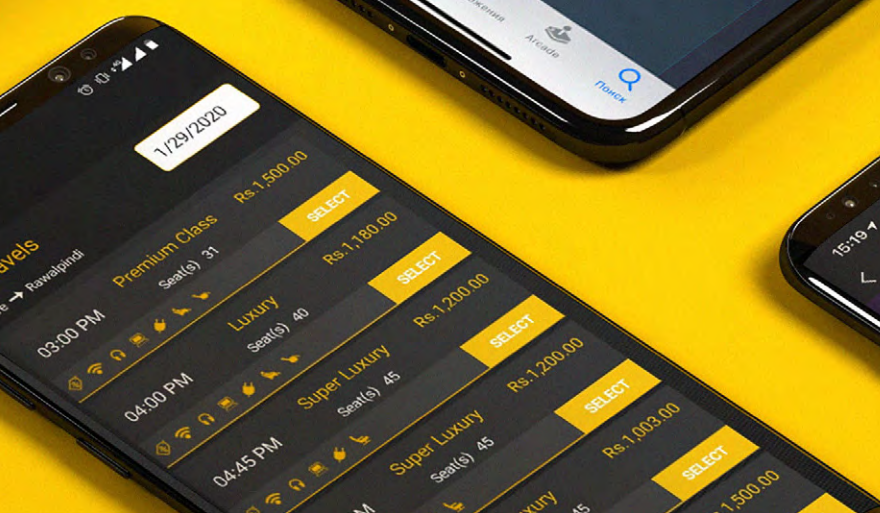
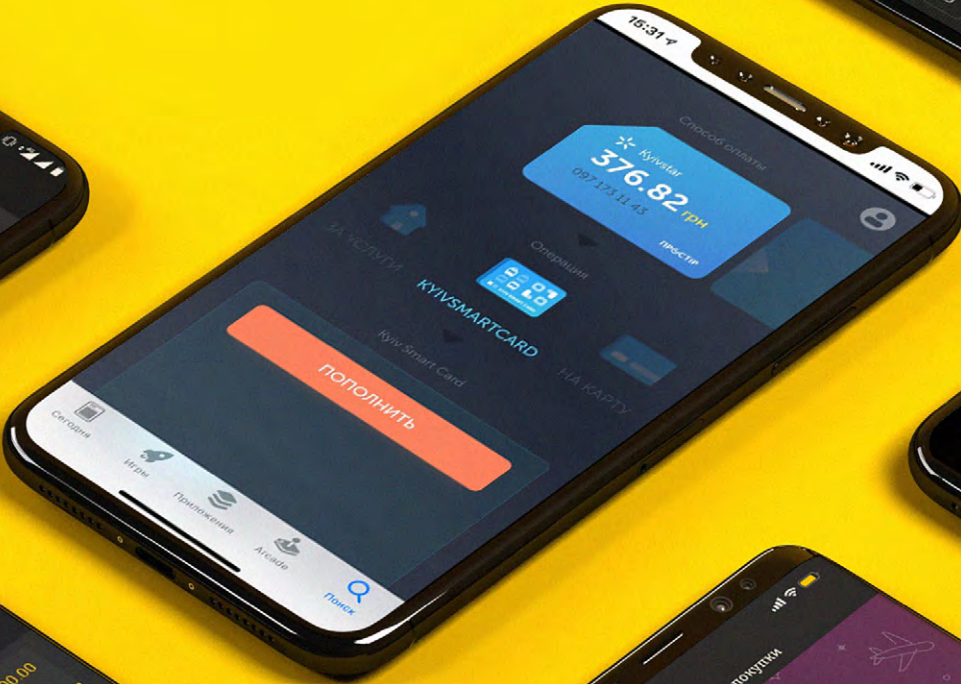
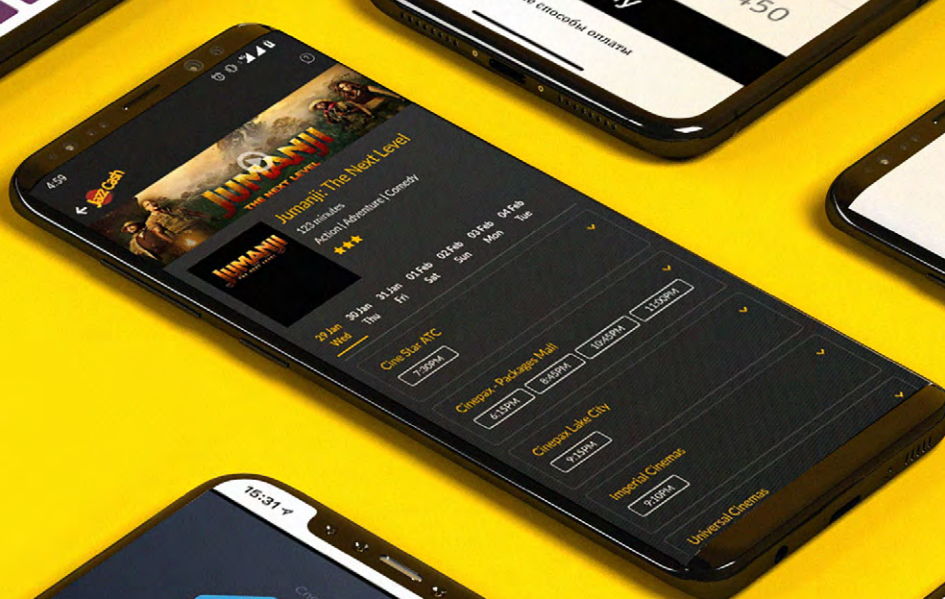
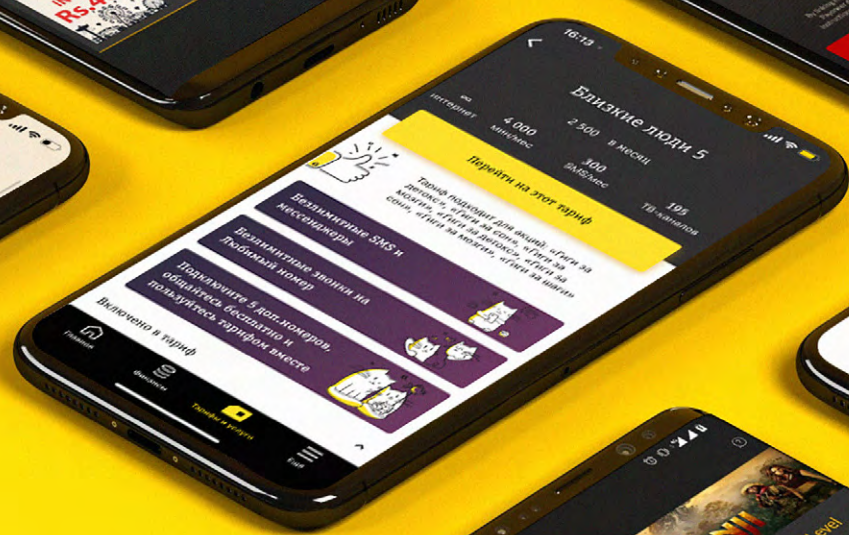
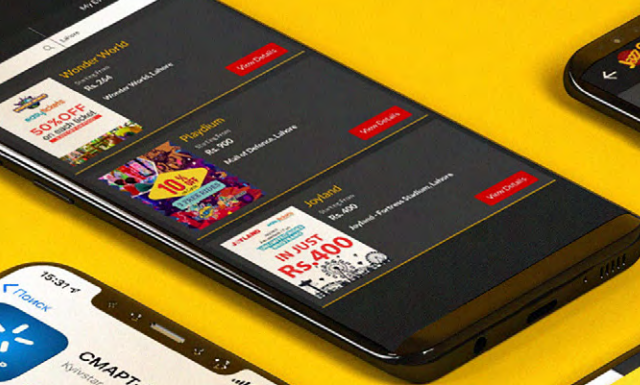




SUSTAINABILITY REPORT 2019





36
BANGLADESH
A guiding light for tech start-ups

37
ALGERIA
Nurturing innovation, leadership and teamwork

38
PAKISTAN
Helping fledgling businesses fly

42
RUSSIA
Addressing income inequality

43
UKRAINE
Digital skills unleash creative thinking

44
PAKISTAN
Promoting 'active' and 'creative' learning

45
ARMENIA
Transforming digital skills learning

46
BANGLADESH
Harnessing social media for social good



Contents

Message from our Chairman	04	Corporate governance	27
		Managing our risks	30
Message from our co-Chief Executive Officers	06	Ethics, transparency and governance	32
2019 overview	08	Fostering digital entrepreneurship	33
Environmental impact	10	Case studies	36
Social and economic impact	11	Bridging the skills and literacy gap	39
Governance update	12	Case studies	42
About VEON	13	Our commitment to sustainable business	47
VEON at a glance	14	Data privacy and cyber security	49
Our three strategic pillars	15	Service quality	51
VEON and the Sustainable Development Goals	16	Digital innovation	53
VEON's value creation approach	18	Digital inclusion	56
Empowerment through technology	20	Talent management and skills development	59
Sustainability strategy	21	Environmental management	64
Sustainability programme framework	22	Our progress on the Sustainable Development Goals	65
		About this report	71
		Our sustainability standards	75
		Independent assurance statement	76



Message from our Chairman

VEON's 2019 Sustainability Report is released during one of the most tumultuous periods in recent history. The COVID-19 pandemic is a health, financial and societal crisis on a scale that few of us could have imagined until recently.



On behalf of VEON's Board of Directors, let me express my gratitude to our employees who have responded so quickly and compassionately to help those customers affected by the pandemic. They have once again demonstrated the positive impact of telecommunications by keeping friends, families and work colleagues connected while they are physically apart.

The primary task of the Board is to grasp the opportunities available to the company while balancing these against strategic, operational, financial and legal risks in accordance with our corporate governance. Pleasingly, the Board includes a mix of people with various consumer-centric, digital and finance backgrounds which is a great advantage in today's rapidly changing business environment.

“ I am proud of VEON's ongoing commitment to the UN Sustainable Development Goals (SDGs). In 2019, through our digital entrepreneurship and digital skills and literacy programmes along with responsible business practices, we made strong progress in realising the Goals most relevant to our business ”

Integrity is at the centre of VEON's corporate governance structure. I am pleased that VEON's focus on ethics, compliance and internal controls – along with improvements in recent years – enabled the company to conclude, in 2019, the Deferred Prosecution Agreement (DPA) with the US Department of Justice, ending its compliance monitorship.

I would like, on behalf of the Board, to thank all of our employees for their tremendous work that ultimately empowers our customers' ambitions.

Ursula M. Burns

Ursula Burns
Chairman



Message from our co-Chief Executive Officers*

2019 was a remarkable year for VEON, where we delivered solid growth and successfully passed important compliance, governance and sustainability milestones. VEON is now better placed to help all our stakeholders prosper in the digital age.

The positive impact of VEON on the communities where we operate has never been clearer. The COVID-19 pandemic, which began in early 2020, has reinforced the fundamental role that our operating companies play in connecting people and providing vital digital services. Since the pandemic struck, our first priority as co-CEOs has been the health and safety of our employees and everyone in our operating countries.

We have been proud to see our employees stepping up to help. Through free data and minutes for customers stranded abroad, free access to vital health sites and hotlines, special rates for doctors and nurses and waived late fees, our employees have responded with care and kindness.

VEON is also helping local communities through humanitarian assistance, including the donation of testing kits, respiratory monitors and ventilators to hospitals along with other essential medical equipment. For those with limited financial means, we are providing food and other provisions where needed.

“Sustainability is ingrained in VEON's global business strategy and goes beyond corporate philanthropy. It is centred around the notion of using technology to empower communities. Our sustainability strategy focuses on fostering digital entrepreneurs, addressing digital literacy gaps and encouraging greater sustainability in those countries where we operate”

*In February 2020 VEON Ltd. (the "Company" or "VEON") announced the appointment of Sergi Herrero and Kaan Terzioglu as co-Chief Executive Officers, effective from March 1st, 2020. The Company also announced that Ursula Burns, who was appointed as Executive Chairman in March 2018 and Chief Executive Officer and Chairman in December 2018, would remain as the Chairman of the Company's Board of Directors (the "Board").

Additionally, our operating companies are running mass awareness campaigns to sensitise the public about the relevant symptoms to be aware of, and measures to prevent the virus from spreading.

We saw for ourselves the positive impact of our sustainability programme in 2019. From the National Incubator Centre for future entrepreneurs in Pakistan to GoCamp for children in Ukraine, not to mention the host of other programmes we support, it is clear we are a force for good in the communities where we operate.

VEON remains fully supportive of the UN Sustainable Development Goals (SDGs). As a responsible company operating in ten developing countries, we view the SDGs as an opportunity to drive socio-economic development in our host countries.

Over the past two years, the SDGs have helped shape VEON's social investments and we are pleased that this year's report includes our progress against the four SDGs where we can have the most impact: Quality Education; Decent Work and Economic Growth; Gender Equality; and Industry, Innovation and Infrastructure.

As we look to the future as co-CEOs, sustainability will continue to be a core part of VEON's approach to responsible business.

Sergi Herrero and Kaan Terzioglu

Co-Chief Executive Officers



\$8.9 billion

Total revenue**

+ 3.4% organic YoY
- 2.5% reported YoY

** All financial information in this report is provided in US dollars



46,492

Total employees

(number of employees working across the Group)



\$4.2 billion

EBITDA

+ 9.6% organic YoY
+ 28.8% reported YoY





VEON SUSTAINABILITY REPORT 2019

2019 OVERVIEW

Environmental impact	10
Social and economic impact	11
Governance update	12

Environmental impact

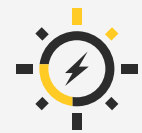
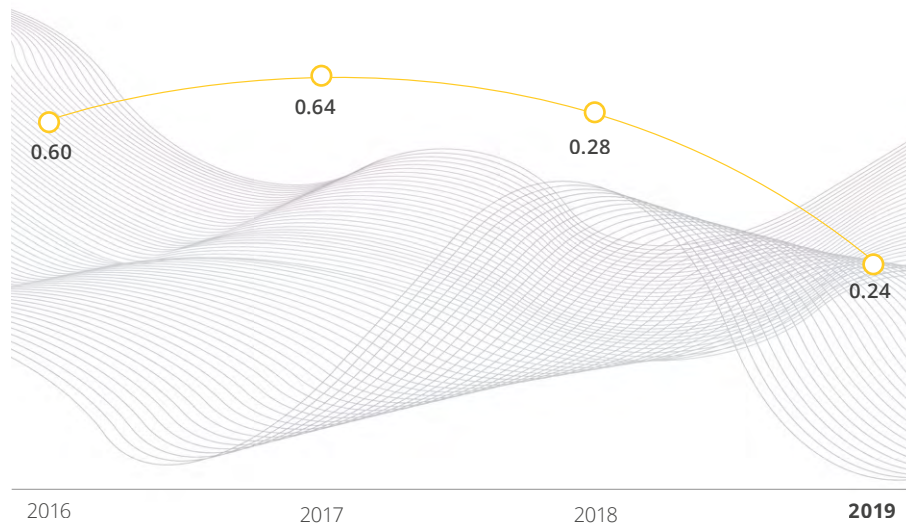
At VEON, we are working to reduce the environmental impact of our business footprint. We prioritise sustainability in all our operations, working to ensure we can conduct our business without harming the world around us.

In this era of climate change, we recognise the urgency of reducing our carbon emissions. One of the largest shares of our greenhouse gas emissions is related to energy consumption in our network.

We are committed to making reductions year-on-year and are proud to share our progress so far. We have achieved reductions in these emissions largely through beginning our transition from coal-based energy to renewable sources such as solar and wind.

These environmental management programmes also generate value for our company by reducing our operating costs.

Total CO₂ emissions per unit of traffic (tonnes/terabyte)



472

BTS powered by renewable technology
(solar or wind energy solutions)



86,287

BTS powered by energy-efficient technology
(power-saving, hybrid-diesel, free-cooling or outdoor units)



14%

Reduction in CO₂ emissions/unit of traffic
(tonnes/terabyte)

Social and economic impact

VEON's network is our most significant contribution to the communities we serve, as it carries voice and transmits data to our 212 million customers. VEON's investment in its network and infrastructure has made significant positive social, economic and behavioural contributions in our ten operating countries. Our services have changed the manner in which our customers communicate, socialise, interact, shop and consume.

In addition, VEON's social investments are helping to provide education to those who previously did not have access to conventional schools. Similarly, we are supporting hundreds of start-ups across our ten operating countries to help them achieve commercial sustainability and grow their businesses.

A new strategy framework

- Designed to boost VEON's long-term growth beyond our fundamental connectivity services by driving value for all stakeholders across three business pillars: Connectivity, New Services and Future Assets
- Sets out VEON's long-term vision of being a communications and digital partner that empowers customer ambitions by acting as a digital concierge to guide their choices and connect resources that match their needs



Compliance and transparency

- Deferred Prosecution Agreement VEON entered with the U.S. Department of Justice (DOJ) in 2016 and monitorship required thereunder were concluded and the criminal information was dismissed
- VEON ranked among the top 10% of most transparent companies in the Netherlands by the Dutch government's 2019 Transparency Index

Corporate governance strengthened

- Enhancement of local Boards with independent advisors to increase local expertise and ensure good governance
- Co-CEO leadership structure adopted to support success of our operating companies across a broader set of goals and deliverables

- Free float of VEON's shares increased to 43.8%

Balance sheet management

- Refinanced short-term borrowings through issuance of USD 700 million in senior unsecured notes
- At 1.7x, balance sheet gearing remained comfortably below 2x tolerance level (pre-IFRS 16 accounting basis)

Shareholder returns

- Annual dividend of USD 0.28 declared for FY 2019 after a year of solid operational delivery
- Generated a return on equity (ROE) of 27% in FY 2019 – among the highest in the telecommunications industry



\$8.1 billion

Economic value distributed



\$0.87 billion

Payments to employees

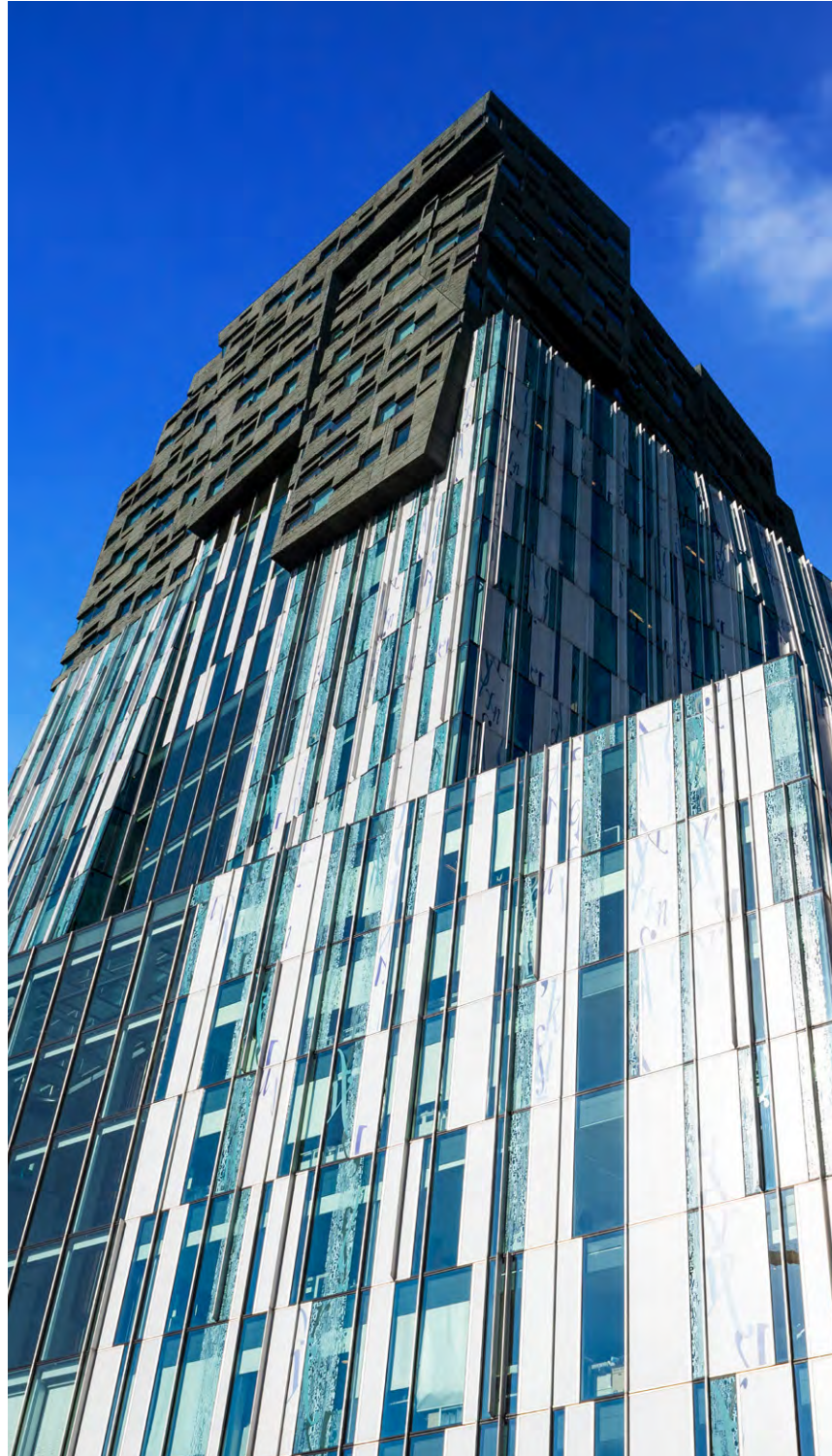


\$0.58 billion

Payments to governments

(taxes and license payments)

Governance update



VEON is committed to delivering the highest standards of corporate governance. Our corporate governance structure is designed to promote integrity in everything we do, and we are committed to responsible and effective governance as a core element of our culture. VEON will maintain and continuously improve its governance framework to achieve best-practice standards and optimise informed, efficient and effective decision-making.

