

# UN Global Compact Communication on Progress

Report 2012/2013



A Different Story **vip**



## About Vip mobile

Vip mobile is a private mobile phone operator and a member of Telekom Austria Group, which offers fixed-net and mobile communication services in Central and Eastern Europe, currently connecting more than 24 million users in Austria, Bulgaria, Croatia, Slovenia, Liechtenstein, Macedonia, Belarus and Serbia. Telekom Austria Group is recognized as a leader in innovations, for it continually develops new technologies and services and is the first one to introduce them to the market.

Vip offers a full portfolio of mobile services for prepaid, postpaid and business users and was the first to introduce BlackBerry® from Vodafone to the market. Company is the biggest Greenfield investment in Serbia to-date, having invested EUR 761 millions of capital expenditures in licence, network roll-out, purchase and implementation of the latest IT equipment, opening of own shops, education of employees and marketing activities.

Vip is the exclusive strategic partner of Vodafone in Serbia. Thanks to the partnership, Vip customers now enjoy even more innovative services, exclusive handsets and the international roaming footprint of Vodafone. Both partners continued to operate as independent companies, but Vip has exclusive rights to offer Vodafone products and services to its customers.

At the end of March 2013, Vip served more than 1.9 million active subscribers and employed over 900 experts and managers.







### **Letter of Mr. Thanasis Katsiroumpas, CEO Vip mobile**

Vip mobile has a clear strategy of always operating as a socially responsible company and focusing on fields where our contribution can strengthen the weakest social links and contribute to solving different environmental issues.

Our CSR strategy in 2012/2013 has been mainly focused on our long-term projects related to support to higher education in Serbia, environmental protection and raising public awareness on human trafficking which increasingly affects the entire region of the Balkans.

We will continue with the implementation of corporate social responsibility based on UN Global Compact principles and lead other companies as a good example of permanent and stable CSR practice in the Serbian business sector.



# 10 PRINCIPLES OF UN GLOBAL COMPACT

## HUMAN RIGHTS

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights;
- [Principle 2](#): make sure that they are not complicit in human rights abuses.

## LABOUR

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- [Principle 4](#): the elimination of all forms of forced and compulsory labour;
- [Principle 5](#): the effective abolition of child labour; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation.

## ENVIRONMENT

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

## ANTICORRUPTION

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.





## HUMAN RIGHTS AND LABOUR

### **Our business practice**

Vip mobile, as a member of Telekom Austria Group, complies with the highest corporate management standards, which are a foundation for establishing an excellent and long-term relationship with our customers, partners and relevant state institutions. Telekom Austria is listed on Vienna Stock Exchange and operates in accordance with Austria security trade acts, as well as with the stock exchange regulations.

Vip mobile operates in accordance with all laws and regulations in force in the Republic of Serbia and with all business ethics principles. Vip is also fully committed to transparency in business reporting.

We look up to the great examples of the best business practices within Telekom Austria Group and regularly participate in activities organized by American Chamber of Commerce and Foreign Investor Council in Serbia aimed to improve business environment in the country.





## Care for employees

### **Juniors Development Program – Growing together**

Since 2011, Vip mobile is strongly focused on the development of top talents among Vip Juniors. Highly motivated, these youngsters are demonstrating an outstanding level of knowledge and competencies, which singled them out and made them role models for other young Vip colleagues. Since 2011, young talents were involved in two different development programs. Program “Growing Together” is directed towards encouraging talents to continue their personal development and career advancement. During the past year, they had been given a chance to go through individual programs designed for the development of targeted skills and knowledge, organized in 4 training modules. This year, the Juniors’ group is working on a business case in the field of Business Product Marketing, in order to develop skills needed for Project Management. The entire program is a very powerful engagement tool for the recognition of young talents.





