OTE GROUP OF COMPANIES

Our world, a better world.

Sustainability Report 2015

Our world, a better world!

At OTE Group, sustainable growth
is what drives our strategy and actions.
Find out how and why in the following 224 pages

www.abetterworld.gr

Table of Contents

1.0 About this Report

1.1 Report Profile

The 2015 Sustainability Report of the OTE Group of Companies refers to the company activities of OTE SA and COSMOTE SA. It is the fourth Joint Report of the two companies starting in 2012 following the separate corporate annual CR Reports published from 2005 to 2011. The companies publish a joint Sustainability Report following the transformation of the two companies to a joint organization.

For the third consecutive year, the Report is published entirely online on a specially formulated reporting platform abetterworld.gr

Report Scope and Boundary

This Sustainability Report covers the period from January 1 to December 31, 2015 (unless otherwise stated).

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

- Summary information on all OTE Group companies is included in the OTE Group section. 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 gradually providing 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 G4.

- The AccountAbility AA1000 Principles on Inclusivity, Materiality and Responsiveness

- The United Nation's Global Compact Principles.

- The criteria of the Greek Sustainability Code

The index tables for each of these standards are provided in the Accountability Principles Srandard AA1000 Index, the United Nations Global Compact – Communication on Progress (CoP), the Greek Sustainability Code – Declaration of Conformity and the Global Reporting Initiative Content Index.

In addition, the companies took into account:

- the vision and the Group strategic pillars for Corporate Responsibility as specified (presented in the section CR Strategy)

- the outcomes of the stakeholders engagement approach (presented in the section Stakeholders)

- the sustainability issues materiality analysis (presented in the section Materiality Analysis)

The Companies have taken into account the statistical use data from the on-line microsite of the Sustainability Report 2014, and the results of surveys carried out to obtain the opinion of stakeholders on the presentation of the aforesaid Report.

The Report addresses all major Stakeholder groups recognized by the Companies who are as follows:

- Customers and potential customers

- Companies

- Science, research and education institutions

- NGOs and interested groups

- Media

- State / Government Institutions

- Employees, potential employees and their representatives

- Suppliers

- Shareholders, bondholders, investors and analysts

The issues that the stakeholders brought up and the Companies' response to them are presented in the Overview of Stakeholdeer Engagement Dialogue section.

The Sustainability Report is subject to external assurance covering the Principles of Standard AA1000 and specific performance indicators of OTE and COSMOTE (see Independent Assurance Report).

Report Data

The data in the Report derive from the reporting systems of OTE and COSMOTE and comprise: aggregated financial and personnel data, aggregated data on customer service and 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. More information on measurement techniques and methods of assessing the data is provided in the Report.

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

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

Compilation in Accordance with GRI Guidelines

The 2015 Sustainability Report has been written in accordance with the core GRI G4 Guidelines, which has also been confirmed by the GRI.

Full information on the fulfiilment of GRI G4 requirements is provided in the section Global Reporting Initiative Content Index.

Report Online Communication

In trying to meet the needs of more sophisticated and demanding readers and analysts the texts of the CR Reports are - in several occassions - highly technical and detailed.

To further improve communication of corporate responsibility performance to stakeholders, particularly to less specialized groups (okosmosmaskalyteros.gr), OTE Group has, for the first time, created an independent platform (okosmosmaskalyteros.gr), where the Report is presented in a simpler and more understandable way. Using interactive tools, the general public is invited to tour the most important "stories" of the Report, which have been "decoded" in order to guide through the reader to better acquaint oneself with the actions of the companies of OTE Group.

Report Feedback

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

1.2 Message from the Chairman and CEO

With technology and innovation OTE Group wants to create a better world for all, doing business sustainably.

In 2015, we kept open channels of communication with all our stakeholders to outline needs and priorities. Based on this dialogue we drew up our strategy and implemented our sustainable development programs. Despite the difficult conditions and ongoing challenges in 2015:

We achieved strong performance and enhanced our investments to the benefit of our customers and the country.

We brought people closer with our advanced networks. In 2015, the population coverage of our 4G and VDSL networks surpassed 80% and 40% respectively.

We responded to our customers' need to make their lives easier, providing integrated services for communication and entertainment. To this end, we established COSMOTE as our single commercial brand for all our fixed, mobile and internet services. We enhanced our television offering. With rich content, quality propositions such as the OTE HISTORY, the only documentary channel for history and culture in Greece, and superior services, OTE TV counts more than 450,000 subscribers.

We helped businesses grow with our technology. We undertook and implemented large ICT projects for both the public and private sectors. We also supported small and large businesses with our IT and cloud based applications and services we offer.

We supported sensitive social groups. Despite the overall uncertainty and the extremely difficult economic conditions of 2015, we increased our social contribution that surpassed 3 million Euros. It is estimated that over 1 million people benefited from our social programs.

I would like to single out our support to the Hellenic Coast Guard overwhelmed by the huge humanitarian crisis that the country and all of Europe is facing due to the extraordinary refugee flows. Our contribution, exceeding 300,000 Euros in 2015, was directed to the repair and maintenance of vessels undertaking rescue operations especially in the Eastern Aegean Sea.

We mitigated the environmental impact of our operations and adapted our practices to the new conditions so as to address climate change.

We continued investing in our greatest asset, our people, providing them with a safe environment to work and grow. We enhanced their skills and provided them with opportunities to develop their talents. We involved them in our corporate responsibility initiatives, recording more than 10,000 voluntary participations.

Our high sustainability performance against the recession backdrop was also reflected in the international agencies' ratings, confirming that the OTE Group is a safe choice for investors.

With our vision and strategy for sustainable business, we succeeded in making 2015 a normal year in an abnormal environment.

Heading towards the new digital era, we will continue to utilize technology and innovation to improve at all levels and maximize our positive influence building a better world for all.

Michael Tsamaz
Chairman and CEO of OTE Group

1.3 OTE Group

OTE Group is the leading telecommunications provider in Greece and one of the strongest 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.

2015 OTE Group Organizational Structure

OTE AE
Greece

100% **Cosmote** Greece

54% **Telekom Romania** Romania

100% **OTE Globe** Greece

100% OTE Estate Greece

94% OTE SAT – MARITEL Greece

70% **Telekom Romania Mobile** Romania   30%

100% OTE Plus Greece

99,97% **Telecom Albania** Albania

100% GERMANOS S.E. Europe

100% OTE Academy Greece

100% **Zapp** Romania

Other Operations Greece

● Fixed Line Telephony   ● Mobile Telephony   ● Other Operations

The organizational structure of the Group is available on the website of OTE (www.ote.gr).

More information on the structure of OTE Group is available in the Annual Report 2015 of OTE. The Group consists of the parent OTE SA Company 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.

In 2015, the companies in which the OTE Group participates employed more than 21.500 employees. Group income for 2015 amounted to € 3,902.9 mn, while its market capitalization stood at € 4.5 bn.

In the fourth quarter of 2015, consolidated revenues of the Group increased by 2% compared to the fourth quarter of 2014, despite the difficult economic and competitive environment. Greece's fixed telephony recorded an impressive performance, with revenues increasing by 5.1% as a result of a strong performance both in broadband and ICT services, and a significant increase in the revenues of OTE TV, supported by a strong growth of subscribers and a significantly higher ARPU index. Mobile telephony in Greece recorded a further increase on a quarterly basis, with the reduction of revenue standing at 0.6% in the fourth quarter of 2015, a decrease of 3.1% from the previous quarter.

Total operating costs of the Group, excluding depreciation, amortization and charges related to the voluntary retirement programs and restructuring costs, amounted to € 712.8 million in the fourth quarter of 2015, an increase of 6.5% compared to the fourth quarter of 2014. The increase is due to exceptional charges recorded in the quarter, and to the costs of the ICT projects sold. Staff costs decreased by 10% as a result of the voluntary retirement program implemented at the end of the second quarter, and are expected to lead to annual savings of more than € 30 million.

Because of the extraordinary charges mentioned above and the large number of ICT projects, the adjusted Group EBITDA decreased by 6% in the fourth quarter and stood at € 348.5 million which resulted in an adjusted EBITDA margin ratio of 33.6%

As a result of the strong financial position of the Group, the Board will propose a dividend of € 0.10 per share at the Annual General Meeting of Shareholders to be held in June 2016, compared with € 0.08 per share distributed last year. The total dividend to be paid is estimated at approximately € 49 million.

OTE Group Financial Performance			
(million €)	2013	2014	2015
Total Revenues	4,054.1	3,918.4	3,902.9
Payroll and Employee Benefits	(821.5)	(697.1)	(667.2)
Cost of Early Retirement Program	(272.4)	(8.4)	(100.7)
Interconnections and roaming costs	(468.2)	(473.6)	(487.0)
Depreciation, amortization and impairment	(842.5)	(796.4)	(829.4)
Merchandise Costs	(276.4)	(300.7)	(292.1)
Other Operating Expenses	(1,080.0)	(1,119.5)	(1,196.1)
Total Operating Expenses	(3,761.0)	(3,395.7)	(3,572.5)
Operating Profits (EBIT)	335.4	589.1	391.1
Operating Profits before interest, taxes, depreciation and amortization (EBITDA)	1,177.9	1,385.5	1,220.5
As % of Revenues	29.1%	35.4%	31.3%
Pro Forma* EBITDA	1,456.3	1,421.6	1,343.0
as % of Revenues	35.9%	36.3%	34.4%

* Excluding the impact of Voluntary Retirement Programs and Restructuring Plans

OTE Group Economic Contribution			
(million €)	2013	2014	2015
Salaries and Benefits	(821.5)	(697.1)	(667.2)
Income Taxes Paid	(121.3)	(137.3)	(154.0)
Interconnections and Roaming Costs	(468.2)	(473.6)	(487.0)
Merchandise Costs	(276.4)	(300.7)	(292.1)
Other Operating Expenses (incl. rental, third party fees, non-income taxes and regulatory charges and other)	(622.4)	(660.1)	(743.9)
Profit attributable to owners of the parent	316.7	267.4	151.9
Investments for the community	2.9	2.9	4.1

Breakdown of OTE Group Revenues				
(million €)	2013	2014	2015	Change 2014-2015
Fixed Line Operations, Greece	1,557.2	1,511.7	1,536.0	+1.6%
Fixed Line Operations, Romania	609.5	609.1	601.7	-1.2%
Mobile Operations, Greece	1,336.5	1,251.4	1,228.4	-1.8%
Moblie Operations, International	544.7	520.9	521.2	+0.06%
Others	448.0	456.2	474.6	+4.0%
Intragroup Eliminations	(441.8)	(430.9)	(459.0)	+6.5%
TOTAL	4,054.1	3,918.4	3,902.9	-0.4%
Other income/(expense), net	42.3	66.4	60.7	-8.6%

Significant Changes/Events in 2015

Announced:

- New Board of Directors of OTE SA

- Voluntary Retirement Programs, mainly for OTE employees who were close to retirement. The project was completed in late June 2015 when the last participating employees left the company. The cost, amounted to €75,0 million.

- Following the approvals from OTE's and TAYTEKO's Board of Directors, an agreement was signed between the two parties for the restructuring of the loans OTE has granted to the Auxiliary Pension Fund/TAYTEKO, accepting the Fund's request in order to facilitate the payments of the monthly installments, due to the Fund's difficulties in repaying its obligations. The impact of this restructuring to the present value of these loans was €17.0mn (before tax) and is included in the income statement of the first half of 2015. The

nominal amounts of these loan receivables have not been affected.

- A dividend (approved by the General Assembly of OTE shareholders) from the 2014 profits, amounting to € 39.1 million or € 0.08 per share.

- Renaming of AMC to Telekom Albania.

- The company's intention to establish a single trading brand aiming to continuously improve customer experience. By joining the forces of OTE and COSMOTE, the Group is offering from October 26, 2015 all of its products and services in fixed and mobile internet under the new brand name COSMOTE, with a renewed logo that highlights the presence of OTE.

- A significant cooperation between OTE and Coca-Cola Hellenic to install and operate a Data Center in Greece, a project with a € 43 million value. After an international competition, Coca-Cola Hellenic commissioned OTE Group to operate the Data Centre which serves the business computer needs of more than 36,000 employees in 28 countries. Coca-Cola Hellenic's Data Center is one of the three largest Data Centers in the Europe, the Middle East and Africa, and one of the largest private projects undertaken by OTE Group.

- Issuance of a four-year, fixed rate bond by OTE to the amount of € 350 million which opened international markets to Greek companies again. The coupon stood at 4.375% per annum. The issue was oversubscribed by 2 times. Upon completion of the transaction, OTE achieved the extension of the maturity of its borrowing obligations and their optimal allocation over time.

Main Products and Services

OTE Group provides integrated products and services that meet the communication needs of both businesses and individuals, namely:

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

- Mobile telephony through COSMOTE in Greece, Telekom in Romania, and Telekom Albania in Albania. Products and services offered include billed and pre-paid services, as well as mobile Internet (with COSMOTE being the first company in Greece to offer 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 connection, offering wide channel choices and advanced services, at the most competitive prices (OTE and Telecom Romania).

- Advanced customized solutions and fixed and mobile services contribute significantly to increasing the efficiency of businesses

- 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 to needs of the wider public and private sector (OTE Academy).

1.4 OTE and COSMOTE

It is important because…

The companies' financial performance is a key priority for their management and shareholders. OTE and COSMOTE provide information on the economic value generated by the operation of companies, and the value distributed, so that the direct value added to local communities and stakeholders is better understood.

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 2015, the company recorded revenues of EUR 1,536.0 million and on the 31 December 2015, it employed 8,496 employees on permanent contracts.

OTE Group Ownership Structure (31.12.2015)

Private Investors **6.67%**

Hellenic State* **10.00%**

Own Shares **0.28%**

Institutional Investors **43.05%**

Deutsche Telekom **40.00%**
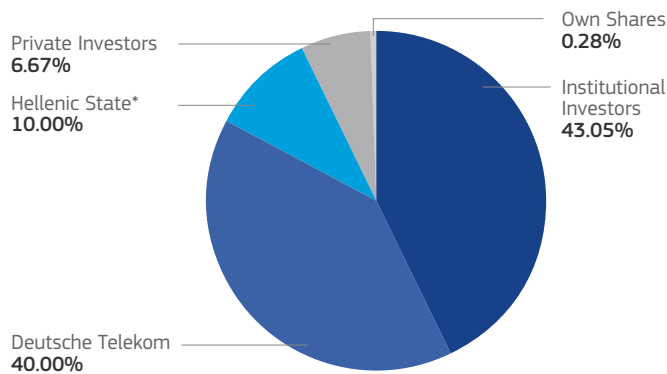
* Including voting rights attached to the 4% of the share capital which has been transferred to the pension fund.

COSMOTE SA, OTE's fully-owned subsidiary, is the leading provider of mobile telephony services in Greece, focusing on innovation, quality and customer service. In 2015, the company recorded revenues of € 1,165.0 million and, on 31 December 2015, the staff of COSMOTE numbered 2,008 employees.

OTE and COSMOTE do not receive any government financial subsidies (except from co-funding contributions from the Greek State and the European Commission for developmental or competitive projects), special tax relief or other government financial support.

Financial Performance

OTE and COSMOTE Financial Performance						
(million €)	OTE S.A.			COSMOTE S.A		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**
Total Revenues	1,557.2	1,511.7	1,536.0	1,281.0	1,202.2	1,165.0
Payroll and Employee Benefits	(444.5)	(315.1)	(331.9)	(98.1)	(89.8)	(85.5)
Costs of Early Retirement Program	(250.9)	0.0	(80.0)	(4.2)	(0.9)	(4.6)
Interconnection and roaming cost	(140.2)	(119.8)	(110.7)	(69.0)	(64.8)	(71.0)
Depreciation, amortization and impairment	(322.5)	(279.4)	(305.9)	(212.8)	(200.4)	(200.1)
Merchandise Costs	(30.0)	(50.3)	(55.8)	(155.0)	(144.8)	(140.1)
Other Operating Expenses	(384.8)	(444.2)	(437.6)	(474.0)	(473.2)	(463.3)

Economic Contribution

OTE and COSMOTE Economic Contribution						
(million €)	OTE S.A.			COSMOTE S.A		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**
Revenues	1,557.2	1,511.7	1,536.0	1,281.0	1,202.2	1,165.0
Operating costs (ex. Depreciation, wages and VES)	(555.0)	(601.5)	(604.1)	(697.9)	(682.8)	(674.4)
Employee wages and benefits	(444.5)	(315.1)	(331.9)	(98.1)	(89.8)	(85.5)
Payments to providers of capital	(161.5)	(168.0)	(115.0)	(143.3)	(143.3)	(62.5)
Payments to the Greek government	(9.7)	(58.2)	(9.4)	(88.9)	(19.4)	(123.9)
Investments for the Community	(1.1)	(1.3)	(1.6)	(1.6)	(1.6)	(1.6)
Economic Value retained	385.4	367.6	474.0	251.2	265.3	217.1

Products and Services

OTE Group offers Greece fixed telephony and broadband services, with high VDSL speeds up to 50 Mbps, and television services, via satellite or broadband connection. In mobile telephony, it offers contract and prepaid services, mobile broadband services (the first in Greece that offered 4G services), value added and roaming services, as well as mobile devices (smartphones, tablets) and accessories.

In October 2015 OTE Group, established "COSMOTE" in the Greek market, as the single commercial brand, for all fixed, mobile and internet products, for all its customers to enjoy an integrated world of communication and entertainment with ease, speed and simplicity.

In November 2015, COSMOTE offered a combination of fixed and mobile services under the name "COSMOTE One" for individuals and professionals. In particular, with COSMOTE One, customers enjoy internet, talk, and entertainment from any device, wherever they are. Respectively, with COSMOTE Business One, solutions in fixed and mobile telephony, internet, Cloud technology and sophisticated call center services are integrated into a single service thus helping firms to work more efficiently, reduce operating costs and grow.

In the field of pay-TV, OTE-TV continued its market advance surpassing 445. 000 subscribers at the end of 2015, while continuing to enrich its program and services. The acquisition of TV rights for the top European Football competitions, UEFA Champions League and UEFA Europa League, for the period 2015-2018, and the agreements with major Hollywood studios such as MGM and NBC-Universal for exclusive first viewing of films on television are noteworthy achievements. With more than 85 OTE TV digital channels, of which 29 with high definition, at their disposal, the OTE TV subscribers enjoy over 60 live sports broadcasts a week, more than 500 premieres and 2,000 movies in total a year, 100 TV series per year, 11 quality documentaries, 5 children programs and content for the whole family, at the most competitive prices.

In fixed telephony, OTE Group continued to replace its copper network with optical fiber, providing access at VDSL speeds up to 50 Mbps to 1.6 million households and businesses, with population coverage increasing to 40%. Already, a total of 5,000 Cabins are available for VDSL services with over 3000 km of optical fiber having been installed since 2010. At present, more than 1.9 million households and businesses have access at speeds of up to 50 Mbps.

In mobile telephony, in 2015, the Group expanded its 4G network to 80% of the Greek territory, offering even more consumers ultra high speed mobile internet, thus remaining the No.1 4G network provider in population coverage. In early 2015, it proceeded in the commercial release of the 4G+ network with LTE Advanced technology, providing commercial speeds of up to 300Mbps, while, taking advantage of the increased capabilities of the mobile network after the acquisition of a new spectrum sector, it made available to consumers speeds up to 375 Mbps, the best in Greece and one of the best in Europe. At the end of the year it offered speeds up to 500 Mbps, the most in Greece and among the first worldwide.

Details of all the products and services of OTE Group are available on the website of COSMOTE.

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 that are available to all citizens of Greece, regardless of their geographic location and at affordable prices. OTE is the designated Universal Service Provider for Greece. This is an important responsibility that OTE takes very seriously and more so in these challenging times for the Greek society.

2.0 Corporate Responsibility Strategy and Management

2.1 Corporate Responsibility Strategy

OTE Group uses technology to create a better world for everybody. It offers its customers the best communication services, it connects people, it offers unique entertainment and it helps companies grow.

It is OTE Group's strategic goal to be a modern, dynamic, customer-focused, high performance organization, that holds a leadership role in the markets it serves, providing the best quality services, the best network and the best working environment.

To achieve this goal, the Group relies on a program of continuous improvement, having as main pillars the enhancement of its leading position in telecommunications and information technology, its excellent customer experience, innovation and the development of new revenue streams, the consolidation of its leading position in fixed and mobile telephony, the optimization of operations and costs, and the effective management and development of human resources.

The Group aspires to enhance its business sustainbilty in all actions thus contributing to supporting society at large as well as protecting the environment. The Group's business model aims to **create value** for the Group's shareholders but also for its customers, society and its employees. Sustainable development and corporate responsibility principles are incorporated in the operations of the Group. Corporate responsibility priorities are discerned in its four strategic pillars (the market, employees, society and the environment).

Value Creation

In this Report, for the first time, there is an attempt to capture how value is created based on the Group's strategy. In this attempt, we use elements from the Integrated Reporting Framework, which are based on the 6 "chapters" to describe the resources used by a corporation. The chapters identified are: financial, human, manufactured, intellectual, natural and social. Using these 6 "chapters" we are thus able to observe all corresponding resources (inputs) and results (outputs) in the operating model.

Inputs: The human resources, networks and infrastructure as well as the Group's financial resources are important inputs for the operation, competitiveness and success of the Group. Its companies invest in research and innovation programs to develop new technologies, products and services, responsibly manage natural resources in their operation and communicate with their stakeholders for an early identification of their needs.

Output: As a result, the Group is continuously enhancing its products and the services it provides to its customers, improves its financial results, provides new job opportunities, works with a large number of suppliers, pays state taxes and contributes (financially and in kind) to society. Beyond the economic value, the companies provide equal opportunities and facilitate access to digital world for vulnerable social groups, takes measures to reduce its environmental footprint and provides products and services that help its users / customers reduce their environmental impact.

OTE Group of Companies
Governance

Inputs

Financial Capital
Use of financial resources for achieving the best financial performance

Human Capital
Information dissemination, training and development of employees, benefits to employees

Produced Capital
Investment in networks and physical assets to improve and upgrade services offered

Intellectual Capital
Investment in research and development of innovative products and services

Natural Capital
Use of natural resources, including energy, for operation

Social Capital
In dialogue with the stakeholders, support of society

Value Creation

Vision
We help create a better world for all through technology.
We are the number one loved brand in the country.

Strategy Pillars

Leadership in Technology	Customer Experience	New Revenue Sources	Leadership in Conventional Services

Operations and Cost Optimization

Human Resources Strategy

Guiding Principles
1. Customer delight drives our action
2. Respect and integrity guide our behavior
3. Team together – Team apart
4. An excellent place to perform and grow
5. I am "OTE" – You can count on me

Corporate Responsibility Pillars

Marketplace	Employees	Society	Environment

Outputs

Financial Capital
Dividend paid, taxes paid, EBITDA

Human Capital
High employees' skills, engagement and satisfaction levels

Produced Capital
Products and services of high quality fixed and mobile telephony, broadband and paid television services

Intellectual Capital
Development and marketing of innovative products and services

Natural Capital
Reduction of CO_2 emissions, increased energy efficiency, efficient waste management

Social Capital
Support of vulnerable social groups, improved social contribution and customer experience

Inputs → **Value Creation** → **Outputs**

Information for all the actions above are included in the relevant sections of this Report, and the main performance indicators on issues related to the environment, society and governance (ESG KPIs) of OTE and COSMOTE for 2015 are presented in the Corporate Responsibility Performance 2015 section.

OTE Group Corporate Responsibility Policy

OTE Group's Corporate Responsibility Policy among other things determines:

- the manner in which all Corporate Responsibility issues are evaluated as well as the areas affected by it,

- the general plan of action being applied by the Group and the governance structure of its corporate responsibility.

This Policy sets out the basic corporate responsibility and sustainable development principles that need to be taken into account in designing corporate responsibility actions, as well as the responsibilities and duties of the competent bodies responsible for the development, monitoring and coordination of the implementation of those actions, through documented procedures. The procedures described enable the recording of the performance and progress achieved, the identification of opportunities for improvement and the optimal design of corporate responsibility measures to meet social challenges and activities. They also define the governance structure of corporate accountability, and identify the areas of responsibility and tasks as well as the forms of cooperation between the different actors in Corporate Responsibility issues and the Group's central administration and its subsidiaries.

The Policy was developed in 2014 and was approved in 2015 following appropriate corporate procedures.

OTE Group Social Charter

OTE Group expresses its commitment to ethical corporate governance through the new Social Charter of the Group, which acts as a behavior guide for all employees, investors and suppliers of the Group.
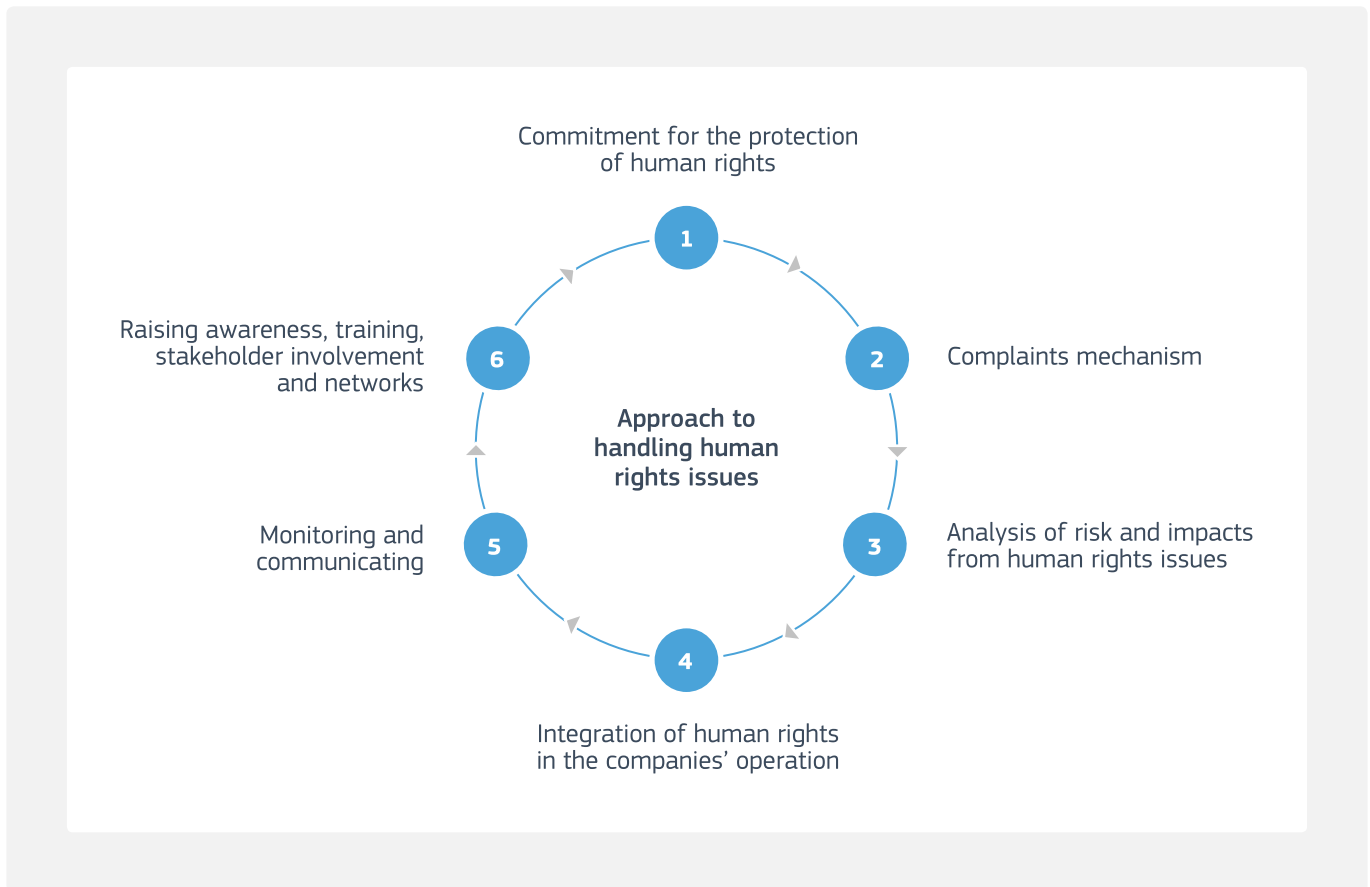
OTE Groups' Social Charter, defines the working conditions and social standards under which products and services of the Group are developed and supplied. At the same time, it sets the rules which will be followed by the entire Group on human rights, sustainable development and environmental protection, equal opportunity, health and safety and workers' rights. It has been developed in accordance with internationally recognized 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 UN Global Compact. The text is in line with the guiding principles of the United Nations on Business and Human Rights.

The Charter was developed in 2014 and was approved in 2015 following appropriate corporate procedures.

Human Rights Management

OTE Group recognizes the importance of human rights issues and reinforces its strategy both through the Group's Social Charter as well as by developing a comprehensive approach to managing these issues. Particular attention is given to the employees' rights, to freedom of association and collective bargaining, to diversity and equal opportunity (see Employment section). In an effort to protect human rights outside its own strict operating limits, OTE Group asks suppliers to respect and ensure human rights (see Supplier Selection Section).

OTE Group respects the right to freedom of expression and privacy of data and operates according to the current legislative framework (see Data Security and Privacy Section).

Commitment for the protection
of human rights

Approach to handling human rights issues

1. Commitment for the protection of human rights
2. Complaints mechanism
3. Analysis of risk and impacts from human rights issues
4. Integration of human rights in the companies' operation
5. Monitoring and communicating
6. Raising awareness, training, stakeholder involvement and networks

- **Commitment to protecting human rights and grievance mechanism** (Steps 1 and 2)

  Respect and observance of human rights are embodied in the fundamental policies of OTE Group, such as the Code of Conduct and the Social Charter. Furthermore, its Corporate Responsibility Policy states that the Executive Director Compliance and Enterprise Risk Management and Insurance OTE Group, has been appointed as the coordinator responsible for issues relating to human rights. Possible complaints and queries (internal and external) related to human rights are treated with the help of the existing adopted complaints mechanism procedures ("Tell me", "Ask me" and whistleblowing mechanism) (see Sections Compliance Management System and Policies, Non-Discrimination, Equal Opportunities and Diversity).

- **Risk analysis, impact assessment and integration into Group operation** (Steps 3 and 4)

  The Group is taking steps to identify the potential risks of human rights abuses associated with activities, products and services, and to assess their impact. The Guiding Principles of the United Nations require companies to mainstream human rights into relevant business areas and internal procedures. A typical example is the integration of the requirements for human rights compliance in contracts with suppliers (see: Supplier Selection).

- **Monitoring, communication, awareness and cooperation with stakeholders on human rights issues** (Steps 5 and 6)

  Communication -on an annual basis – of the Group's approach and performance on human

rights issues is accomplished mainly through the Sustainability Report. The publication of the Social Charter is an example of the effort to raise awareness within its stakeholders. On International Human Rights Day (December 10), the President and CEO of OTE Group took the opportunity with an internal message to make reference to the Social Charter and urged employees to comply with the Group's commitments to human rights, both in their work, and in their daily lives. A relevant text was also posted on the intranet.

United Nations Sustainable Development Goals

In September 2015, the United Nations adopted 17 targets for sustainable development (Sustainable Development Goals). Through its programs and activities the OTE Group contributes to achieving these goals. Moreover, OTE and COSMOTE participate in the UN Global Compact initiative for sustainable development. The companies support the new objectives and will contribute to their achievement.

Key Achievements in 2015

- ✓ Participation in **the FTSE4Good, Euronext Vigeo Eurozone 120 and Euronext Vigeo Emerging 70** indices and **recognition of OTE's performance in sustainable development by international analysts and rating agencies**

- ✓ Implementation of new interactive on-line presentation of this Sustainability Report in a simplified and understandable way: okosmosmaskalyteros.gr

- ✓ Publication of OTE Group Corporate Responsibility Policy Report

- ✓ Adoption of OTE Group Social Charter

- ✓ Upgrading of how human rights management

- ✓ Strengthening of the materiality analysis process, in accordance with the Group's Corporate Risk Management approach

2.2 Corporate Responsibility 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 OTE Board of Directors is responsible for the performance of the Group with regards to Corporate Responsibility. According to the organizational structure, it is the competent body 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.

CR Responsibility Issues within OTE Group

OTE Board of Directors

Board of Directors
Approves Group-wide corporate responsibility policies, position papers and significant strategic projects, as needed

Chairman and CEO
Overseas OTE Group corporate responsibility strategy and performance

OTE Subsidiaries' Boards of Directors

→ Following OTE Board of Directors approval, approve the adoption of Group-wide corporate responsibility policies, positions, strategic projects
→ Are responsible for measures to implement corporate responsibility policies / corporate responsibility strategy

Executive Director Corporate Communication's OTE Group

Executive Director
→ Recommends Group-wide corporate responsibility policies, assigns work and strategic actions etc.
→ Cooperates with the Chairman and CEO on corporate responsibility issues and informs the BoD seeking guidance or approval, if applicable
→ Formulates Group-wide corporate responsibility strategy, policies guidelines and corporate responsibility programs
→ Acts as the central interface between the corporate responsibility bodies and as the official representative of the OTE Group in all aspects of corporate responsibility

Corporate Responsibility Department
→ Develops corporate responsibility strategy, corporate responsibility policy and corporate responsibility program (in the form of strategic policies)
→ Prepares the decisions to be made by the OTE Group Corporate Communication Division or Boards of Directors
→ Coordinates and monitors implementation of corporate responsibility policies, develops indicators and monitors progress towards target achievement
→ Runs the OTE Group corporate responsibility Managers Network and supports the DT Group Corporate Responsibility Managers Network

OTE Group Corporate Responsibility Managers' Network*

→ Disseminates Group-wide expertise
→ Facilitates communication between international subsidiaries / business areas

* OTE Group Corporate Responsibility Managers' Network participates in DT Group Corporate Responsibility Managers Network

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. They are solely responsible for the implementation of local organizational structures of Corporate Responsibility, for defining their own Corporate Responsibility 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 Managers Network, with the Corporate Responsibility Department and participate in the International Corporate Responsibility Managers Network of DT Group. More information on Corporate Responsibility performance of the OTE Group's subsidiaries presented in section OTE Group Subsidiaries

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.

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 to being informed about trends and developments in Corporate Responsibility matters, staff members of the Corporate Responsibility Department participated in 2015 in events and training seminars on current and running issues of Corporate Responsibility and sustainable development (e.g. Advanced Sustainability Practitioner, DT CR Stakeholder Forum, etc.).

The organization structure is presented in the following graph.

Organization Structure
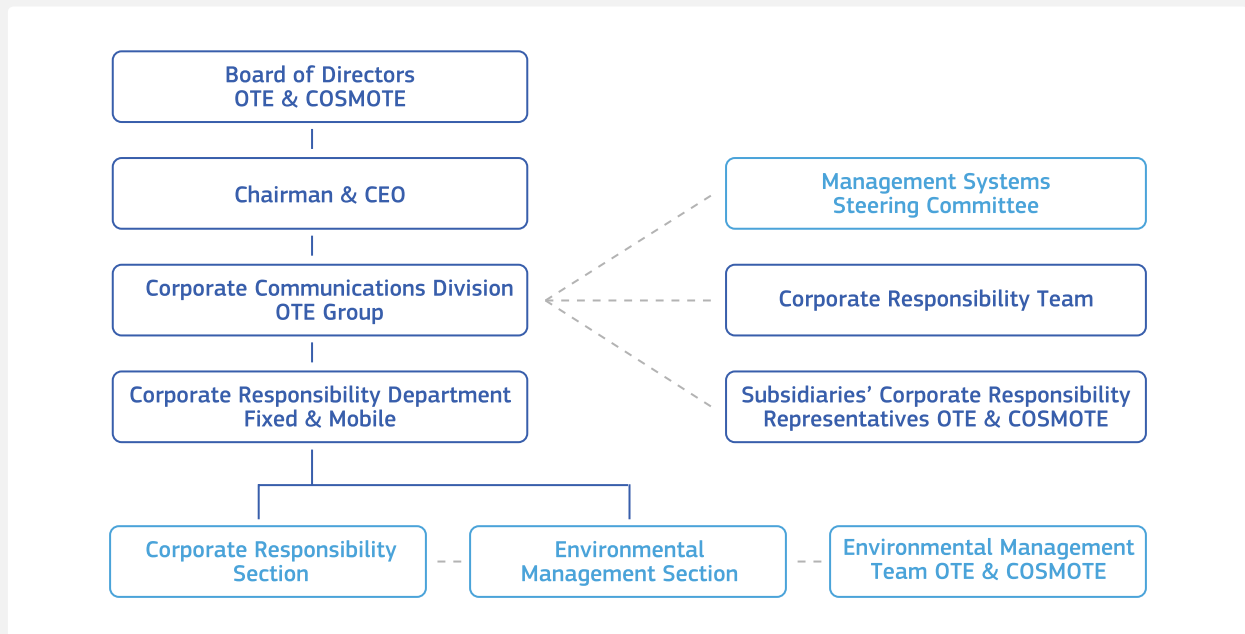
Interdepartmental Corporate Responsibility Team

To further disseminate the principles and corporate responsibility actions to the different business units of the companies and in order to collect information relating to corporate responsibility and sustainable development performance, a joint OTE Group Corporate Responsibility Team was created with 50 representatives from all business units. Head of this Corporate Responsibility Team is the OTE Group Corporate Communications Executive Director.

All members of the Team significantly contributed to the awareness and mobilization of the two companies staff members by strengthening the visibility and the achievement of corporate responsibility objectives within the companies whilst also creating a common corporate culture.

Corporate Responsibility Indices have been incorporated in the self-assessment goals and the individual operational objectives of staff members of OTE Group's Corporate Communications Division and members of the Corporate Responsibility Team. Corporate responsibility principles are taken into account in the annual performance evaluation process of all employees as described in the Performance Evaluation.

2.3 Corporate Governance

The term "Corporate Governance" refers to a system of guidelines and principles adopted by a company in order to maximize the performance of the company and protect 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 legal obligations on Corporate Governance, 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 voluntarily follows, although not required by law, best practices for compliance. In this context, OTE complies with the Hellenic Corporate Governance Code (HCG Code) for Listed Companies in force after its revision in 2013 by the Hellenic Corporate Governance Council (HCGC), a joint initiative of HELEX and Hellenic Federation of Enterprises. Also, in accordance to applicable legislation, OTE publishes its Corporate Governance Statement, as a special part of the Annual Report of the Board of Directors to the General Meeting of Shareholders, and justifies any possible deviations from the principles of the Hellenic Corporate Governance Code (principle of "comply or explain").

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

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

The fundamental principles of OTE's Corporate Governance system concern the following:

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

- Transparency and control of the Management

- Assurance of operational efficiency

OTE applies Corporate Governance standards and principles, in accordance with the following four key priorities:

- the definition of capacity of the Members of the Board of Directors (Executive, Non-Executive and Independent Members) and the assigning to them of respective responsibilities

- the establishment of procedures for the required oversight of OTE activities

- the protection of shareholder rights

- the enhancement of transparency and information disclosure

More information is given in the section Corporate Governance of COSMOTE.

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

More information is given in the section Corporate Governance of OTE.

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 the policies adopted by OTE concerning the above issues.

Both companies have the same person as Chairman of the BoD, who is also the CEO as provided in Article 10.1 and Article 19.1 of the Articles of Incorporation of OTE and COSMOTE respectively.

The Chairman of the Board and CEO requests from the Board of Directors information and opinions of their members on Corporate Responsibility issues of both companies during the annual revision of the strategic objectives.

The Annual General Meeting of June 12, 2015 appointed eleven (11) members of the Board and, following the resignation of one of the members on November 2, 2015, the Board of Directors of OTE continued the company's management and representation with the rest of the members in accordance with Article 9, para. 4, of the Articles of Incorporation, until 16/2/2016, date which a new member was elected in order to replace the resigned one. On December 31, 2015, before the replacement, out of the ten (10) members, two (2) were Executive, six (6) Non-Executive, and two (2) Independent Non-Executive. Nine (9) of the members were male and one (1) female.

COSMOTE's Board of Directors, on 31 December 2015, consisted of nine (9) members, elected for a three year term by the Annual General Assembly of Shareholders held on June 12, 2015. All nine (9) members are male.

Committees

The activity of the Board of Directors of OTE is supported by:

- the Audit Committee

- the Compensation and Human Resources Committee

The above committees consist of members of the Board of Directors.

Moreover the activity of OTE Board of Directors is supported by the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee.

OTE's Compensation and Human Resources Committee is, amongst other things, responsible for defining the principles of Corporate Social Responsibility policies.

Evaluation and Compensation

In 2015, there was no official practice for the evaluation of OTE's Board of Directors or of the members of the Compensation and Human Resources Committee. However, (a) the Audit Committee Regulations were amended to include an evaluation, at least biennially, of the effectiveness of the Audit Committee by its members and an update for the Board of Directors in order to address any identified weaknesses and (b) the two (2) Executive Board members (of which one is the Chairman of the Board and CEO) are being assessed by the Board for the purpose of determining their variable remuneration without the presence of the Board member evaluated in the relevant discussion and decision.

The compensation of the Non-Executive and Independent Non-Executive members of OTE Board of Directors for their participation in the Board and its Committees meetings are approved by the General Assembly of Shareholders of OTE. The compensation of the Executive Members is determined by individual contracts, the terms of which are approved by the General Assembly of Shareholders of OTE. Respectively, the compensation of COSMOTE's Board of Directors members is approved by the General Assembly of COSMOTE's Shareholders.

According to paragraph 7 of Article 9 of the Articles of Incorporation of OTE, the Executive members of the Board of Directors (in 2015, the CEO and the OTE Group Chief Financial Officer) do not receive compensation for their participation in meetings of the Board of Directors or its Committees.

2.4 Risk and Compliance Management and Policies

It is important because...

The compliance of an organization with applicable regulations is a minimum requirement for its responsible operation. The Management of OTE Group and its stakeholders (including mainly the shareholders and investors, the media, the State and suppliers) essentially demand the ensuring of the Group's compliance with laws and regulations, and a zero tolerance for corruption, extortion and bribery.

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 in that it supports efforts to secure the company's success in a sustainable way.

As part of a comprehensive compliance, risk and insurance management process, the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group supports the Board of Directors and Management in the performance of their tasks in managing the Group and meeting their obligations. The business units falling under the Executive Director Compliance, ERM and Insurance OTE Group are responsible for the continuous development of the enterprise risk and compliance management systems and for the OTE 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 corporate risks.

- The **Compliance Management System (CMS)**, to develop a program for managing non-compliance risk and planning preventive measure for its avoidance.

The effectiveness and efficiency of the above mentioned Systems (CMS and RIMS) is monitored by the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee (OTE Group GRC Committee)[1], the Audit Committee and the Board of Directors. More information about the composition and the roles of the aforementioned Committees and the OTE Board of Directors can be found in the Corporate Governance Report 2015.

The competent business unit of the Executive Director Compliance, Enterprise Risk Management

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[1] During the implementation of the operational integration of fixed and mobile OTE Group business units, including, among others, the Compliance, Enterprise Risk Management and Insurance unit - and provided that issues regarding both fixed and mobile are submitted to the Compliance, Enterprise Risk and Corporate Governance Committee–, the amendment of the Committee's Regulation of Operations was deemed necessary. In accordance with decision D. 829 / 24.07.2015 of the Chairman of the Board of Directors and CEO of the Company, the until that time called 'Compliance, Enterprise Risk and Corporate Governance Committee of OTE' was renamed as 'OTE Group Compliance, Enterprise Risks and Corporate Governance Committee' while, at the same time, the operation of the Compliance, Enterprise Risk and Corporate Governance Committee of COSMOTE was terminated. The abovementioned Committee manages issues related to compliance, enterprise risks and corporate governance for all OTE Group companies which operate under similar systems.

and Insurance OTE Group prepares and submits reports, at least four times a year, to the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee for their review, evaluation and which are then submitted to the competent corporate bodies (OTE Audit Committee and OTE Board of Directors).

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, communication and controlling of corporate risks, including all strategic, operational and organizational monitoring and mitigating measures used for risk management.

Enterprise Risk Management involves adequate mapping of business risks as a basis for a better decision making, optimizing the Group's value. Corporate risks are categorized, critical risk areas are identified, providing a framework for risk management within the existing approval limits set by the Board of Directors and Senior Management. This includes identifying particular events or circumstances related to OTE Group's objectives (risks and opportunities), evaluating the likelihood of occurrence and the level of the risk impact and determining a risk strategy for response and monitoring.

The OTE Group Enterprise Risk Management business unit facilitates and monitors the implementation of effective risk management practices by business units and assists risk managers to determine the level of risk exposure and to provide adequate disclosure of relevant risk information. The tasks of risk managers include monitoring and reporting the overall situation of the risk portfolio as well as supporting the implementation of the analysis and risk assessment methodology in the respective business units. The OTE Group Enterprise Risk Management business unit periodically submits the OTE Group Risk Report to the OTE Group Compliance, Enterprise Risks

and Corporate Governance Committee for review, evaluation and submission to the competent corporate bodies, namely the OTE Audit Committee and the OTE Board of Directors.

In implementing the Risk and Insurance Management System, the following OTE Group Policies apply:

- Risk and Insurance Management Policy

- Policy on Pensions and Risk Benefits

Detailed information on the RIMS, the process of risk identification and management followed by the Group, as well as the main achievements for 2015 are listed in the Corporate Governance Report 2015.

Key Achievements in 2015

- Presentation of 4 OTE Group Risk Reports

- Application of the OTE Group Enterprise Risk Management methodology in the implementation of the materiality analysis (see. Section Materiality Analysis)

- Harmonization of the risk categories developed by the OTE Group Enterprise Risk Management Department, with the Compliance risk categories. These actions are part of the effort to establish a unified enterprise risk management methodology at OTE Group, aiming at, amongst other things, the harmonization with the requirements of the ISO 31000 standard

- Ongoing systematic monitoring and recording of claims and property damages and relevant revenue loss

- Configuration of a unified enterprise risk management methodology for DT Group

- Adoption of a unified method of classification, assessment and reporting of risks in all OTE Group companies

2.4.2 Compliance Management System and Policies

Ensuring Compliance is a priority of the Group in Greece and abroad. Compliance constitutes a clear commitment to the principles of integrity, transparency, fairness, professionalism, team spirit and respect of the rules and principles which are essential for the management of company business units.

To this purpose, in May 2009, the OTE Group adopted a Compliance Management System (CMS), regarding the compliance of all (personnel and Management) with the legislation in force and with internal policies, aiming at avoiding of risks and other legal consequences for each company and for each member of personnel – employees, executives and senior Management. The CMS has been set up in the interest of each company, its employees, its customers, its suppliers and its shareholders.

The key elements of the CMS are:

- The prevention of misconduct together with the compliance with the policies, in order for the company and its employees to be protected from legal consequences due to misconduct. Additionally, the CMS contributes to reducing the reputational risks and public image of the company and the Group. Prevention is particularly achieved through:
  - the development of Compliance Policies and Procedures
  - the training of employees, so that they are best informed about the risks involved in the possible violation of basic rules, such as those of corruption, fraud, misuse of personal data, manipulation of financial statements, disclose of inside business information, etc
  - the conduct of an annual Compliance Risk Assessment, in cooperation with the business units, for the identification and assessment of significant risks and the determination of the necessary actions and measures for their controlling and mitigation
  - the communication channels that have been

developed to enable employees to raise questions about the implementation of Policies, in case they are uncertain as to how they should handle issues that come up in their daily work

- the detection of compliance violations, the investigation thereat and the submission of proposals and corrective actions or measures deemed necessary. In order to provide the possibility of filing a tip-off regarding violations of Policies, Regulations and of the Legislation in force, the Company has established the Whistleblowing Policy and the relevant communication channels

Each employee and / or third parties (customers, suppliers, partners, etc.) can, eponymously or anonymously, report through the relevant Compliance communication channels any delinquent behavior or express a concern or a complaint about possible violations of Corporate Policies or Legislation.

In the context of implementation of the Compliance Management System, the following Policies and Codes have been adopted:

- OTE 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

- Whistleblowing Policy

- Policy on Avoiding Sexual Harassment within OTE Group

- Policy on Accepting and Granting of Benefits

- Policy on Donations and Sponsorships

- Event Policy

- Anti-Fraud Policy

- Insider Trading Policy

- Policy on Avoiding Corruption and other Conflicts of Interest

- Policy on Employee Relations within OTE Group

- Policy on Anti-Trust Law

- OTE Group Corporate Responsibility Policy and Social Charter

OTE has in place the necessary mechanisms to update, at regular intervals, the aforementioned Regulations and Policies, in order to ensure compliance with applicable legislation and international best practices.

The OTE Group Code of Conduct and relevant Policies, inter alia, 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.

Achievements 2015

- **Compliance Risk Assessment** for OTE and COSMOTE, which was attended by forty four (44) executives representing 80% of their activities. In the Compliance Risk Landscape, which is annually compiled, risks related to corruption are included, namely: active and passive corruption, violation of the Procurement Policy, embezzlement, theft, fraud, conflict of interest and violation of legislation on laundering money from criminal activities (money laundering). Also, risks related to breaches of personal data, violations of Anti-Trust Law, incidents of abuse of inside information, etc. are included.

- **Development of a procedure for the "Integrity Check and the Compliance Business Assessment of Partners"**, which resulted in over 1,250 integrity checks of suppliers, consultants and partners.

- **Participation of 136 employees in the Compliance Training Program** which included classroom training seminars regarding the avoidance of corruption and other conflicts of interest as well as anti-fraud for managerial and non-managerial positions of OTE and COSMOTE.

- **Organization for the first time in Greece of the annual Compliance Event** under the heading "DT International Compliance Days (ICDs)" with the participation of 130 DT Group Compliance Officers from 30 countries.

- **A Group wide campaign against corruption and for human rights** on the occasion of the International Anti-Corruption Day (December 9) and of the International Human Rights Day (December 10) in cooperation with the Corporate Communications Division OTE Group.

During 2015, the relevant Compliance communication channels received a total of 998 tip offs / complaints: 134 were related to rules and compliance policies and 864 for customer complaints on technical / commercial matters which are not related to compliance risks. It is noted that an investigation for each one of the tip offs related to compliance issues has been carried out. It should be noted also that identifying incidents of corruption results to a series of measures' taking (in accordance with the provisions of the "OTE Employees' Internal Regulation", the internal policies and the decisions of Management/Committee) depending on the nature of the incident.

Out of the 134 cases that were related to compliance rules and policies, 66 were found not plausible, 65 were found, upon investigation, valid and appropriate per case measures were adopted (strict warning, removal from positions of responsibility, employment contract termination, submission of a Statement on Conflicts of Interest, establishment / implementation of new controls or revision of existing ones).

The still pending case of 2014 related to Compliance issues, which was imprinted in the Sustainability Report 2014 (as a case in investigation process), is a legal case for which the

Hellenic Telecommunications and Post Commission made a recommendation to OTE S.A. and reserved to further examine it following the collection of additional information.

In 2015, there were four (4) cases in which further collaboration with employees of OTE and COSMOTE was terminated or disciplinary sanctions were imposed for issues of fraud and serious breach of the OTE Group Code of Conduct. There were no cases of corruption with regard to contracts with business partners, which would have resulted in the cancellation of the contract or its non-renewal thereof. Moreover, there were two (2) cases of companies which have been excluded from tendering procedures because of serious violations of the Procurement Policy. In 2015, there were no convictions by judicual authorities for corruption against OTE, COSMOTE or their employees regarding their job.

Finally, in addition to investigating tip offs received via the Compliance communication channels, the competent Compliance Officers investigate also cases regarding possible violations of the regulatory framework, following a relevant request by the OTE Group Chief Human Resources Officer.

More information can be found in the Corporate Governance Report 2015.

