

Integrated Report Vodafone in Spain 2020-21



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1 Presentation

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1.1 Message from the Chairman



António Coimbra

Once again, I am pleased to welcome you to the Vodafone Spain Integrated Report. This report covers the financial year 2020-21 (1 April 2020 to 31 March 2021), and sums up the most relevant financial and non-financial information about the company, our strategy, the achievement of our business objectives and our contribution to sustainable development.

It is increasingly evident that companies play a very important role in the sustainable development of the society in which they operate. In this respect, at Vodafone we have always been keenly aware that new communication technologies are an opportunity to encourage innovation and foster digital transformation, both of which are cornerstones of the changes that society is going through.

Throughout the lockdown we had to put up with in response to the pandemic, it became crystal clear that **telecommunications is a key sector for society**.

We are clear about the fundamental role that network infrastructures have played in the massive increases in data usage. Thanks to the efforts of all our professionals, we have ensured essential service and connectivity during the most critical months of the pandemic.

We embrace our responsibility in our role as a business in contributing to society's sustainable development, which is why we have structured our purpose with a commitment to **improve one billion lives and halve our environmental impact by 2025**.

Our strategic framework as a sustainable business supports the achievement of our 2025 goals through three pillars: **Digital Society, Inclusion for All and Planet** and our strategy is aligned with the main agreements signed nationally and internationally: the UN Sustainable Development Goals or the Global Compact Principles, an initiative of which we are a signatory. In this report, we renew our commitment to complying with the 10 Global Compact Principles, and we outline our main sustainable development-related initiatives currently underway, as well as our economic, social and environmental contribution in Spain.

All external stakeholders with whom we operate are evolving in relation to sustainability topics, increasing value creation. Investors, politicians, companies, customers and civil society are demanding sustainable business. Business opportunities are clearer through the inclusion of the SDGs, especially for technology companies.

This report shows the company's main actions in economic, social and environmental development, reflecting our commitment to sustainable development. Our direct economic contribution in financial year 2020-21 totalled **€3,952 million** and the indirect contribution, generated through our value chain organizations, amounted to **€927 million**.

In terms of social contribution, we have generated more than 25,843 direct and indirect jobs and our Foundation, another great asset that contributes to making a more sustainable and equal development for all a reality, allocated **€3.5 million** to its innovation and social projects. The Vodafone Spain Foundation has promoted programmes and initiatives to enable children, young people and people with disabilities to learn digital skills. During this year, 29,772 children and young people, 1,715 teachers and 1,582 people with disabilities have acquired key knowledge and skills for their personal and professional development through public administrations and third sector organizations. The Vodafone Foundation has also launched a free, open educational content platform which has already been used by 140,000 people throughout the country.

Furthermore, our priority will always be to maintain the spirit of a diverse and inclusive company with all groups, where all employees feel committed and, of course, not discriminated against for reasons of gender, function, generation, ethnicity, race or nationality or sexual orientation and gender identity. In this regard, for example, 42% of Vodafone Spain employees are now women and occupy 38% of management positions.

All our employees can also enjoy another of the company's main pillars, which is learning and development, and we see this year after year with the increase in the number of training actions (from 10.1 actions per employee last year to 18.7 this year, i.e. an 85% rise). In recent months, we have also made a major effort to create upskilling and reskilling plans for our employees in order to recycle and update their functional skills and technical expertise.

Respect for the environment entails doing business responsibly, minimizing the environmental footprint of its operations and helping its customers and society to be more efficient. To this end, the company has energy efficiency schemes in place and encourages smart working and the circular economy, while working on products and services that have enabled it to directly and indirectly avoid the emission of 775,917 tons of carbon this last financial year. In addition, during this financial year, **100% of the electricity we used came from renewable sources**.

Each and every one of us at Vodafone is committed to using technological innovation to build a better and fairer society for all, harnessing the potential of telecommunications to improve the environment, people's quality of life and organizations' capabilities.

I sincerely hope that you will find this Report interesting.

António Coimbra
Chairman

1.1 Letter from the CEO



Colman Deegan

This 2020-21 financial year has been very complex and challenging, and we would not have been able to secure communications and maintain the level of service during the lockdown without the cooperation of **employees, suppliers, customers and society as a whole**. For this reason, I would like to extend my sincere thanks to all of them.

The pandemic has made it even clearer that operators play a fundamental role in a digital society in which telecommunications networks are a strategic asset that facilitates **socio-economic progress and digital transformation**. In this sense, connectivity is enabling **economic recovery** and making people's lives easier.

The Spanish telecoms market has always been at the forefront in digitalization terms, and we are one of Europe's leading countries in rolling out next generation networks and broadband speed. However, it is also highly competitive and one of the slowest growing, **retail revenues having slipped 30% overall over the last ten years**.

Our sector's hyper-competitive nature, based on aggressive pricing and discounting, has driven a deflationary trend, destroyed value for the industry and eroded return on investment. To the point of challenging the economic viability necessary to meet future investments.

However, the government's recently announced telecommunications-related measures are steps in the right direction towards building a more sustainable sector and facilitating a new and economically viable investment cycle, which we need to **develop the 5G infrastructures** that hold the key to the economy's recovery and digital transformation, and for the sustainability of the planet.

This is the first step, yet some other steps can be taken to help foster a far more favourable framework for investment and the deployment of new infrastructures.

Talking about the **digital impulse** is to refer to the day-to-day life of a sector such as ours, which is fundamental for **economic recovery**. This digital revolution involves creating new business opportunities and making people and organizations alike more productive and efficient through the advances that process digitalization, resource optimization and new forms of communication are bringing us. Vodafone's digitalization commitment, based on leveraging data to improve decision-making, a new organizational model and a more agile culture are **boosting business results**.

We have a very clear vision and ambition: **to connect people, improve their lives today and build a better future for citizens, businesses and public administrations**.

To do so, we are making every effort to leverage on our operational and technological excellence to enhance customer experience. We want to be radically simple, always competitive and lead the Digital transformation both in the way we work and in our relations with our Customers.

At Vodafone, we want to become our customers' main allies in this digital revolution because we are a strategic partner that provides differential value for all stakeholders. Vodafone currently has the 5G network with the fastest download speeds because its 90Mhz of spectrum has the most contiguous frequencies (not split into blocks) in the 3.5Ghz band.

In addition, 25 major cities enjoy the best 5G, with coverage for more than 50% of the population: Benidorm, Badajoz, Alicante, Murcia, Palma de Mallorca, Valladolid, Madrid, Barcelona, Valencia, Seville, Malaga, Zaragoza, Bilbao, Vitoria, San Sebastián, Coruña, Vigo, Gijón, Pamplona, Logroño, Santander, Toledo, Castellón, Santa Cruz de Tenerife and Las Palmas de Gran Canaria.

Ever since our commercial 5G network went live in Spain, we have been working on a large number of network use cases in the business sector, making the most of the technology's high speed, low latency and large capacities. In addition, we believe 5G is a key ally for businesses to tackle climate change.

We are already working on more than 130 5G use cases alongside institutions and companies, consolidating the largest ecosystem of partners for the development of 5G solutions in Europe, some of them included in this report.

In recent months the Government has launched a robust plan for the country's digital transformation, and we are confident that Vodafone will have access to the **reconstruction funds**. Now more than ever, we need to speed up the pace and devise new **public-private partnership** models to encourage productive and sustainable investment, to ensure that this digital transformation happens as soon as possible and we are not left behind.


The telecommunications industry is ready to support the government in these objectives. And encouraging a **new regulatory** and fiscal framework will create a sustainable sector and a leading digital industry, which is key to our country's future.

At Vodafone we feel we are an important part of the process that has led to all these developments becoming a reality. These is a truly exciting time as **our society is in the process of going digital** and this Integrated Report aims to reflect Vodafone Spain's efforts to contribute to a more **advanced and sustainable digital society**.

Colman Deegan
Consejero Delegado

1.2 Profile and scope of the Report

Profile and scope of the Report

- All the **(financial and non-financial) information and figures of Vodafone in Spain's** business shown in this Report are displayed on an aggregate basis. Accordingly, any reference to "Vodafone" will be construed as referring to the companies that form the Vodafone Group in Spain. In this respect, Chapter 2: 'Vodafone Spain at a glance' describes the Shareholding structure of the undertaking. 
- This report publishes the data for **the Vodafone Group companies in Spain.**
- In compliance with Law 11/2018, this Report contains the **Statement of non-financial and diversity information** of the company **Vodafone Holdings Europe, S.L.U.** and therefore forms part of this company's Directors' Report and is subject to the same criteria for approval, filing and publication as the aforementioned Directors' Report.
- The **Annual Financial Statements** that are included in Chapter 8 are the externally audited financial statements formed by the consolidated accounts of all the Group Companies in Spain owned by Vodafone Holdings Europe, S.L.U. (GRI 102-45).

For further non-financial information about Vodafone, visit our web www.vodafone.es/sostenibilidad

This report has been approved by the Board of Directors of Vodafone Holdings Europe, S.L.U.

Meaning of symbols included in this report:

Supplementary information to be found in **Chapter N of the Report**




Additional information to be found on the **Vodafone Web**




Information that is available on **Internet**





Criteria

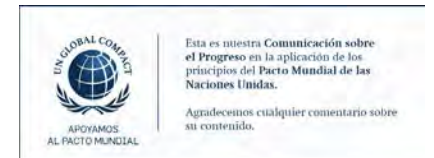
The following **criteria** have been taken into account in **drafting the Report**, both in terms of the scope of its content and in terms of the definition and quality of the information: 

- The framework defined by the International Integrated Reporting Council in its "<IR> Framework".
- The Standards laid down by Global Reporting Initiative (GRI).
- The principles of the AccountAbility Standard AA1000 AP.
- The 10 Principles established in the United Nations Global Compact as well as the Sustainable Development Goals (SDG) established by the UN in 2015.
- Law 11/2018, of 28 December, on Non-Financial Information and Diversity.

The Report's disclosures and indicators regarding the Standards laid down by GRI and AA1000 AP guidelines have been **assured**, in relation to compliance with Law 11/2018, by an **independent auditing firm (KPMG)**. 

This Report has been produced according to the **Comprehensive** option of the **GRI Standards**. What's more, the report has undergone the GRI **"Materiality Disclosure Service"**. For the Materiality Disclosures Services, GRI Services has checked that the GRI Table of Contents is clear, and that the references for contents 102-40 to 102-49 match the specified sections of the report. 

Since 2012, Vodafone is a signatory to the **U.N. Global Compact**. The **Communication on Progress** of Compliance with its 10 Principles and its relationship with the SDGs and GRI Standards can be consulted in this report. 

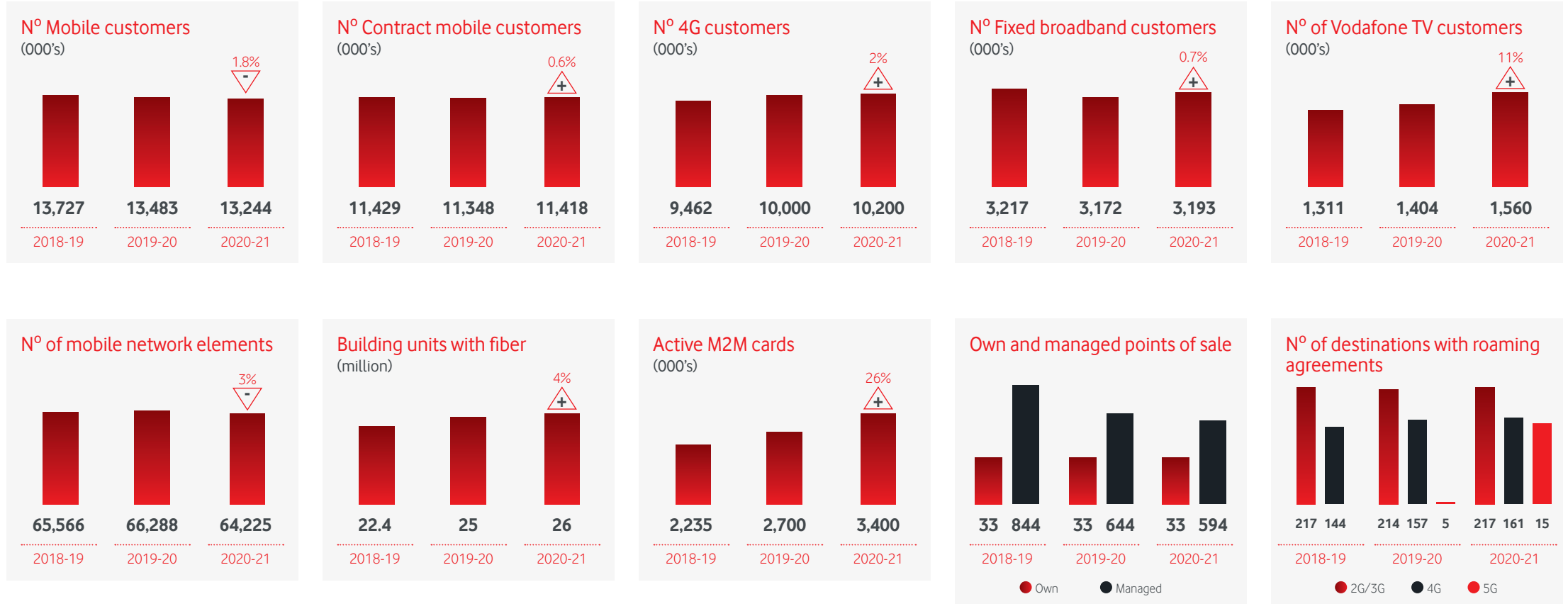


This Integrated Report meets the requirements of the Global Compact Progress Report (CoP) and the criteria for obtaining the **'Advanced Level'**, attributed to companies that have implemented and communicated best practices regarding the integration of the 10 Global Compact Principles into their management.

1.3 Key Indicators

Summarized below are the changes in the main indicators that represent the Value Creation of Vodafone in Spain applying the IIRC's Capitals Model in the <IR> Framework.

Operational

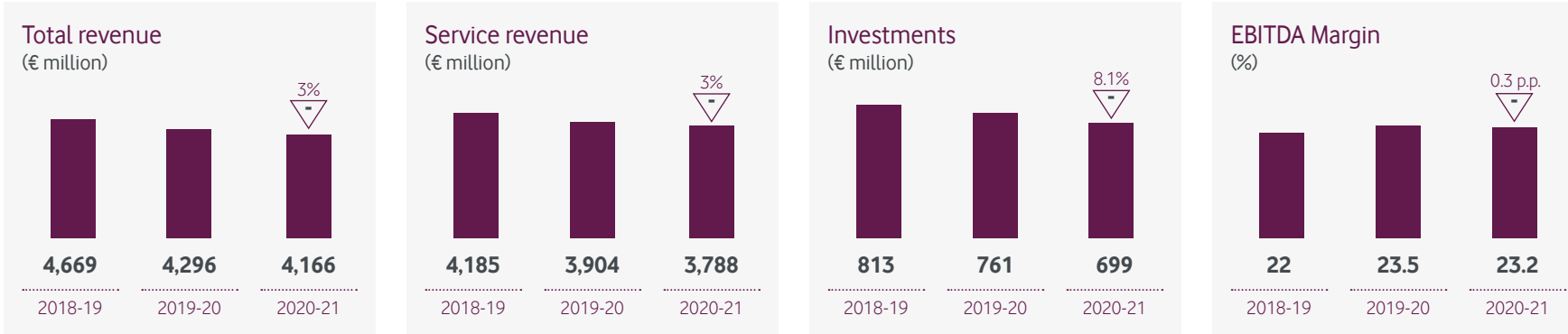


There are also 128 Managed spaces in the Major Retail Outlets and El Corte Inglés.

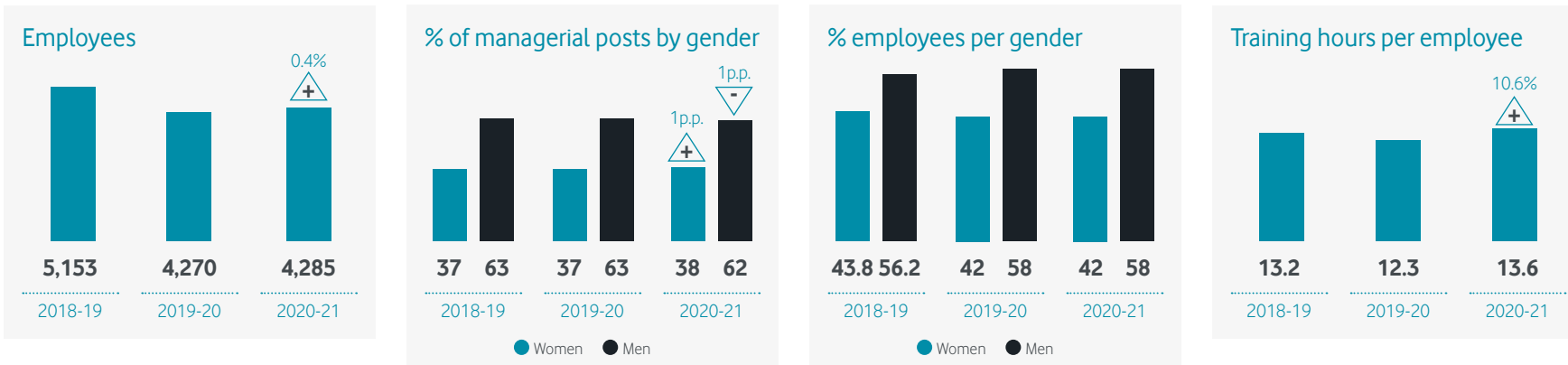


1.3 Key Indicators

Financial



Intellectual and Human

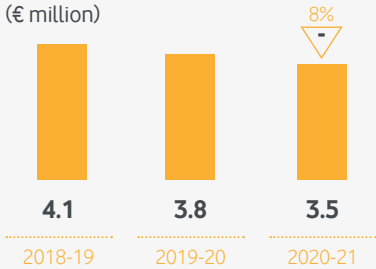


1. Key Indicators

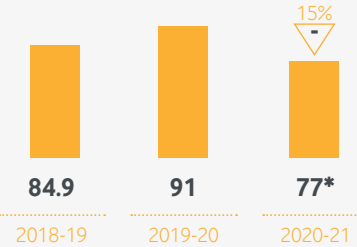
Social



Vodafone Spain Foundation Investment (€ million)



Local Supplier Procurement (%)



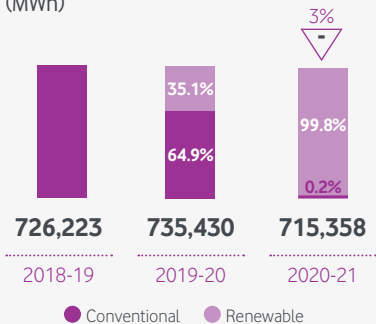
*The criteria for considering purchases from local terminal suppliers has been changed; if the previous year's criteria had been maintained, the % of total purchases from local suppliers would have been 86.8%.



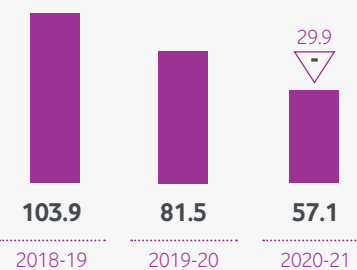
Environmental



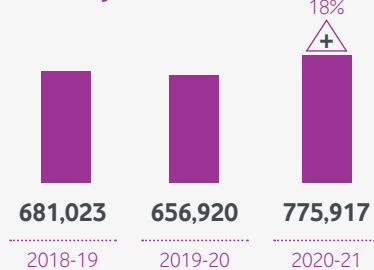
Total Energy Consumption (MWh)



Network energy consumption/data traffic (MWh)



Tn carbon avoided directly and indirectly



Vodafone Spain at a glance

2.1

The Company

- 2.1.1 Vodafone Group
- 2.1.2 Vodafone in Spain
- 2.1.3 Corporate Governance

2.2

Financial Results

- 2.2.1 Consolidated Information
- 2.2.2 Customer Base
- 2.2.3 Service revenue and turnover
- 2.2.4 Costs
- 2.2.5 EBITDA
- 2.2.6 Strategic Advances

2.3

Contribution to the Country

2.4

Sustainable Business

- 2.4.1 Strategic Sustainable Business Framework
- 2.4.2 Stakeholder Engagement
- 2.4.3 Materiality Analysis
- 2.4.4 Contribution to the UN Sustainable Development Goals (SDG)



2.1 The Company

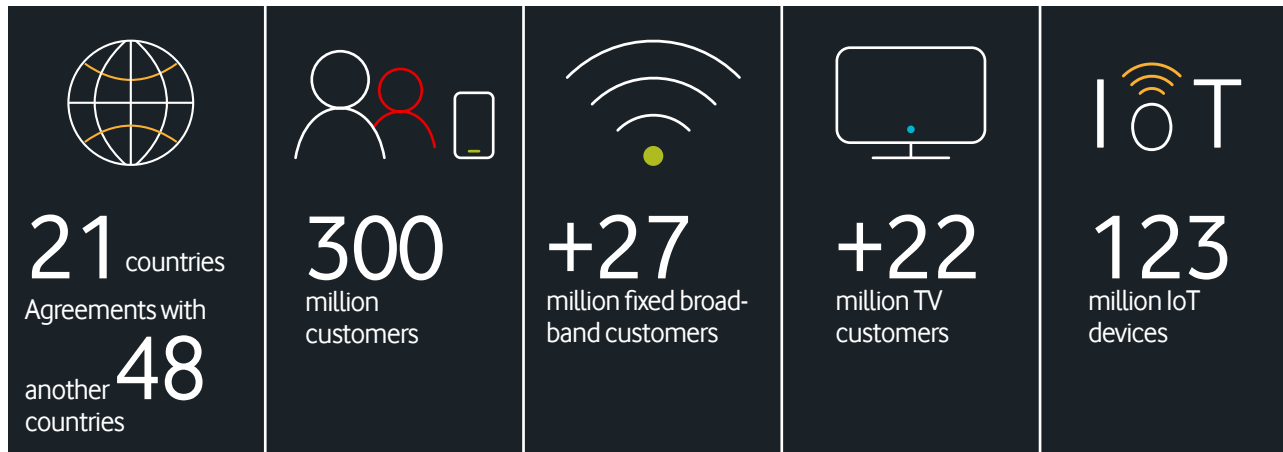
2.1.1 Vodafone Group

Vodafone is a leading telecommunications company in Europe and Africa. Our purpose is to “Connect for a better future” to promote an inclusive and digital society. Our experience and scale give us a unique opportunity to drive positive change for society. Our networks keep family, friends, businesses and governments connected and - as Covid-19 has clearly demonstrated - we play a vital role in keeping economies running and the functioning of critical sectors like education and healthcare.

Vodafone is Europe’s largest mobile and fixed network operator and the world’s largest IoT connectivity provider. Our M-Pesa technology platform in Africa enables more than 48 million people to benefit from access to mobile payments and financial services. We operate mobile and fixed networks in 21 countries and partner with mobile networks in 48 more. As of 31 December 2021, we had over 300m mobile customers, more than 27m fixed broadband customers, over 22m TV customers and we connected more than 123m IoT devices.

We support diversity and inclusion through our maternity and parental leave policies, empowering women through connectivity and improving access to education and digital skills for women, girls, and society at large. We are respectful of all individuals, irrespective of race, ethnicity, disability, age, sexual orientation, gender identity, belief, culture or religion.

Vodafone is also taking significant steps to reduce our impact on our planet by reducing our greenhouse gas emissions by 50% by 2025 and becoming net zero by 2040, purchasing 100% of our electricity from renewable sources by 2025, and reusing, reselling or recycling 100% of our redundant network equipment.



Main indicators	2020-21	2019-20	Δ %
Total revenue (€ million)	43,809	44,974	-2.6%
Service Revenues (€ million)	37,141	37,871	0.1%*
EBITDA (€ million)	14,386	14,881	1.2%*
Free Cash Flow: (€ million)	5,019	5,700	-11.9%
Adjusted EPS (€cts)	8.08	5.60	+44.3%

*Organic growth.



