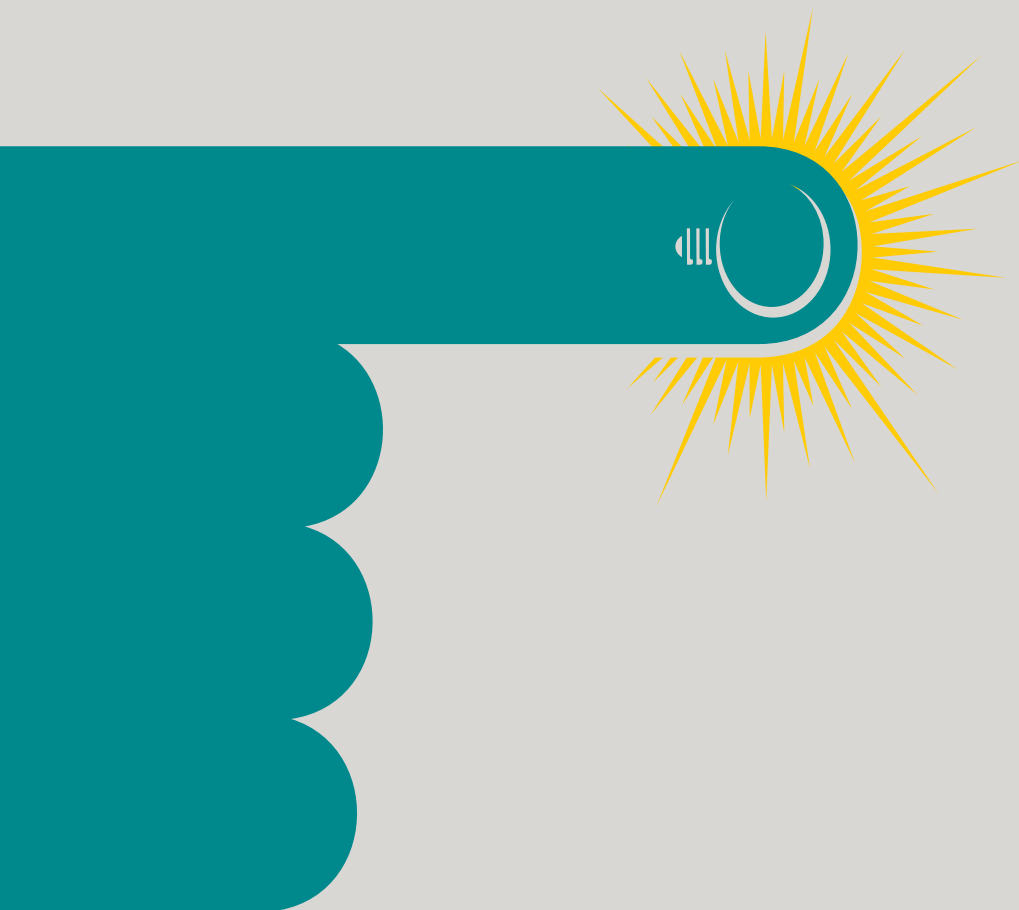


Pressing forward


Vodafone Group Plc Sustainability Report
For the year ending 31 March 2010



About our reporting

This is Vodafone's 10th annual Group report detailing the environmental and social impacts of our business and covers the financial year ended 31 March 2010.

Previously known as our Corporate Responsibility Report, in 2009/10 we changed the title to Sustainability Report. We believe this shift in terminology better reflects the role Vodafone can play in promoting a more sustainable society (see our approach, page 5).

This Report outlines our performance in 2009/10 on each of the environmental and social issues most material to our business. It also includes links to our sustainability website, where we provide more general information about our approach to each issue, our policies and management processes.  See www.vodafone.com/responsibility.

Scope


The scope of this Report includes sustainability data and activities from all local markets managed by Vodafone for the full 2009/10 financial year, with the exception of Vodafone Ghana and Vodafone Qatar (for more information see page 61). However, these markets are included in the discussion of issues where they are particularly material and we have also included separate pullouts on both these markets to outline our progress there during 2009/10 (see pages 12–13).

References to Vodafone


All references to 'Vodafone', 'Vodafone Group', 'the Group', 'the Company', and 'we' within this Report refer to Vodafone Group Plc and its local markets.

Assurance

Our progress against objectives and other aspects of our sustainability performance is subject to independent assurance by KPMG.

We aim to provide a balanced account of our performance on the socio-economic, ethical and environmental issues that are most material to Vodafone. We aim to align our approach to sustainability management and reporting with the principles of the AA1000 Assurance Standard (2008), namely inclusiveness, materiality and responsiveness. A full description of our alignment with AA1000 is provided on our  [website](#).

Compliance with GRI guidelines

We have benchmarked our sustainability reporting (including this Sustainability Report and relevant web pages) against the Global Reporting Initiative (GRI) sustainability reporting guidelines. We assess our application of the GRI reporting framework to be at level B+. An index of conformance with the guidelines and an explanation of how we comply with the GRI principles is available on our  [website](#).

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Key to symbols

Link	
Case study	
Strategic objective	   
Short term target	

Please send your feedback on this report to sustainability@vodafone.com

Our sustainability communications

We report on our performance and management of sustainability issues across a range of formats designed to be accessible for various audiences.

Sustainability report

Reports our performance in 2009/10 and progress against our objectives.



Sustainability website

Outlines our approach to each issue and provides more information on our sustainability management.

 Visit www.vodafone.com/responsibility.



Local market reports



Nine of our local markets produced their own Sustainability Reports during 2009/10, focusing on local and national issues with details of individual local market sustainability programmes.

Welcome to Vodafone's 2010 Sustainability Report

Although the economy is not declining any more in most countries, we still face significant challenges to deliver a sustainable society in which business and its stakeholders can prosper in the long term. The lack of a legally binding international agreement on climate change from talks in Copenhagen and the lack of progress on some of the most pressing issues facing the billions of people in emerging markets, underline the urgent need for a cohesive strategy between public and private sector that meets the needs of society as a whole.

I firmly believe that Vodafone and the sector in which we operate have a key role to play in shaping a more sustainable society. Our capital investment across the business – continued throughout the recession – means fast, reliable, high quality networks are becoming ubiquitous, providing a platform to deliver communication services to all segments of society.

Sustainability challenges are a key stimulus for innovation within the business: within Vodafone we have established dedicated business units to develop and promote services that enable more efficient and effective healthcare; access to basic financial services through mobile payment solutions (already used by over 12 million people in sub-Saharan Africa); and machine-to-machine applications that can bring substantial carbon and energy cost savings. The 'SMS for Life' m-health project in Tanzania (page 22) is a good example of the impact technology can have.

Many of the benefits our services can bring are very visible in emerging economies. But it is in these markets that we also face some of the biggest challenges in our operations due to different working practices and attitudes to risk.

Vodafone has maintained a reasonable record on health and safety over the last decade, but the expansion in emerging markets and the application of the most rigorous and demanding tracking methodologies have this year highlighted an unacceptable level of fatal accidents, mainly in Ghana, India and Turkey – markets with a legacy of poor safety practice and infrastructure, and a high rate of road traffic accidents. In particular, ensuring that our contractors manage health and safety effectively – in their own work and that of their sub-contractors – is a key challenge.

I intervened personally on a number of occasions to reinforce our stance on the absolute priority of operating safely and protecting Vodafone employees, contractors and the general public. This Report illustrates how we are working hard to address the main problems – for example introducing a Fatality Prevention Plan in Ghana, India and Turkey, focused on six key initiatives – and statistics indicate a marked improvement in the second half of the year (page 46). I believe strongly that we must be transparent in reporting on this area to raise awareness of these issues – in our industry and across all sectors – and stimulate a change in attitude to safety also in emerging economies. This is a long-term challenge, but we will not back off.

This report tells the story of how we have tried to address both sides of the sustainability agenda this year – managing negative impacts, while pressing forward to deliver the positive contributions we can make to sustainability.

Vittorio Colao
Vodafone Chief Executive Officer



Vittorio Colao,
Vodafone Chief Executive Officer



I firmly believe that Vodafone and the sector in which we operate have a key role to play in shaping a more sustainable society.

Vodafone corporate relationships



Vodafone is a world leader in providing a wide range of communications services, including voice calls, internet access, text, picture and video messaging, and other data services.

Increasingly, we offer integrated mobile and PC communications services, wirelessly through 3G and HSPA services, and via fixed-line broadband. Vodafone customers can use a range of devices to access our products and services, including handsets, fixed-line telephones, laptops and desktop computers. Our vision is to be the communications leader in an increasingly connected world.

Vodafone is one of the world's largest mobile communications companies by revenue. Our 341 million proportionate¹ mobile customers include private and corporate customers. Our business structure is divided into three business regions, to reflect our focus on emerging markets. Each region has its own CEO:

- Europe
- Africa and Central Europe
- Asia Pacific and Middle East.

In addition to our 24 local markets, 16 of which are within the scope of this Report, see page 61, we also have joint ventures, associates, other investments and partner market agreements in a number of other countries worldwide. See the map above and [online \(www.vodafone.com/responsibility\)](http://www.vodafone.com/responsibility) for our global operations.

Vodafone local markets

Where we have operational control or where we own more than 50% of the equity in the company

Europe	Africa and Central Europe	Asia Pacific and the Middle East
Albania	Czech Republic	Egypt
Germany	Democratic Republic of Congo ³	India
Greece	Ghana ³	New Zealand
Ireland	Hungary	Qatar ³
Italy ²	Lesotho ³	
Malta	Mozambique ³	
The Netherlands	Romania	
Portugal	South Africa ³	
Spain	Tanzania ³	
UK	Turkey	

Investments in associates⁴

Where we have significant influence, but no control or joint control. Significant influence is effectively the power to be listened to (such as a Board seat, veto rights, etc)

Verizon Wireless (US)	Safaricom (Kenya)	SFR (France)
Joint ventures⁴ Where we share joint control with at least one other party		Other investments⁴ Where we do not have significant influence (usually less than 20% ownership)
Vodafone Fiji		China Mobile (China)
Polkomel (Poland)		Bharti Airtel (India)
Indus Towers (India)		
Vodafone Hutchison Australia (VHA)		

1 Adjusted to reflect the Group's percentage ownership.
 2 Vodafone Italy is classified as a joint venture company, but Vodafone Group owns 76.9% of the equity.
 3 New local markets (majority controlling stake acquired from 2008-09 onwards) are not included in the scope of reporting.
 4 Vodafone joint ventures, investments in associates and other investments are referred to collectively in this Report as affiliates.

What we do

Network



Total base station sites: **104,344 (plus 93,948 for India)**
 2G base station sites: **42,658**
 3G base station sites: **13,886**
 Co-located (2G and 3G) base station sites: **47,800**
 Total voice usage: **686,601** million minutes
 Total SMS messages handled: **223.5** billion

Products and services



New handset models released in 2009/10: **66**
 Vodafone branded devices, available in 31 markets including partner markets
 Smartphones accounting for 24% of handset sales in Europe
 Fixed broadband services offered in 13 markets
 4 netbook models with built-in 3G broadband launched

Brand presence and retail



Stores owned: over **2,100**
 Stores franchised: **7,600**
 Total Vodafone Passport customers: **24.9** million
 Total Vodafone Mobile Internet users: **31** million
 Total fixed broadband customers: **5.6** million

What are the issues?

Network



Community consultation, environmental issues and legal compliance associated with network rollout
 Mobile phones, masts and health
 Energy use and climate change
 E-waste
 Health and safety

Products and services



Access to communications for those currently excluded
 Socio-economic impact of mobile
 Content standards, protecting young and vulnerable users
 Privacy, security and location-based services

Brand presence and retail



Responsible marketing and advertising
 Handset reuse and recycling
 Clear and transparent pricing
 Customer education on sustainability issues
 Supply chain

Our direct economic impact	Year ended 31 March		
	2009/10 (£m)	2008/09 (£m)	2007/08 (£m)
Cash distribution			
Suppliers	31,651	30,226	23,816
Employees	3,288	2,778	2,324
Shareholder returns	4,195	5,153	3,778
Lenders	1,406	1,168	1,107
Tax authorities (corporation tax and social security only)	2,688	2,800	3,140
Community	42	48	44
Retained for growth	2,113	(4)	1,875
Cash value added¹	13,732	11,943	12,268

Key financials and statistics	Year ended 31 March		
	2009/10 (£m)	2008/09 (£m)	2007/08 (£m)
Revenue	44,472	41,017	35,478
Adjusted operating profit ²	11,466	11,757	10,075
Free cash flow ²	7,241	5,722	5,540
Market capitalisation (as at 31 March)	80,048	64,424	80,169
Closing proportionate customers (m)	341.1	302.6	260.5

¹ Cash value added is a measure of the amount of cash generated by a company through its operations.
² Non-GAAP measures. See page 136 of the 2010 Annual Report.


Developing opportunities, managing risks

We believe Vodafone can help to build a sustainable future by delivering products and services that enable positive economic, social and environmental outcomes for our stakeholders worldwide.

Vodafone's sustainability agenda is being driven from the top of the company. Our strategy is to continue to develop a firm foundation of corporate responsibility by engaging with stakeholders to understand the material issues we must address, and responding appropriately. We need to maintain and improve our robust framework of policies and management systems which are essential to mitigate risks – particularly in our newer emerging markets where management of sustainability issues is less mature.

As the global population grows and sustainability challenges intensify, we are also accelerating the development of products and services that can make a positive contribution to sustainable development. We aim to identify and focus on the areas where our interventions can address sustainability challenges most effectively at the same time as offering an attractive commercial return for our shareholders.

Our research has demonstrated the impact that simply providing people with access to telecommunications can make on social and economic development. Vodafone can make an even bigger contribution to development – and to environmental sustainability by enabling a low-carbon society – through bespoke products and services that meet specific needs in local markets. Recognising these opportunities, we have set up dedicated business functions focused on health solutions, low carbon-enabling machine-to-machine services, and mobile money transfer services.

 [Read more at www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)



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To embed our sustainability strategy within the business, we have established eight medium to long-term strategic objectives that will drive our sustainability agenda (see below). These eight ambitious, aspirational objectives aim to increase our overall sustainability contribution by promoting innovation within the organisation.

They are supported by a series of short-term interim targets which form the next steps towards these objectives and help us assess progress. These short-term 'we will' targets are outlined in the relevant issue sections of this Report.

Our strategic objectives

- Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals by March 2015
- Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market by March 2011
- Be recognised as a 'green' brand in at least 75% of the developed markets where we operate by March 2012
- Contribute to building capacity to manage electronic waste in three emerging markets by March 2012
- Provide 10 million carbon-reducing M2M connections by March 2013
- Reduce CO₂ emissions by 50% against the 2006/07 baseline by March 2020
- Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend by March 2012
- Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach by March 2012

Value chain

We have divided our Report into four main sections to address issues related to our Customers, elements of our Operations, our Supply chain, and the challenge of Climate change which is relevant throughout our value chain.



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Engaging with stakeholders

Listening and responding to our stakeholders – the people who affect our business or who are affected by it – is a core part of our sustainability management. Their feedback helps us understand their expectations, enables us to prioritise issues effectively and informs our sustainability strategy.

Details on how we engage with key stakeholder groups can be found on our [website](#). Examples of specific engagement this year are also included elsewhere in this Report:

- **Investors and industry analysts** – through one-to-one meetings (including an annual investor roadshow) with our Group Corporate Responsibility Director, and by briefings with analysts (see chart)

- **Governments and regulators** – by being transparent in stating our views and developing public policy positions on issues relevant to our business, for example communicating the findings of our Carbon Connections report to key EU officials (see our website for more on public policy)

- **Non-governmental organisations** – through, for example, our Social Investment Fund programmes (see page 19), face-to-face meetings and The Vodafone Foundation (see page 59)

- **Industry** – through initiatives such as the ICT for Energy Efficiency (ICT4EE) industry forum in Europe, the GSMA's¹ 'Green Manifesto' and the Corporate Leaders' Group on Climate Change (see page 32), and as a member of the World Business Council for Sustainable Development, the Global eSustainability Initiative and CSR Europe.

- **Consumers** – through public perception surveys on sustainability and specific issues such as mobiles, masts and health (see page 42), and focus groups on green issues for our industry (see page 34)

- **Suppliers** – through our assessments and collaborations to improve performance (see page 54)

- **Employees** – through our Global People Survey and annual Performance Dialogues (see page 48)

- **Local communities** – through consultation on our network deployment activities (see page 41).

We also engage with stakeholders in each of our local markets on the issues that are most relevant to them (see boxes on Vodafone Germany, on this page, and Vodafone Essar, page 14).

¹ Global System for Mobile Association.

1

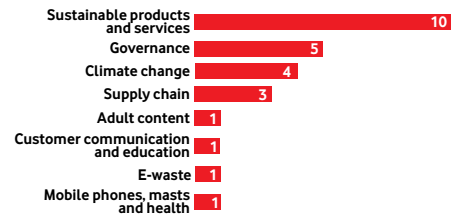
Our approach

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Issues raised by investors

We met with 11 investors in 2009/10 to determine the sustainability issues that matter most to them. This is what they told us:



Formalising the stakeholder engagement process in Germany

In 2009/10, Vodafone Germany launched a new strategy to formalise its engagement with internal and external stakeholders through dialogues on material issues and analysis of their feedback by a new Sustainability Council.

The aim is to ensure stakeholder input on sustainability issues is integrated in the development of Vodafone Germany's corporate strategy by assessing potential risks and identifying opportunities for new business models or products in the German market. Working closely with the strategy team, this will provide useful insights to integrate sustainability issues into the core business, as well as guiding the local sustainability team about which issues to focus on.

The new stakeholder engagement strategy was developed in response to feedback from our assurers in 2008/09. It aligns with the AA1000 process by mapping and consulting key stakeholders, and using their feedback to prioritise the most material issues.

Expert Advisory Panel

The Vodafone Corporate Responsibility Expert Advisory Panel – comprised of opinion leaders who are experts on sustainability issues important to the company – met once in 2009/10. The main focus was privacy challenges for our industry. We also discussed trends in reporting and our new strategic objectives (see page 6), which were developed partly in response to previous feedback from the Panel. In 2009/10, we have responded to their views by including a high-level introduction to each of the main sections of this Report to outline our strategy and provide context for each of the strategic objectives.

Promoting debate on key issues

Vodafone is leading efforts to open the debate on the sustainability issues most relevant to our industry by promoting dialogue among key stakeholders and experts on specific issues.

We regularly commission research on specific sustainability issues and in 2009/10 researched a study on e-waste (see page 30) and published a paper on the socio-economic impact of affordable phones (see page 20) in India. We also held a focus group for 10 experts and key industry stakeholders to discuss the findings of our Carbon Connections report, followed by an online 'live debate' held in three one-hour sessions to accommodate different time zones (see page 34).

Future Agenda

In 2009/10, Vodafone created Future Agenda, a not-for-profit open forum which aims to unite individuals and organisations from around the world to address some of the greatest global challenges we face over the next decade. We have already facilitated more than 40 workshops and created a dedicated website (www.futureagenda.org) to stimulate debate. Insights from the initial discussions were published in December 2009.



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Chris Marsden, Chair of Trustees, Institute for Human Rights and Business



"As a member of Vodafone's Expert Advisory Panel on Corporate Responsibility, I have been most impressed with the depth of thinking the company has given to many social impact issues on which the company feels some responsibility to take a lead. These have varied from the potential anti-social uses of web-enabled mobile phones to the pros and cons of doing business in China."



Managing sustainability issues

Identifying and reporting our most material issues

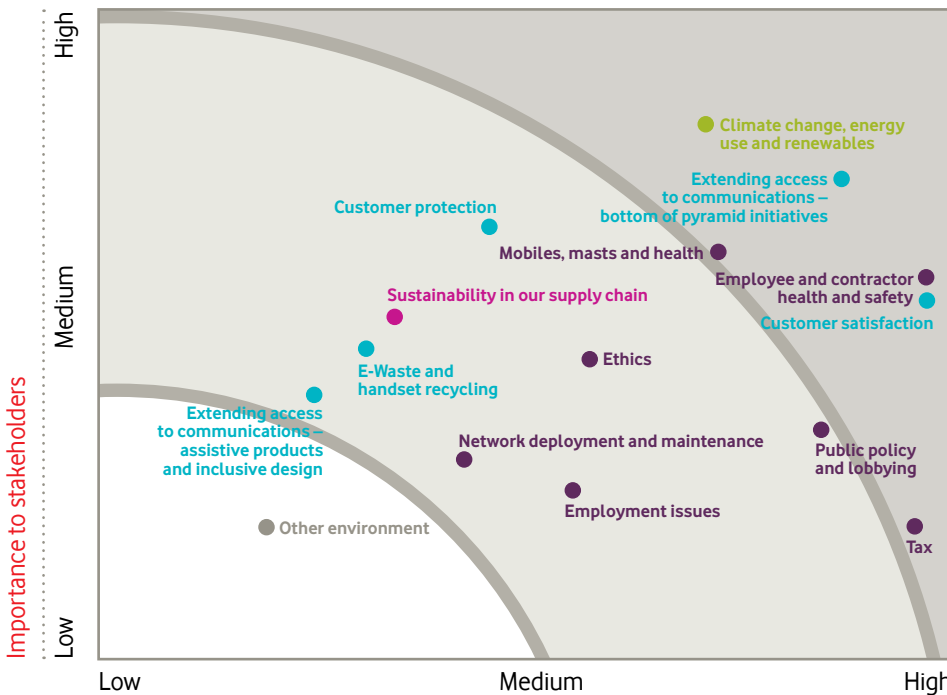
What we learn from stakeholder engagement feeds into our process to identify the issues that are most significant – or ‘material’ – to Vodafone. We use a ‘materiality matrix’ (see below) to map the issues that our stakeholders are most concerned about against those which have the biggest financial or reputational impact on our business.

We also apply this matrix to assess the relative importance of the sub-topics within each high-level issue. Vodafone’s performance on the most material issues and sub-topics is covered in this Sustainability Report. Our approach to less material issues is also outlined on the accompanying sustainability [website](#).

In 2009/10, we streamlined the process for reporting data on key performance indicators (KPIs) across the Group to focus on those most material to Vodafone. We now ask local markets to report twice a year rather than quarterly to simplify the process, and each market has the opportunity to select three locally relevant targets.

Material issues

The chart shows our most material issues at Group level based on our assessment in February 2010. It uses a tool developed specifically for the Information and Communications Technology (ICT) industry, commissioned by the Global e-Sustainability Initiative (of which Vodafone is a member). The process also involved input from Vodafone teams in each of our local markets.



Influence on business success

Low	Medium	High
These issues are a much lower priority for Vodafone and are therefore not reported.	Issues that are identified as less material are covered on our website, with commentary text explaining the issue and our approach. Some are discussed in this Report, although we do not necessarily report on performance in these areas.	For our most material issues, we report on our management activities, set targets and publish data measuring our progress towards them. We provide detailed information on our approach to these issues on our website and report our progress in relevant performance pages. These issues are also discussed in this Sustainability Report.

[Read more about our material issues on our website](#)

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Vodafone Report tops poll of the global CR community



The Vodafone Group Corporate Responsibility Report 2008/09 was named Overall Best Report at the Corporate Register Corporate Responsibility Reporting Awards for the third year running in April 2010.

We topped the poll of more than 8,000 people from the global CR community. Our Report also won the Relevance and Materiality category and came third for Credibility through Assurance.

Vodafone named most sustainable ICT company

TOMORROW'S VALUE™ RATING

In March 2010 Vodafone was placed first in the Tomorrow's Value™ Rating of the ICT and Telecoms sector.

We achieved the highest overall score of 60% and were recognised for comprehensive governance, a strong track record of developing services to help disadvantaged people, and listening and responding to stakeholders.

www.tomorrowsvaluerating.com

Implementing sustainability across the Group

Our Group Corporate Responsibility Director reports to the Group External Affairs Director, who is the Executive Committee member responsible for sustainability. In 2009/10, the Group Corporate Responsibility Director presented four times to the Executive Committee and once to the Board, as well as conducting six-monthly reviews with our three regional CEOs.

