



GROUP OF COMPANIES



Augmented and virtual reality  
at OTE Group Telecommunications Museum

# Sustainability Report 2018

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The background consists of several overlapping, semi-transparent shapes in various shades of blue and green. A large, light blue shape dominates the right side, while a darker blue shape is on the left. A green shape is visible at the top, and a dark blue shape is at the bottom. The overall effect is a modern, abstract design.

# About this Report

## Message from the Chairman and CEO



We live in volatile times, surrounded by change and challenges. Digital technologies broaden human capabilities, at a pace that could not have been imagined before. Artificial Intelligence, robotics, nanoscience, the Internet of Things, are now part of our day-to-day regimen. Limitless knowledge and data are at our disposal at the touch of a screen.

The future will be thrilling- but this technological revolution also brings about a number of challenges to our doorstep.

As a global community, we are called to manage pressing changes in the geopolitical, economic, and technological balances, and the disruptions they cause, such as humanitarian crises, the digital divide and climate change.

Especially in relation to current environmental issues, our planet is in jeopardy. Climate change and marine pollution from plastic waste originate from human activity. No country, no company or citizen, regardless of their power, is sheltered from the global environmental crisis. New generations are more exposed to this threat as they will be severely affected by the impact of pollution and climate change.

If we wish to bequeath to our children a world better for everyone, we must all take action. We must devise ways to meet our needs without jeopardising the future of coming generations. This is what sustainable development is all about.

Sustainability is key to OTE Group's business strategy. It guides the way we run our operations, from the products we develop for our customers to our transparency in dealing with our stakeholders, from optimizing our financial performance to our contribution to society and our initiatives to protect the environment.

Acting responsibly, in 2018 OTE Group enhanced its positive contribution to the economy, society and the environment, across all markets of operation.

We maintained a strong performance despite pressure from the environment and our competition. Our sound financials allowed us to continue investing in next-generation networks. With Fiber to the Home and 5G as key priorities, we are building the path towards a new digital society while upgrading Greece's technological infrastructure.

We developed new services and advanced digital tools that make our customers' lives easier and help businesses grow. Through learning initiatives focused on STEM and educational robotics and others aimed at reducing digital illiteracy among senior citizens, we are contributing towards providing people of all ages with access to the benefits of digital technology.

We have intensified our contribution to society, supporting vulnerable groups, notably children, through educational initiatives, assistance to local associations, promotion of entrepreneurship, culture and sports.

Our people are the driving force behind our strategy. With passion, commitment, and professionalism, everyone at OTE Group supports our vision for a better world. In 2018, we devised educational programs and developed new working models promoting flexibility, digital skills and creativity, providing a modern, enjoyable work environment.

At the same time, we pursued our strategic environment efforts, aimed at improving energy efficiency, reducing direct and indirect greenhouse gas emissions, and recycling waste caused by the Group's activities.

Sustainable growth remains at the core of OTE Group's strategy. In 2019, creating equal opportunities for access to the new digital age and protecting the environment are higher than ever on our agenda.

When it comes to the environment, for the first time we aim at radically reducing single-use plastics in our facilities and stores. We want all our employees to become ambassadors for a new lifestyle with less plastic.

Facing the opportunities as well as the challenges of the new digital reality, we all have a voice and a standpoint. It is our responsibility -as states, businesses, as citizens- to take action and through technology to make this world a better place, for today and for the future generations.

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

## Report Profile

The 2018 OTE Group Sustainability Report refers to the Group's companies activities.

### Report Scope and Boundary

This Sustainability Report covers the period from 1st January to 31st December, 2018 (unless otherwise stated) and is addressed to all OTE Group stakeholder groups.

This is the second OTE Group Sustainability Report, which presents consolidated data for the Group. Information has been collected from the following companies that contribute around 99% of OTE Group revenues:

- OTE, COSMOTE, GERMANOS, OTE Globe, OTEAcademy and COSMOTE e-Value (all with headquarters in Greece),
- Telekom Romania Communications and Telekom Romania Mobile Communications (with headquarters in Romania),

On 16th January 2019, OTE announced the signing of an agreement to sell its entire stake in Telekom Albania. On 8th of May, OTE announced the completion of the sale. As a result, its operations for the year 2018, have been treated as discontinued operations in the Annual Financial Report 2018 and the OTE Group Sustainability Report 2018.

### 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 Standards
- The AccountAbility AA1000 Principles on Inclusivity, Materiality, Responsiveness and Impact
- The United Nation's Global Compact Principles
- The criteria of the Greek Sustainability Code

The index tables for each of these standards are provided in the [Appendix](#).

In addition, the companies took into account:

- The vision and the Group's strategy
- The outcomes of the stakeholders dialogue
- The most significant Sustainability issues that resulted from the Materiality Analysis
- The stakeholders' feedback for the 2017 Sustainability Report for OTE Group companies.

The Sustainability Report is subject to external assurance, covering the Principles of Standard AA1000 and specific performance indicators of OTE Group companies (see [Independent Assurance Report](#)).

### Report Data

The data in the Report derive from the OTE Group's reporting systems and indicatively include: aggregated financial and personnel data, aggregated data on customer service and summary data on regulatory actions. They also include environmental data that are calculated according to internationally accepted methods, based on information provided by the Operational Divisions of the companies. The collection and presentation of the data were undergone by following the definitions and parameters of the GRI guidelines, as well as internal guidelines. Further information on measurement techniques and methods for the assessment of data is included in the Report.

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

### Compilation in Accordance with GRI Guidelines

The 2018 Sustainability Report has been written in accordance with the core option of GRI Standards. Full information on the fulfillment of GRI Standards requirements is provided in the [Global Reporting Initiative Content Index](#).

## Report Feedback

The Report is published exclusively on-line, in electronic form. Any opinion and comments regarding the Sustainability Report are welcome. Please send your feedback to the e-mail address: [otegroup.cr@ote.gr](mailto:otegroup.cr@ote.gr).

# 1

OTE Group



## 1.1 Group Presentation

OTE Group is the largest technology company in Greece. It offers the full range of telecommunications services, from fixed-line and mobile telephony, broadband services, to pay television and integrated ICT solutions.

In addition to its core telecommunications activities, the Group in Greece is also involved in maritime communications, real-estate and professional training. COSMOTE is the unified commercial brand for all the products and services of the Group and its key message is "a better world, for all".

In Romania, the Group operates in the telecommunications market, where it offers fixed-line and mobile communications, as well as television services.

### Greece

OTE S.A. is the parent company of the OTE Group and the main fixed telephony operator in Greece. It offers broadband, ICT services, fixed-line telephony, television, data and leased lines.

COSMOTE S.A., a subsidiary of OTE, is the leading mobile service provider in Greece.

OTE Group also established COSMOTE as the single commercial brand for all fixed, mobile, internet and television products in the Greek market, so that all customers can enjoy an integrated communication and entertainment world with ease, speed and simplicity.

The Group's branch network in Greece comprises of 299 GERMANOS and 133 COSMOTE stores. Details of all the products and services of the Group are available on the [COSMOTE website](#).

OTEGLOBE operates as a provider of international wholesale telecommunications services. It offers a complete portfolio of services for transfer, voice, mobile and corporate services to other international providers and multinationals.

OTE ESTATE is active in the management and commercialization of the OTE Group real estate.

OTEACADEMY provides innovative educational services, contributing to the development of human resources.

OTESAT MARITEL is a leader in the provision of satellite telecommunications services to the Greek shipping industry and one of the faster growing providers of these services to the global shipping market.

### Romania

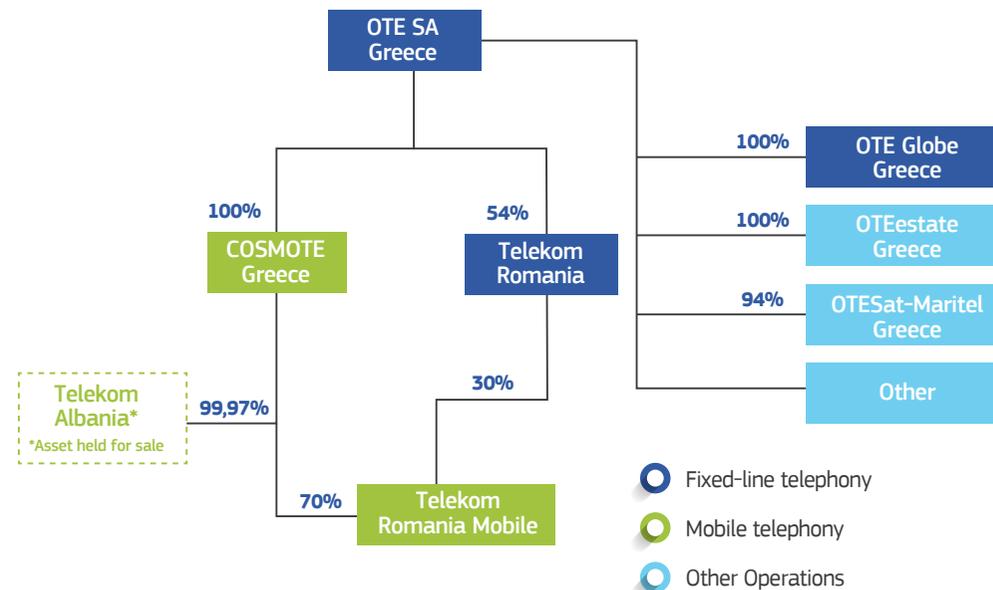
Telekom Romania is a dynamic brand that provides a complete and innovative array of fixed and mobile telecommunication services, specifically customized for a large community base of customers. It has been active in the Romanian market since 2014, after the joint rebranding of Romtelecom and COSMOTE Romania.

Approximately 10 million consolidated services in fixed and mobile telephony are provided to its customers.

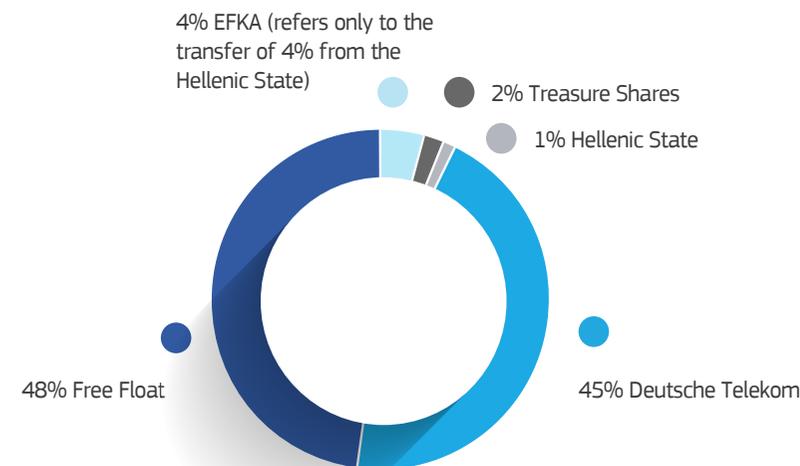
Telekom Romania's innovative solutions open a wide world of opportunities enabling its customers to share their best experiences. Its mission is to enrich people's lives by providing them with fixed and mobile integrated services, state-of-the-art 4G technologies and fiber optic connections. A new entertainment experience has been introduced to the services' users, allowing access to exclusive and quality content and advanced interactive features on all devices.

Telekom Romania is a trusted partner for companies, providing them with complete communication and ICT solutions. Its network connects people and devices in order to ensure a better, safer and simpler future.

Telekom Romania is a brand associated with Deutsche Telekom, one of the world's leading integrated telecommunications companies.



## OTE Group Ownership 31.12.2018



## 1.2 Sustainability Business Model

OTE Group uses technology and its capabilities to create a better world for all. At the same time, it enhances its sustainable entrepreneurship, while, contributing to the economy, the society and the environment.

Sustainability is an integral component of OTE Group's business strategy and its Sustainability Principles are integrated into its operation.

### Responsible Business

OTE Group operates responsibly throughout its value chain, aiming to stand as an example. In this framework, it applies and develops procedures, policies, tools, systems and mechanisms to manage issues regarding risks and compliance, human rights, business continuity, security and data privacy, as well as responsible procurement and supply chain.

### Employees

OTE Group provides a sustainable, efficient and technologically smarter workplace, which cultivates a growth mindset for its people, recognizes high performance and gives them equal opportunities to grow. At the same time, OTE Group invests in digital learning tools and focuses on digital skills development, while supporting cross functional collaboration and communication. OTE Group's goal is to be the employer of choice for this new digital era, both for its existing employees as well as for young talents.

### Customers

The Group is the largest telecommunications provider in the Greek market. It connects people, in a world of unlimited digital possibilities, aiming to increase everyone's quality of life. In this context, it develops innovative products and services, which contribute to sustainable development, with environmental and social benefits for all.

### Society

OTE Group contributes to the development of digital skills of people of all ages, providing equal access to new technologies for all. It conducts various social contribution and corporate volunteering initiatives, aiming to support vulnerable social groups, children, education, local communities, entrepreneurship, culture and sports.

### Climate and Environment

The Group aims for financial growth in accordance with environmental responsibility in all aspects of its activities. Its environmental strategy focuses on addressing climate change and the continuous integration of the circular economy principles into its activities. The Group sets targets on the development and provision of products and services, on minimizing the environmental impact of its activities, on allowing the enhancement of productivity and protection of the environment in other sectors of the economy, and on informing and raising awareness for its stakeholders.

### Business model

OTE Group's business model aims to create value for its shareholders, its customers, the society, its employees and the environment.

To this end, the Group continuously improves its products and services, offers new job opportunities, cooperates with a large number of suppliers, pays taxes to the state and contributes (financially and in kind) to society. In addition, it provides equal opportunities, facilitates access of vulnerable social groups to the digital world and takes measures to reduce its environmental footprint. At the same time, its products and services help customers reduce their environmental impact.

The Group's efficient operation and high competitiveness level lead to positive economic results which allows the Group to reinvest in the business and to create more value for all its stakeholders in the short, medium and long-term.

### OTE Group Sustainability Policy

The Groups' Sustainability Policy, determines the sustainability strategy and action plan of OTE and its subsidiaries, taking into account the existing social and economic conditions, as well as the cultural priorities and challenges.

The Policy identifies responsibilities, tasks and forms of cooperation between OTE's business units and its subsidiaries, regarding sustainability issues.

### OTE Group Code of Human Rights and Social Principles

The Code of Human Rights and Social Principles of the OTE Group defines the behavioral rules in relation to human and social rights that all Group employees, investors and suppliers must abide by adhere to. It sets the rules on matters such as the respect of diversity in the workforce, the right to freedom of association and collective bargaining, the prohibition of all kinds of forced labor as well as health in the workforce.

### Contribution to the United Nations' Sustainable Development Goals

OTE Group companies participate in the UN Global Compact, a United Nations' initiative on sustainable development.

In September 2015, United Nations adopted the 17 Sustainable Development Goals (SDGs). OTE Group has analyzed its impact in accordance with the SDGs throughout its value chain and has identified 7 SDGs that it mostly contributes to. These priority SDGs were linked to the Group's sustainability strategic pillars and actions.

### SDGs with Significant Contribution by OTE Group



**Sunstailability Business Model**

**OTE Group Governance**

€ 2,574.7 mil. total equity

€ 713.9 mil. adjusted net debt

18,630 employees\*

12,144 employees trained\*

€ 6,699.9 mil. total assets

€ 706.4 mil. adjusted CAPEX

€ 800,000 own capital in research projects\*

693 GWh electricity consumption\*

75 GWh vehicle fleet consumption\*

€ 4 mil. social contribution\*

7,233 employees' participations in corporate responsibility initiatives\*

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

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

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

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

**Natural Capital**  
Use of natural resources including energy, for operations

**Social Capital**  
In dialogue with the stakeholders, support of society

**Vision**

**A better world for all.**  
We contribute to the economy, the society and the environment

**Strategy Pillars**



**Sustainability**



**Guiding Principles**

1. Customer delight and simplicity drive our action
2. Respect and integrity guide our behavior
3. Team together - Team apart
4. Best place to perform and grow
5. I am a member of OTE Group - You can count on me

**Financial Capital**  
Dividend paid, taxes, EBITDA

**Human Capital**  
High employees; skills engagement and satisfaction levels

**Productive Capital**  
Products and services of high- quality fixed and mobile telephony, broadband and paid TV service

**Intellectual Capital**  
Development and marketing of innovative products and services

**Natural Capital**  
Reduction of GHG emissions, increased energy efficiency waste management

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

€ 178.4 mil. income tax paid

€ 171.1 mil. dividends paid

€ 563.7 mil. employee wages and benefits

€ 3,798.7 mil. total revenues

2,500,000 active users monthly of OTE Group apps\*

351,938 t CO<sub>2</sub>eq direct & indirect GHG emissions from energy consumption\*

17.1 t telephone devices and accessories recycled\*

201 social initiatives

1,4 mil. beneficiaries of the OTE Group programs\*



\* Values covering OTE, COSMOTE, GERMANOS, OTE Globe, OTEAcademy, COSMOTE e-value, Telekom Romania Communications and Telekom Romania Mobile Communications.

## Digital Transformation

OTE Group aspires to be the leading provider of digital services in the countries it operates in and at the same time, to become a model company on a European level for the transition to the new digital era.

To achieve this goal, OTE Group, through its Digital Transformation program, invests in enhancing the digital experience of its Customers, Employees and Suppliers-Partners, who are now able to perform tasks in a simpler, faster and more efficient manner, by utilizing modern digital capabilities.

### Customers

The digital experience of customers at the center:

- “Everything we do for our customers, they should be able to do for themselves via our digital touchpoints”
- Each customer has a **Mobile app and Digital ID** to access and manage all his/her accounts and services with OTE Group
- Offer of **unique experience** through digital and physical touchpoints (omnichannel)
- **Personalized content**, tailored to the needs and wishes of customers
- Provision of **digital products and services** that change the form of communication, entertainment and work

### Employees

Simplification and improvement of internal operations, the way it works, development of digital skills and encouragement of creativity and innovation:

- Digital tools accessible from any device, anywhere to facilitate work and collaboration online
- Simplification, unification and automation of processes and functions
- Creation of unified workflows without 'digital gaps' to reduce paper and bureaucracy at work
- Digital skills and culture, growth and innovation mindset

### Partners / Suppliers

Simplification of transactions with partners and suppliers to save time and cost:

- Simplification of procedures and reduction of transaction time
- Exchange of digital documents and receipts to save time and cost
- Development of digital communication channels and transactions with existing and future partners

### Greece: Significant Data 2018

- **COSMOTE One App and What's up App** sales and service functionality has been enhanced and extended to all Fixed, Mobile, FMC and TV services.
- **>2,300,000** active monthly Group mobile app users, ~65% of the smartphone customers (from 1,500K active users in 2017).
- New **electronic Bill** digital and omni-channel experience launched with interactive capabilities and a user-friendly interface.
- **~1,800,000** customers are receiving their bills electronically (from 1,500K in 2017), thus saving 39 million printed paper sheets and reducing post office use.
- **>12% uptake of electronic payments** for the Group's fixed, mobile and TV services taking place through the Group's digital touch points.
- **14 million** printed paper sheets were saved due to paperless order capture at shops.
- **~ 5,000 employees, in a period of 2 months**, have downloaded the new mynet.go mobile app, while over 900 employees use it on a daily basis. The app enables unified access to a variety of corporate systems through a simple mobile interface. Employees can access information and complete tasks “on-the-go” simply and quickly through their mobile phone.
- **>60% of network alarms** handled by an autonomous network operations system - digitalization and automation of network operations through AI and predictive maintenance.

### Romania: Significant Data 2018

- 100% increase in Telekom Mobile apps users, with namely >200,000 users per calendar month
- 15% of the smartphone customers manage their accounts through Telekom Mobile apps
- 3 in 60 sales were carried out through electronic orders and the e-channel

### 1.3 Performance and Targets

Transparent performance information enables OTE Group to communicate successes and future expectations to investors and foster strategic decisions regarding expansion and efficient operation management.

#### 2018 Financial Performance

##### Why it matters...

The financial performance of OTE Group is a key priority for management and its shareholders. The Group provides information on the economic value generated by its operation, and the value distributed so that the direct value added to the community and stakeholders is better understood.

The total number of OTE Group employees as of the 31st December 2018 is 19,343. In 2018, OTE Group's consolidated revenues totaled to € 3,798.7 million, while its market capitalization stood at € 4.7 billion at the end of 2018.

On a country basis, total revenues in Greece increased by 1.5% to € 2,887.6 million, due to the solid performance in both fixed broadband, which benefited from the impressive uptake of fiber services, as well as from mobile operations. In 2018, mobile service revenues in Greece were down 1.6% reflecting the adoption of IFRS 15. Excluding this factor, mobile service revenues posted an increase of 1.3%. Mobile service revenue growth was driven, for a second consecutive year, by the increase in data services, and visitors' roaming. Revenues from wholesale business were also up in Greece, mainly reflecting higher international transit.

In Romania, total revenues reached € 933.2 million in 2018, exhibiting a decrease of 4.0% compared to 2017, reflecting the continuing pressure from retail fixed services. Revenues from mobile in

Romania remained relatively flat compared to the previous year.

In 2018, the Group's adjusted EBITDA increased by 1.7% to € 1,316.8 million. In Greece, adjusted EBITDA increased by 4.0% reaching € 1,180.5 million. The adjusted EBITDA margin of 40.9% increased by 100 basis points compared to 2017. In Romania, adjusted EBITDA totaled to € 136.3 million, exhibiting a decrease of 14.9%.

The Group's reported operating profit, before financial and investing activities stood at € 495.2 million, compared to € 396.7 million in 2017. The increase in operating profit mainly reflects the improved performance in adjusted EBITDA as well as the sharp drop in Depreciation and Amortization.

Interest and related expenses stood at € 86.1 million, exhibiting a decrease of 38.1%, mainly reflecting the lower outstanding debt and the improved borrowing rates. The Group's income tax expense stood at € 165.8 million in 2018, which increased by 12.3% compared to 2017, depicting the impact of the decreasing income tax rate in Greece on the deferred tax assets of the Group.

Profit for the year from continuing operations (attributable to owners of the parent company) stood at € 256.5 million in 2018, compared to € 169.3 million recorded in 2017.

In 2018, Adjusted Free Cash Flow stood at € 344.7 million, displaying an increase of 273.9% compared to 2017, reflecting increased profitability, lower interest and income taxes paid, as well as lower CAPEX.

In early 2018, OTE announced a medium-term Shareholder Remuneration Policy. Should the economic environment remain stable, the Company intends to distribute to its shareholders, through a combination of dividend and share buyback, the free cash flow it generates every year, after incorporating consideration for spectrum acquisitions and one-off items. The split between ordinary dividends and share buybacks is targeted at approximately 65% and 35%, respectively, in 2018

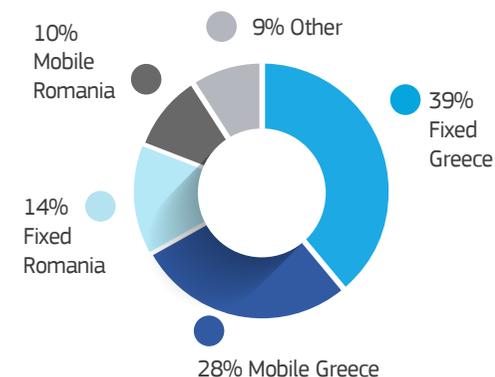
and in the medium term. Pursuant to the new shareholder remuneration policy, the extraordinary General Meeting of Shareholders held on the 15th February 2018, approved the share buyback for up to 10% of the Company's total paid-up share capital for a period of 24 months, beginning on the 15th of February 2018. In 2018, 8,890,960 own shares were acquired for the purpose of cancellation within the framework of the Share Repurchase Program. In addition, prior to the commencement of the Share Repurchase Program, OTE held 1,320,110 of its own shares. The extraordinary General Meeting of Shareholders, held on the 19th of December 2018, approved the cancellation of the aforementioned total own shares, i.e. 10,211,070 shares.

After completion of publicity formalities, as per applicable legislation, on February 5, 2019 and following notification to the Corporate Actions Committee of the Athens Exchange, the shares were canceled and delisted from the Athens Exchange on February 19, 2019, the date on which trading of the aforementioned shares on the Athens Exchange has ceased.

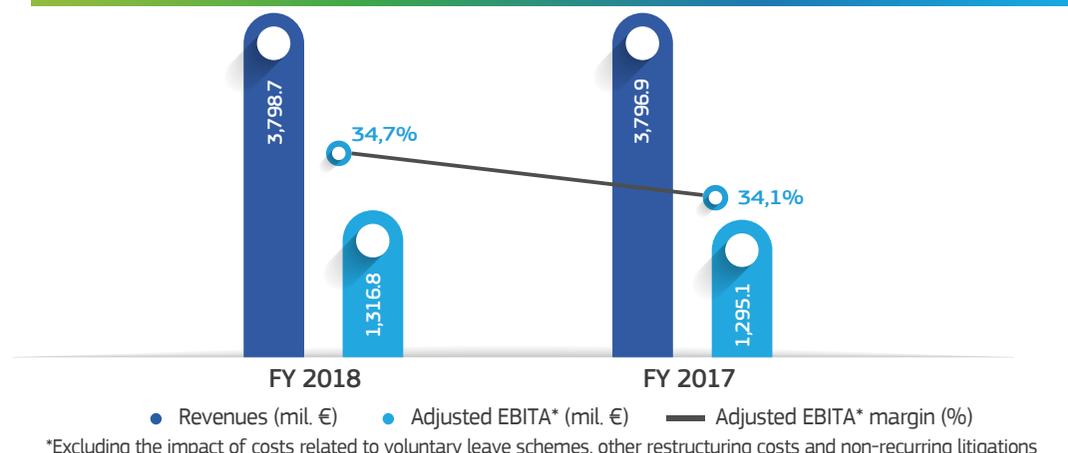
In addition, the Board of Directors of OTE will

propose to the Company's Annual General Assembly of Shareholders, held on 12 June 2019, the distribution of a dividend of € 0.46 per share outstanding, up from € 0.35 per share distributed last year. The corresponding dividend payout, i.e. €220.8 million, is aligned with OTE's Shareholder Remuneration policy.

#### Revenue Contribution 2018



#### OTE Group Financial Performance (in mil €)



## Direct economic value in 2018 (in millions €) where...

|                       |                                    | OTE Group    | OTE          |
|-----------------------|------------------------------------|--------------|--------------|
| <b>...generated</b>   | total revenues                     | 3,798.7      | 1,582.6      |
|                       | operating costs*                   | 2,067.1      | 697.8        |
|                       | employee wages and benefits        | 563.7        | 247.5        |
| <b>...distributed</b> | dividends paid to company's owners | 171.1        | 171.1        |
|                       | income tax paid                    | 178.4        | 85.1         |
|                       | social contribution                | 4.0          | 1.8          |
|                       | <b>...retained</b>                 | <b>814.4</b> | <b>379.3</b> |

€ 1,029 million

OTE Group 2018 Taxes and Insurance Contributions in Greece

\*Excluding employee wages and benefits, Depreciation, Amortization and Impairments.

Key 2018 Financial and Market Figures<sup>1</sup>

|  | OTE   | COSMOTE                       | Other Activities in Greece | Telekom Romania Communications                  | Telekom Romania Mobile Communications |
|--|---|-------------------------------|----------------------------|---|---------------------------------------|
| Revenue                                    | € 1,582,6 mn  | € 1,117,6 mn                  | € 855,3 mn                 | € 579,5 mn                                      | € 473,0 mn                            |
| EBITDA                                     | € 651,3 mn  | € 410,8 mn                    | € 73,8 mn                  | € 87,0 mn                                       | € 27,9 mn                             |
| CAPEX investments (incl. Spectrum charges) | € 345,8 mn  | € 171,4 mn                    | € 26,1 mn                  | € 46,4 mn                                       | € 46,4 mn                             |
| Subscribers                                | 2,650,995<br>fixed telephony  | 7,905,021<br>mobile telephony |                            | 2,141,526<br>voice <sup>3</sup>                 | 4,630,606<br>mobile telephony         |
|  | 1,896,336<br>broadband connections, of which<br>531,334, fiber service <sup>2</sup> |                               |                            | 1,143,303<br>broadband subscribers <sup>2</sup> |                                       |
|  | 541,907<br>COSMOTE TV subscribers   |                               |                            | 1,443,032<br>TV subscribers                     |                                       |

<sup>1</sup> Key financial and market figures are presented for major OTE Group operations<sup>2</sup> Including VDSL, Vectoring & Super Vectoring<sup>3</sup> Including Fixed / Mobile convergence

## Economic Impact

### Impact on GDP

OTE Group's large capitalization and broad spectrum of telecommunications services have a large impact on the Greek economy.

OTE Group's annual contribution to Greece's GDP is € 5.7 billion, i.e. 3.2% of the GDP. More specifically the total impact stemming from the Group's operation amounts to over € 4.8 billion. OTE Group is at the forefront of the telecommunications sector in Greece, especially regarding the investment and construction of telecommunication infrastructure.

For every €1 originating from OTE Group's operational activity in Greece, € 2.7 are added to the country's GDP.

During 2012-2016, OTE Group's investments amounted, on average, to € 417 million per annum. This resulted in an increase of productivity of all other sectors of the economy, stemming from OTE Group's investments on telecommunication infrastructure. Overall, the impact due to the increase of productivity amounted to € 0.9 billion per annum.

It is projected, that for the period 2018-2021, the Group's activity will enhance the country's GDP by an average of €1.05 billion per annum.

### Impact on Employment

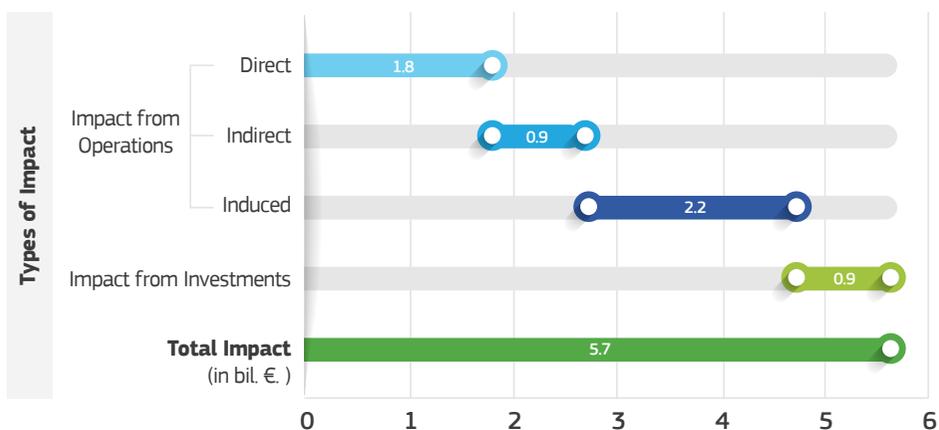
With the Group's headquarters and majority of business activities residing in Greece, a country experiencing high unemployment rates, OTE Group is proud to have a large impact on employment opportunities and the enhancement of local communities' economic prosperity.

In 2016, the Group's total impact on employment in Greece, taking into consideration the indirect and induced effects, amounted to 75 thousand job positions, which corresponds to 1.9% of employment in Greece.

For each employee hired within OTE Group in Greece, 5.8 additional job positions are generated.

The largest overall impact of the Group's activity in other sectors of the economy are observed in the sectors of hotels and catering, trade, agriculture and consultancy services.

### Impact on GDP



- Direct Impact generated from the Group's operational activities.
- Indirect Impacts arising from the transactions across the Group's supply chain.
- Induced Impact generated due to the spending of OTE Group employees' household income on other services and products such as entertainment, health care, etc.
- Impact from investments Impact generated through the Group's investments on telecommunication infrastructure
- Total impact Impact generated through the Group's activities and investments in Greece

### Impact on Employment



- Direct Total number of Group employees in Greece.
- Indirect Total number of job positions created in the Group's supply chain.
- Induced Job positions created through the spending of the Groups employees' household income on other services and products such as entertainment, health care, etc.
- Total impact Total number of job positions created through the Group's operations, expenditures and investments in Greece.

Source: Foundation for Economic and Industrial Research, 2018. OTE Group's contribution in the Greek economy. The economic analysis was conducted based on 2016 data.



## Contribution to the United Nations' Sustainable Development Goals: Key 2018 figures

OTE Group companies participate in the UN Global Compact, a United Nations' initiative on sustainable development. OTE Group has analyzed its impact to the SDGs throughout its value chain and has identified 7 SDGs that it mostly contributes to.