We ensure appropriate oversight through:

- Active Board supervision of the co-CEOs
- Effective oversight of senior management and the operating companies of VEON Ltd. (collectively, the "Group") through the Group Authority matrix
- Our commitment to the alignment of management compensation with the long-term interests of company shareholders

In order to ensure our Board is as effective as possible, we have brought together a diverse group of uniquely qualified individuals. The effectiveness of our Board's oversight is enhanced by the following:

- A majority of the members of our Board are independent as defined in the NASDAQ rules, encouraging independent decision-making
- Our female Board chair and the diverse backgrounds of our Board members reflect the Group's commitment to diversity
- All of our Board members have relevant industry experience
- An annual director self-evaluation process ensures the continued effectiveness of the Board in the future

VEON SUSTAINABILITY REPORT 2019

ABOUT VEON

VEON at a glance	14
Our business strategy	15
VEON and the Sustainable Development Goals	16
VEON's value creation approach	18
Sustainability strategy	21
Sustainability programme framework	22
Stakeholder engagement	23
Materiality assessment	26



MyBeeline



My Kyivstar



banglalink

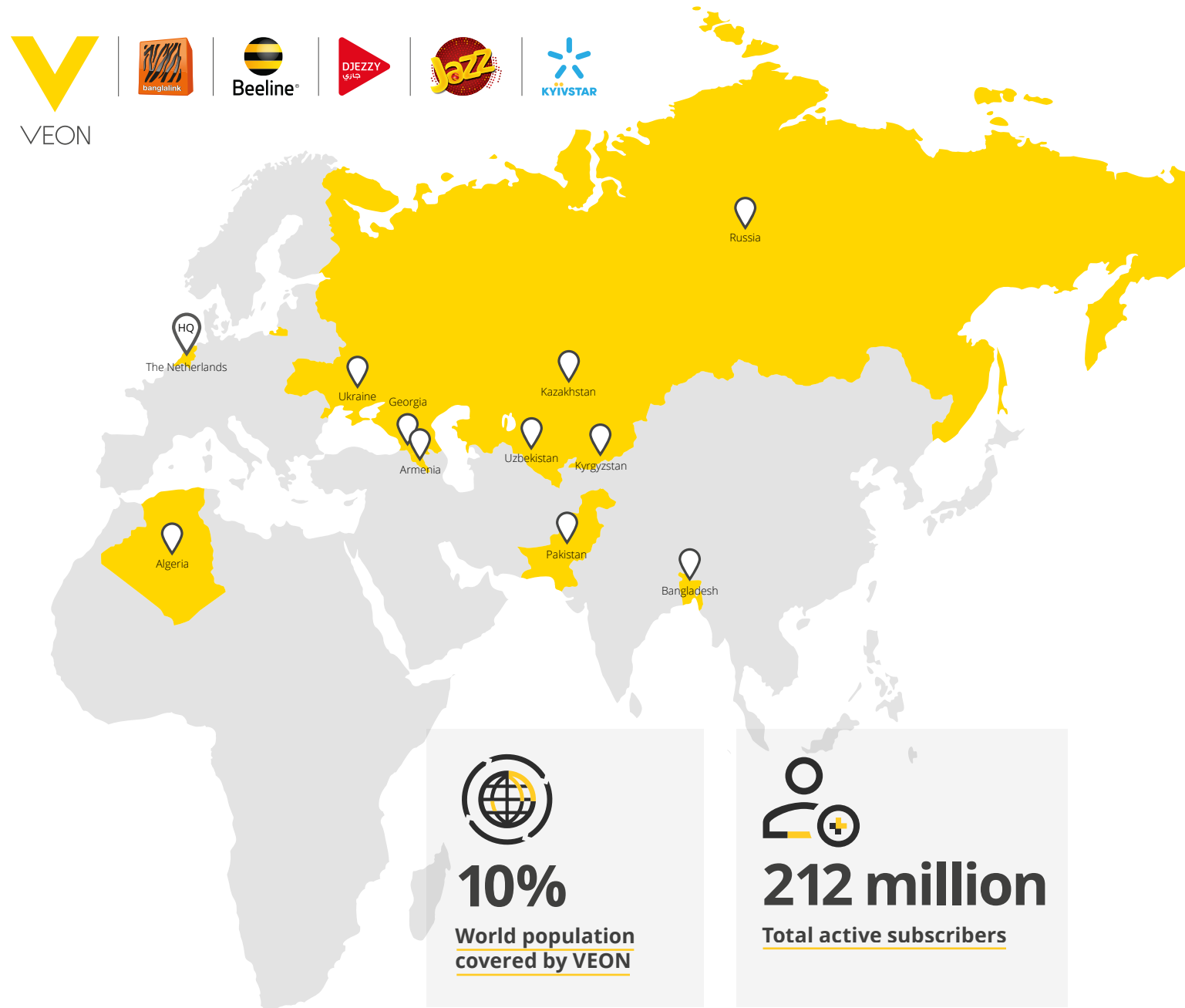


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VEON at a glance

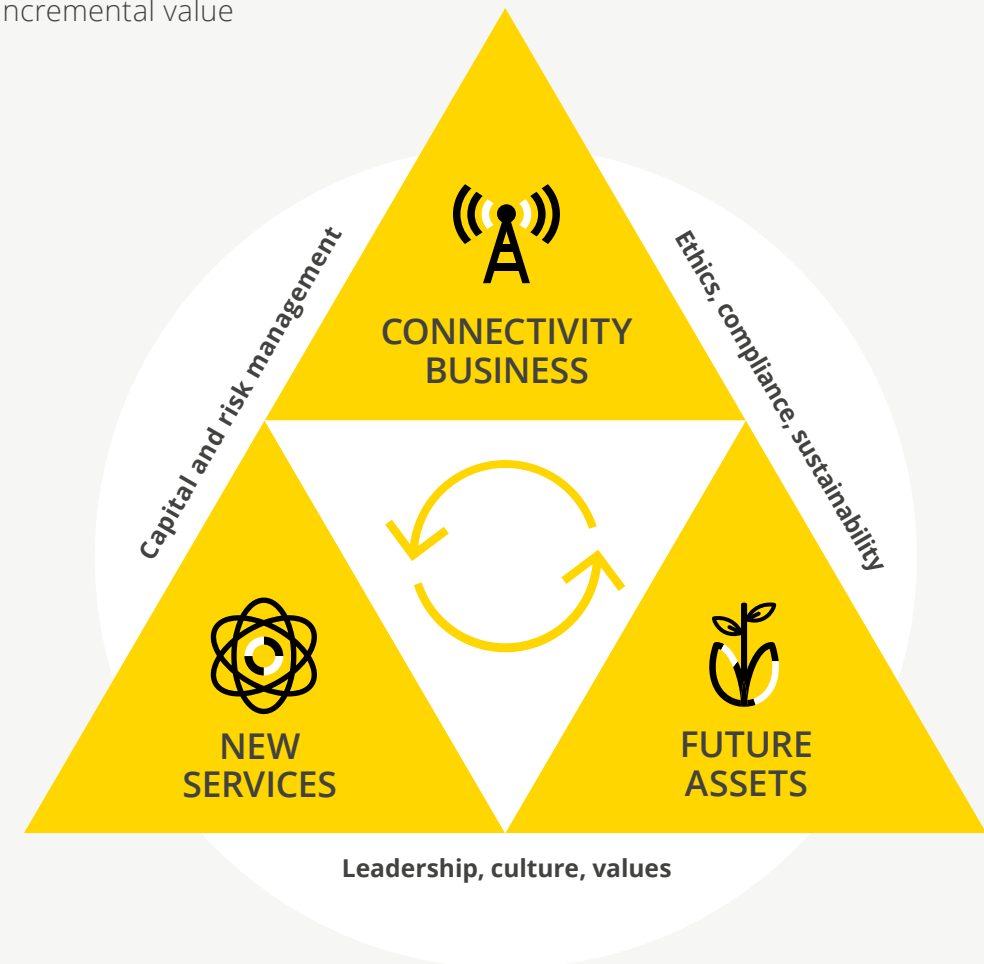
VEON provides essential communications and digital services to **212 million customers** in **10 countries**.

VEON is headquartered in the Netherlands and operates in Algeria, Armenia, Bangladesh, Georgia, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Ukraine and Uzbekistan.



Our strategy

Unlocking new sources of long-term incremental value



<p>OUR CONNECTIVITY BUSINESS</p> <p>22.8 million financial services users</p> <p>Mobilising a connected world</p> <p>VEON is strengthening its networks to bring market-leading connectivity to our markets everywhere through the best value voice and data services.</p>	<p>OUR NEW SERVICES</p> <p>19.6 million self-care users</p> <p>Transforming customer experiences</p> <p>Our goal is to be a digital concierge for our customers through providing a range of new services, built around digital technologies wherever people need them.</p>	<p>OUR FUTURE ASSETS</p> <p>3.2 million TV users</p> <p>Imagining tomorrow's possibilities</p> <p>VEON is investing in future assets that have the potential to define the products and services of tomorrow.</p>
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UN Sustainable Development Goals

As a responsible company operating in ten developing countries, we view the United Nations Sustainable Development Goals (SDGs) as an opportunity to drive socio-economic development in these regions.



Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



100

Children

in Armenia learned digital skills as a result of Beeline Armenia's DO Project. This project was a successful pilot for adding digital skills and literacy to the national curriculum.



3,500

Rural students

in Ukraine received entrepreneurial skills training as part of the Kyivstar-backed GoCamp programme.



16,000

Students

in Kyrgyzstan were trained in digital skills and literacy, smartphone use and critical thinking, as a result of a partnership between Beeline Kyrgyzstan and non-profit AIESEC.



Gender equality

Achieve gender equality and empower all women and girls



100

Technology students

took part in an International Women's Day-themed hackathon run by Djezzy in collaboration with GDG, working on innovative projects that promote diversity and inclusion.



16,000

Female textile industry workers

were empowered with digital and social media skills as part of Banglalink's Learn More, Be More programme in collaboration with Facebook.



37,000

Female students

and 950 female teachers have been trained on digital skills and literacy through Jazz Smart Schools' interactive, technology-based programme.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



200

People with disabilities

have received training to boost their digital skills, confidence and employability through Beeline Russia's Everland programme.



5,000

Jobs

have been created by start-ups supported by Jazz Pakistan's National Incubation Centre (NIC). So far, the NIC has assisted 140 start-ups.



20,000

Young people

in Pakistan's Khyber Pakhtunkhwa region have taken part in digital skills training as part of Jazz's Pakistan Youth Employment Programme in partnership with KPITB and the World Bank.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



1,300

Residents

of rural villages in Georgia can enjoy internet access for the first time, thanks to a rural expansion scheme by Beeline Georgia.



1m

People

in Shymkent were able to access 5G internet during Beeline Kazakhstan's 2019 trial.



30,000

Small business owners

benefit from Beeline Kyrgyzstan's AYA Master CRM app. Many don't have computers, so this helps them run their business from their smartphone.



VEON's value creation approach

VEON recognises the importance of the guiding principles of the International Integrated Reporting Council (IIRC) Framework. Our value chain takes key socio-economic issues into account to ensure that we create sustainable, long-term value for our key stakeholders against each of the capitals we draw upon.

Our approach to value creation is driven by sector-relevant IIRC capitals, which form the basis of our value creation model. These capitals illustrate VEON's interaction with our external environment and the resulting social and economic value we create over time.

In our value creation model, we provide insights into how VEON's different capitals create opportunities for us and our key stakeholders. For example, VEON's flagship digital literacy programme helps people shape their own future and, at the same time, creates a demand for more advanced, data-driven services including digital payment platforms and cloud computing.

In 2019, technological capital gained new strategic importance. As a customer-focused business, VEON analyses large data sets to better understand usage patterns and trends. This offers us the opportunity to improve our portfolio of products and services by anticipating our customers' needs. At the same time, we carefully safeguard personal information to ensure the confidentiality, authenticity and integrity of customer data.

We openly recognise the environmental impact of our extensive network and its carbon footprint. As part of our focus on environmental sustainability, we have committed to reductions in carbon usage year-on-year. We have made strong progress in this respect, which we detail in the environmental management section on page 64, although we have not completely removed our need for conventional energy.

Our base stations, for example, are partially powered through fossil fuels, which have an adverse environmental impact. To decrease our emissions, we apply energy-efficiency and management measures across our network infrastructure. We continually add more energy-efficient, hybrid and renewable energy-powered equipment, both as part of our network infrastructure expansion and as a replacement for outdated, fossil-fuel-powered systems.

We operate in competitive markets and the telecommunications industry is highly capital-intensive. The quality of our services, and therefore our overall commercial success, depends on our ability to keep pace with new developments in technology. This requires developing and innovating products, services and processes, all of which will require additional capital in the future.

For each of the IIRC capitals, we define the factors that are crucial for us, both in the short and long term.

Financial capital

We invest the Group's financial capital to equip and strengthen our operating businesses, enabling each to offer products and services that benefit our customers and the wider communities we serve. Financial capital is allocated in order to generate the long-term returns we require from our investments. We are exposed to foreign currency volatility, particularly the movement of the US dollar against our operating currencies, which may impact our reported financial performance.

We strive for continuous improvement to help ensure we operate as efficiently as we can, through a business structure that best matches our needs and those of both our customers and our investors. We reward our shareholders for their long-term support of our business through a dividend.

Short-term focus:

- 1 Expanding new digital services to enrich the experience of our customers and forge long-term relationships with them, based on an understanding of their needs.
- 2 Delivering solid operational results by providing best-in-class services matched to the demands of our customers.

Long-term focus:

- 1 Investing in connectivity infrastructure by working with governments and other relevant authorities.
- 2 Investing in digital financial services to help the economically disenfranchised.
- 3 Empowering customer ambitions through the development of predictive data-driven services tailored to the individual needs of each customer.

Further information on our dividend policy and financial performance can be found in our Annual Report on Form 20-F for the year ended 31st December 2019, filed with the Securities and Exchange Commission on 13th March 2020 ("Form 20-F").

Digital and technological capital

Our digital and technological capital includes network infrastructure, customer data management systems and online retail channels. We have introduced self-care applications allowing customers in many of our operating countries to manage their mobile accounts from their smartphones in real time. A large proportion of people in several of our operating countries remain unbanked. Realising this as an opportunity, we develop digital financial services that offer a variety of modern financial tools. These include online and mobile money transfers, bill payments, e-commerce, insurances, debit cards and international remittances. At the same time, we understand that our business prospects may be harmed in the event of cyberattacks or severe systems and network failures. We strive to protect the privacy and security of our customers' data while simultaneously ensuring that we deliver good quality and reliable digital services. This includes an ongoing security risk management programme, prioritising the protection of strategic assets and identification of any high-risk vendors.

Short-term focus:

- 1 Building and offering self-care applications to digitise the customer experience.
- 2 Continuing to develop our strong internal policies and practices to safeguard the data privacy and security of our customers.
- 3 Improving the quality and variety of our services through technology-enabled analysis of customer usage patterns in order to reduce churn and encourage new customer acquisitions.

Long-term focus:

- 1 Building community support to safeguard technology and business infrastructure in remote rural locations within our operating countries.
- 2 Priming new market segments by offering digital services such as content, mobile health, mobile education and mobile agriculture.

Social and relationship capital

We create social and relationship capital by working closely and collaboratively with key stakeholders with the aim to build trust. Our engagements with governments, business partners and our communities are proactive and transparent, and help us to work together in a mutually beneficial manner. In many of the countries in which we operate, the application and interpretation of laws and regulations is often unclear and may result in unpredictable outcomes. We recognise that non-transparent business relationships can result in operational risk for the company. This is one of the many reasons why VEON holds its employees and business partners to high ethical and compliance standards. Our global workforce shares five core corporate values: customer obsessed, entrepreneurial, innovative, collaborative and truthful. These values are deeply ingrained in VEON's identity, guiding the way we do business and interact with colleagues, business partners and customers.

Short-term focus:

- 1 Engaging with business partners for commercially viable strategic partnerships.
- 2 Conducting risk-based evaluations of prospective and existing business partners.
- 3 Partnering with credible NGOs to create impactful corporate responsibility initiatives.

Long-term focus:

- 1 Pursuing proactive industry dialogue to ensure VEON is positioned as a credible corporate entity.
- 2 Working with governments and regulators to develop more conducive business conditions.
- 3 Promoting a culture of ethics and integrity, and requiring our partners to do the same.
- 4 Continuing to invest in literacy and skills development programmes in the countries in which we operate, creating future demand for data-driven and advanced products and services.

Human and intellectual capital

We create human capital by providing training and development opportunities for our employees, planned with the business' future needs in mind as well as their own personal progression. As VEON grows, we also seek to recruit new talent. These activities are conducted in accordance with our talent and performance management strategy, which is based around our goal of creating the VEON of the future together, today.

VEON generates intellectual capital by investing in both employee and product development. We recognise that if we are unable to hire, retain and motivate key personnel, we risk not maintaining our competitive market position.

We invest in knowledge systems to support our effectiveness and productivity. This, in turn, allows us to enhance the quality of our products and services.

Across our operating countries, we also support a variety of digital literacy and education programmes. These initiatives help to drive digital inclusion and empower members of our communities to embark on fulfilling careers through which they can support their families and wider economic growth.

Short-term focus:

- 1 Seeking new talent to help develop the products and services of tomorrow.
- 2 Developing the talent of our existing employees and supporting employee retention through training schemes.
- 3 Supporting the development of our tech hubs and smart schools.

Long-term focus:

- 1 Future-proofing our existing workforce to meet predicted business demands by providing relevant training schemes and identifying development opportunities.
- 2 Creating compensation plans to attract high-calibre prospective employees and retain our existing staff.
- 3 Continuing to invest in mobile-based literacy initiatives.

HOW VEON CREATES VALUE

Empowerment through technology

VISION

Our vision is to empower customer ambitions through technology.

STRATEGY

Our strategy is to serve our customers as their digital concierge, connecting them with resources that satisfy their day-to-day needs and help them realise their long-term goals.

INPUT

- Human and intellectual capital
- Social and relationship capital
- Digital and technological capital
- Financial capital



OUTPUT

- 295,000+**
Total e-learning hours
- 212 million**
Total active subscribers
- 5.3 billion**
Mobile data traffic (GB)
- \$8.9 billion**
Total revenue

IMPACT

Digital inclusion



120,010

Participants in mLiteracy programmes

192

Start-ups incubated at tech hubs

Digital empowerment



19.6m

Monthly active users of self-care apps and web-services

7.3m

Digital wallets

Corporate sustainability



12

Cyber security incidents managed preventatively

16.4%

Improvement in voice call drop rate



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

ABOUT VEON

Sustainability strategy

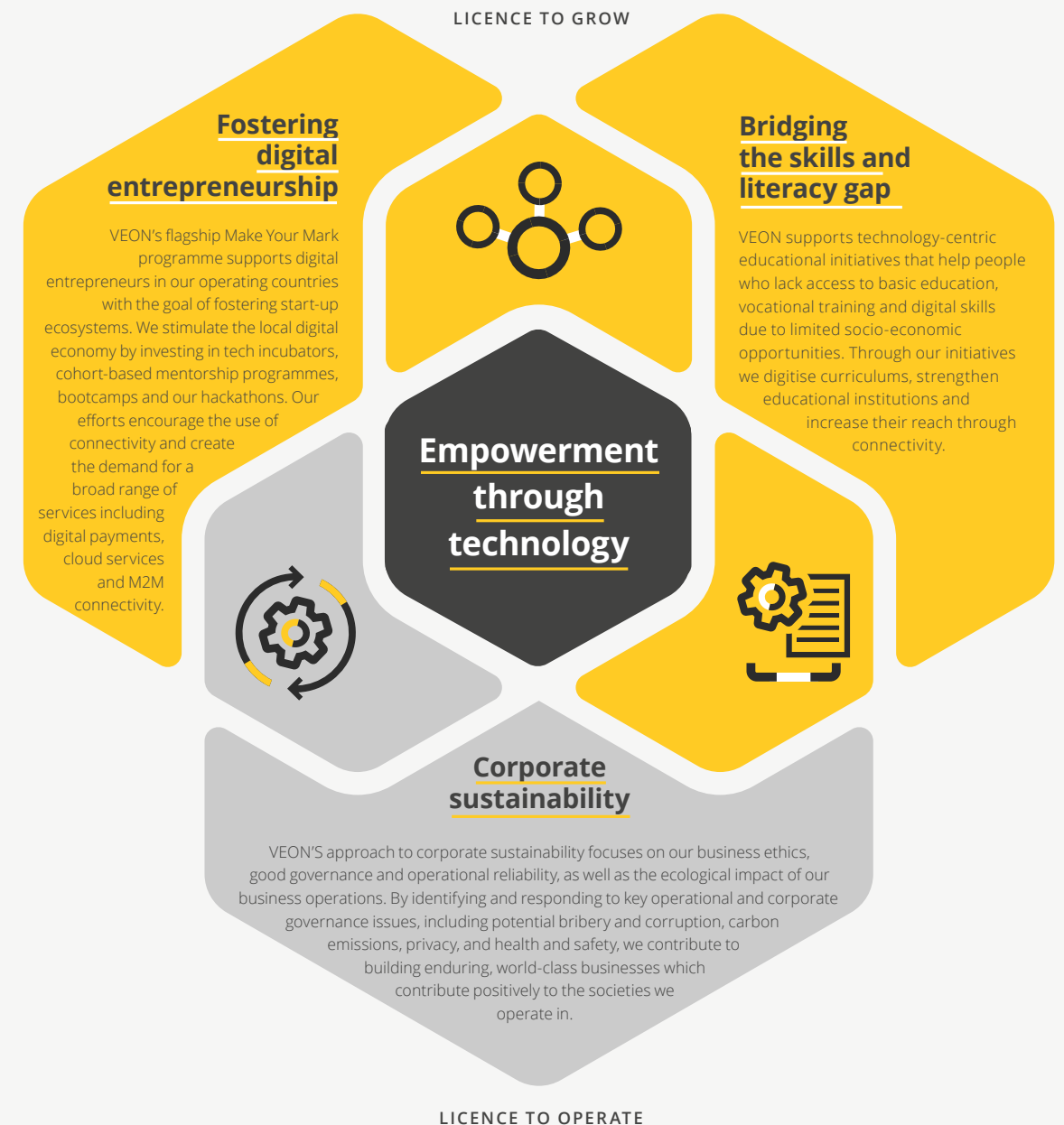
Our approach to sustainability goes beyond corporate philanthropy. It is centred around the notion of using technology to empower communities.

The approach consists of two important elements – our licence to grow and our licence to operate – and reflects our desire to forge valuable partnerships that benefit all our stakeholders.

VEON's Digital Entrepreneurship and Digital Skills and Literacy programmes emphasise our licence to grow and help us to contribute long-term socio-economic value to the communities we serve.

Through promoting digital inclusion and creating new opportunities for our beneficiaries, these programmes also contribute to the demand for digital products and services, which in turn creates new opportunities for our business.

In parallel, our approach to earning and preserving our licence to operate is focused on efforts aimed at improving and sustaining our global operations. It emphasises good corporate citizenship, ethical behaviours and operational performance. VEON is committed to creating social and business value by making impactful investments that help create new services, partnerships and forums, which in turn enable and empower the people we serve.



Sustainability programme framework

VEON's Sustainability team sets annual goals to track the progress of various Group initiatives against the three elements of our Sustainability Strategy, aligning each with our material topics.

	MATERIAL & BUSINESS SIGNIFICANCE	MATERIAL TOPICS	CUMULATIVE PROGRESS AND GOALS	
DIGITAL ENTREPRENEURSHIP	By fostering digital entrepreneurship in our operating countries, VEON contributes to the sustainable development of their communities and economies. Our Make Your Mark programme supports early stage start-ups to grow and thrive, which not only improves employment opportunities within the countries but also unlocks potential new revenue streams for our business. LINK TO VALUES INNOVATIVE ENTREPRENEURIAL	- Impact on society/social involvement - Digital inclusion - Digital innovation <i>*In 2019, only directly supported startups at the tech hubs are included to improve the robustness of reporting</i>	7 Total tech hubs operational Goal 2020: 10	2,243 Total start-ups supported* Goal 2020: 5,000
DIGITAL SKILLS AND LITERACY	Low levels of literacy and education are challenges across all the developing countries where we operate. By supporting literacy and digital skills uplift initiatives, we open beneficiaries up to new opportunities so they can make the most of the digital world. Consequently, we also broaden our potential market of customers. LINK TO VALUES CUSTOMER OBSESSED	- Impact on society/social involvement - Digital inclusion <i>**In 2019, the number of beneficiaries with free internet connections was combined with those of ICT equipment to reduce the risk of double-counting</i>	56,026 Beneficiaries of donated ICT equipment** Goal 2020: 50,000	192,990 Participants in literacy programmes Goal 2020: 50,000
CORPORATE SUSTAINABILITY	We are driven to improve our operational reliability without compromising on our ethical standards. The majority of the Group's employees have received Code of Conduct training and commit to adhering to our Code whilst delivering the highest quality products and services to our global customer base. Our initiatives and commercial offerings, including digital wallets, mobile health and smart literacy solutions, are helping to uplift communities, while also diversifying our customer services portfolio. We take data privacy and cyber security very seriously as it is critical to our service quality and reputation. We measure our impact on the environment and aim to reduce our carbon footprint through a combination of resource optimisation, behavioural changes and technological innovation. LINK TO VALUES TRUTHFUL CUSTOMER OBSESSED COLLABORATIVE	- Talent management and employee education - Ethics and integrity - Environmental performance - Data privacy and cyber security - Quality of services - Supply chain transparency - Financial performance - Digital innovation	~2,000 Potentially adverse events analysed 19.6 m Monthly active users (MAU) of self-care apps and web-services	14% Reduction in CO ₂ emissions per unit of traffic 0.51% Average voice call drop rate

Stakeholder engagement

At VEON, transparency and effective dialogue are the two key tenets of our approach to stakeholder engagement. This approach helps to support our objective of forging relationships based on mutual trust.

We define stakeholders as the parties or individuals we influence through our operations, products and services, and who in turn affect our ability to achieve our goals.

Our relationships allow us to identify which aspects of our businesses are considered most relevant and current in the realm of sustainability and plan our activities accordingly.

We have identified stakeholder groups that are material to the sustainable success of our business and consider their opinions in our decision-making. Here, customers, our communities, employees, host governments, regulators and investors are amongst our most important stakeholders.

Stakeholder engagement includes the formal and informal ways we stay connected with our stakeholders that have an actual or

potential interest in, or impact on, VEON. Rather than having one-off consultations, we prefer to take an integrated approach and maintain regular dialogue both at the operating company and Group level.

Working groups, meetings, conferences, workshops, surveys and town hall meetings are just a few examples of how we interact with our stakeholders.

These engagements are transparent and help ensure that we are closely connected to the socio-economic and environmental issues that are crucial to optimising our contribution to society. This report is one of the methods we use to seek engagement, and we welcome feedback.



Government and regulators

We have a responsibility to contribute to the public debate on a wide range of issues relevant to our industry, as well as broader sustainable development issues. Our knowledge and understanding of the industry and the markets in which we operate enable us to inform and advise government and regulatory authorities on high-priority issues.

These include spectrum policy, digital transformation, innovation in the mobile and fixed telecommunications sector and delivery of public services through technology. Our engagement with government and regulatory authorities is proactive and transparent. We communicate our aims, prioritise international best practices and provide empirical evidence when developing public policy positions.

Employees

Our values help unite the VEON community with a common purpose. We engage with our employees in a number of ways such as town hall meetings. Led by our Chairman and CEO in 2019, these are a forum for engagement where we announce our financial results, strategy and other important business developments, and allow time for questions.

We use a variety of digital tools including social media (such as Facebook at Work), Microsoft Sharepoint, newsletters and targeted surveys to communicate with our workforce. Our values help to further unite the VEON community with a common purpose.

A Joint Works Council exists at the Group HQ and a separate Works Council for VEON's Wholesale Services (VWS) has also been established. These employee representative bodies are regularly informed of issues affecting HQ employees and where legally required, consulted on intended business decisions concerning personnel at our HQ. We also work with trade unions in Armenia, Ukraine, Kyrgyzstan and Georgia on employee remuneration and welfare issues.



Investors

Our shareholders appoint the directors who constitute our Board of Directors. In addition to periodic meetings and conference calls on quarterly and annual results and announcements, we engage with analysts and institutional investors on a regular basis.

These are elements of our ongoing engagement with the broader financial community. As appropriate, we also meet with market participants to discuss financial results, market trends and business strategy, and to address other topics of interest and areas of attention. These activities are coordinated and carried out by our Investor Relations department, which is responsible for engaging with existing and potential equity and credit investors, and both buy-side and sell-side analysts.

Communities

We engage, coordinate and collaborate with prominent local and international non-governmental organisations (NGOs). Our operating companies partner with a wide variety of NGOs and community-based organisations.