## **Equal opportunities**

Vip's relationship with its employees is based upon principles of equal opportunities and respecting our differences. Our Code of Conduct promotes equal rights for all employees regardless of gender, religion or any other characteristic. The gender ratio of employees in Vip mobile - 45% men and 55% women (at the level that directly reports to Board Members, we have 55% men and 45% women) clearly shows that different programs that we developed in order to ensure equal opportunities for men and women gave results. Investing in education and professional development of our employees is one of our strategic objectives. From this perspective, we regularly conceive and implement different educational programs and trainings and draft personal development plan for each employee in order to encourage further personal and professional development within the company. One of the programs that support gender equality is planning of training and development budget for all employees. This way we support both men and women to continue with education and specialization. All our employees, regardless of their gender, get a gift for a newborn child. Also, each new employee has the same chance to be well adapted to a new job through our mentorship program.





### **Employees' benefits – great way to support our employees when it is needed**

One of the benefits that Vip was able to provide to its employees is the general medical practice unit - Dr. Vip. The outpatient unit of Health Center "Novi Beograd" was opened at Vip on May 14th 2012, in the presence of the Company's management as well as the representatives of our partner - Health Center "Novi Beograd". The Ministry of Health of the Republic of Serbia confirmed that the unit fulfils all the requirements necessary in the field of general practice medicine, which was the main precondition for its opening. The outpatient unit is equipped in accordance with the highest standards and enables efficient prevention, diagnostics, therapy and rehabilitation aimed at prevention, suppression, early detection and treatment of illnesses and injuries. All security measures at the unit and its surroundings are organized in order to ensure safety both of the colleagues working in the vicinity of the outpatient unit, as well as the users of medical services.

Ever since the start up, Vip continuously supports work-life balance of its employees. Apart from the general medical practice unit, in the last four years Vip mobile has been supporting the work of a kindergarten for children of its employees at the HQ building in Belgrade, thus providing a variety of benefits that help our colleagues and their families to save time and money, to bring added value to their usual activities and responsibilities they face every day.





## Care for our customers

Vip's goal is to be the most customer-oriented company in the telecommunications sector in Serbia. For us, every customer is a VIP, because our business is based on their satisfaction and trust. That is why we constantly invest in our network, promote attractive offers and provide innovative services.

Vip bases its products on surveys of the needs and satisfaction of customers and sets new standards in both portfolio and quality. Due to innovative approach, creative communications solutions and high quality of service, we are using our best endeavors every day to go beyond the expectations of our customers and to provide them with the best quality vs. price ratio on the Serbian market. Vip team is always ready to provide the best solution for customers' mobile communication.

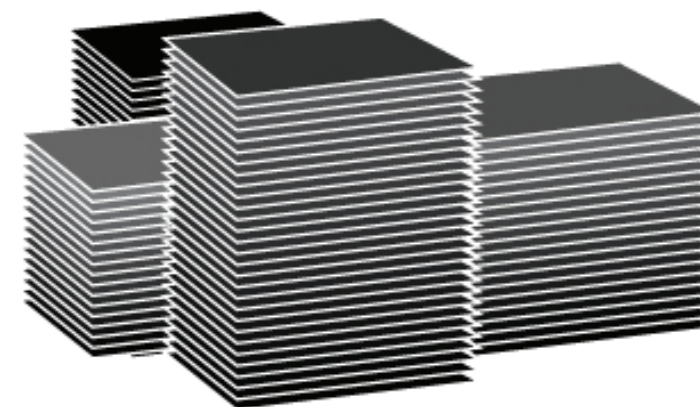




**55.000**

users

**save per month**



**1,25**

tons of paper

## ENVIRONMENT

Being a telecommunications service provider, Vip mobile is not categorized as a major polluter. However, we use our best endeavors to reduce the impact of our operations to environment.

All our business processes include responsible attitude toward the environment. Vip systematically focuses on energy consumption reduction, materials and waste management and ICT equipment safety issues. We undertake concrete measures like obtaining devices which consume less energy, balanced usage of air conditioning and supporting usage of alternative sources of energy within the company. We also possess vehicles powered by gas and electricity. Vip employees are very active in various Eco activities.

