

vivo

INDIA IMPACT REPORT 2021



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About the Report

At vivo India, we have a dream - to bring joy to all Indians.

Since our establishment in India, we have been taking small steps towards our dream by offering innovative products and services, and by creating a positive impact on the present and future of Indians.

Today, our aspiration to create a more inclusive and empowered India is more important than ever. Despite the continued uncertainty surrounding public health due to the COVID-19 pandemic, we remain committed to doing everything in our ability to fuel economic and social progress in India.

Our first Impact Report is also our first step towards transparently reporting the difference we are making to millions of Indians. Moreover, it is a crucial step towards including all our stakeholders on our journey to success.

The vivo India Impact Report is special because 2021, marks the seventh anniversary of vivo in the Indian market. With its razor-sharp focus on customer needs, unique products and technology, and unwavering commitment to India, the company has earned the trust of millions.

Disclaimer:

Facts and figures mentioned in this report are based on internal derivations, and may vary at different sources at different times. Figures mentioned are approximate derivations and may vary as per actual market conditions.

The report showcases our contribution towards



Generating employment opportunities in India



Caring for our employees



Empowering retail partners and distributors



Uplifting communities

Acknowledgement

vivo India's first Impact Report was possible due to the sincere efforts of various teams across the organisation. Our Brand Strategy and Consumer Research and Insights teams, Finance, Operational and Manufacturing functions, Government Affairs,

Strategy Insights (Industry), subject matter experts and Sales, Communications, Corporate Social Responsibility (CSR), Human Resources, Synapse Communication Design Pvt. Ltd. and all cross functional teams and partners have contributed to the creation of this report.

Inspiring joy

For us, at vivo India, joy is about creating authentic, uplifting moments for our customers, retailers, shareholders and employees through:



Our innovative products and technology



The connections we help strengthen



The dreams we turn into reality

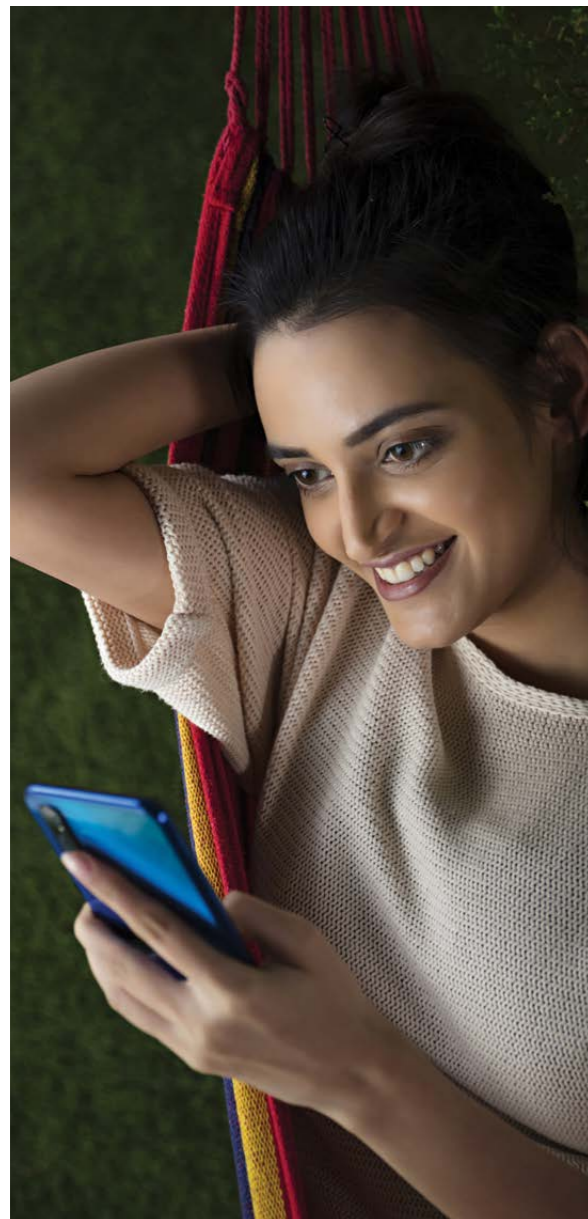
Joy is what we live and work for. Everything we do stems from a place of joy and optimism, which allows us to accelerate India's progress and success.

This Impact Report is a reflection of our commitment to India - a commitment of inspiring joy by empowering people.



Purpose guides us

Everything we do is grounded in the larger purpose.



vivo sees the beauty in human nature, in relationships and the multitude of instances that exist in the world around us. It champions the idea that people should experience this abundance of joy around us by widening our view of what gives joy to us.

We believe joy lies not just in social validation but in self-assuredness as well, not just in individual progress but in our relationships as well, not just in material possessions but in the wondrous things, big and small, around us.

And the smartphone plays a pivotal role in capturing this joy and making it last forever.

To continue creating moments of joy for Indians, we uphold vivo as a brand that is

Inspiring Iconic Humane

In short, we want to create a world of joy through superior yet simplified technology and experiences.

Live the Joy.

vivo Global

Technology. Experience. Joy



vivo is a technology company that designs and develops smartphones, smartphone accessories, software and online services. Through its smart products and intelligent services, the company aims to create joy through simplified technology. Today, vivo has extended its sales network to over 60 countries and regions, and has earned the trust of over 400 million users worldwide. With innovation at its core, vivo provides users with an improved and convenient mobile and digital life.



200 million

Annual smartphone production capacity



10

R&D centres



7

Production units across South- and Southeast Asia



60

Countries and regions have our sales network



400 million

Use our products worldwide

vivo in India

In 2014, vivo entered India as vivo Mobile India Private Limited. Since then, we have established ourselves as one of the leading smartphone brands in India's increasingly competitive market. With our state-of-the-art manufacturing facility in Greater Noida, Uttar Pradesh and a robust distribution network, we offer best-in-class service to our customers.