These organisations are typically focused on development issues such as education, livelihood support, economic alleviation, disaster risk reduction and rehabilitation. Our commitment to these partnerships helps us to effectively contribute to the socio-economic prosperity of our communities.

Customers

Our company values firmly embed a customer focus across the organisation. We employ an adaptive learning style including Net Promoter Score (NPS) to better understand customer needs and gather feedback. Customer experience management is a particular focus in our operational companies where we develop customers' journeys on an ongoing basis.

Our operating companies' customers engage with us in a number of ways. One of our main goals is to provide them with a fully digital online experience via self-care applications and social media. We also offer a strong retail presence, specifically through mono-brand stores, which enables us to provide a more dedicated experience. Our call centres provide an increasingly personalised approach for customers due to our growing use of digital data analytics.

Finally, we provide a range of point-of-sale options to our customers to facilitate in-person engagement with our operating companies. We conduct customer and market research to provide appropriate-sized offerings for individual users, families and households. It is our intention to make our offerings easy to understand and fit for purpose, supporting a wide range of needs for all customers. We seek to innovate with our digital services by providing our customers with new experiences on an ongoing basis.

Engaging through global and local memberships

Each year, leadership teams at each of our ten operating companies engage in frequent discussions with each our Group-wide identified stakeholder groups: government and regulators, employees, investors, communities and customers. Engagement with stakeholders occurs via a variety of methods including face-to-face meetings, surveys, working group and workshop sessions, conference calls, regional town hall meetings, trainings and joint written communication.

Using these communication mediums, our operating companies take part in engaging in stakeholder memberships on both a global and local operating company scale. For each operating company, the categorisation of memberships can be split up into two different types: memberships with a global focus related to the wider telecommunications and digital industry, and those with a local focus.

Ultimately, these memberships allow us to establish meaningful partnerships that help us operate more effectively.

Global-focused memberships

A number of our operating companies are members of leading telecommunications industry groups. One example is the Centre on Regulation in Europe (CERRE).

CERRE is a Brussels-based think tank that promotes robust and consistent regulation in Europe's network and digital industries. Our operating companies have participated in a number of CERRE workshops, including those that focus on telecommunications regulations, platform policies and net neutrality.

As a company, we take a keen interest in these topics. Our other memberships include the GSMA (Global System for Mobile Communications Association), the World Radiocommunication Conference and the ITU (International Telecommunications Union).

Local-focused memberships

On the local scale, our operating companies host unique memberships focused on various topics, including industry management, policy and IT.

Examples include the Union of Information Technology Enterprises of Armenia (UITE) and the Association of Mobile Telecommunication of Bangladesh (AMTOB). UITE is a non-governmental, non-for-profit entity of IT and high-tech companies, multinational corporations, organizations, and institutions operating in Armenia.

The AMTOB works as an industry voice regarding the complex regulatory issues impacting the Bangladeshi telecommunications industry as a whole, and aims to reduce the negative business impact of changes to licenses and regulations. In addition to these, other local memberships include the National Telecom Association (NTA) of Kazakhstan, the Association of Telecom Operators in Kyrgyzstan, and the Regional Communication Alliance (RCA) in Russia.

In addition, a number of the Group's operating companies hold partnerships with their respective chambers of commerce that allow them to have active roles in shaping local business development.

This includes the National Chamber of Entrepreneurs in Kazakhstan and the Chamber of Commerce and Industry in Kyrgyzstan. Furthermore, when possible, our operating companies strive to assume leadership roles in their markets. For instance, Djezzy, our subsidiary in Algeria, participates in a forum of business leaders.

Dutch Transparency Index

In 2019, VEON was recognised as among the most transparent companies in the Netherlands by the Dutch Transparency Benchmark. This list is compiled by a panel of experts who assess how well key indicators such as sustainability, governance and ethical practices are integrated into a company's core business.

Between 2011 and 2019, VEON has improved its ranking from 449 to 32 out of more than 480 of the largest companies based in the Netherlands. Among technology-focused companies based in the Netherlands, VEON is ranked 4th for transparency.



Materiality assessment

In 2019, VEON conducted a detailed materiality assessment to determine the topics and issues considered most material to the success of our business. The first stage of the assessment included a survey of more than 500 respondents, including employees, investors, regulators, trade bodies and B2B customers. It also involved an extensive review of key sustainability topics reported by comparable

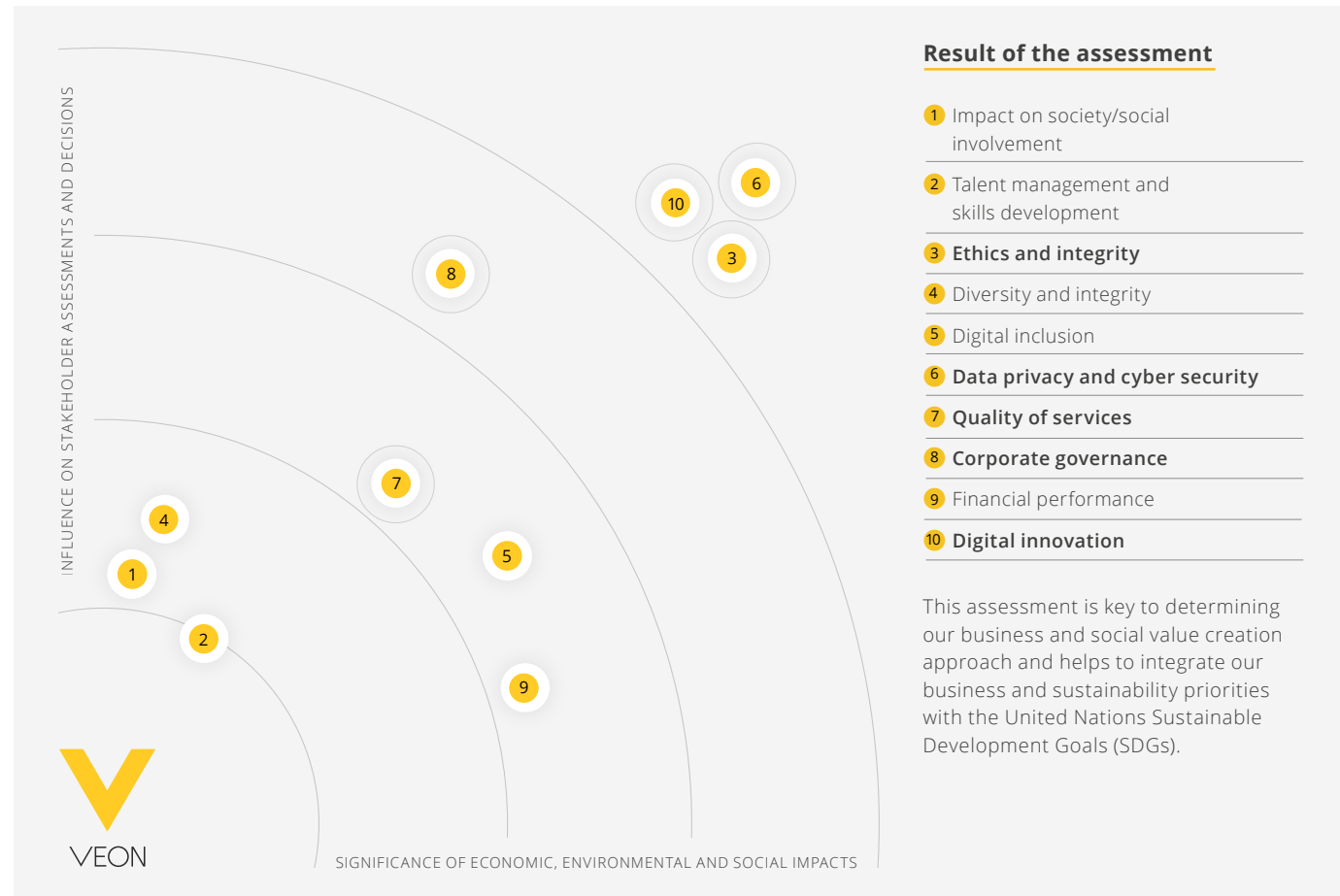
companies and a thorough scan of local and global news sources. Subsequently, ten of the highest-graded topics were shared with selected internal and external respondents, including members of VEON's Group Executive Committee and management teams of each of our operating companies. The final response helped to generate a ranked list of topics, based on their respective contribution to VEON's

economic, environmental and social impact. The list also reflects each topic's respective influence on business decisions and outcomes.

The materiality assessment is the basis of a revised VEON Materiality Matrix: a graphical demonstration which sets forth key areas of importance to VEON, our stakeholders, and our communities.

Based on the outcome of the assessment, the following five topics are considered most material to our company:

 DATA PRIVACY AND CYBER SECURITY	 DIGITAL INNOVATION	 ETHICS AND INTEGRITY	 QUALITY OF SERVICES	 CORPORATE GOVERNANCE
---	--	--	--	--



VEON SUSTAINABILITY REPORT 2019

CORPORATE GOVERNANCE

Corporate governance	28
Managing our risks	30
Ethics, transparency and governance	32



Corporate governance

VEON is committed to delivering high standards of corporate governance, both now and in the future. Our governance structure is designed to promote integrity in everything we do, and we are committed to responsible and effective governance as a core element of our culture.

Our governance structure reinforces integrity by providing appropriate oversight over the decisions we make and the actions we take. Our governance emanates from requirements imposed on the Company, a Bermuda corporation listed on NASDAQ and Euronext Amsterdam. All Group activities must comply with applicable corporate governance statutes and listing rules.

Accordingly, the Company has adopted by-laws which establish clear rules of governance, ranging from matters requiring approval of the Company's shareholders and members of the Board, conflict of interest requirements, and Director and management duties and obligations.

The main governance bodies of the Group include the Company's Board and the Board's committees, the Company's Chief Executive Officers and its Group Executive Committee, the Chief Executive Officers of the operating companies of the ten countries in which the Group operates, and the Board of Directors (or equivalent) of these operating companies.

VEON's Board of Directors

The Board consists of 11 members, a majority of whom are independent as defined in the NASDAQ rules*. All Board members are elected by our shareholders through a cumulative voting process.

Nominations to the Board are managed by its Nominating and Corporate Governance Committee, which is led by an independent member of the Board. The Committee looks to ensure that Board membership consists of individuals with sufficiently diverse and independent backgrounds. All members of the Board possess relevant industry experience, including all seven independent members.

The Company's bye-laws empower the Board to direct the management of the business and affairs of the Group. Our bye-laws require that the Board approves important matters including, among others, the Group's annual budget and audited accounts, organisational or reporting changes to the management structure, and significant transactions as well as changes to share capital or other significant actions.

Moreover, under Bermuda law, the Board has the right to require that any matter come to the Board for approval and any Board member may bring forward an item for the Board agenda, ensuring that the Board provides appropriate oversight over Group matters.

In addition to the Nominating and Corporate Governance Committee, the Board has established an Audit and Risk Committee, a Compensation Committee and a Finance Committee, each of which is profiled individually in the rest of this section.

The Board takes great efforts to ensure its effectiveness and alignment with the long-term interests of the Company's shareholders. The Nominating and Corporate Governance Committee periodically conducts an evaluation of the Board to determine whether it is functioning effectively and meeting its objectives and goals. In doing so, the Committee solicits comments from all Directors, the Company's senior executives and everyone else it deems appropriate, and reports its conclusions and recommendations for maximising the Board's effectiveness to the Board.

Likewise, in order to ensure alignment with the long-term interests of the Company's shareholders, the Compensation Committee periodically evaluates the compensation of Company directors taking into account the competitive landscape, the compensation of directors at other comparable companies, and recommendations regarding best practices. Following review by the Nominating and Corporate Governance Committee, both the Compensation Committee and the Nominating and Corporate Governance Committee make recommendations to the Board on Board compensation.

Group management

To ensure appropriate oversight, the Board delegates to the Company's Chief Executive Officers the power to manage the Company's business, except in certain important matters that are reserved for Board approval. These include, among others, the Company's annual budget and audited accounts, organisational or reporting changes to the management structure and significant transactions, as well as changes to share capital or other significant actions.

To further reinforce integrity and accountability and provide appropriate oversight, the Board has adopted a Group Authority Matrix which identifies matters requiring the approval of the Board, matters requiring the approval of the Group Chief Executive Officers, and matters which are within the authority of certain members of the Group Executive Committee. In doing so, the Board ensures that the Group as a whole operates in an efficient, effective and compliant matter while ensuring that all activities and transactions across the Group are analysed and executed with proper authorities and accountability within a clear framework of compliance and controls.

Group Executive Committee

The co-Chief Executive Officers in turn delegate certain matters to members of the Company's Group Executive Committee. This operates as an advisory committee focused on the management of the business affairs of the Company and its subsidiaries as a whole, including execution of the Group's strategy, driving financial performance, and overseeing and coordinating Group-wide initiatives.

The Group Executive Committee is currently comprised of the Group Co-Chief Executive Officers, their direct reports, including the Company's Chief Financial Officer, Deputy Chief Financial Officer, the Group Chief Strategy Officer, the Chief Technology Officer, the Group General Counsel, the Group Chief People Officer, and the Group Chief Compliance Officer, as well as the Chief Executive Officers of certain of the Company's significant operating subsidiaries.



Prior to their appointment as Group co-Chief Executive Officers in March 2020, the Company's Chief Operating Officers served on the Group Executive Committee.

Group operating company governance

The Group's commitment to delivering high standards of corporate governance extends to our operating companies. The Group Authority Matrix empowers the Chief Executive Officer of each of its operating subsidiaries to manage the business and affairs of his or her respective operating company within certain parameters, which are set out in the matrix. Each operating company and its Chief Executive Officer are fully accountable for all business and affairs of the operating company, including operational performance and ensuring proper compliance and controls. The Chief Executive Officer of each operating company is also responsible for ensuring that all matters are properly approved in accordance with the Group Authority Matrix, Group policies and the Company's bye-laws.

Each operating company, as required by local law, maintains a board of directors or equivalent governing body. These operating company boards have specific duties and responsibilities under the operating company's organisational documents. The composition of the operating company boards includes in part certain members of the Group Executive Committee, who ensure full compliance with the requirements of the operating company's governing documents and local law.

These members also work to create greater clarity on expectations for the Chief Executive Officer of each operating company and tighten information between the operating company and the Group. In doing so, these members work to promote a culture of collaboration and entrepreneurship between the Group and our operating companies.

Sustainability team

As part of the Corporate Communications department, the Sustainability team reports to the Group Head of Investor Relations, who in turn reports to the Group Chief Strategy Officer. During 2019 the team reported to the Chief People Officer, who in turn reports directly to the Group Chief Executive Officer.

The team regularly carries out employee communication around the Group's approach to sustainability, reinforcing our commitment to doing business with integrity and transparency. We also share best practices, ongoing challenges and emerging issues across the businesses through monthly update calls. Operating company sustainability teams regularly share programmatic updates with their respective senior management. These include major developments as well as any challenges encountered in the implementation of projects.

We publish our Sustainability Strategy, performance and programmes in our annual Sustainability Report which also contains information on our environmental, social and governance-related performance. Information on our sustainability programmes and commitments is also available on our website.



*As determined by the Board in 2019.

Managing our risks

Risk management

VEON has adopted the relevant criteria from the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Enterprise Risk Management (ERM) – Integrated Framework (2017) as the foundation of our enterprise risk management approach.

Through VEON’s ERM framework, our management aims to identify, assess, adequately manage, monitor and report risks that could jeopardise the achievement of our strategic objectives. A unified and consistent ERM framework is used throughout the organisation.

Strengthening our risk culture: three lines of defence

The ‘three lines of defence’ approach provides a simple and effective way to enhance communications around risk management and control by clarifying roles and responsibilities. VEON has adopted this model to provide reasonable assurance that risks to achieving important objectives are identified and mitigated.

VEON recognises that the first line of defence consists of the business functions who own and are responsible and accountable for directly assessing, controlling, and mitigating risks. Since 2016, targeted communication campaigns have been launched globally to foster risk and control awareness across the Group.

During 2019, an awareness campaign using sport, games and the idea of teamwork to highlight the importance of every individual’s contribution to effective risk management and a strong control environment was launched to reinforce accountability and ownership for risk management and the internal control environment.

As part of this initiative, over 3,000 employees were invited to take part in an e-learning campaign, including all local control and risk owners, all assurance functions and senior business leaders. As of 31st December 2019, 69% of these employees (2,164 out of the 3,137 invited) have completed the training.

As a next step, this training will be added to the onboarding materials of any new employee.

The second line of defence monitors and facilitates the implementation of effective risk management practices and internal controls by the first line. The second line comprises Group Internal Control, Group Enterprise Risk Management, Group Ethics and Compliance, Group Legal, Group Revenue Assurance and Fraud Management, and Group Cybersecurity. The second line supports the business functions in identifying what could go wrong and provides the methods, tools and guidance necessary to support the first line in managing their risks.

As a publicly traded company on a U.S. stock exchange registered with the U.S. Securities and Exchange Commission, we must comply with the Sarbanes Oxley Act (“SOX”). SOX Section 404 requires that management perform an assessment of the Internal Controls over Financial Reporting (“ICFR”) to confirm both the design and operational effectiveness of the controls.

Our internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of VEON Ltd.’s published consolidated financial statements under generally accepted accounting principles. The VEON ICFR Framework incorporates risk assessment as part of our scoping process, an assessment of the design effectiveness of the required controls, testing of the operating effectiveness of the key control activities, and monitoring of our financial reporting at entity-wide and functional levels.

Our Group Internal Control department has established and maintains uniform governance, policies and control standards that apply to controlled subsidiaries. Our ICFR testing results are reported into our Board of Management, Risk, Ethics, and Assurance Committee (REAC), and our Audit and Risk Committee on a quarterly basis as part of our assurance model.

The Group Internal Audit team comprises the third line of defence and is responsible for providing independent assurance to senior management on the effectiveness of the first and second lines of defence. The function conducts ad hoc financial, information technology, strategic and operational audits, and special investigations. Throughout, Internal Audit conducts its activities in a manner based on a continuous evaluation of perceived business risks.

To ensure strong oversight of and alignment between the three lines of defence, we established our Risk, Ethics and Assurance Committee (REAC), which is co-chaired by the Group Chief Financial Officer and Group General Counsel and includes the Group Directors of each of the assurance departments.

REAC oversees and aligns the activities of the Group’s various risk and assurance functions to coordinate and manage actions efficiently across the Group, which includes (i) advising senior management on matters concerning the risk, ethics and compliance, including an overall risk and assurance vision and strategy, (ii) overseeing activities to develop and maintain a fit-for-purpose risk and assurance program, (iii) engaging with VEON’s senior management on important developments in the context of risk, ethics and compliance, and (iv) acting as an escalation body to resolve issues around the management of Group risks.

Defining our risk appetite

In line with the COSO Framework, the VEON ERM Framework categorises risk into four risk categories: strategic, operational, financial and legal, and compliance and regulatory. Our risk appetite is defined for each of the four risk categories by considering our business objectives, as well as potential threats to achieving these.

On an annual basis, for each category of risk the Group Executive Committee, Audit Committee, and Board of Directors define the risk appetite statements, which are then integrated into the business through our global policies and procedures.



Effective risk management requires a continuous and iterative process and involves the following five steps:

1. Clarify objectives and identify risks:

VEON’s strategy is developed with a comprehensive understanding of the strategic and inherent risks involved in doing business. We consider the potential effects of the business context on risk profile as well as possible ways of mitigating the risks we are exposed to.

2. Assess and prioritise risks:

Risks identified as relevant for VEON are assessed in order to understand the severity of each risk to the ability to execute on VEON’s strategy and business objectives. The severity of risk is assessed at multiple levels of the business as it may not be the same across divisions, functions and operating companies.

3. Respond to risk:

The assessed severity of the risk is utilised by management to determine an appropriate risk response (take, treat, transfer or terminate) which may include implementing mitigations, taking into account the risk appetite.

4. Monitor, report, and escalate:

VEON’s Group Executive Committee reviews significant risks assessed and prioritised based on the Group’s ERM framework. Members of the Group Executive Committee also regularly speak with VEON’s Board of Directors, in particular with the Audit and Risk Committee, to evaluate material Group risks.

VEON’s management also monitors and evaluates risk through our Risk Ethics and Assurance Committee (REAC), which is co-chaired by the Group Chief Financial Officer and Group General Counsel and includes the Group Directors of each of the assurance departments.

REAC oversees and aligns the activities of the Group’s various risk and assurance functions to coordinate and manage actions efficiently across the Group, which include:

- (i) Advising senior management on matters concerning the risk, ethics and compliance, including an overall risk and assurance vision and strategy.

- (ii) Overseeing activities to develop and maintain a fit-for-purpose risk and assurance program.
- (iii) Engaging with VEON’s senior management on important developments in the context of risk, ethics, and compliance.
- (iv) Acting as an escalation body to resolve issues around the management of Group risks.

The Board of Directors maintains a number of committees, including the Audit and Risk Committee, which expressly refers to its role in overseeing VEON’s ERM framework in its charter.

5. Assure:

On a quarterly basis, through the management certification process, local CEOs and CFOs certify that significant risks have been considered and appropriate measures have been taken to manage the identified risks, in accordance with the Group’s ERM Policies and procedures.

Ethics, transparency and governance

We firmly believe that better business performance and our success are earned through transparency, honesty and keeping our promises. Therefore, VEON holds employees and business partners to high governance, ethical and compliance standards. A strong culture of integrity drives better business results and is essential to our success.

Anti-bribery and anti-corruption

VEON does not tolerate bribery or corruption in its operations or on its behalf and is committed to maintaining an effective compliance programme to manage bribery and corruption risks.

While compliance is everyone's responsibility within VEON, the ethics and compliance programme is managed by dedicated compliance professionals in its headquarters and in each of its operating companies. With oversight and governance from headquarters, operating company compliance personnel tailor their programmes to suit local regulatory requirements and operational needs.

VEON's ethics and compliance staff report to the Interim Chief Ethics & Compliance Officer, who has access to the Audit and Risk Committee of the Board of Directors and reports to the Group General Counsel.

In addition, VEON's Group Compliance Charter mandates an adequately resourced compliance function that provides leadership and oversight for effective implementation of VEON's compliance programme.

We continuously reinforce our commitment to compliance through annual training and awareness campaigns, leadership messages, internal media posts, videos, screensavers, micro-learning sessions and refreshers.

In 2019, 6,279 employees completed anti-corruption and bribery training. This training is mandatory for employees identified as medium- and high-risk.

VEON's Code of Conduct

VEON's Code of Conduct provides Group-wide standards designed to promote honest and ethical business conduct, full, fair and accurate reporting, compliance with applicable laws, prompt reporting of violations and accountability. We conduct annual, online Code of Conduct training for all VEON staff.

Employees across the Group have access to a confidential and anonymous, if desired, externally supported reporting system for raising compliance concerns, which is accessible by email as well as an internet portal. Reports to this 'SpeakUp' system are assessed and, if appropriate, investigated by internal or external teams.

We maintain a strict anti-retaliation policy and do not tolerate retribution against anyone who reports concerns in good faith.

We also expect our business partners to meet standards of good business conduct, including complying with applicable anti-bribery and anti-corruption laws and regulations and our Business Partner Code of Conduct. In addition, our business partners are subject to risk-based due diligence, which is refreshed periodically.

US Deferred Prosecution Agreement and monitorship

In October 2019, VEON successfully completed its three-year Deferred Prosecution Agreement (DPA) arising from 2016 settlements with US and Dutch authorities relating to VEON's business in Uzbekistan. In concluding the DPA, VEON's independent compliance monitor ("the Monitor") certified the effectiveness of VEON's compliance programme and internal controls, following implementation of the Monitor's recommendations across the Group.



31,372

Employees completed annual Code of Conduct training



6,279

Employees completed annual anti-bribery and corruption training

(selected functions were invited)



80%

Employees trust their managers

(employees who trust their managers and consider E&C* effective)

*Ethics and compliance programmes

VEON SUSTAINABILITY REPORT 2019

FOSTERING DIGITAL ENTREPRENEURSHIP

Introducing Make Your Mark Case studies	34 36
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Introducing Make Your Mark



VEON launched the Make Your Mark initiative to foster digital entrepreneurship in the countries where we operate. The programme focuses on supporting people to start their own businesses, which in turn helps to create fulfilling jobs for others.

VEON operates in developing economies that typically have young, growing populations. These conditions can create a significant demographic dividend for these countries if there are sufficient employment opportunities and prospects of earning a decent livelihood for the upcoming generation as they reach adulthood.

In 2015, we launched the Make Your Mark initiative to foster digital entrepreneurship across our operating countries, equipping these populations with the technological skills and tools they need to enter the competitive global marketplace.

“ We firmly believe that the development of IT entrepreneurs can play a vital role in materialising the vision of a truly Digital Bangladesh ”

Zunaid Ahmed Palak
MP and Honourable State Minister for Information and Communication Technology

Make Your Mark supports our contribution to two of the UN's Sustainable Development Goals in particular: SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure).

Our operating companies invest in start-up incubators and accelerators, supporting industry, innovation and the development of a solid, sustainable local infrastructure. This offers budding entrepreneurs support to launch and scale business ideas that solve unmet socio-economic needs and create fulfilling work for others in their country. The growth of their businesses drives the local economy. These start-up programmes typically operate under public/private partnerships, such as the Jazz National Incubation Centre in Pakistan which is run in collaboration with the Ministry of Information Technology and Telecommunication.

Our incubation tech hubs not only provide shared working facilities; they also offer intensive mentorship and a range of other support services tailored to each market's particular needs. Our initiatives typically offer four- to six-month programmes for groups of early-stage businesses.

