



КИЇВСТАР
Social report 2013



CORPORATE SOCIAL RESPONSIBILITY 2013

SYNERGY OF TELECOMMUNICATIONS
AND SOCIETY





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INVESTMENTS FOR SOCIAL DEVELOPMENT

Kyivstar corporate social responsibility stands for a business conducted in harmony with society, voluntary commitments of the company and active participation in social and economic development of Ukraine. The responsibility of the company is based on its mission, vision, values and Great Customer Care idea. Kyivstar path of successful business inevitably runs through consistent promotion of social development of the country.

In 2013, Kyivstar invested more than 1,690 bn UAH in the development of state-of-the-art infrastructure and top-class services.

The total amount of taxes and levies to state budget exceeds 4.351 bn UAH.

The company has allocated 30 m UAH for social protection of employees.



THE COMPANY HAS ALLOCATED
30 M UAH FOR SOCIAL PROTECTION
OF EMPLOYEES.

OVER 1.5 M UAH HAS BEEN INVESTED IN CHARITY PROJECTS:



PROVIDING SCHOOLS WITH
ACCESS TO THE INTERNET

PROTECTING CHILDREN
ONLINE SAFETY



MOBILE
APPLICATIONS
FOR PREVENTING
DISEASES



CARING FOR THE
ENVIRONMENT.

TARGETED ASSISTANCE TO CHILDREN'S
ESTABLISHMENTS AND GERIATRIC
CENTRES

CULTURAL AND EDUCATIONAL
PROGRAMMES





SYNERGY OF TELECOMMUNICATIONS AND SOCIETY

mHealth for parents and children

In 2013 Kyivstar started a new stage of social involvement: development of medical mobile applications, meant to help Ukrainians take care of their own health and that of their nearest and dearest, using telecommunications media. So arose the innovative mHealth programme.

In the framework of Mobile Health, a social initiative, Kyivstar's experts have developed the following mobile applications:

- My Little Star;
- My Little Star. Year One;
- I Can See Well.

Each mobile app is accessible to subscribers of all telecom operators. While using these apps, Kyivstar subscribers need not pay for Internet access.

Mobile medical applications are of special importance for families residing in remote areas or those who cannot visit doctors frequently. Now they can get advice and medical consultation via their mobile phones.

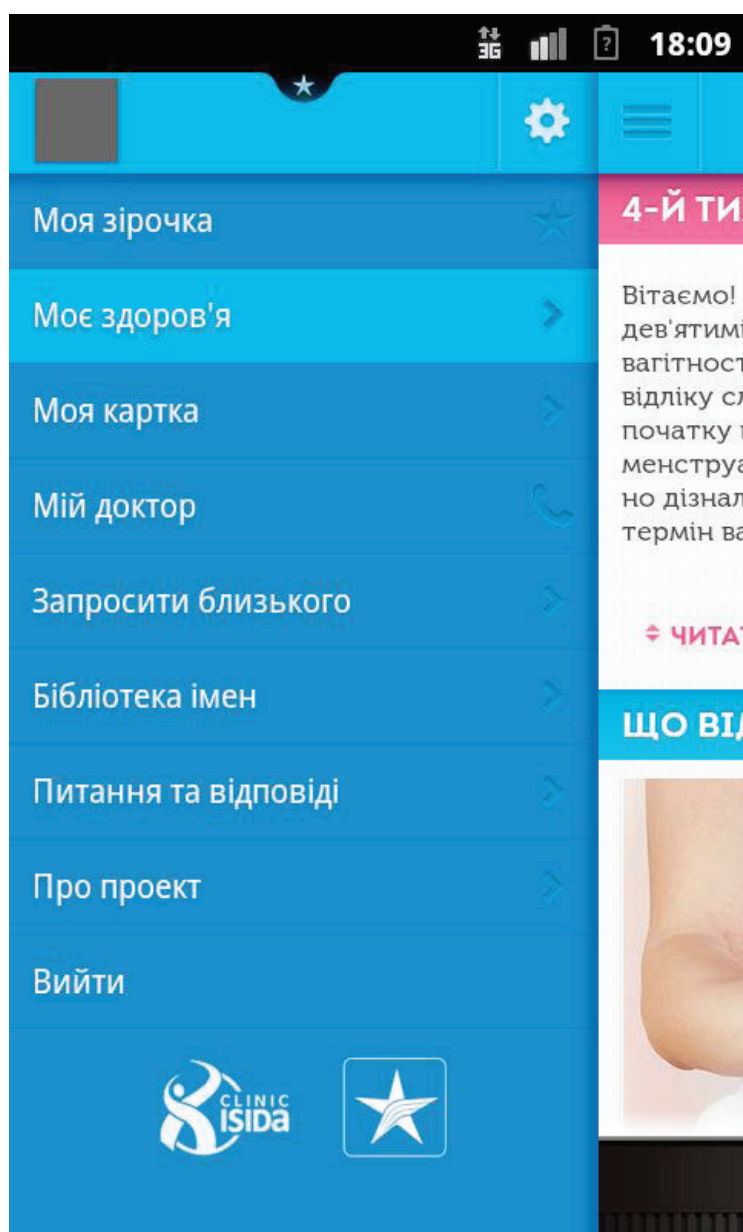
Kyivstar's mobile applications for preventing diseases have gained popularity in 35 countries. In Ukraine they have been used by more than 70 thousand subscribers.



