



ENVIRONMENTAL POLICY OF PPC S.A.

integral part of the SUSTAINABILITY DEVELOPMENT POLICY
of PPC Group

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1. Introduction - General principles

The **precautionary - preventive - remedial** principles of **environmental damage at source** and the '**polluter pays**' principle, which define the basic framework of European environmental policy, together with the general principles of the **circular economy** (waste, batteries, end-of-life vehicles, landfill, etc.) and **climate change** adaptation and mitigation (ratification of the Paris Agreement, effort-sharing, accounting for land use, land use change and forestry in the context of the Union's climate change commitments, reform of the Emissions Trading Scheme (ETS), etc.) shape EU environmental legislation.

The **precautionary principle** is a risk management tool that can be activated if there is scientific uncertainty about a suspected risk to human health or the environment arising from a particular action or policy.

The environmental dimension is embedded in every aspect of the Company's strategy. In addition to the implementation of EU and national environmental legislation, PPC S.A. takes additional initiatives aimed at reducing the environmental footprint of all its activities, with particular emphasis on the areas where the lignite mines and the power generation plants operate.

2. Terms and Definitions

Management system: set of interrelated elements of an organisation to establish goals and objectives.

Environmental Management System: part of the management system that focuses on managing environmental aspects, meeting compliance obligations, addressing threats and exploiting opportunities.

Environmental Policy: an organisation's objectives and guidelines related to environmental performance.

Environmental aspect: an element of an organisation's activities that interacts with the environment.

Environmental impact: an adverse change in the environment resulting, in whole or in part, from environmental aspects.

Pollution prevention: the use of processes, practices, techniques, materials, services or energy to prevent, reduce or control the creation, emission or discharge of any type of pollutant or waste in order to reduce adverse environmental impacts.

Compliance obligations: legal or other requirements.

Life cycle: a sequence of interrelated stages of a product or service system, from the acquisition or creation of raw materials from natural resources to their final disposal.



Inspection: a systematic, independent and documented process for the collection of evidence and its objective evaluation in order to determine the extent to which the inspection criteria are met.

Compliance/non-compliance: meeting the requirement/not meeting the requirement.

Continuous improvement: repeated activity to enhance performance.

Stakeholder: a person or organisation that may influence or be influenced by a decision or activity.

3. Purpose of Environmental Policy

The Environmental Policy commits the Company to environmental protection, pollution prevention, sustainable use of resources, protection of biodiversity and ecosystems, etc.

The Environmental Policy is in line with the rest of the Company's policies, as well as its values of responsibility, integrity, transparency, efficiency and innovation. It applies to every sector of the Enterprise's economic activity, such as lignite mining, power generation, commercial operations, offices, support services, including contracting and subcontracting.

The Environmental Policy is established, implemented and kept up to date in order to provide the framework for the achievement of environmental objectives and the continuous improvement of the Company.

Environmental Policy becomes necessary in order to achieve:

- ✓ the modernisation of the Company,
- ✓ the application of Environmental, Social and Governance (ESG) criteria,
- ✓ responding to the demands of the investment community,
- ✓ the country's new energy and climate goals, as reflected in the National Energy and Climate Plan (NECP),
- ✓ the implementation of the Fair Development Transition Plan for the transition to the post-lignite period, in a coordinated and responsible manner,
- ✓ the EU's new development strategies, such as the European Green Deal, which is an effort to transform the Union into a modern, resource-efficient and competitive economy with zero net greenhouse gas emissions by 2050 and resource-neutral economic growth, and the Biodiversity Strategy to protect nature and reverse ecosystem degradation,
- ✓ the requirement to reduce greenhouse gas emissions and to take measures to adapt to climate change,



- ✓ the promotion of investment in renewable energy sources, and
- ✓ the general transformation of the PPC Group S.A.

4. Scope of application

This Policy applies to every sector of the Company's economic activity, such as energy production, lignite mining, commercial activities, offices, support services, including contracting and subcontracting. To this end, the Enterprise is committed to cooperating with joint ventures, suppliers and other third parties that adhere to the principles of this Policy.

This Policy is binding on (i) members of the Board of Directors, (ii) persons performing managerial functions and (iii) other personnel of the Firm.

5. Management & Compliance with the Policy

The Environment Directorate is responsible for drafting this Policy.

The Board of Directors and the executives of the Company are committed to contribute to the environmental protection project by promoting know-how, raising awareness and taking decisions to support individual actions to address environmental threats and exploit opportunities for improvement.