We manage sustainability issues through a network of 'issue owners' within different business functions at Group level and dedicated teams in each of our local markets. Monthly teleconferences for local sustainability managers to share best practice across the Group began in October 2009. Topics discussed in 2009/10 included handset recycling, stakeholder engagement, green handsets, accessibility and sustainability reporting.

In September 2009, we held a workshop in London giving local sustainability managers the opportunity to meet their colleagues from around the globe and discuss how to achieve our strategic objectives. Our local markets were represented, together with our joint ventures in Italy, Australia and Kenya, and our new market in South Africa.

Implementation of sustainability management in our local markets

Country	Board member responsible for sustainability	Sustainability issues reported to the Board regularly	Sustainability stakeholder perception survey(s) undertaken	Sustainability Report published	Documented stakeholder engagement process
Albania	●	●			●
Czech Republic	●	●	●	●	●
Egypt	●	●	●		
Germany	●	●	●	●	●
Greece	●	●	●	●	●
Hungary	●	●		●	
India	●	●	●		
Ireland	●	●	●		●
Italy	●	●	●	●	●
Malta	●	●			
The Netherlands	●	●	●		●
New Zealand	●	●	●	●	●
Portugal	●	●	●	●	●
Romania	●	●			
Spain	●	●	●	●	●
Turkey	●	●	●		
UK	●	●	●	●	●

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Integrating new local markets

As Vodafone expands into new local markets – most recently emerging markets – we must integrate them into the Group and align them with our policies and management processes. At the same time we are finding many areas where we can learn how to be more cost and time efficient – a prerequisite of operating in lower-margin markets.

Working in emerging markets presents challenges, with sometimes marked differences in approaches to risk around issues such as health and safety. However, these new markets also offer Vodafone the greatest opportunities to fulfil our strategic sustainability objectives. It is people in Africa and India, for example, who will benefit most from our contribution to achieving the UN Millennium Development Goals. And as we expand the reach of our networks to new areas, we also have the chance to do so using innovative new lower-carbon technologies.

To reduce the initial reporting burden on new markets, we ask them to report a reduced number of core 'qualifying' sustainability KPIs together with three locally specific targets. This enables them to address priority areas first.

Our policy is to publicly report performance data from newly acquired businesses at the end of their first full year as a controlled subsidiary. Therefore it was our intention to integrate our new local markets in Ghana and Qatar – both added to the Group in 2008/09 – into this 2009/10 Report. However, sustainability management and reporting systems in these markets are not yet mature enough to provide accurate data and other sustainability management elements are not yet aligned to Group requirements. As a result, Group data totals throughout this Report exclude these markets, but a number of case studies are included to illustrate some of the initiatives there. In the following pages we provide a brief overview of the steps taken over the last year to establish our approach to sustainability in Ghana and Qatar (see pages 12–13).

Neither of these markets would have a material effect on most Group quantitative data totals although we have disclosed quantitative information from Ghana on health & safety. Vodafone Essar in India, on the other hand, is our largest single local market in terms of customer numbers and network footprint. Acquired in 2007/08, Vodafone Essar was featured in a separate section of our report last year because its data systems were not mature enough to enable consolidation with Group data.

There are numerous structural factors inherent in the Indian market which have challenged our usual approach to integration of new businesses. With 23 independently operating 'circles' at various stages of maturity, an expansive network of over 93,000 base stations principally shared with other operators and operated by third parties, and the extensive use of contractors and sub-contractors for many key business activities, it is roughly comparable to our Europe region in terms of diversity and complexity. However, substantial progress has been made towards aligning the Indian business with Group sustainability policies and procedures, and in building the foundations for future success.

Data on India is included in Group totals throughout this Report (except where otherwise stated) and we include in this section an update on Vodafone Essar's implementation of sustainability management processes (see page 14).

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A stakeholder workshop held in Ghana



More on the web



www.vodafone.com/responsibility:

- Sustainability strategy
- Policies
- Group and local sustainability management
- Public policy
- Materiality matrices for sub-topics within each issue
- Risks and opportunities associated with each issue
- Internal reporting and management systems

Establishing a new local market in Qatar

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Our approach

- Introduction and strategy
- Stakeholder engagement
- Managing sustainability

Integrating local markets

Qatar: key facts

- Population 1.4 million
- 120% mobile penetration
- \$83,000 per capita income
- 60% migrant workers



Vodafone Qatar: key facts

- 465,000 customers
- Over 300 employees representing approximately 40 nationalities
- Network coverage: 100% population 2G, 80% population 3G
- 11 stores (including 2 mobile trucks)
- 425 base stations

Vodafone gained the licence to build a new network in Qatar in 2007/08 and our sustainability team has helped the new company establish a strategy.

Vodafone Qatar has set four key priorities up to 2011: increasing access to communications, reducing environmental impacts, acting with honesty and integrity, and supporting the Vodafone Foundation's World of Difference campaign. The company's stakeholder engagement plan aims to gain insights that will help refine this strategy.

The deployment and management of Vodafone Qatar's network is wholly outsourced to Alcatel-Lucent, making contractor management a priority. An Electromagnetic Fields (EMF) leader has been in place since September 2009 and, following guidance from Vodafone, the national regulator has confirmed that Qatar will adhere to the standards established by the International Committee on Non-Ionizing Radiation Protection (see [mobiles, masts and health](#), page 42).

We are trialling new low-carbon network technology in Qatar that could also be used in other markets, such as a hybrid solar and wind-powered base station (see [climate change](#), page 31). Vodafone Qatar also launched the country's first mobile recycling scheme in 2009/10, with collection points in all its retail stores.

Vodafone is developing services to meet the needs of Qatar's large migrant worker population. We have already promoted lower call costs and roaming services in Malayalam (the national language of Kerala, India from which there is a large migrant population) and we are also exploring the potential to introduce an international mobile money transfer service (see [page 17](#)).

In 2009/10, employees in Qatar participated in our global people survey for the first time. Nearly all (94%) expressed pride in working for Vodafone and the overall level of engagement was 81%.

Integrating Vodafone Ghana into the Group

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- Stakeholder engagement
- Managing sustainability

Integrating local markets

Ghana: key facts

- Population 23.9 million
- 69.3% mobile penetration
- Approximately 50% population is rural



Vodafone Ghana: key facts

- 2,825,000 customers
- 2,314 employees
- Network coverage: 46.57% population (2G)
- 43 stores in all 10 regions
- 623 base stations



Since our acquisition of Vodafone Ghana in 2008/09, we have been working to align the new business with our Group sustainability policies and management. A local Corporate Responsibility (CR) Manager was appointed in early 2009 and our Group team has made two visits to help develop a strategy and introduce reporting systems.

Key sustainability roles and groups have been established, including an EMF Leader, a Head of Corporate Security and an Energy Working Group. We have set up an ethics hotline, trained in-house ethics investigators and provided preliminary training to the procurement team on the Group Code of Ethical Purchasing. Tackling health and safety, particularly

road safety, was also a key priority in 2009/10 (see page 45).

Vodafone Ghana held a workshop in 2009/10 for opinion formers – from local NGOs, academic institutions, industry and government agencies – to discuss a range of relevant sustainability issues, including engaging with suppliers, health and safety, and responsible network deployment. We have developed a sustainability strategy which outlines Vodafone Ghana's approach up to 2012, prioritising:

- Health and safety
- Minimising environmental impacts of network deployment
- Addressing stakeholder concerns
- Providing access to affordable communication services

- Empowering employees to live our values
- Complying with the Group Governance and Policy Manual.

In 2009, allegations of impropriety circulated in the press following the conclusion of a review by the Government of Ghana of the transaction by which Vodafone acquired 70% of the share capital of Ghana Telecom in August 2008. Vodafone cooperated fully with the review, but was not given an opportunity to correct any inaccuracies. We are confident that all allegations of improper behaviour are without foundation, and are working closely with the Government to build a trusted relationship as co-shareholders in Vodafone Ghana.

Managing sustainability in India

India: key facts

- Population 1.2 billion
- More than 50% mobile penetration
- 70% population is rural

Vodafone Essar: key facts

- India's second largest operator by revenue
- Over 100 million customers (a milestone reached in April 2010)
- Presence in all 23 Indian telecom circles
- 9,150 employees + 85,000 outsourced staff
- Network coverage: 79% population
- 480 stores
- Over 93,000 base stations



1

Our approach

- Introduction and strategy
- Stakeholder engagement
- Managing sustainability

Integrating local markets

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The addition of Vodafone Essar to the Group brings enormous opportunities to extend access to communications. The sheer scale of operations presents a challenge in fully aligning CR management frameworks with those at the Vodafone Group.

To gain valuable insight and help prioritise the most material issues for Vodafone in India, we commissioned Ernst & Young to identify and initiate dialogue with key stakeholder groups in 2009/10. The research confirmed that many of the issues raised by stakeholders are already being addressed in Vodafone Essar's CR strategy and we will now review the other issues identified.

A key focus in 2009/10 has been promoting the CR agenda among employees. Vodafone Essar launched its CR programme, called Footprints, with two initiatives designed to get employees involved – payroll giving and volunteering one work day a year. More than 1,500 employees have already signed up to payroll giving, choosing to contribute to one of more than 250 charities through the NGO Give India. In 2009/10, around 300 employees also volunteered a total of 3,200 hours to support community programmes. Vodafone Essar's employee engagement levels remain high with a 95% response rate to our Global People Survey in 2009/10.

Vodafone Essar's CR Manager, appointed in December 2008, works with a series of 'issue owners' from different functions across the business and local CR champions from each of the 23 regional telecommunications circles in India.

Our Head of Corporate Security in India is responsible for raising awareness of our Group Business Principles and a whistle-blowing hotline was introduced in 2009/10. Vodafone Essar is also in the process of rolling out our Group Code of Ethical Purchasing, with a letter from the Managing Director asking suppliers to commit to the Code.

Vodafone Essar is initiating dialogues with Indus Towers, our network deployment company (of which Vodafone Essar has a 42% shareholding), and other contractors working on network deployment, to progressively implement our Responsible Network Deployment (RND) guidelines, a significant challenge in India. A Health & Safety Manager has recently been appointed by Indus to implement health and safety requirements among its staff. Health and safety has been a significant issue in 2009/10, particularly among contractors, and Vodafone Essar is now implementing a fatality prevention plan to tackle this issue (see [health and safety, page 45](#)).

There is a local EMF leader who works with experts from other markets to build capability (see [mobiles, masts and health,](#)

[page 42](#)). For the first time in this market, we commissioned research on public opinion about mobiles, masts and health (see [page 42](#)).

The sheer scale of our network, together with high dependence on diesel generators, means emissions from network energy use in India represent a significant proportion of our global carbon footprint across the Group (see [climate change, page 31](#)).

Vodafone Essar's initiatives around climate change focus on improving network energy efficiency and trialling alternatives to diesel generators (see [page 37](#)), as well as collecting reliable baseline data to measure progress. Access to accurate and complete information continues to be a challenge in this regard, but we have made considerable improvement to the data systems in place. In 2009/10 Vodafone Essar conducted an environmental audit of its operations in the Mumbai circle to identify potential carbon savings.

Vodafone Essar has begun to address the challenge of waste management, starting from the development of a waste charter that sets out guidelines for the company and implementation of a battery recycling programme. We also commissioned research in 2009/10 on the management of end-of-life mobile phones in Mumbai (see [customers and the environment, page 29](#)).

Empowering customers, earning trust


We put customers at the heart of our business. We want them to value their experience with Vodafone, using innovative products and services across wide-ranging, high speed, reliable networks.

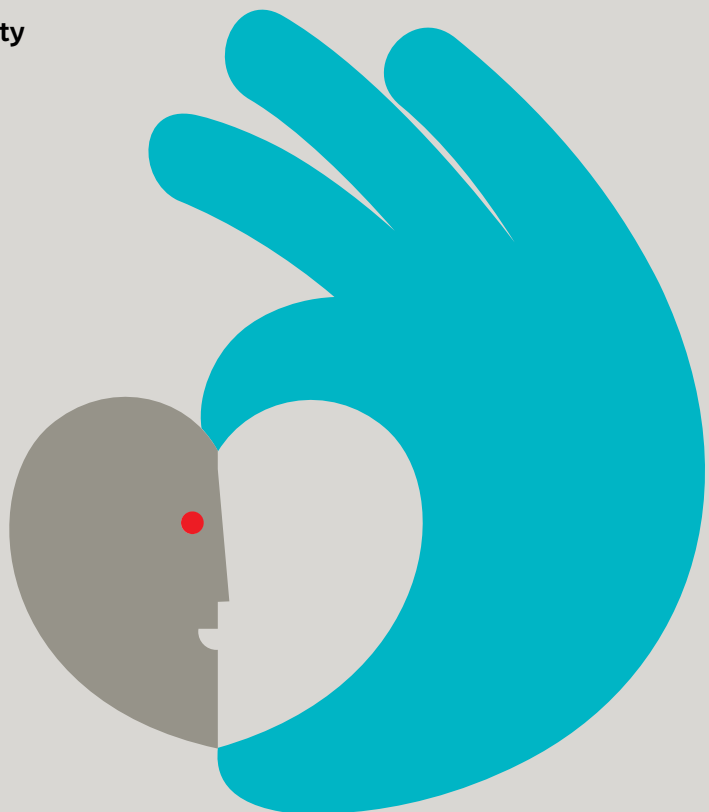
Customers are also at the heart of our sustainability strategy. We believe that our technology – intelligently and sensitively applied – can help to build a more sustainable society, bringing substantial benefits for our customers and other stakeholders, and creating the conditions where our business can prosper in the long term.

Vodafone is investing in mobile applications that will promote economic development, improve quality of life for customers, and help business customers and consumers cut their carbon footprint.

Extending access to communications will help to maximise our contribution to a sustainable society, and it is also good business. We are working hard to extend the benefits of mobile to more people in emerging markets by expanding the reach of our networks and introducing more affordable products. We also aim to make mobile communications more accessible for people with capability loss through dedicated services.

Maintaining our customers' trust by acting responsibly is essential to achieving these long-term sustainability goals, strengthening our brand and ensuring our continued commercial success.

 [Read more at www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)



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Customers

Introduction and strategy

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- Earning customer trust
- Customers and the environment

Earning customers' trust

Trust in Vodafone depends on three main factors: the reliability of our network, products and services; clear and fair pricing; and our approach to protecting customers' privacy and safety. Our aim is to ensure customers are satisfied with our service and in control of how they use it.

Customers expect good mobile phone reception and we continued to invest in extending and improving network coverage across our local markets throughout 2009/10 despite the economic downturn.

They also want to know they are getting good value for money. The clarity of our pricing and marketing is vital to reassure our customers they are getting a good deal with no hidden charges. We have Responsible Marketing Guidelines in place and monitor complaints upheld against our advertising (see KPI summary, page 67).

People entrust us with their personal information and their private communications and it is critical that we handle this responsibly. Furthermore, we must help them understand the potential challenges to privacy associated with some of the new range of features and services available on their mobile phones – technologies that bring significant benefits but must be used responsibly. Vodafone is at the forefront of the creation and promotion of a safer mobile internet, with a particular focus on younger users.

Extending access to communications

Greater access to communications brings a wide range of social and economic benefits and offers an important opportunity for Vodafone to make a significant contribution to people's lives whilst growing our customer base and loyalty. Our strategy on this issue is twofold.

First, we aim to bridge the digital divide in emerging markets. We believe that improving access to communications can be a springboard to alleviating poverty and enabling sustainable development. We are expanding our networks to extend access and tailoring products and services to make them affordable for more people. Vodafone also offers applications designed to meet specific needs such as mobile money transfer services for people without bank accounts and mobile solutions to improve the efficiency of healthcare. Realising the commercial potential of these applications will make them more sustainable in the long term. We are using the Millennium Development Goals (MDGs) as a framework to focus our efforts – and have set an objective to be recognised as a communications company making one of the most significant contributions to the MDGs by March 2015.

Second, we strive to reduce preventable exclusion for disabled and elderly customers – increasingly important with an ageing population in many of our markets. We already offer a range of products, services and tariffs to increase accessibility for customers who are blind or visually impaired, deaf or hard of hearing, or elderly. To drive progress, our strategic objective is to offer an option that enables these groups to access telecommunications in every market by March 2011.

Customers and the environment

Our products and services can enable our customers to have more sustainable lifestyles in a low-carbon society (see page 33). However, we recognise there are environmental impacts associated with our products' design, manufacture and distribution, and their operation and disposal.

Capturing our efforts to reduce these impacts, we have developed a single overarching objective to be recognised as a 'green brand' in three quarters of our developed markets by March 2012. We have also set a target to build capacity to manage electronic waste in emerging markets to enable responsible disposal by March 2012.

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Strategic objectives Customers

- **Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals by March 2015**
- **Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market by March 2011**
- **Be recognised as a 'green' brand in at least 75% of the developed markets where we operate by March 2012**
- **Contribute to building capacity to manage electronic waste in three emerging markets by March 2012**

Customers in emerging markets

We said...

- We would be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals **by March 2015**
 - We would publish research on the socio-economic impact of affordable handsets **by December 2009**

We have...¹

Used the United Nations' Millennium Development Goals (MDGs) as a framework to focus our efforts in emerging markets

Information and communications technology can play a key role in helping to empower marginalised people. Our Executive Committee has made a strategic commitment to contributing to the MDGs, and we have started to align our development of new products and social programmes in emerging markets with the goals (see table of examples, page 18).

We will survey key opinion leaders in 2010/11 to understand their perceptions of Vodafone's work towards achieving the MDGs, and the role communications companies can play. We hope to gain insight into stakeholders' views on how we can maximise our contribution to the goals and will use this feedback to refine the focus of our work in this area.

Continued to expand our network in emerging markets

Vodafone continued to extend the benefits of mobile telecommunications to more people in emerging markets as we expanded our network in Africa, India and the Middle East. In 2009/10, Vodafone Ghana increased the number of mobile customers from 1,786,000 to 2,825,000. We also increased our stake in Vodacom to a majority share of 65%, giving us operational control. In the Democratic Republic of Congo, Lesotho, Mozambique, South Africa and Tanzania Vodacom has 39,892,000 mobile customers. Vodafone's new network in Qatar now serves 465,000 customers.

In India, we continued to expand rapidly in 2009/10, building around 1,300 new base stations every month and adding around 32 million subscribers in the year, with over 100 million customers in total. We have a presence in all 23 Indian telecom circles (see page 14) and a third of our subscribers are rural customers. Our network coverage has increased from covering 71% of the population at the end of financial year 2009 to 79% at the end of financial year 2010.

Targeted new markets for our mobile money transfer service

In 2009/10, we prepared for the 2010/11 launch of Vodafone Money Transfer in South Africa, in collaboration with our banking partner Nedbank. The service, known locally as M-PESA, will target the 26 million people in South Africa without official bank accounts, allowing them to send and receive money using their mobile phones.

We also prepared to launch the service in Qatar, where we will focus on international remittances for the high number of foreign workers. In Fiji, we will launch a pilot of Vodafone Money Transfer in 2010/11.

We continue to explore the possibility of deploying a similar service in India. We have made preparations for a pilot with a leading bank in Rajasthan, India to demonstrate the simplicity, ease of use and rigorous security that Vodafone Money Transfer offers in other markets.

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Increasing rural network coverage in emerging markets



Credit, CKS Consulting PL, 2009.

¹ In this section we have included activities across our emerging market footprint, including local markets not within the assurance scope of this Report.

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Our contribution to the Millennium Development Goals

World leaders developed and adopted the United Nations Millennium Development Goals (MDGs) in 2000, with the aim of forming a global partnership to tackle extreme poverty. The eight goals are a series of targets to be met by 2015 and have been agreed by all of the world's countries and leading development organisations. We plan to develop an online MDG resource centre in 2010/11, detailing Vodafone products and programmes that contribute to the goals. The table provides some examples.

Goals	The opportunities	Examples of how we are contributing
Eradicate extreme poverty and hunger	Research shows mobile phones can increase productivity, and generate higher incomes (see Socio-Economic Impact of Mobiles (SIM) reports online at www.vodafone.com)	In Kenya, over 9 million customers have registered to use our mobile money transfer service, M-PESA. Rural recipients of money transfers have increased their income 30% since they started using M-PESA, according to research by the Consultative Group to Assist the Poor.
Achieve universal primary education	Vodafone's products and services can help students access educational services more easily, and our community investment supports local school projects.	In Egypt, we have donated over 7 million Egyptian pounds (US\$1.2 million) to renovate and reform schools. The money helped improve the conditions at local schools, giving 200,000 students a healthy environment in which to learn.
Promote gender equality and empower women	The ICT industry can empower women through better access to digital services that were previously unattainable, particularly in patriarchal societies where women previously relied on husbands or other men to stay in touch. A 2009/10 GSMA report highlighted the considerable gender gap in mobile phone ownership in emerging markets.	Our trial with Concern Worldwide to use M-PESA to distribute aid in Kenya targeted women because they were the most affected by post-election violence and they often manage family income.
Reduce child mortality	Mobiles can significantly improve the efficiency of healthcare services, particularly in remote areas.	The Vodafone Foundation is the largest private supporter of the Measles Initiative, which provides technical and financial support to governments and communities on vaccination campaigns worldwide. Vodafone has to date committed US\$8 million in support.
Improve maternal health	Mobiles can significantly improve the efficiency of healthcare services, particularly in remote areas.	In South Africa, Vodafone's Community Health Worker project has seen the development of a mobile phone-based monitoring and evaluation platform to facilitate a better and more efficient service from community health workers (see page 22).
Combat HIV/AIDS, malaria and other diseases	Training and awareness-raising projects, coupled with innovative mobile products, can help counter the world's most pressing health problems.	Malaria is one of six causes responsible for more than 70% of 11 million child deaths globally. The majority of these occur in the developing world. In partnership with Novartis, Vodafone's SMS for Life project helps ensure appropriate stocks of anti-malaria medicine throughout Tanzania (see page 22).
Ensure environmental sustainability	The ICT industry's capacity to reduce others' carbon emissions is now widely acknowledged, and Vodafone can also lead the way in demonstrating good environmental management in our own operations.	As we expand our network in emerging markets, we are developing tailored solutions to facilitate increased access to telecommunications without significantly increasing carbon emissions. In South Africa, for example, we have trialled no-frills, solar-powered base stations, developed in conjunction with Huawei (see page 36).
Develop a global partnership for development	Mobile network operators can help bridge the digital divide through the provision of ICT equipment and infrastructure to marginalised people.	Vodafone has launched our most affordable branded handsets – the Vodafone 150 and 135 (see page 20). Affordable handsets allow more people to access mobile technology, particularly in developing countries. We have also helped increase access to mobile internet through a new browser Opera Mini (see page 21).

Continued to grow our mobile money transfer business in Kenya, Tanzania and Afghanistan

Kenya remains our biggest market for Vodafone Money Transfer. In 2009/10 our joint venture, Safaricom, increased its M-PESA customer base from 5 million to nearly 9 million, far exceeding the number of bank account holders in the country. Across our markets, customers transferred US\$3.6 billion during 2009/10, with less than US\$20 per transaction being transferred on average. Research in 2009/10 also explored the benefits of M-PESA for users in Kenya (see box). We plan to extend the functionality of Vodafone Money Transfer to provide merchant payment services, enabling consumers to use it as payment in shops subject to regulatory approval.

Our pilot of international transfers between the UK and Kenya continued in 2009/10 and we are assessing the potential for international transfer services elsewhere, in Qatar for example. Where allowed by regulation, we aim to open international money transfer avenues between existing local markets with money transfer services, and to allow them to send money worldwide through other partnerships and direct agents.

Tanzania shows strong growth opportunities, with the average number of transactions increasing by 19% month on month throughout 2009/10 and around 3 million subscribers having registered for the service. As well as transferring money around the country, subscribers can use M-PESA to pay bills, pay for bus journeys, and even support their local football team by making donations and paying for score updates.

