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# Sustainability

Our world, a better world

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Our world, a better world

OTE Group takes part in Sustainable Development indices aiming to continuously improve its performance

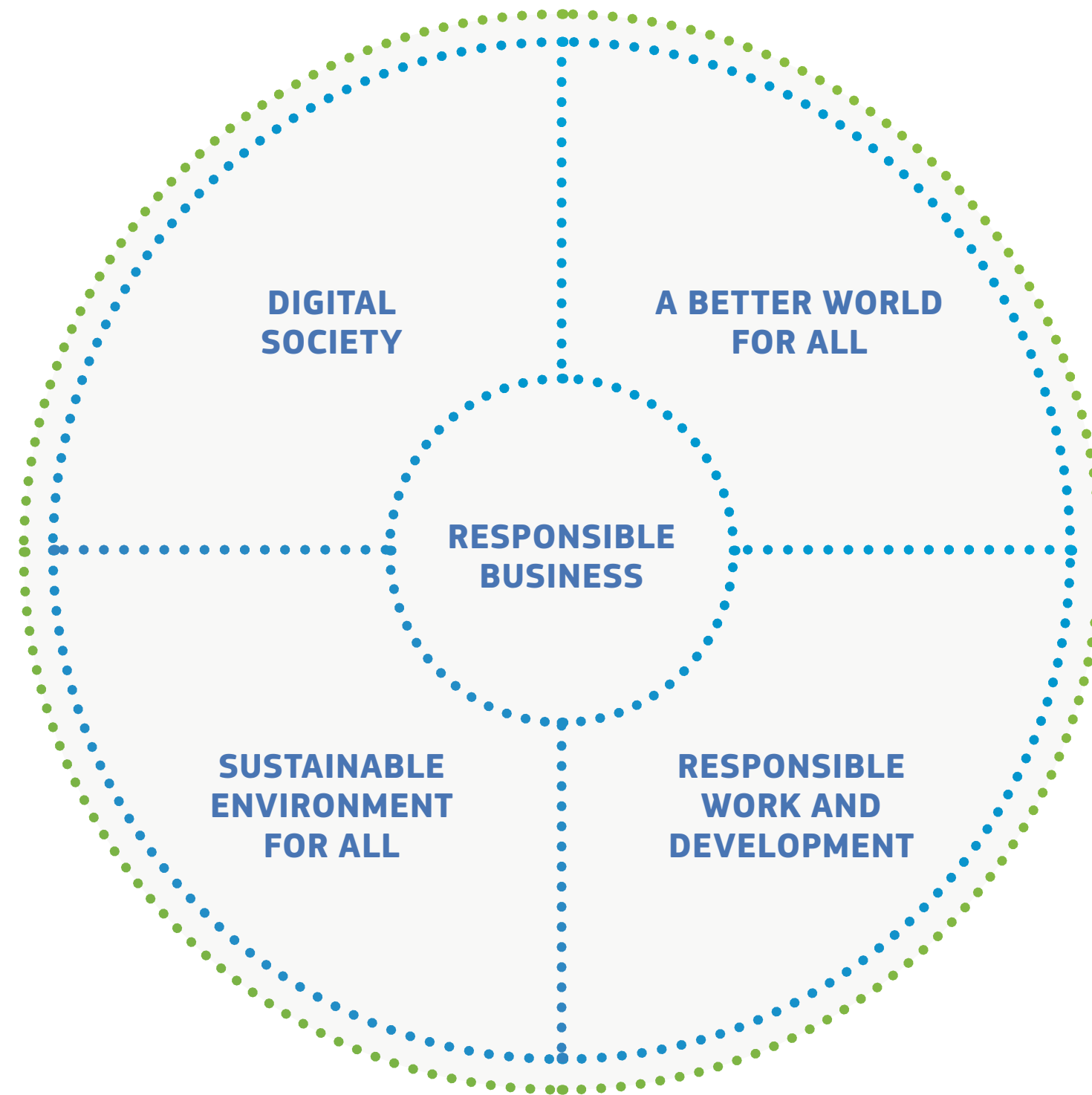
5 redefined sustainability priorities in line with business priorities, stakeholder dialogue, analysis and evaluations

OTE Group's Sustainable Development Strategy is an integral component of its business strategy

OTE Group aims to enhance its sustainable business, while contributing to the support of society and the protection of the environment. The Group's Sustainable Development is an integral part of its business strategy and operation.