2.1 The Company

2.1.2 Vodafone in Spain

Shareholding structure of Vodafone Spain (GRI 102-45)

The Vodafone Group operates in Spain through its subsidiary companies. Ever since the Vodafone Group took over the Ono Corporate Group and its controlled companies, on 23 July 2014, the Vodafone Group has two main operating companies in Spain:

- **Vodafone España, S.A.U.** With extensive experience and specialization in mobile phone electronic communications services.
- **Vodafone Ono, S.A.U.** Focused on the provision of electronic communication services for fixed telephony, internet access and audio-visual communication services.

In addition to these two main operating companies, the Vodafone Group has **other companies** in Spain with different corporate purposes:

- **Vodafone Servicios, S.L.U.** Incorporated by the Vodafone Group in Spain in December 2016 to contribute to the achievement of its sales objectives. This company provides customers with the communications services offered by the two main operating companies, enhancing the customer experience, while at the same time allowing Vodafone España, S.A.U. and Vodafone Ono, S.A.U., to specialize in the mobile business and fixed business respectively.
- **Vodafone Enabler España S.L.** This company, which also engages in telecommunications, information and communication activities as its corporate purpose, formally operates since 2009 as a Mobile Virtual Network Operator (MVNO) and mobile services platform, and in December 2014 it launched a new telephone brand called Lowi.

All these Spanish companies are directly or indirectly fully-owned by the Group's parent company in Spain, **Vodafone Holdings Europe, S.L.U.**, whose corporate purpose consists mainly of the management of investments and holdings in subsidiaries and investees and the provision of advisory, administrative and other similar services.

The chart below shows the shareholding structure as at 31 March 2021 of the Vodafone Group companies in Spain:



The previous year (2019-20), the company Vodafone Towers Spain, S.L.U. which engages in the ownership of passive telecommunications infrastructure, joined the Group. In the current financial year 2020-21, Vantage Towers, S.L.U. left the corporate sphere of Vodafone Holdings Europe, S.L.U., which is the Group's parent company in Spain, (while remaining part of the Vodafone Group) and therefore its data are not included in this report.



All the **financial information** of Vodafone in Spain's business, as well as the **non-financial and diversity information** required by Law 11/2018, is displayed in this report on an aggregate basis.

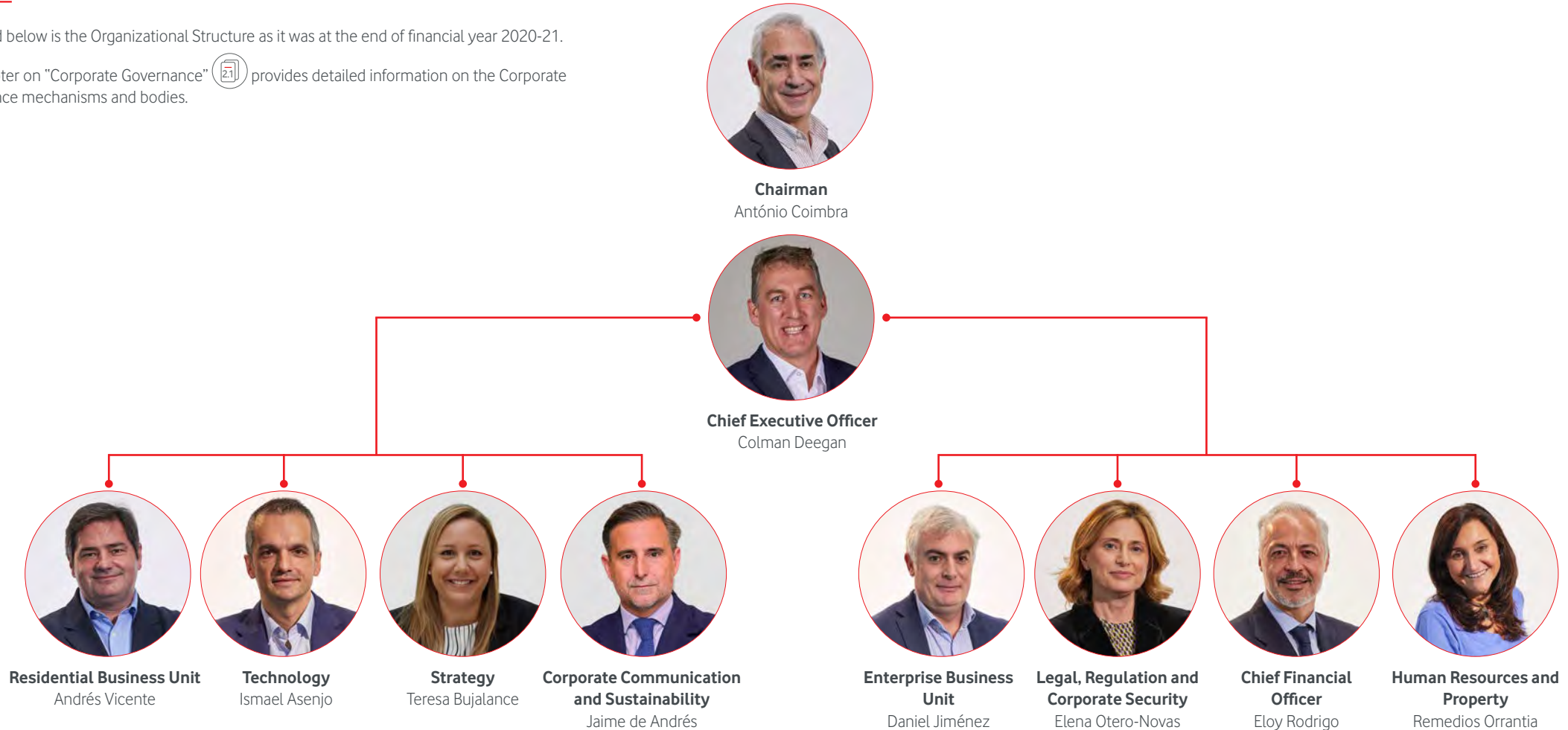
2.1 The Company

2.1.2 Vodafone in Spain

Organizational Structure

Displayed below is the Organizational Structure as it was at the end of financial year 2020-21.

The Chapter on "Corporate Governance"  provides detailed information on the Corporate Governance mechanisms and bodies.



2.1 The Company

2.1.2 Vodafone in Spain

Corporate Governance

Board of Directors

The Boards of Directors strive to ensure that the corporate purpose is pursued, the company's general interests are protected and that value is created within the company.

All Vodafone Group entities in Spain have a Board of Directors as the Company's highest representative and management body, in accordance with the functions granted by Law. Appointments to the Board of Directors are made by means of a procedure that ensures compliance both with the Law and with the Vodafone Group's internal policies. Furthermore, the Board's management's performance is approved by the Sole Shareholder when it approves the company's annual financial statements.

The Members of the Board of Directors of Vodafone Holdings Europe, S.L.U., on **31 March 2021**, were as follows:

The Board of Directors of Vodafone Holdings Europe, S.L.U., is formed by three members: the Chief Executive Officer, Non-Executive Chairman and Chief Financial Officer. Organized in the same way as other Vodafone Group companies, the Board has the minimum legal number of (3) members to make it more operational and effective in exercising its duties. Consequently, the Board is structured as follows:

Member	Post on the Board of Directors	Post in the Organization	Date of first appointment
Mr. Colman Deegan	Chief Executive Officer	Chief Executive Officer	1 November 2020
Mr. António Coimbra	Non-Executive Chairman	Non-Executive Chairman	18 December 2018*
Mr. Eloy Rodrigo	Member	Chief Financial Officer	1 March 2020
Secretary non-Board Member: Mrs. Elena Otero-Novas** is also the Company's Head of Legal, Regulation and Corporate Security.			
Vice-Secretary (Non-Director: Mr. Iván Simarro Vélez			

The age of the governing bodies' members cannot be provided for data protection and confidentiality reasons.

*Until 31 October 2020, he held the post of Chairman and CEO

**Until 31 October 2020, she held the post of Member and Secretary and Board Member on the Board of Directors.

As shown by the table above, Mr. Colman Deegan is the Chief Executive Officer. The Chief Executive Officer has all the powers and duties that the Board of Directors has delegated to him, except any that cannot be delegated legally or statutorily. His relationship with the Board is based on the principles of trust and transparency, such that the Board is kept apprised of the decisions made by the Chief Executive Officer in exercising the powers delegated to him. On another note, Mr. António Manuel da Costa Coimbra is Non-Executive Chairman.

None of the members of the Board of Directors of Vodafone Spain are external directors.

The table on the left shows the current members of the Board of Directors, after the governing body was restructured on 1 November 2020.

The members of the Board of Administration meet all the legal and internal organization guidelines laid down to avoid **conflicts of interest**, and should any conflict of interest arise, have an obligation to disclose it to the Board of Directors through its Chairman or its Secretary. Be that as it may, any members who find themselves in a conflict of interest situation, must refrain from attending and taking part in discussions that deal with matters in which they may have a personal interest. Should any conflict of interest arise, it would be recorded in the pertinent item of the agenda. Every year, in order to prepare the Annual Accounts, the members of the Boards of Directors are required to complete and sign letters declaring any conflicts of interest or related transactions, as provided for in article 229 of the Corporate Enterprises Act.

Vodafone firmly believes that sound corporate governance plays a crucial role in delivering long-term sustainable value for shareholders and society as a whole and that there is a constant development of knowledge in environmental, social and economic matters, as every decision taken by the Board is taken in line with its strategy and purpose as a company. Vodafone also has code of conduct training courses and has devised its 'Social Contract' as a tool to develop and strengthen the Board's decisions on economic, environmental and social issues, the aim of which is to align Vodafone's behaviour, processes and objectives with the Company's purpose and values.

2.1 The Company

2.1.2 Vodafone in Spain

Corporate Governance

Senior Management Remuneration

The Senior Leadership Team (SLT) remuneration policy is based on the principle of “performance pay” in terms of the results obtained by our company. This ensures that our Officers only receive significant amounts of variable remuneration if the Company’s business results have been as expected by our shareholders and other Stakeholders. In line with the Senior Management Severance Payment Policy, the Company applies the current employment legislation applicable in each specific case.

The table below details and explains the key components of Vodafone Spain’s SLT member pay packets.

Component	Objective and alignment with strategy	Description
Basic pay	<ul style="list-style-type: none"> Attract and retain the best Managerial talent 	<p>Salaries are reviewed each year. The following criteria are taken into account in the pay review process:</p> <ul style="list-style-type: none"> Manager's level of experience, training and responsibilities, the business results achieved by the Company, the macro-economic environment and market conditions. Market salary surveys conducted with a representative sample of sector companies similar to Vodafone in size and complexity. Officers' Performance.
Welfare benefits	<ul style="list-style-type: none"> Reinforce the retention of Managerial talent and ensure that our Management's pay packet is competitive with respect to its reference markets 	<ul style="list-style-type: none"> Participation in the Vodafone Spain Company Pension Scheme. Participation in a specific Retirement Plan for Management. Company car. Health Insurance for the Executive and the members of his or her family unit. Life and Accident Insurance.
Short-term variable pay	<ul style="list-style-type: none"> Encourage and reward achievement of the targets set for the financial year. Strengthen communication of the strategic priorities for the financial year. 	<ul style="list-style-type: none"> Annual Bonus levels and the indicators used for assessing the results attained are reviewed each year to ensure they are aligned with Vodafone's strategy and the best market practices. To ensure that the bonus payment-related targets and goals are challenging, the performance and historical compliance of indicators used is analyzed. Payment of the amounts to which they are entitled takes account of the Company's business results, as well as the Officer's individual performance.
Long-term variable pay	<ul style="list-style-type: none"> Encourage and reward attainment of the targets set out in our multi-year strategic plan. Further align the management team with our shareholders' interests. Retain Managerial talent. 	<ul style="list-style-type: none"> Annual share award plans with a three-year vesting (*) period tied to the Officer's remaining in employment in the Company. Annual share award plans with a three-year vesting (*) period tied to the Officer's remaining in employment in the Company and the Company's Free Cash Flow performance. The final number of shares awarded takes account of Officers' potential and the level of performance. Members of the management team must receive half of their basis pay in shares in the Company.

*Vesting: period of time during which the options cannot be exercised and therefore cannot be sold.

Average Remuneration of Senior Officers*

Men: €828,645

Women: €627,865

(*) The figure refers to the Total Compensation (total remuneration received that is considered monetary remuneration or remuneration in kind).

The remuneration paid to all the Board members is included in the annual financial statements section of this report (note 22). The figures cannot be broken down by gender for data protection and confidentiality reasons.



2.1 The Company

2.1.2 Vodafone in Spain

Corporate Governance

Decision-Making Committees and Forums*

Type of forum	Forum	Objective	Participants	Considerations
Decision	Executive Committee (monthly)	Highest decision-making body.	<ul style="list-style-type: none"> • CEO. • Area Directors. • Ad-hoc guests. 	Job Performance Assessment: <ul style="list-style-type: none"> • Recording of all meetings in minutes. • Identification and follow-up of all the action points.
Management	Functional reviews - CBU Operations (monthly)	Operational performance, emerging issues and next steps. Progress with goals set and possible new actions.	CEO, CFO, Managing Director of the Residential Business Unit, top operational managers and ad-hoc guests.	
	Functional reviews - VBU Operations (monthly)		CEO, CFO, Managing Director of the Corporate Business Unit, top operational managers and ad-hoc guests.	
	Functional reviews - TECH Operations (monthly)		CEO, CFO, CTO, top operational managers and ad-hoc guests.	
	Functional reviews - Support (quarterly)		CEO, Heads (Human Resources, Legal, Finance Officer, Communication) top operational managers and ad-hoc guests.	
	Operational reviews (weekly)		Market and current trend review, target-related performance and operational issues.	CEO, Head of Strategy, Managing Director of Residential BU, Managing Director of Enterprise BU, CTO, CFO (+ other parties involved).

*The structure of the decision-making committees and forums is as it stood at end of financial year 2020-21.



2.1 The Company

2.1.2 Vodafone in Spain

Corporate Governance

Decision-Making Committees and Forums

Type of forum	Forum	Objective	Participants
Management	Digital Committee (quarterly)	Review progress on objectives, assessing resource needs and making appropriate decisions.	CEO, CBU, VBU, CTO, other Executive Committee members (optional), ad-hoc guests.
	Brand Committee (monthly)	Review critical points, competitor performance and analyze advertising campaigns. External communication agencies may be invited to attend.	CEO, Managing Director of Residential BU, Managing Director of Enterprise BU, Head of Brand and ad-hoc guests.
	Ad-hoc	Steering Committee Meetings (whenever necessary).	
Information and alignment	ExCo Breakfast (weekly)	Informal breakfast to talk about current topics, emerging issues or share information.	Executive Committee.
	Vodafone aHead (monthly)	Report on the Company's performance during the previous month and report on the main projects for the upcoming months.	Executive Committee + anyone reporting directly to zone officers.
	Vodafone FOCUS (quarterly)	Report on the Company's performance during the previous month and report on the main projects for the upcoming months.	All employees.
Group Decision and Alignment	Board of Directors (quarterly and ad-hoc)	Discuss and agree strategic decisions, general Company issues, day-to-day matters or legal requirements for decision-making, or to share information.	Chairman, CEO and CFO.
	Group ExCo (monthly)	Discuss and agree on Group-wide issues regarding customers, companies, technology, strategy, mergers and acquisitions, people and corporate governance.	CEO, Executive Committee members where applicable.

2.1 The Company

2.1.2 Vodafone in Spain

Corporate Governance

Other Decision-Making Forums

- **Board of Trustees of the Vodafone Spain Foundation** (quarterly)

Functions: The Board is the Vodafone Spain Foundation's highest governance and representative body. The Trustees approve the projects related with the Vodafone Spain Foundation.

Participants: Internal Members of Vodafone (Chairman, Head of Legal, Director of the Vodafone Foundation, Head of Communication) + External Members (representatives of government Ministries and others bodies).

- **Reputational Committee** (quarterly)

Functions: Create a positive reputation for Vodafone both nationwide and in the regions, and approve all the reputational and sustainability initiatives for the quarter.

Participants: CEO + Head of Communication and Sustainability + Executive Committee.

- **Institutional Committee** (monthly)

Functions: Confirm institutional events and the stakeholders involved. Keep the Chairman abreast of the company's performance so that he can share it with the institutions.

Participants: Chairman, President of Vodafone Foundation, Managing Director Enterprise Business Unit, Head of Legal, Head of Communication, Responsible of Institutional Relations.

- **Audit and Risks Committee**

The Vodafone in Spain Audit and Risks Committee is a regional body that reports to the Vodafone Group (it is always chaired by an independent person from outside the Vodafone Spain organization), and its main duty is to oversee the Company's control environment. The Audit and Risks Committee is governed by its Terms of Reference. This Committee is convened by the Head of Internal Audit, meets at least three times a year, and its main remit is to monitor the annual audit plan, implement improvement actions stemming from the audits, oversee the integrity of the company's internal control systems and manage the most relevant risks, as well as compliance with internal policies.

- Chairman: Mr. John Connors
- CEO: Mr. Colman Deegan
- Chief Financial Officer: Mr. Eloy Rodrigo
- Head of Legal, Regulation and Corporate Security: Mrs. Elena Otero-Novas
- Director, Internal Audit: Mrs. Maite Belausteguioitia

Depending on the issues to be addressed, other company officers and employees can attend as guests.

Employee mechanisms for communicating suggestions to governing bodies

Vodafone makes numerous mechanisms available to employees for them to convey recommendations, suggestions or any type of comments to the company's governing bodies, the most representative of which are indicated as follows:

- **Workplace by Facebook:** the corporate social network, of which participate all the undertaking's employees are members, is a Facebook version designed to cater to businesses.
- **Operational Coordination Forums (FoCOs),** in person and streamed meetings at which Management shares information about the Company's business development and strategy with all employees. The meeting ends with a Q&A session.
- **Company Kick Off:** Held at the start of each financial year to outline the strategy for the next twelve months. There are two meetings: one for top management and, subsequently, another for all other Vodafone Employees, streamed live at the head office. At the end of these meetings, time is always kept for questions and answers with Management.
- **Roadshows:** Held after the Kick Offs, to share Vodafone's strategy at its different sites. The CEO goes to each site, meets employees and talks with them about strategic issues or the region's specific issues.
- **Webinars** held throughout the year on specific and general interest subjects or on an area-by-area basis. Employees can join the webinar and take part.
- **Performance Developments** are individual meetings between employees and their line managers, at which they can be given any kind of recommendation. The main aim of these conversations is to track and assess employees' job performance, and it is recommended that they take place four times a year.
- Any employee can contact Vodafone Management about any personal or career development issues through the **Head of Human Resources of their area.**
- Every year Vodafone conducts a company-wide **"Spirit Beat"** to ask all its employees about their expectations and perceptions. The survey addresses different issues regarding human resources management, business activities and Corporate Responsibility/Sustainability issues.
- **Speak Up:** This Vodafone Group scheme lets employees report any activity that breaches the Company's Code of Conduct'.
- **"Launchpad"**, an annual competition where employees can propose their business ideas to be realised within the company if they win.
- **"Pulse survey"**: six surveys were launched during the pandemic to learn about and identify initiatives that could improve employee well-being.



2.1 The Company

2.1.2 Vodafone in Spain

Milestones and Launches 2020-21

History of Vodafone in Spain

1994-1999	<p>1994: Wins the GSM mobile telephony licence.</p> <p>1995: Starts its commercial operations (under the Airtel brand).</p> <p>1997: The one-million customer mark is reached.</p>
2000-2005	<p>2000: Wins the 3G (UMTS) licence.</p> <p>2000: The Vodafone Group takes over Airtel.</p> <p>2001: Airtel is renamed Vodafone Spain.</p> <p>2004: Launch of 3G (UMTS) services.</p>
2006-2011	<p>2006: Launch of HSDPA services.</p> <p>2007: Takes over Tele2España.</p> <p>2008: Launches the "Vodafone Office" and "Vodafone in your home" products".</p> <p>2011: Vodafone Spain wins spectrum for 4G mobile internet services.</p>
2012-2016	<p>2013: Launch of "Vodafone Integral" (mobile + DSL + fixed) and 4G services.</p> <p>2014: Marketing of Fiber To The Home (FTTH) services. Vodafone Spain finalizes the takeover of Ono Corporate Group.</p> <p>2015: Launch of "Vodafone One" (mobile, fixed, internet and TV).</p> <p>2016: Launch of "Vodafone Automotive".</p> <p>Vodafone completes the world's first connection on a commercial network using the NB-IoT standard.</p>
2017-2020	<p>2017: Vodafone reaches commercial agreement for wholesale access to the Telefónica fibre-optic network. Vodafone starts marketing fibre services with downlink speeds of 1Gbps. Launch of "V by Vodafone".</p> <p>2018: World's first 5G call (NSA commercial standard). Rollout of precommercial 5G in Madrid, Barcelona, Seville, Malaga, Bilbao and Valencia.</p> <p>2019: First remotely assisted surgical operation on Vodafone's 5G network. The world's first operator to connect the first smartphones to its 5G network. Launch of tariffs with unlimited mobile data. First commercial 5G network in 15 cities.</p> <p>2020: Europe's first standalone 5G call with a commercial smartphone. Launch of initiatives to tackle the Covid-19 health crisis.</p>

The Vodafone Spain Foundation launches an **online hackathon** to find solutions to the Covid-19 crisis and starts up the **#MayoresAcompaña2** programme.

Vodafone boosts its **communications infrastructure and rolls out contingency solutions** in the **IFEMA** hospital.

Vodafone helps to implement smart working at **100% of the customer care platforms**.

Vodafone Spain supplies an Internet connection to more than **1,300 minors from vulnerable population groups** in partnership with Ayuda en Acción.

The Vodafone Spain Foundation embarks on a new stage of its **DigiCraft** scheme to **help with distance-education**.

Vodafone **leads Spain's IoT market**.

April 2020

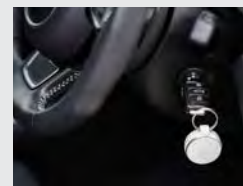
May 2020

Vodafone opens a permanent digitalization **virtual training centre**.

Vodafone launches the 2nd edition of the "**Vodafone 5G Challenge**".

Vodafone Business opens a hub to help **SMEs get back to business after Covid-19**.

Vodafone Spain launches '**Curve**', the new **smart GPS tracker**.



Vodafone announces that its **Network in Europe will be 100% green** and promotes the "**Re-estrena**" programme.

The Vodafone Spain Foundation launches "**V-Talent**", its **digital inclusion plan**.