In 2009/10, the Afghanistan Government trialled Vodafone Money Transfer – known locally as M-Paisa – to pay salaries directly to some of the country’s police. Benefits of this trial included instant payments and fewer opportunities for corruption. A full-scale rollout is now planned to pay salaries to 50,000 police nationwide.

Continued to promote development of products with high social value through our Social Investment Fund

We support our local markets in developing commercial products and services with high social value through our £5 million Social Investment Fund (SIF). We revised the criteria for SIF funding in 2009/10 to promote more propositions that contribute to the MDGs. Emerging markets are one focus of the SIF, along with Vodafone Health Solutions (see page 22) and inclusive design (see page 24). In 2009/10, the SIF provided nearly £1 million to support these projects – one example is an m-education service in India; we will report on the outcomes from the development and trial of this service next year.

We have also committed \$1 million over three years through the SIF to the World Wide Web Foundation, a non-profit organisation dedicated to advancing the internet to empower people. Our contribution will help train entrepreneurs in Africa – beginning in Ghana – to use the web as a platform for delivering locally relevant content, applications and services. Vodafone has also invited the Web Foundation to join the panel for our SIM (Socio-Economic Impact of Mobile) research report (see page 21).

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Benefits of M-PESA for business and individuals in Kenya



Vodafone joint venture Safaricom conducted a survey of nearly 2,000 M-PESA users – consumers and businesses – in December 2009.

Around 80% said they feel the service has had a very positive impact on their lives. Convenience and speed are seen as the key benefits. The survey found that on average over three hours and around 200 Kenyan shillings (US\$2.59) is saved per transaction. The extra time and money is most often reinvested in the family budget or business.

Throughout Kenya, businesses now generate alternative revenue streams – often more lucrative than their normal business – through M-PESA. Many outlets have terminals where customers can withdraw transferred money. Around 60% of outlets surveyed said that M-PESA is their primary revenue earner. There are over 17,000 M-PESA agents in Kenya and Safaricom estimates that the product has directly created 30,000 jobs.

Expanded and enhanced our range of affordable mobile phones

Over 26 million Vodafone-only branded mobile phones have been shipped since we launched the first in May 2007. We worked with manufacturers Foxlink, Sagem, TCT/Alcatel and ZTE to develop our range of Vodafone-only branded affordable handsets – priced at less than US\$50. In 2009/10, we cut costs and reduced retail prices further by reducing packaging, which also helps to cut environmental impacts (see [customers and the environment, page 29](#)). The new boxes are 20% smaller, cutting the box unit price by 30% and shipping costs by 6%.

In 2009/10, we launched our most affordable handsets yet: the Vodafone 150 priced at US\$15, along with the Vodafone 250 at US\$25. Both offer voice calls and SMS text messaging, and support mobile money transfer services. These handsets have a stand-by battery life of over 17 days, with seven hours' talk time. For each of our Vodafone-only branded handsets, we audit our suppliers' manufacturing facilities annually to monitor social and environmental standards (see [supply chain, page 54](#)). We are also working to ensure handsets are disposed of responsibly at end of life by building capacity to manage e-waste in emerging markets (see [customers and the environment, page 29](#)).

In 2009/10, we shipped 5.4 million Vodafone-only branded handsets. Approximately 55% of these cost less than US\$50.

Vodafone-only branded affordable handsets launched in 2009/10

Handset model	Launch date	Key features	Launch markets
Vodafone 150	March 2010	Calls, texts, simple black and white display, torch, vibration	India, Democratic Republic of Congo, Ghana, Kenya, Lesotho, Mozambique, Qatar, South Africa, Tanzania.
Vodafone 250	March 2010	Calls, texts, simple colour display, torch, vibration, FM radio	India, South Africa, Qatar, Ghana, Hungary, Greece
Vodafone 340	October 2009	Calls, texts, mobile internet and email, FM radio, VGA camera, BT	Greece, Portugal, The Netherlands, UK, Ghana
Vodafone 135	July 2009	Calls, texts, simple black and white display	South Africa, Democratic Republic of Congo, Tanzania
Vodafone 235	July 2009	Calls, texts, colour display, FM radio, vibration	Greece, Portugal
Vodafone 136	April 2009	Calls, texts, black and white display, torch, vibration	Egypt, Democratic Republic of Congo, India, Hungary, Iceland, Ghana, New Zealand
Vodafone 236	April 2009	Calls, texts, colour display, torch, vibration	South Africa, Czech Republic, Malta, India, Sri Lanka, Germany, Greece, Portugal, Hungary, Australia, Ghana, New Zealand, Russia

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Researching the socio-economic impact of affordable handsets in India



Image of Vodafone 150 model

The research we commissioned in 2009/10 found that users of affordable handsets are mostly households with an annual income of less than 500,000 rupees (around US\$11,245).

The average cost of the cheapest handsets has decreased 30% since 2007 and the monthly income needed to purchase an affordable handset has dropped by a third.

Affordable handsets enable young people to purchase phones and elderly customers appreciate the lower-cost, easy-to-use option. They are also more likely to be passed on to friends and family than higher-cost handsets which are frequently resold. This helps to empower women in patriarchal societies because they are often the beneficiaries of handsets passed on through the family.

Despite better affordability, lower-cost handsets are still an expensive investment for low-income earners, so durability is an important concern. Our development teams are incorporating into their designs the need for handsets to be easily repaired and for the battery and chargers to be easily replaced.

The full research findings are published on our [website](#).

Launched a new browser on affordable handsets to increase access to the internet in emerging markets

We worked with Opera Software to develop a new browser that gives customers a high-quality mobile internet experience on affordable handsets. The Opera Mini browser is designed to run on 2G networks and to help users with little experience of the internet. Following a successful trial in Egypt in 2008/09, Opera Mini is now available on 20 handsets and can be downloaded onto more than 250 GPRS-supported handsets, including five Vodafone own-branded affordable internet phones. Increasing internet access will provide a platform to deliver new services on mobile phones, including innovative social applications.

Published research on the socio-economic impact of affordable handsets in India

To better understand the socio-economic impact of affordable handsets, we commissioned research in India in 2009/10, which profiled the lower-income groups our affordable handsets target (see case study on page 20 for a summary of the findings).

In determining the scope of our next SIM (Socio-Economic Impact of Mobile) research project, we shifted the focus from Turkey as planned to an analysis of the demand for mobile data services in emerging markets. The findings will feed into our development of programmes and services that support the Millennium Development Goals. We will publish this study in 2010/11.

We will...

- Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals **by March 2015**. In the next 12 months we aim to:
 - Survey key opinion formers to understand their perceptions of Vodafone's work towards achieving the Millennium Development Goals
 - Develop a Millennium Development Goal online resource centre detailing our contributions to the goals
 - Publish a Vodafone Socio-Economic Impact of Mobile (SIM) report assessing the issues around increasing data services in emerging markets.

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Ken Banks, Founder, kiwanja.net, Socio-Economic Impact of Mobile (SIM) Research Panel



"All too often, conversations in the mobile world focus on the nuts and bolts of building low-cost devices for consumers in the emerging markets. An area which tends to get less attention – but one which is equally as challenging – is how you identify, design, launch and financially sustain the kinds of services these new consumers will expect to see once they get their hands on a phone. The next Socio-Economic Impact of Mobile (SIM) research report seeks to act as a guide to service providers and development practitioners alike who are interested in the potential of the mobile phone to deliver both commercial and non-profit content to consumers in the developing world."

Image taken by Karola Riegler



Vodafone Health Solutions

We said...

- We would publish a Vodafone Dialogue on m-health **by March 2010**

We have...

Established a new health business unit: Vodafone Health Solutions

Mobile technology offers significant opportunities to improve the efficiency and effectiveness of health services – from text messages to prevent missed appointments, remind patients to take medication or check medical supplies, to reduced administration costs, and increased access to and reporting of clinical trial data. Much of this can be achieved using existing technologies and we are working with healthcare providers, governments and pharmaceutical companies to fully understand how we can help.

Vodafone is well positioned to deliver bespoke products and services that address the needs of the healthcare industry and in 2009/10 we established a dedicated function to grow our business in this area. Vodafone Health Solutions is building on the wide variety of health services that we and The Vodafone Foundation have trialled over the past six years (see [timeline](#), page 23).

We have begun setting up partnerships with pharmaceutical companies to pilot the use of mobile patient reported outcomes (mPRO) in clinical trials during 2010/11. Asking participants to report regularly via mobile can reduce the time and cost needed to bring new drugs to market by making clinical trials more efficient. Data can be analysed faster and trials can be managed more effectively.

Our investment in developing Vodafone Health Solutions will help to drive progress in this area, with strong strategic support to research and develop services. This overrides our previous commitment to conduct preliminary research on the subject by publishing a dialogue on m-health.

Launched SMS for Life to better manage stocks of anti-malarial drugs in Tanzania

In collaboration with the Roll Back Malaria Partnership and pharmaceutical partner Novartis, we have developed SMS for Life. The initiative combines mobile phones, text messaging (SMS) and user-friendly websites to track and manage the supply of drugs to prevent deaths from malaria. We aim to prevent patients being left without medication because their local healthcare facility has run out of critical drugs.

Vodafone provides a system that sends regular messages to staff at healthcare facilities prompting them to check and report stocks of anti-malarial drugs. This enables regional and national distribution centres to ensure timely delivery of the right supplies to the right place. As an incentive, healthcare workers receive a small commission for every response.

In 2009/10, SMS for Life was trialled at around 130 healthcare facilities, serving over a million people across Tanzania. At the start of the trial, three districts had depleted stocks at 57%, 93% and 87% of health facilities, but after 21 weeks these had reduced to zero, 47% and 30% respectively. The results of the trial were presented to health ministers from 25 African countries in February 2010. Strong interest from them has helped to promote the extension of this system.

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Helping community caregivers work more efficiently in South Africa



Community caregivers provide an important link to healthcare services for people in South Africa, reducing the burden on clinics and hospitals.

The Nompilo Community Caregiver Management Solution, developed by Vodafone in partnership with GeoMed, helps them work more efficiently.

Nompilo is a mobile-based tool that enables caregivers to input information about patients and access relevant medical records more efficiently.

Regular reports also allow managers to see which services are most regularly given by community caregivers in each district, helping them to allocate resources efficiently. It was piloted by 60 community caregivers in three South African districts in 2009/10 and the trial will run until June 2010.

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We will...

- Roll out SMS for Life across Tanzania and trial the service in another Sub-Saharan country **by March 2011**

Examples of involvement in health research and solutions

☞ See <http://healthsolutions.vodafone.com> for more information.

2003

2003/04

Intelligent dispensing of anti-retrovirals in South Africa

Mobile software is helping public healthcare centres dispense anti-retrovirals (ARV) accurately and manage stock effectively.

2004/05

Telemedicine improves emergency care in Romania

A mobile application enables emergency services to send medical information on ahead of patients' arrival to help hospitals prepare.

2005/06

Individualised health prevention with mobile devices in Germany

Inprimo enables the transfer of information between body sensors (Wireless Body Area Networks), health measurement equipment and mobile devices, which supports healthy lifestyles.

2006/07

Assisted living solution in Spain and Italy

Development of Ambient Assisted Living (AAL) technologies such as PERSONA, which enable elderly people to live longer, more independently, and with an increased quality of life in their preferred home

☞ see www.aal-persona.org

2007/08

Remote monitoring of paediatric epilepsy in Portugal

Software allows doctors to view video electroencephalogram (EEG) examinations remotely on a computer or PDA, enabling them to analyse seizures and make decisions quickly.

2008/09

Global partnership with T+Medical

Technology that allows patients with chronic diseases (e.g. diabetes), or those participating in medical trials, to record details about their condition via their mobile phone for remote monitoring by medical staff.

2009/10

SMS for Life in Tanzania

A mobile stock ordering system ensures supplies of vital malaria drugs are maintained at rural healthcare centres (see page 22).

2010

Winfred Mwafongo, Ministry of Health and Social Welfare, Tanzania

"The SMS for Life programme has made an immediate impact in Tanzania already. SMS will save lives for those affected with Malaria in Tanzania."

Accessibility

We said...

- We would offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market **by March 2011**

We have...

Commissioned research to better understand the market for accessibility products

In 2009/10, Sagentia researched 19 markets to help Vodafone better understand the number of people with vision, hearing, dexterity and cognitive issues¹. It found that age is the dominant cause of capability loss and 11.1% of the population in these markets has minor to moderate capability loss. More than half of this population experiences multiple impairments rather than a separate loss in isolation. Only 0.3% of the population has a severe single capability loss.

Across these markets, around 7% of the population cannot currently use mainstream mobile phones due to capability loss. We believe their needs could be met by handsets designed to be more inclusive, for example with intuitive menu navigation, and visual and audio features. Mainstream inclusive handsets offering specifically adapted functionality could help address the communications needs of more than half of this group and reduce the number of people currently excluded.

We are pursuing relationships with accessible device suppliers, and plan to launch a range of handsets specifically adapted to people with minor impairments across multiple markets in 2010/11.

Offered accessible products and services in 13 markets

A significant proportion of our markets are already offering accessible products for customers who are blind or visually impaired, deaf or hard of hearing, and/or elderly (see table).

Availability of accessible products and services in each of our markets

Local market	For blind or visually impaired people	For deaf or hearing impaired people	For elderly people
Albania			
Czech Republic	●		●
Egypt		●	
Germany	●	●	●
Greece	●	●	●
Hungary	●	●	●
India			
Ireland	●		●
Italy	●	●	●
Malta		●	●
The Netherlands			
New Zealand	●		
Portugal	●	●	●
Romania			
Spain	●	●	●
Turkey		●	
UK	●	●	

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Ian Hosking, Senior Research Associate, Engineering Design Centre



“When addressing accessibility, organisations have typically viewed the population as either able-bodied or disabled. In fact it is far more common to have multiple minor losses in capability than a single severe disability. The traditional response of special products and add-ons for the disabled overlooks the needs of those who struggle with minor loss, particularly as a result of ageing. The challenge is to design everyday products like the mobile phone to be more inclusive. This will make things easier for everyone and enable people to live independently for longer.”



¹ Sagentia's research included around 4% of severe impairment sufferers, and 4% minor impairment sufferers, from Australia and South Africa, neither of which is in the scope of this Report.


Vodafone Spain's established record for trialling and promoting accessible products and services means it plays an important role as a centre of excellence to drive our focus on accessibility across the Group. Our Vodafone Speak text-to-speech software is being offered free to blind and visually impaired customers in Spain for a year until September 2010. Vodafone Spain also worked with Nokia and hearing aid manufacturer Oticon to introduce T-loop sets for customers to test mobile devices compatible with their hearing aids.

Vodafone Spain also introduced an online training programme to ensure employees, particularly retail and customer care staff, are aware of accessible products and services. Over 50 employees completed the training and 326 completed it online in 2009/10.

In 2009/10, we trialled a real-time text message service for deaf and hearing-impaired customers in Germany and introduced a low-cost video call service for deaf customers in Portugal so they can use sign language, which an interpreter can then translate to the recipient.

We also offer reduced-rate accessibility tariffs in eight markets. In 2009/10, new tariffs included Vodafone Egypt's 'Speechless', a tailored tariff for deaf and mute customers, and Vodafone Spain's 'Tarifa Accesible' for deaf and hearing-impaired customers. Both offer discounted video calls and text messages. In Italy, we launched a new promotion for deaf and hearing-impaired customers, offering free SMS text messages, emails and mobile internet access for a year on BlackBerry® handsets.

Began a refresh of our corporate websites to meet accessibility requirements

We aim to significantly increase the accessibility of our corporate websites for customers with impairments. Our Group  website is being refreshed to comply fully with the AA rating of the Web Content Accessibility Guidelines 2.0 by July 2010. Fourteen of our local markets also have targets to ensure the top pages of their websites comply by March 2011.

Explored how to promote and distribute accessible products

We are working to identify the best ways to promote and distribute our accessible products. In Germany, for example, we created an online store for members of the German Association of Deaf People, with details of our products and tariffs in sign language. We commissioned a feasibility study into the development of an online portal for customers to obtain accessible products, which outlined the availability and effectiveness of existing online service providers and recommended how Vodafone could make best use of these globally.

We will...

- Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market **by March 2011**
 - Achieve full compliance with the W3C Web Content Accessibility Guidelines 2.0 for the Vodafone.com website **by July 2010** and top pages of 14 local markets **by March 2011**
 - Launch a range of handsets specifically adapted to people with minor impairments **by March 2011**
 - Train our sales channels to support the roll-out of new inclusive handsets **by March 2011**

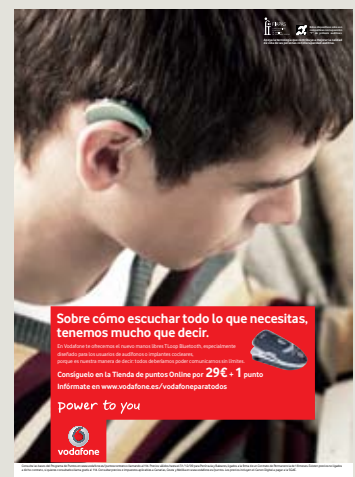
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Examples of customer advertising in Vodafone Spain for accessible products and services



More on the web

www.vodafone.com/responsibility

- Accessibility continuum
- Assistive products
- Inclusive design

Earning customer trust

We said...

- We would launch a privacy information centre on our [vodafone.com](#) website **by March 2010**
- We would establish our policy on assisting law enforcement **by March 2010**
- We would launch a web resource providing parents and teachers with information helping young people to use our products and services responsibly **by September 2009**
- We would undertake further market research to evaluate customer acceptance of mobile advertising **by March 2010**

We have...

Launched an online privacy centre

In 2009/10, we launched [Privacy @ Vodafone](#), a new resource centre on our global website which provides an overview of our approach to privacy, with news, opinion and white papers from Vodafone. It also offers customers and regulators an easy way to contact our privacy teams. We will continue to develop the site's content in 2010/11.

Developed a policy on assisting law enforcement

Details of private communications made through our network or the location of customers at a particular time are sometimes requested from Vodafone by governments to assist law enforcement and terrorism prevention efforts.

In 2009/10, we developed a new policy to help us ensure we balance this public duty with the need to respect customers' right to privacy. Once adopted, the policy will establish principles and standards on assisting law enforcement, and set out governance and oversight processes to ensure our actions are clearly accountable.

In creating the policy, we built on our experience participating in the Global Network Initiative's (GNI) multi-stakeholder dialogue to develop principles to protect freedom of expression and privacy in the ICT sector. Vodafone continues to monitor the GNI's work.

Established privacy design principles for location-enabled services in consultation with key stakeholders

Location-enabled services give rise to concerns over privacy issues such as employers tracking staff, stalking and child safety. In 2009/10, we initiated a dialogue with other companies, NGOs and industry associations on the evolution of location services and their impact on users' privacy. The aim is to create common principles for location services that reflect the diversity of technologies, platforms, services and business models.

We published a set of privacy design principles in 2009/10 to guide developers of applications with location-aware features. The principles, which are available on Vodafone's application platform, require the inclusion of intuitive controls and defaults in applications to help ensure users do not unwittingly reveal their location and have adequate control over how these features are used. We also held a focus group for leading social media start-up companies and created an online forum to encourage developers to review our principles and help us refine them.

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Built-in privacy protection on Vodafone 360

In 2009/10, we launched **Vodafone 360** ([www.360.com](#)), a new internet service for mobile, PC and Mac that brings users' email, chat and social networking contacts together in one place. Incorporating measures to safeguard customers' privacy was a key priority in the design of Vodafone 360. For example, when a customer first registers on the service, only their chosen username and picture are visible to other users until they select their privacy settings. Customers can also choose to make themselves invisible to everyone (including their contacts), and default settings are more conservative for users under the age of 18.

Introduced a new web resource for parents on safe internet use for children

Revealing personal information through social networking and location-enabled services can present particular risks to children if done inappropriately. We aim to help parents and teachers protect children against these risks.

In October 2009, we launched the first comprehensive website to help parents understand what their children do when they go online and explain what the risks are. The Vodafone Parents' Guide (www.vodafone.com/parents) provides up-to-date guidance on protecting children from cyber-bullying and the risks associated with publishing personal information through social media sites, meeting strangers online and location-enabled technology.

Developed in partnership with parenting website Mumsnet, the site is already seen as a leading resource for parents and is the first to bring this wide range of topics together in one place. It is currently available in English on our global [website](#), and the content has been designed for easy translation by local markets. In February 2009, we used the site to promote the 'Click Clever, Click Safe' campaign launched by the UK Council for Children and Internet Safety (of which Vodafone is a Board member).

The Parents' Guide complements the existing TeachToday resource, an ICT industry initiative to help teachers encourage their students to use mobile technology responsibly. Vodafone works in partnership with other companies and education organisation European Schoolnet to keep the website updated. TeachToday is now available in six markets: the Czech Republic, France, Germany, Italy, Spain and the UK. In February 2010, we also presented to the European Trade Union Committee for Education on the risk of cyber-bullying affecting teachers' health and safety.

Application blocks malicious communications in Ireland

In 2009/10, we launched the Vodafone Safety Net Mobile Manager, available to users of all mobile networks in Ireland.

This innovative new application helps customers protect their children from unwanted communications or inappropriate content by:

- Blocking voice calls, SMS and/or MMS messages to and from selected numbers
- Blocking calls from withheld numbers, numbers not stored in the phone's contact list, and premium rate numbers
- Disabling Bluetooth, camera, internet access and games if required.

Any unwanted contact can be rejected and blocked without alerting the sender. Blocked messages can be archived for later reference in the most serious cases. Vodafone Safety Net Mobile Manager includes safeguards that always allow parents to contact their children, even if calling them from an unknown number, and alerts them if the application is disabled. Users are notified of recommended age settings during set-up.

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Vince Humphries, Manager,
New Communications Issues and Safeguards, Australian Communications and Media Authority

"I feel it's particularly important at this time to have a resource aimed at adults/parents, giving them confidence to deal with issues affecting their and their children's participation in the digital economy. And I say this with some personal conviction, having scored a measly 62% in the test on your website.

I particularly liked the demonstration of Vodafone's simple but granular privacy controls in the video. It's particularly pleasing to see this sophistication given the criticisms of privacy controls in social networking sites that have become more common in the last 12 months."

Researched customers' acceptance of mobile advertising to guide the development of new services

Privacy is an important consideration as we expand our mobile advertising business. Our policy is to only use personal information to make advertising more relevant when customers have given consent, and to ensure customers have full control to opt out at any time.

In February 2010, we held a UK customer focus group, in which participants confirmed the findings of our previous research, telling us they are more receptive to advertising through their mobile phone if it is permission-based, relevant to them and they get some benefit.

Using mobile advertising to fund useful services means customers get something in return. 'Please Call Me', for example, has proved very popular in Egypt, where customers can use it to send a free message requesting a call-back when they are low on credit. This service, paid for by advertising attached to the message, was extended to five more markets in 2009/10.

Continued to make our pricing clearer for customers

Clear pricing is an important element of customer trust. In 2009/10, we introduced a range of initiatives to help prevent our customers receiving unexpectedly large bills, including new data bundles where customers pay for downloads per day rather than per megabyte of information.

Vodafone Passport continues to enable customers travelling abroad to use the same rate for calls that they pay at home, for a small connection charge. It is now available to customers in 19 markets to use while roaming in 35 European countries, as well as Australia and New Zealand. We also continue to offer flat-rate data roaming tariffs in Europe.

In 2009/10, we began sending customers in Europe a welcome text message when they arrive in another country, informing them what their calls and text messages will cost and providing a freephone number for further details. A new text message notification service also alerts roaming customers using data bundles when they are approaching the limit of their prepaid package.

We will...