# SUSTAINABLE DEVELOPMENT GOALS

## 3 GOOD HEALTH AND WELL-BEING



- 10,689 hours of occupational health inspections
- 4.39 hours of training on health and safety per OTE Group employee
- 1,921 hours of psychological support consulting services (Greece)
- 1,300 employees in Greece participated in companies' "Wellness Groups"
- 39,100 children are treated annually, by the Trauma Centers created and equipped by OTE Group in 2018

## 4 QUALITY EDUCATION



- 26,692 participations of employees in training programs
- 14.22 hours of training per employee
- € 565,000 awarded via scholarships programs for university students
- 5,144 students participated in educational robotics & STEM initiatives
- 208,446 beneficiaries from OTE Group's social contribution on education

## 7 AFFORDABLE AND CLEAN ENERGY



- 59% of energy consumption ( 818.9 GWh) is covered by Guarantees of Origin
- 16.9 GWh of energy conserved
- 8.5 kt CO<sub>2</sub> eq GHG emissions avoided through energy conservation
- € 2.2 million saved from energy conservation measures
- 12% improvement of energy consumption per volume of data transferred

## 8 DECENT WORK AND ECONOMIC GROWTH



- 1,839 integrity checks on suppliers, consultants and partners
- 91% and 78% of OTE Group procurement from domestic suppliers in Greece and Romania respectively
- 31% of the employees with position of responsibility are women
- 100% of employees, working within the 4 largest OTE Group telecom companies, are covered by collective labor agreements
- 2,500 professionals participated in the "Grow your Business" program

## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- €2 billion investment plan until 2022, to offer even higher speeds and wider coverage in fixed and mobile telephony (Greece)
- >3 million households and businesses have access to very high speeds, up to 200Mbps (Greece)
- 98%/4G and 95%/4G+ population coverage in Greece
- 1st 5G trial network in Greece launched by OTE Group, reaching live speeds of over 12 Gbps
- € 800,000 given for self-financing of research projects

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- 12% reduction in paper consumption per employee (↘)
- 7,993 tons of waste generated
- 70 % of total waste generated, is recycled, reused or incinerated
- 170,000 of end-of-life devices were refurbished (Greece)

## 13 CLIMATE ACTION



- 6% decrease of total GHG emissions ( 368,061 t CO<sub>2</sub> eq)
- 1,469 kt CO<sub>2</sub> eq of Scope 3 GHG emissions
- 5% improvement of OTE Group emissions intensity (93 t CO<sub>2</sub> eq/M€ )
- 19% improvement of data traffic emissions intensity ( 58 kg CO<sub>2</sub> eq/TB )

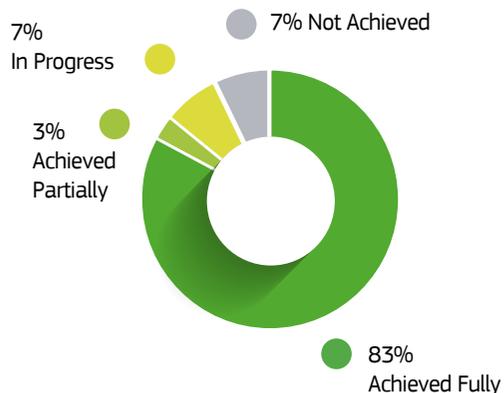
## 2018 Goals

OTE Group companies set goals to improve their operations, develop programs and actions in order to achieve them, monitor their progress, and communicate their performance.

The strategic objectives are approved by the top management and are then distributed throughout the Group, in the form of individual objectives for each organizational unit and activity.

In the 2017 Sustainability Report, 29 annual targets were presented for OTE Group companies. The objectives were qualitative and quantitative, covering different functions, and were subsequently implemented by the competent units. Of these objectives, 93% have been fully or partially achieved or are in progress of doing so, reflecting the ongoing effort to improve the Group's Sustainability performance.

The companies' performance per target is presented in the [Appendix](#).



## 2019 Targets

### OTE Group

- OTE - COSMOTE:** e-Bill penetration to 60% of customer base (2.34 mil customers)
- OTE - COSMOTE:** usage of mobile apps by 75% of the smartphone customers
- OTE - COSMOTE:** 17% of e-payments for the Group's services to take place through the Group's digital touchpoints

### Responsible Business

- OTE Group:** Further deployment of Risk Appetite and Key Risk Indicators/ tolerance levels establishment.
- OTE Group:** Successful pilot implementation of IRMA (International Risk Management Application).
- OTE - COSMOTE - Germanos, COSMOTE E-Value, OTE Globe, Telekom Romania, Telekom Romania Mobile:** "Compliance Corporate Culture Survey" 2019 - analysis of results and opportunities identified.
- OTE-COSMOTE-Telekom Romania:** Preparation for "External review" of CMS (Compliance, Procurement, Human Resources, Sales, Communication). Review of controls to verify proper implementation.
- OTE Group:** Human Rights trainings (e-learning and classroom) and workshops to enhance involvement and understanding for Human Rights issues.
- OTE Group:** Enhance cyber-security incident response capabilities by implementing a Security Orchestration and Automation platform.
- OTE Group:** Introduce a new zero-trust architecture for flexible and secure network access.
- OTE Group:** Data privacy e-learning

### Employees

- OTE Group:** Create the future of work with agile teams and lean structures
- OTE Group:** Ensure that our employees are ready to meet the challenges of the digital era by investing in upskilling and re-skilling
- OTE Group:** Develop a culture of continuous growth

### Customers

- OTE - COSMOTE:** Empower Self Care through AI. Increase number of self service options and improve effectiveness of transactions (% of transactions deflected in services without human intervention) through advanced dialogues using AI and natural language understanding (NLU).
- OTE - COSMOTE:** Digitization, personalization and simplification of processes and interactions with customers in all customer service areas, while building a common digital culture
- OTE - COSMOTE:** Support growth and value development initiatives, via household / FMC (fixed/mobile convergence) approach, VSE ((Very Small Enterprises) segment personalization and further built in B2B customer service

### Society

- OTE - COSMOTE:** > 12,000 student participations in STEM and Educational Robotics initiatives and train-the-trainers programs for >3,000 teachers, for the next 2 years (2019-2020).

- OTE - COSMOTE:** Enhance the participation of professionals and entrepreneurs in programs for the development of their small - medium enterprises and entrepreneurial skills for < 1,000 people.
- OTE Group:** >1 million social beneficiaries annually (2019-2020)
- OTE Group:** >15,000 visitors at the OTE Group Telecommunications Museum annually (2019-2020).

### Climate and the Environment

- OTE Group:** Contribution to the achievement of the CO2 emissions reduction target set for 2020 at DT Group level (20% reduction compared to 2008), by planning and implementing measures for energy conservation and CO2 emissions reduction.
- OTE-COSMOTE:** Reduction of CO2 emissions (scope 1 and scope 2) by 20% compared to 2008 levels.
- OTE Group:** Stabilization of electricity consumption in the telecom network at 2018 levels.
- OTE-COSMOTE:** Improvement of energy performance of vehicles fleet by 5%.
- OTE Group:** Recycling of 100% of hazardous and technical waste withdrawn.
- OTE-COSMOTE:** Minimization of plastic use (Greece) by:
  - Reducing the use of plastic bottles by 50% compared to 2018
  - Reducing the use of disposable plastic cups (offices and restaurants) by 100%
  - Abolishing the use of plastic bags in the retail network by the end of 2019
- COSMOTE:** Installation of 3 additional EMF measurement stations

## 1.4 SRI Indices and Ratings

The OTE Group responds to sustainability / ESG / socially responsible investment (SRI) analysts' questions and assessments.



OTE, since 2008, fulfills all requirements and is a member of the FTSE4Good Index Series. OTE is one of the nine companies in Greece, included in the FTSE4Good Emerging Index.



In 2018, OTE maintained its 'B-' rating and kept its status as a "Prime" company, a title awarded to companies-leaders of each sector by ISS-oekom research, in recognition of OTE's negotiable bonds and shares qualify for responsible investment.



OTE has been reconfirmed for inclusion in the Ethibel EXCELLENCE Investment Register and selected for inclusion in the Ethibel PIONEER register since February 2018. This selection by Ethibel indicates that the company can be qualified as a sector leader in terms of corporate social responsibility.



OTE, as of December 2018, is the best performer in the Vigeo Eiris Best Emerging Markets Performers ranking (the 100 most advanced companies in its Emerging Markets universe). OTE achieved the highest score and remained the only Greek company that is a member of this index.



In 2018, following MSCI ESG Research's assessment, OTE retained its ESG rating at 'A'.



Since 2010, OTE has been participating in the CDP on Climate Change by communicating the required information to its platform. In the 2018 evaluation, OTE maintained its 'B' (Management) rating, putting it above the average of all companies in the sector.

## 1.5 Governance

OTE Group of Companies complies with the provisions of the legislation in force on Corporate Governance and adopts relevant applicable international practices and standards.

### Corporate Governance

OTE S.A. (hereinafter "OTE" or the "Company") is a large capitalization company, listed on the Athens and London Stock Exchanges, and as such complies with current legislation on corporate governance, incorporating regulations and compliance practices into its operations. At the same time, aiming at transparency, efficient administration and optimum operating performance, OTE complies with the Hellenic Corporate Governance Code (HCG Code) for Listed Companies and according to applicable legislation publishes its Corporate Governance Statement, as a special section of the Annual Report of the Board of Directors to the General Meeting of Shareholders and justifies any possible deviations in its operation from the principles of HCG Code (principle of "comply or explain"). Beyond legal requirements, OTE has also adopted a Compliance Management System (CMS).

Relevant obligations and practices are, in their majority, incorporated in the Articles of Incorporation, the Internal Regulation of Operations, the OTE Group Code of Conduct and other internal Regulations and Policies or best practices adopted by the competent corporate bodies and apply to OTE's operations.

Moreover, OTE has established the necessary mechanisms to periodically update the aforementioned Regulations and Policies in order to ensure OTE's compliance with existing legislation and international best practices.

The fundamental principles of OTE's Corporate Governance system relate mainly to:

- Two-way communication between stakeholders and the Company's Management
- Transparency and control of Management
- Assurance of operational effectiveness.

More information is given in OTE "Corporate Governance" website and in the Annual Report of the Board of Directors (which is included in the Annual Financial Report).

### Board of Directors

The Board of Directors (BoD) of OTE constitutes the top administrative body of the Company, without prejudice to the General Assembly's exclusive powers under applicable legislation. Its duty is to safeguard the general interests of the Company and ensure its operational efficiency.

The General Assembly of OTE's Shareholders is the highest corporate body in terms of hierarchy and elects the Board members, including the Independent - Non Executive members, in accordance with the requirements of legislation.

Please note that the General Assemblies of other OTE Group Companies, also elect their Board of Directors members. However, the necessity to designate the BoD members competencies as executive, non-executive and independent non-executive, is applicable only to OTE, due to the fact that it is a Company with listed shares.

With respect to OTE Corporate Responsibility, the Chairman and CEO requests information from the Board of Directors and their opinions on Corporate Responsibility issues during the annual revision of the strategic objectives.

The OTE Board of Directors, on 31 December 2018, was comprised of ten (10) members, 2 executive and 8 non-executive, of whom 2 were independent. Furthermore, out of the ten OTE Board of Directors members, eight were male and two female.

The current evaluation and remuneration policy for the executive members of the Board, as well as the decisions of the General Assembly regarding the remuneration of non-executive members, and its Committees, are stated in the Corporate Governance Statement.

### Committees

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

- the Audit Committee, and
- the Compensation and Human Resources Committee

The Audit Committee is required to be formed by three (3) non-executive members from the Board of Directors. The majority of the members (including the Chairman) should be independent.

The Compensation and Human Resources Committee consists of at least three (3) Board members, two (2) of which are required to be non-executive members. On 31 December 2018 the Committee consisted of three (3) non-executive members of the Board of Directors; the Committee's Chairman was also independent.

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

In addition to the foregoing, the activity of OTE's Board of Directors is supported by the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee, whose primary mission is to support, review and monitor the implementation of the Compliance and Risk Management Systems (CMS and RMS) and the issues of Corporate Governance at OTE Group level.



Relevant Web Page

## Sustainability Governance

The governance structure, which incorporates sustainability issues into core business processes, is reflected in the OTE Group Sustainability Policy. The OTE Board of Directors is responsible for the Group's corporate responsibility performance and represents its interests in matters of sustainability and corporate responsibility. Supervision is entrusted to the Chairman and CEO of the OTE Group.

The Group's subsidiaries are responsible for implementing the Group's standards, requirements and corporate responsibility objectives at a local level. They collaborate with the business unit of the OTE Group Corporate Communications Executive Director and in particular with the Corporate Responsibility Department. The collaboration is a part of the OTE Group CR Managers Network of DT Group.

The Corporate Responsibility Department coordinates the implementation of social and environmental actions of the companies, through the operation of the Corporate Responsibility and Environmental Management Sections. In order to keep them informed about trends and developments in corporate responsibility matters, members of the Corporate Responsibility Department participated, in 2018, in training sessions and seminars that pertained current and running corporate responsibility and sustainability issues (e.g. training on the special needs of people with disabilities, regarding the upcoming legislation of 2020).

### OTE Board of Directors

#### Board of Directors

Approves Group-wide sustainability policies, position papers and significant strategic projects, as needed

#### Chairman and CEO

Oversees OTE Group sustainability strategy and performance

### Executive Director Corporate Communications OTE Group

#### Executive Director Corporate Communications OTE Group Executive Director

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

#### Corporate Responsibility Department Fixed and Mobile (CRD)

- Develops sustainability strategy, policy and programs (in the form of strategic policies)
- Prepares the decisions to be made by the Executive Director Corporate Communications OTE Group or Board of Directors
- Coordinates and monitors implementation of sustainability policies, develops indicators and monitors progress towards target achievement
- Runs the OTE Group Corporate Responsibility Managers Network and supports the DT Group Corporate Responsibility Managers Network

### OTE Subsidiaries' Boards of Directors

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

### OTE Group Corporate Responsibility Managers' Network\*

- Disseminates Group-wide expertise on sustainability issues
- Facilitates communication between international subsidiaries / business areas

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

### Interdivisional Sustainability Team

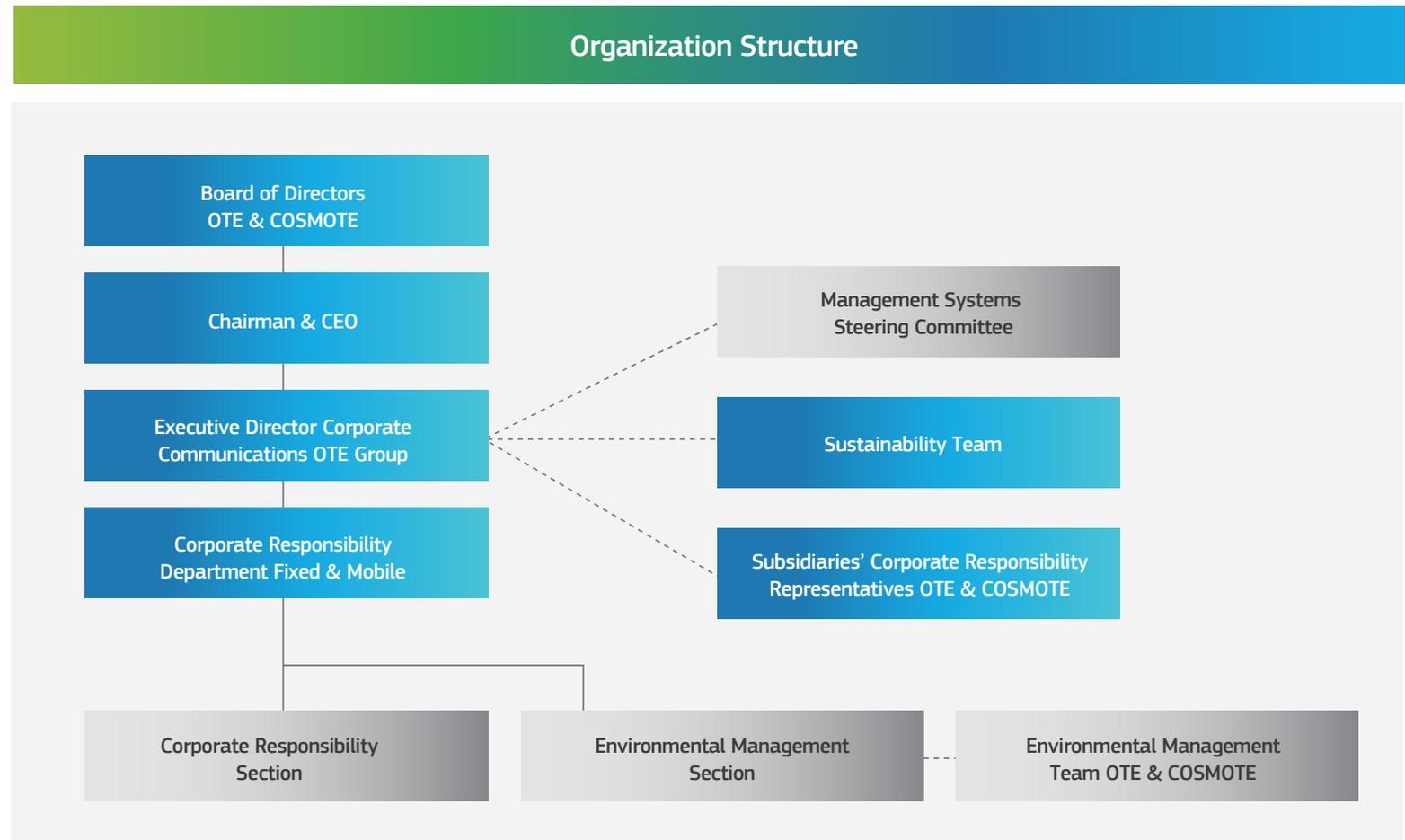
OTE Group's Sustainability Team, consisting of more than 60 representatives from all business units, is responsible for the management of sustainability and corporate responsibility issues. The Head of the team is the Executive Director Corporate Communications OTE Group.

**Team Goals:**

- Further disseminate the principles and sustainability actions to the different business units of the companies
- Raise awareness and motivate employees
- Collect information on corporate responsibility and sustainability performance
- Create a common corporate sustainability culture and achieve the corporate goals for sustainable development

Sustainability indices have been integrated in the self- assessment goals and the individual operational objectives of the members of the Business Unit of the Executive Director Corporate Communications OTE Group and the Sustainability Team. All members of the Sustainability Team have a "badge" assigned to their profile, which is displayed on the companies' intranet. The "badge" outlines their membership in the Sustainability Team, giving them recognition throughout the Group.

Corporate responsibility principles are taken into account in the annual performance evaluation process of all employees, as described in the [Employee Selection, Attracting and Retaining Talented Employees](#) section.



# 2

## Responsible Business



## 2.1 Stakeholder Dialogue

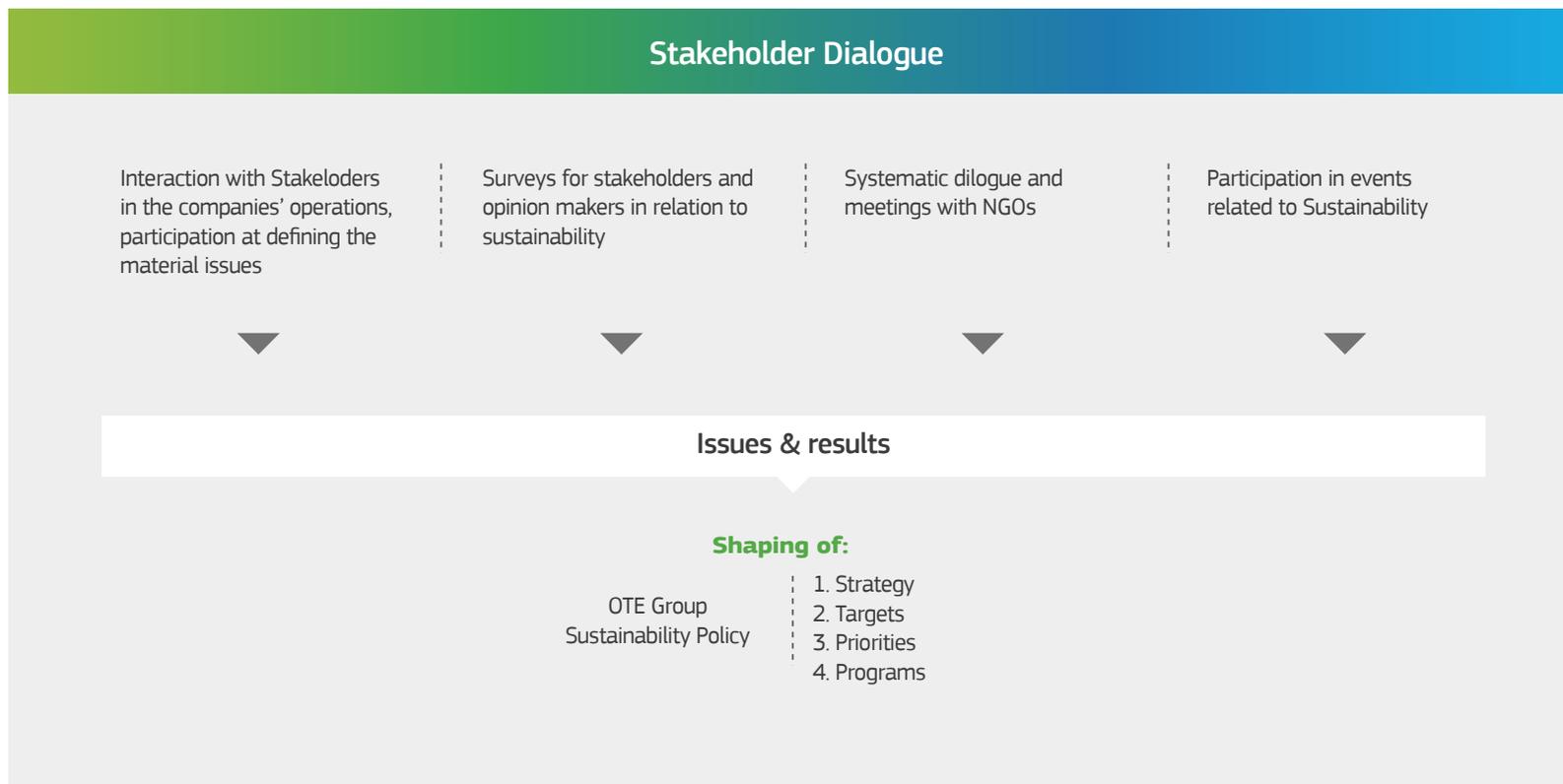
OTE Group recognizes that its stakeholders have a direct impact and influence on its sustainable development and is engaged with their representatives without exclusions and discrimination.

OTE Group has identified 9 primary stakeholder groups as presented as follows:

- Shareholders, Bondholders, Investors and Analysts
- Customers and prospective customers
- Business
- Science, Research and Education
- Media
- Employees, prospective employees and their representatives
- Suppliers
- NGOs and interest groups
- State / Government agencies

As part of its sustainability management approach, the OTE Group has established strong communication channels with all stakeholders to actively engage with them, understand their expectations and help shape the Group's Sustainability Policy. Through continuous Stakeholder dialogue, feedback from its stakeholders is acquired which enables the complete understanding and prioritization of the issues they raise.

In 2018, the Group participated in the 2nd Stakeholder Panel, conducted by Global Sustain. The panel included several stakeholder groups such as companies, state institutions, nonprofit organizations, media, etc. The OTE Group Responsibility Report 2017 was the main topic of discussion and it was evaluated, as a mean of communication of the Group with its stakeholders.



The Group took part in the 2nd "HIGGS Donors' Speed-Dating Event". During the event, 26 companies, active in the field of corporate responsibility, got together with 84 NGOs from all over Greece. They discussed about potential collaboration opportunities that could be mutually beneficial and further enhance companies' social actions and corporate responsibility strategy.

Stakeholders' feedback is also utilized as an input in the Group's materiality analysis process, which subsequently assists the validation and improvement of the Group's sustainability strategy.

### AA1000 AccountAbility Principles Standard

OTE Group companies comply with the principles of the "AA1000 AccountAbility Principles" Standard, namely Inclusivity, Materiality, Responsiveness and Impact.

## Materiality Analysis

OTE Group companies identify the most important issues of their sustainable development through a materiality analysis process carried out in accordance with the Group's Corporate Risk Management approach.

In 2017, the materiality of sustainability issues was determined through the participation of OTE Group's Senior Management and stakeholders. For the first time, this analysis was conducted for the entire Group rather than on a company level.

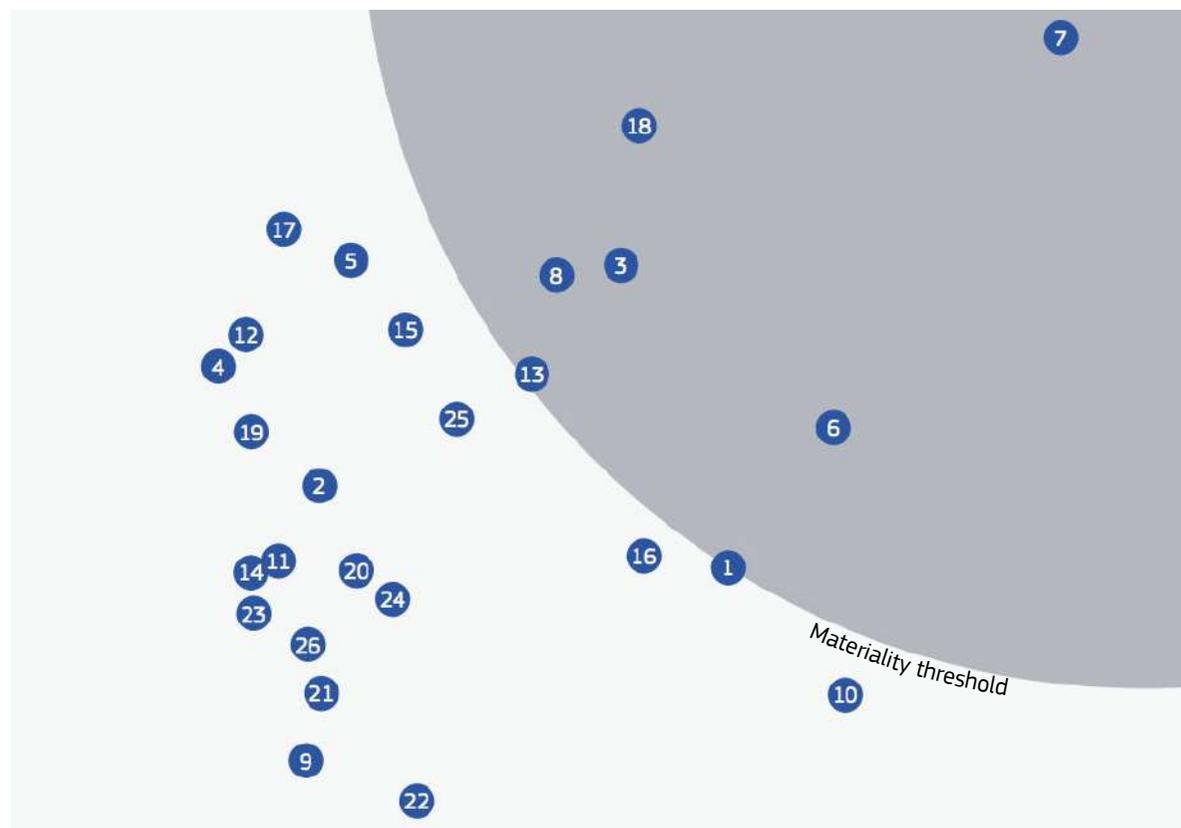
In addition, the compliance risk assessment process was integrated in the materiality analysis process. OTE Group has merged its sustainability, compliance and risk management procedures, developing a holistic approach, according to best practices.

To consolidate the data at a Group level, weighing financial, social and environmental factors were used. The results were validated by the OTE Group Management and all available data were evaluated, to be used in the planning of the Group's actions and strategy, while the most important issues were included in the Group's risk map.

The 2018 Sustainability Report refers to all 26 issues, with special focus on the 7 issues identified by Management and stakeholders as the most material.

More information is presented in the [Appendix](#).

Significance of Economic, Environmental and Social Issues to Stakeholders



Significance of Economic, Environmental and Social Issues to OTE Group

- |  |   |
|--|---|
| 1. Economic Performance                                | 14. Products and services for sustainability            |
| 2. Governance and management                           | 15. Research and innovation                             |
| 3. Corporate compliance policies                       | 16. Responsible competition                             |
| 4. Employees' compliance and grievance mechanisms      | 17. Responsible communication with customers            |
| 5. Human rights  | 18. Customer service and satisfaction                   |
| 6. Business resilience                                 | 19. Digital inclusion                                   |
| 7. Data security and privacy                           | 20. Support education on ICT                            |
| 8. Safe and responsible use of technology              | 21. Managing impacts to society and the local community |
| 9. Responsible procurement and supply chain management | 22. Stakeholder engagement                              |
| 10. Employment   | 23. Energy and climate change                           |
| 11. Fair employment and equal opportunities            | 24. Circular economy                                    |
| 12. Employee health, safety and wellness               | 25. Electromagnetic fields (EMF)                        |
| 13. Employee training and skills development           | 26. Other environmental aspects                         |

## 2.2 Enterprise Risk Management

Business activities are subject to uncertainty, due to internal and external factors that affect corporate objectives. By systematically tracking uncertainty, it is possible to derive appropriate measures early on and reduce risks. For this reason, a functioning risk management system is a core element of value-based corporate management, by supporting efforts to secure corporate success in a sustainable way. The risk landscape includes, inter alia, compliance and legal risks.

OTE Group has developed and implements a Risk Management System (RMS), aiming to safeguard a linear business model and the Group's future business success. The RMS supports Management in making strategic decisions by identifying, evaluating, communicating and addressing corporate risks. The RMS, as implemented in the OTE Group, is based on the COSO ERM model and the ISO 31000 Standard on Risk Management. OTE, COSMOTE, Telekom Romania Communications and Telekom Romania Mobile Communications have been attested according to the above standard.

The OTE Group Enterprise Risk Management Department monitors, facilitates and supports the implementation of effective risk governance practices. The responsibilities of risk managers include the assessment and monitoring of the overall risk portfolio status, as well as the monitoring of the Group Corporate Risk Management methodology

for all business units and Group subsidiaries. All corporate risk descriptions are kept centrally in the Group Corporate Risk Register.

Major achievements in 2018, include:

- Adoption of the "Risk Appetite Statement" by the Board of Directors and by the affiliated companies' corporate bodies. OTE Group Enterprise Risk Management Department is in the process of defining, collecting and analyzing relevant data and establishing Key Risk Indicators (and their thresholds / tolerance levels), aiming to ensure compatibility with corporate strategic performance indicators and their related mapping in the Group Corporate Risk Register.
- OTE and COSMOTE were successfully reattested according to ISO 31000:2018 and Telekom Romania Communications and Telekom Romania Mobile Communications according to ISO 31000:2009.
- Performed quantitative risk analysis on business projects using statistical analysis (Monte Carlo simulation).
- Achieved alignment and harmonization of risk terminology and methodology among Deutsche Telekom Group companies, within the framework of IRMA (International Risk Management Application) development, in which OTE has a leading role.

- Incorporated the results of the individual risk assessments of business units and subsidiaries into the OTE Group Corporate Risk Register, aiming at a systematic analysis and structured monitoring of corporate risks.
- Presented four (4) OTE Group Enterprise Risk Management Reports to the OTE Group GRC Committee for their review, evaluation and subsequent submission to the relevant corporate bodies, i.e. the OTE Audit Committee and the OTE Board of Directors.
- Received approval by the OTE Audit Committee of the self-assessment, regarding the implemented Risk and Insurance Management System at OTE, COSMOTE, Telekom Romania Communications and Telekom Romania Mobile Communications.
- Completed a comprehensive ERM / Compliance training / awareness at shops. Deutsche Telekom EU Risk Culture (Core Beliefs/Goals) material / leaflet is being distributed.

### Policies / Procedures for Enterprise Risk Management

- Enterprise Risk and Insurance Management Policy OTE Group
- Risk Appetite Statement
- Policy on Indemnification from Risk Insurance and Pension Programs OTE Group
- Enterprise Risk Assessment Process
- Indemnification from All-risks Insurance Program



Relevant Web Page



## 2.3 Policies and Management of Regulatory Compliance

### Why it matters

Compliance of an organization with the applicable regulations is an essential obligation for responsible operation. OTE Group Management and its stakeholders effectively require the Group to comply with laws and regulations and to bear zero tolerance for corruption, blackmailing and bribery.

### Compliance Management

For OTE Group, the assurance of compliance is one of the top priorities. Compliance reflects solid commitment to the principles of integrity, transparency, justice, as well as of respect to the rules and principles which are essential to govern the operation of the Group. In this respect, a Compliance Management System (CMS), that mainly focuses on prevention measures, has been established.

The System addresses the compliance of all employees and Management - with current legislation and Internal Policies.

Any employee and/or third parties (customers, vendors, partners, etc.) may report (eponymously or anonymously) inappropriate conduct to Compliance channels and report any concern or complaint about potential violations of Company Policies or legislation.

Regulations and Policies are regularly updated to ensure continued compliance with applicable legislation and best international practices.

The CMS System has been certified according to ISO 37001:2016 on Anti-Bribery Management

Systems and attested according to ISO 19600:2014 on Compliance Management System, for OTE, COSMOTE, Telekom Romania Communications and Telekom Romania Mobile Communications. Moreover, in 2018 a Compliance Management System (CMS) Certification on Anti-Corruption (Assurance Standard 980) was obtained by OTE, COSMOTE and Telekom Romania Communications.

