



# life:) Social Report





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# Welcome to life:)

*I am glad to see the basic elements of good corporate citizenship – being a good employer, conscientious tax payer and provider of high quality goods and services – gradually becoming essential characteristics of companies across all sectors of the Ukrainian economy.*

*life:) built these qualities into its corporate DNA, right from the founding of the company in 2005. From the very beginning, our business took on social responsibilities and launched unique programs aimed at bettering Ukrainian society.*

*An integral part of life:)'s CSR philosophy is support of and compliance with the UN's Global Compact principles. These principles, that outline the duties of a responsible business in the 21st century, are very much in line with our corporate policies and practice. Our recruitment procedure follows strict anti-discriminatory safeguards that are built into each stage of the process. We choose eco-friendly equipment and have implemented green office habits among our staff. A recent reorganization ensures that all tender and contract activities are subject to extra scrutiny, lowering the risk of corruption to the absolute minimum.*

*The principles of the Global Compact are a natural part of our understanding of how a business should be run. Not only do we adhere to them ourselves, we actively promote them with all of our partners, in all of our business dealings.*

*life:)'s CSR initiatives are more than a public relations exercise. They represent the united efforts of committed individuals who are working towards a common vision of Ukraine's future.*

**Tansu Yegen**  
CEO of life:)





# Look at things from a different angle!

A new vision, new opportunities and technologies, mobile communications services of a high quality that meet the needs of each individual subscriber - this is what life:) offers today!

From its entrance onto the Ukrainian market, life:) has been an innovative and outstanding operator for its many mobile communication users. In recent years, life:) has led the market in attracting new customers. Today, life:)’s network unites over 12,2 million customers, and it is steadily expanding its subscriber base.

*“life:) strives to become the single communication network which improves life.”*

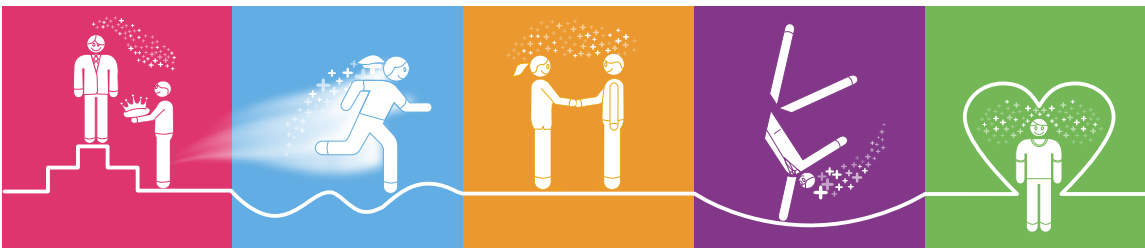
life:) has a vision: to be a single source of communication that enriches lives.

life:)’s mission is to add value to the lives of its customers and build long-term partnerships by providing high quality and user-friendly communications services.

life:) is dedicated to a set of values that define the company’s main strategy and guide its daily activities:

- life:)’s customers come first
- life:) is a flexible team
- life:) promotes open communications
- life:) makes a difference
- life:) values people

Change your perception of mobile communication!  
Open the world of life:)!



# About the Company

life:) — A Ukrainian GSM operator established by the Astelit Company in January 2005.

life:)’s development was unprecedented: within 8 months, life:) attracted one million customers. In the third quarter of 2005 the GSM Association’s research organization Wireless Intelligence stated that life:) was the world subscription growth leader.

*“As of today life:)’s network covers 96% of the population and 87,3% of the territory of Ukraine.”*

Although life:) entered the mobile operator market ranked fifth, its dynamic network roll-out, innovative services and bright marketing strategy served to make it the third-ranked national GSM services provider within the first year of operations in Ukraine.

In June 2006, Astelit became the first Ukrainian company to receive a Stevie: a prestigious international business award, called by The New York Post “the Oscar of business society”, for being the Best New Company in the World.

life:) is recognized as a market leader and a pioneer in implementing new and innovative services. life:) was the first Ukrainian telecommunications provider to offer EDGE technology to the market - life:) now provides its customers with EDGE coverage via 100% EDGE enabled cells. In 2007, the company continued to innovate, conducting 3G testing in the country.



As of today life:)’s network covers 96% of the population and 87,3% of the territory of Ukraine. life:)’s subscriber base continues to grow, reaching 12,2 million subscribers at the beginning of 2010 and achieving a 22,7% market share.

