

vivo

India Impact Report

2023



Canvas of change

At vivo, we have a dream — to bring joy to all Indians. We remain committed to doing everything we can to fuel economic and social progress in India. Today, our aspiration to create an inclusive and empowered India is more important than ever. As we embark on our momentous tenth-year journey in India, step into the vivo India Impact Report 2023, a visual art gallery and an immersive journey through the vibrant canvas of our multifaceted impact on India. Each frame celebrates and depicts vivo's profound impact and contribution to the Indian mobile ecosystem.

Explore the essence of progress and change, and witness how vivo helps in shaping India's future at every step.



Foreword

Dear Readers,

A digitally empowered, knowledge-based economy is a central pillar of India's ambitious Vision 2047, which aims to transform the country into a developed nation by its 100th year of independence. The foundation of India's digital transformation lies in the creation of a robust digital infrastructure to ensure ease of living for all. These efforts have made a significant impact, fostering new economic opportunities, enhancing social well-being, and paving the way for a vibrant, interconnected future.

The JAM trinity-Jan Dhan, Aadhaar, and Mobile-has played a crucial role in connecting millions of Indians to essential services, financial systems, and digital platforms. The rapid adoption of smartphones has been a key factor in bridging the digital divide, bringing India into the digital mainstream, and ensuring financial inclusion, thereby strengthening the socio-economic fabric of the country.



Today, India is the second-largest smartphone market in the world. It gives me immense pleasure to highlight that in 2022, over 98% of smartphone shipments in India were "Made in India," a significant increase from just 19% in 2014. This success can be attributed to the Government of India's forward-looking policy reforms and flagship initiatives such as 'Digital India' and 'Make in India,' alongside the contributions of companies like vivo India, which are driving our nation's growth and supporting our transition to a digital future.

vivo's "India Impact Report" reflects its "vivo for India" strategy, aligned with the Government of India's vision. By prioritizing on key focus areas like nurturing a skilled workforce, enhancing local value addition, expanding high-tech manufacturing capacity, and boosting export-driven manufacturing, vivo is reinforcing Uttar Pradesh and India's position as a global manufacturing hub.

Uttar Pradesh, a growth engine of India has been central to vivo's partnership. Looking ahead, the next phase of growth will involve deeper integration with high-tech manufacturing and increased last mile connectivity. Together, we are building a brighter future where technology and innovation drive prosperity for all.

I extend my best wishes to vivo for continued success and look forward to seeing their ongoing contributions to Uttar Pradesh and India's growth and development.

Shri Manoj Kumar Singh, IAS

Chief Secretary, Government of Uttar Pradesh;
Infrastructure and Industrial Development Commissioner;
Chairman, Noida, Greater Noida & Bundelkhand Development Authority;
Chairman, Invest UP & PICUP;
Chairman & CEO, UPEIDA

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About the Report

Embarking on the tenth year of building trust

The vivo India Impact Report is a comprehensive document highlighting vivo's steadfast commitment to India and its significant contributions to the country's mobile ecosystem. In this edition, we highlight the significant value and meaningful impact we bring to India's growth story.

Methodology

This third edition of the report, coinciding with our entry into the tenth year, focuses on our impact on India. Developed in collaboration with our research partner, Counterpoint Technology Market Research, we analysed past year's information and industry trends. The report delves into key areas where vivo has made significant strides. Counterpoint conducted in-depth primary interviews with vivo's vertical heads and other stakeholders across these key impact areas, providing a holistic view of our role in shaping India's smartphone industry. The data in this report, a mix of internal and Counterpoint's data, has been rigorously validated to ensure accuracy and reliability. The entire research process, from data collection to interpretation, adheres to standard market research ethics and practices.

Acknowledgement

The vivo India Impact Report 2023 is the result of collaborative efforts across various departments, including Brand Strategy, Legal, Finance, Government Affairs, CSR, Human Resource, Product, Sales, Customer Service, and more. We extend our gratitude to Counterpoint Technology Market Research for their invaluable contributions. We express our sincere appreciation to Report Yak for their innovative and culturally significant concept development and design, greatly enhancing our India Impact Report this year.

Disclaimer

The facts and figures presented in this report are mix of internal and Counterpoint Research data and may vary across different sources and times. The figures provided are approximate and subject to variation based on actual market conditions.

Executive Summary

An overview of our joyful transformation

As we celebrate a decade of thriving operations in India, 2024 marks a significant milestone for vivo. Over the past 9+ years, we have witnessed and contributed to the remarkable evolution of India's mobile ecosystem. India has transitioned from a mere importer to a global exporter, emerging as the world's second-largest and fastest-growing smartphone market.

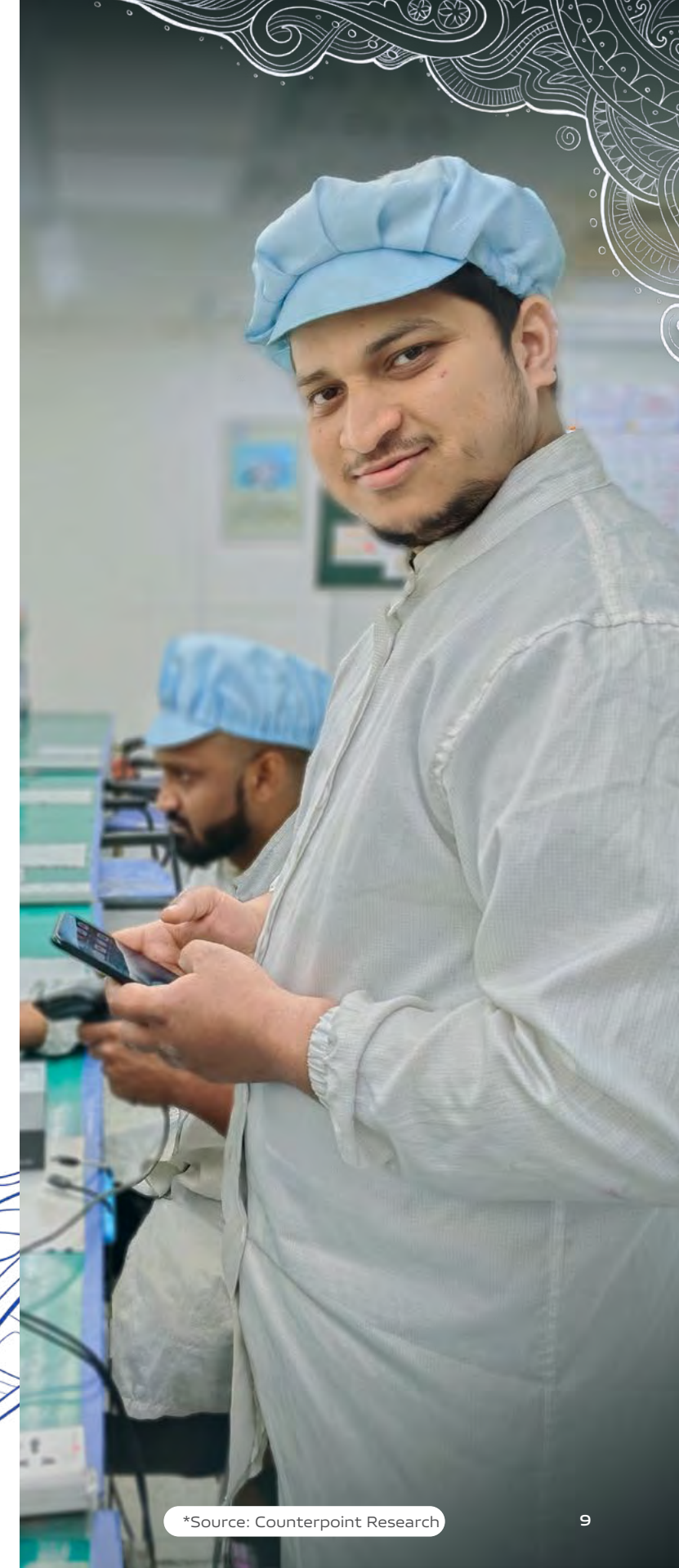
During this time, vivo has experienced substantial growth, progressing from a newcomer to proudly serving over 120 million vivo smartphone users in India. We take pride in our role in the nation's transformative journey towards becoming a 'mobile-first' nation.