Major achievements in 2018 include:

- **A Compliance Risk Assessment** for all OTE Group companies was conducted. Business units' representatives who participated in the Assessment represented 100% of the operations. Risks assessed included, amongst others: active and passive corruption, violation of the Procurement Policy, risk arising from OTE business partners, embezzlement, theft, fraud, conflicts of interest, violation of anti-money laundering legislation, breaches of anti-trust, misuse of personal data, etc.
- **More than 5,000 Group employees participated in the Compliance Training program** (training seminars for anti-corruption, introductory training for new entrants and

e-learning programs). In November 2018, the 2nd Top Management Compliance Training (TMCT) with external keynote speakers took place. 140 OTE Group managers participated in this training which was focused on Speak Up issues. Moreover, customized workshops for senior managers were held, to familiarize themselves with the upcoming compliance challenges regarding Speak Up. In addition, 1,700 new employees were trained in 2018, as part of the "Welcome on Board" program and "Customer Care induction" program, which include a specific module on Compliance issues. In 2018, there was a significant increase in the total number of employees trained (more than a 100% increase over 2017).

- **Group-wide Campaigns / internal communications:**
  - **"Speak up" communication campaign** addressed to OTE Group companies in Greece and Romania, during October-November 2018. Management set the tone at the top for the campaign, which included communication to all employees, via relevant articles on the intranet and the newsletter. Furthermore, two (2) training workshops for OTE-COSMOTE Managers were held in Greece (risk-based

selection of the target audience).

- **Combined digital communication campaign regarding Anti-Corruption Day (9th of December)** and Human Rights Day (10th of December) with the key message: "A world without corruption is a better world for all" addressed to all OTE Group companies. The campaign consisted of respective letters by the CEOs, sent to all OTE Group employees and two articles for Anti-Corruption and on Human Rights issues, uploaded on the companies' intranets.
- **International Fraud Awareness Week Campaign** information was posted on Intranet and communicated to subsidiaries in order to highlight the importance of creating a fraud-preventive culture, that encourages the use of the company's communication channels to openly discuss concerns that are raised in the workplace.
- **Information on Compliance issues addressed to employees and Management.** (e.g. guidelines on gifts and invitations to events during holiday periods).
- **Successful re-attestation on re-certification on ISO 37001:2016 and ISO 19600:2014** for OTE, COSMOTE, Telekom Romania

## Key Elements of Compliance Management System

### 1 Prevention of Misconduct and Compliance with the Policies in Place

- Development of Misconduct and Compliance with the Policies in Place
- Training of employees
- Conduct of an annual Compliance RiskAssessment
- Communication channels to enable employees to raise questions about the implmentation of Policies

### 2 Management of Compliance Violations

- Detection of compliance violations
- Investigation of compliance violations
- Submission of proposals and corrective actions or measures deemed necessary

Communications and Telekom Romania Mobile Communications.

- **CMS Assessments** for all OTE Group companies, via the new Deutsche Telekom CMS Tool, were performed.
- **Establishment and implementation of CMS KPIs.**
- **Annual Statements were signed by the Senior Financial Officers** regarding their compliance with the applicable Code of Ethics for Senior Financial Officers, aiming at honest and ethical professional conduct.
- **A number of OTE Group Compliance Policies were revised/amended.**  
The OTE Group Corporate Responsibility Policy was revised and renamed as OTE Group Sustainability Policy. The Policy sets out the strategy and the action plans for OTE and its affiliates, taking into consideration the social and financial circumstances, as well as the culture priorities and challenges. Moreover, the following OTE Group Compliance Policies were amended:  
- OTE Group Policy on Insider Trading (as a result of updating the Internal Regulation of Operations of OTE S.A.)  
- OTE Group Policy on Accepting and Granting of Benefits  
- OTE Group Donation Policy  
- OTE Group Sponsoring Policy  
- OTE Group Policy on Avoiding Corruption and other Conflicts of Interest
- **Presentation of four (4) OTE Group Compliance Reports** to the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee (GRC Committee) for the review, evaluation and subsequent submission to the competent corporate bodies.

The effectiveness and efficiency of the above

systems are monitored by the OTE Group GRC Committee, the Audit Committee and the Board of Directors.

Additional information regarding compliance and risk management can be found in the [Annual Financial Report 2018](#).

The Compliance Policies are included in the [Compliance section of the corporate site](#).



Relevant Web Page

Significant Data 2018

- With respect to fraud incidents and serious violations of the OTE Group Code of Conduct by employees:  
-2 cases occurred, which resulted in the termination of contract of OTE Group employees,  
-1 case occurred, for which final disciplinary sanctions were imposed by the competent 1st and 2nd degree disciplinary bodies.
- There were no incidents of corruption with respect to contracts with business partners, that resulted in the termination of the contract or its non-renewal.
- 3 cases occurred concerning OTE Group suppliers leading to their exclusion from the 2018 tender procedures.
- There have been no court convictions for corruption issues against OTE Group or its employees in relation to their professional activities.
- No fine or non-pecuniary penalty (e.g. a recommendation) for corruption or fraud violations (including tax fraud and manipulation of financial reporting) was imposed on OTE Group companies.



3,901

Tip offs / Complaints received at the relevant compliance communication channels in 2018

107

Tip offs / Complaints related to rules and compliance policies

3,794

Customer complaints on technical/ commercial matters

59

Not plausible

41

Plausible

7

Under Investigation

**Appropriate per case measures were adopted**  
*(Strict warning, removal from positions of responsibility, employment contract termination, submission of a Statement of Conflicts of interest, establishment/implementation of new controls or revisions of existing ones)*

## Responsible Competition

OTE Group promotes a truly responsible competition, in respect of consumer protection. It complies with the laws of free competition and applies transparent business practices.

OTE Group is firmly committed to comply with national and European telecoms, audiovisual media services and content regulations in Greece and in the countries where it has commercial activities. It is committed to cooperate with governments, national agencies and authorities and other stakeholders, in order to formulate a regulatory framework that fosters competition and, at the same time, contributes to the overall social welfare.

OTE Group has developed relevant internal policies in order to inform employees about the importance of compliance with competition rules and to systematically promote the appropriate Codes of Conduct. The OTE Group Policy on Anti-Trust Law, established in 2013, sets out the framework of operation for OTE Group companies and employees regarding their compliance with the relevant legislation on the regulation of anti-competitive conduct.

## Regulatory Framework

For OTE Group, the provision of electronic communications networks and services is subject to national laws and regulations, in all countries of its operation. Accordingly, the provision of OTE's pay TV services under the name COSMOTE TV is regulated by the National Council for Radio and Television and is subject to national and EU laws and legislation. In Greece, OTE is subject to the national legislation as well as the European regulation and the European competition legislation.

More specifically, OTE, following a 2016 auction, has been assigned as the universal service provider related to the provision of directory enquiry services, directories and public payphones in Greece until 31st of January 2021.

OTE according to relevant Hellenic Telecommunications and Post Commission's (HTPC) decisions, issued at the end of December 2016, OTE continues to have Significant Market Power and is subject to regulatory obligations in the wholesale local access market at a fixed location (market 3a/ 2014) and the wholesale central access market at a fixed location for mass-market products (market 3b/2014). Although the retail market for access to the fixed telephone network on a fixed location via PSTN, ISDN BRA, managed by VoIP and ISDN PRA (market 1/2007) has been deregulated and OTE does not have Significant Market Power, OTE's control of retail prices by the HTPC is maintained, as a remedy in the context of the wholesale markets' regulation. OTE views that any ex-ante price control of its retail services should be withdrawn in order to refrain from distorting market dynamics and competition in the retail markets.

In 2019, a new market analysis is expected for the wholesale local access market at a fixed location (market 3a/ 2014) and the wholesale central access market at a fixed location for mass-market products (market 3b/2014). In addition, the HTPC Decision following a public consultation for wholesale high-quality access provided at a fixed location market (market 4/2014) is expected to be issued.

Detailed information on the regulatory frameworks in Romania is presented in Telekom Romania's Corporate Responsibility Report.

## Contribution, Formulation and Operation of a Responsible Market

The new telecommunication technologies are critical for future economic growth, social welfare and sustainability. In this framework, OTE Group plays an important role in sector-specific and multi-stakeholder forums, associations and initiatives, at national and EU level, in order to enhance responsible competition, self-regulation and cooperation on social welfare.

## Regulatory Litigations 2018

### Appeals in 2018

| Actions                           | OTE | COSMOTE | Telekom Romania Communications | Telekom Romania Mobile Communications |
|-----------------------------------|-----|---------|--------------------------------|---------------------------------------|
| Number of fines                   | 0   | 0       | 7                              | 11                                    |
| Number of appeals                 | 0   | 0       | 0                              | 2                                     |
| Number of non-pecuniary penalties | 0   | 0       | 0                              | 4                                     |
| Cost of fines (€)                 | 0   | 0       | 648,300                        | 1,890,400                             |

Information about the evolution of previous important cases is included in the [Annual Financial Report](#)

The Group's objective is the promotion of a fair regulatory environment which ensures a level-playing field and regulatory predictability for investments, as well as the creation of a positive environment and the establishment of trusting relationships. The Group's positions on electronic communications at national and EU level, as well as its commercial, financial and regulatory strategy, are communicated to stakeholders.

The Chief Legal and Regulatory Affairs Officer of OTE Group is responsible for shaping the strategy for ensuring a fair regulatory environment.

OTE and Telekom Romania Communications are registered in the EU Transparency Register and thus have committed to comply with the Transparency Register Code of Conduct.

The most important relevant participations of OTE Group companies in 2018 are presented in the [Appendix](#).

## 2.4 Human Rights Management

The OTE Group recognizes the importance of human rights issues. In 2018, the Group adopted the Code of Human Rights and Social Principles, as a result of the revision and renaming of the OTE Group Social Charter.

In the [Code of Human Rights and Social Principles](#), OTE Group recognizes its responsibility to respect internationally recognized human and social rights.

OTE Group's integrated approach to managing human rights is based on the United Nations Principles and Guidelines for Business and Human Rights and is aligned with the approach of the Deutsche Telekom Group.

Also, the [OTE Group Code of Conduct](#) includes basic rules of conduct, principles and values, such as equality, respect for diversity, trust, credibility, integrity, morality, transparency, personal responsibility. These rules establish a model of operation and lead to the adoption of a common "Corporate Culture".

The Group respects the right to freedom of expression and the confidentiality of data, while it operates in accordance with the legal framework currently in force (see section [Security and Data Privacy](#)).

Particular attention is paid to the rights of its employees, freedom of association and collective bargaining, diversity and equal opportunities (see section [Fair Employment Policy Framework and Equal Opportunities](#)). The Group declares that it is in favor of banning all forms of forced labor and strives to abolish child labor.

In order to protect human rights, even beyond the limits of its own operation, OTE Group asks its suppliers to respect and safeguard human rights, integrates human rights requirements into contracts with suppliers and participates in the CFSI initiative (Conflict-Free Sourcing Initiative), through Deutsche Telekom, to prevent the use of conflict minerals.



In 2018, OTE Group in line with its approach, strengthened its efforts, by developing and implementing a Human Rights' Action Plan, which included the following tasks:

- A Human Rights Risk Form was incorporated in the OTE Group Enterprise Risk Management Report, presented and approved by the OTE Audit Committee.
- A human rights risk and impact analysis, which incorporates the respective risk areas and risk scenarios, was initiated for OTE Group companies in the fourth quarter of 2018 and will be completed in 2019.
- Statements on compliance with the provisions of the Code of Human Rights and Social Principles were requested and collected from all OTE Group companies.

The Executive Director Compliance, Enterprise Risk Management and Insurance OTE Group has been designated as the Officer responsible for managing

human rights issues. Any human rights inquiries or complaints/tip-offs are addressed to the existing [Compliance communication channels](#). For any other issues related to the Code, the [humanrights@ote.gr](mailto:humanrights@ote.gr) channel is also available. In the same direction, the OTE Group Sustainability Policy makes reference to the human rights issues and their managing, according to the provisions of the Code of Human Rights and Social Principles.

In 2018, 1,448 OTE Group employees' queries were received through the "Ask Me" process, including, but not limited to, sponsorship / donation approvals as well as on conflicts of interest, secondary employment, accepting/offering benefits, and [OTE Group Supplier Code of Conduct](#). None of the questions were related to discrimination issues.

It is worth mentioning that three (3) significant investment agreements/contracts, which included a human rights clause, were concluded during 2018.

In addition, 111 complaints were filed via "Tell Me" channels by employees of OTE Group. One (1) tip-off

concerned improper behavior (harassment and mobbing) by a shop's manager towards most of the shop's employees. Following a relevant investigation by the OTE Group Compliance Office, the complaint was found to be partly plausible, but respective measures are yet to be determined. However, with the initiation of the investigation, the shop's manager was transferred to another COSMOTE Shop, as a measure for improving the workplace conditions.

In the Compliance Training material (see section [Policies and Management of Regulatory Compliance](#)), a section regarding human rights and the Group's approach (e.g. communication channels and the principles of the Code of Human Rights and Social Principles) has been included. It is estimated that approximately 27,5 training hours were devoted to classroom trainings regarding the Code of Human Rights and Social Principles and human rights issues, during 2018.

On the International Human Rights Day (10th of December), the Chairman and CEO of OTE Group, in an internal message addressed to all employees, referred to the outstanding commitment that OTE Group employees are showing towards the Code of Human Rights and Social Principles, the OTE Group Code of Conduct and the Compliance Management Policies.

There were no convictions of OTE Group by the judiciary for discrimination in the workplace, nor was there a financial or non-pecuniary (e.g. recommendation) penalty imposed on human rights issues.



[Relevant Web Page](#)

## 2.5 Responsible Purchasing and Supply Chain Management

OTE Group believes that the diffusion of key values and standards in the supply chain is an important feature of responsible business conduct.

### Procurement Policy

The OTE Group companies carry out their procurement practices according to the OTE Group Procurement Policy, which sets out all the terms and regulations under which commissions are made. The main objectives of the Procurement Policy are:

- Optimization of value added in terms of cost, quality and time
- Ensuring transparency
- Compliance with Deutsche Telekom's International Procurement Policy

The Procurement Policy does not distinguish between local and non-local suppliers. However, it is common practice for the Group Companies to support domestic suppliers.

OTE Group Companies aim to reimburse their suppliers, as defined in their procurement contracts, in due time. For 2018, the payment time ranged from 30 to 120 days, depending on the type and value of the procurement.

#### Percentage of Procurement from Domestic Suppliers

- Greece: **91%**
- Romania: **78%**

### Supply Chain

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

OTE Group Companies has lists of suppliers (Vendor Register), renewed in the context of the development of a sustainable supply chain. For instance, in 2018, the list consisted of 1,267 suppliers for OTE, 664 for COSMOTE, 162 for GERMANOS, 800 suppliers for Telekom Romania Communications and 317 for Telekom Romania Mobile Communications (some vendors are common for OTE, COSMOTE, GERMANOS and have been counted separately for each company). The lists include both multinational and local companies for the purchase of materials and equipment or for the provision / lease of services.

Each list of suppliers comprises many different categories / types of hardware or services supplies. Indicative categories of suppliers are contractors, licensees, consultancy providers, telecoms and service companies, and IT hardware / software development companies.

### Supplier Selection

Specific criteria related to corporate responsibility and sustainability can be added to each procurement notice, in accordance with the specifications required and defined by the business unit that initiates the procurement process. All potential suppliers are required to declare that they explicitly agree with the [OTE Group Supplier Code of Conduct](#), which reflects the intention of the OTE Group companies to collaborate with socially and environmentally responsible suppliers. This intention of the Group is reinforced by the [OTE Group Code of Human Rights and Social Principles](#).

The contract, which contractors sign, includes special clauses on health and safety issues, anti-corruption, security and confidentiality. In addition, signing the contract also obliges the contractors to comply with the [OTE Group Supplier Code of Conduct](#).

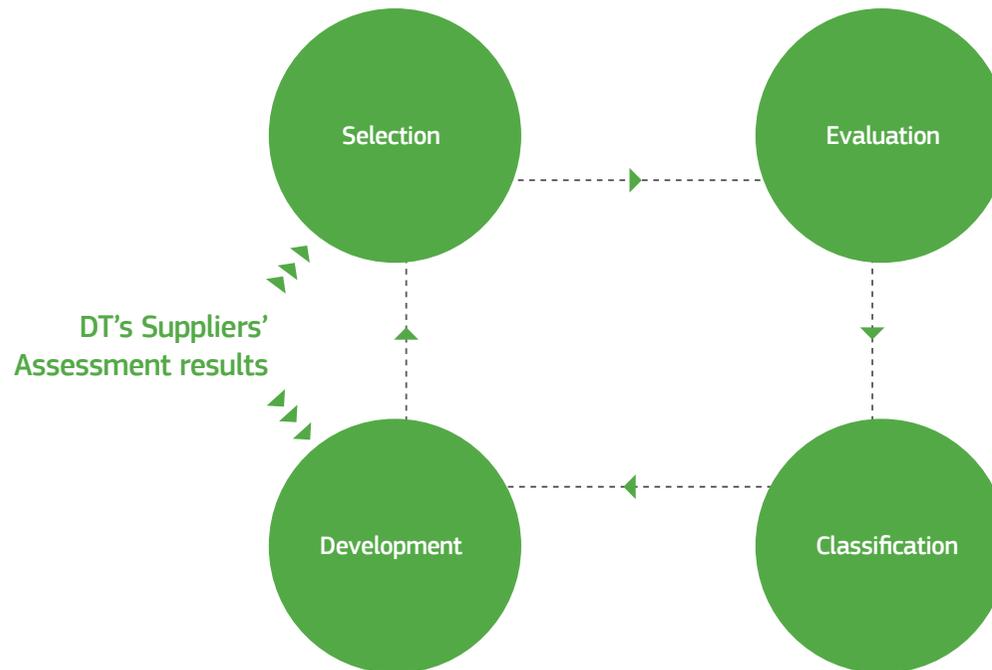
#### Integrity Check and Compliance Business Assessment of potential suppliers

- **1,839** integrity checks of suppliers, consultants and partners were carried out
- **100%** of potential suppliers for any purchase exceeding € 50,000 were reviewed and checked, unless they had been checked within the last 2 years
- **100%** of potential consultants were checked, regardless of the fee value

### Supplier's Management Lifecycle

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

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



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

- Classification of Supplier's based on quantitative assessment results
- Presentation of assessment results to OTE Group Management



### Supplier Evaluation

The active suppliers of the OTE Group are evaluated on a yearly basis. Suppliers are selected based on the purchase orders issued within 12 months. More specifically, in 2018, the selection of suppliers for evaluation was based on all orders issued between 1/10/2016 - 30/9/2017, on behalf of OTE, COSMOTE, GERMANOS, Rural North, Rural South, Germanos Telecom Romania, e-Value SA, e-Value Ltd, e-Value International, Telekom Albania, Telekom Romania Communications, Telekom Romania Mobile Communications, Telemobil and Sunlight Romania.

OTE Group's supplier evaluation included:

- all suppliers with orders of more than € 2 million (for all the companies mentioned above),
- all suppliers providing important types of supply (i.e. products and services that have a significant effect on the products and services provided to customers) worth over € 500,000,
- all suppliers of products/services related to the Group Consolidated Management System, and
- certain suppliers who did not meet the above criteria but were proposed for evaluation by OTE Group Managers.

The suppliers that are evaluated are asked to complete a self-assessment questionnaire on their performance regarding sustainability issues. This questionnaire aims to promote awareness of social and corporate responsibility to suppliers, giving them the opportunity to present information about their management systems and practices. The questionnaire includes questions related to corporate responsibility, sustainable development, employment, human rights, environment, health and safety, quality and business continuity. Questions refer to the suppliers' performance, as well as their suppliers' and sub-contractors' performance.

### Classification and Development of Suppliers

The ratings of suppliers by the OTE Group companies' operational units involved in the process, as well as the self-assessment questionnaires completed by the suppliers, feed the Supplier's Vendor Evaluation System to produce a quantitative performance score for each supplier. The performance of each vendor on corporate responsibility and sustainability issues corresponds to 10% of the total score. The results of the ranking are presented to the Group's Management.

For low-rated suppliers, Management decides whether they should remain on the Group's list of eligible suppliers, whether they need to show improvement in their performance (in which case some remedial action plans need to be agreed with the suppliers), or for the collaboration with the Group to cease (whereupon the relevant Directorates of the Group are informed).

In addition, OTE Group Companies take into account the results of Deutsche Telekom's assessments and audits for each joint vendor. In the event that DT realizes that a supplier does not comply with DT Group policy and international standards and interrupts transactions with him/her, OTE Group companies are informed and they in turn, remove that supplier from the list of their eligible suppliers.

It should be noted that OTE Group has established different communication channels (e.g. Tell me! whistleblower portal, regular post, telephone, e-mail) to enable anyone to submit information concerning possible violations of legal obligations or internal policies and regulations. It is also possible to file a report anonymously via the Electronic Compliance Form. Any information provided is treated as strictly confidential and is checked for

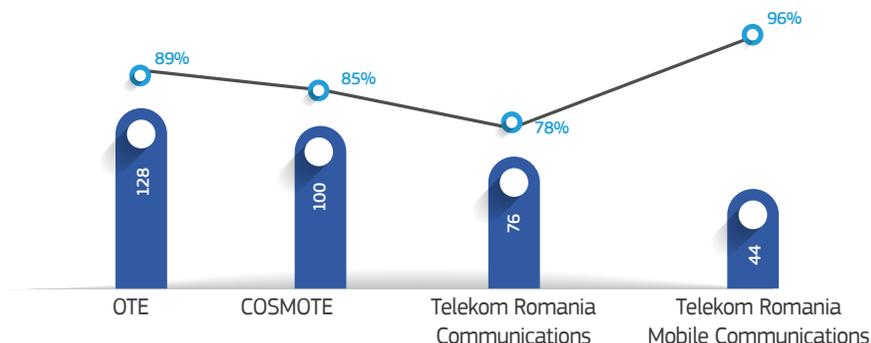
plausibility by specifically trained persons who are obligated to confidentiality.

Finally, the OTE Group Supplier Code of Conduct, as revised in 2017, sets the framework for social, environmental and compliance audits. OTE Group and/or its authorized representative are entitled to conduct monitoring activities on the supplier and its subcontractors to effectively evaluate the supplier's and subcontractors' actual conformity with the Code's Principles. This includes the right for OTE Group and/or its authorized representative to perform audits, including on-site inspections and carry out questionnaires and/or interviews with selected employees at supplier's premises, construction sites and/or other locations where work is performed on behalf of the supplier. The supplier acknowledges that OTE Group has the right to request and receive further information (e.g. through the OTE Group evaluation systems/ EcoVadis/self-assessments), if deemed necessary. Upon request from OTE Group, the supplier shall inform OTE Group of the measures adopted to ensure compliance with the Principles. Any non-conformity with the Principles shall be notified to OTE Group and a dedicated improvement plan has to be filed to be implemented in due course.

## Supplier Evaluation for 2018 for the 4 Largest OTE Group Companies

Number of Suppliers Evaluated

Annual Procurement Value\* Evaluated %



\* Includes high value supplies, product and service supplies that affect the end products / services provided to customers, as well as high risk products as defined internally. Supplies from affiliates, dealers' commissions, interconnection, roaming supplies, and sponsorships-donations are excluded).



Relevant Web Page



## 2.6 Security and Data Privacy

### Why it matters

Data is a key element of OTE Group operation. The security and privacy of personal data is a major requirement demanded by customers and a primary concern of the companies of the OTE Group.

### Data Security and Privacy

Data Protection and Security are of utmost importance for OTE Group. Ensuring data protection is more than just an obligation to comply with legal and regulatory requirements and heavily reflects on the quality of the Group services.

All OTE Group companies have adopted the Binding Corporate Rules on Privacy (BCRP). These Rules contain the key requirements for the processing of the personal data of OTE Group subscribers and employees, in accordance with applicable Greek and European legislation and ensure a high level of protection for personal data.

In May 2018, the General Data Protection Regulation (GDPR) was introduced to all member nations of the European Union.

In this framework, OTE Group has thoroughly prepared for the new set of rules of GDPR. Prior to the enforcement of the regulation, OTE Group had high level of security mechanisms already in operation, which were supervised by a Data Protection Officer. Moreover, OTE Group appointed 150 employees to assist in the implementation of the GDPR rules.

Approximately 110 systems were reviewed using the PSA process (Privacy and Security Assessment) and documentation was adjusted, as required. The

Privacy and Security Assessment (PSA) procedure allows OTE to review the security of its systems in each step of the development process, covering the GDPR requirements for Data Privacy Impact Assessment.

In addition, data protection notices were developed for the Group services and more than 400 data protection agreements were signed with partners.

Awareness activities regarding GDPR were performed for the Management and first-line employees in shops and customer service. 5,500 employees participated in 46 face-to-face trainings and e-learning courses.

Moreover, OTE Group customers can be informed about the [OTE Group Data Privacy Policy](#) through the corporate webpage and may exercise their rights through a dedicated channel. From the 25/05/2018 until the end of the year, OTE and COSMOTE handled approximately 900 GDPR - related requests.

In addition, consent management processes were revised and implemented in CRM systems, as well as portal and mobile applications.

Also, pseudonymization was implemented for data that are processed in Big Data infrastructure.

Aiming at continuous improvement on the level of information security and data protection, OTE Group companies have launched a series of information security actions and projects, such as:

- Encryption on critical databases.
- Implementation of logging mechanisms in critical applications.
- Expansion of Database Activity Monitoring in critical databases. Evaluation of automated analytics tools.
- Implementation of Mobile Device Management Platforms.
- Deployment of a Privileged Account Management (PAM) tool covering the entire OTE/COSMOTE IT infrastructure.
- Participation in national and international

cyber-attack defense exercises.

- Implementation of email sandbox solution in order for e-mails, addressed to OTE Group, to be checked for zero-day threats.
- Expansion of the Data Leakage Prevention System in franchise shops.
- Further expansion of the Identity Management System (Greece).
- Re-certification of the Information Security Management System in OTE, COSMOTE, Telekom Romania Communications and Telekom Romania Mobile Communications (in accordance with ISO 27001).
- Revision of Security Policy.

Monitoring and auditing processes are in place to ensure compliance with the security framework and BCRP. For instance, in OTE and COSMOTE, user access rights are regularly reviewed and certified and access to communications data is systematically audited.

Timely response to security incidents is also paramount for OTE Group. A Security and Privacy Hotline was introduced, to support employees reporting any security and privacy related incidents to the Security Operations Center that operates all year round, 24 hours a day, 7 days a week.

In 2018, OTE and COSMOTE investigated 20 customer requests, regarding confidentiality of communications / security customer data, and 31 requests from the Hellenic Authority for Communications Security and Privacy (ADAE). In none of these cases any suspect finding was detected.

Moreover, OTE and COSMOTE handled 17 complaints from the Hellenic Data Protection Authority.

In 2018, Telekom Romania companies received more than 200 requests, regarding data privacy issues.

Under the terms and conditions set forth in the existing legislation, the companies process privacy waiving requests, to the judicial and police authorities,

### Greece: Significant Data 2018

- **40 security and privacy system audits** were completed and **13 system risk assessments** on the PSA portal were executed in order to determine compliance with corporate policies and security procedures.
- **>400 Commissioned Data Processing Agreements (CDPAs)** have been signed with Processors
- **350GB** of log files **per day** were collected and **10,000 events per sec** are **logged** in in the Security Incident and Event Management platform
- **149,624 (~100%) authorized user accesses** were audited in data processing systems.
- Establishment of security requirements for the implementation of **78 new systems or services** and completion of security testing to verify the secure implementation.

provided that they present the required legal orders. Detailed information on surveillance measures are available in the [transparency report](#).

In Greece, the legal basis for processing these requests of lawful interception and data provisioning is Article 19 of the Greek Constitution (Law 3115/2003 on the Establishment of ADAE, Presidential Decree 47/2005 on the Procedures, Technical and Organizational Guarantees for the confidentiality of communications, Law 2225/1994 and Law 3917/2011).

Specifically, in 2018, the Companies (OTE and COSMOTE) processed requests for:

- lawful interception on 5,682 telephone lines,
- provisioning of external communication data on 14,773 telephone numbers,

- provisioning of subscribers' personal data from 11,183 telephone numbers,
- provisioning of subscriber personal information from 1,187 IP addresses.

These requests are forwarded to the ADAE, who includes them in its Annual Activity Report.

In Romania, the legal basis for lawful interception and traffic data provisioning activities consists of Law 14/1992 on the organization of the Romanian Intelligence Agency, Law 51/1991 on National Security, Decision 338/2010 of the President of ANCOM (i.e. Romanian regulatory body in information technology and communications industry), Law 508/2004 on the organization of DIICOT (department under the Public Ministry in charge with investigating the cases of organized crime and terrorism), the Criminal Procedural Code and Law 235/2015 modifying the Law 506/2004 on processing personal data and the protection of private life in the field of electronic communication.



Relevant Web Page

## Physical Security

Indicative actions that were implemented in 2018 are the following:

- Continued the interventions in Physical Security, Electronic and Structural Improvement in 30 OTE premises.
- Managed the tender regarding the state-of-the-art Physical Security systems at the new COSMOTE TV building.
- Deployed the video verification project in 10 additional Base Stations resulting in a total of 28 Base Stations in Greece
- Carried out a tender procedure and signed new 3-years Frame Agreements for Guarding Services, resulting in optimization of operations and a yearly budget reduction of € 300,000.
- Continued the interventions in OTE Group's privately-owned branches in Greece, by

improving the physical security standards of 10 additional branches.

- Performed registration and mapping of existing security systems using the new Tablet App in 50 premises in Greece.
- Piloted physical access to OTE HQs using QR codes. Evaluated further pilot programs and selected the Bluetooth enabled method for deployment at premises in Greece.

### Greece: Significant Data 2018

- **775 physical security incidents**, of which 235 were characterized as serious, were recorded and managed.
- **3,480 access control cards** were issued.
- **2,915 requests for access rights** were processed and 640 accesscontrol failures were resolved.
- **784 access cards** to technical subcontractors were administered.
- **199 requests for access rights and keys** for outdoor cabins were issued.
- **595 alarms and 1,330 preventive checks in outdoor connection cabinets and cabins**, and **30 events-personal protection** were managed.
- **2,370 checks of guarding stations and buildings**, **120 preventive checks for the detection of explosives and 80 checks on subcontractors' technical works** were conducted.
- **82 inspections** in Group stores nationwide, **334 checks** of premises for privacy assurance, **137 retrievals of stores' Closed Circuit TV** of video surveillance recordings (CCTV) and **studies of physical safety in 58 stores** were completed.

### Romania: Significant Data 2018

- **5 physical security incidents** were recorded and managed.
- **3,200 access control cards and 600 corporate badges** were issued.
- **3,074 access requests** from which 122 access visitors to headquarters were managed by Security Dispatch.
- **60 physical security risk assessments** were carried out.
- **54 security system upgrades** were carried out (52 for Telekom Mobile-video surveillance, anti-burglary, access control- and 2 for Telekom Fixed-Inergen fire extinguishing system only).
- Performed **51 physical security inspection on-site visits**.

## Awareness and Training

In 2018, awareness and training programs were carried out on Information Security, Data Privacy and Physical Security areas, and included:

- Briefing regarding Physical Security, Information Security and Data Protection during the introductory training of all newly recruit employees.
- GDPR Awareness trainings delivered to OTE Group companies
- Special security awareness campaign titled "Think - Check - Share" addressed to the employees. This project dealt with Security issues such as:
  - Physical Security issues
  - Data Privacy and Information Security

Two electronic surveys related to Information Security and Business Continuity issues were addressed to a sample of employees to improve OTE Group's security practices.

## 2.7 Business Continuity

### Why it matters

OTE Group customers require from the Group to provide uninterrupted high-quality products and services. OTE Group strives for high caliber Customer Experience and invests in the development of mechanisms for the timely recognition and treatment of situations that affect or are likely to affect the business continuity of the critical processes of the Group.

OTE Group, in order to ensure the uninterrupted provision of quality products and services, aims to achieve maximum degree of resilience and ability to cope with adverse and extraordinary circumstances.

In 2018, OTE successfully completed the annual audit of the OTE and COSMOTE Business Continuity Management System according to ISO 22301:2012 requirements.

Major achievements in 2018 include:

- Development of new / update existing Business Continuity Plans (BCP for Shops, Customer Services Activities, Authorities' Requests and BCP in case of unavailability of Parnitha and Avlonas Warehouses).
- Development of new / update existing Disaster Recovery Plans to reflect existing and new technologies.
- Collaboration with Greek State Authorities to offer a civilian alarming system – Cell Broadcast utilizing COSMOTE Cellular network.
- Implementation of all Business Continuity and Disaster Recovery Plans.
- Expansion of Disaster Recovery assets to include additional mobile resources
- Participation in business continuity exercises

at Deutsche Telekom Group level.

- Administration of multiple types of targeted training to teams with a business continuity management (BCM) role.
- New approach of BCM involvement in Buildings (Digital Desktop Exercises performed in the most crowded buildings, new evacuation plans developed for OTE HQs, Paiania, etc)
- Implementation of risk assessment studies in critical services and buildings.
- Successful event management and business continuity reporting for early prevention.
- Collaboration with the General Secretariat for Civil Protection.

