

# 2013 CORPORATE RESPONSIBILITY REPORT





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# 1.0 About this Report



# 1.0

## About this Report

The 2013 Corporate Responsibility Report is the second common CR Report of OTE and COSMOTE, following the 2012 common CR report and the separate ones published from 2005 to 2011. The companies publish a joint CR Report, within the framework of their operational integration, as explained in the [ABOUT THIS REPORT / OTE and COSMOTE](#) section.

This year, the CR Report is presented entirely online as an eco-friendly initiative on a reporting platform, common for OTE and COSMOTE.

### Report Scope and Boundary

The CR Report covers the period 01 January 2013 – 31 December 2013 (unless otherwise indicated in specific items).

- The Report covers the operations and activities in Greece of OTE S.A. and COSMOTE Greece. The two companies have their headquarters in Athens.
- In addition, summary information on OTE Group of companies is included in the [ABOUT THIS REPORT / OTE Group](#) section, so as to provide the reader a complete picture of OTE Group. Moreover, summary information on how the major telecommunications subsidiaries of the two companies in South- Eastern Europe approach sustainability is presented in the [OTE GROUP SUBSIDIARIES](#) section.
- This approach represents a continuation and integration of the scope and boundary approach followed in previous years by OTE and COSMOTE, and at the same time the initiation of a process to gradually provide more information on the Group wide approach to sustainability.

### Report Content Definition

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

- The Global Reporting Initiative's Sustainability Reporting Guidelines(GRI G3.1)
- The AccountAbility AA1000 Principles on Inclusivity, Materiality and Responsiveness
- The United Nation's Global Compact Principles.

The index tables for each of these standards are provided in the [INDEXES / Accountability Principles Standard AA1000 Index](#), [INDEXES / United Nations Global Compact – Communication on Progress \(COP\)](#) and [INDEXES / Global Reporting Initiative G3.1 Index](#) sections.

In addition, the companies took into consideration their CR framework (presented in the [CR STRATEGY AND MANAGEMENT](#) section, the outcomes of the stakeholder engagement (presented in the [CR STRATEGY AND MANAGEMENT / Stakeholder Engagement](#) section and sustainability issues materiality analysis presented in the [CR STRATEGY AND MANAGEMENT / Materiality Analysis](#) section.



Working towards the preparation of reporting according to GRI G4, the companies have invested additional resources in the analysis of their material sustainability issues.

The stakeholders for whom the Report is prepared are the employees, the investors, the customers, the public and regulatory bodies, the media suppliers, local communities and Non-Governmental Organizations. The issues raised by the Stakeholders, and the companies' responsiveness, are outlined in the [CR STRATEGY AND MANAGEMENT / Stakeholder Engagement](#) section.

The CR Report is subject to [external assurance](#), covering the AA1000 Principles Standard, and specific OTE and COSMOTE performance indicators. In addition, the Report's [GRI Application Level](#) has been reviewed by the Global Reporting Initiative.

## Report Data

The data in the Report comprise the following record systems provided by OTE and COSMOTE: aggregated financial and personnel data, aggregated data on customer service, summary data on regulatory actions.

## GRI Application Level

The GRI Application Level for the 2013 CR Report of OTE and COSMOTE is indicated below. The A+ Application Level has been reviewed by GRI Application Level Check.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	<div>Profile Disclosures</div> <div>OUTPUT</div>	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.32 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
	<div>Disclosures on Management Approach</div> <div>OUTPUT</div>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	<div>Performance Indicators &amp; Sector Supplement Performance Indicators</div> <div>OUTPUT</div>	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility***		Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	
* Sector supplement in final version.							
** Performance Indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines.							
*** Performance Indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines.							

Full information on the fulfilment of GRI G3.1 requirements is provided in the [INDEXES / Global Reporting Initiative G3.1 Index](#).

## Report Feedback

Readers' opinions and comments regarding the CR Report are welcome. Please send your feedback to the e-mail address: [OTE-COSMOTE.cr@ote.gr](mailto:OTE-COSMOTE.cr@ote.gr).



# 1.1

## Message from the Chairman and CEO

Along with strength comes responsibility. At OTE Group we are equally concerned with our economic, social and environmental scale and impact. Success is not sustainable if one of these ingredients is missing.

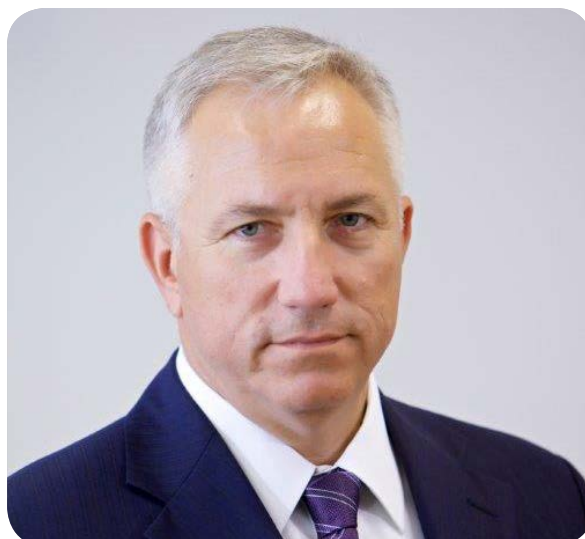
To remain strong, we constantly evolve. Sustainability is also about evolving, especially in the telecommunications industry that is truly transforming the world.

2013 was a very productive year in that respect. We continued our transformation into a modern, dynamic, high performing company and we took significant steps to improve customer satisfaction. To this end, we cemented our financial stability, reduced our costs, and improved our topline performance, opening the way for investments. We remained by far the biggest investor in new technologies in Greece, further expanding our New Generation Networks at a fast pace.

We further focused on our employees. We renewed our workforce in a socially responsible manner; through successful Voluntary Exit Schemes (VES) and new recruits offering much-needed job opportunities. With our people being our most valuable asset, last year we invested heavily in their development and provided fair opportunities for personal growth.

Going forward, Corporate Responsibility will remain an essential part of our operations and continue to drive our actions.

We have a concrete strategy: Despite the tough economic conditions, we will continue to meet our



social and environmental responsibilities and hold on to our commitment to be present in the communities we operate in. Furthermore, with our technology we will help businesses to grow, and national economies to develop and prosper. At OTE, we can and we will enable people to improve their quality of life.

At the end of the day we want to give our customers the best possible digital communications experience through our technology and expertise, and develop an even stronger, more sustainable business that will create new opportunities for all.

**Michael Tsamaz**  
Chairman and CEO of OTE Group



# 1.2

## OTE Group

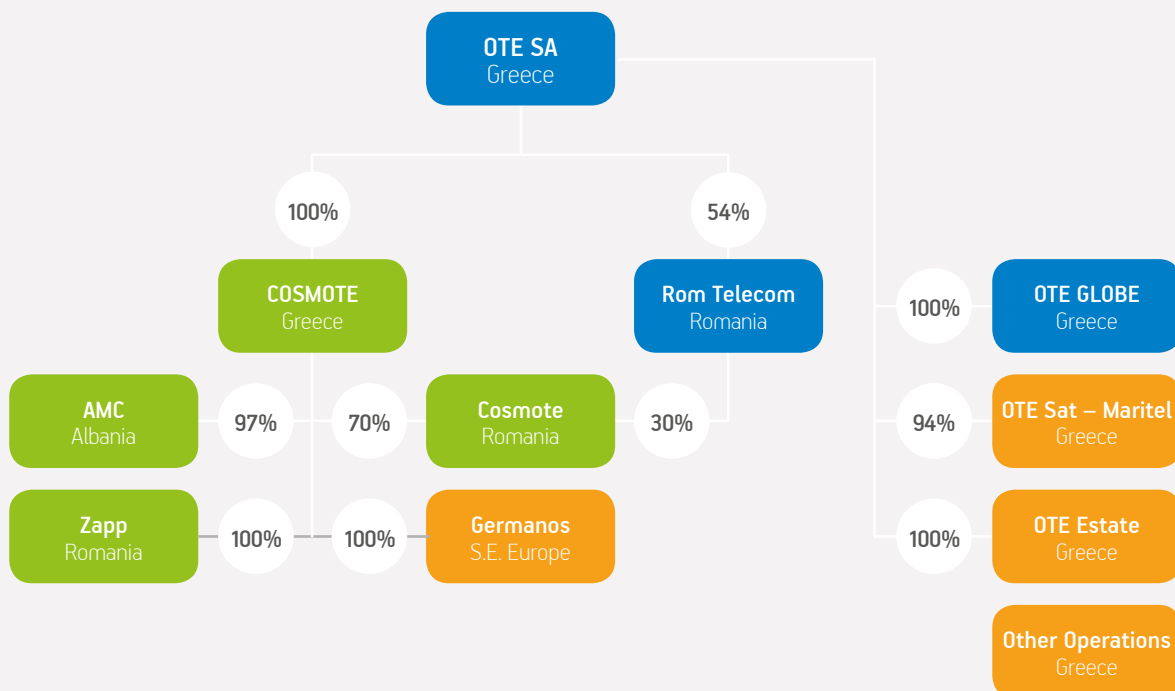
OTE Group is Greece's leading telecommunications organization and one of the pre-eminent companies in South-Eastern Europe, providing top-quality products and services to its customers. Its organizational structure is presented in outline form below.

### OTE Group Structure 2013

Fixed-Line Telephony

Mobile Telephony

Other Operations





Also available on OTE website: <https://www.ote.gr/web/guest/corporate/ir/business-overview/organizational-structure>

More information on the OTE Group structure is available in the OTE Annual Report 2013 at: <https://www.ote.gr/web/guest/corporate/ir/publications/annual-reports>. The Group comprises the parent company OTE S.A. and its subsidiaries, offering fixed-line (voice, broadband, data and leased lines), TV and mobile telephony services in Greece and Romania, as well as mobile telephony services in Albania. The Group is also involved in a range of activities in Greece, notably in real-estate and professional training.

At present, companies in which OTE Group has an equity interest, employ more than 22,600 people. The group's revenue for the year ending on the 31st of December 2013, was €4,054.1mn, while its market capitalization stood at €4.7bn.

For the OTE Group, 2013 was a year of significant achievements. Over 1,800 OTE employees in Greece opted to accept an early retirement plan offered in 2013 bringing total departures in the Greek and Romania fixed-line operations to nearly 8,000 since the end of 2009, reducing substantially the cost base and enhancing competitiveness. Through strong cash flow generation and well-executed asset disposals, OTE Group continued to build a robust financial structure while, at the same time, continuing to invest in the future of its operations, notably in Greece. 2013 was also a year of improvement in operating performances. Group revenue declines shrank quarter by quarter, ending with a slight rebound in the 4th quarter, the first quarterly sales increase the Group has achieved in five years. Reflecting the continuing cost-containment efforts, the EBITDA margin improved sharply in the 4th quarter and for the full year. And most importantly, OTE Group further enhanced its service offerings and invested in solutions aimed at creating a flawless customer experience across its operations.

### OTE Group Financial Performance

(€mn)	2012 <sup>1</sup>	2013
<b>Total Revenues</b>	<b>4,330.3</b>	<b>4,054.1</b>
Payroll and Employee Benefits	(914.5)	(821.5)
Cost of Early Retirement Program	(123.0)	(272.4)
Interconnections and Roaming Cost	(510.5)	(468.2)
Depreciation, Amortization and Impairment	(818.4)	(842.5)
Device Costs	(254.2)	(276.4)
Other Operating Expenses	(1,164.5)	(1,080.0)
<b>Total Operating Expenses</b>	<b>(3,785.1)</b>	<b>(3,761.0)</b>
<b>Operating Profit (EBIT)</b>	<b>574.5</b>	<b>335.4</b>
<b>EBITDA</b>	<b>1,392.9</b>	<b>1,177.9</b>
as % of Revenues	32.2%	29.1%
<b>Pro forma<sup>2</sup> EBITDA</b>	<b>1,515.9</b>	<b>1,456.3</b>
as % of Revenues	35.0%	35.9%

#### Notes

<sup>1</sup> Figures adjusted to reflect only continuing operations (Bulgarian operations treated as discontinued operations) and accounting reclassifications of revenues.

<sup>2</sup> Excluding the impact of Voluntary Retirement Programs and Restructuring Plans.



## OTE Group Economic Contribution

(€mn)	2012 <sup>1</sup>	2013
Salaries and Benefits	(914.5)	(821.5)
Income Taxes Paid	(108.0)	(121.3)
Interconnections and Roaming Cost	(510.5)	(468.2)
Device Costs	(254.2)	(276.4)
Fees and Commissions Due to 3rd Parties (incl. taxes other than income taxes and regulatory charges)	(233.8)	(195.9)
Profit Attributable to Owners of the Parent	471.9	316.7
Financial Sponsorships, Donations and Fund-raising Directed to Community Causes	2.9 <sup>2</sup>	2.9

## Notes

<sup>1</sup> Figures adjusted to reflect only continuing operations (Bulgarian operations treated as discontinued operations) and accounting reclassifications of revenues.

<sup>2</sup> Data do not include Romtelecom.

## Breakdown of OTE Group Revenues

(€mn)	2012*	2013	Change
Fixed Line Operations, Greece	1,704.0	1,557.2	–8.6%
Fixed Line Operations, Romania	619.6	609.5	–1.6%
Mobile Operations, Greece	1,524.7	1,336.5	–12.3%
Mobile Operations, International	551.4	544.7	–1.2%
Others	462.1	448.0	–3.1%
Intragroup Eliminations	(531.5)	(441.8)	–16.9%
<b>Total</b>	<b>4,330.3</b>	<b>4,054.1</b>	<b>–6.4%</b>
Other Income / (expense), Net	29.3	42.3	44.4%

## Notes

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



## Significant Developments / Events in 2013

On January 7, 2013 OTE announced the completion of its Voluntary Exit Program, launched in November 2012. The Scheme's initial target was significantly exceeded, as 1,516 employees accepted the incentives offered by the company, mainly from the tranche that met the prerequisites for retirement within the period 2013–2015.

On January 16, 2013 OTE's subsidiary, OTE plc concluded under the Global Medium Term Note (GMTN) Program a private bond exchange agreement by which it exchanged €187mn of the August 2013 Notes (ISIN XS0173549659) with a further issue of €187.7 mn Notes maturing in February 2015.

On 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 2013.

On 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 amounted to €717 mn (enterprise value). The transaction was completed in July 31, 2013.

On July 24, 2013 COSMOTE Romania, subsidiary of the OTE Group, secured a €225 mn loan arranged by the European Bank for Reconstruction and Development (EBRD) in order to finance the strategic growth of its broadband infrastructure. COSMOTE Romania intends to use the resources for the expansion of its 4G network and the renewal of its spectrum licenses. The loan matures in April 2018.

On November 14, 2013 OTE announced the launching of Voluntary Exit Schemes, addressed primarily to employees near retirement, in the context of the company's transformation through socially responsible solutions. 1,827 employees chose to take advantage of these Schemes. At the same time, in the context of enhancing customer experience through quality technical and commercial service, OTE Group has announced 500 new job openings for technical support and salespeople in addition to a similar number already hired in the course of 2013.

Additional information concerning key events in 2013 is available in the OTE Annual Report 2013 at <https://www.ote.gr/web/guest/corporate/ir/publications/annual-reports>

## Main Products and Services

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

- Fixed telephony and broadband, with high VDSL speeds up to 50 Mbps (OTE and Romtelecom).
- Mobile telephony through COSMOTE in Greece and Romania, and AMC in Albania. Products and services include pre- and post-paid services, as well as mobile Internet (the first company in Greece to offer 4G services), value added and roaming services, as well as a wide range of mobile devices (smartphones, tablets) and accessories.
- Television services, via satellite or broadband connection, offering wide channel bouquet, at the most competitive prices (OTE and Romtelecom).
- 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 to the training needs of OTE Group employees, as well as to those of the wider public and private sector (OTEAcademy).

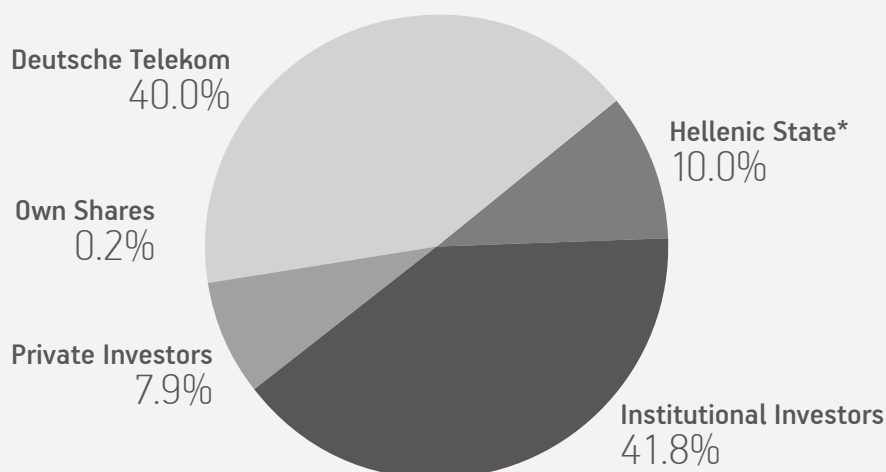


# 1.3

## OTE and COSMOTE

OTE S.A. is the parent company of OTE Group and the fixed line incumbent operator in Greece, offering broadband, fixed-line, TV, data and leased line services. In 2013, the company recorded revenues of €1,557.2mn and on December 31st, employed 6,878 people on permanent contracts.

**OTE Shareholder Structure (31/12/2013)**



\* Including voting rights attached to 4% of shares owned by State Pension Fund.

COSMOTE S.A., OTE's fully-owned subsidiary, is the leading provider of mobile telephony services in Greece, focusing on innovation, quality and customer care. In 2013, COSMOTE had revenues of €1,281mn and on December 31st, the company had 2,045 employees.

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



## Operational Integration

Aiming at becoming more competitive and efficient, OTE and COSMOTE have decided to move to a common organisational structure. This means in practice that instead of having different units for fixed and mobile telecommunication, operations are integrated under the same organisational structure. In this way, synergies are maximized, increasing the companies'

competitiveness (through exploitation of commercial opportunities, better customer experience, optimum network design etc.) and improving the companies' internal functioning (by adopting common planning and harmonizing procedures, exploiting economies of scale, establishing best practices etc.).

## Financial Performance

OTE and COSMOTE Financial Performance		
(€mn)	OTE S.A.	COSMOTE S.A.
<b>Total Revenues</b>	<b>1,557.2</b>	<b>1,281.0</b>
Payroll and Employee Benefits	(444.5)	(98.1)
Cost of Early Retirement Program	(250.9)	(4.2)
Interconnection and Roaming Cost	(140.2)	(69.0)
Depreciation, Amortization and Impairment	(322.5)	(212.8)
Device Costs	(30.0)	(155.0)
Other Operating Expenses	(384.8)	(474.0)

## Economic Contribution

OTE and COSMOTE Economic Contribution		
(€mn)	OTE S.A.	COSMOTE S.A.
Revenues	1,557.2	1,281.0
Operating Costs (ex. depreciation and VES)	(999.5)	(796.0)
Employee Wages and Benefits	(444.5)	(98.1)
Payments to Providers of Capital	(159.5)	(144.8)
Payments to the Greek Government	(9.7)	(88.9)
Community Investments	(2.8)	(1.6)
Economic Value Retained	(58.8)	151.6



## Products and Services

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

In 2013 OTE expanded its **VDSL** network with more than 1,100 new outdoor cabinets, offering speeds up to 50 Mbps in 170,000 additional phone lines. New ultra-fast speeds by OTE can be accessed by households and businesses in different regions of Attica, such as Alimos, Argiroupolis, Vrillisia, Voula, Vouliagmeni, Glyfada, Elliniko, Ilioupoli, Kalamaki, Melissia, N. Faliro, Penteli, Terpsithea, Philothei and Psychico.

Also within the year, OTE TV posted impressive growth, doubling its subscriber base that reached 255,000, and boosted significantly its content portfolio. In 2013, OTE TV's platform exceeded 75 thematic channels, of which 18 in high definition, providing over 50 live sports events per week, more than 1,000 movie premieres, high quality documentaries, rich juvenile and family content, at the market's most competitive tariffs.

COSMOTE offers mobile communications services, including pre- and post-paid services, mobile internet (the first company in Greece to offer 4G services), value added and roaming services, as well as a wide range of mobile devices (smartphones, tablets) and accessories. Full details of all COSMOTE products and services are available on the [COSMOTE website](#).

In 2013 COSMOTE welcomed [Spotify](#), the most popular music service in the world and offered its subscribers Spotify Premium in preferential prices and with free data streaming. With access to more than 20 million songs, COSMOTE users can create their own music world, whatever they do, wherever they are.

Another Highlight In COSMOTE'S Portfolio, [Cosmotebooks](#), The Largest Online Bookstore In Greece, Was Further Enriched, Now Counting More Than 1,000,000 Books, Magazines, Digital Books (E-Books), And With Purchase Of Toys, Stationery And Children's Movies Being One Click Away. Cosmotebooks Is Available Via The Internet And Via Special Applications For Smartphones And Tablets.

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





## 2.0 CR Strategy and Management



# 2.1

## Management Approach

---

OTE's and COSMOTE's strategic goal is to become a modern, dynamic, unified, customer-centric company. The companies aim to be the leaders in all their main activities (i.e. fixed, mobile, broadband, TV and B2B services), offering the best quality of services, the best network and the best working environment. OTE and COSMOTE strive at all times to further develop a sustainable business, while cultivating an ongoing stakeholder dialogue.

OTE and COSMOTE CR strategy is embedded in the companies' core business strategy with its CR initiatives linked to business objectives.





Their integrated CR framework, over the past six years, focuses on the most material issues, namely in Marketplace, Employees, Environment and Society, underpinned by stakeholder engagement, materiality analysis and cross-company goal setting.

The OTE and COSMOTE CR strategy and program are founded on the core values of both companies 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 to the key issues mentioned by them.

Both companies' goal, in applying these guidelines, is to ensure that their CR strategy and program 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 and, at the same time, are most important to the companies' stakeholders.

As members of DT Group, the companies have aligned their CR framework to DT's three CR action areas, i.e. connected life and work, connecting the unconnected and a low carbon society.

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 pro-actively 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
<ul style="list-style-type: none"> <li>Responsible Competition</li> <li>Expanding Broadband and Mobile Internet</li> <li>Responsible Procurement</li> <li>Public Awareness of Technology</li> <li>Customer Satisfaction and Service</li> <li>Data Security and Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Fair Employment</li> <li>Employee Development</li> <li>Employee Benefits</li> <li>Internal Communication</li> <li>Employee Satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Social Products and Services</li> <li>Social Contributions</li> <li>Employee Volunteerism</li> <li>Business Enterprising</li> </ul>	<ul style="list-style-type: none"> <li>Energy Efficiency</li> <li>Road Transport</li> <li>Greenhouse Gases</li> <li>Water</li> <li>Materials and Waste</li> <li>EMF</li> <li>Visual Impact</li> <li>Noise</li> <li>Public Awareness</li> </ul>
Connected Life and Work		Connect the Unconnected	Low-Carbon Society



In 2013, a year of continued economic stress and hardship in Greece, both companies focused on shielding their organizations, transforming them, optimizing operations and creating prospects for further growth in the future. OTE and COSMOTE maintained a strong focus on improving their CR performance, by strengthening the companies' approach to risk management and business continuity, investing on responsible products and

services development, continuing the organizations' restructuring by enhancing a common culture, supporting new entrepreneurship and vulnerable social groups, and enhancing environmental management processes and actions. Most of the CR goals OTE and COSMOTE set for 2013 have been achieved. For 2014, the companies are considering setting integrated and well defined goals.

### Key Achievements in 2013

- Appointment of the Chairman and CEO of OTE Group by the Boards of Directors, of the respective companies, as responsible for the supervision of Sustainability and Corporate Social Responsibility issues.
- Further enhancement of OTE Group CR strategy.
- Strengthening of the companies' Integrated Management System, which is now overseen by the newly constituted Management Systems' Steering Committee.
- Reinforcement of OTE Group's enterprise risk and compliance management approach.
- Consideration of CR aspects in the performance evaluation process of all employees.
- Strengthening of the materiality analysis process for sustainability issues, by involving the OTE and COSMOTE Management team and stakeholders.
- Improved communication of the OTE and COSMOTE CR performance to their stakeholders by adopting a fresh on-line presentation of this year's CR Report.



## 2.2

# CR Governance and Management Structure

---

The Chairman and CEO of OTE Group, by decision of the Boards of Directors of the respective companies, has been appointed as responsible for the supervision of OTE S.A. And COSMOTE S.A. Sustainability and Corporate Social Responsibility issues.

The OTE Group Corporate Communications Division is responsible for the development and implementation of the companies' CR strategy, with its Director reporting directly to the Chairman and CEO of OTE Group. The OTE Group Corporate Communications Director co-operates with the Chairman and CEO of OTE Group, on CR strategy issues and initiatives, and briefs, at least once annually the OTE and COSMOTE Management Team.





The OTE Group Corporate Communications Division works on developing the CR strategy, coordinating and managing CR activities throughout the companies, collecting and collating CR data, monitoring the implementation of the CR measures and targets, and communicating internally and externally the companies' CR performance.

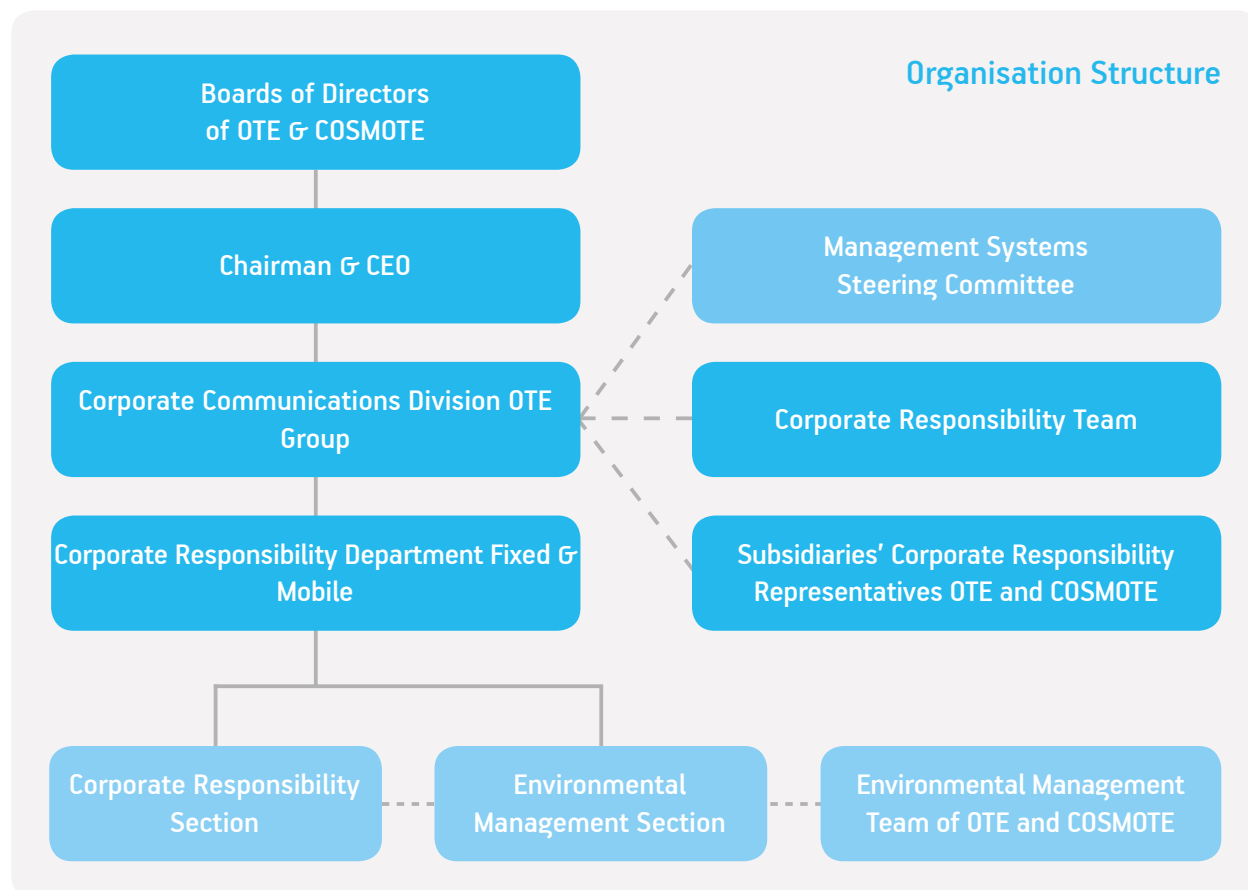
The Division also cooperates with DT in its International CR Managers Network, sharing experience, practices and goals on approaching the CR agenda. In this context, OTE and COSMOTE hosted the Network's meeting in November 2013, where DT Group companies had the opportunity to share their CR activities and discuss on specific CR issues that DT focuses its efforts.

At the same time, the OTE Group Corporate Communications Division provides the CR strategy, framework and guidelines for OTE Group international subsidiaries, which bear responsibility for deciding on their own CR organization structures, developing and performing their local CR activities, and reporting on their performance. Aiming towards further enhancement of OTE Group CR strategy within OTE subsidiaries, the OTE Group Corporate Communications Division worked closely with Romtelecom on identifying CR KPIs and measuring methods, and

encouraged Romtelecom to publish its first annual CR report, in cooperation with COSMOTE Romania. More information on the OTE Group international subsidiaries' CR performance is provided in the [OTE GROUP SUBSIDIARIES](#) section.

For the management of CR issues, appropriate management systems have been developed to address quality, health and safety, and environment issues. These systems form the Integrated Management System, which is overseen by the Management Systems' Steering Committee. More details are provided in the [ENVIRONMENT / Environmental Management](#) section.

Part of the OTE Group Corporate Communications Division is the Corporate Responsibility Department, Fixed and Mobile, which coordinates the companies' social and environmental activities through its Corporate Responsibility and Environmental Management Sections. To be informed on CR trends and developments, the employees of these Sections, in 2013, have attended a number of events and training sessions on current and forthcoming CR issues, such as GRI G4 and integrated reporting. An overview of the organisation structure is given in the figure below.





To improve the dissemination of CR principles and actions with the companies' different business units and enable the collection of CR performance information, an integrated OTE and COSMOTE CR Team has been formed, with 50 representatives from all the companies' operations, who act as ambassadors for CR in their departments. The CR Team is chaired by the OTE Group Corporate Communications Director.

All 50 CR Team members have contributed significantly to mobilizing OTE and COSMOTE employees on CR issues, enhancing the visibility of CR within the two companies and to the achievement of corporate objectives regarding CR and a common corporate culture. In 2013, members of the CR Team participated in focused training programs especially designed for their needs, such as on new developments and trends in CR (strategy, reporting, and climate change).

Furthermore, they took part in major societal initiatives, such as the evaluation of the Scholarships Program applications and its awards ceremony, and the activities of the "Custom of Love" and "Christmas Campaign" initiatives. Moreover, the OTE and COSMOTE CR Team contributed to the development of the first common OTE and COSMOTE CR Report issued in June 2013. Finally, a number educational / entertaining events were especially organized for the members of the CR Team, aiming to further enhance team binding.

CR KPIs have been embedded in the personnel evaluation and individual operational targets, for OTE Group Corporate Communications Division and CR Team members, while CR aspects are taken into account in all employees' performance evaluation process, as described in the [EMPLOYEES / Performance Management section](#).



## 2.3

# Corporate Governance

Corporate governance refers to a number of principles adopted by a company, aiming to uphold its performance and the interests of all its shareholders and stakeholders. Recognizing the importance of corporate governance principles and the benefits derived from their adoption, OTE, as a listed company, follows international practice and standards in this area and works for the systemic implementation of these principles throughout its operations. After the de-listing of COSMOTE from the Athens Stock Exchange, it was decided that COSMOTE will continue complying voluntarily with the same corporate governance standards.

OTE, as a large capitalization company listed on the Athens and London Stock Exchanges, 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 although not required by law, 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 OTE Group Code of Conduct and other Policies adopted by the competent corporate bodies.

OTE, pursuant to the law, complies with the Hellenic Corporate Governance Code (HCG Code) which has been issued by the Hellenic Corporate Governance Council (a joint initiative of HELEX and the Hellenic Federation of Enterprises) in October 2013, by announcing and justifying any deviations through the Board of Directors' Annual Corporate Governance Statement (comply or explain principle), which is part of the Annual Report of the Board of Directors to the General Shareholders' Meeting.

The fundamental principles that underpin OTE's corporate governance, 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 standards and practices on the basis of three key priorities which are:

- The definition of the role of the Members of the Board of Directors (Executive, Non-Executive and Independent Members) as well as the procedures for the required audit of the company's operations,
- The protection of shareholder rights, and
- The enhancement of transparency and information disclosure.



For more information please visit:  
<https://www.ote.gr/en/web/guest/corporate/ir/corporate-governance>

[http://www.cosmote.gr/cosmoportal/cosmote.portal?\\_nfpb=true&\\_pageLabel=T13\\_20GcatName=Corporate\\_GovernanceGcat=Corporate\\_GovernanceGloc=en\\_US](http://www.cosmote.gr/cosmoportal/cosmote.portal?_nfpb=true&_pageLabel=T13_20GcatName=Corporate_GovernanceGcat=Corporate_GovernanceGloc=en_US)

## Boards of Directors

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

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

OTE's Board of Directors, on 31st December 2013, consisted of eleven (11) members, elected for a three-year term. Out of the eleven (11) members of the Board of Directors, two (2) were Executive Directors, four (4) were Non-Executive Directors, and five (5) were Independent Non-Executive Directors. The gender composition of the Board was ten (10) men and one (1) woman.

COSMOTE's Board of Directors, on 31st December 2013, consisted of nine (9) members, elected for a three-year term. The gender composition of the Board was nine (9) men.

The OTE BoD is supported, in its operation, by the OTE's Audit Committee and Compensation and Human Resources Committee, while the COSMOTE BoD is supported by the respective Audit Committee and Remuneration and Nomination Committee. OTE's Compensation and Human Resources Committee, among other competences, is responsible for setting the principles of Corporate Responsibility practices. In 2013, there were no formal procedures for the evaluation of OTE and COSMOTE Boards and their Committees; however the companies are examining means to comply with this requirement as prescribed in Part A, paragraph 3.4 and paragraph 7 of the HCG Code.

Compensation of all Members of the Board of Directors is approved by the Shareholders' General Assembly. The Executive Directors' compensation, including performance-related compensation procedures, is covered by employment contracts which are approved by the Shareholders' General Assembly.

In accordance with the provisions of Article 9, paragraph 7 of OTE's Articles of Incorporation, the Executive Members of the Board (in 2013, the Chief Executive Officer and the OTE Group Chief Financial Officer) receive no compensation for their participation in the Meetings of the Board of Directors Meetings or its Committees.

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

Employees may bring issues to the attention of the Boards of Directors through the formal dialogue of the Management with the employee representatives.



## 2.4

# Risk and Compliance Management and Policies

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

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

To that extent, OTE Group has put in place:

- The Risk and Insurance Management System (RIMS) that supports Management in its strategic and operational decisions, through the identification, evaluation and prioritization of risks, followed by coordinated and cost-effective application of resources to monitor, control, and minimize the probability and the impact of adverse events.
- The Compliance Management System (CMS), to ensure compliance with the legislation in force and internal policies, aiming at avoiding risks and other legal consequences for OTE Group companies and their personnel.

The effectiveness and efficiency of the mentioned Systems (RIMS and CMS) is monitored by the

OTE Compliance, Enterprise Risks and Corporate Governance Committee (OTE GRC Committee)<sup>1</sup>.

The Committee was initially established in 2010 (OTE CEO's Resolution No 15/D.253/22.02.2010) under the name of "Compliance Committee". In March 2013, after the adoption of the Risk and Insurance Management System which is operated by the OTE

Group Enterprise Risk Management Department (of the OTE Group Compliance, ERM and Insurance Directorate), the responsibilities of the Committee were expanded and assumed by the new OTE Compliance, Enterprise Risks and Corporate Governance Committee established by OTE CEO's Resolution No 26/28.03.2013 (according to which the pre-existing Committee has been abolished and its duties have been assumed by the newly established).

<sup>1</sup> An equivalent GRC Committee with similar powers and duties has been established at COSMOTE as well (COSMOTE CEO's Resolution No D25/28.03.2013). Both of the Committees manage CMS and RIMS issues for all OTE Group Companies which have adopted such systems.



The OTE GRC Committee comprises of the following members:

- Chief Compliance, ERM and Insurance Officer, OTE Group (who is the Committee's Chairman),
- General Counsel – Chief Legal and Regulatory Officer, OTE Group,
- Chief Financial Officer, OTE Group,
- Chief Human Resources Officer, OTE Group,
- Chief Internal Auditor, OTE Group,
- Head Of Business Security and Continuity Division, OTE Group,

while extraordinarily other executives may be invited to participate depending on the agenda items.<sup>2</sup>

The OTE GRC Committee defines the strategic issues and oversees the development, implementation and maintenance of compliance and risk management across all business units as follows:

- Proposes risk policies and risk appetite.
- Monitors the adequacy of mitigation controls.
- Monitors compliance effectiveness and defines risk strategies.
- Reviews, evaluates and assesses the compliance and risk management reporting.
- Delegates actions and measures when needed.

The OTE Group Compliance, ERM and Insurance Directorate on a quarterly basis, submits its report to the OTE GRC Committee for its review, evaluation and submission to the competent corporate bodies, namely the OTE Audit Committee and the Board of Directors.<sup>3</sup>

## 2.4.1 Enterprise Risk and Insurance Management System

The Risk and Insurance Management System (RIMS) at OTE Group comprises a continuous process for the early identification, assessment, management, communication and control of risks. Its key goal is to safeguard the OTE Group existence and maintain corporate success. To do so, it extends risk and opportunity analysis beyond a purely financial view to cover all Enterprise Risk Management (ERM) dimensions. The RIMS at OTE Group utilizes all the strategic, operational and organizational control and monitoring measures used to manage risks so as to:

- Ensure that existing risks are systematically identified, analysed and evaluated and that information relevant to risks and opportunities is promptly communicated to the respective decision-makers.
- Provide prompt risk information (reporting), that could have a material bearing on business success (operations, financial position and cash flows).
- Record OTE Group's response to mitigate recognized, analysed and communicated risks.
- Evaluate options for transferring risk to external risk takers.
- Establish thresholds for each level of risk evaluation, triggering a reporting requirement when these are exceeded (a limit system).

The OTE Group Enterprise Risk Management Department supports risk-related management decisions and is responsible for the continuous development of an early warning and risk management system. The department is also responsible for the group-wide insurance strategy and acts as the enterprise risk and insurance policy holder at group level.

<sup>2</sup> The COSMOTE GRC Committee comprises of the same members.

<sup>3</sup> Moreover, OTE Group Compliance, ERM and Insurance Directorate on a quarterly basis, submits its report to the COSMOTE GRC Committee for its review, evaluation and submission to the competent corporate bodies, namely the COSMOTE Audit Committee and the Board of Directors. Hereinafter both committees referred to as "OTE / COSMOTE GRC Committees".



The main achievements of ERM in 2013 were as follows:

- Development of the OTE Group Enterprise Risk Management and Insurance Policy and Risk Manual.
- Compilation of the OTE Group Quarterly Risk Report (outlining the risk portfolio and the mitigating measures for each quarter).
- Compilation of the OTE Group Risk Cockpit (an overall economic outlook, pointing out some highlights, competition and regulation issues for each country where the Group operates).
- Compilation of the OTE Group Risk Register (detailed inventory of all registered risks throughout the Group).
- Identification of internal and external channels of risk information, such as media, external risk surveys, company policies and procedures, internal reports and established liaison with Business Continuity, Legal, Internal Audit, Health and Safety and Environmental Departments.
- Establishment of a PML (Probable Maximum Loss) methodology to identify critical infrastructure in terms of property damage and revenue loss, as a result of a major loss event (e.g. earthquake, explosion, flooding, etc.).

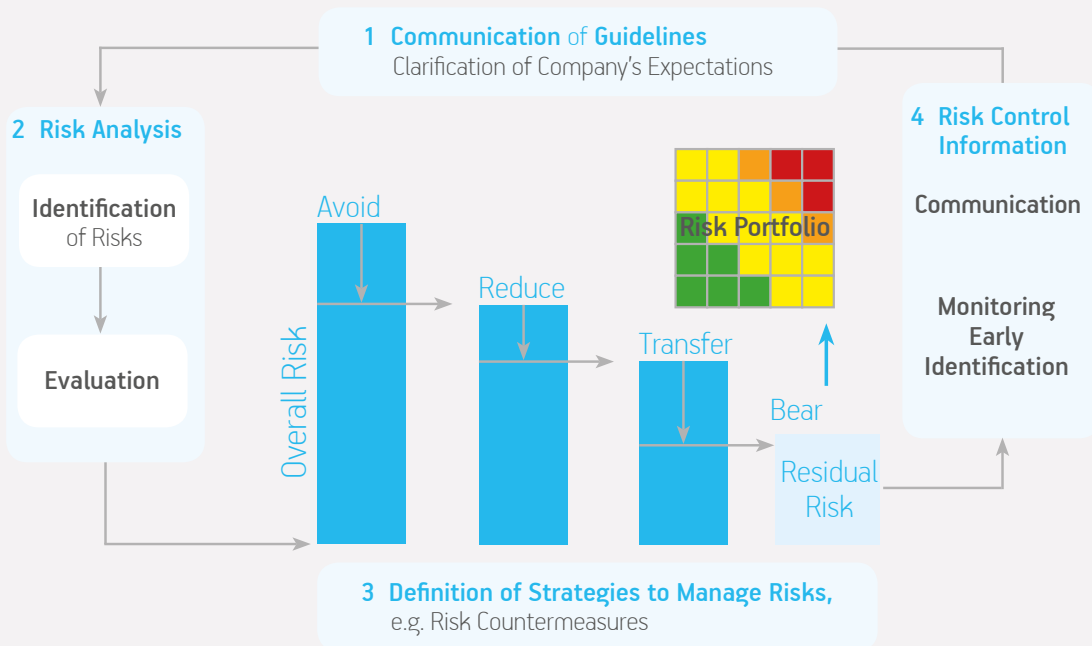
## 2.4.2 Compliance Management System and Policies

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

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

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, detection of compliance risks and violations, and structured response to them.

### The Risk Management Process Follows the Loop Shown in the Diagram Below:





In order to provide the possibility of filing a tip-off regarding violations of policies, regulations and of the legislation in force, OTE and COSMOTE have adopted a Whistle-blowing Policy and relevant communication channels. In the context of this Policy, employees and/or third parties may eponymously or anonymously report to the OTE Group Compliance, Reporting and Case Management Department (of the OTE Group Compliance, ERM and Insurance Directorate) a violation or express a concern or complaint regarding potential violations of the companies' Policies or the legislation. It is the OTE and COSMOTE policy to protect from any and all retaliatory acts directly or indirectly against any person, who reports in good faith or expresses concern or lodges a complaint with regards to potential violation of policies, procedures, regulations or legal obligations.

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

- Code of Conduct.
- Code of Conduct for the protection of the Individual's Right to Privacy in the handling of Personal Data within OTE Group.
- Code of Ethics for Senior Financial Officers.
- Whistle-blowing Policy.
- Policy on Avoiding Sexual Harassment within OTE Group.
- Policy on Accepting and Granting of Benefits.
- Policy on Donations and Sponsorships.
- Events Policy.
- Fraud Policy.
- Policy on Insider Trading.
- Policy on Avoiding Corruption and other Conflicts of Interest.
- Policy on Employee Relations within OTE Group.
- Policy on Anti-Trust Law.
- Policy on Pensions and Risk Benefits Programs.
- Policy on Insurance and Risk Management.

The OTE Group Code of Conduct and relevant policies, prohibit corporate donations or contributions to political organizations or persons, or the use of OTE funds or assets for political purposes. The organization of events, the acceptance or the rejection of sponsorships or

donations or corporate gifts, must be handled following specific rules applicable to all employees.

The Compliance Management System (CMS) of OTE, COSMOTE, Romtelecom and AMC were successfully reviewed by independent external auditors in 2013. The audit covered the procedures / controls implemented at the Compliance Department as well as anti-corruption controls implemented at other units (Internal Audit, Human Resources, Sales and Procurement) and confirmed the effectiveness of the companies' CMS (Compliance Management System Certification 2013).

## Achievements in 2013

OTE was ranked at the top in a survey by Transparency International-Greece on the level of disclosure of the anti-corruption programs implemented by the largest companies in Greece (with revenues exceeding €1 billion). According to the survey results, OTE scored 100% with respect to the disclosure of the program for combating corruption sources open to the public, such as the internet, confirming the company's commitment to transparency throughout its operations.

The Compliance Risk Assessment for 2013 has been conducted for OTE and COSMOTE. The Compliance Risk Assessment process was initiated in June 2013 and the relevant workshops, with the participation of the representatives of the units involved, took place during September 2013. OTE's and COSMOTE's Business Units were assessed regarding risks according to the compliance risk landscape (including the areas of active and passive corruption). In this context, 83.3% of OTE and COSMOTE Business Units (i.e. 10 out of 12 Business Units reporting directly to the Chairman and CEO of OTE Group) participated in the assessment of corruption related risks.

The Compliance Risk Assessment for 2013 resulted in the 2014 Compliance Program (Measure Plan) for OTE and COSMOTE. The results of the Compliance Risk Assessment 2013 as well as the Measure Plan for 2014 were presented to the OTE and COSMOTE GRC Committees, subsequently to the OTE and COSMOTE Audit Committees and were finally approved by the OTE Board of Directors in the fourth quarter of 2013.



The following new / revised Compliance Policies were adopted by all OTE Group Companies in Greece and internationally, and communicated to OTE and COSMOTE employees:

- Policy on Pensions and Risk Benefits (new).
- Policy on Anti-Trust Law (revised).
- Policy on Avoiding Corruption and other Conflicts of Interest (revised).
- Events Policy (revised).
- Policy on Donations and Sponsorships (revised).
- Policy on Insider Trading (revised).

In the framework of the proper implementation of the CMS and in order to ensure the avoidance of risks when working with suppliers, the OTE Group Prevention, Policies and Training Department (of the of the Compliance, ERM and Insurance Directorate) has adopted an Integrity Check and Compliance Business Assessment Procedure. The Integrity Check is conducted taking into account both the anti-corruption practices and the internal regulations of OTE / COSMOTE when considering initiation of collaboration with suppliers.

In addition, investigations on possible compliance violations, requested by the Human Resources Directorate OTE Group, are now conducted by OTE Group Compliance, Reporting and Case Management Department.

In 2013, an Anti-Corruption Training Program took place in OTE and COSMOTE, which included classroom training for the upper Management (General Directors, Directors) and e-learning training for management and non-management employees. The Anti-Corruption E-Learning Training Program covered the areas of avoiding corruption and other conflicts of interest, accepting and granting of benefits and eliminating fraud.

All OTE and COSMOTE management employees at the Section level and above were required to attend the anti-corruption training in 2013. Of the 581 persons eligible to attend, 433, i.e. 74.53% did participate.

In addition, out of 1,634 OTE and COSMOTE non-managerial employees in scope for participating in the anti-corruption e-learning program, because of the nature of their responsibility, 699 employees successfully completed the e-learning training (i.e. 42.78%).

Details of the participation rates are given in the Table below.

Anti-Corruption E-Learning Training Program			
Company	Persons to be trained via e-learning (level: non-managerial positions)	Number of persons to be trained	Percentage of persons trained (%)
OTE	1,261	458	36.32
COSMOTE	373	241	64.61
<b>Total</b>	<b>1,634</b>	<b>699</b>	<b>42.78</b>

In addition, an Anti-Fraud and Code of Ethics for Senior Financial Officers E-Learning Training Program addressed to the OTE Group financial officers took place. The participation rates are presented in the Table below.

Anti-Fraud and Code of Ethics for Senior Financial Officers E-Learning Training Program			
Company	Persons to be trained via e-learning (level: Head of Section and above)	Number of persons to be trained	Percentage of persons trained (%)
OTE	107	84	78.50
COSMOTE	35	31	88.57
<b>Total</b>	<b>142</b>	<b>115</b>	<b>80.99</b>



Internal Communication of important messages to the Management and all the employees regarding compliance issues, such as the relations with business partners when accepting and granting of benefits (for instance, the relevant guidelines about Christmas gifts and invitations to events) have been enhanced.

On the 9th of December, a day designated as an International Anti-Corruption Day by the United Nations, a campaign was launched to the entire Group in co-operation with the Corporate Communications Division OTE Group including a message signed by the Chairman and CEO of OTE Group, addressed by e-mail to all OTE and COSMOTE employees and a relevant banner uploaded on the intranet. The message of the Chairman and CEO underlined that at the OTE Group "we implement the United Nations Global Compact Principles on human rights, labour standards, the environment and anti-corruption".

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

In the framework of the implementation of the Code of Ethics for Senior Financial Officers, bod members and Senior Financial Officers signed and submitted to the OTE Group Compliance Office statements in which they declare that they are informed of the provisions of the Code of Ethics for Senior Financial Officers and that they comply with its provisions, aiming for honest and ethical business conduct.

The Annual Compliance Statement and the Conflicts of Interest Statement were signed by OTE, COSMOTE and their affiliated companies' BoD members as well as by the Management team of OTE Group companies. The Conflicts of Interest Statement is aligned with the requirements of the Policy on Avoiding Corruption and other Conflicts of Interest.

During 2013, the OTE Group Compliance, Reporting and Case management Department received a total of 632 tip-offs / complaints, of which, 34 were related to compliance rules and principles. The 598 tip-offs remaining are mainly customer complaints regarding technical/ commercial issues and are considered not related to compliance. As required by the Compliance Management System, an investigation is carried out for every complaint related to compliance rules and principles. It should be noted that once a corruption incident is identified, a number of actions may be taken (according to the "OTE Internal Employee Regulation", Internal Policies and management/Committee decisions) depending on the nature of the incident.

In 2013, all 34 cases were investigated. Twenty two (22) of those were found to be Not Valid while twelve (12) were found to be Valid and respective actions were taken (strict warnings, exclusion of employee from procurement committee and from access to related data, submission of Conflict of Interest Statement, repayment of debt, change of the working position, temporary suspension, termination of employee contract, implementation/establishment of new controls or modification of existing ones).

Furthermore of the four (4) compliance tip-off cases carried over from 2012, three (3) were found to be Not Valid and one (1) Valid (the actions taken involve the establishment of new controls and the modification of existing ones). Similarly of the two (2) related to compliance cases carried over from 2011, one (1) case was closed in 2013 (following the withdrawal of the complaint), and the other is to be decided, whether to be archived or re-examined.

In 2013, there were six (6) cases, in which OTE and COSMOTE employees were dismissed or disciplined for corruption. There were no corruption related cases regarding contracts with business partners leading to contract cancellation or non-renewal and no corruption related charges filed by legal authorities against OTE and COSMOTE or their employees.



## 2.4.3 Internal Audit and Audit Committee

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

### Audit Committee

The OTE Board of Directors established an Audit Committee more than 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 company Board of Directors, in the exercise of their supervisory role and the satisfaction of their 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 the Internal Audit. The Audit Committee consists of three Independent and Non-Executive Directors. The

members of the Audit Committee are designated by the General Assembly of OTE, according to Law 3693/2008 and at least one member of the Audit Committee is a financial expert.

### Internal Audit

The Internal Audit's Charter approved by the Board of Directors is 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 guidance framework promulgated by "The Institute of Internal Auditors" (IIA). The IIA is an international professional association, which acts as a global body to provide internal audit professionals worldwide, with authoritative guidance. Furthermore, the company's Code of Ethics principles govern the minimum requirements for the conduct and behaviour of, and expectations from auditors, in the conduct of their duty.

On an annual basis, OTE Group Internal Audit Directorate assesses the risks and adequacy of controls across all companies of the Group, in order to develop the annual audit plan and determine the priorities of the Internal Audit activity. The results of the audit activity, in the form of audit reports, are recommendations for improving the efficiency and effectiveness of operations.

### Main Achievements in 2013

During 2013, the new integrated organization of OTE Group Internal Audit Directorate successfully completed more than 65 audit projects and agreed more than 225 new management actions in the companies of the Group strengthening controls and processes. Furthermore, it made sound contributions to company cost optimization by delivering direct cost savings. The internal audit activities focused on paperless audit work and harmonized internal process, tools and procedures that allow successful certifications by Compliance as well adherence to the effective DT ICS principles. The Directorate further increased DT Group synergies on planning, and executing 4 audits common to the companies of the Group, thus fostering communication and exchange of best practice.



## 2.5 Stakeholder Engagement

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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 (NGOs) that represent the public’s interest, on issues relevant to OTE and COSMOTE businesses and their role in society. It is a general principle of OTE and COSMOTE to regularly engage with representatives of all these stakeholder groups.





## 2.5.1 Stakeholder Engagement Approach

Both companies act in alignment with the principles of the “AA1000 AccountAbility Principles Standard” – Inclusivity, Materiality and Responsiveness and conduct the companies’ stakeholder engagement and dialogue accordingly, namely through:

- A CR Stakeholder and opinion leader survey.
- Systematic dialogue and meetings with various NGOs.
- Ongoing contact with the common OTE and COSMOTE CR Team of the various operational units of the two companies to exchange views, promote CR activities and provide training, as presented in the [CR STRATEGY AND MANAGEMENT / CR Governance and Management Structure](#) section.

