

2011

CORPORATE RESPONSIBILITY REPORT



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A Message from the Chairman and CEO



These are very challenging and defining times for Greece. During 2011, the country experienced further severe economic conditions that were felt by every household and company, including OTE and its people. More than ever, this requires from all of us great resilience, shared purpose and commitment to a sustainable future.

In 2011, we made considerable progress on our CR priorities. This Report outlines our progress and achievements in detail and in accordance with the requirements of international CR standards, including the GRI guidelines and the United Nations Global Compact. Aligning our CR strategy and reporting with these standards reflects our conviction and commitment that both sustainability and responsibility remain the integral key elements of OTE strategy. This commitment is common among OTE Group subsidiaries in Greece and S.E. Europe, consolidating OTE's dominant position in the region as a provider as well as a responsible social partner.

We also made important progress in energy conservation initiatives and in formulating our Climate Change strategy. More significantly, through several initiatives the company maintained a consistent level of support for vulnerable groups in our society, especially children, students and people with disabilities. The long-standing Blood Donation programme and volunteering in large numbers in 2011 to support the Special Olympics World Games in Athens, along with participating in our Safer Internet education campaigns and partnerships, prove that OTE employees are closely involved in Corporate Responsibility.

For 2012 and the near future, we remain focused on our strategy to build a strong and competitive company. In the context of the given environment this comes to show that at OTE we seriously regard business success and social responsibility as one. It is certain that in 2012 and ahead we will be challenged and tested yet again. Equal is our certainty that we will not falter in our path towards sustainable growth.

A handwritten signature in black ink, appearing to read 'Michael Tsamaz'. The signature is stylized and written in a cursive-like font.

Michael Tsamaz
**Chairman of the Board of Directors
& Chief Executive Officer of OTE SA**

About this Report

This 2011 Corporate Responsibility Report is the seventh annual report by Hellenic Telecommunications Organisation (OTE) about our economic, social and environmental performance. The Report covers the period 1 January 2011 to 31 December 2011.

Since 2005, OTE reports on CR on an annual basis. The most recent previous report was the 2010 annual CR Report, published in June 2011.

As in previous years, the Report's primary focus and boundary is OTE SA operations in Greece. In doing so it covers all divisions and operations of OTE SA throughout Greece. In addition, summary information is provided for OTE Group economic performance in Greece and South East Europe, and for the CR activities of OTE Group companies outside Greece. OTE Group's mobile telephony business, COSMOTE, publishes a similarly detailed CR Report in parallel to this one. The Report's content is defined by close analysis of the issues of most interest to our stakeholders, reflected in the four pillars of our CR framework, and by adherence to the Global Reporting Initiative (GRI) G3.1 Guidelines, the United Nations Global Compact principles and the AA 1000 AccountAbility principles.

Index Tables for each of these standards are provided at the end of the Report. For the third successive year, the Report is subject to external assurance covering both GRI application level and the AA 1000 AccountAbility Principles Standard.

As in 2010, this Report is presented as a summary Printed Report presented at the OTE Annual Assembly and an Online Report at a specific microsite <http://www.ote.gr/cr2011/en> available within the OTE website www.ote.gr. Our approach to reporting online and in print is as follows:

- The Printed and Online Reports provide the same concise summary of our CR strategy, main activities and achievements in 2011 and future goals.
- The Online Report provides additional detailed information and is the basis for the GRI Application Level Check and the External Assurance of the 2011 Report.
- The summary information on OTE Group subsidiaries is included in the Online Report.
- The Printed Report indicates the topics on which additional information is provided in the Online Report.

The data in the Report comprises the following types: aggregated financial and personnel data which is provided by OTE financial and human resources systems; aggregate data on customer service and satisfaction which is provided by OTE customer divisions; summary data on regulatory issues which is based on OTE records; and environmental data calculated according to internationally accepted methods on the basis of information provided by OTE technology and operation divisions. In collecting and presenting data we have been guided by the definitions and parameters of the GRI Indicator Protocols.

The Report contains no significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. Minor changes on measurement methods for key background information, especially for calculating environmental data, are discussed in the relevant parts of the report. In addition, in the Marketplace section, very minor restatement is reported on broadband penetration data of 2008-2010.

Readers' opinions and comments regarding the Report are welcomed. In case you need any further information please contact the OTE Corporate Responsibility Section by email at CorporateResponsibility@ote.gr or telephone to:

+30 210 6118681, fax: +30 210 6115873

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

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



For 2012 and the near future, we remain focused in our strategy to build a strong and competitive company. In the context of the given environment this comes to show that at OTE we seriously regard business success and social responsibility as one.



I INTRODUCTION AND PROFILE

1. Towards Digital Greece

In the past three years, the deepening economic and fiscal crisis in Greece has had significant negative effects on the sustainable growth potential of the economy and business performance and, of course, on society as a whole. Rising unemployment, decreasing investments and plunging consumer spending are all clear and present impacts of the crisis.

In such an environment, technological innovation, competitiveness arising from the ICT sector and large investments in new technologies can either become flattened by the crisis or become one of the key re-growth and competitiveness drivers and multipliers for the economy. It is not simply fate: policymakers and industry can make choices that influence what will happen. Meanwhile, the telecommunications sector has to strike a difficult balance between the very important factors of connectivity, competition, innovation/growth and social benefit.

OECD analysis published in 2009 argues that efficient government spending on communications infrastructure can help to speed recovery from economic crises and lay the foundation for sustainable growth. As the OECD states, high-speed communications networks are a vital platform for 21st century commerce and industry. They enable innovation and boost productivity in all sectors through efficient communication and exchange platforms. Broadband networks increase the strength and the impact of private and public investments which depend on high speed telecommunications. Broadband is also crucial to “smart” energy-saving electricity grids, smart buildings and smart transport systems that will underpin a greener economy.

In Greece’s case, broadband performance has improved significantly in the last five years. For example, in 2007, broadband penetration as a percentage of the national population was just over 9% and by the end of 2011 the same indicator was 21.8% of the population. The improvement in Greece’s performance arises from OTE’s considerable investment in broadband development totalling EUR 1.3 billion since 2006, alongside implementation of EU regulations and the ‘Broadband Action Plan’.

According to the EU Digital Agenda Scoreboard 2011,¹ the EU27 average broadband penetration rate is 27.2%. The EU Scoreboard also shows that business access to broadband in Greece is 80%, close to the EU 27 average of 84%. But, while more than 40% of people in Greece are regular Internet users, 53% have never used the Internet, compared to the EU-27 average of 24%.

There are also regulatory barriers impeding Next Generation Access (NGA) broadband network development. For example, in early 2011, OTE initiated the deployment of its new optical access network (‘Fibre to the Cabinet – FTTC’ – using VDSL2 technology). The project was initially developed in a select number of urban centres to provide end users with Internet speeds up to 50 Mbps along with improved quality characteristics. This was a commercial pilot case aiming at testing the willingness of customers to take up new technologies potentially later implementing a wider roll-out plan. Shortly thereafter, the Greek National Regulatory Authority, the EETT, adopted interim measures prohibiting OTE from commercially offering these NGA services to its retail customers. The measures were set to apply for a six-month period starting from the date on which the EETT approved OTE’s wholesale prices. The continuing obligations imposed by the EETT as part of the regulation of Greek fibre optic markets make it difficult for OTE to exploit pilot NGA networks in Greece.

Moreover, in 2011 the impact of the economic crisis was severe and it is continuing. According to the Greek Institute of Economic and Industrial Research, Greece’s economic general indicators are now well below the long-term indicators for 2000-2010, and in 2011 the Greek ICT sector economic activity indicators began to decrease as well. This is borne out by OTE’s experience of visible impact on household and business customers especially in the fixed line market. The challenge for policymakers and the ICT sector will be to find ways to build resilience into the ICT market so that Greece’s achievements of the past decade in building a more digital economy are not reversed – especially as this will be so crucial to the country’s long-term economic future.

¹ The EU Digital Agenda Scoreboard 2011 was published in early 2011 and is available at http://ec.europa.eu/information_society/digital-agenda/scoreboard/countries/el/index_en.htm

Since 2006 OTE invested 1,3 billion in broadband development.



2. Company Profile

Hellenic Telecommunications Organisation S.A. ('OTE SA' or 'OTE') was established in 1949, and its headquarters are currently based in the Athens Municipality of Maroussi. OTE SA is the largest telecommunications company in the Greek market, providing broadband and fixed line telephony services to Greek and international companies, consumers and public sector bodies.

BASIC FIGURES FOR OTE SA FOR THE TWELVE MONTHS ENDING 31 DECEMBER 2011

31 December 2011	OTE SA
Number of employees.....	10,569
Turnover.....	1,912.2 million EUR
Market capitalisation.....	1,411.6 million EUR
Share price.....	EUR 2.88

Detailed information can be found on OTE's Investor Relations website: <http://www.ote.gr/portal/page/portal/InvestorRelation/>

OTE GROUP

The OTE Group, which consists of the parent company OTE SA and its subsidiaries, provides fixed telephony, broadband, television, data, leased lines and mobile telephony services in Greece and Romania, as well as mobile telephony services in Albania and Bulgaria. In Greece, aside from its main telecommunication activities, OTE Group conducts business activities in the real estate, satellite communications and education sectors.

The OTE Group employs 28,474 people in 4 countries with a Group Turnover of EUR 5,038.3 million (31 December 2011).

OTE GROUP AT A GLANCE



- Fixed-line telephony
- Mobile telephony
- Other operations

OTE GROUP: TURNOVER AND EMPLOYEES OF THE MAIN SUBSIDIARIES

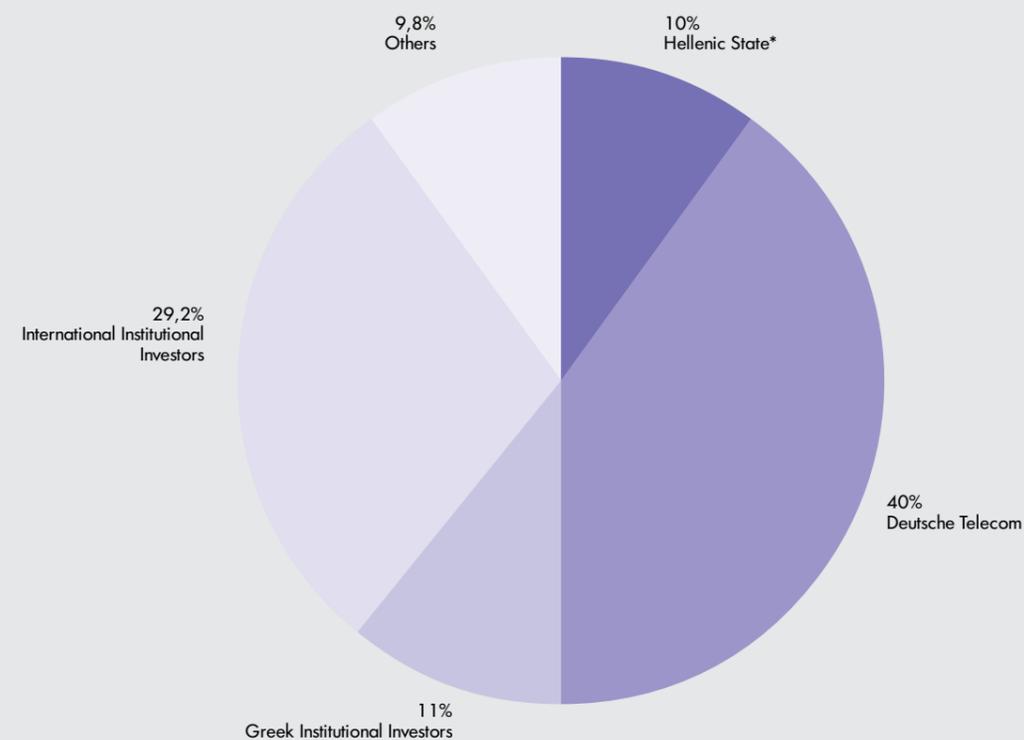
31 DECEMBER 2011	TURNOVER (REVENUES IN EUR MILLIONS)	NUMBER OF EMPLOYEES
OTE SA Greece.....	1,912.2	10,569
Cosmote Greece.....	1,647.5	
(mobile telephony)		
AMC.....	94.2	8,625
(mobile telephony, Albania)		(this is the aggregate number for the COS-MOTE Group, not the number per country)
Globul.....	412.5	
(mobile telephony, Bulgaria)		
Cosmote Romania.....	468.2	
(mobile telephony)		
RomTelecom.....	655.1	7,451
(Romania)		

*Smaller OTE Group companies in Greece are not included above

OTE Group also owns 100% of GERMANOS S.A., the largest distributor of technology-related products in Southeast Europe.

Detailed information regarding OTE shareholdings in other companies as well as Group financial reports can be found on OTE's Investor Relations website: <http://www.ote.gr/portal/page/portal/InvestorRelation/BusinessOverview/WhoWeAre/OTEToday>

OTE GROUP OWNERSHIP STRUCTURE (31 MARCH 2012)



*Including the 4% participation through IKA-ETAM

The OTE Group and its subsidiary companies do not receive any government financial subsidies, state aid, special tax relief

or other government financial payments.

OTE'S SHARES ARE TRADED ON THE FOLLOWING STOCK EXCHANGES:

- Athens Stock Exchange (common registered)
- London Stock Exchange (in the form of GDRs)
- Following its de-listing from the New York Stock Exchange, OTE American Depositary Shares (ADS) are now traded on the OTC market, under the HLTOY ticker, with the Level I ADSs programme.

Detailed information on OTE's share is available at: <http://www.ote.gr/portal/page/portal/InvestorRelation/InvestorRelation>

OTE GROUP KEY DEVELOPMENTS IN 2011

February.....	OTE announces a range of broad changes in Management that are aimed at boosting its organisation, as well as its operation as a Group.
July	Deutsche Telecom's participation in OTE's share capital, as well as the total voting rights amount, rises to 40%, which corresponds to 196,060,156 shares and equal number voting rights.
September	Agreement between OTE's Management and OME-OTE for the signing of a three-year Corporate Collective Labour Agreement. OTE submits a 15-F Form in order to terminate the subscription of its shares and its reporting obligations to the Securities & Exchange Commission.
October	OTE begins the commercial operation of satellite television services, by enhancing the company's penetration in the television services achieved by the IPTV services provided by OTE. Both services will be available from now on under the brand OTE TV.
December	Increase of the number of OTE's Board of Directors members, from 10 to 11. Election of Mr. Timotheus Höttges as the 11th member of the Board of Directors. OTE signs a Share Purchase Agreement with Telekom Serbia for the sale of the total percentage it holds in Telekom Serbia amounting to 20% to the latter. The price for the purchase amounts to EUR 380 million. Additionally, a dividend amounting to EUR 17 million for the financial year 2011 was included in the results of the 4th quarter.

VISION AND STRATEGY

OTE's vision is to offer high quality, fully integrated services, in order to remain customers' first choice, while being recognised as a responsible corporate citizen delivering value to all its stakeholders, throughout Greece and South East Europe.

OTE's key strategic priorities are to:

- Optimize all processes by means of sustainable cost reductions, while making ongoing improvements in flexibility and productivity.
- Expand broadband penetration in the domestic market, while safeguarding OTE's leading role, with maximum utilization of the Company's competitive advantages through the provision of innovative products, services and integrated solutions.
- Utilize technological convergence by creating commercial proposals, and further developing customer care.
- Focus on domestic and international activities with the best growth potential.
- Promote synergies between the Group subsidiaries and the parent company.

OTE, a company of more than hundreds of thousands of shareholders, has as a main concern to maintain a ceaseless, bidirectional communication with the shareholders, founded in the principles of honesty, completeness and transparency.



3. Products and Services

The OTE Group offers a range of telecommunications products and services, including broadband services, fixed and mobile telephony, high-speed data communications and leased lines services. In addition, the Group in Greece is involved in a range of activities, notably satellite communications, real-estate and professional training. The Group's main products and services in 2011 were the following:

- Broadband services and fixed telephony
- Mobile telephony
- B2B Electronic transactions
- International telecommunications wholesale services to high-capacity carriers and multi-site organizations in the broader South East European region
- Wireless and satellite communications, including maritime services
- Internet Protocol Television (IPTV) and Satellite Television services
- Satellite Communications
- Consultancy services through OTEPLUS
- Real estate assets management through OTE ESTATE
- Professional development training for OTE Group employees and the public and private sectors through OTE ACADEMY
- Retail distribution services through GERMANOS

II

CR STRATEGY
AND
MANAGEMENT

1. Definition

WHAT WE AIM FOR

At OTE, Corporate Responsibility (CR) is a strategic commitment that we aim to demonstrate every day in the marketplace, with our employees, in society and for the environment. Our objectives are to create a sustainable business with increased competitiveness and contribute to a more connected and competitive Greece and South East Europe. This means we focus on incorporating CR values and goals into OTE's core business practices and on keeping OTE's CR actions close to its core telecommunications business.

OTE is at the forefront of long-term investment and innovation in modern telecommunications in Greece and at the same time incorporates sustainability considerations such as digital inclusion, Internet Safety, improving the energy efficiency of operations and networks and seeking to ensure that our operations do not create adverse impacts for local communities. We also aim to cultivate stakeholder dialogue and to align OTE's approach with European and international CR standards. And, in these times of great societal stress and hardship in Greece, we continue to prioritise CR programs that provide support to the vulnerable in society.

WHAT WE ACHIEVED

In 2011, we maintained our CR programmes during the reorganisation of the company and the very difficult external environment, we also focused on deepening CR stakeholder dialogue and conducted initial materiality analysis; and maintained our participation in CR indexes and ratings. These aspects of CR strategy and management are reported in this Section. Overall, OTE set itself 30 CR-related goals for 2011, of which two-thirds were fully achieved, and the remaining were partly-progressed or temporarily deferred due to the reorganisation. A summary of our 2011 CR Goals, Progress in 2011 and Goals for 2012-2013, is also included in this Section.

DEFINITION

OTE subscribes to the definition of Corporate Responsibility set out in the Sustainability Charter of the European Telecommunications Network Operators (ETNO), to which OTE is a signatory.

Sustainable development is a global strategic goal, which seeks to achieve economic growth that promotes a fair and just society while conserving the natural environment and the world's scarce, non-renewable resources for future generations.

Corporate Social Responsibility is the business contribution to making sustainable development happen, through the proactive management of a company's environmental, social and economic impacts.