In 2016, OTE Group redefined its sustainability priorities in line with business priorities and based on the results of:

- Continuous dialogue with stakeholders,
- Analysis of international trends and developments in corporate responsibility issues,
- Internal evaluation and improvement processes of the Group's approach



## RESPONSIBLE BUSINESS

Our aim is to stand as an example, by operating responsibly throughout the value chain. We constantly develop procedures, policies, tools, systems and mechanisms which allow the Group's companies, to manage business and operational matters responsibly. We are moving towards our digital transformation so we can provide a complete digital experience to our customers, employees, partners and suppliers.

## DIGITAL SOCIETY

Our ultimate goal and commitment is an exceptional customer experience. With respect to the customer and the free competition legislation, we contribute into the building of a digital society. We connect people within a world of unlimited digital possibilities, with the aim to make their lives better. We develop innovative products and services, which contribute to the sustainable development, with environmental and social benefits for all.

## BETTER WORLD FOR ALL

With technology and innovation, we create a better world for all. The plethora of social contribution and corporate volunteering initiatives that take place throughout the country, aim at supporting vulnerable social groups, children, education, local communities, entrepreneurship, culture and sports.

## RESPONSIBLE WORK PLACE AND ENVIRONMENT

We aim for a continuous distinction as an attractive employer who provides a safe, sustainable and creative working environment for its employees. At the same time, we encourage development, recognizing good performance, acknowledging equal opportunities and highlighting talents within the internal and external public.

## SUSTAINABLE ENVIRONMENT FOR ALL

We aim for a financial growth in accordance with environmental responsibility in all aspects of our performance. For this reason our environmental strategy focuses on minimizing the environmental impact of our activities, on the development and provision of products and services, which allow the enhancement of productivity and protection of the environment in other sectors and to inform and raise awareness for our stakeholders.

The OTE Group business model aims to create value for its Shareholders but also for customers, society, and employees.

OTE Group is by far the biggest investor in telecommunications in Greece. Its investments in optical fibers and next generation telecommunication networks exceed the amount of 2 billion euros in the past six years, and it has already announced investments worth Euro 1.5 billion for the 4 years to follow that will benefit its customers and the country. With our customer centered philosophy and the exploitation of technology and innovation, the OTE Group provides complete communication services and entertainment, it actively contributes to the economy and society, invests in its employees and creates a better world for all.

The Group's efficient operation and high competitiveness lead to positive economic results, a fact that allows it to reinvest in the business so as to create more value for all its stakeholders in the short, medium and long term.

**OTE Group of Companies  
Governance**

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

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

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

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

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

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

Vision

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

Strategy Pillars



Guiding Principles

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

Corporate Responsibility Pillars



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

**Human Capital**  
High employees' skills, engagement and satisfaction levels

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

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

**Natural Capital**  
Reduction of CO2 emissions, increased energy efficiency, efficient waste management

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



The governance structure, through which sustainability issues are embedded in the key business processes, is reflected in the OTE Group Corporate Responsibility Policy.

The OTE BoD is responsible for the corporate responsibility performance of the Group and represents its interests in corporate responsibility and sustainable development issues related to the Group. The supervision is entrusted to the President and Chief Executive Officer of OTE Group.

The subsidiaries are responsible for implementing the standards, requirements and corporate responsibility objectives of the Group and can also implement programs on the basis of local needs.