 **28**
States

 **8**
Union territories

 **650+**
Company-owned and Company-operated service centres



 Trusted by proud owners of **Over 100 million** Phones

 **1 million+** Beneficiaries of our social initiatives

 **10%** Growth in 2020, while the industry declined by 17%*

 **25%** Market share in 2021

Vision

Develop into a healthier, more sustainable and world-class corporation

Mission



For users
Create great products



For partners
Create win-win platforms based on mutual trust

Create value for society



For employees
Create a joyful and progressive environment



For shareholders
Render steady long term returns on investment

Values

'Benfen' is a term that describes the attitude of doing the right things and doing things right. It serves as a guide for everyone in vivo and enables the brand's mission of building technology for good.



Design-driven



User-oriented

Benfen



Team spirit



Continuous learning

Connecting Indians since 2014

Since 2014, our journey has been rich with learnings and opportunities, but our focus on our goal - to continue setting new standards in smartphone innovation - remained unwavering. We have been creating end-to-end experiences for our customers - right from purchase to after-sales services.

Today, we are a leading smartphone company in the country, with around 70,000 retailers and an annual production capacity of over 50 million units, and yet, our journey has only begun.

2014
Started operations in India



2015



Joined the 'Make in India' initiative and inaugurated our authorised smartphone manufacturing facility in Greater Noida, India

2017



In January, announced a plan to build R&D centres globally to develop cutting-edge consumer technologies, including 5G, Artificial Intelligence (AI), photography, design and others

Bagged an exclusive pact for the Indian Premier League title sponsorship rights

2018



Acquired additional 169-acre land in Greater Noida, supporting the government's 'Make in India' vision through our manufacturing facility expansion

2019



Reaffirmed our commitment to the Indian market by proposing - 7,500 crore to expand our manufacturing capabilities in India

2020



Continued focus on the Indian market through consolidation of manufacturing facilities

Strengthened our focus on customer experience by taking our vivo exclusive stores to over 500 locations

2021



As part of our commitment to India, we launched the 'vivo Cares' initiative and pledged ₹ 10 crore to support India in its fight against COVID-19



Letter from the CEO

Simple things are easy to understand but tough to follow. In 2014, vivo began its operations in India, with the spirit of 'Live the joy', focused on creating great products and shared value for Indians. Since then, we have been working towards fulfilling the expectations of our customers, retailers, shareholders and employees. And today, vivo is a leading brand in India's smartphone market and has won the trust of proud owners of 100 million vivo smartphones in the country.

The last two years brought extraordinary challenges. It was also a time that emphasised the importance of being connected to friends and family. This was a defining moment for humanity and for vivo. The popular saying 'With great power comes great responsibility' has never been more relevant for us. We leveraged our innovation capabilities, and continued to establish connections and build experiences that helped spread joy during these unprecedented times. During this crisis, our values helped us stay resilient and serve the society when it needed us the most.

At the core of our value system is 'Benfen'. Loosely translated, it refers to individual responsibility, and revolves around maintaining an unbiased mindset and staying free from the influence of stress, pain and temptation, particularly when sacrifices have to be made. It's about continuing to do the right things, and do them right. It goes much beyond the product or organisation and creates a culture of passionate individuals who would not take advantage of others, even if they have to make a sacrifice themselves.

Benfen has ensured that we remain cognisant of our mission, while being empathetic towards the society, and we remain dedicated to our customers while keeping the team spirit high and learning continuously.

The vivo India Impact Report represents our unwavering focus on the Indian market and our passionate commitment to the people of India.

We understand the role of vivo to lead the way, to enable and empower the people of India with our focus on:

Inspiring joy

At vivo India, we are determined to be constructive and make a positive impact. We associate ourselves with the characteristics of humility, trustworthiness and conscientiousness, which empowers us to inspire joy in the world by creating modern technologies. I am proud of the fact that vivo creates direct and indirect employment for around 1,40,000 Indians and has created socio-economic impact on 1.6 million Indian lives.



Total commitment to the Indian market

We believe that commitment to a goal transforms dreams into reality. At vivo, we are committed to the development of India and walk with India every step of the way, towards success.

While we continue to strengthen our presence in European markets, we have plans to position India as a benchmark for other countries to follow. As part of our commitment to India, we have acquired 169 acres of land in Greater Noida, Uttar Pradesh to strengthen our manufacturing capabilities. India is a significant market for vivo and this step resonates our commitment to the Make in India initiative. The investment will leverage India's diverse talent pool and generate direct employment opportunities for more than 40,000 Indians.



Generating direct and indirect employment for

Around 1,40,000 Indians



Socio-economic impact on

1.6 million Indians



Proposed investment of

₹ 7,500 crore
In India



Direct employment opportunities for

40,000 Indians

Through the investment

A healthy and more sustainable world-class organisation

Over the years, we have endured tests big and small, and today, we have happy users of 100 million vivo smartphones. With this achievement, we also start our next journey - the journey of becoming a healthier, more sustainable and world-class corporation and I believe we have the discipline to achieve this goal.

I believe profitability and sustainability are two sides of the same coin - one cannot exist without the other. We have been able to expand operations and offer innovative products to our customers. However, we also understand the importance of being a sustainable business. We have been contributing to the empowerment of our employees, retailers and distributors, while uplifting the less-privileged students by providing them access to education through our phones. We aspire to establish a company that is healthy and sustainable today and, in the years to come - for only a sustainable organisation can create continuous value for its customers, employees, partners, shareholders and the society at large. We are, therefore, taking actions to create a positive impact not only today but also in the future.

