



Focusing locally, Empowering people, Connecting globally

Corporate Responsibility Report 2012



In this report

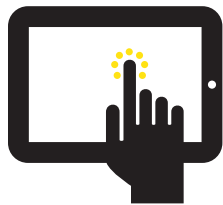
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This report is made available in PDF form on our corporate website:

<http://www.vimpelcom.com>

About the Report

Our approach to Corporate Responsibility reporting

Introduction

This is VimpelCom's first Group Corporate Responsibility ('CR') Report and it builds on the local CR reporting in a number of our Business Units ('BUs') (see pages 9 and 10).

The Report is being published alongside our Annual Report and Accounts for 2012. However, the content in the CR Report does not represent an account of our performance in the year to 31 December 2012 but rather tells the story of our CR activity up to this date, and provides an insight into how we view, and how we manage, CR across the business. We have also indicated how we aim to enhance our approach in the coming years.

In future years our reports will become annual reviews of performance, covering activities only in the relevant reporting period.

Scope

The Report covers all markets where we have active telecommunication operations at 31 December 2012. It does not include businesses that were sold during the current financial year or businesses in which we control less than 50% of the equity.

Intended Audience

We hope this Report will be read by a range of stakeholders but it has been prepared with particular audiences in mind. VimpelCom Ltd has no brand presence in any of our markets and so we rely mainly on our BUs and Operating Companies ('OpCos') to communicate to our customers on CR issues through their own reports, websites and other channels. Therefore this Report is intended primarily for corporate stakeholders: our investors and the financial community, the governments who host our operations and the regulatory bodies that oversee our activities, our global supply chain partners, the media and other opinion formers and, importantly, our employees.

Reporting Standards and Guidance

In preparing this Report we have made reference to the Global Reporting Initiative guidelines(G3), the principles set out in the AA1000 series of standards (namely AA1000 APS, AA1000 AS and AA1000 SES), and the emerging guidance on integrated reporting from the International Integrated Reporting Committee. We have not conducted a formal benchmark against these 'standards' but intend to do so in the future.

We are aiming to sign up to the 10 Principles of the United Nations Global Compact in the coming period. Future reports will include an annual Communication on Progress.

A number of our BUs prepare their own reports that follow GRI guidelines.

Assurance

We are building and improving our reporting processes across the businesses. We have used our best endeavors to ensure reported information is accurate but we are clear that we have further work to do before we can be confident that information is complete and is robust enough to commission independent assurance of our reporting.

Further reading:

p10 CR reporting in our Business Units

VimpelCom at a Glance

Growing in growing markets

VimpelCom has been providing telecommunications products and services for 20 years and is passionate about looking to the future. In 2012 we focused on delivering profitable growth, expanding the technological and geographical reach of the Company, and providing an outstanding experience for our customers – continuing to create value by delivering results for all of our stakeholders, and shaping the way for the next stage of VimpelCom's journey.



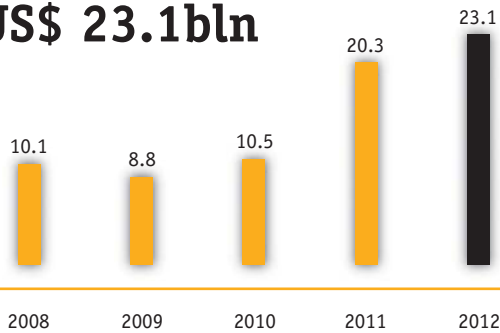
Our History

1992	1996	2005	2008	2010	2011	2012
<ul style="list-style-type: none"> VimpelCom founded by a Russian scientist and an American entrepreneur Company registered as a joint stock company 	<ul style="list-style-type: none"> First Russian company since 1903 to list on the New York Stock Exchange (NYSE) 	<ul style="list-style-type: none"> A successful re-branding campaign completed 	<ul style="list-style-type: none"> Merger with Golden Telecom completed – enhancing integrated telecommunications and internet services in Russia and the CIS 49.9% stake in Euroset, the largest mobile retailer in Russia and the CIS, acquired 	<ul style="list-style-type: none"> VimpelCom and Kyivstar merged into a new entity VimpelCom Ltd. Headquarters moved to Amsterdam 	<ul style="list-style-type: none"> VimpelCom acquires Wind Telecom Mobile subscriber base surpassed 200m mark in October Announcement of the Value Agenda 	<ul style="list-style-type: none"> Sale of joint venture stake in GTEC-Mobile (Vietnam) Increase to 50.0% of ownership interest in Euroset

Financial Highlights

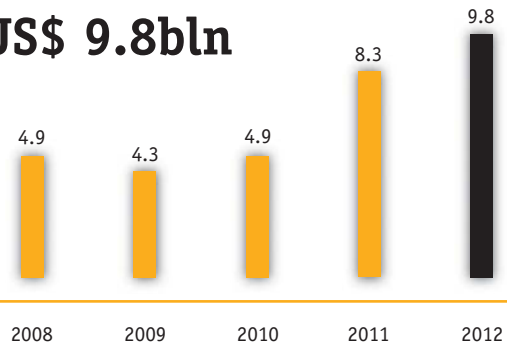
Total operating revenues (US\$ bln)
Actual

US\$ 23.1bln



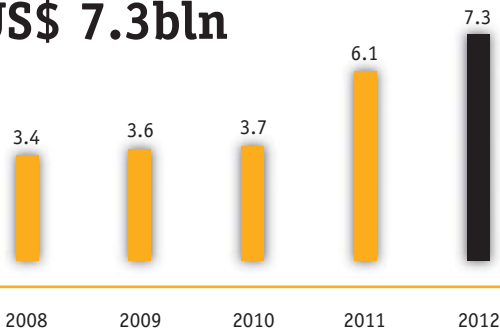
EBITDA (US\$ bln)
Actual

US\$ 9.8bln



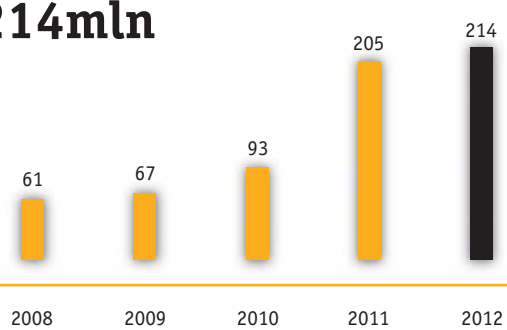
Net cash from operating activities (US\$ bln)
Actual

US\$ 7.3bln



Mobile subscribers (millions)

214mln



Note: 2008 figures are based on US GAAP, while 2009, 2010, 2011 and 2012 figures are based on IFRS

Chairman's Letter



Operating in a changing world

Welcome to the first Group Corporate Responsibility report for VimpelCom Ltd. Many of our constituent businesses have been preparing their own CR reports for some time but this marks a step forward for the Group as a whole.

We are operating in a changing world and we are responding.

Stakeholder expectations of business are constantly increasing. It is no longer enough to make a good profit and stay within the law. The financial crisis was another watershed for trust in business: customers, employees, the communities where our businesses operate, governments, partners and civil society all demand a business sector that operates ethically and responsibly. Businesses need to work ever harder to build and maintain reputation, and the internet and instant global communication shine a very bright light on how we behave.

But there is also a bigger picture. Our world has many challenges. We face the damage that climate change may bring – which is predicted to impact negatively on many of the countries where we operate, such as Bangladesh. Progress on issues such as poor health and education, poverty, food security and gender equality is being made, but it is slow and drags on the ability of poorer people to

secure a better quality of life. With a perceived lack of action by governments, people are increasingly looking to the energy, innovation and resources of business to help tackle these issues.

At the same time, technology continues to progress in leaps and bounds. Communications technology enables people to be better connected, businesses to be more efficient, societies to be healthier. It offers the hope that we can meet the challenges that the world faces.

We are passionate about our future and as a company at the center of all this change; we know these issues are important to our future success. Of course, we should behave as a responsible corporate citizen, but we can do much more. Through our technology we deliver the benefits that connecting people brings to society. Our mobile communication networks also provide the platforms which are empowering others to deliver 'development' services (for example, in education and health) to those most in need, as well as delivering vital efficiency gains in agriculture, transport and energy, or providing access to financial services. With imagination and commitment, we are transforming peoples' lives and can deliver outstanding, long term returns to our shareholders.

This CR Report is the first step in the next phase of this journey – I hope you find it informative.

A handwritten signature in black ink, appearing to read 'Alexey M. Reznikovich'. The signature is fluid and cursive, written over a horizontal dotted line.

Alexey M. Reznikovich
Chairman of the Supervisory Board

CEO's Letter

As a major international company serving customers across four continents we are committed to operating responsibly and making our contribution to building a more sustainable world.

