

Sustainability Reporting Practices in Greece

A desk research of published sustainability reports

EY Greece

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EY

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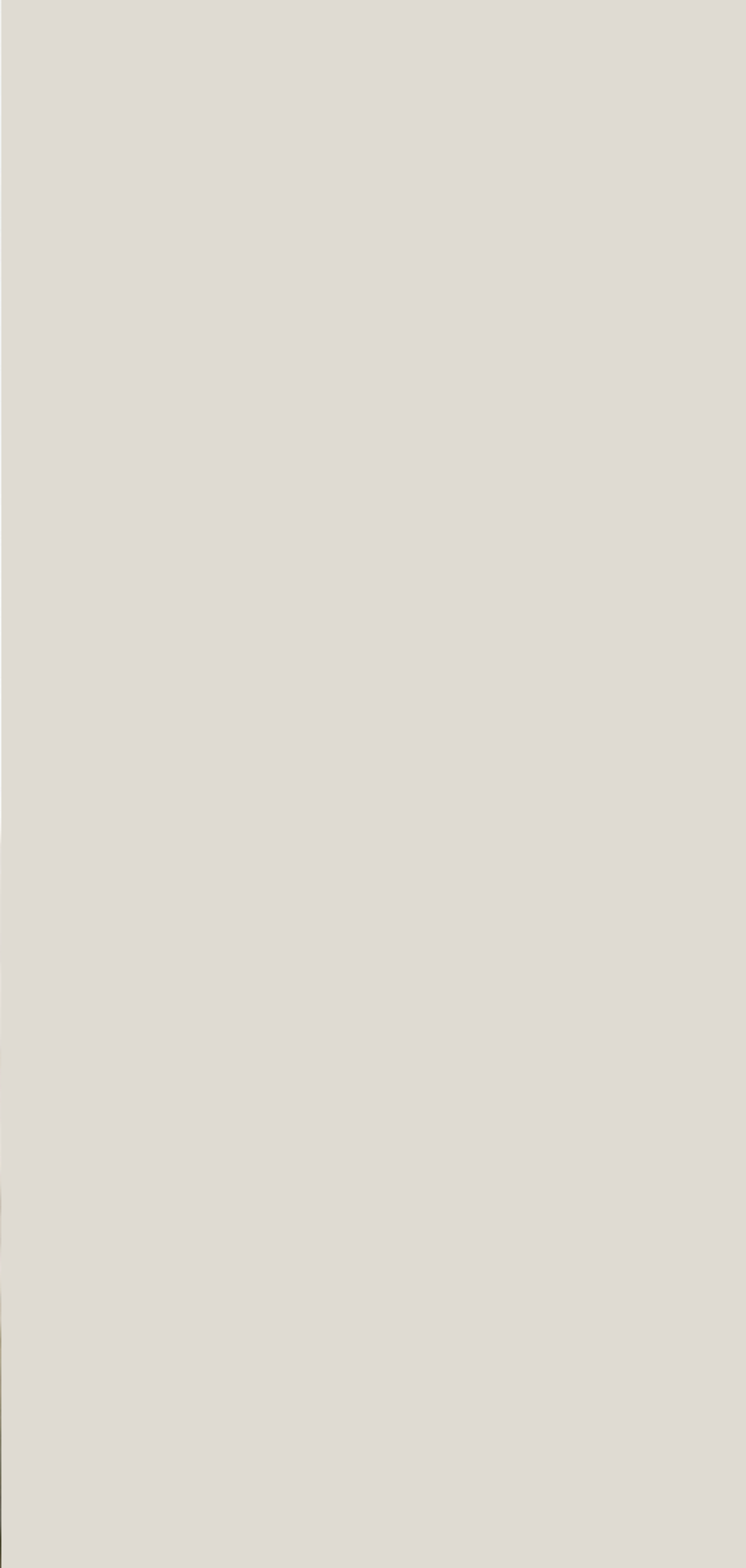


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This report is compiled on the basis of desk research conducted between December 2013 and April 2014, in an effort to present the current state of Sustainability Reporting in Greece. The study aims to provide an objective view of how sustainability reporting has evolved in Greece over the past three years, emphasizing on important reporting parameters such as the use of reporting guidelines, materiality analysis, stakeholder engagement and external independent assurance.

The study is based on Greek publicly available sustainability reports referring to 2010, 2011 and 2012 reporting periods, which were published until April 2014. Details on the methodology, assumptions, and limitations are discussed in Appendix A. The complete lists of reports used in the study can be found in Appendices B and C.

Results are presented per reporting period, not year of publication.

1

Executive summary

On a global level sustainability reporting appears to be reaching a 'tipping point', as it moves beyond the realm of the innovators and early adopters into the mainstream. Failure to engage with the reporting process could have a negative impact on performance, reputation, and even the ability to raise capital¹.

Respectively, sustainability reporting in Greece has significantly increased from the early 2000s, where just a few reports were issued. Reaching a historic high in 2010, the 2011 and 2012 reduction in published reports is evident and could easily be considered as an effect of the financial crisis. Although one could argue that sustainability reporting should be increasing during the challenging times of a crisis, truth might be that for some companies the value adding quality was not apparent enough to justify the required costs and effort. Nevertheless, our study reveals that the practice is definitely gaining ground in terms of quality.

Size is surely an issue that matters as 98% of the companies that issued a report for 2012 reported assets above €20m and only 5 reporters (10%) have less than 100 employees. Efforts to support the concept of sustainability and sustainability reporting in SMEs (Small and Medium Enterprises) are definitely welcome.

Reporting spans among sectors, with 51% for 2012 representing financial services, consumer products, and industrial products. However, some traditional sectors of the Greek economy, such as shipping and hospitality appear to be lagging behind.

The Global Reporting Initiative (GRI) sustainability reporting guidelines prevail as consistently almost three fourths of reporters apply a B/B+ level.

Stakeholder engagement (63% for 2012) and materiality analysis (49% for 2012) disclosures are on the rise, enhancing reporting content determination and quality. Finally it appears that external assurance is gaining momentum at 39% for 2012.

¹ EY in association with the Global Reporting Initiative (GRI), "Sustainability Reporting; The time is now", EY, 2014



Only 2% of 2012 Sustainability Reports represent companies with less than €20 million assets.

29% of sustainability reporters for 2012 are part of the FTSE/Athex Large Cap Index and they represent 56% of the total number of companies included in the Index.

Only 10% of 2012 Sustainability Reports represent companies with less than 100 employees.

2

Sustainability reporting overview

2.1 Reporting trends

What is sustainability reporting?

Driven by stakeholders' expectations and demand for transparency, sustainability reporting is about disclosing information on a company's social, environment and economic impacts and associated management approach against these impacts. According to a 2013 joint study² between Ernst & Young LLP and the Carroll School of Management, at the Boston College Center for Corporate Citizenship, it is clear that sustainability reporting is here to stay. Environmental, Social and Governance (ESG) company data scroll down thousands of trading terminals. A full 95% of the 250 largest companies globally issue sustainability reports³.

"The benefits of sustainability reporting go beyond relating firm financial risk and opportunity to performance along ESG dimensions and establishing license to operate. Sustainability disclosure can serve as a differentiator in competitive industries and foster investor confidence, trust and employee loyalty. Analysts often consider a company's sustainability disclosures in their assessment of management quality and efficiency, and reporting may provide firms better access to capital. In a review of more than 7,000 sustainability reports from around the globe, researchers found that sustainability disclosures are being used to help analysts determine firm values and that sustainability disclosures may reduce forecast inaccuracy by roughly 10%⁴."

How many reports were issued in Greece in the past three years?

Sustainability and corporate responsibility reports issued for 2012 reached a total of 49, including 2 integrated reports⁵. Reports issued for 2012 decreased by 9% compared to 2010. The decrease can be considered as an effect of the financial crisis, attributed to either (a) costs and resources associated to reporting and / or (b) lack of perceived value and return on investment.

of sustainability reports issued



Consequently, some companies did not issue a report for 2012 or opted to switch into a biannual reporting cycle.

² Ernst & Young LLP and Boston College Center for Corporate Citizenship, "Value of sustainability reporting", Ernst & Young LLP, 2013

³ GRI, "Report or Explain: a smart policy approach for non-financial information disclosure" 7 March 2013 (online). Via: <https://www.globalreporting.org/resource/library/GRI-non-paper-Report-or-Explain.pdf>

⁴ D.S. Dhaliwal, S. Radhakrishnan, A. Tsang and Y. G. Yang, "Nonfinancial Disclosure and Analyst Forecast Accuracy: International Evidence on Corporate Social Responsibility Disclosure", *The Accounting Review*, Vol. 87, No. 3, 2012, pp. 723-759.