## OTE BOARD OF DIRECTORS

### Board of Directors

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

### Chairman and CEO

Oversees OTE Group corporate responsibility strategy and performance

## OTE SUBSIDIARIES' BOARDS OF DIRECTORS

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

## EXECUTIVE DIRECTOR CORPORATE COMMUNICATIONS OTE GROUP

### Executive Director

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

### Corporate Responsibility Department Fixed and Mobile

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

## OTE GROUP CORPORATE RESPONSIBILITY MANAGERS' NETWORK\*

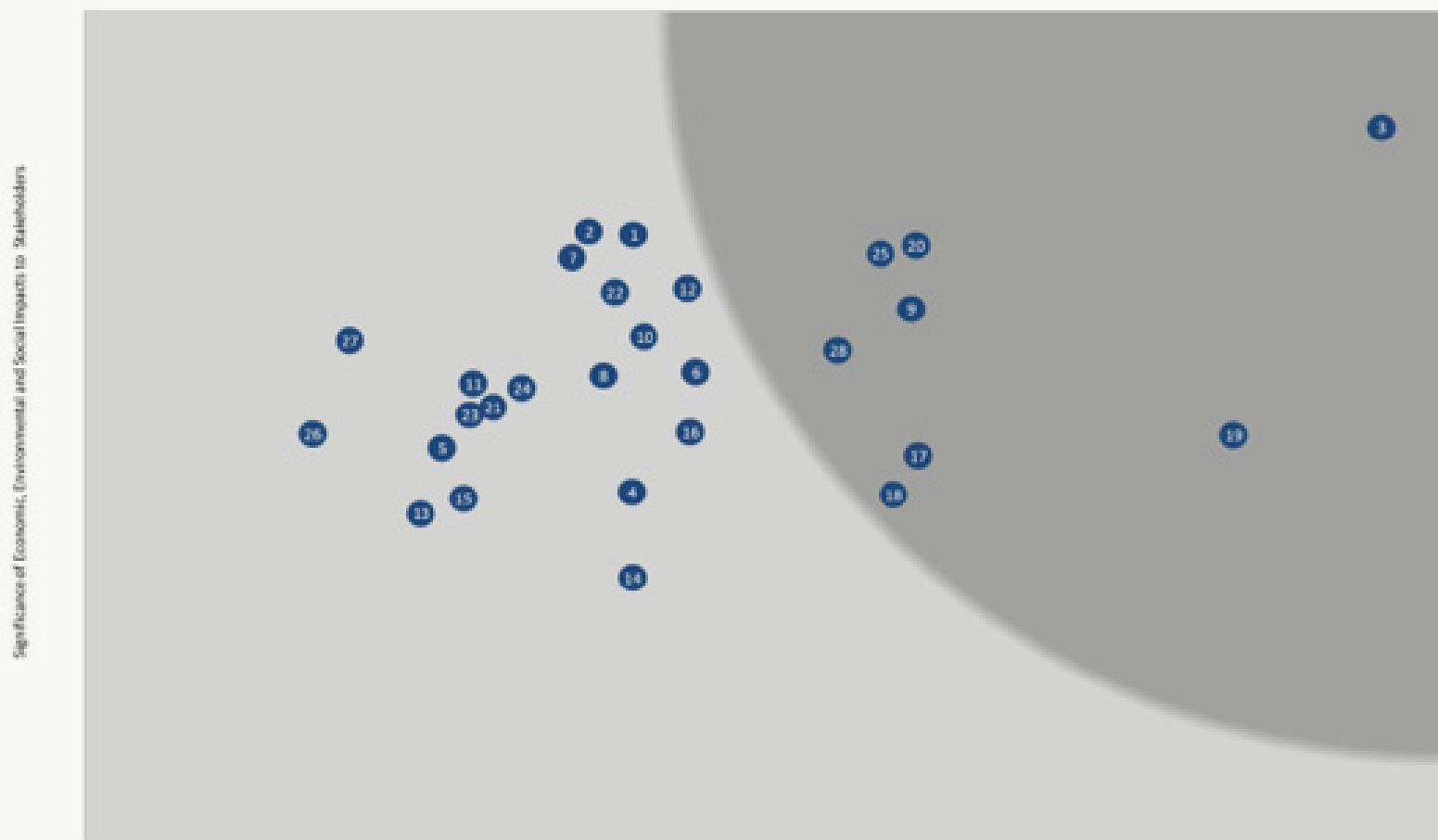
- Disseminates Group-wide expertise
- Facilitates communication between international subsidiaries / business areas

\* OTE Group Corporate Responsibility Managers' Network participates in Deutsche Telekom Group Corporate Responsibility Managers Network

The OTE Group companies identify the most important issues of their sustainable development through the “Materiality Analysis” carried out in accordance with the Group’s Corporate Risk Management approach.

