2014
Sustainability Report

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Report Profile

The 2014 Sustainability Report is the third common Corporate Responsibility (CR) Report of OTE and COSMOTE, following the 2012 and 2013 common annual reports and the separate corporate annual CR Reports for the years 2005 to 2011. The Companies publish a joint CR Report, following the transformation of the two companies to a joint organization.

This year, the CR Report is presented for a second year entirely online on a specially formulated reporting platform for OTE and COSMOTE.

Report Scope and Boundary

The Sustainability Report covers the period 01 January 2014 – 31 December 2014 (unless otherwise indicated).

- The Report covers the operations and activity in Greece of OTE S.A. and COSMOTE S.A. The two Companies have their headquarters in Athens.

- Summary information on other OTE Group companies is included in the OTE Group section, so as to provide the reader with a complete picture of OTE Group. Moreover, information on how the major telecommunications subsidiaries of the two Companies in Eastern Europe approach sustainability is presented in the OTE Group Subsidiaries section.

- This approach represents a continuation and integration of the scope and boundary approach used in the CR reports of previous years by OTE and COSMOTE and at the same time the initiation of a process of providing gradually more information on the full OTE Group approach to sustainability.

Report Content Definition

The content of the Report is defined according to the following principles, guidelines and directives:

- The Global Reporting Initiative's Sustainability Reporting Guidelines(GRI G3.1).

- The AccountAbility AA1000 Principles on Inclusivity, Materiality and Responsiveness.

- The United Nation's Global Compact Principles.

The index tables for each of these standards are provided in the AccountAbility Principles Standard AA1000 Index Table, the UN Global Compact – Communication on Progress (COP) and the Global Reporting Initiative G3.1. Index.

In addition the Companies took into account their Corporate Responsibility vision and the Group strategic pillars for Corporate Responsibility as specified (presented in the CR Strategy section), the outcomes of the stakeholders' engagement approach and sustainability issues materiality analysis presented in the Materiality Analysis section. The Companies have taken into account the statistical use data from the on-line microsite of the 2013 Corporate Responsibility Report of OTE and COSMOTE, and the results of surveys carried out to obtain the opinion of stakeholders on the presentation of the Corporate Responsibility Report 2013.

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The report is addressed to the main group of stakeholders recognized by the Companies, which are:

- Customers and prospective customers.
- Business.
- Science, research and education.
- NGOs and interest groups.
- Media.
- State/Government entities.
- Employees, prospective employees and their representatives.
- Suppliers.
- Shareholders, bondholders, investors and analysts.

The issues that the stakeholders brought up and the Companies' response are presented in the Stakeholders section.

The Sustainability Report is subject to external assurance, covering the AA1000 Principles Standard and specific performance indicators for OTE/COSMOTE. In addition the Report's GRI Application Level has been reviewed by GRI.

Report Data

Additional data related with the technical methods and the data computations are provided in the Sustainability Report where possible. The data in the Report derives from the reporting systems of OTE and COSMOTE and comprise: aggregated financial and personnel data, aggregated data on customer service, summary data on regulatory actions. They also include environmental data that are calculated according to internationally accepted methods on the basis of information provided by the Operational Divisions of both Companies. In collecting and presenting data, OTE and COSMOTE have been guided by the definitions and parameters of the GRI Indicator Protocols.

In certain sections, where the two Companies have not yet integrated their operations, policies, initiatives and actions, the information is presented separately for each company.

On some issues, separate policies are maintained and reported, due to the distinct nature of issues for fixed and mobile telephony.

No major re-statement of information provided in earlier reports has been included.

GRI Application Level

The GRI Application Level for the 2014 Sustainability Report of OTE and COSMOTE is indicated below. GRI has confirmed that this report has been compiled in accordance with the guidelines of GRI G3.1 A+ application level.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	Profile Disclosures OUTPUT	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9 – 3.13 4.5 – 4.13, 4.16 – 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Disclosures on Management Approach OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	✔

*   Sector supplement in final version.
**   Performance Indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines.
*** Performance Indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines.

Full information on the fulfillment of GRI G3.1 requirements is provided in the Global Reporting Initiative G3.1 Index

Report Feedback

Readers' opinions and comments regarding the CR Report are welcome. Please send your feedback to the e-mail address: ote-cosmote.cr@ote.gr.

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1.2
Message from the Chairman and CEO

2014 was another opportunity for OTE Group to prove its sustainability and dynamics.

With our investments, we further contributed to Greece's technological growth, further improved people's communication and quality of life.

We remain by far the biggest investor in telecommunications in Greece. In 2014, OTE Group was responsible for more than 60% of the sector's domestic investments. Our 4G broadband network is currently available to more than 70% of the Greek population, while we were the first to carry out pilot trials for 4G+. We further improved our customers' experience in every point of contact, aiming to be their No1 choice for integrated telecommunication services.

Our people remain our most important asset and with our new Collective Labour Agreement, we secured employment for our personnel. We recruited 700 new employees and launched an innovative Graduate Trainee programme, aiming to develop the leaders of tomorrow.

This past year, we turned our attention towards society and young people, more than ever before. Through our Corporate Responsibility programme, we contributed more than €2.8 million, for OTE and COSMOTE social and environmental initiatives.

Our customers and their needs lie at the core of all our decisions, leading our strategy into the future. Our investment in society remains an integral part of our business. Our employees' expertise

and solid teamwork turn our strategy into action, social responsibility into an everyday habit and voluntarism into a collective matter. We have created a human chain of social contribution that grows stronger by the day.

We embrace change and evolve to become better. We treat each challenge as an opportunity to change and improve. We come closer to our fellow citizens, paying back their trust in OTE. Stronger and healthier than ever we join forces with society and enhance our country's prospects and potential.

Michael Tsamaz
Chairman and CEO of OTE Group

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1.3
OTE Group

OTE Group is the leading telecommunications provider in Greece and one of the pre-eminent providers in South East Europe, offering its customers excellent quality products and services. The organizational structure of the Group is shown in the following diagram.

2014 OTE Group Organizational Structure

Fixed-Line Telephony ▉   Mobile Telephone ▉   Other Operations ▉

OTE SA
Greece

100% — **OTE GLOBE** Greece

100% — **OTE Sat – Maritel** Greece

94% — **OTE Estate** Greece

Other Operations Greece

100% — **COSMOTE** Greece

54% — **Rom Telecom** Romania

99.97% — **AMC** Albania

30%

100% — **Zapp** Romania

70% — **Cosmote** Romania

100% — **Germanos** S.E. Europe

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The organizational structure of the Group is available on the website of OTE (http://www.ote.gr/en/web/guest/consumer).

More information on the structure of OTE Group is available in the Annual Report 2014 of OTE. The Group consists of the parent company OTE SA and its subsidiaries, offering fixed telephony services (phone, data and leased line), television and mobile telephony in Greece and Romania, as well as mobile services in Albania. The Group is also engaged in providing additional services such as property management and education.

At present, the companies in which the OTE Group participates employ more than 22,100 workers. Group income for 2014 amounted to €3,918.4 mn, while its market capitalization stood at €4.5 bn.

During 2014 the Group's performance was stable, mainly thanks to Greek fixed-line business, where the fourth quarter of 2014 revenue recorded a slight increase compared to last year, following 27 quarters of reduction. This achievement demonstrates the successful turnaround of fixed telephony following the continuous efforts to improve customer experience, products and services. In Greece, revenues of COSMOTE, incoming from mobile telephony showed consistent trends of improvement in all quarters of the year.

As a result of the voluntary retirement program in 2013, the staff cost decreased significantly at both Group and fixed telephony in Greece levels.

With a more flexible organization and robust financial structure, both the functional and net profitability were significantly strengthened.

The adjusted EBITDA margin of the Group improved, mainly due to the strong performance of fixed telephony in Greece and the ongoing cost containment efforts. The net profit of the Group increased by 30% in 2014.

Despite significantly higher investments in the development of technological infrastructure, mainly in Greece, the adjusted free cash flow for the year greatly exceeded the initial target of €500 mn.

Having improved its performance in all areas, OTE will distribute dividends for the first time in four years.

OTE Group Financial Performance			
(million €)	2012[1]	2013	2014
Total Revenues	**4,330.3**	**4,054.1**	**3,918.4**
Payroll and employee benefits	(914.5)	(821.5)	(697.1)
Cost of early retirement program	(123.0)	(272.4)	(8.4)
Interconnections and roaming costs	(510.5)	(468.2)	(473.6)
Depreciation, amortization and impairment	(818.4)	(842.5)	(796.4)
Merchandise costs	(254.2)	(276.4)	(300.7)
Other operating expenses	(1,164.5)	(1,080.0)	(1,119.5)
Total Operating expenses	**(3,785.1)**	**(3,761.0)**	**(3,395.7)**
Operating Profits (EBIT)	**574.5**	**335.4**	**589.1**
EBITDA	**1,392.9**	**1,177.9**	**1,385.5**
as % of Revenues	32.2%	29.1%	35.4%
Pro forma[2] EBITDA	**1,515.9**	**1,456.3**	**1,421.6**
as % of Revenues	35.0%	35.9%	36.3%

[1] Figures adjusted to reflect only continuing operations (Bulgarian operations treated as discontinued operations) and accounting reclassifications of revenues.
[2] Excluding the impact of Voluntary Retirement Programs and Restructuring Plans.

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OTE Group Economic Contribution			
(million €)	2012[1]	2013	2014
Salaries and benefits	(914.5)	(821.5)	(697.1)
Income taxes paid	(108.0)	(121.3)	(137.3)
Interconnections and roaming cost	(510.5)	(468.2)	(473.6)
Merchandise costs	(254.2)	(276.4)	(300.7)
Other operating expenses (Incl. rental, third party fees, non-income taxes and regulatory charges and other)	(651.1)	(622.4)	(660.1)
Profit attributable to owners of the parent	471.9	316.7	267.4
Sponsorships, donations and fund-raising directed to community causes	2.9[2]	2.9	2.9

[1] Figures adjusted to reflect only continuing operations (Bulgarian operations treated as discontinued operations) and accounting reclassifications of revenues.
[2] Data do not include Telekom Romania Communications.

Breakdown of OTE Group Revenues				
(million €)	2012[*]	2013	2014	2013-2014 Change
Fixed Line Operations, Greece	1,704.0	1,557.2	1,511.7	−2.9%
Fixed Line Operations, Romania	619.6	609.5	609.1	−0.1%
Mobile Operations, Greece	1,524.7	1,336.5	1,251.4	−6.4%
Mobile Operations, International	551.4	544.7	520.9	−4.4%
Others	462.1	448.0	456.2	1.8%
Intragroup Eliminations	(531.5)	(441.8)	(430.9)	−2.5%
TOTAL	**4,330.3**	**4,054.1**	**3,918.4**	**−3.3%**
Other income/(expense), net	29.3	42.3	66.4	57.0%

[*] Figures adjusted to reflect only continuing operations (Bulgarian operations treated as discontinued operations) and accounting reclassifications of revenues.

Significant Changes/Events in 2014

The first quarter of 2014, OTE acquired 4,526,651 own shares at an average price of €11.60 per share only in the context of the existing program of providing stock options to OTE Group executives. As a result, on March 31, 2014, OTE held 5,724,610 shares, representing 1.17% of its capitalization.

On 6 February 2014, OTE announced its participation, through its subsidiary OTEGLOBE, in the construction of the new international ultra-high-speed submarine cable "Asia Africa Europe — 1 "(AAE-1). The AAE-1 submarine cable with a length of approximately 25,000 km, is expected to be operational in 2016 and will connect Hong Kong and Singapore with the Middle East, Africa and Europe, making Greece one of the three, along with Italy and France, main gateways in Europe.

On 8 April 2014, OTE PLC proceeded with the full repayment of the remaining balance of €364.7 mn debenture, which was expiring on the same date with the accrued interest.

On 10 July 2014, OTE PLC issued a fixed rate debenture amounting to € 700 mn, under the Global Medium-Term Note Programme, ending on July 9 2020, with an annual coupon of 3.5%. The debentures are guaranteed by OTE.

On October 13 2014, COSMOTE received rights for the use of the radio frequency in the spectral regions of 800MHz and 2.6GHz in Greece for the period from 1 November 2014 to 28 February 2030. Through this investment, COSMOTE will further enhance the speed and extensive coverage of its 4G network in both urban and rural areas. The total amount the company invested amounted to €134.8 mn.

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On October 14, 2014, OTE secured the broadcasting rights for all the matches of the European football, including UEFA Champions League and UEFA Europa League from July 2015 to 2018.

On December 24, 2014, the Management of OTE and the OTE Workers Federation (OME-OTE) signed a new Collective Bargaining Agreement. The contract established a new wage scale for new recruits with an initial salary of €755 per month, considerably higher than that of the general employment market. With regard to current OTE employees and for the next three years, the agreement guarantees jobs, as the company will not proceed with dismissals for financial or operational reasons, and maintains the average reduction of 11% in the wage scale, with respect to that of 2011 as agreed under the previous agreement, and the reduced working hours of 35 per week.

More information about important events can be found in the Annual Report 2014 OTE https://www.ote.gr/en/web/guest/corporate/ir/publications/annual-reports.

Main Products and Services

OTE Group provides integrated products and services, covering the demanding communications needs of both businesses and individuals, namely:

- Fixed telephony and broadband services, with high VDSL speeds of up to 50 Mbps (OTE and Telekom Romania Communications).

- Mobile telephony through COSMOTE in Greece, Telekom Romania Mobile Communications in Romania and AMC in Albania. Products and services offered include post and pre-paid services, mobile broadband (with COSMOTE being the first company in Greece which offered 4G services), value added and roaming services, as well as a wide range of mobile devices (smartphones, tablets) and accessories.

- Television services, via satellite or broadband, offering a wide range of channels and content, at the most competitive prices (OTE and Telekom Romania).

- Advanced and specialized solutions and services in fixed and mobile telephony, contributing significantly to the increase of business efficiency.

- B2B Electronic transactions (CosmoOne).

- Wholesale International telecommunications services to high-capacity carriers and multi-site organizations in the broader South East European region (OTEGlobe).

- Wireless and satellite communications, including maritime services (OTESAT-MARITEL).

- Real estate assets management and development (OTE Estate).

- Professional training services that cover the training needs of OTE Group employees, as well as those of the wider public and private sector (OTE Academy).

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1.4
OTE and COSMOTE

OTE S.A. is the parent company of OTE Group and the main fixed line operator in Greece, offering broadband, fixed-line telephony, TV, data and leased line services. In 2014, the company recorded revenues of EUR 1,511.7 billion and on the 31 December 2014, it employed 6,924 employees on permanent contracts.

Institutional Investors
42.8%

Private Investors
7.0%

OTE Group Ownership
Structure
(31/12/2014)

Hellenic State*
10.0%

Own Shares
0.3%

Deutsche
Telekom
40.0%

* Including voting rights attached to the 4% of the share capital has been transferred to the pension fund.
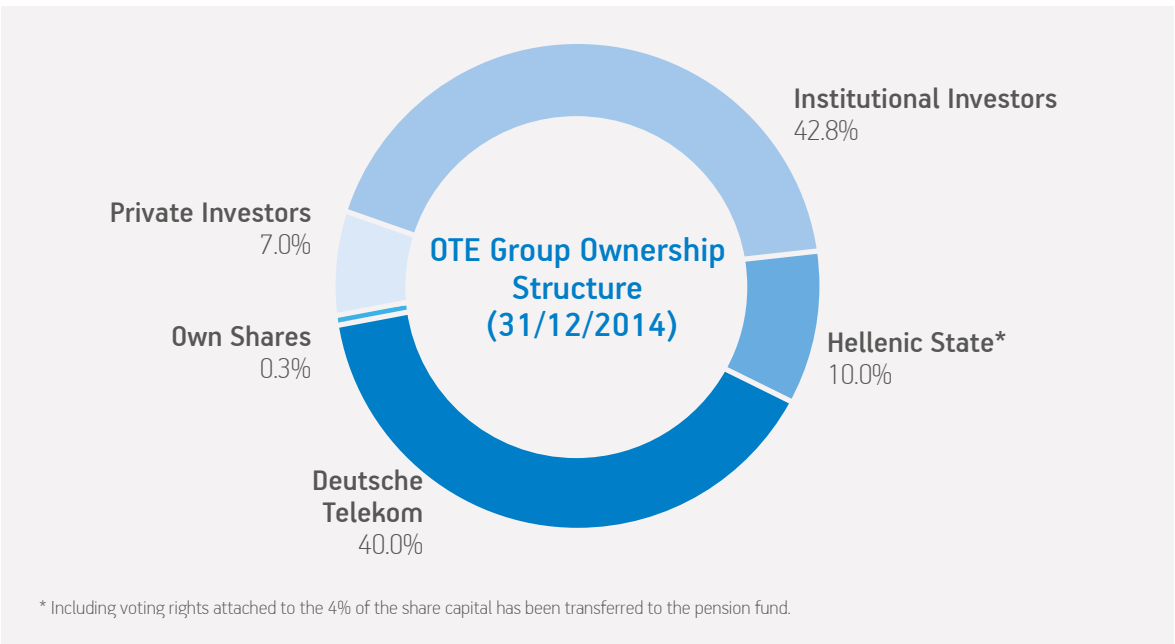
COSMOTE S.A., OTE's fully-owned subsidiary, is the leading provider of mobile telephony services in Greece, focusing on innovation, quality and customer care. In 2014, COSMOTE had revenues of €1,202.2 million and on 31 December 2014, employed 2,050 employees.

OTE, COSMOTE and their subsidiary companies do not receive any government financial subsidies, state aid, special tax relief or other government financial support.

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Financial Performance

OTE-COSMOTE Financial Performance				
(million €)	OTE A.E.		COSMOTE A.E.	
	2013	2014	2013	2014
Total Revenues	**1,557.2**	**1,511.7**	**1,281.0**	**1,202.2**
Payroll and employee benefits	(44.5)	(315.1)	(98.1)	(89.8)
Cost of early retirement program	(250.9)	0.0	(4.2)	(0.9)
Interconnection and roaming cost	(140.2)	(119.8)	(69.0)	(64.8)
Depreciation, amortization and impairment	(322.5)	(279.4)	(212.8)	(200.4)
Merchandise costs	(30.0)	(50.3)	(155.0)	(144.8)
Other operating expenses	(384.8)	(444.2)	(474.0)	(473.2)

Economic Contribution

OTE and COSMOTE Economic Contribution				
(million €)	OTE A.E.		COSMOTE A.E.	
	2013	2014	2013	2014
Revenues	**1,557.2**	**1,511.7**	**1,281.0**	**1,202.2**
Operating costs (ex. depreciation and VES)	(999.5)	(916.6)	(796.0)	(772.6)
Employee wages and benefits	(444.5)	(315.1)	(98.1)	(89.8)
Payments to providers of capital	(161.5)	(168.0)	(143.3)	(143.3)
Payments to the Greek government	(9.7)	(58.2)	(88.9)	(19.5)
Investments for the Community	(1.1)	(1.3)	(1.6)	(1.6)
Economic value retained	(58.8)	52.5	153.1	257.1

Products and Services

OTE offers fixed telephony and broadband services, with high VDSL speeds up to 50 Mbps, and television services, via satellite or broadband. Full details of all OTE products and services are available on the OTE website.

In 2014, OTE expanded its VDSL network to additional areas throughout Greece. A total of 367 local exchanges in urban areas and 2,732 outdoor cabinets in areas such as Attica, Thessaloniki, Alexandroupolis, Komotini, Xanthi, Serres, Crete, Rhodes, Santorini, Samos, Nafplio, Tripoli, Sparta, Patras, Agrinio, Corfu, Argostoli, Ioannina, Preveza, Kastoria, Grevena, Karditsa, Trikala, Galaxidi, Lamia and others, host the OTE VDSL service offering speeds up to 50 Mbps. More than 1.3 million households and businesses throughout Greece have access to these new ultra high speeds.

OTE, first in Greece in collaboration with Fon, offered in 2014 the OTE My WiFi, service which allows OTE Double Play customers exclusively to connect to the Internet via WiFi free of charge, even outside their home. This new service has come to change customers' everyday lives, ensuring extensive WiFi coverage (the community of users of OTE My WiFi includes more than 200,000 hotspots in Greece and more than 14 million points worldwide), security and quality connection.

In the field of pay-TV, OTE TV in 2014 continued its market advance by adding 100,000 new subscribers thus exceeding 353,000 subscribers at the end of the year, while continuing its program and services enrichment. The acquisition of TV rights for the top European Football competitions, UEFA Champions League and UEFA Europa League, for the 2015-2018 period, and the agreements

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with major Hollywood studios such as MGM and NBC-Universal for exclusive firsts are noteworthy. With more than 80 digital channels OTE TV, of which 26 with high definition, at their disposal, the OTE TV subscribers enjoy over 50 live sports broadcasts a week, more than 500 premieres and 2,000 movies in total per year, quality documentaries, children programs and content for the whole family, at the most competitive prices.

COSMOTE offers pre and post-paid billing services, mobile Internet services (COSMOTE is the first company in Greece which offered 4G services), value added services, roaming services, as well as mobile devices (smartphones, tablets) and accessories. Full details of all COSMOTE products and services are available on the COSMOTE website.

To meet its customers' needs, COSMOTE, further expanded its 4G network to cover 70% of the population, thus making it the 4G network with the widest coverage in Greece in 2014. COSMOTE's 4G network covers all urban areas with more than 50,000 inhabitants, many smaller towns across the country, and all popular tourist destinations. A pioneer yet again, COSMOTE initiated in 2014 pilot testing for the upgrade of its 4G network to 4G+, in order to offer speeds of up to 300Mbps. To this end, the company fully utilized the enhanced capabilities of its network after the acquisition of the new spectrum at 800MHz and 2.6GHz. COSMOTE commercially launched its 4G+ network at early 2015.

CosmoteBooks is another COSMOTE service. It's the largest online bookstore in Greece, with more than 2,000,000 books in print and digital form as well as toys, stationery and children's movies, available with just one click at special prices. CosmoteBooks is available online and via special applications for smartphones and tablets.

OTE is the Greek Universal Service Provider

The Universal Service in the Electronic Communications Sector, is the provision of a fixed set of basic Electronic Communications services to all citizens of Greece, regardless of their geographic location and at affordable prices. OTE is the designated Universal Service Provider for Greece, undertaking a notable task in challenging times for Greece.

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2.0
CR Strategy and Management

CORPORATE RESPONSIBILITY STRATEGY AND MANAGEMENT

> Corporate Responsibility is embedded in our core business strategy, with our CR initiatives fully in line with our business objectives.

Corporate Responsibility Strategy
We improve our performance in 4 strategic pillars:

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Marketplace | Employees | Society | Environment

CR Indexes
We participate in international CR indexes

MORE INFO >

FTSE4Good
Since 2008

CDP
DRIVING SUSTAINABLE ECONOMIES
Since 2010

EURONEXT vigeo
Eurozone 120
Since 2013

CR Management
Our management is strongly committed to Corporate Responsibility

OTE GROUP CHAIRMAN OVERSEES CR STRATEGY AND PERFORMANCE

WE STRIVE TO IMPROVE OUR CR MANAGEMENT PROCESS

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We practice sustainable development.
Two new CR policies:

OTE Group Social Charter | OTE Group CR Policy

Stakeholders / *Our stakeholders dialogue is the basis for sustainable development*

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Business	Science, research and education	State / Government entities	Customers, prospective customers
Media	NGO's and interest groups	Stakeholder mapping review & updating with the participation of the Top Management MORE INFO >	
Shareholders, bondholders, investorsand their representives		Suppliers	Employees, prospective employees and their representives

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2.1
CR Strategy

The strategic objective of OTE and COSMOTE is to be modern, dynamic, customer-oriented, high performance companies that provide the best quality service, the best network and the best working environment and hold a leading position in the markets they operate.

In order to achieve this goal the companies are based on a transformation programme, having as it's main pillars: technology leadership, best customer experience, revenue transformation, lead in core business, operational and cost optimization, as well as people strategy.

The two Companies seek with each action to reinforce their sustainable entrepreneurship, cultivating simultaneously continuing dialogue with their interested parties.

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OTE Group's vision on Corporate Responsibility

OTE Group, one of the leading telecommunications enterprises in Europe, having incorporated the principles of corporate responsibility in its operation and activities pursues its economic development, simultaneously contributing to environmental protection and the support of society.

OTE and COSMOTE, define their priorities on Corporate Responsibility in the following four strategic pillars that encompass the most important issues for the operation and their stakeholders:

- **Marketplace**
  They invest in the continuous improvement of local telecommunications infrastructure and expansion of services and products, using the best available technology solutions. They work with customer-oriented philosophy, to maximize customer satisfaction, but also in a responsible manner, launchimg innovative and sustainable products and services and asking their suppliers to operate under the same principles.

- **Employees**
  They provide a sustainable work environment for their employees, having their values as a driver, as expressed in the Corporate Conduct Principles. They encourage the development of their employees, recognize good performance, ensure equality in providing opportunities and promote cooperation.

- **Society**
  In a difficult time for the Greek economy and society, they support vulnerable social groups and communities, with a view to covering directly important needs. They invite employees to participate, promoting voluntary action.

- **Environment**
  They aim at reducing the environmental impact of their activities, providing products and services that contribute to environmental protection also in other sectors of the economy, and at raising public awareness to adopt a more responsible attitude to environmental protection.

In 2014, a year of continuing economic pressures and difficulties in Greece, both companies focused on safeguarding their operational transformation and optimization,of their position and on creating the base for further growth. OTE and COSMOTE maintained their objective of improving their performance in Corporate Responsibility, by strengthening their approach to managing corporate risks and business continuity, by investing in developing responsible products and services, by continuing the restructuring of the Companies with the aid of a common corporate culture, while supporting new entrepreneurship and socially vulnerable groups and strengthening the procedures and actions for good environmental management.

Finally, in order to continuously improve their performance in Corporate Responsibility, OTE and COSMOTE proceeded in 2014 to:

- develop the **Corporate Responsibility Policy and the Social Charter of the Group**

- **redefine their stakeholders**

- improve **materiality analysis methodology** and finally

- **upgrade the approach for supply chain management**.

OTE Group Corporate Responsibility

The OTE Group Policy on Corporate Responsibility, among other specifies:

- The way in which it evaluated all CR issues and areas affected by it.

- The general action plan implemented by the Group and the governance structure of Corporate Responsibility to act as the basis for successful management.

In this Policy, the basic corporate responsibility principles that should be considered when planning actions of Corporate Responsibility, and the obligations and duties of the authorities responsible for the development, monitoring and coordinating the implementation of operations through well-documented procedures, are set out. Its procedures will also make it possible to record the performance and progress achieved, to identify opportunities for improvement and the optimal CR measures development, so as to respond to social challenges and priorities.

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It also defines the governance structure of Corporate Responsibility, identifies areas of responsibilities and tasks as well as the forms of cooperation on Corporate Responsibility between the various stakeholders, and the Central Administration of the Group and its subsidiaries.

The Policy was developed in 2014 and was approved according to the company procedures in 2015.

Social Charter of the OTE Group

OTE Group declares its commitment to ethical corporate governance through the Group's new Social Charter.

The OTE Group Social Charter of the lays down the working conditions and social standards, under which the Group's products and services are developed and supplied. At the same time, it sets the rules to be followed by the entire Group, on human rights, sustainable development and environmental protection, equal opportunities, health and safety and employees' rights. It has been developed in accordance with internationally accepted standards, guidelines and regulations, the International Bill of Human Rights, the Core Conventions of the International Labour Organization, the guidelines of the Organisation for Economic Cooperation and Development and the Global Compact of the United Nations. The text is in line with the UN Guiding Principles on Business and Human Rights.

The Charter is to be the guide for the conduct for all employees, investors, customers and suppliers of the Group.

Key achievements in 2014

- Development of the OTE Group Corporate Responsibility Policy.

- Development of the OTE Group Social Charter.

- Strengthening of the substantive sustainability issues analysis process according to the approach of Corporate Risk Management of the Group.

- Participation in the FTSE4Good and Euronext Vigeo Eurozone 120 indices.

- Improvement of the communication of Corporate Responsibility performance to stakeholders, adopting a new interactive on-line presentation of this Sustainability Report.

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2.2
CR Governance and Management Structure

The new OTE Group Corporate Responsibility Policy reflects the integrated Corporate Responsibility governance structure, through which the integration of issues related to sustainable development in key business processes, is achieved. The subsidiaries of the Group develop and implement their own Corporate Responsibility activities, which are harmonized with the Corporate Responsibility strategy of OTE Group.

The Board of Directors of OTE is responsible for the performance of the Group with regards to Corporate Responsibility. It is the competent body, according to the organizational structure, and represents the interests of OTE as a whole on Corporate Responsibility issues. The OTE Board of Directors has assigned oversight of the Group's sustainability and Corporate Responsibility issues, to the Chairman and CEO of OTE Group.

Specifically the Executive Director of Corporate Communications Division of OTE Group and member of the Management Team of OTE Group:

- Collaborates with the Chairman and CEO of the OTE Group to formulate strategic planning, policies and CR guidelines for the entire Group.

- Participates in the Management Team, works with other management executives , to achieve the CR targets and identify new areas of synergy to enhance the performance of the Group on sustainable development issues.

- Acts as the focal point of communication between the CR bodies and as the official spokesperson of the Group on any matter related to Corporate Responsibility.

The Corporate Responsibility Department/Fixed and Mobile, which falls under the Corporate Communications Division of the OTE Group, is responsible for the implementation of CR strategy and programs. In addition, it coordinates and manages the CR activities and monitors the implementation of the objectives and other relevant actions. It participates and supports the International CR Managers Network of the DT Group. The functions of the Corporate Responsibility Department include, inter alia, the implementation and management of regular communication with external experts and stakeholders. In the new Corporate Responsibility Policy all the responsibilities of the Corporate Responsibility Department and the Corporate Communications Division are detailed as well as the mode of cooperation with other organizational units of the Group, as the CR issues affect all activities of companies.

All Group subsidiaries are responsible for implementing standards, requirements and Group Corporate Responsibility objectives at local level and at the same time for keeping the Corporate Communications Division or the Corporate Responsibility Department informed.

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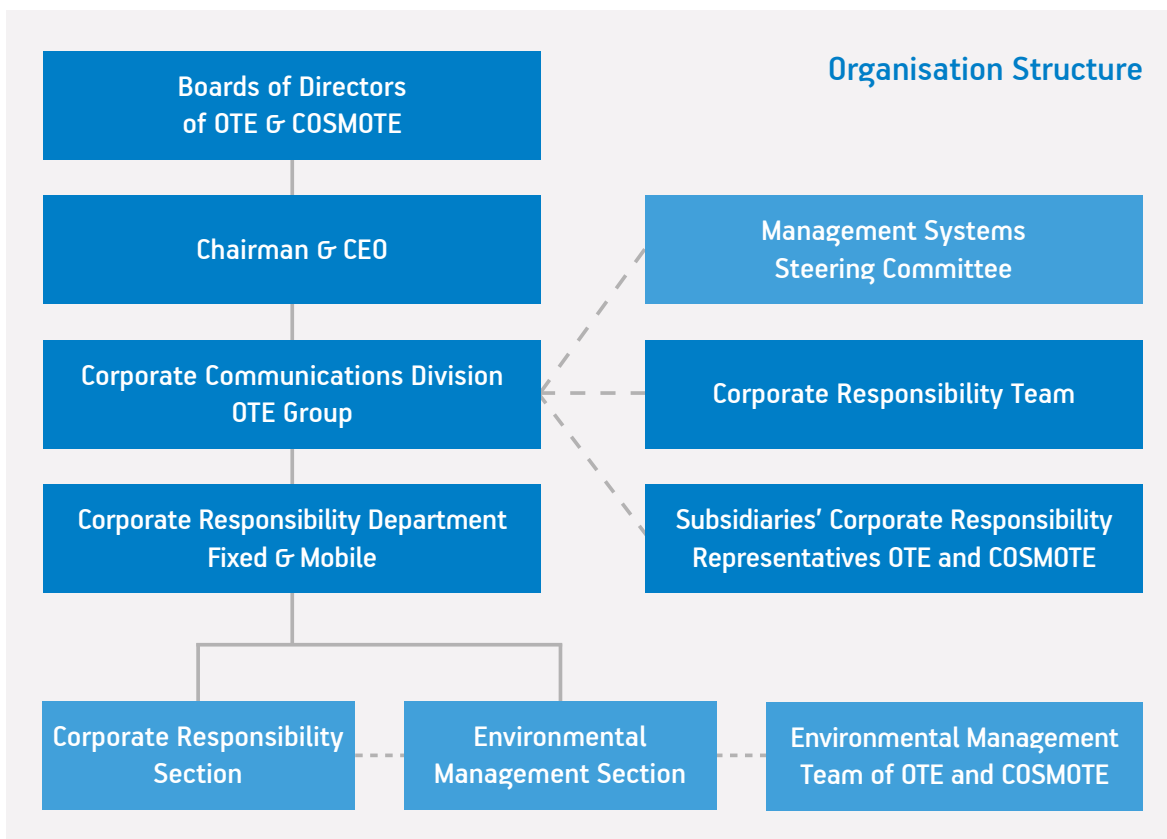
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They are solely responsible for the implementation of local organizational structures of Corporate Responsibility, for defining their own CR objectives and tasks, for complying with legal requirements and Group Corporate Responsibility Strategy, and for implementing their own budget. Also, the Group's subsidiaries are required to cooperate, within the OTE Group CR Manages Network, with the Corporate Responsibility Department and participate in the International CR Managers Network of DT Group. More information on Corporate Responsibility performance of the OTE Group's subsidiaries presented in the section Subsidiaries of OTE Group.

For the management of Corporate Responsibility issues, appropriate quality, health and safety and environment management systems have been developed. These systems form the Integrated Management System, which is overseen by the Management Systems' Steering Committee. More information can be found in the Environmental Management section.

The Corporate Responsibility Department coordinates the implementation of the social and environmental actions of the Companies, through the operation of Corporate Responsibility and Environmental Management Sections. With the aim of being informed about trends and developments in CR matters, staff of the Corporate Responsibility Department participated in 2014 in events and training seminars on current and running issues of Corporate Responsibility, such as the details of the Social Return On Investment (SROI) method and the GRI G4 guidelines.

The organization structure is presented in the following graph.

Organisation Structure

- Boards of Directors of OTE & COSMOTE
- Chairman & CEO
- Corporate Communications Division OTE Group
- Corporate Responsibility Department Fixed & Mobile
- Corporate Responsibility Section
- Environmental Management Section
- Environmental Management Team of OTE and COSMOTE
- Management Systems Steering Committee
- Corporate Responsibility Team
- Subsidiaries' Corporate Responsibility Representatives OTE and COSMOTE

In order to collect information regarding the performance of Corporate Responsibility and to further disseminate the CR principles and actions in different business units of the Companies, a Corporate Responsibility Team OTE-COSMOTE has been created, with 50 representatives from all business units. The Corporate Responsibility Team is chaired by the Executive Director of Corporate Communications at OTE Group.

All members of the Corporate Responsibility Team contributed significantly to raising awareness and mobilizing employees of two Companies, to enhancing the visibility of Corporate Responsibility within the Companies, to meeting CR objectives and to creating of a common corporate CR culture.

Corporate Responsibility KPI's embodied in the aims of personal assessment and individual operating targets executives for OTE Group Corporate Communications Division, and Corporate Responsibility aspects into account in the annual performance evaluation process in the section on Performance Evaluation and Management.

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2.3 Corporate Governance

The term "Corporate Governance" refers to a system of principles adopted by a company in order to protect the performance and the interests of shareholders and all its stakeholders. Recognizing the importance of corporate governance principles, and the benefits arising from their adoption, OTE, as a listed company, complies with all legal obligations, follows international practices and standards in this area and opts for the systematic implementation of these principles in all its activities.

In particular, OTE as a large capitalization company listed on the Athens and London Stock Exchanges complies with applicable national and international law on corporate governance, incorporating regulations and compliance practices in its mode of operation. At the same time, aiming at transparency, efficient administration and optimum operating performance, OTE follows, although not required by law, best practices for compliance. In this context, OTE complies with the Hellenic Corporate Governance Code (HCG Code) and the Hellenic Corporate Governance Council (HCCG, a joint initiative of HELEX and Hellenic Federation of Enterprises) adopted in October 2013, publishing and justifying any deviations in its Corporate Governance Statement (principle of "comply or explain"), which is part of the Annual Report of the Board of Directors to the General Meeting of Shareholders.

All relevant provisions and practices are incorporated in the company's Articles of Incorporation, the Internal Operations Regulation, the Code of Conduct of OTE Group and other Policies adopted by the competent corporate bodies and apply to its operations.

OTE Group has established the necessary mechanisms in order to amend and update at regular intervals its Regulations and Policies aiming to ensure compliance with existing legislation and best international policies.

The fundamental principles of OTE's corporate governance system comprise mainly the following:

- Two-way communication between company stakeholders and the Management of the Company.

- Transparency, and control of the Management.

- Assurance of operational efficiency.

OTE applies corporate governance regulations and practices on the basis of three key priorities which include:

- the designation of the capacities of the Members of the Board of Directors (Executive, Non-Executive and Independent Members) as well as the procedures for the required audit of the company's operations,

- the protection of shareholder rights, and

- the enhancement of transparency and information disclosure.

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For more information please visit the webpages of OTE and COSMOTE:

https://www.ote.gr/web/guest/corporate/ir/corporate-governance

http://www.cosmote.gr/cosmoportal/page/T13_20/section/Corporate_Governance

It should be noted that also COSMOTE continues to comply voluntarily with the same corporate governance standards, despite the cessation of trading of its shares on the Athens Stock Exchange.

Boards of Directors

The Boards of Directors (BoD) of OTE and COSMOTE constitute the top administrative bodies of the companies. Their aim is to safeguard the general interests of the companies and ensure their operational efficiency. The Boards' responsibilities include, among others, convening General Assemblies of Shareholders, preparing and submitting the Annual Report and financial statements to the Annual General Assembly of Shareholders and setting and approving the corporate strategy, while monitoring its execution. The OTE General Assembly of Shareholders is also responsible for appointing the Independent – Non Executive Members of the Board of Directors and the Members of the Audit Committee, according to the criteria set by the Law, taking into account corporate governance and avoidance of conflict of interest policies.

Both companies have the same person as Chairman of the BoD, who is also the CEO. The OTE Articles of Incorporation (Article 10.1) and the COSMOTE Articles of Incorporation (Aritcle 19.1) provide that the offices of Chairman of the Board of Directors and CEO may be held by the same person.

OTE's Board of Directors, on 31 December 2014 consisted of eleven (11) members, elected for a three-year term. Of the eleven (11) members, two (2) were Executive, four (4) were Non-Executive and (5) Independent Non-Executive. The gender composition of the Board was ten (10) male and one (1) female.

COSMOTE's Board of Directors, on 31 December 2014, consisted of nine (9) members, elected for a three-year term. All membes were male.

The operation of the Board of Directors of OTE is supported by OTE's Audit Committee and Compensation and Human Resources Committee,

as well as of the OTE Compliance, Enterprise Risks and Corporate Governance Committee, while the Board of Directors of COSMOTE, until December 31, 2014, was supported respectively by the Audit Committee and the Remuneration and Management Nomination Committee. The OTE's Compensation and Human Resources Committee, is responsible among others, for defining the principles of Corporate Responsibility practices. In 2014 there was no official practice for the evaluation of the Boards of Directors of OTE and COSMOTE and their Committees; however the Companies are considering their compliance with this requirement of the Greek Code of Corporate Governance.

Compensation of all the Board of Directors Members is approved by the Shareholders' General Assembly. The compensation of executive members of the Board of Directors is covered by employment contracts, the terms of which are approved by the Shareholders' General Assembly.

In accordance with the provisions of Article 9, paragraph 7 of OTE's Articles of Incorporation, the Executive Members of the Board (in 2014, the Chief Executive Officer and the Chief Financial Officer of the OTE Group) receive no compensation for their participation in the Board of Directors Meetings or its Committees.

The Chairman and CEO, in the scope of the annual review of the Group strategic objectives, requests from the Boards of Directors, information and the views of their members on CR issues.

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2.4
Risk and Compliance Management and Policies

Business activities are subject to uncertainty. This uncertainty may originate outside the company or result from the company's own actions. Often, uncertainty is synonymous with the definition of risk. By systematically tracking uncertainty, it is possible to adopt appropriate measures early on, reduce risks and make systematic use of opportunities. For this reason, a well-functioning risk and compliance management system is a core element of value-based corporate management supporting efforts to secure the company's success in a sustainable way.

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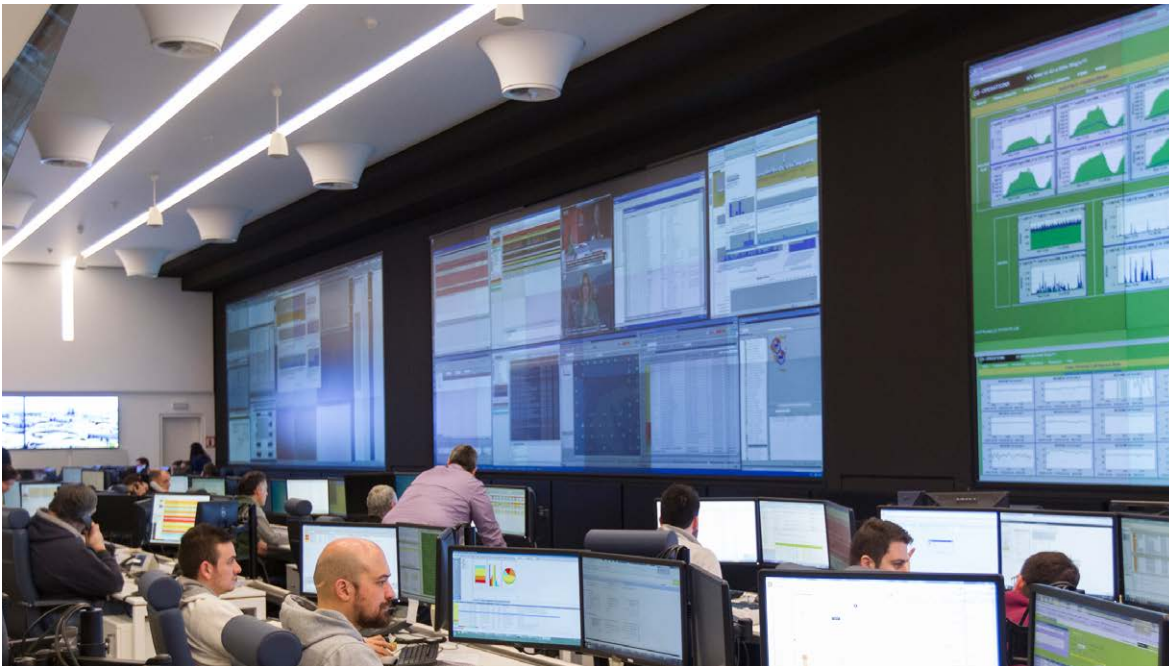
As part of a comprehensive compliance, risk and insurance management process, the OTE Group Compliance, ERM and Insurance Directorate supports the Board of Directors and Management in the performance of their tasks in managing the Group and meeting their obligations. The OTE Group Compliance, ERM and Insurance Directorate is responsible for the continuous development of the risk and compliance management systems and for the Group-wide insurance strategy.

To that purpose, OTE Group has put in place:

- The Risk and Insurance Management System (RIMS) that supports Management in its strategic decisions, through the identification, evaluation and prioritization of risks, followed by coordinated and cost-effective application of resources to monitor, control, and minimize the probability and the impact of unfortunate events.

- The Compliance Management System (CMS), to develop a program for managing non-compliance risk and planning preventive measures for their avoidance with the aim of safeguarding the Group's companiesreputation and to protecting their employees.

The effectiveness and efficiency of the above mentioned Systems (RIMS and CMS) is monitored by the OTE Compliance, Enterprise Risks and Corporate Governance Committee (OTE GRC Committee)[1].

More information about the composition and the role of the Committee can be found in the Corporate Governance Report 2014.

OTE Group Compliance, ERM and Insurance Directorate on a quarterly basis prepare and submit its report to the OTE Compliance, Enterprise Risks and Corporate Governance Committee for its review, evaluation and submission to the competent corporate bodies (Audit Committee and Board of Directors OTE)[2].

2.4.1
Enterprise Risk and Insurance Management System

The Risk and Insurance Management System (RIMS) at OTE Group comprises a continuous process for the early identification, assessment, management, communication and control of risks. Its key goal is to safeguard the OTE Group existence and maintain corporate success. The analysis of risks and opportunities are not just limited pure financial view but covers all Enterprise Risk Management (ERM) dimensions.

The OTE Group Enterprise Risk Management Department, supports decision making in risk management issues and is responsible for the continuous development of an early warning system for the identification and management of corporate risks. It is also responsible for the insurance strategy, at Group level.

In the context of implementation of the Risk and Insurance Management System, the following OTE Group Policies are in force:

- OTE Group Risk and Insurance Management Policy.
- Global Policy on Pensions and Risk Benefits of OTE Group.

Detailed information for RIMS andthe process of identification, evaluation and management of corporate risks, as well as the main achievements of OTE Group ERM Department for 2014, are presented in Corporate Governance Report 2014.

Indicatively, in 2014 four OTE Group Risk Reports were presented in which the major corporate risks of OTE Group and the respective reduction actions were analyzed. A Carried Interim Risk Assessment (Risk Pulse) exercise was carried out to assess, by the business units involved, the most critical risks, such as those described in the Corporate Risk Register in order to spur optimization of the mitigation procedures. In addition the OTE Group Claims Management System was established for more a efficient management of the existing insurance policies of the Group, while the Corporate Risk Management Department participated in the project for the creation and establishment of a single corporate risk management methodology for the DT Group.

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[1]   An equivalent GRC Committee with similar powers and responsibilities has been established in COSMOTE (COSMOTE CEO' Decision No. D25/28.03.2013). Both Committees manage CMS and RIMS issues for all OTE Group Companies that have adopted such systems.

[2]   Similar are the obligations of the business units of theExecutive Director Compliance, ERM and Insurance OTE Group to the COSMOTE Compliance, Enterprise Risks and Corporate Governance Committee. . Relevant reports are submitted to the Cosmote Board of Directors.

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2.4.2
Compliance Management System and Policies

Ensuring compliance is a priority of OTE's and COSMOTE's Boards of Directors, as well as of all companies belonging to OTE Group in Greece and abroad. Compliance constitutes a solid commitment to the principles of integrity, transparency, justice, professionalism, team spirit, and respect of the rules and principles, which are essential in governing the functions of the Companies.

To this purpose, the Management has adopted and implemented a Compliance Management System (CMS), which covers the compliance of all personnel and Management with the legislation in force, the Code of Conduct and internal policies of the Group. In doing so all shareholders, the Companies per see, the employees, the customers, the suppliers and the public, benefit. The effectiveness of the Compliance Management System is based on the creation of a strategy for the development of a risk management program and related preventive measures to address them, with a view to safeguarding corporate reputation and the protection of employees and Companies of the Group.

In order to provide the possibility of filing tip-offs regarding violations of policies, of regulations and of the legislation in force, all companies of the OTE Group have established a Whistle-blowing Policy and necessary communication channels. Under this Policy, each employee and/ or third parties (customers, suppliers, partners, etc.) can, eponymously or anonymously, report through the relevant communication channels, non- compliance incidents, delinquent behavior or express a concern or a complaint on possible violations of corporate policies or legislation.

In the context of implementation of the Compliance Management System, the following Policies and Codes are in force, which are reviewed and revised at regular intervals or when a relevant need arises because of legislation:

- Group Code of Conduct.
- Code of Conduct for the protection of the Individual's Right to Privacy in the handling of Personal Data within OTE Group.
- Code of Ethics for Senior Financial Officers.

- Whistle-blowing Policy.
- Policy on Avoiding Sexual Harassment within the OTE Group.
- Policy on Accepting and Granting of Benefits (updated in 2014).
- Policy on Donations and Sponsorships (updated in 2014).
- Events Policy (updated in 2014).
- Anti-Fraud Policy.
- Insider Trading Policy (updated in 2014).
- Policy on Avoiding corruption and other Conflicts of Interest (updated in 2014).
- Policy on Employee Relations within OTE Group.
- Policy on Anti-Trust Law.

The OTE Group Code of Conduct and relevant policies, among others, prohibit corporate donations or contributions to political organizations or persons, or the use of OTE funds or assets for political purposes. In addition, the organization of a company event, the acceptance or the rejection of a sponsorship or donation or corporate gift, must be approved following specific rules that are defined by the Compliance Management System and are applicable to all employees.

In 2014, the OTE, COSMOTE and Telekom Romania Compliance Management Systems were successfully reviewed and certified regarding the risk area: Ant-Trust", according to the Ass S 980 standard by independent external auditors, who confirmed the adequacy, implementation and effectiveness of the CMS procedures (Certification for Compliance with the "Law of Free Competition» Anti-Trust Certification 2014). The audit included:

- Review of the Compliance Management System procedures comcerning this risk area, to ensure that they comply with the requirements of the standard, and that the procedures adopted and implemented by the companies in order to ensure that issues related to legislation on free competition are reviewed and/or approved by the responsible legal department/s.
- Training (eLearning and classroom trainings) addressd to the executives of the organizational units dealing with competition issues, in order for them to understand issues of Anti-trust legislation.

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Compliance Achievements in 2014

In 2014, the responsible persons of OTE and COSMOTE Compliance team, carried out the Compliance Risk Assessment Compliance for OTE and COSMOTE. In the Group risk Landscape which is annually compiled by Compliance, are included incidents of active and passive corruption, conflict of interest, breaches of personal data, violations of Anti-Trust Law, incidents of abuse of privileged information, etc.

The Compliance Measure Plan for 2015 was formulated based on the results of the Compliance risk assessment held in 2014. The results of the Risk Assessment and the respective Plan, were initially presented to the Compliance, Corporate Risk and Corporate Governance Committees in OTE and COSMOTE and afterwards to the Audit Committees of OTE and COSMOTE and approved by the Board of Directors of OTE in December 2014.

In the scope of the correct implementation of the Compliance Management System and in order to avoid any risks arising from the cooperation with suppliers, consultants and other partners, a procedure has been developed as "Integrity Check/Compliance Business Assessment". In 2014, the above procedure has been enhanced and optimized as the basis for its practices for the avoidance of corruption, and acts as the terms of internal policies of the Group. During 2014, integrity checks of 662 suppliers, consultants and partners were performed.

The Compliance Training Program in 2014 included classroom training seminars and electronic educational programs (e-learning) for managerial and non-managerials positions of OTE and COSMOTE. The subjects covered by the above training program, included avoidance of corruption and other conflicts of interest, and compliance with the Anti-Trust Law.

Details on the participation of OTE and COSMOTE employees in this training program are presented in the following tables.

Anti-Corruption Training Program			
Training session	Employees in scope	Number of employees trained	Participation rate (%)
Classroom training	717	516	71.97
E-learning	1,787	1,320	73.86
Total	**2,504**	**1,836**	**73.32**

Training program for the compliance with the Anti-Trust Law			
Training session	Employees in scope	Number of employees trained	Participation rate (%)
Class training	209	186	88.99
E-learning	483	454	93.99
Total	**692**	**640**	**92.48**

Within the context of the internal communication of significant messages by management to all employees, on 9 December 2014 (International United Nations Day against Corruption), in cooperation with the OTE Group Corporate Communications Division, an awareness campaign took place, addressed to all employees in the Group, which included an internal announcement signed by the Chairman and CEO of OTE Group and an e-mail to all employees of OTE and COSMOTE

which was posted on the corporate intranet. The message stressed that OTE Group "apply the principles of the UN Global Compact human rights, labour standards, environment and anti-corruption".

Furthermore, in July 2014, five years of the establishment and implementation of a uniform Compliance Management System(CMS) across the Group OTE were completed. In collaboration with the Corporate Communications Division an

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awareness campaign was held addressed to the whole Group, during which the employees were informed about the achievements of the CMS and the certifications and distinctions received.

In the framework of implementing the Code of Ethics for Senior Financial Officers, the Board members and the senior financial executives signed the statements and submitted them to the OTE Group Compliance Office, stating that they have been informed about the requirements of the Code and comply with its provisions aiming at an honest and ethical business conduct.

The Annual Compliance Compliance and the Statement on Conflict of Interest signed by the members of the Board of Directors and the management teams of all the OTE Group companies. In 2014, OTE Group employees were in scope for singning these statements.

In 2014, the relevant channels of Compliance received a total of 832 tip offs/complaints, of which 58 were related to rules and compliance policies, while the remaining 774 were, in the majority, customer complaints on technical/commercial matters, which are not related to compliance risks. In accordance with the provisions of the Compliance Management System, an investigation was carried out for each of the tip offs related to compliance issues. It should be noted that identifying incidents of corruption results to a series of measures (according to the provisions of the OTE employees' Internal Regulation, internal policies and the decisions of Management/Committee) according to the nature of the incident.

Thirty five (35) cases, out of the 58 cases, related to compliance, were found to be not valid and twenty two (22) were found, following investigation, to be valid and appropriate measures in each case were adopted (strict warning, employment contract termination, the submission of a Statement on Conflicts of interest, establishment/implementation of new controls or revision of existing ones) and one (1) case is under investigation.

The investigation of the compliance-related case of 2011 was concluded, without any findings that required disciplinary action.

In 2014, there were no cases in which employees of OTE and COSMOTE were dismissed or disciplinary sanctions for corruption imposed. Also, there were no cases of corruption regarding contracts with business partners, which would have resulted in the cancellation of the contract or non-renewal thereof. Finally, there have been no convictions by judicial authorities for corruption against OTE, COSMOTE employees.

