

# **UN Global Compact Communication on Progress**

Report 2015/2016



# 1. Introduction

In its nine years of presence in telecommunications market in Serbia, Vip mobile has accomplished the sustainable growth in all business segments owing to its strategic determination to focus on providing the best customer experience and on continuous improvement of the network, technology and offering of the innovative products and services. Vip always puts its customers first, and the company is dedicated to adapt the products and services to their needs.

Our objective in Vip mobile is to support the improvement of the local community, while constantly achieving better business results, which is why we

continuously invest in the environment, sports, culture, education. Accepting the responsibility for our business operations and their influence, we induce, through our socially responsible operation, positive changes in the society and contribute to improving the quality of life in Serbia.





## 1.1. Dejan Turk

director/CEO address

As the youngest telecom operator in the country, we know it is essential to be different and to introduce changes. We know that the world is left to the young, which is why we want to show by example the importance of responsibility towards the community in which we live and work. Vip is the initiator of the projects that make Serbia a better place to live in and through these projects we are telling a different story, the story of trust and unity. In the past nine years through our social responsibility programs, we helped the children and the elderly people, influenced the development of culture and sports, opened and resolved a number of environmental issues, and thus set up the foundation of responsible, humanitarian impact in the business world. The doors of our company are always opened to the

community and all of those who want to be drivers of change and tell different stories, are always welcome to join us in this effort!

Our CSR strategy in 2015/2016 has been mainly focused on our long-term projects related to support to higher education in Serbia, environmental protection, programs aimed at social integration of children with disabilities and digital literacy programs for elderly people.

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.



A stylized, handwritten signature in black ink, appearing to read 'Dejan Turk'.





A woman with brown hair in a ponytail, wearing a bright yellow jacket and blue patterned leggings, is running on a paved road. Another person in a grey patterned jacket is running behind her. The background is a blurred asphalt road with white lane markings.

## 2. Vip social responsibility

**2.1. Care for employees**

**2.2. Responsibility towards community**

**2.3. Sponsorships**

**2.4. Responsibility towards compliance**



## 2.1. Care for employees

HR Sector 2015/2016 strategy was focused on talent management and leadership development, strengthening of corporate culture and promoting Vip mobile as a desirable employer.

For our employees we provide additional benefits such as:

- Voluntary health insurance
- Voluntary pension insurance
- Kindergarten on site at our headquarters building
- Special benefits and discounts for shopping, sports, leisure

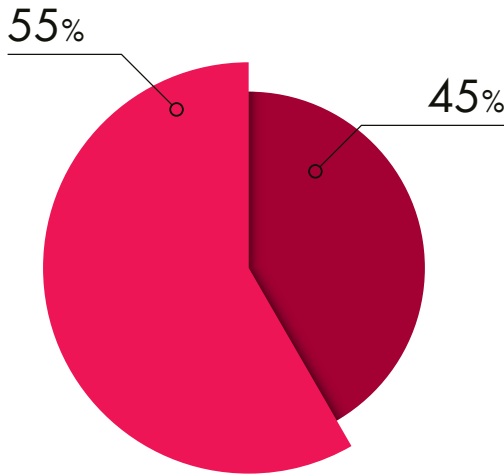




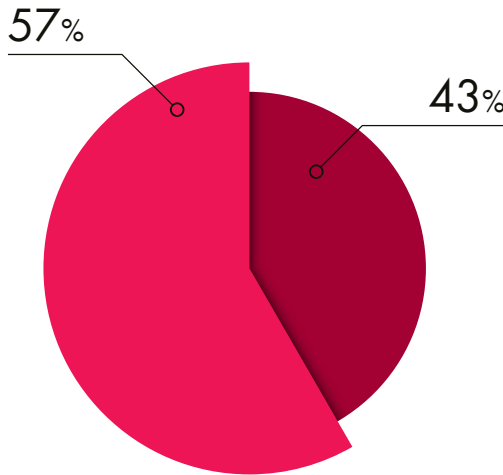
# 2.1.1. Basic information about Vip employees and investment in their development 2015