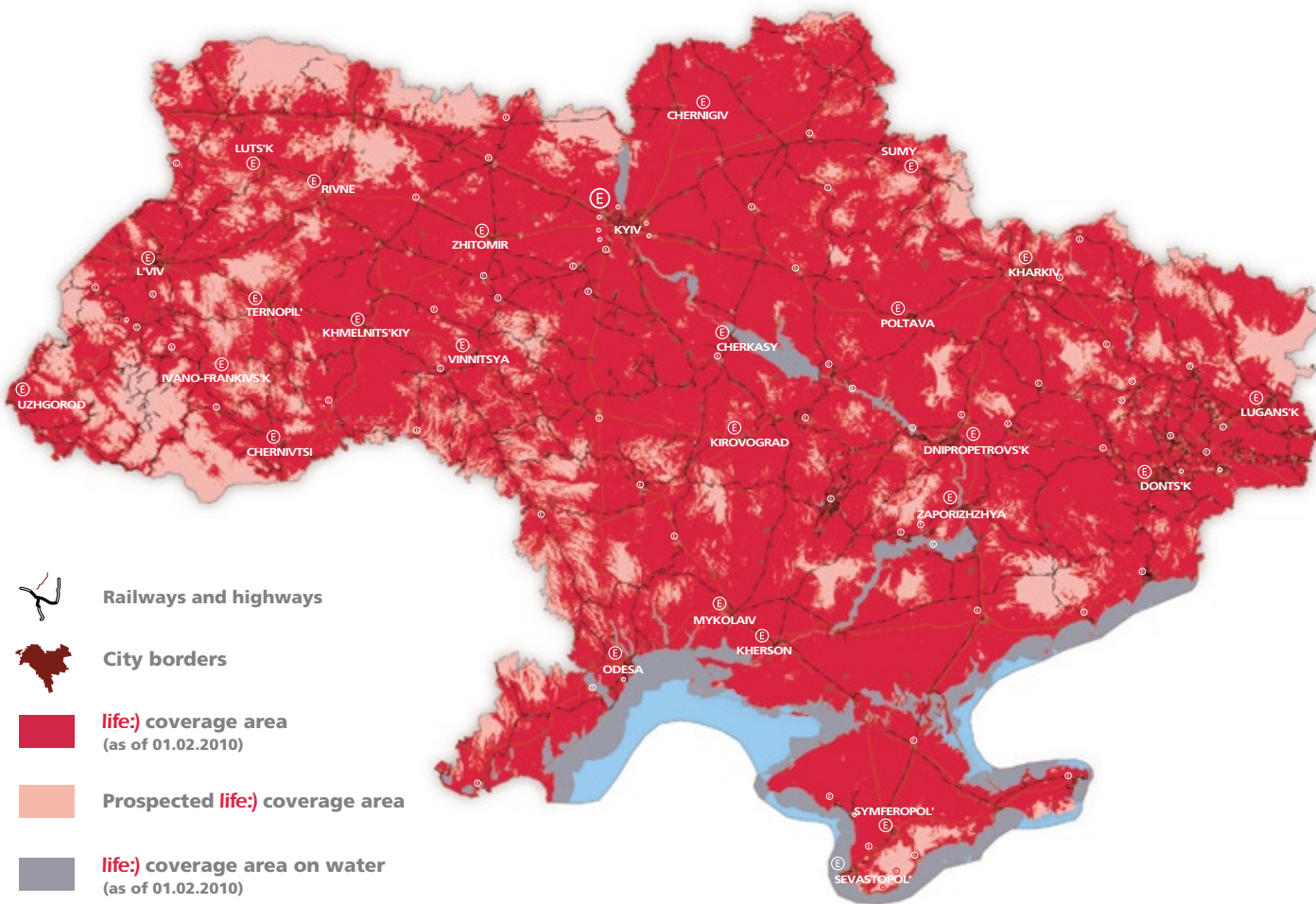
The company provides high quality mobile services for all segments of Ukrainian society. life:) strives to keep costs low and service quality high, a fact, which is appreciated by all of our subscribers.

As of the fourth quarter of 2009, the company had 488 life:) customer care centers and exclusive sales points in 185 cities throughout the country. life:) subscribers can obtain life:) products and services through 34,600 non-exclusive shops. The company also provides roaming opportunities in 172 countries via 468 international partners.





# Coverage Map



**Railways and highways**



**City borders**



**life:) coverage area**  
(as of 01.02.2010)



**Prospected life:) coverage area**



**life:) coverage area on water**  
(as of 01.02.2010)



**Places with EDGE coverage**

As of today life:)’s network covers 96% of the population and 87,3% of the territory of Ukraine.  
The survey was conducted by Radio Access Planning Group.