From ETNO Sustainability Charter, <http://www.etno.eu> (Sustainability section)

2011 CR GOALS AND RESULTS/2012-2013 COMMITMENTS

GOALS FOR 2011	PROGRESS IN 2011	2012-2013 GOALS	TARGET DATE
CR Strategy and Management			
Continue inclusion of CR KPIs in OTE Business			
Plan and alignment with Deutsche Telekom Group KPIs	☹ In progress	Agree core CR KPIs and include in next Business Plan	2012/2013
Develop systematic report to Board of Directors on CR	☹ In progress	Extend CR engagement with Board of Directors	2012/2013
Implement Crisis Management system in all OTE operations	☹ Deferred due to reorganisation	In progress	2012/2013
Create Consultative Body to discuss key issues with Employees	☺ Achieved	Hold regular stakeholder dialogues with internal and external stakeholder groups	Ongoing
Maintain GRI B+ for 2010 CR Report	☺ Achieved	Maintain GRI B+ for 2011 Report and work towards GRI A	2012/2013
Maintain participation in FTSE4Good, CDP and CRI	☺ Achieved	Maintain existing ratings and work towards DJSI	2012/2013

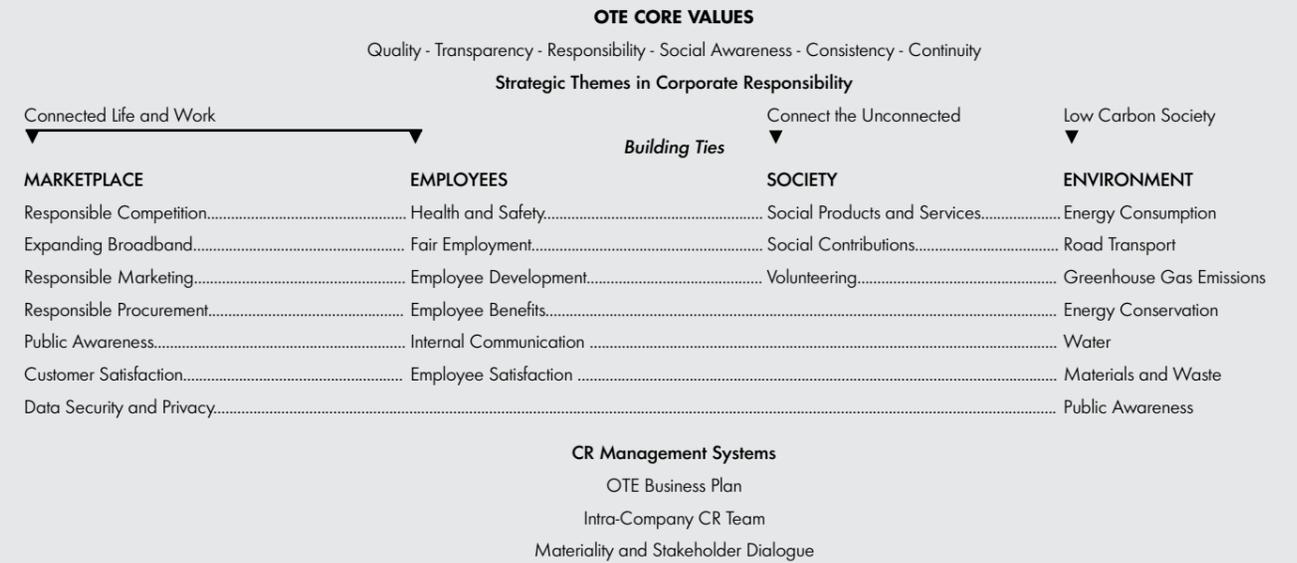
GOALS FOR 2011	PROGRESS IN 2011	2012-2013 GOALS	TARGET DATE
Marketplace			
Continue increasing broadband availability and speeds and launch new services	☺ Achieved	Continue advocacy to the regulator to permit new OTE services at competitive prices	Ongoing
Successful implementation of phase A of the Workforce Management (WFM) program to enable most effective customer service (through enabling effective and efficient daily work for our technicians)	☺ Achieved	Continue with the next phases of the program	Ongoing
Launch commercial satellite TV service	☺ Achieved		
Continue products and services for special groups and students	☺ Achieved	Continue programme, collect stakeholder feedback on impact	Ongoing
Continue Internet Safety collaborations (Adolescent Health Unit; youth helpline)	☺ Achieved	Continue and expand OTE Group Internet Safety collaborations	2012
Implement Safe Internet information campaign nationally	☺ Achieved	Continue public awareness campaign nationally	2012
Consider piloting social and environment audits of Suppliers	☹ Deferred until new Procurement Policy in place	Implement new Procurement Policy in 2012 and set targets for supplier CR auditing	2012
Employees			
Full expansion and operation of HR Help Desk	☺ Pilot operation achieved	Full implementation of HR Help Desk	2012
Potential integration of employee survey in Deutsche Telekom survey	☹ Deferred	Conduct employee survey and align to DT Group survey	2012
Development of Human Capital Management Information system for employee use (eg leave records)	☺ Achieved	Implementation of "self service HR processes (e.g. leave of absence applications)	2012
Further boost use of Intranet U-link on CR issues	☺ Achieved	Maintain high level of internal communication on CR	2012
Boost employee feedback on CR via surveys	☺ Achieved	Include employee feedback in CR planning	2012
Society			
Continue OTE Employee Volunteer Blood Donation programme	☺ Achieved	Continue programme	2012
Boost OTE Employee Volunteerism programme	☺ Achieved	Maintain momentum with new initiatives reflecting employee feedback	2012
Modify presentation of CR in OTE's website and develop online CR reporting capability	☺ Achieved	Continue improving online CR reporting	2012
Environment			
Preparatory work on formulation of OTE climate change strategy	☺ Achieved	Announcement of climate change strategy	2012
Expand footprint calculation to include all regions and appropriate end uses	☺ Achieved	Analysis of energy consumption by appropriate end uses	2012
Start developing centralized EMS and pilot Environment data collection and reporting system	☹ In progress	Finalize proposals and start up the development of necessary documentation	2012
Assess potential new renewable energy sources (PV, wind) applications	☺ Achieved	To obtain all necessary licenses and start with the installation of the systems	2012
Continue energy conservation initiatives in OTE buildings	☺ Achieved	Introduction of natural gas in major OTE buildings in Attica.	2012
Improve electricity efficiency	☺ Achieved	Maintain the declining trend of heating diesel consumption.	2012
Improved energy performance of owned vehicle fleets	☺ Achieved	Keep electricity efficiency at 2011 levels	2012
Pilot IT system for optimum real-time routing of owned vehicles	☺ Achieved	Further improve efficiency by 5%	2012
Expand scope of office-related recycling programs nationwide	☹ In Progress	Full application of IT system	2012
		Packaging materials recycling at OTE Retail Stores.	2012/2013
		Pilot program for recycling in selected buildings.	
Minimize water leakages	☺ Achieved	Decrease water consumption by 5%	2012/2013

In 2011, we set 30 CR-related goals of which two-thirds were fully achieved, and the remaining were partly progressed.



2. CR Framework

Since 2005, OTE began the implementation of the “Building Ties” programme, which is the company's Corporate Responsibility framework. It is founded on OTE’s core values, namely quality, transparency, responsibility, social awareness, consistency and continuity of our actions. For us in OTE, “Building Ties” means nurturing lasting relationships based on respecting and contributing to the wellbeing of all our stakeholders on issues that are materially relevant to OTE’s business. Accordingly, our CR framework comprises of four ‘pillars’ of action united by strategic themes that encapsulate our overall purpose.

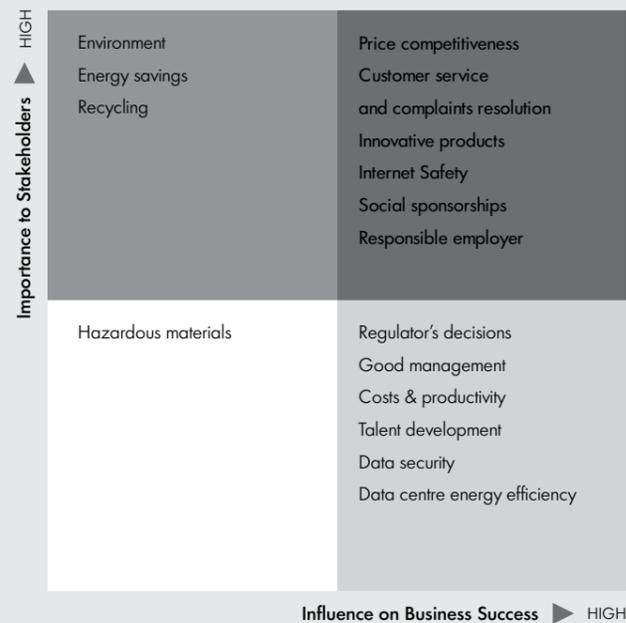


For more information: <http://www.ote.gr/cr2011/en>

3. Methodology

OTE's Corporate Responsibility strategy and programs are founded on our core values and on the application of CR methodology and management systems that are guided by international standards such as the Global Reporting Initiative's Sustainability Reporting Guidelines and the AccountAbility AA1000 Principles on Inclusivity, Materiality and Responsiveness. We aim to apply a precautionary approach to managing our operational impacts on sustainability mainly through being attuned to stakeholder views and academic studies about key issues; we recognise this is more intuitive than systemic. OTE's goal in applying these guidelines is to ensure that our CR strategy and programs remain focused on the most material CR issues, i.e. the issues that are most influential for the success of OTE's business and are most important to OTE's stakeholders. In 2011, we began an initial materiality analysis (i.e. looking at the issues that are most influential for the success of OTE's business and are most important to OTE's stakeholders). To start with we used internal discussion with business units and external analysis of media coverage and surveys of our stakeholders about CR. This "materiality" analysis is used to inform the evolution of our CR programs and goal setting; and specific CR goals are also included into the OTE Business Plan. The CR Team coordinates and implements the program actions through the year, and gathers data on progress and performance for the annual CR Report.

INITIAL MATERIALITY MAP FOR 2011-2012.



4. Management Approach

Oversight of Corporate Responsibility, and its implementation according to OTE's values and commitments, is led by the Chairman and CEO, supported by the Corporate Communications Director, the CR section and a CR team consisting of members throughout the company.

During 2011, the Board of Directors focused on several of OTE's strategic priorities in CR and sustainability, notably employee policy, compliance risk evaluation, procurement policy and societal sponsorships. The Chairman of the Board also directed the CR Team to maintain CR standards and to prioritise the company's societal partnerships and support for vulnerable groups.

The following chart shows the main elements of OTE's Corporate Responsibility governance system.



5. Corporate Governance and Compliance

a. Our Principles and Policies

For OTE, Corporate Governance translates into the overall principles, policies and procedures upheld by the Company across the entire spectrum of its business operations to ensure compliance with the regulatory framework, the fostering of a corporate culture founded on ethics and the safeguarding of the interests of the Company's shareholders and all of its stakeholders.

OTE complies with applicable domestic and international corporate governance legislation, incorporating regulations and compliance practices within its operations. At the same time, aiming to uphold transparency, efficient management and optimal operational performance, OTE follows practices which are not required by law but allow for the company's adherence to best practices. All relevant provisions and practices are incorporated in the company's Articles of Incorporation, Internal Operations Regulation, Code of Business Conduct and Ethics, Internal Personnel Regulation and other company by-laws regulating its operations.

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

- Two-way communication between company stakeholders and company's Management
- Transparency and control over management
- Assurance of operational efficiency

OTE publishes an annual Corporate Governance Statement, in accordance with Greek Law 3873/2010, enacted in September 2010. This report, which is included in the Annual Report of the Board of Directors, covers the principles of Corporate Governance adopted by the company, OTE's key priorities with regards to the implementation of corporate governance principles, and the structure and procedures of OTE's corporate governance system.

For more information about OTE's Corporate Governance system, please visit <http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/OurPrinciples>

For more information: <http://www.ote.gr/cr2011/en>

b. Board of Directors and Board Committees

The Board of Directors is the top administrative body of the OTE Group. Its role is to safeguard the general interests of the company and ensure its operational efficiency. The members of the Board of Directors are executive or non-executive, of which at least two are independent. The members of the Board of Directors are elected by the General Assembly of Shareholders, which also appoints the independent members. The Board has two Committees, the Audit Committee and the Human Resources and Compensation Committee; the latter is responsible for setting the principles of OTE's Corporate Social Responsibility policies.

At the Extraordinary General Meeting of the Shareholders, which took place on 6 December 2011, the increase of the number of members of the current Board of Directors from ten (10) to eleven (11) was approved. The gender composition of the Board of Directors is ten males and one female.

Details on the Board of Directors' responsibilities, composition, meetings and committees are available online at OTE's Investor Relations portal, Corporate Governance section. <http://www.ote.gr/portal/page/portal/InvestorRelation/InvestorRelation> OTE's procedures regarding evaluation and compensation of the Board and Management of OTE are outlined in the Annual Report and Form 20-F.

For more information: <http://www.ote.gr/cr2011/en>

c. Compliance Management System and Policies

OTE Group has adopted and implemented a Compliance Management System (CMS) regarding the compliance of all personnel, including management, with the legislation governing the operation of the Company, and with the Code of Conduct and internal policies. The purpose of the CMS is to prevent breach of legal provisions, manage properly any complaints, protect the company's reputation, and ensure that Company policies are followed by all employees. The focus on legal compliance, transparency, professionalism and integrity is an essential contribution to the productivity and success of the Company. In 2010, the OTE Group Compliance Management Process Manual was finalised and the OTE Group's Compliance System was independently audited and verified.

In addition to the OTE Group Code of Business Conduct & Ethics, and the OTE Group Code of Ethics for Senior Financial Officers, the Compliance Management System includes a further eight (8) Policies, which must be followed by all employees, customers, suppliers and associates of the Group's companies. These Policies include specific procedures for the handling of privileged information, personal data, complaints and whistle blowing. Furthermore, the OTE Code of Conduct prohibits corporate donations or contributions to political organisations or persons, or the use of OTE funds or assets for political purposes. Even the organisation of an event, the acceptance or the rejection of a sponsorship or donation or corporate gift must be handled in specific ways, which must be followed by the employees.

To support the adherence of the CMS and its policies, OTE places emphasis on four dimensions:

- Training personnel, especially those who have contact with public officials or who negotiate with clients or vendors.
- Annual risk assessment on regulatory compliance and corruption issues, covering all (100%) of OTE's business units
- "Ask me" procedure through which the employees of OTE Group can refer to the compliance personnel any questions and concerns about regulatory compliance issues, through specific 'communication channels', which are included in the company's intranet (u-link). In 2011, we received 77 questions.
- "Tell me" procedure through which the employees of OTE Group may submit – anonymously or not – a report or a complaint, in relation to regulatory compliance issues, through specific communication channels, which are listed in the company's intranet (u-link) and website. In 2011 we received 176 tip-offs.

For more details on OTE's Compliance Management System and the company's policies, please visit <http://www.ote.gr/portal/page/portal/OTEGR/TheCompany/Compliance/kanonistikisymmorfosi>

During 2011, the main achievements regarding the Compliance System included:

- **Risk Assessment** The OTE Group Compliance Directorate conducted a risk assessment for 2012 covering all OTE business units and developed OTE's Compliance programme for 2012.
- **Procurement** an Anti-Corruption clause was adopted for use in OTE Group contracts with Suppliers/ Contractors and in Declarations of Procurement, to enhance protection of the company from corruption.
- **External Communication** a section on the Compliance Management System was added to the OTE website, which includes information on Compliance, the Compliance Policies, and whistle blowing communication channels, among which is the Electronic Whistle blowing Form).
- **Internal Training** the OTE Group Compliance Directorate conducted employee training on Conflicts of Interest Avoidance and Combating Corruption, as well as on issues regarding Abuse – Theft – Fraud at the subsidiaries of the OTE Group. 100 employees were trained.

Incidence of non-compliance in 2011

In 2011, we had seven (7) cases of proven non-compliance with the Policies of the Company Group Policies and Internal Procedures which had as a result various sanctions according to the severity of the compliance contravention.

For more information: <http://www.ote.gr/cr2011/en>

6. Stakeholder Engagement

OTE identifies its key stakeholders as those actors with direct impact or influence on the sustainable success of the company, such as the employees, the investors, the customers, the public and regulatory bodies, the media and Non-Governmental Organisations that represent the public's interest on issues relevant to OTE's business and its role in society.

STAKEHOLDER MAP



OTE also aligns its approach to stakeholder engagement and dialogue with the principles of the “AA 1000 AccountAbility Principles Standard” – Inclusivity, Materiality and Responsiveness. The accompanying Table provides a summary of OTE's stakeholder dialogue methods, including the type and frequency of dialogue, the topics raised and OTE's actions.

OVERVIEW OF OTE STAKEHOLDER ENGAGEMENT 2011

STAKEHOLDER GROUP	TYPE OF DIALOGUE	FREQUENCY	MAIN TOPICS RAISED
Customers	- Customer Loyalty-Satisfaction Barometer	Annual	- Activation of products / services
Marketplace Chapter	- Customer Satisfaction Surveys	Annual	- Technical support (e.g. web hosting, DNS services, IPVPN)
	- Call Centres	Ongoing	- Commercial and billing issues
	- Customer Account Managers	Ongoing	
OTE ACTIONS (Customers)			
- Continued investment in Sales Team, customer service training and complaints management system.			
- Introduction of single number for Customer Call Service 13888			
Telecoms Providers	- Customer Loyalty-Satisfaction Barometer	Annual	- Timely information on OTE services and progress of requests
Marketplace Chapter	- Customer Satisfaction Surveys	Annual	- Resolution times for malfunctions and complaints
	- Dedicated Website	Ongoing	- Regulatory requirements for Providers
	- Key Account Managers	Ongoing	
	- Presentations on OTE systems	Ongoing	
OTE ACTIONS (Telecoms Providers)			
- Improved systems and procedures for customer service.			
- Full compliance with regulatory requirements			
- Same day response to almost all verbal queries and complaints, responses to written concerns within 5 days.			
Investors	- Investor Relations Department communication	Ongoing	- Group strategy and results
Introduction and Profile & Strategy and Management Chapters	- Annual General Shareholders Meeting	Annual	- Outlook on labor relations, regulatory decisions, Eurozone and adverse economic situation.
	- Corporate Governance Report and CR Report	Annual	
	- CR Surveys	Annual	
	- Private meetings	Ongoing	
	- Conference Calls	Quarterly	
OTE ACTIONS (Investors)			
- Continuous communication and provision of equal information to analysts/investors and timely response to their questions.			
- Provision of valid and timely information to investors, through the publication of financial results every quarter.			
Employees & Unions	- Intranet (U-Link)	Ongoing	- Rationalisation and reduction of labour costs in agreement, to the greatest extent possible, with OME-OTE.
Employees Chapter	- Circulars on all important Company decisions	Ongoing	- Planning and conduct of training programs
	- Meetings with employees	Periodic	
	- Negotiations with labour unions	Formal	
	- Emails from the CEO-Chairman and General Directors	Ongoing	
	- CR Surveys	Annual	
	OTE ACTIONS (Employees & Unions)		
- Reached agreement with OME-OTE on a three year collective labour agreement, and for a voluntary departure agreement in 2012.			
- Meetings held with OME-OTE representatives in accordance with governing law.			
- Creation of mixed Committees to study various labour-related issues.			
- Employee training on a range of issues.			

STAKEHOLDER GROUP	TYPE OF DIALOGUE	FREQUENCY	MAIN TOPICS RAISED
Communities and NGOs Marketplace and Society Chapters	- Systematic liaison with local authorities (mostly regional) - Face to face NGO meetings - NGO Survey on CR	Ongoing Annual Annual	- Importance of adopting CR - Internet Safety public education - Support for vulnerable groups and charities - Meetings and electronic communication preferred.
OTE ACTIONS (Communities and NGOs)			
- Development with COSMOTE of new information campaign on "Safe Internet Browsing". - Continued face to face dialogue with NGOs on Internet Safety. - Continued operating Helplines for vulnerable social groups; and support for charities. - Provided microsite on 2010 CR Report, and continued face to face meetings.			
Media	- Corporate announcements (Press releases) and systematic contacts - Press conferences, Advertorials / entries on CR issues	Ongoing Ongoing	- Timely response is valued - Management, commercial, technology, financial and labour issues continue to be of most interest to the media
OTE ACTIONS (Media)			
- Written response to all emails sent to media-office@ote.gr . - Released 85 press releases and responded to media queries on them. - Provided microsite on 2010 CR Report.			
Suppliers Marketplace Chapter	- Consultation and dialogue on procurement procedure issues (relevant laws, telecom market issues etc.)	Ongoing	- Tender criteria and competitions - Communication on supplies issues - In 2011, there was no complaint on the part of suppliers
OTE ACTIONS (Suppliers)			
- Created website section on tender procedures (in Greek) - Respond to requests for information - Online provision of self-evaluation tool and Declarations for Procurement.			
State/Government Marketplace Chapter.	- Consultations on proposed laws and regulatory frameworks for telecommunication markets - Written or verbal communication with regulatory and public sector bodies.	Ongoing	- Implementation of regulatory measures applying to OTE - Issues of effective regulatory adjustment - Specialised national goals for European Digital Agenda Strategy
OTE ACTIONS (State/Government)			
- Presented OTE positions in National and European conferences and workshops. - Submitted company positions in 17 National and European public consultations.			