Finally, in addition to investigating tip offs received via the Compliance channels, the relevant Compliance business unit investigates also cases regarding possible violations of the company's regulatory framework, following a relevant request by the OTE Group Chief Human Resources Officer.

Further information found in Corporate Governance Report 2014.

2.4.3
Internal Audit

In 2014 the Internal Audit Directorate of OTE Group, with its renewed organizational structure, completed successfully audits in the fixed and mobile telephony Companies and Subsidiaries and agreed to requests of the Administration for more than 200 new audits to strengthen the control environment in the Group's companies, contributing directly or indirectly to their cost optimization through reductions in operating costs and strengthening the relevant checks. The adoption of a common methodology and harmonized procedures for the internal audits and the use of software tools for the organization of the audit work, resulted in the successful certification of the OTE Group Internal Audit Directorate by an external body after conducting relevant external quality assessment. In addition, the Internal Audit Directorate is in close cooperation with DT Group, by conducting joint audits in the three Companies of the Group and exchanging of auditors, thereby promoting communication and exchange of best practices.

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2.5
Stakeholders

OTE and COSMOTE, both identify their key stakeholders as those groups which have a direct impact or influence on the sustainable success of the two companies. For that reason, an ongoing dialogue with representatives of all stakeholders, without exclusions and discrimination, is the basic rule of the Companies.

In 2014, OTE and COSMOTE proceeded, based on information received from communicating with different organizational units of the Companies to redefine their stakeholders. At the same time, through direct communication with stakeholders, they updated the list of recognized stakeholders.

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In order to further improve the process, OTE and COSMOTE in addition to basic stakeholder groups, proceeded to the identification of the subgroups that make up these groups of stakeholders. The companies believe that this higher resolution will provide an opportunity for the staff responsible to better monitor the means of communication and the needs of all stakeholders.

Stakeholders OTE and COSMOTE		
Customers and prospective customers	**Business**	**Science, research and education**
• Youngsters and young adults • Families • Middle-aged people • Senior citizens • Small and medium-sized enterprises • Large corporations • Telecommunications Service Providers • Public authorities • Consumer organizations and interest groups	• ATHEX-listed companies • Other large corporations • Small and medium-sized enterprises • Trade and industry associations • Co-operation partners, subsidiaries • Competitors	• CR and sustainability research institutions • Public Policy and business research institutions • Universities • Schools • Student organizations and university associations • Technology and Innovation Research Institutions • ICT SMEs
NGOs and interest groups	**Media**	**State/Government entities**
• Humanitarian organizations and charities • Business ethics groups • Foundations • Environmental protection organizations • Business non-governmental organizations • CR related organizations	• Daily and weekly newspapers • Newswires and press agencies • TV and radio • Internet, news sites and other interest • Social media and blogs • Journalist associations/media groups • Ownership and media commercial executives	• State institutions • Embassies and consulates • Supervisory and regulatory authorities • Communities, local authorities and their representatives • International organizations • EU level entities
Employees, prospective employees and their representatives	**Suppliers**	**Shareholders, bondholders, investors and analysts**
• Employees • Board of Directors • Management Board • Management Team • Unions and work councils • Applicants and prospective employees • Scholars and trainees/interns • Universities/students	• First-tier suppliers • Sub-suppliers • Auditors and certification bodies • Consultants	• Shareholders • Bondholders • Financial institutions • Private investors • Funds, asset managers and analysts • Rating agencies • Analyst organizations and associations • Institutional investors

In finalizing the identification of stakeholders in early 2015, the Senior Management of OTE and COSMOTE participated, and the final list was approved by the Chairman and CEO of the Group.

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2.5.1
Stakeholder Engagement Approach

Both companies operate in accordance with the principles of the "AA1000 AccountAbility Principles" Standard, namely Inclusivity, Materiality and Responsiveness, and conduct the Companies' stakeholder engagement and dialogue accordingly.

The engagement of stakeholders in this dialogue is ensured by:

- Conducting a CR stakeholder and opinion leader survey.

- Having systematic dialogue and meetings with various NGOs and participation in the CR events.

In 2014, OTE and COSMOTE, through dialogue meetings they organized, met with over 30 national and international NGOs, active in various fields such as child support, health, education and environment. The first meeting was held with NGOs that support vulnerable social groups, such as children and the second with NGOs dealing with environmental issues.

The issues discussed at these meetings included:

- the challenges NGOs face and expect to face in the near future,

- the ways in which the Companies could support the achievement of their mission.

- their views on the social and environmental performance of OTE and COSMOTE and possible opportunities for cooperation between companies and NGOs.

In addition, meetings were held with representatives of charitable institutions, to exchange expertises and views on the management and implementation of important social initiatives.

All the above and those listed in Overview of Stakeholder Engagement Dialogue, show how stakeholders are involved of and form the basis for the development of the CR objectives and the programs of OTE and COSMOTE, to be included in the business plans of both companies. Responding to the concerns of NGO that support programs for children in need, for students and for new enterprise, OTE and COSMOTE strengthened their respective initiatives (e.g. the "OTE-COSMOTE Scholarship Program" educational programs, the OTE Telecommunications Museum and the "Your business.gr" service) and started new (eg Christmas Bazzar at the premises of OTE-COSMOTE supporting organizations for children and support of Educational Robotics Competition for Elementary School Children). Also, OTE and COSMOTE strengthened existing and created new corporate volunteering initiatives. More details on these activities of OTE and COSMOTE, presented in the Society section.

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2.5.2
Overview of Stakeholder Engagement Dialogue

The following table provides an overview of OTE and COSMOTE stakeholder dialogue, the main topics raised, and the way the two companies respond to them.

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Customers and prospective customers				
	• Customer satisfaction surveys	Annual	• Activation of products, quality of services (in relation to costs)	Marketplace
	• CR surveys	Annual	• Technical support (e.g. web hosting, DNS services, IPVPN)	Contributing to Local Communities Well-being and Sustainability
	• Tracking studies	Quarterly		Electromagnetic Fields
	• Call centers	Ongoing	• Commercial and billing issues	
	• Customer account managers	Ongoing	• Mobile telephony operations	
	• Social media	Ongoing	• Improving the way customer complaints are handled	
	• Sales network	Ongoing		
	• Companies' websites	Ongoing	• Safe use of services	
	• Key account managers	Ongoing	• EMF	
	• Presentations on OTE systems	Ongoing	• Responsible Marketing (e.g. consumer rights)	
	• Companies' mail boxes	Ongoing	• Introduction of new technologies	
	• Press releases	Ongoing	• Data security and privacy	
	• Corporate announcements	Ongoing	• Road reconstructions, retaining walls etc.	
	• Business Conferences	Ongoing		
	• Business Customer Events	Ongoing		
	• Advertisements	Ongoing		
	• CR Report	Annual		
Business				
	• Press Releases	Ongoing	• Corporate governance	OTE Group
	• Economic Results Releases	Quarterly	• Economic performance	OTE and COSMOTE
	• Roadshows	Ongoing	• Market Presence	Corporate Governance
	• Meetings	Ongoing	• Procurement Practices	Marketplace
	• Conference calls	Ongoing	• Employment	Human Resources
	• Annual Reports	Annual	• Joint actions to improve the competitive environment and influence the Greek state policies	
	• Presentations	Ongoing		
	• Trainings	Ongoing		
	• CR Report	Annual	• Actions to reduce cost and optimize coverage	

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Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Science, research and education				
	• Meetings • Conference calls • E-mails • Dissemination activities (workshops, conferences, etc.) • Conferences • Surveys • CR Report	Frequently Ongoing Ongoing Frequently Ongoing Ongoing Annual	• Cooperative schemes with research organizations • New technology products and services • Communication safety • Technology awareness	Internet Security and Public Awareness Research and Innovation Supporting Education
NGOs and interest groups				
	• Meetings • CR surveys • Conferences • Emails • Working groups • Consultation • CR Report	Bi-annually Annual Ongoing Ongoing Ongoing Ongoing Annual	• Importance of adopting CR • Internet Safety public education • Support for vulnerable groups and charities • Social Contribution • EMF, Biodiversity • Environmental performance	Sustainability Report (all sections)
Media				
	• Announcements/ Press releases • Informational material • Events/Press conferences • Other media contacts • CR surveys • CR Report	Ongoing Ongoing Ongoing Ongoing Annual Annual	• Management/ governance • HR issues/labour issues • Industry developments and market structure • Technology advances/ network infrastructure • New product launches • TV market • Technology and telecommunications • Business and finance policies • Culture • CR	Sustainability Report (all sections)

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Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
State/Government entities				
	• Consultations on proposed laws and regulatory frameworks for telecommunication markets	Ongoing	• Implementation of regulatory measures applying to OTE	Corporate Governance Compliance Management System and Policies Responsible Competition Expanding of Broadband and Mobile Internet in Greece Responsible Marketing Contributing to Local Communities' Well-being and Sustainability Environment
	• Written or verbal communication with regulatory and public sector bodies	Ongoing	• Issues of effective regulatory adjustment	
	• Dialogue with representatives of national and local authorities	Ongoing	• Specialized national goals for European Digital Agenda Strategy	
	• CR surveys	Annual	• Transparency	
	• Attendance in associations and unions	Ongoing	• Governance	
	• Systematic liaison with local authorities (mostly regional)	Ongoing	• Economic growth	
	• CR Report	Annual	• Energy and environment	
			• Infrastructure construction and maintenance	
			• Social security	
Suppliers				
	• Consultation and dialogue on procurement policy/ supplier code of conduct issues	Ongoing	• Tender criteria and competitions	OTE Group OTE and COSMOTE Marketplace Strategy Responsible Procurement and Supply Chain Management
	• Attendance in sector-based unions	Ongoing	• Communication on supplies issues	
	• Meetings	Ongoing	• Transparency	
	• CR surveys	Annual	• Market Policy	
	• Suppliers' evaluation	Ongoing	• Economic growth	
	• Negotiations	Ongoing	• Inserting CR criteria, including environmental criteria	
	• Presentation of new products	Ongoing	• Procurement best practices	
	• Consultation and dialogue on technical issues	Periodic	• Procurement trends	
	• CR Report	Annual		

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Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Employees, prospective employees and their representatives				
	• OTE and COSMOTE Intranets	Ongoing	• Labour cost rationalization and alignment	CR Strategy and Management
	• Decisions on all important Company issues	Ongoing	• Organizational effectiveness	Data Security and Privacy
	• Meetings with employees	Ongoing	• Collective Bargaining Agreements	Employees
	• Negotiations with unions and work councils	Periodic	• Fair employment policy (diversity, work-life balance, non-discrimination, equal opportunities)	Employee Voluntarism
	• Emails from the Chairman and CEO and Executive Directors	Periodic	• Health and safety	
	• Employee satisfaction surveys	Biennial	• Employee development	
	• Employee surveys results roll out and follow up process	Periodic	• Leadership	
	• CR surveys	Annual	• Training	
	• Events	Periodic	• Performance management	
	• Performance appraisal system	Annual	• Recruitment	
	• Trainings	Ongoing	• Talent management	
	• Feedback tools	Ongoing	• Engagement and satisfaction	
	• Other surveys	Annual	• Employees benefits	
	• Workshops/labs	Periodic	• Corporate volunteerism	
	• Formal company policies/processes	Ongoing	• Strategy and all corporate information dissemination	
	• Newsletter (electronic)	Bi-weekly	• Compliance issues	
	• Internal Communication Campaigns	Ongoing	• Security matters	
	• CR Report	Annual		

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Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Shareholders, bondholders, investors and analysts				
	• Investor Relations Department communication	Ongoing	• Financial performance	Sustainability Report (all sections)
	• Annual General Shareholders Meeting	Annual	• Short and longer term outlook	
	• Annual, Corporate governance report and CR report	Annual	• Competitive environment	
	• CR surveys	Annual	• Cashflow	
	• Participation in corporate responsibility ratings	Ongoing	• Debt issuance and repayment	
	• Private meetings	Ongoing	• Dividends	
	• Conference Calls	Quarterly	• Group strategy and results	
	• Meetings of executives	Ongoing	• Outlook on labor relations, regulatory decisions, economic conditions	
	• Adoption and implementation of policies and principles	Ongoing	• Climate change policy	
	• Daily collaboration	Ongoing		
	• Conferences arranged by brokers	Regularly		

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2.6
Materiality Analysis

In order to improve its approach to the substantive issues of Corporate Responsibility, in 2013, the CR Department proceeded to carry out a materiality analysis taking into account the principles of Operational Risk Management applicable to OTE Group. This process, which was formed and launched in 2013 and completed in early 2014, comprised two phases:

- **Analysis of material issues by the OTE and COSMOTE Management team**
  Twenty four (24) members of OTE and COSMOTE Management team, from different business units, participated in prioritizing OTE/COSMOTE material issues for sustainable development. The participants were asked to use the rating scale developed and used by the OTE Group Enterprise Risk Management Department.

- **Analysis of material issues by the OTE and COSMOTE stakeholders**
  In an event, organized by an independent organization, nine (9) stakeholders, coming from different stakeholder groups (e.g. the media, NGOs, employees, the Government, customers etc.), participated in a workshop, where they were asked to discuss OTE and COSMOTE CR performance and CR report, and subsequently identify and prioritize the material issues for the companies' sustainable operation. The stakeholders were asked to use the same rating scale used by the OTE and COSMOTE Management team.

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This process enabled the CR Department, for the first time, to practically compare internal and external views of the companies' material sustainability issues. The results are presented in the following graph..

Significance of Economic, Environmental and Social Impacts to Stakeholders (y-axis)

Significance of Economic, Environmental and Social Impacts to OTE and COSMOTE (x-axis)

1	Corporate governance	15	Employee satisfaction
2	Economic contribution	16	Social products and services
3	Responsible competition	17	Social contribution
4	Expanding broadband and mobile Internet	18	Employee volunteerism
5	Responsible marketing	19	Enabling entrepreneurship
6	Responsible procurement	20	Energy efficiency
7	Public awareness of technology	21	Road transport
8	Customer satisfaction and service	22	Greenhouse gases
9	Data security and privacy	23	Water
10	Health and safety	24	Materials and waste
11	Fair employment	25	EMF
12	Employee development	26	Visual impact
13	Employee benefits	27	Noise
14	Internal communication	28	Public awareness

An examination of the graph shows remarkable agreement between the stakeholders and the Companies' Management judgment of the importance of the issues. The issues related to health and safety of employees are shown to be at the top of the concern of both, while for only a few issues, namely visual impact, as well as economic contribution, water, energy efficiency and road transport, their opinions diverge.

The procedure for the analysis of materiality, has a significant role in the overall development of the strategy of both companies. In 2014, the companies worked to further strengthen their approach to the analysis and evaluation of essential corporate responsibility issues. Specifically they proceeded to an initial identification of possible substantive issues, which will be the issues list for assessment by

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the Administration OTE and COSMOTE. The two companies took into consideration:

- The already recognized important issues for OTE and COSMOTE.

- The requirements of the guidelines of GRI G4.

- The content of the GRI supplement for the telecommunications industry.

- Important issues for the telecommunications industry, stemming from the performance analysts sustainability/SRI.

- Mapping of the main issues for telecommunications by the Sustainability Accounting Standards Board.

- The key issues for the ICT industry as they emerged in 2014 from analysis of the GeSI initiative.

- The major issues identified by other companies operating in telecommunications.

From this analysis about 75 topics originally emerged, which were divided into the following 10 thematic categories:

1. Governance and Administration.

2. Digital inclusion.

3. Data Privacy and freedom of expression.

4. Relations with customers.

5. Role of ICT products and services.

6. Marketplace.

7. Supply chain.

8. Employees.

9. Society.

10. Environment, low carbon footprint and circular economy.

The evaluation process of the material issues by the Companies' Management shall be implemented in accordance with the Corporate Risk Management Group's approach and will be completed in 2015 under the supervision of the Corporate Responsibility and the Corporate Risk Management Departments of the OTE Group. The results of the materiality analysis will be used in matters of CR strategy of companies, but will also form the basis for the development of the 2015 Corporate Sustainability Report of OTE and COSMOTE.

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2.7
Memberships, Ratings and Awards

2.7.1
Memberships

OTE and COSMOTE actively participate in and are informed on the trends and developments in Corporate Responsibility and Sustainability. In 2014, the two Companies maintained their voluntary participation, through their membership in a number of national and international bodies, which they consider of strategic importance, both from a commercial and social point of view. An indicative list of organizations and initiatives of which OTE and/or COSMOTE are active members, is given in the following Table:

Organization/Initiative	Company	Participation Type
National level		
Association of ICT Companies in Greece (SEPE)	OTE / COSMOTE	Members. OTE is a member since 1998 and COSMOTE since 1997
Association of Mobile Telephony Companies (EEKT)	COSMOTE	Founding member since 2008. The association aims to strengthen collaboration and promote issues of common interest, among mobile telephony providers in Greece
Hellenic Network for Corporate Social Responsibility	OTE / COSMOTE	Members. OTE is a member since 2001 and COSMOTE since 2005
Hellenic branch of UN Global Compact (UNGC)	OTE / COSMOTE	Members since 2008. OTE and COSMOTE have committed, through their CEO, to implement, disclose, and promote the 10 universal principles of UNGC and to release a Communication on Progress (COP) report annually
Federation of Hellenic Enterprises (SEV) Council for Sustainable Development	COSMOTE	Member since 2014

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Organization / Initiative	Company	Participation Type
National level		
Initiative Sustainable Greece 2020	OTE / COSMOTE	Participation since 2014, as "Ambassadors of Sustainability". Initiative Sustainable Greece 2020 aims to develop a structured dialogue and the creation of methodologies and tools that will support Greece's course towards sustainable development at both the microeconomic and macro level
Corporate Responsibility Institute, Greece	OTE	Member since 2008
Global Sustain	OTE / COSMOTE	Member since 2007
"SafeNet", Greek self-regulatory body for the Internet content	OTE	Founding member since 1999
Road Safety Institute "Panos Mylonas"	COSMOTE	Member and sponsor since 2009
"Roads to the Future" Alliance for safety and courtesy on the road	COSMOTE	Member and sponsor since 2009. A Memorandum of Cooperation has been signed
European Level		
ETNO Sustainability Working Group	OTE	Founding member of ETNO since 1992 and member of Sustainability Working Group since 2007. OTE signed the Sustainability Charter in 2011.
European Telecommunications Standards Institute (ETSI)	COSMOTE	Member since 1998
International level		
GeSI (Global e-Sustainability Initiative)	OTE	Member since 2010
Global Reporting Initiative	OTE	Member and Organizational Stakeholder since 2007
GSM Association (GSM)	COSMOTE	Member of the World Association of Mobile Communications Services since 1997. COSMOTE actively participates in many of its workgroups
InternationalTelecommunication Union – (ITU)	OTE	Associated member, since the beginning of the 90's

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2.7.2
Ratings

The business activities of OTE and COSMOTE aim at adding value to the sustainable development of the Companies. The Corporate Communications Division of the OTE Group through its Corporate Responsibility Department coordinates, monitors and manages the requests received by the Companies from sustainable development performance and SRI analysts. Working closely with the OTE Group Investor Relations Division, as well as all other organizational units of the companies as appropriate, they respond fully to these request for further information.

FTSE4Good

Since 2008, OTE meets all the requirements and is a member of the FTSE4Good Index Series. The FTSE4Good stock market index was created by the global index company FTSE Group, to facilitate investment in companies that meet globally recognized corporate responsibility standards. In 2014 FTSE proceeded to strengthen the evaluation criteria for the inclusion of an organization in the FTSE4Good Index. OTE following a new evaluation continues to be included in the FTSF4Good index.

OTE in December 2013 was included in the Euronext Vigeo Eurozone 120 Index, and continues to remain in it following the new assessment in June 2014. The Euronext Vigeo Eurozone 120 index aims to promote and support responsible investment. OTE is the only Greek company between leading eurozone companies that participates in the index. The Euronext Vigeo Eurozone 120 is one of the seven sustainability indices created by Euronext, the largest stock exchange group in the world, and Vigeo, leading European rating agency groups and companies in sustainable development issues, to promote and support responsible investments. This index includes companies that stand out for their performance in environmental, social and corporate governance and contribute to sustainable development.

Also, in 2014, OTE responded to requests received by the company "Sustainalytics", a premier organization in research and analysis of environmental issues, and social and corporate governance (ESG), providing services to international investors and financial institutions, and the Generali Investments Europe, the fund management company of Group Generali, one of the largest fund management companies in Europe. The Generali Investments Europe assessed the OTE on the basis of the 34 criteria of socially responsible investment (SRI) methodology.

OTE participates, since 2010, in the "Carbon Disclosure Project (CDP)" index on climate change, completing the respective questionnaire and notifying the required information to the platform of the CDP. The CDP is the largest reporting and cooperation on climate change platform worldwide, focusing on the information needs of investors.

Since 2008, OTE participates in the Corporate Responsibility Index CRI Greece, the organization which is run by the Institute of Corporate Social Responsibility, in collaboration with BITC (Business in the Community). In 2008-2009, OTE received the "Silver" distinction, the "Gold" distinction for the biennium 2010-2011 and the "Platinum" one for 2012. The assessment for 2013 and 2014, for OTE and COSMOTE jointly, resulted in the award of the "Platinum" distinction and at the same time in 2013 they resieved the "Best Award Marketplace", while in 2014 they resieved the "Best Award Society".

2.7.3
Awards

During 2014, OTE and COSMOTE received fifteen (15) awards and recognitions for their CR commitments and actions, as follows:

- At the Environmental Awards 2015, organized by Boussias Communications, the two Companies were among the top 5 winners, and were awarded for their overall performance a

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Grand Award and three "Gold" awards in the categories:

- – Environmental CSR Category.
- – Climate Protection-GHG Offset.

- At the Enterprise Awards MONEY-George Ouzounis, OTE took the following awards:
  - – 1st place ward for "Best Company – 2014."
  - – 2nd place award for "Corporate Social Responsibility – 2014".

- At the International Conference "Future Internet Assembly 2014" (FIA-2014), OTE participating as the coordinator of the European research program LiveCity, received the "Best Demonstration Award".

- In the "Health & Safety Awards 2014" event, OTE Group received two important distinctions:
  - – A "Gold" award in the category "Health and Safety" of the telecommunications industry.
  - – A "Gold" award in the category "Health and wellness programs".

- OTE was declared "Company of the Year" at the awards of the 16th International Conference InfoCom World.

- COSMOTE has received the "Award for Long-Term Cooperation and work on Corporate Social Responsibility", in the context of participation in the ECOGEM and EMERALD research projects at the awards "Ethos Sustainability Awards 2014" contest.

- OTE and COSMOTE received the "Silver" award in the category "Change management – Redefining culture and internal communication – Mergers and acquisitions" at the "HR Excellence Awards 2014" contest.

- At the National Customer Service Awards 2014, organized by the Greek Institute of Customer Service (EIEP), OTE won 1st place in the category "Customer Service of the Year/ Large Team".

- From the company P3 Communications, COSMOTE has received two certificates of excellence for:
  - – "Best data services for smartphone".
  - – "Best mobile broadband data services".

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2.8
2014 CR Performance

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The key 2014 financial, environmental and social performance ratings for the two Companies are presented in the Table below. More information on performance analysis, computation assumptions or clarifications for the data presented can be found in the relevant sections of the Report.

2014 CR Performance	OTE	COSMOTE
Financial Perforamnce		
Total revenues (mn €)	1,511.7	1,202.2
Payroll and employee benefits (mn €)	(315.1)	(89.8)
Total operating expenses (mn €)	(1,208.8)	(973.9)
EBITDA (mn €)	586.4	431.8
Pro forma EBITDA[1] (mn €)	599.2	432.7
Income taxes paid (mn €)	58.2	19.4
Fees and commissions to third parties (incl. taxes other than income taxes and regulatory charges) (mn €)	(331.8)	(204.2)
Marketplace		
Fixed-line subscribers	2,761,773	—
Mobile telephony subscribers	—	7,279,669
Broadband subscribers	1,389,871	—
TV subscribers	353,482	—
Loyalty index (TRIM)	69	66
Total CAPEX (incl. spectrum payments) (mn €)	222.3	198.6
Evaluation, on the basis of sustainability criteria, of suppliers (% of the procurement volume)	72%	95%
Number of complaints received from customers	211,225	159,721
Percentage of complaints received from customers that were resolved within 2 days	52%	80%

2014 CR Performance	OTE	COSMOTE
Employees		
Number of employees of indeterminant term contracts	6,924	2,050
Percentage of female employees	31%	51%
Employees covered by collective bargaining agreements (%)	99%	92%
Employee turnover as percentage of total employees	0,6%	0,6%
Work-related fatal accidents (number of employees)	0	0
Work-related non-fatal accidents (number of employees)	37	14
Work-related non-fatal accidents (lost days)	1,884[2]	271[3]
Health and safety training (hours/employee)	0.64	1.02
Training hours (hours/employee)	11.88	13.55
Number of complaints received regarding discrimination requiring corrective actions	0	0
Society		
Sponsorships - Donations (incl. in-kind) (€)	1,330,087	1,612,468
Number of volunteering projects	4	
Employee volunteering (number of employees)	6,182	
People supported (estimated)	882,933	
Environment		
Electricity consumption (GWh)	250.94	157.38
District heating and fuel consumption in buildings and installations (GWh)	9.51	12.64
Fuel consumption in vehicles fleet (GWh)	28.08	8.10
Direct (scope 1) CO_2 emissions (t)	9,009.75	5,309.81
Indirect (scope 2) CO_2 emissions (t)	171,891.04	107,804.70
Hazardous waste (t)	234.08	87.44
Non-hazardous technical waste from telecom operations (t)	1,672.54	302.73
Recycling of phone devices (mobile and fixed) and accessories (t)	23.88	6.46
Number of measurements on EMF conducted by specialized scientific personnel of the company and independent institutions	–	81

For the visualization of key CR indicators of the companies for the years 2012 — 2014, see the Data Center.

Notes:

[1] Excluding impact of Voluntary Retirement Programs and Restructuring Plans.
[2] The number of days lost refers to calendar days.
[3] The number of days lost refers to working days.

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2.9
2014 and 2015 Goals

2.9.1
CR Strategy and Management

2014 Goals	2014 Performance	
CR Strategy and Management		
OTE-COSMOTE: Further strengthen of the materiality analysis by involving more parties in the process	IP	See Materiality Analysis
OTE-COSMOTE: Development of the Corporate Responsibility Policy	F	See CR Strategy
OTE-COSMOTE: Annual Reporting according to GRI G4 guidelines	IP	See Report Profile
		Since 2014, OTE and COSMOTE are analyzing the new guidelines GRI G4 and took a series of actions (eg strengthening the Corporate Responsibility strategy through the development of the Corporate Responsibility Policy and the Social Charter, improving the methodology of their materiality analysis, upgrading supply chain management) that will enable Companies to move in a correct and structured way toward the adoption of the Sustainable Development Report 2015 in accordance with the instructions GRI G4
OTE-COSMOTE: Enhancing the use of digital media for performance dissemination and corporate responsibility reporting	F	Following the effort made for the 2013 Report, the Sustainability Report for the year 2014 is exclusively available online
		The Report is significantly different compared to the previous ones both as regards the enriched content, the online-oriented design and the interactive tools included
		It has been designed and written based on the individual information needs of all stakeholders namely:
		• Full Information and transparency on corporate responsibility strategy, results of operations and the performance of companies
		• Easy access and navigation of the user/reader
		• Clear presentation of the information using audio-visual material, infographics, diagrams and interactive tools
		• Possibility of processing quantitative data, through the use of the online tool "Data Charting Tool"
		• Ability to save offline the full content or individual sections of the Report

Index Key: F = Fully   P = Partially   IP = In Progress   N = Not Achieved

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2014 Goals		2014 Performance
Risk and Compliance Management		
OTE-COSMOTE: Alignment of all business units' risk assessments to the Group ERM Methodology, in order to improve the effectiveness of risk management procedures, and controls by al business units	IP	Cooperation with business units involved has already started for the coordination and alignment of all risk assessments, according to the Group ERM Methodology. This process will continue in 2015, it is part of the implementation of the new Group ERM Methodology, and the gap analysis of the degree of adaptation RIMS with standard ISO 31000
OTE-COSMOTE: Establish common risk methodology and enhance the cooperation between DT Group companies to develop the group risk landscape	IP	The implementation and establishment of the DT EU Group Risk Management Methodology in all OTE Group subsidiaries is a target for 2015
OTE-COSMOTE: Certification according to ISO ERM 31000 by the end of Q4 2014	IP	Gap Analysis and evaluation of of the degree of adaptation of the Risk & Insurance Management System with standard ISO 31000 has already started in 2014. The attestation of the standard will take place in 2015
OTE-COSMOTE: Development of a risk management system and methodology as part of day-to-day work to all business units	IP	The implementation and establishment of the DT EU Group Risk Management Methodology in all OTE Group subsidiaries is a target for 2015
OTE-COSMOTE: Certification regarding the effectiveness of Anti-Trust Compliance Program	F	See Compliance Management System and Policies
OTE-COSMOTE: Process of initiation, adoption and implementation of BS 10500 (British Standard "Anti-Bribery Management System")	N	The goal was canceled, because of the adoption of the International Standard ISO 19600 Compliance Management Systems — Guidelines; the analysis and relative alignment of OTE Group is an objective for 2015
Internal Audit		
OTE-COSMOTE: The Internal Audit Department will perform about 50 tests scheduled for 2014, giving priority to processes that affect customers, new revenue sources and operating model	F	The Internal Audit Directorate General conducted more than 80 audits in accordance with the Annual Audit Plan for 2014, giving priority to processes that influence the service and customer satisfaction, new revenue sources and consolidation the new operating model

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2015 Goals

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OTE-COSMOTE: Annual CS report according to GRI G4 guidelines

OTE-COSMOTE: Reassessment of the materiality issues for the sustainable development of the Companies

OTE-COSMOTE: Further improvement on on-line presentation of the Sustainability Report

Risk and Compliance Management

OTE-COSMOTE: Attestation of the of the Corporate Risk Management System according to ISO 31000

OTE-COSMOTE: Enhancing corporate risk culture through continuous action on education and updating of all business units

OTE-COSMOTE: Implementation of the DT Group Enterprise Risk Management Methodology to all companies of the OTE Group

OTE-COSMOTE: Conduction of an Employees Survey regarding Compiance Issues, which will be addressed to staff with responsibility position

OTE-COSMOTE: Review of the procedures and operations used in Customer Service aiming at reducing incidents related to Compliance issues

Internal Audit

OTE-COSMOTE: According to the Annual Audit Plan for 2015, the Directorate General of Internal Audit will perform over 75 audits

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2.9.2
Marketplace

2014 Goals		2014 Performance
Internet Safety		
COSMOTE: Focus on safe and controlled use of smartphones and tablets by kids	IP	The development of an application which is expected to be available in the market in 2015
OTE-COSMOTE: Enhance initiatives concerning the safe use of the Internet, in the framework of the "CEO Coalition to make the Internet a better place for kids"	F	See Public Awareness and Cooperation with Credible Institutions
Data Security and Privacy Policy		
OTE-COSMOTE: Development of a new Identity Management System (IdM)	F	Security and Privacy Policy
OTE: Development of a new Data Loss Prevention System (DLP)	IP	See Security and Privacy Policy The system has been installed and is currently under configuration.
OTE-COSMOTE: Enhancing of security measures in 20 important buildings, including electronic systems installation	IP	Due to redesign of the overall policy and the need for three-year contracts, the project was redesigned and OTE Group is in the process of preparing a call for tender for three years contracts covering more buildings
Business Continuity		
OTE: Certification of the Business Continuity Management System	F	See Business Continuity
Responsible Procurement and Supply Chain Management		
OTE-COSMOTE: Evaluation of suppliers representing 30% and 70% of the annual procurement volume of OTE and COSMOTE respectively	IP	See Supplier Evaluation

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2015 Goals
Internet Safety
OTE-COSMOTE: Enhancing Public Awareness Initiatives on safe use of technology by children
Data Security and Privacy Policy
OTE-COSMOTE: Development of a system for the logging of actions and Database Activity Monitoring
OTE-COSMOTE: Safety Certification according to ISO27001
OTE-COSMOTE: Extension of system for the periodic monitoring of the not installation of security patches
OTE-COSMOTE: Enhancing physical security measures (structural interventions/security systems) in 25 stores
OTE-COSMOTE: Enhancing physical security measures (structural interventions/security systems) in 20 important buildings
OTE: Installation of access control system at 4,000 telephony cabins and Outdoor Line Distribution Cabinets KW cabinets
Business Continuity
OTE-COSMOTE: The recording and notification of all risks related to business continuity to all Divisions
Responsible Procurement and Supply Chain Management
OTE–COSMOTE: Evaluation of suppliers representing 70% and 90% of the annual procurement volume of OTE and COSMOTE respectively.

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2.9.3
Employees

2014 Goals		2014 Performance
Employees		
OTE-COSMOTE: Rationalization and Harmonization of HR policies	F	See <u>Organizational Transformation and Efficiency</u> and <u>Employee Training</u>
OTE-COSMOTE: Introduce talent management programs	F	See <u>Human Resources</u>
OTE-COSMOTE: Enhance people development	F	See <u>Employee Selection</u> and <u>Employee Training</u>

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2015 Goals
Employees
OTE-COSMOTE: Human resources development, with emphasis (1) in Leadership programs for each hierarchical level, and (2) specially designed training and development programs for employees
OTE-COSMOTE: Streamlining costs and harmonizing procedures and policies
OTE-COSMOTE: Further development of talent management programs for external candidates and employees
OTE-COSMOTE: Harmonization of health and safety approaches

2.9.4
Society

2014 Goals		2014 Performance
Society		
OTE-COSMOTE: Retaining of important CR initiatives to support children and students	F	See <u>Supporting Vulnerable Social Groups and Children</u> <u>Supporting Education</u>
OTE-COSMOTE: Implementation of a new CRinitiative in order to address a significant need of modern society	F	See <u>Supporting Education</u>
OTE-COSMOTE: Further actions to support local communities throughout Greece	F	See <u>Contributing to Prosperity and Sustainability of Local Communities</u>
OTE-COSMOTE: Maintaining the level of corporate volunteering initiatives to support people in need	F	See <u>Corporate Volunteerism</u>

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2015 Goals
Society
OTE-COSMOTE: Conservation of important CR initiatives for the support of children and students
OTE-COSMOTE: Implementation of a new Corporate Responsibility initiative to further support education – Innovation
OTE-COSMOTE: Further actions to support local communities throughout Greece
OTE-COSMOTE: Further systematizeation of the corporate volunteering initiatives

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2.9.5
Environment

2014 Goals	2014 Performance	
Environmental Management		
OTE-COSMOTE: Successful completion of the 2014 round of ISO 14001:2004 audit surveillance	F	Key Achievements in 2014
OTE-COSMOTE: Full implementation of the IT system developed for environmental data collection at OTE Group level	F	Key Achievements in 2014
Climate Change		
OTE-COSMOTE: A long term (2020) CO_2 emissions reduction target against a 2008/2009 baseline is to be elaborated, in line with the DT climate change strategy	F	Key Achievements in 2014
OTE: Reduction of CO_2 emissions (scope 1 and scope 2) by 10% compared to 2008 levels	F	Indirect GHG Emissions from Energy Direct GHG and Non-GHG Emissions
COSMOTE: Prevention of over 5,500 t CO_2 emissions due to programs implemented	F	Emissions avoided due to the programs implemented were about 9,056 t.
Energy		
OTE: Maintenance of electricity intensity (electricity consumption per revenues) at around 165 MWh/mn €	F	Electricity intensity (specified as electricity consumption divided by revenues) amounted to 166 MWh/mn. €
COSMOTE: Maintenance of electricity intensity (electricity consumption per revenues) at around 130 MWh/mn€ (valid for COSMOTE Group Greece)	F	Electricity intensity (specified as electricity consumption divided by revenues) amounted to 131 MWh/mn. €
OTE: Improvement of energy performance of service vehicles by 5%	IP	Extensive use of large diesel vehicles in difficult to access areas The replacement of aged gasoline vehicles with new diesel ones delayed and it was finally implemented in December 2014
COSMOTE: Maintenance of energy performance of vehicles fleet at 2013 levels	IP	Urban travels were significantly increased compared to non-urban In the context of a more comprehensive planning at OTE Group, the replacement of gasoline vehicles with new more efficient ones was postponed to 2015
COSMOTE: Reduction of energy use by 5% per base station	F	Energy conservation was about 9.4%
Waste		
OTE-COSMOTE: Expansion of the integrated recycling program for packaging materials in 4 key regional buildings	F	Key Achievements in 2014 Waste Management
OTE-COSMOTE: Recycling of 100% of hazardous and technical waste withdrawn	F	Waste Management
EMF		
COSMOTE: Installation of 10 additional measurement stations	P	Monitoring the Levels of EMF Radiation The installation of two measurement stations in the greater Athens area were established in February 2015 (instead of December 2014) due to delays (by local communities) in informing local authorities for the exact installation points

Index Key: F = Fully   P = Partially   IP = In Progress   N = Not Achieved

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2015 Goals

Environmental Management

OTE: Expansion of the scope of the Environmental Management System of OTE in 3 additional buildings

OTE-COSMOTE: Revision/Upgrade of the IT system developed for environmental data collection at OTE Group level in order to optimize its performance

Climate Change

OTE-COSMOTE: Contribution to the achievement of the CO_2 emissions reduction target set for 2020 at DT Group level, by planning and implementing measures for energy conservation and CO_2 emissions reduction

OTE: Reduction of CO_2 emissions (scope 1 and scope 2) by 13% compared to 2008 levels

COSMOTE: Reduction of CO_2 emissions (scope 1 and scope 2) by 3.5% compared to 2008 levels

Energy

OTE: Reduction of electricity consumption in the telecom network by 1.5% compared to 2014

COSMOTE: Energy conservation (electricity) of 2% in the telecom network

OTE: Improvement of energy performance of service vehicles by 15%

COSMOTE: Improvement of energy performance of vehicles fleet by 5%

Waste

OTE-COSMOTE: Expansion of the integrated recycling program for packaging materials in 10 additional buildings

OTE-COSMOTE: Recycling of 100% of hazardous and technical waste withdrawn

EMF

COSMOTE: Installation of 8 additional measurement stations

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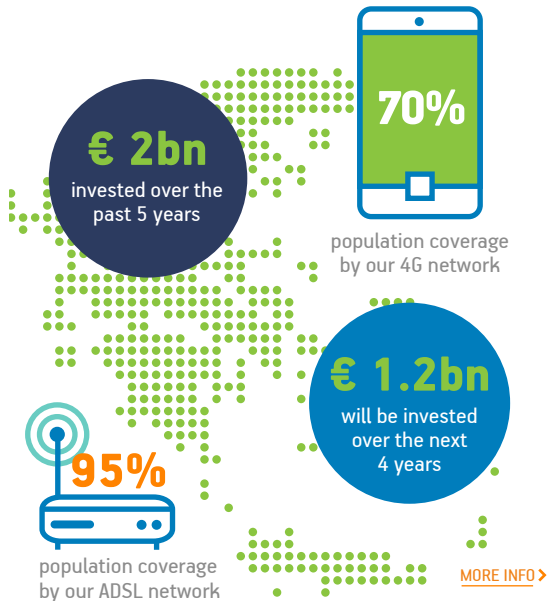OTE Group Subsidiaries

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3.0
Marketplace

MARKETPLACE

We have a leading role in the telecommunications market, focusing on excellent customer experience. We operate with transparency, and respect the principles of sustainable development.
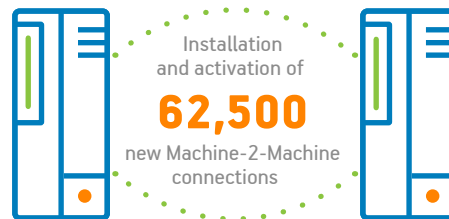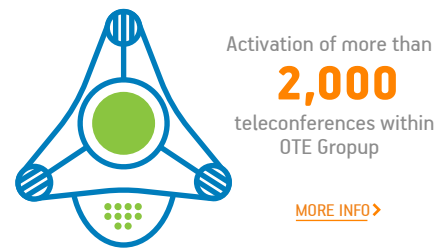
Expanding Broadband and Mobile Internet

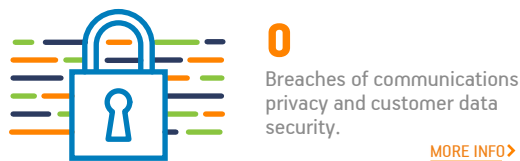*We are the biggest telecommunications investor in Greece*

€ 2bn invested over the past 5 years

70% population coverage by our 4G network

€ 1.2bn will be invested over the next 4 years

95% population coverage by our ADSL network

MORE INFO ›

Responsible Products and Services

We invest in developing sustainable products and services

Activation of more than **2,000** teleconferences within OTE Gropup

MORE INFO ›

Installation and activation of **62,500** new Machine-2-Machine connections

Data Security and Privacy

We maintain a comprehensive security and data protection framework

0 Breaches of communications privacy and customer data security.

MORE INFO ›

Customer Satisfaction

Committed to providing high quality services

1st 1ST place for OTE in the category "Customer Services Centre of the Year" by the Hellenic Institute of Customer Service

MORE INFO ›
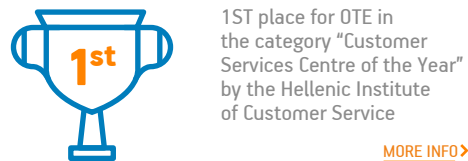
Responsible Supply Chain Management

We encourage our suppliers and partners to adopt responsible conduct practices

DEVELOPMENT

SELECTION

CLASSIFICATION

EVALUATION

Corporate responsibility clauses added to our supplier contracts

Evaluated suppliers accounting for more than 70% of our procurement value

MORE INFO ›

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3.1
Strategy for the Marketplace

OTE and COSMOTE have set as their top priority, transparent and responsible business behavior. The aim of the two companies is the continuation of their successful market performance, demonstrating customer-oriented, innovative and competitive operation characteristics, and taking the lead in building the Digital Greece.

The coordination of strategy and policy formulation on market issues affecting all Directorates is accomplished by the Group Business Plan, the realization of which is overseen by the CEO and the Management Committee. In the planning process of the Business Plan, among other matters, market assessments, and regulatory and commercial risks and opportunities are taken into consideration.

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OTE and COSMOTE seek to offer "responsible" products and services, with appropriate labeling and information to provide to their customers, security in use, for the lifetime of products and services. At the same time, they have committed to implement data safety and security framework. All products for sale, accesory products and services offered, are certified and carry all obligatory markings required by EU legislation, directives and regulations on the safe use, the restriction of use of hazardous substances and the reduction of electronic waste. Both companies strive to enhance reuse and recycling of materials and support the safe use of the Internet. Communication concerning marketing is carried out in accordance with applicable laws and regulations, while at the same time the Companies are constantly working to develop tools and procedures to ensure the confidentiality of personal information of customers.

Finally, the two companies have been fully aware of the risks arising from their supply chain and work toward the development of socially (with reference to labor practices and human rights) and environmentally responsible practices.

Key Achievements in 2014

- **Further development of responsible products and services** (eg OTE Business Cloud, corporate fleet management services; communication solutions between devices (M2M) in cooperation with the Hellenic Electricity Distribution Network Operator et al.), as well as in supporting research and innovative programs in these areas, taking into account the catalytic role of the Information Technology and Communication (ICT) sector to protect the environment, to support society and to assist economic development.

- Both companies provided information to **over 57,000 people** regarding the safe use of the Internet and mobile telephony services.

- CSR Initiatives of OTE and COSMOTE have been recognized by the public, **ranking the two companies in the first places** among telecommunications companies.

- **Certification according to ISO 9001: 2008** with respect to all OTE activities namely:
  - The Design, Development and Commercialization of Products and Communications Services
  - The Design, Implementation, Operation and Maintenance of Networks, Communications Systems and Information Infrastructure.
  - The Customer Service.
  - The Support Functions and the Operation of Shop.

- **Tier III Certification** (Concurrently Maintainable), for COSMOTE, for the upgrade of the existing IT Data Center, which took place without interrupting serrvice.

- COSMOTE and OTE **responded successfully within two days to 82% and 52%** respectively of complaints received.

- Compliance with the **Supplier Code of Conduct** was included in the contract terms with suppliers.

- OTE and COSMOTE have **evaluated a number of their suppliers representing 72% and 95%** respectively of their annual procurement volume.

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3.2
Responsible Competition

3.2.1
Competition and Regulation

OTE and COSMOTE are firmly committed to compliance with national and European regulations of the telecommunications market in Greece and the countries where their subsidiaries operate. Moreover, the two companies are committed to working together with government agencies, enterprises and other stakeholders to ensure a regulatory framework that protects all stakeholders' interests and at the same time contributes to the overall welfare of society.

OTE, since 2011, and COSMOTE, since 2006, have formed internal policies in order to inform their employees about the importance of compliance with competition rules and to systematize their relevant codes of conduct. The OTE Group Policy to comply with the legal basis of free competition sets the operating rules for the OTE Group companies and its employees, according to the free competition legislation that came into force in 2013.

Regulatory Framework

The provision of electronic communications networks and services in Greece is governed by both the European Union and national competition regulations, as well as by specific rules for the electronic communications sector, that cover topics such as number allocation, licensing, tariffs, universal service provision, wholesale services (unbundled local loop access, interconnection, leased lines, wholesale broadband access) and privacy issues.

Law 4313/2014 (Official Government Gazette 261/A /12.17.2014) on "Regulating certain Transport, Telecommunications and Public Works issues and other provisions" introduced amendments to the provisions of Law 4070/2012, which had incorporated the applicable EU Directives and Regulations for electronic communications issues into the Greek law.

OTE remains the designated universal service provider. On March 2014, the Hellenic Telecommunications Regulatory Agency (EETT) proceeded to a call for interestfor the provision of full or elements of the universal service covering national territory, while on March 2015 has proceeded to call for tenders for the designation of universal service provider/providers. Following an amendment of the timetable, the submission of applications for participating in the multiple-round to 25/05/2015 and the running of auction on 16/07/2015.

Additionally, in 2015 we expect market analyses based on the new European regulatory framework according to which EETT may impose "ex ante" regulatory constraints on OTE which will have an impact on its business policy. In particular, for fixed telephony, OTE, unlike its competitors, is subject to regulatory constraints in terms of pricing, because, according to EETT estimations, it has significant market power (SMP). In markets where the

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required level of competition has been achieved, the removal of regulatory obligations contributes to an environment of regulatory certainty that promotes investments, particularly as regards the development of new generation networks, while at the same time, maintaining or imposing new regulatory measures in markets, where effective competition has not been achieved, should encourage and not deter investments. In this context, OTE has already submitted to EETT proposals for the introduction of VDSL Vectoring technology that will enable subscribers to receive internet connection speeds of up to 100 Mbps.

On tariff matters, OTE seeks to ensure rapid approval by EETT of its submitted tariff schemes, the improvement of the model employed for the approval process for its commercial packages and the elimination of price control obligations to services where adequate competition has been achieved.

Finally, on 23/11/2014 the new Regulation of Number Portability in the Greek market, as amended by EETT Decisions 696/115/11-07-2013 and 708/14 /20-2-2014 and 735/006 /9-10-2014, entered into force.

Regulatory Actions in 2014

In 2014, OTE and COSMOTE have been involved in a number of regulatory and administrative disputes with EETT. These relate to seven (7) hearings against OTE on the following issues: rejection of requests for local loops, enabling of wireless link access within interconnection and unbundled local loop, changes of subscriber provider and interuption of unbundled services access to the local loop provider because of debts. Also, there was one (1) lawsuit against COSMOTE with respect to competition and regulatory issues, and one (1) hearing against COSMOTE for portability and competition issues.

Additionally, there were two (2) hearings against COSMOTE, with the first concerning a discount package of COSMOTE, and the second against COSMOTE that was initiated in 2013 and was postponed due to changes in the composition of EETT. The major regulatory issues pending are stated in the OTE Annual Financial Report 2014.

In 2014, EETT imposed on OTE only one monetary fine of € 40.000. OTE has appealed to the competent court, seeking annulment of that penalty. No fine was imposed by EETT on COSMOTE.

Regulatory Litigations in 2014		
Actions	OTE	COSMOTE
Number of fines	1	0
Number of appeals	1	0
Number of non-pecuniary penalties	1	0
Value of fines (€)	40,000	0

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3.2.2
Advocacy for a Responsible Marketplace

As the new telecommunications technologies are crucial to future economic development, social participation and sustainability, OTE and COSMOTE play an important role in sectoral and multifaceted fora, associations and initiatives, both at national and at European level to promote responsible competition, self-regulation and cooperation on social issues.

In 2014, the most important fora/organizations/ initiatives, in which OTE and COSMOTE participated, were:

- ETNO
  OTE is one of 50 members and observers of the Association of European Telecommunications Network Operators (ETNO).

- ITU
  The International Telecommunication Union (ITU) is an organization under the auspices of the United Nations for communications technology and informatics matters.

- ICT Coalition for the Safe Use of Connected Devices and Online Services by Children and Young People in the EU
  OTE and COSMOTE participate as members of the DT Group, in this broad alliance consisting of 22 companies from the Information and Communication Technology industry. The objective of the ICT Alliance is to help younger Internet users, across Europe, to make the most of the "world" of the Internet and address all possible challenges and risks. To this end, in 2012, members of the ICT Alliance endorsed a set of guiding principles aiming at that the safety of younger Internet users, as an integral part of products and services developed.

- European Memorandum on safe use of mobile phones by children and teenagers
  COSMOTE, is actively involved in consultations under the auspices of the European Commission to create a European Memorandum on safer use of mobile phones by children and adolescents. It constitutes the first Greek company to sign this European Memorandum, in February 2007, together with 15 other European mobile operators and content providers.

- The National Code of Conduct for mobile phones and protection of users
  COSMOTE has collaborated with other mobile telephony providers in Greece, in order to develop a common code of conduct for value-added services via mobile phones and for the protection of underage users. The aim of this Code for the mobile telephony industry self-regulation process is to provide a uniform level of protection for underage users, in line with the practices in other European countries.

- Association of Mobile Telephony Companies
  COSMOTE participates in the non-profit organization "Association of Mobile Telephony Companies". The Association aims to act as an advisory body regarding regulatory procedures, to participate in decision-making and legislation preparation technical committees (at international, European and national level) and to cooperate with institutions and associations in other countries in bilateral collaborations. Its objective is to modernize and develop the mobile industry.

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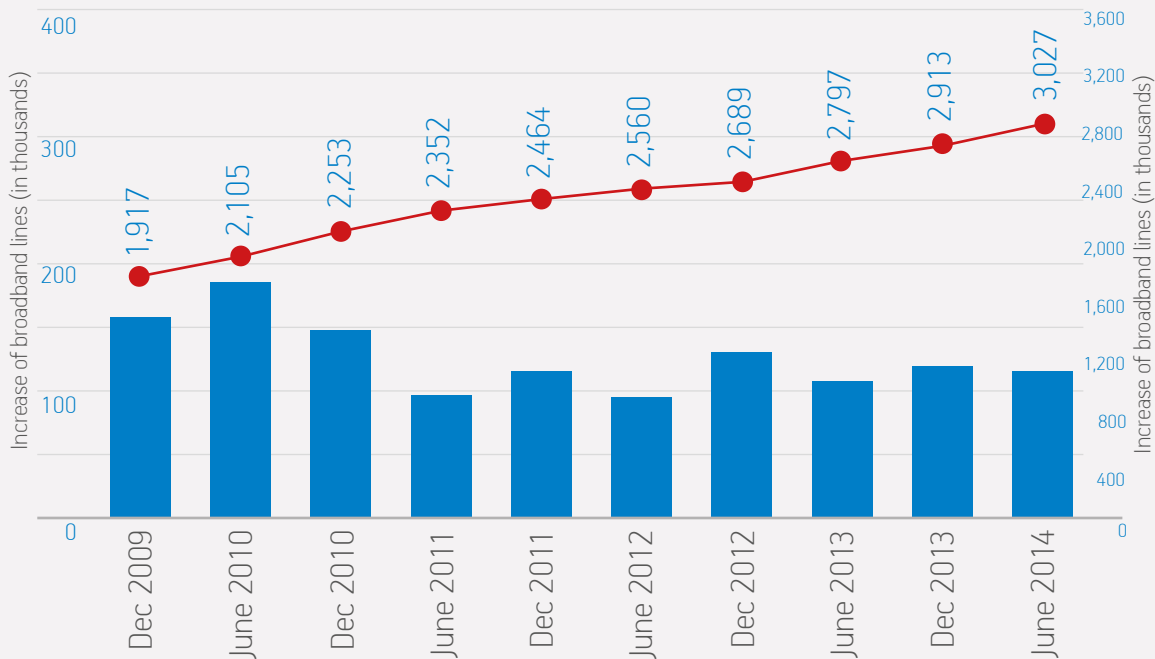
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3.3
Expanding Broadband and Mobile Internet in Greece

Despite the fact that the availability of broadband connections for fixed and mobile telephony services has reached almost 100% of the Greek territory, the penetration rate mainly in fixed broadband lines connections, is still a constant challenge as the country remains below the EU average. Broadband connections in July 2014 totaled 3,026,631 (27.4% penetration of the population), compared to 2,970,913 in March 2014 (26.9% penetration). The increase during the quarter was 55,718 lines, significantly higher than that of the corresponding period in 2013 (the increase during the second quarter of 2013 was 34,592 lines). Still, Greece as of December 2013 is in 17th place among EU countries in terms of broadband penetration, according to the statistics of EETT.