### CR Stakeholder Survey Key Findings

The purpose of the OTE and COSMOTE survey is to explore the stakeholders’ attitudes, opinions and perceptions on CR in general, as well as on specific CR programs of OTE and COSMOTE. The survey is performed every two years. The last stakeholder survey ran in late 2012 and early 2013, while the next survey is scheduled to run in late 2014 and early 2015.

In the last survey, the participating stakeholder groups were the media, authorities, local communities, academia, NGOs, OTE and COSMOTE employees, mobile and fixed telephony subscribers, suppliers, as well as other commercial networks. 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).

### Roundtable Workshops with NGOs

In 2013, OTE and COSMOTE met with 31 National and International NGOs in roundtable workshops. Two workshops were organized, the first with NGOs focusing on supporting vulnerable groups of people, like children, and the second with NGOs working on environmental issues.

At these meetings OTE and COSMOTE employees discussed with the NGO representatives on the challenges the NGOs meet and expect to meet in the near future, ways that the business sector may support them in achieving their mission, their view about OTE’s and COSMOTE’s social and environmental performance and potential opportunities of co–operation between the companies and the NGOs.

Accordingly, all these actions, along with the ones mentioned in the [CR STRATEGY AND MANAGEMENT / Overview of Stakeholder Engagement Dialogue](#) section, underpin the companies’ stakeholder engagement and are the base for the evolution of OTE and COSMOTE’s CR programs and goals, included in the Business Plans of the two companies. Thus, heeding the NGOs concern for support of programs for children in need, for students and for business entrepreneurship, OTE and COSMOTE re–enforced their corresponding initiatives (e.g. “OTE and COSMOTE Scholarship Program”, Christmas campaigns for supporting children, and “Your business.gr”) and launched new ones (e.g. “COSMOTE StartUp”). OTE and COSMOTE also enhanced its corporate volunteering initiatives and initiated additional. More details on these OTE and COSMOTE activities are presented in [SOCIETY](#) section.

#### The results of this survey pointed to the following findings:

- Stakeholders believe that Corporate Responsibility begins from within a company. In times of extraordinarily high unemployment rates and difficult working conditions in Greece, attention and priority should be given to employees’ management initiatives.
- In cases where socially responsible companies develop strong relationships with customers, companies tend to take more CR initiatives and awareness is raised both among the companies’ employees and customers. The more companies act responsibly the better consumers respond in terms of acknowledging these efforts and staying loyal.
- NGOs seek more corporate volunteering initiatives as an alternative way of companies supporting and facilitating their work.
- Priority areas of immediate support mentioned include better pricing, enhancement of social care initiatives targeted to specific vulnerable groups like children, students, young entrepreneurs etc.



## 2.5.2

### Overview of Stakeholder Engagement Dialogue

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

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Responsiveness
Customers	<ul style="list-style-type: none"> <li>Customer Satisfaction Surveys</li> </ul>	Annual	<ul style="list-style-type: none"> <li>Activation of Products, Quality of Services (in relation to costs)</li> </ul>	<u>MARKETPLACE</u>
	<ul style="list-style-type: none"> <li>CR Surveys</li> <li>Tracking Studies</li> <li>Call Centres</li> <li>Customer Account Managers</li> <li>Social Media</li> <li>Sales Network</li> </ul>	Annual Quarterly Ongoing Ongoing Ongoing Ongoing	<ul style="list-style-type: none"> <li>Technical Support (e.g. web hosting, DNS services, IPVPN)</li> <li>Commercial and Billing Issues</li> <li>Mobile Telephony Operations</li> <li>Improving the way customer complaints are handled</li> <li>Safe use of Services</li> <li>EMF</li> <li>Responsible Marketing (e.g. consumer rights)</li> <li>Introduction of new technologies</li> <li>Data Security and Privacy</li> </ul>	<u>ENVIRONMENT / Electromagnetic Fields</u>
Telecoms Providers / Commercial Network	<ul style="list-style-type: none"> <li>Customer Satisfaction Surveys</li> </ul>	Annual	<ul style="list-style-type: none"> <li>Timely information on provided services and progress of requests</li> </ul>	<u>CR STRATEGY AND MANAGEMENT / Corporate Governance</u>
	<ul style="list-style-type: none"> <li>CR Surveys</li> <li>Dedicated Website (<a href="http://www.otewholesale.gr">www.otewholesale.gr</a>)</li> <li>Key Account Managers</li> <li>Presentations on OTE Systems</li> <li>Special Mailbox (<a href="mailto:otewholesale@ote.gr">otewholesale@ote.gr</a>)</li> <li>Press Releases</li> <li>Corporate Announcements</li> </ul>	Annual Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing	<ul style="list-style-type: none"> <li>Resolution times for Malfunctions and Complaints</li> <li>Regulatory Requirements for Providers</li> <li>Transparency</li> <li>Governance</li> <li>Economic Growth</li> <li>Improving the Digital Gap</li> </ul>	<u>CR STRATEGY AND MANAGEMENT / Risk and Compliance Management and Policies</u> <u>MARKETPLACE</u>



## 2.5.2 Overview of Stakeholder Engagement Dialogue (Cont'd)

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Responsiveness
Investors	• Investor Relations Department Communication	Ongoing	• Group Strategy and Results	CR Report (all sections)
	• Annual General Shareholders Meeting	Annual	• Outlook on labour relations, regulatory decisions, Eurozone crisis and adverse economic situation	
	• Corporate Governance Report and CR Report	Annual	• Climate Change Policy	
	• CR Surveys	Annual		
	• Participation in Corporate Responsibility ratings	Ongoing		
	• Private Meetings	Ongoing		
	• Conference Calls	Quarterly		
	• Meetings of Executives	Ongoing		
	• Adoption and Implementation of Policies and Principles	Ongoing		
Employees	• Daily Collabouration	Ongoing		<a href="#">CR STRATEGY AND MANAGEMENT</a> <a href="#">MARKETPLACE /</a> <a href="#">Data Security and Privacy</a> <a href="#">EMPLOYEES</a>
	• OTE and COSMOTE Intranets	Ongoing	• Rationalization and reduction of labour costs in agreement, to the greatest extent possible, with OME–OTE	
	• Circulars on all important Company Decisions	Ongoing	• Fair Work (diversity, work–life balance)	
	• Meetings with Employees	Ongoing	• Planning and Conduct of Training Programs	
	• Negotiations with Labour Unions	Periodic	• Professional Development	
	• Emails from the Chairman and CEO & General Directors	Periodic	• Health and Safety	
	• Employee Satisfaction Surveys	Biennial	• Protection of Personal Data	
	• Pulse Surveys	Biannual		
	• CR Surveys	Annual		
	• Organization of Events	Periodic		
	• Appraisal System	Annual		
	• Trainings	Ongoing		



## 2.5.2 Overview of Stakeholder Engagement Dialogue (Cont'd)

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Responsiveness
Communities and NGOs	• Systematic Liaison with Local Authorities (mostly regional)	Ongoing	• Importance of Adopting CR	<u>CR STRATEGY AND MANAGEMENT</u> <u>SOCIETY</u> <u>ENVIRONMENT</u>
	• Meetings with NGOs	Biannual	• Internet Safety Public Education	
	• CR Surveys	Annual	• Support for Vulnerable Groups and Charities	
			• Social Contribution	
			• Meetings and Electronic Communication preferred	
			• EMF, Biodiversity	
			• Environmental Performance	
Media	• Corporate announcements (Press releases) and systematic contacts	Ongoing	• Timely Response is Valued	CR Report (all sections)
	• Press Conferences, Advertorials / Entries on CR Issues	Ongoing	• Management, Commercial, Technology, Financial, Environment and Labour issues continue to be of most interest to the Media	
	• Events	Ongoing		
	• Informative Contacts with Media Representatives	Ongoing		
	• CR Surveys	Annual		



## 2.5.2 Overview of Stakeholder Engagement Dialogue (Cont'd)

Stakeholder Group	Type of Dialogue	Frequency	Main Topics Raised	Responsiveness
Suppliers	<ul style="list-style-type: none"> <li>Consultation and Dialogue on Procurement Procedure Issues (relevant laws, telecom market issues etc.)</li> <li>Attendance in Sector-based Unions</li> <li>Meetings</li> <li>CR Surveys</li> <li>Suppliers' Evaluation</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Annual</p> <p>Ongoing</p>	<ul style="list-style-type: none"> <li>Tender Criteria and Competitions</li> <li>Communication on Supplies Issues</li> <li>Transparency</li> <li>Market Policy</li> <li>Economic Growth</li> <li>Inserting CR Criteria, including Environmental Criteria</li> </ul>	<p><a href="#">ABOUT THIS REPORT / OTE Group</a></p> <p><a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a></p> <p><a href="#">MARKETPLACE / Management Approach</a></p> <p><a href="#">MARKETPLACE / Responsible Procurement and Supply Chain Management</a></p>
State / Government	<ul style="list-style-type: none"> <li>Consultations on Proposed Laws and Regulatory Frameworks for Telecommunication Markets</li> <li>Written or Verbal Communication with Regulatory and Public Sector Bodies</li> <li>Dialogue with representatives of national and local authorities</li> <li>CR Surveys</li> <li>Attendance in Associations and Unions</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Annual</p> <p>Ongoing</p>	<ul style="list-style-type: none"> <li>Implementation of Regulatory Measures applying to OTE</li> <li>Issues of Effective Regulatory Adjustment</li> <li>Specialized National Goals for European Digital Agenda Strategy</li> <li>Transparency</li> <li>Governance</li> <li>Economic Growth</li> </ul>	<p><a href="#">CR STRATEGY AND MANAGEMENT / Corporate Governance</a></p> <p><a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a></p> <p><a href="#">MARKETPLACE / Responsible Competition</a></p> <p><a href="#">MARKETPLACE / Expanding Broadband and Mobile Internet in Greece</a></p> <p><a href="#">MARKETPLACE / Responsible Marketing</a></p>



## 2.6 Materiality Analysis

In 2013 the CR Department, in an attempt to take OTE / COSMOTE approach to materiality analysis one step further, ran a materiality analysis process, which took into consideration the Enterprise Risk Management principles used by OTE Group. The process was organized and initiated in 2013, was completed in early 2014 and included the following **2 phases**:

- Analysis of material issues by the OTE and COSMOTE Management team: Twenty four (24) members of OTE and COSMOTE Management team, from different business units, participated in prioritizing OTE and COSMOTE material issues for sustainable development. The participants were asked to use the rating scale developed and used by the OTE Group Enterprise Risk Management Department.
- Analysis of material issues by the OTE and COSMOTE stakeholders: In an event, organized by an independent organization, nine (9) stakeholders, coming from different stakeholder groups (e.g. the media, NGOs, employees, the

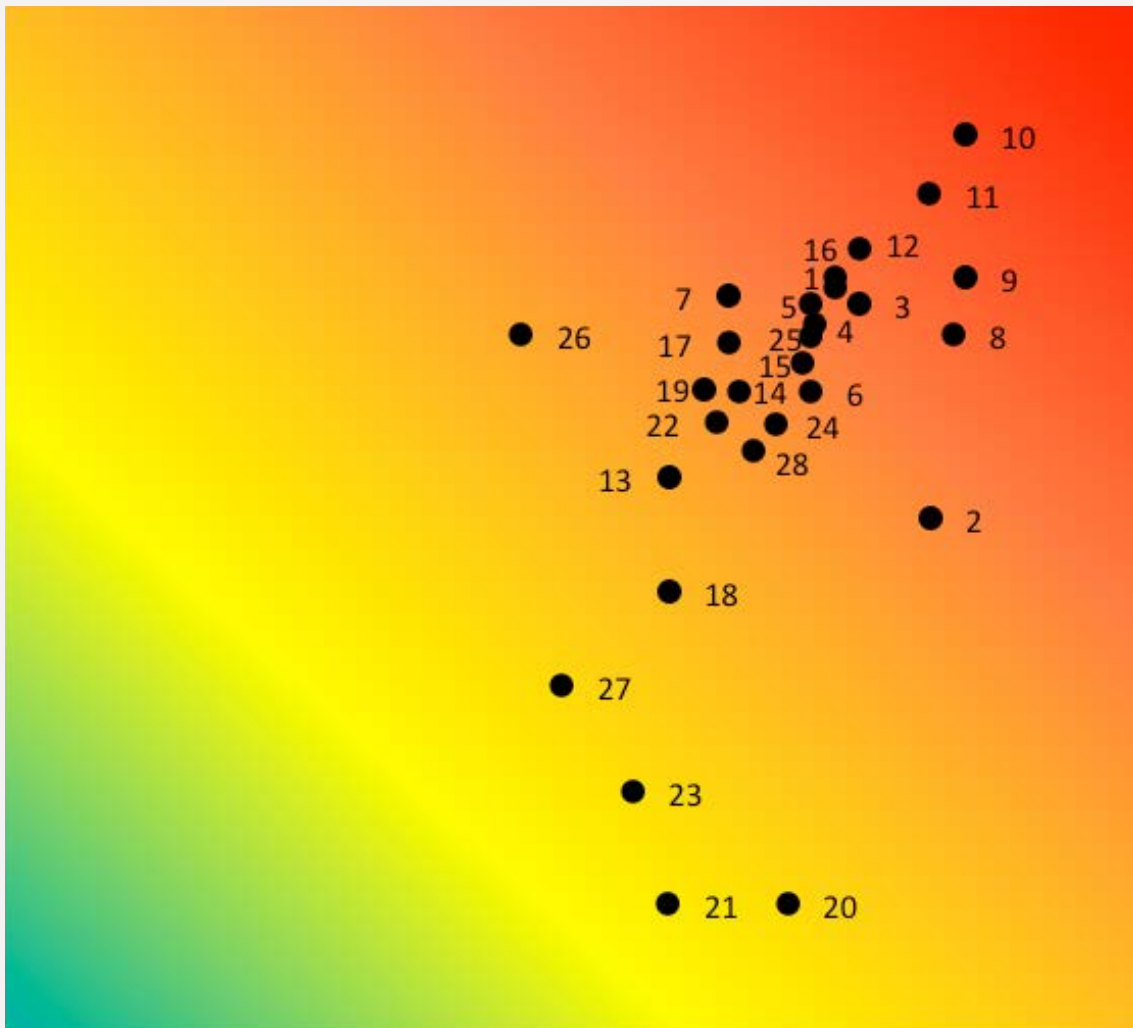
Government, customers etc.), Participated in a workshop, where they were asked to discuss OTE and COSMOTE CR performance and CR report, and subsequently to identify and prioritize the material issues for the companies' sustainable operation. The stakeholders were asked to use the same rating scale used by the OTE and COSMOTE Management team.

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





Significance of Economic, Environmental and Social Impacts to Stakeholders



Significance of Economic, Environmental and Social Impacts to OTE and COSMOTE

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

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

OTE and COSMOTE consider that their materiality analysis process is crucial to their planning process; therefore more effort will be put in 2014 to strengthen their approach to materiality analysis and assessment.



## 2.7 Memberships, Ratings and Awards

### 2.7.1 Memberships

Both companies are fully engaged in and remain informed about multilateral trends and developments on Corporate Responsibility and Sustainability. In 2013, OTE and COSMOTE maintained voluntary participation in a number of national and international bodies, as they consider these organizations to be strategic for commercial and societal reasons.

An indicative list of organizations and initiatives in which OTE and / or COSMOTE are active members, is given in the following table.

Organization / Initiative	Company	Participation Type
<b>National level</b>		
Association of ICT Companies in Greece (SEPE)	<u>OTE and COSMOTE</u>	Members. OTE is a member since 1998 and COSMOTE since 1997.
Association of Mobile Telephony Companies (EEKT)	<u>COSMOTE</u>	Founding member since 2008. The association aims to strengthen collaboration and promote issues of common interest, among mobile telephony providers in Greece.
Corporate Responsibility Institute, Greece	<u>OTE</u>	Member since 2008.
Global Sustain	<u>OTE and COSMOTE</u>	Members since 2007.
Hellenic Network for Corporate Social Responsibility	<u>OTE and COSMOTE</u>	Members. OTE is a member since 2001 and COSMOTE since 2005.
Hellenic branch of UN Global Compact (UNGC)	<u>OTE and COSMOTE</u>	Members since 2008. OTE and COSMOTE have committed, through their CEO, to implement, and promote the 10 universal principles of UNGC and to release a Communication on Progress (COP) report annually.
Greek self-regulatory body for the Internet content "SafeNet"	<u>OTE</u>	Founding member since 1999.
Road Safety Institute "Panos Mylonas"	<u>COSMOTE</u>	Member and sponsor since 2009.
"Roads to the Future" Alliance for safety and courtesy on the road	<u>COSMOTE</u>	Member and sponsor since 2009. A Memorandum of Cooperation has been signed



Organization / Initiative	Company	Participation Type
<b>European Level</b>		
ETNO Sustainability Working Group	<a href="#">OTE</a>	Founding member since 1992. OTE has signed the Sustainability Charter. In 2013, OTE provided information to ETNO, on selected sustainability indicators referring to its 2011–2012 performance, to be incorporated in ETNO Corporate Responsibility Report, used for benchmarking purposes within ETNO.
European Telecommunications Standards Institute (ETSI)	<a href="#">COSMOTE</a>	Member since 1998.
<b>Global Level</b>		
GeSI (Global e–Sustainability Initiative)	<a href="#">OTE</a>	Member since 2010.
Global Reporting Initiative	<a href="#">OTE</a>	Member and Organizational Stakeholder since 2007.
GSM Association (GSM)	<a href="#">COSMOTE</a>	Member of the World Association of Mobile Communications Services since 1997. COSMOTE actively participates in many of its workgroups.
International Telecommunication Union (ITU)	<a href="#">OTE</a>	Associated member, since the beginning of the 90's.

## 2.7.2 Ratings

OTE and COSMOTE operations focus on generating sustainable added value. In this context, the companies respond to investor analysts' requests and participate in sustainability-oriented ratings. OTE Group Corporate Communication Division, through its Corporate Responsibility Department, is responsible for coordinating, prioritizing and consolidating all inquiries from corporate responsibility rating agencies. It works closely with the Investor Relations Department as well as on an issue-by-issue basis with all other Departments to address external requests for information.

In 2013, OTE and COSMOTE responded to requests sent by EIRIS, a leading global provider of research into corporate environmental, social and governance (ESG) performance, and Vigeo, a leading European expert institution in the assessment of companies and organizations with regard to their practices and ESG performance issues.

Since 2010, OTE participates in the Carbon Disclosure Project (CDP) Index on climate change, by completing the respective questionnaire and making the required information available on the CDP platform. CDP is the world's largest investment-focused reporting and collaboration platform on climate change.

OTE has satisfied the requirements to become a constituent of the FTSE4Good Index Series, since 2008. The FTSE4Good equity index series, created by the FTSE Group global index affiliate, is designed to facilitate investment in companies that meet globally recognized Corporate Responsibility standards.

OTE participates, since 2008, in Greece's Corporate Responsibility Index (CRI), organized by Corporate Responsibility Institute in cooperation with BITC (Business in the Community). OTE received the "Silver" distinction award in 2008 and 2009, the "Gold" distinction award in 2010 and 2011, and the "Platinum" distinction award in 2012. In 2013, for the first time, OTE and COSMOTE jointly participated in this index and received the "Platinum" distinction award, as well as the "Best Award Marketplace".



## 2.7.3 Awards

During 2013, OTE and COSMOTE received a number of awards and recognitions for their CR commitments and actions, as follows:

- At the Environmental Awards 2014, organized by Boussias Communications and Plant Management, OTE's and COSMOTE's performance was recognized in three different categories:
  - > "Waste Management": Grand Award.
  - > "Sustainable Built Environment–Energy Building": Gold Award.
  - > "Climate Protection–GHG Offset": Silver Award.
- At the 10th Enterprise Awards MONEY–George Ouzounis, OTE was ranked 2nd in two categories:
  - > "Best Company – 2013".
  - > "Investment Relations – 2013".
- At the CR Reports Awards, organized by the University of the Aegean, which rated all the CR Reports published in Greece, the OTE – COSMOTE 2012 CR Report was awarded 3rd place.
- At the Tech Excellence Awards, organized by the technology magazine "PC Magazine":
  - > OTE was named the "Internet Service Provider (ISP) of the Year".
  - > COSMOTE was named the "Mobile Phone Company of the Year".
- At the National Customer Service Awards 2013, organized by the Greek Customer Service Institute:
  - > OTE won the award for the "Best Training Group on Customer Care".
  - > COSMOTE won the award for the "Best Customer Service Centre of the Year".
- At the Survey of Transparency International in Greece, on the level of disclosure of the anti–corruption program implemented by the largest companies in Greece OTE was ranked first.



## 2.8

# 2013 CR Performance

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The key 2013 financial, environmental and social performance indicators for OTE and COSMOTE in 2012 are presented in the table below. More information can be found in the relevant sections of the Report, as to the performance analysis, computation assumptions or clarifications of the presented data.





2013 CR Performance	OTE	COSMOTE
Financial Performance		
Total Revenues (mn €)	1,557.2	1,281.0
Payroll and Employee Benefits (mn €)	444.5	98.1
Total Operating Expenses (mn €)	1,572.9	1,013.1
EBITDA (mn €)	317.4	482.5
Pro forma EBITDA <sup>1</sup> (mn €)	568.3	486.7
Income Taxes Paid (mn €)	9.7	88.9
Fees and Commissions to third parties (incl. taxes other than income taxes and regulatory charges) (mn €)	122.2	42.2
Marketplace		
Fixed-line Subscribers	2,899,142	–
Mobile Telephony Subscribers	–	7,476,980
Broadband Subscribers	1,286,228	–
TV Subscribers	255,912	–
Loyalty Index (TRIM)	70	66
Total CAPEX (incl. spectrum payments) (mn €)	179.8	134.0
Evaluation of Suppliers (% of the procurement volume)	73%	94%
Number of Complaints received from Customers	193,368	131,629
Percentage of Complaints received from Customers that were Resolved within 2 days	56%	74%
Employees		
Number of Employees on Permanent Contract	6,878	2,045
Percentage of Female Employees	31%	51%
Employees Covered by Collective Bargaining Agreements (%)	99%	92%
Employee Turnover as a Percentage of Total Employees	21%	5%
Work-related Fatal Accidents (number of employees)	0	0
Work-related Non-fatal Accidents (number of employees)	31	14
Work-related Non-fatal Accidents (lost days)	1,908 <sup>2</sup>	207 <sup>3</sup>
Health and Safety Training (hours/employee)	0.43	1.7
Training Hours (hours/employee)	10.53	31.86
Number of Complaints received regarding Discrimination requiring corrective actions	0	0

**Notes:**

<sup>1</sup> Excluding impact of Voluntary Retirement Programs and restructuring charges.



2013 CR Performance	OTE	COSMOTE
Society		
Sponsorships – Donations (incl. in-kind) (€)	1,052,129	1,559,517
Number of Volunteering Projects	5	
Working Hours Invested to Organize and Run Volunteering Initiatives	457	211
Employee Volunteering (number of employees)	2,994	1,911
People Supported (estimated)	28,050	
Environment		
Electricity Consumption (GWh)	251.80	156.21
District Heating and Fuel Consumption in Buildings and Installations (GWh)	12.36	16.60
Fuel Consumption in Vehicles Fleet (GWh)	27.67	7.98
Direct (scope 1) CO <sub>2</sub> Emissions (t)	9,777.41	6,379.13
Indirect (scope 2) CO <sub>2</sub> Emissions (t)	181,295.47	112,472.12
Hazardous Waste (t)	270.60	69.53
Non-hazardous Technical Waste from Telecom Operations (t)	4,009.10	103.08
Recycling of Phone Devices (mobile and fixed) and Accessories (t)	14.63	7.90
Number of Measurements on EMF Conducted by Specialized Scientific Personnel of the Company and Independent Institutions	–	86

**Notes:**

<sup>2</sup> Lost days are measured as calendar days.

<sup>3</sup> Lost days are measured as scheduled work days.



## 2.9 2013 and 2014 Goals

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## 2.9.1 CR Strategy and Management

2013 Goals		2013 Performance
<b>Reporting and Stakeholder Engagement</b>		
<b>OTE and COSMOTE:</b> Maintain GRI B+ and start preparing for GRI G4	F	Refer to <a href="#">ABOUT THIS REPORT</a>
<b>OTE and COSMOTE:</b> Common online CR Reporting platform	F	Refer to <a href="#">ABOUT THIS REPORT</a>
<b>OTE and COSMOTE:</b> Further standardization 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 d) Tactical meetings and dialogue with CR Team	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / CR Governance and Management Structure</a> and <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a>
<b>OTE:</b> Maintain existing CR ratings	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Ratings</a>
<b>COSMOTE:</b> Publish CR Reports for all subsidiaries abroad	F	Refer to <a href="#">OTE GROUP SUBSIDIARIES</a>
<b>OTE and COSMOTE:</b> Further focused CR Training of the CR Team	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a>
<b>OTE and COSMOTE:</b> Maintain CR Leadership in Greek Telecom Sector	F	Refer to <a href="#">MARKETPLACE / Customer Surveys</a>
<b>OTE and COSMOTE:</b> a) Publish one common CR Report b) No printed version (eco-friendly approach) c) Set fewer, more quantitative goals from 2014 onwards	F	Refer to <a href="#">ABOUT THIS REPORT</a> and <a href="#">CR STRATEGY AND MANAGEMENT / 2013 and 2014 Goals</a>
<b>CR-Related Policies and Systems</b>		
<b>OTE and COSMOTE:</b> Crisis Management system integrated with the OTE Group Business Continuity Management System	F	Refer to <a href="#">MARKETPLACE / Business Continuity Management</a>
<b>OTE Group:</b> Further enhancement (or alignment) of the Group CR Strategy across all pillars	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / CR Governance and Management</a> and <a href="#">OTE GROUP SUBSIDIARIES</a>
<b>OTE and COSMOTE:</b> Adoption of new OTE Group Policies and amending of current Compliance Policies	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
<b>OTE and COSMOTE:</b> Certification of the Compliance Management System (CMS) in OTE, COSMOTE and Romtelecom	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
<b>OTE and COSMOTE:</b> Annual Compliance Risk Assessment	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
<b>OTE and COSMOTE:</b> Further trainings on issues about: Anti-Corruption, Accepting and granting of benefits, Code of Ethics for Senior Financial Officers and anti-fraud	F	Refer to <a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>

**Index Key:** F = Fully P = Partially Not = Not Achieved



## 2.9.1 CR Strategy and Management (Cont'd)

### 2014 Goals

#### CR Strategy and Management

**OTE and COSMOTE:** Strengthening further the materiality analysis process by involving more parties in the procedure

**OTE and COSMOTE:** Development of CR Policy

**OTE and COSMOTE:** Annual reporting based on GRI G4 guidelines

**OTE and COSMOTE:** Enhanced use of digital media to communicate CR performance / reporting

#### Risk and Compliance Management

**OTE and COSMOTE:** Establishment of a common risk methodology and enhancement of the cooperation between group companies to develop the Group risk landscape

**OTE and COSMOTE:** Development of a risk management system and methodology as part of day-to-day work to all business units.

**OTE Group:** ERM Certification regarding ISO 31000 by Q4 2014

**OTE and COSMOTE:** Certification regarding the effectiveness of Anti-Trust Compliance Program

**OTE and COSMOTE:** Process of initiation, adoption and implementation of BS 10500 (British Standard "Anti-Bribery Management System")

#### Internal Audit

**OTE and COSMOTE:** Internal Audit Department to execute about 50 audits planned for 2014 with priority given to processes that affect customers, new revenue streams and the operating model



## 2.9.2 Marketplace

2013 Goals		2013 Performance
<b>Internet Safety</b>		
<b>OTE and COSMOTE:</b> Maintain the “In the Internet fairyland, we want no villains” campaign, concerning the public awareness for the safe use of the Internet	F	Refer to <a href="#">MARKETPLACE / Raising Public Awareness</a>
<b>OTE and COSMOTE:</b> Enhance initiatives concerning the safe use of the Internet, in the framework of the “CEO Coalition to make the Internet a better place for kids”	F	Refer to <a href="#">MARKETPLACE / Internet Safety and Public Awareness</a>
<b>COSMOTE:</b> Complete the “Surfing the World” program in 16 schools at remote mainland areas	F	Refer to <a href="#">SOCIETY / Programs in the Periphery</a>
<b>OTE and COSMOTE:</b> Facilitate the reporting of online illegal content	F	Refer to <a href="#">MARKETPLACE / Raising Public Awareness</a>
<b>Suppliers</b>		
<b>OTE and COSMOTE:</b> Assess Suppliers corresponding to 30% of OTE's monetary acquisitions and 70% of COSMOTE's monetary acquisitions	F	Refer to <a href="#">MARKETPLACE / Supplier Evaluation</a>
<b>Responsible Products and Services</b>		
<b>OTE:</b> Launching of Smart Metering solutions (i.e. energy management), Information Security services, as well as further development of ICT and Cloud services	F	Refer to <a href="#">MARKETPLACE / Sustainable Products and Services</a> Information security services were launched and offered to clients in 2013.
<b>Data Security</b>		
<b>OTE and COSMOTE:</b> Execution of more than 60 security audits / risk assessments	F	Refer to <a href="#">MARKETPLACE / Data Security and Privacy</a>
<b>OTE and COSMOTE:</b> Security awareness activities for specific groups	F	Refer to <a href="#">MARKETPLACE / Data Security and Privacy</a>
<b>OTE and COSMOTE:</b> Regular audits of access to customer communication data	F	Refer to <a href="#">MARKETPLACE / Data Security and Privacy</a>

**Index Key:** F = Fully P = Partially Not = Not Achieved



## 2.9.2 Marketplace (Cont'd)

### 2014 Goals

#### Internet Safety

**COSMOTE:** Focus on the safe and controlled use of smartphones and tablets by children

**OTE and COSMOTE:** Enhancement of initiatives concerning the safe use of the Internet, in the framework of the "ICT Coalition" for the Safer Use of Connected Devices and Online Services by Children and Young People in the EU

#### Data Security and Privacy

**OTE and COSMOTE:** Implementation of a new IdM (Identity Management) system

**OTE:** Implementation of a DLP (Data Loss Prevention) system

**OTE and COSMOTE:** 20 critical sites security hardening improvements including electronic systems installation

#### Business Continuity Management

**OTE:** Certification of its Business Continuity Management System

#### Responsible Procurement and Supply Chain Management

**OTE and COSMOTE:** Evaluation of suppliers corresponding to 30% of the procurement volume for OTE and 70% for COSMOTE



## 2.9.3 Employees

2013 Goals		2013 Performance
<b>Employee Engagement and Satisfaction</b>		
<b>OTE and COSMOTE:</b> Communicate results of employee survey (ESS) to employees and develop action plans to further enhance employee engagement and satisfaction	F	Refer to <a href="#">EMPLOYEES / Employee Engagement And Satisfaction</a>
<b>OTE and COSMOTE:</b> Conduct "Pulse Survey" to all employees of OTE Group (including OTE Fixed subsidiaries)	F	Refer to <a href="#">EMPLOYEES / Employee Satisfaction and OTE GROUP SUBSIDIARIES</a>
<b>OTE and COSMOTE:</b> Effectively utilize the available internal communication channels (e.g. Intranets, direct e-mails), to inform the employees about CR initiatives		Refer to <a href="#">EMPLOYEES / Internal Communications</a>  One of the 2013 CR initiatives was the "Giving is the best medicine" program, involving OTE and COSMOTE employee gathering of medical supplies. The implementation of this CR program was communicated through a motivational digital campaign, a newsletter, an informational poster, reminder e-mails, promotional activities and a closing thank you campaign
<b>OTE and COSMOTE:</b> Enhance strategy and targets alignment and information sharing across the organization	F	Refer to <a href="#">EMPLOYEES / Employee Engagement</a>
<b>OTE and COSMOTE:</b> Gym facilities in the new building to enhance physical health	F	Refer to <a href="#">EMPLOYEES / Health and Safety Prevention and Awareness</a>
<b>HR Policies and Systems</b>		
<b>OTE:</b> Implement further automation / self-service HRM systems	F	OTE continued to invest in electronic applications to further improve HR services to employees, simplify internal processes and contribute to a paperless organization. In 2013, OTE introduced (via the Human Capital Management system) the following applications: management and organization of time and labour, on line pay slip information, and end-to-end Self Service for leaves of absence and training sessions. In the Pulse survey held in November 2013, 64% of OTE employees agreed that "HR process automation – "Self Service" improves and makes their daily business easier"
<b>OTE:</b> 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	F	<a href="#">EMPLOYEES / Workforce</a>

**Index Key:** F = Fully P = Partially Not = Not Achieved

2014 Goals	
<b>Employees</b>	
<b>OTE and COSMOTE:</b> Rationalization and Harmonization of HR policies	
<b>OTE and COSMOTE:</b> Introduction of talent management programs	
<b>OTE and COSMOTE:</b> Enhancement of people development	



## 2.9.4 Society

2013 Goals		2013 Performance
<b>Employee Volunteering</b>		
<b>OTE and COSMOTE:</b> Continue Employee Volunteer COSMOTE Blood Donation program	F	Refer to <a href="#">SOCIETY / Employee Volunteering</a>
<b>OTE and COSMOTE:</b> Develop a new employee volunteer program	F	Refer to <a href="#">SOCIETY / Employee Volunteering</a>
<b>OTE and COSMOTE:</b> Further align the Volunteering Initiatives of the two companies	F	Refer to <a href="#">SOCIETY / Employee Volunteering</a>
<b>NGO Support and Collaborations</b>		
<b>COSMOTE:</b> Continue "Our World Is You" program	F	Refer to <a href="#">SOCIETY / Social Contribution and Society / Enabling Entrepreneurship</a>
<b>OTE and COSMOTE:</b> Continue Scholarship program	F	Refer to <a href="#">SOCIETY / Supporting Young People</a>
<b>OTE and COSMOTE:</b> Maintain Christmas initiatives for children in need	F	Refer to <a href="#">SOCIETY / Supporting Children</a>
<b>OTE and COSMOTE:</b> Continue PC Donation program	F	Refer to <a href="#">SOCIETY / Students</a>

**Index Key:** F = Fully P = Partially Not = Not Achieved

2014 Goals
<b>Society</b>
<b>OTE and COSMOTE:</b> Maintaining major CR initiatives for supporting children and students
<b>OTE and COSMOTE:</b> Realization of a new CR initiative aiming to address a current significant need of the society
<b>OTE and COSMOTE:</b> Further actions to support local communities nationwide
<b>OTE and COSMOTE:</b> Maintaining the level of corporate volunteering initiatives to support fellow citizens in need



## 2.9.5 Environment

2013 Goals		2013 Performance
<b>Environmental Management</b>		
<b>OTE:</b> Receive ISO 14001:2004 certification for OTE EMS	F	Refer to <a href="#">ENVIRONMENT / Management Approach</a> and <a href="#">ENVIRONMENT / Key Achievements in 2013</a>
<b>COSMOTE:</b> Renewal of ISO 14001:2004 for AMC and COSMOTE Romania	F	Refer to <a href="#">OTE GROUP SUBSIDIARIES</a>
<b>OTE and COSMOTE:</b> Develop a fully operational IT system for the OTE and COSMOTE environmental data collection	F	Refer to <a href="#">ENVIRONMENT / Key Achievements in 2013</a>
<b>COSMOTE:</b> Renewal of ISO 14001:2004	F	Refer to <a href="#">ENVIRONMENT / Key Achievements in 2013</a>
<b>COSMOTE:</b> Streamline EMF Policy of COSMOTE, AMC and COSMOTE Romania with the DT Policy on EMF	P	The final text of EMF Policy has been agreed by OTE and COSMOTE and is in process of electronic approval. All terms of EMF Policy have been implemented. Refer to <a href="#">OTE GROUP SUBSIDIARIES</a>
<b>Climate Change</b>		
<b>OTE and COSMOTE:</b> Announcement of a long term (2020) CO <sub>2</sub> Emissions reduction target against a 2008/2009 baseline	F	Refer to <a href="#">ENVIRONMENT / Key Achievements in 2013</a>
<b>OTE:</b> Reduce CO <sub>2</sub> Emissions (scope 1 and scope 2) by 5% compared to 2008 levels	F	Refer to <a href="#">ENVIRONMENT / Direct GHG and Non-GHG Emissions</a> and <a href="#">ENVIRONMENT / Indirect GHG Emissions</a>  CO <sub>2</sub> Emissions (scope 1 and scope 2) in 2013 were by 6.8% lower than 2008 levels
<b>COSMOTE:</b> Prevent emission of over 5,500 tn CO <sub>2</sub> due to programs implemented	F	Refer to <a href="#">ENVIRONMENT / Direct GHG and Non-GHG Emissions</a> and <a href="#">ENVIRONMENT / Indirect GHG Emissions</a>  Emissions avoided due to the programs implemented were about 7,300 t CO <sub>2</sub>
<b>Energy</b>		
<b>OTE and COSMOTE:</b> Monitoring electricity efficiency (OTE: 141 MWh/mn€; COSMOTE: 130 MWh/mn€)	Not	Electricity intensity (specified as electricity consumption divided by revenues) amounted to 162 MWh/mn€, exceeding both the 2012 figure and the target set for the year. The increased electricity intensity metric is a result of OTE's declining revenue in 2013 compared to 2012 (8.6%) amid economic recession in Greece
	F	Electricity intensity (for COSMOTE Group Greece) was 122 MWh/mn€ (i.e. lower than the target value of 130 MWh/mn€)
<b>OTE:</b> Improved energy performance of service vehicles by 5%	F	Refer to <a href="#">ENVIRONMENT / Energy Consumption</a>
<b>COSMOTE:</b> Prevent energy use by 5% per base station	F	Refer to <a href="#">ENVIRONMENT / Improving Energy Efficiency and Reducing Emissions</a>  Avoided energy use was about 7%

**Index Key:** F = Fully P = Partially Not = Not Achieved



## 2.9.5 Environment (Cont'd)

2013 Goals		2013 Performance
<b>Waste</b>		
<b>OTE and COSMOTE:</b> Establishment of an integrated recycling program for packaging materials in the Central Administration building and in the new office complex in Paiania	F	Refer to <a href="#">ENVIRONMENT / Key Achievements in 2013 and ENVIRONMENT / Recycling Packaging Materials</a>
<b>OTE and COSMOTE:</b> Streamline recycling programs for phones and accessories in OTE, COSMOTE and GERMANOS retail network	F	Refer to <a href="#">ENVIRONMENT / Key Achievements in 2013 and ENVIRONMENT / Phones and Accessories</a>
<b>OTE and COSMOTE:</b> Recycle 100% of technical waste withdrawn	P	Refer to <a href="#">ENVIRONMENT / Hazardous Waste Management and ENVIRONMENT / Technical Waste Management</a>
<b>EMF</b>		
<b>COSMOTE:</b> Install 15 additional measurement stations in 2013	F	In 2013 10 measurement stations were installed (instead of 15) as the National Technical University of Athens was on strike during the last 5 months of 2013. The rest 5 units will be installed in the first quarter of 2014

**Index Key:** F = Fully P = Partially Not = Not Achieved

2014 Goals
<b>Environmental Management</b>
<b>OTE and COSMOTE:</b> Successful completion of the 2014 round of ISO 14001:2004 audit surveillance
<b>OTE and COSMOTE:</b> Full implementation of the IT system developed for environmental data collection at OTE Group level
<b>Climate Change</b>
<b>OTE and COSMOTE:</b> A long term (2020) CO <sub>2</sub> Emissions reduction target against a 2008/2009 baseline is to be elaborated, in line with the DT climate change strategy
<b>OTE:</b> Reduction of CO <sub>2</sub> emissions (scope 1 and scope 2) by 10% compared to 2008 levels
<b>COSMOTE:</b> Prevention of over 5,000 t CO <sub>2</sub> Emission due to programs implemented
<b>Energy – Transport</b>
<b>OTE:</b> Maintenance of electricity intensity (electricity consumption per revenues) at around 165 MWh/mn€
<b>COSMOTE:</b> Maintenance of electricity intensity (electricity consumption per revenues) at around 130 MWh/mn€ (valid for COSMOTE Group Greece)
<b>OTE:</b> Improvement of energy performance of service vehicles by 5%
<b>COSMOTE:</b> Maintenance of energy performance of vehicles fleet at 2013 levels
<b>COSMOTE:</b> Reduction of energy use by 5% per base station
<b>Waste</b>
<b>OTE and COSMOTE:</b> Expansion of the integrated recycling program for packaging materials in 4 key regional buildings
<b>OTE and COSMOTE:</b> Recycling of 100% of hazardous and technical waste withdrawn
<b>EMF</b>
<b>COSMOTE:</b> Installation of 10 additional measurement stations





## 3.0 Marketplace

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# 3.1

## Management Approach

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 the Management Committee. The Business Plan process includes assessments of market, regulatory and commercial risks and opportunities.





OTE and COSMOTE intend to offer responsible products and services, well labelled and communicated, keeping their customers safe throughout the products and services life cycle and securing the customers' private data. In this context, all equipment sold, accompanying products, and services has been certified and bear mandatory markings required under EU legislation, in compliance with all directives and regulations regarding safe use instructions, restriction of hazardous substances and electronic waste. Both companies enable the reuse and recycle of materials

and advocate the safe use of Internet. Marketing communication is conducted in accordance with existing laws and regulations and the companies continually work on processes and tools to secure the customers' private data.

Finally, OTE and COSMOTE are aware of the risks arising within their supply chain and work on the development of responsible social (covering labour and human rights issues) and environmental practices.

### Key Achievements in 2013:

- OTE and COSMOTE, fully aware of the ICT enabling role in environmental protection, society's support and economic growth, invested in developing sustainable products and services (e.g. OTE Business Cloud, Fleet Management service, M2M solutions in collaboration with the Hellenic Electricity Distribution Network Operator etc.), and enabling research and innovation activities in the field.
- Both companies provided information to over 65,000 citizens on topics such as safe use of the Internet and mobile telephony services.
- OTE and COSMOTE harmonized their complaints management methods leading to the decrease of OTE response time, while keeping customer satisfaction and customers' loyalty at high levels.
- OTE and COSMOTE continued to be recognized as leaders between socially responsible Greek companies, having achieved the 5th and 1st place respectively in the 2013 Awareness and Social Behaviour Index.
- COSMOTE resolved 74% and OTE 56% of complaints within 2 days.
- The new common Policy for the Protection of Communications Privacy (aiming at ensuring the privacy of communications and the protection of the respective data, through the implementation of security controls in specific areas) was implemented.
- OTE's Supplier Code, which describes the criteria that OTE uses to evaluate its suppliers on Labour, Health and Safety, Environmental and Ethical issues, was approved and put into force.
- OTE and COSMOTE conducted evaluations of suppliers, who account for 73% and 94% respectively of the procurement volume.



## 3.2 Responsible Competition

### 3.2.1 Competition and Regulation

OTE and COSMOTE are firmly committed to abiding by national and European regulations 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 society stakeholders, to ensure a regulatory framework that affords unbiased treatment of all telecommunications services providers and contributes to broader community prosperity.

COSMOTE, since 2006, and OTE, since 2011, have formed internal relevant policies to inform employees on the importance of complying with competition regulations and to systemize the rules of conduct. The OTE Group Policy on Antitrust Law, which sets the operational framework in the context of antitrust law for the activities of OTE Group companies and its employees, entered into force in 2013.

#### 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, universal service and privacy issues.

Telecommunications Directives and Regulations, adopted in the EU, were implemented in national legislation by means of Law 4070/2012. Furthermore, in 2013, the Hellenic Telecommunications and Post Commission (henceforth "EETT") published individual Decisions (i.e. General Authorization Regulation) based on the main provisions of Law 4070/2012 and amended the Regulation for Number Portability. In addition, EETT has conducted market analyses and published relevant Decisions.

In the regulatory environment, secondary legislation and regulatory remedies, in many cases, do not

reflect the current level of competition and can be burdensome, particularly regarding the conditions for approval of the OTE rates.

EETT imposes on OTE and COSMOTE "ex-ante" regulatory obligations, which often have a serious impact on their business policy. By them, both companies are subject to pricing constraints, while OTE's competitors do not have such an obligation since, according to EETT estimations, they do not have significant market power (SMP), in the relevant market. During 2014, the EETT is expected to issue individual regulatory Decisions, in accordance with the provisions of Law 4070/2012 and carry out reviews of market analyses and consultations in order to decide whether any provider has SMP in the relevant market. Where OTE and COSMOTE are found to have SMP, EETT will impose regulatory remedies in the relevant markets.



## Regulatory Actions in 2013

In 2013, OTE and COSMOTE were involved in a number of regulatory and administrative disputes with EETT. These relate to fourteen (14) actions (hearings) against OTE, regarding: discount programs, response in consumer complaints, charges for local loop unbundling services, delays in delivering and repairing unbundled local loops, refusals of requests for local loops and related services, spectrum interference caused by VDSL activation, issue date of invoices, providers' obligation to submit letters of guarantee interconnection and phone directory issues and one (1) action against

COSMOTE, regarding competition and regulatory issues. The most important pending regulatory issues are reported in the OTE Annual Report 2013 at <https://www.ote.gr/en/web/guest/corporate/ir>.

During 2013, EETT imposed fines with monetary value of €2,851,300 on OTE. No monetary fine was imposed by EETT on COSMOTE. OTE has lodged 11 appeals before the competent courts seeking annulment of these penalties.

### Regulatory Litigations in 2013

Actions	OTE	COSMOTE
Number of Fines	11	0
Number of Appeals	11	0
Number of Non-pecuniary Penalties	1	0
Value of Fines	EUR 2,851,300	–

## 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 fora, associations and initiatives, at national and EU level, in order to promote responsible competition, self-regulation and collaboration on societal issues.

During 2013, the main forums/associations/initiatives, in which OTE and COSMOTE participated, are:

- **ETNO**  
OTE is one of the 50 members and observers of the Association of European Telecommunications Network Operators.
- **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 in the Internet. Companies which are signatories to the Coalition, committed to take positive action throughout 2012 and 2013 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. These actions are presented in the [MARKETPLACE / Internet Safety and Public awareness section](#).

- **ICT Coalition for the Safer Use of Connected Devices and Online Services by Children and Young People in the EU**

OTE and COSMOTE participate, as members of Deutsche Telekom Group, in this broad alliance, made up of 22 companies from across the information and communications technology (ICT) sector. The aim of the ICT Coalition is to help younger internet users across Europe to make the most of the online world and deal with any potential challenges and risks. To this purpose, in 2012, members of the ICT Coalition signed up to a set of guiding principles to ensure that the safety of younger internet users is integral to the products and services they develop.



- **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 among 15 other European mobile telephony and content provider companies to sign the Memorandum, in February 2007.

- **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, in line with those as in other European countries.

- **Association of Mobile Telephony Companies**

COSMOTE participates in the non-profit organization “Association of Mobile Telephony Companies”. The Association, aims to be an advisory board in 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.

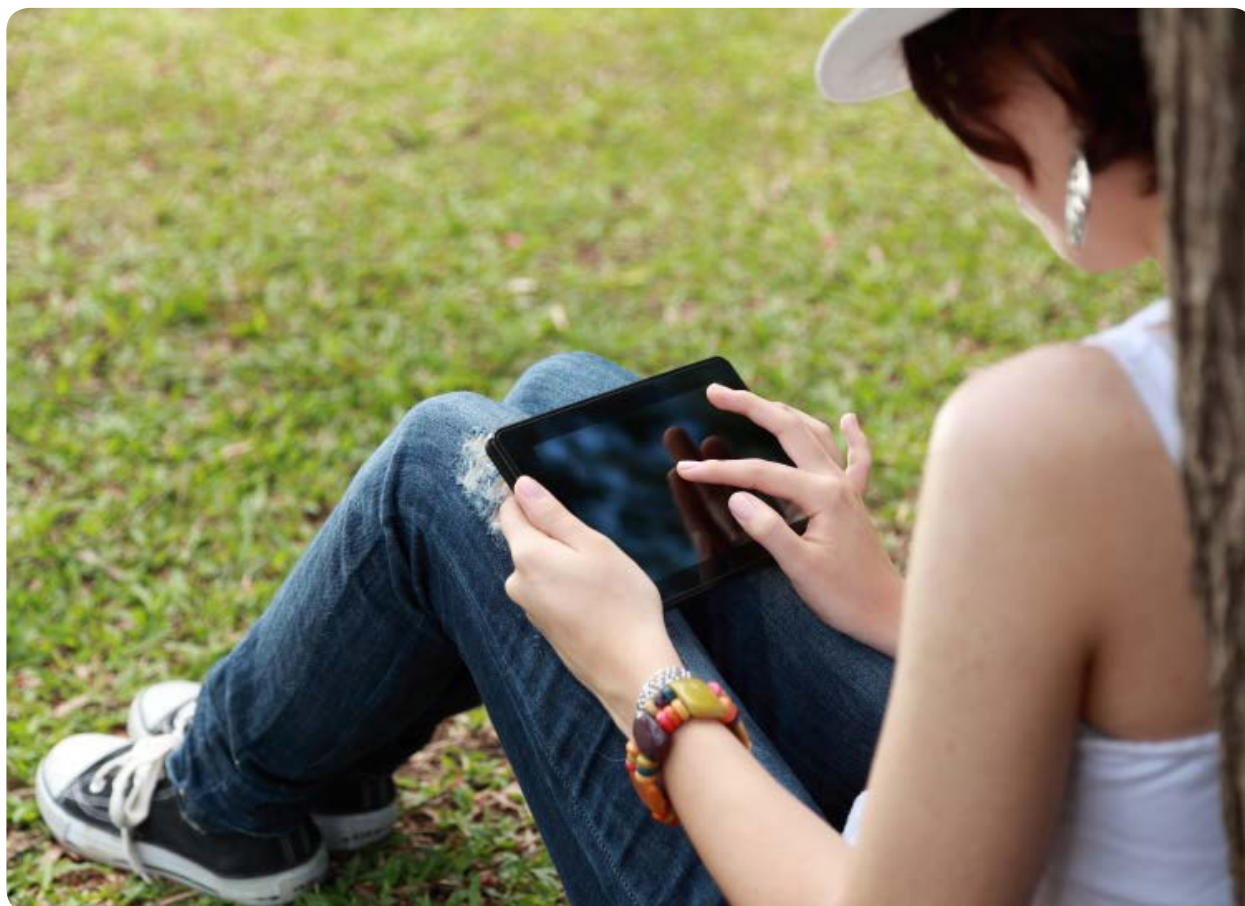


## 3.3

# Expanding Broadband and Mobile Internet in Greece

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Although the availability of broadband, for fixed line and mobile services, is almost 100% in Greece, the penetration rate is an ongoing challenge for the country, which has been lagging behind the EU average rate, mainly in fixed line broadband. At the end of 2013, fixed broadband connections reached 2,913,191 compared to 2,689,428, at the end of 2012, registering an increase of 8.3%. Fixed broadband penetration amounted to 25.8% compared to 23.8% in 2012 resulting in, keeping Greece in the 19th place among the EU member states, according to EETT statistics.

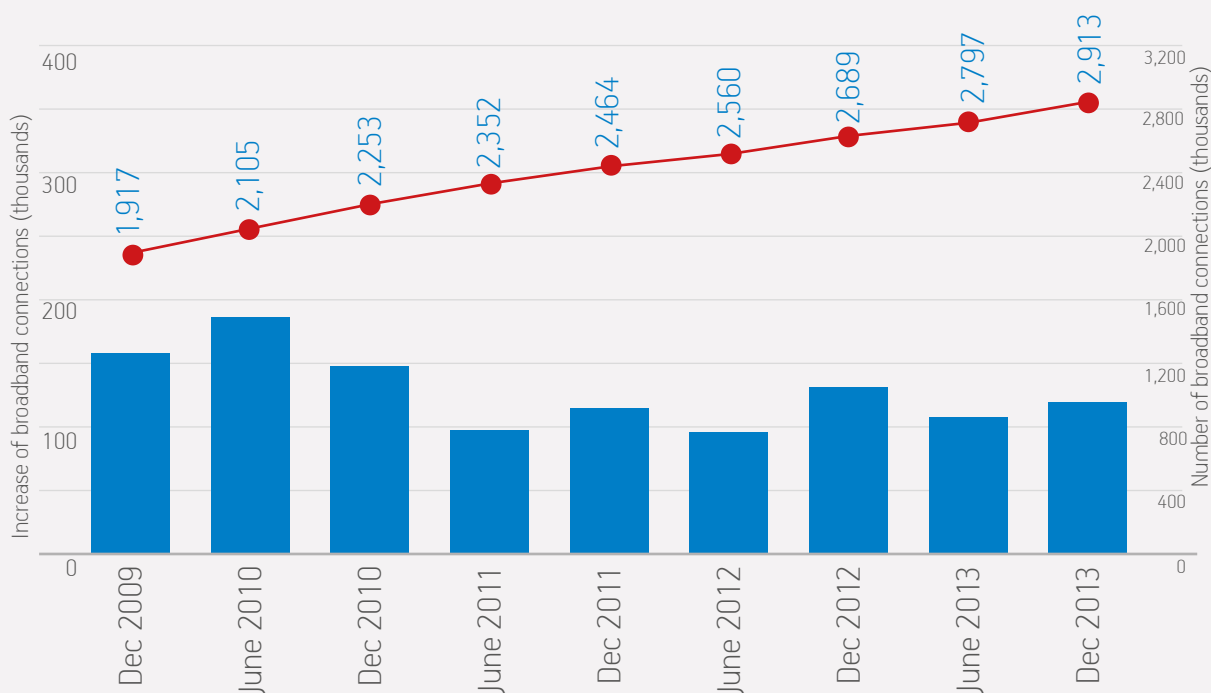




## Evolution of Broadband Connections

Increase of broadband connections per semester

Broadband connections (total)



Source: EETT, based on data from licensed carriers

## Key Investments in 2013

OTE and COSMOTE have the capacity, know-how and financial base to continue investing towards upgrading the telecommunications infrastructure of Greece and will contribute to achieving the objectives of the 2020 Digital Agenda and the country's transition to the new digital era for its society and people.