Besides this, ours is an inclusive workplace. We have a diversity of people involved, developed, empowered and trusted by the business, in India and across the globe. Every individual's unique talents matter to us and we strive to care for their individual needs. Technological and social changes will continue to alter the nature of the industry we operate in. However, we understand and acknowledge that human judgement, empathy and passion among our people are what will improve our agility and give us a competitive edge.

As I conclude, I would like to reiterate that we are accelerating our commitment to sustainability, a value that matters deeply to vivo India employees, stakeholders, and me personally.

We are committed to ensuring continued positive impact on India - through our technologically advanced, pathbreaking products and through our efforts in uplifting lives. Our purpose will always guide us, and our values will always push us forward - towards the better future we believe in.

As CEO, I pledge vivo's continued support to the Make in India initiative and our ongoing resolve to use technology to improve lives.

Jerome Chen



Executive summary

The Indian economy has undergone a rapid transition over the past few decades. This has translated into progress and change for several sectors.

The Information and Communications Technology (ICT) industry has been one such sector where progress, change and transformation have been paramount. The internet is about 30 years old as we know it today and the smartphone, perhaps a year behind, is at 29! Needless to say, together they have been the most dramatic transformative forces for people and society.

India has gained global recognition for being the largest and fastest-growing market of digital consumers across the globe. Today, India has over 1.18 billion mobile connections, 700 million Internet users and 600 million smartphones.¹ Thus, the Indian smartphone industry is well poised for growth and will continue to play a vital role in shaping the Indian economy.

vivo recognises the potential of the Indian smartphone market and places immense value in its collaboration with the country. vivo started its journey in India in 2014. For the last seven years, we have been establishing joyous relationships with people across India. As a socially responsible organisation, we are committed to creating economic opportunity for our employees, retailers and distributors, and strengthening local communities in India. Today, vivo is inspiring joy for people across the country by creating employment (direct and indirect) for over 1,40,000 Indians and creating socio-economic impact on 1.6 million Indian lives. We have a robust distribution channel of 70,000 retail partners and 1,000 master distributors, of which 98% are Indians. Through our efforts, we have been contributing to the country's growth story and creating shared value.

As the second-largest smartphone market globally² with an average monthly sale of 10 million handsets, India continues to be a priority market for vivo. Aligning to the Prime Minister's clarion call of 'Make in India', we set up a robust manufacturing facility in India in 2014 and scaled it up by acquiring 169 acres of land for expansion. This has also allowed us to provide employment opportunities to the country's diverse talent pool. We began operations at our

factory in 2015, with 500 people. Since then, we have created employment opportunities for around 9,500 more Indians at our factory and the total workforce presently stands at 10,000 Indians. Moreover, our annual production capacity stands at 50 million units and 100% of the vivo smartphones sold in India are made in India.

The need to always stay connected has made smartphones the most necessary device not just in India but across the globe. Apart from acting as a catalyst in making India a USD 1 trillion digital economy by 2025, the smartphone sector has the potential to help India realise the dream of becoming an export hub in the global market place. This industry will be building capability to custom create smartphones that will cater to the evolving present and future needs of 'glocal consumers'.

vivo's as one of the early investors in the Indian manufacturing ecosystem here aim is to be a worthy partner to India's economic growth plan. Under the broader 'Make in India' initiative, vivo has proposed ₹ 7,500 crore investment to bolster its manufacturing capabilities in India, of which ₹ 3,500 crore is expected to be invested by 2023. This investment of ₹ 7,500 crore will create direct employment opportunities for 40,000 Indians in the future. Furthermore, we have plans to begin exports from 2022.

As part of our unwavering commitment to India and its people, we plan to invest in local sourcing. We aim to increase charger localisation to 75% from (the current 65%) by 2024, and will also source 65% of the displays locally by 2023.

We believe that a progressive, thriving and vibrant Indian economy has its foundation in its relationship with technology. Its future and prosperity will be defined by how it continues to harness the power and promise of mobile technologies, helping lay the foundation for a new digital century!

Source 1: <https://economictimes.indiatimes.com/news/india/indias-growing-data-usage-smartphone-adoption-to-boost-digital-india-initiatives-top-bureaucrat/articleshow/87275402.cms>

Source 2: <https://indianexpress.com/article/technology/tech-news-technology/india-now-second-largest-mobile-phone-manufacturing-hub-in-the-world-6437109/>

Inspiring joy for millions

generating employment (direct and indirect) for **Around 1,40,000 Indians**

Created socio-economic impact on **1.6 million** Indian lives

Partner to India's economic growth, every step of the way

Proposed investment of **₹ 7,500 crore**, of which **₹ 3,500 crore** is expected to be invested by **2023**

100% of vivo smartphones sold in India are made in India

More than **98%** of our distributors are Indians

Proposed investment to generate direct employment for **40,000 Indians**

Putting our plans in motion for a joyous India

Annual production capacity to increase to **60 million units** from the current 50 million

Exports to begin from **2022**

Invest in local sourcing
75% local sourcing of chargers by **2024** from the current **60%**

65% locally sourced displays by **2023**



Committed to India

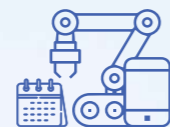
Aligning to the Prime Minister's clarion call of 'Make in India', we set up a robust manufacturing facility in India in 2014 and are scaling it up by acquiring more land for expansion. This has also allowed us to provide employment opportunities to the country's diverse talent pool.