2011 Corporate Responsibility Survey

As part of ongoing stakeholder dialogue, in 2011, OTE conducted for the third year a survey about CR with the participation of NGOs, employees, media and investors, aiming to investigate the degree of knowledge regarding the Corporate Responsibility actions implemented by the company. The evaluation of the findings from the Surveys provides feedback for "Building Ties" with stakeholders and for further development of the constructive dialogue in the following years.

The detailed findings are presented in our 2011 Online CR Report, the key aspects of these findings include:

- OTE's CR performance has a high impact on opinion about the company, in the view of investors and employees, and a high impact in the view of NGOs
- Internet Safety is seen as a very important issue by all the surveyed stakeholder groups
- Employees' interest in participating in CSR activities remains strong, and almost half the surveyed employees think OTE should be more involved in supporting vulnerable social groups
- Investors prefer to be informed about OTE's CR actions via the annual reports, while employees and NGOs prefer meetings and email alerts.
- The findings of the CR survey are presented briefly in the following tables. In addition, the Customer Barometer survey tool included similar CR questions, the findings are reported in Chapter III, Marketplace - Customer Satisfaction.

For more information: <http://www.ote.gr/cr2011/en>

7. Memberships, CR Indexes and Awards

We make sure that as a company we receive, at all times, continuing and multilateral information regarding the developments on Corporate Responsibility issues. In 2011, OTE maintained its participation as a member in various national and international bodies. A list of these is included in our Online 2011 CR Report (<http://www.ote.gr/cr2011/en>).

In 2011, OTE received several distinctions for its CR actions, commitments and practices. The following are referred indicatively:

INDEX / ORGANISATION	OTE'S DISTINCTIONS
"Corporate Responsibility Index 2011", Institute of Corporate Responsibility and Business in the Community	"Gold" level distinction of the C.R. Index and the award for the Environment
FTSE4Good Index 2011	In 2011 OTE was included in FTSE4Good for the fourth consecutive year since 2008, and is also included in 2012.
Corporate Awards HRIMA - George Ouzounis 2011	1st place in the category Investor Relations -2011 2nd place in the category Corporate Social Responsibility - 2011
"CSR Reports Awards 2010" during CSR Reporting Forum 2011	3rd award from University of the Aegean (based on GRI-G3 standards)
"Committed to Excellence in Europe" of the European Foundation for Quality Management	Double award for the HR of OTE
Carbon Disclosure Project	Since 2010 OTE participates in the Investor CDP

For more information: <http://www.ote.gr/cr2011/en>



MARKETPLACE

Introduction and Priorities

OTE places the highest priority on conducting its business ethically and with full respect for the laws and expectations of society. We aim to succeed in the marketplace by focusing strongly on becoming a customer-centric business and by providing innovative and quality products and services at competitive prices.

The very difficult economic situation in Greece means that ensuring the resilience and long-term sustainability of our company is central to our business strategy. It also underlines the importance for OTE to receive equitable regulatory treatment so that we are not disadvantaged in the market place. And it is important to continue investing in Greece's digital future, from infrastructure to public awareness, as this will be a very important factor in the country's resilience and recovery from the economic crisis.

Marketplace Strategy and 2011 Achievements

OTE management's goal is to transform OTE into a leading integrated high performance service company. The aspiration for is OTE to:

- Become a leader in Broadband, ICT, and Pay-TV services in the Greek market
- Deliver best services and high value to the customers
- Offer superior customer experience
- Become the best place to work in the Greek market & attract best talents
- Increase the value of the shareholders

In order to achieve those objectives, a set of operating plans has been established focusing on 8 strategic pillars:

1. Customer Experience

Main focus on areas: Customer care, customer lifecycle management, sales channels, bill, internet portal and brand communication

2. Products & Services

Main focus on areas: OTE TV, core products, FMC Products, Voice over IP, ICT, and internet services

3. Cost Reduction

Focus on reducing operational costs

4. Operations Optimization

Main focus on areas: Customer service, shops, real estate/facility management, IT systems, support functions, processes & procedures, technical field service, network operating centers

5. Human Resources

Main focus on areas: Management steering & appraisal, employee appraisal & development

6. Next Generation Access

Main focus areas: FTTC business rollout plan, VDSL service

7. Regulation

Main focus areas: Manage relationship with NRA and optimize organizational effectiveness regarding regulation issues

8. Group Synergies

Main focus areas: Synergies with OTE Group, synergies with Deutsche Telekom Group

Significant achievements have been realized during 2011 in all strategic pillars, such as:

- Major improvements in customer related processes (one universal access number for Customer Service, one portal, improved automation using advanced technologies such as IVR, CTI and CRM tools)
- Footprint rationalization and improved operational efficiency in Sales network
- Launch OTE TV over both satellite and IPTV technologies
- Launch of new broadband product portfolio
- Development and commercial availability of VDSL (launch pending due to NRA)
- Consolidation of Network Operating Centers and process re-engineering design for technical field service
- New efficient policy and new processes for Procurement

- Re-design of personnel appraisal process (completed) and HR development and target setting processes (started)
- Overachieve cost efficiencies target by +27%

For 2012, a comprehensive framework of actions has been planned aiming to further explore opportunities in all 8 pillars taking also into account the effects of the macro-economic situation.

1. OTE Group's Economic Contribution

The OTE Group through its strong presence in Greece, and its subsidiaries in South-East Europe, makes an important economic contribution to these markets and economies, as well as contributing towards their development, through the provision of innovative telecommunications products and services.

PAYMENTS OF OTE GROUP INCL.

SUBSIDIARIES

(AMOUNTS IN EUR MILLIONS)	2009*	2010	2011
Salaries and benefits (Bonus).....	1,244.2	1,167.1	1,068.5
Income taxes paid.....	382.4	238.9	128.7
International provider charges	184.0	190.3	196.5
Domestic provider charges.....	516.3	414.6	354.0
Telecommunications equipment costs	475.1	447.3	369.1
Fees & commissions due to third parties.....	1,190.4	1,144.8	1,083.8
Shareholder returns.....	410.9	39.6	119.7

*2009 data shown here reflects restatement made in 2010 CR Report

2. Responsible Competition

a. Competition and Regulation

OTE develops its network to provide guaranteed high quality telecommunication services to companies and enterprises throughout Greece, as well as to other telecommunications operators, according to the instructions of the Hellenic Telecommunications & Post Commission (EETT). The Greek market is also regulated in accordance with the relevant European provisions, which are incorporated in national Laws, Presidential Decrees, Ministerial Decisions as well as Decisions from independent administrative authorities.

Given that new technologies are decisive for future economic growth and sustainability, OTE is also working with the national authorities involved in developing Greece's action plans under the European Digital Strategy (Europe 2020). OTE's goal is to ensure a regulatory framework that will establish, for the long-term, the interests of the Company and OTE subscribers and will contribute to broader community prosperity.

OTE's other priorities for responsible competition include securing OTE's unbiased treatment by the regulatory authorities, which translates to revocation of regulatory obligations on services that a responsibly competitive marketplace has adequately developed; supporting OTE's interests in National and European regulatory proceedings and debates; and ensuring effective adjustment to regulatory obligations with the Company's interest as its primary guide.

Reflecting the importance of competition issues for the company, in 2011, OTE created a new internal portal containing data and information derived from organised monitoring of the market for technological developments in the ICT sector, macroeconomic environment (financial crisis) and competition trends.

In 2011, EETT has imposed monetary fines on OTE to a total amount of approximately EUR 755,500. OTE has lodged twenty three (23) appeals before the competent Administrative Courts seeking the annulment of the said EETT decisions.

REGULATORY LITIGATIONS OVERVIEW

YEAR	2009	2010	2011
Number of fines.....	14	29	24
Number of Appeals/ litigation cases.....	20	1	23
Number of non-pecuniary penalties.....	7	8	1
Value of fines.....	EUR 13 million	EUR 1,208,674	EUR 755,500

For more information: <http://www.ote.gr/cr2011/en>

3. Expanding Access to Broadband throughout Greece

Fixed line broadband take-up in Greece as a proportion of the population is continuing to increase, in 2011 reaching 21.8%. This is an increase of 1.5% from 2010 and further steady progress towards the EU27 average (27.2% in 2011).

Regarding fixed line broadband availability, in 2011, OTE's broadband connection availability reached 98.76% of total telephone connections. The number of broadband connections in the Greek market for 2011 is 2,464,282.

During 2011 the impact of the Greek financial crisis was felt with an increase of Local Loop Unbundling (LLU) subscribers and a decrease in OTE subscribers, most likely due to the lower prices offered by other providers, while OTE is not allowed by the Greek regulator EETT to reduce its prices. Despite this, we are noting an increase in network traffic, a fact which can be interpreted both by the increased demand for bandwidth by internet sites, as well as the population's trend to stay at home due to the financial crisis.

With Conn-x as its main retailer, OTE continues to be the primary organisation for the development of new technologies in the country and the number one choice of consumers for quality broadband services.

The development of IPTV services by OTE has also contributed to the further broadband penetration. OTE's subscription television service, OTE TV via OTE Conn-x, is now available in more than 912 points of presence of OTE's broadband network throughout Greece and is constantly expanding. These include all prefecture capitals, major towns, islands as well as urban centres with smaller populations. At www.ote.gr consumers can find a search engine where by simply entering their phone number, they can find out if OTE TV is available in their area. Since 2011, OTE TV services are also available via satellite throughout Greece.

BROADBAND IN GREECE	2008	2009	2010	2011
Points of Presence (PoPs) of the ADSL network.....	1,420.....	1,501.....	1,937.....	2,413
LLU connections.....	650,000.....	987,300.....	1,380,000.....	1,665,382
Percentage of broadband penetration to the Greek population*.....	13.4%.....	17.0%.....	19.9%.....	21.8%

*The data for 2008-2010 is restated here to accord to EETT data .The changes are reductions of less than 1%.

BROADBAND GROWTH IN THE PERIPHERY

OTE continues to put emphasis on developing the necessary infrastructure, even in areas with small population density, so that all citizens can gain access to new technologies and broadband services.

In 2011 new regions throughout Greece were provided with broadband access. The overall new points of presence for ADSL network increased by 476 (2,413-1,937) compared to 2010.

Furthermore, via the satellite broadband internet service and the Hellas Sat satellite, broadband services are available even at the most remote locations in Greece. By the end of 2011, OTE has put in operation WiMAX systems in several regions of the country, including in Thessalonica, Agion Oros, Ammouliani and the Ouranoupoli and Ierissos region, several parts of Attica; and, through Rural Subscriber Radio networks, also in Samos - Ikaria – Fourni, the Zagorohori region, Kithira, Rodopi, Fthiotida and Evia.

We also continued expanding the OTE Next Generation Access (NGA) network with active cabins equipped with VDSL2 DSLAM in regions of Attica as well as in other towns of the periphery (Xanthi, Komotini, Serres and Alexandroupoli). These cabins will be able to provide high speeds (30-50Mbps), aiming at increasing broadband penetration and meet the demands of corporate/business as well as residential customer for higher speeds of broadband services. As explained in the Digital Greece section of this Report, in 2011 the Greek regulator EETT has impeded OTE's expansion of this important new service.

PUBLIC EDUCATION ABOUT BROADBAND AND NEW TECHNOLOGIES

OTE has adopted an array of actions and initiatives aimed at educating and familiarising the public with broadband services, seeking to bridge both the digital divide between urban centres and remote regions in Greece as well as between Greece and other EU countries. During 2011 OTE completed the Information Campaign about broadband targeted at consumers and hosted at 88 specially designated areas (Internet Corners) that operated within OTE retail stores, informing more than 7,000 citizens about broadband services.

4. Responsible Marketing

OTE adheres to all applicable laws and regulations in relation to marketing and all marketing materials are reviewed carefully before being released.

In October 2011, the Consumer General Secretariat imposed on OTE a fine of EUR 300,000 for misleading publicity. OTE has appealed the action at the Administrative Court of Athens. Furthermore, the Council on Communication Control has requested an immediate amended reference price after the lapse of 6 months.

All equipment accompanying products and services offered by OTE has been certified and bears mandatory markings required under EU legislation and complies with all directives and regulations regarding safe use instructions, restriction of hazardous substances and electronic waste. There were no non-compliance incidents regarding the Equipment Safety regulations during 2011, including no regulatory actions or fines against OTE.

Regarding pricing, OTE follows a procedure of financial analysis, recommendation, decision and approval. If the product is regulated, then EETT approval of price control levels is required. This is the case with the majority of wholesale services. During 2011, there were no non-compliance incidents, in general, for OTE with the current provisions regarding the pricing of wholesale services. Regarding duty charges, OTE always implements those published in the Government Gazette for the regulated services.

Under OTE's obligation to provide universal services, EETT had imposed a fine relating to OTE's Services to People with Special Needs. In 2011, the Administrative Court of Appeal issued its Decision No. A3495/21-11-2011, which accepted OTE's appeal to cancel the imposed fine by EETT and which deems unlawful and invalid the Joint Ministerial Decision No. 44867/1637/01-08-2008 on which it was founded

There were no other compliance-related significant fines or rulings on marketing or pricing issues.

5. Responsible Procurement

Under OTE's Procurement Regulation introduced in 2009, supplier evaluation has been performed mainly during their participation in OTE tenders, using ISO certification, financial position, past experience etc., as reference points. In 2011, using these criteria, approximately 400 suppliers were evaluated by OTE.

During 2011, OTE adopted an Anti-Corruption Clause in the contracts of the company (and its subsidiaries) with Suppliers/Contractors and in the Declarations for Procurement made by Suppliers/Contractors.

During 2012, OTE will be implementing a new procurement policy that specifies all the terms and regulations according to which procurements will be made. This also includes the supplier evaluation procedures. The new policy includes CR criteria in the bid evaluation and supplier selection phase, such as Quality, Environmental Management Certification and/or for Supplier Health & Safety and Ethics Code issues. The capabilities of the supplier self-evaluation tool will be determined once OTE's new procurement policy is implemented, along with the relevant provisions included therein.

OTE SA PROCUREMENT AND SUB-CONTRACTING	2010	2011
Procurement.....	EUR 578 million	EUR 184 million
Sub-contracting.....		281 projects EUR 36 million

During 2011, the CR Team made an initial CR assessment of OTE's ten largest suppliers, which account for 52.1% of OTE's procurement. This assessment found that five have a published CR policy, four have an annual published CR Report, and four are members of one or more leading CR initiatives such as the United Nations Global Compact or the Global e-Sustainability Initiative (GeSI).

The Adolescent Health Unit of the University of Athens, in collaboration with and support from OTE, is implementing a series of actions aiming to the promotion of rules for a safer internet use.



6. Public Awareness on Internet Safety

OTE addresses Internet Safety in a holistic way, through its products and services, public information and awareness campaigns, and cooperation and partnerships with public institutions and civil society. Our programmes have shown that there is an increased interest and a demand for trustworthy information and guidance on Internet Safety. We have for example recorded increased concerns expressed by parents for their children in this area and we will continue trying to respond to their needs.

a. Products and Services

- “OTE Conn-x Secure” provides full protection to the e-mail and computer with the functions Fire wall, Anti – Virus and Anti-Spam, and additionally offers enriched function of Parental Control. The Parental Control allows parents to control, filter and block access to web pages with unsuitable content (such as violence, adult material, weapons, drugs, etc.) setting the protection level according to the children’s age.
- Leaflet, titled “Safely Surf the Internet”, addressed to parents, providing simple and useful advice on safe internet use, distributed with every purchase from OTE’s nationwide Store Network.
- OTE provides a section with useful advice on security issues on the OTENET customer service website, at <http://www.otenet.gr/hd/>
- Manages the dedicated website <http://www.otenet.gr/hd/HTML/abuse.htm> providing information to Internet users concerning safe browsing (spam, mail bombing, hacking, port scanning, and so on).

b. Informing the Public

OTE conducts leaflet and online campaigns for customers and the general public; information sessions on “Safer Internet” for OTE employees and their families, in Athens and in local communities; and briefing sessions on Safer Internet issues, in cooperation with the medical advisor of the Adolescent Health Unit, addressed to pupils, parents, teachers and the public in general, which are held in the OTE Telecommunications Museum.

In 2010-2011, the impact of OTE’s initiatives includes:

- During 2011, 155.000 OTE leaflets on “Safe Surfing” have been distributed nationwide.
- OTE’s Security Online website section has received 214.941 clicks in 2010, and 114.337 for 2011 .
- A series of information Sessions on Internet Safety have been held at OTE’s Telecom Museum in Athens and OTE Cultural Centres in major cities in Greece. The events were attended by 821 children and adults.

c. Cooperation with Institutions and Civil Society

OTE participates in and supports a number of European and National initiatives:

www.Saferinternet.gr is part of the European Union’s safer internet programme, which implements a variety of awareness activities, such as informative seminars towards the wider public, train-the-trainers workshops for educators, promotion of issues concerning Internet safety to the mass media, creation of polymorphic online and print material, and TV and radio campaigns. The Awareness Centre collaborates with representatives from the government, the online technologies industry, as well as NGOs in Greece and abroad, which have as primary goal the provision of a safer online environment.

OTE also participates in the non-profit organisation **Safenet** (www.safenet.org.gr), the mission of which is to promote “safer Internet” regulatory procedures targeting safer Internet use and the protection of children from unsuitable content.

OTE sponsors and supports the work of the ‘Adolescent Health Unit’ of the University of Athens “P. & A. Kyriakou Children’s Hospital”, and provides free infrastructure for the operation of the toll-free Help Line “YPOSTIRIZO - 80011 80015”, offering guidance and support to teenagers to overcome internet addiction and guidance on how to use the internet safely. The Help Line received more than 1500 calls during 2011, 80% of which were made by parents and relatives of children, seeking advice on internet addiction problems.

“The Adolescent Health Unit, Second Dept. of Pediatrics of the University of Athens, “P. & A. Kyriakou Children’s Hospital”, in a collaboration with and support from OTE, is implementing a series of actions on clinical, researching and educational level, aiming the promotion of rules for a safer internet use, in a realistic way and always having as a standard the usefulness of internet in the children’s and adults’ daily routine.”

Artemis K. Tsitsika, Lecturer of Adolescent Medicine Athens University, Scientist in charge of the Adolescent Health Unit, “P. & A. Kyriakou” Children’s Hospital

OTE AND COSMOTE IN PARTNERSHIP ON INTERNET SAFETY

On the occasion of the Safer Internet Day 2012, OTE and COSMOTE joined forces and launched a new awareness campaign, through the internet, radio and magazines, with the message “**In the Internet fairyland, we want no villains**”.

In this framework, OTE and COSMOTE, for the first time in Greece, in cooperation with the Greek Saferinternet Awareness Centre, which operates under the auspices of the European Commission, organized a special 2day event for all age groups, to find out about the safe use of the internet and the social networks, potential risks as well as young people’s addiction.

The event took place on the 11th and 12th of February in one of the biggest and most famous Malls of Greece, “The Mall Athens” and during the event representatives of Saferinternet.gr, of the Helpline “YpoSTIRIZO 800 11 800 15”, which is managed by the Adolescent Health Unit of the Second Department of Pediatrics of the University of Athens, “P. & A. Kyriakou Children’s Hospital” and of the Safeline.gr, the Greek hotline for illegal Internet content, informed more than 2.000 children, teenagers and adults.

For more information: <http://www.ote.gr/cr2011/en>

7. Customer Service and Satisfaction

a. Customer Service and Complaints Resolution

Responding to our customers' feedback and needs in a consistent, timely and reliable manner, OTE makes every effort to provide the best possible service, immediately resolve complaints and avert any customer dissatisfaction. We place great importance on the effective management of complaints and we have improved and automated the Complaints Management system and procedures which covers all the customer contact points where requests are recorded, including OTE retail stores and Call Centres. At the same time we gather statistical data on complaints made, including causes, resolution time, solutions and outcomes.