● Woman ● Man

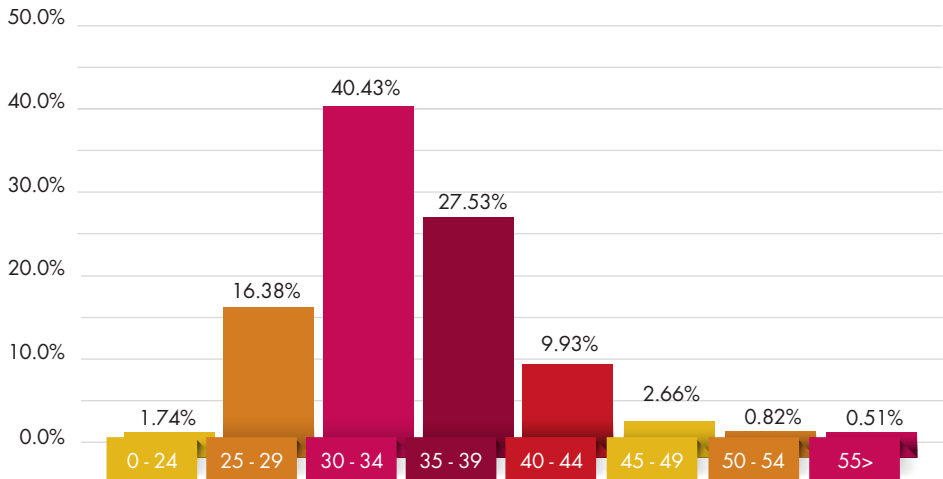
Gender structure 2015



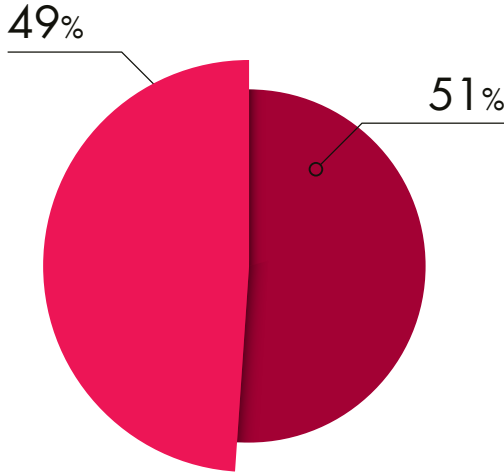
Gender structure 2016



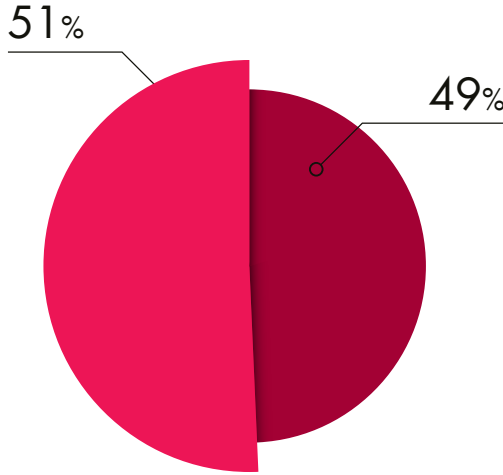
Age structure 2015



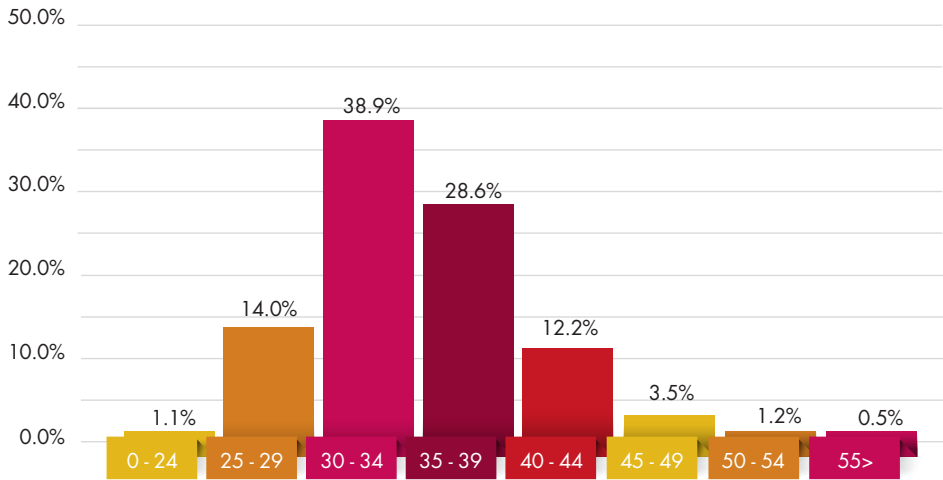
Management share 2015



Management share 2016



Age structure 2016



## **2.1.2. Managing talents, recognizing top performers, raising competencies**

One of the main company objectives in respect of development of human resources is to continue the development of competencies of employees, to create new development programs that will ensure meeting of this goal and enriching programs that have been an integral part of Vip mobile corporate culture for years. Our goal is to create an inspiring and stimulating environment in which our employees can grow along with the company, fulfill their potentials and be passionate toward their work.

"Vigor Stars 2015" is a leadership development program realized to develop leadership competencies aligned with Group Leadership Standards and retain Key Players. Over the last year, we focused on customer impact, strategic orientation and making decisions, and main accomplishments are introducing PCM individual sessions and Vip CEX Academy for top management. During 2016, we realized PCM training and individual coaching session for new managers.

"Organizational Culture Development Program" is offering exclusive, advanced-level education and development of the way of thinking and creation of

desirable organizational culture aiming at the synergy of business and organizational culture.

"CEX development program" includes a series of trainings primarily dedicated to employees who directly take care of the customers, from Sales and CS sectors. The program is designed according to CEX strategy to bring customer experience to the highest level. During 2016, we continued with CEX development program for Sales and CS Departments.

E-learning trainings were launched in 2014 and it represents a virtual classroom which makes knowledge available anytime and anyplace; it reduces training costs and increases flexibility of course delivery.

"Certification" is a competency and talent management program within the Customer Service, Business and Residential Sales Departments. The main objective is to provide the quality of service to our customers through the development of engaged and competent employees. The program also identifies employees with high potential who are willing to take on more responsible roles.