2.4.3 Internal Audit
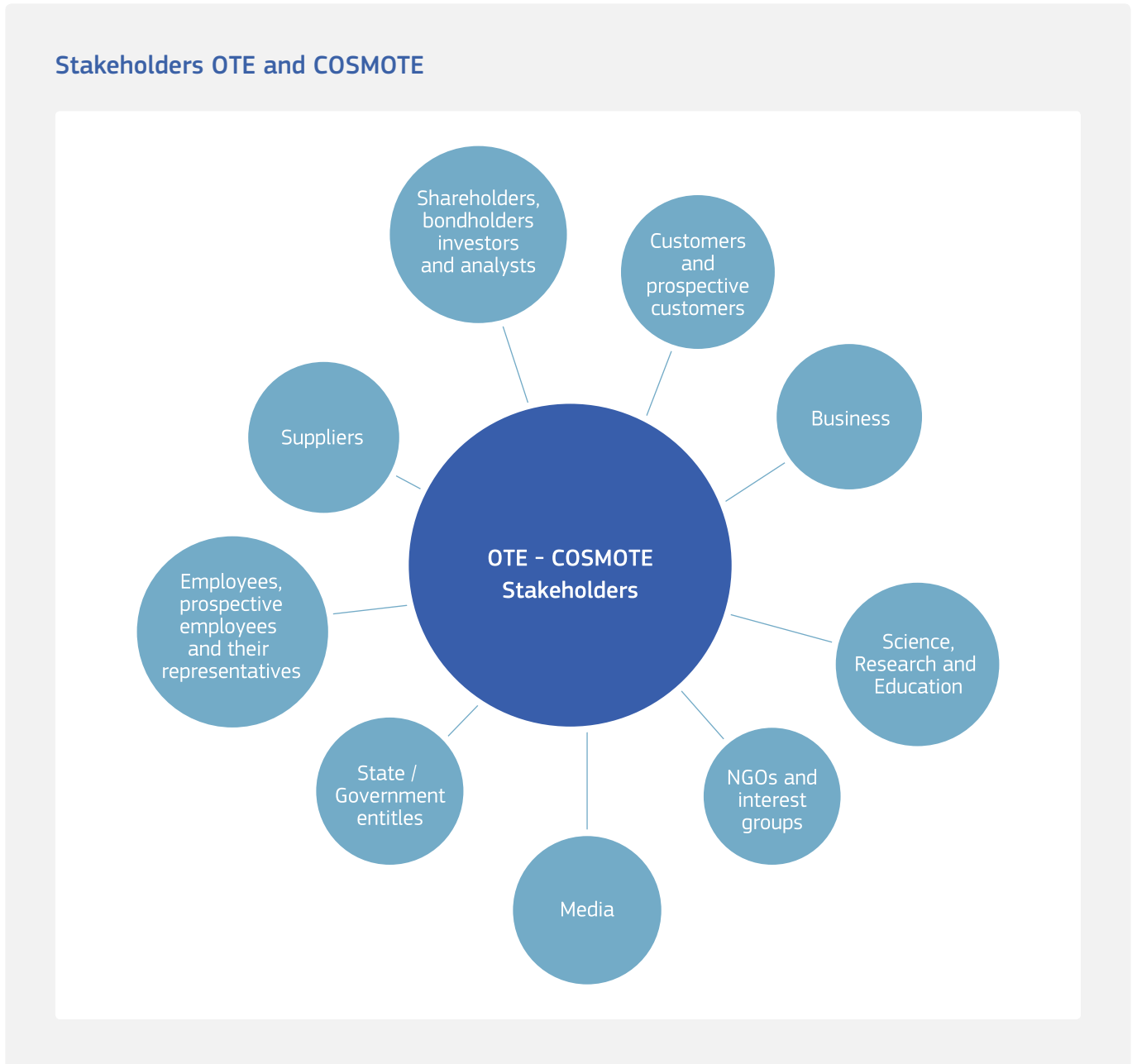
In 2015, the Executive Director of OTE Group's Internal Audit, with a renewed organizational structure, succesfully completed audits in Fixed and Mobile operations and Subsidiaries. She agreed to the adoption of more than 800 new Administrative actions to strengthen the audit environment in the Group's companies, contributing directly or indirectly to the optimization of costs by achieving reductions in operating costs and strengthening of relevant checkpoints.

The adoption of a common methodology and harmonized procedures for the carrying out of audits, as well as the use of a software tool for the organization of audit work, resulted in the successful completion of the annual audit plan.

In addition, the Executive Director of Internal Audit collaborates with the DT Group for the execution of common audits on the Group's companies and the successful exchange of inspectors, thereby promoting communication and the exchange of best practices.

2.5 Stakeholders

OTE Group recognizes the role of stakeholders, as factors that have a direct impact or influence on its sustainable development. An ongoing dialogue with representatives of all stakeholders, without exclusions and discrimination, is a core principle for the Group.

Stakeholders OTE and COSMOTE

Shareholders, bondholders investors and analysts

Customers and prospective customers

Business

Suppliers

OTE – COSMOTE Stakeholders

Science, Research and Education

Employees, prospective employees and their representatives

NGOs and interest groups

State / Government entitles

Media

In 2014, OTE and COSMOTE redefined their stakholders and identified the subgroups that make up these groups of stakeholders in order to better and more completely monitor communication procedures and all stakeholders needs.

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

Stakeholders OTE and COSMOTE

Customers and prospective customers

- 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

Business

- ATHEX-listed companies
- Other large corporations
- Small and medium-sized enterprises
- Trade and industry associations
- Co-operation partners, subsidiaries
- Competitors

Science, research and education

- 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

- Humanitarian organizations and charities
- Business ethics groups
- Foundations
- Environmental protection organizations
- Business non-governmental organizations
- CR related organizations

Media

- 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 / Government entities

- 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

- Employees
- Board of Directors
- Management Board
- Management Team
- Unions and work councils
- Applicants and prospective employees
- Scholars and trainees / interns
- Universities / students

Suppliers

- First-tier suppliers
- Sub-suppliers
- Auditors and certification bodies
- Consultants

Analysts and investors

- Shareholders
- Bondholders
- Financial institutions
- Private investors
- Funds, asset managers and analysts
- Rating agencies
- Analyst organizations and associations
- Institutional investors

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. The engagement of stakeholders in this dialogue is ensured by:

a) Conducting a CR stakeholder and opinion leader survey regarging sustainable development

b) Developing a systematic dialogue and meetings with various NGOs and participating in events on sustainable development

In 2015, meetings were held with representatives of charitable institutions, to exchange know-how and views on the management and implementation of important social initiatives and also particular issues such as employee voluntearism.

All the above, as well as those listed in the Overview of Stakeholdeer Engagement Dialogue, show how stakeholders are involved and demonstrate how stakeholder involvement forms the basis for the evolution of the sustainable development programs and objectives of OTE Group.

Responding to the concerns of NGOs for the support of programs for children in need, for critical emergency issues pertaining to vulnerable groups (refugees), for students and innovation in education and young entrepreneurship, OTE and COSMOTE:

- strengthened their respective initiatives (e.g. the "COSMOTE Scholarship Program", the educational programs at OTE Telecommunications Museum and the corporate volunteering initiatives)

- launched new initiatives (e.g. the support of the Educational Robotics Competition for high school children and the realization of the competition "BUSINESS IT EXCELLENCE")

- implemented significant refugee support activities

More details on these activities of OTE and COSMOTE, presented in Society

2.5.2 Overview of Stakholdeer 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.

Stakeholders OTE and COSMOTE			
CUSTOMERS AND PROSPECTIVE CUSTOMERS			
Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Customer satisfaction surveys	Annual	• Activation of products, quality of services (in relation to costs) • Technical support (e.g. web hosting, DNS services, IPVPN) • Commercial and billing issues • Mobile telephony operations • Improving the way customer complaints are handled • Safe use of services • EMF • Responsible Marketing (e.g. consumer rights) • Introduction of new technologies • Data security and privacy • Road reconstructions, retaining walls etc.	Marketplace Contributing to Local Well-being and Sustainability Electromagnetic Fields
CR surveys	Annual		
Tracking studies	Quarterly		
Call centers	Ongoing		
Customer account managers	Ongoing		
Social media	Ongoing		
Sales network	Ongoing		
Companies' websites	Ongoing		
Key account managers	Ongoing		
Presentations on OTE systems	Ongoing		
Companies' mail boxes	Ongoing		
Press releases	Ongoing		
Corporate announcements	Ongoing		
Business Conferences	Ongoing		
Business Customer Events	Ongoing		
Advertisements	Ongoing		
CR Report	Annual		

Stakeholders OTE and COSMOTE

BUSINESS

Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Press Releases	Ongoing		
Economic Results Releases	Quarterly	• Corporate governance • Economic performance • Market Presence • Procurement Practices • Employment • Joint actions to improve the competitive environment and influence the Greek state policies • Actions to reduce cost and optimize coverage	OTE Group OTE and COSMOTE Corporate Governance Marketplace Human Resources
Roadshows	Ongoing		
Meetings	Ongoing		
Conference calls	Ongoing		
Annual Reports	Annual		
Presentations	Ongoing		
Trainings	Ongoing		
CR Report	Annual		

SCIENCE, RESEARCH AND EDUCATION

Type of Dialogue	Frequency	Main Topics Raised	OTE's and COSMOTE's Responsiveness
Meetings	Frequently		
Conference calls	Ongoing		
E-mails	Ongoing	• New technology products and services • Communication safety • Technology awareness	Internet Safety and Public Awareness Research and Innovation Supporting Education
Dissemination activities (workshops, conferences, etc.)	Frequently		
Conferences	Ongoing		
Surveys	Ongoing		
CR Report	Annual		

Stakeholders OTE and COSMOTE			
NGOS AND INTEREST GROUPS			
Type of Dialogue	**Frequency**	**Main Topics Raised**	**OTE's and COSMOTE's Responsiveness**
Meetings	Bi-annually	• Importance of adopting CR • Internet Safety public education • Support for vulnerable groups and charities • Social Contribution • EMF, Biodiversity • Environmental performance	Sustainability Report (all sections)
CR surveys	Annual		
Conferences	Ongoing		
Emails	Ongoing		
Working groups	Ongoing		
Consultation	Ongoing		
CR Report	Annual		
MEDIA			
Type of Dialogue	**Frequency**	**Main Topics Raised**	**OTE's and COSMOTE's Responsiveness**
Announcements / Press releases	Ongoing	• Management • HR 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)
Informational material	Ongoing		
Events / Press conferences	Ongoing		
Other media contacts	Ongoing		
CR surveys	Annual		
CR Report	Annual		

Stakeholders OTE and COSMOTE			
STATE / GOVERNMENT ENTITIES			
Type of Dialogue	**Frequency**	**Main Topics Raised**	**OTE's and COSMOTE's Responsiveness**
Consultations on proposed laws and regulatory frameworks for telecommunication markets	Ongoing	• Implementation of regulatory measures applying to OTE • Issues of effective regulatory adjustment • Specialized national goals for European Digital Agenda Strategy • Transparency • Governance • Economic growth • Energy and environment • Infrastructure construction and maintenance • Social security	Corporate Governance Compliance Management System and Policies Responsible Competition Expanding Broadband and Mobile Internet in Greece Responsible Marketing Contributing to Local Well-being and Sustainability Environment
Written or verbal communication with regulatory and public sector bodies	Ongoing		
Dialogue with representatives of national and local authorities	Ongoing		
CR surveys	Annual		
Attendance in associations and unions	Ongoing		
Systematic liaison with local authorities (mostly regional)	Ongoing		
CR Report	Annual		

Stakeholders OTE and COSMOTE

EMPLOYEES, PROSPECTIVE EMPLOYEES AND THEIR REPRESENTATIVES

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

Stakeholders OTE and COSMOTE			
SUPPLIERS			
Type of Dialogue	**Frequency**	**Main Topics Raised**	**OTE's and COSMOTE's Responsiveness**
Consultation and dialogue on procurement policy / supplier code of conduct issues	Ongoing	• Tender criteria and competitions • Communication on supplies issues • Transparency • Market Policy • Economic growth • Inserting CR criteria, including environmental criteria • Procurement best practices • Procurement trends	OTE Group OTE and COSMOTE Strategy for the Marketplace Responsible Procurement and Supply Chain Management
Attendance in sector-based unions	Ongoing		
Meetings	Ongoing		
CR surveys	Annual		
Suppliers' evaluation	Ongoing		
Negotiations	Ongoing		
Presentation of new products	Ongoing		
Consultation and dialogue on technical issues	Periodic		
CR Report	Annual		

Stakeholders OTE and COSMOTE			
ANALYSTS AND INVESTORS			
Type of Dialogue	**Frequency**	**Main Topics Raised**	**OTE's and COSMOTE's Responsiveness**
Investor Relations Department communication	Ongoing	• Financial performance • Short and longer term outlook • Competitive environment • Cashflow • Debt issuance and repayment • Dividends • Group strategy and results • Outlook on labor relations, regulatory decisions, economic conditions • Climate change policy	Sustainability Report (all sections)
Annual General Shareholders Meeting	Annual		
Annual, Corporate governance report and CR report	Annual		
CR surveys	Annual		
Participation in corporate responsibility ratings	Ongoing		
Private meetings	Ongoing		
Conference Calls	Quarterly		
Meetings of executives	Ongoing		
Adoption and implementation of policies and principles	Ongoing		
Daily collaboration	Ongoing		
Conferences arranged by brokers	Regularly		
CR Surveys	Annual		
Dedicated Website (www.otewholesale.gr)	Ongoing		
Sales Department	Ongoing		
OTE Systems presentations to telecom provider	Ongoing		
Special mail box (otewholesale@ote.gr)	Ongoing		
Press Releases	Ongoing		
Corporate announcements	Ongoing		

2.6 Materiality Analysis

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 material issues, which comprised the issues list for assessment by the management 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 sector

- Important issues for the telecommunications industry, stemming from the sustainability performance and socially responsible investments analysis

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

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

- The major issues identified by other telecommunications companies

From this analysis, about 74 topics emerged initially, which were grouped into the following 10 thematic categories:

1. Governance and Managment

2. Digital inclusion

3. Data Privacy and freedom of expression

4. Customer Relations

5. Role of ICT products and services

6. Marketplace

7. Supply chain

8. Employees

9. Society

10. Environment, low carbon footprint and circular economy.

In 2015, to determine the significance and impact of each topic, a rating scale was developed based on the Group's Corporate Risk Management approach. The Executive Directors of OTE Group, as top management representatives, were asked to evaluate these material issues due to their knowledge of the Groups operations. The Executive Directors rated, for each of the identified issues, the probability of its occurence within the next two years and the magnitude of its impact on OTE and COSMOTE.
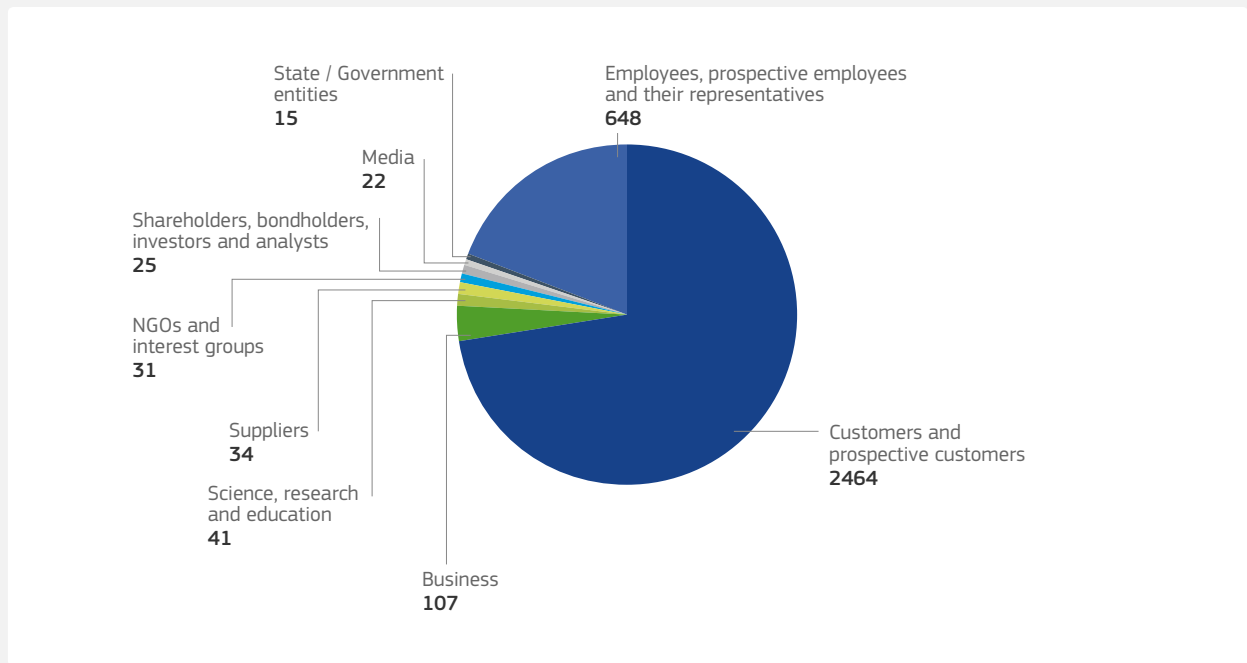
The issues to be examined included topics that may constitute risks or opportunities for the operation of the companies. It is important to mention that OTE Group's management has assessed them, taking into account existing company practices, and therefore also the effectiveness of the practices, measures and activities already being implemented by the companies.

Twelve OTE Group Executive Directors, or their representatives, participated in the evaluation covering the full range of corporate work.

Management member responses were analyzed in order to ascertain the significance of the issues for the sustainable operation of OTE and COSMOTE.

The 74 issues were then grouped into 28 new broader issues, which through an online questionnaire, were presented for evaluation to company stakeholders. The questionnaire (in Greek and English) was available from late November 2015 to early January 2016. A total of 3,387 responses from all stakeholder groups were collected.

Participation of Stakeholders in the Materiality Assessment of OTE and COSMOTTE

State / Government entities
15

Media
22

Shareholders, bondholders, investors and analysts
25

NGOs and interest groups
31

Suppliers
34

Science, research and education
41

Business
107

Employees, prospective employees and their representatives
648

Customers and prospective customers
2464

The responses collected were also analyzed by each stakeholder group. The results of this analysis by management and stakeholder groups of significant economic, environmental and social issues is reflected in the chart below. It is worth noting that these results were approved by OTE Group's Management.

Importance of Financial, Environmental and Social Issues for the Stakeholders
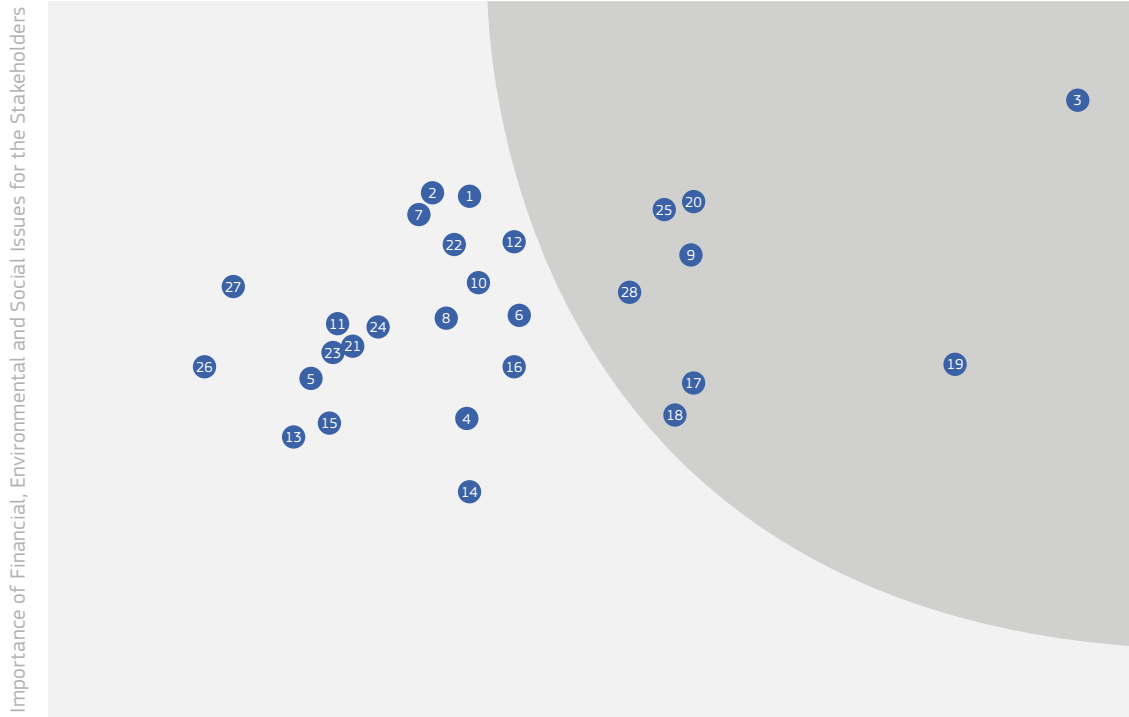
Importance of Financial, Environmental and Social Issues for OTE and COSMOTE

1. Digital Inclusion
2. Safe use of products and services
3. Data security and privacy
4. Marketing communications
5. Enabling role of ICT products and services
6. Product and service quality and labeling
7. Privacy and freedom of expression
8. Employment
9. Employee health, safety and wellness
10. Training and education
11. Responsible labor practices
12. Respect for human rights
13. Stakeholder engagement
14. Supply Chain (suppliers)
15. Materials used in products

16. Governance and management
17. Responsible competitiveness
18. Economic Performance
19. Business resilience
20. Compliance, anti-corruption and bribery
21. Impact to Society and the Environment
22. Research and Technology
23. Economic Impacts
24. Energy consumption and climate change mitigation
25. Electromagnetic radiation
26. Water and land use management
27. Environmental burden
28. Waste Management

The 2015 Sustainability Report touches upon all of the above issues, while the 8 who have received higher scores by management and stakeholders are recognized as being the most material.

All available data are evaluated, so as to be used in the planning of the Group's operations and strategy.

Most important issues for management and stakeholders	Related GRI G4 Issue	Demarcation (inside / outside companies)
3 Data security and privacy	Customer Privacy	The issue is primarily internal and has an impact on the operation of the companies, and is likely to affect all their stakeholders.
9 Employees health, safety and wellness	Employees Health and Safety	The issue is primarily internal and has an impact on the operation of the companies, their employees and their suppliers.
17 Responsible Competitiveness	Anti-Competitive Behavior	The issue is primarily internal, has an impact on the operation of the companies, and may affect their shareholders, employees, suppliers and customers.
18 Economic Performance	Financial Performance	The issue is primarily internal, has an impact on the operation of the companies, and may affect their shareholders, employees, suppliers and customers.
19 Business resilience	-	The issue is primarily internal, has an impact on the operation of the companies, and may affect their shareholders, employees, suppliers and customers.
20 Compliance, anti-corruption and bribery	Combating corruption and bribery, Compliance	The issue is primarily internal, has an impact on the operation of the companies, and may affect their shareholders, employees, suppliers and customers.
25 Electromagnetic radiation	Customer Health and Safety	The issue is internal as it is dependent upon and affects the operation of enterprises, and external as its potential impact could affect shareholders, employees, suppliers and customers.
28 Waste Management	Waste and Waste water	The issue is internal as it is dependent upon and affects the operation of enterprises, and external as any potential impact can particularly affect employees, suppliers and customers.

Analysis of material issues per stakeholder group

	Governance				Society						Environment	
	Data security and privacy	Compliance, anti-corruption and bribery	Impacts to society and the environment	Research and development	Digital inclusion	Safe use of products and services	Privacy and freedom of expression	Employee health, safety and wellness	Training and education	Respect of human rights	EMF	Waste management
Shareholders, bondholders, investors and analysts	●	●			○	○					○	
Customers and prospective customers	●				○	●	○				●	
Employees, prospective employees and their representatives	●				○			●	○	○		
Business	●				○	○					●	○
Science, research and education	●				○	●	○				○	○
NGOs and intrested groups	●		○			●	○			○		
Media	●	●		○	○	○		○				
State/ Government entities	●	●			○		○		○	●	○	
Suppliers	●	●			○	○	○			○		

NOTE:

The most important issues are presented by stakeholder group. The most important topic for each group is presented in a darker colour.

2.7 Memberships, Ratings and Awards

2.7.1 Memberships

OTE and COSMOTE actively participate in and are informed on the trends and developments of corporate responsibility and sustainable development. In 2015, the two Companies maintained their voluntary participation, through their membership in a number of strategically important national and international bodies. 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		
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.
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.
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.

Organization / Initiative	Company	Participation Type
EUROPEAN LEVEL		
ETNO Sustainability Working Group • Digital Single Market • Digital Infrastructure • Spectrum • Naming, Addressing & Numbering Data Protection, Trust & Security	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 / COSMOTE	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.
International Telecommunication Union– (ITU)	OTE	Associated member, since the beginning of the 90's.
CFSI (Conflict-Free Sourcing Initiative)	OTE	Member since 2010.

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 companies' organizational units as appropriate, they respond fully to these requests for further information.

Since 2008, OTE meets all the requirements and is a member of the FTSE4Good Index Series. OTE remains in the index upon completion of the new evaluation in December 2015, having greatly improved its performance and receiving a 4.4 total score (ESG Rating Absolute Score - with maximum degree 5) and 89 in the relevant score of the industry (ESG Rating ICB Supersector Relative Percentile Score - with the highest level 100).

OTE is included in two sustainability indices of Euronext Vigeo, the Euronext Vigeo Eurozone 120, from December 2013, and on Euronext Vigeo Emerging 70, since June 2015. Amongst leading companies in the Eurozone and Developing Markets, OTE is the only Greek company that is part of these indices.

In September 2015, OTE was upgraded to a "Prime" company, a title awarded to companies-leaders of each sector by oekom research, in recognition of the fact that OTE negotiable bonds and shares qualify for responsible investment.

OTE participates, since 2010, in the CDP (known previously as "Carbon Disclosure Project") on climate change, completing the respective questionnaire and notifying the required information to the platform of the CDP. During the 2015 evaluation OTE received scores of 94 on transparency / completeness of its replies to the questionnaire (Disclosure Score – with a score range of 0-100) and C for its performance (Performance Band - with scores A, B, C, D and E), ranking it above the average of companies in the industry.

Forum Ethibel has included OTE in its Ethibel EXCELLENCE Investment Register since January 2014. The selection of OTE shows that the company performs better than the average company in the industry in corporate responsibility issues, and therefore is considered eligible for investments using ethical and sustainable entrepreneurship criteria. In the 2014 assessment as well as in the most recent one completed in early 2016, OTE obtained a C score (under the A, B, C, D, E and M scale used).

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). OTE and COSMOTE's assessment for 2015, resulted in the "Diamond" Distinction.

2.7.3 Awards

During 2015, OTE and COSMOTE received a number of awards and recognitions for their performance.

- In the **"Ethos Sustainability Awards 2015"**, organized by Ethos Events & Money Magazine, OTE and COSMOTE won 1st place in the category "Environmental Protection Action 2015" with its Climate Change Program. Voting for selection of the best companies was held via the conference website and 2,123 people voted.

- In the **"Mobile Excellence Awards 2015"** organized by Boussias Communications and ELTRUN, the Laboratory of Electronic Commerce and Business at Athens University of Economics, COSMOTE received the Gold Prize in the category of Innovation and Entrepreneurship in the Mobile Business Sector and the subcategory "Innovative Mobile R & D project " for the " e-Call " project.

- In the "**BRAVO Sustainability Awards**" for Sustainable Development and Responsible Business, organized by the non-profit organization QualityNet Foundation, in the "Large

Companies" rating, OTE and COSMOTE received distinction in the following categories:

- ○ "BRAVO GOVERNANCE" for the OTE Corporate Responsibility Report - COSMOTE 2013

- ○ "BRAVO IN ACTION" for OTE and COSMOTE Sponsorship of the periodic Exhibition "The Antikythera Shipwreck: the Ship, the Treasures, the Mechanism" and the New Underwater Excavation in Antikythera

- ○ "BRAVO ENVIRONMENT" for monitoring and reducing Greenhouse Gas Emissions.

- In the "**Hellenic Responsible Business Awards 2015**" organized by Boussias Communications and Marketing Week magazine, OTE and COSMOTE received the following awards:

- ○ "GOLD" in the Education - Scholarships / Large Enterprise category for its scholarships and education initiatives

- ○ "SILVER" in the Energy Management catergory for the integrated management of its energy and emissions of greenhouse gases.

- In "**Energy Mastering Awards 2015**" organized by Plant Management of Boussias Communications, the companies received the following awards:

  - The OTE Energy Management App received the "GOLD" award in the category "Energy Intelligence Software".

  - The COSMOTE Driving Performance service received the "GOLD" Award in the category "Smart & Efficient Mobility".

  - The improved energy efficiency of the OTE and COSMOTE telecommunications network received the award "SILVER" in the category "Telecommunications".

  - The integrated energy savings plan of OTE and COSMOTE received the "SILVER" award in the category "Energy Conservation".

- In the **"Waste & Recycling Awards 2015",** organized by the Plant Management of Boussias Communications, the action "Little effort, big effect" - the recycling program in the OTE Group of Companies buildings - received the "GOLD" award in the Recycling category (Compost - Materials Recovery).

- In the **"CR Reporting Awards 2015"** organized by CorporateRegister.com Limited, the 2014 OTE and COSMOTE Sustainability Report was shortlisted in the best candidates of the "Best Carbon Disclosure" and "Innovation in Reporting" categories.

- In the "**BITE (Business IT Excellence) Awards 2015**" organized by the Boussias Communications netweek magazine and ELTRUN, the Electronic Commerce Laboratory and Business of the Economics University of Athens, OTE Group and Cisco received the "GOLD" prize in the category "Extroverted Information Systems and Web Applications / Services" for the implementation of innovative IT and Communications solutions in the Papageorgiou Hospital in Thessaloniki.

2.8 Corporate Responsibility Performance 2015

The key 2015 financial, environmental and social performance indicators 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.

Main Performance Indicators – Environment Society and Governance (ESG KPIs) 2015	OTE	COSMOTE
Financial Performance		
Total revenues (mn €)	1,536.0	1,165.0
Payroll and employee benefits (mn €)	331.9	85.5
Total operating expenses (mn €)	1,321.9	964.6
EBITDA (mn€)	538.0	401.1
Pro forma EBITDA[1] (mn €)	618.0	405.7
Income taxes paid (mn €)	9.4	123.9
Fees and commissions to third parties (incl. taxes other than income taxes and regulatory charges) (mn €)	335.3	211.9
Marketplace		
Fixed-line subscribers (number of subscribers)	2,698,912	–
Mobile telephony subscribers (number of subscribers)	–	7,398,986
Broadband subscribers (number of subscribers)	1,532,879	–
TV subscribers (number of subscribers)	446,499	–
Loyalty index (TRIM)	73	68
Total CAPEX (incl. spectrum payments) (mn €)	237.9	209.0
Evaluation, on the basis of sustainability criteria, of suppliers (% of the procurement volume)	90	94
Customer Complaints (number of customers)	219,739	117,251
Percentage of complaints received from customers that were resolved within 2 days	53	68

▶

Main Performance Indicators – Environment Society and Governance (ESG KPIs) 2015	OTE	COSMOTE
Employees		
Employees with permanent contracts (number of employees)	8,496	2,008
Women employees (%)	29	51
Employees covered by collective bargaining agreements (%)	99	92
Employee turnover as percentage of total employees(%)	7,5	3,1
Work-related fatal accidents (number of employees)	0	0
Work-related non-fatal accidents (number of employees	60	14
Work-related non-fatal accidents (lost days)	2,496[2]	340[3]
Health and safety training (hours/employee)	0.30	0.92
Total training hours (hours/employee)	18.81	17.06
Number of employees trained	8,500	1,906
Number of complaints received regarding discrimination which led to decisions (number of complaints)	0	0
Society		
Sponsorships – Donations (incl. in-kind) (€)	1,635,031	1,628,640
Social programs (program number)		27
Voluntary participation of employees in corporate responsibility actions (number of participants)		10,699
People supported (number of people/estimated)		1,264,295

Main Performance Indicators – Environment Society and Governance (ESG KPIs) 2015	OTE	COSMOTE
Environment		
Electricity consumption (GWh)	252.20	169.18
District heating and fuel consumption in buildings and installations (GWh)	14.07	14.35
Fuel consumption in vehicles fleet (GWh)	29.99	7.73
Direct (scope 1) CO_2 emissions (t)	10,736.45	5,716.42
Indirect (scope 2) CO_2 emissions (t)	163,678.30	109,795.11
Hazardous waste (t)	413.61	73.15
Non-hazardous technical waste from telecom operations (t)	5,768.94	130.86
Recycling of phone devices (mobile and fixed) and accessories4 (t)	12.86	9.19
Specialized measurements on EMF conducted by scientific personnel of the company and independent institutions	-	60

[1] The impact of Voluntary Pension Programs and Reorganization Plans is excluded.

[2] The number of days lost refers to calendar days.

[3] The number of days lost refers to working days.

[4] The amounts collected in the Germanos Retail network are included in the quantities of COSMOTE.

More information about the development of the above key performance indicators over time is presented in the file "OTE Group Key Performance Indicators"

2.9 2015 and 2016 Goals

2.9.1 CR Strategy and Management

2015 Goals		2015 Performance
CR Strategy and Management		
OTE-COSMOTE: Publishing of Annual Sustainable Development Report in accordance with the GRI G4 instructions.	F	See Report Profile and Global Reporting Initiative Content Index
OTE-COSMOTE: New Assesment of substantive sustainable development issues for the companies	F	See Materiality Analysis
OTE-COSMOTE: Further improvement of the online presentation of the Sustainability Report.	F	See Report Profile and okosmosmaskalyteros.gr
Risk and Compliance Management		
OTE-COSMOTE: Attestation of the Enterprise Risk Management System in accordance with the requirements of the Standard ISO 31000 – Risk Management Principles and Guidelines.	IP	The need for aligning the unified OTE Group ERM Methodology with all risk assessment methodologies of other business units. The project is expected to be completed in Q1 2016.
OTE-COSMOTE: Enhancement of risk culture through continuous actions for training and communication to all business units.	IP	Actions to enhance the enterprise risk management culture through trainings and continuous communication to all business units will also continue systematically in 2016.
OTE-COSMOTE: Implementation of the unified Enterprise Risk Management DT Group Methodology.	F	See Enterprise Risk and Insurance Management System
OTE-COSMOTE: Employee survey regarding Compliance issues, which will be addressed to senior executives.	F	The survey was conducted with 58.25% participation. The results showed high satisfaction for Compliance services and proposed new training issues e.g. on combating corruption.
OTE-COSMOTE: Review of the procedures and operations applied in Customer Care aiming at reducing incidents related to Compliance issues.	F	In recent years, a major transformation effort has occurred within OTE Group focusing on Customer Experience. With innovative and creative methods it is ensured that every training aiming toward better customer services becomes a strong positive experience, which in turn is transferred to customers.
Internal Audit		
OTE-COSMOTE: Carrying out of over 75 inspections in accordance with the 2015 annual Internal Audit program.	F	See Internal Audit

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved

2016 Goals
CR Strategy and Management
OTE-COSMOTE: Assessment of the possible aspects of the Group's strategic approaches to the Sustainable Development Goals of the UN and explore ways of convergence. • Maintain the participation in International Sustainable Development Indicators (SRI). • Further improvement of the communication of the on line version of the Corporate Sustainability Report. • Association of the Group's Corporate Strategy with the Sustainable Development goals of the United Nations. • Participation in the Advanced CoP of the Global Compact.
Risk and Compliance Management
OTE-COSMOTE: Attestation of the Enterprise Risk Management System in accordance with the standard ISO 31000 – Principles and Guidelines. **OTE-COSMOTE:** Enhancement of risk culture through training and information initiatives for all business units. **OTE-COSMOTE:** GAP Analysis of the existing Compliance Management System (CMS) in accordance with the ISO 19600 Guidelines.

2.9.2 Marketplace

2015 Goals		2015 Performance
Internet Safety		
COSMOTE: Strengthening of public awareness initiatives on the safe use of different technologies by children.	F	See Internet Safety and Public Awareness, Products and Services for Safe Use and Raising Public Awareness
Data Security and Privacy Policy		
OTE-COSMOTE: Implementation of a system for recording actions and protection of database (Database Activity Monitoring).	F	See Data Security and Privacy
OTE-COSMOTE: ISO 27001 Security Certification.	F	See Data Security and Privacy
OTE-COSMOTE: Expansion of the periodic monitoring system for the, not installed, secutriy patches	F	See Data Security and Privacy
OTE-COSMOTE: Strengthening of physical security measures (structural interventions / security systems) in 25 stores.	F	40 Stores strengthened (See Data Security and Privacy)
OTE-COSMOTE: Strengthening of physical security measures (structural interventions / security systems) in 20 critical buildings.	F	30 buildings strengthened and full support actions taken via the installation of Access control electronic systems, Intrusion Detection and CCTV in the Rendi, Psychiko and Emmanouil Benaki buildings. (See Data Security and Privacy)
OTE: Installation of access control system in at least 4,000 KVs and cabins.	N	Was not achieved, as the relevant tender was repeated with revised technical specifications.

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved ▶

2015 Goals		2015 Performance
Business Continuity		
OTE-COSMOTE: Registration and communications on the risks and their impact to Business Continuity in all Divisions.	IP	The recording and communications process on the risks and their impact has been launched and is ongoing.
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.	F	See Supplier Evaluation

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved

2016 Goals

Internet Safety

OTE-COSMOTE: Developing initiatives in order to promote responsible and safe use of mobile phones, while driving.

Data Security and Privacy Policy

OTE-COSMOTE: Extension of a system for the logging of actions and Database Activity Monitoring with the addition of a system to deter website attacks.
OTE-COSMOTE: Extension of the ISO27001certification of the Information Security System.
OTE: Installation of access control system in at least 4,000 outdoor line distribution cabinets (KV) and cabins.
OTE-COSMOTE: Extending security services to other companies.
OTE-COSMOTE: Implemention of encryption in corporate electronic communications.
OTE: Application of solution against piracy for TV OTE.
OTE-COSMOTE: Setting up of system for information security compliance monitoring).
OTE-COSMOTE: Strengthening of physical security measures (structural interventions / security systems) in 23 stores.
OTE-COSMOTE: Strengthening of physical security measures (structural interventions / security systems) in 25 buildings.
OTE: Installation of a new management system and a new access control system in 50 outdoor line distribution cabinets (KV) and cabins.
COSMOTE: Installation of Video Verification solution in 25 Base Stations to provide the corresponding service from external ARC (ARC).

Business Continuity

OTE-COSMOTE: Updating corporate risks and Implementation of Business Continuity program.

Responsible Procurement and Supply Chain Management

OTE-COSMOTE: Consolidation of OTE and COSMOTE Supplier Code of Conducts.
OTE-COSMOTE: Integration in supplier contracts of the requirement to comply with the Social Charter of the OTE Group.
OTE-COSMOTE: Evaluation of OTE and COSMOTE suppliers representing 80% and 90% of the annual supply volume respectively.
OTE-COSMOTE: Assurance that 100% of Suppliers with contracts above € 50,000 are checked for integrity.

2.9.3 Employees

2015 Goals		2015 Performance
Employees		
OTE-COSMOTE: Development of HR with emphasis on (1) Leadership programs for each hierarchical level, and on (2) specially designed employee training and development programs.	F	See Employee Selection and Employee Training
OTE-COSMOTE: Streamlining of costs and harmonizing of procedures and policies.	F	See Employment και Organizational Transformation and Effectiveness
OTE-COSMOTE: Development of talent management programs for external candidates and employees.	F	See Employee Selection
OTE-COSMOTE: Harmonization of health and safety approaches.	F	See Health and Safety

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved

2016 Goals
Employees
OTE-COSMOTE: One HR: harmonization, simplification and digitization of HR processes. **OTE-COSMOTE:** Talent management and development. **OTE-COSMOTE:** Leadership Skills Enhancement for all hierarchical levels. **OTE-COSMOTE:** Design of Job Families Model. **OTE-COSMOTE:** Strengthening of interdepartmental mobility (Job Rotation) of workers with a view to their professional development. **OTE-COSMOTE:** Digitizing of basic Health and Safety activities.

2.9.4 Society

2015 Goals		2015 Performance
Society		
OTE-COSMOTE: Retaining of important CR initiatives to support children and students.	F	Supporting Vulnerable Social Groups and Children and Supporting Education
OTE-COSMOTE: Implementation of a new CRinitiative in order to further support education.	F	See Supporting Education
OTE-COSMOTE: Further actions to support local communities throughout Greece.	F	Contributing to Prosperity and Sustainability of Local Communities
OTE-COSMOTE: Further systemization of corporate volunteering initiatives.	F	See Environmental Strategy

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved

2016 Goals
Society
OTE-COSMOTE: Continue the contribution to the humanitarian crisis, due to the refugee flows. OTE-COSMOTE: New initiative for the education of children to improve technological skills. OTE-COSMOTE: Strengthening corporate voluntary activities. OTE-COSMOTE: Strengthening supportive actions related to the improvement of child care conditions in hospitals.

2.9.5 Environment

2015 Goals		2015 Performance
Environmental Mangement		
OTE: Extention of the scope of OTE's Environmental Management System in 3 new buildings.	F	See Key Achievements in 2015
OTE-COSMOTE: Upgrade / optimization of operation of information system developed at OTE Group to collect environmental data.	F	Work on system upgrade / optimization was completed. The upgraded system was utilized on OTE Group level to also cover related reporting obligations.
Climate Change		
OTE-COSMOTE: Contribution to achieving the GHG emission reduction goals set by the DT Group level, the design and implementation of energy saving actions and the reduction of CO_2 emissions.	F	Participation in the DT Group's climate change strategy which sets a reduction target of 20% for the DT Group's CO_2 emissions by 2020 (with 2008 as the base year). The transition to a more energy efficient network leading to CO_2 emissions reduction is the first priority. In this respect, specific energy-saving and CO_2 emissions mitigation actions are planned and implemented on an annual basis.
OTE: Reduction of CO_2 emissions (scope 1 and scope 2) by 13% relative to 2008 emissions.	F	CO_2 emissions (scope 1 and scope 2) in 2015 were around 15% lower than emissions in 2008.
COSMOTE: Reducing of CO_2 emissions (scope 1 and scope 2) by 3.5% compared to 2008 emissions	P	CO_2 emissions (scope 1 and scope 2) in 2015 were about 1.7% lower than emissions in 2008.
Energy		
OTE: Reduction of electricity consumption in the telecommunications network by 2% compared to 2014.	P	Electricity consumption in the telecommunication network in 2015 remained practically at 2014 levels (0.3% increase).
COSMOTE: 2% electricity savings in the telecommunications network.	F	Electricity savings in the telecommunications network (approximately 11 GWh) corresponds to 7% of the relevant consumption.
OTE: Improvement of the energy efficiency of the service vehicle fleet by 15%.	F	See Energy Consumption
COSMOTE: Improving the energy efficiency of the vehicle fleet by 5%.	F	The average efficiency of the vehicle fleet improved by 9%.

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved ▶

2015 Goals		2015 Performance	
Waste			
OTE-COSMOTE: Extended scope of integrated packaging recycling program in 10 new buildings nationwide.	F	See Key Achievements in 2015 and Waste Management	
OTE-COSMOTE: 100% recycling of hazardous and technical waste.	F	See Waste Management	
Electromagnetic Radiation			
COSMOTE: Installment of 8 additional measuring stations.	F	See Monitoring the levels of EMF Radiation	

INDEX KEY: F = Fully P = Partially IP: In Progress N = Not Achieved

2016 Goals
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 19% compared to 2008 levels.   **COSMOTE:** Restriction of the increase of CO_2 emissions (scope 1 and scope 2) to 6% compared to 2008.
Energy
OTE – COSMOTE: Certification of Energy Management System according to the provisions of the ISO 50001 : 2011.   **OTE:** Reduction of electricity consumption in the telecom network by 1.5% compared to 2015.   **COSMOTE:** Restriction of the increase of electricity consumption in the telecom network at 3% compared to 2015.   **OTE:** Energy performance of service vehicles at about 8 lt/100 km (gasoline) and at 10 lt/100 km (diesel).   **COSMOTE:** Improvement of energy performance of vehicles fleet by 5%.
Waste
OTE-COSMOTE: Expansion of the integrated recycling program for packaging materials in 2 additional buildings.   **OTE-COSMOTE:** Recycling of 100% of hazardous and technical waste withdrawn.
EMP
COSMOTE: Installation of 9 additional measurement stations.

3.0 Marketplace

OTE Group invests in the continuous improvement of its local telecommunications infrastructure and the expansion of its services and products using the best available technology. It operates under a customer oriented philosophy, to maximize the satisfaction of its clients but also in a responsible manner, always presenting innovative and sustainable products and services. It asks its suppliers to operate under the same principles.

3.1 Strategy for the Marketplace

OTE Group has set as its top priority, transparent and responsible business behavior. The aim of the Group is the continuation of its 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 General 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.

OTE and COSMOTE seek to offer responsible products and services, with appropriate labeling and information to provide to their customers, security for the lifetime of products and services and to ensure the confidentiality of their personal data. In this context, all products for sale, accessory 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 are 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 2015

- **Further development of responsible products and services.** Indicatively: Business Cloud, teleconferences, corporate fleet management service - fleet management, electronic applications.

- **Participation in 28 innovative research projects** through international collaborations with industry and academia.

- **Creation of the new Program "Children and Safety in Technology",** aiming at informing and educating parents, and providing solutions with products and services designed exclusively for children.

- **Information provision to over 26,000 people regarding the safe use of the Internet** and mobile telephony services.

- **Recognition of the social profile** of the two companies from citizens, classifying them in the first 2 positions among telecommunications companies in Greece (source: Awareness and Social Behavior Index (A.S.B.I.)

- COSMOTE responded successfully **to 68% and OTE to 53%** respectively of complaints received, within two days.

- Adoption of **new "Binding Corporate Privacy Rules",** which form the legal requirements for the exchange of personal data within the DT and OTE Groups.

- **ISO 27001 Security Certification** in stores, billing systems and the Security.

- Evaluation of suppliers who represent **90% (COSMOTE)** and **94% (OTE)** of their annual volume of supplies.

3.2 Responsible Competition

It is important because...

Respecting the consumer, OTE Group focuses on contributing through its conduct to an exercising truly responsible competitive market. The Group recognizes its role, complies with the laws of free competition and proceeds with the disclosure of its business operations.

3.2.1 Competition and Regulation

OTE and COSMOTE are firmly committed to comply 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, 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 protection of personal data issues.

OTE remains the designated universal service provider. In March 2015 the Hellenic Telecommunications &

Post Commission (EETT) published the text of the tender for the provision of full service covering all of the national territory. After a timeline modification, the final deposition of expressions of interest to participate took place on 26.06.2015. The bidding process is expected to take place as planned in 2016.

Additionally, in June 2015, EETT proceeded to conduct a public consultation for the analysis of the retail and wholesale firm access market on the basis of the Commission Recommendation of October 9, 2014 "regarding important product and service markets within the electronic communications sector susceptible to ex ante regulation".

In the text of the Public Consultation, EETT includes provisions on the introduction into the access network of the Vectoring technology. The adoption of an appropriate regulatory framework for Vectoring technology will allow important investments for the upgrading of the speeds currently provided broadband services of up to 100 Mbps.

Additionally, EETT proposes the deregulation of the retail access market but retains price control requirements for retail services under the wholesale access markets. Imposing "ex ante" regulatory restrictions on OTE in connection with its retail services affects its business policy and distorts competition in retail markets, which are already functioning competitively. OTE considers that, in the markets where the required level of competition has been achieved, the removal of regulatory obligations contributes to an environment of

regulatory certainty that promotes investment, particularly in the development of new generation networks. At the same time, maintaining or enforcing new regulations in the markets where there is no effective competition should encourage rather than deter investments.

The issuance of a relevant Decision in response to the above public consultation is expected in 2016.

Regulatory Actions in 2015

In 2014, OTE and COSMOTE have been involved in a number of regulatory and administrative disputes with EETT. These relate to three (3) hearings against OTE regarding the delay in implementation of requests for provision of local loops and the interruption of unbundled services access to the local loop provider because of debts.

There was one (1) hearing of OTE and COSMOTE by the Authority for Personal Data Protection in relation to the register referred to in Article 11 N. 3471/06.

A decision was issued on the EETT Hearings against OTE and COSMOTE regarding a COSMOTE discount program, which imposed sanctions on OTE for failing to notify EETT in advance.

In 2015, EETT did not impose any fines to OTE.

EETT imposed a fine on COSMOTE of €1.223.000 for violating the portability regulation. COSMOTE appealed to the competent court seeking annulment of that fine.

Also in 2015 the Authority for Personal Data Protection has imposed a fine on OTE of €60.000; OTE appealed to the competent court seeking annulment of that fine.

Regulatory Litigations in 2015		
Actions	OTE	COSMOTE
Number of fines	1 (from HDPA)	1 (from EETT)
Number of appeals	1	1
Number of non-pecuniary penalties	1 (recommendation from EETT)	0
Cost of fines (€)	60,000	1,223,000

3.2.2 Contribution, Formulation and Operation of a Responsible Marketplace

As the new telecommunication 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. This participation is based on the code of conduct and the regulatory framework, is transparent and consistent with applicable laws.

The principles governing the participation of the companies in the various fora, associations, initiatives and specialized committees come from a search for a fair regulatory environment that will create a level playing field for all participants and regulatory predictability for network investments.

The most important relevant participations for 2015 are:

- **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.

- **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. COSMOTE was 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.

- **Greek Mobile Operators Association:** COSMOTE participates in the non-profit organization "Mobile Operators Association". 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.

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 2015 totaled 3.330.143 (30.3% penetration of the population), compared to 3.156.071 in December 2014 (28.7% penetration). The increase during the quarter was 174.072 lines. Greece as of December 2014 was in 13th place among EU countries in terms of broadband penetration, according to the statistics of EETT.

Evolution of broadband lines

Source: EETT based on licensees' data
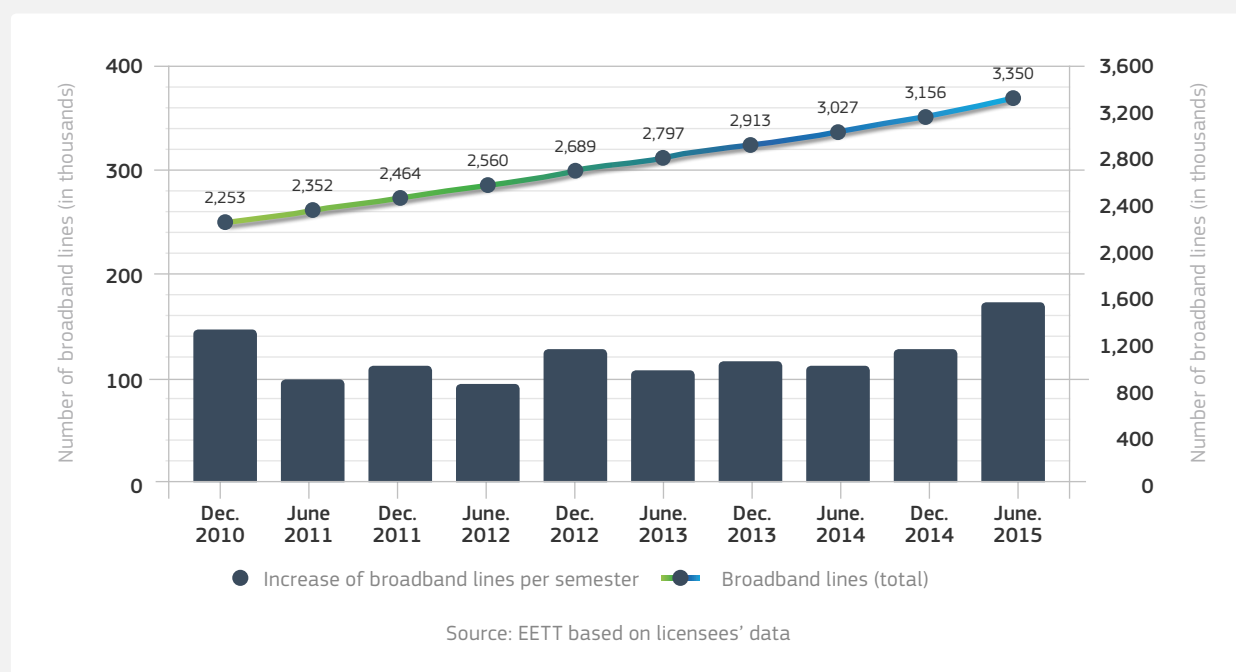
Key Investments in 2015

OTE Group is the leading national investor in new technologies and infrastructure, with investments in Greece exceeding € 2 billion in the last five years only, whilst implementing a current four-year € 1,3 bn. investment plan, mainly in new generation networks.

In Greece today, the telephone network covers the whole country and even in the most inaccessible places, broadband ADSL services are offered in more than 95% of the existing telephone connections, and speeds of up to 50 Mbps VDSL are available already in 1.6 million households and businesses. In mobile telephony, OTE Group is a pioneer. It is continuously developing its 3G network which covers more than 98% of the population and is No1 in population coverage (almost 80%) for 4G in Greece. Also, first in Greece and among the first in Europe, it provided mobile internet speeds of up to 375 Mbps through the 4G+ network to its consumers.

OTE Group has the capacity, expertise and financial base, to continue to invest in upgrading and expanding

the telecommunications infrastructure in Greece, helping to achieve the objectives of the Digital Agenda 2020 and the country's transition to the new digital era for the society and the citizens.

The Group's investments are mainly implemented by the Commercial and Technology Divisions, according to the needs of the market, its customers and society.

OTE Access Lines and Traffic Statistics				
	31 Dec 2013	31 Dec 2014	31 Dec 2015	Change 2014-2015
PSTN connections	2,532,008	2,413,174	2,311,396	-4.2%
ISDN connections (BRA and PRA)	358,446	333,533	308,514	-7.5%
Other (MSAN)	8,688	15,066	79,002	+424%
Total OTE access line connections	**2,899,142**	**2,761,773**	**2,698,912**	**-2.3%**
Of which wholesale line rental (WLR) connections	*47,082*	*35,325*	*14,521*	*-58.9%*
Total OTE Broadband active subscribers	1,286,228	1,389,871	1,532,879	+10.3%
OTE TV Subscribers (IPTV and satellite)	255,912	353,482	446,499	+26.3%
OTE Broadband active retail subscribers	**1,261,590**	**1,367,388**	**1,506,909**	**+10.2%**
Unbundled local loops (active)	1,907,303	2,015,940	2,047,268	+1.6%

3.4 Internet Safety and Public Awareness

The role of OTE and COSMOTE does not stop at providing safe products and at offering top quality services, but also extends to informing customers and the general public on the safe use of the technology. Recognizing that the ways children access the world of technology are many and full of innumerable possibilities for knowledge, entertainment and creativity, but sometimes accompanied by certain risks, in 2015 the "Children and Safety in Technology" Program was created. This new integrated program is to inform, educate and give helpful advice to parents, offering solutions in products and services designed exclusively for children.