Milestones in a journey of positive change

Through our journey, from setting up our first manufacturing facility, to producing 150 million+ smartphones in India in 9+ years, we are achieving several milestones.

We have created a network of over 70,000 retail touchpoints, enabling our partners to earn over ₹ 15,000 crore cumulatively over the last decade*. Our greatest joy lies in growing together.

We have invested approximately ₹ 3,500 crore in developing the manufacturing ecosystem in the country. We are also proud to announce that we are poised to launch a new manufacturing unit in India in 2024. Once operational, it can scale upto an annual capacity of 120 million smartphones, positioning us as one of the largest smartphone brands in terms of manufacturing capacity in India.



*Source: Counterpoint Research

Over the years, our manufacturing facility has created jobs for 15,000+ people, thereby contributing to the improvement of thousands of families' lives. While developing local manufacturing, we have also contributed to the local mobile ecosystem significantly. We have nurtured relationships with over 30 suppliers operating in India. Some of these were established in India with significant support from vivo, and now have grown to work for other industry players.

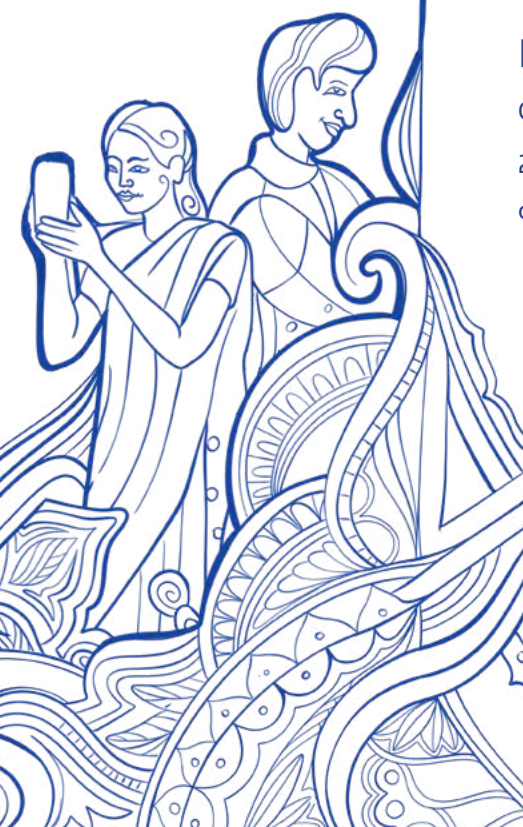
We have also created a robust network of 650+ authorised service centres, managed by authorised business partners, across 500 cities. This direct management enables us to provide top-notch service quality, while also generating employment for more than 2500 trained staff.

Looking ahead

As we enter the next decade, we are excited about the promise this vibrant nation holds. We want to make the most of the next phase by focusing on localising the country's smartphone ecosystem, to enhance value addition and fuel socio-economic growth. We want to implement an export-driven manufacturing strategy for India.

Looking ahead, we truly believe in the immense potential of India and we align ourselves with India's future growth. We anticipate continued synergy between vivo and India's dynamic digital future.

This impact report reflects our milestones, emphasising the meaningful value created by our stakeholders, and provides a glimpse into how we see the future. Our commitment to India remains steadfast.



Corporate Overview

vivo India: Innovating the future

vivo is playing a crucial role in shaping the country's mobile ecosystem through cutting-edge technology and a deep understanding of Indian users. We have consistently pushed the boundaries of what's possible with mobile technology, while democratising mobile access for millions. From investing in local manufacturing, to building a robust network of retail touch points and after-sales service centres — vivo's commitment to India remains unwavering.



70,000+
Retail touchpoints



650+
vivo exclusive stores



650+
Service centres



120 million+
vivo smartphones used by proud Indians



2.5 million+
Beneficiaries
of social initiatives



~8,000
Indian workforce at the
manufacturing facility

Vision

Develop into a healthier, more sustainable
world-class corporation

Mission

Creating value for society

Users:

Create great products

Partners:

Create win-win platforms
based on mutual trust

Stakeholders:

Render steady long-term
returns on investment

Employees:

Create a joyful and
progressive environment

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
- Team spirit
- Continuous learning

Message from the CEO

Commencing the tenth-year milestone in India

Dear valued members of the vivo family,

It gives me immense pleasure to reflect on our incredible journey together as we enter our tenth year in the Indian market. In 2014, we embarked on a transformative journey to redefine the smartphone experience and create value in the mobile ecosystem in India. Today, I am proud to say that our brand has not just thrived over the years, but is contributing to the canvas of change in India's technological landscape.

As we celebrate this momentous occasion, I am delighted to present the third edition of the vivo India Impact Report. This report illustrates our impactful contributions to India's growth story as we enter our 10th year of growth in India, showcasing the transformative power of perseverance and shared purpose.

From manufacturing 'Made in India' smartphones to bringing global technological advancements to India, from generating employment to positively impacting communities, our footprint spans various dimensions.

I am immensely proud that we have created meaningful value in the Indian mobile ecosystem. Our guiding principle has always been to create long-term benefits for our users, partners, shareholders, and employees. The impacts highlighted across various sections of the report reflect that our actions are grounded in a greater purpose.

Sustained value addition to India

We are fortunate to enable millions of Indians to live a digital lifestyle, bridging the digital divide in India, and connecting people.

We have started designing phones that meet our consumers' local tastes and preferences under our 'Design for India' initiative.

Our manufacturing facility in Greater Noida reached the milestone of producing 150 million+ smartphones till now. We are proud to be starting our operations at a new manufacturing facility. This facility, once fully operational, will give us the option of doubling our manufacturing capacity, while reinforcing our commitment to 'Atmanirbhar Bharat'.

Our success in India has been deeply rooted in the success of our retail partners and distributors. They are our strength, and our journey to become one of the largest smartphone players in India would have been incomplete without them.

Today, we have one of the most robust retail channels with around 70,000 retail touchpoints.

In alignment with the Prime Minister's vision of establishing India as a primary export hub, we have witnessed the progress and growth of the nation and have contributed by exporting smartphones worth around ₹ 400 crore.

The next decade belongs to India

The next decade holds great promise for India as it emerges as a powerhouse of global economic growth. Throughout the past decade, the government has made substantial strides in bolstering infrastructure, enhancing governance, fortifying the financial sector, and fostering progressive policies. As a result, market is witnessing premiumization, accompanied by rapid technological adoption and an escalating demand landscape. The nation's rising population and increasing tech adoption create fertile ground for innovation and entrepreneurship.

Particularly noteworthy, is the remarkable rise of the smartphone segment, which has revolutionised communication and access to information across India.

As one of the world's largest smartphone markets, India presents immense potential for industries, ranging from e-commerce to digital services. With a conducive environment for investment and a dynamic workforce, India is primed to lead the charge in shaping the socio-economic landscape of the next decade.