**life:)**  
Everything is possible!





# Human Resources

*At life:), human capital is valued highly, and we do everything possible to maintain, grow and nourish our most valued asset: our employees. The life:) HR division strives to inspire confidence in every employee of the company that their work is seen, appreciated, evaluated and rewarded.*

*life:) is proud to operate in complete accordance with all applicable Ukrainian legislation and in conformity with international personnel management standards. We offer our employees competitive salaries and a compensation and benefits system that supports them in all aspects of their lives. We ensure equal rights and opportunities for everyone, in complete accordance with all major Global Compact principles. We seek to become one of the best employers on the Ukrainian market.*

**Natalia Gorbenko,**  
**Manager of Human Resources Division**



life:) is one of the largest employers in the country. The company employs about 1,100 people, and has created more than 50,000 jobs indirectly through collaboration with thousands of partners.

Each year the company conducts salary surveys to keep remuneration competitive, and offers its employees annual and quarterly motivational performance-based bonuses.

All life:) employees enjoy equal career opportunities based on experience, professionalism, performance and willingness to work. The company takes a unique approach to HR, seeking solutions that meet the specific needs of each employee. We encourage our employees to grow and develop professionally and provide professional development and training opportunities in Ukraine and in several other countries.

life:) supports its employees in all aspects of their lives, offering social benefits including medical, family and life insurance; welfare, loans, social security and more.

All employees are entitled not only to all the types of legally mandated vacation (annual, study) but to additional vocational days as well (child birth, wedding and other personal events).





# Organizational Development

Every year the company invests more than \$1.5 million into professional development and training of its employees.

## TALENT MANAGEMENT / SUCCESSION PLANNING

Every employee is important to Astelit. We don't seek to hire only super stars or top talents; we find the most suitable role, tasks and training for every specialist and management employee based on the results of their work and their potential. Annual talent scouting meetings help us recognize key candidates among our workforce ready for advancement as well as risk areas.

## 360 DEGREES

We have conducted surveys in corporate competencies among managers and employees using the 360 degree method for the past 4 years. This allows all employees to receive confidential and reliable information about the strengths and development needs that their colleagues, subordinates and managers see in their everyday work. The survey has but one goal – to give employees food for thought and opportunity to develop a long and successful career in Astelit. These reviews are voluntary and do not impact salary or benefits in any way.

Each employee can opt out of participation in the surveys; the digital questionnaire is completely confidential and set up for ease of use and efficiency.



*“Respondent choice is every employee's concern, digital survey system guarantees confidentiality, excels in convenience and efficiency.”*





# Organizational Development

## ENGLISH

Astelit has two official working languages: Ukrainian and English. Approximately 500 employees take voluntary English distance learning courses. There is also an English club (the "Speaking Club"). Each employee can access a special page containing English language resources, where grammar, vocabulary, idioms, links to online dictionaries and language courses are available

*"In their time at the company, many of our employees managed to improve their English."*



In their time at the company, many of our employees managed to improve their English from basic to business level. We also provide special legal vocabulary courses for our lawyers.

## PMS

Each and every year the company puts a lot of time and energy into strategy as well as priority and goals planning. Detailed objectives for the future are sequentially communicated from management to the workforce. The company has developed an electronic planning and evaluation system that archives information every year on the productivity and efficiency of every employee.

## COMPETENCIES

Our corporate competency models aim to single out successful employee and management qualities and behavior to increase productivity and efficiency.





# Organizational Development



## INTERNAL TRAINERS

We have high expectations of educational products, and always seek to hire the best and most experienced professional trainers.

life:) has a pool of its own professionals with unique competences and knowledge in the field of telecommunication. We pass along this knowledge within the company through an Internal Trainers program and spread competencies from the experts who have them to the employees who need it.



## DENISON SURVEY

Once a year, the company conducts a management survey based on the Denison model. This gives us a feel for corporate culture trends which will have impact on company financials. We are constantly comparing our returns with those of our competitors in the high-tech and telecommunications fields.

## E-LEARNING PLATFORM

In February 2009, the Astelit Company developed an electronic learning portal that serves as a unified platform for information about all equipment and trainings. As of today it is the best unified knowledge platform on the Ukrainian market, the result of the unique experience of e-learning specialists' accumulated experience in e-products development and installation.

Each employee and our major partners have individual access to this high-tech platform, through which we host e-learning courses in various fields such as management, GSM, customer service, finance, effective management technique and self-management.





