Applications of Renewable Energy Resources in the areas of Argolis and Corinth», jointly organised on the 24th of November 2006, by the newspaper

KORINTHIAKI and the Corinth Chamber of Commerce. The aim of the conference was the listing and development of proposals that would contribute to the process of planning the development of Renewable Energy Resources in the prefectures of Argolis and Corinth. Participants included EU Environment Commissioner Stavros Dimas and MOTOR OIL's Head of Quality Management Kostas Korkas, who spoke on the subject of «Fossil Fuels versus Renewable Energy Resources».

- We offered financial support to the High School of Episkopi – Rethymnon (Crete) to organize an educational visit to Cyprus.
- We donated five computers to the 1st Athens Exemplary High School, and another two computers to the Special High/Senior High School at Ilioupolis, Athens.

In the light of the Library of Alexandria

The new Library of Alexandria, a wonder of the modern world, has been a colossal project, reviving a legendary pillar of civilisation: the ancient Library of Alexandria. The ancient Library was a symbol of Hellenism and had an influence that extended beyond the boundaries of Greece itself. By virtue of the Greek language and the Greek ideals of knowledge and humanism, it shone for seven centuries and acted as a meeting point for major intellectuals and scientists of the time. The fact that the Library's founder was the Macedonian king Ptolemy, underlines the special link between Greeks and the Library, and the long-standing bonds of friendship between Greece and Egypt. This was the place where the Old Testament was first translated from Hebrew to Greek and where luminaries such as Archimedes, Euclid, Eratosthenes, and many others, laid the foundations of science for the benefit of the world.



The modern Alexandria Library aspires to become a means of creating a better world, and to provide a free forum for all believers in the power of human spirit and knowledge. Since its inauguration in October 2002, the Library has been developing rapidly, with impressive activities. Its links with the world's largest research centres, universities and libraries gives it a global significance, not in economic terms, but as an intellectual focus. During 2006, the library hosted 539 events and received more than 750,000 visitors, while 230,000 people made use of its facilities.

At the Library of Alexandria, an international Philosophy Congress entitled «Philosophy in Hellenistic Alexandria» was organised by the «Friends of the Alexandria Library» Association, on the 8th and 9th of March 2006, which we sponsored. This remarkably important event, under the direction of the distinguished professor and academician Evangelos Moutsopoulos, highlighted the valuable contribution that the classical spirit has made to the wonder of the Library and to the shaping of global intellectuality.

Other significant sponsorships we made in 2006, included:

- A donation to the Music Association of Ermioni, the Holy Diocese of Hydra-Spetses-Aegina and Ermionis, who jointly produced a documentary film about the Holy Monastery of Aghioi Anargyroi at Ermioni, which played a decisive role during Greece's fight for independence in 1821, and possesses an exceptionally important library, and is decorated with excellent frescoes of the Cretan School.
- A donation covering the cost of costumes to the Cretan Society of «Vrakoforoi», the biggest body in the field of traditional Cretan music.
- We supported with donations the General Navy Staff, the Port Authority of Rafina and the Port Police Corps, on the occasion of Naval Week 2006, a 74 year-old tradition which promotes the nation's nautical history, as well as the Navy and Mercantile Marine.
- A donation to the Holy Church of



Aghios Dimitrios in Drossia, for completion of building works.

- A donation to the Holy Church of the Dormition of the Blessed Virgin in Mastamba, Rethymno, for the completion of its cultural and social events centre.
- Donation to the Holy Diocese of Rethymno and Avlopotamos for the refurbishment of the Aghios Dimitrios chapel.
- A donation to the Holy Diocese of Kissamos and Selinos for conservation works of their cultural centre.
- Financial assistance to the Cultural Society of Karoti, Rethymno, for the purchase of a plot of land on which

they will build their cultural centre.

- Financial assistance to the Municipality of Kranidi for the organisation of cultural events.
- Financial assistance to the Agricultural Co-Operative of Anopolis, Sfakia (Crete), for the construction of a cultural events venue.
- Financial assistance to the writer Angeliki Bouliari-Argyraki for the promotion of her book «The talisman of love».
- Financial assistance to the Society of the Sfakian Diaspora.
- Financial assistance to the Cultural Society of Perivolia-Myssiria.