MY LITTLE STAR

In 2013 Ukraine saw its first mobile app My Little Star for expectant parents, developed with involvement of expert Ukrainian obstetricians and gynaecologists

By downloading My Little Star, an expectant mother can keep her own maternity record and get detailed information on foetal development stage by stage. She will also get timely reminders about her antenatal appointments, healthy lifestyle and diet during various stages of pregnancy, etc.



На цьому тижні плідне яйце починає перетворюватися на ембріон. Розвивається три види зародкових листків, з яких згодом сформуються різні тканини та органи. Внутрішній шар-листок (ендодерми) відповідає за утворення легень, печінки, травної системи, підшлункової залози. Із середнього шару-листка (мезодерми) розвиваються скелет, м'язова система, нирки, кровоносні судини та серце. Зовнішній шар-листок (ектодерма) формує шкіру, волосся, очні кришталіки, зубну емаль, нервову систему.



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MY LITTLE STAR. YEAR ONE

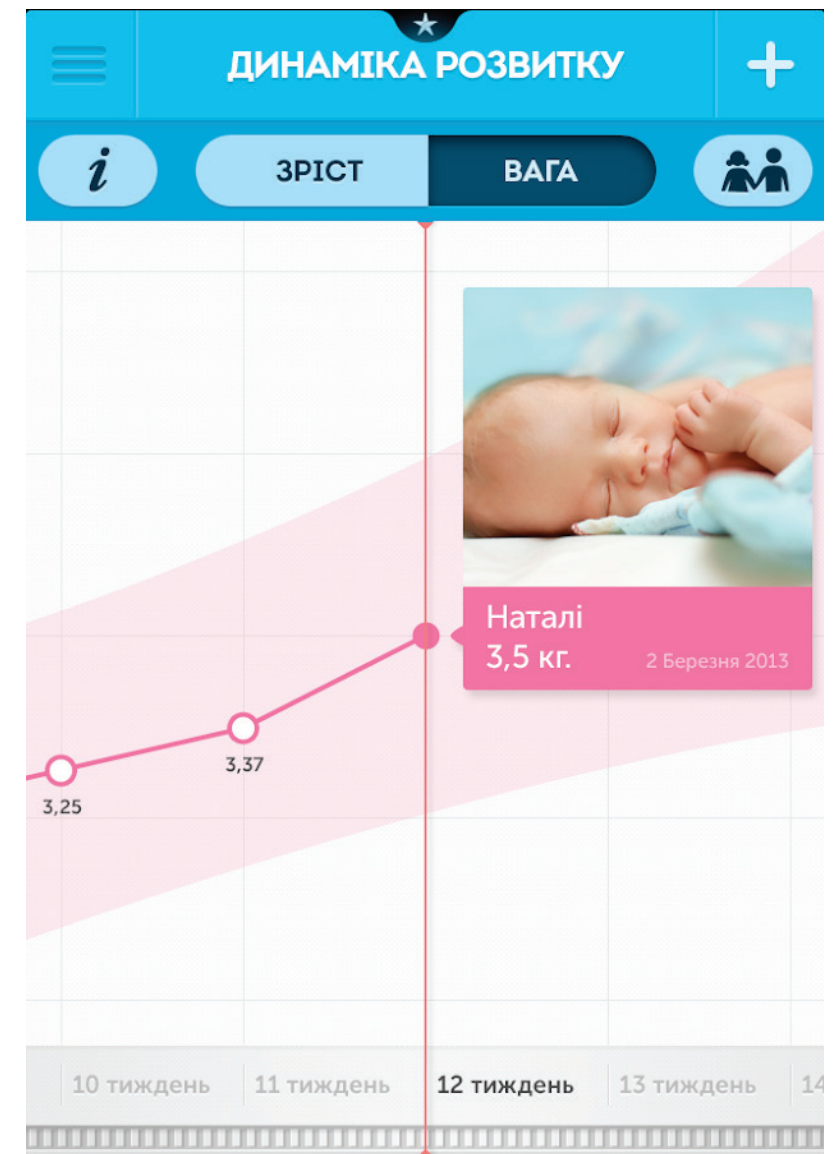
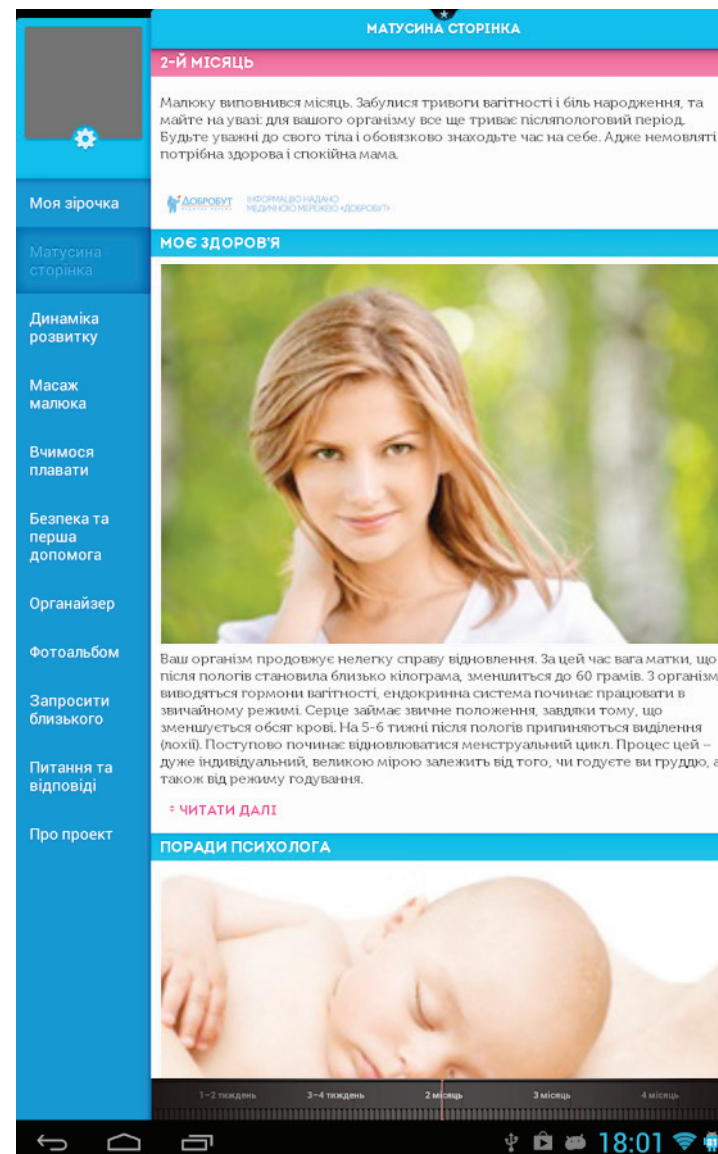
This is the second free mobile service for Ukrainian families, developed by Kyivstar in the framework of the Mobile Health social initiative.