3.4.1 Products and Services for Safe Use

OTE Group provides a range of services and products specifically designed for children aiming at the safe use of technology.

- COSMOTE Smile: This service was designed specifically for children so they are able to enjoy the capabilities of mobile and tablet devices safely and securely. Through this service, the possibility is given to parents to choose the usage limit, the allowed incoming and outgoing calls, the applications and websites that their child can use and visit. In addition, parents can trace on the map the location of their child via the mobile device and be updated during any relocation.

- COSMOTE Secure: This service offers a complete computer protection solution that includes Anti-Virus, Anti-Spam, Firewall, Browsing Protection, and Parental Control services, offering safety in navigation for children online. Through the service, parents can filter and restrict access to websites with inappropriate content, but can also adjust the level of protection depending on the age of the children.

- **Parental Control Services are also offered by OTE TV**, for subscribers via both broadband and satellite. With these services, subscribers have the option to set the parental control level they prefer and block access to specific programs based on the degree of suitability of the respective program. Additionally, satellite subscribers can block access to specific channels of their choice. Regarding the optional Adult Pack (which includes channels with adult content), it can only be accessed by adults. In order for a subscriber to rent a film with adult content from the OTE service "Cinema on Demand", they need to enter their personal PIN code which was given to them when they purchased the service (with information on how to keep it safe from children). All these instructions are available in the service manuals and on the help screens in the website of the service.

3.4.2 Raising Public Awareness

In 2015, under the program "Children, Safety and Technology", the www.safekids.gr site was created through which parents can learn about how technology can become more usable and safer for children, providing tips and answers to issues that concern them. This website includes information about the online world of social media, online gaming, applications and many more topics.

Moreover, OTE Group implements integrated actions and awareness initiatives for parents and children and collaborates with prestigious and recognized institutions in order to inform and sensitize parents, children and teachers. Specifically:

- **Educational activities for the safe use of the Internet in the OTE Group Telecommunications Museum**

  The program addresses the best and safest ways to meet the challenges of the digital world and takes place in the OTE Group

Telecommunications Museum since 2010. The briefings are performed interactively by specialized and recognized scientific partners. During the period September 2014 – August 2015 over 400 people attended the program. Since November 2015, a new cooperation between the Museum and the Cyber Crime Unit of the Hellenic Police started. Specifically, Cyber Crime Unit representatives, conduct monthly information sessions for high school students at OTE Group's Telecommunications Museum. During the meetings, the children are informed on the best and safest treatment of Internet challenges, reinforcing the belief that the Internet is a vast world of knowledge, expression, discovery and creation, if used safely.

- **Theater Performances at OTE Group Telecommunications Museum**

For yet another year, the OTE Telecommunications Museum hosted the play "The Internet Farm", which is aimed at pre-school and elementary school children. In 2015, the 975 people (children and teachers) that attended the play in the Museum were educated on the safe and responsible use of the Internet, through the stories of the young heroes of the "farm".

- **Support of workshops and conferences of the Cyber Crime Unit in 2015**

For a fourth consecutive year OTE and COSMOTE supported workshops for safe navigation on the Internet, organized by the Cyber Crime Unit of the Hellenic Police. The workshops, implemented nationwide, are aimed at informing the public about the safe use of new technologies, especially the Internet.

In addition, OTE and COSMOTE, supported the 4th Conference for safer internet navigation, organized by the Cyber Crime Unit.

In 2015, more than 10.000 people attended the workshops and Conference that was organized by the Cyber Crime Unit.

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

For a second consecutive year COSMOTE and Germanos Stores supported "Odysseas", the first "Information Education and Technology Mobile Laboratory", which is an initiative of the Organization "The Smile of the Child" and is under the auspices of the Greek Ministry of Education.

Under this program, presentations are made to students, parents and teachers on issues such as the safe use of the internet. In 2015, 219 interactive interventions were implemented through which "The Smile of the Child" offered prevention services to over 5,000 students.

3.4.3 Participation in initiatives for self-regulation

Of particular importance to OTE and COSMOTE is their participation, via DT 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 Contribution, Formulation and Operation of a Responsible Marketplace.

3.5 Resposible Products and Services

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.

OTE Group recognizes the key role of ICT in environmental protection, in the support of society and economic growth, in the contribution of the telecom sector in achieving sustainable development and in the opportunities offered for the further development of the Group.

3.5.1 Products and Services for Sustainable Development

OTE Group, as a leading telecommunications provider in Southeast Europe, provides fixed and mobile telephony, high quality broadband services, and advanced technology solutions. Through specialized products and services they enable customers to use broadband for the direct or indirect improvement of their activities, welfare and environmental performance.

In 2015, the technologically advanced **COSMOTE Business IT Solutions** were made available to meet IT business needs. The integrated innovative technology solutions that are already provided by the OTE Group were strengthened by new ones, to increase competitiveness and, by extension, the sustainable development of enterprises.

Business Cloud

The Cloud technology services for businesses have been enriched with new solutions aimed at improving their operation, increasing their flexibility and reducing operating costs.

In 2015 the following Cloud services were launched:

- **COSMOTE Business Cloud Servers**: a service that provides necessary infrastructure for business needs, ensuring the required availability securely and reliably.

- **COSMOTE Business Cloud Storage & Email**: services offering businesses the appropriate storage space and full control, with access from everywhere, and enhancement of their communication through easily manageable tools.

- **Specialized cloud applications:** covering a wide range of commercial activities for better organization and automation of business processes (Soft1 SmartWorks, Soft1 SmartPros, Soft1 SmartBiz, Megaventory, Payslip), while, offering especially for professional sectors, such as doctors and lawyers, specialized solutions (Tipoukeitos, My Health Angels).

- **COSMOTE Cloud Video Conference**: offering upgraded video teleconferencing infrastructure with new enhanced services (based on cloud computing), where companies can save significant resources but also achieve increased efficiency due to the reduction of the movement of their personnel.

Fleet Management

- **Driving Performance:** is a new service designed to ensure "green" and safe driving and achieve significant reduction of operating costs (reaching up to 25%) in fuel and maintenance for the fleet of the company vehicles.

- **COSMOTE e-Track**: offers opportunities for monitoring and managing the corporate vehicle fleet in real time reducing fuel consumption and CO_2 emissions

e-Health

The services provided in the health sector aim towards a more efficient operation of hospital units, the reduction of their operating costs, but also the improvement of the level of services provided to

patients. In particular, the telemedicine services, allow the provision of medical aid from a distance.

The involvement of the OTE Group in the health sector is confirmed through its large and complex IT Integration projects:

- By adopting OTE Group e-health solutions, **The Papageorgiou Hospital in Thessaloniki** has turned itself into a "smart" digital hospital. It managed to upgrade its nursing services, increase its productivity and reduce its operating costs, while at the same time improve the satisfaction of its patients.

- The **"E-Prescription"** project, offering better control and better planning of expenditures in the health sector whilst also ensuring quality patient care was successfully completed.

- The **"National Telemedicine Network"** project, which includes 43 telemedicine units that connect health centers in the Aegean islands to central hospitals in Athens and other regions, was delivered and is already in operation. Through sophisticated chambers, residents and visitors of the islands are guaranteed tele-medicine and tele-advice in real time. This eliminates the distance to large hospitals, reducing unnecessary movements and airlifts. 250 doctors have already completed their training, while tele-consultation and tele-education services are already on offer.

e-Tourism

In the field of tourism, services offered, aim to upgrade the operation of tourist enterprises.

These services are used in hotel energy management, infrastructure management and maintenance of information systems, digital signage, providing value added services to guests during their stay at the hotel, in teleconferences, etc. In 2015, the number of large hotels throughout Greece who adopted these services increased.

Smart Grids

These are grids which utilize communication between machines (Machine to Machine, M2M) to collect and process information (e.g. energy behavior of suppliers – consumers) in an automated way, to improve the energy and economic efficiency, reliability and sustainable production and distribution of electricity. According to the Smarter 2030 study, about 15% of the GHG emissions reduction potential which can be achieved with the use of ICT products and services is due to smart grids.

COSMOTE's cooperation with the Hellenic Electricity Distribution Network Operator (HEDNO) for the installation and activation of 62,500 new M2M connections on its behalf is successfully evolving. COSMOTE provides comprehensive application management of all M2M connections that (HEDNO)can then manage through the internet, in order to achieve daily collection and processing of data from the meters that are gradually being installed throughout the country.

The benefits accrued to HEDNO are related to increased productivity, the improvement of the efficiency of its services and the reduction of unnecessary costs for maintenance and other operating expenses.

e-Energy

For the better management of companies' energy consumption, solutions are offered that aim at reducing costs and creating a "greener" profile.

Specifically, the new Energy Management service provides a system for monitoring the energy consumption of a company in real time, with the ability of even remote intervention. The aim is to ensure a reduction in energy consumption, operating in business costs, but also in its carbon footprint.

e-Applications

OTE Group invests in the development of electronic applications for its clients (such as e-bill, e-payment, electronic submission of requests for telecommunications providers, and the service "yourbusiness.gr") that reduce paper consumption and enable better resource management.

Electronic Services for the Fire Department

OTE Group undertook on behalf of the Fire Department the implementation of an IT project, which is expected to contribute significantly to fire prevention and firefighting. By installing advanced information systems in its Control Center, the Fire Department will be able to coordinate the firefighting units, both before and after the event of an incident, to better manage incidents and resources while providing continuous and timely information to citizens in emergency situations.

Energy responsible products

In 2015, OTE introduced the home broadband router Speedport Entry 2i to its product line, which offers extremely low power consumption of up to 47% compared with older equipment with the same functions that do not support the Energy Efficient Ethernet. In order to inform its customers, OTE has created a short environmental guide on the routers' compliance with international environmental standards European and Regulations such as Ecodesign, CR 278/2009, etc.

Information on social products and services is presented in the Social products, Services and Offers.

Information on products and services that promote entrepreneurship is presented in the section Strengthening of Entrepreneurship.

3.5.2 Research and Innovation

OTE Group invests in research and development, and in the last six years has participated in a total of forty (40) research programs in collaboration

with more than 400 partners, including companies, universities and research / innovation institutes from Greece and other European countries.

The total funding to be received for the period 2015-2017 is approximately € 3.7 m., without taking into account additional funding for new projects. Currently, thirteen (13) out of twenty-eight (28) active research and development projects aim at reduction of resource use and / or environmental protection.

In 2015, OTE and COSMOTE, participated in 28 innovative technological research co-funded programs (LiveCity, E3NETWORK, WiSE-PON, PANDA, SECCRIT, DIOGENES, FLAME, UNIFY, SPIRIT, NEMESYS, TEAM, EMERALD, FLEX, VIMSEN, WikiZEN, INPUT, SANSA, VITAL, Smarter-EMC2, Privacy-Flag, CREDENTIAL, VICINITY, 5G-XHaul, CHARISMA, SESAME, COHERENT, i-HeERO, i-PROGNOSIS) through international partnerships with industry and academia.

The contribution to improving environmental performance, is also of high priority for OTE and COSMOTE. In this context, both companies are involved in research activities aiming at developing products and services to reduce their "environmental footprint" and, thus enhancing environmental protection. The activities are part of both European Commission programs / initiatives such as the 7th Framework Program for Research and Technological Development, the Horizon 2020 program and the 5G-PPP (Public Private Partnership) program, as well as national initiatives financed by the General Secretariat for Research and Technology (GSRT). Indicative research projects are presented below.

SMARTER-EMC2 – Smarter Grid: Empowering SG Market Actors through Information and Communication Technologies

By increasing the penetration of renewable energy sources (RES) and distributed generators in the energy market, the aim of the project is the maximum possible contribution to environmental and energy sustainability. To this end, the SMARTER-EMC2

pursues the development of new business models as well as the development of innovative ICT tools that will facilitate open access and participation of the consumer in the use / incorporation of RES in the energy market. These tools are going to be part of the infrastructure of providers of energy distribution networks (DSO), telecommunications and other third parties for the provision of Smart Grid services. In parallel, the project will investigate whether the existing telecommunications infrastructure is adequate to support a wide range of emerging business models and smart energy services.

The SMARTER-EMC2, which is part of the EU Horizon 2020 program, was launched in January 2015 and will be completed in December 2017. The total project budget is € 3.75 mil: for OTE it' s € 223.000 while the EU contribution is 70%.

For more information see:
Http://www.smarteremc2.eu/

Privacy-Flag – Enabling Crowd-sourcing based privacy protection for smartphone applications, websites and Internet of Things (IoT) deployments

The aim of the project is to protect the personal data of users when they visit websites or use apps through their smart devices or IoT type applications. The Privacy-Flag will develop a highly scalable privacy monitoring and protection solution, which includes advanced monitoring systems, data processing and evaluation, a global knowledge database of identified privacy risks, a user-friendly interface and online services. In addition, the project will cooperate with standardization bodies and will endeavor to make known the findings / results of the work in specialized groups and the public.

The Privacy-Flag, which is part of the EU Horizon 2020 program, is led by OTE, was launched in May 2015 and will be completed in April 2018. The total

project budget is € 3.14 m.: for OTE it's € 245,000, while the EU contribution is around 70%.

For more information, see: Http://www.privacyflag.eu/

INPUT (In-Network Programmability for next-generation personal cloud service support)

The aim of the project is to design and develop an innovative network infrastructure, which will allow the replacement of physical "smart" devices (e.g. set-top-boxes, DVD players / recorders, MP3 players, IoT devices) with their images on the cloud, providing them as a service to users. The project pursues: (a) high quality service to the user at any time, wherever one may be, as if one was connected to ones' home LAN, (b) high content security, (c) development of new business models and (d) a low energy footprint.

The INPUT, which is part of the EU Horizon 2020 program, was launched in January 2015 and will be completed in December 2017. The total project budget is € 3.11 mil: for COSMOTE it's approximately € 190.000, while the EU contribution it is about 100%.

For more information, see: Http://www.input-project.eu/

i-HeERO – Infrastructure Harmonized eCall European Pilot Project

The aim of the project i-HeERO is to prepare -by the end of 2017- the Service Centre for Emergency Calls (PSAPs) to the Member States for the support (and interoperability) of eCall[1] based on the implementation of the 112 European Emergency Number. The project will also take into account heavy vehicles transporting hazardous / flammable materials and motorcycles. In addition, the project will include PSAP compliance assessments (Conformity Assessments), as a legal obligation to support the eCall using 112, and advances in data management

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[1] ECall is a European automatic emergency call system for the car and is scheduled to be available in all new commercial vehicles from March 2018. It is estimated that, when fully developed, it will save up to 2,500 lives each year in the EU and reduce the severity of injuries by 10 to 15% (http://europa.eu/rapid/press-release_IP-09-1290_en.htm).

and the next generation 112 for eCall. The project will undertake studies to implement a series of pilot tests as well as plans to upgrade existing infrastructure by each Member State, for a common approach across Europe.

i-HeERO, which is part of the Connected Europe Fund Annual Program of the European Union, was launched in January 2015 and will be completed in December 2017. The total project budget is € 31 m.: for COSMOTE it's € 250.000, while the EU contribution is around 50%.

For more information, see: http://www.iheero.eu/.

i-PROGNOSIS – Intelligent Parkinson Early Detection Guiding Novel Supportive Interventions

The aim of the project is the early detection of Parkinson's disease and the improvement of patients' quality of life with supportive interventions based on technology. Parkinson's is a chronic and degenerative disease, usually developing after 55 years of age; currently, not possible to be diagnosed via lab tests while early symptoms are often not clinically assessed. Combining technology with medical experience, i-PROGNOSIS aims at promoting the prognosis of Parkinson's through advanced behavioral data analysis, by interacting with everyday smart connected devices (smartphones, smartwatches), as well as the management of the disease, by developing new health practices, by employing latest technology. Expected results include patients' empowerment, reduction of hospitalization and patients' life improvement.

i-PROGNOSIS which is part of the EU Horizon 2020 program, was launched in February 2016 and will be completed in January 2020. The project budget is € 3.9 m., COSMOTE budget is approximately € 183.000 and the EU contribution is 100%.

For more information, see http://www.i-prognosis.eu/

5G-PPP Projects

OTE Group participates in 4 out of 19 (5G Infrastructure Public Private Partnership, https://5g-ppp.eu/) EU research programs concerning the design and development of new 5th Generation (5G) technologies, infrastructure and services, considered the future of mobile communications and which are expected to significantly affect the future of the society and the economy in Europe in the next decade.

More specifically, the 5G network is expected to offer ultra-high internet speeds to mobile subscribers, even greater than 1Gbps, consistent quality of service even "on the go" , greater autonomy and energy savings of up to 90%. At the same time it will support the convergence of networks, services and equipment, and massive connectivity of around 7 trillion devices / Internet access systems / sensors (IoT), as one infrastructure will be covering the increased demands in vertical markets such as automotive, energy, food, "smart" cities, governance, health care, construction and public transport.

The programs OTE Group is participating in are the following:

- **SESAME – Small cEllS coordinAtion for Multi-tenancy and Edge services**
  The aim of the program is to develop a unified virtual cloud-based platform to l manage numerous small cells, while providing network facilities (i.e. self-x management and control, virtualization, infrastructure sharing), low energy consumption and support of modern high-quality services. OTE is the coordinator of the program. For more information, see https://5g-ppp.eu/sesame/ and http://www.sesame-h2020-5g-ppp.eu/

- **COHERENT: Coordinated control and spectrum management for 5G heterogeneous radio access networks**
  The main innovation of the program is the development of an integrated management

system for heterogeneous wireless network as a unified network entity through Software Defined Networking (SDN) and flexible spectrum management, for even better quality services.
For more information,
see: https://5g-ppp.eu/coherent/ and
http://www.ict-coherent.eu/coherent/

- **5G-Xhaul: Dynamically Reconfigurable Optical-Wireless Backhaul/Fronthaul with Cognitive Control Plane for Small Cells and Cloud-RANs**
  The aim of the program is the design and implementation of a flexible and low-cost backhaul / fronthaul network, capable of supporting current and future optical and wireless access technologies (Sub-6 GHz, mm-Wave) and related services through dynamic allocation of network resources.
  For more information,
  see. https://5g-ppp.eu/5g-xhaul/ and
  http://www.5g-xhaul-project.eu/

- **CHARISMA: Converged Heterogeneous Advanced 5G Cloud-RAN Architecture for Intelligent and Secure Media Access**
  The aim of the program is the design and implementation of a highly secure cloud infrastructure, with increased spectral efficiency, low energy consumption and enhanced performance (network latency of less than 1ms), capable of supporting e-health and wellness monitoring services, IOT and smart cities.
  For more information,
  see. https://5g-ppp.eu/charisma/ and
  http://www.charisma5g.eu/

These programs started in June 2015, have a duration of 2.5-3 years, with OTE Group contribution to €1.0 m., while the EU contribution amounting to €1.2 million.

3.6 Responsible Marketing

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

3.6.1 Responsible Marketing Practices

OTE and COSMOTE conform fully to the applicable laws and regulations for communication and advertising. The Marketing Communications Strategy / Fixed and Mobile Division reviews all promotional material prior to disclosure to ensure that the contact material complies with applicable laws, is appropriate, fair, sincere and respects diversity. 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 the guidelines from CCC. With regard to non-compliance cases with these instructions, in 2015 CCC adopted a total of 13 decisions, at first and appeal levels, of which 5 involving OTE and 8 COSMOTE. In 2 cases for OTE and 2 for COSMOTE no irregularities were found, while in 3 cases for OTE and 6 for COSMOTE some modifications to advertising slogans were required.

In 2015 no penalties were imposed by the General Secretariat for Consumers on OTE.

3.6.2 Transparency in 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, companies and also 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 (see Cost Control Services table, bellow), and also about the number of options available for controlling costs as a response to increased customer needs for thrift in.

In this direction, OTE kept its prices stable in all programs aimed at residential customers, continuing to provide them with a full range of options in airtime and calls to all national fixed and mobile phones and in internet speeds. Furthermore, recognizing the needs of specific audiences, such as customers seeking solutions for international calls, it made available a number of new packages with various international destination options, incorporating, for the first time, talk time to international mobiles.

To **corporate clients** with "double play" and "single play" programs, OTE offered reduced cost commercial programs and enhanced services at the same price with existing ones.

It introduced **COSMOTE Business One**, a service involving for the first time (fixed and mobile) telephony, Internet (for access from anywhere and present with extremely high velocities), advanced call center and Business Cloud solutions (for managing corporate records). With COSMOTE Business One, the Group's business customers can choose from a wide range of options, programs and services that best suit their needs, while ensuring the efficient, cost-effective and productive operation of their business while benefiting directly from discounts.

In addition, it created **Business Market Place**, an on-line interface (accessed through www.cosmote.gr) in which businesses have direct and easy access to applications (cloud) to facilitate their operational needs (such as payroll needs, ERP, etc.) and reduce their operating costs. To corporate clients with "double play" and "single play" programs, OTE offered reduced cost commercial programs and enhanced services at no extra cost.

Furthermore, through its "yourbusiness.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 continue with a very low rate.

COSMOTE offered its subscribers a choice between reduction in price for the trade-in of mobile phones or a reduction in the fixed cost part of the mobile telephony contracts of up to 30%. Existing programs have been enhanced with additional features at no extra cost. Particularly during the early days of capital controls, customers were given extra talk time and MB and there was flexibility in the payment of bills.

For the first time the **family mobile phone contracts COSMOTE Mobile Plus Family,** were offered 2 mobile connections at a lower price compared to the sum of two individual contracts.

Meanwhile, during 2015, a **renewal of commercial logos** placed all programs, products and services of fixed and mobile, provided to subscribers, under the commercial brand COSMOTE, in order for customers to be looking to a single brand for all their needs in fixed and mobile products communication. In this context, COSMOTE One which addresses fixed and mobile OTE Group subscribers was made available, providing up to 20% continued reduction in the COSMOTE mobile fixed charges due to the combination of service provision with fixed telephony.

Also, a wide range of innovative services such as free communication between mobile and fixed

telephones, and a number of unique benefits like free Cloud storage, the OTE TV Go service for access to the content of OTE TV outside of one's house, common enveloping of fixed and mobile bills and a new, enhanced personal service experience.

Information about promotions to special categories of the population are presented in the section 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. **SMS notification:** e bill customers are provided with a 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. **Additional Billing Services – EPA:** For multimedia information services, OTE informs it customers at the start of each call with a free introductory call and determines their maximum duration in accordance with the provisions of EETT. - It Provides free **barring outgoing calls** to specific categories of calls. **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. **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. - There has been an early warning **billing acknowledgment** to the users of "yourbusiness.gr" service, after the one-year free of charge period.	**COSMOTE My Internet Service:** In the Mobile Internet sector, COSMOTE proceeded to improve the Customer Experience, as, with its new "COSMOTE My Internet" service, the company's subscribers have the opportunity to be informed immediately when their MBs are being used up and decide for themselves whether and how to continue browsing the Internet. - Implementation of **"COSMOTE Mobile Internet Anyway"**: Computer users with access to mobile Internet (via USB modem) can be informed on use of data and make maximum usage limits. Customers also have access to previous month's use of data. **Auto Update Service at 80%** Automatically warns subscribers with a free sms, when they have consumed 80% of their free use (free talk time, txt messages or volume of data). **"Check of remaining free usage" service:** Informs subscribers with free SMS whenever they so choose, about the remaining free units in their program for talk, SMS, MMS and MB. **Online check** of the subscriber's remaining free use (talk time, SMS and MBits) through the web and the My COSMOTE App. **e-Bill mobile:** Accessibility to statistics of connections and accounts, direct information through e-mail of billing and for direct payment. **COSMOTE Mobile Split Bill:** Ability to fix in advance the amount of use for each connection in a company. In case of exceedance of the usage limit, a second account for that particular employee is opened with a corresponding link. **Additional real time check** of the subscriber's remaining balance through a dedicated IVR channel for COSMOTE Cost Control and prepaid use plans. **Packages of additional usage** for more talk time, messages and MB when needed. **Roaming Services:** COSMOTE offered the new "COSMOTE TRAVEL PASS" service that allows 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 enabled the 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 Safe Customer Products

All equipment accompanying products and services, offered by OTE and COSMOTE, has been certified and bears mandatory markings required under EU legislation. It also complies with all directives and regulations regarding safe use instructions, restriction of hazardous substances and electronic waste. No products or services is marketed or sold that are subject το product bans in OTE Group's markets or that key stakeholders or the public have called for their ban. OTE and COSMOTE consider of great importance the supplying of products that are safe and are produced 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 (e.g. 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. In addition, they are within safe limits of exposure to electromagnetic fields, as defined by the Specific Absorption Rates, which must not exceed 2 w / kgr local (head and body), in accordance with Recommendation 1999/519 / EC on the limitation public exposure to electromagnetic fields (0 Hz to 300 GHz).

The ancillary equipment accompanying ADSL / VDSL and decoders is appropriately labelled 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, the 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 2009/125/EE (Ecodesign) 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 Directive 1999/5/EK (RTTE) and the EU Recommendation 1999/519 / EC on the limitation of public exposure to electromagnetic fields (0 Hz until 300 GHz), with the Directive 2011/65/EU (RoHS) and the Directive 2012/19/EU (WEEE).

Suppliers are required to pay compensation for any losses due to non-compliance of the supplied products with the above regulations. Suppliers are required to exhibit the certification on the procured equipment related to the above Directives.

In 2015, OTE and COSMOTE were accessed no financial penalty for non-observance of any of the above obligations.

3.7 Customers Service and Satisfaction

In 2015, OTE and COSMOTE joined forces in order to offer their customers a single service experience at all points of contact with them: in Customer Service through a single phone number for all fixed and mobile clients (13888 for Residential Customers and 13818 for Companies), in the single website www.cosmote.gr page and in updated COSMOTE Shops.

Under a 'best customer experience' framework, OTE Group proceeded to simplify procedures and develop functions wishing to meet customer demands with one contact, to resolve technical issues faster and enhance digital interactions via the e-bill, the COSMOTE and WHAT'S UP Applications, the www.cosmote.gr webpage and the automatic personalized replies at 13888.

The commitment to outstanding service and customer experience was crowned with distinctions in national competitions: COSMOTE Customer Service won 1st place in the annual contest "CRM Grand Prix 2014", and the single www.cosmote.gr page won seven awards in the annual competition "Lighthouse e-volution awards 2016", of which two were in the categories of Customer Experience and Personalized Services for new functionalities made available in 2015.

At the same time, the programs enhancing a customer-oriented culture through the BC2X educational program for all employees of the OTE Group, as well as the Customer Experience Ambassadors Program aimed at employee engagement in keeping the promise of our "Our world is you" brand, continued. OTE and COSMOTE won first place in the Customer Service Training category of the Greek Institute of Customer Service (HICS) in the "National Customer Service Awards 2015". This award is an important recognition of the consistency and commitment shown by companies but also a reward of the efforts of all employees in Customer Service.

Furthermore, to harmonize the efforts of employees with the objective of excellence in customer experience and the support of the trust level perceived by customers, OTE Group proceeded to introduce customer experience objectives in the annual evaluation of employees by the administrative group.

3.7.1 Complaints management

Following the decision to join the two brands, OTE and COSMOTE, and the need for more effective and consistent customer support for fixed and mobile customers, the following key actions towards strengthening the Customer Experience and rationalizing operating costs, within the complaints management network, were implemented:

- Harmonization of fixed and mobile processes, communication tactics and customer approach modes.

- Adjustments, changes, improvements in Customer Management Systems.

- Creation of FMC (Fixed Mobile Convergence - customers who maintain fixed and mobile connection to the OTE Group) groups for a single, integrated communications experience.

- Personalized service with an increase of telephone communications for resolving complaints.

- Strengthening of First Contact Resolution.

- Detailed information and appropriate training for all workers in the Fixed and Mobile Management Complaints Subdivision.

Complaint management OTE and COSMOTE 2013-2015

OTE:
- ● Number of complaints
- ● % solved within 20 days*
- ● % solved within 2 days
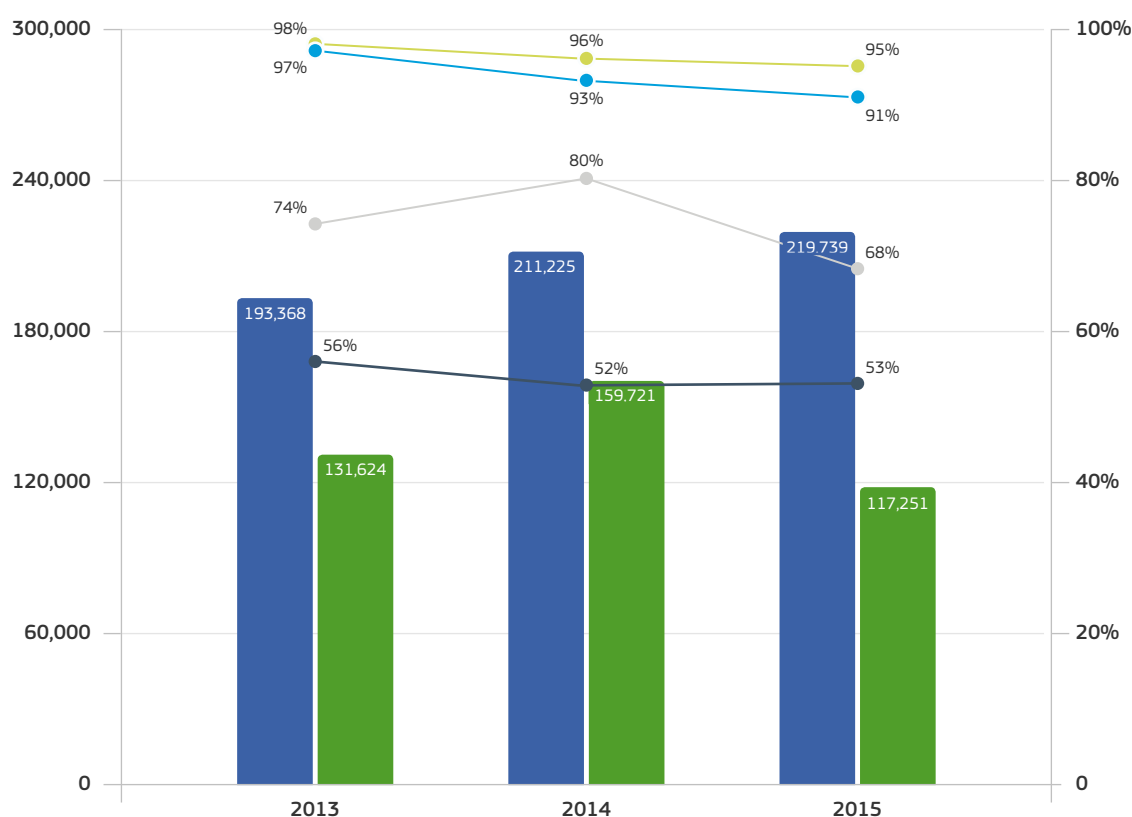
COSMOTE:
- ● Number of complaints
- ● % solved within 20 days*
- ● % solved within 2 days

Issues raised by complaints for OTE:
- Clarifications on Telephone bills
- Activation of products/services
- Resolution of Technical issues

Issues raised by complaints for COSMOTE:
- Billing related complaints
- Commercial Policy issues
- Services (provisioning and technical malfunction)
- Coverage related complaints

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

The percentage of complaints to COSMOTE which were resolved within two days was reduced due to the increase of complaints submitted in writing and extrajudicial complaints (43% of complaints in 2015, compared with 25% in 2014) which, due to the nature of the described issues, require further action and thus require more management time.

3.7.2 Customer Surveys

Having recognized the importance of the opinion of their customers, in reference to their experience for the use of products and services as well as the services they receive in any contact through representatives and the existing processes, OTE and COSMOTE hold customer surveys throughout the year. The surveys are designed to investigate and measure customer satisfaction as well as other views, such as their view of the social role of companies and their perception of customer service, and aim to continuously improve the customer experience and the strengthening of the relationship of trust between company and customer.

Index of Assisted Awareness of Corporate Social Responsibility Initiatives of Telecommunications Companies
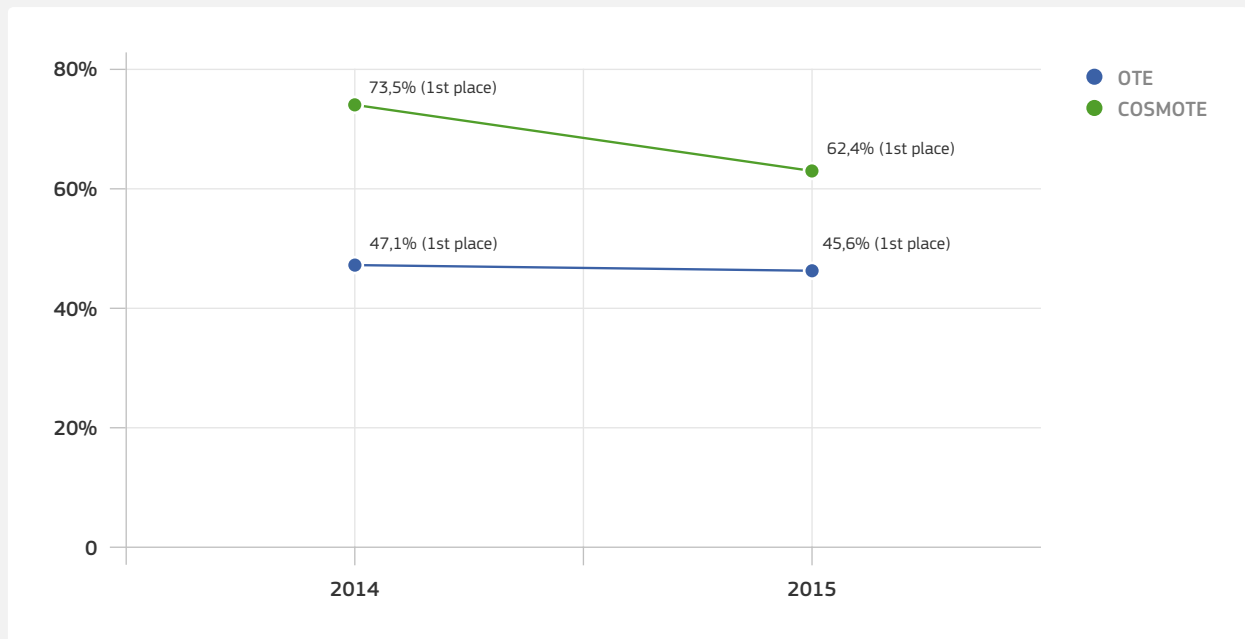
ASBI SOCIAL BAROMETER:

Research through telephone interviews of households. The study examines the social responsibility of Greek companies. The research is conducted by independent organizations. This indicator refers to the aided awareness of companies in the mobile and fixed communications industry. Citizens were asked if they have heard / read / seen something related to the telecommunications companies initiatives in corporate social responsibility.

The full survey results of the ASBI Social Barometer confirm that the corporate responsibility performance, of both companies, is recognized by the Greek society.

OTE and COSMOTE maintained satisfactory rankings regarding the commitment index (TRI * M loyalty index) with the relevant figures showing significant improvement compared to 2014.

Loyalty Index (TRI*M)
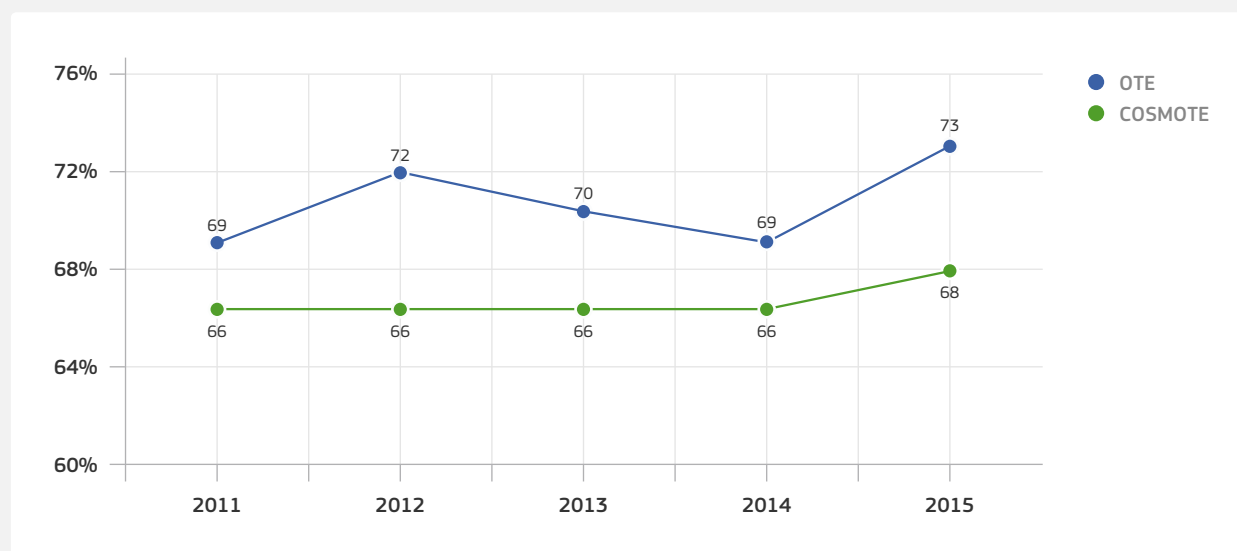
NOTE:

Research carried out in all European countries where companies of T-Mobile (12 countries) and T-Com / T-Home (7 countries) are active. The measuring range of the index is from –66 to 134. The research was carried out on behalf of DT by independent organizations. The OTE index results from the corresponding indices for residential and business customers taking into consideration the revenue ratio. The COSMOTE index refers to household customers.

"The company makes me feel like I am in good hands"

OTE and COSMOTE evaluation with respect to: "The company makes me feel like I am in good hands"

OTE

| 85 | 14 | 1 |

● Good – Very Good – Excellent (%)   ● Bad – Average (%)   ● Don't know/Don't answer (%)

COSMOTE

| 86 | 12 | 2 |

● Good – Very Good – Excellent (%)   ● Bad – Average (%)   ● Don't know/Don't answer (%)

NOTE:

Data from the TRIM Domestic Customer Surveys for OTE and COSMOTE respectively implemented in 2015 (Q2 / Q4 2015). Research was carried out in all European countries where companies of T-Mobile (12 countries) and T-Com / T-Home (7 countries) and implemented on behalf of DT by independent organizations. Research is from a nationwide sample of 1,400 OTE customers and, respectively, of 1,400 COSMOTE customers.

Social Awareness

Year	2011	2012	2013	2014	2015
COSMOTE	33%	46%	42%	36%	32%
OTE	28%	28%	31%	32%	29%
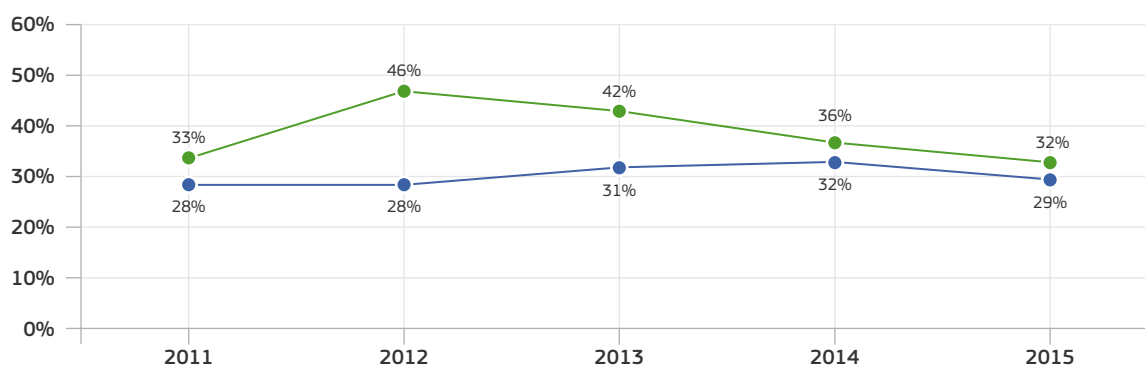
Good Phone Customer Support

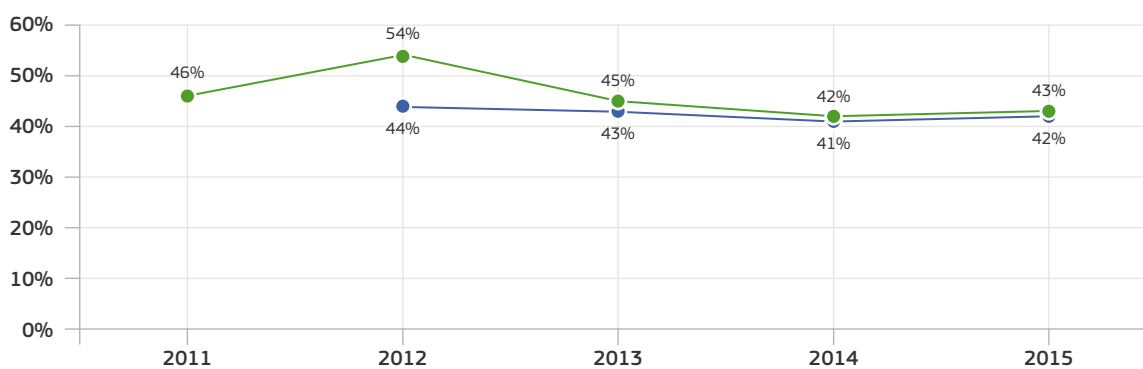| Year	2011	2012	2013	2014	2015
COSMOTE	46%	54%	45%	42%	43%
OTE		44%	43%	41%	42%

Good in-Shop Customer Support

Year	2011	2012	2013	2014	2015
COSMOTE	47%	53%	42%	40%	40%
OTE		37%	36%	35%	36%

● OTE   ● COSMOTE
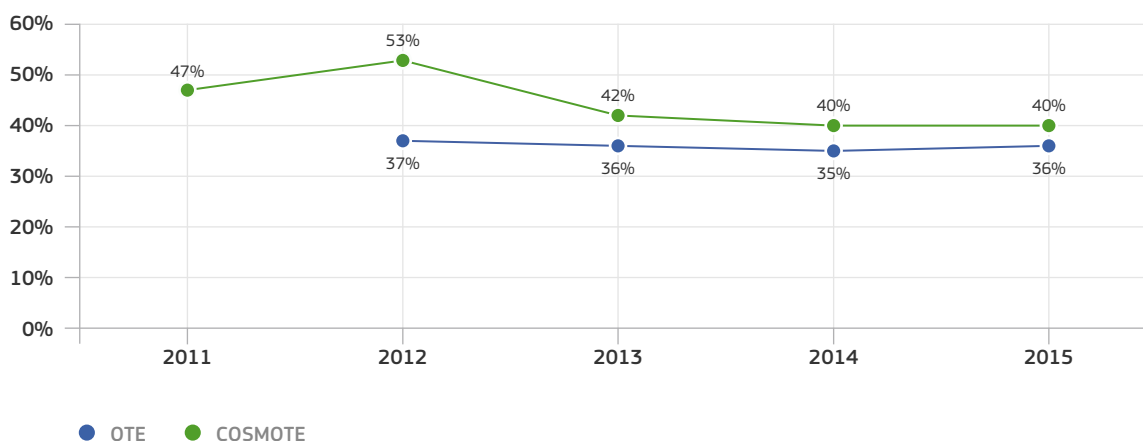
NOTE:

Research is carried out for OTE and COSMOTE by independent Organizations through telephone interviews. The geographical coverage of the research done for OTE is nationwide. For COSMOTE, the research in 2011 and 2012 only covered Athens and Thessaloniki and expanded throughout Greece after 2013. The investigation concerns the image assigned to OTE and COSMOTE respectively and not the actual experience of service in stores or experience of telephone service.

3.8 Data Security and Privacy

It is important because:

Data is a key element of the operation of the OTE Group of companies and an important factor for the success of their operation in the present and future. OTE and COSMOTE offer products and services to their customers through which information moves around the world. Maintaining the safety and confidentiality of personal data is a key requirement of our customers and our primary care.

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

Data security and privacy

The companies 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.

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 data (i.e. call data), through the implementation of security controls in specific areas (e.g. logical access controls, logging and auditing, acceptable use, physical security controls, etc.).

- Binding <u>Privacy Rules</u> within the DT Group

- Specific policies / main safety standards, which cover areas such as:

- Systems security

- Company information and personal data security

- Human resources security

In 2015, OTE received 3 complaints from customers related to the confidentiality of communications / security of customer information. COSMOTE has received 48 complaints about the same issues. The average response time was 15 days for OTE and 5.2 days for COSMOTE. OTE and COSMOTE also received, 6 and 10 complaints respectively from the Hellenic Authority for Communication Security and Privacy (ADAE). In none of these cases was a breach detected.

Furthermore, confidentiality waiver requests and provision of data to the competent judicial, prosecution and police authorities were handled if the required legal documents (Judicial Council ruling or Prosecutorial request) were communicated in accordance with the terms, conditions and procedures laid down in the current privacy legislation.

The legal basis for dealing with requests by Authorities for legal listen-ins and data provision is Article 19 of the Greek Constitution, Law 3115/2003 on the establishment of Authority of Privacy of Communications Assurance, the PD 47/2005 on procedures, technical and organizational safeguards to lift the confidentiality

of communications and the security thereof and Law 2225/1994 on the protection of privacy and the lifting of confidentially and law 3917/2011.

Specifically, in 2015, OTE and COSMOTE handled requests for legal listen-ins on 2,923 telephone lines, for providing data on external communications on 7,700 telephone numbers, for providing personal subscriber data on 18,010 telephone numbers, and for providing personal subscriber data on 752 IP addresses.

OTE and COSMOTE, do not store the content of their customers' communications in their systems.

The Annual Report of ADAE Proceedings includes, besides ADAE activities, the number of provisions / decisions that are issued by competent judicial authorities, are notified to ADAE and request the removal of communications confidentiality. In 2015, there were 45 safety audits and assessments of security risks to critical systems and processes in order to ascertain compliance with corporate security policies and procedures. Furthermore, access of 137.739 authorized users to data processing systems of the two companies, were checked.

Safety standards for the implementation of 80 new systems or services were established and respective audits / safety testing were carried out to confirm their implementation.

Aiming to continuously improve the level of safety and efficiency of data protection, companies have undertaken **a series of actions and projects on information security for core infrastructure,** such as:

- **Transfer of the Physical Security Control Centre** in the common OTE and COSMOTE Security Operations Center.

- **Provision of security services to external companies** (e.g. information security alarm monitoring, protection against denial-of-service attacks (DDOS).

- **Certification of Information Security Management System ISO 27001** in OTE and COSMOTE.

- **Binding Corporate Privacy Rules within the DT Group** are a continuation and replacement of the Privacy Code of Conduct (PCoC). The new "Binding Corporate Data Privacy Rules' cover the legal requirements for the exchange of personal data both within the Deutsche Telekom Group as well as outside the OTE Group. They contain the applicable minimum requirements under European legislation on the adequate protection of personal data. They have been applied within Deutsche Telekom as of December 2013 and were entered into force within OTE and COSMOTE as of November 2015.

These rules contain the basic conditions for the processing of personal data of both the subscriber and the OTE Group employees, in accordance with the Greek and European legislation, and the high level of protection of personal data within the Deutsche Telekom Group.

- **Expansion into 89 critical systems** of a centralized monitoring solution of security patches that have been installed on them.

Physical Security

The following actions were implemented in 2015:

- Integrated security system at the Rendi and Psychiko buildings and the Germanos educational center in Emmanouil Benaki Str.

- Continuation of the improvement of physical safety interventions in the Management Building in the Paiania complex with the addition of electronic means (access control, intrusion detection, CCTV, X-rays) for the supervision of new critical locations (Management offices, OTE TV premises, Bazaar, Central Fund, etc.).

- CCTV solution for the strengthening of the surveillance of the perimeter of the warehouses in Avlona.

- Realization of respective studies and structural / electronic enhancement interventions in 25 main facilities yet.

- Safety in 13 Base Stations, as well as design and implementation of solution for tracking stolen batteries from Base Stations.

- Preparing and conducting the tender for the procurement of a new access control system for all outdoor line distribution cabinets (KVs) and the cabins.

- Continuation of interventions in OTE Group owned shops in Greece, with the enhancement of 40 additional branches, the enrichment and / or the renewal of their security systems, the installation of shutters and curtain walls and the implementation of additional structural safety interventions.

- Compilation and addition on the contracts with third parties of a special "Security Appendix" that addresses their physical access to facilities of the Group and which releases Group resources needed for the accompaniment of third parties in the execution of their work, while being answerable to the demands of the Hellenic Authority for Communication Security and Privacy (ADAE).

Furthermore, within the overall redesign of the operational model for Physical Security and following the OTE Group approved strategic planning of physical security platforms:

1. During 2015 the design / implementations relating to the interworking of physical security systems with the common IDB Physical Security Platform (Integrated DataBase) and the IDM (access rights system) were continued.

2. Amendments were implemented at the BCM tool application software (business continuity management tool) so that physical security incidents are reported and communicated electronically.

Relevant Data for 2015:

- Recording and management of **1,014 physical security incidents** of which 152 were characterized as serious.

- Issuance of **5,333 access cards** (access control) and **3,855 passes** to the sites.

- Implementation of **837 requests for granting of access rights** and addressing of 146 access control system faults.

- Management of **90 alarms in cabins and KVs** and other exceptional events (elections, referendums, marches / demonstrations).

- Carrying out of **270 outpost inspections**, 90 preventive scans for explosives, 15 preventive audits in KVs, 17 checks of proper operation of access controls and 55 reports on the patrol surveillance system.

- Conducting of **82 staff training sessions** in the Group's Athens branches (owned and franchise) for physical security.

- **116 inspections** on the Group's stores nationwide, 616 checks on sites for ensuring confidentiality, 31 abstractions of files from stores' CCTVs and 70 studies of physical safety of stores

Awareness and education

In 2015, awareness-raising, information and education activities in information security, business continuity and physical security were implemented, such as:

- **Business Continuity and Security Conference** (Security Day).

- **Business Continuity Week "BCAW 2015",** where the added value of operational continuity was highlighted with the creation and presentation of an electronic e-learning platform "Business Continuity 365". This is an innovative interactive information portal, developed in-house for all the people of the Group. It is an extremely useful tool for employees, where

they can find information, educational materials and answers to many important issues including general business continuity issues. More than 3,000 employees participated.

- **Useful Information relevant to physical security**, information security and business continuity, in the **introductory training** of all new employees.

- Information, education and **testing of Incident Response Teams capabilities**.

- **Training of new Building Managers groups** (Building Incident Controllers) and Event Management (Incident Response Teams).

- **2 Business Continuity Certification seminars** were completed in the OTE Academy with specialized executives of OTE as rapporteurs, leading to the internationally recognized CBCI Certification (Certificate of the BCI Examination)

- **Electronic information** and education related to physical security, information security and business continuity at all OTE Group stores.

- **E-learning training course** on data protection and safeguarding of the privacy of communications addressed to OTE and COSMOTE employees. More than 5,500 employees attended.

- **Two online surveys** related to information security and business continuity issues which were addressed to a sample of OTE–COSMOTE employees and were designed to improve safety in the Group.

- **Special education program by the Greek Police to all security personnel** on the following topics: suspects, surveillance / counter-surveillance, explosives / mechanisms, management of threatening phone calls, evacuation plans, checking of incoming mail using XRAYs.

3.9 Business Continuity

It is important because...

The clients of OTE and COSMOTE require from their companies to provide seamless telecommunication services of high quality as an interruption in the OTE Group network function has a direct impact on their services. For this reason, the Group invests in the development of a system with a holistic approach and in mechanisms for the early identification and treatment of conditions affecting or likely to affect the business continuity of critical operations of the Group.

OTE and COSMOTE, always seem to maintain their stable development and ensure the continuous supply of quality telecommunication services, including under exceptional external conditions.

The Business Continuity Management System of OTE and COSMOTE was re-certified in accordance with the requirements of the ISO 22301 standard and involves the provision of fixed and mobile technology services for voice and data calls, value added services, television, interconnection, wholesale, consulting services, service center for incident reporting, call center services, data center services and related points of contact for the customer for the Group's services in Greece.

The most important business continuity activities implemented in 2015 in order to maximize the Group's durability while enhancing business continuity in the OTE Group's culture, included:

- More training to groups with a business continuity management role.

- Employee communications (inductions, e-learning, newsletters).

- Drills for all staff.

- Risk evaluation on critical buildings.

- Successful incident management and reporting of business continuity issues for timely prevention

On the operation of OTE Group's Emergency Management Center (Situation Center), which is the official reporting center within the Group, and the place where all alarms for situations / incidents affecting or likely to affect business continuity end up. In 2015, 51 business continuity incidents were assessed, 56 incidents that potentially could affect business continuity and, in 12 cases, outbound notifications were sent to the DT Centre (providing travel safety instructions).