“Διεθνής Διαγωνισμός Πιάνου SEILER - Ρέθυμνο 2006”

“International SEILER Piano Competition - Rethymno 2006”

Κρήνη-ΕΛΛΑΔΑ • Crete-GREECE

Σολιστές • 4 χέρια • 2 πιάνο

Soloists • 4 hands • 2 pianos

15-24 Σεπτεμβρίου 2006

Αίθουσα Συνεδριάσεων
Ελληνικό Ωδείο Ρεθύμνου

15-24 September 2006

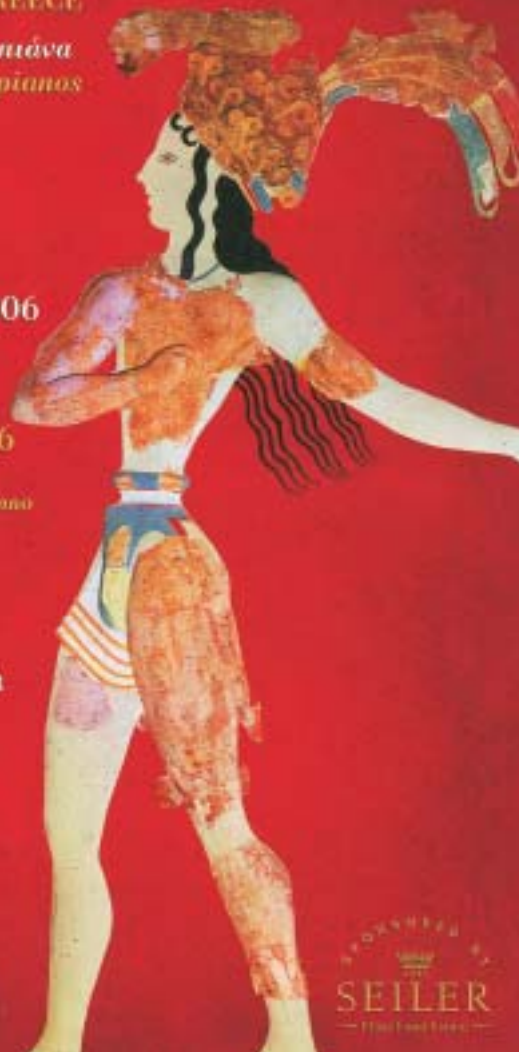
Concert Hall
Hellenic Conservatory Rethymno

Αποργάνωση:

Εταιρεία κατασκευής Πιάνων SEILER
Νομαρχία Ρεθύμνου
Δήμος Ρεθύμνου
Ελληνικό Ωδείο
Αποστολή Περιφερειακής Συμφωνικής
Ορχήστρας Ρεθύμνου

Organized by:

SEILER Pianofortefabrik
Rethymno Prefecture
Rethymno Municipality
Hellenic Conservatory
Rethymno Municipal Experimental
Symphonic Orchestra



The International SEILER Piano Competition, Rethymno (Crete) 2006

*που η μεν επί σώματι γυμναστική, η δ' επί
ψυχή μουσική» («Music is to the soul
what gymnastics is to the body»).*

The International SEILER Piano Competition – Rethymno 2006, was organised in Rethymno, traditionally a city of letters and the arts since Renaissance times, between 15 and 24 September 2006. Co-organisers were the piano manufacturer SEILER Pianofortefabrik, the Rethymno Prefecture, the Municipality of Rethymno, the Rethymno Municipal Experimental Symphonic Orchestra, and the Hellenic Conservatory. More than 85 young pianists from all over the world took part in this international event. Receivers of the soul euphoria generously offered by this intellectual journey in the land of piano music, were both the inhabitants of Rethymno, and thousands of tourists who were at that time staying in the city.

There is no more wonderful thing than for people to communicate through a universal language, the language of music. For the ancient Greeks, music meant any intellectual activity performed under the auspices of the Muses. They believed, as stated by Aelian, that «πασών κολάσεων ηγροσάμενοι βαρυντάτην είναι εν αμουσία καταβιώναι» («the worst of all punishments is to live without music»). Plato himself wrote: «ἔστιν δε

Social solidarity

Action aimed at supporting bodies involved in social solidarity activities, is central to the manifestation of our corporate values and to our concept of Corporate Social Responsibility in particular.

"ELPIDA» Association of Friends of Children with Cancer

We have provided support for the «ELPIDA» Association since its establishment in a multitude of ways, and in May 2006 we contributed 200,000 euros in support of the «Alpha» TV station's «telemarathon» which raised funds to support «ELPIDA» for the construction of the first Children's Cancer Hospital in Greece.