There is increasing focus on the role of business in society and expectations of corporate behaviour are constantly increasing. We recognize that a whole range of stakeholders have a legitimate interest in how we do business and our aim is to find the path that balances these interests to be a successful, growing company over the short and long term. For example:

- we aspire to constantly delight our customers, and ensure that our products and services are safe, accessible to as many people as possible, and marketed in a transparent and responsible way;
- we aim to treat our employees fairly, and help them to develop the skills to succeed in their careers;
- we strive to operate safely and responsibly in the communities where our facilities and network are hosted, and support those communities through good quality employment, reliable coverage and lending a hand with local community issues;
- we aim to work fairly with our supplier partners to source high quality products and services that are produced ethically, and at prices that enable us to be competitive in the market;
- we need to be good partners with the governments that provide our licence to operate, and work constructively with the regulators who set the operating framework.

If we are successful in doing these things, our shareholders can look forward to excellent returns from our performance across a range of exciting growth markets.

Some CR issues are global, but many are very local. Therefore the majority of our focus on CR is through our five Business Units ('BUs'). We are developing a global strategy and approach to corporate responsibility but much of our activity is designed, planned and implemented locally.

We see corporate responsibility for VimpelCom as having two main elements: responsible behavior; and 'shared value'. Responsible behavior means doing the right thing as a business by our stakeholders, and this in turn lowers the risk of damage to our reputation and all the consequences that can bring.



At the same time, we recognize that our services can help to enable a more sustainable way of living. Where our services support connectivity, health, education, agriculture, access to financial services and a lower carbon economy we are sharing the value we generate for our shareholders with society – particularly with those in most need.

This Report, our first prepared at Group level, gives a flavor of our developing approach and provides a series of highlights of our existing programs. I hope you find it interesting and look forward to your feedback.

A handwritten signature in black ink, appearing to read 'Jo Lunder'. The signature is fluid and cursive, written over a horizontal dotted line.

Jo Lunder
Chief Executive Officer
VimpelCom Limited

Impacts, Challenges & Opportunities

We operate in a wide range of markets

Introduction

Our CR agenda is set by the way a series of factors come together:

- **local market context** – the operating context for each of our businesses in their home markets
- **global challenges that impact on society as a whole** – for example, climate change
- **our business model and the mobile value chain** – the issues that can arise as we interact with the world around us.

The interplay of these factors creates a series of issues that represent both challenges and opportunities for our business, which we need to assess, prioritize and respond to.

Individual Market Context

We operate in a wide range of markets where the social, cultural, economic and environmental context can vary enormously.

In some markets, the majority of the population are relatively prosperous, levels of health and education are high and the mobile device and related services are seen more as a 'lifestyle' tool. Here our stakeholders tend to focus more on issues around their privacy and freedom of expression, safety online, whether products and services are marketed in a clear and transparent way, and service availability for those on the margins of society. Stakeholders in these markets want reassurance that their use of the service is not through the exploitation of people less fortunate than themselves, or the environment. They set high ethical standards for businesses.

However, in other markets, mobile is considered to be a 'lifeline'. GDP per head is low and access to basic healthcare, education, financial services and other benefits, is an everyday challenge. Key issues here are more likely to revolve around the extent and reliability of coverage, and the affordability and availability of products and services.

As the chart opposite illustrates, sustainability issues vary significantly across the markets where we operate. This wide variation in local context means that local management teams need the flexibility to understand and address the issues relevant to their local stakeholders.

Global Challenges

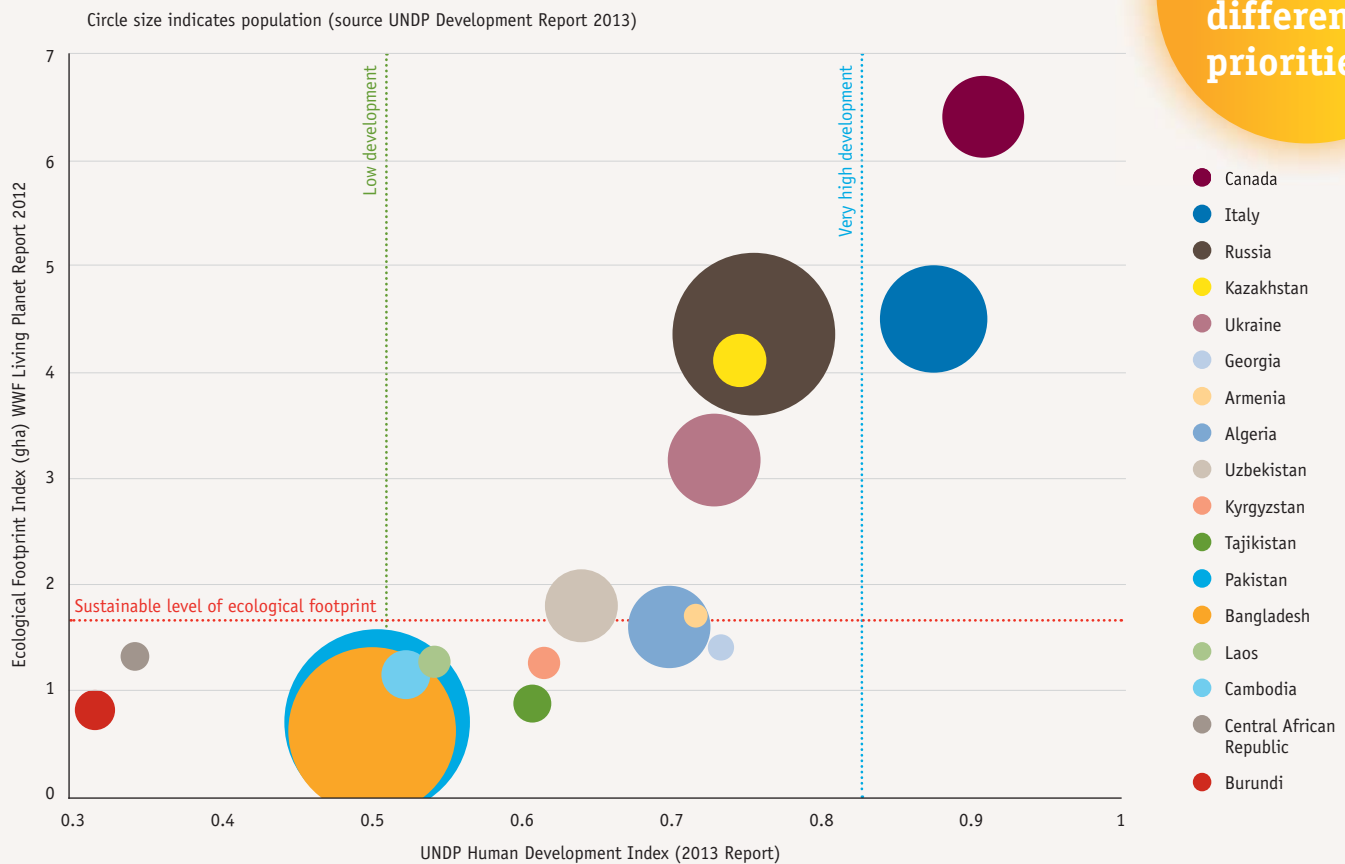
Some issues transcend national boundaries. Climate change will impact everyone, either indirectly through the economic measures needed to address the issue (e.g. carbon taxes), or more directly through the impact of changing weather patterns, flooding, drought and sea level rises. Although achieving political consensus on the international policy measures needed is slow, the agenda for business is not as complicated.

Impact of Climate Change on Bangladesh

'With only a one metre rise in the sea level, Bangladesh could lose up to 15% of its land area and around 30 million people living in the coastal areas of Bangladesh could become Refugees because of climate change impacts. Agriculture, industry, infrastructure (schools, hospitals, roads, bridges and culverts etc.), livelihoods, marine resources, forestry, biodiversity, human health and other utility services will suffer severely because of the same.'

(extract from NCDO website – Dutch Development NGO)

Different markets, different priorities



The Ecological Footprint tracks humanity's demands on the biosphere by comparing humanity's consumption against the Earth's regenerative capacity, or biocapacity. It does this by calculating the area required to produce the resources people consume, the area occupied by infrastructure, and the area of forest required for sequestering CO₂ not absorbed by the ocean. No ecological data was available for Zimbabwe. The Human Development Index is a means of measuring development through combining indicators for life expectancy, educational attainment and income.

Business Model and Value Chain

Our business is based around the provision of telecommunication products and services to our customers. In order to do this we need to:

- **Source** – mobile network equipment and mobile devices such as phones and tablets;
- **Operate** – our networks, data centers, call centers, websites and shops;
- **Market** – our products and services, and support our customers.

There are stakeholder expectations around how we conduct each of these activities. The table on the right lists some of these.