Commitment to India's future growth

We are humbled by what we have achieved and are excited about the impact we will continue to have in India. The past decade focused on growth and consolidation in the fierce Indian market. In the next decade, we will focus on localising multiple areas, including manufacturing, the local value chain, and distribution.

We are committed to driving India's growth by making a significant impact on the mobile ecosystem and shaping the future of the Indian smartphone market.

As we celebrate our impactful journey, I extend my heartfelt gratitude to each member of the vivo family: our users, partners, shareholders, and employees. Together, we have achieved remarkable milestones, and together, we will continue to work towards shaping the future of the Indian smartphone market.

Thank you for your resolute support and commitment.

Love India, Love vivo!

Jerome Chen



Make in India

Supporting The Honourable Prime Minister's 'Make in India' vision

With just over a year of entering India, we set a record for the fastest transition to local manufacturing among new smartphone brands by establishing an in-house manufacturing unit.



Approx
₹ 3,500
crores

Invested cumulatively in
Indian operations



150
million+

Smartphones manufactured
by vivo India over 9+ years



~60 million units

Annual capacity achieved over the past 9+ years



15,000+

Indians have benefitted through vivo's manufacturing facility over the past 9+ years

Our journey in shaping India's dynamic growth canvas began with our entry into the smartphone market in 2014, amidst the transition from 3G to 4G and uncertain market dynamics. Embracing the challenges, we aimed to provide consumers with the best smartphone experience. Fast forward to 2023, and we have emerged as one of the leading smartphone brands in India.

The government's 'Make in India' initiative, launched in 2014, has reshaped the smartphone industry.

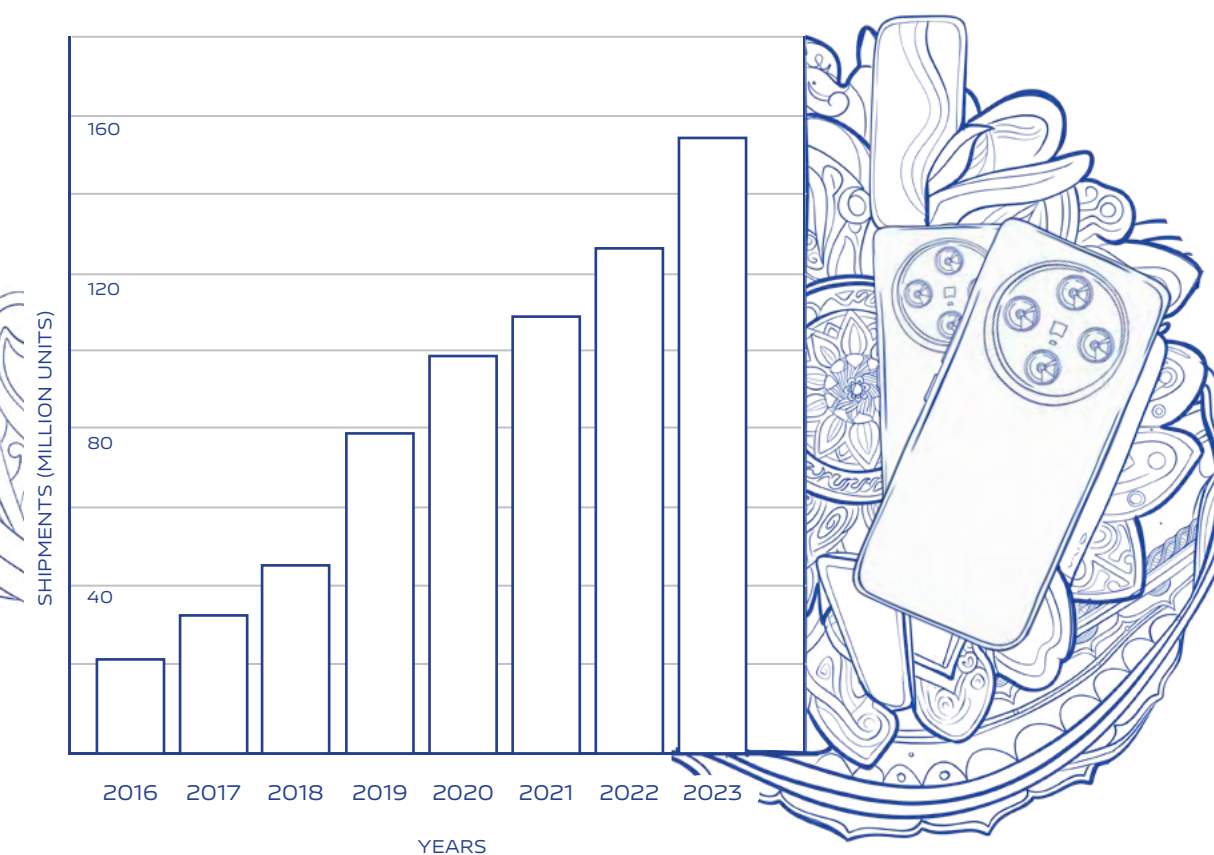
Over 99% of smartphones shipped in India in 2023 are locally manufactured, representing a significant leap from the 26% recorded in 2014*, and vivo has played a significant role in the manufacturing ecosystem.

India's transformation from a mobile phone importer to an exporter underscores the initiative's success.

While the government provided crucial support, our relentless collaboration with the ground ecosystem accelerated this transformation. With just over a year of entering India, we established an in-house manufacturing unit, marking **the fastest transition to local manufacturing among new smartphone brands at the time.**

Since then, we have focused on scaling our manufacturing operations. By Q2 (April-June) of 2017, every vivo smartphone shipped in India was locally made. Our domestic manufacturing has grown at a **CAGR of 25% between 2016 and 2023*.**

150 million+ 'Made in India' smartphones manufactured by vivo India cumulatively



Driving change in smartphone manufacturing

Our significant impact on India's smartphone manufacturing industry reflects our steadfast dedication to fostering a thriving manufacturing ecosystem in the country.



In line with the PM's 'Make in India' vision, we are commissioning a new manufacturing unit in India in 2024.

Fuelling socio-economic growth

- We recognise the significant socio-economic impact of our manufacturing facilities, especially for the semi-skilled workforce.
- Our Greater Noida facility employs around 8,000 Indians, contributing to India's economic progress and improving thousands of families' livelihoods.
- Over the years, vivo's manufacturing facility has benefitted over 15,000 Indians, offering employment opportunities and fostering skill development.

Investing in India's manufacturing ecosystem

- Over the past 9+ years, we have invested approximately ₹ 3,500 crores, majorly to develop and uplift India's manufacturing landscape.
- We have achieved an annual capacity of approximately 60 million units, ensuring a steady supply of smartphones to meet consumer demand.

Future expansion and commitment

- Upon full operation, this new facility will double our manufacturing capacity, reinforcing our commitment to India's manufacturing excellence.
- This strategic investment underscores our dedication to fostering a robust manufacturing ecosystem in the country and solidifying our position as one of India's leading smartphone brands.



Localisation

Building India's self-reliant smartphone ecosystem

At vivo, we have a resolute commitment to maximising local value addition and building a self-reliant smartphone manufacturing ecosystem in India.



Nurtured partnerships with

30+ suppliers operating in India



Direct and indirect employment opportunities for

around **4,000** Indians through suppliers

At vivo, we have a resolute commitment to maximising local value addition and building a self-reliant smartphone manufacturing ecosystem in India. We were only the second OEM to establish Surface Mount Technology (SMT) lines in India, thus taking a step further to increase domestic value addition and support the government's 'Atmanirbhar Bharat' initiative.

