CORPORATE RESPONSIBILITY REPORT 2012

OTE

COSMOTE

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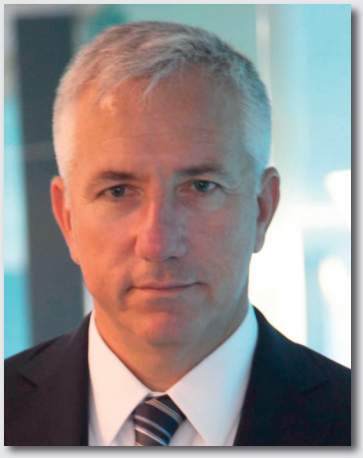
A. MESSAGE FROM THE CHAIRMAN AND CEO



During 2012, the economic crisis continued to dominate the environment in which we live and work. OTE and COSMOTE, took appropriate actions in advance and were able to manage the downturns, building a strong company on the principles of competitiveness and Corporate Responsibility.

This 2012 Corporate Responsibility (CR) Report is the first time that OTE and COSMOTE present their CR Programmes and achievements in a single Report. It follows the integration of the OTE and COSMOTE CR and Environment functions in early 2012, one of the first steps in the operational integration of the two companies. This illustrates the importance of Corporate Responsibility for our business and our employees.

The 2012 CR Report attests to OTE and COSMOTE's continuous vigorous actions to uphold our companies' values during the toughest times and build strong foundations for long-term success. As part of a highly demanding and challenging transformation programme we started two years ago, throughout 2012, OTE and COSMOTE continued to lead in the marketplace improving customer experience on all fronts especially on the fixed side business. To this end, we invested in new technology and infrastructure and enriched our Product & Services portfolio, while despite our rigorous cost-cutting efforts, we strived to provide our people with an environment which is safe, fair and conducive to personal growth. Our main focus on society contribution and environment was to intensify our support on programmes for young people and the most vulnerable in our society, to further expand Safe Internet public education initiatives, and take further steps in energy conservation and our Climate Change strategy.

During 2012, OTE and COSMOTE achieved around 90% of the CR goals set for the year, with a small number of technical goals partly progressed or deferred during the reorganisation. The ongoing CR commitment of OTE and COSMOTE is anchored in the corporate business plan, and guided by international standards such as the GRI and the UN Global Compact. Aligning our CR Strategy and reporting with these standards reflects our conviction that sustainability and responsibility are integral to OTE's long-term business success.

For 2013 and the following years, we will continue the transformation of our fixed business which will eventually lead to the total integration of the two companies. OTE and COSMOTE's CR goals will remain action-oriented with an emphasis on fair competition, Internet Safety, employee development, energy efficiency and supporting vulnerable social groups.

Looking ahead, I am confident OTE and COSMOTE are making strong progress on the path of sustainable growth, as leaders in their markets in customer centricity and innovation as well as social and environmental responsibility.

Michael Tsamaz

Chairman & CEO

The 2012 Corporate Responsibility Report is the first common CR Report of OTE and COSMOTE, following seven years, from 2005 to 2011, during which the two companies annually published separate CR Reports. The common Report follows the merging in March 2012 of the OTE and COSMOTE Corporate Responsibility and Environmental Management sections, within the integrated Corporate Communications Division OTE Group.

This year, the CR Report is presented entirely online, as an eco-friendly initiative. A brief 20 page summary of the CR Report will be printed for distribution at the 2013 Annual Meeting of Shareholders.

Report Scope and Boundary

The CR Report covers the period 01 January 2012 – 31 December 2012 (unless otherwise indicated in specific data points).

- The Report covers the operations and activity in Greece of OTE SA and COSMOTE Greece. The two companies have their headquarters in Athens.
- In addition, summary information on the subsidiaries of the two companies in Greece is included in the "Corporate Profiles" chapter. Moreover, summary information on the subsidiaries of the two companies outside of Greece is incorporated in the appropriate section of the Report, in the form of 'Subsidiaries at a glance'.
- This approach represents a continuation and integration of the scope and boundary approach, used separately in previous years by OTE and COSMOTE.

Report Content Definition

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

- The Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G3.1).
- The AccountAbility AA1000 Principles on Inclusivity, Materiality and Responsiveness.
- The United Nation's Global Compact Principles.
- The Index Tables for each of these standards are provided in the "Information about this Report" chapter.
- The process followed in using these standards for deciding the CR Report's contents, is outlined in Chapter 2.3. This includes the Materiality procedure (2.3.2) and prioritization of topics in the CR Framework and the Report (2.3.3).
- The primary Stakeholders, for whom the Report is prepared, are the employees, the investors, the customers, the public and regulatory bodies, the media and Non-Governmental Organizations. The issues raised by the Stakeholders, and the companies' responsiveness, are outlined in Chapter 2.6.

For the 4th successive year, the CR Report is subject to external assurance, covering the GRI Application Level, the AA1000 Principles Standard, and specific OTE-COSMOTE performance indicators.

Report Data

The data in the Report comprises the following record systems provided by OTE and COSMOTE: aggregated financial and personnel data, aggregate data on customer service, summary data on regulatory actions. Additionally, the environmental data are calculated according to internationally accepted methods, on the basis of information provided by OTE and COSMOTE Technology and Operations Divisions.

- In collecting and presenting data, OTE and COSMOTE have been guided by the definitions and parameters of the GRI Indicator Protocols.
- Where possible, quantitative data is presented for a three year period for both companies, to allow comparison with data presented in the two 2011 CR Reports.
- In certain sections, where the two companies have not yet integrated their operations, the policies, initiatives and actions, the information is separately presented for each company.
- On some issues, separate policies are maintained and reported, due to the distinct nature of issues for fixed and mobile telephony.
- On some calculation parameters, mainly related to environmental data, as discussed in the relevant part of the Report, minor changes were made in order to ensure consistency between OTE and COSMOTE estimations and improve harmonization on reporting within the DT Group.
- In Chapter 1, Economic Contribution Table, the * indicated data, for 2010 & 2011, have been changed, due to accounting reclassification of revenues.

Report Limitations

Due to the ongoing restructuring of OTE and COSMOTE, it has not been possible to fully integrate all information, data or reporting of goals.

GRI Application Level

The GRI Application Level for the 2012 CR Report of OTE and COSMOTE is indicated below. The B+ Application Level has been verified by external assurance and GRI Application Level Check.

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

* Sector supplement in final version
** Performance Indicators may be selected from any 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

The GRI Application Level Check Statement, and the Independent Assurance Statement, are published at the end of the Report, in the section 7.4 "External Assurance"

Report Feedback

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

1. CORPORATE PROFILES

CORPORATE RESPONSIBILITY REPORT 2012

1.1 Investing in Digital Greece

In 2012, the OTE Group was yet again faced with deep economic recession in all the countries it operates. Especially in Greece, the continuous fiscal crisis has had further negative effects on society as a whole, and of course on business performance. Despite the significant turnaround efforts, unemployment remains high, investments are stagnating and consumer spending hit record low levels.

In this difficult environment, the ICT sector obtains an even more important role in sustainable growth efforts. Innovation and state of the art infrastructure, focusing on next generation networks, can become key growth and competitiveness drivers. As the OECD states, high-speed communication networks are a vital platform for the 21st century commerce and industry. They enable innovation and boost productivity in all sectors, through efficient communication and exchange platforms. Broadband networks increase 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 the same context, Internet access becomes so important that, according to a United Nations Report, it should be a human right and a priority for all states, given that the Internet has become an indispensable tool for realizing a range of human rights, combating inequality and accelerating development.

According to the "2012 EU Digital Agenda Scoreboard",[1] three out of four European households have access to the Internet. The highest rates were observed in Denmark, Iceland, the Netherlands, Norway, Luxembourg and Sweden and the lowest rates in Greece, Romania and Bulgaria. In Greece's case, broadband penetration, in mid-2012, stands at 22.6% of the population,[2] and take-up performance has improved incrementally in the last years. In early 2012, fixed broadband penetration, as a percentage of the national population, stood at 21.8%, with the EU average at 27.7%. Mobile broadband penetration respectively was at 36.5%, with the EU average at 43.1%.

Being the leading telecommunications Group in the country, OTE and COSMOTE fully acknowledge their important role in forming upward trends for the country and the economy. To this end, and despite its commitment to reduce operating costs, the OTE Group fully implemented its growth strategy and investment plans. In 2012 alone, OTE Group investments rose to almost €500mn, €300mn of which were allocated in Greece.

Adopting the wider perception that new generation networks are the new era's growth engines, OTE and COSMOTE completely altered the scene in Greece, by launching very fast Internet access services through their new VDSL and 4G (Long Term Evolution) networks, respectively. The companies' considerable investments in broadband are certain to have contributed to the improvement of the country's broadband access performance.

It has to be pointed out that, for the achievement of national "Digital Greece", the Group's continuous and consistent efforts are not enough. Both policymakers and the industry must commit to the same extent and regulatory barriers must be omitted to unleash further investments. The telecommunications sector has to strike a difficult balance between competition, development and social benefit. The effort to reserve Greece's current achievements in building a more digital economy and at the same time foster further investments is, more than ever, a matter of common will.

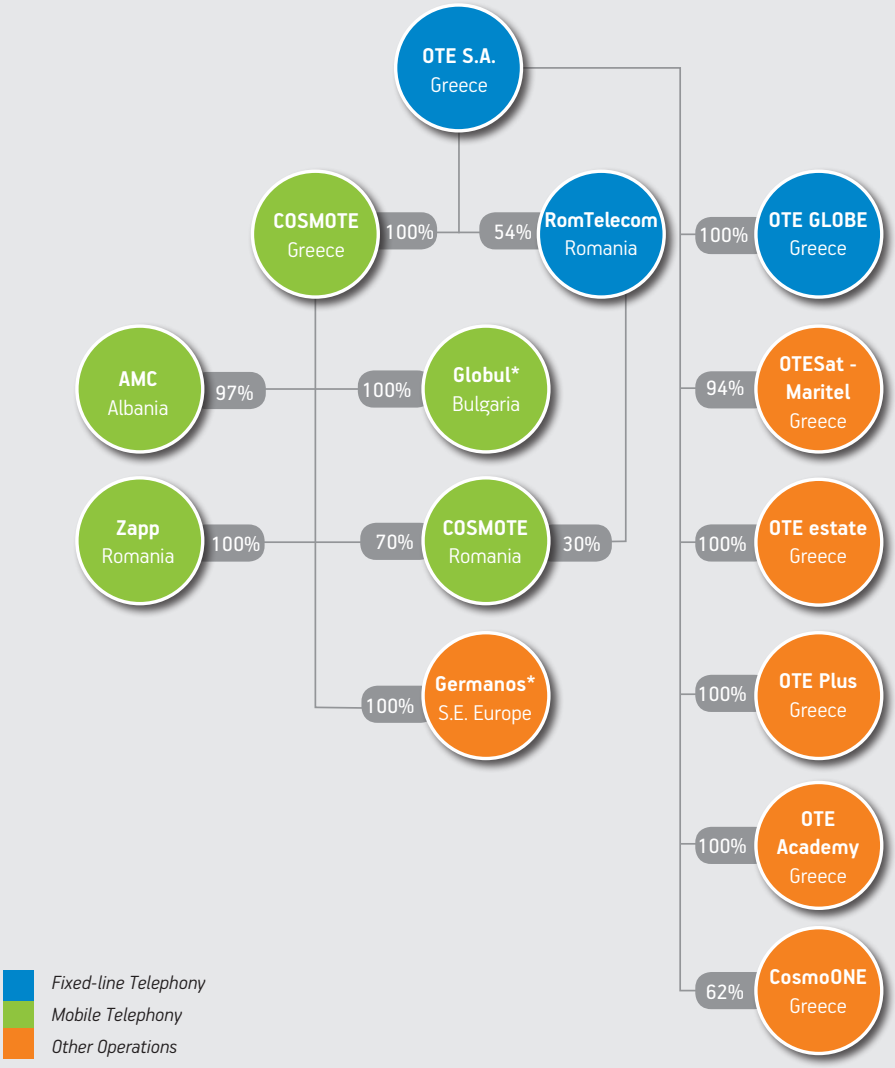
[1] *The 2012 EU Digital Agenda Scoreboard is available at:*
https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/KKAH12001ENN-PDFWEB_1.pdf
[2] *According to data of EETT, the Greek Telecoms regulator.*

1.2 Companies

1.2.1 OTE Group

OTE Group is Greece's leading telecommunications organization and one of the pre-eminent players in Southeastern Europe, providing top-quality products and services to its customers. Apart from serving as a full service telecommunications Group in the Greek telecoms market, OTE Group has also, during the last decade, expanded its geographical footprint throughout South East Europe, acquiring a stake in the incumbent telecommunications company of Romania, and establishing mobile operations in Albania, Bulgaria, and Romania.

OTE Group Structure, December 2012



** In April 26, 2013 OTE announced the signing of an agreement to sell its 100% stake in Cosmo Bulgaria Mobile EAD (Globe) and Germanos Telecom Bulgaria (Germanos).*

NOTE: On 7 February 2013, OTE announced a Sales Purchase Agreement for the 99.05% that it holds in Hellas Sat to Arabsat Cyprus Ltd, a 100% subsidiary of the Arab Satellite Communications Organization. The transfer was finalized in April 2, 2013 and OTE received €208mn in total, and €7mn as dividends, according to the Share Purchase Agreement that had been signed in February.

For more information on the companies' legal form and structure, please view the OTE Annual Report 2012.

At present, companies in which OTE Group has an equity interest, employ more than 27,300 people in four countries, and its portfolio of solutions ranges from fixed and mobile telephony, to Internet applications, satellite, maritime communications and consultancy services. The Group's revenue for the year, ending on the 31st of December 2012, was €4,680.3mn, while its Market Capitalization stood at €2.5bn.

OTE Group Operations in Greece

OTE SA is the parent company of the Group and the fixed incumbent line operator in Greece, offering broadband, fixed-line, TV, data and leased line services. Through its wholly-owned subsidiary OTEGLOBE, OTE also offers international wholesale telephony, Internet and data services. As of December 31st 2012, the company recorded Revenues of €1,704mn and had 8,750 employees.

COSMOTE SA, OTE SA's fully-owned subsidiary, is the leading provider of mobile telephony services in Greece, focusing on innovation, quality and customer care. In December 31, 2012, COSMOTE employed more than 2,400 employees and had Revenues of €1,524.7mn.

During 2012, in markets that remained extremely challenging, OTE Group achieved all of its objectives ahead of schedule. The OTE Group preserved a healthy operating cash flow in the face of lower revenues, disposed non-core assets, and through an active refinancing programme strengthened its financial structure and extended the maturity profile of its debt. OTE's cost base was reduced over the long term, notably, through a voluntary exit offer, accepted by over 1,500 Greek fixed-line employees at year end. The Group's annualized cost base has been reduced by about €600mn over the past two years. Strong growth in TV subscriber numbers, the rebound of OTE broadband offering and COSMOTE's extensive 4G coverage, illustrate the Group's vitality on these fronts.

OTE Group Financial Performance in 2012

(€ mn)	OTE	COSMOTE	(RomTelecom)	All Other	Adjustments & Eliminations	Consolidated
Total Revenues	**1,704.0**	**2,430.7**	**619.6**	**462.1**	**(536.1)**	**4,680.3**
Payroll and employee benefits	(540.5)	(220.1)	(115.2)	(69.3)	(5.2)	(950.3)
Cost of early retirement programme	(123.0)	0.0	0.0	0.0	0.0	(123.0)
Charges from Telecom Operators	(201.1)	(229.4)	(90.0)	(177.9)	199.1	(499.3)
Depreciation, amortization and impairment	(308.1)	(464.5)	(108.8)	(39.8)	2.5	(918.7)
Cost of telecommunication equipment/write downs	(49.4)	(232.4)	(18.1)	(3.5)	37.1	(266.3)
Other operating expenses	(412.1)	(850.1)	(249.0)	(116.5)	306.5	(1,321.2)
Total Operating Expenses	**(1,634.2)**	**(1,996.5)**	**(581.1)**	**(407.0)**	**540.0**	**(4,078.8)**
Operating Profit (EBIT)	**69.0**	**426.8**	**57.3**	**62.1**	**0.0**	**615.2**
EBITDA	**377.1**	**891.3**	**166.4**	**101.9**	**(2.5)**	**1,533.9**
as % of Revenues	**22.1%**	**36.7%**	**26.8%**	**22.1%**	**0.5%**	**32.8%**
Pro forma* EBITDA	**500.1**	**891.3**	**166.1**	**101.9**	**(2.5)**	**1,656.9**
as % of Revenues	**29.3%**	**36.7%**	**26.8%**	**22.1%**	**0.5%**	**35.4%**

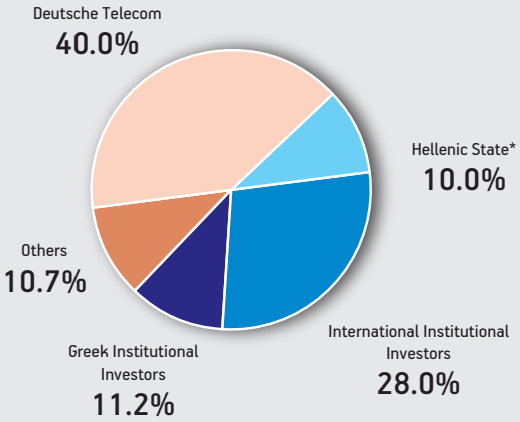
**Excluding the impact of Voluntary Retirement Programmes and Restructuring Plans*

OTE Group Economic Contribution, 2010-2012			
(€ mn)	2010	2011	2012
Salaries & Benefits	1,167.1	1,068.5	950.3
Income taxes paid	238.9	128.7	107.7
International provider charges	190.3	196.5	208.4
Domestic provider charges	414.6	354.0	290.9
Telecoms equipment costs/write downs	410.9*	324.7*	266.3
Fees & commissions due to 3rd parties (incl.taxes other than income taxes)	1,181.2*	1,128.2*	1,099.1
Profit attributable to owners of the parent	39.6	119.7	476.4
Financial sponsorships, donations and fund-raising directed to community causes			2.9**

**2010 & 2011 numbers have changed due to accounting reclassification of revenues.*
*** 2012 is the first year that OTE and COSMOTE jointly present Corporate Responsibility community expenditure. It is not possible to jointly present previous years due to different variables used. Also, 2012 data does not include RomTelecom.*

Breakdown of Group Revenues			
(€ mn)	12M '12	12M '11	Change
Fixed Line Operations, Greece	1,704.0	1,912.2	-10.9%
Fixed Line Operations, Romania	619.6	655.1	-5.4%
Mobile Operations, Greece	1,505.9	1,630.4	-7.6%
Mobile Operations, International	924.8	969.6	-4.6%
Others	462.1	464.8	-0.6%
Intragroup Eliminations	(536.1)	(593.7)	-9.7%
TOTAL	**4,680.3**	**5,038.3**	**-7.1%**
Other income/ (expense), net	**13.7**	**10.4**	**+31.7%**

1.2.2 Shareholder Structure in 2012



**Including voting rights attached to 4% of Share Capital transferred to pension fund*

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

1.2.3 Significant Changes in 2012

The main changes in 2012, related to organisational, shareholder and management aspects of OTE, were the following:

On January 1, 2012, OTE completed, in Belgrade, the sale of its 20% entire stake in Telecom Serbia. OTE received €397mn in total, €380mn from the share transaction and €17mn for the dividend of fiscal year 2011, according to the Share Purchase Agreement that had been signed in December in Athens

On September 9, 2012, OTE exercised the 1-year extension option, embedded in its €900mn. Syndicated Bond Loan RCF dated 9 February 2011, receiving commitments' extension consent of banks representing €500mn of the facility. As a result, OTE will repay €400mn of the facility in February 11, 2013, whereas the €500mn extended balance will be repaid on February 11, 2014.

On November 9, 2012, OTE announced the launch of a Voluntary Exit Scheme offered to certain employee categories of its Greek fixed-line activities.

On December 20, 2012, COSMOTE's subsidiary GLOBUL raised €153mn, under a Syndicated Loan Agreement. The agreement provides banks the option to increase their commitments until the end of February 2013, up to a maximum total loan amount of €200mn. The loan is unsecured, has a tenor of 4 years with an amortizing repayment schedule and a margin of 5.50% p.a. over Euribor.

For information concerning major organisational changes please view the **OTE Annual Report 2012.**

1.2.4 Subsequent events (2013)

In April 3, 2013, OTE announced that it completed the sale of its 99.05% stake in Hellas Sat to Arabsat. OTE received total proceeds of €208mn and dividends of €7mn, pursuant to the Share Purchase Agreement signed in February.

In April 5, 2013, COSMOTE announced a Voluntary Exit Scheme addressed to employees who meet certain criteria. The deadline for the submission of the applications was on April 19, 2013. The estimated cost amounts to approximately €4.5mn and will be recorded in the consolidated income statement of the first half of 2013, in the line "Cost of early retirement programme".

In April 2013, OTE PLC proceeded with partial prepayments of €21.0mn under the April 2014 Notes. The remaining balance of the nominal amount of €382.0mn that matures in April 8, 2014 was reclassified to the short-term portion of long-term borrowings.

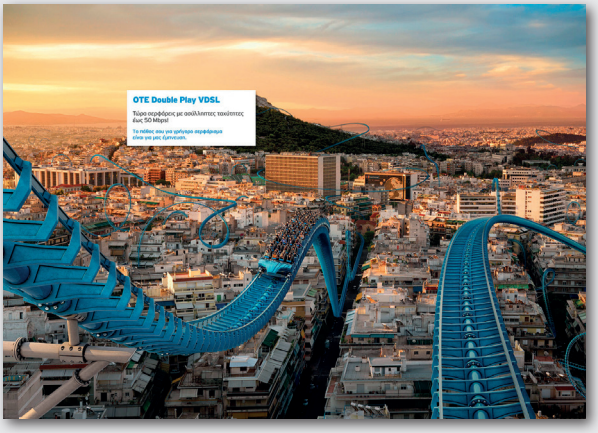
In April 26, 2013, the Group announced the signing of an agreement to sell its 100.00% stake in Globul and in Germanos Telecom Bulgaria A.D. to Telenor Mobile Communications AS, the Norwegian telecom operator. The agreed consideration for the sale reached to €717mn (enterprise value), and will be adjusted for the net debt and the changes in the working capital of the two entities at the date the transaction is completed. The transaction is expected to be completed within the next months, after all necessary procedures have been finalized and is subject to approval by the competent authorities.

1.3 Main Products and Services

OTE and COSMOTE provide integrated products & services, covering the demanding communications needs of both business and individuals. In this context, in addition to broadband and fixed telephony, the Group, through OTE's subsidiaries, provides the following:

- Mobile telephony through COSMOTE, the leader in the Greek and South East Europe mobile markets. COSMOTE's products & services include pre-paid and post-paid services, value added services, roaming services, mobile Internet services, 4G services, based on Long Term Evolution (LTE) technology for even faster Internet access, mobile devices (smartphones, tablets) and accessories.
- OTE TV, via satellite or broadband connection (Conn-x), offers the widest channel bouquet, at the most competitive prices in the market.
- Ultra high-speed Internet services up to 50 Mbps (OTE VDSL)

- B2B Electronic transactions (CosmoOne).
- International telecommunications wholesale services to high-capacity carriers and multi-site organizations in the broader South East European region (OTEGlobe).
- Wireless and satellite communications, including maritime services (OTESAT-MARITEL).
- Consultancy services (OTEPlus).
- Real estate assets, management and development (OTE Estate).
- Professional development choices that cater for the training needs of OTE Group employees, the wider public and the private sector (OTE Academy).
- GERMANOS SA, the largest retail distribution network in telecoms and technology related products in South East Europe, is also a member of OTE Group since 2006 and plays an integral part in the Group's development strategy.



2. CR STRATEGY AND MANAGEMENT

CORPORATE RESPONSIBILITY REPORT 2012

2.1 Objectives, Priorities and Key Achievements

OTE and COSMOTE share a common ethos towards Corporate Responsibility, which is to strive at all times to operate and grow their business responsibly, to contribute dynamically to the digitally connected society and more competitive economy, to cultivate stakeholder dialogue in order to inform business strategy and to meet international CR standards.

During 2012, a year of further economic stress and hardship in Greece, OTE and COSMOTE maintained strong focus on their CR goals, in particular relating to employee development, energy conservation and support for vulnerable social groups. Furthermore, most of the goals OTE and COSMOTE set for 2012 were achieved or progressed. For 2013, the companies are setting fewer, more integrated and specific CR goals.

Key Achievements in 2012:

- Forming the combined CR Team and Environmental Committee for OTE and COSMOTE.
- Further enhancement of the stakeholder engagement programme, including formal survey mechanism, annual NGOs meeting, internal assessment and dialogue.
- Strengthening the dialogue on CR issues with the CEO and Boards of Directors.
- Maintaining rankings in key indices of CR performance, such as GRI B+ and the Corporate Responsibility Index '"Platinum" rating.

2.2 Integrated Management of CR

In March 2012, OTE and COSMOTE introduced a new CR organisational structure, to complement the introduction of the common CR Strategy and framework, as well as preparing this first common CR Report.

The integrated Corporate Responsibility section and the Environmental Management section for Fixed and Mobile Telephony sit within the Corporate Communications Division OTE Group. Furthermore, an integrated OTE-COSMOTE CR Team was established, with 50 representatives acting as ambassadors across all the companies' operations. The CR Team is chaired by the Corporate Communications Director OTE Group, who reports directly to the Chairman and CEO. At least annually, the Corporate Communications Director of OTE Group briefs the Chairman & CEO and seeks his guidance on CR Strategy and key initiatives. At Board level, CR comes within the remit of the "Compensation and Human Resources Committee".

The common CR Strategy is aligned to the companies' core business strategy, by linking specific CR projects or initiatives to the overall objectives of the companies. Furthermore, CR KPIs have been embedded into the personnel evaluation and individual operational targets, for specific colleagues from the CR Team. This particularly applies to colleagues involved in the Environmental Management System.

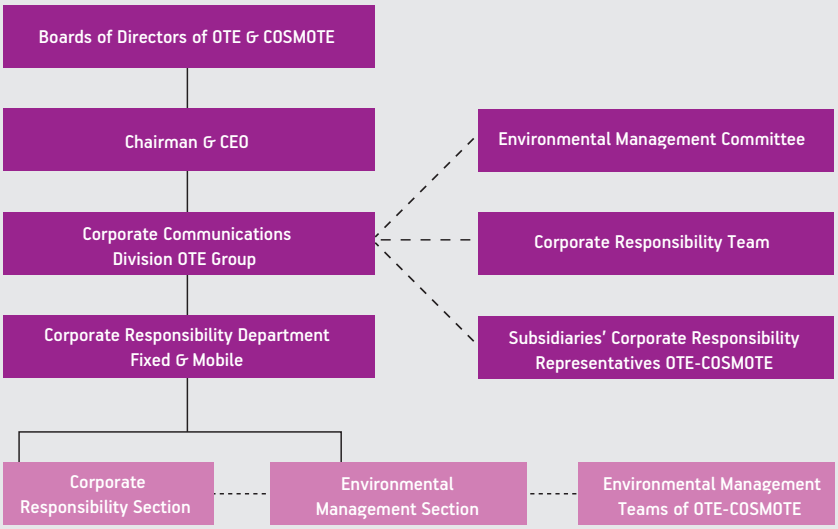
The CR management action plan, for the period 2012-2013, was prepared with a specific focus in three areas:

- contributing to the achievement of corporate objectives regarding CR and a common culture for the companies
- creating a unified CR Strategy
- enhancing the visibility of CR, within the companies

In addition, a new OTE-COSMOTE Environmental Committee was set up and work commenced, to develop a common environmental strategic framework.

During 2012, the CR and Environmental Management sections focused on creating an internal education programme, developing the common CR Strategy and first combined OTE- COSMOTE CR Report, discussing and implementing ideas of the CR Team, mobilising employees on CR issues, participating in CR initiatives and attending external events.

The New OTE-COSMOTE CR Governance and Management Structure



2.3 CR Strategic Framework

2.3.1 Framework Principles

The CR Framework of OTE and COSMOTE, over the past five years, focuses on the most material issues, in Marketplace, Employees, Environment and Society, underpinned by stakeholder engagement, materiality analysis and cross-company goal setting.

OTE and COSMOTE Corporate Responsibility Strategy and Programme are founded on both companies' 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. Both companies aim to apply a precautionary approach to managing their operational impacts on sustainability, mainly through being attuned to stakeholder views, as well as the key issues, mentioned by them.

The goal of OTE and COSMOTE, in applying these guidelines, is to ensure that their CR Strategy and Programme remain focused on the most material CR issues, i.e. the issues that are most influential for the success of the day-to-day business of the two companies and, at the same time, are most important to the companies' stakeholders.

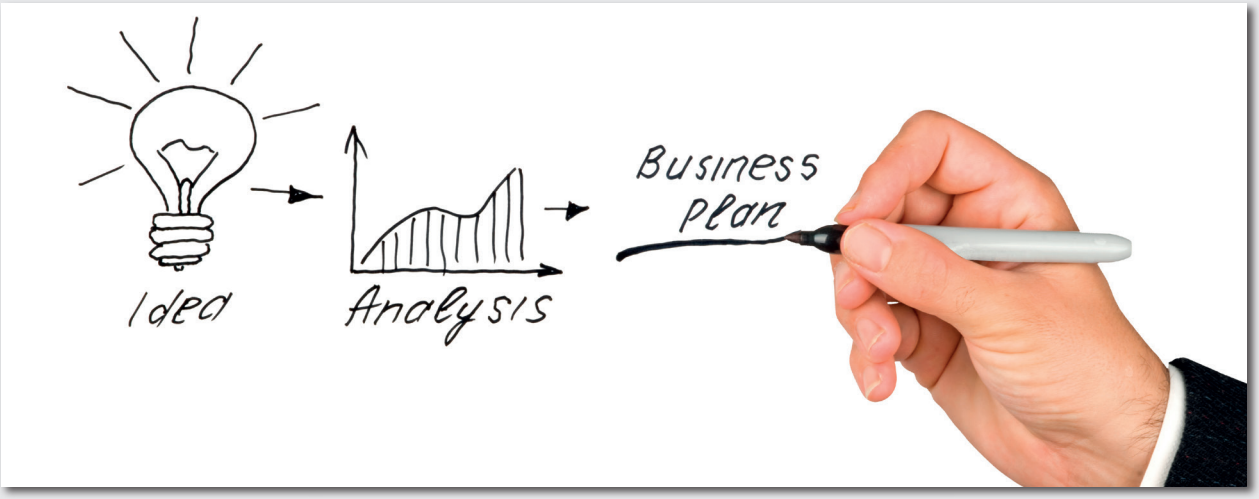
2.3.2 Materiality Methodology

In 2011, OTE and COSMOTE began an initial materiality analysis, with all their business units, in order to establish the most material CR issues for their stakeholders, as well as to ensure that OTE and COSMOTE respond appropriately to all of them. This official materiality exercise, is being repeated periodically, and is being used as a guide on how to prioritise the stakeholders and the CR issues, in order for OTE and COSMOTE to respond, in a balanced and fair way, to all the aforementioned issues.

In 2012 and into 2013, OTE and COSMOTE further activated their commitment to inclusiveness, materiality and responsiveness, through the following initiatives:

- **Roundtable with 22 NGOs** to discuss various issues, such as their needs, the way companies respond to them and the current situation in Greece. Prior to the roundtable, all the NGOs received and were asked to fill in a questionnaire about CR and financial issues, in order to assist the companies' overall understanding in this field.
- **Stakeholder and opinion survey,** targeted to all OTE and COSMOTE's stakeholders (apart from Investors). A summary can be found in section 2.6.2.
- **Materiality survey,** in cooperation with all Directorates, regarding the key business and society issues, raised by the stakeholders, with reference to their operations and how they have responded to them. This internal dialogue influences the CR issues, reported in the companies' Stakeholder Map in this Report, on which, both companies focus on strategically.

Accordingly, materiality underpins the companies' stakeholder engagement and is the base for the evolution of OTE and COSMOTE's CR Programmes and goals, included in the Business Plans of the two companies. The CR section and the Environmental Management section coordinate and implement the programme actions through the year, as well as gather data for the annual CR Report.



2.3.3 Integrated CR Framework

OTE Group Values
Quality Transparency Responsibility Social Awareness Consistency Continuity

OTE and COSMOTE define Corporate Responsibility as their commitment to contribute to sustainable development, by proactively managing the companies' economic, social and environmental impacts, engaging their stakeholders effectively and ensuring the long-term success of the two companies.

Marketplace	Employees	Society	Environment
• Economic Contribution • Responsible Competition • Expanding Broadband and Mobile Internet • Responsible Marketing • Responsible Procurement • Public Awareness of Technology • Customer Satisfaction and Service • Data Security and Privacy	• Health and Safety • Fair Employment • Employee Development • Employee Benefits • Internal Communication • Employee Satisfaction	• Social Products & Services • Social Contributions • Employee Volunteerism • Business Enterprising	• Energy Efficiency • Road Transport • Greenhouse Gases • Water • Materials & Waste • EMF • Visual Impact • Noise • Public Awareness
Connected Life and Work		**Connect the Unconnected**	**Low-Carbon Society**

2.3.4 CR Strategy of Subsidiaries

All the OTE Group subsidiaries comply with the OTE- COSMOTE CR Strategy.

Subsidiaries at a glance

Corporate Responsibility in the Albanian Mobile Operator **AMC** is guided by the Corporate Responsibility and Corporate Sponsorships Unit, established in 2006 within the Corporate Affairs Office. AMC has been publishing annual CR Reports since 2006, and since 2010 AMC follows Global Reporting Initiative (GRI) guidelines.