Investments by OTE and COSMOTE are based on the companies' assessments of the market, customer and community needs, and are mainly undertaken by the Commercial and the Technology Directorates.

OTE Group investments in Greece, exceeded €2 bn in the past five years. ADSL is available to 91% of the population. At the same time, OTE invests systematically in the development of the FTTC-VDSL network with fibre-optic cables gradually reaching neighbourhoods. Speeds of up to 50 Mbps have already been made available to 1 mn households.

In mobile telephony, COSMOTE was the first mobile company in Greece to offer 4G services in 2012 and expanding at a fast pace, provided population coverage exceeding 55% by the end of 2013.

OTE Group has announced plans to invest a further €1.2 billion in the next 4 years, a significant part of which on New Generation Networks (NGN) for both fixed and mobile telephony.



OTE Access Lines and Traffic Statistics			
	Dec 31, 2012	Dec 31, 2013	Change (%)
PSTN Connections	2,734,260	2,532,008	−7.4%
ISDN Connections(BRA and PRA)	392,012	358,446	−8.6%
Other (MSAN)	0	8,688	—
<b>Total OTE Access Line Connections</b>	<b>3,126,272</b>	<b>2,899,142</b>	<b>−7.3%</b>
<i>Of which wholesale line rental (WLR) connections</i>	<i>63,964</i>	<i>47,082</i>	<i>−26.4%</i>
Total OTE Broadband Active Subscribers	1,204,980	1,286,228	+6.7%
<b>OTE Broadband Active Retail Subscribers</b>	<b>1,179,174</b>	<b>1,261,590</b>	<b>+7.0%</b>
OTE TV Subscribers (IPTV and Satellite)	119,771	255,912	+113.7%
Unbundled Local Loops (active)	1,794,558	1,907,303	+6.3%



## 3.4

# Internet Safety and Public Awareness

The companies' role is not restricted to producing safe products and offering top quality services, it extends to informing customers and the wider public about the safe use of technology, their products and services. In this context, for the second consecutive year, under the slogan "In the internet fairyland, we want no villains" OTE and COSMOTE informed parents, children and the public in general about the safe use of the internet and the mobile telephony services. Also, in 2013, OTE and COSMOTE enhanced their initiatives concerning the safe use of the Internet, in the framework of the "CEO Coalition to make the Internet a better place for kids", via actions – described below– that they implemented for the availability and use of parental controls, as well as for the facilitation of reporting online illegal content.





### 3.4.1 Products and Services

OTE offers “OTE Secure”, which consists of online security services like Anti-virus, Anti-spam, Firewall, Browsing protection, as well as an enriched Parental Control functionality that allows parents to monitor, filter and block access to websites with inappropriate content (e.g. violence, adult content, guns, drugs etc.) by adjusting the level of protection according to the age of the children. Also, OTE TV offers Parental Control Services in both iptv and satellite platform, through which, the subscribers have the choice to set the Parental Control level that they prefer and to lock out specific programs, based on the Parental Control rating level that all programs in the service carries. Additionally, in satellite service, the subscriber can lock out the channel(s) of his choice. Furthermore, concerning the Adult Pack (3 additional channels with adult content), a customer to subscribe to this pack must visit a retail shop or affiliate shop of OTE and apply in person. Finally, in order to rent a movie with adult content, from video on demand service, the subscriber needs to enter his personal PIN number that was given to him when he bought the service (and was advised to keep it away from children). All the above instructions are given also on the service manual and in help screens on the portal service.

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

### 3.4.2 Raising Public Awareness

Acknowledging the rapid development of new technologies and interactive media, such as the Internet and the 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 a series of actions and initiatives. In 2013, OTE and COSMOTE issued the informative brochure “Safe Use of the Internet and the Mobile Telephony Services”, which was addressed to parents. The brochure is available at the points of contact with customers both in Athens and the rest of Greece as well as at the official website of OTE and COSMOTE.

Moreover, in the context of the educational activities of the OTE Telecommunications Museum, awareness sessions have been carried out since 2010, with regards to safe Internet navigation. The sessions are delivered by specialized scientific partners of the Adolescent Health Unit of the Second Department of Paediatrics of the University of Athens “P. G. A. Kyriakou Children's Hospital” and are aimed at students of all grades. Their content is adjusted depending on the age and knowledge level of the students and according to their interests.

Furthermore, through a systematic and comprehensive targeted communication action plan, OTE and COSMOTE inform and sensitize parents, teachers, children and the wider public, as well as their employees, on issues regarding the safe use of Internet and the mobile telephony services. Points of contact with their customers, constitute major means of informing the companies' customers. 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 six years.

Both companies offer advice on safe use of the Internet and the mobile telephony services through their official websites ([www.ote.gr](http://www.ote.gr) and [www.cosmote.gr](http://www.cosmote.gr)).

Moreover, OTE and COSMOTE facilitate the reporting of online illegal content through their official websites, by including a direct link to the report form of the Greek hotline website “SafeLine.gr” and access to download the Safeline's application for Androids, which may be used to report illegal content from practically anywhere via a smartphone. Safeline is an official member of INHOPE and operates under the umbrella of Safer Internet Program of the European Community.



Action/ Means	Company	Target	Impact in 2013
People informed about the safe use of the Internet and mobile phones	OTE and COSMOTE	Parents, children, teenagers, teachers, students, wider public	Over 65,000 people
Awareness Sessions on using technology safely at OTE Telecommunications Museum	OTE	School groups, teenagers and adults being informed on children protection	317 people

## Safer Internet Day Campaign 2013

On the occasion of the 2013 Safe Internet Day and driven by the conviction that prevention and proper information can ensure the safe use of the Internet and of the mobile, OTE and COSMOTE implemented for yet another year an awareness campaign. With the message "In the Internet fairyland, we want no villains", and through a series of targeted initiatives and awareness actions, OTE and COSMOTE are informing both the wider public and the thousands of OTE Group's employees.

## Safer Internet event at the Athens Mall – February 2013

In the framework of OTE and COSMOTE's joint campaign and the Safer Internet Day 2013, for the second consecutive year, OTE and COSMOTE carried out a special event for parents, adolescents and children at the Athens Mall. Specialists from the Adolescent Health Unit (A.H.U.) of the Second Department of Paediatrics of the University of Athens "P.G.A. Kyriakou Children's Hospital", informed more than 1,200 parents and children about the safe use of the internet, potential risks as well as young people's addiction through interesting interactive activities.

## Research results and actions by the Adolescent Health Unit

The two companies participated in a press conference held by the Adolescent Health Unit of the Second Department of Paediatrics of the University of Athens "P. G. A. Kyriakou Children's Hospital", in February 2013. Considerable evidence from recent surveys was presented, as well as specific actions related to Internet safety. One of the results of this year's survey showed that only 28.8% of adolescents say they have been informed about Internet safety (Source: Adolescent Health Unit (M.E.Y), Research Results December 2012–January 2013).

## 2nd Congress for Safer Internet Navigation

OTE and COSMOTE jointly supported the 2nd Conference on Safer Internet Navigation organized by the Cyber Crime Unit, where, distinguished scientists who specialize on issues related to safe navigation on the Internet scientists from Greece and abroad, participated.

## Theatre performances at OTE Telecommunications Museum

The OTE Telecommunications Museum hosted in February 2013, the theatrical play "The Internet Farm" addressed to school groups and the public. The play presented the process of safe Internet navigation in a pleasant way. More than 340 parents and children, as well as, 400 students attended the play, in 2013.

700,000 brochures on the

# safe use of mobile telephony services and the Internet

have been distributed over the past six years





### 3.4.3 Collaboration with Recognized Bodies

Since 2010, OTE and COSMOTE have been cooperating with the [Adolescent Health Unit of the Second Department of Paediatrics of the University of Athens "P. G. 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.

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 Internet, mobile phones and electronic games.

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

Collaboration with Acknowledged Bodies	Actions and Impact in 2013
Adolescent Health Unit of the Second Department of Paediatrics of the University of Athens "P. G. A. Kyriakou Children's Hospital".	<ul style="list-style-type: none"> <li>• More than 300 cases involving children and teenagers were communicated to the Unit, on a monthly basis, for issues such as cyber bullying, inappropriate content and excessive use of the Internet</li> <li>• Awareness sessions were conducted in 80 schools</li> <li>• Satellite event "6th State of the Art Adolescent Medicine Course", with more than 700 participants</li> </ul>
Helpline "YpoSTIRIZO 800 11 800 15" for adolescents and their families, providing support and advice on issues related to the use of the Internet, the mobile phone and electronic games.	<ul style="list-style-type: none"> <li>• 2,000 calls and emails</li> <li>• Awareness campaign (television, radio and cinemas) for the operation of the Helpline, in February and May 2013</li> </ul>
Cyber Crime Unit workshops, designed to raise awareness of parents and students on safe use of the Internet	<ul style="list-style-type: none"> <li>• 51 workshops held in 2013</li> <li>• 17,000 people attended in the workshops</li> <li>• More than 40,000 people, in Greece and internationally, watched the conferences via live streaming</li> <li>• More than 10,000 informative leaflets of OTE – COSMOTE were distributed</li> </ul>

### 3.4.4 Participation in Self-Regulatory Initiatives

Of particular importance is OTE and COSMOTE's participation, via Deutsche Telekom, in the cooperative voluntary intervention ["CEO Coalition to make the Internet a better place for kids"](#) for the Safe Navigation of Children and Young People on the Internet and in the [ICT Coalition for the Safer Use of Connected Devices and Online Services by Children and Young People in the EU](#).

At the same time, COSMOTE, along with all mobile telephony operators, has undertaken self-regulatory initiatives at the European and national level, as mentioned in the [MARKETPLACE / Advocacy for a Responsible Marketplace](#) section.



## 3.5 Responsible Products and Services

Information and Communication Technologies (ICT) have and will continue to play a significant role in global economic growth through the development and application of innovative services that increase productivity in all sectors of economy.

The increased use of ICT services has undoubtedly an environmental and social impact, while it is also widely acknowledged that ICT services can enable a more sustainable performance in all sectors of economy.

OTE and COSMOTE are fully aware of the ICT enabling role in environmental protection, society's support and economic growth, the contribution of the sector in achieving sustainable development and the opportunities it offers for the advancement of the companies. Hence, the companies have invested in developing sustainable products and services, and enabling research and innovation activities in the field.





### 3.5.1 Sustainable Products and Services

As the leading telecommunications operator in south-eastern 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 the broadband services towards direct and indirect improvement of their operations, well-being and environmental performance. Such products and activities, available in 2013, include:

#### OTE Business Cloud

OTE Business Cloud is based on server visualization, which 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. Essentially, OTE Business Cloud offers on-line services, with safe and continuous provision of IT infrastructures, providing the users with the ability to have immediate access via easy to use tools, in order to monitor and manage the resources granted to their needs.

#### Teleconference

OTE offers improved teleconference infrastructure to its business customers, who made extensive use of its capabilities. New up-graded video conferencing services (based on cloud computing technology) offer enterprises the opportunity for immediate teleconferencing practically from everywhere, through smartphones, tablets or laptops that are equipped with the necessary software. In 2013, only within OTE Group, 2,056 teleconferences were conducted.

#### Fleet Management Service

The Fleet Management service (provided by COSMOTE) is based on monitoring the location of vehicles with the use of a GPS satellite system, transmitting information via COSMOTE 2G/3G network to the customer's control centre and monitoring the information on a digital map. The aim is the optimization of vehicles' routes and the corresponding reduction of fuel consumption and carbon dioxide emissions.

#### Development of e-applications

OTE and COSMOTE invest in the development of e-applications for their customers (e.g. e-billing, e-payment, online submission of applications by wholesale customers, the "yourbusiness.gr" service)

that could result in a reduction of paper consumption and improved management of resources.

More information on the "yourbusiness.gr" service is presented in the [SOCIETY / Enabling Entrepreneurship](#) section.

OTE modernized its electronic services by establishing the e-bill service, which offers registered customers the opportunity to:

- conveniently receive their bill directly on their e-mail in digital format,
- access useful statistics and data regarding their calls,
- easily pay their bill using the payment code received via SMS,
- avoid keeping an archive of printed bills,
- enhance their personal information security by using credentials of their choice, and
- actively contribute to reduce paper waste by going paperless and turning off their paper bill.

#### E-services in Health

OTE and COSMOTE offer e-services used by the health sector. The services, already offered to Papageorgiou Hospital in Thessaloniki and Rea Maternity Hospital in Athens, concern telemedicine, management of hospital infrastructure and access to the hospital information systems. The e-services provided also aim at the improvement of services to patients and visitors (e.g. patients' admission and hospitalization) as well as of administrative procedures (e.g. human resources management) and can result in the reduction of operational expenses. They also enable patients to receive health care assistance remotely, and reduce the environmental impact of engaging parties, as it minimizes travelling.

#### E-services in Tourism

OTE and COSMOTE services enable the tourism sector to improve its operation. E-services are used for hotel infrastructure energy management, network management and maintenance, digital signage, value added services to the visitors during their stay in the hotel premises, teleconferences, etc. All services contribute to the upgrading of hotel facilities and services and hence, hotels operate in a more sustainable way.



## Smart Grids

Smart grid represents a significant ICT-enabled GHG emissions abatement option. According to the Smarter 2020 study, about 45% of the abatement potential identified in the power sector is attributed to smart grids. A smart grid is an electrical grid that uses information and communications technology (Machine to Machine communication, M2M) to gather and act on information, such as data on the behaviours of suppliers and consumers, in an automated fashion to improve the efficiency, reliability, economics, and sustainability of the production and distribution of electricity.

COSMOTE is active in the development of M2M solutions, and in 2013 expanded its collaboration with the Hellenic Electricity Distribution Network Operator (HEDNO) by establishing 65,500 M2M additional (to the existing 13,000) connections, of which 9,000 came operative in 2013. COSMOTE provides an integrated management application for all M2M connected devices through which HEDNO is able to manage them via Internet for the daily data collection and analysis. These M2M connections are gradually installed in customers' premises (ranging from high to low voltage electricity users) and are scattered throughout Greece. The services to HEDNO include, among others, real time monitoring of every installed M2M connection, alert warning (received via SMS or e-mail) in case of any status change, reporting of the energy consumption of every M2M connection, notification generating in case the usage exceeds a predetermined limit, etc.

## E-energy

A new service, currently under development, is being designed specifically aiming at energy conservation in the business sector. The EDM (Energy Data Management) solution is the result of an extensive research of the Greek market's needs and international market's trends. The solution provides real-time information of energy consumption (with access from anywhere) and control of energy spending. By adopting this service, an enterprise may reduce its energy consumption, carbon footprint and operational cost (energy expenses).

Specific information on social products and services offered to clients is presented in [SOCIETY / Social Products, Services and Offers section](#).

Details on products and services aiming at promoting business enterprising are presented in [SOCIETY / Enabling Entrepreneurship section](#).

## 3.5.2 Research and Innovation

The development of innovative products and services, represents a key priority for OTE and COSMOTE. To this end, both companies are engaged in collaboration with an international network of partnerships from industry and academia in a large number of successful EU and Nationally funded research and development projects (namely LiveCity, E3NETWORK, WHERE2, WiSE-PON, PANDA, SECCRIT, SAT4NET, DuCoNet, NextGenMilliWave, UNIFY, SPIRIT, GERYON, OpenLAB, NEMESYS, FLEX, VIMSEN, CONFES, NextGenAntennas, WikiZEN, Fasmetrics E/M Products and Services) dealing with various research topics.

Contributing to the improvement of the operating environmental performance, represents a high priority for OTE and COSMOTE. Thus, both companies participate in research activities, aiming at developing climate and environmentally friendly products and services, included in the 7th Framework Program for Research and Technology Development (Research theme: Information and Communication Technologies) as well as within national initiatives announced and funded through the Greek General Secretariat for Research and Technology and, occasionally, within other potential funding agencies such as ESA (European Space Agency). The most indicative research projects are presented below.

### ECOGEM (Cooperative Advanced Driver Assistance System for Green Cars)

The objective of the project was to design and develop a smart and innovative in-vehicle system for "green" cars (Fully Electric Vehicles, FEVs) that –based on real-time monitoring and information management capabilities while on the move– would recommend the most energy efficient and environmentally friendly routes and provide information on the FEV's autonomy and the nearest recharging points/stations.

In the framework of ECOGEM, COSMOTE contributed to the technical specifications for the secure and efficient communication of vehicles with the central system platform, as well as to the dissemination and commercialization actions of the project results. The ECOGEM system was validated, tested and evaluated by means of both simulation trials and field tests, using three FEV types. System functionalities were verified and energy savings of 15% or more and 2 times better prediction accuracy in energy consumption were demonstrated. For more information, see <http://www.ecogem.eu>.



## EMERALD (Energy Management and Recharging for Efficient Electric Car Driving)

Extending further the results of ECOGEM, EMERALD focuses on energy use optimization and on the seamless integration of FEVs into the transport and energy infrastructure, by delivering clear advances over the state-of-the-art integrated in-vehicle energy management, as well as for effective integration with the grid, cooperative transport infrastructures and fleet management and planning systems. In the framework of EMERALD, COSMOTE contributes to the use case scenarios, user and system requirements, technical specifications, system architecture, testing and evaluation phases, dissemination activities and investigation of commercial exploitation.

EMERALD started in October 2012 and will run for 45 months under the coordination of SOTTECO SISMAT (IT). The project budget is €5 mn, while COSMOTE's budget is € 0.3 mn and the EU contribution is of the order of 50%. For more information, see [www.fp7-emerald.eu](http://www.fp7-emerald.eu).

## TEAM (Tomorrow's Elastic Adaptive Mobility)

The scope of the project is to make travellers and infrastructure act as a team, adapting to each other and to the situation, creating optimized mobility conditions in real time, thus increasing road safety and transport efficiency with direct environmental impacts on the roads. In the framework of TEAM, COSMOTE contributes to the technical specifications, system architecture, identification of the applications to be developed, testing and overall assessment of the system, as well as to the project's results dissemination and exploitation.

TEAM is funded by the EU under the 7th Framework Program in the context of the European Green Vehicles PPP Initiative ([www.egvi.eu](http://www.egvi.eu)). It started in November 2012 and will run until October 2016 under the coordination of Fraunhofer-Institut FOKUS. The project budget is €17.9 million, while COSMOTE's budget is €0.2 mn and the EU contribution is of the order of 50%. For more information, see <http://www.cooperative-team.eu/>.

## 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 (V2V) over the Internet in a great variety of pilot applications / uses within modern "smart cities" in urban environments, covering city municipal services, city e-Health, city emergency, city education and learning and city experiences.

Apart from improving citizens' living standards, V2V may offer significant environmental benefits via the reduction of fuel costs and carbon footprint, as it reduces travel within cities. LiveCity becomes a technology integration trial which offers advanced services to approximately 2,750 users in the participating European Cities.

LiveCity started in April 2012 and will be completed by the end of 2014. OTE participates as coordinator of this innovative project which comprises 18 partners from 7 EU member states, having a budget of € 4.5 mn, while the OTE budget is €0.5 mn and the EU contribution is of the order of 50%. For more information, see <http://livecity-psp.eu>.

## CONSERN (Cooperative and Self-growing Energy aware Networks)

The aim of CONSERN was to develop and validate a paradigm for dedicated, purpose-driven small scale wireless networks and systems characterized by an "energy-aware self-growing network", which constitutes a service-centric evolutionary approach.

CONSERN started in June 2010 and was officially completed in early 2013. CONSERN was a collaborative effort of 10 partners from 5 EU member states. The project's budget was €3.3 mn. OTE's budget was €0.04 mn with the EU contribution of the order of 50%. For more information, see [www.ict-consern.eu](http://www.ict-consern.eu).



## E3NETWORK (Energy Efficient E–Band transceiver for backhaul of the future networks)

E3NETWORK aims at the design of an energy–efficient, high–capacity transceiver fulfilling the backhaul requirements set by future networks, while speeding–up the roll–out of high speed wireless internet and reaping the benefits of a digital market for households and firms. The backhaul technology to be developed will facilitate the transition to smaller and more energy efficient base stations, which are key for the novel network topologies needed to address the new patterns of usage of citizens.

E3NETWORK started in December 2012 and will be completed in December 2015. E3NETWORK is a collaborative effort of 9 partners from 6 EU member states, having a budget of €5 mn. OTE's budget is €0.3 mn and the EU contribution is of the order of 50%. For more information, see <http://www.ict–e3network.eu>



# 3.6

## Responsible Marketing

### 3.6.1 Responsible Marketing Practices

OTE and COSMOTE comply with laws and regulations in marketing communications and the Marketing Communications Strategy Division, Fixed and Mobile controls and reviews all marketing materials, prior to public release. In particular, OTE and COSMOTE ensure that their communication material is in compliance with law, appropriate, fair, sincere and respectful of diversity. 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). In 2013, OTE was cited 6 times and COSMOTE 5 times for incidents of non-compliance with these guidelines, however no fines were imposed.

### 3.6.2 Transparency on 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 high quality service levels.

They set their prices, at such levels so as to cover the cost of service provided and to respond to market demands for lower prices, without creating obstacles to healthy competition.

Pricing transparency policies consist of making information on pricing readily available within the deadlines set by the regulatory framework. Pricing information is available on both companies' websites as well as through the companies' client service lines and information brochures, and provided to the press. Customers are also informed, through their bills, on pricing details and changes, while various cost-control

solutions (see table Cost Control Services below) have responded to increased customer need, in these difficult economic times, for economizing.

In this vein, OTE, in 2013, increased by up to 5 times the "fixed to mobile minutes" embedded in the popular Single and Double Play residential rate plans and added new features at no or very reduced cost. COSMOTE subscription customers were given offers, which provided a monthly fixed fee discount of up to €20.

In addition, OTE provided the opportunity through its initiative "Your business.gr" to more than 15,000 small and medium-sized enterprises, to promote their business on the Internet, easily, quickly and completely free of charge for a full year. At the end of the 12 months these customers may continue to



use the “Your business.gr” services at very low prices. More details are provided in the [SOCIETY / Enabling Entrepreneurship section](#).

At the same period, COSMOTE gave the opportunity to its customers to choose either a mobile device subsidy, or reductions on their tariff plans which reached the 30% of their primary cost. The existing tariff plans were enriched with more features at no additional cost, or had their prices reduced by up to 20%. An

additional 10% reduction has been offered to any new connections. Moreover, several commercial offers were made, i.e. free data (August), 3 gifts to 3 friends – (certain number of SMS), MBs and minutes of airtime (Xmas offer), free SMS, MBs and minutes of airtime during the weekends (November). More information on special offers provided to people of specific demographic groups and needs is presented in the [SOCIETY / Social Products, Services and Offers section](#).

Cost Control Services	
OTE	COSMOTE
<ul style="list-style-type: none"> <li>• <b>“My OTE” Service:</b> OTE modernized its electronic services by enhancing online bill presentation, which allows registered customers to be informed on their bills, free of charge, and to check their statistical information on their usage, in order to select the best services package for them on offer.</li> <li>• <b>SMS notification:</b> e bill customers are provided with an SMS notification service regarding the issue and the due date of their bill in order to better budget their expenses and receive reminders when payments are due.</li> <li>• <b>OTE informs consumers,</b> with a sound message before the end of calls, with high prices and applies the policy of maximum call duration for these numbers.</li> <li>• <b>Customer bills:</b> 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 services, customers are informed in their bill.</li> <li>• <b>OTE examines cases</b> of customers with exceptionally high charges and compensates them when fraud is being detected, while it offers customers the possibility to bar non authorized usage of their phones.</li> <li>• <b>Record keeping of all numbers</b> requested by customers as “not wanted numbers”.</li> <li>• There has been an early warning <b>billing acknowledgment</b> to the users of “Your business.gr” service, after the one–year free of charge period</li> </ul>	<ul style="list-style-type: none"> <li>• <b>“COSMOTE Internet On The Go”</b> application: Users of personal computers with Mobile Internet access via USB modems can be informed about their data usage and set maximum usage limits. Customers can also see records of their data usage.</li> <li>• <b>“Cost Control” Service:</b> Automatically updates subscribers with free SMS, when they have consumed 80% of their free embedded use of their program (free talk time, messages or MB).</li> <li>• <b>“Check of remaining free usage” service:</b> Informs subscribers with free SMS whenever they choose to, about the remaining free units in their program.</li> <li>• <b>Online check</b> of the subscriber’s remaining free talk time, SMS and MB through the new My COSMOTE / COSMOTE Application channels.</li> <li>• <b>Additional real time check</b> of the subscriber’s remaining balance through a dedicated IVR channel for COSMOTE Cost Control and prepaid rate plans.</li> <li>• <b>Packages with additional MB</b> for more internet usage when needed.</li> <li>• <b>Roaming Services:</b> Roaming network expansion, reduced prices, and data limit program.</li> <li>• <b>Multimedia Information Services:</b> Blocking access to Multimedia Information Services Numbers from the subscribers is efficient, since in certain categories of those numbers, the subscriber can choose to block per single destination and per direction (for Premium SMS Services).</li> </ul>



### 3.6.3 Equipment Safety Labelling

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

In 2013, EETT examined a non-compliance incident regarding equipment safety regulations, concerning COSMOTE, which has been raised in 2012, and involved CE marking in part of one device stock, that was immediately addressed. The Regulator decided to issue a warning to COSMOTE for this issue but no fine was imposed. In 2013, there was no non-compliance inquiry regarding equipment safety regulations, concerning COSMOTE.

COSMOTE places increased importance on procurement of products that are safe and meet 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 satisfy 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 labelling, (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, that is the Specific Absorption Rate (SAR) not to exceed 2 w/kg<sub>avg</sub> 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). They also comply with EU Directives WEEE, RoHS, ICNIRP and all the Presidential Decrees, transposing these Directives into the Greek legislature, as well as the Directive 2005/32/EC of the European Commission and Council on the environmental-friendly design requirements, related to the electric power consumption of the electric and electronic home office equipment in standby and switched-off mode. Products are always accompanied by detailed instructions for safe use. OTE's website also offers a variety of manuals in Greek and English.

Furthermore, OTE requires 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 the Greek 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. Furthermore suppliers are required to deposit the certification of the procured equipment, related to the above Directives, to the Retail Marketing, Commercial Purchasing and Supply Division/Fixed and Mobile of OTE.



## 3.7 Customer Service and Satisfaction

OTE and COSMOTE have built a strong reputation of offering high quality customer services in the Greek telecoms market. Reliable customer service constitutes one of the companies' advantages and is an area of continuous business focus of the OTE and COSMOTE Customer Service teams to ensure a close and constructive relationship with customers.

As a result, in 2013, the COSMOTE Customer Service Department was awarded first place in the category "Customer Services Centre of the Year (Large Team over 40 people)", and OTE first price in the category "Team of the Year: Training on Customer Service" by the Hellenic Institute of Customer Service.







### 3.7.1 Complaints Management

OTE and COSMOTE, aiming to improve OTE Group's customers' experience, harmonized their complaints management methods of fixed and mobile telephony, leading to the decrease of OTE response time, while keeping customer satisfaction and customers' loyalty at high levels.

During 2013, the Complaints Management Department, Fixed and Mobile, of Residential and SME Customers Service Division, Fixed and Mobile, having as its daily practice target of "Zero Dissatisfied Customer", in cooperation with other operating Divisions of OTE –

COSMOTE, carried out the following actions:

- Development and implementation of new performance measurement reports and expansion of quality indices to all existing management procedures.
- Harmonization of the OTE and COSMOTE customer management and communication methods at the companies' contact points with clients.
- Adoption of new and flexible complaints management process and establishment of systematic feedback of all parties involved.





### 3.7.1 Complaints Management (Cont'd)

2011 – 2013 Data / Information on Complaints Management				
	Number of Complaints	% Solved within 2 days	% Solved within 20 days*	Issues Raised by Complaints
2013				
OTE	193,368	56%	97%	<ul style="list-style-type: none"> <li>• Clarifications on Telephone Bills</li> <li>• Activation of Products / Services</li> <li>• Resolution of Technical Issues</li> </ul>
COSMOTE	131,624 in total (33,611 were written complaints and extrajudicial)	74% (avg. 2,5 days)	98%	<ul style="list-style-type: none"> <li>• Billing Related Complaints</li> <li>• Commercial Policy Issues</li> <li>• Services (provisioning and technical malfunction)</li> <li>• Coverage Related Complaints</li> </ul>
2012				
OTE	113,645	54%	86%	<ul style="list-style-type: none"> <li>• Clarifications on Telephone Bills</li> <li>• Activation of Products / Services</li> <li>• Resolution of Technical Issues</li> </ul>
COSMOTE	29,168 written complaints and extrajudicial	92%	98%	<ul style="list-style-type: none"> <li>• Billing Related Complaints</li> <li>• Commercial Policy Issues</li> <li>• Services (provisioning and technical malfunction)</li> <li>• Coverage Related Complaints</li> </ul>
2011				
OTE	166,319	59%	89%	<ul style="list-style-type: none"> <li>• Clarifications on Telephone Bills</li> <li>• Activation of Products / Services</li> <li>• Technical Issues</li> </ul>
COSMOTE	33,422 written complaints and extrajudicial	61%	98%	<ul style="list-style-type: none"> <li>• Billing Related Complaints</li> <li>• Commercial Policy Issues</li> <li>• Services (provisioning and technical malfunction)</li> <li>• Coverage Related Complaints</li> </ul>

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



## 3.7.2 Customer Surveys

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

Ranking	OTE	COSMOTE
<b>Awareness and Social Behaviour Index<sup>1</sup></b>		
Recognition of companies with social profile, by the public	2013 score: 7.5% (5th place) 2012 score: 4.5% (9th place)	2013 score: 16.5% (1st place) 2012 score: 13.3 % (2nd place)
<b>Loyalty Index (TRI*M)<sup>2</sup></b>		
	2013 score: 70 2012 score: 72 2011 score: 69	2013 score: 66 2012 score: 66 2011 score: 66
<b>Tracking Survey<sup>3</sup></b>		
With regard to Social Sensitivity	2013 score: 31% 2012 score: 28% 2011 score: 28%	2013 score: 42% 2012 score: 46% 2011 score: 33%
<b>Good Call Service<sup>3</sup></b>		
	2013 score: 43% 2012 score: 44%	2013 score: 45% 2012 score: 54% 2011 score: 46%
<b>Good Service in Shops<sup>3</sup></b>		
	2013 score: 36% 2012 score: 37%	2013 score: 42% 2012 score: 53% 2011 score: 47%

### Notes

<sup>1</sup> Awareness and Social Behaviour Index (A.S.B.I.): Quantitative Tracking study through personal interviews (face to face) at respondents' households in Greece. The ASBI index expresses the social responsibility of Greek companies and it is run by third party organizations.

<sup>2</sup> TRI\*M Retention Loyalty Survey, a harmonized study in all 12 European T-Mobile countries and all 7 European T-Corn/T-Home countries. Range of measurement: from minus sixty six to one hundred thirty four (-66 to +134). This survey is commissioned by DT and run by third party organizations. OTE calculation of TRI\*M Residential and Business customers scores is based on revenue share ratio.

<sup>3</sup> This survey is commissioned by OTE and COSMOTE and run by third party organizations through telephone interviews. The survey for OTE is nation-wide. For COSMOTE, in 2013 the survey covered Greece in its entirety, while in 2012 and 2011 the survey covered only Athens and Thessaloniki.

Both OTE and COSMOTE were ranked among the top 5 companies in the Awareness and Social Behavior Index in 2013, improving their performance in comparison to 2012, and receiving testimonials that the companies' corporate responsibility performance is well recognized by the Greek society.

OTE and COSMOTE also maintained satisfactory scores in the TRI\*M loyalty results, which continued virtually unchanged for the last 3 years.



## 3.8

# Data Security and Privacy

OTE and COSMOTE's customers, shareholders and employees must be able to rely on OTE Group, to conscientiously assure 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 are 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 services provided.





In 2013, the new Policy for the Protection of Communications Privacy, covering both companies and approved by the Hellenic Authority for Communication Security and Privacy in the fourth quarter of 2012, was implemented. The purpose of this Policy is to ensure the privacy of communications and the protection of the respective data (i.e. call data), through the implementation of security controls in specific areas (e.g. logical access controls, logging and auditing, acceptable use, physical security controls, etc.).

The OTE Group Information Security and Fraud Prevention Division increased considerably in headcount and budget, the main OTE and COSMOTE security policies and procedures have been streamlined and consolidated, honeypots were inserted in order to fight unauthorized access to systems and DT security standards were incorporated in OTE and COSMOTE policies.

During 2013, OTE received 288 customer complaints, regarding communication privacy/customer data security; COSMOTE received 80 complaints for the same matters. The average response time to these complaints was 5 days for OTE and 2.5 days for COSMOTE. OTE also received 23 complaints from the Hellenic Authority for Communication Security and Privacy; COSMOTE received 8 complaints from the same Authority. In none of the above cases a breach was identified.

In 2012, a number of goals were set on the execution of audits and the raising of awareness within OTE and COSMOTE for 2013. In 2013, these goals have been achieved in full. More specifically, 106 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, 97,403 log audits have been performed for user access to customer communication data.

Security and data privacy awareness training was provided to specific groups, namely:

- "Communications Privacy and Data Protection" e-learning for all OTE and COSMOTE employees.
- "Information Security and Data Privacy in a Shop" e-learning for all OTE and COSMOTE shops managers.
- Security awareness sessions to OTE and COSMOTE Information Technology Management.

- Security awareness sessions to OTE and COSMOTE Customer Care.
- Security awareness sessions to OTE and COSMOTE Building Incident Controller employees.
- Security awareness sessions in Business Continuity Management Awareness Week.

Finally, the current security measures in systems with customer communication data have been re-evaluated, and for systems going into production, security requirements and their implementation control have been redesigned.

## Physical Security

Regarding physical security, in 2013, OTE Group Security Control Room commenced full operation; physical security controls enhancements were made in OTE and COSMOTE Headquarters (consolidation of access control systems, access control mechanisms installation at Top Management premises and critical areas, revision and streamlining of the guests and merchandise access control systems) and physical security assessments have been performed for more than 566 buildings throughout Greece.

In addition, physical security awareness programs for specific employee groups (shop employees, field technicians and security guards) were implemented; physical security policies and procedures were updated and relevant audits regarding policies/procedures application were executed; physical security improvements were carried out at several critical sites and at 37 OTE and COSMOTE–Germanos shops. Furthermore, 524 mobile fire extinguishers were purchased and 17,500 fire extinguishers in 2,000 facilities were checked and recharged. Site access equipment was obtained for more than 1,200 COSMOTE base stations. Special security equipment (i.e. explosives detectors, bulletproof vests) was acquired. Finally, equipment and facilities services were bought for the effective security communications coverage of the Paiania building using the OTE Tetra Services network.



## 3.9

# Business Continuity Management

OTE and COSMOTE, as the leading Greek telecommunications companies, consider it their obligation to both maintain their stable growth and ensure the continuous supply of quality telecommunication services, including under exceptional external conditions. OTE and COSMOTE aim to protect their value and reputation.

In 2012, COSMOTE's Business Continuity Management System (BCMS) was certified to ISO 22301 standard, by the British Standards Institution. COSMOTE was the first company in Greece and among very few companies in the world to be certified to this standard. OTE has also started in May 2012 to develop a BCMS, aiming at having it certified in 2014.

Noteworthy BCM related activities in 2013 include:

- Following the annual external audit held in June 2013, COSMOTE maintained its ISO 22301 certification.
- COSMOTE was accredited by the Business Continuity Institute and the British Computer Society to provide Business Continuity special training courses. COSMOTE is one of the few companies globally to achieve this accreditation.
- Risk assessments and business impact analysis studies were conducted at OTE – COSMOTE critical buildings and processes.
- Incident management team composition was specified at OTE – COSMOTE critical buildings and their members appointed. Necessary equipment has been procured and supplied to the teams and appropriate training including evacuation drills have been conducted in selected OTE critical buildings.
- Channels for continuous cooperation with Greek National Authorities and Ministries, regarding

reaction to possible critical incidents at national level have been established.

- Corresponding channels for continuous cooperation with international bodies, such as UNISDR, UNICEF, RED CROSS, General Secretariat of Civil Protection have also been established.

BCM is considered critical at OTE Group level; therefore a number of actions and initiatives have been taken to extend coverage to the whole Group, namely:

- BCM processes, procedures, System Policy and Framework were upgraded and / or developed, at OTE Group level, building a common BCMS culture to be followed by all OTE Group companies. Crisis management system has been an integral part of the OTE Group BCMS.
- Kick-off meetings regarding BCM have been held with OTE Group Greek affiliates, to start developing their own BCMSs.
- Similarly, implementation of BCMSs is in progress at Romtelecom, COSMOTE Romania and AMC Albania.



- The OTE Group Situation Centre started its official operation, as the formal single point, within OTE Group, to receive notification of all situations or incidents leading or having the potential to lead to serious business disruptions or crises. More than 230 incidents were evaluated by the OTE Group Situation Centre in 2013. Of these, 55 were classified as business continuity incidents according to the BCM Framework, 126 as potential incidents (followed by the submission of relevant

alert reports to OTE Group's Top Management aiming at reducing OTE Group's response time to an incident), and 50 as outbound notifications to DT Situation Centre (providing travel security information notifications).

- A Business Continuity employee awareness survey was launched on 16th October 2013. More than 7,000 OTE Group employees in Greece, Romania and Albania participated in the survey.



## 3.10

# Responsible Procurement and Supply Chain Management

Supply chain management is nowadays equally critical for the viability of all business entities regardless of their location or products / services procured.

A variety of suppliers are involved in the procurement process forming a model through which materials, products, services, systems and information flow leading to the provision of a final product to the customer. With the increased pressure from current economic, environmental, financial and social conditions in the global market, it is imperative to formulate a supply chain management strategy that will lead to a dynamic and flexible model ensuring effectiveness in producing a competitive quality final product for the customer but also efficiency, in terms of enhancing customer value. A very successful supply chain management strategy constitutes a competitive advantage.





These same global conditions become more challenging in the case of Greece, as there is increasing pressure for cost reductions, a decrease in the number of employees handling an increasing workload, downsizing or even closing of supplier companies, an effort from international suppliers to impose harsh terms so as to minimize risk, all connected to the financial and political conditions.

OTE Group is well aware of these aspects and is formulating its supply chain management strategy in a way which will allow the Group to:

- avoid risks related to cooperating with suppliers who engage in unethical or unlawful behaviour, and / or do not respect human rights,
- maximize quality and value delivered to the final customers, at the minimum possible cost,
- optimize terms and conditions of the cooperation to enhance performance,
- cooperate closely with the suppliers network so as to monitor, plan for and adapt quickly to changes in technology and economy,
- ensure trade and environmental standards through examining relevant certification held by the suppliers,
- maintain a dynamic communication network with all the components of its supply chains with the goal of acting pro-actively to potential market threats.

In Deutsche Telekom, the Supply Chain Management is evaluated by rating agencies (e.g. SAM) with very positive results (Supply Chain Management has achieved the rating of "Best in Class"). However, the tendency of rating agencies to increase their requirements regarding sustainability, necessitates a more focused and detailed concept for Supply Chain Management implementation. Obviously ratings are important for corporate value and for attracting and / or maintaining investors, but the tendency of the majority of global consumers to switch to brands which are associated with a good cause in addition to their competitive pricing and quality characteristics, actively seek companies that operate responsibly beyond the minimum standards required by law, as regards social and environmental issues, needs to be taken into account.

Moreover, risk, productivity and cost are all factored in to produce a critical basket of issues, addressed in

the "Sustainability in Procurement" project which was devised by DT and launched in the second semester of 2013. This project involves all of the European National Companies in DT Group and is scheduled to be completed at the end of the 1st semester of 2014.

### 3.10.1 Procurement Policy

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, environmental protection and prevention of child labour, and eliminate corruption.

Since December 2013, the two companies have a common Procurement Policy, which specifies all the terms and regulations according to which, procurement is conducted. The key objectives of Policy consist of:

- Optimizing the added value in terms of cost, quality and time.
- Ensuring Transparency
- Complying with Deutsche Telekom "Global Procurement Policy"

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

- Technical Specifications
- Price
- Commercial Terms
- Contractual Issues
- Regular Auditing
- CR-related Criteria (e.g. quality, environmental and health and safety management certification, Supplier Code of Conduct etc).

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



The contract that successful bidders are called to sign includes specific clauses on health and safety, anti-corruption, security policy and confidentiality. It should be noted that all OTE and COSMOTE Divisions are examining the introduction of additional clauses, related to corporate responsibility performance issues, to the contract.

The two companies' Procurement Policy does not make a distinction between local and non-local suppliers. However, the companies operate in the Greek market and it is their common practice to support the local suppliers. This is evident from the fact that 88% of OTE and 89% of COSMOTE invoiced procurement volume involved Greek registered companies.

OTE and COSMOTE, despite the trying economic times in Greece, have maintained high standards for timely payment of their suppliers as specified in the contracts entered into. The average payment time for suppliers, for 2013, was 90 days for OTE and 90–120 days for COSMOTE, and in full accordance with the schedule in the respective contracts.

### 3.10.2 Supplier Evaluation

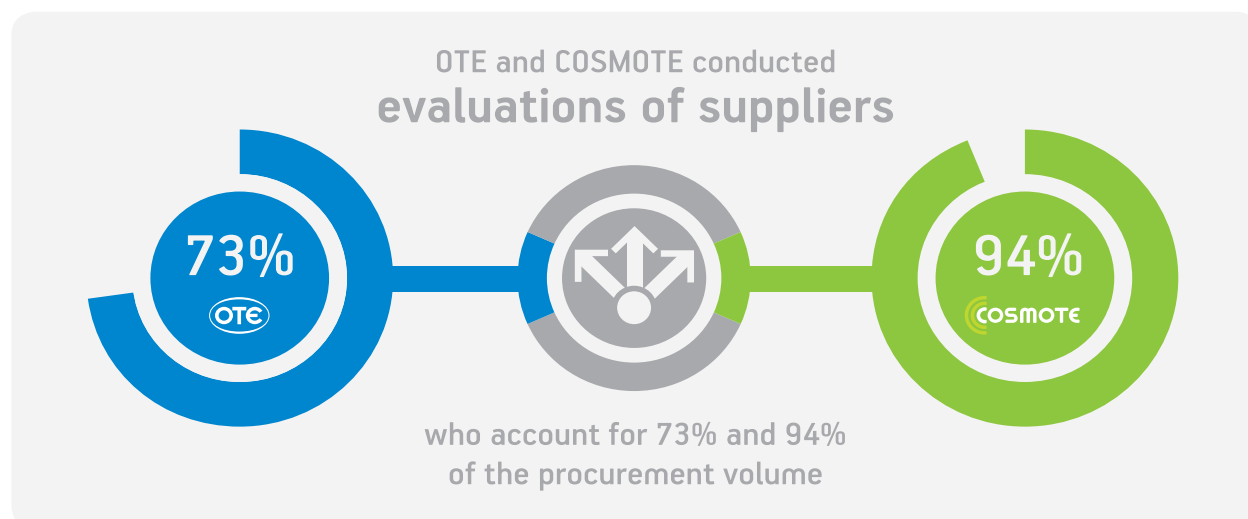
OTE and COSMOTE active suppliers are evaluated on an annual basis. This process is coordinated by Process Improvement and International Process Management Coordination Department, OTE Group.

The suppliers to be evaluated are selected on the basis of mainly the purchase orders issued within a 12 months period. In 2013 the suppliers evaluated

were selected based on the total purchase orders / invoices issued in the period 1/10/2011 – 30/9/2012 by OTE, COSMOTE, Germanos S.A., Germanos Telecom Romania S.A., e-Value S.A., e-Value Ltd, AMC, COSMOTE Romania and ZAPP. Thus, all suppliers who had received orders above €2mn, and all suppliers of important commodities (as defined by OTE Group, i.e. products / services which may have a strong impact on products and services offered to clients) with orders above €500,000 were evaluated. In addition, all suppliers that their products / services were related to OTE and COSMOTE certified management systems (i.e. management systems according to ISO 9001, ISO 14001, OHSAS 18001 etc.) were evaluated, along with some suppliers, not meeting the above selection criteria, that were identified by OTE Group Directors.

All suppliers selected, were evaluated by the OTE Group Directorates and Departments involved (e.g. the Purchasing, Legal, Financial, Logistics Departments, the Department that had requested the orders etc.). Through this process, the OTE and COSMOTE Management team receives assessments of each supplier' performance based on their overall performance, the quality of their offered products / services, their efficiency in delivering their products / services and the companies' relations with them.

Additionally, the suppliers are requested to sign and return to OTE and COSMOTE the OTE and / or COSMOTE Supplier Code of Conduct Acceptance Declaration. OTE and COSMOTE Supplier Codes of Conduct describe the criteria that OTE and COSMOTE use to evaluate suppliers on Labour, Health and Safety, Environmental and Ethical issues. Furthermore, suppliers are committed to take all necessary actions, so that their





sub-contractors comply with the obligations stated in these Supplier Codes of Conduct. OTE's Supplier Code was approved and put into force in 2013, while COSMOTE's Supplier Code has been in force since 2008.

A detailed section on labour is included in both companies' Supplier Codes of Conduct, 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 others. Additional clauses on working hours, wages, fair and reasonable terms of employment are also included, as is a clause on humane treatment, non-discrimination and freedom of association.

For more information please refer to [COSMOTE Supplier Code of Conduct](#) and [OTE Supplier Code of Conduct](#).

Furthermore, the suppliers under evaluation are requested to fill in a self-assessment sustainability performance questionnaire, which is intended to promote suppliers' awareness on social and corporate responsibility and to enable suppliers to provide information regarding their management systems and practices. This questionnaire includes questions on the following areas: corporate responsibility / sustainability, labour / ethics, environment, health and safety, quality, and business continuity management. Since the OTE Supplier Code was put into force in 2013, OTE suppliers have been asked to submit the

filled self-assessment questionnaire to be reviewed for the next evaluation cycle.

The assessment ratings provided by the OTE and COSMOTE Departments involved and the suppliers' sustainability performance self-assessment answers are fed into the OTE Group Supplier Evaluation System to compute quantitative assessment evaluations. Corporate responsibility issues account for 10% of each supplier's performance score.

OTE and COSMOTE acknowledge that companies offering high risk products (e.g. mobile headsets, IT hardware etc.) operating and based in high risk countries (e.g. least developed countries), are more exposed to supply chain labour and human rights risks. OTE's and COSMOTE's international suppliers are large corporations, which are also DT's suppliers. Therefore, OTE and COSMOTE take into account DT suppliers' assessments and audits results for any common international supplier. In case DT declares a supplier not in compliance with DT Group and international standards, and ceases transactions with that supplier, OTE and COSMOTE, when so informed exclude that supplier from their approved supplier lists. In 2013, OTE and COSMOTE following DT's suppliers' screening did not exclude any international suppliers.

At the end of 2013, the next evaluation cycle, based on the purchase orders issued in the period 1/10/2012 – 30/9/2013 by OTE Group companies commenced and it is expected to be completed in early 2014.

2013 Procurement Evaluation		
	OTE	COSMOTE
Number of Suppliers	97	155
% Of the Procurement Volume Evaluated	73% <sup>1</sup>	94% <sup>2</sup>

#### Notes

<sup>1</sup> Computed as the value of invoices evaluated, over the total value of invoices issued in the period 1/10/2011 – 30/9/2012 (includes high value procurements and procurements of products and services that are affecting the end products and services offered to customers, as well as procurements on risky commodities as identified internally).

<sup>2</sup> Computed as the value of purchase orders evaluated over the total value of purchase orders issued in the period 1/10/2011 – 30/9/2012 (includes high value procurements and procurements of products and services that are affecting the end products and services offered to customers, as well as procurements on risky commodities as identified internally).





## 4.0 Employees



# 4.1

## Management Approach

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OTE and COSMOTE are among the largest companies in Greece in terms of financial volumes, activities and number of employees. Despite their size, the companies are not impersonal organizations. Their goal is to create and maintain a sustainable work environment by giving their employees opportunities for personal and professional development as well as to provide a healthy and safe workplace for all.

The companies' Management believes that business results are fully dependent on their employees and makes every effort so that OTE and COSMOTE employees recognize the companies as an attractive, high-profile employer and an ideal place for them to perform and grow. The companies expect their employees to be prepared and skilled to face external and internal challenges of the telecommunications industry. To that end, they invest in the personal and professional development of their employees and management, in employee engagement and satisfaction and support the new organizational structure by promoting a corporate culture in everyday working life, which is characterized by team spirit, effectiveness and high performance.





The companies' Employment Policies framework is based on the principles of full respect for human rights, fair employment, non-discrimination, equal treatment for women and men, and prevention of child labour or forced labour. The employees are also covered by collective bargaining agreements.

Human Resources Directorate OTE Group is structured and operates based on the three-role model of HR

Competency Centres, HR Business Partners and HR Shared Services. This model enables to make the HR more efficient.

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

## Key Achievements in 2013:

### Enhancement of a Common Corporate Culture

Motivating OTE and COSMOTE employees to become aware and apply in practice the Corporate Guiding Principles, that is:

1. Customer delight and simplicity drive our action
2. Respect and integrity guide our behaviour.
3. Team together – Team apart
4. Best place to perform and grow
5. I am OTE / COSMOTE – count on me,

as the basis of the companies' common corporate culture, was a strategic priority in 2013. The integration of the corporate values into HR systems and processes associated with daily tasks and roles of employees was part of the year's action plan. The 2013 Pulse Surveys results have demonstrated strong progress toward making the Guiding Principles an integral element of the companies' corporate culture. More specifically, in the Pulse Survey performed in June, 68% of the respondents claimed that "I can recall the five Guiding Principles of our company", and in the Pulse Survey of November, 85% of the employees declared that "I experience the application of the Guiding Principles in my day-to-day work".

The performance and development process was redesigned in 2013, by including the 5 basic principles with detailed descriptions at the core competency model. In 2013, the assimilation and application of the Guiding Principles have been incorporated in the core competency training, as well as in leadership training, employees' workshops, team building activities, and employees' induction programs.

### Socially Responsible Rightsizing Programs

In the context of the companies' transformation process through socially responsible solutions, OTE completed successfully its Voluntary Exit Schemes, addressed primarily to employees near retirement.

The implementation of the programs allows OTE to proceed with its transformation plan, strengthen its competitiveness and reduce its operating costs, while opens up job opportunities for the employment of young people.

### Organizational Restructuring and Effectiveness

In 2013, the company-wide fixed and mobile operations integration was advanced further completed enhancing effectiveness and simplicity for increased customer experience. Major restructuring was completed in the areas of IT, Finance, Commercial (with the implementation of the B2B and B2C functional model) and Technology (with the introduction of a new business model).

Operational integration of fixed and mobile business units has reached 90 % for the Directorate layer and 60% for the Division and Department layer, providing improved clarity, harmonization and alignment of frameworks and processes between fixed and mobile for staff and managers.



## 4.2 Employment

### 4.2.1 Workforce

In the context of the companies' transformation process, in the current difficult national economic environment, a socially acceptable workforce downsizing program was realized to increase competitiveness, reduce personnel costs and improve performance through new hires.

OTE and COSMOTE total workforce on 31 December 2013 was 9,089 employees.