Strengthening domestic supply chains

Local manufacturing has been pivotal to our success in the Indian market. We foresee the next phase of growth in expanding our local supplier base and sourcing components locally. We have diligently developed our local supplier network over the past nine years.

Expanding local suppliers

We have nurtured partnerships with around 30+ suppliers operating in India, creating direct and indirect employment for over 4,000 Indians. Together, we uphold stringent quality standards and continuously enhance our capabilities to deliver world-class products.

Some of these suppliers were established in India with significant support from vivo and have now grown to work with other industry players in the segment. This reflects the core of vivo's operating philosophy in India: to think beyond short-term gains and develop a collaborative, integrated, and robust ecosystem to help secure sustainable long-term growth for the entire industry.

Indigenisation of components

Our belief in the indigenisation of key components has led to significant progress in local sourcing. As of 2023, all the motherboards used in vivo's smartphones in India were assembled locally. Additionally, we source all packaging materials and over 90% of fingerprint sensors, batteries, and chargers locally.

Streamlined component sourcing from suppliers operating in India

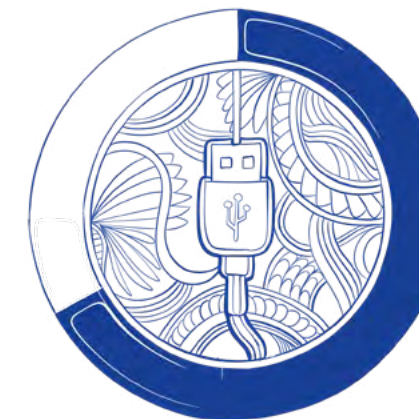
Our local procurement is growing, but procuring higher-value components will be key to creating a meaningful impact. Sourcing and assembling such components locally will drive greater value addition. This can be achieved through a shared vision and collaborative efforts. We are committed to expanding our supplier base in India to shape a world-class local manufacturing ecosystem.



100%
Motherboard
assembly



97%
Fingerprint
sensors



67%
USB cable



100%
Packing
material



94%
Battery



54%
LCD



97%
Chargers



77%
Camera
modules



Exports

From local to global: Boosting India's smartphone exports

At vivo, we understand that the expansion of exports plays a critical role in nation-building by adding further to the country's forex, maintaining the balance of economic growth and value creation, and fostering global trade relationships.

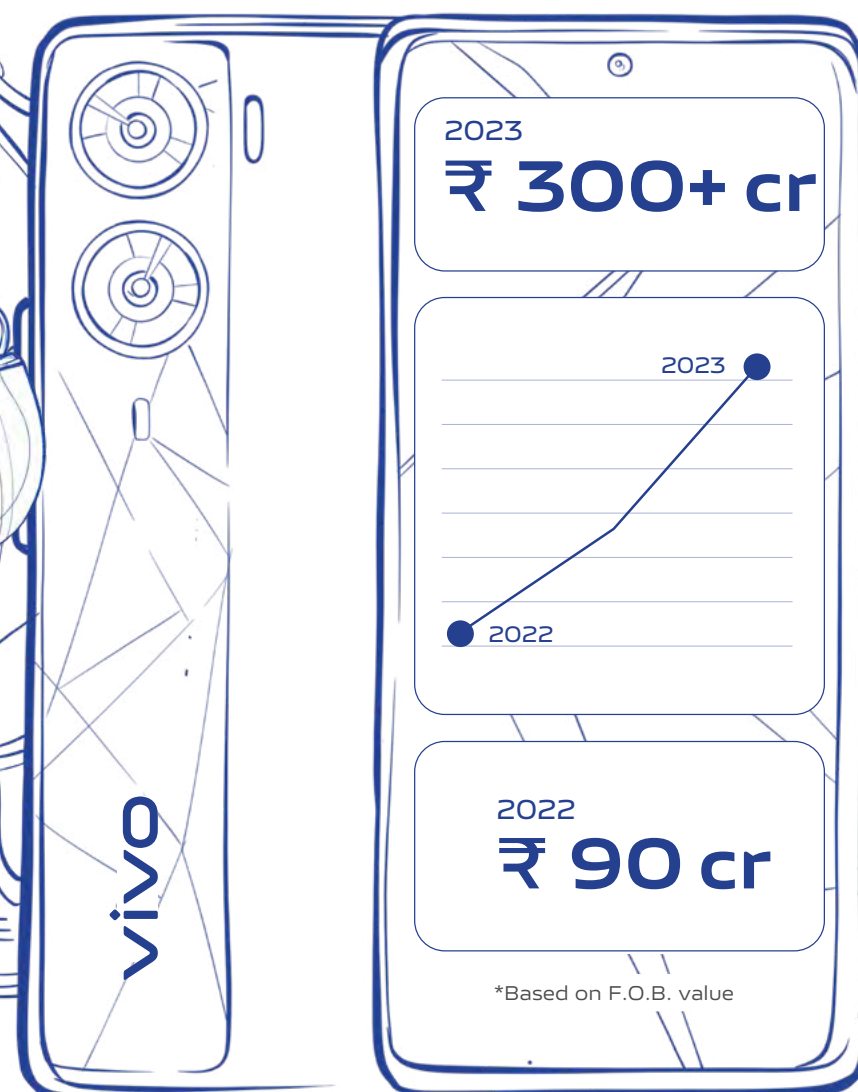


More than **₹ 400 crore**

Cumulative value of vivo smartphones
exported from India since 2022

Embarking on vivo's canvas of transformative changes, we unlock export opportunities for 'Made in India' smartphones, aligning with the nation's vision of economic growth and global prominence. Leveraging our state-of-the-art manufacturing facility, we have initiated smartphone exports from India since 2022, contributing to the country's forex and reinforcing our commitment to fostering global trade relationships. This marks a significant milestone in contributing towards the government's vision of transforming India into a smartphone-exporting powerhouse.

Making in India, exporting to the world Began exports for the first time in 2022



In 2023, vivo ranked among the **top 5** in volume of smartphones exported from India.*

Notably, vivo emerged as a leading smartphone exporter to Thailand and Malaysia, alongside other countries such as Bhutan and Saudi Arabia*

In these markets, vivo maintains a strong position, ranking among the top three brands in Malaysia and the top five in Thailand in 2023.* This success presents opportunities for expanding current export volumes, while tapping into new markets.

Moreover, vivo's export operations from India will strengthen the existing supplier ecosystem in the country. This will enable our suppliers operating in India to leverage their facilities in India. Such initiatives are pivotal in the journey of manufacturing under the 'Make in India' initiative.