June 2020

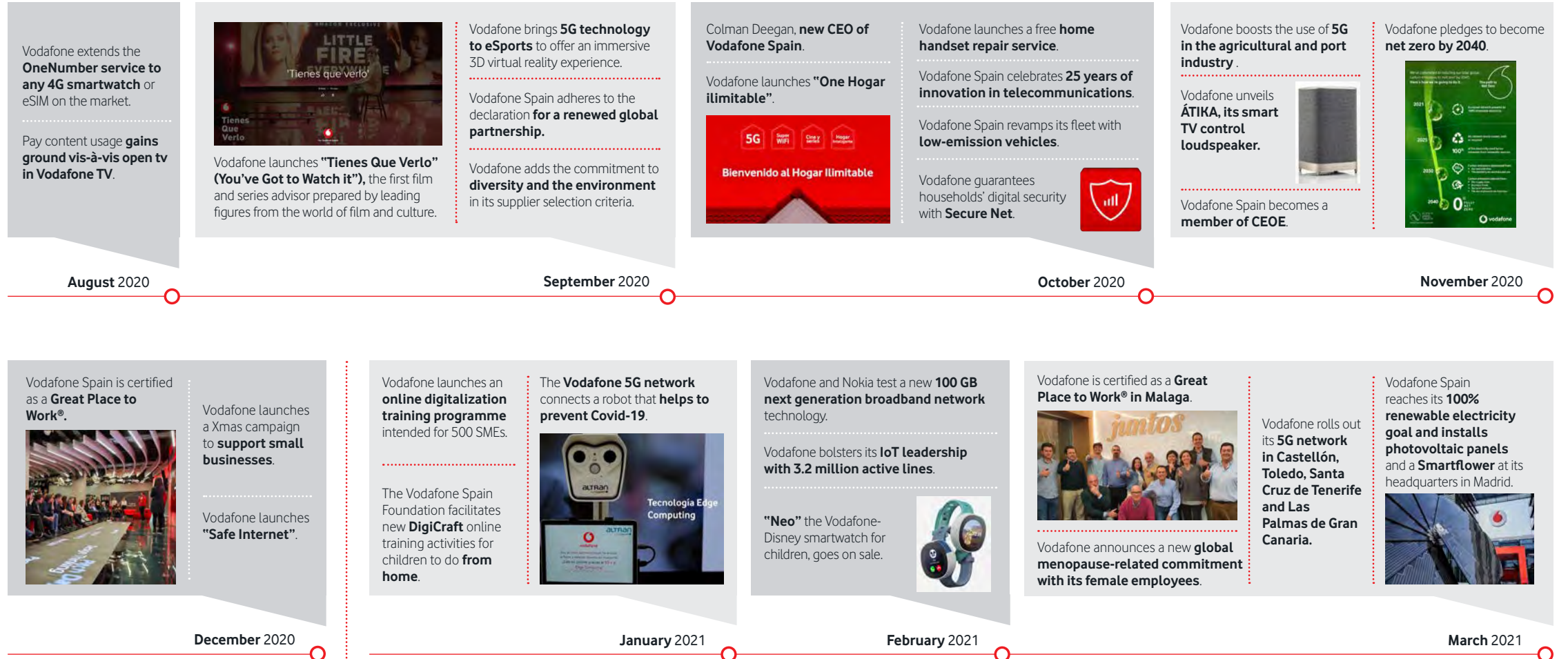
July 2020



2.1 The Company

2.1.2 Vodafone in Spain

Milestones and Launches 2020-21



2.1 The Company





2.1.2 Vodafone in Spain

Business Model

Enterprise business unit (Vodafone Business)

“The best Digital Partner of Enterprises and Public Administrations”

The Enterprise Business Unit promotes and develops the strategy for digitizing **Enterprises and Public Administrations** by tailoring this strategy to each customer's specific needs, helping them to lead and stand out in whichever sector they operate in, through:

- 1  **The most advanced, flexible and innovative range of digital solutions**, to meet our customers' communication needs based on Cloud & Hosting technology, IoT, Big Data, etc., always guaranteeing the highest levels of security.
- 2  **Leadership in mobile technologies**, offering Spain's best voice and data network with 4G and 5G connectivity.
- 3  **The largest fibre network on the market**, letting customers enjoy a landline connection that offers the best convergent experience.
- 4  **A personalized service**, tailored to each customer's needs and that lets us offer the best service experience through traditional and digital channels.

In order to offer its customers the best products and services tailored to their needs and characteristics, Vodafone's business model is organized on the basis of 4 market segments:



Microenterprises Segment, geared towards SOHOs and small enterprises with advanced digital solutions adapted to their needs, from 'Connected Office', a comprehensive solution to work from anywhere, at any time and in a secure environment with the best support, to digital positioning solutions (Web, social media, etc.) or digital security, among others. In addition, Vodafone provides the best customer service through the most advanced traditional and digital channels, with processes in which specialized advisors are assigned to each customer so that they always talk to the same person with full responsibility for resolving their needs.



Small and Medium Enterprise Segment, which offers a range of advanced telecommunications solutions typical of large corporations but tailored to the size and needs of medium-sized companies, so as to promote the development and digital transformation of their businesses. These include the "Increased Connectivity" solution, based on SDWAN technology with advanced security and management capabilities, or "Vodafone Digital Business", to boost SMEs' internet presence.



Corporate Segment, the most advanced, pathbreaking mobile and fixed telecommunications solutions: IoT, Big Data & Analytics, Cloud or IPVPN, among others, along with a relevant innovation ecosystem to help customers go digital.



Public Administrations Segment, Vodafone offers Public Administrations and citizens its knowledge, infrastructures and technologies to meet their needs and help them be prepared for the digital era with its connectivity and management solutions for the digital society. These include "Connected Citizens", a communication tool designed to improving the trust relationship between citizens and the Public Administration, generating better connectivity, citizen attention and more personal communication, and IoT Smart Cities for efficiently managing services that can optimize the Administration's resources, improve its public image and put it at the forefront of technology.

2.1 The Company

2.1.2 Vodafone in Spain

Business Model

Residential Business Unit

The Residential Business Unit offers our **residential customers** total communications products and services, as well as the latest market launches, associated with our innovation leadership, so as to ensure that our customers get the best service and the best experience.

Vodafone's products and services for its residential customers are marketed under Vodafone in Spain's three brands: Vodafone, Vodafone yu and Prepay and Lowi.



Vodafone

For the sixth year running, the Vodafone Mobile Network has been named the Best Mobile Network in the Spanish market, according to the independent study "Umlaut Connect Mobile Benchmark", and had the highest scores in voice and Crowdsourcing, as well as for offering the largest 5G footprint in Spain.

The main products and services marketed under the Vodafone brand in the last financial year were:



5G

Over the last financial year, **Vodafone has expanded its 5G network to 25 major cities** and has consolidated its leadership in mobile network quality, as the operator that offers 5G services with the fastest download speed because it has the largest contiguous spectrum. In addition, Vodafone has included 5G in all existing price plans, bringing this technology to all its customers, and has expanded its portfolio of 5G handsets, which currently has more than 40 references.



Hogar ilimitable

In October 2020, Vodafone launched **new convergent bundles intended especially for families** who want to forget about **connectivity** solutions at home, with the best connection inside and outside the home and new innovative and digital services.



Vodafone TV. The market's biggest film and series aggregator

Vodafone TV is the only platform to feature HBO Spain, Amazon Prime, Netflix and FILMIN, not to mention all the on-demand services that specialize in films and series, making it the market's biggest film and series aggregator with **104,000-plus items** that give customers the greatest freedom of choice on the market.



Smart Household

We live in an increasingly connected environment and, in response, Vodafone offers its residential customers its Digital Household services: IoT for Residential Customers, Secure Net Family, Super Wi-Fi and OneNumber.

Vodafone yu and Prepay

Vodafone yu is Vodafone's range of products and services for its younger customers. To attend to and meet their needs, during the FY 2020-21 Vodafone yu launched different promotions and improvements, just as it did in the Prepay segment, where it presented new tariffs and deals. These new products and services are described in the Customer Digitalization section.

vodafone yu

Lowi

The S-i-m-p-l-e Company, which makes its customers' life simpler. Fibre and mobile tariffs no tie-in clause.

The Customer Digitalization section details the main promotions and improvements implemented in the 2020-21 financial year.



2.1 The Company

2.1.2 Vodafone in Spain

Main Associations of which Vodafone is a member

ADIGITAL: Spanish Digital Economy Association

AEC: Spanish Quality Association

AOP: Association of Operators for Portability

AOPM: Association of Operators for Mobile Portability

Spanish Advertisers Association

AUTOCONTROL: Association for the Self-Regulation of Commercial Communication

CEOE: Spanish Confederation of Business Organizations

DigitalES: Spanish Association for Digitalization

DIRSE: Spanish Association of Corporate Social Responsibility Officers

ETSI: European Telecommunications Standards Institute

Forética

GSMA (Mobile Operators Association)

IGF Spain: Internet Governance Forum

MWCapital: Mobile World Capital Barcelona

Spanish Network of the United Nations' Global Compact

SERES Foundation

Sustainability Excellence Club

Trust and Confidence Online

UNE: Spanish Standardization Association

In line with its anti-bribery policy, Vodafone does not make contributions, donations or sponsorships to political parties or organizations related to or financed by them.

Main Recognitions awarded to Vodafone in 2020-21

- The Vodafone network is the **Best Voice and Data Network** for the sixth year in a row, according to the Mobile Benchmark independent study by Umlaut consultancy firm and the Connect telecoms magazine.
- Vodafone Spain and Vodafone in Malaga receive the **Great Place to Work®** certificate.
- Vodafone ranks number one in the "Contribution and transparency of foreign multinationals in Spain" study prepared by the Fundación Compromiso y Transparencia (Commitment and Transparency Foundation).



2.2 Financial Results

2.2.1 Consolidated Information

Listed below are the main financial and operational figures for the year, compared to the previous financial year.

Key figures	31 March 2021	31 March 2020
Total revenue (€ million)	4,166	4,296
Service revenue (€ million)	3,788	3,904
EBITDA (€ million)	968*	1,009
EBITDA Margin (%)	23.2%*	23.5%
Investments (€ million)	699	761
Mobile Customers (000's)	13,244	13,483
Contract Mobile Customers (000's)	11,418	11,348
4G Mobile customers (000's)	10,200	9,972
Fixed Broadband Customers (000's)	3,193	3,172
Fibre Customers (NGA) (000's)	3,065	2,956
TV Customers (000's)	1,560	1,404

* Due to the Vantage Towers spin-off in 2020-21, EBITDA and EBITDA margin are not comparable with the previous year.

2.2.2 Customer Base

Vodafone Spain ended 2020-21 with a mobile customer base of 13.2 million, 11.4 million of whom are contract customers. The mobile contract customer base increased by 70,000 despite aggressive promotional efforts following the end of the Q1 lockdown restrictions and an increase in mobile porting.

Vodafone is the operator with the fastest 5G speeds:

Vodafone currently has 5G network with the fastest download speeds because its 90Mhz of spectrum has the most contiguous frequencies (not split into blocks) in the 3.5Ghz band. In this regard, the benchmark tests conducted by the Umlaut consulting firm (formerly P3) have proven that Vodafone Spain has, for the sixth consecutive year running, the best mobile network in the market. And in another independent report, conducted by Ookla, Vodafone's 5G network has the best average download speed in Madrid using an iPhone 12.

Top 5G performance in a total of 25 major cities with coverage for more than 50% of the population (Benidorm, Badajoz, Alicante, Murcia, Palma de Mallorca, Valladolid, Madrid, Barcelona, Valencia, Seville, Malaga, Zaragoza, Bilbao, Vitoria, San Sebastián, Coruña, Vigo, Gijón, Pamplona, Logroño, Santander, Toledo, Castellón Santa Cruz de Tenerife and Las Palmas de Gran Canaria).

Ever since its commercial 5G network went live in Spain, Vodafone has been working on a large number of network use cases in the business sector, making the most of the technology's high speed, low latency and large capacities. More than 130 5G use cases in partnership with institutions and companies, consolidating the largest ecosystem of partners for the development of 5G solutions in Europe.

Fixed customer base

In fixed broadband, Vodafone Spain ended FY 2020-21 with a fixed customer base of 3.2 million. The number of fibre customers totalled 3.1 million at 31 March, a total increase of 109,000 throughout the year, 3.7% more than 12 months earlier.

Vodafone TV Customer Base

At year-end, Vodafone TV had 1.6 million customers, 156,000 more than at the end of 2019-20. Vodafone's strategic commitment to consolidate its position as the largest aggregator of quality films and series, the redesign of the TV offer so that Customers pay for what they really want to watch, as well as the boxless TV proposal and excellence in customer service have become levers for change.

2.2.3 Service revenues and turnover

Vodafone in Spain reported **total revenues** of €4,166 million and an 8.2 percentage point improvement in the year: (Q1: -8.2% vs. Q4%). **Service revenues** totalled €3,788 million, falling 3.0% year-on-year, mainly due to lower roaming and tourist revenues associated with the Covid-19 related mobility restrictions, and the 1Q courses of action taken to support customers and society during the pandemic, granting unlimited data to SMEs and offering free TV to customers, among others.



2.2 Financial Results

2.2.4 Costs

Costs for FY 2020-21 in Vodafone Spain were lower than the previous year, thanks mainly to the decision to stop paying the unprofitable soccer broadcasting rights.

- Direct Costs (which include interconnection and access costs) have fallen mainly due to the decision to stop paying the soccer broadcasting rights, which were unprofitable due to the asymmetrical regulatory conditions of the wholesale premium content business, partially offset by higher interconnection costs as mobility restrictions boosted voice traffic.
- Commercial Costs, which consider the net effect of revenues and costs associated with customer acquisition and retention, fell due to lower subsidy costs and lower commissions associated with lower activity and the increased weight of the digital channel.
- Operating Costs were pushed up by the impact of the Vantage Towers demerger (which was part of Vodafone Spain in 2019-20). If Vantage Towers were included in Vodafone Spain's 2020-21 results to make it comparable, operating costs would have fallen 5.8%, thanks to the pursuit of cost efficiency in all areas of the company.

2.2.5 EBITDA

Vodafone Spain's EBITDA for the financial year dropped 4.1% year-on-year to €968 million, while the EBITDA margin fell by 0.3 percentage points.

Considering the impact of the Vantage Towers spin-off to make the year comparable, EBITDA would have been €1,044 million, a y-o-y increase of 3.4% and a 1.5 percentage point improvement in the EBITDA margin. This growth was mainly driven both by the strategic decision not to renew the soccer broadcasting rights, and the more efficient management of commercial and operating costs, which offset the pandemic's impact on roaming and tourist revenues.

2.2. Strategic Advances

Vodafone Spain grew in the main commercial segments: 70,000 contract mobile customers, 109,000 fibre customers, 156,000 Vodafone TV customers; and now has 4.5 million lines with unlimited data.

These figures reflect the impact of strategic decisions and the profound structural and commercial transformation that have created an agile company capable of competing successfully in all segments:

- **The pioneering launch in Spain of the 5G Network**, which is already live in 25 cities with the market's highest download speed. Vodafone has led the way in converting its customer base to unlimited 5G plans.
- **Stop to soccer broadcasts:** The decision to stop paying the soccer broadcasting rights, which were unprofitable due to the asymmetrical regulatory conditions of the wholesale premium content business.
- **Focus on quality film and series content items:** The commitment to the content most popular on the Spanish market, films and series. This has enabled Vodafone to consolidate its position as the largest aggregator in these categories with more than 100,000 content items.
- **The Lowi brand sales drive** to successfully compete in the low-end segment.

Digitalization of products and services in a single app

The company's digitalization commitment, based on leveraging data to improve decision-making, a new organizational model and a more agile culture are boosting business results.

MiVodafone has become the key application for managing customer relations and improving their experience with Vodafone, and is now used by 63% of the customer base. Its features have been revamped to make it the only telco market app that lets customers buy cutting-edge devices and products, sign up for new services much more quickly and upgrade their devices with a 90% transaction rate. Customer satisfaction with MiVodafone inches up each quarter, and ended March with a NPS (Net Promoter Score) of 49 points.

Residential customer satisfaction

These initiatives, combined with the new organizational model designed to simplify the business, the focus on developing the digital experience and the efforts to devise an integrated customer relation approach in the quest to be far more simple and flexible have enabled Vodafone Spain to consolidate its leadership in residential customer satisfaction among large operators yet another year, with a 13 point residential NPS edge over its main competitors, according to an independent report by Kantar for Vodafone Spain Vodafone Spain also still has the highest NPS in the Corporate segment (+5 points).

Low-End market Lowi competes successfully

Vodafone's strategy for competing in the booming low-end segment through the Lowi brand has been an all-round success. The excellent results in terms of customer growth (+236,000% YoY to 1.2 million), reflect an excellent brand positioning and value proposal.

2.3 Contribution to the Country

Vodafone plays a relevant role in the country's sustainable development, contributing to economic growth, social progress and protection of the environment.

At the same time, by facilitating digital transformation, Vodafone is driving the country's growth and making its organizations more competitive and productive.

In order to calculate and value its contribution to the country in terms of sustainable development, Vodafone has developed its own methodology which is used by several Group operators.

Contribution to the Country



2.3 Contribution to the Country

In accordance with the calculation methodology that Vodafone uses, each of the economic, social and environmental contributions to sustainable development can in turn be broken down into:

Direct Contributions: Generated directly by the company's activities in people, businesses and Public Administrations.



Indirect Contributions: generated by our value chain organizations (suppliers, distributors, etc). in people, businesses and Public Administrations.

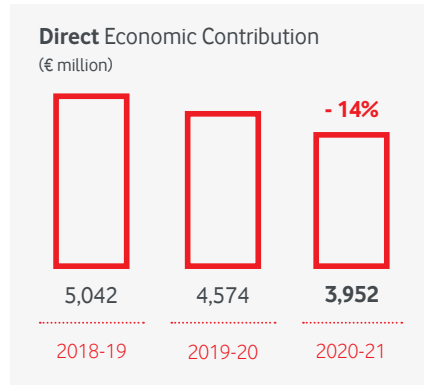
Economic Contribution (Euros)



Direct Economic Contribution

Vodafone contributes directly to the national economy with the wealth it generates, the taxes and licence fees it pays, as well as the suppliers from which it purchases and the people the company employs.

Vodafone in Spain's direct economic contributions are shown below.



Direct Economic Contribution	3,952
People	252
Wages and salaries of direct employees	216
Other direct employee costs	10
Direct employees' options and shares	3
Pension schemes of direct employees	6
Rentals	18
Enterprises	3,248
Acquisition of products and services from local suppliers	2,418*
Tangible & intangible fixed asset procurement	806
Interest	17
Rentals	186
Tax receivables and payables	272
Taxes	212
Social Security	56
Rentals	4

(€ Mn)

* Figure estimated in accordance with the methodology employed by Vodafone.

2.3 Contribution to the Country

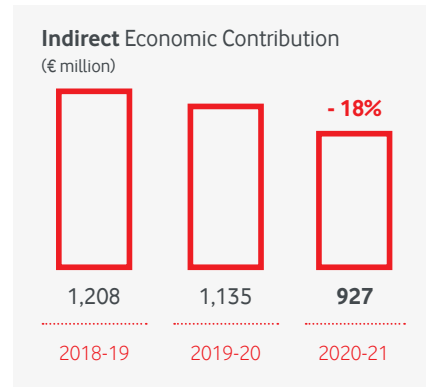
Economic Contribution (Euros)



Indirect Economic Contribution

Vodafone contributes indirectly to the country's economy through its value chain organizations (suppliers, distributors, etc.).

Listed below are the indirect economic contributions of all the Companies of Vodafone in Spain.



Indirect Economic Contribution	927
People	571
Employee wages and salaries	571*
Tax receivables and payables	356
VAT + IGIC + IPSI taxes	277
Personal Income Tax paid for direct employees	67
Social Security paid for direct employees	12

(€ Mn)

* Figure estimated in accordance with the methodology employed by Vodafone.



2.3 Contribution to the Country

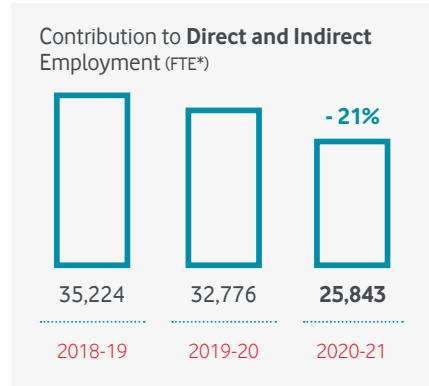


Social Contribution (Employment)

Vodafone plays a leading role in its social contribution to the country, both in terms of employment and in its social development.

Listed below are the social contributions, in direct and indirect employment terms, of all the Companies of Vodafone in Spain, as well as the contribution to social development stemming from the projects and programmes promoted by the Vodafone Spain Foundation.

Contribution to Direct and Indirect Employment



Contribution to Direct and Indirect Employment		25,843
Direct Employment		4,219
FTE		4,219
Indirect Employment		21,624
FTE		21,624*
External logistics personnel.		
External call centre personnel.		
External Sales personnel.		
External technology personnel.		
Other outsourced personnel (consultancy, systems, etc.).		

FTE: Full Time Equivalents.

* Figure estimated in accordance with the methodology employed by Vodafone.

Social Development

Vodafone Spain Foundation

The Vodafone Spain Foundation is another of the resources that Vodafone Spain has for furthering its commitment to society.



3.5 € million invested by the Vodafone Spain Foundation in social development.



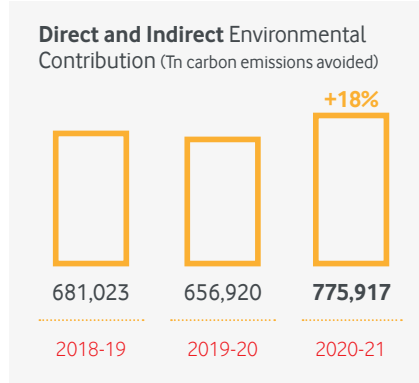
2.3 Contribution to the Country

Environmental Contribution (CO₂)



Vodafone's commitment to sustainable development involves controlling and minimizing the direct impact of its activity on the environment.

Listed below are the direct and indirect environmental contributions of all the Companies of Vodafone in Spain.



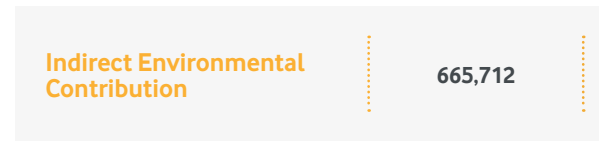
Direct Environmental Contribution

Vodafone contributes to minimize directly its carbon emissions through initiatives intended to boost the energy efficiency of its premises and improve mobility management.

Category	Carbon Emissions Avoided (Tn)
Direct Environmental Contribution	110,195
Renewable energy	107,064
Mobility management	3,131*
Video conferencing	85.1
Fleet	1,428
Shuttles	0
Smartworking	1,618**

Indirect Environmental Contribution

Vodafone contributes towards the fight against climate change indirectly, by bringing out products and services which help other sectors to reduce their own carbon emissions. Not to mention Vodafone's contribution through IoT solutions.



Tn carbon emissions avoided

Tn carbon emissions avoided

*This figure was higher than the previous year due to the Covid-19-prompted increase in smartworking.