10,000
Workforce employed in the manufacturing facility



100%
Of the vivo phones being sold in India are made in India



50 million
Annual manufacturing capacity



Making smartphones in India, for India

In 2014, Prime Minister Shri Narendra Modi launched the 'Make in India' initiative to transform India into a global design and manufacturing hub. The call was to inspire confidence in India's capabilities among potential partners abroad, especially the Indian business community and citizens. It was an invitation to global manufacturers to make their products in India using the country's diverse talent and skills.

In alignment with the Prime Minister's vision, vivo entered India in 2014 with a commitment to bring product innovation and value to Indian customers. The first shipment rolled out from our manufacturing facility on December 24, 2015. When we began operations in India, our factory had 500 skilled individuals passionately working to develop our smartphones. Today, nearly 10,000 Indians work at our world-class production facility in two shifts. The facility has the capacity to produce over 1,40,000 phones daily.



Capacity to produce
1,40,000 phones
Daily

Robust manufacturing capabilities

The sprawling state-of-the-art manufacturing facility at Greater Noida drives our vision of providing best-in-class smartphones with affordable pricing. It is part of our ₹7,500 crore investment plan and a step towards further strengthening our presence in India.

In 2018, we took another step towards our commitment to India by acquiring an additional 169 acres of land in Greater Noida to ramp up our manufacturing capabilities. We have invested more than ₹1,900 crore till now in this endeavour. The manufacturing facility expansion has also enabled us to utilise the country's talent base and empower Indians.

For us, India and its people come first. Our long-term vision is to be a worthy partner to India's progress by adding economic and technological value.

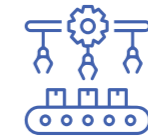


We added
9,500
workforce at our factory since 2015

Towards an empowered future

In future, we expect India's demand for our phones to continue increasing. Our strong manufacturing capabilities will churn out highly innovative phones to meet India's rising need and create employment opportunities for Indians.

We hold India close to our heart and our objective is to be a worthy partner to India's economic growth plan.



Around 60 million
Annual manufacturing facility by 2022



employment opportunities for
5,000 Indians
to be created in phase two

Hear from those who work with us



Umesh Kumar
vivo India Manufacturing Facility - Product
Working with vivo India since 2015

"I have been working at the manufacturing plant since December 2015. It has always been great working with the vivo family. It's been a continuous learning process and my skills have improved.

I joined vivo India as a Production Operator. The company recognised my hard work and allowed me to be part of the equipment team as an Asst. Engineer, which is highly motivating. Teamwork and a positive attitude have always brought good results. I want to thank vivo India for brightening my career."



Ayush Sharma
vivo India Manufacturing Facility - Quality
Working with vivo India since 2017

"Working with vivo India is like experiencing sheer happiness. The management has played an important part in keeping employees highly motivated, which has increased productivity.

After joining vivo India, my life has changed. I joined in January 2017 and over the years, learnt a lot. My skills have upgraded both technically and personally. Also, the company taught me to always look at the bright side of things. Focusing on the positive can help turn the situation around. Being able to remain positive and look at things with optimism is a life lesson.

vivo India has also given me a challenging opportunity to set up a quality department overseas, which helped me improve my management skills, dealing with people from a different culture. I can proudly say that these learnings will surely help me throughout my life."

Around
₹86 lakhs
in 2015



More than
₹1,900 crore till now

Increase in investment in manufacturing

500 employees
in 2015



10,000 employees
in 2021

Increase in the number of people employed by vivo India's manufacturing facility

Committed to our retail partners and distributors

We believe that partnerships are driven by the ultimate goal of serving customers together. To empower our partners and distributors to achieve this goal, we prioritise their interests and fuel their business growth.



5 times
Increase in dealer base between Q1 2016 to Q1 2021



1,000+
Distributors in India



Around 70,000
Retail partners in India



Fuelling growth for our retail partners and distributors

Our retail partners and distributors form the foundation of our robust supply chain. They help us enhance our sales and are crucial to our progress in the Indian market. We have been undertaking various initiatives to protect their interests, meet their needs and solve their challenges.

Right from the beginning, we have been empowering our retailers and distributors. We stood strongly by their side and helped them strengthen their business when the boom in online sales threatened them. Every day, we strive to positively impact the business and

livelihoods of our partners by boosting their productivity and profits, and helping them consolidate their business.

Due to our steadfast endeavour to keep our partners happy, we have a formidable network of around 70,000 retail touchpoints and over 1,000 distributors across India today. Moreover, over 98% of our distributors are Indians. As we set out on the next phase of growth, we remain strongly committed towards the long-term happiness and contentment of our retail partners and will continue to contribute to their business growth in the coming years.

Empowering our retail partners

 **5 times**
Increase in dealer base between Q1 2016 and Q1 2021

 **Over 20% ASP**
growth that led to **2.5 times**
change in retailer's average sales value per month

 **2 times**
Increase in average sales volume per dealer per month between Q1 2017 and Q1 2021

Empowering our master distributors

 **80 in 2014**
1,000+ in 2021
Growth in our master distributors across India

 **Over 98%**
of our distributors are Indians

 **6,000+**
Job opportunities generated through our master distributors

Ensuring business continuity during challenging times

The unprecedented COVID-19 pandemic turned 2020 into a year of extreme stress and uncertainty for businesses all over the world. Supply and distribution chains were drastically affected.

The retail sector was no exception. It mainly serves final demand and occupies an important position in the value chain as a provider and an outlet for upstream sectors. The complete lockdown imposed by the government to tackle the health crisis had a crippling impact on the sector.

Moreover, as business operations reached a complete halt, consumers began shifting towards online buying. Since the retail industry is labour-intensive, the shift towards online had disproportionate consequences on employment.