Digital India

Enabling the shift to
digital India



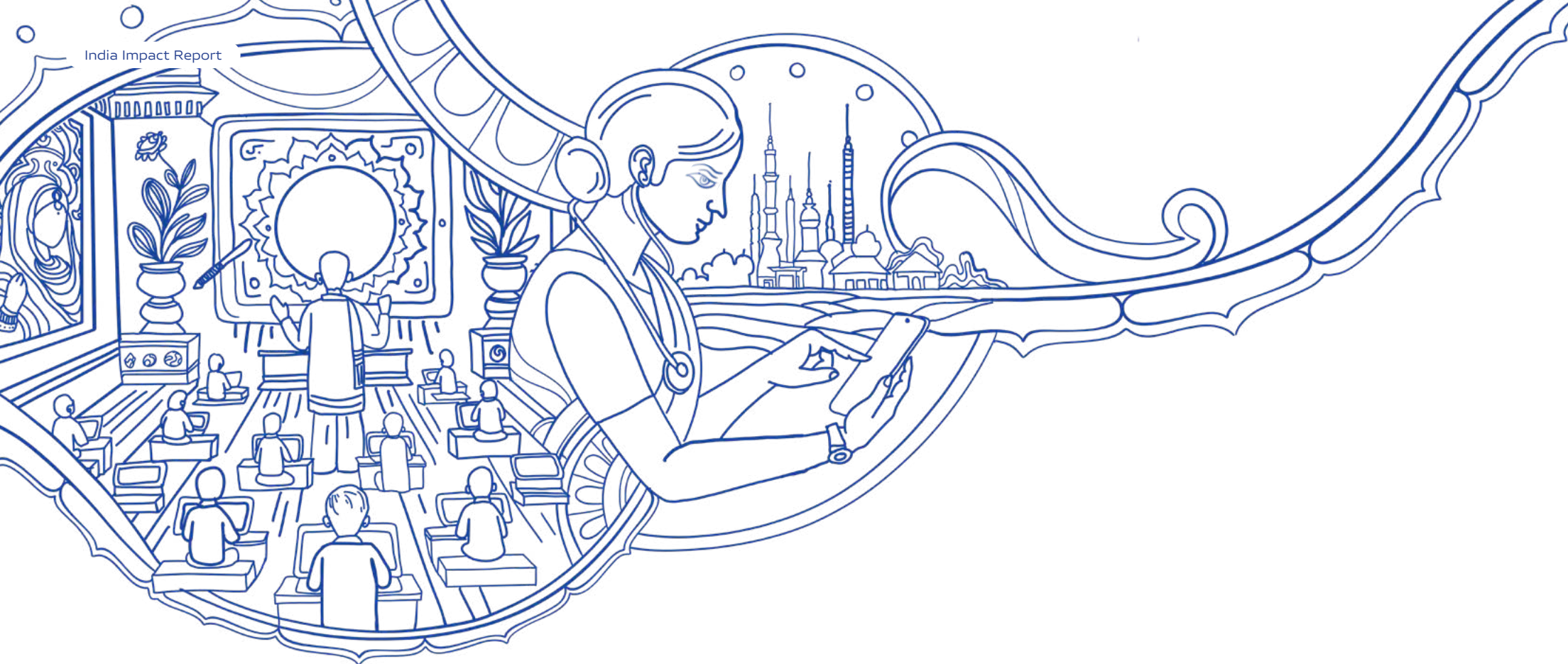
120 million+

vivo smartphones used by
proud Indians to access the
digital ecosystem



1.2 million+

Users added to the
smartphone user base
through our micro-financing
partners since 2019

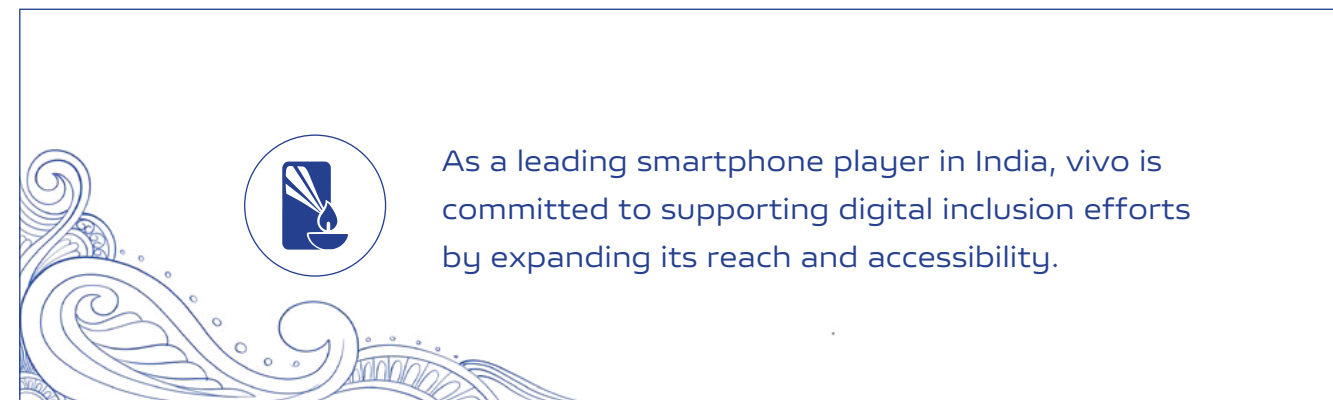


At vivo, we have placed our trust and commitment not only in business but also in the idea of India. We believe a significant opportunity has been created through the 'Digital India' initiative, and smartphones are and will be key enablers in realizing the true potential of Digital India.

We believe in the pivotal role of the government's 'Digital India' initiative to accelerate the country's growth by connecting and empowering citizens, ensuring reliable and swift services at scale. The success of initiatives like UPI and CoWIN underscores the vital role that smartphones play in digital inclusion.

Connecting the unconnected

Despite India's affordable internet data plans, over half a billion people still need to be connected. The smartphone remains out of reach due to weak digital literacy, resistance to new technologies, a lack of support for local dialects in smartphone interfaces, and, most significantly, low affordability.



As a leading smartphone player in India, vivo is committed to supporting digital inclusion efforts by expanding its reach and accessibility.

Bridging the digital divide

We offer a reliable means for citizens to access the digital ecosystem through our devices. Supported by localised manufacturing and global design, vivo aims to provide high-quality smartphones fulfilling multiple consumer expectations.

We have introduced multiple series, providing smartphones to varied consumers.

We have made significant progress in expanding our retail presence, making it possible for proud owners of over 120 million vivo smartphones to access the digital ecosystem conveniently with vivo smartphones.

The rural population plays a big role in India's digital revolution. Despite over 60% of the population residing in rural areas, only 38% of the country's smartphone-installed population lives there.* Hence, India has tremendous scope to increase smartphone penetration in rural market.

Expanding financial reach

While purchasing power is growing in India, 37% of all vivo smartphones were purchased through financing in Q3 2023, making it the most significant mode of payment*.

Our microfinancing partners have helped over 1.2 million users across 17 states join our consumer base since 2019.



This highlights our meaningful contribution to helping millions own smartphones without the burden of paying the entire purchase amount upfront.

Furthermore, 17% of smartphone owners in rural areas earn below ₹ 5,000. Affordable smartphones support the 'Digital India Vision', connecting users to opportunities and government schemes faster, benefitting consumers, the economy, and the environment.

Advancing next-gen connectivity

As essential services such as education, healthcare, finance, governance, and retail move online, internet connectivity is increasingly crucial for society. The emergence of 5G brings exciting new possibilities like immersive reality, gaming, autonomous driving, smart healthcare, and agriculture. It has the potential to revolutionise industries and leverage IoT power. We believe smartphones will play a central role in these evolving ecosystems.

Recognising this, vivo is committed to speeding up 5G adoption in India. vivo has already shipped more than 25 million 5G-enabled devices in India since introducing its first 5G-enabled device in India in February 2020, ahead of the network's commercialisation*.