** Figure estimated in accordance with the methodology employed by Vodafone.

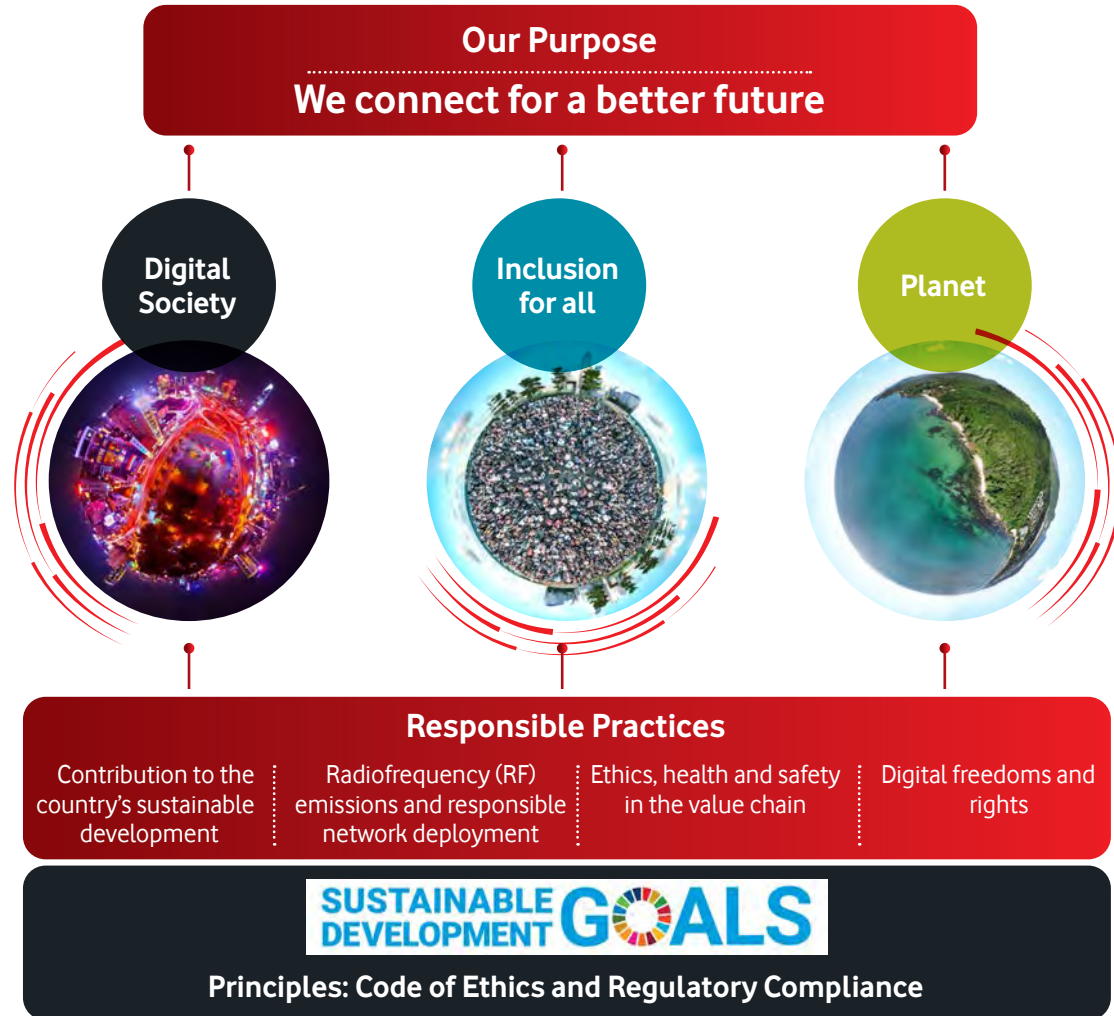


2.4 Sustainable Company

2.4.1 Strategic Sustainable Business Framework

As a socially responsible company, Vodafone plays a key role in the societies in which it operates. Building on a decade of business initiatives, projects and products, it articulated its purpose with a commitment to **improve one billion lives and halve its environmental impact by 2025**. Its sustainable business strategic framework supports the achievement of its 2025 goals through three pillars: **Digital Society, Inclusion for all and Planet**. Vodafone aims to enable an inclusive and sustainable digital society.

In parallel, Vodafone is committed to continuing to ensure that it operates in a responsible and ethical manner, which is more important than ever given the current Covid-19 crisis and the role of business in supporting society during this period of uncertainty and change.



2.4 Sustainable Company

2.4.2 Stakeholder Engagement

Communicating with Stakeholders is essential for understanding the issues that matter most to them. Vodafone has identified and prioritized the different groups and their respective expectations regarding its activities. The following table summarizes the main stakeholder relationship model, as well as some specific communication channels with opinion makers, employees, social networks and the landlords' call centre.

Stakeholder (GRI 102-40)	Why does it matter to Vodafone? (GRI 102-42)	Which issues are relevant? (GRI 102-44)		How do we communicate? (GRI 102-43)
Customers	Customers are the focus of its business, which is why it is necessary to build trust relationships with them.	<ul style="list-style-type: none"> • Customer care /complaints • Clear prices and rates • Privacy and data protection • Community involvement • Employees • Youth employment 	<ul style="list-style-type: none"> • The environment and climate change • Responsible network deployment • Consumption of materials and waste • Safe and responsible enjoyment of ICTs • Responsible advertising 	<ul style="list-style-type: none"> • Half-yearly surveys on sustainability issues • Ongoing tracking of queries, incidents and complaints through the different channels (telephone, in-person, online, etc.) • Social Media
Employees	Employees are the soul of its business. Their involvement and skills are key to achieving its strategic goals.	<ul style="list-style-type: none"> • Employees • Diversity and Equality 	<ul style="list-style-type: none"> • Youth Employment • Community involvement 	<ul style="list-style-type: none"> • Annual survey ("People Survey") • Internal communication channels
Opinion-Makers (Media, Consumers' Organizations, NGOs, Trade Associations, etc.)	Opinion makers in general and the media in particular play the role of keeping the rest of the stakeholders informed about the progress of our business and the impact of our operations.	<ul style="list-style-type: none"> • Customer Care /Complaints • Privacy and data protection • Community involvement • Youth employment 	<ul style="list-style-type: none"> • Responsible advertising • ICT and sustainability • Safe and Responsible Enjoyment of ICTs 	<ul style="list-style-type: none"> • Daily tracking of the Media • Two-yearly surveys • Specific meetings
Public Administrations and Regulatory Authorities	Its relationship with Administrations and the Regulator has an impact on its ability to contribute with more ambitious goals.	<ul style="list-style-type: none"> • Customer Care /Complaints • Clear Prices and Rates • Privacy and data protection 	<ul style="list-style-type: none"> • Responsible network deployment • Safe and Responsible Enjoyment of ICTs • Responsible advertising 	<ul style="list-style-type: none"> • Two-yearly surveys • Specific meetings
General Public /Local Community	Boosting local economies generates confidence in Vodafone, resulting in the long-term viability of its business.	<ul style="list-style-type: none"> • Customer Care /Complaints • Clear Prices and Rates • Privacy and data protection • Community involvement • Employees • Youth employment 	<ul style="list-style-type: none"> • Environment and climate change • Responsible network deployment • Consumption of materials and waste • Safe and Responsible Enjoyment of ICTs • Responsible advertising 	<ul style="list-style-type: none"> • Semiannual surveys • Social media
Knowledge Makers (Universities, Business Schools, etc.)	Its relationship with creators of knowledge gives it an understanding of emerging issues and market trends.	<ul style="list-style-type: none"> • Community involvement • Employees • Environment and climate change 	<ul style="list-style-type: none"> • Suppliers • ICTs and sustainability 	<ul style="list-style-type: none"> • Participation in Workshops/ Seminars • Specific Programmes with universities
Suppliers and Strategic Allies	Its suppliers and strategic partners have an impact on our ability to provide products and services. Its commitment to them contributes to the continuity and viability of the business.	<ul style="list-style-type: none"> • Customer Care /Complaints • Community involvement • Privacy and data protection • Responsible advertising 	<ul style="list-style-type: none"> • Suppliers • Safe and Responsible Enjoyment of ICTs • ICTs and sustainability 	<ul style="list-style-type: none"> • Two-yearly surveys • Specific meetings
Owners and Residents' Associations	Without the collaboration of Owners and Residents' Associations where it locates its network facilities, it could not efficiently deploy its network.	<ul style="list-style-type: none"> • Environment and climate change 	<ul style="list-style-type: none"> • Responsible network deployment 	<ul style="list-style-type: none"> • Responsible network deployment



2.4 Sustainable Company

2.4.2 Stakeholder Engagement

The following are some examples of specific communication channels with stakeholders such as opinion makers, employees and social networks.

DigitalES, industry association

Vodafone has been a member of DigitalES, the industry's association of the top technology and innovation companies, ever since it was set up.

The association's activities during FY 20-21 include:

- DigitalES Summit 2020**

The event was attended by the ministers Nadia Calviño, Teresa Ribera, Reyes Maroto and Isabel Celaá, as well as the mayor of Madrid, José Luis Martínez-Almeida. The event addressed the issue of digital transformation and recovering from the crisis caused by Covid-19 triggered crisis and Vodafone Chairman António Coimbra took part in a dialogue with the Chairwoman of the COTEC Foundation and former Minister of Science and Innovation, Cristina Garmendia.



- Meetings with political representatives**

DigitalES has held various face-to-face or telematic meetings with political representatives, in which Vodafone representatives have taken part and taken the opportunity to convey the company's and the sector's position in a constructive and friendly atmosphere.



Internet Governance Forum

Vodafone helped to organize and sponsor the 10th Annual Conference of the Internet Governance Forum in Spain, held in September 2020, which focused on analyzing experiences in ICT usage during the pandemic and the outlook for the future when everything returns to normal.



Vodafone joins the Spanish Confederation of Business Organizations



In November 2020, Vodafone became a member of the CEOE, after signing the membership agreement. António Coimbra, Chairman of Vodafone Spain, and Antonio Garamendi, Chairman of CEOE, took part in the ceremony. Now that it is a member, Vodafone is an active participant of CEOE's consultative bodies, such as the Digital Society Commission. After joining, Vodafone now strives alongside the CEOE to promote the telecommunications sector, which has a strategic role to play right now when innovation and digitalization are underpinning the country's recovery.

Committed to fighting Covid with the RadarCovid app

Last October, Vodafone gave the Secretary of State for Digitalization and Artificial Intelligence, Carmen Artigas, an undertaking that it would not charge its customers for any data used in operating the RadarCovid tracking application. Vodafone's Director of Legal, Regulatory and Corporate Security, Elena Otero-Novas, was present at the closing of the agreement on behalf of Vodafone. Vodafone also undertook to take appropriate promotional actions to encourage its citizens, employees and customers to use it.



2.4 Sustainable Company

2.4.2 Stakeholder Engagement

Internal Communication

In Vodafone, the Internal Communication department's role is to keep employees up-to-date with all the news about the business and internal processes, keep them aligned with the company's objectives and encourage their involvement.

The following channels of communication were used during FY 2020-21:

Channels of communication:

- **Vodafone Spain in Workplace Facebook Group:** This app is the principal channel of Internal Communication for all Vodafone Group employees, and it lets employees get information anywhere and at any time, from their mobile phones or corporate computers.
- **Corporate Social Network:** Workplace is the company's corporate social network, and it lets all the company's employees, including local and international management interact and talk to one another. Employees use it to get information, make remarks, share achievements, make suggestions or ask questions.
- **The Weekly:** This weekly newsletter features the week's main news items and announcements.
- **Landing Page:** This communication tool contains links, tools, news and utilities from different Vodafone environments. It means all employees are just a click away from everything they need for their daily workload or to keep up-to-date.
- **Webinars:** Online sessions open to all employees during which a significant current issue is discussed. Employees can send in questions.
- **MyHR:** All our main handbooks, content, policies and services are kept on our Intranet.
- **Other** channels of in-house communication: screens at all offices, mails, newsletters, text messages, videos, corporate videostreaming tool (Vodafone Tube), etc.

Online communication events:

- **FOCO:** Quarterly meeting at which the Executive Committee reports on the progress of the company's strategy and objectives to all employees. At the end of the session, the CEO answers any questions that employees have sent in.
- **aHead:** Face-to-face meeting held every month at which the Executive Committee reports on the progress of the company's strategy and objectives to the organization's 100 leaders.
- **Area follow-up meetings:** Each member of the Executive Committee holds regular business follow-up meetings where they share the strategy, objectives and brand essence with the employees in their area.
- **Presentation of new products and services:** To inform all employees about the new products we are launching for our customers.
- **Motivational and celebratory actions:** In order to celebrate successes and boost employee motivation (concerts, competitions, etc.)

Vodafone and Covid-19:

The pandemic led during the 2020-21 financial year to all internal communication and meetings or events with employees being conducted online. The company decided to ensure, through direct and constant communication, that all employees were kept abreast of how the crisis was unfolding, were aware of the measures adopted by Vodafone to avoid any risk of infection, to make it easier to work from home and to take part in solidarity and motivational actions.

To this end, the Human Resources, Vodafone Foundation, Social Networks, Brand and Corporate Communication departments devised a five-strand plan known as **"Together Against the Virus"**. Each area was to work on each strand, while Internal Communication defined the communication plan, online tools and channels necessary to narrate the actions taken in terms of **Health and Safety, Communication, Branding, Listening and Channels, Solidarity, Training and Leisure.**

Videos and Photos:



Employee Christmas Video Audios



Christmas Summary Video



Senior Citizens Volunteers Video



1 year of Spirit



Together Against the Virus Newsletter

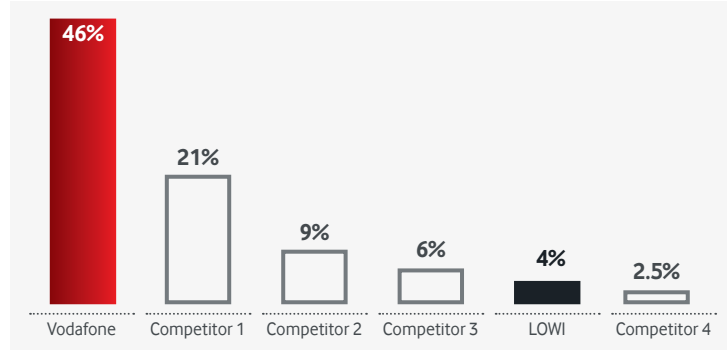
2.4 Sustainable Company

2.4.2 Stakeholder Engagement

Social Media

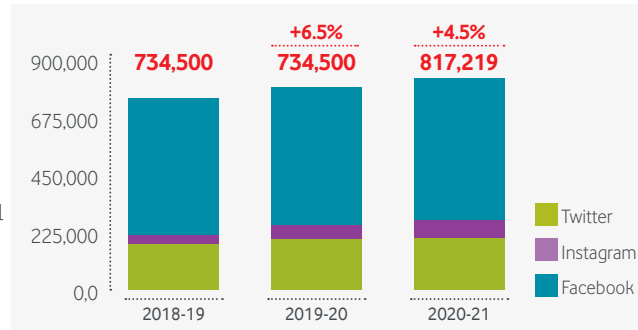
We use Social Media to keep up on ongoing, fluid dialogue with our different stakeholders.

- **Interactions:** Vodafone is the operator that has generated the highest volume of interactions in the telecom sector, with **46% of the total**, compared to the nearest competitor's 21%, according to the Epsilon Icarus Analytics Panel. The Vodafone Spain and Vodafone TV profiles on Facebook, Instagram and Twitter have together generated more than **14 million user interactions** between Likes, RTs, clicks or Shares.



- **First response time:** 33 minutes, **25% faster** than last year (44 minutes), which points to a much quicker customer service.

- **Community:** During 2020-21 Vodafone gained 11,376 fans on Facebook, 11,065 followers on Twitter and 11,953 followers on Instagram. A total of **34,394** followers, making Vodafone the company that has won the most followers this year, compared to 25,750 and 24,958 for its two closest competitors. These three platforms add up to a total of **817,219 followers**, a **4.5% rise compared to the community for the 2019-20 financial year**.



Landlords' Call Centre

Owners of sites housing our facilities can contact Vodafone by calling their hotline if they want to ask a question or report an incident: **607 100 101**

+5,000 calls received by Vodafone during financial year 2020-21



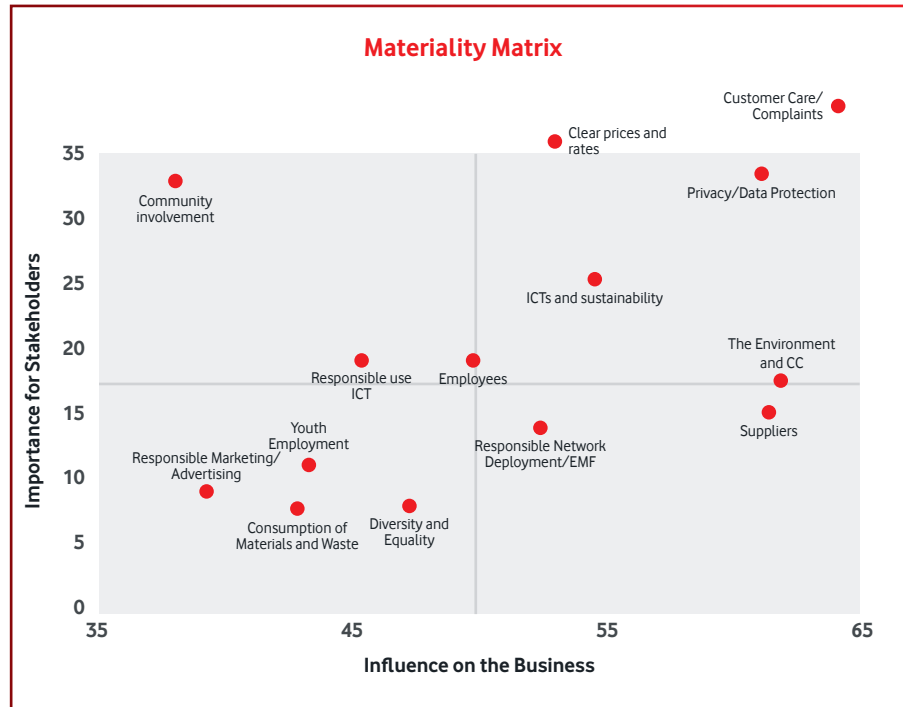
2.4 Sustainable Company

2.4.3 Materiality Analysis

Our ongoing dialogue and relationship with different stakeholders lets us identify and prioritize their needs and expectations. Pertinent internal procedures are used to draw up a Priority Matrix (also known as a Materiality Matrix), that identifies and prioritizes the issues addressed and developed in the Strategic Sustainable Business Framework.

As part of that process, the Materiality Matrix is submitted to the Board of Directors for approval.

These issues are managed and coordinated by the Sustainability and Quality Department, which each year reports to the Reputational Committee through the Corporate Communications Director, to whom it is answerable.



The issues identified through our Stakeholder dialogue and relationships serve to draw up the following **Priorization of Material Issues** that are addressed throughout this Report:

Issues (GRI: 102-47)	Report Reference	Page
1. Customer service. Complaints	Customers	78-82
	Complaints	50
2. Privacy and data protection	Privacy	49
3. Clear Prices and Rates	Customers	78-82
4. ICTs and sustainability	Planet	123
	Environmental benefits of technology	87, 88
5. Community involvement	Vodafone Foundation	95-98
	Society	99-102
6. Environment and Climate Change	Planet	119-127
7. Employees	Employees	103-118
8. Suppliers	Responsible procurement	58-60
9. Safe and responsible use of ICTs	Society	99
10. Responsible deployment. EMF	RF Emissions and Health	92, 93
11. Youth employment	Society	102
12. Diversity and equality	Employees	109-111
13. Responsible Advertising	Compliance and responsible company	50
14. Consumption of Materials and Wastes	Planet	125, 126



2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals

The UN's **Sustainable Development Goals** are a set of measures designed to end poverty, protect the planet and ensure the global welfare of people. They are interrelated and represent the major global challenges we face every day, such as poverty, inequality, climate, environmental degradation, prosperity, peace and justice. Some of these challenges (such as poverty, schooling or gender equality) have been hit particularly in the last year due to the Covid-19 crisis.

2020 marked the start of the "decade of action" to implement ambitious actions to achieve the **SDGs** by 2030. In this regard, Vodafone is committed to playing its part by harnessing the power of technology, networks and services. Through the impact of its extensive global network, its wide range of products and services (such as its IoT and M-Pesa platforms) and the Vodafone Foundations' efforts, it believes it can boost the speed and scale of contribution across a wide range of SDGs.

The Vodafone Group has prioritized the following SDGs:



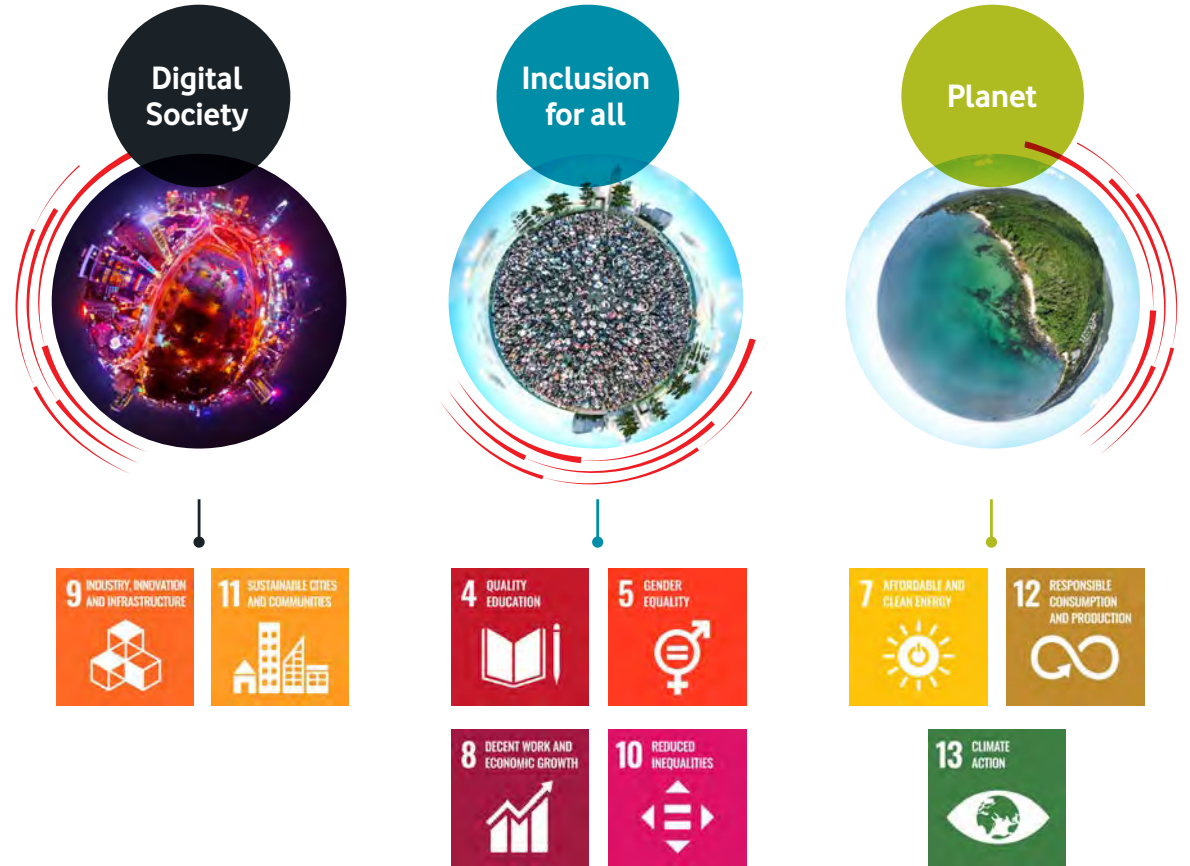
Vodafone's connectivity solutions and innovation in digital issues enable people, wherever they are and wherever they live, to access the Internet in a reliable and affordable way. IoT solutions and digital platforms can contribute to sustainable development in a range of sectors, including manufacturing, transport, health, agriculture, education and energy.



New models of cooperation between business, governments, international organizations and civil society can generate breakthroughs on a large scale, for example to connect the unconnected.

Through our connectivity infrastructures, digital innovation and partnering with others, we can make an impact on many of the SDGs to help rebuild society.

















Having identified the priority SDGs at Vodafone Group level, during the 2020-21 financial year Vodafone Spain has also identified those SDGs to which, as a local operator, it can contribute directly.