Corporate Responsibility in the Romanian Mobile Operator **COSMOTE Romania,** from an organisational perspective, lies within the Corporate Affairs Department and most specifically within the Internal Com. and CSR Office. It is worth mentioning that COSMOTE Romania, since 2010, issues an annual Corporate Responsibility Report. The B Application Level of its 2011 CR Report, makes COSMOTE Romania the 1st company in Romania to issue a Report checked by GRI itself, at this Level.

GLOBUL, the trademark under which Cosmo Bulgaria Mobile EAD offers mobile telecommunications services in Bulgaria, has a dedicated Corporate Responsibility section that reports to the Corporate Affairs Director since 2010. Globul issues an annual CR report, which is consistent with the main principles of the UN Global Compact and the requirements of the Global Reporting Initiative (GRI).

ROMTELECOM is the Romanian fixed line subsidiary of the OTE Group. Although it doesn't have a dedicated CR section, CR activities are managed centrally by the company's Corporate Communications Department and, in individual cases, by those responsible for the activity in question, e.g. HR when employees are involved. In 2012, some very important steps have been taken towards aligning CR activities with the OTE Group's CR Strategy.

2.4 Corporate Governance

2.4.1 Corporate Governance, Principles and Practices

Corporate governance refers to a number of principles adopted by a company, aiming to uphold its performance and the interests of its shareholders and all stakeholders. Recognising the importance of corporate governance, principles and the benefits derived from their adoption, OTE follows international practice and standards in this area and opts for the systemic implementation of these principles, throughout its operations.

More precisely, as a large capitalisation company, listed on the Athens and London Stock Exchanges, 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, the **Code of Conduct of OTE Group**, the **Hellenic Federation of Enterprises (SEV) Code of Corporate Governance**, with which OTE is compliant with certain deviations, announced through the BoD's Annual Corporate Governance Statement, the 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 applies corporate governance regulations and practices on the basis of three key priorities which include the definition of the role of the Board of Directors, the Executive Members and the control, the protection of shareholder rights, and the enhancement of transparency and information disclosure.

For more information please visit:
https://www.ote.gr/en/web/guest/corporate/ir/corporate-governance
http://www.cosmote.gr/cosmoportal/page/T13_20/section/Corporate_Governance/loc/en_US

2.4.2 Boards of Directors

The Boards of Directors of OTE and COSMOTE constitute the top administrative bodies of the companies. Their aim is to safeguard the general interests of the companies and ensure their operational efficiency. The Boards' responsibilities include, among others, convening General Assemblies of Shareholders, preparing and submitting the Annual Report and financial statements to the Annual General Assembly of Shareholders and approving and directing companies' strategy. The General Assembly of Shareholders is responsible for defining the independent status of proposed Directors, in reference to corporate governance and conflict of interest policies.

Both companies have the same Chairman, who is also the CEO of OTE and COSMOTE. The Articles of Association (Article 10.1) provide that the offices of Chairman of the BoD and CEO may be held by the same person. The CEO is appointed according to the Shareholders' Agreement.

The **OTE's Board of Directors** presently consists of eleven (11) members, elected for a three-year term. Of the eleven members, nine (9) are Non-Executive Directors including four (4) of whom are Independent. The gender composition of the Board is presently ten (10) men and one (1) woman.

The **COSMOTE's Board of Directors** presently consists of nine (9) members, elected for a three-year term. The gender composition of the Board is presently nine (9) men.

The Boards of Directors of OTE and COSMOTE are supported, in their operation, by the **Audit Committee and by the Compensation and Human Resources Committee**, which include responsibility for setting the principles of Corporate Responsibility practices. There is no formal procedure for the evaluation of the OTE and COSMOTE's Boards and their committees. Compensation of Directors, who are not employees, is approved by the General Assembly of Shareholders. Executive Directors' compensation, including performance-related compensation procedures, is covered by employment contracts.

On CR matters, in both companies, the Chairman-CEO seeks input from the two Boards and their views, as part of the annual review of strategic objectives. At this time, the evaluation of the Chairman-CEO and Boards' performance does not include specific criteria related to Corporate Responsibility. Employees may bring issues to the Boards of Directors' attention through the formal dialogue of the Management, with the employee representatives.

2.5 Compliance Management System and Policies

Ensuring Compliance is a priority of the companies' Boards of Directors. Compliance stands for a solid commitment to the principles of integrity, transparency, justice, professionalism, team spirit, and respect to the rules and principles, which are essential in governing the functions of the companies.

To this purpose, the Management has adopted and implemented a Compliance Management System (CMS), regarding the compliance of all personnel and Management with the legislation in force, the Code of Conduct and Internal Policies, aiming to avoid risks and other legal consequences for the companies and their personnel. In doing so, the benefit is for all: the companies per se, the employees, the customers, the suppliers and the shareholders. The effectiveness of the Compliance Management System relies on the commitment and the support of all: Management and employees.

2.5.1 Compliance Management

The key elements of the CMS are prevention of misconduct and protection of the reputation of the companies and their personnel, through employee training, continuous communication channels, detection of compliance risks and violations, and the response to them.

In order to provide the possibility of filing a tip-off regarding violations of Policies, regulations and of the legislation in force, the companies have established the Whistleblowing Policy and relevant communication channels. In the context of this Policy, employees and/or third persons may nominally or anonymously report to the OTE Group Compliance Office a tip-off or express a concern or complaint, regarding potential violations of the companies' Policies or the legislation. OTE and COSMOTE do not allow for any retaliatory act on behalf of the management or other bodies of the companies, directly or indirectly against any person, who reports with good will or expresses concern or complaint with regards to violation of policies or law.

In the context of implementation of the Compliance Management System, the following Policies and Codes are in force:

- OTE Group Code of Conduct
- Code of Conduct for the protection of the Individual's Right to Privacy in the handling of Personal Data within the OTE Group
- OTE Group Code of Ethics for Senior Financial Officers
- OTE Group Whistleblowing Policy
- OTE Group Policy on Avoiding Sexual Harassment within OTE Group
- OTE Group Policy on Accepting and Granting of Benefits
- OTE Group Policy on donations and sponsorships
- OTE Group Events Policy
- OTE Group Fraud Policy
- OTE Group Policy on insider trading
- OTE Group Policy on Avoiding corruption and other Conflicts of Interest

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.

The OTE and COSMOTE CMS was successfully reviewed by independent external auditors in 2010, which confirmed the effectiveness of the companies' compliance procedures.

2.5.2 Internal Audit and the Audit Committee

Internal auditing is an independent, objective assurance and consulting activity, designed to add value and improve the organization's operations. It helps an organization accomplish its objectives, by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Internal Audit Department is headed by the Chief Internal Auditor and supervised by OTE and COSMOTE's Audit Committee, in order to maintain its independence.

Audit Committee

OTE's Board of Directors established an Audit Committee over a decade ago and adopted an Audit Committee Charter, in order to set out the main functions, responsibilities and composition of the Audit Committee. The primary purpose of the Audit Committee is to assist the companies' Boards of Directors, in the exercise of its supervisory role and the satisfaction of its obligations towards shareholders, investors and others, particularly with respect to the integrity of financial statements, the adequacy of internal control procedures and systems, the observance and adequacy of accounting and financial reporting processes, the evaluation of the independence of the companies' external auditors, as well as the supervision of Internal Audit procedures.

The Audit Committee consists of three independent and Non-Executive Directors, in compliance with Greek Law 3016/2002 on corporate governance. The members of the Audit Committee are designated by the general assembly of OTE and COSMOTE, according to Law 3693/2008 and at least one member of the Audit Committee is a financial expert.

Internal Audit System and Policies

Internal Audit's policies and procedures are in compliance with Greek Laws and Capital Markets Regulations, as well as with **"The International Standards for the Professional Practice of Internal Auditing"**, which is the framework that organizes authoritative guidance promulgated by "The Institute of Internal Auditors" (IIA). The IIA is an international professional association, which acts as a global trustworthy guidance-setting body, that provides internal audit professionals worldwide, with authoritative guidance. Furthermore, the companies' Code of Ethics principles govern the minimum requirements for the conduct, behaviour and expectations of auditors, in the conduct of auditing.

On an annual basis, the Internal Audit Development Division OTE Group assesses the risks and adequacy of controls across both companies, in order to determine the priorities of the Internal Audit activity, in accordance with the companies' strategic direction, and develop the annual audit plan for the Group. The results of audit activity, in the form of audit reports, are recommendations for improving the efficiency and effectiveness of operations and the influence exerted on people, whose activities are subject to audit. Thus, Internal Audit adopts a facilitator role, assisting management to adopt and employ better enterprise risk management and inspire better business results, as well as embed better accountability throughout OTE and COSMOTE.

Activities and Main Achievements in 2012

During 2012, the Internal Audit Development Division OTE Group successfully completed more than 70 Audit projects and tested over 550 internal controls, strengthening controls and processes across the OTE Group. The team, further increased Group synergies on planning, execution and best practice exchange, including completion of 5 Common Audits, fostering communication and excellence on control/risk assessment across the Internal Audit Development Division OTE Group. The introduction of new technology in support of annual audit planning, as well as the roll out of stakeholder feedback forms, further improved the processes of OTE and COSMOTE. Lastly, a new Internal Audit Charter framework was approved by the Audit Committee and BoD, updating standards in accordance with International Standards of Auditing Practices.

2.5.3 Compliance Activities in 2012

The **Compliance Risk Assessment** for 2013 has been conducted for OTE and COSMOTE, giving the result of the 2013 Compliance Programme for each company. The Compliance Risk Assessment process for 2013 was initiated in June 2012 and the relevant workshops, with the participation of the representatives of the involved units, took place during August-September 2012. The final Measure Plan (Compliance Programme) was approved in November.

In 2012, during the annual Compliance Risk Assessment, OTE and COSMOTE's Business Units were assessed regarding risks, falling within the areas of Passive and Active corruption.

The new **OTE Group Code of Conduct** was adopted by all OTE Group Companies, in Greece and abroad. The Code has been communicated to all OTE employees and to all OTE Group Companies, in order to be adopted by their competent Bodies. A full-scale internal communication campaign of the new Code took place, in all OTE Group Companies, during the last quarter of 2012.

The following **Compliance Policies** were adopted by all OTE Group Companies in Greece and abroad, and communicated to all OTE employees and to all OTE Group Companies, in order to be adopted by their competent Bodies:

- OTE Group Policy on Avoiding Sexual Harassment within OTE Group
- OTE Group Policy on Accepting and Granting of Benefits, abolishing the OTE Group "Policy On Acceptance and Offering of Corporate Gifts"
- The Human Resources Policy about the OTE Group Policy on Employee Relations

Training Sessions have been conducted in Athens, Thessaloniki, Patra and Crete, for combating corruption/conflicts of interest avoidance and on topics of Code of Conduct. The training sessions "On site dawn-raids by the competent Regulatory Authorities", have been completed by Compliance, ERM & Insurance Directorate OTE Group and the Directorate of Regulatory Affairs.

Combating Corruption/Conflicts of Interest Avoidance Training	
For OTE	
458 employees trained	82.97% participation rate
For COSMOTE	
317 employees trained	80.25% participation rate

Internal Communication of important messages, to the Management and all the employees, has been emphasised (e.g. announcement – directions about Christmas guidelines), applying to business relationships, during accepting and granting of benefits. On the 7th of December, concerning the Report of "Transparency International" regarding CPI (Corruption Perceptions Index) 2012 and the UN Anti-Corruption Day (9th of December), a message was posted on the corporate intranets and addressed by e-mail to the Management.

Senior Financial Officers have signed and submitted to the OTE Group Compliance Office the statements which declare that each one of them is informed of the provisions of the Code of Ethics for Senior Financial Officers and that complies with its provisions, aiming for honest and ethical business conduct.

Quarterly Compliance Reports were submitted by the Chief Compliance, ERM & Insurance Officer OTE Group to the Management (Compliance Committee, Audit Committee, OTE BoD). The quarterly Compliance Reports cover all the activities of the Compliance, ERM & Insurance Directorate OTE Group and the OTE Group companies.

The Statement on Conflict of Interest was submitted to OTE and its affiliated companies, by all prospective Chief Officers and Directors. All COSMOTE employees accepted the annual Compliance Statement and submitted the Statement on Conflict of Interest, in accordance with the requirements of the Policy on Conflict of Interest avoidance and combating corruption.

During 2012, the OTE-COSMOTE Compliance Office received a total of **211 tip-offs/complaints**, of which, a total of 48 are related to Compliance. The Compliance, ERM & Insurance Directorate OTE Group, following the principles of an established Compliance Management System, is conducting an investigation for each one (of the above 48).

2.6 Stakeholder Engagement

2.6.1 Management Approach

OTE and COSMOTE, both identify their key stakeholders as those groups which have a direct impact or influence on the sustainable success of the two companies, such as the employees, the investors, the customers, the public and regulatory bodies, the media and Non-Governmental Organizations, that represent the public's interest, on issues relevant to OTE and COSMOTE businesses and their role in society. It is the general principle of OTE and COSMOTE to regularly engage with representatives of all these stakeholder groups, therefore no selection or exclusion is made.

Both companies are also in alignment with the principles of the "AA 1000 AccountAbility Principles Standard" – Inclusivity, Materiality and Responsiveness, thus conducting the companies' stakeholder engagement and dialogue accordingly, having it standardised as it appears below:

- Conducting a CR stakeholder and opinion leader survey
- Having systematic dialogue and meetings with various NGOs
- Having ongoing contact and trainings with the common OTE – COSMOTE CR Team, in order to constantly exchange views with the various operational units of the two companies and promote CR activities.

2.6.2 Corporate Responsibility Stakeholder Survey

The purpose of the OTE and COSMOTE research is to explore the stakeholders' attitudes, opinions and perceptions on Corporate Responsibility in general, as well as on specific CR Programmes of OTE and COSMOTE.

The participating stakeholder groups were: Media, Authorities, Local Communities, Academia, NGOs, OTE & COSMOTE employees, mobile & fixed telephony subscribers, suppliers, as well as the Commercial Network. For practical reasons, the qualitative research was conducted in Athens, with a combination of methodologies, which included group discussions (focus groups) and personal in-depth interviews (in-depth interviews).

The results of this research reveal three key findings:

- All the stakeholders show deep interest in Corporate Responsibility.
- They state that special attention must be drawn to the human factor, by the companies. More specifically, Corporate Responsibility initiatives should cover the rapidly increasing needs of vulnerable social groups and children, as well as the ones that contribute to education and the health sector.
- A new important topic for Corporate Responsibility, brought up by this research, was "young people and entrepreneurship".

Taking into account the above mentioned findings, the maintenance and, in some cases, the empowerment of Corporate Responsibility initiatives during 2012, related to special social needs, education, health and employees, prove the alignment of both companies with the main expectations of their stakeholders.

More specifically, offers by OTE and COSMOTE, addressed to vulnerable social groups, such as pensioners and people with special needs, the "Custom of Love" campaign of COSMOTE, the "Christmas Campaign" of OTE and the "Our world is you" initiative, through which COSMOTE supported families in need and the Greek region, prove that the two companies contribute to supporting the needs of Greek society's vulnerable groups. Additionally, the two companies are active in the sectors of health and education, through the Scholarships Programme, the donations of medical equipment to hospitals and support of preventive medicine campaigns.

2.6.3 Overview of Stakeholder Engagement in 2012

The following table provides an overview of OTE & COSMOTE Stakeholder Dialogue, the main topics raised, and the way the two companies respond to them:

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Report Location
Customers	- Customer Satisfaction Surveys - CR Surveys - Special Surveys - Call Centres - Customer Account Managers - Social Media - Sales Network	Annual Biannual Annual Ongoing Ongoing Ongoing Ongoing	- Activation of products, Quality of services (in relation to costs) - Technical support (e.g. web hosting, DNS services, IPVPN) - Commercial and billing issues - Mobile telephony operations - Improving the way customer complaints are handled - Safe use of services - EMF - Responsible Marketing (e.g. consumer rights) - Introduction of new technologies	3.7.1 3.6.2 6.6.4 3.4.1,2,3 3.3.2,3 6.3
Telecoms Providers / Commercial Network	- Customer Satisfaction Surveys - Dedicated Website (www.otewholesale.gr) - Key Account Managers - Presentations on OTE systems - Special mail box (otewholesale@ote.gr) - Press Releases - Corporate announcements	Annual Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing	- Timely information on provided services and progress of requests - Resolution times for malfunctions and complaints - Regulatory requirements for providers - Transparency - Governance - Economic growth - Improving the Digital Gap	3.7.1 2.4.1,2 1.1 3.3.1,2,3
Investors	- Investor Relations Department communication - Annual General Shareholders Meeting - Corporate Governance Report and CR Report - CR Surveys - Private meetings - Conference Calls - Meetings of Executives - Adoption and utilisation of policies and principles - Daily collaboration	Ongoing Annual Biannual Annual Ongoing Quarterly Ongoing Ongoing Ongoing	- Group strategy and results - Outlook on labor relations, regulatory decisions, Eurozone crisis and adverse economic situation - Climate Change Policy	1.2 4.4 3.2.1 6.4.1,2

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Report Location
Employees	- OTE and COSMOTE Intranets - Circulars on all important company decisions - Meetings with employees - Negotiations with labour Unions - Emails from the CEO-Chairman and General Directors - Employee Satisfaction Surveys & CR Surveys - Organization of events - Appraisal system - Training programmes	Ongoing Ongoing Ongoing Periodic Periodic Annual Biannual Periodic Annual Ongoing	- Rationalisation and reduction of labour costs, in agreement to the greatest extent possible, with OME-OTE - Fair work (diversity, work-life balance) - Planning and conduct of training programmes - Professional Development - Health and Safety - Protection of Personal Data	4.4.1,2 4.4.3 4.6.2 4.3.1,2,3,4 3.8
Communities and NGOs	- Systematic liaison with local authorities (mostly regional) - Face to face NGO meetings - NGO Survey on CR - Assessments & Indexes	Ongoing Biannual Annual Annual	- Importance of adopting CR - Internet Safety public education - Support of vulnerable groups and charities - Social Contribution - Meetings and electronic communication preferred - EMF, Biodiversity - Environmental performance	2.1 3.6.1,2,3,4 5.3.1,2,3,4 5.2,3,4,5 6.6.3,4 6
Media	- Corporate announcements (Press releases) and systematic contacts - Press conferences, Advertorials/entries on CR issues - Events - Informative contacts with media representatives - CR Surveys	Ongoing Ongoing Ongoing Ongoing Biannual	- Timely response is valued - Management, commercial, technology, financial, environment and labour issues continue to be of most interest to the media	All chapters

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Report Location
Suppliers	- Consultation and dialogue on procurement procedure issues (relevant laws, telecom market issues, etc.) - Attendance in sector-based Unions - Meetings - CR Surveys - Suppliers' evaluation	Ongoing Ongoing Ongoing Biannual Ongoing	- Tender criteria and competitions - Communication on supplies issues - Transparency - Market Policy - Economic growth - Inserting CR Criteria, including environmental criteria	3.5.1,2 3.1 6.7.3
State/ Government	- Consultations on proposed laws and regulatory frameworks for telecommunication markets - Written or verbal communication with regulatory and public sector bodies - Dialogue with representatives of national and local authorities - Attendance at associations and unions	Ongoing Ongoing Ongoing Ongoing	- Implementation of regulatory measures applying to OTE - Issues of effective regulatory adjustment - Specialised national goals for European Digital Agenda Strategy - Transparency - Governance - Economic growth	3.2.1,2 1.1 3.3.1,2,3 3.1,8 2.4.1,2 3.1

2.7 Memberships and Recognition

2.7.1 Memberships

Both companies make sure to engage in and remain informed about multilateral trends and developments on Corporate Responsibility and Sustainability. In 2012, OTE and COSMOTE maintained voluntary participation as a member in 16 national and international bodies and OTE participated in a global CR index (FTSE4Good). OTE and COSMOTE consider these organisations (and also the membership organisations listed in section 3.2.2) to be strategic for commercial and societal reasons. In addition, OTE and COSMOTE are sponsors of 3 organisations, listed in page 28, that focus on Internet Safety and Road Safety issues.

Telecommunications Sector		
Organisation/Initiative	**Company**	**Participation Type**
National level		
Association of ICT Companies in Greece (S.E.P.E.)	OTE/COSMOTE	Members
Association of Greek Companies and Industries (S.E.V.)*	OTE/COSMOTE	Members COSMOTE participates in the Committees of Wireless Communications and Mobile Communications.
Association of Mobile Telephony Companies (EEKT)	COSMOTE	Founding member. The established association aims to strengthen collaboration and promote issues of common interest, among mobile telephony providers in Greece.
European level		
European Telecommunications Standards Institute (ETSI)**	OTE/COSMOTE	Members of the European Organisation for Telecommunications Standardization
Global level		
International Telecommunication Union (ITU)	OTE	Member
GSM Association (GSM)	COSMOTE	Member of the World Association of Mobile Communications Services. COSMOTE actively participates in many of its work groups.

Since 2013, OTE and COSMOTE are no longer members of S.E.V.
***Since 2013, OTE is no longer member of ETSI.*

Corporate Responsibility Memberships				
Organisation/Initiative	**Company**	**Year joined**	**Participation Type**	**Involves signing a code or charter**
National level				
Hellenic Network for Corporate Social Responsibility	OTE	2001	Members	No
	COSMOTE	2005		
Hellenic branch of UN Global Compact	OTE/ COSMOTE	2008	Members	Yes -10 principles and annual COP report
Greek Awareness Center saferinternet.gr	OTE	2012	Members and Sponsors	Yes, Declaration of Support and Cooperation
	COSMOTE	2008		
Federation of Hellenic Enterprises (SEV) Council for sustainable development	OTE	2009	Member	Yes
Corporate Responsibility Institute, Greece	OTE	2008	Member	No
Road Safety Institute "Panos Mylonas"	COSMOTE	2009	Member and Sponsor	No
"Roads to the Future" Alliance for safety and courtesy on the road	COSMOTE	2010	Member and Sponsor	Yes-Memorandum of Cooperation
European level				
ETNO Sustainability Working Group	OTE	2007	Member	Yes-Sustainability Charter Voluntary initiative
Global level				
GeSI (Global e-Sustainability Initiative)	OTE	2010	Member	No
Global Reporting Initiative	OTE	2007	Member and Organi-sational Stakeholder	No
FTSE4Good	OTE	2008	Participant	No

2.7.2 Awards and Recognitions

During 2012, the OTE Group received the following awards and recognitions for its Corporate Responsibility commitments and actions:

OTE Group in Greece (OTE and COSMOTE)

- **Thales – CEO & CSR 2012 Awards:**
  - "Highest Corporate Social Responsibility Distinction" Thales Prize.
  - 3rd place in the category "Most Popular Company in CSR".
- **BRAVO 2012, Sustainable Development Awards:**
  - Distinction of OTE and COSMOTE's CR Reports, in the category of the best Sustainability Reports, in the framework of the "Sustainability Index".
- **PPC Environmental Awards 2013:**
  - Grand Waste Management Award:
    - ✓ Waste Management-Reduction
    - ✓ Waste Management-Recycling
    - ✓ Hazardous Waste Management
  - Climate Protection-GHG Emissions Minimization

OTE

- **National Corporate Responsibility Index (CR Index)**
  - "Platinum" level distinction
  - "Best Progress Award", at the Platinum level distinction
- **Enterprising Rewards MONEY**
  2nd place in the category "Corporate Social Responsibility 2011"
- **Tech Excellence Awards**
  "Tech Achievement Award" for the Telecommunication Museum of OTE (the awards were organized by one of the most well known magazines for technology "PC Magazine" and the companies awarded were chosen via online voting, by the readers of the magazine)
- **CSR Reporting Forum 2012**
  3rd Award from the University of the Aegean for High Performance for CR Report 2011(based on the revised GRI-G3.1 standards)
- **Centre for Sustainability and Excellence (CSE)**-myclimate representative in Greece
  "myclimate Green Leader Award" for the reduction of Greenhouse Gas Emissions

COSMOTE

- **Thales – CEO & CSR 2012 Awards:**
  - 2nd place in the category "Best CSR Campaign/Communication" for the campaign "Our world is you"
- **BRAVO 2012, Sustainable Development Awards:**
  - Distinction in the categories "ENVIRONMENT" and "GOVERNANCE", in the framework of the "Perception Index"
- **European Business Awards 2012 (EBA)**
  - "National Champion" of Greece, in the category "Millicom Award for Environmental & Corporate Sustainability"
- **WWF Greece: WWF Environmental Management & Disclosure Index (Greece)**
  - COSMOTE, 1st in the Telecom Sector for 2010

- **Business Continuity Management Awards 2012**
  - "BCM Manager of the year 2012" - winner Mr. John Zeppos
  - "BCM Team of the year" – 3rd place

Subsidiaries at a glance

Awards:

a) AMC (Albania)

- **Second edition of Philanthropy Award in Albania:**
  - "Philanthropy Award 2012", for AMC's contribution at National Level

b) COSMOTE Romania

- **Top Green companies, National study:**
  - 2nd place nationwide (1st place in IT & C sector)
- **Clean Environment Awards:**
  - Green Award

c) GLOBUL (Bulgaria)

- **Green Business Award-Ministry of Environment and Water:**
  - 2nd place in the "Large Companies" category, for its long-term environment sustainability strategy "GLOBUL Green"
- **Bulgarian Donation Forum awards**
  - 1st prize for biggest corporate donor of 2012, in the "Largest Amount of Financial Grants" category
  - 1st prize for biggest corporate donor of 2012, in the "Most Generous Donor" category

d) ROMTELECOM (Romania)

- **Internetics 2012 competition:**

  For Dolce Sport campaign "See beyond limits", concerning overcoming disabilities in the context of the Olympic Games, RomTelecom received the:
  - Big prize in the "Digitally Led Campaign – Art, Culture, Media and Entertainment" section
  - Bronze prize in the "Digitally Led Campaign section"

2.8 2012 & 2013 Goals

2012 Goals	2012 Performance
Reporting and Stakeholder Engagement	
OTE: Maintain GRI B+ for 2012 and work towards GRI A	☺
OTE: Continue improving online CR reporting	☺
OTE: Hold regular stakeholder dialogues with external stakeholder groups	☺
OTE: Maintain existing CR ratings and work towards DJSI	☺
COSMOTE: Publish CR Reports for all subsidiaries abroad	☺
COSMOTE: Expand collection and data system for CR Report **Deferred in OTE-COSMOTE operational merging*	😐
Environmental Management	
OTE: Finalize EMS proposals and start up the development of necessary documentation	☺
OTE: Analysis of energy consumption by appropriate end uses	☺
COSMOTE: Certify GLOBUL (Bulgaria) and COSMOTE Romania to ISO 14001	☺

2013 Goals
Reporting and Stakeholder Engagement
OTE-COSMOTE: Maintain GRI B+ and start preparing for GRI G4
OTE-COSMOTE: Common online CR Reporting platform
OTE-COSMOTE: Further standardisation of the Stakeholder Dialogue approach via a 4 step approach: a) Stakeholder focused survey (every 2 years) b) Annual NGO's meeting c) Materiality analysis (every 2 years) d) Tactical meetings and dialogue with CR Team
OTE: Maintain existing CR ratings
COSMOTE: Publish CR Reports for all subsidiaries abroad
OTE-COSMOTE: Further focused CR Training of the CR Team
OTE-COSMOTE: Maintain CR Leadership in Greek Telecom Sector
OTE-COSMOTE: a) Publish one common CR Report b) No printed version (eco-friendly approach) c) Set fewer, more quantitative goals from 2014 onwards
Environmental Management
OTE: Receive ISO 14001:2004 certification for the OTE EMS
OTE-COSMOTE: Renewal of ISO 14001:2004 for AMC and COSMOTE Romania
OTE-COSMOTE: Develop a fully operational IT system for the OTE-COSMOTE environmental data collection
COSMOTE: Renewal of ISO 14001:2004
COSMOTE: Streamline EMF Policy of COSMOTE, AMC and COSMOTE Romania with the DT Policy on EMF

2012 Goals	2012 Performance
CR-related Policies and Systems	
OTE: Implement Crisis Management system in all OTE operations **Deferred in OTE-COSMOTE operational merging*	
OTE: Extend CR engagement with Board of Directors	
OTE: Agree core CR KPIs and include in next Business Plan	
COSMOTE: Deploy its management practices to its subsidiaries in Greece and abroad	
COSMOTE: Adopt common Code of Conduct for the Group	

2013 Goals
CR-related Policies and Systems
OTE-COSMOTE: Crisis Management system integrated with the OTE Group Business Continuity Management System
OTE Group: Further enhancement (or alignment) of the Group CR Strategy across all pillars
OTE-COSMOTE: Adoption of new OTE Group Policies and amending of current Compliance Policies
OTE-COSMOTE: Certification of the Compliance Management System (C.M.S.) in OTE, COSMOTE and RomTelecom
OTE-COSMOTE: Annual Compliance Risk Assessment
OTE-COSMOTE: Further training on issues about: Anti-Corruption, Accepting and granting of benefits, Code of Ethics for Senior Financial Officers and anti-fraud

3.MARKETPLACE

CORPORATE RESPONSIBILITY REPORT 2012

3.1 Strategy and Management

OTE and COSMOTE put the highest priority on ethics, transparency and responsible business conduct. They aim to succeed in the marketplace, by being customer-centric, innovative and competitive, and by playing a leading role in building Digital Greece.

Strategy and policy coordination on marketplace issues is managed across Divisions and Directorates within the companies, through the Business Plan mechanisms, overseen by the CEO and Management Committee. The Business Plan process includes assessments of market, regulatory and commercial risks and opportunities. For 2012, this process focused on continuing to ensure the companies' competiveness, and continuing the investment in and roll-out of new technologies and infrastructure, while adapting to the heavy impact of Greece's economic crisis. The companies' policies related to marketplace conduct are developed by and monitored in the Compliance Department.

Key Achievements in 2012:

- OTE-COSMOTE launched:
  - VDSL network services
  - COSMOTE 4G network services
  - "New era of prices" - OTE Double Play Unlimited programmes, 25% decreased prices
- Both companies informed over 350,000 citizens on topics such as safe use of the Internet and mobile telephony services.
- COSMOTE conducted evaluations of 91.74% of its procurement volume, while the two companies average time for paying Greek suppliers was within 90 days.
- Customer satisfaction remained high in 2012, at a score of 72 for OTE and 66 for COSMOTE.
- Cosmote resolved 92% of complaints within 2 days, while OTE resolved, equally as fast, 54% of complaints.

3.2 Responsible Competition

3.2.1 Competition and Regulation

OTE and COSMOTE are firmly committed to abide by national and european regulation of the telecommunications marketplace, in Greece and the countries in which their subsidiaries operate. In addition, they are committed to working with government, business and societal stakeholders, to ensure a regulatory framework that affords unbiased treatment and contributes to broader community prosperity.

COSMOTE, since 2006, and OTE, since 2011, formed their internal relevant policies to inform employees on the importance of complying with competition regulations and to systemise the rules of conduct.

Regulatory framework

The provision of telecommunications services in Greece is subject to regulation based on EU legislation, competition law and sector-specific regulation, relating to various issues, such as: Numbering, Licensing, Tariffs, Local loop unbundling, Interconnection, Leased lines, and Privacy issues.

In 2012, the most recent telecommunications directives and regulations, adopted in the EU, were implemented in national legislation by Law 4070/2012.

In certain cases, secondary legislation and regulatory remedies do not reflect the current level of competition and can be burdensome, particularly regarding the conditions for tariff approval, as far as OTE is concerned. The emergence and introduction of new technologies and new services, together with the lack of clear guidelines in their regulatory treatment, has led to a lack of clarity at the national level, in the regulatory framework governing the provision of such services.

Greece's National Regulatory Authority, EETT, imposes on OTE and COSMOTE regulatory limitations, which often have a serious impact on their business policy. By this, both companies are subject to pricing constraints, while the companies' competitors do not have such an obligation since, according to EETT estimations, they do not have significant market power (SMP). During 2013, the EETT is expected to carry out reviews of market analyses and decide whether any provider has SMP in the market. Where OTE and COSMOTE are found to have SMP, the EETT will carry out consultations on setting controls, that could reduce or change the prices charged for these products and/or services.

Regulatory Actions in 2012

In 2012, OTE and COSMOTE were involved in particular regulatory and administrative actions with EETT. These relate to 18 actions (hearings) against OTE, regarding: submission of the company's cost components, discount programmes, charges for local loop unbundling services, spectrum interference caused by VDSL activation, providers' obligation to submit letters of guarantee and interconnection cost issues, and 4 actions against COSMOTE, regarding competition and regulatory issues. The most important pending regulatory issues are reported in OTE Annual Report 2012.

During 2012, EETT also imposed fines with monetary value of €2,250,000 on OTE, and €4,500,000 on COSMOTE. OTE and COSMOTE have lodged 2 appeals, respectively, before the competent courts seeking annulment of these penalties.

Regulatory Litigations in 2012, Greece		
Actions	**OTE**	**COSMOTE**
Number of fines	2	2
Number of appeals	2	2
Number of non-pecuniary penalties	0	0
Value of fines	€2,250,000	€4,500,000

OTE is the Greek Universal Service Provider:
Universal Service, in the Electronic Communications Sector, is the provision of a fixed set of basic Electronic Communications services available to all citizens of Greece, regardless of their geographic location, at affordable prices. OTE is the designated Universal Service Provider for Greece. This is an important responsibility that OTE takes very seriously, especially in these challenging times for greek society.