The Company's Management exercises leadership and demonstrates its commitment to environmental protection through:

- ❖ The approval of the Company's Environmental Policy,
- ❖ Ensuring the alignment of the Company's strategy with the Environmental Policy,
- ❖ Training, motivating, coaching and supporting staff to contribute to the achievement of environmental objectives,
- ❖ Promoting continuous improvement,
- ❖ The allocation of adequate and appropriate resources for environmental protection and the reduction of environmental risks.

All employees and third parties who have access to PPC's services or systems have the obligation to actively contribute to the maintenance of the regulatory requirements of the applicable environmental legislation and to comply with the respective rules, as recorded in this Policy.

Violation of the Policy may result in sanctions under the applicable regulatory framework.



6. Pillars of Environmental Policy

The Management of PPC, adopting the principles of sustainable development, harmonizes the operation of its production activities in order to achieve the country's energy and climate objectives, as reflected in the National Plan for Energy and Climate (NECC).

The fair transition to the post-carbon era, in a coordinated and responsible manner, combined with the promotion of **investments in renewable energy sources** and the digital transformation of the Group, contribute to the mitigation of the Company's environmental footprint and are in line with the principles of the EU Green Deal.

In order to continuously improve its environmental performance and ensure the environmental sustainability of its production activities, PPC implements Environmental Management Systems, in accordance with the International Standard ISO 14001:2015.

In this context, the PPC Management is committed to:

- **comply with** the requirements of environmental legislation and internal or other regulations adopted in the implementation of its activities,
- **promote** the circular economy, through the reduction of waste production, reuse, recycling and recovery of raw materials, energy and waste,
- **promote** the conservation of non-renewable natural resources in all its activities,
- **reduce** the environmental footprint of its activities, by strengthening **pollution prevention** measures and safe disposal of waste generated from its operations by applying Best Available Techniques,
- **address** the risks associated with Climate Change by implementing plans to mitigate greenhouse gas emissions, improving the overall environmental performance of its activities and taking measures to adapt to Climate Change,
- **take** measures to protect biodiversity and align with the EU strategy on this issue,
- **inform, train** and **encourage** staff to participate in prevention and environmental protection activities, with a view to disseminating knowledge, improving its credibility and establishing transparency,
- **establish, document, achieve** and **evaluate** specific, measurable environmental objectives,
- **implement** environmental programmes in order to achieve continuous improvement of the environmental performance of its activities,
- **communicate** the spirit of **environmental protection and sustainable development** to all stakeholders (consortia, partners, suppliers, contractors and other third parties) and cooperate with those who adhere to the principles of this policy,



- **look forward** to building and maintaining a constructive relationship of trust with local communities, Social Partners, investors, all stakeholders and the general public; and
- **ensure** compliance with the principles of the Environmental Policy of the Company.

All employees and partners of PPC S.A. have the responsibility to comply with the principles of environmental protection and the requirements of Sustainable Development. The Environmental Policy is available to the public and is regularly updated/modified by the Company's Management in order to meet the current requirements and requirements.

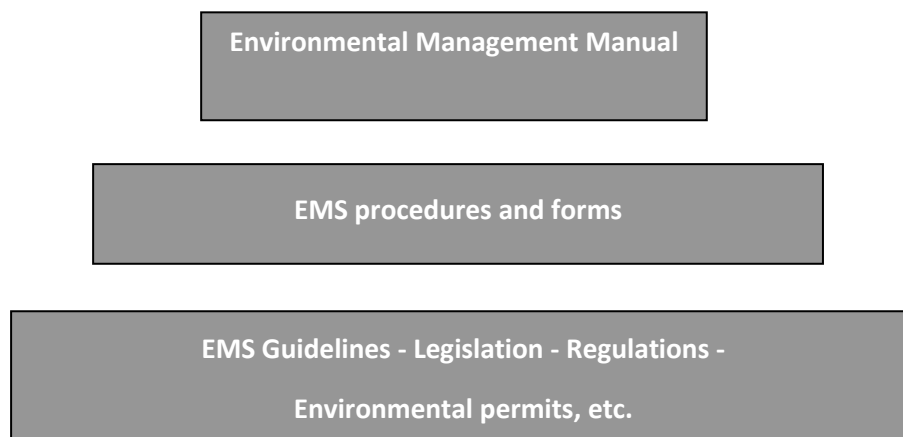
7. Environmental Management Systems (EMS)

PPC S.A. develops and implements an Environmental Management System (EMS) in its main production units, in accordance with the ISO 14001:2015 standard, in order to achieve:

- Continuous improvement in the management of energy resources, waste, air quality and noise,
- The prevention and response to spills - emergency incidents,
- Environmental awareness and training of staff,
- Improving communication on environmental issues; and
- in general, the improvement of the management of the natural environment, in the direction of achieving the sustainable development of the Company.