Business continuity is considered critical and therefore relevant actions and initiatives are planned and implemented covering all Group companies.

### Awareness and Training

In 2018, awareness and training programs were carried out on Business Continuity areas and included:

- Briefing regarding Business Continuity during the introductory training of all newly recruited employees.
- Special security awareness campaign titled "Think - Check - Share" addressed to the employees. This project dealt with Security issues, including Business Continuity.

### OTE Group Situation Center

In 2018, through the OTE Group official point of reporting business continuity incidents:

- **50 events** of business continuity were evaluated,
- **20 potential and minor events**, which **could affect** the business continuity, were investigated,
- **9 outbound notifications** were sent to the Deutsche Telekom's Situation Center (providing safe travel instructions),
- **180 SMS notifications** were sent internally to targeted groups (providing info about incidents).



### Relevant Web Page

## 2.8 Integrated Management System

OTE Group continuously tracks, evaluates and optimizes the Integrated Management System procedures, based on the Enhanced Telecom Operations Map (e-TOM).

The Corporate Process Model and its systematic documentation for assessment and improvement, form the basis of the Integrated Management System (IMS) implemented in OTE Group. The Integrated Management System comprised certifications for:

- Integrated Management System (according to PAS99:2012)
- Quality Management (according to ISO 9001:2015)
- Environmental Management (according ISO 14001:2015)
- Occupational Health & Safety (according to OHSAS 18001:2007)
- Information Security (according to ISO 27001:2013)
- Business Continuity Management (according to ISO 22301:2012)
- IT Service Management (according to ISO 20000-1:2011)
- Energy Management (according to ISO 50001:2011)
- Risk Management (according to ISO 31000:2009)
- Anti-bribery Management (according to ISO 37001:2016)
- Compliance Management (according to ISO 19600:2014)

The Integrated Management System of OTE and COSMOTE also includes certifications in accordance with ISAE 3402 (SOC 1) TYPE II and ISAE 3000 (SOC 2) TYPE II "Assurance Reports on Controls at a Service Organization" of the International Auditing and Assurance Standards Board by international auditing company. The certifications relate to the proper design and the efficient operation of the

processes and the service environment control delivered to ICT customers, in the context of Data Hosting Services and IT Service Desk Services.

In addition, the COSMOTE Environmental Electromagnetic Fields Measurement Laboratory is certified according to ISO 17025:2005.

COSMOTE has authorized approval from the Greek Defense Ministry according to Regulation of Industrial Safety, "Government Gazette B 336 - 16.03.2005".

Finally, OTE and COSMOTE have been attested according to the Principles and Guidelines for Good Distribution Practice of Medical Devices (Decision No. 1.348/04 of the Greek Ministry for Health and Welfare).

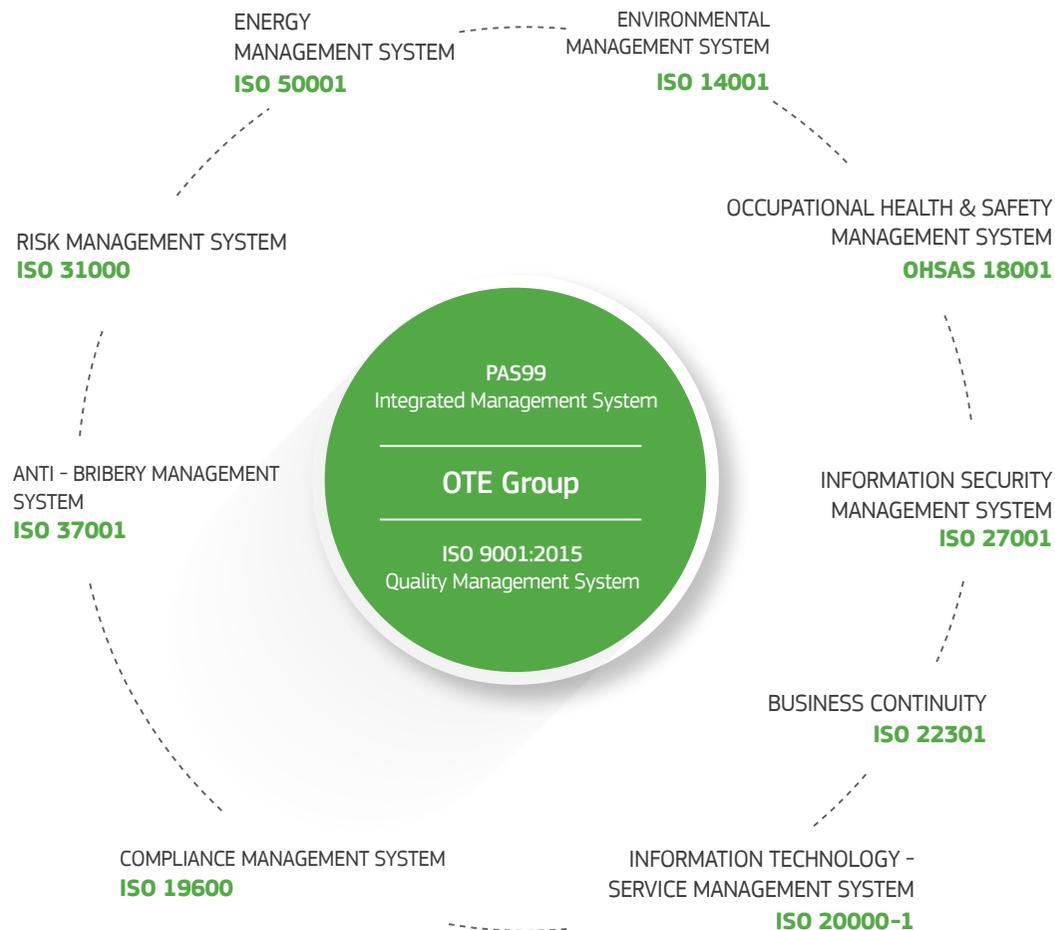
The certified Management Systems for the largest companies of the OTE Group, are presented in the [Appendix](#).

The Group's executives are systematically informed by the Management Systems' representatives about the IMS' actions, objectives and programs.

Existing certifications and their respective expansion confirm OTE Group's continuous efforts to implement international standards and practices.



[Relevant Web Page](#)



## 2.9 Awards and Memberships

### Awards

In 2018, OTE Group companies received a number of highly esteemed awards and distinctions for their sustainability performance, some of which are presented in this section.

In Greece:

- **Bravo Sustainability Awards 2018:** OTE Group received an award for its “Materiality Analysis”, in the category “Bravo Governance”.

- **Environmental Awareness Awards ECOPOLIS 2018:** OTE Group received two awards:
  - in the “Annual Program for the Environment” category, for “Circular Economy – the OTE Group Approach: Natural Resources and Waste Management Program”, and
  - in the “Environmental Research Project” category, for “Virtual Microgrids for Smart Energy Networks” (VIMSEN).

- **Environmental Awards 2018,** organized by Boussias Communications: OTE Group received two Gold Awards:
  - in the “Circular Economy – Symbiosis Network” category, for the “Terminal Equipment Refurbishment and Reuse Program”, and
  - in the “Sustainable Business” category, for the “Sustainable Development Strategy of the OTE Group”.

- **Awards for the Environment,** organized by the Greek Association of Environmental Protection Companies:
  - In the **Greek Awards for the Environment,** COSMOTE received an award in the “Environmental Awareness” category for the educational program “Ctrl Shift Save the Climate! Information and Communication Technologies, our Allies in Climate Protection”.
  - In the **European Business Awards for the**

**Environment,** OTE Group received an award in the “Process Award” category for the “Terminal Equipment Refurbishment and Reuse Program”.

- **Hellenic Responsible Business Awards,** organized by Boussias Communications: OTE Group received the Gold Award in the “Built Environment – “Green’ Buildings” category for the “Cosmote e-Value Kerameikos Office Building”, as a “Green” building constructed in an environmentally responsible approach. The project was managed by OTE ESTATE.
- **Business IT Excellence Awards 2018,** organized by Boussias Communications: OTE Group received four Awards:
  - Gold in the “Special Applications for Companies in Branches/Banks” category, for “V-Banking: Digitalizing Customer Relations, powered by Cosmote”,
  - Gold in the “Redesigning Procedures & Services of Public Administration” category, for “Digital Service Notification and Fire-Fighting”,
  - Gold in the “Digital Transformation / Business and ICT strategy connection” category, for the “COSMOTE Digital Office”, and
  - Bronze in the “Solution Providers / Software Packages” category, for “e-Fuel Management”.

In Romania:

- **Gold CSR Index 2018:** Telekom Romania and five other companies were the only ones out of several hundred analyzed in the CSR Index 2018 study to have scored over 90 points out of 98 in transparency and involvement in the sustainability field. This positions the company in the Gold category.
- **Today's Leader who inspires Tomorrow's Generation:** The sustainability team won the trophy for Leadership in Parent-School Communication 2017 for the “Electronic Catalog” project.

### Memberships

OTE Group companies actively participate in associations and are informed about the trends and developments on Corporate Responsibility and Sustainability issues. In 2018, OTE Group companies maintained their voluntary participation, through their membership in a number of strategically important national and international bodies.

More information is presented in the [Appendix](#).



# 3

## Employees



### 3.1 Human Resources Management

**OTE Group provides a sustainable work environment that encourages employee development, recognizes their high performance and promotes collaboration, innovation and a growth mindset for its people.**

In an era of constant changes, where digitization plays a key role in the workplace, the role of HR in OTE Group is fully aligned with the company's strategic objectives.

By fully aligning with these objectives, in 2018, OTE Group developed new human resources (HR) digital tools and systems (smarHR, HRDigiflow, Digifile) and re-designed internal processes. As a result, data consistency, speed, simplicity, flexibility and effectiveness of HR-related tasks are ensured. Moreover, the majority of HR related tasks and approval flows was made accessible through a mobile application, which improved employee experience and further reduced bureaucratic procedures, approval time and use of paper.

At the same time, OTE Group set the basis for virtual collaboration between teams. Virtual collaboration tools, digital learning platforms and other custom-made programs, for digital skills development, were introduced, to enhance digital literacy of all employees (Digital Heroes, Digilab etc).

Moreover, the Group fosters a growth attitude for its employees, by investing in employees' lifelong learning capabilities and encouraging them to acquire new skills and experiences. In that context, during 2018, OTE Group developed Job Rotation Programs by encouraging employees who had already gained experience in their current role and demonstrated their potential and willingness to grow, to take up new roles or participate in new projects. Through these rotation programs, employees

are able to develop their own professional paths. This is achieved with employees getting in touch with different groups of people, being exposed to different requirements, practices, tools and environments, by developing new skills and by gaining valuable experience for the future.

#### Operational Framework

The principal framework of OTE Group's Policy on Employee Relations, advocates principles such as respect for human rights, fair labor, abatement of discrimination, equal treatment for men and women, and combating child or forced labor.

The scope of responsibilities and duties framework of the Group's Chief Human Resources Officer Business Unit comprises:

- **HR Competency Centers** (Development Centers, policies, systems and procedures),
- **HR Business Partners** (contact point between human resources and all other business units),
- **HR Business Partner Operations** (unit safeguarding compliance, labor law and legal regulations),
- **HR Shared Services** (unit dealing with HR's operations such as employees' and employment data updates).

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

#### Organizational Transformation and Effectiveness

During 2018, the new Job Family Model (JFM) and the unique roles identified and allocated in the Job Family levels were further tested. To ensure validity and accuracy, the tests were realized in cooperation with Line Management representatives in cross functional workshops. At the same time, the first phase of allocating employees to roles was completed in collaboration with Management executives. Several review cycles were conducted, both within and across functions, to ensure that the allocation

was well balanced at company level. This process was benchmarked against similar models of other IT and Telecom companies across Europe. In addition, a series of JFM workshops took place in order to inform, involve and engage all Directors and Senior Managers, and receive their feedback and insights. The company wide JFM roll-out will take place in the first quartile of 2019.

Also, in the beginning of 2018, the organizational module within the Human Resources Management System (SmarHR) was successfully launched and is currently in full use. The new integrated system contributes to the implementation of organizational changes within the Group, provides consolidated reports and facilitates day-to-day operations. As a result, the SmarHR contributed to the increase of employees' and managers' satisfaction and leveraged the cultural shift towards the principles of trust, empowerment and autonomy.

OTE Group re-designs its organizational structure model, so as to be able to respond faster and more efficiently to its customers' ever-changing needs. All necessary actions are taken towards a leaner structure, with fewer management roles at all levels. Thus, the dual career ladder concept (expert vs. manager) of the new Job Family Model has been introduced and implemented, where appropriate, and the Middle Management Framework, which provides the guiding principles for the organizational structure development and redesign, was initiated in 2018.

#### Award

OTE Group received a Gold award in the category **"Most Innovative use of Technology in HR"** of the HR Awards 2018, for the Digital HR - A Smarter Workplace For You

## 3.2 Employment

On December 31st 2018, OTE Group employees numbered 18,630\*.

98% of OTE Group employees were employed on indeterminate term contracts.

Women constitute 40% of the Group's employees. OTE and Telekom Romania Communications employ a large number of technical personnel (6,068 employees), the vast majority of whom are men.

Having always as a priority to improve its employee experience, OTE Group remodels and enhances the operation of the OTE Group Employees Service Center, "MyHR", which was launched in 2015. MyHR manages queries on issues and processes regarding human resources, while its services are regularly updated and enhanced to provide prompt and quality service to all employees.

In 2018, MyHR received more than 97,000 requests from approximately 7,500 employees. The most recurrent requests that MyHR dealt with, were leaves of absences and updates of employees' family status. MyHR Center was evaluated, receiving a high satisfaction rate of 8.3/10.

In 2018, voluntary exit programs with financial incentives were implemented in Greece and Romania, aiming at further rationalization of human resources and the respective labor cost, as well as at the creation of a flexible and efficient organization. In a difficult macroeconomic environment 282 employees in Greece and 743 employees in Romania, accepted the incentives offered by the socially responsible program and left the Group.

Aside from financial incentives, the companies provided to the employees who left the Group personalized support throughout the process, Group private health insurance and preferential offers on products and services of the Group.

### Significant Data for 2018

**18,630**  
employed at OTE Group

**98%**  
with dependent employment on indeterminate term contracts

**72%**  
between 31 and 50 years old

**2%**  
with disabilities

**67%**  
in Greece

**35%**  
fieldwork staff (mainly technical)

**11%**  
in positions of responsibility

### Departures

**1,459**  
employees

**70%**  
through voluntary exit schemes

**19%**  
above 50 years old

### Internships

**Greece**

**578**  
university and technical school students completed an Internship at OTE Group in 2018

**> 2,500**  
young men and women selected OTE Group Internship programs in the period 2014-2018

**Romania**

**44**  
students completed an Internship at Telekom Romania in **2018**

### Recruitments

**967**  
employees

**47%**  
women

**58%**  
below 30 years old

**15%**  
employed internally within OTE Group

### Greece: Significant Data 2018

**12,419**  
employees

**99%**  
with dependent employment on indeterminate term contracts

**39%**  
women

**76%**  
between 31 and 50 years old

**175**  
recruitments

**505**  
departures

### Romania: Significant Data 2018

**6,211**  
employees

**94%**  
with dependent employment on indeterminate term contracts

**43%**  
women

**63%**  
between 31 and 50 years old

**792**  
recruitments

**954**  
departures



Relevant Web Page

\* OTE Group HR activities presented in this Chapter refer to OTE, COSMOTE, GERMANOS, OTE Globe, OTE Academy, COSMOTE e-value, Telekom Romania Communications and Telekom Romania Mobile Communications employees.

### 3.3 Fair Employment Policy Framework and Equal Opportunities

The OTE Group Fair Employment Policy is based on the respect of human rights, in accordance with the following:

- The national regulatory frameworks in countries of operation and the EU
- The United Nations Global Compact
- The [OTE Group Code of Conduct](#)
- The [OTE Group Policy on Employee Relations](#)
- The [OTE Group Code of Human Rights and Social Principles](#)

Companies' induction programs for new employees include a separate section on Compliance issues, on the Code of Ethics, Sustainable Development, as well as on internal policies of the Group.

#### Freedom of Association and Collective Labor Agreements

In March 2018, two new two-year collective labor agreements of OTE and COSMOTE employees, were signed with similar terms, valid from 1 January 2018 until 31 December 2019.

Similarly, a two-year collective labor agreement of Telekom Romania Communications was signed in February 2017, valid until 1 March 2020, and a two-year collective labor agreement of Telekom Romania Mobile Communications employees was signed in April 2018, valid until 1 March 2020.

All signed Agreements safeguard the employees' job positions in the event of financial or technical reasons and regulate payroll issues, leaves, benefits, compensation, employees working hours and health and safety issues.

**100%**

of employees, working within the 4 largest OTE Group telecom companies, are covered by collective labor agreements

In 2018, there were two strikes (lasting one day each) by OTE Group employees, regarding general claims of Greek employees due to the financial situation of the country.

#### Combating Discrimination, Equal Opportunities and Diversity

The Code of Conduct and OTE Group Code of Human Rights and Social Principles constitute the framework guide for the behavior of all OTE Group employees. They connect the Group's respect towards laws and regulations, together with specific commitments relating to ethical behavior. Combination of the two, together with the five Guiding Principles, underpins the Group's success. Priority in formulation of all OTE Group's Human Resources policies is meritocracy, transparency and non-discrimination. These values govern all decisions and actions related to issues, such as hiring, wages, employee growth and development and contract maturity.

Promotion of diversity and the harmonious synthesis of different skills, talents and experience of employees, for both men and women, add extra value to the Group; thereby ensuring its developmental perspective, while respecting the society in which it operates.

OTE complies with the Hellenic Corporate Governance (HCG) Code, which states that "the board should be diversified as to gender and include a diversity of skills, views, competences, knowledge, qualifications and experience, relevant to the business objectives of the company. Within such context, the company should pursue the optimum diversity, including gender balance, in the composition of its board and senior executive team."

**31%**

of the employees with position of responsibility are women

**20%**

of OTE Group Management Team members (out of 15 members) are women

OTE Group respects the importance of avoiding unlawful gender discrimination. In 2010, OTE Group was among the first companies to issue a quota on the employment of women in management positions. The quota focused on the Group aiming that at least 30% of the upper and middle OTE managerial positions would be held by women by the end of 2015. OTE Group is proud to state that the target has been achieved.

Furthermore, in 2010, OTE Group, OME – OTE (OTE's largest Union) and UNI (Union Network International) signed a global agreement for the prohibition of discrimination on grounds of gender, race, religion, political opinion, etc.

In that direction, local and international Human Resources executives (from OTE and DT Group) have set up working groups to promote a culture of inclusive transformation that embraces diversity, accelerates innovation and empowers trust and high performance. These communities have been established for the exchange of ideas and best practices, among the countries - members of the DT Group.

In 2018, the Chief Human Resources Officer OTE Group participated in the "Game Changer in Women of Influence" conference. Women's empowerment in the new digital era and the valuable women's inherent skills for technology field were highlighted, among others.

#### Non-discriminatory Compensation

OTE Group ensures that there is no gender discrimination in compensation policies. The remuneration ratio between men and women gains is 1-to-1.

In OTE Group companies, the salary of employees is determined by their level of education, years of employment and the level of the position they hold. The minimum (basic) salary is adjusted according to the salary category the employee belongs to.

Indicatively, the minimum (basic) salary for secondary education graduates is set by the applicable

collective labor agreements, at € 770.10, which is 29% higher than the national minimum wage in Greece.

The additional severance payment, after the conclusion of the latest Collective Labor Agreement (CLA), is granted to OTE employees under the same terms and conditions (based on the years of service and the hiring date) without discrimination based on gender.

#### Parental Leave for Childcare and Family Protection

OTE Group companies provide pregnancy, maternity and parental leave to care for children that are above the minimum leave set by law.

Parental leave, which is considered and paid as working time, is provided to working mothers or fathers, immediately after the end of maternity leave.

In Greece, after the enactment of a relevant law, use of child care leave has been extended to male employees, under the same conditions, regardless of the type of activity performed by their spouse (e.g. self-employed, unemployed).

Moreover, OTE and COSMOTE employees who have children with a disability of 67% or more receive additional days from those provided for by law (a total of 12 days), for the monitoring of the performance of children. The days are granted to mothers and fathers without discrimination based on gender.

**428 women** and

**301 men** employed in OTE Group made use of parental leave for childcare

**52 women** and

**5 men** employed in OTE Group made use of parental leave without pay

#### Additional Days of Sick Leave in Case of Serious Diseases

In the latest Collective Labor Agreement of OTE and COSMOTE, it is stated that in case of serious diseases, employees are entitled to 60 working days (instead of 30 days) of paid sick leave.

### 3.4 Health and Safety

For OTE Group, Health and Safety issues are considered vital for a successful and sustainable future and have a direct impact on employees' satisfaction, well-being, quality of work and corporate culture.

In that direction, OTE Group companies act proactively to ensure a safe and healthy work environment and adopt new practices in prevention of mental and physical health. In this framework, legislation, respective management systems standards and international best practices have been taken into account.

The annual communicational program of Health and Safety actions, "Live Better", focuses on a holistic prevention and health promotion approach, based on the Group's vision. In 2018, OTE Group designed and implemented actions aimed at employees' prevention, education and enhancement of their awareness, while cultivating a Health and Safety culture and lifestyle.

By promoting mental and physical health improvement and work-life balance, OTE Group aims at optimizing its performance on core indicators of absentee rate and overall employee satisfaction.

Critical parameters of Health and Safety issues at work, such as mental / physical well-being and work - life balance, are evaluated by employees, through the Employee Satisfaction Survey. Moreover, additional internal surveys (via questionnaires) were used to assess employees' satisfaction on Health and Safety issues. These applied to the participants in wellness activities and the employees using food services in restaurants/canteens, in central premises.

It should be noted that OTE Group remains focused on empowering and supporting both employees and members of their families, by adopting Employee Assistance Programs.

The "NEXT TO YOU" 24/7 helpline, assisted by psychologists, was developed for all those in need of daily support, in, or outside the workplace.

#### Health and Safety Policy

OTE Group Health and Safety Policy aims to assure all operational units of the Group with the following actions:

- Compliance with legal and regulatory requirements
- Prevention and assessment of occupational risk
- Audits and inspections for compliance with safety measures at first line workplace
- Provision and implementation of medical screening, health and mental support services and first aid support
- Management and investigation of workplace accidents and incidents
- Expansion of the international Health Management and Safety standard, OHSAS 18001 and transition in OHSAS 45001
- Simplification, alignment, and digitization of internal processes
- Systematic training and awareness of employees on Health and Safety issues with personal involvement and responsibility
- Creation of Emergency Incident Response groups with regular evacuation drills
- Operation management and implementation of hygiene standards model (HACCP) on employees' dining areas
- Management of Blood Donation Bank of OTE Group
- Consultation between Management and employees, through 62 regional Health and Safety Committees.

Health and Safety Committees are composed of elected representatives of employees. According to current legislation and taking into account issues and procedures related to the promotion of Health and Safety at workplace, several meetings were held in 2018, at regular intervals, with Management's representatives. The Health and Safety Unit is responsible for overseeing and providing advice on issues related to employees' physical and mental health. Moreover, it ensures the creation and maintenance of a safe workplace environment.

**22,887** hours of training in health and safety (Greece)  
**4.39** hours of training in health and safety per OTE Group employee  
**1,921** hours of psychological support consulting services (Greece)

**15,369** hours of technical inspections  
**10,689** hours of occupation health inspections  
**103** employee injuries

### Health and Safety Performance

OTE Group monitors its performance in order to identify areas for improvement, to record its progress and to implement health and safety best practices based on European and International standards.

In 2018, Health supervision and Safety inspections of employees remained at high level as in previous years, surpassing the number of inspections mandated by law. In 2018, there were non-fatal work accidents.

Regarding preventing workplace accidents at field, emphasis was given to the training program for increasing employees' awareness against falling from a portable ladder (over 1,800 field technicians trained in the use of personal accident prevention equipment).

#### Awards

OTE received the:

**"Healthy & Safe Workplace"** Gold Award in the activities at work establishments category

**"Health & Safety Culture"** Gold Award in the activities for building Health and Safety Corporate Culture category  
 These awards establish OTE Group as a pioneer in implementing best practices to balance work and personal life through the promotion of physical and mental health.

## Awareness and Prevention

In 2018, emphasis was particularly given to Health and Safety issues related to prevention and awareness of employees, while training programs on that direction were carried out. The annual awareness action plan was based on the review of Health and Safety KPIs and performance results. The selection of the programs was mostly based on:

- the feedback from the monitoring and inspection activities performed by the occupational health physicians and safety technicians,
- the analysis of workplace accidents factors and the evaluation of the incidents,
- the modulation of new Health and Safety culture focusing on wellness.

The aim was for employees to receive information for ensuring their compliance with the Health and Safety standards at work. The information provided, allows them to adopt best practices on Health and Safety issues that can be applied with precaution in their everyday life.

### Briefings on Health issues

“Live better...” is a long-term health and safety program that includes a series of actions, updated on a yearly basis. The aim of the program is to promote mental, physical health and wellness of employees at all levels of business, regardless of the field of their activity. Aside from health, wellness and safety actions, the program is aligned with the corporate vision, “create a better world for all”. In 2018, over **3,500 employees** benefited from actions outlined below:

- Roadshow in retail stores nationwide. Employees of first line support (salesmen) had the opportunity to carry out medical tests and received helpful advice from OTE health expert team and psychologists on topics such work-life balance.
- Over 1,300 employees participated in “Wellness Groups”, which consisted of:
  - Sessions with dieticians and health advisors at 14 cities nationwide
  - Mild physical exercise in central premises
- First Aid training programs for employees in 6 premises where an AED (semi automatic defibrillator) was placed
- Health checkup tests for skeletal health and vascular system in 4 premises
- Ophthalmological test with the use of Vision test medical equipment in 9 premises. The results of the tests were evaluated from an occupational physician, aiming towards the early diagnosis of visual problems.
- Daily Health Event for Breast Cancer Prevention, Diagnosis and Treatment by resending early diagnosis methods and holistic psychological approach.

In 2018, the participation of employees in Health and Safety actions was registered through an e-booking tool. The tool serves employees in real-time, autonomously, instantly and flexibly.

### Briefings on Safety issues

In 2018, over **3,500 employees** attended Safety training programs:

- Safety-at-work program to prevent falling from a portable ladder (concerns field technicians and Personal Protective Equipment -PPE- use through Advanced Certification in Telecommunications Technologies program).
- Safety-at-work program for electrical installations and equipment low and medium voltage.
- Height Fall Protection training program for the approach of telecommunication towers under adverse weather conditions.
- “Using Personal Protective Equipment, work safely” training program.
- Incident response teams training and fire safety.
- Safety at work- workplace accident prevention (concerns PPE use).
- On-site safe driving training for field technicians in a specially designed driving area.
- Safety at work for infrastructure development projects at field (concerns support technicians who monitor the progress of these projects through S.T.E.P program - School for Technical Projects).

### Briefings on Psychological Support Consulting Services

- A new 24/7 helpline, called “NEXT TO YOU”, was developed to empower employees and their families, in their everyday life. Calls to this helpline are free of charge and can be made 24/7, all year round. The anonymity of the user and the confidentiality of information are assured. Moreover, through the helpline, employees and their families have quick, easy and reliable access to an extensive database of specialized social organizations nationwide.
- Over **360 employees** had the opportunity to receive helpful advices and counseling from psychologists in order to apply proactive methods on their daily work life environment.

## 3.5 Employee Selection, Attracting and Retaining Talented Employees

OTE Group's approach to human resource development is based on the Guiding Principle "Best place to perform and grow".

Performance management, recruitment, selection of suitable candidates for the right positions, retention and talent management form OTE Group's profile as a modern and attractive employer.

### Performance Management

Performance management is a fundamental tool, not only for identifying the work output and contribution of employees and executives, but also for initiating and supporting the creation of solid individual development plans.

An annual performance evaluation of employees on all hierarchical levels is conducted. OTE Group's performance management system reflects the high-performance culture that the companies cultivate. The system reinforces the need for excellence in customer experience and adopts the OTE Group Guiding and Leadership Principles.

In 2018, the Performance Management System was redesigned and simplified. Specifically, common performance management evaluation elements for all were adopted, by introducing individual targets to all employees. Moreover, competency evaluation was simplified by maintaining the Guiding Principles for all and the Leadership Principles for those employees who have management responsibility.

Adhering to sustainability principles, such as the treatment of employees with respect and integrity, is part of the annual performance elements being evaluated.

To ensure common understanding and enable evaluators and employees being evaluated, a

dedicated digital platform was developed, where all employees can refer to for relevant information and training material.

New employees with management responsibility undergo specific training on how to evaluate their teams and create individual development plans. In 2018, 71 newly appointed managers attended the relevant Performance Management training.

In Romania, the Performance Management System was enhanced by integrating a 360° Feedback process, focusing on collaboration and communication. In 2018, 67,164 feedback forms were completed.

### Top Management Performance Evaluation

In 2018, the multidimensional, holistic and transparent evaluation system for the executives of OTE Group companies, "Performance Dialogue", was applied for the fourth consecutive year.

The system includes evaluation by superiors, self-assessment and feedback from peers and team members. The evaluation results are considered for actions on management succession and individual career development.

#### Employee Performance Evaluation in 2018

**100%**

OTE, COSMOTE, GERMANOS and COSMOTE e-Values employees

### Employee Selection

The aim of OTE Group is to select the most suitable candidates for each position. Selection is based on transparent and merit-based criteria. The Group aims to be the employer of first choice and offer all candidates a positive experience, regardless of the outcome.

The recruitment process for internal positions involves internal announcement of job openings,

interview and final selection. The process is supplemented by an assessment exam, which, if required, takes place in collaboration with an external consultant. In 2018, 141 positions were internally filled with OTE Group employees.

As of 2017, employees have access to the corporate digital job search platform "HR-Suite", where they can apply for positions within OTE Group and explore international career opportunities within Deutsche Telekom Group. HR-Suite is based on a cloud system which combines and interconnects different HR products in one HR IT System.

The new staff recruitment process involves interviews and corresponding assessment activities with input from external consultants where necessary. In 2017, 826 employees were hired by OTE Group companies.

It is worth mentioning that more than 6,000 candidates sent their CV at OTE Group's database, expressing their interest to join the Group.

In 2018, the Group actively participated in more than 18 career events and job fairs organized by public and private educational institutions, thus enhancing its employer of choice profile and attracting new candidates. OTE Group invests in building strong relationships with the University community, in Greece and abroad, to attract scarce resources with specialized knowhow.

### Talent Management

OTE Group systematically invests in identifying and developing young talents. In this context, the Group has designed contemporary talent management programs, each addressed to a different audience.

The Group's internal talent program for young employees is entitled "you.grow". The program's 1st cycle was completed in 2017, during which, the 9 employees selected took a 16-month job rotational, developmental "journey". Afterwards, all the participants took on job roles consistent with their qualifications, their personal preferences and the company's needs.

The Group's external talent program is entitled "COSMOTE Graduate Trainee Program". The program targets talented young university graduates, who have ambition, passion and are willing to develop their career within OTE. The program's 1st cycle was completed in 2017. Since then, the 10 Graduate Trainees have been placed in job roles within key business functions.

Another talent program, addressed to employees within the GERMANOS Franchise Retail Stores Network, is "G-Talent Review". The program aims at identifying a "pool" of high potential talents within the retail network, who have the drive and ambition to join OTE Group in a job role, which matches their profile and preferences. The program's 3rd cycle started in June 2018 and a total of 20 employees are now part of a "talent pool" for future job vacancies within OTE Group.

Moreover, in 2018, as part of the Deutsche Telekom Group talent management initiatives, a total of 157 employees in Greece and Romania from OTE Group successfully joined the "Global Talent Pool" program's 2nd cycle. The program aims at identifying high performance and high potential employees throughout DT Group, who are internationally mobile and would potentially be willing to re-locate (either to undertake a short project or job exchange, or take on a new role). During the 12 months of each cycle's duration, talents get the opportunity to create a wide international network of professional contacts, participate in contemporary learning / training initiatives and get one-to-one career consulting.

#### Award

OTE Group received the Silver award in the category "Talent & Performance Management" of the HR Awards 2018, for the creation of Development centers.

## 3.6 Employee Training and Skills Development

### Why it matters...

Employee training and skills development of OTE Group employees is a prerequisite for the sustainable development of the Group. OTE Group aims to excel as a working environment where everybody is able to perform at their full capacity and develop professionally.

In accordance with the needs of the Group and technology's prospects, programs that upgrade its employees' existing skills (Upskilling) and teach new ones (Reskilling) are being designed and implemented. Moreover, leadership skills development tools are provided to executives with team management responsibility.

All required actions for the design, implementation and evaluation of employee training programs are described in the "Managing Human Resource Training" process, which is available to all employees through the corporate intranet.

Besides in-classroom training courses, OTE Group, as the largest technology company in Greece, striving to enhance digital and life-long learning, provided its employees access to digital learning platforms, offering them a wide range of training modules.

It is remarkable that in the last 3 years (2016-2018), the insertion of the digital platforms and the new HR Suite Learning functionality, operating in Greece, have notably increased the digital learning hours by about 39%.