3.2.2 Advocacy for a Responsible Marketplace

Given that new technologies are decisive for future economic growth, social inclusion and sustainability, OTE and COSMOTE play an active role in sectoral and multi-stakeholder forums, associations and initiatives, at the national and EU level, in order to promote responsible competition, self-regulation and collaboration on societal issues.

During 2012, the main forums/associations/initiatives, in which OTE and COSMOTE participated, are:

- **"Digital Greece 2020" Working Group:** OTE and COSMOTE participated in the Working Group conducted within the wider framework of the European Digital Strategy ("Europe 2020"). The working group aims to contribute to the planning of issues such as:
  - Facilitation of citizens' Internet access through very high speed connections.
  - Reducing the Digital Gap through effective actions.
  - Designing measures for promoting the feeling of security, regarding electronic transactions.
  - Informing the population on digital risks, with special consideration for specific groups.
  - Identifying obstacles and studying the solutions for proposing required actions that will lead greek businesses to fully exploit the tools and opportunities offered by the Internet and the global economy, and to connect research and innovation with entrepreneurship.

- **ETNO**: OTE is one of the 50 members and observers of the Association of European Telecommunications Network Operators. ETNO represents the main driver of broadband across 35 european countries. The Association aims to contribute to shaping the best regulatory and commercial environment for its members, to continue rolling out innovative and high quality services and platforms, for the benefit of european consumers and businesses. In this way, it also represents OTE's interests in a european context, as the company is a large investor and player, not only on a national (Greece) scale, but also in the SE european region. In parallel, ETNO membership involves coordination of the promotion of CR objectives.

- **CEO Coalition to make the Internet a better place for kids:** OTE and COSMOTE participated, as a member of Deutsche Telekom Group, in this cooperative voluntary intervention for the Safe Navigation of Children and Young People on the Internet. It is a coalition that was first formed in December 2011, by 28 leading technology companies in Europe, aiming at a better and safer online environment for children. Companies, signatories to the Coalition, committed to take positive action throughout 2012 in 5 areas: simple tools for users to report harmful content and contact, age-appropriate privacy settings, wider use of content classification, wider availability and use of parental controls, effective removal of child abuse material.

- **European Memorandum on safe use of mobile phones by children and teenagers:** COSMOTE actively participated in the consultations, under the auspices of the European Commission, for the establishment of a European Memorandum, addressing the safe use of mobile phones, by children and teenagers. COSMOTE, was the first greek company to sign the Memorandum, in February 2007, among 15 other european mobile telephony and content provider companies. The Memorandum addresses issues which aim to ensure the safe use of mobile telephony services by minor users, such as access control mechanisms, awareness and communication, categorization of commercial content, etc.

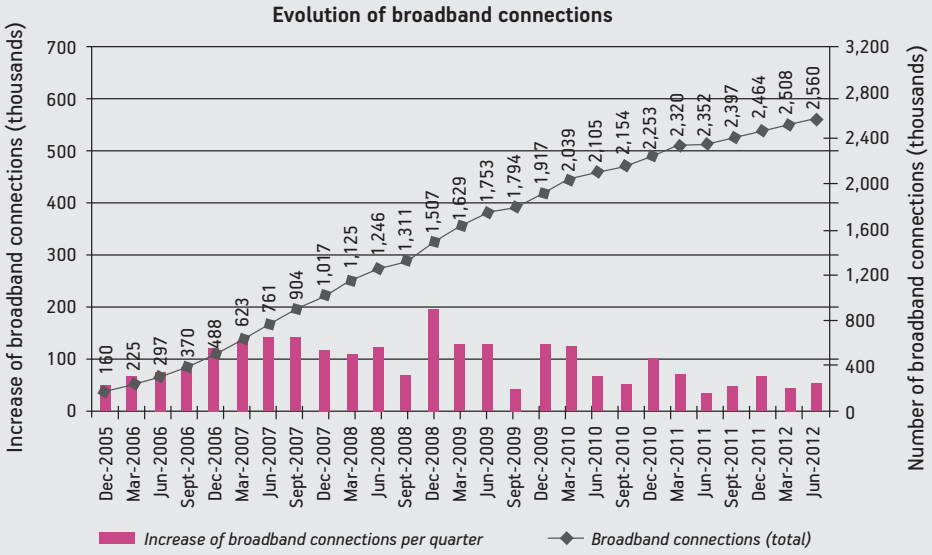
- **The National Common Code of Conduct on mobile phones and protection of users:** COSMOTE collaborated with other mobile telephony providers in Greece, in order to develop a "Common Code of Conduct for added value services, via mobile phones and protection of minor users". The objective of this mobile telephony sector self-regulation process is for minor users to be offered a common level of protection, such as in other european countries.

- **Association of Mobile Telephony Companies:** COSMOTE participates in the non-profit organisation "Association of Mobile Telephony Companies". The Association, aims to be an advisory board regulatory processes, to participate in the decision-making processes of legislative or technical committees (at an international, european and national level), as well as to collaborate with institutions and associations in other countries, within the scope of bilateral or multilateral collaborations. Its objective is the collective modernization and development of the mobile telephony sector. To achieve its founding objective, the Association seeks to update its members, follow-up on issues of collective interest, establish positions on respective issues, as well as represent and promote the opinion of its members, in Greece and abroad.

3.3 Expanding Broadband and Mobile Internet in Greece

3.3.1 Broadband Penetration in 2012

Although the availability of broadband, for fixed line and mobile services, reaches almost 100% in Greece, the penetration rate is an ongoing challenge for the country which has been lagging behind the EU average rate. In H1 2012, broadband penetration, as a proportion of the population, reached 22.6% compared to 21.8% in 2011, representing further steady progress towards the EU-27 average. According to the EU Digital Agenda Scoreboard for 2011, Greece ranks 21st among the EU Member States. During 2012, the number of broadband connections in Greece rose from 2,464,282 in 2011 to 2,560,000 in June 2012, according to EETT's statistics.



Source: EETT, based on data from licensed carriers

3.3.2 Key Investments in 2012

For both OTE and COSMOTE, increasing the broadband penetration rate represents an important business challenge, aligned with this national goal of great significance for the greek economy and information society. The investments by OTE and COSMOTE are based on the companies' assessments of market, customer and community needs, mainly undertaken by the Commercial and the Technology Directorates, as part of the three year business planning cycle.

OTE launch of VDSL network

To this end, OTE, despite the difficult environment in which it operates, continues to invest in broadband infrastructure and state-of-the-art technology. In 2012, OTE proudly launched its VDSL network, providing speeds up to 50 Mbps and transforming the daily Internet experience, by offering users possibilities, such as faster file downloading, uninterrupted HD video-streaming, non-problematic connection of multiple devices and improved online gaming responsiveness. OTE, via its Wholesale Division, provided access to its VDSL network to other Telecommunications' providers. By sharing its network and combining existing products, already given to other Telecom Operators, OTE enables them to enhance their services for end-customers, hence upgrading the overall customer experience, as well as generating savings on further investment costs and economies of scale.

COSMOTE launch of 4G LTE

Moreover, COSMOTE broke ground in Greece with the commercial launch of its 4G LTE (Long Term Evolution) mobile broadband network in the cities of Athens and Thessaloniki.

Both VDSL and 4G investments will continue, so that gradually the networks will be widely available.

Meanwhile, the two companies continue to invest and upgrade all available fixed and mobile networks, for seamless communication throughout the country. In the table below, key broadband availability/uptake data for OTE and progress from 2011 are included:

OTE Access Lines & Traffic Statistics			
	Sep 30, 2012	Sep 30, 2011	Change
Total PSTN & ISDN connections	**3,189,174**	**3,547,553**	**-10.1%**
Of which Wholesale line rental (WLR) connections	*64,059*	*91,384*	*-29.9%*
Total OTE ADSL active subscribers	1,171,140	1,137,189	+3.0%
OTE TV Subscribers (IPTV & Satellite)	96,773	55,577	+74.1%
Unbundled local loops (active)	1,754,607	1,575,721	+11.4%

3.3.3 Broadband Growth in the Periphery

OTE and COSMOTE continue to focus strongly on broadband infrastructure for the whole country, encompassing rural and remote areas and the islands. During 2012, the companies' commitment to reducing the Digital Divide included a number of initiatives:

- **OTE's Broadband Initiatives for the Periphery**

OTE's broadband initiatives for the periphery include satellite broadband, WiMAX and Rural Subscriber Radio network services. OTE now offers even faster and steadier broadband connections to the Aegean islands. This was achieved by increasing the capacity of the backbone network, by adding an extra 50 Gbps to specifically meet the islands' Internet needs. OTE's 1,885-km offshore network, which connects the Aegean islands to each other, as well as to the rest of the company's backbone network, is based on state-of-the-art dense wavelength division multiplexing (DWDM) technology and ring architecture, which ensures multiple alternative routings in case of damage to a cable.

Subsidiaries at a glance

a) The **AMC** 3G network was rated the best in the market and was awarded with the 3G Business Excellence prize, during the 4th Infocom Albania Forum, which took place in Tirana in November 20, 2012. "From Infrastructure Evolution to Digital Revolution" was the theme of Albania's conference, specializing in national and international ICT developments.
b) After successfully concluding laboratory and field trials in 2012, **COSMOTE Romania** commercially launched in April 2013 its 4G (LTE) network, with coverage initially available in Bucharest (Northern area) and Otopeni, Ploiesti, Cluj, Lasi, as well as in the areas of Sinaia, Busteni and Predeal.

- **COSMOTE's "Surfing the World' Programme**

For the third consecutive year, in 2012, COSMOTE supplied technological equipment (monitors, PC units, Wi-Fi routers, web cameras) to schools in isolated islands and remote mainland regions, while offering students and teachers free high-speed wireless Internet access. In 2012, more than 1,200 students and tutors, at 46 schools all over Greece, benefited from the on-going programme, through donations of 240 pieces of equipment. In total, from the beginning of the programme, COSMOTE has installed wireless Internet to more than 96 schools and more than 3,000 pupils benefited from it.

3.4 Responsible Marketing

3.4.1 Responsible Marketing Practices

OTE and COSMOTE comply with laws and regulations in marketing communications and the Marketing Communications Strategy Fixed and Mobile controls and reviews all marketing materials, prior to public release. In particular, OTE and COSMOTE ensure that all their communication material is in compliance with the law, appropriate, fair, sincere and respectful of diversity and the companies follow the SEE (Committee of Communication Control) Code of Responsible Marketing.

OTE and COSMOTE apply the Greek Code of Conduct for advertisement and communication, in line with guidelines from the Committee of Communication Control (SEE). Regarding incidents of non-compliance with these guidelines, in 2012, OTE has been called for 2 different communications. During 2012, there were no fines imposed on OTE (retail fixed telephony and TV) related to marketing/advertisement issues, while the Consumer Protection Authority imposed a fine of €1,500 on COSMOTE, for advertising issues.

3.4.2 Transparency and Reduced Pricing

OTE and COSMOTE are dedicated to clear, simple and transparent communication on pricing, in accordance with all legal requirements and in order to provide their customers with strong service levels. They define their prices, at such levels, to cover the cost of service provision and to respond to market demand for lower prices, without creating obstacles to healthy competition.

Pricing transparency policies consist of making prices' information readily available, within the deadlines set by the regulatory framework. Pricing information is available on both companies' websites and provided to the press, as well as through the companies' client service lines and information brochures. Customers are also informed, through their bills, on pricing details and changes, while various cost-control solutions (see table on page 40) have responded to increased customer need for economising, in these difficult economic times.

Within the framework of harsh economic conditions and customer demand for reduced prices, OTE and COSMOTE are acting in parallel, in making their contribution. OTE, in 2012, reduced prices by up to 25% on its economic programmes, while it applied reductions to charges of calls from fixed to mobile of up to 40%, offering the lowest charge in the market. COSMOTE post-paid customers were given offers, which provided a monthly fixed fee discount of up to €20.

Cost Control Services	
OTE - **"My e-Bill" Service:** OTE modernised its electronic services by establishing this service, which allows registered customers, free of charge, to be informed on the bills and the statistical information of their usage, in order to select the best services package on offer for them. - **OTE informs consumers,** with an audio message before the end of high priced calls, and **applies the policy** of maximum call duration for these numbers. - **Customer bills:** OTE informs bills with all the pricing changes of the same period. Bills were reformed to provide more information on usage. For every new or renewed 12 month service, customers are informed on their bill. - **OTE examines cases** of customers with exceptionally high charges and compensates them when fraud is detected, while it offers customers the **possibility to bar** unauthorised usage of their phones. - **Record keeping of all numbers**, requested by customers as "not wanted numbers".	**COSMOTE** - **"COSMOTE Internet On The Go"** application: Users of personal computers with Mobile Internet access via USB modems can be informed of their data usage and set maximum usage limits. Customers can also see records of their data usage. - **"Cost Control" Service:** Automatically updates subscribers with free SMS, when they have consumed 80% of the free embedded use of their programme (free talk time, messages or MB). - **"Check of remaining free usage" service**: Informs subscribers with free SMS, whenever they choose to, about the remaining free units in their programme. - **Outstanding Service Control:** Free of charge service (activated via SMS), informs post-paid customers with pre-paid services, regarding their remaining free call time, SMS, MMS, MB and/or the respective amount in €, until the issuing of the commencing invoice. - **Online check** of the subscriber's remaining free talk time, SMS and MB, through the new My COSMOTE/COSMOTE Application channels. - **Additional real time check** of the subscriber's remaining balance, through a dedicated IVR channel, for COSMOTE "Cost Control" and prepaid rate plans. - **Packages with additional MB** for more Internet usage when needed. - COSMOTE, also, offers **solutions to post-paid subscribers**, through which they can reduce their monthly fee up to €20 and provide a bonus of 20% talk time, each time they top up the balance of their beloved ones with Prepaid, Cost Control and COSMOTE "Internet On The Go Prepaid" subscriptions. - **Roaming Services:** Roaming network expansion, reduced prices and data limit programme. - **Multimedia Information Services:** Blocking access to Multimedia Information Services Numbers from subscribers has become more efficiently enhanced. In certain categories of those numbers, the subscriber can choose to block per single destination and per direction (for Premium SMS Services).

3.4.3 Equipment Safety Labelling

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

During 2012, there was one single non-compliance incident regarding Equipment Safety regulations, concerning COSMOTE, which is currently being examined by the Regulator, and involved CE marking in part of one device stock, that was immediately fixed. There was no other incident regarding equipment safety, requiring paying a fine or providing explanations.

COSMOTE places increased importance on procurement of products that are safe and produced based on international conventions and standards. All handsets in COSMOTE's portfolio are in line with EU legislation. Materials of electronic and electrical equipment sold in COSMOTE stores, carry all the necessary labelling (e.g. CE) and are ruled by all the regulations on electrical and electronic equipment. COSMOTE asks its suppliers for the data concerning the SAR indicator for appliances, which are available for customers. Mobile phone appliances sold in the company's Retail Network, carry special CE labeling, (certifying that all necessary evaluation processes for the equipment have been completed) and are found to be within the limits of safe exposure to electromagnetic fields, as regulated by the Specific Absorption Rate-SAR, which should not exceed 2 w/kgr locally, as defined in the Presidential Decree 44/2002 and in the EU Directive 1999/5/EC.

All equipment accompanying OTE products (ADSL/VDSL and decoders) carries all the necessary labelling, which are obligatory by the EU (CE sticker, RoHS indication and the indication for recycling of electric and electronic waste, as well as an indication for paper recycling of the box). Also, they comply with EU Directives WEEE, RoHS, ICNIRP and all the Presidential Decrees, transposing them in Greek legislature, as well as the Directive 2005/32/EC of the European Commission and Council on environmentally friendly design requirements, related to the electric power consumption of electric and electronic home office equipment in standby and switched-off mode. Products are always accompanied by detailed instructions for safe use, inside their box. OTE's website also offers a variety of manuals in Greek and English.

Furthermore, OTE asks its suppliers to guarantee that under the equipment, one can find: a label with the CE indication, a RoHS indication, recycling indication, as well as indication that the equipment complies with Joint Ministerial Decision on protection from radiation. Suppliers have the obligation to reimburse OTE for any damage occurring from non compliance with the above Directives of procured equipment. Suppliers are obliged to show certification of the procured equipment, related to the above Directives, to the Commercial Purchasing and Supply Department Fixed and Mobile of OTE.

3.5 Responsible Procurement

3.5.1 OTE and COSMOTE Procurement Policies

OTE and COSMOTE recognize that upholding core values and standards in the supply chain is an important element of responsible business conduct. For both companies, this includes using their influence in the supply chain to promote ethics and anti-corruption, environmental protection and prevention of child labour.

The two companies' Procurement Policies specify all the terms and regulations according to which, procurements will be made in Greece. The key objectives of Policies consist of:

- Optimising the added value in terms of cost, quality and time
- Ensuring transparency
- Complying with Deutsche Telekom's "Global Procurement Policy"

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

- Price
- Technical specifications
- Commercial terms
- Contractual issues
- Regular auditing
- CR-related criteria and specifically:
    - Quality certification
    - Environmental Management certification
    - Health & Safety
    - Supplier Ethics Code

The COSMOTE Suppliers Code of Conduct describes the criteria that COSMOTE uses to evaluate suppliers on Labour, Health and Safety, Environmental and Ethical issues. By signing a contract with COSMOTE, a supplier agrees to comply with this Supplier Code of Conduct, as well. Furthermore, suppliers are committed to take all necessary actions so that their sub-contractors comply with the obligations stated in this Supplier Code of Conduct. OTE's similar Supplier Code is in the approval process, which will be completed in 2013.

Included in the COSMOTE Suppliers Code of Conduct, is a detailed section on labour, whereby suppliers are committed to uphold the human rights of their employees and to treat them with dignity and respect, as understood by the international community. Specifically, clauses are included on freely chosen employment, prohibition of any form of forced labour, child labour, young employee protection, among other things. Additional clauses on working hours, wages, fair and reasonable terms of employment are also present, as is a clause on humane treatment, non-harassment, non-discrimination and freedom of association.

For more information please read the **COSMOTE Suppliers Code of Conduct.**

3.5.2 Supplier Evaluation

At the beginning of each year, OTE and COSMOTE's active suppliers (suppliers above €2mn and all suppliers that provide important commodities between €500,000 and €2mn) are being evaluated by the responsible Directorates. The full 2012 evaluation is currently in the process of being completed. In 2012, OTE also conducted a pilot evaluation phase of 15 suppliers, in the area of IT. Due to the fact that OTE's Supplier Code of Conduct is currently in the process of being approved, the pilot phase does not include CR criteria.

During these unsure economic times in Greece, OTE and COSMOTE are two of the few corporate entities that have maintained high standards for timely payment of their suppliers. The companies follow their contractual obligations, while the average payment time for suppliers, for 2012, was 90 days, as it was in 2011.

Procurement Evaluations		
	OTE	**COSMOTE**
Number of suppliers or % of the procurement volume evaluated	8% of the procurement volume evaluated (pilot phase). Full evaluation phase to be completed in 2013.	The evaluation was completed in 2012, but it was based on the value of procurement for 2011. 91.74% of the procurement volume evaluated

Subsidiaries at a glance

In 2012, 102 suppliers were evaluated by **COSMOTE Romania** with respect to their collaboration during 2011. The evaluation process involves sending a detailed questionnaire to suppliers with specific questions, relating to Corporate Responsibility and human rights. The completed questionnaire is returned, accompanied by a letter confirming compliance with COSMOTE Romania's Supplier Code of Conduct.

3.6 Internet Safety and Public Awareness

The companies' role is not restricted to producing safe products and offering top quality services, it also extends to informing customers and the wider public about the safe use of technology, their products and services.

3.6.1 Raising Public Awareness

Acknowledging the rapid development of new technologies and interactive media, such as the Internet and mobile phones, and driven by the conviction that prevention and proper information can ensure the appropriate use of those means, OTE and COSMOTE, acting as responsible corporate citizens, have developed products, services, as well as a series of actions and initiatives, in this direction.

In 2012, through a special brochure, entitled "Navigate the Internet safely", which is addressed to parents, **OTE** offered advice in relation to the safe use of the Internet. The brochure was available at all OTE stores across the country, at the OTE Telecommunications Museum, as well as at events sponsored by OTE, both in Athens and the Greek periphery.

Moreover, in the context of educational activities by the **OTE Telecommunications Museum,** awareness sessions have been carried out since 2010, with regards to safe Internet navigation. The sessions are delivered by specialised scientific partners of the Adolescent Health Unit of the Second Dept. of Pediatrics of the University of Athens, "P. & A. Kyriakou Children's Hospital" and are aimed at students of all grades. Their content is amended depending on the age and knowledge level of the students and according to their interests. The programme starts with an advisory part and ends with an interactive session, in which children actively engage in the navigation of websites while being provided with advice and suggestions.

Since 2008, through the informative brochure "Mobile telephony and parenting", **COSMOTE** has offered parents much-needed advisory support, so that they are adequately informed about mobile telephony services and their proper use. In 2012, this brochure, along with those of the Greek Awareness Center saferinternet.gr ("The ABC of the Internet" and "FAQ for the safe use of the Internet") were available at all COSMOTE and GERMANOS stores, as well as at events sponsored by the company, both in Athens and the Greek periphery.

Furthermore, through a systematic and comprehensive targeted communications action plan, OTE and COSMOTE inform parents, teachers, children and the wider public, as well as employees of the companies, on issues related to the safe use of mobile telephony services and the Internet. The main contact point for the customers is the Retail Network of OTE and COSMOTE. It is indicative that more than 700,000 brochures on the safe use of mobile telephony services and the Internet have been distributed over the past four years.

Moreover, OTE and COSMOTE offer advice on safe use of the Internet and mobile telephony services through their official websites (www.ote.gr & www.cosmote.gr).

Action/Means	Company	Target	Impact in 2012
People informed about the safe use of the Internet and the mobile phone	OTE-COSMOTE	Parents, children, teenagers, teachers, students, wider public	Over 350,000 people
Informative mass SMS about safe use of the Internet	COSMOTE	Parents	318,000 people
Awareness Sessions on using technology safely at the OTE Telecommunications Museum	OTE	Primary and secondary school pupils and adults, receiving information on child protection	748 pupils and 49 adults

Safer Internet Day Campaign 2012

On the occasion of the Safer Internet Day in February 2012, OTE and COSMOTE launched a new joint awareness campaign, promoting actions they have been implementing over the past years, designed to effectively inform the public on issues related to the safe use of the Internet and of new technologies. With the message "In the Internet fairyland, we want no villains", the two companies are informing, both the wider public and thousands of the Group's employees.

Safer Internet event at the Mall Athens-February 2012
The centerpiece of the joint campaign for 2012, was a large two-day special event, where more than 2,000 children, teenagers, and adults, were informed about the safe use of the Internet and mobile telephony services. This action was carried out in cooperation with bodies of the Greek Safer Internet Centre, which operates under the auspices of the European Commission, the Greek Awareness Centre Saferinternet.gr and the Helpline "YpoSTIRIZO 800 11 800 15", which is managed by the Adolescent Health Unit of the Second Dept. of Pediatrics of the University of Athens, "P. & A. Kyriakou Children's Hospital". Briefings, live-demonstrations, as well as question-answer sessions from the representatives of the Greek Safer Internet Centre took place, during the event.

"Micropolis" Festival-September2012
OTE and COSMOTE supported Micropolis, the biggest festival in Greece for children 2-13 years old, an organization that operates under the auspices of the Ministry of Education, Religious Affairs, Culture and Sports. More than 20,000 people visited the festival that took place from 20-23 September at Technopolis in Athens. More specifically, children who visited the sponsored "Communication and Technology Neighborhood", had the chance to participate in interactive activities, organized by credible institutions and Universities, to be informed about the safe use of the Internet and to watch educational movies. Additionally, the "presence" of the OTE Telecommunications Museum in the "Neighborhood", made a great impression, on both the adult visitors and children.

Subsidiaries at a glance

COSMOTE Romania-Safer Internet Campaign: Through a Safer Internet Campaign in the first quarter of 2012, COSMOTE Romania was involved in promoting safe Internet usage for children, for the fourth consecutive year. On Safer Internet Day, the company launched a large-scale communications campaign that made a key contribution to the largest national campaign, aimed at protecting children and youngsters from unsuitable digital content. This campaign aimed to increase parent and youngsters' awareness of the potential dangers encountered, while surfing the Internet. 342,000 copies of the "How to protect your children from Internet dangers" flier were available through COSMOTE and Germanos stores, and at corporate events

3.6.2 Products and Services

OTE offers "OTE Conn-x Secure", which consists of comprehensive online computer protection services and enriched Parental Control functionality, enabling parents to monitor, filter and block access to websites with undesirable content (e.g. violence, adult content, weapons, drugs, etc.), by specifying the level of protection depending on the age of the children.

At the same time, **COSMOTE** enables parents to control their children's access to mobile telephony services that are addressed only to adults, through a series of user-friendly Parental Control Services, developed by the company and provided free of charge to its subscribers. Specifically, COSMOTE offers parents the option to block the Erotic category, available through COSMOTE my view, which offers services addressed to adults only, as well as to block "Multimedia Information Services", by calling COSMOTE Customer Service.

3.6.3 Collaboration with Recognized Bodies

Since 2010, OTE and COSMOTE have been cooperating with the **Adolescent Health Unit of the Second Dept. of Pediatrics of the University of Athens, "P. & A. Kyriakou Children's Hospital"**, supporting their work regarding safety on the Internet, via both the Research Department, as well as its awareness actions, taking place all over Greece. Furthermore, since 2009, via the support of OTE and COSMOTE, the Adolescent Health Unit manages the Helpline "YpoSTIRIZO 800 11 800 15" of the Greek Safer Internet Centre, which operates under the auspices of the European Commission. The line is addressed to adolescents and their families, providing support and advice on issues related to the use of the Internet, mobile phones and electronic games.

In 2012, OTE and COSMOTE supported, as Gold Sponsors, the Greek Awareness Centre Saferinternet.gr, which operates under the auspices of the European Commission and is the national representative of the Insafe Network of Safer Internet Awareness Centres, with 30 Centers in Europe and Russia. The aim of this collaboration, which began in 2008, is to create awareness among all citizens and inform them on ways to protect themselves and their children against the non-proper use of interactive technologies, such as the Internet or mobile phones.

Furthermore, since 2011, OTE and COSMOTE have actively supported the workshops organised by the Cyber Crime Unit in Greece, which are designed to raise the awareness of parents and students of Internet safety.

Collaboration with Recognized Bodies	Actions and Impact in 2012
Adolescent Health Unit of the Second Dept. of Pediatrics of the University of Athens, "P. & A. Kyriakou Children's Hospital".	- More than **300 teenagers** were addressed by the Unit, on issues like cyber bullying, inappropriate content and excessive use of the Internet. - **Awareness sessions** were conducted in **110 schools.** - **Awareness campaign** (television, radio and cinemas) for the safe use of the Internet, in November & December 2012. - **Satellite event** "5th State of the Art Adolescent Medicine Course" conducted in March , with more than **500 participants**. - Coordination of the **EU NET ADB research project**, with the aim to increase the knowledge base on Internet addictive behavior risk, among adolescents in Europe.
Helpline "YpoSTIRIZO 800 11 800 15"	**1,700 reports** (1,380 calls & 320 e-mails)
Greek Awareness Centre Saferinternet.gr	-**187 events**, in which saferinternet.gr participated and/or organized. -**19,137 people** were informed.
Cyber Crime Unit workshops, about safe use of the Internet	- **29 workshops** held during the time period October 2011-October 2012. - **15,000 people** attended the workshops. - More than **100,000 people**, in and out of Greece, watched the conferences via live streaming. - More than **17,000 informative leaflets** from OTE, COSMOTE and Saferinternet.gr, were distributed.

3.6.4 Participation in Self-Regulatory Initiatives

Of particular importance is OTE and COSMOTE's participation, via Deutsche Telekom, in the cooperative voluntary intervention "Coalition to make the Internet a better place for kids" for the Safe Navigation of Children and Young People on the Internet. It is a coalition that was formed in December 2011, by 28 leading technology companies in Europe, aiming at a better and safer online environment for children.

At the same time, COSMOTE, along with all mobile telephony operators, has undertaken self-regulatory initiatives at the European and national level. Specifically:

- Since 2007, it has been a signatory to the **European Memorandum for Safer Mobile Use by children and younger teenagers** (in cooperation with European mobile telephony companies).
- In 2006, it cooperated with the other mobile telephony operators in Greece, to produce a draft **"Code of Conduct for value-added services provided through mobile phones and for the protection of juvenile users"**. In 2008, the Code was adjusted to European Standards.

3.7 Customer Service and Satisfaction

OTE and COSMOTE have built a strong reputation, based on offering truly high quality customer services in the Greek telecoms market. Reliable customer service constitutes one of the companies' advantages and is an area of strong business focus.

In 2012, it is worth mentioning that all OTE and COSMOTE's Call Centres, as well as 113 OTE and all (21) COSMOTE retail stores, were certified according to ISO 9001:2008 standard for quality management.

3.7.1 Complaints Management

Until recently, OTE and COSMOTE were using different Complaints Management Systems. In 2012, an important change occurred in the organizational structure of complaints management operations, towards implementation of a new centralized complaints' management system. A new credit-debit policy for dealing with complaints was introduced, whereby all debit transactions are implemented by the Complaints Management Team. Also all OTE's Call Centers adopted a new IT system to record and count customer interactions-oral complaints. With this move, OTE and COSMOTE aim to cover all the customer contact points, where requests are recorded, including OTE and COSMOTE retail stores, as well as Call Centres.

Key characteristics of the system are single registration and central follow up, regular reporting and reviews, quality assurance, data collection and communication with responsible Divisions, for proceeding to preventive or corrective actions. The new system will aim to achieve results, such as first contact resolution, personalized service based on the profile and needs of the client, flexible customer-oriented processes, forecast of customers' needs, exceeding the customer's expectations and conversion of dissatisfaction causes to chances for improvement.

2011 and 2012 Data/Information on Complaints Management				
2012	**Number of Complaints**	**% solved within 2 days**	**% solved within 20 days***	**Issues raised by complaints**
OTE	113,645	54%	86%	-Clarifications on Telephone bills -Activation of products/services -Resolution of Technical issues
COSMOTE	29,168 written complaints & extrajudicial	92% 97%	98%	-Billing related complaints -Commercial Policy issues -Services (provisioning & technical malfunction) -Coverage related complaints
2011				
OTE	166,319	59%	89%	-Clarifications on Telephone bills -Activation of products/services -Technical issues
COSMOTE	33,422 written complaints & extrajudicial	61% 78%	98%	-Billing related complaints -Commercial Policy issues -Services (provisioning & technical malfunction) -Coverage related complaints

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

3.7.2 Customer Surveys

OTE and COSMOTE conduct customer surveys throughout the year, measuring customer satisfaction, as well as other attributes, such as perception of the companies' social role and ratings of customer services.

Ranking	COSMOTE	OTE
Awareness and Social Behavior Index: Recognition of companies with social profile, by the public	2nd place 2012 score: 13.3 %	9th place 2012 score: 4.5%
*Loyalty Index (TRIM)	2011 score: 66 2012 score: 66	2011 score: 69 2012 score: 72
Tracking Survey: with regard to Social Sensitivity	2011 score: 33% 2012 score: 46%	2011 score: 28% 2012 score: 28%
Good Call Service	2011 score: 41% 2012 score: 54%	2012 score: 44%
Good Service in Shops	2011 score: 44% 2012 score: 53%	2012 score: 37%

**The range of measurement: from minus sixty six to one hundred thirty four (-66 to +134).*

3.8 Data Security and Privacy

OTE and COSMOTE's customers, shareholders and employees must be able to rely on the companies, to conscientiously assume responsibility for the security of the services and products provided and must be confident that all data and information, entrusted to the companies, are processed purely for their intended purpose and protected from misuse.

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

In 2012, a new Policy for the Protection of Communications Privacy has been developed for both companies and was approved by the Hellenic Authority for Communication Security and Privacy, in Q4/2012. The purpose of the Policy is to ensure the privacy of communications and the protection of the respective data (i.e. call data), through the implementation of security controls in specific areas (e.g. logical access controls, logging and auditing, acceptable use, physical security controls, etc).

During 2012, OTE received 332 customer complaints, regarding communication privacy/customer data security. COSMOTE received 72 complaints for the same matters. The average response time in COSMOTE is 2 days (in case of technical investigation request, it might go up to 10 days) and for OTE is 21 days. Regarding complaints received from regulatory authorities, OTE received 10 complaints from the Hellenic Authority for Communication Security and Privacy, and COSMOTE received 7 complaints from the same Authority. In none of these cases was a breach identified.

Furthermore, during 2012, 52 security audits and security risk assessments were performed on critical systems or processes, in order to verify compliance with the corporate security policies and procedures. At the same time, security and data privacy awareness training was provided to specific groups, such as:

- Security awareness sessions (induction courses) to new COSMOTE employees.
- Security awareness sessions to OTE employees of the Information Technology Division OTE.
- Training sessions related to PSA (Privacy & Security Assessment) to COSMOTE Project Managers of the Technical Directorate COSMOTE Group and COSMOTE Information Systems Division.
- Security awareness sessions to OTE and COSMOTE employees of the Human Resources Directorate OTE Group.
- E-learning to COSMOTE employees of the Customer Services Division Fixed & Mobile.

Regarding physical security, in 2012, studies were performed for the installation of physical security controls at the new premises of OTE and COSMOTE and for deploying access control systems in major/critical installations. Also, a cash safe pilot was performed in 7 shops. A process improvement programme is ongoing, for improving the guarding of all premises.

