



# THE HELLENIC PETROLEUM GROUP'S SOCIAL AND ECONOMIC IMPACT IN GREECE

**Value creation  
for the Greek economy  
and society**

**June 2019**



**HELLENIC  
PETROLEUM**

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# INTRODUCTION

For HELLENIC PETROLEUM Group, one of the leading energy groups in Southeast Europe, the value added created for the Greek economy and society confirms the responsible attitude and multiannual contribution of the Group and its subsidiaries, at local and national level.

In order to assess the major impacts and the Group's economic and social value, an extensive study was conducted in consonance with international best practices. The process used for analyzing the Group's direct, indirect and induced impact on jobs, taxes and added value for the Greek economy during the fiscal year 2018, was based on the "input-output" methodology. Impact has been studied on a country level, as well as on a local level, due to the Group's activity in the areas of Thriassio and Western Thessaloniki. Impact on the supply chain, the petrol stations' network and the partner petrol stations, which procure products from the Group's companies, was also studied.

The study's results highlight, once again, the very important and multi-level contribution of the Group's presence and activity in Greece. At global level, the Group's social and economic impact contributes to the collective effort to achieve the UN's Sustainable Development Goals (SDGs).

**Group Corporate Social Responsibility Division**



# OUR CONTRIBUTION IN 2018

## TOTAL CONTRIBUTION TO EMPLOYMENT

For every **1** job position created within the Group, an additional **7** jobs are indirectly supported in the broader economy.

We support **22,290** jobs, the equivalent of **0.6%** of total employment in Greece, which indirectly supports **51,267** citizens.

## TOTAL CONTRIBUTION TO ECONOMY

The total value added created for the Greek economy is **€2 bil.**, which is equivalent to **1.1%** of the country's GDP.

For every **€1** of the Group's value added, an additional **€0.6** of value added is created for the Greek economy.

## TOTAL CSR CONTRIBUTION TO SOCIETY

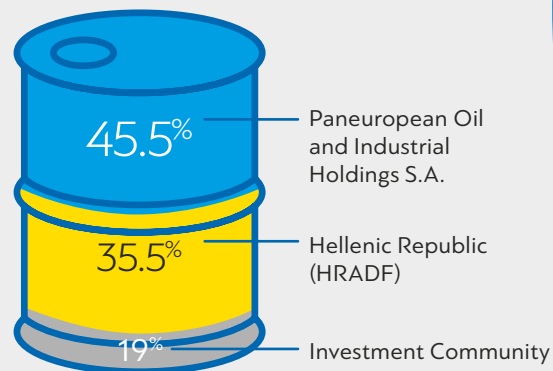
**€ 5.94 mil.** was the total investment in CSR actions in Greece, while **€ 2.23 mil.** was the investment in CSR actions in the local communities (Thriassio and Western Thessaloniki).

The annual contribution to taxes and duties is **€2.6 bil.**, which is the equivalent of **3.4%** of the annual tax revenues of the State.