- Monitoring of international practices in business continuity issues.

- Participation of more members of the Business Continuity Subdivision on the International Organization BCI.

- Cooperation with Greek authorities - General Secretariat for Civil Protection.

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

- Telekom Romania successfully completed the annual internal inspection (monitoring) of the Business Continuity Management System in accordance with the requirements of the ISO 22301 standard.

- The development of a Business Continuity Management System in Telekom Albania is underway.

3.10 Responsible Procurement and Supply Chain Management

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.

On supply chain management issues, OTE Group also cooperates with DT whose supply chain management approach has been assessed very positively (management of the supply chain was assessed as "Best in Class") by relevant rating agencies (e.g. SAM).

Supply chain

Modern supply chains are facing a set of challenges arising worldwide in a dynamically changing environmental, economic and social level, making strategic planning and management of their viability necessary. Sustainable supply chains are characterized by reduced environmental impact, support the economic development of their partners, and promotion of social issues such as tackling child labor and the emphasis on health and safety.

The development and maintenance of a supply chain with added value for the Group, with economic, environmental and socially responsible methods and practices, is an ongoing challenge in line with the Group's vision.

The Group's suppliers are important partners for the achievement of business objectives that will ensure its competitiveness and sustainable development, affecting not only the financial performance of the Group but its relationships with other social partners.

Simultaneously, the Group aims to be a preferred partner for suppliers that adopt common values and principles, through a defined framework for cooperation, the Procurement Policy, discussed below, and the Code of Conduct, fostering synergies and long-term relationships with transparency and respect of competitiveness, meritocracy and equal opportunities.

OTE Group has a list of suppliers (Supplier Register), consisting of approximately 1,200 suppliers for OTE and 860 for COSMOTE, which is continually renewed towards the development of a sustainable supply chain. It includes both multinationals and local companies, for the purchase of materials and equipment or for the provision / leasing of services.

The list of suppliers affects many different categories / types of materials supply and services. Indicative categories of suppliers are contractors, licensees, consulting service providers, companies selling telecommunications equipment and services, companies developing computer hardware / software (IT).

OTE and COSMOTE supplies

€ 1.665 million
Invoiced to Suppliers

| 88 | 12 |

● Greek suppliers (%) ● Foreign Suppliers (%)

Promotion and marketing
4%

Repair & maintenance services
5%

Subcontractors
5%

Consulting services
10%

Network
12%

Sales representatives
12%

Other services & suppliers
20%

Fixed assets
17%

ICT products
15%
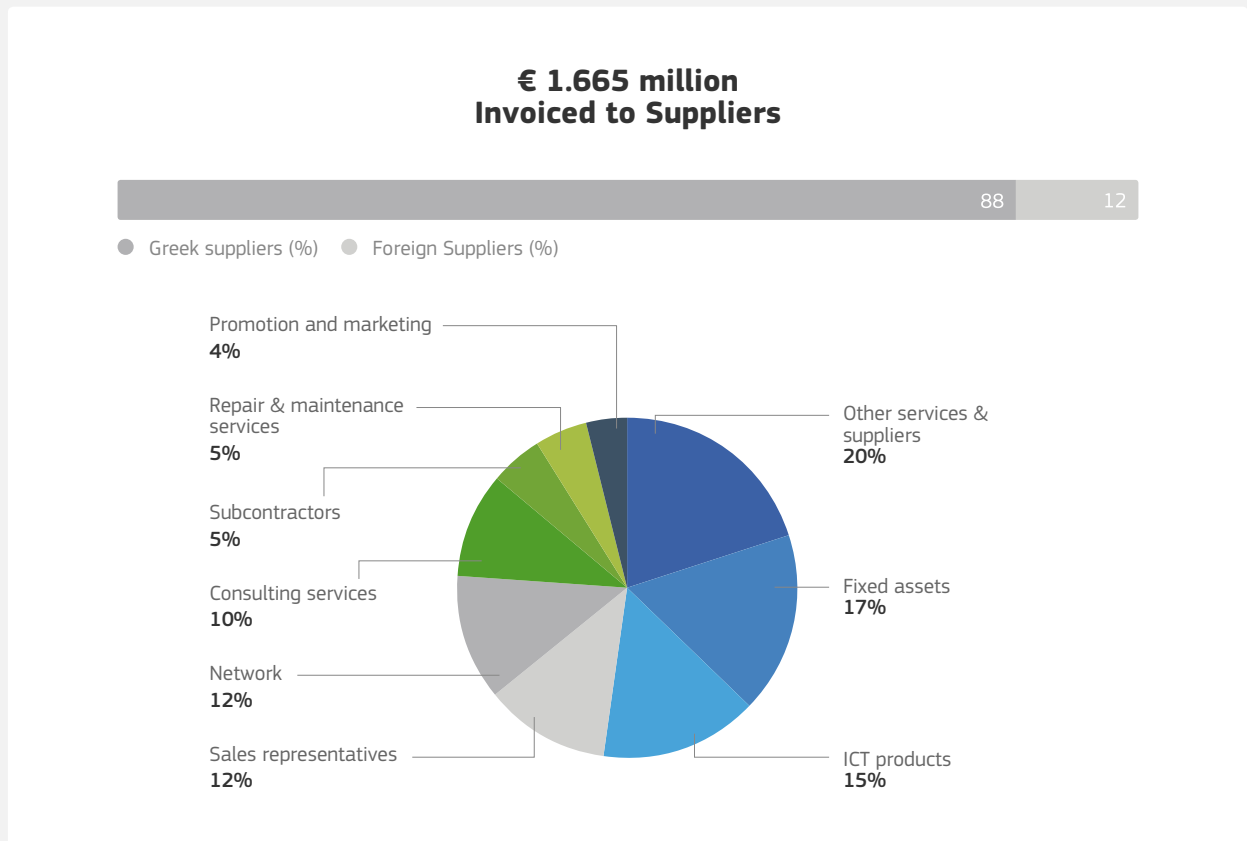
3.10.1 Procurement Policy

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 labor.

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, which unifies the Groups' financial results

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 2015, 86% and 90% 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 → Classification → Development → Selection
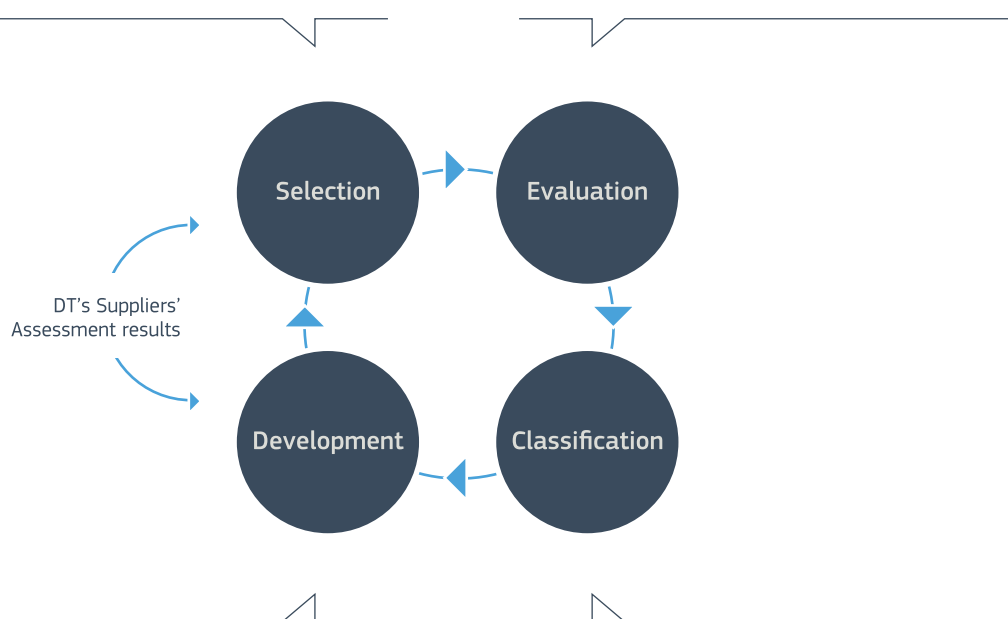
> Specify **plans** to work on the improvement of "weak" vendors
> Monitoring of actions and results
> Communication to Group of excluded vendors

> 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 2015 the OTE and COSMOTE payment time has been integrated and it ranged from 30-120 days depending on the type and amount of the commission.

Participation in avoiding the use of minerals from conflict zones

Valuable raw materials, such as metals, are used for the production of mobile phones and other ICT products. Some metals, including tantalum, gold, tin and tungsten are extracted from mines operating under inhumane and / or civil war conditions (conflict minerals), some of which are located in the eastern part of the Democratic Republic of Congo. Profits from the business of mining are used to finance the war.

OTE Group is not a producer of ICT products; instead it buys these products from international manufacturers and either sells them in its stores as part of its services or uses them in its telecommunications infrastructure. OTE supports the Conflict-Free Sourcing Initiative (CFSI) since 2010. The CFSI was established in 2008 by the GeSI (Global e-Sustainability Initiative) and coalitions of electronic producers industries (Electronic Industry Citizenship Coalition). The CFSI is the largest business initiative for responsible sourcing which involves more than 300 companies. It aims to identify the source of minerals extraction and prevent the extraction and sale of minerals from conflict zones (conflict minerals).

3.10.2 Supplier Selection

For the selection of suppliers and the corresponding determination of the relevant supplier list (long list), appropriate market research takes place by the relevant Operational Procurement Management Unit in cooperation with the requesting business unit.

For the list of companies from the candidate suppliers with which either there has been no previous cooperation (new companies) or no cooperation has occurred for over two (2) years, if the vaue of the supply exceeds the amount of € 50,000 (excluding consultants who are audited regardless of contract

amount), a pre-contractual control of their integrity and their evaluation (Integrity Check and Compliance Business Assessment) is carried out, regardless of the value of the supply according to the criteria of the Regulatory Compliance. As part of this process it is also verified whether or not these companies are part of the Non-Compliant List.

Furthermore, 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 assurance systems, and environmental 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 and/or the COSMOTE Group Code of Contact which codify the companies will to work with environmentally friendly and socially responsible suppliers. This intention of the Group is supported by its Social Charter through which the Group declares compliance with international standards, respect for human rights and the compliance and implementation of the Ten Basic Principles as binding wherever the Group operates. In contracts with suppliers, a relative term for acceptance of the Charter will be included.

The contract that successful bidders are called to sign includes specific clauses on health and safety, anti-corruption, security policy and confidentiality and a gradual 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 labour, 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 the provisions of these Supplier codes. 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 labor 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 labor 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.

3.10.3 Supplier Evaluation

The active suppliers of OTE and COSMOTE, are evaluated on an annual basis. This process is coordinated by the Department of OTE Group Process Management and Improvement.
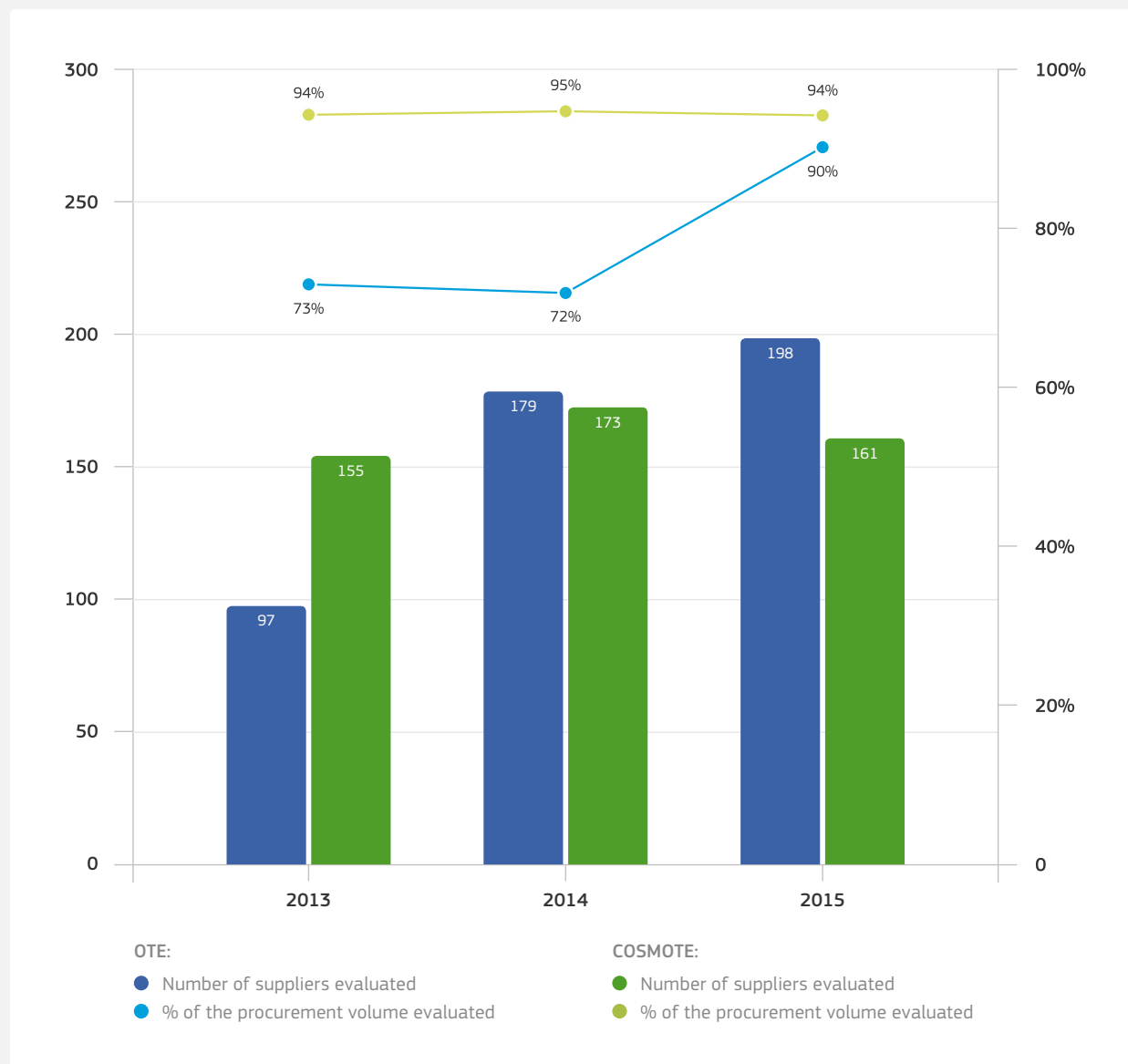
The suppliers to be evaluated are selected on the basis of purchase orders (POs) issued via SAP-ERP systems, within a 12 month period. In particular, in 2015, the selection of suppliers evaluated, was based on all purchase orders issued during the period 1/10/2013 – 30/09/2014 on behalf of the OTE, COSMOTE, Germanos, Germanos Telecom Romania SA, e- Value SA, e-Value Ltd, AMC, Telekom Romania Communications, COSMOTE Romania Mobile Communications and ZAPP. Thus, all suppliers with orders worth over € 2 million (for all the companies mentioned above) and all suppliers providing crucial supplies (i.e. 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 the Group (i.e. management systems according to ISO 9001, ISO 14001, OHSAS 18001) and some suppliers who did not meet the above criteria but were proposed for evaluation from 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 Team are informed on the evaluations of the suppliers based on their overall performance within the Group, the quality of products / services, their effectiveness and consistency in delivering products / services and the relationship that has developed between companies and suppliers, due to prior satisfactory collaboration.

Furthermore, the suppliers under evaluation are requested to submit a signed Declaration of Acceptance of the Supplier Code of Conduct of OTE and/or COSMOTE (those who have not signed a contract, as mentioned above) as well as a filled self-assessment sustainability performance questionnaire. This questionnaire 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 Departments for Corporate Responsibility, Fixed & Mobile, and for Management and Optimization of Financial and Support Services of 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 was used in the evaluation cycle for the period 2015-2016.

OTE and COSMOTE Supplier Evaluation

OTE:
- Number of suppliers evaluated
- % of the procurement volume evaluated

COSMOTE:
- Number of suppliers evaluated
- % of the procurement volume evaluated

NOTE:

The percentage of the value of OTE supplies assessed in 2014 and 2015, as well as COSMOTE supplies for 2013, 2014 and 2015 is calculated as the value of orders evaluated on the total value of orders made between 1/10 / 2011 – 30/9/2012 (assessment 2013), 01/10/2012 - 30/09/2013 (evaluation 2014) and 01/10/2013 – 30/09/2014 (assessment 2014) respectively. The percentage of the value of OTE commissions evaluated in 2013 is calculated as the value of the invoices that have been evaluated to the total invoices issued during the period 1/10/2011 - 30/9/2012.

They include high value procurement, product supplies and services that affect the final products / services provided to customers, as well as supplies of high-risk products as defined internally. Commissions from subsidiaries, dealers' commissions, interconnection, roaming and sponsorships – donations are excluded.

3.10.4 Rating and Development of Suppliers

The rating evaluation of suppliers, performed by the operational units of OTE and COSMOTE involved in the process, together with the completed suppliers' self-questionnaires, are fed 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 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).
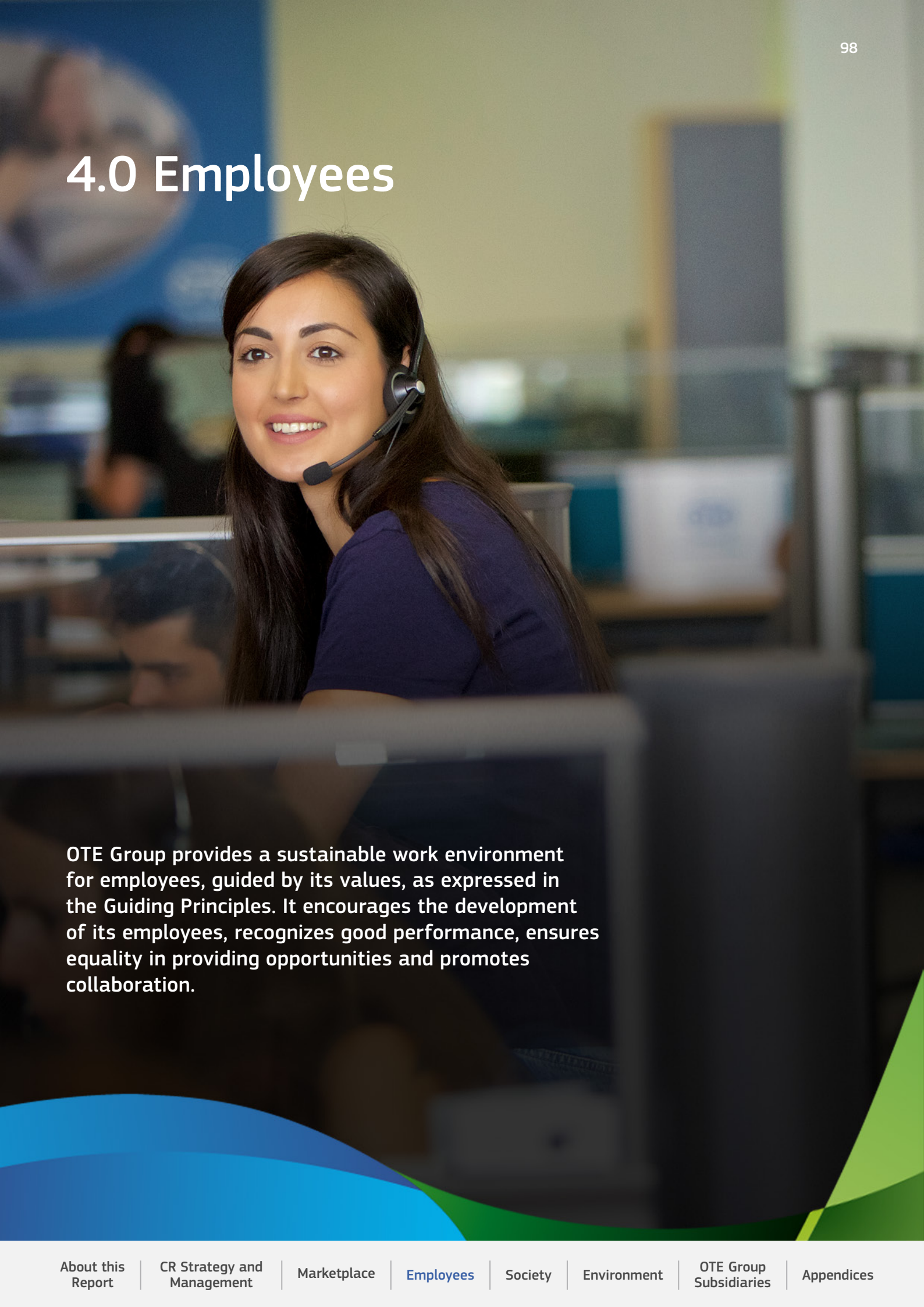
OTE and COSMOTE recognize that companies that offer high-risk products (e.g. mobile devices, computer equipment, etc.) and also operate in high risk countries (e.g. LDCs) are more exposed to risks regarding work safety and human rights. Foreign suppliers of OTE and COSMOTE, are large enterprises that 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 2015, OTE and COSMOTE did not cease cooperation with any of their international suppliers as a result of DT's ratings.

Finally, it is worth mentioning that if (a) from the Integrity Check and Compliance Business Assessment of the prospective supplier (see. Supplier Selection), or (b) during the cooperation with a supplier, OTE Group companies become aware of acts or omissions which raise serious risks of regulatory compliance, then the minimum information on these companies is registered in a relevant "List of Nonconforming Suppliers " (Non-Compliant List) upon Decision of the Executive Director of Compliance, Corporate Risk Management and Insurance of the OTE Group, the applicant's Business Unit, and the relevant Business Unit of Procurement Management and for a period of time that will be co-decided.

Indeed, in the context of suppliers' audits carried out by the appropriate Business Unit of the Executive Director of Compliance, Corporate Risk Management and Insurance of the Group OTE, following complaints or grievances, in 2015, two companies were excluded from tendering procedures because of serious violations of the Procurement policy (see. section Compliance Management System and Policies).

4.0 Employees

OTE Group provides a sustainable work environment for employees, guided by its values, as expressed in the Guiding Principles. It encourages the development of its employees, recognizes good performance, ensures equality in providing opportunities and promotes collaboration.

4.1 Human Resources Strategy

It is a strategic objective of OTE and COSMOTE to stand out as attractive employers and offer a secure and creative working environment for their people.

The formation of a common corporate culture, workforce renewal and the development of the existing one, focused on custom designed training, leadership programs and talent management programs (internal and external), operations' optimization and the introduction of modern organizational structures, all contributed towards achieving the 2015 human resources strategy.

- **Organizational transformation and effectiveness**
  Emphasis was placed on achieving greater flexibility of the OTE and COSMOTE structure and in placing end-to-end responsibility on each unit, so as to become more effective in meeting current requirements.

- **Voluntary Exit Schemes in a socially responsible way**
  Aiming at the companies' transformation, in a socially responsible manner, OTE and COSMOTE successfully completed Voluntary Exit Schemes in 2015, with no costs to Social Insurance Funds, as the companies incurred the entire cost. The implementation of these schemes helped to strengthen their competitiveness, reduce operating costs and create job opportunities for young people.

- **Workforce renewal and development**
  Following the Voluntary Exit Schemes, carried out in a socially responsible manner, more than 1,700 job positions were created within the OTE Group in the last years (2013-2015). At the same time, both companies continued to invest in developing up-to-date skills for their existing employees, through re-skilling, up-skilling, as well as through innovation and creative thinking programs. Particular emphasis was given to programs that develop and strengthen leadership skills for executives on all hierarchy levels, while, for the first time, an internal OTE Group talent management program was launched.

- **COSMOTE common commercial brand**
  In order to continuously improve customer experience, OTE and COSMOTE joined their forces and established a common commercial brand. To communicate the new brand philosophy for the OTE Group image and the new brand values, a tailor made training program was designed and delivered to all employees.

Operational Framework

The basic framework for the Group's Labour Relations Policy is based on 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 also covered by collective labour agreements.

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

The OTE Group Chief Human Resources Unit operates on a model of responsibilities and roles based on the following structure:

- **HR Competency Centers** - Development Centers for HR policies, systems and procedures

- **HR Business Partners** – HR contact points with business units to record the needs and provide feedback to the competency centers and

- **HR Shared Services** - Units for the immediate and effective management of HR issues and processes.

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

Key Achievements in 2015

- ✓ **Occupation through direct hiring –from OTE– of 2,004 OTEplus employees,** in order to improve operational efficiency of the OTE Group of companies

- ✓ **Operation of the new OTE Group employee service center** "MyHR".

- ✓ **Implementation of small scale Voluntary Exit Schemes** in a socially responsible manner.

- ✓ **2,567 training hours of health and safety issues** for OTE employees and **1,864 training hours** for COSMOTE employees.

- ✓ Implementation of the external talent acquisition program "COSMOTE Graduate Trainee Program" and **launch of the first internal talent management program for OTE Group employees.**

- ✓ **Leadership programs' enhancement** for executives, with team management responsibility.

- ✓ **Increase of average training hours per employee of OTE and COSMOTE**. In 2015, the average for OTE employees was 18.81 hours and for COSMOTE employees was 17.06 hours.

4.2 Employment

In 2015, in a diverse macroeconomic environment, a socially responsible program for rationalizing human resources was applied, in order to increase competitiveness, reduce labour costs and improve operational efficiency through new hires.

Approximately 600 OTE and COSMOTE employees accepted the incentives offered and left the Group. In addition to financial incentives, OTE and COSMOTE provided to employees who left the Group personalized support throughout the process, group private insurance and special offers on Group's products and services. The annual staff cost savings is estimated at over €30 million.

In parallel, in order to improve the Group's operational effectiveness, the majority of OTEplus employees are occupied, since the beginning of 2015, through direct hires by OTE and COSMOTE e-value. These direct hires by OTE COSMOTE e-value were implemented with a view of the optimal utilization of the employees' expertise and experience.

4.2.1 Human Resources

On 31 December 2015, OTE and COSMOTE employees numbered 10,625.

OTE
8,617 employees

| 71 | 29 |

● Men 6,128 (71%)   ● Women 2,489 (29%)

Part-time dependent employment, of indeterminant term
54 (1%)

Dependent employment, of fixed term
121 (1%)

Full-time dependent employment, of indeterminant term
8,442 (98%)

COSMOTE
2,008 employees

| 49 | 51 |

● Men 976 (49%)   ● Women 1,032 (51%)

Part-time dependent employment, of indeterminant term
1 (0%)

Full-time dependent employment, of indeterminant term
2,007 (100%)

99% of OTE employees (8,496 employees) and all of COSMOTE employees are employed on dependent employment of indeterminant term contracts. At the end of the year, OTE employed 300 (3%) people with disabilities and COSMOTE 26 (1%).

Employees on indeterminant term contracts

OTE
8,496 employees

Administration / Retail
2,514 (30%)

Technical staff
4,781 (56%)

Other
151 (2%)

Expert
personnel
280 (3%)

Customer
support
358 (4%)

Finance
412 (5%)

COSMOTE
2,008 employees

Network and IT applications
design and development
307 (15%)

Business
Support
688 (34%)

Secondment
38 (2%)

Specialists
50 (2%)

Management
51 (3%)

Product and services
development and
promotion
111 (6%)

Construction,
network/IT
operations and
applications
284 (14%)

Sales
229 (11%)

Customer
service
250 (12%)

In 2015, 698 employees left OTE and COSMOTE, of which 611 left through voluntary exit schemes. At the same time, the companies recruited 2,205 new employees, with the largest percentage coming from former OTEplus employees.

OTE

Recruitment 2015

2,185
new employees

92% recruitment within OTE Group

23% women

26% under 30 years old

72% 30 to 50 years old

53% in Attica

16% in Macedonia

Departures 2015

635 employees

88% in the context of Voluntary Exit Programs

30% women

20% 30 to 50 years old

78% over 50 years old

50% in Attica

13% in Macedonia

COSMOTE

Recruitment 2015

20
new employees

75% women

100% in Attica

15% under 30 years old

75% 30 to 50 years old

Departures 2015

63 employees

83% in the context of Voluntary Exit Programs

52% women

87% 30 to 50 years old

13% over 50 years old

87% in Attica

6% in Macedonia

Improving employee experience has always been a priority and so in 2015, the new employee service center, "MyHR", was launched. MyHR manages, queries on HR issues and processes in an efficient and simple way, while its' services are constantly being enhanced, so as to provide a prompt and of high quality service to all employees.

OTE and COSMOTE operate throughout Greece. Although the Group does not have an officially formulated policy for hiring people from local communities, in practice, locality is taken into account in an effort to further support local communities and promote employee wellbeing. It should also be noted that almost 100% of Chief Officers and Executive Directors are Greek citizens.

Geographical Distribution of OTE and COSMOTE Employees

THRACE

ABROAD
1 (0%)

MACEDONIA

193 (2%)

1,089 (13%)
134 (7%)

THESSALY

235(3%)
9 (0%)

CENTRAL GREECE
& EVIA

377 (4%)

EPIRUS

176 (2%)
6 (0%)

4,974 (59%)
1,805 (90%)

ATTICA

142 (2%)

IONIAN ISLANDS

388 (5%)

643 (8%)
24 (1%)

400 (5%)
29 (1%)

AEGEAN ISLANDS

PELOPONNESE

CRETE

● Number (%) of OTE employees   ● Number (%) of COSMOTE employees
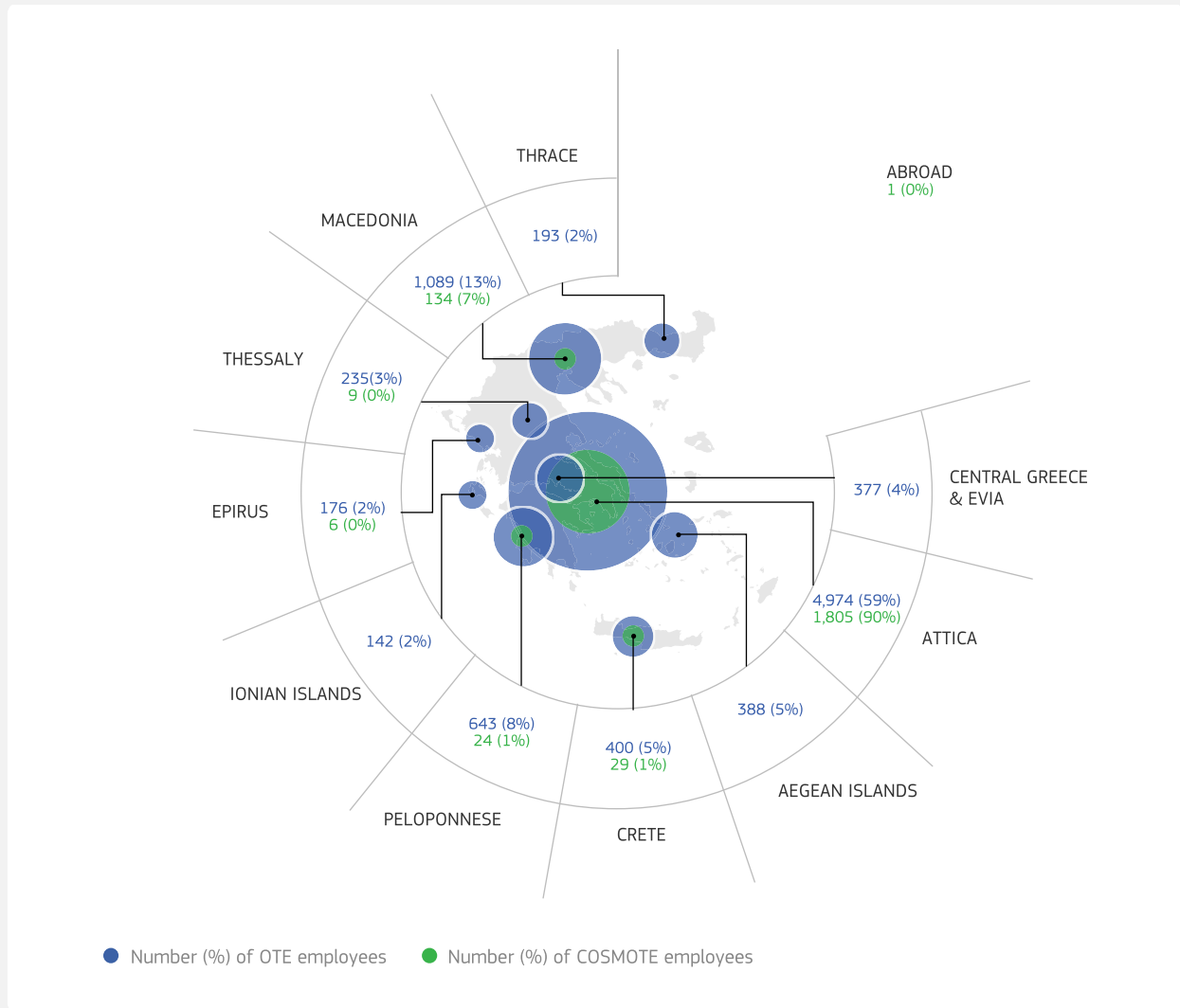
More human resources figures and indicators are provided in the file "Human Resources Performance Data".

aged 18-30, students and graduates of universities and technological educational institutes from all over Greece.

Youth Employment Opportunities

OTE and COSMOTE are regarded as an excellent employment opportunity for young people starting their career. In a survey running for the second consecutive year and conducted by the Athens University of Economics and Business, in cooperation with the career site "kariera.gr", and announced in 2015, both companies were jointly ranked as the 5th most desirable employers among all respondents

COSMOTE Graduate Trainee Program

The talent selection process of the first "COSMOTE Graduate Trainee Program" was completed in 2015. The applications submitted to the program reached 2,500, an indication of the wide acceptance it has enjoyed. It is a talent acquisition program, aiming at talents up to 28 year old, postgraduate degree holders, with passion and dynamic personality, who stood out after an extensive and demanding selection process.

The Graduate Trainees became part of OTE Group and are "experiencing an exciting 18 month journey", with stops at the Group's main business functions. During their developmental journey, they are exposed to a modern work environment, attend contemporary training programs and undertake challenging projects. Upon completion of the program, the Graduate Trainees will be offered a job in a company of the OTE Group.

Part of the program's advantages is gaining experience in a large organization, as well as benefiting from constant coaching and guidance from members of the Senior Management.

Internships

During 2015, OTE and COSMOTE provided an opportunity to 423 students (of colleges, universities, vocational training institutes) to fulfill their internship requirement toward completion of their studies in the modern work environment of the OTE Group.

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

At the same time, communication with universities' career and internship offices was structured and development of projects, in collaboration with specialized University laboratories, commenced.

Participation in career events

OTE and COSMOTE participated in a series of events, organized mainly by universities, to support young people with their career planning. HR Representatives had the opportunity to meet with students, recent graduates and young professionals and discuss with them possible career opportunities, inviting them to express their interest in employment within companies of the OTE Group.

In 2015, the companies participated in the following events:

- BEST (Board of European Students of Technology) Conference

- JOB FAIR

- ALBA Graduate Business School Career Forum 2015

- Career Days 2015

- DEREE Career Days 2015

- Developers Day

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 is based on respect for human rights, in accordance with the following:

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

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

- The OTE Group Code of Conduct and the Employee Labour 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.

In 2015, OTE Group published its new Social Charter and systematized its approach on managing human rights issues (more details are presented in the Corporate Responsibility Strategy section).

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.

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 bargaining, or of the existence of child or forced labor.

The percentage of employees covered by enterprise collective labour agreements is approximately 99% for OTE and 92% for COSMOTE.

The three-year collective labour agreement for OTE employees signed in late 2014 and valid until 31.12.2017 and the Collective Labour Agreement for COSMOTE employees signed in March 2015 and valid until 31.12.2017, ensure jobs and regulate payroll issues, leave, benefits, compensation and employee working hours issues.

There were two strikes in 2015 (lasting one day each), involving OTE and COSMOTE employees, mainly due to changes in national social security policy.

4.2.3 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 Code of Conduct, non-discrimination covers gender, age, religion, ability, origin and sexual orientation. Both companies maintain processes and the 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 2015, the OTE Group Prevention, Policy and Training Department (coming under the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group) received, through the "Ask Me" process, more than 650 queries from employees, including, inter alia, the approval of sponsorships / donations, and suppliers' and consultants' integrity checks. None of these queries were related to discrimination issues.

In addition, the OTE Group Compliance, Reporting and Case Management Department (coming under the Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group) received 54 complaints through the process "Tell Me" as shown in the following Table:

Communication Channel "Tell Me", 2015		
	OTE	COSMOTE
Total Employee Complaints	48	6
Complaints regarding Discrimination	2	0

The two (2) complaints by OTE employees related to discrimination involved sexual discrimination. Upon further investigation, one of the complaints was deemed unfounded and the other, following an investigation by the relevant Compliance Department and the supporting material gathered, could not be confirmed. Nevertheless, specific measures were proposed and implemented by the company:

- Verbal reprimands to the person that the complaint was lodged against.

- The employees involved were separated from each other in the performance of their duties (with the internal transfer of one of them).

It should be noted that the induction program "Welcome on Board" for new hires of the company, includes a special education section on Compliance issues, the Code of Conduct, as well as on the companies' internal policies.

The high integration of Guiding Principles and the Code of Conduct is evidenced by the high rates achieved in the respective questions of the employee survey. Specifically, 84% of employees stated that "the Code of Conduct is the basis for what they do in their daily work" and 88% stated that "they experience and follow the Guiding Principles".

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 based 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.

For 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 determined within the current Collective Labour Agreement, with a minimum (basic) salary for high school graduates of € 755.

The ratio of male / female remuneration is 1:1 respectively. In addition, during 2015, the level of the minimum wage at OTE and COSMOTE, in relation to the national minimum wage in Greece, was higher by 29%.

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:

- In OTE: Reduced work by two hours daily for two years and by one hour a day for the next two years, or alternatively full leave lasting nine months (twelve months for mothers of twins). In addition, it is possible for employees hired before 2006, to take a four month parental leave with 1/3 of their salary, rather than an unpaid leave, as provided by the common labour legislation.

- In COSMOTE: Reduced work by one hour daily for three years or by two hours daily for

eighteen months, if compatible with business needs or, alternatively, six months' 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 taken parental leave, are unemployed or freelancers.

In 2015, 180 female and a one male OTE employees took parental leave instead of reduced work hours, whereas 4 employees took parental leave with 1/3 of their salary. Respectively, at COSMOTE, 112 female and 6 male employees took parental leave, and 30 female employees took unpaid parental leave.

All working female employees made use of the parental leave they were entitled to. One female employee resigned during paid parental leave and all others, female and male, returned to their normal duties.

Moreover, in 2015, an increase of 12 days parental leave, for monitoring children's performance, was decided for OTE employees who have children with a disability of 67% or more.

Gender Diversity

In 2015, 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 one third of the OTE workforce and half of the COSMOTE workforce, respectively. It should be noted that OTE employs a large number of Technicians (4,781 employees), the vast majority (91%) of whom are male. Excluding Technicians, the percentage of female employees in OTE amounts to 54%.

Respecting the importance of avoiding unlawful discrimination based on gender, in 2010, OTE Group introduced a quota on the employment of women, with the aim that by the end of 2015, at least 30% of the upper and middle OTE managerial levels would be held by women. On December 31st 2015, the rate of females' representation in managerial positions at OTE and COSMOTE was 30% (out of a total of 1,095 positions) and 36% females were members of the Management Team (out of a total of 11 members).

OTE
Board of Directors

9 | 1

- Men 9 (90%)
- Women 1 (10%)

COSMOTE
Board of Directors

9

- Men 9 (100%)

OTE and COSMOTE
Management team

7 | 4

- Men 7 (64%)
- Women 4 (36%)

OTE and COSMOTE Females in Managerial positions

- Chief Officer
- Directors
- Senior Managers
- Section Managers
- Responsibility positions (including Executive Directors)

Chart data:

	2013	2014	2015
Section Managers	34%	32%	33%
Responsibility positions	30%	29%	30%
Chief Officer	25%	19%	25%
Senior Managers	18%	22%	24%
Directors	20%	20%	20%
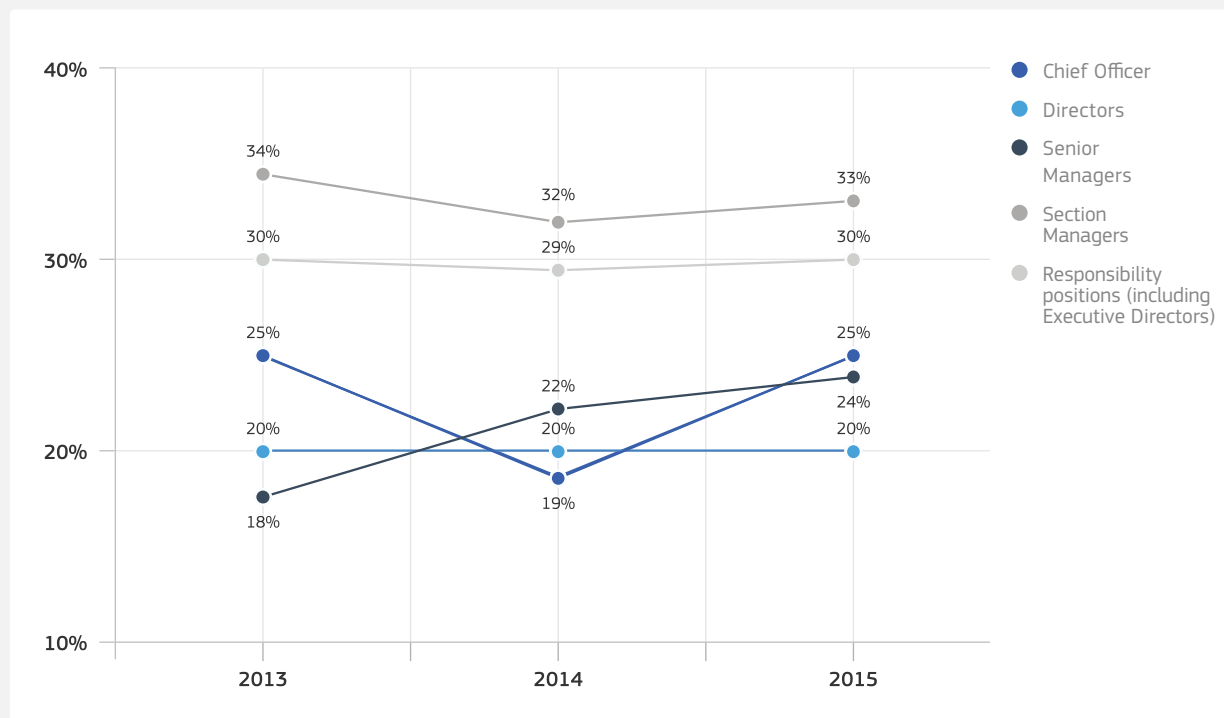
NOTE:

In 2015, a new management level was established between Chief Officer and Head of Division, the Executive Director. Women account for 25% of the Executive Directord.

4.3 Health and Safety

> **It is important because...**
>
> OTE Group employees' health, safety and quality of life constitute, for employees and management, a basic prerequisite for the sustainable development of the Group. Management and employees work systematically to ensure a safe and healthy work environment.

Ensuring a safe and healthy work environment for employees, customers and partners, remains a top priority for the OTE Group. Health and Safety issues are considered crucial 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 international standards as minimum requirements. The establishment and improvement of a healthy and safe environment at work, through a coordinated effort of management and staff, are a key priority of OTE, as these contribute effectively to the development and the companies' progress.

In 2015, emphasis was placed on the alignment of Health and Safety approaches due to the commitment and active support of Management for the implementation of the country's and the EU's laws and regulations, the development of values for shaping a preventive culture for Health and Safety at work, the encouragement, training and support of employee involvement in improving health and safety and the development of partnerships in health and safety at work. In this context, OTE and COSMOTE approaches were created focusing on a common Occupational Risk Assessment for the OTE Group (17 occupational risk studies were compiled) and a common regulatory framework with common procedures, work instructions and forms.

The Health and Safety Committees at Work which consist of elected representatives of OTE and COSMPOTE employees, meet every quarter with a management representative to discuss issues and processes related to the improvement of health and safety at work. The Safety Engineer and a Occupational Physician are part of these Joined Meetings. OTE Group Management facilitates the Health and Safety at Work Committee in carrying out its tasks, updating and providing all the information that is relevant to its work and that is relevant to the OTE Group. The Health and Safety at Work issues are also evaluated by the 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 the balance between personal / professional life. The results and findings of the survey will form the basis for actions of improvement within the companies.

4.3.1 Health and Safety Policy

The Health Policy and Group Policy of the OTE Group has as a target to support its operational units in activities related to:

- Compliance with legal and regulatory requirements

- Prevention and assessment of Occupational Risk

- Certification of the OTE Group functions, according to the Occupational Health and Safety Assurance Strandard (OHSAS 18001)

- Consultation between management and employees

- Management of accidents and incidents

- Systematic education and information to employees concerning the principles and practices of Health and Safety at Work

- Audits / inspections that safety measures are applied in the workplace and facilities

- Provision of first aid, preventive medical testing and mental health support services

- Organizing Emergency Response Teams, including regular evacuation drills

4.3.2 2015 Health and Safety Performance

During 2015, special emphasis was given to Health and Safety issues relating to the prevention and education of employees. In particular, Health supevision and Safety inspections continued at the same level as in previous years and, at the same time, existing educational programs were implemented regularly and new ones were introduced (see section on Prevention, Training and Awareness of Health and Safety Issues).

OTE and COSMOTE Inspections for Health and Safety at Work 2015

OTE

Technical inspections	Occupational health inspections
14,405	9,685
8,771	4,497

● Actual inspections hours
● Inspections hours per year as mandated by law

COSMOTE

Technical inspections	Occupational health inspections
1,369	1,023

● Actual inspections hours *
● Inspections hours per year as mandated by law *

* Actual inspections hours are the same with those mandated by law

Medical examinations for OTE and COSMOTE employees 2015

OTE : 15,292 examinations   COSMOTE : 1,411 examinations
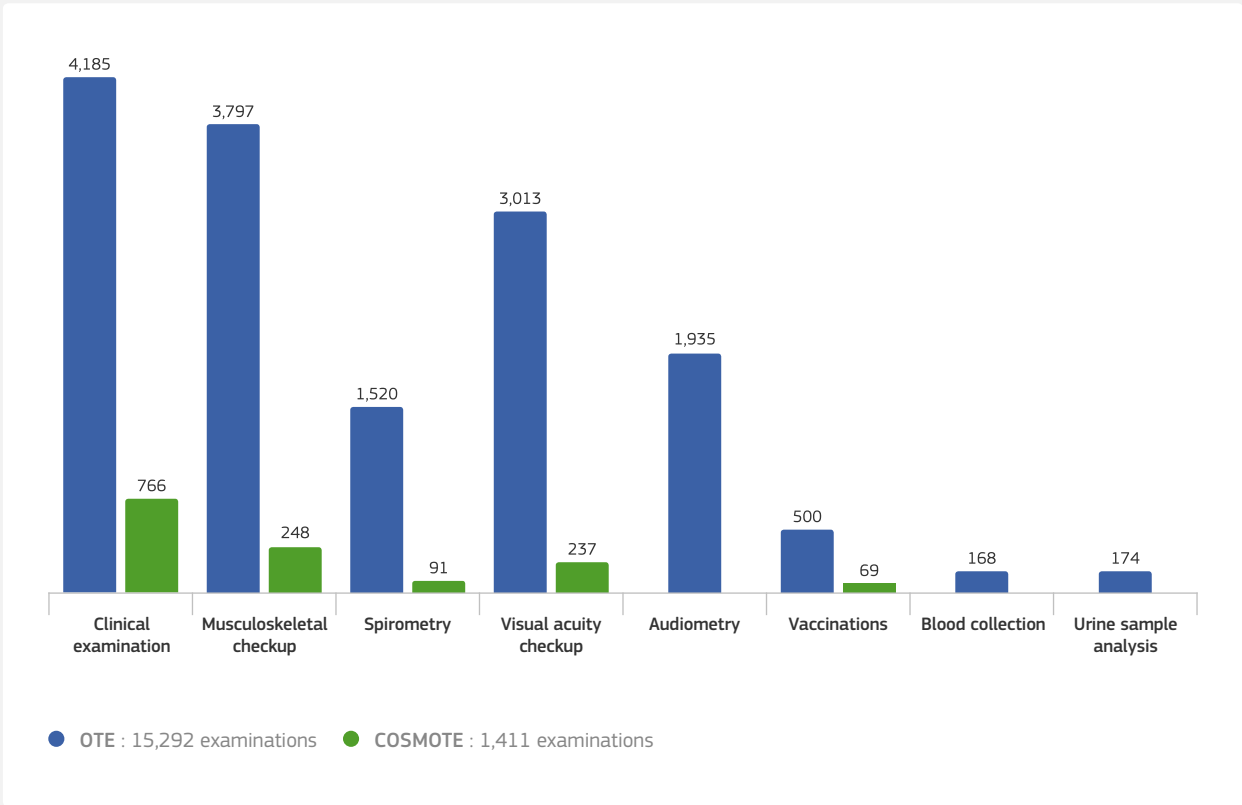
In 2015, no fatal accidents occurred at OTE or COSMOTE. Compared with 2014, there was an increase in the number of accidents at OTE. A significant percentage of accidents were traffic accidents (31.6%) and accidents outside of the Group's facilities at the arrival and / or departure of employees (26.6%). The number of accidents at COSMOTE remained unchanged at declining levels in recent years, while the number of days lost is directly associated with the number of absences due to traffic accidents (43.8%).

OTE and COSMOTE Health and Safety Performance Evolution

OTE

Work-related accidents (work days lost)
Fatalities (number of employees)
Work-related accidents (employees)

COSMOTE

Work-related accidents (work days lost)
Fatalities (number of employees)
Work-related accidents (employees)

The following table shows the performance (KPIs) of companies on Health and Safety Issues for 2015.

2015 Health and Safety Performance		
	OTE	**COSMOTE**
Fatalities		
Employee Fatalities	None	None
Contractor Fatalities	N/A	N/A
Work Related Accidents (employees)		
Number of Employees Injured	**60**	**14**
Men	47	1
Women	13	13
Injury Rate [1]	**0.81**	**0.69**
Men	0.89	0.10
Women	0.61	1.24
Occupational Disease Rate [2]	**0**	**0**
Men	0	0
Women	0	0
Lost Day Rate [3]	**33.59**	**16.72**
Men	38.57	4.25
Women	21.34	28.51
Absentee Rate [4]	**630.76**	**618.98**

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.
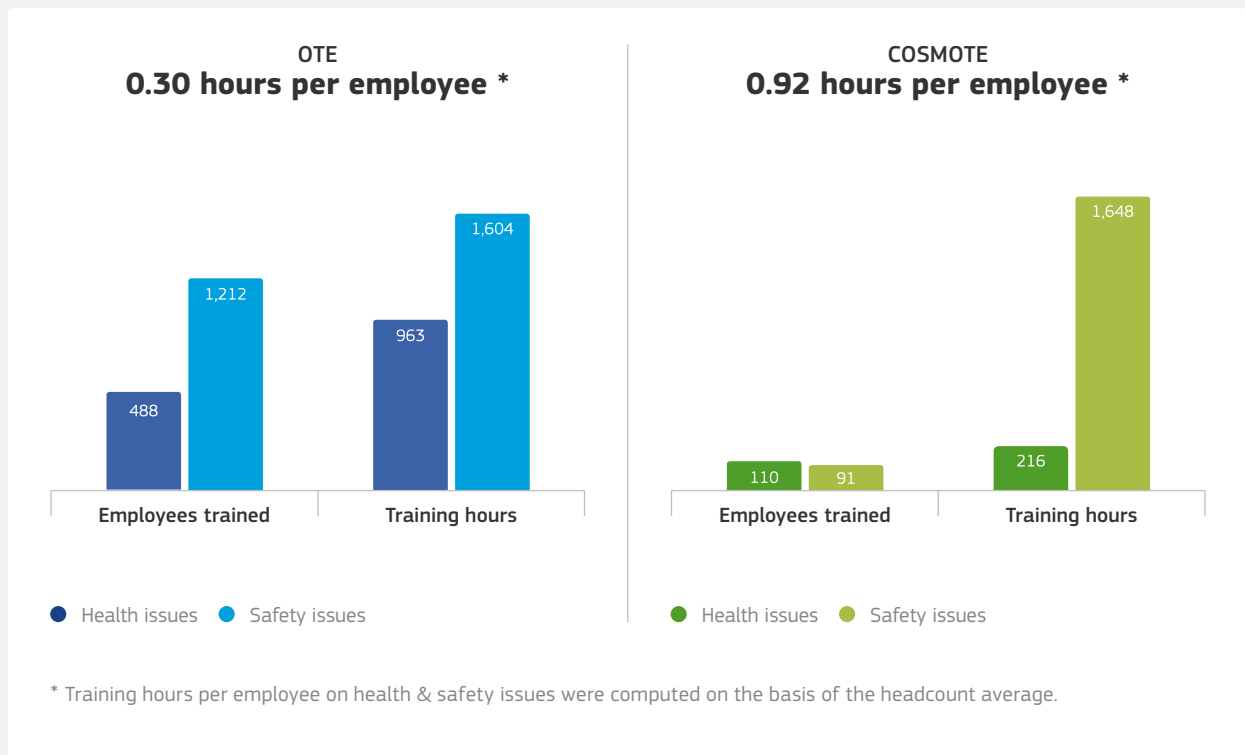
4.3.3 Prevention, Training and Awareness of Health and Safety Issues

In 2015, OTE and COSMOTE continued to give special emphasis and resources in prevention, information and awareness activities.