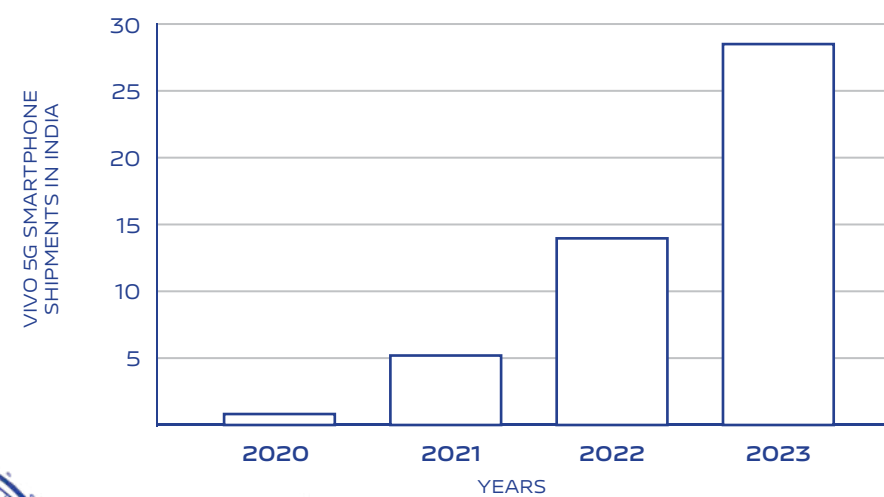
All vivo 5G smartphones launched in India have been made in India



vivo works extensively with all the major network operators in the country

vivo's cumulative 5G smartphone shipments in India

Cumulatively, vivo has shipped more than 25 million 5G smartphones in India*.



*Source: Counterpoint Research





India-Centric Products

India-centric innovations

Over the years, we have introduced multiple innovations across our portfolio, inspired by our interactions with Indian consumers.



V23 Pro

India's first 50MP Eye Auto Focus Dual Selfie



V23 Series

India's first Colour Changing Technology



V27 Series

India's first 'Aura Light' feature for low-light photography



Indian Wedding Style Portrait

Introduced to capture the splendour of Indian weddings with special camera capabilities in vivo's V27 series

Since entering the Indian market, our focus has been on crafting exceptional products tailored to the needs of Indian consumers. As a global brand, we prioritise cultural respect and adapt to the local culture. Understanding the evolving needs and preferences of Indian consumers drives our product strategy.

To understand the Indian market and its demands, we have established a Consumer Research and Insights team. They conduct over 100 studies annually, engaging with 100,000 individuals in major cities. Our leadership team directly interacts with users across various cities and towns to gather valuable feedback and shape our products. Since 2015, vivo's V series has received tremendous response from the consumers. Over 25 million V-series devices have been shipped in India, prompting its elevation to a global product*.

*Source: Counterpoint Research

Acute focus on design

In India, smartphones have become more than just communication devices; they represent a lifestyle statement. Design, colour, and camera capabilities now heavily influence purchase decisions, reflecting personal style and social status. The diverse culture of India is evident in the plethora of smartphone colours and designs, enabling consumers to express individuality. Additionally, the rise of social media emphasises the importance of camera features for capturing and sharing experiences.

In 2014, upon entering the Indian market, we unveiled the X5 Max, recognised as the world's thinnest phone at the time, measuring only 4.75 mm. Crafted with stainless steel and magnesium alloy, the phone boasted both durability and a premium aesthetic. The X5 Pro, a subsequent model, featured a sleek 2.5D glass body.



User centricity

To further elevate the consumer experience, we introduced the concept of 'Design for India'

At vivo India, design has always been a cornerstone of our product strategy.

With a strong emphasis on design and aiming to elevate the consumer experience, we introduced the concept of 'Design for India'. This central thought gave birth to the vivo Creative Centre. The Creative Centre team is responsible for localising the design of our products, focusing on aspects like colour, material, and finish (CMF), and enhancing the camera experience with exclusive features tailored to the needs and preferences of Indian consumers.

India-inspired smartphone designs and colours

In our industrial design process, we meticulously select India-inspired colours that resonate with the country's rich culture and heritage. This design-centric approach was evident in our recent **V29 series** launch, featuring **Himalayan Blue colour that used India's first 3D particle technology. This series also introduced Majestic Red variant**, which was inspired by Indian culture.

As design remains one of the main focus areas for vivo India, it has pioneered smartphones' colour, material, and finish (CMF) capabilities well ahead of the competition. It began with our V23 series and extended to some of our Y series smartphones. For example, vivo launched India's first colour-changing smartphone, the V23.

Our new **V29e** features the Slimmest 3D Curved Display and an industry-leading 50MP eye AF selfie camera, making it **the slimmest phone** in its segment.

India-inspired camera features

Our camera outputs are meticulously optimised to meet the unique needs of Indian users, with enhancements in skin tone and colour saturation. We have introduced innovative features enabling users to capture flawless images across diverse scenarios specific to India, such as the grandeur of Indian weddings. Similarly, to address challenges like low light scenarios, the vivo Creative Centre team continuously works to enhance the delightful camera experience, ensuring joy for consumers.

1

Wedding-Style Portrait: Capturing wedding splendour

Weddings in India are cherished moments filled with rich traditions and vibrant colours, yet capturing the perfect picture can be challenging. Recognising this need, vivo introduced India's first 'Wedding Style Portrait' feature in the cameras of our V27 and V29 series smartphones. This innovative feature offers three different LUTs, easily switchable by tapping the UI icon.



This feature is inspired by the vibrant colour palette of Indian weddings, allowing users to seamlessly capture the essence of these cherished moments with impeccable quality.

2

'Aura Light': Illuminating low-light photos

Indian consumers continuously seek to improve their low-light photography skills, especially during diverse settings and festivities. We consistently innovate to enhance our devices' low-light camera capabilities. The 'Smart Aura Light' feature enhances portrait visuals in poor lighting conditions and adjusts colour temperature for dynamic settings. This feature is seen in the V series, starting with the V27 series and further evolving to 'Smart Aura Light' in the V29 series and the recently launched V30 series.



Our steadfast dedication to user-centricity guides us in crafting products that truly meet the needs of our customers.



Distribution

Empowering businesses with a robust retail ecosystem

We are dedicated to working closely with our partners to ensure their growth and success. Our commitment to our partners is evident in our continuous efforts to improve our products, services, and overall retail experience. We believe in building strong, long-lasting relationships with our partners based on trust, transparency, and mutual growth.



₹ 15,000 crores*

Cumulative earnings of retailers over the last 9+ years by selling vivo smartphones



