

UN Global Compact Communication and Progress

Report 2020



1. Introduction

Vip mobile has achieved 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 adapting 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 and 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. 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 open to the community and all those people who want to be drivers of change and tell different stories are always welcome to join us in this effort!

In 2020, the challenging year of the global Covid-19 virus pandemic, all our efforts were directed towards support and care for our employees and the community in which we operate. Since the importance of Internet safety became even more important during the times of the Covid-19 crisis, we continued and improved our long-term projects related to digital literacy through the "Safe kids" platform.

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 'D. Turk', written in a cursive style.





2. Vip social responsibility

- 2.1. Care for employees**
- 2.2. Responsibility towards the community**
- 2.3. Sponsorships**
- 2.4. Responsibility towards compliance**

2.1. Care for employees

The HR Sector 2020 strategy was focused on talent management and leadership development, strengthening of corporate culture and promoting Vip mobile as a desirable employer. Since 2020 was specific, because of the pandemic, we provide a lot of support for our employees.

We provide additional benefits for our employees such as:

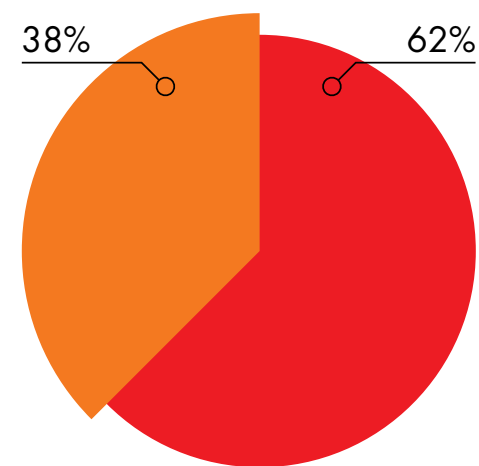
- Voluntary health insurance
- Voluntary pension insurance
- Kindergarten on site at our headquarters building
- Special benefits and discounts for shopping, sports, leisure
- Various work-life balance benefits
- Psychological support



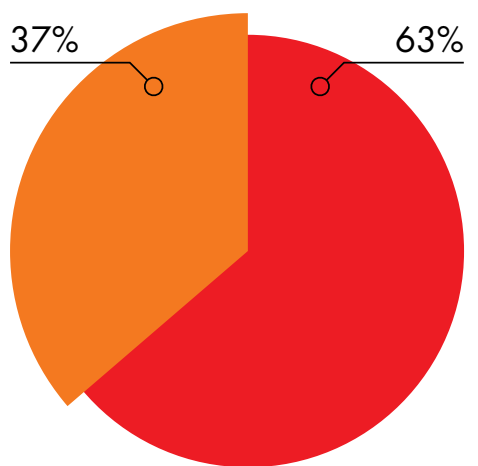
2.1.1. Basic information about Vip employees and investment in their development 2019/2020