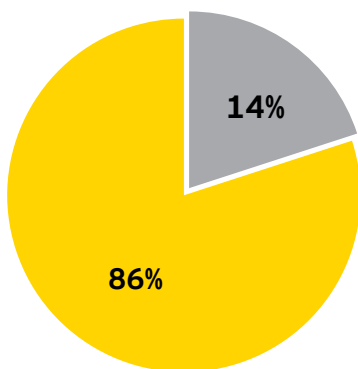
⁵ More details on the Integrated Reporting framework can be found on section 3.5.3.

2.2 Reporters' profile

Is non-financial reporting mainstream among Greek large companies?

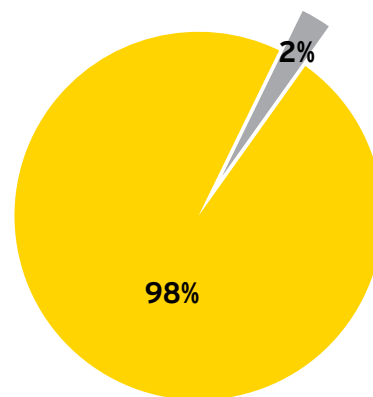
The majority of Greek reporters are large companies in terms of employees, assets and revenues. More specifically, 86% of the companies that issued a report for 2012 reported sales above €40m, 98% reported assets above €20m and 73% employed on average more than 500 employees.

Sales 2012



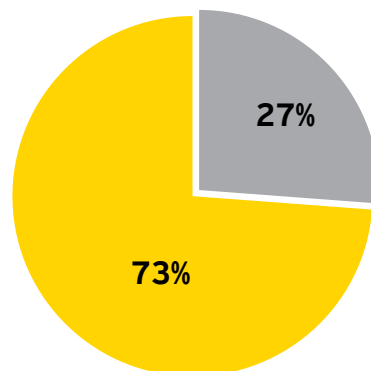
■ Above €40 million ■ Below €40 million

Assets 2012



■ Above €20 million ■ Below €20 million

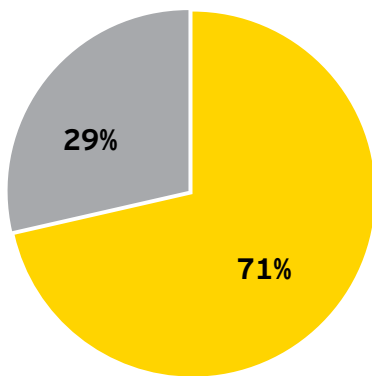
of employees 2012



■ Above 500 employees ■ Below 500 employees

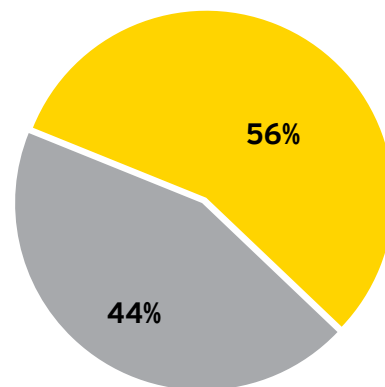
Consequently, 29% of all 49 sustainability reporters for 2012 are part of the FTSE/Athex Large Cap Index⁶. Additionally, these 14 reporters represent 56% of the total number of companies included in the Large Cap index.

% of reporters included in FTSE/Athex Large Cap



■ Large Cap Reporters ■ Non-Large Cap Reporters

Sustainability reporting among Large Cap companies

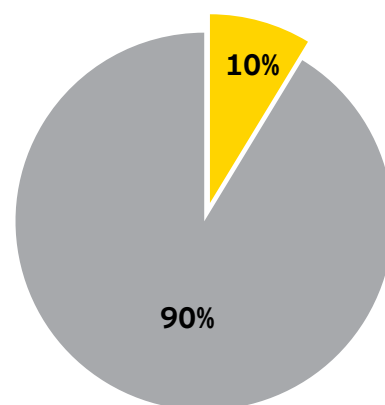


■ Large Cap companies that issue sustainability report ■ Large Cap companies that do not issue sustainability report

How many Greek SMEs issue sustainability reports?

Only 5 reporters have less than 100 employees, representing 10% of total reporters, and only 3 less than 50, indicating a lack of reporting among SMEs, who represent 99.9%⁷ of Greek companies. This can be attributed to the fact that the value and benefits of sustainability reporting are not yet clear to SMEs and/or that the perceived costs are too large for a small company to afford.

SME Reporters



■ Below 100 employees ■ Above 100 employees

⁶ Naftemporiki, "FTSE/XA LARGE CAP", via <http://www.naftemporiki.gr/finance/quote/ftse.ath/ftsexa-large-cap?tab=11>, (accessed 11 April 2014)

⁷ European Commission, "SBA Fact Sheet 2012 - Greece", via http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2012/greece_en.pdf, (accessed 11 April 2014)



Is non-financial reporting mandatory in Greece?

At the time of publication of this desk research, non-financial reporting is not mandatory under Greek legislation. However, the European Parliament and Council reached recently to an agreement on a Commission Proposal on disclosure of non-financial information by certain large companies in order to improve corporate transparency. As mentioned in the press release⁸:

“Large public-interest entities (mainly listed companies and financial institutions) with more than 500 employees will be required to disclose relevant and useful environmental and social information in their management report”.

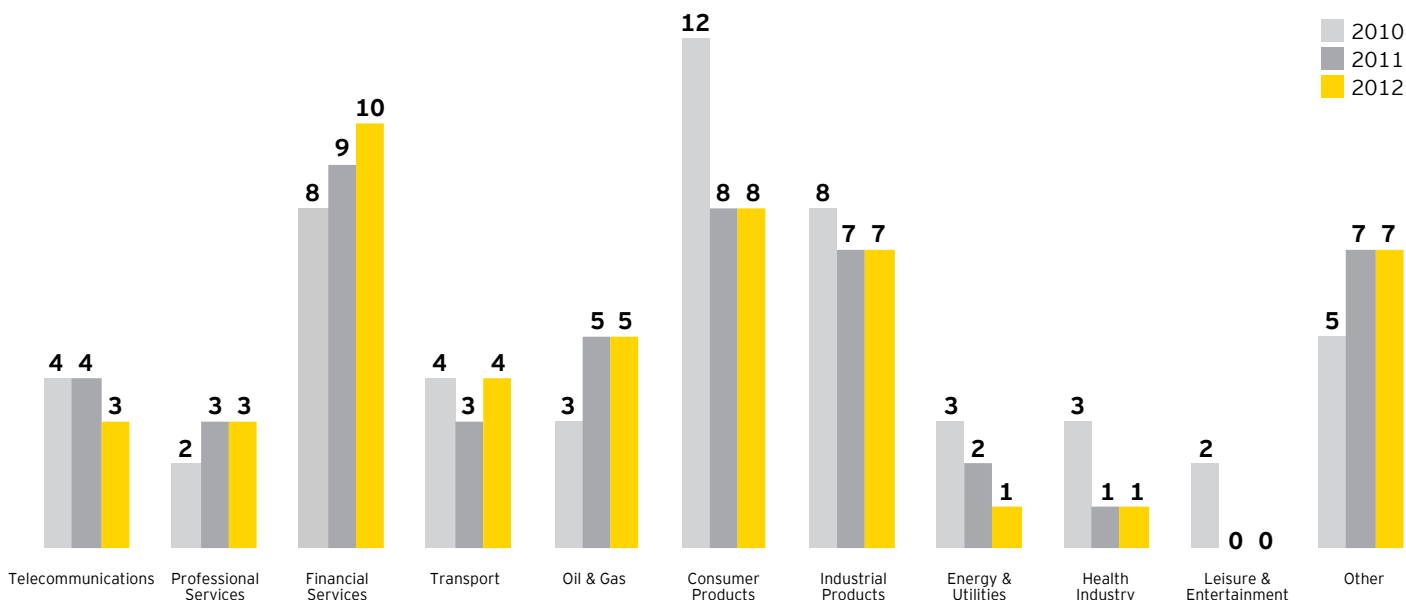
⁸ European Commission, "Disclosure of non-financial information by certain large companies: European Parliament and Council reach agreement on Commission proposal to improve transparency", 26 February 2014, via http://europa.eu/rapid/press-release_STATEMENT-14-29_en.htm?locale=en (accessed 11 April 2014)

2.3 Reporting trends by sector

Is sustainability reporting widespread among different sectors of the Greek economy?

Although sustainability reporting is relevant across business sectors, the historically early adopters operate in sectors with significant environmental or social impacts. As sustainability reporting is moving into the mainstream, the main decreases in issuance of reports in the Greek market, as shown in the graph below, are mostly evident in the E&U, Health, Leisure & Entertainment and Consumer Products sectors.