- Roll out our Privacy Management System to all Vodafone markets, with an initial focus on emerging markets, and begin implementation **by June 2010**
- Launch our Visible Privacy Initiative to explore better user interfaces for communicating with customers about privacy **by September 2010**
- Begin work with local markets to implement our new policy on assisting law enforcement globally **by March 2011**

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More on the web



www.vodafone.com/responsibility:

- Privacy resource centre
- Group Privacy Policy
- Vodafone Parents' Guide
- Access controls for age-restricted content
- Blocking illegal content
- Spam
- Approach to mobile advertising
- Mobile advertising services

Customers and the environment

We said...

- We would be recognised as a 'green' brand in at least 75% of the developed markets where we operate **by March 2012**
- We would contribute to building capacity to manage electronic waste in three emerging markets **by March 2012**

We have...

Held workshops in seven European local markets to understand how we can be recognised as a 'green' brand

We want Vodafone to be recognised as a green brand by everyone, not just experts in sustainability. Our 'perception' target requires us to deliver a wide range of sustainability initiatives to engage effectively with consumers. In 2009/10, we held 18 workshops for over 180 consumers and employees – in the Czech Republic, Germany, Greece, Ireland, Italy, Spain and the UK – to help us understand how to establish Vodafone's reputation as a 'green' communications company.

The interpretation of what is meant by a 'green brand' varied between different countries, but participants most commonly associated this term with innovative companies that provide products or services with a positive environmental impact. We asked them about the types of initiatives they would want to see to demonstrate our environmental commitment, and we will use their insights to feed into our strategy in this area.

In the meantime, we have continued to pursue the development of a range of products that enable customers to reduce the environmental impacts of using our mobile services.

Launched a Vodafone-branded solar charger

The Vodafone-branded Mono V solar charger was launched in the Czech Republic, Greece and Qatar in 2009/10, and trialled in six other local markets. It allows users to run their phones with free, renewable energy. Each charger could save around 23 kilograms¹ of carbon in its useable life. We also plan to launch a new Vodafone-branded solar-powered handset in 2010/11.

Explored how environmental design can cut impacts from handsets

We have developed a new set of environmental principles which encourage handset suppliers to take a holistic approach to managing the environmental impacts of mobile phones, chargers and other consumer products – from the materials they are made from and packaging they are presented in, to the energy they use. We will launch these and work with our suppliers to reduce environmental impacts across our product range in 2010/11.

In 2009/10, we introduced one of the most sustainable handsets currently available, the Samsung Blue Earth, in seven markets. The Blue Earth is a high specification phone that makes extensive use of recycled plastic and has a number of energy efficiency features.

Launched two handsets with a universal charger

Vodafone has signed up to an industry-wide commitment to implement a universal charger across all new devices by 2012. A wide variety of manufacturers will produce mobile phones with the connection point this charger uses, allowing the same charger

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Supporting green innovation in the UK



Vodafone's EcoMo09 event was a 24-hour event for young software developers, held in London in September 2009. Nine teams comprising 28 developers took part in the event, which centred on a competition to come up with tools and services to help people understand and modify their environmental impact. Entries included a CO₂ translator and an individual/community sustainability game. The competition was won by a recycling location aggregator, "free.near.me".

Jeremy Green, Practice Director at Ovum (talking about EcoMo)



"Perhaps not very much of this will end up as real products/applications, and not all those that do will end up actually changing behaviour as they intend to, but it's impossible to look on without being impressed by the ingenuity and the enthusiasm. I am very impressed with the ideas, the inspiration, and the team behind this."



¹ Source: Better Energy Systems.

to be used by different phones. In 2009/10, we launched two handsets with a universal charger, the Vodafone 340 and the Vodafone 545. All new Vodafone-only branded handsets in development at the start of 2010/11 will feature the universal charger.

Reduced environmental impacts of packaging and paper billing

We have redesigned packaging for Vodafone-only branded devices to enable up to 80% more handsets to be distributed on each pallet. The slim-line packaging also features an outer coating which decomposes more easily.

We continue to promote paperless billing in many of our local markets. More than 200,000 customers are using the electronic invoicing service introduced by Vodafone Romania in September 2008, saving around 3 tonnes of paper every month.

Collected 1.33 million handsets for reuse and recycling

Handset recycling programmes are available in 15 of our local markets. Local initiatives to encourage consumers to return unwanted handsets included cash for phones in the Netherlands and a campaign in Italy to invest funds raised from selling these handsets into solar panels for schools.

In 2009/10, we collected 13% fewer handsets than the previous year. There is increasing demand for old phones from other parties, including charity collections and companies offering to buy used handsets. Our aim is to reduce handsets being sent to landfill, rather than to collect as many old phones as possible – as long as handsets are reused or recycled responsibly, we do not need to collect them ourselves.

We believe the more pressing issue is a general lack of facilities in some countries to dispose of electronic waste responsibly. Therefore we have shifted our strategic focus from collecting handsets to building capacity in emerging markets.

Researched capacity to manage electronic waste in India and Kenya

In 2009/10, we commissioned research into the management of end-of-life mobile phones in India and Kenya. We built on our previous study on electronic waste capacity in Kenya, and explored practical actions which Vodafone could take to help build capacity to manage electronic waste. In both cases, a range of interventions are required, for example policy making, behavioural change, appropriate training and better infrastructure. We will hold stakeholder workshops in India, Kenya and South Africa to identify what actions Vodafone can take in the near future to contribute to building this capacity.

We will...

- Be recognised as a 'green' brand in at least 75% of the developed markets where we operate **by March 2012**. In the next 12 months we aim to:
 - Pilot a set of consumer-facing initiatives in one developed market
 - Roll out our environmental principles for handset and accessory suppliers
 - Launch the Mono V solar charger in three further markets
 - Launch all new Vodafone-branded devices with the universal charger
- Contribute to building capacity to manage electronic waste in three emerging markets **by March 2012**. In the next 12 months we aim to:
 - Conduct stakeholder workshops to determine how we can help to build e-waste capacity in three emerging markets
 - Formulate an action plan based on the findings of the stakeholder workshops

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Vodafone Greece launches environmental game

Vodafone Greece has teamed up with Cell for Alternative Youth Activities to launch Planetbook, a Vodafone-branded environmental board game designed to educate and raise awareness of environmental issues.

It includes specific questions related to key issues for Vodafone Greece, such as handset recycling. The game also encourages players to take action to protect the environment. School teachers in the Western Attica region of Greece are already using the game to raise awareness and encourage students to take action to protect the environment, and it will continue to be distributed around the country.

James Taplin, Principal Sustainability Advisor, Forum for the Future

"Reusing mobile phones provides the new owners with cheaper devices. Nowhere is this more important than in developing economies. But what happens to the devices when they are defunct? Left unmanaged, all too many end up discarded, or in informal backyard recycling schemes, both of which have significant health and environmental impacts. This is why Vodafone's goal of addressing electronic waste in emerging markets is so important. Working together for the last few years has given us a good understanding of what the challenges are in establishing a successful e-waste recycling scheme, and what they require to make them self-sustaining."

More on the web

www.vodafone.com/responsibility

- Forum for the Future study on managing e-waste in Kenya


Enabling a low carbon society, tackling our own footprint

Climate change presents a fundamental challenge to our way of life and is becoming an increasingly pressing problem for society. It is very much in our interest to contribute to solutions because this global challenge threatens future social stability and economic prosperity.

The impact of climate change will be felt disproportionately by emerging economies that are important to the future growth of our business. The effects of climate change also have the potential to impact Vodafone's networks directly through extreme weather events and rising operating costs from fuel prices and taxes on emissions.

At the same time, Vodafone has an opportunity to play a key role in tackling climate change by helping others reduce their emissions. Research shows that mobile communications products and services can help to enable a low carbon economy.

We apply innovation and influence to minimise the climate impacts of our business at every stage of the value chain, aiming to cut emissions from our operations and our supply chain, and to help our customers reduce their carbon footprint. To guide our efforts, we have set strategic objectives in each of these three areas (see page 32).

 [Read more at www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)



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Our climate strategy has three key elements:

- Deliver products and services to enable consumers and businesses to reduce their environmental impact
- Reduce or offset emissions from our operations
- Partner with suppliers to develop more efficient network equipment and handsets, while encouraging them to reduce their own emissions.

Enabling a low carbon economy

Vodafone can help business and consumers make the transition towards a low-carbon way of life. Mobile can facilitate this by, for example, replacing travel with remote working. Even greater potential gains can be made from machine-to-machine (M2M) connections that offer significant efficiency improvements in logistics and manufacturing processes, and are also enabling a new generation of efficient energy grids – ‘smart grids’. We plan to capitalise on these opportunities through our new dedicated M2M business, with a target to provide 10 million carbon-reducing connections in the next three years.

Tackling our operational footprint

While new products and services provide a significant opportunity, we also take the responsibility of reducing our own carbon footprint very seriously. To meet our strategic target to cut emissions from our operations, we aim to minimise our overall energy use and explore ways to reduce emissions from the power we use through renewable alternatives. This strategy will help us cut costs, protect us from the potential volatility of future carbon prices and ensure energy security. Renewably powered base stations will also reduce our dependence on diesel in many emerging markets, improving cost efficiency.

We expect to cut emissions in our mature markets – those included in our target to halve emissions by 2020 – through a series of step-changes as more efficient network equipment and base stations powered by renewable energy are deployed. As our business expands into new markets, we recognise that this growth cannot be accompanied by an unconstrained rise in carbon emissions. We will establish carbon intensity targets in these markets to ensure that our rapidly expanding networks are as efficient as possible and limit the increase in carbon emissions.

Working with others

Strong partnerships with our suppliers will be a crucial part of our carbon reduction strategy. We need them to develop innovative technology to help us cut emissions from our networks, and remain competitive by offering our customers more sustainable products and services. Reducing suppliers’ energy use and emissions can also cut the costs they pass on to us. We have a target to develop joint CO₂ reduction strategies with suppliers covering 50% of our procurement spend, to drive carbon reductions throughout our value chain (see page 39).

We recognise that our business not only impacts on climate change but may also be impacted by a changing climate. We have sought advice from climate change experts and begun reviewing our business continuity plans to identify local markets and processes most at risk.

The Copenhagen Summit in December 2009 failed to agree binding targets to cut carbon emissions and to support emerging low-carbon technologies. We nonetheless remain committed to showing strong leadership on CO₂ reductions. We participate in forums such as the European ICT for Energy Efficiency (ICT4EE) Forum and Corporate Leaders’ Group on Climate Change to help shape climate policies relevant to our industry.

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Strategic objectives
Climate change

- Provide 10 million carbon-reducing M2M connections by March 2013
- Reduce CO₂ emissions by 50% against the 2006/07 baseline by March 2020
- Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend by March 2012

Climate change: customers

We said...

- We would increase by five times the number of machine-to-machine (M2M) connections which facilitate CO₂ emissions reductions **by March 2013** against a 2008/09 baseline¹

We have...

Published a report researching the potential of mobile technology

Following the SMART 2020² report published by the Global e-Sustainability Initiative in 2008, we have conducted our own research into the potential of the mobile industry to reduce emissions, focusing initially on Europe. In July 2009, Vodafone collaborated with global management consultancy Accenture to release the Carbon Connections report, a detailed analysis that quantifies elements of the mobile telecommunications industry's role in tackling climate change.

The report identified 13 wireless telecommunications opportunities that together have the potential to reduce greenhouse gas emissions by 113 megatonnes (Mt) per year, cutting associated energy costs by €43 billion across 25 EU member states in 2020 if fully implemented (see below).

To achieve these savings, Carbon Connections envisages the need for 1 billion mobile connections. The report estimates that around 85% of these will be machine-to-machine (M2M) connections. M2M is a remote wireless connection that allows for two-way communication of data between machines. For example, M2M can monitor the load capacity of the electricity network, which helps to locate network losses and minimise energy shortages. Collaboration with device manufacturers and systems integrators to develop an integrated service is an important aspect of our efforts to build Vodafone's M2M business (see below and diagram on the M2M value chain, page 34).

Opportunities identified by Carbon Connections

The Carbon Connections report identified potential carbon-reduction opportunities in five key areas. The potential carbon savings, together with respective cost and energy reductions in 2020 include:

- Dematerialisation:** Carbon savings of 22.1 Mt CO₂e; Energy cost savings of €14.1 billion by replacing office space, inefficient processes or travel with virtual alternatives such as videoconferencing and mobile delivery notifications
- Smart grid:** Carbon savings of 43.1 Mt CO₂e; Energy cost savings of €11.4 billion by improving efficiency of electricity grids through active monitoring and reducing reliance on centralised electricity production
- Smart logistics:** Carbon savings of 35.2 Mt CO₂e; Energy cost savings of €13.2 billion by monitoring and tracking vehicles and their loads to improve the efficiency of logistics operations by utilising vehicles more fully
- Smart cities:** Carbon savings of 10.5 Mt CO₂e; Energy cost savings of €3.7 billion by improving traffic and utilities management
- Smart manufacturing:** Carbon savings of 1.9 Mt CO₂e; Energy cost savings of €0.8 billion by synchronising manufacturing operations and incorporating communication modules in manufactured products.

¹ This target has been updated going forwards, see page 35.

² SMART 2020: Enabling the low carbon economy in the information age, a report by The Climate Group on behalf of the Global e-Sustainability Initiative (GeSI), 2008. [Read the full report online.](#)

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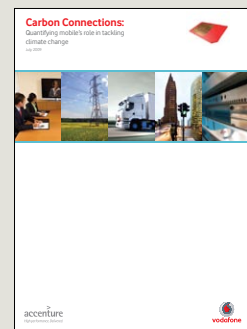
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Launch of Carbon Connections – Quantifying the role of mobile in tackling climate change, July 2009



Dax Lovegrove, WWF



"Carbon Connections is very good at looking at how ICT can be an enabler for significant carbon savings. Vodafone needs to build on this approach and target high-carbon activities associated with food, homes, energy, mobility and cities in the development, promotion and implementation of low-carbon solutions."

Trewin Restorick, Global Action Plan



"What is Vodafone's position on all this? Is this just about creating a new market? I'd like to see more honesty by the company saying 'yes, this is a business opportunity, but we are also doing this because it is a challenge our business is going to face'."



While Vodafone has a key role in this area, the report points out that the approach has to be stimulated by governments, businesses and other players. In 2009/10, we held a focus group and  **online debate** among key stakeholders, including industry experts, NGOs, academics and the media to publicise the report's findings. These events were designed to gain insight into experts' views on the specific areas we should be tackling and how to partner effectively with different industries to make the potential CO₂ savings a reality. This insight is helping to shape our commercial direction for M2M services, and has informed further engagement with policy makers and regulators.

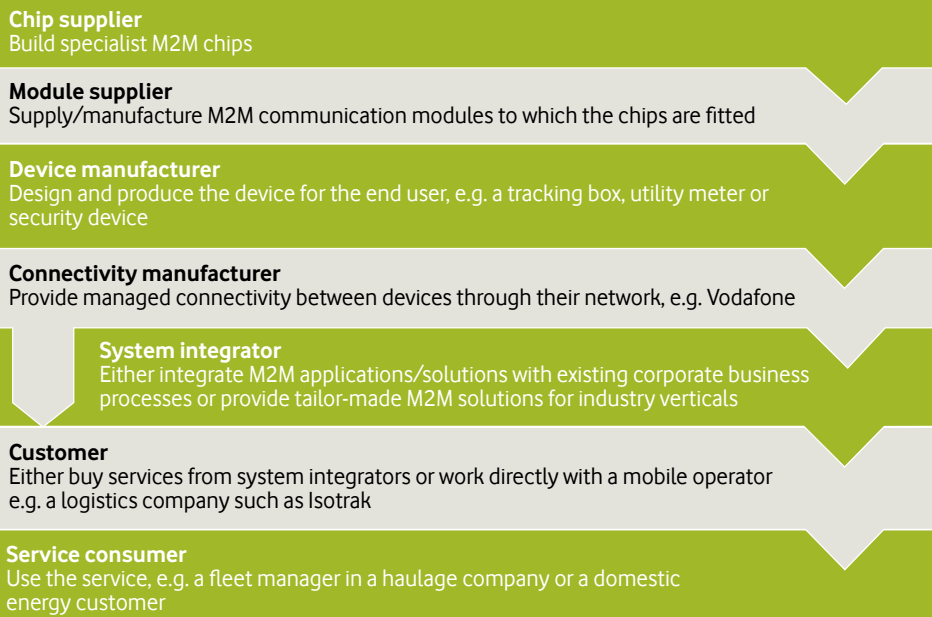
Opened a new business stream for M2M

We launched a global M2M service platform in July 2009, which aims to meet the expected rise in demand for M2M services around the world as companies increasingly look to improve efficiency through, for example, smart metering, connected fleets and the remote monitoring of equipment.

Vodafone will provide a single point of contact for customers to manage M2M connections and our service platform will be supported by a team of experts. In the US, we have created a strategic partnership with our joint venture Verizon Wireless. The alliance aims to deliver a simple and effective international management solution for the growing number of companies looking to use M2M wireless communications to enhance their customer service. It will also help companies create new service offerings in sectors such as energy, healthcare and automotive telematics.

In 2009/10, Vodafone UK launched a multi-million-pound partnership with British Gas to supply nearly 1 million M2M connections for household electricity meters. These will enable families to monitor the energy they use, helping them cut costs and related CO₂ emissions – typically a saving of between 5–10%. The connections will allow British Gas to access energy data remotely, eliminating the need for meter readings.

The M2M value chain



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Smart logistics in the UK



Fleet management company Isotrak is using M2M solutions over the Vodafone network to enable smart logistics, helping UK businesses cut fuel costs and CO₂ emissions, reduce fleet size and save time.

The company's Active Transport Management System combines satellite tracking and onboard telematics data sent over Vodafone's network, using standard SIM cards. This enables businesses to monitor their fleets remotely and plan more efficient logistics based on where vehicles travel, what they carry and how they are driven. Changing driving behaviour can also increase fuel efficiency by between 5 and 15%.

More on the web



www.vodafone.com/responsibility:

- Carbon Connections report
- Carbon Connections online debate
- SMART 2020 report
- Participation in industry partnerships on environment

Established a new target to provide 10 million carbon-reducing M2M connections by March 2013

M2M is rapidly expanding in most of our markets and data collection processes have yet to be fully aligned on a global scale. Determining which M2M connections have a carbon-reducing impact is also complex. As a result, pinpointing a reliable baseline figure for 2008/09 and assessing our sales of carbon-reducing M2M connections for 2009/10 has been challenging. To simplify our reporting we have revised the wording of the target to eliminate the need for baseline data, making our strategic objective to provide 10 million carbon-reducing M2M connections by March 2013. Our dedicated M2M business also plans to review and improve data collection processes to ensure they accurately capture global M2M revenues and share of M2M revenues derived from carbon-reducing applications.

We will...

- Provide 10 million carbon-reducing M2M connections **by March 2013**
 - Review and improve data collection processes and develop a method for identifying and tagging carbon-saving M2M solutions

Climate change: operations

We said...

- We would reduce CO₂ emissions by 50% against the 2006/07 baseline **by March 2020**

We have...

Adopted a dual-target approach to reducing CO₂ emissions in mature markets and emerging markets

Since 2007/08, when we established our Group target to halve emissions, Vodafone has expanded into several new local markets (including Ghana, India, Qatar and Turkey), which were not included in this target because they were acquired after the 2006/07 baseline.

We recognise that growing our business and extending the economic and social benefits of telecommunications in emerging markets cannot be accompanied by an unconstrained rise in carbon emissions. Vodafone has therefore adopted a dual-target approach: the 50% absolute reduction target remains valid for mature markets and we will develop a new CO₂ intensity target for emerging markets in 2010/11.

To improve the clarity of the target, we define mature and emerging markets for this purpose according to obligations under the Kyoto Protocol (see page 36 footnote 1). All of our local markets that are obligated under the Kyoto Protocol are included in the 50% absolute reduction target. The 2006/07 baseline has been recalculated accordingly and we are now targeting a 50% reduction against a baseline of 1.04 million tonnes¹ (reducing the original 2006/07 baseline by 73,000 tonnes).

We believe that an intensity target is appropriate for emerging markets where the number of subscribers and usage rates are growing rapidly as these countries develop mobile communications from a low base. We hope to use this intensity target as a first step towards setting an absolute target for emerging markets in the future. In the meantime, it will help ensure our expanding networks are as efficient as possible.

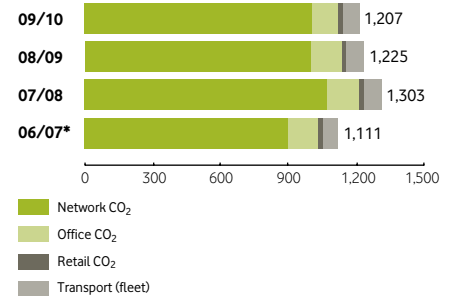
Our two biggest emerging markets, India and Turkey, have already begun implementing local climate change strategies established in 2008/09, which will help them achieve the forthcoming intensity target (see [website for more information](#)).

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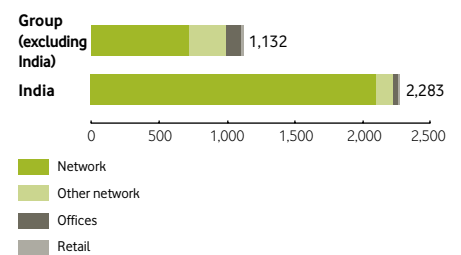
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Total net CO₂ emissions ('000 tonnes CO₂)

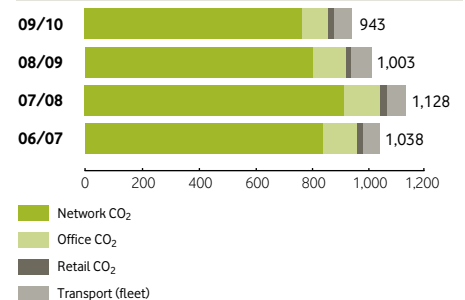


* N.B. 06/07 figures in the CO₂ emissions reporting table on page 36 only includes data for mature markets, whereas here it includes both mature and emerging markets.

Total net CO₂ emissions 2009/10 ('000 tonnes CO₂)



Net CO₂ emissions – mature markets only ('000 tonnes CO₂)



¹ The 50% reduction target covers CO₂ emissions from all energy sources and vehicle fleets within mature markets, but does not include business flights or other greenhouse gases which have only been included in our emissions reporting since 2008/09.

CO₂ emissions reporting (tonnes CO₂)

		Mature markets ¹			Emerging markets ¹		Total	
		06/07 base year	08/09 ²	09/10	08/09 ²	09/10	08/09 ²	09/10
Gross emissions³								
Base stations	Electricity	695,292	700,727	733,462	123,168	155,078	823,895	888,540
	Diesel	24,532	28,204	27,364	37,599	45,391	65,803	72,755
	Other	1,938	42,438	1	448	686	42,886	687
	Total	721,762	771,369	760,827	161,216	201,155	932,585	961,982
Other network	Electricity	308,871	286,923	313,083	25,038	31,168	311,962	344,251
	Diesel	473	873	1,058	570	262	1,443	1,321
	Natural gas	6,943	759	571	0	0	759	571
	Other	0	28,832	160	0	0	28,832	160
Total	316,287	317,387	314,873	25,608	31,430	342,995	346,304	
Offices	Electricity	128,309	105,153	97,170	22,500	18,033	127,653	115,203
	Diesel	1,439	1,044	417	188	54	1,233	472
	Natural gas	11,361	12,001	10,175	0	220	12,001	10,395
	Other	0	11,266	4,011	0	0	11,266	4,011
Total	141,108	129,465	111,774	22,688	18,307	152,153	130,081	
Retail	Electricity	23,546	24,036	25,420	637	549	24,673	25,970
	Diesel	0	0	0	0	0	0	0
	Natural gas	1,236	710	1,022	0	0	710	1,022
	Other	0	2,630	185	0	0	2,630	185
Total	24,782	27,377	26,627	637	549	28,014	27,177	
Travel	Road	61,496	63,518	62,088	11,425	13,081	74,942	75,169
	Total	61,496	63,518	62,088	11,425	13,081	74,942	75,169
Total		1,265,435	1,309,115	1,276,189	221,574	264,523	1,530,689	1,540,712
India						2,283,153		2,283,153
Total (including India)						2,547,676		3,823,865
Emissions from renewable tariffs⁴								
Base stations		(148,689)	(241,974)	(238,777)	0	0	(241,974)	(238,777)
Other network		(54,186)	(45,459)	(72,471)	0	0	(45,459)	(72,471)
Offices		(19,320)	(13,940)	(18,735)	0	0	(13,940)	(18,735)
Retail		(5,489)	(4,773)	(3,286)	0	0	(4,773)	(3,286)
Total		(227,683)	(306,146)	(333,268)	0	0	(306,146)	(333,268)
Emissions from sales of renewable energy back to the grid								
Total		0	0	(11)	0	0	0	(11)
Total net emissions⁵								
Total		1,037,752	1,002,969	942,909	221,574	264,523	1,224,543	1,207,433
Total (including India)						2,547,676		3,490,585
Travel (excluding India)	Air	–	23,480	25,498	1,968	1,668	25,448	27,166
	Total	–	23,480	25,498	1,968	1,668	25,448	27,166

1 CO₂ emissions are provided for mature markets (Czech Republic, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, New Zealand, Portugal, Romania, Spain, UK) and emerging markets (Albania, Egypt, Malta and Turkey). India is not included in the data. Our joint venture in Italy is included in all years.