Participants are offered guidance on everything from technology and leadership skills through to growth hacking and fundraising. For example, the Sevan Start-Up Summit in Armenia provides successful seed-stage innovators with the vital marketing know-how they need to take their ideas to market.

Successful start-ups are showcased globally, including at the acclaimed annual Mobile World Congress in Barcelona. We also support local hackathons such as the diversity-themed Djezzy Incubator hackathon in Algeria, application development competitions, and other non-resident programmes to encourage the development of broader digital ecosystems in our operating countries. Supporting these start-ups and entrepreneurs has helped us foster an internal culture of innovation and entrepreneurship.

Additionally, our provision of personal and professional development masterclasses helps to lay the foundations of entrepreneurship among even the youngest participants. In Kyrgyzstan, for example, schoolchildren can gain access to knowledge and resources in an inspiring co-working space. By creating economic opportunity for thousands of people, we are building a more sustainable business environment. Additionally, by boosting the local digital economy, we create more demand for digital services. Therefore, the Make Your Mark programme simultaneously adds value for society and for our shareholders.

1
44,249
Entrants in entrepreneurship competitions
(hackathons, coding competitions)

11,080
Attendants of entrepreneurship events
(events organised at educational centres)

12
Hackathons
(hackathons organised across the Group)



FOSTERING DIGITAL ENTREPRENEURSHIP

Bangladesh: a guiding light for tech start-ups

With grants from the Queen's Commonwealth Trust and Bangladeshi government under their belt, plus accolades from the UN Development Programme, the founders of Teach It barely recognise their once cash-strapped start-up.

"Starting from scratch wasn't easy. We realised that when our savings came close to nil," says Co-founder and CEO Muhammad Tahmid Hussain Sumit. "Then, just like a guardian angel, the Banglalink IT Incubator came into our lives."

A community-driven e-learning platform that aims to fill learning and teaching gaps in Bangladesh's tertiary education system, Teach It started life in what Tahmid describes as a "cubicle". So, when the start-up was accepted by the incubator, the change was transformational.

"Web development, design, research and strategy were so much easier as we had a space to brainstorm. Moreover, the programme's mentors played a pivotal role in giving shape to our ideas and making us market-ready."

Because while the Bangladeshi government hopes to boost already rapid annual GDP growth of 7.3% through the creation of a dynamic digital entrepreneurship ecosystem, provision of vital infrastructure such as workspaces and business support remains patchy. Which is why, in partnership with the ICT Division of the Bangladesh Hi-Tech Park Authorities, VEON's Bangladeshi operating company Banglalink runs the Banglalink IT Incubator.

Following a highly competitive selection process, the incubator, which launched in 2016, offers successful candidates dedicated office space in a free co-working hub, online resources, mentorship, networking opportunities and access to customers through partnerships.

Those accepted onto the programme must, among other criteria, demonstrate

exceptional problem-solving skills and have a business idea that is highly innovative and of clear social value.

The incubator makes a vital contribution to the UN Sustainable Development Goals 8 (Decent Work and Economic Growth) and 9 (Industry, Innovation and Infrastructure) by promoting sustainable economic development and fostering innovation.

"As one of the leading digital communications service providers in Bangladesh, Banglalink has always tried to play an essential role in laying the foundation of a robust digital ecosystem in the country," says Banglalink CEO Erik Aas. "Banglalink IT Incubator has already succeeded in helping many digital entrepreneurs pursue their dreams."



100+

Bootcamp participants



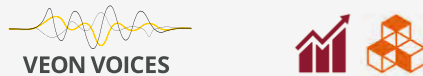
7

Start-ups incubated



200

Aspiring entrepreneurs supported



“Banglalink IT Incubator enabled us to gain initial traction and capture the attention of the ecosystem. We are eternally grateful to it for being our guiding light”

Muhammad Tahmid Hussain Sumit,
Co-founder and CEO, Teach It

He notes that this includes over 50% of the 2019 cohort, who have successfully launched to market.

Zunaid Ahmed Palak, MP and Honourable State Minister for Information and Communication Technology, adds: "We firmly believe that the development of IT entrepreneurs can play a vital role in materialising the vision of a truly Digital Bangladesh."

Thanks to their experience at Banglalink IT Incubator, Tahmid and the Teach It team are already part of that vision. "The Banglalink IT Incubator enabled us to gain traction and capture the attention of the ecosystem. We are eternally grateful to Banglalink IT Incubator for being our guiding light."



FOSTERING DIGITAL ENTREPRENEURSHIP

Algeria: nurturing innovation, leadership and teamwork



"Our university courses are theoretical and practical, but the practical classes get oversubscribed, so we need to find other opportunities outside of university," says 21-year-old Ilham Sellami, a third-year computer science student at ESI Alger, the Higher National School of Computer Science in Algiers.

Which is why Ilham embraced the chance to take part in the diversity- and inclusion-themed Devfest Hackathon at ENP Incubator by Djezzy, in which her team won first prize for its Accesso app, a notification service for users with disabilities.

Ilham explains that this was her first opportunity to work with mobile technology. "Mobile apps are becoming such an important part of our lives, so my experience at the Hackathon was a big development for me," she says.

Moreover, thanks to their success at the hackathon, Ilham and her team have been offered a place on the ENP (Ecole Nationale Polytechnique) Incubator run by Djezzy, VEON's operating company in Algeria, where they can receive support to take their product to market.

Opportunities like these count for a lot in Algeria, which has 30% youth unemployment and, to date, has made limited progress in nurturing a culture of

innovation and entrepreneurship. That said, the newly elected government is now introducing dedicated initiatives aimed at enabling aspiring young entrepreneurs to play their part in diversifying Algeria's traditionally fossil-fuel-dependent economy.

Events like DevFest Hackathon support this development. Organised in partnership with GDG (Google Developers Group) Algiers and Women Techmakers Algiers, the 2019 Hackathon was hosted in Djezzy's ENP Incubator,



100+

Hackathon participants



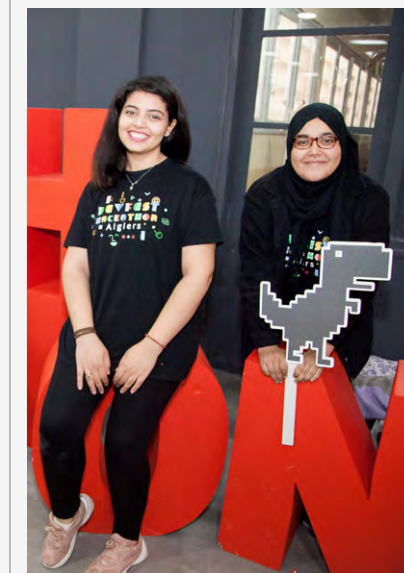
4

Partner universities



15

Projects submitted



“I've always wanted to be an entrepreneur, but I'd never thought about a diversity focus until I took part in the hackathon. It made me pay attention to the issues that people encounter in everyday life and understand how technology can help”

Ilham Sellami
Hackathon winner and co-creator of Accesso

with the operator also providing data for the 36-hour event.

"The attractive space and logistics that we provide inspires people to innovate," explains Assia Driouche, Djezzy's Manager of Corporate Social Responsibility. Most of all, she adds, participants also gain key business skills such as leadership and teamwork.

And while the hackathon offered 100 young innovators the chance to tap into expert guidance, it also made sound business sense, enabling Djezzy to promote its ENP Incubator and talent-spot a new generation of potential employees.

Highlighting the event's contribution to UN Sustainable Development Goals 8 (Decent Work and Economic Growth) and 9 (Industry, Innovation and Infrastructure), Driouche adds: "As a corporate citizen it is our duty to provide spaces where people can innovate and to help produce future employers by encouraging start-ups."

FOSTERING DIGITAL ENTREPRENEURSHIP

Pakistan: helping fledgling businesses fly



"Jazz xlr8 has been instrumental in helping us scale our business," says Ali Moeen, the proud co-founder of car rental app start-up Roamer. "We are now looking to raise a series A round. And, with the support of Jazz through Jazz xlr8 and NIC, we are getting good traction from local and international VC funds."

Indeed, since joining the Jazz National Incubation Center (NIC) and its accelerator programme Jazz xlr8, Roamer has blossomed, securing investments totalling USD 2,500 and enabling it to create 1,200 jobs. As Ali reflects, it is a far cry from earlier struggles to balance new customer acquisition with protection of limited funds – challenges that the centre helped his team navigate through marketing mentorships, bulk SMS support, and access to data, analytics and technology credits.

Ali is one of a growing number of digital entrepreneurs emerging from Pakistan's so-called "youth bulge". Representing 64% of the population according to the United Nations Development Programme, these under-30s are tech-savvy and instinctively entrepreneurial. But they face barriers to success, namely accessing funds and industry expertise.

A torchbearer for Pakistan's burgeoning start-up scene, the NIC paves the way by connecting entrepreneurs, innovators, mentors and investors in a state-of-the-art incubation facility offering technical training and networking opportunities.

This pioneering public-private partnership, the first of its kind in Pakistan, brings together VEON's Pakistani operating company Jazz, Teamup, and Pakistan's Ministry of Information Technology & Telecommunication, with the latter providing a USD 5.4m grant for the five-year programme.

Running since 2016, this year the NIC took on over 50 start-ups in domains as diverse as artificial intelligence, fin-tech and agri-tech. And with more female entrepreneurs now enrolled, a new day-care centre has been a lifeline for those with children.



162

Start-ups

(start-ups assisted by the programme)



\$4m

Investment

(total USD raised by the graduates' start-ups)



5,000

Jobs

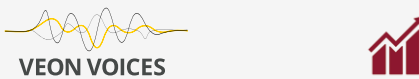
(created by the participating businesses)



55

Women

(female participants in the programme)



“It is a unique experience to visit the National Incubation Center and witness the great work being done by young founders. I believe, if provided with the same opportunities and platforms, they will play an important role in building a prosperous digital Pakistan”

Syed Zulfiqar Abbas Bukhari
Special Assistant to the Prime Minister on Ministry Overseas Pakistanis & HRD

In fact, inclusivity underpins the facility, which was built to be accessible for users with disabilities. This helps it support UN Sustainable Development Goal 8, which advocates for: "sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all."

There is a commercial upside too, in that products and services incubated at the NIC frequently dovetail with Jazz's own business, providing it with privileged access to new technology.

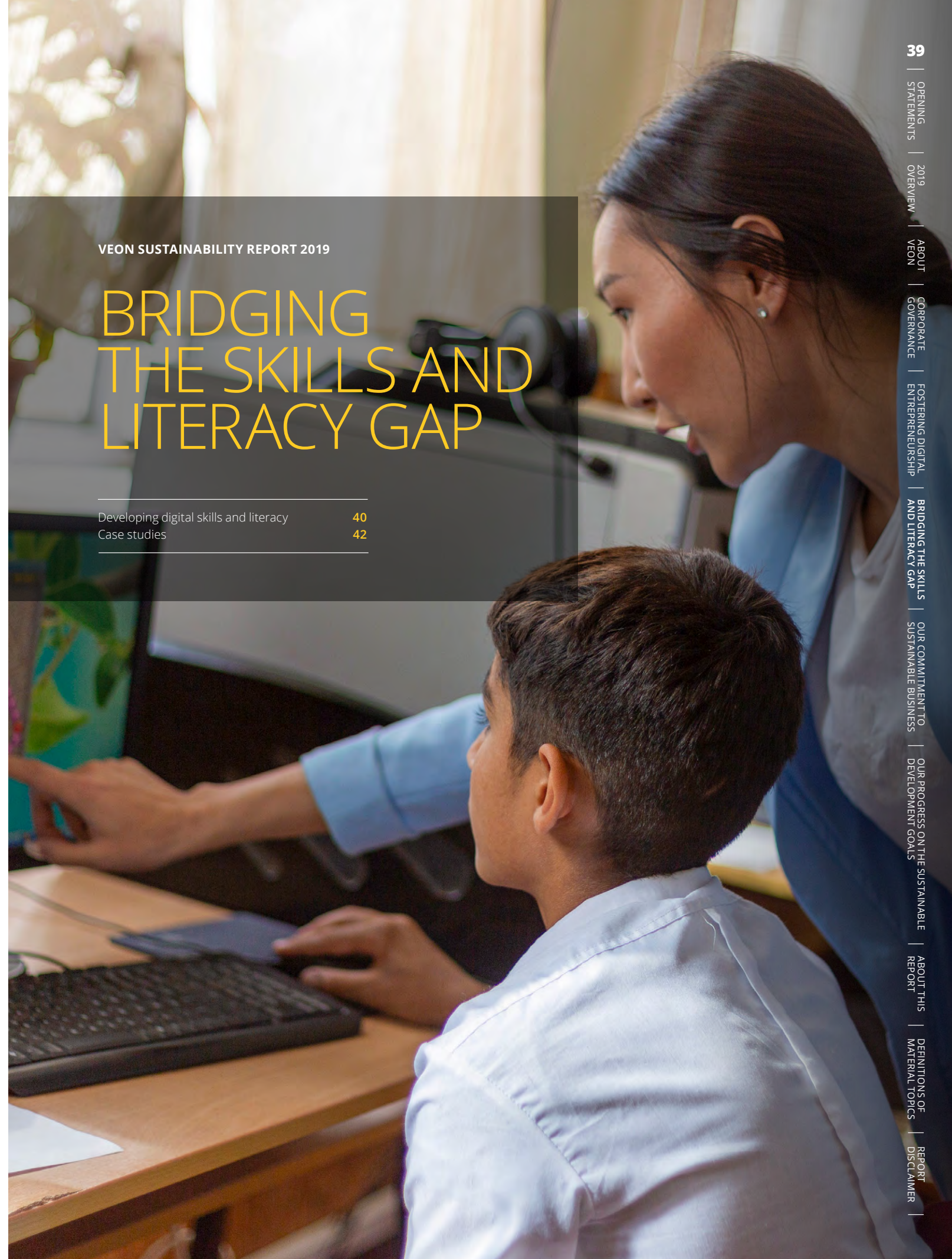
"An indication of our success has been that the government has supported the creation of four more NICs on the model of the first launched with Jazz in Islamabad.

We believe that the next big idea will come from one of these start-ups and hope that we can partner with them to introduce innovative tech-enabled ideas," says Aamir Ejaz, Chief Digital and Strategy Officer, Jazz.

VEON SUSTAINABILITY REPORT 2019

BRIDGING THE SKILLS AND LITERACY GAP

Developing digital skills and literacy	40
Case studies	42



Developing digital skills and literacy

As a company operating in developing economies with young, growing populations, VEON supports education programmes that focus on building digital inclusion and closing gaps in digital skills and literacy. These programmes equip young people for fulfilling careers and entrepreneurship, in turn driving economic growth in their local market.

VEON's Digital Skills and Literacy initiative uses education to drive lasting change in the countries where we operate. Recognising education as one of the key engines of socio-economic development, we use our knowledge of technology and connectivity to support tech-centric educational initiatives.

Our support is delivered through a mixture of partnerships, training carried out by our own employees, direct investments and donations. These initiatives are helping to support the local UN Sustainable Development Goals (SDGs). In particular, these are relevant to SDG4: Quality Education and SDG5: Gender Equality. Several of our programmes focus on developing the digital skills of girls and women to ensure they have access to the same opportunities as their male peers.

VEON's digital skills and literacy programmes support under-resourced educational institutions with digitised curriculums, IT equipment and subsidised internet connectivity. An enormously successful example is Jazz Pakistan's Smart School programme, which has received various international awards and financial aid. Similarly, in Kazakhstan, an injection of much-needed telecommunication equipment is enabling university students to gain the practical experience they need.

Our programmes also offer customised training and mentorship that prepare young people to enter the workforce, such as Big Data Schools in both Ukraine and Kazakhstan.

The focus, however, is not just on traditional literacy. With the help of our partners, we have also developed and deployed mobile-based skills development solutions that allow adults to gain digital skills from the comfort of their own homes.

One such example is Bangalink's Learn More, Be More programme. Learning at home helps to break down some of the gender and economic barriers to digital inclusion, particularly in societies which restrict women's outdoor movement.

Through building knowledge and understanding of digital applications and mobile internet, we empower communities. At the same time, we help to develop future markets for our products and services by expanding our potential customer base.

“The Ministry of Education is in the process of reviewing standards, and based on the success we will be changing programmes and learning tools, so that initiatives like DO Project can be included and children can learn with pleasure”

Anahit Muradyan
Senior Expert at Secondary Education Division of Ministry of Education, Science, Culture and Sport



184

Institutions connected

(institutions provided subsidised or free internet connections)



120,010

mLiteracy beneficiaries

(individuals benefitting from mobile literacy and skills development programmes)



56,026

Individuals benefitting from donated ICT equipment





BRIDGING THE DIGITAL SKILLS AND LITERACY GAP

Russia: addressing employment inequality

"We'll get back to you" is a phrase Everland student Svetlana Pavlikova hopes to hear less of in future. A graduate in Information Security from Moscow's National Research Nuclear University MEPhI, Svetlana, who has cerebral palsy, describes the casual brush-off, "then silence", as depressingly familiar during past job searches. "I can't say refusals came because of my disability – employers have no right to say so – but I think people were afraid of potential problems."

Now, with a qualification in Multimedia Content, achieved on the Everland programme, Svetlana feels positive about the future and "the opportunity to find a steady job, earn decent money, gain experience and make progress."

The 29-year-old counts herself as fortunate in having a fulfilling career in her sights. Of the approximately 12 million people living with disabilities in Russia, only a third of those of working age have jobs, with many of the country's disabled college graduates lacking the professional skills needed to improve their employability.



To address this need, the Everland platform, supported by VEON operating company Beeline Russia, enables graduates with disabilities to boost their digital skills, with a focus on media and communications.


Through the online platform, and supported by personal mentors – many themselves disabled – participants in Russia and in some other CIS countries, can take courses in web design and development, video production, internet marketing and content creation.

In partnership with social enterprise Everland, Beeline Russia completed the pilot phase in 2019, training 224 participants, of which 38 had graduated at time of writing. Beeline Russia is also providing pro-bono support including advisors, mentors, SEO specialists and web designers, in addition to training materials and marketing.

"The project's global mission is to eliminate inequality regarding disability. The platform will enable distance working both independently and as part of an expert team and contribute to serious progress in solving this important issue nationwide," says Evgenia Chistova, Head of Sustainable Development, VimpelCom PJSC (Beeline). She adds that the programme will help support UN Sustainable Development Goal 8 (Decent Work and Economic Growth) by facilitating inclusive employment.

Meanwhile, Svetlana sees her confidence soaring thanks to Everland's rigorous but supportive environment. "Many of the Everland employees are people with disabilities, so they have first-hand experience of the obstacles we face. Importantly, while understanding and accepting a person's disabilities, they are also highly focused on efficient work and results."


200
Participating students


38
Graduates



“We hope that this programme will bring people with disabilities into the economy, transforming their employment situation”

Igor Novikov
Co-founder, Everland

BRIDGING THE DIGITAL SKILLS AND LITERACY GAP

Ukraine: digital skills unleash creative thinking

"When you start working on a challenging task, you don't believe you can do it," reflects 14-year-old Andriy Dyachuk. "But when you realise that you can, you experience such feelings of confidence, pride and achievement."

A graduate of GoCamp 2019, the eighth-grader says the programme also taught him essential life skills such as collaboration and problem-solving: "I really enjoyed learning how to generate ideas in teams and to think creatively." Andriy is one of over 3,000 school students in Ukraine's rural regions enjoying educational opportunities ordinarily restricted to their urban peers thanks to GoCamp, an initiative supported by Kyivstar, VEON's operating company in Ukraine.


Taught by foreign volunteers and based on a Kyivstar-created multimedia curriculum, the programme encourages schoolchildren to use modern techniques and creative thinking to unleash their entrepreneurial skills and develop ideas for mobile applications. In Andriy's case, a navigational app for blind people.

GoCamp also offers nationwide training webinars for teachers and would-be support staff. In fact, in 2019 more than 50 Kyivstar employees (compared to 25 in 2018), including CEO Oleksandr Komarov, signed up as mentors. A more personal service introduced this year saw volunteers engage with students face-to-face, in addition to conducting online sessions. Komarov says: "It is important for us to give students the opportunity to learn 21st-century skills, creative thinking, the basics of leadership and use of digital tools. Kyivstar has the resources – both technological and expert – which is why it has supported the GoCamp project for three years.

Educational development is a priority for our company. It is our investment in the future of Ukraine." Building on last year's success, the 2019 programme reached more than 3,500 children (compared to 2,000 in 2018) from 96 schools across 24 regions, with 600 teachers receiving webinar training.

Crucially, by providing normally inaccessible digital and entrepreneurial training to Ukraine's rural communities, GoCamp's impact dovetails with UN Sustainable Development Goal 4 aimed at ensuring "inclusive and equitable quality education and lifelong learning opportunities for all".

As Oksana Nechiporenko, Director of project partner Global Office, points out: "Imagine over 3,500 kids realising what entrepreneurship is for the first time in their lives! We hope this programme will scale and together we can prepare Ukrainians for a progressive new path of economic development." For Andriy, that means pursuing his dream of becoming a maths professor. "To be good at maths you need to think logically and find solutions. The challenging tasks we were set at GoCamp covered both those skills and more."


3,500
Children participated


96
Schools joined


170
App ideas generated


600
Teachers trained



“This is the second year I have mentored schoolchildren at GoCamp. When these children develop their ideas for mobile applications, they inspire me with their creativity and originality”

Pavel Daniman
Chief Marketing Officer, Kyivstar

BRIDGING THE DIGITAL SKILLS AND LITERACY GAP

Pakistan: promoting 'active' and 'creative' learning

Since participating in the Jazz Smart Schools programme, Faria Iqbal has gained a whole new perspective on learning. What was once a "passive" experience has been transformed into something "active and creative".

"Jazz Smart Schools has gifted us a new way to engage with our curriculum that contrasts with the typical textbook-based approach," says the 10th grader. "It has created a great sense of interest and motivation among my classmates and I. And the videos, games, and assessments have really helped us improve our [English] vocabulary and pronunciation."

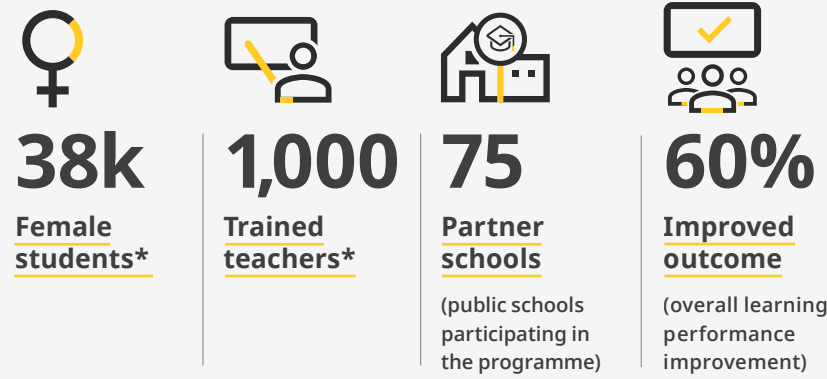
Of a population of around 220 million people, approximately 43% under-15-year-olds are not as fortunate as Faria. According to Pakistan's 2018 Education Statistics Report, almost 23 million school-age children – including 12 million girls – are not in any form of education. For those who are being educated, basic numeracy and literacy skills often lag behind international benchmarks.

To help improve digital skills and literacy among female students, Jazz – VEON's operating company in Pakistan, and the country's largest mobile operator – launched the Jazz Smart Programme in 2017.

Using laptops supplied by Jazz and loaded with its learning management software, the programme deploys mobile technology to improve teaching quality and accountability with techniques such as app-based performance dashboards and web-portals to track results.

While providing a vital service to society, the initiative is also helping Jazz meet commercial and strategic goals. The operator is exploring expansion options

with project partner Knowledge Platform (KP), with Jazz's provision of tablets and connectivity to other schools likely to unleash new business opportunities. Moreover, integration by KP of the JazzCash payment facility into the learning platform's online iteration is already delivering commercial benefits.



* Total since programme launch



In total, since 2017, more than 38,000 female students, along with 1,046 female teachers, including school principals, across 75 public-sector schools in Islamabad have benefitted from the Jazz Smart Schools programme. Evaluation has shown significant improvements in learning outcomes, teaching quality, student engagement, technology users, accountability and results monitoring.

Meanwhile, with its focus on educating girls, Jazz Smart Schools makes a notable contribution to UN Sustainable Development Goals 4 and 5, which promote Quality Education and Gender Equality respectively.

With her renewed enthusiasm for learning and improved grades, Faria is testament to the programme's success. "My heartiest gratitude goes to Jazz for this creative idea," says the schoolgirl.



“The programme has positively impacted learning outcomes of thousands of female students in our schools. Initiatives such as the Jazz Smart Schools Programme, and an increasing future emphasis on public-private partnerships will surely propel us toward a brighter future for Pakistan”

Syed Umair Javed
Director General, Federal Directorate of Education, Islamabad, Pakistan

BRIDGING THE DIGITAL SKILLS AND LITERACY GAP

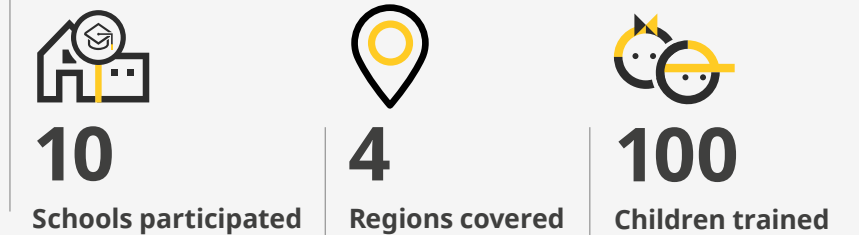
Armenia: transforming digital skills learning

Since taking part in the DO (Digital Opportunities for Children) Project, 16-year-old Gayane Sargsyan can see exciting pathways opening up ahead of her. "We learned so many things that I never thought I'd have the opportunity to learn. This knowledge will really help me at university and in my career," says the teenager. Like many teenagers, Gayane, a high school student in Nor Kharberd, Armenia, is eagerly planning her future. After secondary school, explains the bright 11th-grader, her dream is to train as an air traffic controller.