Reporting trend per industry



The decrease, compared to 2010, noted in the E&U, Health, Leisure & Entertainment and Consumer Products sectors has negatively affected the overall number of reports issued for 2012 and can be attributed to the challenges these sectors have been going through during the last three years, in the context of the financial crisis.

The stagnation in report output growth for 2012 can also be attributed either to a change in the reporting cycle (from annual to biannual) or issuance of a joint report for different legal entities of the same group of companies.

Sectors presenting a fair consistency in the number of reports issued in the last three years are Telecommunications, Transport, and Industrial Products.

The Financial Services, Oil & Gas and Professional Services sectors, represent more than 25% report output increase compared to 2010, which could be interpreted as a sign of the growing importance of transparency and long-term sustainability of their operations.

Which sector issues the most reports?

The sectors that issued the most reports in the past three years are "Financial Services" and "Consumer Products". For the purpose of our research these include cosmetics, retail, food and beverages and home appliances. In total, 10 reports were issued by "Financial Services" and 8 reports by "Consumer products" for 2012.

Is sustainability reporting followed by all sectors?

The study reveals that very important sectors of the Greek economy such as Shipping and Hospitality still do not issue sustainability reports (with the exception of a few environmental reports). This fact indicates that the advantages of sustainability reporting and applying sustainability practices may still need to be explored going forward.



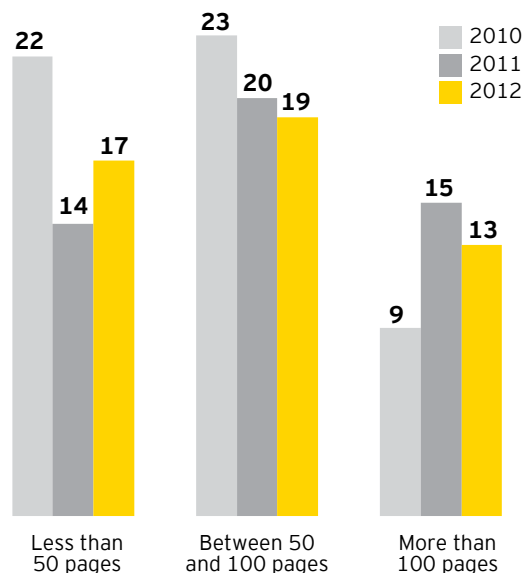
2.4 Size of reports

There have always been concerns regarding the size of reports and whether adding more information actually makes the content relevant and useful to stakeholders. "Are we saying too much?" or "Is there not enough information disclosed?". Moreover, apart from the appeal to stakeholders, producing sizeable reports may involve additional costs.

Is there a trend regarding report length?

Reports issued for 2012 that exceeded 100 pages amount to 13. Furthermore, 19 reports issued for 2012 were between 50 and 100 pages long, and only 17 being below 50 pages.

of reports by size



What is the average size of reports?

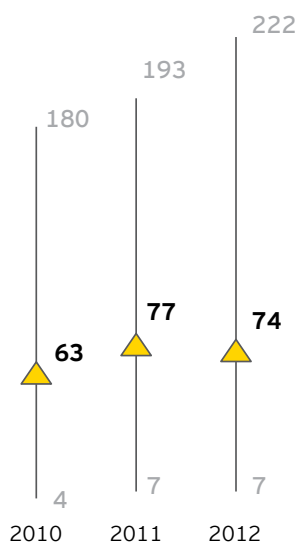
The average size of reports for 2012 is 74 pages, increased by 17% compared to 2010, and decreased by approximately 4% compared to 2011.

The actual size of reports ranges from 7 to 222 pages for 2012, and it is primarily based on the reporting standard followed. The same applies to the two previous years, when the size ranged from 7 to 193 for 2011 and 4 to 180 for 2010.

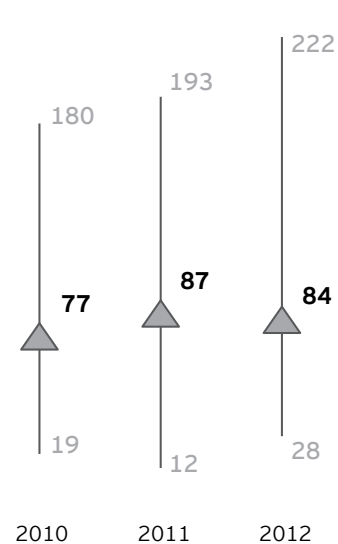
The size of a report depends on decisions made by the reporting organizations. Some organizations choose to keep their reports concise and link to other sources for further information (e.g. website). Others, in order to disclose the entire information in one document, choose to issue reports of considerable size.

Additionally, the GRI G3/G3.1 Application Levels have also played a role in report length, because as the application levels progress from C to B to A, more information disclosures are required. This is one of the disadvantages of the previous versions of GRI, while the latest G4 version focuses on the most material issues. The GRI G4 aims to make reports more focused, more strategic, more credible, and easier to navigate.

Average size (pages) of reports including min & max



Average size (pages) of GRI reports including min & max





Use of the GRI Sustainability Reporting Framework prevails at 78% for 2012.

39% of GRI based reports for 2012, apply the G3/G3.1 Guidelines at a B+ Level.

61% of 2012 Sustainability Reports include a United Nations Global Compact (UNGC) Communication on Progress, the vast majority of which through a GRI Report.

3

Reporting frameworks

3.1 Reporting frameworks overview

Is GRI the best option or is it too complicated? Are there alternative options for reporting?

Reporters are still in many cases puzzled on whether and which sustainability reporting framework to use. Using a reporting framework contributes to comparability with other reports and helps to standardize the reporting practice. Moreover, frameworks offer guidance on how to measure an organization's impacts and therefore improve its performance.

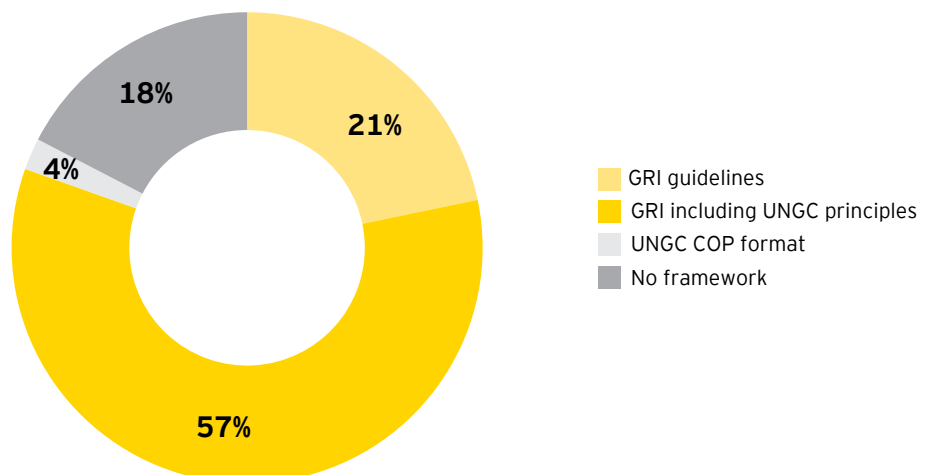
The Global Reporting Initiative (GRI) offers the most widely adopted framework on a global scale⁹. Developed by multi-stakeholder panels and consisting of a collection of guidance documents, the GRI framework offers a variety of sustainability indicators and most importantly guidance on identifying and prioritizing a company's material issues - those issues that are important to stakeholders and affect the long-term sustainability of an organization.

Which are the reporting frameworks adopted by the Greek companies?

Most Greek companies either use the GRI sustainability reporting guidelines or the Communication on Progress format (CoP) of the United Nations Global Compact (UNGC). Moreover, 9 (18%) companies are not using any reporting framework at all for 2012.

As shown on the following charts, the majority of reporters are using the GRI reporting framework jointly with the UNGC CoP¹⁰ (57% in 2012) meaning that they are using the GRI framework for preparing the report and also make references within their report to their progress in applying the ten UNGC principles.

Reporting frameworks 2012

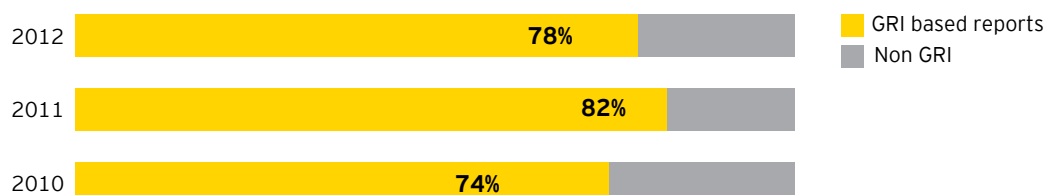


⁹ Ernst & Young LLP and Boston College Center for Corporate Citizenship, "Value of sustainability reporting", Ernst & Young LLP, 2013

¹⁰ Stand alone UNGC Communication on Progress Reports are discussed in section 3.5.1.