2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals



Having defined the priority SDGs locally, Vodafone Spain has reviewed each of the SDG targets, considering those to which it makes a critical contribution, selecting indicators to determine the evolution of its contribution to each of them and the corresponding targets, and indicating its commitment and contribution:

Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
	 <p>9.4 Infrastructure modernization</p>	Sites with 5G	Number of sites with 5G 2019-20:  237 2020-21:  427	Vodafone is committed to keeping on investing significantly in its network structure, coverage and quality required for a competitive economy in the digitalization era; and to providing a high quality service that enables individual and business customers to connect effectively anywhere and anytime. Some of its projects: <ul style="list-style-type: none"> • Vodafone Instant Network • Network Sharing • 5G Coverage • 5G pilot tests
	 <p>9.c Access to ICTs and internet</p>	Building units with fiber	Building units with fiber (million) 2018-19:  22.4 2019-20:  25 2020-21:  26	
	<p>11.6 Reducing cities' negative environmental impact</p>	Carbon emissions avoided by using IoT technologies	Tons of carbon emissions avoided 2018-19:  677,955 2019-20:  603,493 2020-21:  665,712	Vodafone is committed to globally avoiding 350 million tonnes of carbon through its IoT offering. Vodafone's IoT solutions can help governments, businesses and civil society identify environmental issues and enable the development of smart cities, helping them to develop more efficiently and effectively. Some of its projects: <ul style="list-style-type: none"> • Smart meters • Smart Logistics • Water management • Waste management • Fleet management • Smart agriculture
	 <p>4.1 Free, equitable and quality primary and secondary education</p>	Training and Education	N° of children and young people who have learnt skills for their future* 2019-20:  6,353 2020-21:  29,772 <small>*DigiCraft and Project Lab pupils</small>	Vodafone and the Vodafone Foundation are committed to using technology to enable young people to gain access to new and broader opportunities to learn. A few initiatives: <ul style="list-style-type: none"> • Vodafone Instant Classroom • #CodeLikeAGirl • Future Jobs Finder • Youth 4 Good • DigiCraft • Social Tariff





2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals

Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
 	5.1 End to gender discrimination	Diversity of governance bodies and employees	% employees per gender 2018-19: 56.2 (Men), 43.8 (Women) 2019-20: 58 (Men), 42 (Women) 2020-21: 58 (Men), 42 (Women)	Vodafone encourages women's inclusion in the workplace, underscoring their vital role in the Company's success, and its global aim is to be the best employer for women in 2025. A few initiatives: • #ChangeTheFace campaign • Global parenthood policy • ReConnect • #CodeLikeAGirl • LGTBI • DigiCraft • Youth 4 Good
		Pay gap	Gender wage gap Adjusted: 4.65% (2018-19), 4.59% (2019-20), 3.42% (2020-21) Gross: 18.60% (2018-19), 17.68% (2019-20), 14.68% (2020-21)	
		Non-discrimination	Cases of Discrimination 0 (2018-19), 0 (2019-20), 0 (2020-21)	
	5.5 Women's participation in leadership	Diversity of governance bodies and employees	% of managerial posts by gender 2018-19: 63 (Men), 37 (Women) 2019-20: 63 (Men), 37 (Women) 2020-21: 62 (Men), 38 (Women)	

2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals






Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution																																																																		
 	8.1 Economic growth	Direct economic value generated and distributed	Direct Economic Contribution (€ million) 2018-19: 5,042 2019-20: 4,574 2020-21: 3,952	Vodafone is strongly committed to developing digital skills in order to identify the gap between future jobs and the job needs of the new generations. A few initiatives: <ul style="list-style-type: none"> • Future Job Finder • Smart Working • OHP • Vodafone University • Vodafone yu Talent Internships • Discover Programme • Vodafone Campus Lab • Social tariff 																																																																		
		Economic impact indirect	Indirect Economic Contribution (€ million) 2018-19: 1,208 2019-20: 1,135 2020-21: 927																																																																			
	8.6 Unemployment and youth training	New hires and staff turnover rate	Number of hires by gender and age <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Women</th> <th colspan="2">Men</th> <th colspan="2">Total Hires</th> </tr> <tr> <th>19-20</th> <th>20-21</th> <th>19-20</th> <th>20-21</th> <th>19-20</th> <th>20-21</th> </tr> </thead> <tbody> <tr> <td><= 30 years</td> <td>36</td> <td>31</td> <td>61</td> <td>63</td> <td>97</td> <td>94</td> </tr> <tr> <td>31 a 45</td> <td>37</td> <td>50</td> <td>92</td> <td>124</td> <td>129</td> <td>174</td> </tr> <tr> <td>>45 years</td> <td>12</td> <td>12</td> <td>15</td> <td>27</td> <td>27</td> <td>39</td> </tr> </tbody> </table> Turnover Rate <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Male</th> <th colspan="2">Female</th> <th colspan="2">Total</th> </tr> <tr> <th>19-20</th> <th>20-21</th> <th>19-20</th> <th>20-21</th> <th>19-20</th> <th>20-21</th> </tr> </thead> <tbody> <tr> <td>% Voluntary</td> <td>5%</td> <td>3.7%</td> <td>4%</td> <td>3%</td> <td>5%</td> <td>3%</td> </tr> <tr> <td>% Involuntary</td> <td>1%</td> <td>1%</td> <td>0%</td> <td>1%</td> <td>1%</td> <td>1%</td> </tr> <tr> <td>Total</td> <td>6%</td> <td>4%</td> <td>5%</td> <td>3%</td> <td>5%</td> <td>4%</td> </tr> </tbody> </table>			Women		Men		Total Hires		19-20	20-21	19-20	20-21	19-20	20-21	<= 30 years	36	31	61	63	97	94	31 a 45	37	50	92	124	129	174	>45 years	12	12	15	27	27	39		Male		Female		Total		19-20	20-21	19-20	20-21	19-20	20-21	% Voluntary	5%	3.7%	4%	3%	5%	3%	% Involuntary	1%	1%	0%	1%	1%	1%	Total	6%	4%	5%	3%
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% Involuntary	1%	1%	0%	1%	1%	1%																																																																
Total	6%	4%	5%	3%	5%	4%																																																																
8.8 Labour Rights	Workers representation in formal joint management-worker health and safety committees	Employees with collective agreement* 2018-19: 100% 2019-20: 100% 2020-21: 100%	Accidents in working hours 2018-19: 8 2019-20: 4 2020-21: 0																																																																			

*Except management





2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals


Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution														
 <p>Inclusion for all</p> 	10.2 Inclusion	Inclusion of disadvantaged groups	<p>Training vulnerable children</p> <table border="1"> <tr> <td>2019-20</td> <td>1,384 children</td> <td>72 schools</td> <td>18 teachers and volunteers</td> </tr> <tr> <td>2020-21</td> <td>1,500 children</td> <td>351 schools</td> <td>1,125 teachers and volunteers</td> </tr> </table> <p>% Accessible own stores</p> <table border="1"> <tr> <td>2018-19</td> <td>2019-20</td> <td>2020-21</td> </tr> <tr> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </table>	2019-20	1,384 children	72 schools	18 teachers and volunteers	2020-21	1,500 children	351 schools	1,125 teachers and volunteers	2018-19	2019-20	2020-21	100%	100%	100%	<p>Vodafone and its Foundation are committed to continue working to achieve a diverse and inclusive society for all population groups, in which all people feel committed and involved and no group is discriminated against. A few initiatives:</p> <ul style="list-style-type: none"> • Closing Gap • Diversity Committee • Accessible Stores and Web • Janus Programme • ReConnect • Vodafone Foundation Projects (DigiCraft vulnerable children, ICT training for disabled people)
2019-20	1,384 children	72 schools	18 teachers and volunteers															
2020-21	1,500 children	351 schools	1,125 teachers and volunteers															
2018-19	2019-20	2020-21																
100%	100%	100%																
 <p>Planet</p> 	7.2 Renewable energies	Non-renewable Energy Consumption in the Organization	<p>% Renewable electricity consumed (MWh)</p> <table border="1"> <tr> <td>2018-19</td> <td>0%</td> </tr> <tr> <td>2019-20</td> <td>35%</td> </tr> <tr> <td>2020-21</td> <td>100%</td> </tr> </table>	2018-19	0%	2019-20	35%	2020-21	100%	<p>Vodafone is working year after year to reduce the amount of energy needed to run its network, while meeting the growing demand for data from its customers. Vodafone is also committed to sourcing all the electricity it uses on the grid from renewable sources by 2021.</p> <p>A few initiatives:</p> <ul style="list-style-type: none"> • Renewable Energy Certificates (RECs) • Buying Electricity Guarantee of Origin Certificates • ISO 50001 								
	2018-19	0%																
2019-20	35%																	
2020-21	100%																	
7.3 Energy Efficiency	Energy intensity	<p>Network Energy Consumption due to Data Traffic (kwh/TB)</p> <table border="1"> <tr> <td>2018-19</td> <td>103.9</td> </tr> <tr> <td>2019-20</td> <td>81.5</td> </tr> <tr> <td>2020-21</td> <td>57.1</td> </tr> </table>	2018-19	103.9	2019-20	81.5	2020-21	57.1										
2018-19	103.9																	
2019-20	81.5																	
2020-21	57.1																	
	12.2 Efficient use of natural resources	Energy Consumption	<p>Total energy consumption (MWh):</p> <table border="1"> <tr> <td>2018-19</td> <td>726,223</td> </tr> <tr> <td>2019-20</td> <td>735,430</td> </tr> <tr> <td>2020-21</td> <td>715,358</td> </tr> </table>	2018-19	726,223	2019-20	735,430	2020-21	715,358	<p>Vodafone is committed to resource efficiency and to reusing or recycling 100% of its network waste by 2025. A few initiatives:</p> <ul style="list-style-type: none"> • Energy Efficiency • ISO 50001 • Device reutilization or recycling mechanisms • Red loves green 								
2018-19	726,223																	
2019-20	735,430																	
2020-21	715,358																	

2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals

Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
 	13.1 Resilience to Natural Disasters	GHG emissions	GHG emissions scope 1, 2 and 3 (Tn carbon) 2018-19: 227,918 2019-20: 118,321 2020-21: 4,042	Vodafone is committed to cutting its greenhouse gas (GHG) emissions by 50% (compared to 2016) by 2025 and to eliminating them completely by 2030. It is committed to achieving Zero Net Emissions by 2040. A few initiatives: <ul style="list-style-type: none"> • Renewable Energy Certificates (RECs) • Buying Electricity Guarantee of Origin Certificates • IoT platform
		GHG emissions intensity	GHG emissions, Scope 1, 2 and 3/Data Traffic (Tn carbon) 2018-19: 0.034 2019-20: 0.013 2020-21: 0.0003	


Vodafone also contributes indirectly to the other SDGs through its networks, products and services, responsible operations and the Vodafone Foundation:




1. No Poverty
Vodafone's significant network investments ensures increasing access to connectivity and innovative products and services that empower its customers and fosters their economic inclusion.




2. Zero hunger
Vodafone offers IoT technology, mobile finance and agricultural mobile solutions to help improve productivity on small-scale farms.




3. Good Health and well-being
It has developed apps that can be used as daily medication reminders and for heart and diabetes monitoring.



6. Clean water and sanitation
Vodafone's IoT services provide connectivity for smart water metering and pump maintenance applications to improve access to drinking water.



14. Life below water
IoT technology is used to help track marine animals.



15. Life on land
IoT technology is used in warning systems to prevent forest fires and monitor animals in danger of extinction.



16. Peace, justice and strong institutions
It is actively involved in helping to identify global policy issues (e.g. data privacy) and promote responsible business values for the purpose of operating with integrity.

2.4 Sustainable Company

2.4.4 Contribution to the United Nations' Sustainable Development Goals

Sustainable Development Goal Dissemination and Training

Vodafone is committed to publicizing SDGs both externally and internally:

- The SDGs have been included in the Vodafone Spain Foundation's project 'Youth 4 Good' as the linchpin for defining the challenges and initiatives presented, and also in Vodafone's Campus Lab.
- Vodafone has been a member of the Global Compact since 2012 and participates in various SDG-related events and working groups with different organizations. In this regard, the CEO signed the Declaration of business leaders for renewed international cooperation.



- Furthermore, by involving all its employees through training and awareness-raising modules available on its Vodafone University platform through its participation in the Companies4SDG campaign, in which they are urged to take an active role in achieving the SDGs, applying sustainable habits, and also inviting them to take part in surveys launched by Global Compact.





Compliance and Responsible Company

3.1

Compliance of the Vodafone Group and Corporate Policies

- 3.1.1 Codes of Ethics
- 3.1.2 Anti-Fraud and Bribery Programmes
- 3.1.3 Privacy in Vodafone
- 3.1.4 Complaints and responsible advertising
- 3.1.5 Quality Management System
- 3.1.6 Tax Issues
- 3.1.7 Vodafone and Human Rights

3.2

Compliance Culture

- 3.2.1 Prevention and Control tools
- 3.2.2 Criminal Risk Prevention Programme

3.3

Responsible Procurement

- 3.3.1 Code of ethical purchasing
- 3.3.2 Conflict Minerals Policy
- 3.3.3 Suppliers

3.1 Compliance of the Vodafone Group and Corporate Policies

Vodafone Group, Plc. is responsible for **designing the global corporate governance system** of all its subsidiaries, and each market assumes the executive responsibilities and daily control associated to the system and specifically, to ensure, publicize and implement the **Code of Conduct and Corporate Policies**.

In this respect, the Board of Directors of Vodafone Spain  is committed to Regulatory Compliance and to maintaining, developing and overseeing the Code of Conduct and Corporate Policies, by striving to align local internal procedures both with the highest ethical standards, taking into account the characteristics and singularities of the Spanish market, and with the Vodafone Group's Business Principles, creating a true culture of compliance within the company.


3.1.1 Codes of Ethics

Code of Conduct and Business Principles

Vodafone has a **Code of Conduct** that lays down the **Business Principles** that establish what is expected of everyone who works for and with Vodafone: employees, officers, contractors, subsidiaries, companies and suppliers, wherever they are. It also highlights its responsibility towards its employees, partners and shareholders.

Individual conduct 

We act with honesty, integrity and justice in our internal and external relationships. We do not tolerate any form of bribery, including improper offers of payments or gifts to or from employees. We will avoid any contract that might lead to, or suggest, a conflict of interest between personal and business activities. Nor do we give or accept hospitality or gifts that might appear to incur an obligation. We seek mutually beneficial relationships and promote the application of our business principles with our business partners and suppliers.

Compliance with the Law 

We comply with the provisions of current domestic and international legislation and applicable standards and principles.

Health and safety 

We protect the health, safety and welfare of our customers, employees, partners and the communities in which we operate and disclose any information that comes to our attention that clearly demonstrates that any of our products or services violate internationally accepted safety standards or guidelines.

Financial integrity 

We provide the best possible performance for our long-term shareholders. We base our investment decisions, acquisitions and business relationships on economic criteria, but we also take into account social and environmental considerations.

Public policies and communications 

We communicate openly and transparently with all our stakeholders within the limits of commercial confidentiality. We protect confidential information from improper disclosure, and any authorized communication of confidential information must be limited to persons who need it to carry out their work.

Privacy 

We value the trust our customers place in us and safeguard the information that they give us.

Employees 

We base our relations with and between employees on respect for people and their human rights. We do not tolerate child labor. We do not we accept any form of discrimination, harassment or bullying. We pursue equal opportunity and inclusion of all employees through our employment policies and practices.

Communities and society 

Our aim is to provide products and services that can transform people's lives and contribute to more sustainable living by empowering people, contributing to broader development goals and reducing environmental impact. To achieve this, we must operate responsibly in the places where we do business in order to maintain society's trust.

Environment 

We are pledged to safeguarding the environment, minimizing our use of finite resources and the release of harmful emissions to the environment.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.1 Codes of Ethics

Code of Conduct and Business Principles

The Vodafone Group also has a set of corporate policies with which it designs general action guidelines and defines the minimum main area and risks management criteria, based on the ethical and business principles set out in the Code of Conduct. Among other issues, these corporate policies refer to Human Resources, Occupational Hazard Prevention, Brand, Security, Privacy, Conflict of Interest, Competition, Anti-bribery, etc.

Finally, Vodafone in Spain has a set of Local Procedures that, in line with Corporate Policies, give a more detailed, more functional and practical description of processes, technical aspects and action plans that cover the different activities and functions assigned to each area of the Company.



Other Codes of Ethics

Vodafone has voluntarily signed up to different Ethical Codes, like the ones mentioned below.

Code of Good Fiscal Practices

Our Code contains recommendations for improving the implementation of the tax system by increasing legal certainty, mutual cooperation between the Spanish Tax Office and businesses, and the implementation of responsible fiscal policies by the latter.

Mobile Alliance against Child Sex Abuse Content

The Vodafone Group is a founding member of this Alliance, which strives to prevent fight child sexual abuse content being sent by mobile phone, and Vodafone in Spain complies with its requirements.

Code of Ethics in Telesales Transactions

Vodafone and other electronic communications operators have signed the Code of Conduct for Telesales Transactions, which details a series of measures that signatory operators must implement to prevent the negative effects of telesales practices.

Code of Good Network Deployment Practices (FEMP)

Vodafone has signed a Code of Good Practices with the Spanish Federation of Municipalities and Provinces (FEMP), whereby it undertakes to deploy its network seeking maximum integration in the surroundings at all times, acting transparently to provide the maximum information to citizens and public administrations, and sharing its stations with other mobile telephony operators whenever possible.

Code of Good Mobile Portability Cancellation Practices

Vodafone adheres to this Code which was drawn up by the Spanish Association of Operators for Mobile Portability and sponsored by the Spanish National Markets and Competition Commission.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.2 Anti-Fraud and Bribery Programmes

Anti-Bribery Policy

Vodafone Spain has a zero bribery tolerance policy that lays down rules and clear conduct guidelines to avoid corrupt practices inherent to the company's business, such as the provision of handsets and test devices, relations with the media, public tenders, etc. It not only serves to avoid any breach of anti-bribery laws but any behaviour that is not acceptable or liable to damage the Company's reputation, which is why this policy applies not only to **all Vodafone Spain employees** but also to all its **contractors, suppliers and partners**.

In addition to all the Vodafone Compliance programme components, this Anti-bribery Policy is underpinned by:

- **The top level commitment** to ensure respect for national and international standards for fighting bribery and ensure that the Company's activities are always transparent and professional.
- Keeping of a **gift and hospitality register**, not only for control purposes but also as a transparency measure. Vodafone's Anti-Bribery Policy lays down the financial ceiling for corporate gifts and hospitalities, as well as the required approval processes.
- Training plans and awareness-raising and communication campaigns in the context of the **"Doing What's Right" programme**. The specific Anti-bribery online training scheme was launched in December 2017. This training is periodically updated and, therefore, a new one will be launched in 2021. At the end of the year, taking into account that this course forms part of new hires' induction courses, 98% of the company's employees had completed the online anti-bribery course.
- Specific **Anti-bribery Risk Assessments**, to identify and implement appropriate controls based on each business area's risks and review of the Anti-Bribery policy, as part of the Policy Compliance Review (PCR), every two years.

98% of the company's employees have completed the online Anti-Bribery course

At Vodafone we enforce robust prevention, detection and reporting measures in our contribution to **combat money laundering and terrorist financing**. We have also devised systems based on the risk and controls implemented in financial products that include, among others, acting with due diligence, having lists of jurisdictions and people subject to economic sanctions, monitoring transactions, reporting suspicious activity and monitoring regulatory compliance, all to ensure that we comply with our regulatory obligations.



3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.2 Anti-Fraud and Bribery Programmes

Speak Up

Vodafone has an internal whistleblowing channel, available to all employees, external collaborators and suppliers, for them to report **any critical concern** such as an alleged irregularity, breach or behaviour that could be illegal or criminal (fraud, bribery, price fixing, harassment, intimidation or conflict of interest, among others). Employees can find all the information they need on Speak Up in the Code of Conduct and on the Company's intranet.

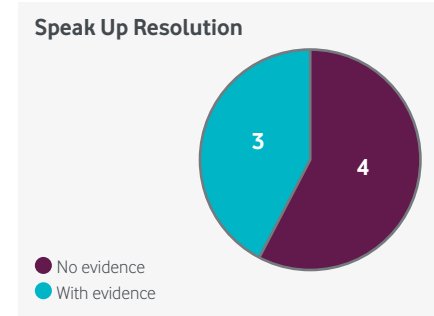
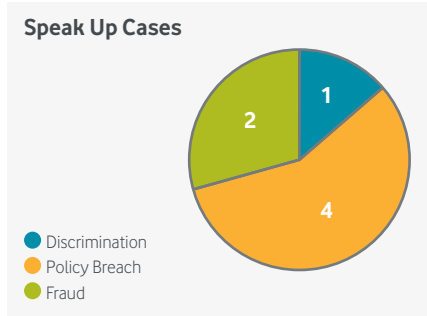
Employees can report a case in different ways: by informing their superior, the Human Resources department or reporting it confidentially to the Speak Up external line by phone or through the purpose-designed app. Once a **concern deemed critical** has been raised, a decision is made as to which area is going to handle the case (Human Resources, Security, Legal, etc.) and all the necessary information is gathered. If an investigation is opened, a qualified expert investigates the case and resolves it in a timely manner.

The complaint process is governed by the following principles:

- Consistent treatment in all local markets
- Involvement of appropriate staff in the process
- Compliance with data protection and confidentiality requirements
- Record keeping and adequate follow-up of each case

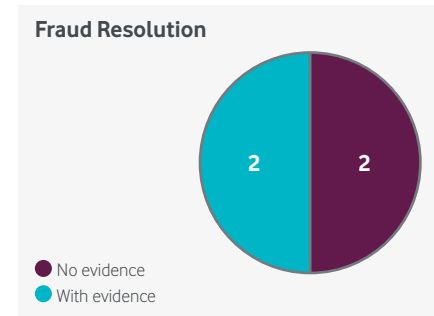
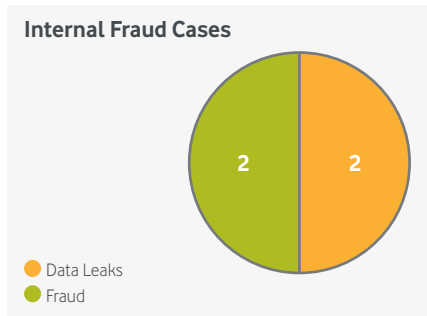
During FY 2020-21, a total of **seven cases were opened** through the Speak Up channel in Vodafone Spain. Two of them were anonymous complaints and the other five were reported by employees. Four were opened on grounds of policy breaches, but three of them were closed because, after being investigated, there was found to be insufficient evidence of the alleged facts. The fourth was resolved by taking appropriate action after it was considered that there was sufficient evidence that policies had been breached.

One of the remaining three cases involved discrimination, although the complaint was found to be unfounded and there was no evidence of the alleged facts; the other two referred to fraud and in one case, an employee was found to have acted inappropriately, so appropriate measures were taken, while in the other, there were considered to be signs of fraud, but there was no evidence of what had been reported. Finally, **there have been no cases of human right violations**.



In Internal Fraud, four cases have been registered outside the Speak Up channel. Two involved data breaches and the other two related to fraud. After all of them were reviewed, sufficient evidence of irregularities was found to deem that one of the data breach cases and one case of fraud were justified, while there was insufficient evidence in the other two cases.

One of the fraud cases was reported by letter while the other was reported to the Manager. The two cases of data breaches were detected through internal controls executed by the area.



Anti-fraud and bribery actions

All the Company's areas are analyzed and monitored around the clock to detect any Risk of Fraud and Bribery, and every month the Vodafone Group is informed of any Fraud and Bribery incidents that have occurred in the period.

No bribery incidents were recorded in 2020-21.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.3 Privacy in Vodafone

Vodafone ensures that its customers' information and communications remain secure, and has implemented an Information Security Management System that is certified to conform to standard UNE ISO 27001. The company also has been certified by the National Security Framework (NSF), which allows it to work in accordance with the security and privacy requirements with the Public Administrations.

With the help and backing of the Vodafone Group, Vodafone Spain is continuously improving its procedures to always guarantee compliance with data protection regulations.



Vodafone's Privacy Principles and Vision

Vodafone is acknowledged as reliably guaranteeing the privacy of its customers and employees, and for its innovative, fair, responsible and proactive approach to privacy issues. Its **objectives** are to:

- **Be open and transparent** about how we process personal data, offer fair solutions with respect to the processing of such data, and manage personal data responsibly, offering services to our customers and employees.
- Achieve a competitive advantage and **manage privacy risks** through a global, worldwide privacy programme that is demonstrable, consistent and mature.
- Create opportunities and strategic advantages by offering products that incorporate **Privacy from Design** and **Intelligent Privacy**-related strategies that seek to achieve a proper balance between Privacy and business objectives.
- Put **Privacy into practice through leadership** and influence on society, industry, governments and regulatory bodies.