Materiality

Several of our BUs have been engaged in CR for a number of years but, as a Group, we are in the early stages of developing our overall approach. At this stage we have not conducted a formal materiality assessment and this is something we will be addressing in the coming period. However, there is already a wealth of information available on the issues facing the mobile industry and much of this has already been assessed, prioritized and reported through the CR reporting of other industry players, as well as through the work of our industry body (the GSMA).

Sourcing	Operating	Marketing
Ensuring good labor standards in the supply chain	Minimising environmental impact of network operation	Communicating product pricing in a transparent way
Avoiding bribery & corruption	Ensuring good working conditions for employees	Helping to protect children when they are online
Ensuring product safety	Managing stakeholder concerns about health and electro-magnetic fields	Supporting the access of all to mobile services
Limiting the environmental impact of manufacture and products	Managing customer data and protecting privacy	Creating access to other services through mobile
	Lobbying, and paying tax in a transparent way	

Our Strategy, Governance and Stakeholders

Introduction

Companies respond to the CR agenda in different ways. Initially this was largely through a philanthropic approach but, as pressures mounted, business also started to take a more 'risk-focused' approach – modifying perceived 'negative' activities through new policies, processes, and ethical codes.

More recently, companies in certain key sectors have realized that their products and services have the potential both to generate commercial opportunity for shareholders, and to help in building more sustainable societies. This is particularly true for the mobile communication sector.

Our Strategy

Each of the elements above is contained in the strategy we are developing. Our strategy will recognize the need to address both local and global issues in the context of a business which needs to be consistent on standards of ethics and corporate behavior, and yet flexible enough to support decentralized local decision-making by those who know their territories best.

As a result, our strategy is being built bottom-up and top-down. It recognizes the need to reduce exposure to risk and also identify the 'win-wins' where our mobile services deliver shareholder returns, and help sustain the societies on which we will rely for our future profitability – what we are calling 'sharing value'. Our strategy will involve all parts of our business from those teams with strategic influence on the CR agenda (e.g. buying network equipment and devices, or developing new commercial services), to those whose contribution may be through our volunteering programmes which benefit local communities.

We will be launching our new strategy during 2013 and the building blocks will incorporate:

- A globally-consistent approach to ethics, underpinned with policies that guide our corporate behaviour. Our businesses will meet a baseline of consistent standards but will have freedom to focus on those issues that are seen as particularly relevant at a local level (e.g. online safety);
- 'Growing beyond the core' business through development of 'shared value' services where our operating companies will continue to develop a variety of locally-relevant programs such as education, agriculture and entrepreneurship, while the center introduces a number of over-arching group-wide themes. This will be supported by more effective best practice sharing;
- A focus on 'sweating our assets'. Continuing to drive more energy and resource-efficient operations – saving money and carbon emissions;
- Local engagement where our businesses continue to support local community issues with volunteering programs and donations of cash and equipment.

The Future

To date, our approach to CR has been decentralized. This is the first time we have consolidated our CR programs at Group-level and we aim to build a process to aggregate quantitative performance data. This will be a key task for the coming year and should then provide us with a platform to begin establishing performance targets in key areas.

We will also be conducting a more structured stakeholder engagement exercise and will report on its findings in our next Group CR Report.

Stakeholder Engagement Approach

WIND Italy carries out an annual stakeholder engagement exercise and through consultation identifies the key issues it needs to address. There is a strong focus on 'inclusiveness' – the right of stakeholders to be listened and responded to. WIND Italy aligns itself to the principles of the international standard AA1000SES.

Specific goals are set by stakeholder group and the company's Sustainability Report provides comprehensive information on how it engages with different stakeholder groups.

The Africa and Asia BU also conducts a formal review, involving input from the OpCos within the BU (the engagement policy has been approved by the Board of Directors). The main categories of issues identified through the process include: access to communications; employment; environmental responsibility; health and safety; social investment and network roll out.

Stakeholder engagement on online safety

Combating fraud in relation to mobile and internet safety are major issues in Russia, Ukraine and the CIS.

Understanding the views of stakeholders is key to enacting the right business responses and, in Russia, representatives of our regional offices along with representatives of state authorities, children's ombudsmen, representatives of public and youth organizations, journalists, teachers, psychologists, employees of children's libraries, and even schoolchildren participated in a series of round tables.

The results of the consultation helped to shape our response and more details of our resulting programs are set out on page 21.

Governance

As our Group CR strategy is under development this will influence how we structure our governance processes. At this stage CR is managed through our BU and local OpCo management teams. As noted earlier, a number of BUs and OpCos have been issuing reports for some time, and many have implemented management system approaches. Most recently, Beeline Russia has launched a new CR strategy which incorporates a CR Council, chaired by the CEO, and tasked with setting priorities and goals.

Stakeholders

A central theme of corporate responsibility is the understanding that effective relationships with stakeholders are key to successful business outcomes. This involves:

- Understanding who the key stakeholders are;
- Understanding how business activities, products and services impact on stakeholders (positively or negatively) and vice-versa, and which of these 'impacts' are the most important to address ('material');
- Responding to these issues in a way that, wherever possible, provides positive outcomes for the business *and* stakeholder;
- Reporting on performance in a complete and transparent manner.

We have not yet developed a consistent group-wide approach to stakeholder engagement and, to be effective, engagement must be a largely local activity. Practices across our businesses currently vary from a relatively formal process to a more informal, intuitive approach. In the coming period we will be working to identify the most appropriate approach for our businesses, and for the Group, as well as conducting a more formal assessment of the materiality of stakeholder issues.

Group-level engagement at VimpelCom has been relatively limited to date, reflecting the comparatively recent formation of the group functions. There is regular engagement with the financial community and we are building our approach to employee engagement across group functions through the development of our intranet.

We procure network equipment and some IT and other services centrally and we engage with our key suppliers on certain sustainability issues, including energy efficiency.

As we build our CR approach we have engaged with a number of our main shareholders, to share our plans and activities. We also took the opportunity to meet with an international human rights NGO to exchange views on some of the key human rights issues relevant to our business sector, and the countries in which we operate.

“The common thread that links the processes of Corporate Responsibility is represented by a basic strategic orientation centred on constructive dialogue with all stakeholders, recognizing that wealth and value are created through building positive relationships with stakeholders.”

Managing CR Across the Business

Building on our solid framework

Introduction

Although this is VimpelCom's first group CR report many of our individual businesses have been active in CR for several years and have good track records of reporting and achievement. The core challenge for VimpelCom over the coming period is to create a framework from best practice across the business that delivers a consistent level of performance for the group as a whole but allows local businesses the flexibility to respond to the local agenda as appropriate.

This section sets out a snapshot of how a number of our businesses have been approaching CR to date.

CR Reporting

Several businesses have been producing CR reports for some time – the style and depth of the reporting often reflecting best practice levels of CR disclosure in the markets in question.

For example, our Africa and Asia BU has produced CR reports since 2008 (as Orascom Telecom Holdings). Reports for 2009, and 2010 & 2011 were self-declared GRI level 'B' and covered multiple markets across the region. Similarly, our Italian business, WIND, has also

reported since 2004, the latest being GRI-level B+ with independent assurance and in alignment with the AA1000AS assurance standard.

The Ukraine has published four documents covering its charity, volunteering and environmental programs and our CIS businesses have recently developed their first CR Reports.

Management Systems

A number of our BUs have implemented CR-related management systems, the most prominent example being WIND in Italy which has developed an approach that integrates the following standards: ISO14001 (Environmental Management), EHS18001 (Occupational Health & Safety Management), and SA8000 (Social Accountability).

In addition, our Africa & Asia BU has implemented ISO14001 and EHS 18001 in its constituent businesses.

Alignment with International Principles

Orascom Telecom Holdings (Africa and Asia BU) and Kyivstar in the Ukraine are signatories to the United Nations Global Compact. VimpelCom Ltd plans to sign the declaration in the coming period.