## Workforce Diversity at OTE and COSMOTE, 2013

OTE		COSMOTE	
<b>Total Workforce:</b>	<b>7,044</b>	<b>Total Workforce:</b>	<b>2,045</b>
<b>Employment Type</b>		<b>Employment Type</b>	
Permanent full-time:	97% (6,817)	Permanent full-time:	100% (2,044)
Permanent part-time:	1% (61)	Permanent part-time:	0% (1)
Temporary (fixed term) contracts:	2% (166)	Temporary (fixed term) contracts:	(0)
<b>Gender</b>		<b>Gender</b>	
Men:	69% (4,877)	Men:	49% (998)
Women:	31% (2,167)	Women:	51% (1,047)
<b>Age</b>		<b>Age</b>	
Under 30:	1% (80)	Under 30:	2% (48)
Age 30–50:	73% (5,131)	Age 30–50:	96% (2,025)
Over 50:	26% (1,833)	Over 50:	2% (42)
<b>Region</b>		<b>Region</b>	
Aegean Islands:	4% (308)	Attica:	89% (1,819)
Attica:	59% (4,146)	Crete:	1.5% (31)
Central Greece and Evia:	5% (334)	Epirus:	0.4% (8)
Crete:	4% (302)	Macedonia:	7% (139)
Epirus:	2% (126)	Peloponnese:	1.5% (31)
Ionian Islands:	1% (96)	Thessaly:	0.7% (14)
Macedonia:	12% (828)	International:	0.1%
Peloponnese:	7% (515)	(3; 1 is based in Romania and 2 in Albania)	
Thessaly:	3% (196)		
Thrace:	3% (194)		
<b>Total Permanent Workforce:</b>	<b>6,878</b>	<b>Total Permanent Workforce:</b>	<b>2,045</b>
<b>Employment Type</b>		<b>Employment Type</b>	
Full-time:	99% (6,817)	Full-time:	100% (2,044)
Part-time:	1% (61)	Part-time:	0% (1)
<b>Gender</b>		<b>Gender</b>	
Men:	69% (4,774)	Men:	49% (998)
Women:	31% (2,104)	Women:	51% (1,047)
<b>Type of Work</b>		<b>Type of Work</b>	
Office:	56% (3,860)	Office:	82% (1,673)
Retail:	12% (805)	Retail:	7% (145)
Fieldwork/Other:	32% (2,213)	Fieldwork/Other:	11% (227)
<b>People with Special Needs</b>	<b>361 (5%)</b>	<b>People with Special Needs</b>	<b>17* (1%)</b>
<b>Permanent Full-time:</b>	<b>6,817</b>	<b>Permanent Full-time:</b>	<b>2,044</b>
<b>Gender</b>		<b>Gender</b>	
Men:	70% (4,774)	Men:	49% (997)
Women:	30% (2,043)	Women:	51% (1,047)
<b>Permanent Part-time:</b>	<b>61</b>	<b>Permanent Part-time:</b>	<b>1</b>
<b>Gender</b>		<b>Gender</b>	
Men:	(0)	Men:	100% (1)
Women:	100% (61)	Women:	(0)
<b>Temporary (fixed term) Contracts:</b>	<b>166</b>	<b>Temporary (fixed term) Contracts:</b>	<b>0</b>
<b>Gender</b>		<b>Gender</b>	
Men:	62% (103)	N.A.	
Women:	38% (63)		
<b>Board of Directors Members:</b>	<b>11</b>	<b>Board of Directors Members:</b>	<b>9</b>
<b>Age</b>		<b>Age</b>	
Under 30:	0% (0)	Under 30:	0% (0)
Age 30–50:	45.5% (5)	Age 30–50:	44.4% (4);
Over 50:	54.5% (6)	Over 50:	55.6% (5)

**Note:** Counting based on headcount, on 31 December 2013. \*In addition, 7 employees are in the process of renewing their disability certificate





OTE completed successfully its Voluntary Exit Schemes (VES) addressed primarily to employees near retirement. 1,827 employees accepted the incentives offered by OTE, exceeding substantially the initial target. Net annual cost savings for OTE are estimated to about €94 mn. It should be noted that the Voluntary Exit Schemes entail no burden for Greek state pension funds, as OTE covers the entire cost of €73.5 mn for participating employees' self-insurance. In addition, OTE offered a special private insurance scheme and special offers for OTE Group Telecommunications products and services.

To support employees interested in the VES programs, the Human Resources Directorate OTE Group designed and implemented a communication platform (Information Office, HR Help Desk) to provide pertinent information and support during the application process. HR personnel also provided personalized support through face to face meetings with potential applicants to the programs.

In the same context of functional integration, COSMOTE launched a VES scheme in April 2013, giving employees with more than 4 years of service the option to exit the company. Taking advantage of specific incentives package, 96 employees departed voluntarily in 2013.



Recruitment and Departures in 2013								
	Recruitment				Departures (includes VES departures)			
	OTE		COSMOTE		OTE		COSMOTE	
Age Group	No.	%	No.	%	No.	%	No.	%
< 30 years	0	0%	3	13%	3	0%	1	1%
30–50 years	8	89%	20	83%	479	26%	98	96%
>50 years	1	11%	1	4%	1,399	74%	3	3%
Gender	No.	%	No.	%	No.	%	No.	%
Male	6	77%	20	83%	1,340	71%	44	43%
Female	3	33%	4	17%	541	29%	58	57%
Region	No.	%	No.	%	No.	%	No.	%
Aegean Islands					70	4%	86	84%
Attica	7	78%	20	83%	1,035	55%		
Central Greece and Evia					99	5%	1	1%
Crete			2	8%	89	5%		
Epirus			1	4%	33	2%		
Ionian Islands					36	2%		
Macedonia	1	11%	1	4%	213	11%	11	11%
Peloponnese	1	11%			208	11%	2	2%
Thessaly					53	3%	1	1%
Thrace					45	2%		
Abroad							1	1%
<b>Total</b>	<b>9</b>		<b>24<sup>1</sup></b>		<b>1,881<sup>2</sup></b>		<b>102<sup>3</sup></b>	
<b>Departures as a % of Total Permanent Workforce<sup>4</sup></b>					<b>27%</b>		<b>5%</b>	

**Note:**

- 1 Including 6 internal hires from within OTE Group.
- 2 Including 1,827 VES departures.
- 3 Including 96 VES departures.
- 4 Calculated based on the permanent workforce on 31 December 2013.



Following the VES, OTE Group in Greece, through OTE plus, proceeded to recruit 753 new employees, thus lowering the average age of the OTE Group workforce. For the recruitment of new employees, the companies followed a hiring process based on meritocracy and transparency.

### OTEplus Recruitment in 2013

Field of Work	No.	%
Technicians	344	46%
Call Centre Agents	254	34%
Retail	67	9%
IT	9	1%
Other	79	10%
Region	No.	%
Attica	355	47%
Greece (excluding Attica)	398	53%
Age Group	No.	%
Under 31	479	64%
Age 31–50	273	36%
Over 50	1	0%
<b>Total</b>	<b>753</b>	

OTE and COSMOTE operate throughout Greece and, although there is no formal policy in place on hiring people from local communities, it is common practice to take domicile location into account, in an effort to further support local communities and advance employees wellbeing. It should be noted that almost 100% of the companies' General Directors and Heads of Divisions are Greek citizens.

## Investing in Young People

OTE and COSMOTE are considered to be an exceptional employment opportunity for students to start their career. In 2013, COSMOTE was considered by young graduates and students as one of the 10 most desirable employers, according to a survey conducted by Athens University of Economics and Business.

OTE and COSMOTE offer to a lot of students, mainly through internship programs, to a lot of students the opportunity to apply their knowledge in the real world environment, gain work experience, be trained on-the-job and develop skills which will help them perform better at their jobs. See also the [SOCIETY / Supporting Young People](#) section.

During 2013, OTE and COSMOTE participated in a number of Career Events most of which were organized by universities. In these events, the HR representatives discussed with the prospective employees the possible employment opportunities within the OTE Group, inviting them to express their interest to work at OTE and COSMOTE through the

companies' recruitment process. Some of the events are presented below:

- "Job Fair Athens 2013", which is coordinated by a students' organization of the National and Technical University of Athens and is designed for students and graduates from engineering, technological and economics universities.
- "ALBA Graduate Business School Career Forum 2013", where OTE and COSMOTE HR representatives had the opportunity to meet graduates from various academic fields taught at ALBA.
- "Career Day Opportunities" of the German School of Athens, where large enterprises participated, mainly, ones with ties to German companies.
- "AIT Career Days 2013", of the Athens Information Technology (AIT) Centre. AIT is a non-profit, independent technology institute that combines talented faculty, industry links and partnerships to foster high quality education and research in innovative technologies.



- “Career Days 2013”, at the University of Piraeus, where graduates from several different academic fields were interviewed by HR Representatives.
- “Career Days 2013”, a widely known event – organized by Kariera S.A. OTE and COSMOTE had the opportunity to meet graduates, students as well as professionals.

## 4.2.2 Fair Employment Policy Framework

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

- The national and EU regulatory framework which 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.
- OTE Group Employee Relations Policy and OTE Group Code of Conduct, which expressly recognize 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.

It should be noted that OTE and COSMOTE operate in accordance with the Code of Conduct for the Protection of the Individual's Rights to Privacy in the handling of Personal Data within OTE Group, which has been developed taking into account the existing national legal framework.

OTE and COSMOTE, when it comes to significant operational changes (e.g. restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers), inform the Union representatives or undertake consultation, according to the provisions of the current legislation. Although no official time frame for advance notice is specified in collective agreement with the Management always makes efforts to provide a reasonable time for Union review and deliberations.

## 4.2.3 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 (refer also to the [MARKETPLACE / Supplier Evaluation section](#) for the companies' supply chain standards and screening on these issues).

The percentage of employees covered by collective bargaining agreements is approximately 99% at OTE and approximately 92% at COSMOTE.

In May of 2013 Collective Labour Agreements (CLA) were reached between OTE and OTE Employees Federation (OME-OTE), and between COSMOTE and the Employee Union of COSMOTE Greece, which stipulate that all regulatory terms of CLAs that had been signed between the above mentioned parties will remain in force until 31/12/2014.

In 2013, COSMOTE was in the  
**top 10 employers  
of young graduates  
and students**



according to a survey conducted by Athens  
University of Economics and Business





The disciplinary procedure and the personnel transfer regulation were amended by the above mentioned CLA between OTE and OME–OTE. Payroll issues were regulated by the CLA between COSMOTE and Employee Union of COSMOTE Greece.

During 2013, mainly in the context of the general economic situation in Greece and the proposed changes to national social policies, there were six strikes (each lasting one day) and three stoppages, involving OTE and COSMOTE personnel.

#### 4.2.4 Non-Discrimination, Equal Opportunity and Diversity

All HR processes of OTE and COSMOTE, including internal and external recruitment, remuneration, employee development and contract termination, are based on non-discrimination, meritocracy and transparency principles.

By promoting diversity in all of the companies' actions, a creative, flexible and efficient workforce is ensured as a key factor to the companies' success and acceptance within the society.

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

The "Ask me" process provides answers to inquiries regarding the OTE Group Code of Conduct, internal policies and regulations. The "Tell Me" process handles confidentially complaints regarding the violations of legislation, the OTE Group policies and the internal procedures.

In 2013, the OTE Group Prevention, Policies and Training Department (of the OTE Group Compliance, ERM and Insurance Directorate) received 649 employee queries through the "Ask Me" process, several of which referred to sponsorships approvals. None of these queries concerned discrimination issues.

Additionally, the OTE Group Compliance, Reporting and Case Management Department (of the OTE Group Compliance, ERM and Insurance Directorate) received 24 complaints through the "Tell Me" process, as presented in the following table.

Communication Channel: Tell Me!, 2013		
	OTE	COSMOTE
Total Employee Complaints	21	3
Complaints Regarding Discrimination	0	1*

\* One (1) case related to gender discrimination. The case has been investigated and proven Not Valid

#### Non-Discriminatory Remunerations

There is no gender discrimination or distinction regarding salary remuneration in OTE and COSMOTE. At OTE, due to the Collective Bargaining Agreement, the employees' salary is based on their education level and years of employment, and at COSMOTE, on the salary scale of the pay category to which they belong, as defined by the Collective Agreement. Accordingly, male and female basic salary is equal and the lowest wage level in 2013 was 76.42% higher at OTE and 57.84% higher at COSMOTE, in relation to the Greek national minimum wage.

#### Parental Leave

Maternity leave for childbirth and parental leave for childcare are provided by both companies. Parental

leave, which is considered and paid as working time, is available to working mothers or fathers, immediately after the end of maternity leave, who can choose one of the following types:

- **OTE**  
Working two hours per day less for two years and one hour per day less for the following two years, or alternatively taking a nine month full time parental leave.
- **COSMOTE**  
Working one hour per day less for three years or two hours per day less for 18 months, when allowed by the business needs or otherwise, Six months full time childcare leave, or one day of leave per week for eighteen months.



Men are also entitled to take the above mentioned parental leave, provided that their spouses have not taken advantage of the specific leave from their employer. No men working at OTE or COSMOTE chose to take parental leave in 2013.

All women who were entitled to parental leave, i.e. 64<sup>1</sup> women working at OTE and 105 women working at COSMOTE, took advantage of this leave. With the sole exception of one COSMOTE employee who resigned during her parental leave, all employees returned to work after the end of their leave and are still employed at OTE and COSMOTE.

## Gender Diversity

In 2013, OTE and COSMOTE maintained the diversity of their workforce, particularly on the representation of women in the staff and in Management positions. Women comprise approximately one-third of the OTE workforce and half of the COSMOTE workforce. In the combined OTE and COSMOTE Management structure, women comprise 30% of all management positions, 25% of the General Directors and 33% of the OTE and COSMOTE Management Committee.

Board and Management Diversity, 2013					
	Male		Female		Total
	No.	%	No.	%	No.
OTE Board of Directors	10	91%	1	9%	11
COSMOTE Board of Directors	9	100%	0	0%	9
CEO	1	100%	0	0%	1
OTE and COSMOTE Management Committee	8	67%	4	33%	12
Direct Reporting to OTE and COSMOTE CEO	9	75%	3	25%	12
<b>Total</b>	<b>22</b>	<b>81.5%</b>	<b>5</b>	<b>18.5%</b>	<b>27</b>

Board and Management Diversity, 2013					
Management Team	Male		Female		Total
	No.	%	No.	%	No.
General Directors	15	75%	5	25%	20
Heads of Divisions	63	80%	16	20%	79
Heads of Sub-Divisions	204	82%	44	18%	248
Heads of Sections	534	66%	280	34%	814
<b>Total</b>	<b>816</b>	<b>70%</b>	<b>345</b>	<b>30%</b>	<b>1,161</b>

### Note

All OTE and COSMOTE executives included in levels from General Directors to Heads of Sections are counted only once. Assistant General Managers are included in General Directors' category.

<sup>1</sup> This number refers to employees that took advantage of parental leave since March 2013.



## 4.3

# Health and Safety

### 4.3.1 Health and Safety Policy

#### An Essential Priority

Ensuring a safe and healthy working environment for employees, partners and customers is a key priority for OTE and COSMOTE. Furthermore, Health and Safety (H&S) are perceived as being essential for a successful and sustainable company future and have a direct impact on aspects like employee satisfaction, well-being, quality of work and corporate culture. Therefore, the companies act pro-actively taking into account the relevant provisions of Greek law and relevant standards as minimum requirements, often going the extra step.

OTE and COSMOTE H&S policy, which is based on national and EU legislation, as well as the risk assessments, conducted by the H&S groups, is applicable to 100% of the workforce in Greece.





H&S Committees comprising employee representatives, elected by company-wide vote, meet quarterly with Management representatives, at Director's level, to discuss all H&S related issues and relevant procedures. H&S issues are not covered in the formal agreements with OTE and COSMOTE trade unions.

Health issues are also evaluated by employees via the Employee Survey, which takes place every two years and focuses on health related factors, like mental / physical well-being and work / life balance. Survey results and findings are used as a basis for corrective actions within the companies.

## Health and Safety Policies

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

- Compliance with all legislative requirements.
- Certification of all OTE and COSMOTE operations according to OHSAS 18001.
- Updating of Occupational Risk Assessments at least every three years and additionally, when conditions change with significant risk implications, or when new activities or services are introduced.
- Comprehensive Health and Safety Committee system, including management-employee consultations.
- Comprehensive Accident-Incident Reporting system, maintained by the OTE Internal Protection and Prevention Services and the COSMOTE Occupational H&S Team, covering event 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.
- Specific supervisory requirements for sub-contractors in installation works.
- Provision of medical care in five OTE buildings and five COSMOTE buildings, to assure trained first aid and health support services.
- Scheduled medical check-ups for a wide range of employees across the country every month, in order to develop the individual health files per employee.
- Regular building evacuation and safety drills.
- Provision of workshops, newsletters and Intranet articles on important health and well-being topics, throughout the year.



## 4.3.2 Health and Safety Performance in 2013

During 2013, the strong emphasis on Health and Safety prevention and training was maintained, with continued levels of inspections, as well as with regular and new training sessions. The following table presents the H&S KPIs for 2013.

2013 H&S Performance		
	OTE	COSMOTE
<b>Fatalities</b>		
Employee Fatalities	None	None
Contractor Fatalities	Not Available	None
<b>Work-Related Accidents (employees)</b>		
<b>Number of Employees Injured</b>		
Men	25	6
Women	6	8
<b>Total</b>	<b>31</b>	<b>14</b>
<b>Injury rate<sup>1</sup></b>		
Men	0.46	0.59
Women	0.25	0.75
<b>Total</b>	<b>0.40</b>	<b>0.68</b>
<b>Occupational Diseases Rate<sup>2</sup></b>		
Men	0	0
Women	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Lost Day Rate<sup>3</sup></b>		
Men	31.28	6.73
Women	7.06	13.11
<b>Total</b>	<b>23.83</b>	<b>10.00</b>
<b>Occupational Diseases Rate<sup>4</sup></b>		
	<b>543.67</b>	<b>615.45</b>

### Notes

- <sup>1</sup> Injury rate = (Total number of injuries / Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. The data do not include minor (first-aid level) injuries.
- <sup>2</sup> Occupational diseases rate = (Total number of occupational diseases cases / Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees.
- <sup>3</sup> Lost day rate = (Total number of lost days / Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. Lost days for OTE are calculated as calendar days, while lost days are calculated as scheduled work days. Lost days count begins on the day of the injury or the next day, depending on the time of the day that the injury occurs.
- <sup>4</sup> Absentee rate = (Total number of missed absentee days / Total number of workforce days worked) x 25,000. The factor 25,000 is derived from 50 working weeks for 5 days per 100 employees. This rate is not monitored per gender.



The 2013 rates of work-related accidents and lost days fell slightly, compared to 2012. In the same year, there were no fatalities at OTE and COSMOTE and in both companies lost days decreased slightly.

Six Years H&S Performance						
	2008	2009	2010	2011	2012	2013
<b>OTE</b>						
Employee Fatalities	1	0	0	0	1	0
Employee Injuries*	28	31	29	27	33	31
Work Days Lost (calendar days)	1,427	2,164	1,556	1,408	2,503	1,853
<b>COSMOTE</b>						
Employee Fatalities	0	0	0	0	0	0
Employee Injuries*	16	22	28	17	19	14
Work Days Lost (scheduled work days)	139	178	235	218	416	207

\* The data do not include fatalities.

### 4.3.3 Health and Safety Prevention and Awareness

In 2013, OTE and COSMOTE continued to place 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 the previous year's actions, such as inspection result performed by the medical and technician staff, records of occupational accidents, and success of training programs.

Information and training is provided to all employees, to promote maintenance of Occupational H&S safe conditions. This includes basic training at the time of recruitment and periodical 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

2013 Key Activities – Workplace Health and Safety		
Activity	OTE	COSMOTE
First Aid (including blood pressure measurement, first aid treatments)	1,678 cases	2,175 cases
Medical Exams including Physical Check-ups, Health Promotion Tests, Clinical Examinations	15,578 exams 4,089 employees	2,362 exams 706 employees
Eye Sight Tests	3,064 employees	176 employees
Occupational Hazard Studies	74 studies conducted	3 studies
EMF Reports Conducted	3 EMF reports for 3 buildings	86 EMF reports for 28 Base Stations in urban areas and 58 Base Station in rural areas
Workplace Safety Inspections	2,265 technical inspections 1,378 medical inspections	237 technical inspections 235 medical inspections
<b>H&amp;S Training Hours</b>	<b>3,854 hours (total)</b> <b>0.43 hours (average per employee)</b>	<b>3,364 hours (total)</b> <b>1.62* hours (average per employee)</b>

\* Average H&S training hours per employee have been calculated based on the average headcount.



field service including elevated work, undertake yearly training on risks, prevention and control. Furthermore, H&S seminars and information are provided continuously on a range of issues.

## Health and Safety Training Sessions and Campaigns

Safety training includes topics based on the work field per employee group, in accordance with the updated instructions for safe work. Examples include the proper use of PPE (Personal Protective Equipment), work safety in allocators, on portable ladders, external service workshops including places where liability does not lie with OTE etc. In addition, training was provided on topics such as equipment safety marks, suitability and safety, workplace safety and security, safe driving, safe climbing requirements and methods, emergency response and fire safety, avoiding excessive thermal shock, safe climbing in extreme weather conditions (ice and snow), earthquake safety and OSHAS 18001 standards training. COSMOTE conducted 2 safe climbing sessions in extreme weather conditions with the participation of 29 employees.

Health training included topics such as first aid, working in adverse weather conditions, healthy diet for working people, workplace stress management and breast cancer prevention.

Information campaigns via corporate intranets, articles and newsletter were launched on the occasion of 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, Avoiding Thermal Shock, causes and symptoms of cardiovascular diseases, arthritis, mental health, COPD (Chronic Obstructive Pulmonary Disease), seasonal flu and preventive measures, prevention in conditions of heat wave, protection from the "Nile" virus.

## Special Focus: OTE and COSMOTE Gym Facilities in the New Building to Enhance Physical Health

A workplace gym provides employees with an incentive to commit to a healthy lifestyle. Regular exercise improves one's overall health, can reduce weight, lower blood pressure and reduce symptoms of chronic illness. The gym in Paiania Building opened in October 2013 and has more than 130 members, already.

## Special Focus: Mental Health

The COSMOTE's Employee Assistance Program provides 2 psychologists, 1 in Athens and 1 in Thessaloniki, who service all COSMOTE installations in Greece. In 2013,

936 hours of services were provided to employees, including individual sessions, phone sessions and collaborative sessions. The psychologists also engage in crisis management and work with teams and Managers, on work-related mental health issues.

Amongst the issues dealt with, in the framework of the program, were: personal life related issues, work-related issues, health-related issues and conditions, such as depression and severe anxiety. In the last years, it is estimated that most likely due to the economic crisis and its consequences, the number of employees requesting psychological services has increased.

## Special Focus: Employees with Chronic Illness

COSMOTE is committed to providing consistent, responsible and practical support to colleagues with health issues, and developing of suitable jobs for them.

The COSMOTE Health Team (Occupational Physician, Psychologist, Nurse and Health Visitors), in collaboration with the Health and Safety Team, employ a holistic approach to achieve work rehabilitation and multilevel support for employees with chronic illness. For their combined efforts and timely interventions, COSMOTE was honoured as "Partner of Excellence" at the "Workplace Health Practices for Employees with Chronic Illness" conference, held in Brussels (22nd and 23rd of October) under the auspices of the "European Network for Workplace Health Promotion (ENWHP)" and of the European Union.

## Special Focus: Osteoporosis

OTE and COSMOTE, in collaboration with the "Support Osteoporosis Patient" Association, offered a free measurement of bone density to their female employees. As the test takes only a few minutes, the results were reviewed on the spot by qualified physicians who are members of the Association and were immediately available to those who took them. In total, 142 OTE employees and 49 COSMOTE employees, based at the Headquarters and Paiania building, took advantage of this initiative.

## Special Focus: Hypertension

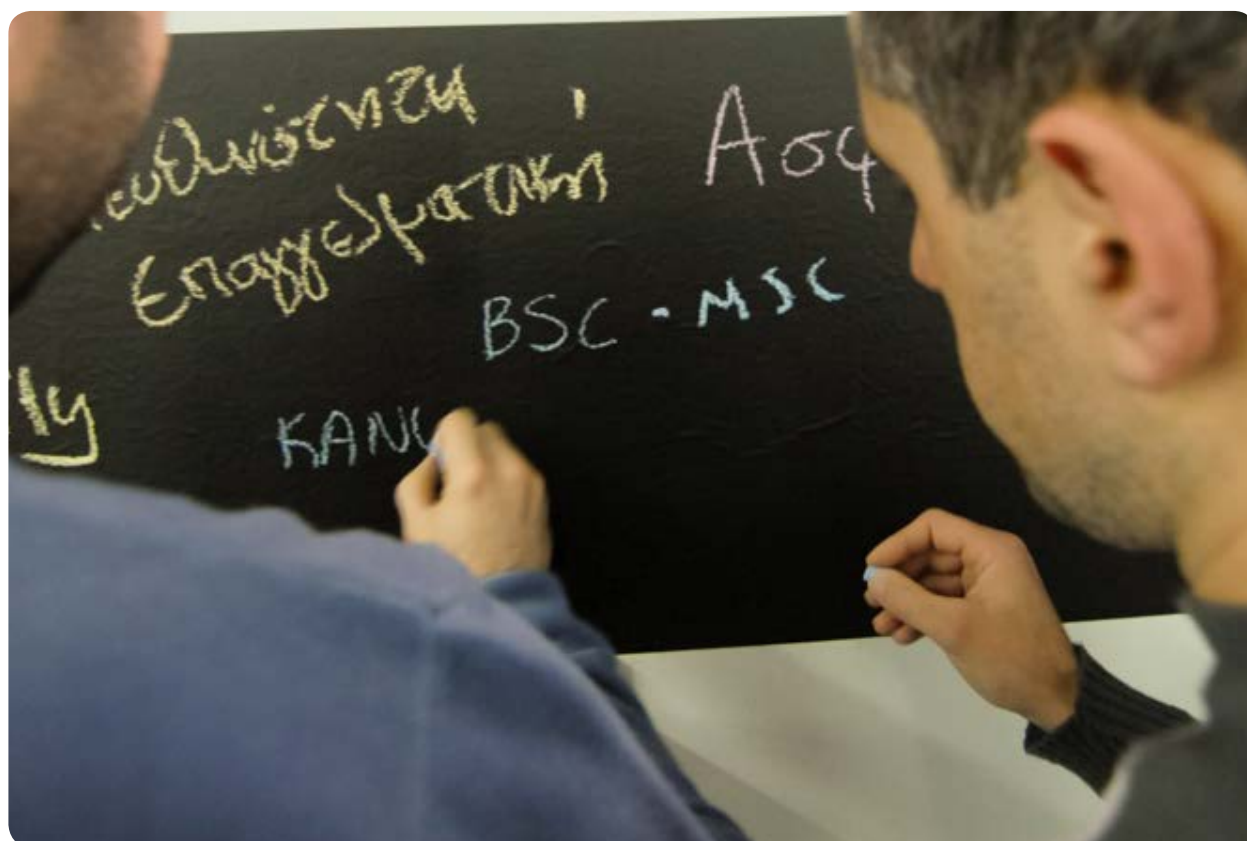
OTE, in collaboration with the Medical School of the University of Athens, implemented a non-drug program, for the first time, to address hypertension and early hypertension symptoms in its employees. The program, for which 82 OTE employees expressed their interest to participate, utilized stress management methods for lifestyle change and adoption of healthy behaviour patterns.



## 4.4 Employee Development

OTE's and COSMOTE's approach to HR development is based on the Guiding Principle "Best place to perform and grow". The aim is to build a workplace, in which one can develop and grow both personally and professionally. Employee development includes performance management, as a basis of transparency and meritocracy and performance development for enhancing career opportunities within the Group. It also includes a learning organization philosophy that focuses in re-skilling and up-skilling training programs, individual development plan and follow up process.

As a member of the DT group, OTE and COSMOTE provide further opportunities for international mobility within the Group, knowledge and best practices sharing,





## 4.4.1 Performance Management

Both OTE and COSMOTE, run for all employee levels an annual employee performance appraisal process. All newly appointed Managers, with people management responsibilities, prior to the annual process commencing, undertake a tailor-made training on how to assess their employees' performance and create an individual development plan, based on their needs. In 2013, a total of 112 new Managers attended this training course. All (i.e. 100%) of OTE and COSMOTE permanent employees, as per the guidelines, were appraised in 2013. The gender ratio for performance evaluation is thus the same as the overall gender ratio of the companies.

In addition, since 2012, OTE and COSMOTE Management's executives (in alignment with DT Group), also participate in the Performance and Potential Review process, which, besides evaluating executives' performance, ascertains the degree of readiness to undertake more demanding duties in the future.

In 2013, both OTE and COSMOTE Performance Appraisal and Development Systems were revised, so as to update the elements on which employees are assessed. Professional Competencies, as well as Performance Criteria were revised, in order to reflect OTE Group core values, the Code of Conduct (including the 5 Guiding Principles) and the industry's current norms and corresponding expertise demanded. In this context, CR aspects are taken into account in employees' performance evaluation process, by rewarding the degree of both involvement and contribution to companies' effort for social responsible behaviour towards environment, society, employees and market.. In addition, quantitative Targets were also introduced to OTE employee "groups" below Management levels (e.g. employee "groups" in Sales and Customer Care Service Units).

## 4.4.2 Performance Development

OTE and COSMOTE believe that employees need support and encouragement to stand out and develop, both personally and professionally, in a continuously demanding and ever – changing working environment.

The operational integration of OTE and COSMOTE contributes to the optimization and centralization of functions and services, role clarity and

organizational effectiveness.

In this context of organizational changes, several HR tools are utilized and further improved, in order to secure clarity and unification of frameworks and processes, as well as meritocracy when it comes to career development.

The Job Families Model (JFM) and job evaluation contribute to a thorough understanding of the role content and of the profile of the suitable incumbent, thus leading to efficient internal recruiting and career path. New Fixed and Mobile roles in the JFM are analysed and described, taking into consideration the common functionality framework. The initial alignment of OTE and COSMOTE role levels and job families has been completed. Full and detailed alignment and integration of the two JFM models is in process and will be finalized with the completion of major restructuring in core functions.

In 2013, Executive positions (Top Management and Directors) were reviewed under the new perspective of Fixed and Mobile organizational design and their new integrated accountabilities, using a global methodology. The Executive Grading Project is a "vivid" process which ensures clarity regarding each role's contribution to the companies' success, global alignment, objectivity, transparency and harmonization with other executive roles locally and across the DT Group.

For both companies, the composition of different abilities, opinions, talents and experiences of employees, is essential to all levels. Recruitment process for internal and external candidates is based on criteria of transparency and meritocracy. During 2013, 54.2 % of the positions, opened / filled in OTE and COSMOTE Greece, were filled with internal candidates. Internal recruitment includes internal announcement, interview and selection process. The process is reinforced by the provision of assessment / development special tests by an external consultant, where needed. In 2013, a total of 115 assessment centres were administered to OTE and COSMOTE candidates.

In addition, OTE and COSMOTE gave the opportunity to 759 students to gain work experience through internship programs.

In parallel, emphasis was given on the improvement of Employees Development Guide, a well structured tool for supporting managers' coaching role (employees' weaknesses & strengths, developmental goals, developmental action plan, measures and resources).



Moreover, aiming at high performing employees with potential to grow, a few employees participated in numerous development programs (Talent Initiative Market Functions, Leadership Development and Master Classes), organized and run by DT.

## Employee Training

Training is essential to employee development, employee satisfaction, customer service and business

competitiveness, especially in times of crisis.

Accordingly, both companies continue their focus in this area. In 2013, 669 distinct training programs were organized for OTE and 369 for COSMOTE. A significant number of these programs 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.

Participations in OTE and COSMOTE Training Programs, 2013

OTE		COSMOTE	
<b>Total Participations:</b>	<b>6,184<sup>1</sup></b>	<b>Total Participations:</b>	<b>4,300<sup>2</sup></b>
<b>Gender</b>		<b>Gender</b>	
Men:	76% (4,682)	Men:	54% (2,343)
Women:	24% (1,502)	Women:	46% (1,957)
<b>Employee Category</b>		<b>Employee Category<sup>3</sup></b>	
Administration:	22% (1,544)	Management:	0.6% (27)
Experts:	5% (355)	Sales:	11.2% (480)
Technicians:	53% (3,813)	Customer service:	13.5% (581)
Finance:	4% (319)	Constructions, network /	
Support employees:	1% (67)	IT operations and applications:	20.4% (875)
Other:	1% (86)	Network and IT applications design	
		and development:	17.5% (754)
		Specialists:	2.5% (107)
		Product and services development	
		and promotion:	5.2% (224)
		Business support:	29.1% (1,252)

### Notes

<sup>1</sup> Additional 998 non-OTE employees (e.g. students, interns, OTE plus employees) participated in OTE training programs.

<sup>2</sup> Additional 768 non-COSMOTE employees (e.g. subsidiaries and loaned employees) participated in COSMOTE training programs.

<sup>3</sup> Based on job families' model.

Overall, it is estimated that each OTE and COSMOTE training program lasted, on average, 15 and 16 hours respectively.

Average training hours data show that COSMOTE employees have attended on average 23 hours of training, compared to 12 hours for OTE employees. This is mainly due to the very high COSMOTE employees attendance at the "Customer Experience Excellence" seminar, aiming at improving employees' approach / reaction to internal and external customers.

Average Training Hours, 2013

	OTE	COSMOTE
Male Employees	13.97	29.07
Female Employees	9.10	17.50
<b>All Employees</b>	<b>12.46</b>	<b>23.17</b>

### Note

Training hours per employee have been calculated based on the average headcount.



## Training Topics

The companies' training, skills and qualifications development programs, as a whole, cover many areas and topics. Some examples of successful training, started and/or completed in 2013, include:

- The training program aimed at supporting the Workforce Management (WFM) project (phase 3 and phase for the new users). The program was addressed to approximately 1,720 OTE field technicians.
- The "Situation at the Shop" (in classroom and e-Learning) training program aimed at communicating processes and procedures for physical security in OTE, COSMOTE and Germanos stores. The program was addressed to approximately 1,520 employees (store managers and sales representatives).
- The "C2X® Customer EXperience EXcellence" training program aimed at enhancing employees' understanding of customer needs and improving their experience. The program was attended by all COSMOTE employees and led to certification.
- The "Shifting for Excellence in Compliance" (e-learning) training program aimed at giving integrated information to the companies of OTE Group in Greece and increasing awareness of Anti-Corruption issues. Approximately 971 OTE Group employees (In Greece: 458 OTE and 241 COSMOTE employees) attended this training program.
- The ACT2 training program aimed at supporting field technicians developing their technical knowledge and skills. The program was attended by 436 OTE technicians in 2013, while 1,800 are expected to participate in 2014.
- The "Sales Retail System and Payment Process Control" training program on the new retail information system, was attended by 485 OTE employees.
- The training program aimed at supporting the new policy on performance appraisal (PA) and target management processes and was attended by approximately 114 OTE and COSMOTE managers.

## Special Focus: C2X® Customer EXperience EXcellence

Customer Experience Strategy is at the heart of COSMOTE organization. C2X® Customer EXperience EXcellence is an innovative – for Greek and European standards – training program, aiming at promoting the idea of Customer Experience within the organization. The program, which was implemented in cooperation with OTE Academy, was attended by all COSMOTE employees. After the completion of the program, participants were given the opportunity to get a certification from the Society of Consumer Affairs Professionals Europe (SOCAP).

In 2014, the program is expected to be available for OTE employees as well.

## Special Focus: ACT2

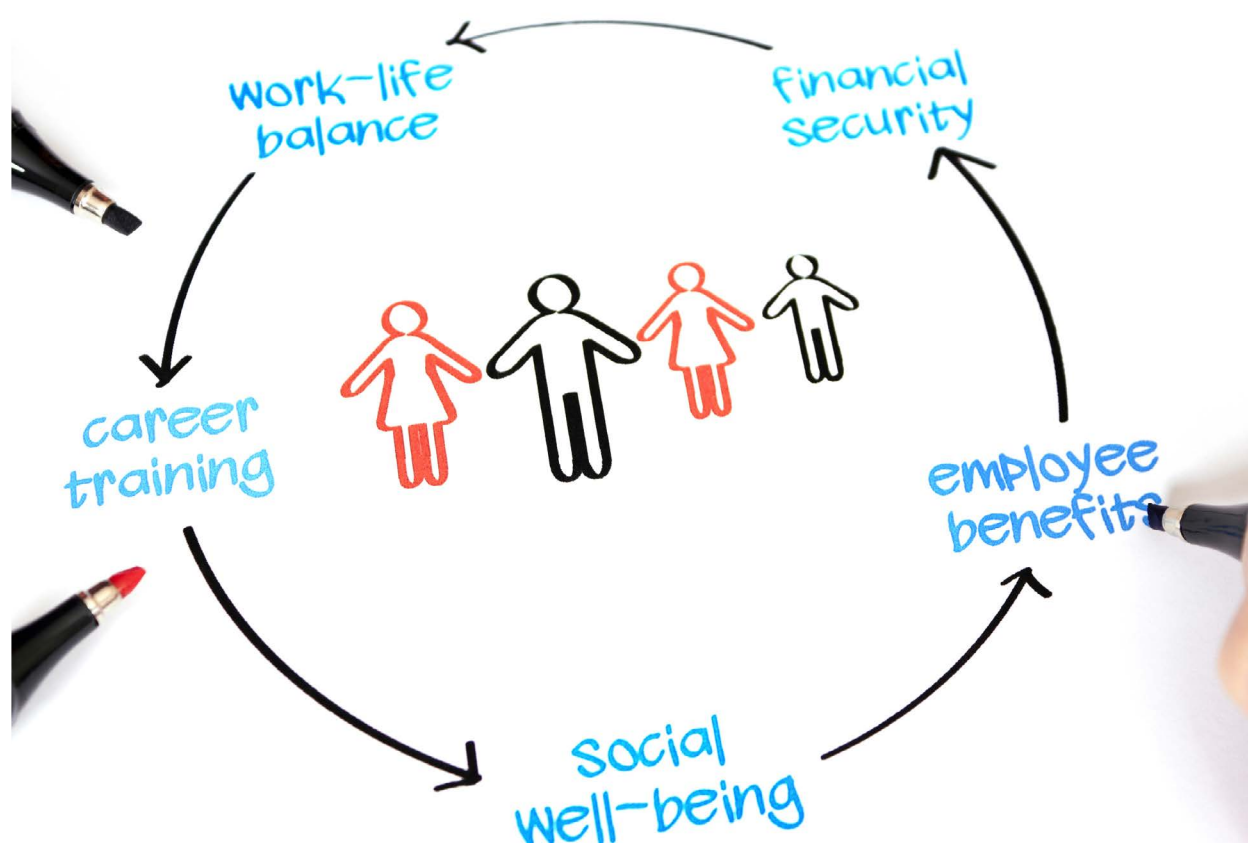
ACT2 (Advanced Certification in Telecommunications Technologies) is an up to date training program that was designed especially for OTE field technicians. The program contributes to the enhancement and retraining of technicians, given the ever increasing demands for technological sophistication and customer experience.

More than 430 employees from all over Greece attended the training at the OTEAcademy premises in Athens and Thessaloniki. According to the plan, more than 1,800 technicians will participate in 2014.



## 4.5 Employee Benefits

Besides salary and other benefits provided by law, OTE and COSMOTE offer their employees a “package” of additional benefits, which are based on benefit plans, 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 in-house sale, and privileges offered to company's employees through COSMOTE Eurobank Visa.

### Purchases

OTE provides, through prize draw, tickets to special events.

### Family

Subsidization of specific baby care and day nursery costs, special benefits to support employees with many children, implementation of special policies in favour of working mothers aiming to promote balance in professional and family life, flexible working hours bands, reinforcement of saving for employees' children through the "Youth Fund" in which deposits are made on a monthly basis from the date of their birth until they reach 25, 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.

### Team Spirit-Sports

Participation of the OTE and COSMOTE's basketball team in an external basketball championship.

### Stock Option Plan

Until 2010, middle and senior managers in Greece, participated in the three-year Stock Option Plan (granting of rights in 2008, 2009, 2010). Currently the exercise of the options granted until 2010 is available.

### Miscellaneous

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



## COSMOTE Benefits

### Insurance

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

COSMOTE offers its employees an attractive, employer-financed optional pension plan. This is a defined contribution plan, which enables employees to augment their main retirement income and, if desired, to protect themselves against occupational disability and / or secure financial support for relatives in case of death. The participation rate reaches approximately 90%.

### 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, companies' products available at special prices at corporate in-house sale, 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. Also provides, through prize draw, tickets to special events

### Family

Subsidization of day nursery costs, special policies for working mothers, flexible working hours bands, personnel economic assistance, 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. Participation of the OTE and COSMOTE's basketball team in an external basketball championship.

### Stock Option Plan

Until 2010, middle and senior managers in Greece, participated in the three-year Stock Option Plan (granting of rights in 2008, 2009, 2010). Currently the exercise of the options granted until 2010 is available.

### Miscellaneous

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



## 4.6

# Internal Communications

OTE and COSMOTE aim to maintain transparent and interactive communication with their employees, utilizing a number of channels to promote knowledge, team spirit, participation and share feedback. Key tools used by the two companies are the OTE “U-link” intranet and the COSMOTE “Mikroscosmos” intranet, e-mail and SMS, e- Newsletter OTE-COSMOTE leaflets and posters, face-to-face briefings, internal awareness campaigns, promotional activities on specific topics and satisfaction surveys. In fact, the companies’ goal to expand all internal communications programs throughout the country was achieved and all available tools were used.

**3,000,000  
visits**

conducted to the  
intranet sites by  
OTE-COSMOTE employees





In 2013:

- In total, about 3,000,000 visits were conducted to the intranet sites by OTE and COSMOTE employees.
- On average, 81% of OTE and COSMOTE employees visit ED U-link and Mikrococosmos on a monthly basis.
- In comparison to 2012, publications (new documents and material) made available on the Intranet portals, were increased by 10%.
- 22 internal awareness campaigns were promoted via the Intranet sites, including banners, thematic configuration of the home page elements and campaign-related content.
- 101 and 19 Corporate Responsibility related topics were published in "U-link" and "Mikrococosmos", respectively.
- The detailed results of both Pulse Surveys, conducted in June and November 2013, were announced to all employees via U-link and Mikrococosmos.

In the second trimester of 2013, a new digital tool was introduced, in order to reinforce internal communication channels of OTE and COSMOTE. This new internal communication channel aims to keep employees updated on all significant corporate, commercial, technical, HR and CR news, events and activities. The newsletter is sent every 2 weeks. In 2013, 16 issues were sent, covering more than 133 topics (13% were CR related). A satisfaction survey, carried out at the end of 2013, showed that 73% of the participants rated the e-newsletter as a significant way of staying updated.

Although human rights risks are considerably low in both companies and in Greece, on the occasion of the Human Rights Day, on the 10th of December, OTE and COSMOTE informed all their employees, via the companies' Intranets, about issues concerning the human rights. The companies provided information about OTE's and COSMOTE's support of the UN Global Compact, the largest voluntary corporate citizenship initiative in the world and their abidance by its ten universal values in the areas of human rights, labour standards, the environment and anti-corruption. Moreover, in order to inform and sensitize their employees about this issue, OTE and COSMOTE shared- with their employees- information concerning the International Labour Organization, the Universal Declaration of Human Rights and the Constitution of Greece.

### OTE HR – Help Desk

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 services provided to its employees and keeps an "open line" of communication with them. During 2013, some of the issues dealt with, via the Helpline were as follows:

- Questions of OTE employees exiting the company, in the framework of the VES (overall 1,850 questions).
- Questions of OTE employees regarding the implementation of HCM, i.e. automation of processes for the administration of holidays and absences (approximately 5,000 questions).
- Questions related to general HR issues, e.g. use of employee performance appraisal system (1,000 questions).



## 4.7

# Employee Engagement and Satisfaction

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### 4.7.1 Employee Engagement

OTE and COSMOTE believe that employee engagement and loyalty are more vital than ever to an organization's success. The companies' aim is for the employees not only to think and speak positively about the organization, but to share a sense of belonging and desire to be a part of the organization. OTE and COSMOTE also try to keep employees informed about strategic, technological and organizational changes and to participate actively in these changes.

Employees confirm their loyalty by giving OTE the highest score in engagement driver among the DT Group (2012 DT Group Employee Survey).





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. To encourage dialogue, comments or critique, a new feedback tool "changemanagementcomms@ote.gr" was introduced in 2013.

To share the strategy and corporate targets among executives, a Management Team Meeting was held in 2013.

This philosophy drives a variety of actions and plans applying creative approaches that address specific needs.

### Special Focus: "Welcome on board" Induction Program

The challenge was to design an induction program that would go beyond the standard training programs and create an "experience" for new OTE Group employees. This 2-day workshop includes not only corporate presentations, but also interactive exercises, games, theatrical sessions and quizzes.

### Special Focus: "Stay tuned" Engagement Tool

The goal was the introduction of a communication platform supporting the transformation process within the organization. Thus, OTE and COSMOTE designed from scratch, an engagement workshop (based on the model Discussion → Interaction → Feedback) with the name "Stay tuned", especially for mixed groups of OTE and COSMOTE employees, who have experienced functional integration. The tool was introduced and implemented as a pilot in 5 business units. The companies' intention is to apply it in more teams, during the roll out process of the next Employee Survey.

## 4.7.2 Employee Satisfaction

OTE and COSMOTE recognize the benefit of conducting employee surveys on a regular basis. The Employee Survey held every two years and the six – monthly Pulse Survey checks are considered to be important feedback tools within the organizations.

Surveys are also a reliable diagnostic tool, among other inputs, for potential changes, improvements and action plans.

The next Employee Survey will be carried out in 2015. In 2014, OTE and COSMOTE will carry out 2 Pulse Surveys (in May and November).

### Employee Survey Roll Out

OTE and COSMOTE participated in the Employee Survey which was conducted at the end of 2012. During 2013, the challenge was not only to communicate the Employee Survey results to all employees, but also to open a meaningful dialogue between all stakeholders.

More than 300 presentations were given, in Athens and Thessaloniki, and in other cities including Patras, Tripoli, Ioannina, Veroia, Kozani, Komotini and Heraklion.

In general, the results were encouraging for both companies and showed strong convergence of employee opinions. Engagement and commitment with the companies scored very high with OTE and COSMOTE performing best among all DT Group companies. In addition, employees judge OTE and COSMOTE as great places to work. However, the results showed that all processes would benefit from simplification, while work–outside life balance is one of the areas for improvement.

### Pulse Surveys

OTE and COSMOTE employees participated in 2 Pulse Surveys, which were carried out in June and November 2013. The results were announced on the corporate intranets.

- The participation rate in June's 2013 Pulse Survey was 52% for OTE and 70% for COSMOTE.
- The participation rate in November's 2013 Pulse Survey was 50% for OTE and 67% for COSMOTE.



# 5.0 Society



# 5.1

## Management Approach

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





Management mechanisms, in place to systemize the companies' efforts involving social contribution, are:

- The clear direction from the Chairman and CEO of OTE Group and Senior Management on key support programs, which are designed and implemented by the Corporate Responsibility Department, Fixed and Mobile, within the Corporate Communications Division OTE Group.
- The approval process for all sponsorships and donations by the Chairman and CEO of OTE Group, after being reviewed by OTE Group Compliance, ERM and Insurance Directorate. In 2013, OTE and COSMOTE mainly focused on societal issues and especially on vulnerable social groups and children.
- The feedback of the stakeholders to the Corporate Responsibility Department, which provides the basis for new proposals, new initiatives or changes in the current CR program. This Department is also responsible for collecting all data, concerning the measurement of the programs' impact on the society.
- The full application of CR management approach, regarding society programs and stakeholder engagement on societal issues, to all (100%) of the operations of OTE and COSMOTE, in Greece.

### Key Achievements in 2013

- OTE and COSMOTE contributed to society, by offering more than €2.6 mn, through financial and in-kind donations and sponsorships.
- Raising of €550,000, to support children in need, through OTE's "Christmas Campaign" and COSMOTE's "Custom of Love" campaign.
- COSMOTE provided 8,834 telephone devices, designed for the elderly and for people with sight problems and OTE provided services to 21,305 people with special needs, as well as approximately €3 mn of discounts, for the elderly and people with special needs.
- Both companies tried to support and promote entrepreneurship, through OTE's "Your business.gr" initiative, COSMOTE's "Share your Success" action and "COSMOTE StartUp" program, as well as by supporting the "egg – enter•grow•go" program.
- 46 Scholarships and Honorary Distinctions were awarded, through the OTE and COSMOTE Scholarship Program.
- OTE and COSMOTE offered work experience to 759 students.



## 5.2 Social Products, Services and Offers

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### 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.

In 2013, OTE provided €2,832,220.71 of discounts, for the elderly and people with special needs.



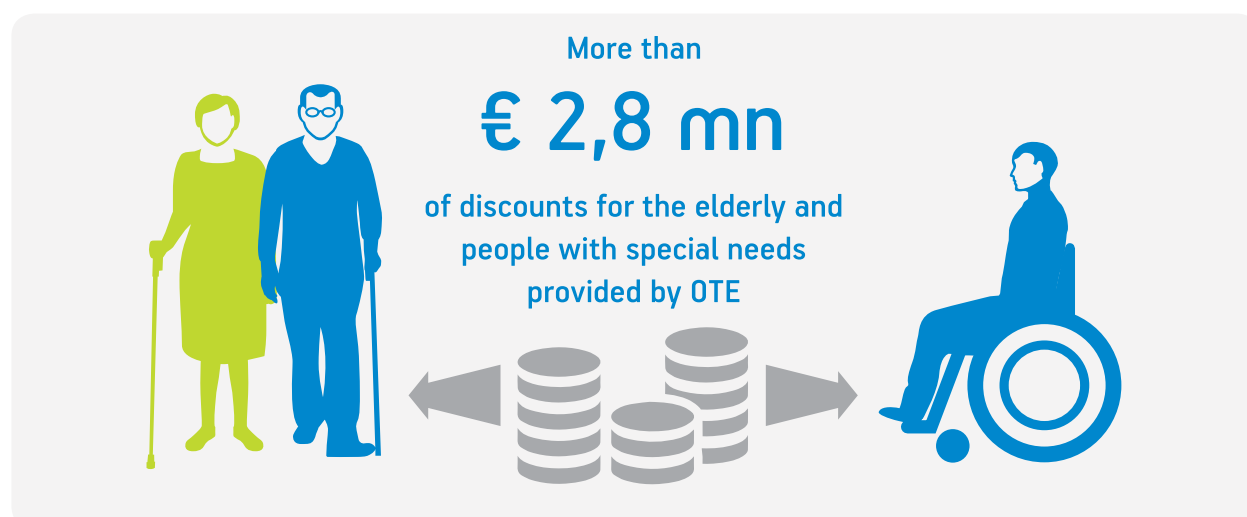


## 5.2.1 People with Special Needs, the Elderly and Socially Vulnerable Groups (Cont'd)

Focus	Product / Service	2013 Reach
Elderly People	Mobile phones designed for the elderly and for people with sight problems	8,834 people
	Discount for elderly (65+) on OTE services	24,000 people
People with Special Needs	Discount on OTE services	21,305 people
	OTE Instant Alert Service (includes elderly people)	700 people
	COSMOTE MobiTalk service—offered free of charge	417 active users
	COSMOTE Voice e-mail service—offered free of charge	684 active users
	COSMOTE 50% discount on SMS charges and videocalls for customers with hearing problems	412 people
OTE's Phone cards and COSMOTE's Top Up cards for NGO and Institutions	Phone cards and Top Up cards with total value of €39,140, provided to NGO and Correctional Facilities	7,335 phone cards and Top Up cards

### COSMOTE Services for People with Sight Disabilities

- MobiTalk**  
 COSMOTE offers MobiTalk service to individuals with sight problems, in collaboration with the "Institute for Language and Speech Processing of the Secretariat General for Research and Development of Greece". 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.
- Voice email**  
 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, messages.





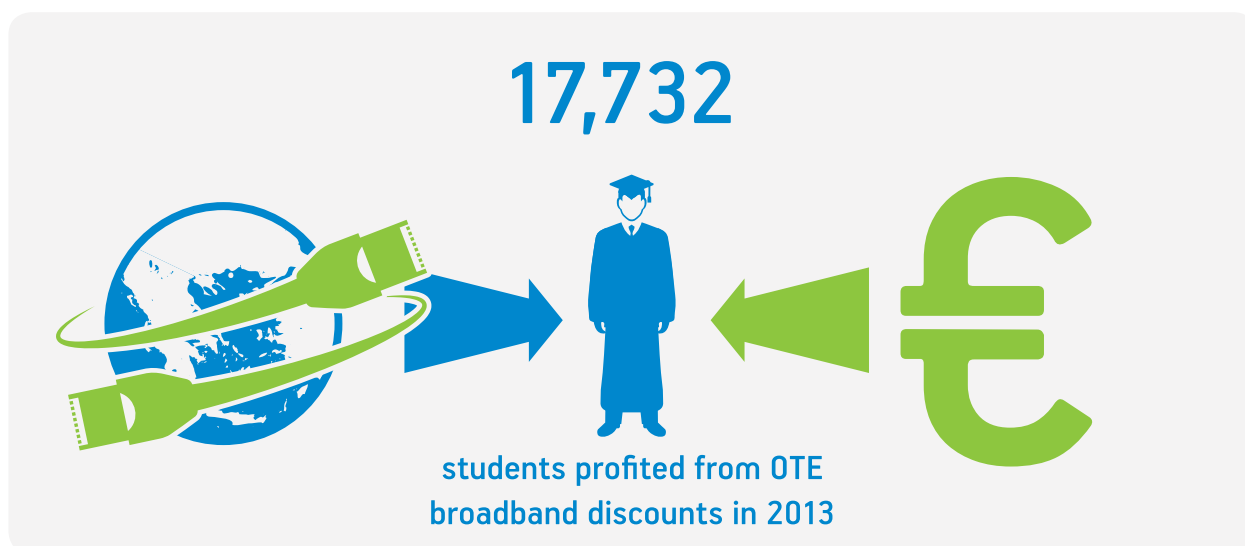
## 5.2.2 Students

Student support continues to hold priority in OTE's and COSMOTE's CR Programs. Both companies aim to help the students to have access to the tools needed for their development:

- OTE, in 2013, continued to offer broadband connections to students at attractive rates. In 2013, 17,732 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. In 2013, more than 150,000 students benefited from these offers.
- OTE, COSMOTE and GERMANOS provided a range of special offers dedicated to students visiting their

stores, such as price discount to specific Telecom and non-Telecom products. More than 250 students won a €300 GERMANOS voucher and/or a €230 OTE or COSMOTE voucher, giving them the opportunity to buy anything they needed from specified product categories from OTE, COSMOTE and GERMANOS stores. More than 60,000 students won gifts, through the instant win one to one promotion.

- For the 8th consecutive year, OTE and COSMOTE continued to promote nationally the reuse of computers and other technological equipment at schools and NGOs, through the "PC Donation Program". In 2013, OTE and COSMOTE donated 115 PCs.





## 5.2.3 Public Helplines, Services and Offers

Free emergency calls through fixed and mobile telephony were provided, once more, in 2013. The European emergency number 112 operated by OTE in Greece, received 2,866,794 calls, of which 36,011 were connected to emergency numbers (100, 199, 166 and 108).