# Jump Into **life:)**

2009 saw the successful launch of our pilot program "Jump Into life:)". The contest chose eight young specialists who received job offers and were employed by Astelit.

Aimed at undergraduates and graduate students of leading universities, the program takes goal-oriented academic achievers who are committed to speedy professional development, have fluent English and are considering a career in the spheres of telecommunications, IT, marketing, finance or economics.

"Jump Into life:)" gives participants an opportunity to take a serious step on their chosen career path, to develop their skills a in real business environment and get a taste what it's like to work in a successful and dynamic international company.

For life:), this is an opportunity to help shape the future of Ukraine by supporting today the young, ambitious and talented professionals who will be leading the country tomorrow.





# Internal Communication

## LIFE:) PROMOTES EQUAL RIGHTS AND OPPORTUNITIES

In our daily official communication we use two languages – Ukrainian and English – to ensure that all of our local and expatriate employees receive accurate and up to date information. All Astelit employees, regardless of their position in the company, age, sex or nationality are entitled to participate in all internal motivational programs and events.

## CORPORATE LIFE:) PORTAL – EASE AND FREEDOM OF COMMUNICATION!

To simplify internal communications, life:) launched an internal corporate portal where all internal news, policies and procedures, organizational structure and self-service forms can be found.

## HAPPY LIFE:) CORPORATE MAGAZINE

life:) publishes a bilingual internal corporate magazine, HAPPY life:) on a quarterly basis. The magazine is distributed among all life:) employees, partners and friends, such as Global Bilgi Ukraine and life:) Belarus.



## RECOGNITION AND AWARDING

The life:) Excellence Awards is an internal employee awards program, launched in 2006. More than 4000 employees voted in for “Best of the Best” employees across several different categories. More than 140 life:) employees around the country received awards from top management.

*“More than 140 life:) employees around the country received awards from top management.”*

## IDEA2LIFE:)

A special form on the life:) intranet portal enables all employees to share ideas about:

- New products and services;
- Customer services and relations;
- Business processes;
- Better utilization of company assets, energy, materials, and other resources;

...And get a special reward from the company!

Since inception, more than 120 ideas have been received, some of which are already being implemented.



# Internal Communication

## **LIFE:) GIVES UNIQUE OPPORTUNITIES FOR EDUCATIONAL, PROFESSIONAL AND PERSONAL DEVELOPMENT**

The life:) case internal educational web-portal makes educational programs available to all life:) employees. E-learning courses, special professional information, e-books and other education materials are all available on the portal.

## **LIFE:) REALIZES CREATIVE POTENTIAL OF ITS EMPLOYEES**

To maximize the creative potential of its employees, the company organized social and creative clubs. At present these consist of the life:) Photo Club, the Mafia Club and life:) Drama School. All employees are eligible to join the clubs.



## **LIFE:) PROMOTES ACTIVE LIFESTYLES AND CIVIL PARTICIPATION**

All Astelit employees are invited to participate in the company's DREAM TEAM project. A social development effort, the project promotes civic engagement among life:) employees and members of their families.

In 2009, the DREAM TEAM organized 40 special events throughout Ukraine, including visiting orphanages, cleaning up green spaces and more. Over 500 life:) employees from all over the country have participated in DREAM TEAM initiatives.

## **LIFE:) PROMOTES SOCIAL RESPONSIBILITY AMONG EMPLOYEES**

life:) supports its employees' social initiatives. The company contributes the organization of visits to orphanages, retirement homes, programs to support veterans of World War II and more.

In 2009, life:) employees organized 10 social projects. More than 120 employees participated in social initiatives all over Ukraine.

The second annual company charity photo exhibition, entitled "Catch the moment – catch the life!" took place in 2009. All money raised during the exhibition went to various charities.







# Internal Communication

## **LIFE:) SPORT**

life:) encourages active participation in sport, and to that end, holds several corporate sporting events annually: charity marathons, relay-races, competitions such as tennis and ping-pong tournaments, seasonal sport competitions like cycling, skating and skiing, roller skating and more. life:) sporting events have already united over 200 employees from all over Ukraine.

The company is also very proud of its excellent corporate football, basketball and bowling teams.

## **CORPORATE LIFE:) TELEVISION – SMILE TV**

life:)’s internal corporate television, SMILE TV, is a unique communication tool in a Ukrainian business market. SMILE TV is bilingual, broadcasting both business and entertainment information and is available in all the life:) offices throughout the country.