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Evolution of Broadband Connections

Increase of broadband per semester ■   Broadband lines (total) ●—

Increase of broadband lines (in thousands) [left axis]: 0, 100, 200, 300, 400

Increase of broadband lines (in thousands) [right axis]: 0, 400, 800, 1,200, 1,600, 2,000, 2,400, 2,800, 3,200, 3,600

Broadband lines (total):
- Dec 2009: 1,917
- June 2010: 2,105
- Dec 2010: 2,253
- June 2011: 2,352
- Dec 2011: 2,464
- June 2012: 2,560
- Dec 2012: 2,689
- June 2013: 2,797
- Dec 2013: 2,913
- June 2014: 3,027

Source: EETT based on licensees' data

Key Investments in 2014

OTE and COSMOTE have the capacity, the expertise and the financial base to continue to invest in upgrading the telecommunications infrastructure in Greece and contribute to achieving the Digital Agenda 2020 goals and the country's transition to the new digital era for society as a whole and for its citizens.

The investments of OTE and COSMOTE are based on estimates of market, customer and society needs and are implemented by the Trade and Technology Directorates.

OTE Group investments in Greece exceeded €2 bn in the last five years. ADSL connections are available to 95% of the population. Simultaneously, OTE invests systematically in the development of the FTTC-VDSL network with fiber optic cables being installed progressively in all neighborhoods. Speeds up to 50 Mbps are already available to 1.4 million households.

In mobile telephony, COSMOTE was the first mobile operator in Greece that offered, in 2012, 4G services. Because of continuous Investing in direct extension of the network, the 4G network reached at the end of 2014 coverage of more than 70% of the country's population.

OTE Group has announced investments of €1.2 bn over the next four years, mainly for New Generation Networks, for both fixed and mobile telephony.

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OTE Access Lines and Traffic Statistics				
	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014	Change 2013-2014
PSTN connections	2,734,260	2,532,008	2,413,174	-4.7%
ISDN connections(BRA and PRA)	392,012	358,446	333,533	-7.0%
Other (MSAN)	0	8,688	15,066	+73.4%
Total OTE access line connections	**3,126,272**	**2,899,142**	**2,761,773**	**-4.7%**
Of which wholesale line rental (WLR) connections	63,964	47,082	35,325	-25.0%
Total OTE Broadband active subscribers	1,204,980	1,286,228	1,389,871	+8.1%
OTE TV Subscribers (IPTV and satellite)	119,771	255,912	353,482	+38.1%
OTE Broadband active retail subscribers	**1,179,174**	**1,261,590**	**1,367,388**	**+8.4%**
Unbundled local loops (active)	1,794,558	1,907,303	2,015,940	+5.7%

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3.4
Internet Safety and Public Awareness

OTE and COSMOTE's role, is not only to provide safe products and to offer top quality services, but also extends to informing customers and the general public on the safe use of technology. In this context, OTE and COSMOTE contribute to informing the public, and particularly to raise the awareness of parents, children and teachers on the safe use of the Internet and mobile telephony services.

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3.4.1
Products and Services

OTE offers its customers the service "OTE Secure", which consists of online security services for the computer (anti-virus, anti-spam, firewall, browser protection), as well as enriched parental control services that allow parents to monitor, filter and block access to websites with inappropriate content (eg violence, adult content, weapons, drugs, etc.). The parental control functionality gives the users the ability to adjust the level of protection depending on the age of the children. Parental Control Services are also offered by OTE TV, in both iptv and satellite platform. With these services, the subscribers have the option to set the parental control level of their choice to block access to specific programs, based on the parental control rating level that all program in the service carries. Additionally, in satellite service, the subscribers can block access to specific channel(s) of their choice. Furthermore, concerning the Adult Pack (3 additional channels with adult content), a customer to subscribe to this pack must visit a retail shop or affiliate shop of OTE and apply in person. Finally, in order to rent a film with adult content from the service "OTE Cinema on Demand", the subscriber must enter a personal PIN code, which was given to him/her when the service was purchased (and was advised to keep it away from children). All these instructions are also available in the service manual and in help screens on the portal service.

At the same time, COSMOTE enables parents to control their children's access to mobile services addressed only to adults, through a series of user friendly parental control services developed and/ or offered to subscribers free of charge. Specifically, COSMOTE pre-installs the antivirus and security protection program "Lookout" in all Android devices that it distributes, offers parents the option to block the "erotic" category — available through "COSMOTE my view" — which offers services addressed only to adults, as well as to block access to "Multimedia Information Services" by calling COSMOTE Customer Service.

3.4.2
Raising Public Awareness

The rapid development of new technologies and interactive media, such as the Internet and the mobile phones, shows the usefulness of all new technologies on everyday life. For OTE and COSMOTE, along with the knowledge and progress, comes responsibility for the safe use of the Internet and new technologies. For this reason, the companies systematically develop integrated actions and initiatives for the prevention and awareness of the public and also, they cooperate with recognized bodies who inform and raise awareness of parents, children and teachers.

Collaboration with Adolescent Health Unit of the Second Department of Pediatrics of the University of Athens, "P. & A. Kyriakou" Children's Hospital

Since 2010, OTE and COSMOTE cooperate with the Adolescent Health Unit of the Second Department of Pediatrics of the University of Athens, "P. & A. Kyriakou", supporting both research work and awareness-raising activities concerning online safety, organized throughout Greece. The Adolescent Health Unit receives more than 600 visitors per month, of whom 80% need advice on Internet safety. Annually, the Unit conducts more than 80 awareness sessions in schools, nationwide.

Through the support of OTE and COSMOTE, the Adolescent Health Unit manages the helpline "ME Ypostirizo" (800 11 800 15). This line is addressed to adolescents and their families, providing support and advice on issues related to the use of the Internet, mobile phones and electronic games (Internet addiction, web bullying, grooming, inappropriate content, privacy issues, pornography, gambling, violent games, etc.).

Awareness Sessions for Online Safety at the OTE Telecommunications Museum

The program addresses the best and safest ways to meet the challenges of the digital world and takes place since 2010 in the OTE Telecommunications Museum. The briefings are performed interactively by specialized scientific collaborators of the Adolescent Health Unit of the Second Department of Pediatrics of the "P. & A. Kyriakou" University of Athens Children's Hospital and are addressed to students of all levels. Their content is adjusted depending on the age and level of student knowledge and according to their interests. In 2014, more than 240 children participated in the briefings.

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Theater performances at OTE Telecommunications Museum

The OTE Telecommunications Museum hosted the play "The Farm of the Internet", addressed to school groups. The students were trained about the safe, ethical and responsible Internet navigation in a pleasant way through the stories of the young heroes of the "farm". More than 940 students attended the show.

Support of Cyber Crime Unit Workshops and Conferences

OTE and COSMOTE support, since 2011, workshops for safe navigation on the Internet, organized by the Cyber Crime Unit of the Hellenic Police. The workshops, implemented nationwide, are designed to raise awareness of parents and students on safe use of the Internet. In 2014, 83 workshops were held, attended by approximately 45,000 people (including people who watched via live streaming).

In addition, OTE and COSMOTE, supported the 3rd Conference for safer internet navigation, organized by the Cyber Crime Unit and in which, officers of the Cyber Crime Unit, scientists and academics participated.

Support of the Mobile Unit of Information, Education and Technology "Odysseas"

Since 2014, OTE, COSMOTE and GERMANOS support "Odysseas", the 1st Mobile Unit of Information, Education and Technology, which is an initiative of the Organization "The Smile of the Child" and is under the auspices of the Greek Ministry of Education. In the framework of this initiative, interventions and awareness raising activities are conducted, targeted to students, parents, teachers and the public, on issues such as the safe use of the Internet. In 2014, 19 interactive interventions were implemented, in which more than 680 students of primary and secondary education were involved.

3.4.3 Participation in Self-Regulatory Initiatives

Of particular importance to OTE and COSMOTE is their participation, as members of the Deutsche Telekom Group, in the alliance of companies "ICT Coalition for the Safer Use of Connected Devices and Online Services by Children and Young People in the EU".

At the same time, COSMOTE, together with all other mobile operators, has undertaken self-regulatory initiatives at European and national level, as mentioned in section Advocacy for a Responsible Marketplace.

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3.5
Responsible Products and Services

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ICT have and will continue to have, a significant contribution to economic growth internationally, through the development and implementation of innovative services that help increase productivity in all sectors of economic activity.

Undoubtedly, the use of ICT services have environmental and social impacts. At the same time, it is widely accepted that ICT services can contribute to the sustainable operation of all sectors of the economy.

OTE and COSMOTE recognize the key role of ICT in environmental protection, in the support of society and economic growth, in the contribution of the sector in achieving sustainable development and in the opportunities offered for the further development of the Group. For this reason, OTE and COSMOTE invest in developing products and services that contribute to sustainable development and strengthen relevant research and innovation activities.

3.5.1
Sustainable Products and Services

As a leading telecommunications provider in Southeast Europe, OTE and COSMOTE, provide fixed and mobile telephony, and high speed and quality broadband services. Through targeted products and services, they enable customers to use broadband for the direct or indirect improvement of their activities, and for their welfare and environmental performance. Such products and services that were available in 2014, are presented below.

OTE Business Cloud

OTE Business Cloud service, a technologically advanced service of cloud computing, enables enterprises to minimize the traditional high logistics and maintenance costs (hardware/ software) and at the same time significantly reduce energy consumption. Essentially, the OTE Business Cloud provides on-line services in a safe and uninterrupted utilization of IT infrastructure, giving users the ability to directly access, monitor and manage their data through user-friendly tools.

Teleconference
(OTE Video Conference)

OTE offers upgraded video conferencing infrastructures to corporate clients. The new improved services (based on cloud computing) allow businesses to make videoconferences from anywhere, via smartphones, tablets or laptops, in which the appropriate software is installed. At the same time, OTE continues to offer audio conferencing services which in 2014 exceeded two thousand sessions.

Fleet Management (COSMOTE e-TRACK)

The COSMOTE e-TRACK service provides monitoring and management capability of corporate vehicle fleet in real time, using the GPS satellite system. It aims to optimize the routing of corporate vehicles, and thus to reduce the consumption of fuel and thereby carbon dioxide emissions.

Development of e-applications

OTE and COSMOTE, invest in developing electronic applications for their clients (such as e-account applications, e-payment, e-submission of requests from telecommunications providers, "Your business.gr" service) that can help reduce the consumption of paper and manage resources better.

The number of customers who have opted to receive their bills in electronic form continues to increase as they enjoy the following benefits:

- Receipt of the bill via e-mail and/or SMS including all necessary information for direct payment.

- Payment using a corresponding code received via SMS and/or relevant link.

- Protection of their personal data, using login information of their choice.

- Avoidance of filing and maintaining hard copy bills.

- Participation in the wider effort to protect the environment.

e-Services in Health

OTE and COSMOTE have developed electronic services in the health sector, which are already used at the "Papageorgiou" Hospital in Thessaloniki and Rea Maternity Hospital in Athens. The services refer to telemedicine, the management of the hospitals infrastacture and access to the hospital information systems. Also, these services are designed to improve the services offered to patients and visitors (eg registration and hospitalization), and administrative procedures (eg human resource management). The use of such services has resulted, among other things,in reducing operational costs. Telemedicine services, in particular, have made possible the provision of medical assistance remotely, providing vital care in out of the way areas, and reducing the environmental impact by reducing transportation needs.

Simultaneously, the first phase of the project for "e-prescribing" has been delivered and is in operation. This is an application that generates prescriptions electronically through an automated data entry process that uses specialized software and a data transmission system associated with the participating pharmacies. One of the benefits for this application is the more effective control and better planning of spending in the health sector, while at the same time ensuring quality patient care.

e-Services in Tourism

e-Services in Tourism, provided by OTE and COSMOTE, aim at functional optimization of tourism businesses. These services are used in energy management, in hotel infrastructure in information systems management and maintenance, in digital signage, in providing value added services to guests during their stay at the hotel, in teleconferencing services, etc. All services contribute to upgrading of hotel facilities and services and thus to a more sustainable operation. In 2014, these services have been adopted by major hotels throughout Greece.

Smart Grids

A smart electricity grid which utilizes ICT is an important measure to reduce greenhouse gas emissions. According to the Smarter 2020 study, approximately 45% of the potential to reduce emissions in the energy sector through ICT, is in using smart grids. A smart grid is an electrical network that uses ICT (communication between machines-M2M) to collect and process information (such as energy suppliers and consumers behavior) in an automated way, in order to improve the energy and economic efficiency, the reliability, and the sustainable production and distribution of electricity.

COSMOTE is engaged in developing M2M solutions. Expanding the existing cooperation with the Hellenic Electricity Distribution Network Operator (HEDNO) it had implemented by the end of 2014 the installation and activation of 62,500 new M2M connections on behalf of HEDNO. COSMOTE provides a comprehensive application managing all M2M connections, whereby the HEDNO grid can be managed via the Internet, for the daily collection and processing of data from smart meters, which are gradually installed nationwide. Services to the HEDNO include, inter alia, monitoring of each installed M2M connection in real time, receipt

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of alerts (via SMS text messages or e -mail) for, changes in the operational status, detailed information on consumption per M2M connection, notices if the use exceeds a predetermined threshold, etc. The benefits accruing to HEDNO include increased productivity, improved efficiency of its services and reduced unnecessary costs for maintenance and other operating expenses.

e-Energy

This is a new service that was adopted in 2014 by five major enterprises of the service sector (including a supermarket chain and an insurance company) with different points of presence across Greece. The EDM (Energy Data Management) service is the result of extensive research of the Greek market needs and the trends worldwide. The application provides information in real time on energy consumption (accessible from anywhere) and control of energy costs. By using the service, a company can reduce its energy consumption, carbon footprint and operational costs (energy costs).

At the same time, two new services aimed at businesses with fleets are at the design and development stage and will soon be available commercially in 2015; they are related with driving behavior and fuel consumption and aimed at improving specific fuel consumption.

Specific information on social products and services offered to clients is presented in Society/ Social Products, Services and Offers

Details on products and services aiming at promoting business enterprising are presented in Society/ Strengthening of Entrepreneurship.

3.5.2
Research and Innovation

The development of innovative products and services is a key priority for OTE and COSMOTE. To this end, both companies promote research and innovation, both at European national and international level, with multiple potential benefits to society and to their subscribers. In 2014, OTE and COSMOTE, have both participated in 22 innovative technological research co-funded programs (LiveCity, E3NETWORK, WiSE-PON, PANDA, SECCRIT, SAT4NET, DuCoNet, DIOGENES, FLAME, UNIFY, SPIRIT, GERYON, OpenLAB, NEMESYS, TEAM, EMERALD, FLEX, VIMSEN, CONFES, NextGenAntennas, WikiZEN, Fasmetrics

E/M Products and Services) through international partnerships with industry and academia, thus actively supporting research and innovation.

The contribution to improve environmental performance, is also of high priority for OTE and COSMOTE. In this context, both Companies are involved in research activities, with the aim of developping innovative products and services or other facilities, to reduce the "environmental footprint" and, by extension, to enhance environmental protection. This was and still is a priority of both the previous 7th Framework Programme (FP7) and of the actual H2020 context for Research and Technological Development (Main thematic area: Information and Communications Technologies — ICT) of the European Commission of national initiatives financed by the Greek General Secretariat for Research and Technology (GSRT), and occasionally of other initiatives such as those of the European Space Agency (ESA). Indicative research projects are presented below.

GERYON (Next Generation Technology Independent Interoperability of Emergency Services)

The aim of the GERYON project was to develop communication infrastructures for handling emergency situations, that enable the sending and receiving of multimedia information (location, photographs, videos), thus facilitating the faster identification and coordination of those involved Public Safety Answering Point (PSAP), rescue teams, individuals at risk), and the direct intervention of rescue teams.

These new, advanced services that can significantly improve the way of dealing with emergencies via a fully functional platform were presented at a workshop organized by COSMOTE (May 2014), in collaboration with the National Center for Scientific Research "Demokritos".

The new services, utilizing the capabilities of 4G and existing network infrastructures, give new opportunities to rescue teams and supporting units, as they allow: the direct communication between organizations, even if they use different technologies appliances (TETRA, 3G/HSPA, 4G/LTE), the sending of rich content to the PSAP , the automatic identification of the callers and emergency units located in the vicinity of the incident, the immediate contact with the

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individual at risk and rescue teams (dynamic group conference) and the handling of emergency calls by priority through 4G.

COSMOTE was responsible for the implementation and provision of emergency services over commercial LTE networks, and for the interconnection with professional mobile radio networks (PMR) such as TETRA. Moreover, COSMOTE participated in defining the system specifications and in the development and evaluation of the demonstration system commercialization, and contributed to the investigation of the system and the dissemination of the project results.

The GERYON project, which is part of the 7th Framework Programme of the European Union, was launched in December 2012 and was completed in May 2014, under the coordination of the University of the Basque Country (Spain). The project budget was €3,6 m., while the budget of COSMOTE was €0,45 m. and the EC contribution was about 50%.

More information found in: http://www.sec-geryon.eu.

VIMSEN (VIrtual Microgrids for Smart Energy Networks)

The VIMSEN research project aims to implement an innovative platform through which associations of small producers of 'green' energy will shape the smart grid of the future, contributing to the promotion of renewable energy and environmental protection.

Specifically, the project will try to enable small producers of 'green' energy (eg domestic consumers-producers) to form associations in a dynamic way, and participate in the free market and the sale of energy through a new business model. Expected results, include saving energy, reducing the costs of electricity, balancing production with demand and protection of the environment, with the increased penetration of renewable energy over fossil fuel plants.

COSMOTE is involved in the definition of use cases, technical requirements, specifications of the system and its overall evaluation, and is responsible for determining the architecture of the communications support. Furthermore, the company contributes to the exploitation of the research results and the investigation/ development of the new business model.

The VIMSEN project, which is part of the 7th Framework Programme of the European Union

started in February 2014 and will be completed in January 2017, under the coordination of the Institute of Computer Technology and Publication "Diophantus". The budget of the project is €3,3 m., while COSMOTE's budget is €0,42 m. and the EC contribution is of the order of 50%.

More information found in: http://www.ict-vimsen.eu.

SPIRIT (Software-defined energy-efficient Photonic transceivers Introducing Intelligence and dynamicity in Terabit superchannels for flexible optical networks)

The research project SPIRIT aims to create an optical transceiver for optical fiber networks. The new transceiver can support ultra-high data speeds of around 1 Tbit/sec in metropolitan area networks and long-haul networks of the future, ensuring high quality and service speed for the final consumer.

Innovative optical components to be implemented under the project will be low-power and programmable, helping to establish a new network management logic through specific advanced software without need of physical presence. In this way, flexibility is achieved, reducing the time of implementation of new services, the maintenance or repair of the underlying network, as well as any corresponding cost. The environmental benefits are to be found primarily in the low power consumption and the related practical energy management.

OTE is involved in setting the application scenarios of the optical transceiver, the technical requirements, the specifications of the system and the overall evaluation, and is also responsible for conducting the transceiver evaluation both in the test bed and in the field. In addition, OTE will help in the utilization of the results of this research work in the upcoming next generation networks (NGA) to provide high quality service to end users, and in devising the new business model.

The SPIRIT project began in December 2013 and will be completed in November 2016. The project involves seven partners from four European countries. The project budget is €2,87 m., while the OTE's budget is approx €0,23 m., and the EC contribution is of the order of 50%.

More information found in: http://www.spiritproject.eu.

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3.6
Responsible Marketing

OTE and COSMOTE implement responsible practices in marketing, communicate in a clear, simple and transparent way product pricing issues and services, and provide products and services bearing the appropriate markings required by European Union legislation.

3.6.1
Responsible Marketing Practices

OTE and COSMOTE comform fully with the applicable laws and regulations for communication and advertising. The Marketing Communications Strategy, Fixed-Mobile Directorate reviews all promotional material prior to disclosure to ensure that the contact material complies with applicable laws, is appropriate, fair, sincere and respects differentiality. The two companies follow the Committee of Communication Control (CCC) Code of Responsible Marketing.

The two companies apply the Greek Code of Conduct for advertising and communication, in line with guidelines from CCC. With regard to non-compliance incidents with these instructions, in 2014 CCC adopted a total of 19 decisions, at first and appeal levels, of which were 7 involving OTE and 9 COSMOTE. In 5 cases for OTE and 3 for COSMOTE no irregularities were found, while in 2 cases for OTE and 6 for COSMOTE some modifications to advertising slogans were proposed.

To 2014 a €10,000 fine was imposed on COSMOTE by the General Secretariat for Consumer Affairs for violation of Articles 9c, 9d and 9f case 6 (unfair trade practices, misleading actions, cases of misleading commercial practices) that were related to the advertising campaign "COSMOTE DEALS For YOU". This fine has been appealed. No penalties were imposed by the General Secretariat for Consumers on OTE.

3.6.2
Transparency on Pricing

OTE and COSMOTE have committed to a clear, simple and transparent communication of pricing issues in accordance with all legal requirements, and to providing high quality service to their customers. The companies set prices at levels that cover the costs of providing the service and meet market demands for lower rates without creating barriers to healthy competition.

The transparency of pricing policies, includes the immediate notification of pricing information within the prescribed time limits, as defined by the regulatory framework. Information about pricing is available on the websites of both companies is provided to the press, and is available in all customer service centers and through brochures of the two companies. Customers are also informed about the details of pricing and any changes thereof, through their accounts, and also about the number of options available for controlling costs as a response to increased customer needs for thrift in today's challenging economic environment (see table Cost Control Services below).

Towards this goal, OTE, in 2014, has upgraded its programs offering new prices, fixed for the entire customer contract period, incorporating, in the most popular programs, at no extra charge, the Caller ID recognition service. In all the programs, OTE now provides increased airtime for mobile calls . Furthermore, in developing its high speed infrastructure and driven by the growing needs of

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its consumers, it offered special discount programs for students through the "DIODOS" action for fixed telephony and Internet programs. OTE also initiated two new services, namely:

- "OTE My WiFi" free internet service: OTE Double Play customers who activate the service get involved in the creation and expansion of a global network, created by the users themselves, enabling them to connect free of charge when they are in range of the routers of other clients of the Fon network, worldwide.

- "OTE Satellite Internet" satellite service Internet: This service provides for broadband Internet throughout, even in the most remote or inaccessible areas of the Greek territory.

To business customers with "double play" and "single play" programs, OTE offered reduced cost programs, and enhanced service keeping the same price for existing ones.

Furthermore, through its "Your business.gr" service, OTE continued to enable small and medium-sized enterprises to obtain a comprehensive, easy and affordable solution for their presence on the Internet, which is free for the first six months, and with price fees, followed by very low rates.

In 2014, COSMOTE offered its subscribers a choice between handset subsidy or reductions on their tariff plans which reached 30% of their primary cost. Existing programs have been enhanced with additional features at no extra cost. For new connections or renewal of existing one double MB were offered, without increasing the cost of the programs. Additionally, there were several commercial offerings such as: free mobile Internet (Easter, Holy Spirit, August), "3 communication gifts to 3 friends" during the Christmas period (specific number of free SMS or free minutes of free airtime or free MB for internet navigation), free SMS, MB for internet navigation and airtime for all November's weekend.

Finally, subscribers, with COSMOTE and OTE Double Play contracts, were given the opportunity to reduce their COSMOTE mobile fee up to 20%.

More information on special offers provided to members of specific demographic groups and needs is presented in the Society/Social Products, Services and Offers.

Cost Control Services	
OTE	**COSMOTE**
• **"My OTE" Service:** OTE modernized its electronic services by enhancing online bill presentation, which allows registered customers to be informed on their bills free of charge, and to check the statistical information on their usage, in order to select the best services package for them on offer	• **"COSMOTE Internet On The Go" application:** Users of personal computers with Mobile Internet access via USB modems can be informed about their data usage and set maximum usage limits. Customers can also see records of their data usage
• **SMS notification:** e bill customers are provided with an sms notification service regarding the issue and the due date of their bill in order to better budget their expenses, and receive reminders when payments are due	• **"Cost Control" Service:** Automatically updates subscribers with free sms, when they have consumed 80% of their free embedded use of their program (free talk time, messages or MB)
• **OTE informs consumers,** with a sound message before the end of calls with high prices and applies the policy of maximum call duration for these numbers	• **"Check of remaining free usage" service:** Informs subscribers with free SMS whenever they choose to, about the remaining free usage of their program
• **Customer bills:** OTE bills include all information on pricing changes in the same billing period. Bills were changed to provide more information on usage. Customers are informed through their bill for every new or renewed service	• **Online check** of the subscriber's remaining free air time, SMS and MB through the new application My COSMOTE App
• **OTE examines cases** of customers with exceptionally high charges and compensates them when fraud is being detected, and offers customers the possibility to bar non authorized use of their phones	• **E-Bill:** Accessibility to statistics of connections and bills direct billing information through e-mail and direct payment opportunity
• There has been an early warning **billing acknowledgment** to the users of "Your business.gr" service, after the first six months free of charge period	• **Split Bill:** Ability to predefine the maximum invoice amount for each connection in a company. In case of exceedance of the usage limit, a second bill is addressed to particular employee using the connection
	• **Additional real time check** of the subscriber's remaining balance through a dedicated IVR channel for COSMOTE Cost Control and prepaid use plans

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Cost Control Services	
OTE	**COSMOTE**
	• **Packages of additional usage** for more air time, SMS and internet usage when needed
	• **Roaming Services:** COSMOTE offered the new "COSMOTE TRAVEL PASS" service that allows postpaid subscribers to use the free airtime, data and SMS of their programs in more than 55 countries worldwide, with a low daily charge depending on the destination country. At the same time, it extended the "Travel & Surf" service in countries outside Europe to secure Internet browsing with full cost control at very low rates (in more than 100 countries). Finally, it gave the ability to subscribers who use the 4G network to enjoy mobile Internet also abroad
	• **Multimedia Information Services:** Blocking access to Multimedia Information Services Numbers from the subscribers. In certain categories of those numbers, the subscriber can choose to block per single destination and per direction (for Premium SMS Services)

3.6.3
Equipment Safety Labelling

All equipment accompanying products and services, offered by OTE and COSMOTE, has been certified and bears mandatory markings required under EU legislation, and complies with all directives and regulations regarding safe use instructions, restriction of hazardous substances and electronic waste. OTE Group does not market or sell any products or services that are subject to product bans in its markets or that key stakeholders or the public have called for their ban.

COSMOTE, pays particular attention to supply products that are safe and manufactured under international conventions and standards. All mobile devices offered by COSMOTE, comply with EU law. The electronic and electrical equipment sold in its stores, is appropriately labeled (eg CE) and meets all the regulations for electrical and electronic equipment. COSMOTE is asking suppliers of components for the Specific Absorption Rate (SAR) value of EMF of their devices, which are available to customers. The mobile devices sold in the company's retail network, bear the special CE marking certifying that they have completed all the necessary equipment evaluation procedures. Moreover, they are all within the limits of safe exposure to electromagnetic fields, as specified by the specific absorption rate, which should not exceed 2 w/kgr locally, according to Presidential Decree 44/2002 and the EU Directive 1999/5/EC.

The ancillary equipment accompanying OTE products (ADSL/VDSL and decoders), is appropriately labeled as required by the EU (Sticker CE, restriction indication of hazardous substances – RoHS, indication for the recycling of electrical and electronic waste, and indication for the recycling of packaging paper). Also, this equipment complies with the regulations of the International Commission for the Protection of Non-Ionizing Radiation Protection (ICNIRP) and with the Waste Electrical and Electronic Equipment (WEEE) and Restriction of Hazardous Substances (RoHS) Regulation of the EU. It also complies with the associated Greek Presidential Decrees that inscribe them into the Greek legislation, and Directive 2005/32/EC of the European Commission and the Council setting ecodesign requirements, in terms of power consumption of electrical and electronic home appliances and office equipment. The products are always accompanied inside their packaging by detailed instructions for safe use. The website of OTE provided also many manuals in Greek and English.

Additionally OTE asks its suppliers to ensure that the equipment is marked with the distinctive CE, CE RoHS, recycling labeling, and markings which indicate that the equipment complies with the Greek Joint Ministerial Decision (JMD) on radiation protection. Suppliers are required to compensate OTE, for any losses due to non-compliance of products supplied, with the above regulations. Suppliers are required to deposit the certification of the equipment procured, related to the above Directives, to the Retail Marketing, Commercial Purchasing and Supply Fixed and Mobile Division.

In 2014, OTE and COSMOTE received no financial penalty for non-observance of any of the above obligations.

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3.7
Customer Service and Satisfaction

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OTE and COSMOTE in recent years have put forth a huge effort for transformation, focusing in their customer experience. In customer service, especially in the difficult times we are experiencing in recent years, the human touch is of even more value and potential to change everybody's daily routine and to ensure close and constructive relationship with customers.

The 1st place finish of OTE in the category "Customer Service Center of the Year Large Enterprises Group" in the National Service Award competition of the Hellenic Institute of Customer Service (HICS) for 2014, highlights and confirms, once again, the consistency and dedication of the Group in this direction.

3.7.1
Complaints Management

Firmly in line with the values of the Group, OTE and COSMOTE introduced a new, flexible complaint handling process in order to maintain the high level of service which translates into a competitive advantage while enhancing customer loyalty.

In 2014 the Complaint Management Fixed-Mobile Department of the Residential Customers and SME Services Fixed – Mobile Directorate, in keeping with the promise: "Together, we are one" implemented in cooperation with other organizational units of OTE and COSMOTE, the following actions:

- Effective and integrated management of dissatisfaction notices with the aim of improving the experience for al customers.

- Adoption of uniform complaint handling procedures for the immediate reversal of negative impressions, for customer retention in the network, for the enhancement of their confidence, and for maintaining the Group corporate image.

- Convergence of procedures for complaint management, bridging the different customer experiences between fixed and mobile.

- Establishment of regular communication and cooperation with all parties involved.

- Implementation of the dispute resolution and effective methods of communication strategies, aiming at long-term cooperation with mutual benefit.

Data/Information on Complaints Management 2011-2014				
	Number of Complaints	% solved within 2 days	% solved within 20 days*	Issues raised by complaints
2014				
OTE	211,225	52%	93%	• Clarifications on Telephone bills • Activation of products/services • Resolution of Technical issues
COSMOTE	159,721 (in total) (40,201 of which were written and extrajudicial complaints)	80%	96%	• Billing related complaints • Commercial Policy issues • Services (provisioning and technical malfunction) • Coverage of related complaints
2013				
OTE	193,368	56%	97%	• Clarifications on Telephone bills • Activation of products/services • Resolution of Technical issues
COSMOTE	131,624 (in total) (33 of which were written and extrajudicial complaints)	74% (2.5 days in average)	98%	• Billing related complaints • Commercial Policy issues • Services (provisioning and technical malfunction) • Coverage of related complaints

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Data/Information on Complaints Management 2011-2014

	Number of Complaints	% solved within 2 days	% solved within 20 days*	Issues raised by complaints
2012				
OTE	113,645	54%	86%	• Clarifications on Telephone bills • Activation of products/services • Resolution of Technical issues
COSMOTE	29,168 of which were written and extrajudicial complaints	92%	98%	• Billing related complaints • Commercial Policy issues • Services (provisioning and technical malfunction) • Coverage of related complaints
2011				
OTE	166,319	59%	89%	• Clarifications on Telephone bills • Activation of products/services • Resolution of Technical issues
COSMOTE	33,422 of which were written and extrajudicial complaints	61%	98%	• Billing related complaints • Commercial Policy issues • Services (provisioning and technical malfunction) • Coverage of related complaints

* National Regulatory Authority's Code of Conduct defines the threshold of 20 days.

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3.7.2
Customer Surveys

A number of customer surveys are conducted throughout the year, to measure OTE and COSMOTE customer satisfaction, as well as other attributes, such as perception of the companies' social role and rating of customer services. The results are shown in the following table.

Ranking	OTE	COSMOTE
Awareness and Social Behavior Index[1]: Recognition of companies with social initiatives in CSR, by the public	2014 score: 47.1% (2nd place)	2014 score: 73.5% (1st place)
Loyalty Index (TRI*M)[2]	2014 score: 69 2013 score: 70 2012 score: 72 2011 score: 69	2014 score: 66 2013 score: 66 2012 score: 66 2011 score: 66
Tracking Survey[3]: with regard to Social Sensitivity	2014 score: 32% 2013 score: 31% 2013 score: 28% 2011 score: 28%	2014 score: 36% 2013 score: 42% 2012 score: 46% 2011 score: 33%
Good Call Service[3]	2014 score: 41% 2013 score: 43% 2012 score: 44%	2014 score: 42% 2013 score: 45% 2012 score: 54% 2011 score: 46%
Good Service in Shops[3]	2014 score: 35% 2013 score: 36% 2012 score: 37%	2014 score: 40% 2013 score: 42% 2012 score: 53% 2011 score: 47%

Notes

[1] Awareness and Social Behavior Index (A.S.B.I.): Quantitative Tracking study through personal interviews (face to face) at respondents' households in Greece. The ASBI index expresses the social responsibility of Greek companies and is run by third party organizations. This index refers to the assisted awareness of companies in the mobile and fixed communications industry. Citizens were asked if they have heard/read/seen something related to the initiatives of telecommunications companies in corporate social responsibility.

[2] TRI*M Retention Loyalty Survey, a harmonized study in all 12 European T-Mobile countries and all 7 European T-Com/T-Home countries. Range of measurement: from minus sixty six to one hundred thirty four (-66 to +134). This survey is commissioned by DT and run by third party organizations. This OTE index results from the corresponding indices for residential and business customers, taking into account the proportion of revenue.

[3] This survey is commissioned by OTE and COSMOTE and run by third party organizations through telephone interviews. The geographical coverage of the OTE survey is nationwide. For COSMOTE, the survey only covered the Athens and Thessaloniki in 2011 and 2012.

The methodological approach for the estimation of the Awareness and Social Behavior Index was amended in 2014. The survey is now carried out through telephone interviews achieving better dispersion of the sample and more representative results. Also, up to 2013, the survey showed the recognizability index of companies as regards social programs (as they are presented in the OTE and COSMOTE Corporate Responsibility reports), calculated from the total of spontaneous and assisted recognizability, popularity and pervasiveness of companies. From 2014 the calculation of the index is determined only on the basis of spontaneous recognizability of companies, resulting in index values that are not comparable with those of previous years. Note that, in 2014, the COSMOTE index of spontaneous recognition took first place with 6.3%. It is worth mentioning that COSMOTE is very recognizable to citizens who acknowledge the concept of corporate social responsibility. The overall results of the survey confirm that the corporate responsibility performance of the two companies is appreciated by the Greek society.

Also, OTE and COSMOTE maintained satisfactory ratings in the TRI * M loyalty index, with their scores remaining practically constant over the last four years.

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3.8
Data Security and Privacy

OTE and COSMOTE are diligent as regards the security of the services and products provided and take care so that all data and information in possession of the companies are processed purely for their intended purpose and are protected from misuse.

OTE and COSMOTE are committed to a framework for the safety and protection of data. Ensuring comprehensive security and extensive data protection is more than just an obligation to meet statutory and regulatory requirements; it is also an explicit mark of quality for the services provided.

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The companies have in place:

- Policy for the Protection of Communications Privacy, approved by the Hellenic Authority for Communication Security and Privacy. The purpose of this Policy is to ensure the privacy of communications and the protection of the respective communication data , through the implementation of security controls in specific areas (e.g. logical access controls, logging and auditing, acceptable use, physical security controls, etc.).

- Code of Conduct for the protection of personal data, which is available online (https://www.ote.gr/ote-corporate-company-portlet/documents/confidentiality.pdf).

- Specific policies/main safety standards, which cover areas such as:
  - Systems security.
  - Company information and personal data security.
  - Human resources security.

OTE and COSMOTE, aiming at continuous improvement of safety standards and effective protection of their data, have proceeded to a series of actions and projects for a central information security infrastructure, i.e.

- The OTE and COSMOTE security operations center was expanded in terms of human resources and activity undertaken. The monitoring of notifications/alarms generated by outdoor line distribution cabinets (KV cabinets) nationwide was centralized Supervision of physical access alarms to detect possible breakins in OTE buildings in Attica and Euboea was also centralized.

- A single access rights management system (IDM) for hits in OTE and COSMOTE systems was implemented.

- A privileged access accounts management system was implemented, in order to identify individuals who use these accounts to access the systems.

- A central monitoring of corrective security software solution (security patches) installed on critical systems was implemented.

- A data loss prevention (DLP) system was also installed in OTE.

In 2014, OTE received four requests from customers related to the confidentiality of communications/security of customer information. COSMOTE has received, in 2014, 67 requests about the same issues. The average response time was 15 days for OTE and 7.7 days for COSMOTE. OTE and COSMOTE also received, 5 and 9 requests respectively from the Hellenic Authority for Communication Security and Privacy (ADAE). In none of these cases a finding was detected.

In 2014, 31 safety checks and security risk assessments of critical systems and processes were realized in order to ascertain compliance with corporate security policies and procedures. Furthermore, 94,576 authorised users' access to data processing systems of the two companies were checked.

Safety standards for the implementation of 70 new systems or services were established and controls/safety testing to confirm their implementation were carried out.

At the same time, awareness-raising information and education activities related to safety considerations and data confidentiality were carried out, including:

- "Communications Privacy and Data Protection" e-learning for all OTE-COSMOTE employees.

- "Information Security and Data Privacy in a Shop" e-learning for all OTE-COSMOTE shops managers.

- Security awareness sessions for OTE-COSMOTE Customer Care.

- Security awareness sessions for OTE-COSMOTE Building Incident Controller employees.

- Security awareness sessions during the Business Continuity Management Awareness Week.

- Security awareness sessions in the introductory courses of all newly recruited staff.

Physical Security

In 2014, an integrated security system was implemented in the new central office building of OTE Group in Paiania. Also improvement interventions continued in the Central Administration Building and other major facilities and the installation (rollout) of the access control system to 1,000 additional base stations was finished. Structural physical safety enhancement

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studies were performed for 15 critical buildings and eight major OTE Group parking lots in Greece. A call for tenders was announced and providers were selected for the improvement of physical security for all KV cabinets and telephony cabins, the access control system in the areas related to the "Rural" project, and selected base stations. In 2014 interventions were continued in 50 proprietary OTE Group stores in Greece to strengthen security through the installation of shutters, glass walls and other building security interventions.

Two additional interventions in stores[1] were completed, namely:

- Contracting and implementation of a new model for the collection of receipts in stores by installing smart safes in 92 shops of the OTE Group in Greece (project CASH SAFE), which now comprise the largest network of smart safes in Greece. A 35% savings on the corresponding operating costs was achieved.

- Implementation of a unified alarm receiving center for all 147 Group OTE stores in Greece and 50 other facilities nationwide.

Within the overall redesign of security systems, the strategic planning of physical security platforms of OTE Group in Greece for the next four years was completed and approved by the Management Board.

On a daily basis the various departments handled substantial numbers of security actions and Incidents, namely:

- The Control Center for Physical Security recorded and handled efficiently 3,215 physical security incidents during the year, of which 170 were designated "serious".

- The Department of Building Security Infrastructure Implementation and Access Control Security issued 3,479 access control cards and 3,966 entrance passes to Group sites.

- The Department of Personal and Event Protection handled 90 alarms in KV cabinets and telephony cabins and other emergencies, provided security supervision at 35 events and 14 meetings of the Governing Board. Also, it conducted 280 outposts inspections, 280 preventive scans for explosives, and installed satellite equipment in 18 vehicles of Management.

- The Branch Security Department conducted 144 security inspections in the Group's stores nationwide.

In January 2014, all security personnel of OTE attended the training course "Basic security personnel training program". In this training module, the legal aspects of security and rights issues were presented. Reference to the use of force, arrest — detention, testimony, event place, and cooperation with police and state security services were made.

[1] Interventions were performed in OTE and COSMOTE stores, and also in 7 stores of the Germanos chain.

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3.9
Business Continuity Management

OTE and COSMOTE, as the leading Greek telecommunications companies, consider it their obligation to both maintain their stable growth and ensure the continuous supply of quality telecommunication services, including under exceptional external conditions. In 2014, the OTE Group in Greece was certified according to ISO 22301: 2012 for "Social Security – Business Continuity Management Systems – Requirements" by the BSI certification body.

OTE Group is the first organization in the Deutsche Telekom Group and among the few in the world to have acquired this certification.

The most important business continuity activities implemented in 2014 included:

- The implementation of risk analysis and impact assessment studies, of critical buildings and activities of OTE and COSMOTE.

- The establishment of emergency management teams on critical buildings of OTE and COSMOTE and providing them with the necessary equipment. Group members attended targeted training and participated in evacuation exercises in selected buildings of OTE and COSMOTE.

- The continued cooperation with the Greek authorities, the Ministries and public Agencies (General Secretariat for Civil Protection, etc.), in dealing with potential emergencies nationwide.

Business continuity is considered critical at OTE Group and therefore relevant actions and initiatives that cover all Group companies are designed and implemented. Specifically:

- Processes, procedures and system policy of operational continuity for the Group were updated and/or developed in order to create a common business continuity culture for all Group companies. The crisis management systems are integrated into the Business Continuity Management Systems (BCMS) of the OTE Group.

- Telekom Romania was certified according to ISO 22301: 2012 after systematic preparation and review of the entire cycle of its Management System.

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- The development of BCMS at AMC Albania is underway.

- In 2014, 468 cases were evaluated by the OTE Group's Emergency Situation Center, which is the official reference point within the Group where all alerts of situations/incidents affecting or likely to affect business continuity are forwarded. Of those, 70 were classified as business continuity incidents, according to the Business Continuity Framework, 106 cases were assessed as potentially affecting business continuity (which are included in reports submitted to the OTE Group Management, in order to limit the Group's reaction time), while for 32 cases outbound alert notifications were sent to the DT Center (providing travel safety instructions). Also, there were 235 total alert notifications and 248 daily observations reports.

- The results of the October 2013 survey regarding awareness of the Group's employees in Greece, Romania and Albania in business continuity issues and related information were communicated to all Group employee in management positions.

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3.10
Responsible Procurement and Supply Chain Management

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Supply chain management is now vital for the sustainability of all enterprises, regardless of the geographic area involved or the products/services procured.

Different suppliers participate in the procurement process through which the management of materials, products, services, and information systems, that lead to the final product to the customer is carried out. Taking into account the increased pressures arising from current economic, environmental, financial and social conditions in the global market, there is a compelling need to develop a supply chain management policy which will ensure competitive products of high quality, and enhance customer satisfaction. A successful supply chain management strategy is an important competitive advantage, even in the difficult current economic and political situation of Greece.

OTE Group recognizes these challenges and has formulated a supply chain management policy which will allow it to:

- Avoid the risks resulting from contact with suppliers with unethical or illegal conduct and/or do not respect human rights.

- Maximize the quality and value of the finished product at the lowest possible cost.

- Optimize the terms and conditions for cooperation in order to improve the performance of all parties involved.

- Work closely with the network of suppliers to identify quickly changes in technology and the economy, and formulate the corresponding appropriate action and adaptation plans.

- Ensure the operation of suppliers according to commercial and environmental standards by reviewing their certifications.

- Maintain a dynamic communication network with all parts of the supply chain in order to ensure preventive response to possible changes/threats of the market.

OTE and COSMOTE monitor developments in the international and sectoral scene on issues of responsible management of its suppliers to continuously improve their approach. Indicatively, through their participation in the GeSI (Global e-Sustainability Initiative) initiative, they were informed of the results of a 2014 study commissioned by GeSI and the Electronic Industry Citizenship Coalition (EICC), which investigated the similarities and differences of the Code of Conduct (CoC), the Validated Audit Protocol (VAP) of the Electronic Industry Citizenship Coalition (EICC) and the Guidelines for Sustainable Supply Chains of the Joint Audit Cooperation (JAC). The JAC is a cooperative effort of the telecommunications companies to promote safe and fair working

conditions and responsible social and environmental management through monitoring, evaluation and promotion of sustainability standards and the transfer of best practices throughout the supply chain.

The OTE Group also cooperates with DT on supply chain management. The mode of supply chain management applied by DT was assessed very positively (the DT supply chain management has assessed as «Best in Class» from relevant rating agencies such as SAM).
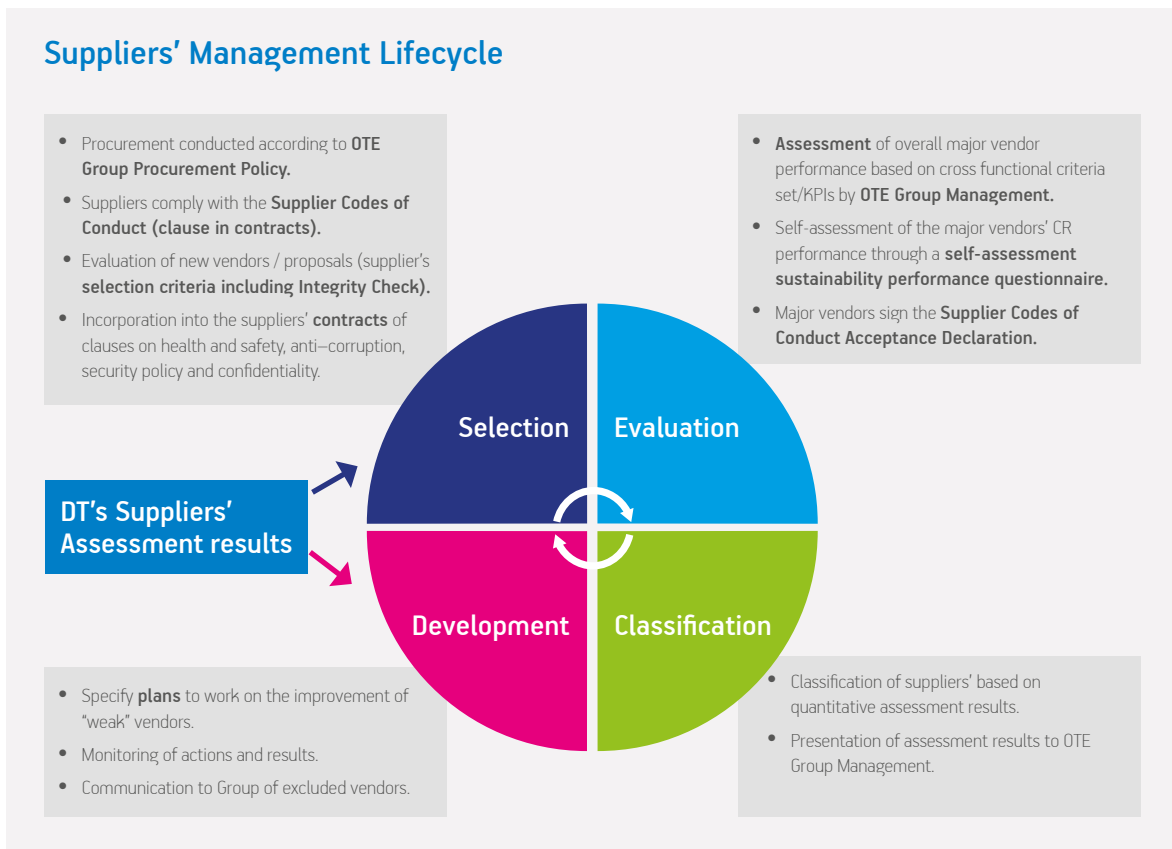
3.10.1
Procurement Policy

OTE and COSMOTE, recognize that the diffusion of core values and standards in the supply chain is an important feature of responsible business conduct. For both companies this includes efforts to continuously increase their influence on suppliers, in order to promote ethics principles, fight against corruption, ensure environmental protection and prevent child labour.

Since December 2013, the two Companies share a common Procurement Policy, in which all terms and regulations under which supplies are procured, are specified. The main objectives of the Procurement Policy are:

- Optimizing the added value in terms of cost, quality and time.

- Ensuring transparency.

- Complying with Deutsche Telekom Global Procurement Policy.

The common Procurement Policy pursued by both companies, does not distinguish between local and non-local suppliers. However, given that the Companies operate in the Greek market, it is their common practice to support domestic suppliers. In 2014, 87% and 94% of the invoiced supplies of OTE and COSMOTE respectively, came from companies registered in Greece.

The process of OTE and COSMOTE management of suppliers is summarized to the following graph:

Suppliers' Management Lifecycle

- Procurement conducted according to **OTE Group Procurement Policy.**
- Suppliers comply with the **Supplier Codes of Conduct (clause in contracts).**
- Evaluation of new vendors / proposals (supplier's **selection criteria including Integrity Check).**
- Incorporation into the suppliers' **contracts** of clauses on health and safety, anti–corruption, security policy and confidentiality.

- **Assessment** of overall major vendor performance based on cross functional criteria set/KPIs by **OTE Group Management.**
- Self-assessment of the major vendors' CR performance through a **self-assessment sustainability performance questionnaire.**
- Major vendors sign the **Supplier Codes of Conduct Acceptance Declaration.**

DT's Suppliers' Assessment results

Selection

Evaluation

Development

Classification

- Specify **plans** to work on the improvement of "weak" vendors.
- Monitoring of actions and results.
- Communication to Group of excluded vendors.

- Classification of suppliers' based on quantitative assessment results.
- Presentation of assessment results to OTE Group Management.

OTE and COSMOTE, despite the adverse economic conditions in Greece, aim at timely payment of their suppliers, as per their contracts. In 2014 the OTE

and COSMOTE payment time has been reduced, and it ranged from 30-120 days, depending on the type and amount of the commission.

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3.10.2
Suppliers Selection

The process of evaluation of suppliers' bids and selection through a tender process, is based on the following key criteria:

- Technical specifications.
- Price.
- Commercial terms.
- Contractual issues.
- Regular auditing.
- CR-related criteria (e.g. certification of quality management systems, environmental management systems and health and safety management, Supplier Code of Conduct etc.).

CR specific requirements may be added to any tender call, following requests of the department initiating the procurement procedure. All bidding suppliers, in submitting their proposals are required to declare that they explicitly agree to adhere to the OTE Group Code of Conduct which codifies OTE Group's will to work with environmentally friendly and socially responsible suppliers.

The contract that successful bidders are called to sign includes specific clauses on health and safety, anti-corruption, security policy and confidentiality and start from 2014 (gradualy implemented) compliance with the OTE or COSMOTE Supplier Codes of Conduct.

The OTE and COSMOTE Supplier Codes of Conduct describe the criteria used by the Companies to assess their suppliers in areas such as labor, health and safety, but also for environmental and ethical issues. Moreover, suppliers commit to take all necessary actions to ensure that their subcontractors comply with these provisions. The OTE Supplier Code of Conduct was approved and came into force in 2013, while that of COSMOTE is in force since 2008.

A detailed section on labour is included in both Companies' Supplier Codes of Conduct, whereby suppliers commit to uphold the human rights of their employees and to treat them with dignity and respect as understood by the international community. Specifically, clauses are included on freely chosen employment, prohibition of any form of forced or child labour and the protection of young employees, among others.

Additional clauses on working hours, wages, fair and reasonable terms of employment are also included, as is a clause on humane treatment, non-discrimination and freedom of association.

For more information please refer to COSMOTE Supplier Code of Conduct and OTE Supplier Code of Conduct.

3.10.3
Suppliers Evaluation

The active suppliers of OTE and COSMOTE are evaluated on an annual basis. This process is coordinated by the OTE Group Process Management and Improvement Division, OTE Group.

The suppliers to be evaluated are selected on the basis of purchase orders (POs) issued within a 12 month period. In particular, in 2014, the selection of suppliers evaluated, was based on all purchase orders issued during the period 10.01.2012 – 30.09.2013 on behalf of the OTE, COSMOTE, Germanos, Germanos Telecom Romania SA, e- Value SA, e-Value Ltd, AMC,Telekom Romania Communications S.A., Telecom Romania Mobile Communications S.A. and ZAPP companies. Thus, all suppliers with orders worth over €2 million and all suppliers providing crucial supplies (as defined by the OTE Group, ie goods and services that have a significant impact on products and services provided to customers) worth more than €500.000, were evaluated. In addition, all suppliers of products/services related to certified management systems of these companies (ie. management systems according to ISO 9001, ISO 14001, OHSAS 18001, etc.), and some suppliers who did not meet the above criteria but were proposed for evaluation of Directors of OTE, were also evaluated.

All the selected suppliers were evaluated by the business units involved. Through this process, the OTE and COSMOTE Management Council and the whole management team are informed on the evaluations of the suppliers based on their overall performance within the Group, the quality of products/services, they provide, their effectiveness in delivering products/services and the relationship that has been developed between them and the companies of the Group.

Furthermore, the suppliers under evaluation are requested to submit a signed Declaration of Acceptance of the Supplier Code of Conduct

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as well as a filled self-assessment sustainability performance questionnaire, which is intended to promote suppliers' awareness on social and corporate responsibility and to enable suppliers to provide information regarding their management systems and practices. This questionnaire includes questions on the following areas: corporate responsibility, sustainability, labor, environment, health and safety, quality, and business continuity management. In 2014, the Corporate Responsibility Department, Fixed & Mobile, and the Financial &

Support Process Management & Improvement Department OTE Group collaborated to further improve the questionnaire by integrating new questions that take into account the increasing demands of OTE and COSMOTE, and the G4 GRI Guidelines. The revised questionnaire will be used in the evaluation cycle for the period 2015-2016.

Supplier's Evaluation				
	OTE		COSMOTE	
	2013	2014	2013	2014
Number of suppliers	97	179	155	173
% of the procurement volume evaluated	73%[1]	73%[3]	94%[2]	95%[3]

Notes

[1] Computed as the value of invoices evaluated, over the total value of invoices received in the period 1/10/2011 – 30/9/2012 (including supplies of high value of products and services that affect the final products/services provided to customers, as well as supplies of high-risk products as defined internally).