My Little Star. Year One is a mobile app which will help parents take care of infants from birth to 12 months old. This app will assist mothers in daily planning of their activities and remind about feeding times. It informs parents about the infant's development and gives advice on breast feeding and vaccination, thus helping in raising a healthy and active baby.

My Little Star. Year One has synchronising options for the whole family's telephones, so even grandparents can get information on the baby's development.

These two apps, My Little Star and My Little Star. Year One can be installed on smartphones running IOS and Android, or selected from App Store and Google Play.

The new mobile applications are already helping more than 17 thousand women in Ukraine.

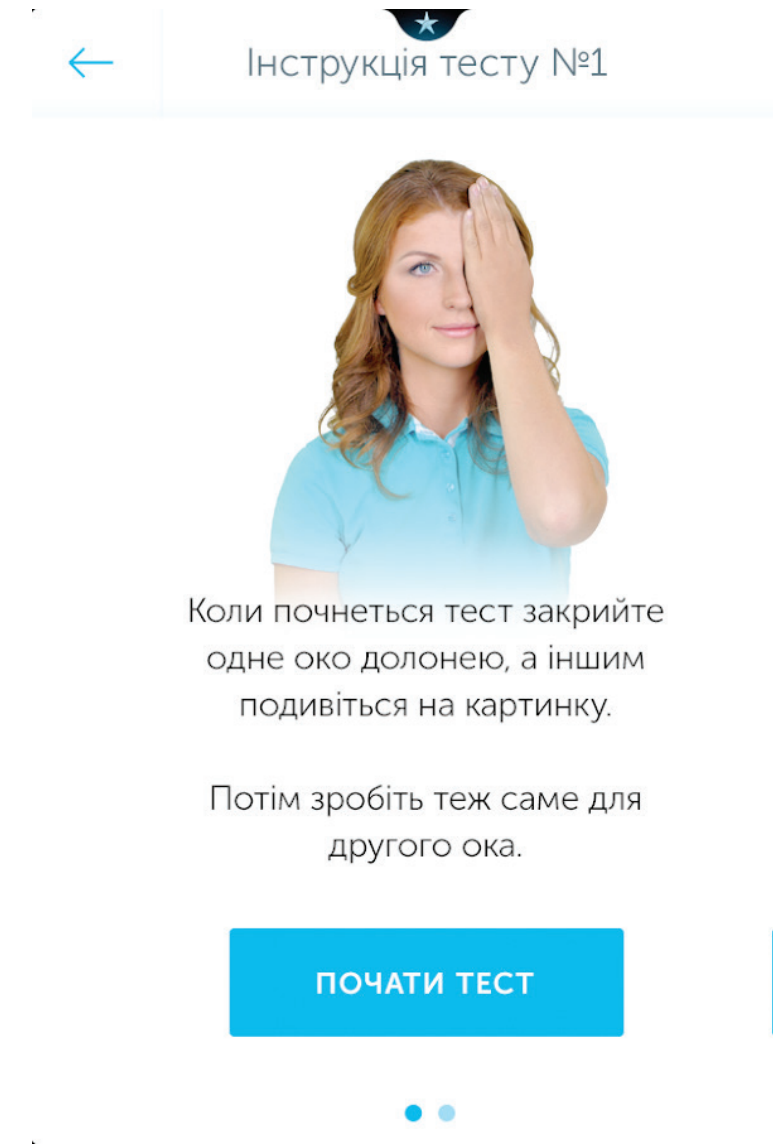




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I CAN SEE WELL, A MOBILE APP FOR PREVENTING VISION PROBLEMS

A free mobile app for prevention of eye diseases became an important contribution to the register of helpful services. It was developed by Kyivstar experts in collaboration with the specialists from the Filatov Institute of Eye Diseases and Tissue Therapy at the National Academy of Medical Sciences of Ukraine. I Can See Well is the first Ukrainian mobile service for disease prevention and improvement of vision in children and adults. The app offers easy-to-do exercises for the eyes which can be done at any convenient time.





CLINICAL RESEARCH FINDINGS

At the 13 congress of Ukrainian ophthalmologists the doctors of the Filatov Institute demonstrated the results of clinical research into the efficiency of eye gymnastics presented as a mobile app I Can See Well.

VISUAL ACUITY IN THOSE APP USERS WHO EXERCISED REGULARLY HAS SHOWN AN AVERAGE INCREASE OF 10%.



SAYS VIRA SERDIUCHENKO, MD, director of the Laboratory for Binocular Vision Disorders at the Filatov Institute of Eye Diseases and Tissue Therapy:

“this application for mobile devices is a complex of gymnastic exercises for the eyes. Animated characters and the soundtrack evoke the children’s interest and boost their activity during exercising. Examination performed immediately after exercises showed significant increase in visual acuity, 10% on average, in children with various types of refraction.”



MOBILE HEALTH PROJECT
WAS ACKNOWLEDGED
BEST INNOVATION OF
2013 IN THE FRAMEWORK
OF THE NATIONAL
COMPETITION OF
BUSINESS CASES IN
CORPORATE SOCIAL
RESPONSIBILITY.



Says NATALIA PASIECHNIKOVA, Merited Doctor, Corresponding Member of the NAMSU:

“The importance of the created mobile service lies in the possibility to convey information from our experts by up-to-date methods to all population strata all over Ukraine.

I Can See Well provides an option for self-diagnosis, as well as sets of exercises for children and adults. I Can See Well gives an opportunity to check your vision for symptoms of some of the most common diseases and arrange a timely appointment with an eye specialist. A set of exercises helps children and adults release the tension in eyes and prevent eye fatigue. Exercises for children are made in the form of games, which makes them not only useful, but also fun.