3.2 Use of GRI guidelines

% of GRI based reports



How many reports are following the GRI framework?

The most adopted framework among Greek reporters is the GRI Sustainability Reporting Guidelines. This practice is in accordance with the global trend of adopting the GRI framework for sustainability reporting¹¹ by the majority of reporters globally.

In particular, for 2012, 78% of reporters used GRI for preparing their reports, a percentage that is consistent to that in previous years. A slight decrease between 2011 and 2012 can be attributed to:

- a) mergers in the financial sector that took place during the past years
- b) the publication of group level reports (telecommunications) and
- c) the fact that certain companies changed their reporting cycle from annual to biannual

Only one company that issued a GRI report for 2011 discontinued the GRI application, yet included a CoP as an annex to the main report.



¹¹ Ernst & Young LLP and Boston College Center for Corporate Citizenship, *Value of sustainability reporting*, Ernst & Young LLP, 2013

3.3 Version of GRI guidelines

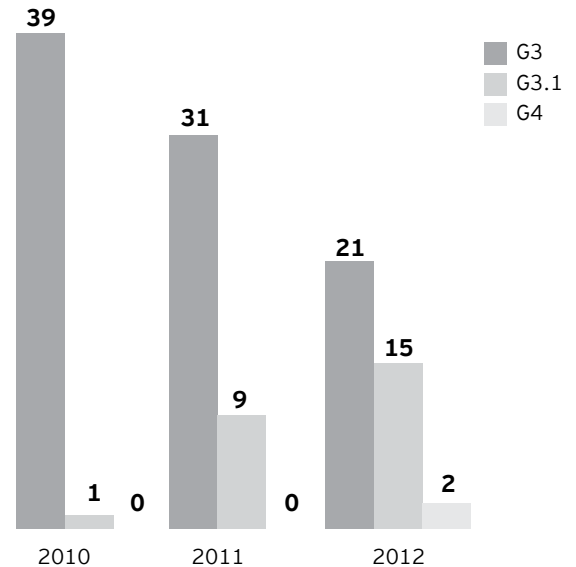
The G4 version of the GRI guidelines was issued in May 2013. This version of the guidelines emphasizes on the importance of materiality and requires from companies to disclose information only on material issues. This is expected to help companies issue reports which will be more focused on significant impacts and consequently more relevant to stakeholders. The G4 version shares many similarities with the previous GRI versions, in particular G3 and G3.1, and is considered to be their improved version.

Which version of the GRI guidelines is used by reporters?

The GRI G3 version remains to date the most widely adopted version of the GRI Reporting Guidelines in Greece. More specifically, the chart on the right shows that 55% of GRI reporters used G3 for the reporting period of 2012.

The G3.1 version, which was launched in 2011, did not succeed in becoming the standard practice in Greece, as only 39% of the companies applying GRI used it for 2012. Because of the launch of the G4 guidelines, the use of G3 and G3.1 version is expected to significantly decline over the coming years.

GRI version used



3.4 GRI application level

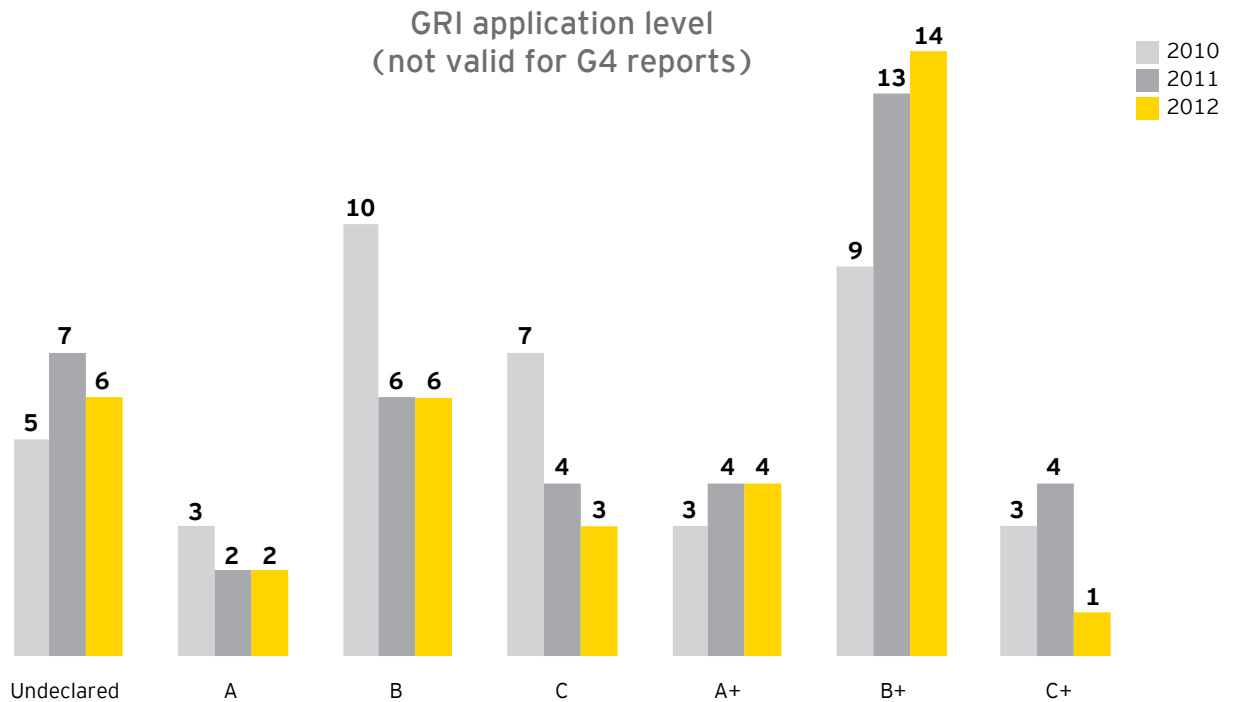
The application level indicates the extent to which the G3 or G3.1 Guidelines have been applied in sustainability reporting. Therefore, a report with an application level A has covered more indicators compared to an application level B report despite that some of those indicators might not be material for the reporter or for its stakeholders.

The GRI application levels have always been a source of confusion among reporters. Many of the reporters and external stakeholders consider them to be equivalent to a report's quality and achieving application level A+ had at some cases become the ultimate goal for reporting.

The existence of the application levels resulted in issuing large reports with vast information covering several aspects. This fact was recognized as a negative trend by GRI and the application levels no longer exist in the G4 version.

What is the current state in Greece?

The following charts show a clear trend towards application level B+ for the majority of reports for 2011 and 2012. Still the number of reports with application level A / A+ remained constant.

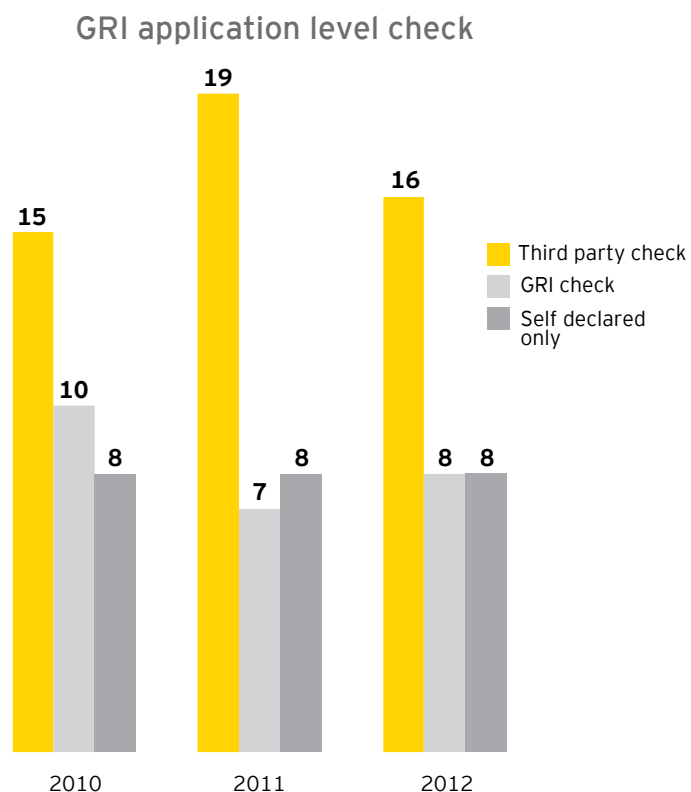


Who performs application level checks?