Around **10,000** vivo retailers

Clock annual turnover of over ₹ 1 crore

*Source: Counterpoint Research



6 vivo flagship stores

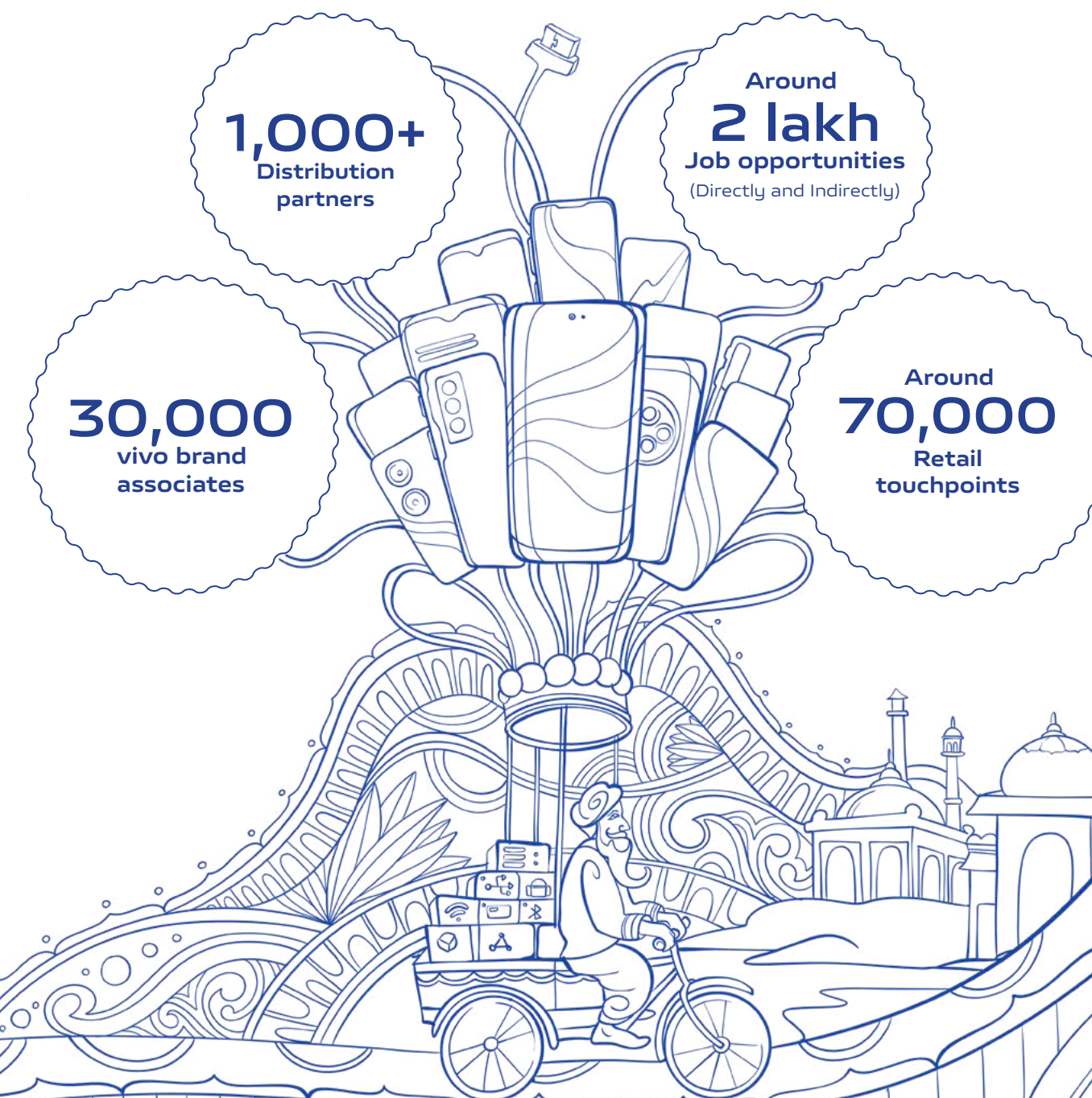
In India, located in Delhi, Ahmedabad, Bengaluru, and Coimbatore, with plans to increase this number to 10 in 2024

India's retail market is one of the world's fastest-growing, contributing over 10% to the nation's GDP and employing over 40 million individuals. According to the National Association of Software and Service Companies (NASSCOM), the sector is poised to generate 25 million new jobs by 2030.

At vivo, we are dedicated to fostering this growth by supporting our retail partners, whose collaboration has been integral to our success over the last 9+ years. Our relationship with them goes beyond transactions; it reflects shared values and accomplishments. Our bond with the retail community has strengthened over time, and today, we boast one of the largest retail families in the industry.

vivo's journey of strengthening India's distribution network

Below is a snapshot of our expanding retail and partner network in India over the past nine years.



Nurturing mainline retail connections

Since its inception, vivo has maintained a strong focus on mainline retail. Our entry into the market in 2014 coincided with the prevailing sentiment that mainline retail was facing challenges. With over 100 smartphone brands employing various business models, retailers found themselves in an unhealthy and uncertain situation. The rise of online retail exerted further pressure, leading mainline retailers to lower prices to match digital platforms. This prompted many retailers to reconsider their business strategies to sustain growth.

In this challenging landscape, vivo emerged as a reassuring presence for retailers. We emphasise the creation and sharing of value through our quality products. Our decision to establish in-house service centres enhanced our relationship with retail partners.

This commitment to excellence helped us earn the trust of our retail partners, solidifying our position in the market.

To support our retail partners, we implemented various business practices such as product training, in-store promotions, marketing and branding support, credit lines, just-in-time stock, and flexible business terms. By offering fair margins, many struggling retail chains were revitalised, making vivo a top revenue earner for them. We are proud to have fostered women's entrepreneurship in retail, breaking down social barriers and inspiring others. At vivo, we strive to create an inclusive environment where everyone can thrive and achieve their full potential.

vivo retail partners' snapshot: A model of mutual growth



3000+

vivo retailers associated with vivo expanded their business to multiple retail outlets in the last 5 years
- As of Dec 2023



More than 60%

vivo retailers are in tier 3 cities and beyond
- As of Dec 2023



Around 10,000

vivo retailers clock annual turnover of over ₹ 1 crore
- As of Dec 2023

How vivo's retail model stands out

At vivo, our retail model is distinctive due to our commitment to the philosophy of 'Benfen', which emphasises doing the right things and doing them right. This philosophy guides our mission and has led us to design a scalable and sustainable retail business model focused on partner-led growth and maximising value for them.

Our retail business model prioritises partner-led growth and maximising their value. It is built to be scalable and sustainable.

We continuously evolve our model based on honest feedback from our community, incorporating their insights to strengthen it further. Our product development efforts are dedicated to minimising complaints and enhancing the reputation of retailers selling our products.

Moreover, beyond providing economic opportunities, we foster an entrepreneurial mindset among our partners. By prioritising partner-led growth, our retail business model is sustainable and scalable. Many have expanded their ventures, created thousands of jobs and positively impacted the communities they serve.

Strengthening retail networks in India

vivo continues its retail expansion in India with six flagship stores nationwide, with plans to open 10 more Experience stores in 2024. Specifically, in 2023, we opened our largest flagship store in Ahmedabad, offering an immersive shopping experience across three floors spanning over 7,000 sq. ft. The store features dedicated zones for product experiences, customer engagement, premium services, accessories, IoT, gaming, and more. Consumers can participate in monthly workshops and take advantage of enticing schemes and offers to upgrade to newer devices.





Robust After-Sales Service Network

After-sales service

We have worked hard to create a delightful end-to-end experience for our consumers, which begins from purchase and continues in after-sales.



650+

Authorised service centres



500+

Cities covered



2,500+

Service centre staff



>25 System Diagnostic Assistant (SDA) quality checks

To continuously enhance our customer service and after-sales support

At vivo, our commitment extends far beyond the point of sale. We aim to establish a lasting partnership with our consumers, offering support throughout the entire lifespan of their devices. Providing top-notch after-sales services that are easily accessible and highly dependable, is fundamental to ensuring a seamless consumer experience. In 2023, our service centre network expanded to over 650 across 500 cities, all operated and managed by our authorised business partners.

Over the past nine years, we have significantly expanded our service centre network nationwide. What started with 30 authorised service centres and a team of 200 staff members in 2015, has grown to over 650 authorised service centres and more than 2,500 trained staff members by 2023.

2015:

- 30 Authorised Service Centres
- Team of 200 Trained Staff Members

2023:

- Over 650 Authorised Service Centres
- More Than 2,500 Trained Staff Members



100% authorised business partners

Manage and operate our service centres

Consumer-centric after-sales service model

We planned to establish a transforming consumer-centric after-sales service network rather than a business focused on profitability. For this, we opted to operate and manage all service centres through our authorised business partners, a more challenging but essential route for providing superior service. Direct management enables us to listen closely and quickly respond to consumer needs, implementing rigorous quality control measures throughout the service process, and elevating our standards.