3.9 Business Continuity Management

OTE and COSMOTE, as the leading Greek telecommunications companies, consider their obligation to maintain their stable growth and ensure the continuous supply of qualitative telecommunication services, while being able to respond to extraordinary conditions. The companies aim to protect their value and reputation. For this reason, since 2007, a full Business Continuity Management System (BCMS) is operational, which was certified in 2011 by the British Standards Institution (BSI), according to the BS25999 standard. In 2012, first in Greece and among few companies in the world, COSMOTE got certified to ISO 22301 standard, by the British Standards Institution (BSI). Since May 2012, OTE has initiated the development of its BCMS, which follows the same principles as COSMOTE's one.

For 2012, OTE and COSMOTE Business Continuity Management structure managed over 50 reported incidents of all types. OTE and COSMOTE BCM team members were trained and informed, both through general briefings and 16 targeted training and exercise experiences, in order for employees, infrastructures and corporate processes to be capable of responding, in the best possible way, to unanticipated incidents.

Some of the most important activities during 2012, involved:

- Evaluation of processes and procedures or/and their alignment according to ISO22301 (for COSMOTE).
- Support further improvement of the BCMS implemented at COSMOTE Romania, AMC Albania and GLOBUL Bulgaria.
- Evaluation, review and adoption of the core BCM documentation and processes to OTE needs and creation of a common level of preparedness within the company.
- Identification, analysis and assessment of vulnerabilities and threats for OTE, related to specific scenarios.
- Risk Assessments for targeted critical buildings.
- BCM awareness training was provided for specific and critical teams, such as the Incident Management Team, the Crisis Management Teams, etc.
- Design and implementation of a wide rehearsal, related to specific scenarios.
- Continuous cooperation with National Authorities, regarding national unforeseen critical incidents that may occur.
- Continuous cooperation with international bodies such us UNISDR, UNICEF, RED CROSS.

For a detailed report on the BCMS, please visit COSMOTE's website on: http://www.cosmote.gr/cosmoportal/page/T37/xml/Company__articleadvanced__articleadvanced_BCP/section/Corporate_Governance/loc/en_US

3.10 2012 & 2013 Goals

2012 Goals	2012 Performance
Internet Safety	
OTE: Continue Safe Internet public awareness campaign nationally	☺
OTE: Continue and expand OTE Group Internet Safety collaborations	☺
COSMOTE: Expand the programme "Surfing the World" for 50 schools in Ipiros and Thraki	☺
Suppliers	
COSMOTE: Assess Suppliers corresponding to 70% of the company's monetary acquisitions	☺
OTE: Implement new Procurement Policy in 2012 and set targets for supplier CR auditing	☺
Responsible Competition	
OTE: Continue advocacy to the regulator to permit new OTE services at competitive prices	☺
Customer Service and Public Initiatives	
OTE: Continue with the next phases of the Workforce Management programme for customer service	☺
OTE: Continue programmes for special groups and collect stakeholder feedback on impact	☺
COSMOTE: Continue communicating on recycling issues through major events the company sponsors	☺

2013 Goals
Internet Safety
OTE-COSMOTE: Maintain the "In the Internet fairyland, we want no villains" campaign, concerning the public awareness of the safe use of the Internet
OTE-COSMOTE: Enhance initiatives concerning the safe use of the Internet, in the framework of the "CEO Coalition to make the Internet a better place for kids"
COSMOTE: Complete the "Surfing the World" programme in 16 schools at remote mainland areas
OTE-COSMOTE: Facilitate the reporting of online illegal content
Suppliers
OTE-COSMOTE: Assess Suppliers corresponding to 30% of OTE's monetary acquisitions and 70% of COSMOTE's monetary acquisitions
Responsible Marketing Practices
OTE: Launching of Smart Metering solutions (ie energy management), Information Security services, as well as further development of ICT and Cloud services
Data Security
OTE-COSMOTE: Execution of more than 60 security audits / risk assessments
OTE-COSMOTE: Security awareness activities for specific groups
OTE-COSMOTE: Regular audits of access to customer communication data

4.EMPLOYEES

CORPORATE RESPONSIBILITY REPORT 2012

4.1 Strategy and Management

OTE and COSMOTE are among the largest employers in Greece, with more than 14,000 employees as of December 31, 2012.
Both companies aim to provide a workplace that is full of experiences for the employees. Based on their shared values and Guiding Principles, they encourage employees to strengthen business performance and contribute, individually, to business objectives, while offering opportunities for development, participation, engagement and communication.

OTE and COSMOTE's Guiding Principles play a key role in the design of the companies' HR Strategy, priorities and activities:

- Customer delight drives our action.
- Respect and integrity guide our behaviour.
- Team together-Team apart.
- Best place to perform and grow.
- I am OTE/COSMOTE-Count on me.

These goals are pursued by the establishment of the operational model: HR Competency Centres, Business Partners, Shared Services, for the design, support and implementation of modern, simple and efficient HR services for the employees of OTE and COSMOTE.

The OTE Group Chief Human Resources Officer, with overall ownership and responsibility for HR Management, is a member of the Management Board.

Key Achievements in 2012:

In 2012, Human Resources Strategy focused on supporting the transformation of the OTE Group organisation into a fully customer-oriented service group, by introducing effective organisational structures and ensuring competitive labour costs, together with modernisation of HR systems, processes and services. In today's rapidly changing business environment – both externally and internally – HR also focused on managing organisational changes in a socially responsible way.

Employees' development and engagement remains at the heart of HR Strategy, by offering life-long training and development programmes, as well as dialogue and feedback tools, such as Employee Satisfaction Surveys.

- In July 7, 2012, a Collective Labour Agreement (CLA) was signed between OTE and the OME-OTE Union, concerning the implementation of "stand-by" in OTE.

- In December 2012, a Voluntary Exit Scheme (VES) was successfully implemented at OTE. 1,517 employees left the company under its provisions.
- In 2012, the OTE annual Employee Performance Appraisal and Development process was revised, in order to accommodate improvements in the professional competencies set, the process workflow itself and target setting was also introduced at all Managerial Levels, as part of the overall Appraisal process.

4.2 Workforce

In December 31, 2012, OTE and COSMOTE employed 14,640 people in Greece and several thousand people in Romania, Bulgaria and Albania.

Employees by country			
OTE		**COSMOTE**	
Greece		**Greece**	
OTE. S.A.	**8,911**	**COSMOTE Greece**	**2,115**
Other OTE companies	2,557	Other COSMOTE companies	1,057
Greece total	11,468	Greece total	3,172
Romania (RomTelecom)	7,184	**Romania** (COSMOTE)	2,526
Bulgaria		**Bulgaria** (GLOBUL)	1,945
Albania		**Albania** AMC	470
TOTAL	**18,652**	**TOTAL**	**8,113**

**OTE/COSMOTE data is Heads.*

Investing in Young People

Via internship programmes, OTE and COSMOTE offer to a lot of students the opportunity to gain work experience, be trained on-the-job and develop, in specific field areas which interest them. As a result, not only do they develop their key competencies, but they also create a constructive network of contacts. In 2012 alone, a total of 932 students carried out their internship with OTE or COSMOTE.

In addition, OTE and COSMOTE also participated in the "Career Days 2012" event, a widely known and respected career forum, supported by a great number of large enterprises, educational & entrepreneurship organisations and start-up companies, which attracted about 9,000 visitors, in two days. HR representatives had the opportunity to meet in person with students, recent graduates and young professionals, and discuss with them probable employment opportunities within the OTE Group, inviting them to take advantage of OTE and COSMOTE's candidates' management system, by creating their own personal candidate profile on the COSMOTE web page.

4.3 Health and Safety

4.3.1 An Essential Priority

Ensuring a safe and healthy workplace is a continuing top priority for OTE and COSMOTE. Whether in the office, in stores or out in the field, the safety and wellbeing of the companies' employees, customers, contractual partners and visitors, is subject to Health and Safety (H&S) Policy standards and requirements, managed by the OTE Internal Protection & Prevention Services and the COSMOTE Occupational HS Team.

The OTE and COSMOTE Occupational H&S policies are based on Greek and EU legislation and Risk Assessments, conducted by the companies' H&S Teams. These requirements are applied to 100% of the OTE and COSMOTE workforce in Greece. Health and Safety Committees comprising management and employee representatives meet quarterly, to discuss all health and safety related issues and update relevant procedures. Health & Safety is not covered in the formal agreements with the OTE and COSMOTE trade Unions.

4.3.2 Health & Safety Policies

OTE and COSMOTE Health & Safety Policies for fixed line and mobile businesses, play a vital role in operations in the areas of prevention, risk assessment, management-employee consultation, training and performance tracking, based on the following principles and systems:

- Compliance with all legislative requirements.
- Certification of all OTE and COSMOTE operations according to OHSAS 18001-ELOT 1801.
- Occupational Risk Assessments are undertaken at least every three years and additionally, when conditions change with significant risk implications, or when new activities or services are introduced.
- A comprehensive Health & Safety Committee system, including management-employee consultations.
- Comprehensive Accident-Incident Reporting system, maintained by OTE Internal Protection & Prevention Services and the COSMOTE Occupational H&S Team, covering investigation, recommendations and statutory reporting.
- Systematic training for all employees in Occupational Health and Safety (OH&S) principles and practices, with additional specialist training for potentially hazardous work related to installation works.
- Specific supervisory requirements for sub-contractors in installation works.
- Provision of medical centres in five OTE buildings and five COSMOTE buildings, to provide trained first aid and scheduled medical check-ups, and provision of mental health support services.
- Regular building evacuation and safety drills.
- Provision of workshops, newsletters and Intranet articles on important health and wellbeing topics, throughout the year.

4.3.3 Safety Performance in 2012

During 2012, the strong focus on Health and Safety prevention and training was maintained, with continued levels of inspections, as well as with regular and new training sessions.

In Greece, the 2012 rates of work-related accidents and lost days rose slightly, compared to 2011. Tragically, one colleague of OTE died after a car accident, which happened on his way to work. There were no fatalities at COSMOTE, or in the Group subsidiaries in Romania, Bulgaria and Albania. At OTE and COSMOTE, accident numbers and lost days also rose slightly, compared to 2011. At COSMOTE, this was due to two serious traffic accidents, which took place outside the workplace, while commuting to/from work.

2012 Safety Performance, Greece		
	OTE	**COSMOTE**
Fatalities		
Employee fatalities	1 (male)	none
Contractor fatalities	not available	none
Work-related accidents (employees)		
*Number of employees injured	33 26 men, 7 women	19 9 men, 10 women
As % of total employees	0.33%	0.89%
Total work days lost	2,503 days	416 days
Total number of people in work-related accidents including fatality	34	19

**The numbers do not include fatalities.*

Subsidiaries at a glance

Subsidiaries Health and Safety Performance 2012: a) At RomTelecom (Romania) there were 6 work-related accidents and 799 medical leaves. b) The Group's subsidiaries in Romania, Bulgaria and Albania had no work-related accidents or accident-related lost work days.

Five Year H&S Performance, Greece					
	2012	2011	2010	2009	2008
OTE					
Employee fatalities	1	0	0	0	1
*Employee injuries	33	27	29	31	28
Work days lost	2,503	1,408	1,556	2,164	1,427
COSMOTE					
Employee fatalities	0	0	0	0	0
Work accidents	19	17	28	22	16
Lost days	416	218	235	178	139

**The data do not include fatalities.*

4.3.4 Health & Safety Prevention and Awareness

In 2012, OTE and COSMOTE continued to place particular emphasis and resources on preventive and awareness actions. The development of the annual plan for H&S training is based on the general evaluation of 2012 actions, such as inspection results, performed by the medical and technical staff, former records of occupational accidents, and continued applicable training programmes.

Information and training is provided to all employees, to promote maintenance of Occupational H&S conditions. This includes basic training at the time of recruitment and period training, when important changes in duties occur. Training covers risks, prevention and precautions to be taken. In addition, employees working in difficult conditions, such as field service and climbers, undertake yearly training on risks, prevention and control. Furthermore, H&S seminars and information are provided continuously on a range of issues.
In 2012, **Safety Training topics** included: Equipment safety marks, suitability and safety, workplace safety and security, safe driving, safe climbing requirements and methods, avoiding excessive thermal shock, earthquake safety and OSHAS 18001 standards training. COSMOTE, also introduced a new training topic- Safe climbing in extreme weather conditions, such as ice and snow.

In 2012, **Health Training topics** included: cardiovascular hazards, stopping smoking, prevention of back pain and other musculoskeletal problems, PC working, seasonal flu and preventive measures.

In addition, during 2012, **informative campaigns** were presented on the European Day of Melanoma: Greek Week Against Skin Cancer, Smoking and Health, Hepatitis B prevention and counselling, Your Eyes and PC, Stress Management and Sleeping Problems, and Avoiding Thermal Shock.

2012 Key Activities – Workplace Health & Safety		
Activity	**OTE**	**COSMOTE**
First aid (including blood pressure measurement, first aid treatments)	1,630 employees	1,250 employees
Medical exams, including physical check-ups, Health Promotion tests, clinical examinations	13,050 exams 3,138 employees	842 exams 842 employees
Eye sight tests	2,944 employees	431 employees
Occupational Hazard Studies	34 studies	14 studies
EMF reports conducted	EMF reports for 5 buildings	54 EMF reports for 25 buildings and 29 other sites
Workplace safety inspections	2,403 technical inspections 1,190 medical inspections	232 technical inspections 266 medical inspections
H&S training hours	**3,600 hours (total)** **0.3 hours (average per FTE)**	**2,692 hours (total)** **1.26 (average per FTE)**

Special Focus: Mental Health

COSMOTE's Employee Assistance Programme provides 2 psychologists, 1 in Athens and 1 in Thessaloniki, who attend the company's diverse sites in Greece. In 2012, 833 hours of services were provided to employees, including individual sessions, phone sessions and collaborative sessions with the COSMOTE Physician and off-site psychiatrist, when needed. They also engage in crisis management and work with teams and Managers, on work-related mental health issues.

Amongst the issues, which have come to clinical attention, are: personal life related issues, work-related issues, health-related issues and conditions, such as depression and severe anxiety. In recent months, most likely due to the economic crisis and its consequences, the number of employees requesting psychological services has doubled, compared to previous years.

Special Focus: Climbers' Health and Safety

Working at heights requires special preparation and training. It is important to understand how to climb safely and efficiently, to know current safety standards and how they apply, and to have a working knowledge of rescue techniques. All the above are critical elements of climbing safety. So, throughout 2012, particular focus was given, as every year, on training climbers on work safety issues (safe climbing, especially in extreme weather conditions). It is worth mentioning that, in 2012, OTE conducted a safe climbing training session, in which, 29 OTE employees participated and COSMOTE conducted 10 safe climbing training sessions, in which, 70 employees participated.

All climbers have been examined and the corresponding certificates of fitness for work were issued, after medical examination, evaluation of test results, the completion of the personal health history questionnaire, muscular-skeletal disorders and stress evaluation. Some climbers, who were found to have an increased Body Mass Index (BMI) level, elevated cholesterol level, elevated blood pressure or endocrine disorders, were enrolled in regular monitoring, which included fat measuring, cholesterol and glucose measurements, specialized examinations and a special diet.

4.4 Fair Employment

4.4.1 Policy Framework

Maintaining a workplace based on non-discrimination, fairness and integrity is of utmost importance to OTE and COSMOTE. The companies' Employment Policy framework is based on full respect for human rights, in accordance with the following:

- The national and EU regulatory framework prohibits the use of child labour, forced labour and the involvement of youths in hazardous work.
- The United Nations Global Compact, to which OTE and COSMOTE became signatories in 2008.
- The OTE and COSMOTE Personnel Internal Regulations and the OTE Group Code of Ethics and Business Conduct, expressly recognise the basic right of freedom of association and the right to engage in collective bargaining, within the framework of national laws, and expressly prohibit unlawful discrimination or harassment, on the grounds of age, gender, religion, aptitude or in ancestry or sexual orientation.

In both OTE and COSMOTE, for all matters concerning important changes, such as restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers, the companies inform the Union representatives or undertake consultation, depending on the change. Accordingly, in order to do this, and also then communicate with employees ahead of the implementation of changes, a minimum notice period of at least one month is involved. In cases when collective agreements are signed, a reasonable time frame is always provided.

4.4.2 Freedom of Association and Collective Agreements

Due to the national regulatory framework, direct operations in Greece are at very low risk for violation of rights to freedom of association and collective bargaining, or for incidents of child labour or forced labour (see Marketplace chapter for the companies' supply chain standards and screening on these issues).

During 2012, the focus was on the implementation of the Corporate Collective Labour Agreements, reached in 2011, between OTE and the OTE Employees Federation (OME-OTE) and between COSMOTE and the Employee Union of COSMOTE Greece, and also on the additional OTE Corporate Labour Agreements, signed in 2011, covering issues such as voluntary departures and employee vacation centres.

In Greece, the percentage of employees covered by collective bargaining agreements is approximately 72.5% at OTE and approximately 85% at COSMOTE.

During 2012, mainly in the context of the economic situation in Greece and proposed changes to national social policies, there were four strikes and one stoppage, involving OTE personnel and six strikes and four stoppages, involving COSMOTE.

4.4.3 Non-Discrimination, Equal Opportunity and Diversity

It is a cornerstone of OTE and COSMOTE HR policies and procedures, that all decisions and actions relating to employment must be non-discriminatory and meritocratic, including hiring, remuneration, internal transfer and promotion, and termination of contracts. By doing so, the companies secure and sustain a diverse workforce that also reflects and respects the society, in which, both of them operate.

As stated in the OTE Group Code of Conduct, non-discrimination covers gender, age, religion, aptitude, ancestry and sexual orientation. Both companies maintain both "Ask Me" and "Tell Me" procedures and communication channels for employees, to seek advice or report concerns on non-discrimination issues.

The following tables present the total queries or complaints that the Compliance Office received in 2012, which are related to discrimination issues.

Communication Channel: Ask Me! 2012		
	OTE	COSMOTE
Total Employee Queries	123	188
Queries regarding Discrimination	0	0

Communication Channel: Tell Me! 2012		
	OTE	COSMOTE
Total Employee Complaints	44	1
Complaints regarding Discrimination	12*	0

** From the total number (12) of these complaints, 2 related to sex discrimination, 5 to aptitude discrimination and 5 to unequal treatment. The status of these complaints, in December 31, 2012, was:*
- Investigations taken on: 9
- Files closed without action needed: 9
- Disciplinary actions taken: 0
- Investigation continuing in 2013: 3

Non-Discriminatory Remunerations

Furthermore, there is no gender discrimination or distinction regarding salary remuneration in OTE and COSMOTE. At OTE, due to the Collective Agreement, employees' salary is based on their education level and years of employment, and at COSMOTE, employees' salary is based on the grade of their position and parallel minimum salary is defined by the Collective Agreement. Accordingly, the ratio of male to female basic salary and remuneration is 1:1. Furthermore, the lowest wage level in 2012, in ratio to the Greek national minimum wage, was 72.50% higher at OTE and 81.32% higher at COSMOTE.

Parental Leave

Maternity leave for childbirth and parental leave for childcare is provided by both companies. Parental leave licences are available to working mothers or fathers, immediately after the end of maternity leave, when they can choose one of the following types of leave, which are considered and paid as working time:

- OTE: Working one hour per day less, for three years, or two hours per day less, for eighteen months.
- COSMOTE: Six months childcare leave, or one day of leave per week, for eighteen months.

Gender Diversity

In 2012, OTE and COSMOTE maintained effective performance on diversity, particularly on the representation of women in the workforce and in Management positions. In 2012, women comprise approximately one-third of the OTE workforce and half of the COSMOTE workforce. In the combined Management structure, women comprise 27.9% of all senior positions, 18.2% of the General Directors and 33.3% of the Management Committee.

Board and Management diversity, 2012	Male	Female	Total	Female % of total
OTE Board of Directors	10	1	11	9.1%
COSMOTE Board of Directors	9	0	1	0%
CEO	1	0	1	0%
Management Committee	6	3	9	33.3%
General Directors	18	4	22	18.2%
Heads of Divisions	62	14	76	18.4%
Heads of Sub-Divisions	211	48	259	18.5%
Heads of Sections	632	298	930	32%
***Total**	**949**	**368**	**1,317**	**27.9%**
Direct Reporting to CEO	**8**	**3**	**11**	**27.3%**

Data includes COSMOTE contractors with managerial roles. It does not include the COSMOTE employees with managerial roles seconded to subsidiaries abroad.
**Indicates inclusion of men and women holding management positions in both OTE and COSMOTE, who are therefore counted more than once in this Table. Overall there are 6 such men and 3 such women.*

Workforce Diversity at OTE and COSMOTE, 2012	
OTE	**COSMOTE**
Permanent full-time: 8,612	**Permanent full-time: 2,114**
Gender 6,109 men, 2,503 women 70% men, 30% women	**Gender** 1,021 men, 1,093 women 48.3% men, 51.7% women
Age Under 30: 1% (81) Age 30-49: 62% (5,389) Over 50: 37% (3,142)	**Age** Under 30: 2% (48) Age 30-49: 96% (2,025) Over 50: 2% (42)
People with special needs 368 (4%)	**People with special needs** 24 (1%)
Type of work: Office: 66% (5,738); Retail: 12% (1,034); Fieldwork/Other: 22% (1,840)	**Type of work:** Office: 81% (1,722); Retail 8% (169); Fieldwork/Other: 11% (224)
Location: Urban 49% (4,217); Periphery: 51% (4,395)	**Location:** Urban: 88.7% (1,876); Periphery: 11.3% (239)
Permanent part-time: 138	**Permanent part-time: 1**
138 Women (100%)	1 Man (100%)
Temporary (fixed term) contracts: 161	**Temporary (fixed term) contracts: 0**
Gender 96 men, 65 women 60% men, 40% women	n.a.
Total workforce: 8,911	**Total workforce: 2,115**
Gender 6,205 men, 2,706 women 69.6% men, 30.4% women	**Gender** 1,022 men, 1,093 women 48.3% men, 51.7% women
OTE Subsidiaries in Greece (aggregated)	**COSMOTE Subsidiaries in Greece (aggregated)**
2,557 employees 1,375 men, 1,182 women 53.8% men, 46.2% women	1,057 employees 938 full-time, 119 part-time 403 men, 654 women - 38% men, 62% women

Recruitment and Departures in 2012					
Recruitment			Departures (includes voluntary departures)		
Age group	OTE	COSMOTE	Age group	OTE	COSMOTE
< 30 years	0	1	< 30 years	1	2
30-50 years	20	5	30-50 years	158	16
> 50 years	11	0	> 50 years	1,691	0
Gender	OTE	COSMOTE	Gender	OTE	COSMOTE
Male	22	3	Male	1,552	11
Female	9	3	Female	298	7
Total	**31**	**6**	**Total**	**1,850**	**18**
Departures as % of total employees*				**20.8%**	**0.9%**

For COSMOTE, internal hires are included.
**% of total employees of all OTE and COSMOTE companies in Greece, in December 31, 2012.*

4.5 Employee Benefits

Besides salary and other benefits provided by the law, OTE and COSMOTE offer their employees a 'package' of additional voluntary benefits, in the following basic domains:

OTE Benefits

Insurance: Group private health insurance for all employees and their dependents, and Group private life insurance for all employees.

Fixed & Mobile Telephony Products: Company mobile telephone, preferential 'packages' for fixed telephony, Internet and OTE TV, company products available at special prices at a corporate 'bazaar'.

Family: Subsidisation of specified baby care and day nursery costs, special benefit to support employees with many children, special policies for working mothers, flexible working hours bands, 'Youth Fund' children's savings scheme, personnel economic assistance, special policy for People with Special Needs, money awards to employees acquiring University degrees or foreign language diplomas (when tuition fees are paid by themselves), money awards to employees' children for their high performance in secondary and higher education, wedding "gift", provision of economic support through the 'Personnel Emergency Support Fund' to employees or their first-degree relatives for serious health problems which require costly treatment.

Stock Option Plan: Until 2010, middle and senior managers in Greece, as well as RomTelecom's CEO, participated in the three-year Stock Option Plan (granting of rights on years 2008, 2009, 2010). Currently the Plan is implemented for the exercise of the mature rights granted until 2010.

Other: Bus service for transportation of personnel, to and from underground and suburban railway stations (only for remote buildings), restaurant, provision of Multi-ride Commuter Cards (only for remote buildings).

COSMOTE Benefits

Insurance: Group private health insurance for all employees and their dependents, group private life insurance for all employees, private pension plan, through which employees' saving habits are enhanced.

Mobile Telephony Products: Company mobile telephone and an extra 30% discount on the preferential charges for employees, preferential 'packages' for fixed telephony, Internet and OTE TV, discounts on company products purchased at COSMOTE-owned stores, discount for the replacement of the old company mobile phone with a new set, company products available at special prices at a corporate 'bazaar', privileges offered to company's employees (permanent discount on mobile phone bill) through COSMOTE EUROBANK VISA.

Purchases: Gift cheques offered at Christmas and Easter, special contracts with companies, aiming at the preferential treatment of employees when purchasing their products or services.

Family: Subsidization of day nursery costs, special policies for working mothers, flexible working hours bands, money awards to employees' children for their high performance in secondary and higher education, special policy for people with special needs.

Team spirit-Sports: Organization of in-house sports events, to enhance the team spirit and participation of employees in sport events. Establishment and participation of COSMOTE's basketball team in an external basketball championship.

Stock Option Plan: Until 2010, middle and senior managers in Greece, as well as Top Managers of subsidiaries abroad, participated in the three-year OTE Stock Option Plan (granting of rights on years 2008, 2009, 2010). Currently the Plan is implemented for the exercise of mature rights granted until 2010.

Other: Bus service for transportation of personnel, to and from underground and suburban railway stations (only for remote buildings), restaurant, provision of Multi-ride Commuter Cards (only for remote buildings).

4.6 Employee Development

4.6.1 Performance Evaluation

Both OTE and COSMOTE, run sophisticated annual employee performance appraisal systems (for all employee levels), which are linked to Professional Individual Development Plans and to the performance incentive 'bonus' system. In 2012, all (i.e. 100%) of OTE & COSMOTE employees, as per the guidelines, undertook the performance appraisal. The gender ratio for performance evaluation is thus the same as the overall gender ratio of the companies.

4.6.2 Performance Development

Within the framework of meritocracy, employee development and equal treatment, OTE and COSMOTE continue the application of the Job Families Model, facing the new challenges arising from the functionality merger of the two companies. The alignment of the model is in process, in order to ensure a common framework between OTE and COSMOTE employees. The Job Families Model is the "back bone" for common career paths & equal opportunities. In early 2012, the Executive Grading Project has been completed for all Executive positions in OTE & COSMOTE. The review of the Executive positions is continued on a regular basis.

Another important element of OTE and COSMOTE's emphasis, on developing their people, is the internal advertisement, interview and selection procedure for filling vacancies. This system is managed by the Human Resources Directorate OTE Group and is reinforced by the provision of Assessment Centres for candidates for promotion or transfer to roles with extended duties. During 2012, 81.3% of the positions, which were filled in OTE and COSMOTE Greece, were filled with internal candidates.

Employee Training

Training is essential to employee development, employee satisfaction, customer service and competitiveness. Accordingly, both companies continue their focus in this area, despite the very difficult economic situation in Greece.

During 2012, 9,808 OTE employees and 2,203 COSMOTE employees took part in training and skills development programmes. A significant number of these programmes were held by OTE Academy, the companies' main training provider, and were created and/or adjusted with the aim of responding to the specific training needs of OTE and COSMOTE's personnel and Executives.

Average Training hours, 2012		
	OTE	COSMOTE
Average training hours per Male employee	12.42 hours	10.16 hours
Average training hours per Female employee	2.94 hours	5.28 hours
Average training hours per employee	**15.36 hours**	**15.44 hours**

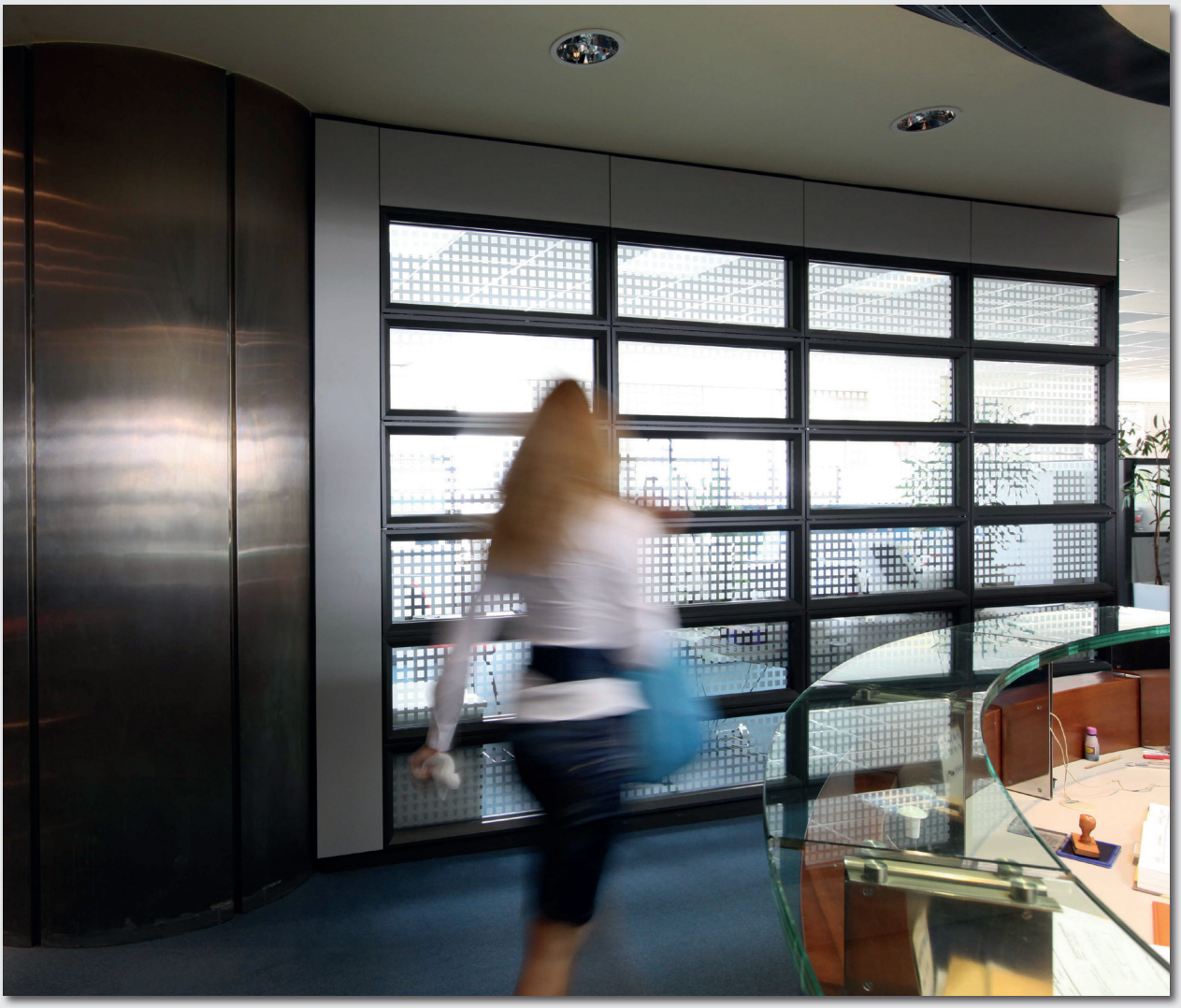
Training Topics

The companies' training and skills development programmes, as a whole, cover many areas/topics. Some examples of successful trainings started and/or completed in 2012 include:

- The training programme aimed at supporting the Workforce Management (WFM) project (completion of phase 1 and 2, pilot training of phase 3).The programme will be attended by approximately 2,500 employees, specialised as field technicians.
- The training programme aimed at supporting the new policy on performance appraisal (PA) and target management processes. The programme was attended by approximately 1,100 employees.
- The training programme aimed at communicating the new corporate brand positioning ("Together, we are one") attended by 900 employees.
- The training programme on new Procurement Processes and Procedures Policy attended by approximately 300 employees.

4.7 Internal Communications

OTE and COSMOTE aim to maintain transparent and interactive communications with their employees, utilising a number of channels, to promote knowledge, team spirit, participation and feedback. Among the key tools used by the two companies, are the OTE intranet "U-link" and the COSMOTE intranet "Mikroscosmos", email and SMS, leaflets and posters, face-to-face briefings and internal awareness campaigns, on specific topics.



Employee engagement also includes communication. OTE and COSMOTE aim to establish and sustain a working environment, which is characterized by open communication and feedback culture. The companies encourage their employees to communicate openly, through various channels, such as meetings and presentations, workshops, internal memos and satisfaction surveys. Both companies will focus further on development and communication, enabling employees to voice their concerns without fear of reprisal, and will further respect and acknowledge the employees' right to freedom of association and collective action, also based on mutual dialogue.

The OTE HR-HELP DESK-1255 is a telephone Helpline for OTE personnel, regarding HR issues, processes and procedures. Via this support mechanism, OTE continues to improve the provided services to its employees and keeps an "open line" of communication with them. During 2012, some of the issues dealt with, via the Helpline were:

- Questions of OTE employees exiting the company (1,850 employees), in the framework of the Voluntary Exit Programmes of 2012 (overall 3,500 questions).
- Questions of OTE employees regarding the Pilot Implementation (in 3 Directorates), of HCM, i.e., automatisation of processes for the administration of Holidays and Absences (200 questions).
- Questions related to General HR Issues, e.g., Relocation of Personnel to the new building of OTE-COSMOTE in Paiania, Employee Performance Appraisal System (500 questions).