The Association of Friends of Children with Cancer was established in 1990, and was named «ELPIDA» (in Greek, «hope»), because it believes that the best it can be done for a child suffering from cancer is to see at some day the hope shining in its eyes again. The Association works towards this aim using both scientific knowledge and the participation of individuals who are conscious of the problem. The founder and president of the Association, Ms Marianna V. Vardinoyiannis has been honoured

with the Gold Cross of the Order of Benefaction by the President of the Hellenic Republic, the Academy of Athens Award, the French Republic's distinction of Chevalier de la Legion d'Honneur and with many other national and international awards.

The first goal of the Association was the establishment of a state-of-the-art **Bone Marrow Transplant Unit** which did not previously exist in Greece, to treat children suffering from leukaemia, immune deficiency and sickle-cell anaemia. The Unit was created within the «Aghia Sofia» Children's Hospital, Athens, in 1993 and is already in its second decade of operation, having provided hope to 400 children so far. The Unit has at its disposal nine beds and can accommodate children aged from 6 months to 16 years. Its success is attributable to the continuing education scheme for its medical and

paramedical personnel, as well as to the comprehensive technological support, including equipment selected according to the latest specifications.

Immediately after the completion of its first goal, «ELPIDA» set about its next project: the construction of a state-of-the-art, five-floor **Guest House** in Athens (46 Mikras Assias, Goudi), to accommodate the families of children who have travelled from the provinces to undergo treatment at the Unit. The guest house, which has 32 twin-bed rooms, and is unique in Greece, opened its doors in 1999. Its specialist staff who provide psychological and moral support to both the children and their parents, have welcomed 510 families to date, for periods of between 6 and 18 months, the typical duration of the treatment.

The latest goal and «ELPIDA's» biggest



ASSOCIATION OF FRIENDS OF CHILDREN WITH CANCER



vision and project yet, is the construction of the first **Children's Cancer Hospital** in Greece, to treat those children who have developed any form of neoplasia.

The hospital will be built on a two and a half-acre site at Goudi, Athens, donated by the Ministry of Defense, and is intended to operate in collaboration with both the two adjacent Children's Hospitals of «Aghia Sofia» and «Aglaiia Kyriakou». The project plan comprises of a complex of four main buildings, with ancillary structures, of a total area of 14,880 square metres.

The Hospital's specifications take account of modern integrated scientific approaches to patient diagnosis, care and treatment, including the creation of an environment that is friendly for the children and their families, following the philosophy and experience of «ELPIDA».

This project of «ELPIDA» has received widespread support both from the Greek society and the state, and from a multitude of foreign supporters, through the organisation of various cultural events that combine humanism with culture.

The abovementioned three main goals of «ELPIDA» have been complemented by the following activities:

In 1994, aiming at the effective treatment of childhood cancer, «ELPIDA» organised a European Congress entitled «Europe with a Human Face – Helping Sick Children». This meeting significantly contributed to the creation of a collaborative network of European Universities and the establishment of European Awards to recognise and promote activities in the field of treatment and psychological support of sick children. These Awards are conferred every four years.

«ELPIDA» also acts at times of emergency. It organised a «telemarathon» in support of child-victims of the war in Yugoslavia, jointly with the Greek TV station MEGA Channel and the «Foundation for the Child and the Family». The proceeds were used to provide the basic essentials to the affected by the war areas, for the establishment of a surgical facility in Gracanica (Kosovo), in collaboration with the «Médecins du Monde» Association, and of the «Athena» Children Centre in Belgrade, under the auspices of UNESCO.

Furthermore, «ELPIDA» contributed to the support of the 1999 Athens earthquake victims, offering essential aid to the Municipality of Fyli; it also supported the rebuilding of the Drug Treatment Centre within the Daphni Psychiatric Hospital, which had been destroyed by the earthquake.



**«Vardinoyannis Foundation»
at the Panagia Kalyviani
Women's Holy Monastery**

For more than 28 years, MOTOR OIL – within the context of its charitable work – has been the main patron of the «Vardinoyannis Foundation» based at, and supervised by, the Panagia Kalyviani Women's Holy Monastery in the Heraklio Prefecture of Crete. We cover part of the foundation's expenses, while the holy monastery is responsible for the remainder of the operating costs. The foundation was set up and funded by the company's founder, Nikos Vardinoyannis, and its mission is the accommodation and social/professional rehabilitation of orphaned and indigent girls. Located in the idyllic setting of the monastery, the foundation is a sanctuary, where the girls are sheltered and cared for. They are trained in household tasks, particularly in the art of cutting and sewing, in embroidery, cooking, decoration and handicraft. The foundation accepts girls aged 12-18, for a 3-year stay. They receive accommodation, meals, tutoring, and religious and social instruction. Other needs, such as clothing, are also met. The foundation has facilities to accommodate 60 girls.