Our CR Reports across the business



Orascom Telecom Holdings

For more information visit www.orascomtelecom.com/CSR



WIND Italy

For more information visit <http://www.windgroup.it/eng/sostenibilita>



Mobilink

For more information visit www.mobilinkgsm.com/csr

Awards

This table sets out some examples of the many awards achieved by our businesses during 2012

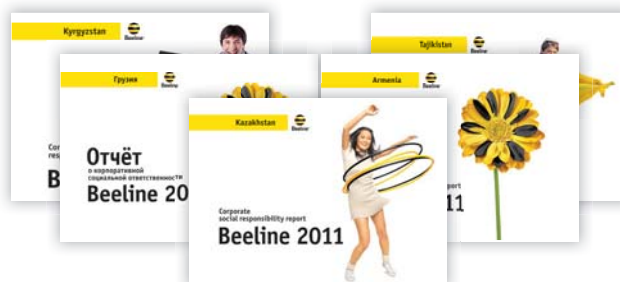


Location	Award	Description	
Russia	Superjob.ru: Most Attractive Employer	Won the title of 'Most Attractive Employer' for the 6th time (Superjob.ru portal).	
Ukraine	Top 100 CSR Companies	Rating magazine "Gvardia" ranked Kyivstar first in the services and telecommunications sector and fifth in the overall rankings for openness and consistency in CSR.	
CIS	Kazakhstan	VII International Conference on HR Management: Best HR Project	Ranked first in the "Best HR-project" nomination at the VII International Conference on Human Resource Management.
	Uzbekistan	Uzbekistan Brand Awards	Won the categories "People's Brand of Uzbekistan", "Best International Brand in Uzbekistan," "Best PR-campaign" and "Best Video" in the 2012 Uzbekistan Brand Awards.
	Armenia	Republican Union of Employers of Armenia	ArmenTel won two awards of the Republican Union of Employers of Armenia, for creating sustainable jobs and fulfilling social responsibility, and as the most environmentally responsible service provider.
	Georgia	Communicator of the Year	Awarded the title "Communicator of the Year" for the second year.
Africa & Asia	Pakistan	GSMA's Global Mobile Award: Best Mobile Education or Learning Product	MobiLink was awarded the 2013 GSMA Global Mobile Award for its 'SMS-Based Literacy' program in the category of 'Best Mobile Education or Learning Product or Service'.
	Bangladesh	Benny Award 2012	Banglalink won the 2012 'Benny Award' by the World HRD Congress which recognizes excellence and innovation in the employee compensation and benefits field.
Europe & North America	Italy	ECCCO Awards: Best Customer Satisfaction	WIND Italy won Best Customer Satisfaction (Customer Assistance category) in an event organized at the European Confederation of Contact Center Organizations (ECCCO Awards 2011-2012).
	Canada	Canadian Marketing Association: Award for Community Engagement	WIND Canada won the Bronze 2012 Canadian Marketing Association Award for Community Engagement.



Kyivstar Ukraine

For more information visit www.kyivstar.ua/f/1/about/responsibility/



Beeline:

Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Armenia & Georgia

Sharing value across our stakeholders

Introduction to Shared Value

We believe we can create shared value by providing products and services which create value for our shareholders, whilst bringing positive benefits to society and our wider range of stakeholders. This is distinct from our philanthropic and volunteering programmes as it leverages our core technology and expertise to address societal issues whilst generating commercial benefits for the business.

A number of our businesses are already active in this regard and have developed innovative programs in the areas of education and agriculture in particular. The benefits of this approach are broad, and on different levels. For example, successful programs can:

- Generate additional revenue for the business through incremental sales of data services;
- Drive innovation to create 'sticky' services that reduce churn on our networks and create brand loyalty;
- Build deeper relationships with governments, communities and local NGOs which in turn can lead to a better regulatory environment for our business;
- Have a real impact at scale for the population. A more prosperous, better educated, more productive and healthier population will support the future growth of our business.

However, there are also significant challenges in getting this to work effectively. Profitable business cases can be elusive and without this it can be difficult to sustain the programs over the long term. It is also difficult to scale these solutions across the Group as a whole as local issues and circumstances require different approaches – adding complexity. We are continuing to explore the opportunities in this area and present some early successes in the following sections.

Examples of Shared Value projects

Literacy and Education

Improving literacy and education are important factors in driving economic success for individuals and societies, and a key element of the Millennium Development Goals. Connectivity can play a key role in supporting government and civil society initiatives on education and we also recognize that better educated, more literate customers will create greater commercial opportunities for our business as data services become more and more important.

The Group has recently signed an agreement with the Wikipedia Foundation to provide free Wikipedia access to VimpelCom customers.

Agriculture

A growing number of studies are demonstrating the role that mobile can play in improving the efficiency of agriculture. For many of the countries where we operate, agriculture is a vital component of the economy and a key driver of prosperity. Supporting farmers makes business sense for them and for our business, as more prosperous, successful customers are likely to reinvest in our services.

Supporting Digital Entrepreneurs

Building a digital economy with digitally-literate businesses and individuals is important for growth and prosperity. Supporting the spread of digital entrepreneurs will pay dividends for the population and for us as our customers become both more aware of the power of data services, and more capable of deploying and using them.

Education: Mobile Based Literacy



Mobilink has partnered with UNESCO to launch the third phase of the 'Mobile Based Literacy' program – a broad-based initiative that was launched in 2009.

The Mobile Based Literacy program is a unique initiative that utilizes mobile technology to improve literacy for female students, aged 15 to 25 years, in rural and deprived areas.

The program is an evolution of the previous 'SMS for Literacy' program, with the third phase of the project designed to use the mobile phone for both learning and communication between teachers and students, as well as between teachers and supervisors.

In this third phase of the program 2500 students will be given basic literacy skills by communicating with teachers through SMS based interactive lessons. The third phase will also enable 100 participating teachers to coordinate with supervisors and report on student progress via data-enabled SIMs provided by Mobilink. The current phase also extends the outreach to learners in KPK and Punjab through 100 learning centers.

Jahanzeb Taj, Vice-President Marketing, Mobilink, highlighted, "ICT provides some of the most powerful methods to help us in our efforts to eradicate illiteracy in Pakistan. The Mobile Based Literacy program uses the cell-phone as a learning

tool and has been designed to take advantage of Mobilink's extensive penetration amongst the Pakistani population. The earlier phases provided great results, reaching out to 1500 female students, and I look forward to this program having an even greater impact in the third phase."

Dr. Kozue Kay Nagata, Director & Country Representative UNESCO added: "Three years back UNESCO started piloting the mobile literacy project, and through that small project we have expanded the use of mobile phones for more than communication. Now it's also an active tool of information, education and knowledge in Pakistan. We find this collaboration between public-private partnerships extremely important. Through this project UNESCO has made 1500 adult females not just literate but it has also made them connected to the world and empowered them to a degree where they feel they are empowered citizens, which we count as a great achievement."

In the initial pilot, supported by the NGO 'Bunyad', 250 learners received informative text messages daily in Urdu and were expected to respond. In the second part, the participants were evaluated on a

periodic basis to assess gains in knowledge and learning. The program was conducted with the help of 10 teachers enlisted by Bunyad.

It was found that at the beginning of the program 57% of the girls were graded 'C' and only 28% of the girls managed to score an 'A'. However, near the end of the project the situation reversed with the percentage of girls receiving a 'C' dropping to only 11% whereas more than 60% of the girls were awarded an 'A'.

The program teachers also report a stark improvement in the confidence of the young girls as owning a mobile phone made a difference to their sense of security.

At the 2013 Mobile World Congress in Barcelona, the Mobilink Foundation was awarded the GSMA's Global Mobile Award for the 'SMS-Based Literacy' program in the category of 'Best Mobile Education or Learning Product or Service.'

Mobilink has also launched 'Voice Service to Teach', an innovative service which will allow visually impaired individuals to access audio books from the Punjab Board Matriculation curriculum.



banglalink

Digital
Entrepreneurs:

**Union Parishad
Information
Center**

The Government of Bangladesh declared a vision of 'Digital Bangladesh' to ensure ICT services at peoples' doorsteps by 2021.

Just over 4,500 Union Information & Services Centers (UISCs) have been established at all Union Parishads, all of them inaugurated simultaneously on 11 November, 2010, by the Prime Minister of Bangladesh and the UNDP's administrator Ms Helen Clark.

A UISC is an ICT-enabled one-stop service outlet located at Union Parishad (the lowest tier of the local government) level. The UISC model builds on the concept of Public Private Partnership (PPP) and over 9,000 young entrepreneurs are now working with UISCs – half of them women. The entrepreneurs are self-

employed, not paid employees of the Bangladesh Government, and they manage their own income.

However, with a national literacy rate of only 57%, the sustainability of the UISCs became a major concern as the services provided were quite high tech but the sources of revenue were minimal. Moreover, there was a lack of awareness of the UISCs.

Banglalink partnered with the government to overcome the challenges, and underwrote our services in 560 UISCs to support the entrepreneurs that ran the

centers until revenue picked up – the UISCs earn about 1500tk/month from Banglalink. To boost awareness of the centers, we are branding the UISCs and over 554 brandings have been completed.

The activity has created a very positive impact with 554 entrepreneurs joining the team and new avenues of m-commerce, agro-marketing and other value-added service opportunities opening up.

The project continues to progress with more UISCs planned in strategically important districts.

**Agriculture:
Call center
and market
initiatives**



Banglalink has launched Krishi Jiggasha 7676, a 24 hour call center-based service where customers are provided with expert solutions to their agricultural queries on poultry, fishery, livestock and vegetable/fruit and flower farming. The coverage zone and market share are both increasing and the service currently generates about 170,000 calls per month on average, from approximately 120,000 individual agri-professionals.

It has also set up services like Krishibazaar (Agriculture Market), where people can buy and sell agricultural products, using a voice-prompted system, cutting out the middleman and ensuring the producer sees more of the revenue from the sale.