2 2008/09 data has been restated due to more accurate information being available after year end. Data for Australia has been removed from all numbers.

3 Gross CO₂ emissions are total CO₂ emissions before accounting for any emissions reductions that have been purchased or sold. For grid electricity, emissions have been calculated using a kWh to CO₂ conversion factor based on one of the following sources (in order of priority):

- Conversion factors provided by our energy suppliers
- Conversion factors provided by governments or other national bodies
- International Energy Agency conversion factors.

For the purposes of calculating gross CO₂ emissions, electricity generated from renewables purchased under a green tariff and transmitted through the national grid has been included, with emissions being calculated using the conversion rate for normal grid electricity.

4 CO₂ emissions associated with renewable tariffs have been reported separately using the conversion factor for normal grid electricity. Renewable tariffs include electricity purchased under 'green' energy tariffs backed by evidence of renewable supply and transmitted through the national grid.

5 Net CO₂ emissions have been calculated by subtracting emissions associated with renewable energy and emissions from sales of renewable energy back to the grid from gross CO₂ emissions.

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Qatar trials hybrid technology



Vodafone worked with Alcatel-Lucent to introduce its first hybrid renewable base station in the Qatar desert.

The site is powered by 18 solar panels that provide 3.06 kW of energy and a wind turbine that supplies 3kW at its peak. Intelligent controls at the base station ensure it draws power from both supplies, based on solar intensity and wind speed. So far, the back-up diesel generator is used less than 2% of the time, resulting in a 70% cut in diesel consumption already.

The low price of diesel in oil-rich Qatar makes it difficult for the hybrid base station to meet Vodafone's return on investment target under the green technology programme (see page 38), of less than three years. But this technology can be rolled out to remote sites elsewhere and we are using this trial to test the technology before introducing a prototype in South Africa in 2010/11.

Decreased total net carbon emissions by 1.4%

In 2009/10, our total net CO₂ emissions for all markets, excluding India, were 1.21 million tonnes, (plus a further 0.03 million tonnes from business flights). When the benefits of green tariff electricity are excluded, total gross CO₂ emissions were 1.54 million tonnes, only marginally higher than last year's value of 1.53 million tonnes. Combined greenhouse gas emissions¹ amounted to 1.37 million tonnes of CO₂-equivalent emissions.

For the mature markets covered by our 50% reduction target, total net CO₂ emissions have decreased by approximately 9% against the 2006/07 baseline. We expect to make substantial progress towards our 50% reduction target in these markets as more advanced technology is deployed across our network, which accounts for around 80% of all our CO₂ emissions.

Vodafone Essar has been excluded from our consolidated CO₂ reporting due to a reliance on information supplied by service providers. The sheer scale of our network operations in India means that the collection of reliable and complete energy data is particularly challenging. Considerable progress has been made this year in establishing better data collection systems, but further work is required before the data quality is the same standard as for the rest of the Group. The estimated CO₂ emissions of Vodafone's operations in India were 2.3 million tonnes. Of these, 2.2 million tonnes were from our network energy use, including emissions from network sites managed by Vodafone Essar (7% of base station emissions), and those managed by third parties (93% of base station emissions), principally Vodafone's joint venture, Indus Towers.

Continued to deploy energy-efficient technology in our network

We focus on reducing emissions from our network by installing more efficient components in all new base stations and replacing less efficient equipment in existing base stations. Technology such as single RAN base stations which combine 2G and 3G, more efficient power amplifiers, remote radioheads and free cooling continue to be rolled out progressively across our local markets.

For example, in 2009/10 we installed more than 4,000 free cooling boxes, which replace air-conditioning by allowing base stations to be cooled naturally, taking the total now used across our network to approximately 6,000. We also introduced more than 1,400 packaged unit devices for base stations in warmer climates, taking the total to 14,000. These combine air-conditioning in hot seasons with free cooling in moderate seasons.

Network sharing also helps to reduce the environmental impacts of our networks, as well as relieving pressure on planning authorities due to fewer site reviews, and reducing costs. We are now conducting network sharing initiatives in all of our markets and we secured network sharing agreements for over 75% of new base station sites deployed across the Group in 2009/10. Most of these are 'passive' sharing agreements through which we share sites and infrastructure with other operators but not network equipment. More significant energy savings can be achieved through 'active' sharing of network electronics and radio controllers, which we introduced in Spain in 2009/10. See our [website](#) for more on network sharing.

Increased the number of sites powered by on-site renewables to 354

We now have 354 base stations powered by on-site renewables in 10 markets. In June 2009, Vodafone Netherlands introduced the country's first wind-powered base station.

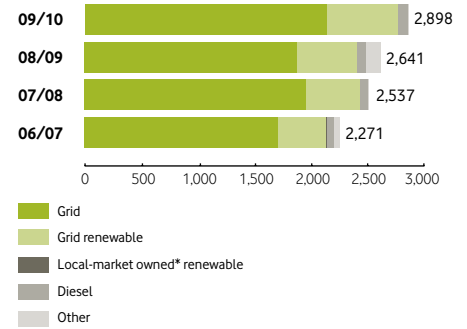
Diesel generators are often used to power base stations which are not connected to the energy grid in remote areas of emerging markets, or for use in case of power failure. In India and Africa, for example, almost 80% of our base stations use diesel

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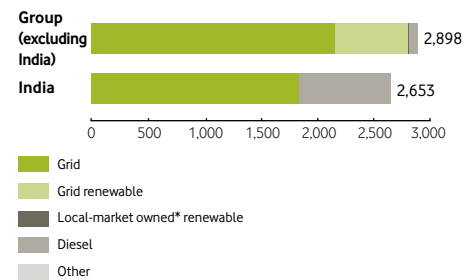
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Total network energy use by source (GWh)



Network energy use by source in 2009/10 (GWh)



* Local-market owned renewable energy is energy generated by the company from micro-renewable installations, e.g. a solar panel or small wind turbine.

¹ This is our total emissions of greenhouse gases (including CO₂, methane, nitrous oxide, various fire suppressants and refrigerants, and warming impacts of flights).

either as a primary energy source or as a back-up.

We have now established 11 pilot sites in emerging markets as part of our green technology programme, which aims to reduce diesel consumption in emerging markets through the use of renewable alternatives. The programme – introduced in October 2008 in cooperation with China Mobile, Vodacom and Indus Towers – targets technologies that provide a return on investment of less than three years.

In 2009/10, we continued working with Huawei, Nokia Siemens Networks and Alcatel-Lucent to design base stations with lower carbon emissions. In India, for example, we have partnered with Nokia Siemens Networks to launch two pilot sites using wind as the primary energy source, with the aim of reducing diesel consumption by up to 80%.

Alternating mode technology also helps reduce diesel use by using batteries managed by smart controllers as the main power source. This can reduce diesel consumption by up to 70%. For sites with higher power requirements, batteries can be supplemented with solar and wind power. We plan to deploy alternating mode technology at more than 500 of our sites across India in 2010/11.

Our low energy 'no frills' base stations, developed with Huawei, continue to provide coverage to rural communities in South Africa using solar energy.

Improved the efficiency of our data centres

Our network accounts for the vast majority of emissions; within this, our data centres account for 9% of our network CO₂ emissions. Energy consumption in our data centres is increasing, with the growth of online data storage and new mobile applications. We have two main data centres in Germany and Ireland, a regional data centre in Italy and several smaller data centres in other local markets.

At our data centre in Ratingen, Germany, we have reduced the power usage effectiveness (PUE)¹ – one of our key performance indicators used to measure our data centre energy efficiency – to 1.47. We have achieved this by installing more efficient hardware and through virtualisation activities to optimise server functionality, reducing the number of physical servers needed to store data. In 2010/11, we plan to introduce similar measures in our data centre in Dublin, Ireland, which currently has a PUE of 1.61.

In April 2010, our Ratingen data centre was externally certified as energy efficient by the German certification agency TÜV Rheinland. Criteria for certification include climate control, power supply, CO₂ emissions and overall data centre management.

Introduced technology to reduce employee travel

Employees at Vodafone use the most up-to-date technology to communicate and work together. We have created a way to combine the internal voice, data and video applications that employees use into one online experience. This showcases the increasingly connected world that Vodafone seeks to promote. Employees can communicate with each other through voice, video, instant messaging or web conferencing programs by simply clicking their colleague's name on their PC. These functions are already available to more than 56,000 employees.

Videoconferencing facilities have reduced the need for employees to travel for face-to-face meetings. We reduced our total distance flown on business flights in 2009/10 by 3% – flying a total of 175 million kilometres, creating approximately 27,000 tonnes of CO₂². This reduction is largely the result of cost-reduction exercises, together with expansion of our videoconferencing facilities. We now have 1,000 videoconferencing units, compared with 600 in 2008/09 and around 350,000 videoconferences were held around Vodafone in 2009/10.

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Corporate Leaders' Group on Climate Change in Ireland

Vodafone Ireland teamed up with Business in the Community Ireland and Friends of the Earth Ireland to create the Irish Corporate Leaders' Group on Climate Change.

Launched in September 2009, the group comprises 12 members from a variety of industries and calls for stronger government action on climate change. Its first communiqué asks the country's leaders to implement science-based targets and a tough climate change law.

We will...

- Reduce CO₂ emissions by 50% against the 2006/07 baseline **by March 2020** for mature markets
- Trial a carbon offset programme **by March 2011**
- Set a new CO₂ intensity target for emerging markets during 2010/11

1 PUE is the ratio of the total power consumed by a data centre facility compared with the power consumed by the IT equipment itself. A low PUE is achieved when the power for equipment running applications is maximised and the power consumed by support functions like cooling and power distribution is minimised.

2 Although our distance flown decreased, our CO₂ emissions increased slightly due to a higher proportion of short-haul flights.

More on the web

www.vodafone.com/responsibility:

- Environmental impacts lifecycle analysis
- Environmental management
- Other operational impacts: water, ozone depletion

Climate change: supply chain

We said...

- We would develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend **by March 2012**

We have...

Made progress towards developing joint CO₂ reduction strategies with key suppliers

We have begun working with key suppliers to develop joint climate change strategies designed to reduce CO₂ emissions across our value chain. Each joint CO₂ reduction strategy will involve working with a supplier to identify ways to reduce the supplier's carbon footprint, cut Vodafone's carbon footprint or help our customers reduce their carbon footprint.

This initiative builds on our long-standing collaboration with network equipment suppliers to cut emissions from running our networks by improving the energy efficiency of network components and developing base stations powered by renewable energy (see [climate change operations, page 35](#)).

Once objectives have been agreed for a joint CO₂ strategy, Vodafone and the supplier in question will develop an emissions reduction project, measure and track progress, and report on the initiative as it develops.

In 2009/10, we identified nine global strategic suppliers to engage in this new initiative. We have launched joint CO₂ collaborations with three network suppliers and an information technology supplier. A framework has now been established for joint collaboration on emissions reduction initiatives, including extra opportunities for improving energy efficiency of Vodafone's data centres.

Evaluated suppliers' own climate programmes

Through our participation in the Carbon Disclosure Project's (CDP) Supply Chain Programme, we asked an increased number of our suppliers, a mix of 235 global and local strategic suppliers, to disclose their greenhouse gas emissions and other related information. The overall response rate was 53% (124 responses), an improvement of 8% against last year, but less than our 75% target.

We used our climate change scorecard included on the supplier performance management programme to assess the answers provided by the suppliers. From the 50 global suppliers responding, 95% were using the Greenhouse Gas (GHG) Protocol framework to account for their emissions, 82% had set a public reduction target and only 5% had limited or no data on their emissions (see [table](#)).

Breakdown of answers provided by global suppliers responding to the Carbon Disclosure Project questionnaire

	% of 50 suppliers 2009/10	% of 65 suppliers 2008/09
Greenhouse gas emissions data based on the GHG Protocol	95	80
Public target to reduce emissions	82	55
Public disclosure of greenhouse gas emissions	43	38
Supply chain / product-based emissions information provided	18	20
No / limited greenhouse gas emissions data provided	5	20

We will...

- Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend **by March 2012**

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Growing responsibly, facing new challenges

Vodafone's operations depend on the people, infrastructure and financial resources that together determine our success.

We believe that our long-term interest, and that of our shareholders, is served by a strong commitment to act ethically and with integrity. We are making substantial investments in our emerging markets' businesses where our presence facilitates economic development.

We have a robust framework of policies and systems to manage our impacts and behaviour. These apply globally and are introduced progressively to emerging markets following our investment. While we want new markets to comply as quickly as possible, we recognise this must be balanced with the need for a more gradual transition that takes into account prevailing practices and does not undermine commercial success.

 [Read more at www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)

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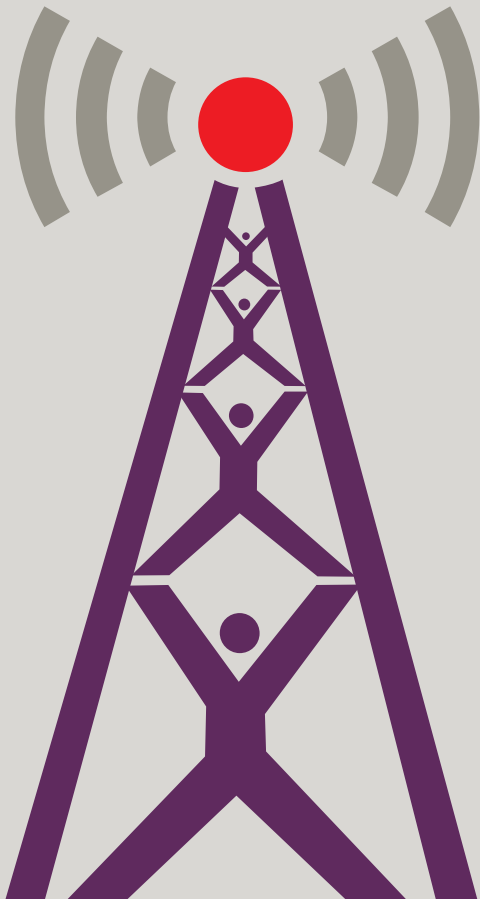
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Our sustainability strategy focuses on the benefits that we can deliver to society through our products and services – by, for example, improving access to communications and enabling a low-carbon society. Our networks and our people are central to achieving this strategy.

Networks

Responsible network deployment and operation are a critical aspect of Vodafone’s approach to sustainability. We aim to minimise the impacts of our operations in the following key areas:

- Prioritising the safety and wellbeing of our employees, contractors and the general public, driving a zero fatality culture
- Mitigating the impacts of network deployment on communities through public consultation and open communication about radio frequency (RF) fields and health
- Reducing environmental impacts of our networks by cutting emissions, sharing sites and equipment, and recycling waste.

In order to develop our networks in an efficient manner, we engage with local communities and aim to abide by all planning regulations in selecting sites for our base stations. However, often because of conflicting local and regional planning regulations, we are sometimes found in breach (see [KPI summary, page 67](#)).

Our vision is to lead the industry in responding to public concerns about mobiles, masts and health. We engage in dialogue with stakeholders to understand and address health concerns.

As we extend the reach of our network into new areas, we look for ways to use the most advanced and efficient technology available to minimise our carbon footprint (see [climate change, page 31](#)). We aim to recycle 95% of network waste across the Group (see [KPI table, page 67](#)) and help build emerging markets’ capacity to manage electronic waste (see [customers and the environment, page 29](#)).

People

Our people are key to our success so we have established strategic priorities to recognise and develop talent, and create an inclusive workforce. We believe these initiatives, coupled with our change management programme, ‘The Vodafone Way’, will ensure we have the appropriate resources to continue our successful business development.

We expect our people to act with integrity in everything they do and live up to the standards of behaviour set out in our Business Principles. These have been updated and strengthened through the development of a supporting Code of Conduct on specific issues. These will be rolled out in the coming year. Any suspected breaches must be reported under our Duty to Report Policy.

Tax

Vodafone is also committed to acting with integrity and transparency in all tax matters. We contribute to the development of tax policy by engaging with governments to ensure regulations promote sustainable investment, particularly in emerging markets.

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The Vodafone Group network

Total base station sites (plus 93,948 for India)	104,344
2G base station sites	42,658
3G base station sites	13,886
Co-located (2G and 3G) base station sites	47,800

What is a base station and wireless network?



Animated explanation available at www.emfexplained.info/?ID=24794

Source: EMF Explained from AMTA, GSMA & MMF (www.emfexplained.info).

Mobiles, masts and health

We said...

- We would maintain an approval rating against external stakeholder opinion on how responsibly Vodafone is acting regarding mobile phones, masts and health as a rolling average, targeted at or above 80% over any three-year period

We have...

Achieved a three-year average approval rating of 83% in our stakeholder research on mobile devices, masts and health

In 2009/10, our approval rating was 87%, a 14 percentage point increase from the previous year. This makes our three-year average approval rating 83%, exceeding our 80% target.¹

This was the fourth independent opinion poll of key external stakeholders across our local markets to monitor how seriously they think Vodafone takes its responsibilities relating to mobile devices, masts and health. Participants included relevant opinion formers, national politicians, local authority decision makers, health bodies, government departments, representatives from the media, non-governmental organisations, academics and industry associations.

Vodafone continued to lead the industry, maintaining a gap of seven percentage points over other operators, and 20 percentage points over a leading device manufacturer (see chart). We believe that our continued efforts to engage all relevant stakeholders have demonstrated what we do to communicate with the public, and play a leading role in the industry's approach to mobiles, masts and health. Our comprehensive [website](#) on the subject is regularly updated with links to the latest expert scientific reviews.

Conducted a public perception survey in three markets

In 2009/10 Vodafone commissioned a survey of approximately 4,000 people across three of our key emerging markets – Egypt, and, for the first time, India and Turkey – to learn how members of the public feel about mobile devices, masts and health. We asked people on the street about their understanding of base stations and how mobile devices work.

Around 4% of people across the three markets cited radio frequency (RF) emissions from mobile devices and base stations in response to a general question about potential risks to their health. When asked directly if they were concerned about RF emissions from mobile devices or base stations, around a quarter of respondents said they were, but not in a way that affects their daily behaviour. We take their concerns seriously and aim to provide more accessible evidence-based information.

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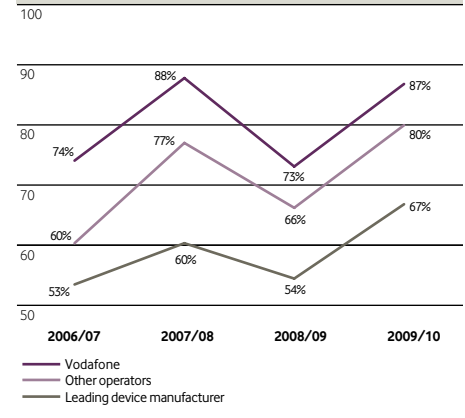
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Respondents who believe Vodafone are taking their responsibilities in relation to mobile phones, masts and health seriously (%)



¹ These results are from a consistent base of markets across the three-year rolling average to allow a fair comparison. In 2009/10, we surveyed a total of 101 stakeholders and based on the full survey, our approval rating was 86%.

Continued to monitor independent research

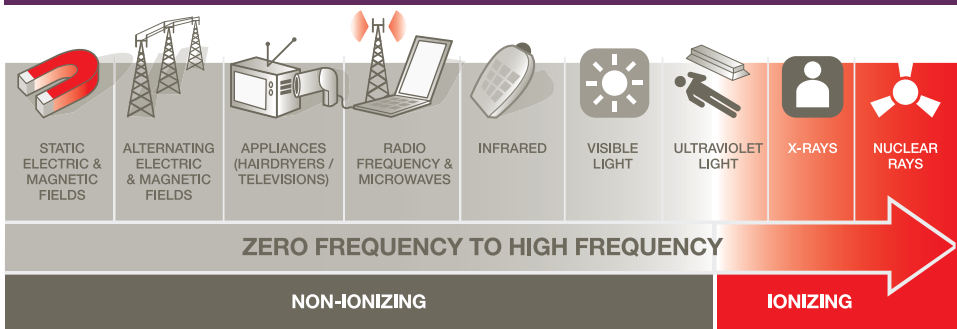
When monitoring research, we focus on the expert opinions of panels commissioned by recognised national or international health agencies. Information on independent expert reviews is updated throughout the year on our [website](#).

In 2009/10, the International Commission on Non-Ionizing Radiation Protection (ICNIRP) issued an expert review on the health effects of exposure to RF fields. The review was an important input into the World Health Organization's (WHO) health risk assessment process and formed the basis for ICNIRP to re-evaluate its 1998 scientific guidance on RF field exposure limits. Following the review, ICNIRP affirmed that the scientific literature published since 1998 has provided no evidence of any adverse health effects of RF fields within its recommended exposure limits, and subsequently reconfirmed its 1998 guidance.

Vodafone is guided by the WHO on which specific areas require further research. Extensive research has been conducted or is underway into the general health effects of RF fields and the WHO has identified a need for further research to assess the effects of long-term use of mobile devices and the use of mobile devices by children. Together with industry and government bodies, we support and contribute to funding of research into these specific areas. To ensure that the results of the research are independent of industry influence, we do not fund studies directly, but through national research programmes.

In May 2010, the combined findings from all study centres of the INTERPHONE study were published. This was a major piece of research by the International Agency for Research on Cancer (IARC) into the possible health effects of mobile phones. The study concluded that overall no increase in risk of glioma or meningioma (tumours of the head) was observed with use of mobile phones, but further research is needed for long-term use and use by children.

Electromagnetic Spectrum (EMF)



Source: EMF Explained from AMTA, GSMA & MMF (www.emfexplained.info)

Championed a new standard for testing mobile devices close to the body

Vodafone's testing requirements ensure compliance with the internationally recognised exposure limits set by ICNIRP. We require manufacturers to test the amount of energy from a radio frequency (RF) field absorbed by the human body – the specific absorption rate (SAR) of mobile devices – when used against the ear or near the body.

In 2009/10, we supported the International Electrotechnical Commission standards organisation in the development of a new international standard for SAR testing, which was published in April 2010. The new standard requires testing that better reflects the use of mobile devices close to the body – for example, mobile devices carried in a pocket or a wireless-enabled Net Book computer used on someone's lap. We will now seek rapid adoption of this new standard.

More information is available on the web at [EMF Explained](#); a website developed by the GSM Association, the Mobile Manufacturers' Forum and the Australian Mobile Telecommunications Association – www.emfexplained.info

Specific absorption rate (SAR) Mobile phone testing



Source: EMF Explained from AMTA, GSMA & MMF (www.emfexplained.info)

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Continued to defend four legal actions in the USA

Vodafone is one of a number of co-defendants in four actions filed in 2001 and 2002 in the Superior Court of the District of Columbia in the United States alleging personal injury, including brain cancer, from mobile phone use. We are not aware that the health risks alleged in such personal injury claims have been substantiated and we are vigorously defending such claims.