The Environmental Management System organises the monitoring, management and ultimately the mitigation of environmental impacts associated with PPC's production activities.

The certified EMSs related to the activities of the Enterprise are structured in three levels, as shown in the figure below:





Each EMS is supported by a set of documented information, which is updated and supports compliance with the requirements of the standard.

The Processes, based on the corresponding chapters of the international standard (ISO 14001) are: Design, Support, Operation, Environmental Performance Assessment & Improvement.

Each Process includes Sub-Processes as follows:



Process Title	Documented Information in a Flowchart	Title Sub-working
DESIGN	Design (Part 1 & 2)	
		Identification and assessment of environmental aspects
		Monitoring of Legislation and Other Requirements
		Establishment of Environmental Objectives and Environmental Management Programmes
		Risk Management
SUPPORT	Support	
		Organizational Structure of the EMS - Job Description
		Staff Training in Environmental Management Issues
		Contact
		Development and Writing of EMS Files and Documents
		Document and File Management
		Supply of materials and services
		Prevention and response to emergencies
		Solid Waste Management
		Liquid Waste Management
		Management of Hazardous Materials
		Water Resources Management
		Equipment Maintenance
ENVIRONMENTAL PERFORMANCE ASSESSMENT	Environmental Performance Assessment	
		Management review of EMS - Environmental Policy
		Monitoring and Measurement of Environmental Parameters
		Maintenance, Calibration, Calibration, Calibration of Measuring Equipment
		Internal Inspections of the Environmental Management System
IMPROVEMENT		
		Corrective Actions



8. Employees - Partners - Society

The Company, through the adoption of best practices for the protection and restoration of the environment and the participation of all its employees, aims to inculcate an environmental attitude and culture capable of improving performance in the protection, preservation and restoration of the environment. This is achieved through training, internal inspections, electronic communication, as well as other communication and promotion tools, meetings, reviews, monitoring of the implementation of objectives.

PPC requires, through criteria, the compliance of external partners for the implementation of corresponding prevention and environmental protection measures and the adoption of a responsible policy. In this context:

- ❖ There is continuous communication with key suppliers and partners to exchange views on the behaviour of the equipment supplied and transfer of know-how.
- ❖ A regular register of qualified suppliers, services and products is maintained, which enables the evaluation of the quality and reliability of the services and products provided by external partners.
- ❖ A general clause has been introduced in all the notices of the Company for the compliance of contractors and any subcontractors with environmental legislation, with provision for the termination of the contract and the exclusion of the contractor from future tenders in the event of a repeated violation of the legislation.

For the Company, its contribution to local communities is inextricably linked to its business activity. To this end, it implements important environmental actions that have as their main beneficiaries both the communities in which it operates and the wider community. Its important social work also includes a number of actions/actions, which are developed over time and relate to sport, culture, health and education. Detailed information on the Company's actions is included in the annual Corporate Social Responsibility and Sustainable Development Report, which is available on PPC's website.

9. Setting Limits / Sources

The Environmental Policy is a key pillar of PPC's Sustainable Development Policy.

In drafting this Policy, consideration has been given to, among other things:

1. ISO 14001:2015: environmental management systems.
2. The UN Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development.
3. The Report from the Commission to the Council and the European Parliament pursuant to Article 18(2) of Directive 2004/35/EC on environmental liability with



- regard to the prevention and remedying of environmental damage [COM(2016) 204 final of 14.4.2016].
4. The "European Green Deal" [COM(2019) 640 final of 11.12.2019].
 5. Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage.
 6. Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment - Directive 2014/52/EU amending Directive 2011/92/EU.
 7. Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.
 8. Directive 2008/56/EC - EU action in the field of marine environment policy.
 9. Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.
 10. 2006/61/EC: Council Decision of 2 December 2005 concerning the conclusion, on behalf of the European Community, of the UNECE Protocol on Pollutant Release and Transfer Registers.
 11. Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, as amended and in force.
 12. Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries and amending Directive 2004/35/EC.
 13. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 to contribute to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) 2018/842.
 14. Regulation (EU) 2021/1119 establishing a framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Act").
 15. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.
 16. Regulation (EU) 2018/1999 of 11 December 2018 on the governance of the Energy Union and Climate Action.
 17. The National Energy and Climate Plan (NECP).
 18. Law 4872/2021: Fair Development Transition, regulation of specific issues of de-lignification and other urgent provisions.
 19. Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of the Circular Economy Action Plan - 4.3.2019 COM(2019) 190.