**269,831\*** hours of training

**64%** of OTE Group employees were trained (67% of total male employees and 60% of female employees)

**26,692** participations in training programs

**14.22** training hours per OTE Group employee

\* These training hours were recorded by the HR Departments of the companies.

### ACT2 – Advanced Certification in Telecommunications Technologies

It is an ongoing education and skills' development program in Telecommunications Technologies addressed to field technicians and telecommunications engineers. In 2018, 52 employees attended the program. Height Fall Protection program on a ladder/pole took place in 42 cities all over Greece and 1,689 technicians in total were trained.

### ACT2 for Non Techs

Its aim is to familiarize employees with the fixed and mobile network in a simulation environment. In 2018, 117 employees enrolled.

### Simplicity

The program was designed to address the complexity of the companies' daily operation and put in practice the principle "my priority is the customer's enthusiasm, make things simple in my everyday life". The program, which combines theory and practice, continued in 2018, with the participation of 81 employees.

### B2B Power Performance: Expertise-Solutions- Simplicity

Under the B2B Power Performance training umbrella, this program aims to train sales employees in off-the-shelf products and customized ICT solutions for business customers. In 2018, the Module Security course was designed and successfully implemented with the training of 199 participants. The B2B Power Performance training is expected to be resumed in 2019.

## 2018 Representative Training Programs in Greece

### Keep On ACHieving (K.O.Ach)

This 3-day custom Leadership Skills Training for Technology Team Leaders aims to promote a mindset of change and growth. It is conducted in a blended learning method that combines face to face, online training and on the job practice. It took place in 4 cities and a total of 151 team leaders were trained. Correspondingly, 19 Technology Section managers were trained in coaching skills in order to sustain the Mind growth of Team Leaders.

### Leadership Programs YouLead / Exelixis

In 2018, the leadership programs for empowering young executives with team management responsibility were resumed. Additionally, the leadership capacity development programs for experienced frontline executives were continued. The Group's leadership programs Exelixis 1 and 2 based on the corporate values of the Group and characterized by a dynamic, experiential and participatory learning process were completed in 2018. In total, 1,033 middle managers participated.

### METEXELI XIS

In 2018, this new Leadership Program was designed and implemented in order to make OTE Leaders aware of the corporate culture and change mindset. The program prepares leaders to become "digital" and able to lead virtually. In 2018, 62 employees participated in the training, which is expected to be resumed in 2019.

### Digital and blended learning

OTE Group invests in alternative training methods with emphasis on digital learning. OTE, COSMOTE and GERMANOS employees are offered the opportunity to develop their Business, Office and IT skills via platforms and have access into digital eBooks. At the same time, English and German language learning is supported via online, interactive and self-study programs (Global English Program and Global German Program). ~200 trainees attended blended courses in subject areas such as Project Management, Data Mining and Machine Learning and other ICT training programs.

### Digital Heroes

The program started in March 2018, with approximately 300 "heroes" that share thoughts and experiences on issues related to digitalization. A kickoff event was organized to make them familiar with notions like Internet of Things and Artificial Intelligence. Moreover, a "Collaboration tools" training was designed to familiarize them with the knowledge and use of new digital tools.

**236** OTE Group employees in Greece and Romania were certified in classes of certification by equipment providers such as Cisco, Alcatel, HP, PMI, CISA, HUAWEI



Relevant Web Page

### 3.7 Employee Communication, Engagement and Satisfaction

Growth mindset culture, cross functional collaboration and open communication, shape the culture of OTE Group.

#### Employee Engagement

The aim of OTE Group companies is to employ dedicated personnel and attract the best candidates. For this purpose:

- Employees are systematically informed on strategic, technological, and commercial issues, through the use of the internal communication's available resources and via regular meetings within the units.
- Programs and workshops are planned and implemented in an experiential and interactive way.
- All members of the Management Team meet annually to disseminate the corporate strategy and corporate objectives.
- Actions are being implemented to enable adherence to corporate behavior and leadership principles in the daily companies' operation.
- Regular employee surveys are carried out to assess the degree of job satisfaction and to be used as diagnostic tools to maintain the so as to strengths and identify areas for improvement actions.

#### Award

OTE Group received the Bronze award in the category "Best Team Building Program of the HR Awards 2018, for the "Syntonizomaste" program

### Representative Programs for Employee Commitment, Engagement and Change Management

#### The Growth Lab

In 2018, all employees had the opportunity to take part in an eight-week massive online open course (MOOC) program. During the program, the employees who participated worked in cross – country teams and transformed their own innovative ideas into actual prototypes. The LAB-platform offered a flexible learning environment, where everyone could browse through all content resources on their own, access videos in the digital library, comment on creative submissions of their peers, or participate in inspiring discussions in the online forum - anytime, anywhere and on any device. More than 1,600 OTE Group employees in Greece and Romania participated in this growth learning journey.

#### "Syntonizomaste" - "To be tuned"

An experiential workshop for the diffusion of strategy, corporate objectives, and the support of changes. Employees collaborate in groups and discuss about creative issues on strategy and effective cooperation in their units. In 2018, 714 employees of OTE, COSMOTE and GERMANOS participated in the program.

#### "Welcome on board" for newly hired employees

The induction program for new OTE Group employees in Greece, which started in 2016, continues with a new design and a five-day duration. It is an experiential training for familiarization with technology and customer experience (ACT2 for non-Techs, VC2X), as well as visits to frontline operations (retail network, call centers, field). This gives the opportunity to new employees to understand specific corporate functions and the daily routines of their colleagues. In 2018, more than 90 employees of OTE, COSMOTE and GERMANOS attended the program.

#### 1st Internal COSMOTE HACKATHON

The aim of the 1st Internal COSMOTE HACKATHON was to infuse a startup mentality within the company, strengthen cross-company and cross-functional collaboration, and be a mindset-changing experience for project teams and participants. This engagement initiative pursues an inclusive "Everyone is an Expert" approach and adopts a format of open innovation. The competition also permitted participation without the need for coding and therefore allowed the creative process to overcome a common constraint for most of the teams due to the scarcity of IT experts. Collaboration was developed in-house across silos using a Digital Collaboration platform to facilitate an agile approach with the company's own resources. The project participation was expanded to 12 companies within OTE Group of Companies. More than 1,200 employees registered at the Hackathon mini site and from those 589 registered for the competition, submitting 131 project ideas.

#### COSMOTE Awards

COSMOTE Awards were designed and implemented for the first time in 2018. The aim was to highlight the contribution of the employees to critical corporate projects that are fully aligned with OTE Group's strategy. According to the procedure of the program, all employees had the opportunity to present the most important project that they worked on, during the previous year. All projects could be submitted for evaluation in one of the following categories: Technology & IT Leadership, Driving Growth, People & Collaboration, Customer Experience, Digital & Innovation, Cost Efficiency and Sustainability. In total, 104 projects were submitted and evaluated by members of the management team. Eight of these projects stood out and were awarded at the annual Management Team Meeting ceremony, with a €5,000 prize each.

## Internal Communications

OTE Group aims to maintain transparent and interactive communication with its employees, utilizing a range of communication platforms. The aim is to promote knowledge, teamwork, participation, and a two-way communication channel.

### Indicative Internal Communications Campaigns and Employee Engagement Programs

- “1st Internal COSMOTE Hackathon”, a digitalization and innovation competition for employees.
- Motivational campaigns to participate in corporate volunteering actions and companies' social initiatives, such as the Athens Classical Marathon, the Blood donation program (see the section on Employee Volunteering).
- Customer Care Program “The Grand Cosmotel room 2018” for the Group's Call Center employees.
- “Cosmoplay” Program for all the employees in the Greek Retail Network.
- Special Educational Robotics Day for employees' children.
- Awareness campaign about employee satisfaction surveys.
- Campaign for COSMOTE Awards internal contest.
- Awareness campaigns about compliance issues.
- BCM and Information Security Campaigns, aimed at increasing awareness for Telekom Romania's employees regarding security of their work

### Greece: Significant Data 2018

The main objectives were the strategy cascade, the brand enhancement and the employee engagement. The tools and platforms utilized were:

- **OTE Group Newsletter**

A weekly newsletter, with 92% average open rate among OTE-COSMOTE employees. During 2018, 48 editions were sent out and over 240 corporate news items were covered.

- **mynet.go**

The first mobile application for OTE-COSMOTE-GERMANOS employees was officially launched in October 2018. mynet.go aims to simplify employees' workday, acting as a mobile gateway, which integrates corporate info and applications/services. Around 5,000 employees downloaded the app in just two months and more than 900 use it on a daily basis.

- **Intranet – “mynet”**

The unified Intranet portal for all OTE, COSMOTE and GERMANOS employees. One out of three employees visit the intranet on a daily basis and 100% of employees visit it at least once a month. 65 news items are published on a monthly basis.

- **Campaigns and below the line activations**

24 full scale campaigns and more than 8 below the line activations across Greece were implemented.

- **Engagement programs**

4 different engagement programs were designed, coordinated and implemented: 2 programs targeted front-line employees (7,300 employees) and 2 the entire workforce. The average satisfaction rate was over 85%.

- **Corporate events**

Over 23 cross-group (DT), cross-company or functional corporate meetings were designed and organized for over 2,250 participants.

### Romania: Significant Data 2018

- **50** issues of weekly newsletters were sent to more than **6,300** employees.
- **> 600** articles were communicated
- **43** internal campaigns and other support activities for the employees were realized.

## Employee Satisfaction

The OTE Group employee satisfaction surveys have been established as part of its workplace culture. Recognizing the benefits of the surveys, the “Pulse” Survey is conducted two times a year, while the Employee Satisfaction Survey every two years.

Participation numbers remain high throughout the Group. In 2018, in Greece, 75% of the employees participated in June's Pulse Survey and 79% in November's Pulse Survey. In Romania, 80% of the employees participated in the November and June's Pulse Survey.

The high participation displays the strong interest of employees to engage and express their views on important issues which affect their working environment.

Digitization, Innovation, Engagement and People Development are some of the survey areas reflecting the Group's vision and giving the direction for changes that will be launched in the future working environment. The latest surveys showed that OTE Group invests in digital human resources tools, as well as empowers and supports employees to participate in DT's Growth Mindset initiatives.

Employee survey is a dynamic reliable diagnostic tool, which identifies possible improvement actions and changes and helps the units design their future plans. It evolves to reflect elements of the strategy and the objectives of OTE Group, as well as trends that dominate the external environment. It is utilized to determine and analyze trends regarding cultural and strategic topics.

The survey results are announced on corporate intranets and discussed extensively in meetings held at the level of organizational units across the company, encouraging dialogue and feedback.

The high level of participation in the survey produces reliable results and generates an open dialogue for all employee levels.

The feedback culture of OTE Group is also demonstrated by the employees' participation in other surveys, such as the Compliance Based Corporate Culture Survey and the Employee Commuting Survey, which were conducted in 2018.

# 4

## Customers



## 4.1 Connectivity for All

The Group contributes to achieving the 2020 Digital Agenda targets by investing in the upgrade and expansion of its telecommunications infrastructure.

OTE Group has the ability, expertise and financial basis to continue to support Greece's transition to the new digital era.

OTE Group heavily invests in New Generation Networks by creating infrastructure which will boost the Greek economy and foster higher growth potential. It is the largest investor in new technologies and infrastructure in Greece, having invested over € 2 bn over the past six years. Looking ahead towards the Gigabit Society, OTE has deployed a € 2 bn investment plan, which will run until 2022 and which is set towards offering higher data speeds and larger coverage in fixed-line and mobile telephony.

Even though there is wide availability of broadband services for fixed and mobile telephony covering almost 100% of households in Greece and 90% in Romania, only 69% and 67% of households use the services respectively. The use of broadband services in Greece through mobile telephony is at low levels, with only 59% of citizens subscribing to these services. In comparison with Romania where 82% of citizens using mobile broadband (source: European Commission, DESI 2018 data for [Greece](#) and [Romania](#)).

### Greece

As a result of its extensive investments, OTE Group currently holds the largest fiber optic network in Greece. COSMOTE Fiber expands over 43,000 km in route length, enabling more than 3 million households and businesses to enjoy internet speeds of up to 200Mbps and advanced broadband services via fiber optics. In 2018, OTE initiated the roll out of its Fiber-to-the-Home (FTTH) network, offering internet speeds of up to 1Gbps.

OTE Group, as part of its mobile telephony services, constantly develops its networks to cover the whole country, including the most remote areas. Its 3G network covers approximately 99% of Greece's population, while COSMOTE 4G and 4G+ LTE Advanced technology networks are by far the No1 in Greece in terms of population coverage, exceeding 98% and 95% respectively.

OTE Group is also committed to make sound investment for the development of 5th generation mobile networks. In 2018, the Group launched the first 5G pilot network in Greece, reaching live speeds of over 12 Gbps, 60 times faster than current 4G speeds. The trial took place in the Municipality of Zografou, a suburb of Athens, where the company is developing a 5G pilot network.

Furthermore, in 2018, the first COSMOTE Fiber-To-The-Home connection was activated in Palaio Faliro. Fixed internet speeds of up to 1Gbps were achieved during a live demonstration of the program, highlighting the unlimited capabilities of fiber optics.

### Romania

At the end of 2018, Telekom Romania's network coverage reached 93% of the population. Telekom Romania modernized its radio access network and continued to make investments in order to adjust to the requirements of 5G technology implementation. The company constantly optimizes its network to ensure that quality services are delivered to customers

According to independent audit company P3, Telekom Romania achieved its own record P3 score in 2018. Following specific tests, Telekom Romania scored 852 points (85.2%), out of 1000, for its mobile network, positioning the company in the very good mobile network range.

The FTTH deployment was continued in 2018. Telekom Romania continued to replace copper wires with fiber optics and expand its FTTH coverage. 172,000 households were added to Telekom's FTTH network in 2018, resulting in 2.7 million households being connected with fiber optic connection at the end of the year.

#### Greece

- > **3 mil.** households and businesses with access to internet speeds up to 200 Mbps
- > **43,000 km fiber optic network** route length
- > **98%** population coverage by 4G network
- > **95%** population coverage by 4G+ network

#### Award / Certification

COSMOTE network has received for the 5th consecutive year the "Best in Test" certification for data and voice services, by the internationally recognized P3 Communications Company

The COSMOTE network has been awarded by Ookla as the fastest Mobile Internet\* network in Greece

\* Population coverage refers to Outdoor Coverage.

#### Romania

- 86%** population coverage by 3G network
- 93%** population coverage by 4G network

## Affordable Prices for All

The Group provides products and services at different prices aiming to make them affordable for everyone and tailored to their needs.

OTE Group, through its brands, offers packages at competitive prices to residential and business customers, fulfilling their communication needs, by providing a wide range of options in terms of internet speeds, voice calls and additional ICT services which maximize its customers' experience.

### Greece

**Residential customers** can acquire FTTH at a basic rate plan by using the Government's subsidy (SFBB Coupon).

New fixed programs with enriched voice calls to all national mobiles and most popular fixed and mobile international destinations have been commercially launched, at more competitive prices, offering high Internet speeds.

The service **COSMOTE Home Speed Booster** was enhanced with unlimited data usage providing fast and reliable Internet connections, with speeds of up to 100Mbps, through fixed and mobile network convergence to customers living in areas where the COSMOTE Fiber network is still under development.

COSMOTE Double Play subscribers have the ability, via **COSMOTE My WiFi** service, to get free Wi-Fi access in more than 600,000 spots in Greece and in more than 21 million spots worldwide (in cooperation with Fon).

In 2018, COSMOTE introduced a new simplified portfolio for mobile voice and mobile Internet plans focusing on offering increased value for customers. Subscribers can choose whether they like to have a COSMOTE program, with a discount in mobile phones purchase or a reduction in their contract's fixed cost. Cost reductions can reach up to 30%.

Moreover, free minutes and MB were offered on national bank holidays throughout the year.

Additionally, new affordable combo packages were offered to **What's Up** youth prepaid brand subscribers that included voice minutes, MB and SMS and dedicated packages with abundant MBs for Social and Chat apps or streaming use, at a very attractive price.

At the same time **COSMOTE One** - the COSMOTE loyalty scheme for subscribers who combine at least one fixed line and one mobile line - extended its eligibility criteria to reach out to more Fixed Mobile Convergence (FMC) Greek households.

For **business customers**, the COSMOTE Business One program has been relaunched with new features, enabling businesses to operate more efficiently and cost-effectively. The program includes communication solutions for each one of the businesses' employees, including extremely fast Internet speeds via the largest fiber optic network in Greece (**COSMOTE Fiber**), as well as advanced Private Branch Exchange (PBX) services, security services for both fixed and mobile devices, and cloud services.

The **Business Cloud and Applications** platform provides businesses with direct and easy access to cloud applications that meet their operational needs (such as Cloud Servers, Office 365, ERP etc.), reducing their operating costs. In 2018, a free trial period of one or two months was offered for those services.

In 2018, COSMOTE introduced a **new simplified Business Mobile portfolio** focusing on offering increased value to its business customers. New innovative and affordable mobile voice and internet add-ons were offered to customers, which could be adjusted according to their current needs. Business subscribers can choose between five different rate plans to determine which one best suits their business needs. Similar to residential customers,

they can renew their COSMOTE program with either a discount in mobile phones purchase or an up to 30% reduction in their contract's fixed cost, as well as receive free minutes and megabytes on national bank holidays throughout the year.

In 2018, COSMOTE also launched the renewed roaming service **COSMOTE Travel Pass**, enabling subscribers to use their national tariff plan abroad in more than 100 countries all over the world at a low daily cost.

In response to the needs of small and medium businesses for solutions which will help them evolve and grow in an efficient and cost-effective manner, COSMOTE offers two new services. **COSMOTE Office Assistant** which provides remote and flexible secretarial support, and **COSMOTE Click and Site** through which users can turn their Facebook page into a website with just one click at a low cost.

### Romania

In 2018, Telekom Romania continued to simplify its products and services portfolio for residential and business customers through its **#Netliberare** (B2C) and **#BusinessLiber** (B2B) campaigns. The minimum contractual period, valid for business customers, was also eliminated for residential customers. At the end of 2018, Telekom Romania reached 200,000 customers for the B2B Freedom portfolio.

## 4.2 Products and Services for Sustainability

OTE Group offers integrated and innovative technology solutions to enhance business and sustainable development.

Through products and services, customers make the most out of the benefits of using broadband services to improve their operation, environmental performance and prosperity.

Specifically, in 2018, COSMOTE's business IT solutions were enriched to meet business IT needs and to increase their competitiveness in a sustainable way.

### Smart Cities

The "smart cities" portfolio was enriched in 2018, including solutions such as Smart Parking, Smart Traffic Management, Smart Street Lighting, Smart Waste Management, Air Quality Monitoring, Smart Water Management and Electric Vehicle Charges.

In the **Municipality of Rhodes** a new 12-year PPP project was implemented, which will include the installation of 35,000 smart lighting devices, 120 smart parking meters, 6 public Wi-Fi hotspots and a smart city platform.

In the **Municipality of Saronikos** a new 12-year PPP project was implemented, which will include the installation 16,000 smart lighting devices/bulbs, 100 smart waste management bins, 150 smart parking meters, 8 public Wi-Fi hotspots, 8 traffic management points and a smart city platform. The project is expected to induce some long-lasting environmental and financial benefits for the municipality.

**University of Thrace** deployed a pilot project using the new Narrow-Band Internet of Things (NB-IoT) network for Air Quality Management, Smart Fuel Tank management for heating, and Water Quality Management.

In **Sibiu, Romania**, a contactless payment system was installed on Tursib's local transport system. Any holder of a contactless bank card can use this system, regardless of whether the issuing bank is in Romania or abroad, to pay for their trip. The infrastructure implemented by Telekom Romania consists of POS printers for issuing tickets and 3G communication equipment. In short, it is precisely the type of facility that can be integrated in a Smart City concept and project.

### Business Cloud and Applications

**+45%<sup>1</sup> annual revenues**

Cloud services for businesses, in order to improve their operations and flexibility, and to reduce their operating costs.

- COSMOTE Business Cloud Servers
- Office 365
- COSMOTE Business Cloud Storage and Email
- Specialized Cloud Business Applications

### Fleet Management

**+9%<sup>2</sup> annual revenues**  
**+10%<sup>3</sup> customers**

Fleet tracking and management, to ensure "green" and safe driving, as well as reduce operating costs, through the use of machine-to-machine communication.

- Driving Performance
- COSMOTE e-Track
- e-Fuel Management

### Digital Transformation Projects for the Private Sector

**Eurobank** has developed the innovative v-Banking service; an advanced form of teleconference, unique at European level, based on COSMOTE telecom solutions. Through this service, Eurobank's business clients are able to have specialized counselors via high-resolution video calls, without the need of visiting a bank branch.

COSMOTE state-of-the-art IT and telecommunication solutions were installed in Fraport Greece's 14 regional airports. This included the installation of a private cloud in its data center, the deployment of a COSMOTE IP VPN service and the creation of a private radio network. Their purpose is to assure uninterrupted and secure communication between airports, more efficient business operations and optimal passenger service.

Coca-Cola Hellenic Bottling Company's need for IT support services in 19 countries was met thanks to its new collaboration with OTE Group. OTE Group developed new combined multilingual IT Service Desk services, capitalizing on the know-how and specialization of its subsidiary, COSMOTE e-value for Contact Center Services. Accordingly, two operating centers were created exclusively for Coca-Cola HBC's needs. This service will allow the technical support team to administer and coordinate distant support and resolution activities for Coca-Cola HBC's enterprise information systems across the 19 countries, right at the first contact.

<sup>1</sup> Refers to Total COSMOTE Public Cloud (SaaS, IaaS and PaaS) revenues in Greece compared to 2017 figures.

<sup>2</sup> Refers to fleet management revenues in Greece compared to 2017 figures.

<sup>3</sup> Refers to customers using the fleet management service in Greece compared to 2017.



**e-Energy**

Solutions for better energy management consumption by businesses, to reduce their operating costs and build an "environmentally responsible" profile.

- Energy Management

**Smart grids**

Grids which utilize machine to machine (M2M) communications to collect and process information (e.g. energy behavior of suppliers-consumers) in an automated way. Their aim is to improve energy and economic efficiency, reliability and sustainable production and distribution of electricity. OTE Group has installed and activated 115,000 IoT connections for the Hellenic Electricity Distribution Network Operator (HEDNO).

**COSMOTE Office Assistant**

New service providing remote and flexible secretarial support, that manages customer calls and appointments, based on personalized rules. This innovative service helps professionals to manage their time more efficiently and focus on activities that are a top priority for their business. A cost - effective low entry package allows the business to manage a large volume of simultaneous calls, broaden service hours, and receive instant and regular notifications.

**Information Security**

Services for the increasing needs of businesses' security while they are using the Internet.

- COSMOTE Business e-Secure
- Mobile Device Management
- COSMOTE Mobile Security
- Anti DDos

**Development of Electronic Applications**

Development and improvement of applications, digital self-care functionalities and on-line services, which contribute to efficient resource management and the reduction of paper consumption.

Examples of digital functionalities and applications are My COSMOTE App and My COSMOTE Web, e-invoice, e-payment, online submission of telecommunication providers' requests "Your business.gr" and "Check for technical issue".

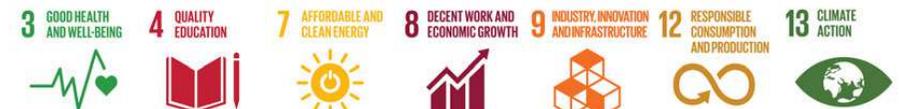
**e-culture**

With this application, visitors can directly and quickly obtain an e-ticket for admission to archaeological sites, museums and monuments in Greece, without waiting at the ticket office. The application allows the purchase of single-use tickets or combined admission tickets for use in several sites and museums, where provided. Visitors can use the e-ticket to visit the following sites:

- In Attica: The Acropolis, Slopes of the Acropolis, Olympeion, Kerameikos, Ancient Agora, Roman Agora, Hadrian's Library, Lykeion Aristotelous
- In Peloponnese: Archaeological area and Museum of Ancient Messina
- In Crete: Knossos, Archaeological Museum of Heraklion.

**e-Tourism**

Services aimed to upgrade the operation of tourist enterprises. They are used in hotel energy management, infrastructure management and maintenance of information systems and digital signage, as value added services to guests, teleconferencing services, etc. Moreover, during 2018, the COSMOTE Business Mobile Tourism was launched allowing hotel owners to pay their employees' mobile connection monthly fee only for the 4 or 8 months their hotel operates.



## Research and Innovation

To consolidate its technological superiority, OTE Group systematically promotes research and innovation, with multiple benefits for society, customers and employees.

The Group actively participates in research projects, finances internal activities (such as developing tools / applications / products and test infrastructures), evaluates new technologies and equipment, collaborates with educational institutions, etc.

Based on research and innovation projects approved by the end of 2018, OTE Group has received a total of approximately € 3.3 million in external funding for the period 2017-2018, while it has secured funding of about € 3.4 million for next years (without considering new projects to come).

### 2009-2018

- Participation in > **60** research programs
- Cooperation with > **800** partners / organizations such as enterprises, university and research centers in Greece and other European countries



### Relevant Web Page

### 2018

- Participation in **26** research projects in total (Co) funded by the European Commission, regarding programs/initiatives, like the Horizon 2020 Research Program and 5G-PPP (5G Infrastructure Public Private Partnership).
- Participation in **15 out of the 47** total approved EU funded 5G-PPP research projects, 4 in Phase I, 7 in Phase II, 4 in Phase III (having co-ordination roles in 3 in total); thus contributing actively in shaping and evaluation of future 5G technologies, infrastructures and services and novel business models in various vertical markets.
- **23** research projects aim at Sustainable Development with benefits to society and the environment.
- More than **€ 800,000** self-financing of research projects.

#### Research Projects

[5G-ESSENCE](#), [5G-PICTURE](#), [MATILDA](#), [5G-PHOS](#), [5G-MEDIA](#), [SLICENET](#), [BLUESPACE](#), [5G-XHaul](#), [5G-EVE](#), [5GENESIS](#), [5G-MOBIX](#), [5G-DRIVE](#), [CLOUDPERFECT](#)

All 5G-PPP projects, [BigO](#), [i-PROGNOSIS](#), [i\\_HeERO](#), [CREDENTIAL](#), [PRIVACY FLAG](#), [RESISTO](#), [VICINITY](#), [YAKSHA](#), [UNIQORN](#), [LIFE - SAFE CROSSING](#)

#### Subject matter – Projects Targets

Protection of the environment with continuous reduction of energy consumption.

Innovative applications with benefits to society (transportation – public transport, public safety, privacy protection, health – health care, nutrition, technology etc.)

## Indicative Projects in 2018 with Notable Results or Innovative Targets

**5G-XHaul** delivered a converged optical and wireless network solution able to flexibly connect Small Cells to the core network. The main achievement was the final and very successful demonstration that took place in a realistic 5G network environment (the city of Bristol in June 2018), showcasing the various technological achievements of the project. The technoeconomic tool, developed by COSMOTE, received very positive assessments and is considered a stepping stone toward technoeconomic analysis of future research and 5G network implementations.

**CREDENTIAL** delivered innovative cloud-based services for storing, managing and sharing digital identity information and other highly critical personal data with a higher level of security than existing solutions by deploying advanced novel cryptographic technologies and improved strong authentication mechanisms.

**PRIVACY FLAG** developed a set of user-friendly tools to give protection for the data of citizens/ individuals and companies when accessing smartphone applications, websites, and the Internet of Things in smart cities based on an innovative methodology known as the Universal Privacy Risk Area Assessment Methodology (UPRAAM). The project was included in the EU success stories.

**CloudPerfect** delivered an architectural approach and processes for: (a) Cloud providers to enhance the stability and performance of their infrastructures, through efficient resources allocation in multi-cloud environments, and (b) Cloud adopters to minimize time in Cloud provider selection, resources procurement and applications deployment, by having access to benchmarking data, as well as monitor their SLA maintenance.

**5G-EVE** & **5GENESIS** aim to support the smooth transition to 5G networks/services by establishing open, evolving and distributed experimentation facilities across Europe for validation of the associated KPIs with an end-to-end approach in controlled set-ups and at large-scale events for a range of

different vertical markets (e.g. smart cities, smart transportation, e-health, training, entertainment, and media). The two projects will develop/upgrade legacy 4G/4G+ testbeds in Europe (France, Spain, Italy, Greece, Cyprus, Germany, and the UK) and provide solutions for heterogeneous access, advanced spectrum management, MEC, NFV/SDN, open APIs, NR and NG core, site-interworking, and multi-site /domain/technology slicing/orchestration, etc. **5G-MOBIX** aims at executing and evaluating advanced Cooperative, Connected and Automated Mobility (CCAM) trials along x-border and urban corridors in different EU countries, as well as China and Korea under all conditions relating to road traffic, network coverage, and service demand. It employs 5G core technological innovations and takes local legal, business and social aspects into account.

**5G-DRIVE** aims to validate interoperability between EU and China 5G networks through extensive joint trials on eMBB and V2X services to be conducted in eight cities across the EU (Finland, Italy, and the UK) and China. At the same time, innovation will be promoted in technology domains such as network slicing, network virtualization, NR, 5G transport network, and edge computing.

**LIFE-SAFE CROSSING** aims at implementing actions to reduce the impact of roadkills on some priority species in four European countries: Marsican brown bear and wolf (Italy), Iberian lynx (Spain), Brown bear (Greece and Romania). In Greece the barrier effect and roadkills at Egnatia Highway and national roads are estimated to affect ~30% of the local bear sub-population leading to mortality of a considerable number of specimen.

**UNIQORN** aims at providing the enabling highly integrated and yet cost-effective photonic technology to accommodate quantum communications to be evaluated in lab and field, while also bringing improvements in terms of robustness and reproducibility.



## 4.3 Safe and Responsible Use of Technology

### Why it matters

Safe and responsible use of technology has been identified as “material” by OTE Group’s stakeholders. OTE Group is not limited to delivering top quality products and services, but goes on to inform customers and the public about the safe use of technology.

### Safe Use of the Internet

The Group has developed programs and actions to provide information and raise awareness about the safe use of the Internet by children.

### Products and Services for Safe Use

OTE Group provides a range of products and services specifically designed for children that can be used by them in a safe and controlled manner.

- **COSMOTE Family solutions:** Since 2018, COSMOTE offers a series of products and services for parents to facilitate the safe navigation of their children in the digital world.
  - **COSMOTE Mobile rate plans:** Prepaid and postpaid rate plans with data limits. This new option allows parents to adapt the volume of data that their children can consume during a month.
  - **COSMOTE Family Safety application:** An advanced parental control application that enables the safe navigation of children on the Internet and on social media. COSMOTE Family Safety application allows parents to monitor the time children spend online and on which activities, control which mobile applications their children can use and the time they spend on each, apply Web Filtering restricting children to only visit certain website categories, activate anti-cyberbullying alert if their child has been verbally abused or spoken bad on social media,

set time limits, activate Geo Location. Parents can manage their children’s activity in all type of devices (mobile, tablet, laptop, PC) through their computer.

- **COSMOTE Total Security:** This service focuses on the protection of the user’s computer, smart phone and tablet. It includes Anti-Virus, Anti-Spam, Firewall, Banking Protection, Browsing Protection, and Parental Controls, which provide safety while surfing the Internet. This service can be accessed regardless of whether the user is connected to the Internet or not. Also, COSMOTE Mobile Security, is another service that offers browsing protection to smartphones when surfing online via Wi-Fi or on COSMOTE’s network and secures phones against malware, viruses, and phishing attempts. Personal data cannot be hacked and online purchases and transactions can be carried out safely.
- **Parental Control Services from COSMOTE TV,** for broadband and satellite service subscribers. With these services, subscribers can set their preferred parental control level and restrict access to specific programs based on the degree of suitability. Additionally, subscribers can restrict access to the Television channels of their choice.

### Informing the Public

- **e-parenting.gr:** A consulting microsite, created to support parents’ efforts to offer their children the possibilities of the digital world with safety. The microsite contains webinars, articles, events and tools about children’s online safety, as well as the first virtual internet school for parents

#### e-parenting.gr

- 54,000 visitors
- 8 Lessons of School of Cool
- 4 educational events supported by COSMOTE

“School of Cool” with short e-learning courses to educate parents on children’s digital attitudes. The site’s content is developed in collaboration with specialized partners and institutions, such as the Greek Safer Internet Center and the Hellenic Association for the Study of Internet Addiction Disorder.

- **Informative Meetings for Safe Internet Navigation at the OTE Group Telecommunications Museum:** Since 2010, educational programs have been carried out for the safe use of the Internet at the OTE Group Telecommunications Museum. In the period September 2017 - August 2018, over 235 middle school students participated in the Museum’s monthly meetings on the safe use of the Internet.
- **Surfing Safely:** In 2018, COSMOTE supported the development of this educational program for students and parents, which is based on a cartoon exhibition. The program was organized by the Hellenic Association for the Study of Internet Addiction Disorder and EDUCARTOON – Cartoon in education. The exhibition was held in 2 municipalities of Attica and was attended by more than 260 students.