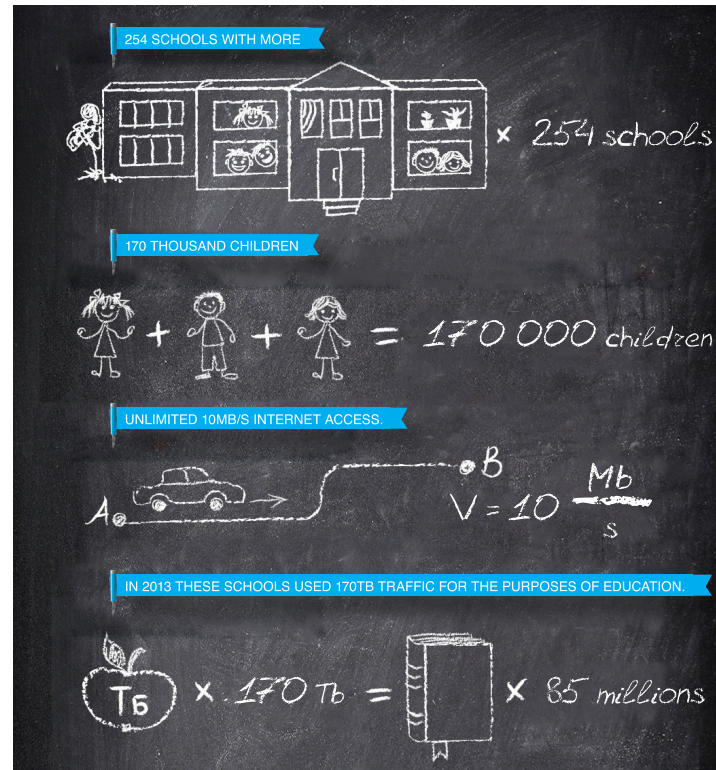


SAFE INTERNET FOR UKRAINIAN SCHOOLS

For years Kyivstar has been implementing its social programme Children's Safety on the Internet. Providing Ukrainian schools with broadband Internet access and educating children, parents, and schoolteachers about safety rules for surfing the World Wide Web are an important part of this programme.

Kyivstar's employees volunteer to give classes on online safety in schools. Thus, in 2013 they gave 50 such classes for 900 schoolchildren.

During school summer holidays Kyivstar volunteers visit recreation camps, where they use games to acquaint children with the rules of safe Internet. The trainings are developed to suit the needs of a young audience.



In 2013 the company's volunteers visited 7 children's recreation camps, where they held game seminars on safe Internet for more than 1,500 children aged 10 to 15.





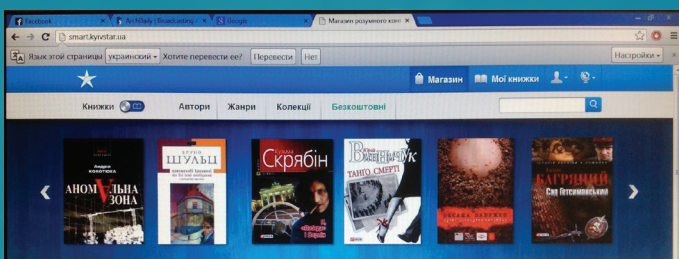
KYIVSTAR'S MOBILE LIBRARY PROMOTES READING IN UKRAINE

In March 2013 Kyivstar launched an innovative project, a mobile digital library smart.kyivstar, aimed at boosting popular interest in reading and gaining new knowledge. Books are available from smartphones, tablets, and conventional mobile telephones.

All the content of the mobile library is licensed. The mobile library was created with an eye to pupils and students' educational needs. They get unlimited free access to the works of Ukrainian modern and classical writers from the school literature curriculum..

The most popular books in the mobile library of Ukrainian literature are:

- Kobzar ("The Bard") by Taras Shevchenko
- Zakhar Berkut by Ivan Franko
- Lisova pisnia ("The Forest Song") by Lesia Ukrainka
- Fata Morgana by Mykhailo Kotsiubynsky
- Kaidasheva simia ("The Kaidash Family") by Ivan Nechui-Levytsky



The Mobile Library contains 2000 licensed books.
20% of the content is available in free access.
The Library has now more than 70 thousand readers.





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KYIVSTAR INITIATED THE FIRST SUBSTANTIAL SOCIOLOGICAL SURVEY “BOOK READING IN UKRAINE.”

More than 1,000 respondents from across the country took part in the survey. The cross section revealed that 51% of all adults read at least one book in the last three months. Among the books Ukrainians buy the share of fiction and children's literature has grown, while that of research, educational and reference literature has shrunk (52% fiction vs 5% research literature). The results of the survey show the need in handy and affordable digital devices. Indeed, 13% of Ukrainians aged 15 to 59 had read e-books for the last three months. The results of the survey were presented to the participants of the Publishers' Forum in Lviv, which took place on 12-15 September 2013. The survey became one of the most large-scale cross sections of readers' preferences in Ukraine.