## **LIFE:) INFO DAY – COMMUNICATION WITHOUT BORDERS**

life:) Info Day is an annual corporate event that unites all the employees in a unique opportunity for everyone to share knowledge and experience, report results, discuss corporate strategies and KPI’s for coming years as well as ask top management direct questions through Q&A sessions.







# Internal Audit



Any Astelit employee may file in good faith a concern or notification regarding any actual, suspected or potential violation of rules and regulations or any concerns regarding questionable accounting or auditing matters, whether or not such matter is or may result in a potential violation, through one of three channels:

1. By filling out a notification form on Astelit's corporate intranet;
2. By filling out a notification form and sending it via email to [codeofethics@life.com.ua](mailto:codeofethics@life.com.ua) (concerned persons are encouraged to use an anonymous email account for preserving confidentiality of notifications via email).
3. By filling out a notification form and putting them in mail boxes available in every Astelit office.

*"Confidentiality in this regard is guaranteed by the audit committee."*

Regardless of how the concerns are communicated, the identity of the person reporting a concern or making a notification will be disclosed only with that person's consent. Confidentiality in this regard is guaranteed by the audit committee.





*Customers come first. This is life:)’s key operating principle. It is our ultimate goal to keep our customers satisfied and to offer solutions that will fully suit their communication needs. In order to become the company of first choice in our market segment, we monitor customer complaints, research customer satisfaction, do secret consumer monitoring programs, and more. We closely follow world’s most innovative practices in sales management and are always updating our sales operations with a view toward the cutting edge. To hear directly from consumers, we provide a number of channels: an outsourced call center, Internet applications, life:) blog, IVR, so that every customer has a chance to reach life:) and provide feedback. Becoming consumers’ first choice in our market segment remains a life:) KPI.*

**Yuriy Kurmaz**  
**Deputy General Director Corporate Affairs**





# Customers and Partner Experience Management (CPE)

Increasing customer and partner satisfaction and loyalty is one of the company's ultimate goals. To this end, life:) introduced the Customer and Partner Experience (CPE).

*"In 2009, life:) network quality satisfaction increased by 9%."*

CPE's mission is to improve customer and partner satisfaction with life:) by providing valuable insight into their experiences and expectations, and aligning the company's goals and activities according to their needs.

life:) gathers partner feedback through dealer interviews, round tables, and partner experience web-surveys, then develop and implement initiatives aimed at improving the Partner Experience.

In 2009, life:) carried out a massive capacity expansion that resulted in a 9% network quality satisfaction increase.

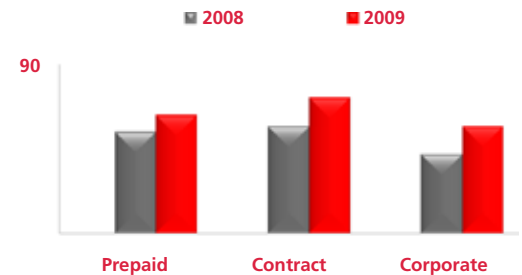
To improve our call center's effectiveness and increase the quality of customer service, life:) opted to outsource call center services. The move allowed us to increase the answer rate, leading to considerable increase in satisfaction with the call center through all customer segments.

Thanks to our recently implemented complaint management process we have managed to drastically reduce problem resolution time.



Thanks to all the improvements - launching new tariffs, products, loyalty programs and positive changes in network quality – the willingness of our subscribers to recommend life:) vastly increased.

By targeting customer needs, what our clients want changed and aligning our processes accordingly, we have built up a strong base of loyal subscribers that continues to grow.



CPE is the company's strategy, our way of doing business, it is our philosophy! We strive for every single employee to be involved in managing the Customer and Partner Experience.





# life:) Blog



In November 2009, life:) launched a corporate blog: <http://blog.life.com.ua>. The blog is another instrument that enables dialogue with key stakeholders: customers, partners, journalists and everyone who is interested in mobile communications in Ukraine.

*"blog.life.com.ua"*

At <http://blog.life.com.ua> consumers and partners can keep up with the company, leave feedback, criticize or praise, ask questions and receive answers.

The blog has a permanent staff dedicated solely to production of features, who are always ready to provide feedback and answers.



# Caring for people with different abilities

In 2007, life:) launched a special subscription plan for disabled people, developed together with the National Assembly of the Disabled of Ukraine. The plan helps put quality communications services within easy reach of people with various disabilities.

life:) understands the crucial necessity of the disabled people staying in touch with their relatives and friends, and, as a socially responsible company, life:) offers a low-cost tariff plan with additional SMS and WAP opportunities.