Spotlight on Intranets

During 2012, the OTE "U-link" intranet and the COSMOTE "Mikrocosmos" intranet continued to expand their important role, in employee communication and dialogue. In 2012:

- More than 9,460 employees had access to "U-link" and 2,257 to "Mikrocosmos".
- More than 1,702 new documents have been added to "U-link".
- 17 internal awareness campaigns were promoted on "U-link" and 17 on "Mikrocosmos", including banners, thematic configuration of the home page elements and campaign-related content.
- 106 and 14 Corporate Responsibility related topics were published in "U-link" and "Mikrocosmos", respectively.
- The teams responsible for contributing intranet content are comprised of 396 OTE employees and 70 COSMOTE employees.

4.8 Employee Satisfaction

At OTE and COSMOTE, great importance is placed on recording and evaluating employees' perception of their work environment, in a consistent manner. Employee Satisfaction Surveys are an important component of strategic planning and implementation of specific initiatives, taking into account employees' feedback.

COSMOTE has conducted 3 employee surveys since 2010. In 2012, for the first time, OTE and COSMOTE employee survey mechanisms were integrated in a common Employee Satisfaction Survey, which was conducted in November 2012. Participation rates reached 72.95% for COSMOTE and 45.32% for OTE.

Results of the 2012 survey will be available in mid-2013, when a comprehensive communication plan will be designed for the findings roll-out and subsequent action plans will be formed.

Subsidiaries at a glance

All of OTE Group companies place great importance on receiving employee feedback, through integrated survey mechanisms. More specifically, in 2012, the OTE Group (OTE, COSMOTE, Globul, COSMOTE Romania, ROM TELECOM & AMC) took part in an extensive Employee Satisfaction Survey which takes place every two years, while its subsidiaries, Globul, COSMOTE Romania, ROM TELECOM & AMC, also participated in an extra wave of Pulse Survey in April 2012, to follow up on the actions and measures already in place.

4.9 2012 & 2013 Goals

2012 Goals	2012 Performance
Employee Engagement and Satisfaction	
OTE: Conduct employee Satisfaction & Pulse Survey and align to DT Group survey	☺
OTE: Maintain high level of internal communication on CR and include employee feedback in CR planning	☺
COSMOTE: Conduct Employee Satisfaction & Pulse Survey; Communicate "Pulse Survey" to all employees	☺
COSMOTE: Integrate principles of CR in Performance Evaluation System	😐
COSMOTE: Expand programme of promoting physical and mental health	☺
HR Policies and Systems	
OTE: Full implementation of HR Help Desk and "self service" HR processes (e.g. leave of absence applications)	☺
COSMOTE: Implement electronic recruitment process for external candidates	☺
COSMOTE: To further deploy informative activities for employees regarding protection from unexpected incidents *(90% achieved)*	☺
COSMOTE: Certify AMC (Albania) to OHSAS 18001	☺
COSMOTE: Implement plan addressing human resources and most effective use *(90% achieved)*	☺

2013 Goals
Employee Engagement and Satisfaction
OTE-COSMOTE: Communicate results of employee survey (ESS) to employees and develop action plans to further enhance employee engagement and satisfaction
OTE-COSMOTE: Conduct "Pulse Survey" to all employees of OTE Group (including some OTE Fixed subsidiaries)
OTE-COSMOTE: Effectively utilise the available internal communication channels (e.g. Intranets, direct e- mails), to inform the employees about CR initiatives
OTE-COSMOTE: Enhance strategy and targets alignment and information sharing across the organization
OTE-COSMOTE: Gym facilities in the new building to enhance physical health
HR Policies and Systems
OTE: Implement further automation/ self-service HRM systems
OTE: Post-VES (Voluntary Exit Scheme), targeted hiring of young people in critical areas, supporting Greek communities during high unemployment and bringing youth into OTE workforce

5. SOCIETY

CORPORATE RESPONSIBILITY REPORT 2012

5.1 Strategy and Management

During these challenging times for Greece's economy and society, OTE and COSMOTE aspire to combine their business development, with continuous support for the most vulnerable groups among the population, as well as those, most affected by the crisis.

Management mechanisms, in place to systemise the companies' efforts, concerning social contribution, are:

- The CEO and Top Management provide direction on key programmes, which are designed and implemented by the Corporate Responsibility Department Fixed & Mobile, within the Corporate Communications Division OTE Group.
- All sponsorships and donations are approved by Top Management, as well as by the Compliance, ERM and Insurance Directorate OTE Group. In 2012, OTE and COSMOTE mainly focused on societal issues and especially on vulnerable social groups and children.
- The Corporate Responsibility Department Fixed & Mobile manages all partnerships with the society. Guided by the feedback of the stakeholders, the Corporate Responsibility Department every year proposes new initiatives or changes in the current CR Programme and is also responsible for collecting all data, concerning the measurement of the programmes' impact on society.
- The management approach of both companies, to society programmes and stakeholder engagement on societal issues, applies to all (100%) of the operations of OTE and COSMOTE, in Greece.

Key Achievements in 2012:

- OTE and COSMOTE contributed to society, by offering more than €2.2mn, through financial and in-kind donations and sponsorships.
- Fundraising of €550,000, to support children in need, through OTE's "Christmas Campaign" and COSMOTE's "Custom of Love" campaign.
- COSMOTE supported more than 200 families, through the "Programme of Solidarity with the Family", created within the framework of the "Our world is you" initiative.
- COSMOTE provided 12,661 telephone devices, designed for the elderly and for people with sight problems and OTE provided services to 24,065 people with special needs.
- OTE provided €4,030,004 of discounts, for the elderly and people with special needs.
- 46 Scholarships and Honorary Distinctions, through the OTE-COSMOTE Scholarship Programme, a number increased by approximately 9.5%, from 2011.
- OTE and COSMOTE offered work experience to 932 students.

5.2 Social Products, Services and Offers

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

OTE and COSMOTE pay great attention to facilitating equal opportunities and accessibility to people with special needs, through special technology, services and discounts.

Focus	Product/ Service	2012 Reach
Elderly people	Mobile phones designed for the elderly and for people with sight problems	12,661 people
	Discount for elderly (65+)	25,000 people
People with special needs	OTE discount on telecom services	24,065 people
	OTE Instant Alert Service (includes elderly people)	1,200 people
	COSMOTE MobiTalk service-offered free of charge	340 active users
	COSMOTE Voice e-mail service-offered free of charge	1,715 active users
	COSMOTE 50% discount on SMS charges and videocalls for customers with hearing problems	400 people
Phone cards for NGOs	Phone cards with total value of €43,480 provided to NGOs and correctional facilities	8,710 phone cards

COSMOTE Services for People with Sight Disabilities:

a) MobiTalk: COSMOTE offers MobiTalk service to individuals with sight problems, in collaboration with the Institute for Language and Speech Processing. This service aims to make mobile phone use easier for these individuals, by installing high-tech software, via which all screen information are transformed to voice, while the user scrolls through menus. The service is offered free of charge.

b) Voice e-mail: This service provides people with sight problems with the ability to manage their electronic post easily. Via voice recognition technology, users are able to hear and answer their e-mails, by giving phonetic commands (free of charge), as well as hearing out loud their inbox. At the same time, they can forward, or erase, electronic messages.

5.2.2 Students

Students continue to hold priority in OTE and COSMOTE's CR Programmes. The aim of the two companies is to help the students have access to the tools needed for their development:

- OTE, in 2012, continued to offer broadband connections to students at attractive rates. In 2012, 19,464 students profited from this discount.
- COSMOTE reduced communication expenses for students, with special offers and unique gifts. Depending on their needs, students could choose among offers on What's Up, all Cost Control plans and Mobile Internet tariff plans and benefit for the entire academic year. In 2012, more than 100,000 students benefited from these offers.
- GERMANOS, COSMOTE's subsidiary, provided a range of opportunities to students visiting its stores and benefited by COSMOTE special offers, by participating in a drawing, to win:
  - 10 prepaid cards reaching €2,000
  - Free equipment for 5 digital rooms
  - 22 Scholarships from Private Universities
  - 500 prepaid cards reaching €250.
- More than 1,500 students won a €300 GERMANOS voucher and 300 students a €150 COSMOTE voucher, while more than 120,000 students won gifts, through instant win.
- For the 7th consecutive year, OTE and COSMOTE continued to nationally promote the reuse of computers and other technological equipment at schools and NGOs, through the "PC Donation Programme". In 2012, more than 60 PCs were donated.

5.2.3 Public Helplines, Services and Offers

- Fixed and Mobile telephony was used to make emergency calls without charge for another year. In 2012, the European emergency number 112 operated by OTE in Greece, received 3,287,072 calls, by which 23,724 were connected to emergency numbers [100, 199, 166, 108].
- COSMOTE continued to provide the "I Offer" Service, along with the other two mobile operators in Greece (VODAFONE and WIND Hellas), giving the public the opportunity to support charitable organizations that make use of SMS, in order to conduct radio and tele-donation programmes. In 2012, the amount of €111,997.40 was raised and allocated to NGOs, supporting vulnerable social groups.
- OTE continued providing telecom infrastructure and financial support, for the operation of the following Helplines, for vulnerable social groups:

Helplines	Calls Received in 2012
SOS 1056, the Smile of the Child (13 years of support)	266,768 calls
116000 European Hotline for missing children, the Smile of the Child (5 years of support)	6,991 calls
11525 "Together for Children" Advice Helpline (3 years of support)	5,330 calls
116111 European Helpline for support of Children and Youth (4 years of support)	5,498 calls
80011 80015 YpoSTIRIZO Helpline run together with Adolescence Health Unit (5 years of support)	1,380 calls & 320 e-mails
1018 National Suicide Prevention Hotline, NGO "KLIMAKA" (4 years of support)	4,066 calls

Subsidiaries at a glance

"Words hurt, don't they?" by RomTelecom: "Words hurt, don't they?" is a campaign that aims to draw attention to verbal violence, the consequences it has on young people's behavior, and solutions to manage the problem. Launched in November 2012, by RomTelecom and the Child Helpline Association, the company's partner for over a decade in projects dedicated to young people and children, the campaign was triggered by the increasing number of violent situations children and young people are involved in (either as victims or aggressors) and of related calls to the Child Helpline.

Flagship Initiatives by OTE and COSMOTE Services, Offers and Helplines:

OTE: "yourbusiness.gr"

With the new ground-breaking initiative "your business.gr", OTE enables, for the first time in Greece, small and medium-sized companies, to promote their business on the Internet, easily, quickly and completely free of charge, for an entire year. Through this initiative, OTE responds to the enterprises' needs for development, by offering site building, web hosting, domain name and campaign manager services.

COSMOTE:
a) "I Offer" Service

COSMOTE, for the 7th consecutive year, collaborated with the other two mobile telephony companies (VODAFONE and WIND HELLAS), in order to support social institutions and non-governmental organizations, by providing the 'I Offer' Service. Through this service, institutions can make use of short written messages (SMS), in order to conduct radio and tele-donation programmes. More specifically, the service is supported by 3 five-digit numbers and is exclusively activated for charity purposes. The activation of this service requires a timely application, as well as a deposit of required supporting documentation, by the NGO requesting the activation. The end user sends

an SMS, at a charge of €1 (plus taxes), to the pre-defined five digit number and with a subject linked to the specific charitable cause, while the total gross income from the service is given to the charity organization, which made use of the service. In 2012, the "I Offer" service was activated more than 20 times and the total sum COSMOTE received and forwarded to charities, was €111,997.40.

b) Offer for Unemployed and Pensioners

COSMOTE, focusing on subscribers who belong to specific social groups that are heavily affected by the economic crisis, supports the unemployed and pensioners, and as of 2010, has been providing them a 15% discount on their monthly fee, for one year. This service has been greatly embraced by Greek society and as a result, it has been extended through 2013.

c) 2FOR ONE Programme broadened into COSMOTE DEALS for YOU

COSMOTE actively substantiates that it is attentive to consumers' needs, by adjusting its services and creating innovative programmes. COSMOTE was the first operator in the Greek market that created and launched the "2FOR ONE" affordable entertainment-based programme, aiming to actively reward its customers. As of 2008, COSMOTE cooperates with leading companies in the entertainment sector, and covers- in the most affordable way- the needs of all social groups for leisure and fun.

In 2012, having as its main scope the fulfilment of even more of its customers' needs, 2FOR ONE has been broadened into COSMOTE DEALS for YOU, a unique bundle of deals available only for COSMOTE subscribers, that not only includes benefits of the type of 2 for the price of 1, which has been the case for 2FOR ONE- but also incorporates other types of unique benefits, such as affordable vacations to selected destinations, discounts for spa treatment and even more. It is worth mentioning that during 2012, more than 270,000 unique users utilized the Programme, while the annual participation increase has been over 32%.

5.3 Social Contribution

5.3.1 Overview and CR Expenditure 2012*

OTE and COSMOTE engage in an array of social initiatives in order to make an all-round contribution to the society in which they operate. From investing in the skill development of future generations, to helping children in need, and from supporting the cultural uniqueness of Greece's regions, to offering a Telecommunications Museum and spreading the knowledge and positive value of safe use of technology, OTE and COSMOTE proudly present the details of the companies' contributions in this section. It is a subsequent aim for both companies to try to measure, where possible, their impact and to be able to evaluate and review their contributions.

Type of Expenditure (€)	OTE	COSMOTE	Total
Sponsorships/ Donations in kind	367,364.22	793,457.63	1,160,821.85
Financial support -via donations & sponsorships	425,140	648,428	1,073,568
Tele/Radio Fundraising OTE- "I Offer" Service COSMOTE	23,797	111,997.40	135,794.40
Employee Vacation Resorts	1,500,000	0	1,500,000
Employee Cultural Centres	218,026	0	218,026
Choir	148,819.47	0	148,819.47
Total	**2,683,146.69**	**1,553,883,03**	**4,237,029.72**

**This is the first time that OTE and COSMOTE are jointly presenting their CR expenditure. It is not possible to compare sums with previous years, as the companies used different variables.*

5.3.2 Supporting Vulnerable Social Groups and People with Special Needs

NGOs/ Organisations receiving financial & in kind support	
OTE	**COSMOTE**
"Together for Children"* Association	Friends of Social Pediatrics "Anoixti Agalia"
MDA Greece – Muscular Dystrophy Association	Association of Parents of Children with Cancer "Floga"
Special Vocational Training Centre 'Margarita'	Hellenic Society for Disabled Children (ELEPAP)
"Friends of the Child" Association	Federation of Members of Women's Associations of the Prefecture of Heraclion
Association of the Parents and Guardians of Mentally Impaired Persons "AGIOI ANARGYROI"	Educational Treatment Centre of Patra "Merimna"
"SOS Children's Villages Greece"	Orphanage for Girls "Melissa", Thessaloniki
A.P.H.C.A (Association for the Psychosocial Health of Children and Adolescents)	Make-A-Wish Greece
Association of OTE Employees and Pensioners with Disabled Children (SESOEP)	NGO of the Holy Archdiocese of Athens "Apostoli"
Association of People with Genetic Problems "The Future" ("To Mellon")	The "Pisti" Association of Parents and Guardians of Children suffering from neoplasmatic diseases
Food Bank Foundation against hunger: distributing free food to the homeless in Athens and Thessaloniki	Aegean Team Centre
'Doctors of the Aegean' – a team of doctors from the University General Hospital of Heraklion	"The right to life" Organisation ("Dikaioma sti Zoi")
Life Line Hellas Association	
"STROFI" Rehabilitation Community Family Association of the Therapy Centre for Dependent Individuals (KETHEA)	
"ELPIDA" Association of Friends of Children with Cancer	
Network for Children's Rights	
K.E.F.I. - Athens Association of Cancer Patients and Friends	
"The Smile of the Child" Association	
Association of Social Responsibility for Children and Youngsters (SKEP)	
Pediatric Trauma Care	
Cerebral Palsy Greece	
Athens Public Nursery	
www.DISABLED.gr Website dedicated to facilitating everyday life of people with special needs	
"DISABILITY NOW' magazine, a free magazine sent to readers in Greece, Cyprus and expatriates	

**Association "Together for Children" – Association of Charities in which 10 different associations take part: Cerebral Palsy Greece, Foundation "The Children's Home", Social Work Foundation - Hadzipaterion Rehabilitation Centre for Children with Cerebral Palsy, Centre for People with Special Needs "Hara", Friends of "Merimna", "Friends of the Child", SOS Children's Villages Greece, Panhellenic Juvenile Diabetes Union, PNOE - Friends of Children in Intensive Care, "Friends of Theotokos" Association.*

Subsidiaries at a glance

"Romania Needs You" Campaign: When the severe winter weather struck Romania, RomTelecom and COSMOTE Romania offered material support to the "Romania Needs You" campaign. RomTelecom and COSMOTE Romania collaborated with PRO Media Group to deliver over 18 tons of food and materials to 13 affected communities. Thousands of people in the counties of Buzau, Vrancea and Lalomita benefited from the help offered by the two companies, e.g. basic survival foods and other goods, delivered even by helicopter to the most isolated areas. Employees from both companies also drove or staffed eight off-road jeeps and two trucks, to transport food to communities faced with bad weather conditions. RomTelecom supported the Romanian Red Cross campaign, through the Foundation RomTelecom for Romanians. 55 tons of food and water were distributed.

5.3.3 Supporting Children

OTE

OTE, through its **"Christmas Campaign"**, stood by children in need for yet another Christmas. For the 10th consecutive year, through the messaging "Children's joy is our inspiration", the company offered a significant part of its revenues, derived from the calls made by its subscribers during the 2012-2013 Christmas season, to the following charity organisations for children:

- **"Together for Children":** Consists of 10 charitable Non-Profit Organisations that have been cooperating since 1996, bound together by the same principles of love, solidarity and equitability, to help society's most sensitive element, children, and especially children in need. The Association's efforts annually embrace and support 5,000 children with mental disabilities, mobility impairments, family problems and severe diseases, by providing better living conditions and a better future.
- **"MDA Hellas"** (Association for the Care of People with Muscular Dystrophy Diseases): Financial assistance for the creation of "MDA Hellas" "Youth Centre", the Home of MDA Hellas, aiming to provide comprehensive services (in addition to the services provided through the three MDA Units at hospitals), as well as at the better social integration of patients, by attracting members & volunteers to the Centre's premises
- **"The Smile of the Child"** The Association provides financial assistance to the "Child & Family Support Centre", which has been operating since 2008 and until 2012, helped 2,773 children and 1,138 families in total.

In addition, instead of Christmas corporate gifts and printed cards, OTE donated this sum to "EPSYPE", Association for the Psychosocial Health of Children and Adolescents, and to "SOS Childrens' Villages Greece".

The total amount donated, in the framework of the "Christmas Campaign" for 2012, was €230,000.

COSMOTE

For the 13th consecutive year, through the "Custom of Love" campaign, COSMOTE offered an important part of its revenues, from New Year's Day SMS and MMS, to support eight children institutions. More specifically, the institutions supported in 2012, were:

- Association of Parents of Children with Cancer "Floga"
- Friends of Social Pediatrics "Anoixti Agalia"
- Cerebral Palsy Greece
- Hellenic Society for Disabled Children (ELEPAP)
- Association of Social Responsibility for Children and Youngsters (SKEP)
- Federation of Members of Women's Associations of the Prefecture of Heraclion

- Educational Treatment Centre of Patras "Merimna"
- Orphanage for Girls "Melissa", Thessaloniki

For the 2nd consecutive year, the employees of COSMOTE and its subsidiary GERMANOS, participated in the final selection of the charitable organisations, by voting for the Orphanage for Girls "Melissa" in Thessaloniki, among five associations for children from across the country. The remaining associations also received material support, according to their needs.

Additional to the above initiative, for the 12th consecutive year, COSMOTE offered to a children's care institution the amount which corresponds to acquiring Christmas presents to its business partners. Specifically, in 2012, COSMOTE offered this amount to the Children's Care Centre (Association of Parents and Guardians of Children with special needs) in Ptolemaida.

COSMOTE donated an overall amount of €320,000 to charitable organisations for children, through the "Custom of Love" campaign.

Subsidiaries at a glance

"Custom of Love" Campaign: a) **AMC** for the 5th year in a row continued its "Custom of Love - New Year's SMS" campaign, in order to provide assistance to institutions, taking care of children with health problems. As part of the campaign, a considerable sum of the revenues raised from the SMSs that customers sent during New Year's Eve, was offered as charity (€22,000). The amount has been utilized to procure an ultrasound system for the Paediatric Hospital in Tirana, helping children with heart problems. b) **COSMOTE Romania** continued, for the 5th year in a row, the "Custom of Love" campaign, through which, the company offered a substantial amount of the SMS revenues raised on New Year's Day, (€45,000), to nine NGOs and charities that provide care and relief to underprivileged and sick children.

5.3.4 Supporting Young People

Educating young people in new technologies and skills development, in order to better prepare them for their future, is among the social contributions, closer to the heart of OTE and COSMOTE's business. Specifically, during 2012, OTE and COSMOTE focused on the following initiatives, towards this common cause:

Scholarship Programmes and Contests		
Programme	**Company**	**Impact**
OTE - COSMOTE Scholarship Programme: for students with low income or disabilities	OTE-COSMOTE	46 grants (20 Scholarships-full support for the whole duration of their studies-and 26 Honorary Distinctions-financial awards, as a recognition of the students' effort)
Scholarship Programme of the American Farm School of Thessalonica: students from South-East Europe (Greece, Albania and Romania) receive scholarships at the "Dimitris Perotis" College, in fields such as agro-tourism, the food industry and environmental protection.	OTE-COSMOTE	3 students received the scholarships
LYSIAS' Pan-Hellenic School Contest: pupils are tested in subjects relating to their interests and school knowledge, while getting acquainted with new technologies.	OTE-COSMOTE	Approximately 40,000 pupils participated-9 awards
Scholarships at the Department of Banking and Financial Administration of the University of Piraeus	OTE	2 post-graduate students with excellent academic performance, received the scholarships

OTE-COSMOTE 2012 Scholarship Programme

With the Scholarships institution celebrating its 11th anniversary, in 2012, 46 young men and women received substantial aid for their studies, worth a total of €345,328. In 2012, the programme was empowered with the provision of 5 additional scholarships and for the first time, students from Attica and Thessaloniki, also participated. More specifically, 20 students received a Scholarship, worth €15,280[1] each and 26 students received Honorary Distinctions, worth €1,528[2] each. Ever since the Scholarship programme was established in 2002, 126 scholarships and 257 Honorary Distinctions have been awarded in total, worth more than €2mn and have already covered twice all the Greek regions.

Other than the monetary award, Scholarship and Distinction recipients for the year 2012-2013, were also awarded a free Conn-x connection, mobile phones with COSMOTE Cost Control Plans free of monthly fees, for the duration of their studies at their respective schools and free OTE TV services for a year. Moreover, Scholarship recipients also received tablets.

Subsidiaries at a glance

Scholarship Programme: a) **AMC** (Albania) offered 20 scholarships to University students. Upon graduation, the scholarship winners are offered internship positions within the company, followed by the prospect of more permanent employment. Recently one student was employed full-time at AMC. b) **COSMOTE Romania** offered five new scholarships, to bring the total to 15, since 2010. The scholarship reaches the amount of €150 per month, for the whole duration of a student's university studies. c) **Globul** (Bulgaria) offered scholarships to eight young people. Participants receive a monthly scholarship, until obtaining their bachelor degrees and have the opportunity to gain practical experience. In the summer of 2013, they will also participate in the companies' traineeship programme and will visit various trainings and seminars. d) **RomTelecom** offered three scholarships, to reward talented students and young people with leadership potential, as part of the company's internship programme, through the RomTelecom for Romanians Foundation.

Work Experience Offered to Students and Skills Development

- OTE and COSMOTE gave the opportunity to 932 students to complete their studies through internships, in a modern work environment at OTE and COSMOTE, in cooperation with the academic community and public bodies.
- In the same spirit, COSMOTE continued its Student Visit programme, whereby 300 students from 6 schools and universities visited the company, to follow educational briefings on professional orientation, technology and scientific issues, Base Stations technology and the company's operations.

[1]The total gross value of each Scholarship amounts to twenty thousand Euros (€20,000). The net value following subtraction of the corresponding tax and stamp duty amounts to fifteen thousand two hundred eighty-five Euros (€15,280). This amount will be disbursed to every scholarship recipient in two (2) equal installments.

[2] The total gross value of each Honorary Distinction amounts to two thousand Euros (€2,000). The net value following subtraction of the corresponding tax and stamp duty amounts to one thousand five hundred twenty-eight Euros (€1,528). This amount was disbursed in a lump sum payment.

5.3.5 OTE Telecommunications Museum

As in previous years, OTE and COSMOTE used the OTE Telecommunications Museum to spread knowledge on the history of telecommunications, as well as on the best use of new technologies, mainly among young audiences. The Museum offers specialised educational programmes, divided by public group category and age, and carries out tours, events and exhibitions. All programmes are offered free of charge.

During the period September 2011-August 2012, the Museum received 12,198 visitors. The educational programmes of the OTE Telecommunications Museum are designed for students of all grades, teachers, and individual visitors. The following programmes were materialised, during 2012:

- Guided tour programme for primary and high-school students, as well as for individual visitors: 10,432 people (including people with special needs, students and visitors from organizations).
- "Arts Workshop on Telecommunications", for children aged 5-10: 1,863 children participated in these workshops.
- "Safer Internet Informative Meetings" for school groups, teenagers and adults: 797 persons were informed at the Museum.

It is worth mentioning that the OTE Telecommunications Museum is a member of **ICOM** (International Council of Museums- Hellenic National Committee), **CECA** (International Committee for Education and Cultural Action) and **CIMUSET** (International Committee for Museums and Collections of Science and Technology).

5.4 Contributing to Local Communities' Wellbeing and Sustainability

5.4.1 Overview

OTE and COSMOTE seek to improve the livelihood and sustainability of the local communities surrounding their business. The approach of both companies is twofold, on the one hand they try to respond to calls for support of the local character, unity and growth, and on the other hand they view, as their primary responsibility, to protect the communities from any potential negative impact, generated from their business, concerning environmental issues. OTE and COSMOTE's overall approach to the local community, includes measurement –as much as possible– of their positive and negative impact.

All potential impact related to OTE and COSMOTE's activities, are addressed in the Environmental Impact Assessment studies, carried out and submitted for approval to the designated authorities, by both companies. Public consultation is a step in the permitting process and comments received, are handled as appropriate.

5.4.2 Programmes in the Periphery

At the same time, OTE and COSMOTE, responding to increased calls from local communities for positive contributions to the livelihood of the Greek periphery and to the sustainability of regional cultural identity, opted to support the following initiatives in the Greek regions:

Organisation - Event	Description/Impact	Company
Armata Events-Spetses Island	OTE and COSMOTE supported for the 3rd consecutive year the Armata event, which takes place in the port of Spetses, on the second Saturday of September. The unique atmosphere of Armata attracts thousands of Greek and foreign tourists every year (more than 25,000, in 2012).	OTE-COSMOTE
Naxos Festival	OTE supported the Naxos Festival which took place at the Bazaios Castle, a 17th century monument which has been transformed, in the present day, into a sanctuary for art, education and culture.	OTE
Cultural events of the remote island of Symi	For the 8th consecutive year, OTE supports the cultural events of the remote island of Symi, thereby continuing its "journey in culture". The 2012 cultural calendar included musical concerts, dance performances, theatrical plays, nights at the cinema, and athletic events.	OTE
Aegina International Music Festival	OTE actively demonstrates its interest in the Arts, by supporting the Aegina International Music Festival for more than 7 consecutive years. The festival takes place in August, at Avra beach, in front of the archaeological space of Kolonas.	OTE
European Music Festival-Prefecture of Ilia	COSMOTE supported the Music Festival, which was held for the 13th consecutive year. The event took place 19-22 of June, at central sites of Ilia. The festival offered entertainment and strengthened the local community.	COSMOTE
Semi-Marathon of Trikala	The 5th Semi Marathon was organized by the Association of Runners of Trikala, in cooperation with the local community and the Region of Thessaly.	COSMOTE
Summer Camp-Municipality of Piraeus	COSMOTE sponsored the 1st Sports Summer Camp, organized by the Cultural and Athletic Organisation of the Municipality of Piraeus. 300 children participated in the Camp, in June and July. COSMOTE, through this sponsorship, covered the expenses for the everyday meals and the tracksuits of the children. Also, with the support of COSMOTE, the children of the Camp enjoyed the theatrical play "The Internet Farm".	COSMOTE
1st Pan-Hellenic Conference on Place Marketing and Branding	The University of Thessaly (Department of Planning and Regional Development), in cooperation with "The Switch/Place Identity" company and the Initiative "Imagine the City", organized the 1st three-day "Place Marketing & Branding" conference, which took place in Volos, from March 30th until April 1st, 2012. For the first time, academics, entrepreneurs and civil servants engaged in an interdisciplinary dialogue, based on 10 themes, including Place Marketing for urban and regional development, City and Nation branding, Destination Management and Cultural Planning.	COSMOTE

5.4.3 COSMOTE "Our World is You" Initiative

In a desire to strengthen its corporate philosophy and prove it in practice, in 2011, COSMOTE created the campaign "OUR WORLD IS YOU", whereby fellow citizens expressed their ideas on how to make the world a better place and have a direct positive impact on the community. In the same year, the first idea of this initiative, which was to help the children of the Hatzikiriakeio Institution, was implemented, and, in 2012, the second corporate activation took place.

More specifically, in 2012, COSMOTE realized the desire of Iliana Karavioti to support families in need, by creating the "Programme of Solidarity with the Family" in collaboration with K.Y.A.D.A. (Hospitality and Solidarity Centre of the Municipality of Athens). The aim of the programme was the multifaceted, physical and emotional support for a total of 200 families in need, for an entire year. On a weekly basis, the company offered to the families, among other services, basic necessities, food, clothing, toys, books, Internet access, psychologist support, and social worker support. For the hosting of the Programme, KYADA provided a three-storey building in Makriyanni area, for which, COSMOTE entirely covered the expenses for its full reconstruction and equipment. Additionally, the contribution of dozens of volunteers was invaluable during this effort.

The "Programme of Solidarity with the Family" started its operation on May 3, 2012, while COSMOTE has further enhanced it during the year. More specifically:

- In September 2012, COSMOTE invited the public to offer clothes, shoes and school supplies, for the start of the new school year for families in need.
- At Christmas 2012, COSMOTE invited volunteers to help with the Christmas decoration of the building and prepare gifts for the families, while at the same time, ensuring the proper heating of the families for the winter, covering all the expenses.

The accomplishment of COSMOTE's goal, to connect its business to the local communities' lives, has motivated the company to continue, by planning the next corporate initiative, to "Support Areas on the Greek borders" which will be launched in 2013.

5.4.4 Promoting Culture

The two companies consistently support activities that contribute to sustaining the cultural heritage, athletic spirit and improving of the quality of life. Some of the major initiatives supported in 2012, by OTE and COSMOTE, are:

Organisation - Event	Description/Impact	Company
Periodical Exhibition: "The Antikythera Shipwreck: the Ship, the Treasures, the Mechanism" - National Archeological Museum (April 2012-August 2013)	OTE and COSMOTE conducted a range of innovative actions that promote the cultural wealth and technological achievements of the Greeks, and conducted the following activities, as sponsors of the exhibition: -**Exhibition tour guide application** through the use of mobile telephony for the first time in a Greek museum. -**E-learning programme for teenagers:** Thousands of children, over the age of 15, are invited to log on to the Internet and unlock the mysteries and functions of the Mechanism, through 4 different disciplines/expeditions (archaeologist, epigraphist, engineer and historian of science). -**Special limited publication,** dedicated to the technology of the Ship, the Treasures, and the Mechanism. -**Exclusive education exhibition tours for schools:** More than 50 students from the two isles of Symi and Kythera- whose forefathers played a leading role in salvaging the wreck-were hosted by OTE and COSMOTE, for an entire weekend in Athens and at the National Archeological Museum, to acquaint themselves with these rare findings and each other. Furthermore, OTE and COSMOTE continue the education tour of the exhibition with schools from the periphery of Athens.	OTE-COSMOTE
National Library of Greece	OTE supported the National Library of Greece, by providing infrastructure for its communication needs.	OTE
Hellenic Foundation for European & Foreign Policy (ELIAMEP)	OTE has consistently supported the activities of the Hellenic Foundation for European & Foreign Policy "ELIAMEP", for a period of more than 6 years. ELIAMEP is an independent, non-profit and policy-oriented research and training institute.	OTE
8th Pan-Hellenic Festival of the Pontian Youth in Greece	OTE supported the 8th Pan-Hellenic Festival of the Pontian Youth in Greece, which commemorated the 90th anniversary of the Pontian people's flight from Asia Minor and the Black Sea area.	OTE
The Society for the Study of Greek History (EMEIS)	OTE has consistently supported 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.	OTE

5.4.5 Promoting Sports "Podilatodraseis" Programme (Bike Activities Programme):

OTE and COSMOTE have developed the "Podilatodraseis" programme, aimed at enhancing awareness and actively promoting the use of bicycles in Greece, as a way of life, for all Greek citizens, which will help in issues of health & well-being, and the environment. In 2012, the companies implemented the following activities:

- Sponsored the production of a popular TV series, also named "podilatodraseis", focused on developing "Bike Culture" in Greece.
- Promotional activities that aim at education and entertainment of the public, in using bikes, with over 13,000 participants in 20 cities all over Greece, from the period of July-December 2012.
- Title sponsor of the 3rd Bike Festival 2012, powered by OTE and COSMOTE, which took place at the "Technopolis" of Athens, on the occasion of European Mobility Week, which was visited by more than 30,000 people.