In August 2007, the trial court dismissed all four actions against the Company on the basis of the federal pre-emption doctrine. On 29 October 2009 the District of Columbia Court of Appeals ruled on the plaintiffs' appeal of the trial court's dismissal of all claims in the action on the basis of the federal pre-emption doctrine. The Court of Appeals has upheld the dismissal of most claims. However, the decision permits the plaintiffs to continue any claims alleging injuries in respect of mobile phones purchased before 1 August 1996 (the date of the Federal Communication Commission's Specific Absorption Rate standard ('FCC standard')); injuries in respect of mobile phones alleged not to have complied with the FCC standard; and fraud and misrepresentation in respect of the sale or marketing of mobile phones in question.

The cases have returned to the trial court to be adjudicated in accordance with the Court of Appeals' decision, and on 3 May 2010 plaintiffs in the four actions filed amended complaints with the Superior Court. The Defendants are expected to answer or move to dismiss the actions in June 2010.

Sharing good practice in new markets

All our base stations are compliant with international guidelines set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). When new companies join the Vodafone Group, compliance with our Group Health and Safety Policy Standard on RF Safety is a priority. However, we recognise that full compliance with this additional standard can take time and local compliance regimes in emerging markets are often still in development. Nonetheless, we require all new markets to comply with our own standards, and the local ones where they exist, within a reasonable transition period.

Our local markets in India, Qatar, South Africa and Ghana have been implementing the Vodafone Group Health and Safety Policy Standard on RF Safety. Vodafone India is now working towards full compliance with the new, more stringent Indian national guidelines for self-certification of ICNIRP compliance.

To aid compliance, we continually share good practice and other experience through partnerships between local markets. For example, teams from Vodafone Egypt and Vodafone Italy have worked with Vodafone Ghana's RF Leader to develop and approve a governance framework on RF fields, as required by our Group policies.

In Qatar, we shared expertise from across the Group with the national authorities and set out the case for adopting the guidelines set by ICNIRP as the national regulation.

We will...

- Maintain an approval rating against external stakeholder opinion on how responsibly Vodafone is acting regarding mobile devices, masts and health as a rolling average, targeted at or above 80% over **any three-year period**

Joseph Amoako,
Ghana Radiation Protection Institute

"Vodafone in Ghana has worked hard to engage with stakeholders and communicate to the public about the safety of mobile phones and masts. They have made the most of being part of a global company to ensure ICNIRP compliance across their network."



More on the web

www.vodafone.com/responsibility:

- How mobiles work
- What are RF fields?
- Summary of expert reviews
- ICNIRP guidelines
- Group Responsible Network Deployment Policy and guidelines
- Consulting with communities about network deployment

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Health and safety

We said...

- We would reduce the work-related lost-time incident rate by 10% (from the 2007/08 baseline) **by March 2012**
- We would ensure all managers receive health, safety and wellbeing training **by March 2011**
- We would ensure health, safety and wellbeing requirements are included in every request for quotation and all new contracts for high-risk activities **by March 2010**

We have...

Taken immediate action to address an unacceptable level of fatalities

Operating in some emerging markets brings a significantly more challenging environment for managing health and safety, where culture, attitude and practice on this topic can vary considerably. Our experience over the last 18 months has highlighted this to us, with the vast majority of fatal incidents occurring in emerging markets.

As well as taking urgent steps to improve health and safety performance in the operations within our control, we are determined to report our performance transparently to highlight the issues that affect our industry and work with others to raise standards across the sector.

We deeply regret that a reported 93 serious incidents in 2009/10 resulted in the fatalities of three Vodafone employees and 24 contractors making health and safety in our supply chain a top priority. This includes five employee and contractor fatalities from Ghana and Vodacom. Fatalities have been categorised as being the result of either workplace accidents or non-workplace incidents.

In addition, 14 members of the public died as a result of incidents involving Vodafone activities: 11 died in road traffic accidents involving Vodafone vehicles/drivers or our contractors' vehicles/drivers, two suffered fatal electric shocks from kiosks and hoardings advertising Vodafone Essar in India, and one was electrocuted by a poorly maintained power line contacting a metal fence.

Loss of life related to our operations is unacceptable and we immediately put in place measures to identify and tackle the causes of these fatalities.

Road traffic accidents were the biggest single cause of fatal accidents in 2009/10, including those in Ghana and Vodacom. Road traffic conditions in emerging markets are particularly challenging and account for more than 90% of road traffic fatalities globally³. We have stepped up our initiatives to raise awareness of road safety among employees and contractors. Reinforcing strict rules on speeding and wearing seat belts, for example, can significantly reduce the severity of incidents (see box, page 46).

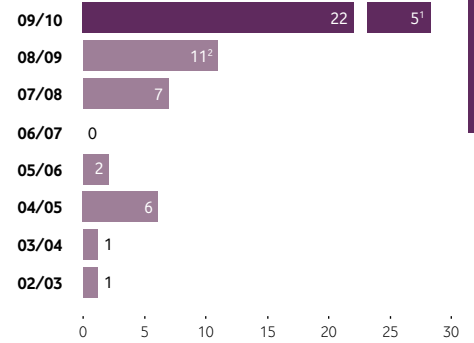
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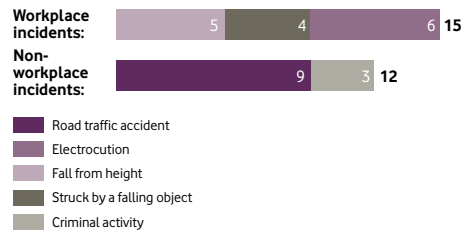
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Fatalities: Employees and contractors (number of fatalities)

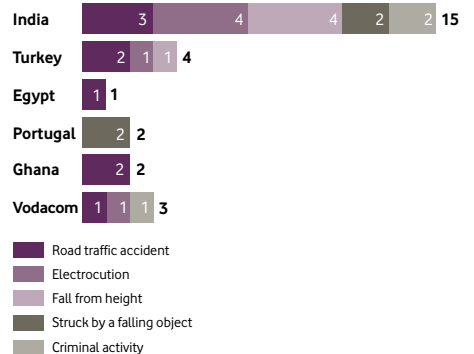


1 Local markets not within the assurance scope of this Report.
 2 This figure has been restated to include the seven fatalities of contractors in India which were reported separately in the 2008/09 report.

Fatalities 2009/10: Employees and contractors (categories of fatalities)



Fatalities 2009/10: Employees and contractors (by cause)



³ Global Status Report on Road Safety 2006, World Health Organization, http://www.who.int/violence_injury_prevention/road_safety_status/2009/en/index.html

Increasingly accurate incident reports from India, Ghana and Turkey helped us identify the root causes and take urgent action. In these three countries, where the majority of the incidents had occurred, we introduced a fatality prevention plan (see below) and linked local market CEOs' reward to health and safety performance. Our Group CEO personally intervened to demand urgent improvements in health and safety management from the contractors concerned and, in one case, stopped all payments from Vodafone until action was taken.

These measures have already had a marked effect, with a dramatic reduction in the number of fatalities from 21 in the first half of the year to six in the second. We continue to focus our efforts on preventing serious incidents.

Focused on fatality prevention in Ghana, India and Turkey

We implemented a fatality prevention plan in November 2009 to step up our focus on safety and tackle the root causes of serious incidents. The plan is initially being rolled out in Ghana, India and Turkey. To develop this plan, we looked to the experience of companies in high-risk industries (such as oil, gas and mining), engaging with them to understand the safety measures they have adopted. Six key initiatives are at the core of our fatality prevention plan:

- Leadership workshops** – all executives and senior managers from the local markets in question, together with relevant Group-level executives, participated in workshops to reinforce leadership behaviours that contribute to a strong health and safety culture (see case study, page 47).
- Senior management hands-on involvement** – Vodafone executives (including local/regional CEOs and the Group Human Resources Director) have introduced safety tours of local markets to assess health and safety standards and make recommendations for improvement.
- Health and safety management system** – we have begun implementation of a robust International Safety Rating System (ISRS) and training for employees on its effective use (see below).
- Absolute rules** – management in each of the three local markets has launched a campaign demanding zero tolerance in three critical areas: driver safety, electrical safety and working at height (see box).
- Focus on supply chain** – we are strengthening contractual health and safety requirements and engaging with contractors working on high-risk activities (see below). We are reaccrediting all network suppliers in Ghana, India and Turkey, based on an assessment of their health and safety management systems. Where suppliers do not meet our requirements, we will no longer work with them – 16 suppliers were removed from our tender list when the reaccreditation was completed in Turkey in 2009/10.
- Network safety** – we are working with suppliers to agree design specifications for network infrastructure that minimise health and safety risks.

Trained 220 employees in emerging markets to implement the ISRS safety management system

Line managers and health and safety teams in Ghana, India and Turkey completed a four-day competency-based training course designed to ensure they understand their responsibilities and the actions required to address the root causes of incidents. This training will support our implementation of the International Safety Rating System (ISRS), working in partnership with consultants Det Norske Veritas. The ISRS management and audit system provides a structured and targeted approach to health and safety management. We will audit implementation against this standard in each

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Six absolute rules – zero tolerance of unsafe behaviour



- Always** wear seat belts when travelling in, or operating vehicles.
- Always** use suitable personal protective equipment, a safety harness and fall protection equipment when working at height.
- Never** carry out electrical work on electrical equipment, circuits and gear if you are not qualified.
- Never** work under the influence of alcohol or drugs which impair your ability to perform tasks.
- Never** exceed speed limits or travel at speeds which are dangerous for the type of road, vehicle or conditions.
- Never** use a handheld phone whilst driving and only make calls by pulling over or using hands-free devices, when it is safe to do so.

of these three local markets during 2010/11.

Developed health, safety and wellbeing requirements to be included in requests for quotation and new contracts for high-risk activities

We communicated these strengthened requirements to key suppliers in 2009/10 and have already agreed them with our top four network suppliers and amended their contracts accordingly. We plan to include the clauses in all requests for quotation and new contracts for high-risk activities (such as network deployment) over the next year, and will audit our progress in 2010/11.

One of the requirements is for suppliers to implement a system to reward and penalise health and safety performance. In Turkey, for example, a key network supplier has introduced a system of penalties and commendations for teams working on our projects, sharing the results with Vodafone.

Worked with suppliers to improve health and safety performance

Health and safety specialists in the procurement team work closely with key suppliers to help them improve safety management in their own workforce and among sub-contractors, and deal with any issues that arise. In 2009/10, we asked 20 suppliers to complete a self-assessment to enable us to rate their health and safety capability. The 14 responses we received enabled us to rank each supplier's capability in each market, to prioritise action and feed into our audit planning (see supply chain, page 54).

We ran a series of health and safety workshops with key suppliers in 2009/10. Initially, we met with suppliers individually to discuss changes to their contracts and explain their role in our fatality prevention plan. We then held a group workshop in March 2010 for our top network suppliers – Alcatel-Lucent, Ericsson, Huawei, Indus Towers, Nokia Siemens Networks, SIAE and ZTE – to promote the development of best practices and encourage collaboration on safety initiatives to raise standards across the industry.

Vodafone also seeks to recognise suppliers who demonstrate a strong commitment to safety. In 2009/10, our CEO made three commendations to individuals who had made significant personal contributions: Huawei's Health and Safety Manager in Turkey, Vodafone Essar's Human Resources Director in India, and Nokia Siemens Networks in relation to their engagement at Group level and in India. In 2010/11, we are also launching a supplier health and safety award that will recognise strong commitment and good performance.

Worked to reduce lost-time incident rate

We had a total of 147 work-related incidents in 2009/10, a 1% decrease from the previous year. This is equivalent to a rate of 2.01 per 1,000 employees, down by 11% from 2008/09.

We will...

- Drive a zero fatalities culture, mindset and behaviour by:
 - Implementing the International Safety Rating System (ISRS) in Ghana, Turkey and India to level 3 **by March 2011**
 - Auditing high risk local markets and four key network suppliers **by March 2011**
 - Reduce the work-related incident rate resulting in lost time by 10% (from the 2007/08 baseline) **by March 2012**
 - Ensure all managers receive health, safety and wellbeing training **by March 2011**

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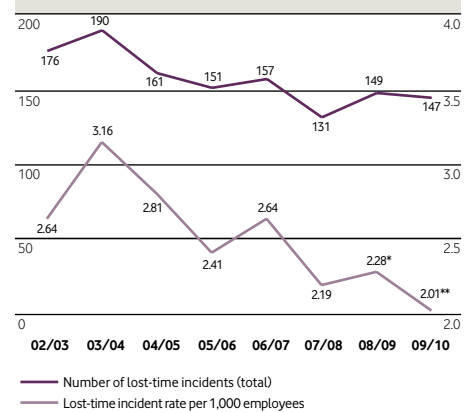
Safety leadership workshops in India

Safety has become a new mantra for senior leaders in India after taking part in our dedicated workshops.

Mr Sanakaranarayanan, CEO of the Karnataka Circle of Vodafone Essar, now begins all of his review meetings with 'safety moments'. He has launched a joint programme with key network contractors Indus and Nokia to emphasise safety in high-risk activities and introduced a quarterly award for the 'Best Safety Person' working in the field.

Vijay K Raghavan, Senior Vice President – Network Operations at Vodafone Essar, was the first to attend both the leadership workshop and the four-day modern safety management training. For Vijay, the key message was the importance of commitment and determination from the senior leadership team. "Once that is achieved, we will be able to bring in the desired culture change in the company."

Work-related lost-time incidents



* The 2008/09 LTI rate is based on a headcount figure of 65,447 encompassing all employees from Vodafone-branded and non-branded companies. It is not comparable to the data from 2007/08.
 ** The 2009/10 LTI rate is based on a headcount of 73,114 for local markets included in the scope of assurance for this Report.

People

We said...

- We would improve our Global Wellbeing People Survey score by 10% (from the 2007/08 baseline) **by March 2011**
- We would roll out our Global Employee Privacy Policy across the Group **by December 2009**

We have...¹

Launched The Vodafone Way

The Vodafone Way sets out our aim of being an admired company and puts the customer and innovation at the heart of our business. It defines a consistent set of values and behaviours for all Vodafone employees, emphasising:

- **Speed** – bringing products and services to market quickly and prioritising the things that really matter
- **Simplicity** – making things simpler for our customers, business partners and colleagues
- **Trust** – acting with honesty, integrity and fairness, being reliable and transparent, and valuing the confidence that people place in us as a company.

Launched by our CEO in June 2009, The Vodafone Way was introduced in each local market and communicated to all employees in 2009/10. We assess whether our employees are working in The Vodafone Way as part of their performance reviews, and use our annual Global People Survey to measure how well they think we are aligned with speed, simplicity and trust.

In 2009/10, many of our senior leaders participated in workshops on 'Leading in The Vodafone Way', run by members of our Executive Committee, and we will extend these to all Vodafone senior leaders in 2010/11. As part of The Vodafone Way's focus on customers, from November 2009 all senior leaders in our local markets spend one day a month with customers and staff in retail stores and call centres. Insights from these customer days are used to simplify customer-facing processes and improve customer experiences.

Vodafone Way Heroes

Employees who demonstrate outstanding commitment to customers and The Vodafone Way are nominated each quarter for recognition as The 'Vodafone Way Heroes' awards. Introduced in November 2009, The Vodafone Way Heroes award recognised 85 employees in 2009/10. These are just a few examples:



Danielle Puma, Vodafone Netherlands CSR and Foundation Manager, used social media to promote the World of Difference Campaign in the Foundation, building trust in our brand.



Customers who originally call with a complaint frequently call again to compliment **Maria O'Toole** and her customer experience team in Ireland.



Lucilla Arokianathan's efforts to improve the quality of customer service in India has seen a dramatic reduction in complaints of up to 90%.

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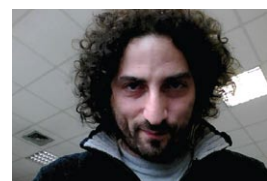
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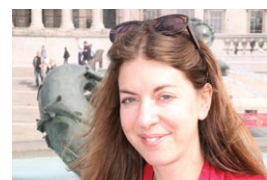
Vodafone Way Heroes cont.



During recent floods in Turkey, **Tolga Tomruk** quickly mobilised his supply chain management team to restore service quickly for our customers.



When technology specialist **Giuseppe De Palo** was not satisfied with our vendor's solution to save energy in part of our network in Italy, he developed his own solution within two months.



Striving for simplicity, **Lisa Felton** in the Group Legal team used straightforward language to help us earn the Plain English Campaign Crystal Mark for Vodafone 360's terms and conditions.

¹ The data in the People section of the Report covers all local markets and in addition Ghana, Qatar and Vodacom as reported in the Vodafone Group Plc Annual Report.

Maintained strong employee engagement with an engagement score of 76% in our Global People Survey

Over 65,000 employees responded to our annual Global People Survey in November 2009, which represents an 89% response rate. The survey asks employees about their commitment to Vodafone, their desire to continue working for us and their willingness to recommend Vodafone as an employer in order to measure employee engagement.

In 2009/10 we received an overall engagement score of 76% and maintained the external high performance benchmark. This demonstrates that our people continue to feel committed to the company and are willing to give their best. Pride in Vodafone continued to increase to 83% and scores in our Manager Index – which measures the experience our managers create for their teams – also remain robust at 72%.

Held Performance Dialogues to engage individually with employees about the work they do

We encourage all managers to hold regular performance discussions with people in their teams. Annual Performance Dialogues are mandatory to enable each employee to receive a performance and potential rating, which is the basis for development planning and reward decisions. These discussions help employees define goals, track their performance and assess how their behaviour aligns with The Vodafone Way.

Continued training and development programmes to help employees realise their full potential

We invested over £29.5 million on training and development in 2009/10, delivered through a combination of online learning programmes, local training events and global development programmes. For example, in 2009/10 we introduced a year-long Excellence programme for high potential employees in our Human Resources departments. The programme offers development support including training modules developed with leading management school IMD, mentoring and '360 degree' feedback.

In the 2009/10 Global People Survey, 71% of employees rated their opportunities to develop their skills and knowledge as good or very good.

We have introduced quarterly talent reviews to enable us to identify employees with high potential, and hold annual Development Boards to calibrate performance and potential at a local market and Group level. Our global talent management programme, Inspire, is designed to accelerate the progress of high potential managers into leadership roles through learning programmes, mentoring coaching and on-the-job business challenges over a period of 18 months, followed by a cross-functional or international assignment to another Vodafone local market. In 2009/10, 67 managers from 19 countries took part. Since the programme began in May 2008, 40% of participants have been promoted to more senior roles.

Increased our global focus on recruiting graduates

We want to attract the best and brightest graduates to work in all our local markets. A globally consistent graduate recruitment programme has been introduced to support local markets with a target to recruit 230 top graduates across the Group in 2010/11. Vodafone is also partnering with seven leading business schools around the world to recruit high potential MBA graduates to join the company and progress to key management and leadership roles.

Global people survey

Employees responding positively to sustainability-related questions (%)

I am proud to work for Vodafone



I am rewarded fairly for the work that I do



Rate your local market/Group function on taking a genuine interest in the wellbeing of its employees



Rate your local market/Group function on being ethical in the way it conducts its business



People in my team are treated fairly regardless of their gender, background, age or belief



0 20 40 60 80 100

Implemented our strategy to improve diversity and inclusion across the Group

Promoting diversity helps give us the variety of experience and perspectives we need to serve customers in all our local markets, and ensures we provide an inclusive workplace for our employees. We do not condone discrimination or unfair treatment on any grounds. In the 2009/10 Global People Survey, 87% of respondents agreed that people at Vodafone are treated fairly regardless of gender, background, age or belief, a two-point rise from the previous year.

Our diversity and inclusion strategy focuses on improving gender diversity and maintaining a mix of nationalities among our senior leaders. The percentage of women in our most senior roles increased from 13% to 14% in 2009/10. Three local market CEOs and two Executive Committee members are women (see chart).

We ran workshops for over 150 senior leaders in 15 markets in 2009/10 to promote inclusive behaviour and develop action plans tailored to local diversity and inclusion issues. We also trained 50 people from local human resources teams to run one-day seminars for middle managers, and piloted a half-week workshop to build understanding of diversity and inclusion among human resources teams.

In 2009/10, 26 nationalities were represented in top senior management, up from 23 the previous year (see chart). We are now extending our diversity and inclusion strategy to also focus on recruiting people from a range of total communications backgrounds.

Continued to link reward with performance

We reward employees based on their performance, potential and contribution to the success of the business. We offer global incentive plans paid according to individual and company performance. We aim to provide competitive and fair rates of pay and benefits in each of our markets (according to local market conditions and regulations).

In response to the global economic downturn, a pay freeze policy was introduced to the senior leadership team in 2009/10. Most local markets, however, did award bonuses through global and local plans, with greater emphasis on rewarding business and individual performance.

In January 2010 we confirmed the closure of our UK defined benefit pension scheme for future accruals on 31 March 2010. All UK-based employees were invited to join a new enhanced, defined contribution scheme which we believe is now highly competitive in the local market as well as more sustainable longer term.

The percentage of employees taking part in the Global People Survey who agreed they are rewarded fairly for the work that they do increased by eight points in 2009/10 to 58%.

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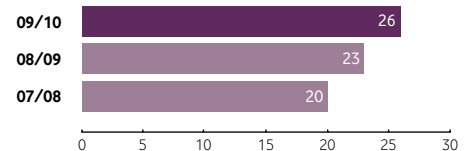
Talking talent

In January 2010, we launched a new talent initiative designed to help us gain a clearer understanding of our senior leaders' individual potential and to create robust succession plans for future leadership roles.

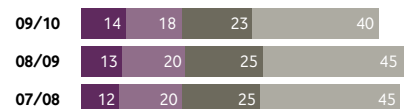
Talking Talent begins with one-to-one discussions about individuals' aspirations and potential during their annual performance dialogues. We also assess each senior leader's potential using indicators that measure their learning agility, such as their ability to engage effectively with others, examine and solve problems, deal with change and achieve results in challenging situations.

The output of these activities feeds into talent reviews at local, regional and global levels to identify high potential leaders, match their skills to business needs, resource senior leadership roles and help individuals achieve their development goals.

Nationalities in top management bands (approximately top 200–250 employees)



Women in management (%)



- Women in top senior management (approximately top 200–250 employees)
- Women in senior management (approximately top 1,100–1,350 employees)
- Women in middle management (approximately top 4,300–5,100 employees)
- Women (all employees)

Made organisational changes in several markets

These changes – as part of our efforts to increase the effectiveness and efficiency of the business – affected employees in the following markets and functions in 2009/10:

- 233 redundancies were made across central commercial functions. The majority of these were from reshaping of the internet services function, which involved the closure of Wayfinder: Vodafone’s location-based services organisation in Sweden.
- Vodafone Ghana continued its change programme reducing employees by 1,331 and recruiting more than 350 Ghanaians into new roles in the business.
- Vodafone Turkey reviewed its organisation structure to streamline processes and reduce duplication. This resulted in over 300 redundancies. Turkey has reinvested in hiring similar numbers of new talent into key roles and building a graduate recruitment programme.
- Vodafone UK simplified its structure, mainly in back office teams, resulting in 490 redundancies. In the 2011 financial year the UK will be recruiting for 170 new customer-facing roles and appointing 50 graduates into their graduate programme.

The above organisation changes clearly had significant implications for the employees in these markets. Changes were communicated clearly and transparently. Where the changes resulted in redundancies, we offered a range of support to help affected employees find new jobs, for example outplacement services, insights into how to set up their own business and training on interview and resumé writing skills. Vodafone aims to treat all employees fairly, ensuring healthy employee relations through open communications and employee consultation.

Achieved a 7% increase in our Global Wellbeing People Survey score (from the 2007/08 baseline)

We are continuing to make progress towards our target to improve this score by 10% by March 2011, with 61% of those participating in the 2009/10 Global People Survey agreeing that Vodafone takes a genuine interest in their wellbeing. This represents a four percentage point or a 7% total increase from the baseline of 57% in the 2007/08 survey.