- **Telekom Romania safe use instructive material for all age groups.** The company provides content related to the safe use of its services. The classification of content offered by 3rd parties is based on the Romanian law. Content that is specifically addressed to adults is available upon request and is formulated based on parental control tools.

- **Additional information on the safe use of internet** is presented on [Telekom Romania’s website](#).

### Collaboration with Recognized Bodies:

- **Cyber Crime Unit:** For the 7th consecutive year, COSMOTE supported nationwide workshops on safe Internet navigation, organized by the Cyber

Crime Unit. In 2018, approximately 450 work shops were organized with the participation of 50,000 children, parents and teachers.

- **The Smile of the Child:** COSMOTE and GERMANOS supported, the 1st Information Education and Technology Mobile Laboratory, “ODYSSEAS”, which is an initiative introduced by the organization “The Smile of the Child” and operates under the auspices of the Ministry of Education, Research and Religious Affairs. Through this initiative, students, parents and teachers are informed about major issues, such as the safe use of the internet. In 2018, interactive interventions were implemented, through “The Smile of the Child”, providing prevention services to 6,415 students.

### Participation in Self-regulatory Initiatives

OTE Group companies participated in the “[ICT Coalition for the Safer Use of Connected Devices and Online Services by Children and Young People in the EU](#)” through Deutsche Telekom.

At the same time, OTE Group companies have undertaken self-regulatory initiatives at European and national level, as mentioned in the [Appendix](#).

### Mobile Phone and Road Safety

COSMOTE, in the context of its commitment to contribute to people’s safety, supports actions to inform the public and raise awareness about the responsible use of mobile phones while driving.

Specifically, in 2018, COSMOTE was a member of the Road Safety Institute “Panos Mylonas” and its alliance on Safety and Culture on the Road “Roads in the Future”. Also, for yet another year, COSMOTE supported the “Iaveris” School of Road Behavior, enhancing its awareness actions on road behavior.

## 4.4 Communication with Customers

OTE Group communicates with its customers with responsibility and sincerity.

### Responsible Marketing

OTE Group conforms to the applicable laws and regulations regarding communication and advertising.

The Group companies review all promotional material prior to its release to ensure that the contact material abides with applicable laws. They also ensure that the promotional material is suitable, impartial, genuine and respects diversity.

In Greece, companies follow the Code of Responsible Marketing by the Committee of Communication Control (CCC). They implement the Greek Code of Conduct for advertising and communication, in line with the CCC guidelines. In 2018, regarding non-compliance with the Code, the CCC issued, at first and appellate level, 0 decisions involving OTE and 1 involving COSMOTE, where some amendments to the advertising messages were required.

It should be noted that in 2018, the Hellenic Data Protection Authority issued Decisions No 62/2018 and 63/2018 for OTE and COSMOTE respectively, imposing to each an administrative fine of € 150,000 regarding the implementation of article 11 Law 3471/2006 on unsolicited marketing communications.

In 2018, the Greek General Secretariat for Consumers did not impose any fines on OTE and COSMOTE regarding communication, marketing and advertising issues.

In Romania, the companies follow the Romanian Advertising Council (RAC) Code of Conduct for advertising and communication. In 2018, RAC issued 3 complaints for advertising campaigns, where the Code's instructions were not adhered. RAC suggested Telekom Romania to review the

campaigns' communication content and modify it in line with the Code.

### Customers' Rights

Customers can communicate with Customer Service via phone, application platforms, e-mail or social media, or they can visit an OTE Group store and request information about their rights, according to the service they use (fixed, mobile, COSMOTE TV etc.). Information is available on the service contract and general terms are provided in printed form or they are sent to customers via e-mail. Additionally, through the companies' official websites, existing and prospect customers can be informed about the Terms of Use of all services and about their rights, at any point in time. Each page, for each service, contains, among others, the application forms, as well as the terms and conditions.

### Transparency in Pricing

OTE Group, in accordance with the current regulatory framework, is committed to address its pricing issues in a concise, simple and transparent manner, as well as to provide a high level of service to its customers.

In Greece, OTE's product pricing and / or services are regulated by the Hellenic Telecommunications and Post Commission. In Romania, Telekom Romania's product pricing and / or services are regulated by the National Authority for Management and Regulation in Communications (ANCOM).

The transparency of pricing policies includes the disclosure of billing information within the set

timeframes defined by the regulatory framework. Pricing information is available on the webpages of the companies, through their customer service centers and brochures.

Customers are also informed about billing details and any abrupt changes through their accounts. Moreover, the various solutions, in view of the

current economic conditions, provide cost control, as a response to the increased customer needs for spending regulation. In order to meet its customers' needs, OTE Group has:

- Developed apps to enable better account handling. The apps inform customers through messages and provide detailed description of their bills.
- Provided cost control services (e.g. COSMOTE My Internet, "Balance Check" service, Real time check for prepaid subscribers' balance, Cost Control Service 1515, USSD 1, USSD 2, IVR, Bill protection, etc.)

to enable customers to manage their funds and expenditures.

- Developed numerous services (e.g. Multimedia Information Service (MIS) Billing Update, COSMOTE Mobile Split Bill etc.) to prevent its customers from being overcharged.
- Introduced a new innovative e-bill that is simple, comprehensive and easy to use. The new e-bill platform makes use of new technologies, offering customers greater transparency and better understanding of bill charges.

## Safe, Branded Customer Products

OTE Group believes that it is of particular importance to supply safe products that comply with the applicable Directives and Regulations. It does not distribute products or services to the market that are subject to prohibitions or that have been prohibited from stakeholders' (customers, consumer association, local society, etc.) actions.

The equipment that is sold in the Group's retail stores, carries the statutory CE labeling (mandatory in the EU) and complies with national and the applicable EU regulations (in Greece and Romania), such as the Presidential Decree 98/2017 (harmonization of Greek legislation to the Radio Equipment Directive 2014/53/EU (RED)) – in Greece, the Waste Electrical and Electronic Equipment (WEEE) Directive 2012/19/EU, the Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU, the EU packaging and packaging waste legislation. In addition, COSMOTE equipment for ADSL / VDSL and TV services complies with the eco-design requirements of the Directive 2009/125/EC (Ecodesign).

Mobile phones comply with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) regulations and EU Recommendation 1999/519/EC on the restraint of public exposure to electromagnetic fields (0 Hz to 300 GHz).

For mobile telephony devices, OTE Group requests from its suppliers Specific Absorption Rate (SAR) data. The data are available to its customers inside product packages and upon request at the Group's retail network.

The equipment is also checked for the efficient use of the spectrum allocated to terrestrial radio communications and for the avoidance of harmful interferences, in accordance with the RED and Directives 2014/30 / EU (EMC) (or its predecessor 2004/108/EC) and 2014/35 / EU (LVD) for fixed telephony terminal equipment.

The products include a detailed installation manual in their packaging. Manuals, for the safe use and installation of COSMOTE and Telekom Romania's equipment, are also made available on COSMOTE's website in Greek and English and in Telekom Romania's website in Romanian, respectively.

Suppliers are obligated to attach the required certification of their products and pay compensation for any damages, due to non-compliance with European and national legislation.

In 2018, no financial penalties were imposed on OTE Group companies (i.e. OTE, COSMOTE, Telekom Romania Communications, Telekom Romania Mobile Communications) for a non-compliance case for any of the above issues.

|  | Compliance with international and European Regulations | Labeling                               |
|--|--|--|
| <b>Mobile telephony devices (Greece and Romania)</b>   | RED, RoHS, ICNIRP                                      | CE, WEEE, packaging material recycling |
| <b>COSMOTE equipment for ADSL/VDSL services and TV</b> | RED, EMC, LVD, RoHS, Ecodesign                         | CE, WEEE, packaging material recycling |

## 4.5 Customer Service and Satisfaction

### Why it matters

In a current fast-paced environment, best-in-class customer experience is important to the long term success of an organization. The goal is that customers receive value not only from products and services, but also from their entire customer experience with the company.

OTE Group's primary aim is to offer a differentiated customer experience simple and effortless, via processes that allow constant optimization, since technology and customer needs change. Regardless of how customers choose to be served, -either by skilled agents in Customer Service and shops or via self-service applications and websites, the Group works on optimizing the processes to offer seamless experiences, reducing serving time and repeated contacts.

In 2018, OTE Group focused its effort towards expanding its digital solutions, simplifying and fastening customer request fulfilment, collecting a broad view of customer insights and using them in customer journey design.

Examples of different actions taken are:

- The **"Digital Transformation"** program that enhances customers' digital experience (see section Sustainability Business Model).
- The **"Customer Experience Program"** that fosters employees' customer-centric culture through the actions of Customer Experience Ambassadors. Customer Experience Ambassadors have been actively participating in the product development process, since April 2018, ensuring that final experiences meet customer expectations.
- The **"Voice of The Customer"** program that

allows the capturing of customers' views and needs near their request, as well as the periodic administration of market surveys.

- The **"COSMOTE DEALS for YOU"** program that provides exclusive privileges and offers, leading to the enhancement of customers' loyalty. The increase of the program's partnerships resulted in the increase of the frequency that COSMOTE customers chose to take advantage of its offers.
- The **"Fault To Repair"** and **"Order To Bill"** programs that improve the experience of customers by resolving technical issues or any issues stemming from ordering requests for products and services.

### Greece: Highlights 2018

- Implemented an omni-channel customer service by adopting unified processes in all touchpoints (stores, call center).
- A number of new useful functionalities were added to COSMOTE's applications leading to an increase in the number of customers, using the Group's applications, as well as in customer satisfaction, based on users' rating in app stores.
- Employment of new virtual hold facilities in customer service lines (13818 and 13888) reducing customers' waiting time.
- Deployment of the new innovative COSMOTE e-bill. The new bill format is simple, transparent, easy to use and raises customers' awareness with enhanced features such as personalized messages.
- Installment of self-payment kiosks in 50 shops to facilitate the payment of bills and prepaid top-up via credit/debit card, reducing waiting time.
- Installment of a video call feature in COSMOTE owned stores in order to facilitate communication with customers with hearing problems, via the use of sign language.

### Romania: Highlights 2018

- Gradual simplification of fixed and mobile offers, leading to improved customer experience
- Improved customer satisfaction at the end of 2018, up 7 pp vs. Q3 2018
- P3 certified Telekom Romania mobile network as a 1st League One
- Improved B2B customer experience through deployment of optimization and digitalization of segments in customer journey

### Handling of Complaints and Requests

COSMOTE Customer Service offers an advanced-digital customer experience and develops advanced innovative solutions, namely:

- **Video call via portal:** Customer Service personalizes its contacts through a video call functionality. The service is also available for sign language speakers.
- **COSMOTE UFixIt:** Customer service experts, resolve issues by obtaining access to the customers' camera and guide end users step-by-step through problem resolution and do-it-yourself installations.
- **Chat via portal and Mobile App** for instant and interactive communication.
- **New Mob App functionalities:** Customers can be informed about the status of their technical request and activate alternatives that enable them to communicate free of charge for the period their line is at fault.
- **COSMOTE@YourService:** Customer service experts provide solutions to all household and business needs, covering a wider range of services (i.e. Smarthome) and reaching nation wide coverage.
- **Selfie care:** Customers can place their order online, instantly and paperless, while authentication is performed by uploading a selfie.

OTE Group, throughout 2018, has efficiently managed, with its integrated service experience, to serve customer inquiries related to fixed, mobile and TV services, through existing and new actions, including:

- **Right first-time processes** that allow the immediate resolution of a request as the customer service representatives are empowered to respond to customers' various needs, avoiding the redirection of customers to different specialized experts.
- **Real time complaint management** where the customer service representatives can provide recovery options directly.
- **Implementation of advanced segmented strategies and effective communication methods** aiming at long-term commitment and collaboration.
- **Personalized service** for FMC customers providing a seamless and unified experience through a dedicated team.
- **On-going training workshops** for all customer service employees.
- **Digital e-care** growth (+80% chat, messenger etc.).

OTE Group strives to handle and resolve its customers' complaints in an ever more effective manner, aiming at handling at least 70% of complaints within 2 days. In 2018, in Greece, around 68% of complaints were solved within 2 days, compared to 62% in 2017, increased for both COSMOTE fixed and mobile customers. More specifically, 66% of COSMOTE fixed customers' complaints and 71% of COSMOTE mobile customers' complaints were resolved within 2 days. More time was required for the resolution of COSMOTE fixed customers complaints that were related to IP transformation.

In 2018, OTE and COSMOTE enhanced their ability for proactive service. In total, more than 400,000 customers were contacted proactively in order to be informed on the benefits of IP transformation and get help on connecting their new equipment. The

same stands for customer onsite support, since there were more than 1,200 visits per month (a 77% increase compared to 2017) performed by the COSMOTE@Your Service team.

OTE Group continuously works to simplify processes and reduce the effort needed by its customers in every customer contact. Customer satisfaction and loyalty are regularly monitored through outbound calls, where customer feedback is retrieved, to improve the Group's processes and services. Selected customer satisfaction survey results are associated with managers' variable salary components, as they are taken into consideration during their performance assessments.

## Customer Surveys

In 2018, OTE Group conducted several customer surveys to measure customer satisfaction and loyalty and thus capture customers' opinions on their relationship with the Group's companies, the companies' products and services, as well as their overall experience via touchpoints (i.e. call center, stores and the website).

Indicatively, in 2018, OTE Group companies maintained high scores on the **TRI\*M Loyalty Index**<sup>1</sup>, showcasing strong customer loyalty. Additionally, the companies scored high on the question "How would you evaluate the company as to: whether the company makes me feel like I am in good hands?", since the majority of customers responded "Excellent, Very Good or Good".

OTE Group collects real-time feedback on customer experience using the NG ICCA Program<sup>2</sup>. Following the customers contact with the Group's touch points (i.e. call center, stores and technical service), questions on the employees' quality attributes (e.g. employee knowledge) and the touch points' overall service (e.g. waiting time), are put forward. In 2018, OTE Group in Greece scored higher in the NG ICCA

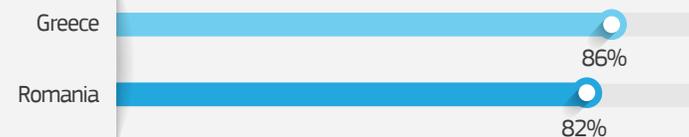
**Program**<sup>2</sup> Customer Satisfaction Index, compared to last year, showcasing its consistent and ever-growing strong customer satisfaction. Overall OTE Group customers are satisfied with their experience in call centers, stores and the website.

### Awards

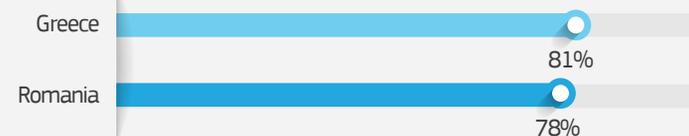
- COSMOTE earned, for the 3rd consecutive year, the prestigious award, addressed to large organizations, of **"The best Customer Service center"** by the Hellenic Institute of Customer Service.
- COSMOTE received national and international recognition for its Customer Experience Ambassadors Program, by with the **Gold Award in Greek HR Awards 2018** (Best Engagement Strategy category) and was amongst the finalists in the International Customer Experience Awards (Business Change category).
- COSMOTE received international recognition for its **"Quality Assurance Program in Customer Service"**. The program received nominations in the final round of the **International Customer Experience Awards** in the categories "Customer Centric Culture" and "Customer Insight and Feedback".

## 2018 Customer Survey Results<sup>3</sup>

How would you rate the company's performance overall?  
Customers who responded Excellent, Very Good or Good



How would you evaluate the company as to:  
whether the company makes me feel I am in good hands?  
Customers who responded Excellent, Very Good or Good



<sup>1</sup> TRI\*M Loyalty Survey, designed at an international level, measures and monitors customer loyalty across countries with DT's presence.

<sup>2</sup> NG ICCA Program, designed at an international level, monitors and improves the Group's business processes by monitoring and measuring customers' perceptions. The program's questionnaire consists of maximum 4 questions that are assessed at a scale of 1-5. Questions are answered on the phone via Dual-Tone Multi-Frequency Interactive Voice Response (DTMF IVR) replies.

<sup>3</sup> Results from TRI\*M Loyalty Survey 2018, Evaluation of overall performance & evaluation of driver feeling in good hands

# 5

## Society



ROBOGIRL: the first fiction movie for educational robotics by COSMOTE

## 5.1 Social Contribution

OTE Group contributes to a better world for all, through technology.

The Group aims to make technology accessible to all, so as to reduce the digital divide and gain equal access to the opportunities of the digital era. Its vision is to offer technological capabilities to all, overcome inequalities and obstacles, so that everyone can benefit from today's opportunities and build a better future.

Social contribution programs and initiatives which are developed and supported by OTE Group, focus on:

- Developing digital skills for all
- Access to the digital society for all
- Social programs
- Corporate volunteering

Areas of contribution:

### • Children and Vulnerable Social Groups

The Group constantly supports children in need and vulnerable social groups. It contributes towards the work of non-profit organizations and institutions, providing them financial support, free telecommunication products and services (which are important for their operation), as well as through voluntary corporate actions.

### • Education

Education and development of technological skills is essential for all ages. OTE Group invests in young people and contributes to a better future, through technology and innovation and by offering grants.

### • Local communities

OTE Group aims to improve the living conditions and sustainability of the local communities in which it operates. The Group's approach is twofold; on the one hand, it tries to meet the demands of local communities and on the other, it carries as its main responsibility, the protection of local communities from any negative impact that may

result from its activity.

In this context, the companies analyze and assess the local communities' needs and implement specific sponsorship programs, which include financial help to local organizations, sports clubs, cultural events, etc.

### • Entrepreneurship

Recognizing the needs of modern enterprises, OTE Group offers the most effective and integrated communication and technology solutions. It develops and offers specialized services for small and medium businesses and promotes relative initiatives and conferences.

### • Culture

OTE Group aims to promote and sustain the countries' cultural heritage through the use of technology and the support of cultural institutions and initiatives.

### • Sports

OTE Group, actively supports athletics and major sport events, sponsors sports clubs and institutions as well as encourages its employees to participate in sporting activities and cultivate a competitive athletic spirit.

### OTE Group's Social Contribution Focus Areas



Children



Vulnerable Social Groups



Education



Local Communities



Entrepreneurship



Culture



Sports

### Telekom Romania Foundation

Telekom Romania Foundation is a non-profit organization, which supports different groups of people in special situations, social causes, children with serious diseases and talented young people and answers to humanitarian calls in case of natural disasters. Moreover, it acts as the link between Telekom Romania and the communities in which it operates.

### OTE Group Telecommunications Museum: Champion Museum for 2018 in Greece

The OTE Group Telecommunications Museum was selected as the Honored Museum for 2018 in Greece by the Hellenic Committee of the International Council of Museums (ICOM) on the occasion of the International Museum Day on 18 May. Under the slogan for this year's International Day "Hyperconnected Museums: New Approaches, New Publics", the Telecommunications Museum has scheduled a series of events and educational programs for children, families, and the elderly hosted at the museum's renovated premises. Visitors to the museum use new augmented and virtual reality tools integrated in the renovated Permanent Exhibition Hall of the museum to interact with the museum's collections and gain a unique and positive experience to share after their encounter. The Telecommunications Museum provides informal education, implements educational programs, and organizes events that reflect its outreach policy and dynamic relationship with society.

### Management and Oversight of Social Contribution Programs

To achieve optimal management for all of its social programs and initiatives, OTE Group systematically develops internal mechanisms and processes aimed for social contribution. Indicatively:

- The Chairman and CEO, as well as the Senior Management, oversee the goals and strategy of the major social activities and are systematically informed about the social programs implemented.
- The Chairman and CEO approves all social sponsorships and donations, following their review and approval by the Executive Director of Compliance, Enterprise Risk Management and Insurance OTE Group (in Greece) or the Compliance Manager (in Romania)
- There is systematic dialogue with stakeholders. New social initiatives are proposed after taking into consideration the needs of interested parties, while data are collected to measure the programs' impact on society.

The evaluation of OTE Group's social contribution is based on the measurement model for inputs, outputs and impacts of the London Benchmarking Group. This model is in line and compatible with international indicators and initiatives for sustainable development, such as the Dow Jones Sustainability Index (DJSI), the guidelines of the Global Reporting Initiative guidelines (GRI) and the Social Return on Investment methodology (SROI) for measuring social return on investment.

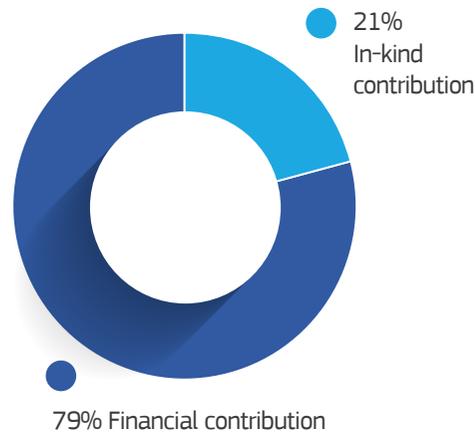
It is a continuous goal of OTE Group to quantify, where possible, the results of these programs in order to evaluate and review its social contribution for the future.

**€ 4 mil.** OTE Group total social contribution

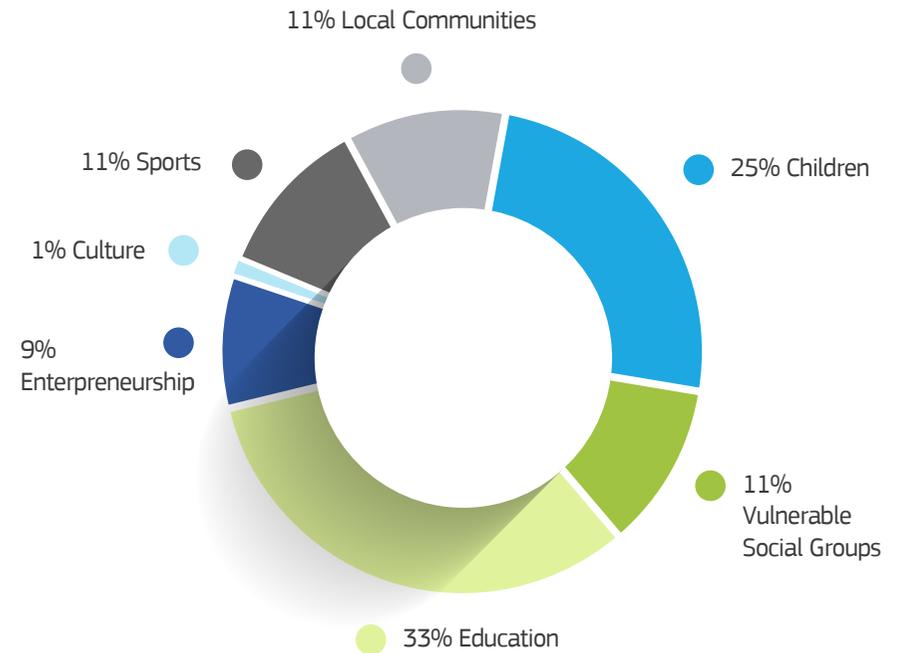
**€ 5.7 mil.** total social investment (including the cost for the implementation of actions and voluntary participation of employees during working hours)

**> 1.4 mil.** beneficiaries

### Revenue Contribution



### OTE Group Social Contribution



## 5.2 Digital Skills for All

OTE Group embraces the shift towards a Digital Society; a society that adopts and integrates information and communication technologies, offering more opportunities and easing people's everyday life.

The Group strives to help people of all ages to welcome and embrace this transformation by facilitating the cultivation of their digital skills, as well as entrepreneurship and innovation.

### COSMOTE Hackathon

12 teams, which worked > 28 hours in a specially designed area at OTE Academy, reached the final phase of the 2nd COSMOTE Hackathon.

The aim was to promote talented people who specialize in programming, design, communication, and entrepreneurship and give them the opportunity to showcase their ideas.

A wearable kinetic stabilizer device, a 3D design application in the VR and AR environment, and a "smart" solution for detecting forest fires were the three winning ideas.

The participating teams were supported by 20 specialized mentors from business and the academic community. Moreover, participants had the opportunity to get in touch with important scientists and entrepreneurs from Greece.



### Digital Educational Programs in the OTE Group Telecommunications Museum

9th consecutive year of operation

>13,000 people visited the Museum, in order to attend guided tours and educational programs, between September 2017 and August 2018.

The Museum offers a series of educational and family programs regarding telecommunications, robotics, safer internet, technology and science such as "a telephone line acquires life, electric power and communicates" and "Introduction to Educational Robotics".



### #GrowYourBusiness

#GrowYourBusiness is the umbrella under which COSMOTE supports the growth of very small, small and mid-sized enterprises in the digital era.

>2,500 professionals attended digital seminars (live presentations and via live streaming), organized in 10 Greek cities.

The objective of the seminars was for the participants to learn about the new trends of the digital era and familiarize themselves with social media and enhance their professional digital skillset.

The trainings are available online through a series of 12 educational videos.



### Telekom Scholarships for STEM

5 scholarships, each worth almost € 4,000 a year, were granted to young people with outstanding academic results by Telekom Romania in 2018.

The 9th edition of the "Telekom Scholarships" program was directed toward first-year university students interested in the field of science, technology, engineering and telecommunications.

> 110 young people studying at leading Universities in Romania have received support.



### Coder Dojo in Romania

450 children participated in CoderDojo programming and robotics workshops. The workshops are divided into themes and skills levels (beginners and advanced). The children are guided by 22 volunteer mentors with a background in programming.



### 2nd Innovation Marathon

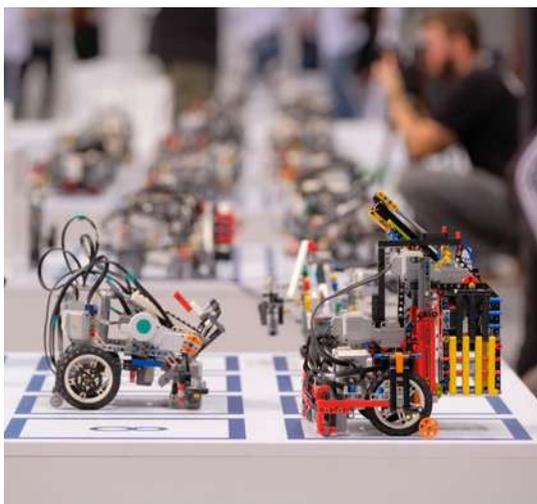
The Central Union of Municipalities of Greece held the 2nd Innovation Marathon "City Challenge crowdhackathon #smartcity2". The event featured innovative applications that aimed at solving problems that local authorities face and support the local and national development through new technologies.

The 3 finalists of the marathon were a blockchain application that eliminates bureaucracy, an energy saving application enabling the optimization of energy consumption in buildings with the use of artificial intelligence, and a waste management application focusing on the sorting of waste source with the use of artificial intelligence.

>90 specialized mentors from local authorities, business and the academic community, supported the 77 finalist teams as they worked on their solutions. COSMOTE also provided know-how on "smart cities" technologies. Specialized executives took part in local workshops open to the public.



## Educational Robotics and STEM Initiatives in Greece



### Highlights 2018

- ~4,500 children's participations
- ~ 1,140 participating teams
- ~ 370 schools' participations
- > 1,500 teachers were trained
- > 3.8 mil views of ROBOGIRL movie on YouTube

- **Pan-Hellenic Educational Robotics Competition for primary, junior high and high school students:** The competition started in October 2017, with the announcement of the categories and themes. It ran for the 4th consecutive year and included 5 months of intensive training and organizational efforts that led to the 13 preliminary competitions being held across Greece and the Finals in Athens. Following the completion of the competition, the scientific committee transforms the projects into integrated educational scenarios, for the training of the next teams.
- **National WRO Competition 2018:** The students tried to provide solutions for critical global issues, such as sustainable food production and food security with the aim of achieving the United Nations' SDG 2 of "Zero Hunger" by using their robotics structures. The winning teams participated in the 14th World Robot Olympiad WRO 2018 held in Thailand, in November, under the theme "Food Matters".
- **CodeAthon:** A new initiative aiming to encourage young students 8 to 16 years old to take up coding, by forming a team and completing an unfinished electronic game, within 4 hours. It was organized in the framework of the Europe Code Week 2018 in October and was held in 4 Greek cities. The projects of the participating teams were uploaded on an open platform to help other children learn about coding.
- **ROBOGIRL movie:** The 1st Greek Fiction Movie about Educational Robotics, representing the experience of children with Robotics. It is a family comedy about the power of teamwork and the capability of children to implement even the most incredible ideas. ROBOGIRL premiered on the COSMOTE YouTube channel and was aired on COSMOTE TV in December 2018.
- **"Introduction to Educational Robotics" sessions:** The sessions, addressed to 7-12 years old children, were held at the OTE Group Telecommunications Museum. In these sessions children constructed a robotic model and set it in operation in real time, using "Scratch" code.

## Social Impact – Program for the Development of the Digital Skills of Older People

COSMOTE has been realizing a relevant program since 2012, to promote lifelong learning, improve quality of life, and contribute to the development of technological skills of elderly people. The participants learn how to use a tablet, navigate the Internet, enter the "world" of social media, and use applications to make their everyday lives easier (notes, calendar, notifications, webcam, maps, etc).

In 2018, 5 educational centers operated in Athens and Thessaloniki. In the last 7 years, more than **11,000** people have participated in the program.

OTE Group, since the initiation of the program, in 2012, has been monitoring and measuring the socio-economic impact of this program. Each year, at the end of the program, an ex-post evaluation questionnaire is distributed to the participants, allowing them to disseminate their experience. OTE Group utilizes the results of the questionnaires to quantify the program's socio economic impact.

The figures below depicts the program's 2018 "results chain" and demonstrate how the Group's activity translates into socio-economic impact by providing specific metrics.

### Input

**6,174 hours** delivers by OTE Group employees and instructors for the implementation of the program

### Activity

**238 training courses** were carried out for the development of the participant's digital skills. Participants were taught how to use a tablet, navigate the internet, use computer applications and became accustomed with the world of social media

### Output

**3,825 people** participated in the program

### Outcome

**64% of the participants\*** believe that the knowledge enable them to improve the way they are informed.  
**63% of the participants\*** stated that the program will contribute to the facilitation of their communication with others.

### Impact

**82% of the participants\*** stated that they acquired valuable knowledge about the digital world.  
**64% of the participants\*** stated that they gained more confidence in using new technologies.

\*the statistical figures stem from the feedback provided by 2,323 participants who filled out the ex-post evaluation questionnaire.



## 5.3 Access to Digital Society

OTE Group provides ICT products, services and discounts, in order to facilitate and improve people's everyday life.

### Specialized Telecommunications Products, Services & Offers

€ 2,086,468 discounts to the elderly and to people with disabilities, in fixed telephony services, in Greece

#### People with Disabilities

12,993 people received discounts on fixed telephony and internet services, in Greece. Mobile telephony offer is specially adjusted to increased communication needs of people with hearing loss in Romania. The offer combines plenty of usage (GB, SMS, Video call mins) and personalized customer service.

#### Unemployed and Pensioners

COSMOTE, since 2010, has been supporting unemployed people and pensioners, by providing a discount on their monthly fee on their mobile telephony service.

#### Students

What's Up Student offers (mobile offers, double play, mobile internet), fully cover the needs of students, with innovative and exceptionally competitive services.

### European Emergency Number 112 operated by OTE in Greece

Received 1,695,202 calls, of which 73,114 were re-directed to the emergency numbers 100, 199, 166, 108, 197 and 1056.

### Free Broadband Connection to Residents of Remote Islands in Greece

47 remote Greek islands residents were offered 10GB of mobile internet at a cost of € 10 / month. The cost of the initiative is fully funded by the Ministry of Digital Policy, Telecommunications and Media.



### Bringing Fast Internet to Remote Areas in Romania

Telekom Romania continued the implementation of the RoNet, a project aimed at covering "white areas" with broadband services and within which Telekom Romania is upgrading the broadband network. According to the project, RoNet must cover 650 localities in Romania with broadband connectivity.



### PC Donation Program

170 refurbished computers were offered to NGOs and schools in Greece. The program was implemented for the 13th year.



### Help Lines

OTE continued to provide telecommunications infrastructure and financial support for the operation of hotlines that provide support to vulnerable groups, and especially children in need. Indicatively, the Group supports the operation of the following help lines:

- SOS 1056, 'The Smile of the Child' (21 years of support), 271,996 calls
- European Hotline 116000 for missing children, 'The Smile of the Child' 11 years of support), 12,487 calls
- European Helpline for Children 116111, 'The Smile of the Child', 7,296 calls
- 11525 Advice Helpline 'Together for Children' (9 years of support), 5,028 calls



### Teimplici.ro

Teimplici.ro was launched in 2014 and focuses on identifying communities' needs, implementing new information technologies making improvements in the fields of education, health, environment, innovation, development, and social protection. The aim is to identify partners that are promoting beneficial applications of ICT technologies in Romanian communities.



### Facilitation of Communication in Emergency Situations

It is a priority for COSMOTE to support its subscribers in emergency situations by facilitating their needs for open communication. This includes applying temporary initiatives such as offering free calls and internet data, postponing the barring processes of all services -mobile, fixed and TV- due to unpaid bills, covering the fixing costs of damaged internet and TV equipment as well as covering the cost of telephony, internet and TV services for 2 months to customers whose houses have been damaged. In 2018, emergency support was provided to subscribers in Greece due to fires in Kineta of Attica, University of Crete in Heraklion and the earthquake in Zante.