Reporters under the GRI G3/G3.1 are required to self-declare the application level of their reports and may additionally request from an external party (the GRI organization or other third parties) to proceed with checking this self-declaration. In particular, for 2012, approximately 67% of GRI G3/G3.1 reporters in Greece had their application level checked.

As shown in the chart, the majority of application level checks are performed by third parties. For 2012, 16 application level checks were performed by third parties and 8 by the GRI organization. Moreover, 8 reporters self-declared the application level of their reports without proceeding with an external check.

It appears that there is preference towards third parties when choosing for an application level check provider (audit firms or other).



3.5 Other guidelines and frameworks

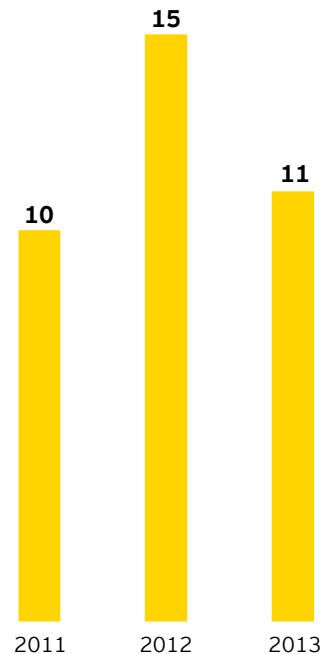
3.5.1 UNGC Communication on Progress

The United Nations Global Compact

The United Nations Global Compact is an initiative for the development, implementation and disclosure of corporate sustainability practices. Since its launch, in July 2000, it seeks the alignment of corporate operations with 10 universally accepted principles in the areas of human rights, labor, environment and anti-corruption. With more than 8.500 members in more than 135 countries, the Global Compact is the world's largest voluntary corporate responsibility and sustainability initiative¹².

On an annual basis, a company that participates in the Global Compact discloses information on the progress made while implementing the ten principles. This disclosure is done through a report called Communication on Progress (CoP)¹³. A company that participates to the UNGC has the option to either produce a stand-alone CoP or disclose the required information as part of sustainability report (e.g. as part of a GRI report).

Total stand-alone COPs



Presented per publication year as the reporting periods varied substantially.

How many stand-alone CoPs are issued by Greek companies?

In 2012, a total of 15 standalone CoP's were issued up from 10 in 2011. However the number of CoP's issued during 2013 was reduced to 11, as more companies choose to include their UNGC Communication on Progress within their sustainability reports and not as stand alone documents.

3.5.2 ISO 26000

ISO 26000 offers guidance on applying CSR policies and actions. However, this guidance does not contain requirements and is not auditable / certifiable. The results of our research reveal a growing trend towards adopting the standard. A significant percentage of reporters disclose information on the use of the ISO 26000 guidelines. In particular, for 2012, 24% of companies report that they are following the guidelines, up from 20% for 2011 and from only 6% for 2010.

¹² UN Global Compact, "Corporate Sustainability in the World Economy" United Nations Global Compact Office, 2014, via http://www.unglobalcompact.org/docs/news_events/8.1/GC_brochure_FINAL.pdf (accessed 11 April 2014)

¹³ UN Global Compact, "What is COP?", United Nations Global Compact, via <http://www.unglobalcompact.org/COP/index.html> (accessed 11 April 2014)

3.5.3 Integrated Reporting framework

Within a timeframe of 30 years (1975 - 2005) the components of market value have completely inverted. According to S&P500 study on Market Value Components, in 1975 market value was derived mainly from tangible assets (83%) whereas since 2005, tangibles only account for approximately 20%¹⁴.

This proves that investors may place less reliance on financial reports as various accounting standards do not fully reflect the true value of intangible assets hence, an entity's ability to create value in the short medium and long term. To certain extent the gap between market capitalization and book value may be quite large and investors, stakeholders and companies could all benefit from closing this gap.

Integrated reporting combines financial information with non-financial information and shows the linkages between the different forms of value an organization creates. An integrated report is not a mere compilation of the financial report plus the sustainability report. It does however build on the various existing reporting practices (financial and ESG) by integrating material financial and non-financial information into one concise communication about the value created by an organization in the short, medium and long term.

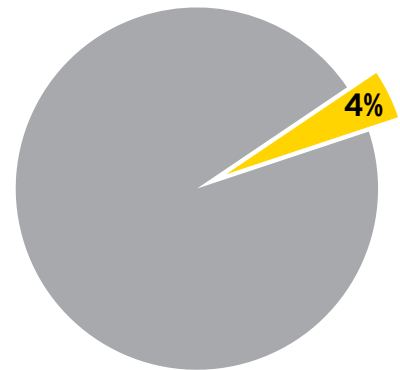
Integrated reporting should do more than window dress. The "integrated thinking" required by this approach also creates a strong network of communication, collaboration and process efficiencies. These benefits can drive and sustain added value across the organization¹⁵:

- ▶ Better financial and non-financial linkage across business silos including improved cross-functional alignment
- ▶ More sophisticated company governance and strategic oversight including collective empowerment on key organizational issues
- ▶ Enhanced understanding of convergent financial and non-financial risks and opportunities that directly affect capital
- ▶ Refined strategic environmental, social and financial objective integration
- ▶ Additional opportunity for innovation of new revenue streams
- ▶ Increased investor and stakeholder interaction

Has this new trend in corporate reporting been adopted by Greek companies?

Only two integrated reports were issued for the 2012 reporting period, a fact that reveals that the practice is still at a very early stage. Still, due to the fact that integrated reporting allows for the production of one document that fully covers the interrelations between an organisation's economic, social and environmental performance, it is expected that more companies will follow this practice going forward.

Integrated reports 2012



¹⁴ Ocean Tomo, "Ocean Tomo's Intangible Asset Market Value Study", Ocean Tomo, LLC, 2012.

¹⁵ "Driving value by combining financial and non-financial information into a single, investor-grade document". Ernst & Young LLP, 2012.

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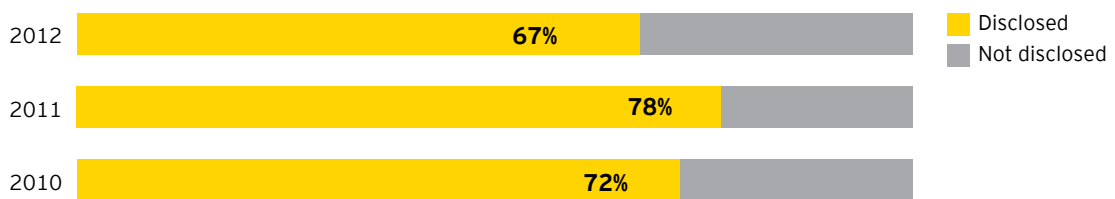
Stakeholder engagement and materiality analysis

4.1 Stakeholder mapping and engagement

Effective sustainability reporting is highly correlated to stakeholder identification and engagement. There are various methods of engagement ranging from direct dialogue to less interactive means, such as surveys. The GRI framework requires organizations to report on their stakeholders and methods of engagement.

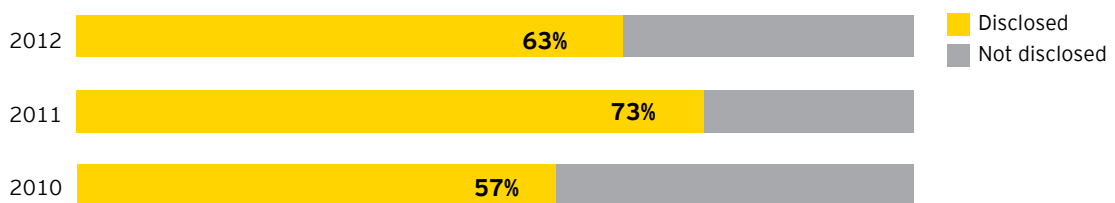
Do reports disclose information on stakeholder engagement?

Stakeholder mapping disclosures



Our research reveals that 67% of reporters for 2012 did disclose information on stakeholder identification. Moreover, 63% disclosed information on the methods used for stakeholder engagement. The importance of disclosing such information lies on the fact that a report becomes more credible when the content is linked to stakeholder input.

Stakeholder engagement methods disclosed



4.2 Materiality analysis

The following text is quoted from EY's recent publication, titled 'Let's talk: Sustainability A new point of view for business leaders', written by Jessica's Bramhall¹⁶, Senior Manager at Ernst & young LLP:

Today's non-financial reporting environment can seem complex, but there is one commonality among the various reporting initiatives – materiality. The meaning of materiality can vary between stakeholders within the environmental, social and governance disclosure discussion. Leading sustainability reporting organizations, including the Global Reporting Initiative (GRI); Sustainability Accounting Standards Board (SASB); International Integrated Reporting Council (IIRC); Investor Network on Climate Risk (INCR); and Sustainable Stock Exchanges (SSE) Working Group are seeking to provide clarity and guidance on what is most material in non-financial reporting.