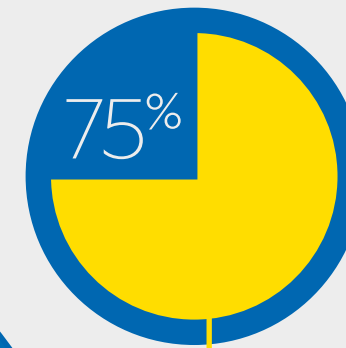
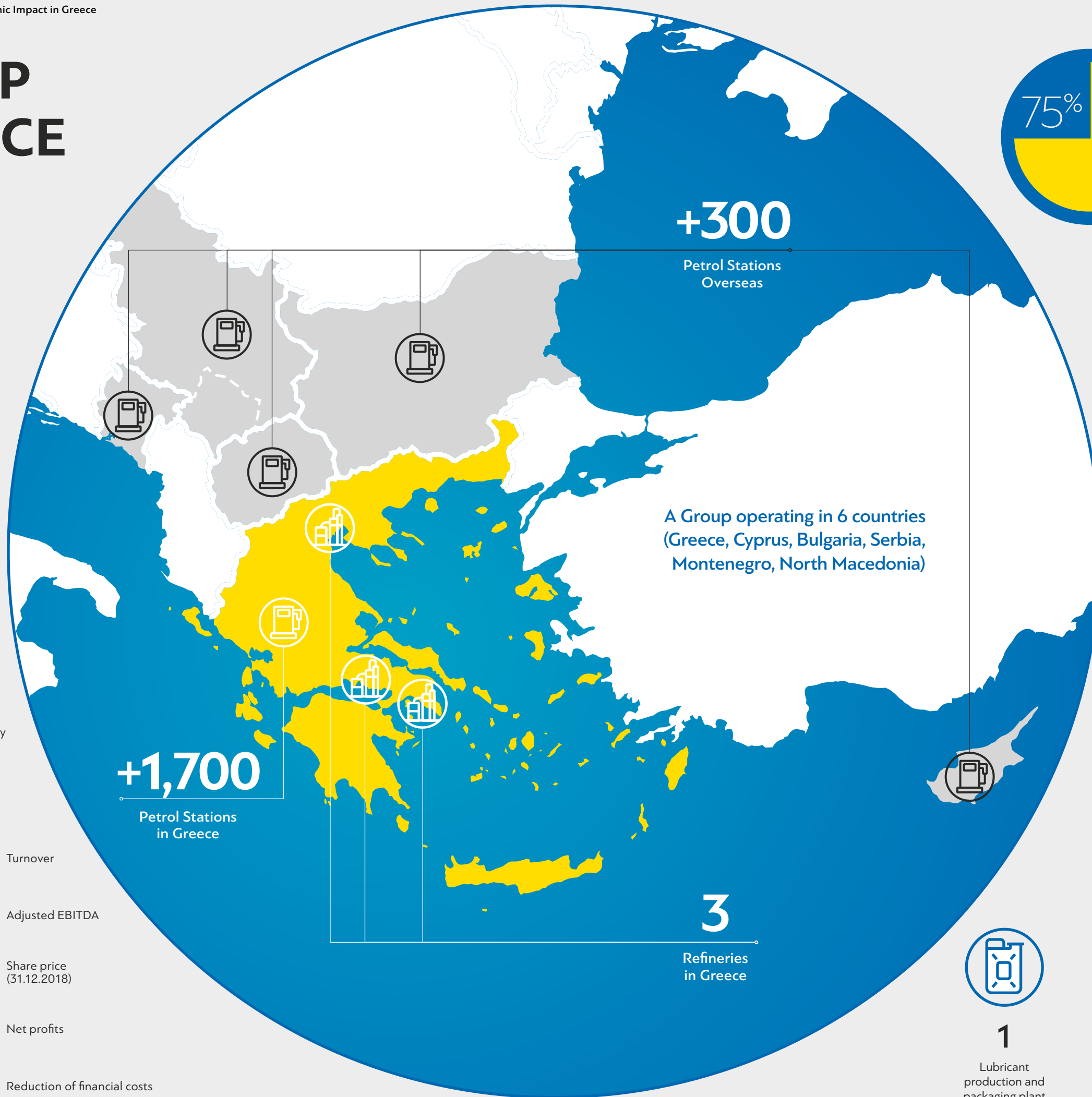
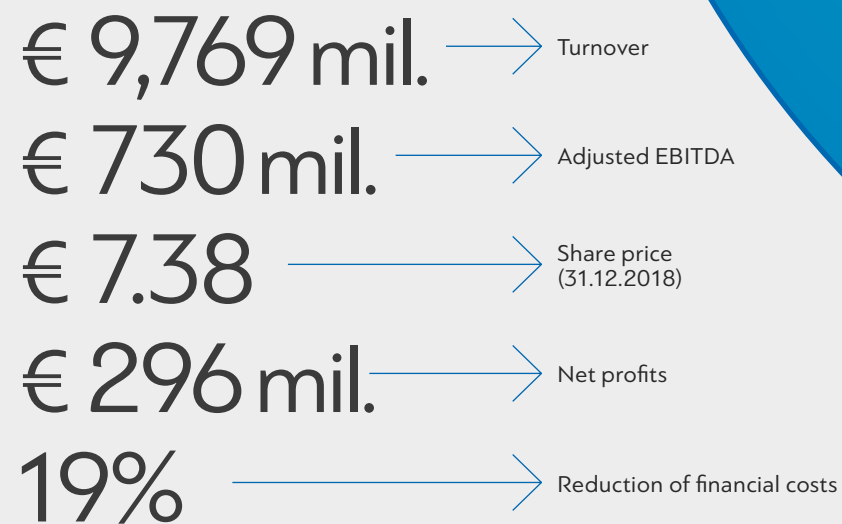
# THE GROUP AT A GLANCE

The HELLENIC PETROLEUM Group is active in the energy sector in Greece and Southeast Europe and has a wide range of activities, such as: supply and trading of petroleum products, refining, marketing, oil and gas exploration, petrochemicals/ chemicals, renewable energy sources, power generation, natural gas, and engineering services. The Group also holds a leading position in the domestic market through its subsidiary EKO S.A. (EKO and BP trademarks), which is active in the domestic retail fuels market as well as in the LPG, industrial, aviation/ bunkering fuels and lubricants markets.

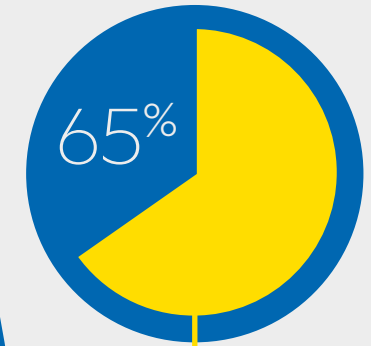
## SHAREHOLDER COMPOSITION



## FINANCIAL PERFORMANCE



Main activity is refining (representing approximately 75% of the Group's total assets)