Our long term strategy:

- To become an environmentally friendly company focused on the reduction of environmental impacts through eco-friendly, innovative policies, products & services, programs and initiatives
- To be recognized as an environmentally friendly company and to lead other companies and individuals by good examples





## Internal Eco initiatives in 2012

- Waste management:
  - E-waste recycling initiatives for employees with the goal of raising awareness of the importance of recycling
  - Organized eco lottery for employees who recycled their old phones
  - Employee eco awareness activities on the occasion of Car-free day, Earth Day and many others





### **External Eco Activities in 2012**

- Introduction of “green” car fleet consisting of 26 new hybrid Toyota Prius vehicles with the goal to reduce CO2 emissions
- Started the long term program Vip Ecomotivation with the purpose of raising awareness about environmental issues and actively involving Vip employees and customers in eco initiatives
- Mobile phone recycling initiative aimed at raising awareness of e-waste recycling. The total of 74,000 old phones were collected and handed in for recycling.
- Sponsoring of Green Fest: “Find inspiration for Ecomotivation” - contest for the best eco film filmed by mobile phone - raising awareness of eco issues
- Improving the environmental data management





## Vip Ecomotivation

Vip Ecomotivation is a long-term set of measures and initiatives aimed at minimization of carbon footprint, promotion of reuse and recycle of materials and support of public environment protection projects. Throughout the program, Vip employees and customers are encouraged to actively take part in different eco initiatives and in that way contribute to joint efforts of environmental protection.

For launching of the strategy Vip introduced new eco-friendly hybrid Toyota Prius vehicles. With the new green fleet Vip is reducing greenhouse effect, saving energy and helping protect the environment. Estimated savings of this initiative are about 17,000 liters of fuel and additional 45 tons of CO<sub>2</sub> per year.

In order to involve customers in "green" initiatives, Vip has organized mobile phone recycling program. Customers were encouraged to bring their old mobile phones to Vip shops and in that way give their contribution to environment protection. In this initiative, the total of 74,000 phones have been collected and handed in for recycling.





## ANTICORRUPTION

As a member of Telekom Austria Group, Vip mobile is aiming to develop fair and transparent business relationships, encourage integrity and prevent the misconduct of its employees.

One of the main improvements in this filed was the implantation of the Compliance Management System (CMS) dedicated to anticorruption/integrity and the adherence to antitrust law.

The CMS implementation comprises the application of a concept focused on the promotion of a suitable compliance culture and appropriate compliance objectives, the process of determining and analyzing the company's compliance risks, the compliance program, the compliance organization (organizational structure and process), the communication processes as well as the procedures of CMS monitoring and improvement.

In June 2013, PricewaterhouseCoopers (PwC) auditors certified Vip mobile d.o.o. Compliance Management System regarding conception and implementation of the CMS for the areas of anticorruption/integrity and antitrust law, in accordance with Compliance Management System of the Institute of Public Auditors in Germany (IDW PS 980) and the Business Principles for Countering Bribery of Transparency International of 2009 (TI BPCB).

In addition, the principles and measures defined in the CMS are in accordance with the implemented CMS principles suitable to identify risks for essential violations of anticorruption and antitrust law with sufficient certainty and in due time as well as to prevent such rule violations.





## SUPPORT TO THE COMMUNITY

### **Education – “Be a Vip student”**

“Be a Vip student” is one of the biggest long-term CSR projects in the field of higher education in Serbia dedicated to development of future experts and leaders in the area of telecommunications. Over 900 excellent students from 20 faculties across Serbia applied for scholarships in the last 6 years. So far Vip awarded 116 students, 15 out of which got a job in Vip.

The project is under the patronage of the Ministry of Foreign and Internal Trade and Telecommunications and the biggest four public universities in Serbia (Universities in Belgrade, Niš, Novi Sad and Kragujevac).





