

UN Global Compact Communication on Progress

Report 2019



1. Introduction

In its 13 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, culture, education, digitalisation. 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 12 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 2018/2019 has been mainly focused on our long-term projects related to environment, children internet safety, family values and digital improvement in education.

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 handwritten signature in black ink, appearing to read 'Dejan Turk', with a long horizontal stroke extending to the right.



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 2018/2019 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:

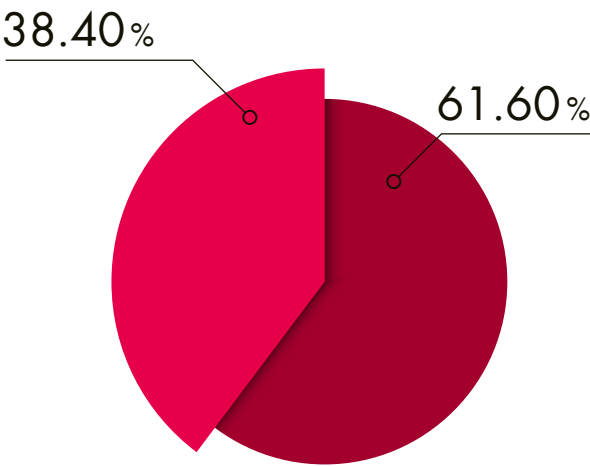
- Voluntary health insurance
- Voluntary pension insurance
- Kindergarten on site at our headquarters building
- Special benefits and discounts for shopping, sports, leisure
- Various work-life balance benefits



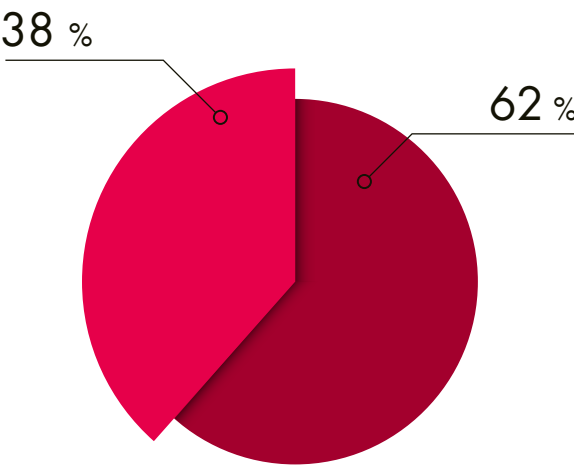
2.1.1. Basic information about Vip employees and investment in their development 2019