**World-wide Campaign Against Human Trafficking
Business Community Round Table**

A Round Table entitled «Business Community against trafficking of human beings» was organised in Athens in January 2006, on the initiative of Ms Marianna V. Vardinoyannis, in her capacity as member of the Board of Trustees of «The Suzanne Mubarak Women's International Peace Movement», under the auspices of the Hellenic Ministry of Foreign Affairs and in collaboration with the «Foundation for the Child and the Family». MOTOR OIL sponsored the entire event and covered all its expenses.

The event marked the launch of the world-wide «End Human Trafficking Now» campaign aimed at promoting awareness of the issue among the business community.

The Round Table was held at the

Zappeion Megaron in Athens, on January 23, 2006, in collaboration with the World Bank, the International Organisation for Migration, the Geneva Centre for the Democratic Control of Armed Forces and the United Nations Development Fund for Women (UNIFEM).

Important international figures took part in the event, including the president of the International Peace Movement, Ms Suzanne Mubarak, board members of the Movement such as the Queen Sabeeka of Bahrain, the former UN Secretary General Dr Boutros Boutros Ghali, and leading figures from the world business community, like the president of Orascom Mr Naquib Sawiris.

ROUND TABLE OF BUSINESS COMMUNITY AGAINST THE TRAFFICKING OF HUMAN BEINGS

22 January 2006, Zappeion Megaron, Athens, Greece



Organized by
The Business Ethical
Principles International Forum Network



Under the auspices of the Greek Ministry of Foreign Affairs
Co-sponsored by DCAF, IOM, UNIFEM, UNICEF, World Bank,
Foundation for the Child and the Family



Among the key speakers were Queen Sylvia of Sweden, the UNESCO Goodwill Ambassador Mr Jean-Michel Jarre, and the Secretary General of INTERPOL Mr Ronald Noble. A videotaped message of support to the campaign was sent by actor Richard Gere, president of the «Healing the Divide» Foundation.

The main outcome of the Round Table was the campaign's Ethical Code, internationally known as «The Athens Principles» signed by the participants. The aim is to promote this Code to the world-wide business community, encouraging them to adopt it and integrate its principles into their business policies. The involvement of the international business community is seen as essential to further the

campaign, by drawing on its enormous power and influence and on its diverse communication channels, which can be used to complement the actions of governments, international organisations and NGOs. The business community can provide substantial support in transferring and promoting the message, that all need to take action, so that an end is put to human trafficking, this humiliating way of exploiting human misery and tragedy.

For this reason, a presentation of the «Athens Principles» was made at the World Economic Forum meeting in Davos in January, 2006, by a group of the Round Table participants, headed by Ms Mubarak and Ms Vardinoyannis.

- We offered significant financial assistance to the Municipality of Lappaion of the Rethymno Prefecture, aiming at the completion of the extensive refurbishments at their Town Hall. The refurbished Town Hall will thus become a better host for the Municipality departments, and the service offered to the civilians will be upgraded.
- We were Silver Sponsors of the fund-raising event «Children of the Tsunami – One Year After» that took place on 10 April 2006, organised by the Greek Section of «Médecins du Monde», (active in Greece since 1990). The collected funds will be used by the Greek Section to accomplish its humanitarian mission for offering relief to the child-victims of the 2004 Tsunami that ravaged South-East Asia. The Greek Section was one of the first aid bodies to arrive in South-East Asia after the disaster of 2004, bringing medical and pharmaceutical supplies, and still remains active in the area.



- We also provided support to the Greek Section of «*Médecins du Monde*» in organising events in the ancient Herod Atticus theatre in Athens, on the 3rd and 4th of September 2006, in collaboration with the Indian Embassy. Proceeds of the two events were used to support the child-victims of the conflict in the Darfur region in Sudan, as well as the civilian casualties of the 2006 conflict in Beirut.
- We supported the two «With me, become a child» telemarathons organised by the Greek TV channel «ANTENNA» during 2006, raising funds for institutions sheltering destitute or abandoned children, orphans, and children suffering from severe health problems.
- We supported the Hellenic Association of the Blind and Amputees.
- We provided assistance to the «*White Butterflies*» Foundation for Children with Special Needs, of the Magnesia Prefecture.