Men Women

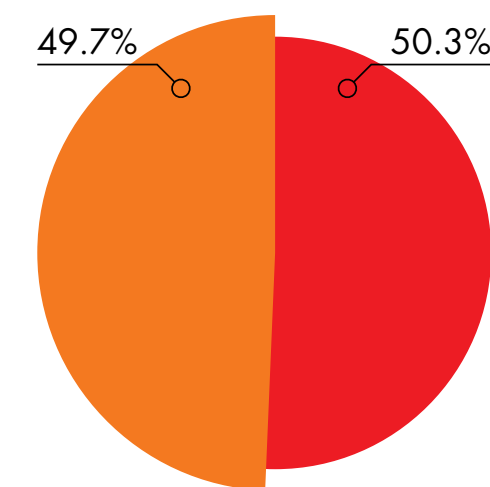
Gender structure 2019



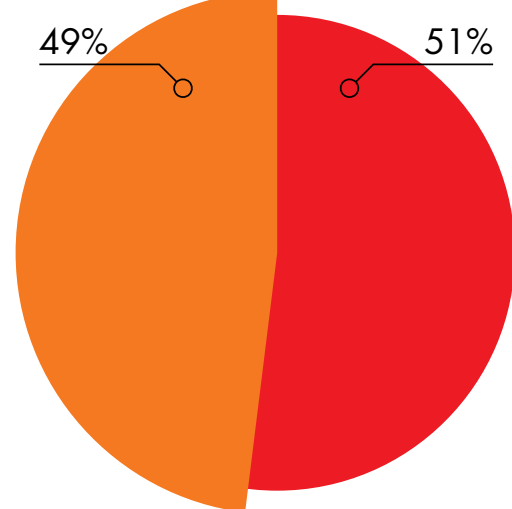
Gender structure 2020



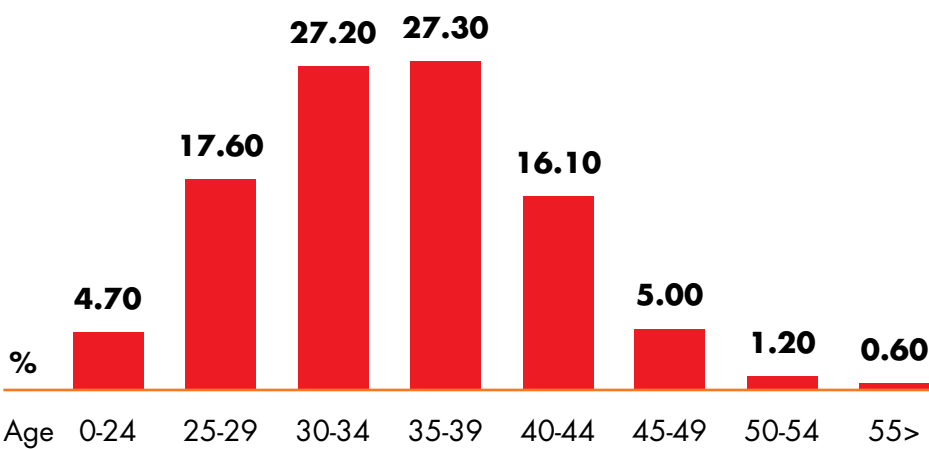
Management share 2019



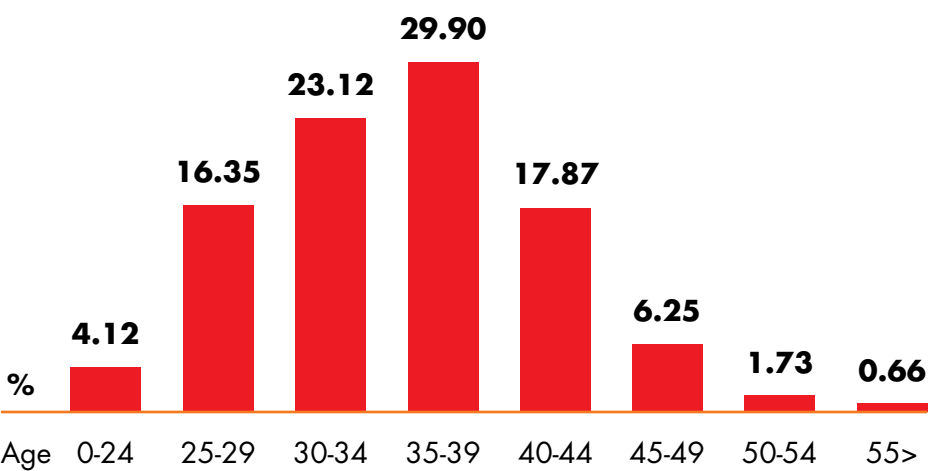
Management share 2020



Age structure 2019



Age structure 2019



2.1.2. Managing talents, recognizing top performers, raising competences

One of the major company aims in human resources development is continuing with employee competence development, creation of new development programs which will enable this aim's implementation and enrich the programs that have been an integral 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.