● Woman ● Man

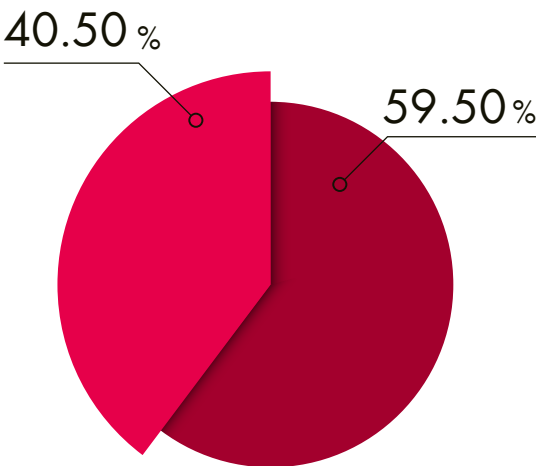
Gender structure 2018



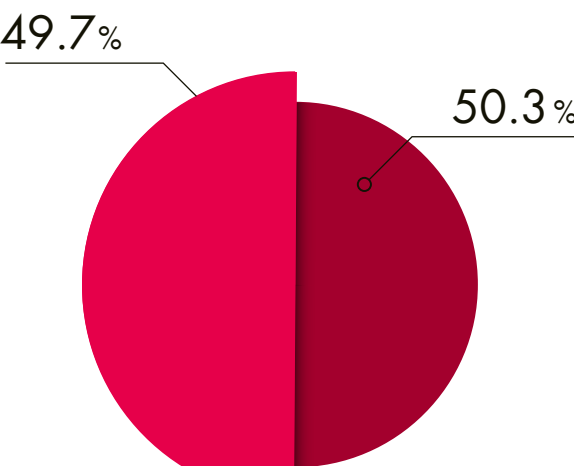
Gender structure 2019



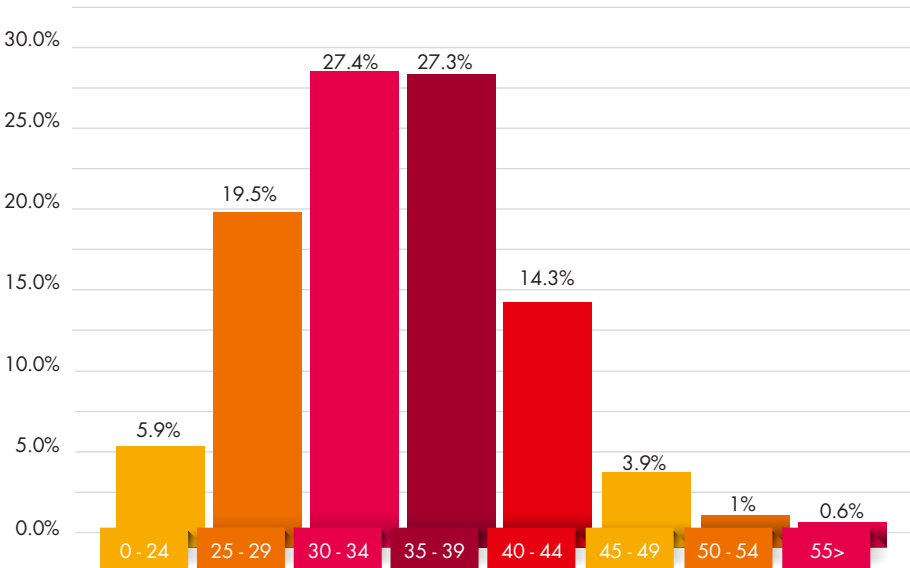
Management share 2018



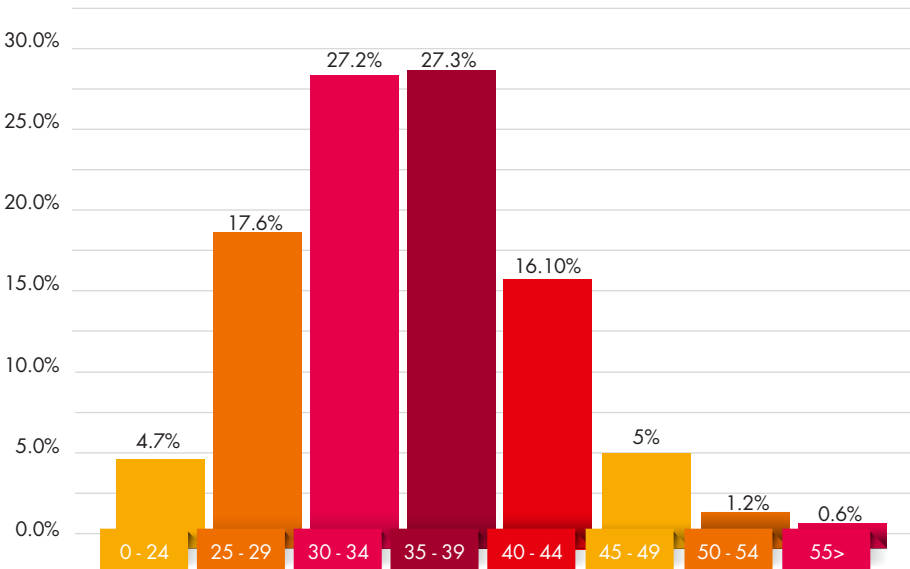
Management share 2019



Age structure 2018



Age structure 2019



2.1.2. Managing talents, recognizing top performers, raising competencies

One of the major company aims in human resources development is continuing of employee competence development, creation of new development programs which will enable this aim's implementation and enrich the programs that have been a constituent part of Vip mobile business culture for years. Our aim is to create an inspiring and stimulating environment in which our employees can grow together with the company, fulfil their potentials and be passionate about their work.