In 2015, with the OTE Group’s participation (meetings with 12 Executive Directors) and its stakeholders (3,387 responses via an online questionnaire from all stakeholder groups) determined the materiality of sustainability issues for two years.

The results were approved by the OTE Group Management. All available data were evaluated so as to be of use in the Group’s operations planning and strategy. The key issues were included in its risk map (see. Section “Risks and Uncertainties for the next year”).



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

- |   |  |
|---|--|
| 1. Digital Inclusion                          | 15. Materials used in products                       |
| 2. Safe use of products and services          | 16. Governance and management                        |
| 3. Data security and privacy                  | 17. Responsible competitiveness                      |
| 4. Marketing communications                   | 18. Economic Performance                             |
| 5. Enabling role of ICT products and services | 19. Business resilience                              |
| 6. Product and service quality and labeling   | 20. Compliance, anti-corruption and bribery          |
| 7. Privacy and freedom of expression          | 21. Impact to Society and the Environment            |
| 8. Employment                                 | 22. Research and Technology                          |
| 9. Employee health, safety and wellness       | 23. Economic Impacts                                 |
| 10. Training and education                    | 24. Energy consumption and climate change mitigation |
| 11. Responsible labor practices               | 25. Electromagnetic radiation                        |
| 12. Respect for human rights                  | 26. Water and land use management                    |
| 13. Stakeholder engagement                    | 27. Environmental burden                             |
| 14. Supply Chain (suppliers)                  | 28. Waste Management                                 |

Since 2008, OTE meets all the requirements and is a member of the FTSE4Good Index Series. Since December 2016, OTE has been participating in the new index FTSE4Good Emerging Index.

Since January 2014, Forum Ethibel has included OTE in its Ethibel EXCELLENCE Investment Register. This selection by Forum Ethibel, indicates that the company performs better than average in its sector in terms of corporate social responsibility, making the company eligible for social and sustainable investments. In the assessment completed in 2016, OTE obtained a rating of C (available rating scale: A,B,C,D, E and M).



Since 2010, OTE has been participating in the CDP for climate change, by communicating all the necessary information through their platform. During the 2016 evaluation, OTE received a rating of B (Management) (on a A, A-, B, B-, C, C-, D και D- rating scale), rating it above its industry group average.

OTE has been included in the Euronext Vigeo Emerging 70 sustainability index, since June 2015. Amongst leading companies in the Eurozone and Developing Markets, OTE is the only Greek company that is part of these indices.



### OTE Group's Social And Environmental Indices for 2016

	OTE	COSMOTE	Telekom Romania Communications	Telekom Romania Mobile Communications	Telekom Albania
Employees covered by permanent agreements	8,405	1,957	4,761	825	438
Women employees	29	51	36	54	63
Employees covered by collective bargaining agreements	99	92	100	100	0
Work-related fatal accidents (number of employees)	0	0	0	0	0
Work-related non-fatal accidents (number of employees)	52	9	6	3	0
Training hours (hours/ employee)	17.03	12.84	21.46	17.44	11.94

	OTE	COSMOTE	Telekom Romania Communications	Telekom Romania Mobile Communications	Telekom Albania
Sponsorships - donations (incl. in Kind) (€)	1,878,272	1,740,417	206,893	226,491	121,637
Social programs (number of programs)	30		16	14	2
Voluntary participation of employees in corporate responsibility initiatives (number of participants)	10,716		238	44	48
People supported (number of people estimated)	1,007,243		195,819	155,719	7,350
Electricity Consumption (GWh)	260.86	177.48	123.80	81.47	18.20
Fuel consumption and district heating (GWh)	9.78	13.03	27.99	1.72	6.34
Fuel consumption in vehicle fleet (GWh)	31.62	7.43	32.00	7.14	1.19
Direct (scope 1) emissions CO2 (t)	10,067.86	5,301.58	11,485.27	2,144.13	1,991.83
Indirect (scope 2) emissions CO2 (t)	174,847.73	118,914.17	42,149.54	26,069.57	127.39

For more information on OTE Group's Corporate Responsibility practices you may visit:  
<https://www.cosmote.gr/otegroupsustainability2016>