[2] Computed as the value of purchase orders (POs) evaluated, over the total value PO's issued in the period 1/10/2011 – 30/9/2012 (including suppliers of high value ofproducts and services that affect the final products/services provided to customers, as well as supplies of high-risk products as defined internally, excluding intercompany supplies, dealers commissions, interconnection, roaming and sponsorships – donations).

[3] Computed as the value of purchase orders (POs) evaluated, over the total value PO's issued in the period 1/10/2012 – 30/9/2013 (including suppliers of high value of productss and services that affect the final products/services provided to customers, as well as supplies of high-risk products as defined internally excluding intercompany supplies, dealers commissions, interconnection, roaming and sponsorships – donations).

At the end of 2014, based on orders realized in the period 01.10.2013 – 30.09.2014, the companies of the OTE Group, started the next assessment cycle, which is expected to be completed in mid-2015.

3.10.4
Rating and Development of Suppliers

The rating of suppliers, performed by the involved business units of OTE and COSMOTE, together with the completed suppliers' self questionnaires, are posted into the OTE Group's Supplier Evaluation System, in order to obtain a quantified performance of each supplier. The performance of each supplier on Corporate Responsibility represents 10% of the total score. The results are presented to the Group's management.

For the suppliers with a low score, the OTE Group management decides whether they remain in the list of the approved Group suppliers, whether they need to show improvement in their performance (and therefore in cooperation with them, action plans need to be agreed) or whether their cooperation with the Group is terminated (in which case the competent Group Divisions are informed).

OTE and COSMOTE recognize that companies that offer high-risk products (eg mobile devices, computer equipment, etc.) and also operate in high risk countries (eg LDCs) are more exposed to risks regarding work safety and human rights. Foreign suppliers of OTE and COSMOTE, are large enterprises that are also the suppliers of DT. Consequently, OTE and COSMOTE take into account the results of the DT evaluations and controls for every common supplier. Where DT detects that a supplier does not comply with the policy of the DT Group and international standards and discontinues trade with him, OTE and COSMOTE are informed and they eliminate that vendor from the list of acceptable suppliers. In 2014, OTE and COSMOTE did not cease cooperation with any of their international suppliers as a result of DT's ratings.

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EMPLOYEES

> Our approach for our people is based on the Guiding Principle: "Best place to perform and grow".

Our People

9,117
EMPLOYEES

MORE INFO >

- 74% aged 30-49
- 35% ♀
- 65% ♂
- 41% Higher education degree holders
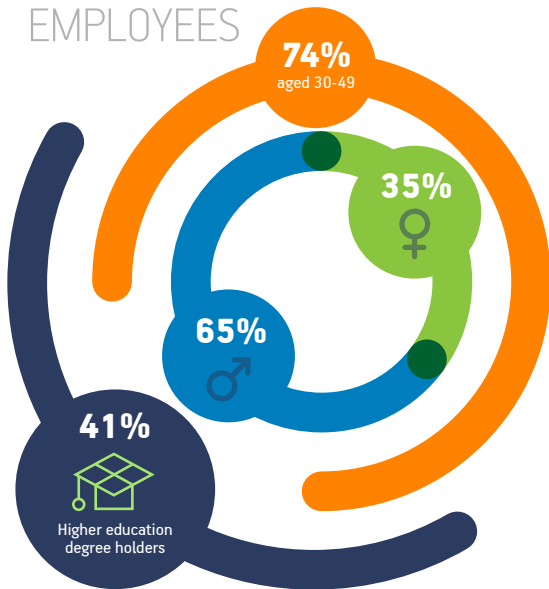
771
New Employees

3 year Collective Labor Agreement

Employee Training
We invest in our people

8,367
Participations in training programs

MORE INFO >

Training program "Advanced Certification in Telecommunication Technologies" 1,454 OTE technicians

Training program "Branded Customer Experience Excellence" 5,062 employees

Non-Discrimination, Equal Opportunities and Diversity
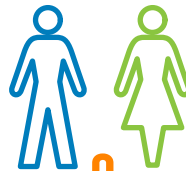
0
Complaints regarding discrimination

30%
Women in managerial positions

MORE INFO >

Organization, Transformation and Effectiveness

100%
Operational Integration at Chief Officers level

Health and Safety
We ensure a safe and healthy working environment

2,238 hrs
Workpace health training

4,321 hrs
Workplace safety training

6,308
Employee visits to first aid facilities in 7 central buildings

MORE INFO >

Employee Engagement and Satisfaction

2
Pulse Surveys annually

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4.1
Human Resources Strategy

The strategic objective of the OTE Group today is to be a modern, dynamic, customer-oriented, high performance company, with a leading position in the markets where it operates.To achieve this objective, the Companies rely on a transformation program, where people development constitutes one of the most fundamental pillars. The transformation of the Companies in a socially responsible manner and the establishment of a new common corporate culture comprised the basis for the achievement of their strategic objectives in relation with human resource issues.

In particular, as regards Human Resources, OTE and COSMOTE advanced the functional integration of fixed and mobile operations and the formation of a common culture between the two companies, and continued the renewal and development of their employees.

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- **Organizational restructuring and effectiveness**
  In 2014 the functional integration of fixed and mobile telephony activities, continued thus helping to simplify procedures, improve operational efficiency and enhance the Group's customer-orientation and competitiveness.

- **Refresh and development of human resources**
  Following the two Voluntary Exit Programs for OTE employees, carried out in a socially responsible manner during the years 2012-2013, 1,500 new job positions opened in the last two years (2013-2014) in the OTE Group. At the same time, the Group continued to invest in the development of modern skills for its employees through (re skilling and up skilling programs to enhance skills and provide new knowledge , and with programs to enhance innovation and creative thinking.

Operational Framework

The basic framework for the OTE Group's Employee Relations policy comprises respect for human rights, fair labour practices, non-discrimination, equal treatment for men and women, and combating child or forced labour. The Group's employees are covered by collective labour agreements.

Ensuring a safe and healthy work environment for employees, customers and partners, remains the prime priority for OTE Group.

The Human Resources Directorate OTE Group operates on the basis of a competence and roles structure model with the following parts:
(i) Human Resources (HR) Competency Centers – Development Centers for HR policies, systems and procedures, (ii) HR Business Partners – Contact points of human resources with business units to record the needs and provide feedback to competency centers; and (iii) HR Shared Services – Units for the immediate and effective management of HR services.

The Chief Officer for Human Resources, who is responsible for overall human resources management issues, is a member of the Management Team of OTE and COSMOTE.

Key Achievements in 2014

- The **functional integration** of fixed and mobile telephony activities continued leading to enhanced **organizational effectiveness**. The functional integration has been fully implemented at the General Directorate level.

- The first **"OTE-COSMOTE Graduate Trainee Program"**, was announced and attracted 2,500 requests for participation.

- Employees of OTE and COSMOTE attended **4,477 and 2,082 hours respectively of training** in Health and Safety issues.

- More than **1,400 OTE technicians** attended the reskilling and up skilling program ACT2.

- More than **5,000 employees of OTE and its subsidiaries** attended the training program "BC2X for customer experience culture cultivation".

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4.2
Employment

To reduce operating costs and align itself with the market response to modern technological developments as well as to adapt the number of employees to the current needs of the Group, OTE implemented in previous years Voluntarily exit schemes in a socially responsible manner. During the biennium 2012-2013 two Voluntarily exit programs were offered, which were taken up by more than 3,500 employees.

In 2014, after the completion of these programs, the OTE Group provided employment opportunities to 771 new employees in several sectors (e.g customer service, sales representatives, specialized professionals, etc).

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4.2.1
Human Resources

On 31 December 2014, the OTE and COSMOTE employees numbered 9.117.

Workforce Diversity at OTE and COSMOTE, 2014			
OTE		**COSMOTE**	
Total workforce:	**7,067**	**Total workforce:**	**2,050**
Employment type		**Employment type**	
Full-time dependent employment, of Indeterminant term:	97% (6,880)	Full-time dependent employment, of Indeterminant term:	100% (2,049)
Part-time dependent employment, of Indeterminant term:	1% (44)	Part-time dependent employment, of Indeterminant term:	0% (1)
Dependent employment, of fixed term:	2% (143)	Dependent employment, of fixed term:	— (0)
Gender		**Gender**	
Men:	69% (4,889)	Men:	49% (1,001)
Women:	31% (2,178)	Women:	51% (1,049)
Age		**Age**	
Under 30:	1% (71)	Under 30:	1% (18)
Age 30-50:	68% (4,819)	Age 30-50:	95% (1,957)
Over 50:	31% (2,177)	Over 50:	4% (75)
Education level		**Education level**	
Doctorate:	1% (59)	Doctorate:	0.5% (12)
Post Graduate:	4% (282)	Post Graduate:	3% (61)
University:	14% (1,021)	University:	31% (642)
Technical:	19% (1,338)	Technical:	14% (282)
Secondary:	57% (4,000)	Secondary:	45% (916)
Compulsory:	3% (231)	Compulsory:	0.3% (6)
Elementary:	2% (136)	Elementary:	1.6% (33)
Region		**Region**	
Aegean Islands:	5% (320)	Attica:	89% (1,828)
Attica:	56% (3,939)	Crete:	1.5% (31)
Central Greece and Evia:	5% (387)	Epirus:	0.4% (8)
Crete:	4% (305)	Macedonia:	7% (139)
Epirus:	2% (141)	Peloponnese:	1.4% (29)
Ionian Islands:	2% (108)	Thessaly:	0.7% (14)
Macedonia:	12% (878)	International:	0%
Peloponnese:	8% (574)		(1 based in Albania)
Thessaly:	3% (214)		
Thrace:	3% (201)		
Total workforce on indeterminant term contracts:	**6,924**	**Total workforce on indeterminant term contracts**	**2,050**
Employment type		**Employment type**	
Full-time:	99% (6,880)	Full-time:	100% (2,049)
Part-time:	1% (44)	Part-time:	0% (1)
Gender		**Gender**	
Men:	69% (4,792)	Men:	49% (1,001)
Women:	31% (2,132)	Women:	51% (1,049)
Type of work		**Type of work**	
Office:	58% (3,984)	Office:	83% (1,704)
Retail:	12% (827)	Retail:	7% (137)
Fieldwork/Other:	30% (2,113)	Fieldwork/Other:	10% (209)
People with special needs	360 (5%)	**People with special needs**	26* (1%)
Full-time:	**6,880**	**Full-time:**	**2,049**
Gender		**Gender**	
Men:	70% (4,792)	Men:	49% (1,000)
Women:	30% (2,088)	Women:	51% (1,049)

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Workforce Diversity at OTE and COSMOTE, 2014			
OTE		**COSMOTE**	
Part-time:	44	Part-time:	1
Gender Men: Women:	– (0) 100% (44)	**Gender** Men: Women:	100% (1) – (0)
Fixed term Temporary Employment:143		Fixed term Temporary Employment: 0	
Gender Men: Women:	68% (97) 32% (46)	**Gender** N.A.	
Board of Directors Members:	11	Board of Directors Members:	9
Age Under 30: Age 30-50: Over 50:	0% (0) 55% (6) 45% (5)	**Age** Under 30: Age 30-50: Over 50:	0% (0) 56% (5) 44% (4)

Notes
Counting based on headcount, on 31 December 2014
*In addition, 7 employees are in the process of renewing their disability certificates.

Recruitment and Departures in 2014								
	Recruitment				**Departures**			
	OTE		**COSMOTE**		**OTE**		**COSMOTE**	
Age group	No	%	No	%	No	%	No	%
< 30	0	0%	1	6%	1	2%	0	0%
30-50	36	84%	15	94%	14	33%	10	83%
>50	7	16%	0	0%	27	64%	2	17%
Gender	No	%	No	%	No	%	No	%
Male	11	26%	10	63%	27	64%	8	67%
Female	32	74%	6	38%	15	36%	4	33%
Region	No	%	No	%	No	%	No	%
Attica	30	70%	16	100%	33	79%	11	92%
Thessaly	1	2%						
Thrace					1	2%		
Central Greece and Euboea	3	7%			1	2%		
Crete	1	2%						
Macedonia	6	14%			4	10%		
Ionian Islands	1	2%						
Peloponnese	1	2%			3	7%		
Abroad							1	8%
Total	**43**		**16**[1]		**42**		**12**	
Departures as % of indeterminant term staff[2]						0.6%		0.6%

Notes
[1] Including 3 hires from within OTE Group.
[2] Computed on the basis of the total of indeterminant term employees as of 31 December 2014.

OTE and COSMOTE operate throughout Greece. Although there is no officially formulated policy of the Group to recruit people from local communities, in practice domestic concept was taken into account in an effort to further support local communities and promote the welfare of employees. It should also be noted that almost 100% of the Chief Officers and Directors of the companies are Greek citizens.

Employment Opportunities for the Young People

OTE and COSMOTE are regarded as an excellent employment opportunity for young people starting their career. In a survey running for the second year and conducted by the Athens University of Economics and Business and the career development company Kariera, OTE and COSMOTE were ranked as the 5th most desirable employers for all respondents aged 18-30, students and graduates of Universities and technical institutes from all over Greece. In 2013, the respective ranking placed COSMOTE in 10th place.

Work Experience for Students

During 2014, OTE and COSMOTE provided an opportunity for 748 students (universities, technological educational institutes, vocational training institutes) to fulfill their internship requirement toward completion of their studies, in the modern workplace of the OTE Group.

The OTE Group companies offer students the opportunity to apply their knowledge in a real working environment, to gain work experience, to be trained (on-the-job training) and to develop skills that will help them perform better in the future. Students were placed in almost all operating units of OTE and COSMOTE. During their internship, their progress was systematically tracked.

At the same time communication with career and internship offices of universities was systematized and projects in collaboration with specialized University land technological educational institutes aboratories are under development.

OTE-COSMOTE Graduate Trainee Program

In December 2014, the implementation of the first "OTE-COSMOTE Graduate Trainee Program" was announced. The program seeks to attract talented young people, up to 28 years of age, holders of postgraduate degrees, with vibrant and dynamic personality who will be chosen through an extensive and demanding selection process. The Graduate Trainees, will be hired by OTE Group and for 18 months "will experience an exciting journey" with stops at the companies' main activities, will be exposed to a modern working environment, will participate in modern training programs and will take part in challenging projects. Upon completion of the program, the Graduate Trainees will be offered a job position in the OTE Group. As a result of the high interest of participating in the program, more than 2,500 applications were submitted.

The program's innovation includes the gaining of firsthand experience in a large organization, as well as the continuing support and supervision of Group'sthe Senior Management.

For more information visit: http://www.ote-cosmote-graduatetraineeprogram.gr/.

Participation in Career Events

In 2014, OTE and COSMOTE participated in a series of events, organized mainly by universities, to support young people in vocational and career planning (career events). HR representatives had the opportunity to get in touch with students, young graduates and professionals and discuss with them about possible career opportunities, inviting them to express their interest in employment in OTE Group.

In 2014, the companies participated in the following events:

- ALBA Graduate Business School Career Forum 2014.
- Career Days 2014.
- DEREE Career Days 2014.
- Developers Day.
- Cisco Academies Meeting.

4.2.2 Fair Employment Policy Framework

Maintaining a workplace based on non-discrimination, fairness and integrity is fundamental for OTE and COSMOTE. The framework of the fair labour policy of the companies, based on respect for human rights, is

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in accordance with the following:

- The regulatory framework in Greece and the EU, which prohibits the use of child labor, forced labour and involving young people in dangerous jobs.

- The United Nations Global Compact, which OTE and COSMOTE, signed in 2008.

- The OTE Group Code of Conduct and Employee on Labor Relations Policy, which recognize explicitly the basic freedom of association and the right to participate in collective agreements under national legislation, and expressly prohibit unlawful discrimination or harassment based on age, sex, religion, ability, background or sexual orientation.

Regarding the management of personal data in the Group, OTE and COSMOTE operate in accordance with the Code of Conduct for the Protection of Human Rights. The Code has been developed in accordance with the existing national legal framework. Also, the OTE Group operates in accordance with the Group DT Social Charter, which provided the guiding principles for the OTE Social Charter (more information is provided in the section on Corporate Responsibility Strategy).

For any significant change in their operation (eg. reorganization, outsourcing operation, business interruption, expansions, new job positions, acquisitions, sale of all or part of the company, or mergers), OTE and COSMOTE inform or consult the most representative trade unions as appropriate, applying each time the current legislative framework.

4.2.3
Freedom of Association and Collective Labour Agreements

In Greece, because of the national regulatory framework, there is very low risk of violating the rights of association and participation in collective labor. The percentage of employees covered by enterprise collective labor agreements is approximately 99% for OTE and 92% for COSMOTE.

In December 2014,a new three-year collective labor agreement between OTE and the OTE Emlpoyee Federation (OME-OTE) was finalized and signed, aiming to strengthen the sustainability and competitiveness of the company, the

promotion and development of employment, the rationalization of wage costs and the creation of favorable conditions for recruitment. The Collective Labor Agreement regulates payroll issues, permits, benefits, compensation and working hours of the OTE staff. The new agreement covers the period from 01/01/2015 to 31/12/2017.

A new collective labor between the COSMOTE management and the Union representing the COSMOTE employees that covers the period 2015 to 2017 inclusive, has also been signed.

In 2014, mainly due to the economic situation in Greece and the proposed changes in the Greek national social policy, three strikes (each lasting one day) involving the staff of OTE and COSMOTE took place.

4.2.4
Non-Discrimination, Equal Opportunities and Diversity

The OTE Group Code of Conduct includes basic rules of conduct, principles and values such as equality, respect for diversity, integrity, ethics, transparency, personal responsibility, which compose an operating model and lead to the adoption of a common corporate culture.

The Code of Conduct is the framework guide for the behaviour of all OTE Group employees. It brings together the strong commitment of the Group to respect laws and regulations, with the specific obligations relating to ethical behaviour which, together with the five Guiding Principles, support the success of the Group. The core principle of all human resources processes of OTE and COSMOTE, is that all decisions and actions relating to matters such as recruitment, wages, growth and employee development and termination of contracts are characterized by meritocracy, transparency and non-discrimination.

By promoting diversity and harmonious synthesis of different skills, talents and experience of employees, male and female, in all activities of the companies, additional value is imparted and the development prospects of the companies are ensured, always with due respect to the society in which they operate.

As stated in the OTE Group's Code of Conduct, non-discrimination covers gender, age, religion, ability, origin and sexual orientation. Both companies maintain processes and the

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communication channels "Ask Me" and "Tell Me" through which employees can seek advice or report their concerns about discrimination issues.

Through the «Ask me» channel, information on issues relating to the Code of Conduct, the Internal Policies and Regulations of OTE Group is provided. Respectively, via the "Tell Me" channel confidential complaints about violations of laws, policies and the Group's internal procedures are addressed.

In 2014, OTE Group Prevention, Policies and Training Department (of the OTE Group Compliance, ERM and Insurance Directorate) through the "Ask Me" process, 461 queries from employees, including inter alia the approval of sponsorships/donations, andthe suppliers' and consultants' integrity checks. None of these queries are related to discrimination issues.

In addition, OTE Group Compliance, Reporting and Case Management Department (of the OTE Group Compliance, ERM and Insurance Directorate) received 30 complaints through the process "Tell Me" as shown the following Table:

Communication Channel: Tell Me, 2014		
	OTE	COSMOTE
Total Employee Complaints	28	2
Complaints regarding Discrimination	0	0

It should be noted that the induction program for new hires of the company "Welcome on board" has a separate training module on Compliance issues, Code of Conduct and internal policies of the companies.

Non-Discriminatory Remunerations Compensation

At OTE and COSMOTE no distinction or sex differentiation on compensation is practiced. In accordance with the current OTE Collective Labour Agreement, employees' salary is dased on their educational level and their years of employment. For the newly hired employees new salary scales have been established including a minimum wage of 755 euros. In COSMOTE, the compensation level is determined by the level of the position held, while the minimum wage level is adjusted according to the wage category the employee belongs to as provided in the current Collective Labour Agreement. The ratio of male/female remuneration is 1:1 respectively. In addition, during 2014, the level of the minimum wage in relation to the national minimum wage in Greece, was higher by 76% in OTE and by 58% in COSMOTE.

Parental Leave

The companies provide maternity leave for childbirth and parental leave for childcare. Parental leave, which is considered and paid as working time, is provided to working mothers or fathers immediately after the end of maternity leave, who may choose one of the following options:

- **For OTE**
  Reduced work by two hours daily for two years and one hour a day for the next two years, or alternatively full leave lasting nine months (twelve months for mothers of twins).

- **For COSMOTE**
  Reduced work by one hour daily for 3 years or by two hours daily for 18 months if compatible with business needs or, alternatively, full six month leave or a one day leave per week for eighteen months.

Men are also entitled to parental leave, provided that their spouses have not also received parental leave.

In 2014, at OTE 145 women and a one (1) man took parental leave. At COSMOTE respectively 109 women and 3 men took parental leave. In addition, 31 women and 1 man in COSMOTE took advantage of unpaid parental leave.

All working women made use of parental leave they were entitled to. No employee resigned during child care leave with pay, and all, men and women, returned to their normal duties.

Gender Diversity

In 2014, OTE and COSMOTE maintained the diversity of their workforce, especially in terms of representation of women in staff and managerial positions. In particular, women made up about

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one third of the OTE workforce and half of COSMOTE workforce respectively. Regarding managerial positions of the Group, women occupy about 30% of managerial positions and 33% of positions in the OTE-COSMOTE Management Team.

Governing Boards and Management Diversity, 2014					
	Male		Female		Total
Employees	No	%	No	%	No
OTE Board of Directors	10	91%	1	9%	11
COSMOTE Board of Directors	9	100%	0	0%	9
CEO	1	100%	0	0%	1
OTE-COSMOTE Management Team	8	67%	4	33%	12
Direct Reporting to OTE-COSMOTE CEO	8	73%	3	27%	11
Total	**21**	**81%**	**5**	**19%**	**26**
Management Levels	**No**	**%**	**No**	**%**	**No**
Chief Officers	13	81%	3	19%	**16**
Heads of Divisions	64	80%	16	20%	**80**
Heads of Sub-Divisions	185	78%	53	22%	**238**
Heads of Sections	540	68%	254	32%	**794**
Total	**802**	**71%**	**326**	**29%**	**1,128**

Note
All OTE and COSMOTE executives included in levels from Chief Officers to Head of Sections are counted once.

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4.3
Health and Safety

Ensuring a safe and healthy work environment for employees, customers and partners, remains a top priority for OTE Group. Health and Safety issues are considered essential for the successful and sustainable future of the Group and have a direct impact on issues such as employee satisfaction, well-being, quality of work and the corporate culture. Therefore, the OTE Group of companies act proactively in this direction, taking into account the relevant provisions of Greek law and standards as minimum requirements. The establishment and improvement of a healthy and safe environment at work through a coordinated effort management and staff are a key priority of OTE, as these contribute effectively to the development and the companies' progress.

In 2014 the common OTE Group Quality, Health and Safety and Environmental Policy Health and Safetywas completed. The common Policy illustrates Management's commitment to implement country and EU laws and regulations , to develop values for shaping a preventiveculture for Health and Safety at work, to encourage, train and support employees' involvement in improving Health and Safety and to develop partnerships in Health and Safety at work. Health and Safety Committees at Work (61 in OTE, 2 in COSMOTE), which consist of elected representatives of employees, meet every quarter with Management representatives to discuss issues and processes related to the improvement of Health and Safety at work. Health and Safety issues are not covered by the current Collective Labor agreements with unions of OTE and COSMOTE.

Health and Safety at Work issues are also evaluated by employees through the Employee Satisfaction Survey, which is conducted every two years and focuses on issues related to health, such as mental/physical well-being and work-life balance. The results and findings of the survey form the basis for improvement actions within the companies.

4.3.1
Health and Safety Policy

OTE Group Health & Safety Policy has as a target to support its operational units in activities related to:

- Compliance with legal and regulatory requirements.

- Prevention and occupational risk assessment.

- Certification of OTE Group operations, according to the international standard for Occupational Health and Safety management systems (OHSAS 18001).

- Consultation between Management and employees.

- Accidents and incidents management.

- Systematic training and communication to employees regarding Health and Safety principles, and specialized training for potentially hazardous tasks.

- Monitoring of application of safety measures by employees and third parties (eg contractors).

- First aid training, preventive medical testing and mental health support services.

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- Creation of Emergency Response Teams, including regular building evacuation drills.

4.3.2
Health and Safety Performance in 2014

During 2014, special emphasis was given to Health and Safety issues relating to the prevention and training of employees. In particular, inspections continued at the same level as in previous years and, at the same time, existing training programs were implemented regularly and new one were introduced. The following table shows the performance (KPIs) of the Group on Health and Safety issues for 2014.

2014 Health and Safety Performance		
	OTE	COSMOTE
Fatalities		
Employee fatalities	None	None
Contractor fatalities	Not Available	None
Work-related accidents (employees)		
Number of employees injured		
Male	25	3
Female	12	11
Total	**37**	**14**
Injury rate[1]		
Male	0.59	0.30
Female	0.63	1.05
Total	**0.60**	**0.69**
Occupational disease rate[2]		
Male	0	0
Female	0	0
Total	**0**	**0**
Lost day rate[3]		
Male	40.31	3.31
Female	9.20	22.77
Total	**30.73**	**13.27**
Absentee rate[4]	**687.07**	**608.82**

Notes

[1] Injury rate = (Total number of injuries/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. The data do not include minor (first-aid level) injuries.

[2] Occupational diseases rate = (Total number of occupational diseases cases/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees.

[3] Lost day rate = (Total number of lost days/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. Lost days for OTE are calculated as calendar days, while for COSMOTE lost days are calculated as scheduled work days. Lost days count begins on the day of the injury or the next day, depending on the time of the day that the injury occurs.

[4] Absentee rate = (Total number of missed absentee days/Total number of workforce days worked) x 25,000. The factor 25,000 is derived from 50 working weeks for 5 days per 100 employees. This rate is not monitored per gender.

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In 2014, there were no fatalities in OTE and COSMOTE, while all work accidentsoccured, were of low severity. Absentee rate was slightly increased in both companies.

Seven Year Health and Safety Performance							
	2008	2009	2010	2011	2012	2013	2014
OTE							
Employee fatalities	1	0	0	0	1	0	0
Employee injuries*	28	31	29	27	33	31	37
Work days lost (calendar days)	1,427	2,164	1,556	1,408	2,503	1,853	1,884
COSMOTE							
Employee fatalities	0	0	0	0	0	0	0
Employee injuries*	16	22	28	17	19	14	14
Work days (scheduled work days)	139	178	235	218	416	207	271

* Fatalities not included.

4.3.3
Health and Safety Prevention and Awareness

In 2014, OTE and COSMOTE continued to give special emphasis and resources for HR prevention, information and awareness actions.

The development of the annual training plan on Health and Safety issues was based on the general evaluation of the activities of the previous year, such as the results of inspections carried out by occupational physicians and safety technicians, occupational accidents, and the success of training programs.

Inspections by Occupational Medicine Physicians in 2014

Legend:
- Inspection hours/yr as mandated by law
- Real inspection hours

OTE: 3,562 / 9,737
COSMOTE: 875 / 1,113

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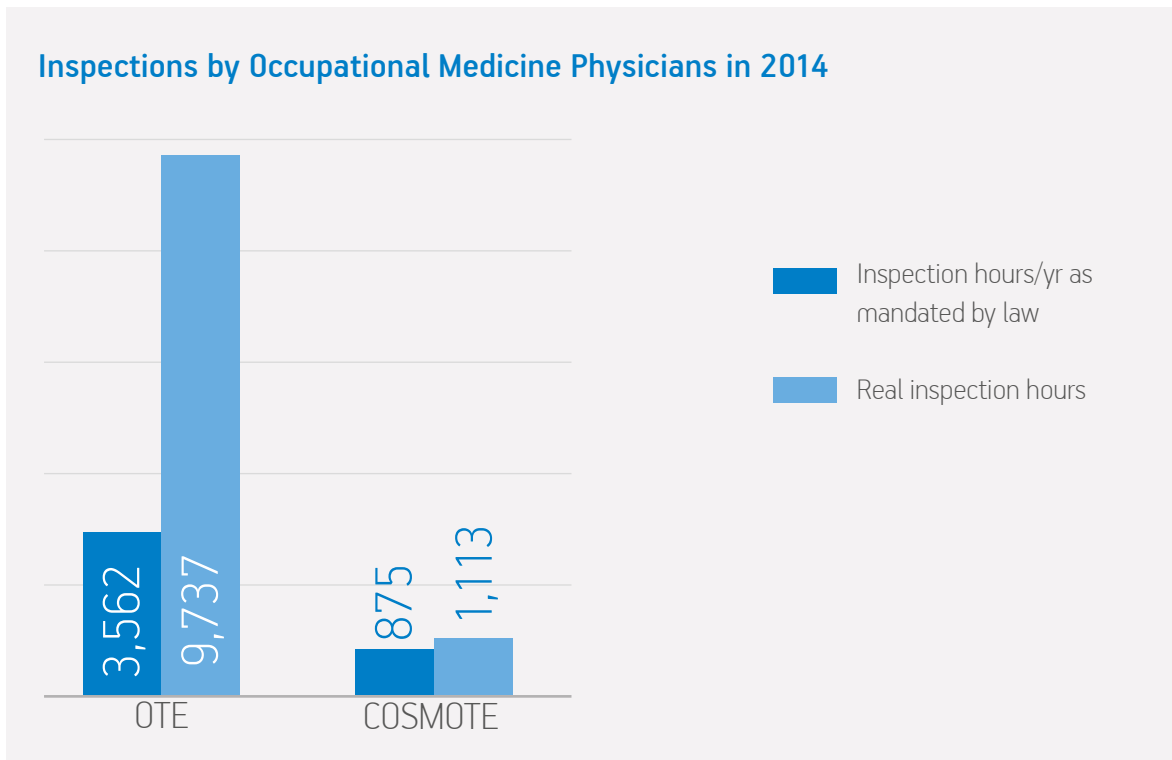
Technical Inspections carried out in 2014

Legend:
- **Inspection hours/yr as mandated by law** (dark blue)
- **Real inspection hours** (light blue)

	OTE	COSMOTE
Inspection hours/yr as mandated by law	10,653	1,336
Real inspection hours	14,700	1,336
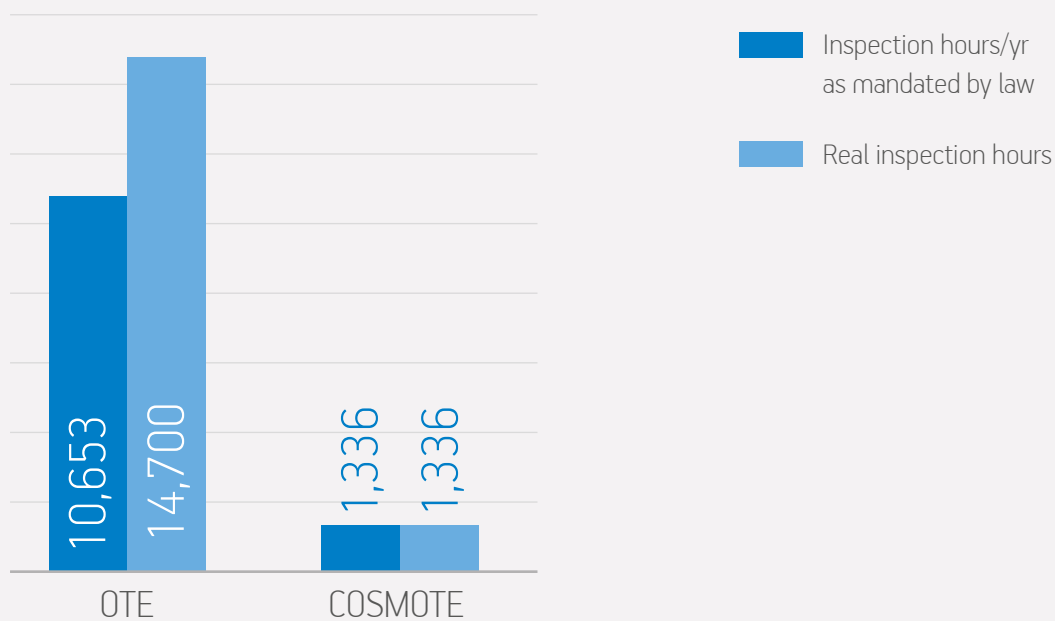
All employees receive information and training in order to assure the application of Health and Safety standards at work. In this context, basic training is provided to all new hires and recurrent training to all employees when significant changes occur in the tasks assigned. The training covers the potential risks and the preventive measures to be taken. Additionally, employees who work under difficult conditions, such as those employed in outdoor field work and overhead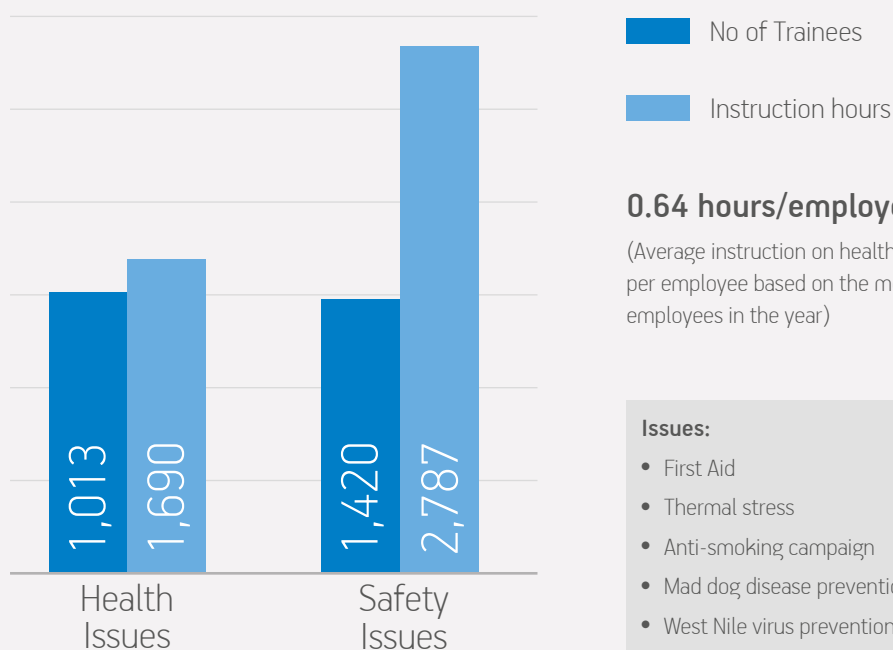 linemen/industrial climbers participate annually in education programs about the risks they face, the prevention measures and the control points. Also seminars and information on a wide range of relevant issues are continuously provided.

Training on Health and Safety issues of OTE employees in 2014

Legend:
- **No of Trainees** (dark blue)
- **Instruction hours** (light blue)

	Health Issues	Safety Issues
No of Trainees	1,013	1,420
Instruction hours	1,690	2,787

0.64 hours/employee

(Average instruction on health and safety issues per employee based on the mean number of employees in the year)

Issues:
- First Aid
- Thermal stress
- Anti-smoking campaign
- Mad dog disease prevention (KEELPNO)
- West Nile virus prevention etc.

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Training on Health and Safety issues of COSMOTE employees in 2014

Legend:
- No of trainees (dark green)
- Instruction hours (light green)

Chart data

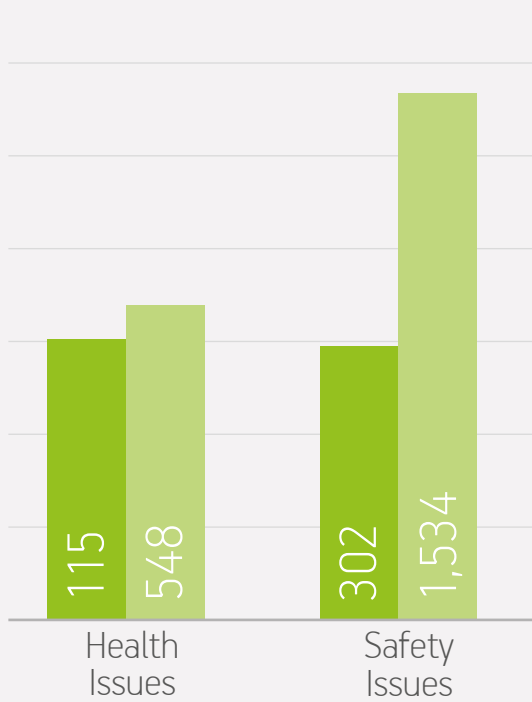| Category	No of trainees	Instruction hours
Health Issues	115	548
Safety Issues	302	1,534

1.02 hours/employee

(Average instruction on health and safety issues per employee based on the mean number of employees in the year)

Issues:
- Work safely (electricians)
- Work safely (meter readers)
- Safety measures in field work
- Use of portable fire extinguishers – fire safety
- Work safety measures – ΜΑΠ
- Safe use of forklifts (warehouses)
- Safe driving behavior
- Education overhead etc.

First Aid Treatment Incidents in 2014
Number of visits of employees to OTE/COSMOTE First Aid facilites

Facility	Number of visits
COSMOTE First Aid clinics	4,534
OTE First Aid clinics	1,774
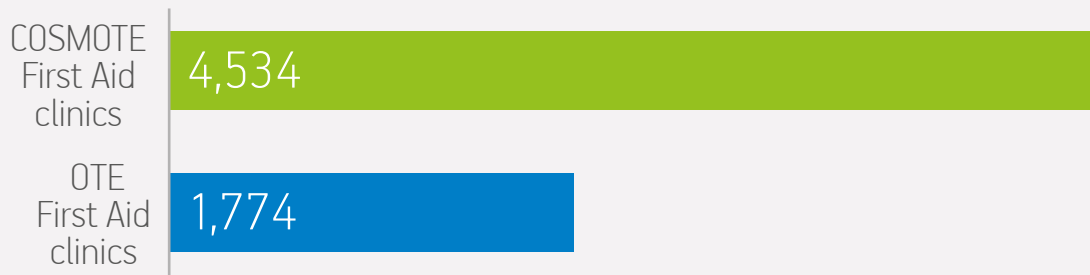
Data refer to the visits of workers to clinics housed in OTE's Administration Building, and buildings YMA-NYMA, Paianias Philip Olympiad, Charles Diehl, Evosmos and Aharnon OTE and COSMOTE.

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Medical Examinations of OTE and COSMOTE employees in 2014

OTE ■   COSMOTE ■

	Clinical examination	Musculosceletal checkup	Spirometry	Visual acuity checkup	Audiometry	Vaccinations	Urine sample analysis
OTE	3,231	3,103	1,331	2,935	2,069	171	1
COSMOTE	1,263	471	193	107		10	
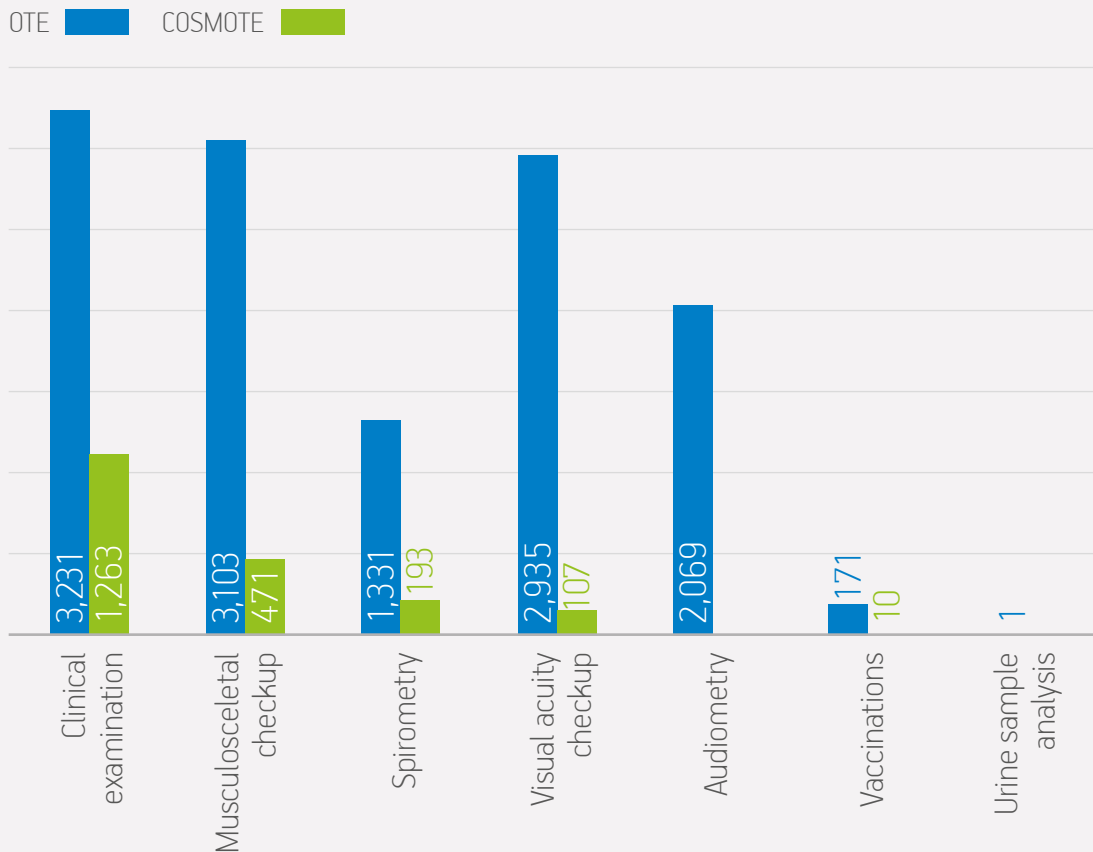
It is also noteworthy that in 2014, 63 OTE employees and 127 employees of COSMOTE received psychological support services.

Finally, under the Health and Safety framework, the Blood Donation Program in the companies was continued. More information are presented in the section Employee Volunteering.

Briefings on Health and Safety Awareness

In 2014, a series of actions were also implemented aiming to raise awareness of employees, namely:

- Publishing of 26 informative articles on the intranet sites (U-link και Mikrocosmos) on:
  – Celebration of world or European days/ weeks: 18 articles.
  – Protection and dealing with seasonal viruses: 4 articles.
  – Protection and dealing with seasonal dangers (e.g. Ebola epidemic, smog etc.): 4 articles.
- Events in cooperation with external bodies/ organizations on such issues as:
  – "Safe road behavior and civility of Greeks

on the road" in cooperation with the driving school "Iaveris Rally Academy".
  – "Earthquakes and Protection Measures" in cooperation with the Earthquake Planning and Protection Organization (EPPO).
  – "We live better without smoking" in cooperation with the Hellenic Thoracic Society.
  – Creation of a brochure on "Instructions for the protection during heat wave conditions".

- Drawing up instructions for:
  – Making in areas of electromechanical equipment in OTE Headquarters building.
  – Safe use of personal protection means in the Building Management area of the OTE Headquarters building.
  – Pedestrian safety in the underground parking of the Paiania building.

Restaurants – Canteens

To meet the everyday needs of employees, 4 restaurants and 31 canteens (9 in Athens, 3 in Thessaloniki and 19 in the rest of Greece) operate in OTE and COSMOTE buildings.

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The management and monitoring of all relevant contracts are under the surveillance of HR Health and Safety Department, which has a full list of restaurants and canteens, monitors their operating hours, and is responsible for the on line publishing of weekly menus in corporate intranets.

In 2014, the following audits by independent external partner were planned and executed, under the supervision of HR Health and Safety Department:

- Inspections in restaurants and canteens:
  - No of inspections: 48 in restaurants and 192 in canteens.
  - No of findings/recommendations: 187.

- Microbiological tests:
  - 72 surface tests.
  - 6 olive oil analyses.
  - 336 microbiological tests of meals/material supplies.
  - 12 water quality analyses.

"We live better without smoking" Program

Based on the philosophy "We live better", OTE-COSMOTE Safety and Health Team, took a series of new initiatives related to awareness, prevention and adopting a healthier lifestyle, for employees.

First actions for 2014 were in relation to quitting smoking and the promise of a better life without it. An experienced team of recognized scientists from the Hellenic Thoracic Society and the Evanggelismos Hospital participated in workshops to support OTE/COSMOTE employees in their effort to quit smoking. The program under the moto "We live better without cigarette!" implemented in the central buildings of the companies in Athens and the periphery and will continue in 2015.

Training on Emergency Situations

As part of the employees training for emergency situations, in 2014, the following actions were taken:

- Identification of and agreement with stakeholders on the list of critical OTE Group buildings.
- Defining and updating the BIC/IRT Groups (i.e.person responsible per building/situation response team).

- Specifying assembly points in buildings.
- Create evacuation – rescue plans for buildings.
- Organization and implementation of safety training and First Aid BIC/IRT.
- validation and operation of escape routes (easily accessible, free of obstacles, without locked exit points).

In 2014, 13 evacuation exercises of the Group's buildings, involving 6,264 employees were planned and executed.

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4.4
Organization Transformation and Effectiveness

In 2014, the operational integration of fixed and mobile telephony activities continued, leading to simplification of procedures, improved operational efficiency and enhancement of the Group's customer orientation and competitiveness. The operational integration is fully completed at the Chief Officers level while at the Division and Subdivision level it is now approaching 80%.

The organizational transformation to improve operational efficiency is underway also in the Group subsidiaries. An example of the transformation is the merger through absorption of VoiceNet by OTE, which is now at its final stage, to provide optimal use of available expertise and experience in specialized telecommunications products and services.

In late 2014, the OTE Group Executive Grading system of Top Management positions was approved, so as to ensure objectivity and transparency in determining the importance of each position, through an internationally recognized methodology. It also provides a reliable platform for the introduction of modern Human Resources management tools in the Group. This project is expected to continue to clarify the position duties of the middle management of the Group, contributing to a more flexible and efficient administration and operation scheme.

Moreover, each new role of fixed and mobile telephony is analyzed and described based on the existing Job Families Model (JFM)of mobile telephony, which is revised and enriched in order to provide transparency for the full understanding of roles and responsibilities of employees and managers in the integrated operations of fixed and mobile telephony. This model will act as the basis for the design of modern structures and roles and their effective recruitment, to support the progress of the Group's transformation now and in the future.

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4.5
Employee Development

The aim of OTE Group is to establish itself as an attractive employer who provides a work environment where every employee has the ability to perform at maximum capacity and to develop professionally. The approach of OTE and COSMOTE for the development of human resources is based on the Guiding Principle "Best Place to perform and grow."

As a modern organization focusing on the customer, the Group also supports the harmonious synthesis of skills, experience and talent. However, even the most talented people need support and appropriate systems to develop professionally.

Performance appraisal management and development, recruitment and selection of the right candidate for the right position, re skilling and up skilling training programs, talent management programs and leadership programs, are amongst the modern professional development and training tools used. Emphasis is given to the creation of individual development plans that include specific actions for the improvement, development and growth of employees.As members of the DT Group, OTE and COSMOTE offer their employees international career opportunities within the Group, as well as best practices and knowledge sharing.

4.5.1
Performance Evaluation and Management

OTE and COSMOTE run for all employee levels an annual performance appraisal and development process. All newly appointed managers with people management responsibilities attend, prior to the annual performance appraisal process, a tailor-made training on how to assess their employees' performance and create an individual development plan based on their needs. In 2014, a total of 129 new mangers attended the training program, and all employees of OTE and COSMOTE (i.e. 100%)

were evaluated according to the Group procedure. The gender ratio for the performance appraisal is therefore, the same as the overall Group-wide gender ratio.

OTE and COSMOTE performance appraisal system is adapted to the vision, mission, values, high performance culture and specific needs of companies and their employees. It is designed with emphasis on strengthening the excellence in customer experience (Customer Experience Excellence) and is harmonized with OTE Group Guiding Principles of Code of Conduct. Finally, it is based on parameters of specific and measurable objectives, professional competencies and performance criteria, which are revised as often as necessary to reflect current standards in the telecommunications sector and the corresponding required expertise.

It should be noted that the adoption of Corporate Responsibility principles is taken into account in the annual performance appraisal process for all employees, by assessing their degree of involvement and participation in the companies' efforts to develop socially responsible behaviour towards the environment, society, fellow employees and the market. Quantitative targets

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have been introduced for certain groups of employees without position responsibilities (eg employees in Sales and Customer Service).

4.5.2
Employee Selection

The aim of OTE Group is to select appropriate recruits for each specific position. How this choice is made contributes to the formation of the Group's image as a modern and attractive employer. OTE Group seeks to be the employer of first choice and to offer all candidates a positive selection experience, whatever the outcome.

The human resources selection process is at the same time a development process for the executives of the operational units and qualified staff of the Human Resources Division who are involved in each time in it. To this end, in 2014 a selection process training session was conducted and an internal document for external and internal candidate selection entitled "Structured Interview Guide" was issued.

In 2014, 89 positions for internal candidates were proclaimed open through 18 notices posted on the corporate Intranet (the 55 new posts were positions of responsibility). The internal recruitment process includes internal information/advertisement, interview and final selection and is enhanced by the application, in collaboration with an external consultant if needed, of specific evaluation/development tests.

For the efficient staffing of a position, to be covered either through the selection of internal or external candidates or through the promotion of internal candidates, OTE and COSMOTE institute Evaluation and Assessment Centers. The Centers represent a valid and reliable candidate evaluation process, as they ensure that all participants have the same opportunity to demonstrate their capabilities and potential in relation to attitudes/professional qualities to be tested. Assessment Centres is an important experience for the development and improvement of each participant, as they are able to receive through experiential exercises constructive feedback and to better understand their potential as well as to meet their development needs. In 2014, 52 assessment centers were run for internal OTE and COSMOTE candidates.

Programs to Attract Exceptionally Talented Employees

In December 2014, the implementation of the first "OTE-COSMOTE Graduate Trainee Program" was announced. This is a new program to attract prospective young employees, not older than to 28, with high quality postgraduate studies and the potential to evolve in tomorrow's leaders of the Group (see. OTE-COSMOTE Graduate Trainee Program).

In 2014 the design of the first program to identify OTE and COSMOTE employees with high potential was announced. This program is scheduled to start in 2015.

Leadership Programs

In order to enhance the skills of managers with group management responsibilities, leadership capacity development programs have been designed and implemented. These OTE and COSMOTE leadership programs are based on the corporate values of the Group and aim at knowledge acquisition and exchange of experience of the staff. They cover issues of guidance, motivation, feedback, communication and overall human resources management.

4.5.3
Employee Education

Training is fundamental to employee development and satisfaction, customer service and competitiveness of a company. At the same time, education constitutes the predominant means of personal development and simultaneously an important communication vehicle for corporate strategy, for change and for strengthening corporate culture.

In the context of harmonization of the Human Resources policies, a common OTE/COSMOTE Human Resources Training procedure was put in effect that describes all the operations required for the design, implementation and evaluation of educational programs offered to employees.

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Participation in OTE and COSMOTE Training Programs, 2014

OTE		COSMOTE	
Total participations:	**6,683**[1]	**Total participations:**	**1,684**[2]
Gender		**Gender**	
Men:	72% (4,796)	Men:	59% (988)
Women:	28% (1,887)	Women:	46% (696)
Employee category		**Employee category**[3]	
Administration:	28% (1,871)	Management	2% (32)
Expert personnel:	4% (286)	Sales:	13% (220)
Technical:	57% (3,776)	Customer service:	9% (144)
Finance:	5% (302)	Constructions, network/IT operations and applications:	17% (288)
Support:	5% (313)	Network and IT applications design and development:	20% (330)
Other:	2% (135)	Specialists:	5% (78)
		Product and services development and promotion	7% (120)
		Business Support:	28% (472)
Employee position of responsibility		**Employee position of responsibility**	
In responsibility position:	13% (869)	In responsibility position:	19% (326)
In non-responsibility position:	87% (5,814)	In non-responsibility position:	81% (1,358)
Total employees who participated in trainings: 4,570		**Total employees who participated in trainings: 1,088**	
Gender		**Gender**	
Men:	71% (3,230)	Men:	55% (598)
Women:	29% (1,340)	Women:	45% (490)

Notes

[1] There were 3,940 additional participations in training programs for OTE employees who are not OTE employees (eg students, trainees).

[2] There were 599 additional participations in COSMOTE's training program who are not COSMOTE employees (eg employees in subsidiaries and employees of contractors).

[3] Under the Job Family Model.

Average Number of Training Hours in 2014

	OTE	COSMOTE
Male employees	13.09	18.63
Female employees	9.16	8.69
Total employees	**11.88**	**13.55**

Notes

Hours per employee were computed on the basis of the mean yearly number of employees.

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Education Program List

In an attempt to develop a human resources strategy for education that is not determined by individual, ad hoc needs, the new educational programs are designed to follow a more targeted approach in order to meet specific needs groups. Moreover, following the latest trends, the emphasis of these programs is on creative thinking, innovation, and the concept of cooperation and teamwork, in an experiential, interactive and structured manner.

With this philosophy in mind a first " Training and Development 2014-2015 Program List" has been put together. The programs on the list are classified by thematic category depending on their educational goal, and are continually enriched. The thematic categories cover areas such as retraining and large scale re skilling/up skilling, talent management, leadership development, management changes, commitment, creative thinking and innovation.

Education Topics

The training and skills development of the two companies cover all areas and issues. The most representative projects for 2014 are:

- **ACT2 – Advanced Certification in Telecommunications Technologies**
  It falls under the category of large scale Re-skilling/Up skilling and is designed for OTE field technicians. The program was attended by 1,454 employees.