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

Helplines	Calls Received in 2013
SOS 1056, The Smile of the Child (14 years of support)	<b>272,605</b> calls
116000 European Hotline for missing children, The Smile of the Child (6 years of support)	<b>7,138</b> calls
11525 Together for the Children Advice Helpline, Together for the Children (4 years of support)	<b>6,078</b> calls
116111 European Helpline for support of Children and Youth (5 years of support)	<b>2,921</b> calls
80011 80015 YpoSTIRIZO Helpline, Adolescence Health Unit (6 years of support)	<b>2,000</b> calls and emails
1018 National Suicide Prevention Hotline, NGO "KLIMAKA" (5 years of support)	<b>2,400</b> calls

## Flagship Initiatives

### "I Offer" Service

COSMOTE, for the 8th 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 programs. 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 requested the activation. The end user sends an SMS, charged with €1 (plus taxes), to the pre-defined five digit number and with a subject linked to the specific charitable cause, and the total gross income from the service is given to the charity organization, which made use of the service. In 2013, the "I Offer" service was activated more than 15 times and the total sum COSMOTE received and forwarded to charities, was €152,481.

### 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 discount on their monthly fee. This service has been very well received by Greek society and as a result, it is further extended in 2014.

### COSMOTE DEALS for YOU

COSMOTE actively demonstrates that it is attentive to consumers' needs, by adjusting appropriately its services and creating innovative programs.

With the aim of actively rewarding its customers, in 2008, COSMOTE was the first operator in the Greek market to launch "2FOR ONE", an affordable entertainment-based program. Since then, COSMOTE cooperates with leading companies across a range of sectors, making leisure and fun activities affordable for all social groups. In 2012, aiming to further reward and fulfil its customers' needs, 2FOR ONE was expanded and re-launched as COSMOTE DEALS for YOU, a unique bundle of deals available exclusively to COSMOTE subscribers. In 2013, COSMOTE DEALS for YOU further addressed the needs and wishes of consumers via two major advancements: first, COSMOTE DEALS for YOU expanded to include even more exclusive offers in high interest consumer sectors such as travel, food and drink and culture; and second, the SMS cost for participation in the program was reduced by 50% to only €0.50. It is worth noting, that in 2013, the program participation increased by 37% over 2012. Additionally, more than 360,000 unique users sent more than 740,000 SMSs, while more than 315,000 unique users took advantage of the offers via 460,000 code redemptions.



## 5.3

# Enabling Entrepreneurship

OTE and COSMOTE, fully cognizant of the needs of contemporary enterprises, offer the most efficient and integrated solutions to satisfy their communication needs, through a well-organized network providing personalized Customer Care Services. In this framework, OTE and COSMOTE try to constantly enrich their portfolio with new telecommunications solutions, based on the increasing number of specialized needs of enterprises and answer to challenging communication requests.

In addition, both companies support and promote new entrepreneurship in a holistic way. They develop and initiate innovative programs, aiming to support creative individuals with original business ideas, participate in challenging upstart collaborations and provide significant support to initiatives focusing on new entrepreneurship.





## OTE: “Your business.gr”

OTE’s new ground breaking initiative “[Your business.gr](#)” successfully completed one year since its initiation. During this period, OTE gave the opportunity to more than 15,000 small and medium-sized enterprises, from different business sectors, to promote their business on the Internet, easily, quickly and completely free of charge, for an entire year. It is worth mentioning that almost 50% of the participating companies operate outside the greater Athens area. Furthermore, for a large number of these companies, this was the first time that they obtained Internet presence (e.g. enterprises from the construction sector, vehicle services sector etc). Through this initiative, OTE also responds to the enterprises’ needs for development, by offering site building, web hosting, domain name and campaign manager services. This service is still offered today at a special price.

## COSMOTE “Share your Success”

COSMOTE supported and promoted Greek businesses through the “[Share your Success](#)” action. From November 28th to December 31st 2012, COSMOTE offered small and medium-sized businesses an opportunity to promote their own success story and win a complete advertising pack, worth €20,000. Any business could submit its own success story on COSMOTE’s official Facebook page, outlining the products and services that singles them out in the market of their interest. As a result, 1,000 small and medium-sized businesses presented their unique successful business story online, whereas thousands of online users had the opportunity to get acquainted with them.

In March 2013, the ten best “success stories” were selected by the public, while the three final winners were selected by a special COSMOTE committee. The three companies that won the first places in the COSMOTE “Share your Success” contest are active in tourism, innovative Greek products and career counselling for young people.

## 4th Action “Our world is you”: Promotion of New Entrepreneurship

In 2013, the [4th action of the “Our world is you” program](#), was based on the idea of Iraklis Papadopoulos to support creative people and original business ideas. COSMOTE, in collaboration with the Greek Management Association, the Entrepreneurial Agency Foundation and OTEAcademy, initiated COSMOTE StartUp, a program which aims to promote entrepreneurship, creation of opportunities and development of original ideas.

Under this action, any team with a vision and the will to work hard could submit an application to COSMOTE StartUp, for assistance to transform its idea into a business. 10 teams were selected by a Committee to participate in the 3-month intensive training program by COSMOTE StartUp.

COSMOTE provided the opportunity to the teams to get training on basic business issues, on how to start up a business, and on how develop a new idea. The teams have been trained by instructors from the Greek business market. At the end of the course, the teams had the opportunity to present their fully developed business ideas to investors. All training sessions took place at OTEAcademy.

## OTE Supports the “egg” Program

OTE supports the innovative “[egg – enter•grow•go](#)” program, by offering services and equipment for Internet access, web hosting and emails. The “egg – enter•grow•go” program, is a Corporate Social Responsibility initiative by Eurobank, designed and implemented in cooperation with “Corallia”, which aims to boost young innovative entrepreneurship and improve employment opportunities for young people in Greece. “egg – enter•grow•go” is an integrated incubation, acceleration and co-working program.

Full details on products and services offered to business may be found on the companies’ website at the [OTE Business Products and Services](#) and [COSMOTE Business Tariff Plans and Services](#) web pages.



## 5.4 Social Contribution

OTE and COSMOTE engage in an array of social initiatives, in order to make a well-rounded contribution to the society in which they operate, through investing in the skill development of future generations, helping children in need, supporting the cultural uniqueness of Greece's regions, operating a Telecommunications Museum and spreading the knowledge and value of safe use of technology.





Financial data for these programs are presented in the table below.

Type of Expenditure (€)	OTE	COSMOTE	Total
Sponsorships / Donations in kind	388,693	827,195	1,215,888
Financial support – via donations & sponsorships	632,795	579,841	1,212,636
Tele/Radio Fundraising OTE – “I Offer” Service COSMOTE	30,641	152,481	183,122
Employee Vacation Resorts	1,400,000	0	1,400,000
Employee Cultural Centres	219,970	0	219,970
Choir	127,503	0	127,503
<b>Total</b>	<b>2,799,602</b>	<b>1,559,517</b>	<b>4,359,119</b>

It is a subsequent aim for both companies to try to measure, where possible, their impact, to be able to evaluate and review their contributions.

## Flagship Initiatives:

### Employee Vacation Resorts

OTE, in collaboration with OME OTE, provides, through OPAKE OTE, opportunities for vacation for its employees and retirees at its vacation resorts facilities at low cost. These facilities include restaurants, playgrounds, etc. and provide a series of services such as medical care, fitness facilities, security and entertainment. In addition, OPAKE OTE provides hospitality services to groups of employees from telecommunication sector companies of other countries, such as Cyprus, Hungary, Serbia, Romania, Portugal, etc. and offers to OTE Group employees and pensioners vacation at selected hotels in Greece and abroad.

### OTE Employee Cultural Centres

OTE has a nationwide network of 53 Employee Cultural Centres, for its employees, retirees and their families, as well as for the local communities in which they operate.

Various activity programs are organized in these Cultural Centres, including dancing, sports, painting, sculpture, iconography, theatre, musical instruments instruction, foreign languages and computer classes. In total, approximately 180 such programs are offered across Greece, organized by either the Cultural Centres themselves or in conjunction with other cultural agencies in their area.

### Athens OTE Choir

The mixed Athens OTE Choir was formed in 1968. In its long course, the Choir has given hundreds of concerts both in Greece and abroad, carrying the Greek musical tradition.

Over the years, the Choir has won many important awards in international choral competitions.

In 2013, among others, the mixed Athens OTE Choir:

- Participated in the Ceremony of the lighting of the Olympic Flame for the Winter Olympics–Sochi 2014, in Ancient Olympia, which was on worldwide live broadcast.
- Performed at the 29th International Choir Festival in Thessaloniki.
- Held Christmas Charity Concerts for supporting various NGO. In 2013, a certain amount from these concerts was donated to Network for Children's Rights, Girokomeio Athinon–Athens Elderly Care Home, etc.

### COSMOTE “Our world is you” Initiative

In accordance with its corporate philosophy, in 2011, COSMOTE created the “Our world is you” campaign, whereby fellow citizens contributed their ideas on how to make the world a better place and have a direct positive impact on their community. In the same year, the first idea submitted through this initiative, which was to help the children of the Hatzikiriakio Foundation, was implemented with the support of COSMOTE. In 2012, a second idea, to support families in need, was substantiated by creating the “[Program of Solidarity with the Family](#)”, in collaboration with K.Y.A.D.A. (Hospitality and Solidarity Centre of the Municipality of Athens). The program was continued in 2013 with COSMOTE's support.

In 2013, COSMOTE continued the “Our world is you” program. More details about the 3rd action “Support to the Border Areas” under this program are provided in the [SOCIETY / Programs in the Periphery section](#). More details about the 4th action “Promotion of New Entrepreneurship” are provided in the [SOCIETY / Business Enterprising section](#).



## 5.4.1 Supporting Vulnerable Social Groups and People with Special Needs

NGO / Organizations receiving financial and in kind support	
OTE	COSMOTE
Association "Together for Children"*	Friends of Social Paediatrics "Anoixti Agalia"
MDA Greece – Muscular Dystrophy Association	Cerebral Palsy Greece
Athens Public Nursery	Association of Social Responsibility for Children and Youngsters (SKEP)
NGO "Ark of the World"	NGO of the Holy Archdiocese of Athens "Apostoli"
Network for Children's Rights	Make-A-Wish Greece
Association of OTE Employees and Pensioners with Disabled Children (SESOEP)	"Children's hearts" Association
Charities Fund of the Holy Archdiocese of Athens	NGO "The Heart of the Child"
Greek Red Cross	"The right to life" Organization ("Dikaioma sti Zoi")
Society of Breast Diseases	Pammakaristos Children's Foundation
"The Smile of the Child" Association	
Association of Parents of Children with Cancer "Floga"	
Hellenic Society for Disabled Children (ELEPAP)	
"STROFI" Rehabilitation Community Family Association of the Therapy Centre for Dependent Individuals (KETHEA)	
Special Vocational Training Centre "Margarita"	
Elefsina Love Centre	
"Infirmary Penteli"	
APHCA (Association for the Psychosocial Health of Children and Adolescents)	
Children's Hospital "Agia Sophia"	
Pediatric Trauma Care	
Hellenic Athletic Federation of the Deaf	
Attikon Hospital	
Adolescent Health Unit (AHU) of the Second Department of Paediatrics – University of Athens	
"Ark of Love" Organisation	
www.DISABLED.gr	
"DISABILITY NOW" magazine	

\* 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.



## 5.4.2 Supporting Children

OTE, through its **"Christmas Campaign"**, stood by children in need for yet another Christmas. For the 11th consecutive year, under the banner "The 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 2013–2014 Christmas season, to the following charity organizations for children:

- **"Together for Children"**  
This consortium of 10 charitable Non-Profit Organizations have been cooperating since 1996, aiming to help society's most sensitive element, children, and especially children in need. The Association's efforts annually embrace and support more than 10,000 children with mental disabilities, mobility impairments, family problems and serious 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), and improvements to the social integration of patients, by attracting members and volunteers to the Centre's premises.
- **"The Smile of the Child"**  
The Association provides financial assistance to the "Child and Family Support Centre" at Maroussi, Athens, which has been operating since 2008 and until 2013, has helped in total 4,129 children and 1,763 families. The Child and Family Support Centre is the place where goods are gathered for

the Homes of "The Smile of the Child", but also for families that need support and face serious survival problems.

- **Special Vocational Training Centre "Margarita"**  
Margarita is a charity organization, licensed as a day care centre for disabled people and accredited as a specialized vocational training centre by the National Centre for Accreditation in Greece. The organization provides appropriate education, vocational training and occupation to young people with intellectual disability.

The total amount donated, in the framework of the "Christmas Campaign" for 2013, was €230,000.

For the 15th consecutive year, through the **"Custom of Love"** campaign, COSMOTE offered a substantial part of its revenues, from New Year's Day SMS and MMS, to support twelve children institutions. The institutions supported in 2013, were:

- Association of Parents of Children with Cancer "Floga".
- Friends of Social Paediatrics "Anoixti Agalia".
- Cerebral Palsy Greece.
- Hellenic Society for Disabled Children (ELEPAP).
- Association of Social Responsibility for Children and Youngsters (SKEP).
- Make-A-Wish Greece.
- Pan-Hellenic Association for Protection, Information and Support of Children with Heart Diseases "Child's Heart".
- Pediatric Trauma Care.



# €550,000

Total amount donated to 17 NGOs,  
to support children in need,  
through the campaigns:

OTE's "Christmas  
Campaign"

COSMOTE's  
"Custom of Love"





- Charitable Association “Kivotos Agapis”.
- Organization “Dikaioma sti Zoi” (The right to life).
- Parent–teacher and friend’s association for children with heart diseases of Northern Greece “Children’s Hearts”.
- Special Vocational Training Centre “Margarita”.

In 2013, COSMOTE, through the “Custom of Love” campaign, donated an overall amount of €320,000 to charitable organizations for children.

In the same year, for the first time, the selection of the charitable organizations to be supported was carried out with the input of the OTE and COSMOTE employees who had the opportunity to vote for their favourite association for children. The Special Vocational Training Centre “Margarita” was voted most popular.

Additional to the above initiatives, once more, OTE and COSMOTE instead of Christmas presents to their



business partners, offered commensurate financial support to children’s care institutions. The beneficiaries in 2013, were the Athens Municipal Crèche and the Institution for the Child “PAMMAKARISTOS”.

### 5.4.3 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 that is high in the OTE and COSMOTE’s priorities. In particular, during 2013, OTE and COSMOTE focused on the following initiatives:

Scholarship Programs and Contests		
Program	Company	Impact
<b>OTE–COSMOTE Scholarship Program</b> For students with low income or disability	OTE and COSMOTE	<b>46</b> grants  (20 Scholarships– full support for the whole duration of their studies– and 26 Honorary Distinctions– financial award, as a recognition of the students’ effort)
<b>Scholarship Program of the American Farm School of Thessalonica</b> Students from South–East Europe (Greece, Albania and Romania) to receive scholarships at the “Dimitris Perotis” College, in fields such as agro–tourism, the food industry and environmental protection.	OTE	<b>3</b> scholarships awarded
<b>Alba Graduate Business School at the American College of Greece (ALBA)</b>	OTE and COSMOTE	Contribution to ALBA’s scholarship program that covers the tuition fees of students, who have a high academic standing and limited financial means.
<b>Scholarships at Department of Banking and Financial Administration of the University of Piraeus</b>	OTE	<b>2</b> scholarships awarded to post–graduate students with demonstrated exceptional academic performance



## Scholarships and Honorary Distinctions offered by OTE and COSMOTE =



### OTE and COSMOTE 2013 Scholarship Program

For the 12th consecutive year, in 2013, twenty Scholarships and twenty-six Honorary Distinctions were awarded to 46 young men and women, worth in total more than €345,000, in the framework of OTE–COSMOTE Scholarship Program. It is worth mentioning that for the first time, since the initiation of the program, students from all over Greece, rather than from specific geographical regions, were invited to participate.

More specifically, in 2013, twenty Scholarships, worth €15,280<sup>1</sup> each and twenty-six Honorary Distinctions, worth €1,528<sup>2</sup> each, were awarded to first-year University students enrolled at Higher Education Institutions in Greece. Ever since the program was established in 2002, 146 Scholarships and 283 Honorary Distinctions have been awarded in total, worth more than €2.4 million. More than 2,500 students have expressed interest and eventually more than 1,100 students submitted applications. In addition to the monetary prize, awarded to students for the year 2013–2014, a free OTE Double Play 24Mbps connection, mobile phones with COSMOTE Student Cost Control Plan free of monthly fees for the duration of their studies, free OTE TV services for a year and a tablet, were also provided.

### Work Experience Offered to Students and Skills Development

- OTE and COSMOTE are considered to be an exceptional employment opportunity for students to start their career. The companies offer mainly through internship programs to a lot of students the opportunity to apply their knowledge in the real world environment, gain work experience, be trained on–the–job and develop skills, which will help them perform better at their jobs. In 2013, 759 students interned in various Directorates of OTE and COSMOTE.
- In the same spirit, COSMOTE continued its Student Visit program, whereby 300 students from 6 high schools and Universities visited the company, to attend educational briefings on professional orientation, technology and scientific issues, Base Stations technology and the company's operations.

<sup>1</sup> 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 instalments.

<sup>2</sup> 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.



## 5.5

# Contributing to Local Communities' Well-Being and Sustainability

OTE and COSMOTE seek to improve the livelihood and sustainability of the local communities in which they operate. The approach of both companies is twofold: on the one hand they try to respond to calls for support of the local social character, integration and growth and on the other hand they try, as matter of high priority, to protect the communities from any potentially negative impact, generated from their business, mainly concerning environmental issues. To ensure their protection and assistance to the local communities, OTE and COSMOTE have put in place a program to measure, as much as possible, the impacts of their operation and support actions.

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





OTE and COSMOTE work on the basis of engaging local communities in all of their operations. In this context, the Community Relations Section of the Corporate Communications Division, OTE Group is tasked with maintaining and expanding OTE's and COSMOTE's presence in local communities countrywide. In order to fulfil this responsibility role, the Community Relations team analyses and evaluates local needs and designs, and implements special projects for the local communities. Local sponsoring issues include support to local associations, athletic clubs, festivals, cultural activities etc.

The Community Relations Section also organizes and provides training courses for secondary education and University students, associations, local communities and municipalities on mobile telephony, electromagnetic fields (EMF), and the role of telecommunications in modern life. So far, more than 5,000 people have attended those sessions in 20 cities all over Greece.

### 5.5.1 Programs in the Periphery

In 2013, OTE and COSMOTE, responding to increased requests from local communities for enhanced contributions to the rural and sub-rural areas and to the sustainability of regional cultural identity, indicatively, supported the following initiatives in the various Greek regions:

Organization – Event	Description/Impact	Company
<b>56th Philippi / Thasos Festival</b>	OTE and COSMOTE supported the 56th cultural festival of Philippi– Thasos in Northeastern Greece. From July until September, the ancient Roman theatres of Philippi, Kavala and Thasos island hosted theatre and drama performances, music concerts, poetry nights and youth cultural activities.	OTE and COSMOTE
<b>100 years from the Liberation of Crete</b>	OTE and COSMOTE contributed to the 100 years commemoration of Crete's liberation from the Ottoman Empire. Events took place in all major cities of Crete, under the auspices of the President of the Hellenic Republic and the Eleftherios Venizelos Foundation.	OTE and COSMOTE
<b>Xanthi Old Town Festival</b>	For more than 10 years, OTE supports the "Old Town Festival" cultural activities of the Municipality of Xanthi.	OTE
<b>5th Information Technology School Congress of the Central Macedonia region</b>	COSMOTE for the 4th time supported the "Information technology school congress" of the Central Macedonia region. Students from more than 100 primary and secondary education schools attended and presented their work on digital technology and innovation.	COSMOTE
<b>Centennial Commemoration of the 1st Mount Olympus Mountain</b>	The year 2013 was the centennial commemoration of the first ascent to the top of Mount Olympus. The celebration took place in the area of Mount Olympus with an international gathering and photo exhibition of the history of early expeditions to the mythical mountain.	COSMOTE
<b>International Archaeology Congress on Rhodes island</b>	COSMOTE supported the International Archaeological Congress on Rhodes island, on the archaeological fieldwork at the Aegean Islands.	COSMOTE

In addition, in 2013, 4 units of the OTE Technical Regional Divisions based in different geographical areas of Greece (i.e. Attiki, North Greece, South and West Greece, Crete and the Islands), had the responsibility to support the provision of fixed telecommunication services, at a local level, in their region. These units are in continuous communication with local communities, organizations, business and residential customers. Through this communication, further needs of the local communities are identified and taken into account in forming the companies' operation and CR programs.

Through this communication effort, OTE and COSMOTE believe that almost 100% of the local community development programs are based on local communities' needs, while about 10% of their local engagement is designed to address solely the needs of vulnerable groups.



### 3rd Action “Our world is you”: Support to the Border Areas

In March 2013, the 3rd action of the program “Our world is you” was implemented by COSMOTE, focusing on suggestions, offered by Dimitra Koufidou from the island of Samothrace and Sofia Charalambidou from the Prespes lake region, whose desire was to enhance quality of life in border areas.

In Prespes, the Local authorities made available to COSMOTE the existing buildings of the Patoulideio Stadium and the Municipal Library of Lemos. COSMOTE restored and renovated the buildings so they can accommodate any sport, cultural or educational activity and installed adequate heating and audiovisual equipment.

Similarly, in Samothrace, the Local authorities made available the “Cultural Centre” building, which was renovated and fully equipped by COSMOTE to accommodate, any educational, cultural, or other activities.

Moreover, in both locations, COSMOTE organized a series of cultural and educational activities, as well as programs for preventive medicine, aimed at all citizens, thus making reality the vision of both Sonia and Dimitra.

### COSMOTE’s “Surfing the world” Program

For the 4th consecutive year, COSMOTE supplied equipment (monitors, PC units, Wi-Fi routers, web cameras) to schools on isolated islands and remote mainland regions, and offered students and teachers free high-speed wireless Internet access. In 2013, more than 500 students and tutors, at 18 schools, benefited from this program, through donations of 80 pieces of equipment. In total, from the beginning of the program, COSMOTE has installed wireless Internet at more than 130 schools with more than 4,000 students and teachers in the remote mountain areas and islands, where fixed internet access has not been available.

### “Access to the Digital World” Initiative

The “Access to the digital world” program has been operating at the Municipality of Ilioupolis, under the auspices of the NGO “50 plus Hellas”, since March 2012. This program offers free learning on the basic use of computers and the Internet, aiming at diminishing the digital gap of the senior citizens of the Municipality. For the purpose of this program, OTE and COSMOTE have supplied the necessary equipment such as PC units, playstation consoles, smartphones and tablets, to the Protection Centre for Senior

Citizens of Ilioupolis. More than 300 people have taken part in this program until now, and more than 400 are expected to participate in 2014.

### 5.5.2 Promoting Culture

OTE and COSMOTE have consistently supported activities that contribute to sustaining the cultural heritage, athletic spirit and improving of the quality of life. Both companies regard these activities as a vital part of progress and they place their technology in the service of such activities that aim at benefiting all society.

In 2013, OTE and COSMOTE sponsored 93 cultural activities. Major initiatives that the two companies supported are presented below.

#### The Antikythera Exhibition: “The Antikythera Shipwreck: the Ship, the Treasures, the Mechanism” National Archaeological Museum (April 2012–August 2014)

More than 190,000 visitors and 60,000 students from Greece and abroad visited the exhibition, thereby increasing overall visits to the National Archaeological Museum by more than 50% for the year 2013. Due to this great success and to the increased public demand, the exhibition has been extended till June 2014.

In 2013, OTE and COSMOTE continued to support the exhibition with a range of innovative actions that promote the cultural wealth and technological achievements of the Greek heritage. The companies have also enhanced the appreciation of these exhibits, through the provision of the following services:

- Exhibition tour guide application through the use of mobile telephony, for the first time in a Greek museum.
- Internet corner and wi-fi access is provided free-of-charge for all visitors of the museum.
- E-learning program 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, from the point of view of four different disciplines / expeditions (archaeologist, epigraphist, engineer and science historian).
- Special limited publication dedicated to the technology of the Antikythera Ship, its Treasures, and the Mechanism.



- A specially designed education program for schools. OTE and COSMOTE hosted a special educational program, which was attended by:
  - > more than 20 schools and 1,100 school children from the wider Attica region, and
  - > more than 50 students from the two isles of Symi and Kythera (whose forefathers played a leading role in salvaging the wreck), who 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.

Celebrating this very significant and world-renowned exhibition, the two companies also conducted a series of events and private exhibition tours for groups of special focus, which included:

- representatives (ambassadors and cultural attaches) from 20 foreign embassies,
- 350 major corporate clients,
- 50 journalists,
- 200 OTE Group employees and visiting colleagues from DT, and
- 35 members of the Astronomy and Space Organization (not-for-profit) of Volos.

### Europa Nostra 50th Anniversary Congress and European Heritage Awards Ceremony, Athens 2013

OTE and COSMOTE, in 2013, supported the Europa Nostra 50th Anniversary Congress and European Heritage Awards Ceremony that took place in Athens.

More than 50 countries participate in Europa Nostra, an organization dedicated to the protection of the historical and natural monuments of Europe. In Greece, Europa Nostra is represented by the Society for the Environment and Cultural Heritage, organized and hosted the Annual Congress in Athens.

The Award Ceremony took place in June 2013, at the Odeion of Herodes Atticus, under the Acropolis of Athens, under the auspices of the President of the Hellenic Republic, H.E. Karolos Papoulias and was hosted by the President of the Europa Nostra, Maestro Plácido Domingo.

### 2013–2014 Events Program of the Onassis Cultural Centre– Athens

OTE and COSMOTE provided support to the Onassis Cultural Centre in Athens, a leading cultural space,

hosting events in the arts, including theatre, dance, music, literature and visual arts, with an emphasis on contemporary cultural expression, on supporting Greek artists, on cultivating international collaborations and on educating children and people of all ages, through life-long learning.

### Summer Evening Concerts– Garden of the Athens Concert Hall

OTE, in 2013, was the exclusive sponsor of the summer evening concerts that took place at the luscious Garden of the Athens Concert Hall, starting in June, and with the participation of popular Greek artists.

In addition to sponsorship of the Concerts, OTE offered its subscribers a 50% discount on the ticket price, for any concert they wished to attend.

### OTE Telecommunications Museum

As in previous years, OTE and COSMOTE used the OTE Telecommunications Museum to highlight and inform, mainly young groups, on the best use of new technologies and to showcase the long history of telecommunications and their impact. During the period September 2012 – August 2013, the Museum received 11,516 visitors.

The Museum offers free of charge educational programs, specialized by group category and age, and carries out tours, events and exhibitions, including:

- Guided tour programs: 8,292 people (including people with special needs, students and visitors from organizations etc.) participated in these programs.
- “Arts Workshop on Telecommunications”, for children aged 5–10: 1,165 children participated in these workshops.
- “Experiments on the Telecommunications Museum”, for children 10–14: 1,570 children participated in these workshops
- “Safer Internet Informative Meetings” for school groups, teenagers and adults: 317 persons were informed at the Museum.
- International Museum Day activities: On the occasion of the International Museum Day, the OTE Museum organized a 3 day educational program of events, experiments, art workshops and special tours, targeted at the whole family. The program, which has been designed as a pilot for similar activities in the future, attracted an audience of 405 people.



- The theatrical play “The Internet Farm”, addressed to students and the public, educated them, in a fun way, on safe online navigation, through the stories of the little heroes of the farm. More than 550 people attended the play at the Museum.
- Three mobile exhibitions –the OTE Telecommunications Museum at the “Communication and Technology Neighbourhood” of Micropolis Festival (Technopolis –September 2012), Electro–storm from magnets, sounds, cables and legends (National Hellenic Research Foundation – December 2012) and Telecommunications from the Minoan period to the 20th century (Heraklion, Crete – April 2013)– which were viewed by approximately 10,000 people.

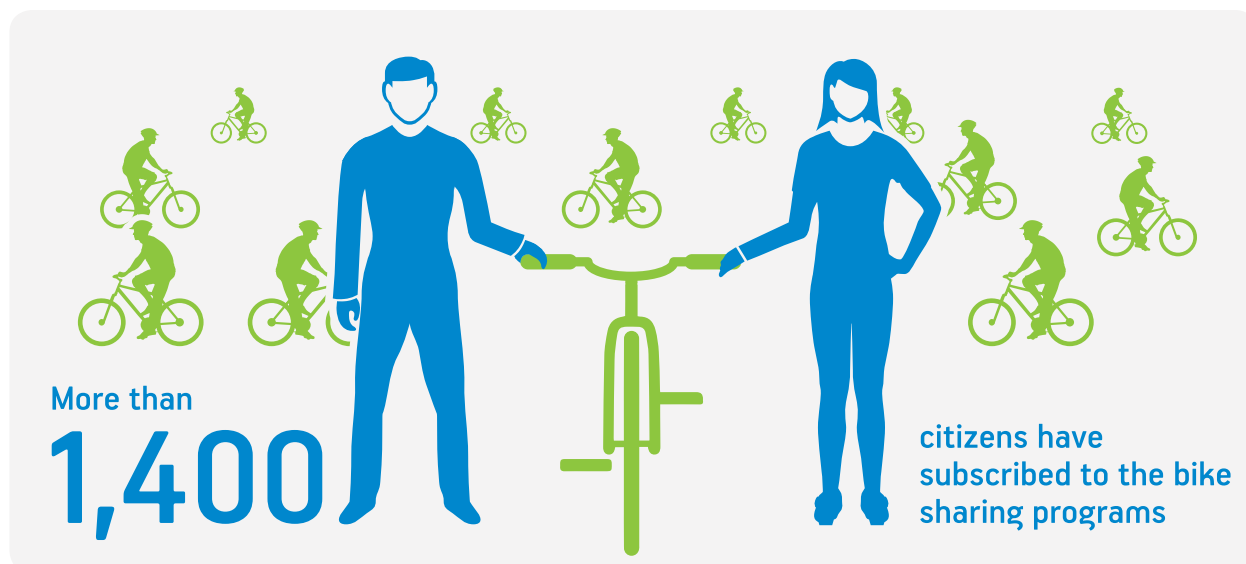
Although the majority of the Museum’s visitors are school groups, through special events and innovative programs, the number of individual visitors increased in 2013, by 22%.

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).

### 5.5.3 Promoting Sports

OTE and COSMOTE aim to make the bicycle a part of citizens’ daily activities in the city centres. Thus, the companies implement (as of 2012) the “Podilatodraseis” program (bike activities program), which is an innovate program that includes:

- Bike parking, which concerns the installation and the operation of the first automated bike parking stations. To date, bike parking stations are available at the municipalities of Vrilissia and N. Smyrni, as well as at major commercial centres in Attica (Maroussi, Glyfada, The Mall Athens, Golden Hall Mall and Marina Floisvou). The bike parking stations operate digitally by sending an SMS –free of charge– to the bike centre call line (19515), thereby locking and/or unlocking the user’s bike.
- An automated bike sharing program has been implemented by OTE and COSMOTE for the first time in Greece, in the municipalities of Karditsa, Ioannina, Kavala and Komotini. For the period of May to December 2013, more than 1,400 citizens have subscribed to the bike sharing programs (about 40,000 bike rentals and over 30,000 hours of bike rentals).
- In the past two years, more than 40,000 people, of all ages, were educated on the correct use and the benefits of using a bicycle through special promotional activities, in more than 40 cities all over Greece. In 2013, approximately 20,000 people participated and benefited from all the educational activities of the “Podilatodraseis” program.
- OTE and COSMOTE support organizations that contribute to the promotion of bicycle usage. They were the title sponsor of Athens Bike Festival for the third consecutive year. The festival constitutes the largest event of all, organizations and individuals, who are interested in issues concerning the bicycle in Greece.





## 5.6 Employee Volunteering

Corporate volunteerism has been embraced by OTE and COSMOTE employees to demonstrate their social sensitivity and to contribute to their local societies. In total, 4,905 OTE and COSMOTE employees participated in five CR volunteer initiatives, in 2013.

Employees Participating in Volunteer Initiatives of OTE and COSMOTE in the last 4 years

2010	2011	2012	2013
3,421	3,603	2,339	4,905





The companies invested 670 working hours to organize and run volunteer initiatives, which provided support to approximately 28,000 people.

OTE and COSMOTE strive to provide the means, so that the voluntary contributions of their employees are effective and well-targeted, as well as, of maximum assistance to the local society.

In this context, in 2013, OTE and COSMOTE continued to organize the Employee Volunteer Blood Donation program, by conducting the 48th and 49th blood donation, also invited their employees to participate in the 31st Athens Classic Marathon and to actively join and participate in the "Earth Hour". In addition, two new programs, the "collection of food supplies" for families facing financial problems and the "collection

of medicines" for people in need, were developed jointly by the two companies.

In 2013, OTE and COSMOTE volunteering activities were aligned and addressed to employees of both companies.

### OTE and COSMOTE Volunteer Blood Donation Program

The OTE and COSMOTE volunteer blood donation program has run continuously since 1976 and has been received numerous state honorary recognition citations. In 2013, OTE and COSMOTE employees gathered 3,136 units of blood. 1,075 units were used to cover OTE and COSMOTE employees' needs throughout Greece and the remaining 2,061 were used to cover the Greek society's needs.

Units of Blood Donations in the last 4 Years by OTE and COSMOTE

2010	2011	2012	2013	Total
3,214	3,189	2,845	3,136	12,384

### 31st Athens Classic Marathon

OTE and COSMOTE employees participated in the 31st Athens Classic Marathon. 601 employees, wearing OTE and COSMOTE colours participated voluntarily in all Marathon races, including power walking and the 5K and 10K runs. For every kilometre each employee ran, OTE and COSMOTE donated an amount to 3 charitable institutions: (Kethea–Strofi Family Society, Eleysina Love Centre, and Penteli Sanitarium), which amounted to approximately €28,000.

### Collection of Medicines

In the framework of the voluntary initiative entitled "Offering is the best medicine!", in collaboration with the Medical Association of Athens of the Social Solidarity Clinic of Athens, the Doctors of the World, the Medical Association and the Social Pharmacy at Patra, more than 6,000 medicine packages and 2,000 pieces of medical supplies were gathered by employees of OTE and COSMOTE in Athens, Thessaloniki, Patra and Heraklion.

### Collection of Food Supplies

For the first time in 2013, OTE and COSMOTE employees gathered food supplies for people and families in need, with the message "...we gather food for people in need – for some people, these are the ideal Santa Claus sacks;". More than 5,000 canned and dry supplies items were collected at OTE and COSMOTE premises in four cities (Athens, Thessaloniki, Patra, and Heraklion). The collected food was distributed at Athens and Thessaloniki in collaboration with the institute "Food Bank" and in Patras and Heraklion in collaboration with the "Medecins sans Frontiers".



# 6.0 Environment



# 6.1

## Management Approach

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OTE and COSMOTE acknowledge that businesses with a leading role need to combine financial growth with environmental awareness in all aspects of their operations.

OTE and COSMOTE are fully aware that, though low, there are environmental impacts 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 strategy is to reduce the environmental impacts from their activities while providing products and services that enable increases in productivity and environmental protection in other sectors of economic activity, and in parallel to raise awareness of fellow citizens on acting more responsibly on the issue of environmental protection.

To this end, an integrated environmental policy and management scheme has been formulated that

includes the Environmental Management Systems (EMS) certified according to ISO 14001:2004 standard at OTE and at COSMOTE. Utilizing the framework of the Environmental Management System, OTE and COSMOTE analyse all activities, products and services with reference to applicable legislative requirements and their impact on the environment, and try to improve environmental performance by setting goals, quantifying appropriate key performance indicators (KPIs) and taking cost-effective actions.

## OTE and COSMOTE Environmental Strategy

### Reduce own Environmental Footprint

#### OTE and COSMOTE Focus Area

Energy	EMF
Climate Change	Biodiversity
Raw Materials & Waste	Visual Impact
Water	Noise
Corporate Fleet	

### Raise Stakeholders' Environmental Awareness

Communication Issues	Employees	Customers	Suppliers
Internal Communication Campaign	X		
Recycling Programmes at OTE and COSMOTE Retail Stores	X	X	
World Environment Day Campaign	X	X	
WWF's Earth Hour Campaign	X		
Promotion of Environmental Programmes through Sponsorships	X	X	
Supplier Evaluation Methodology			X

### Enabling Role of ICT Products and Services

#### Teleconferences to Business Customers

#### OTE Business Cloud

#### Fleet Management

#### E-applications for Customers



## 6.1.1 Environmental Policy

The commitment of OTE and COSMOTE to protect the environment is stated in their integrated Quality, Health and Safety, and Environmental Policy, presented below and is realized through measures and initiatives already implemented, adopted or planned.

### OTE Group Quality, Health & Safety and Environmental Policy

We, at OTE Group, inspired by our VISION, MISSION and STRATEGIC PRIORITIES, strive to enhance our successful customer-oriented philosophy, our competitive positioning and the provision of technologically advanced products and services. As a responsible corporate citizen, we aim at delivering value to our stakeholders and believe that quality, health-safety and environment constitute crucial concerns embedded in our company's culture. In this context, we expect our senior management to act as role models

#### Aiming at Business Excellence, we therefore commit ourselves to:

- Continually improving our operations and performance by setting, monitoring and reviewing our objectives with the intent to meet and, where possible, to exceed the expectations of our stakeholders,
- Acting with foresight and comply with the requirements laid down by applicable legislation, or even exceeding these, where we can,
- Require our personnel, and our contractors and suppliers, to actively participate in achieving our objectives, regarding the quality of our operations, occupational health & safety and environmental protection, by implementing all relevant regulations and programs adopted,
- Strive to find innovative approaches for our operations, products and services, adopting preventive approaches to reduce our environmental impact & pollution, and avoid potential injury and ill health of our personnel, partners and the general public,
- Keep the public, our personnel and our stakeholders informed on quality, environmental and occupational health & safety issues,
- Voluntarily protect the public through the principles and recommendations laid down in the EMF policy, including transparency, information, participation and promotion of science,
- Fully comply with the requirements of our Integrated Management System and continuously improve its effectiveness.

**Michael Tsamaz**  
Chairman and CEO of OTE Group



## 6.1.2 Environmental Management

The management of environmental aspects is overseen by the Chairman of the Board of Directors and CEO. To assist him a high level Steering Committee has been established in the framework of the Integrated Management System in place (Quality, Health and Safety, and Environment). The Corporate Communications Director, OTE Group has been appointed as the Environmental Management Officer. The Committee is supported the EMS Team with members of relevant OTE and COSMOTE Organizational Units.

- The responsibilities of the Committee, with respect to the EMS, include, among others, the approval of the EMS documentation including objectives, KPIs and targets set as well as the environmental programs to achieve these objectives / targets, EMS audit results, EMS performance results,

customers' and employees' feedback / complaints, periodic reviews and follow up actions from previous management reviews of the EMS and the improvements deemed necessary to enhance its effectiveness. Furthermore, the OTE Group Management Systems Steering Committee may take decisions concerning companies (subsidiaries) of the OTE and COSMOTE Group regarding the Management Systems' strategic guidelines.

- The Environmental Management Representative and the EMS Team members, among others, identify the environmental aspects of the activities, products and services of OTE and COSMOTE; identify the environmental programs; monitor their effectiveness and propose remedial actions for improvement; and analyse the data needed to determine the environmental performance of OTE and COSMOTE.

### Environmental Management System





### 6.1.3 Key Achievements in 2013

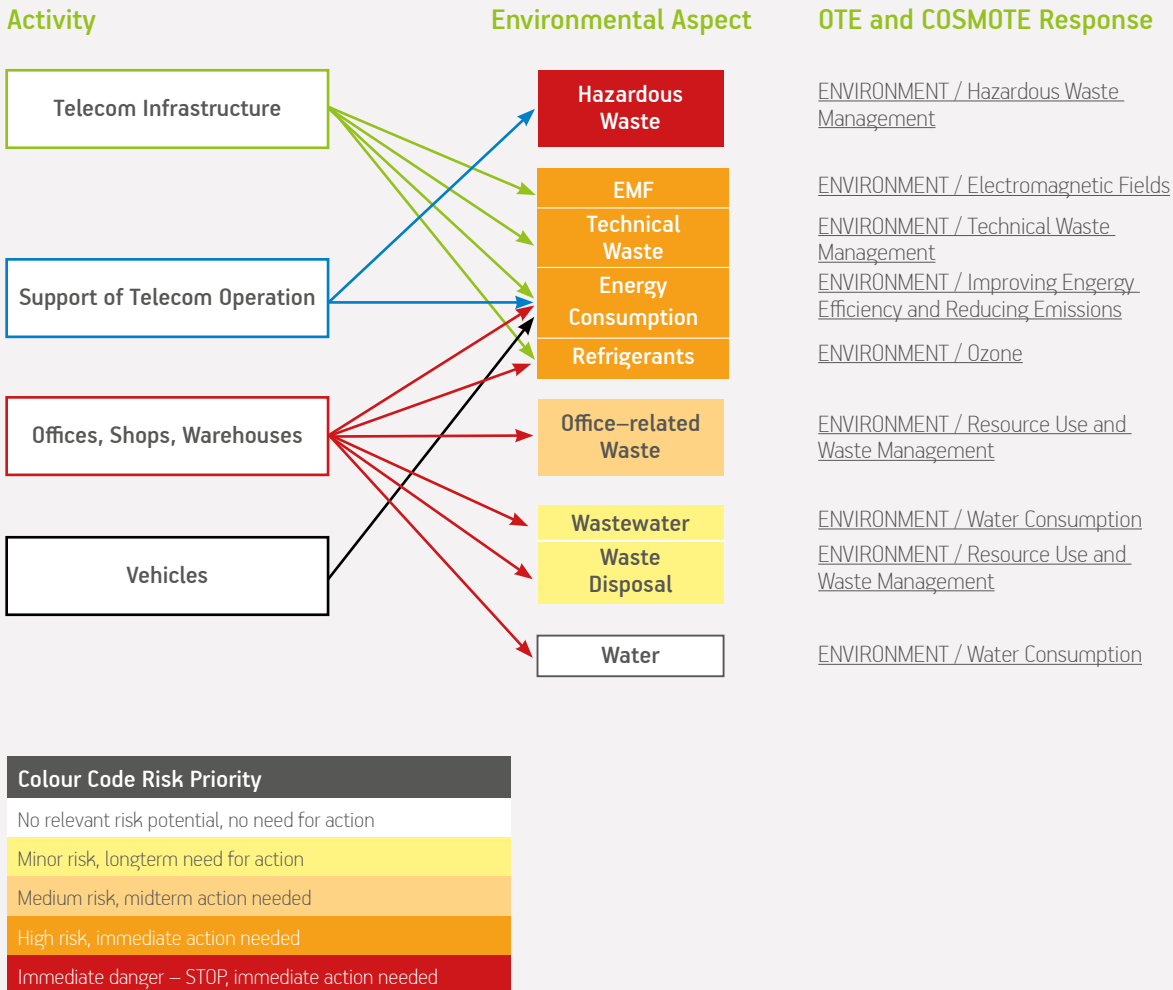
Highlights of the environmental performance of OTE and COSMOTE in 2013 include the following:

- OTE has passed successfully formal external audits and received an ISO 14001:2004 certification covering all of its activities (October 2013), while COSMOTE passed successfully in 2013 its ISO 14001:2004 audit surveillance.
- An integrated OTE and COSMOTE environmental data collection and reporting scheme was developed in 2013, and is expected to become fully operational in 2014.
- OTE and COSMOTE participate in the DT group climate change strategy, recently adopted by the DT Board of Management. The decision adopted sets a reduction target for the DT group CO<sub>2</sub> emissions of 20% by 2020. Company specific targets (with 2008 as the base year for OTE and 2009 for COSMOTE), taking into account corporate and national circumstances are to be defined. OTE and COSMOTE Group, despite the significant network expansion (Network Modernization, New LTE implementation etc.), has set as a first priority target, the transition to a more energy efficient network leading to CO<sub>2</sub> emissions reduction. Supporting the adopted target, specific actions are planned and implemented on a year to year basis.
- OTE and COSMOTE have in place an integrated strategy for waste management, in line with the DT waste strategy. 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 to 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 2013, Guarantees of Origin (GOs), assuring that for the total electricity consumption of OTE and COSMOTE, from PPC S.A., an equivalent amount of energy has been produced from Renewable Energy.
- 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.
- Environmental protection expenditures for 2013 amounted to €2.2 million and cover waste treatment, management and disposal, environmental impact assessment studies, external certification of environmental management systems and measurements on electromagnetic fields.
- Efforts to ensure that OTE and COSMOTE activities are in full compliance with environmental legislation and minimize any associated fines as well as the number of non-monetary sanctions imposed have continued. The fines (related to the environment) imposed in 2013 amounted to €76,000, while no non-monetary sanctions or cases were brought before dispute resolution mechanisms. The aforementioned amount of fines is expected to decrease, due to administrative discounts or other available judicial proceedings.
- The decrease of total energy consumption of OTE and COSMOTE in 2013 by 1% compared to 2012.
- The decrease of direct GHG emissions from energy consumption in 2013 by 4% compared to 2012 (620 t CO<sub>2</sub> eq).
- The decrease of indirect GHG emissions (scope 2) in 2013 by 1% compared to 2012 (2,000 t CO<sub>2</sub> eq).
- An internal recycling program for paper, packaging materials, ink cartridges, small electric and electronic appliances, home batteries and light bulbs in OTE and COSMOTE buildings has been established (since June 2013) in the Central Administration Building and in the new office complex in Paiania.
- A common recycling program (replacing existing ones) for fixed and mobile phones and accessories, ink cartridges and home batteries has been established (since June 2013) in OTE, COSMOTE and GERMANOS retail stores.



## Priorities in Addressing Environmental Impacts of OTE and COSMOTE Activities

OTE and COSMOTE have established procedures for identifying the environmental aspects of their activities and assessing the associated environmental impact. The assessment takes into account the nature of the activity, the company, society and environmental vulnerability, and the frequency of occurrence and the probability for a given impact to occur in view of applicable legislative requirements and business concerns.





## 6.2

# Telecommunications for the Environment

Information and Communication Technologies (ICT) have played and will continue to play a significant role in global economic growth both for developed and developing economies.

The fact that the increased use of ICT products has undoubtedly an environmental impact is widely acknowledged, yet it is also widely acknowledged that ICT products can enable a better environmental performance in all sectors of economy that would allow for a decoupling of emissions growth from economic growth. The Smarter 2020 study by Global e-Sustainability Initiative (GeSI), estimated that:

- The own footprint of the ICT sector is projected to rise to 1.27 Gt CO<sub>2</sub> 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<sub>2</sub> eq);
- The exploitation of this potential could yield \$1.9 trillion in savings for consumers and businesses;
- 29.5 million jobs would be created worldwide as a result.

Realizing this potential, enabled by ICT products and services, becomes imperative. As the goal of keeping global temperature increase below 2°C compared to pre-industrial levels, requires all countries to make an additional effort, cuts of 80–95% by 2050 by developed countries have been agreed. The European Union (EU) has set as its target the reduction of GHG emissions by 20% in 2020, with a view to move to 30% decrease, as part of an agreed global effort. In

addition, European Commission presented in January 2014 a new climate–energy policy framework which proposes an intra–EU target of 40% reduction of GHG emissions by 2030, compared to 1990 levels.

OTE and COSMOTE are fully aware of the ICT enabling role in environmental protection and economic growth and its contribution in achieving the necessary GHG emissions reduction but also of the opportunities it offers for the development of companies. In this, OTE and COSMOTE are providing products and services that enable their customers to take full advantage of the high quality broadband services for direct and indirect improvement of both their operations and environmental performance. These products and activities cover a broad range of applications such as:

- De-materialization that is substituting or eliminating the need for an emissions–intensive product, process, etc.
- Data collection and communication, that allow for better decision–making through real–time data analysis, communication, feedback, and learning.
- System integration that enables better use of resources.

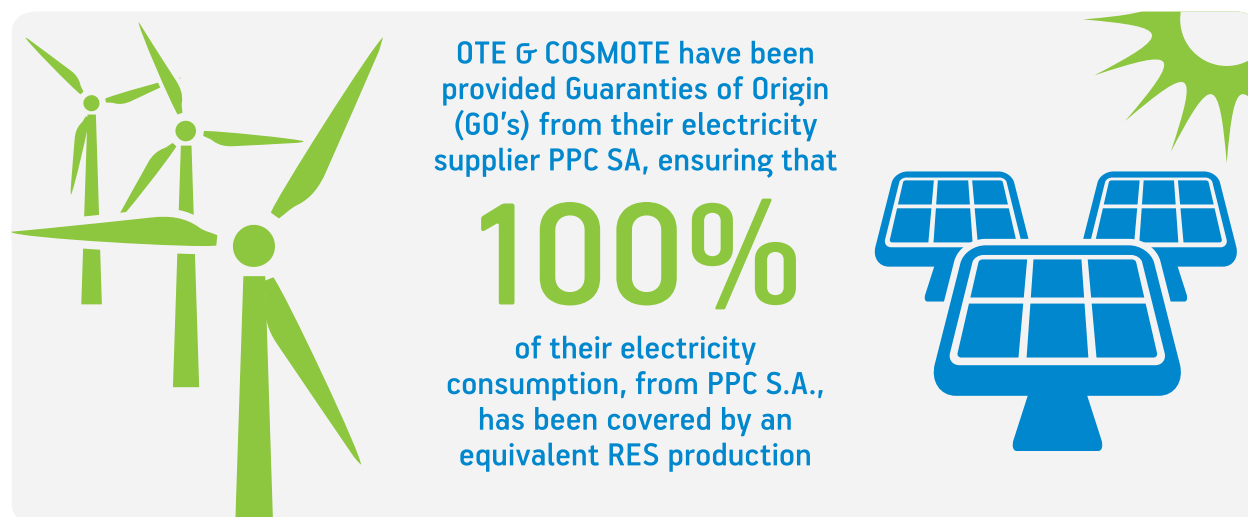
More related information is presented in [MARKETPLACE / Sustainable Products and Services](#) section.



## 6.3

# Managing Energy Use and Addressing Climate Change

The contribution of OTE and COSMOTE in mitigating the environmental problems associated with energy use (climate change, scarcity of energy sources, atmospheric pollution, etc.) consists of adopting practices to monitor and then reduce energy consumption and the associated emissions, and of developing products and services that contribute to such reductions in various sectors of the economy.





## 6.3.1 Greenhouse Gases and Other Gas Emissions

OTE and COSMOTE recognize the importance of Climate Change impacts. The associated risk for OTE and COSMOTE fall under three broad categories:

- **Regulatory Risks**

Mainly related to changes (increase) of electricity prices (and the subsequent increase of the operational cost of OTE and COSMOTE) due to the fees / levies / burdens imposed to the electricity generation sector in the context of the EU emissions trading scheme.

- **Physical Risks**

Changes in the temperature (increased temperature) would result in additional cooling needs and therefore increased electricity consumption, while extreme weather events (e.g. floods) and forest fires could affect the infrastructure of OTE and COSMOTE and may lead to network disruption.

- **Reputation Risks**

Financial implications are related to a potential loss of market share as a result of consumers' behaviour reaction against companies with inadequate policies as regards climate change.

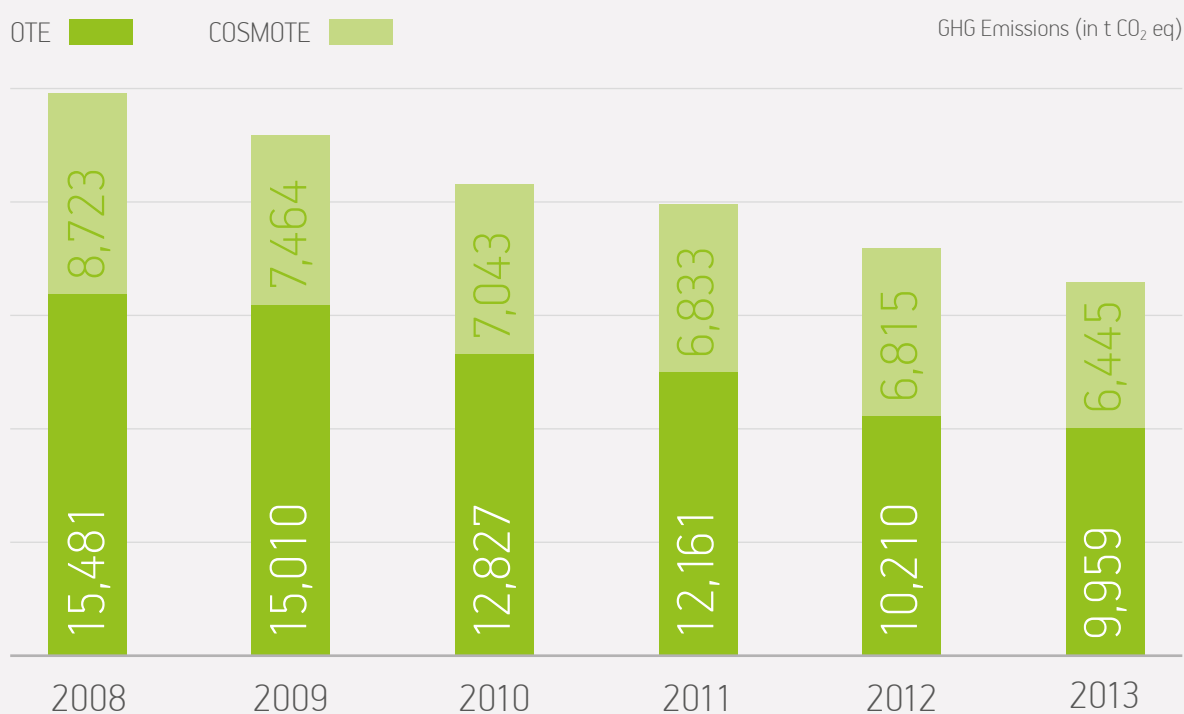
More information on climate change related risks identified can be found in the latest (2013) response of OTE to the Carbon Disclosure Project.