Health care and volunteering

A healthy and productive society relies on the physical and mental health of its citizens; therefore, our social contribution cannot but be concerned with this area. We systematically support institutions that are involved in health care and we donate medical equipment to hospitals. For example, MOTOR OIL has fully equipped a clinic of the Crete University Hospital, and, for many years has been making annual donations to the Corinth General Hospital.

Corinth General Hospital

We have been supporting the Corinth General Hospital for many years in a systematic and diversified way, through annual donations for covering the cost of medical equipment, or for improving the building infrastructure, or by supporting scientific events and publications. Over the last nine years, our collaboration with the Corinth General Hospital has included the following:

2006

- Donation of a complete gastro-scope-orthoscope.
- Financial assistance towards the organisation of the seminar «Treatment of the casualties of major road accidents».

2005

- Donation of special surgical equipment for the General Surgery, Orthopaedics and

U r o l o g y
Departments.

- Funding the publication of an information leaflet on the hazards of smoking.
- 2004**
 - Donation of a series of medical textbooks to the library of the Hospital.
 - Financial assistance for the Cardiology Department's educational programme.
- 2003**
 - Donation of a plasmapheresis device for the Blood Donation Department
- 2002**
 - Donation for covering part of the





cost of building improvements

2001

- Donation of medical equipment, including an electrocardiograph, for the Internal Medicine Department.

2000

- Donation of an 8-12 blood unit centrifugation device for the Blood Donation Department.

1999

- Donation of a complete laryngoscope for the Otorhinolaryngology Department

- We made a donation to the humanitarian organisation «*Lifeline Hellas*», which was founded by Princess Ekaterini of Yugoslavia, with the aim of providing medical equipment and consumables for the relief of suffering people, especially children. The organisation’s activities in 2006 aimed at collecting funds for the urgent upgrading of the intensive care units for newborns at the Children’s Hospitals of Serbia and Montenegro, where deficiencies are so serious that the mortality rate of treated newborns in these units is the highest in Europe.
- We provided financial support for the second Breast Imaging Symposium, organised on 29 September – 1 October 2006 by the Hellenic Radiology Society and the Hellenic Breast Surgery Society.
- We provided assistance to the Chania General Hospital for the setting-up of a Newborn Intensive Care Unit.
- We provided assistance to the Association «*Pnoe – Friends of Intensive Care of Children*».
- We encourage our personnel to participate in blood donation programmes, arranged in cooperation with the Corinth General Hospital, for refinery employees, and with the «*Metaxa*» Hospital for head office employees. MOTOR OIL’s personnel have been voluntarily donating their blood for over 21 years and this humanitarian initiative has become an established custom. The resulting blood bank covers the needs of our employees, their close relatives, as well as the needs of third parties in some emergency situations. During 2006, 161 blood units were collected; their total number since 1991 is 2,300. In 2006, MOTOR OIL’s blood bank was commended by the Ministry of Health and Welfare.



Sports

A key dimension of our social contribution approach is the sponsoring of activities that promote the spirit of athleticism. Representative examples of this activity in 2006, included:

The «Vardinoyanneia» International Track and Field Meeting

More than 140 athletes from 24 countries, including Olympic and world champions, competed at the 22nd «Vardinoyanneia», held on July 21, 2006. During the games, contestants competed in 16 different events, and some very significant results were achieved:

- The 2006 world's best result in Men's Discus Throw at 71.08 metres was achieved by the Lithuanian athlete Alekna Virgilijus.
- The Russian athlete Oksana Udmurdova won the Women's Long Jump with 6.98 m, followed by the Australian Bronwyn Tomson with 6.95 m, by the Russians Tatyana Kotova with 6.92 m in the third place and Tatyana Lebedeva with 6.85 m in the fourth place, and by the Greek Chrisopigi Devetzi with 6.75 m in the fifth place.
- The result of the American Gay Tyson in completing the Men's 100 m in 9.88 seconds was amongst the best ever recorded.