### Telecommunication Services to the Residents of Eastern and Western Attica

During the wildfires in Eastern and Western Attica in July 2018, OTE Group acted promptly to meet the subsequent needs of those affected by the fires. A large number of OTE Group's technicians and technical teams worked intensively, in order to restore the damage caused as soon as possible. The Group immediately responded to requests for telecommunication infrastructures and services.



### Free Wi Fi in Archaeological Sites

In collaboration with the Ministry of Culture and Sports, COSMOTE provided free Wi-Fi to the archaeological sites of:

- Thessaloniki Archaeological Museum
- National Archaeological Museum
- Rhodes Archaeological Museum 2nd Phase

Expansion and improvement of internet coverage in the archaeological sites of:

- Byzantine Museum in Thessaloniki
- Knossos
- Heraklion Archaeological Museum
- Spinaloga



### Keros island: Telecommunication Support for Archaeological Excavations

The excavation in Keros island is a research project conducted by the British School at Athens and carried out under the permission of the Ministry of Culture and Sport. For the purposes of the project, pioneering methods for recording and analyzing excavation data were employed. All data is recorded digitally, through a new iOS application called iDig. The new excavations brought to light a multitude of imposing and heavily dense structures. The scale of these structures proved that Keros was one of the most important locations in the Aegean during the Early Bronze Age (3rd millennium BC).

COSMOTE supports the excavations by covering the telecommunication needs of the archaeologists. Since 2016, the excavators of Keros have been using a fully-digitized workflow system, in the excavation field and in the workshops. The system works with the innovative iDig application and is applied for the first time in Greece for the purposes of a prehistoric excavation.



### Antikythira island: Support for the Operation of the Climate Change Observatory operated by the National Observatory of Athens

OTE Group has provided its facilities in Antikythira to the National Observatory of Athens. The facilities allowed the Observatory to house its scientific instruments as well as cover its electricity and telecommunication needs.

Furthermore, OTE Group sponsorship, aimed at offering telecommunication equipment to the "Observatory of Geosciences and Climatic Change of Antikythera" (PAGGAIA) of the National Observatory of Athens, enabled the recording of parameters of particular significance for the climate of the wider region and the Mediterranean.

The "Observatory of Geosciences and Climatic Change of Antikythera" will be fully operational in the following years according to the international standards of the Global Meteorological Observation System (GAW / WMO) and the PANACEA (PanHellenic Infrastructure for Atmospheric Composition and Climate Change). The Observatory will gradually install the advanced scientific equipment of CEPOL to make it an integrated research center within the framework and standards of the respective European super-station (e.g. Hyper-channels of the Research Infrastructure ACTRIS, ICOS, EPOS).



### COSMOTE History Channel

The most popular documentary channel on the COSMOTE TV platform, promoting Greek culture and civilization.

**3 years** of operation.

85 original documentaries or documentary series (own productions and co-productions).

**>1,000** documentaries of prominent Greek and foreign artists

The content consists mainly of:

- Documentaries from foreign media companies and channels, like BBC, National Geographic, Arte, A&E, Deutsche Welle, TVF, etc., dedicated to Greece.
- Documentaries from cultural institutions and other Greek foundations, independent Greek producers, etc.

The channel continues to collaborate with various organizations and institutions, such as the War Museum, and the American School of Classical Studies, for the preservation, digitization and airing of rare film archives and videos of historical value.

The Group's vision for the COSMOTE HISTORY Channel is to be the place for entertainment and education for all.

### Information on Telecommunication Issues

For the 15th consecutive year, training seminars and informative meetings were conducted, for mobile telecommunications, electromagnetic fields, and on the role of telecommunications in the modern era. These seminars are aimed for secondary education students, associations, local communities and municipalities.  
**> 400 employees and 200 students in cities** throughout Greece attended these sessions and meetings.



### Correctional Facilities and NGO for Children

**31,000** prepaid telephone cards with total value of **> € 124,000** were donated.



## 5.4 Social Programs

OTE Group implements and supports a spectrum of programs and actions, in order to meet society's core needs.

### Support of Organizations for Children

~ € 500,000 was donated to **19 charitable organizations** who provide care for children in Greece  
 ~ **1,000** OTE Group employees participated in the internal voting process, where employees voted for **3 organizations**, they wanted the Group to support  
 ~ € **8 million** have been offered to **58 NGOs**, in the last **19 years**.



### Trauma Centers for Children

In 2018, OTE Group along with the non-profit organization "Pediatric Trauma Care", contributed to the renovation and purchase of equipment for the Trauma Centers of the following **3 hospitals**:

- the Attikon University Hospital
- the General Hospital of Rethymno, and
- the General Hospital St. George, in Chania.

> € **600,000** have been allocated for the purchase of medical equipment, supporting **13 hospital units** for children nationwide, over the last **6 years**.



### COSMOTE 2018 Scholarship Program

€ **545,000** were awarded to **36** first year university students with financial and social difficulties. Additionally, telecommunications products and services and COSMOTE TV were provided for free

> € **5.5 million** has been awarded to **658 university students**, in the 17 years of the program



### City of Athens Reception and Solidarity Centre (COARSC)

For the 6th consecutive year, COSMOTE donated € **60,000** to cover the everyday needs of **200** families facing financial issues.

The COARSC is a public organization, which supports vulnerable social groups, by contributing to the resolution of issues that lead to poverty and social isolation.



### Distribution Center for the Areas Affected by the Wildfires in Attica

OTE Group provided supplies, goods and equipment to those in need.

The Group allocated a central building that served as a distribution center for food and supplies in one of the affected areas. The need for blood was addressed by offering supplies from the Group's Blood Bank through the Voluntary Blood Donation Program.

Moreover, the Group acted promptly to meet the subsequent needs by securing communication services from the very first moment, included in the [Access to Digital Society](#) section.



### Support of Children in need and Vulnerable Social Groups by Telekom Romania

- **150 children and young people** from E.G.A.L. day centers received support from Telekom Romania, during Christmas. Specifically, they received a hot meal daily, assistance with homework and life skills development sessions, to improve their attendance, grades and overall performance at school.
- **2 polyclinics** of the Regina Maria CMU Foundation, in partnership with Telekom Romania, offered free medical services at a very low cost, to patients without any income or on a low income.



### Donations by Telekom Romania Foundation for Individual Cases

In 2018, the Telekom Foundation made **15 donations** to children and adults suffering from severe illnesses.

At the "Brasov International Marathon", the Telekom Romania Foundation chose to support a social cause by donating the registration fees collected at the events and the funds from an online fundraising platform. (€ **9,200** in total) to a blogger and a famous runner in Brasov, who were diagnosed with severe cancer, to undergo urgent surgery.

The Foundation also chose to donate the proceeds from "The biggest sports hour" events organized by Telekom Romania (€ **5,200**) to help a 3-year-old girl, in Birmingham, UK, who needed an intestinal transplant.



### Supporting Education and Counseling

The Telekom Romania Foundation organized an entrepreneurial skills course for **12 people**, in line with its accreditation as a provider of entrepreneurial training sessions.

The Foundation also developed a professional counseling program for **>100 pupils** with outstanding school performance who come from disadvantaged families. The initiative was part of the program "I want to attend 9th grade". This is an initiative to prevent high-school students from dropping out in Dolj, Valcea, Iasi, and Ialomita. It was developed by World Vision Romania in 2007. The program consists of monthly scholarships, educational and networking activities, and summer camps, in order to encourage, motivate and create opportunities for children from low-income families who have the capability to attend high school.



### Local Communities' Actions

OTE Group supported **approximately 90 programmes**, for local communities in Greece, with the aim to improve the living conditions of inhabitants that live in the countryside and sustain the viability of the local cultural identity.



### Sport Teams

**19 teams, clubs and events** of a variety of sports were supported in Greece. Financial support was provided to football, basketball and volleyball teams as well as water sports and gymnastics clubs, swimming academies, field races, etc.

Telekom Romania continued to finance the Romanian National Football Team as their main sponsor. This initiative underpins Telekom's strategic commercial direction of offering customers top sports content and experiences, and Deutsche Telekom's International sponsorship strategy.



### Telekom Skating Arena

The Telekom Skating Arena is operated by the Ion Tiriac Foundation. Telekom Romania supported the creation of the only existing rink in the Bucharest Ilfov district at the time, with the aim of engaging children and young people with sports and at the same time support local sports teams.



### The "Biggest Sports Hour" 2018

During July and August 2018, Telekom Romania, in partnership with SmartAthletic, organized the **8th edition** of the "The Biggest Sports Hour" sports event in Ploiesti, Brasov and Iasi.

**> 56,000 outdoor sports and health enthusiasts** and their supporters attended the event.

**134 national and international instructors** coordinated the event

In addition to the new locations of Ploiesti and Iasi, this year's edition brought new classes and sporting activities, including Les Mills Body Pump, Functional Training, Les Mills Grit, Fight Klub Khai Bo, Kangoo Jumps marathon, Basketball, and Capoeira.

BTL Medical Equipment Romania provided medical tests, rehabilitation and aesthetics sessions at the event, for more than 1,500 people and Red Cross Romania provided 146 first aid courses.



### 4th Brasov International Marathon

In May 2018, Telekom Romania organized the Brasov International Marathon as part of the "Sport is Good" campaign. The Marathon was accredited and supervised by the Association of International Marathons (AIMS).

- **> 3,700 national and international runners** of all ages competed in the marathon (+26% more than in 2017)
- **160 runners from 32 countries** participated (11 more than in 2017): including from the USA, Canada, Italy, Germany, Spain, United Kingdom, Hungary, Bulgaria, Greece, Cyprus, the Netherlands, Turkey, France, Poland, Ireland, Russia, Chile, and Republic of Moldova.



## 5.5 Employee Volunteering

OTE Group motivates its employees to act as volunteers, by providing the appropriate resources, to achieve the best possible outcome for the society.

One of the highlights of this year's volunteer activities was the collection of essentials for the relief of people affected by the wildfires in Attica. Moreover, the Group holds an annual Blood Donation Program, a Christmas Charity Bazaar and it encourages its employees to participate in Marathons for good causes.

The support, development and promotion of corporate volunteering programs and social contribution activities, give the employees the opportunity to actively express their solidarity towards society.

> 7,200

employee participations in social contribution initiatives

> 2,700

blood units collected from OTE Group employees

47

NGOs for children and social vulnerable groups were supported through employees' participations in social initiatives

### Organizing and Participating in Charity Bazaars

In 2018, OTE Group organized charitable Christmas bazaars in Greece, with the participation of **13 NGOs** supporting children, aiming at raising funds for their cause.

> 2,500 employees contributed.

> € 23,000 was raised.

For yet another year, employees responded to the call "**Be a volunteer**" and participated in charitable events and bazaars organized by NGOs. The aim of the events and the bazaars was to raise money to support children in need. Specifically, employees helped in the organization of the charity bazaars of 'MDA Hellas' and 'Friends of the Child'.

### Collecting Essentials for the Relief of the People affected by the Wildfires in Attica

OTE Group employees responded immediately to the call to collect essentials (food and medicines) for the fire victims and their families, as well as for stray animals. More than **200 boxes of essentials** were donated to the towns of Rafina, Marathon and Megara.

### Employees' Participation in Marathons

#### Greece

OTE Group invited employees to take part and run for 'a good cause' in the Authentic Athens Marathon, the International Marathon "Alexander the Great" and the Thessaloniki Night Half Marathon.

> **1,200 employees** competed in the 3 marathons, resulting in the donation of:

- € 15,000 to the NGO "Pediatric Trauma Care", for the equipment of the hospital's Trauma Centre for children, located in Northern Greece.
- € 2,000 to the NGO "Alma Zois", for the support of women with breast cancer.
- € 1,000 to the "Syzoï", for the support of parents of children with impaired vision and other disabilities.

#### Romania

In May 2018, Telekom Romania organized the Brasov International Marathon, as part of the "Sport is Good" campaign. **130 runners** from Telekom Romania participated and comprised the "The largest running team."

### Blood Donation Program

The Blood Donation Program of OTE Group in Greece has been running for more than 41 years and has since become a part of the Group's culture. In 2018, a total of **2,770 units of blood** were collected from OTE Group employees. 540 units were made available to meet the needs of employees and their families, while the remaining 1,679 were given to cover social needs throughout Greece. In addition, **75 units of blood** were collected from Telekom Romania.

### Collaboration with Red Cross Romania

At the beginning of the year, Telekom Romania Foundation collaborated with Red Cross Romania to help vulnerable people from the Olt County.

**2.4 tons of non-perishable food** and **100 containers with hot meals** were delivered to **50 families** with more than 3 children, single elderly people, or disabled people in the villages of Corbu, Burdulești, Ciurești, Buzești, and Milcoveni in Corbu.

Beneficiaries were identified by members of the local town hall, based on individuals' social need. Each beneficiary received 24 kg of non-perishable food and 2 hot meal packages delivered to their homes.

The aid was delivered by volunteers from the Telekom Romania Foundation, with the help of the Red Cross.

# 6

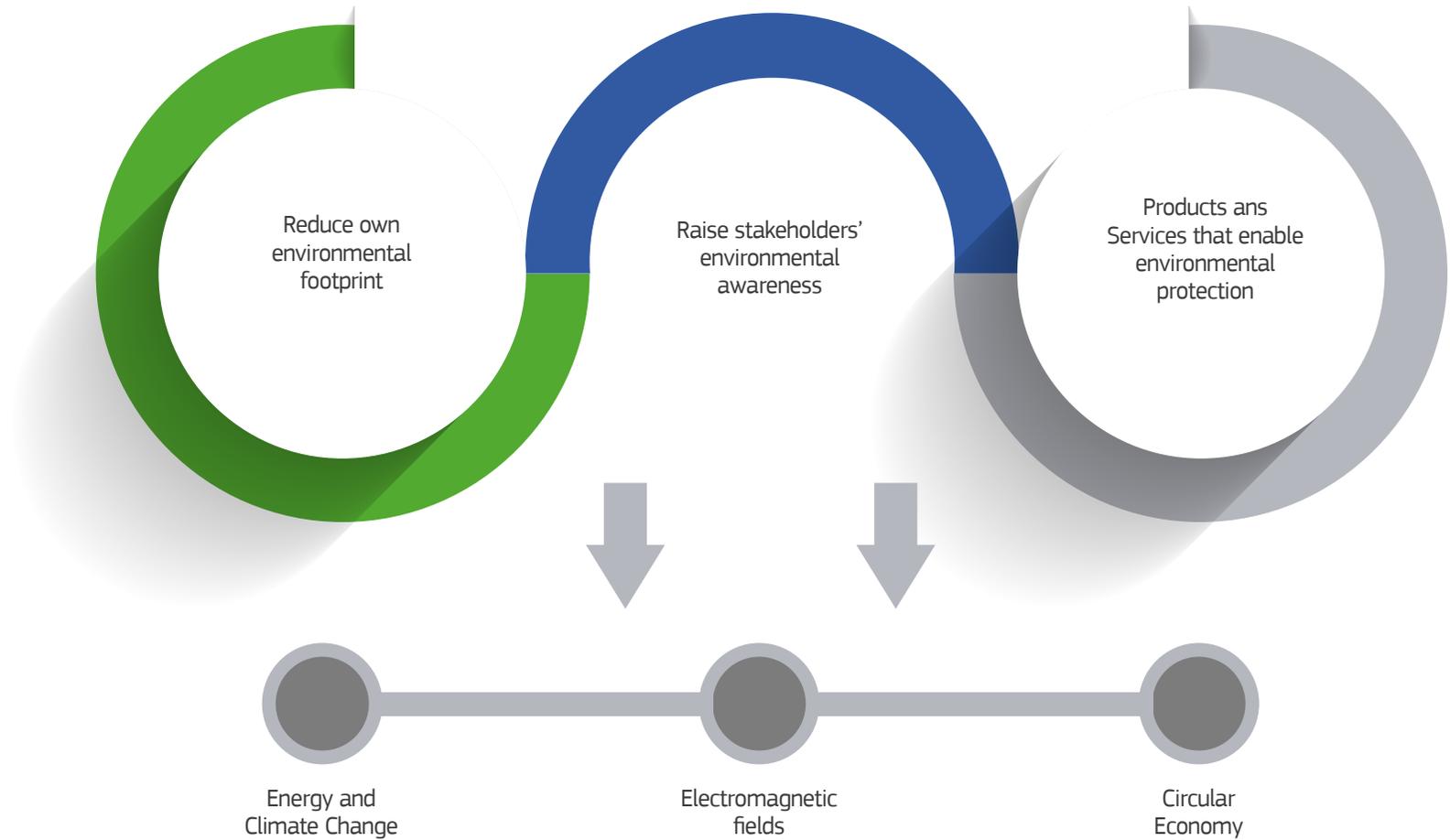
## Climate and Environment



### 6.1 Environmental Strategy

The OTE Group realizes fully that, though low, there are environmental impacts associated with Information and Communication Technologies (ICT) activities. At the same time, ICT products and services offer a number of opportunities for supporting sustainable development in many activities and sectors.

## Environmental Strategy



In this context, the objectives of the Environmental Strategy of OTE Group are:

- The minimization of the environmental impacts from its activities.
- The development and provision of products and services that enable environmental protection and increases in productivity in other sectors of economic activity.
- The raising of its stakeholders' awareness on acting more responsibly on the issue of environmental protection.

To achieve these objectives OTE Group:

- Implements energy conservation measures.
- Strives to increase the utilization of Renewable Energy Sources.
- Integrates the principles of circular economy into its activities by addressing reuse and recycling across their value chain, and by expanding the lifetime and overall utilization of the equipment provided to customers.
- Develops specialized ICT products and services that meet their customers' needs while contributing to environmental protection.
- Ensures that the levels of electromagnetic fields of base stations comply with the public exposure safety limits.
- Conforms with the eco-design requirements applicable to the equipment provided.
- Secures high ratings by international sustainability and SRI analysts, and participate in national and international award events that evaluate good practices.

Aiming at effective environmental management along the entire value chain, all telecom companies of OTE Group implement, in the context of the Integrated Management System, Environmental Management Systems (EMS) certified according to ISO 14001 standard. The systems share similar structure, approach and policy, in which the commitment of OTE Group companies to environmental protection is stated.

Utilizing the framework of the Environmental Management System, OTE Group companies analyze all activities, products and services with reference to applicable legislative requirements and their impact on the environment (energy consumption, emissions, waste, electromagnetic radiation, etc.) and try to improve environmental performance. In this, the companies set goals, specify appropriate key quantitative performance indicators (KPIs) and take cost-effective actions.

With a view to ensure adequate control of risks associated with environmental impacts from energy consumption, the scope of the Integrated Management System in Greece was expanded, in 2016, with the development and certification of the Energy Management System according to the ISO 50001 standard. Initially, the System was implemented in a limited number of critical installations. Gradually it was expanded and in 2018 it was implemented in 9 building complexes (including technology and office buildings, data centers, call centers, and the head office of the OTE Group) and 12 mobile base stations. Results are encouraging since energy savings exceed 4% for the buildings and 15% for mobile base stations. The strategic aim of OTE Group, is to further enrich its portfolio with facilities certified according to ISO 50001 (Greece).

### Setting ambitious targets for

#### Minimizing the use of plastics (Greece) by:

- Reducing the use of **plastic bottles** by 50% (2019) and by 75% (2020) compared to 2018;
- Reducing the use of **disposable plastic cups** (offices and restaurants) by 100% (2019)
- Abolishing the use of **plastic bags** in the retail network by the end of 2019.

**GHG emissions reduction.** OTE group aligns with the revised DT group-wide targets for the post 2020 period that aim at:

- covering 100% of DT Group electricity consumption with electricity generated from renewable energy sources by 2021;
- a 90% reduction of scope 1 and scope 2 GHG emissions and
- a 25% reduction of the most important scope 3 emissions (purchased goods and services, capital goods, and product lifecycle) per customer by 2030, compared with 2017 (base year).

## Governance of Management Systems

The Chairman of the Board of Directors and CEO oversees corporate responsibility strategy and performance, including environment. The Board of Directors approves Group-wide corporate responsibility policies, position papers and significant strategic projects, as needed.

In the framework of the Integrated Management System in place, high level Management Systems Steering Committees have been established in each country. These committees are, among others, responsible for the annual review of the system.

Environmental Management Representatives / Coordinators are appointed by Decisions of the CEO in each country (e.g. the Executive Director Corporate Communications, OTE Group for the EMS of OTE and COSMOTE in Greece).

## Environmental Risk Assessment

OTE Group has updated (in 2017 for OTE, COSMOTE, GERMANOS and COSMOTE e-Value in Greece and in 2018 for Telekom Romania Communications and Telekom Romania Mobile Communications in Romania) its environmental risk assessment. The scope of the analysis (following a life-cycle perspective) was to identify risks and opportunities associated with the activities of the companies and manage them effectively. To ensure consistency among all types of enterprise risks and opportunities evaluated, the OTE Group Enterprise Risk Management methodology was applied.

Electricity consumption, GHG emissions and waste management (especially hazardous) along the value chain, as well as EMF have been recognized as significant environmental issues. In addition, climate change impacts were highly ranked as risk and opportunity factors.

To manage risks and opportunities a number of policies – measures – actions are in place that include, among others, the Business continuity management system, revenues transformation towards ICT solutions, the suppliers' code of conduct, energy conservation measures targeting all activities, waste management practices following circular economy principles and participation in the Code of Conduct for Broadband Equipment.

## Raising Environmental Awareness

COSMOTE along with the MEDITERRANEAN SOS Network (MedSOS) implemented a pioneering educational program entitled “Ctrl Shift Save the Climate – Information and Communication Technologies as Allies in Climate Protection”.

The program's objective is to educate and train young people in Primary and Secondary Education and educators on the ways in which Information and Communication Technologies (ICTs) could contribute to energy saving, climate change mitigation, and adaptation.

During the academic year 2017 - 2018, more than 1,500 students participated in the program.



Relevant Web Page

## 6.2 Energy and Climate Change

OTE Group recognizes that climate change is a global environmental problem the impacts of which affect its operation and stakeholders, and the whole range of economic activities as well as life on the planet (see [Annual Financial Report 2018](#)). Detailed information concerning climate change risks and opportunities identified, following TCFD (Task force on Climate-related Financial Disclosures) recommendations, can be found in the latest response of OTE to [CDP](#).

In this context, a comprehensive program has been formulated and implemented that includes:

- (a) the monitoring of energy consumption
- (b) the calculation of greenhouse gas (GHG) and other gas emissions in accordance with the GHG Protocol,
- (c) the identification of priorities, based on the results of the emission inventory,
- (d) the implementation of measures for the reduction of energy consumption and the associated GHG emissions.

In addition, OTE Group companies participate in the climate change strategy of DT Group, in the context of which a reduction target of 20% for the DT Group's CO<sub>2</sub> emissions by 2020 (compared to 2008) has been set. In 2018, the definition of new Group-wide (DT) targets for the period beyond 2020 was examined. The revised group-wide targets include: covering **100%** of DT Group electricity consumption with electricity generated from **renewable energy sources** by **2021**, a **90% reduction** of scope 1 and scope 2 emissions and a **25% reduction** of the most important scope 3 emissions (purchased goods and services, capital goods, and product lifecycle) per customer by **2030**, compared with 2017.

### Energy Consumption Monitoring

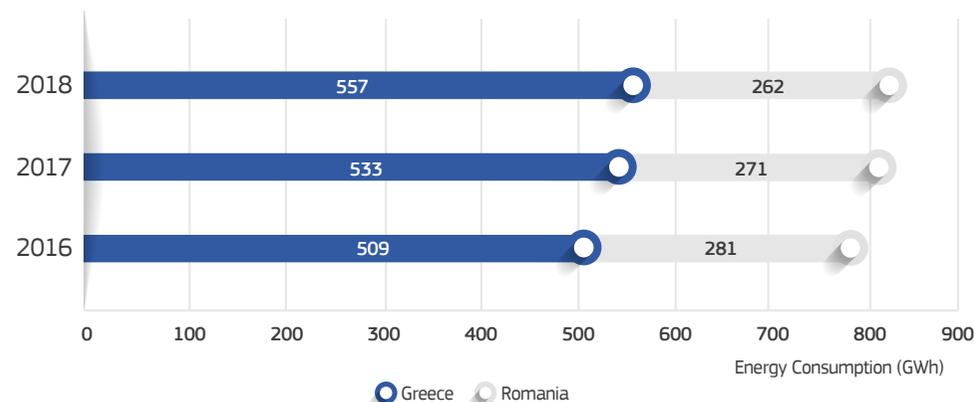
Total energy consumption of OTE Group in 2018 amounted to 818.9 GWh, with electricity consumption accounting for 85% of total consumption. In line with the distribution of revenues per country of operation, Greece accounts for 68% of total energy consumption and Romania accounts for the rest 32%.

Energy consumption increased by 1.9% compared to 2017, mainly due to the increase of energy consumption in the telecom network. More specifically, telecom network electricity consumption in Greece increased by 6.3% compared to 2017 (4.2% for OTE and 9.5% for COSMOTE) and by 0.7% in Romania.

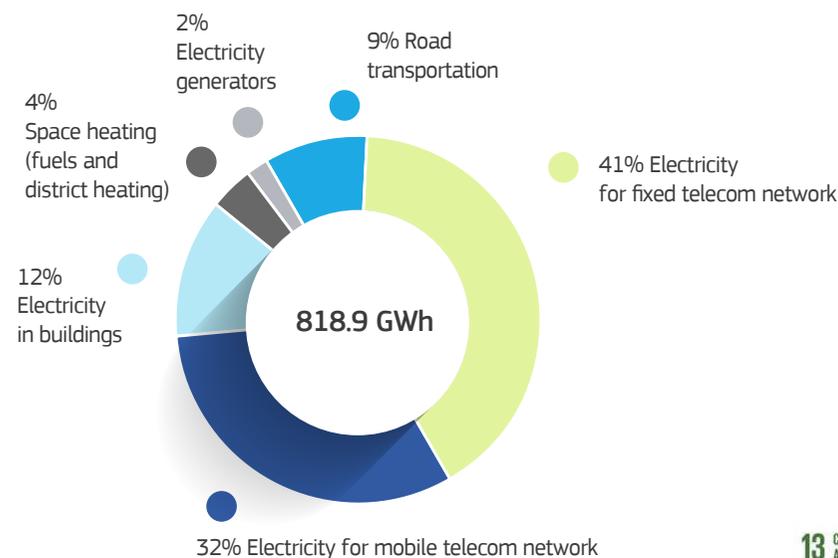
The increased activity, as depicted in the volume of data transferred which increased by 16% and the number of active broadband and TV subscribers that grew by 1.8% (all figures are at Group level), has contributed to the increase at Group level. It is noted that in Greece fiber service subscribers increased by 50% compared to 2017. The expansion / modernization of the telecom network together with changes in the implementation rates of energy conservation measures have also affected energy consumption.

At the same time, the efficiency of energy use in OTE Group telecom companies (i.e. total energy consumption per volume of data transferred) improved by 12% compared to 2017, reaching a value of 134 kWh/TB in 2018.

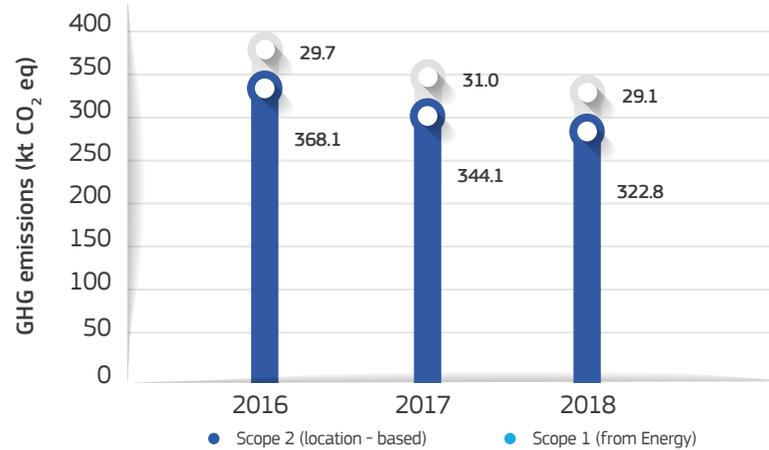
### OTE Group Energy Consumption - per country 2016-2018



### OTE Group Energy Consumption - per activity 2016-2018

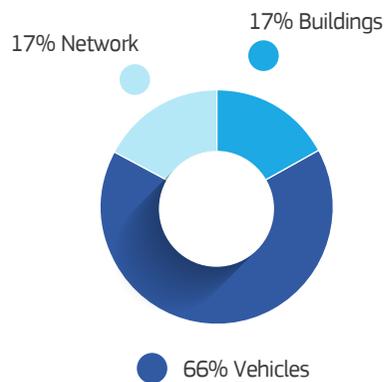


### GHG Emissions from Energy

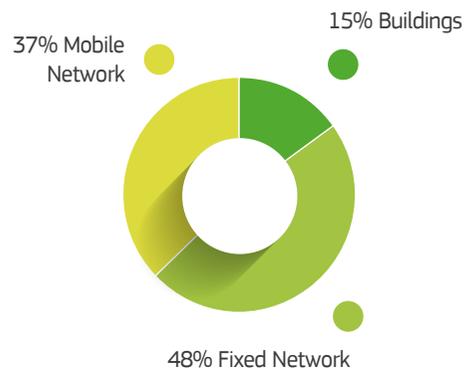


1. Direct and indirect GHG emissions from energy consumption of OTE and COSMOTE decreased by 18%, compared to 2008
2. To ensure harmonized reporting among DT Group companies, Global Warming Potential (GWP) values used, are those included in the 5th Assessment Report (AR) of IPCC. Past values (originally estimated with AR4 GWP values) have been recalculated.

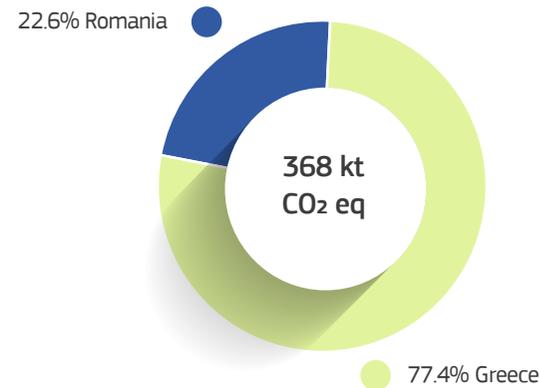
### Scope 1 GHG emissions from Energy (2018)



### Scope 2 GHG emissions (2018)



### Total GHG Emissions of OTE Group per country (2018)



1. Total GHG emissions include f-gases fugitive emissions
2. Global Warming Potential values used, are those included in the 5th Assessment Report of IPCC

### GHG Emissions Calculation

**Direct and indirect GHG emissions from Energy**  
 Direct (scope 1) and indirect (scope 2) GHG emissions from energy consumption in 2018, amounted to 351,939 t CO<sub>2</sub> eq, that is 6.2% lower than 2017 emissions. Total GHG emissions (i.e. including f-gases fugitive emissions) were estimated at 368,061 t CO<sub>2</sub> eq (a 6% decrease compared to 2017).

### Other indirect GHG emissions

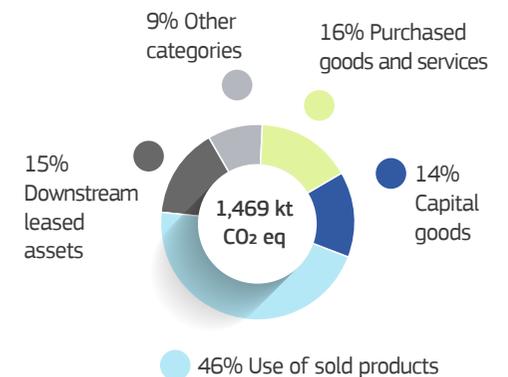
OTE Group has extended the scope of its emissions inventory, in order to quantify the major indirect emissions (scope 3) associated with its operations and to get a better understanding of its emissions profile. This information has been used in the context of the ISO 14001 EMS for prioritizing environmental aspects across the value chain of the Group and is utilized in identifying measures to reduce the footprint of its activities across its value

chain and maximizing the net benefit (in terms of GHG emissions) generated from the widespread adoption of ICT products and services.

For 2018, indirect (scope 3) GHG emissions were estimated at 1,469 kt CO<sub>2</sub> eq. The use of products and services sold by customers represent the main source of scope 3 GHG emissions (about 61% of total scope 3 emissions).

Scope 3 GHG emissions avoided are estimated at 7,400 t CO<sub>2</sub> eq (Greece). This estimation takes into account paper recycling, reduction of paper, use teleconferences for internal operational needs and the impact of the refurbishment of end devices.

### Indirect (Scope 3) GHG emissions of OTE Group, 2018



1. GHG emission estimates for solid waste disposal and use of sold products may be considered as indicative of the expected emissions during the lifetime of the waste disposed and the products sold respectively
2. "Other categories" include Fuel- and energy-related activities, business travel, waste generated in operations, employee commuting, upstream / downstream transportation & distribution and the End of life treatment of sold products
3. GHG emissions from electricity consumption are not included in the category "Fuel- and energy-related activities".