All of OTE's Call Centres and, by the end of 2011, 133 OTE retail stores from a total of 154, are certified according to ISO 9001: 2008 standard for quality management.

During 2011, the majority of complaints made by customers concerned:

- Clarifications on Telephone bills
- Activation of products/services
- Technical issues such as service interruptions and connection speeds.

All complaints were managed with the aim of providing the optimum level of customer service. In 2011, the average % arising of the total of quarterly reports sent to EETT regarding written/oral complaints answered within 20 days, is 89%.

WRITTEN/ORAL COMPLAINTS RESOLVED WITHIN 20 DAYS

2007	2008	2009	2010	2011
85%	91%	92%	90%	89%

Residential Customers

In November 2011, a single Customer Call Service number 13888 for all technical and service centres for residential customers became operational. The service uses the latest Interactive Voice Response (IVR) technology and keying-in hints, to provide both self-service and customer representative conversation access. This project is the first phase in a creative solutions series that is adapted to meet our customers' unique needs.

Commercial and Business Customers

Furthermore, during 2011, OTE's Commercial Call Centres handled 2,694,160 incoming calls and 4 million outgoing calls, and customer satisfaction reached 93% according to independent market research. In our Technical Calls Centres, 4,452,350 calls were serviced, including 261,435 calls to the Business Customer Call Centre answered with 92% efficiency; and 151,065 incidents managed through proactive mechanisms for quality customer service. The Directory Enquiries Line 11888 serviced 21,388,000 calls.

Wholesale Customers

During 2011, the number of faults reported in relation to Wholesale Line Rental Services was 4,169, of which 169 took longer than 20 days to resolve. Of those, 14 involved structural work and access control issues. Regarding complaints management, during 2011, there were 194 complaints received and responded to, as required by applicable regulation ².

b. Customer Satisfaction Barometer

OTE's "Customer Loyalty-Satisfaction Barometer" survey, which began in 2005, provides an important strategic planning tool for the company. It measures customer perceptions, experience and loyalty over time, taking into consideration the entire telecommunications environment and the development of the Greek telecommunications' market. The survey includes quantitative and qualitative research, and covers all of OTE's customer categories, as well as users of service lines and call centres.

During 2011, two waves of research were conducted, early in the year and again towards the end of the year. The impact of Greece's economic crisis was clearly evident and increased as the year progressed. In the first round of research, price sensitivity was already a major factor in customer opinion and loyalty, while increases in customer satisfaction with OTE

² In 2011, the calculation method changed and as complaints are considered to be the ones coming from the General Directorate of Regulatory Affairs

were logged in most categories. By the second round of research, pricing and value for money are the predominant focus for customers as economic distress became ever more widespread in Greece.

CUSTOMER BAROMETER FINDINGS ON CORPORATE RESPONSIBILITY

The Barometer analyses Corporate Responsibility as a specific topic. The findings are detailed in the Online 2011 CR Report at (<http://www.ote.gr/cr2011/en>). Of particular note is that all the customer categories believe that CR programs are very important, especially when targeted to societal issues.

For more information: <http://www.ote.gr/cr2011/en>

8. Data Security and Privacy

The security and confidentiality of our customers' data is of utmost importance to OTE. In addition to upholding all applicable laws and regulations, the OTE Group's Regulatory Compliance Management System includes the OTE Group Code of Conduct for the Protection of the Individual's Right of Privacy in the Handling of Personal Data within the OTE Group; which covers the personal data of employees, customers and shareholders of OTE Group companies, as well as the privacy of communications. OTE's procedures comply with all applicable data retention laws. In addition to governing daily conduct, training is conducted for customer-facing and back office employees; and disciplinary measures apply for breaches of OTE procedures.

A new policy of Confidentiality Security according to the Principle of Confidentiality Security of Communication (P.C.S.C.) is being developed, which will be approved during 2012. Furthermore during 2011, audits of danger evaluation took place along with penetration tests of the security systems of the company and risk assessments. Additionally, ten members of the Security Directorate were trained on relevant matters. OTE's goals for 2012 include strengthening physical security measures and ongoing security culture and awareness.

IV

EMPLOYEES

Introduction and Priorities

OTE is one of the largest employers in Greece, with almost 10,500 indefinite term employees³. To secure OTE's long-term sustainability in the Greek market, which is experiencing severe recession and hardship from the economic crisis, the company is committed to improving workforce performance and customer focus, reducing costs to sustainable levels, investing in employee development, and involving employees and their representatives in this important strategic effort.

In 2011, OTE's priorities included:

- Concluding a new Corporate Collective Labour Agreement for the next three years, regulating important issues such as employees' payroll, working hours and voluntary departure incentives; and implementing a voluntary departure program for 295 Employees, within the framework of an agreement signed between OTE and Union OME-OTE.
- Pursuing specific goals set for 2011 to further develop key human resources tools, such as the HR Help Desk pilot and expanding the Human Capital Management (HCM) system.
- Maintaining the focus on health and safety, training and development, and specific goals set for 2011 to increase employee involvement in CR volunteering initiatives.

³ All information and data included in this Chapter concerning employees refer only to OTE SA in Greece.

1. Workforce Overview

OTE has highly diversified personnel across the country. In 2011, the overall profile of our workforce was as follows:

- 11,988 employees, of whom 10,569 (88.2%) are indefinite term employees, while 1,419 (11.8%) are temporary contract employees.
- Of the 10,569 indefinite term employees, 143 (1.3%) are working part-time.
- Of the total workforce, 6,149 employees (51.3%) are located in the Attica region of Greece, and 48.7% in the rest of the country.
- Of the 10,569 indefinite term employees, 264 (2.5%) are under 30 years, 4,031 (38%) are 30-44 years, 6,140 (58%) are 45-59 years, and 134 (1.25%) are 60 years or more.
- Women comprise 27.72% of indefinite term employees.
- Women hold 278 (24.79%) of the company's management positions.
- OTE employs 334 people with special needs, 28 of whom have positions of responsibility.

NUMBER OF TOTAL EMPLOYEES PER TYPE OF CONTRACT BY GENDER, 2011

Type of Employee Contract	Indefinite Term	Temporary Term	Total Number of Employees
Male.....	7,639.....	610.....	8,249
Female.....	2,930.....	809.....	3,739
Total.....	10,569.....	1,419.....	11,988

For more information: <http://www.ote.gr/cr2011/en>

2. Health and Safety Policy

OTE focuses firmly on the area of professional health and safety, setting the continuous improvement of work conditions as a priority in its general framework for upgrading the work environment. Shaping a policy for Health and Safety at Work and adopting relevant international standards are the key tools of risk prevention policy at the workplace. The planning and development of such standards ensures the Organization's compliance not only with the minimum requirements laid out by law, but also with the superior requirements that benefit all employees.

As part of a prevention policy, Health and Safety at work for OTE is manifested by the Internal Protection and Prevention Services through:

- Implementation of all relevant Legislation and Regulatory Provisions.
- Systematic training of all employees in the principles and practices of occupational Health and Safety, with the purpose of creating a culture of Health and Safety at work.
- Development of collaborations on occupational Health and Safety issues.
- Effective management of occupational hazards in the workplace, aiming at decreasing Occupational Accidents and Occupational Illnesses (Graph 1, 2, 3).

The Company operates 63 Occupational Health and Safety Committees national level, in which 173 elected by the employees representatives participate. The Committees cover 100% of OTE's operations and workforce in Greece. The Committees confer with the employer or its representative during the first 10 days of every semester.

Main achievements in 2011

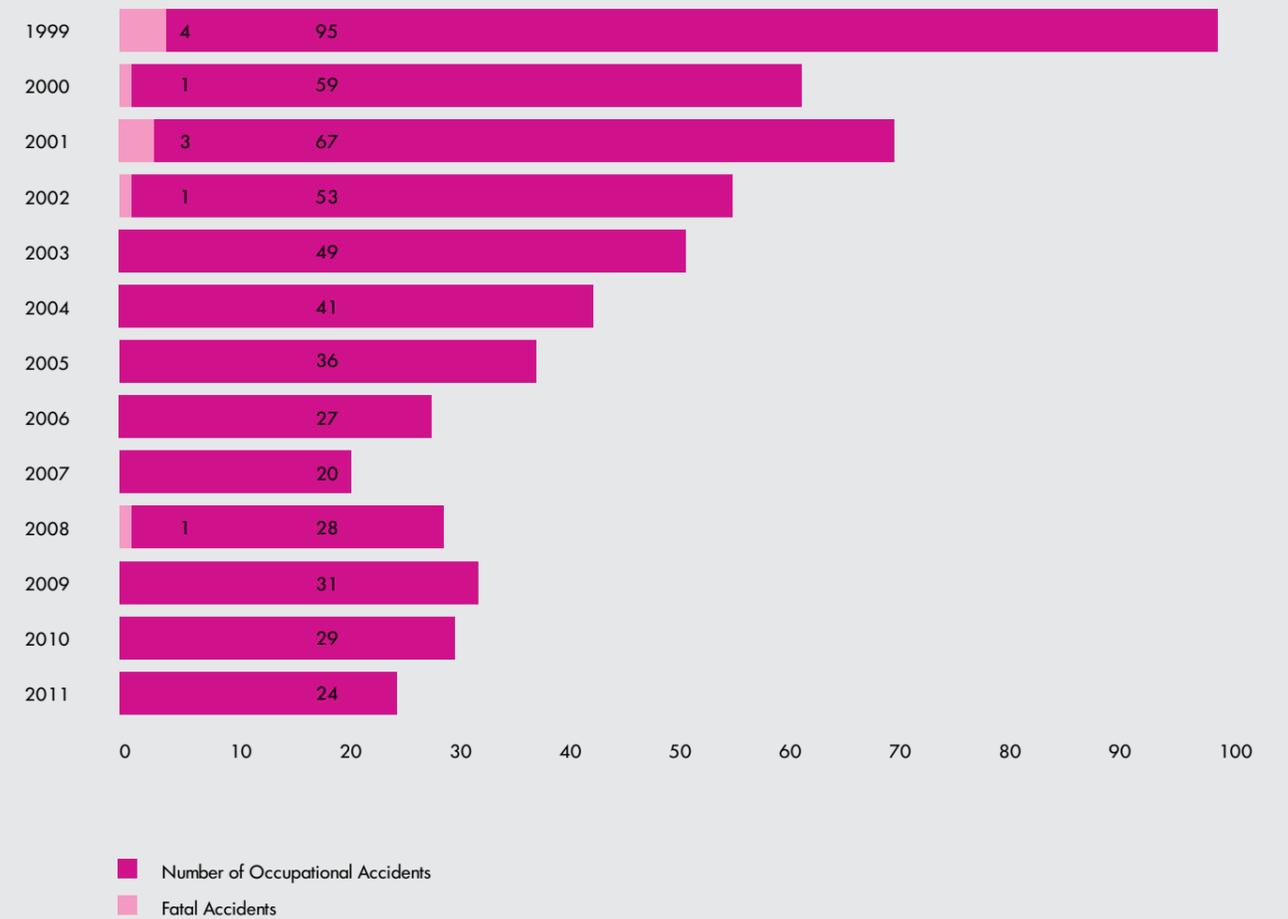
During 2011, the main achievements by OTE within the framework of work environment improvement consisted of the following:

- Provision of First Aid, at special healthcare areas, to 1,525 employees by the Organization's 11 doctors.
- Carrying out of 14,306 Medical examinations on 3,495 employees, by the Organization's 8 Occupational Doctors (clinical examination, spirometry test, audiometric test, myoskeletal system test, lead level test, tetanus vaccines etc.).
- Drafting/updating of "36" Occupational Hazard Evaluation Studies.
- Drafting of "12" Electro-magnetic Field measurement reports for OTE buildings.
- Carrying out of 3,932 inspections at work places by the 12 Safety Technicians and the 8 On-site Doctors.
- Conducting of training programs on Health and Safety issues and execution of nine (9) seminars to categories of personnel throughout Greece via OTE ACADEMY.

Additional information on participation in standards development, conferences and collaborations with other bodies, is in the Online 2011 CR Report at: <http://www.ote.gr/cr2011/en>.

The company monitors closely the yearly rates of injury, occupational accidents and the days lost in order to be ready to take immediate measures in case of increasing percentages. In 2011, trends were generally lower than previous years as demonstrated in the following tables. In particular, in 2011 there were no fatal accidents; occupational accidents involved 0.19% of employees; and the total days lost due to occupational accidents was the lowest level (1,408 days) in the past eight years.

OTE PERSONNEL OCCUPATIONAL ACCIDENTS 1999-2011



For more information: <http://www.ote.gr/cr2011/en>

In an extremely difficult timing for the country and the company, the Collective Labour Agreement signed today can secure employment as well as the smooth operation of the company.



3. Quality Management Systems

By adopting a philosophy of continuous improvement over its processes and activities, in accordance with the international Quality standards, in 2011, OTE has performed the following:

Standardised Management Systems

- Planning, development, implementation and improvement of Quality Management Systems according to ISO 9001:2008 International Standard.
- Development, implementation and improvement of Environmental Management Systems, according to ISO 14001:2004 International Standard.
- Development, implementation and improvement of Occupational Health and Safety Management Systems according to ELOT 1801:2008 - OHSAS 18001:2007.

Audits of Management System Standards

- Independent certified internal auditors carried out internal audits at scheduled time intervals, in order to locate Non-Compliances and to take corrective measures, in accordance with the requirements of the ISO 9001:2008 Quality Management Systems, the ISO 14001:2004 Environmental Management Systems and the ELOT 1801:2008 Occupational Health and Safety Management Systems.
- Audits were performed by an external Certification Body (ELOT) in order to locate Non-compliances and to take corrective measures, in accordance with the requirements of ISO 9001:2008, ISO 14001:2004 and ELOT 1801:2008 International Standards.

Business Excellence

- European Certification / Distinction of the Department of Administration & Quality and the Quality Management Systems Section, in the 'Committed to Excellence' programme of the EFQM Business Excellence Model

Training in Quality Management Systems

- Operations managers and executives were briefed on the development and implementation of the ISO 9001:2004 Quality Management Systems, the ISO 14001:2004 Environmental Management Systems and the ELOT 1801:2008 Occupational Health and Safety Management Systems by executives from the Department of Administration & Quality.
- Planning and implementation, in cooperation with the Hellenic Management Association (EEDE), of seminars on the EFQM Business Excellence Model and in the context of Corporate Responsibility, Management of Knowledge and External Resources.

4. Fair Employment

OTE applies its policy for fair employment and total respect for human rights to all its employees. In this particularly sensitive area, in order to rise to the challenges and needs of our time, OTE has established a strong internal regulatory framework, which is based on:

- The OTE Personnel Internal Regulation (PIR-OTE)
- The Company's Code of Ethics & Business Conduct
- The 'Compliance Management System' (since July 2009) and approval of a Policy on Averting Conflicts of Interest & Combating Corruption, as of 17 December 2010 (Implementation in 2011).

Further information regarding these Codes, can be found on the following website: <http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/diafaneiaplirforisi/codeofethics>

The regulatory framework prohibits the use of child labour, forced labour or the employment of youths for hazardous work and there are no instances of such employment in the company's operations. The company ensures through the HR compliance process that there is no risk of such occurrence inside its operations.

COLLECTIVE AGREEMENT NEGOTIATIONS DURING 2011

2011 was a year of intense and long negotiations to determine the course of critical issues for the company's workforce. Negotiations took place against the general turbulent and unstable economic background of the country. OTE Management conducted negotiations with the OTE Employees' Federation (OME-OTE) for the Corporate Collective Labour Agreement, a complex and sensitive process that lasted two years, mainly concerning the reduction of the Company employees' wages and working hours and the security of job posts for period of three years. These negotiations resulted in the signing of the Corporate Collective Labour Agreement dated 2 November 2011, regulating these issues for the 3-year period of 2012-2015 and beyond.

Furthermore, following negotiations, more Corporate Labour Agreements were signed regulating specific issues such as the provision of incentives for the voluntary departure of employees (Corporate Collective Labour Agreement dated 8 December 2011), issues regarding the Organization for OTE Employee Vacation Centres (Agreement dated 8 December 2011), taking into account the needs of both the Company and the Employees. The employee representatives (OME-OTE) were also informed and consulted with regarding the provisions of Presidential Decree 240/2006, for a number of important issues, including restructuring, Telecommunications Commercial Stores.

Post the 2nd November agreement Chairman and CEO of OTE, Mr Tsamaz stated:

"In an extremely difficult timing for the country and the company, the Collective Labour Agreement signed today can secure employment as well as the smooth operation of the company. The signing of the agreement is only one part of the total effort made in order to reshape OTE into a competitive and high performing enterprise, offering quality telecommunications services and contributing to the progress and the value of the country."

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

OTE strives to achieve a fair working environment with meritocratic procedures of hiring and respect of the rights of employees whose contracts are terminated. Non-discrimination is a founding principle for our operations and in 2011, there was one discrimination complaint in the company regarding an internal transfer to an advertised position. The complaint was examined in line with HR rules and hiring procedures and was not upheld.

At OTE there is no gender discrimination regarding remuneration of any kind. Employees' basic salary is calculated based solely on their years of employment and educational level.

NUMBER AND % OF PERMANENT EMPLOYEES BY GENDER:

Female.....	2,930 (27.72%)
Male.....	7,639 (72.27%)

NUMBER OF EMPLOYEES WITH POSITIONS OF RESPONSIBILITY BY GENDER, 2011

	Male	Female	Total
CEO.....	1		1
General Directors.....	12	3	15
Heads of Divisions.....	50	3	53
Heads of Sub-Divisions.....	162	36	198
Department Heads.....	618	236	854
Total.....	843	278	1,121

PEOPLE WITH SPECIAL NEEDS EMPLOYED BY GENDER AND POSITION OF RESPONSIBILITY, 2011

People with special needs	Head of Section	Project Manager	Other	Total
Male.....	9	14	213	236
Female.....	5		93	98
Total.....	14	14	306	334

RECRUITMENT AND TERMINATIONS

At OTE job openings are posted on a specialised website (Karriera.gr), as well as on the Company's website. Following the announcement of openings and the selection of successful candidates, the Company's Management decides upon and approves recruitments, in accordance with the procedure and criteria specified for each case. In 2011, there were 25 recruitments and 381 terminations (of which 292 concerned departures with incentives). The rest concerned mainly employees who were entitled to immediate pension.

DEPARTURES AND RECRUITMENT IN 2011 BY AGE GROUP (DEPARTURES INCLUDE TERMINATIONS WITH INCENTIVES)

Terminations & Redundancies	Age group
1.....	Under 30 years
63.....	30-50 years
317.....	Over 50 years
Recruitment	
0.....	Under 30 years
17.....	30-50 years
8.....	Over 50 years

For more information: <http://www.ote.gr/cr2011/en>

5. Employee Development

EVALUATION

In 2011, planning for the implementation of a new, unified employee evaluation system was put into effect, which will be linked with the Professional Development Plan including the development activities for each employee (training, coaching etc.).

In 2011, 983 executives and the entire non-executive personnel of the company were evaluated with the new unified evaluation system.

PARTICIPATION OF NON-EXECUTIVE PERSONNEL REACHED 89 %.

Men.....	72.75 % (6,804)
Women.....	27.25 % (2,548)

TRAINING AND DEVELOPMENT

At OTE we believe that training and continuous education of the employees provide opportunities for their professional development and ensure the provision of quality customer services. Training is a source of employee satisfaction while it helps the company retain its competitive edge. In 2011, 4,500 OTE employees took part in training programmes. The close cooperation between OTE and its OTE Academy subsidiary resulted in the creation and/or adjustment of training programmes with the aim of responding to the specific training needs of the company's personnel and executives.