### **Anti-human trafficking campaign**

Every year, Vip uses its budget intended for buying New Year gifts for business partners and employees and reallocates it to a CSR project. Year 2012 was marked by their support to the fight against human trafficking, through cooperation with NGO ASTRA (Action against Trafficking in Human Beings). Part of the funds was also generated via SMS messages of Vip's customers and the total amount collected was as high as 2,000,000 RSD. This sum was utilized by ASTRA for various preventive actions, direct assistance to trafficking victims, as well as establishing hotlines for missing children and their families.

Aware of the fact that most modern societies are facing the problem of human trafficking, especially Balkan countries, and that the number of human trafficking victims is rapidly increasing, with almost half of them being children, Vip mobile and ASTRA considered that it is very important to raise public awareness and face the society with this problem. NGO ASTRA and Vip mobile have been providing assistance and support to trafficking victims in the course of 2012 through numerous activities, primarily aiming towards prevention, helping and supporting victims, building capacity for further institutional fight against human trafficking and raising public awareness.

One of the most important steps taken during the project was the introduction of a single European number for missing children in Serbia with an aim to provide comprehensive assistance to parents or guardians of missing children and the children who have been identified as missing. Providing modern telephone exchange enabled the simultaneous operation of the ASTRA SOS line specialized in human trafficking and the European number 116000 for missing children.



The European number for missing children is featured in nearly 20 European countries. It has been active in Serbia since August 2012, when our country became the first country outside the European Union with this number active. The first call to this number was received in the week after the start and it has been active since then.



SOS linija za nestalu decu

116 000

**ASTRA** anti  
trafficking  
action

## International Girls in ICT Day

Since 2010, Vip mobile has been supporting the marking of the International Girls in ICT Day in Serbia. **International Girls in ICT Day** is an initiative backed by ITU Member States in ITU Plenipotentiary Resolution 70 (Guadalajara, 2010) to create a global environment that empowers and encourages girls and young women to consider careers in the growing field of information and communication technologies (ICTs).

International Girls in ICT Day is celebrated on the 4th Thursday in April every year.







## Volunteer action “Our Belgrade”

For the third year in a row Vip mobile employees participated in a major volunteer action called “Our Belgrade”, which took place in Kalemegdan in Belgrade on 1 June, organized by the Business Leaders Forum.

Several hundred employees of BLF member companies, but also workers other companies that joined this initiative, engaged in one of the voluntary activities at the Belgrade’s favorite Kalemegdan Park and brightened up the day for orphans and people with disabilities.

Volunteers repainted and restored more than 100 benches and bins across the park, participated in creative workshops, played football and basketball on the courts of the Partizan Basketball Club and visited the Zoo together with the residents of the Shelter for Street Children and the Jovan Jovanović Zmaj and Moša Pijade homes for orphans, pupils from the Dušan Dugalić school and users of the Creative and Educational Centre for People with Learning Difficulties.

A large quantity of food and clothes was also collected for the most vulnerable citizens of Belgrade.

The action’s slogan was Volunteering Makes Us Better, and in this respect we thank all our colleagues who dedicated their time to this goal.

Last year, “Our Belgrade” brought together 20 companies and 600 volunteers.





### **Vip Beach Masters Volleyball school for children**

For three years in a row, Vip mobile and the Volleyball Federation of Serbia have organized the free Vip Beach Masters volleyball school at Ada Ciganlija for all interested kids under the age of 14. The free volleyball school is held within the scope of the Vip Beach Masters 2012 volleyball tournament in seven cities across Serbia. The leader of the school is Serbian famous national team player and official promoter of Vip Beach Masters tournament Mr. Vladimir Vanja Grbić. So far, more than 2000 pupils learned the basics of beach volleyball thanks to this school.





## Individual projects

Vip is very active in providing donations and support to many social groups in Serbia through unsolicited or joint activities. Vip joined UNICEF, Caritas and other humanitarian organizations in special programs that are aimed to collect financial resources for people in need. The company also supports numerous humanitarian SMS campaigns by waiving its turnover gained from SMS messages traffic.