“Gallup Strength Based Program” - good practice of this program continue in 2019. This year we focused on development of leadership skills through coaching. This program includes creating of each employee's profile, based on their key strengths, 4 individual as well as 2 team coaching sessions. Each of the participants has their own individual coach with whom they continuously work on their development.

During 2019 we continued the project **“Vip e-empowering classroom”**, e-learning platforms (online learning platform, a vault of new knowledge and skills in the form of virtual interactive courses on various themes) enabling access to all employees in order to provide even larger support to employee development. In 2019, the e-learning platform was improved, due to which, in addition to numerous new and modern functionalities, the employees gained access to a large number of various contents. E-learning knowledge and content are available at all times, so that the employees,

regardless of their gender, may use them wherever and whenever they need them.

Within regularly planned activities for professional development in 2019, our employees will attend courses for development of professional skills, leadership, organizational and other “soft” skills in order to accomplish improvement in their respective fields. In addition, we continuously support internal exchange of knowledge through the rotation programs, insight into the workplace of colleagues from other departments as well as through an increasing number of cross-functional projects.

Employee development in the field of new trends and work methodologies Digitalization, agile transformation and an increasing access to new technologies are making us face the new challenges in the field of employee education. The transformation project, which is currently under way, includes, among other things, developing of internal and external education programs regarding these issues.

A1 Group Programs - A1 Group portfolio contains various development programs for the employees from all companies which are a part of this Group. Our colleagues have on their disposal “A1 Learning Hub” school open trainings, development programs for various target groups as well as various online contents. A1 Group largely participates in the development strategy for all employees, which is further developed and tailored to local needs by

each of the respective companies.

Cooperation with start up community: Changes on the market, technology development and growth of start up community brought along the need for developing the new competences necessary for finding one's way around the coming era. Given the circumstances, in order to connect with the start up community, we have launched a partnership cooperation with ICT Hub within which we jointly create the strategy for development of future competences. In addition to attending the ICT Hub open trainings, we are free to hire their lecturers and organize educational programs specifically intended for our needs.

Mentorship Program - During 2019 we continued Mentorship Program in which our key employees will receive the support from experienced mentors from other companies who will transfer their knowledge and experience as well as various examples from other industries' practice.



2.1.3. Social Recruiting

In the course of 2019 we have continued and improved job recruiting via social networks in order to be able to search more efficiently and find the talents who are hard to come by, but also to increase the company visibility and raise the level of awareness regarding Vip as an employer.

This year, we have launched a new IT system for employee recruiting and selection whose functionalities will enable us to be even better positioned in various channels, among other things, social networks.





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

Aiming to provide support to young talents, Vip mobile company has improved cooperation 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 2019 we supported winners of Case Study Show with paid internship within the company. Through this project we support students in their education.

2.2.2. Environment

Daily newspaper Blic and Vip mobile have carried out the environmental project "Let's Clean the Rivers of Serbia" with an aim to restore the dignity of Serbian watercourses, to make the environment healthier and more beautiful, and to raise public awareness of the importance of this topic.

In the period from October to December 2019, more than 1,000 volunteers, along with the representatives of local

communities, removed over 400 cubic meters of waste from the banks of 20 rivers across Serbia.

The project is a part of a wider initiative "Ecomotivate Serbia", through which Vip is conducting a large number of internal and external activities aimed at protecting the environment.



2.2.3. Digital platform Safe kids

As a provider of communications services, Vip actively addresses the issue of children's safety on the internet. Having in mind that the youngest population is frequently the first to embrace various online trends, Vip has continued to provide support to parents through the Bezbedni klinci (Safe Kids) platform (bezbedniklinci.rs).

Interesting and educational content is provided on the platform and made available to parents, enabling them to receive timely information and keep up with their kids, who are growing up in the digital age. The aim is to help the parents feel confident and ready to be the first persons their children go to for advice, answers, or reactions concerning safe internet use.