Vodafone's **Privacy Principles** are:

- **Responsibility:** We are responsible in complying with these Principles and they are extended throughout the organization and in the way we work when we deal with our partners and suppliers. We have been assigned responsibilities for complying with Privacy Regulations and we make every effort to comply with these Principles.
- **Privacy from design:** Respect for privacy is a key component in the design, development and delivery of our products and services.
- **Equity and Legality:** we comply with current Privacy legislation and we act with integrity and fairness. We work with governments, regulatory bodies, politicians and experts to help to improve the most important privacy laws and regulations.
- **Frankness and Honesty:** We clearly report any of our actions that might have a Privacy-related impact, we make sure that our actions reflect our commitments and we are receptive to any comments made about our actions.
- **Choice and Access:** we give people the chance to make simple or important privacy-related decisions and let them exercise their access, rectification, erasure and opposition rights, where appropriate.
- **Security measures:** We apply appropriate technical and organizational measures to protect personal data against unauthorized access, use, modification or loss.

Privacy-related proceedings and information requests during financial year 2020-21:

Infringement proceedings: **21***

Requests for Information: **308**

The infringement proceedings costs amounted to **€798,000**

* Of the total of 21 infringement proceedings, at 31 March 2021, 14 have been completed in the administrative phase and paid, 2 have been closed by the AEPD and 5 are open in the administrative allegation phase.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.4 Complaints and responsible advertising

Complaints

Vodafone continues to place special emphasis on complaints, both in terms of **managing** them and **analyzing their root cause**, modifying processes, procedures and identifying incidents.

Vodafone's customers can lodge complaints in any of the following ways:

- Letter, fax, email or phone call.
- In person by going to any of Vodafone's sites.
- Filing a complaint form.
- Presenting an incident form at any Vodafone own store.
- Notifications by Public or Private Official Bodies (Consumer and user organizations / AENOR) as well as those reported by the Secretariat of State for Digital Advancement.
- Social Media.
- Electronically from the Carpeta Ciudadana website or from the different websites of each body not attached to Carpeta Ciudadana.

After the reason for incident is analyzed, it is resolved with the involvement of other appropriate departments and the current compensation policy is applied.

Official consumer organizations

Vodafone is in constant contact with Arbitration Boards, Municipal Consumer Information Offices (OMIC), Consumer Associations, as well as the Ministry. Vodafone runs a **telephone mediation service**, which is a telephone number exclusively for official consumer bodies, promoting resolution in the mediation phase, shortening the resolution time and improving customer satisfaction.

13,000 queries/mediations managed during 2020-21 (50% less than the previous financial year) with a service level of **98%, 82%** of the mediations were solved

During FY 2020-21, **there were 27.08% less official complaints than the previous year**. The biggest drop came during the first months of the pandemic (April and May), and rose steadily from June.

Despite the irregular situation, work continued on analyzing the root cause of the complaints, defining and developing improvements in processes to achieve a better customer experience. During the year, Vodafone implemented **53% of the most relevant actions**, such as: Digital Signature, Micro Plan (Applying of malpractice penalties to distributors, promotion strategy changes), assurance of the discount provision, system deconciliation (*) improvements, application of voluntary 118xx service restrictions. (*Lack of supplier-invoicer communication)

	Corporate Customers	Residential customers
Complaints	0.14%*	0.33%*
Resolution	87.3%**	53.78%**

*Volume of complaints divided by volume of customer lines.

**The resolution % has been calculated based on the FCR (First call resolution) measured in 3 days.

Responsible advertising

Vodafone's major communication milestone for the 2020-21 financial year was the launch of *Hogar Ilimitable*, the most comprehensive convergent bundles on the market at a very competitive price, designed for customers who want the best connectivity and the best TV bundle, which includes HBO Spain and Amazon Prime and also a smart home with all the security, peace of mind and privacy with its digital home solutions.

In this year, marked by the Covid-19 pandemic, all productions have adhered strictly to all the security measures laid down by the Spanish Association of Advertising Film Producers (APCP).

All the campaigns launched comply with current legislation and this is ensured through an internal control mechanism whereby the Legal Department reviews all campaigns before they are launched.

Furthermore, Vodafone is a member of the Association for the Self-Regulation of Commercial Communication (Autocontrol in Spanish), and as such assumes the ethical commitment of responsibly exercising the freedom of commercial communication, participating in the Spanish system of advertising self-regulation.

In FY 2020-21, Vodafone **did not receive any fines** relating to unfair competition, anti-trust, and monopoly practices

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.5 Quality Management System

Vodafone Spain has a Quality Policy designed to ensure management excellence in terms of generating value for all its stakeholders over time.

In line with this Policy, Vodafone has implemented a **Quality Management System** that applies to all its operational processes and is designed to constantly improve the company's performance in order to ensure both customer satisfaction and compliance with the requirements established in the corresponding licences granted by the Administration and in the applicable regulations and legislation.

The Quality Management System conforms to international standard **ISO 9001**, which covers fixed and mobile digital telecommunications services for voice, data and TV, for private and business customers, and for the following activities:

- Design and development of telecommunications and value-added services.
- Planning, deployment, construction, operation and maintenance of telecommunications networks.
- Customer service management, as well as activations, cancellations, portability, account management and debt recovery.
- Loyalty-building, Customer retention and handset after-sales.
- Customer billing.
- Pre-sale and launch of telecommunications products and services (exclusively for large corporate customers and public administrations).

Since 1996, an authorized external agency **certifies** the proper implementation of their Quality Management System by conducting an **annual audit** to check that the processes work properly, by implementing continuous measures and continuous improvements designed to satisfy customer needs and expectations.

Vodafone also complies with requirements laid down in **Quality Order IET/1090/2014**, of 16 June, which regulates telecommunications services-related **quality of service and billing quality** issues. In this respect, Billing Quality issues are integrated within the sphere of the Quality Management System certification.



3.1.6 Tax Issues

Tax approach

Vodafone operates within a clearly defined tax governance framework designed to provide certainty to all stakeholders in its tax affairs. It has an established tax strategy which is based on its tax principles and underpins its tax risk management policy and includes a Tax Code of Conduct. This tax policy is mandatory in all markets in which Vodafone operates.

Levels of compliance are reviewed and monitored by the appropriate governance bodies. Any non-compliance will be treated as serious misconduct and may be subject to disciplinary action.

Tax governance, control and risk management

Vodafone has a policy for managing any tax risks arising in the course of business, which lays down the action framework for managing such risks and the guidelines and control mechanisms to be implemented within the Group and in the various national markets in which it operates. These guidelines are consistent with the OECD recommendations for responsible business conduct in a global context.

The tax governance framework in Vodafone Spain is implemented through various control and reporting procedures, and ultimately is supervised by the Group Executive Committee (ExCo), as well as by the Audit and Risk Committee of the Board of Vodafone Group Plc. Key issues are reviewed regularly and at least twice a year.

Avoidance of tax disputes

Vodafone seeks to avoid tax disputes through mechanisms such as maintaining technically supported tax positions; clear and transparent explanations of the stances adopted; properly documenting the related facts and the business context in which they are taken; maintaining a respectful relationship and establishing fluid communication with the tax authorities; and implementing robust compliance procedures to ensure that tax returns are accurate and complete.

In addressing tax risk, it considers factors such as reputational impact, the impact on relations with tax administrations, the consequence of disagreements with them on the application of the law and the benefit of certainty with respect to uncertain or disputed tax situations.

Risk appetite

The commercial needs of the Vodafone Group are paramount and the tax function focuses on providing clear, timely and relevant business-focused advice on all tax issues that need to be considered. Where alternative routes exist to achieve the same business outcomes, the most tax efficient and legally compliant approach should be recommended.



3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.6 Tax Issues

Tax function commitments

The tax function works hand in hand with the business to mitigate tax risk.

- Providing clear, timely and relevant advice.
- Ensuring that the business understands tax risk management policy and principles, including risk appetite.
- Working to ensure that the firm understands that the tax function should be involved in all transactions, from planning and implementation to documentation or subsequent maintenance.
- Providing appropriate information as part of the commercial proposal approval process to ensure a clear understanding of the tax consequences: costs, benefits and risks.

In addition to these rules, Vodafone has an internal **Tax Code of Conduct** which sets out the standards of professional conduct expected of each employee responsible for the Tax function. Vodafone also adheres to the **Code of Good Tax Practices** approved by the Spanish Inland Revenue's Large Companies Forum.

Controls for proper tax compliance

The team responsible for the tax function is involved in planning, implementation and documentation in cases such as significant changes to existing business activities (including new products, services and promotions); acquisitions and disposals of business or shares; changes in the corporate structure; cross-border financing agreements; major commercial transactions; intragroup commercial agreements, or major new processes that affect fiscal compliance.

All decisions must consider financial performance, potential reputational risk and financial risk.

Hazard assessment

All relevant business decisions must be supported by an assessment of their fiscal risk which should include, but not be limited to:

1. A full description of the problem, including a clear summary statement of the facts.

2. An assessment of the financial costs and benefits of all the potential scenarios.
3. An assessment of the non-financial costs and benefits, including an assessment of the nature and amount of resources to secure the benefit.
4. An assessment of the likelihood of the risk materializing.
5. Commentary on the likely dispute resolution process.
6. Recommendations.

Tax compliance requirements

Every year, Vodafone Spain must send Vodafone's Group Tax Director a certificate to attest that the team responsible for the tax function has complied with this policy and, specifically, that all local filing obligations and payment requirements have been met.

The Tax Code of Conduct further requires compliance with all laws by ensuring the accuracy and completeness of the presentation of the tax position in Vodafone's financial information, so that the financial accounts reported, whether at the end of the financial year or at interim stages, reflect all taxes, including those accounted for above the EBIT line.

Dealings with the tax authorities

In accordance with the requirements of the Tax Code of Conduct to foster good relations with tax authorities, governments and related public bodies and to conduct all such transactions in a professional, transparent and timely manner, Vodafone must:

- Proactively manage the relationship with tax authorities to minimize the risk of challenges, disputes or damage to its credibility
- Participate in any formal tax authority consultation process where the matter under consultation is expected to have a material impact
- Participate in discussions and the development of proposals with national and international organizations such as the OECD and the EU where possible and appropriate.

In these interactions, Vodafone strives to ensure the greatest legal certainty by submitting binding queries to the Directorate-General for Taxation, under the provisions of section 88 of the General Tax Act 58/2003, of 17 December, on the application of taxes when so required by the complexity of the matter and the level of uncertainty. It also endeavours to reach Prior Valuation Agreements on operations between related entities with the Spanish Tax Office under the terms of article 22 et seq. of Royal Decree 634/2015, of 10 July, approving the Corporate Income Tax Regulations, and requests special depreciation plans for tangible fixed assets in accordance with section 12 of the Corporate Income Tax Act 27/2014, of 27 November.

Stakeholders' involvement and handling of tax concerns

Vodafone regularly participates in public consultations or processes for drafting regulatory provisions, directly or as a member of sector associations, providing its perspective on the best way to balance public funding needs with the need to ensure sustainable investment in the deployment of electronic communications networks and the achievement of the objectives of the Digital Agenda. Vodafone also participates in various forums where tax issues are discussed at international level.

In Spain, its participation in the Large Businesses Forum set up by the Spanish Tax Office with the aim of promoting discussion with large taxpayers to analyze, through joint or sectoral meetings, the main problems arising in the relationship between large companies and the Tax Authorities and seeking to extend a cooperative relationship model between the parties.

Vodafone is also an active member of the Spanish Digital Economy Association (Adigital) and the Spanish Association for Digitalization (DigitalES), which are particularly involved in the development of tax initiatives related to the industries they represent. Also noteworthy is the promotion and coordination in 2020 of a report drawn up by the EY consultancy firm on the taxation of this sector, which presents a comparative analysis with other neighbouring countries on the economic impact of the main taxes and charges that show the existing level of tax pressure.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.7 Human Rights in Vodafone

The connectivity provided by Vodafone contributes to the socio-economic development of people and communities, while facilitating the protection and promotion of Human Rights and Freedoms.

The Company recognizes its responsibility to respect the Human Rights included in the **National Business and Human Rights Plan**, as well as in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Principles of the United Nations Global Compact, among other international frameworks.


Vodafone has a Group-wide **Human Rights Policy** that identifies the risks associated with its main Stakeholders and establishes due diligence measures and access to remediation mechanisms. 

Operations, products and services



Right to privacy and freedom of expression

Vodafone is committed to processing personal information honestly, ethically, with integrity and in such a way that is always consistent with its values and applicable laws.


The Company seeks to balance its responsibility for its customers' rights to privacy and freedom of expression with its obligations to comply with the law in each of the countries in which it operates. It processes all access requirements through a robust governance structure defined in its Compliance Assistance Policy. 

Human Rights in design

Vodafone seeks to minimize the risk of any impact on Human Rights associated with the development of its products or services, including new technologies such as Artificial Intelligence and the Internet of Things (IoT).

Children's rights


Vodafone recognizes that children can be a particularly vulnerable group in today's digital world. Therefore, the company is committed to defending children's rights at all levels of its business model and seeks to support children and their parents in becoming responsible digital citizens.

Vodafone is a member of the GSMA Mobile Alliance Against Child Sexual Abuse Content, which is committed to removing all child abuse content, or where this is not possible, to stopping the sharing and access to this material. 


Employees




Diversity and inclusion

Vodafone does not tolerate any form of discrimination related to age, gender, disability, gender identity, sexual orientation, cultural background or belief. 

Health and safety

The health, safety and welfare of Vodafone employees is one of the Company's most essential responsibilities. Anyone working for or on behalf of Vodafone must behave in a safe and responsible manner at all times. 

Freedom of association, collective bargaining and voice of the employee

Vodafone recognizes its employees' right to join and benefit from collective agreements in accordance with the law. 


Slavery and human trafficking

Vodafone does not tolerate forced labour, child labour or any other form of slavery in any of its own operations or in its supply chain, and is committed to taking measures to ensure that everyone who works for Vodafone - at any level, anywhere in the world - benefits from working in an environment in which their fundamental rights and freedoms are respected.


Communities



Digital inclusion

Vodafone's goal is to democratize digitalization, making technology truly accessible to all, leaving no one behind. 

Antibribery and corruption

Corruption and bribery can have a significant impact on Human Rights. Vodafone acts with honesty, integrity and justice in its internal and external agreements. The Company does not tolerate any form of bribery, nor does it accept hospitality or gifts that may incur a commitment. 

Civil society

Vodafone recognizes the importance of the role of civil society advocacy. It maintains dialogues to advance respect for human rights and seeks to ensure them wherever relevant.

Community consultation and land rights

Communication networks are intensive infrastructures. Therefore, where relevant, Vodafone is committed to transparent consultation, and any agreements with landowners, community leaders and municipal authorities are kept in place.

3.1 Compliance of the Vodafone Group and Corporate Policies

3.1.7 Human Rights in Vodafone

<p>Suppliers</p> 	<p>Ethical procurement</p> <p>Vodafone has developed robust systems and high standards, based on its values, which it expects its suppliers to share. These standards set the minimum agreements with its suppliers, as set out in its Code of Ethical Purchasing. </p>	<p>Responsible mineral mining</p> <p>Vodafone expects its suppliers to take part to ensure that no conflict minerals are used in any supply chain-related equipment. Furthermore, it monitors cobalt and conflict mineral-related human rights violations risks in its supply chain. </p>
<p>Oversight and governance</p> 	<p>Human Rights due diligence</p> <p>Vodafone's human rights due diligence approach is aligned with the United Nations Principles on Business and Human Rights. This includes control policies, impact assessments, mitigation, monitoring, performance control, employee training and stakeholder engagement. It assesses current and potential positive and negative impacts on human rights when:</p> <ul style="list-style-type: none"> - It develops new products, services, technologies or makes significant changes to existing offers. - It enters new markets or anticipates changes in its current operating environments. - It considers new agreements or acquisitions. - It enters into commitments with suppliers. 	<p>Ensure access to remedies</p> <p>Vodafone encourages people to report any complaint as soon as possible. Its employees can do this through a confidential third party via the Speak-Up channel, either online or by telephone. Speak Up operates under a non-retaliation policy, which means that anyone who has a concern is treated fairly, without negative consequences for the employee at Vodafone. Customers can report complaints through a complaints platform and a Privacy Inquiry Form. </p>



3.2 Compliance Culture

The Company is committed to ensuring there is a real culture of regulatory compliance, and zero tolerance of the commission of unlawful acts, as the only way to make the prevention model sustainable.

For this reason, Vodafone Spain has implemented audit plans, as well as **Training plans** that include both general online training and periodical mandatory training for all employees, including the Management Committee, with regard to mandatory regulations, corporate policies and the Code of Conduct. It also provides classroom training to the most involved groups in line with the purpose of the corporate policy in question.

At the same time, Vodafone bolsters its compliance culture by arranging regular **information and awareness-raising campaigns** to send all employees a clear message about Vodafone's commitment to ethics and regulatory compliance.

This culture, training and awareness-raising programme is known in the Company as "Doing what's right" (DWR), and is carried out by Vodafone's Internal Communication, Human Resources and Compliance departments, which arrange, execute and track it with the support and backing of the Boards of Directors and the Executive Committee members.

Having a programme intended to create and maintain the compliance culture in Vodafone Spain is essential for ensuring that all employees are better acquainted with the ethical, business and regulatory compliance principles, and which contributes to reduce risks throughout the Company.

3.2.1 Prevention and Control tools

Vodafone Spain has a series of measures in place to check for effective compliance with its corporate policies, which form the company's **lines of defence**, organized as follows:

First line of defence

Directly responsible for proper risk and control management, and for regulatory compliance and internal procedures in all areas. This line of defence therefore encompasses all the Company's units, and in particular, the departments responsible for control tasks and other activities regulated by said procedures or standards, which must internalize this responsibility in exercising their usual tasks and functions.

- **Local Policy Owners:** The Company's LPO is responsible for implementing and monitoring the controls associated to each corporate policy and each criminal risk.
- **SOX Control / Process Owners:** key control managers act as the First Line of Defence by completing a Self-assessment questionnaire to ensure that their controls are operated effectively and in accordance with their design throughout the year, even in periods not reviewed by the auditor.

Second line of defence

Responsible for monitoring the functions of the users included in the first line of defence, both in terms of the Company's global risks, legal compliance, financial control, information security and others.

- **Compliance Area:** Every year, as the second line of defence, it reviews the effectiveness of the regulatory compliance and Corporate Defence Programme by assessing the effectiveness of the key controls defined in the corresponding risk matrices. The results are outlined in an annual report that is presented to the Audit and Risks Committee and Vodafone Spain's CEO and is then submitted to the Vodafone Group's parent company.

Throughout the 2020-21 financial year, Vodafone and the Group have worked together on a new Compliance model, reviewing **129 controls associated with 10 corporate policies** to determine if they apply to Vodafone Spain and assigning a person responsible for each of them. This is expected to further strengthen the Compliance model.

Apart from the reviews carried out by the Compliance department, other areas of the Company such as Fraud, Quality and Revenue Assurance, which also form part of the second line of defence, carry out other review actions, so this function is clearly reinforced.

- **SOX Compliance:** in compliance with the Sarbanes Oxley Act, which aims to ensure internal control of US listed companies and strengthen investor confidence in the financial information they disclose, during 2020-21, our Business Processes and Systems were reviewed to confirm that properly-designed controls to mitigate critical financial risks are in place and they have been audited throughout the financial year to guarantee they are applied correctly for the Vodafone Group in Spain, establishing any compensatory measures whenever deemed necessary, thereby validating the financial reporting completed throughout the year. This audit is conducted in-house by the Finance Operations SOX Compliance team, and the results are shown in the SOX Annual Certificate signed by the Head of Finance Operations, CTO, CFO and CEO on 27 April 2021.

Together with SOX regulatory compliance, this team also guarantees compliance with the Group's Delegation of Authorities Policy, which sets expense approval ceilings and limits on third-party commitments on behalf of Vodafone in Spain. This is certified and signed by the Head of Finance Operations and the CFO for each quarterly close, by completion of a self assessment questionnaire that is forwarded to the Vodafone Group.

3.2 Compliance Culture

3.2.1 Prevention and Control tools

Third line of defence

• **Internal Audit.** As the third line of defence, it conducts an independent assessment of the Company's internal control environment in line with a predefined annual plan based with the main local and Vodafone Group risks that are detected.

Fourth line of defence

This refers to external reviews conducted by independent third parties (annual and/ or one-off audits). In line with applicable Independence regulations and Vodafone's internal policies, the current Financial Auditor oversees and supervises the company's different projects to ensure the absence of any influences and interests that might impair its objectivity.

Other controls and tools

- **Speak Up Channel:** This whistleblowing channel, which is in place throughout the Vodafone Group, is used to report any possible irregularity, breach or conduct contrary to the Company's corporate ethics, legality and rules. It is available to all employees, external partners and suppliers, 24 hours a day and 365 days a year, and is completely confidential.
- **Triage Team:** This advisory committee is tasked with analyzing any cases reported through Speak Up and defining or recommending the steps to be followed in investigating and resolving them. It is formed by the Head of Human Resources and the Security and Compliance officers.
- **Due diligence** or assessment of the suppliers hired by Vodafone, documented and based on analyzing whether a Compliance structure is in place in their organization and, consequently, if they have a Code of Conduct and other Corporate Policies.



3.2 Compliance Culture

3.2.2 Criminal Risk Prevention Programme

Additionally, Vodafone Spain has implemented an exclusively local **Corporate Defence Programme** that serves to protect the company from the commission of any crimes to which it is potentially exposed. As part of this Programme, and based on a risk analysis subject to periodic review, Vodafone reviews the effectiveness of the measures identified in the appropriate control matrix and implements any improvements required to reinforce the programme.

The company's **Compliance Officer** reports regularly to Vodafone Spain's **Audit and Risks Committee** on the results both of the general regulatory compliance programme and of the Corporate Defence programme, monitoring the risk and control review, as well as the agreed improvement plans.

The table on the right shows that seventeen offences are considered to be of potential risk for Vodafone Spain. Since 2017, Vodafone has reviewed the risk matrix controls of the offences selected each year. In the 2020-21 financial year, all the information has been uploaded to a Criminal Compliance tool to enhance monitoring of the controls and improvement actions for each offence and automate the results.

Offences with a Potential Risk

1. Discovery and disclosure of secrets
2. Fraud
3. Alteration of prices in public tenders and auctions
4. Computer damages
5. Intellectual property-related offences
6. Industrial property-related offences
7. Corporate secrets
8. Misleading advertising
9. Fraudulent billing
10. Corporate corruption
11. Tax and Social Security Offences
12. Accounting offence
13. Offences against workers' rights
14. Land and town planning offences
15. Natural resources and environmental-related offences
16. Bribery
17. Influence peddling



3.3 Responsible Procurement

3.3.1 Code of ethical purchasing

All Vodafone in Spain's suppliers have signed its **Code of Ethical Purchasing**, which covers the following aspects:

1	Avoid Child Labour: No person is employed who is below the minimum age for employment.	8	Individual Conduct: No form of bribery will be tolerated.
2	Avoid Forced Labour: Forced, bonded or compulsory labour is not used and employees are free to leave their employment after reasonable notice	9	Fraud and money laundering: International regulations and legislation must be met.
3	Working hours: Employees' working hours shall not exceed the maximum number laid down by local legislation.	10	Responsible sourcing of minerals: The supplier must have clear procedures and policies to avoid the purchase of conflict minerals.
4	Pay: Employees receive a fair and reasonable salary.	11	Health and Safety: We will provide a healthy and safe working environment for their employees, contractors, partners or others who may be affected by the activities.
5	Avoid disciplinary practices: Employees are treated with respect and dignity.	12	Environment: We will comply with legislation and international standards and ensure that environmental impacts are managed appropriately.
6	Non-discrimination: The Company will not support or apply discrimination of any kind in hiring, employment terms and remuneration.	13	Climate Change: Greenhouse gas emissions and the energy consumption of their operations must be identified, measured and minimized.
7	Freedom of Association: Employees' rights to join trade unions or similar representative bodies will be respected.		