ADVANTAGES OF READING
BOOKS AT
SMART.KYIVSTAR:

LICENSE

LICENSED CONTENT



SAFE ENVIRONMENT ON THE
INTERNET



UNHINDERED FREE
ACCESS TO LITERARY
CLASSICS FROM SCHOOL
CURRICULA



NO FEE FOR USING
MOBILE INTERNET
DURING READING



HELPING THE NATION TO PRESERVE ITS CULTURAL HERITAGE

VKRAINA – UKRAINE'S HISTORY ON SMARTPHONES

Kyivstar supports social initiatives which encourage Ukrainians to learn more about their country by means of up-to-date telecommunication media. In 2013 this operator designed a comfortable interface for studying the history of Ukraine: Vkraina, an application for mobile phones and tablets, and a web-site on the Internet.

The multi-media Internet resource Vkraina has a collection of more than 200 geographical maps of Europe of the 16th-17th centuries showing Ukraine. The maps are available in a convenient format. Each map reflects Europeans' ideas of the territory of Ukraine, with all the diversity of its composition, borders, and names: from Ptolemy's ideas of ancient Sarmatia to the detailed description of Ukraine on the maps of Guillaume Levasseur de Beauplan, a French military engineer.

The collection is available to users of mobile phones and personal computers. For users of tablets and smartphones, Kyivstar and Microsoft Ukraine have co-developed a special mobile application for browsing ancient maps, finding historical places on them, and so on.

Vkraina.com is a felicitous combination of up-to-date telecommunication media and Ukraine's historical heritage, aimed at popularization of knowledge among a broader audience. The project covers an obscure topic of cartography of Ukrainian lands.



In 2013 more than 300 thousand Ukrainians improved their knowledge of Ukraine's historical past with the help of the multi-media project Vkraina.



CARE FOR PEOPLE WITH SPECIAL NEED



Kyivstar's social policy is directed at helping both broad strata of Ukraine's population and the most vulnerable groups.

Kyivstar renders systematic aid to 25 boarding schools and specialised establishments for orphaned children and children with special needs, with a total of 3,000 inmates. The company also takes care of 8 geriatric homes, housing 2,000 war and labour veterans and lonely seniors.

Kyivstar's charity projects aim at providing opportunities for study and vocational training to orphan children and young people with special needs, which will facilitate their adaptation in society.

Kyivstar's volunteers are welcome guests among their charges: they help settle everyday problems, redecorate homes and clean up the premises, organize concerts and performances.

In 2013 establishments for children with special needs and geriatric homes received a total of 230,000 UAH as help from Kyivstar.

In Vinnytsia Kyivstar paid to equip a medical rehabilitation room at Gymnasium No.6 for children with locomotor disorders.

In Kharkiv Pravo Vyboru, a rehabilitation centre for disabled children, was presented with a unique educational game complex, where children with special needs can develop various physical skills and improve their emotional state.

Cherkasy. Donetsk and Kharkov have got a successful INVA-taxi service for wheelchair users. Kyivstar has sponsored vehicles with a special lift and provided dispatchers and drivers with free mobile connection and smartphones.

The introduction of INVA-taxi opens up new opportunities for socialisation, education, and development to disabled city residents. In one year INVA-taxis served 8,621 calls.

Kyivstar has developed a good tradition of creating a fairy-tale atmosphere around Christmas and New Year for children from the boarding schools in its charge. The company does its best to take care of more boarding schools for orphans and children deprived of parental care. Kyivstar has been providing aid since 2004, as part of the Ukraine-wide charitable initiative "For the people, for the country." We believe that such care warms up children's hearts and inspires faith in humanity.





ENVIRONMENTAL CARE

Kyivstar treats the environment responsibly and reduces the use of natural resources due to modernization of equipment and improvement of business processes.

INNOVATIVE APPROACH

The company introduces up-to-date technology in many sections of its business to increase its energy efficiency.

Modernisation of the network, installation of new, compact, energy efficient equipment, upgrade of commutation network equipment: these are the company's key achievements in 2013.

In particular, due to the upgrade of base stations and installation of energy efficient equipment the company was able to save more than 250,000 KWh in one year.

Kyivstar is implementing up-to-date solutions for providing customer assistance and service consultations. These include online chats, social networks, digital channels, as well as a special mobile application My Kyivstar. This enables increasingly more customers to settle service issues without visiting service centres, which helps unload traffic in cities and saves customers' time.

In 2013 140,000 customers got assistance and advice from Kyivstar via social networks and digital channels. Nearly two million customers made use of the self-service system My Kyivstar.

Kyivstar's offices in all oblast centres of Ukraine are equipped with Cisco Telepresence, video conferencing equipment, due to which the company was able to reduce trips to other regions, replacing them with video communication.





KYIVSTAR VOLUNTEERS MAKE THE COUNTRY GREENER

Care for environment makes up an important part of Kyivstar's eco-volunteering agenda.

The company's employees plant trees, clean up parks, streets and premises of geriatric centres and orphanages.