Our multifaceted training approach ensures our service staff stays updated with the latest skills. Skilled trainers conduct hands-on sessions at each centre, supplemented by specifically tailored online modules, addressing diverse needs comprehensively.

We strive to make our services easily accessible. Besides visiting service centres, consumers can utilise pick-and-drop services and track service status online. Moreover, our customer support staff, proficient in local languages, ensures inclusivity and accessibility.

Consumer-first after-sales support

Our after-sales support prioritises quality and consumer convenience. Our engineers rigorously perform over 25 System Diagnostic Assistant (SDA) quality checks on smartphones after repairs, ensuring each device is free from technical issues. This careful approach, supported by 100% authorised business partners running our service centres, is how we continuously elevate the quality of our service.



Corporate Social Responsibility

Impacting lives positively

At vivo, our values drive us to do what is right. By doing so, we strive to bring happiness through our Corporate Social Responsibility (CSR) initiatives. Our focus extends beyond simply making a profit; instead, we aim to spread joy and uplift communities, thereby promoting sustainable growth for the nation.



2.5 million lives impacted

Through our strong focus on community-building initiatives

Amidst the dynamic canvas of change that defines vivo India's landscape, we endeavour to build a legacy of positive transformation. From nurturing dreams through scholarships to empowering women in STEM and fueling innovation, we have positively impacted the lives of over 2.5 million people. With our commitment to drive social change and contribute towards country's developmental goals, our mission is to leave an enduring imprint of progress and empowerment.

vivo Ignite Awards: Nurturing young minds

In 2022, we launched 'vivo Ignite: Technology & Innovation Awards', placing innovation at the forefront. This initiative aims to cultivate the problem-solving skills and creativity of young Indians in grades 8 to 12, empowering them to develop innovative solutions with positive societal impact. 10 national winners of vivo Ignite Awards were awarded with ₹ 25 lakh in 2022.

In 2023, we introduced the second edition of the initiative with NCERT and iHub DivyaSampark, IIT Roorkee, as our knowledge partners. We received tremendous response with more than 19,000 registrations from across the country. The top 5 ideas were recognised and awarded cash prizes worth ₹ 21 lakhs cumulatively.



Received **19,000+** registrations
For the initiative in 2023



Received **4,200+** ideas
Addressing social issues

25 ideas being considered by iHub DivyaSampark (an innovation centre), IIT Roorkee for incubation/start-up/research study.

Women in STEM: Bridging the gender gap

Recognising the importance of gender inclusivity, we've launched our 'Women in STEM' initiative in partnership with the Shooting Stars Foundation (SSF).

We provided the women with merit-based scholarship of up to ₹ 60,000 to pursue higher education across the fields of Science, Technology, Engineering & Mathematics (STEM). We also facilitate their transition into the corporate world by organising mentorship and customised learning sessions. Through these efforts, we aim to empower women and bridge the gender gap across STEM fields.



vivo For Education: Spreading the joy of learning

At vivo, we believe that education is one of the key pillars of economic development. Our CSR mission, 'vivo for Education and Innovation,' is focused on uplifting communities and contributing to India's growth.

In the early stages of our CSR journey, we established the 'vivo For Education' initiative, prioritising quality education. Through this programme, we offer merit-based assistance to underprivileged students, enabling them to pursue their education across various fields.



COVID-19 humanitarian aid by vivo India





Workforce Empowerment

Fostering a vibrant work environment at vivo

We are dedicated to cultivating a workplace that brings joy, while fostering growth and progress for each employee.



14,000+ training hours

Provided for 950 employees in 2023



Generating around **2 lakh**

Jobs in India, directly and indirectly

At vivo, our vision and values extend beyond technology. Our aim is to create a joyful and progressive environment for our employees. We believe in fostering a dynamic community of diverse individuals, each bringing unique skills to achieve our shared vision. Our employees' holistic growth and well-being are not just corporate goals; they are fundamental principles guiding our efforts.

Team spirit: Fostering inclusive culture at the workplace

Over the past nine years, vivo has prioritised its workforce's holistic development and well-being. We invest not only in upskilling but also in ensuring the safety and satisfaction of our employees. Engagement activities such as **Saturday Booster, WOW Friday, vivo Gamethon, and health and wellness workshops** contribute to a balanced work-life environment, promoting professional fulfilment and personal contentment.

Commitment to employee satisfaction and retention

During the COVID-19 pandemic, vivo remained steadfast in its support of employees, ensuring timely remuneration and pledging no layoffs due to the crisis. This commitment, rooted in our values, strengthened our bond with employees and underscored our dedication to their well-being.

Our commitment to employee satisfaction is reflected in our annual internal surveys, where we consistently score close to 4.3 out of 5. These insights guide our ongoing efforts to enhance the employee experience and foster a dynamic workforce.

Prioritising employees' continuous learning

Nurturing talent is a top priority at vivo. We assess and deliver personalised training modules for each employee, based on their capabilities to help them chart a successful long-term growth plan. These trainings are designed to help employees navigate the industry's dynamics effectively. In 2023, we provided training to 950 individuals, totalling 14,000 training hours.

We continue undertaking employee development programmes covering functional and behavioural skills.

To further enhance their skill set, we partner with esteemed institutes like the Indian School of Business (ISB), Hyderabad where we have completed executive leadership program for the senior management. This partnership is committed to developing leaders who comprehensively understand our organisation and industry.

Another employee development initiative is the V GROW Management Development Programme, aimed at enhancing managerial capabilities through tailor-made courses and nurturing organisational leaders' competencies.

Transformative learning: The V Experience programme

Our flagship initiative, the V Experience programme, exemplifies our commitment to employee growth. This programme transcends office boundaries, immersing employees in the retail store environment. **Every team member shadows our 'vivo Brand Advisor' in retail outlets**, gaining invaluable insights into consumer and partner experiences. This immersive approach fosters empathy towards frontline staff and informs decision-making processes that impact them directly.



Vision for Tomorrow



Commitment to India's growth story

As we ripple through the transformative canvas of vivo's journey in India, we are steadfast in our belief in the boundless potential of India.



In the last decade

we focused on growth, consolidation, and making a meaningful impact in India.



In the next decade

we will continue strengthening our contribution to India's growth story by localising various aspects of our business across multiple areas.



Over the past nine and a half years, as detailed in this report, we've contributed value across various fronts. However, as a leading global smartphone brand, we're poised to play a more significant role in unlocking the country's mobile phone segment's potential.

India is likely to be at the forefront of global growth in the coming decade. There are several drivers for the same including the youngest population, rising middle class, improving business environment and favorable government policies.

The remarkable development of India's smartphone value chain in recent years underscores the transformative shifts the country is capable of. From merely importing smartphones, India is now attracting attention from global component players, indicating its status as a market of the future on the verge of massive transformations.

Two Pronged Approach

To support India's growth story, our localisation strategy for the next decade will be two-pronged

Local Value Addition

Localising Operations



Manufacturing

- To begin operations at the new factory in 2024



Local sourcing

- Constantly plan and increase localisation of critical components (OIS, Camera Module, Memory and OLED Display)
- Aim to introduce new technology in localisation



Distribution

- To rationalize distribution in India
- To continue partnership with local distributors



Design for India

- Strengthen our focus on India-centric products by localising design, camera effects and overall product experience



Local leadership

- To empower Indian leaders to spearhead Indian operations

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Love India
Love vivo