Covering 65% of Greece's refining capacity



2

LPG bottling plants



6.65 mil. m<sup>3</sup>

Capacity of storage tanks for crude oil and petroleum products located in Greece



1

Lubricant production and packaging plant



15

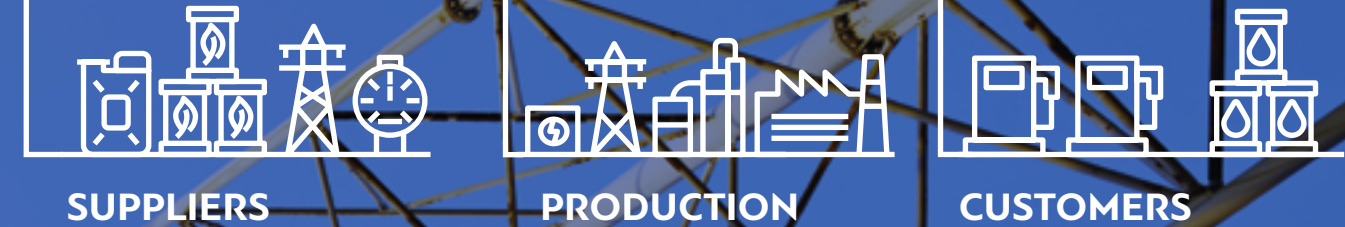
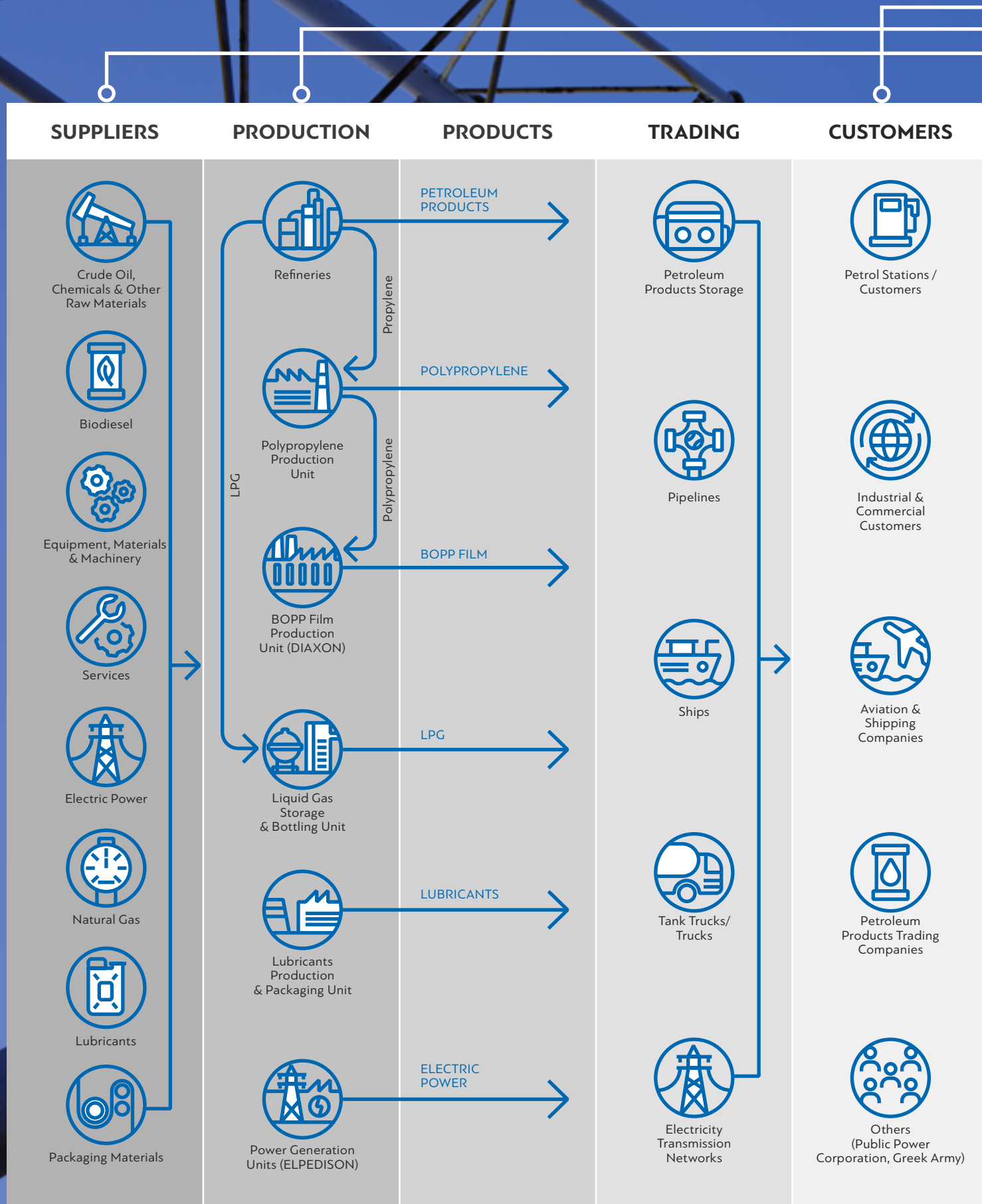
Fuel storage and distribution facilities



23

Aircraft refueling stations

# VALUE CHAIN



## SUPPLIERS

2,444

Greek suppliers

€ 442 mil.

is the total value added in the supply chain in Greece

9,627

indirect jobs in Greece, thus supporting the employment of the Group's suppliers and their suppliers, in a total of 5 consecutive tiers of the Group's supply chain

€ 174 mil.

is the indirect tax contribution to the State as a result of the Group's purchases from suppliers

## PRODUCTION

€ 1,309 mil.

is the Group's direct value added

€ 67 mil.

is the Group's direct tax contribution to the State

2,871

direct jobs in Greece

> € 31 mil.

total remuneration and benefits to Group employees

## CUSTOMERS

4,766

indirect jobs in petrol stations' network and partner petrol stations which are equivalent to

49.2%

of the total jobs in the retail sale of automotive fuel in specialized stores sector

€ 2,296 mil.

is the tax contribution to the State as a result of the Group's product sales, out of which:

✓ € 1,169 mil. VAT

✓ € 1,102 mil. excise duty

✓ € 25 mil.

in social contributions from jobs created in the network of petrol stations and partner petrol stations