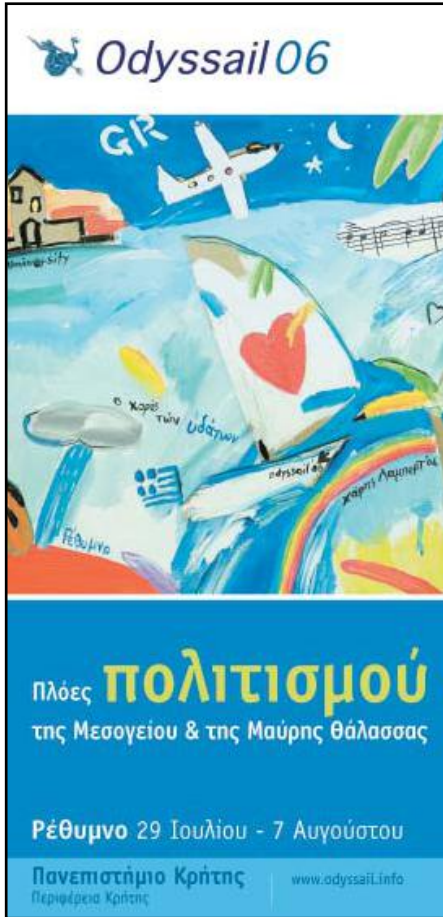


The International Track and Field Meeting «Vardinoyanneia» has been held every year in Rethymno, Crete, since 1985, in honour of Pavlos Vardinoyannis. MOTOR OIL is the permanent Grant sponsor of the event. Organised by the Atromitos Union of Rethymno, it is held under the aegis of the European Athletics Association (EAA) and observes the rules of the International Association of Athletics Federations (IAAF).

The meeting is hosted at the Olympic-standards «Pavlos I. Vardinoyannis» Gallos Municipal Athletics Centre stadium in Rethymno. For the maintenance and upgradings of the stadium's infrastructure, MOTOR OIL provides annually a significant

amount of special funding.

All major Greek athletes and many foreign sports champions have competed in the «Vardinoyanneia» meeting. Twenty seven national records have been established as well as one European Youth record, and a world record in 2001 by the Cuban Javelin thrower, Osleidys Menendez. Reflecting the wide participation, the outstanding performances achieved and the high standard of organisation, the «Vardinoyanneia» were promoted to the EAA Premium category in 2006. In 2005, the games were rated, for the fourth successive year, as the best outdoors sports meeting in Europe in the EAA Permit category, having been scored top by the European Athletics Association.



Regatta OdysSail 2006 - A Regatta through the Mediterranean and Black Sea Culture

We supported the *Regatta OdysSail 2006*, an international cultural and sports event, organised by Crete University every second year in the Mediterranean and the Black Sea, with the island of Crete being the focal point.

The concept of *OdysSail* is to trace the sea routes by which Greek civilisation expanded. It links and highlights the cultures of the participating Mediterranean countries-ports through which, as witnessed by Homer, Odysseus travelled on his way back from Troy to Ithaca. The regatta symbolizes the journey of knowledge through culture, athleticism and human friendship. Having started a few years ago, it ran parallel with the 2004 Olympic Games and it continues sailing.

The boats participating in the *OdysSail 2006* arrived at the Rethymno marina on July 29, after having sailed to some of the most beautiful and historical ports of the Mediterranean sea. A festival called «The Dance of the Waters» and dedicated to the sea, was organised there, between July 29 and August 7. The activities of the festival included a symposium on Homeric studies and a Trans-Mediterranean thematic exhibition on Mediterranean culture.



- Every year, we support the long-distance race known as the «Spartathlon», by making available the resources of the refinery’s medical centre (personnel and equipment) and by setting up a kiosk where the athletes may have a breather. The course of the event retraces Pheidippides’ 246-km historic run from Athens to Sparta, in 490 BC, where he asked the Spartans for their support against the Persian army in Marathon. The 24th event was held in 2006, with the participation of 291 athletes from all over the world, of whom 97 finished the course.

In addition, the company supported the following with significant sponsorships in 2006:

- The Athletic Club of Episkopi, Rethymno, Crete.
- The Athletic Club of Anoixi, Athens.
- The Rethymno Volley-Ball Club, of which the Men’s team participates in the A2 National League, and the Women’s team in the B National League.
- The Rethymno Union of Football Teams, which incorporates D League teams, Women’s Football teams, as well as coed teams (Junior, Pre-Childrens, Children and Juvenile).
- The Atromitos Union of Rethymno, for the maintenance of the «Pavlos I. Vardinoyannis» Gallos Municipal Sports Centre of Rethymno.
- The department of classical athletics of the Heraklion Sports Fans Club.
- The basketball team of the Rethymno Athletics and Gymnastics Club, which participates in the A2 National League.
- The Athletic Club of Spilio, Rethymno, for the completion of its Sports Centre.
- The Poros Sailing Club.



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