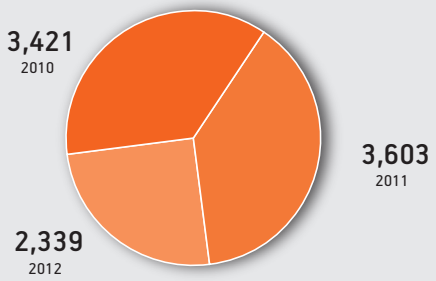
Support of 6 young athletes (for their participation in the 2012 London Olympic Games)

In an effort to bring to the forefront the potential of young athletes in Greece, OTE and COSMOTE supported six young athletes who, with passion, persistence and dedication, managed to achieve their goal and represented Greece at 2012 London Olympic Games. Competing in Sailing: Vyronas Kokkalanis (in the category RS:X Surfboard), Panagiotis Kampouridis and Stathis Papadopoulos (in the category 470) and Yiannis Mitakis (in the category Finn), and competing in Synchronized swimming: Despoina Solomou and Evaggelia Platanioti.

5.5 Employee Volunteering

Corporate volunteerism is a practice close to the hearts of OTE and COSMOTE employees who have demonstrated their social sensitivity and their personal contribution to their social surroundings. In total, 2,339 OTE and COSMOTE employees participated in CR initiatives in 2012.

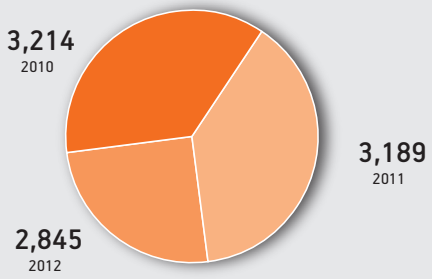
Employees participating in volunteer initiatives of OTE and COSMOTE in the last 3 years



OTE-COSMOTE Volunteer Blood Donations

The Employee Volunteer Programme of blood donations has existed for more than 35 years. A total of 2,845 units of blood were collected in 2012. 1,061 were used to cover OTE-COSMOTE employees' needs throughout Greece and the remaining 1,950 were used to cover society's needs.

Units of Blood Donations in the last 3 Years by OTE and COSMOTE



Subsidiaries at a glance

RomTelecom's Blood Donation Campaign: In Romania, 135 RomTelecom employees participated in the Blood Donation campaign.

30th Athens Classic Marathon

Both OTE and COSMOTE employees, participated in the 30th Athens Classic Marathon, joining forces as a single team for the first time. 489 employees of OTE and COSMOTE participated voluntarily in all Marathon races, including power walking and the 5 and 10 km run. For every kilometre each employee ran, OTE and COSMOTE donated a small amount of money to the Athens Public Nursery. It is worth mentioning that €27,000 were collected and donated, in order to cover the purchase of 27,000 meals for the children of 600 malnourished families, in 47 primary schools in Athens.

COSMOTE's "Our World is you" Internal Programme and Employee Participation in the External Initiative:

Internal programme

COSMOTE employees sent their wishes -via intranet- "to make the world a better place". One of those wishes was realized in May 2012 and was based on the voluntary participation of COSMOTE employees. Specifically, more than 40 employees and a very well known architect and interior designer, renovated a part of COSMOTE's Call Center in Thessaloniki. This renovation had a positive effect on personnel and on customers, by extension.

Employee's participation in "Our world is you" external initiative:

40 employees participated in the renovation of the center of the Solidarity and Support Center of the City of Athens (KYADA). Additionally more than 150 employees gathered food, clothes and basic necessities for families housed in KYADA, on three separate occasions.

Subsidiaries at a glance

"Building a Dream" in Albania (AMC)

"Building a Dream" is an employees' team-building and community responsibility programme at AMC, in Albania. In 2012, the employee teams involved in "Building a Dream" were assigned to implement childcare and develop projects, in a number of childcare institutions, within a limited timeframe and budget. The teams had to develop a meaningful solution to a problem identified in the chosen institutions, thus improving the lives and contributing to the development of these children. The three teams were made up of 13-14 AMC employees and each one was assigned to work at one institution. Most of the work, e.g. painting, assembling, dissembling, building, etc., was done out of working hours and by the team members themselves.

National Day of the Nature Parks in Bulgaria

In Bulgaria GLOBUL's annual National Day of the Nature Parks initiative motivated over 2,200 volunteers to collect more than 10 metric tons of waste from the country's natural parks.

5.6 2012 & 2013 Goals

2012 Goals	2012 Performance
Employee Volunteering	
OTE: Continue Employee Volunteer Blood Donation programme	☺
COSMOTE: Further develop an employee volunteer programme	☺
OTE: Maintain Employee Volunteering momentum with new initiatives reflecting employee feedback	☺
NGO Support and Collaborations	
COSMOTE: Continue "Our World is you" programme, by utilising further ideas	☺
COSMOTE: Continue Scholarships for Rural Regions	☺
COSMOTE: Continue "Custom of Love" programme with one institute being chosen by employees	☺

2013 Goals
Employee Volunteering
OTE-COSMOTE: Continue Employee Volunteer Blood Donation programme
OTE-COSMOTE: Develop a new employee volunteer programme
OTE-COSMOTE: Further align the volunteering initiatives of the two companies
NGO Support and Collaborations
COSMOTE: Continue "Our World is you" programme
OTE-COSMOTE: Continue Scholarship Programme
OTE-COSMOTE: Maintain Christmas initiatives for children in need
OTE-COSMOTE: Continue PC Donation Programme

6. ENVIRONMENT

CORPORATE RESPONSIBILITY REPORT 2012

6.1 Introduction

OTE and COSMOTE are fully aware that, although low level, environmental impacts do exist, which are, associated with Information and Communication Technologies activities. At the same time, OTE and COSMOTE are also aware that ICT offer a number of opportunities for supporting sustainable development and production in many activities and sectors. The objective of OTE and COSMOTE environmental policy is to minimize the environmental impact from their activities while providing products and services that enable increases in productivity and environmental protection in other sectors of economic activity, and in parallel to raise awareness of fellow citizens on the importance of acting more responsibly on the issue of environmental protection.

2012 highlights regarding environmental management and performance include the following:

- Progress has been made towards the implementation of the ISO 14001 Environmental Management System covering all OTE activities.
- The development of an integrated OTE and COSMOTE environmental data collection and reporting scheme has started in 2012.
- The ISO 14001:2004 certification of COSMOTE Romania, AMC in Albania and GLOBUL-GERMANOS in Bulgaria.
- The accreditation of OTE and COSMOTE EMF laboratories according to EN ISO/IEC 17025 standards.
- The acquisition from PPC S.A., the electricity provider of OTE and COSMOTE, of Guarantees of Origin (GOs) for the 2012 electricity consumption.
- The certification (gold level) of the new, leased office complex in Paiania according to LEED® (Leadership in Energy and Environmental Design); while it has secured a Class A energy performance rating in accordance with the Greek energy efficiency standard.
- The decrease of total energy consumption of OTE and COSMOTE in 2012 by 3.5% compared to 2011.
- The decrease of direct GHG emissions from energy consumption in 2012 by 1,900 t CO_2 eq compared to 2011 (around 11% of total scope 1 emissions in 2012).
- The decrease of indirect GHG emissions (scope 2) in 2012 by about 10,000 t CO_2 eq compared to 2011 (around 3% of total scope 2 emissions in 2012).
- The development of a recycling programme for packaging materials in OTE and COSMOTE buildings is in progress. At first the programme will be implemented in the Central Administration Building and the new office complex in Paiania. The first results of the programme are expected in 2013.
- Enhancement of recycling of all major waste streams associated with our activities remained at high level.

6.2 Strategy and Management

OTE and COSMOTE acknowledge that businesses with a leading role need to combine financial growth with environmental awareness in all aspects of their operations.
To this end, at OTE and COSMOTE, an integrated environmental policy and management scheme has been formulated that includes the Environmental Management System (EMS), certified according to ISO 14001 standard at COSMOTE, and the equivalent ISO 14001 under development for OTE (taking into account the experience gained from the two activity-related ISO 14001 OTE had in place up to 2011) to be completed in 2013. Within the framework of the Environmental Management System, OTE and COSMOTE analyze all activities, products and services with reference to their impact on the environment and try to improve their environmental performance by setting goals, quantifying appropriate indicators and taking cost-effective actions. At the same time, OTE and COSMOTE work to identify, design and develop products and services that enable customers to reduce their environmental impacts.
The Environmental Strategy of OTE and COSMOTE is based on three main axes:

Enviromental Strategy

- Reduce own enviromental footprint
- Brief and raise stakeholder awareness
- Contribute to the reduction of enviromental footprint of other business sectors

6.2.1 Environmental Policy

The commitment of OTE and COSMOTE to protect the environment is stated in their Environmental Policy presented below and is realized through measures and initiatives already implemented, adopted or planned.
"We, at OTE and COSMOTE, aim at constantly improving our environmental performance, and commit ourselves to address any environmental impacts, caused by our operations. This commitment is inherent in the way OTE and COSMOTE operate.

Issues

- Compliance with environmental legislation marks the starting point for the development of our environmental policy.
- We recognize and measure our impact on the environment.
- We seek ways to prevent or reduce our impact, by utilizing the available techniques and practices for:
  - eliminating or minimizing pollution;
  - reducing unnecessary use of raw materials and energy;
  - recycling materials.
- We educate, raise awareness and encourage our employees to participate in the implementation of our Environmental Management System, and in general, to adopt an environmentally responsible way of life.
- We have a dialogue with our employees, stakeholders and shareholders on environmental issues.
- We expect our suppliers and contractors to demonstrate environmental care and put into practice environmental management programmes.
- We contribute to the environmental awareness of our customers and we try to develop products and services that assist in sustainable development.
- We stay in contact with local society, we anticipate and respond to their needs to address critical environmental issues.
- We develop and implement an Environmental Management System, according to ISO 14001:2004 standard, in all our operations and services.
- The prevention and the reduction of our impact on the environment require continuous effort and monitoring of results.

Environmental issues constitute an integral part of our philosophy and are incorporated in all internal company operations.

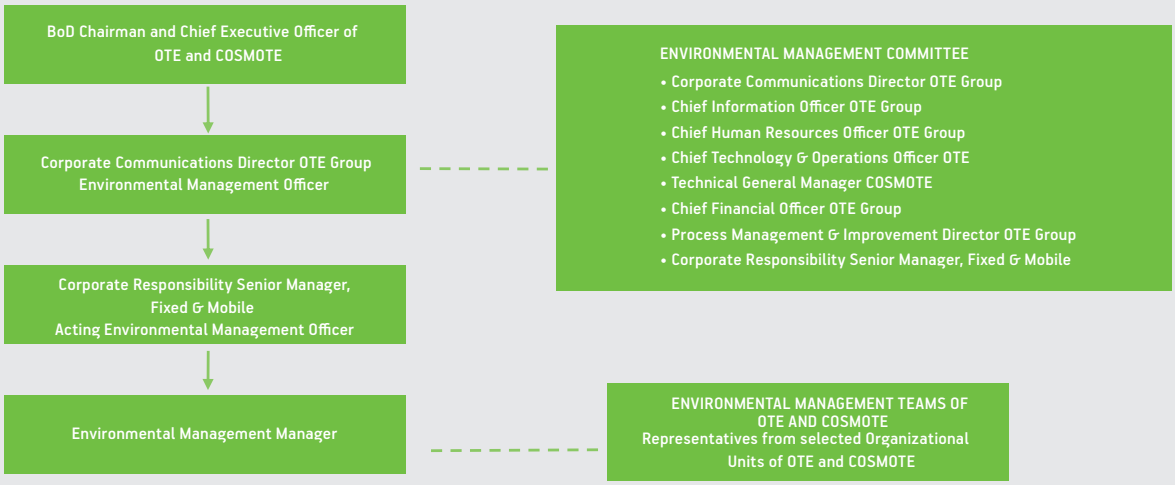
Michael Tsamaz

Chairman & CEO

6.2.2 Environmental Management

The management of environmental aspects is overseen by the Chairman of the Board of Directors and CEO. A high level Environmental Management Committee has been established. The responsibilities of this Committee include, among other, periodic reviews of the Environmental Management System in place and possible modifications deemed necessary to enhance its effectiveness. The Committee is supported by the Environmental Management Teams that include representatives of selected OTE and COSMOTE Organizational Units. The Environmental Management Teams, among others, identify the environmental aspects of the activities, products and services of OTE and COSMOTE activities; identify the environmental programmes, monitoring, measurement and control effectiveness, and propose remedial actions to improve and analyze the data needed to determine the environmental performance of OTE and COSMOTE.

Environmental Management System



Highlights of 2012 actions to improve environmental performance include the following:

- The work towards the implementation of the ISO 14001 Environmental Management System covering all OTE activities has started and is expected to be completed in 2013.
- The development of an integrated OTE and COSMOTE environmental data collection and reporting scheme started in 2012 and is expected to be completed in 2013.
- COSMOTE Romania, AMC in Albania and GLOBUL-GERMANOS in Bulgaria have successfully passed the formal external Audits and received an ISO 14001:2004 Certification.
- The development of an integrated OTE and COSMOTE climate change strategy within the scope of the DT group climate change strategy is in progress. The strategy under development takes into account the specific sectoral and national circumstances and aims at the definition of a GHG emissions target for 2020, with 2008 as the base year for OTE and 2009 for COSMOTE, and the identification and elaboration of a set of measures to reach the target.
- In 2012, the process of formulating a DT group waste strategy, in line with the principle «Reduce-Reuse-Recycle», has started. The strategy calls for the adoption of short term targets for waste disposal to be achieved through waste reduction and efficient management practices.
- OTE and COSMOTE participate (through their membership in european and international organizations) in public consultations regarding environment, sustainability, and the role the ICT sector can play in the context of sustainable development.
- OTE and COSMOTE have secured from PPC S.A., their electricity provider for 2012, Guarantees of Origin (GOs) assuring that the electricity consumption provided by PPC has been generated by renewable energy sources.
- The practices of the waste management entities/enterprises that are under contract –per source stream– to OTE and COSMOTE are being assessed to make sure they comply fully with the requirements set by legislation and if necessary, are modified appropriately.
- Environmental protection expenditures for 2012 reached €1,026,452 and cover treatment and waste disposal (from the central warehouse of OTE), environmental impact assessment studies, external certification of environmental management systems and measurements on electromagnetic fields.
- Efforts to ensure that OTE and COSMOTE activities are in full compliance with environmental legislation and have minimized any associated fines as well as the number of non-monetary sanctions imposed have continued. The fines in 2012 (related to the environment) amounted to €10,444, while there were not any non-monetary sanctions or cases brought through dispute resolution mechanisms.

6.3 ICT for Sustainable Development

Information and Communication Technologies (ICT) have played and will continue to play a significant role in global economic growth through the development and application of innovative products that increase productivity in all sectors of the economy. ICT according to the SMART 2020 report, contributed 16% to overall Gross Domestic Product (GDP) growth from 2002 to 2007, and their contribution to worldwide GDP growth is expected to remain high at 8.7%, by 2020.
The increased use of ICT products undoubtedly has an environmental impact, while it is also widely acknowledged that ICT products can enable a better environmental performance in all sectors of economy. A recent (December 2012) study by Global e-Sustainability Initiative (GeSI), entitled *GeSI Smarter 2020: The Role of ICT in Driving a Sustainable Future (Smarter 2020)* estimated that:

- the ICT sector's own footprint is projected to rise to 1.27 Gt CO_2 eq by 2020;
- the abatement potential enabled through the use of ICT applications in different sectors of the economy is 7 times higher (9.1 Gt CO_2 eq);
- the exploitation of this potential could yield $ 1.9 trillion in savings for consumers and businesses;
- 29.5mn jobs would be created worldwide as a result.

Another recent study (June 2012) entitled *Measuring the Energy Reduction Impact of Selected Broadband-Enabled Activities within Households (Yankee Group Research, Inc., and the American Council for an Energy-Efficient Economy, ACEEE)* estimated that full scale implementation of ICT and broadband services at the residential level could generate annual net energy savings equivalent to 2% of the US, France, Germany, Italy, Spain and U.K energy consumption.

OTE and COSMOTE are fully aware of the ICT enabling role in environmental protection and economic growth and the opportunities it offers for the development of the company.
Being the leading telecommunications operator in southeastern Europe, OTE and COSMOTE are providing voice, mobile and broadband services of high quality and transmission rates, enabling their customers, through specific products and services, to take full advantage of broadband services towards direct and indirect improvement of both their operations and environmental performance. Such products and activities include:

- A new service named OTE Business Cloud based on server virtualization that not only minimizes the traditionally high cost of acquiring and maintaining material-technical infrastructure but also allows for significant reductions in a company's energy consumption.
- Improved OTE teleconference infrastructure for its business customers who made extensive use of its capabilities (1,484 audio- and 5 video-conferences by business customers in 2012).
- The Fleet Management service (provided by COSMOTE) that is based on monitoring the location of vehicles with the use of a GPS satellite system, transmitting information via our 2G/3G network to the customer's Control Center and monitoring the information on a digital map. The result is the optimization of vehicles' routes and the corresponding reduction of fuel consumption and carbon dioxide emissions.
- Development of e-applications for customers (e-billing, e-payment, online submission of applications by wholesale customers) that could result in a reduction of paper consumption.
- Applied research and development activities in the context of the 7th EU Framework Programme (Research theme: Information and communication technologies).
  - ECOGEM (Cooperative Advanced Driver Assistance System for Green Cars). The objective of the project was to develop a smart and innovative in-vehicle system to assist the drivers of Fully Electrical Vehicles (FEVs). For more information see **http://www.ecogem.eu/**.
  - The programme EMERALD (Energy Management and Recharging for Efficient Electric Car Driving, www.emerald-project.eu), stepping further on the results of ECOGEM, focusing on energy use optimization and on the seamless integration of FEVs into the transport and energy infrastructure, by introducing beyond state-of-the-art integrated in-vehicle energy management.
  - The programme TEAM (Tomorrow's Elastic Adaptive Mobility, **http://www.cooperative-team.eu/** expected in Q1/2013) aiming at making travelers and infrastructure act as a team, adapting to each other and to the situation, creating optimized mobility conditions, thus increasing road safety and transport efficiency, with direct environmental impacts on the roads.
  - LiveCity (Live Video-to-Video Supporting Interactive City Infrastructures). The aim of LiveCity is to empower the citizens of a city to interact with each other in a more productive, efficient and socially useful way by using high quality video-to-video over the

Internet. For more information see http://livecity-psp.eu/.

- CONSERN (COoperative aNd Self-growing Energy awaRe Networks). The aim of CONSERN is to develop and validate a paradigm for dedicated, purpose-driven small-scale wireless networks and systems characterized by an energy-aware self-growing network. For more information see www.ict-consern.eu.
- E3NETWORK (Energy Efficient E-Band transceiver for backhaul of the future networks) will design an energy-efficient and high-capacity transceiver for the backhaul infrastructure of future networks. For more information see http://www.ict-e3network.eu/.

6.4 Managing Energy Use and Addressing Climate Change

Environmental problems, with global (climate change, scarcity of energy sources and raw materials in general), regional (trans-boundary air pollution) and local (atmospheric pollution, waste disposal) impacts on economic activity, standards of living, human health, etc. have been the subject of increasing social concern and political attention worldwide with a number of on-going (formal or informal) consultations regarding the formulation of an effective set of policies and measures to mitigate potential impacts.
The contribution of OTE and COSMOTE in dealing with the above mentioned environmental problems consists of adopting practices to monitor and then reduce energy consumption and the associated emissions and developing products and services that contribute to such reductions in various sectors of the economy.

6.4.1 Greenhouse Gases and other Gases Emissions

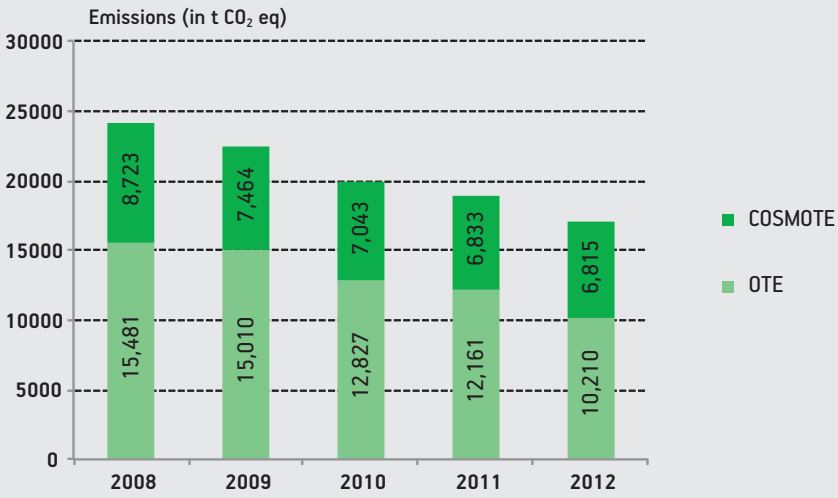
OTE and COSMOTE recognize the importance and risks associated with Climate Change impacts and are therefore implementing a comprehensive programme for calculating greenhouse gases (GHG) and other gases emissions at different levels of disaggregation (e.g. per fuel, per activity, per regional administration, per individual building).

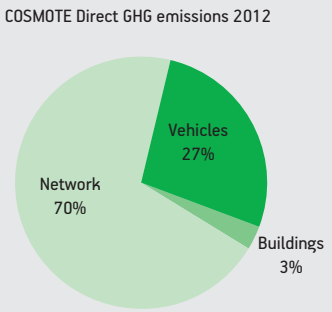
The calculation of GHG emissions is based on the methods described in the GHG Protocol developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The GHG and other gases emissions inventory of OTE and COSMOTE includes direct GHG (scope 1) and other gases emissions from fuel consumption in OTE and COSMOTE owned/controlled/operated installations, vehicles, etc., direct emissions from the use of f-gases as refrigerants (scope 1), indirect GHG emissions (scope 2) from electricity and district heating consumption and other indirect GHG emissions (scope 3).

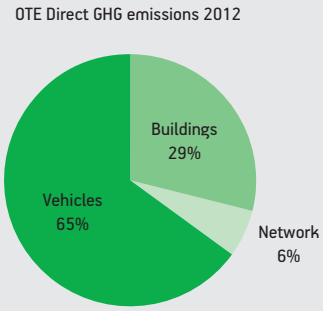
6.4.1.1 Direct GHG and non-GHG Emissions

In 2012, OTE and COSMOTE total direct GHG emissions from energy consumption (scope 1) were estimated at 17,025 t CO_2 eq. This amount corresponds to a decrease of about 10% compared to 2011. GHG emissions from heating fuel exhibit a larger decrease of about 20% compared to 2011, while emissions from electricity generators decreased by 6% and emissions from road transportation decreased by 7%.

Direct GHG Emissions from Energy for OTE and COSMOTE 2008 - 2012







Note:
(1) «Buildings» include fuel consumption for space heating and small quantities of diesel used for electricity generators.
(2) The CO_2 emission factors applied have been agreed within the DT group to facilitate harmonized reporting and derive from the GHG protocol.
(3) The non-CO_2 (i.e. CH_4 and N_2O) emission factors derive from Tier 1 methods described in the 2006 IPCC guidelines.

More details are presented in the online version of this report: https://www.ote.gr/en_GB/web/cr2012/other-air-emissions

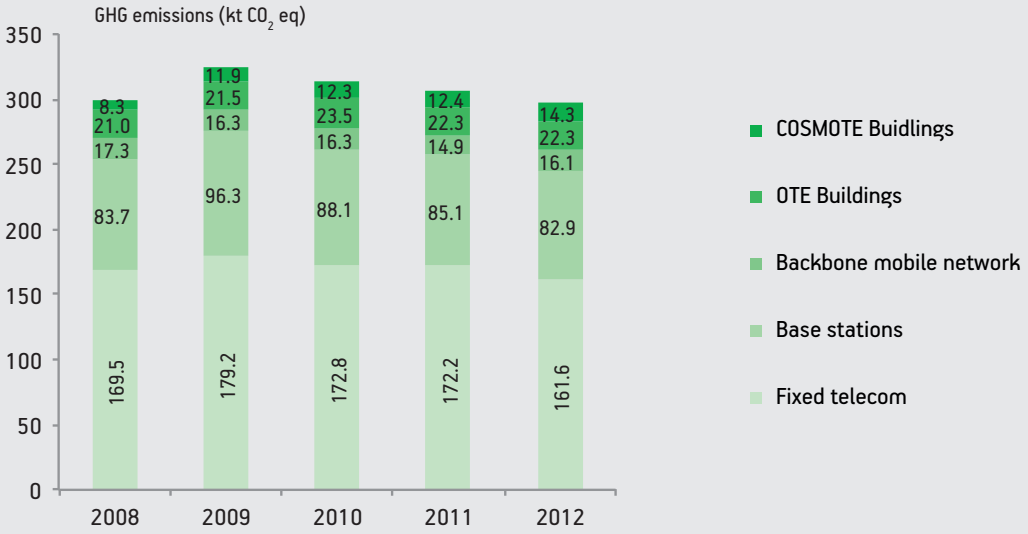
6.4.1.2 Indirect GHG Emissions

OTE and COSMOTE indirect GHG emissions from Energy (scope 2 emissions due to electricity consumption and district heating) for 2012 were estimated at 297,052 t CO_2 eq (OTE: 183,856 t CO_2 eq; COSMOTE: 113,197 t CO_2 eq), presenting a decrease of 3.2% compared to 2011. To cover these, OTE and COSMOTE have secured Guarantees of Origin (GOs) which, when taken into account, reduce the effective scope 2 GHG emissions to about 75,000 t CO_2 eq.

In total, if GOs are not taken into account, OTE and COSMOTE scope 2 emissions decreased by 1% from 2008 (OTE: -3.5%; COSMOTE: 3.5%). Changes in scope 2 GHG emissions depend on changes in electricity consumption but also reflect changes of the fuel mix used for electricity generation in Greece.

The majority of OTE and COSMOTE scope 2 GHG emissions are attributed to the operation of the fixed and mobile telecom network (about 88% of total emissions). In view of this and in the continuous effort to improve the quality and upgrade the services provided to our customers, the design and implementation of programmes focusing on electricity conservation in the network operation has also been given priority.

Indirect GHG Emissions from Energy (scope 2) for OTE and COSMOTE without GOs Secured



Note:
(1) The term "Buildings" describes Offices including Data Centers, Warehouses and Retail Stores.
(2) For consistency reasons among the DT Group companies, CO_2 emissions are estimated on the basis of the emission factors developed by the International Energy Agency. OTE CO_2 emissions from electricity consumption have been recalculated accordingly for the period 2008-2011.
(3) The non-CO_2 (i.e. CH_4 and N_2O) emission factors for electricity refer to 2011 and are also applied for 2012. These factors derive from the latest Greek National GHG emissions inventory submitted to the European Commission (January 2013) and EUROSTAT data on grosselectricity generation.

6.4.1.3 Other Indirect GHG Emissions

The monitoring of emissions spanning the entire life cycle of products and through the value chains of businesses has been receiving special attention in the context of voluntary and regulatory initiatives.

In 2011, WBCSD/WRI released two standards, one focusing on potential emissions related to a product/service including emissions from suppliers, production, transportation, use and final disposal and the other examining emissions through the value chains of businesses. A guidance specific to the ICT sector is being prepared. In addition, the European Commission Directorate General CONNECT initiated a business initiative aiming to test the workability and compatibility of the available methodologies for ICT-footprinting (for the report prepared under this initiative –published in March 2013– see https://ec.europa.eu/digital-agenda/en/news/report-pilot-testing-methodologies-energy-consumption-and-carbon-footprint-ict-sector).
OTE and COSMOTE are striving to extend the scope of its emissions inventory so as to include estimates for all indirect (scope 3) emissions associated with its operation. At the moment, the emission sources quantified are presented in the online version of this report: https://www.ote.gr/en_GB/web/cr2012/other-indirect-GHG-emissions

6.4.2 Improving Energy Efficiency and Reducing Emissions

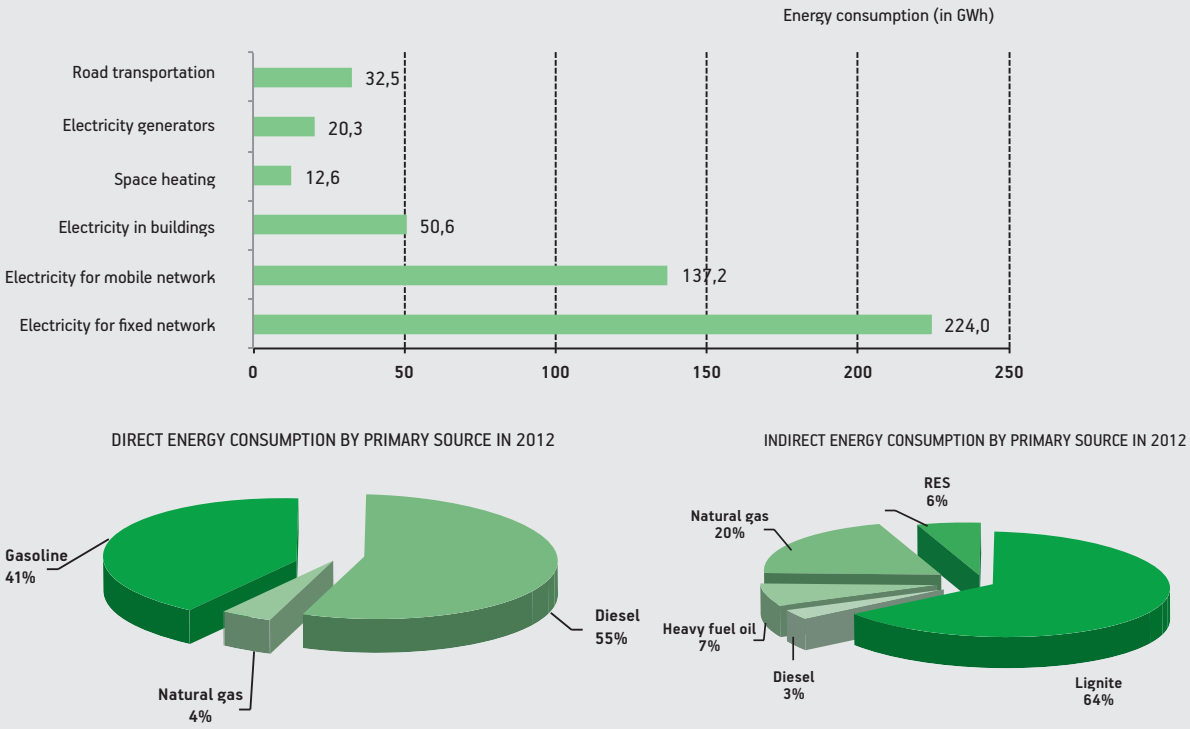
6.4.2.1 Energy Consumption

Energy consumption represents a major source of GHG and other gases emissions contributing to both climate change and air pollution. OTE and COSMOTE consider energy consumption for their operation (mainly fossil fuels and electricity consumption) as an activity with important environmental dimensions, and are, therefore, monitoring energy consumption at different levels of disaggregation (e.g. per fuel, per activity, per regional administration, per individual building).

Energy consumption covers operating needs of telecommunication infrastructure (fixed and mobile), buildings and vehicles (service and company). In 2012, total energy consumption of OTE and COSMOTE amounted to 477 GWh, presenting a decrease of 3.5% compared to 2011 (497 GWh in 2011).

In terms of primary energy source used, this energy consumption is equivalent to 65 GWh of direct energy consumption (or 234 TJ, all of which came from non-renewable primary sources) and 963 GWh of indirect (by allocating to OTE and COSMOTE the energy consumption needed for the production of the electricity and the district heating consumed) energy consumption. The latter is reduced to 550 GWh if GOs are taken into account.

OTE and COSMOTE Energy Consumption in 2012



Note:
(1) Energy consumption is based on actual consumption data for the period up to September - November 2012, which are extrapolated to the end of the year due to data provision arrangements within the DT group.
(2) Indirect energy consumption by primary source is estimated on the basis of 2011 values.
(3) Road transportation includes service and company vehicles.

Subsidiaries at a glance

For 2012, diesel oil consumption in offices, network and base stations of subsidiaries (excluding ROMTELECOM) reached 1,455,472 lt; natural gas amounted to 1,213,653 m^3; LPG consumption (in E-Value) was 9,000 lt; district heating reached 1.1 GWh. Electricity consumption in subsidiaries' network and base stations (excluding ROMTELECOM) reached 132.8 GWh, while electricity consumption in buildings (offices, warehouses and retail stores) was 46.3 GWh.

Network operation (both fixed and mobile) represent the main energy consuming activity of OTE and COSMOTE as the associated electricity consumption accounts for about 75% of total energy consumption in 2012. Therefore, the stemming of the electricity consumption growth rate and its eventual transformation to a reduction of the electricity consumption to that is technically and economically feasible, as well as covering electricity demand directly or indirectly by Renewable Energy Sources (RES) represent the key priorities of OTE and COSMOTE. In this context:

- OTE and COSMOTE have secured from PPC S.A., their electricity provider for 2012, Guarantees of Origin (GOs) assuring that the electricity consumption provided by PPC, has been generated by renewable energy.
- OTE and COSMOTE are systematically investing in RES:
  - OTE has installed and operates 186 small photovoltaic units (total capacity 432 kWp) since 1994 to cover the electricity needs

of its Rural Subscriber Radio repeaters and a larger photovoltaic unit at the Antikithira Police Station (20 kWp). Also, the power for the wireless broadband network, WiMAX, of Mount Athos, is supplied mostly by upgraded pre-existing photovoltaic systems and three small wind turbines of 1kW each.