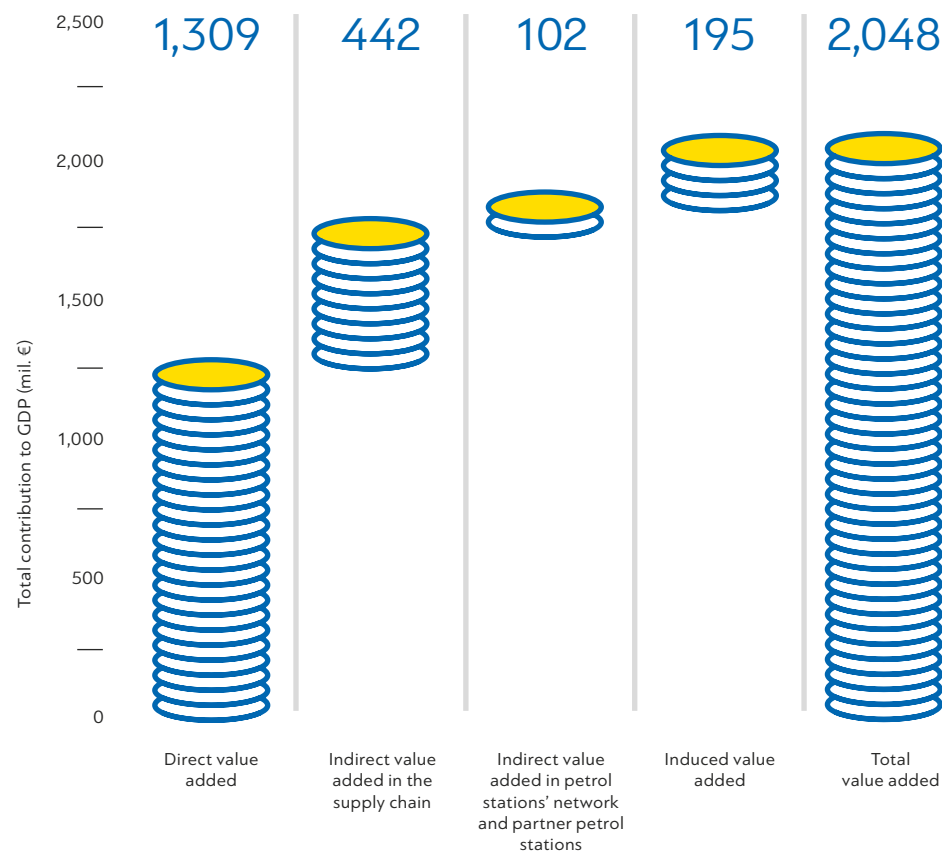
# CONTRIBUTION TO ECONOMY

## TOTAL CONTRIBUTION TO GDP IN GREECE

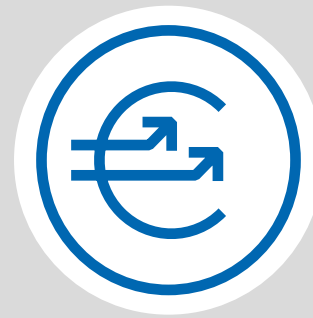
The total contribution of HELLENIC PETROLEUM Group's activities to Greece's GDP for 2018 was estimated at **€ 2.05 bil.** This amount is equivalent to **1.1%** of the country's GDP.

The contribution to Greece's GDP derives from the estimation of the direct, indirect and induced value added that is created by the Group's activity:

- **DIRECT CONTRIBUTION:** value added generated by the Group's productive activity, including the company-operated petrol stations.
- **INDIRECT CONTRIBUTION:** value added created by the supply chain, i.e. by the Group's suppliers and their suppliers, as well as the value generated by the petrol stations' network and partner petrol stations, i.e. the petrol stations that procure products from the Group.
- **INDUCED CONTRIBUTION:** value added created as a result of the expenses incurred by the Group's directly and indirectly supported jobs.



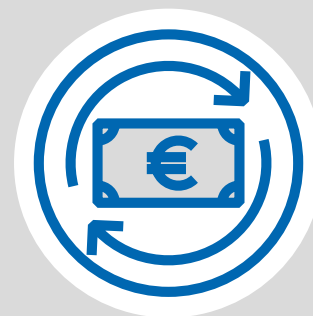
**€ 2 bil.** is the value added we create for the Greek economy, which is equivalent to **1.1%** of the country's GDP



For every **€ 1** of the value added created by the Group, an additional of **€ 0.6** of value added is created for the Greek economy



Every **1** job supported by HELPE Group corresponds to **€ 92,000** of value added



### Local Communities

The indirect value added contribution to the country's GDP by the supply chain in local communities is estimated at:

- **€ 24 mil.** in Triassio
- **€ 12 mil.** in Western Thessaloniki

The indirect tax contribution to the State by the supply chain in local communities amounts to:

- **€ 9 mil.** in Triassio
- **€ 5 mil.** in Western Thessaloniki

### Petrol Stations' Network & Partner Petrol Stations

The contribution to the country's GDP due to the activity of the partner petrol stations is estimated at **€ 102 mil.**

The indirect tax contribution from the Group's product sales to the final consumer is particularly high and is estimated at **€ 2.3 bil.**