Training programmes cover the following areas:

- Technology and telecommunications
- Technology and IT
- Management
- Customer Service
- Sales
- Financial issues
- Human Resources
- Health and Safety
- Technical
- Anti-corruption, regulatory compliance

TOTAL AND AVERAGE TRAINING HOURS PER YEAR, NUMBER OF TRAINEES PER YEAR

Training	2010	2011
Total training hours.....	135,368	82,898
Average training hours per employee.....	23	19
Total number of trainees.....	5,895	4,467

For more information: <http://www.ote.gr/cr2011/en>

4.500 employees participated in educational programs with more than 80.000 hours of training, concerning topics such as Technology, Information Technology, Service of Customers, Health and Safety.



6. Employee Benefits

All regular (permanent and indefinite term) OTE personnel have basic benefits including salary, pension, life insurance, medical coverage, disability coverage, maternity/paternity leave and retirement provision.

Indicatively, during 2011, 178 women took the nine month maternity leave, instead of the daily reduced working hours. Also OTE's entry level wage in 2011 was EUR 1,008 (monthly), while the national minimum wage for full time entry level jobs was EUR 832 (monthly). There is no gender discrimination on wages and benefits.

OTE's pension is a defined benefit and is calculated according to the employee's salary and the years of service. Pensions are provided by the National Insurance Fund.

Additionally, on a case-by-case basis, OTE offers its employees a number of additional benefits, beyond those stipulated under Greek law, aiming at achieving a balance between work life and personal life.

PERSONNEL ENTERTAINMENT

Activities and initiatives provided to employees so that they can make creative use of their free time are supported by OTE, as they help in balancing professional and family life, which is an important element of the company's culture, values and principles.

OTE ACTION	DESCRIPTION/INFORMATION
Organisation for OTE Employee Vacation Centres (OPAKE-OTE).....	- 2 Vacation centres - collaboration with selected hotels throughout Greece - in 2011, approximately 11,473 people used these programmes
OTE Employee Cultural Centres.....	- 53 Employee Cultural Centres (art, entertainment, sports) - Approximately 20,000 active members
OTE Choirs.....	- Participation in concerts and Festivals throughout Greece and abroad
Raffles: Automated electronic raffle system for participation in events receiving OTE sponsorships.....	- 26 raffles - 19,164 participations - 1,565 tickets awarded for sports events / concerts / shows etc)

7. Internal Communication

The company provides accurate and continuous information to all employees and by result boosts cooperation, team spirit and cohesion among employees, using a number of communication tools such as the intranet (U-link) and internal campaigns.

INTRANET

In 2011, OTE's intranet, the "U-link", completed three years of operation as the primary internal communication tool for OTE's employees. The main goal for 2011 continued to be its systematic use in order to inform employees in a timely and direct manner, as well as to facilitate their access to corporate information.

In 2011:

- The number of employees with U-link access, at the end of 2011, was estimated to 9,953.
- 69 new topics and more than 1,280 new documents were added to the intranet site.
- A total of 24 internal communication actions took place (through banners, thematic configuration of the intranet environment and related briefing documents).
- The employee team that represents the company's Departments and contributes to the publication of the intranet topics consists (according to 2011 year-end data) of 415 persons (an increase of 8%).
- 145 articles on Corporate Responsibility issues were published (an increase of 55.5% compared to 2010).

INTERNAL COMMUNICATION CAMPAIGNS

Below we showcase an organised multifaceted communication campaign that took place during 2011 concerning the 2011 Athens Special Olympics.

ATHENS 2011 Special Olympics Campaign:

In order to provide information and raise employee awareness on the ATHENS 2011 Special Olympics World Games, a number of targeted actions took place:

- Creation of a specialised Microsite on the ATHENS 2011 Special Olympics World Games within U-link (8 topics and 60 postings), providing information on the Games and showcasing the Volunteerism Programme, to raise employee awareness and participation
- Creation of a specialised information point on the U-link homepage about the ATHENS 2011 Special Olympics World Games.
- Creation of a Portal for the ATHENS 2011 OTE Volunteerism Team, with updates on the volunteers, and the means to exchange views and experiences
- Sending, during the Games, 5 email newsletters to employees containing news and photographic material from the Games. It is worth mentioning that the employees/volunteers contributed greatly to the compilation of the material, by taking advantage of the Portal for the ATHENS 2011 OTE Volunteerism Team.

For more information: <http://www.ote.gr/cr2011/en>

8. Employee Satisfaction

OTE aims to create transparent and effective internal communication channels for all employees to be able to express their feedback, needs and expectations on the company. One of the goals for 2011 was to have full operation of the HR-HELP DESK Service across Greece. This was not yet fully achieved since the HR-HELP DESK information system, which supports the operation of the Service in question, has not been installed yet. It is estimated that the installation of the aforementioned system, as well as the nationwide operation of the Service, will be possible by the end of October 2012.

Nevertheless, the Service operates on a pilot basis for anyone familiar with it and who dials the four-digit number 1255, providing telephone services to all colleagues on human resources issues. The HR-HELP DESK Service also participated in other Company events and programmes, thus enhancing outward actions such as the "CAREER DAYS" programme, aimed at students and young people seeking employment. The employee satisfaction survey was not conducted as originally planned and was rescheduled for 2012.



SOCIETY

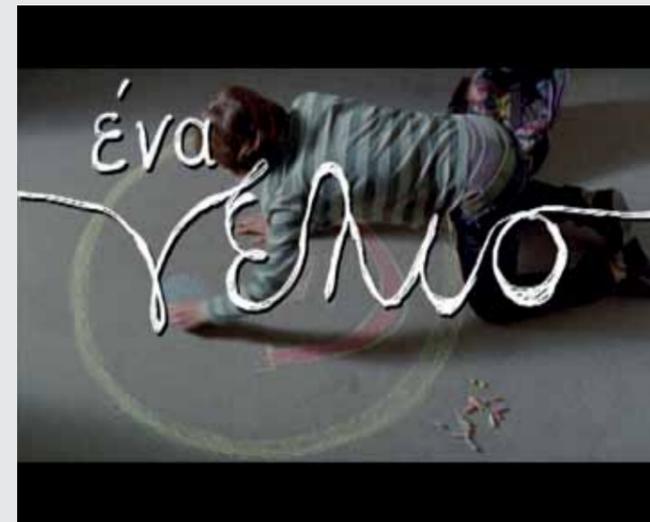
Introduction and Priorities

The economic crisis has had a visible impact on Greek society. Widening inequalities, increasing unemployment, poverty and marginalisation of the socially vulnerable are on the rise. These challenging times for social cohesion call for citizen volunteerism, enhanced NGO action as well as social contributions from various actors including businesses.

OTE has made a conscious decision to maintain and strengthen its social programmes and its management has expressed this commitment at various public occasions. Our initiatives focus on helping socially vulnerable groups and particularly children in need and people with disabilities, and OTE employees have responded with great motivation to calls for volunteerism and social service. OTE has also given priority to support for young students with a special emphasis on access to technology, scholarships and work experience opportunities. Supporting local communities, particularly through cultural initiatives in the periphery, also remains high in our list of corporate social priorities.

During 2011, OTE proudly sponsored the 'Special Olympics World Games ATHENS 2011', alongside an employee volunteering programme at the Games. Of great significance was the continuation of OTE employees' volunteer Blood donations programme for 2011, while OTE also boosted its Safer Internet education programmes. The public was informed on all these initiatives through OTE's revamped CR website.

We support socially vulnerable groups, such as, people with disabilities and particularly children in need, offering more than 1,700,000 EUR.



1. Social Products and Services

OTE offers telecommunications products and services specially designed for people with special needs or given at special rates for students.

Product	Description
Free ADSL.....	For the sixth year in a row (2011) - OTE offered free Conn-x broadband connections to excelling undergraduate and postgraduate students. The offer included free of charge internet access to the top students.
Student Conn-x.....	OTE offers all students the possibility to acquire broadband connection to the internet via ADSL access at attractive rates. In 2011, 33,525 students made use of this right (compared to 33,717 in 2010).
Remote Assistance.....	The 'Instant Alert' service helps persons whose condition necessitates assistance and continuous supervision (the elderly, individuals with special needs etc.). Today, it serves over 1,000 users.
Health Telematics.....	The service is provided via Teleconference systems and is used in Hospitals and Mental Health Centres such as by NGO KLIMAKA, through the interconnection of Rehabilitation Centres located on islands with the specialised staff of KLIMAKA in Athens.
Special Call Centre for Hearing Impaired Persons.....	The 18855 Special Call Centre for Hearing Impaired Persons serves individuals with hearing problems via special devices (textphones). Calls from OTE landlines through out Greece to the 18855 number are charged at the local rate.

HELPLINES

Furthermore in 2011, OTE provided telecommunications infrastructure and financial support to the operation of the following helplines for children, youth and vulnerable groups:

- The Greek National Helpline for children "SOS 1056" of the 'The Smile of the Child' association
- The European Hotline for missing children "116000", of the 'The Smile of the Child' association
- Advice Helpline '11525 Together for Children', by the Union 'Together for Children'
- European "Helpline 116111 for support to Children and Youth", by the Association for the Psychosocial Health of Children and Teenagers (A.P.H.C.A)
- 'YpoSTIRIZO' (I SUPPORT) Helpline number 80011 80015 in cooperation with the Adolescent Health Unit (AHU) of the 2nd Department of Paediatrics, University of Athens, at the 'P. & A. KYRIAKOU' Children's Hospital
- National Suicide Prevention Hotline 1018, in the framework of services provided by the 'KLIMAKA' NGO.

For more information: <http://www.ote.gr/cr2011/en>

2. Social Contribution

For many years OTE has been offering its support to socially vulnerable groups such as people with disabilities and in particular children in need. In 2011, it continued to do so through a number of initiatives, partnerships with NGOs and special discounts.

OTE EXPENSES FOR CORPORATE RESPONSIBILITY ACTIONS

	2011	2010	2009	Total CR expenditure 2009-2011
Sponsorships-Donations.....	605,197.00 €	744,655.00 €	887,000.00 €	2,236,852.00 €
Christmas Charitable Contribution.....	200,000.00 €	200,000.00 €	250,000.00 €	650,000.00 €
Special Olympics.....	980,000.00 €	-	-	980,000.00 €
Tele-voting fund raising.....	67,961.00 €	76,510.00 €	206,250.00 €	350,721.00 €
OTE Employee Cultural Centres.....	200,000.00 €	200,000.00 €	200,000.00 €	600,000.00 €
OTE Employee Vacation Resorts.....	1,600,000.00 €	1,730,000.00 €	1,600,000.00 €	4,930,000.00 €
Choirs (Athens-Thessalonica).....	160,000.00 €	167,049.00 €	250,000.00 €	577,049.00 €
Total.....	3,813,158.00 €	3,118,214.00 €	3,393,250.00 €	10,324,622.00 €

a. People with Special Needs

OTE offers service discounts to a number of individuals with special needs. In 2011, 26,303 people with special needs including people who are blind or deaf, people with severe disabilities and nephropathy patients received a total of EUR 4,105,108 in discounts for telecommunication services.

Additionally, OTE offers its support to a number of NGOs with long presence and contribution in the field of helping vulnerable social groups:

Food Bank Foundation

For another year, OTE contributed financially to the Food Bank Foundation against hunger. Due to the financial crisis the number of persons in need of food aid has increased by 35% in 2011. With OTE's contribution, the Foundation distributed free food and other goods on a weekly basis to 200 homeless shelters and foundations serving approximately 27,000 people in Athens and Salonica.

Hellenic Cancer Society

In this long-term co-operation, OTE's financial assistance contributes to the operation of the 'Centre for Prevention and Early Diagnosis of Cancer', which is of pioneering significance in Europe.

Doctors of the Aegean

In 2011, OTE continued to support the humanitarian missions of 'Doctors of the Aegean' – a team of doctors from the University General Hospital of Heraklion which undertakes missions to remote border islands.

'STROFI' Rehabilitation Community Family Association of the Therapy Centre for Dependent Individuals (KETHEA)

For the third consecutive year, OTE contributed to the work of the Rehabilitation Community Family Association, of the Treatment Clinic for Addicts (KETHEA), which assists participants in KETHEA treatment programmes throughout Greece. In particular, the provision of a graduate scholarship was continued, and part of KETHEA's operating expenses was covered.

9th Homeless World Cup ('Scoring a Goal for Poverty' Campaign)

For another year, OTE contributed to the Homeless World Cup, an annual international football tournament organised with the support, amongst others, of UEFA. A total of 64 countries participated in this year's event.

Also, within 2011, 4,800 phone cards (with a total value of EUR 19,600) were given to organisations such as the *Greek Red Cross and Special Juvenile Correctional Facilities*.

b. Children

OTE offers its ongoing support to the following organisations tasked to help children:

Association of Social Responsibility for Children and Youth (SKEP)

Supported by OTE for the third consecutive year, the Association connects children and young people with disabilities or living in adverse conditions, with students from schools and universities. In the past 3 years, 139 special schools, social bodies and schools for general education have participated, bringing together over 8,000 young people from all over Greece.

'Friends of the Child'

OTE has a long association with the Association's work for children from impoverished families. In its 22nd year of operation, the Association provided support to 550 families and 2,200 children. In 2011 the education expenses were covered by OTE's financial backing.

Cerebral Palsy Greece

In 2011, OTE continued its support by covering the expenses for the provision of a call Centre serving the needs of Cerebral Palsy Greece.

Association of OTE Employees and Pensioners with Disabled Children (SESOP)

In 2011, OTE continued to financially support the work of the Association of OTE Employees and Pensioners with Disabled Children. OTE's financial support concerns the organisation of events for children of the Association throughout Greece.

Hellenic Society for Disabled Children (ELEPAP)

ELEPAP is the first private institution that opened its doors for the care, treatment, education and rehabilitation of children with physical disabilities ranging from a few days to 16 years old. Since 1987 the Society has also been assisting adults aged 18 and above in finding work. OTE has consistently supported this very important work over the last years.

Additionally OTE has been active for many years in the field of **Social Marketing**. Specifically, for the 9th consecutive year, OTE has assisted charity organisations by donating a significant part of the revenue generated by its **Christmas Campaign**. In 2011, the amount of EUR 200,000, which was generated through purchases made at the OTE retail stores, through the 13888 number or oteshop.gr during the 2011-2012 Christmas season, was given to help the goals of Charity organisations such as the Organisation 'THE SMILE OF THE CHILD', MDA HELLAS – the Association providing assistance to people with Neuromuscular Conditions – and the charitable organisations which, together, form the Association 'TOGETHER FOR CHILDREN'.

More detail on support for the member organisations is found in our Online Report.

For more information: <http://www.ote.gr/cr2011/en>

c. Education

Youth education on new technologies and development of skills to equip them for their future is among the social contributions closer to the heart of the business. Specifically during 2011:

- OTE gave the opportunity to 866 students (compared to 907 in 2010) to complete their studies through internships in a modern work environment at OTE, in cooperation with the academic community and the public bodies (e.g. OAED schools).
- During 2011, 3,035 students were employed at the call centres, giving them the opportunity to acquire their first professional experiences in the field of telecommunications.
- OTE sponsored for the sixth year the 'Computer Re-Use Programme' spanning the entire country and promoting the reuse of computers and other technological equipment at schools and NGOs.
- For an eighth consecutive year OTE sponsored the 'LISIAS' Pan-Hellenic School Contest, in which more than 40,000 pupils participated. The contest teaches fairness between pupils with regard to subjects relating to their interests and school knowledge, while getting acquainted with new technologies, at the same time.
- Continued and extended until 2015, jointly with COSMOTE (AMC) and ROMTELECOM, we supported the Scholarship Programme of the American Farm School of Thessalonica. This sponsorship-institution gives, on an annual basis, 3 different students from South-East Europe (Greece, Albania and Romania) the opportunity to receive a high standard of education at the 'Dimitris Perotis' College, in fields such as agro-tourism, the food industry and environmental protection.
- OTE awarded with a scholarship, for the fourth consecutive year, two post-graduate students with excellent academic performance of the Department of Banking and Financial Administration of the University of Piraeus, for

the academic year 2010-2011. In recent years, the above Department, in an effort to reward his excellent students, established the "Rewards for Firsts Students", through the institution of scholarship. This initiative reinforces the systematic effort to upgrade the studies for the promotion of excellence and a better future for young people.

- OTE-COSMOTE Scholarship Programme for Greek Rural Regions.

OTE participated in a joined program with COSMOTE in its tenth year, making it possible to award 15 instead of 10 grants. The programme particularly focuses on students who need aid because of a disability or low-income family situation.

OTE Telecommunications Museum

As in previous years, OTE used its Telecommunications Museum to spread knowledge on the history of telecommunications as well as the best use of new technologies among young audiences. The Museum contrives specialised training programmes divided by public group category and age and carries out tours, events and exhibitions. All actions are offered by OTE free of charge. During the period September 2010–August 2011 the Museum received 12,492 visitors, 11,221 of which were from educational groups, 200 from associations and unions and 1,071 were individual visitors. There was a 76.64% increase in the total number of visitors compared to the corresponding period September 2009 – August 2010. The educational programmes of the OTE Telecommunications Museum are designed for students of all grades, for teachers, as well as for individual visitors. The following programmes were materialised during 2011:

- Guided tour programme for primary and high-school students, as well as for individual visitors: visitors included 170 persons with special needs, children of an intercultural public primary school and OTE employee cultural centres from the Periphery.
- 'Arts Workshop on Telecommunications', for children aged 5-8.
- 'Safer Internet Informative Meetings' for school groups, teenagers and adults: between September 2010 and August 2011, 821 persons were informed at the Museum, through the safer internet programme.

d. Local Communities

OTE tangibly demonstrates its interest for local communities by participating and supporting an array of cultural activities throughout Greece. Indicatively in 2011 it supported the:

- 3rd International Art & Science Festival
- International Folklore Festival 2011 - Lefkas
- Cyclades: "Small-island Celebrations" - Folegandros
- Simi: Festival of the Simi Municipality (7th consecutive year)
- Patras: "12th International Panorama of Independent Cinema & Video-Art Creators"
- Siros: "Ermoupolia" Festival, 2011 (6th consecutive year)
- Xanthi: "Old Town Celebrations" (6th consecutive year).

e. Culture

OTE consistently supports actions that contribute towards the enhancement of cultural heritage. Within this framework, OTE maintained its longstanding relationship and collaboration with the following entities in 2011:

Benaki Museum

During the years 2009-2011, with the contribution of OTE, the electronic documentation of the Pikioni file of the Modern Greek Architecture Archives Department has been completed. Additionally, the following has been completed:

- the recording and documentation of the draft works of John Pappas,
- the documentation from the recent publication of the collection of J. D. Koilalou printed designs,
- the corresponding documentation of Islamic jewellery from Libya as well as
- the documentation of the photo file of Peter Kaloniarou

In the field of digitization, work continued on the collections of the main building, the architectural Pikioni file was completed, much of the architectural Mylonas file and large number of photographs from the Photographic Archives. In terms of this work a total of 9279 images have been digitized.

Additionally in 2011, with the financial support of OTE, the following were included in the documentation and collection management system:

- 250 Artworks.
- 620 Photographic prints of Stephen Fiotakis (1881-1971)
- 690 Color slides of the Byzantinologist Laskarina Bouras (1941-1989).

Hellenic Foundation for European & Foreign Policy (ELIAMEP)

Continued and in 2011 the collaboration between OTE and the Greek Foundation for European and Foreign Policy (ELIAMEP) on both the participation of OTE, as a member of the Institutional Subscriber Network of ELIAMEP, and the organization of international seminars.

The Society for the Study of Greek History (EMEIS)

The objective of this organization is to encourage and promote research of Greek history and especially the history of modern times. Also, among the company's objectives is the development and dissemination of historical studies on a scientific basis as well as analysis and display elements of identity and unity of Hellenism in its long history. A part of these aspirations is achieved with the financial assistance offered by OTE to the Company during the last years.