Our local markets continue to offer a range of programmes to promote wellbeing. Vodafone New Zealand, for example, achieved a significant increase in wellbeing scores in the 2009/10 survey by introducing regular health checks for all staff and enhancing employee recognition programmes. We also extended flexible working initiatives with new flexible workspaces introduced for employees in the Netherlands and for Group functions in our UK offices.

Adopted a Group Policy on employee privacy

In 2009/10, we introduced a Group-wide policy on employee privacy. It outlines minimum standards on how employee information should be collected and stored, as well as the types of data that Vodafone should gather, and how that information may be shared or used within Vodafone.

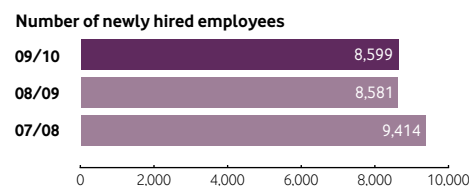
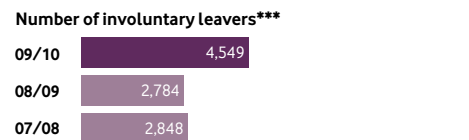
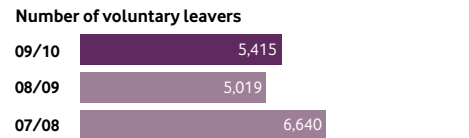
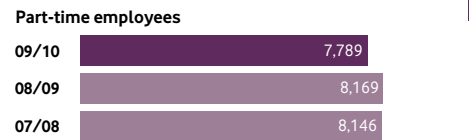
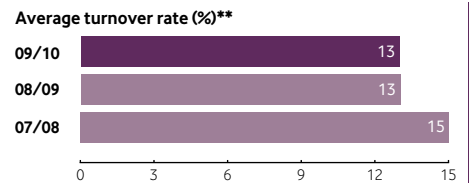
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Employee turnover data*



* Data for 2008/09 covers over 95% of employees included in the scope of this Report.
 ** Includes voluntary and involuntary leavers.
 *** Involuntary leavers are not only those who leave the business through redundancy but also through Vodafone-initiated separation or death in service.

Developed a Code of Conduct

The new Vodafone Code of Conduct provides clear guidance for employees on how to behave according to our Business Principles and engage in an ethical manner with colleagues, customers, business partners and other stakeholders. We will roll out the new code to employees in 2010/11.

Investigated 384¹ confirmed cases of internal fraud

Our Duty to Report Policy requires Vodafone employees and contractors to report any suspected breaches of ethics, internal fraud or other dishonesty to our Group or local Corporate Security (formerly Fraud Risk and Security) teams. Confidential whistle-blowing mechanisms, such as hotlines and dedicated email addresses, are available in all local markets.

Investigations of reported incidents resulted in 208 employees and 176 contractors being dismissed or receiving a final warning in 2009/10, compared with 285 employees and 264 contractors in the previous year. We believe that this 30% reduction in confirmed cases – a contrast to the rising trend in wider industry – is a result of the continued implementation of our Internal Fraud Action Plan and increased security awareness throughout the business.

In 2009/10, 1,035 employees across the Group received training on fraud, risk and security, which is a mandatory part of induction for new recruits. We will develop online training for all employees, including senior management, in 2010/11.

Strengthened capacity to investigate significant security issues

In 2009/10, we investigated 171 significant security issues – both internal and external – involving senior management or posing a serious risk to our reputation. These represented a loss to the business of at least £50,000. Incidents mainly related to organised subscription fraud, handset theft and phishing attacks.

We trained over 50 investigators in 2009/10 to improve our capacity to investigate security incidents at Group level and in seven local markets – Egypt, Ghana, Greece, Ireland, Malta, Romania and Turkey. We aim to extend this training to all local markets over the next two years to ensure a consistent standard of investigations across the Group.

We will...

- Maintain the high performance benchmark for employee engagement measured via our annual People Survey in 2010/11
- Increase the proportion of women in middle, senior and top senior management roles in 2010/11
- Improve our Global Wellbeing People Survey score by 10% (from the 2007/08 baseline) **by March 2011**
- Launch and communicate the Vodafone Code of Conduct to all employees **by March 2011**

¹ Figures exclude Ghana, Qatar (not yet reporting) and Vodacom.

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Internal fraud 2009/10¹

Internal fraud by type

Manipulation of customer account	164
Procurement fraud	2
Theft	54
False documents for fraud	36
Fraudulent invoicing	6
Theft or manipulation of data	49
Technical fraud	24
Payroll fraud	1
Other fraud	48

More on the web

www.vodafone.com/responsibility:

- Employee Rights Policy
- Health, safety and wellbeing management
- Employee consultation
- Employee volunteering
- Duty to Report Policy
- Anti-corruption Compliance Guidelines
- Human rights

Tax

We said...

- We would roll out the new tax risk management framework across the Group and continue to maintain high visibility at Board/Audit Committee level of tax risks
- We would continue to contribute to the debate to shape tax policy with a particular focus on our emerging market territories
- We would achieve greater clarity, certainty and transparency in relation to our tax affairs by further enhancing our relationships with tax authorities in the territories in which we operate

We have...

Generated more than £9 billion of tax contributions globally


In 2009/10, Vodafone paid £2.7 billion in taxes globally. This includes corporation tax and social security in all our local markets. Our business also generates other tax contributions (see chart), which, combined, amount to more than £9 billion every year.

Contributed to the development of tax policy around the world


We comply with tax laws in all our local markets. Vodafone aims to influence tax policy to encourage the development of competitive tax regimes that promote business and economic activity. In 2009/10, we developed a framework to evaluate tax policy developments that are relevant to Vodafone globally and to help us determine if and how we will engage with governments and tax authorities in response. We will roll out the framework in 2010/11.

In the UK, we remain engaged in consultation regarding the taxation of foreign profits, and Vodafone continues to support the  **Oxford University Centre for Business Taxation**. Our Group Head of Tax Strategy and Policy was appointed to the Board of the Confederation of British Industry's Tax Committee in 2009/10. Through its CFO, Vodafone Spain is participating in the Large Business Forum, established by the Spanish tax authorities in 2009/10.

Rolled out Vodafone's new Tax Risk Policy

Vodafone's  **Tax Risk Policy**, developed in 2008/09, is designed to ensure tax risks – financial and reputational – are assessed, tracked, recorded and managed consistently across the Group. It was rolled out to our local tax teams in 2009/10.

Revised our Corporate Finance Team Behaviours

In 2009/10, we revised our  **Corporate Finance Team Behaviours** (formerly Tax Team Behaviours) to ensure they align with The Vodafone Way (see people, page 48). The Corporate Finance Team Behaviours promote transparency on tax and finance issues, and encourage employees to communicate, innovate and work together more effectively.

We will...

- Roll out our new framework for evaluating tax policy developments globally **by March 2011**
- Enhance employees' understanding of our customers (including internal tax customers) and ensure they promote The Vodafone Way **by March 2011**
- Engage broadly and constructively with governments and tax authorities globally as they develop their fiscal response to challenging economic conditions

4

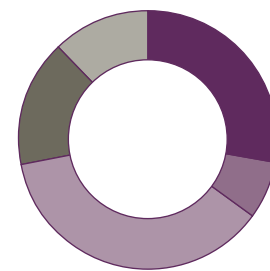
Operations

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 Mobiles, masts and health
 Health and safety
 People

_Tax

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Tax revenues at Vodafone (%)



Corporation tax	28%
Income tax paid by employees	7%
VAT paid by customers	37%
Telecommunications taxes	16%
Other	12%

Susan Symons, Tax partner,
PricewaterhouseCoopers



Building Public Trust Awards
PricewaterhouseCoopers' Building Public Trust Awards recognise trust and transparency in corporate reporting. In 2009/10, Vodafone was nominated and highly commended for Tax Reporting.

"The judges liked the clear link between tax and Vodafone's corporate responsibility principles and the use of the same framework to report on tax as on other corporate responsibility issues. The judges noted the line of sight from tax strategy all the way down to individual tax team behaviours and liked the discussion of how the Board is engaged on tax matters."

More on the web



www.vodafone.com/responsibility:


- Group Tax Code of Conduct
- Tax risk management policy
- Corporate Finance Team Behaviours
- Contributing to the debate to shape tax policy

Working together, driving performance

Vodafone sits at a pivotal position in the supply chain, linking the end customer with a complex pyramid of supply. We spend billions of euros with over 45,000 suppliers annually. Ensuring a high quality, reliable and cost-effective supply of products and services is vital for us to satisfy our customers and remain competitive in the marketplace.

There is a clear moral imperative for us to ensure Vodafone suppliers adopt fair and environmentally acceptable practices. This is complemented by very practical commercial considerations. For example, we rely on our suppliers to treat their staff well. Any failure to do so poses a reputational risk for us, but may also mean that a supplier delivers poor quality goods or is even closed for breaching legislation. Similarly, a supplier's failure to minimise its environmental impacts may impact our reputation and can add to expenditure through fuel costs, emission levies, or clean-up costs.

Increasingly, we also rely on suppliers to design products and services that can enable our customers to be more sustainable in their daily life and help us reduce emissions from our own operations – helping Vodafone become more competitive. These issues are covered in the climate change section (see page 31).

 **Read more at www.vodafone.com/responsibility**

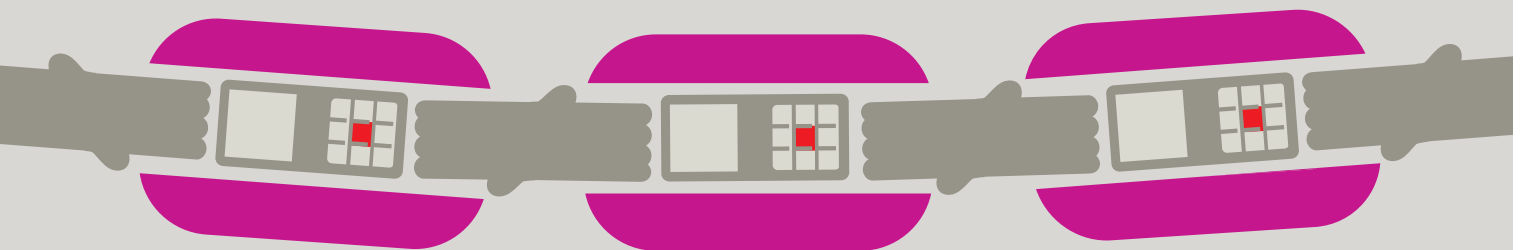
5

Supply chain

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Performance and progress

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Managing sustainability in our supply chain

Our Code of Ethical Purchasing (CEP) enables us to manage strategic sustainability issues in our supply chain and sets out our expectations for suppliers' performance. Our procurement teams receive regular training on the CEP so they can ensure all suppliers understand and accept the requirements before they are contracted. We believe this is essential to establish the right approach from the start.

It is not feasible for us to monitor the sustainability performance of our whole supply chain. Instead, we monitor, assess and work with our Tier 1 suppliers – those that provide us with products and services directly – to help them improve their sustainability management and performance, and crucially, help them manage risks among their own suppliers. Any one company does not have the resources to monitor suppliers' performance effectively right down to the lowest tier. For this reason, we believe that ensuring our Tier 1 suppliers take responsibility for working with their own Tier 1 suppliers – and have the capability to do so – is the best way to achieve sustained improvement throughout the supply chain.

Our strategy is to focus most attention on our strategic suppliers – those that are most critical to our business and constitute the majority of our spend. We take a risk-based approach based on location, size and category and assess suppliers every six months using our supplier performance scorecard – ranking suppliers' policies and procedures – and carry out site assessments when the risk is shown as high.

Ensuring we have robust processes in place to manage sustainability risks in the supply chain is becoming more important to Vodafone as we extend our range of Vodafone-only branded products and increasingly outsource the deployment of our networks.

Vodafone-only branded handsets and datacards require us to deal directly with manufacturers in Asia, rather than through established consumer brands. While this enables us to control more closely the design, specification and cost of devices (see [affordable handsets, page 20](#)), it also increases the risk and potential impact on our reputation if issues occur. Our site assessment process helps us manage this risk.

Much of our network construction and maintenance is now outsourced to contractors – particularly in emerging markets – reducing our direct control. We therefore need to ensure contractors are very clear about our required standards. We are working hard to improve their management of critical issues such as health and safety (see [page 45](#)).

Working with our industry peers

Embedding sustainability throughout the ICT supply chain is clearly not something that Vodafone can do alone. As well as working with our own suppliers, we engage with others in our industry to promote wider action through joint activities. As a member of the Board of the Global e-Sustainability Initiative (GeSI) and its supply chain working group, we support the development of a cross-industry approach to improve accountability in the supply chain. Recognising the benefits of this collaboration, we established a strategic objective to engage a significant proportion of our suppliers in this initiative.

Collaboration is also essential when tackling issues that transcend our approach to focus on Tier 1 suppliers and involve a cross section of the supply chain – from consumer brand to the basic sourcing of raw materials. One such matter is conflict minerals, particularly in the Democratic Republic of Congo. In this instance, we are working with the industry, through our membership of GeSI, to improve conditions on the ground.

¹ Formerly known as the GeSI/EICC common industry approach.

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Supply chain

Introduction and strategy

Performance and progress

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Strategic objectives Supply chain

- **Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend by March 2012 (see [climate change, page 31](#))**
- **Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach¹ by March 2012**

Performance and progress

We said...

- We would ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach **by March 2012**
- We would audit contractors' compliance with our Responsible Network Deployment Policy in all Vodafone operations **by March 2010**
- We would deploy a non-compliance management system to improve our existing process and support systematic action on CR issues identified within our supply chain **by March 2010**

We have...

Strengthened our Code of Ethical Purchasing (CEP)

We reviewed our CEP in 2009/10 and expanded clauses on environment, health and safety, freedom of association, discrimination and working hours. We will communicate these changes to our suppliers in 2010/11 and refresh accompanying internal training for procurement teams.

Continued to support the common industry approach

As a member of the Global e-Sustainability Initiative (GeSI), Vodafone supports the development of a common industry approach to improve accountability in the ICT supply chain. This includes encouraging our suppliers to take part in industry initiatives such as GeSI's online E-TASC (the Electronics – Tool for Accountable Supply Chains) system. E-TASC enables suppliers to easily share information about sustainability practices with participating companies through a single standardised assessment.

In its current form E-TASC is tailored primarily to manufacturing and network suppliers.

In 2009/10, we reviewed which of our strategic suppliers E-TASC applies to and will invite them to adopt the approach in 2010/11. In 2009/10, we also revised the sustainability section of the supplier performance scorecard so that these suppliers can only attain 100% by adopting E-TASC.

Assessed the sustainability performance of global strategic suppliers using our scorecard

We evaluated each of our strategic global suppliers twice in 2009/10, using our supplier performance scorecard. The sustainability questions on the scorecard were revised to give more equal weighting to each aspect it covers and strengthen its focus on labour standards. As a result of the scorecard adjustments the average sustainability performance score dropped to 73%.

Supplier scores in sustainability pillar of scorecard

Sustainability pillar score	% suppliers achieving this score 2009/10	% suppliers achieving this score 2008/09
91–100%	18	17
81–90%	23	23
71–80%	21	20
61–70%	16	14
51–60%	13	9
50% or less	10	17

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Supply chain

Introduction and strategy

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Improving performance

We have found one of the best ways to improve suppliers' performance is by identifying gaps in compliance through our audits and helping them develop improvement plans.

For example, a potential network supplier failed to qualify with 23 non-conformances identified in our first audit in May 2009. Having followed our advice on how to improve by, for example, establishing clearer policies on labour rights and obtaining external certification for its environmental management system, the company qualified as a Vodafone supplier upon re-audit five months later.

At another potential supplier's factory, we found employees regularly worked 14 days in a row with no day off, and the company failed to cover the costs of all employees' social insurance. Within three months, the insurance was paid for and more workers were recruited to allow more frequent rest days. With these changes, the supplier qualified in our second audit.

Made 139 recommendations for improvement to suppliers based on 24 site assessments

In 2009/10, we conducted 24 site assessments covering the operations of 16 network, handset and merchandising suppliers, all based in China. The suppliers selected for audit were identified as high risk through our self-assessment qualification process.

We made a total of 139 recommendations for improvement based on our findings (see table), and worked with suppliers to put improvement plans in place. Around half of these recommendations related to health and safety, an important focus of our supplier assessments and an area we are working on with key suppliers (see health and safety, page 45).

Four potential new suppliers failed to qualify in 2009/10 as a result of poor performance on sustainability issues, including non-compliance with health and safety standards, and the use of fines as part of disciplinary procedures. Two further suppliers initially failed to qualify but passed when re-assessed having responded to our recommendations (see case study).

Recommendations for improvement in 2009/10

Category	No. of recommendations for improvement	Performance issue ¹ identified	Policy issue identified
Child Labour	4	1	3
Forced Labour	9	3	6
Health and Safety	70	42	28
Freedom of Association	9	1	8
Discrimination	6	0	6
Disciplinary Practices	4	0	4
Working Hours	11	11	0
Payment	3	1	2
Individual Conduct	5	0	5
Environment	5	4	1
Accommodation	5	5	0
Implementation of CEP or Equivalent	8	0	8
	139	68	71

Worked with manufacturers of Vodafone-only branded products to ensure high standards

We audit suppliers who manufacture Vodafone-only branded products (such as handsets and data cards) annually to ensure they meet high standards on quality and sustainability management. We conduct qualification audits of each individual factory producing Vodafone-only branded products.

In 2009/10, for example, our audit of a supplier's factory intended for production of a Vodafone-only branded data card revealed an inadequate environmental management system. Despite our recommendations to improve, it still failed to qualify in a second audit. While an improved system is implemented, the supplier is using a different factory that we had already audited and approved.

¹ Performance issues are either actual instances of non-compliance against our CEP or opportunities for suppliers to improve current practices.

Building capability

In 2009/10, our audit of a merchandising supplier based in Italy showed that sustainability standards within its own operations met our requirements but it lacked adequate systems to manage sustainability issues among its sub-tier suppliers.

It is our policy only to conduct site assessments of our Tier 1 suppliers – and through these assessments evaluate their systems for managing their own suppliers. However, we made an exception in this case to help build the company's capability. By conducting joint site assessments of four of its sub-tier suppliers in China, the company's procurement team learned what to look for and how to develop improvement plans.

Reviewed systems to ensure contractors' compliance with our Responsible Network Deployment Policy

As we outsource more of our network deployment and management, it is critical that we have robust systems to ensure contractors comply with our Group Responsible Network Deployment (RND) Policy, which covers issues such as health and safety, environmental impact, radio frequency (RF) fields and consultation.

In 2009/10, we commissioned an independent consultancy to review the systems we have in place. The review identified a need to raise awareness of the RND Policy and guidelines among relevant Vodafone employees, and implement aspects of the RND guidelines more consistently across the Group. It also recommended introducing more specific contractual requirements for network suppliers to ensure compliance, which we are already introducing in relation to health and safety (see page 47).

We have not audited individual contractors' compliance with the RND Policy as planned, but we are working closely with network suppliers to assess and improve health and safety performance (page 47) and will follow up with audits next year. We did not assess local markets' compliance with the RND Policy as planned in 2009/10, but aim to establish a suitable audit programme based on the review findings in 2010/11.

Continued to monitor supplier non-compliances globally and guide local markets on how to follow up on these

The sustainability performance of our global strategic suppliers is assessed through our Group supplier performance management (SPM) programme. Our local markets also have systems in place to assess their own suppliers.

In 2009/10, we sent an advice pack to procurement teams in each local market setting out our expectations about how they should follow up with suppliers on assessment findings, put improvement plans in place and reduce non-compliances with our CEP, and support local markets as required on problem areas.

We did not deploy the non-compliance management system as planned in 2009/10 because it did not perform well enough in trials. We are now exploring alternatives. However, we continue to monitor and manage non-compliances with the CEP at Group level through the SPM process and site assessments.

Addressing the use of metals from conflict zones in electronic products

The conflict zone of Democratic Republic of Congo (DRC) is one of the world's biggest sources of coltan, an ore from which tantalum – a metal used in components for electronic products including mobile phones – is derived. We want to ensure that no profits associated with any of our products – particularly our own branded devices – support conflict in the region, and in 2009/10 we asked manufacturers to provide assurances that the components they use do not contain tantalum from the DRC. Our two main suppliers of these handsets (accounting for more than 85% of production) have already provided written assurances, and the remaining two are developing processes to obtain this information from their own supply chains.

As a member of the GeSI/EICC Extractives Working Group, Vodafone is also helping to develop a better understanding of the humanitarian issues associated with coltan mining and ways to ensure greater transparency in tantalum sourcing (see www.gesi.org).

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Supply chain

Introduction and strategy

Performance and progress

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We will...

- Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend **by March 2012**
- Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach **by March 2012**.

In the next 12 months we aim to:

- Communicate the revised Code of Ethical Purchasing to suppliers
- Review internal training to ensure it is consistent with the revised Code of Ethical Purchasing

More on the web

www.vodafone.com/responsibility:

- Code of Ethical Purchasing
- Supplier performance management process
- Whistle-blowing
- Group Responsible Network Deployment Policy and guidelines

Foundations

Vodafone supports initiatives that improve quality of life in communities around the world by donating products and funds, providing technical assistance and encouraging employees to volunteer in their local communities. We channel much of our social investment through the Vodafone Foundation and its 27 local foundations¹. This network of foundations enables us to think and act locally, with each one choosing the charities and projects it supports.

6 Foundations

Introduction

Making a World of Difference

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£4.7 million

raised through an SMS fundraising campaign for the Haiti appeal

£41.7 million

donated to our foundations and other charities in 2009/10

In 2009/10, Vodafone Group donated £41.7 million in money, time and materials to our foundations, as well as directly to other charities. This included £18 million in cash for the Vodafone Foundation to distribute between its global projects and local foundations. Our local markets donated a further £17 million directly to their own foundations and £2.7 million towards foundation operating costs as well as £4 million to a variety of good causes.

The Vodafone Foundation's priorities are continuing to expand the World of Difference volunteering programme (see page 60) and contributing to

disaster relief. We support disaster relief efforts through financial donations and the use of mobile communications by working in partnership with organisations such as Télécoms Sans Frontières and the World Food Programme.

In 2009/10, our £750,000 annual disaster fund contributed to relief efforts after floods in Albania, bushfires in Australia and earthquakes in Italy and Haiti. Further support came from Vodafone's customers, with our help. For the first time, Vodafone foundations in 14 markets collaborated with our local markets to launch an

SMS fundraising campaign that raised over £4.7 million for the Haiti appeal.

We also continued to support the mHealth Alliance – co-founded with the United Nations Foundation and the Rockefeller Foundation – in its efforts to bring the benefits of mobile to public health in the developing world (see Vodafone Health Solutions). We have reduced our emphasis on sport and music, but continued to support existing programmes in 2009/10.

¹ The number of local foundations is greater than the number of local markets because we have local foundations in several countries where we have joint ventures and associated undertakings.

Making a World of Difference

The World of Difference programme offers individuals the chance to help others by giving up their regular jobs for up to a year to work for the charity of their choice. Salary support and expenses are paid by the Vodafone Foundation and our local foundations.

Extended to five further markets, World of Difference is now available in 17 countries. To date, over 750 people chosen through a public competition have spent up to a year paid to work for their charity of choice, including 500 two-month placements in the UK. Participants post regular reports on their activities through social networking sites such as Facebook and Hyves.

Find out more at www.vodafone.com/worldofdifference



Making a World of Difference

Participating countries

- Albania
- Australia
- Czech Republic
- Egypt
- Fiji
- Germany
- Ghana
- Hungary
- Ireland
- Italy
- Kenya
- The Netherlands
- New Zealand
- Romania
- Spain
- UK
- USA

Czech Republic, Blanka Rejlková, People in Need



Blanka's human resources and education experience in the Czech government is invaluable for her role at People in Need. Her placement with the charity has helped socially disadvantaged, long-term unemployed people return to education or find a job.