The INCR and SSE are calling for listed companies to disclose information on their materiality assessment process as well as information related to material items including supply chain and subcontracting; environmental impact; government relations and political involvement; climate change; diversity; and more. Their guidance differs in scope, but all of these groups agree that concentrating on materiality will better inform stakeholders and help guide the decision-making process by offering insight into the most relevant environmental, social and governance risks and opportunities facing an organization.

While materiality is commonly thought of in financial terms, the correlation between material non-financial issues and value for companies is becoming more important.

According to a recent Ocean Tomo study, physical and financial assets make up only 20% of a company's value today¹⁷. The study indicates that 80% was made up of intangible value such as human capital, risk management, brand management and innovation.

A recent paper sponsored by the Boston College Center for Corporate Citizenship and EY, Value of sustainability reporting, highlights the fact that understanding materiality's role in today's non-financial reporting environment investors increasingly prefer to invest in transparent enterprises due to higher stakeholder-manager trust, more accurate analyst forecasting and lower information asymmetry.

Conducting a non-financial materiality assessment lays the foundation for future reporting, such as reporting in accordance with the GRI G4 Sustainability Reporting Guidelines. Many companies are engaging third parties to advise them on their materiality assessment process and to assist in identifying the material issues that may be significant to the business and or important to stakeholders. Identifying and reporting on the most material non-financial information can provide a company and its stakeholders, with valuable intelligence to better measure, manage, and assess the business short and long-term. It can also enhance brand reputation, identify potential cost-savings within the company and can even improve access to capital.

¹⁶ EY, "Let's talk: Sustainability A new point of view for business leaders", EY January 2014, Issue 1

¹⁷ Ocean Tomo, "Ocean Tomo's Intangible Asset Market Value Study", Ocean Tomo, LLC, 2012

Do Greek reporters conduct materiality analysis?

The study reveals that almost half (49%) of reports issued for 2012 disclose information on materiality analysis and the process applied for deciding on relevant report content. This constitutes a significant increase compared to the results for 2011, when only 33% of total reports disclosed relevant information. This is an indication that materiality analysis is the next ‘big discussion’ for sustainability reporting in the years to come.

Reports that contain disclosures on materiality analysis



Is it a common practice among Greek reports?

Disclosing a materiality map, is still uncommon among Greek reporters. Only 18% of total reports contained a materiality map, a trend that is expected to change as more companies is anticipated to make the transition to G4.

Reports that contain a materiality map



Mapping of stakeholders is evident in 67% of 2012 Sustainability Reports

Stakeholder engagement method disclosures reach 63% for 2012

49% of 2012 Sustainability Reports contain disclosures on materiality analysis, while 18% contain a materiality map

External assurance is gaining momentum at 39% for 2012

42% of assurance statements are in accordance with the globally prevailing International Standard on Assurance Engagements 3000 (ISAE 300)

However, almost 32% of published assurance statements do not follow an assurance standard, putting at risk quality of work performed, as well as raising independence issues



5

Assurance

Assurance is an evaluation method that assesses the quality of a subject matter (i.e. sustainability report) and involves the communication of the results of this assessment to a party or group of persons¹⁸.

The twofold added value¹⁹

External value: increase the credibility of reporting

Through the process of external assurance, the quality of disclosures as well as of the reporting process is assessed and recommendations are given to the organization's management for performance improvement. The assurance statement, which is the product of the assurance work, ultimately enhances the trust of the stakeholders towards the assured organization.

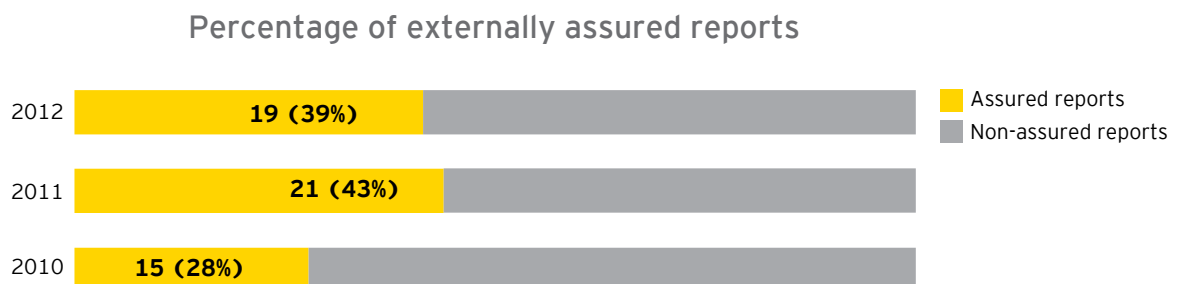
Internal value: improve sustainability management and performance

The external assurance process also gives valuable insights to management by reviewing the quality of the materiality assessment, the stakeholder engagement and the overall sustainability management of an organization and also assesses the way sustainability is embedded into the long-term strategy of the assured organization.

5.1 Assurance trends

How many reports are externally assured?

The practice of sustainability assurance in Greece has significantly increased during the past years. The number of reports being externally assured was 19 (39%) for 2012, demonstrating an approximately 27% increase from 2010. The slight reduction by 10% in the number of reports assured for 2012, compared to 2011 may be mainly attributed to the mergers and Group level reports discussed in section 2.



¹⁸ The Association of Chartered Certified Accountants, AccountAbility, "The future of sustainability assurance", ACCA Research Report No. 86, 2004

¹⁹ AccountAbility, "Guidance for Reporting Organisations Seeking Assurance to AA1000AS (2008)", 2009

5.2 Assurance standards used

Why use an assurance standard?

The use of an assurance standard provides a consistent methodology in evaluating a sustainability report and increases the confidence of the final user on the assurance work performed.

Which standards are used in sustainability assurance? Who is eligible to use these standards?

The most widely used assurance standards on global scale for sustainability assurance are ISAE 3000 and AA1000AS.

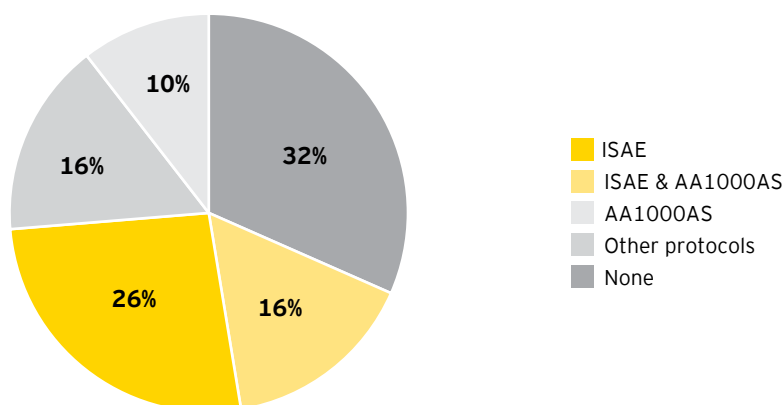
The International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), is an assurance standard that audit firms are eligible to use. The main characteristics of the standard include an appropriate subject matter, suitable criteria, sufficient appropriate evidence and a written assurance report.

The AA1000 Assurance Standard was developed by AccountAbility, a global organization headquartered in London, UK. Only licensed assurance providers can use the Standard. The aim of the AA1000 AS is to provide assurance of more than just the reliability of information. The purpose is also to evaluate the nature and extent of an organization's adherence to the AccountAbility Principles and assess the overall integration of sustainability across the entire organization.

Which assurance standards are used in Greece?

Our research reveals very interesting trends regarding the use of assurance standards. The number of reports assured without using any assurance standard is gradually diminishing. ISAE 3000 and AA1000AS are the most widely used standards in Greece in accordance with global trends as 53% of externally assured reports for 2012 are using either one of the two standards or both.