Through this service, any customer can dial "2474" to get registered in

Krishibazaar, record his/her agri-product information for trading, or browse through by listening to other uploaded information and call up that trader instantly using the service to finalize the deal. The product information is available by category, prices and locations to make the process easier for users.

Due to the issue of poor literacy in the country, the program uses voice prompts to guide both buyers and sellers step by step through the procedure.

Within the first 3 months of launch, 180,000 individual users had used the service, with nearly 2,000 incoming calls per day.



Doing more with less

Introduction to Resource Efficiency

Addressing many environmental issues boils down to a simple factor – doing more with less. Using less fossil fuel, using less material, creating less waste, generating fewer emissions. Reducing, re-using, recycling.

It is about being more efficient in how we use the resources of the planet to ensure that we live within the boundaries of what is sustainable. For a business, focusing on reducing environmental impact makes good business sense for two main reasons:

- **Reducing cost** – resource efficiency generally means cost efficiency;
- **Engagement** – demonstrating responsibility towards environmental protection can improve our reputation with customers, local communities, employees and governments.

In addition, by helping to address global environmental issues such as climate change, companies can lower the risk to their future business by reducing the likelihood of damaging flooding, droughts and other effects which could impact on customers and infrastructure. Although our consumer and employee research suggests that the environment is not seen as a significant issue in many of our markets – it is seen as a ‘western issue’ – ironically these impacts are likely to be most damaging in emerging markets.

Further reading:

p18 Responsible Behaviour

Issues

There are a number of environmental issues relevant to mobile operators including:

Energy consumption and climate change

Mainly energy consumed in our mobile network base stations and data centers, but also in our offices, and by our fleet of vehicles

Solid waste

Mainly used network equipment, handsets and other electronic items, but also civil waste (cables, concrete etc.) and office waste

Noise, vibration and visual impact of our base stations

Our responsibility for protecting the environment extends beyond our own operations. We also need to focus on the impact generated by our supply chain, the use of our products and services by customers, and the end of life of those products.

Issues relating to Electro-Magnetic Fields (‘EMF’) are covered in the section on responsible behaviour (see page 18).

Resource Efficiency continued

Strategic Priorities

We will focus on areas where there:

- is the biggest environmental impact
- are the biggest opportunities to save cost or support our operations
- are opportunities to engage our customers and employees.

Based on our assessment of these factors, and our knowledge of programs elsewhere in the industry, our strategic priorities in this area are:

1. Improving the energy efficiency of our network and data center sites
2. Introducing renewable energy solutions wherever economically feasible
3. Engaging with our suppliers to improve the environmental performance of the products and services we buy, and reduce the impact of the manufacturing processes involved
4. Maintaining a Reduce, Reuse, Recycle approach for all forms of electronic waste
5. Engaging our employees in environmental issues through office-based programs and community volunteering opportunities

Governance

Many of our business are already very active in some or all of these environmental areas but we have been focusing on developing a more consistent approach across the group, with the introduction of common KPIs and reporting, particularly around energy efficiency.

As part of our monthly focus on network performance, our seven largest markets (which account for 96% of turnover) report energy consumption and costs per site. We compare these performance benchmarks and focus on where improvements can be made.

We have developed a detailed database of efficiency measures and this supports best practice sharing, particularly where our benchmarking indicates below average performance. We have also participated in external energy benchmarking projects such as the program managed by the GSMA, as well as comparing energy costs through the AT Kearney benchmarking service.

Several businesses manage their environmental programs through an environmental management system. Our Africa and Asia BU has implemented ISO14001 and WIND Italy has merged this approach into an integrated management system approach which also incorporates health & safety, social accountability and data security standards. Our Russian BU is also implementing ISO14001.

“Djezzy was the first telecommunications company in Algeria to achieve ISO14001 certification for its environmental management system.”



Current Initiatives

The following section illustrates a series of initiatives that are underway across the business.

Network Efficiency Measures

A series of energy efficiency measures is being applied across our mobile network infrastructure – by far the biggest source of carbon emissions from our operations. These measures include:

- **Free Cooling Units** – potential to reduce site energy consumption by 20% to 25% – we are introducing Free Cooling Units in indoor RAN (Radio Access Network) sites, for example in all indoor sites in Bangladesh and across Ukraine;
- **Hybrid units** – sharing the load between batteries and diesel generators when the power grid is unavailable can cut diesel usage and carbon emissions by up to 20%;
- **'Outdoor' sites** – most of the new sites are built in 'Outdoor' cabinets instead of the traditional 'Indoor' shelters saving the operational energy required by up to 50%. Where possible we swap existing Indoor sites into Outdoor Cabinets. For example 90% of Indoor sites in Pakistan will be swapped by 2015;
- **Power Saving Features** – switching off some radio elements that are not needed when the traffic is low reduces energy consumption of base stations by 20%-30%, depending on the site configuration. These Power Saving features have been tested in our labs and are currently implemented in many of our base stations.



Solar power at network base stations

Energy-efficient Data Centers

On 27 June, 2012 Beeline in Russia started construction of its Data Processing Center in Yaroslavl. The new DPC will be created with the latest energy saving technologies, not previously applied in Russia. The systems will include the use of active free-cooling and dynamic sources of uninterrupted power supply. This technology reduces power transmission losses by at least 25% and does not require batteries, reducing the environmental impact of battery set replacement.

In Italy, the new Molfetta Data Center, currently under construction, will use a series of solutions to deliver lower energy use and fewer emissions. The initiative, which is part of a general program of innovation and rationalization of WIND Data Centers, promotes energy savings through the use of low environmental impact technology and products, including:

- an air-conditioning system designed to optimize energy use in the technology rooms – high efficiency systems installed using geometric positioning and infrastructure techniques to achieve maximum yield involving containment corridors, free-cooling and high-performance external condensation units;
- a high efficiency electrical system to power the servers. We are also evaluating the possibility of installing a co-generation system to serve both the technology rooms and the workspaces;
- the use of a solar panel system, with an estimated power capacity of 100 KW, installed over an area of 1,000 square meters. This will generate around 150,670 KWh each year, resulting in significant greenhouse gas emission savings.

Renewable Energy

Solar and hybrid technology are becoming increasingly important as networks are built in areas where there is no electricity grid. In these circumstances base stations are usually powered by diesel generators which are expensive to run, supply and maintain, and are relatively carbon-intensive. Substituting generators with solar/hybrid

solutions saves carbon emissions and operating expenditure and helps to ensure that a service is possible in remote rural areas. Although the business case for solar power remains challenging, there has been substantial investment in renewable energy across the group.

Supply Chain

Network energy efficiency is highly dependent on the type of equipment used and the majority of this (and IT equipment) is specified and purchased centrally. Energy efficiency is an important part of the Total Cost of Ownership of equipment and this is a key factor in the overall purchasing decision. Vendor efficiency claims are tested in our laboratories in Russia and Italy. Central procurement and technical teams are constantly investigating new opportunities to improve performance and are involved, for example, in trials of high performance batteries, fuel catalysts (for diesel generators) and solar power solutions.

Engaging Employees

Businesses, including Russia, the Ukraine and several businesses in the CIS, have launched 'Eco-Office' programs aimed at involving employees in helping to reduce office-based environmental impacts. These programs cover electricity, water and paper consumption, and waste reduction. In addition, several businesses, including most of those in the CIS, have introduced paperless billing for their customers. In Italy 60% of customers chose this option.

Volunteering, and engaging with customers and the general public, are important aspects of our CR programs (see page 23 on our volunteering approach) and this also includes the environmental agenda. For example, in Russia we are a partner of the campaign 'Bloggers against Garbage', providing participants with communication services, phones and tablet computers. 120 Russian cities were involved and more than 16,000 people participated in cleaning up waterways, parks and squares.

In Pakistan, we created school bags from recycled billboard skins and donated them to underprivileged children. Unemployed women are taught how to knit the bags and generate an income. 30,000 bags have been distributed so far.

Our businesses in Armenia and Kyrgyzstan have undertaken projects to plant hundreds of trees.

Further reading:

p23

Our approach to employee volunteering

Managing our business ethically and safely

Introduction

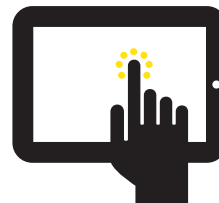
As noted earlier (see page 7) we have not conducted a formal materiality review but, based on our own experience and by reviewing the disclosures of other companies in our sector, we have identified a series of issues that we believe are particularly relevant to our business. As a relatively 'young' grouping of local operators we have not yet developed consistent group-wide CR policies, data systems and KPIs, or approaches. The following sections summarize a series of highlights from across our markets to illustrate how our businesses are addressing some of these key issues.