In 2016 we implemented Flexible&Mobile work time and continued to create inspiring and stimulating environment in which our employees can grow along with the company, fulfill their potentials and be passionate toward their work.

Also we created and realized Leadership Journey program for all Managers and Team Leaders. This program include several trainings and workshops during which managers had an opportunity to refresh their knowledge and hear about new trends about management by objectives, feedback sessions and people development tools.

We continue raising employee's competences through functional trainings and project work.

We implemented Workplace and by this we increase internal knowledge sharing about all business aspects.





### 2.1.3. Social Recruiting

In 2015/2016 we continued and enhanced recruiting of job candidates via social networks in order to find hard-to-reach talents and increase the company visibility and raise awareness of Vip as employer.

In order to reach these goals, we redesigned and modernized the career page of our website to make it more accessible, easier to navigate and better looking. During 2016 we redesigned our job adds to attract young professionals. Also we participate on Job Fair and few panels on Belgrade University Faculties how we attract students and promote our company.





## 2.2. Responsibility towards community

Vip is dedicated to initiating positive changes in its environment, and, as a responsible company, it focuses its operations on improving the quality of life in Serbia.







## 2.2.1. Education

Be a Vip Student" project exists for more than seven years and is dedicated to development of future experts in the field of telecommunications in Serbia. In the past eight generations more than 1000 talented students from 20 faculties across Serbia have participated in the selection for the summer internship. Out of these 1000, 154 students were awarded and they spent two months attending paid internship whereas 24 of them were permanently employed by Vip.

Aiming to provide support to young talents, Vip mobile company has improved partnership with the Faculty of Organizational Science, the Faculty of Transport and Traffic Engineering, the Faculty of Economics

and a local group of Electrical Engineering Students' European Association (EESTEC) in Belgrade.

In our company we organized HR meeting where around 60 professionals from HR and business were discussed about issues with Millennials generation as workforce.