**€ 2.6 bil.** is the annual contribution to taxes, the equivalent of **3.4%** of the annual tax revenues of the State

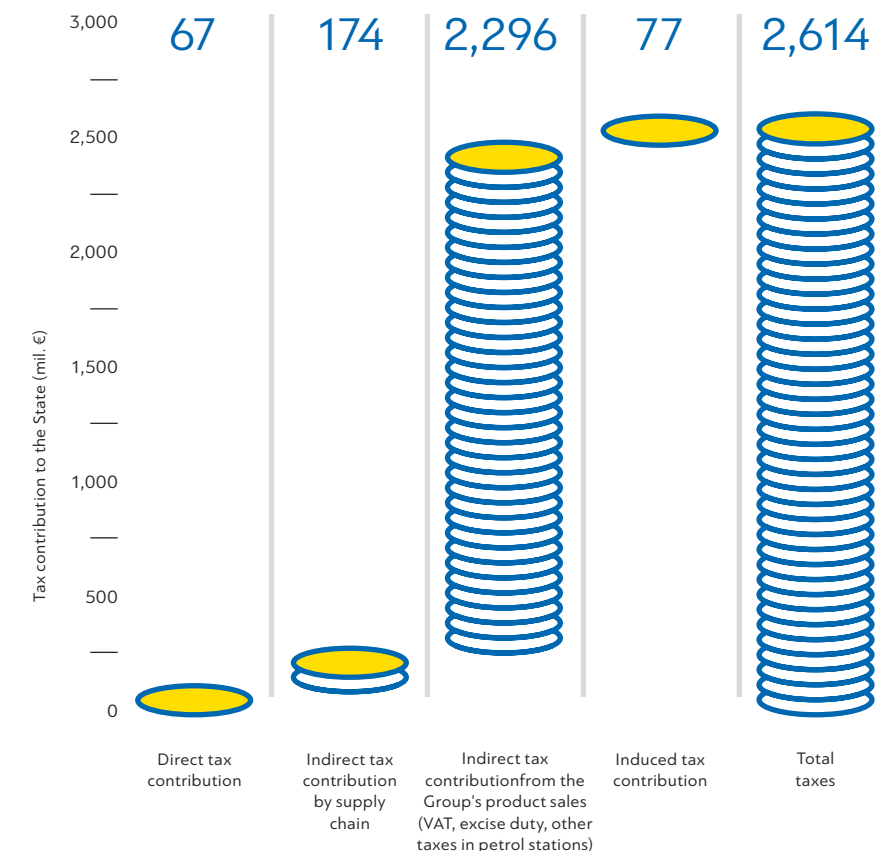


## TOTAL TAX CONTRIBUTION TO THE STATE

The total contribution of HELLENIC PETROLEUM Group's activities to the tax revenue of the State was estimated at **€ 2.6 bil.** This amount is equivalent to **3.4%** of the tax revenue of the State.

The total tax contribution to the State is split into:

- **DIRECT CONTRIBUTION:** taxes paid by the Group's companies including income tax, unified property tax (ENFIA) and other municipal taxes.
- **INDIRECT CONTRIBUTION:** taxes paid by the supply chain as a result of the Group's purchases from suppliers, the excise duty and the value added tax (VAT) from the product sales at the petrol stations' network and the partner petrol stations, as well as other taxes in petrol stations.
- **INDUCED CONTRIBUTION:** taxes resulting from the consumption of goods related to the Group's direct and indirect supported jobs.



# CONTRIBUTION TO EMPLOYMENT

## TOTAL CONTRIBUTION TO EMPLOYMENT IN GREECE

HELLENIC PETROLEUM Group's overall contribution to employment is estimated at **22,290** jobs expressed in FTEs (Full Time Equivalents), which are equivalent to **0.6%** of the country's total employment. Taking into account the average number of people per household in Greece,

it is estimated that all the citizens supported by Group's activities amount to **51,267**.

The contribution to employment in Greece derives from the estimation of direct, indirect and induced jobs supported by Group's activities:

- **DIRECT CONTRIBUTION:** jobs directly supported by the Group, including the company operated petrol stations.

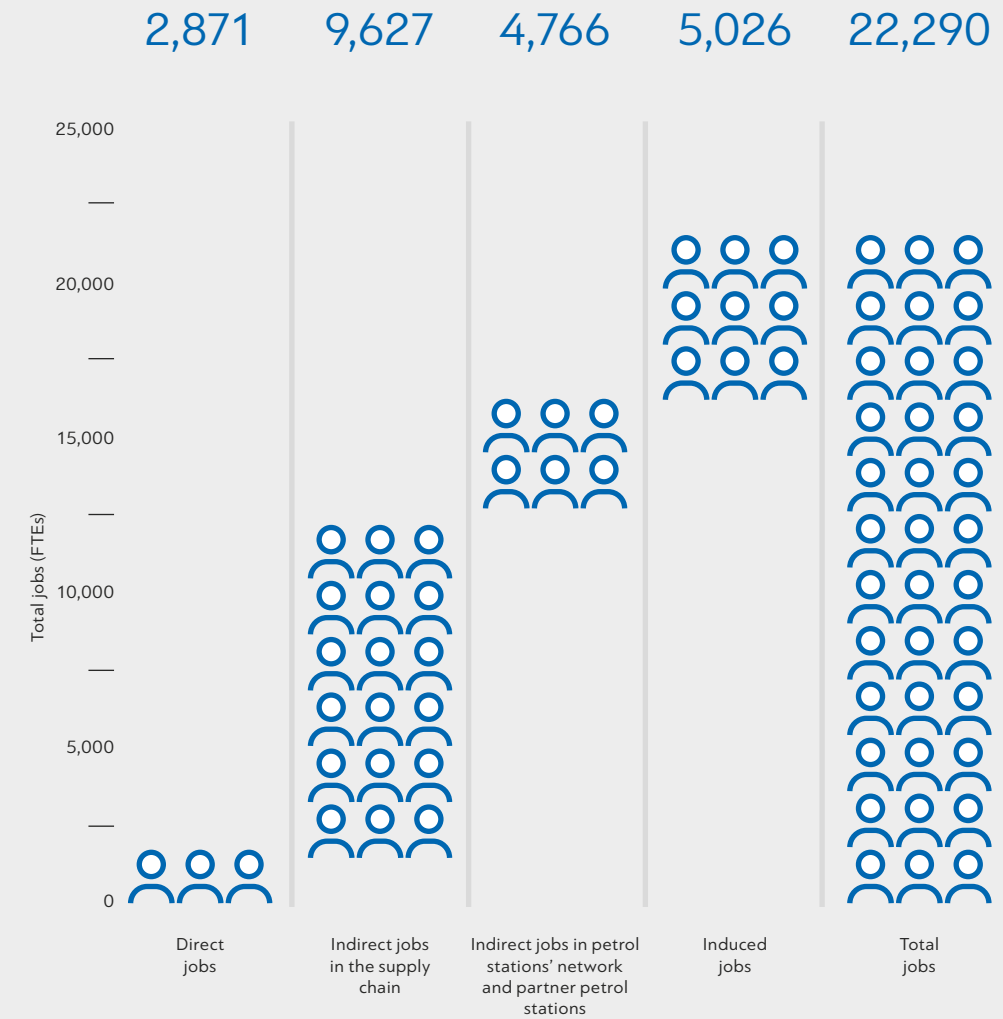
- **INDIRECT CONTRIBUTION:** indirect jobs supported in Group's supply chain, i.e. the jobs created in Group's supply chain companies, as a result of our collaboration with suppliers, as well as indirectly supported jobs related to Group's product sales in petrol stations' network and partner petrol stations.