Vergina Experimental Workshop

OTE supported a significant artistic activity, namely the exhibition "Mount Athos" by Efthimios Varlamis, hosted at the Byzantine and Christian Museum and was organized by the Vergina Experimental Workshop in collaboration with the «ART MUSEUM» Austria. The exhibition included 47 paintings, most of which depict monasteries, cloisters and landscapes of Mount Athos. The painting was combined with a construction site and was accompanied by a soundtrack that allows visitors to visualize Mount Athos and "experience" the atmosphere and heritage values of Mount Athos. More than 10,000 visitors had the opportunity to experience in a unique way the mystagogy and solemnity of Athonite State.

Mental disability is another proof of world diversity. Let's all commit to the global principles of dignity and equality of all mankind. I feel proud, that I have participated in this celebration for mankind's equality.



3. Volunteering

In 2011, three important corporate volunteering projects of OTE took place, during which 3,429 employees participated:

Special Olympics ATHENS 2011

OTE launched a volunteer programme to support the Special Olympics World Summer Games ATHENS 2011. 149 employees from OTE employees all over Greece participated in the program. All telecommunication infrastructure and services needed were provided by OTE/COSMOTE. In the context of OTE's Employee Volunteerism Programme, as well as of OTE's sponsorship of the 'Special Olympics World Games ATHENS 2011', a special corporate programme regarding the voluntary participation of the company's employees in the event was designed. Employees from all corners of Greece responded to the programme and participated in OTE's Team of Volunteers, thus playing a part in understanding and accepting mental disability, promoting the idea of volunteerism and representing the company at this international event.

29th Athens Classic Marathon

OTE participated in the 29th Athens Classic Marathon for the first time in 2011. 91 employees-athletes participated in the event. OTE donated five euros to the Hellas Muscular Dystrophy Association (MDA Hellas) for every kilometre run. The MDA supports people with neuromuscular diseases.

OTE volunteer blood donations

OTE Employee Volunteering Programme, existing for more than 35 years. A total of 3,189 units of blood were collected in 2011, against 3,214 collected in 2010. 1,135 of these were used to cover OTE employees' needs throughout Greece and the remaining 2,054 were used to cover society needs.

For more information: <http://www.ote.gr/cr2011/en>

VI

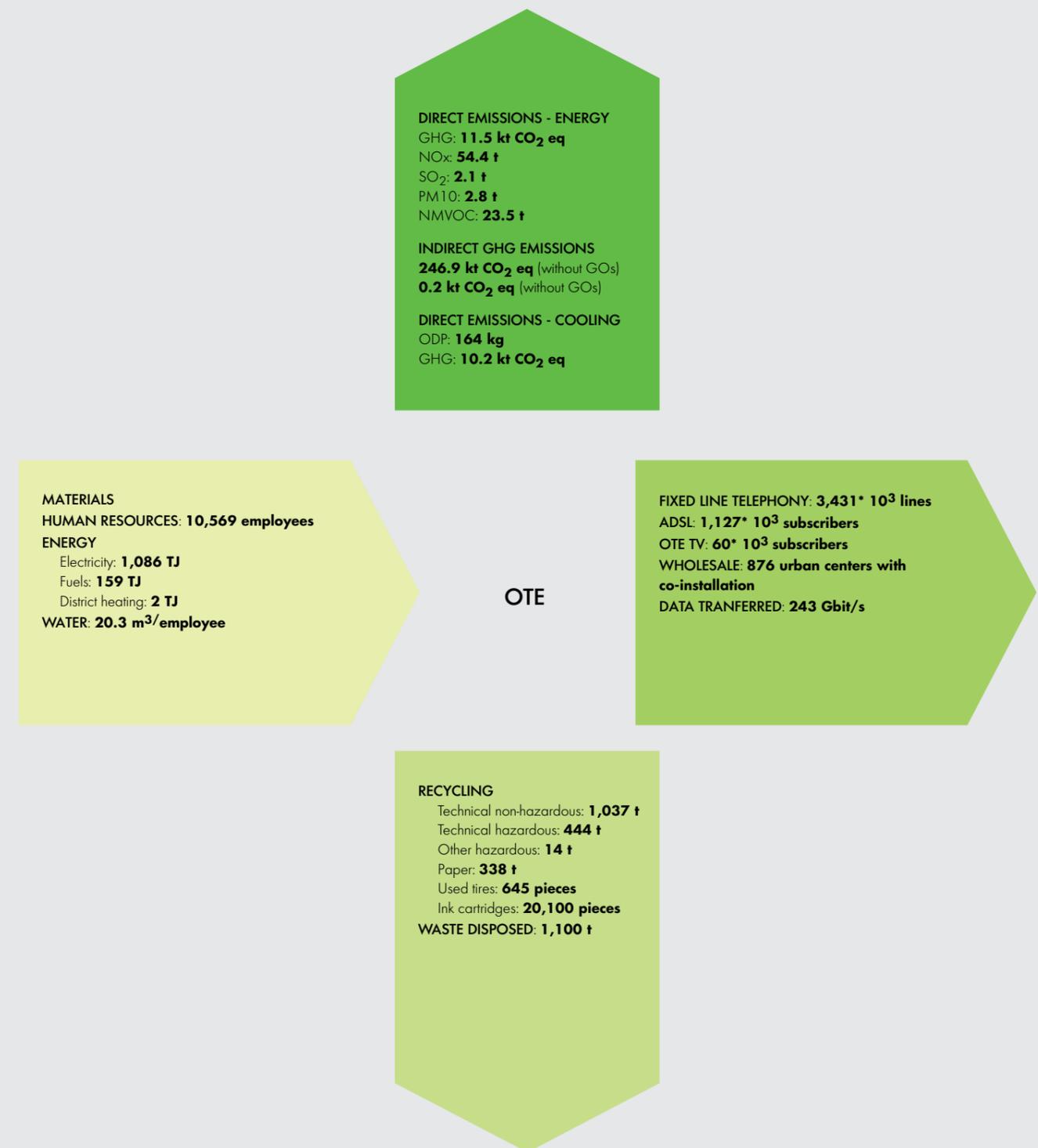
ENVIRONMENT

Introduction and Priorities

At OTE, an Information and Communication Technologies (ICT) company we are fully aware that, though low, there are environmental impacts associated with ICT activities. At the same time, we are also aware that ICT offer a number of opportunities for supporting sustainable development and production in many activities and sectors. The objective of our environmental policy is to minimize the environmental impacts from our activities while providing products and services that enable increases in productivity and environmental protection in other sectors of economic activity.

2011 highlights regarding our environmental management and performance include:

- The development of an integrated climate change strategy, with GHG emissions reduction target for 2020, has been decided and its implementation details are being formulated.
- A decrease of heating and road transportation fuel consumption by 6%.
- The acquisition of Guarantees of renewable Origin (GOs) covering 100% of our electricity consumption.
- An increase of electricity use efficiency by 20%.
- A reduction of direct GHG emissions from fuel consumption by 685 t CO₂ eq.
- Submission of application to install of 350 kW of roof-top photovoltaic power generation modules to the competent authorities.
- Enhancement of recycling of all major waste streams associated with our activities remained at high level.
- Investment in research and development to improve equipment and systems performance through the participation in international and national research programs.



1. Strategy and Management

OTE acknowledges that businesses with a leading role in South-eastern Europe are those that combine financial growth and environmental awareness in all aspects of its operation.

OTE recognizes its own responsibility for the protection of the environment and aims to actively contribute to the mitigation of the global environmental issues, such as climate change and natural resources conservation. In this context, a series of initiatives and actions are being developed, in line with international rules and practices, with qualitative and measurable quantitative goals. OTE aims at decreasing the impact of its operations on the environment, thus contributing to the enhancement of corporate environmental responsibility. To meet this objective, an integrated environmental policy and management scheme has been formulated with clearly defined annual improvement benchmarks set each year. At the same time we look for the design and development of products and services that enable our customers to reduce their environmental impacts.

a. Environmental Policy

The key elements of our environmental policy are full compliance with environmental legislation in all aspects of our operation as well as in products / services developed and provided, monitoring and reporting of our environmental footprint, and the formulation of appropriate measures for reducing our footprint. In that context, we analyze the environmental impacts associated with our operations, products and services taking into consideration: energy consumption, greenhouse and other gases emissions, raw materials use and waste management, water consumption, ozone layer and electromagnetic radiation.

Aiming at the continuous improvement of our environmental performance, we:

- Analyze, monitor and strive to systematically improve the calculation of our environmental impact.
- Design and implement measures for reducing our environmental impact through:
 - *Rational use of energy, water and raw materials.*
 - *Promotion and utilization of Renewable Energy Sources.*
 - *Reduction of greenhouse and other gases emissions.*
 - *Recycling of raw materials and consumables.*
 - *Minimization of any potential impacts from electromagnetic radiation.*
 - *Environmental awareness*
- Invest in relevant research & development through our participation in national / international research programs.
- Develop products and services that enable our customers to improve their environmental performance.
- Actively participate in the on-going, formal or informal, consultations and international initiatives regarding climate change mitigation and environmental protection.
- Raise environmental awareness of our employees and customers.
- Support actions and initiatives undertaken by environmental organizations.

b. New Developments on Environmental Management

- OTE is in the process (since May 2011) of developing its integrated climate change strategy under the umbrella of the DT group climate change strategy. The overall context of the DT group strategy, as decided on August 2011, includes cost reduction, minimization of risks associated with political initiatives for climate change and addressing new business opportunities related to climate change. The strategy is being developed by taking into account the specific sectoral and national circumstances and its final outcome would be the definition of a GHG emissions target for 2020, with 2008 as the base year, accompanied with a set of measures to be implemented. It is expected that the climate change strategy will be announced during 2012.
- OTE has secured (from its electricity provider) Guarantees of renewable Origin GOs that cover by 100% our electricity consumption in 2011. According to these certificates for all of our electricity consumption the same amount of energy from renewable sources has been produced by PPC S.A.
- Internal discussions concerning the development of a centralized ISO 14001 environmental management system and of an environmental data collection and reporting scheme took place, with a view to formulate specific proposals for further actions.
- Waste management represents a key priority for OTE in the context of the environmental management of its activities. Utilization of authorized (per source stream) waste management entities for waste recycling / disposal

constitutes the main practice followed. The contracts signed, are being assessed to make sure they comply fully with the requirements set by legislation and if necessary modified appropriately.

- Environmental protection expenditures for 2011 reached 140,000 EUR. Cost categories taken into account include treatment and waste disposal, environmental impact assessment studies and external certification of environmental management systems.
- We systematically strive to ensure that our activities are in compliance with environmental legislation and minimize any associated fines imposed as well as the number of non-monetary sanctions. In 2011, there were no any fines as well as non-monetary sanctions imposed for environmental issues.

We acquired Guarantees of renewable Origin (GOs) covering 100% of our electricity consumption by the Electricity Provider.



2. Measuring and Reporting our Environmental Impact

We report our Environmental impact in the dimensions discussed in brief hereafter. More details are presented in the online version of this report (<http://www.ote.gr/cr2011/en>).

a. Energy consumption

Energy consumption represents a major source of greenhouse gases (GHG) and other gases emissions contributing to both climate change and air pollution. OTE considers energy consumption (mainly fossil fuels consumption) as one of the environmental aspects of its operation, and, therefore, launched in 2007 a program for monitoring its energy consumption on a national / regional level but also at individual buildings level. In 2011, the environmental data collecting system was expanded in order to cover discretely all the regional directorates of OTE.

Energy consumption⁴ covers operating needs of telecommunication infrastructure, buildings and OTE owned vehicles. As of 2011, the effect of collocation (concerning COSMOTE and wholesale providers) on the electricity consumption of OTE was quantified and calculated back to 2008. Therefore, a new time series of energy consumption has been developed.

In 2011, total energy consumption of OTE (excluding collocation) amounted to 1,246 TJ. Energy consumption in 2011, increased by 3.0% compared to 2010 (from 1,211 TJ in 2010 to 1,246 TJ in 2011). More specifically,

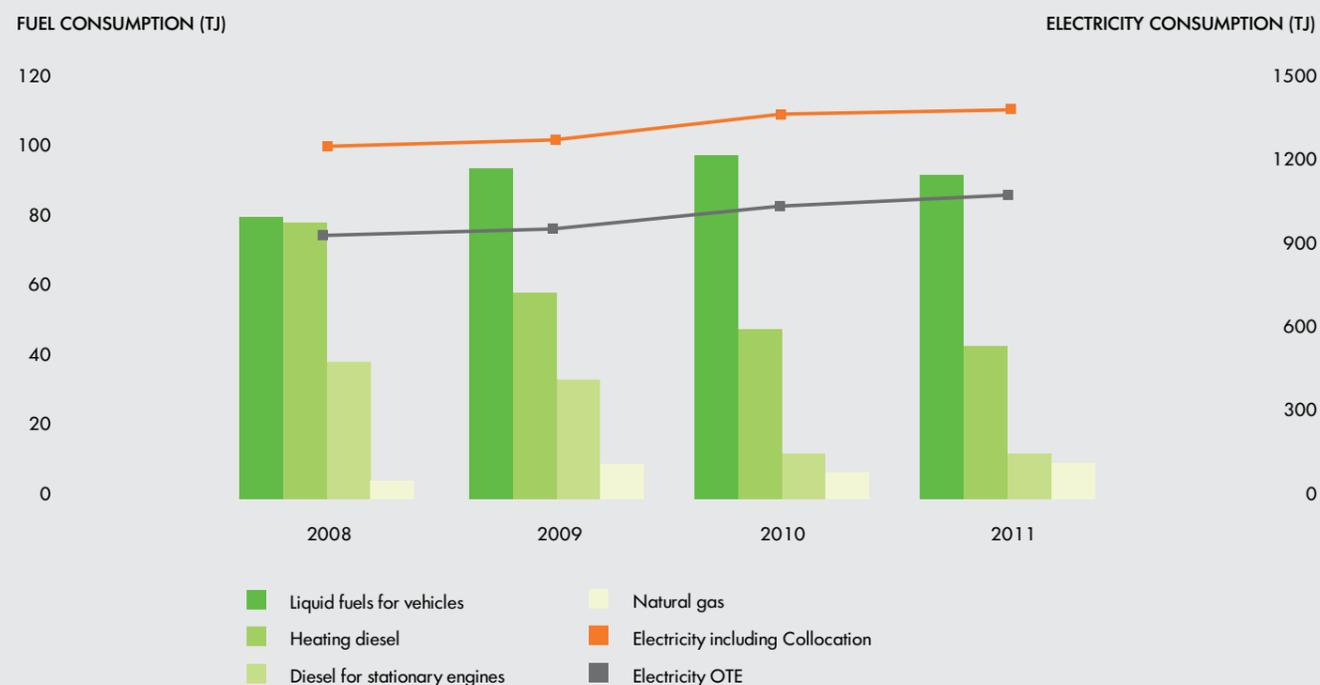
- The declining trend of fuel consumption for space heating (heating diesel, natural gas and district heating) continued in 2011. Consumption for space heating decreased by 4.3% compared to 2010 mainly as a result of space consolidation despite the less favorable weather conditions prevailed in 2011 compared to 2010.
- Fuel consumption for OTE owned vehicle fleet decreased by 6.4% compared to 2010.
- Diesel oil consumption for stationary engines remained almost constant at 2010 levels.
- Electricity consumption⁵ (1,090 TJ in 2011) makes up the largest part of the total energy consumption of OTE. In line with the global trend in the ICT sector, total electricity consumption of OTE increased by 4.3% compared to 2010, a rate which is almost half compared to the one observed in the 2010/2009 period (8.4%) as a result of:
 - The increase of the services provided that in terms of data transferred was about 50% reaching 243 Gbit/s in 2011 (182 Gbit/s in 2010).
 - The electricity conservation measures in place.
 - The lower average temperatures prevailed in 2011 compared to 2010 that resulted in decreased cooling needs.

The stemming 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 our electricity demand directly or indirectly by renewable energy sources represent the key priorities of OTE. In this context, we have secured (from our electricity provider PPC S.A.) for 2011 Guarantees of renewable Origin (GOs) covering 100% of our electricity demand.

⁴ Energy consumption is based on actual consumption data for the period up to September - November 2011, which are extrapolated to the end of the year due to data provision arrangements within the DT group.

⁵ Electricity consumption is estimated on the basis of actual data for Attiki covering the period up to November 2011 that are compared to the corresponding 2010 data and are then extrapolated to all of OTE administrative regions and to the end of the year.

FUELS & ELECTRICITY CONSUMPTION



Comment:

- a. Data on diesel for stationary engines refer to planned tenders for supplies for 2008 - 2009 and actual consumption for 2010 - 2011.
 b. An amount of less than 2 Tj for district heating is included in electricity consumption for 2010 and 2011.

Direct primary energy consumption for 2011 (excluding electricity consumption and district heating) is estimated at 159 Tj, and indirect primary energy consumption (by allocating to OTE the energy consumption needed for the production of the electricity and the district heating consumed by OTE) is estimated at 2,520 Tj (reduced to 1,090 Tj if GOs are taken into account).

b. Road Transportation Activity of own Vehicles

The maintenance / development of the telecommunication network, the distribution of our products and customers' service are the main drivers for an extended transportation activity demand by OTE owned vehicles fleet. In order to ensure the systematic monitoring of transportation activity and the improvement of the environmental performance of OTE owned fleet, the activities of the Section of Maintenance and Repair responsible for the operation of the OTE owned vehicles fleet are managed with an environmental management system certified with ISO 14001:2004.

In 2011, total energy consumption in OTE owned vehicle fleet⁶ decreased by 6.4% compared to 2010, while transportation activity increased by 3.1%. The gradual renewal of the owned vehicle fleet continues and emphasis is given in the purchase of vehicles running on diesel oil. In total 217 vehicles were scrapped in 2011.

As a result of the systematic maintenance of our fleet, the specific consumption of vehicles presents a declining trend. The specific consumption of vehicles running on unleaded gasoline and diesel decreased to 9.9 lt/100 km (from 11.3 lt/100 km in 2010) and 16.9 lt/100 km (from 17.2 lt/100 km in 2010) respectively.

c. Waste

OTE solid wastes include technical waste associated with material and equipment used by OTE (e.g. cables, metals), waste considered hazardous and require specific treatment (e.g. lubricants, stationary engines batteries) that could be technical or

⁶ Energy consumption is based on actual consumption data for the period up to September 2011, which are extrapolated to the end of the year due to data provision arrangements within the DT group.

non technical, and domestic waste from OTE buildings. Total generated solid waste amounted to 2,900 t in 2010, with printing paper (A4 paper) accounting for about 10% of total generated waste (290 t approximately). Recycling, through authorized (for waste management) companies, represents the major management practice utilized by OTE (see also Paragraph 3.E). Existing recycling programs cover the whole of technical waste and about 39% of paper. Solid waste disposed accounts for about 40% of the total waste generated.

d. Ozone

OTE is gradually replacing old cooling systems operating with ozone depleting substance (ODS) as refrigerants, while fire suppression systems use suppressants with zero ozone depleting potential (ODP⁷). The ODS (i.e. R22) quantity being replenished in the existing cooling systems for 2011 (all administrative regions are included as of 2011) amounted at 164 kg ODP (that is a reduction of 15%, at least, compared to 2010 for which only partial information was available). ODS use in Attica in 2011 was further reduced to 22 kg ODP (from 79 kg ODP in 2010).