In addition to organizing students' educational internships in Vip, guest lectures given by Vip experts, and providing students with an opportunity to write research and scientific papers in cooperation with mentors from Vip, last year we gave students an opportunity to visit our company and feel the

atmosphere of international business environment.

"Vip Digital Workshop for Senior Citizens" project was launched in July 2014 in cooperation with the Organization for Intergenerational Cooperation 35+, City of Belgrade pensioners' organization and the Third Age Movement of Serbia.

The workshops are free of charge and devised in such a way for the participants to easily master using the computer, Internet, social networks and various digital devices in five days' time. We continued the cooperation in 2015. and 2016.





## 2.2.2. Vip annual donation

In the past eight years, Vip mobile was on New Year's donation together with its customers donated significant funds to support the blind and visually impaired persons, victims of trafficking, the children with autism, children with asthma and the young ones who have been treated for cancer.

Funds that Vip traditionally donates for the New Year were given, in 2015, to the SOS Children's Villages Serbia Foundation for the implementation of "SuperBus" project. The donation which consists of part of the company income from SMS traffic at the New Year's Eve and Christmas Holidays, as well as income generated via humanitarian SMS number activated for this purpose, were used for launching of mobile educational-creative workshop for children without parental care across Serbia and children coming from the most vulnerable groups of population. "SuperBus" is a specially equipped vehicle which, in 2015, has

stopped at more than 15 locations in all parts of the country and gathered, through its programs, over 2,000 children. Project activities included educational workshops with special emphasis on education in the field of health care, personal hygiene, psychosexual education, communication, social skills, children's rights and the like. In cooperation with local Red Cross organizations, non-governmental organizations and institutions in charge of social protection, different workshops have been organized, adapted to the needs and capacities of the children. Nine forums were held, together with local community stakeholders, aiming to raise awareness of and point out to current difficulties in local environment.

In 2016, New Year's donation was awarded to the Association of single parents and families of children with disabilities "Blue Shell", marking the start of a joint project "Visible and Invisible Links". This project was

launched with the aim to strengthen and improve the situation of children with disabilities, through digital literacy programs and the use of assistive technologies. The funds were used to purchase equipment based on assistive technology, which was donated also to the associations and institutions throughout Serbia that bring together children with disabilities and their parents. Educational support caravan visited more than 10 cities across the country to improve the situation and inclusion of children and young people with disabilities in the smaller communities. We believe that in this way, together with our customers, we gave a long-term contribution to solving the problem of inclusion of children with disabilities, and we were able to further draw attention to the challenges that these youngsters and their families face every day.



### 2.2.3. Humanitarian SMS numbers

For a number of years Vip has been enabling SMS donor activities for raising of funds for the actions of general social interest, including philanthropy. In 2015 only, Vip customers have donated more than 23 million RSD via SMS humanitarian numbers, and in 2016. more than 30 million RSD.







### 2.2.4. Vip Ecomotivation

With constant efforts to reduce its environmental impact, Vip undertakes numerous measures for energy savings and reduction of waste and resources. In order to bring its environmental management system to an even higher level, in 2015, Vip passed through certification process for ISO 14001 whereby it confirmed its commitment to sustainable management. Through its long-lasting program, Vip Ecomotivation and numerous activities within and outside the company, Vip contributes to raising awareness of its employees and of general

public regarding the importance of preservation of the environment. Throughout 2015/2016 Vip supported the international project "Eco Schools" in order to convey its environmental protection mission to the youngest population through its program "Vip Ecomotivation". Children from over 40 schools across Serbia have participated in numerous activities, including the eco quiz and workshops, recycling, marking of important environmental dates, making eco garden. By participating in the activities

within the Ecomotivation program, schools have scored points and competed for the title of the greenest school - Ecomotivator. Vip also supported international program Young Ecoreporters and awarded best essays, photographs and videos which pointed out the environmental problems and offered solutions, made by young high school and university students.





The background image shows two young women, likely Vip employees, wearing orange t-shirts and white caps with the Vip logo. They are working on a chain-link fence. The woman on the left is looking up and to the right, while the woman on the right is looking down at a small object in her hands. The fence is made of silver chain-link mesh and is supported by a dark metal post. The background is a blurred green landscape with trees.