# Corporate Social Responsibility



*In its five years in the market, life:) has become one of the corporate social responsibility leaders. We realize that the future of any country is the future of its people, and so our CSR activities focus on helping people, especially those that are the most vulnerable, neglected and in dire need of help.*

*Ukraine's large number of homeless children is one of the gravest issues facing the country today. Estimates put the number of children living in the streets between 100 and 200 thousand – the population of an average European city! We want to give these street kids a chance for a better, happier life. Our program for homeless children, called "To Help Is So Easy!", has been our flagship CSR program since 2005. We seek to raise public awareness of the issue, as well as raise funds for charity foundations working with street kids.*



*Our other CSR activities are aimed at similarly resonant social issues, including human trafficking, in which Ukraine sadly occupies a leading global position. For several years now, life:) has been working with the International Organization for Migration (IOM) on human trafficking issues.*

*We also provide support to people with special needs by offering them special tariff packages and supporting our Paralympics team. We advocate for child safety on the Internet and the future of children who grow up in orphanages without parents to care for them. We are always ready to react to national disasters and catastrophes, helping our fellow Ukrainians get through hard times.*

*Taking responsibility for the society in which the company operates is one of the major tasks of a successful company.*

**Oksana Rudiuk**

**Head of External and Corporate Relations Department**



**life:)**  
Everything is possible!





# Corporate Social Responsibility



## COMMUNITY

As one of the leaders in the Ukrainian mobile communications market, life:) has a responsibility towards its customers, state and society, towards the needs of all citizens, and of course a mandate to assist with environmental and natural resources preservation.

In 2007, life:) joined the UN Global Compact, as an initiative to encourage CSR practices by example. As a Compact signatory, life:) follows the 10 basic principles of human rights, labor standards, environmental protection and anti-corruption measures, which over 3800 companies - members of the Global Compact worldwide - are already following.

All company departments are responsible for advancing life:)’s corporate social responsibility efforts, and every employee recognizes these activities as an essential area of our work, crucial for the development of the society in which we operate.





# Corporate Social Responsibility

## **"TO HELP IS SO EASY!"**

life:)’s charity program, called “To Help Is So Easy!”, was launched in 2005, shortly after the company started operations in Ukraine.

The program seeks to help homeless children, being a very serious issue for Ukraine. life:) united with charity funds which work to take homeless children away from the streets.

The program was launched during the Christmas season of 2005. life:) created a small TV advertisement inviting subscribers to donate 1 UAH for orphaned children.

*“Some subscribers sent 50, 100, 300 and even 500 SMS.”*

This initiative received an overwhelming response from subscribers, over the course of the first month they donated 155,000 UAH by SMS. Some subscribers sent 50, 100, 300 and even 500 SMS.

life:) included money raised with its own funds, and in total over 300,000 UAH (\$60,000) was distributed among 15 orphanages all around Ukraine.

In 2006, the charity initiative continued and was extended in scale in order to attract the attention of the whole country to the plight of street children. Honored artist of Ukraine Iryna Bilyk supported us and in 2006 gave concerts in 26 cities on a charity tour entitled “To Help Is So Easy!”. 5 UAH from each ticket’s price were donated for charity.



life:) subscribers and employees supported the initiative again. They sent SMS and raised funds, life:) added its own donation as well and the whole sum aggregated for 730,000 UAH, which was distributed between the “Otchiy Dim” (Kyiv) and “Myloserdya” (Khmelnitsky) charity organizations.





# Corporate Social Responsibility



Thanks to these donations, construction of a shelter in Khmelnytsky was finished together with the construction of the Talent and Skills Development Center for former street children in Kyiv.

In 2007-2008, "To Help Is So Easy!" was extended in scale once again. Many Ukrainian celebrities such as Grigoriy Chapkis, Vladimir Gorianskiy, Masha Efrosinina, Irma Vitovskaya, Sergiy Prytula, Dasha Malakhova, Natalya Dolya and others supported us. They all took part in a charity play by a famous playwright Anatoliy Krym "To Help Is So Easy, or Where the Children Come From".

Proceeds were raised through ticket sales as well as at a charity auction in Kyiv. life:) again added its own funds and set up a charity hotline for subscribers, who, for a donation of 1 UAH via SMS could receive Iryna Bilyk's song "New Year's Eve".



In total, throughout 2007-2008, life:) raised over 1,300,000 UAH that was distributed among six charity institutions in different regions of Ukraine.

The program continued in 2009. In the summer life:) together with "Hello" magazine conducted a charity auction in support of a new movie by internationally-known Ukrainian director Kira Muratova, entitled "Melody for the Street Organ". The movie has won several awards in international film festivals. Funds raised from the film's distribution starting from December 3 will be directed to children's centers dealing with street children across the country.