Assurance standards 2012

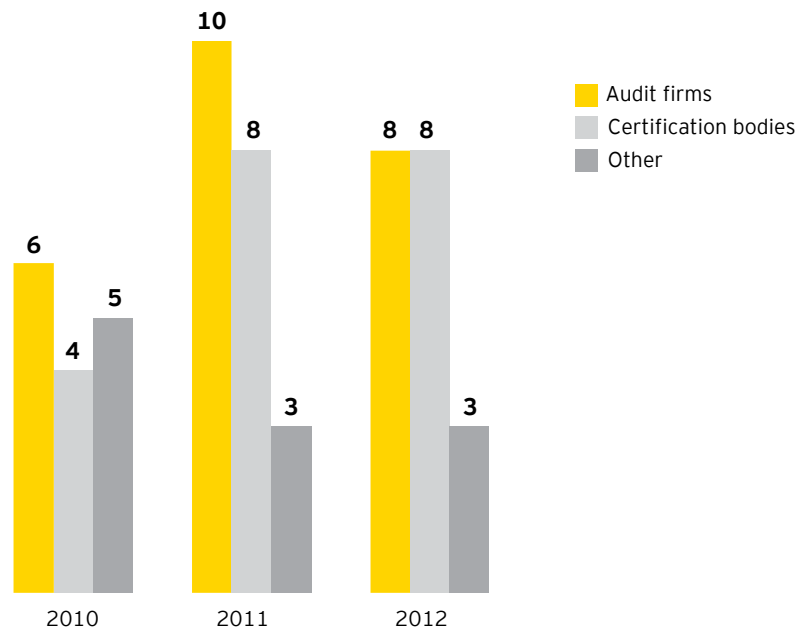


5.3 Assurance providers

What type of assurance provider is trusted by Greek reporters?

The majority of the assurance statements are either provided by audit firms or certification bodies both at 42% for 2012, with other professional providers following at 16%. The chart below shows the trends during the past three years.

Assured reports by provider type





Appendices

A. Methodology

This research was conducted by Ernst & Young (Hellas) Certified Auditors Accountants S.A., from December 2013 to April 2014.

The research covers publicly available sustainability reports of Greek companies, published until April 15, 2014. These reports were accessed either through the companies' websites or other sources (see below). For the purpose of this research the term "Sustainability reports" includes all reports titled as such or as 'Corporate Responsibility', 'Corporate Social Responsibility', 'Social', 'Sustainable Development' etc. We have excluded only the stand alone United Nations Global Compact (UNGC) Communication on Progress (CoP) reports, which were titled solely as CoPs, as these are uploaded on the respective database of the UNGC website. We present the results for those CoPs separately in section 3.5.1.

Findings are presented per reporting period and not year of publication. Therefore, the latest reporting period assessed by our research is 2012. On the contrary, the results of CoPs are presented per publication year because the reporting periods varied substantially.

For developing section "2.2 Reporters' profile" we used publicly available financial statements. In particular "Revenues" and "Total Assets" were retrieved from each company's income statement and balance sheet respectively.

Regarding the "Materiality analysis and Stakeholder engagement" section, the method that was followed for the collection of the information of interest was:

- ▶ Checking the GRI Content Index for each respective disclosure (3.5 for materiality analysis and materiality matrix and 4.15-4.17 for the stakeholder engagement and stakeholder list)
- ▶ Conducting a thorough research of the report in order to identify relevant disclosures on materiality analysis and stakeholder engagement issues, in case GRI disclosures 3.5, 4.15-4.17 were not answered, or in case the GRI Reporting Guidelines were not followed.

Sources used for locating sustainability reports:

Global Reporting Initiative database: <http://database.globalreporting.org/>

UN Global Compact: <http://www.unglobalcompact.org/participants/search>

Global Sustain: <http://globalsustain.org/el>

Quality Net: <http://www.qualitynet.gr/>

Corporate Register: <http://www.corporateregister.com/>

B. Sustainability reports included by reporting period

in alphabetical order

Company	Sector (for the purposes of this study)	2010	2011	2012
AB Vassilopoulos	Consumer Products	✓	✓	✓
ALPHA Bank	Financial Services	✓	✓	✓
Apivita	Consumer Products	✓		
ATE Bank	Financial Services		✓	
Athenian Brewery	Consumer Products	✓	✓	✓
Athens International Airport	Transport	✓	✓	✓
Attica Group	Transport	✓	✓	✓
Attiki Odos	Transport	✓	✓	✓
BSH Home Appliances	Consumer Products	✓	✓	
Carrefour	Consumer Products	✓		✓
CCC	Construction			✓
Centre for Sustainability & Excellence	Professional Services	✓		
City	Financial Services			✓
Club Hotel Casino Loutraki	Leisure & Entertainment	✓		
Coca-Cola Tria Epsilon	Consumer Products	✓		
Coca-Cola HBC AG (Group Company)	Consumer Products	✓	✓	✓
Coco Mat	Consumer Products	✓	✓	✓
Comergon	Financial Services	✓	✓	✓
Corinth Pipeworks	Industrial Products	✓	✓	✓
Cosmote	Telecommunications	✓	✓	
DEPA	Oil & Gas			✓
Desfa	Oil & Gas		✓	✓
DKG Group	Professional Services		✓	✓
Elinoil	Oil & Gas		✓	
Ellaktor	Other	✓		
Elval	Industrial Products	✓	✓	✓
Emporiki Bank	Financial Services	✓	✓	✓
Evropaiki Pisti	Financial Services		✓	✓
Fourlis	Consumer Products	✓	✓	✓
FrieslandCampina Hellas (Nounou)	Consumer Products	✓		
Frigoglass	Industrial Products	✓		✓
Gefyra	Transport			✓
Global Sustain	Professional Services			✓
Greek Organization of Football Prognostics (OPAP)	Other	✓	✓	✓
Halcor	Industrial Products	✓	✓	✓
Hellenic Bank	Financial Services		✓	✓

Company	Sector (for the purposes of this study)	2010	2011	2012
Hellenic Cables	Industrial Products	✓	✓	✓
Hellenic Exchanges Group	Financial Services	✓		
Hellenic Petroleum	Oil & Gas	✓	✓	✓
Heracles General Cement	Industrial Products	✓	✓	✓
Hygeia Group	Health Industry	✓	✓	
Ideales Group	Other	✓	✓	✓
Interamerican	Financial Services	✓	✓	✓
Interlife	Financial Services	✓		✓
Intracom	Other			✓
Intralot Group	Other		✓	✓
Jetoil	Oil & Gas	✓	✓	✓
Mellon Group of Companies	Professional Services	✓	✓	✓
Metro Cash & carry	Consumer Products			✓
MIO - ECSDE	Other		✓	
Motor Oil Hellas	Oil & Gas	✓	✓	✓
Mytilineos Group	Other	✓	✓	✓
National Bank of Greece	Financial Services	✓	✓	✓
Nestle Hellas	Consumer Products		✓	
Nexans	Industrial Products	✓	✓	
Nireus	Consumer Products	✓	✓	✓
Novartis	Health Industry	✓		✓
OTE	Telecommunications	✓	✓	
OTE - COSMOTE	Telecommunications			✓
Piraeus Bank	Financial Services	✓	✓	✓
Polis Park	Transport	✓		
Public Power Corporation	Energy & Utilities	✓	✓	✓
Regency Entertainment	Leisure & Entertainment	✓		
Roche (Hellas) S.A.	Health Industry	✓		
S&B Industrial Minerals	Other	✓	✓	✓
Solar Cells	Energy & Utilities	✓		
Solar Cells Hellas Group	Energy & Utilities		✓	
Soltech S.A. - Solar Cells Group	Energy & Utilities	✓		
Sprint Communications	Professional Services		✓	
The Smile of The Child	Other		✓	
TITAN Cement	Industrial Products	✓	✓	✓
Unilever	Consumer Products	✓		
Vodafone Greece	Telecommunications	✓	✓	✓
WIND Hellas	Telecommunications	✓	✓	✓
TOTAL		54	49	49

C. COPs included by publication year

Note: In the "COP" category we include stand-alone reports titled as Communication on Progress, as found in the UNGC participants database.

Company	Sector	2011	2012	2013
Akritas	Other	✓	✓ ²²	
Aktor	Construction			✓
Alumil	Manufacturing			✓
Anipsotiki	Construction		✓	
CCC	Construction	✓	✓	✓
Comergon	Financial Services		✓	
Cosmas Iatropoulos	Financial Services		✓	
Cosmos Aluminium	Manufacturing	✓	✓	
DKG Group	Professional Services			✓
HAI	Manufacturing			✓
Halyps	Industrial Products		✓	
Halyvourgiki	Industrial Products	✓	✓	✓
Hatzopoulos	Packaging	✓	✓	
Intergeo	Professional Services	✓	✓	✓
Intracom	Technology	✓	✓	✓
Mellon	Professional Services		✓	✓
Nireus	Consumer Products	✓	✓	
Polyeco	Cleantech			✓
Sprint	Professional Services	✓		✓
Vioral	Manufacturing	✓	✓	
TOTAL		10	15	11

²² Akritas has published two COPs during 2012

Publications



Tomorrow's investment rules: a global survey

How are investors using environmental, social and governance information about your company? Our survey of 163 institutional investors provides insights about non-financial disclosures.