The smartphone industry witnessed the lowest sales in 2020, and our network of 70,000 retailers, 30,000 vivo Brand Ambassadors (VBAs) and their families were staring at a grave challenge due to significant loss of business.

Together with our partners

At vivo India, we are driven by a culture of overcoming difficult times and standing by our people through thick and thin.

We devised a unique lead generation programme called 'vivo Smart Retail (VSR) to enable and empower retail partners across India. Leveraging our network, we set up a robust process that enabled offline partners to connect with consumers, while adhering to all the social distancing requirements and lockdown measures enforced by the government.

The VSR programme offered a splendid opportunity to 30,000 VBAs and more than 20,000 retailers across India to create a hassle-free arrangement where consumers could connect with retailers from the comfort of their homes and the VBAs could deliver the phones at their doorstep. The initiative ensured financial stability to the VBAs as it enabled safe business continuity for them even during the pandemic.



Generating employment through our brand

At vivo India, we aim to create an exclusive experience for our customers, while also generating employment and encouraging entrepreneurship through exclusive vivo stores. The initiative has empowered Indian youth and small entrepreneurs to own and run vivo exclusive stores, uplifting their livelihoods and generating a sustainable source of income for them.

We upskill the staff members in the stores to improve their communication skills, motivate them and boost their confidence. We recruit them as VBAs and create employment at the local level. Till date, we have generated direct employment for more than 2,500 Indians through our exclusive stores.



In addition, the stores also generate 1,20,000 hours of indirect employment for the local community. We also make significant investments in in-store branding and cladding, back-office tech support, product development and merchandising to enable our VBAs to create an enjoyable customer experience.

We have established a network of more than 600 exclusive stores across over 400 cities and towns in India, creating opportunities for India's diverse talent pool.



10 in 2015
600+ in 2021
Growth in the number of stores



Direct employment generated for
2,500 people
through vivo exclusive stores



1,20,000
Man-hours of work employment opportunities generated



88%
Stores owned by franchises, providing them livelihood

Hear from those who work with us



Motilal
Retailer with vivo India since 2016
Chennai

"I run a multi-brand retail outlet in Chennai. My journey with vivo began in 2016. In the beginning, we were unfamiliar with brand vivo because it was a new entrant in the market. I started off by procuring vivo stock worth ₹ 1 lakh only. But soon, we witnessed an increase in demand as customers loved the quality and features of vivo products. Our business grew rapidly, and now vivo occupies around 75% of my total stock. We witnessed tremendous growth and I run three retail outlets in Chennai. We have a strong relationship with the brand and vivo truly looks after its retail partners."



Jaya Vadivu Karasi
vivo Exclusive Store Franchisee owner
Erode, Tamil Nadu

"vivo has had a decisive impact on our lives, specially economically. We have been in the retail business since 2006, and we used to run a multi-brand retail store. In March 2020, we converted that into a vivo exclusive store. The support that we get from the brand is immense. Excellent store interiors, immaculate conditions for product demonstrations and experienced and trained VBAs contribute immensely to delightful customer experience, which in turn enhances sales."



Ushering in the power of the digital across different states

At vivo India, we work hard for the long-term happiness, satisfaction and contentment of our retail partners. Sharp focus on the basics is our greatest strength. It is this focus that allows us to create a lasting positive impact across lives in different parts of India.

While the smartphone industry grew by 4% between Q1 2017 and Q1 2021, vivo India witnessed a two-fold increase in sales volume during the same period. Our brand's market share also doubled - from 13% in Q1 2017 to 26.3% in Q1 2021.*



Impact across different states



Uttar Pradesh

Around 3 times

Increase in the average sale per outlet in Q1 2021 compared to Q1 2017



Gujarat

1.5 times

Growth in sales volume in Q1 2021 compared to Q1 2017



Madhya Pradesh

2.3 times

Growth in sales volume in Q1 2021 compared to Q1 2017

2,500+ in Q1 2017

4,500+ in Q1 2021

Growth in the number of outlets, thus increasing average width of distribution



Telangana

Around 3 times

Increase in the average sale per outlet in Q1 2021 compared to Q1 2017



Bihar

3 times

Growth in sales volume in Q1 2021 compared to Q1 2017

1,000+ in Q1 2017

2,500+ in Q1 2021

Growth in the number of outlets, thus increasing average width of distribution



West Bengal

2 times

Increase in the average sale of a single retailer in Q1 2021 compared to Q1 2017



Tamil Nadu

Around 2.5 times

Growth in average sales per outlet in Q1 2021 compared to Q1 2017

Committed to consumers

Just like our people, we have a diverse range of consumers with different needs and demands. We use our innovation and technology capabilities to meet their expectations and, in turn, earn their trust. Being consumer-centric is a cultural way of life for us and in everything we do, we aim for superior consumer experience.



 proud owners of **100 million** vivo phones

 **600+** Exclusive vivo stores

 **650+** Company-owned Company-operated service centres



Keeping promises and earning consumer trust

Though we entered the Indian market in 2014, we still had to gain the trust of Indians. When we commenced operations in the fiercely competitive Indian market, our primary focus was on doing the right things in the right way. This was a time most people in India did not know vivo as a brand.

Over the last six years, we have been able to drive awareness and win the trust of proud owners of over 100 million vivo smartphones in India. And while gaining their trust, we have been deeply invested in the Indian market even as we consolidated our global presence as part of our pursuit to become a truly global brand.

The strongest brands have a loyal base of trusting customers. While building emotional relationships with customers takes time, it allows a business and brand to establish itself as trustworthy and reliable. In a country as large and diverse as India, gaining trust is critical and challenging. So we set out by building a stable and robust platform to do long-term business in India.