### 2.2.5. Employee volunteer service

Employees of Vip often initiate and take part in numerous volunteering activities, putting in energy, time and knowledge for the welfare of other people and the community. Every year, employees of Vip prepare New Year's presents for children without parental care, participate in the traditional volunteering action "Our Belgrade" organized by Forum of Business Leaders of Serbia, dedicated to mentoring work with students taking educational internship in Vip, participate in voluntary blood donation campaigns, as well as in environmental actions often organized by Vip Eco Team.



A full-page background image showing two male beach volleyball players in mid-air, jumping over a net. The player on the left is wearing a white tank top with a 'vip' logo and blue shorts. The player on the right is wearing an orange tank top and black shorts. A volleyball is suspended in the air above the net. The net has 'vip' logos on its white border. In the background, there are white tents and spectators.

## 2.3. Vip Sponsorships

Vip's orientation is to support young people who achieve top results and have a competitive spirit; who are eager to succeed, daring, energetic and different - all features that perfectly match our brand's character. In accordance with the corporate business strategy, we established long term sponsorships which are directed towards the young people striving for success in sports and culture.







### 2.3.1. Partnership with Serbian Volleyball Federation

As general sponsor of the Volleyball Federation of Serbia (OSS), Vip supports indoor volleyball, but in 2008 Vip initiated professional tournaments in beach volleyball and formed Vip Beach Masters - National championship in beach volleyball, to popularize this attractive sport and promote talented young players. Combining competitive spirit, a good atmosphere, but also the beauty of this dynamic collective sport, this prestigious competition gathers the best volleyball players from Serbia and the region and contributes

to improving the quality of volleyball in our country. During 2015/2016 the total of 18 tournaments were held throughout Serbia. Vip Beach Masters volleyball school was organized in all host cities of the tournament, which is intended for young talents under the age of 14 years. Since its founding, more than 12,000 boys and girls have learned how to play volleyball through this school.





A photograph of three young ballerinas in white leotards sitting on a wooden floor. The ballerina in the center is looking back over her shoulder towards the camera. The ballerina on the left is looking to the left, and the ballerina on the right is looking to the right. They are all in a similar seated position, with their legs extended forward and slightly to the side.

## 2.3.2. Belgrade Dance Festival

In 2016 Vip mobile, as a general sponsor for the ninth year in a row, proudly supported the 13th Belgrade Dance Festival which gathered the contemporary dance lovers in Belgrade and Novi Sad. Enjoying the title of one of the most outstanding European event, every spring Belgrade Dance Festival brings together the most prestigious dance companies. As a major partner of the Belgrade Dance Festival, Vip mobile has introduced a distinctive pattern of large companies investments in Serbian culture, and jointly

created the slogan "Communication on the Move", best reflects the strength of a nine-year cooperation. To the popularization of artistic dance in Serbia, Vip contributes by awarding a prize "Vip calls" to prominent artists from the region with distinctive dancing career abroad, then journalistic award "Vip step forward", but also through the "Vip talents" and support to the National Dance Foundation. Owing to this cooperation Serbia became an indispensable stopping point to a large number of

significant international dance performances. Through the accompanying "Vip Talents" project, Belgrade Dance Festival and Vip mobile had the youngest ballet talents enrolled into the high quality educational and practical workshops held by top mentors who contribute to guiding them on their way to professional artistic dancing.





## 2.4. Responsibility towards Compliance

Vip mobile, as 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 Exchanges and operates in accordance with Austria security trade acts as well as with stock exchange regulations. Vip mobile is conducting its operations 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. Compliance is actively implemented and incorporated into existing processes and controls. Right way -Right results. Compliance awareness through Code of Conduct, compliance management policies, regular compliance trainings to all level employees within Vip mobile, whistle-blower (local and group), Compliance Risk assessment sessions clearly shows that it is important not only to achieve our goals, but

also how we achieve them. Our business partners, users of our services, shareholders, public, and our employees expect us to meet the highest standards, also in the sense of integrity.