But living outside of Armenia's capital, Gayane and her classmates have more limited access to the digital tuition they need to prosper. A nation of just 2.9 million inhabitants, Armenia's secondary education system struggles to attract highly qualified IT teachers to its more far-flung provinces. Bridging the gap is DO (Digital Opportunities for Children) Project, a digital literacy programme launched by VEON's Armenian operating company, Beeline Armenia, in partnership with Armenian NGO the Child Development Foundation.

IT experts, funded by Beeline Armenia, visited ten schools in four remote provinces to give workshops on educational software and cyber safety, with Beeline Armenia providing access to apps.

The 100 participants later demonstrated their new skills in a competition that challenged them to show how digital technology can solve real-world problems. Finally, in the most far-reaching stage, DO Project tutors, in collaboration with Armenia's Ministry of Education, are preparing digital skills and literacy guidelines based on learnings from the project.



These will be distributed to schools nationwide, serving as a vital resource for teachers and students. In this way, says Beeline Armenia, DO Project contributes to UN Sustainable Development Goal 4, aimed at ensuring "inclusive and equitable quality education and promoting lifelong learning opportunities for all".

Moreover, from a commercial standpoint, it enables Beeline Armenia to reach a wider audience for its services, in a country where only 60% of the population are mobile internet users.

"Digital technology is of paramount importance for achieving success in career or business. We are confident that the knowledge gained by our programme participants will be the biggest contribution to their future life," says Beeline Armenia CEO Andrey Pyatakhin.

Reflecting on her own experience, Gayane agrees: "Participating in DO Project has been crucial to my life.

"And now, thanks to this project, we can help our schoolmates to learn the same things."



“The Digital Opportunities for School Children programme is a great example of a successful partnership between civil society and business. In this digital era, IT literacy and knowledge of practical application is of vital importance”

Lusine Simonyan
Child Development Foundation Director



BRIDGING THE DIGITAL SKILLS AND LITERACY GAP

Bangladesh: harnessing social media for social good



For Afroza, the power of social media has been a revelation. "I didn't know anything about Facebook," says the Learn More, Be More graduate. "But this programme made me realise that you can learn so much through the platform, whether it's about health, self-defence or how to save money. Now, even with less income, I manage to put aside funds for my family."

Afroza, who lives in Gazipur, central Bangladesh, is one of more than four million workers employed in the country's ready-made garments industry. Like her, the majority are women. Many migrate to the city from under-served rural regions and can lack basic life skills, including digital literacy.

This has important social and economic ramifications, according to a report by the Bangladesh Institute of Development Studies; it finds a positive correlation between mobile phone ownership and women's employment, access to markets and purchasing power.

Now, thanks to Learn More, Be More, a joint programme from VEON operating company Banglalink and Facebook, at least 16,000 female workers have received free training on using Facebook and navigating the digital landscape in a safe and responsible way. They also participated in workshops on health, safety, nutrition, child education and household finances, with certified training supplied by Banglalink.

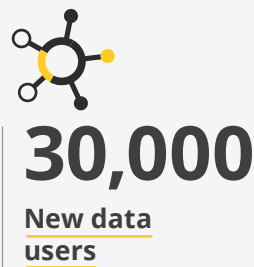
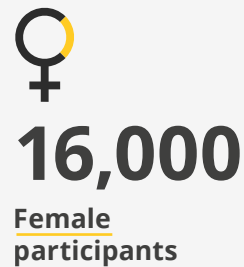
Additionally, participants were on-boarded to a community-based knowledge-sharing Facebook group called Amader Sathi. Here, more than 27,000 members are actively engaged on topics such as health, safety and nutrition. In 2020, 1,500 of these women are expected to be trained as independent Banglalink retailers, specialising in sales and digital literacy training for female garment industry workers. In this way, Banglalink reaps commercial rewards by attracting a new segment of data users.

"We believe that one of the most effective ways of eradicating the digital divide is to ensure women's participation in the digital movement," says Saurabh Prakash Khare, Marketing Director of Banglalink.

"We are empowering them with the practical skills they need to explore the world of the internet and embrace a digital way of life."

As such, the programme supports UN Sustainable Development Goals 5 (Gender Equality) and 8 (Decent Work and Economic Growth) by empowering women with the digital skills they need to play a productive role in the economy.

Indeed, for Afroza, being able to better manage household finances is the start of something much bigger. "I always wanted to open a tailoring shop. Now I can promote it through Facebook and it will help me improve the quality of my and my family's life."



“ I always wanted to open a tailoring shop. Now I can promote it through Facebook and it will help me improve the quality of my and my family's life ”

Afroza
Learn More, Be More graduate

VEON SUSTAINABILITY REPORT 2019

OUR COMMITMENT TO SUSTAINABLE BUSINESS

Data privacy and cyber security	49
Service quality	51
Digital innovation	53
Digital inclusion	56
Talent management and skills development	59
Occupational health and safety	63
Environmental management	64

Our commitment to corporate sustainability

Corporate sustainability represents the 'licence to operate' component of VEON's sustainability strategy. This important pillar focuses on business ethics, good governance, environmental management and operational reliability.

2019 SUSTAINABILITY AWARDS



Global Good Awards 2019

BEST EDUCATION AWARD
VEON and Jazz Smart Schools Programme (Finalist)



The International CSR Excellence Awards

VEON and Jazz Smart Schools (Gold)



BN Intelligence Sustainability Awards

SUSTAINABILITY INITIATIVE OF THE YEAR PROJECT
VEON and Jazz Pakistan



BN Intelligence Sustainability Awards

SUSTAINABILITY LEADERSHIP AWARD
VEON and Kyivstar



Corporate Engagement Awards

BEST CSR ACTIVITY OR PROGRAMME TO SUPPORT OR DEVELOP A CORPORATE REPUTATION

Jazz Pakistan and VEON (Gold)

Corporate sustainability reinforces the importance of operational reliability and resilience, while helping to build synergistic relationships with our customers, employees, wider society and the environment.

Corporate sustainability also helps to identify and respond to key operational and corporate governance issues and risks, including bribery and corruption, privacy, labour practices, and health and safety. Every element of this pillar relates directly to one of VEON's material topics, which include data privacy and cyber security, service quality, digital innovation, digital inclusion, diversity and inclusion, talent management, health and safety, and environmental management.



4.6%

Faster downloads

(improvement in 4G download speed)



\$498 million

Tax paid

(total income tax paid)



137 million

Data subscribers

Data privacy and cyber security

Data protection covers the way VEON and our operating companies secure and use personal data. VEON takes the utmost care with the treatment of personal data and we consider proper data protection management as key to maintaining customer trust.



Data privacy

Data privacy laws and regulations are the legal rules that govern our use of personal data. They set out the purposes for which personal data may be collected, stored and used. These rules also help to determine the conditions under which personal data may be disclosed to third parties, the legal rights individuals have in relation to their personal data, the level of security for personal data and the time period for which personal data may be retained.

VEON takes the utmost care to comply with data privacy rules as we consider these as key to maintaining customer trust.

Alongside data privacy laws, we also have our own VEON Group Privacy Policy that sets the minimum data privacy standard across the VEON Group. This standard includes privacy principles such as lawfulness, transparency, data minimisation, retention and security, as well as privacy processes such as privacy assessments, vendor assessments and individual rights processes. Our operating companies ensure that this standard is integrated in their business practices across our Group.

The VEON Group Privacy Policy is also helping us to anticipate future changes in data privacy legislation.



12

Critical incidents

(managed and solved preventively without negative impact)



~2,000

Events analysed

(potentially adverse events analysed)



91%

Average security score

(VEON Security Programme minimum target by 2020 is 95%)

In 2019, several countries in which we operate started introducing their first data privacy laws (for example Uzbekistan, Pakistan and Bangladesh) or started discussing the replacement of their existing data privacy laws with more comprehensive data protection frameworks (for example Ukraine).

Where data protection laws are changing, we maintain an open dialogue with lawmakers to discuss lessons we can learn from the best practices in countries with more established data protection frameworks. By sharing experiences from more mature data privacy environments, we hope to encourage the creation of more advanced and harmonised data privacy regimes to safeguard the privacy and trust of our customers.

Cyber security

Our Cyber Security team sets the technical and organisational measures that protect company information and personal data against unauthorised access. The cyber security threat landscape is continuously evolving, requiring organisations to minimise their attack surface by continuously monitoring their assets, and identifying and mitigating vulnerabilities before threat actors take advantage of them.

Cyber security is a global threat without boundaries. Organisations that are geographically distributed can leverage their advantage of identifying threats in the preliminary stages of the kill chain. By sharing common indicators of compromise and mitigation actions, it is possible to reduce the impacts of attacks and minimise the time of response.

The telecommunications industry is targeted by a variety of threats and has an even broader attack surface than many other industries. This reflects the direct exposure of its infrastructure to the public internet, to third parties and to subscribers using its connectivity services. Telecommunications businesses may also become unintentional vectors of compromised user devices that could generate attacks on their own infrastructures and on other entities via the internet.



To tackle these threats, VEON has implemented a Group-wide holistic cyber security strategy, named the VEON Security Programme (VSP), that is based on international security standards and best practices. This strategy encompasses all domains of cyber security practice.

It is an iterative, continuous improvement process that expands its perimeter and elevates its minimum baselines at every iteration, with the objective of progressively increasing the overall cyber security maturity across our footprint.

In accordance with its operational model, VEON's cyber security strategy prioritises the elevation of security capabilities and operations in all of its business units. As this is a progressive evolution which requires the implementation of more sophisticated technical capabilities, the acquisition of local specialised personnel and the integration with the existing technological processes, our HQ Cyber Security team has implemented a 24/7 global Security Operations Centre (G-SOC). The G-SOC provides our operating companies with immediate incident detect and response capabilities, giving them time to progressively mature their own immediate incident detect and response capabilities.

In the course of analysing the many thousands of events identified by VEON's G-SOC, we have investigated 12 major incidents that were managed in a timely manner and led to no serious consequences.

We did, however, experience an incident in which a subsidiary's collection of fixed-line customer information containing historical personal data was publicly leaked. As a consequence of this, new enforcement processes and technical data loss prevention capabilities were introduced.

Service quality

Service quality covers the reliability of our network, our service delivery capacity and the perceived quality of our service offerings. Customer interaction and retail experience play an important role in how our customers see us, meaning VEON's business success relies on the quality of service we provide.

Enhancing network coverage and security

We continue to deploy state-of-the-art communication infrastructure across our global footprint. 4G/LTE service is now available in all our operating countries, reaching more than 260 million potential customers.

This is an increase of 25% from 2018. In addition, 3G services now reach 185 million people and 2G reaches more than 218 million people. We continue to invest in modernising and enhancing our network to improve coverage, network availability, capacity, user experience, capability and sustainability.

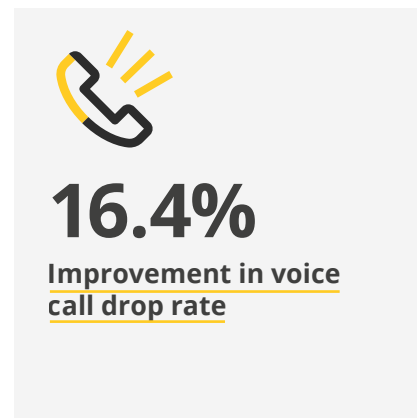
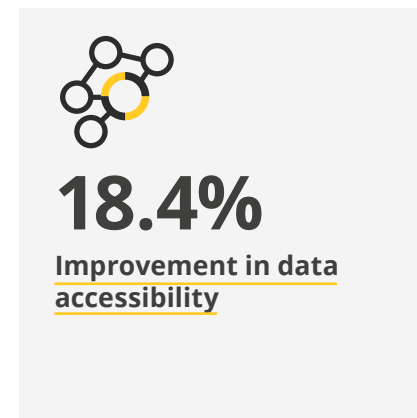
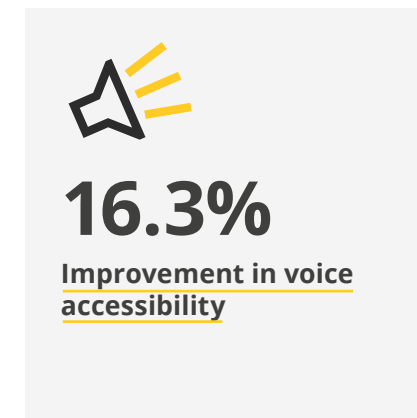


This investment is recorded via our Group Quality Dashboard, which tracks customer satisfaction, quality of service, network performance and network assets at both Group and country levels. VEON's investment in new technologies has resulted in a significant enhancement of the mobile data speed available to our customers. In 2019, Ookla recognised us as the speed leader in Ukraine and Pakistan. In parallel, we also continue to increase our use of environmentally sustainable practices, some of which are explained in the Environmental Management section. Our aim is to operate in a manner that is sustainable for the environment and beneficial for our business.

Improving our customer service

At VEON, we place customers at the centre of our business. We believe in developing products that enable them to lead richer lives. Our target is to deliver a customer experience that exceeds the standards set by our peers and provide an easy-to-use, intuitive digital experience that is consistent across our channels.

In all of our operating companies, we regularly upgrade our services to ensure that customer needs and feedback are addressed proactively. Ongoing engagement with our users is key to this process.



Enriching the customer experience

The importance of providing exceptional customer experience has become a key point of differentiation between telecommunication providers. It goes hand-in-hand with customer satisfaction and therefore results in increased customer loyalty and commercial success.

With this in mind, we work hard to ensure that the VEON customer experience meets and exceeds our customers' needs and expectations. Across all of our operating companies, Customer Experience teams continue to identify new customer journeys using 'disruptive' thinking, ensuring that our users enjoy an optimal digital experience unlike anything else provided by our competitors.

Simplified value proposition portfolios are an important element of improving the customer experience. Over the last number of years we have significantly reduced our legacy product portfolio; simplifying the choices for our customers and offering a transparent, easy-to-understand, and personalised set of services that help our customers connect to the digital world.

In addition, we have continued to invest in our Customer Value Management capabilities. Based on data from our active customer base, our AI and algorithms are able to generate a personalised customer approach across all touchpoints and further improve the customer experience. It goes without saying that any data collected is consented personal data, meeting all regulatory requirements applicable.

To measure our progress in improving the customer experience, all our operating companies use a state-of-the-art customer feedback measurement platform. These platforms forms part of our company-wide 'Voice of the Customer' programme, enabling us to gather customer feedback at the most critical touch points. By gathering feedback for an increased number of touch points, we aim to further improve our Net Promoter Score (NPS) and customer experience.

Restructuring our distribution experience

At VEON, we focus on providing a world-class omni-channel customer experience across all of our touch points including digital self-care applications, mono-brand and franchise stores and personalised call-centre engagement.

Digitising our distribution model brings significant operational benefits. It enables intuitive self service via apps and online, as well as a consistent customer logic and digital interfaces, an improved personalised experience and a full omni-channel capability to service different customer journeys.

To support this, all our operating companies have defined a mid-term distribution strategy to transform their operating models towards a fully digital customer experience. It involves identifying key initiatives, laying out the implementation roadmap and describing the digital distribution business architecture required.

We believe that a fully digital customer experience accelerates customer empowerment and removes human dependencies wherever possible. This helps us to deliver an improved customer experience, increase customer retention, lower costs and improve financial returns.



Digital innovation

Digital innovation is at the heart of our business. Through constant innovation, we are able to provide best-in-class service to our customers across all of our operating countries. One of the most exciting technological achievements of 2019 was the successful trial of 5G across some of our operating countries, including Kazakhstan, Russia and Pakistan.

Digital innovation helps us to push what is possible and create greater opportunities for all. Ranging from the everyday, such as self-care apps that allow our customers to manage their accounts, to the those which promise extraordinary social impact, such as pioneering surgical procedures conducted via remote conference, VEON continued its legacy of innovation in 2019.

From offering a Big-Data-enabled mobile health solution to optimising farming with Internet of Things (IoT) solutions, our expertise has changed lives in the countries where we operate. VEON and its technology partners are geared to use our connectivity infrastructure and outreach in socially transformative ways.

5G and the future of our business

5G is about to transform the world of telecommunications and digital connectivity. However, it won't stop there. The next-generation network is primed to change entire industries, from healthcare to agriculture. It offers mobile network operators a chance to develop advanced digital and connectivity services that require extremely fast mobile broadband speeds and very low latencies. 5G also enables the full potential of the Internet of Things, including autonomous vehicles, virtual healthcare, immersive education and smart cities.

In many of the developing countries where VEON operates, the potential of the technology to accelerate sustainable socio-economic development is limitless. Seeing this as an opportunity, our operating companies across multiple countries conducted large-scale, end-to-end 5G trials during 2019. Beeline Kazakhstan trialled 5G in Shymkent – a city of a million people.

The trial covered thirteen square kilometres, allowing a number of fixed, wireless and mobile use cases to be tested in real-life conditions, including robotics for industry applications and virtual reality experiences such as gaming and 360-degree TV streaming.

Beeline Russia conducted successful 5G trials throughout 2019. One of the trials was a public demonstration at the Formula 1 Grand Prix in Sochi using real-life scenarios of its application, including smart manufacturing and multi-player augmented reality gaming. In Moscow, Beeline's network is being upgraded to prepare for a 5G rollout, representing the largest reconstruction of the network infrastructure in the company's history.

In Pakistan, Jazz trialled 5G by successfully deploying and integrating a state-of-the-art 5G site to its network. The trials, in the presence of media personnel, tested HD voice and video calls. Jazz users within the vicinity of the 5G site who owned a 5G-ready device were given the chance to use the 5G network. Jazz is preparing for a commercial launch later in the year.

For VEON, 5G is not just a technological upgrade, but one of the necessary conditions to support a thriving digital economy in the countries where we operate. Khalid Shahzad, Chief Technology Officer at Jazz Pakistan sums it up well: "5G is not just about speed, it's the whole ecosystem that comes along with 5G – it will revolutionise the way we do things in our daily lives."

19.6 million
Self-care users
(total monthly active users of self-care apps and web-services)

22.8 million
Financial services users
(total monthly active users of mobile financial services)

3.2 million
Content consumers
(total monthly active users of our content services)

VEON's self-care apps

In 2019, VEON launched self-care apps in a number of our operating countries. Self-care apps allow our customers to purchase additional products, manage their accounts, upgrade their plans and much more, all without visiting a store or speaking with a call centre customer service representative.

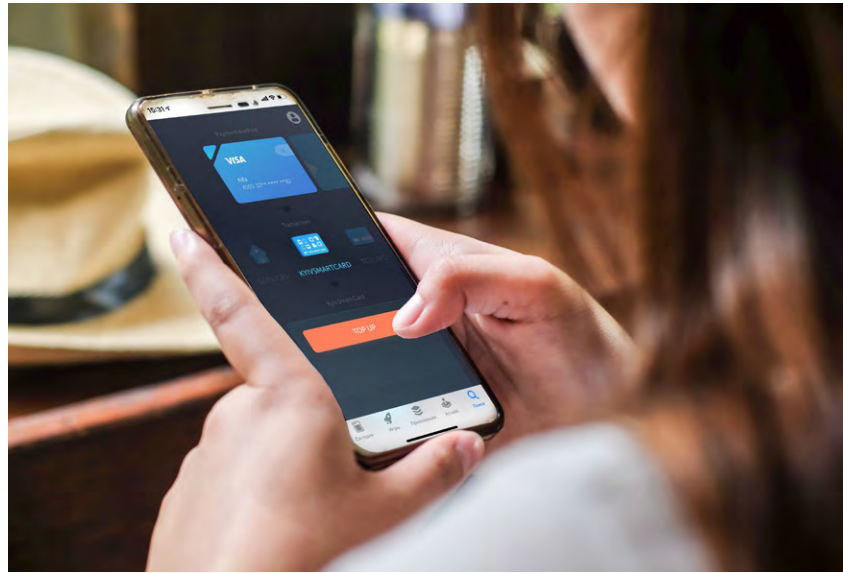
With over 3.7 million monthly active users and 1.2 million daily active users, the Jazz World app offered by Jazz Pakistan has been a great success. This is in part due to the rich variety of content it offers to its users including large number of games and retail discounts. Jazz World also improves customer experience through an AI-enabled Chatbot and customised offers.

Beeline Russia's MyBeeline app has around 10 million users. It incorporates gamification to promote a healthy lifestyle. Customers receive daily bonuses for activities such as walking 10,000 steps and getting eight hours sleep. The app also provides partner offers based on Big Data insights, including music and infotainment.

Banglalink also introduced a self-care app which includes interactive features to boost engagement such as 'Shake to Reveal'. Customers shake their devices to receive a special data or voice offer. The Beeline Armenia self-care app also includes smart features including an integrated tool to check internet connection speed.

In 2019, our Ukrainian operating company Kyivstar redesigned its self-care app. The new version includes convenient features such as credit top-up using Google or Apple Pay. A variety of add-on digital products and services are being developed for Kyivstar's customers.

Self-care apps are also the medium through which we plan to offer our customers a variety of applications and resources matched to their individual needs. This will include services which aim to provide vocational, professional and socio-economic opportunities.



Just as our JazzCash app in Pakistan is providing millions of our customers access to financial services for the first time, we see opportunities to connect customers with medical services, vocational opportunities and educational resources using our self-care apps.

Exploring medical applications of 5G

In 2019, Beeline Russia's 5G service was used to carry out the country's first remote medical surgery. Working in collaboration with Huawei and the Russian Surgeons Society, Beeline's 5G network transmitted live high-resolution 4K video footage and enabled surgeons to remove cancerous tissue through a tiny keyhole incision.

Another procedure involved surgeons remotely supervising the implantation and removal of a RFID chip in the hand of Beeline's Vice-President of Digital and New Business Development.

Beeline's 5G network was instrumental in the success of these surgical trials as the enhanced broadband speed and low latency helped surgeons to monitor the progress of the procedure in real-time.

This landmark experiment showcases the enormous potential of 5G broadband, as well as the vast breadth of its applications.

Harnessing IoT technology for smart farming

Algeria has huge agricultural potential because of the richness of its soil. However, various factors including low rainfall and lack of investment have meant that this potential is not being tapped, despite government efforts. The situation has been worsened by the threat of drought and the resulting water restrictions. As a result, Algeria remains dependent on imports for almost 75% of its food needs.

In response, Djezzy launched a pilot programme in partnership with Nokia to measure soil quality using smart metering. This agri-tech project aims to provide farmers with reliable data to enhance productivity, reduce resource wastage, and optimise crop yield. Solar-powered soil probes equipped with Djezzy SIM cards collect and transmit key irrigation data including precipitation level, ambient temperature, humidity and salinity. The collected data is analysed to allow farmers to effectively manage their irrigation cycles and soil nutrition. This improved understanding ensures farmers are more informed and better equipped to manage weather conditions that can threaten their crops.

Djezzy believes that the efficient and productive farming practices it introduced will support Algeria's economy by reducing food imports and ultimately increasing exports. Additionally, this successful use case of IoT technology paves the way for Djezzy to collaborate with other industries. This all contributes to Djezzy's ambition of leading the digital transformation of Algeria.

Using data analysis to improve our customer services

In Pakistan, Jazz partnered with IBM Cloud and Analytics Solutions to offer improved customer services and customer experience to its 59 million subscribers through the creation of a private cloud environment at Jazz's data centre. Powered by IBM analytics, the collaboration allows Jazz to store and analyse customer data in real-time from a variety of sources, including their data and mobile phone usage history. These insights allow the business to understand customers better and anticipate their needs, providing personalised service and experiences tailored around each customer.

Jazz's CEO, Aamir Ibrahim, says "Digital and data transformation is happening across industries, and it's vital to recognise the invaluable benefits moving to a unified data management and analytics platform can bring."

Saving lives with artificial intelligence technology

Each year, more than 120,000 people get lost in Russia. Often, the authorities don't have the resources, manpower or the necessary tools to run rescue or recovery operations. The search is made more challenging by the vastness of the country and the harshness of the weather conditions. Beeline's technical expertise and vast outreach powers Liza Alert, a non-profit organisation dedicated to finding the missing individuals. With a network of 50,000 volunteers spread across the entire country, it is the largest volunteer movement in Russia.

To successfully manage search operations under such challenging conditions, Liza Alert harnesses cutting-edge technology. Beeline helped to develop and deploy a cross-carrier SMS-based portal and hotline, as well as a mobile app, to manage and coordinate the volunteer network.

Beeline also helped develop an AI-based, 5G-powered image recognition system, which is able to process thousands of drone images in real time, searching for the missing person as well as their belongings. The image processing system can identify people and their possessions even when partially obscured, for example by trees or snow.

The technology processes 2,500 photographs in less than two minutes, whereas previously it took a team of highly trained volunteers up to six hours to cover the same area. Once identified, it provides the coordinates of the missing person to the network of volunteers involved in the on-the-ground search. The technology uses deep learning based on a neural network, meaning it will become even faster and more efficient over time.