OTE and COSMOTE implement a comprehensive program for inventorying greenhouse gases (GHG) and other gas emissions on the basis of the principles and methods described in the GHG Protocol developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

### 6.3.1.1 Direct GHG and Non-GHG Emissions

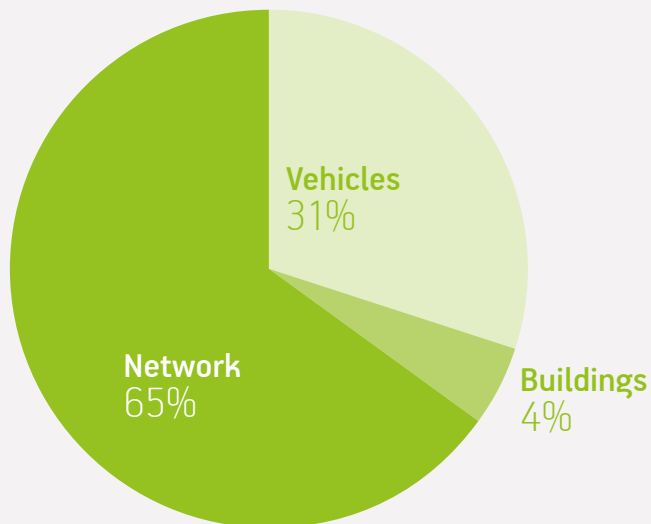
In 2013, OTE and COSMOTE total direct GHG emissions from energy consumption (scope 1) were estimated at 16,403 t CO<sub>2</sub> eq. This corresponds to a decrease of about 4% compared to 2012. GHG emissions from their electricity generators exhibit a larger decrease of about 16% compared to 2012, while emissions from heating fuel decreased by 8%. As a result of the increased transportation activity for network and market development, emissions from road transportation increased by 5%.

#### Direct GHG Emissions from Energy for OTE and COSMOTE 2008–2013

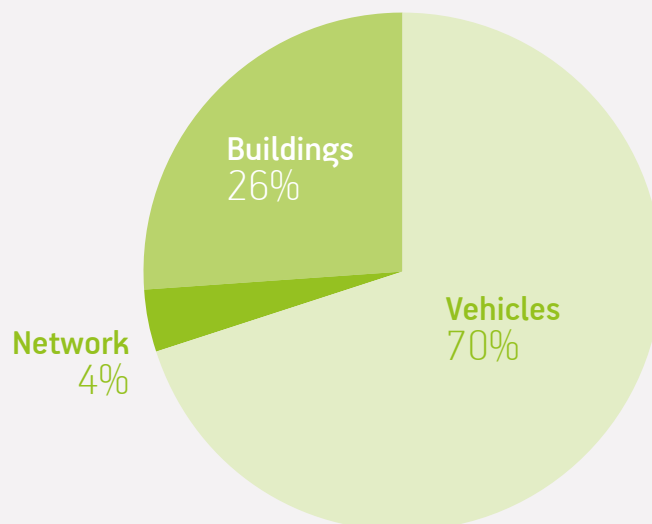




## COSMOTE Direct GHG Emissions 2013



## OTE Direct GHG Emissions 2013



### Note:

- (1) "Buildings" include fuel consumption for space heating and small quantities of diesel used for electricity generators.
- (2) The CO<sub>2</sub> emission factors applied have been agreed within the DT group to facilitate harmonized reporting, and derive from the GHG protocol.
- (3) The non-CO<sub>2</sub> (CH<sub>4</sub> and N<sub>2</sub>O) emission factors derive from Tier 1 methods described in the 2006 IPCC guidelines.
- (4) As of 2013, energy consumption in buildings (space heating, office electric / electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.



With respect to other air emissions (non-GHG) the following are noted:

- Emissions of typical air pollutants (NO<sub>x</sub>, SO<sub>2</sub>, PM10 and VOCs) are mainly related to road transportation (main source for OTE) and the use of electricity generators to support the operation of the telecom network (main source for COSMOTE).
- Emissions of Persistent Organic Pollutants (POP) and Hazardous Air Pollutants (HAP) are of minor importance for OTE and COSMOTE as:
  - > Transformers and capacitors which could have been a significant source of PCB (Polychlorinated biphenyls) emissions due to leakage, have been decommissioned and / or disposed of, following the provisions of Directive 96/59/EC.

- > HAP emissions for OTE and COSMOTE are related to lead emissions from the vehicles running on unleaded and leaded gasoline (the latter only for OTE). Lead emissions decreased from 22.4 kg in 2008 to 10.5 kg in 2013 as a result of the gradual renewal of the vehicle stock and the reduced use of vehicles running on leaded gasoline.

### Other Gas Emissions for OTE and COSMOTE in 2013



**Note:**

- (1) SO<sub>2</sub> emission factors for oil products derive from national legislation
- (2) The emission factors for NO<sub>x</sub>, PM10 and VOC derive from the EMEP / EEA air pollutant emission inventory guidebook <http://www.eea.europa.eu/publications/emep-eea-emission-inventory-guidebook-2009>



### 6.3.1.2

#### Indirect GHG Emissions

OTE and COSMOTE indirect GHG emissions from Energy (scope 2 emissions due to electricity consumption and district heating) for 2013 were estimated at 295,078 t CO<sub>2</sub> eq (OTE: 182,146 t CO<sub>2</sub> eq; COSMOTE: 112,932 t CO<sub>2</sub> eq), presenting a decrease of 0.7% compared to 2012. 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). To cover scope 2 emissions due to electricity consumption, OTE and COSMOTE have secured Guarantees of renewable Origin (GOs) which when taken into account reduce the effective scope 2 GHG emissions to about 60,200 t CO<sub>2</sub> eq.

In total, if GOs are not taken into account, OTE and COSMOTE scope 2 emissions decreased by 1.6% from 2008 (OTE: -4.4%; COSMOTE: 3.3%). Changes in scope

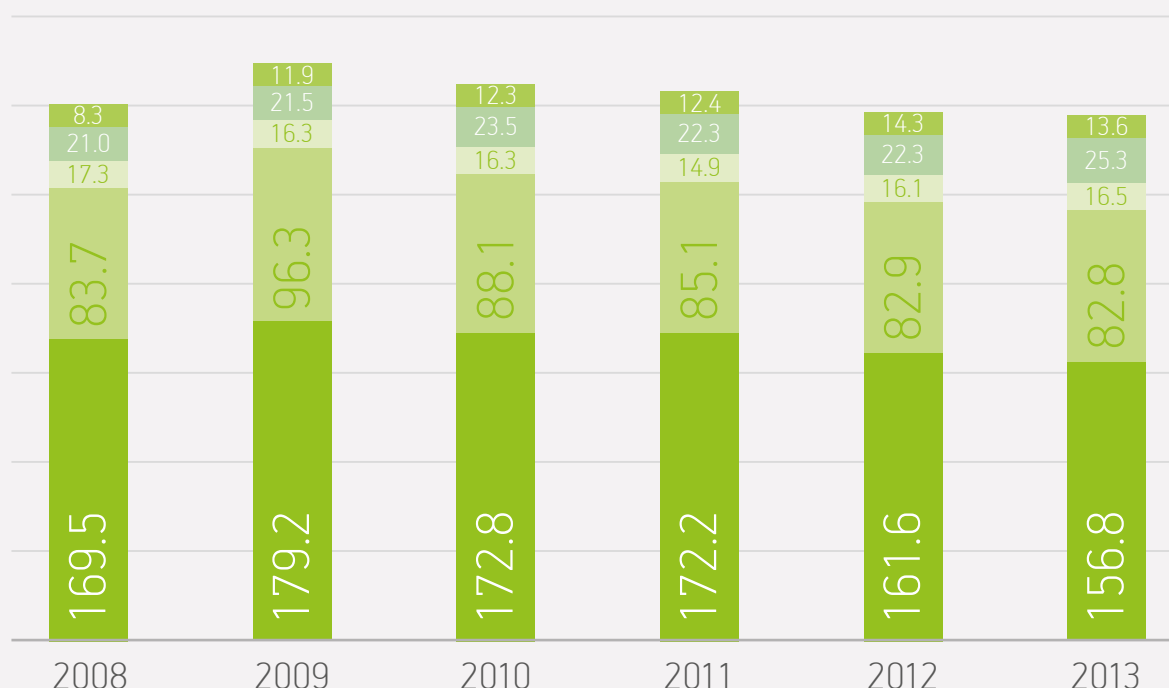
2 GHG emissions depend on changes in electricity consumption but also reflect changes of the fuel mix used for electricity generation in Greece.



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

Fixed Telecom ■ Base Stations ■ Backbone Mobile Network ■ OTE Buildings ■ COSMOTE Buildings ■

GHG Emissions (kt CO<sub>2</sub> eq)



#### Note:

- (1) The term "Buildings" describes Offices including Data Centres, Warehouses and Stores.
- (2) For consistency reasons among the DT Group companies, CO<sub>2</sub> emissions are estimated on the basis of the emission factors developed by the International Energy Agency.
- (3) The non-CO<sub>2</sub> (i.e. CH<sub>4</sub> and N<sub>2</sub>O) emission factors for electricity refer to 2012 and are also applied for 2013. These factors derive from the latest Greek National GHG emissions inventory submitted to the European Commission (March 2013) and EUROSTAT data on gross electricity generation.
- (4) As of 2013, energy consumption in buildings (space heating, office electric / electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.



### 6.3.1.3

#### Other Indirect GHG Emissions

OTE and COSMOTE is striving to extend the scope of their emissions inventory so as to include estimates for the major sources of indirect (scope 3) emissions associated with their operation, and get a better understanding of their overall emissions profile. At the moment, the emission sources quantified are the following:

- **Business Air Travels**

For 2013, GHG emissions (1,575 t CO<sub>2</sub>) and distance travelled (4,400\*10<sup>3</sup> km) remained almost constant, compared to 2012 values. The utilization of teleconference infrastructure developed, to cover internal operational needs has contributed to the declining trend recorded since 2009.

- **Solid Waste Disposal**

Treatment and disposal of municipal, industrial and other solid waste is not only related to land availability but also produces significant amounts of methane (CH<sub>4</sub>) due to the gradual decay of the degradable organic component of the waste disposed. CH<sub>4</sub> emissions from OTE and COSMOTE waste landfilled were estimated at 1,332 t CO<sub>2</sub> eq.

### 6.3.2

#### Improving Energy Efficiency and Reducing Emissions

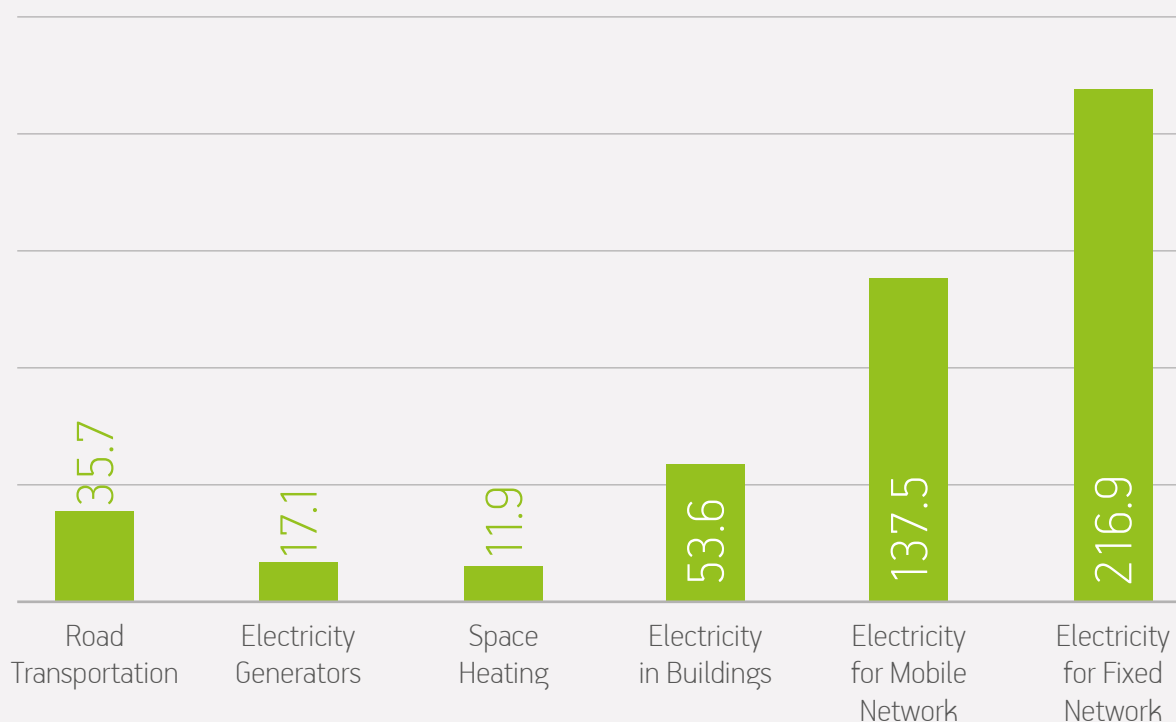
##### 6.3.2.1

#### Energy Consumption

Energy consumption covers operating needs of telecommunication infrastructure (fixed and mobile), buildings and vehicles (service and company). In 2013, total energy consumption of OTE and COSMOTE amounted to 473 GWh, presenting a decrease of 1% compared to 2012 (477 GWh in 2012). In terms of primary energy source used, this energy consumption is equivalent to 64 GWh of direct energy consumption (or 231 TJ, all of which came from non-renewable primary sources) and 949 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 later is reduced to 518 GWh if GOs are taken into account.

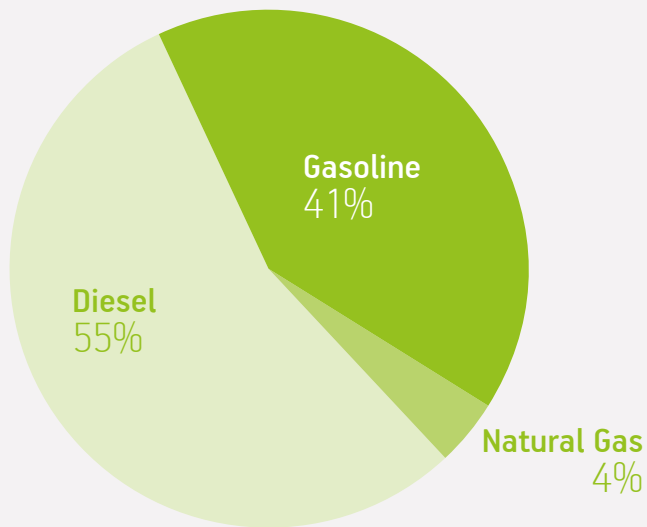
#### OTE and COSMOTE Energy Consumption In 2013

Energy Consumption (in GWh)

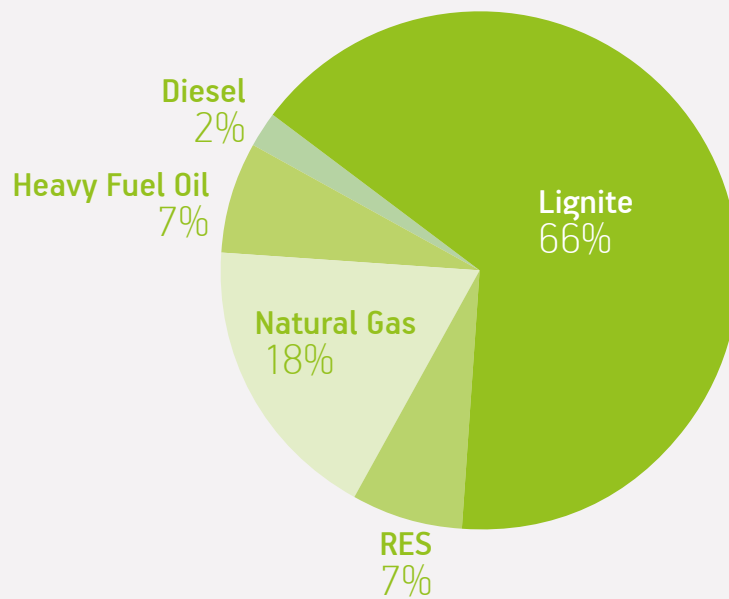




## Direct Energy Consumption by Primary Source in 2013



## Indirect Energy Consumption by Primary Source in 2013



### Note:

- (1) Energy consumption is based on actual consumption data for the period up to September – November 2013, 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 2012 values.
- (3) Road transportation includes service and company vehicles.



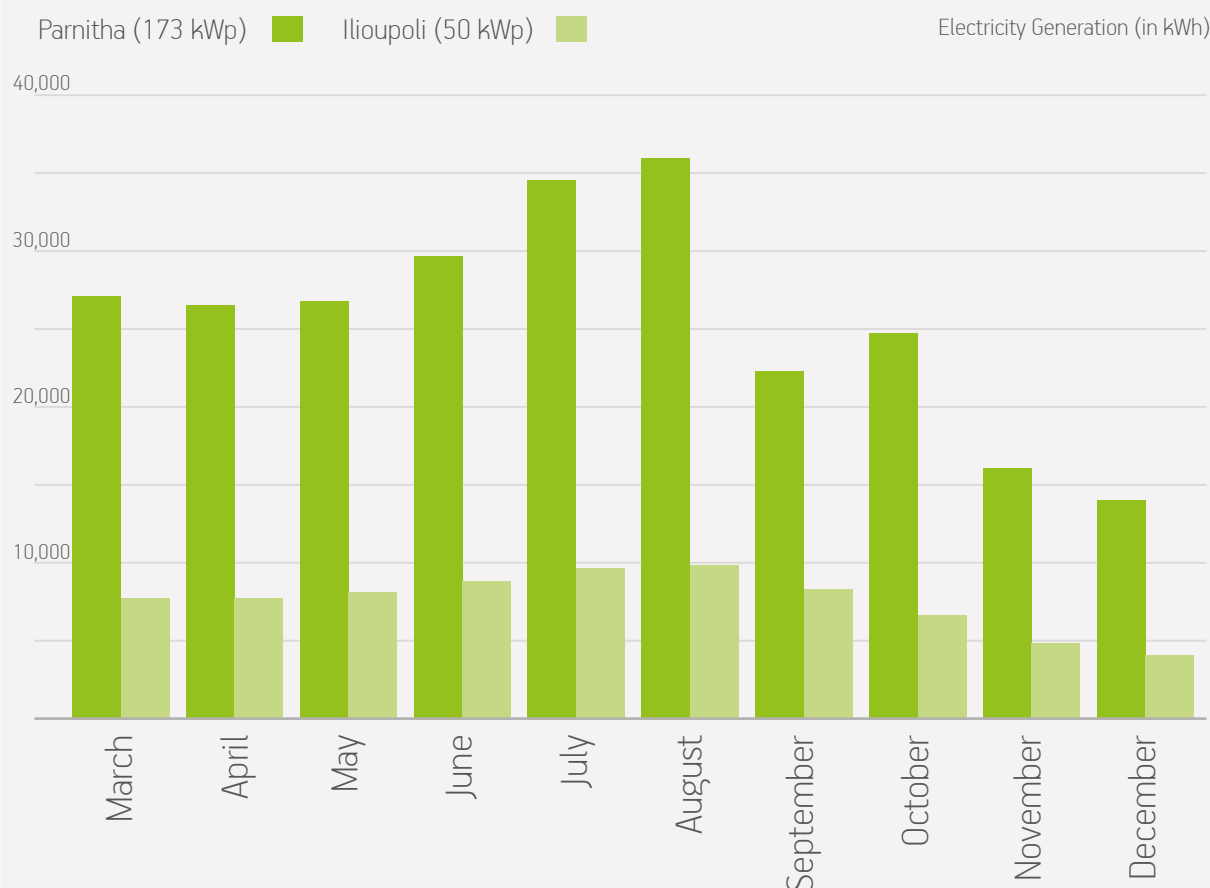
### 6.3.2.1.1

#### Renewable Energy Sources

Reduction of electricity consumption growth rate and its eventual transformation to a reduction of the electricity consumption to the extent that is technically and economically feasible, as well as covering electricity demand directly or indirectly by Renewable Energy Sources (RES) represent the key priorities of OTE and COSMOTE. In this context, OTE and COSMOTE:

- Have secured from PPC S.A., their electricity provider for 2013, Guarantees of Origin (GOs), assuring that for the total electricity consumption of OTE and COSMOTE, from PPC S.A., an equivalent amount of energy has been produced from Renewable Energy.
- Are systematically investing in increasing their RES capacity.
  - > COSMOTE has installed PV and small wind turbine systems in order to support base stations located in remote rural areas not connected to the grid and operating with diesel generators. In 2013, 16 base stations were supported by PV systems and 4 base stations were supported by wind turbine systems.
  - > COSMOTE has installed Batteries Hybrid systems in order to support base stations located in remote rural areas not connected to the grid and operating with diesel generators. In 2013, 26 base stations were supported by Batteries Hybrid systems.
  - > A program aiming at increasing the use of RES at OTE installations is in progress since 2010. In the context of the program, two roof-top PV systems of 223 kWp total capacity (173 kWp at the facilities of the central warehouse in Parnitha and 50 kWp at an OTE building in Ilioupoli, Athens) are in operation since February 2013. Electricity generation from these PV systems amounted to 336 MWh in 2013 (equivalent to avoiding CO<sub>2</sub> emissions of about 250 t).

#### Electricity Generation of the OTE Roof-Top PV Systems in 2013





### 6.3.2.1.2

#### OTE Energy Consumption

In 2013, total energy consumption of OTE amounted to 292 GWh, representing a decrease of 1% compared to 2012 (295 GWh). In particular:

- The declining trend of energy consumption for space heating (heating diesel, natural gas and district heating) continued in 2013. Energy consumption for space heating decreased by 10% compared to 2012 as a result of space consolidation and the favourable weather conditions that prevailed in 2013. The introduction of natural gas (November 2013) in two OTE buildings in Attica (Central Administration Building and YMA–NYMA building) is expected to contribute further to this declining trend.
- Road transportation represents the largest (non–electricity) fuel consuming activity of OTE. Fuel consumption for the OTE vehicle fleet (28 GWh) increased by 9% compared to 2012,

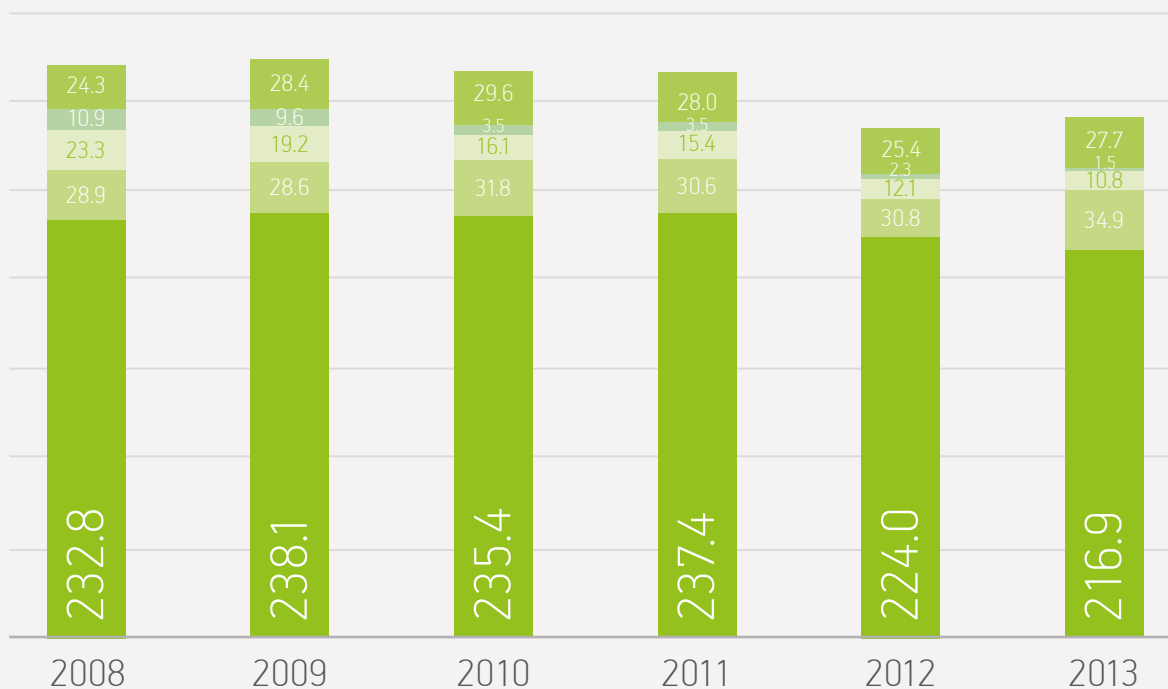
due to the increased transportation activity for network and market development. As a result of initiatives in place, the energy performance of service vehicles (energy consumption per distance driven) improved by 8% compared to 2012 (i.e. overachieving the relevant target set).

- Diesel oil consumption for stationary IC engines decreased by 33% compared to 2012 levels, as power disruptions were lower compared to 2012.
- Electricity consumption for network operations (217 GWh in 2013) makes up the largest part of the total energy consumption of OTE. The total electricity consumption of OTE decreased by 1.2% compared to 2012, and reached a value less than the 2008 electricity consumption. As a result, the electricity intensity of data transferred including collocation (i.e. electricity divided by data volume in bits) was reduced by 9% compared to 2012.

#### OTE Energy Consumption 2008 – 2013

Electricity for Fixed Network ■ Electricity in Buildings ■ Fuels for Space Heating & District Heating ■  
Electricity Generators ■ Road Transportation ■

Energy Consumption (in GWh)



#### Note:

- (1) As of 2013, energy consumption in buildings (space heating, office electric / electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.
- (2) Data for diesel fuel consumption of stationary engines refer to planned tenders for supplies for 2008 – 2009 and actual consumption after 2010.



### 6.3.2.1.3

#### COSMOTE Energy Consumption

In 2013, total energy consumption of COSMOTE amounted to 181 GWh, representing a decrease of 1% compared to 2012 (183 GWh).

- The energy consumption of the network operation (base stations and backbone network) and of electricity generators (used as the main electricity supply in isolated areas where grid connection is difficult or impossible and / or as back-up units in cases power disruptions), which are the main energy consuming activities for COSMOTE, remained close to 2012 levels. Monitoring and control of these key activities and the subsequent implementation of targeted measures have contributed to avoiding an increase.
- Electricity consumption in buildings decreased by about 5% compared to 2012 (from 20 GWh in 2012 to 19 GWh in 2013), while energy consumption for space heating (contributing to less than 1% to total energy consumption) increased from 0.6 GWh in 2012 to 1.0 GWh in 2013.

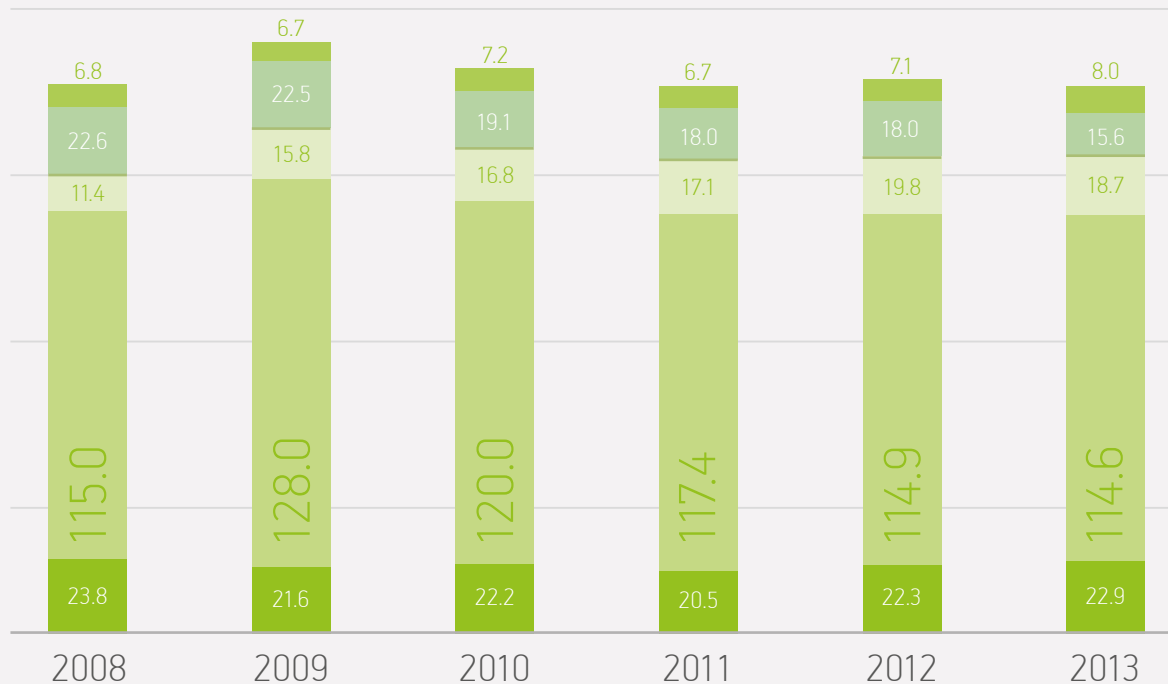
- Energy consumption for road transportation increased by 12% compared to 2012, in order to cover increased needs for network and market development. In total, the energy performance of COSMOTE vehicles' fleet improved by about 11%.



#### COSMOTE Energy Consumption 2008 – 2013

Electricity for Backbone Mobile Network ■ Electricity in Base Stations ■ Electricity in Buildings ■  
Fuels for Space Heating ■ Electricity Generators ■ Road Transportation ■

Energy Consumption (in GWh)



#### Note:

As of 2013, energy consumption in buildings (space heating, office electric / electronic appliances, etc.) where joint occupancy of OTE and COSMOTE occurs, is allocated (after subtracting consumption items directly related to either company) between the two companies on the basis of their staff share at that location. This applies to the Central Administration building and the new office complex in Paiania.



### 6.3.2.2 Energy Conservation

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

- Energy conservation in Telecom Networks.
- Energy conservation in Buildings and Stores.
- Energy conservation in Transport.

which are further analysed below.

The effect of measures designed and implemented is evident (given that services provided did not decrease in 2013 compared to 2012) in the performance of OTE and COSMOTE, as:

- Direct GHG emissions from energy consumption (scope 1) in 2013 decreased by 649 t CO<sub>2</sub> eq compared to 2012 (a reduction of 3.7% compared to 2012 scope 1 emissions).
- Indirect GHG emissions (scope 2) in 2013 decreased by about 2,000 t CO<sub>2</sub> eq compared to 2012 (a reduction of 0.7% compared to 2012 scope 2 emissions). Given the developments in the ICT sector (4G mobile network, VDSL lines, TV services, etc) this result is quite significant.

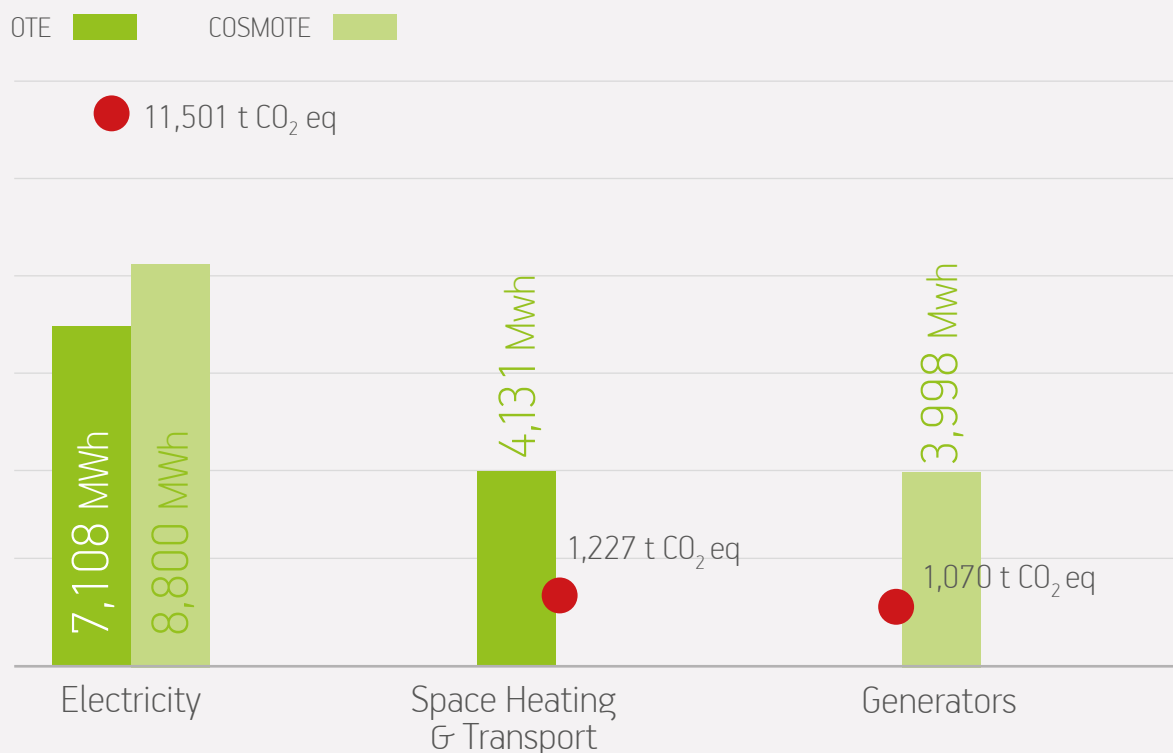
As a result of the measures implemented by OTE and COSMOTE in 2013, electricity conservation reached 15.9 GWh; diesel oil conservation (for electricity generators and space heating) amounted to 4.1 GWh, while energy conservation in road transportation reached 4.0 GWh. The avoided GHG emissions associated with the energy conservation achieved is estimated at 13,800 t CO<sub>2</sub> eq (about 4% of scope 1 and 2 GHG emissions of OTE and COSMOTE in 2013). The overall economic effect (benefit) of the measures implemented on the operational cost of OTE and COSMOTE is estimated at €3.4 million.

Indirect GHG emissions (scope 3) avoided are estimated at 4,200 t CO<sub>2</sub> eq. This reduction was estimated taking into account paper recycling, reduction of paper use and teleconferences for the operational needs of OTE and COSMOTE.

#### Flagship Initiative

2013 is the first year of full occupancy for the new office complex in Paiania. Energy performance results were more than encouraging as total energy consumption decreased by 25% compared to 2012, when five buildings were in use instead.

#### Energy Conservation Results and GHG Emissions Avoided in 2013





### 6.3.2.2.1

#### Energy Conservation in the Telecom Network

Activity growth in the ICT sector is expected to further increase the associated electricity consumption as new base stations and additional telecom equipment are installed. Therefore, reduction of energy consumption in the telecom network is a challenging goal, for any telecommunications company.

Monitoring the energy consumption of each site in a telecom network is also very challenging (large number of sites with wide geographical dispersion). In 2013 COSMOTE has started the installation of smart metering systems in complex base station sites with large energy consumption. Approximately 500 systems will be installed by the end of 2014.

In order to reduce, to the extent feasible (both in technical and economic terms), the electricity intensity of OTE and COSMOTE activities the following set of measures is currently implemented and / or adopted:

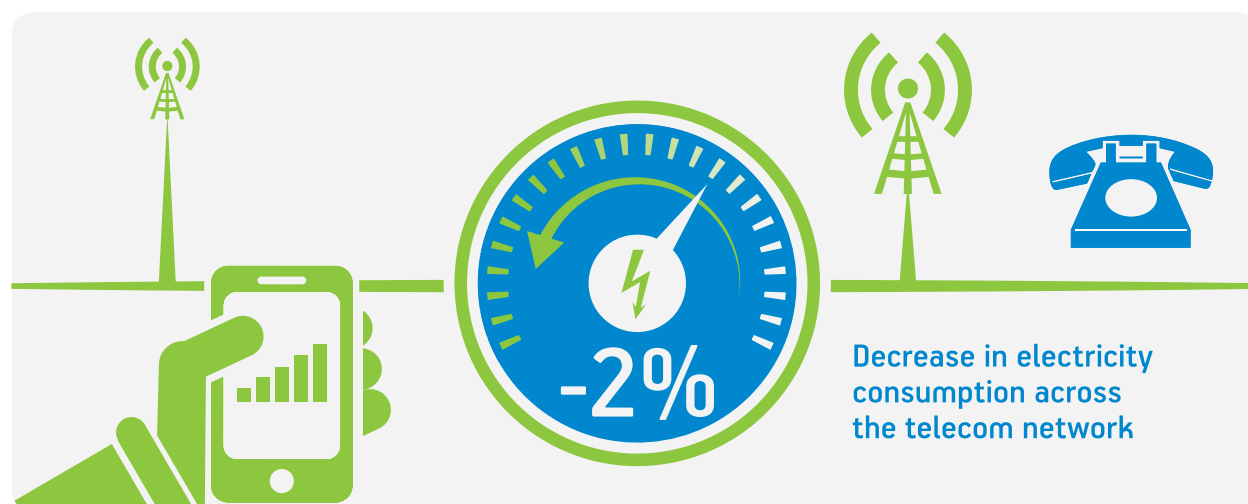
- COSMOTE continues the installation of free cooling systems, adding in 2013, 8 air-conditioning units with free cooling option, which brings their total number to 1,590. In addition COSMOTE has installed direct free cooling systems (separate systems with fans) mainly in base stations with air-conditioning units without free cooling option. The total number of such systems installed in the last three years was 224.
- OTE and COSMOTE continue the replacement of old rectifier units and in 2013 replaced 197 (of various nominal power from 30A to 3600A) and 253 units respectively. On average, efficiency improved from 75% to 93%.
- COSMOTE is implementing a program for the installation of indoor Power Supply Units (PSU) with A/C direct to battery cabinet, aiming to reduce

energy consumption through the increase of internal temperature of Base Station (set point from 26°C to 30°C). The total number of systems installed at the end of 2013 was 177.

- The transformation of the fixed network to VDSL and the removal of PSTN ports and the deactivation of associated equipment including AC units is ongoing. Although the switch to VDSL will increase electricity consumption, a positive net benefit is expected. The switch to full VDSL program is expected to be completed by 2020.
- OTE and COSMOTE have started a consolidation (geographical and spatial) of the hardware necessary for network management together with a re-sizing of the data centres' capacity leading to a reduction of air-conditioned space.

With a view to reduce energy consumption of electricity generators that represent a significant component in the operation of telecom network (mobile and fixed):

- COSMOTE is applying a maintenance program for 707 generators (for both 24-hour and emergency operation), aiming to ensure their proper operation. Improved performance of conventional generators and the operation of PV systems resulted in an energy conservation of about 4,000 MWh.
- OTE is implementing a program for the replacement of electricity generators with new "clean" technology ones that achieve reduced carbon monoxide and dioxide, and micro particles emissions and less noise. The program, launched in 2007, has resulted in the replacement of 91 generation sets and will continue until all of the remaining generating sets are replaced with newer units.





### 6.3.2.2.2

#### Energy Conservation in Buildings and Stores

Energy consumption in buildings represent about 15% of total energy consumption of OTE and COSMOTE.

Efficient space utilization 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 2013, the building area used by OTE was reduced by about 6% compared to 2012.

Specific energy conservation measures / programs implemented and / or adopted in 2013 include:

- As of November 2013, the Central Administration Building of OTE and the YMA–NYMA building were connected to the natural gas distribution network. They are the first OTE buildings connected to the natural gas network in Attica. As these are among the largest OTE buildings and consume commensurate amounts of energy for space heating notable reductions in fuel consumption are expected.

- Upgrades were implemented for both OTE and COSMOTE buildings.
- Remodelling of the OTE retail stores is in progress.
- In 2013 OTE replaced 4 existing central heating and air–conditioning installations with new split or VRV systems (with non ozone depleting refrigerant), that achieve a large reduction of energy consumption and operational expenses (oil and water expenses).
- Installation of a Building Management System (BMS) in the network operation OTE building was completed in 2013.

It should be noted that given the large number and geographic dispersion of buildings currently utilized by OTE and COSMOTE, full implementation of some measures may be delayed.



## The New Office Complex in Paiania

Within the context of the integration of OTE and COSMOTE operations, over 1500 employees were relocated to a new facility at Paiania in the greater Athens area. The building became operational in the second semester of 2012. 2013 is the first year of full occupancy.



One of the key concerns was to make sure that the facility would meet the highest environmental sustainability standards. To assure this, OTE and COSMOTE has been involved from the start in the design of building setting high requirements and ambitious specifications. The primary concerns of the design were flexibility, adaptability to climatic conditions, and the creation of a "building intelligence" through automation and control of all natural and technical means to manage the microclimate and reduce energy and water consumption, aiming at the best possible environmental performance.

- The building has been awarded a Class "A" energy efficiency status according to the Greek Building Energy Accreditation Scheme (while legislative requirement for new buildings is Class "B").
- It is the first building in Greece that has been awarded LEED® (Leadership in Energy and Environmental Design) certification at gold level.



2013 results were more than encouraging as total energy consumption was about 4.5 GWh, representing a decrease of about 25% compared to 2012, when COSMOTE was using five buildings of a total office surface of almost 23,500 m<sup>2</sup> (compared to the 29,000 m<sup>2</sup> of the new building) to house the same activity. A more reliable assessment, regarding energy and environmental benefits, would be possible after a period of at least two years in use, to both collect more data and optimize its operation.



### 6.3.2.2.3

#### Energy Conservation in Transport

The maintenance / development of the telecommunication network, the distribution of products to all of OTE and COSMOTE sales points and the widespread customer service are the main drivers for a high transportation activity demand on the OTE and COSMOTE vehicles fleet (both service and company vehicles).

- OTE operates a service fleet of 2,231 vehicles (unleaded gasoline: 1,613; leaded gasoline: 4; diesel: 614) and likewise COSMOTE a fleet of 256 vehicles (unleaded gasoline: 184; diesel: 72).
- OTE and COSMOTE operate a company fleet of 452 vehicle (OTE: 311 of which 3 are diesel powered; COSMOTE: 141 of which 14 are diesel powered). Company vehicles are, mainly, leased vehicles.

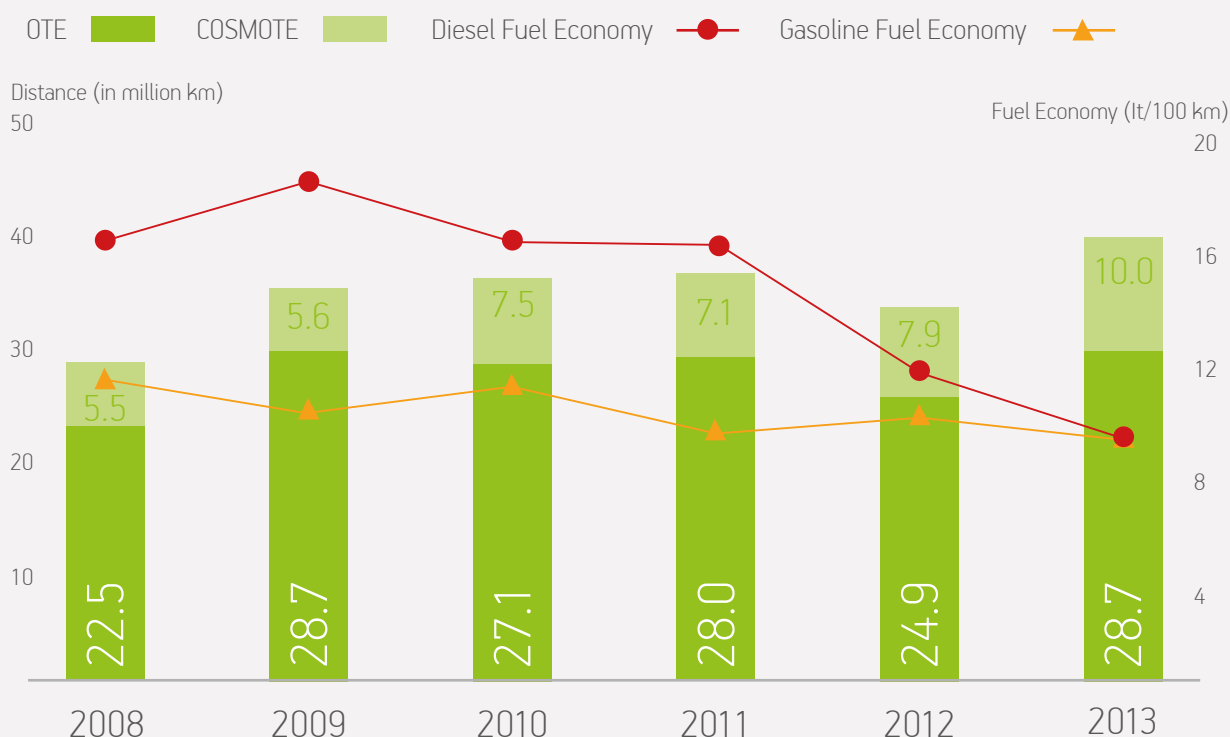
Measures in place for the reduction of the environmental impacts associated with transportation aim at the improvement of the efficiency of the fleet as well as at the reduction of direct (network maintenance, fault correction, etc.) and / or indirect (e.g. business travels) transportation needs. They include:

- Renewal of the OTE and COSMOTE service vehicle fleet is in progress. In 2013, the share of new technology diesel vehicles i.e. through the

replacement of aged gasoline vehicles by more efficient diesel ones, increased by about 7%.

- OTE transportation needs reduction through the operation of "HELP-DESK" and Call Centres aiming at fault correction through telephone directions. At national level, about 33% of calls for fault correction (ADSL, fixed telephony and Land Loop Unbundling connections) were resolved by phone, resulting in a reduction of transportation activity corresponding to 17% of total 2013 service transportation activity and in avoided emissions of about 1,000 t CO<sub>2</sub> eq.
- Business travel represents a significant transportation activity for OTE and COSMOTE. With a view to reduce the relevant activity and the associated emissions, OTE teleconference facilities are utilized to the extent possible. The service is available at 110 points at national level. In 2013 there were 1,600 audio-conferences and about 15,000 sessions of video-conferences (totalling about 8,200 hours), resulting in the avoidance of GHG emissions corresponding to 14% of the GHG emissions from the OTE and COSMOTE vehicles fleet in 2013.

#### OTE and COSMOTE Vehicles Fleet





## 6.4

# Resource Use and Waste Management

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





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

- Monitoring of materials used and waste generated.
- Reduced use of materials whose production has an impact on the environment.
- Recycling of used material (e.g. paper).
- Reuse of materials either internally or through collaboration with authorized waste management entities.

- Special treatment of waste that contaminate the environment (e.g. electronic equipment, lead batteries, and materials that contain substances detrimental to the environment).
- Enhancement of public awareness to increase participation in recycling practices.

It should be noted that since OTE and COSMOTE are not actually manufacturing any products but provide telecommunications services, use of materials is restricted to packaging (for the products placed in the market).

### Monitor Material Used



Total solid waste generated in 2013 amounted to 6,394 t. The significant increase of the waste generated (almost doubled compared to 2012) is attributed to the removal / replacement of underground copper cables in the context of upgrading fixed-line telecommunications network. Recycling, through authorized (for waste management)

companies, represents the major management practice employed by OTE and COSMOTE. Existing recycling programs cover the whole of hazardous and technical waste and about 64% of office paper consumption. Solid waste disposed accounts for about 23% of the total waste generated.



## Flagship initiatives:

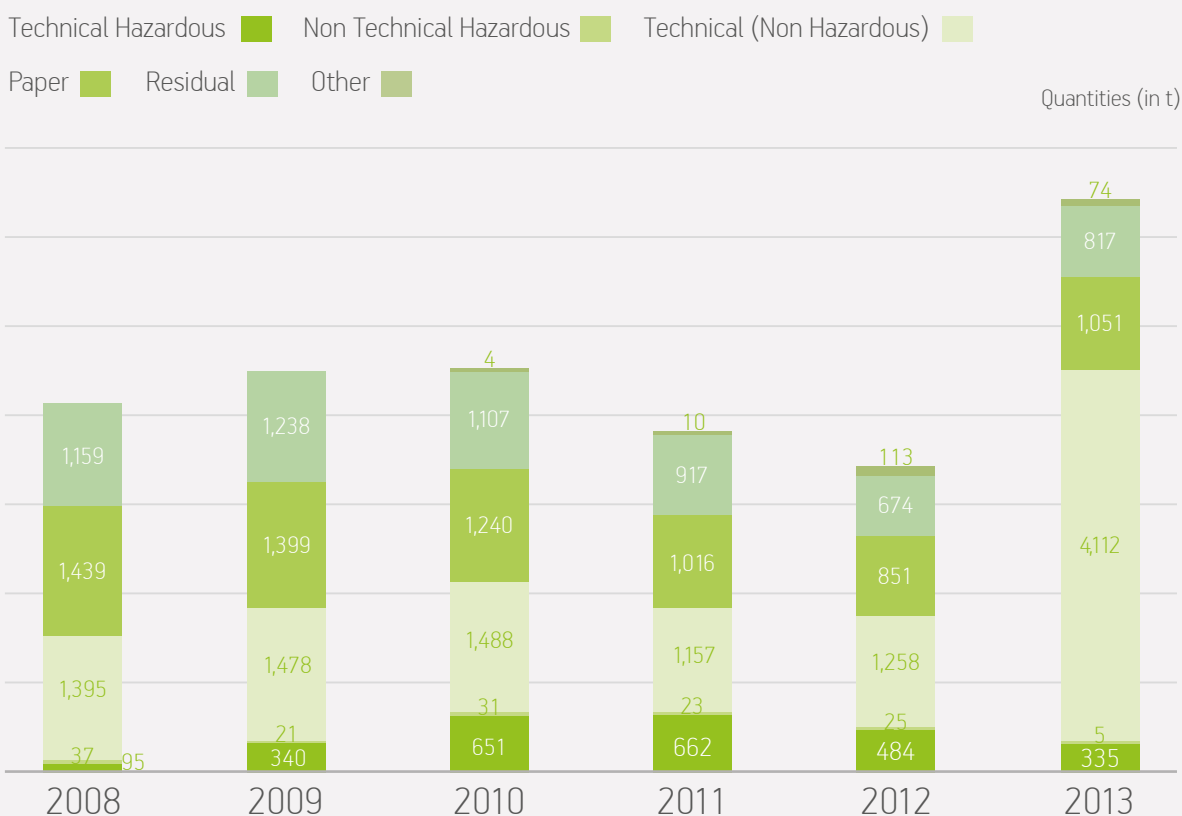
- **Joint take-back program of OTE and COSMOTE:**

A common recycling program (replacing existing ones) for fixed and mobile phones and accessories, ink cartridges and home batteries established in OTE, COSMOTE and GERMANOS retail stores.

- **The new recycling program in buildings:**

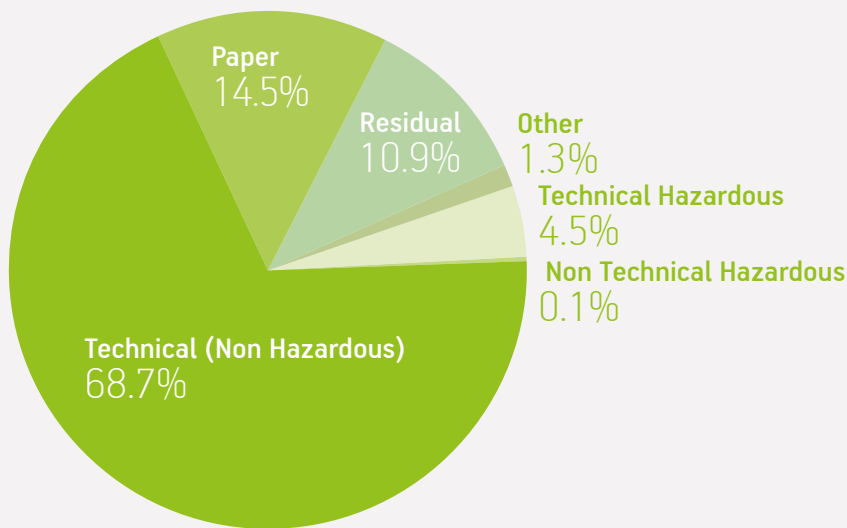
Internal recycling program focusing on recycling packaging materials and paper in buildings, currently implemented in the Central Administration Building and in the new office complex in Paiania.