- **INDUCED CONTRIBUTION:** jobs created due to the spending of employees who are directly and indirectly supported by the Group. Our estimate shows that 60% is due to direct employees' spending, while 40% is due to the spending of supply chain employees.

For every **1** job position created within the Group, an additional **7** jobs are indirectly supported in the broader economy



We support **22,290** jobs, the equivalent of **0.6%** of total employment in Greece. **51,267** citizens are indirectly supported.



**Local Communities**

The direct jobs supported by the Group in the local communities as well as the indirect jobs supported by the Group's purchases from local suppliers are estimated at:

- **406 direct** and **661 indirect jobs** in Thriassio
- **127 direct** and **364 indirect jobs** in Western Thessaloniki

**Petrol Stations' Network & Partner Petrol Stations**

The indirectly supported jobs, exclusively at the petrol stations' network and the partners petrol stations, are estimated at **4,766**, the equivalent of **49.2%** of the total jobs in the retail sale of automotive fuel in the specialized stores' sector.



# CSR CONTRIBUTION TO SOCIETY

Our cooperation with both the broader society and the neighbouring to our industrial facilities communities is ongoing, multi-faceted and substantial. The initiatives undertaken by the Group are linked to the needs of each region and are formed through open dialogue with our stakeholders, researching and identifying material topics, public opinion surveys, public debates and consultations.

social groups facing difficulties in securing decent living.

Through its 360° integrated Corporate Social Responsibility strategy, the Group's contribution and responsible attitude towards the community was based on the following four main pillars:



In recent years, we collaborate closely with an extended circle of stakeholders working towards common goals. Supporting youth is always at the epicentre of our programs thus we provide talented young people with higher education scholarships, both in Greece and abroad. We also support actions and initiatives that promote innovation, entrepreneurship and create job opportunities for young professionals.

In 2018, within the context of our corporate social responsibility program, we supported disaster-stricken areas affected by extreme weather events, floods and fires (Municipalities of Mandra-Idylia, Megareon, Rafina, etc.) and, like every year,

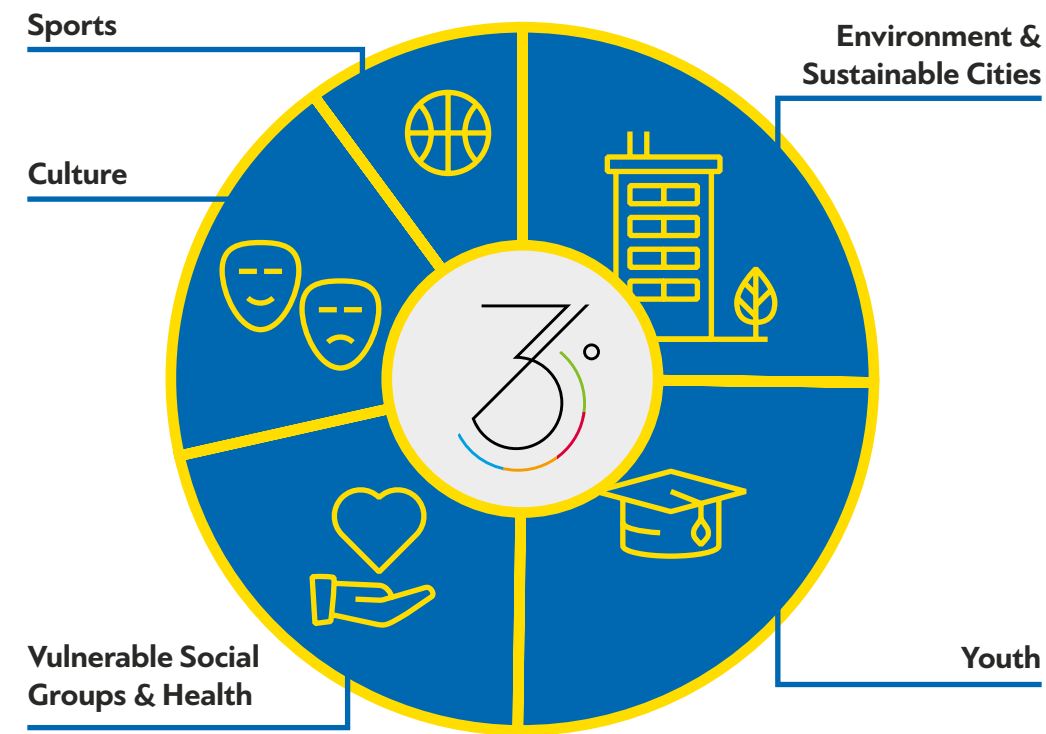
**€ 5.94 mil.**

was the total investment in CSR actions in Greece



**€ 2.23 mil.**

was the investment in CSR actions in the local communities (Thriassio and Western Thessaloniki)