In the future, Beeline hopes to share this technology with the government and other stakeholders, as it believes there are many other valuable applications for it.



Digital inclusion

For VEON, digital inclusion means empowering people through information and communication technology. We bridge the digital divide by providing a variety of connectivity and digital services to those disconnected due to their age, gender, language, physical ability or income.

Our work to improve inclusion encompasses, among other things, harnessing technology to support those facing physical challenges, providing digital financial services to empower the unbanked, and connecting those in rural areas to the world around them. Additional highlights include providing digital healthcare services to those who would otherwise be unable to access healthcare and empowering the older generation through connectivity.

Connecting the unconnected through rural expansion

In many of the countries where we operate, there is a significant rural/urban divide. For example, some of the remote, mountainous areas of Georgia are without internet connection, or have out-dated slow speeds that make communication difficult. This adds to the isolation of their residents, and is a major factor in young residents migrating to cities en masse. Thanks to Beeline Georgia, 12 isolated villages received high-speed wi-fi connections in 2019, which has transformed the day-to-day lives of their residents. "This was a long-term dream and it came true. We have been waiting for this for almost four years, to have internet, and a means of communication.

Here, in rural Pshavi, we now have wi-fi for the first time. You are in the mountains, but you can reach out to the world. We can access education, report problems to the local municipality or other authorities, and develop tourism. In the 21st century, internet is everything," says resident Nodar Tokhosashvili.

Beeline Georgia's role in the project involves providing free-of-charge co-location in its cell towers. This allows the equipment to be set up without the enormous time or investment necessary to set up new towers, thus removing barriers from the process. Thousands of residents of remote villages now enjoy all the benefits and increased opportunities of connection to the outside world.

Removing access barriers from education

56% of the information on the Internet is in English, which means a large proportion of the global population isn't able to access online content.

For Georgia, a country of four million people, the problem is much worse. Most school students don't learn English as a foreign language and hence face difficulty in accessing online learning materials.

In particular, there is a severe shortage of Georgian-language resources in IT and computer sciences. This further exacerbates the problem of unemployment for the population, both within and outside Georgia. As a consequence, many locals have limited means of livelihood and continue to live near the poverty line.

To open up new opportunities for promising Georgians, Beeline Georgia partnered with Educare, an educational foundation, to translate 164 of Khan Academy's computer programming lessons into Georgian. The lessons are available online and free to access. Since the launch in April 2019, more than 34,000 users have benefitted from the programme. The project lessens Georgia's digital exclusion and equips many of its young people with the digital skills necessary to drive the country's economy.

Closing the digital divide in the job market

Unemployment and underemployment are two of the socio-economic challenges that adversely affect millions of Bangladeshis. Increasingly, finding employment opportunities requires digital literacy. Jobs are often only advertised online and require the application to be completed online too, along with a digital CV. To combat these issues, Banglalink partnered with start-up Kormo, which offers an app that supports job seekers. The Kormo app allows candidates to search through opportunities and apply for jobs through the platform with one click, with roles recommended based on their skills and location.



Furthermore, selected Banglalink offices provide in-person support and personalised career development tips from dedicated Kormo representatives. These representatives support the job seeker to create and optimise their digital CV.

Within the app, job seekers can also find career development content including interview tips and instructional videos. Through this partnership, Banglalink lessens the digital divide in the job market and ensures that a lack of digital skills doesn't hold users back from building their career.

Making healthcare accessible

Pakistan's population is growing rapidly, with an increase of more than 60% since 1998 to take it well over 200 million people. This surge puts a serious strain on the country's infrastructure; it is a medically underserved population where millions of people struggle to access affordable, quality healthcare, partly due to the fact there is less than one doctor per 1,000 people. In response, Jazz Pakistan partnered with BIMA, a global micro-insurance company, to offer a holistic digital health solution.

Termed BIMA Sehat, it is an affordable health insurance that offers customers unlimited 24/7 access to doctors via video conference or phone call, home delivery of their prescriptions and discounts on medicines and lab tests. Furthermore, patients also receive coverage for hospital stays.

BIMA Sehat focuses both on preventive as well as curative care, with tailored health coaching programmes available through customers' Jazz accounts aimed at improving the general health and health education of the population. By enrolling through their Jazz account, customers are exempted from lengthy paperwork and pre-screening requirements. Since its launch in 2018, BIMA Sehat has already reached one million active customers and continues to on-board around 10,000 new customers per day. So far, doctors have provided 236,583 tele-health consultations to BIMA Sehat subscribers.

The service has been priced in view of the economic situation of the country, with premiums starting as low as PKR 1.28/day (USD 0.008).

Reconnecting senior citizens

In Ukraine, Kyivstar promotes digital inclusion with its 'Smartphones for Seniors' campaign. This multi-stage mobile literacy campaign is aimed at retirees, with the goal of increasing smartphone use and increasing their confidence with new technology. Retiring from work is known to sever a major connection to society, and many retirees find themselves feeling lonelier. Using a smartphone can reconnect them, making it easier to contact friends and family and keep up with current affairs.

The programme involves both online and offline components. There are ten video lectures that teach basic smartphone use, from making calls and sending messages to searching for information online. These are accompanied by an educational brochure that explains how to access the video lectures. Over 45,000 people have benefitted from the lectures so far.

Offline elements include in-person workshops run by Kyivstar's own training and development specialists. These will continue into 2020 and serve to continue increasing smartphone penetration in the senior age range, increasing Kyivstar's pool of potential customers as well as narrowing the digital inclusion gap in Ukraine.

Spearheading financial inclusion

Many of our operating companies have launched Mobile Financial Services (MFS). In the developing countries where we operate, MFS solutions are a vital way of reducing digital exclusion. For some people, MFS represents their only chance of holding a bank account and the opportunities it opens up.

Kyrgyzstan is a country with low penetration of banking products and many unbanked people. Due to its complex geography, there are a lot of remote villages where the residents are isolated from traditional banking services. In response to this socio-economic challenge, Beeline Kyrgyzstan launched an app-based banking service through a subsidiary.

4G
~34%
4G smartphone penetration
(Group-wide smartphone penetration calculated as customer weighted average)

~11%
MFS subscriber penetration
(percentage of subscribers using mobile financial services in total subscriber base)

7.3 million
Digital wallets

Providing banking and financial services remotely through Beeline products allows residents of these remote villages to receive many of the same services as residents of major cities.

Additionally, Beeline users can use their Beeline mobile wallet to apply for loans, offered in partnership with four banks and microcredit companies. If successful, they will receive the funds in their Beeline mobile wallet (known as Balance.kg), through which they can make payments. Balance.kg is the number one mobile wallet in Kyrgyzstan.

Banking the unbanked

There are seven million monthly active users of JazzCash, a digital financial services application offered by Jazz, our operating company in Pakistan, which allows its customers to access a range of banking services from their phones. Launched three years ago, JazzCash has grown quickly into Pakistan's market leader for these services, putting basic banking into the hands of many for the first time.

World Bank data ranks Pakistan as the world's most unbanked nation, with over 80% of the adult population with no account at a financial institution. That percentage is nearer 95% for women, reflecting a gender disparity in an economy where access to financial services is a significant impediment to sustainable development.

JazzCash breaks down this barrier, empowering its users with the ability to pay bills, transfer money and take out micro-loans, and therefore promoting financial inclusion. JazzCash aims to provide every Pakistani – regardless of their gender, location or socio-economic status – with its services so they can participate fully in the financial economy and enjoy the opportunities this brings.

JazzCash's success in Pakistan is no accident. The nation's banking sector, due to inefficiencies and high interest rates, can discourage borrowing, making it difficult for Pakistanis to meet immediate cash needs.



Mobile banking via JazzCash sidesteps these barriers, providing a quick and easy way to conduct various transactions like paying utility bills with the click of a button. It also enables all-important money transfers between individuals, which for many households in Pakistan comprise a vital financial lifeline.

Technology has also been a key ingredient of JazzCash's success. Its unique platform combines an easy-to-use smartphone app with the QuickPay method of QR Code scans and integrates seamlessly with all of the nation's main billing systems. Signing up the service is also easy, with many payment options already integrated into the app, reducing the barrier to entry for first-time Jazz users.

The ability of JazzCash to help realise the ambitions of its customers is clear, particularly in markets where lack of access to basic financial services is a significant impediment to individual empowerment and socio-economic development.

Bridging the social divide with technology

According to the World Health Organisation, five percent of the world's population has some form of hearing impairment. In Pakistan, it is estimated there are around nine million people with partial or total inability to hear. The communication gap created by their impairment can restrict them from participating in society, obtaining a proper education or having a fulfilling career.

Wamiq Hasan, Chief Technology Officer of Deaftawk, was born with a severe hearing impairment. He left Pakistan, his home country, at a young age due to insufficient educational opportunities. Eager to help those with similar disabilities, Wamiq set up Deaftawk upon his return as a graduate.

The start-up provides an online language interpretation service that minimises the cost associated with hiring an interpreter. By making interpreter services digitally accessible, Deaftawk ensures that people with hearing difficulties can access a wealth of opportunities that were previously out of reach.

Deaftawk is one of the start-ups supported by Jazz Pakistan's Xlr8 incubator. Jazz Xlr8 works with start-ups and entrepreneurs to develop innovative solutions to real-life socio-economic problems. Through their relationship with Jazz, the Deaftawk founders got the opportunity to pitch to investors at the renowned Mobile World Congress in Barcelona in 2019.

Deaftawk's digital platform provides sign language interpretation services, audio-video translation and sign language training carried out by 280+ experienced sign language interpreters, 224 of whom are female. Since its launch, the platform has helped over 8,000 deaf people and provided more than 42,000 hours of interpreting services.

OUR COMMITMENT TO SUSTAINABLE BUSINESS

Talent management and skills development

VEON's People Strategy is to create the VEON of the future together, today. To achieve this, we rely on our employees, and especially our leaders, to promote the VEON Values through their behaviour.

Our People and Organisation (P&O) departments ensure that we have the right talent in place for each role, and that each employee's talents are nurtured through a range of innovative development schemes to enable VEON to achieve its organisational and business goals. With this in mind, VEON's approach to talent management focuses on the following priorities:

1. Having the right skills for the future

There is a significant relationship between talent management and organisational performance. VEON's senior management team is actively involved in the selection, development and deployment of strong leaders throughout the business. This robust process has enabled the placement of internal talent in key leadership roles.

From mid-2018 through 2019, 42 appointments were made in leadership roles including 60% sourced from internal talent. To prepare the succession pipeline, employees attend talent reviews at least once per year where they discuss their development and set goals for the year ahead.

2. Enable people to shape and share VEON's success

Our values-based leadership programme continued in 2019. The programme focuses on aligning our leadership development framework with VEON's purpose, values, and business strategy. It supports our senior leaders to bring our values to life and lead cultural transformation within the business.

To cascade these messages throughout our business, we also offer a tailored version of the programme to middle management employees designated as 'high potential'. This marks part of our efforts to deliver a great employee experience that drives engagement and performance.

3. Building a future-ready organisation

Transformation is one of the biggest challenges for leaders in today's business environment. Organisations must keep up with rapidly evolving customer needs and shifting industry dynamics.

To support VEON's transformation needs, a strategic workforce planning approach has been initiated. VEON's strategic workforce planning efforts are aimed at shaping and structuring our workforce in critical capability areas. This approach ensures sufficient and sustainable capability and capacity within the workforce to deliver on VEON's organisational objectives.

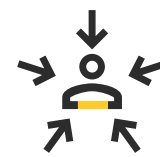
This approach is delivered in part through our global Learning Management System (LMS) and the VEON Academy, a self-service platform that caters to employees' individual learning needs. It also provides guidelines on developing skills on the job, as well as through consulting with peers and senior leaders. The LMS is offered through partnerships with leading e-learning content providers and custom-built learning interventions.

4. Working as one team

The P&O community across VEON works as one team by sharing best practices and expertise, and delivering results collectively.

To ensure that the perspective of all stakeholders is taken into consideration, all global initiatives are designed and implemented collectively. Similarly, locally led initiatives and priorities are discussed regularly so team members can learn from each other's experiences.

VEON VALUES



CUSTOMER OBSESSED



ENTREPRENEURIAL



TRUTHFUL



COLLABORATIVE



INNOVATIVE

How VEON develops talent

At every level in the organisation, we are exploring ways to develop employee talent. The VEON Academy provides digital learning opportunities to VEON's employees through partnerships with world-renowned digital learning providers, as well as through the development of custom content in collaboration with industry experts.

This digital learning portfolio also covers programmes focused on unconscious bias and anti-harassment, as well as building awareness of VEON's Code of Conduct. Similarly, to enhance female inclusion in our leadership team, talented female leaders are developed through a custom-designed development program.

VEON has been recognised at the Brandon Hall Awards for Best Learning Technology Implementation. The award is recognition of VEON's Group-wide efforts in rolling out the VEON Academy.

Our collaboration with Coursera and LinkedIn Learning

The VEON Academy supported by CrossKnowledge integrates e-learning content from Coursera and LinkedIn Learning. It provides VEON employees with the opportunity to develop their skill-set and further their education by managing their learning journey at their own pace.

VEON's strong learning culture is demonstrated through the results of our Coursera partnership. In 2019, we had 20,076 course enrolments, leading to 273,500+ learning hours. The average learning hours per participant was 13.6, well above the telecommunications industry average of eight.

Similarly, for LinkedIn Learning, 5,809 active learners accessed 377,026 videos and spent over 21,000 learning hours on the platform. These statistics are above the 50th percentile of LinkedIn benchmarks for the technology industry.

From marketing to programming with Coursera

VEON Academy operates in each of our ten operating countries. It provides all our employees with the opportunity to expand their abilities in any way they choose, whether it is to take themselves to the next level in their current role or branch out in another direction.

Hakob Baghdasaryan, a member of the marketing team at Beeline Armenia, chose to study Python Data Structures, Data Structure, Tuple and Python Programming through a University of Michigan course.

“As a child, I always wanted to become a programmer. I've always been good with technology. So recently, I decided to combine my knowledge in marketing with programming. I started to study Python and fell in love with it. I am very thankful to VEON and Coursera for these courses. The way you provide the information, the interactivity, the simplicity... Everything is awesome! It's very motivating”

Hakob
Beeline Armenia

Learning to lead at Banglalink University

As part of our commitment to sustainable leadership development, Banglalink has formed an initiative termed Banglalink University and Virtual University. These programmes deliver classroom and e-learning for different business units, including leadership, sales and retail and technology academies. One of the University's most successful programmes is 'The Great Managers Programme'. This focuses on honing leadership skills including people skills, financial acumen and Banglalink-specific competencies. It is designed to turn good managers into great managers, preparing them for the next step in their careers.



13.6

Average training hours per employee



295,000+

Total e-learning hours

(on Coursera and LinkedIn Learning)



43%

Employee turnover rate



Djezzy Academy

In Algeria, Djezzy runs Djezzy Academy, a digital platform designed to strengthen communication with employees. It includes personalised coaching and intensive development courses that help employees reach their professional goals and prepare for promotion.

A key part of the platform is internal knowledge-sharing, where one employee with specialist knowledge is chosen to champion their subject and provides training to employees of a different department, according to the needs of the business.

So far, 304 employees have been trained and many others have been coached to lead future training sessions.

“I had the opportunity to participate in an internal knowledge-sharing training programme. Doing the training in such a supportive environment helped me to better understand the content”

Walid Zoubir
Contract Manager, Djezzy

VEON Global Digithon 2019

2019 marked the fourth year of VEON's Global Digithon corporate hackathon. The event invites employees from each of our operating companies and our headquarters to develop innovative solutions to a real-life business problem. The Digithon had a strong business focus; participants were given a business use case on the commercial application of 5G. The event brought together 53 participants from all ten operating companies, who formed ten cross-market teams and battled to be crowned VEON's 2019 Digithon champions.

The VEON Global Digithon has proven to be an excellent learning and development opportunity, as well as a chance for employees to network with colleagues from other functions and countries. It also provides exposure to senior management and inspiring mentors.

“I can describe it in one sentence: an event with boundless learning possibilities. It felt like we were pitching for our own real start-ups. With a presentation skills coach on board to train us and assistance with the complex financial calculations, VEON supported Digithoners to think big and achieve more”

Ana Charkviani
Digital Product Manager at Beeline Georgia, Global Digithon 2019 participant

Diversity and inclusion at VEON

VEON is committed to diversity and inclusion. To reinforce this commitment, employees' feedback related to the workplace and management practices is captured through focused surveys. All employees are invited to complete these surveys and to contribute to turning the findings into action. In 2019, the participation rate increased by three percent.

VEON strictly prohibits any form of discrimination or harassment. Employees who believe they have been discriminated against or harassed are encouraged to report any incidents that violate VEON's Code of Conduct, and may do so via available SpeakUp channels. All contacts and investigations are treated confidentially.

VEON's policy also strictly prohibits retaliation against any employee who has submitted a concern in good faith or participated in an investigation.

Building a diverse workforce

VEON's workforce is comprised of more than 45 nationalities, which provides richness of perspectives and opportunities for cross-cultural growth.

Additionally, 44% of our employees globally are female. In the developing economies where VEON operates, women are less present in office environments. We are making strides in providing more women with the opportunity to join our business by providing benefits such as daycare allowances and transportation. Hiring on merit is critical; creating an inclusive environment and providing equal opportunities to women is equally critical.

VEON also benefits from the representation of diverse age groups at different management levels within the organisation. Young, high-potential employees are given a chance to perform in key leadership roles. Through global workforce mobility, we build diverse teams and promote cross-market experiences.

Realising the importance of being flexible about how, when and where work gets done, VEON also offers programmes that help employees balance their work and life. These programmes include flexible working arrangements and the option to work from home. These benefits contribute to employee satisfaction and retention, whilst increasing productivity across VEON's footprint.

VEON's commitment to continuous improvement

To ensure that VEON continues to become a more diverse and inclusive workplace where all employees can reach their full potential, we are focused on development and progression paths and continuous listening. In 2020 and beyond, we will continue to focus on building internal capability and infrastructure across the company to support a diverse culture and workplace. Our business leaders at all levels are committed to this goal, and own the collective progress of advancing diversity and inclusion across the organisation. We are also focused on increasing the level of transparency around these efforts.

Championing diversity from the top down

In recognition of our focus on diversity and inclusion, our then Group Chief People Officer Jacky Simmonds was Highly Commended as Diversity Ally of the Year (2019) at the European Diversity Awards.

“ VEON is an equal opportunity employer and diversity is critical to the way we do business. We firmly believe that gender equality and inclusion is imperative for the growth of our business as well as our communities. Across our operations, we actively recruit and promote women, and ensure our female employees feel empowered to succeed at work ”

Jacky Simmonds
Former Group Chief People Officer



Human rights

VEON operates across numerous emerging market countries and is committed to human rights as a core value that is intrinsic to how we conduct our business activities. Customer privacy, appropriate labour practices, health and safety, equal employment opportunities, diversity, anti-bribery and anti-corruption are considered every day during the course of our operations. In countries where unions are established legitimately and duly represent members of our workforce, we work together on matters including employee remuneration and welfare. We respect the various regulatory and cultural approaches to employees' freedom of association and collective bargaining paired together within the framework of national laws and regulations of the countries in which we operate.

We do not impose restrictions or limitations on employees' freedom to associate, unionise, or to request collective bargaining. In markets where unions are established and represent members of our workforce, including Algeria, Armenia, Kyrgyzstan, Ukraine and the Netherlands, we work together on matters including employee remuneration and welfare. We estimate that approximately 10% of our employees are covered by collective bargaining agreements.

VEON's broader continued commitment to human rights is demonstrated throughout our Group's business principles and policies. Human rights issues are integral aspects of both the Group Code of Conduct and Business Partner Code of Conduct, which all suppliers are required to comply with in order to work with our companies. In parallel, the Group Health and Safety Policy provides guidelines to maintain a safe and effective working environment for all VEON employees and third parties.

Occupational health and safety

VEON is committed to providing a safe and healthy working environment. We believe this is a responsibility shared by everyone, from our employees to the third parties that we work with. In accordance with our Group Health and Safety Policy, our objective is that there should be no fatalities or injuries as a consequence of VEON's activities.

Our Group Policy is leadership-endorsed and aims to improve the consistency of our approach to health and safety. It covers everyone to whom we have a duty of care. Specifically, the Policy sets out 'absolute rules' that apply in all VEON's operational jurisdictions and make it everyone's duty to report major incidents (fatalities and near misses) to management at our headquarters, as well the operating company and the specific business unit level.

For example, the absolute rules include a requirement to always wear protective gear when working on electrical equipment.

Our Policy covers all full- and part-time employees, contractors, business partners, customers, and members of the general public. It is applicable to those visiting or in close vicinity to our premises, including retail outlets, network locations (e.g., radio base stations), warehouse facilities and vehicles.

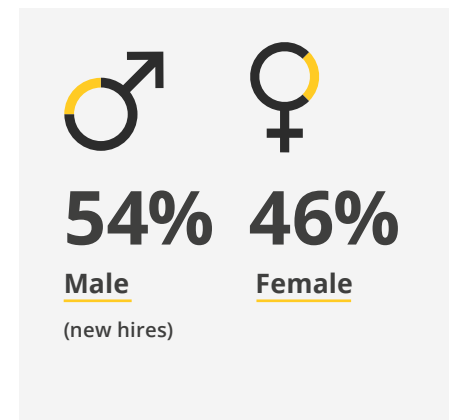
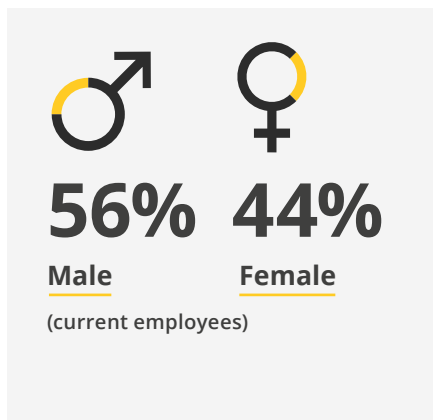
In terms of the management approach for this policy, our operating markets are encouraged to adhere to international standards such as OHSAS 18001, which provides a best practice model and sets out an implementation approach across markets. In addition, occupational health and safety is governed by the different local labour protection laws and regulations of the countries in which we operate. Each of our operating companies has its own health and safety procedures covering specific activities.

It is important to note that the majority of our employees work in office environments and face a relatively low risk of occupational health and safety hazards, although unfortunately this is not the case for everyone. We make every effort to carefully manage the personal security of our employees, especially those assigned to network maintenance during challenging conditions (such as replenishing the fuel in generator-powered base stations).

The key main risk areas that VEON identifies within our operations include transportation, working at height, working with electricity, installing and maintaining radio base station equipment and fire prevention.

Regarding our performance and results, there were zero reported work-related fatalities during 2019. Additionally, the number of work-related serious injuries has decreased since the prior year. This results also in a lower work-related serious injury rate of 1.31 (compared to 1.57 in 2018).

One fatality is one too many, and we continue to focus on enhancing our personnel safety protocols in order to reduce the number of work-related incidents and injuries, and to maintain zero work-related fatalities. Individuals (both internally and externally) can report incidents to Local Compliance Officers or Group Compliance at compliance@veon.com or can submit a question or concern at www.veon.com/speakup.



Environmental management

A large share of our total business greenhouse gas (GHG) emissions is related to the energy consumption necessary to run our network. The introduction and rollout of network energy-efficiency measures remains our primary focus, as these not only contribute to a low-carbon economy but also significantly reduce our operating costs.

These measures include an extensive programme of equipment 'swaps', whereby existing diesel- and petrol-powered units are upgraded with more energy-efficient, hybrid and renewable-energy-powered network equipment.



Where practical, we are also increasing the number of Base Transceiver Stations (BTS) situated outside to reduce the energy use involved in keeping them cool. We follow local environmental legislation and strive to reduce the environmental impact of our operations through responsible use of natural resources and by reducing waste and emissions.

VEON's carbon dioxide (CO₂) emissions have decreased from 0.28 tonnes per terabyte in 2018 to 0.24 tonnes in 2019. This 14% decrease is the result of our continued investment in energy-efficient BTS and free-cooling technology, which have helped to reduce our energy consumption. As well as reducing our carbon footprint, this enables us to expand into remote areas, where there is no access to the electricity grid, and to supply power to base stations, thereby supporting our work to drive digital inclusion in the countries where we operate.

We are also increasing tower sharing with other operators, which has had a direct positive impact on our energy consumption and environmental footprint.

Moving towards renewable energy in Armenia

In 2019, Beeline Armenia launched a pilot project to power three of its telephone exchange stations on solar energy. State-of-the-art on-grid photovoltaic systems were installed, each producing 26,000–27,000 kWh per year. The energy-efficiency of the systems will be monitored, with a view to install them at all sites should they prove a success. Beeline Armenia employees have also been trained on renewable energy solutions and are aware of its carbon- and cost-saving benefits.

Reducing the footprint of our offices

Across all VEON's operating companies, action is being taken to reduce our carbon footprint within our offices as well as our operations. For example, Banglalink achieved a 7.2% reduction in energy consumption at its headquarters during 2019. Many operating companies, including Beeline Kazakhstan, have switched to LED lighting. Additionally, Beeline Kyrgyzstan has launched a digitally enabled tree-planting campaign as part of a wider project to improve air quality in Bishkek.