- **BC2X – Branded Customer Experience Excellence Program**
  It falls under the pillar of large scale Re-skilling/Up skilling. It is addressed to all employees and aims at cultivating customer experience culture. The program was attended by 5062 employees of OTE and its subsidiaries.

- **B2B Power Performance**
  It falls in the category of large scale Re-skilling/Up skilling and is aimed at managers of B2B. To better meet the relevant educational needs two educational products were designed and implemented. The "B2B Accelerating Account Management Skills", which covers in depth modern practices in Account Management and "B2B Expertise-Solutions – Simplicity", which provides training in products and integrated technology solutions for corporate customers.

- **Design Thinking Workshop "Fresh your Mind"**
  It falls in the category of Creative Thinking and Innovation. The program is addressed to groups that are involved in challenging and complex projects and aim at innovation. It strengthens and encourages creative thinking in experiential and practical ways. The program is based on the three phases of the methodology Design Thinker, namely "Infuse, creative ideas and apply." Participants discover opportunities, connect better with their customers and create actual solutions with business benefits. The program was attended by employees from groups from OTE TV and support groups of the B2B projects.

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- **Magenta MOOC**

  Magenta MOOC (Massive Open Online Course), the first on-line course of the DT Group, was open to all employees and is part of the catefory On-line courses. The 75 and 200 supporters from OTE and COSMOTE who took part in the program worked in teams, along with employees from other countries, companies and functions, getting exposed and focusing on the latest trends of the digital age and entrepreneurship and gaining valuable experience of cooperation at the DT Group level

Professional Certifications

OTE and COSMOTE recognize the value of professional qualifications from reputable institutions with international prestige to enhance the employability of their employees and support the acquisition of certification by their employees. In this respect:

- 1948 employees of COSMOTE were certified in "Customer Experience" by the SOCAP organization.

- 119 employees OTE and COSMOTE were certified in 46 areas of specialization for Cisco, Alcatel, HP, Microsoft, CIA, CISA products.

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4.6
Employee Benefits

OTE and COSMOTE provide a range of benefits and programs for their employees in order to help support the daily needs of themselves and their families, the balance between work and personal life, and to deal with emergencies in their lives. The main categories of benefits are common to OTE and COSMOTE employees.

Main Benefits to OTE Employees per pillar in 2014

Insurance

- Health insurance program for all employees and dependents
- Life insurance program for all employees

Group Products and Services

- Corporate mobile phone and handset subsidy
- Fixed telephony packages, internet and TV OTE for all employees, but also possibility to purchase company products at special prices

Other Benefits

- Provision of special prices for goods and services of other companies
- Promotion, through a draw, of tickets to sporting and cultural events
- Staff bus for transportation of personnel to and from subway stations and commuter rail
- Provision of multitrip card or e-PASS, for employees in the Paiania building
- Operation of restaurants/canteens in central buildings of the company

Family

- Cost subsidies for babysitting and toddlers
- Saving program through the "Youth Account" program
- Wedding gifts
- Financial support of employees
- Financial rewards for graduation with high honors of employees' children from public institutions of higher education or language training
- Financial rewards for employees' children who excel in institutions of higher education
- Implement specific policies for working mothers and people with disabilities
- Special support for large families
- Financial support through "Fund for Mutual Help" for health expenses
- Christmas gifts to employees' children

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Main Benefits to OTE Employees per pillar in 2014

Free time – Vacation

- Through OPAKE, OTE offers its employees stay in privately owned resorts and at selected hotels in Greece and abroad

Athletics

- Conducting internal championships in team sports' basketball and volleyball "and participation in other enterprises' championships
- Operation of fitness facilities in the Paiania building

Main Benefits to COSMOTE Employees per category in 2014

Insurance

- Health insurance program for all employees and dependents
- Life insurance program for all employees
- Pension Plan

Group Products and Services

- Corporate mobile phone and handset subsidy
- Fixed telephony packages, internet and TV OTE for all employees, but also possibility to purchase company products at special prices
- Ability to purchase products through the branch network with special discounts for COSMOTE employees

Other Benefits

- Provision of special prices for goods and services of other companies
- Promotion, through adraw, of tickets to sporting and cultural events
- Issuing of food vouchers
- Staff bus for transportation of personnel to and from subway stations and commuter rail
- Provision of multitrip card or e-PASS, for employees in the Paiania building
- Operation of restaurants/canteens in central buildings of the company

Family

- Cost coverage for babysitting and toddlers
- Implement specific policies for working mothers and people with disabilities
- Financial support of employees
- Financial rewards for employees' children who excel in institutions of higher education
- Flexible working hours and the purchase coupon Christmas gift for each child, for all employees
- Christmas gifts to employees' children

Free time – Vacation

- Through OPAKE, COSMOTE offers its employees stay in privately owned resorts and at selected hotels in Greece and abroad

Fitness and Sports

- Internal 5x5 championship
- Conducting internal championships in team sports' basketball and volleyball "and participation in other enterprises' championships
- Operation of fitness facilities in the Paiania building

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4.7
Internal Communications

OTE and COSMOTE aim to maintain transparent and interactive communication with their employees, through a range of media, so as to promote knowledge, teamwork, participation and mutual collaboration. The key tools used by the companies include the OTE "U-link" intranet and the COSMOTE "Mikrocosmos" intranet, emails and SMS, OTE-COSMOTE e-Newsletter, leaflets and posters, personal updates, communication campaigns, promotional activities and satisfaction surveys. In effect, the companies' target to extend all internal communication programs countrywide was achieved utilizing all available tools. To this end, for the year 2014:

- Corporate Intranet sites received a total of 2,800,000 visits.

- On a monthly basis, 81% on average of OTE and COSMOTE employees visited U-link and Mikrocosmos sites.

- 26 e- newsletters were issued, covering more than 200 topics and enhancing the dissemination of information.

- 115 (13% increase compared to 2013) articles about Corporate Responsibility matters, were generated and published on U-link and Mikrocosmos sites.

- The Intanet Sites were utilized for the presentation of the analytical results of two Pulse Surveys, held in May and November 2014.

- 50 articles, exclusively about Human Resources issues were generated and published on OTE-COSMOTE e- newsletter. More information for health and safety aspects can be found in the Health and Safety Prevention and Awareness.

Moreover, in May 2014, a targeted project to redesign home-pages of both U-link and Mikrocosmos intranet sites, was carried out so as to optimize the browsing experience of employees and to facilitate their access to information.

In 2014, the following internal communication campaigns and promotions were implemented:

- 2 campaigns to inform employees and encourage their participation in the satisfaction surveys.

- 2 campaigns to inform and sensitize all OTE Group employees in Compliance issues.

- 2 campaigns about "Recycling" aiming at educating and motivating employees to recycle properly by making use of the recycling bins installed in 6 OTE Group buildings.

- 2 campaigns about "Blood Donation" (March-May and October-December) with the aim to motivate employees to offer blood at the special facilities set up in 6 OTE-COSMOTE buildings in Attica.

- An educational below the line activity about 'recycling', in the form of e-skill game on portable tablets with useful giveaways, in 4 buildings in Attica and 2 in the province and a target audience of 6,000 employees.

- A promotional "call to action" activity with the aim to trigger employees' participation in food collection and charity bazaar events to support NGOs were organized in 2 buildings in Attica, with a target of 3,500 employees.

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Also in 2014, the following conferences
were organized:

- Short Conferences (50-150 employees):
  B2B, Customer Experience (C2X), Technology
  and Operations Directorate meeting.

- Large Conferences (400 employees):
  Management Team Meeting.

Finally, in October 2014, "Customer Care Week",
a program of activities and interactive events for
call-center reps was implemented with pool of 13
activities in 11 buildings and 5 cities and a target
group of 4,500 employees.

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4.8
Employee Engagement and Satisfaction

OTE and COSMOTE regard the involvement, the commitment and the satisfaction of their employees, as necessary ingredients for their successful operation.

4.8.1
Employee Engagement

OTE and COSMOTE believe that the employee engagement and loyalty is crucial for the success of a company. The aim of the companies is for their employess not only to think and speak positively about the companies, but to regard in a spontaneous and heartfelt way the OTE Group as an excellent environment to work and grow. OTE and COSMOTE also trying to constantly inform employees about the strategic, technological and organizational changes made and to seek the understanding and active participation of employees.

The involvement and commitment of employees is directly related to communication. OTE and COSMOTE aim to create and maintain a work environment characterized by an open communication and dialogue culture.

For the dissemination of corporate goals and strategy to all executive staff a meeting of the Management Team was held in 2014 as well.

It should be noted that Management style has a decisive role in all key parameters affecting the commitment and identification of employees with the company.

The companies encourage their employees to communicate openly, using all available media, such as meetings and presentations, workshops, internal briefings and employee satisfaction surveys, as for example the following:

"Storytelling Lab"

A workshop for creative storytelling and presentation skills. This is recommended for understanding how a particular strategy works through storytelling. Participants experience a constructive approach, are sensitized and become spontaneous ambassadors of the strategy in their work environment.

In 2014, a total of 20 workshops on storytelling for employees of OTE and COSMOTE were conducted on the ONE DT EUROPE strategy, for member companies of the Group DT.

"Getting in Synch"

Experiential program, in which employees work together in groups and discuss creative strategy and effective cooperation. It is applicable to cases of operational integration of units, new organizational structures and updating strategic objectives and general changes affecting one or more operational units.

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"Welcome on board" for New Employees

Under the banner "Welcome on board" a reception program of new employees in OTE Group was initiated in early 2014. The strategy and corporate values, the awareness of customer experience issues and the modern telecommunications technologies are some of the main themes of the program, attended by 690 young employees (11,440 hours of training). One of its strong points is the support and presence of 57 speakers from the operational units of the Group, which aims to ensure a climate of teamwork, common culture and communication within the Group companies.

4.8.2
Employee Satisfaction

OTE and COSMOTE recognize the benefits of employee satisfaction surveys conducted on a regular basis. The conducting a biennial Employee Survey and half-yearly Pulse Surveys are considered important internal corporate feedback tools. In addition, these surveys are reliable diagnostic tools to identify possible changes and needed improvements and to develop action plans. The results of employee surveys are communicated through corporate Intranets and thoroughly discussed in meetings held at the organizational unit level.

In 2014 OTE and COSMOTE carried out two Pulse Surveys (in May and November) with the participation of employees in the November Pulse Survey reaching 70%.

The Group wide Employee Satisfaction Survey will take place in April 2015 and the next Pulse Survey in November 2015.

The feedback culture which is cultivated in the companies is illustrated by the participation in 2014 of employees in other surveys such as the Operational Safety survey, the satisfaction survey carried out by the caterers of the Group restaurants and the thermal comfort survey in the OTE-COSMOTE green building in Paiania.

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5.0
Society

SOCIETY

" *We strive to support vulnerable groups and those most affected by Greece's economic crisis.*

Supporting Society / *We support those who need us more*

€ 2,854,324 IN SOCIAL CONTRIBUTION
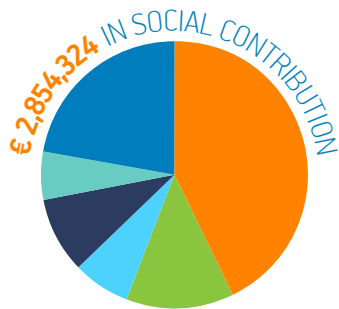
42% Vulnerable social groups and children
22% Education
6% Entrepreneurship
9% Culture
7% Sports
13% Local Community

MORE THAN
70
SOCIAL NGOs SUPPORTED

MORE INFO ›

Supporting Education / *We develop and participate in education initiatives*

MORE INFO ›
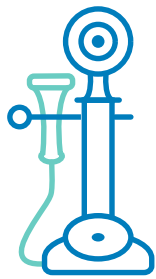
12,129
People visited the OTE Telecommunications Museum

About
480
senior citizens trained through the "Access to the Digital World" training program

More than
€ 374,000
in Scholarships and Honorary Distinctions awarded, through our Scholarship Program

Employee Volunteering
We promote employee volunteering

MORE INFO ›

6,182
Employees participated in four CR initiatives

2,912
Blood units collected

Over
700
Employees ran for a good cause

Social Products and Services
We facilitate our customers' well being

22,000
Social products and services for senior and visually impaired citizens

Over
320,000
Calls in Help Lines supported by OTE

€ 2.6m
Discounts for vulnerable groups

MORE INFO ›

5.1
Strategy for Society

During these challenging times for Greece's economy and society, OTE and COSMOTE support vulnerable social groups and local communities, aiming to cover directly their most pressing needs.

Specifically, the two companies implement their own social programs and simultaneously participate in a series of social initiatives aiming to contribute to the communities where they operate. They invest in developing the skills of future generations and in enhancing the digital capabilities of senior citizens, they provide assistance to children and young people in need and they offer special products and services for vulnerable social groups.

Simultaneously, in order to improve the management of corporate responsibility issues, they systematically evolve internal mechanisms and processes of social contribution.

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Some illustrative procedures, implemented by the companies include the following:

- The Chairman and CEO, as well as the Senior Management, monitor the goals and the Corporate Responsibility strategy and are systematically informed on the progress of the most important on-going programs.

- All sponsorships and donations are approved by the Chairman and CEO, after the evaluation by the OTE Group Compliance, ERM and Insurance Directorate.

- A systematic dialogue with the stakeholders is ongoing. Taking under consideration the

needs of interested parties, new initiatives for the society are proposed, while data, related to measuring the impact of programs on society, are collected.

- The companies' strategic approach, regarding society programs and stakeholder engagement on these issues, covers 100% of their operations in Greece.

The costs for the application and implementation of these programs are presented in the following table.

Type of Expenditure (€)	OTE	COSMOTE	Total
Sponsorships/Donations in kind	324,736	183,745	508,481
Financial support (via donations & sponsorships)	991,538	1,354,305	2,345,843
Total Social Contribution	1,316,274	1,538,050	2,854,324
TV/Radio Fundraising OTE- "I Offer" Service COSMOTE	13,813	74,418	88,231
Total	1,330,087	1,612,468	2,942,555

OTE and COSMOTE, through donations and sponsorships (financial and in kind), supported vulnerable social groups and children, education activities, entrepreneurship, culture, sports and local communities.

Social Contribution OTE 1,316,274
- Sports 6%
- Culture 13.5%
- Local Communities 4.3%
- Entrepreneurship 6.8%
- Education 24%
- Vulnerable Social Groups and Children 45.4%

Social Contribution COSMOTE 1,538,050
- Education 20%
- Vulnerable Social Groups and Children 39.8%
- Sports 7.9%
- Culture 5.8%
- Entrepreneurship 5.7%
- Local Communities 20.8%

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The amounts of the companies' social contribution include only donations and sponsorships (financial and in kind) and have not taken into account their operating costs for the design and implementation of actions, and the cost of OTE and COSMOTE services and products associated with these actions. To better inform all interested parties, the amounts presented in this Report include the amount of the companies' contribution (financial and in kind) to vulnerable social groups, children, education, entrepreneurship, culture, sports and local communities. In previous years, the companies stated only the amounts corresponding to the support of vulnerable social groups, children and education.

The companies' major goal, is to try to measure, where possible, results from the application of these programs, in order to evaluate and review their social contribution in the future.

OTE and COSMOTE estimate that, in total, about 882,933 people have benefited from the companies' actions to support vulnerable social groups, children, education activities, culture, sports and entrepreneurship. Finally, it should be noted that the companies have taken initiatives contributing to the well-being and sustainability of local communities in all regions of Greece.

Donut chart showing Beneficiaries 882,933:
- Vulnerable Social Groups and Children 30%
- Sports 11%
- Culture 32%
- Entrepreneurship 4%
- Education 23%
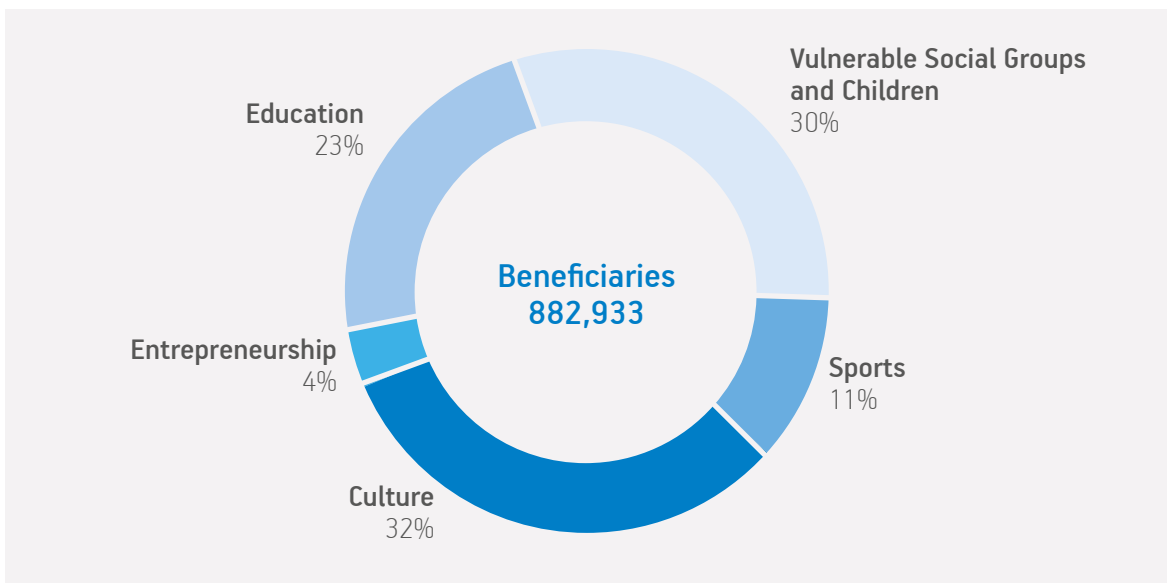
Key Achievements in 2014

- Support of vulnerable social groups, children and education with more than **€1.8 mn** by both companies (financial and in-kind support).

- The companies have supported over **70 institutions**, which provide care to vulnerable social groups and children.

- OTE offered discounts of more than **€2.6 mn** to the elderly and to people with disabilities.

- The companies have provided more than **22,000** fixed and mobile telephony products, specially designed for senior citizens and people with impaired vision.

- Through the OTE-COSMOTE Scholarships Program, **50 Scholarships** and **Honorary Distinctions** were awarded, reaching the **amount of €374,360**.

- In total, **6,182 employees**, of both companies, participated in four CR initiatives.

- All **modern communication infrastructure,** needed for conducting underwater research in the Antikythera shipwreck in the scope of the "Back to Antikythera" project, is installed in the island of Antikythera.

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5.2
Social Products, Services and Offers

OTE and COSMOTE, contribute to improving the quality of life of vulnerable social groups, people with disabilities, senior citizens and students, through the use of new technologies. In particular, they provide special products, services and discounts in order to facilitate access and communication of these groups. At the same time, the companies implement and support actions and social contribution programs, through the use of telecommunications products and services.

5.2.1
People with Special Needs, the Elderly and Socially Vulnerable Groups

OTE and COSMOTE pay particular attention to equal opportunities and facilitate access for people with disabilities through specific products, services and discounts.

In 2014, OTE provided discounts amounting to €2,649,044.71 to the elderly and to people with disabilities.

Focus	Product/Service	2014 Reach
Elderly people	Fixed and Mobile Telecommunications' products and accessories, specially designed for the elderly and for people with sight problems	**22,775** units
	OTE discount for the elderly (aged 65+)	**19,806** people
People with disabilities	OTE discount on telecom services	**19,261** people
	OTE Instant Alert Service (includes elderly people)	**830** people
	COSMOTE MobiTalk service- offered free of charge	**432** active users
	COSMOTE Voice e-mail service- offered free of charge	**709** active users
	COSMOTE 50% discount on SMS charges and videocalls for customers with hearing problems	**358** people
NGOs/Institutions	OTE Prepaid Calling Cards and COSMOTE Top up cards, with total value of € 50,776, provided to NGOs and Correctional Facilities	**10,894** Prepaid Calling Cards and top up cards

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COSMOTE Services for Visually Impaired People

- **MobiTalk**

  In collaboration with the Institute for Language and Speech Processing, COSMOTE offers MobiTalk service to people with vision problems, which aims to facilitate the use of mobile phones by these individuals. Through the use of this software, all information shown on-screen, as users navigate the various menus, is vocalized. This service is offered free of charge.

- **Voice e-mail**

  This service provides to people with sight problems the ability to manage easily their e-mail. Through voice recognition technology, users are able to listen and respond to their e-mail through voice commands, and to hear the list of incoming messages, free of charge. At the same time, users can forward and delete emails.

5.2.2
Students

Students continue to occupy a special place in the Corporate Responsibility program of OTE and COSMOTE. The objective of both companies is to help students gain access to technology, providing them with the necessary tools for their development:

- In 2014, OTE continued to offer broadband connections to students, at attractive prices, with 16,700 students benefited from this discount. In the same context, COSMOTE, in order to contribute to the comprehensive coverage of students' major telecommunication needs throughout their studies, has also made available special offers and discounts. More than 30,000 students have benefited from the COSMOTE offers for students with a tariff plan.

- In the scope of action "GET ON BOARD III" OTE, COSMOTE and Germanos approached approximately 85,000 students and offered them substantial discounts on telecommunications and digital products. In addition, more than 50,000 students won gifts, through instant win one to one promotion, such as Student Packages (including Smart TVs, Notebooks, Game consoles, Multi-purpose office printers), Smartphones, Tablets, 250€ worth prepaid cards, and thousands more gift items.

5.2.3
Public Helplines, Services and Offers

Yet another year, fixed and mobile services were used for making free emergency calls. In 2014, the European emergency number 112, operated by OTE in Greece, received 2,758,729 calls, of which 35,885 were re-directed to national emergency numbers (100, 199, 166, 108, 197, 1056)*.

OTE continued to provide telecommunications infrastructure and financial support for the operation of the following helplines for vulnerable social groups, and especially for children in need:

Helplines	Calls received in 2014
SOS 1056 of "The Smile of the Child" NGO (15 years of support)	**283,369** calls
116000 European Hotline for missing children, "The Smile if the Child" NGO (7 years of support)	**7,151** calls
11525 Advice Helpline of "Together for Children" NGO, (5 years of support)	**6,103** calls
116111 helpline of the "European Helpline for support of Children and Youth" (6 years of support)	**15,092** calls
80011 80015 helpline "MEYpostirizo" of the Adolescence Health Unit (7 years of support)	**2,000** calls
1018 National Suicide Prevention Hotline of "KLIMAKA" NGO (6 years of support)	**6,577** calls

* Note that the ability to communicate via 112 to 197 lines (Social Aid Lines) and 1056 (National Hotline for Children SOS of "The Smile of the Child" NGO) was operational also in previous years, but as the number of incoming calls was not large, they were not recorded separately but were added to calls to the 166 line. Since 2014, after consultation with the General Secretariat for Civil Protection, under whose responsibility the 112 line operates and the rise of the number of calls asking to be connected to these lines, the tracking and reporting of the 2 groups of lines is done separately.

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"Televoting" Service OTE – "I Offer" Service COSMOTE

For the 9th consecutive year, COSMOTE collaborated with the other two mobile operators (VODAFONE and WIND HELLAS) to provide the service "I Offer", with the aim to provide substantial support to social institutions and NGOs. Through this service, these institutions make use of short messages (SMS) to carry out radio and TV marathons. Specifically, the service operates three 5-digit numbers dedicated exclusively to charity contributions. The activation of the service requires the timely filing of an application and the submission of the required documents, by the NGO requesting the service activation. The person who wishes to contribute sends an SMS with a word related to the content of the charitable purpose, at a cost of €1 plus VAT, to the predetermined digit number. The total gross, proceeds from the use of the service, is given to the charitable institution that made use of the service. In 2014, the "I Offer" service was activated more than 15 times and the total amount of money collected by COSMOTE and provided for charitable purposes, reached the amount of €74,418.

OTE, for many years, provides the "Televoting" service and cooperates, among others, with NGOs, actively and substantially supporting the work of these institutes. The "Televoting" services' enhanced Service Numbers – series that OTE provides, are also used in the conduction of radio and TV marathons. More specifically, OTE subscribers calling the Televoting service, and listening to a recorded message, are charged automatically, according to OTE's official tariffs. OTE provides the "Televoting" service, supporting the charitable work of NGOs, through financial contribution, by the incomes collected by the use of the service. In 2014, the "Televoting" service was used by approximately 27 institutions and the extra amount of money raised during the marathons and offered by OTE, amounted to €13,813.

Offers for Unemployed and Pensioners

COSMOTE, focusing on subscribers who belong to specific social groups that are heavily affected by the economic crisis, supports the unemployed and pensioners, by providing a discount on their monthly fee, since 2010. This offer was warmly received by the Greek society, thus it is further extended in 2015.

COSMOTE DEALS for YOU

COSMOTE has proved in practice that it is addressing the needs of its consumers, by adapting appropriately its services and creating innovative ones.

COSMOTE was the first provider in the Greek market that offered "2 FOR ONE", an affordable entertainment program, aimed at rewarding its customers. Since 2008, COSMOTE has been collaborating with leading companies in the entertainment industry and covers – in the most economic manner – the leisure and entertainment needs of all social groups, by using an extremely simple and easy mechanism, namely by sending an SMS. In 2012, aiming to meet even more customer needs, the "2 FOR ONE" program was expanded and given a new name: "COSMOTE DEALS for YOU".

In 2013 and 2014, the "COSMOTE DEALS for YOU" was further enhanced to meet wider needs and desires of COSMOTE's subscribers, both through the enrichment of the package with more exclusive offers in areas of high interest to consumers, such as travel, food/drink and culture, but also through wider geographic coverage of the offers. At the same time, the SMS cost for participation in the program was reduced by 50%, to only €0.50. It is worth mentioning that participation in the program is increasing year by year. In 2014, 8% more unique users participated in the program, compared to 2013. More than 390,000 participants/unique users sent more than 780,000 SMSs, while more than 335,000 participants/unique users took advantage of the offers, through the redemption of 490,000 codes.

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5.3
Supporting Vulnerable Social Groups and Children

OTE and COSMOTE, in 2014, supported more than 70 NGOs and institutions caring for vulnerable social groups and children. The companies provided support through financial contribution or by offering free telecommunications products and services, such as fixed and mobile connections, call centers, internet services, OTE TV, OTE Prepaid Cards, as well as by offering basic necessities, such as clothes, food, medicines, etc.

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An indicative list of institutions that received support from OTE and COSMOTE, in 2014, is presented below:

- "Together for Children"*.
- "The Smile of the Child".
- Association of Parents of Children with Cancer "Floga".
- Friends of Social Pediatrics "Anoixti Agkalia".
- Cerebral Palsy Greece.
- Hellenic Society for the Protection and Rehabilitation of Disabled People (ELEPAP).
- Association for the care of people with Muscular Dystrophy diseases "MDA Hellas".
- Association of Social Responsibility for Children and Youth (SKEP).
- "Make-A-Wish" Greece.
- Pan-Hellenic Association for the Protection, Information and Assistance of Children with Heart Disease "Child's Heart".
- "Pediatric Trauma Care" Association.
- Charitable Association "Kivotos Agapis".
- "Dikaioma sti Zoi" Organisation (Right to Live).
- Parent – Teacher & Friends' Association for children with heart diseases of N. Greece "Children's hearts".
- Institution for the Child "PAMMAKARISTOS".
- "Melissa" Orphanage for Girls.
- "Ark of the World".
- "Merimna" The Society for the Care of Children and Families Facing Illness and Death.
- Vocational Training Center "Margarita".
- Athens Municipal Creche.
- Lighthouse of the World (Faros tou Kosmou) Institution.
- Workshop of Special Vocational Training and Rehabilitation for People With Intellectual and Associated Disabilities "Panagia Elesousa".

- "Hellenic Children's Village" in Filyro.
- Pan Hellenic Association of Parents, Guardians and Friends of visually impaired people with additional special needs "Amymoni".
- "Amymoni" Association Thessaloniki.
- Association for the Psychosocial Health of Children and Adolescents, "A.P.H.C.A".
- Institute of Child Health.
- Centre for Artistic and Pedagogical Training "Schedia".
- "Agapi" Association.
- Special Olympics Hellas.
- Gentle Carousel.
- Workshop for Special Vocational Education and Training of Xanthi.
- Archdiocese of Athens philanthropic organization "Mission" (Apostoli)
- Food Bank Greece.
- K.Y.A.D.A. (Hospitality and Solidarity Centre of the Municipality of Athens).
- "Klimaka" NGO.
- "Diogenis" NGO.
- Scientific Mastological Society – Healing –Support "E.M.E.I.S."
- "Agia Sophia" Children's Hospital.
- National association of OTE employees and pensioners parents of handicapped children.
- Panhellenic Association of Women with Breast Cancer "Alma Zois".
- Scouts of Greece (SOMA HELLINON PROSKOPON – SHP).
- Adolescent Health Unit (2nd Department of Pediatrics, "P. & A. Kyriakou" Children's Hospital).
- 50+ Hellas NGO.

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* The Association «Together for Children» is an is a non-profit organisation, comprising 10 member-organizations that work in the field of child welfare: Cerebral Palsy Greece, Children's Home Foundation, Social Work Foundation "Hatzipaterion" – Rehabilitation Centre for Children with Cerebral Palsy, "Hara" Centre for Individuals with Special Needs, Merimna's Friends Foundation, Friends of the Child, Panhellenic Juvenile Diabetes Union (P.J.D.U.), "PNOE" Friends of Children in Intensive Care, "Friends of Theotokos" Association, ELIZA-Society for Prevention of Cruelty to Children.

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Day of Love – Day of Inspiration

In March 2014, OTE and COSMOTE celebrated 15 years of ongoing support to children in need at a special event, that was held in the framework of "Day of Love – Day of Inspiration" to honour 17 non-profit organisations and the 4,500 volunteers, working to improve the living conditions of more than 150,000 children. In addition, in order to further sensitize the companies' employees and to promote volunteering and the importance of the contribution, 11 companies' executives visited institutions for children and participated in educational activities and also, more than 140 OTE Group employees attended the event.

The companies, over the years, have supported more than 40 NGOs caring for children, with more than €5.5 mn.

Christmas Bazaar at the premises of OTE-COSMOTE to support actions for children

OTE and COSMOTE hosted at their headquarters, in two main buildings in Athens, a two-day Christmas bazaar for 7 NGOs that provide care to children, in order to support their work. Over 2,500 employees participated in Collection of Food Supplies program, visited the bazaar and purchased their Christmas gifts from the kiosks of the following NGOs: "The Smile of the Child", Cerebral Palsy Greece, Hellenic Society for the Protection and Rehabilitation of Disabled People (ELEPAP), Association of Parents of Children with Cancer "Floga", Friends of Social Pediatrics "Anoixti Agkalia", Hatzikyriakio Childcare Institution and "Make-A-Wish" Greece. In total, throughout 2014, the amount of about €14,500 was collected by the NGOs, during the bazaars held to support 12 organisations in total.

Meanwhile, Cosmotebooks.gr e-shop, in cooperation with publishing companies Patakis, Metaichmio, Psichogios, Papadopoulos, Dioptra, Kastaniotis, and Minoas, donated 362 books to all these institutions.

Free OTE TV Services for Children's Associations

In the framework of the OTE Group's Corporate Responsibility Program, OTE TV provides free services and equipment to the Children's Pediatric Oncology Unit "Marianna V. Vardinoyannis – Elpida", the Association of Parents of Children with Cancer "FLOGA" and to the community homes of the Organization "The Smile of the Child". Through

this offer, more than 480 children, hosted in the facilities of the aforementioned institutions and their families, can watch their favourite children's and sports programs in OTE TV.

In November 2014, OTE TV held a special event held in the Children's Pediatric Oncology Unit "Marianna V. Vardinoyannis – Elpida" with honorary guests actress Carmen Rouggeri and four athletes of the Greek National Football Team of 2004, Angelos Basinas, Dimitris Papadopoulos, Giourkas Seitaridis and Stelios Giannakopoulos. Carmen Rouggeri entertained the children by reading them a fairy tale to the accompaniment of music, while the four athletes played table football with them and all together, distributed to the children a fairy tale book and a soccer ball, as gifts.

Children from NGOs watched the Cirque du Soleil's show "Quidam", with OTE as its grand sponsor

For the third consecutive year, OTE presented Cirque du Soleil in Greece and its new magical show "Quidam", that traveled for the first time ever to Thessaloniki after the Athens performance. OTE, for yet another year, gave joy to children supported by NGOs, by offering them free invitations for this unique show. Overall, more than 500 children and representatives from 8 institutions in Athens and Thessaloniki attended this special show.

Invitations, for the performances of Cirque du Soleil in Athens, were distributed to children from the following NGOs: "The Smile of the Child", Elefsina Love Centre, "Ark of the World", Association of Parents of Children with Cancer "FLOGA" and Child Protection Foundation "Hatzikyriakio". Similarly, the "Quidam" performances in Thessaloniki were attended by children and representatives from the following organizations: SOS Children's Village in Plagiari, "Melissa" Orphanage for Girls, "Hellenic Children's Village" in Filyro and "The Smile of the Child".

Supporting "Gentle Carousel Greece"

The "Gentle Carousel Greece" is a non-profit organization that has trained miniature horses which visit and spend time with children and adults belonging to vulnerable social groups and aims to provide them psychological support and improve their condition. OTE, in 2014, covered the costs for four visits of these miniature horses to three organizations and institutions. The program included visits to the hostel of the Association "Floga", two visits to the institution "Open Door" and a visit to PIKPA Voula.

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5.4
Supporting Education

Training and development of "technological" skills is essential, both for the young and for people of all ages. OTE and COSMOTE implement and support programs and actions in this direction, in order to reduce the digital divide and to train the youngsters. The companies plan, implement and participate in initiatives for the education of children and the youth of the country, in order to help them:

a) cope with the major educational challenges,

b) prepare for professional and personal development,

c) and utilize the unlimited possibilities of technology and Information society.

At the same time, OTE and COSMOTE support the academic community and the Universities of the country by providing support for research and for connection to the market, by attracting talented students and by offering scholarships. Furthermore, focusing on the education of children and young people and in particular on the information and communication technology fields, OTE offers comprehensive educational programs and activities for children of all ages at the OTE Telecommunications Museum.

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Scholarship Programs – Students Competitions – Educational Programs 2014

Program	Company	Contribution
OTE-COSMOTE Scholarships Program: for students who face financial and social difficulties	OTE-COSMOTE	50 Scholarships and Honorary Distinctions (20 Scholarships with full support for the whole duration of their studies-and 30 Honorary Distinctions financial awards)
Hellenic Educational Robotics Competition for Primary School Children	OTE-COSMOTE	• Financial support for the implementation of the competition • Participation costs coverage for 150 groups • Gifts to the 3 winning teams of the competition • Promotion of competition from OTE TV channels
Graduate Trainee Program	OTE-COSMOTE	10 talented young people, holders of postgraduate degrees, will participate in the 18- month program
"Access to the Digital World" Program	OTE-COSMOTE	• Financial support for the implementation of the program • Technological equipment for the conduction of the program
Scholarship Program at the American Farm School of Thessaloniki: students from South-East Europe (Greece, Albania and Romania) receive scholarships at the "Dimitris Perrotis" College, in fields such as agro-tourism, the food industry and environmental protection	OTE-COSMOTE	3 scholarships awarded
Greek Mathematical Society Competitions ("Thalis", "Euclides", 'Archimides" National Competition for elementary school students)	OTE-COSMOTE	Support of four national Competitions, with the participation of over 95,000 Elementary, Middle school and High school students
Scholarships at the Department of Banking and Financial Management of the University of Piraeus	OTE-COSMOTE	2 scholarships awarded to post-graduate students with exceptional academic performance
8th South Eastern European Mathematical Competition for University Students with International Participation (SEEMOUS)	OTE-COSMOTE	Support of the Greek Team in Mathematical Olympics held in Romania
Work Experience and Skills Development Offered to Students	OTE-COSMOTE	• Internship for 748 students in OTE Group • 80 pupils and students participated in COSMOTE's Students Visit program
PC Donation Program	OTE-COSMOTE	Computer and other technological equipment offered to schools and NGOs
National Student Competition " LYSIAS"	OTE	• Financial support for the conduction of the competition • Gifts for the 12 winners • Hosted LYSSIAS platform on the OTE server
Educational Programs at the OTE Telecommunications Museum	OTE	Organization of educational programs concerning telecommunications, focusing on children, adolescents and families, offered free to the public and school groups
Panhellenic Competition of Student newspapers organized by the newspaper "TA NEA"	COSMOTE	Gifts for the 15 winners of the competition

The Public Awareness Section of the Environment Chapter presents additional information on environmental educational activities for children.

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OTE-COSMOTE 2014 Scholarships Program

With the OTE-COSMOTE Scholarships Program marking in 2014 its 13th year of implementation, 20 Scholarships and 30 Honorable Distinctions, amounting to €374,360, were awarded to 50 young men and women, providing them great assistance for their studies. It is worth pointing out that the Scholarships Program was enhanced in 2014, by increasing the number and the amount of Honorable Distinctions.

More specifically, in 2014, OTE and COSMOTE offered 20 Scholarships of €20,000[1] and 30 Honorary Distinctions of €3,000[2] each, to first year students, for their studies in University departments of Tertiary Education Institutes in Greece. Since the beginning of the program, in 2002, a total of 166 Scholarships and 313 Honorable Distinctions have been awarded, worth more than €2.94 mn. In 2014, over 1,500 students have expressed their interest and more than 1,000 students applied to the program. In addition to the financial aid, the scholarship and honorary distinctions recipients of the academic year 2013-2014 also received free connection to an OTE Double Play 24Mbps Unlimited Plus Program, tablets and smartphones, free of charge monthly fee on COSMOTE Cost Control Student contract plan, combined with a waiver of the monthly fee on COSMOTE Internet On The Go Student, for the official duration of studies for each faculty and free access to the OTE TV Full Pack services for a year.

Support of Educational Robotics Competition for Primary School Children

OTE and COSMOTE sponsored the 1st Pan-Hellenic Educational Robotics Competition, for primary school children, organized by the nonprofit organization WRO Hellas, with the valuable assistance of the Pan-Hellenic Informatics' Teachers Association (PEKAP), under the auspices of the Ministry of Education & Religious Affairs.

The competition under the theme "My town" is addressed to children 8-12 years old from all over Greece. It was launched in late October 2014 and was completed in March 2015. The target of the

competition was to develop children's' talent, imagination and scientific skills, through the creation of a complete robotic construction-model.

As part of their sponsorship, OTE and COSMOTE developed a series of promotional and communication actions of the competition, while OTE TV was serving as the Communication Sponsor of the project. In addition, the two companies covered the cost of 150 entries and offered the rewards for the winning teams.

The contest is part of a wider effort to spread the new educational method STEM (Science-Technology-Engineering-Mathematics) and its incorporation in the student instruction and education system in Greece.

PC Donation Program

For the 9th consecutive year, OTE and COSMOTE continued to contribute to the technical equipment of schools and non-profit organizations through the "PC Donation Program". In particular, both companies have delivered, in the last two years, 125 refurbished computers and other technological equipment. Apart from its social contribution, this action contributes to environmental protection, as the re-use of the computers conserves raw material and reduces electronic waste.

"Access to the Digital World" Program

The "Access to the Digital World" program was initiated in 2012, in the Municipality of Ilioupolis, in cooperation with the NGO "50+ Hellas". With this program, OTE and COSMOTE seek to promote lifelong learning and enhance accessibility to the digital world of people 50 years of age and over, an objective embedded in their corporate responsibility strategy to support education and combat the digital divide.

The program offers free courses on the basics of computer and internet use to people older than 50 years with no previous computer experience. Two and four hour seminars are also offered on touch technology programs with smartphones and tablets, but also on learning about Skype and social media (Facebook, etc). OTE and COSMOTE provide

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[1] Legal taxes, excises, deductions, and any other expenditure necessary for receiving each scholarship shall burden each recipient separately. The net amount will be paid to the scholar in three (3) equal installments.
[2] Legal taxes, excises, deductions, and any other expenditure necessary for receiving each honorary distinction shall burden each recipient separately. The net amount will be paid in a lump sum within a reasonable time frame.

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all the necessary equipment such as computers, smartphones and tablets and the technical support of the program.

During the academic year 2013-2014 (the second year of implementation) 24 groups, with 20 people per group, received computer and internet lessons. Each group attended 2-hour classes twice a week for 6 weeks. In addition, 76 hours of seminars were offered. Approximately 480 people with an average age of 64 years participated. Attendance in the program was impressive as 88% of participants completed the program without absences.

On the third year of implementation (2014-2015), the program is to be extended to the municipality of Agios Dimitrios in Attica.

Educational programs at the OTE Telecommunications Museum

The Telecommunications inventions of mankind from antiquity to the present day, in its attempt to overcome the barriers of space and time, compose the collection of the OTE Telecommunications Museum, a museum unique for ITC and among the few technology museums in Greece. The museum was founded in 1990 and has a collection of more than 4,500 ITC exhibits and rich archival material. It includes early telephones, morse telegraphs, wireless communication systems, early telefax devices, telex, fiber optics, a collection of old telegrams, the first Greek television studio and exhibits on the development of mobile telephony. A key activity of the Museum is its daily program of guided tours to school groups and individual visitors. At the same time, it organizes museum-pedagogical programs, concerning telecommunications, specially tailored for children, adolescents and family groups.

During the period September 2013 – August 2014, the Museum received a total of 12,129 visitors, a considerable increase compared to previous years. During this period, the Museum implemented specialized educational programs, by category and age group and carried out events and exhibitions, such as:

- Guided tour entitled "From Telecommunication inventions of the ancient Greeks to the satellite and mobile telephony": attended by 7,563 visitors.

- Visual Art Workshops for parents and children 5 to 10 years old ("Tilefonoulis,

Doryforakias, Fryktoridis, Captain Thales in Telecommunications Museum", "Guess what"): attended by 1,195 parents and children.

- The technology workshop "Explorer in Telecommunications Museum", for children 8-13 years: attended by 1,500 students.

- Awareness session for Internet Safety: attended by 243 students.

- "The Internet Farm" a theatrical play for Internet safety: attended by 943 students.

- Innovative programs for parents with children 7-14 years "Bullying, Learning Difficulties, Adolescence": attended by 685 visitors.

- Eight-days full of events, experiments, art workshops and special tours targeted at the whole family, in the scope of the International Museum Day: attended by 300 people.

- Two temporary exhibitions, "From the morse telegraph to the red phone" in the Science Center and Technology Museum "Noesis" in Thessaloniki (April-August 2014) and "Christmas Telecommunications Stories" at the National Research Foundation in Athens (December 2013): attended by more than 8,000 guests.

Although the majority of visitors to the museum are school groups, by organizing special events and innovative programs in the period September 2013 – August 2014, the percentage of individual has now reached 13% of the total visitors.

The OTE Telecommunications Museum, is a member of ICOM (International Council of Museums – Greek Section), of CECA (International Committee for Education and Cultural Action) and of CIMUSET (International Committee of Museums and Collections of Science and Technology).

Work Experience Offered to Students and Skills Development

During 2014, OTE and COSMOTE provided an opportunity to 748 students (from universities, technical colleges, vocational training institutes) to complete their studies by doing internships in the OTE Group modern workplace.

Among students who are starting their career, OTE and COSMOTE is regarded as an excellent employment opportunity. The companies offer students the opportunity to apply their knowledge

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in a real working environment, to gain work experience, to be trained during the work (on-the-job training) and to develop skills that will help them perform better in the future. More information are presented in the section Human Resources.

In the same spirit, COSMOTE continued its Students Visit program, through which 180 pupils and students from 4 high schools and universities, visited the company to attend training programs on career guidance, technology and science, and to be informed about the technology of Base Stations and the operations of the company.

OTE-COSMOTE Graduate Trainee Program

In December 2014, the implementation of the first "OTE-COSMOTE Graduate Trainee Program" was announced. The program aims at attracting young, highly talented graduates no older than 28, with vibrant and dynamic personality and holders of a postgraduate degree to be selected through an extensive and demanding selection process. More information are presented in the section Human Resources.

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5.5
Contributing to Local Communities Well-being and Sustainability

OTE and COSMOTE seek to improve the living conditions and the viability of local communities in which they operate. The approach of both companies is twofold: on the one hand to try to meet the demands of local communities and on the other, to assume as their primary responsibility the protection of local communities from any negative impact that may result from their activities, particularly those concerning environmental issues. To protect and support local communities, OTE and COSMOTE endeavor, so far as possible, to measure the positive and negative effects on local communities of their overall operation and activities.

All possible impacts associated with the activities of OTE and COSMOTE, are addressed through the Environmental Impact assessments, which are prepared and submitted by the two companies for approval by the competent authorities. Public consultation is one of the stages of the licensing process and all the comments received during the consultation are taken into account as appropriate.

OTE and COSMOTE work on the basis of engaging local communities in all of their operations and strive to maintain and expand their presence in local communities across the country. In this context, they have set up a special section for community relations (Community Relations Section, Corporate Communications Division OTE Group), through which the companies analyze and assess the needs of local communities. Following these assessments, the companies design and implement specific sponsorship programs for the financial support of local authorities, sports clubs, cultural events, etc.

In addition, OTE and COSMOTE organize and conduct training sessions for issues related to mobile telecommunications, electromagnetic fields and the role of telecommunications in modern society. These seminars are designed for secondary school and university students, associations, local communities and municipalities. So far, more than 5,530 residents, of 30 cities throughout Greece, have attended these sessions.

Moreover, in 2014, OTE, through its two Technical Regional Divisions (Northern and Southern Greece), supported the provision of fixed telecommunication services, at a local level, in their region. OTE is in constant dialogue with local institutions, organizations, services, business and residential customers, to identify additional needs of local communities. These needs are taken into account in the design and implementation of operational and corporate responsibility program of the company.

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Through this process, OTE and COSMOTE cover nearly 100% of identified needs of local communities, of which about 10% address the needs of vulnerable groups of the local communities.

Programs in the Periphery

In 2014, OTE and COSMOTE further supported local communities, increasing by 15% the funds for the implementation of relevant actions, in relation to 2013 and at the same time they supported residents of areas, affected by natural disasters. In order to meet the increased requests from local communities, to contribute to the improvement of the living conditions of the residents of Greek rural areas and to the viability of local cultural identity, OTE and COSMOTE, in 2014, chose to support 104 events in local communities. The following table shows an indicative sample.

Organisation – Event	Company	Description/Impact
"The Mill of Elves" Trikala	OTE-COSMOTE	OTE and COSMOTE supported, for the 4th year, the Christmas events of the Municipality of Trikala, entitled "The Mill of Elves". Over 500,000 children and adults visit the Christmas theme park every year
"Merkoureia" – Municipality Neapolis-Sykies, Thessaloniki	OTE-COSMOTE	OTE and COSMOTE sponsored, for yet another year, the largest theatrical institution of Northern Greece, which attracts the interest of the public for 19 consecutive years. Each year, this theatrical institution hosts summer productions of the regional public theater companies and the two national theater companies, the National Theatre and the National Theatre of Northern Greece
International Chess Tournament in Crete	OTE-COSMOTE	OTE and COSMOTE supported in 2014, the International Chess Tournaments, which take place every summer in Rethymnon and Chania
9th International Festival of Aegina	OTE	Over the last 9 years, OTE is the main sponsor of the International Festival of Aegina, organised since 2006
"Armata", Spetses	COSMOTE	COSMOTE, for the 5th year, supported the combined celebrations of Panaghia Armata (Virgin Mary of the "Armata") and the anniversary of the great Naval Battle of Spetses (September 8, 1822)
Foundation of Thracian Art and Tradition, Xanthi	COSMOTE	From 2009 until 2014, COSMOTE collaborated with the Foundation of Thracian Art and Tradition, to create computer labs for people with disabilities and vulnerable social groups who face difficulties in accessing educational opportunities
Hellenic Rescue Team (HRT)	COSMOTE	COSMOTE is continuing to support HRT to meet the rescue needs of victims of natural disasters, by providing free telecommunications services (SIM cards) for operational coordination and rescue centers in Thessaloniki, Corfu, Patra, Heraklion and Kos
11th Naoussa International Film Festival	COSMOTE	COSMOTE, for the second year, supported the 11th International Film Festival in Naoussa. The festival includes the projection of 215 films, from 50 countries
Aeschylean Festival	COSMOTE	COSMOTE, for the first time, supported the cultural events entitled "Aeschylia", organised by the Welfare Corporation of the Municipality of Elefsis, which highlight the Elefsina's history

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Organisation – Event	Company	Description/Impact
1st International Symposium "Water Wastewater and Environment: Traditions and Culture"	COSMOTE	COSMOTE sponsored the 1st International Water Symposium entitled "Water, Wastewater and Environment: Traditions and Culture". The Symposium was held at the University of Patras during the celebration of the World Day for Water.

Support of Natural Disasters' Victims

OTE and COSMOTE stood by the victims of the earthquake in 2014, in the regions of Cephalonia and Ithaca, helping them to cover the increased needs for communication. More specifically, COSMOTE offered daily, to all of its residential, business, hybrid and prepaid service subscribers, 1,500 minutes of voice calls — in addition to their contracted program — for the period from 29/01/2014 to 28/02/2014, while, for the same period, all disconnections due to lack of payment were recalled.

In the same context, OTE did not charge the monthly fees for all fixed lines, internet and OTE TV services for the period from 26/01/2014 up to 28/02/2014, to all residential and business customers with home address/registered office in the Prefecture of Cephalonia. Additionally, OTE gave the chance to customers who requested temporary interruption of dial service up to 31/03/2014, not to be charged the monthly fees for the whole time that the connection was disconnected (up to 6 months). Additionally, until 30/09/2014, no reconnection fee was charged to those customers requesting reconnection. Finally, the line transfer fee from the damaged buildings to temporary accommodations and also, from temporary back to a permanent residence, until the end of 2014, were not charged.

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5.6
Strengthening of Entrepreneurship

OTE and COSMOTE, recognizing the needs of modern enterprises, provide the most effective and integrated communication solutions, but also a well-organized network of personalized service. In this context, OTE and COSMOTE constantly strive to enrich their portfolio with new telecommunications solutions, to meet specific business needs.

OTE and COSMOTE support and strengthen youth entrepreneurship through innovative programs, support small businesses by developing specialized services, and also promote entrepreneurship through the support of new initiatives and conferences.

Program "Your advertisement, our advertisement", of the service "Your business.gr"

OTE has, for yet another year, demonstrated in practice its support to SMEs and freelancers. With the 'Your advertisement, our advertisement' program, it gave the opportunity to 10 subscribers of the service "Your business.gr" to win free promotion (for 3 days) of their professional activity in the larger nationwide TV channels in the country.

More than 1,000 companies participated in the program and winner determination resulted from five consecutive weekly draws and subsequent reviews by a special committee of OTE management. The traffic to the websites of the winners was increased dramatically, immediately after their TV promotion, and in some cases by more than 2,000% on a monthly basis, while, in other cases, there was an increase in the number of hits of almost 9,000%.

It should be noted that, the service "Your business. gr" is a comprehensive, easy and affordable

solution for businesses to ensure their presence on the Internet and is free for the first few months. The service was rewarded in the e-Bizz Awards event of 2014, with "The best growth initiative e-business" award.

It should also be noted that in the newsletter that is sent out on a bi-monthly basis to subscribers of this service, an additional 10 customers of the service were showcased, providing valuable publicity for their websites and enterprises.

4th Action "Our world is you": Promotion of New Entrepreneurship

The 4th action under the program "Our world is you", built on the idea of Mr Iraklis Papadopoulos on how to support creative people and innovative business ideas, started in 2013 and ran until April 2014. COSMOTE, in cooperation with the Greek Management Association, the enterprise organization Found.ation and OTEAcademy, created "COSMOTE StartUp", a program aimed at promoting entrepreneurship, opening up opportunities and developing new ideas.

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In 2014, the action was brought to its conclusion by an "Investors Day" event, during which the 10 project teams that participated in the action presented their integrated business proposals, which were put together during the 3 month duration of the "COSMOTE StartUp" Program. During the event the teams had the opportunity to come in contact with Greek investment companies, private investors and investment groups from abroad, who listened with great interest to their business proposals. The investment community was represented by T-Venture, Hub: raum, Eleven Capital, LaunchHub, Bethnal Green Ventures, PJ Tech Catalyst Fund, OpenFund, Odyssey Venture Partners, IQbility, Attica Ventures, Seed Innovative and Dimitri Vranopoulos.

Experience beyond limits at the TEDx Kalamata

In June 2014, OTE and COSMOTE supported the TEDx Kalamata event. The event, held at the ancient theater of Ancient Messini, was attended by important personalities from around the world.

COSMOTE, as a major sponsor of the event and in cooperation with OTE, covered all the telecommunications needs of the event. As part of the upgrade of the local network, OTE Group designed and implemented a special project to develop a broadband access network in Ancient Messini, providing fixed broadband services of high quality that reach even the most inaccessible and small settlements of the region.

For the first time on a global level, through the OTE infrastructure, open wifi network coverage at an archaeological site was freely available to the public. At the same time, COSMOTE enhanced its mobile network in the region, providing high-transfer rates that reached up to 75 Mbps. OTE TV, as a media sponsor, promoted the event through its communication channels. Live streaming of the event was provided by the OTE Group network.

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5.7
Promoting Culture

OTE and COSMOTE consistently support activities that contribute to the preservation of cultural heritage and to the improvement of the quality of life. With technology as a vehicle, education as a compass, and culture as a destination, OTE and COSMOTE actively demonstrate their interest in the protection of cultural heritage and the promotion of contemporary art creation.