Trainings on Health and Safety Issues

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 engineers, accidents, and the success of educational programs.

Training on Health and Safety Issues

OTE
0.30 hours per employee *

	Health issues	Safety issues
Employees trained	488	1,212
Training hours	963	1,604

COSMOTE
0.92 hours per employee *

	Health issues	Safety issues
Employees trained	110	91
Training hours	216	1,648

* Training hours per employee on health & safety issues were computed on the basis of the headcount average.

NOTE:

In addition, 30 hours of Health Issues training for 15 employees and 98 hours of Safety Issues training to 98 employees of the BIT-IRT team (responsible building installation / incident response team), consisting of employees of the OTE Group companies (including employees OTE and COSMOTE) occurred.

Information and training is provided to all employees to ensure the implementation of the Health and Safety standards at work. In this context, a basic education program is implemented during recruitment and recurrent training when significant changes occur to employees' tasks. The training covers the potential risks and the preventive measures to be taken. In addition, employees who work in difficult conditions, such as those employed in outdoor field work and climbers, participate annually in training programs about the risks faced, the preventive measures to be taken and checkpoints to be used.

Seminars and information on a wide range of issues are also continually provided:

In Health Issues:

- First Aid

- Heat stress avoidance

- Protection against electrical hazards

- Special reference to technical employees in Electromechanical facilities etc. as appropriate

- Protection from Physical-chemical-biological agents

- Safety and Health to new recruits

In Safety issues:

- Fire safety (use of fire extinguishers)

- Risks and work hazards in the workplace

- Worker safety in the field / use of Personal Protective Equipment (PPE)

- Protection against electrical hazards

- Protection from Physical-chemical-biological agents

- Safety and Health in new recruits

- Worker safety in warehouses / use PPE

- Training of climbers / pillar approach in adverse weather conditions.

Briefings on Health and Safety Issues

The Health and Safety Team of the Group uploads articles on the corporate Intranets on everyday topics but also on issues that relate to personal life and work balance. In 2015, thirty (30) informational articles were uploaded on the following subjects:

- Celebration of International or European H&S days / weeks: 23 articles

- Protection from and dealing with seasonal viruses: 4 articles (e.g. heatwave conditions - heat stroke prevention, heat stress prevention, seasonal flu, etc.)

- Protection from and dealing with seasonal dangers (e.g. instructions for ice and snow, etc.): 1 article

- Relating to the balancing of life / health and work: 2 articles (eg Your medicine … your food, breastfeeding).

Events were conducted in cooperation with external organizations on issues concerning:

- "We live better - Without Cigarettes!". "We live better" program was based on a series of new initiatives of the OTE and COSMOTE Safety and Health Group that were related to awareness, prevention and the adoption of a healthier lifestyle. Following its initiation in 2014, the program "We live better –Without Cigarettes!" was continued in 2015, in both Athens and Thessaloniki.

- Ebola Virus, in collaboration with HCDCP (Hellenic Center for Disease Control & Prevention)

In addition, a new brochure entitled "Health & Safety information for Visitors and Contractors" was composed to be distributed at the Satellite Communications Centres, and 12 guidelines were compiled in the following topics:

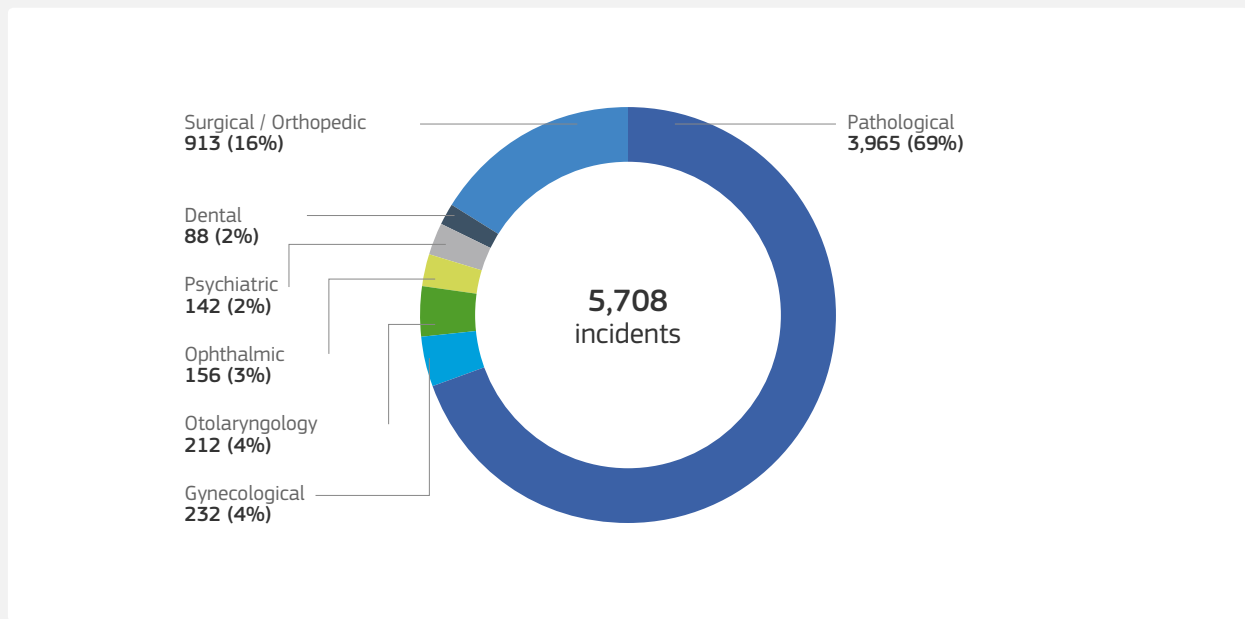- General Safety Work Instructions for Field Technicians

- Safe Driving for Field Technicians

- Working Safely -in OTE Responsibility Areas

- Working Safely - Outdoors

- Working Safely - Portable ladders

- Working Safely - with wooden poles

- Working Safely - in Wells

- Working Safely - in Excavations - Earthworks

- Working Safely - in non Responsibility Areas

- Instructions for checking Personal Protective Equipment

- Instructions for safe Battery use

- Instructions for safe use of Cleaning Products

Medical Clinics OTE and COSMOTE

In 2015, the clinics operating in the Group's facilities were consolidated and now operate under the joint supervision of the OTE and COSMOTE Group medical team. They treated a total of 5,708 incidents.

Incidents treated in OTE and COSMOTE clinics 2015

Surgical / Orthopedic
913 (16%)

Dental
88 (2%)

Psychiatric
142 (2%)

Ophthalmic
156 (3%)

Otolaryngology
212 (4%)

Gynecological
232 (4%)

5,708
incidents

Pathological
3,965 (69%)

OTE Group expanded the services of its work clinics, adding to their staff a personal clinical psychologist, with the aim of, amongst other things, providing services to improve the balance between personal and working lives of employees. The Group's Employee Psychological Support Service currently has three psychologists who regularly visit local facilities of the Group. Services provided include individual sessions with employees, and a general framework of contacts and partnerships, as needed for a multifaceted approach of employees.

The Service deals with various issues such as private life, work, health but also issues, such as depression and extreme anxiety. The number of asking for the provision of psychological services is steadily increasing every year. The total number of employees who have benefited from the service in 2015, reached 186.

Moreover, regular meetings have been established between Administration Executives and medical team members, to serve both as a mutual information tool on matters affecting staff, as well as a psycho-social risk management tool relating to vulnerable employees.

Finally, the Blood Donation Program of the companies continued under the Health and Safety Division. In 2015, a Common Blood Bank for OTE Group (OTE, COSMOTE, COSMOTE e-Value, Germanos) was created, with the goal to fully cover the blood needs of all Group employees. More information presented in the Section Employee Volunteering.

Wellness Programs (Gym in Paiania building)

The existence of a gym in the workplace gives employees an incentive to adopt a healthy lifestyle. Regular exercise improves overall health of people, it helps to reduce weight and blood pressure and reduces the symptoms of chronic disease. The operation of the gym in the Group's facilities in Paiania continued successfully in 2015. The number of employees registered to partake of gym facilities during the year amounted to 268. In the gym, group fitness programs are offered through a gym instructor.

Restaurants – Canteens

In OTE and COSMOTE buildings, 4 restaurants and 46 canteens (24 in Athens, 4 in Thessaloniki and 18 in the rest of Greece) are in operation to cover the companies' employees needs.

The management of canteens and restaurants is under the supervision of the Health and Safety Team, which monitors the restaurants and canteen plannning operations, and manages the issuance and weekly electronic posting of restaurant menus.

In 2015, the following inspections were planned and implemented under the supervision of the Health and Safety Team:

- Inspections of restaurants and canteens:
  - number of inspections: 51 in restaurants and 174 in canteens
  - number of findings / comments: 224 of which 209 were addressed satisfactorily and 15 are still pending.

- Microbiological tests:
  - 45 surface tests
  - 4 olive oil sample analyses
  - 225 microbiological meal/ raw material tests
  - 29 water analyses

Emergency employees response and preparedness

As part of emergency preparedness and response of employees, the following actions were taken in 2015:

- Identification of OTE Group critical buildings and agreement with the concerned parties

- Defining and updating the BIC Group / IRT (building installation / building incident response team)

- Specifying building meeting points

- Creating plans for buildings escape / rescue

- Organization and implementation of Safety and First Aid education BIC / IRT (building installation / incident response team)

- Check suitability and operativeness of escape routes (easily accessible, free of obstacles, unlocked)

In 2015, 17 evacuation exercises were planned and performed on the Group's buildings.

Business Excellence Award

In 2015, the Greek Business Administration Association (HMA) awarded the HR Business Partner IT, Business Security & Continuity and the OSH Head with the EFQM certificate "Committed to Excellence".

The certificate indicates the successful implementation of the European Business Excellence Model used by organizations and companies and operates as a practical tool for:

● monitoring, operational efficiency and improvement assessment

● identification of areas for improvement

● development of a common platform for the strategic design and implementation of programs

● internal and external benchmarking

The results achieved for the Safety and Health Unit, from its participation in the Business Excellence Model -EFQM, are best seen as the creation of development, improvement and innovation conditions and culture, with the support of a visionary and inspirational Leadership.

4.4 Organizational Transformation and Effectiveness

In 2015, emphasis was given on achieving greater flexibility within the organizational structure of OTE and COSMOTE and on concentrating end-to-end accountability on individual units for a more effective response to modern day requirements. Moreover, the organizational structure was further reviewed, in order to avoid multi-layered hierarchy and to strengthen the role of Middle Management, through position mergers and broadening of responsibilities. These changes improved the ratio of responsibility positions / number of employees in accordance with international telecommunication standards.

The assessment of the OTE Group Executive positions (Executive Grading project) continued in cases of new and expanding responsibilities. Assessment of Middle Management positions was also continued in order to increase transparency in relation to job accountabilities.

The alignment of Job Family Model of OTE and COSMOTE is in process. All fixed and mobile roles will be updated and enriched, taking into account recent developments both in the telecommunications market, as well as contemporary organizational and operational models. This will ensure a thorough understanding of the competencies and responsibilities of both employees and managers within the integrated fixed and mobile activities. An updated model for the design of modern organizational structures and roles and their effective staffing is crucial in order to reinforce the Group's future operation.

DT One Procurement Project also began this year as an attempt to align Natco procurement procedures, to adopt common "language" and roles, to clarify responsibilities and to establish a single procurement platform across all DT Natcos. The project is expected to be completed within 2016.

4.5 Employee Development

The aim of the OTE Group's companies is to establish themselves as attractive employers and provide a work environment where every employee is able to perform at the maximum of his skills and to develop professionally. The OTE and COSMOTE approach for employee development 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 suitable systems so as to develop professionally.

Evaluation and performance management, recruitment and selection of the right candidate for the right position, re-skilling and up-skilling training programs, talent acquisition and talent management programs, and leadership development tools for employees with managerial responsibilities, are amongst the contemporary professional developmental and training tools used. Emphasis is given to the creation of individual employee development plans, that include specific actions for their improvement, development and advancement.

As members of the DT Group of companies, OTE and COSMOTE provide their employees with international career opportunities within the Group, as well as best practices and knowledge sharing.

4.5.1 Performance Evaluation

Performance evaluation is an essential tool for further developing employee skills, for managing their career, as well as for recognizing their work and contribution, when satisfactory business results are achieved.

The annual performance and development evaluation process applies to all OTE and COSMOTE employees, on all levels. All newly appointed managers, who have people management responsibilities, attend, prior to the annual process commencement, tailor-made training on how to evaluate their employees' performance and how to create structured and creative

individual development plans. In 2015, a total of 367 new managers attended this training program, and all OTE and COSMOTE employees (i.e. 100%) were evaluated according to the process. Therefore, the gender ratio regarding performance evaluation is the same as the overall company-wide gender ratio.

The OTE and COSMOTE performance evaluation system is adapted to the vision, mission, values, high performance culture, the needs of the companies and those of their employees. It is designed with emphasis on strengthening excellence in customer experience and is harmonized with the OTE Group Guiding Principles, the Leadership Principles, for those who are leading teams, and the OTE Group Code of Conduct. It is based on parameters of specific and measurable objectives, professional competencies and performance criteria, which are revised as often as necessary, so as 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 evaluation process of all employees, by evaluating their degree of involvement and participation in the companies' efforts to develop socially responsible behaviour towards the environment, society, fellow employees and the market.

Top Management's Performance Evaluation

For the first time in 2015, a multidimensional holistic and transparent performance evaluation system was introduced for the OTE Group Top Management executives, titled "Performance Dialog". In cooperation with the Deutsche Telekom Group, conditions for an innovative leadership culture in the telecommunications industry is cultivated.

On top of the superior's evaluation, the process also includes the evaluee's self-assessment, as well as Team & Peer feedback. The main aim of this process is to support the ongoing dialogue between employees and their superiors and to create a development plan

through the exchange of regular feedback. This process leads to actions relating to the areas of remuneration, succession and development.

Same as the employee performance evaluation system, "Performance Dialog" is designed with emphasis on the Leadership Principles and is fully harmonized with the OTE Group Guiding Principles.

4.5.2 Employee Selection

The aim of OTE Group is to select appropriate recruits for each specific position. Selection is based on transparent and merit based criteria and contributes to the profile of the Groups' companies, as modern and attractive employers. The OTE Group's companies seek to be a first choice employer and offer all candidates a positive experience, whatever the outcome.

In 2015, 18 positions for internal candidates were announced, which corresponded to 74 positions in total, for which 951 CV's were submitted and 372 interviews were conducted. The internal recruitment process includes internal announcement / advertisement, interview and final selection, and is enhanced by the application, in collaboration with an external consultant if needed, of specific assessment / development tests.

Programs to attract exceptionally talented employees

The talent selection process of the first "COSMOTE Graduate Trainee Program" was completed in 2015 and the development journey of the successful candidates commenced (see. Section Human Resources).

In parallel, and for the first time, an internal OTE Group talent management program was implemented (you.grow Internal Talent Program). This is an internal talent identification, selection and development program, addressed to all young OTE Group employees, who do not hold managerial positions, but are distinguished for their enthusiastic and dynamic personality. In total, 650 employees

applied to participate and, following an extensive and demanding selection process, in which members of the Top Management team were also involved, 10 were selected as planned. Their development "journey" will begin in 2016.

Leadership Programs

Aiming to enhance the skills of executives with managerial responsibilities, leadership programs for new managers, as well as tailor-made programs based on individual needs of different executives were implemented in 2015. At the same time, new leadership development programs for experienced executives were designed, based on their level in the hierarchy, which have been adapted to the growing and changing leadership demands managers currently face in their roles.

The new "YouLead Leadership Programs" will be implemented during 2016 and 2017.

All OTE Group leadership programs are based on the corporate values of the Group and are characterized by a dynamic and participatory learning method, emphasizing each leader's personality and the exchange of experiences through an experiential learning approach.

4.5.3 Employee Training

Training is fundamental for employee development and satisfaction, customer service and business competitiveness. At the same time, training constitutes the predominant means of personal development and at the same time, an important vehicle for communicating corporate strategy, changes and for strengthening corporate culture. Throughout 2015, OTE and COSMOTE continued to invest in training for the personal and professional development of their employees.

Participation in OTE and COSMOTE 2015 Training Programs

Employees participated in training

OTE 8,500

Women 23%

Men 77%

COSMOTE 1,906

Men 49%

Women 51%

Employees participation

OTE
16,327 Participations

| 74 | 26 |

- Men (%)
- Women (%)

| 90 | 10 |

- In non managerial positions (%)
- In managerial positions (%)

Administration / Retail 28%

Other 3%

Customer support 3%

Expert personnel 3%

Customer support 4%

Technical 59%

COSMOTE
3,312 Participations

| 58 | 42 |

- Men (%)
- Women (%)

| 81 | 19 |

- In non managerial positions (%)
- In managerial positions (%)

Product and services development and promotion 6%

Customer service 10%

Sales 16%

Network and IT applications design and development 16%

Specialists 3%

Administration 3%

Securing enterprise effectiveness and value 28%
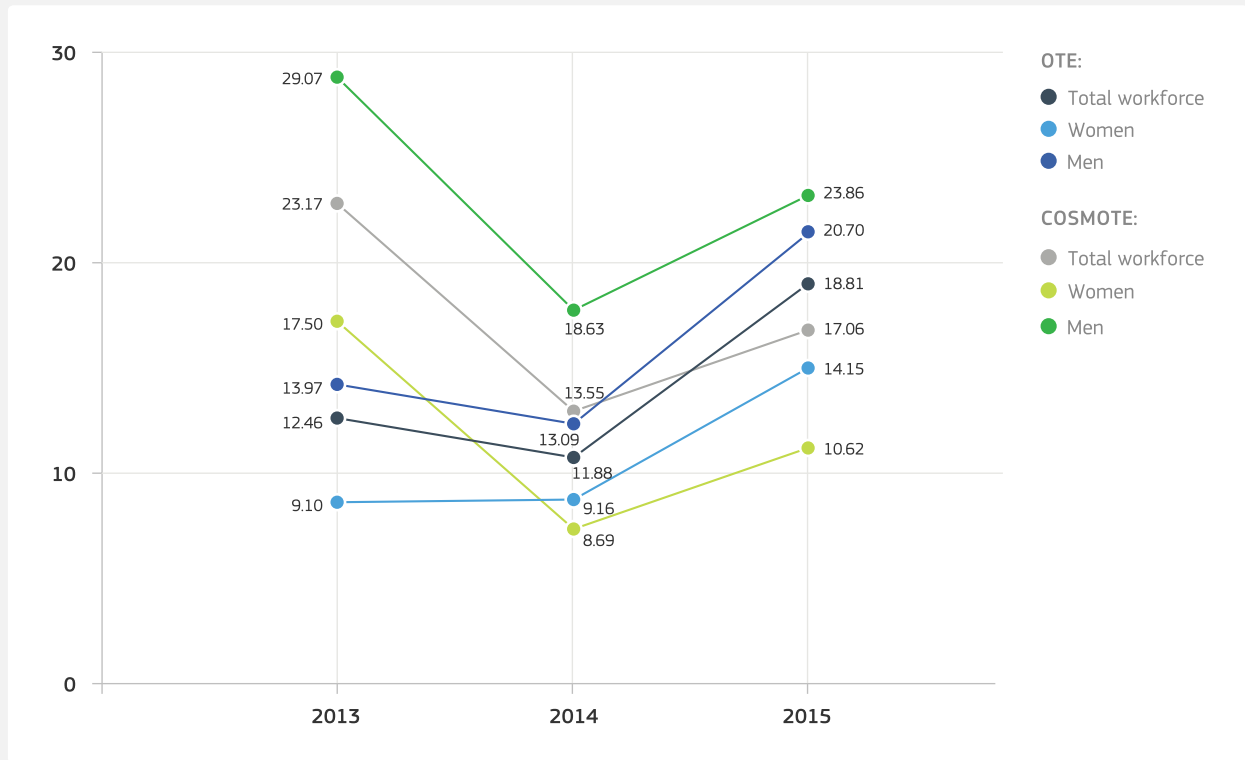
Construction, network/IT operations and applications 18%

NOTE:

Includes training hours managed through the Learning & Skills Management Department.

Evolution of Average Training Hours for OTE and COSMOTE Employees

OTE:
- Total workforce
- Women
- Men

COSMOTE:
- Total workforce
- Women
- Men

2013 — 29.07, 23.17, 17.50, 13.97, 12.46, 9.10

2014 — 18.63, 13.55, 13.09, 12.46, 11.88, 9.16, 8.69

2015 — 23.86, 20.70, 18.81, 17.06, 14.15, 10.62

NOTE:

The training hours per employee were calculated based on the annual average number of employees. Included are training hours managed through the Learning & Skills Management Department

Learning and Development Programs Catalogue

Aiming to evolve the human resources strategy on training, so that programs are not determined by individual, ad hoc needs, the new learning programs are designed to follow a more targeted approach, in order to meet specific needs of employee groups, and also highlight Group employees' talent, through developing their skills for the future. At the same time, considering good past practices, the Group's companies are adopting new trends dictated by the digital age (going digital, use of new technologies). Encouraging creative thinking and innovation, and fostering cooperation and teamwork, always in an experiential, interactive and structured way, remain

at the core of the Group's interest, providing therefore the means to the Group's executives to achieve high performance.

With this philosophy in mind, the second "Learning and Development 2016-2017 Programs Catalogue" was designed and published in December 2015 and is available online, accessible by all employees. The programs in the catalogue are classified according to subject area, depending on their goal, and are continually enhanced. The subject areas cover topics such as retraining and large scale re-skilling / up-skilling, talent management, leadership development, change management and engagement, creative thinking and innovation.

Training topics

The learning and skills development programs of OTE and COSMOTE cover many areas and topics. The most representative programs for 2015 were:

The Evolution Sessions– Corporate Positioning Philosophy

By joining forces, OTE and COSMOTE adopted, at the end of 2015, the common commercial brand "COSMOTE". In order to communicate the new brand values and philosophy, large-scale training was designed and implemented, which was attended by over 13,000 OTE Group employees.

ACT2 – Advanced Certification in Telecommunications Technologies

This is the first comprehensive continuous learning and skills development program in the Telecommunications Technologies. It comprises of a dynamic content of eight subject areas that evolve according to business needs and addresses Field Technicians and Telecommunications Engineers. More than 2,600 employees have attended the program to date.

ACT2 for Non Techs

The program "ACT 2 for non Techs" was created in response to the need to enrich employees'

knowledge on technology subjects. Its aim is to familiarize employees with the fixed and mobile network, through a simulated network environment. In 2015, 272 employees had a unique technology experience and, because of the very high interest in the program, it continues with great success.

BC2X – Branded Customer Experience Excellence Program

The program for cultivating a customer experience culture was continued in 2015 and was attended by all OTE and COSMOTE employees. Meanwhile, in cooperation with OTEAcademy, over 5,000 employees had the opportunity to enhance their knowledge through an e-learning platform.

Further developing the Branded Customer Experience Excellence Program, the innovative "Experience the Customer Experience" program was designed and will be implemented in 2016, through which employees will be able to gain customer experience in frontline business functions (retail shops, customer call centers, technology field).

B2B Power Performance

This is a comprehensive training program addressed to B2B employees. In order to fully cover training needs, two learning programs have been designed and are being implemented. The "B2B Accelerating Account Management Skills" program, which deep dives into contemporary Account Management practices and the "B2B Expertise – Solutions – Simplicity" program, which trains corporate sales persons in products and integrated technology solutions for corporate customers. By the end of 2015, more than 200 B2B employees attended the training program.

Design Thinking

Fresh your mind

Design Thinking Workshop "Fresh your Mind"
This program is addressed to groups who are involved in challenging and complex projects and aim at innovation. It strengthens and encourages creative thinking in experiential and practical ways. Participants discover opportunities, connect better with their customers and create actual solutions with business benefits. The program was attended by groups of employees from the OTE TV business unit, groups supporting B2B projects and all CX Ambassadors.

Digital learning
OTE and COSMOTE invest in alternative learning methods, with an emphasis in digital learning. Overall, more than 3,500 employees from Retail Shops and Customer Call Centers attended courses through e-learning.

Professional Certifications

OTE and COSMOTE recognize the value of professional certifications from reputable institutions, with international prestige, to enhance the employability of their employees. More specifically, 158 OTE and COSMOTE employees were certified in 79 areas of specialization of Cisco, Alcatel, HP, PMI and CISA products.

4.6 Employee Benefits

OTE and COSMOTE provide a range of benefits and programs to their employees in order to support them and their families in their daily needs, to promote work and life balance and to help them to deal with emergencies in their lives. In this context, at the beginning of the capital controls (summer 2015), the companies gave the opportunity to their employees to receive a salary advance by postal order.

The main categories of benefits are common to OTE and COSMOTE employees

Main Benefits to OTE employees per category in 2015

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 OTE TV for all employees, but also ability to purchase company products at special prices
- Ability to purchase products through the Group's shops with special discounts for OTE employees

Other benefits

- Provision of special prices for goods and services of other companies
- Offering, through a draw, 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 multi-trip card or e-PASS, for employees in the Paiania building
- Operation of restaurants / canteens in central buildings of the company

Family

- Allowance for child care and nursery costs
- Saving program through the "Youth Account" program
- Wedding gift
- 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 special 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
- Privileged mobile program for employees' children who are students
- School supplies – books – games at preferential prices through Cosmotebooks

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 sport football 5x5 and participation in external corporate championships (regarding basketball and volleyball)
- Operation of fitness facilities in the Paiania building

Main Benefits to COSMOTE employees per category in 2015

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 OTE TV for all employees, but also ability to purchase company products at special prices
- Ability to purchase products through the Group's shops with special discounts for COSMOTE employees

Other benefits

- Provision of special prices for goods and services of other companies
- Offering, through a draw, 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 multi-trip card or e-PASS, for employees in the Paiania building
- Operation of restaurants / canteens in central buildings of the company

Family

- Allowance for child care and nursery costs
- Implement special 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
- Christmas gifts to employees' children
- Privileged mobile program for employees' children who are students
- School supplies – books – games at preferential prices through Cosmotebooks

Free time – Vacation

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

Athletics

- Conducting internal championships in team sport football 5x5 and participation in external corporate championships (regarding basketball and volleyball)
- Operation of fitness facilities in the Paiania building

4.7 Internal Communications

OTE Group aim to maintain transparent and interactive communication with its employees, through a range of media, to promote knowledge, teamwork, participation and two-way communication. Amongst the key tools used by the companies are the OTE intranet "U-link" and the COSMOTE intranet "Mikrocosmos", emails, the OTE and COSMOTE e-Newsletter, leaflets and posters, personal updates, communication campaigns, promotional activities and employee satisfaction surveys. The companies' target to extend all internal communication programs countrywide was achieved by utilizing all available tools.

In 2015:

- Corporate Intranet sites received a total of 2,900,000 visits by OTE and COSMOTE employees.

- On a monthly basis, an average 86% of OTE and COSMOTE employees (+6% compared to 2014) visited the U-link and Mikrocosmos intranet sites.

- 24 Newsletter were issued, covering more than 230 subjects (+15% compared to 2014), enhancing the dissemination of information.

- 100 articles on corporate responsibility issues in the U link and in Mikrocosmos intranet sites.

- The Intranet Sites were utilized for the presentation of the detailed Pulse and Employee Satisfaction Surveys' results, surveys which run in May and November 2015 respectively.

- 50 articles, exclusively on human resources issues were published in the OTE and COSMOTE e-Newsletter. More information on health and safety related information can be found in the section Prevention, Training and Awareness of Health and Safety Issues.

- A special microsite was created for the new commercial brand, so that employees could familiarize themselves with the new brand identity.

Moreover, for the first time in 2015, electronic communication tools were launched, targeting field technicians who need more flexible ways of communicating, due to the nature of their work (mobile workers). More specifically:

- Digital Display Screens have been installed, since January 2015, on a trial basis, in 13 technology units throughout Greece (with access to about 650 employees), which provide concise corporate information, useful notifications, summary reports on projects' progress and useful information such as weather, calendar.

- A "Technology Newsletter" is sent to more than 3,100 employees in technology, which includes news and team communications.

Moreover, in 2015, the following internal communication campaigns and promotions were implemented. Indicatively, the following are presented:

- Campaign in central Athens and regional buildings to extend the Recycling Program.

- Two Blood Donation campaigns for strengthening the OTE Group blood bank.

- Two campaigns accompanied by promotions informing employees of employee satisfaction surveys and encouraging their participation.

- Awareness campaign about the dangers and consequences of smoking.

- Campaign/Call for the participation of employees in the 33rd Athens Authentic Marathon.

- Campaign to inform and challenge young employees' participation in the innovative YOU.GROW internal talent program, which aims at identifying talented Group employees.

- Campaign for all OTE Group employees to inform and sensitize them on Compliance issues.

- Communication campaign for the new corporate brand accompanied, by promotion and rebranding of buildings with the new corporate identity.

- Interactive communication programs for employees in call centers.

- Renovation and branding of the Network Management Center.

Also, in 2015, the following conferences were organized for employees:

- HR content conferences aiming at specific business units – for example: 500 B2B employees, 200 HR employees, 160 Retail Shops sales persons.

- Informative Conferences / conferences aiming at disseminating corporate strategy – for example: Management Team Meeting (1,300 employees), Security Day (120 employees), Compliance Day (120 employees).

4.8 Employee Engagement and Satisfaction

OTE and COSMOTE regard employee participation, engagement and satisfaction, as necessary ingredients for their successful operation.

4.8.1 Employee Engagement

OTE and COSMOTE believe that employee engagement and loyalty is crucial for the success of a company. The aim of the companies is for their employees 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 perform and grow. OTE and COSMOTE also try to constantly inform employees about the strategic, technological and organizational changes made and seek employees' understanding and active participation in those.

Employee involvement and engagement 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 managers, a Management Team Meeting was held in 2015, as well.

It should be noted that management style holds a decisive role in all key parameters affecting employee engagement and identification with the company.

The companies encourage their employees to communicate openly, using all available means of communication, such as meetings and presentations, workshops, internal briefings and employee satisfaction surveys.

"Syntonizomaste"

This is an experiential program, in which employees work together in groups and discuss creative strategy and effective collaboration. The program applies to cases where business units are operationally integrated, new organizational structures are introduced, strategic objectives are revised and in cases where broader changes affecting one or more

business units. More than 600 OTE and COSMOTE employees participated in this program in 2015.

"Welcome on Board" for newly hired employees

With the key message "Welcome on board", a welcome program for newly hired OTE Group employees was launched in early 2014. The strategy and corporate values, awareness on customer experience and contemporary telecommunications technologies are some of the main program subject areas, supported by the presence of 60 speakers from the Group's business units. The program aims at ensuring a climate of teamwork, and a common culture and communication throughout the Group's companies.

In 2015, the "Welcome on board" program, the duration of which is now 5 days, was redesigned and enriched to include experiential learning on getting familiar with technology and customer experience (ACT2 for Non Techs, BC2X) and visits to frontline business units (retail shops, customer call centers, technology field). Therefore, new employees are provided with the opportunity to better understand, not only specific business functions, but also the daily routine of their colleagues who work in those units.

4.8.2 Employee Satisfaction

OTE and COSMOTE recognize the benefits of employee satisfaction surveys conducted on a regular basis. Conducting an Employee Survey every two years and a half-yearly Pulse Survey, is considered as an important internal corporate feedback tool. In addition, these surveys are reliable diagnostic tools to identify possible changes and needed improvements and to develop action plans. Employee surveys' results are communicated through corporate Intranets and are thoroughly discussed in meetings held on a business unit level, throughout Greece.

High employee participation, which reached 79% in the 2015 Employee Satisfaction Survey and 75% in the Pulse Survey, show a high interest of employees

to participate and express their views on important issues which affect their working environment. The common denominator is the high identification and engagement with the company, each of which is evaluated very positively as being an attractive employer, as well as its products and services. It is worth noting that employees recognize OTE and COSMOTE's responsibility towards society and the environment.

2015 Employee Satisfaction Survey Indicative Results

I often put more effort into my job than is required so I can help our company improve its performance.

| 96 | 3 | 1 |

I recommend the products and/or services of our company to potential customers outside of my work environment.

| 95 | 4 | 1 |

Our company is perceived as an attractive employer amongst my family, friends, and acquaintances.

| 91 | 7 | 2 |

Our company makes good on its responsibility towards social and environmental commitment.

| 88 | 10 | 2 |

I can identify with the social and ecological engagement of our company.

| 86 | 13 | 1 |

● Agree (%)   ● No opinion(%)   ● Disagree (%)

How do you feel at our company?

| 88 | 7 | 5 |

● Very well (%)   ● Neutral (%)   ● Not well (%)

The success of the feedback culture being cultivated in the companies is illustrated by employees' participation in other surveys which also ran in 2015, such as the Data Protection Survey and the Compliance Survey.

5.0 Society

OTE Group, during these challenging times for the Greek economy and society, supports vulnerable social groups and communities, in order to cover directly their most pressing needs. It calls on its employees to participate by promoting volunteerism.

5.1 Management Approach

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

Specifically, the Group implements social programs and simultaneously participates in a series of social initiatives, with the aim to contribute to the communities where it operates. It invests in the development of future generations' skills and the enhancement of senior citizens' digital capabilities. Furthermore, the Group provides assistance to children and young people in need, and offers special products and services for vulnerable social groups.

In order to improve the management of corporate responsibility issues, OTE Group systematically expands internal mechanisms and social contribution processes. Indicatively, some of the implemented procedures, are presented below:

- The Chairman and CEO, as well as the Senior Management monitor the goals and the Corporate Sustainability 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 Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group.

- A systematic dialogue with stakeholders is ongoing. Taking under consideration the needs of interested parties, new social initiatives are proposed, while data, related to measuring the impact of programs on society, are collected.

- The companies' strategic approach, regarding social programs and stakeholder engagement, covers all (100%) of their operations in Greece.

In order to optimize the design, monitoring and evaluation of the companies' social contribution, in 2015, the measurement model for inputs, outputs and impacts of the London Benchmarking Group (LBG) was adopted by OTE and COSMOTE. Based on this model and taking into account DT and OTE Groups' requirements, an electronic tool for collection, processing and recording data of social programs and actions implemented by the companies, was adopted in 2015. It is noted that the LBG model is aligned and compatible with international indicators and initiatives for sustainable development, such as the Dow Jones Sustainability Index (DJSI), the guidelines of the Global Reporting initiative (GRI) and the Social Return on Investment methodology (SROI – for social investment performance measurement).

The costs for the application and implementation of the OTE and COSMOTE social programs are presented in the following table. Also, for the first year, support and management costs for implementation of social programs (including voluntary activities undertaken during work hours) have been calculated.

Contribution 2015 (€)	OTE	COSMOTE	TOTAL
Support in Kind	262,189	203,857	466,046
Financial Support	1,372,842	1,424,783	2,797,625
Total Social Contribution	**1,635,031**	**1,628,640**	**3,263,671**
Implementation costs of the actions (labor and expenses)			980,729
Employee Volunteerism during work hours			40,770
Total Social Investment			**4,285,170**

Only the contribution in cash and the value of goods and services offered for free or covered by the companies, and not the operating costs for the design and implementation of actions, have been calculated in the amounts of the social contribution of the two companies. To better inform all interested parties, the amount of the contribution (financial and in kind) of the companies to vulnerable social groups, children, education, entrepreneurship, culture, sports and local communities have been included in the amounts presented in this Report. In these amounts and in the number of beneficiaries, the relevant data relating to social products, services and promotions are not taken into account (see. Section Social Products, Services and Offers).

Social Contribution

OTE
€ 1,635,031

Sports 4%
Culture 4%
Entrepreneurship 7%
Vulnerable Social Groups 22%
Local Communities 3%
Children 34%
Education 26%

COSMOTE
€ 1,628,640

Entrepreneurship 6%
Vulnerable Social Groups 8%
Culture 9%
Local Communities 16%
Sports 2%
Children 36%
Education 23%
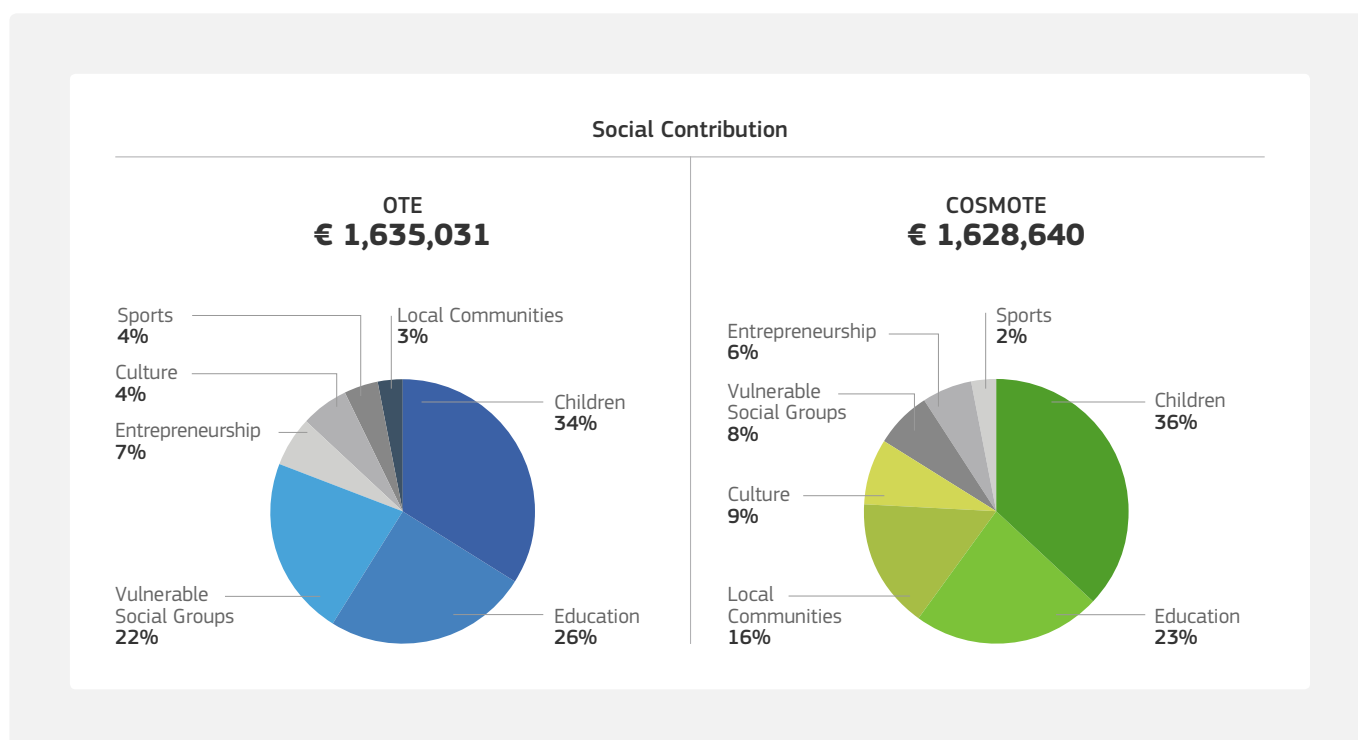
It is a constant goal of the OTE Group to try to measure, where possible, results from the application of these programs, in order to evaluate and review their social contribution in the future. In 2015, different groups of people benefited from social and voluntary programs, employee participation in corporate responsibility actions was strengthened and the Group's employees and c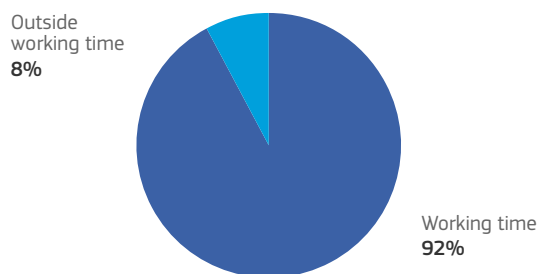ustomers were given the opportunity to financially contribute to society. It is estimated that over 60,000 people participated in the Group's corporate responsibility programs and actions (excluding beneficiaries), such as teachers, parents, and representatives of bodies, with which the OTE Group collaborated for the implementation of the programs / actions.

€ 1,264,295
Beneficiaries
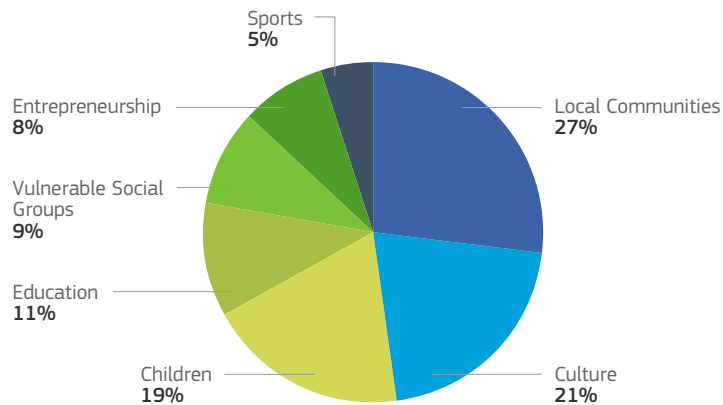
| 92 | 8 |

● Beneficiaries – other issues (%)   ● Beneficiaries – media skills (%)

Sports
5%

Entrepreneurship
8%

Local Communities
27%

Vulnerable Social
Groups
9%

Education
11%

Culture
21%

Children
19%

10,699
Employees' Participations
in Corporate Responsibility Activities

Outside
working time
8%

Working time
92%

6,432
Employees' Participations
in Corporate Responsibility Activities

Working time
23%

Outside
working time
77%

**€ 177,607
Leverage**

Employees
17%

Cash amounts collected from employees during the Christmas Bazaar to support actions for children hosted on the premises of OTE Group

Customers
83%

Cash amounts collected from customers through the "Televoting" and "I Offer" services
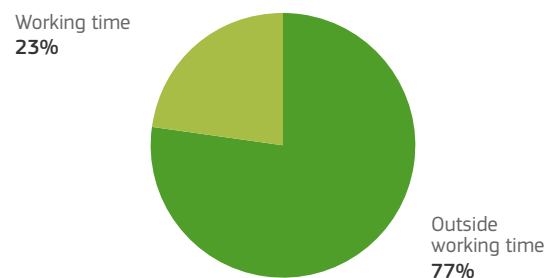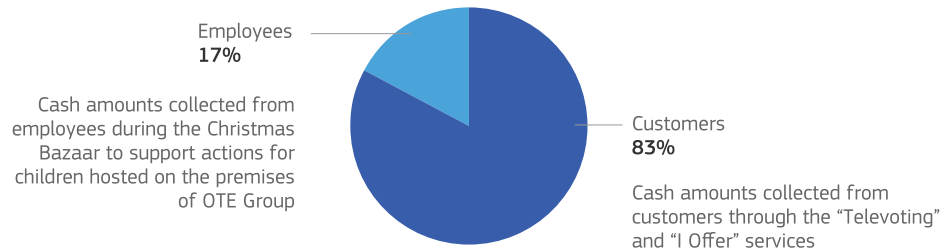
Key Achievements in 2015:

✓ Social contribution (financial and in kind) **amounting to € 3.3 mn.** with more than **1.2 mn. beneficiaries**.

✓ Support of over **60 NGOs / organisations** caring for vulnerable social groups and children.

✓ **Discounts of more than € 2.2 mn** in fixed telephony services for senior citizens and people with disabilities.

✓ More than **1,400 students** nationwide participated in the 1st Pan– Hellenic Educational Robotics Competition for primary school children.

✓ **50 scholarships**, reaching the amount of €750,000, were awarded through the COSMOTE Scholarship Program.

✓ Support of the Hellenic Coast Guard for the rescue of more than **74,000 people** in danger at sea.

✓ **80 local community initiatives** throughout Greece were supported (financial support for local authorities, sports clubs, cultural events, etc.).

✓ More than **10,500 OTE Group employees' participations** in Corporate Responsibility initiatives

5.2 Social Products, Services and Offers

OTE Group contributes 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, special technologies, services and discounts are provided in order to facilitate access and communication for these groups. At the same time, the Group implements and supports actions and social contribution programs, through the use of telecommunications products and services.

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

Particular attention is given in order to provide equal opportunities and facilitate the access of people with disabilities, through specific products, services and discounts.

In 2015, discounts to the elderly and to people with disabilities, in fixed telephony services, amounted to € 2,163,361.

Focus	Product / Service	2015 Results
Elderly people	Fixed and mobile telephony products and accessories, specially designed for the elderly and for people with sight or hearing problems	20,626 units
	Discount on fixed telephony services for the elderly (65+)	17,366 people
People with disabilities	Discount on fixed telephony and Internet services	18,588 people
	Instant Alert Service (includes elderly people)	744 people
	COSMOTE MobiTalk service– offered free of charge	371 active users
	50% discount on SMS charges and video calls for customers with hearing problems	244 people
NGO/Institutions	Prepaid Calling Cards and COSMOTE Top up cards, with total value of € 28,940 provided to NGOs and Correctional Facilities	5,005 prepaid calling cards and top up cards

MobiTalk Service for People with Sight Disabilities

In collaboration with the Institute for Language and Speech Processing, COSMOTE offers MobiTalk service to people with vision problems. The service 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.

5.2.2 Students

Students continue to occupy a special place for the OTE Group. The objective of the Group is to help students gain access to technology, providing them with the necessary tools for their development:

● In 2015, fixed and mobile services were provided to students at attractive prices. Specifically, exclusive tariff plans specially designed for students were provided, such as COSMOTE

Home Double Play Student, What's Up offer for Students, COSMOTE Mobile Cost Control Student, COSMOTE Mobile Internet Student, as well as a 10% discount on the monthly fee of COSMOTE tariff plans for all the basic years of their study, for the students who had signed on a core mobile tariff plan. Overall, in 2015, more than 74,500 students made use of the COSMOTE fixed and mobile offers.

- In the scope of the "GET ON BOARD 2015" action, OTE, COSMOTE and Germanos approached approximately 204,000 students and offered them substantial discounts on telecommunications and digital products. In addition, more than 60,000 students won gifts such as € 1,000, through the program "Instant Win", to cover their student expenses, as well as

Smartphones, Tablets, Smart TV, game consoles and thousands more gifts.

5.2.3 Public Helplines, Services and Offers

For yet another year, fixed and mobile services were used for making free emergency calls. In 2015, the European emergency number 112, operated by OTE in Greece, received 2,392,810 calls, of which 47,983 were re-directed to national emergency numbers (100, 199, 166, 108, 197, and 1056)[1].

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

Helplines	Calls Received in 2015
SOS 1056 of "The Smile of the Child" NGO (16 years of support)	272,881 calls
116000 European Hotline for missing children, "The Smile of the Child" NGO (8 years of support)	8,852 calls
11525 Advice Helpline of "Together for Children" NGO, (6 years of support)	7,547 calls
1018 National Suicide Prevention Hotline of "KLIMAKA" NGO (7 years of support)	11,828 calls

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

For the 10th consecutive year, COSMOTE collaborated with the other two mobile operators (VODAFONE and WIND HELLAS) to provide the service "I Offer", with the aim of providing substantial support to social institutions and NGOs. Through this service, these institutions and NGOs 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. Activation of the service requires filing out an application by the

NGO, and the submission of required documents. The subscriber, who wishes to contribute, sends an SMS, at a cost of € 1 plus VAT, to the predetermined digit number, with a word related to the content of the charitable purpose. The total gross proceeds from the use of the service is given to the charitable institution that made use of the service. In 2015, the "I Offer" sevice was utilized more than 20 times and the total amount of money collected by COSMOTE and provided for charitable purposes amounted to € 147,000

The "Televoting" service, provided in cooperation with NGOs, amongst others, offers active and substantial

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[1] Note that the ability to communicate via 112 to 197 lines (Social Aid Lines) and 1056 (National Hotline for Children SOS of "The Child's Smile" 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.

support to them. The "Televoting" services' enhanced Service Number- series, are also used in the conduction of radio and TV marathons. Specifically, COSMOTE fixed telephony subscribers calling the Televoting service, and listening to a recorded message, are charged automatically, according to company's official tariffs. With the "Televoting" service the charitable work of the NGOs is supported, through the financial support provided by the income collected from the use of the service. In 2015, the "Televoting" service, was used by approximately 24 institutions and the amount of money raised and offered by OTE amounted to € 3,251.

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 2016.

Digital Solidarity

OTE Group participated in the "Digital Solidarity", with the aim of providing digital services and equipment to the citizens that requested for and were awarded the Social Dividend and residing in one of the following 8 Prefectures (Eastern Macedonia- Thrace, Epirus, Thessaly, Ionian Islands, Western Greece, Peloponnese, North Aegean, and Crete).

The Group's participation proved for yet another time its commitment to the promotion of new technologies around the country. Offering free tablets or laptops, internet and home lessons for beneficiaries of the social dividend, the Group actively supported equal opportunities regarding access to new technologies for all, thus contributing to the transition of Greece to the new digital era.

COSMOTE DEALS for YOU

COSMOTE collaborates with leading companies in the entertainment industry and covers -in the most manner – the leisure and entertainment needs of all social groups, with an extremely simple and easy mechanism, namely by sending an SMS.

In 2015, the program "COSMOTE DEALS for YOU" was further enhanced in order to meet wider needs and desires of COSMOTE subscribers, both through the enrichment of the package with more exclusive offers in areas of high interest for consumers such as travel, food / drink, shopping, automotive and culture, as well as through the geographical expansion of the offers. The establishment of the uniform commercial brand "COSMOTE" gave the opportunity to COSMOTE's mobile, fixed and internet customers and customers of OTE TV, to enjoy the unique program offerings. Furthermore, to better serve all users, password acquisition can occur via voice calls for fixed telephony customers, and via the internet for fixed, mobile and OTE TV subscribers. It is worth mentioning that participation in the program is increasing year by year. In 2015, 7% more unique users participated in the program, compared to 2014. More than 415,000 participants / unique users gained more than 815,000 DEALS for YOU codes, and more than 355,000 participants / unique users took advantage of the offers, through the redemption of 600,000 codes.

5.3 Supporting Vulnerable Social Groups and Children

In 2015, OTE Group supported more than 60 NGOs and organisations caring for vulnerable social groups and children. The organisations were supported either through long-term programs or through financial support, offering telecommunications products and services, such as fixed and mobile connections, call centers, internet services, calling cards, etc. free of charge, as well as by providing voluntary work (see. Section Employee Volunteering).

An indicative list of organizations that received support in 2015, 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 of Social Responsibility for Children and Youth (SKEP)

- Association for the care of people with Muscular Dystrophy diseases "MDA Hellas"

- "Pediatric Trauma Care" Association

- Athens Municipal Creche

- "Elefsina Love Center"

- "Lampsi" Association

- "Melissa" Girls' Orphanage

- Center for Children with Special Needs "Zoodochos Pigi"

- Workshop of Special Vocational Training and Rehabilitation for People With Intellectual and Associated Disabilities "Panagia Elesousa"

- "Recovery and Rehabilitation Center in Penteli" (former Patriotic Institute for Social Welfare and Awareness)

- Pan Hellenic Association of Parents, Guardians and Friends of visionary impaired People with additional special needs "Amymoni"

- Institute of Child Health

- Gentle Carousel

- Archdiocese of Athens philanthropic organization "Mission" (Apostoli)

- Food Bank Greece

- Scientific Mastological Society-Healing-Support "E.M.E.I.S."

- Organization "Heart Doctors"

- Organization "METAction"

- National association of OTE employees and pensioners parents of handicapped children

- Panhellenic Association of Women with Breast Cancer "Alma Zois"

- "50+ Hellas NGO

* The Association "Together for Children" is an association of Charities which comprises 10 different organizations: 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

Support Actions for NGO's for Children

In 2015, 16 non-profit organizations for children were supported, through financial contribution, amounting to € 550,000 in total. This contribution helped to improve living conditions for over 150,000 children from all over Greece.

Specifically, in April 2015 and with the message "Regardless of what we offer to children, they will always offer us more", 16 NGOs caring for children, as well as their 4,700 volunteers who daily stand by these children, were honored.

Over the last sixteen years, through this program, 50 organizations, that contribute to improving living conditions for children in need across Greece, have been supported with over € 6.5 million.

In 2015, the following organizations were supported through this action:

- "Together for Children" Association (association of 10 charitable organizations)

- "MDA Hellas" – Association for the Caring for People with Neuromuscular Diseases

- "The Smile of the Child" Organization

- Friends of Social Pediatrics "Anoixti Agalia"

- Cerebral Palsy Greece- Open Door

- Hellenic Society for the Protection and Rehabilitation of Disabled People (ELEPAP)

- Association of Parents of Children with Cancer "Floga"

- Association of Social Responsibility for Children and Youth (SKEP)

- "Pediatric Trauma Care" Association

- "Lampsi" Association

- Athens Municipal Creche

- "Melissa" Girls' Orphanage

- Center for Children with Special Needs "Zoodochos Pigi"

- Workshop of Special Vocational Training and Rehabilitation for People With Intellectual and Associated Disabilities "Panagia Elesousa"

- "Elefsina Love Center"

- "Recovery and Rehabilitation Center in Penteli" (former Patriotic Institute for Social Welfare and Awareness)

Finally, for yet another year, OTE Group employees had the opportunity to vote for organizations that were supported through this initiative. Specifically, in 2015, employees of the Group selected four non-profit organizations from the Greek periphery and one from Attica.