“Managing changes during the pandemic” - in 2020, we provided a set of online trainings for all leaders in order to support them during the pandemic and to give them tools in order to support their teams.

During 2020, we continued the **“Vip empowering classroom”** project (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 2020, the e-learning platform was improved, due to which, in addition to numerous new and modern functionalities, the employees gained access to large amounts of different content. E-learning knowledge and content are available at all times, so that employees, regardless of their gender, may use them wherever and whenever they need them.

Within regularly planned activities for professional development in 2020, our employees will attend courses for development of professional skills, leadership, organizational and other “soft” skills in order to achieve 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 new challenges in the field of employee education. The transformation project, which is currently under way, includes, among other things, developing internal and external education programs regarding these issues.

A1 Group Programs - The A1 Group portfolio contains various development programs for employees from all companies which are a part of this Group. Our colleagues have at their disposal the “A1 Learning Hub” school open trainings, development programs for various target groups as well as various online content. 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 the start-up community: Changes on the market, technology development and growth of the 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 2020, we continued the Mentorship Program in which our key employees will receive the support from experienced mentors from other companies who will pass on their knowledge and experience as well as various examples from other industries' practice.



2.1.3. Social Recruiting

In the course of 2020, 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.



2.2. Responsibility towards the 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 has improved cooperation with the Faculty of Organizational Sciences, 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 2020, we supported the winners of the Case Study Show with paid internship within the company.

Through this project we support students in their education.



2.2.2. Improved support for employees and customers during the pandemic

The year marked by the COVID-19 virus pandemic posed numerous challenges in all branches of industry and further highlighted the need for socially responsible behaviour of companies and individuals towards the community. As a company that is the first holder of the Family Friendly certificate in Serbia and is considered one of the most desirable employers on the local market, Vip's care for the needs, expectations and satisfaction of employees and their families has always been an absolute priority, which was further confirmed during the pandemic. Already in the first weeks since the declaration of the state of emergency, more than 80 percent of Vip's employees received full logistical and moral support for the transition to work from home, in order to preserve their own and their families' health.

From the first day of the crisis, the shops were supplied with protective equipment, intensified preventive measures were introduced and the mode of operation of the facilities was changed. In this way, the staff and all Vip users could feel safe at any time, even under extraordinary circumstances. As an additional way to improve customer support, Vip launched its Virtual Store in May 2020, the first online sales service of its kind within the telco industry, which allows all users to access the complete Vip offer from anywhere in Serbia and receive support from sales assistants identical to that in branches, and from the comfort and safety of one's own home.



2.2.3. Community needs during the pandemic

Continuously listening to the needs of the entire community during the first wave of the coronavirus pandemic in Serbia, Vip has repeatedly and in various ways become involved in resolving burning issues. The company supported the creation of the DokTok platform and a free online medical counselling centre. Through this site, citizens can conduct medical consultations with doctors through a private chat, which was extremely important during the period of the greatest spreading of the virus.

By donating devices and SIM cards to the Centre for Palliative Care of Belhospice Patients, Vip tried to facilitate the daily work of the employees of this organization, who continued to provide care to oncology patients in the terminal phase of the disease, even under challenging epidemiological conditions.

During the pandemic, Vip also recognized the need to empower young people in the field of education and provided support to economically vulnerable groups of students. Through the "Digital Serbia" initiative of the non-profit association Petlja, Vip provided support to students from 424 socially sensitive families,

providing them with five gigabytes of free internet per month from May to the end of the year, so that they could follow online classes without hindrance.

As part of the same initiative, Vip provided all its customers with free access to the portal for learning programming through the site petlja.org, without charging for spent internet traffic, thus supporting further technological education of young people and the development of the information and communication sphere regardless of challenging external circumstances and education.