Multiple factors have contributed to our growth in India - strong product portfolio across price segments, an extensive distribution network, reliable after-sales service and substantial marketing inputs to build a strong brand.

Over the years, we have worked relentlessly to create a hassle-free, seamless experience for our consumers, right from sale to reliable after-sales service. We have set up over 650 company-owned-company-operated service centres across

India to provide consistent after-sales service to millions of proud vivo smartphone owners in India. These service centres offer a quick turnaround to consumers' grievances, and ensure a superior end-to-end brand experience.

We value our consumers and are attentive to their needs, demands and expectations. We regularly develop and modify our products based on our consumers' requirements. This, along with our quick-to-respond after-sales service, have enabled us to develop a lasting bond with our consumers.



Won the trust of proud owners of **100 million** vivo phones

Offering a 'socially-distanced' buying experience

The COVID-19 pandemic not only threatened lives and livelihoods, but the ensuing lockdowns also altered the way of life. As education and work shifted to the online platform, there was a surge in the purchase and use of smartphones. Most consumers were not very confident of buying phones online, due to which the offline sales remained intact. However, they also wanted to avoid crowds.

Now, it was our responsibility to reimagine the buying experience and make it safe, frictionless and physically contactless as far as possible. Leveraging our core of innovation, we transformed consumer journey by putting in place new safety norms.

Virtual live demos

We even altered the way we did live demos. vivo experience stores are the preferred destination of vivo consumers for experiencing live demos of our products. Aligning with the social-distancing and

safety rules, we launched QR codes for new product launches. Consumers could view the demo on their smartphones by scanning the code. V20 was one such demo that witnessed significant virtual footfall.

We also installed special tablets in our flagship stores, which have the QR codes for all our products. The consumers have to just scan the codes using their smartphones and our world of products would be at their fingertips.

Hygiene rating for our stores

We developed a special Hygiene Quotient Scorecard (HQS) for all stores. Each store was rated on 20 parameters of sanitisation and consumer safety, including store hygiene and cleanliness. Only a limited number of shoppers were allowed within the store at a time to maintain safety and social distancing.



Committed to employees

vivo is a place of possibilities and the remarkable and diverse people who work with us make these possibilities a reality. To help them do their best, we provide them with myriad opportunities for professional and personal growth. We recognise the contribution every individual makes to our success and are, in turn, committed to their growth and success.



50,000
Families connected with vivo India



67%
vivo Brand Ambassadors (VBAs) agree to have joined vivo for its brand value and trust



100%
VBAs agree that vivo offers them opportunities for professional growth



*Source: Internal employee survey conducted by vivo India

Fostering a culture of passion and innovation among our people

At vivo India, our culture is united by common values. We believe that we can achieve better results when people love what they do and feel free to express themselves. We offer our employees space to create and room to grow personally and professionally, while recognising their contribution to our shared value.

We believe that diversity - in all its forms - fosters creativity and accelerated innovation. Leveraging and

celebrating different perspectives, experiences and backgrounds generates unique ideas. Our approach to employee and business growth is fuelled by our celebration of this diversity.

As our business grows, we will continue to bring the best and brightest talent on board, and acquire critical capabilities, support business growth, build our pipeline and diversify our workforce.



Prioritising employee development and safety

To stay ahead of competition and continue to be leaders in the smartphone market, we understand the role our employees play in making our business a success. Thus, we ensure that they thrive in the organisation by openly communicating with them, undertaking learning and development programmes to upskill the team and constantly motivating them to ensure that they do their best.

Over the past five years, we have not only invested in upskilling our people, but have also prioritised their safety and well-being. During this challenging period, we have stood strong by our people and have offered all the possible support to those who need it.



Today, 50,000 families are part of vivo India



We continue to undertake employee development programmes that comprise trainings on functional and behavioural skills of our employees



To keep employee morale high, we undertake mental wellness programmes for them



vivo Brand Ambassadors - Taking our business to greater heights

vivo Brand Ambassadors (VBAs) have played, and continue to play, a critical role in making vivo a leader in mainline retail today.

VBAs are young, passionate marketing executives who are the first point of interaction for consumers when they visit the shops to buy vivo phones. They are groomed and specially trained to understand consumer needs, value their time and offer the right smartphone options that suit their needs best.

Their warm and welcoming nature, in-depth knowledge of vivo smartphones and a flair to answer consumer questions make for a premium and smooth buying experience for our consumers. Thus, they play a vital role in developing lasting relationships with the consumers.

A strong community of more than 30,000 VBAs have played a critical role in meticulously expanding vivo's retail footprint in India.

At vivo, we have an acute focus on the overall development and growth of our VBAs. We ensure regular engagement activities and value their dedication and hard work. As a result, we have not only impacted their livelihoods, but have also had a positive impact on their personal, social and professional lives. We will continue to work towards their well-being, offer unconditional support to improve their standard of living, and offer them a sense of financial and mental security.

Our efforts have earned us the appreciation and trust of the VBAs. They feel that working with vivo has helped them gain respect among their friends and family. Our training programmes empower them with confidence and better communication skills.

We believe that hard work invested by a brand translates into trust from those associated with it. At vivo India, we are committed to the long-term happiness and contentment of our people. Our continuous, passionate efforts have won us a community of happy VBAs who are proud to be associated with us.



98% VBAs

Agree that their diligence is acknowledged and appreciated by the management*



96% VBAs

Agree that vivo has had a positive impact on their personal lives*



96% VBAs

Agree that vivo has had a positively impacted their social lives*



51% VBAs

Join vivo for mental and financial stability*



54% VBAs

Continue to be with vivo for over two years due to the mental and financial stability it offers*

Hear from those who work with us



Anil Kumar
Head of VBA service
Jaipur, Rajasthan

Anil Kumar has been working with vivo India as a VBA in Rajasthan for five years. His is a journey of evolving into a leader.