Christmas Charity Bazaar in OTE Group facilities

Following the success of the first charity Bazaar in 2014, OTE Group invited, in 2015 as well, its employees to purchase "gifts of love" for Christmas. In 2015, the charity Bazaar was further developed and expanded both geographically, as well as in terms of the number of employees reached.

Specifically, the Bazaar was held in three cities (Athens, Thessaloniki, Xanthi) and in 8 OTE Group buildings. 18 Non-Profit Organizations caring for children participated with the goal of collecting money to support their main goals. Over 7,500 employees responded and as a result the 18 organizations raised more than € 30,000.

Supporting "Gentle Carousel Greece"

"Gentle Carousel Greece" organization 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. For yet another year, OTE and COSMOTE covered the costs for the visits

of these horses to 9 organizations and institutions, in 2015. The program included three visits to each of the following organizations: Hospice Center, the Cerebral Palsy Greece - Open Door, "Hara" Centre for Individuals with Special Needs, the Society Against Cruelty to Children ELIZA, the "Hatzipaterio" Cerebral Palsy Children Rehabilitation Center, the Association "Amymoni", the Vocational Training Center "Margarita", the "Ark of the World" and the Association of Friends of Children with Cancer "ELPIDA". This particular donation to "Gentle Carousel Greece" contributed to the realization of the visits to the aforementioned NGOs, without any charge for them.

Alleviation of the Humanitarian Crisis

In 2015, the refugee crisis has been one of the most important issues for Greece and Europe. In order to provide a substantive and comprehensive contribution to this issue, OTE Group formed and implemented a strategy which includes the following action areas:

- **Provision of Telecommunication Infrastructure / Services:** Free provision of fixed and mobile telephony products and services in the Temporary Accommodation Facility of Elaionas, Attica. Through this offer, the Group aimed to cover important telecommunications needs and to thus facilitate the operation of the Center, which hosted more than 11,500 refugees in the first half of its operation.

- **Employee Voluntarism:** Support of the "METAction" NGO through the participation of 750 employees at the 33rd Athens Authentic Marathon. Specifically, the Group contributed to the needs of 71 unaccompanied minors, through the 'Guardianship of Unaccompanied Minors' Network and to the coverage of 95 minors' meals in the Transit Accommodation Facility for Unaccompanied Minors in Lesvos. More information can be found in the Section Employee Volunteering.

- **Support for Non-Profit Organizations:** Financial support to the organization 'Food Bank Greece' for the coverage of meals for the refugees.

- **Cooperation with Recognized State Agencies:** Support of the important and effective work of the Hellenic Coast Guard. Specifically, the Group contributed to the repair - maintenance of 52 Coast Guard vessels which have primarily been used in the East Aegean region, where the largest refugee influx occurred. By using these vessels the Coast Guard was able, within five months, to respond successfully to 2,200 search and rescue incidents in the eastern Aegean, rescuing more than 74,000 people in danger at sea.

5.4 Supporting Education

Training and development of "technological" skills is essential, both for the young and for people of all ages. OTE Group supports education, innovation and the reduction of the digital divide, by implementing and strengthening relevant programs and actions. In this context, initiatives for the education of children and young people in the country are being designed, implemented and supported in order to contribute to:

a) coping with the major educational challenges

b) the preparation for their professional and personal development,

c) the uptake of innovation at the early stages of education,

d) the utilization of the unlimited possibilities of the Information society.

At the same time, the Group supports the academic community and the Universities of the country through the provision of support for research, for their 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, educational programs and activities for children of all ages are realized at the OTE Group Telecommunications Museum.

In 2015, OTE Group, not only continued the implementation of important Corporate Responsibility initiatives to support education, such as the COSMOTE Scholarships Program, but also developed new ones towards this direction, such as the collaboration with the Athens University of Economics and Business.

Program	Contribution
COSMOTE Scholarships Program: for students facing financial and social difficulties	50 scholarships to support students for the whole duration of their studies
Pan-Hellenic Educational Robotics Competition	• Financial support for the implementation of the competition • Coverage of the participation costs of 150 groups • Prizes to the 3 winning teams • Promotion of the competition via OTE TV channels
"Access to the Digital World" Program	• Financial support for the implementation of the program • Provision of technical equipment for free
Collaboration with Athens University of Economics and Business	• Collaboration in areas of common activity, exchange of know-how, and the search for business and technical solutions to upgrade products, applications and services • Establishment of a joint Technology Innovation Lab • Joint participation in European and domestic R&D projects
COSMOTE Graduate Trainee Program	10 talented university graduates with a master's degree, participate in the 18-month program
Educational Programs of the OTE Group Telecommunications Museum	Organization of educational programs concerning telecommunications. The programs focus on children, adolescents and the family and are offered for free
Work Experience and Skills Development Offered to Students	• Internship for 423 students at OTE Group • 150 pupils and students participated in COSMOTE's Students Visit program

Program	Contribution
Hellenic Mathematical Society Competitions ("Thalis", "Euclides", "Archimides" National Competition for elementary school students)	Support of four national Competitions with over 95,000 elementary, middle school and high school students who participate
PC Donation Program	Computer and other technological equipment offered to schools and NGOs
19th Junior National Competition "LYSIAS"	• Financial support for the implementation of the competition • Gifts for the 12 winners
Scholarships at the Department of Banking and Financial Management of the University of Piraeus	2 scholarships awarded to post-graduate students with demonstrated exceptional academic performance

In the Public Awareness additional information is presented on environmental education activities for students

COSMOTE Scholarships Program 2015

In the framework of COSMOTE Scholarships Program, which has been running now for 14 consecutive years, € 750,000 were awarded to first-year university students, facing economic and social difficulties. The Company increased the number of offered scholarships from twenty to fifty, in 2015.

The scholarships awards event, with the key message "our best assets," was held for the first time in Thessaloniki. The amount of each of the 50 scholarships is € 15,000.

Since 2002, when the Scholarship program was first introduced, more than € 3.6 million have been distributed to 530 honorees.

In 2015, more than 1,700 students applied for the Scholarships Program. Besides the financial support, the scholars received free fixed- line, mobile and broadband services for the whole duration of their studies, as well as TV services, a mobile device and a tablet.

Support of Pan-Hellenic Educational Robotics Competitions for school children

More than 1,400 primary school children from all over Greece participated in the 1st Pan- Hellenic Educational Robotics Competition for primary school children, organized by the Non-Profit Organization WRO Hellas and sponsored by COSMOTE. The teams that participated in the contest, designed and created a complete robotic construction-model, which simulated the theme of the competition "My Town".

During the finals of the contest, held in April 2015, COSMOTE provided technology gifts to all members of the three winning teams, who built a plant for separating recyclables, a cable car in connection with the Penteli Observatory on a theme based on the myth of Theseus and Ariadne, and a rolling ramp.

Also, the training and education provided throughout the duration of the competition, not just for students but for more than 1,150 teachers and parents, was of great significance. Utilizing an educational kit that was offered to 150 groups with the support of COSMOTE, teachers and parents participated in special free educational sessions for the construction and programming of robotic models.

In addition, COSMOTE supported the 2nd Pan-Hellenic Educational Robotics Competition for Primary School Children (8-12 years old) under the theme "Our Galaxy" and the 1st Pan-Hellenic Educational Robotics Competition for Junior High-School Students under the theme "Journey in Antiquity". The competitions were organized by the Non-Profit Organization WRO Hellas and took place under the auspices of the Ministry of Education, Research and Religious Affairs. The competitions started in November 2015 and were completed in April 2016.

The competitions are part of the broader effort for the dissemination of the new educational method STEM (Science-Technology-Engineering-Mathematics) and its integration into the teaching and educational system of students in Greece.

The Athens University of Economics and Business and the OTE Group joined forces

In March 2015, OTE Group and the Athens University of Economics and Business (AUEB) signed an agreement inaugurating a new era of synergies between business and academia.

The agreement foresees cooperation in common areas of action, the sharing of expertise and the seeking of solutions in technical and business issues for the upgrading of products, applications and services. It also includes the creation of a joint technology laboratory in OTE Group premises, involving OTE Group executives, professors and students of AUEB. Finally, joint participation is envisioned in European and national research and development projects in which the companies of the Group will assume the role of Technology Partner.

It also provides the opportunity to talented students of the University to use their knowledge, abilities and love for technology and gain substantial experience and skills that will be important for their career path.

PC Donation Program

For the 10th consecutive year, COSMOTE continued to contribute technical equipment of schools and non-profit organizations through the "PC Donation Program". In 2015, 174 refurbished computers and other technological equipment were distributed. 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 Heliopolis, in cooperation with the NGO "50+ Hellas". With this program, COSMOTE seeks to promote lifelong learning and enhance accessibility to the digital world of people 50 years of age and over, an objective embedded in its 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 old 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.). Moreover, COSMOTE provides all the necessary equipment such as computers, smartphones and tablets and the technical support of the program.

During the 2014-2015 school year (3rd year of implementation), the program was extended to yet another municipality and 765 persons with an average age of 64 years enrolled, with 80% of the participants completing the program with perfect attendance. 24 PC-Internet training courses were offered involving around 20 people per class. The course met twice a week, two hours at a time, for 6 weeks (total 24 hours). In addition, 76 hours of seminars were offered. In its fourth year of implementation (2015-2016) the program is also being implemented in the municipality of Agioi Anargyroi.

Educational programs of the OTE Group Telecommunications Museum

Over the last 6 years, the OTE Group Telecommunications Museum has been designing and implementing new educational programs. Its main objective is to establish itself as a venue for the promotion of the technology world and an attractive, interactive education destination for many types of audiences.

All programs are designed to meet different needs and offer a comprehensive and unforgettable museum experience to young and old visitors. Children, adolescents, families and all social groups can enjoy educational activities and experiments inspired by telecommunications inventions and the history of telecommunications. All programs are free of charge.

Unique in its kind and among the few technology museums in Greece, the Telecommunications Museum celebrated its 25th year of operation by presenting the history of telecommunications from the first networks of antiquity, to the modern satellite and mobile communication networks.

The Museums's collection includes over 4,500 objects and rich archival material which are being documented and digitized. Among other things, original phones, Morse code telegraphs, wireless communication systems, telephoto devices, Telex, fiber optics, a collection of old telegrams, one of the first Greek television studio and the development of mobile telephony are among the exhibits.

During the period September 2014 - August 2015, 14,076 people visited the Museum, more visitors than any previous other year. During this period, the Museum implemented specialized educational programs, and organised various events and exhibitions, such as:

- Guided tour, at the Museum, entitled "From Telecommunication inventions of the ancient Greeks...to the satellite and mobile telephony": attended by 8,526 visitors

- Art Workshop – "The artistic side of communication" (for Kindergarten to 4th year Elementary School children): 1,592 visitors

- Technology Workshop – "We implement our own telecommunications circuit" (for 5th year Elementary School to 2nd year Middle School students): 861 visitors.

- Awareness sessions for Internet Safety: 401 visitors

- Innovative educational activities for parents with children 6-16 years - "Ingenious, Emotional Intelligence, Adolescence, Learning Difficulties": 1,721 visitors.

- "The Internet Farm" theatrical play for online safety: 975 visitors

- Celebrating of International Museum Day, the Museum remained open all day, for four days, in which parents and children enjoyed themselves, played and were entertained by participating in educational activities and tours: 450 guests.

- Two exterior exhibitions: "From the Dial Disk… to the videophone" in the 2nd Athens Science Festival, and "The Telegram", in cooperation with the Museum of Photography and the Museum of Byzantine Culture: over 34,500 visitors.

Although the majority of the Museum's visitors are school groups, by organizing special events and innovative programs in the period September 2014 - August 2015, the percentage of individual visitors has now reached 15% of the total, an increase of 2% from the previous corresponding period.

The OTE Group 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 and Skills Development for University Students

During 2015, OTE and COSMOTE provided an opportunity to 423 students (from universities, technical colleges, vocational training institutes) to complete their studies by doing internships in the modern workplace of the OTE Group.

In the same spirit, COSMOTE continued its Visiting Students program. In 2015, through this program, 150 pupils and students from two 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.

COSMOTE Graduate Trainee Program

In 2015, the OTE Group hired, for a period of 18 months, the Graduate Trainees who were chosen in the framework of the "COSMOTE Graduate Trainee Program", which started in December 2014. The program's aim is to attract young, highly talented graduates, no older than 28 years old, with a vibrant and dynamic personality and holders of a postgraduate degree. The Graduate Trainees were selected through an extensive and demanding

selection process. More information is presented in the Employees section.

Science and Technology are Protagonists in the 2nd Athens Science Festival

OTE Group supported the 2nd Athens Science Festival on "Science and Technology: from theory to practice", which attracted more than 33,000 visitors, through the support and participation of OTE.

For six days at Technopolis of Athens, people of all ages, had the opportunity to discover the exciting world of science in an original and entertaining way. The OTE Group activities were among the most popular of the festival.

Under the central concept "Entertain Your Mind", OTE TV and the National Geographic Channel provided a series of activities and interactions with themes inspired by various popular documentary series, to the more than 20,000 visitors of the Athens Science Festival. The famous Illusionist DMC, the protagonist of the series "Beyond Magic with DMC", which airs on OTE TV, was in Athens for a single appearance.

Through an interactive game of COSMOTE VDSL, visitors were able to see the mode of operation and the advantages of the fiber optic network, which has changed the Internet experience, meeting the growing needs for transferring large amounts of data at higher speeds.

In addition, through a series of lectures, the audience had the opportunity to learn about the latest technological developments around smart grids, as well as the possibilities offered by distance learning.

Thousands of guests attended the OTE Group's Telecommunications Museum tour, "From the Dial Disk … to the videophone" and saw the technological development of communications equipment. At the same time, hundreds of children participated in 12 technological educational workshops entitled "We Connect …We Communicate - We create our own telecommunication circuit" where they linked telephones of different eras in various ways to understand their function.

5.5 Contributing to Local Well-being and Sustainability

OTE Group seeks to improve the living conditions and the viability of local communities in which it operates. The approach of the Group is twofold: on the one hand to try to meet the needs of local communities and on the other, to assume as its primary responsibility the protection of local communities from any negative impact that may result from its activities, particularly those concerning environmental issues. To protect and support local communities, the Group endeavors, so far as possible, to measure the positive and negative effects of its overall operation and activities on them.

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, receive full and appropriate attention.

OTE Group seeks the local communities' involvement in all its activities and strives to maintain and expand its presence in local communities across the country. In this context, the Community Relations Section (Corporate Communications OTE Group) analyzes and assesses the needs of local communities. Following these assessments, specific sponsorship programs are designed and implemented, for the financial support of local authorities, sports clubs, cultural events, etc..

In addition, training sessions for issues related to mobile telecommunications, electromagnetic fields and the role of telecommunications in modern society are being organized and conducted. These seminars are designed for secondary school and university students, associations, local communities and municipalities. So far, more than 5,680 residents of 35 cities throughout Greece have attended these sessions.

OTE Group covers nearly 100% of identified needs of local communities, of which about 10% address the needs of vulnerable social groups.

Programs at the Periphery

In 2015, OTE Group further supported local communities, maintaining the same amount of funds that are provided for the implementation of relevant actions, as 2014. Also, the Group stood by the victims from 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 the viability of local cultural identity, 80 local community events were supported. The following table provides an indicative sample.

Organization - Event	Description / Impact
Pan-Cretan Association of Friends of Mikis Theodorakis, Chania Crete	Support of the efforts of the Municipality of Chania and the Pan-Cretan Association of Friends of Mikis Theodorakis in organizing events for the 90th birthday of Mikis Theodorakis and his overall contribution to the Greek culture.
Festival Maronia - Sapes, Sapes Thrace	Support of the Maroneia Festival, for the first time. The festival includes numerous events (concerts and theatrical performances) taking place at the ancient theater of Maronia.
Lake Festival, Trichonis Lake	Support of the music festival "7th LAKE FESTIVAL" Lake Trichonida (Etoloakarnania), for the second year. An event that draws audience from Agrinio, Thermo, Messolongi, Patra and Nafpaktos.
Sitia Mediterranean Festival	Support of the Sitia Music Friends Association which is organized in the town of Sitia, together with the 3rd Mediterranean and the 2nd Sitia Radio Festival (2-5 July 2015). This is an ambitious project that unites, culturally and digitally, Sitia, Crete and its culture with the other countries of the Mediterranean Sea.
58th Festival of Philippi, Kavala	Support, for yet another year, of the Festival of Philippi which is an important international event. It is one of the biggest festivals in the country which draws audience from Eastern Macedonia and Thrace, and a constantly expanding circle of visitors, that includes neighboring countries.
Salamis Social Solidarity Clinic	Support of the Social Solidarity Clinic Salamis which has been standing by the Salamis residents in need.

Support for Victims of Natural Disasters

In 2015, OTE and COSMOTE, provided their support to their subscribers who were affected by earthquake in the Lefkada region, helping to satisfy their increased needs for communication. Specifically, COSMOTE offered to all mobile consumer and business subscribers (with contract, CostControl plans, or prepaid) 500 minutes free on voice calls to all national fixed and mobile networks and 500MB to surf the internet, for the period 23/11/2015 until 28/11/2015. This provision was automatically activated their 28,473 subscribers, who were informed by text message.

Furthermore, OTE and COSMOTE put into operation four cardphones in different villages in Lefkada for free calls to all national fixed and mobile networks, and took care of the unhindered communication of their affected subscribers by ceasing the barring processes of fixed and mobile connections in the Lefkada-Ithaka regions for the two months that followed.

In the same context, after the earthquake that took place on 25/04/2015 in Nepal, COSMOTE supported its subscribers who were there, by covering roaming costs for calls and data usage incurred from 25 April and for the next 30 days. Additionally it offered a gift of € 50 to prepaid and CostControl plan subscribers who were at that time in Nepal, ensuring the fulfillment of their special telecommunication needs.

Support of Rescue Organizations

In 2015, COSMOTE supported, for another year, the work of the Greek Rescue Team to meet the needs for rescuing victims of natural disasters and refugees. The company provided free mobile telecommunication services for operational coordination and rescue centers across the country.

COSMOTE offered free mobile telecommunication services for the protection of Samaria National Park, from fire and for the rescuing of tourists who visit the park. Also, satellite phones were supplied, for the response to extreme natural phenomena (snowfalls, floods, rescues) in the region of Central Greece.

COSMOTE has supported the Volunteer Firefighters Group of Vyronas and the Volunteer Firefighter and Rescue Team of Rodopoli, for firefighting and forest protection of the wider Attica region, and especially the protection of Hymettus and Parnitha mountains.

5.6 Strengthening of Entrepreneurship

Recognizing the needs of modern business, the OTE Group provides the most effective and integrated communication solutions, but also a well-organized network of personalized service. In this context, efforts are constantly made to enrich its portfolio with new telecommunications solutions, to meet their specialized and increasingly demanding business needs.

Furthermore OTE Group supports and strengthens youth entrepreneurship through innovative programs, supports small businesses by developing specialized services to meet their needs, and promotes relevant initiatives and conferences.

Some of the conferences that were supported in 2015, are:

- The 17th Greek ICT Forum on the theme "Information and Communication Technologies: the antidote to recession."

- The 17th InfoCom World 2015, on the theme "Digital reboot: Act and disrupt!".

- The conference "Internet of Things" of Naftemporiki newspaper, where COSMOTE presented innovative technologies such as the 1,8GHz and 3,5GHz spectrum combination to increase mobile network capacity, 4G + up to 500 Mbps speeds and hybrid access to fixed - mobile networks in Greece.

- The 10th Greek Summit Conference on Customer Service of the Greek Institute of Customer Service (HICS).

- The Greek-American Chamber of Commerce annual two-day conference on the theme "the Greek Economy" contributing to the strengthening and promotion of applied innovation and healthy entrepreneurship in Greece.

"BUSINESS IT EXCELLENCE" Competition

COSMOTE held the contest "BUSINESS IT EXCELLENCE" in order to inform the business world about the limitless opportunities of the Internet of Things (IoT), to identify fresh and innovative ideas that contribute to increasing business efficiency, and to strengthen entrepreneurship by highlighting new businesses.

The contest lasted three months and the prize for the winning company was advertising exposure worth of € 30,000 and a chance to cooperate with OTE Group. Through the tendering process, the participating companies were able to advance their solutions beyond the Greek market, into 7 other European countries (Austria, Germany, Croatia, Hungary, Fyrom, Romania and Slovakia). At the same time, an opportunity was offered to companies wishing to vote for their preferred solution to become "Supporters" and earn advertising exposure worth of € 20,000.

The Winner was "Tourismart", an IoT solution for hotels, while more than 230 companies functioned as "Supporters", supporting 131 competing solutions which received a total of more than 16,000 votes.

Through the contest "BUSINESS IT EXCELLENCE" and the relevant campaign, the Internet of Things achieved wider dissemination, as related videos exceeded 600,000 views on YouTube alone.

An experience beyond bounds at the TEDx Kalamata

In June 2015, COSMOTE supported the organizing of the 4th TEDx Kalamata event under the title "First Step". The event, held at the ancient theater of Messina, was attended by important personalities from around the world.

COSMOTE, as a major sponsor of the event, covered all the telecommunications needs of the organization. As part of the upgrade of its network, OTE Group designed and implemented a special project to develop broadband access in Ancient Messina, providing fixed broadband services of high quality that reach even the most inaccessible and small settlements of the wider region.

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 media sponsor, promoted the event through its communication channels and provided a live broadcast (live streaming) of the event via the OTE Group network.

5.7 Promoting Culture

The preservation of cultural heritage, the promotion of the contemporary art of Greece and the provision of advanced technological infrastructure, services and expertise to cultural institutions and organizations across the country, are amongst the OTE Group's main objectives.

The aim is not only the material support of cultural initiatives, but also the dissemination and development of a mind-set that embraces culture, contributes to national prosperity, and strengthens society, and places mankind and its achievements in the spotlight.

In 2015, the OTE Group expressed and demonstrated this commitment through its many sponsorships nationwide, implemented with the expertise and the innovative products of the Group.

Below are indicative cultural sponsorships, provided in 2015.

"A Greek island at the Gateway to the East" Exhibition at the Archaeological Museum of Rhodes

Rhodes Archaeological Museum hosted an exhibition entitled "A Greek island at the Gates of the East" from the Louvre, featuring treasures from the island of Rhodes from the 15th to 5th centuries BC. Forty-eight unique and rare loan items, which were collected from many museums around the world, were exhibited in their birthplace. Through this sponsorship, COSMOTE offered 3G / 4G services and Wi-Fi for guests of the museum and any further necessary coverage in the surrounding area of the historical Palace and Knight's Castle.

At the same time, a pilot sightseeing tour was created for mobile phone users, and the transportation and nutrition needs of 150 school students from remote villages touring the exhibition were covered.

Underwater Excavations off the Coast of Antikythera

Support continued for the underwater excavation expedition off the coast of Antikythera in September and October 2015. The international team of scientists, carrying out the excavation, came from the Hellenic Ephorate of Underwater Antiquities and the Ministry of Culture, in collaboration with the U.S. Woods Hole Oceanographic Institute. COSMOTE has continued to provide uninterrupted communication in Greece and abroad to meet the team's telecommunication and publicity needs, as it had equipped the island of Antikythera with permanent new-generation telecom infrastructure, in 2014.

Restoration of National Observatory of Athens Telescope, Lofos Nymfon, Thissio

©Theofanis Matsopoulos

An important contribution of the OTE Group towards the preservation of Greek cultural heritage, was the restoration of the building and the historic Dorides Refracting Telescope, located at the National Observatory of Athens in Thissio and built in 1870. The well-trained group of technical personnel provided expertise and undertook the restoration of all electrical and mechanical parts of the historic telescope and also repaired the structural problems of its housing building and of its dome, and the lighting on the path that leads to it.

From May 2015 on, guests have the unique opportunity to observe and explore the planets and the Attica sky through the lens of the most historic telescope in Greece, as 113 years of scientific history have come back to life.

Promotion of Contemporary Art at the Onassis Cultural Centre

The OTE Group supports 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, education programs with tours, interactive games for children, workshops and seminars for adults, school groups, young people and families.

Support for the application entitled "Soundscapes - Landscapes" which takes visitors on a poetic guided walk with sound and images around the city streets of New Cosmos neighborhood continued in 2015, via the use of tablets and smartphones.

Moreover, in 2015, COSMOTE supported the interactive digital arts exhibition "Digital Revolution", which was hosted at the Onassis Cultural Centre after appearing at the London Barbican Arts Centre and in the Museum Tekniska Stockholm. The exhibition showed the influence of digital technology in the development of the arts, design, music, fashion, film and video games (videogames), reflecting the evolution of digital technology in the most revolutionary manner. For the first time, in the same space, an eclectic range of artists, filmmakers, architects, designers, musicians and game developers, who use digital media to expand their creative horizons, were presented. In November 2015, under the Corporate Responsibility Program, more than fifty children from the NGOs "Center of Love Elefsina", "The Smile of the Child", Association of Parents of Children with Cancer "Floga", Friends of Social Pediatrics "Anoixti Agkalia", were hosted by COSMOTE and attended the educational program of the exhibition.

Cultural Events at the Gardens of the Athens Concert Hall

In 2015, COSMOTE remained the sponsor of the cultural events in the gardens of the Athens Concert Hall. The program includes concerts of well-known and appreciated artists performed in the unique atmosphere of the famous green garden of the Concert Hall. It is a memorable experience in the city center, in the heart of summer.

OTE Athens Choir

The OTE Athens Mixed Choir, 48 years after its inception, continues to chart its own course in the artistic map of the country. A completely renewed ensemble was created in 2012, under the guidance of conductor Dimitri Bouzanis, and has performed contemporary works by Greek and foreign composers.

In 2015, the choir participated in a series of concerts and festivals throughout Greece, including, indicatively, the following:

- The 1st International Choir Competition and Festival of Kalamata, where the new synthesis of the OTE Athens Mixed Choir, under the direction of conductor Dimitris Bouzanis, received:
  - "SILVER DIPLOMA-Level IX" Prize in the category "Mixed Choirs" which was the highest award in that category and
  - "SILVER DIPLOMA-Level IX" Prize in the category "Sacred Choral Music a cappella".

- In the Philip Tsalahouris Opera "Julius Caesar" at the Athens Concert Hall.

- In the 31st Choral Festival of Thessaloniki in the Ceremonial Hall of the Aristotle University of Thessaloniki.

5.8 Promoting Sports

OTE Group actively supports Greek athletics and major sports clubs and institutions, aiming to promote participation and a healthy competitive athletic spirit. In 2015, a total of 22 sports teams, clubs and sporting events in Attica and nationwide, were supported. In order to cover the full sports spectrum it 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.

Program "Podilatodraseis"

From its beginning until December 2015, the "Podilatodraseis' program and through Bike Sharing, the automated bicycle rental system operating in five municipalities throughout Greece (Komotini, Karditsa, Kavala, Ioannina and Rethymno), more than 78,000 bicycle leases were made and more than 1.235 million kilometers were travelled, a distance equal to 30 times the circumference of the globe, and as a consequence more than 170 tons of dioxide carbon (CO_2) have been saved.

Furthermore, OTE and COSMOTE continued to support organizations and events that promote the use of the bicycle, such as the Athens Bike Festival, the most important event in Greece for the bicycle, which brings together more than 30,000 participants each year.

In 2015, during the Athens Bike Festival, cyclists of all ages rode for a good cause in the specially designed area of "Podilatodraseon". With the help of a Bicycle Simulator they managed to convert more than 650,000 kilometers into a € 5,000 donation to the "MEDITERRANEAN SOS Network", for the protection of the environment. The "young" friends of the bicycle decorated their bicycles with the help of an expert decorator and made drawings on a special floor surface using chalk trail attached at the back of the bikes.

International Offshore Sailing Race "Aegean Regatta" and COSMOTE ERYTOS[2]

COSMOTE supported the 15th International Offshore Sailing Race "Aegean Regatta", held in August 2015, involving 77 vessels and 700 sailors. The race started on August 22 from Limnia Volissos on Chios Island and was completed on August 28 in Lipsi Island, including stops in Vathi and Pythagorio in Samos.

Among the crews who excelled was the crew of COSMOTE ERYTOS[2], commanded by Kostas Manthos and manned by his accomplished sailors, which ranked second in the category ORC International.

Along with the race, COSMOTE gave the opportunity to children of the islands to sail on the COSMOTE ERYTOS[2], to drive and learn the basic functions of a sailboat, offering them unique sailing thrills. Children of the Progressive Cultural and Social Union Vrontathon, the Nautical Clubs of Chios and Samos, the organizations "Ark of the World" and Friends of Social Pediatrics "Anoixti Agkalia", with the help of ERYTOS[2] crew, got a taste of the unique sport of sailing and had the best impressions.

5.9 Employee Volunteering

The support, development and promotion of corporate volunteering programs and actions from the OTE Group, provided its employees the opportunity to actively express their social solidarity. With their positive attitude and contribution, they demonstrated, through corporate and individual actions, their sense of responsibility to address current social problems. Overall, in 2015, the OTE Group employees' participations in corporate responsibility initiatives exceeded the 10,500.

Participation of OTE and COSMOTE Employees in Corporate Responsibility Activities

Year	Participants
2010	3,421
2011	3,603
2012	2,339
2013	4,905
2014	6,182
2015	10,699
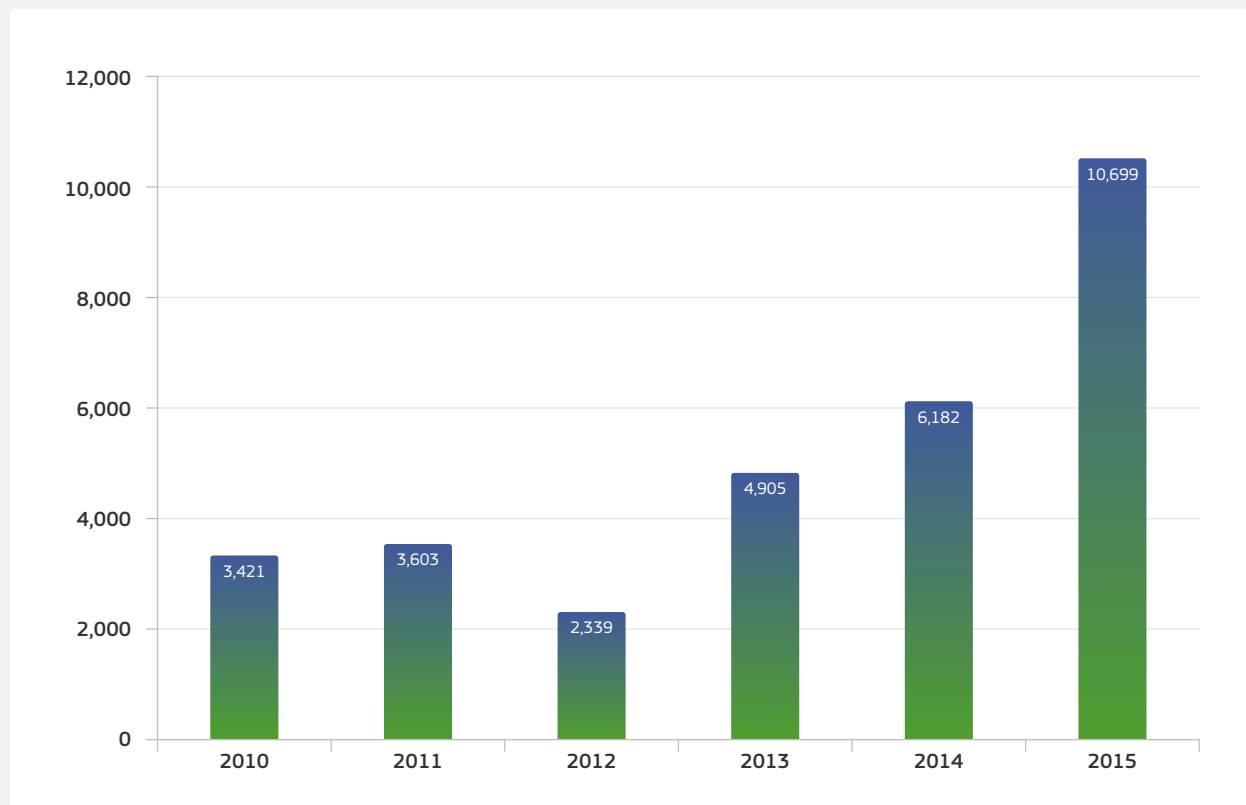
The total number of the employees' participations in corporate responsibility activities increased significantly compared to previous years, mainly due to the large participation of employees in the Christmas Charity Bazaar (see. Section Supporting Vulnerable Social Groups and Children). The employee participations in volunteer activities amounted to approximately 3,200.

OTE Group strives to provide the appropriate means both to motivate volunteerism amongst its employees, as well as to achieve the best possible outcome for the community. In 2015, the Group changed its approach to organizing voluntary initiatives. Specifically, more targeted and greater in number voluntary actions were implemented on a regular basis, in order to substantially meet the specific needs of organizations which support children and contribute to environmental protection. Although these voluntary actions require a small number of volunteers, employee interest was so large that it led to a draws for the final selection. These monthly voluntary actions, started in September 2015,

in collaboration with environmental and charitable organizations.

Also, in 2015, the OTE Group organized the 52nd and 53rd blood donation campaign with the main message, "Your Participation 'Saves'", participated in the 33rd Athens Authentic Marathon with the main message "Running for a Good Cause" and helped spread the message on climate change by actively participating in "Earth Hour".

Blood Donation Program

The Blood Donation program for employees began in 1976. In 2015, a total of 2,360 units of blood were collected from employees of OTE and COSMOTE, of which, 1,459 units are allocated to meet the needs of employees and their families, with the remaining 901 allocated to meet nationwide needs.

Blood Units Collected

Year	Units
2015	2,360
2014	2,912
2013	3,136
2012	2,845
2011	3,189
2010	3,214

17,656 Blood Units
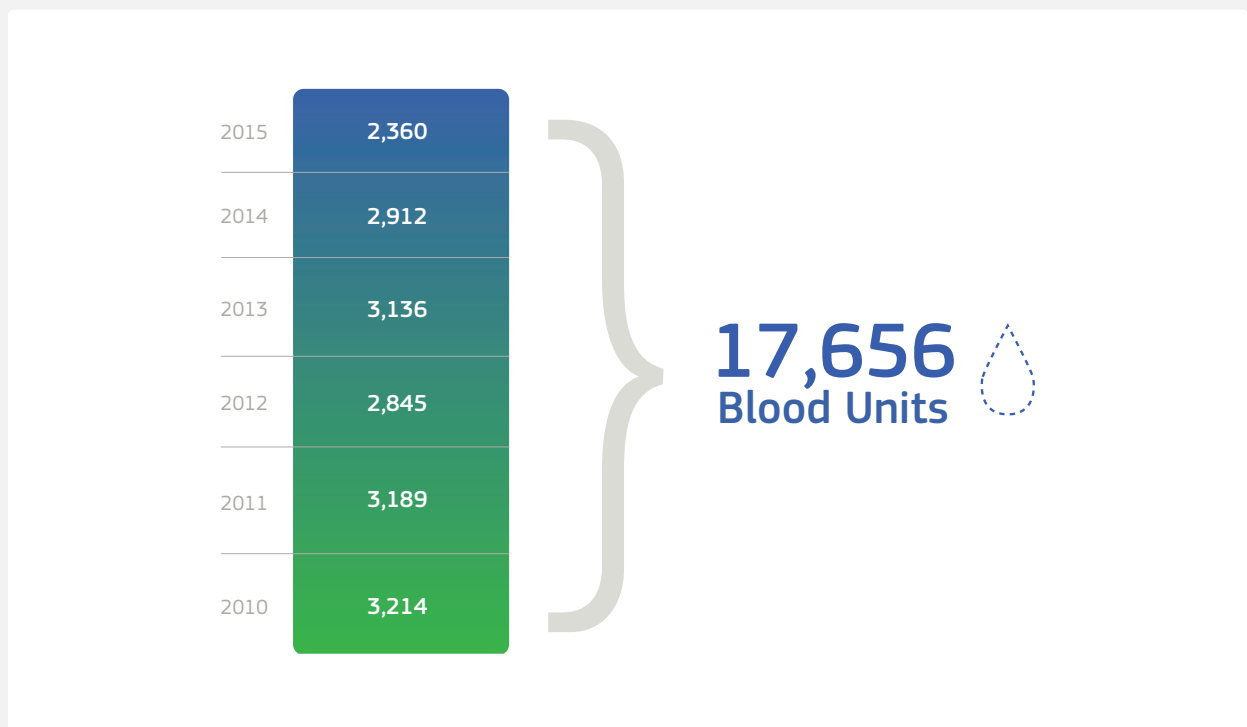
NOTE:
OTE and COSMOTE figures

33rd Athens Authentic Marathon

OTE Group invited its employees to take part in the 33nd Athens Authentic Marathon and run for a good cause. Over 750 employees responded, by voluntarily participating in all races. The record participation resulted in the collection of the amount of € 15,000 which was donated to

the Non-Profit Organization "METaction" which is associated with the safe escort of unaccompanied refugee children from temporary detention centers to appropriate accommodation structures, and to the charitable organization "Heart Doctors" which supports poor families and children of Athens by providing them with First Aid items and medical examinations.

Monthly Voluntary Activities 2015

Aiming for an integrated approach in its support of organizations caring for children and the environment, OTE Group, in cooperation with public welfare and environmental groups, enabled its employees to participate in at least one voluntary action per month. From September until December 2015, the Group's employees had the opportunity to participate in monthly volunteer activities organized by NGOs for children and the environment, such as 'Make-A-Wish' Greece, MDA Hellas, the Friends of the Child and the environmental organization "Callisto" for Wildlife and Nature. Employees responded to the message "Be a Volunteer" and participated in the reforestation of Parnitha Mountain and in charitable events and bazaars organized by Non-Profit Organizations for children in order to raise money to enhance their goal.

6.0 Environment

OTE Group aims at reducing the environmental impact of its activities, at 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.

6.1 Environmental Strategy

The OTE Group acknowledges that businesses with a leading role need to combine financial growth with environmental responsibility in all aspects of their operations.

The OTE Group realizes fully that, though low, there are environmental impacts associated with Information and Communication Technologies (ICT) activities. At the same time, ICT products and services offer a number of opportunities for supporting sustainable development and production in many activities and sectors.

The objective of the 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.

Enviromental Strategy

Reduce own Environmental Footprint

Climate change
Energy
EMF
Resource use & Waste

Environmental Aspects

Ozone
Biodiversity
Water
Visual impact
Noise

Enabling role of ICT products and services

Business Cloud | Fleet Management | Energy Management | Smart Grid | e-Tourism | e-applications | R&D Projects

Raise Stakeholders' Environmental Awareness

Employees | Customers | Suppliers
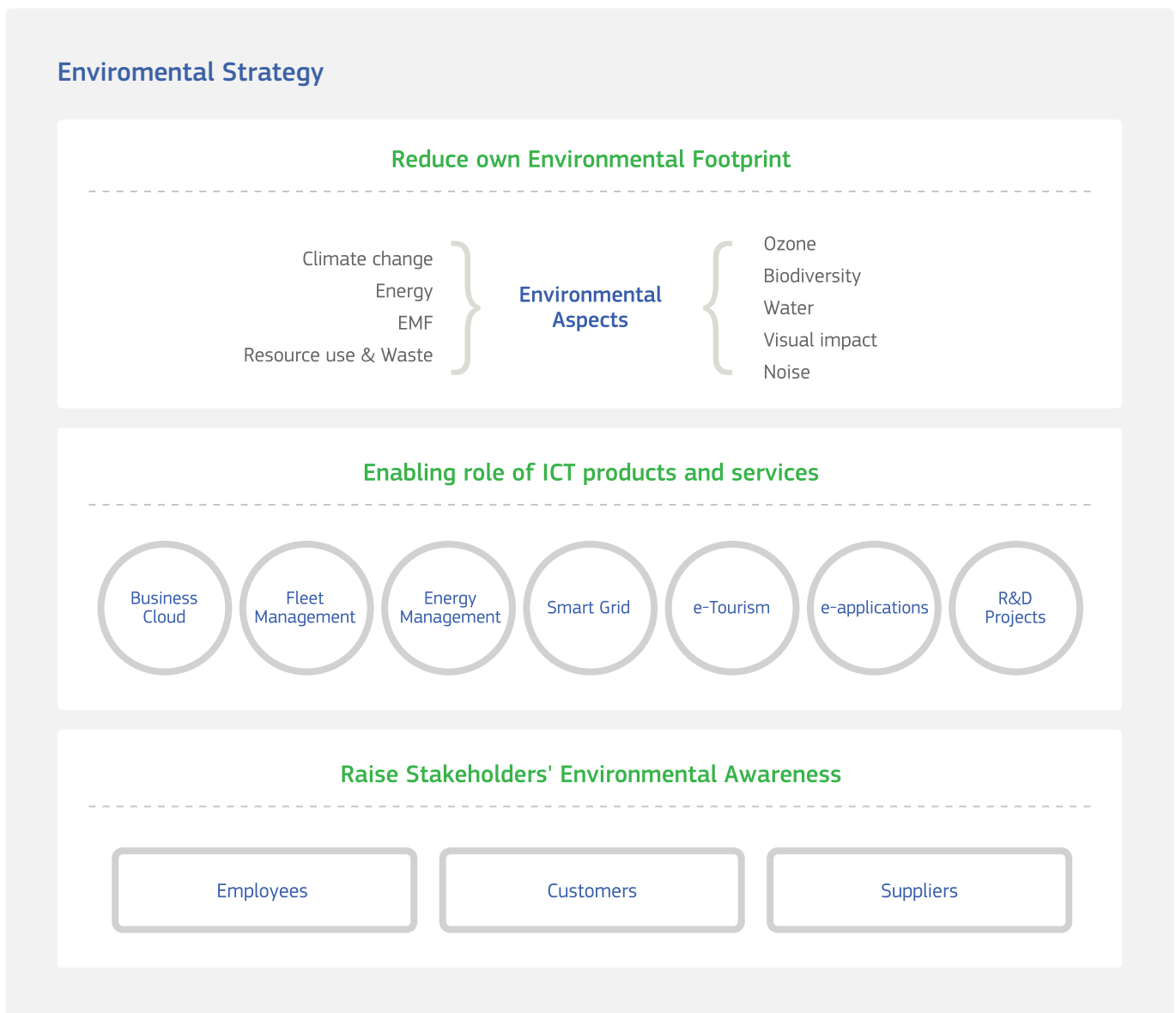
To this end and in the framework of the Integrated Management System, an environmental policy and management scheme with common structure and approach has been formulated that includes the Environmental Management Systems (EMS) certified according to ISO 14001:2004 standard at OTE and at COSMOTE. Utilizing 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.

The commitment of OTE Group to protect the environment is stated in their integrated Quality, Health and Safety, and Environmental Policy, and is realized through measures and initiatives already implemented, adopted or planned.

6.1.1 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 by 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 (a) the EMS documentation including objectives, KPIs and targets set (as well as the environmental programs to achieve these objectives / targets), (b) the EMS audit results and (c) the EMS performance results. Furthermore, the OTE Group Management System's Steering Committee may take decisions concerning companies (subsidiaries) of the OTE and COSMOTE Group regarding the Management System's 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.