**Prioritization**

OTE Group has set the following priorities for reducing energy consumption and the associated emissions:

- (a) Energy conservation in
  - **Telecom networks**, aiming at the transition to a more energy efficient network.
  - **Buildings, data centers and stores**, with emphasis on the proper use and the efficient operation of the equipment installed.
  - **Road transportation**, focusing on the renewal of the vehicle fleet but also on the monitoring and control of transportation activity.
- (b) Covering electricity demand, directly or indirectly, by Renewable Energy Sources (RES).
- (c) Further development and marketing of products and services that enable environmental protection and contribute to the economic development of OTE Group.

**Design and Implementation of Measures**

**Energy Conservation**

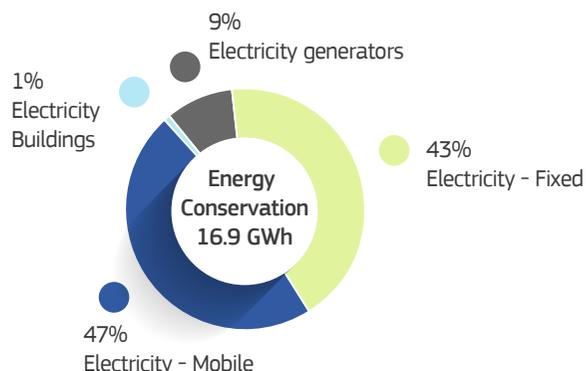
In 2018, energy efficiency projects implemented at OTE Group level resulted in an energy conservation of 16.9 GWh (2.1% of OTE Group energy consumption in 2018). 90% of these savings are achieved in telecom networks (47% in mobile and 43% in fixed telecom network), while the rest 10% concerns buildings (electricity, district heating and fuels) and electricity generators. Savings in operational costs are estimated at € 2.2 million.

The total effect of energy conservation measures implemented in OTE Group companies in Greece since 2008 (base year for the DT Group for climate change strategy but also for the annual GHG emissions reduction target for OTE and COSMOTE), is estimated at 113.8 GWh (electricity 103.5 GWh; diesel 10.3 GWh). The avoided GHG emissions associated with the energy conservation achieved is about 57,000 t CO<sub>2</sub> eq (about 21% of scope 1 and 2 GHG emissions from Energy of OTE Group in

Greece, in 2018). The overall economic effect (benefit) of the measures implemented on the operational cost is estimated at € 14 million. A detailed list of the measures implemented in 2018 is presented in the [Appendix -Environmental Performance Data - Energy](#).

**Energy Conservation and GHG Emissions Avoided**

**Energy Efficiency Projects - OTE Group 2018**



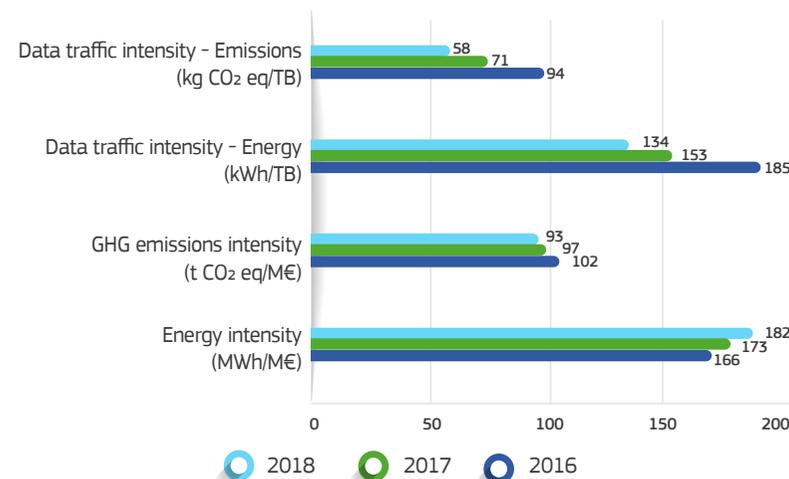
**Details on the Effects of Energy Conservation Measures (Greece)**



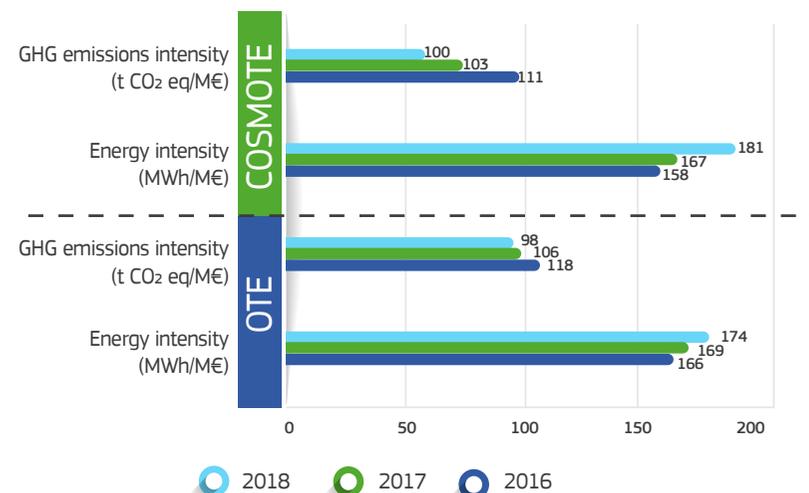
Global Warming Potential (GWP) values used, are those included in the 5th Assessment Report (AR) of IPCC. Past values (originally estimated with AR4 GWP values) have been recalculated.

**Energy and GHG Emissions Intensities**

**OTE Group**



**OTE and COSMOTE**



Energy intensity: Total electricity consumption per revenues  
 GHG emissions intensity: GHG emissions from Energy per revenues  
 Data traffic intensity - Energy: Total energy per data transferred  
 Data traffic intensity - Emissions: Scope 1 & 2 GHG emissions from Energy per data transferred  
 Global Warming Potential (GWP) values used, are those included in the 5th Assessment Report (AR) of IPCC. Past values (originally estimated with AR4 GWP values) have been recalculated



## Renewable Energy Sources

- OTE Group (Greece) has secured, for the 8th consecutive year, from PPC S.A., one of its electricity providers for 2018, Guarantees of Origin (GOs), assuring that for the total electricity consumption from PPC S.A., an equivalent amount of energy has been produced from Renewable Energy Sources.

### The GOs secured cover more than 98% of the 2018 electricity consumption of OTE Group in Greece.

Taking these GOs into account, the effective scope 2 emissions (market-based) at Group level are reduced to 94,182 t CO<sub>2</sub> eq.

- RES electricity generation (autonomous photovoltaic and small wind turbines systems in 18 base stations and 2 roof-top photovoltaic systems of 222 kWp installed capacity) in 2018 amounted to about 600 MWh (Greece).

## Reduction of emissions during use of products sold

OTE voluntarily participates (since September 2010) in an initiative established by the European Commission for maximizing energy efficiency of broadband equipment ("Code of Conduct on Energy Consumption of Broadband Equipment", BB CoC) both on the customer and the network side. Signatories of the BB CoC agree to make all reasonable efforts to achieve the power targets set (targets are subject to consultations between signatories every two years), for at least 90% of the new-model items introduced to the market.

## Products and services that contribute to Climate Change mitigation

Holding the increase in the global average temperature to well below 2°C (Paris Agreement, December 2015), requires substantial emission reductions at global level, that will reach 40%-70% by 2050 compared to the 2010 emissions. A global warming of 1.5°C would require not only greater but also faster emission reductions. In this framework, exploiting the available ICT potential, estimated at 12 Gt CO<sub>2</sub> eq in 2030, according to the SMARTer 2030 study of GeSI, becomes imperative.

OTE Group is fully aware of the ICT enabling role in tackling climate change and the opportunities this role offers for its further development, and is therefore developing products and services that address this potential (for more information see sections Products and Services for Sustainability). In this:

(a) **Broadband services** (broadband & mobile broadband) contribute to the reduction of transportation needs, to substitution of emissions-intensive products, processes, etc. (dematerialization), and to the development of e-commerce and e-governance.

(b) **ICT services** developed by OTE Group, in collaboration with specialized companies and based on **Cloud and M2M** (Machine to Machine) technologies allow for:

- The utilization of fully customized computational resources without requiring investments in IT infrastructure.

- The monitoring and management of energy consumption.
- The monitoring and management of vehicle fleets and driving behavior/performance.
- The smooth and efficient operation of hotels and hospital units (energy equipment, IT systems, services offered to customers etc.).
- The development of smart electricity grids (transmission and distribution) that will facilitate the large-scale penetration of RES electricity.
- The restriction of business travels by using the advanced telepresence infrastructure available (tele-/video-conference)

More information on the energy consumption and the associated GHG emissions of OTE Group are provided in the [Appendix- Environmental Performance Data - Energy](#) and specifically for OTE and COSMOTE. see [here](#).

### Supporting Research Activities / Initiatives

The OTE Group supports the Research Project "PANhellenic GEophysical observatory of Antikythera (PANGEA)", a flagship initiative of the National Observatory of Athens. PANGEA's objectives relate to climate change and its impact on severe weather and natural disasters in Greece and the Eastern Mediterranean. The island of Antikythera in southwest Greece will be the National Hub for continuous monitoring of Essential Climate Variables (ECVs). The OTE Group has provided telecommunication equipment and services, as well as its facilities on Antikythera island to house scientific instruments and research infrastructure.

### Smart Home Service

OTE Group supports in practice the transition of current urban infrastructures into new, Smart City structures. Via innovative technologies Internet of Things (IoT), it proposes solutions on a wide range of issues related to cities operation (from car parking and street lighting to energy, waste and water management, and air quality monitoring). Through these technologies, real-time, transparent information becomes available to the users to assist them in taking better decisions.

In 2018, OTE Group launched in Greece a new service targeting individual home operation, the [COSMOTE Smart Home](#) service. The service aims to make a house more functional, more comfortable and safer by allowing the users to control, among others, the lighting, the plugs, the temperature and the motion in the room, via a single app, from everywhere.



This would enable COSMOTE Smart Home customers to monitor, control and potentially reduce their energy consumption and expenditures.

## 6.3 Circular Economy

OTE Group recognizes the scarcity of natural resources and considers a more efficient use of these resources a priority for sustainable development. To achieve this, principles of circular economy are integrated in its operations across its value chain by:

- Setting eco-design technical specifications for the products provided (see section [Responsible Marketing](#)) and contractual terms covering sustainability issues (see section [Responsible Purchasing and Supply Chain Management](#))
- Applying the principle "Reduce – Reuse – Recycle" for its activities.
- Expanding the lifetime and overall utilization of the equipment provided to customers, and facilitating the recycling of their discarded equipment
- Developing products and services that contribute to the rational and efficient use of natural resources and the reduction of waste generated (see section [Products and Services for Sustainability](#)) and
- Informing and encouraging citizens to adopt recycling practices.

### Materials and Natural Resources Management

Aiming at the efficient use of materials and natural resources that are necessary for the provision of ICT services (OTE Group companies are not actually manufacturing any products themselves), OTE Group procurement processes incorporate sustainability criteria to its suppliers (see section [Responsible Purchasing and Supply Chain Management](#)). Internally, natural resources conservation is addressed through the efficient operation and maintenance of the telecom network, the digitization of internal processes and the development of waste management practices that contribute to the increase of materials recovery and the decrease of waste disposed.

With respect to materials use in offices, in 2018:

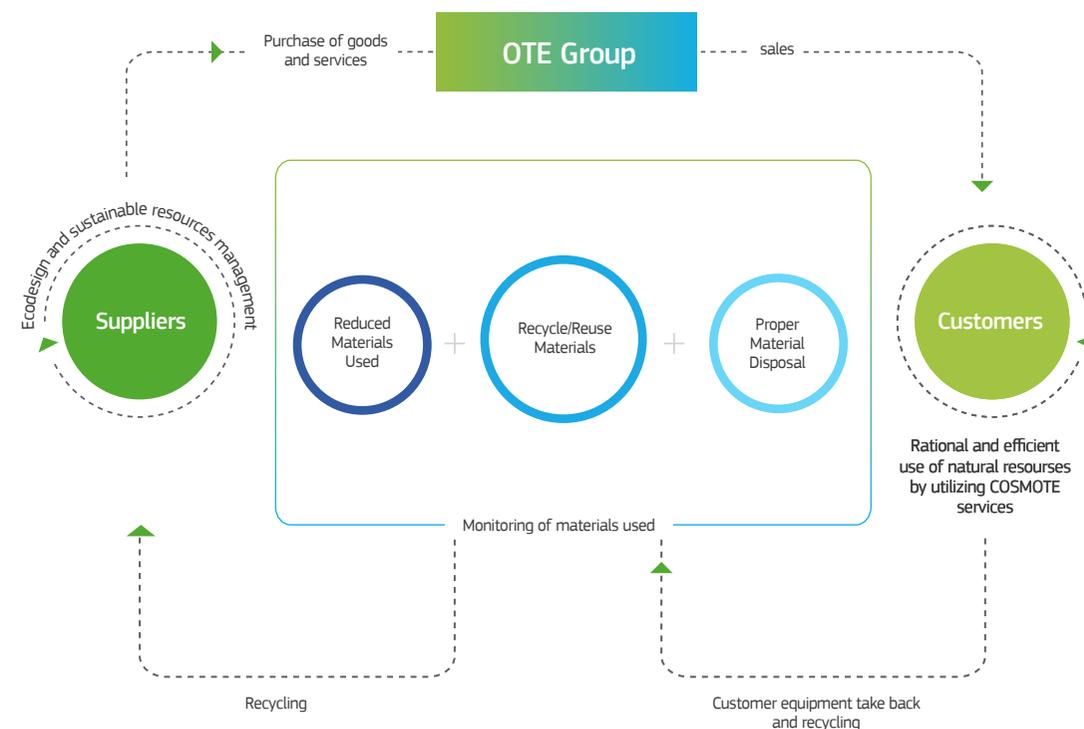
- Paper consumption amounted to 337 t (about 18 kg per employee) showing a 14% decrease compared to 2017.
- All bills sent to customers in Greece are printed on FSC certified paper.
- The utilization of IT applications in the context of the broader digital transformation program of OTE Group, resulted in 390 t of paper savings (Greece).
- Paper, cardboard and plastic are the main packaging materials used. Plastic consumption has been significantly reduced (about 95% since 2016), while the increase observed in paper and cardboard consumption (partially attributed to the plastic reduction) need to be addressed.
- The use of refilled cartridges accounted for about 55% of total consumption at Group level.

Since telecommunications operations have no specific need for water use, OTE Group companies 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 Group activities.

Water consumption, in 2018, amounted to 297,647 m<sup>3</sup> (about 16.8 m<sup>3</sup> per employee), showing a decrease of 1% compared to 2017.

Wastewater generated from OTE Group operations refers to domestic wastewater, which is directed to the available wastewater networks and is then treated according to area-specific processes in the municipal wastewater facilities. In Greece, there are three cases in main buildings and warehouses where the companies operate wastewater treatment plants that handle about 14,400 m<sup>3</sup> of wastewater, of which 90% is reused for irrigation purposes. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2018.

### The OTE Groups' Approach for Circular Economy



## Waste Management

Solid waste generated by the OTE Group activities derive from the development, maintenance and operation of the telecom networks and equipment, from offices and stores operation as well as from the management of the corporate vehicle fleet. In addition, products sold / leased at the end of their lifetime represent another, indirect, source of solid waste (downstream).

Aiming at the effective management of waste generated, an extensive network of collection, monitoring, storage and management/recycling, which covers all activities nationwide, has been developed. In this context, OTE Group companies work with certified / authorized companies to ensure (a) the proper management of waste generated (including cross-border transportation) and (b) the recovery of the materials contained (e.g. copper, iron and steel, etc.) and the conservation of natural resources.

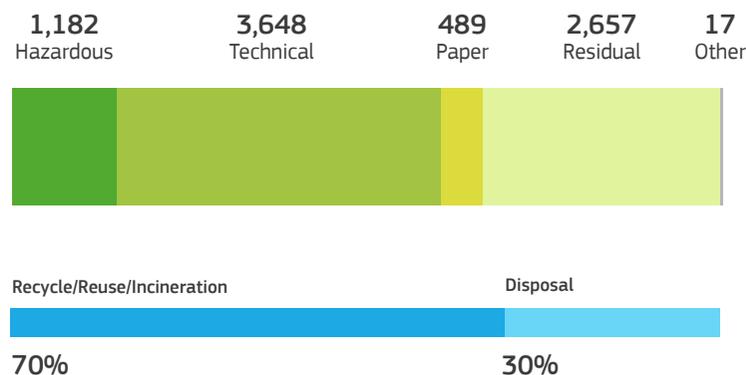
OTE Group has set up a take-back scheme (for phones and accessories, tablets, home batteries and ink cartridges) through its retail network in the countries it operates to facilitate the recycling of products sold / leased at the end of their useful lifetime. In 2018, about 17 t of customers' phones were collected and forwarded for recycling.

Existing recycling programs in 2018 covered 70% of waste generated at OTE Group level.

More information on the quantities of waste generated/recycled is provided in the [Appendix- Environmental Performance Data-Waste](#) and specifically for OTE and COSMOTE see [here](#).

## Waste Management 2018

7,993 t of waste were generated from the OTE Group activities, of which 70% are recycled, reused or incinerated.



**Hazardous:** Waste that according to legislation require specific treatment (e.g. stationary engine batteries lubricants, telephone poles impregnated with creosote oil)

**Technical:** Materials and equipment used for the provision of telecom services (e.g. cables, metals, etc.) and products that make use of the telecom services provided (e.g. phones and related accessories, portable batteries, etc)

**Residual:** Typical municipal solid waste from buildings, packaging materials and waste related to office operation (e.g. ink cartridges)

**Other:** Waste streams not included in the above-mentioned categories (e.g. end of life vehicles)

## Refurbishment of End Devices

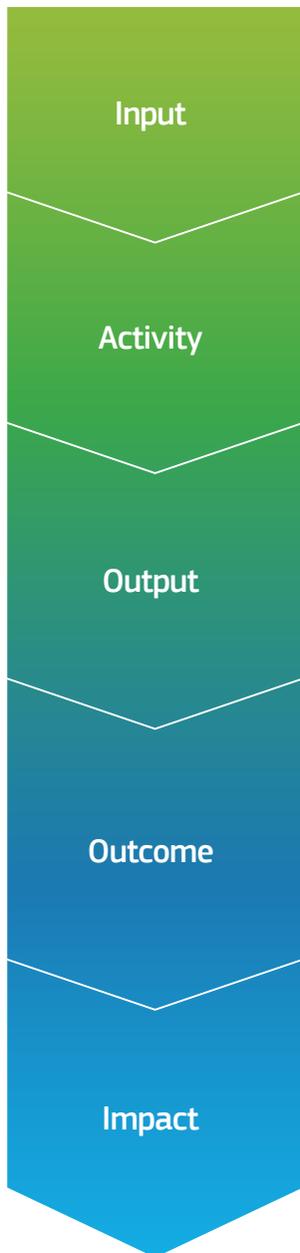
With a view to expand the lifetime and overall utilization of the equipment provided to customers (a key target under the circular economy) but also to ensure the proper end-of-life management of end devices, a project that concerns the refurbishment or retrofitting of end devices has been developed (Greece). These include ADSL, VDSL, VoIP modems, etc., and TV decoders (Satellite & IP).

End devices received from customer premises, collected through OTE Group retail network, or returned by customers at the end of their contract (in line with the contractual terms that include lease options at no cost for end devices) are among the sources of equipment to be refurbished.

Equipment entered the refurbishment plant undergo detailed control checks, are repaired if necessary, and put back in the market fully operational and in compliance with environmental legislation. Discarded equipment are forwarded for recycling through the authorized entities, with which the OTE Group cooperates.

OTE was the first, and still is the only company in Greece, to employ refurbishment processes for end devices. Following the completion of a major investment especially for the refurbishment process the unit has been successfully relocated and upgraded its operations. In 2018, about 170,000 end devices (ADSL & VDSL modems, TV decoders) were refurbished. For the period 2012 – 2018 526,784 end devices were refurbished while more than 105,000 pieces have been recycled, through this route. The operation of the unit resulted in a total cost reduction of about € 26 million (2012 – 2018). Avoided emissions are estimated at about 5,000 t CO<sub>2</sub> eq for 2018 (about 2.5% of OTE Group scope 3 emissions in Greece from the category Purchased goods and Services) and 15,000 t CO<sub>2</sub> eq for the period 2012 – 2018. The operation of the unit has a positive impact on natural resources conservation through the reuse of metals included in the refurbished end devices.

### Environmental Impact- Refurbishment of End Devices



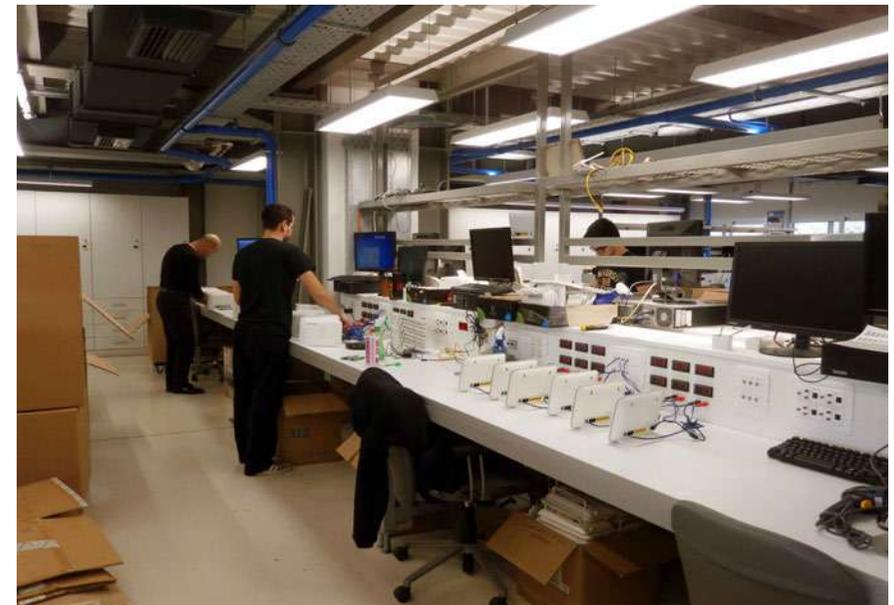
- About 700,000 devices have been processed since 2012
- 26 employees (end 2018)

**Refurbishment Unit**  
Control, repair, put back to market or recycle

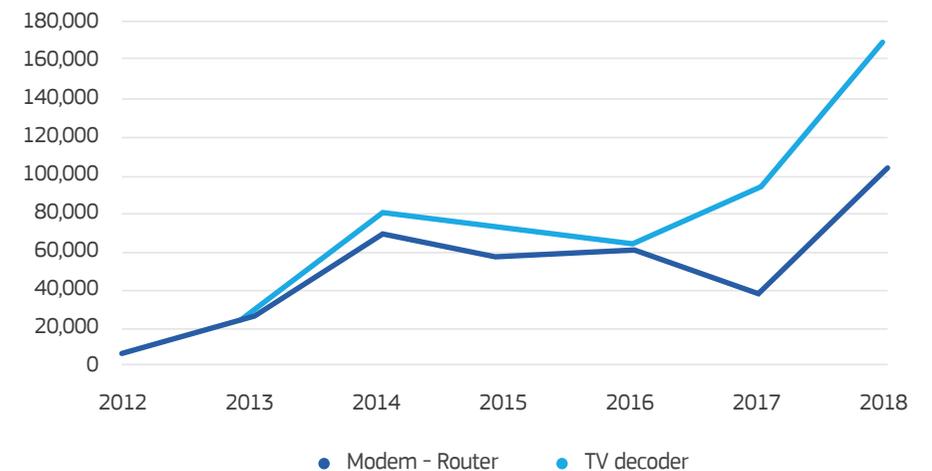
- For the period 2012-2018:
- More than 526,000 devices have been refurbished
  - 100,000 have been recycled

Cost reduction of € 26 million (2012-2018)

- GHG emissions reduction
- 5,000 t (2018) and
  - 15,000 t (2012 - 2018)



Refurbished Units



## 6.4 Electromagnetic Fields

OTE Group has adopted and implements an EMF policy in which its commitment to

- apply the precautionary principle for the whole range of the products and services provided
- contribute to public protection through actions aiming to increase transparency, awareness, participation and scientific knowledge, is set out.

### Activities in Greece

COSMOTE supports the “Pedion24” program of continuous electromagnetic fields measurements, the results of which are readily accessible to the public at the program’s website, and operates the COSMOTE Environmental Electromagnetic Fields Measurement Laboratory (accredited according to EN ISO / IEC 17025). In 2018, the scope of the laboratory accreditation expanded to cover measurements regarding 5G services.

In 2018, in addition to the measurements made in the context of the “Pedion24” program and by the COSMOTE laboratory (20 measurements), 15 more measurements were conducted by independent institutions (Universities, Greek Atomic Energy Commission) at COSMOTE’s request. Public exposure safety limits were not found to be exceeded in points of free public access, while the measurements made by the Greek Atomic Energy Commission (to a sample of at least 20% of the base stations operating in urban areas each year) led to the same result.

To improve outreach, an e-mail address for questions regarding electromagnetic fields information is available ([emfinfo@cosmote.gr](mailto:emfinfo@cosmote.gr)).

### Activities in Romania

In 2018, there were 30 EMF measurements performed by ANCOM (National Authority for Management and Regulation in Communications) on Telekom Romania sites at the request of external stakeholders. Public exposure safety limits, as set by the Order of the Minister of Public Health no. 1193/2006, were not found to be exceeded in points of free public access.

Through fixed monitoring sensors installed in urban centers, ANCOM makes measurement results available to the public in real time. In addition, ANCOM performs measurements with mobile equipment which are also publicly available. More about EMF Continuous monitoring in Romania can be found [here](#).

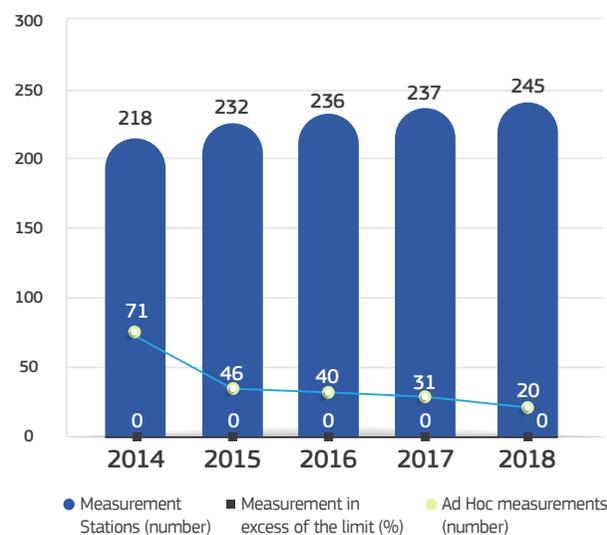
### Information Activities in 2018

- 200 leaflets “Pedion 24 – Continuous Measurements of Electromagnetic Radiation Program” and “How mobile telephony works” were distributed through the OTE Group retail network and in the context of the information dissemination activities carried out.
- 200 students and 400 employees were informed.

### Applying the Precautionary Principle

- The levels of electromagnetic fields, in all Base Stations, comply with the suggested limits of the World Health Organisation and the International Commission on Non-Ionizing Radiation Protection (ICNIRP), as well as with the latest national limits which are only 60–70% of the ICNIRP limits, in all points with free public access.
- For every wireless telecommunication station and mobile Base Station, a radio emission study and an electromagnetic background study (in some cases) is conducted, for an area of up to a radius of 50 meters and 300 meters respectively to ensure that all stations operate within legal limits. The amount spent on programs and studies concerning EMF in 2018 was € 360,000.
- All products placed in the retail network bear all necessary labels foreseen by national and EU legislation while all mobile phones sold operate within appropriate electromagnetic field safety limits (see section [Communication with Customers](#)).

## EMF Measurements in Greece



- 8 new EMF measurement stations in the context of “Pedion24” program in 2018
- 65.6 million EMF measurements since the beginning of the “Pedion24” program
- 20 measurements conducted by the COSMOTE EMF measurement laboratory in 2018
- Public exposure safety limits were **not found to be exceeded** in points of free public access

## 6.5 Other Environmental Aspects

### Ozone

OTE Group companies implement all appropriate procedures for the management for ozone-depleting substances used as refrigerants and in line with regulations and national legislation in force. These procedures include replacement of legacy equipment or replacement of the refrigerant in legacy equipment. Fire suppression systems already use suppressants with zero ozone depleting potential (ODP).

The quantity of hydrofluorocarbons (HFC) replenished for 2018 was about 9 t of refrigerants, which is equivalent to GHG emissions of about 16 kt CO<sub>2</sub> eq (decreased by about 2% compared to 2017). These emissions account for about 4.6% of the GHG emissions from energy use (both scope 1 and scope 2). With a view to repair any potential leakages, monitoring and maintenance programs are in place.

### Biodiversity

OTE Group is aware of the high value of biodiversity in the countries it operates and recognizes 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, RAMSAR and other protected areas.

In Greece, there were, in 2018, 499 COSMOTE base stations and 219 OTE base stations installed in 191 and 117 Natura sites respectively, covering areas of 2.495 and 30.35 hectares, respectively. In Romania there were 32 installations (31 base stations and 1 building) in Natura sites, covering an area of 1.7 hectares (2018). More information on the protected areas (e.g. location, maps, area,

protected species, etc.) is available on the relevant website of the [European Commission](#) (NATURA 2000 sites) and the [RAMSAR convention](#).

All installations operating in NATURA sites are fully licensed by regulatory authorities in Greece ([Hellenic Telecommunications and Posts Committee](#)) and Romania ([National Authority for Management and Regulation in Communications](#)). All buildings / installations / telecom lines that are currently in use and / or installed by OTE Group are also registered and relevant information is available.

### Quantities of Refrigerants Replenished

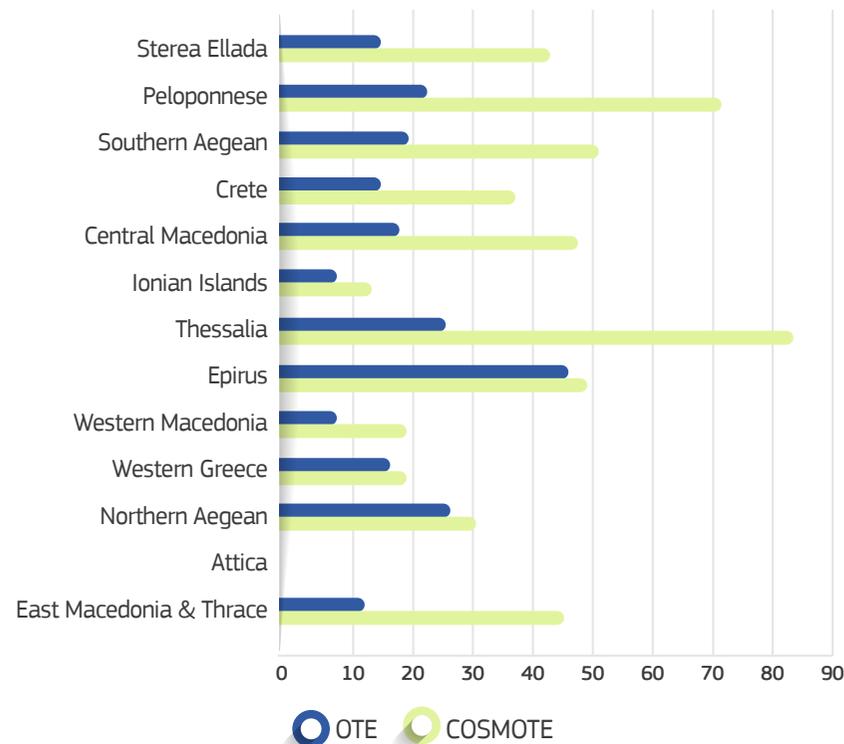
|            | 2016     | 2017     | 2018     |
|------------|----------|----------|----------|
| R407C (kg) | 4,091.16 | 4,367.94 | 4,629.63 |
| R410A (kg) | 1,321.58 | 1,340.95 | 1,095.90 |
| R134a (kg) | 38.55    | 60.00    | 408.00   |
| R417A (kg) | 2,191.20 | 2,436.75 | 2,080.20 |
| R422 (kg)  | 79.00    | 121.00   | 91.35    |
| R427a (kg) | 668.00   | 605.00   | 649.00   |

#### Notes

<sup>(1)</sup> To maintain consistency with GHG emissions estimates from energy use Global Warming Potential (GWP) values applied are those included in the 5<sup>th</sup> Assessment Report of IPCC

<sup>(2)</sup> During the period 2015-2018 about 2,300 kg of R22 (from replacement of refrigerant or change of equipment) have been replaced

### Number of OTE and COSMOTE installations in Natura Sites per Administrative Region in Greece



Hellenic Telecommunications Organisation S.A.  
99, Kifissias Ave., 15124 Maroussi, Athens, Greece  
[cosmote.gr](http://cosmote.gr)