The aim is not only the material support of culture, but also the dissemination and development of a mindset that embraces culture, contributes to national prosperity, strengthens society, and places mankind and its achievements at the center. And in 2014, OTE Group expressed and demonstrated this through its many sponsorships throughout Greece, which were implemented with the expertise and the innovative products of the Group.

In 2014, OTE and COSMOTE, supported 13 culture related actions.

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Technology was the Protagonist in the New Underwater Research at Antikythera

The first phase of the underwater research project for the Antikythera shipwreck, entitled "Back to Antikythera", was successfully completed with the decisive contribution of the technology provided.

OTE and COSMOTE installed the necessary modern communication infrastructure on the island of Antikythera, in order to meet the telecommunications needs of the members of the research team to ensure the effectiveness of their work and the visibility of their research findings in Greece and abroad.

During the underwater excavation, conducted under the direction of the Department of Underwater Antiquities of the Greek Ministry of Culture and Sport, a copper spear, a bronze ring and a lead boat anchor were found.

OTE and COSMOTE actively participated in the collaboration of the State, the business world and the scientific community to promote the culture of Greece, an invaluable asset for Greece's development. The next generation networks of OTE nullified the distance between this historic place and the world, forever.

Temporary Exhibition "The Antikythera Shipwreck: the Ship, the Treasures, the Mechanism", National Archaeological Museum of Athens

Since it opened to the public at the National Archaeological Museum, in April 2012, the temporary exhibition "The Antikythera Shipwreck: the Ship, the Treasures, the Mechanism" was visited by more than 370,000 people, and because of this unflagging interest of the public, its duration was extended twice. OTE and COSMOTE not only provided support for this internationally-acclaimed exhibition, they also created a special mobile application that enabled the visitors to take a guided tour of the exhibition, which constituted an innovation in museum guided tours in Greece. The companies also created an internet corner in the museum for free internet access, as well as a special interactive educational activity for children up 15 years and older that connects the pioneers of ancient Greece and the new generation of the 21st century. In order to assure access to

the exhibition after its close, OTE and COSMOTE supported the development of a 360 online virtual tour, that will be uploaded onto the official website of the museum, after the closing of the exhibition.

Restoration of National Observatory of Athens, Lofos Nymfon, Thiseio

An important cultural contribution of OTE and COSMOTE is the restoration of the historic "Doridis" telescope of the National Observatory of Athens which was built in 1870. The expert technical staff of OTE undertook the repair of all the electrical and mechanical components of the historic telescope, as well as the restoration of the structural elements of the building that houses the telescope, in cooperation with COSMOTE.

Getting acquainted the new world of artistic production at the Onassis Cultural Centre

OTE and COSMOTE support the extensive activities of the Onassis Cultural Center, which has staged more than 90 productions of plays, music, visual arts, lectures and conferences aimed at the promotion of Greek culture, as well as education programs with tours, interactive games for children, workshops and seminars for adults, school groups, young people and families.

The artistic digital mapping of the neighborhood in Neos Cosmos, where the Onassis Cultural Center is located, was a unique creative inspiration and technological innovation. It is a mobile telephony application, supported by OTE and COSMOTE and entitled "Soundscapes – Landscapes". Through the use of a tablet or smartphone, it guides the user on a virtual cultural walk around the surrounding city streets with the use of sound and images.

Summer Events Program at the Athens Concert Hall Garden

OTE was the sponsor of the summer events program which took place at the Concert Hall garden, for a second consecutive year. The program included concerts by well known and beloved artists, in the unique atmosphere of the green garden in the heart of summer.

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Fairy-tale holidays at the Athens Concert Hall with Eugene Trivizas

With the financial support of OTE, the New Year's children's story book, "Twelve to Twelve", by the famous author Eugene Trivizas, was brought to life at the Athens Concert Hall during the Christmas and New Year holiday season. The magic of the musical play based on a dream, took the audience on a journey throught the gates of the galaxy, where the old and the new year meet every New Year's Eve. This new project was presented for the first time to the public during the period of 18 to 30 December 2014.

OTE Athens Choir

The Mixed OTE Athens Choir, was formed 47 years ago. In 2012, the choir members were renewed and under the guidance of conductor Dimitri Bouzanis, performs contemporary works by Greek and foreign composers.

In 2014, the choir participated in a series of concerts and festivals throughout Greece, including, indicatively, the following:

- "Spartacus" by Aram Khachaturian, at the Herode Ancient Theater in Athens, together with the Bolshoi Ballet Orchestra and the conductor Pavel Sorokin.

- 6th Jamboree of OTE Choirs at the Komotini Concert Hall, to support the activities of the Association for the Assistance of Persons with Mental Retardation of Rodopi "Saint Theodore."

- The Concert of the Cultural Sports Organization of the Municipality of Agios Nikolaos in Crete, jointly with the Children's Choir of the Arts Conservatory of Crete.

- The Christmas Concert for Solidarity and Love of the Cultural Center of OTE employees of the Prefecture of Corfu, jointly with the "Galilee" Children's Choir of the Parish of Kynopiaston, to support the Special Education Centre for Disabled persons "Melissa".

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5.8
Promoting Sports

OTE and COSMOTE actively support Greek sports and major sports clubs and institutions, aiming to promote participation and a healthy competitive spirit. The two companies, in 2014, supported a total of 15 sports teams in Attica and 43 sports teams, clubs and sporting events nationwide. In order to cover the full sports spectrum, OTE and COSMOTE, in 2014, supported football, basketball and handball teams, as well as chess, ski and fitness clubs, swimming academies, bicycle races and initiatives aimed at encouraging people to cycle.

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"Podilatodraseis" Program

The "Podilatodraseis" program, implemented by OTE and COSMOTE, aims to encourage the use of bicycles in urban environments and the creation of a cycling culture. The program's activities include the creation of infrastructure and increasing awareness for the citizens.

- **Creation of Infrastructure**

  More than 56,000 bicycle rentals have been facilitated, 870,000 kms were travelled and more than 120 tons of carbon dioxide (CO_2) emissions were saved through the automated bicycle rental system, supported by OTE and COSMOTE in five municipalities (Komotini, Karditsa, Kavala, Ioannina and Rethymno).

  In addition, OTE and COSMOTE have installed the first automated bicycle parking spaces, located in seven different areas in the northern and southern suburbs of Athens (The Mall Athens, Golden Hall, Marina Flisvos etc.).

- **Informing Citizens**

  OTE and COSMOTE, since 2012, have conducted educational seminars and recreational activities for cycling, in 42 cities throughout Greece, attended by 43,000 people. Among other actions, the two companies have implemented the training seminar for adults "I take a test bicycle ride through my city", as well as the educational programs to promote safe cycling for children: "Learn how to ride a bike my child" and "When I grow up I'll be good cyclist".

  OTE and COSMOTE support organizations and events such as the Athens Bike Festival, the most important event in the country for cycling, which attracts more than 30,000 participants each year.

- **Social Contribution**

  During the Athens Bike Festival, which was held at Technopolis in the Gazi District of Athens on 19-21 September 2014, OTE and COSMOTE organized numerous activities, such as cycling for a good cause. For the 4th consecutive year, the companies were present, encouraging the public to pedal on stationary bike thus assisting the Panhellenic Association of Women With Breast Cancer "Alma Zois". More than 7,000 people participated.

  Moreover, on the occasion of the inauguration of the Bike Sharing System in the city of Rethymno Crete, OTE and COSMOTE invited all citizens to pedal for a good cause, by participating in bike ride around the city, to benefit the "Agapi" NGO.

  In response to the participation of citizens in both of these events, OTE and COSMOTE provided the amount of €10,000 to these two non-profit organizations.

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5.9
Employee Volunteering

Throughout the year 2014, OTE and COSMOTE supported, developed and promoted a number of corporate volunteering programs and actions, offering to its employees the opportunity to actively express their social solidarity. With their positive attitude and contribution, most employees demonstrated, through corporate and individual actions, their sense of responsibility in addressing current social problems. Overall, 6,182 OTE and COSMOTE employees, participated in four Corporate Responsibility initiatives, in 2014.

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Employees participating in volunteer initiatives of OTE and COSMOTE in the last years				
2010	2011	2012	2013	2014
3,421	3,603	2,339	4,905	6,182

OTE and COSMOTE strive to provide the appropriate means, so that any voluntary employee contribution be effective and well-targeted, in order to offer maximum support to local communities.

In this context, for the year 2014, OTE and COSMOTE continued the Blood Donation program for employees, organizing the 50th and 51st donation days, under the communication campaign message "Your participation saves".

The companies also called on employees to take part in the 32nd Original Athens Marathon, under the communication campaign message "Run for a good cause", and to actively participate in the "Earth Hour" event.

Moreover, in 2014, for the first time, within the Christmas holidays spirit, OTE and COSMOTE organized a "give & take" of love and solidarity campaign in order for employees to buy their gifts from charitable organizations and to collect food for those in need. More information about the NGOs Christmas Bazaars are presented in the section Supporting Vulnerable Social Groups.

Voluntary actions of OTE and COSMOTE, implemented in 2014, were addressed to employees of both companies.

OTE-COSMOTE Volunteer Blood Donation Program

The Blood Donation program for employees began in 1976. In 2014, a total of 2,912 units of blood were collected from employees of OTE and COSMOTE, out of which, 1,091 units were allocated to meet the needs of employees and their families, while the remaining 1,821 were allocated to support society requirements nationwide.

Units of Blood Donations in the last 5 Years by OTE and COSMOTE					
2010	2011	2012	2013	2014	Total
3,214	3,189	2,845	3,136	2,912	15,296

32nd Athens Classic Marathon

OTE and COSMOTE invited their employees to take part in the 32nd Original Marathon Athens and run for good cause. Over 700 employees responded, by participating voluntarily in all three races. This high participation rate resulted in the sum of €15,000 pledged by OTE-COSMOTE companies, for the support of two non-profit organizations, "Diogenis" and "Klimaka", that support homeless people and vulnerable social groups.

Collection of Food Supplies

For the second consecutive year, employees were given the opportunity, within OTE-COSMOTE headquarter premises, to bring food for people and families in need. In total, 1,382 kg of food and 1,037 food packages were collected, in order to support the "Food Bank Greece" NGO and the Hospitality and Solidarity Centre of the Municipality of Athens (K.Y.A.D.A.).

Experiential activities with people with disabilities in cooperation with the Association of Social Responsibility for Children and Youth

In the context of corporate volunteering and awareness towards social issues (or active citizenship), on Sunday September 28, 2014, 70 OTE-COSMOTE employees and their children, had the opportunity to "see the world differently". The Association of Social Responsibility for Children and Youth (SKEP), through a series of experiential activities, offered parents and children the possibility to get acquainted with young people with disabilities, to experience their everyday difficulties and obstacles, but also to discover their gifted personalities, aiming to support their social integration and safeguard their rights.

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6.0
Environment

ENVIRONMENT

> We aim to reduce our environmental footprint, we utilize telecommunications to enable sustainable development, and work to raise environmental awareness.

Integrated Environmental Management

ISO 14001 certified Environmental Management System

IDENTIFICATION

IMPLEMENTATION

EVALUATION

MONITORING

TARGETING

MORE INFO >
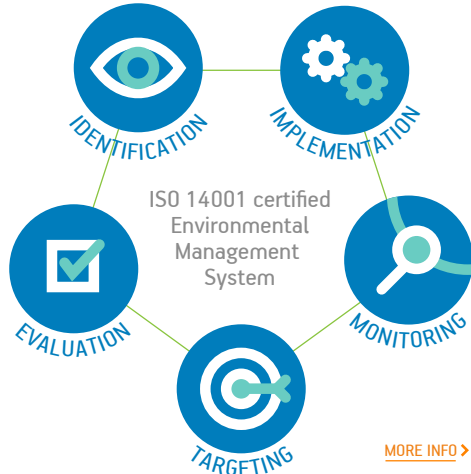
NEW ENVIRONMENTAL RESOURCES MANAGEMENT DATABASE

6 COMPANIES
95 USERS
258 INDEXES

Energy — Climate Change / *Energy consumption monitoring and reduction*

11% Decrease in direct GHG emissions

5% Decrease in indirect GHG emissions

1.3% Decrease in energy consuption

Greenpass
Guarantees of Origin for 100% electricity consumption (from PPC SA)
MORE INFO >

Energy conservation resulted in €5.6m economic benefit
MORE INFO >
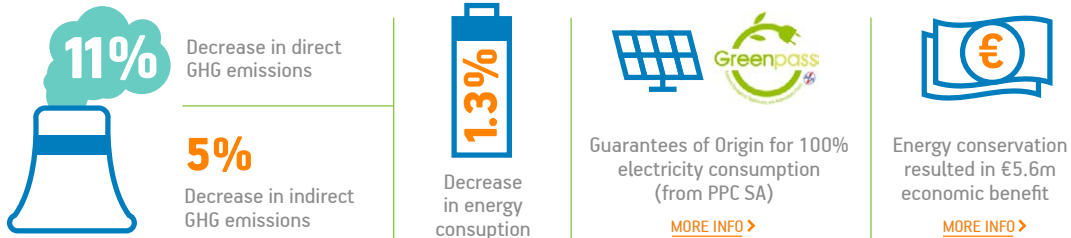
Waste Managmenet
We strive for the efficient use of natural resources

MANAGEMENT OF **3.200t** OF WASTE

- **10%** Hazardous
- **5%** Other
- **11%** General
- **12%** Paper
- **62%** Tecnical
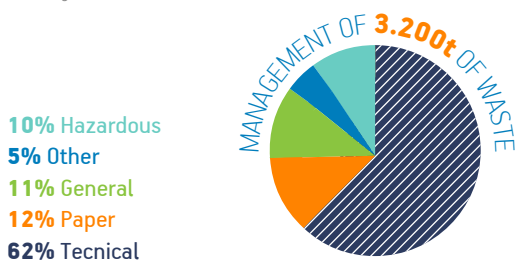
♻ **80.3t**
Recycling program in buildings: 80.3t paper and packaging materials

📱 **9.3t**
Take-back program in retail stores: 9.3t telephone appliances and accessories
MORE INFO >

Electromagnetic radiation

Accredited EMF Laboratory according to EN ISO /IEC 17025 and the "Pedion 24" EMF measurement program

57m measurements in the "Pedion 24" program since 2006
MORE INFO >

218 measurement stations

	2010	2011	2012	2013	2014
Stations	165	190	200	210	218
	86	77	49	82	71

71 measurements by COSMOTE

0 measurements exceeding mandatory limits

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6.1
Environmental Strategy

OTE and COSMOTE acknowledge that businesses with a leading role need to combine financial growth with environmental awareness in all aspects of their operations.

OTE and COSMOTE realize fully that, though low, there are environmental impacts associated with Information and Communication Technologies (ICT) activities. At the same time, OTE and COSMOTE are also aware that ICT offer a number of opportunities for supporting sustainable development and production in many activities and sectors.

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The objective of OTE and COSMOTE environmental strategy is to reduce the environmental impacts from their activities while providing products and services that enable increases in productivity and environmental protection in other sectors of economic activity, and in parallel to raise awareness of all citizens on acting more responsibly on the issue of environmental protection.

To this end, an integrated environmental policy and management scheme has been formulated that includes the Environmental Management Systems (EMS) certified according to ISO 14001:2004 standard at OTE and at COSMOTE. Utilizing the framework of the Environmental Management System, OTE and COSMOTE analyze all activities, products and services with reference to applicable legislative requirements and their impact on the environment, and try to improve environmental performance by setting goals, specifying appropriate key quantitative performance indicators (KPIs) and taking cost-effective actions.

OTE and COSMOTE Environmental Strategy

Reduce own Environmental Footprint

OTE and COSMOTE Focus Areas	
Energy	EMF
Climate Change	Biodiversity
Raw Materials & Waste	Visual Impact
Water	Noise
Corporate Fleet	

Raise Stakeholders' Environmental Awareness

Communication Issues	Employees	Customers	Suppliers
Internal Communication Campaign	X		
Recycling Programmes at OTE and COSMOTE Retail Stores	X	X	
World Environment Day Campaign	X	X	
WWF's Earth Hour Campaign	X		
Promotion of Environmental Programmes through Sponsorships	X	X	
Supplier Evaluation Methodology			X

Enabling Role of ICT Products and Services

Teleconferences to Business Customers

OTE Business Cloud

Fleet Management

E–applications for Customers

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6.1.1
Environmental Policy

The commitment of OTE and COSMOTE to protect the environment is stated in their integrated Quality, Health and Safety, and Environmental Policy, presented below and is realized through measures and initiatives already implemented, adopted or planned.

OTE Group Quality, Health & Safety and Environmental Policy

We, at OTE Group, inspired by our VISION, MISSION and STRATEGIC PRIORITIES, strive to enhance our successful customer-oriented philosophy, our competitive positioning and the provision of technologically advanced products and services. As a responsible corporate citizen, we aim at delivering value to our stakeholders and believe that quality, health and safety and environment constitute crucial concerns embedded in our company's culture. In this context, we expect our senior management to act as role models.

Aiming at Business Excellence, we therefore commit ourselves to:

- Continually improving our operations and performance by setting, monitoring and reviewing our objectives with the intent to meet and, where possible, to exceed the expectations of our stakeholders.

- Acting with foresight and comply with the requirements laid down by applicable legislation, or even exceeding these, where we can.

- Require our personnel, and our contractors and suppliers, to actively participate in achieving our objectives, regarding the quality of our operations, occupational health & safety and environmental protection, by implementing all relevant regulations and programs adopted.

- Strive to find innovative approaches for our operations, products and services, adopting preventive approaches to reduce our environmental impact & pollution, and avoid potential injury and ill health of our personnel, partners and the general public.

- Keep the public, our personnel and our stakeholders informed on quality, environmental and occupational health & safety issues.

- Voluntarily protect the public through the principles and recommendations laid down in the EMF policy, including transparency, information, participation and promotion of science.

- Fully comply with the requirements of our Integrated Management System and continuously improve its effectiveness.

Michael Tsamaz
Chairman and CEO of OTE Group

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6.1.2
Environmental Management

The management of environmental aspects is overseen by the Chairman of the Board of Directors and CEO. To assist him a high level Steering Committee has been established in the framework of the Integrated Management System in place (Quality, Health and Safety, and Environment). The Executive Director Corporate Communications, OTE Group has been appointed as the Environmental Management Officer. The Committee is supported the EMS Team which is composed of members of relevant OTE and COSMOTE Organizational Units.

- The responsibilities of the Committee with respect to the EMS, include, among others, the approval of the EMS documentation including objectives, KPIs and targets set (as well as the environmental programs to achieve these objectives/targets), EMS audit results, EMS performance results, customers' and employees' feedback/complaints, periodic reviews and follow up actions from previous management reviews of the EMS and the improvements deemed necessary to enhance its effectiveness. Furthermore, the OTE Group Management Systems Steering Committee may take decisions concerning companies (subsidiaries) of the OTE and COSMOTE Group regarding the Management Systems' strategic guidelines.

- The Environmental Management Officer and the EMS Team members, among others, identify the environmental aspects of the activities, products and services of OTE and COSMOTE, identify the environmental programs, monitor their effectiveness and propose remedial actions for improvement and analyse the data needed to determine the environmental performance of OTE and COSMOTE.

Environmental Management System

Chairman and Chief Executive Officer OTE Group

↓

Executive Director Corporate Communications OTE Group Environmental Management Officer

↓

Corporate Responsibility Senior Manager, Fixed & Mobile Acting Environmental Management Officer

↓

Environmental Management Manager

Management Systems Steering Committee
- OTE Group Chief Information Technology Officer
- OTE Group Chief Human Resources Officer
- OTE Group Chief Technology & Operations Officer
- OTE Group Chief Financial Officer
- Executive Director Corporate Communications OTE Group
- Representatives of each Management System
- Anyone deemed necessary (depending on the issue considered)

Environmental Management Teams of OTE and COSMOTE
- Representatives from selected Organisational Units of OTE and COSMOTE

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Priorities in Addressing Environmental Impacts of OTE and COSMOTE Activities

OTE and COSMOTE have established procedures for identifying the environmental aspects of their activities and assessing the associated environmental impact. The assessment takes into account the nature of the activity, the company, society and environmental vulnerability, and the frequency of occurrence and the probability for a given impact to occur in view of applicable legislative requirements and business concerns.

Activity	Environmental Aspect	OTE and COSMOTE Response
Telecom Infrastructure	Hazardous Waste	ENVIRONMENT / Waste Management
Support of Telecom Operation	EMF	ENVIRONMENT / Electromagnetic Fields
	Technical Waste	ENVIRONMENT / Waste Management
	Energy Consumption	ENVIRONMENT / Greenhouse Gases and other Gas Emissions ENVIRONMENT / Improving Energy Efficiency and Emissions Reduction
Offices, Shops, Warehouses	Refrigerants	ENVIRONMENT / Ozone
	Office–related Waste	ENVIRONMENT / Waste Management
Vehicles	Wastewater	ENVIRONMENT / Water Consumption
	Waste Disposal	ENVIRONMENT / Resource Use and Waste Management
	Water	ENVIRONMENT / Water Consumption

Colour Code Risk Priority

- No relevant risk potential, no need for action
- Minor risk, longterm need for action
- Medium risk, midterm action needed
- High risk, immediate action needed
- Immediate danger – STOP, immediate action needed

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6.1.3
Key Achievements in 2014

Highlights of the environmental performance of OTE and COSMOTE in 2014 include the following:

- OTE and COSMOTE **passed successfully** in 2014 their **ISO 14001:2004 surveillance audit**.

- OTE and COSMOTE **participate in the DT group climate change strategy**, adopted by the DT Board of Management in 2013. The decision adopted sets a reduction target for the DT group CO_2 emissions of 20% by 2020. OTE and COSMOTE Group, despite the significant expansion of its network (Network Modernization, New LTE implementation etc.), has set as a first priority target, the transition to a more energy efficient network leading to CO_2 emissions reduction. In this, and aiming to contribute to the achievement of the DT adopted target, specific actions are planned and implemented on a year to year basis.

- OTE and COSMOTE **have secured from PPC S.A.**, their electricity provider for 2014, **Guarantees of Origin (GOs)**, assuring that for the total electricity consumption of OTE and COSMOTE, from PPC S.A., an equivalent amount of energy has been produced from Renewable Energy Sources.

- **The IT application** for the environmental data collection and reporting developed in 2013, **became fully operational** at OTE Group level during 2014 and **was utilized** in the context of the various reporting activities (e.g. in the compilation of this CR report).

- The **decrease**, compared to 2013, **of total energy consumption** of OTE and COSMOTE in 2014 **by 1.3%**.

- The **decrease**, compared to 2013, of **direct greenhouse gas emissions** from energy consumption (scope 1) in 2014 **by 11% (1,850 t CO_2 eq)**.

- The **decrease** of **indirect greenhouse gas emissions** from electricity and district heating (scope 2) consumption in 2014 **by 5%** compared to 2013 **(14,000 t CO_2 eq)**.

- **The scope of the internal recycling program** for paper, packaging materials, ink cartridges, small electric and electronic appliances, home batteries and light bulbs in OTE and COSMOTE buildings **was expanded** (October 2014) to include 4 additional (to the Central Administration Building and the office complex in Paiania) key regional buildings.

- The office complex in Paiania is the **first building in Greece that has been awarded LEED®** (Leadership in Energy and Environmental Design) **certification** at gold level. The primary concerns of its design were flexibility, adaptability to climatic conditions, and the creation of a ''building intelligence'' through the integration of automation and control systems. In addition, the building **has been awarded a Class "A" energy efficiency certificate according to the Greek Building Energy Accreditation Scheme** (while legislative requirement for new buildings is Class "B"). In 2014, total energy consumption remained at 2013 levels (4.38 GWh in 2014 and 4.5 GWh in 2013), significantly reduced compared with the previous situation of occupying "conventional" buildings.

In the context of environmental management:

- Environmental protection expenditures for 2014 amounted to €944,000 and cover waste treatment, management and disposal, environmental impact assessment studies, external certification of environmental management systems and measurements on electromagnetic fields.

- Efforts to ensure that OTE and COSMOTE activities are in full compliance with environmental legislation and minimize any associated fines as well as the number of non-monetary sanctions imposed have continued. The fines (related to the environment) imposed in 2014 amounted to €25,000, while no non-monetary sanctions or complaints were brought before dispute resolution mechanisms. The aforementioned amount of fines is expected to decrease, due to administrative discounts or other available judicial procedures.

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6.2
Telecommunications for the Environment

Information and Communication Technologies (ICT) have played and will continue to play a significant role in global economic growth both for developed and developing economies.

The fact that the increased use of ICT products has undoubtedly an environmental impact is widely acknowledged, yet it is also widely acknowledged that ICT products can enable a better environmental performance in all sectors of economy that would allow for a decoupling of emissions growth from economic growth. The Smarter 2020 study by Global e-Sustainability Initiative (GeSI), estimated that:

- The own footprint of the ICT sector is projected to rise to 1.27 Gt CO_2 eq by 2020.

- The abatement potential enabled through the use of ICT applications in different sectors of the economy is 7 times higher (9.1 Gt CO_2 eq).

- The exploitation of this potential could yield $1.9 trillion in savings for consumers and businesses.

- 29.5 million jobs would be created worldwide as a result.

Realizing this potential, enabled by ICT products and services, becomes imperative. As the goal of keeping global temperature increase below 2°C compared to pre-industrial levels, requires all countries to make an additional effort, cuts of 80-95% by 2050 by developed countries have been agreed. The European Union (EU) has set already as its target the reduction of GHG emissions by 20% in 2020, with a view to move to

30% decrease, as part of an agreed global effort. Lately (October 2014), the European Council endorsed a binding EU target of an at least 40% domestic reduction in greenhouse gas emissions by 2030 compared to 1990.

OTE and COSMOTE are fully aware of the ICT enabling role in environmental protection and economic growth and its contribution in achieving the necessary GHG emissions reduction but also of the opportunities it offers for the development of companies. In this, OTE and COSMOTE are providing products and services that enable their customers to take full advantage of the high quality broadband services for direct and indirect improvement of both their operations and environmental performance. These products and activities cover a broad range of applications such as:

- De-materialization that is substituting or eliminating the need for an emissions – intensive product, process, etc.

- Data collection and communication, that allow for better decision–making through real–time data analysis, communication, feedback, and learning. (e.g. smart grid).

- System integration that enables better use of resources (e.g. in fleet, supply chain management).

More related information is presented in the section Sustainable Products and Services.

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6.3

Greenhouse Gases and Other Gas Emissions

OTE and COSMOTE recognize the importance of Climate Change impacts. The associated risk for OTE and COSMOTE fall under three broad categories:

- **Regulatory Risk**
  Mainly related to changes (increase) of electricity prices (and the subsequent increase of the operational cost of OTE and COSMOTE) due to the fees/levies/burdens imposed to the electricity generation sector in the context of the EU emissions trading scheme.

- **Physical Risk**
  Changes in the temperature (increased temperature) would result in additional cooling needs and therefore increased electricity consumption, while extreme weather events (e.g. floods) and forest fires could affect the infrastructure of OTE and COSMOTE and may lead to network disruption.

- **Reputation Risk**
  Financial implications are related to a potential loss of market share as a result of consumers' behavior reaction against companies with inadequate policies as regards climate change.

More information on climate change related risks identified can be found in the latest (2014) response of OTE to the Carbon Disclosure Project.

OTE and COSMOTE implement a comprehensive program for inventorying greenhouse gases (GHG) and other gas emissions on the basis of

the principles and methods described in the GHG Protocol developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

6.3.1
Direct GHG and Non-GHG Emissions

In 2014, OTE and COSMOTE total direct GHG emissions from energy consumption (scope 1) were estimated at 14,551 t CO_2 eq. This corresponds to a decrease of about 11% compared to 2013. GHG emissions from electricity generators and space heating present a decrease of about 20% and 40% respectively, compared to 2013, while GHG emissions from road transportation increased by 2%. The substitution of diesel by natural gas in the Central Administration and the YMA-NYMA buildings (2014 was the first full year of natural gas consumption in both buildings), space consolidation and rationalization, favorable weather conditions, the reduction of the number and/or the operating hours of the installed electricity generators (mainly in COSMOTE network) as well as their systematic maintenance are among the factors that contribute to the overall emissions reduction.

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Direct GHG Emissions from Energy for OTE and COSMOTE

OTE ■ COSMOTE ■

GHG Emissions (in t CO_2 eq)

Year	OTE	COSMOTE
2010	12,823	7,042
2011	12,158	6,833
2012	10,207	6,814
2013	9,955	6,444
2014	9,181	5,370

COSMOTE Direct GHG Emissions 2014
- Vehicles 38%
- Buildings 4%
- Network 58%

OTE Direct GHG Emissions 2014
- Vehicles 77%
- Network 6%
- Buildings 17%
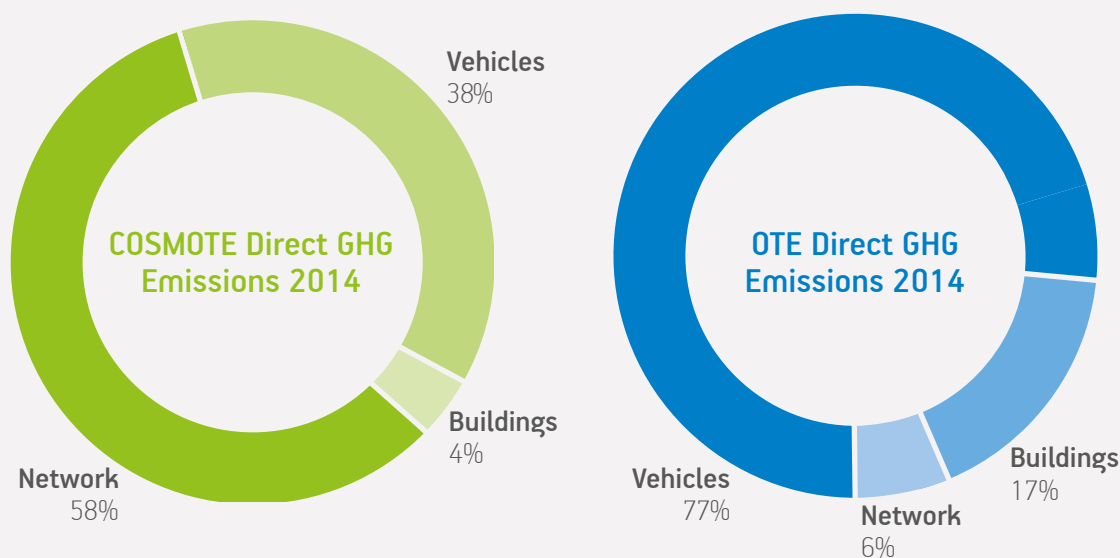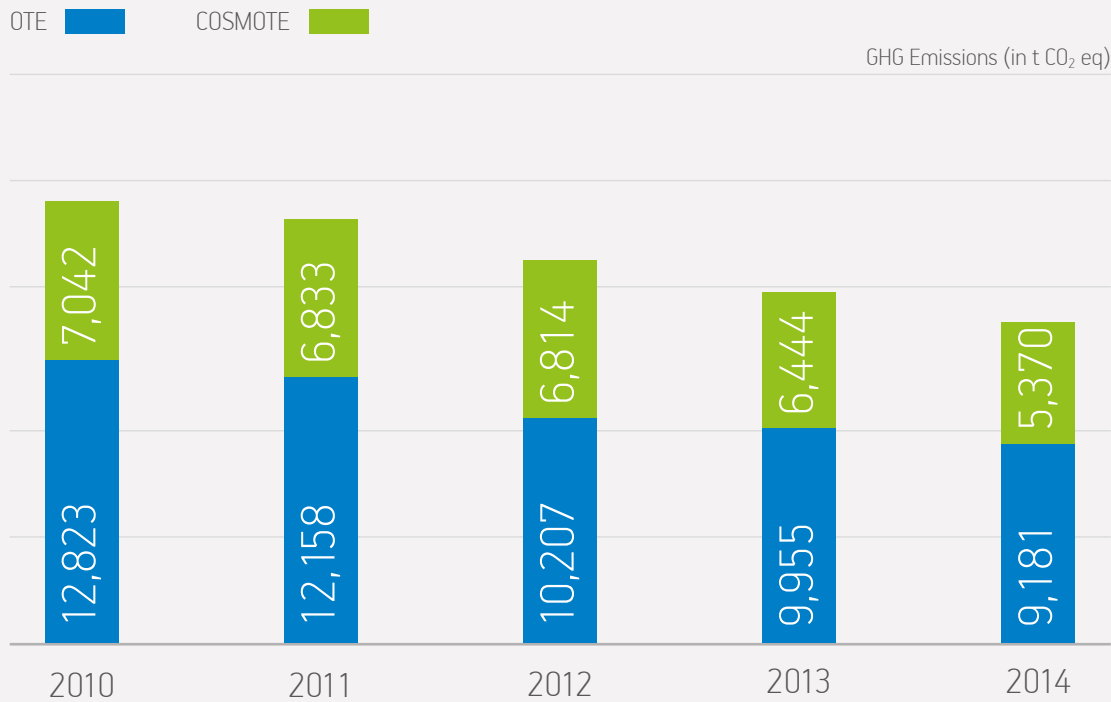
Notes

(1) "Buildings" include fuel consumption for space heating and small quantities of diesel used for electricity generators.

(2) The CO_2 emission factors applied have been agreed within the DT group to facilitate harmonized reporting, and derive from the GHG protocol.

(3) The non-CO_2 (CH_4 and N_2O) emission factors derive from Tier 1 methods described in the 2006 IPCC guidelines.

(4) As of 2013, energy consumption in buildings (space heating, office electric/electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.

(5) Global Warming Potential (GWP) values have been revised in order to be inline with the decisions of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and of the European Commission. GWP values used are included in the Annex III of Decision 24/CP.19. Time series have been recalculated.

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With respect to other air emissions (non–GHG) the following are noted:

- Emissions of typical air pollutants (NOx, SO_2, PM10 and VOCs) are mainly related to road transportation (main source for OTE) and the use of electricity generators to support the operation of the telecom network (main source for COSMOTE).

- Emissions of Persistent Organic Pollutants (POP) and Hazardous Air Pollutants (HAP) are of minor importance for OTE and COSMOTE as:

– Transformers and capacitors which could have been a significant source of PCB (Polychlorinated biphenyls) emissions due to leakage, have been decommissioned, disposed of and replaced by new ones that do not contain PCB, inline with the provisions of Directive 96/59/EC.

– Lead emissions decreased from 22.4 kg in 2008 to 10 kg in 2014 as a result of the gradual renewal of the vehicle stock (during 2014 the remaining vehicles running on leaded gasoline were withdrawn).

Other Gas Emissions for OTE and COSMOTE in 2014

OTE ■   COSMOTE ■

	OTE	COSMOTE
NO_X (*10kg)	3,556	1,625
SO_2 (kg)	379	84
PM10 (kg)	2,470	1,359
VOC (*10kg)	2,217	880

Notes
(1) SO_2 emission factors for oil products derive from national legislation
(2) The emission factors for NOx, PM10 and VOC derive from the EMEP/EEA air pollutant emission inventory guidebook http://www.eea.europa.eu/publications/emep-eea-emission-inventory-guidebook-2009

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6.3.2
Indirect GHG Emissions from Energy

OTE and COSMOTE indirect GHG emissions from Energy (scope 2 emissions due to electricity consumption and district heating) for 2014 were estimated at 280,980 t CO_2 eq (OTE: 172,723 t CO_2 eq, COSMOTE: 108,257 t CO_2 eq), presenting a decrease of 4.8% compared to 2013. The majority of OTE and COSMOTE scope 2 GHG emissions are attributed to the operation of the fixed and mobile telecom network (about 86% of total emissions).

To cover scope 2 emissions due to electricity consumption, OTE and COSMOTE have secured Guarantees of renewable Origin (GOs) which when taken into account reduce the effective scope 2 GHG emissions to about 57,700 t CO_2 eq.

In total, if GOs are not taken into account, OTE and COSMOTE scope 2 emissions decreased by 6.3% from 2008 (OTE: − 9.3%, COSMOTE: 1.0%). Changes in scope 2 GHG emissions depend on changes in electricity consumption but also reflect changes of the fuel mix used for electricity generation in Greece.

Indirect GHG Emissions from Energy (Scope 2) for OTE and COSMOTE without GOs Secured

Fixed Telecom Network ■ Buildings OTE ■ Mobile Telecom Network ■ Buildings COSMOTE ■

GHG Emissions (kt CO_2 eq)

Year	Fixed Telecom Network	Mobile Telecom Network	Buildings COSMOTE	Buildings OTE
2010	172.8	23.5	104.4	12.3
2011	172.2	22.3	100	12.4
2012	161.5	22.3	98.9	14.3
2013	156.8	25.3	99.4	13.6
2014	145.2	27.5	95.5	12.8

Notes

(1) The term "Buildings" describes Offices including Data Centers, Warehouses and Shops.

(2) For consistency reasons among the DT Group companies, CO_2 emissions are estimated on the basis of the emission factors developed by the International Energy Agency.

(3) The non-CO_2 (i.e. CH_4 and N_2O) emission factors for electricity refer to 2012 and are also applied for 2014. These factors derive from the latest Greek National GHG emissions inventory and EUROSTAT data on gross electricity generation.

(4) As of 2013, energy consumption in buildings (space heating, office electric/electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.

(5) Global Warming Potential (GWP) values have been revised in order to be inline with the decisions of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and of the European Commission. GWP values used are included in the Annex III of Decision 24/CP.19. Timeseries have been recalculated.
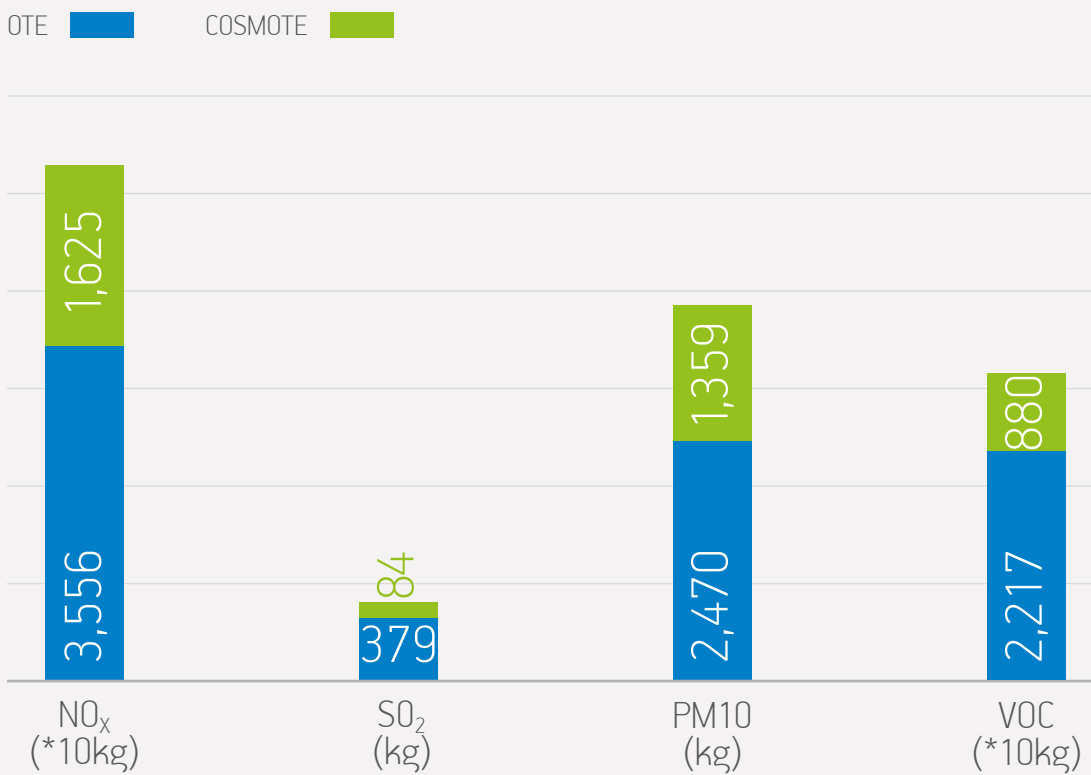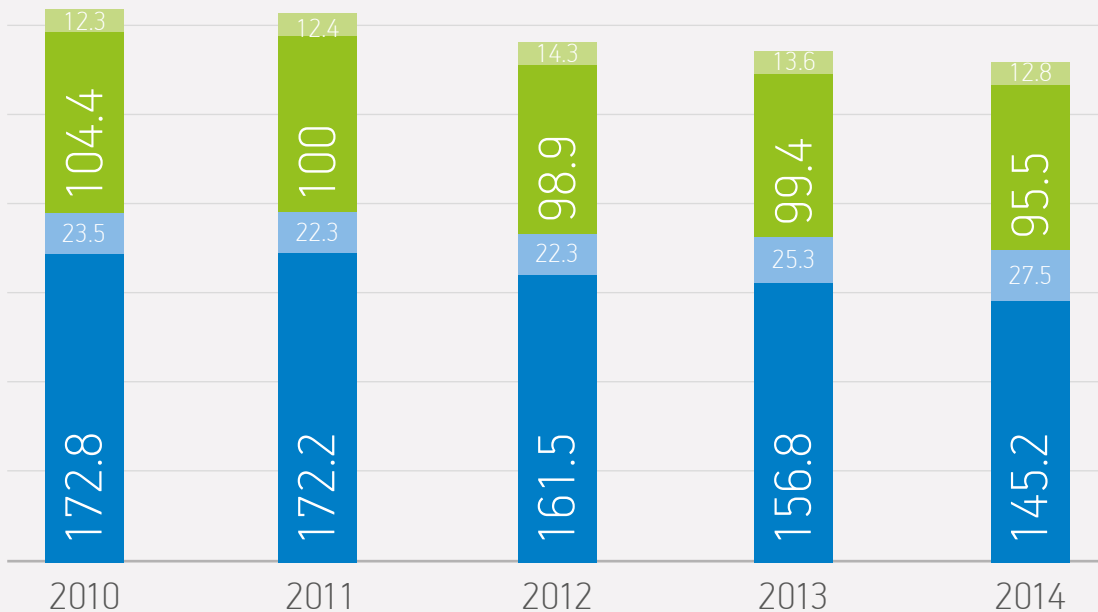
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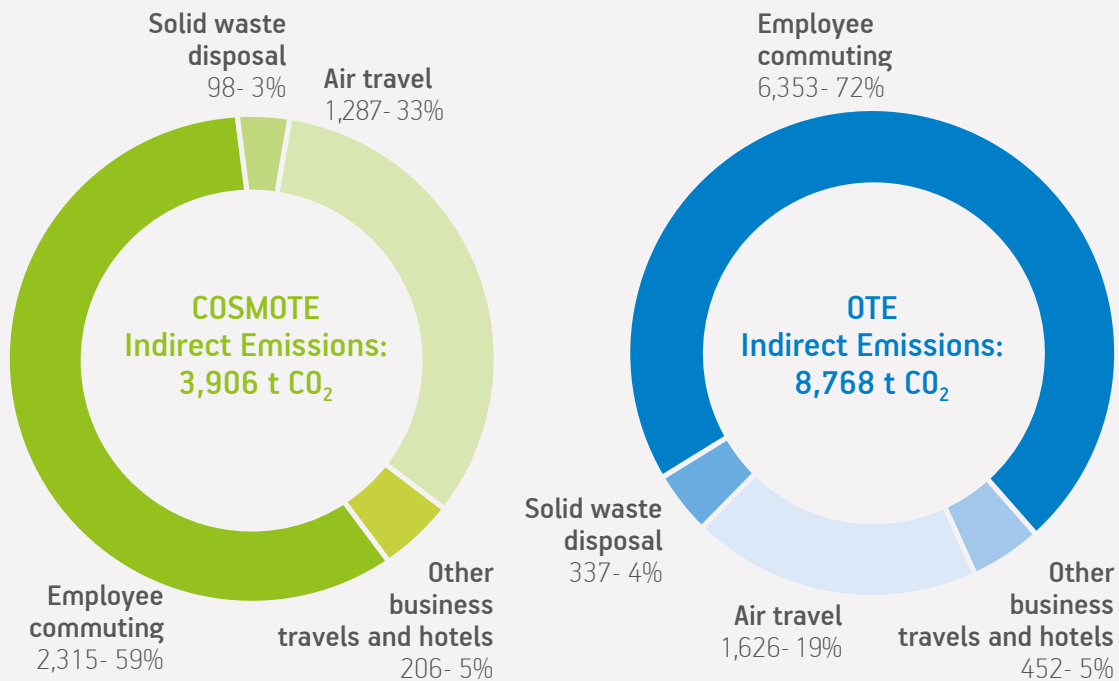Indexes

6.3.3
Other Indirect GHG Emissions

OTE and COSMOTE are extending the scope of their emissions inventory so as to include estimates for the major sources of indirect (scope 3) emissions associated with their operation, and to get a better understanding of their overall emissions profile.

The indirect (scope 3) GHG emissions of OTE and COSMOTE for 2014 were estimated at 12,673 t CO_2 eq. The emission sources quantified are the following:

- **Business air travels**
  This category includes all travels made and invoiced by OTE and COSMOTE. Domestic flights for OTE are reported for the first time and therefore changes compared to 2013 cannot be assessed. The utilization of teleconference infrastructure developed, represents a major action for reducing transportation activity and the associated environmental impacts.

- **Other business travels[new]**
  GHG emissions from road (car rental and busses, only for COSMOTE) and maritime transportation.

- **Overnight stayings[new]**
  In hotels during business travels.

- **Employee commuting[new]**
  For the estimation of GHG emissions from employee commuting, a questionnaire was developed and uploaded to the intranet of both companies in order to determine the transport means used and the average distance needed. There were about 800 valid responses, on the basis of which it was found that private car is the main alternative used (about 52% of the employees, including company cars) for an average distance of 34 km per day.

- **Solid waste disposal.**
  Treatment and disposal of municipal, industrial and other solid waste is not only related to land availability but also produces significant amounts of methane (CH_4) due to the gradual decay of the degradable organic component of the waste disposed. Calculated emissions may be considered as the expected emissions during the lifetime of the waste disposed, as a result of the activity (i.e. waste disposal) that took place in the current year.

Indirect (Scope 3) GHG Emissions for 2014

COSMOTE

- Solid waste disposal 98- 3%
- Air travel 1,287- 33%
- **COSMOTE Indirect Emissions: 3,906 t CO_2**
- Employee commuting 2,315- 59%
- Other business travels and hotels 206- 5%

OTE

- Employee commuting 6,353- 72%
- **OTE Indirect Emissions: 8,768 t CO_2**
- Solid waste disposal 337- 4%
- Air travel 1,626- 19%
- Other business travels and hotels 452- 5%

Notes

(1) In case the effect of Radiative Forcing Index is excluded, GHG emissions are 542 t CO_2 for OTE and 429 t CO_2 for COSMOTE.

(2) For the calculation of GHG emissions from maritime transport the emission factor proposed by GHG Protocol is applied (http://www.ghgprotocol.org/calculation-tools/all-tools).

(3) GHG emission from solid waste disposal are calculated according to the Tier 1 approach descrbed in 1996 IPCC Guidelines, using country specific parameters for the national inventory of GHG emissions of Greece.

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6.4
Improving Energy Efficiency and Emissions Reduction

The contribution of OTE and COSMOTE in mitigating the environmental problems associated with energy use (climate change, scarcity of energy sources, atmospheric pollution, etc.) consists of adopting practices to monitor and then reduce energy consumption and the associated emissions, and of developing products and services that contribute to such reductions in various sectors of the economy.

6.4.1
Energy Consumption

Energy consumption covers operating needs of telecommunication infrastructure (fixed and mobile), buildings and vehicles (service and company). In 2014, total energy consumption of OTE and COSMOTE amounted to 467 GWh, representing a decrease of 1.3% compared to 2013 (473 GWh). In terms of primary energy source used, this energy consumption is equivalent to 58 GWh of direct energy consumption (or 208 TJ, all of which came from non-renewable primary sources) and 916 GWh of indirect (or 3,299 TJ, by allocating to OTE and COSMOTE the energy consumption needed for the production of the electricity and the district heating consumed) energy consumption. The later is reduced to 513 GWh if GOs are taken into account.

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OTE and COSMOTE Energy Consumption in 2014

Energy Comsumption (in GWh)

Road Transportation	Electricity Generators	Space Heating	Electricity in Buildings	Electricity for Mobile Network	Electricity for Fixed Network
36.2	13.6	8.5	58.5	138.8	211.1

Direct Energy Consumption by Primary Source in 2014

- Gasoline 44%
- Natural Gas 10%
- Diesel 46%

Indirect Energy Consumption by Primary Source in 2014

- Lignite 62%
- RES 11%
- Natural Gas 18%
- Heavy Fuel Oil 7%
- Diesel 2%
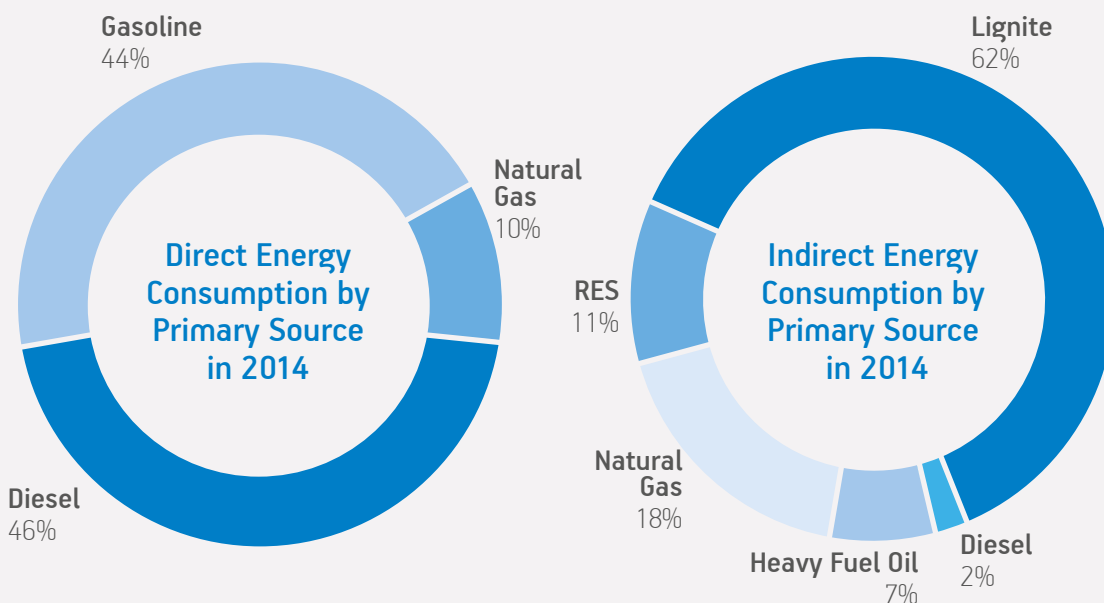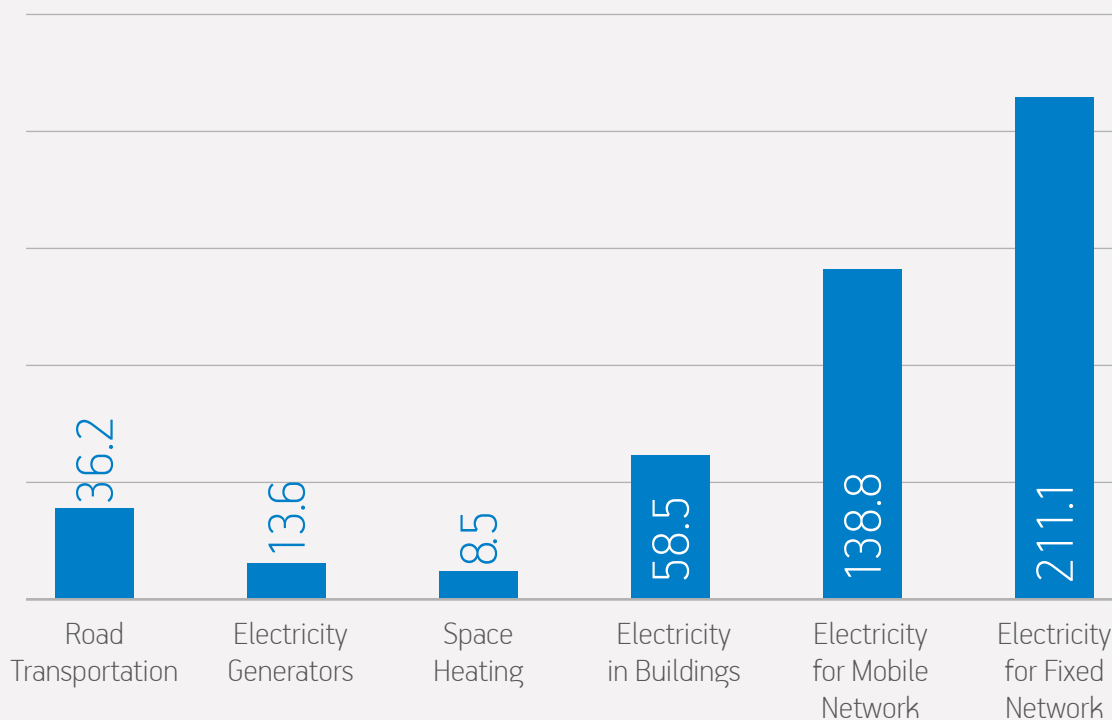
Notes

(1) Energy consumption is based on actual consumption data for most months of 2014, which are extrapolated to the end of the year due to data provision arrangements within the DT group.

(2) Indirect energy consumption by primary source is estimated on the basis of 2013 values.