Enviromental Management System

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┌─────────────────────────────────────────┐
│  BoD Chairman and Chief Executive Officer │
│               OTE GROUP                   │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│  Executive Director Corporate Communications │
│               OTE Group                   │
│        Environmental Manager Officer      │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│  Corporate Responsibility Senior Manager, │
│             Fixed & Mobile                │
│   Acting Environmental Management Officer │
└─────────────────────────────────────────┘
                    ↓
┌─────────────────────────────────────────┐
│     Environmental Management Manager      │
└─────────────────────────────────────────┘
```

Management Systems Steering Committee
- OTE Group Chief Information Management 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 Systems
- Anyone deemed necessary (depending on the issue considered)

Environemental Management Teams of OTE and COSMOTE
Representatives from selected Organizational Units of OTE and COSMOTE

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 – COSMOTE Response
	Hazardous waste	🔴	Waste management
Telecom Infrastructure	EMF	🟠	Electromagnetic fields
	Technical waste	🟠	Waste management
Support of Telecom Operation	Energy consumption	🟠	Greenhouse gases and other gas emissions Improving energy efficiency and emissions reduction
	Refrigerants	🟠	Ozone
Offices, Shops, Warehouses	Office-related waste	🟡	Waste management
	Waste water	⚪	Water consumption
Vehicles	Waste disposal	⚪	Resource use and waste management
	Water	○	Water consumption

🔴 Immediate danger – STOP, immediate action needed
🟠 High risk, immediate action needed
🟡 Medium risk, midterm action needed
⚪ Minor risk, longterm need for actions
○ No relevant risk potential, no need for action

Key Achievements in 2015

Highlights of the environmental performance of OTE and COSMOTE in 2015 include the following:

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

- For the 5th consecutive year, OTE and COSMOTE have secured Guarantees of Origin (GOs) from PPC S.A., OTE Group's electricity provider. This assures 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.

- A 25% decrease of OTE and COSMOTE's total fuel consumption, compared to 2008.

- Electricity conservation of 10%.

- A 30% decrease of direct greenhouse gas emissions (scope 1) from energy consumption, compared to 2008.

- An 8% decrease of indirect greenhouse gas emissions (scope 2), compared to 2008.

- The monitoring of the indirect greenhouse gas emissions (scope 3) arising from the use of sold products and services was carried out for the first time.

- The management of 7,360 t waste, of which 90% was forwarded, through authorised waste management companies, for recycling.

- Expansion of the internal recycling program carried out in OTE and COSMOTE buildings, in nine additional key regional buildings.

- 14 new measurement stations were installed and became operational, in the context of the EMF measurement program "Pedion 24". The total number of installed measurement stations grew to 232.

In the context of environmental management:

- Environmental protection expenditures for 2015 amounted to € 630,000 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 2015 amounted to € 47,700, 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.

6.2 Telecommunications for Sustainable Development

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 2030 study, prepared for Global e–Sustainability Initiative (GeSI), estimated that:

- The footprint of the ICT sector is expected to account for the 2.3% and 1.97% of global emissions in 2020 and 2030 respectively.

- ICT can enable a 20% reduction of global GHG emissions.

- The exploitation of this potential could generate over $ 11 trillion in economic benefits per year by 2030.

- ICT offers additional, to reducing GHG emissions, benefits that include increasing agricultural crop yields by 30%, saving over 300 trillion liters of water and saving 25 billion barrels of oil per year.

The agreement reached at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris (Paris Agreement, December 2015), provides that the Parties should hold the increase in the global average temperature to well below 2°C, and pursue efforts to limit the temperature increase to 1.5°C. In this, realizing the available ICT potential becomes imperative, as significant emissions reductions are required at global level (in the order of 40% to 70% by 2050, compared to 2010, according to the latest assessment of the Intergovernmental Panel on Climate Change).

More information on the products and services provided, that contribute to environmental protection and the economic development of the Group, is presented in the section Products and Services for Sustainable Development.

6.3 Greenhouse Gases and Other Gases Emissions

OTE and COSMOTE recognize that climate change is a global environmental problem, the impacts of which affect their operation and stakeholders, and the whole range of anthropogenic activities (see Annual Financial Report 2015). In this context, OTE and COSMOTE implement a comprehensive program for inventorying greenhouse gases (GHG) and other gas emissions in line with 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). On the basis of the program results, priorities are set and emission reduction measures are planned and implemented. More information on climate change related risks identified can be found in the latest (2015) response of OTE to CDP (formerly the Carbon Disclosure Project).
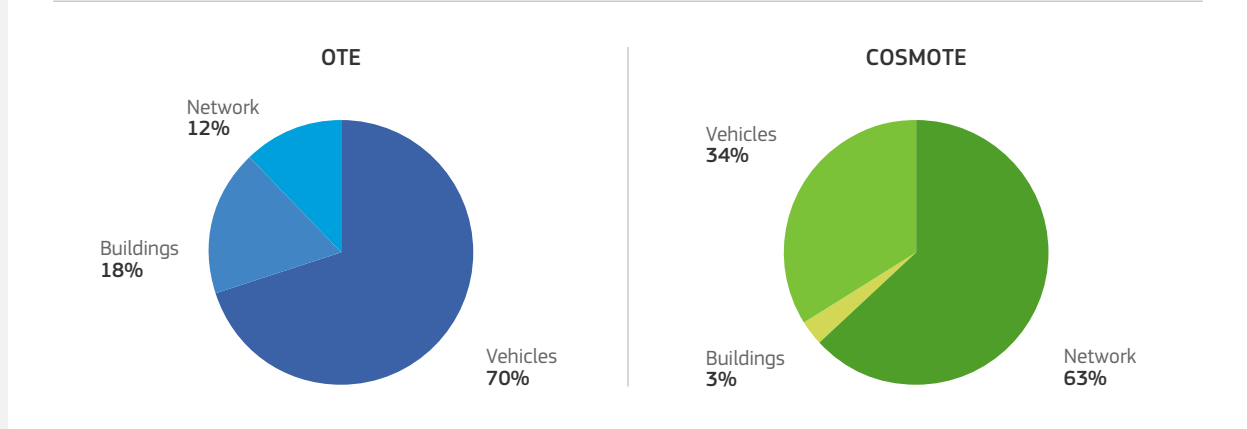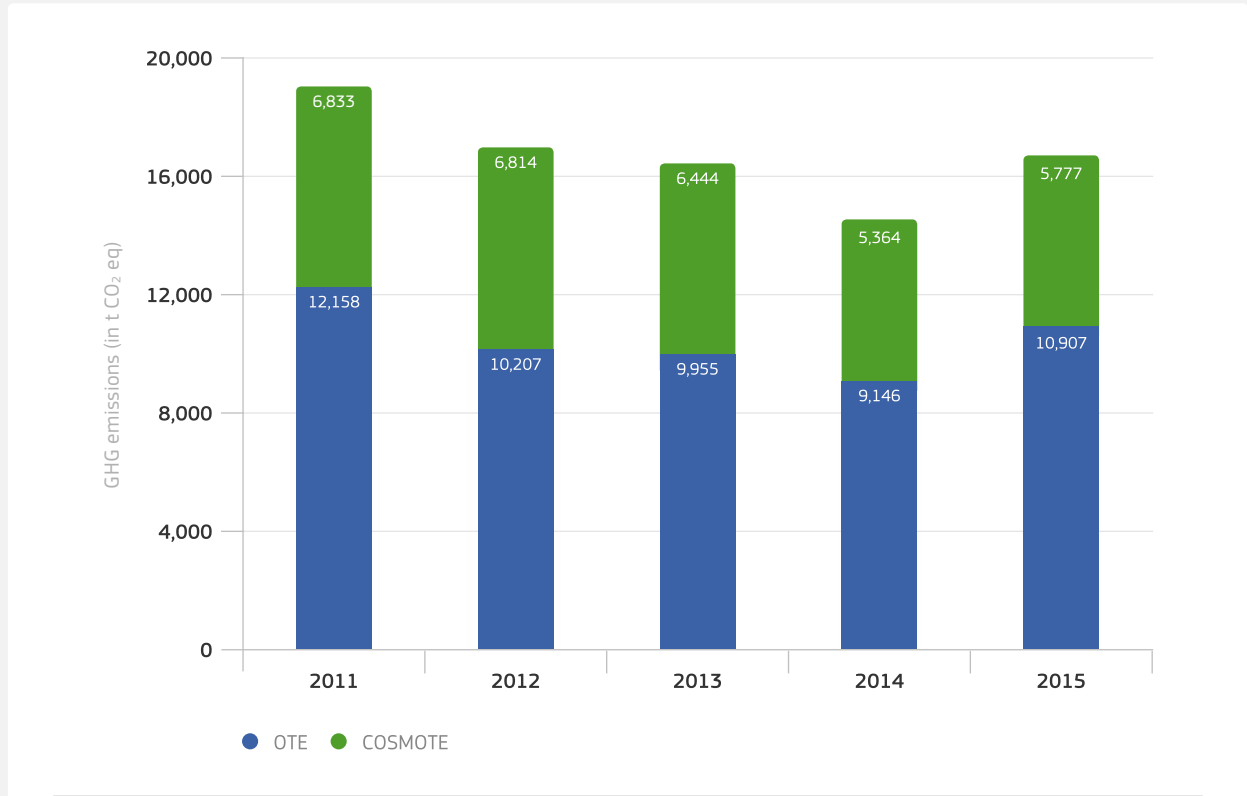
In 2015, total GHG emissions (direct emissions from energy consumption and f-gases use, and indirect emissions from energy are included) were estimated at 304,253 t CO_2 eq, presenting a marginal decrease of 0.4% compared to 2014. GHG emissions intensity (defined as total GHG emissions to total revenues) in 2015 was estimated at 113 t CO_2 eq/mn €, i.e. it remained at 2014 levels (OTE: 122; COSMOTE: 101).

6.3.1 Direct GHG and Non-GHG Emissions

OTE and COSMOTE direct GHG emissions (scope 1) from energy consumption in 2015 were estimated at 16,684 t CO_2 eq, presenting an increase of 15% (2,174 t CO_2 eq) compared to 2014. About 60% of this increase is attributed to the extended operation of electricity generators that was necessary to cope with the frequent power disruptions caused by the cold and prolonged winter of 2015 (and the associated extreme weather events). Space heating and road transportation contribute 20% each to the total emissions increase. Emissions from space

heating increased by 375 t CO_2 eq as a result of the unfavorable weather conditions in the winter of 2015 compared with 2014. The increase of emissions from road transportation (504 t CO_2 eq) was due to the extensive transportation work for the maintenance / expansion of the telecom network (both fixed and mobile) and the promotion of the products and services provided.

Direct GHG Emissions from Energy for OTE and COSMOTE

OTE

Network 12%
Buildings 18%
Vehicles 70%

COSMOTE

Vehicles 34%
Buildings 3%
Network 63%

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 2015, fuel consumption for space heating in buildings where joint occupancy of OTE and COSMOTE occurs, is not allocated on the basis of their staff share at that location. The allocation is applicable only for 2013 and 2014.

5. Global Warming Potential (GWP) values applied are those included in the Annex III of Decision 24/CP.19 and derive from the 4th Assessment Report of IPCC.

With respect to other air emissions (non–GHG) the following are noted:

- Emissions of typical air pollutants (NO$_x$, SO$_2$, PM$_{10}$ 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, in line with the provisions of Directive 96/59/EC.

○ Lead emissions decreased from 22.4 kg in 2008 to 7.1 kg in 2015 as a result of the gradual renewal of the vehicle stock.

Other Gas Emissions for OTE and COSMOTE in 2015
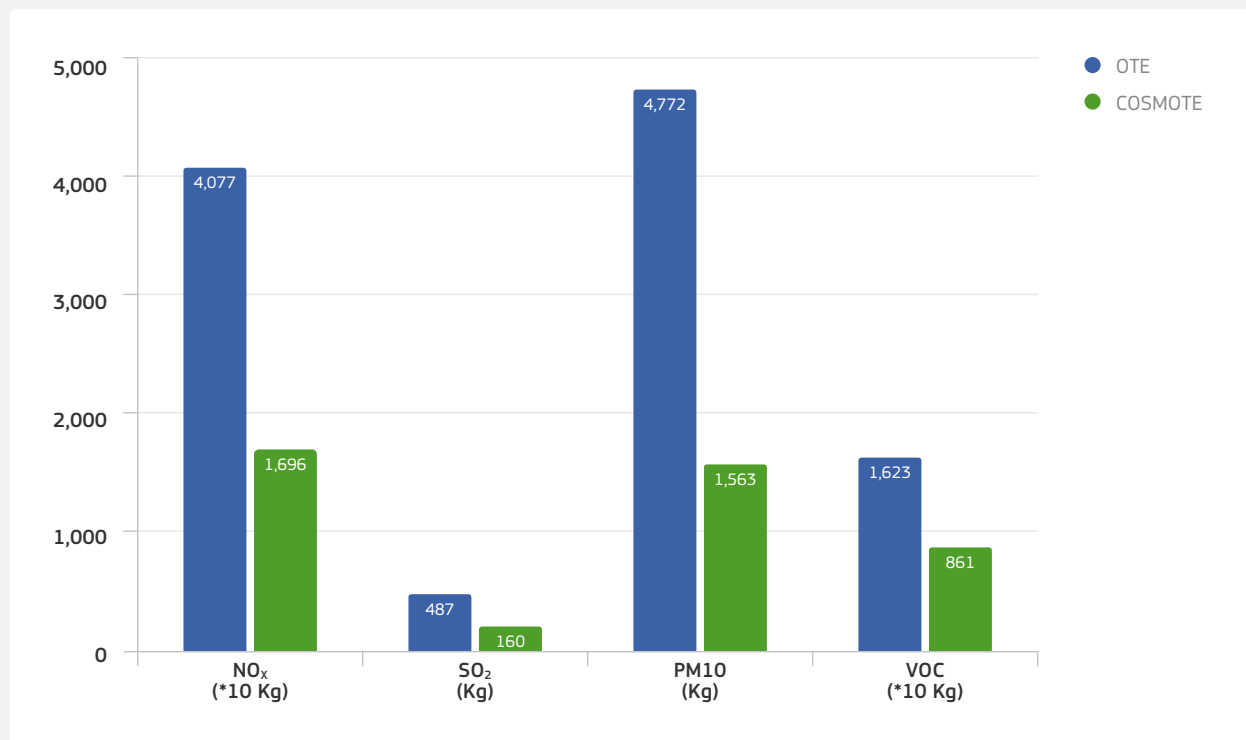
NOTES:

1. SO$_2$ emission factors for oil products derive from national legislation.

2. The emission factors for NO$_x$, 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).

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 2015 were estimated at 274,700 t CO_2 eq (OTE: 164,448 t CO_2 eq, COSMOTE: 110,252 t CO_2 eq), presenting a decrease of 2.2% compared to 2014. 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 56,500 t CO_2 eq.

In total, if GOs are not taken into account, OTE and COSMOTE scope 2 emissions decreased by 8.4% from 2008 (OTE: -13.6%, COSMOTE: 0.8%). 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
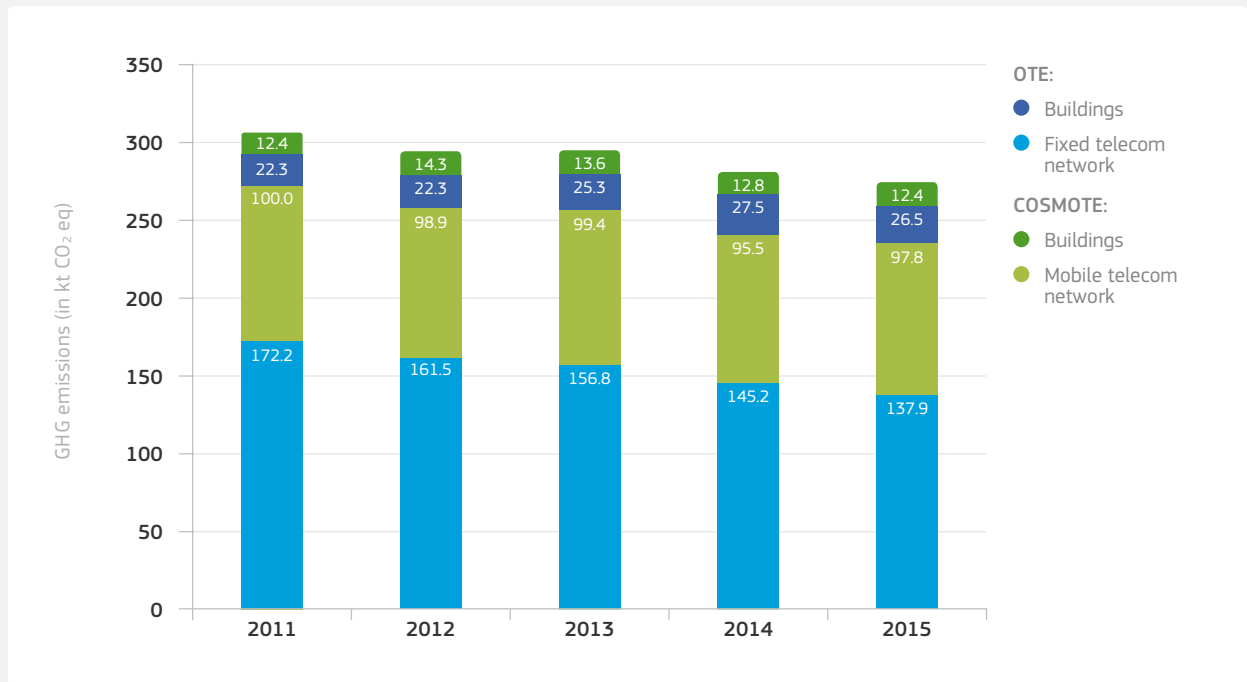
NOTES:

1. The term "Buildings" describes Offices, 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 2013 and are applied for 2015. These factors derive from the latest Greek National GHG emissions inventory and EUROSTAT data on gross electricity generation.

4. As of 2013, electricity consumption in buildings 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 applied are those included in the Annex III of Decision 24/CP.19 and derive from the 4th Assessment Report of IPCC.
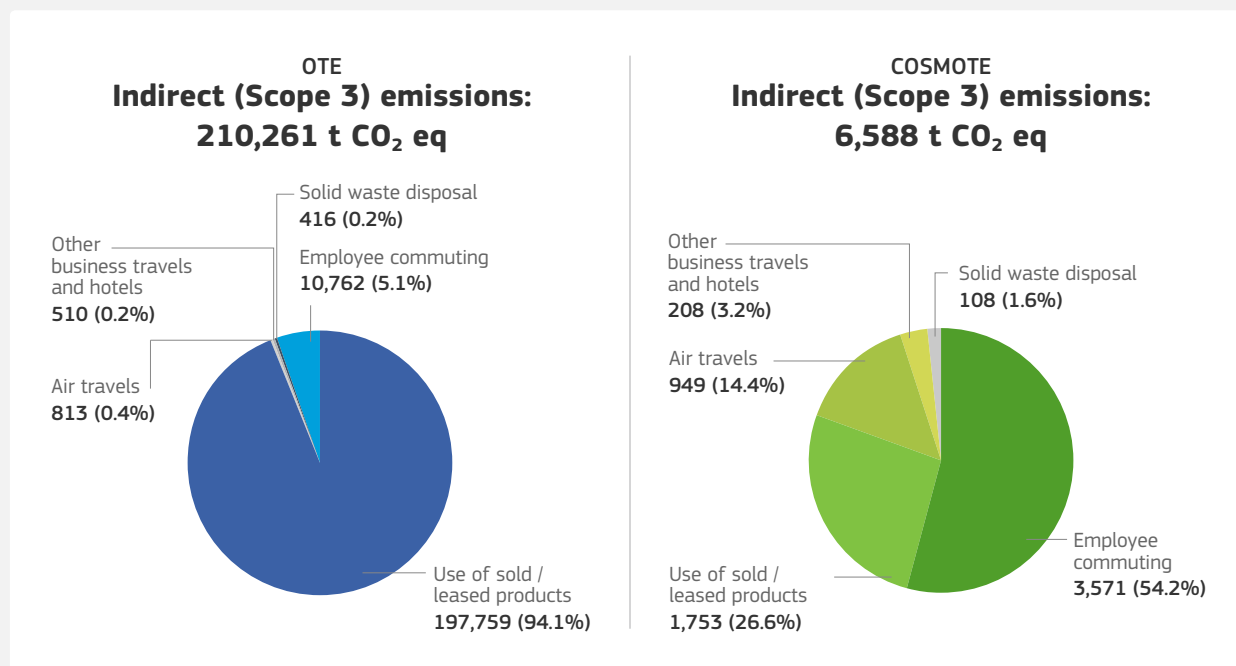
6.3.3 Other Indirect GHG Emissions

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 2015 were estimated at about 217,000 t CO_2 eq. The emission sources quantified are the following:

- **Business air travels**. This category includes all travels made on behalf of OTE and COSMOTE. The utilization of teleconference infrastructure developed, represents a major action for reducing transportation activity and the associated environmental impacts.

- **Other business travels**. GHG emissions from road (car rental and busses) and maritime transportation are included.

- **Overnight stayings**, in hotels during business travels.

- **Employee commuting**. For the estimation of GHG emissions from employee commuting, a questionnaire was developed and uploaded to the intranet of both companies (2014) in order to determine the transport means used and the average distance needed. The 2014 analysis results were considered valid for 2015.

- **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.

- **Use of sold / leased products**[new]. GHG emissions from the use (electricity consumption in customers' premises) of services (lease contracts for internet and TV services provided by OTE) and products sold (routers, media receivers, phone devices, tablets and netbooks) from COSMOTE and GERMANOS (only for lease contracts) retail stores.

Indirect (Scope 3) Emissions for 2015

OTE
Indirect (Scope 3) emissions: 210,261 t CO$_2$ eq

Solid waste disposal
416 (0.2%)

Other business travels and hotels
510 (0.2%)

Employee commuting
10,762 (5.1%)

Air travels
813 (0.4%)

Use of sold / leased products
197,759 (94.1%)

COSMOTE
Indirect (Scope 3) emissions: 6,588 t CO$_2$ eq

Other business travels and hotels
208 (3.2%)

Solid waste disposal
108 (1.6%)

Air travels
949 (14.4%)

Employee commuting
3,571 (54.2%)

Use of sold / leased products
1,753 (26.6%)

NOTES:

1. For the calculation of scope 3 emissions, harmonized emission factors are used at DT group level, unless it is otherwise specified.

2. The emission factor proposed by GHG Protocol is applied for calculating emissions from maritime transport (http://www.ghgprotocol.org/files/ghgp/Emission-Factors-from-Cross-Sector-Tools-(April%202014)_0.xlsx).

3. GHG emission from solid waste disposal are calculated according to the Tier 1 approach described in 1996 IPCC Guidelines, using country specific parameters for the national inventory of GHG emissions of Greece.

4. GHG emission estimates for solid waste disposal and use of sold products may be considered as indicative of the expected emissions during the lifetime of the waste disposed and the products sold respectively.

Use of sold / leased products and services (and especially internet and TV services) represent the major source of scope 3 emissions (about 92% for OTE and COSMOTE). Aiming at reducing GHG emissions across its value chain, and thus contributing to climate change mitigation, OTE voluntarily participates in an initiative established by the European Commission for maximizing energy efficiency of broadband equipment ("Code of Conduct on Energy Consumption of Broadband Equipment", BB CoC) both on the customer and the network side. With the general principles and actions resulting from the implementation of the BB CoC, electricity consumption could be limited to 25 TWh (from 50 TWh for 2015). Signatories of the BB CoC agree to

make all reasonable efforts to achieve the power targets set (targets are subject to consultations between signatories every two years), for at least 90% new-model items introduced to the market.

The new residential gateway Speedport Entry 2i provided (as of 2015) to new high speed internet subscribers (also available through the COSMOTE and GERMANOS retail stores), complies with the BB CoC and offers low electricity consumption, up to 47% in comparison to older equipment with the same interfaces but without the Energy Efficient Ethernet functionality. More information is presented in the section Products and Services for Sustainable Development.
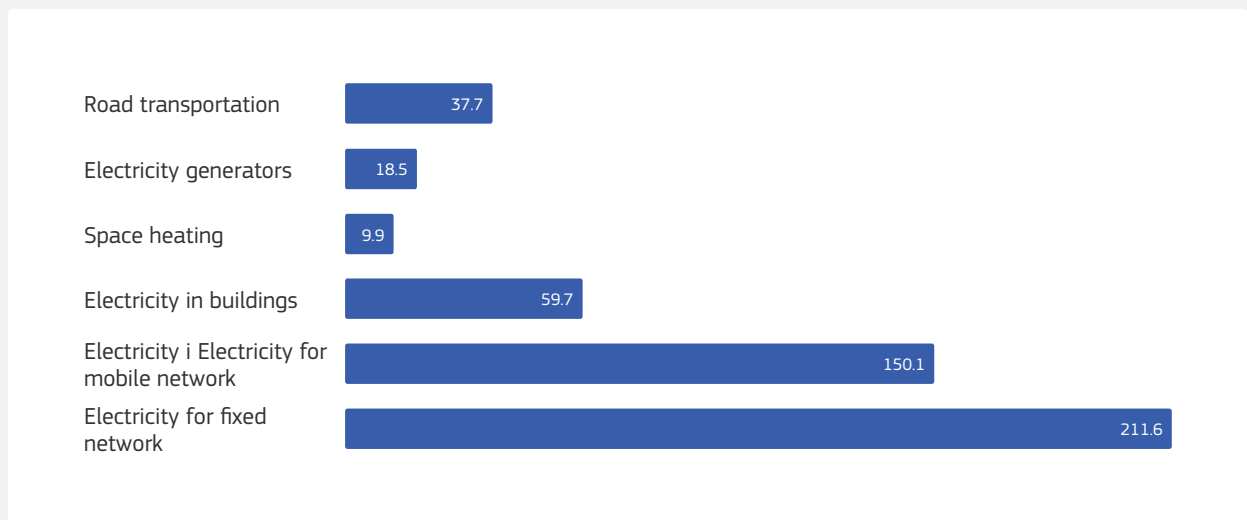
6.4 Improving Energy Efficiency and Emissions Reduction

6.4.1 Energy Consumption

The operation of the telecom network is the most energy intensive activity of the telecommunications sector. The expansion and modernization of the telecom network, the number of active subscribers (and especially those of internet and TV services) and the intensity of products and services use (i.e. volume of data transferred) are the main determinants of energy consumption.

In 2015, total energy consumption of OTE and COSMOTE amounted to 487 GWh, representing an increase of 4.5% compared to 2014 (467 GWh), as a result of the increased activity (as evidenced by the number of active subscribers and volume of data transferred) and the expansion modernization of the network.

OTE and COSMOTE Energy Consumption in 2015 (in GWh)

Category	GWh
Road transportation	37.7
Electricity generators	18.5
Space heating	9.9
Electricity in buildings	59.7
Electricity i Electricity for mobile network	150.1
Electricity for fixed network	211.6

NOTES:

1. Energy consumption is based on actual consumption data for most months of 2015, which are extrapolated to the end of the year due to data provision arrangements within the DT group.
2. Road transportation includes service and company vehicles.

In 2015, total energy consumption of OTE amounted to 296 GWh, representing an increase of 2.7% compared to 2014 (288 GWh), while total energy consumption of COSMOTE (191 GWh) increased by 7.4% compared to 2014 (178 GWh). Detailed information on the energy consumption of OTE and COSMOTE for the period 2008 – 2015 are provided in the file "Environmental Performance Data - Energy". Energy intensity (defined as electricity consumption to total revenues) in 2015 was estimated at 156 MWh/mn €, presenting an increase of 4% compared to 2014 (OTE: 164; COSMOTE: 145).

- Electricity consumption for network operations makes up the largest part of the total energy consumption of OTE (211 GWh) and COSMOTE (150 GWh).

    o The total electricity consumption of OTE in 2015 (252 GWh) increased by 0.5% compared to 2014, and is below the 2008 electricity consumption value. The electricity intensity of data transferred (i.e. electricity divided by data volume in bits) was improved by 10% during the period 2013 – 2015.

    o For COSMOTE, electricity consumption of the network operation (base stations and backbone network) in 2015 (150 GWh) increased by 8% compared to 2014 (due to the installation of new base stations, the upgrade of existing infrastructure and the unfavorable weather conditions in the winter of 2015 compared with 2014), while electricity consumption in buildings (including data centers and shops) increased by 2.6% compared to 2014 (from 18.6 GWh in 2014 to 19.1 GWh in 2015) as a result of the increased load of data centers and the unfavorable weather conditions in the winter of 2015.

- Road transportation represents the largest (non–electricity) fuel consuming activity of OTE. Fuel consumption for the OTE vehicle fleet (30 GWh) increased by 7% compared to 2014, due to the increased transportation activity for technical and commercial purposes. At the same time, the renewal of the service vehicle fleet resulted in significant improvements in vehicles efficiency (gasoline: 35%; diesel: 44%), overachieving the target set for 2015 (improvement of 15%).

- In 2015, 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 increased by 17% (from 11.7 GWh in 2014 to 13.6 GWh in 2015). This increase is attributed to the extended operation of electricity generators that was necessary to cope with the power disruptions occurred in 2015.

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 key priorities of OTE and COSMOTE. In this context, OTE and COSMOTE:

- Have secured, for the 5th consequtive year, from PPC S.A., their electricity provider for 2015, 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.

- Are systematically investing in increasing their RES capacity:

    o 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 2015, 16 base stations were supported by PV and small wind turbine systems. Total electricity generation from these systems amounted to 251.6 MWh.

    o 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 2015, 28 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 300 MWh in 2015 (equivalent to avoiding CO_2 emissions of about 195 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:
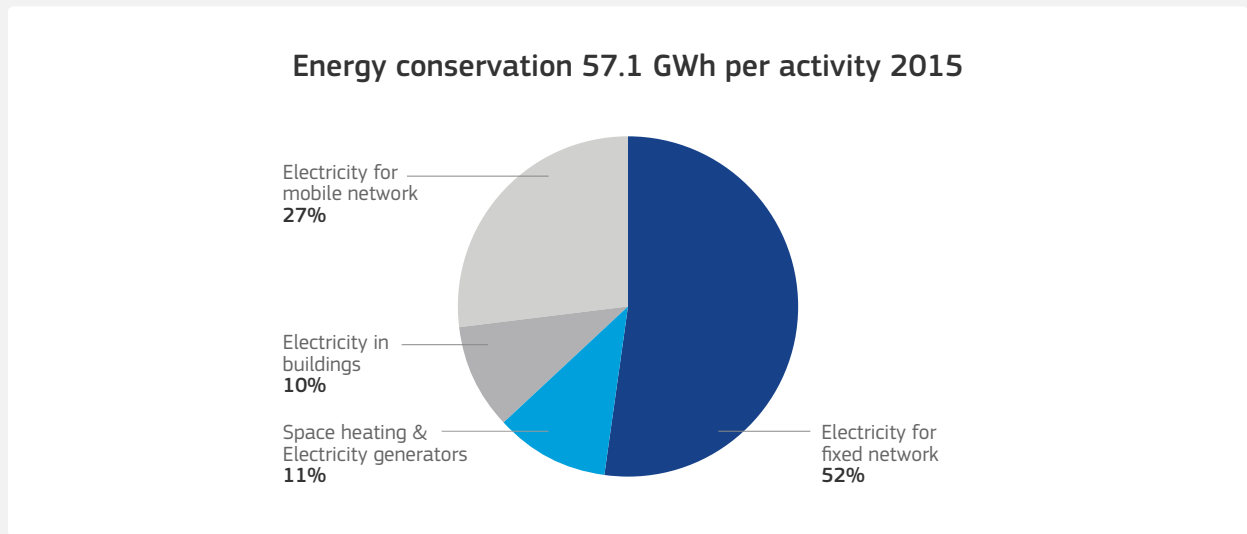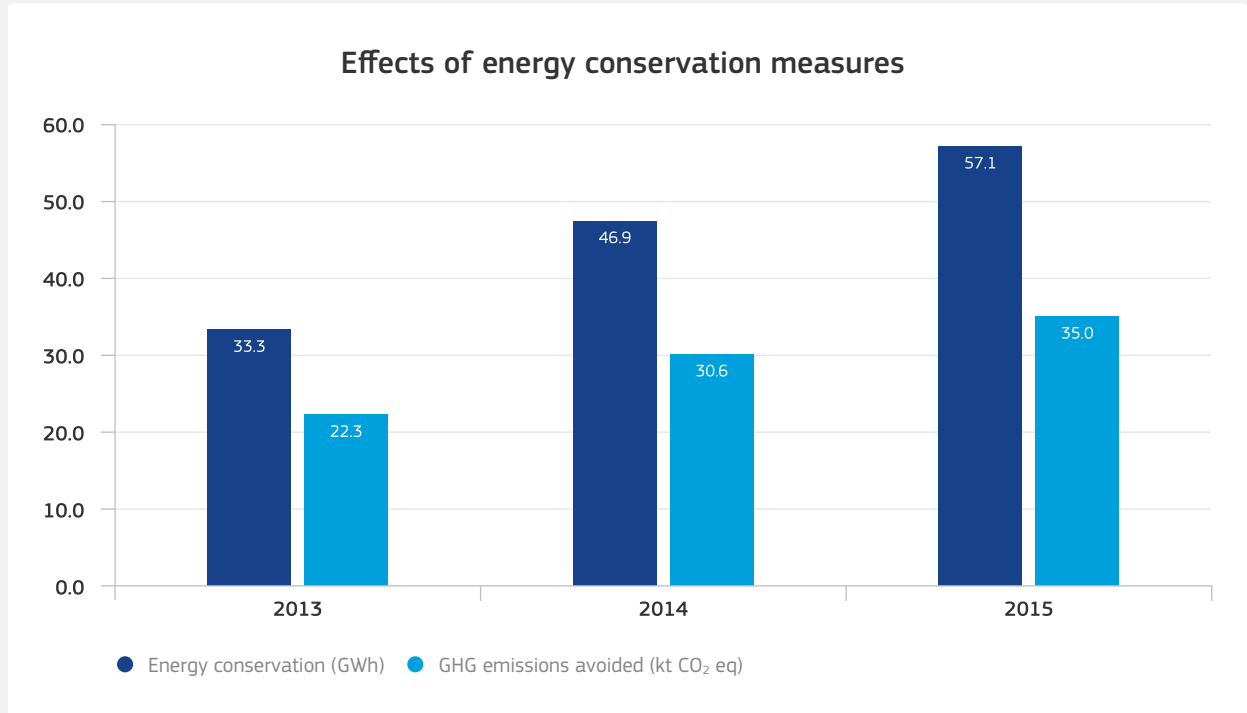
- **Energy conservation in Telecom Networks**, aiming at the transition to a more energy efficient network.

- **Energy conservation in Buildings, Data centers and Stores**. Interventions in the office complex in Paiania are representative of the actions prioritized for buildings. It is the first building in Greece that has been awarded with LEED® (Leadership in Energy and Environmental Design) certification at gold level. Reduced energy consumption and improved working conditions are among the associated benefits.

- **Energy conservation in Transport**, focusing on the renewal of vehicles fleet but also on the monitoring of transportation activity.

The effect of measures designed and implemented is evident (given that services provided increased in 2015 compared to 2014) in the performance of OTE and COSMOTE, as:

- Direct GHG emissions (scope 1) from energy consumption in 2015 decreased by 7,500 t CO_2 eq compared to 2008 (a reduction of 30%).

- Indirect GHG emissions from energy (scope 2) in 2015 decreased by 25,200 t CO_2 eq compared to 2008 (a reduction of 8%). Given the developments in the ICT sector (4G / 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 (base year for OTE and COSMOTE, under the DT climate change strategy) and implemented in 2015, electricity conservation reached 50.6 GWh and diesel oil conservation (for electricity generators and space heating) amounted to 6.5 GWh. The avoided GHG emissions associated with the energy conservation achieved is estimated at 35,000 t CO_2 eq (about 12% of scope 1 and 2 GHG emissions of OTE and COSMOTE in 2015). The overall economic effect (benefit) of the measures implemented on the operational cost of OTE and COSMOTE is estimated at € 6.8 million.

Energy Conservation and GHG Emissions Avoided

Effects of energy conservation measures

Energy conservation (GWh) ● GHG emissions avoided (kt CO$_2$ eq)

2013: 33.3 / 22.3
2014: 46.9 / 30.6
2015: 57.1 / 35.0

Energy conservation 57.1 GWh per activity 2015

Electricity for mobile network 27%
Electricity in buildings 10%
Space heating & Electricity generators 11%
Electricity for fixed network 52%

Indirect GHG emissions (scope 3) avoided are estimated at 2,800 t CO$_2$ eq. This reduction was estimated taking into account paper recycling, reduction of paper use and teleconferences for internal operational needs.

Energy Conservation Measures

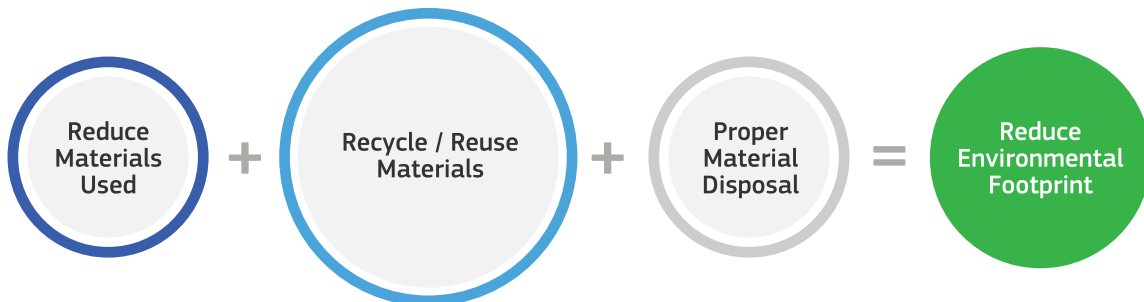| Measure	Scope	Result
Smart metering systems in base station sites with large energy consumption	Telecom network	420 systems were installed by the end of 2015 (COSMOTE).
Free cooling systems	Telecom network	The total number of such systems already installed is 1,680 (COSMOTE).
Replacement of old equipment	Telecom network	In 2015 OTE and COSMOTE replaced 48 and 141 old rectifier units respectively. On average, efficiency improved from 75% to 96%.
Indoor Power Supply Units with A/C direct to battery cabinet	Telecom network	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 2015 was 245 (COSMOTE).
Modernization of OTE telecom network	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 2015, the building area used by OTE was reduced by about 1% compared to 2014.
Maintenance of electricity generators	Telecom network	COSMOTE implemented a maintenance program for 689 generators (for both 24–hour and emergency operation), aiming to ensure their proper operation. The program for the electrification of remote base stations is ongoing.
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	Data Centers	Energy conservation measures aiming to improve the performance of the installed equipment.
Fleet renewal	Road transport	In 2015, 1,000 new diesel vehicles were purchased while 800 aged vehicles (mainly gasoline vehicles) were removed from the vehicles fleet.
Teleconferences	Mobility	In 2015, 6,000 audio conferences and 26,000 video conferences were held.

6.5 Resource Use and Waste Management

Why it matters

The rational and efficient use of natural resources and the proper management of waste generated by adopting appropriate recycling practices, contribute to the efficient operation of OTE and COSMOTE and to the control of their operational cost. Furthermore, proper waste management minimizes the impact on the environment, health and ecosystems from uncontrolled solid waste disposal and ensures the companies' compliance with environmental legislation.

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 / Reuse Materials **+** Proper Material Disposal **=** Reduce Environmental Footprint

In addition, OTE and COSMOTE:

- Develop products and services that contribute to sustainable resource management and the reduction of waste generated.

- Aim at the enhancement of public awareness to increase participation in recycling practices.

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 engine 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 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, such as end of life vehicles).

Total solid waste generated in 2015 amounted to 7,360 t. It should be noted that interannual changes of waste generated vary, mainly, with equipment lifetime and the schedule in place for the modernization of fixed telecom network.

OTE and COSMOTE Solid Waste Generated 2011 – 2015

Quantities (in t)

Year	Hazardous	Technical	Paper	Residual	Other
2011	677	1,113	684	468	10
2012	507	1,215	621	325	113
2013	339	4,064	498	296	74
2014	320	1,976	400	352	158
2015	487	5,900	449	417	111

● Hazardous ● Technical ● Paper ● Residual ● Other

OTE
6,994 t

- Residual 4.8%
- Paper 5.2%
- Hazardous 5.9%
- Other 1.6%
- Technical 82.5%

COSMOTE
369 t

- Hazardous 19.8%
- Technical 35.5%
- Paper 22.3%
- Residual 22.4%
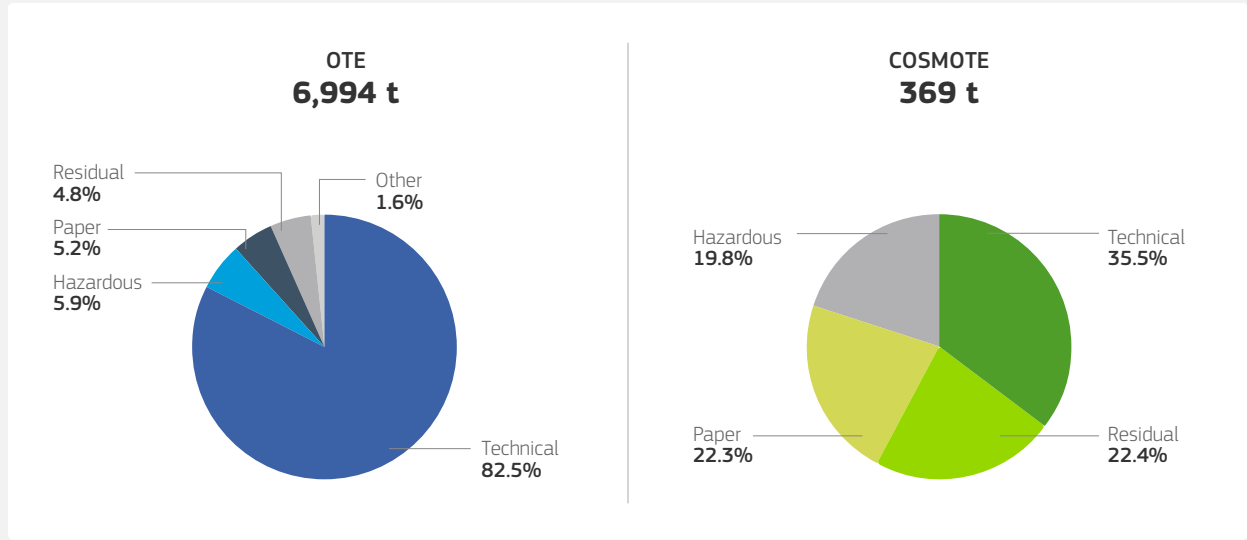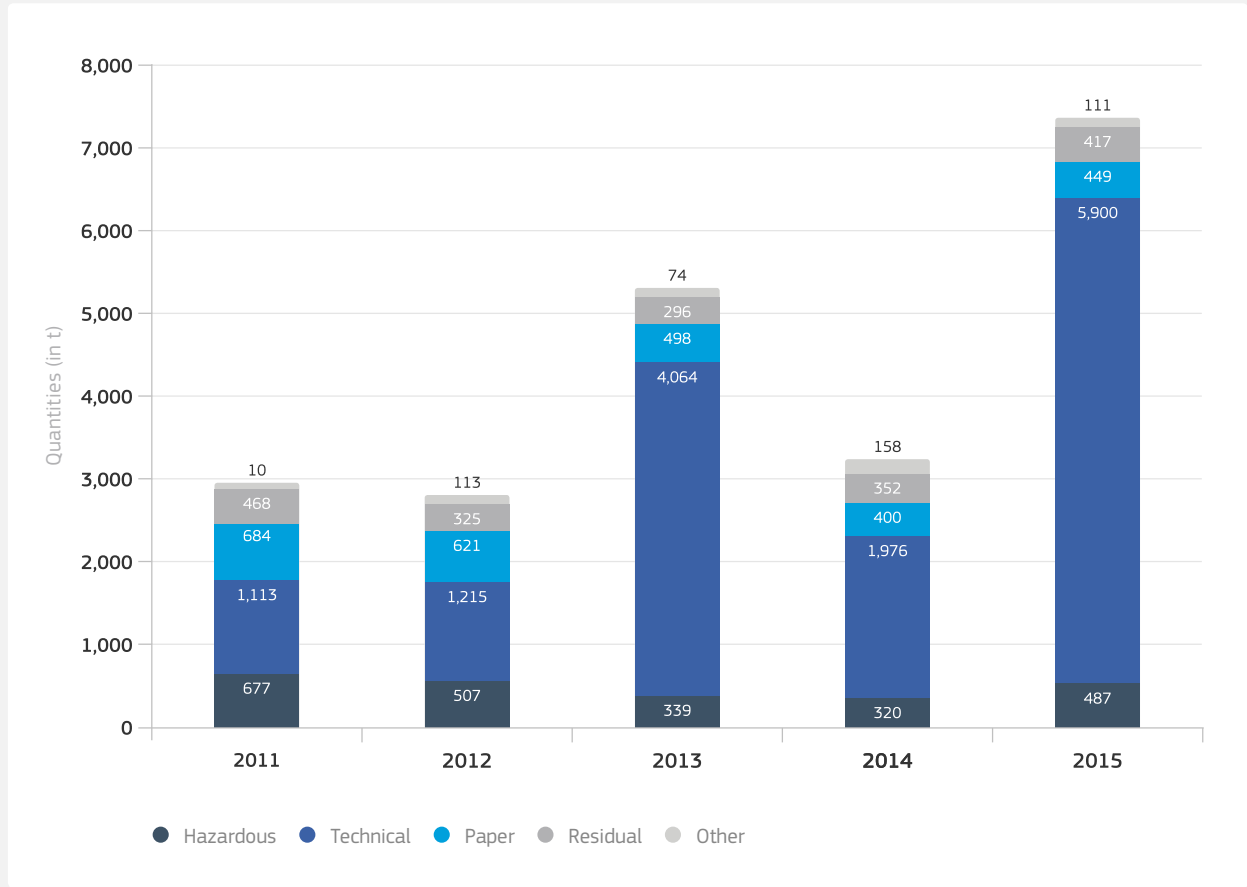
NOTE:

The category Hazardous includes technical and non-technical hazardous waste

About this Report | CR Strategy and Management | Marketplace | Employees | Society | Environment | OTE Group Subsidiaries | Appendices

6.5.2 Waste Management

OTE and COSMOTE have developed a widespread network for the monitoring, collection, storage and management/recycling, which covers all their activities nationwide (including the recycling program for mobile phones, fixed line phones, phone accessories, home batteries and ink cartridges implemented in the retail network) and they work together with certified waste management companies[1] to ensure (a) the proper management of generated waste and (b) the recovery of the materials contained (e.g. copper, iron and steel, etc.) that can be used as raw materials for the production of other goods resulting in conservation of natural resources. 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[2].

With a view to expand the lifetime of the equipment provided to customers but also to ensure the proper management of terminal equipment, contracts for fixed telephony, internet and TV include lease terms for the equipment provided (assuming that the customer chooses to purchase the necessary equipment from OTE). According to these terms, the equipment is under a warranty as long as the contract is active, while the customer has the obligation to return it after the expiration of the contract. Therefore, OTE is the owner of the equipment which enables, inline with its waste management policies in place, the proper management of the discarded equipment through the waste management companies with which OTE cooperates. For 2015, all new contracts (residential and commercial customers) included lease terms for terminal equipment.

Existing recycling programs cover the whole of hazardous and technical waste. Solid waste disposed accounts for less 10% of the total waste generated. No spills (from the management of lead batteries and lubricant oils) occurred in 2015. Detailed information on the waste generated / managed for the period 2008 – 2015 are provided in the file "Environmental Performance Data - Waste", while more information on the recycling program implemented in COSMOTE and GERMANOS retail network is presented in the section Public Awareness.

6.5.3 Resource Use

OTE and COSMOTE are not actually manufacturing any products but provide telecommunications services and therefore use of materials is restricted to paper and packaging materials (for the products placed in the market).

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 COSMOTE and GERMANOS retail network (for contract renewals, address changes, deactivations etc.), where available,

- the option to renew air time by using e–voucher offered to COSMOTE pre–paid customers,

- the electronic submission and handling of applications made by telecommunication operators (1.34 million applications) and

- the program "Work Force Management (WFM)" concerning Technical Field Operations

resulted in savings of 150.5 t paper.

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[1] Waste lubricant oils from vehicle maintenance are collected and managed by the associated car service companies.

[2] Quantities collected (and forwarded for recycling) in COSMOTE and GERMANOS retail network 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 2015, office paper consumption amounted to 220.3 t (OTE: 182.7 t; COSMOTE: 37.7 t), while paper recycling reached 183.5 t (OTE: 155.7 t; COSMOTE: 27.8 t).

In addition, necessary arrangements (started in 2015), so that by the end of 2016 all bills sent to customers are printed on FSC (Forest Stewardship Council) certified paper, are in progress.

With respect to **packaging materials**, 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. Therefore, 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.

Paper, cardboard and plastic are the packaging materials used by OTE and COSMOTE. In 2015,

- the average weight of OTE packaging was about 94 g per unit (Paper - Cardboard: 188,980 kg; Plastic: 38,590 kg)

- the average weight of COSMOTE packaging was about 4.3 g per unit (Paper - Cardboard: 19,500 kg; Plastic: 11,460 kg)

Emphasis is also given in the management of ink cartridges due to the potential hazardous substances that they may contain and to the slow decomposition rate of their constitutive parts. In this context, use of refilled ink cartridges accounted for 68% (for OTE) and 93% (for COSMOTE) surpassing the targets set (50% and 40% respectively).

Recycling Program in Buildings

OTE and COSMOTE implement (since 2013) an internal recycling program in buildings. The program, which encourages the recycling of waste generated in offices, is based on the sorting–at–source principle, with centralized waste collection and management.

Through the implementation of the program, OTE and COSMOTE contribute to the achievement of the national targets for packaging materials recycling, in a documented way, while raising environmental awareness of their employees.

The scope of the program covers about 7,000 employees in 15 buildings and in 2016 it will be expanded in two buildings more, covering 600 additional employees. The equipment that has been installed up to now includes 178 recycling stations and 2,940 paper recycling bins.

When designing the expansion of the program (June 2015), a survey was conducted in the 6 buildings that were then participating in the program. The scope of the survey (in which more than 600 employees participated) was to find out the employees' opinion on program implementation issues, with a view to identifying good practices as well as areas for improvement and corrective actions. According to the results of the survey, more than 96% of the participants consider the program significant in raising awareness regarding recycling and its benefits. In addition, 81% of the participants is well aware of the scope and the characteristics of the program, while 93% evaluates positively the functionality of the equipment installed.

In 2015, 91.5 t were recycled, of which 77.7 t paper, 7.6 t plastic, 300 kg aluminum, 2.1 t ink cartridges and 3.8 t other packaging materials, as well as 388 kg home electric and electronic devices.

6.6 Electromagnetic Fields

Why it matters

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 and COSMOTE pay particular attention to providing products and services that not only meet the increasing needs of their customers but are also safe and manufactured under international conventions and standards.

OTE Group has adopted and implements 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. Issues related to EMF are managed through the Environmental Management System of OTE and COSMOTE, which is certified according to the ISO 14001:2004 standard, and all relevant procedures for monitoring, review and adopting corrective / preventive actions if necessary, are applicable.

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 Group (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 2015 was about € 250,000.

In addition, all products placed in the 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.

6.6.2 Monitoring the levels of EMF Radiation

A continuous EMF measurements Program, called "Pedion24", has been developed by the Laboratory of Mobile Radio Communications of the National Technical University of Athens, the Radio Communications Laboratory of the Aristotle University in Thessalonica and the ICT Laboratory of the University of the Aegean, with the support of COSMOTE.

The objective of the program 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 2005 and has been fully operational since 2006. In 2015, the Internet and Telecommunications Systems, Services and Security Laboratory of 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 (initially 22 measurement stations), and 14 new stations were added in 2015 bringing the total to 232. Of the nearly 62 million measurements taken in the last decade, none has been found to exceed legal limits. In 2015, 46 further ad hoc measurements were conducted by specialized scientific personnel of COSMOTE (scientific personnel of Environmental Electromagnetic Fields Measurements Laboratory), and 14 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, while the measurements made by the Greek Atomic Energy Commission (to a sample of at least 20% of the base stations operating in urban areas, annually) led to the same conclusion.

The COSMOTE Environmental Electromagnetic Fields Measurement Laboratory has been accredited according to EN ISO / IEC 17025 standards since 2012.

The EMF measurement laboratory of OTE developed an Antenna Anechoic Chamber, in order to analyze the effect of EMF radiation in the wireless (WiFi) interface of the xDSL broadband terminals, 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.

"Pedion 24" Program
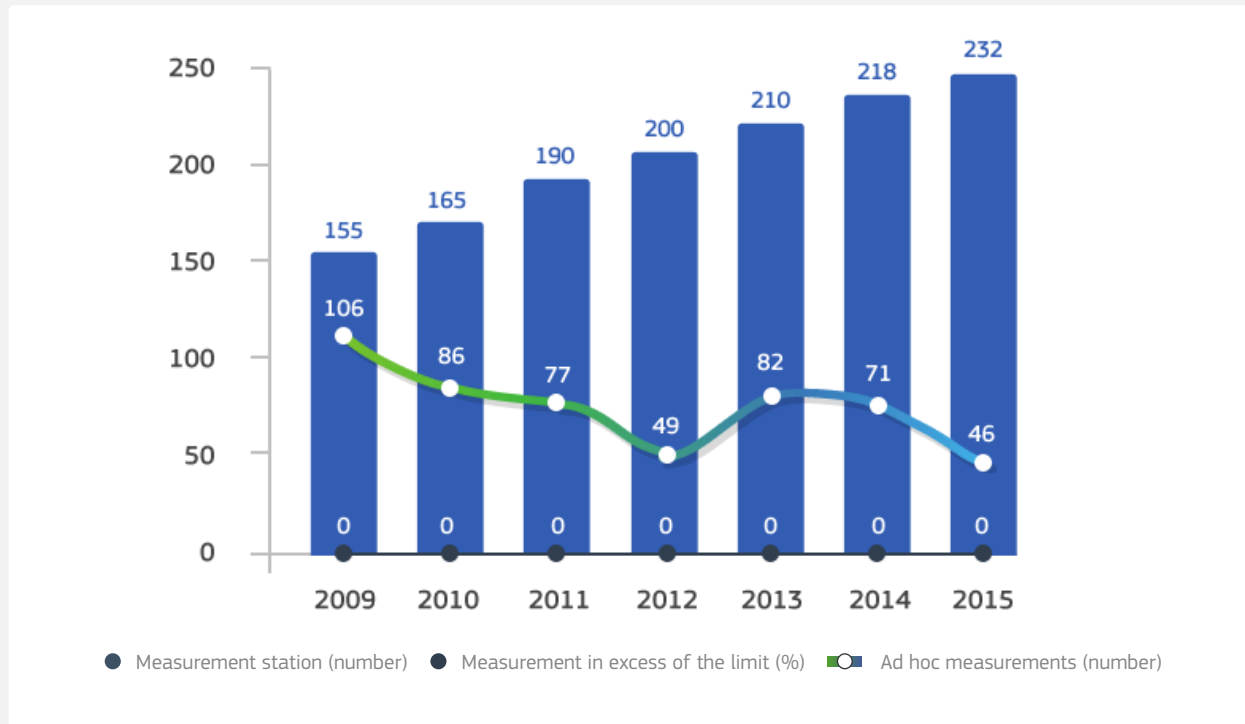
NOTE:

Ad hoc measurements: Measurements by ISO 17025 certified laboratories, in which the partial contributions of base stations, broadcasting transmitters or other sources to the EMF background are shown.

6.6.3 Informing Society and Employees

With a view to raising 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 Program", where the way the respective measurement and assurance program functions are described. The leaflet was distributed to over 800 citizens.

- "How mobile telephony works", distributed to over 1,500 citizens.

Briefings and presentations were also conducted by staff employees to students from schools and Universities. In 2015 such briefings were conducted to 150 students, as well as to 500 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.

6.7 Other Environmental Aspects

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). In 2015, a process was initialized for the substitution of ODS in its installations (1,000 kg R22 were removed, i.e. 51% of R22 stock in equipment), while OTE has in place relevant procedures, in line with legislation in force. In 2015, there was no R22 replenishment in OTE and COSMOTE facilities.

Currently, hydrofluorocarbons (HFC) blends are utilized either for substituting ODS or for installation in new cooling systems. The quantity replenished for 2015 was about 6.4 t of refrigerants, which is equivalent to GHG emissions of about 12.9 kt CO_2 eq (increased by 30% compared to 2014, due to the equipment aging and its continuous operation). These emissions account for about 4.5% 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					
	2011	2012	2013	2014	2015
OTE					
R22 (kg)	2,981.33	731.00	718.00	70.00	0.00
R407C (kg)	3,077.50	3,990.00	4,197.80	2,865.00	3,451.34
R410A (kg)	258.00	515.00	596.50	40.00	83.98
R134a (kg)	22.60	211.00	21.00		30.00
R417A (kg)	2,590.00	2,346.00	2,801.00	1,490.00	1,996.70
R422 (kg)		209.50	416.00	145.00	220.00
R404 (kg)		367.00	20.00		
COSMOTE					
R22 (kg)	266.00	337.00	273.00	226.10	0.00
R407C (kg)	681.00	471.60	362.00	346.80	330.40
R410A (kg)	433.00	191.00	122.00	126.70	224.00
R134a (kg)	0.00				
R417A (kg)			6.00	14.00	81.30
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. Global Warming Potential (GWP) values applied are those included in the Annex III of Decision 24/CP.19 and derive from the 4th Assessment Report of IPCC.

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 2015 was 151,726 m^3, which corresponds to a 10% decrease compared to 2014 (167,913 m^3).

Water Consumption
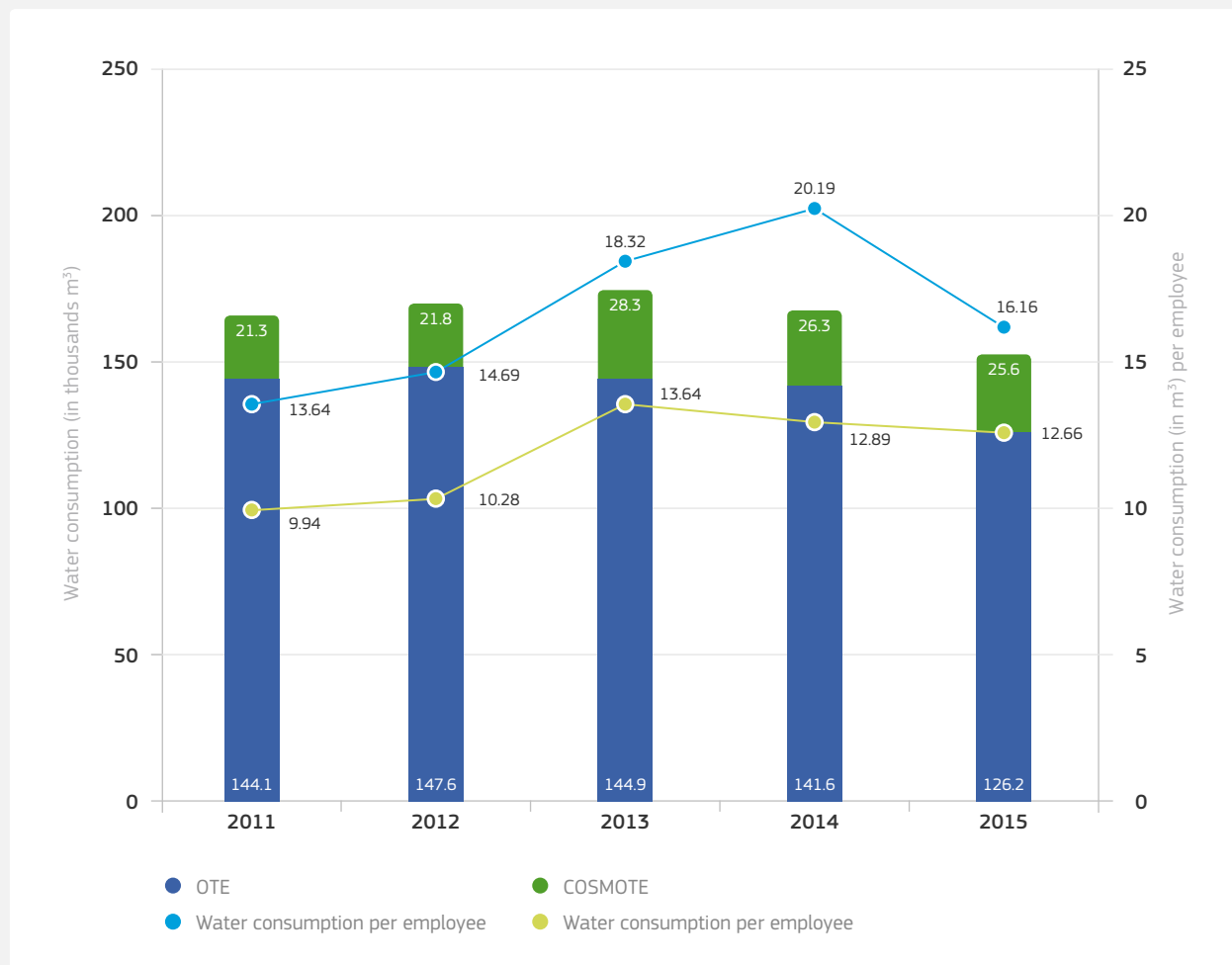
Wastewater from OTE and COSMOTE operations refers to domestic wastewater, which is directed to the available wastewater networks and is treated according to area–specific processes in the municipal wastewater facilities. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2015.

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 2015, there were 493 COSMOTE base stations and 186 OTE base stations installed in 190 and 95 NATURA sites respectively, and covering a total area of 2.465 ha and 25.01 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 Environment and Energy. All stations operating in NATURA sites are fully licensed by the Hellenic Telecommunications and Posts 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 minimizing any potential impact that their activities (fixed and mobile telecommunication installations and offices) might have on biodiversity. In this vein it should be noted that:

- Potential impacts are mainly related to the operation of installations in 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, 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
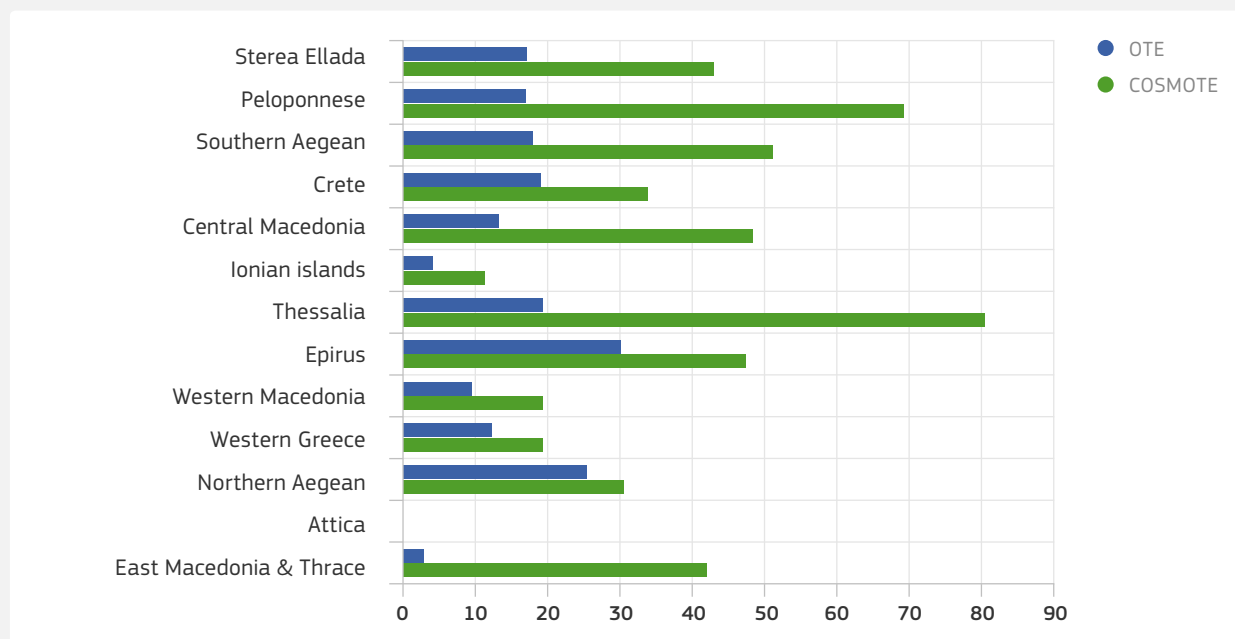
6.7.4 Visual Impact

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	2011	2012	2013	2014	2015
New base stations [1]	323	119	107	145	166
New base stations collocations	25	0	2	1	0
Special constructions					
OTE	2	2	4 [2]	4 [2]	4 [2]
COSMOTE	147	82	70	114	150

[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

In general, the noise impact from OTE and COSMOTE activities is insignificant, as it is restricted to (a) the operation of electricity generators that are necessary in 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 the 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.

6.8 Environmental Awareness Activities

6.8.1 Employees' Awareness

OTE and COSMOTE 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 2015 include:

- On the occasion of the World Environment Day:

  o The results of the Environmental Programs in place were announced in OTE and COSMOTE Intranets. Emphasis was given on the programs concerning climate change and energy as well as on the recycling programs in buildings and stores.

  o Employees and the public participated in a series of environmental activities organized by 42 employee cultural centers of OTE in various areas of Greece for the 6th 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 implementation of informative, awareness and training actions with a view to enable the efficient operation of the recycling program in buildings:

  o With a view to identifying good practices as well as areas for improvement and corrective actions, a survey was conducted about the employees' opinion on program implementation issues (see Waste Management). More than 600 employees participated in the survey.

  o Informative and training activities for all groups involved in the program implementation were carried out (July and December 2015), aiming at enhancing cooperation and improving the functionality of procedures established.

- The reception program for new employees (entitled "Welcome on board") that includes a specific section on Corporate Responsibility and Environmental Management. In 2015, 278 new employees attended the program.

- Participation in WWF's "Earth Hour".

6.8.2 Public Awareness

An important objective of the environmental strategy in place is to increase customers', and the society in general, awareness on ways to reduce their own environmental footprint, through their active participation.

In this context, the implementation of the recycling program for batteries, ink cartridges and phone devices (fixed and obile with their accessories) implemented in the COSMOTE and GERMANOS retail network was intensified.On the occasion of the World Environment Day a promotional campaign took place in the COSMOTE and GERMANOS retail network. It lasted for 2 weeks and customers who visited our retail network in order to recycle their old mobile devices could buy their new smartphone / tablet with a discount of up to € 20.

Recycling Initiatives in Stores

Legend:
- Phone devices & accessories (kg)
- Home appliances batteries (kg)
- Ink cartridges (pieces)

2011: 34,595 | 50,224 | 1,066
2012: 23,855 | 41,527 | 1,771
2013: 23,029 | 44,861 | 1,246
2014: 30,338 | 41,797 | 3,087
2015: 22,048 | 36,516 | 3,691
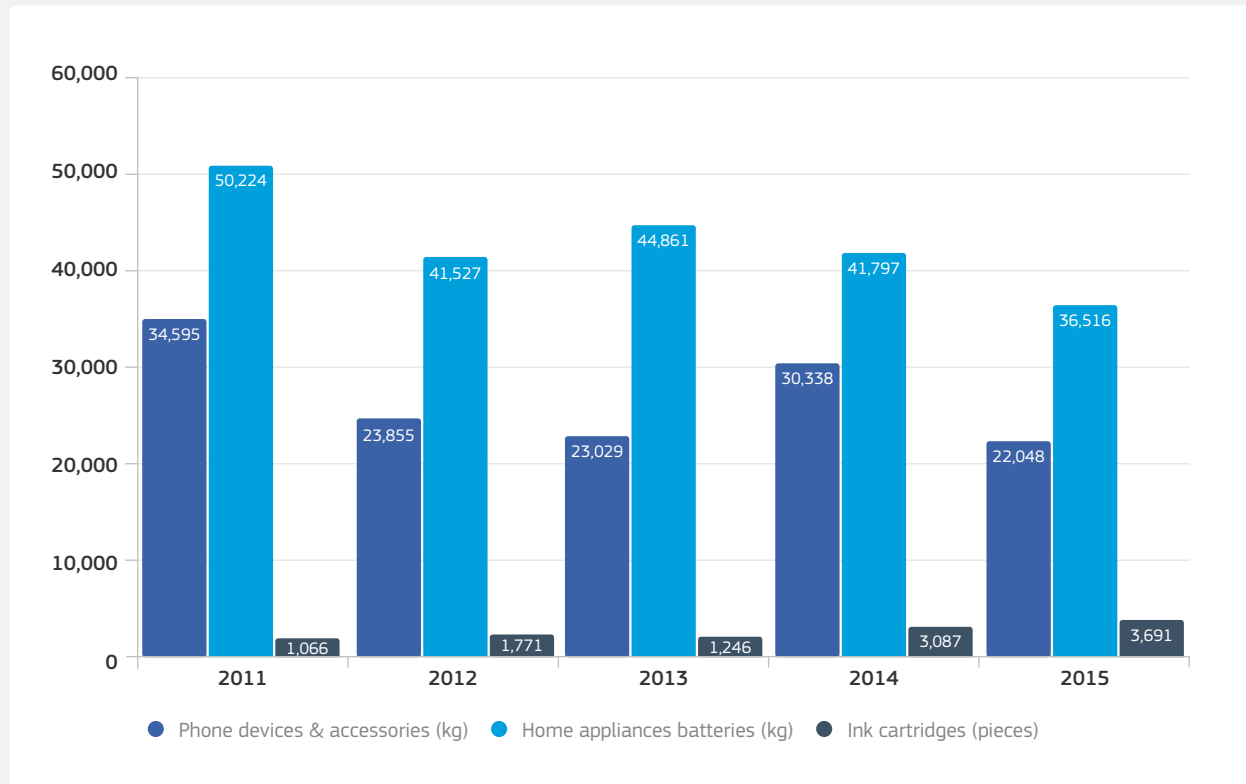
NOTES:

1. GERMANOS retail network is included

2. As of 2013, the initiative for ink cartridges recycling concerns all stores

3. Phone devices and home batteries collected from customers at COSMOTE retail network are included in the category "Technical waste" following reporting arrangements within the DT group

4. The category "Phone devices and accessories" also includes quantities collected by the OTE technical staff during on–site visits (maintenance and service) to customers.

At the same time, OTE and COSMOTE actively participate in events addressing and enhancing environmental responsibility.

- With the aim to making 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.

During the Athens Bike Festival 2015, visitors used the Bicycle Simulator installed there, and more than 650,000 kilometers were "translated" into € 5,000 that were donated to support implementation of the program "Climate Action! Together we are one with children" run by Mediterranean SOS Network.

- The national volunteering initiative "Let's do it Greece" was sponsored in 2015 (as in 2014). The scope of the campaign was to raise awareness about volunteerism and to coordinate, in one day (26/4/2015), clean-up activities of citizens, voluntary teams, sports clubs, municipalities, environmental NGOs, schools, etc. all over Greece. The participation of more than 48,500 volunteers in one day exceeded all expectations.

- In order to increase schoolchildren environmental awareness, OTE and COSMOTE supported, in 2015, educational initiatives through the continuation of strategic partnerships with two NGOs (Philodassiki Enossi Athinon and Callisto–Environmental Organization for Wildlife and Nature, Wildlife and Nature Conservation Society), and also supported the educational program of Mediterranean SOS Network. Additional support to the activities of the first two NGO was provided through the recycling program in the 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 (15 t for the period 01.06.2014 – 31.12.2015).

Schoolchildren Awareness on Enviromental Protection	
NGO	**Environmental educational programs**
Philodassiki Enossi Athinon	In the context of the 2015 environmental education programs, more than 1,500 adults and 2,500 children participated in activities such as reforestation, cleaning up forest roads and paths, maintenance of the Aesthetic Forest of Hymettus, pruning and preparation of trees in the olive grove in the Aesthetic Forest. Education programs and volunteering initiatives contribute in raising environmental awareness but also in developing team spirit.
Callisto-Environmental Organization for Wildlife and Nature	• The educational courses "The forest animals go to school" and "We and our forest" were attended by 25 schools (903 students). • The educational seminars "Man and mammals. Conflict and coexistence" and "The issue of poisoned baits" were attended by 203 children. • Twelve environmental education workshops for teenagers 15 – 18 years old were co-organized with the The Association of Friends and Volunteers of the Society for the Protection of Minors (7 to 10 participants per workshop).
MEDITERRANEAN SOS Network	As part of the educational program "Climate Action! Together we are one with kids" 1,241 school students had the opportunity to learn about climate change and its impacts, renewable energy sources and their development prospects, and their contribution in climate change mitigation. Teachers had at their disposal a complete training package, which is available through the educational website of the Mediterranean SOS Network on Climate Change (www.climateactions.gr).

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 Management 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 Telecom Albania. Full details on the company's performance are available on its website.

7.1 Romania

Telekom Romania Communications and Telekom Romania Mobile Communications, jointly operating under the brand Telekom Romania, provide a full range of telecommunication services that include 3G and 4G mobile voice and mobile data services, traditional fixed telephony, high speed internet of up to 1 Gbps and television on multiple technology platforms, including IPTV, as well as high quality and exclusive content in order to offer a complete entertainment experience on all screens. For business customers, Telekom Romania provides access to complete telecommunications and turn-key IT&C solutions, which support companies of all sizes to become more competitive.

At the end of 2015, Mr. Miroslav Majoros was appointed CEO of Telekom Romania Communications and Telekom Romania Mobile Communications, starting January 1, 2016.

The Boards of Directors are responsible for taking 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.

In 2015, Telekom Romania pursued further its strategic development, focusing on delivering the best possible customer experience and aiming at offering best in class technology. A major step in this was the launching of MagentaONE, a new commercial concept for integrated fixed and mobile bundles, addressing both residential and business customers.

By the end of 2015, over 208,000 customers had chosen one of the integrated offers, proof that MagentaONE launch provides a substantial edge over the competition. MagentaONE offers for more user-friendly and simpler communication packages, namely:

- Everything in one place for all fixed and mobile communication needs: One Stop Shop, one Call Center, one bill, one MyAccount (including one mobile app);

- 10 seconds average waiting time in the call centre for customers of integrated fixed and mobile services;

- Entertainment and exclusive broadcasts (mainly sports competitions such as UEFA Champions League and Euro 2016 matches) on all screens (TV, tablets, laptops, smartphones).

On the mobile segment for residential customers, Telekom Romania introduced several unique features, such as unlimited communication even without available credit, the concept of "guaranteed for life", including the online dedicated platform "Tadaaam" targeting the younger customers. On the fixed segment, the rollout of fiber optics (FTTx) throughout the country is bringing to customers up to 1Gbps speed for Internet and interactive technology (IPTV).

Technology wise, the efforts of Telekom Romania continued to focus on the roll out of high end technologies such as FTTx for fixed and 3/4G for mobile. Also, the group of companies participates in an EU funded project to deliver Internet access to 783 localities in Romania.

In terms of innovation, Telekom Romania is focusing on multi-faceted solutions for smart cities, such as smart lighting, smart transportation, smart parking, and others, including telemedicine. These solutions are based on the "Internet of Things", which utilize mainly Machine-to-Machine solutions, many of them already present in Telekom's portfolio (GPS Tracking, vending machine monitoring and a smart office type solution, as well as a new SIM management platform offering to M2M customers advanced SIM management functionalities). Additionally, Telekom Romania is supporting the local startups community by providing several business support tools.

CR Strategy and Management

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.

The CR strategy of Telekom Romania is aligned with those of Deutsche Telekom and OTE Group. Telekom Romania coordinates with DT Group Corporate Responsibility and OTE Group Corporate Communications Divisions to ensure a common approach, understanding of and engagement in CR by all employees and stakeholders. Telekom Romania's sustainability efforts, as do DT's and OTE Group's, comprise five pillars: Strategy and Management, Marketplace, Human Resources, Society, and Environment.

Since May 2015, Telekom Romania is a member of the Global Compact Network Romania, and its CEO is a member in its Steering Committee. Thus, Telekom Romania is formally committed to respect the Ten Principles of the United Nations Global Compact (in the areas of human rights, labor, environment and anti-corruption).

Corporate Responsibility, from the organizational perspective, is part of the remit of the Corporate Communication Romania Division, which reports directly to the 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, are deployed on a yearly basis. In 2013, Romtelecom (currently 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. In 2014, Telekom Romania Communication was certified under IDW PS 980 (German standard) for compliance to anti-trust practices law.