Anil joined vivo India as a VBA in 2015. With sheer determination to learn and grow, Anil came through the ranks and became a store manager within two years. He wanted to grow further and become a trainer. His hard work bore fruit and today, he leads the VBA service department in Jaipur, Rajasthan.

"It has been a long and fruitful journey at vivo. I am proud that I could achieve my goal and grateful that vivo allowed me to realise my potential", says Anil with a glint of pride in his eyes.

Knowing how important career development is to current and future employees, we offer a range of opportunities. Last year, we enrolled Anil in IIM Lucknow for pursuing an Executive MBA.



Bambam Gupta
Former VBA, now has his own business
Ranchi, Jharkhand

Bambam Gupta, a young and hardworking professional, is a retailer based in Ranchi, Jharkhand. early in his career, he found himself at crossroads as he had to shoulder the financial responsibilities of his family. To make ends meet, he worked as a shop boy in a retail outlet, and took several positions in other companies before joining vivo India.

Babam joined vivo india as a VBA in Jharkand, and today, his hard work and tenacious spirit has enabled him to start his own business and enhance his standard of living.

"I worked hard to enhance my skill set and kept on learning new things. Having my own house was my dream. My journey in vivo not only gave me confidence and recognition, but most importantly, achieved my dream. And, I am proud of that", says Bambam.



Mohd. Noman Mandekar
Team Leader
Maharashtra

Mohd. Noman Mandekar had to sell his wife's jewellery to make ends meet.

"I used to ponder over how my family would survive. I used to worry about my kids, their education", says Noman who was working with vivo india as a VBA in Maharashtra for the last 5 years. Today, his financial condition is not only stable, but he claims that his standard of living has also improved over the years.

Noman has been promoted and works as a Team Leader now. He handles the business for about 15 to 20 outlets.

Committed to communities

At vivo India, we want to become facilitators of long-term social change, and we believe education is vital to initiate this change. We are using our products and innovation capabilities to provide education to less-privileged students.

COVID-19 not only shut down schools but also put tremendous pressure on India's healthcare system. At vivo, we also made our contribution in supporting the government in fighting the pandemic.

We donated smartphones to students from the less privileged background under our 'vivo For Education' programme.

We donated



500

Oxygen concentrators



10,000 litres

Sanitiser



15,000

PPE kits



Building a better and safer future for the communities

At vivo India, we believe that business should go beyond profitability and translate into progress for the larger population and society we operate in. We recognise inclusive growth as an essential part of India's quest for development and strive to do our part in it.

Our CSR mission

We seek to spread joy among communities by providing easy access to education and by developing technological innovations that connect people and create joyful experiences for them.


Following this mission, we aim to enable and empower people through various social initiatives. Since we began operations in India, we have placed great importance on being a responsible corporate citizen in the communities we operate in. We make conscious efforts to undertake sustainable, effective and community-oriented programmes to contribute to the overall socio-economic development of India.


To make a positive impact on the communities, we decided to use smartphones, embedded with the power of technology and innovation, to not only


help communities stay connected, but also provide less-privileged students with access to education. Through our socio-economic initiatives, we were able to positively impact the lives of over 1 million Indians during the year.


 Touched **1 million+** lives through our social initiatives

Our focus areas

-  Enable and empower children and women by promoting education, through exclusive education projects

-  Encourage young innovators through our technology and innovation projects

-  Contribute to the Prime Minister's National Relief Fund or other government funds for supporting the underprivileged communities

-  Undertake disaster relief operations and offer rehabilitation support at the national level



Ensuring that education goes on

To break the chain and stop the rapid spread of the virus, the government issued orders to shut down schools and other educational institutions. Education and learning became a virtual experience. Online learning resulted in an increased demand for electronic devices such as computers, laptops and smartphones.

In the case of smartphones, the urban-rural divide is stark. While privileged students of private schools could easily access online classes on their smartphones, the inability of children from underprivileged communities to afford a smartphone disrupted their education.

To encourage less-privileged students to continue schooling and facilitate learning for them, we launched the 'vivo for Education' initiative in India, with an aspiration to enable and empower them. Thus, began our holistic phone donation programme in India.

We identified deserving students of class 10 and 12 from the underprivileged sections who needed smartphones to access online learning and prepare

for their board exams. The students were identified through a meticulous process of document collection and verification, shortlisting and final selection based on interviews. Nearly 70% of these students were females and more than 50% of the total beneficiaries' income was less than ₹ 50,000.

The programme also focuses on mentoring as a key component of education. We initiated the Employee Mentoring Programme to groom students and mentor them on basic life skills. Our employees took 45-minutes sessions every fortnight. Each mentor coaches one student and conducts sessions via audio or video conferencing depending on the students' requirements.

 **Launched 'vivo for Education'**
Our holistic phone donation programme in India

Hear from those who benefitted from our programme



Sadiqa ZN
Class 12
Bangalore, Karnataka

Sadiqa, a straight-A student, felt the sting of the digital divide first-hand after the COVID-19 lockdown took place in March 2020. Back then, she had just passed Class 11 with 90.16% marks and was looking forward to an equally productive final year at school.

"After the schools closed down, our teachers prompted us to attend online classes, and I began scurrying desperately to find a suitable smartphone. Since I couldn't afford a new one at such short notice, all I could do was use my mother's old phone, which didn't have enough memory, and would often shut down in the middle of an important lecture. It was distressing. Through the 'vivo for Education' programme, I got the opportunity to receive a brand new vivo Y 11 phone with more than enough storage for my assignments.