More than 10,300 trees were planted on Earth Day in 18 Ukrainian cities. 500 volunteers took part in this action.

The strategy of economical use of resources allows cooperation with users of the

company's services. For several years the company has held the action "Say no to paper receipts, save a tree." Every year in the framework of this action Kyivstar's volunteers plant trees across the country.

110 subscribers saying no to paper receipts in their mail during one year means saving one tree. In 2013 more than 60 thousand corporate clients chose mail receipts instead of paper ones. That made 545 trees Kyivstar volunteers planted in different cities.





KYIVSTAR CARES FOR URBAN ENVIRONMENT

The beauty of the native land and careful protection of architectural monuments make indispensable part of Kyivstar's everyday practices.

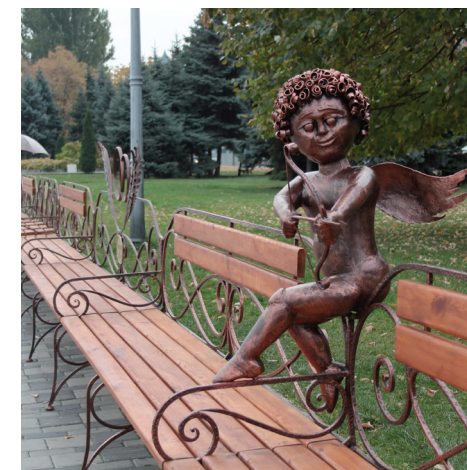
The company made it a rule to install exclusive architectural objects, representing the best aspects of the local community, in the cities where it is active. Ingenious art objects by Kyivstar now decorate many Ukrainian cities. In Odesa it is the Heart in Love, in Dnipropetrovsk the Family Bench, in Lviv the Flower Clock; there is an art gallery named Zaporizhia, a City That Inspires; Kirovohrad has an installation The Open Heart, Zhytomyr has an Art Alley, and Mariupol boasts of its art object known as Time-Tested Values. In 2013, Kyivstar made a gift to Dnipropetrovsk: an art installation Lovers' Bridge, which helped the citizens keep the wedding tradition of "love locks." The Lovers' Bridge can hold more than 2,000 little locks.

The Art Alley became Kyivstar's holiday present to Zhytomyr. This 30-meter-long alley, executed in modern blacksmith techniques, decorates the city's central street.

In 2013, together with the Lviv City Council, Kyivstar launched the project "Mapping Lviv's Tourist Routes." 35 uniform plaques for tourists with brief information in Ukrainian and English were mounted to the walls of buildings in Lviv.

Among the first ones to get a tourist sign were the architectural ensemble of St. George's Cathedral, the John Baptist Church, the Solomia Krushelnytska Opera and Ballet Theatre, the Maria Zankovetska Theatre, the City Hall, the Andrei Sheptytsky National Museum, the Pinzel Museum, the Museum of Traditional Architecture and Lifestyle, the Lviv Art Gallery, the Potocki Palace, etc.

The iconic City Hall of Ivano-Frankivsk shines thanks to illumination, a gift from Kyivstar for the city's 350th anniversary.





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WORK THAT INSPIRES





WORK THAT INSPIRES

The company owes its success first of all to the effort of its thousands-strong personnel. Today Kyivstar employs 4,710 staff, 17% of whom have been working for it for more than a decade. Men and women make up 60.1% and 39.9% of the staff, respectively. The marketing department makes up 36% of the staff, the technical department, 37%, other services, 27%.



IN 2013 WE CELEBRATED 118 WEDDINGS, IN 8 COUPLES BOTH THE BRIDE AND GROOM WORK FOR KYIVSTAR.