EMF (Electro Magnetic Frequency)

Mobile phones use radio frequency (RF) signals to connect to the telephone network via the nearest base station. Guidelines for exposure to RF fields are set by the International Commission for Non-Ionizing Radiation Protection (ICNIRP) and all the mobile phones that we sell and the base stations in our networks are designed to operate well within the limits set.

In recent years many independent scientific reviews (e.g. by the World Health Organization – the WHO) have been carried out which have found no adverse health effects caused by mobile phones or radio base stations operating within international safety guidelines.

Our businesses always aim to engage openly on any concerns, and initiatives such as network sharing (which is happening in many parts of our business) help to reduce the number of base stations needed. In many markets where on-site audits of base stations are undertaken, these include a review of the safety codes designed to ensure that all are within the limits of human exposure to radiation and apply the environmental and health guidelines of local Ministries of Telecommunications, Health and Environmental Affairs, the Institute of Electrical and Electronic Engineers, ICNIRP and the World Health Organization (WHO).



For more information related to the International EMF Project and research conducted on EMF in general, visit:

www.who.int/topics/electromagnetic_fields/en/

“ In recent years many independent scientific reviews have been carried out which have found no adverse health effects caused by mobile phones or radio base stations operating within international safety guidelines. ”

WIND Italy: Supply Chain Management

Supply Chain

We sit at a point in the telecommunications supply chain as the key link between our customers (the general public and businesses) and the vast and complex network of supplier businesses that design, produce and distribute the network equipment we manage, the devices we sell and the services that support our operations.

It is in our interests that our supply chain partners maintain excellent quality and value for money, but also that they in turn operate responsibly. Strikes, protests, negative publicity or out of control environmental costs relating to energy, water or pollution will impact on our profitability and reputation and so ensuring that we only source from responsible businesses is a necessary commercial as well as moral activity.

We aim to make our approach more consistent across the business in the future and have some good existing examples and models to build on. For example, our Italian business has leveraged its integrated management system approach – including SA8000 and ISO14001 standards – to help improve and maintain standards across its suppliers (see case study).

Our Africa & Asia BU participated in the Global e-Sustainability Initiative's ('GESI') ICT sector supply chain project and sent a survey to major suppliers. The survey focused on occupational health & safety and led to meetings with the main suppliers to discuss their answers. The BU developed OHS policies under its BSO OHSAS 18001/2007 certification and these are used as an annex in all contracts with major network vendors.

In 2011, WIND had 668 suppliers, with the value of purchase orders issued totaling €1,455 million.

A large proportion of orders are focused on a limited number of suppliers – the top 20 suppliers account for 66% of total orders by value.

WIND suppliers are visited and audited as part of SA 8000 activities. In 2011, for example, 10 suppliers operating in the areas of supply of call center services, network equipment, advertising and promotional planning, cleaning and maintenance were audited.

The audits are focused on the most strategic suppliers in these categories and cover all areas of the Integrated WIND management system (Quality, Environment, Safety, Social Responsibility, Privacy) and are also an opportunity to share principles, values and partnership opportunities.

There is a process of selection, qualification and subsequent evaluation based on the verification of technical quality, economic, organizational, environmental and safety standards, compliance with the principles of SA 8000 and acceptance of the Code of Ethics. Once registered, suppliers are constantly monitored through a vendor rating system which evaluates on-going performance. The Vendor Rating system is also helpful for sharing the performance with the supplier and rewarding/penalizing aimed at continual improvement.

Tax

Payment of corporate tax is an important issue for any government but particularly so for those economies that are still emerging. This topic is a particular focus in the CIS and we take our responsibilities very seriously. A number of our businesses are the biggest, or amongst the biggest, corporate tax payers in their markets and in both Georgia and Kyrgyzstan we have received independent recognition for our approach.

Bribery & Corruption / Business Ethics

We recognize the importance of maintaining the trust our stakeholders have in our business. Key to this is building a reputation for operating in an open and ethical way. Recognizing this, several of our businesses have developed appropriate initiatives and VimpelCom has developed a Code of Conduct which is now applied consistently across the group.

Safe Internet

The Internet brings huge opportunities for society to be more connected and more productive. It has applications in commerce, education, health and social well-being. However, due to its very 'open' nature, it can also bring certain risks including the exposure of children to inappropriate content, encounters with 'predatory' users, and fraud.

We are committed to making the experience a positive one for our customers and have introduced a series of initiatives to help combat some of the specific issues.

WIND Italy: Privacy



WIND Italy has established a 'Privacy Office', to deal with licensing, consumer affairs and policy, to meet legal obligations and to manage the protection of personal data.

The company has developed a Document of Data Security (DPS), which lists the security measures for the protection of all data that WIND owns. The preparation of the DPS in 2010 provided a timely identification of data used within the

company, and enabled a comprehensive risk and gap analysis of security measures.

WIND has also appointed responsible officers and drafted appropriate operating instructions. It carries out a series of checks to determine compliance and

ensure the correct operation of required security measures and has completed a new staff training campaign focused on Information Technology and Network.

BU Africa & Asia: Whistleblowing

BU Africa & Asia is a signatory of the United Nations Global Compact which includes a focus on eliminating bribery and corruption.

The business operates a group whistleblowing policy which requires all BU employees to report any suspected breaches of ethics, internal fraud, or any dishonesty to group or local internal audit teams. Employees are encouraged to use any of the confidential whistleblowing communication mechanisms such as the hotline or dedicated email address that have been put in place. During 2010/11 there were a total of 47 reports submitted, of which 24 required investigation. Nine reports were substantiated and action taken.

VimpelCom has introduced a group-wide whistleblowing process and this will gradually replace local BU and OpCo whistleblowing systems.

Privacy and Freedom of Expression

Many benefits of mobile, and mobile internet, services are delivered because operators are able to hold customer data, for example billing data, location data and browsing preferences. However, managing this amount of data, and interacting with internet service providers and so-called 'over the top' players, means that data security policies and controls need to be comprehensive to protect the privacy of customers.

Safe Internet: Online Safety for Children

Beeline Russia

Research shows that between 70% and 90% of Russian schoolchildren confirm that they use the internet with no adult supervision. 79% of Russian schoolchildren post their personal data (name, age, photo, school). 41% of children personally meet their Internet-acquaintances but only 11% of parents are aware of that. According to recent research ("EU Children online"), one fifth of Russian children spend more than three hours per day on the Internet.

As a provider of Internet access, our role is to make the Internet a source of knowledge, development and inspiration for children, and not a source of threats. "Safe Internet", Beeline's social initiative in Russia, combines information and technological approaches.

The unique network solution – "Parental control" from Beeline – contains a database of about 70 million checked sites in more than 100 languages. However, we believe it would be wrong to rely only on a system of 'filters' and so we have developed simple recommendations for the protection of children whilst online. "Safe Internet" teaches Internet users to use the world web safely and effectively.

Beeline in Russia is continuing its cooperation with the "Tweedy" (www.tvidi.ru) children's portal, by launching "the Encyclopedia of Mobile Literacy" – an educational interactive quest-game, and has also launched "Web-Landia" (www.web-landia.ru) – a recommendation service of the best resources for children and teenagers prepared with the help of experts from the Russian State Children's Library, supported by a grant from Beeline. We see the recommendation service as an alternative to purely restricting children on the

Internet and the portal contains a list of more than 400 resources divided into 14 thematic categories – e.g. on development, preparation for school, games etc.

In 2012, VimpelCom received an award in "The Best Social Projects of Russia" category for the "Web-Landia" project.



Kyivstar, in the Ukraine

Kyivstar also has a particular focus on internet safety and has implemented a range of initiatives, including:

- the "Tell children about Internet safety" campaign – part of the long-term programme "Children's Internet Safety" framework. The purpose is to raise awareness of Internet safety issues and includes images on external media and

transport, a banner campaign on the Internet and widespread audience involvement in social networks. In addition, Kyivstar volunteers hold information meetings with teachers and parents in schools across the country

- a free "Parental control" service for all Kyivstar Home Internet (FTTB) customers that protects children through an online security program
- On Internet Security Day in Ukraine Kyivstar co-organized an interactive forum "Let's act together and be safe on the Internet", attended by more than 150 students and teachers of metropolitan schools
- Kyivstar held workshops on Internet safety for more than 1,500 children, young people and leaders of the Scout movement in Ukraine
- Kyivstar employees developed interactive workshops for children, preparing exercises and examples to show children in an interesting and informative way about Internet safety, and also held a conference, "Safe Internet for Ukrainian schools" attended by more than 200 teachers of general education schools in Kiev and the region.
- In 2012, the 200th school was plugged in to free high speed Internet within the "Safe Internet Kyivstar for schools" programme framework.

Kyivstar
online safety
campaign

КІЇВСТАР
з думкою про Вас

“A healthy, well-trained, motivated workforce is key to our commercial success and we have been developing a series of programs to achieve this.”