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 in its daily operation. Both operating entities have developed a business process model based on eTOM (enhanced Telecom Operations Map) and hold several management system certifications in the areas of quality, environment, health and safety, information security, business continuity etc.

Telekom Romania has identified its group of stakeholders and monitors closely their opinion, through internal and external surveys.

Telekom Romania through its two legal entities connected to the brand received wide recognition in 2015, for its achievements, namely:

- Telekom Romania was awarded twice in the Romanian CSR Awards, first place in the category "Community Support" for Teimplici.ro project, and second place in the category "Internal CSR campaigns" with Recycle and Innovate project (April 2015).

- Telekom Romania was awarded the "Greenest company in Romania", at the Forbes Romania's Gala, for social responsibility and involvement in collecting and recycling waste (November 2015).

- Telekom Romania received "The Silver Award for Excellence", for the campaign Recycle and Innovate, at the Romanian PR Awards, 23th edition (November 2015).

- Telekom Romania was ranked 1st in the IT&C industry and 6th nationally in the Romanian CSR Index 2015, a ranking based on disclosure of non-financial data according to Directive 2014/95/UE, GRI G4 and Dow Jones Sustainability Index 2014. The CSR assessment includes the Top 100 most valuable companies in Romania (as ranked by Ziarul Financiar, most prestigious financial newspaper in Romania (December 2015).

Telekom Romania contributes to the DT- Climate Change Strategy, which calls for expanding the use of green technologies throughout its stakeholders' range to help slow climate change by reducing the CO_2 emissions. The target is to reduce at Group level the CO_2 emissions by 20% by 2020 (compared to 2008).

Both companies of Telekom Romania provide data for DT and OTE Group indicators, and qualitative and quantitative information to be included in the respective sustainability annual reports.

The key CR performance indicators of Telekom Romania operating entities' performance in 2015 are presented in the following table.

	Telekom Romania Communications	Telekom Romania Mobile Communications
Financial Performance		
Total revenues (mn €)	601.7	438.5
Payroll and employee benefits (mn €)	87.6	Non Disclosable
Total operating expenses (mn €)	671.2	467.4
EBITDA (mn €)	101.5	85.8
Pro forma EBITDA[1] (mn €)	118.4	87.1
Marketplace		
Fixed-line subscribers (number of subscribers)	2,178,870	-
Mobile telephony subscribers (number of subscribers)	-	5,754,109
Broadband subscribers (number of subscribers)	1,203,545	-
TV subscribers (number of subscribers)	1,452,499	-
Employees		
Employees with indeterminant term contracts (number of employees)	5,344	1,024
Female employees (%)	37	53
Employees covered by collective bargaining agreements (%)	100	0
Employee turnover as a percentage of total employees (%)	4.93	22.52
Work-related fatal accidents (number of employees)	0	0
Work-related non-fatal accidents (number of employees)	4	0
Work-related non-fatal accidents[*] (lost days)	360	0
Health and safety training (hours/employee)	20.10	11.59
Total training[**] (hours/employee)	26.11	20.73
Employees trained (number of employees)	5,411	962

[*] Lost days are counted as calendar days.

[**] The training developed by Human Resources or reported to Human Resources, plus Health and Safety.

	Telekom Romania Communications	Telekom Romania Mobile Communications
Society		
Sponsorships – Donations (incl. in-kind) (€)	362,744	250,986
Volunteering projects (number of projects)	11	11
Voluntary participation of employees in corporate responsibility initiatives (number of participations)	220	51
People supported (number of people – estimated)	208,241	198,187
Environment		
Electricity consumption (GWh)	135.13	79.91
District heating and fuel consumption in buildings/telecom network (GWh)	28.06	1.85
Fuel consumption in vehicles fleet (GWh)	34.06	7.34
Direct (scope 1) CO_2 emissions (t)	11,859.08	2,218.04
Indirect (scope 2) CO_2 emissions (t)	50,793.11	28,447.74
Hazardous waste (t)	49.41	0
Non-hazardous technical waste (t)	2,881.59	179.85
Recycling of phone devices and accessories (t)	0.20	0.08
EMF measurements (number of measurements)	35	19

Data for the years 2013-2015 are available in "OTE Group Key Performance Indicators"

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.

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. Protection of children using communication technology is extremely important in a world where mobile and fixed line communication is constantly advancing, both technologically and in the services provided, thus becoming easier and more attractive to them.

To ensure that the companies' communication material is consistent with legal requirements, appropriate, fair and sincere, accurate and respecting people's differences, 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, 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.

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, and having aligned its practices with the Suppliers' Codes of Conduct to OTE and COSMOTE guidelines, 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 these 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.

Telekom Romania supports innovation through numerous partnerships with hubs encouraging startups and entrepreneurs. Telekom Romania conducts international competitions such as the "Innovation contest" and the "Business Wall of Fame", initiated by Deutsche Telekom. In addition, it participates in conferences, such as the "How to Web", the most important event dedicated to innovation in technology and entrepreneurship in Southeast Europe, and engages in pilot projects for applications or accelerators.

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 Workforce's Benefits.

Telekom Romania employs 6,368 people, 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 applying appropriate corrective measures. It is worth mentioning that, during the last year, no fatal and only four non-fatal work- related accidents occurred (which resulted in 360 lost days). In 2015, all employees from both companies took part in health and safety trainings, totaling 126,923 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, TSN Group, CEO App, e-mails, weekly electronic newsletters, SMS messages, and informative leaflets and posters. In 2015, the new integrated Intranet platform was launched to provide a single "info point" for all employees of Telekom Romania. Among the main objectives was to align personnel efforts towards achieving the company's vision through the "Think One strategy". The strategy was promoted among Telekom Romania employees via dedicated internal communication campaigns.

Society

Telekom Romania's objective is to couple its business success to 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 2015 exceeded € 600,000.

In 2015, Telekom Romania developed a new edition of the Teimplici.ro project, which focused on identifying projects implemented in communities through the use of new information technologies in the areas of education, health, environment, innovation, development and social protection. Non-governmental organizations submitted 133 projects following the call on Teimplici.ro platform, and 20 projects were selected to be presented to a jury, to select 10 to be sponsored in 2016.

Telekom Romania developed a new edition of the "Telekom Scholarships" program aimed at supporting young people with outstanding academic achievements, by granting 10 scholarships of 10,000 lei in total value each. So far 85 young people have benefited from such excellence scholarships through the Telekom Romania programs. In addition, a project was put in place in the summer of 2015 co-funded by EU that enabled 200 students to enter an internship program in Telekom Romania.

Telekom Romania Foundation is a non-profit organization that supports different categories of people with special circumstances, social causes, children diagnosed with serious illnesses, and talented young people, and answers to humanitarian calls in case of natural disasters. The Foundation is the continuation of the Romtelecom Foundation for Romanians, launched in 2008, and is the link between Telekom Romania and the community in which it operates. The Foundation

aims to identify, through direct interaction with the employees of the 2 companies and the communities in which they operate, the areas and the social categories that primarily need support and to answer their real needs.

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 2015, 271 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's involvement in the community also included sponsoring the Robbie Williams concert in Bucharest, in July, as quality entertainment and implicitly music was an important part of Telekom's strategy for 2015. Furthermore, Telekom became the main sponsor of the National Romanian Football Team as supporting sport activities is also one of the key priorities for Telekom.

In 2015, Telekom Romania, in partnership with SmartAtletic and Getfit, organized the fifth edition of the "Biggest Sports Hour" event in Bucharest, Brașov and Mamaia. In total, over 50,000 persons took part at the sports classes as active participants or supporters.

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.

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 programs with specific goals, implementing them and monitoring their progress. Additionally, it collects and recycles various materials, 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.

Telekom Romania's commitment to protect the environment is also expressed in the companies' environmental policies, and through the application of environmental management systems certified according to ISO 14001. In 2015, an information campaign was developed for employees to increase their awareness regarding the Environment Management System (EMS), its programs, environmental targets and key performance indicators.

In October 2015, within the Children Forest program, Telekom Romania volunteers, along with volunteers from the ViitorPlus organization planted 1,800 oak and linden saplings in an area in Drăgănești-Vlașca village in Teleorman County. In November 2015, 100 Telekom Romania volunteers planted 7,000 saplings near the city of Ploiesti; an initiative that was organized within the "Adopt a forest" program and developed together with MaiMultVerde Association.

Telekom Romania has supported forestation programs, for more than 7 years, in partnership with environmental NGOs. Since 2009, over 900 Telekom employees and volunteers have planted 50,500 saplings.

Furthermore, Telekom Romania "planted" the Strawberry Tree, the first solar energy-based public charger in the world designed for mobile devices, making the most of the benefits that renewable energy sources offer in crowded public spaces. "The Tree" can be used for charging mobile phones, tablets, laptops, multimedia players, while providing free Wi-Fi internet to the users in public areas.

Telekom Romania monitors the levels of electromagnetic fields (EMF) in its respective networks and locations, and it is in the process of streamlining its EMF Policy with that of DT.

7.2 Albania

OTE Group operates in Albania through Telekom Albania offering mobile telephony operations. Telekom Albania is in the process of developing its annual 2015 CR Report, to be published in 2016.

CR Strategy and Management

Telekom Albania, as reflected in its everyday operations, abides by a well-established CR strategy. As the first telecommunications company in Albania to implement a Quality Management System (ISO 9001), an Occupational Health and Safety System (OHSAS 18001), and an Environmental Management System (ISO 14001), and to be recognized for its Business Excellence and Social Contribution, Telekom Albania is committed to conducting its business in an environmentally sustainable manner.

In 2015, after 20 years of success and innovation in the telecommunications market, it started to offer its services under the Telekom brand identity which stands for competence, innovation and simplicity. Under the new brand, in line with its new slogan "Moments that connect us" it provides its customers with anytime, anyplace connectivity and superb overall service. The Company's overarching aim is to offer enhanced value to both its subscribers and the entire society.

In 2015, Telekom Albania launched its fourth generation technology service, providing speeds of up to 150 Mbps and enabling high speed transmission of large data quantities and in this manner numerous useful applications in everyday life. The products and services of Telekom Albania are offered via the biggest retail network in Albania. In 2015, the company offered 15 new services and over 145 new and improved offers and packages.

Telekom Albania participates in the OTE and DT CR Managers' Network, as well as in the local CR network of companies. Its Corporate Affairs Department has full responsibility for Telekom Albania CR related sponsorships and projects.

In 2015, several campaigns, such as the campaign to save water and reduce energy consumption, and the campaign to recycle all items with AMC branding, have aimed at increasing the awareness of Telekom Albania employees of CR activities. In addition, several communications to the network of outlets have helped to improve recycling of all paper and plastic in the shops.

The key CR performance indicators of the company's performance in 2015 are presented in the following table.

	Telekom Albania
Financial Performance	
Total revenues (mn €)	82.7
Payroll and employee benefits (mn €)	Non Disclosable
Total operating expenses (mn €)	Non Disclosable
EBITDA (mn €)	20.6
Pro forma EBITDA (mn €)	20.6

	Telekom Albania
Marketplace	
Fixed-line subscribers (number of subscribers)	-
Mobile telephony subscribers (number of subscribers)	1,730,075
Broadband subscribers (number of subscribers)	-
TV subscribers (number of subscribers)	-
Employees	
Employees with indeterminant term contracts (number of employees)	446
Female employees (%)	59
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)	2.34
Total training (hours/employee)	5.52
Employees trained (number of employees)	67
Society	
Sponsorships – Donations (incl. in-kind) (€)	194,537
Volunteering projects (number of projects)	7
Voluntary participation of employees in corporate responsibility initiatives (number of participations)	0
People supported (number of people – estimated)	5,770

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* Lost days are counted as scheduled work days.

	Telekom Albania
Environment	
Electricity consumption (GWh)	19.99
District heating and fuel consumption in buildings/telecom network (GWh)	7.37
Fuel consumption in vehicles fleet (GWh)	1.21
Direct (scope 1) CO_2 emissions (t)	2,262.69
Indirect (scope 2) CO_2 emissions (t)	139.90
Hazardous waste (t)	50.91
Non-hazardous technical waste (t)	63.14
Recycling of phone devices and accessories (t)	1.61
EMF measurements (number of measurements)	4

Data for the years 2013-2015 are available in "OTE Group Key Performance Indicators".

Marketplace

The Supplier Evaluation Process is an annual process carried out by the OTE Group, of which Telekom Albania is a part. Its aim is to evaluate not only the performance of the suppliers based on the quality and efficiency of their products or services, but also on their commitment in the areas of corporate responsibility and sustainability, labor relations, ethics, environment, health and safety, and business continuity management.

In 2015, 55 local suppliers and 20 global suppliers have been evaluated. The evaluation process covered all suppliers who had received orders above €2 m, all suppliers of important commodities with orders above €500,000, and selected local suppliers (at the request of the respective corporate budget owners).

Through the Supplier Evaluation Process, Telekom Albania Management Team receives a complete quantitative assessment of each supplier's performance, which is taken into consideration in any future relationship with that supplier. With suppliers rated as "conditional" and with an active contract in place, meetings are held and appropriate actions are initiated with the intention of resolving any identified issues as quickly as possible.

Employees

In 2015, employees of Telekom Albania participated in a series of training programs that increased their performance capabilities. The training offered covered project management issues, sales techniques, utilization of the Oracle Database features, programing with PL/SQL, Business Continuity Management, ISO 22301 features and implementation, and Health and Safety topics including tower climbing and rescue rehearsals.

Of particular importance is the continuous training on privacy and data protection awareness.

The Sales personnel attended 1,635 hours of training, on topics such as basic sales principles and techniques for new employees, the use of available tools (software like EPOS, SMPOS) in everyday business transactions, training on new products and offers launched, including some by suppliers such as Samsung, and refresher courses on existing products.

Employee satisfaction is measured via the Employee Survey, which is organized at DT Group level. In this survey, Telekom Albania employees have been found to have the highest participation rate and their satisfaction rating is consistently high. The Employee Survey findings are considered by Management at its highest level, as crucial feedback in order to identify areas for improvement.

Society

Telekom Albania is committed to the long term support of people with the Down Syndrome. On World Down Syndrome Day, Telekom Albania participated in the "colorful sock" campaign of the Down Syndrome Centre Albania to raise awareness. Its employees wore colorful socks bought by themselves or the company to raise awareness and consciousness in support of people with the Down Syndrome. The proceeds from the purchases went to support the treatment program of about 30 children aged 0-13 years, which includes speech, physical, developmental and occupational therapy, music, etc. In addition, in October, the month of awareness for the Down Syndrome, Telekom Albania supported once again the "Buddy Walk" campaign.

To enable children hospitalized at the "Mother Teresa" University Hospital Centre in Tirana to follow the basic school educational programs of the educational system of the Republic of Albania, Telekom Albania donated twenty tablets. The tablets include instruction programs for children 5 to 16 years old that cover all subjects, explained by teachers and illustrated by video, movies, images, documents and maps. Moreover, Telekom Albania has also equipped the Hospital Children's Pavilion with books, so that children can spend their free time reading, learning and discovering.

Telekom Albania, in cooperation with Red Cross in Albania, at the start of the new school year, distributed a full package of school supplies to 100 orphans.

Telekom Albania has also contributed to the improvement of infrastructure of the Pediatric Hospital surgical ward by providing patient beds, furniture and IT infrastructure.

In April 2015, for the third year in a row, Telekom Albania in collaboration with the independent non-profit organization "Partners Albania" organized the "Green Ideas 2015" national competition. The purpose of the contest was to involve, through a competitive process, civil society organizations, social enterprises and small businesses in the identification, selection and support of innovative green ideas aiming at sustainable development. Seventeen finalists presented their project-ideas during the two days of competition, which was open to the public. An evaluation panel consisting

of experts in the fields of economic development, education, and social responsibility of businesses, from international institutions and a representative from Telekom Albania selected the best three green ideas, including the "Zejtaret e Veriut" project, which aims at designing and producing handmade apparel solely from recycling materials .

Environment

In the framework of its commitment for a better environment, Telekom Albania has already implemented an Environmental Management System. With its assistance, the company decided to expand, as of January 2015, its mobile phones recycling program to cover all its shops and headquarters. This provided an opportunity to also initiate a plastics collection system in all its shops and buildings by placing recycling bins and reorganizing the logistics of its collection system for these waste categories. The response to both programs has been very satisfactory.

Aiming to reduce its energy consumption, Telekom Albania carried out detailed measurements of its electricity consumption of both office facilities and data centers. Based on these results, it is in the process of identifying measures for energy conservation in all its operations.

As part of "Our world, You" campaign, ideas were invited from the general public on how to improve their local environment aiming at a larger involvement of the general public in decision making, and enhancing the company's social image. Of the many proposals submitted, the following were selected for support and were implemented:

- Rehabilitation of the "Muharrem Collaku" school yard in Pogradec, which included the improvement of drainage system and the creation of a sports area for the pupils.

- Construction of a playground for people with special needs by the "The Door" organization in an ecological farm in the region of Shkodra.

- Renovation of the schoolyard of the "Vasil Sota" school in Fier to add benches and green areas.

8.0 Appendices

8.1 Accountability Principles Standard AA1000 Index

Principle applied	Methods	Report location
Inclusivity	Identification of key stakeholders and dialogue to understand key issues	CR Strategy and Management Materiality Analysis Stakeholders Stakeholder Engagement Approach Overview of Stakeholdeer Engagement Dialogue
Materiality	Identification of issues which are important to the company and its stakeholders	CR Strategy and Management Materiality Analysis Stakeholders Stakeholder Engagement Approach Overview of Stakeholdeer Engagement Dialogue
Responsiveness	Responsiveness to key issues and transparency on performance	CR Strategy and Management Materiality Analysis Stakeholders Stakeholder Engagement Approach Overview of Stakeholdeer Engagement Dialogue

8.2 United Nations Global Compact – Communication on Progress (CoP)

"In a tough economic environment and with the humanitarian crisis further intensified by the extraordinary refugee flows in our country, adhering to the 10 Principles of the UN Global Compact is of critical importance for the protection of human rights and society's needs. With these Principles as a guide and with our technological potential, OTE Group seeks to create a better world for all."

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 2015 Sustainability Report 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.

UN Global Compact 10 Principles: Actions recorded in 2015 Sustainability Report

Principle	Report location
Human rights	
1. Support and respect protection of internationally proclaimed human rights	CR Strategy Compliance Management System and Policies Fair Employment Policy Framework
2. Ensure not to be complicit in human rights abuses	CR Strategy Compliance Management System and Policies Procurement Policy Supplier Selection Supplier Evaluation Rating and Development of Suppliers Fair Employment Policy Framework

Principle	Report location
Labour standards	
3. Uphold freedom of association and effective recognition of right to collective bargaining	CR Strategy Supplier Selection Supplier Evaluation Fair Employment Policy Framework Freedom of Association and Collective Labour Agreements
4. Elimination of all forms of forced and compulsory labour	CR Strategy Supplier Selection Supplier Evaluation Fair Employment Policy Framework Freedom of Association and Collective Labour Agreements
5. Effective abolition of child labour	CR Strategy Supplier Selection Fair Employment Policy Framework
6. Elimination of discrimination in employment and occupation	Non-Discrimination, Equal Opportunities and Diversity
Environment	
7. Support a precautionary approach to environmental challenges	Enviromental Strategy Greenhouse Gases and Other Gases Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Electromagnetic Fields Other Enviromental Aspects
8. Undertake initiatives to promote greater environmental responsibility	Enviromental Strategy Telecommunications for Sustainable Development Greenhouse Gases and Other Gases Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Enviromental Awareness Activities
9. Encourage development and diffusion of environmentally friendly technologies	Resposible Products and Services Telecommunications for Sustainable Development Improving Energy Efficiency and Emissions Reduction
Anti-corruption	
10. Work against corruption in all its forms including extortion and bribery	Compliance Management System and Policies
Contribute to broader development goals	
	Expanding Broadband and Mobile Internet in Greece Internet Safety and Public Awareness Resposible Products and Services Society

8.3 Greek Sustainability Code – Declaration of Conformity

OTE Group, a Sustainability Ambassador of the initiative "Sustainable Greece 2020", participated, in 2015, in the development process of the Greek Sustainability Code that was launched in April 2016. The OTE group declaration of conformity with the 20 criteria of the Code is presented hereafter.

The 20 criteria of the Greek Sustainability Code: Actions recorded in 2015 Sustainability Report

Criteria	Report location
Strategy	
1. Strategic analysis and action	CR Strategy
2. Materiality	Materiality Analysis
3. Objectives	2015 and 2016 Goals
4. Value chain management	Responsible Procurement and Supply Chain Management Procurement Policy Supplier Selection Supplier Evaluation Rating and Development of Suppliers
Process Management	
5. Responsibility	CR Governance and Management Structure
6. Rules and procedures	CR Strategy Compliance Management System and Policies
7. Monitoring	CR Governance and Management Structure CR Performance 2015 Environmental Management Independent Assurance Report
8. Rewarding schemes and motives for sustainable development	CR Governance and Management Structure Corporate Governance Performance Evaluation
9. Stakeholders engagement	Stakeholders Stakeholder Engagement Approach Overview of Stakeholdeer Engagement Dialogue
10 Responsible products and innovation	Resposible Products and Services Products and Services for Sustainable Development Research and Innovation Energy Consumption Energy Conservation

Criteria	Report location
Environment	
11. Use of natural resources	Energy Consumption Renewable Energy Sources Energy Conservation Waste Generated Waste Management Resource Use Other Environmental Aspects
12. Management of resources	Energy Consumption Renewable Energy Sources Energy Conservation Waste Generated Waste Management Resource Use Other Environmental Aspects
13. Climate relevant emissions	Direct GHG and Non-GHG Emissions Indirect GHG Emissions from Energy Other Indirect GHG Emissions Ozone

Criteria	Report location
Society	
14. Employment rights	Human Resources Fair Employment Policy Framework Non-Discrimination, Equal Opportunities and Diversity Employee Training Human Resources Performance Data
15. Equal opportunities	Human Resources Non-Discrimination, Equal Opportunities and Diversity Health and Safety Health and Safety Policy 2015 Health and Safety Performance Prevention, Training and Awareness of Health and Safety Issues Employee Training
16. Qualifications	Human Resources Employee Development Employee Selection Employee Training Human Resources Performance Data
17. Human rights in the supply chain	CR Strategy Procurement Policy Supplier Selection Supplier Evaluation
18. Corporate citizenship	OTE and COSMOTE Expanding Broadband and Mobile Internet in Greece Management Approach Contributing to Local Well-being and Sustainability
19. Initiatives and political influence	OTE and COSMOTE Memberships Contribution, Formulation and Operation of a Responsible Marketplace
20. Corruption prevention and fighting	Compliance Management System and Policies

8.4 Global Reporting Initiative Content Index

OTE and COSMOTE Sustainability Report is based on the requirements defined by the Global Reporting Initiative (GRI). GRI has confirmed that the GRI content index of 2015 Sustainability Report of OTE and COSMOTE is accurate, and all included disclosures are labeled correctly in the Report, in accordance with the GRI G4 Guidelines.

8.4.1 General Standard Disclosures

General Standard Disclosures	Report location / Notes	External Assurance	Index summary description
Strategy and Analysis			
G4-1	Message from the Chairman and CEO	✓	Statement from the most senior decision-maker of the organization
Organizational Profile			
G4-3	Report Profile	✓	Name of organization
G4-4	OTE and COSMOTE	✓	Brands, products, and services
G4-5	Report Profile	✓	Headquarters location
G4-6	OTE Group	✓	Countries of operation
G4-7	OTE Group OTE and COSMOTE	✓	Ownership and legal form
G4-8	OTE Group CR Performance 2015	✓	Markets served
G4-9	Report Profile OTE Group OTE and COSMOTE CR Performance 2015	✓	Scale of the reporting organization
G4-10	Human Resources Human Resources Performance Data	✓	Employees by contract, region and gender
G4-11	Fair Employment Policy Framework	✓	Employees covered by collective bargaining agreements
G4-12	Responsible Procurement and Supply Chain Management	✓	Supply chain of the organization
G4-13	OTE Group	✓	Significant changes in reporting period

General Standard Disclosures	Report location / Notes	External Assurance	Index summary description
G4-14	CR Strategy CR Governance and Management Structure Risk and Compliance Management and Policies Enterprise Risk and Insurance Management System Health and Safety Policy Environmental Strategy Greenhouse Gases and Other Gases Emissions Improving Energy Efficiency and Emissions Reduction Resource Use and Waste Management Electromagnetic Fields	✓	Precautionary approach
G4-15	CR Strategy Memberships	✓	Externally developed economic, environmental and social charters, principles, or other initiatives
G4-16	Memberships Contribution, Formulation and Operation of a Responsible Marketplace	✓	Memberships of associations and national or international advocacy organizations
Identified Material Aspects and Boundaries			
G4-17	Report Profile OTE Group	✓	List all entities included in the organization's consolidated financial statements or equivalent documents
G4-18	Report Profile CR Strategy Materiality Analysis	✓	Process for defining report content and aspect boundaries
G4-19	Materiality Analysis	✓	Material aspects
G4-20	Materiality Analysis	✓	Material aspects boundary within the organization
G4-21	Materiality Analysis	✓	Material aspects boundary outside the organization
G4-22	Report Profile	✓	Effects and reasons of restated information
G4-23	Report Profile	✓	Significant changes in Report scope, boundary, methods
Stakeholder Engagement			
G4-24	Stakeholders Stakeholder Engagement Approach Overview of Stakeholder Engagement Dialogue	✓	Stakeholder groups engaged by the organization

General Standard Disclosures	Report location / Notes	External Assurance	Index summary description
G4-25	Stakeholders Stakeholder Engagement Approach Overview of Stakeholder Engagement Dialogue	✓	Stakeholder identification and selection for engagement
G4-26	Report Profile Stakeholders Stakeholder Engagement Approach Overview of Stakeholder Engagement Dialogue Materiality Analysis Customer Surveys Employee Satisfaction	✓	Approaches to stakeholder engagement
G4-27	Stakeholder Engagement Approach Overview of Stakeholder Engagement Dialogue	✓	Topics and concerns raised by stakeholders
Report Profile			
G4-28	Report Profile	✓	Reporting period
G4-29	Report Profile	✓	Date of most recent report
G4-30	Report Profile	✓	Reporting cycle
G4-31	Report Profile	✓	Contact point about the Report
G4-32	Global Reporting Initiative Content Index	✓	GRI Content Index
G4-33	Independent Assurance Report	✓	External assurance policy
Governance			
G4-34	CR Governance and Management Structure Corporate Governance	✓	Governance structure
Ethics and Integrity			
G4-56	CR Strategy Compliance Management System and Policies Management Approach Enviromental Strategy	✓	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

8.4.2 Specific Standard Disclosures

Specific Standard Disclosures	Report location / Notes	Omissions	External assurance	Index summary description
ECONOMIC				
Material Issue: Economic Performance				
G4-DMA	OTE and COSMOTE CR Strategy Strategy for the Marketplace		✓	Disclosure on Management Approach
G4-EC1	OTE and COSMOTE		✓	Direct economic value generated and distributed
ENVIRONMENTAL				
Material Issue: Effluents and Waste				
G4-DMA	Enviromental Strategy Resource Use and Waste Management Waste Management		✓	Disclosure on Management Approach
G4-EN23	Waste Generated Waste Management Environmental Performance Data – Waste		✓	Total weight of waste by type and disposal method
SOCIAL: LABOR PRACTICES AND DECENT WORK				
Material Issue: Occupational Health and Safety				
G4-DMA	Health and Safety Health and Safety Policy 2015 Health and Safety Performance Prevention, Training and Awareness of Health and Safety Issues		✓	Disclosure on Management Approach
G4-LA6	2015 Health and Safety Performance		✓	Occupational diseases, lost days and fatalities

Specific Standard Disclosures	Report location / Notes	Omissions	External assurance	Index summary description
SOCIAL: SOCIETY				
Material Issue: Anti-corruption				
G4-DMA	Risk and Compliance Management and Policies Compliance Management System and Policies		✓	Disclosure on Management Approach
G4-SO3	Compliance Management System and Policies		✓	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
G4-SO5	Compliance Management System and Policies		✓	Confirmed incidents of corruption and actions taken
Material Issue: Anti-competitive Behavior				
G4-DMA	Competition and Regulation Contribution, Formulation and Operation of a Responsible Marketplace		✓	Disclosure on Management Approach
G4-SO7	Competition and Regulation		✓	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes
Material Issue: Compliance				
G4-DMA	Risk and Compliance Management and Policies Compliance Management System and Policies		✓	Disclosure on Management Approach
G4-SO8	Competition and Regulation Responsible Marketing Practices Safe Customer Products		✓	Fines and sanctions for non-compliance with laws and regulations

Specific Standard Disclosures	Report location / Notes	Omissions	External assurance	Index summary description
SOCIAL: PRODUCT RESPONSIBILITY				
Material Issue: Customer Health and Safety				
G4-DMA	Information on EMF is presented as it is a material issue that is related to customer health and safety <u>Enviromental Strategy Electromagnetic Fields Following by Design the Precautionary Principle</u>		✓	Disclosure on Management Approach
G4-PR1	<u>Safe Customer Products Following by Design the Precautionary Principle Monitoring the levels of EMF Radiation</u>		✓	Product and service categories assessed for health and safety impacts
G4-PR2	<u>Safe Customer Products Following by Design the Precautionary Principle Monitoring the levels of EMF Radiation</u>		✓	Non-compliance with regulations concerning the health and safety impacts of products and services
Material Issue: Customer Privacy				
G4-DMA	<u>Data Security and Privacy</u>		✓	Disclosure on Management Approach
G4-PR8	<u>Data Security and Privacy</u>		✓	Substantiated complaints regarding breaches of customer privacy and losses of customer data

8.4.3 Other Specific Standard Disclosures for Non-material Issues Externally Assured

Specific Standard Disclosures	Report location / Notes	Omissions	External assurance	Index summary description
ENVIRONMENTAL				
Energy				
G4-EN3	Energy Consumption Environmental Performance Data - Energy		⊘	Energy consumption within the organization
G4-EN5	Energy Consumption		⊘	Energy intensity
Emissions				
G4-EN15	Direct GHG and Non-GHG Emissions Environmental Performance Data - Energy Ozone		⊘	Direct greenhouse gas emissions (Scope 1)
G4-EN16	Indirect GHG Emissions from Energy Environmental Performance Data - Energy		⊘	Energy indirect greenhouse gas emissions (Scope 2)
G4-EN18	Greenhouse Gases and Other Gases Emissions		⊘	Greenhouse gas emissions intensity
SOCIAL: LABOR PRACTICES AND DECENT WORK				
Training and Education				
G4-LA9	Employee Training Human Resources Performance Data		⊘	Training per employee by gender and category

8.5 Independent Assurance Report

Independent Limited Assurance Report to the Management of OTE S.A. and COSMOTE S.A.

KPMG Advisors A.E. was engaged by Hellenic Telecommunications Organization S.A. (further referred to as "OTE") and COSMOTE Mobile Telecommunications S.A. (further referred to as "COSMOTE") to provide limited assurance over selected aspects of the Greek version of their joint sustainability report 2015 titled "OTE Group Sustainability Report 2015" (further referred to as the "Report") for the reporting period 1 January 2015 - 31 December 2015.

Scope of our assurance engagement

Our engagement was designed to provide limited assurance in accordance with ISAE 3000[1] and the requirements for a Type 2 assurance engagement under AA1000AS (2008)[2] on the following aspects of the Report (assurance scopes):

1. The application of AA1000APS (2008)[3] principles, as described in section 8.1 of the Report.

2. The reliability of the General Standard Disclosures required by GRI G4 for the "Core" option marked with the symbol "√" in the GRI Content Index table of the Report.

3. The reliability of the following Specific Standard Disclosures for the "Material Aspects", as they have been identified by OTE and COSMOTE and their stakeholders, marked with the symbol "√" in the GRI Content Index table of the Report:

   • Economic Performance (Disclosure on Management Approach -"DMA"- and Indicator G4-EC1)

   • Effluents and Waste (DMA and Indicator G4-EN23)

   • Occupational Health and Safety (DMA and Indicator G4-LA6)

   • Anti-Corruption (DMA and Indicators G4-SO3, G4-SO5)

   • Anti-Competitive behavior (DMA and Indicator G4-SO7)

   • Compliance (DMA and Indicator G4-SO8)

   • Customer Health and Safety referring to EMF issues (DMA and Indicators G4-PR1, G4-PR2)

   • Customer Privacy (DMA and Indicator G4-PR8)

4. The reliability of the following Specific Standard Disclosures for the "Non Material Aspects" marked with the symbol "√" in the GRI Content Index table of the Report: G4-EN3, G4-EN5, G4-EN15, G4-EN16, G4-EN18, G4-LA9.

The nature, timing and extent of evidence-gathering procedures for limited assurance is less than for reasonable assurance, and therefore a lower level of assurance is provided for the data and objectives under the limited assurance scope. Readers should note that moderate level of assurance in AA1000AS (2008) is consistent with limited assurance in ISAE 3000.

Our work for the above scopes concerned the operations and activities of the parent companies OTE and COSMOTE in Greece. We have not been engaged to provide assurance over any prior reporting period data or information presented in the Report.

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[1] International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or reviews of Historical Financial Information, issued by the International Auditing and Accounting Standards Board.

[2] AA1000 Assurance Standard (2008), issued by AccountAbility.

[3] AA1000 Principles Standard (2008), issued by AccountAbility.

Reporting criteria used by OTE and COSMOTE

OTE and COSMOTE apply the AA1000APS (2008) criteria for the three principles of inclusivity, materiality and responsiveness as described in section 8.1 of the Report.

For the Report, OTE and COSMOTE apply the Sustainability Reporting Guidelines (G4) of the GRI as declared in section 1.1 of the Report as well as relevant internal guidelines.

Our conclusions are based on the appropriate application of the abovementioned criteria.

Exclusions from the scope of our assurance engagement

The scope of our work did not include the financial data of OTE and COSMOTE contained in the Report, which are subject to the statutory auditor's responsibility. Where financial information (text and/ or data) subject to the statutory auditor's scope has been utilized within the scope of our work, KPMG's work was limited to the reliability check of the transfer of these text/ data from the audited and published Financial Statements 2015 of OTE and COSMOTE to the relevant -within our agreed scope- sections of the Report. To obtain a thorough understanding of OTE's and COSMOTE's financial results and financial position, the 2015 audited financial statements should be consulted.

The scope of our work did not include the review / testing of the operating effectiveness of the information systems used to collect and aggregate data in relation to the agreed assurance scope.

Assurance standards we used

We conducted our engagement in accordance with ISAE 3000 and the requirements for a Type 2 assurance engagement under AA1000AS (2008). A Type 2 Assurance Engagement covers not only the nature and extent of the organization's adherence to the AA1000APS (2008), but also evaluates the reliability of selected sustainability performance information.

As explained in more detail at the section "Responsibilities", we conducted our engagement in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) which requires, among other things, the independence of the members of the assurance team and of the assurance organization, including not being involved in writing the Report. The Code contains detailed requirements regarding the integrity, objectivity, confidentiality and professional competence and behavior. KPMG has internal systems and processes to monitor compliance with this Code and to prevent potential conflicts regarding independence. Our engagement was conducted by a multidisciplinary team with extensive experience in sustainability (including environmental, social and financial aspects) and sustainability assurance.

Work performed to reach our conclusions

We planned and performed our work to obtain all the evidence, relevant documentation, information and explanations that we considered necessary in relation to the above scope. Our work included the following procedures using a range of evidence gathering activities which are further explained below:

- Inquiries of management to gain an understanding of OTE's and COSMOTE's processes for determining the material issues for its key stakeholder groups inclusive of an evaluation of the results of OTE and COSMOTE stakeholder consultation processes and their methodology.

- Interviews with senior management and relevant managerial staff of OTE and COSMOTE concerning sustainability strategy and policies for material issues and the implementation of these across the business.

- Interviews with relevant OTE and COSMOTE staff responsible for providing information in the Report, during which we also reviewed on a sample basis, systems and/ or processes for information management, internal control and processing of the qualitative and quantitative information, at the Company level (OTE, COSMOTE). In this context, we tested on sample basis, the reliability of the underlying text and/ or data references mentioned

in the General Standard Disclosures and the Specific Standard Disclosures of our agreed assurance scope.

- Enquiring, on a sample basis, about OTE's and COSMOTE's assertions within our agreed assurance scope through evidence collection, covering internal and external documentation such as correspondence, minutes of meetings, reports, presentations and research and survey results.

- Visits to the central offices of OTE and COSMOTE in Athens, which were selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria.

- A media analysis and an internet search for references to OTE and COSMOTE during the reporting period.

- Review of the Report and in relation to the assurance scope mentioned above, to ensure there are no material disclosures that are misrepresented or inconsistent with our findings.

Our conclusions

The following conclusions should be read in conjunction with the work performed and scope of our assurance engagement described above.

Assurance scope 1: On the AA1000APS principles of Inclusivity, Materiality and Responsiveness (limited assurance):

Based on the procedures performed, as described above, nothing has come to our attention to suggest that OTE's and COSMOTE's description of their alignment with the AA1000APS (2008) principles in section 8.1 of the Report, is not fairly stated in all material respects. Without affecting our conclusion, the following are recommended:

- In relation to the principle of inclusivity, OTE and COSMOTE could further enhance their current approach to stakeholder engagement by considering the introduction of focus groups, in the context of maximizing their capacity to engage.

- In relation to the principle of materiality, OTE and COSMOTE should maintain the current procedures capitalizing on the investment they have already made regarding the incorporation of Enterprise Risk Management principles into sustainability materiality assessment.

- In relation to the principle of responsiveness, OTE and COSMOTE could further communicate in the sustainability report, their approach of addressing different expectations and/ or conflicting stakeholder interests.

Assurance scopes 2, 3 and 4: On the reliability of the General Standard Disclosures and the Specific Standard Disclosures (for the "Material Aspects" and the "Non Material Aspects") marked with the symbol "√" in the GRI Content Index table of the Report (limited assurance):

Based on the procedures performed, as described above, nothing has come to our attention to suggest that the General Standard Disclosures and the Specific Standard Disclosures (for the "Material Aspects" and the "Non Material Aspects") marked with the symbol "√" in the GRI Content Index table of the Report, are not fairly stated in all material respects.

Without prejudice to our conclusions for all the assurance scopes, as presented above, we provide OTE and COSMOTE management with an internal report presenting in more detail specific findings and areas for improvement.

Responsibilities

OTE's and COMOTE's Management are responsible for preparing the Report, and the information and statements within it. They are responsible for the identification of stakeholders and material issues, for defining objectives with respect to sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed for the agreed scope, as described above. We conducted our engagement in accordance

with ISAE 3000 and the requirements for a Type 2 assurance engagement under AA1000AS (2008). ISAE 3000 standard requires that we plan and perform the engagement to obtain limited assurance about whether selected aspects of the Report are free from material misstatement. KPMG applies ISQC 1[4] and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our assurance report is made solely to OTE and COSMOTE in accordance with the terms of our engagement. Our work has been undertaken so that we might state to OTE and COSMOTE those matters we have been engaged to state in this assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Hellenic Telecommunications Organization S.A. and COSMOTE Mobile Telecommunications S.A. for our work, for this assurance report, or for the conclusions we have reached.

KPMG Advisors A.E.

George Raounas,
Partner
Athens, May 13th 2016

AA1000
Licensed Assurance Provider
000-67

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[4] International Standard on Quality Control 1 (ISQC 1): Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, issued by the International Auditing and Assurance Standards Board.