(3) Road transportation includes service and company vehicles.

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In 2014, total energy consumption of OTE amounted to 289 GWh, representing a decrease of 1% compared to 2013 (292 GWh), while total energy consumption of COSMOTE (178 GWh) decreased by 1.5% compared to 2013 (181 GWh). Detailed information on the energy consumption of OTE and COSMOTE for the period 2008 – 2014 is available for download here.

- Electricity consumption for network operations makes up the largest part of the total energy consumption of OTE (211 GWh) and COSMOTE (139 GWh).

  - The total electricity consumption of OTE in 2014 (250.94 GWh) remained at 2013 levels (0.3% decrease), and is below the 2008 electricity consumption value. As a result, the electricity intensity of data transferred including collocation (i.e. electricity divided by data volume in bits) was reduced by 12% compared to 2013.

  - For COSMOTE, electricity consumption of the network operation (base stations and backbone network) in 2014 (139 GWh) increased by 1% compared to 2013 (due to the installation of new base stations), while electricity consumption in buildings (including data centers and shops) decreased by 0.8% compared to 2013 (from 18.7 GWh in 2013 to 18.6 GWh in 2014).

- Road transportation represents the largest (non–electricity) fuel consuming activity of OTE. Although, fuel consumption for the OTE vehicle fleet (28.1 GWh) increased by 1.5% compared to 2013, consumption growth rate was restricted (from 9% in 2013/2012 to 1.5% in 2014/2013) as a result of the renewal of the vehicle fleet that is in progress.

- In 2014, the energy consumption of the electricity generators (used as the main electricity supply in isolated areas where grid connection is difficult or impossible and / or as back–up units in cases power disruptions) operated by COSMOTE decreased by 25% (from 15.6 GWh in 2013 to 11.7 GWh in 2014). Reducing the number and/or the operating hours of the electricity generators due to connection of base stations to the electricity grid, but also due to the use of RES, have contributed to this reduction.

6.4.2
Renewable Energy Sources

Reduction of electricity consumption growth rate and its eventual transformation to a reduction of the electricity consumption to the extent that is technically and economically feasible, as well as covering electricity demand directly or indirectly by Renewable Energy Sources (RES) represent the key priorities of OTE and COSMOTE. In this context, OTE and COSMOTE:

- Have secured from PPC S.A., their electricity provider for 2014, Guarantees of Origin (GOs), assuring that for the total electricity consumption of OTE and COSMOTE, from PPC S.A., an equivalent amount of energy has been produced from Renewable Energy.

- Are systematically investing in increasing their RES capacity:

  - COSMOTE has installed PV and small wind turbine systems in order to support base stations located in remote rural areas not connected to the grid and operating with diesel generators. In 2014, 16 base stations were supported by PV and small wind turbine systems. Total electricity generation from these systems amounted to 251.6 MWh.

  - COSMOTE has installed Batteries Hybrid systems in order to support base stations located in remote rural areas not connected to the grid and operating with diesel generators. In 2014, 25 base stations were supported by Batteries Hybrid systems.

  - OTE operates two roof-top photovoltaic systems of 222 kWp total capacity (172 kWp at the facilities of the central warehouse in Parnitha and 50 kWp at an OTE building in Ilioupoli, Athens). Electricity generation from these PV systems amounted to 334 MWh in 2014 (equivalent to avoiding CO_2 emissions of about 230 t).

6.4.3
Energy Conservation

Energy conservation and rational use of energy represent key options for economically feasible improvement of the environmental performance of OTE and COSMOTE. Interventions can be grouped in to the following three broad categories:

- Energy conservation in Telecom Networks.

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- Energy conservation in Buildings and Stores.
- Energy conservation in Transport.

The effect of measures designed and implemented is evident (given that services provided did not decrease in 2014 compared to 2013) in the performance of OTE and COSMOTE, as:

- Direct GHG emissions (scope 1) from energy consumption in 2014 decreased by 1,850 t CO_2 eq compared to 2013 (a reduction of 11% compared to 2013 scope 1 emissions).

- Indirect GHG emissions from energy (scope 2) in 2014 decreased by 14,000 t CO_2 eq compared to 2013 (a reduction of 5% compared to 2013 scope 2 emissions). Given the developments in the ICT sector (4G mobile network, VDSL lines, TV services, etc) this result is quite significant.

As a result of the measures OTE and COSMOTE have adopted since 2008/2009 (base year for OTE and COSMOTE, under the DT climate change strategy) and were implemented in 2014, electricity conservation reached 42.4 GWh and diesel oil conservation (for electricity generators and space heating) amounted to 4.5 GWh. The avoided GHG emissions associated with the energy conservation achieved is estimated at 30,600 t CO_2 eq (about 10% of scope 1 and 2 GHG emissions of OTE and COSMOTE in 2014). The overall economic effect (benefit) of the measures implemented on the operational cost of OTE and COSMOTE is estimated at €5.6 million.

Energy Conservation Results and GHG Emissions Avoided in 2014

Energy   GHG Emissions
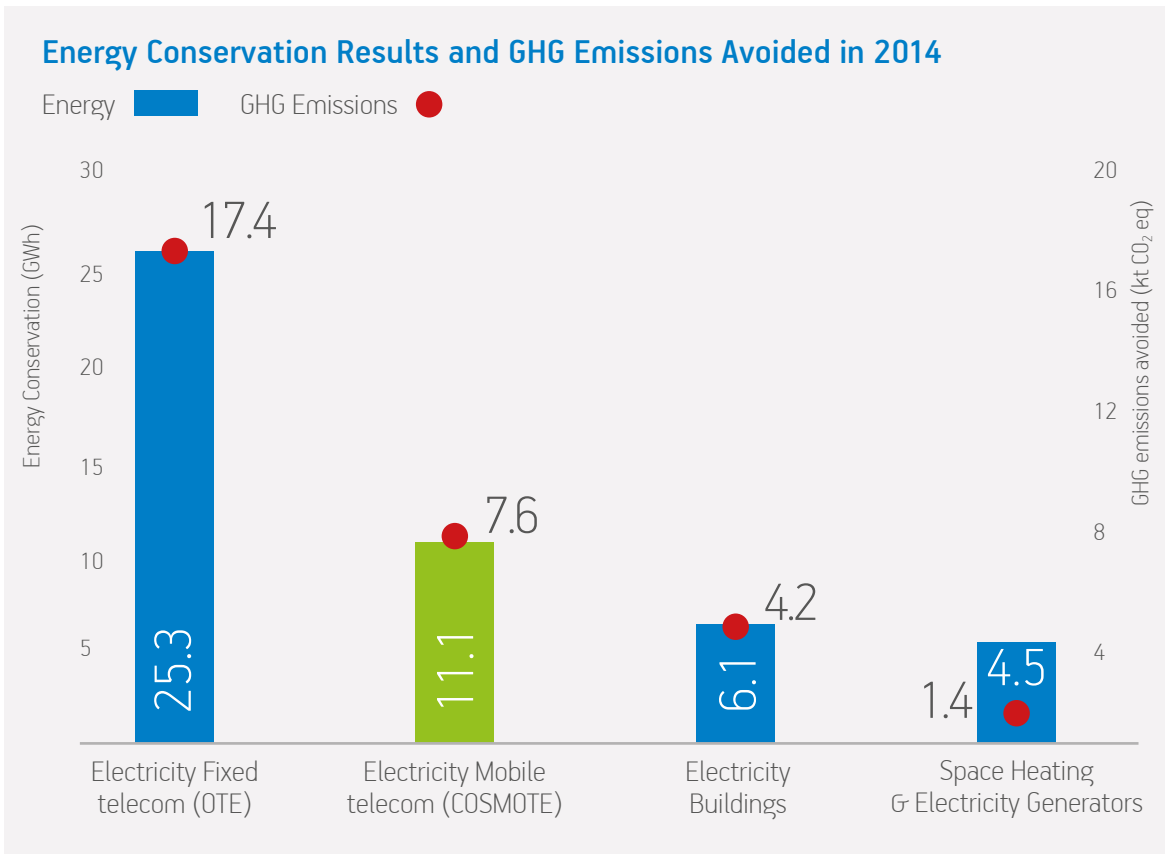
Indirect GHG emissions (scope 3) avoided are estimated at 4,755 t CO_2 eq. This reduction was estimated taking into account paper recycling, reduction of paper use and teleconferences for the operational needs of OTE and COSMOTE.

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IT System for the Collection and Reporting of Environmental Data Environmental Resources Management (ERM) database

Monitoring and improving environmental performance is a complex task for OTE and COSMOTE. At the same time the increasing demand for transparency on corporate information published, creates additional requirements.

In this context, an IT system, entitled Environmental Resources Management (ERM) database, was developed (as a web application) aiming at: (a) enhancing and accelerating internal data collection process, (b) strengthening quality control checks, (c) ensuring the timeliness submission of necessary information under the various reporting requirements (both internal and external) and (d) the harmonization of data collection processes at OTE Group level.
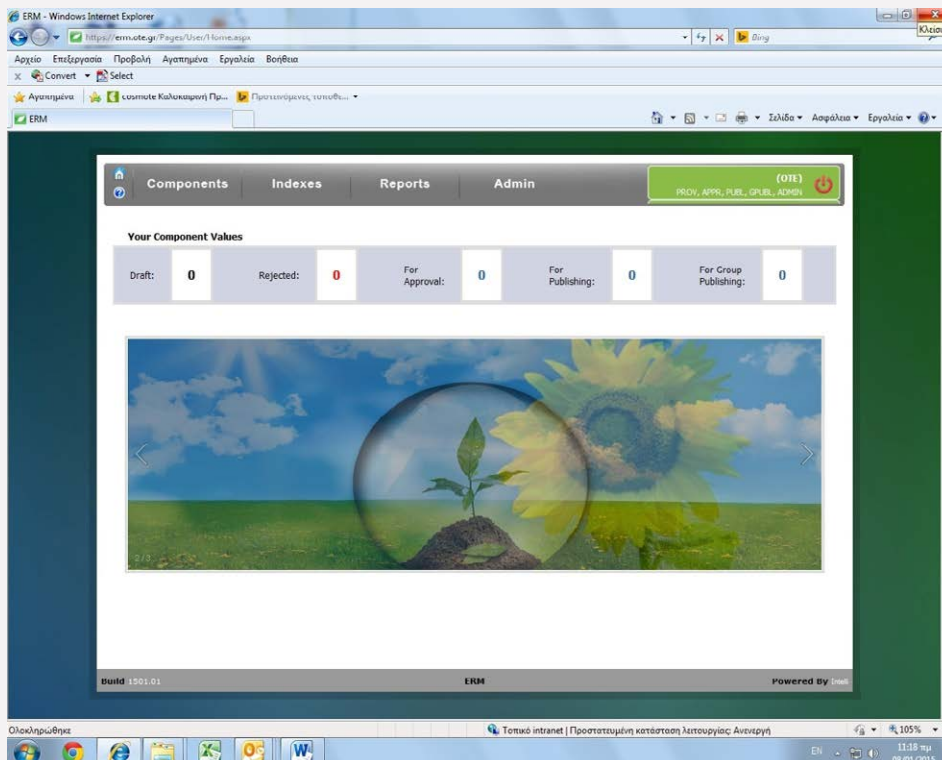
Four different types of user accounts have been defined and for each type of account specific responsibilities have been assigned (data owner and 3 levels of control, the third being at OTE Group level). Functions provided by the database include the (a) calculation of simple indices, (b) generation of totals at companies' level, (c) monitoring of trends, (d) provision of comments/explanations on deviations when exceeding the threshold of ± 10%, (e) uploading of appropriate documentation and (f) generation of reports in predefined formats.

The IT application has been made available to organizational units of OTE, COSMOTE and GERMANOS in Greece, Telekom Romania Communications S.A., Telekom Romania Mobile Communications S.A. and Albania Mobile Communications (AMC). In total, 95 user accounts have been defined and 258 different data items are included, aggregated into 19 data categories.

During the last quarter of 2014, 4 e-learning courses were held for all organizational units at OTE Group that have access to the application.

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Energy Conservation Measures

Measure	Scope	Description – Result
Smart metering systems in base station sites with large energy consumption	Telecom network	420 systems were installed by the end of 2014 (COSMOTE)
Free cooling systems		The total number of such systems already installed is 1,814 (COSMOTE)
Replacement of old equipment		In 2014 OTE and COSMOTE replaced 123 and 157 old rectifier units respectively. On average, efficiency improved from 75% to 93%
Indoor Power Supply Units with A/C direct to battery cabinet		The installation of these systems aims to reduce energy consumption through the increase of internal temperature of Base Station (set point from 26°C to 30°C). The total number of systems installed at the end of 2014 was 196
Modernization of OTE telecom network		The transformation of the fixed network to VDSL, the removal of PSTN ports and the deactivation of associated equipment including AC units is in progress. Although the switch to VDSL will increase electricity consumption, a positive net benefit is expected
Rational use of buildings and space consolidation	Telecom network – Buildings	Consolidation (geographical and spatial) of the hardware necessary for network management. In 2014, the building area used by OTE was reduced by about 3% compared to 2013
Maintenance of electricity generators	Telecom network	COSMOTE implemented a maintenance program for 696 generators (for both 24-hour and emergency operation), aiming to ensure their proper operation
Energy retrofit of buildings	Buildings/Stores	Emphasis is given in the selection of materials with improved thermal characteristics and in the installation of energy efficient equipment. Remodelling of the OTE retail stores
Energy retrofit of Data Centers		Energy conservation measures aiming to improve the performance of the installed equipment
Building Management Systems (BMS)		Installation of BMS in key buildings
Natural gas		As of November 2013, the Central Administration Building of OTE and the YMA– NYMA building are connected to the natural gas distribution network. They are the first OTE buildings connected to the natural gas network in Attica, and among the largest OTE buildings
Installation of VRV systems		Replacement of central heating and cooling systems (in OTE buildings) with new Variable Refrigerant Volume (VRV) systems that achieve a large reduction of energy consumption and operational expenses
Fleet renewal	Road transport	125 aged service vehicles were replaced (December 2014) by new diesel light duty vehicles (1400 cc, EURO 5) with CO_2 emissions of less than 140 g/km. In addition, 300 new diesel vehicles were purchased in December 2014

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Measure	Scope	Description – Result
Teleconferences	Mobility	In 2014, 25,000 hours of audio-conferences and 31,500 hours of video-conferences were carried out
Help-desk, call centers	Road transport	At national level, about 38% of calls for fault correction (ADSL, fixed telephony and Land Loop Unbundling connections) were resolved by phone, resulting in a reduction of transportation activity corresponding to 24% of total 2014 service transportation activity

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6.5
Resource Use and Waste Management

OTE and COSMOTE recognize the scarcity of natural resources and consider a more efficient use of these resources a priority for sustainable development. In order to achieve this, the principle "Reduce – Reuse – Recycle" is followed, aiming to reduce the production of solid waste that inevitably emanate from any corporate activity.

Monitor Material Used

| Reduce Materials Used | Recycle Materials / Reuse Materials | Proper Material Disposal | Reduce Environmental Footprint |
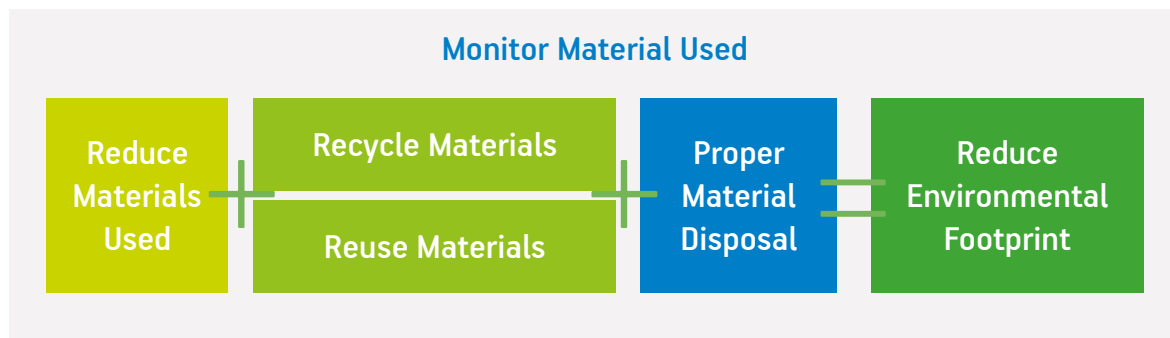
In this context, the key principles of OTE and COSMOTE policy regarding resource use and waste management are:

- Monitoring of materials used and waste generated.

- Reduced use of materials whose production has an impact on the environment.

- Recycling of used material (e.g. paper).

- Reuse of materials either internally or through collaboration with authorized waste management entities.

- Special treatment of waste that contaminate the environment (e.g. electronic equipment, lead batteries, and materials that contain substances detrimental to the environment).

- Development of products and services that contribute to sustainable resource management and the reduction of waste generated.

- Enhancement of public awareness to increase participation in recycling practices.

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6.5.1
Waste Generated

Solid waste generated by the activities of OTE and COSMOTE are classified into:

- Waste considered hazardous thus requiring specific treatment (e.g. lubricants, stationary engines batteries).

- Technical waste associated with material and equipment used for the provision of telecommunication services and products (e.g. cables, metals, electronic and telecommunication equipment) and used products (e.g. phones and related accessories, portable batteries, etc.) collected through the OTE and COSMOTE retail network.

- Paper.

- Residual waste that include typical municipal solid waste from OTE and COSMOTE buildings but also packaging materials from warehouses and waste related to office operation (e.g. ink cartridges).

- Other waste (waste streams not included in the above-mentioned categories).

Total solid waste generated in 2014 amounted to 3,200 t. It should be noted that interannual changes of waste generated vary with equipment lifetime and the schedule in place for the modernization of fixed telecom network.

OTE and COSMOTE Solid Waste Generation 2010-2014

Hazardous ■ Technical ■ Paper ■ Residual ■ Other ■

Quantities (in t)

Category	2010	2011	2012	2013	2014
Other	4	10	113	74	158
Residual	520	468	325	296	352
Paper	719	684	621	498	400
Technical	1,425	1,105	1,213	4,063	1,975
Hazardous	681	684	509	340	322

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COSMOTE Solid Waste Generated in 2014 (564 t)

- Technical 53.6%
- Paper 11.9%
- Residual 18.9%
- Hazardous 15.5%

OTE Solid Waste Generated in 2014 (2,643 t)

- Technical 63.3%
- Paper 12.6%
- Residual 9.3%
- Other 6.0%
- Hazardous 8.9%

Notes

The main categories in which solid waste generated are classified have been changed compared to previous Corporate Responsibility reports. More specifically, the category Hazardous includes both technical and non-technical hazardous waste.

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It should be noted that since OTE and COSMOTE are not actually manufacturing any products but provide telecommunications services, use of materials is restricted to packaging (for the products placed in the market).

6.5.2
Waste Management

OTE and COSMOTE have developed a widespread network for the monitoring, collection, storage and management/recycling, which covers the whole country and they work together with certified waste management companies to ensure the proper management of generated waste. All activities related to waste management are managed through the Environmental Management System of OTE and COSMOTE, which is certified according to ISO 14001:2004 standards.

Existing recycling programs cover the whole of hazardous and technical waste and about 80% of office paper consumption. Solid waste disposed accounts for about 15% of the total waste generated. Detailed information on the waste generated / managed for the period 2008 – 2014 is available for download here.

6.5.2.1
Hazardous Waste

In 2014, 14.5 t of lubricants (associated with the operation of the electricity generators) and 306 t of lead batteries (100% of quantities withdrawn for both categories), were collected and forwarded for recycling, with zero spills. Waste lubricant oils from vehicles maintenance are collected and managed by the associated car service companies. In the context of the recycling program for light bulbs in buildings, 1.09 t were recycled.

6.5.2.2
Technical Waste

- In 2014, an amount of 1,516 t of metals and cables as well as 100% of the OTE and COSMOTE electrical and electronic equipment withdrawn from service (430 t of waste that includes telecommunication and IT equipment) was forwarded to authorized management entities. Recovered materials (e.g. copper) can be used as raw materials for the production of other goods resulting in conservation of natural resources. It should be noted that quantities recycled vary with equipment lifetime and the schedule in place for the modernization of fixed telecom network.

- As of June 2013, a common recycling program for mobile phones, fixed phones, phone accessories, home batteries and ink cartridges is implemented in OTE, COSMOTE, GERMANOS retail network. It is worth mentioning that quantities collected (and forwarded for recycling) are not limited to OTE and COSMOTE products, while OTE and COSMOTE products are also collected in collection points established within other retail outlets, and therefore it is not possible to estimate the percentage of products sold that are actually reclaimed.

In 2014, 6.5 t of phone devices and mobile telephony accessories were gathered through the COSMOTE and GERMANOS retail network (corresponding to 16.4 kg per collection point) and 2.8 t were gathered from the OTE retail network (i.e. 22.5 kg per collection point). In addition, 21 t of phone devices were collected by the OTE technical staff during on–site visits to customers.

The NGOs Athens Union for the Protection of Forests and Callisto – Environmental Organization for Wildlife and Nature received a €1,000 donation for every ton of recycled fixed and mobile phone devices that have been gathered in the context of the common recycling in OTE, COSMOTE and GERMANOS retail network during the first year of its implementation (in total 7.6 tons for the period June 2013 – May 2014).

6.5.2.3
Paper

In order to reduce paper consumption, OTE and COSMOTE develop and implement IT applications for intra OTE and COSMOTE operations as well as for services provided to customers. Initiatives such as:

- The option of sending electronic bills to customers.

- The use of customers' electronic signature at OTE, COSMOTE, GERMANOS retail network (for contract renewals, address changes, deactivations etc.), where available.

- The option to renew air time by using e-voucher is offered to COSMOTE pre-paid customers.

- The electronic submission and handling of applications made by telecommunication operators (1.56 million applications).

- The program "Work Force Management (WFM)" concerning Technical Field Operations, the scope of which was expanded in 2014 to include activities related to business customers.

Resulted in savings of 113.5 t paper.

In 2014, office paper consumption amounted to 192.9 t (OTE: 151.6 t, COSMOTE: 41.2 t), while paper recycling reached 155.7 t (OTE: 143.4 t, COSMOTE: 12.3 t). The use of recycled paper accounts for 40% of total consumption.

Note that OTE and COSMOTE have started necessary arrangements, so that by the end of 2015 all bills sent to customers are printed on FSC (Forest Stewardship Council), certified paper, confirming the adoption of Environmental and Social Awareness Principles.

6.5.2.4
Residual and Other Waste

- At the moment, no specific management practice is in place for typical household waste. Quantities generated (470 t in 2014. OTE: 377 t, COSMOTE: 93 t) are directed to the Municipal Solid Waste Landfills for disposal.

- During 2014, the program for the alternative management of packaging materials entering the OTE and COSMOTE warehouse in Parnitha (as well as in regional warehouses) continued to operate with substantial results. In total, 97.35 t of packaging material were delivered for recycling (24.29 t cardboards, 8.51 t plastic, 38.89 t wood and 25.66 t of mixed recyclable materials), while 13.14 t were forwarded for energy recovery and 62.73 t of non-recyclable materials were directed to disposal.

- Environmental impacts of ink cartridges disposal are related to the potential hazardous substances that they may contain and to the slow decomposition rate of their constitutive parts. In this context:

  – COSMOTE has put in place a practice that calls for yearly targets for refilled ink cartridges. The target for 2014 was for refilled cartridges to account for 30% of ink cartridges bought. The target was surpassed, as 40% of the cartridges bought were refills (of the 4,500 new ink cartridges bought, 1,810 were refills). In 2014, 1,827 pieces were sent for recycling.

  – In 2014, 6,881 spent ink cartridges were collected from OTE offices and forwarded for recycling. 2014 was the first year of full implementation of the program for ink cartridges management that establishes an annual target for refilled ink cartridges. The target of 25% was surpassed as out of the 13,100 new ink cartridges bought, 6,900 were refills.

- Additionally, 158.3 t of scrapped vehicles were forwarded to authorized end-of-life management entities, while a program for the management of end-of-life tires has been put in place since 2010.

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OTE and COSMOTE are implementing a product packaging monitoring program for their products distributed in the market, and participate in systems for the management of packaging materials waste as foreseen by national and European legislation.

- Paper and cardboard represent the main packaging materials used by OTE (140,760 kg), while the use of plastic is limited (2,287 kg). The average weight of OTE packaging (for routers, decoders, etc.) is about 43 g per unit (for a total of 3.3 million units).

- Paper, cardboard and plastic are the packaging materials used by COSMOTE (21,972 kg and 15,085 kg respectively). The average weight of COSMOTE packaging was 3.3 g per unit (for a total of 11.4 million units).

In view of the above, it becomes clear that it is not possible for OTE and COSMOTE to know the actual quantities of their packaging materials reclaimed and recycled, as it is the responsibility of these systems to do so.

Recycling Program in Buildings

OTE and COSMOTE implement an internal recycling program in buildings, which in its first phase covered the Central Administration and the Paiania buildings. Since October 2014, four new buildings joined the program. The program, which encourages the recycling of packaging materials (plastic, aluminium, tetrapack), paper, ink cartridges (but also light bulbs, small electric and electronic appliances, portable batteries and phone devices, mobile and landlines, with their accessories), is based on the sorting-at-source principle, with centralized waste collection and management.

The equipment installed in the 4 additional buildings includes 55 recycling points for 5 streams (plastic, aluminum, mixed packaging, ink cartridges and batteries), 7 demonstration recycling stations for 6 streams (the above-mentioned plus small electric and electronic appliances), and 900 paper recycling bins in offices.

The program is expected to generate reliable data on waste generation and recycling in buildings and to enhance the environmental awareness of OTE and COSMOTE employees. Plans to expand the program at 10 additional main buildings are currently under development.

In 2014, 80.3 t were recycled, of which 72.8 t paper, 4.2 t plastic, 3.1 t tetrapack and 0.2 t aluminum.

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6.6
Electromagnetic Fields

Potential health effects of man–made electromagnetic fields (EMF) have received particular attention during the last 30 years. In this context, international scientific organizations have issued guidelines regarding exposure to EMF and a relevant legislative framework has been developed.

OTE Group has adopted an EMF policy in which its commitment to contribute to public protection through actions aiming to increase transparency, awareness, participation and scientific knowledge, is set out.

6.6.1
Following by Design the Precautionary Principle

OTE and COSMOTE recognize public concerns about potential consequences of electromagnetic radiation on health issues. Even though:

- relative research, conducted and assessed by the World Health Organization did not indicate any such correlation for telecommunications equipment and
- certified measurements estimate the percentage of EMF intensity attributed to mobile telephony Base Stations to be less than 30% of the total EMF background in populated areas

it is the policy of OTE and COSMOTE (based on Transparency, Information, Participation and Promotion of Science) to respect and adopt the precautionary principle and apply it in a number of practices. Thus:

- The levels of electromagnetic fields, in all Base Stations, comply with the suggested limits of the World Health Organization and the International Commission on Non–Ionizing Radiation Protection (ICNIRP), which are already approximately 50 times stricter than the levels

recommended by the scientific community, as well as with the latest national limits set by Law 4070/2012 which are only 60–70% of ICNIRP limits, in all points with free public access.

- For every OTE wireless telecommunication station and COSMOTE Base Station, a radio emission study and an electromagnetic background study (in some cases) is conducted by specialized OTE and COSMOTE personnel, for an area of up to a radius of 50 meters and 300 meters respectively to ensure that all OTE and COSMOTE Stations operate within legal limits. The corresponding studies form part of environmental impact assessment studies (where needed) or the so-called Standard Environmental Commitments, conducted and submitted to responsible authorities.

The amount COSMOTE spent on programs concerning EMF in 2014 was about €300,000.

In addition, all products placed in the OTE and COSMOTE retail network bear all necessary labels foreseen by national and EU legislation while all phones sold operate within electromagnetic field safety limits (expressed in Specific Absorption Rate — SAR units). A list of SAR values for all handsets is available in printed version at all network stores.

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6.6.2
Monitoring the Levels of EMF Radiation

COSMOTE has established and operates an EMF measurement program, called "Pedion24", developed in association with the Laboratory of Mobile Radio Communications at the National Technical University of Athens, the Radio Communications Laboratory at the Aristotle University in Thessaloniki and the ICT Laboratory at the University of the Aegean.
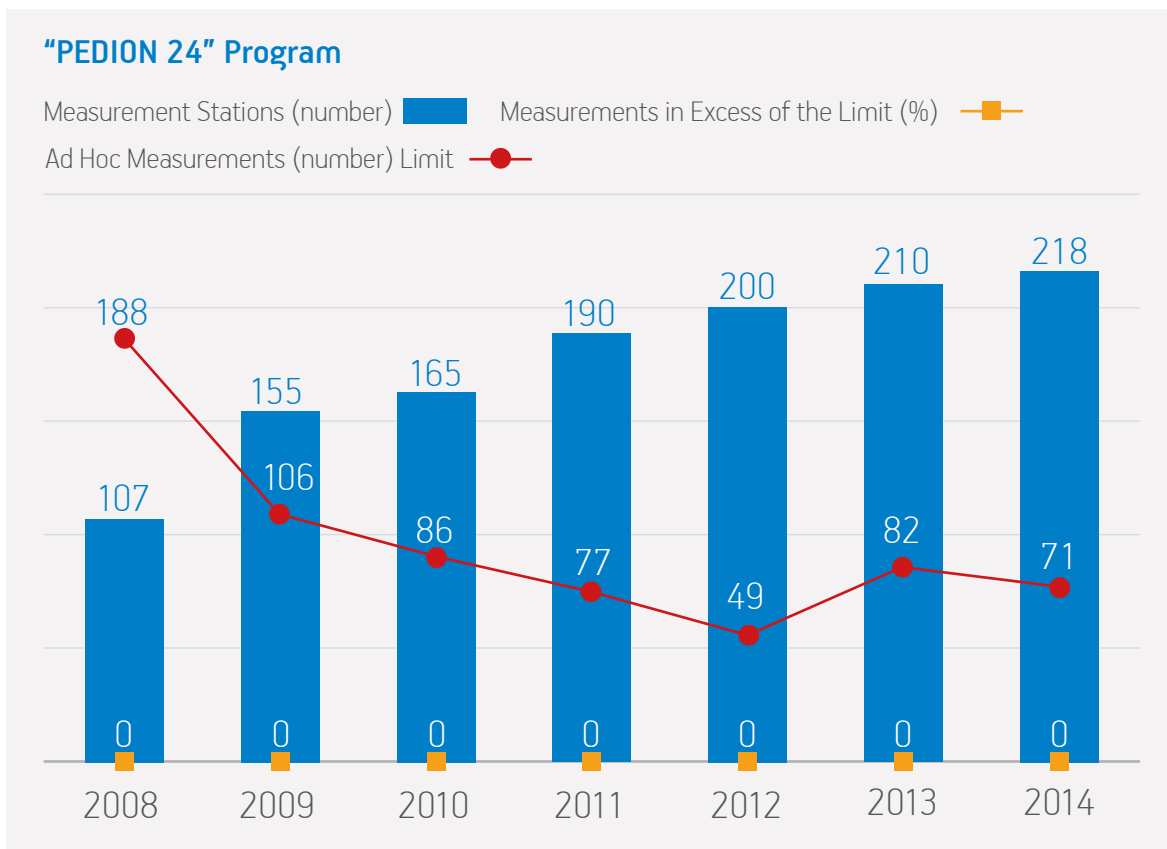
6.6.2.1
COSMOTE Initiatives

The objective of the program "Pedion24", coordinated by the head of COSMOTE EMF Control and Measurement Section (EMF Manager), is to continuously and openly inform the public about the levels of electromagnetic fields in the vicinity of mobile telephony Base Stations, including all other EMF sources such as radio transmitters, televisions, radars and other telecommunication applications. The program initiated at the end of 2005, has been fully operational since 2006. Recently, the Internet and Telecommunications Systems, Services and Security Laboratory at the University of Piraeus joined the program.

The program utilizes a full set of measurement equipment and leading edge technology measurement stations (with suitable detectors for electromagnetic fields) covering all Greece. The measurement stations operate on a 24 hour basis. Measurements are obtained and stored on-line and are accessible to the public at the program's website (www.pedion24.gr). The public's interest in these measurements is high as evidenced by the high visitation rates of the "Pedion24" program website (200 visits per day on average).

The number of stations has increased every year since 2006 (22 measurement stations), and 8 new stations were added in 2014 bringing the total to 218. Of the nearly 57 million measurements taken to date, none has been found to exceed legal limits. In 2014, 71 further ad hoc measurements were conducted by specialized scientific personnel of COSMOTE (scientific personnel of Environmental Electromagnetic Fields Measurements Laboratory), and 10 more by independent institutions (Universities, Greek Atomic Energy Commission) at COSMOTE request. Public exposure safety limits were not found to be exceeded in points of free public access, in any of these measurements.

The COSMOTE Environmental Electromagnetic Fields Measurement Laboratory (established in 2005), a part of EMF Control and Measurement Section has been accredited according to EN ISO/IEC 17025 standards since February 2012.

"PEDION 24" Program

Measurement Stations (number) ■   Measurements in Excess of the Limit (%) ■—

Ad Hoc Measurements (number) Limit ●—

	2008	2009	2010	2011	2012	2013	2014
Measurement Stations	107	155	165	190	200	210	218
Ad Hoc Measurements	188	106	86	77	49	82	71
Measurements in Excess of Limit	0	0	0	0	0	0	0

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6.6.2.2
OTE Initiatives

OTE's EMF Measurement Laboratory has been established in 2008 to carry out EMF measurements in accordance with national and international guidelines and standards so as to ensure that OTE operations are in compliance with suggested limits of the World Health Organization and ICNIRP, as well as with the latest national limits set by Law 4070/2012.

The laboratory developed an Antenna Anechoic Chamber, in order to analyze the effect of EMF radiation in wireless (WiFi) interface of the xDSL broadband terminals that are provided to OTE customers, to evaluate the resilience of the above terminals to EMF radiation interference and to carry out EMF measurements of the wireless interface on physical level.

OTE intends to ensure that its customers are supplied with optimized terminals in terms of EMF radiation safety and performance.

6.6.3
Informing Society and Employees

With a view to raise public awareness on potential consequences of electromagnetic radiation on health issues, COSMOTE issued and distributes through its commercial network the following leaflets:

- "Pedion 24 — Continuous Measurements of Electromagnetic Radiation Programme", where the way the respective measurement and assurance program functions are described. The leaflet was distributed to over 500 citizens.

- "How mobile telephony works", distributed to over 1000 citizens.

Briefings and presentations were also conducted by staff employees to students from schools and Universities. In 2014 such briefings were conducted to 180 students from 4 schools and Universities, as well as to 700 employees of OTE Group.

Overall more than 1,600 leaflets were distributed at information events to students, NGO's, local communities, customers, etc.

To improve outreach, an e—mail address, for questions regarding electromagnetic fields information, is available in the COSMOTE's corporate website (emfinfo@cosmote.gr).

Information regarding mobile telephony, especially issues regarding EMF, is also routinely disseminated to OTE and COSMOTE employees so that they are fully aware of the issues and take them into consideration in the performance of their duties and in contacts with the customers and the general public.

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6.7
Other Environmental Aspects

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The environmental strategy of OTE and COSMOTE includes the monitoring of their environmental performance and the development, where necessary, of environmental programs not only for material issues but for all identified environmental aspects of their operation, to the extent possible.

6.7.1
Ozone

OTE and COSMOTE are replacing old cooling systems operating with ozone depleting substance (ODS) as refrigerants, in accordance with legislative provisions in force. Fire suppression systems already use suppressants with zero ozone depleting potential (ODP). The ODS (i.e. R22) quantity being replenished in the existing cooling systems for 2014 amounted to 296.1 kg. In total, the quantity of R22 replenished, decreased by 70% compared to 2013.

Currently, hydrofluorocarbons (HFC) blends are utilized either for substituting ODS or for installation in new cooling systems. The quantity replenished for 2014 was about 5 t of refrigerants, which is equivalent to GHG emissions of about 10 kt CO_2 eq (decreased by 40% compared to 2013). These emissions account for about 3% of the GHG emissions from energy use (both scope 1 and scope 2). With a view to repair any potential leakages, a monitoring and maintenance program is in place.

Quantities of Refrigerants Replenished					
	2010	2011	2012	2013	2014
A. OTE					
R22 (kg)	3,516.40	2,981.33	731.00	718.00	70.00
R407C (kg)	2,173.50	3,077.50	3,990.00	4,197.80	2,865.00
R410A (kg)	95.00	258.00	515.00	596.50	40.00
R134a (kg)	14.00	22.60	211.00	21.00	
R417A (kg)	799.00	2,590.00	2,346.00	2,801.00	1,490.00
R422 (kg)			209.50	416.00	145.00
R404 (kg)			367.00	20.00	
B. COSMOTE					
R22 (kg)	172.30	266.00	337.00	273.00	226.10
R407C (kg)	462.00	681.00	471.60	362.00	346.80
R410A (kg)	159.00	433.00	191.00	122.00	126.70
R134a (kg)	24.00	0.00			
R417A (kg)				6.00	14.00
R422 (kg)			48.00		

Notes
(1) Ozone depleting potential (ODP) is measured as R11 (CFC-11) equivalent. The ODP value for R22 is 0.055.
(2) Quantities replenished in 2010 for OTE include the regions of Attica, Northern Greece and Southern and Western Greece.
(3) Global Warming Potential (GWP) values have been revised in order to be inline with the decisions of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and of the European Commission. GWP values used are included in the Annex III of Decision 24/CP.19. Timeseries have been recalculated.

6.7.2
Water Consumption

Since telecommunications operations have no specific need for water use, OTE and COSMOTE consume water (acquired solely from public water companies which are responsible not only for water supply but also for the sustainable uptake of water from the available water resource systems) exclusively for employees' hygiene, plant irrigation and office/stores cleaning. Thus, water sources are not significantly affected by OTE and COSMOTE activities.

Water consumption in 2014 was 167,913 m^3, which corresponds to a 3% decrease compared to 2013 (173,228 m^3).

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Water Consumption

OTE ■   COSMOTE ■

OTE Consumption per employee ▲   COSMOTE Consumption per employee ●

Water Consumption (in thousands m³)   Water Consumption (in m³) per employee

Year	OTE	COSMOTE	OTE per employee	COSMOTE per employee
2010	163.9	24.8	15.00	10.53
2011	144.1	21.3	13.64	9.94
2012	147.6	21.8	14.69	10.28
2013	144.9	28.3	18.32	13.64
2014	141.6	26.3	20.19	12.89
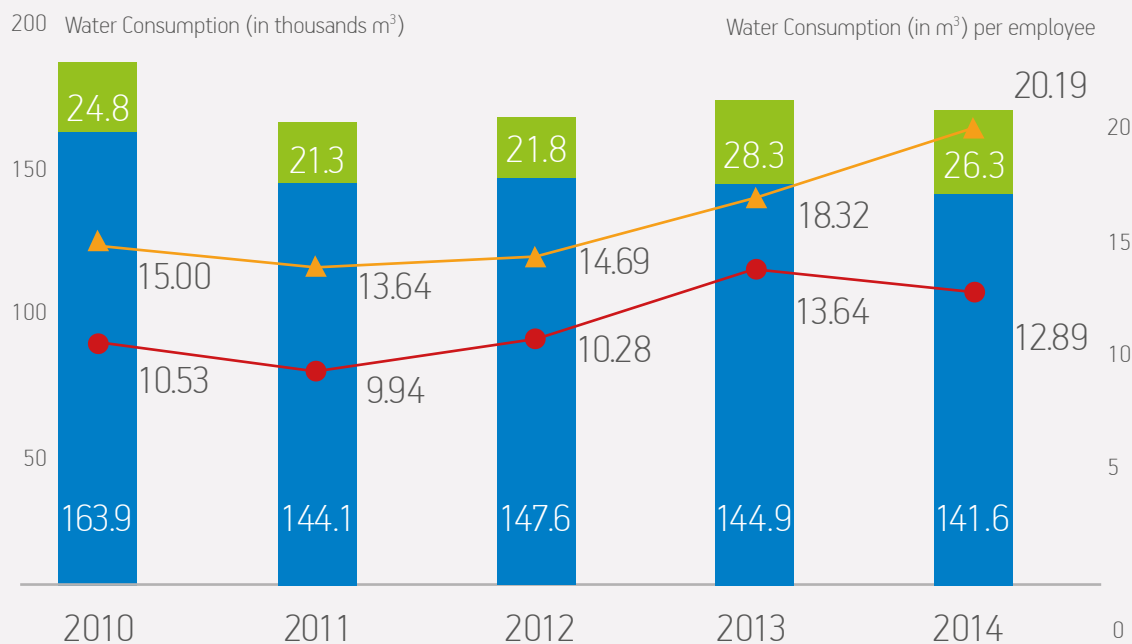
Wastewater from OTE and COSMOTE operations refers to domestic wastewater, which is directed to the available wastewater networks and is treated according to area—specific processes in the municipal wastewater facilities. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2014.

6.7.3
Biodiversity

OTE and COSMOTE are aware of the high value of biodiversity for Greece and recognize the close relationship between biodiversity, sustainable development and human well-being. At the same time, the provision of high quality telecommunication services everywhere and at any time necessitates the operation of a geographically extensive network of telecommunication installations (base stations and wireless communication stations) including, inevitably, in NATURA 2000 sites.

In 2014, there were 487 COSMOTE base stations and 96 OTE base stations installed in 190 and 94 NATURA sites respectively, covering a total area of 2.406 ha and 24.9 ha respectively. More information on the Greek NATURA 2000 sites (e.g. location, maps, area, protected species, etc) can be found in the website of the Ministry of Reconstruction of Production, Environment and Energy. All stations

operating in NATURA sites are fully licensed by the Hellenic Telecommunications and Posting Committee and listed in its website. All buildings/installations/telecom lines that are currently in use and/or installed by OTE and COSMOTE are also registered and relevant information can be found at DG Technology and Operations offices.

In this context, OTE and COSMOTE are committed to minimize any potential impact that their activities (fixed and mobile telecommunication installations and offices) could have on biodiversity. In this vein it should be noted that:

- Potential impacts are mainly related to the operation of installations on isolated areas necessary for the reliable provision of telecommunication services (energy consumption, EMF emissions) and infrastructure works for upgrading/ maintaining telecommunication network (waste generation).

- All potential impacts are addressed in the Environmental Impact Assessment studies carried out and submitted for approval to the designated authorities as foreseen by national legislation in force. In these studies special reference is made to protected areas (NATURA, SPA, RAMSAR, CORINE, IBA) and areas of high biodiversity value that are near to OTE and COSMOTE activities. The contents of these studies and the approval process, that includes a public consultation phase,

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are specified in the relevant legislative acts. These studies, on the basis of current scientific knowledge, conclude that impacts on biodiversity are not material, and therefore there are no protected and/or restored habitat areas that are affected by the operation of OTE and COSMOTE.

- The majority of the installations are small, without permanent personnel and with limited transportation activities at the operational stage.

Number of OTE and COSMOTE Base Stations in Natura Sites per Administrative Region
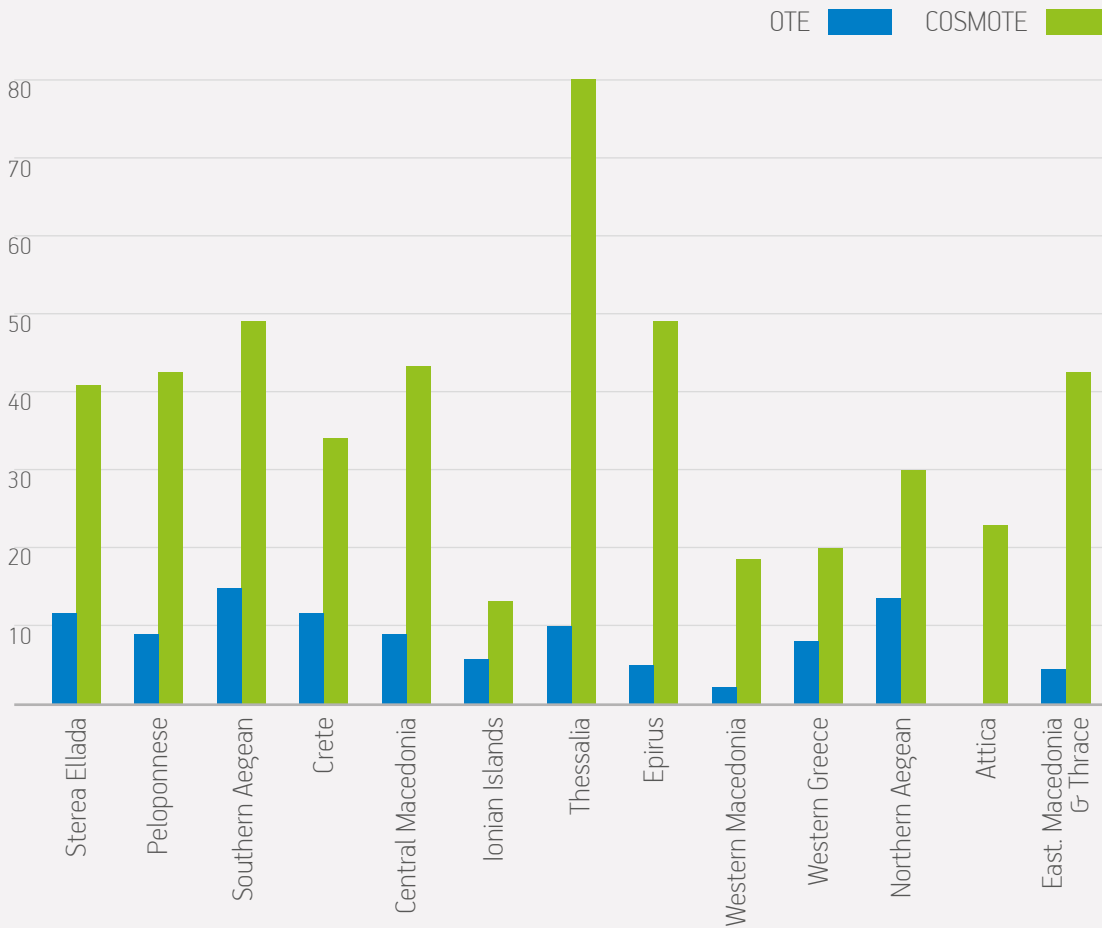
6.7.4
Visual impact

Telecommunications companies have relatively small visual impact on the environment. However, to minimize whatever impact may exist:

- The size of new Base Stations being built now has been decreased.

- Efforts are made to collocate Base Stations in common installations with the other two mobile telephony companies so as to reduce overall visual impact of mobile Base Stations.

- For the installation of new telecommunication infrastructure necessary for the provision of communication services, all efforts are made, to the extent that is technically feasible, to minimize the visual intrusion produced, especially in urban areas by appropriate arrangements and constructions that blend well with the surrounding environment.

- Appropriate modifications are also applied to existing telecommunication infrastructure.

Number of	2008	2009	2010	2011	2012	2013	2014
New Base Stations[1]	70	150	233	323	119	107	145
New base stations collocations	4	2	10	25	0	2	1
Special constructions							
OTE	18	8	6	2	2	4 [2]	4 [2]
COSMOTE	40	50	110	147	82	70	114

Notes
[1] Information for licensed COSMOTE Base Stations in Greece is available at the EETT website
[2] Concrete foundation for satellite antennas.

6.7.5
Noise

The noise impact of OTE and COSMOTE is insignificant, as it is restricted to (a) the operation of electricity generators that are necessary on cases of power outage or when there is no reliable electricity supply, (b) ventilation systems (e.g. supply and exhaust units) and (c) the outdoor air-conditioning units located in building roofs, facades and open spaces (e.g. cooling towers).

- The operation of electricity generators in urban areas is in line with all provisions foreseen by legislation. In special cases, where sound levels from generators should be reduced, OTE and COSMOTE make soundproofing constructions or install hybrid systems, to reduce the operating hours of the generators, or replace old units with new, more advanced ones that operate at lower noise levels.

- In order to reduce noise levels from ventilation and/or cooling systems to the levels foreseen by legislation, soundproofing constructions are placed or old units are replaced with new, more advanced ones that operate at lower noise levels.

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6.8

Environmental Awareness Initiatives

In the context of its corporate responsibility strategy, OTE Group designs and implements environmental training and awareness actions addressed to its employees and customers, and the society.

6.8.1
Employees' Awareness

OTE and COSMOTE, as part of their Environmental strategy, aim to enhance awareness and increase engagement of their employees in initiatives toward the common objective of environmental protection and sustainable development.

Examples of such initiatives in 2014 include:

- On the occasion of the World Environment Day:
  - The results of the Environmental Programs in place were announced in OTE and COSMOTE Intranets and in the OTE website (Microsite), and information concerning the recycling programs in buildings and stores was communicated (video, e-mail, distribution of promotional material).
  - Employees and the public participated in a series of environmental activities organized by 44 employee cultural centers of OTE in various areas of Greece for the 5th consecutive year, such as cleaning beaches, lakes, forests, etc., as well as bike rides, races, tree–planting, collecting and sorting waste into recyclable and non-recyclable categories for further action.

- The official announcement (October 2014) concerning the expansion of the scope of the internal recycling program in four additional buildings (for more information see Waste Management) was accompanied with an internal awareness action, in the context of which employees had the opportunity to participate and learn information and hints on recycling.

- The reception program for new employees (entitled "Welcome on board") that includes a specific section on Corporate Responsibility and Environmental Management. In 2014, 690 new employees attended the program.

- Participation in WWF's "Earth Hour".

- Continuation of the recycling program for home electric and electronic devices of employees, in OTE and COSMOTE buildings (OTE: 552 kg and COSMOTE: 293 kg).

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6.8.2
Public Awareness

An important objective of the OTE and COSMOTE environmental strategy is to increase customers' awareness on ways to reduce their own environmental footprint, through their active participation. To this end:

- A number of e-services are offered to customers (e.g. OTE Video Conference, OTE Business Cloud, "yourbusiness.gr" service for website development) that result in reductions in paper consumption, transportation activity, etc.

- Customers are offered the option to buy on–line services and devices, through the internet e–shops, which are available in OTE and COSMOTE corporate websites.

- The implementation of the joint recycling program (started in June 2013) for batteries, ink

cartridges and phone devices implemented in the OTE, COSMOTE, GERMANOS retail network was intensified. The special importance of everyone's contribution to the protection of the environment is underlined by both companies on the occasion of the celebration of the World Environment Day through targeted communication actions. With a video specifically designed for this purpose, the companies inform the public and employees of the Group on the multiple benefits of recycling, and on how a little effort from everyone can bring about a significant result. The campaign was available on the Facebook and Youtube pages of OTE and COSMOTE (facebook.com/cosmote, facebook.com/ote.gr, www.youtube.com/cosmote, www.youtube.com/otegr) and on the companies' official websites.

Recycling Initiatives at OTE, COSMOTE and GERMANOS Retail Network

Home Appliances Batteries – OTE (kg)
Home Appliances Batteries COSMOTE & GERMANOS (*10 kg)   Ink Cartridges (pieces)

	2010	2011	2012	2013	2014
Home Appliances Batteries – OTE (kg)	6,031	5,450	2,588	1,944	2,955
Home Appliances Batteries COSMOTE & GERMANOS (*10 kg)	5,306	4,477	3,893	4,292	3,884
Ink Cartridges (pieces)	1,524	1,066	1,771	1,246	3,087
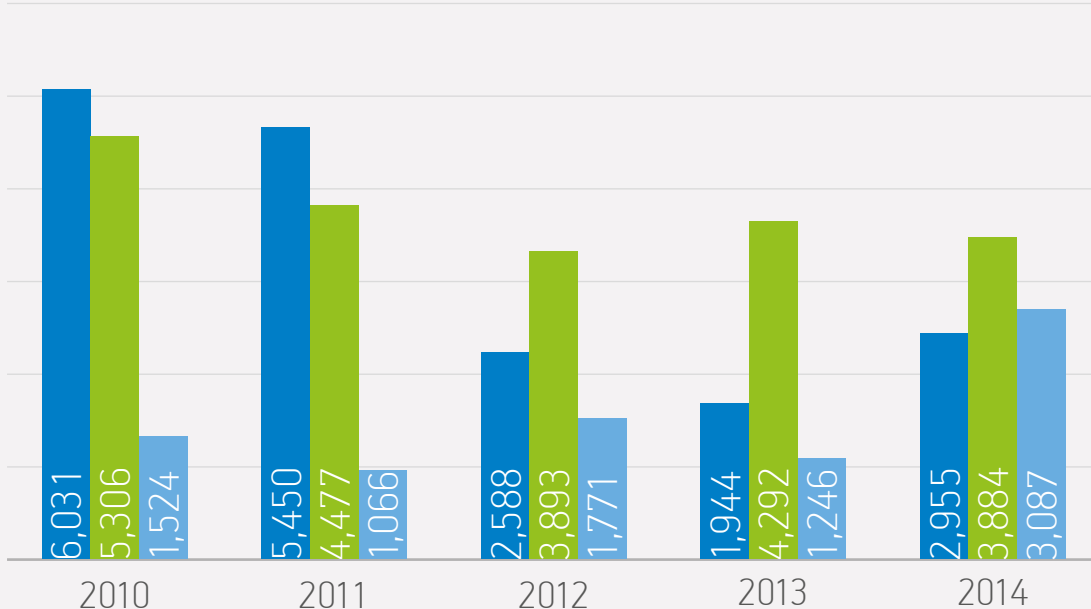
Notes
(1) As of 2013, the initiative for ink cartridges recycling concerns OTE, COSMOTE, GERMANOS retail network..
(2) Home batteries collected from customers at OTE, COSMOTE,GERMANOS retail network are included in the category "Technical waste" following reporting arrangements within the DT group.