3.3.2 Conflict Minerals Policy

The **European Regulations on Conflict Minerals**, which affect some of the minerals frequently used to manufacture some of the devices which are used or sold by Vodafone, came into force in January 2021. The conflict minerals regulated by the EU are gold, tungsten, tin and tantalum. These regulations force EU companies to verify the origin of these minerals responsibly when importing them and make sure that they do not contribute towards financing armed conflicts.

Even though Vodafone does not manufacture products, nor does it import minerals, the Company is aware of such risks, which is why it has **Conflict Minerals Policy** that applies to all the products that it buys. This Policy addresses the risk of the potential adverse impact that may be associated with the extraction, sale, use and exportation of minerals which come from areas affected by conflicts. This Policy also sets out a series of requirements for our suppliers of electronic products (due diligences in its supply chain to determine the origin) and establishes our position in the fight against the violation of Human Rights related to the extraction of conflict minerals very clearly. In this regard, at Vodafone we support industry initiatives such as the **RMI ("Responsible Minerals Initiative")** which are gradually increasing transparency in mineral supply chains.

The application of this policy and of the associated due diligence process enables Vodafone to comply with **OECD recommendations and with American regulations (Dodd-Frank Act)**, through the annual report which it submits to the Securities and Exchange Commission (SEC, the US regulator).



3.3 Responsible Procurement

3.3.3 Suppliers



Objective Achievement 2019-20


- Implementation of the SAP Ariba project Purchasing module, which will allow all the Company's users to improve their customer experience and raise their orders faster through the intuitive user interface. March 2021

Degree of Compliance

100%

All suppliers within the Vodafone Spain Purchasing Department **have adhered to the Company's Ethical Purchasing Code** and are **assessed** within the scope of the **Anti-Bribery Policy**.

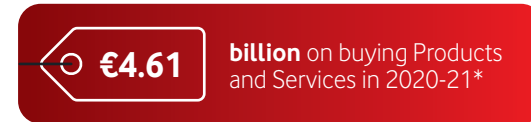
During FY 2020-21, all the employees of Vodafone in Spain's Purchasing Department successfully completed the **online Ethical Procurement Course**, and the Anti-Bribery Policy refresher course. In this respect, the Company has not received any information regarding any breach of any point of the Code or the Policy.

This year, the Purchasing Department again took part in the external audit required to review our **Quality System** certificate in accordance with **ISO 9001**, with a highly satisfactory result. 

It also helped to implement an energy management system for Vodafone Spain's infrastructure operation and communications service provision activities in accordance with the **ISO 50001 standard**. The whole of the initial audit (Stage 1), which was conducted remotely due to the pandemic, with a satisfactory outcome, focused on major supplies (core centres) and the Vodafone Plaza and Seville sites, which account for approximately 20% of total consumption.

In 2020-21, Vodafone also conducted an ambitious audit to review the entire **contract management** process, both in the signing and custody process and in the policies and clauses included in each contract. As part of this audit, all corrective actions identified in the process were implemented.

Lastly, during the financial year, the purchasing department underwent an audit to review its **sourcing process**, not only in the way in which business needs are managed, evaluation criteria, sourcing approach, sourcing event or supplier awarding, but also in how this management is reflected in the corporate tools (Evo Ariba Sourcing tool).



*Includes Tangible and Intangible Fixed Asset Acquisitions.



*The criteria for considering purchases from local terminal suppliers has been changed; if the previous year's criteria had been maintained, the % of total purchases from local suppliers would have been 86.8%.

Vantage Tower Company

During the year, Vodafone's Procurement department played an active part in the Skylon project, which entailed the spin-off and IPO of the subsidiary Vantage Tower, a communications tower infrastructure company.

Vodafone's Anti-Bribery Policy

Vodafone's policy includes **zero tolerance of Bribery and Corruption**. "We never offer, promise, give, ask for or accept anything of value or any advantage to inappropriately influence, encourage or thank anybody for having done something..."

Supplier Approval and Assessment

Supplier pre-approval pays attention to **social** aspects (human rights, health and safety, freedom of association, child and forced labour, etc.) and **environmental** aspects (waste management, energy consumption, environmental management, etc.).

In this regard, this year the Vodafone Group has begun assessing its suppliers specifically on the basis of their diversity, inclusion and environmental commitments, ensuring that the supply chain contributes to the Vodafone Purpose.

A potential supplier's "purpose" represents 20% of the assessment criteria for a Request For Quotation (RFQ) to provide Vodafone with its products or services. Suppliers are assessed for their diversity and inclusion, environment and health & safety commitment and performance in the categories where it is a risk. Every year Vodafone assesses its key suppliers, both in terms of the type of products and services supplied and their level of turnover. Emphasis is placed not only on quality of service, but also on deliveries being on time and satisfactory, and improvement plans are put in place where appropriate. The pillars assessed this year were Commercial, Delivery, Quality, Occupational Risk Prevention.

The final score of the nineteen assessed suppliers' performance was **79 NPS points**, which is not only **better than the 66 NPS score of the previous year's assessment**, but also **better than the company's target of 75 points**.



3.3 Responsible Procurement

3.3.3 Suppliers

Occupational Health and Safety

To guarantee **Safety and Health Policy compliance**, suppliers have been given further information about it through different courses of action.

- Due to the current pandemic, in-situ **network site visits were replaced by virtual visits. Three virtual visits were made:** one to a site with a tubular tower, outdoor equipment to see the tilt adjustment work. Another one in January to see logistics processes in the warehouse by taking a tour to see the telecommunications equipment repair process. The last one involved resolving an optical fibre fault reported by a residential customer, and a ladder had to be used to access the Optical Terminal Box on the façade.
- A joint session was held with all risk providers to remind them of the main lines of work and the use of ladders was reinforced.
- Our contractors were asked to provide updated DocAc (Supplier Accreditation Document) and, every month basis, self-monitoring and subcontracting reports (from the respective departments) to provide proof of the policy followed by subcontractors.
- The Health and Safety Department is furthering its plans to consolidate and keep a permanently up-to-date ranking of suppliers in line with their Hazard Prevention performance, developed to achieve the excellence of the approved companies.
- The Health and Safety audit was passed with one strong point (visits, H&S Tours) and, following Vantage's incorporation, emphasis was placed on the Management System, which continues to be effective and has not suffered as a result (and was recognized as such in the audit). In addition, as an audited-derived opportunity for improvement/action, Vodafone is starting to inform high-risk companies of its updated Health and Safety policies so as to harmonize management of all subcontractors within the occupational risk prevention policy.



Development of electronic document signature

In response to a need identified some time ago and taking advantage of the lockdown period, Vodafone has developed and defined an electronic documents signing process, which will make it easier to sign contracts, addenda, communications and letters to third parties without having to handle them physically.

Implementation of Procurement Management Tools

Celonis: just like every year, the monitoring and analysis tool has been updated with improvements to current modules, new reports and more variables for measuring the company's performance, seeing what objectives have been met and enhancing daily management and process E2E.



Next Objectives

- Optimization of the **electronic signature** process.
- **Ariba Purchasing:** ensure each area's users can use it properly and optimize process workflows through continuous improvements.

4

Analysis of the environment

4.1

State of the Industry and Trends

- 4.1.1 Revenues and Employment
- 4.1.2 Infrastructure
- 4.1.3 Line numbers

4.2

New legislation and regulations



4.1 State of the Industry and Trends¹

4.1.1 Revenues and Employment

The industry's **retail revenues** in 2020 (€23.32 billion) were **5.8% lower** than in 2019, hit hard by Covid-19.

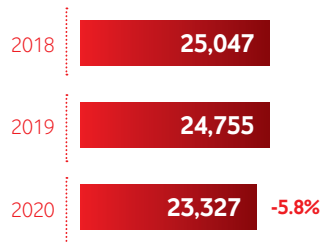
Revenue has remained flat over the last 6 years, a sign of the sector's stagnation and maturity.

Fixed and mobile voice service revenue is still declining (13.5% and 4.8% respectively), and the same is true of Fixed Broadband revenue, which fell 0.8%. In contrast to recent years, revenues from mobile broadband and audiovisual services fell by 0.1% and 11.6%, the latter mainly due to Covid-19's impact.

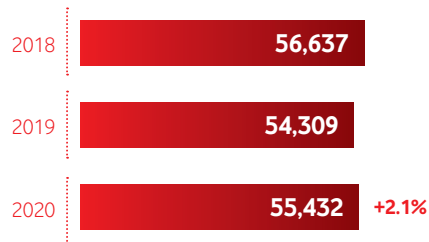
Also worth noticing is that equipment and phone sales revenue declined 16.1% with respect to FY 2019.

Employment throughout the industry inched up 2.1% to 55,432 employees.

Retail revenue trend
(€ million)



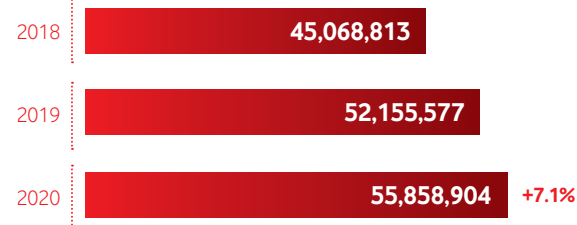
Change in sector employment
(€ million)



4.1.2 Infrastructure

The number of **FTTH** (Fiber To The Home) accesses installed continues to grow at a double-digit rate, and now totals 55.8 million building units. If one adds the 10 million **HFC** (Hybrid Fiber Coaxial) accesses installed, the number of **NGAs** (New Generation Access) installed totals almost 66 million building units.

FTTH accesses installed
(in building units)



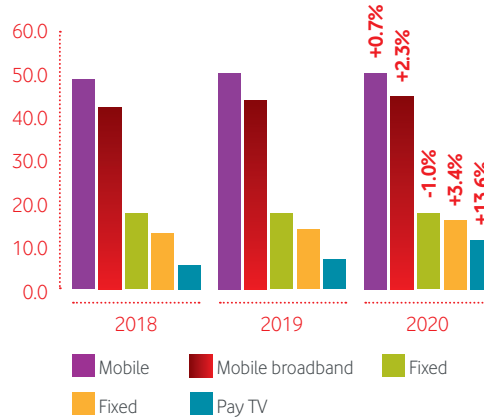
¹ The figures have been drawn from the CNMC report for the 4th Quarter of 2020.

4.1 State of the Industry and Trends¹

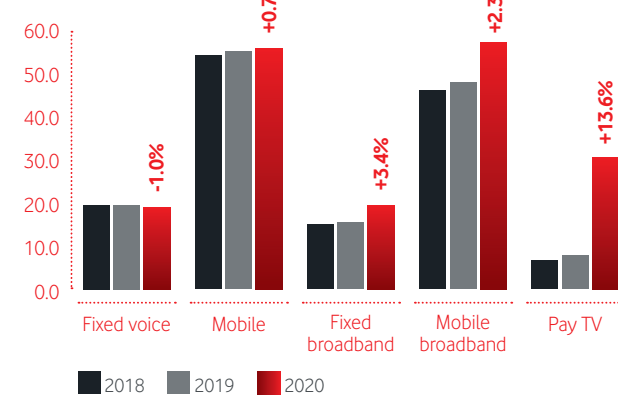
4.1.3 Line numbers

The number of lines of all the services was higher than the previous year, except for the fixed voice service lines, which dropped slightly.

Line trend by type of service (€ million)



Line trend by type of service (€ million)



- The number of **Fixed Voice** lines (19.3 million) was slightly smaller, 1.0% lower than the previous year. Portability numbers are still very high (2.11 million), albeit rather lower than in 2019 (2.17 million).
- The number of **Mobile Voice** lines (55.6 million) inched up 0.7%, with the penetration rate rising to 117.6 lines for every 100 inhabitants. Just as with fixed numbering, portability numbers were very high (6.76 million) but quite lower than the figure for 2019.
- As in previous years, Vodafone has reported growth in the number of **Mobile Broadband** lines (up 2.3% to 49.2 million), in the number of **Fixed Broadband** lines (up 3.4% to 15.9 million), and in **Pay TV** services (up 13.6% to 8.2 million).

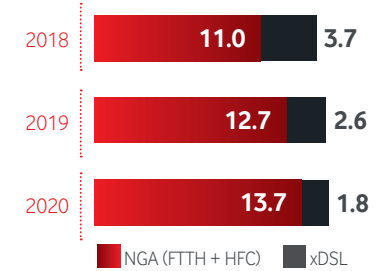
In the fixed broadband market, the number of FTTH lines in service has reached the 11.6-million mark, 1.4 million more than the previous year. There are now so many FTTH and HFC lines that xDSL accesses now only account for 11% of Fixed Broadband Lines, when in 2019 they represented 17%.

The trend is still for the majority (84%) of fixed broadband connections to have speeds of 100 Mbps or more, as compared to 76.5% the previous year.

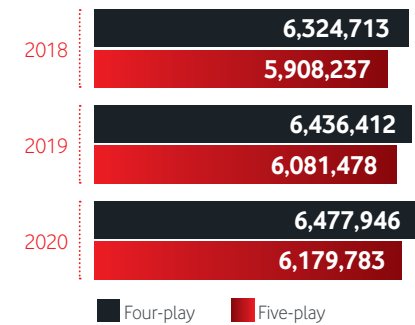
Consumers are still showing a marked preference for **bundled subscriptions**. 6.1 million-plus people have now signed up for Five-Play packs (Fixed Voice + Fixed Broadband + Mobile Voice + Mobile Broadband + Pay TV), 98,000 more than the previous year. The number of four-play packs (Fixed Voice + Fixed Broadband + Mobile Voice + Mobile Broadband), also grew slightly in 2020 to nearly 6.5 million.

Finally, it is worth noticing that the number of M2M (Machine to Machine) lines grew once again, and at the end of 2020 there were 7.7 million lines, 13.9% more than in 2019.

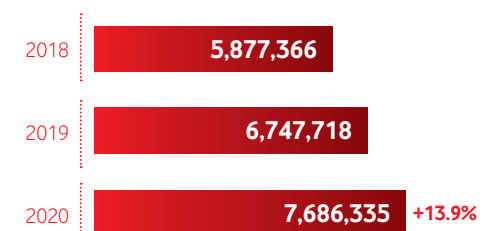
Change in fixed broadband line numbers per technology (million)



Four-play and five-play



M2M Lines



¹ The figures have been drawn from the CNMC report for the 4th Quarter of 2020.

4.2 New legislation and regulations

Public consultation on the New Telecommunications Act

11 September 2020 marked the start of the public hearing period for the General Telecommunications Bill (LGTEL), which transposes the European Electronic Communications Code into Spanish law. The Bill: (i) broadens the scope of regulation to include non-numbering or messaging-based interpersonal communication services, which implies the possibility of regulating OTT services, (ii) harmonizes conditions with the rest of the states, reinforces transparency in contracts and introduces certain service bundle-related obligations, (iii) revises the universal service concept and does away with telephone directories and booths, but includes the obligation to provide sufficient speed to ensure access to certain services, (iv) reinforces the capabilities of emergency communications services and develops geolocation and population emergency warning system-related obligations, (v) revises radio spectrum management-related regulations, and (vi) increases the amounts for minor infringements and includes the possibility of direct penalties for the legal representatives or management of organizations.

Vodafone regards the Telecommunications Bill Act to be adequate model in overall terms.

However, the general principles established should serve to ensure that the scenario of **competition, investment and development of new services is sustainable in the long term**, by properly assessing how much cost operators have to spend on making new investments, paying the **sector's tax burdens**, and complying with additional obligations such as Universal Service, Quality of Service or network security issues.

The other highlight is that **new players have emerged in the communications sector** in recent years through the provision of app-based services, and their role in the sector's competition must now be properly assessed.

Another of the sector's main obstacles is **excessive taxation**, and a solution is needed that respects the principles of economic capacity and legal certainty, and this Bill is the best opportunity to make out the changes needed to lower the high tax burden that hampers the sector.

Ban on 902 numbers in customer services

The General Consumers and Users Protection Act entered into force on 23 December 2020. What's new about the regulation is that it **prohibits the exclusive use of premium rate numbers** (902, 901... and any other number that costs users more than a call to a standard geographic or mobile landline) for the provision of customer services. These services must be offered separately and with the same information/advertising via a toll-free number in basic sectors, and a geographic or mobile number in all other sectors. The obligation applies to companies that use this type of numbering in their customer services, **and Vodafone is not subject to any direct obligation.**

Even though the obligation only applies to companies that use this type of numbering in their customer services, and not to telecommunications operators, **Vodafone** has taken several courses of action to inform its customers who use this kind of numbering of the obligations laid down in the regulation.

Extension of the 2.1 GHz (and 3.5 GHz) licences

The concessions for the use of certain frequency blocks for mobile services in the 2.1 GHz and 3.5 GHz bands were due to expire in 2020. The Ministry decided to extend the concession of these frequency blocks for the four mobile operators, Vodafone, Telefónica, Orange and Yoigo.

In the case of **Vodafone**, the Ministry extended the 2.1 GHz band concession for 10 years, until April 2030.



4.2 New legislation and regulations

700 MHz band spectrum

2020 saw developments regarding the terms and conditions for the 700 MHz frequency band auction, which is scheduled to take place in the first half of 2021.

During 2020, the Government announced that it intended to delay the auction until the end of 2020 or early 2021, and it issued a Ministerial Order that limited the maximum number of frequencies that each individual operator can have below the 1 GHz threshold, in order to boost the level of competition between operators. This limit is twofold: firstly, a maximum of 2X15MHz in the 700 MHz band and secondly, a combined maximum limit of 2X35 MHz for the three bands below 1 GHz (700, 800 and 900 MHz).

In December 2020, the Government announced a new public consultation with the specific terms and conditions for the 700 MHz auction scheduled for the first half of 2021. All the mobile network owner-operators rejected the proposed conditions in view of the strict starting price obligations, and the proposed coverage and wholesale access obligations: i) the proposed starting prices were €200 million for each 2x5 Mhz block and €340 million for a 2x10 Mhz block, ii) the roll-out commitments entailed providing coverage in 50% of towns with 50,000 inhabitants in the first year, 75% in the second year and 100% in the third year, and additionally for the 2x10 Mhz block, 100% of towns with 20,000 inhabitants in 3 years, iii) and the wholesale obligations involved operators having to provide wholesale access to third party operators for 4 years. The sector's comments has prompted the Ministry to publicly state its intention to revise the terms and conditions, partly in response to the requests received. The auction is expected to be finally launched in the second quarter of 2021.

3.5 GHz band auction

The 20 MHz that were free in the 3.5 GHz band were auctioned on 22 February 2021. The starting price for each 10 MHz block was €21 million, taking into account the average final price obtained in the last auction in this band. The concessions will run until the end of the term of the blocks allocated in 2018, until December 2038.

Vodafone did not take part and the auction ended after a single round of bidding, with Telefónica and Orange being awarded 10 MHz each at a price of €21 million per block.

When all the frequency blocks in this band have been allocated (Vodafone 90 MHz, Orange 110 MHz, Telefónica 100 MHz and Masmóvil 80 MHz), the authorities will start to reallocate the whole band to ensure that each operator uses the frequencies efficiently. The ultimate aim is to reallocate the blocks so that all the operators have adjoining spectrum, rather than in different blocks distributed in different parts of the band. At present, **Vodafone is the only operator to have adjoining spectrum.**

Spain Digital 2025 Plan

In July 2020, the Government unveiled the Digital Spain 2025 Plan, with which it intends to **drive forward the country's digital transformation for the period 2020-2022** based on public-private partnerships, mobilizing around €70 billion.

For this period, the Government will allocate **€20 billion of public investment** to the Plan, with approximately €15 billion coming from funding from the European Next Generation EU Recovery Plan. The other **€50 billion would come from private initiative.**

The **plan's linchpins are:**

- **Connectivity:** 100% of the population with 100 Mbps coverage in 2025.
- **5G:** spearhead the rollout in Europe, so that by 2025, 100% of the radio spectrum is ready for 5G.
- **Digital skills:** 80% of people to have basic skills by 2025, half of them women.
- **Cybersecurity:** have 20,000 cybersecurity and data specialists by 2025.
- **Public Administrations:** infrastructure upgrade, with 50% of public services available via a mobile app in 2025.
- **Business digitalization:** focus on SMEs, with e-commerce accounting for 25% of the volume of business in 2025.
- **Digitalization of the productive model:** quest for digital transformation projects and a 10% reduction in CO2 emissions thanks to digitalization by 2025.
- **Audiovisual Hub:** Spain as a European audiovisual platform, boosting production by 30% by 2025.
- **Data economy:** 25% of enterprises using Artificial Intelligence and Big Data in 2025.
- **Digital rights:** drafting of a Charter of Digital Rights.

4.2 New legislation and regulations

5G Cybersecurity Bill

In December 2020, the Government announced its 5G Cybersecurity Bill, devised to create a favourable deployment and investment framework for operators and to promote 5G technology. It would also serve to transpose the measures contained in the “toolbox” agreed by the EU Member States to mitigate security risks into the Spanish legal framework. It is expected to be passed in the third or fourth quarter of 2021.

Under the Bill, operators will have to conduct a **risk management assessment, analyzing their dependency in the supply chain and developing a supplier diversification strategy**. This must include measures to limit any dependence on a single supplier and restrictions for any supplier classified as high risk, after the Spanish Cabinet passed a Resolution based on a proposal from the Ministry of Economic Affairs and Digital Transformation, and after receiving a report from the Spanish National Security Council. The Government is going to issue a Royal Decree in order to adopt, a 5G Network and Service Security Scheme, which will prioritize the risks and measures to be taken into account by operators.

Vodafone considers that this Bill must be developed with sufficient legal certainty for operators and their investments. It is essential that it include clear rules that provide certainty and reasonable and proportionate time scales for applying the new obligations, together with reasonable compensation for operators.

Recovery, Transformation and Resilience Plan

The lion's share of the measures listed in the Digital Spain 2025 plan will be channelled through the Recovery Plan that the Government will submit to the European Commission at the end of April 2021, through which it intends to execute around €72 billion from European funds for the period 2021-2023, of which around **33% will be allocated to digitalization plans**. To this end, the Government has already presented national plans regarding connectivity, 5G, digitalization of SMEs, modernization of public administration, digital skills and artificial intelligence. While it awaits these funds, the Government's General State Budget for 2021 included a **€27 billion item as an advance** for the implementation of these plans.

Vodafone submitted to the Government its proposals for the recovery and digital transformation of the Spanish economy, as well as its priorities for the preparation of the National Recovery Plan, in addition to collaborating with the Government and the National Statistics Institute through the sharing of mobility data, and not charging customers for using the Radar Covid app.

Spanish Artificial Intelligence Strategy

In December 2020, the Prime Minister, Pedro Sánchez, unveiled the **National Artificial Intelligence Strategy**, which aims to generate an environment of trust about the development of an **inclusive and sustainable Artificial Intelligence (AI) that revolves around the public at large**.

Rolling out this strategy **will entail €600 million of public investment in the period 2021-2023**, in addition to the contribution of the public-private Next Tech fund, which aims to promote entrepreneurship in enabling digital technologies. The **General State Budget for 2021** has earmarked **€330 million** for Artificial Intelligence and the Data Economy.

Connectivity Plan and 5G Promotion Strategy

In December 2020, the Government presented the National Connectivity Plan and the 5G Strategy. The two plans foresee **€4.32 billion of public investment over the five years** (€883 million euros already earmarked in the 2021 Budget) and the Government **expects** to mobilize **€24 billion of private investment**.

The Connectivity Plan foresees **€2.32 billion of investment until 2025, €583 million in the 2021 General State Budget**. The Plan's goal are to contribute to territorial cohesion, boost economic growth, support the digital transformation of economic activities, and facilitate remote access to essential services for the population. Its main objective is to encourage operators to roll out broadband in city centres, unpopulated areas, reference and care centres, so that **by 2025, 100% of the population enjoy speeds of 100 megabits per second**. It is also expected that **100% of industrial estates will have a scalable connection of one gigabit per second by 2025**, one of the objectives of the European “Gigabit Society” strategy.