## INDICATIVE ACTIONS PER CSR PILLAR

### YOUTH

23,000 children in 139 schools in Triassio and Western Thessaloniki, warmed up with free heating oil

### ENVIRONMENT & SUSTAINABLE CITIES

2,999 pupils in 11 remote areas in Greece attended a comprehensive environmental awareness program

### VULNERABLE SOCIAL GROUPS & HEALTH

1,750 families, registered in Social Grocery Programs, rely monthly on food vouchers

### CULTURE

1,480 children and young people from our neighboring municipalities and more than 1,850 people (employees and their families), had the opportunity to visit contemporary art sites and cultural venues

### SPORTS

212 Group employees participated in the Athens and Thessaloniki marathons so as to donate to NGOs



# CONTRIBUTION TO THE SDGs

The 2030 Agenda, its 17 Sustainable Development Goals (SDGs) and 169 targets were adopted at the 70th UN General Assembly on 25 September 2015. The SDGs are of global nature and of general application with a timeframe for implementation by 2030. They create implementation commitments for all developed and developing countries, taking into account different national realities, levels of development, national policies and priorities. The 2030 Agenda promotes the integration of all three dimensions of sustainable development -social, environmental, economic- into all sectoral policies while also promoting the

interconnection and coherence of the policy and legislative frameworks on the SDGs.

The HELLENIC PETROLEUM Group recognizes the importance of the 2030 Agenda and actively participates in targeted actions for their dissemination and implementation. For 2018, the Group undertook initiatives aiming to contribute to all 17 SDGs, focusing actions on 52% of their targets and showing an improvement of 13% compared to 2017 (initiatives for all 17 SDGs, linked with the 39% of the targets).

SDGs, where our actions per target in 2018, showed the highest increase compared to 2017:

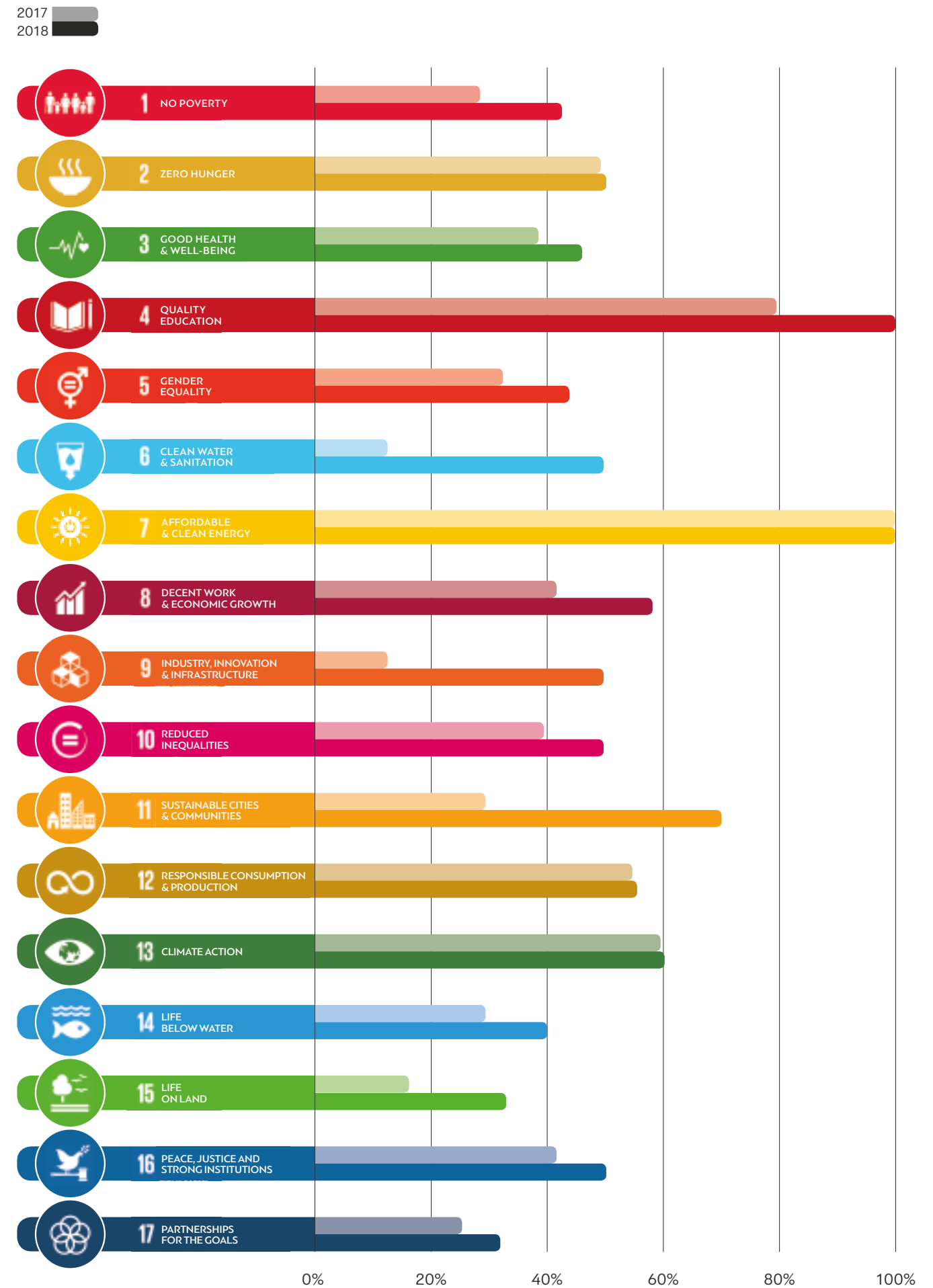


SDGs for which the Group undertook action for each target:



The HELLENIC PETROLEUM Group recognizes the importance of developing actions to contribute to the achievement of the UN Global Goals on Sustainable Development and is committed to dialogue and cooperation with all its social partners in the implementation of the 2030 Agenda.

## ACTIONS ADDRESSING TARGETS PER SDG (%)



# STUDY METHODOLOGY

## SUBJECT AND SCOPE OF THE STUDY

The purpose of the study is to quantify the social and economic impact of HELLENIC PETROLEUM Group's activities in Greece, including company-operated petrol stations, supply chain and partner petrol stations. The Group supports the business sectors of the Greek economy, through payments to Greek suppliers for the purchase of raw materials, products

and services, while also supporting the retail sale of automotive fuel in specialized stores as they are one of the main suppliers of liquid fuels in Greece. To estimate the socioeconomic impact of the Group, an **"input-output" economic model** was used. The scope of the study includes only the Group companies operating in Greece.

INPUTS >>	MODEL >>	OUTPUTS
<ul style="list-style-type: none"> <li>• The inputs of the model concern the results of the Group's financial activity in Greece.</li> <li>• Inputs are defined as financial data (revenue, taxes, payments to suppliers), human resources data (number of employees, wages) and data from the Statistical Office of the European Communities (Eurostat).</li> </ul>	<ul style="list-style-type: none"> <li>• Based on the «input-output» methodology (input-output model)</li> <li>• The model, which has been adjusted to the characteristics of the Greek economy, maps the financial flows between sectors in order to ensure conditions of general equilibrium in the economy.</li> </ul>	<ul style="list-style-type: none"> <li>• The outputs of the model concern the total value added and the impacts on the national economy generated by the supply chain activities, the employee costs, and the total jobs which are supported by the Group's operations.</li> </ul>



The purpose of the study is to quantify the HELLENIC PETROLEUM Group's social and economic impact in Greece

## THE "INPUT-OUTPUT" MODEL

The model uses the "input-output" table, which is structured upon statistical data taken from all sectors of a country's economy and includes the sum of all the goods and services which are produced in it. Each sector is at the same time a producer and a buyer, as the outputs of one sector, ie the products and services produced by this sector, are inputs to other sectors and vice versa. Inputs were defined as the Group's expenditure to Greek suppliers for the purchase of raw materials, products and services, the remuneration of the Group's employees, as well as the payment of all statutory taxes to the State. Greek suppliers were considered as those operating in Greece. The Group's footprint was studied in a total of 65 sectors of the Greek economy, based on the sectoral categorization of the Statistical Office of the European Communities (Eurostat).

## ASSUMPTIONS OF THE STUDY

This study has been prepared by the HELLENIC PETROLEUM Group with the support of EY Greece.

The results of the analysis of the social and economic impact of HELLENIC PETROLEUM Group in Greece are estimations and should only be used as such. The Group is solely responsible for calculating and mapping the social and economic impacts, including any decisions related to the preparation and the contents of the study.

For estimating the direct contribution of the Group to the country's tax revenues, all taxes that directly charge the company were taken into account (transportation taxes - charges, cleaning & lighting charges, real estate tax, municipal tax, VAT, income tax etc.). In order to calculate the impact on petrol stations, the Group sales of liquid fuel and lubricants were taken into account, while the average prices for 2018 per product and per liter were used. The value added tax at the petrol stations was calculated based on consumption and average price per product, taking into account the reduced VAT rate of 17% on 5 remote islands (Leros, Lesvos, Kos, Samos and Chios).

For the estimation of the indirect impacts on employment and value added at petrol stations, the Calypso network petrol stations was not included, as it was already taken into account as indirect impacts on the Group's supply chain. On the contrary, the VAT calculated for the petrol stations also includes the petrol stations of the Calypso network. For calculating excise duty, only the amount relevant to EKO (company-operated and partner petrol stations) was taken into account.

Finally, the study was carried out taking into account the companies of HELLENIC PETROLEUM Group operating in Greece:

1. HELLENIC PETROLEUM INTERNATIONAL S.A.
2. HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A. (EKO S.A.)
3. DIAXON S.A.
4. ASPROFOS S.A.
5. HELPE E&P HOLDINGS S.A.
6. HELLENIC PETROLEUM CONSULTING
7. HELPE UPSTREAM S.A.
8. HELLENIC PETROLEUM R.E.S S.A.
9. POSEIDON MARITIME COMPANY
10. VARDAX S.A.
11. EKOTA KO S.A.
12. ENERGIAKI PYLOY METHONIS S.A.
13. EKO KALYPSO M.E.P.E
14. ELPET BALKANIKI S.A.
15. EKO ATHINA MARITIME COMPANY
16. EKO AFRODITI MARITIME COMPANY
17. EKO IRA MARITIME COMPANY
18. EKO ARTEMIS MARITIME COMPANY
19. EKO DIMITRA MARITIME COMPANY
20. APOLLON MARITIME COMPANY





**HELLENIC  
PETROLEUM**

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