Beeline
Kyrgyzstan:
Tree planting



Health & Safety

The health and safety of our employees is a key priority and several of our BUs have adopted a comprehensive management system approach.

For example, in 2010 the Africa and Asia BU received certification that it had implemented Occupational Health and Safety Management Systems OHSAS 18001 requirements. The new system includes identifying occupational hazards and risks, preparing controls and continuous monitoring and auditing. This proactive health system also sets requirements for minimum standards of hygiene, first aid and the vaccinations required before travel to certain countries of operation. Supporting policies have been communicated to operating companies and suppliers involved in network installation.

BU WIND Italy has adopted a similar approach and was certified under OHSAS 18001 in 2001 as part of its integrated management system. WIND Italy collects detailed health & safety data and has seen a steady decrease in the number of accidents reported, alongside an increase in the level of employee H&S training provided (19,500 hours in 2011 – in excess of that required by law).

Equal Opportunity and Diversity

We believe in equal opportunities for all. By having a diverse workforce we are more creative, innovative and better able to understand and respond to the needs of our equally diverse customer base.

In some of our businesses our approach to equal opportunities and diversity is encapsulated in a management system approach. WIND Italy is certified under SA8000 (social responsibility standard) as

part of its integrated management system and the Africa & Asia BU is also aiming to achieve the certification. There is a clear policy that prohibits measurement and or judgments being made regarding political preferences, ethnic background or religion.

In 2010, Orascom Telecom Holdings signed the CEO Statement of support to the Women Empowerment Principles – Equality Means Business (a UN Global Compact initiative), as a voluntary commitment from the Company towards the promotion of gender equality and women’s empowerment.

Training and Development

We believe in investing in our employees and deliver focused training and development activities across the Group.

For example, in Italy we delivered 26,205 training days in 2011 – an average of over 3.5 days per employee – and included specific training around the integrated management system and corporate ethics. Our Africa & Asia BU invested nearly \$3m in training and development. The need for cost-efficiency has led to increased use of online and local training events (for instance, Djezzy Algeria offered its employees 25 different e-learning courses that included managerial skills, ‘soft’ skills and commercial curriculums).

Employee Volunteering

We recognize that many of our employees want to contribute to society personally, not only through the positive impact of the business.



CIS employees volunteered cleaning up city areas

Beeline Russia: Tree planting



Our businesses encourage this through many different volunteering activities. This can be extensive, as in Russia, where there is employee involvement in 150 charity activities, or go even further such as in the Ukraine where Kyivstar has set up its innovative Institute of Volunteers (see case study).

There is a wide range of volunteering activities across the business, including:

Children and Orphans

- **In Russia** – Through the traditional New Year’s campaign, “New Year Wishtree”, held by all regional branches, more than 1,000 children from orphanages received presents.
- **In Kazakhstan** – Beeline organized the “Merry Starts” Olympics and charity events in 15 orphanages with the participation of 193 Beeline employees.

Green Spaces / Clean-up / Tree planting

- **Across the CIS BU** – employees volunteered to clean up city areas. For example, in 2011 more than 2,000 Company employees participated in city street cleaning all around Armenia, and employees volunteered in 24 cities in Kazakhstan, earning the company a ‘PARYS’ republic award.

Kyivstar Institute of Volunteers

In 2008, Kyivstar (Ukraine) formed its Institute of Volunteers.

The Institute has grown successfully to the point where there are now 750 employees volunteering throughout Ukraine. This equates to approximately 15% of all employees.

There are three main volunteering strands which match key themes in the Kyivstar CSR programme:

- **Child safety** – e.g. employees developed interactive workshops for children, with exercises and examples to teach children in an interesting and informative way about Internet safety and ran seminars at summer camps and scout gatherings;
- **Climate change** – e.g. Earth Day, planting trees and flowers in Ukrainian parks and cleaning up litter in green zones
- **Childrens’ charities** – e.g. Kyivstar staff contributed to ‘Children with Congenital Heart Disease Aid’ where approximately 180 volunteers participated in an annual sports and charity marathon “The Chestnut Run”, which was held in May 2012 and opened Kiev Day celebrations.

The volunteering program has received recognition as the most innovative in Ukraine, and Kyivstar was placed second in a national ranking of CSR performance (GVardia magazine).

Responsible Behaviour continued

Emergency situations / Disaster relief

- **In Pakistan** – Employees have participated in a number of relief efforts during recent natural disasters, getting involved in the distribution of food and other supplies, providing materials to underprivileged schools and paying visits to children’s hospitals.
- **In Russia** – there is a corporate charity fund to help employees in emergency situations. Employees donate monthly to this fund and they are all able to apply for funding. A Charity Committee chooses how to assign the funds

Blood donation

A number of our businesses have taken part in blood donation activities. In 2012:

- **In Algeria** – Djezzy gathered 574 bags of blood thanks to its employees
- **In Bangladesh** – approximately 170 bags of blood were donated on World Blood Donor Day
- **In Pakistan** – employees donated 460 pints of blood over two days
- **In Italy** – over 250 employees participated in Rome and Milan
- **In Russia** – over 500 employees from 40 regional offices donated blood
- **In Ukraine** – 176 employees donated blood
- **In Cambodia** – 40 employees gave blood
- **In Laos** – 11 employees donated blood
- **In the Central African Republic** – 36 employees donated blood

General fund-raising and volunteering

- **In Russia** – employees get involved with partner Pdari Zhizn – 200 employees participated in a donor campaign and a charity festival which collected 420,000 rubles
- **In Bangladesh and Cambodia** – approximately 100 employees in each market are volunteering on CR projects
- **In Italy** – 747 employees ran in the ‘Race For the Cure’ marathon (the Susan G. Komen non-profit Association), to raise funds for breast cancer research
- **In Canada** – WIND Mobile annually participates in a number of volunteering initiatives. This year:
 - Volunteers in the Vancouver region helped at Family Services North Shore, decorating hampers for families in need
 - In Toronto, Edmonton, Calgary, Ottawa, Mississauga and Windsor, volunteers helped out with food donations and served the needy at the local food banks and soup kitchens
 - In Windsor, our customer care representatives hosted a food, clothing and toy collection to benefit the Women’s and Homeless Shelter in Windsor, and a Candy-Gram Fundraiser with the proceeds going towards the Windsor Downtown Mission

Beeline
Cambodia: Blood
donation



Pakistan:
Distributing
aid to flood
survivors



Beeline Laos:
Employees
volunteering

Supporting the communities we serve

Introduction

The businesses that comprise VimpelCom have long been involved in supporting the communities they serve and in which they operate. We do this through our core services (pages 2 and 3), through applying our technology in innovative ways, e.g. to support health or education (pages 12 and 14), through the volunteer activities of our employees (page 23) and also through targeted social investment programs.

Our social investment takes several forms, including direct donation of cash, equipment or other materials, to enable our customers to donate more easily using our services. Social investment strategy is developed locally but nevertheless projects fall into a number of common categories, mainly focusing on children/youth, women's issues, disaster relief and broad health issues.

The following sections provide examples of some of the projects that our businesses have been involved in.

Further reading:

p2

p3

Our core services

p14

p15

Applying our technology in innovative ways

p23

Employee volunteering

Projects Supporting Children

Projects involving supporting children represent the largest category of activity. Projects are focused around education, supporting orphaned children and those with sickness or disability.

Supporting Education

- **Russia** – opening branded ('Play on the Bright Side') gamezones and playgrounds for children and providing Internet access in schools in remote areas
- **Armenia** – increasing the computer literacy of teachers and the effective use of digital technologies in teaching through a joint project with the "Children of Armenia" fund in six villages of the Armavir and Aragatsotn regions helping more than 100 teachers. ArmenTel also carries out programs to improve computer literacy among pupils and students and in 2012 approximately 400 pupils and students took part in the project
- **Kyrgyzstan** – Supporting the Public Access Center program implemented by the Ministry of Transportation and Communications in collaboration with the International Telecommunications Union. The goal is to facilitate free access to the Internet for a large variety of communities, including those in remote areas, and provides IT lessons for school children and Internet browsing, e-mail, printing, copying and managing cell phone account services for the broader population

Social Investment continued



Children in need benefiting from VimpelCom's support



Mobilink: Providing support for the local community

- **Central African Republic** – Telecel supports an education program center “Fondation Voix du Cœur” with school fees, benches and desks. Over 200 children have benefited from this donation. The Company also provides a financial donation every month to two schools (Assana, Ndrès) which have also benefited from clean water, a summer school, benches, a school uniform, and electricity. This financial aid has created a positive impact for more than 6,000 children.
- **Zimbabwe** – Telecel has funded (US\$20,000) the installation of multi-seating computer systems in tertiary institutions which will provide access to the internet. A pilot at the University of Zimbabwe is underway. In addition, the company also targets marginalized schools, both primary and secondary, and provides them with sports kits, stationery and books, as well as refurbishing buildings and replacing furniture
- **Cambodia** – Beeline partnered with 28 NGOs to provide 3,000 books and pencils to more than 1,300 poor children
- **Pakistan** – Mobilink partnered with Developments in Literacy (DIL) to set up a Computer Lab at the DIL Model School in a remote Punjab community. The Mobilink Foundation recycled office equipment to donate a fully functional computer lab, including a total of ten computer systems, one printer, twenty audio headsets and ten webcams for online lessons
- **Pakistan** – The Mobilink Foundation donated 3,000 school bags made from recycled advertising material to various schools around the country. The bags were handed over to deserving students

enrolled at grass-roots educational institutions. The initiative first started in 2007, and the Mobilink Foundation has now contributed nearly 40,000 school bags made from recycled material.