The content was created with the participation of experts from the Digital Communications Institute, and the platform also contains results of relevant studies, advice and explanations of a variety of situations that can occur on social networks and messaging apps, as well as useful websites.

Internet address bezbedniklinci.rs has become a partner of many parents in Serbia in their effort to overcome the challenges of modern parenting, helping them to develop digital literacy skills and better understand the online environment - which is an inescapable element of raising children today.



2.2.4. Family Values

For years, Vip has been working on the concept of family-responsible business, where it has yet again set a new standard. The latest operator in the market was the first company in Serbia to win the prestigious certificate "Family Friendly Enterprise", according to the licensed certification scheme of the Slovenian Ekvilib Institute, which is a guarantee that the company has adjusted its internal structure and organization to allow its employees the opportunity to devote themselves equally to their career and to their private commitments.

Vip employs more than 1,400 people who look after the needs of 2.3 million customers, and special emphasis is given to the fact that more than a half of the total number of employees are parents. The company was among the first to decide that employees on maternity leave receive full pay for the entire duration of their leave. When they return, new moms are entitled to an adjustment period that entails working part-time at full pay. Support is provided to

new dads, too: they can count on extra days off with pay, when their child is born. One of the biggest benefits is a workplace kindergarten on company premises, while the employees having a third child also receive a monthly allowance of RSD 10,000 until the child turns 15, which is a way for Vip to contribute directly to the population policy in Serbia.

Vip decided to expand its positive internal practices by making a direct contribution to the community in which it operates. In 2019, a special offer was created, intended for all new moms, with free subscription for a period of nine months. Considering that no similar offer was recorded on the market, Vip has successfully drawn attention to the significance of providing support to parents who are only just getting used to their new obligations and expenses, at the time when they are assuming their most important role in life.





2.2.5. The Selfless Book

Vip has designed a special book that comprises poems intended for children, which speak about the value of sharing. At the end of the book, there is a one-of-a-kind "Selfless Paper", to be used for wrapping presents. Over the New Year's holidays, all Vip employees took part in the wrapping of gifts that were then presented to child care institutions across Serbia. The value of this project was

recognized by the Ministry of Education, Science and Technological Development, with the support of which the company presented copies of "The Selfless Book" to all preschool institutions and kindergartens in Serbia.



2.3. Vip Sponsorships

As a company that offers and uses digital solutions and new technologies, we support innovative projects relevant to our core business. Vip also strives to enrich everyday life with valuable content while supporting education, sports and culture.

In 2019 our main focus was on continuation of existing sponsorship project "Vip Kinoteka" and partnership with Belgrade Dance Festival.



A photograph of five dancers in a modern performance. They are wearing light-colored, form-fitting leotards and have white body paint with black markings on their faces and bodies. The background is dark, and the lighting is dramatic, highlighting the dancers' forms. The dancers are in various poses, with one in the center standing and the others in more dynamic, low-to-the-ground positions.

2.3.1. Belgrade Dance Festival

16th edition of Belgrade Dance Festival proves once again that the title of one of the most outstanding European event is well deserved. As a major partner of the Belgrade Dance Festival for twelve years, Vip mobile has introduced a distinctive pattern of large companies' investments in Serbian culture, and jointly created the slogan "Communication on the Move", which best reflected the strength of this cooperation. To the popularization of artistic dance in Serbia, Vip contributed 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.



2.3.2. Vip Kinoteka

Introduced in December 2017, project "Vip Kinoteka" carried out jointly by Vip mobile and the Yugoslav Film Archive, aims to preserve and protect some of the most famous masterpieces of the seventh art, which have been proclaimed national cultural property of great importance.

During the 2019 four more films were digitally restored and re-screened with high image and sound quality. Since the beginning of the project, thirteen cult movies has been digitally restored and presented to the audience in 16 cities across Serbia.

By using the technique of digital restoration, legendary films such as "Who's singin' over there", "The National Class", "The Marathon Family" and "The Balkan Spy" are now preserved for future generations in the quality they deserve. This is just a starting point of the long-awaited process of digital restoration of the Serbian film heritage as the core of the project includes works of cinematic art produced in the period from 1967 to 1993.



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.