Currently, HFC blends are utilized either for substituting ODS or for installation in new cooling systems. The quantity replenished for 2011 (all administrative regions are included as of 2011) was about 5,950 kg of refrigerants, which is equivalent to GHG emissions of about 10,230 t CO₂ eq⁸. These emissions account for 4% of the GHG emissions from energy use (both scope 1 and scope 2) and therefore measures to address this issue should be explored.

e. Greenhouse Gases and other Gases Emissions

The calculation of GHG emissions is based on the methods described in the GHG Protocol developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The GHG and other gases emissions inventory of OTE includes direct emissions (scope 1) from fuel consumption in OTE owned / controlled installations, vehicles, etc., and indirect emissions (scope 2) from electricity and district heating consumption. More details are presented in the online version of this report (<http://www.ote.gr/cr2011/en>).

In 2011, total direct GHG emissions from energy consumption were estimated at 11,450 t CO₂ eq, presenting a decrease of about 6% compared to 2010. In total direct GHG emissions decreased by 23% for the period 2008 – 2011, with emissions from heating fuels presenting a more intense decrease of 38%.

Indirect GHG emissions (scope 2 emissions due to electricity consumption and district heating) for 2011 were estimated at 247,000 t CO₂ eq, presenting an increase of 4.3% compared to 2010, without considering the GOs secured. If GOs secured are considered, then scope 2 GHG emissions are reduced to 184 t CO₂ eq, as emissions from electricity consumption are reduced to zero. It is noted that as of 2011, the effect of collocation (concerning COSMOTE and wholesale providers) on the electricity consumption of OTE and the associated emissions was quantified and calculated back to 2008.

f. Other Indirect Greenhouse Gases Emissions

OTE is extending the scope of its emissions inventory so as to include estimates for indirect (scope 3) emissions associated with its operation. At the moment, the emission sources quantified are:

- **Business air travels abroad.** The number of air miles traveled in 2011 decreased by 32% compared to 2010, while GHG emissions (106 t CO₂ eq for 2011) decreased by 30% compared to 2010. The utilization of tele/video-conference infrastructure developed, for covering internal operational needs has contributed to this trend.
- **Leased vehicles for the transportation of executives/employees.** Estimates produced for this source concern the activity covered by financial resources of OTE. For 2011:
 - The transportation activity of the leased vehicles was approximately 3.1 million km.
 - Gasoline consumption was estimated at 275,000 lt.
 - GHG emissions were estimated at 650 t CO₂ eq, equivalent to 10% of direct (scope 1) GHG emissions from road transportation.
- **Solid waste disposal.** Solid waste generated by OTE and disposed presents a declining trend since 2009 while waste disposed and the associated CH₄ emissions are decreasing since 2007. Though some methodological refinements may be necessary (especially with respect to the organic part of the waste disposed excluding paper), this trend is in line with the management practices we have adopted and implemented.

⁷ Ozone depleting potential is measured as R12 equivalent. The calculation of ODP for R22 is based on a factor of 0.055.

⁸ Emissions of 5,060 t CO₂ eq reported in the CR report for 2010 referred to the regions of Attica, Northern Greece and Southern & Western Greece.

g. Water Consumption

In OTE, the use of water covers sanitation needs in buildings and stores as well as catering and water supply of large buildings. Water consumption in 2011 (214,108 m³ excluding water consumption from privately owned wells) decreased by more than 10% compared to 2010 (243,484 m³) as issues related to water leakage were resolved. OTE is not directly involved in water withdrawal as water consumed is provided by the relevant public bodies at regional level that are responsible for water supply and the sustainable withdrawal of water from the available water systems, and therefore water sources are not significantly affected by our activities.

Wastewater from the operation of OTE 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 took place during 2011.

h. Biodiversity

At OTE, we are aware of the high biodiversity values of Greece and we recognize the close relationship between biodiversity, sustainable development and human well-being. In this context, we are committed to minimize any potential impact that our activities could have on biodiversity. These potential impacts are mainly related to the operation of installations on isolated areas necessary for the reliable provision of telecommunication services and infrastructure works for upgrading telecommunication network. All potential impacts are addressed in the Environmental Impact Assessment studies we carry out and submit for approval to the designated authorities. In these studies special reference is made to protected areas and areas of high biodiversity value that are near to our activities. Given the characteristics of our activities, our key priorities concern leakage minimization from telecommunication equipment and land restoration on the completion of infrastructure works. It is noted that all buildings / installations that are currently in use by OTE are registered and relevant information can be found at DG Technology and Operations.

i. Other

Electromagnetic radiation, noise and visual impact are not considered as significant environmental impacts from OTE activities. Nevertheless, there are preventive initiatives in place to anticipate any potential issue.

- Our products bear all necessary labels foreseen by national and EU legislation. In order to ensure that any potential impacts from electromagnetic radiation associated with the construction and operation of wireless communication stations are mitigated we conduct environmental impact assessments studies.
- Noise impacts are restricted to the operation of stationary engines that are necessary only when there is no reliable electricity supply. The operation of electricity generators in urban areas is in line with all provisions foreseen by national legislation.
- For the installation of new telecommunication infrastructure necessary for the provision of communication services, all appropriate arrangements are introduced, to the extent that is technically feasible, to minimize the visual intrusion that it is going to produce on the landscape, especially in urban areas. In addition, appropriate modifications are also applied for existing telecommunication infrastructure.

Total direct GHG emissions from OTE's energy consumption present decrease of about 6% compared to 2010.



3. Measures and Initiatives for Reducing our Environmental Impact

OTE's approach for reducing the environmental impact of its activities consists of adopting practices to reduce emissions and sources/materials consumption and developing products and services that contribute to such reductions in various sectors of the economy. At the same time these practices have been found to contribute to the reduction of the Company's operating cost.

Direct GHG emissions (scope 1) in 2011 decreased by 685 t CO₂ eq compared to 2010. Indirect GHG emissions (scope 2) avoided as a result of the initiatives undertaken by OTE in 2011 (including RES installations in operation) are estimated at 1,500 t CO₂ eq (around 0.6% of total indirect GHG emissions from OTE electricity consumption in 2011 without considering GOs). Indirect GHG emissions (scope 3) avoided are estimated at 2,700 t CO₂ eq. This reduction was estimated taking into account recycling, reduced use of company cars and teleconferences for the operational needs of OTE.

In addition, OTE actively participates (through its membership to European and international organizations) in the public consultation regarding environment, sustainability, and the role the ICT sector can play in the context of sustainable development.

a. Utilization of Renewable Energy Sources

OTE has installed and operates, since 1994, small photovoltaic units (total capacity 432 kW) and small wind turbines to cover the electricity needs of its Rural Subscriber Radio repeaters and of the wireless broadband network, WiMAX, of Agion Oros.

In 2011, OTE ESTATE (a subsidiary of OTE responsible for the management of the Group's real estate assets and for the generation of incremental value for the Group, through the efficient management and commercial exploitation of its real estate portfolio) submitted (October 2011) all relevant documentation to the competent authorities for licensing 350 kW of roof-top photovoltaic (PV) systems in 4 buildings in Attica. The commissioning of these systems is expected in 2013 and electricity generation is estimated at 450 MWh. OTE ESTATE continues the assessment for additional PV installations, extending the scope to include PV power plants.

The assessment of wind energy potential in sites owned by OTE ESTATE and in which telecommunication equipment was or is installed is in progress. In addition, OTE ESTATE intends to replace existing, out of order small wind turbines with new and larger ones, providing that all restrictions, as foreseen by national legislation, are satisfied.

b. Adoption of Energy Conservation Practices

Energy conservation and rational use of energy represent key options for the economically feasible improvement of our environmental performance. Three broad categories of interventions are defined (more details on the measures per category are presented in the online version of this report at <http://www.ote.gr/cr2011/en>):

- Energy conservation in buildings.
- Energy conservation in telecommunication installations and equipment.
- Renewal of other equipment and vehicles' fleet.

As a result of the initiatives in place energy consumption for space heating decreased by 2.5 TJ compared to 2010 (equivalent to 4.3% of 2010 energy consumption for space heating), despite the less favorable weather conditions prevailed in 2011 compared to 2010. It is more difficult to quantify the effect of the electricity conservation measures in place. The electricity conservation potential currently quantified is estimated at 1,800 MWh. It is noted, however, that the efficiency of electricity use in 2011 (in terms of electricity consumption per data transferred) has been improved by about 20% compared to 2010.

c. Reduction of Road Transportation Activity

Measures in place for the reduction of the environmental impacts associated with the transportation activity of the OTE owned vehicles fleet aim at the improvement of the efficiency of the fleet as well as at the reduction of direct (network maintenance, fault correction, etc.) and/or indirect (employees commuting, business travels) transportation needs.

- Transportation needs are reduced through the development and the operation of "HELP-DESK" and Call Centers aiming at fault correction with telephone directions. In order to achieve higher remote resolution rates, the diagnostic capabilities of Call Centers and "HELP-DESK" are supported and expanded by the development of remote testing tools. At national level, about 22% of calls for fault correction (ADSL, fixed telephony and Land

Loop Unbundling connections) were resolved by phone, resulting in a reduction of transportation activity corresponding to 11% of 2011 transportation activity and avoided emissions of 900 t CO₂ eq.

- The activity of owned vehicle fleet is supported by an IT system developed for an intelligent real time routing of our vehicles in order to reduce distances travelled. The pilot application of the system started at the end of 2011 and it is expected to become fully operational during 2012.

In total the implementation of the above mentioned initiatives resulted in a reduction of the energy consumption for road transportation (OTE owned vehicles) by 6.3 TJ (equivalent to 6.4% of 2010 energy consumption for road transportation).

d. Design and Development of Products and Services that contribute to Climate Change Mitigation

The ICT sector is responsible for the 2% of global GHG emissions at 2007 (SMART 2020 report). At the same time it is widely accepted that significant emissions reductions can be enabled through ICT applications in other sectors of the economy.

OTE is developing and provides a variety of products and services that contribute to climate change mitigation (mainly due to reduced transportation needs) and are addressed to all of its customers. These products and services include, among others, audio- / video- conferences (for intra-OTE operational needs and for commercial customers), e-applications for internal needs (e.g. human resources issues, e-learning, job applications, etc) and for customers (see modules in www.otebusiness.gr, www.otewholesale.gr), the implementation of the SIZEFXIS program and its expansion (SIZEFXIS II). In addition, the Wholesale Line Rental (WLR) service provided to telecommunication Operators allow them to provide telecommunication services to their customers without creating additional environmental burden as they exploit existing infrastructure.

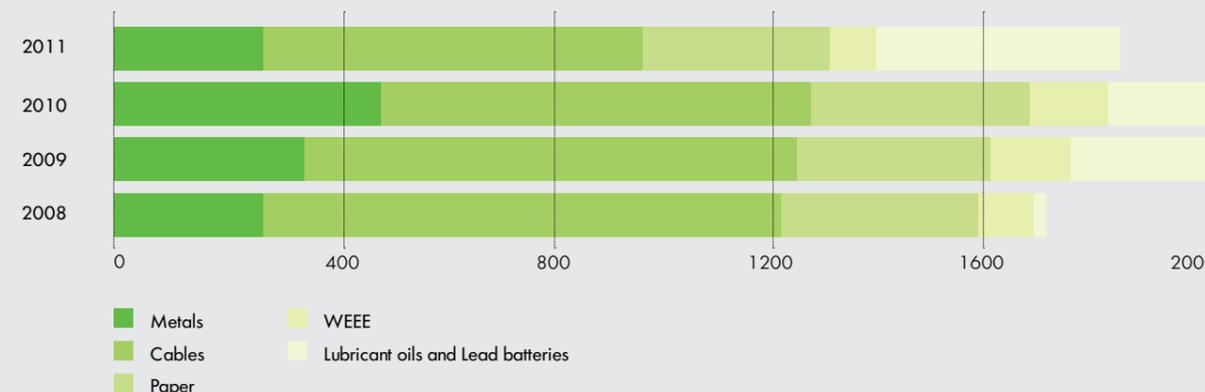
e. Raw Materials and waste Management

The key principles of OTE's policy regarding raw materials and waste management are summarized as follows:

- Reduction of using materials whose production has an impact on the environment.
- Recycling of used material (e.g. paper).
- Reuse of materials either internally or through the collaboration with authorized waste management entities.
- Special treatment of waste that contaminate the environment (e.g. electronic equipment, lead batteries, and materials that contain substances dangerous to the environment).
- Public awareness to increase participation in recycling practices.

An overview of our performance with respect to the key waste streams associated with our activities is presented in the following figure. It is noted that the trend of the quantities forwarded depends on the lifetime of the associated equipment as well as on the participation of our customers to the recycling program in OTE retail stores. More details are presented in the online version of this report (<http://www.ote.gr/cr2011/en>).

QUANTITIES RECYCLED (IN T)



Additional highlights of the waste management practices followed include the following:

- **Used tires management.** With a view to reduce the environmental impacts related to the operation of the OTE owned vehicles fleet and recognizing the negative environmental consequences of unmanaged disposal, we have established, in 2010, a program for the management of end-of-life tires. In 2011 645 units forwarded to "ECOELASTICA S.A.", which is the only approved national system for alternative management of end of life tires.
- **Ink cartridges disposal.** Efforts to establish a formal and permanent recycling scheme for used cartridges are in progress. At the moment there are various initiatives in place, at different buildings, concerning recycling of ink cartridges. In the context of these initiatives, 20,100 ink cartridges have been collected and forwarded for alternative recycling.
- **Recycling initiatives at OTE retail stores.** Since 2006, and more systematically since 2008, we collect, through the placement of special bins in OTE retail stores (apart from those used for waste electrical and electronic waste) for home batteries. In 2011, 5,450 kg of home batteries were collected (from our customers and employees) and forwarded to "AFIS S.A.". OTE encourages consumers to participate in electronic equipment recycling through the placement of special bins in OTE retail stores and public awareness campaigns (brochures and electronic advertisements). Since 2009, the label "Please recycle" was introduced to the Conn-x package referring to all contents of the package (box, manual, cd, plastic), as all materials are recyclable.

4. Research and Development

The development of innovative products and services, which, among others, could contribute to the improvement of the operating environmental performance, represents a key priority for OTE. In that context and within the 7th Framework Programme for Research and Technology Development (FP7 of European Commission covering the period 2007 – 2013), we participate in several research projects of a total budget of 30 million EUR. More details are presented in the online version of this report (<http://www.ote.gr/cr2011/en>).

In addition, and since the development of Next Generation Networks represents a key priority for OTE, we participate in the research projects PANDA ("Asymmetric Passive Optical Network for xDSL and FTTH Access") and WiSE-PON ("Converging FTTx and Broadband Heterogeneous Wireless Services over Next-Generation Radio-over-Fiber Passive Optical Networks") concerning technologies and architectures of next generation access networks, funded by the Greek General Secretariat for Research and Technology. Both projects (launched at the end of 2011) are expected to have a considerable impact on the penetration of broadband applications in Greece. More details are presented in the online version of this report (<http://www.ote.gr/cr2011/en>).

5. Support for Environmental Initiatives by NGOs

OTE has undertaken a series of actions towards the protection of the environment for the year 2011, such as:

- Participation of employees, their families, and citizens, in the context of celebrating the World Environment Day, in local actions that were carried out by OTE's 35 Cultural Centres in various areas of Greece, and which included planting trees, cleaning shores, lakes, forests etc, as well as collecting and sorting trash as recyclable and non-recyclable.
- Contribution to raise employee awareness on environmental issues, with relevant articles in the intranet site of the company on 'Earth Hour,' 'World Environment Day,' 'European Mobility Week,' etc.

Moreover, in 2011, OTE supported public environmental awareness and actions, by sponsoring the CALLISTO and THE UNION FOR THE PROTECTION OF FORESTS IN ATHENS. More details on the type of sponsorship are presented in the online version of this report at <http://www.ote.gr/cr2011/en>.

VII

ANNEXES

1. United Nations Global Compact-Communication on Progress (COP), 2011

“Our company is proud to continue for another year to abide by the principles of the UN’s Global Compact. The UN’s encouragement through this vital initiative provides a most welcomed guidance and commitment for our organization. OTE has chosen to support and uphold the UNGC’s principles in its internal operations as well as in its relations with external stakeholders. In these very challenging times for Greece, we consider it is vital to be an active advocate for the principles and for Corporate Responsibility.”

Mr Michael Tsamaz, Chairman and CEO, OTE SA

OTE SA –with operations principally in Greece- supports the UN Global Compact, the largest voluntary corporate citizenship initiative in the world and abides by its ten universal values in the areas of human rights, labor standards, the environment and anti-corruption. As a member since 2008, OTE has integrated the Global Compact principles into its policies and operations.

Our Corporate Responsibility Report for 2011, also available in an online version in the URL [<http://www.ote.gr/cr2011/en>], includes a detailed presentation of the company’s priorities, activities, goals and outcomes, structured in a four pillar approach of “Building Ties” with our employees, in the market, for the environment, and with society.

During 2011 our main achievements relevant to adherence to Global Compact principles include:

- Extending further our efforts to record, measure and gradually reduce the company’s “ecological footprint”.
- At the most challenging period for Greece economically, OTE is one of the key drivers for growth and investment in new technologies and infrastructure. OTE’s milestone goal for broadband development in the whole of the country remains a key priority, while placing special emphasis on bridging the digital gap in remote areas of the country and facilitating access to new technologies for vulnerable social groups.
- Continuing our long-term commitment to children, young people and students, as well as the elderly and people with disabilities, through forming partnerships and supporting NGOs that are dedicated to helping these social groups.
- Enhancing policies and practices that secure our employees’ wellbeing and development, while respecting and implementing equal opportunity and human rights policies.
- Upholding a company-wide ethics and anti-corruption policy and supporting mechanisms that promote transparent and responsible business conduct.