### OTE and COSMOTE Solid Waste Generation 2008 – 2013

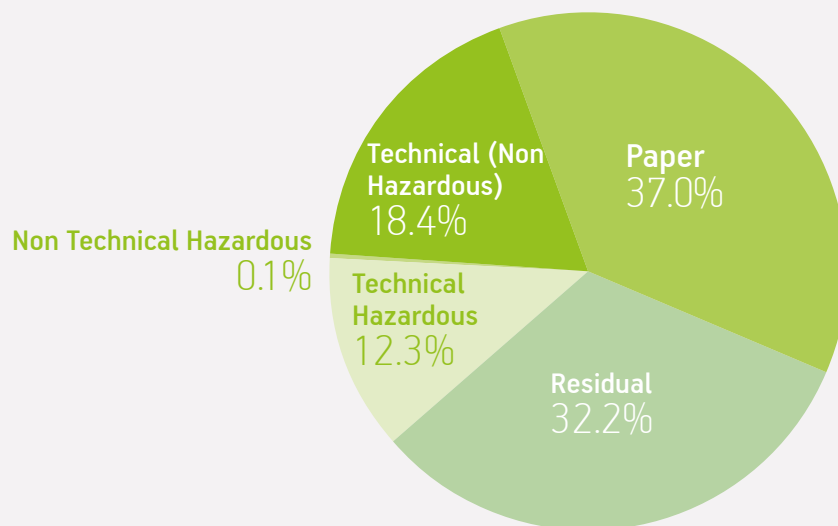




### OTE Solid Waste Generated in 2013 (5,835 t)



### COSMOTE Solid Waste Generated in 2013 (559 t)





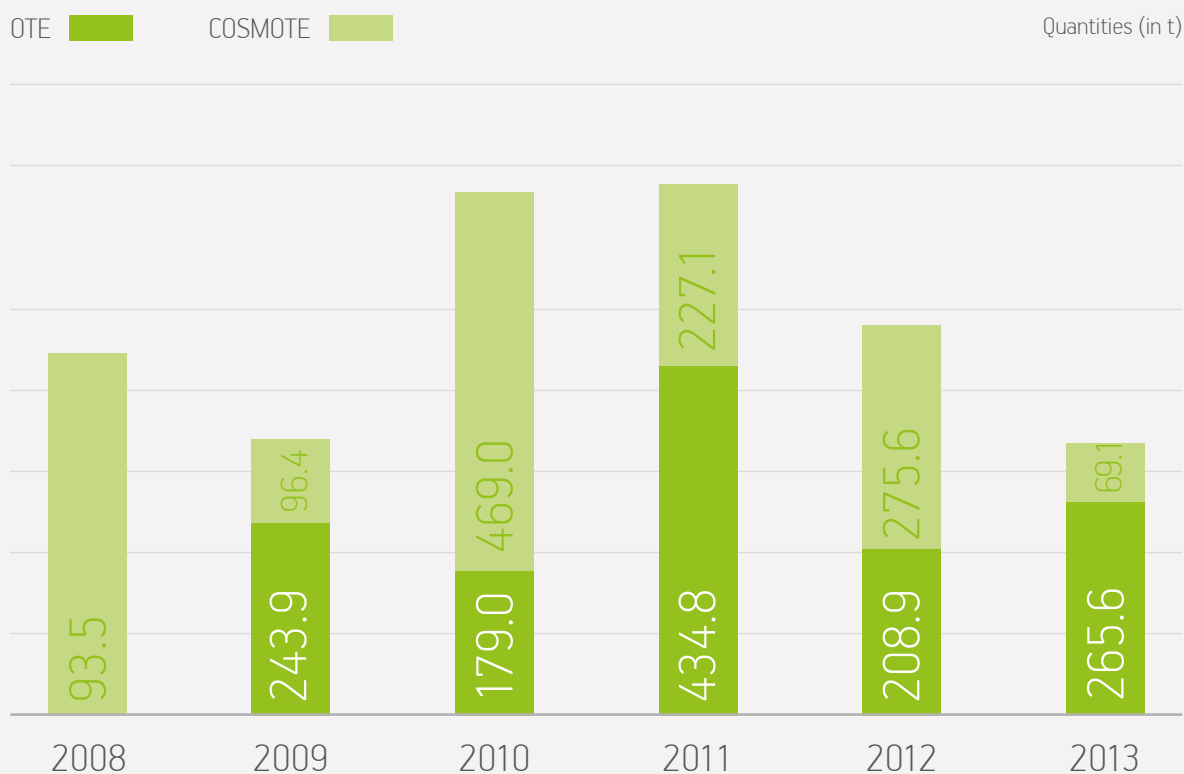
## 6.4.1 Hazardous Waste Management

### 6.4.1.1 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 centres, which are put to use when problems with grid electricity supply occur.

In 2013, 335 t of lead batteries, that is 100% of all batteries withdrawn from service, were collected and forwarded with zero spills to licensed facilities for recycling.

#### Recycling of Lead Batteries from Base Stations and Fixed Telecom Centres



**Note:**

- (1) Data for OTE are not available for 2008.
- (2) OTE and COSMOTE are in the process of signing a new, common contractual agreement with an authorized recycling entity. As a result, quantities of waste are temporarily stored in storage facilities.



### 6.4.1.2 Lubricant Oils

The use of lubricant oils is associated with the operation of the electricity generators (in base stations and telecommunication centres) as well as with the maintenance of fleet vehicles (waste lubricant oils from vehicles are usually collected and managed by the associated car service companies). For the management of waste lubricant oils:

- COSMOTE has installed special collection buckets in all BTS with 24-hour use or backup operating generators, to collect used oil lubricants and maintenance waste.
- Oil-lubricants at COSMOTE installations are collected annually for 24 hour operating generators and every two years for back up generators.
- OTE and COSMOTE co-operate with licensed companies, for the collection and appropriate disposal of the full amount of used lubricants replaced.

In 2013, 4.2 t of lubricant oils have been collected with zero spills and forwarded for recycling. It should be noted that as the process of signing a new, common (for OTE and COSMOTE) contractual agreement with an authorized recycling entity is in progress, quantities of used lubricant oil are temporarily stored in the special collection buckets.

It should also be noted that the amount of lubricant oils purchased and replaced, do not necessarily match in a calendar year.

### 6.4.1.3 Other Hazardous Waste

This category includes waste streams that do not appear on a regular basis (e.g. material and products that do not meet specifications) but also office related waste such as light bulbs.

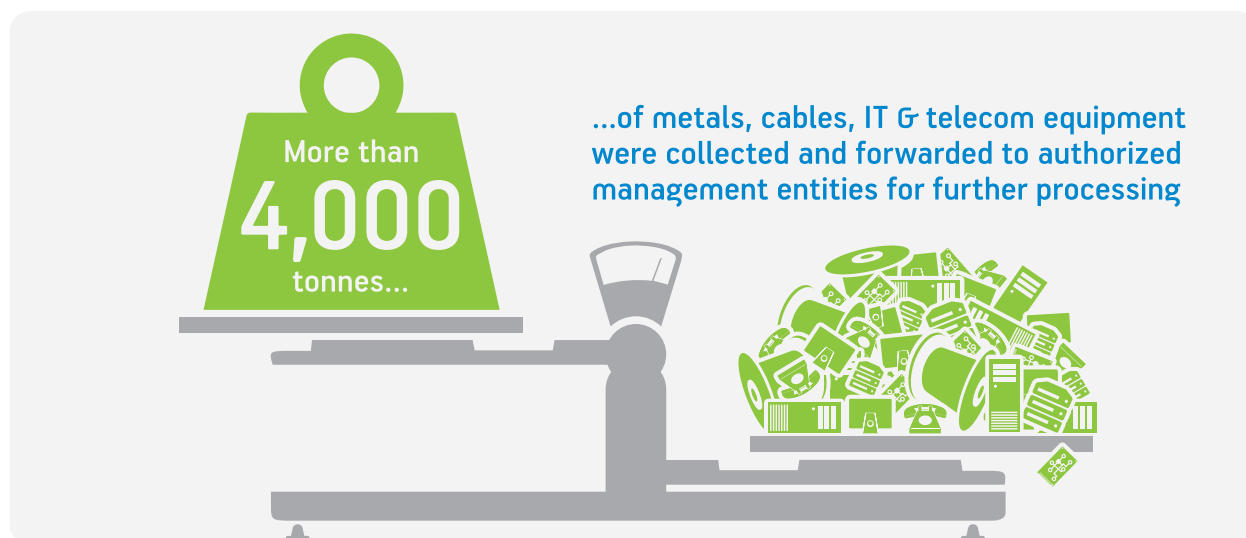
OTE and COSMOTE initiated, in 2010, a recycling program for light bulbs in buildings. The total amount gathered reached 0.75 t for OTE and 0.42 t for COSMOTE.

## 6.4.2 Technical Waste Management

Technical waste includes: material and equipment used for the provision of telecommunication services and products (e.g. cables, metals, electronic and telecommunication equipment); IT equipment for office operation; used products (e.g. phones and related accessories, portable batteries, etc.) collected at OTE, COSMOTE and GERMANOS retail network as well as obsolete merchandise.

### 6.4.2.1 Metals and Cables

With a view to ensuring the responsible disposal of used metals and cables (and their potential reuse), OTE has in place a program for the alternative management of the quantities withdrawn. In 2013, an amount of 3,942 t of metals and cables was forwarded to authorized management entities. It should be noted that the quantities forwarded vary with the lifetime and replacement schedules of the associated equipment.





## OTE Program For Recycling Of Metals And Cables

Category description	2008	2009	2010	2011	2012	2013
Iron and Steel (in kg)	224,110	305,190	368,039	128,933	126,005	57,345
Copper, Bronze, Brass (in kg)	875	342	176	6,960	0	0
Aluminum (in kg)	12,708	11,740	10,751	1,566	13,775	1,420
Lead (in kg)	1,582	1,784	937	2,823	0	0
Mixed Metals (in kg)	30,408	29,678	103,488	132,326	85,040	18,765
Cables (in kg)	931,323	880,393	774,055	681,687	884,810	3,865,085

**Note:**

- (1) The 2013 value for cables includes 2,160 kg of optical fiber cables.  
 (2) OTE is in the process of signing a new, common contractual agreement with an authorized recycling entity. As a result, some small quantities of waste are temporarily stored in storage facilities.  
 (3) The high amount of cables replaced in 2013 is related to the upgrading of the fixed-line telecommunications network and the decommissioning of underground copper cables.

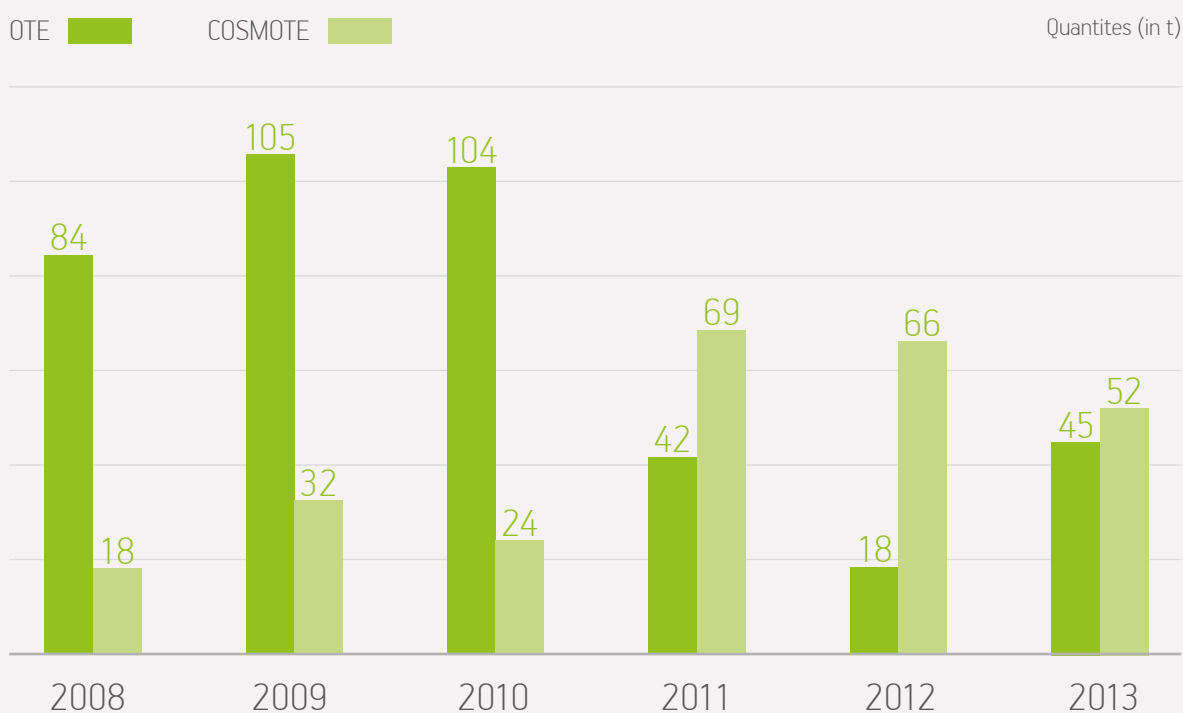
### 6.4.2.2 Waste Electrical and Electronic Equipment

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). In 2013, 100% of the OTE and COSMOTE electrical and electronic equipment withdrawn from service (97 t of waste that includes telecommunication and IT equipment) were recycled. It should be noted

that the quantities forwarded vary with the lifetime and replacement schedules of the particular equipment.

In addition to the above-mentioned quantities, 4.7 t of obsolete merchandise returned from OTE retail network were forwarded for recycling through the central OTE Warehouse.

### Recycling of Waste Electrical and Electronic Equipment





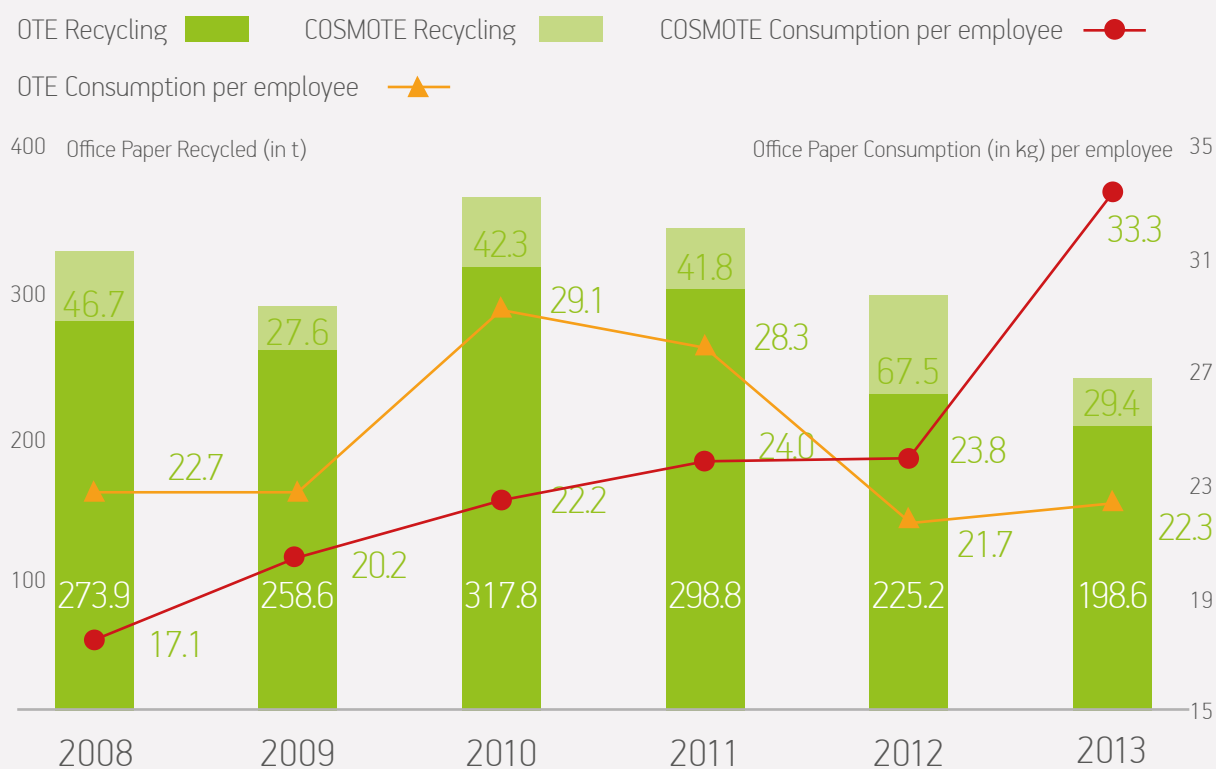
## 6.4.3 Paper Waste Management

Efforts to reduce the amount of paper used in offices and stores are ongoing in OTE and COSMOTE for a number of years. They include:

- Application of electronic paper management tools for intra OTE and COSMOTE operations (e.g. human resources issues, e-learning, job applications, employees' payment procedures etc.) as well as for services provided to customers, namely:
  - > Electronic billing and electronic payment services for OTE customers. The number of OTE customers that choose to make use of these services is continuously increasing since 2009, when the services were first made available, with 38,500 registered users and about 70,000 electronic payments (registered and unregistered users are included) in 2013. At the end of 2013, OTE announced that subscribers making use of the e-bill service would receive their bills via e-mail and printed bills will no longer be delivered through postal service.
  - > Paper savings achieved from COSMOTE customers who receive only electronic bills, since July 1st 2013, is approximately 1,000,000 pages (about 5 t).
- > 1.4 million applications by telecommunication Operators were submitted to and handled by OTE electronically resulting in an avoided paper consumption of 7 t; Another 24.6 t of paper consumption were avoided through the implementation of the program "Work Force Management (WFM)" concerning Technical Field Operations, the scope of which was expanded in 2013 to include all of OTE technical field teams.
- > Use of customers' electronic signature at COSMOTE shops and GERMANOS retail network (for contract renewals, address changes, deactivations etc.), where available.
- > COSMOTE offers pre-paid customers the option to renew their air time by using e-voucher, which results in saving 78.66 t of paper.
- The two-side printing is set as the default option, in COSMOTE printers.
- Use of recycled photocopy paper, to cover office needs.

In 2013, office paper consumption amounted to 350.4 t (OTE: 281.5 t; COSMOTE: 68.9 t), while paper recycling reached 228.0 t (OTE: 198.6 t; COSMOTE: 29.4 t).

### Office Paper Consumption and Recycling





## 6.4.4 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 and stores) and waste related to office operation (e.g. ink cartridges) excluding waste electrical and electronic equipment.

- At the moment, no specific management practice is in place for typical household waste. Quantities generated (700 t in 2013. OTE: 560 t; COSMOTE: 140 t) are directed to the Municipal Solid Waste Landfills for disposal.
- Environmental impacts of ink cartridges disposal are related to the potential hazardous substances that they may contain and to the slow decomposition rate of their constitutive parts. In this context:
  - > COSMOTE has put in place a practice that calls for yearly targets for refilled ink cartridges. The target for 2013 was for refilled cartridges to account for 30% of ink cartridges bought. The target was surpassed, as 40% of the cartridges

bought were refills (of the 4,043 new ink cartridges bought, 1,618 were refills). In 2013, 1,438 pieces were sent for recycling.

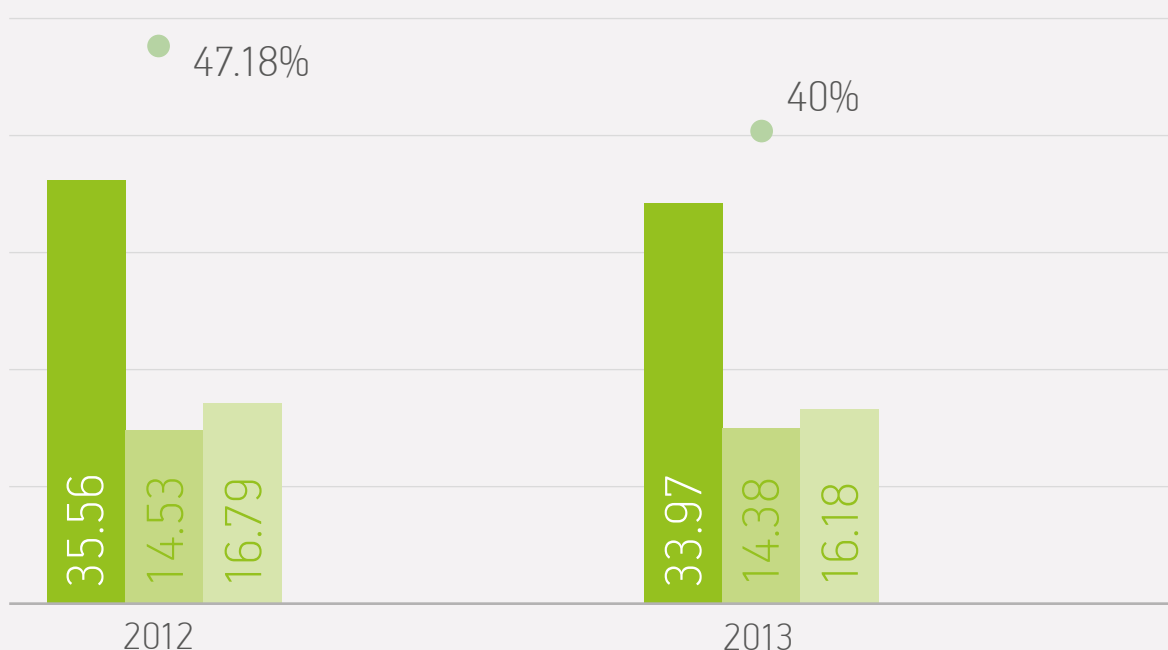
- > In 2013, 3,397 spent ink cartridges were collected from OTE offices and forwarded for recycling. As of the end of 2013, OTE has established a program (similar to the one already in place for COSMOTE) that encourages and sets targets for the use of refilled ink cartridges.

For OTE, Other waste refers to tires and scrapped vehicles.

- In 2013, 73.8 t of scrapped vehicles were forwarded to authorized end-of-life management entities.
- With a view to reduce the environmental impacts related to the operation of the OTE vehicle fleet and recognizing the negative environmental consequences of unmanaged disposal a program for the management of end-of-life tires was put in place in 2010.

### Ink Cartridges from OTE and COSMOTE Buildings

Recycled Cartridges OTE ■ Recycled Cartridges COSMOTE ■ Cartridges recycled or reused (in hundreds of pieces)  
 Reused Cartridges for COSMOTE ■ Reused to bought for COSMOTE ●





## 6.4.5 Phones and Accessories

OTE and COSMOTE have implemented recycling programs for mobile phones, fixed phones, accessories and batteries in OTE, COSMOTE and GERMANOS retail network and OTE and COSMOTE buildings. As of June 2013, the existing recycling programs (take-back schemes) of both companies were redesigned and merged into a common program in all OTE, COSMOTE and GERMANOS retail network.

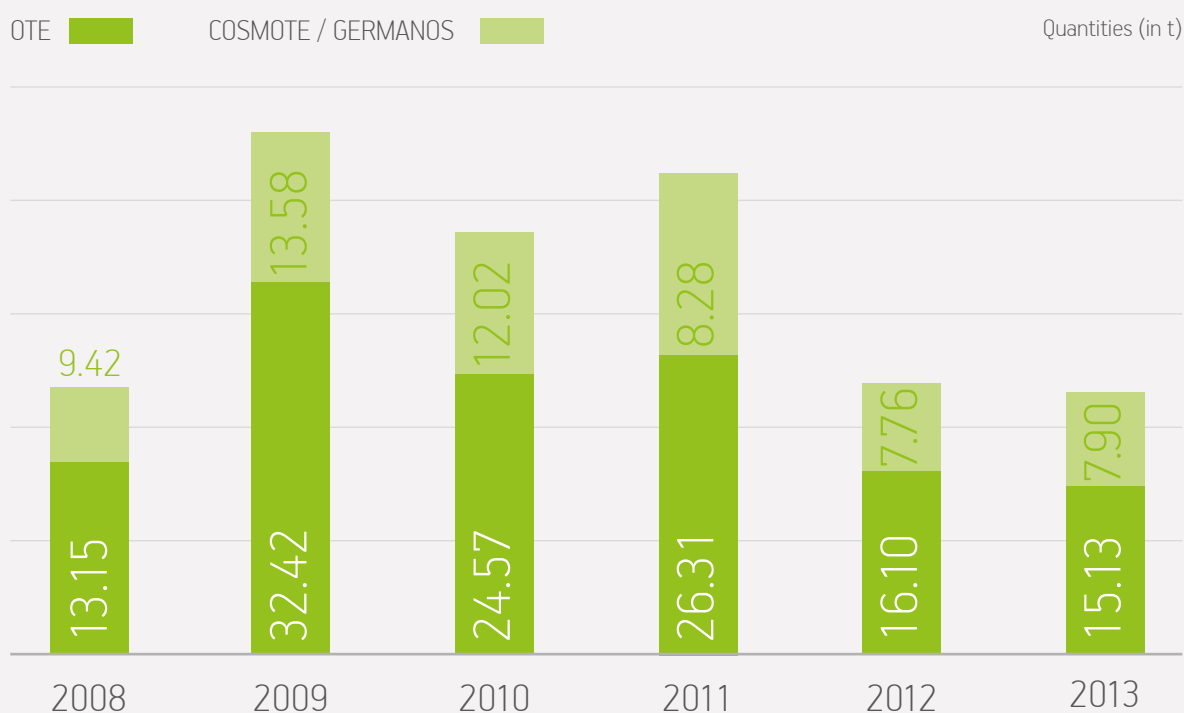
In total, during 2013:

- 7.9 t of phone devices and mobile telephony accessories were gathered through the COSMOTE shops and GERMANOS retail network (corresponding to 20.2 kg per collection point), which represents an increase of 1.8%, compared to 2012.
- 15.1 t of phone devices (mainly fixed but also mobile) and telephony accessories were gathered

through the OTE program. It is noted that this quantity includes not only devices collected from stores / buildings (i.e. direct take-back from customers and employees), but also (and mainly) devices gathered by the OTE technical staff during on-site visits to customers (indirect take-back).

It is worth mentioning that the trend of the quantities forwarded depends to a great extent on the customers' participation to the recycling program in the OTE, COSMOTE and GERMANOS retail network. In addition, quantities collected (and forwarded for recycling) are not limited to OTE and COSMOTE products, while OTE and COSMOTE products are also collected in collection points established within other retail outlets, and therefore it is not possible to estimate the percentage of products sold that are actually reclaimed.

### Recycling of Phones, Batteries and Accessories





## The New Take-Back Program of OTE and COSMOTE



Joining forces, OTE and COSMOTE are running, since June 2013, a joint and expanded recycling program for batteries, ink cartridges and phone devices (mobile and landlines phones with their accessories).

The program is implemented at the OTE, COSMOTE and GERMANOS retail network, which operated about 520 retail outlets countrywide in 2013.

With the message "We recycle – Small effort, big impact", both companies urge public to recycle noting that even a small action such as battery recycling, acts cumulatively contributing to environmental protection. In this, communication material highlighting the benefits of recycling have been produced and uploaded on the web-sites of both companies, etc.

OTE and COSMOTE will provide €1,000 to the environmental organizations "Philodassiki Enossi Athinon" (Union for the Protection of Forests in Athens) and "Callisto" for every ton of mobile and fixed phone devices with their accessories, which will be collected until 31/05/2014.



## 6.4.6 Management of Packaging Materials

### 6.4.6.1 Monitoring Consumption of Packaging Materials

OTE and COSMOTE are implementing a product packaging monitoring program for their products distributed in the market, and participate in systems for the management of packaging materials waste as foreseen by national and European legislation. Therefore, it is not possible for OTE and COSMOTE to know the actual quantities of their packaging materials reclaimed and recycled, as it is the responsibility of these systems to do so.

- Paper and cardboard represent the main packaging materials used by OTE (116,735 kg), while the use of plastic is limited (2,916 kg). The average weight of OTE packaging (for routers, decoders, etc.) is about 30 g per unit (for a total of 4.0 million units).
- Paper and cardboard, and plastic are the packaging materials used by COSMOTE (33,060 kg and 19,072 kg respectively). The average weight of COSMOTE packaging has been further reduced to 3.1 g per unit (for a total of 17.1 million units).

In addition, OTE and COSMOTE purchased 13.4 t of degradable bags, to cover the needs of their retail network.

### 6.4.6.2 Recycling Packaging Materials

During 2013, the program for the alternative management of packaging materials entering the OTE and COSMOTE warehouse in Parnitha continued to operate with substantial results. In total, 49 t of packaging material were delivered for recycling (14.2 t cardboards, 3.7 t plastic and 31.1 t wood), while 16.7 t were forwarded for energy recovery and 43.2 t of non-recyclable materials were directed to disposal.





## The New Recycling Program in Buildings

In June 2013 OTE and COSMOTE launched a new recycling program at their central administrative offices (the Headquarters and the Paiania buildings). The program, which encourages the recycling of packaging materials (plastic, aluminium, tetrapack), paper, ink cartridges (but also light bulbs, small electric and electronic appliances, portable batteries and phone devices, mobile and landlines, with their accessories), is based on the sorting-at-source principle, with centralized waste collection and management.

Project development started with a study to get an overview of waste generated and its composition. Then the waste streams to be covered were defined, followed by decisions on all relevant technical issues (e.g. number, location and kind of collection bins). Finally, roles and responsibilities were designated, training sessions for OTE and COSMOTE employees were held, detailed work instructions were developed and contracts with authorised waste management entities were signed.

Equipment installed, include: 63 recycling points for 5 waste streams with appropriate recycle bins; 2 demonstration recycling points for 5 waste streams; 1600 paper bins in offices; and Containers for the temporary storage of collected quantities (paper, aluminium, plastic).

The program is expected to generate reliable data on waste generation and recycling in buildings and to enhance the environmental awareness of OTE and COSMOTE employees. Plans to expand the program at four additional main buildings are currently under development.

During the first six months of the implementation of the program in the two buildings 31.5 t of paper and packaging materials were collected and recycled, of which paper amounted to 28.4 t, plastic amounted to 2.2 t and the rest 0.9 t were tetrapack material.





# 6.5

## Electromagnetic Fields

Potential health effects of man-made electromagnetic fields (EMF) have received particular attention during the last 30 years. In this context, international scientific organizations have issued guidelines regarding exposure to EMF and a relevant legislative framework has been developed.

### 6.5.1 Following by Design the Precautionary Principle

OTE and COSMOTE recognize public concerns about potential consequences of electromagnetic radiation on health issues. Even though:

- Relative research, conducted and assessed by the World Health Organization did not indicate any such correlation for telecommunications equipment;
- Certified measurements estimate the percentage of EMF intensity attributed to mobile telephony Base Stations to be less than 30% of the total EMF background in populated areas;

It is the policy of OTE and COSMOTE (based on Transparency, Information, Participation and Promotion of Science) to respect and adopt the precautionary principle and apply it in a number of practices. Thus:

- The levels of electromagnetic fields, in all Base Stations, comply with the suggested limits of the World Health Organization and the International Commission on Non-Ionizing Radiation Protection (ICNIRP), as well as with 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 radio emission study and an electromagnetic background study (in some cases) is conducted by specialized OTE and COSMOTE personnel, for an area of up to a radius of 50 meters and 300 meters respectively to ensure that all OTE and COSMOTE Stations operate within legal limits. The corresponding studies form part of environmental impact assessment studies conducted and submitted to responsible authorities (where needed).

The amount COSMOTE spent on programs concerning EMF in 2013 was about €300,000.

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 (expressed in Specific Absorption Rate – SAR units). A list of SAR values for all handsets is available in printed version at all network stores.



## 6.5.2 Monitoring the Levels of EMF Radiation

### 6.5.2.1 COSMOTE Initiatives

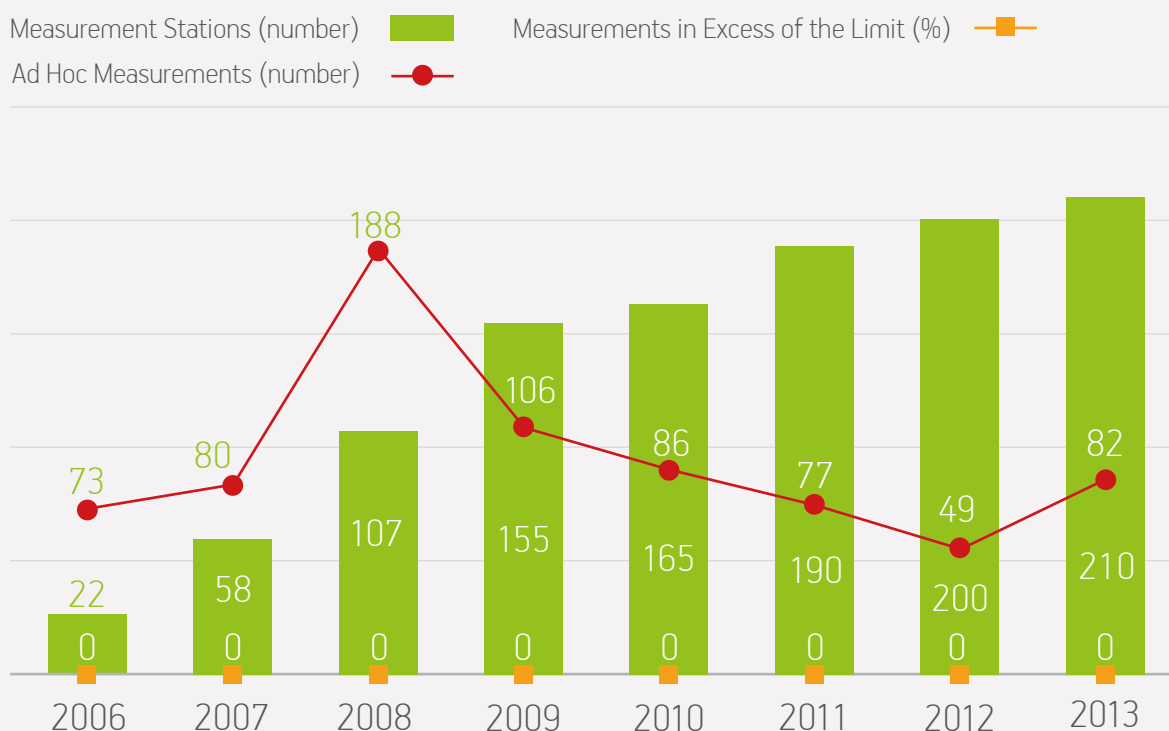
COSMOTE has established and operates an EMF measurement program, called "Pedion24" (initiated at the end of 2005, fully operational since 2006), developed in association with the Laboratory of Mobile Radio Communications at the National Technical University of Athens, the Radio Communications Laboratory at the Aristotle University in Thessalonica and the ICT Laboratory at the University of the Aegean, coordinated by the company EMF Manager who is the head of COSMOTE EMF Control and Measurement Section. The program 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 program utilizes a full set of measurement equipment and leading edge technology measurement stations (with suitable detectors for electromagnetic fields) covering all Greece.

The measurement stations operate on a 24 hour basis. Measurements are obtained and stored on-line and are accessible to the public at the program's website ([www.pedion24.gr](http://www.pedion24.gr)). The public's interest in these measurements is high as evidenced by the high visitation rates of the "Pedion24" program (200 visits per day on average).

#### "PEDION 24" Program





The number of stations has increased every year since 2006, with 10 new stations added in 2013 bringing the total to 210. Of the nearly 27 million measurements taken to date, none has been found to exceed legal limits. In 2013, 82 further ad hoc measurements were conducted by specialized scientific personnel of COSMOTE (scientific personnel of Environmental Electromagnetic Fields Measurements Laboratory) because of licensing application procedures requirements or public sensitivities regarding OTE and COSMOTE antennae, and 4 more by independent institutions (Universities, Greek Atomic Energy Commission) at COSMOTE request. Public exposure safety limits were not found to be exceeded (in points of free public access), in any of these measurements.

The COSMOTE Environmental Electromagnetic Fields Measurement Laboratory, a part of EMF Control and Measurement Section, has been accredited according to EN ISO / IEC 17025 standards since February 2012.

### 6.5.2.2 OTE Initiatives

OTE's EMF Measurement Laboratory has been established in 2008 to carry out EMF measurements in accordance with national and international guidelines and standards so as to ensure that OTE operations are in compliance with suggested limits of the World Health Organization and ICNIRP, as well as with the latest national limits set by Law 4070/2012. Since June 2010 the laboratory is certified according to the EN ISO 9001:2008 standard. In October 2012 OTE's laboratory was also accredited according to EN ISO / IEC 17025 standards.

In 2013, OTE developed an Antenna Anechoic Chamber booth in its laboratories to analyze the impact of electromagnetic fields of the Broadband CPEs' wireless (WiFi) interface provided to the customers, and also to evaluate the resilience of the above terminals to EMF radiation interference. OTE intends to ensure that its customers are supplied with optimized terminals in terms of EMF radiation safety and performance. The full potential of the Anechoic Chamber is expected to be utilized within 2014.

## 6.5.3 Informing Society and Employees

According to the pan-european Eurobarometer 2010 survey regarding perceptions of citizens in relation to EMF, 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 on health from mobile telephony use as against 40% for Europe on average.

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

- "Pedion 24 – Continuous Measurements of Electromagnetic Radiation Programme", where the way the respective measurement and assurance program functions are described. The leaflet was distributed to over 800 citizens.
- "How mobile telephony works", distributed to over 1000 citizens.

Briefings and presentations were also conducted by staff employees to students from schools and Universities. In 2013 such briefings were conducted to 300 students from 6 schools and Universities.

Overall more than 2000 leaflets were distributed at information events to students, NGO's, local communities, customers, etc.

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

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



## 6.6 Other Environmental Aspects of 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 2013 amounted to 991 kg. In total, the quantity of R22 replenished, decreased by 7% compared to 2012.

Currently, hydrofluorocarbons (HFC) blends are utilized either for substituting ODS or for installation in new cooling systems. The quantity replenished for 2013 was about 8.5 t of refrigerants, which is equivalent to GHG emissions of about 14.7 kt CO<sub>2</sub> eq (i.e. remained at 2012 levels). These emissions account for about 5% of the GHG emissions from energy use (both scope 1 and scope 2) and therefore measures to minimize leakages need to be in place.



Quantities of Refrigerants Replenished				
	2010	2011	2012	2013
<b>A. OTE</b>				
R22 (kg)	3,516.40	2,981.33	731.00	718.00
R407C (kg)	2,173.50	3,077.50	3,990.00	4,197.80
R410A (kg)	95.00	258.00	515.00	596.50
R134a (kg)	14.00	22.60	211.00	21.00
R417A (kg)	799.00	2,590.00	2,346.00	2801.00
R422 (kg)			209.50	416.00
R404 (kg)			367.00	20.00
<b>B. COSMOTE</b>				
R22 (kg)	172.30	266.00	337.00	273.00
R407C (kg)	462.00	681.00	471.60	362.00
R410A (kg)	159.00	433.00	191.00	122.00
R134a (kg)	24.00	0.00		
R417A (kg)				6.00
R422 (kg)			48.00	

#### Notes

(1) Ozone depleting potential (ODP) is measured as R11 (CFC-11) equivalent. The ODP value for R22 is 0.055.

(2) Quantities replenished in 2010 for OTE include the regions of Attica, Northern Greece and Southern and Western Greece.



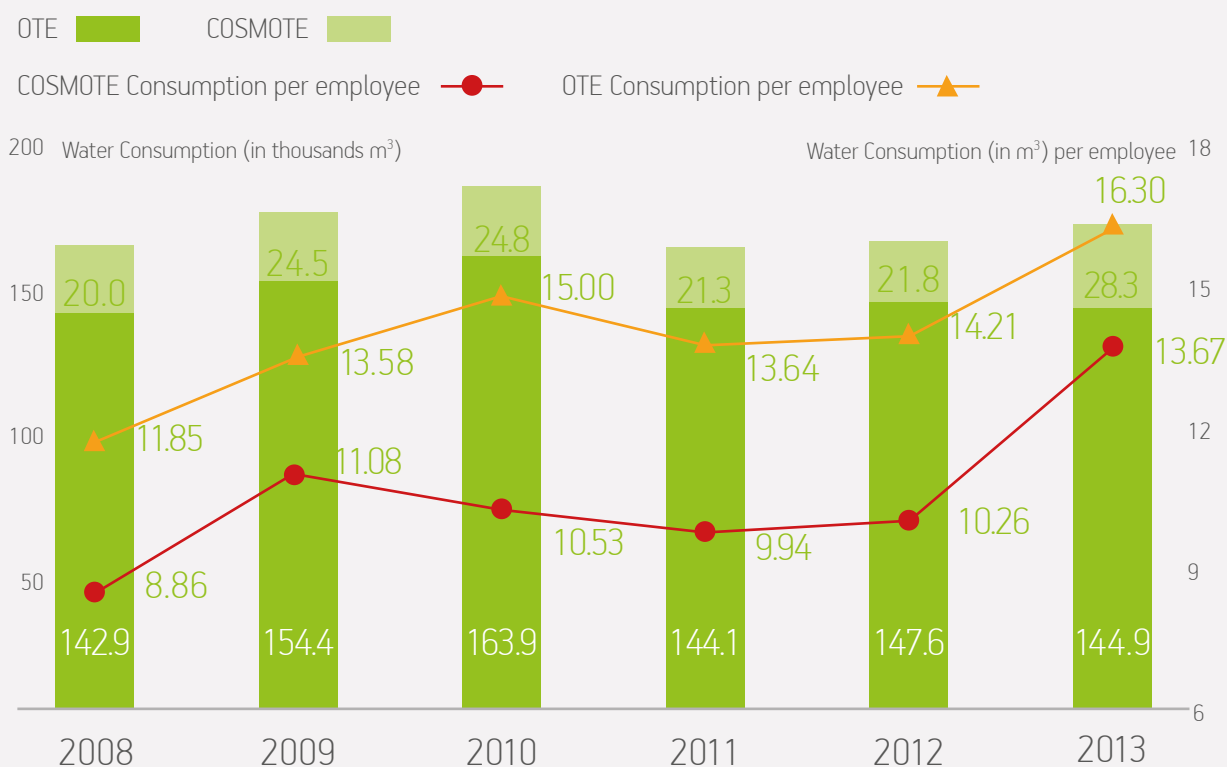
## 6.6.2 Water Consumption

Since telecommunications operations have no specific need for water use, OTE and COSMOTE consume water (acquired solely from public water companies which are responsible not only for water supply but also for the sustainable uptake of water from the available water resource systems) exclusively for employees' hygiene, plant irrigation and office / stores cleaning. Thus, water sources are not significantly affected by OTE and COSMOTE activities. At the same time, OTE and COSMOTE seek to raise awareness of their employees for the rational use of this significant resource.

Water consumption in 2013 was 173,228 m<sup>3</sup>, which corresponds to a 2% increase compared to 2012 (169,442 m<sup>3</sup>). This increase is mainly attributed to the increased irrigation needs in the new office complex in Paiania.

Waste water from OTE and COSMOTE operations refers to domestic wastewater, which is directed to the available wastewater networks and is treated according to area-specific processes in the municipal wastewater facilities. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2013.

### Water Consumption



**Note:**

Recalculation of the OTE water consumption time-series, as cases of double-counting were identified (for 2012) and corrected.



## 6.6.3 Biodiversity

OTE and COSMOTE are aware of the high value of biodiversity for Greece and recognize the close relationship between biodiversity, sustainable development and human well-being. At the same time, the provision of high quality telecommunication services everywhere and at any time necessitates the operation of a geographically extensive network of telecommunication installations (base stations and wireless communication stations) including, inevitably, in Natura 2000 sites. In 2013, there were 475 COSMOTE base stations installed in 185 Natura sites, covering a total area of 2.4 Ha. 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<sup>1</sup>. All stations operating in Natura sites are fully licensed by the Hellenic Telecommunications and Posting Committee for OTE and COSMOTE and listed in its website<sup>2</sup>. All buildings / installations / telecom lines that are currently in use and / or installed by OTE and COSMOTE are also registered and relevant information can be found at DG Technology and Operations offices.

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

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

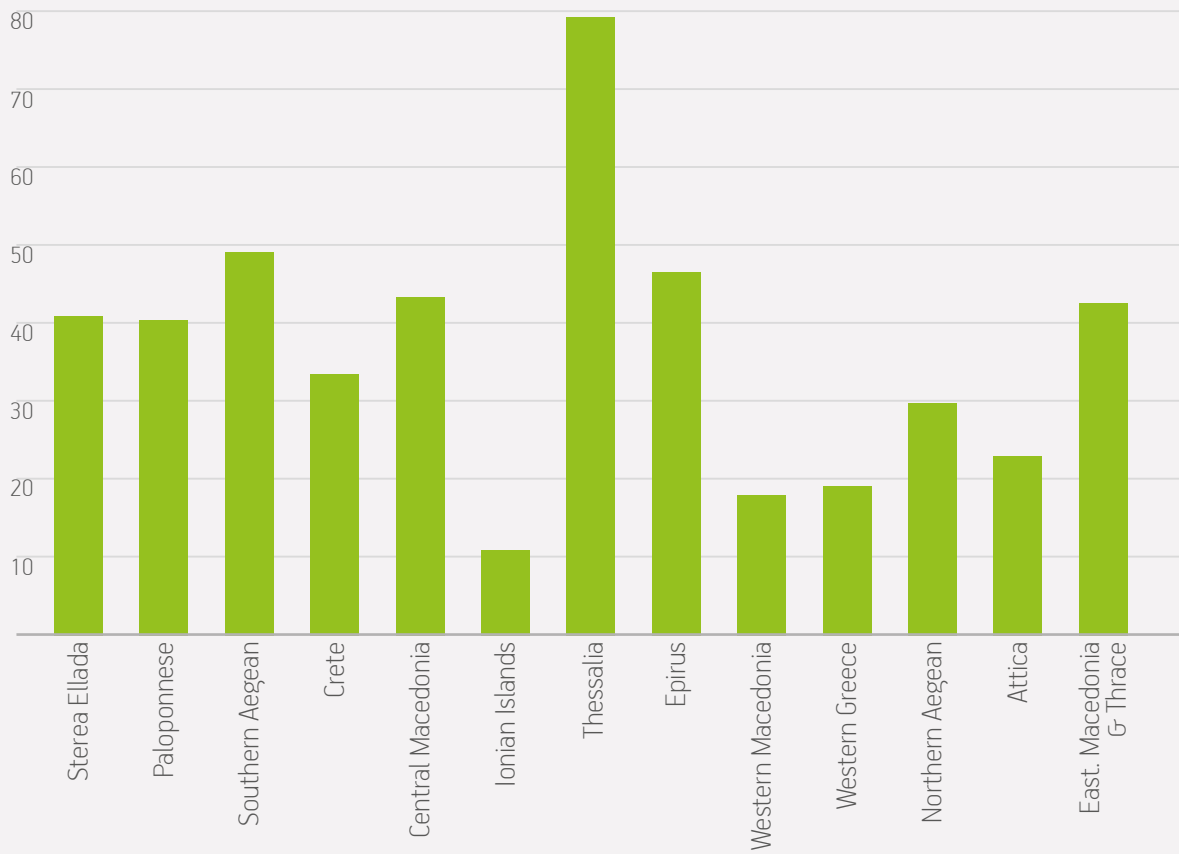
It should be noted that the legislative framework regarding the permitting process, including environmental issues, has changed as of 2012 (Law 4070/2012). Telecommunications stations are classified into two categories: Nodal stations as well as stations that require road construction works or are located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

<sup>1</sup> <http://www.ypeka.gr/Default.aspx?tabid=432&language=el-GR>

<sup>2</sup> [http://www.eett.gr/opencms/opencms/EETT/EETT/EETT\\_Decs/Antennas/showM.html?cat=keraies](http://www.eett.gr/opencms/opencms/EETT/EETT/EETT_Decs/Antennas/showM.html?cat=keraies)



## Number of COSMOTE Base Stations in Natura Sites per Administrative Region





## 6.6.4 Visual Impact

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

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

Number of	2008	2009	2010	2011	2012	2013
New Base Stations <sup>1</sup>	70	150	233	323	119	107
New Base Stations Collocations	4	2	10	25	0	2
Special Constructions						
OTE	18	8	6	2	2	4 <sup>2</sup>
COSMOTE	40	50	110	147	82	70

**Note:**

<sup>1</sup> 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](http://www.eett.gr/opencms/opencms/EETT/EETT/EETT_Decs/Antennas/showM.html?cat=keraies).

<sup>2</sup> Concrete foundation for satellite antennas

## 6.6.5 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 usually in remote site away from dwellings 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 put in place noise suppression devices or install hybrid systems, to reduce the time duration generators operate.

- Air conditioning units are housed in soundproof constructions in order to be in line with national legislation.



# 6.7 Environmental Awareness Initiatives

## 6.7.1 Initiatives to Enhance OTE and COSMOTE 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 2013 include:

- Celebrating the World Environment Day.
  - > The pilot implementation of the joint internal recycling program for OTE and COSMOTE ENVIRONMENT / Management of Packaging Material at the Central Administration Building and the Building of Paiania commenced in June.
  - > In the context of the campaign for the World Environment Day, the results of the Environmental Programs in place were announced in OTE and COSMOTE Intranets and in the OTE website (Microsite).
- > Employees and the public participated in a series of environmental activities organized by 38 employee cultural centres of OTE in various areas of Greece, for the 4th consecutive year, which included a diversity of actions building public awareness of environmental issues, such as cleaning beaches, lakes, forests, etc., as well as bike rides, races, tree-planting, collecting and sorting waste into recyclable and non-recyclable categories for further action.
- Participation in WWF's "Earth Hour".
- Continuation of the recycling program for home electric and electronic devices of employees, in OTE and COSMOTE buildings (OTE: 71 kg and COSMOTE: 713 kg).



## 6.7.2 Initiatives to Enhance Public Awareness

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

- A number of e-services are offered to customers (e.g. OTE Video Conference, OTE Business Cloud, "yourbusiness.gr" service for website development) that result in reductions in paper consumption, transportation activity, etc.
- Customers are offered the option to buy on-line services and devices, through the internet e-shops, which are available in OTE and COSMOTE corporate websites.
- OTE and COSMOTE designed and are implementing (since June 2013), through the OTE, COSMOTE and GERMANOS retail network, a joint recycling program for batteries, ink cartridges and phone devices  
ENVIRONMENT / Phones and Accessories.

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

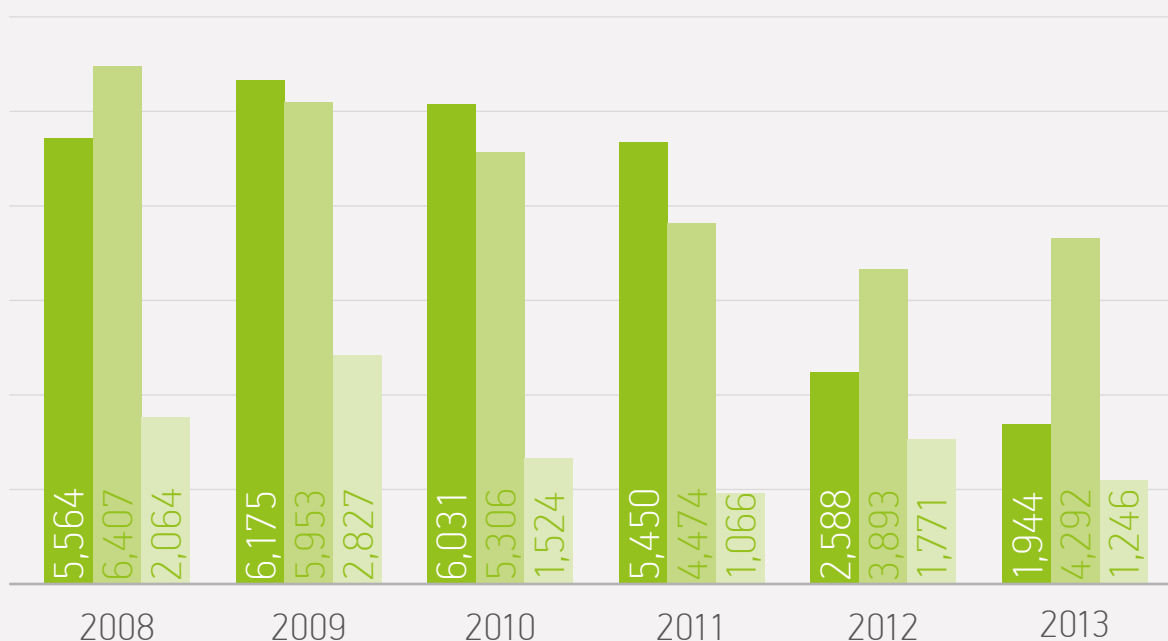
- The "Podilatodraseis" program (a Bike actions Program). With the aim to make the bicycle part of citizens' daily activities in the city centres, OTE and COSMOTE systematically implement (as of 2012) the "Podilatodraseis" program. It is an innovative program which includes infrastructure for the advancement of bicycle usage (Bike Parking and Bike Sharing), educational activities, and providing support to significant bicycle-oriented organizations (Bike Festival). For more information see SOCIETY / Promoting Sports section.
- In order to increase schoolchildren awareness of environmental protection, OTE and COSMOTE supported, in 2013, educational initiatives through the continuation of strategic partnerships with two NGOs (The Athens Union for the Protection of Forests–Philodassiki Enossi Athinon and Callisto–Environmental Organization for Wildlife and Nature), which are active in organizing environmental educational programs for school communities, regarding in particular forest and wild life protection.

### Recycling Initiatives at OTE, COSMOTE and GERMANOS Retail Network

Home Appliances Batteries – OTE (kg)

Home Appliances Batteries COSMOTE & GERMANOS (\*10 kg)

Ink Cartridges (pieces)



**Note:**

- (1) As of 2013, the initiative for ink cartridges recycling concerns OTE, COSMOTE and GERMANOS retail network.
- (2) Home batteries collected from customers at OTE, COSMOTE and GERMANOS retail network are included in the category "Technical waste" following reporting arrangements within the DT group.