2,597 mln MWh

Total energy use



0.16 mln tonnes

Scope 1 CO₂ emissions



1.10 mln tonnes

Scope 2 CO₂ emissions

VEON SUSTAINABILITY REPORT 2019

OUR PROGRESS ON THE UN SUSTAINABLE DEVELOPMENT GOALS

VEON and the Sustainable Development Goals	66
SDG 4: Quality Education	67
SDG 5: Gender Equality	68
SDG 8: Decent Work and Economic Growth	69
SDG 9: Industry, Innovation and Infrastructure	70



VEON and the UN Sustainable Development Goals

As a responsible company operating in ten developing countries, we view the United Nations Sustainable Development Goals (SDGs) as an opportunity to drive socio-economic development.



Each of the United Nations' 193 member states have committed to using the SDGs to coordinate efforts alongside NGOs and the international business community to end poverty, fight inequalities and tackle climate change. VEON fully supports these efforts, and has chosen four SDGs to focus on where we believe our value creation approach can have the most significant impact. These are Quality Education; Decent Work and Economic Growth; Gender Equality; and Industry, Innovation and Infrastructure.

As a leading provider of telecommunications and digital services, VEON is uniquely positioned to help local communities become more prosperous. Access to connectivity not only contributes to local economic growth but also helps to combat inequality. Our business and technology are well-positioned to help local communities communicate. Providing access to our digital services and training beneficiaries on their use drives digital entrepreneurship and opens up a whole new world of employment opportunities, as described in our VEON Voices section.

We also take the opportunity to apply our staff's creativity and ingenuity to the global challenges represented by the SDGs. For example, 2019 saw the second year of Jazz Pakistan's SDG-themed hackathon, which brought together programmers, designers, urban mappers, data analysts, community organisers, researchers, journalists and government data to reboot local services by creating open source digital web, mobile and SMS applications.

Our operating companies are engaging with relevant international development agencies and local governments to ensure our efforts complement local SDG roadmaps. In the developing countries we operate in, the SDGs are not just an integral part of a top-down international agenda but are also essential for their prosperity, development, and the well-being of their citizens. The information in the following pages illustrates VEON's commitment to making a positive impact on society and demonstrates our acknowledgement of our role in fundamental social needs such as education, healthcare, security and employment.

SDG 4: Quality Education

The provision of quality education is vital for improving living standards and achieving sustainable development in our operating countries.



According to UNICEF, more than 617 million young people still lack basic literacy and maths skills. Classified as an 'educational emergency', this is a consequence of severe lack of investment in education, which has led to an acute shortage of adequately trained teachers and few education opportunities outside big cities.

Technology continues to play an integral role in propagating good quality education, enabling interactivity that drives engagement and remote learning. Technology-based learning has proven an effective, cheaper and often more practical alternative to the conventional 'brick and mortar' school system, particularly in rural areas. In several of VEON's operating countries, the percentage of public schools with access to computers and the internet for teaching purposes is less than 40%. With the aim of equipping young people with the skills to navigate the digital world, our operating companies have established many well-equipped ICT labs at partner schools. These facilities provide hundreds of young students with basic ICT skills.

Our initiatives also improve the quality of education on offer. Through Khan Academy, Beeline Georgia has provided free educational software to first grade students across eight different regional schools. In Armenia, we ran a diverse programme of expert-led workshops introducing teenagers to the digital skills necessary for careers in architecture, mechanical engineering and software engineering, with 150 beneficiaries.

Our programme do not focus solely on children's education. We also run learning programmes in countries including Russia, Bangladesh and Ukraine that focus on upskilling adults – everyone has a right to high-quality education, and a role to play in sustainable development.



15 million people

have been reached by Kyivstar Ukraine's online Smartphones for Seniors campaign, which aims to increase digital literacy in older people. Closing the digital age gap will help older Ukrainians participate in society after retirement.



180 educational institutions

including schools, colleges and universities have been provided free or subsidised internet connections. The connections allow students to access online learning.



34,000 students

in Georgia benefitted from Khan Academy lessons in computer programming, thanks to a translation project carried out by Beeline Georgia and educational foundation Educare Georgia. Few Georgians speak English, so providing content in their native tongue offers young people an exciting new career option.



3,500 rural students

in Ukraine received entrepreneurial skills training as part of the Kyivstar-backed GoCamp programme. In 2019, more than 50 Kyivstar employees, including the CEO, signed up to mentor through the programme.



16,000 students

in Kyrgyzstan were trained in digital skills and literacy, smartphone use and how to apply critical thinking to information they find online, as a result of a partnership between Beeline Kyrgyzstan and non-profit AIESEC. The lessons took place in more than 80 schools across the country.



100 children

in remote Armenian provinces learned digital skills as a result of Beeline Armenia's DO Project. This project was a successful pilot for adding digital skills and literacy to the national curriculum, with guidelines developed based on the project distributed nationwide.

SDG 5: Gender Equality

SDG 5 aims to provide women and girls with equal access to education, healthcare, decent work, and representation in key decision-making.



Balanced gender representation fuels sustainable economies and benefits societies and humanity at large. In many of VEON's operating countries, women are underrepresented in most social and professional roles. Out-dated local cultural norms inhibit their participation in society and the economy. Gender inequality is further exacerbated by women, particularly those in rural areas, being less likely to receive higher education than their male counterparts. This further reduces their chances of securing good jobs and being economically empowered. At VEON, we recognise that technology and connectivity can play a vital role in bridging the gender divide. Hence, for the first time, VEON has decided to track and report on SDG 5 in 2019, together with our existing priority SDGs.

VEON is well-positioned to invest in and promote women's empowerment, not only through running events and programmes, but also by advocating for the importance of gender equality across all spheres of society. Our workforce confirms that women's participation in business results in more creativity, innovation and ultimately, greater profitability. To ensure continued representation of women in leadership roles at VEON, our top female employees are invited to join a specialised development programme.



“I wasn't an entrepreneur before, and I was even a bit afraid of using Facebook before attending the programme. But now I don't have any fear”

Sonia
Learn More, Be More graduate



37,000+ female students

and 950+ female teachers have been trained on digital skills and literacy through Jazz Smart Schools' interactive, technology-based programme using laptops provided by Jazz loaded with its learning management software.



50 female entrepreneurs

have been supported by Jazz Pakistan's National Incubation Centre (NIC). In 2019, the NIC supported over 50 diverse start-ups. The addition of a new day-care centre has made running a business easier for those with children.



16,000+ female

textile industry workers were empowered with digital and social media skills as part of Banglalink's Learn More, Be More programme in collaboration with Facebook. They also participated in workshops on health, safety, nutrition, child education and household finances.



100 students

from technology universities took part in an International Women's Day-themed hackathon in Algeria, run by Djezzy in collaboration with Google Developers Group. Their task was to create innovative web or mobile apps to promote diversity and inclusion.



200 women

work and earn through the DeafTawk platform by providing sign language interpretation services. DeafTawk is a start-up supported by the National Incubation Centre in Pakistan, which our operating company Jazz helps to fund and run. Women make up 80 percent of DeafTawk's interpreters.

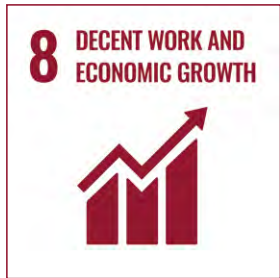


14 teams

competed in the Women's SDG Challenge Cup in Jazz Pakistan as part of a hackathon event. Alongside a panel discussion debating how more women can be encouraged to work in tech, the all-female teams pitched their ideas for tackling SDG-themed socio-economic challenges.

SDG 8: Decent Work and Economic Growth

The aim of SDG 8 is to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.



SDG 8 aims to increase labour productivity, lower unemployment and improve access to financial services. All three are essential to achieving inclusive and sustainable economic growth. The global unemployment rate is currently 4.9%, but it is significantly higher in many of the countries where we operate. For example, in Algeria, it is 12.6%.

VEON is dedicated to providing fulfilling employment opportunities in the countries where we operate. Our Make Your Mark initiative supports and creates co-working spaces, business accelerators and digital incubators. This enables us to help launch new businesses, create hundreds of jobs and attract sizeable investments for start-ups.

In most of our operating countries, VEON organises hackathons and entrepreneurial skills development sessions. These initiative empower young people with the skills to start their own businesses. As well as providing fulfilling, occupational opportunities for others, many start-ups offer scalable digital solutions to complex socio-economic problems. For instance, Sehat Kahani, a Jazz-incubated start-up, makes healthcare available to women in rural Pakistan through its mobile platform.

Access to payment instruments and financial services is crucial factor for economic growth. However, millions of people in our operating countries are currently unbanked, and more people possess a mobile phone than a bank account. VEON considers this a business opportunity, and has made the growth of our Digital Financial Services (DFS) portfolio a priority. We have already established DFS businesses in Pakistan, Uzbekistan and Kazakhstan. By offering a wide array of reliable and ready available financial services, we play an important role in building digital financial ecosystems.



200 people with disabilities

have received training to boost their digital skills, confidence and employability through Beeline Russia's Everland programme. Only a third of people with disabilities in Russia are employed; this programme empowers more of them to find fulfilling work.



100 participants

in Beeline Georgia's NASA Space Apps Challenge pitted their data science skills against each other in a hackathon, using NASA-provided data. There are currently few opportunities to pursue data science in Georgia so this competition presents young people with a valuable chance to explore it.



20,000 young people

in Pakistan's Khyber Pakhtunkhwa region have taken part in digital skills training as part of Jazz's Pakistan Youth Employment Programme, in partnership with KPITB and the World Bank. This training enables them to find freelance work online to support themselves.



30,000 small business

owners benefit from Beeline Kyrgyzstan's AYA Master CRM app. Most people in Kyrgyzstan don't have computers, so this application that helps them run their business from their smartphone is an important tool for success.



43,000 people

applied for jobs on the Kormo platform through Banglalink's channels. The Kormo app allows candidates to apply for jobs and provides e-learning courses on how to strengthen their CVs and applications, helping them to compete in the challenging job market.



25 social institutions

that support children and adults with disabilities receive free high-speed internet from Beeline Kazakhstan. There is limited state support for people with disabilities, so these charity-funded libraries, special schools and employment training centres are a vital service.

OUR PROGRESS ON THE SUSTAINABLE DEVELOPMENT GOALS

SDG 9: Industry, Innovation and Infrastructure

The aim of SDG 9 is to build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.



Our contribution to SDG 9 covers a variety of initiatives aimed at enhancing productivity, promoting innovation and combatting digital exclusion. These efforts help to break down the 'digital divide' and support the developing countries in which we operate to grow sustainably. The development and maintenance of our digital services and network infrastructure in our host countries is our fundamental contribution to SDG 9. We are committed to improving digital access, coverage and connection speeds through continual investment.

One example of VEON's commitment to advancing infrastructure is the 5G trials run in many of our operating countries in 2019. Similarly, our network's rural expansion in countries such as Georgia and Kyrgyzstan has been helpful in uplifting small- and medium-sized enterprises (SMEs). VEON has also made significant social investments to foster local digital entrepreneurial ecosystems, as part of our commitment to developing our business and infrastructure responsibly. We are attentive to the environmental sustainability of our operations and the resilience of our infrastructure. Our technology teams continue to explore renewable energy options to power our services.



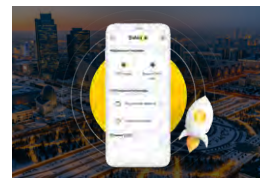
1,300 residents

of rural villages in Georgia can enjoy internet access for the first time, thanks to a rural expansion scheme by Beeline Georgia that expanded network coverage into remote mountain areas. This scheme has already boosted much-needed tourism in the region.



1 million people

in Shymkent were able to trial 5G internet during Beeline Kazakhstan's 2019 pilot. It was a public demonstration of the potential and power of 5G to representatives of business, government agencies and citizens.



100,000 monthly users

manage their finances and online payments through Beeline Kyrgyzstan's Balance.kg platform, allowing rural residents to receive the same banking services as those of major cities. Over 700,000 people have installed the application.



16 million subscribers

manage their finances through nine different mobile financial services (MFS) operators in Bangladesh, all of which are powered by the Banglalink network. Subscribers can access their MFS services simply by dialling the USSD short-code.



1 million active customers

receive affordable health insurance and healthcare services through Jazz Pakistan's BIMA Sehat platform. There is less than one doctor per 1,000 people in Pakistan, and many people struggle to afford care, so BIMA Sehat is much needed.



17,500 missing people found

alive by Liza Alert, a non-profit organisation in Russia powered by Beeline Russia's AI- and 5G-powered image recognition platform. The platform can process 2,500 drone images in less than two minutes to spot missing people, then guide rescuers to their location.

VEON VOICES

“My minimal salary makes it impossible for me to manage the household and pay for medical emergencies, so I am eternally grateful for this service”

Muhammad Safdar
Road accident victim



VEON SUSTAINABILITY REPORT 2019

ABOUT THIS REPORT

Our sustainability standards	75
Independent assurance statement	76

Sustainability Report 2019

MESSAGE FROM OUR LEADERSHIP

About this report

This is VEON's eighth annual Sustainability Report. The report focuses on our policies and business operations with regard to sustainability during 2019, along with information about related events and achievements. This report is intended for various stakeholders including our employees, customers, suppliers, business partners, governments and regulators, and investors.

Our approach to sustainability and reporting is guided by the principles of stakeholder engagement and materiality of the Global Reporting Initiative (GRI). Our value creation model is inspired by the framework of the International Integrated Reporting Council (IIRC) and attempts to demonstrate the impact of our business operations and social initiatives clearly and holistically.

Reporting scope

VEON's Sustainability Report covers the 2019 calendar year. The report applies only to the geographical markets where we had active operations until 31 December 2019.

Our scope of reporting does not include markets where businesses were sold during the financial year, businesses where we control less than 50% of the equity, businesses where we do not have management control, or businesses that represent less than 0.15% of our service revenue. During 2019, we did not acquire businesses in any new geographical markets.

A list of significant subsidiaries can be found in our Form 20-F (filed with the US Securities and Exchange Commission) or on our website.

Stakeholders and materiality

A range of stakeholders have legitimate expectations for how our company operates and creates value. By engaging with them on a regular basis we can understand and evaluate issues and revisit our strategy, plans, and actions. We explain our approach to stakeholder engagement on page 23. We determine our priorities by assessing the materiality of individual topics to our strategy, and their importance to our stakeholders in a context broader than captured by traditional measures of financial materiality.

The prioritised issues are discussed with the relevant members of the management and the Global Executive Committee. The materiality assessment and its outcomes are applicable to all entities explained in the Reporting Scope. We explain our approach and the results on page 26. Definitions for the material topics are included on page 80.

Reporting guidelines

This report has been prepared in accordance with GRI Standards: Core option. Moreover, we include specific elements of the IIRC Framework, for example a value creation model. Our full Integrated Report 2019 can be found on our website. We have described the reporting scope and boundaries for each material topic in the GRI Content Index which can also be found on our website.

Data quality

The sustainability reporting system is integrated into our broader financial reporting system, including internal controls. We have implemented several control measures to secure the quality of our data consolidation and reporting, including:

- Controls within the reporting software to 'lock' data once it has been approved at different levels to prevent unauthorised changes and map an internal audit trail
- Clear division of responsibilities between data custodians (responsible for providing initial data), finance teams (responsible for the data entry and reporting process), and corporate responsibility teams at operating company level (responsible for checking data quality and content)
- An external auditor providing assurance on a selection of material KPIs.

Each year we perform a comprehensive internal check on our KPIs and update our reporting procedures to ensure that our indicators are most relevant to our business. These changes in processes are updated in our Sustainability Reporting Manual. The manual is an important internal document for key points of contact at both our operating companies and headquarters.

It includes definitions, as well instructions on how to source the data. This year we have added new KPIs for material topics such as data privacy and cyber security, digital inclusion and digital innovation. The latter two topics are directly tied to our impact sections Make Your Mark, Digital Skills and Literacy, and the Sustainability Programme Framework.

Within the Sustainability Programme Framework, we continue to report on the goals identified in the prior year's report and report on KPIs such as the number of start-ups supported on a cumulative basis.

This year we have placed the focus on the number of direct start-ups supported through commercial or sustainability partnerships. We have combined the indicator reporting on the number of individuals benefitting from subsidised internet connections versus the number benefitting from ICT equipment in order to reduce double-counting and allow for more robust reporting.

Independent assurance

VEON's senior stakeholders need to be able to rely on sustainability information as a basis for their decisions. Trustworthy information strengthens confidence in our company, markets, and long-term value.

In order to ensure we have reliable information, with regard to non-financial information, we have requested an independent third party to provide assurance for the following set of KPIs:



- Security incidents managed preventively and solved without major negative impact
- Number of employees that completed anti-corruption and anti-bribery training
- Number of one-month-active accounts/digital wallets
- Number of active users of self-care applications (MAU)
- Corporate governance section on pages 28 and 29
- Economic value generated and distributed in USD
- Mobile data traffic (GB)

The assurance statement can be found on page 76.

Relevant data assumptions and estimates

Within our sustainability reporting process, there are relevant data assumptions and estimates to indicate. Below, you will find an explanation on several of our most important assumptions.

Environmental footprinting

Regarding the data we collect for capturing our environmental footprint, we are focused on improving the measurement of our Scope 1 (network) and Scope 2 (non-network) carbon emissions, and have not yet started to quantify our Scope 3 emissions.

In several operating companies, we have outsourcing agreements relating to the building, management and maintenance of our network assets. We have attempted to record the key impacts such as energy consumption and relevant health and safety performance of contractors when on VEON premises.

We have made certain assumptions and estimations in relation to our energy use and carbon footprint. The bulk of our energy consumption comes from our base stations, some of which are not connected to national power grids.

This means that we must estimate consumption based on a mixture of invoice information and knowledge of technical capabilities of different types of equipment.

For several of our businesses, we estimate energy consumption for the final period of the year as invoices are not yet available. We have done this through reference to other invoices received during the year and for the same period in the previous year.

We have calculated carbon dioxide equivalent emissions arising from energy purchased from national electricity grids with reference to conversion factors provided by the International Energy Agency. Sustainability reporting-related information as well as non-financial data is retrieved from each of the operating companies during the process of data collection.

The importance of uniformity of data was emphasised, however local systems and different measuring methods and calculation approaches may result in some uncertainties.

Third party data

Across our reporting process for the Group sustainability report, we do not intend to report on the broader impacts of outsourcing partners or suppliers as these issues should be included in their own sustainability reporting.

This statement is applicable for all key performance indicators that we collect and include in each year's report.

Variations in individual operating company methods

Each year we update and streamline the KPI reporting definitions in our Group Sustainability Reporting Manual.

However, we acknowledge that KPI reporting in some instances cannot be completely aligned, as the definitions of certain indicators inevitably vary per country and across some operating companies.



One example of this is that a 'leaver' is classified differently in various regions; in some this entails a person who has left the company permanently whereas in other regions a 'leaver' can also refer to a person who is on maternity leave for an extended period of time. Thus, it is important to disclose and be aware of such differences in definitions between regions.

Net Promoter Score (NPS)

NPS is a widely used alternative to traditional customer-satisfaction surveys. Respondents are asked how likely they would be to recommend the company on a scale of one to 10. If they give a score of nine or more, they are considered a promoter. They are a detractor if they give a score of six or less. NPS is the difference between the percentage of promoters and detractors.

Digital wallets and self-care apps

In 2019, our sustainability reporting team has worked closely with the Investor Relations team to determine new indicators for our material topics digital inclusion and digital innovation.

To determine these indicators, they used collected Group data (available at headquarters level) on the number of active digital wallets and self-care apps across our operating companies.

ABOUT THIS REPORT

Our sustainability standards

GRI Sustainability Reporting Standards

The GRI Sustainability Reporting Standards (GRI Standards) are the most widely adopted global standards for sustainability reporting. The GRI Standards are designed to be used by organisations to understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being.

Aligning our reporting with the GRI Standards provides a holistic picture of both our sustainability programmes and our wider business. The GRI Standards help us to showcase how VEON empowers local communities and helps to safeguard the environment, while at the same time thriving economically through improving governance and stakeholder relations, enhancing reputations and building trust. The GRI Standards also help us to contribute to a sustainable global economy by driving greater transparency in corporate reporting and communications.

The Dutch Transparency Benchmark

The Dutch Transparency Benchmark assesses transparency in corporate social reporting. It is a study of the qualitative and quantitative development of corporate social reporting among the largest companies in the Netherlands.

The government of the Netherlands, where VEON is headquartered, requires companies to be transparent about their corporate social responsibility (CSR) policies and activities. The Ministry of Economic Affairs and Climate Policy uses the Transparency Benchmark to provide an insight into the manner in which the largest Dutch companies report their CSR activities.

VEON participates in the Dutch Transparency Benchmark assessment each year, and every year so far has shown improvement in its score.

The Dow Jones Sustainability Index (DJSI)

The Dow Jones Sustainability Index is the first global sustainability benchmark of indices. The focus of the Dow Jones Indices is to evaluate the sustainability of various publicly traded companies.

VEON participated in the DJSI for the first time in 2019. The goal of participating was to generate long-term shareholder value and to reflect VEON's sustainability commitment and performance, as well as to gain insights into our positioning relative to our industry peers and determine the most effective levers for improvement.

The UN Sustainable Development Goals

Reporting on our impact on and progress regarding the UN Sustainable Development Goals helps us to showcase how our individual sustainability programmes and initiatives contribute to wider global goals around inclusive, environmentally and ethically sound advancement. Additionally, it also brings our reporting in line with industry best practices.



Independent assurance statement



Scope of engagement

Challenge Sustainability Limited ("Challenge Sustainability", "us" or "we") were commissioned by VEON Amsterdam B.V. ("VEON") with the objective to provide assurance of VEON's 2019 Sustainability Report (the "Report") in relation to the AA1000 Accountability Principles and assurance over the Subject Matter presented in the Report, for the reporting year ended 31st December 2019.

Our agreed objective was to obtain a 'reasonable' level of assurance for the Subject Matter, to meet the requirements of the International Standard on Assurance Engagements (ISAE) 3000 revised. For the AA1000 Principles, our assurance engagement was planned and performed to meet the requirements of a Type 1 "moderate level" of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

The scope and boundary of our work is restricted to the following areas:

1. Subject matter

- Security incidents managed preventively and solved without major negative impact
- Number of employees that completed anti-corruption and anti-bribery training
- Number of 1 month-active accounts/digital wallets
- Number of active users of self-care apps (MAU)
- Corporate governance section on pages 28 and 29
- Economic value generated and distributed (USD)
- Mobile data traffic (GB)

To assess the Subject Matter, which includes an assessment of the risk of material misstatement in the Report, we have used VEON's Sustainability Reporting Manual (the "Reporting Criteria").

The Management of VEON are responsible for preparing the Sustainability Report in accordance with the Reporting Criteria, which are based on the GRI Sustainability Reporting Standards of the Global Reporting Initiative.

2. AA1000 Principles

We assessed the nature and extent of adherence of the Report to the AA1000 Principles of inclusivity, materiality and responsiveness (the "AA1000 Principles"). To assess the AA1000 Principles we have used the publicly available AA1000 AccountAbility Principles Standard (AA1000APS) 2008 (the "Principles Criteria").

We have not performed any work, and do not express any conclusions, on any other information outside of the Subject Matter that may be published in the Report or on VEON's website for the current reporting period or for previous periods.

Our conclusions

Subject matter

Based on the procedures we have performed and the evidence we have obtained, in our opinion, the Subject Matter is fairly stated and has been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion relates only to the Subject Matter and is to be read in the context of this Statement.

AA1000 Principles

Based on the work we have undertaken, nothing has come to our attention that leads us to conclude that the Report is not in adherence with the AA1000 Principles as described in the Principles Criteria. We comment on the nature and extent of each individually below.

Our observations

We provide our observations and areas for improvement in a separate report to VEON's Management team. Only selected observations are provided below. These observations do not affect our conclusions set out above.

Subject matter

The indicators within the scope of our assurance are aligned with the highest materiality issues as determined by VEON's materiality process.

AA1000 Principles

Inclusiveness

VEON's business operations demonstrate engagement with a wide range of stakeholders. The Report allows stakeholders to form an understanding of VEON's response to the current most material issues at a corporate level. VEON have sought the views of both internal and external stakeholders in relation to key areas of sustainability management, and there is evidence of an increasing focus on the expectations of investors and other external opinion formers.

Materiality

VEON have updated its materiality matrix in 2019 based on inclusion (for the first time) of external stakeholder opinion in the materiality determination process. Input was gathered through a wide ranging survey involving more than 500 respondents.

Responsiveness

VEON has included appropriate information in the Report on its responses to stakeholder issues. We are not aware of any matters that would lead us to conclude that VEON has not reported information on its responses to stakeholder concerns of material significance at a corporate level.

Responsibilities of the Management of VEON

The Management of VEON has sole responsibility for preparing and presenting the Subject Matter in accordance with VEON's Sustainability Reporting Manual and preparing the Report in adherence to the AA1000 Principles.

VEON's responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.

Responsibilities of Challenge Sustainability

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the Reporting Criteria and to report to VEON in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

We must also express a conclusion over whether the Report adheres to the AA1000 Principles, as described in the Principles Criteria, and comment on the nature and extent of each Principle individually.

The intended users of this assurance statement are VEON and its stakeholders. We do not accept, or assume responsibility to anyone else, except to VEON for our work, for the conclusions that we have reached. We have not been responsible for the preparation of the Report.

Standards and level of assurance

For the Subject Matter, we performed our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board.

This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain a specified level of assurance.