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At the same time, OTE and COSMOTE actively participate in events addressing and enhancing environmental responsibility such as:

- The "Podilatodraseis" program (a Bike actions Program). With the aim to make the bicycle part of citizens' daily activities in the city centers, OTE and COSMOTE systematically implement (as of 2012) the "Podilatodraseis" program. It is an innovative program which includes development of infrastructure necessary for the advancement of bicycle usage (Bike Parking and Bike Sharing), educational activities, and providing support to significant bicycle—oriented organizations (Bike Festival). For more information see section Promoting Sports.

  Aiming to promote bicycle use among their employees, OTE and COSMOTE have shaped (available since July 2014), a bike parking area at the Central Administration Building for those who wish to commute by bike.

- In order to increase schoolchildren awareness of environmental protection, OTE and COSMOTE supported, in 2014, educational initiatives through the continuation of strategic partnerships with two NGOs (The Athens Union for the Protection of Forests and Callisto—Environmental Organization for Wildlife and Nature), which are active in organizing environmental educational programs for school communities, regarding in particular forest and wild life protection. Additional support to the activities of these NGO was provided through the common recycling program in the OTE, COSMOTE and GERMANOS retail network, as OTE and COSMOTE donated to both NGOs €1.000 for every ton of mobile and fixed phone devices (including their accessories) collected during the first year of the program implementation (7.6 t for the period June 2013 — May 2014).

Schoolchildren Awareness on Environmental Protection	
NGO	**Type of Sponsorship**
Athens Union for Forests' Protection	• More than 1,100 adults and 2,200 children participated in the activities organized. The educational program of Athens Union for Forests' Protection, which continued from previous years, includes a tour in the Aesthetic Forest of Hymettus as well as sessions of creative activities for children. The program aims to familiarize children with nature and the forest and to develop an environmental-friendly attitude. • A number of family — company voluntary programs for reforestation, cleaning of paths and forest roads, maintenance of the Aesthetic Forest were organized.
Callisto-Environmental Organization for Wildlife and Nature	• The educational courses "We and our forest" and "The forest animals go to school" was attended by 17 schools (717 students). • Seven environmental education workshops entitled "We and our neighborhood. The nature of the city, the nature in the city" took place. • An educational visit/tour in the forest of Sheikh Sou for OTE and COSMOTE employees, with their families, was held on October 2014. Overall, 50 people (parents and children) participated.

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7.0
OTE Group Subsidiaries

OTE Group Corporate Communications Division works on building and implementing the OTE Group CR strategy and framework for all OTE Group companies active in fixed-line and mobile telephony operations, as put forth in the CR Strategy and the CR Governance and Management Structure sections.

In this context, OTE Group fixed-line and mobile telephony subsidiaries are tasked with implementing OTE Group-wide CR strategy and goals. They bear responsibility for deciding on their own CR organization structures, developing and performing their local CR activities, and reporting on their performance.

OTE Group international operations are focused in Romania and Albania.

In Romania, OTE Group offers fixed-line and mobile telephony services mainly through Telekom Romania. Full details on Telekom Romania two operators, Telekom Romania Mobile Communications and Telekom Romania Communications, performance are available on their website.

In Albania, OTE Group offers mobile telephony services through AMC. Full details on the company's performance are available on its website.

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7.1 Romania

In 2014, Telekom Romania Communications (formerly Romtelecom) and Telekom Romania Mobile Communications (formerly COSMOTE Romania), the two major telecom operators in Romania, have officially joined forces, under a new and dynamic telecommunications brand, Telekom Romania, offering complete, innovative and customized mobile and fixed communication services to approximately 10 million customers.

Through the two operators Telekom Romania provides a full range of telecommunication services that include 3G and 4G mobile voice and mobile data services, traditional fixed telephony, high speed internet and television on multiple technology platforms, including IPTV, as well as cultural and specialized content programs in order to offer a complete entertainment experience. For business customers, the new brand provides access to turn-key IT&C solutions, which support companies to become more competitive.

For this merger, 2,000 people worked on over 100 projects for 68,000 hours — the equivalent of 35 years of work — in just 4 months, to complete changes involving aspects of marketing, sales, IT, HR and real estate, including a joint website and a single contact center.

Fully integrated products and services, designed to deliver "best in class" experiences to customers are now offered under the "T" trademark of Telekom Romania.

Besides an integrated customer approach, Telekom Romania also offers its employees a uniform working environment. Thus, more than 500 training sessions have been delivered to the employees — a total of 1,855 training hours — introducing the new brand, its core values and philosophy of Innovation, Simplicity and Competence, and boosting employee commitment in order to deliver on the promise of the new Telekom Romania brand.

The two companies are currently working on the preparation of their first joint annual CR Report, to be published in 2015.

CR Strategy and Management

Telekom Romania has aligned its CR strategy with that of the OTE Group. Both operators under the Telekom Romania brand are in contact with OTE Group Corporate Communications Division to further streamline actions, facilitate a homogeneous understanding of CR by all OTE Group employees and offer high value services to stakeholders. The companies have identified the following five CR pillars: Strategy and Management, Marketplace, Human Resources, Society, and Environment.

Telekom Romania's objective is to operate in a responsible way, to be accountable for the potential impact of their operations and at the same time, to improve its competitiveness and ensure its growth.

Corporate Responsibility, from the organizational perspective, is part of the Corporate Communication Romania Division, which reports directly to the companies' CEO.

Employees of both companies have to follow the Compliance Management System and the Code of Conduct of the OTE Group. Awareness and training campaigns regarding the Compliance Management System components, targeting all employees,

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are deployed on a yearly basis. In 2013, Telekom Romania Communications received a certification for its Compliance Management System, which was also acknowledged, within OTE Group, as a "best practice" on integrity checking.

Telekom Romania aims to integrate principles of responsible operation in its management practices, in order to ensure that they are taken into consideration in its decision making process, within the spirit of "business as usual". Both operating entities hold several management system certifications in the areas of quality, environment, health and safety, information security etc.

Telekom Romania has identified its group of stakeholders and monitors closely their opinion, through internal and external surveys.

In recognition of their performance, Telekom Romania and/or the 2 companies that it comprises now received the following four awards in 2014:

- Following an evaluation by national and international jury, Telekom Romania has been awarded with the Gold Price at the Romanian PR Awards, 12th edition, in the Corporate Communication category, for the corporate communication rebranding campaign (Telekom Romania and V+O Communication).

- The Telekom Romania digital campaigns developed with GMP Group received awards at 4 categories at Internetics 2014, the most important digital competition in Romania. The categories are: Mobile Apps (for Hai! application), Mobile Campaigns, Digital Brand Experience and Services (for the Experiențe Împreună digital campaign).

- The Telekom Romania Wholesale division, the division responsible for Romanian and foreign telecom players, has been selected for the second consecutive year, as a finalist of the Global Carrier Awards event, the most prestigious telecom carriers event global-wise.

- Todor Dimitrovski, the marketing manager of Telekom Romania, has been named by Forbes Romania the best marketing manager in Romania and was interviewed about the principles guiding the success of a marketing professional.

- Telekom Romania Communications and Telekom Romania Mobile Communications were awarded an "Oskar" mention in the "Capital Weekly" for the project involving the construction of a broadband infrastructure in rural areas, reaching 783 localities with 137,000 households and about 400,000 inhabitants.

The key CR performance indicators of Telekom Romania operating entities' performance in 2014 are presented in the following table.

	Telekom Romania Communications	Telekom Romania Mobile Communications
Financial Performance		
Total Revenues (mn €)	609.1	439.4
Payroll and Employee Benefits (mn €)	(97.1)	Non Disclosable
Total Operating Expenses (mn €)	(649.8)	(441.7)
EBITDA (mn €)	149.2	103.7
Pro forma EBITDA (mn €)	159.9	105.6

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	Telekom Romania Communications	Telekom Romania Mobile Communications
Marketplace		
Fixed-line Subscribers	2,180,642	–
Mobile Telephony Subscribers	–	5,953,517
Broadband Subscribers	1,232,075	–
TV Subscribers	1,414,408	–
Employees		
Number of Employees of Indeterminant Term Contracts	5,472	1,018
Percentage of Female Employees (%)	38	55
Employees Covered by Collective Bargaining Agreements (%)	100	0
Employee Turnover as a Percentage of Total Employees (%)	4.11	23.78
Work-related Fatal Accidents (number of employees)	0	0
Work-related Non-fatal Accidents (number of employees)	7	1
Work-related Non-fatal Accidents (lost days)*	610	65
Health and Safety Training (hours/employee)	21.32	8.08
Training Hours (hours/employee)	8.03	10.03
Society		
Sponsorships – Donations (incl. in-kind) (€)	180,000	61,701
Number of Volunteering Projects	6	6
Working Hours Invested to Organize and Run Volunteering Initiatives	240	130
Employee Volunteering (number of employees)	287	178
People Supported (estimated)	296,976	115,974
Environment		
Electricity Consumption (GWh)	133.04	85.85
District Heating and Fuel Consumption in Buildings and Installations (GWh)	26.57	0.88
Fuel Consumption in Vehicles Fleet (GWh)	38.07	6.98
Direct (scope 1) CO_2 Emissions (t)	12,692.24	1,934.82
Indirect (scope 2) CO_2 Emissions (t)	66,659.04	41,295.00
Hazardous Waste (t)	72.71	65.43
Non–hazardous Technical Waste from Telecom Operations (t)	7,369.65	5.80
Recycling of Phone Devices (mobile and fixed) and Accessories (t)	12	0.029
Number of Measurements on EMF Conducted by Specialized Scientific Personnel of the Company and Independent Institutions	–	14

* Lost days are counted as calendar days.

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Marketplace

The companies' objective is to follow a management approach based on the principles of transparency and ethics, while, at the same time, to contribute to the responsible operation of the marketplaces where they conduct business. They focus on the following Marketplace areas: Corporate Governance, Responsible Competition, Responsible Marketing, Responsible Procurement, Public Awareness, Customer Satisfaction, and Data Security and Privacy.

The Boards of Directors are responsible for making any decision regarding the administration, management, resource utilization and any other issue, which may assist in achieving the companies' corporate objectives. The Boards of Directors oversee the organizations' activities on economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

Telekom Romania adheres to the OTE strategy in offering information to assure a safer internet for children. In this respect, it runs communication campaigns for internal and external audiences and participates in events to promote the safer use of internet. In addition, both companies participate in the "CEO Coalition to make the internet a better place for kids", as members of the Deutsche Telekom Group and strive to implement protective measures for children.

To ensure that the companies' communication material is consistent with legal requirements, appropriate, fair and sincere, accurate and respecting people's differentiality, in terms of age, gender, race, religion and physical or mental status, the Brand and Communication Division Romania reviews all advertising messages and campaigns, before releasing them to the public.

Telekom Romania is the largest group of companies in the Romanian market and, therefore, it can significantly influence the responsibility of their suppliers' operations. For this reason, it strives to deploy CR principles, having aligned the Suppliers' Codes of Conduct to OTE and COSMOTE guidelines, in the frame of which it expects its partners and suppliers to be socially and environmentally sensitive, operate according to respective legislation and internationally agreed regulations, and respect the principles and aspects of their

Codes. Conformity to the Codes is a criterion of the vendor evaluation and selection process.

Telekom Romania seeks to be the preferred choice of customers by cultivating a mutual, sincere and trustful relationship with them. For this reason, it closely monitors its performance on satisfying their customers through a series of surveys, which are carried out via telephone interviews on a representative sample of the public.

Employees

The companies' objective is to create a workplace which is safe, fair and facilitates the professional and personal development of their employees. They focus on the following Human Resources areas: Health and Safety, Fair Employment, Labor Rights, Employee Development and Employee Benefits.

The Telekom Romania group of companies employs 6,493 employees, while through its business activity it has indirectly contributed to the creation of a significant number of jobs in Romania, which is an important part of economic growth.

Having as a priority to offer its employees a safe workplace, Telekom Romania focuses on ensuring suitable work conditions and follows health and safety rules. Hence, it identifies labor risks via documented Occupational Risk Assessments. These studies allow Telekom Romania to eliminate or to limit the respective risks, by taking suitable actions, such as training employees and providing appropriate corrective actions. It is worth mentioning that, during the last year, no fatal and only eight non-fatal work- related accidents occurred (which resulted in 675 lost days). In 2014, 6,656 employees of both companies took part in health and safety trainings, totaling 126,427 training hours.

To create a homogeneous corporate culture, Telekom Romania has established a systematic dialogue with its employees through internal communication processes, utilizing various means, such as the intranet, e-mails, weekly electronic newsletters, SMS messages, informative leaflets and posters. In 2014, both companies took part in the "Pulse Survey", an employee satisfaction survey that was conducted within the OTE Group.

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Telekom Romania's objective is to align its business success with the prosperity and the quality of life for all citizens in Romania. In this respect, it focuses on the following Society relevant areas: Social Products and Services, Social Contribution, Economic Development, Volunteering, Business Enterprising and Digital Divide.

Telekom Romania recognizes the need to support financially social organizations, which support people in need, by focusing on education, children's rights, communities' development and sports. The total spending in 2014 exceeded the amount of €240,000.

Telekom Romania tries to involve its employees, customers, suppliers and business partners in various initiatives and programs that respond to the Romanian social needs. Aiming to mobilize its employees, increase their awareness of social needs and to promote responsible and active citizenship, it cultivates volunteerism through various actions, such as planting of trees, sports events, blood donations and volunteering for children's hospitals. In 2014, 465 employees volunteered for such events.

The companies also offer support to Romanian NGOs for fundraising, through the operation of SMS and telephone lines, where customers can text or call to offer monetary support for humanitarian causes, thus facilitating relief for thousands of people in need.

Telekom Romania, in view of its legal obligations and corporate responsibility, makes all efforts to ensure its business continuity, so as to be able to provide services at an acceptable level, even when facing unanticipated events. To this end, the companies have implemented Business Continuity Management Systems, certified under the ISO 22301 international standard requirements.

Environment

Safeguarding the quality of the environment is a major concern of Telekom Romania. In that respect, it strives to minimize the environmental impact of its operations and to raise awareness of its employees and fellow citizens on acting more responsibly on the issue of environmental protection. Environment areas of concern and attention include: Energy Use and Climate Change, Resource Use and Waste Management, Ozone, Water, Environmental Awareness, Biodiversity, EMF, Visual Impact and Noise.

Telekom Romania's commitment to protect the environment is also expressed in the company's environmental policies and is put into action through the development of environmental programs and campaigns, as well as through the application of environmental management systems certified according to ISO 14001.

Within this framework, Telekom Romania analyzes its main activities and operations with regard to their impact on the environment and tries to improve its environmental performance by setting goals, specifying indicators and implementing respective programs. Additionally, it collects various materials for recycling, such as paper, plastic, lubricant oils, IT and telecommunication equipment, mobile phones, accessories, batteries, cables, ink cartridges, etc. In parallel, Telekom Romania companies implemented actions to encourage stakeholders to reduce, reuse and recycle resources. Finally, they have implemented programs for monitoring the levels of EMF in their network, and for reducing the electricity and water consumption. Telekom Romania is in the process of streamlining its EMF Policy with the DT EMF Policy.

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7.2
Albania

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OTE Group operates in Albania through AMC, offering mobile telephony operations. AMC is in the process of developing its annual 2014 CR Report, to be published in 2015.

CR Strategy and Management

AMC as reflected in its everyday operations abides to a well-established CR strategy, documented also in its CR report. The Corporate Affairs Department is responsible for issues and programs of the AMC Corporate Responsibility effort. It reports to the CEO, works closely with all other Departments within the company, and participates in OTE and DT CR Managers' Networks.

In the course of the year, several occasions have been used to cascade the CR commitment down to individual employee level. Examples include the communication campaign about recycling of mobile handsets, the messages to employees about saving electricity used by PCs and lighting, and their involvement in actions to collect and properly dispose trash and waste.

The key CR performance indicators of the company's performance in 2014 are presented in the following table.

	AMC
Financial Performance	
Total Revenues (mn €)	81.5
Payroll and Employee Benefits (mn €)	Non Disclosable
Total Operating Expenses (mn €)	Non Disclosable
EBITDA (mn €)	29.8
Pro forma EBITDA (mn €)	29.8
Marketplace	
Fixed-line Subscribers	–
Mobile Telephony Subscribers	2,056,413
Broadband Subscribers	–
TV Subscribers	–

	AMC
Employees	
Number of Employees of Indeterminant Term Contracts	452
Percentage of Female Employees (%)	60%
Employees Covered by Collective Bargaining Agreements (%)	0%
Employee Turnover as a Percentage of Total Employees (%)	5%
Work-related Fatal Accidents (number of employees)	0
Work-related Non-fatal Accidents (number of employees)	0
Work-related Non-fatal Accidents (lost days)*	0
Health and Safety Training (hours/employee)	3.07
Training Hours (hours/employee)	15.63
Society	
Sponsorships – Donations (incl. in-kind) (€)	110,900
Number of Volunteering Projects	1
Working Hours Invested to Organize and Run Volunteering Initiatives	80
Employee Volunteering (number of employees)	35
People Supported (estimated)	1,000
Environment	
Electricity Consumption (GWh)	19.43
District Heating and Fuel Consumption in Buildings and Installations (GWh)	7.57
Fuel Consumption in Vehicles Fleet (GWh)	1.27
Direct (scope 1) CO_2 Emissions (t)	2,330.15
Indirect (scope 2) CO_2 Emissions (t)	77.73
Hazardous Waste (t)	29.14
Non–hazardous Technical Waste from Telecom Operations (t)	2.23
Recycling of Phone Devices (mobile and fixed) and Accessories (t)	0
Number of Measurements on EMF Conducted by Specialized Scientific Personnel of the Company and Independent Institutions	4

* Lost days are counted as calendar days.

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The company operates according to its ISO 9001 certified Quality Management System, offering high quality services to its customers.

Aiming at a safer digital workplace and online experience, in 2014, AMC employees were informed on technical and organizational security measures to protect data and participated in an internal awareness quiz about data protection.

In the framework of responsible procurement, AMC runs annually the "Supplier Performance Evaluation" process, which involves the evaluation of its most important suppliers' and partners' quality of goods and services delivered, and their commitment to the protection of the environment, health and safety, and corporate responsibility. This process leads to higher standards of products and services and motivates suppliers to improve their performance and their own corporate governance initiatives.

The evaluation process, run in 2014, covered 17 OTE Group suppliers and 22 local suppliers. The suppliers had to return a self-assessment sustainability questionnaire. In addition they were evaluated internally by the respective departments requesting/receiving the designated products and services. This process was coordinated by the OTE Group and the results of the evaluation are incorporated in the Group's results and announced to all Group companies. The results and any consequent remediation measures to be adopted are then discussed by the Senior Management.

Employees

AMC considers its employees as the core of the company. In view of that, it provides to its employees training and focused instruction, to obtain and retain all necessary expertise required to assure quality service.

A series of training sessions on project management, leadership and people management have been offered to employees. In addition, focused technical training on issues such as Cisco network device interconnection, auditing environment management systems, international security management, tower climbing and rescue procedures, IFRS and National Accounting standards has been provided.

Additional training has been provided on health and safety issues. In total, 668 employees attended 1,344 hours of training on various topics, such as emergency preparedness, emergency drills, fire protection, tower climbing and working at heights, working with electrical equipment and installments, first aid, store security, and occupational health and safety awareness.

Special attention is paid to the sales force. A total of 1,714 training hours have been devoted to sales employees (170) exclusively. All of them have participated in training modules on the tools they use routinely (e.g. the upgraded EPOS, SAP, SMPOS), on the new offers, products (e.g. Deezer, Evernote) and services launched during the year (e.g. Vitamina — the best AMC package dedicated to youth), and on how to successfully handle promotional activities.

A number of training hours has been offered to our partners as well, including the staff of our network of distributors, our data entry partners and our promotional agencies.

The participation of AMC employees in the 2014 Pulse Survey was high and the results on employee satisfaction were again quite positive.

Society

As a socially responsible operator, AMC tries to make technology available to those groups of society without access to it. AMC is interested in identifying and helping marginalized groups and especially those with particular needs, offering its technology to fulfill these needs.

In 2014, AMC supported the initiative of Down Syndrome Albania Foundation, the first such organization that cares for children with Down syndrome in Albania. It donated the whole ICT infrastructure — and the technical expertise needed — for the newly-established center of the Foundation. It is thanks to this contribution that the specialized workers of this center can consult the latest world developments and conduct their daily activities in a manner to better benefit its young patients. In addition AMC covered all the necessary therapeutic treatment needs for the children hosted by the Center for a 6-month period.

In its effort to contribute to improved health services to social groups in need, AMC in collaboration with the Ministry of Health, provided to three public health clinics in remote areas of North Albania, necessary medical

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equipment and the IT infrastructure to maintain a fully functional and detailed database of their patients, affording them the ability to connect in real time with more specialized hospitals in their region in case of emergencies.

Noting that mobile telephone services reduced the feeling of isolation that elderly often feel, AMC, on New Year's Eve, provided the residents of the Tirana Elderly House and the people who visit frequently the Elderly Daily Center in Tirana with free mobile headsets together with SIM cards and free talk time to enjoy the benefits of telecommunication.

AMC has also donated a number of office multifunction devices (fax, printer, phone in one) to various education and cultural institutions.

Environment

Since 2012, AMC has in place an Environmental Management System (EMS) which is certified according to the ISO 14001:2004 standard. Through this certified EMS, it ensures the capability to follow and document its efforts to keep the environmental impact of its activities under control, to look for ways to address any environmental problems and to systematically search for ways to improve it in a coherent, efficient and sustainable manner.

The performance of the implemented environmental programs further demonstrates AMC's achievements in safeguarding the environment. In 2014, AMC introduced two new environmental programs to monitor the consumption of natural resources, i.e. fuel and water, in order to be able to set SMART targets for the following years.

During the last year, AMC re-evaluated the environmental impact of its activities by examining environmental impacts under three different scenarios in normal, abnormal and emergency situations. In this exercise AMC invited representatives from its customers and the community to participate aiming at both ensuring transparency and increasing environmental awareness among its major stakeholders.

In 2014, AMC supported the "Green Line" organization, which during May – June 2014 organized a series of environmental awareness meetings with local authorities and inhabitants in several areas of the country. The awareness meetings included efforts to collect detritus from beaches on the coast. AMC's employees also joined this campaign and participated in collecting waste from the central streets of Durres (Albania's second largest city).

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8.1
Accountability Principles Standard AA1000 Index

Principle Applied	Methods	Report Location	Coverage Level
Inclusivity			
	Identification of key stakeholders and dialogue to understand key issues	CR Stragey Materiality Analysis Stakeholders Stakeholders Engagement Approach Overview of Stakeholder Engagement Dialogue	Fully
Materiality			
	Identification of issues which are important to the company and its stakeholders	CR Stragey Materiality Analysis Stakeholders Stakeholders Engagement Approach Overview of Stakeholder Engagement Dialogue	Fully
Responsiveness			
	Responsiveness to key issues and transparency on performance	CR Stragey Materiality Analysis Stakeholders Stakeholders Engagement Approach Overview of Stakeholder Engagement Dialogue	Fully

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8.2
United Nations Global Compact – Communication on Progress (COP)

"In 2015, Climate Change along with the post-2015 Agenda for the UN Millennium Development Goals are critical for the global effort regarding sustainable development. OTE Group driven by the 10 Principles of the UN Global Compact, contributes to the challenge and invites all its stakeholders to follow suit".

Michael Tsamaz
Chairman and CEO of OTE Group

Since 2008, both OTE and COSMOTE support the UN Global Compact, the largest voluntary corporate citizenship initiative in the world, and abide by its ten universal values in the areas of human rights, labor standards, the environment and anti-corruption.

The 2014 Sustainability Report of OTE and COSMOTE includes a detailed presentation of the Companies' priorities, activities, goals and outcomes, structured in a four pillar approach, concerning the employees, the market, the environment, and the society.

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UN Global Compact 10 Principles: actions recorded in 2014 Sustainability Report

Issue	Principle	Report Location	Coverage Level
Human Rights			
	1. Support and respect protection of internationally proclaimed human rights	CR Strategy Compliance Management System and Policies Fair Employment Policy Framework	Full
	2. Ensure not to be complicit in human rights abuses	CR Strategy Compliance Management System and Policies Procurement Policy Suppliers Selection Suppliers Evaluation Classification and Development of Suppliers Fair Employment Policy Framework	Full
Labour Standards			
	3. Uphold freedom of association and effective recognition of right to collective bargaining	CR Strategy Suppliers Selection Suppliers Evaluation Fair Employment Policy Framework Freedom of Association and Collective Agreements	Full
	4. Elimination of all forms of forced and compulsory labour	CR Strategy Suppliers Selection Suppliers Evaluation Fair Employment Policy Framework Freedom of Association and Collective Labour Agreements	Full
	5. Effective abolition of child labour	CR Strategy Suppliers Selection Fair Employment Policy Framework	Full
	6. Elimination of discrimination in employment and occupation	Non-discrimination, Equal Opportunities and Diversity	Full

Issue	Principle	Report Location	Coverage Level
Environment			
	7. Support a precautionary approach to environmental challenges	Environmental Policy Greenhouse Gases and Other Gas Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Electromagnetic Fields Other Environmental Aspects	Full
	8. Undertake initiatives to promote greater environmental responsibility	Environmental Strategy Telecommunications for the Environment Greenhouse Gases and Other Gas Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Environmental Awareness Initiatives	Full
	9. Encourage development and diffusion of environmentally friendly technologies	Responsible Products and Services Telecommunications for the Environment Improving Energy Efficiency and Emissions Reduction	Full
Anti-Corruption			
	10. Work against corruption in all its forms including extortion and bribery	Compliance Management System and Policies	Full
Contribute to broader development goals			
		Expanding Broadband and Mobile Internet in Greece Internet Safety and Public Awareness Responsible Products and Services Society (whole section)	Full

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8.3
Global Reporting Initiative G3.1 Index

OTE and COSMOTE Sustainability Report is based on the requirements defined by the Global Reporting Initiative (GRI). GRI has confirmed that the 2014 Sustainability Report of OTE and Cosmote has been compiled in accordance with the guidelines of GRI G3.1 A+ application level. Additional indicators that we have taken into account in the Sustainability Report 2014, but whose coverage fulfillment is not compulsory for level A+, are printed in grey.

APPLICATION LEVEL
MAY 2015 SERVICE
OTE-COSMOTE

8.3.1
Profile

GRI	Summary Description	Status	Notes
Strategy and Analysis			
1.1	Most senior decision-maker statement	F	Message from the Chairman and CEO
1.2	Key impacts, risks and opportunities	F	Message from the Chairman and CEO
			CR Strategy
			CR Governance and Management Structure
			Compliance Management System and Policies
			Enterprise Risk and Insurance Management System
			Materiality Analysis
			2014 CR Performance
			2014 and 2015 Goals
			Environmental Policy
			Telecommunications for the Environment
			Greenhouse Gases and Other Gas Emissions

Index Key: F = Fully   P = Partially   Not = Not Reported

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GRI	Summary Description	Status	Notes
Organization Profile			
2.1	**Name of organization**	Π	Report Profile
2.2	**Brands, products and/or services**	Π	OTE and COSMOTE
2.3	**Operational structure of organization**	Π	OTE Group
2.4	**Headquarters location**	Π	Report Profile
2.5	**Countries of operation**	Π	OTE Group
2.6	**Ownership and legal form**	Π	OTE Group OTE and COSMOTE
2.7	**Markets served**	Π	OTE Group 2014 CR Performance
2.8	**Scale of the reporting organization**	Π	Report Profile OTE Group OTE and COSMOTE 2014 CR Performance
2.9	**Significant changes in reporting period**	Π	OTE Group
2.10	**Awards received in reporting period**	Π	Awards

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GRI	Summary Description	Status	Notes
Report Parameters			
3.1	**Reporting period**	П	Report Profile
3.2	**Date of most recent report**	П	Report Profile
3.3	**Reporting cycle**	П	Report Profile
3.4	**Contact point about the Report**	П	Report Profile
3.5	**Process for defining Report content**	П	Report Profile CR Strategy Materiality Analysis
3.6	**Boundary of the Report**	П	Report Profile
3.7	**Limitations on boundary or scope of Report**	П	Report Profile
3.8	**Joint ventures, subsidiaries and outsourcing**	П	Report Profile
3.9	**Data measurement techniques**	П	Report Profile
3.0	**Effects and reasons of restated information**	П	Report Profile
3.11	**Significant changes in Report scope, boundary, methods**	П	Report Profile
3.12	**GRI Content Index**	П	Global Reporting Initiative G3.1 Index
3.13	**External assurance policy**	П	Independent Assurance Report

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GRI	Summary Description	Status	Notes
Governance, Commitments and Engagement			
4.1	**Governance structure**	F	CR Governance and Management Structure Corporate Governance
4.2	**Whether BoD Chair is also CEO**	F	Corporate Governance
4.3	**Defining independent Board members**	F	Corporate Governance
4.4	**Mechanisms for shareholders and employees to communicate with the Board**	F	Employees have the opportunity to raise issues of concern to them, in an official dialogue with the Board, through the official representatives of the employees. Non-discrimination, Equal Opportunities and Diversity
4.5	**Linkage between executive compensation and organization performance**	F	Corporate Governance Performance Evaluation and Management
4.6	**Board processes to prevent conflicts of interest**	F	Corporate Governance Performance Evaluation and Management
4.7	**Procedures for determining Board members expertise**	F	Corporate Governance https://www.ote.gr/web/guest/corporate/ir/corporate-governance/board-of-directors
4.8	**Internal statements of mission, codes and principles**	F	CR Strategy Compliance Management System and Policies Strategy for Society Environmental Strategy
4.9	**Board governance of sustainability performance**	F	CR Governance and Management Structure Corporate Governance
4.10	**Evaluation of Board's sustainability performance**	F	Corporate Governance
4.11	**Precautionary approach**	F	CR Strategy CR Governance and Management Structure Compliance Management System and Policies Enterprise Risk and Insurance Management System Health and Safety Policy Environmental Policy Greenhouse Gases and Other Gas Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Electromagnetic Fields
4.12	**External charters, codes and principles**	F	CR Strategy Memberships
4.13	**Memberships in associations and advocacy bodies**	F	Memberships Advocacy for a Responsible Marketplace

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GRI	Summary Description	Status	Notes
Governance, Commitments and Engagement			
4.14	**Stakeholder groups engaged**	F	Stakeholders
			Stakeholder Engagement Approach
			Overview of Stakeholder Engagement Dialogue
4.15	**Stakeholder identification and selection for engagement**	F	Stakeholders
			Stakeholder Engagement Approach
			Overview of Stakeholder Engagement Dialogue
4.16	**Approaches to stakeholder engagement**	F	Materiality Analysis
			Stakeholders
			Stakeholder Engagement Approach
			Overview of Stakeholder Engagement Dialogue
			Customer Surveys
			Employee Satisfaction
4.17	**Topics and concerns raised by stakeholders**	F	Stakeholder Engagement Approach
			Overview of Stakeholder Engagement Dialogue

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8.3.2
Economic Performance Indicators

Summary Description	Status	Notes
ECONOMIC		
Disclosures on Management Approach		
Economic performance	F	OTE and COSMOTE
		2014 CR Performance
		Strategy for the Marketplace
		Business Continuity Management
		Strategy for the Society
Market presence	F	OTE and COSMOTE
		2014 CR Performance
		Strategy for the Marketplace
		Business Continuity Management
Indirect economic impacts	F	OTE and COSMOTE
		CR Strategy
		2014 CR Performance
		Strategy for the Marketplace
		Business Continuity Management
		Strategy for the Society

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GRI	Summary Description	Status	Notes
ECONOMIC			
Disclosures on Management Approach			
EC1	Direct economic value generated and distributed	F	OTE and COSMOTE Strategy for the Society
EC2	Financial implications due to climate change	F	Responsible Products and Services Telecommunications for the Environment Greenhouse Gases and Other Gas Emissions
EC3	Coverage of organization's defined benefit plan	F	Employee Benefits See also Provisions for Pensions, Allowances and Other Employee Benefits in the Annual Financial Report 2014 OTE
EC4	Government financial assistance	F	OTE and COSMOTE
EC5	Entry level wage compared to minimum wage	F	Non-Discrimination, Equal Opportunities and Diversity
EC6	Locally based suppliers	F	Procurement Policy
EC7	Local hiring	F	Human Resources
EC8	Infrastructure investments and services benefiting the public	F	Expanding Broadband and Mobile Internet in Greece Responsible Products and Services Strategy for Society Telecommunications For the Environment Biodiversity Electromagnetic Fields
EC9	Indirect economic impacts	F	Enterprise Risk and Insurance Management System Expanding Broadband and Mobile Internet in Greece Responsible Products and Services Strategy for Society

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8.3.3
Environmental Performance Indicators

Summary Description	Status	Notes
ENVIRONMENTAL		
Disclosures on Management Approach		
Materials	F	Environmental Strategy Resource Use and Waste Management
Energy	F	Environmental Strategy Improving Energy Efficiency and Reducing Emissions
Water	F	Environmental Strategy Water Consumption
Biodiversity	F	Environmental Strategy Biodiversity
Emissions, effluents and waste	F	Environmental Strategy Greenhouse Gases and Other Gas Emissions Resource Use and Waste Management Ozone Water Consumption
Products and services	F	Environmental Strategy Greenhouse Gases and Other Gas Emissions Resource Use and Waste Management Electromagnetic Fields Other Environmental Aspects
Compliance	F	Environmental Strategy Electromagnetic Fields
Transport	F	Environmental Strategy Greenhouse Gases and Other Gas Emissions Energy Consumption Energy Conservation
Overall	F	Environmental Strategy Electromagnetic Fields

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GRI	Summary Description	Status	Notes
ENVIRONMENTAL			
Disclosures on Management Approach			
EN1	Volume of materials used	F	Waste Generated
			Waste Management
EN2	Recycled materials	F	Waste Management
EN3	Direct primary energy consumption	F	Energy Consumption
EN4	Indirect primary energy consumption	F	Energy Consumption
EN5	Energy conservation	F	Energy Conservation
EN6	Initiatives for energy efficiency and renewables	F	Telecommunications For the Environment
			Renewable Energy Sources
			Energy Conservation
EN7	Initiatives for reducing indirect energy consumption	F	Other Indirect GHG Emissions
			Energy Conservation
			Waste Management
EN8	Total water withdrawal	F	Water Consumption
EN9	Effect of water withdrawal	F	Water Consumption
EN10	Water recycled and reused	F	Water Consumption
EN11	Land assets in or adjacent to protected areas	F	Biodiversity
EN12	Impacts on biodiversity	F	Biodiversity
			Following by design the Precautionary Principle
			Monitoring the Levels of EMF Radiation
EN13	Habitats protected or restored	П	Biodiversity
EN14	Strategy for biodiversity	П	Biodiversity
EN15	Endangered species	П	Biodiversity
EN16	Greenhouse gas emissions	П	Direct GHG and Non-GHG Emissions
			Indirect GHG Emissions from Electricity and District Heating
EN17	Other greenhouse gas emissions	П	Other Indirect GHG Emissions
EN18	Initiatives to reduce greenhouse gas emissions	П	Renewable Energy Sources
			Energy Conservation

Index Key: F = Fully   P = Partially   Not = Not Reported

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GRI	Summary Description	Status	Notes
ENVIRONMENTAL			
Disclosures on Management Approach			
EN19	Emissions of ozone-depleting substances	F	Ozone
EN20	NOx SOx and other air emissions	F	Direct GHG and Non-GHG Emission
EN21	Water discharge	F	Water Consumption
EN22	Waste by type and disposal method	F	Waste Generated Waste Management
EN23	Significant spills	F	Waste Management Water Consumption
EN24	Waste deemed hazardous under Basel Convention	F	Waste Management
EN25	Impacts of discharge and runoff on biodiversity	F	Water Consumption
EN26	Initiatives to mitigate environmental impacts	F	Renewable Energy Sources Energy Conservation Waste Management Electromagnetic Fields Ozone Water Consumption Biodiversity Noise Visual Impact
EN27	Packaging materials	F	Waste Management
EN28	Non-compliance with environmental regulations	F	Key Achievements in 2014
EN29	Environmental impacts of transport	F	Direct GHG and Non-GHG Emission Other Indirect GHG Emissions Energy Consumption Energy Conservation in Transport
EN30	Environmental protection expenditures	F	Key Achievements in 2014 Following by design the Precautionary Principle

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8.3.4
Social Performance Indicators

Summary Description	Status	Notes
SOCIAL: Labour Practices		
Disclosures on Management Approach		
Employment	F	Human Resources Strategy
		Human Resources
		Employee Benefits
		Non-Discrimination, Equal Opportunities and Diversity
Labor/Management relations	F	Human Resources Strategy
		Freedom of Association and Collective Labour Agreements
Occupational health and safety	F	Human Resources Strategy
		Health and Safety Policy
		Health and Safety Performance in 2014
		Health and Safety Prevention and Awareness
Training and education	F	Human Resources Strategy
		Employee Development
		Employee Education
Diversity and equal opportunity	F	Human Resources Strategy
		Human Resources
		Non-Discrimination, Equal Opportunities and Diversity
Equal remuneration for men and women	F	Human Resources Strategy
		Non-Discrimination, Equal Opportunities and Diversity

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GRI	Summary Description	Status	Notes
SOCIAL: Labour Practices			
Disclosures on Management Approach			
LA1	Workforce by employment type, region, gender	F	Human Resources
LA2	Employee turnover	F	Human Resources
LA3	Benefits for full time employees	F	Employee Benefits
LA4	Coverage of collective bargaining agreements	F	Freedom of Association and Collective Labour Agreements
LA5	Minimum notice periods on operational changes	F	Fair Employment Policy Framework
LA6	Workforce represented in joint H&S Committees	F	Health and Safety Policy
LA7	Occupational diseases, lost days and fatalities	F	Health and Safety Performance in 2014
LA8	Training on serious diseases	F	Health and Safety Prevention and Awareness
LA9	Trade union agreements on Health and Safety	F	Health and Safety Policy
LA10	Training per employee by gender and category	F	Performance Evaluation and Management Employee Selection Employee Education
LA11	Programs for lifelong learning	F	Performance Evaluation and Management Employees Education See also Provisions for Pensions, Allowances and Other Employee Benefits in the Annual Financial Report 2014 OTE
LA12	Performance and development reviews by gender	F	Employee Development Performance Evaluation and Management
LA13	Governance bodies by diversity criteria	F	Human Resources Non-Discrimination, Equal Opportunities and Diversity Minority groups are not considered a material issue for OTE and COSMOTE operations in Greece
LA14	Basic remuneration ratio by gender	F	Non-Discrimination, Equal Opportunities and Diversity
LA15	Parental leave return and retention rates by gender	F	Non-Discrimination, Equal Opportunities and Diversity

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Summary Description	Status	Notes
SOCIAL: Human Rights		
Disclosure on Management Approach		
Investment and procurement practices	F	Responsible Procurement and Supply Chain Management
		Procurement Policy
		Suppliers Selection
		Suppliers Evaluation
		Classification and Development of Suppliers
Non-discrimination	F	CR Strategy
		Human Resources Strategy
		Non-Discrimination, Equal Opportunities and Diversity
Freedom of association and collective bargaining	F	CR Strategy
		Suppliers Selection
		Suppliers Evaluation
		Human Resources Strategy
		Fair Employment Policy Framework
		Freedom of Association and Collective Labour Agreements
Child labour	F	Responsible Procurement and Supply Chain Management
		Procurement Policy
		Suppliers Selection
		Suppliers Evaluation
		Human Resources Strategy
		Fair Employment Policy Framework
Prevention of forced and compulsory labor	F	CR Strategy
		Suppliers Selection
		Suppliers Evaluation
		Human Resources Strategy
		Fair Employment Policy Framework
		Freedom of Association and Collective Labour Agreements
Security practices	F	Data Security and Privacy
Indigenous rights	Not	Not Relevant
Assessment	F	Compliance Management System and Policies
		Fair Employment Policy Framework
		Suppliers Evaluation
		Classification and Development of Suppliers
Remediation	F	Fair Employment Policy Framework
		Suppliers Evaluation
		Classification and Development of Suppliers

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GRI	Summary Description	Status	Notes
SOCIAL: Human Rights			
Disclosure on Management Approach			
HR1	Investment agreements and human rights screening	F	Compliance Management System and Policies Procurement Policy Suppliers Selection Suppliers Evaluation Classification and Development of Suppliers The P.D. 178/2002 on employees' right protection is taken into consideration in significant investment agreements
HR2	Supplier screening on human rights	F	Compliance Management System and Policies Procurement Policy Suppliers Selection Suppliers Evaluation
HR3	Employee training on human rights	F	Compliance Management System and Policies Data Security and Privacy Internal Communication
HR4	Incidents of discrimination	F	Non-Discrimination, Equal Opportunities and Diversity
HR5	Freedom of association and collective bargaining	F	Suppliers Selection Suppliers Evaluation Fair Employment Policy Framework Freedom of Association and Collective Labour Agreements
HR6	Child labour in operations and supply chain	F	Procurement Policy Suppliers Selection Suppliers Evaluation Fair Employment Policy Framework
HR7	Forced labor in operations and supply chain	F	Suppliers Selection Suppliers Evaluation Fair Employment Policy Framework Freedom of Association and Collective Labour Agreements
HR8	Human rights training of security personnel	F	Data Security and Privacy
HR9	Human rights of indigenous people	Not	Not relevant
HR10	Human rights reviews or risk assessments	F	Materiality Analysis Compliance Management System and Policies Suppliers Evaluation Classification and Development of Suppliers Fair Employment Policy Framework
HR11	Grievances filed on human rights issues	F	Suppliers Evaluation Classification and Development of Suppliers Fair Employment Policy Framework

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Summary Description	Status	Notes
SOCIAL: Society		
Disclosure on Management Approach		
Local Communities	F	Strategy for Society
		Contribution to Local Communities Well-Being and Sustainability
		Electromagnetic Fields
Corruption	F	Compliance Management System and Policies
Public Policy	F	CR Strategy
		Compliance Management System and Policies
		Strategy for the Marketplace
		Advocacy for a Responsible Marketplace
Anti-competitive behavior	F	Competition and Regulation
		Advocacy for a Responsible Marketplace
Compliance	F	Compliance Management System and Policies

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GRI	Summary Description	Status	Notes
SOCIAL: Society			
Disclosure on Management Approach			
SO1	Local communities engagement and impact programs	F	Stakeholder Engagement Approach Overview of Stakeholder Engagement Dialogue Health and Safety Policy Strategy for Society Contribution to Local Communities Well-being and Sustainability Biodiversity Electromagnetic Fields
SO2	Coverage of corruption risk assessments	F	Compliance Management System and Policies
SO3	% of employees receiving anti-corruption training	F	Compliance Management System and Policies
SO4	Incidents of corruption and actions taken	F	Compliance Management System and Policies
SO5	Public policy and lobbying positions	F	Advocacy for a Responsible Marketplace
SO6	Political donations and contributions	F	Compliance Management System and Policies
SO7	Legal actions for anti-competitive conduct	F	Competition and Regulation
SO8	Fines and sanctions for regulatory non-compliance	F	Competition and Regulation Responsible Marketing Practices Equipment Safety Labelling Data Security and Privacy
SO9	Negative impacts on local communities	F	Contribution to Local Communities Well-being and Sustainability Biodiversity Electromagnetic Fields
SO10	Prevention and mitigation of negative impacts	F	Contribution to Local Communities Well-being and Sustainability Biodiversity Electromagnetic Fields

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SOCIAL: Society

Disclosure on Management Approach

SO1   Local communities engagement and impact programs

Summary Description	Status	Notes
SOCIAL: Product Responsibility		
Disclosures on Management Approach		
Customer Health and Safety	F	Strategy for the Marketplace
		Equipment Safety Labelling
		Resource Use and Waste Management
		Electromagnetic Fields
Product and service labeling	F	Strategy for the Marketplace
		Equipment Safety Labelling
		Electromagnetic Fields
Marketing communications	F	Strategy for the Marketplace
		Responsible Marketing Practices
		Equipment Safety Labelling
Customer privacy	F	Strategy for the Marketplace
		Data Security and Privacy
Compliance	F	Strategy for the Marketplace
		Responsible Marketing Practices
		Equipment Safety Labelling
		Data Security and Privacy

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GRI	Summary Description	Status	Notes
SOCIAL: Product Responsibility			
Disclosures on Management Approach			
PR1	Health and Safety impacts in products life cycles	F	Equipment Safety Labelling Resource Use and Waste Management Electromagnetic Fields
PR2	Non-compliance with H&S regulations for products	F	Equipment Safety Labelling Resource Use and Waste Management Electromagnetic Fields
PR3	Product information	F	Equipment Safety Labelling Electromagnetic Fields
PR4	Non-compliance with product information standards	F	Equipment Safety Labelling
PR5	Customer satisfaction	F	Complaints Management Customer Surveys
PR6	Marketing standards	F	Responsible Marketing Practices Equipment Safety Labelling
PR7	Non-compliance with marketing standards	F	Responsible Marketing Practices Equipment Safety Labelling
PR8	Complaints regarding customer data security	F	Data Security and Privacy
PR9	Fines for non-compliance with product regulations	F	Responsible Marketing Practices Equipment Safety Labelling Data Security and Privacy

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8.4
Independent Assurance Report

Independent assurance statement by Deloitte Hadjipavlou Sofianos & Cambanis S.A. ('Deloitte') to the management of Hellenic Telecommunications Organization S.A. ('OTE') and COSMOTE Mobile Telecommunications S.A. ('COSMOTE') on the 2014 common Sustainability Report for the year ended 31 December 2014.

Scope of our work and the assurance standards we used

The Corporate Responsibility team of OTE and COSMOTE engaged us to:

1. **Provide Type 2 moderate (limited) assurance in accordance with the AA1000 Assurance Standard 2008 ('AA1000AS'):**

   — Inclusivity – how they identified and engaged with stakeholders to gain a full understanding of issues;

   — Materiality – how they assessed the relative importance of each issue; and

   — Responsiveness – how they responded to stakeholder issues and how this is reflected in the common Sustainability Report

2. **Provide limited assurance on the following selected key performance data :**

   — ANumber of complaints received from customers (fixed and mobile), **Complaints Management**.

   — Percentage of complaints received from customers, that were resolved within 2 days, **Complaints Management**.

   — Loyalty index (TRIM), **Customer Surveys**.

   — Suppliers evaluated on the basis of sustainability criteria (% of the procurement volume), **Suppliers Evaluation**.

   — Number of students supported in the framework of OTE- COSMOTE Scholarships Program and total value of the financial support (€), **Supporting Education**.

   — Corporate Responsibility expenditure for 2014 to support education, vulnerable social groups and children, **Strategy for Society**.

   — Number of corporate employee volunteering activities, **Employee Volunteering**.

   — Number of employees (FTE 31/12), **Human Resources**.

   — Work-related non-fatal accidents (number of employees and lost days), **Health and Safety Performance in 2014**.

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- Work-related fatal accidents (number of employees), **Health and Safety Performance in 2014**.

- Percentage of male and female employees, **Human Resources**.

- Percentage of the employees covered by collective bargaining agreements (%), **Fair Employment Policy Framework**.

- Average number of training hours per employee and total number of the employees participated in training, **Employee Training**.

- Number of training hours per employee for health and safety issues, **Prevention, Training and Awareness of Health and Safety Issues**.

- Number of complaints regarding discrimination that required corrective actions, **Non Discrimination, Equal Opportunity and Diversity**.

- Employee turnover (departures) as a percentage of the total number of employees, **Human Resources**.

- Electricity consumption (GWH), **Energy consumption**.

- Fuel consumption in buildings and installations (GWH), **Energy consumption**.

- Fuel consumption for vehicles fleet (GWH), **Energy consumption**.

- Direct (scope 1) GHG emissions (t CO_2 eq), **Direct GHG and non-GHG emissions**.

- Indirect (scope 2) GHG emissions (t CO_2 eq), **Indirect GHG emissions from Energy**.

- Hazardous waste (lead batteries and lubricant oils) (t), **Hazardous Waste**.

- Recycling of non-hazardous technical waste from telecom operations (metals & cables and electrical & electronic equipment) (t), **Technical Waste**.

- Recycling of phone devices (mobile & fixed) and accessories (t), **Technical Waste**.

- Number of measurements on EMF conducted by specialized scientific personnel of COSMOTE and independent institutions, **Monitoring the levels of EMF radiation**.

Our scope of work was limited to OTE's and COSMOTE's activities in Greece. We carried out a Type 2 moderate (i.e. limited) assurance in accordance with AA1000AS. A Type 2 engagement requires us to report on the nature and extent of adherence to AA1000 APS. To achieve moderate-level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS in combination with our robust evidence-based and quality-assured approach to professional and independent assurance.

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance, the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

Our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Analysed and tested on a sample basis the processes related to stakeholder identification and engagement, including review of a sample of engagements and the outcomes of engagement.

- Reviewed the process that OTE and COSMOTE used to identify and determine material issues to be included within the common Sustainability Report. This included a review of external media coverage and peer reporting on Corporate Responsibility in 2014 to corroborate issues identified by OTE and COSMOTE.

- Interviewed a selection of OTE and COSMOTE executives and senior management who have operational responsibility for Corporate Responsibility issues, including the OTE and COSMOTE Corporate Responsibility team, to understand the governance structures used for managing Corporate Responsibility, the

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engagement with stakeholders on Corporate Responsibility issues, as well as the implementation of Corporate Responsibility related policies and initiatives in 2014 and the monitoring of these activities.

- Analysed and reviewed on a sample basis the key structures, systems, processes, procedures and controls relating to the collation, aggregation, validation and reporting processes of the selected Corporate Responsibility performance indicators.

- Reviewed information and explanations about the Sustainability Report's assertions regarding Corporate Responsibility performance in 2014; and

- Reviewed the content of the common Sustainability Report against the findings of the aforementioned procedures and, as necessary, provided recommendations for improvement.

Our independence and competencies in providing assurance to OTE and COSMOTE

- We complied with independence rules and policies, which are in conformity with the requirements of the Code of Ethics for Professional Accountants promulgated by the International Ethics Standards Board for Accountants (IESBA). These policies preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report. We have confirmed to OTE and COSMOTE that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

- Our team consisted of a combination of qualified Accountants with professional assurance qualifications and professionals with a combination of environmental, Corporate Responsibility and stakeholder engagement experience, including many years' experience in providing Corporate Responsibility report assurance.

Roles and responsibilities

The Corporate Responsibility team of OTE and COSMOTE has prepared the common Sustainability Report for the intended audience of stakeholders, as outlined in the "Stakeholders" section. The team, who collect and organize the Sustainability Report data, is also responsible for the preparation of the common Sustainability Report and for the information and statements contained therein. The Executive Directors are responsible for approving the common Sustainability Report data, determining the Corporate Responsibility targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the subject matters, as defined within the scope of work above, and in accordance with our letter of engagement. Our work has been undertaken so that we might state to OTE and COSMOTE those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than OTE and COSMOTE for our work, for this statement, or for the conclusions we have formed.

Our observations and recommendations

OTE and COSMOTE have made the following key improvements in managing and reporting their Corporate Responsibility performance during 2014:

- Developed a common Policy on Corporate Responsibility, which specifies the areas affected by the requirements of Corporate Responsibility and how Corporate Responsibility performance is assessed.

- Developed a Social Charter, which sets the rules to be followed by the entire Group on human rights, sustainable development and environmental protection, equal opportunities, health and safety and employees' rights.

- Upgraded their communication with stakeholders through the interactive display of the Sustainability Report on the internet.

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To improve future management and reporting of Corporate Responsibility in accordance with AA1000APS we make the following recommendations to OTE and COSMOTE:

Inclusivity:
- OTE and COSMOTE Management are engaged in a process of dialogue with the stakeholders for the development of an integrated and consistent Corporate Responsibility related strategy. Incorporating gradually the dialogue process in the policies and procedures followed by OTE and COSMOTE, would promote a more structured engagement approach with the stakeholders.

Materiality:
- OTE and COSMOTE have established a process for determining materiality, which is applied across the organization on an ongoing basis. The evaluation of material issues, also taking into consideration the targets set by the new Group Policy on Corporate Responsibility, would lead to a more complete understanding and better prioritization of the material Corporate Responsibility issues.

Responsiveness:
- OTE and COSMOTE have established a process for responding to the issues which are of concern to their stakeholders. The evaluation of the responsiveness to the important material issues, would assist in enhancing the response of OTE and COSMOTE to the needs and expectations of their stakeholders.

The observations and recommendations have been taken into account in forming our conclusions on the common Sustainability Report, as set out in this statement.
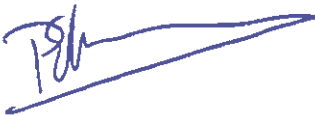
Our conclusions

Based on the scope of our work and the assurance procedures we performed we conclude that:

1. OTE and COSMOTE have implemented the methods described in the "Accountability Principles Standard AA1000 Index", that adhere with the principles of inclusivity, materiality and responsiveness as set out in the AA1000 AccountAbility Principles Standard 2008 ('AA1000APS'); and

2. Based on the assurance work we performed, nothing has come to our attention that causes us to believe that the specific Corporate Responsibility performance indicators defined above, are materially misstated.

In the event of any inconsistency in translation between the Greek and English versions of the common Sustainability Report, as far as our conclusions are concerned, the Greek version prevails.

Athens, 25 May 2015

Paris Efthymiades
Partner
Deloitte Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services

Deloitte.

AA1000
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