Official statistics shows an increase in domestic adoption of Ukrainian orphans since 2008, it also states that the number of children living in the streets has decreased by 30%. We believe that our charity campaign has made an important contribution to achieving this result and helped to draw public attention to the issue of homeless children.

In autumn 2008, life:) received the prestigious international prize Platinum PR Awards in the category "Public Relations" for charity programs as a recognition of its work on the issue. PR News, one of the oldest international associations of professionals in the area of mass communication, presents this award annually. life:) was the first Ukrainian company to be named a finalist in the Platinum PR Awards.

The program continues. Because we can only help children through united efforts!

Join us!



**life:)**  
Everything is possible!



# Corporate Social Responsibility

## **INTERNATIONAL ORGANIZATION FOR MIGRATION (IOM) PROJECT AGAINST HUMAN TRAFFICKING**

In cooperation with International Organization for Migration, life:) and other mobile operators initiated a free hotline number – 527 - for people who fall victim to human trafficking and their relatives. Callers receive assistance in either returning home or finding their friends/relatives who disappeared while travelling abroad. It is also possible to receive psychological, legal or educational assistance as well as get advice on travelling abroad and learn about your rights when working or travelling abroad.

According to IOM, Ukraine has the highest number of victims of human trafficking out of all South-Eastern European countries. Since 1991, approximately 100,000 Ukrainians (mostly women and children) have been subjected to sexual exploitation or used as cheap labor. Most Ukrainian victims are illegally sent to countries such as Russia, Turkey and Poland (these countries account for 57% of cases).

Our effort is unique: for the first time large competing companies united their efforts in order to address social issues.



## **SUPPORT OF UKRAINIAN PARALYMPIC TEAM**

In 2007-2008, life:) has provided financial assistance and also free mobile communications to the Ukrainian Paralympics Team, supporting their preparation and performance at the games in Beijing (China) where our athletes achieved outstanding results! In 2009 life:) also supported Deaf-Paralympics team during Summer Games.







# Corporate Social Responsibility



## **HELPING SUBSCRIBERS DURING THE EARTHQUAKE IN CHINA IN 2008**

In May 2008, when China's devastating earthquake occurred, life:) transferred 1,000 UAH to each of its subscribers who were in China at the time. Using this money, subscribers could contact their relatives in Ukraine or ask for help if necessary after damaged areas of China were left without telephone communication. life:) staff called all subscribers, who were at that time in China, and learned whether they needed assistance to contact their family at home. Fortunately, none of them died.

## **HELPING WESTERN UKRAINE AFTER THE 2008 FLOOD**

In August 2008, life:) announced the launch of a special number for fundraising to help victims of natural disasters in the western regions of Ukraine. Thousands of families were left homeless through deadly flooding. By sending an SMS or calling a hotline number, life:) subscribers were able to donate money for the reconstruction of destroyed homes.

life:) employees also volunteered to collect money and clothes for flood victims in Western Ukraine.





# Corporate Social Responsibility

## COUNTERING THE DISTRIBUTION OF PORNOGRAPHY

In 2008, life:) began to work with the Ukrainian Ministry of Internal Affairs to counter the distribution of pornography through mobile Internet. Upon request life:) can block short numbers used by pornographic sites to pay for access to their products. There are many children among life:) subscribers, so special attention has been given to the issue.



## ONLANDIA

life:) is a partner of Microsoft in its "Onlandia" initiative, dedicated to child safety on the Internet.

This campaign aims to instruct children, teenagers and parents in safe Internet use. The program addresses issues such as "How to defend yourself from unwanted content?", "Why you shouldn't put personal information on the Internet", "Which web sites you don't have to visit and why" and others.

## PARTICIPATING IN A SUMMER CAMP FOR ORPHANS

In 2008, life:) participated in a summer camp for orphans aged 14-17 from 5 regions of Ukraine, organized by the charity foundation "Edinstvennaya". Children who grow up without parents sometimes are unable to continue their education, find a job and find their way in life after graduating from high school. With this summer camp life:) tries to help teenagers and give them access to useful information.

life:) employees conducted master classes on labor law, talked about employment, the art of communication and brought gifts.







# Responsibility towards the state



Ukrainian operator life:) pays taxes in full and in a timely manner, which is an important component of social responsibility. life:) is on the list of major taxpayers in the Kyiv region. In 2008, the amount of taxes paid increased by 21% to more than 52 million UAH.