4710
STAFF

36 %

MARKETING
DEPARTMENT



60,1% –
MEN

37 %

TECHNICAL
DEPARTMENT



39,9 –
WOMEN

27 %

OTHER
SERVICES,



2114 – GIRL

4,163
KIDS



2049 – BOY

269 OF WHOM WERE BORN IN 2013.

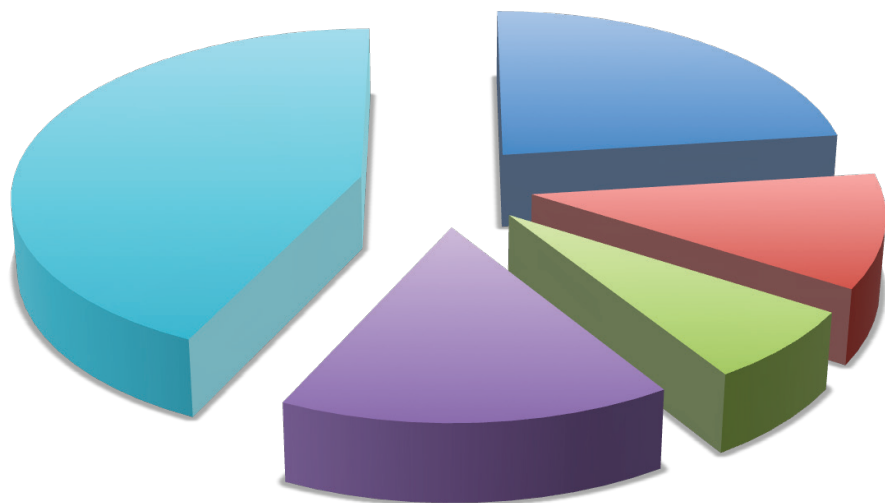
Attention to workplace quality and employees' intellectual development and perfection, as well as maintaining the optimal balance of work and personal life are the key principles of the company's personnel policy.



CARE FOR EMPLOYEES' PERSONAL DEVELOPMENT

In 2013, more than **70%** staff attended refresher courses and personal development trainings. To this end, Kyivstar organised **260** training events and allocated some **5,000** classroom hours. The study and training costs are fully covered by the company.

NUMBER OF EMPLOYEES WHO HAVE PARTICIPATED IN VARIOUS PROJECTS:



- functions training – 23%
- personal development training – 11%
- programmes for managers – 7%
- master classes and lectures – 16%
- workplace training programmes – 43%.

Curricula are based on the principles of individual approach and identification of employees' needs and take into account their requests concerning the content and format of training events.





OPTIMAL BALANCE OF WORK AND PERSONAL LIFE

Kyivstar creates all possibilities to enable its staff to harmoniously combine working and personal life. Employees can set their own schedule or work remotely. Remote out-of-office work, or “virtual office,” has become widespread among the staff and is now a trend in personnel management. In 2013, each quarter 10 to 20% of Kyivstar employees worked remotely, and nearly 40% chose for a flexible schedule. Virtual office comes especially handy in unfavourable weather conditions or when transportation is difficult. Thus, in December 2013 nearly 30% of the staff in Kyivstar’s Central Office worked from virtual office.





CARE FOR EMPLOYEES' HEALTH AND SOCIAL PROTECTION



Kyivstar guarantees three kinds of insurance to each staff member:

- 1) health insurance;
- 2) life and accident insurance;
- 3) 10-year cumulative insurance (life insurance with the right to the cumulative amount at the expiration of the 10-year period).

Health insurance is an indispensable part of Kyivstar staff members' social package.

Each staff member can have a health checkup at any time, and if necessary, they can undergo scheduled inpatient treatment and diagnosis with the use of the most up-to-date health technology.

Kyivstar's staff members can get health service in more than 1,000 clinics, health institutions and pharmacies in 99 Ukrainian cities.

All employees of Kyivstar have uniform insurance packages, regardless of their job.

In 2013, more than 70% employees used their insurance policies.

The company's expenditure for all kinds of personnel insurance in 2013 totalled 30 m UAH.

The company is well aware of the importance of supporting its staff and always comes to the rescue in any situation, even the most complicated.

In 2013, 4,500 staff members received the company's welfare health benefits.

590 employees requested aid under special circumstances: wedding, childbirth, medical treatment for family members, etc., and received 2.9 m UAH in financial aid.

10 staff members who retired received a total of 750,000 UAH in severance benefits.



HELPING YOUNG PEOPLE INTO WORK

Every year Kyivstar welcomes young specialists and university graduates and invites them to work in its various departments. In 2013, the company employed 500 young specialists with no job experience in its call centers. For them, Kyivstar became a launchpad of their professional careers.

In 2013 the company started an internship programme for the young. Admission to internship is carried out through competition among undergraduates. Students get an opportunity to work for a year in various departments of the company and gain practical knowledge and experience. Kyivstar pays out salaries to its interns, and on completion of internship employs those who demonstrated top results.

In 2013 more than 200 students from various Ukrainian schools of higher education took part in competitions to get enrolled in Kyivstar's internship programme.

Interns gained practical knowledge in the following areas:

- project- and IT process management;
- maintenance and development of business analysis systems, analytical systems, and data warehouses;
- maintenance and running of server platforms and corporate network;
- financial systems maintenance;
- development and maintenance of billing and CRM (Customer Relationship Management) systems, etc.

Once in Kyivstar, students find themselves in a global company, which is part of the international Vimpelcom, and get acquainted with its business processes and up-to-date telecommunication technology.





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KYIVSTAR ALWAYS STRIVES
TO BE THE BEST, KEEP
ITS WORD, UNDERSTAND,
INSPIRE, AND BRING JOY. WE
WORK FOR UKRAINE AND
FOR THE PEOPLE.