Value of sustainability reporting

Sustainability reporting has emerged as a common practice of 21st-century business. Where once sustainability disclosure was the province of a few unusually green or community-oriented companies, today it is a best practice employed by companies worldwide.



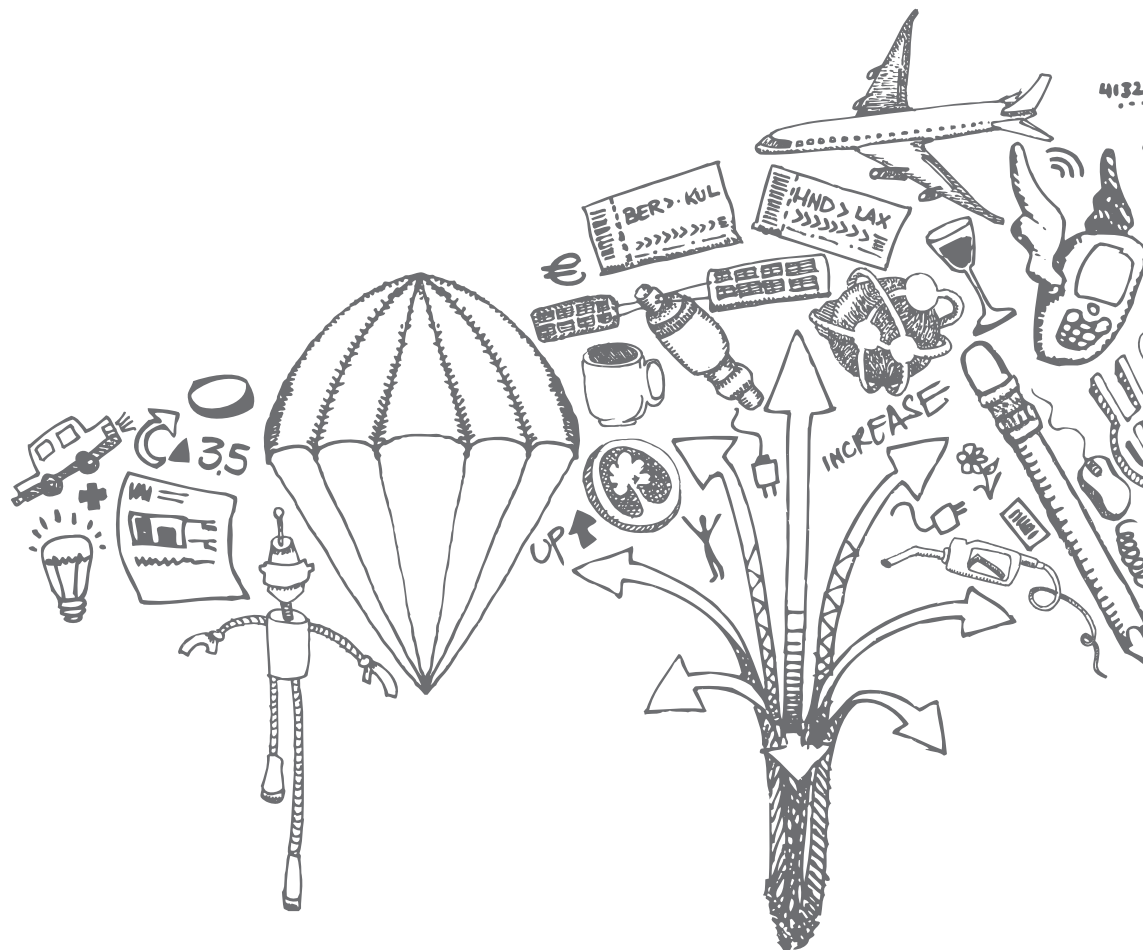
Sustainability reporting – the time is now

Sustainability reports must be not only credible, reliable and robust, but also increasingly relevant and strategic. Learn how to measure what's most critical.



Six growing trends in corporate sustainability

As shareholders speak up and companies begin connecting risk management and corporate sustainability, environmental issues become more prominent on company agendas.





Conflict minerals: Dodd-Frank Section 1502 and the SEC's final rule

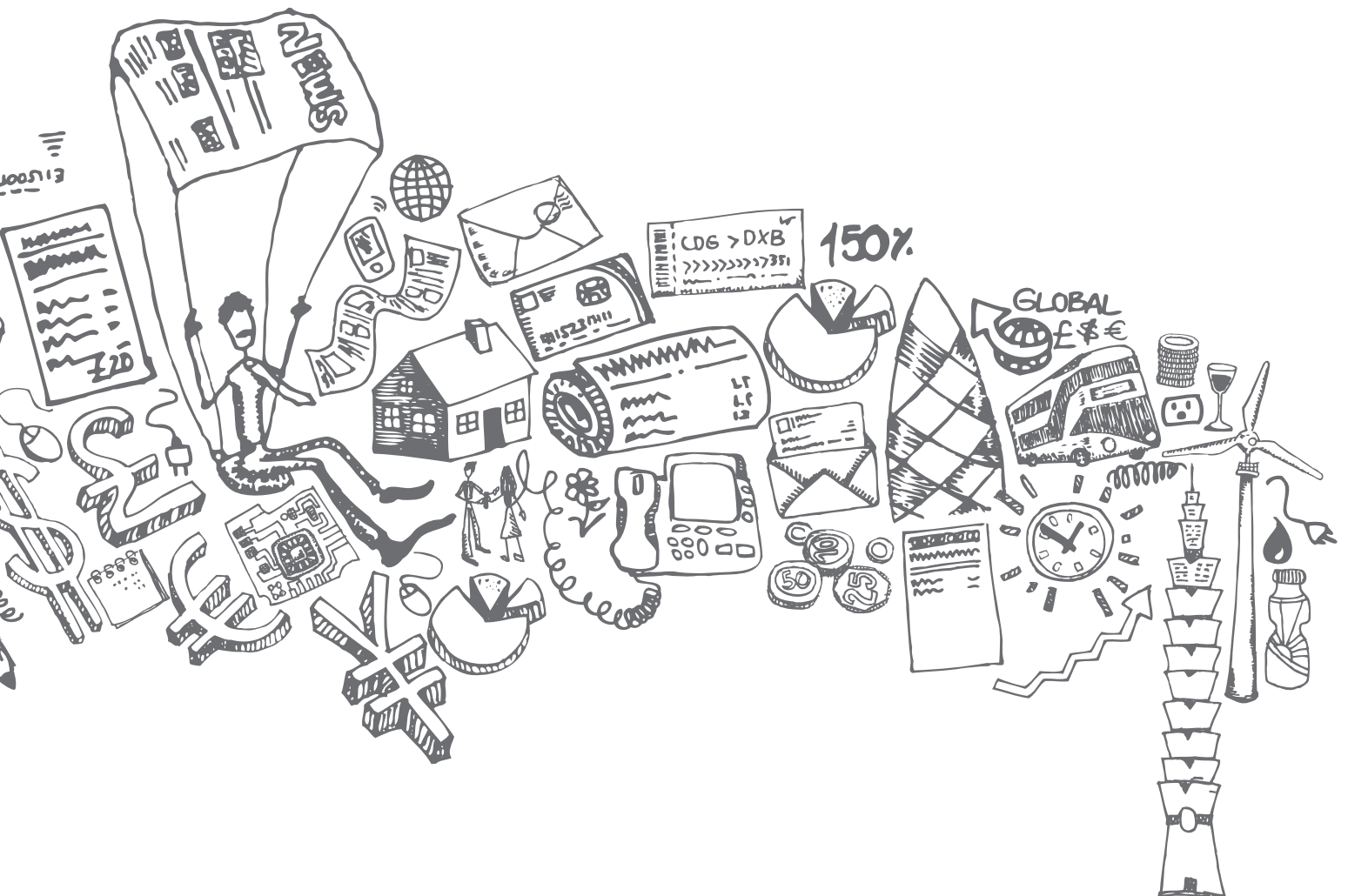
Because of concerns about human rights abuses in "conflict minerals" mining, Section 1502 of the Dodd-Frank Act requires disclosures about the use of these minerals emanating from select countries.

The SEC has issued a final rule to implement these new requirements. Find out what you need to know about the disclosure and reporting requirements and how we can help.



Demystifying sustainability risk

Sustainability's evolving role in business has created new risks. See how the COSO Framework can help your organization's risk management.



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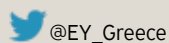
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Governments and organizations around the world are increasingly focusing on the environmental, social and economic impacts of climate change and the drive for sustainability.

Your business may face new regulatory requirements and rising stakeholder concerns. There may be opportunities for cost reduction and revenue generation. Embedding a sustainable approach into core business activities could be a complex transformation to create long-term shareholder value.

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