I've also had the honour of attending one-on-one online mentorship sessions, conducted by vivo India. This helped me recognise and focus on SMART goals (Specific, Measurable, Achievable, Result-oriented and Time-Bound). Due to the timely assistance by vivo, I gained an appreciative outlook towards life in the middle of a raging pandemic. I have now become more attentive towards my academic dreams than ever before!"



Stepping up against the pandemic

The first case of COVID-19 was reported in India on January 30, 2020. Lockdowns, social distancing and mask mandates began dominating our lives. Countless healthcare workers worked continuously round-the-clock, risking their lives. The impact on business was significant. Most traditional retailers, online grocers and cash-and-carry retailers had run out of stock. However, amid the chaos, it was inspiring to see the way the world - people, businesses and communities - came together to help in whatever way possible.

At vivo, we remained committed to India during this challenging phase and supported the government's efforts against the pandemic by launching the 'Heroes Who Care' programme. We donated PPE kits, masks and sanitisers to various government agencies and other departments.

The second wave hit India in March 2021 and had devastating effects on lives and the economy. As a responsible corporate citizen, vivo India continued to offer its support to the government.

We pledged ₹ 10 crores under our 'vivo Cares' initiative to assist various government departments in boosting the healthcare sector with essential medical equipment for hospitals. Through the initiative, we donated 500 oxygen concentrators, 50,000 cooked meals at the doorsteps of COVID-infected families



9 lakh
Masks



10,000 litres
Sanitiser



15,000
PPE kits

and funds to organisations and various government departments for COVID relief. We also donated Happiness Kits to students of a government school in Delhi and their families - the Kit comprised elements of nutrition, education and hygiene. We partnered with Artemis Hospital and ensured oxygen concentrators and beds in hospitals are made available to our employees in need.

Through our efforts, we continued to pledge solidarity to help the country navigate this challenge together.



500
Oxygen concentrators of 10-litre capacity distributed to government hospitals



50,000
Cooked meals sent to the doorsteps of COVID-struck families



Around ₹ 4 crore
Funds contibuted for COVID relief



Over 3,000
Happiness Kits donated to students of a government school in Delhi and their families

Hear from those we supported



Yamuna Expressway Industrial Development Authority (YEIDA)
A Government of India undertaking

vivo India's donation of 50,000 masks to Yamuna Expressway Industrial Development Authority (YEIDA) was extremely crucial for the safety of our workforce. We express our sincere gratitude for this great gesture during these critical times.



Rambhadra Das
ISKCON Gurugram, Temple President

Our heartfelt thanks to vivo India for their support in the Covid Food Aid programme. This is in continuation of their long-standing culture of upholding their social responsibility and empathy. This assistance is making significant difference to thousands of COVID-affected families. They have focused on their medicines and could get much-required rest without worrying about food and nutritional requirements.

We look forward to more such collaborations with vivo in future.



Anil Vij
Cabinet Minister, Government of Haryana

The second wave of COVID-19 was devastating. We were overwhelmed by the generosity of vivo India for donating 100 oxygen concentrators.

Putting our plans in motion for a joyous India

At vivo, doing the right thing is part of our culture and legacy. For over seven years, we have been steadfast in our commitment to building a joyous and empowered India. Driven by our Benfen values of Design-driven, User-oriented, Team Spirit and Continuous Learning, we have been spreading joy among the people and communities in India.

For us, joy encompasses opportunities and empowerment for all our stakeholders. To make this possible, we rely on the dedication of our colleagues, a strong network of partners and suppliers, customers who trust our innovation and quality and communities that support us. Every day, we are motivated by the trust vested in us by our stakeholders and pursue our goal of inspiring joy with renewed vigour.

We believe that whatever we have achieved and done till date is just the beginning of our plans for the long term in India.



Our initiatives to continue inspiring joy among Indians

Increase our manufacturing capacity

Our aim is to make India a strong export market, from where we will cater to the smartphone needs of other countries. We are already gearing up to meet our initial target of exporting over 1,00,000 units per month to neighbouring countries from 2022.

We aim to begin exports in 2022

Increase the current manufacturing capacity of 50 million units to **60 million units** In 2022

Scale the manufacturing capacity to **120 million units** Annually in the future

Invest in India's potential

The investment is a reflection of our absolute and unwavering commitment to India. It will not only help us strengthen our presence in the country, but also generate employment opportunities for the diverse skillsets of Indians.



₹ 7,500 crore
Proposed investment in India



₹ 3,500 crores
Expected to be invested by 2023



40,000 Indians
Can avail jobs based on the investment

Invest in local sourcing

As part of vivo's ongoing efforts to support Honourable Prime Minister's Aatmanirbhar Bharat programme, we plan to increase local sourcing. vivo is already sourcing 95% of its smartphone batteries locally.



95% of batteries
Are being sourced locally

India is a significant market for vivo and our commitment to the country and its people is absolute. To strengthen this relationship further, we plan to maintain our charger localisation at an average of 60% for the next two years and increase it to 75% by 2024, supported by stable policy. Furthermore, we also plan to source 65% of displays locally by 2023. Going forward, vivo will look to invest in local sourcing of more components.



60% in 2021
75% by 2024
Increase in the local sourcing of chargers

We will continue to take actions that will empower the lives and livelihoods of Indians, while spurring innovation and growth across our business in India.



65%
Locally sourced displays by 2023

Unwavering commitment
Uplifting livelihoods
Making innovative products

In everything we do, we will continue
driving positive change in India.

vivo for India

**Love India.
Love vivo.**

vivo

 www.vivo.com/in