- COSMOTE has installed PV systems in order to support base stations located in remote rural areas not connected to the grid and operating with diesel generators. In 2012, 18 base stations were supported by PV systems.
- A programme aiming at increasing the use of RES within the installations of OTE is in progress since 2010. In the context of the programme, the installation of two roof-top PV systems of 222.64 kWp total capacity (with an estimated electricity generation of 304,900 kWh) has been completed and since February 2013 they are operating. OTE Estate continues the assessment for additional PV installations, taking into account that at the moment the permitting process has been put on hold in Greece.

Energy Management Model

For the configuration of its energy strategy, COSMOTE has developed an Energy Monitoring and Forecasting Tool, in order to:

- monitor energy consumption;
- forecast future energy consumption;
- register energy saving, due to respective programmes;
- define future energy and carbon emission targets.

In 2012, total energy consumption of OTE amounted to 295 GWh, representing a decrease of 6.5% compared to 2011 (315 GWh). In particular, more details are presented in the online version of this report: **https://www.ote.gr/en_GB/web/cr2012/total-energy-consumption-of-OTE**

In 2012, total energy consumption of COSMOTE amounted to 183 GWh, presenting an increase of 1.3% compared to 2011 (180 GWh). More details: **https://www.ote.gr/en_GB/web/cr2012/total-energy-consumption-of-COSMOTE**

6.4.2.1.1 OTE Energy Consumption at Regional Level

As part of the environmental data collecting system in place for OTE, the regional distribution of energy consumption is also monitored. The distribution is in line with the overall operational characteristics of OTE (i.e. workforce distribution, installed capacity of telecommunication equipment, buildings in use, customers). In particular, more details are presented in the online version of this report: **https://www.ote.gr/en_GB/web/cr2012/OTE-energy-consumption-at-regional-level**

6.4.2.1.2 Monitoring Environmental Performance at Buildings Level

OTE continues the programme (started in 2008) for the estimation of the environmental footprint at building level. The scope of this programme is to establish a bottom-up approach (as opposed to the top-down approach applied company-wide) for the assessment of the environmental impact from the operation of OTE at unit level so as to gather detailed information at building/facility level to better plan energy conservation efforts. More details: **https://www.ote.gr/en_GB/web/cr2012/monitoring-environmental-performance-at-buildings-level**

6.4.2.2 Energy Conservation

Energy conservation and rational use of energy represent key options for economically feasible improvement of our environmental performance. Interventions can be grouped in to the following three broad categories:

- energy conservation in the Telecom Network;
- energy conservation in Buildings and Retail Stores;
- energy conservation in Transport.

The effect of measures designed and implemented is evident in the emissions of OTE and COSMOTE, as:

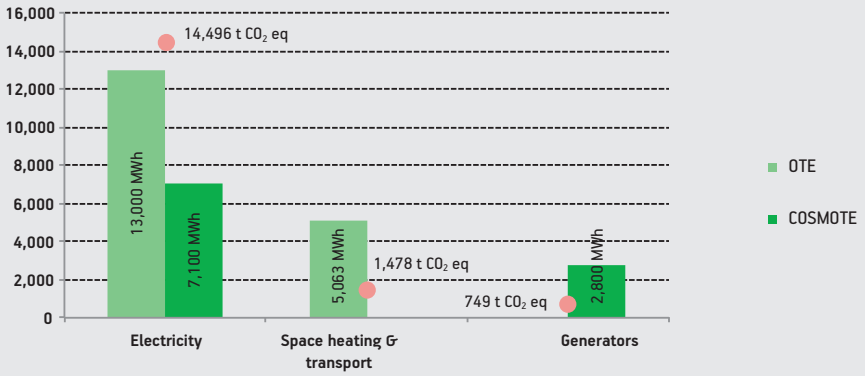
- Direct GHG emissions from energy consumption (scope 1) in 2012 decreased by 1,900 t CO_2 eq compared to 2011 (around 11% of total scope 1 emissions in 2012).
- Indirect GHG emissions (scope 2) in 2012 also decreased by about 10,000 t CO_2 eq compared to 2011 (around 3% of total scope 2 emissions in 2012). Given the developments in the ICT sector (4G mobile network, VDSL lines, TV services, etc) this result is quite significant.

As a result of the measures implemented by OTE and COSMOTE in 2012, electricity conservation reached 20.1 GWh; diesel oil conser-

vation (for electricity generators and space heating) amounted to 2.9 GWh, while energy conservation in road transportation reached 5.0 GWh. The avoided GHG emissions associated with the energy conservation achieved is estimated at 16,700 t CO_2 eq (about 5% of scope 1 and 2 GHG emissions of OTE and COSMOTE in 2012). The overall economic effect (benefit) of the implemented measures on the operational cost of OTE and COSMOTE is estimated at €4.2mn.

Indirect GHG emissions (scope 3) avoided are estimated at 2,900 t CO_2 eq. This reduction was estimated taking into account paper recycling, reduction of paper use and teleconferences for the operational needs of OTE and COSMOTE.

Energy Conservation and GHG Emissions Avoided in 2012



Subsidiaries at a glance

Indicative examples energy conservation and emissions reduction initiatives undertaken by subsidiaries include:

- The use of free cooling systems in approximately 127 base stations and the installation of 9 hybrid photovoltaic systems (diesel generators, batteries and PV systems) in the base stations' network in GLOBUL in Bulgaria.
- The retrofitting of base stations shelters (in 300 BTS) for improved free cooling, and the improvement of cooling efficiency by separating hot aisles from cold aisles and/or by creating plenums for improving A/C units' efficiency, in two core network sites by COSMOTE Romania.
- The installation of new heating boilers (1.5 MW installed capacity) at nine sites as well as of new inverter-type air-conditioning equipment in all new projects by ROMTELECOM. In addition, motion sensors in hallways and twilight sensors for exterior lighting were installed in ten new projects.

6.4.2.2.1 Energy Conservation in the Telecom Network

The operation of the telecommunication network (fixed, backbone mobile and base stations) represents the major energy (electricity) intensive OTE and COSMOTE activity. Activity growth in the ICT sector is expected to further increase the associated electricity consumption as new base stations and additional telecom equipment is installed. Therefore, reduction of energy consumption and monitoring the energy consumption of each site in the telecom network are very challenging goals for every telecommunications company. COSMOTE launched a programme in 2010 for the installation of digital energy consumption monitoring systems to be completed in the near future, which together with additional measurements and estimations by OTE would be of great help in prioritizing energy conservation programmes in areas, where the highest energy consumption (and GHG emissions) originate. Additionally, COSMOTE has designed and planned for 2013 the installation of smart metering systems in complex BTS sites with great energy consumption. More details:
https://www.ote.gr/en_GB/web/cr2012/energy-conservation-in-telecom-network

6.4.2.2.2 Energy Conservation in Buildings and Retail Stores

Analysis of OTE and COSMOTE energy consumption shows that energy consumption in buildings represents about 15% of total energy consumption. With a view to address this part of the energy consumption, a set of proactive initiatives are in place, notably increasing employees' awareness about the environmental impacts of energy consumption and monitoring energy consumption of offices, warehouses and retail stores. Space rationalization represents a high priority (especially for OTE that makes use of about 2000 buildings

all over Greece), as most of the energy uses (lighting, cooling and space heating) in a building depend on the space occupied. In 2012, the area used by OTE was reduced by about 8% compared to 2011. More details: https://www.ote.gr/en_GB/web/cr2012/energy-conservation-in-buildings-and-shops

6.4.2.2.3 Energy Conservation in Transport

The maintenance/development of the telecommunication network, the distribution of products to all of OTE and COSMOTE sales points and widespread customer service are the main drivers for the high transportation activity demand by OTE and COSMOTE vehicles fleet (both service and company vehicles). More details: https://www.ote.gr/en_GB/web/cr2012/energy-conservation-in-transport

6.5 Resource Use and Waste Management

OTE and COSMOTE recognize the scarcity of natural resources and consider a more efficient use of these resources a priority for sustainable development. In order to achieve more efficient use of the limited resources the principle «Reduce-Reuse-Recycle» is followed, aiming to reduce the production of solid waste that inevitably emanate from any corporate activity.

In this context, the key principles of OTE and COSMOTE policy regarding resource use and waste management are:

- monitoring of materials used and waste generated;
- 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.

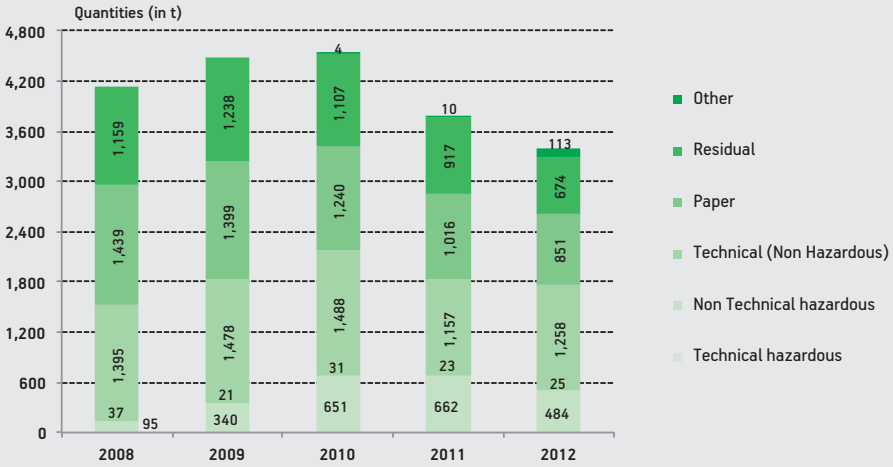
6.5.1 Waste Management and Disposal Practices

Solid waste generated by OTE and COSMOTE activities are classified into:

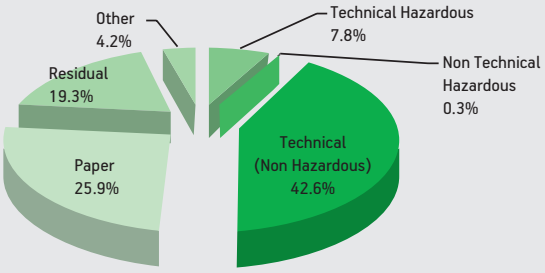
- waste considered hazardous thus, requiring specific treatment (e.g. lubricants, stationary engines batteries);
- technical waste associated mainly with material and equipment used for the provision of telecommunication services and products (e.g. cables, metals, electronic & telecommunication equipment) as well as with IT equipment for office operation. This category also includes used products (e.g. phones and related accessories, portable batteries, etc.) collected from our customers as well as obsolete merchandise;
- paper waste;
- residual waste that include typical municipal solid waste from OTE and COSMOTE buildings but also packaging materials from our warehouses and waste related to office operation;
- other waste (waste streams not included in the above-mentioned categories).

Total solid waste generated amounted to 3,404 t in 2012. Recycling, through authorized (for waste management) companies, represents the major management practice employed by OTE and COSMOTE. Existing recycling programmes cover the whole of hazardous and technical waste and about 34% of paper. Solid waste disposed accounts for about 35% of the total waste generated.

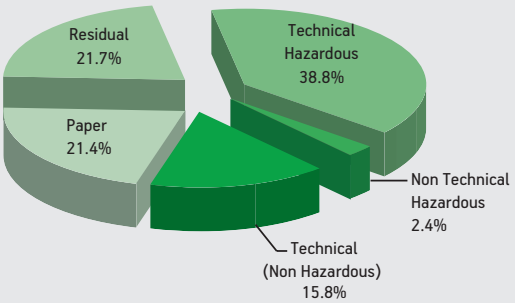
OTE and COSMOTE Solid Waste Generation 2008 - 2012



OTE Solid Waste Generated in 2012 (2,694 t)



COSMOTE Solid Waste Generated in 2012 (710 t)



6.5.1.1 Hazardous Waste Management

6.5.1.1.1 Lead Batteries

In order to continuously provide telecommunication services to customers, lead batteries are utilized in COSMOTE Base Stations and telecom installations, and in OTE telecommunication centers, which are activated when problems with grid electricity supply occur. More details: https://www.ote.gr/en_GB/web/cr2012/lead-batteries

6.5.1.1.2 Lubricant Oils

The use of lubricant oils is associated with the operation of the electricity generators (in base stations and telecommunication centers) as well as with the maintenance of owned vehicles (waste lubricant oils from vehicles are usually collected and managed by the associated car service companies). Waste lubricant oils are considered hazardous wastes and it is therefore important to apply appropriate collection and disposal practices. For this reason, more details are presented in the online version of this report: https://www.ote.gr/en_GB/web/cr2012/lubricant-oils

6.5.1.1.3 Other Hazardous Waste

This category includes waste streams that do not appear on a regular basis (e.g. material and products not in line with the specifications set) but also office related waste such as light bulbs. More details: https://www.ote.gr/en_GB/web/cr2012/other-hazardous-waste

6.5.1.2 Technical Waste Management

6.5.1.2.1 Metals and Cables

The development and maintenance of the fixed telecommunications network require a large amount of cables and metals. With a view to ensure the rational disposal of used materials (and their potential reuse), OTE has a programme in place for the alternative management of the withdrawn cables and metals. More details: https://www.ote.gr/en_GB/web/cr2012/metals-and-cables

6.5.1.2.2 Waste Electrical and Electronic Equipment

Electrical and electronic equipment deemed inadequate or outdated is forwarded to authorized companies for further processing (dismantling, recycling and disposal, according to the nature of the material). More details: https://www.ote.gr/en_GB/web/cr2012/waste-electrical-and-electronic-equipment

6.5.1.3 Paper Waste Management

Efforts to reduce the amount of paper used in offices and retail stores are ongoing in OTE and COSMOTE for a number of years. More details are presented in the online version of this report: https://www.ote.gr/en_GB/web/cr2012/efforts-to-reduce-the-amount-of-paper-used

6.5.1.4 Residual and Other Waste Management

Residual waste (as defined in the context of the current report) includes packaging material, typical household waste from buildings (estimated on the basis of typical composition of waste generated in offices/retail stores) and waste related to office operation excluding electrical and electronic equipment waste (e.g. ink cartridges). More details: https://www.ote.gr/en_GB/web/cr2012/residual-waste

6.5.1.5 Phones and Accessories

OTE and COSMOTE have implemented a recycling programme for mobile phones, fixed phones, accessories and batteries in OTE, COSMOTE and, GERMANOS retail network and OTE and COSMOTE buildings. In 2012: More details: https://www.ote.gr/en_GB/web/cr2012/a-recycling-program-for-mobile-phones

6.5.2 Management of Packaging Materials

6.5.2.1 Monitoring Consumption of Packaging Materials

COSMOTE has systematically implemented a product packaging control programme, for products manufactured in-house and placed in COSMOTE retail stores. In particular, the use of metallic boxes for pre-paid phones packaging was discontinued in 2010, resulting in zero aluminum used in 2012, while the use of security labels in customized products resulted in a systematic decrease of plastic consumption. As a result of this, the average weight of COSMOTE packaging has been reduced to 8.6 g per unit.

Control Programme for Packaging Materials					
Packaging Material	2008	2009	2010	2011	2012
Aluminum (in t)	8.81	9.98	1.9	0.02	0
Wood (in t)	35.27	37.48	1.4	0	0
Plastic (in t)	100.19	102.81	48.15	10.66	6.83
Paper – Cardboard (in t)	129.36	140.64	85	49.65	31.54
Packaging (pieces)	6,001,672	5,843,520	6,083,743	5,650,628	4,458,752
Bio-degradable bags (pieces)	1,600,000	1,210,000	837,000	744,110	624,500

6.5.2.2 Recycling Packaging Materials

During 2012, the programme for the alternative management of packaging materials entering the OTE and COSMOTE warehouse in Parnitha continued to operate with substantial results. In total, 22.75 t of packaging materials were delivered for recycling through the COSMOTE warehouse in Parnitha (12.93 t cardboards, 2.53 t plastic, 7.29 t wood), while 20.18 t were forwarded for energy recovery and 8.5 t of non-recyclable materials were directed for disposal. The materials forwarded for recycling from the OTE warehouse in Parnitha were 30.86 t of packaging materials (5.46 t cardboards, 25.4 t wood), while 21.88 t of non-recyclable materials were directed for disposal.

Subsidiaries at a glance

In 2012, 112.69 t of product materials from GERMANOS (80.5 t cardboards, 8.42 t plastic and 23.77 t wood) were forwarded for recycling, while 70.48 t were forwarded for energy recovery and 47.81 t of non-recyclable materials were directed for disposal.

6.5.3 Use of Recycled Materials

COSMOTE, in 2012, purchased 624,500 environmentally friendlier bio-degradable bags for use in their stores. Moreover, OTE and COSMOTE use only recycled paper in all materials related to Corporate Responsibility activities.

Subsidiaries at a glance

In 2012, 440,035 bio-degradable bags were acquired for use in the GERMANOS retail network in Bulgaria. In addition, recycled paper is used in GLOBUL Bulgaria for partially covering the needs of offices and retail stores.

6.6 Other Environmental Aspects of the OTE and COSMOTE Operation

6.6.1 Ozone

OTE and COSMOTE are gradually replacing old cooling systems operating with Ozone Depleting Substance (ODS) as refrigerants. Fire suppression systems already use suppressants with zero Ozone Depleting Potential (ODP). The ODS (i.e. R22) quantity being replenished in the existing cooling systems for 2012 amounted to 1,068 kg. In total, the quantity of R22 replenished decreased by 67% compared to 2011.

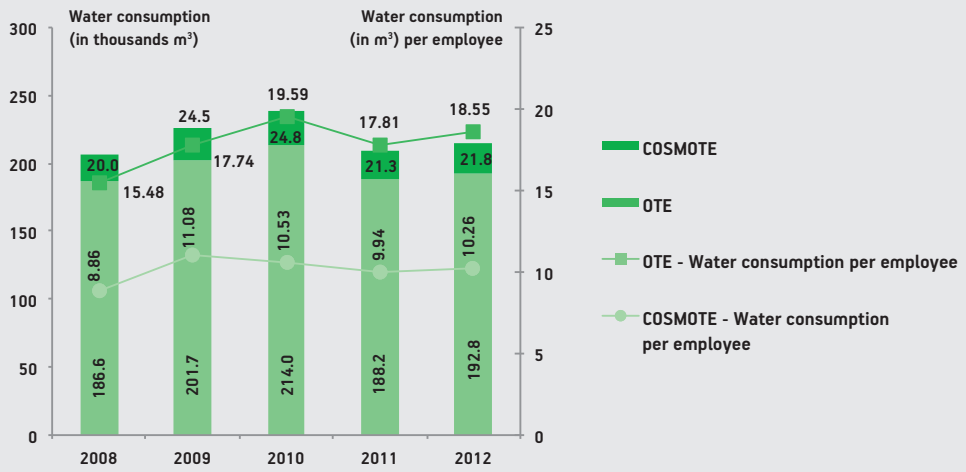
Currently, hydrofluorocarbon (HFC) blends are utilized either for substituting ODS or for installation in new cooling systems. The quantity replenished for 2012 was about 19.1 t of refrigerants, which is equivalent to GHG emissions of about 14,656 t CO_2 eq. These emissions account for about 5% of the GHG emissions from energy use (both scope 1 and scope 2) and therefore measures to address this issue should be explored.

Quantities of Refrigerants Replenished			
	2010	2011	2012
A. OTE			
R22 (kg)	3,516.40	2,981.33	731.00
R407C (kg)	2,173.50	3,077.50	3,990.00
R410A (kg)	95.00	258.00	515.00
R134a (kg)	14.00	22.60	211.00
R417A (kg)	799.00	2,590.00	2,346.00
R422 (kg)			209.50
R404 (kg)			367.00
B. COSMOTE			
R22 (kg)	172.30	266.00	337.00
R407C (kg)	462.00	681.00	471.60
R410A (kg)	159.00	433.00	191.00
R134a (kg)	24.00	0.00	
R422D (kg)			48.00

Note:
(1) Ozone Depleting Potential (ODP) is measured as R11 (CFC-11) equivalent. The ODP value for R22 is 0.055.
(2) Quantities replenished in 2010 for OTE include the regions of Attica, Northern Greece and Southern & Western Greece.

6.6.2 Water Consumption

Since telecommunications operations have no specific need for water use, OTE and COSMOTE consume water (acquired solely from public water companies, who are responsible not only for water supply but also for the sustainable withdrawal of water from the available water systems) exclusively for employees' hygiene, plant watering and office/retail stores cleaning. Thus, water sources are not significantly affected by OTE and COSMOTE activities. At the same time, OTE and COSMOTE seek to raise awareness of our employees for the rational use of this significant resource.
Water consumption in 2012 was 214,592 m^3, which corresponds to a 2% increase compared to 2011 (209,471 m^3).



Note: Change of methodology for OTE. 2012 water consumption data for OTE mainly derived from actual consumption figures. The application of the approach followed up to 2011, for 2012 led to an overestimation of water consumption. Therefore, estimates for 2008 - 2011 were accordingly adjusted.

The new office complex at Paiania incorporates water saving technologies: high efficient fixtures with flow rates of 3 l/min, rainwater collection for use in toilet flushing and irrigation and biological on-site wastewater treatment for use in landscape irrigation.

Subsidiaries at a glance

In 2012, water consumption of subsidiaries (excluding ROMTELECOM) reached 88,024 m³.
The utilization of the waste water treated on-site at GERMANOS' logistics center in Avlona for irrigation purposes is an indicative example of applied good practices in water management. Total water consumption in GERMANOS reached 17,500 m³, decreased by 6% compared to 2011.

Waste water from OTE and COSMOTE operations refers to domestic wastewater, which is directed to the available wast ewater networks and is treated according to area-specific processes in the municipal waste water facilities. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2012.

6.6.3 Biodiversity

Greece is blessed with a biodiversity that is among the richest in Europe and the Mediterranean, as a result of the country's geographical location, geological history and landscape diversity. Currently, Greece has designated in its extensive Natura 2000 network, 241 sites as Sites of Community Importance (SCI) and 202 sites as Special Protections Areas (SPA). In total these areas cover 27% of the Greek land surface and 6% of the territorial waters. More information on the Greek Natura 2000 sites (e.g. location, maps, area, protected species, etc.) can be found in the website of the Ministry of Environment, Energy and Climate Change[1].

OTE and COSMOTE are aware of the high value of biodiversity for Greece and recognize the close relationship between biodiversity, sustainable development and human well-being. At the same time, the provision of high quality telecommunication services everywhere and at any time necessitates the operation of a geographically extensive network of telecommunication installations (base stations and wireless communication stations) including, inevitably, in Natura 2000 sites. Every license issued by the Hellenic Telecommunications and Posting Committee for OTE and COSMOTE are listed in its website[2]. All buildings/installations that are currently in use by OTE and COSMOTE are also registered and relevant information can be found at DG Technology and Operations.

In this context, OTE and COSMOTE are committed to minimizing any potential impact that their activities (fixed and mobile telecommunication installations and offices) could have on biodiversity:

- The majority of the installations are small, without permanent personnel and with limited transportation activities at the operational stage.

[1] http://www.ypeka.gr/Default.aspx?tabid=432Glanguage=el-GR
[2] http://www.eett.gr/opencms/opencms/EETT/EETT/EETT_Decs/Antennas/showM.html?cat=keraies

- Potential impacts are mainly related to the operation of installations on isolated areas necessary for the reliable provision of telecommunication services (energy consumption, EMF emissions) and infrastructure works for upgrading/maintaining telecommunication network (waste generation).
- All potential impacts are addressed in the Environmental Impact Assessment studies carried out and submitted for approval to the designated authorities as foreseen by national legislation in force (Law 4070/2012 on electronic communications). In these studies special reference is made to protected areas (NATURA, SPA, RAMSAR, CORINE, IBA) and areas of high biodiversity value that are near to OTE and COSMOTE activities. The contents of these studies and the approval process, that includes a public consultation phase, are specified in the relevant legislative acts. These studies, on the basis of current scientific knowledge, conclude that impacts on biodiversity are not material, and therefore, there are no protected and/or restored habitat areas that are affected by our operation.

It is noted that the legislative framework regarding the permitting process, including environmental issues, has changed as of 2012 (Law 4070/2012). Telecommunications stations are classified into two categories: Nodal stations, as well as, stations that require road construction works or are grounded on Natura 2000 sites should be accompanied by an Environmental Impact Assessment Study (submitted for approval to the designated authorities); for the rest of the telecom stations the so-called Standard Environmental Commitments need to be submitted.

6.6.4 Electromagnetic Fields

Electromagnetic fields (EMF) occur in nature and thus have always been present on earth. However, during the twentieth century, environmental exposure to man-made sources of EMF steadily increased due to electricity demand, ever-advancing wireless technologies and changes in work practices and social behavior. Potential health effects of man-made EMF have received particular attention during the last 30 years. In this context, international scientific organizations have issued guidelines regarding exposure to EMF and a relevant legislative framework has been developed.

ICNIRP and SCENIHR Rulings
Based on rulings of the EU Scientific Committee (SCENIHR) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP), the scientific studies published till now, do not correlate exposure of human population to electromagnetic fields lower than the proposed levels by ICNIRP, with negative impacts on public health.

6.6.4.1 Following by Design the Precautionary Principle

The important benefits mobile telephony offers to citizens in their everyday life, is the main reason, for the dynamic growth of mobile telephony. However, at the same time, OTE and COSMOTE recognize public concerns, about potential consequences of electromagnetic radiation on health issues.
Even though:

- relative research, conducted and assessed by the World Health Organization did not indicate any such correlation and
- certified measurements estimate the percentage of electromagnetic field intensity attributed to mobile telephony Base Stations to be less than 30% of the total electromagnetic fields background in populated areas. It is the policy of OTE and COSMOTE to respect and adopt the precautionary principle and apply it in a number of practices, such as:

- The levels of electromagnetic fields, in all Base Stations, comply with the suggested limits of the World Health Organization and ICNIRP, as well as the latest national limits set by Law 4070/2012 which are 60-70% of ICNIRP limits (which are already approximately 50 times stricter than the levels recommended by the scientific community), in all points with free public access.
- For every OTE wireless telecommunication station and COSMOTE Base Station a radioemission study and an electromagnetic background study (in some cases) is conducted by specialized OTE and COSMOTE personnel, for an area of up to a radius of 50 meters and 300 meters respectively to ensure that all OTE and COSMOTE Stations operate within legal limits. The corresponding studies form part of environmental impact assessment studies (where needed) conducted and submitted to responsible authorities.

The amount COSMOTE spent on programmes concerning EMF in 2012 was about €350,000.

In addition, all products placed in OTE and COSMOTE retail network bear all necessary labels foreseen by national and EU legislation while all phones sold operate within electromagnetic field safety limits (Specific Absorption Rate).

6.6.4.2 Monitoring the Levels of EMF Radiation

6.6.4.2.1 COSMOTE Initiatives

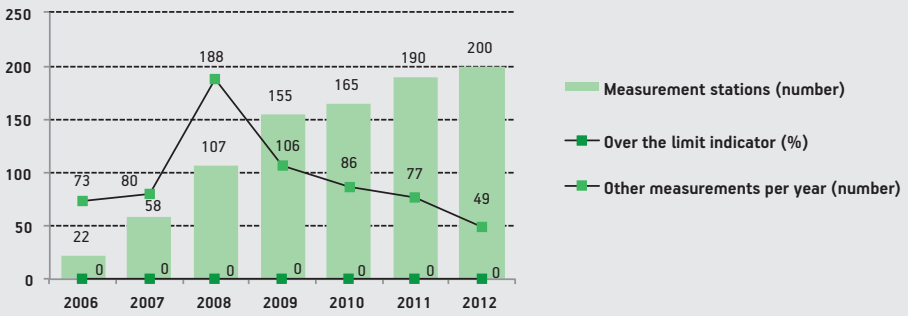
COSMOTE operates a EMF measurement programme, called «Pedion24», developed in association with the Laboratory of Mobile Radio Communications at the National Technical University of Athens, the Radio Communications Laboratory at the Aristotle University in Thessalonica and the ICT Laboratory at the University of the Aegean, coordinated by COSMOTE EMF Control & Measurement Section. The programme aims to continuously and openly inform the public about the levels of electromagnetic fields in the vicinity of mobile telephony Base Stations, including all other EMF sources such as radio transmitters, televisions, radars and other telecommunication applications.

The programme utilizes a full set of measurement equipment and leading edge technology measurement stations (with suitable detectors for electromagnetic fields) covering the whole of Greece. The programme was initiated at the end of 2005 and is fully operational since 2006.
The system consists of:

- Stations which are located in sensitive areas (near schools, in densely populated neighborhoods) and cover the prefectures of Aitoloakarnania, Attica, Arcadia, Arta, Zakinthos, Achaea, Voiotia, Dodekanisou, Evrou, Evia, Evrytanea, Zakinthos, Ilia, Iraklion, Thessalonica, Karditsa, Corfu, Kilkis, Kozani, Korinthia, Cyclades, Lakonia, Larissa, Lesvos, Lefkada, Magnesia, Messinia, Xanthi, Pelli, Pieria, Preveza, Rethimno, Rodopi, Samos, Serres, Trikala, Fthiotidos, Florinis, Chalkidiki, Chania and Chios.
- The management centre, located in the Mobile Radio Communications Laboratories of the National Technical University of Athens, the Aristotle University in Thessalonica and in the Computer Systems and Communications Laboratory of the University of the Aegean.

The measurement stations operate on a 24-hour basis. Measurements are obtained and stored on-line and are accessible to the public at the programme's website (www.pedion24.gr). The public's interest in these measurements is high as evidenced by the high visitation rates of the "Pedion24" programme (192 visits per day on average).

"PEDION 24" PROGRAMME



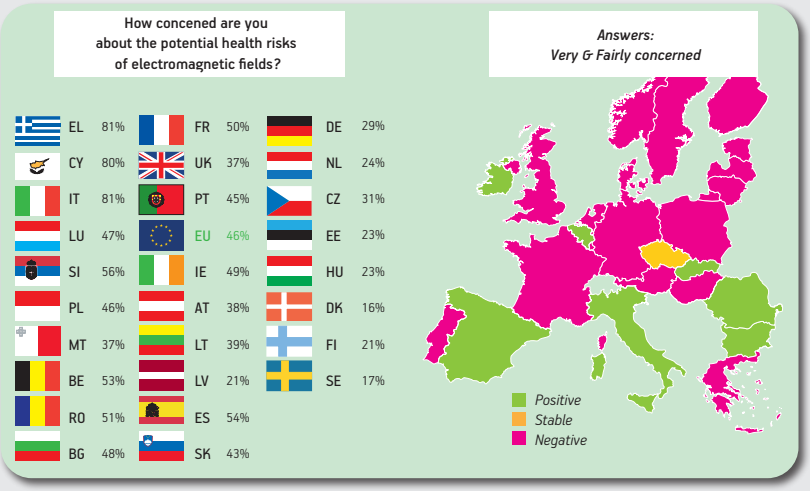
The number of stations has increased every year since 2006, with 10 new stations added in 2012 bringing the total to 200. Of the nearly 20mn measurements taken to date, none has been found to exceed legal limits. In 2012, 49 further ad hoc measurements were conducted by specialized scientific personnel of COSMOTE (radiophysicists of the Environmental Electromagnetic Fields Measurements Laboratory) due to licensing reasons or public interest, while in addition 5 more measurements were conducted by independent institutions (Universities, Greek Atomic Energy Commission) at COSMOTE's request. Ever since 2005, in all cases of public interest, ad hoc measurements were followed by face-to-face EMF presentations by COSMOTE radiophysicists to the interested groups. This has been a strategic decision of COSMOTE and was an innovation among the telecommunication companies when it was introduced. Again, public exposure safety limits were not observed to be exceeded (in points of free public access), in any of these measurements.
COSMOTE Environmental Electromagnetic Fields Measurement Laboratory has conducted more than 1500 EMF measurements close to Mobile Base Stations & Fixed telecommunication centers, FM-TV & TETRA transmitters, Wi-Fi, Radars etc, followed by more than 1,100 EMF presentations since 2005.
Since February 2012 the COSMOTE EMF Laboratory has been accredited according to EN ISO/IEC 17025 standards.

6.6.4.2.2 OTE Electromagnetic Fields Measurement Laboratory

OTE's EMF Measurement Laboratory was established in 2008 to carry out EMF measurements in accordance with national and international guidelines and standards so as to ensure that OTE operations are in compliance with suggested limits of the World Health Organization and ICNIRP, as well as the latest national limits set by Law 4070/2012.
Since 2008, more than 600 measurements have been conducted at OTE telecom installations of which 60% by specialized scientific personnel of OTE and 40% by independent institutions (National Technical University of Athens, Greek Atomic Energy Commission). No exceedance of exposure safety limits at a point of public access has been detected.
Since June 2010, the EMF Laboratory has been EN ISO 9001-2008 certified. Recently (October 2012) it has also been accredited according to EN ISO/IEC 17025 standards.

6.6.4.3 Informing Fellow Citizens

According to the pan-european Eurobarometer 2010 survey regarding concerns of citizens in relation to Electromagnetic Fields, 81% of Greek citizens are concerned about mobile telephony radiation effects on their health, as compared to the European Union average of 46%. Also 54% of Greeks state «not satisfied» by the information provided to them on the likely repercussions of health from mobile telephony as against 40% of Europe on average.