Also, believing that the given circumstances must not be an excuse for neglecting other values that it has nurtured during all 13 years of business in Serbia, Vip has once again joined the celebration of the International Girls in ICT Day. The event was organized for the tenth time in our country by the Association of Business Women of Serbia, with significant institutional support from the Government of the Republic of Serbia and the Prime Minister Ana Brnabić. This year, more than 150 students from 30 schools across Serbia participated in it.



2.2.4. "Safe kids" in a new format

The fact that this year everyone spent drastically more time on the Internet and, especially in the period of isolation, moved most of their activities to the online space, multiplied the challenges that parents face when it comes to children's exposure to the Internet. In this regard, Vip continued the activities on the "Safe Kids" platform launched in 2018 with the aim of supporting digital literacy of parents, focused on supporting parents in quarantine and improving the offer of content to more adequately answer current parenting questions.

During the period of isolation, counselling texts could be read on the site, inspiring parents to use their time more constructively with their children on the Internet and to share the experiences of others. During the summer months, Natasa Miljkovic, a well-known TV presenter and ambassador of the platform, held

several online sessions on these topics on her Instagram channel, through which she included experts in communication, parenting and children's issues in live discussions.

At the end of October 2020, the content offer was expanded with a new format - the "Safe Kids" podcast, whose author and presenter is the psychologist Ana Mirkovic from the Institute for Digital Communications. The first series includes 12 shows, which are broadcast once a month on four podcast channels - Deezer, Spotify, M-xcloud and SoundCloud and Vip's Youtube channel. Their topics rely on texts from the site, but thanks to the video format and dialog form, they are deepened and supplemented with personal experiences of visiting celebrities.

2.2.5. The “Stari znalci” Project for everyone’s voice to be heard equally

Living in a pandemic was especially challenging for the oldest population of fellow citizens, who more than ever needed support to stay healthy, but also informed and included in society. In order to shed light on their needs and empower them to participate in modern digital social flows, in October, a month globally dedicated to the elderly, Vip created a special offer for seniors, improved support for the oldest customers in shopping centres and launched a new socially engaged project "Stari znalci".

Vip publicly invited all fellow citizens who have 65 or more years of knowledge and experience to join the "Stari znalci" project and through it, with the widest

audience, share their life lessons, advice and skills. With the most creative participants, selected through the final audition, video tutorials were recorded for Vip's social networks, which could be followed by all the younger generations of the audience. Actors Vlasta Velisavljevic and Seka Sablic, as well as the poet Ljubivoje Rsumovic, found themselves in the role of the jury and ambassador of the project and support to "old experts" in further activities. During the filming, they shared their rich life experience with the participants, and positive impressions about the project with the media, which confirms the importance of this type of support for the elderly in Serbia.



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2.3. Vip Sponsorships

As a company that offers and uses digital solutions and new technologies, we support innovative projects relevant for our core business. Vip also strives to enrich everyday life with valuable content while supporting education, sports and culture. During the previous year, our main focus was on the key sponsorship project “Vip Kinoteka” aimed at preserving the national film heritage.



2.3.1. Vip Kinoteka

The "Vip Kinoteka" project, 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 as cultural goods of great importance.

During 2020, another 4 cult titles that marked the Serbian and the regional cinema were restored and re-screened in the highest quality of image and sound. By using the technique of digital restoration,

legendary films such as "Love affair, or the case of the missing switchboard operator", "Strangler VS. strangler", "Special treatment" and "All that jack's" are now preserved for future generations in the quality they deserve.

In total, 18 movies were restored since the launch of the "Vip Kinoteka" project in December 2017, which was a starting point of the long-awaited process of digital restoration of the Serbian film heritage.

2.4. Responsibility towards compliance

Vip mobile, as a member of Telekom Austria Group, complies with the highest corporate management standards, which are a foundation for establishing an excellent and long-term relationship with our customers, partners and relevant state institutions.

Telekom Austria is listed on Vienna Stock 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. The right way to the right results. Compliance awareness through the Code of Conduct, compliance management policies, regular compliance trainings to all levels of 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, the public, and our employees expect us to meet the highest standards, also in the sense of integrity.