In addition, life:) complies with all state standards and laws in its work.





# Ecology

Guided by the principles of the Global Compact, life:) encourages its employees to conserve resources whenever possible and does its best to improve the global ecological situation.

In all aspects of its daily work, life:) strives to keep a “green office”. Our efforts help to decrease our impact on the environment and leave a better world for future generations.

*“We decrease our impact on the environment and leave a better world for future generations.”*

life:) strives to support environmentally conscious activities, and is always seeking new ways to conserve and recycle.

We seek to apply green principles in the following ways:

- Safe and reasonable use of office resources;
- Safe handling of environmentally hazardous materials and equipment;
- Conservation of resources (energy, water, paper);
- Creating a culture of reuse;
- Reducing our impact on the environment

life:)'s national and regional offices are powered by category A power sources. The company adheres to state environmental standards, has certificates of compliance with environmental and health standards for all materials and equipment.

life:) strives to save most working documents electronically, as well as conduct the majority of staff training using electronic documents and presentations. Not only does this reduce the volume of paper used, it also is more time efficient.

Widespread use of video conferencing for trainings and staff strategy meetings helps minimize travel, which reduces harmful emissions. Company regulations dictating moderate use of official vehicles also help minimize our carbon footprint.

life:) is also introducing the concept of the customer electronic signature to simplify all processes that require a client's signature. This will simplify subscribing to life:) services and make billing, SIM-card replacement, contract modification and exchanging documents between operator and customers much easier. This also contributes to our ongoing drive to conserve resources and streamline our work in the interest of efficiency.





# Ecology



## **life:) participates in the "GO GREEN" Program**

### **July 2008**

life:) took part in "Go Green", the UN all-Ukraine ecological campaign; life:) volunteers participated Clean Up Dnipro Day.

### **April 2009**

life:) volunteers took part in "Go Green", the UN ecological campaign in Ukraine;

The "Green Toloka" event saw volunteers from life:) participate in a cleanup of Trukhaniv Island in Kyiv. Together with other participants life:) volunteers set a record, picking up 8 tons of trash in just two hours.

### **September 2009**

Participating in the UN-led movement "Seal the Deal!", life:) staged a unique "Wear Green Flash Mob" in the Kyiv office. Employees demonstrated their commitment to ecological causes by showing up to work wearing all green outfits.





# Ecology

## LIFE:)’S GREEN OFFICE

life:) started a “green office” project in 2009. Two Kyiv and six regional offices will participate in:

- eco-friendly re-equipment of life:) office space:
- Water saving program - modernization of taps in life:) offices, equipping taps with volume stream control;
- Energy saving program - replacement of incandescent light bulbs with energy-saving bulbs;
- Recycling Program - placement of recycling bins in offices;
- Paper Saving Program replacing old printers and copiers with double-sided capacity models, using and popularizing electronic methods of information storage, paper recycling program and more
- Communication

Informational programs designed to educate life:) employees on eco-friendly practices, and the introduction of a special eco-portal on the life:) intranet.

- Interactive ecological events

life:) continues to support and join UN ecological initiatives and also initiates its own internal eco-events: cleanup days, tree plantings, car-free days and more. It is also plans to encourage the creation of “green zones” in the rest areas and employee lounges in life:) offices.







# Procurement

The procurement process acquires goods and services within approved budgets and is regulated by company procurement procedures, contract management policy and financial operations procedural guidelines.

A special Code of Procurement Ethics was created within the company to combat corruption, bribery and extortion throughout the procurement process.

Suppliers working with life:) must prove compliance with Ukrainian and international labor legislation. Suppliers must provide a safe working environment for employees in accordance with Ukrainian and international standards and should provide appropriate safety information and trainings to its employees.

Any form of bribery, including improper offers of payments to or from employees, organizations or any other third parties is strictly prohibited.

Tax and financial accuracy and government relations shall be properly managed by the supplier in compliance with Ukrainian legislation.

life:) guarantees its suppliers the following during all tender processes:

- equality of rights
- straight dealing (fairness)
- transparency
- responsibility
- economy



life:) chooses suppliers according to the following criteria: financial conditions (price, payment terms, etc.), corporate governance and quality of work.

Procurement Process is aimed at acquisition of goods & services within approved budget and regulated by Procurement Procedures, Contract Management Policy and Financial Operations Procedure.

The scheme of procurement reporting system allows LLC "Astelit" to demonstrate the undisputable transparency of the procurement process. Thus, it allows avoiding any issues related to corruption that may arise while analyzing the company's activities.