Supporting Orphans

- **Russia** – Beeline led fundraising activities with subscribers and Foundation RuRu. 12,500 subscribers helped raise money to support 120 orphans. In addition, Beeline provided 66 orphanages with financial help for medical treatment. As part of this support 42 children received urgent heart surgery.
- **Burundi** – Leo supports the education of orphans and other vulnerable children with assistance ranging from school fees (for more than 1,500 children), exercise books (more than 65,000), uniforms (more than 2,300), pens and pencils (more than 8,300), shoes (more than 2,000) and specialized equipment (for those living with disabilities). From 2009 to 2012, about 8,000 children have benefited from the program in two main categories:
 - children living with disabilities (hearing impaired, blind and visually impaired, physically challenged)
 - children affected by the war (orphans and children whose parents lost everything during the war).
- **Kyrgyzstan** – Beeline has supported six orphanages across the country with donations of school supplies, medicine, toys, etc.

- **Ukraine** – On Saint Nicholas Day 2012, Kyivstar arranged a party for 1,500 students, who live and study in 12 sponsored boarding schools. Company employees recorded audio-stories that children can listen to in newly renovated bedrooms (financed through employee fundraising) and prepared a holiday theatre performance. 60 company employees became the audio-actors, driving 15,000 kilometers and spending 80 hours of their own time in recording the audio-stories.
- **Bangladesh** – Banglalink arranges regular iftar & dinner in different orphanages around the country. Specially ordered fresh and nutritious food is arranged for the orphans at iftar and the dinner is cooked in the orphanage premises. This activity covers 12,000 orphans at 122 different orphanages.

Supporting Sick Children

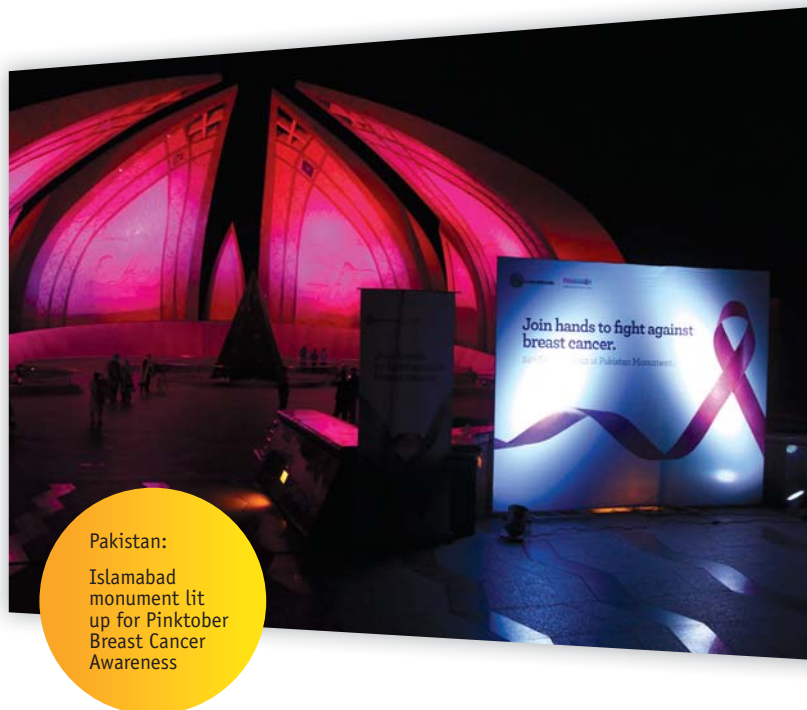
- **Italy** – WIND supports the Peter Pan ONLUS and NPO Gemini Hospital Association providing unlimited Internet access to the pediatric oncology department of the Policlinico Gemelli in Rome to allow children who remain hospitalized to keep in touch with their families and friends. WIND also chose to support five Italian family homes to accommodate the parents of children in care in pediatric wards over Christmas
- **Georgia** – support for the Leukemia Foundation for Kids (over 50 beneficiaries)
- **Pakistan** – Mobilink partnered with the Prime Minister Secretariat's Polio Control Cell for the National Polio Eradication Campaign in 2012. To support the advocacy and sensitization drive, Mobilink broadcast informational messages via SMS to customers across Pakistan highlighting the dangers of polio, dates of the polio campaign, and encouraging parents to get children vaccinated

Projects supporting Women's Issues

- **Kyrgyzstan** – Beeline supports the Haematology Department at the National Center for Maternal and Child Health by helping to finance expensive medical equipment
- **Pakistan** – Mobilink supported girls at school to make 'Bliss' handbags. Their income increased by 60% and this also helped to increase attendance rates of girls by 90%.
- **Pakistan** – Mobilink increased the scale of its partnership with Pink Ribbon in 2012 to mark October as 'Pinktober – the Breast Cancer Awareness Month'. Mobilink and Pink Ribbon initiated a

nationwide awareness drive on 1 October with the support of the Higher Education Commission, aiming to reach out to 100,000 young girls. Mobilink Foundation supported the cause through:

- enabling SMS donations from customers
 - sending informational material to customers through bill inserts
 - awareness literature at Customer Care Centers and Public Service Messages
 - on-ground activation, as part of which a national monument in Islamabad was turned pink for one evening to mark 'Pinktober'
- **Bangladesh** – Banglalink is building up to ten mobile charging stations at off-grid locations which are then run by poor women in rural villages, providing employment
 - **Cambodia** – Beeline sponsors a pregnancy advice line for Marie Stopes International through two hotline numbers



Projects supporting Community Health and those with Disabilities

- **Russia** – Beeline supported the Third Moscow Festival of the Deaf (attended by 15,000 people) as well as providing special tariffs and services for the deaf
- **Algeria** – Djezzy sponsors associations for handicapped people – a very marginalized group in Algeria.
- **Zimbabwe** – Telecel provides financial assistance (\$18,000 pa) to the Jairos Jiri Children's Center in Waterfalls, Harare, as part of an on-going program. The Center provides schooling for 43 physically challenged children and 25 able-bodied children. The financial assistance helps with the maintenance and development of the center



Zimbabwe:
Support for
children's center
in Harare

Other Projects

- **Italy** – WIND celebrated its 10th birthday in 2009 and launched a new charity called '10decimi' – focused on children's issues. Projects were divided into three main areas: 'Smile', 'Schooling' and 'Health'. By the end of 2012, 10decimi reached a total collection of €290,000
- **Italy** – WIND has introduced its "SMS Solidarity" service which facilitates customer donations to a range of promoted causes. In 2012, WIND provided this support to 100 initiatives, enabling fundraising of over €4m. Mobilink in Pakistan and Beeline Russia also provide 'quick-click' donation services for charities
- **Canada** – WIND's WINDthanks Community Grant initiative launched six new markets, donating a total of \$50,000 to a variety of organizations including The Greater Peterborough Health Services Foundation and the Big Brothers Big Sisters of Windsor Program
- **Canada** – the charitable arm of WIND Mobile, the SHAMBA foundation, hosted nine fundraising events on behalf of local charities, raising \$10,000 per event on average. WIND Mobile employees continue to be actively involved in these events and regularly volunteer their time and expertise.
- **Canada** – employees across Canada participated in a 'Movember' initiative in support of Prostate Cancer awareness, raising over \$6,000 for the cause. WIND Mobile also created a Cover Photo App, where users could superimpose a moustache on their photos, especially for Movember to show their participation. WIND pledged to donate \$1 for every app user and an additional \$5,000 was donated to the cause.
- **Ukraine** – Kyivstar provides regular financial aid to pensioners from the Great Patriotic War, and Chernobyl veterans, as well as providing free wireless services and support for campaigns such as 'a call home' or 'a call to a brother soldier'
- **Kyrgyzstan** – Beeline supported the Kyrgyz Language in the Google Translate project which aims to integrate Kyrgyz language into the interactive translation service
- **Tajikistan** – Beeline has provided schools and other social organizations with electricity using the capacity of base station diesel-generators

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