To address this concern, COSMOTE issued and distributed through its commercial network and information, activities, awareness campaigns, etc. the following leaflets:

- «Pedion 24 - Continuous Measurements of Electromagnetic Radiation Programme», where the way the respective measurement and assurance programme functions are described. The leaflet was distributed to over 1600 citizens.
- «How mobile telephony works», distributed to over 2,500 citizens.

Briefings and presentations were also conducted from staff employees to students from schools and universities. In 2012 such briefings were conducted to 500 students from 7 schools and Universities.

Overall more than 4000 leaflets were distributed to overall information activities (students, NGO's, local communities, customers, etc.).

To improve outreach, an e-mail address, for questions regarding electromagnetic fields information, is available on COSMOTE's corporate website.

6.6.4.4 Informing Employees

Information regarding mobile telephony, especially issues regarding EMF, is routinely disseminated to OTE and COSMOTE employees so that they are fully aware of the issues and take them into consideration in the performance of their duties and in contact with customers and the general public.

Subsidiaries at a glance

Similar practices regarding EMF are followed in all subsidiaries. Respective legislative limits are met in all countries (e.g. in the case of COSMOTE Romania the ICNIRP levels, in the case of GLOBUL the national limits levels) and relevant information is disseminated to the public and employees (e.g. in COSMOTE Romania via an informative leaflet downloadable from the corporate website and implementation of information & education campaign; in GLOBUL Bulgaria via a leaflet downloadable from the company's website and an additional short question-and-answer section).

6.6.5 Visual Impact

Telecommunications companies have relatively small visual impact on the environment. However, to minimize whatever impact may exist:

- The size of new Base Stations being built now has been decreased.
- Efforts are made to collocate Base Stations in installations with the other two mobile telephony companies so as to reduce overall visual impact of the mobile Base.
- For the installation of new telecommunication infrastructure necessary for the provision of communication services, all efforts are made, to the extent that is technically feasible, to minimize any visual intrusion on the landscape, especially in urban areas by appropriate arrangements and constructions that are harmonized with the surrounding environment.
- Appropriate modifications are also applied to existing telecommunication infrastructure.

Number of:	2008	2009	2010	2011	2012
New base stations	70	150	233	323	119
New base stations collocations	4	2	10	25	0
Special constructions					
OTE	18	8	6	2	2
COSMOTE	40	50	110	147	82

Note: Information for licensed COSMOTE Base Stations in Greece is available at the EETT website
http://www.eett.gr/opencms/opencms/EETT/EETT/EETT_Decs/Antennas/showM.html?cat=keraies

6.6.6 Noise

The noise impact of OTE and COSMOTE is insignificant, as it is restricted to the operation of stationary generators that are necessary only when there is no reliable electricity supply available and the outdoor air-conditioning units.

- The operation of electricity generators in urban areas is in line with all provisions foreseen by legislation. In special cases, where sound levels from generators should be reduced, OTE and COSMOTE proceed with noise isolation or install hybrid systems, to reduce the time generators operate.
- Air conditioning units are treated by the installation of soundproof constructions in order to be in line with national legislation.

6.7 Environmental Awareness Initiatives

6.7.1 Employees' Awareness

OTE and COSMOTE, as part of their Environmental strategy, aim to enhance awareness and increase engagement of their employees in initiatives toward the common objective of environmental protection and sustainable development.

Examples of such initiatives in 2012 include:

- Celebrating **World Environment Day.**
  - An informative awareness campaign for OTE and COSMOTE employees, called "Green Green...The environment calls you", was held from May 28th to June 10th. In the context of this campaign the results of the Environmental Programmes in place were announced within OTE and COSMOTE Intranets and in OTE Website (Microsite).
  - In the context of the campaign, employees and the public participated in a series of environmental activities organized by the 35 cultural centers of OTE in various areas of Greece, for the 3rd consecutive year, which included cleaning beaches, lakes, forests, etc., as well as collecting and sorting waste into recyclable and non-recyclable.
- Participation in WWF's «Earth Hour».
- Continuation of the recycling programme for employees' Home Electric & Electronic devices, in OTE/COSMOTE buildings (6.86t were gathered and forwarded for recycling, of which OTE: 5.56t and COSMOTE: 1.30t).

Subsidiaries at a glance

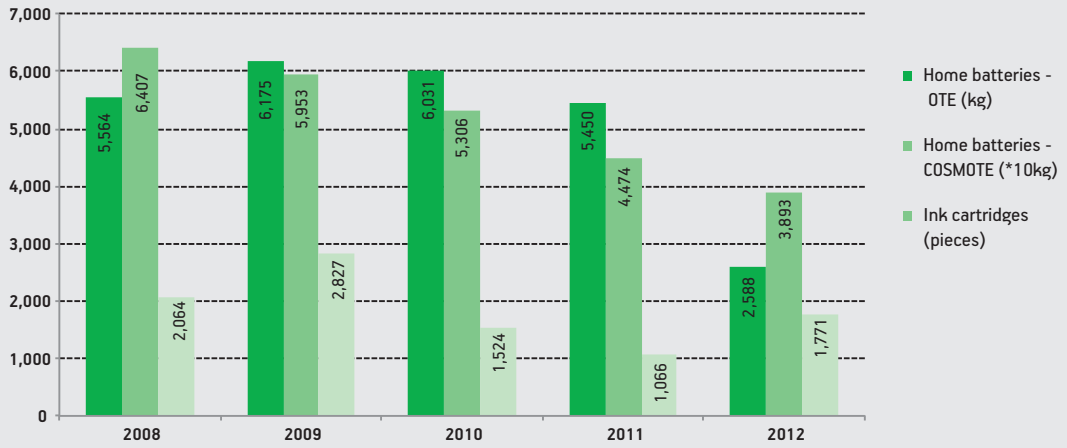
At ROMTELECOM employees of the organizational structures in which the integrated management systems - Quality, Environment, Safety and Occupational Health - are implemented and certified, participated in the environmental training sessions (about 11% of total workforce). Besides this, material on environmental protection has been posted on "e-learning" internal platform with free access of employees.

6.7.2 Public Awareness

An important objective of the OTE and COSMOTE environmental policy is to increase customers' awareness on ways to reduce their own environmental footprint, through their active contribution. To this end:

- a number of e-services are offered to our customers that result in reductions in paper consumption;
- customers are offered the option to buy on-line services and devices, through the Internet E-shops, which are available on OTE and COSMOTE corporate websites;
- COSMOTE celebrated, for the 7th consecutive year, **World Environment Day**, with an awareness campaign called «Join us in Recycling», addressing recycling of mobile phones, accessories, batteries and ink cartridges in COSMOTE and GERMANOS retail network.

Recycling Initiatives at OTE and COSMOTE Retail Network



Note:
(1) The initiative for ink cartridges recycling refers only to COSMOTE and GERMANOS retail network.
(2) Home batteries collected from customers at OTE and COSMOTE retail network, are included in the category «Technical waste» following reporting arrangements within the DT group.

At the same time, OTE and COSMOTE actively participate in events addressing and enhancing environmental responsibility such as:

- **The "Podilatodraseis programme" (Bike actions Programme)**
  - a popular TV Series, named "Podilatodraseis", focused on developing Bike Culture in Greece (OTE and COSMOTE being the exclusive production sponsor);
  - various activities in cooperation with various municipalities (more than 1000 children participated in the activities regarding bike riding lessons).
- In order to **increase schoolchildren's awareness of environmental protection**, OTE and COSMOTE supported, in 2012, educational initiatives through the establishment of strategic partnerships with two NGOs (The Athens Union for Forests' Protection -Philodassiki Enossi Athinon and Callisto-Environmental Organization for Wildlife and Nature), which are active in organizing environmental educational programmes for school communities, particularly regarding forest and wild life protection.

Schoolchildren Awareness on Environmental Protection	
NGO	**Type of sponsorship**
Athens Union for Forests' Protection (Philodassiki Enossi Athinon)	In 2012, 500 schoolchildren participated in the educational programme "One Day in the scenic forest on Hymettus" of Philodassiki Enossi Athinon. The programme included tours & visits to botanical gardens and nurseries to familiarize them with the different types of plants and trees. Similar programmes are planned for the rest of school year 2012-2013.
Callisto-Environmental Organization for Wildlife and Nature	In 2012, the voluntary forest protection programme in the suburban forest Sheikh Sou, in Thessaloniki continued, with the participation of 25 people, and also through the publication of a brochure for the protection of forests, the implementation of eight foot patrols, eight days of observation at a look-out position etc. Callisto also published two educational guides for schoolchildren and dispatched invitation letters for participation in two environmental education programmes to the primary & secondary schools administrations of the prefectures of Thessaloniki and Grevena. Educational events for the employees and their children are also scheduled for 2013.

6.7.3 Initiatives Related to Suppliers

In 2012, OTE and COSMOTE assessed their Suppliers, according to a newly developed Supplier Evaluation Methodology, which includes, among other, Corporate Responsibility – Environmental evaluation criteria. For more information, see the relevant section on the Marketplace topic: www.ote.gr/web/cr/marketplace

6.8 2012 & 2013 Goals

2012 Goals	2012 Performance
Environmental Management	
OTE: Analysis of energy consumption by appropriate end uses	☺
COSMOTE: Certify GLOBUL (Bulgaria) and COSMOTE Romania to ISO 14001	☺
OTE: Finalize EMS proposals and start up the development of necessary documentation	☺
Climate Change	
OTE: Announcement of climate change strategy	😐
COSMOTE: Prevent emission of over 4,000 tn CO_2 due to programmes implemented	☺
Energy	
OTE: Keep electricity efficiency at 2011 levels	☺
COSMOTE: Prevent use of electricity energy by 4% per BS due to programmes implemented	☺
OTE: Further improve efficiency (of owned vehicle fleet) by 5%	☺
OTE: Full application of IT system for real-time routing of owned vehicles	😐
COSMOTE: Reduce petrol consumption in network by 5%	☹
OTE: Obtain all necessary licenses for new RES projects and begin installation	☺
OTE: Introduction of natural gas in major OTE buildings in Attica	😐
OTE: Maintain the declining trend of heating diesel consumption	☺

2013 Goals
Environmental Management
OTE-COSMOTE: Develop a fully operational IT system for the OTE and COSMOTE environmental data collection
OTE-COSMOTE: Renewal of ISO 14001:2004 for COSMOTE Romania and AMC
OTE: Receive ISO 14001:2004 certification for the OTE EMS
COSMOTE: Renewal of ISO 14001:2004
COSMOTE: Streamline EMF policy of COSMOTE, COSMOTE Romania and AMC with the DT policy on EMF
Climate Change
OTE-COSMOTE: Announcement of a long term (2020) CO_2 emissions reduction target against a 2008/2009 baseline
OTE: Reduce CO_2 emissions (scope 1 and scope 2) by 5% compared to 2008 levels **COSMOTE**: Prevent emission of over 5,500 tn CO_2 due to programmes implemented
Energy
OTE-COSMOTE: Monitoring electricity efficiency (OTE: 141 MWh/mn€; COSMOTE: 130 MWh/mn€)
OTE: Improved energy performance of service vehicles by 5%
COSMOTE: Prevent energy use by 5% per base station

2012 Goals	2012 Performance
Waste	
OTE: Pilot programme for recycling in selected buildings	☺
COSMOTE: Collect 15kg phone devices & accessories per collection point	☺
COSMOTE: Recycle 100% of WEEE materials withdrawn	☺
COSMOTE: Recycle 100% of lead batteries withdrawn	☺
COSMOTE: Recycle 100% of oil lubricants withdrawn	☺
OTE: Packaging materials recycling at OTE Retail Stores	
COSMOTE: Recycle 100% of packaging waste in central warehouse	☺
COSMOTE Reuse 30% of ink cartridges bought and manage alternatively 100% of non-recyclable ones	☺
Water	
OTE: Decrease water consumption by 5%.	😐
EMF	
COSMOTE: Reach 205 points of EMF measurement (Pedion 24)	☺

2013 Goals
Waste
OTE-COSMOTE: Establishment of an integrated recycling programme for packaging materials in the Central Administration building and in the new office complex in Paiania
OTE-COSMOTE: Streamline recycling programmes for phones and accessories in OTE, COSMOTE, GERMANOS retail network
OTE-COSMOTE: Recycle 100% of technical waste withdrawn
Water
EMF
COSMOTE: Install 15 additional measurement stations in 2013

7. INFORMATION ABOUT THIS REPORT

CORPORATE RESPONSIBILITY REPORT 2012

7.1 AccountAbility Principles Standard AA1000 Index

Principle Applied	Methods	Report Location	Coverage Level
Inclusivity	Identification of key stakeholders and dialogue to understand key issues	2.3.1 CR Strategic Framework Principles 2.3.2 Materiality Methodology 2.6.1 Stakeholder Engagement Management Approach 2.6.2 CR Stakeholder Survey 2.6.3 Overview of Stakeholder Engagement in 2012	Fully
Materiality	Identification of issues which are important to the company and its stakeholders	2.3.1 CR Strategic Framework Principles 2.3.2 Materiality Methodology 2.6.1 Stakeholder Engagement Management Approach 2.6.2 CR Stakeholder Survey 2.6.3 Overview of Stakeholder Engagement in 2012	Fully
Responsiveness	Responsiveness to key issues and transparency on performance	2.3.1 CR Strategic Framework Principles 2.3.2 Materiality Methodology 2.6.1 Stakeholder Engagement Management Approach 2.6.2 CR Stakeholder Survey 2.6.3 Overview of Stakeholder Engagement in 2012	Fully

7.2 United Nations Global Compact -Communication on Progress (COP), 2012

"OTE and COSMOTE continue to abide by the principles of the UN Global Compact. Both companies have chosen to support and uphold these principles as they constitute a valuable sense of direction for internal operations as well as for our relations with external stakeholders. We believe it is vital to be an active advocate of the 10 principles and of Corporate Responsibility."

Michael Tsamaz

Chairman & CEO

Since 2008, both OTE and COSMOTE support the UN Global Compact, the largest voluntary corporate citizenship initiative in the world and abide by its ten universal values in the areas of human rights, labor standards, the environment and anti-corruption.

The 2012 CR Report of OTE and COSMOTE includes a detailed presentation of the companies' priorities, activities, goals and outcomes, structured in a four pillar approach, concerning the employees, the market, the environment, and the society.

During 2012, OTE and COSMOTE achievements, relevant to upholding Global Compact principles include:

- Extending further and systemising efforts to record, measure and gradually reduce the "ecological footprints" of OTE and COSMOTE.
- As the most economically challenging period for Greece continues, OTE and COSMOTE represent key drivers for growth and investment in new technologies and infrastructure. The companies' milestone goals for broadband development in the whole 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 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 employees' wellbeing and development, while respecting and implementing equal opportunity and human rights policies.
- Upholding strong ethics and anti-corruption policy and supporting mechanisms that promote transparent and responsible business conduct.

The 2012 CR Report of OTE and COSMOTE is available online at: www.ote-cosmote-cr2012.gr

UN Global Compact 10 Principles: Actions recorded in 2012 CR Report

Issue	Principle	Report Location	Coverage Level
Human Rights	1. Support and respect protection of internationally proclaimed human rights	4.4.1 Fair Employment Policy Framework	Fully
	2. Ensure not to be complicit in human rights abuses	4.4.1 Fair Employment Policy Framework 3.5.1 Responsible Procurement OTE and COSMOTE Policies	Fully
Labor Standards	3. Uphold freedom of association and effective recognition of right to collective bargaining	4.4 Fair Employment 1. Policy Framework 2. Freedom of Association and Collective Agreements	Fully
	4. Elimination of all forms of forced and compulsory labour	4.4.1 Fair Employment Policy Framework 3.5.1 Responsible Procurement OTE and COSMOTE Policies	Fully
	5. Effective abolition of child labour	4.4.1 Fair Employment Policy Framework 3.5.1 Responsible Procurement OTE and COSMOTE Policies	Fully
	6. Elimination of discrimination in employment and occupation	4.4.3 Non-Discrimination, Equal Opportunity and Diversity	Fully
Environment	7. Support a precautionary approach to environmental challenges	6.4 Managing Energy Use and Addressing Climate Change 6.5.1 Waste Management and Disposal Practices 6.6 Other Environmental Aspects of OTE and COSMOTE Operation	Fully
	8. Undertake initiatives to promote greater environmental responsibility	6.2.2 Environmental Management 6.3 ICT for Sustainable Development 6.4 Managing Energy Use and Addressing Climate Change 6.5 Resource Use and Waste Management 6.7 Environmental Awareness Initiatives	Fully
	9. Encourage development and diffusion of environmentally friendly technologies	6.3 ICT for Sustainable Development 6.4.2.2. Energy Conservation	Fully
Anti-Corruption	10. Work against corruption in all its forms including extortion and bribery	2.5.1, 5.3 Compliance Management, Compliance Activities in 2012	Fully
Contribute to broader development goals		1.1 Investing in Digital Greece 3.3.3 Broadband Growth in the Periphery 3.6 Internet Safety and Public Awareness 5.2 Social Products, Services and Offers 5.3 Social Contribution	Fully

7.3 Global Reporting Initiative G3.1 Index

Index Key: F = Fully P = Partially Not = Not Reported

GRI	Summary Description	Status	Report section
Strategy and Analysis			
1.1	Most senior decision-maker statement	F	A
1.2	Key impacts, risks and opportunities	F	A 2.1, 2.2, 6.3, 2.8 6.1, 4.2, 5.1, 6.8
Organisation Profile			
2.1	Name of organisation	F	B 1.2.1
2.2	Brands, products and/or services	F	1.3
2.3	Operational structure of organisation	F	1.2.1
2.4	Headquarters location	F	B
2.5	Countries of operation	F	1.2.1
2.6	Ownership and legal form	F	1.2.1,2, https://www.ote.gr/documents/10280/2664850/ekthesiQ4_2012_eng.PDF/0a3785c1-9d62-4321-ac72-4a58eb913c19
2.7	Markets served	F	1.2.1
2.8	Scale of the reporting organisation	F	B, 1.2.1, https://www.ote.gr/documents/10280/2664850/ekthesiQ4_2012_eng.PDF/0a3785c1-9d62-4321-ac72-4a58eb913c19
2.9	Significant changes in reporting period	F	1.2.3, https://www.ote.gr/documents/10280/2664850/ekthesiQ4_2012_eng.PDF/0a3785c1-9d62-4321-ac72-4a58eb913c19
2.10	Awards received in reporting period	F	2.7.2
Report Parameters			
3.1	Reporting period	F	B
3.2	Date of most recent Report	F	B
3.3	Reporting cycle	F	B
3.4	Contact point about the Report	F	B
3.5	Process for defining Report content	F	B 2.3.2, 2.6.2,3
3.6	Boundary of the Report	F	B
3.7	Limitations on boundary or scope of Report	F	B
3.8	Joint ventures, subsidiaries and outsourcing	F	B
3.9	Data measurement techniques	F	B
3.10	Effects and reasons of restated information	F	B

3.11	Significant changes in Report scope, boundary, methods	F	B
3.12	GRI Content Index	F	7
3.13	External assurance policy	F	B, 7.4
Governance, Commitments and Engagement			
4.1	Governance structure	F	2.4.1,2, 4.4.3
4.2	Whether BoD Chair is also CEO	F	A, 2.4.1,2
4.3	Defining independent Board members	F	2.4.2
4.4	Mechanisms for shareholders and employees to communicate with the Board	F	2.4.2, 4.4.3
4.5	Linkage between executive compensation and organisation performance	F	2.4.2
4.6	Board processes to prevent conflicts of interest	F	2.4.2, 2.5.1
4.7	Procedures for determining Board members expertise	F	https://www.ote.gr/en/web/guest/corporate/ir/corporate-governance/board-of-directors/board-of-directors-committees
4.8	Internal statements of mission, codes and principles	F	2.3.3, 5.1, 6.2
4.9	Board governance of sustainability performance	F	2.2, 2.3.4, 3.2, 3.3, 4.2
4.10	Evaluation of Board's sustainability performance	F	2.4.2
4.11	Precautionary approach	F	2.3.1,2, 4.3.1,2, 6.4, 6.5.1, 6.6.4.1
4.12	External charters, codes and principles	F	2.7.1
4.13	Memberships in associations and advocacy bodies	F	2.7.1, 3.2.2
4.14	Stakeholder groups engaged	F	2.6.1,3
4.15	Stakeholder identification and selection for engagement	F	2.6.1,2
4.16	Approaches to stakeholder engagement	F	2.6.1,3
4.17	Topics and concerns raised by stakeholders	F	2.6.1,3
ECONOMIC			
Disclosures on Management Approach			
Economic performance		F	3.1, 3.9, 3.10
Market presence		F	3.1, 3.9, 3.10
Indirect economic impacts		P	2.1, 2.2, 3.1, 3.9, 3.10
EC1	Direct economic value generated and distributed	P	1.2 (Table 2)
EC2	Financial implications due to climate change	P	6.3, 6.4
EC3	Coverage of organisation's defined benefit plan	Not	
EC4	Government financial assistance	F	1.2.2
EC5	Entry level wage compared to minimum wage	F	4.4.3
EC6	Locally based suppliers	Not	
EC7	Local hiring	Not	
EC8	Infrastructure investments and services benefiting the public	P	1.1, 3.3.1,2,3, 5.2.1,2,3, 6.3, 6.6.3, 6.6.4
EC9	Indirect economic impacts	P	1.1, 3.3.2,3, 5.2.1,2,3

ENVIRONMENTAL			
Disclosures on Management Approach			
Materials		F	6.2, 6.2.1, 6.5, 6.8
Energy		F	6.2, 6.2.1, 6.4.2.1, 6.4.2.2, 6.8
Water		F	6.2, 6.2.1, 6.6.2, 6.8
Biodiversity		F	6.2, 6.2.1, 6.6.3, 6.8
Emissions, effluents and waste		F	6.2, 6.2.1, 6.4.1, 6.4.2.2, 6.5, 6.6.1, 6.6.2, 6.8
Products and services		F	6.2, 6.2.1, 6.4.2.2, 6.5, 6.6.3, 6.6.4, 6.8
Compliance		F	6.2, 6.2.1, 6.2.2, 6.6.4, 6.8
Transport		F	6.2, 6.2.1, 6.4.1, 6.4.2.1, 6.4.2.2.3, 6.8
Overall		F	6.2, 6.2.1, 6.2.2, 6.6.4, 6.8
EN1	Volume of materials used	P	6.5.1.3, 6.5.2
EN2	Recycled materials	P	6.5.3
EN3	Direct primary energy consumption	F	6.4.2.1
EN4	Indirect primary energy consumption	F	6.4.2.1
EN5	Energy conservation	F	6.4.2.2
EN6	Initiatives for energy efficiency and renewables	F	6.3, 6.4.2.1, 6.4.2.2
EN7	Initiatives for reducing indirect energy consumption	P	6.4.1.3, 6.4.2.2.3, 6.5.1.3
EN8	Total water withdrawal	F	6.6.2
EN9	Effect of water withdrawal	F	6.6.2
EN10	Water recycled and reused	F	6.6.2
EN11	Land assets in or adjacent to protected areas	P	6.6.3
EN12	Impacts on biodiversity	F	6.6.3, 6.6.4.1, 6.6.4.2
EN13	Habitats protected or restored	F	6.6.3
EN14	Strategy for biodiversity	P	6.6.3
EN15	Endangered species	F	6.6.3
EN16	Greenhouse gas emissions	F	6.4.1.1, 6.4.1.2
EN17	Other greenhouse gas emissions	F	6.4.1.3
EN18	Initiatives to reduce greenhouse gas emissions	F	6.4.2.2
EN19	Emissions of ozone-depleting substances	F	6.6.1
EN20	NOx SOx and other air emissions	F	6.4.1.1
EN21	Water discharge	F	6.6.2
EN22	Waste by type and disposal method	F	6.5.1, 6.5.2, 6.5.3
EN23	Significant spills	F	6.5.1.1.1, 6.5.1.1.2, 6.6.2
EN24	Waste deemed hazardous under Basel Convention	F	6.5.1.1
EN25	Impacts of discharge and runoff on biodiversity	F	6.6.2
EN26	Initiatives to mitigate environmental impacts	F	6.4.2.1, 6.4.2.2, 6.5, 6.6.1-6.6.6
EN27	Packaging materials	P	6.5.2
EN28	Non-compliance with environmental regulations	F	6.2.2
EN29	Environmental impacts of transport	F	6.4.1, 6.4.1.3, 6.4.2.1, 6.4.2.2.3

EN30	Environmental protection expenditures	P	6.2.2, 6.6.4.1
SOCIAL: LABOR PRACTICES			
Disclosures on Management Approach			
Employment		F	4.1, 4.9
Labor/Management relations		F	4.4.1, 4.9
Occupational health and safety		F	4.3.1,2, 4.9
Training and education		F	4.6.1,2
Diversity and equal opportunity		F	4.4.3
Equal remuneration for men and women		F	4.4.3
LA1	Workforce by employment type, region, gender	F	4.4.3 (Workforce Diversity Table)
LA2	Employee turnover	P	4.4.3 (Turnover Table)
LA3	Benefits for full time employees	F	4.5
LA4	Coverage of collective bargaining agreements	F	4.4.2
LA5	Minimum notice periods on operational changes	F	4.4.1
LA6	Workforce represented in joint HGS Committees	P	4.3.1
LA7	Occupational diseases, lost days and fatalities	P	4.3.3
LA8	Training on serious diseases	F	4.3.4
LA9	Trade union agreements on Health and Safety	F	4.3.1
LA10	Training per employee by gender and category	P	4.3.4, 4.6.2
LA11	Programmes for lifelong learning	P	4.6.2
LA12	Performance and development reviews by gender	F	4.6.1
LA13	Governance bodies by diversity criteria	P	4.4.3
LA14	Basic remuneration ratio by gender	F	4.4.3
LA15	Parental leave return and retention rates by gender	Not	
SOCIAL: HUMAN RIGHTS			
Disclosure on Management Approach			
Investment and procurement practices		P	3.5.1, 2, 3.10
Non-discrimination		F	4.4.3
Freedom of association and collective bargaining		F	4.4.2
Child labor		F	4.4.2
Prevention of forced and compulsory labor		F	4.4.2
Security practices		F	3.8
Indigenous rights		Not	
Assessment		P	3.5.1,2, 4.4.3
Remediation		P	4.4.3
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	4.4.3
HR5	Freedom of association and collective bargaining	F	3.5.1,2, 4.4.1,2

HR6	Child labor in operations and supply chain	F	3.5.1,2, 4.4.1,2
HR7	Forced labor in operations and supply chain	F	3.5.1,2, 4.4.1,2
HR8	Human rights training of security personnel	P	3.8
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		F	5.1, 5,6, 6.6.4
Corruption		F	2.5.1,3
Public Policy		F	3.1, 2.1, 2.2
Anti-competitive behaviour		F	3.2.1, 2.2
Compliance		F	2.5.1
SO1	Local communities engagement & impact programmes	P	2.6.1,2, 5.1, 6.6.3, 6.6.4
SO2	Coverage of corruption risk assessments	P	2.5.3
SO3	% of employees receiving anti-corruption training	P	2.5.3
SO4	Incidents of corruption and actions taken	P	2.5.3
SO5	Public policy and lobbying positions	F	3.2.2
SO6	Political donations and contributions	F	2.5.1
SO7	Legal actions for anti-competitive conduct	F	3.2.1
SO8	Fines and sanctions for regulatory non-compliance	F	3.2.1, 3.4.1, 4.3, 3.8
SO9	Negative impacts on local communities	P	1.1, 5.1, 6.6.3, 6.6.4
SO10	Prevention and mitigation of negative impacts	Not	
SOCIAL: PRODUCT RESPONSIBILITY			
Disclosures on Management Approach			
Customer Health and Safety		F	3.4.3
Product and service labelling		F	3.4.3
Marketing communications		F	3.4.1
Customer privacy		F	3.8
Compliance		F	3.4.3, 3.8
PR1	Health & Safety impacts in products life cycles	F	3.4.3, 6.5.1, 6.6.4
PR2	Non-compliance with H&S regulations for products	F	3.4.3, 6.5.1, 6.6.4
PR3	Product information	F	3.4.3, 6.6.4.1
PR4	Non-compliance with product information standards	F	3.4.3
PR5	Customer satisfaction	F	3.7.1,2
PR6	Marketing standards	F	3.4.1,3
PR7	Non-compliance with marketing standards	F	3.4.1,3
PR8	Complaints regarding customer data security	P	3.8
PR9	Fines for non-compliance with product regulations	F	3.4.1,3, 3.8

7.4 External Assurance

7.4.1 Independent Assurance Statement

Independent assurance statement by Deloitte Hadjipavlou Sofianos & Cambanis S.A. ('Deloitte') to the management of Hellenic Telecommunications Organization S.A. ('OTE') and COSMOTE Mobile Telecommunications S.A. ('COSMOTE') on the 2012 common Corporate Responsibility Report ('CR Report') for the year ended 31 December 2012.

Scope of our work and the assurance standards we used

The Corporate CR team of OTE and COSMOTE engaged us to:

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

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

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

Key performance indicators for both OTE and COSMOTE

- Number of complaints from customers by fixed line and mobile business, p. 46
- Loyalty index (TRIM), p. 47
- Tracking survey with regard to social sensitivity, p. 47
- Suppliers evaluated as % of the procurement volume, p. 42
- Number of OTE-COSMOTE scholarships and honorary distinctions for students with low income or disabilities, p. 71
- CR expenditure for 2012, p. 68
- Total number of people in work-related accidents and total work days lost, p. 53
- Percentage of male and female employees, p. 58
- Percentage of female employees reporting directly to CEO, p. 58
- Average number of training hours and number of employees participating in training, p. 60
- Number of complaints regarding discrimination, p. 57
- Employee turnover (departures) as a % of total employees, p. 59
- Direct and indirect energy consumption by primary source (GWh), p. 87-88
- Total direct and indirect GHG emissions due to the consumption of energy, by weight (CO_2 eq), p. 86-87
- Quantity of recycled Lubricants (tones), p. 93
- Quantity of recycled Batteries (tones), p. 93

Key performance indicators for OTE

- Number of participants in the OTE Telecomunications Museum educational programme 'Arts Workshop on Telecommunications', for children aged 5-10, p. 73
- Quantity of technical waste (metals & cables) recycled (tonnes), p. 93

Key performance indicators for COSMOTE

- Number of measurements on EMF conducted by specialized scientific personnel of COSMOTE and independent institutions, p. 99
- Total number of training sessions to climbers on work safety, p. 55

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

Whether the self-declaration of OTE and COSMOTE 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 and COSMOTE's activities in Greece. We carried out a Type 1 moderate (i.e. limited) assurance in accordance with AA1000AS. A Type 1 engagement requires us to report on the nature and extent of adherence to AA1000 APS. To achieve moderate-level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS in combination with our robust evidence-based and quality-assured approach to professional and independent assurance.

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

Our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Analysed and tested on a sample basis the processes related to stakeholder identification and engagement, including a review of a sample of engagements and the outcomes of engagement;
- Reviewed the process that OTE and COSMOTE used to identify and determine material issues to be included within the common CR Report. This included a review of external media coverage and peer reporting on CR in 2012 to corroborate issues identified by OTE and COSMOTE;
- Interviewed a selection of OTE and COSMOTE executives and senior management who have operational responsibility for CR issues, including the OTE and COSMOTE 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 2012 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 2012;
- Reviewed OTE's and COSMOTE's approach to ensuring application of GRI guidelines, including checking that the GRI conformance index available on pages 109-113 addresses the relevant indicators; and
- Reviewed the content of the common 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 and COSMOTE

- 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 and COSMOTE that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.
- Our team consisted of a combination of qualified Accountants with professional assurance qualifications and professionals with a combination of environmental, CR and stakeholder engagement experience, including many years' experience in providing CR report assurance.

Roles and responsibilities

The Corporate Responsibility team of OTE and COSMOTE has prepared the common CR Report for the intended audience of stakeholders, as outlined in the 'Management Approach' section on page 23. 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 common CR Report and for the information and statements contained within it. The General Directors are responsible for approving the common 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 and COSMOTE those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than OTE and COSMOTE for our work, for this statement, or for the conclusions we have formed.

Our observations and recommendations

OTE and COSMOTE have made the following key improvements in managing and reporting their CR performance during 2012:

- Adopted a common CR strategy as well as CR programs and initiatives, which are clearly and coherently presented in the common CR Report.
- Conducted an extensive stakeholder CR survey using a combination of methodologies, including group discussions (focus groups) and personal in-depth interviews.
- Proceeded with the development and implementation of an integrated environmental data collection and reporting scheme.

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

Inclusivity:

- OTE and COSMOTE 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 and COSMOTE, 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 future this communication occur in a more integrated and regular manner so that material CR issues can be identified and prioritized more effectively.

Responsiveness:

- The common CR Report lists a number of targets, however in order to strengthen the responsiveness to material issues we would recommend that OTE and COSMOTE Management set more quantitative and focused performance indicators in the framework of long and short-term targets.

The observations and recommendations have been taken into account in forming our conclusions on the common 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 and COSMOTE have implemented processes and procedures, as described on page 106, 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 and COSMOTE's self-declaration on page 6 that it has applied the GRI guidelines at level B+ in preparing the Report, are materially misstated.

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

Athens, 29/05/2013
Deloitte Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
Paris Efthymiades
Partner

Deloitte.

AA1000
Licensed Assurance Provider
000-64

7.4.2 GRI Statement

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **OTE & COSMOTE** has presented its report "OTE - COSMOTE 2012 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 10 May 2013

B+ GRI REPORT GRI CHECKED

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The "+" has been added to this Application Level because OTE & COSMOTE 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 1 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

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