Laos, Danielle Pattiasina, Plan Nederland



Danielle undertook her placement in Laos and launched a new online community, PlanLive!, on behalf of international development organisation Plan Nederland. PlanLive! brings people together to communicate, collaborate and learn from each other.

South Sudan, Naomi Pendle, Marol Academy



Naomi's selected placement was in South Sudan, working for HART in the Marol Academy to train teachers in the best ways to raise literacy among their students. She has also organised placements for UK teachers to visit the Academy and share their expertise.

Kenya, Patrick Nyaboga Ng'ate, Kenya Red Cross Society



Patrick applied his experience in information technology to help the Kenya Red Cross improve communications between their 58 offices countrywide. He also contributed to plans for a call centre to provide a 'rapid response' hotline.

Australia, John Parr, St John Ambulance



Training specialist John believes every child should know what to do in an emergency. During his year working for St John Ambulance Australia, John has taught vital first aid skills to 50,000 young people in Queensland.

More on the web



www.vodafone.com/responsibility:

- Vodafone Foundation
- Charitable Donations Policy

Report scope

The data in this Report covers the financial year ended 31 March 2010. In our view, the boundary and scope of this Report, together with our [sustainability website](#), address the full range of material, economic, environmental and social impacts of the organisation.

Local Markets

The data covers the following 16 markets in which Vodafone has a majority controlling stake: Albania, Czech Republic, Egypt, Germany, Greece, Hungary, India, Ireland, Malta, the Netherlands, New Zealand, Portugal, Romania, Spain, Turkey and the UK. It also covers the Group's joint venture in Italy (ownership of 76.9%) for which Vodafone is responsible for the day-to-day operations. Within this Report and our sustainability website, we refer to our businesses in all these countries as 'local markets'.

Our policy is to publicly report performance data from newly acquired businesses at the end of their first full year as a controlled subsidiary. However, our local markets in Ghana and Qatar – established in 2008/09 – are not yet fully included in the scope of the Report as sustainability data management systems are not yet sufficiently developed. Group data totals throughout this Report exclude these markets but case studies are included to illustrate some of the initiatives there; these markets are not within the scope of the assurance. We have included separate pullouts on Ghana and Qatar to provide a brief overview of the steps taken in 2009/10 to establish our approach to sustainability in these two markets (see pages 12–13). A separate pullout has also been included on our approach to managing sustainability in India (see page 14).

During 2009/10, we increased our stake in Vodacom to a majority share of 65%, giving us operational control of the company which operates in South Africa with subsidiaries in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania. We aim to include data from Vodacom in our reporting for 2010/11, when it has been part of our business for a full financial year.

Joint ventures, associated undertakings, other investments and partner markets

Our reporting focuses on local markets where Vodafone has operational control (where we own more than half of the business).

The Group also has equity investment in joint ventures, associated undertakings and other investments in 10 countries (see [Annual Report for a full list](#)). These are excluded from our sustainability reporting boundary, as we do not have operational control. Our partner networks in over 40 countries also enable Vodafone to implement our global services in new territories, extend our brand reach into new markets and create additional revenue without the need for equity investment (see [Annual Report for a full list](#)). Vodafone does not have any equity stake in these businesses and so they are not included in our data.

However, we do work with our joint venture companies and associated undertakings on sustainability programmes: they are invited to participate in our global conferences and some case studies from these markets are included in this Report.

During 2009/10, we increased our stake in Vodacom to a majority share of

65%

Outsourcing partners

Vodafone is increasingly outsourcing certain elements of our operations, in particular the deployment and management of our networks, which makes contractor management a significant challenge. Contractors are required to sign up to our Code of Ethical Purchasing, which sets out our sustainability requirements (see supply chain, page 54). We are also working with contractors to tackle key issues, including health and safety, and responsible network deployment. We already report data on contractor fatalities.

Other Vodafone entities including non-Vodafone branded companies

Landline and internet service provider (ISP) businesses

Data from Arcor, our landline business in Germany, has been included in our reporting since 2006/07. From 2008/09 our data has included our other internet businesses, including the former Tele2 in Spain, Tele2 in Italy, Perlico in Ireland and ihug in New Zealand.

Other non-Vodafone branded companies

In addition to the companies mentioned above, some of our local markets own smaller, non-Vodafone branded companies that provide services to their business. Data from these companies is excluded from the scope of this Report except for the calculation of the lost-time incident rate. Data from non-Vodafone branded companies is considered less reliable.

Other Vodafone entities

Vodafone has various corporate entities and representative offices that are not material to our reporting (e.g. a small sales office), and so are not included within the scope of the Report.

Retail operations and branded stores

The Group has approximately 2,100 owned retail operations and 7,600 Vodafone-branded stores by way of franchise and exclusive dealer arrangements. Our sustainability data does not include the franchised retail operations or exclusive dealer arrangements.

Energy data and emissions reporting

We use an online data collection process to obtain our data, with all local markets reporting actual data where available. In the majority of our markets, energy usage data is based on invoices from our energy suppliers. In some markets, these bills are based on the supplier's estimated readings. Where data does not match our reporting period exactly, we forecast this information. For sites where energy invoices are unavailable, we extrapolate this information based on typical site consumption. These methods are used to calculate our total energy usage and emissions data.

Additional boundary criteria apply to energy and CO₂ emissions data. CO₂ emissions are reported for network energy where the network operation is outsourced to contractors (as in Turkey and the Netherlands for example). We report 100% of the energy from shared base stations, where Vodafone is the named operator, but we do not include energy from shared base stations operated by third parties.

The sheer scale of our network operations in India means that the collection of reliable and complete energy data is particularly challenging. Considerable progress has been made this year in establishing better data collection systems, but further work is required before the data quality is the same standard as for the rest of the Group. Energy and CO₂ data for India covers all of our operations except for transport (fleet and business flights). For our joint venture, Indus Towers, we calculate our energy data based on our share of the usage of the base stations.

Trade mark notice

■ Vodafone, the Vodafone logo, Vodacom, the Vodacom logo, Vodafone 360, Vodafone Money Transfer, M-PESA, Vodacom, Vodafone Speak, Vodafone Passport, ihug and Wayfinder are trade marks of the Vodafone Group. The BlackBerry® family of trade marks, images and symbols are the exclusive properties and trade marks of Research In Motion Limited, used by permission. BlackBerry is registered with the US Patent and Trademark Office and may be pending or registered in other countries. Other product and company names mentioned herein may be the trade marks of their respective owners.

Independent assurance report to Vodafone

KPMG LLP was engaged by Vodafone Group Services Limited to provide assurance over selected aspects of the Vodafone Group plc ('Vodafone') 2009/10 Sustainability Report ('the Report').

What was included in the scope of our assurance engagement?

Assurance scope	Level of assurance [▲]	Reporting and assurance criteria
1. Vodafone's alignment with AA1000APS (2008) ¹ principles, as described on the Vodafone website	Reasonable assurance	The criteria set out in AA1000APS (2008) for each of the principles of inclusiveness, materiality and responsiveness
2. Stated progress against objectives marked with the symbol [*] on pages 65–66 of the Report	Limited assurance	Objectives set out in Vodafone Group plc 2008/09 CR Report
3. Reliability of performance data for 2009/10 marked with the symbol [*] on pages 67–68 of the Report	Limited assurance	Relevant internal reporting guidelines for the selected environmental, safety and social performance data as set out on the Vodafone Group website
4. Vodafone self-declared Global Reporting Initiative (GRI) application level on page 1 of the Report	Limited assurance	G3 Sustainability Reporting Guidelines and application level requirements

▲ Readers should note that high and moderate levels of assurance in AA1000AS (2008)³ are consistent with reasonable and limited assurance respectively in ISAE 3000.

The nature, timing and extent of evidence-gathering procedures for limited assurance is less than for reasonable assurance, and therefore a lower level of assurance is provided for the data and objectives under the limited assurance scope.

What was excluded from the scope of our assurance engagement?

The entire CO₂ emissions data relating to Vodafone Essar Ltd (India) was included in the original scope of our assurance. However, because of issues identified with gaining access to information held by service providers, Vodafone has excluded this data from the consolidated Group numbers. This data has been reported separately on page 35 and was not subject to assurance.

Which assurance standards did we use?

We conducted our work in accordance with ISAE 3000² and the requirements for a Type 2 assurance engagement under AA1000AS (2008)³. A Type 2 Assurance Engagement covers not only the nature and extent of the organisation's adherence to the AA1000APS (2008), but also evaluates the reliability of selected sustainability performance information.

Our conclusions are based on the appropriate application of the criteria outlined in the table above.

We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG LLP has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

What did we do to reach our conclusions?

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. Our work included the following procedures using a range of evidence-gathering activities which are further explained below:

- An evaluation of the results of Vodafone stakeholder consultation processes and their methodology for determining the material issues for key stakeholder groups;
- Discussions with a selection of the members from the Vodafone Group Expert Advisory Panel;
- A media analysis and an internet search for references to Vodafone during the reporting period;
- Interviews with the CEO, senior management and relevant staff at group level and selected local markets concerning Sustainability strategy and policies for material issues, and their implementation across the business;
- Testing of Vodafone assertions and explanations regarding progress against objectives through evidence collection at corporate level and at a selection of local markets, covering internal and external documentation such as correspondence, minutes of meetings, reports, presentations and research and survey results;
- Checking the GRI index on the Vodafone Group [website](#) , to ensure consistency with the GRI application level requirements of B+;
- An evaluation of the design, existence and operation of the systems and methods used to collect, process and aggregate the selected performance data presented in the Report. We also tested the reliability of underlying data for the selected performance data within the scope of our assurance, at the local markets selected for a site visit;
- Visits to a risk-based selection of four local markets, in Spain, Italy, India, and Egypt;
- Consideration of the level of implementation of AA1000APS (2008) in all local markets through a self assessment questionnaire and evidence obtained through the Group internal qualitative reporting process for Sustainability issues;
- A review of drafts of the Report and relevant web text to ensure there are no disclosures that are misrepresented or inconsistent with our findings.

1 AA1000 Principles Standard (2008), issued by AccountAbility.

2 International Standard on Assurance Engagements 3000: Assurance engagements other than Audits or reviews of Historical information, issued by the International Auditing and Accounting Standards Board.

3 AA1000 Assurance Standard (2008), issued by AccountAbility.


Specific limitations to our work included the following:

- For handsets and network waste, we checked that local markets had confirmation from contractors on the volumes handled and that this data were correctly reported and aggregated by Vodafone, but we did not undertake visits to these contractors to verify the underlying reliability of data.

What are our conclusions?

The following conclusions should be read in conjunction with the work performed and scope of our assurance engagement described above.

Assurance scope 1: On the AA1000APS principles of Inclusiveness, Materiality and Responsiveness (reasonable assurance):

We believe that Vodafone's description of their alignment with the AA1000APS (2008) principles, on their [website](#) , is fairly stated.

Matters which we wish to draw to your attention

We draw your attention to the challenges described by Vodafone, which were highlighted through our assurance work. Key findings for each principle include:

In relation to the principle of inclusiveness:

- Stakeholder engagement at a Vodafone Group level is comprehensive and has increasingly made efforts to include a wider range of local markets in issue-focused discussions. Other stakeholder engagement activities such as the Expert Advisory Panel could build on this improvement by being more representative of local markets and also meeting more regularly.

In relation to the principle of materiality:

- Vodafone Group has strengthened their materiality assessment through the use of an industry tool, however newer local markets have yet to assess materiality at a local level.

In relation to the principle of responsiveness:

- There are comprehensive Vodafone Group policies and guidance on management of material issues, and most issues are well managed across the business; however the extent of integration of sustainability into new product development at a local market level can be variable, particularly for accessibility issues.

Assurance scopes 2 and 3: On the reliability of selected data and progress against selected objectives (limited assurance):

Nothing has come to our attention to suggest that the reported progress against objectives and performance data marked with the symbol [*], on pages 65–68, are not fairly stated.

Assurance scope 4: On the self declared GRI application level (limited assurance):

Nothing has come to our attention to suggest that Vodafone's self-declaration of GRI application level B+ on page 1 is not fairly stated.

Responsibilities


The Directors of Vodafone Group Plc are responsible for preparing the Report and related web-text, and the information and statements within it. They are responsible for identification of stakeholders and material issues, for defining objectives with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in AA1000APS/AS, stakeholder engagement, auditing environmental, social and financial information and with experience in similar engagements in the telecoms sector.

This report is made solely to Vodafone in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Vodafone those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vodafone for our work, for this report, or for the conclusions we have reached.

8 Assurance

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Lynton Richmond for and on behalf of KPMG LLP
Chartered Accountants
London
26 May 2010

Observations and areas for improvement

We provide Vodafone management with an internal report outlining our findings and areas for improvement.

Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below.

1. Vodafone has delayed the consolidation of Ghana and Qatar into the Group Sustainability Report to allow sustainability management practices and data collection procedures to be further embedded within the business to ensure they are ready to report in line with Group policies and procedures.
2. Monitoring of contractor compliance with the Responsible Network Deployment Policy continues to be a challenge. A review undertaken in 2009/10 showed that awareness of the Policy and guidelines needs to be raised and consistent implementation across the Group is required. We support the intention to develop an audit programme for this area in 2010/11.
3. Vodafone has comprehensive Group reporting guidelines which are disseminated to all local markets. However there have been instances where the guidelines are not consistently applied by all local markets for their data gathering procedures. We recommend Vodafone implement strengthened control and review processes at local markets to assess their reporting submissions to Group.
4. India has made good progress during the year in laying the foundations for alignment with Group Sustainability policies and procedures. It has identified issue owners in the business, and are developing and beginning to implement key policies, rolling out reporting systems, engaging with key stakeholder groups and implementing employee engagement activities. However, as they are relatively new to the Vodafone Group and given the scale and structure of operations they are not yet fully aligned to all Group sustainability practices. In the coming year, we recommend focusing on the AA1000APS (2008) Principles of Materiality and Responsiveness to develop a sustainability programme that addresses market conditions and moves towards further alignment with Group sustainability policies and procedures, as well as focussing on obtaining robust energy data for the operations.

9 Progress against objectives

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Progress against objectives

This table summarises our performance on our eight strategic objectives, the medium to long-term strategic objectives that will drive our sustainability agenda and promote innovation within the organisation. In addition to these targets, we also have short-term targets that can be found in the 'we will' parts of the relevant issue sections of this Report.

Strategic objective	Progress in 2009/10	Next steps	Target date
Customers			
Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals (MDGs)*	<ul style="list-style-type: none"> Reached more than 13 million registered customers with Vodafone Money Transfer (M-PESA, M-Paisa). Launched Vodafone Health Solutions: a new business unit which delivers health products and services in developed and emerging markets. Added seven new affordable handset models to our Vodafone-only branded range Launched a new browser for affordable handsets with Opera software to increase internet access in emerging markets. Invested in six new products and services in emerging markets through our Social Investment Fund (SIF) (and adapted SIF criteria to be more relevant to MDGs). Published research on the socio-economic impact of affordable handsets in India. 	<ul style="list-style-type: none"> Survey key opinion formers to understand their perceptions of Vodafone's work towards achieving the MDGs. Develop an MDG online resource centre detailing our contribution to the goals. Publish a Vodafone Socio-Economic Impact of Mobile (SIM) report assessing the issues around increasing data services in emerging markets. Scale-up successful initiatives funded by SIF and continue to identify new products and services which could contribute to MDGs. 	by March 2015
Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market*	<ul style="list-style-type: none"> Conducted research to better understand the number of people with vision, hearing, dexterity and cognitive issues. Developed a plan to incorporate inclusively designed handsets into our portfolio. Assessed the feasibility of developing an online shop to distribute accessible products and services across our markets. Offered accessible products and services in thirteen local markets. Invested in two new accessible products and services through SIF. 	<ul style="list-style-type: none"> Launch a range of handsets specifically adapted to people with multiple minor impairments. Train our sales channels to support the roll-out of new inclusive handsets. Achieve full compliance with the W3C Web Content Accessibility Guidelines 2.0 for the Vodafone.com website and top pages of 14 local markets. Continue to invest in new products and services through SIF. 	by March 2011
Be recognised as a 'green' brand in at least 75% of the developed markets where we operate*	<ul style="list-style-type: none"> Held workshops with consumers and employees in seven local markets to determine what a green Vodafone could look like. Launched solar-powered chargers in three markets. Launched two Vodafone-branded handsets with a 'universal charger'. Switched to more environmentally-friendly packaging for Vodafone-branded handsets. Launched the Samsung Blue Earth handset in seven markets. Developed a set of environmental principles for suppliers of handsets and other accessories. 	<ul style="list-style-type: none"> Pilot a set of consumer-facing initiatives in one developed market. Roll out our environmental principles for handset and accessory suppliers. Launch the Mono V solar charger in three further markets. Launch all new Vodafone-branded devices with the universal charger. 	by March 2012
Contribute to building capacity to manage electronic waste in three emerging markets*	<ul style="list-style-type: none"> Identified three emerging markets for action – India, Kenya and South Africa. Supported studies on e-waste management and recommendations for intervention, in Nairobi, Kenya and Mumbai, India. 	<ul style="list-style-type: none"> Conduct stakeholder workshops to determine how we can help to build e-waste capacity in three emerging markets. Formulate an action plan based on the findings of the stakeholder workshops. 	by March 2012

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Progress against objectives

Customers

_ Climate change

_ Supply chain

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Progress against objectives continued

Strategic objective	Progress in 2009/10	Next steps	Target date
Climate change			
Provide 10 million carbon-reducing M2M connections*	<ul style="list-style-type: none"> Created a corporate function responsible for coordinating the introduction of M2M services globally. Published research quantifying the role of the mobile telecoms industry in enabling a low-carbon economy through wireless connections, many of them M2M. Began to tackle the challenge of identifying a reliable global baseline for 2009. Launched a partnership with British Gas to supply nearly one million M2M connections for household electricity meters. 	<ul style="list-style-type: none"> Review data collection processes to ensure they accurately capture global M2M connections and share of M2M connections derived from carbon-reducing applications. 	by March 2013
Reduce CO₂ emissions by 50% against the 2006/07 baseline	<ul style="list-style-type: none"> Decreased emissions from mature markets over the past three years by 9%. Revised the baseline of the target to only include our mature markets as defined by their obligations under the Kyoto Protocol. Installed more than 4,000 free cooling boxes and 1,400 packaged unit devices (combine air-conditioning with free-cooling). Continued to roll out more efficient network equipment e.g. single RAN, power amplifiers and remote radioheads. 	<ul style="list-style-type: none"> Set a new CO₂ intensity target for emerging markets during 2010/11. Continue to deploy energy efficient technology in the network. Continue to improve the energy efficiency of data centres. Trial a carbon offset programme by March 2011. 	by March 2020
Develop joint CO₂ reduction strategies with suppliers accounting for 50% of procurement spend*	<ul style="list-style-type: none"> Engaged with several strategic network and IT suppliers on joint CO₂ reduction strategies. 	<ul style="list-style-type: none"> Expand our engagement to more strategic suppliers. Develop a framework for other suppliers and local markets. Extend joint CO₂ reduction strategies to at least three terminal suppliers by March 2011. 	by March 2012
Supply chain			
Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach*	<ul style="list-style-type: none"> Identified relevant suppliers to adopt the common industry approach. Contributed to the development of the Electronics-Tool for Accountable Supply Chains (E-TASC) via GeSI. 	<ul style="list-style-type: none"> Invite selected suppliers to participate in the common industry approach. Continue to actively participate in the development of the GeSI common approach. 	by March 2012

* Reported progress against objectives marked with this symbol is within KPMG's limited assurance scope (see KPMG assurance opinion on pages 63–64)

KPI summary

Scope of KPI data

2010

The data covers all Vodafone operations included in the scope of this Report (see page 61), with the following exceptions:

- India is excluded from the KPIs in the 'Environment and network', 'Energy' and 'Net CO₂ emissions' sections. We have presented India's energy use and CO₂ emissions separately in this table (see page 37 for more information).
- The KPIs in the 'Employment' section cover all operations in the scope of the Sustainability Report, and in addition Ghana, Qatar and Vodacom which are otherwise excluded. 'Number of employees' represents the average number during the financial year. This is to remain consistent with data reported in Vodafone Group Plc's Annual Report.

2009 and 2008

The data excludes India and has been restated to exclude Australia (as it is no longer a subsidiary), with the following exceptions:

- All KPIs in the 'Employment' and 'Health and safety' sections include Australia
- In 2009, the KPIs on 'Total number of employees' and 'Number of employee and contractor fatalities' include India.

	Year ended 31 March		
	2010	2009	2008
Environment and network			
Number of base station sites	104,344	100,588	93,813
Phones collected for reuse and recycling (millions)	1.33*	1.53 ¹	1.14 ¹
Network equipment waste generated (tonnes)	5,870*	4,944 ¹	4,199 ¹
Network equipment waste sent for reuse and recycling (%)	98*	97	95
Paper purchased with a recycled content greater than 70% (%)	84	77	84
Energy			
Total energy use (GWh)	3,278	3,044	2,920
Total energy use for India (GWh)	2,715	N/A	N/A
Energy sourced from renewables (%)	23	19	18
Net CO₂ emissions²			
Total CO ₂ e emissions (all sources) (millions of tonnes) ³	1.37*	1.39	N/A
Total CO ₂ emissions (millions of tonnes)	1.21 ^{4,*}	1.22	1.30
CO ₂ emissions from Network (millions of tonnes)	1.00	0.99	1.06
CO ₂ emissions from non-Network sources (offices, retail, road transport) (millions of tonnes)	0.21	0.24	0.24
CO ₂ from air travel (millions of tonnes)	0.03	0.03	0.04
Average CO ₂ emissions per subscriber from network (kg)	5.78 ⁵	6.28	6.99
Total CO ₂ emissions for India (millions of tonnes)	2.28 ^{4,6}	N/A	N/A

KPI summary continued

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Progress against objectives

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	Year ended 31 March		
	2010	2009	2008
Employment			
Total number of employees	84,990	79,097	71,003
Number of voluntary leavers	5,415	5,019	6,640
Number of involuntary leavers	4,549	2,784	2,848
Number of newly hired employees	8,599	8,581	9,414
Average employee turnover rate (%)	13	13	15
Women in top senior management (%)	14	13	12
Number of nationalities in top senior management bands	26 out of 228	23 out of 221	20 out of 211
Health and safety			
Number of lost-time incidents (employees)	147 ^{7,*}	149 ⁸	131
Lost-time incident rate per 1,000 employees	2.01 ⁷	2.28 ⁸	2.19
Number of employee and contractor fatalities	22 + 5 ⁹	11	7
Compliance			
Number of violations of planning regulations in relation to masts / base station sites	370	492	423
Amount of fines for environmental regulation breaches (€)	89,418	135,012	69,091
Rulings by government, regulators, or industry bodies against local market marketing and/or advertising campaigns	31	55	41
Social investment			
Total contributions to our foundations and other good causes (€m)	41.7	47.7	44.4

1 Amounts related to the 2008 and 2009 financial years have been amended due to over reporting of number of handsets collected for reuse and recycling and under reporting of tonnes of waste generated.

2 All CO₂ and CO₂e data includes green tariff energy as having a carbon intensity of zero.

3 This is our total emissions of greenhouse gases (including CO₂, methane, nitrous oxide, various fire suppressants and refrigerants, and warming impacts of flights).

4 Figures exclude air travel.

5 Only subscribers from local markets within the scope of CO₂ reporting are included.

6 CO₂ emissions for India exclude air travel and fleet data.

7 Based on employee figure of 73,114 for the local markets included in the scope of this Report.

8 Based on employee figure of 65,447.

9 Employee and contractor fatalities, plus employee and contractor fatalities in Ghana and Vodacom.

* Data marked with this symbol is within KPMG's limited assurance scope (see KPMG assurance opinion on pages 63–64).

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