UN GLOBAL COMPACT 10 PRINCIPLES – OTE COMPLIANCE

ISSUE	PRINCIPLE	REPORTED	REPORT SECTION	ONLINE LINKS
Human Rights	1. Support and respect protection of internationally proclaimed human rights	Yes	IV-4	- http://www.ote.gr/cr2011/en Employees-Fair Employment
	2. Make sure not complicit in human rights abuses	Yes	III-5; IV-4	- http://www.ote.gr/cr2011/en Marketplace – Responsible Procurement Employees – Fair Employment
Labor Standards	3. Uphold freedom of association and effective recognition of right to collective bargaining	Yes	IV-4	- http://www.ote.gr/cr2011/en Employees – Fair Employment – Freedom of Association
	4. Elimination of all forms of forced and compulsory labour	Yes	IV-4	- http://www.ote.gr/cr2011/en Employees – Fair Employment
	5. Effective abolition of child labour	Yes	IV-4	- http://www.ote.gr/cr2011/en Employees – Fair Employment
	6. Elimination of discrimination in employment and occupation	Yes	IV-4	- http://www.ote.gr/cr2011/en Employees – Fair Employment – Equal Opportunities
Environment	7. Support a precautionary approach to environmental challenges	Yes	VI-2	- http://www.ote.gr/cr2011/en Environment – Measuring and Reporting Our Environmental Impact
	8. Undertake initiatives to promote greater environmental responsibility	Yes	VI-3	- http://www.ote.gr/cr2011/en Environment – Reducing Our Environmental Impact
	9. Encourage development and diffusion of environmentally friendly technologies	Yes	VI-3	- http://www.ote.gr/cr2011/en Environment – Reducing Our Environmental Impact – Renewable Energy Environment-Reducing Our Environmental Impact – Telecom Installations and Equipment
Anti-Corruption	10. Work against corruption in all its forms including extortion and bribery	Yes	II-5c	- http://www.ote.gr/cr2011/en CR Strategy & Management – Corporate Governance – Compliance Management Systems
Contribute to broader development goals		Yes	V-1; V-2c; III-6	- http://www.ote.gr/cr2011/en Society – Social Products & Services Society – Social Contribution – Education Marketplace-Public Awareness on Internet Safety

2. GRI Indicators Index

This Index refers to OTE's 2011 Full Report which is online at <http://www.ote.gr/cr2011/en>

INDEX KEY: F = FULLY, P = PARTIALLY, NOT = NOT REPORTED

UN GLOBAL COMPACT 10 PRINCIPLES – OTE COMPLIANCE

GRI	SUMMARY DESCRIPTION	STATUS	WHERE TO FIND IT
STRATEGY AND ANALYSIS			
1.1	Statement from the CEO and Chairman	F	Message from the Chairman
1.2	Key impacts, risks and opportunities	F	I-1; II-1 (Goals & Results); II-2
ORGANISATION PROFILE			
2.1	Name of the organisation	F	I-2
2.2	Brands, products and/or services	F	I-2, I-3
2.3	Operational structure	F	I-2
2.4	Headquarters location	F	I-2
2.5	Countries of operation	F	About this Report; I-2
2.6	Nature of ownership	F	I-2
2.7	Markets served	F	I-2
2.8	Scale of the reporting organisation	F	I-2
2.9	Significant changes in reporting period	F	I-2
2.10	Awards received in reporting period	F	II-7
REPORT PARAMETERS			
3.1	Reporting period	F	About this Report
3.2	Date of most recent report	F	About this Report
3.3	Reporting cycle	F	About this Report
3.4	Contact point about the Report	F	About this Report
3.5	Process for defining Report content	F	About this Report; II-3, II-4, II-6
3.6	Boundary of the Report	F	About this Report
3.7	Limitations on boundary or scope of Report	F	About this Report
3.8	Joint ventures, subsidiaries and outsourcing	F	About this Report http://www.ote.gr/cr2011/en
3.9	Data measurement techniques	F	About this Report
3.10	Effects and reasons of restated information	F	About this Report
3.11	Significant changes (scope, boundary, methods)	F	About this Report
3.12	GRI Content Index	F	VII-2
3.13	External assurance policy	F	About this Report; VII-2
GOVERNANCE, COMMITMENTS AND ENGAGEMENT			
4.1	Governance structure	F	II-5b http://www.ote.gr/cr2011/en Corporate Governance
4.2	Whether BoD Chair is also CEO	F	II-5b
4.3	Independent Board members	F	II-5b http://www.ote.gr/cr2011/en Corporate Governance
4.4	Mechanisms for communicating with the Board	F	II-5; IV-4 http://www.ote.gr/cr2011/en Corporate Governance
4.5	Linkage between executive compensation and organisation performance	F	http://www.ote.gr/investor/Uploads/draftserviceagreementeng.pdf

GRI	SUMMARY DESCRIPTION	STATUS	WHERE TO FIND IT
4.6	Board processes to prevent conflicts of interest	F	II-5c http://www.ote.gr/cr2011/en Compliance Management
4.7	Board members expertise on sustainability	F	http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/OurPrinciples
4.8	Statements of mission, codes and principles	F	II-5a, 5c http://www.ote.gr/cr2011/en Compliance Management
4.9	Board governance of sustainability performance	F	II-3, II-4, II-5a-b
4.10	Evaluation of Board's sustainability performance	F	http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/BoardofDirectors/epitropesds
4.11	Precautionary approach	F	II-3
4.12	External charters, codes and principles	F	http://www.ote.gr/cr2011/en Memberships
4.13	Memberships in associations	F	http://www.ote.gr/cr2011/en Policy Dialogues
4.14	Stakeholder groups engaged	F	II-6
4.15	Stakeholder identification and selection	F	II-6
4.16	Approaches to stakeholder engagement	F	II-6
4.17	Topics and concerns raised by stakeholders	F	II-6
ECONOMIC			
DISCLOSURES ON MANAGEMENT APPROACH			
Economic performance			
		F	III-Introduction
Market presence			
		F	III-Introduction
Indirect economic impacts			
EC1	Direct economic value generated and distributed	F	I-1; III-3; V-2
EC2	Financial implications due to climate change	P	I-2; III-1
EC3	Coverage of organisation's defined benefit plan	F	VI-1b
EC4	Government financial assistance	F	IV-6
EC5	Entry level wage compared to minimum wage	F	I-2
EC6	Locally based suppliers	Not	IV-6
EC7	Local hiring	Not	
EC8	Infrastructure investment and public services	F	I-1; III-3; V-2
EC9	Indirect economic impacts	F	I-1; II-6; III-Introduction http://www.ote.gr/cr2011/en CR Surveys
ENVIRONMENTAL			
DISCLOSURES ON MANAGEMENT APPROACH			
Materials			
		P	II-1 (Goals & Results); VI-1a, 1b; VI-2; VI-3, 3e
Energy			
		F	II-1; VI-1a, 1b; VI-2; VI-3A, 3b
Water			
		F	II-1; VI-1a, 1b; VI-2, VI-2g
Biodiversity			
		P	II-1; VI-1a, 1b; VI-2, VI-2h; VI-3
Emmissions, effluents and waste			
		F	II-1; VI-1a, 1b; VI-2; VI-3, VI-3d, 3e
Products and services			
		F	II-1; VI-1a, 1b; VI-2; VI-3, 3e
Compliance			
		F	II-1; VI-1a, 1b; VI-2; VI-3
Transport			
		F	II-1; VI-1a, 1b; VI-2; VI-3, 3c
Overall			
EN1	Volume of materials used	P	VI-3e
EN2	Recycled materials	Not	
EN3	Direct primary energy consumption	F	VI-2a

GRI	SUMMARY DESCRIPTION	STATUS	WHERE TO FIND IT
EN4	Indirect primary energy consumption	F	VI-2a
EN5	Energy conservation	F	VI-3b, 3c
EN6	Initiatives for energy efficiency and renewables	F	VI-3b
EN7	Initiatives for reducing indirect energy consumption	P	VI-2f
EN8	Total water withdrawal	F	VI-2g
EN9	Effect of water withdrawal	F	VI-2g
EN10	Water recycled and reused	F	VI-2g
EN11	Land assets in or adjacent to protected areas	P	VI-2h
EN12	Impacts on biodiversity	P	VI-2h
EN13	Habitats protected or restored	Not	
EN14	Strategy for biodiversity	P	VI-2h
EN15	Endangered species	Not	
EN16	Greenhouse gas emissions	F	VI-2e
EN17	Other greenhouse gas emissions	F	VI-2f
EN18	Initiatives to reduce greenhouse gas emissions	F	VI-3a, 3b, 3c, 3c http://www.ote.gr/cr2011/en Reducing Our Environmental Impact
EN19	Emissions of ozone-depleting substances	F	VI-2d
EN20	NOx, SOx and other air emissions	F	VI-2e http://www.ote.gr/cr2011/en Measuring and Reporting Our Environmental Impact - Greenhouse Gases and other Gases Emissions
EN21	Water discharge	F	VI-2g
EN22	Waste by type and disposal method	F	VI-3e http://www.ote.gr/cr2011/en Raw Materials & Waste Management
EN23	Significant spills	F	VI-2g
EN24	Waste deemed hazardous under Basel Convention	F	VI-3e http://www.ote.gr/cr2011/en Raw Materials & Waste Management - Lubricant oils and Lead batteries
EN25	Impacts of discharge and runoff on biodiversity	F	VI-2g
EN26	Initiatives to mitigate environmental impacts	F	VI-3b, 3d, 3e
EN27	Packaging materials	Not	
EN28	Non-compliance with environmental regulations	F	VI-1b
EN29	Environmental impacts of transport	F	VI-2b, 2e, 3c
EN30	Environmental protection expenditures	P	VI-1b
SOCIAL: LABOR PRACTICES			
DISCLOSURES ON MANAGEMENT APPROACH			
Employment		F	II-1 (Goals & Results); IV-Introduction
Labor/Management relations		F	II-1 (Goals & Results); IV-4
Occupational health and safety		F	IV-2
Training and education		F	IV-5
Diversity and equal opportunity		F	IV-4
Equal remuneration for men and women		F	IV-4
LA1	Workforce by employment type, region, gender	F	IV-1
LA2	Employee turnover	P	IV-4
LA3	Benefits for full time employees	F	IV-6
LA4	Coverage of collective bargaining agreements	F	IV-4
LA5	Minimum notice periods on operational changes	F	IV-4
LA6	Workforce represented in joint H&S Committees	F	IV-2
LA7	Occupational diseases, lost days and fatalities	P	IV-2
LA8	Training on serious diseases	P	IV-2

GRI	SUMMARY DESCRIPTION	STATUS	WHERE TO FIND IT
LA9	Trade union agreements on Health & Safety	F	IV-2
LA10	Training per employee by gender and category	F	IV-5
LA11	Programs for lifelong learning	P	IV-5
LA12	Performance and development reviews by gender	F	IV-5
LA13	Governance bodies by diversity criteria	P	II-5b ; IV-4
LA14	Basic remuneration ratio by gender	F	IV-4
LA15	Parental leave return and retention rates by gender	P	IV-6
SOCIAL: HUMAN RIGHTS			
DISCLOSURE ON MANAGEMENT APPROACH			
Investment and procurement practices		P	III-5
Non-discrimination		F	IV-4
Freedom of association and collective bargaining		F	IV-4
Child labor		F	IV-4
Prevention of forced and compulsory labor		F	IV-4
Security practices		P	III-8
Indigenous rights		Not	
Assessment		Not	
Remediation		Not	
HR1	Investment agreements and human rights screening	Not	
HR2	Supplier screening on human rights	Not	
HR3	Employee training on human rights	Not	
HR4	Incidents of discrimination	F	IV-4
HR5	Freedom of association and collective bargaining	P	IV-4
HR6	Child labor in operations and supply chain	P	IV-4
HR7	Forced labor in operations and supply chain	P	IV-4
HR8	Human rights training of security personnel	P	III-8
HR9	Human rights of indigenous people	Not	
HR10	Human rights reviews or risk assessments	Not	
HR11	Grievances filed on human rights issues	Not	
SOCIAL: SOCIETY			
DISCLOSURE ON MANAGEMENT APPROACH			
Local Communities		P	II-1 (Goals & Results); V-Introduction
Corruption		F	II-5c
Public Policy		F	III-2
Anti-competitive behaviour		F	III-2
Compliance		F	II-5c; III-2, III-4
SO1	Local communities engagement & impact programs	P	V-Introduction
SO2	Coverage of corruption risk assessments	P	II-5c
SO3	% of employees receiving anti-corruption training	P	II-5c
SO4	Incidents of corruption and actions taken	P	II-5c
SO5	Public policy and lobbying positions	P	III-2
SO6	Political donations and contributions	P	II-5c
SO7	Legal actions for anti-competitive conduct	P	III-2
SO8	Fines and sanctions for regulatory non-compliance	F	III-2; VI-1b
SO9	Negative impacts on local communities	F	II-Introduction; V-Introduction
SO10	Prevention and mitigation of negative impacts	Not	
SOCIAL: PRODUCT RESPONSIBILITY			
DISCLOSURES ON MANAGEMENT APPROACH			

GRI	SUMMARY DESCRIPTION	STATUS	WHERE TO FIND IT
Customer Health & Safety		P	III-4; VI-1b
Product and service labelling		F	III-4, III-7b
Marketing communications		P	III-4
Customer privacy		F	III-8
Compliance		F	III-2, III-4
PR1	Health & Safety impacts in products life cycles	P	III-4; VI-1b
PR2	Non-compliance with H&S regulations for products	F	III-4; VI-1b
PR3	Product information	F	III-4
PR4	Non-compliance with product information standards	F	III-4
PR5	Customer satisfaction	F	III-7a, 7b
PR6	Marketing standards	P	III-4
PR7	Non-compliance with marketing standards	P	III-4
PR8	Complaints regarding customer data security	Not	
PR9	Fines for non-compliance with product regulations	F	III-2

ACCOUNTABILITY PRINCIPLES STANDARD (AA1000) INDEX

PRINCIPLE APPLIED	METHODS	REPORT SECTION	COVERAGE
Inclusivity	Identification of key stakeholders and dialogue to understand key issues	II-6 http://www.ote.gr/cr2011/en CR Strategy & Management – Stakeholder Engagement	Fully
Materiality	Identification of issues which are important to the company and its stakeholders	II-1, II-3, II-6 http://www.ote.gr/cr2011/en CR Strategy & Management – CR Goals & Results; Methodology & Materiality; Stakeholder Engagement	Fully
Responsiveness	Responsiveness to key issues and transparency on performance	II-2, II-1, II-6 http://www.ote.gr/cr2011/en CR Strategy and Management – CR Goals & Results; Stakeholder Engagement	Fully

3. Independent Assurance Statement

Independent assurance statement by Deloitte Hadjipavlou Sofianos & Cambanis S.A. ('Deloitte') to the management of Hellenic Telecommunications Organization S.A. ('OTE') on the 2011 Corporate Responsibility Report ('CR Report') for the year ended 31 December 2011.

SCOPE OF OUR WORK AND THE ASSURANCE STANDARDS WE USED

OTE's Corporate CR team engaged us to:

1. Provide Type 1 limited assurance in accordance with the AA1000 Assurance Standard 2008 ('AA1000AS'):

- Inclusivity – how they identified and engaged with stakeholders to gain a full understanding of issues;
- Materiality – how they assessed the relative importance of each issue; and
- Responsiveness – how they responded to stakeholder issues and how this is reflected in the CR Report.

2. Provide limited assurance on the following selected key performance data

- Number of students receiving internships or part-time work experience, V-2-c
- Direct and indirect energy consumption by primary source (TJ), without taking into account the Guarantees of renewable Origin (GOs), VI-2-a
- Total direct and indirect greenhouse gas emissions due to the consumption of energy by weight (CO₂ eq), without taking into account the Guarantees of renewable Origin (GOs), VI-2-e
- Total transportation fuel consumption of OTE owned vehicles fleet (litres), VI-2-b
- Quantity of A4 paper consumed (tonnes), VI-2-c
- Quantity of technical waste recycled (tonnes), VI-3-e
- Quantity of electrical and electronic equipment recycled (tonnes), VI-3-e
- Quantity of paper recycled (tonnes), VI-3-e
- Number of occupational accidents, IV-2
- Lost time due to occupational accidents (days), IV-2
- Percentage of male/female employees, IV-4
- Percentage of female employees in positions of responsibility, IV-1
- Total training hours, IV-5
- Number of reports filed about discrimination, IV-4
- Expenses for corporate responsibility actions and sponsorships (euros), V-2
- Number of complaints from operators, III-7-a
- Number of complaints from customers and percentage of complaints resolved within 20 days, III-7-a

The above key performance indices are included in the the electronic long version of OTE's CR Report available on internet at: <http://www.ote.gr/cr2011/en>

3. Provide assurance in relation to the GRI self-declaration

Whether OTE's self-declaration on page 6, applies the GRI guidelines at level B+ in preparing the Report, is not materially misstated.

Our scope of work was limited to OTE's activities in Greece. We carried out Type 1 limited (i.e. moderate) assurance in accordance with AA1000AS. A Type 1 engagement requires us to report on the nature and extent of adherence to AA1000APS. To achieve moderate-level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS in combination with our robust evidence-based and quality-assured approach to professional, independent assurance.

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

OUR KEY ASSURANCE PROCEDURES

To form our conclusions, we undertook the following procedures:

- Analysed and tested on a sample basis the processes related to stakeholder identification and engagement, including review of a sample of engagements and the outcomes of engagement;
- Reviewed the process that OTE used to identify and determine material issues to be included within the CR Report. This included a review of external media coverage and peer reporting on CR in 2011 to corroborate issues identified by OTE;
- Interviewed a selection of OTE executives and senior management who have operational responsibility for CR issues, including the OTE CR team to understand the governance structures used for managing CR, engagement with stakeholders on CR issues, as well as implementation of CR related policies and initiatives in 2011 and the monitoring of these activities;
- Analysed and reviewed on a sample basis the key structures, systems, processes, procedures and controls relating to the collation, aggregation, validation and reporting processes of the selected CR performance indicators;
- Reviewed information and explanations about the Reports' assertions regarding CR performance in 2011;
- Reviewed OTE's approach to ensuring application of GRI guidelines, including checking that the GRI conformance index available on pages 88-92, contains the relevant indicators;and
- Reviewed the content of the CR Report against the findings of the aforementioned procedures and, as necessary, provided recommendations for improvement.

Our independence and competencies in providing assurance to OTE

- We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report. We have confirmed to OTE that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.
- Our team consisted of a combination of qualified Accountants with professional assurance qualifications and professionals with a combination of environmental, CR and stakeholder engagement experience, including many years experience in providing CR report assurance.

ROLES AND RESPONSIBILITIES

The Corporate Responsibility team of OTE has prepared the CR Report for the intended audience of stakeholders, as outlined in the 'CR Strategy and Management' section on page 17. The team, who collect and organize the CR report data from the intra-company CR team members, is also responsible for the preparation of the CR Report and for the information and statements contained within it. The General Directors are responsible for approving the CR report data, determining the CR targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the subject matters, as defined within the scope of work above, and in accordance with our letter of engagement. Our work has been undertaken so that we might state to OTE those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than OTE for our work, for this statement, or for the conclusions we have formed.

OUR OBSERVATIONS AND RECOMMENDATIONS

OTE has made the following key improvements in managing and reporting its CR performance during 2011:

- Decided and is in the process of developing of an integrated climate change strategy, aiming at the reduction of the Greenhouse Gas emissions (GHG).
- Proceeded with the development and implementation of Standardized Management Systems on environment, quality and occupational health & safety.
- Has reached an agreement with the Public Power Company of Greece (ΔΕΗ Α.Ε.) for the provision of Guarantees of renewable Origin (GOs) that cover 100% of the electricity consumed by OTE within 2011.

To improve future management and reporting of CR in accordance with AA1000APS we make the following recommendations to OTE:

Inclusivity:

- OTE Management is engaged in a process of dialogue with its stakeholders for the development of an integrated and consistent CR related strategy. Incorporating gradually the dialogue process in the policies and procedures followed by OTE, would promote a more structured engagement approach with its stakeholders.

Materiality:

- During our interviews with the executives responsible for managing material CR issues, we noted the existence of an established communication between the CR team and these executives. We recommend that in the future this communication occurs in a more integrated and regular manner so that material CR issues can be identified and prioritized more effectively.

Responsiveness:

- Documenting the procedures for the collation, aggregation and validation of the CR data and integrating these procedures in the formal policies and procedures, would assist the Organization to report more accurately and completely its CR performance to its stakeholders.
- The CR Report lists a number of targets, however to strengthen responsiveness to material issues we would recommend that OTE Management set more long and short-term targets, which incorporate relevant, quantitative and focused performance indicators.

The observations and recommendations have been taken into account in forming our conclusions on the CR Report as set out in this statement.

OUR CONCLUSIONS

Based on the scope of our work and the assurance procedures we performed we conclude that:

1. OTE has implemented processes and procedures, as described on page 22 that adhere with the principles of inclusivity, materiality and responsiveness as set out in the AA1000 AccountAbility Principles Standard 2008 ('AA1000APS'); and
2. Based on the assurance work we performed, nothing has come to our attention that causes us to believe that the specific CR performance indicators defined above and OTE's self-declaration on page 6 that it has applied the GRI guidelines at level B+ in preparing the Report, are materially misstated.

Our independent assurance statement concerns the electronic long version of OTE's CR Report available on internet at: <http://www.ote.gr/cr2011/en>.

In the event of any inconsistency in translation between the English and Greek versions of the Report, as far as our conclusions are concerned, the English version prevails.



Athens, 30 May 2012

Deloitte Hadjipavlou Sofianos & Cambanis S.A.

Assurance & Advisory Services

Paris Eftymiades

Partner



Statement GRI Application Level Check

GRI hereby states that **Hellenic Telecommunications Organisation (OTE)** has presented its report “2011 Corporate Responsibility Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 23 May 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Hellenic Telecommunications Organisation (OTE) has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 14 May 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

The OTE Corporate
Responsibility Report
2011 is also available
online at:

<http://www.ote.gr/cr2011/en>