## Schoolchildren Awareness on Environmental Protection

NGO	Type of sponsorship
Athens Union for Forests' Protection (Philodassiki Enossi Athinon)	<p>In 2013,</p> <ul style="list-style-type: none"> <li>1210 schoolchildren with their teachers participated in the educational program of Philodassiki Enossi Athinon in the Aesthetic Forest of Hymettus. The ongoing program included tours and visits to botanical gardens and nurseries to familiarize the children with the different types of plants and trees.</li> <li>Letters were sent to 600 schools in the surrounding areas of the Aesthetic Forest of Hymettus, informing about the educational programs of Philodassiki Enossi Athinon, for the school year 2013–2014.</li> <li>An educational visit of OTE and COSMOTE employees and their families in the Aesthetic Forest of Hymettus took place in March 2013.</li> <li>850 people participated in voluntary reforestation, in the cleaning of paths and forest roads, in educational tours and maintenance of the Aesthetic Forest.</li> </ul>
Callisto–Environmental Organization for Wildlife and Nature	<p>In 2013, the environmental education programs:</p> <ul style="list-style-type: none"> <li>"Exploring and Protecting the suburban forest of Sheikh Sou" was attended by nine schools, 25 classes, 559 students. The program was implemented either through school visits in the suburban forest of Sheikh Sou (6 schools) or through presentations at schools (3 schools).</li> <li>"We and our forest" and "The forest animals go to school" was attended by 11 schools, 28 classes, 472 students. The program was implemented, in collaboration with the Children's Libraries Division of the Municipality of Thessaloniki, through school visits to the children's libraries, as well as through independent school visits of the Environmental Education Group of Callisto.</li> </ul>

### 6.7.3 Initiatives Related to Suppliers

In 2013, OTE and COSMOTE assessed their suppliers, according to the companies' supplier evaluation methodology, which includes, among other, corporate responsibility – environmental evaluation criteria. For more information, see [MARKETPLACE / Supplier Evaluation section](#).







# 7.0

## OTE Group Subsidiaries

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OTE Group Corporate Communications Division works on building and implementing the OTE Group CR strategy and framework for all OTE Group companies active in fixed-line and mobile telephony operations, as put forth in the [CR STRATEGY AND MANAGEMENT](#) section.

In this context, OTE Group fixed-line and mobile telephony subsidiaries are tasked with implementing OTE Group-wide CR strategy and goals. They bear responsibility for deciding on their own CR organization structures, developing and performing their local CR activities, and reporting on their performance.

OTE Group international operations are focused in Romania and Albania.

In Romania, OTE Group offers fixed-line and mobile telephony services mainly through [Romtelecom](#) and [COSMOTE Romania](#). Full details on the companies' performance are available on their websites.

In Albania, OTE Group offers mobile telephony services through [AMC](#). Full details on the company's performance are available on its website.



# 7.1

## Romania

In Romania, OTE Group is represented mainly by Romtelecom, offering a wide range of telecommunications and entertainment services such as TV, Internet and voice, and COSMOTE Romania, offering mobile voice and data products and services, both for residential and business customers.

The two companies are currently working on the preparation of their first joint annual CR Report, to be published in 2014.

### CR Strategy and Management

Romtelecom and COSMOTE Romania have aligned their CR strategies with that of the OTE Group. The companies are in contact with OTE Group Corporate Communications Division to further streamline actions, facilitate a homogeneous understanding by all OTE Group employees and offer high value services to stakeholders. The companies have identified the following five CR pillars: Strategy and Management, Marketplace, Human Resources, Society, and Environment.

Romtelecom's and COSMOTE Romania's objective is to operate in a responsible way, to be accountable for the potential impact of their operations and at the same time improve their competitiveness and ensure their growth.

Corporate Responsibility, from an organizational perspective, lies within Corporate Communication Romania Division, which reports directly to the companies' CEO. The team handling CR activities is composed of 2 employees.

Employees of both companies act in accordance with the Compliance Management System and the Code of Conduct of the OTE Group. In 2013, Romtelecom received a certification for its Compliance Management System, which was also acknowledged, within OTE Group, as a best practice on integrity checking.

The companies aim to integrate principles of responsible operation in their management practices, in order to ensure that they are taken into consideration in their decision making process, within the spirit of "business as usual". Both companies hold several management system certifications in the area of quality, environment, health and safety, information security etc.

Romtelecom and COSMOTE Romania have identified their groups of stakeholders and monitor closely their opinion through internal and external research.



### In recognition of their CR performance, the companies received the following four awards, in 2013:

- 2nd prize at CSR Awards with last year's campaign "Sports is Good", in the Health category.
- 3rd prize for the campaign "Words hurt, don't they?" at the Civil Society Gala.
- 3rd place in the Supporting Community category at the National CSR Awards 2013 for the "Custom of Love" campaign.
- Excellence Diploma for CSR reporting granted by ARC, a national NGO.

The key CR performance indicators of the companies' performance, in 2013 are presented in the following table.

	Romtelecom	COSMOTE Romania
<b>Financial Performance</b>		
Total Revenues (mn €)	609.5	458.5
Payroll and Employee Benefits (mn €)	(110.9)	Non Disclosable
Total Operating Expenses (mn €)	(620.7)	Non Disclosable
EBITDA (mn €)	147.7	115.2
Pro forma EBITDA (mn €)	159.3	118.9
<b>Marketplace</b>		
Fixed-line Subscribers	2,252,563	–
Mobile Telephony Subscribers	–	6,091,455
Broadband Subscribers	1,249,987	–
TV Subscribers	1,353,421	–
<b>Employees</b>		
Number of Employees on Permanent Contract	6,796	1,283
Percentage of Female Employees	36%	50%
Employees Covered by Collective Bargaining Agreements (%)	100%	0%
Employee Turnover as a Percentage of Total Employees (%)	4%	26%
Work-related Fatal Accidents (number of employees)	0	0
Work-related Non-fatal Accidents (number of employees)	3	1
Work-related Non-fatal Accidents (lost days)*	266	5
Health and Safety Training (hours/employee)	15.98	9.47
Training Hours (hours/employee)	13.39	52.01
<b>Society</b>		
Sponsorships – Donations (incl. in-kind) (€)	108,501	79,302
Number of Volunteering Projects	4	2
Working Hours Invested to Organize and Run Volunteering Initiatives	65	470
Employee Volunteering (number of employees)	179	34
People Supported (estimated)	1,370	200



	Romtelecom	COSMOTE Romania
<b>Environment</b>		
Electricity Consumption (GWh)	139.20	82.01
District Heating and Fuel Consumption in Buildings and Installations (GWh)	32.40	1.29
Fuel Consumption in Vehicles Fleet (GWh)	41.77	6.10
Direct (scope 1) CO <sub>2</sub> Emissions (t)	14,130.65	1,787.24
Indirect (scope 2) CO <sub>2</sub> Emissions (t)	72,659.33	40,920.84
Hazardous Waste (t)	30.31	0.42
Non-hazardous Technical Waste from Telecom Operations (t)	1,499.63	15.89
Recycling of Phone Devices (mobile and fixed) and Accessories (t)	144.61	0.53
Number of Measurements on EMF Conducted by Specialized Scientific Personnel of the Company and Independent Institutions	–	24

\* Lost days are counted as calendar days.

## Marketplace

The companies' objective is to follow a management approach based on the principles of transparency and ethics, while at the same time contribute to the responsible operation of the marketplaces where they conduct business. They focus on the following Marketplace areas: Corporate Governance, Responsible Competition, Responsible Marketing, Responsible Procurement, Public Awareness, Customer Satisfaction, and Data Security and Privacy.

The Boards of Directors are responsible for taking any decision regarding the administration, management, resource utilization and any other issue, which may assist in achieving the companies' corporate objectives. The Boards of Directors oversee the organizations' activities on economic, environmental and social performance, including relevant risks and opportunities, adherence or compliance with internationally agreed standards, codes of conduct and principles.

Romtelecom and COSMOTE Romania adhere to the OTE strategy in offering information to assure a safer internet for children. Therefore, companies realise communication campaigns for internal and external audiences and participate in events to promote the safer use of internet. In addition, both companies participate in the "CEO Coalition to make the internet a better place for kids", as members of the Deutsche Telekom Group and strive to implement protective measures for children.

To ensure that the companies' communication material is consistent with legal requirements, appropriate, fair and sincere, accurate and respecting people's diversity, in terms of age, gender, race, religion and physical or mental status, the Brand and Communication Division Romania controls all advertising messages and campaigns, before releasing them to the public.

Romtelecom and COSMOTE Romania are two of the largest companies in the Romanian market and, therefore, they can significantly influence their suppliers' responsible operations. For this reason, they strive to deploy CR principles, having aligned their Suppliers' Codes of Conduct to OTE and COSMOTE guidelines respectively, in the frame of which they expect their partners and suppliers to be socially and environmentally sensitive, operate according to respective legislation and internationally agreed regulations and respect the principles and aspects of their Codes. Conformity to the Codes is a criterion of the vendor selection and evaluation process.

The companies seek to be the preferred choice of customers, by cultivating a mutual, sincere and trustful relationship with them. For this reason, they closely monitor their performance on satisfying their customers, through a series of surveys, which are carried out via telephone interviews on a representative sample of the public.



## Employees

The companies' objective is to create a workplace, which is safe, fair and facilitates the professional and personal development of their employees. They focus on the following Human Resources areas: Health and Safety, Fair Employment, Labour Rights, Employee Development and Workforce's Benefits.

Romtelecom and COSMOTE Romania directly occupy 8,079 employees, while through their business activity they have indirectly leveraged the creation of a significant number of job positions in Romania, an important aspect for economic growth.

Having as a priority to offer their employees a safe workplace, the companies focus on ensuring suitable work conditions and follow health and safety rules. Hence, they identify labour risks via documented Occupational Risk Assessments. These studies allow the companies to eliminate or to limit the respective risks, by taking suitable actions, such as training employees and providing suitable corrective actions. It is worth mentioning that, during the last year, no fatal and only four non-fatal (which resulted in 271 lost days) work-related accidents occurred. In 2013, the participants in health and safety trainings were 9,101, totaling 149,556 of training hours.

To create a homogeneous corporate culture, Romtelecom and COSMOTE Romania have established a systematic dialogue with their employees through internal communication processes, utilizing various means, such as the intranet, e-mails, weekly electronic newsletters, SMS messages, informative leaflets and posters. In 2013, both companies took part in the "Pulse Survey", an employee satisfaction survey that was conducted within the OTE Group.

## Society

In society, the companies' objective is to combine their business success with the prosperity and the quality of life for all citizens in Romania as their presence is country-wide. They focus on the following Society areas: Social Products and Services, Social Contribution, Economic Development, Volunteering, Business Enterprising and Digital Divide.

Romtelecom and COSMOTE Romania recognize the need to financially support social organizations, which support people in need, by focusing on education, children's rights, communities' development and sports. The total spending in 2013 reached the amount of almost €188,000.

The companies try to involve their employees, customers, suppliers and business partners in various initiatives and programs that respond to the Romanian social needs. Aiming to mobilize and make their employees aware, to develop responsible and active citizenship, they cultivate volunteerism, through various actions, such as planting of trees, sports events, blood donations and volunteering for children's hospitals. In 2013, 213 employees volunteered for such events.

The companies also offer support to Romanian NGOs for fundraising, through the operation of SMS and telephone lines, where customers can text or call to offer monetary support for humanitarian causes, thus facilitating relief for thousands of people in need.

Romtelecom and COSMOTE Romania, in view of their legal obligations and corporate responsibility, make all efforts to ensure their business continuity, so as to be able to provide services at an acceptable level, even when facing unanticipated events. To this end, the companies have implemented Business Continuity Management Systems, aligned with the ISO 22301 international standard requirements.



## Environment

Safeguarding the quality of the environment is a major concern of Romtelecom and COSMOTE Romania. In that respect, they strive to minimize the environmental impact of their operations and to raise awareness of their employees and fellow citizens, on acting more responsibly on the issue of the environmental protection. Environment areas of focus include: Energy Use and Climate Change, Resource Use and Waste Management, Ozone, Water, Environmental Awareness, Biodiversity, EMF, Visual impact and Noise.

Romtelecom's and COSMOTE Romania's commitment to protect the environment is also expressed in their Environmental Policies and is put into action through the development of environmental programs and campaigns, as well as through the application of environmental management systems certified according to ISO 14001 (on key business areas).

Within this framework, the companies analyse their main activities and operations with regard to their impact on the environment and try to improve their environmental performance by setting goals, specifying indicators and implementing respective programs. Additionally, the companies collect various materials for recycling, such as paper, plastic, lubricant oils, IT and telecommunication equipment, mobile phones, accessories, batteries, cables, ink cartridges, etc. In parallel, the companies implemented actions to encourage stakeholders to reduce, reuse and recycle resources. Finally, they have implemented programs for monitoring the levels of EMF in the network, and reducing the electricity and water consumption. COSMOTE Romania is in the process of streamlining its EMF Policy with the DT EMF Policy.



## 7.2 Albania

OTE Group operates in Albania through AMC, offering mobile telephony operations.

AMC is in the process of developing its annual 2013 CR Report, to be published in 2014.

### CR Strategy and Management

In line with OTE Group CR strategy, AMC structures its CR activities around the same 5 pillars (Strategy and Management, Marketplace, Employees, Society, Environment), which are also used in reporting its CR performance. The Corporate Affairs Office, which reports directly to the CEO, has responsibility for CR and sustainability in the company. The Corporate Affairs Office oversees the company's Environment Committee and plays an active role in the Environment Team.

AMC tries to integrate the principles of corporate responsibility with the objectives of the company's

everyday operations. All business actions abide by the compliance system rules and the Code of Conduct. The latter has been highlighted during 2013, through internal awareness sessions and campaigns.

The certification of the Environmental Management System (ISO 14001) awarded in 2012, posed added challenges in the last year, but joint efforts and an ever-increasing level of awareness among employees led to a success renewal.

#### In recognition of its CR performance, AMC received the following TWO awards in 2013:

- The 2013 Philanthropy Prize, for its contribution to support people in need. The Prize is awarded by Partners Albania and the Rockefeller Fund to individuals / organizations that contribute to society.
- The CSR Prize, as the most socially responsible telecom operator of the year, awarded during the 5th Infocom Conference in Tirana, Albania.



The key CR performance indicators of the company's performance, in 2013 are presented in the following table.

	AMC
<b>Financial Performance</b>	
Total Revenues (mn €)	86.2
Payroll and Employee Benefits (mn €)	Non Disclosable
Total Operating Expenses (mn €)	Non Disclosable
EBITDA (mn €)	33.7
Pro forma EBITDA (mn €)	33.7
<b>Marketplace</b>	
Fixed-line Subscribers	–
Mobile Telephony Subscribers	2,058,407
Broadband Subscribers	–
TV Subscribers	–
<b>Employees</b>	
Number of Employees on Permanent Contract	471
Percentage of Female Employees	59%
Employees Covered by Collective Bargaining Agreements (%)	0%
Employee Turnover as a Percentage of Total Employees (%)	10%
Work-related Fatal Accidents (number of employees)	0
Work-related Non-fatal Accidents (number of employees)	0
Work-related Non-fatal Accidents (lost days)*	0
Health and Safety Training (hours/employee)	2.74
Training Hours (hours/employee)	8.30
<b>Society</b>	
Sponsorships – Donations (incl. in-kind) (€)	78,500
Number of Volunteering Projects	3
Working Hours Invested to Organize and Run Volunteering Initiatives	3,300
Employee Volunteering (number of employees)	255
People Supported (estimated)	1,485



	AMC
<b>Environment</b>	
Electricity Consumption (GWh)	17.98
District Heating and Fuel Consumption in Buildings and Installations (GWh)	8.58
Fuel Consumption in Vehicles Fleet (GWh)	1.76
Direct (scope 1) CO <sub>2</sub> Emissions (t)	2,722.21
Indirect (scope 2) CO <sub>2</sub> Emissions (t)	125.88
Hazardous Waste (t)	121
Non-hazardous Technical Waste from Telecom Operations (t)	0.77
Recycling of Phone Devices (mobile and fixed) and Accessories (t)	0
Number of Measurements on EMF Conducted by Specialized Scientific Personnel of the Company and Independent Institutions	4

\* Lost days are counted as calendar days.

## Marketplace

The company operates according to its ISO 9001 certified Quality Management System, offering high quality services to its customers.

In the light of AMC's commitment to make ICT available to everybody, the company, in 2013, offered a special model of handsets for the elderly. This model is a simple phone, with big keypad, which is easy to read and comes at an affordable prize.

During 2013, AMC became part of a nation-wide initiative of the central authorities to make the internet better for every user. AMC has published a leaflet, focusing on the potential risks of internet navigation and on the ways to protect children while being online. The leaflet was distributed at all AMC network Shops and is also available online. Internal awareness sessions were organized to inform AMC employees on how to stay safe on the internet.

AMC, having aligned its Suppliers' Code of Conduct to COSMOTE guidelines, requires all its business partners and vendors to operate responsibly and comply with the best standards in the field. In this respect, AMC expects its partners and suppliers to be socially and environmentally sensitive, operate according to applicable legislation and internationally agreed regulations, and respect the principles and rules of the AMC Code of Conduct. Conformity to the Code is a criterion in the vendor evaluation and selection.

## Employees

AMC considers its employees as the core of the company. In view of that it provides its employees training and focused instruction to obtain and retain all necessary qualifications required to assure quality service.

The "Pulse Survey", which is regularly conducted, continued to indicate a positive picture of employee satisfaction. Employees participate in corporate volunteer actions and contribute to institutions that support various vulnerable social groups.

Following the certification of the Occupational Health and Safety System, according to OHSAS 18001, the importance of health and safety precautions was emphasized during 2013, via promotional materials.



## Society

Corporate volunteerism, which includes home visits to assist the elderly and the infirm, as well as collection of funds for the people in need, is becoming the norm at AMC, thus providing a good example for the market and the country. A noteworthy example is the AMC "2013 Build a Dream" project, through which, employees spent their spare time on weekends to orphanages, nurseries and elderly centres, to improve the infrastructure of these institutions and show to the people in need that there is somebody who cares for them.

The Business Continuity Management idea and the responsibility of each employee to keep the operations running smoothly and to quickly recover, in case of unexpected events, has been introduced and disseminated widely.

## Environment

Following the certification of its Environmental Management System (EMS), according to ISO 14001, in 2012, AMC continues to enhance efforts every year to improve the company's environmental performance. In 2013 an external independent certification body performed a "surveillance audit" to ensure that the EMS works correctly and no major reasons have arisen that might jeopardize the certification renewal in 2014.

The company is in the process of expanding its recycling program and streamlining its EMF Policy with the DT EMF Policy.





## 8.0 Indexes



# 8.1

## Accountability Principles

### Standard AA1000 Index

Principle Applied	Methods	Report Location	Coverage Level
Inclusivity	Identification of key stakeholders and dialogue to understand key issues	<a href="#">CR STRATEGY AND MANAGEMENT</a> <a href="#">CR STRATEGY AND MANAGEMENT / Materiality Analysis</a> <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement</a>	Fully
Materiality	Identification of issues which are important to the company and its stakeholders	<a href="#">CR STRATEGY AND MANAGEMENT</a> <a href="#">CR STRATEGY AND MANAGEMENT / Materiality Analysis</a> <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement</a>	Fully
Responsiveness	Responsiveness to key issues and transparency on performance	<a href="#">CR STRATEGY AND MANAGEMENT</a> <a href="#">CR STRATEGY AND MANAGEMENT / Materiality Analysis</a> <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement</a>	Fully



## 8.2

# United Nations Global Compact – Communication On Progress (COP)

“The 10 Principles of the UN Global Compact are a compass for the internal operations of OTE and COSMOTE as well as our relations with external stakeholders. We will continue to abide by these principles and actively promote their wider acceptance by enterprises in our broader circle of activity.”

**Michael Tsamaz**

Chairman and CEO of OTE Group

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

The 2013 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 2013, OTE and COSMOTE achievements, relevant to upholding Global Compact principles include:

- Extending further and systematising efforts to record, measure and gradually reduce the “ecological footprints” of OTE and COSMOTE.
- As the economically most challenging period for Greece continues, OTE and COSMOTE remain 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 maintaining 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' well-being 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.



## UN Global Compact 10 Principles: actions recorded in 2013 CR Report

Issue	Principle	Report Location	Coverage Level
Human Rights	1. Support and respect protection of internationally proclaimed human rights	<a href="#">EMPLOYEES / Fair Employment Policy Framework</a>	Fully
	2. Ensure not to be complicit in human rights abuses	<a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a>	Fully
Labour Standards	3. Uphold freedom of association and effective recognition of right to collective bargaining	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>	Fully
	4. Elimination of all forms of forced and compulsory labour	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>	Fully
	5. Effective abolition of child labour	<a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>	Fully
	6. Elimination of discrimination in employment and occupation	<a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>	Fully



## UN Global Compact 10 Principles: actions recorded in 2013 CR Report (Cont'd)

Issue	Principle	Report Location	Coverage Level
Environment			
	7. Support a precautionary approach to environmental challenges	<a href="#">ENVIRONMENT / Environmental Policy</a> <a href="#">ENVIRONMENT / Managing Energy Use and Addressing Climate Change</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a> <a href="#">ENVIRONMENT / Other Environmental Aspects of OTE and COSMOTE Operation</a>	Fully
	8. Undertake initiatives to promote greater environmental responsibility	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Telecommunications for the Environment</a> <a href="#">ENVIRONMENT / Managing Energy Use and Addressing Climate Change</a> <a href="#">ENVIRONMENT / Resource Use And Waste Management</a> <a href="#">ENVIRONMENT / Environmental Awareness Initiatives</a>	Fully
	9. Encourage development and diffusion of environmentally friendly technologies	<a href="#">MARKETPLACE / Responsible Products and Services</a> <a href="#">ENVIRONMENT / Telecommunications for the Environment</a> <a href="#">ENVIRONMENT / Improving Energy Efficiency and Reducing Emissions</a>	Fully
Anti-Corruption			
	10. Work against corruption in all its forms including extortion and bribery	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>	Fully
Contribute to Broader Development Goals			
		<a href="#">MARKETPLACE / Expanding Broadband And Mobile Internet in Greece</a> <a href="#">MARKETPLACE / Internet Safety and Public Awareness</a> <a href="#">MARKETPLACE / Responsible Products and Services</a> <a href="#">SOCIETY / Social Products, Services and Offers</a> <a href="#">SOCIETY / Enabling Entrepreneurship</a> <a href="#">SOCIETY / Social Contribution</a>	Fully



## 8.3

# Global Reporting Initiative G3.1 Index

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OTE and COSMOTE CR reporting is based on the requirements defined by the Global Reporting Initiative (GRI). The OTE / COSMOTE CR Report 2013 fully complies with the GRI guidelines G3.1. Conformance with GRI requirements was checked by GRI, which issued the highest application level A+ for it.

Additional indicators that have been taken into account in the CR Report 2013, but whose coverage is not compulsory for level A+, are printed in grey.



## 8.3.1 Profile

GRI	Summary Description	Status	Report Section / Notes
Strategy and Analysis			
1.1	Most Senior Decision-Maker Statement	F	<a href="#">ABOUT THIS REPORT / Message of the Chairman and CEO</a>
1.2	Key Impacts, Risks and Opportunities	F	<a href="#">ABOUT THIS REPORT / Message of the Chairman and CEO</a> <a href="#">CR STRATEGY AND MANAGEMENT / Management Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / CR Governance and Management Structure</a> <a href="#">CR STRATEGY AND MANAGEMENT / Risk and Compliance Management and Policies</a> <a href="#">CR STRATEGY AND MANAGEMENT / Enterprise Risk and Insurance Management System</a> <a href="#">CR STRATEGY AND MANAGEMENT / Materiality Analysis</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 and 2014 Goals</a> <a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Telecommunications for the Environment</a> <a href="#">ENVIRONMENT / Greenhouse Gases and Other Gas Emissions</a>

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

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## 8.3.1 Profile (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
<b>Organization Profile</b>			
2.1	Name of Organization	F	<a href="#">ABOUT THIS REPORT</a>
2.2	Brands, Products and/or Services	F	<a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a>
2.3	Operational Structure of Organization	F	<a href="#">ABOUT THIS REPORT / OTE Group</a>
2.4	Headquarters Location	F	<a href="#">ABOUT THIS REPORT</a>
2.5	Countries of Operation	F	<a href="#">ABOUT THIS REPORT / OTE Group</a>
2.6	Ownership and Legal Form	F	<a href="#">ABOUT THIS REPORT / OTE Group</a> <a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a>
2.7	Markets Served	F	<a href="#">ABOUT THIS REPORT / OTE Group</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a>
2.8	Scale of the Reporting Organization	F	<a href="#">ABOUT THIS REPORT</a> <a href="#">ABOUT THIS REPORT / OTE Group</a> <a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a>
2.9	Significant Changes in Reporting Period	F	<a href="#">ABOUT THIS REPORT / OTE Group</a>
2.10	Awards Received in Reporting Period	F	<a href="#">CR STRATEGY AND MANAGEMENT / Awards</a>

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



## 8.3.1 Profile (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Report Parameters			
3.1	Reporting Period	F	<a href="#">ABOUT THIS REPORT</a>
3.2	Date of most Recent Report	F	<a href="#">ABOUT THIS REPORT</a>
3.3	Reporting Cycle	F	<a href="#">ABOUT THIS REPORT</a>
3.4	Contact Point About the Report	F	<a href="#">ABOUT THIS REPORT</a>
3.5	Process for Defining Report Content	F	<a href="#">ABOUT THIS REPORT</a> <a href="#">CR STRATEGY AND MANAGEMENT / Management Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Materiality Analysis</a>
3.6	Boundary of the Report	F	<a href="#">ABOUT THIS REPORT</a>
3.7	Limitations on Boundary or Scope of Report	F	<a href="#">ABOUT THIS REPORT</a>
3.8	Joint Ventures, Subsidiaries and Outsourcing	F	<a href="#">ABOUT THIS REPORT</a>
3.9	Data Measurement Techniques	F	<a href="#">ABOUT THIS REPORT</a>
3.10	Effects and Reasons of Restated Information	F	<a href="#">ABOUT THIS REPORT</a>
3.11	Significant Changes in Report Scope, Boundary, Methods	F	<a href="#">ABOUT THIS REPORT</a>
3.12	GRI Content Index	F	<a href="#">INDEXES / Global Reporting Initiative G3.1 Index</a>
3.13	External Assurance Policy	F	<a href="#">INDEXES / Independent Assurance Report</a>

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

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## 8.3.1 Profile (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Governance, Commitments and Engagement			
4.1	Governance Structure	F	EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity CR STRATEGY AND MANAGEMENT / Corporate Governance
4.2	Whether BoD Chair is also CEO	F	CR STRATEGY AND MANAGEMENT / Corporate Governance
4.3	Defining Independent Board Members	F	CR STRATEGY AND MANAGEMENT / Corporate Governance
4.4	Mechanisms for Shareholders and Employees to Communicate with the Board	F	CR STRATEGY AND MANAGEMENT / Corporate Governance EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity
4.5	Linkage Between Executive Compensation and Organization Performance	F	CR STRATEGY AND MANAGEMENT / Corporate Governance EMPLOYEES / Performance Management
4.6	Board Processes to Prevent Conflicts of Interest	F	CR STRATEGY AND MANAGEMENT / Corporate Governance CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies
4.7	Procedures for Determining Board Members Expertise	F	CR STRATEGY AND MANAGEMENT / Corporate Governance <a href="https://www.ote.gr/en/web/guest/corporate/ir/corporate-governance/board-of-directors">https://www.ote.gr/en/web/guest/corporate/ir/corporate-governance/board-of-directors</a>
4.8	Internal Statements of Mission, Codes and Principles	F	CR STRATEGY AND MANAGEMENT / Management Approach CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies SOCIETY / Management Approach ENVIRONMENT / Management Approach
4.9	Board Governance of Sustainability Performance	F	CR STRATEGY AND MANAGEMENT / CR Governance and Management Structure CR STRATEGY AND MANAGEMENT / Corporate Governance
4.10	Evaluation of Board's Sustainability Performance	F	CR STRATEGY AND MANAGEMENT / Corporate Governance

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



## 8.3.1 Profile (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Governance, Commitments and Engagement			
4.11	Precautionary Approach	F	<a href="#">CR STRATEGY AND MANAGEMENT / Memberships</a>
4.12	External Charters, Codes and Principles	F	<a href="#">CR STRATEGY AND MANAGEMENT / Memberships</a> <a href="#">MARKETPLACE / Advocacy for a Responsible Marketplace</a>
4.13	Memberships in Associations and Advocacy Bodies	F	<a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement</a> <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Overview of Stakeholder Engagement Dialogue</a>
4.14	Stakeholder Groups Engaged	F	<a href="#">CR STRATEGY AND MANAGEMENT / Corporate Governance</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
4.15	Stakeholder Identification and Selection for Engagement	F	<a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement</a> <a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a>
4.16	Approaches to Stakeholder Engagement	F	<a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Overview of Stakeholder Engagement Dialogue</a>
4.17	Topics And Concerns Raised by Stakeholders	F	<a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Overview of Stakeholder Engagement Dialogue</a>

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



## 8.3.2 Economic Performance Indicators

Summary Description	Status	Report Section / Notes
Economic		
Disclosures on Management Approach		
Economic Performance	F	<a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a> <a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Business Continuity Management</a>
Market Presence	F	<a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a> <a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Business Continuity Management</a>
Indirect Economic Impacts	F	<a href="#">ABOUT THIS REPORT / OTE and COSMOTE</a> <a href="#">CR STRATEGY AND MANAGEMENT / Management Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / 2013 CR Performance</a> <a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Business Continuity Management</a>

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## 8.3.2 Economic Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
<b>Economic</b>			
<b>Disclosures on Management Approach</b>			
EC1	Direct Economic Value Generated and Distributed	F	<a href="#">ABOUT THIS REPORT /</a> <a href="#">OTE and COSMOTE</a>
EC2	Financial Implications due to Climate Change	F	<a href="#">MARKETPLACE /</a> <a href="#">Responsible Products and Services</a>  <a href="#">ENVIRONMENT /</a> <a href="#">Telecommunications for the Environment</a>  <a href="#">ENVIRONMENT /</a> <a href="#">Greenhouse Gases and other Gas Emissions</a>
EC3	Coverage of Organization's Defined Benefit Plan	F	<a href="#">EMPLOYEES /</a> <a href="#">Employee Benefits</a>  See also Provisions for Pensions, Staff Retirement Indemnities and other Employee Benefits in OTE Annual Financial Report 2013.
EC4	Government Financial Assistance	F	<a href="#">ABOUT THIS REPORT /</a> <a href="#">OTE and COSMOTE</a>
EC5	Entry Level Wage Compared to Minimum Wage	F	<a href="#">EMPLOYEES /</a> <a href="#">Non-Discrimination, Equal Opportunity and Diversity</a>
EC6	Locally Based Suppliers	F	<a href="#">MARKETPLACE /</a> <a href="#">Procurement Policy</a>
EC7	Local Hiring	F	<a href="#">EMPLOYEES /</a> <a href="#">Workforce</a>
EC8	Infrastructure Investments and Services Benefiting the Public	F	<a href="#">MARKETPLACE /</a> <a href="#">Expanding Broadband and Mobile Internet In Greece</a>  <a href="#">MARKETPLACE /</a> <a href="#">Responsible Products and Services</a>  <a href="#">SOCIETY /</a> <a href="#">Social Products, Services and Offers</a>  <a href="#">SOCIETY /</a> <a href="#">Enabling Entrepreneurship</a>  <a href="#">SOCIETY /</a> <a href="#">Social Contribution</a>  <a href="#">SOCIETY /</a> <a href="#">Contributing to Local Communities' Well-Being and Sustainability</a>  <a href="#">ENVIRONMENT /</a> <a href="#">Telecommunications for the Environment</a>  <a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a>  <a href="#">ENVIRONMENT /</a> <a href="#">Electromagnetic Fields</a>

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## 8.3.2 Economic Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Economic			
Disclosures on Management Approach			
EC9	Indirect Economic Impacts	F	<a href="#">CR STRATEGY AND MANAGEMENT /</a> <a href="#">Enterprise Risk and Insurance Management System</a> <a href="#">MARKETPLACE /</a> <a href="#">Expanding Broadband and Mobile Internet In Greece</a> <a href="#">MARKETPLACE /</a> <a href="#">Responsible Products and Services</a> <a href="#">SOCIETY /</a> <a href="#">Social Products, Services and Offers</a> <a href="#">SOCIETY /</a> <a href="#">Enabling Entrepreneurship</a> <a href="#">SOCIETY /</a> <a href="#">Social Contribution</a> <a href="#">SOCIETY /</a> <a href="#">Contributing to Local Communities' Well-Being and Sustainability</a>

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## 8.3.3 Environmental Performance Indicators

Summary Description	Status	Report Section / Notes
Environmental		
Disclosures on Management Approach		
Materials	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a>
Energy	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Improving Energy Efficiency and Reducing Emissions</a>
Water	F	<a href="#">ENVIRONMENT / Water Consumption</a>
Biodiversity	F	<a href="#">ENVIRONMENT / Biodiversity</a>
Emissions, Effluents and Waste	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Greenhouse Gases and other Gas Emissions</a> <a href="#">ENVIRONMENT / Energy Conservation</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Ozone</a> <a href="#">ENVIRONMENT / Water Consumption</a>
Products and Services	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Energy Conservation</a> <a href="#">ENVIRONMENT / Resource Use And Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a> <a href="#">ENVIRONMENT / Other Environmental Aspects of OTE and COSMOTE Operation</a>
Compliance	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>

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### 8.3.3 Environmental Performance Indicators (Cont'd)

Summary Description	Status	Report Section / Notes
Environmental		
Disclosures on Management Approach		
Transport	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Greenhouse Gases and other Gas Emissions</a> <a href="#">ENVIRONMENT / Energy Consumption</a> <a href="#">ENVIRONMENT / Energy Conservation in Transport</a>
Overall	F	<a href="#">ENVIRONMENT / Management Approach</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>

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## 8.3.3 Environmental Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Environmental			
Disclosures on Management Approach			
EN1	Volume of Materials Used	F	<a href="#">ENVIRONMENT /</a> <a href="#">Resource Use and Waste Management</a>
EN2	Recycled Materials	F	<a href="#">ENVIRONMENT /</a> <a href="#">Management of Packaging Material</a>
EN3	Direct Primary Energy Consumption	F	<a href="#">ENVIRONMENT /</a> <a href="#">Energy Consumption</a>
EN4	Indirect Primary Energy Consumption	F	<a href="#">ENVIRONMENT /</a> <a href="#">Energy Consumption</a>
EN5	Energy Conservation	F	<a href="#">ENVIRONMENT /</a> <a href="#">Energy Conservation</a>
EN6	Initiatives for Energy Efficiency and Renewables	F	<a href="#">ENVIRONMENT /</a> <a href="#">Telecommunications for the Environment</a> <a href="#">ENVIRONMENT /</a> <a href="#">Energy Consumption</a> <a href="#">ENVIRONMENT /</a> <a href="#">Energy Conservation</a>
EN7	Initiatives for Reducing Indirect Energy Consumption	F	<a href="#">ENVIRONMENT /</a> <a href="#">Other Indirect GHG Emissions</a> <a href="#">ENVIRONMENT /</a> <a href="#">Energy Conservation in Transport</a> <a href="#">ENVIRONMENT /</a> <a href="#">Paper Waste Management</a>
EN8	Total Water Withdrawal	F	<a href="#">ENVIRONMENT /</a> <a href="#">Water Consumption</a>
EN9	Effect of Water Withdrawal	F	<a href="#">ENVIRONMENT /</a> <a href="#">Water Consumption</a>
EN10	Water Recycled and Reused	F	<a href="#">ENVIRONMENT /</a> <a href="#">Water Consumption</a>
EN11	Land Assets in or Adjacent to Protected Areas	F	<a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a>
EN12	Impacts on Biodiversity	F	<a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a> <a href="#">ENVIRONMENT /</a> <a href="#">Following by Design the Precautionary Principle</a> <a href="#">ENVIRONMENT /</a> <a href="#">Monitoring the Levels of EMF Radiation</a>
EN13	Habitats Protected or Restored	F	<a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a>

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### 8.3.3 Environmental Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Environmental			
Disclosures on Management Approach			
EN14	Strategy for Biodiversity	F	<a href="#">ENVIRONMENT / Biodiversity</a>
EN15	Endangered Species	F	<a href="#">ENVIRONMENT / Biodiversity</a>
EN16	Greenhouse Gas Emissions	F	<a href="#">ENVIRONMENT / Direct GHG and Non-GHG Emissions</a> <a href="#">ENVIRONMENT / Indirect GHG Emissions</a>
EN17	Other Greenhouse Gas Emissions	F	<a href="#">ENVIRONMENT / Other Indirect GHG Emissions</a>
EN18	Initiatives to Reduce Greenhouse Gas Emissions	F	<a href="#">ENVIRONMENT / Energy Conservation</a>
EN19	Emissions of Ozone-Depleting Substances	F	<a href="#">ENVIRONMENT / Ozone</a>
EN20	Nox Sox and other Air Emissions	F	<a href="#">ENVIRONMENT / Direct GHG and Non-GHG Emissions</a>
EN21	Water Discharge	F	<a href="#">ENVIRONMENT / Water Consumption</a>
EN22	Waste by Type and Disposal Method	F	<a href="#">ENVIRONMENT / Resource Use and Waste Management</a>
EN23	Significant Spills	F	<a href="#">ENVIRONMENT / Hazardous Waste Management</a> <a href="#">ENVIRONMENT / Water Consumption</a>
EN24	Waste Deemed Hazardous Under Basel Convention	F	<a href="#">ENVIRONMENT / Hazardous Waste Management</a>
EN25	Impacts of Discharge and Runoff on Biodiversity	F	<a href="#">ENVIRONMENT / Water Consumption</a>

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### 8.3.3 Environmental Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Environmental			
Disclosures on Management Approach			
EN26	Initiatives to Mitigate Environmental Impacts	F	<a href="#">ENVIRONMENT / Energy Consumption</a> <a href="#">ENVIRONMENT / Energy Conservation</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a> <a href="#">ENVIRONMENT / Ozone</a> <a href="#">ENVIRONMENT / Water Consumption</a> <a href="#">ENVIRONMENT / Biodiversity</a> <a href="#">ENVIRONMENT / Noise</a> <a href="#">ENVIRONMENT / Visual impact</a>
EN27	Packaging Materials	F	<a href="#">ENVIRONMENT / Management of Packaging Material</a>
EN28	Non-Compliance with Environmental Regulations	F	<a href="#">ENVIRONMENT / Key Achievements in 2013</a>
EN29	Environmental Impacts of Transport	F	<a href="#">ENVIRONMENT / Direct GHG and Non-GHG Emissions</a> <a href="#">ENVIRONMENT / Other Indirect GHG Emissions</a> <a href="#">ENVIRONMENT / Energy Consumption</a> <a href="#">ENVIRONMENT / Energy Conservation in Transport</a>
EN30	Environmental Protection Expenditures	F	<a href="#">ENVIRONMENT / Key Achievements in 2013</a> <a href="#">ENVIRONMENT / Following by Design the Precautionary Principle</a>

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## 8.3.4 Social Performance Indicators

Summary Description	Status	Report Section / Notes
Social: Labour Practices		
Disclosures on Management Approach		
Employment	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Workforce</a> <a href="#">EMPLOYEES / Employee Benefits</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
Labour/Management Relations	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
Occupational Health and Safety	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Health and Safety Policy</a> <a href="#">EMPLOYEES / Health and Safety Performance in 2013</a> <a href="#">EMPLOYEES / Health and Safety Prevention and Awareness</a>
Training and Education	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Performance Development</a>
Diversity and Equal Opportunity	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Workforce</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
Equal Remuneration for Men and Women	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>

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## 8.3.4

### Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Labour Practices			
Disclosures on Management Approach			
LA1	Workforce by Employment Type, Region, Gender	F	<a href="#">EMPLOYEES / Workforce</a>
LA2	Employee Turnover	F	<a href="#">EMPLOYEES / Workforce</a>
LA3	Benefits for Full Time Employees	F	<a href="#">EMPLOYEES / Employee Benefits</a>
LA4	Coverage of Collective Bargaining Agreements	F	<a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
LA5	Minimum Notice Periods on Operational Changes	F	<a href="#">EMPLOYEES / Fair Employment Policy Framework</a>
LA6	Workforce Represented in Joint H&S Committees	F	<a href="#">EMPLOYEES / Health and Safety Policy</a>
LA7	Occupational Diseases, Lost Days and Fatalities	F	<a href="#">EMPLOYEES / Health and Safety Performance in 2013</a>
LA8	Training on Serious Diseases	F	<a href="#">EMPLOYEES / Health and Safety Prevention and Awareness</a>
LA9	Trade Union Agreements on Health and Safety	F	<a href="#">EMPLOYEES / Health and Safety Policy</a>
LA10	Training per Employee by Gender and Category	F	<a href="#">EMPLOYEES / Performance Development</a>
LA11	Programs for Lifelong Learning	P	<a href="#">EMPLOYEES / Performance Development</a> See also Provisions for Pensions, Staff Retirement Indemnities and other Employee Benefits in OTE Annual Financial Report 2013
LA12	Performance and Development Reviews by Gender	F	<a href="#">EMPLOYEES / Performance Development</a>
LA13	Governance Bodies by Diversity Criteria	F	<a href="#">EMPLOYEES / Workforce</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a> Minority groups are not considered a material issue for OTE and COSMOTE operations in Greece.
LA14	Basic Remuneration Ratio by Gender	F	<a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
LA15	Parental Leave Return and Retention Rates by Gender	F	<a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

Summary Description	Status	Report Section / Notes
Social: Human Rights		
Disclosures on Management Approach		
Investment and Procurement Practices	F	<a href="#">MARKETPLACE / Responsible Procurement and Supply Chain Management</a> <a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a>
Non-Discrimination	F	<a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
Freedom of Association and Collective Bargaining	F	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
Child Labour	F	<a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
Prevention of Forced and Compulsory Labour	F	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Management Approach</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
Security Practices	F	<a href="#">MARKETPLACE / Data Security and Privacy</a>
Indigenous Rights	Not	Not relevant

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## 8.3.4 Social Performance Indicators (Cont'd)

Summary Description	Status	Report Section / Notes
Social: Human Rights		
Disclosures on Management Approach		
Assessment	F	<a href="#">CR STRATEGY AND MANAGEMENT /</a> <a href="#">Compliance Management System and Policies</a>  <a href="#">EMPLOYEES /</a> <a href="#">Fair Employment Policy Framework</a>  <a href="#">MARKETPLACE /</a> <a href="#">Supplier Evaluation</a>
Remediation	F	<a href="#">EMPLOYEES /</a> <a href="#">Fair Employment Policy Framework</a>  <a href="#">MARKETPLACE /</a> <a href="#">Supplier Evaluation</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Human Rights			
Disclosures on Management Approach			
HR1	Investment Agreements and Human Rights Screening	F	<a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a> The P.D. 178/2002 on employees' right protection is taken into consideration in significant investment agreements.
HR2	Supplier Screening on Human Rights	F	<a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a>
HR3	Employee Training on Human Rights	F	<a href="#">EMPLOYEES / Internal Communications</a>
HR4	Incidents of Discrimination	F	<a href="#">EMPLOYEES / Non-Discrimination, Equal Opportunity and Diversity</a>
HR5	Freedom of Association and Collective Bargaining	F	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
HR6	Child Labour in Operations and Supply Chain	F	<a href="#">MARKETPLACE / Procurement Policy</a> <a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
HR7	Forced Labour in Operations and Supply Chain	F	<a href="#">MARKETPLACE / Supplier Evaluation</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">EMPLOYEES / Freedom of Association and Collective Agreements</a>
HR8	Human Rights Training of Security Personnel	F	<a href="#">MARKETPLACE / Data Security and Privacy</a> No training addressing specifically human right issues took place in 2013
HR9	Human Rights of Indigenous People	Not	Not relevant

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## 8.3.4 Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Human Rights			
Disclosures on Management Approach			
HR10	Human Rights Reviews or Risk Assessments	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a> <a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">MARKETPLACE / Supplier Evaluation</a>
HR11	Grievances Filed on Human Rights Issues	F	<a href="#">EMPLOYEES / Fair Employment Policy Framework</a> <a href="#">MARKETPLACE / Supplier Evaluation</a>

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## 8.3.4

### Social Performance Indicators (Cont'd)

Summary Description	Status	Report Section / Notes
Social: Society		
Disclosures on Management Approach		
Local Communities	F	<a href="#">SOCIETY / Management Approach</a> <a href="#">SOCIETY / Contributing to Local Communities' Well-Being and Sustainability</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
Corruption	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
Public Policy	F	<a href="#">CR STRATEGY AND MANAGEMENT / Management Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a> <a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Advocacy for a Responsible Marketplace</a>
Anti-Competitive Behaviour	F	<a href="#">MARKETPLACE / Competition and Regulation</a> <a href="#">MARKETPLACE / Advocacy for a Responsible Marketplace</a>
Compliance	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Society			
Disclosures on Management Approach			
S01	Local Communities Engagement and Impact Programs	F	<a href="#">CR STRATEGY AND MANAGEMENT / Stakeholder Engagement Approach</a> <a href="#">CR STRATEGY AND MANAGEMENT / Overview of Stakeholder Engagement Dialogue</a> <a href="#">EMPLOYEES / Health and Safety Policy</a> <a href="#">SOCIETY / Management Approach</a> <a href="#">SOCIETY / Contributing to Local Communities' Well-Being and Sustainability</a> <a href="#">ENVIRONMENT / Biodiversity</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
S02	Coverage of Corruption Risk Assessments	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
S03	% Of Employees Receiving Anti-Corruption Training	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
S04	Incidents of Corruption and Actions Taken	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
S05	Public Policy and Lobbying Positions	F	<a href="#">MARKETPLACE / Advocacy for a Responsible Marketplace</a>
S06	Political Donations and Contributions	F	<a href="#">CR STRATEGY AND MANAGEMENT / Compliance Management System and Policies</a>
S07	Legal Actions for Anti-Competitive Conduct	F	<a href="#">MARKETPLACE / Competition and Regulation</a>
S08	Fines and Sanctions for Regulatory Non-Compliance	F	<a href="#">MARKETPLACE / Competition and Regulation</a> <a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">MARKETPLACE / Data Security and Privacy</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Society			
Disclosures on Management Approach			
S09	Negative Impacts on Local Communities	F	<a href="#">SOCIETY /</a> <a href="#">Contributing to Local Communities' Well-Being and Sustainability</a> <a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a> <a href="#">ENVIRONMENT /</a> <a href="#">Electromagnetic Fields</a>
S010	Prevention and Mitigation of Negative Impacts	F	<a href="#">SOCIETY /</a> <a href="#">Contributing to Local Communities' Well-Being and Sustainability</a> <a href="#">ENVIRONMENT /</a> <a href="#">Biodiversity</a> <a href="#">ENVIRONMENT /</a> <a href="#">Electromagnetic Fields</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

Summary Description	Status	Report Section / Notes
Social: Product Responsibility		
Disclosures on Management Approach		
Customer Health and Safety	F	<a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
Product and Service Labelling	F	<a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
Marketing Communications	F	<a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a>
Customer Privacy	F	<a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Data Security and Privacy</a>
Compliance	F	<a href="#">MARKETPLACE / Management Approach</a> <a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">MARKETPLACE / Data Security and Privacy</a>

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## 8.3.4 Social Performance Indicators (Cont'd)

GRI	Summary Description	Status	Report Section / Notes
Social: Product Responsibility			
Disclosures on Management Approach			
PR1	Health and Safety Impacts in Products Life Cycles	F	<a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
PR2	Non-Compliance with H&S Regulations for Products	F	<a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">ENVIRONMENT / Resource Use and Waste Management</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
PR3	Product Information	F	<a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">ENVIRONMENT / Electromagnetic Fields</a>
PR4	Non-Compliance with Product Information Standards	F	<a href="#">MARKETPLACE / Equipment Safety Labelling</a>
PR5	Customer Satisfaction	F	<a href="#">MARKETPLACE / Complaints Management</a> <a href="#">MARKETPLACE / Customer Surveys</a>
PR6	Marketing Standards	F	<a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a>
PR7	Non-Compliance with Marketing Standards	F	<a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a>
PR8	Complaints Regarding Customer Data Security	F	<a href="#">MARKETPLACE / Data Security and Privacy</a>
PR9	Fines for Non-Compliance with Product Regulations	F	<a href="#">MARKETPLACE / Responsible Marketing Practices</a> <a href="#">MARKETPLACE / Equipment Safety Labelling</a> <a href="#">MARKETPLACE / Data Security and Privacy</a>

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





## Statement GRI Application Level Check

GRI hereby states that **OTE & COSMOTE** has presented its report “OTE and COSMOTE Corporate Responsibility Report 2013” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

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](http://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, 7 May 2014

Ásthildur Hjaltadóttir  
Director Services  
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](http://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 2 May 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



# 8.4

## Independent Assurance Report 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 2013 common Corporate Responsibility Report ('CR Report') for the year ended 31 December 2013.

### Scope of our work and the assurance standards we used

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

1. **Provide Type 2 moderate (limited) assurance in accordance with the AA1000 Assurance Standard 2008 ('AA1000AS'):**
  - Inclusivity – how they identified and engaged with stakeholders to gain a full understanding of issues;
  - Materiality – how they assessed the relative importance of each issue; and
  - Responsiveness – how they responded to stakeholder issues and how this is reflected in the common CR Report.
2. **Provide limited assurance on the following selected key performance data**
  - Number of complaints received from customers (fixed and mobile), **Complaints Management**
  - Percentage of complaints received from customers, that were resolved within 2 days, **Complaints Management**
  - Loyalty index (TRIM ), **Customer Surveys**
  - Suppliers evaluated on the basis of sustainability criteria (% of the procurement volume), **Supplier Evaluation**
  - Number of students supported in the framework of OTE- COSMOTE Scholarship Program and total value of the financial support (€), **Supporting Young People**
  - CR expenditure for 2013, **Social Contribution**
  - Number of corporate employee volunteering activities, **Employee Volunteering**
  - Number of employees (FTE 31/12), **Workforce**



- Work-related non-fatal accidents (number of employees and lost days), **Health and Safety Performance in 2013**
- Work-related fatal accidents (number of employees), **Health and Safety Performance in 2013**
- Percentage of male and female employees, **Workforce**
- Percentage of the employees covered by collective bargaining agreements (%), **Freedom of Association and Collective Agreements**
- Average number of training hours per employee and total number of the employees participated in training, **Employee Training**
- Average number of training hours per employee for health and safety issues, **Health and Safety Prevention and Awareness**
- Number of complaints regarding discrimination, that required corrective actions, **Non Discrimination, Equal Opportunity and Diversity**
- Employee turnover (departures) as a percentage of the total number of employees, **Workforce**
- Electricity consumption (GWH), **Energy Consumption**
- Fuel consumption in buildings and installations (GWH), **Energy Consumption**
- Fuel consumption for vehicles fleet (GWH), **Energy Consumption**
- Direct (scope 1) GHG emissions (t CO<sub>2</sub> eq), **Direct GHG and Non-GHG Emissions**
- Indirect (scope 2) GHG emissions (t CO<sub>2</sub> eq), **Indirect GHG Emissions**
- Hazardous waste (lead batteries and lubricant oils) (t), **Lead Batteries & Lubricant Oils**
- Recycling of non-hazardous technical waste from telecom operations (metals & cables and electrical & electronic equipment) (t), **Metals and Cables & Waste Electrical and Electronic Equipment**
- Recycling of phone devices (mobile & fixed) and accessories (t), **Phones and Accessories**
- Number of measurements on EMF conducted by specialized scientific personnel of COSMOTE and independent institutions, **Monitoring the levels of EMF radiation**

Our scope of work was limited to OTE's and COSMOTE's activities in Greece. We carried out a Type 2 moderate (i.e. limited) assurance in accordance with AA1000AS. A Type 2 engagement requires us to report on the nature and extent of adherence to AA1000 APS. To achieve moderate-level assurance we have used the criteria in AA1000AS to evaluate adherence to AA1000APS in combination with our robust evidence-based and quality-assured approach to professional and independent assurance.

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

## Our key assurance procedures

To form our conclusions, we undertook the following procedures:

- Analysed and tested on a sample basis the processes related to stakeholder identification and engagement, including review of a sample of engagements and the outcomes of engagement;
- Reviewed the process that OTE and COSMOTE used to identify and determine material issues to be included within the common CR Report. This included a review of external media coverage and peer reporting on CR in 2013 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 2013 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 CR Report's assertions regarding CR performance in 2013; 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 "[Stakeholder Engagement](#)". The team, who collect and organize the CR report data, is also responsible for the preparation of the common CR Report and for the information and statements contained therein. 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 2013:

- Proceeded with certifying the Environmental Management System of OTE.
- Participated in a workshop, organized by an independent organization, where various stakeholders coming from different groups discussed various CR issues with a Companies' representative in a structured and balanced manner and rated these material issues using suitable CR criteria.
- Developed a fully operational IT system for collecting environmental data.



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 are engaged in a process of dialogue with the 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 the stakeholders.

**Materiality:**

- OTE and COSMOTE have established a materiality determination process, which is applied across the organization on an ongoing basis. Validating the results of the materiality determination process with the key process owners would assist in developing a more comprehensive understanding of the stakeholders' CR issues.

**Responsiveness:**

- The 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 the methods described in the "[Accountability Principles Standard AA1000 Index](#)", that adhere with the principles of inclusivity, materiality and responsiveness as set out in the AA1000 Accountability Principles Standard 2008 ('AA1000APS'); and
2. Based on the assurance work we performed, nothing has come to our attention that causes us to believe that the specific CR performance indicators defined above, 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, 27 May 2014  
Deloitte Hadjipavlou Sofianos & Cambanis S.A.  
Assurance & Advisory Services  
Paris Efthymiades  
Partner

**Deloitte.**