A reasonable level of assurance means that we aimed to reduce the assurance engagement risk (the risk that an inappropriate conclusion is expressed when the information on the subject matter is materially misstated) to an acceptably low level, but not reduced to nil.



A reasonable assurance engagement includes examining, on a test basis, evidence supporting the Subject Matter in the Report.

We have evaluated the processes for collecting and consolidating the Subject Matter and performed testing on a sample basis to evaluate whether the Subject Matter is reported according to the Reporting Criteria.

For the AA1000 Principles, our assurance engagement was planned and performed to meet the requirements of a Type 1 “moderate level” of assurance as defined by AA1000 Assurance Standard (AA1000AS) 2008.

Our competence, independence and quality control

Challenge Sustainability has established policies and procedures that are designed to ensure that our team maintain independence and integrity. All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by VEON have been provided in good faith. Challenge Sustainability expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement. Challenge Sustainability had no additional engagement with VEON during the reporting year that would constitute a conflict of interest or otherwise compromise our independence. This engagement was carried out by an independent team of sustainability assurance professionals.

Further information on our competencies and experience can be found at www.challengesustainability.com. In relation to use of the AA1000 Assurance Standard, Challenge Sustainability is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org). The Statement has been reviewed for quality by AccountAbility in relation to the use of the AA1000 Assurance Standard.



The basis of our conclusion

Subject matter

We are required to plan and perform our work in order to consider the risk of material misstatement of the Subject Matter. Our work included, but was not restricted to:

- Assessing the appropriateness of the Reporting Criteria for the Subject Matter;
- Reviewing the effectiveness of internal controls and the processes for collecting and consolidating relevant data and information;
- Conducting remote interviews with VEON’s Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report relevant data and information;
- Remote meetings with staff at VEON’s Head Office to review the processes for gathering and consolidating relevant data and information and checking its consolidation;
- Examining, on a sample basis, source evidence to support the reported Subject Matter, specifically to establish the relationship between data and information aggregated at Head Office level, with the data and information gathered at Operating Company level, with samples of data from Operating Companies chosen on the base of market size and geographical location;
- Reviewing the evidence, measurements and their scope provided to us by VEON for the Subject Matter to assess whether it was prepared in line with the Reporting Criteria; and
- Reviewing the Report and narrative accompanying the Subject Matter in the Report with regards to the Reporting Criteria.

AA1000 Principles

We are required to plan and perform our work in order to form an opinion over the Report’s adherence to the A1000 Principles. Our work included, but was not restricted to:

- Reviewing the current sustainability issues that could affect VEON and would be of interest to stakeholders;
- Reviewing VEON’s approach to stakeholder engagement;
- Reviewing information provided to us by VEON on its reporting and management processes relating to the AA10000 Principles; and
- Interviewing senior management with responsibility for management of sustainability issues and reviewing selected evidence to support the issues discussed.

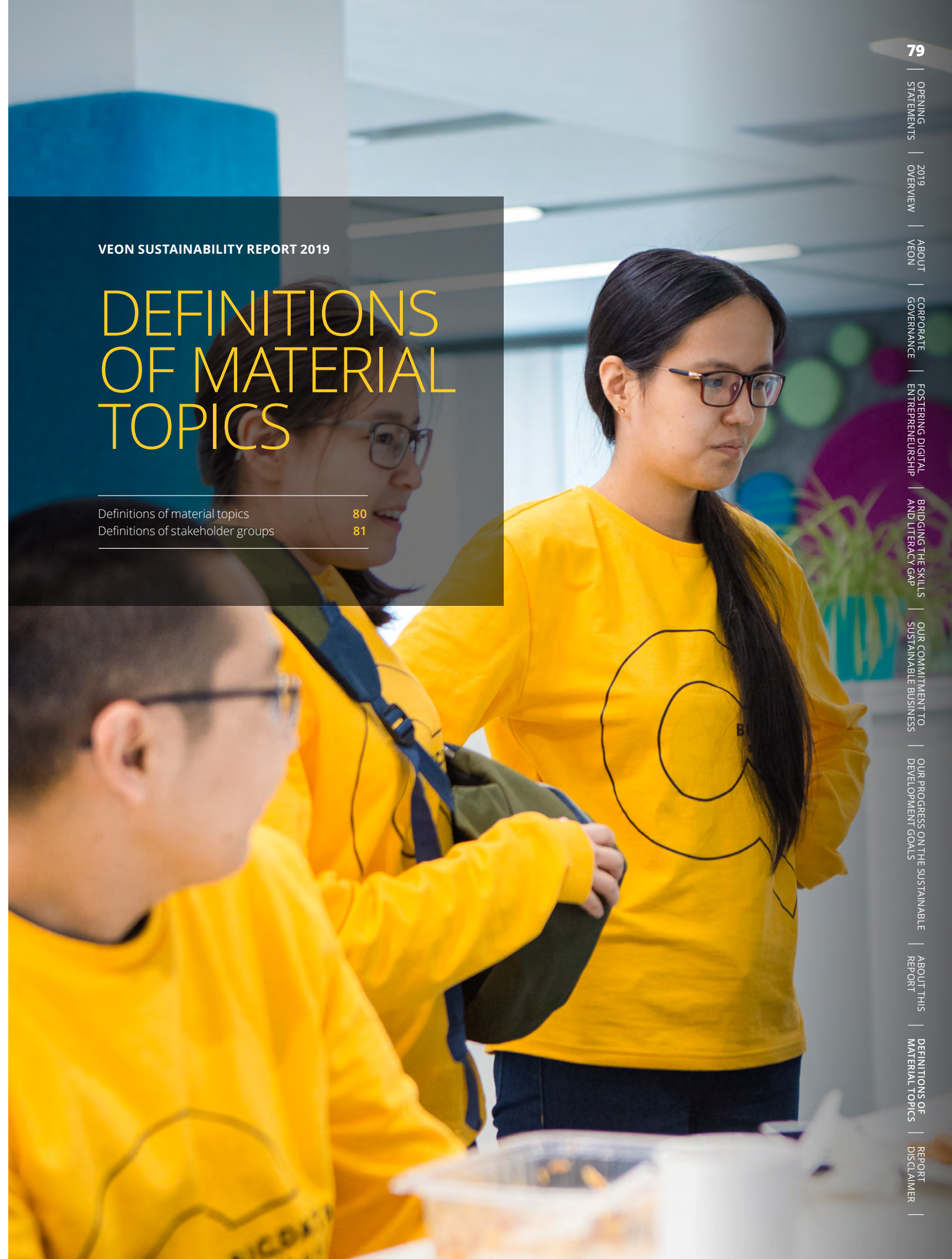
For and on behalf of:

Challenge Sustainability Limited

Jon Woodhead, Director

Rob Pearson, Director

United Kingdom, April 2020



VEON SUSTAINABILITY REPORT 2019

DEFINITIONS OF MATERIAL TOPICS

Definitions of material topics	80
Definitions of stakeholder groups	81

Definitions of material topics

Data, privacy and cyber security*

The topic pertains to the policies and efforts of a business that keep customer data safe and ensure the privacy of its customer base is respected. It includes adopting comprehensive policy, framework and control measures, as well as transparent reporting of instances of loss of customer data and breaches of customer privacy.

Digital inclusion

The topic refers to the activities necessary to ensure that all individuals and communities, including the most disadvantaged, have access to Information and Communication Technologies (ICTs) and possess the skills to make use of it. This ensures that everyone participates in and benefits from the exponential growth of knowledge and information.

Mobile services, including mobile financial services, mEducation and mHealth, are helping communities participate actively and productively in the society.

Digital innovation*

The topic refers to a business's commitment to transforming and upgrading its processes, networks and services. It refers to the company's ability to act in a way that helps to improve their customer experience and business models by making use of disruptive digital technologies.

Diversity and inclusion

The topic refers to policies adopted and actions taken to promote a working environment that is free of discrimination and offers equal opportunities to all, regardless of race, religion, age, gender, national origin, marital status, sexual orientation or disabilities. Moreover, it relates to efforts made to foster a safe and professional working environment in which no forms of abuse or harassment are tolerated.

Ethics and integrity

The topic refers to policies, approaches and initiatives deployed to ensure zero corruption, bribery or illegal sales practices, such as price fixing or abuse of monopoly, in any setting, whether direct or indirect. This also includes dealings with suppliers, distributors, customers and governments, as well as the presence of ethics hotlines and grievance-reporting mechanisms.

Financial performance

The topic relates to the company's financial performance. Associated topics include generated revenue, cost structure, dividend policy, wages, taxes paid and other key financial indicators.

Corporate governance

The framework of rules and practices by which a Board of Directors ensures accountability, fairness and transparency in a Company's relationship with its stakeholders (shareholders, management, employees, customers, government and the community).

Impact on society/social involvement

The topic refers to the effect a business has on society, including that of its corporate responsibility initiatives. For example, it covers the socio-economic outcome of initiatives including smart schools, tech hubs and charities. The livelihoods supported by direct and indirect employment and the business opportunities offered to suppliers are also considered.

Talent management and skills development

This topic describes a company's commitment to hiring, managing, developing and retaining talented employees. It also refers to a company's employee engagement and recruitment processes.

Quality of services*

This topic is very relevant for the telecommunications sector. It comprises the following;

- The service quality of products and services provided. These entail uptime/ downtime, network modernisation deployed, data transmitted, network coverage and network availability
- Customer perception of the quality of the provided products and services; this includes Net Promoter Scores (NPS) and customer engagement surveys.

* *Industry-/VEON-specific definition*

Definitions of stakeholder groups

Communities

This group consists of NGOs, community-based organisations and civil society groups who we partner with for corporate responsibility-related initiatives.

Customers

This group consists of individuals and businesses that use VEON service offerings.

Employees

This group consists of dedicated individuals working for VEON across our geographies.

Governments and regulators

This group consists of local governments, regulators and state sector organisations which support us in delivering products and services across our markets.

Investors

This group consists of analysts and institutional investors, as well as the broader financial community VEON frequently engages with.

Other

This group consists of respondents that do not fit within the traditional stakeholder groups as defined by VEON. Examples are suppliers and industry representatives like the International Telecommunication Union and the Global System for Mobile Communications (GSMA).

Key data and information

TABLE 1

Corporate governance

	2019	2018	2017
Percentage of operating companies' senior management hired from the local communities*	62%	n/a	n/a
Total value of political contributions (USD)**	0	0	0

*This is a new reporting KPI.

**As per VEON'S Code of Conduct, the company does not make donations or contributions of any type, either in cash or in kind, to political parties, organisations, factions, or movements of public or private nature, whose activity is clearly linked with political or religious activities.

TABLE 2

Data privacy and cyber security

	2019	2018	2017
Progress of additional security measures implemented (%)	91%	89%	79%
Potentially adverse events analysed	~2,000	120	50
Critical incidents managed preventively and solved	12	10	9
Internally identified compromises that resulted in a breach and exfiltration of data	0	1	0
Notifications from external cyber-intelligence services	15	5	2
Reports from outside parties and substantiated by the organisation	1	0	0
Complaints from regulatory bodies	2	2*	2

*This KPI was restated from the prior year's reporting.

TABLE 3

Diversity, equality and discrimination

		2019	2018	2017
(Average) Entry level wage versus minimum wage (%)*	Male	189%	n/a	n/a
(Average) Entry level wage versus minimum wage (%)*	Female	209%	n/a	n/a
Percentage of females in senior management (%)		22%	24%	20%
Percentage of employees who are male		56%	63%	56%
Percentage of employees who are female		44%	37%	44%
Percentage of employees who are aged under 30*		43%	n/a	n/a
Percentage of employees who are aged between 30 and 50*		52%	n/a	n/a
Percentage of employees who are aged over 50*		5%	n/a	n/a
Number of employees with self-identified disabilities*		90	n/a	n/a

*This is a new reporting KPI.

TABLE 4

Ethics and integrity

	2019	2018	2017
Trainings*			
Percentage of GEC members and GEC minus 1 who completed annual anti-bribery and corruption training	73%	n/a	n/a
Percentage of OpCo CEOs and CEO minus 1 who completed annual anti-bribery and corruption training	78%	n/a	n/a
Number of employees who completed annual anti-bribery and corruption training**	6,279	n/a	n/a
Percentage of employees who completed annual anti-bribery and corruption training**	21%	n/a	n/a
Incidents of breaches of Code of Conduct and actions taken*			
Total number of SpeakUp reports	1,166	n/a	n/a
Percentage of substantiated SpeakUp reports	44.8%	n/a	n/a
Total number of internal disciplinary actions related to SpeakUp reports	456	n/a	n/a
Marketing compliance			
Incidents of non-compliance with regulations resulting in a fine or penalty		78	2
Incidents of non-compliance with regulations resulting in a warning		45***	36
Incidents of non-compliance with voluntary codes		1***	3

*This is a new reporting KPI.

** Selected employees from medium- and high-risk functions were invited to complete this training.

***This KPI was restated from the prior year's reporting.

TABLE 5

Financial performance

	2019	2018	2017
Economic value generated and distributed (USD million)			
Economic value generated (operating revenue, interest and dividends received)	8,948.70	9,163.03	9,570.28
Economic value distributed:			
Payments to suppliers	5,386.78	6,421.87	6,635.81
Payments to employees	874.60	888.89	927.25
Payments to suppliers of capital	1,221.67	1,336.44	1,554.35
Payments to governments (taxes and license payments)	585.43	854.18	803.53
Community investment (including sponsorships)	0.83	0.97	1.87
Total	8,069.30	9,502.34	9,922.80
Economic value retained (USD million)	879.40	-339.30	-352.52

TABLE 6

Impact on society/social involvement

	2019	2018	2017
Total volunteer hours	11,312	7,736	9,330

*This is a new reporting KPI.

TABLE 7

Quality of services

	2019	2018	2017
Voice call drop rate (%)	0.51%	0.61%	0.69%
4G download speed	7.1 Mbps	6.787 Mbps	6.007 Mbps
Voice inaccessibility (%)	0.77%	0.92%	1%
Data inaccessibility (%)	0.40%	0.49%	n/a
Network unavailability (%)			
2G	0.83%	0.76%	NA
3G	0.61%	0.56%	NA
4G	0.41%	0.36%	NA
The number of markets ranked first or second in their market (leaders)	5	4	7
The number of markets improving relative NPS	2	5	7
Total base stations (physical sites)	265,841	231,807	259,439
Total sites: 2G (physical sites)	105,710	102,078	116,239
Total sites: 3G (physical sites)	84,183	79,107	101,497
Total sites: 4G (physical sites)	75,948	50,622	41,703
Active mobile voice subscribers (3 months) (millions)	212.40	209.90	210.30
Active data subscribers (3 months) (millions of fixed-line customers)	4.20	3.80	3.50
Total mobile data traffic (including voice) (gigabyte)	5.30	3.10	2.30
MBOU (megabyte of use) (per country)			
Total for Russia	5,497	3,630	2,809
Total for Algeria	3,198	1,743	534
Total for Pakistan	2,083	1,129	562
Total for Bangladesh	1,314	789	450
Total for Ukraine	3,667	2,142	827
Total for Kazakhstan	5,951	4,120	2,436
Total for Uzbekistan	2,222	1,100	467
Total for Kyrgyzstan	6,021	3,575	2,146
Total for Armenia	1,925	1,635	1,538
Total for Georgia	3,093	2,085	1,962

	LTE (4G)			3G			2G		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Network population coverage (%)									
Total for Russia	86%	74%	63%	93%	95%	94%	94%	97%	97%
Total for Algeria	38%	27%	25%	75%	77%	76%	96%	96%	96%
Total for Bangladesh	29%	17%	0%	72%	72%	70%	95%	95%	98%
Total for Pakistan	52%	34%	15%	60%	52%	51%	75%	75%	75%
Total for Kazakhstan	68%	60%	50%	83%	76%	68%	92%	92%	92%
Total for Uzbekistan	26%	25%	23%	75%	70%	70%	92%	91%	91%
Total for Kyrgyzstan	89%	59%	53%	86%	62%	61%	98%	88%	88%
Total for Georgia	90%	90%	90%	75%	75%	75%	89%	89%	89%
Total for Armenia	58%	46%	28%	87%	85%	81%	99%	99%	99%
Total for Ukraine	74%	51%	0%	75%	75%	74%	98%	98%	98%

TABLE 8

Occupational health and safety

	2019	2018	2017
Number of work-related fatal accidents	0	2	6
Number of non-work-related fatal accidents*	5	n/a	n/a
Number of lost days due to injury*	2,676	n/a	n/a
Number of incidents resulting in lost days	116	127	231
Number of other lost-time injuries*	38	n/a	n/a
Number of work-related special security incidents	2	1	9
Work-related injury rate per million hours	1.38	1.57	1.5

*This is a new reporting KPI.

TABLE 9

Environmental performance

	2019	2018	2017
Total CO ₂ emissions (million tonnes)	1.25	0.8	1.69
CO ₂ emissions scope 1 (million tonnes)	0.16	0.16	0.23
CO ₂ emissions scope 2 (million tonnes)	1.1	0.65	1.45
Use of diesel in network operations (MWh)	105,035	105,695	152,875
Number of BTS with solar and/or wind energy technology	472	475	439
Number of BTS with free-cooling technology	15,968	15,037	15,894
Number of BTS with hybrid-diesel technology	13,451	11,354	12,057
Number of BTS which are situated outdoors	35,267	28,884	39,053
Number of BTS which use power-saving technology	21,601	31,225	56,617

TABLE 10

Talent management and skills development

	2019	2018	2017
Percentage of employees covered by collective bargaining agreements	10%	12%	26%
Average number of training hours per employee	13.6	n/a	n/a
Amount spent on employee training and development activities (USD million)*	6.7	n/a	n/a
Annual employee turnover rate (%)	43%	41%	47%
New employee hires			
Russia	16,675	20,969	13,775
Pakistan	554	288	582
Algeria	39	92	499
Bangladesh	78	160	231
Ukraine	1,232	722	390
Uzbekistan	269	492	363
Kazakhstan**	915	n/a	n/a
HQ	39	98	245
Others	472	993	1,016
Total	20,273	23,814	17,101
Number of employees			
Russia	28,003	28,570	22,031
Pakistan	4,325	4,424	4,175
Algeria	2,781	2,866	3,193
Bangladesh	1,200	1,120	1,178
Ukraine	3,527	2,754	2,656
Uzbekistan	1,594	1,563	1,333
Kazakhstan**	2,142	n/a	n/a
HQ	286	507	640
Others	2,634	4,328	4,732
Total	46,492	46,132	39,938

*This is a new reporting KPI.

**The number of employees in Kazakhstan for the years ended December 31, 2018 and 2017 were included in "Others." For the year ended December 31, 2019, as Kazakhstan is a reportable segment, the total number of employees in Kazakhstan is reported separately as of December 31, 2019.



Report disclaimer

This Corporate Sustainability Report 2019 (“Report”) contains estimates and forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). These estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations.

Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to numerous risks and uncertainties and are made in light of information currently available to us. In addition to the factors discussed in the section of this Report entitled “Managing our risks”, please refer to Item 3D.—Risk Factors of our Form 20-F for further discussion relating to factors that may adversely affect our results as indicated in forward-looking statements. You should read this Report completely and with the understanding that our actual future results may be materially different and worse from what we expect. All statements other than statements of historical fact are forward-looking statements. The words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” and similar words are intended to identify estimates and forward-looking statements.

Our estimates and forward-looking statements may be influenced by various factors, including, without limitation:

- Our ability to implement and execute our strategic priorities successfully, and to achieve the expected benefits from, our existing and future transactions;
- Our assessment of the impact of the COVID-19 pandemic on our operations and financial condition;
- Our targets and strategic initiatives in the various countries in which we operate;
- Our ability to develop new revenue streams and achieve portfolio and asset optimisations, improve customer experience and optimise our capital structure;
- Our ability to generate sufficient cash flow to meet our debt service obligations, our expectations regarding working capital and the repayment of our debt and our projected capital requirements;
- Our plans regarding our dividend payments and policies, as well as our ability to receive dividends, distributions, loans, transfers or other payments or guarantees from our subsidiaries;
- Our expectations regarding our capital and operational expenditures in and after 2020;
- Our goals regarding value, experience and service for our customers, as well as our ability to retain and attract customers and to maintain and expand our market share positions;

- Our plans to develop, provide and expand our products and services, including operational and network development, optimisation and investment, such as expectations regarding the expansion or roll-out and benefits of 3G, 4G/LTE and 5G networks or other networks, broadband services and integrated products and services such as fixed-mobile convergence;
- Our expectations as to pricing for our products and services in the future, improving our ARPU, and our future costs and operating results;
- Our ability to meet license requirements, to obtain, maintain, renew or extend licenses, frequency allocations and frequency channels and to obtain related regulatory approvals;
- Our plans regarding marketing and distribution of our products and services, including customer loyalty programs;
- Our expectations regarding our competitive strengths, customer demands, market trends and future developments in the industry and markets in which we operate;
- Our expectations regarding management changes; and
- Other statements regarding matters that are not historical facts.

These statements are management’s best assessment of our strategic and financial position and of future market conditions, trends, and other potential developments. While they are based on sources believed to be reliable and on our management’s current knowledge and best belief, they are merely estimates or predictions and cannot be relied upon. We cannot assure you that future results will be achieved. The risks and uncertainties that may cause our actual results to differ materially from the results indicated, expressed, or implied in the forward-looking statements used in this Report include, without limitation:

- Risks relating to changes in political, economic and social conditions in each of the countries in which we operate and where laws are applicable to us (including as a result of armed conflict) such as any harm, reputational or otherwise, that may arise due to changing social norms, our business involvement in a particular jurisdiction or an otherwise unforeseen development in science or technology;

- Risks associated with further unanticipated developments related to the COVID-19 pandemic that negatively affect our operations and financial condition;
- In each of the countries in which we operate and where laws are applicable to us, risks relating to legislation, regulation, taxation and currency, including costs of compliance, currency and exchange controls, currency fluctuations and abrupt changes to laws, regulations, decrees and decisions governing the telecommunications industry and the taxation thereof, laws on foreign investment, anti-corruption and anti-terror laws, economic sanctions and their official interpretation by governmental and other regulatory bodies and courts;
- Risks related to the impact of export controls on our and important third-party suppliers’ ability to procure goods, software or technology necessary for the services we provide to our customers, particularly on the production and delivery of supplies, support services, software and equipment that we source from these suppliers — for example, in April 2018, the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) issued an Export Administration Regulation (“EAR”) Denial Order to ZTE Corporation (“ZTE”) which prohibited, among other things, exports, re-exports and in-country transfers of goods, software and technology (collectively, “Items”), each of which could have led to service degradation and disruptions in certain markets, and in May and August 2019, BIS added Huawei Technologies Company Ltd. and 114 of its affiliates (collectively, “Huawei”) to its “Entity List”, prohibiting companies globally from directly or indirectly exporting, re-exporting or in-country transferring all Items subject to the EAR to Huawei and procuring Items from Huawei when they have reason to know that the Items were originally procured by Huawei in violation of U.S. law;
- Risks relating to a failure to meet expectations regarding various strategic initiatives, including, but not limited to, changes to our portfolio;

- Risks related to solvency and other cash flow issues, including our ability to raise the necessary additional capital and incur additional indebtedness, the ability of our subsidiaries to make dividend payments, our ability to develop additional sources of revenue and unforeseen disruptions in our revenue streams;
- Risks that the adjudications by the various regulatory agencies or other parties with whom we are involved in legal challenges, tax disputes or appeals may not result in a final resolution in our favour or that we are unsuccessful in our defense of material litigation claims or are unable to settle such claims;
- Risks relating to our company and its operations in each of the countries in which we operate and where laws are applicable to us, including demand for and market acceptance of our products and services, regulatory uncertainty regarding our licenses, frequency allocations and numbering capacity, constraints on our spectrum capacity, availability of line capacity, intellectual property rights protection, labour issues, interconnection agreements, equipment failures and competitive product and pricing pressures;
- Risks related to developments from competition, unforeseen or otherwise, in each of the countries in which we operate and where laws are applicable to us, including our ability to keep pace with technological change and evolving industry standards;
- Risks related to the activities of our strategic shareholders, lenders, employees, joint venture partners, representatives, agents, suppliers, customers and other third parties;
- Risks associated with our existing and future transactions, including with respect to realising the expected synergies of closed transactions, satisfying closing conditions for new transactions, obtaining regulatory approvals and implementing remedies;
- Risks associated with data protection, cyber-attacks or systems and network disruptions, or the perception of such attacks or failures in each of the countries in which we operate, including the costs associated with such events and the reputational harm that could arise therefrom;

- Risks related to the ownership of our American Depositary Receipts, including those associated with VEON Ltd.’s status as a Bermuda company and a foreign private issuer; and
- Other risks and uncertainties as set forth in Item 3D.—Risk Factors contained in our Annual Report on Form 20-F.

These factors and the other risk factors described in Item 3D.—Risk Factors contained in our Annual Report on Form 20-F are not necessarily all of the factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Under no circumstances should the inclusion of such forward-looking statements in this Report be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this Report are made only as of the date of this Report. We cannot assure you that any projected results or events will be achieved.

Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

VEON CONTACTS

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Feedback and contact

We are keen to improve the value of our reporting and therefore welcome comments on this document, and our sustainability information on the website.

Please contact sustainability@VEON.com

Note: most images included in this year's Sustainability Report were submitted by employees of VEON and its operating companies.



The VEON Sustainability Report 2019 is produced on a 100% recycled – and carbon balanced – paper stock, and printed at a carbon neutral printer.



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