The Strategy to boost 5G technology, which foresees **€2 billion worth of investment by 2025, €300 million of which have already been allocated in the 2021 Budget**, rests on three linchpins. The first includes actions to ensure that priority frequency bands are available for 5G services. The second lays down network rollout support measures. The goals are to **ensure that 75% of Spain's population have 5G coverage**, and to provide uninterrupted 5G coverage on major roads, railways and unique spots such as airports. Finally, the Strategy promotes the use of 5G in projects that boost sector digitalization.

4.2 New legislation and regulations

Expression of interest in rural 5G and Connectivity

In January 2021, the Ministry of Economic Affairs and Digital Transformation published a call for expressions of interest to receive proposals, based on a public-private partnership model, to enable **the roll-out of high-speed broadband and advance 5G coverage in rural and sparsely populated areas**. In doing so, the Government intended to seek the private sector's help in designing one or more instruments for achieving the following specific objectives:

- 100% broadband coverage providing 30 Mbps on-the-move access in 2023.
- 100% of the population with 100 Mbps coverage in 2025.
- Speed up network rollouts to offer 5G coverage in rural and sparsely populated areas.

Vodafone submitted its response to the Ministry last February through two projects that respond to the **need to roll out 30Mbps broadband** through two sub-projects for the modernization of rural sites and the creation of a new coverage grid; and to provide 5G in low population locations where the overall network capacity will be multiplied, representing a major technological leap forward.

Market 3a-3b review

The CNMC has proposed extending the competitive zone to 592 municipalities (where Telefónica's share of the retail broadband market is less than 50% and there are at least three NGA networks with at least 20% coverage), while the remaining municipalities would be part of the non-competitive zone. In this competitive zone, the CNMC has proposed that Telefónica maintain its civil works infrastructure access obligations, as well as its copper pair unbundled access obligations. However, it has not imposed any obligations regarding wholesale access to its fibre network.

In the rest of the country (7,539 municipalities), the CNMC has proposed, in addition to the aforementioned services, imposing on Telefónica the obligation to provide wholesale virtual unbundled access services to fibre optic (local NEBA) and broadband NEBA fibre, as well as the copper-based indirect access services known as NEBA copper, regional and national ADSL IP.

As in current regulations, the CNMC proposes that prices for lines provided with copper pairs remain cost-oriented and those for lines provided with fibre be subject to an economic replicability test, but has not proposed any changes with respect to the current methodology.

Next steps: after analyzing the comments received, the CNMC will approve a draft measure that will be sent to the European Commission, as well as to the Ministry of Economic Affairs and Digital Transformation, and subsequently approve the final resolution.

Market 4 review

The CNMC's proposal is a continuation of current regulations:

- High quality wholesale broadband service, known as enterprise NEBA, cost-oriented prices for lines provided with copper pairs and costs for lines provided with fibre subject to an economic replicability test.
- End-to-end leased lines service (LLRF - Leased Line Reference Offer), with cost-oriented prices for leased lines with traditional 2Mb/s interface and cost-oriented prices for leased lines with Ethernet interfaces (10/100/1000Mb/s) subject to an economic replicability test.

Telefónica is required to provide both services on a nationwide basis (there is no geographic segmentation). The market analysis also includes a review of LLRF prices. The CNMC proposes a **33% price reduction** for traditional 2Mb/s lines and a **17.2% reduction** in the price of 10, 100 and 1000Mb/s Ethernet lines.

Next steps: after analyzing the comments received, the CNMC will approve a draft measure that will be sent to the European Commission, as well as to the Ministry of Economic Affairs and Digital Transformation, and subsequently approve the final resolution.

New General Audiovisual Communication Act

In November 2020, the Government published the preliminary draft of the new General Audiovisual Communication Act (LGCA). The legislator's key objective is to adapt regulations to the current context of digitalized audiovisual services and to extend its obligations and guarantees to the new market players that have emerged in response to changes in current audiovisual viewing patterns.

Vodafone submitted its allegations to the Preliminary Draft in December 2020, focusing on the enshrinement of the Level Playing Field principle, thus guaranteeing the application of the same level of regulation to all audiovisual service providers that offer similar services in the market and compete for the same customers and audiences, so that they can engage in their business activities under non-discriminatory conditions.

In the allegations, special attention was paid to issues such as: that RTVE Corporation give all other audiovisual operators access to its signal, as well as requesting that in addition to linear content, non-linear content be transferred free of charge; the obligations to promote and fund European audiovisual works, asking that these obligations be the least burdensome possible and that they apply to all audiovisual market players; modification of the system of penalties; or Vodafone's obligation to finance the Spanish Radio and TV Corporation (RTVE).

5

Risk Analysis

5.1

Risk management model

5.2

Main risks and mitigation measures

5.3

Climate change-related risks

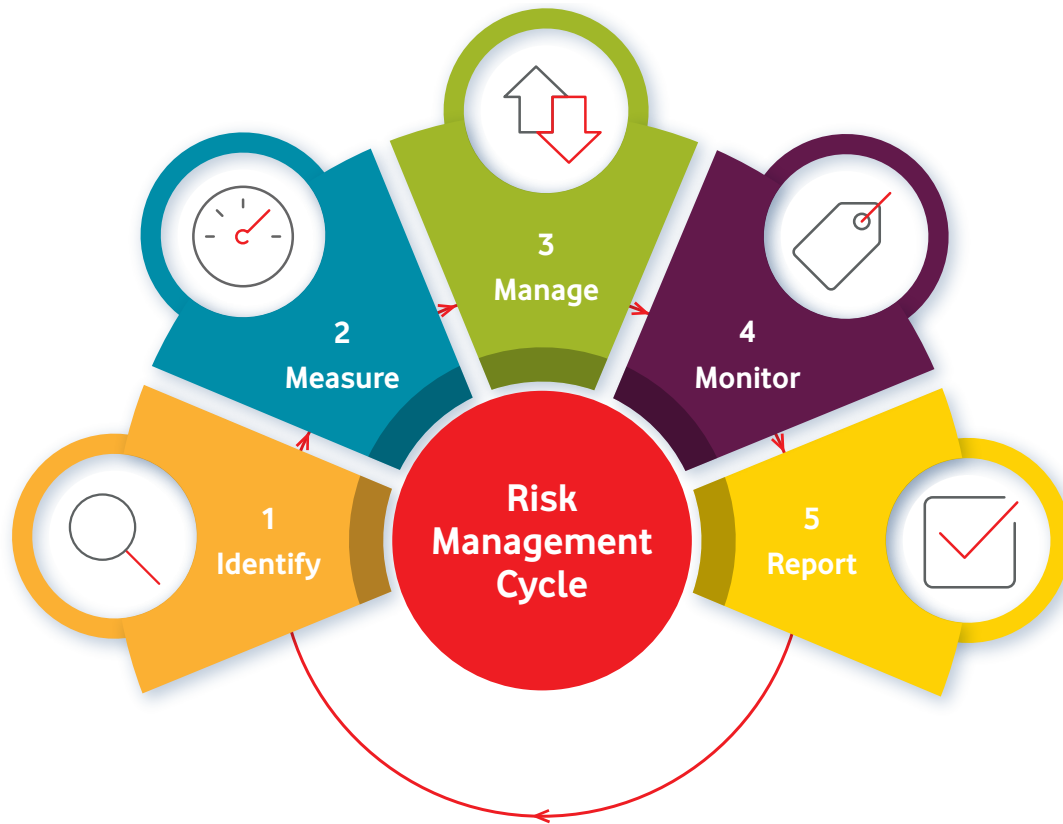


5.1 Risk Management Model

Vodafone Spain's risk management model forms part of the **methodology devised by the Vodafone Group**. In this context, each year Vodafone Spain identifies the main risks which could potentially affect the fulfillment of its strategic goals and impact customers, the business or the corporate reputation. Each identified risk is assigned directly to the appropriate Senior management.

When the main risks have been identified, appropriate actions are taken to manage and handle them, with the objective of enabling company managers to make decisions with greater vision and knowledge of the potential impacts:

Risk Management Cycle



- 1. Identify:** The person responsible for managing each risk **must define and document** the potential consequences or impacts, and break the risk down into sub-risks. Each risk is classified within one of the following categories:
 - a. Commercial
 - b. Business Resilience and Security
 - c. Logistics
 - d. Legal and Regulatory
 - e. Human Resources
 - f. Financial
 - g. Foreign Affairs
- 2. Measure:** The **level of impact and probability** of each main risk occurring are measured using standard criteria.
- 3. Manage:** The person responsible for managing the risk and their colleagues identify and document the measures for mitigating it with the person in charge of implementing them. Each risk is assigned a Tolerance level which determines if it is being appropriately managed or if additional measures are needed to reduce the degree of exposure to the risk. As such, specific action plans are defined for each risk which is not aligned with its tolerance level and which, for this reason, requires further actions. **Each action is assigned to someone, has a priority level and an implementation date.**

- 4. Monitor:** The activities associated with assuring that the mitigation measures implemented are effective are identified and documented for each risk. Each activity is placed in the three "lines of defence" model:
 - a. First line:** risk owner and assurance management. Typically found in operational functions.
 - b. Second line:** risk monitoring and functional oversight. Typically found in specialized and oversight functions.
 - c. Third line:** independence and assurance. Typically in Internal Audit, External Audit and in other independent auditors.
- 5. Report:** a comprehensive report on a minimum of three main risks is drafted and the author submits it to the committee or other management/supervisory body, with evidence of their level of efficient management vs. level of tolerance, and whether their existing or additional actions have to be modified significantly.

5.2 Main risks and mitigation measures

In accordance with the methodology described, the following Main Risks have been identified, whose category and Mitigation Measures are specified.

Vodafone's Strategic Risks

	Major Risk	Risk Category
1	Instability stemming from health, social, political and economic conditions	Strategic and Commercial
2	Cyberattacks and Information Security	Business Resilience and Security
3	Aggressiveness of competitors in the Low-End and Mid-level segments, including the market leader	Strategic and Commercial
4	Corporate transactions on the Spanish market	Strategic and Commercial
5	Geopolitical Risk	Strategic and Commercial
6	Public Administration and Regulatory Fees	Legal and Regulatory
7	IT and/or Network infrastructure failure	Business Resilience and Security
8	Spectrum Tenders (700MHz Auction, 5G Plan)	Legal and Regulatory

Risks of financial year 2020-21



1. Health, social, political and economic conditions that prompt instability.
2. Cyberattacks an Information Security.
3. Aggressiveness of competitors in the Low-End and Mid-level segments, including the market leader.
4. Corporate transactions on the Spanish market.
5. Geopolitical Risk
6. Public Administration Fees.
7. IT and/or Network infrastructure failure.
8. Spectrum Tenders (700MHz Auction, 5G Plan).

The risk movements shown in the matrix are the result the risks being transferred from a 5x5 matrix to a new 4x4 scale matrix.



5.2 Main risks and mitigation measures

1 Instability stemming from health, social, political and economic conditions

Description:

The current health, social, political and economic situation, prompted by Covid-19, is an unstable scenario, with high unemployment, companies in recession and uncertain regulatory measures that has led to a slowdown of the entire Spanish market.

Mitigation measures:

- Smartworking pilot at Vodafone's head office before the state of the alarm was declared, and general smartworking arrangements since then, guaranteeing the health and safety of workers, customers and stakeholders who work directly with the company.
- Actions necessary to ensure that the mobile and fixed network works properly and to guarantee customers the best possible connectivity.
- Development of and participation in several commitments to society to mitigate the risks triggered by the pandemic's outbreak and to provide support at this difficult time for so many people and companies.

2 Cyberattacks and Information Security

Description:

An unexpected or mishandled cyberattack against our Network Infrastructure might result in our services being temporarily unavailable. Our customers trust and Vodafone's reputation depend directly on its ability to protect their sensitive information from any unauthorized access.

The General Data Protection Regulation (GDPR) provides the framework for guaranteeing and protecting, insofar as personal data processing is concerned, individuals' public freedoms and fundamental rights, (especially their honour, and personal and family privacy). The regulatory authorities could intervene Vodafone if we fail to meet the requirements of both regulations. The organization is better prepared as each year passes (GDPR compliance, Vodafone Group-wide improvement schemes, etc.) even though the threat of a cyber-attack or of personal/confidential data being hacked is both bigger and more complex.

Mitigation measures:

- Vodafone liaises closely with a wide variety of stakeholders, including government organizations, corporate groups and suppliers.
- Annually security checks are conducted to identify and carry out additional activities aimed at strengthening the control environment, the goal being to ensure that critical infrastructure is improved by reducing the likelihood of unauthorized access or any other attack.
- The risk of malicious attacks is minimized by the global Security Operations Centre.
- We continuously make sure that all of our customers' data is processed correctly, with the proper level of confidentiality.
- Vodafone ensures that it complies with its obligations regarding file registration, data quality, duty to secrecy, duty to report and respecting its customers' rights.
- Vodafone prevents any breach or data loss with a top-class cyberdefence and security team focused on the customer and supported by risk processes.

3 Aggressiveness of competitors in the Low-End and Mid-level segments, including the market leader

Description:

Competition remains highly aggressive and price-based, especially in the low-end segment and is now expanding into the mid-level segment due to the launch of new products, which hits market value. This trend remains entrenched in the telecommunications sector, increasing the likelihood of a return to a price war to win market share.

Vodafone will keep on competing in these segments by means of innovative and commercially competitive offers, maintaining and ensuring the high level of quality of its products, services and customer care.

New operators joining the Spanish market could also spark further commercial aggressiveness, even in the high-end segment, and therefore a loss of value in that segment.

Mitigation measures:

- Ongoing analysis and monitoring of competitors' offers, as well as their impact on the customer base.
- Design, development and launch of new competitive offers, based on in-depth analysis of market and of each segment's current and future requirements.
- Stronger value-centred position in the launch of some products, which is permitting a move to a less promotional scenario.

5.2 Main risks and mitigation measures

4 Corporate transactions on the Spanish market

Description:

New operators entering the telecommunications market could trigger corporate movements. The extent of this risk will depend on the specific scenario in question, and could even represent an opportunity and positive news for the company.

Mitigation measures:

- Continuous analysis and monitoring of competitors.
- Proactive analysis to identify possible moves and synergies between operators and the potential economic impact.

5 Geopolitical Risk

Description:

Risk derived from current trade wars between countries. Recent months have seen a clear increase in international sanctions and restrictions.

Mitigation measures:

- Design and implementation of the necessary action plans to ensure that these trade wars affect the Company as little as possible.

6 Public Administration and Regulatory Fees

Description:

The fees levied by the public administrations are still a critical factor for our business in Spain, mainly due to their direct economic effect, but also due to their reputational and competitive impact on the market. The greatest risk lies in the potential legislative changes to tax regulations in the different levels and competences of Public Administrations: EU, national, regional and municipal. These changes are solely designed to increase revenue collection and lead to alterations in the economic environment.

Mitigation measures:

- Promote legal certainty and stability, and ensure fiscal forecasting at different levels of Public Administrations.
- Promote clear fiscal requirements, avoiding changes in official interpretations before and during inspections.
- Maximum collaboration with central government's tax authorities and throughout the inspections.

7 IT and/or Network infrastructure failure

Description:

As a telecom carrier, we depend on the stability of our networks and IT systems. Lengthy (non-malicious) downtimes in the network or IT infrastructure can result in a service interruption, damaging our reputation and causing a subsequent loss of revenue and financial penalties.

Mitigation measures:

- Availability of Business Continuity Plans and disaster recovery plans to mitigate their occurrence and duration.
- Investment in and ongoing upgrading of networks, following improvements detected after serious incidents.
- Availability of our own transmission media on all our network's critical paths to reduce any dependence on other companies.
- Investments to ensure adequate capacity and redundancy wherever justified for their impact in case of unavailability.

8 Spectrum Tenders (700MHz Auction, 5G Plan)

Description:

If Vodafone failed to achieve favourable competition and economic rules in the 2020 spectrum auction and/or win the desired spectrum in the 700 MHz band (and potentially the 3 GHz and 5 GHz band) at a reasonable price, this would have a substantial negative impact on our innovative strategy for evolving towards 5G, as well as a major financial impact. In addition, the annual 700MHz band fee has not been approved yet, prompting uncertainty about the final price payable and worsening the impact.

Mitigation measures:

- Arrangements with the Ministry of Energy, Tourism and Digital Agenda.
- Meetings with the Secretary of State for the Digital Agenda and with the Minister of Economy.
- Liaison with the Vodafone Group's Technology and Foreign Affairs departments.
- Design and execution of the spectrum tender process strategy.



5.3 Climate change-related risks

Vodafone Spain is taking part in a project coordinated by the Vodafone Group and Carbon Intelligence in order to bring its reports in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This project is divided into different phases:

- Phase 0. Gap analysis
- Phase 1. Risk and opportunity assessment
- Phase 2. Scenario Analysis
- Phase 3. Deep dive of risks identified
- Phase 4 a. Mainstreaming climate risk management in local markets
- Phase 4 b. Improving TCFD disclosure

Vodafone is currently initiating Phase 4, which focuses on mitigating identified climate risks, as well as defining risk tolerance and acceptance and identifying next steps for integrating climate risk into local risk management.



6

Our Purpose

6.1

Vodafone's strategy and purpose

6.2

Digital Society

6.2.1 Customer digitalization

6.2.2 Value Content

6.2.3 Innovation Ecosystem

6.2.4 5G Innovation

6.2.5 Leader in IoT and Success Cases

6.2.6 Network

6.3

Inclusion for all

6.3.1 Vodafone Spain Foundation

6.3.2 Society

6.3.3 Employees

6.4

Planet

6.4.1 Environmental Management System and energy

6.4.2 Energy and Climate Change

6.4.3 Waste and Circular Economy

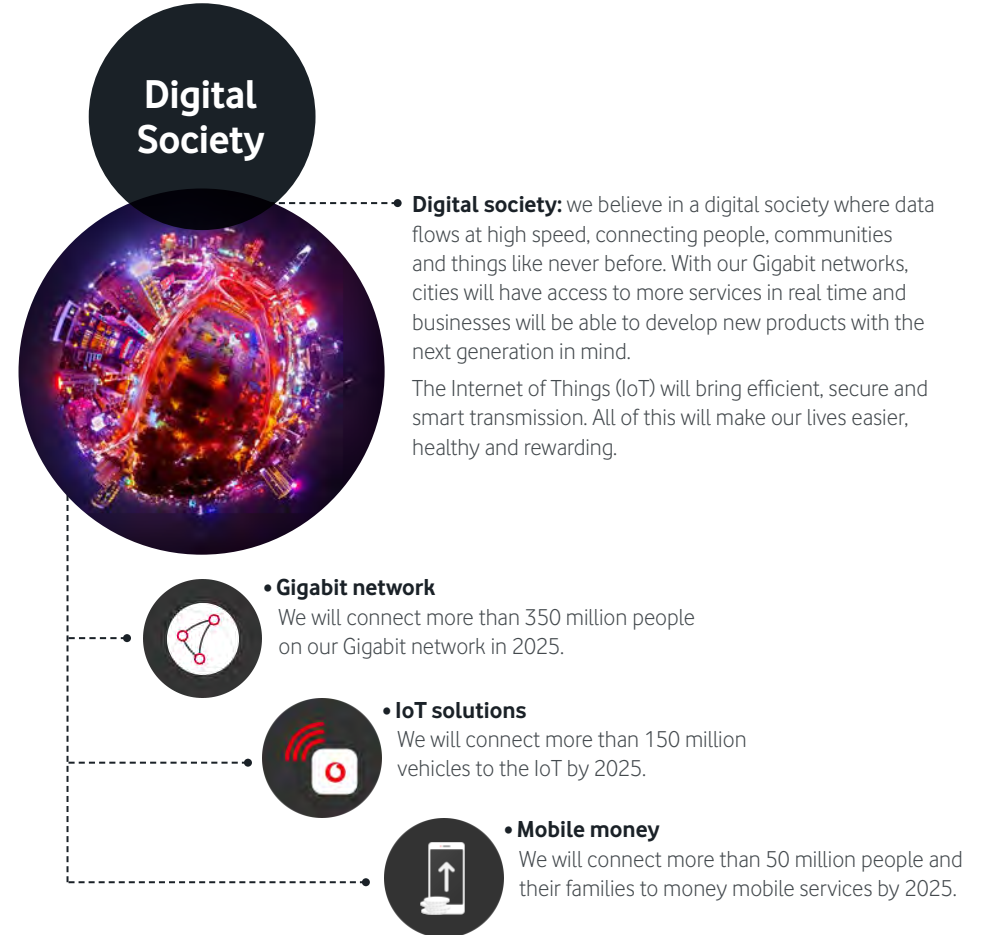


6.1 Vodafone's strategy and purpose

Vodafone is a telecommunications company that connects more than 650 million people and organizations of all sizes. We believe that technology and connectivity can improve people's lives and futures.

Our aim is to build a society focused on socio-economic progress, which embraces people and respects our environment.

We are committed to **improving one billion lives and halving our environmental impact by 2025** by taking action in 3 areas: **Digital Society, Inclusion for all and Planet**.



6.1 Vodafone's strategy and purpose

Inclusion for all

Inclusion for all: Our daily lives are proving one thing: connectivity drives inclusion. Equality of opportunity is born when everyone has the same opportunity to connect. That's why we're working to reinvent technology, to bring the web to the far corners of the world and ensure that everyone, regardless of gender, age, background or ability, has access to an education and a digital future. And we will keep working until we reach our goal. Until we are, at last, all connected.

- **Connecting women**
We want to connect 50 million women from emerging markets to mobile devices by 2025.
- **Best employer**
We want to be the world's best employer for women in 2025.
- **Jobs for the young**
Empower 10 million students with digital skills to find opportunities and facilitate youth employment by 2025.
- **Vodafone Foundation**
Improve 400 million people's lives with our programmes in 2025.

Planet

Planet: The success of a digital business should not leave a footprint on the environment and we believe that urgent action is needed to curb climate change. By committing to halving our impact, we will help ensure a sustainable future for all. We will focus on energy efficiency, renewable energy supply and reducing grid waste. This will mitigate the effects of our growing business and unstoppable customer demand for data.

- **Less greenhouse effect gases**
Halve its emissions by 2025 with respect to the 2017 baseline.
- **Renewable energy**
Purchase 100% of our electricity from renewable sources by 2025.
- **Recycling**
Reuse, sell or recycle 100% of the decommissioned network equipment.

6.2 Digital Society



Objective Achievement 2019-20	Degree of Compliance
• Offer fixed and mobile phone network excellence-based differentiation.	100%
• Promote a 100% digital experience as a value proposition for our customers.	100%
• Add a unique, competitive and differentiating proposition in all segments.	100%
• Offer a differential value when relating with our customers, based on new patterns of behaviour as a result of the current crisis, promoting new products/services.	100%
• Develop the new culture based on the Vodafone Spirit.	100%

Vodafone is firmly committed to a **connected Digital Society**, where data flow really fast, connecting people, communities and things like never before. With their Gigabit networks, cities will have access to more real-time services and enterprises will develop new products thinking about the next generations.

The Internet of Things (IoT) will bring efficient, secure and smart transmission. All of this will make our lives **easier, healthier and more rewarding**.



6.2 Digital Society


6.2.1 Customer digitalization

Residential Business Unit


One of Vodafone's main connected digital society objectives for FY 2020-21 was to **make technology serve customers**, to help them make their lives easier, healthier and more connected.

To do so, it has reorganized its extensive range of innovative services for its **residential customers**, which are divided into **Vodafone in Spain's three brands: Vodafone, Vodafone yu and Prepay and Lowi**.

vodafone



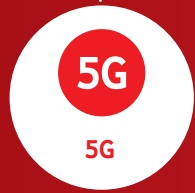
Hogar Ilimitable




In October 2020, Vodafone launched **new convergent bundles intended especially for families** who want to forget about **connectivity** solutions at home, with the best connection inside and outside the home and new innovative and digital services.

The solution features:

- **2-plus** mobile lines with unlimited calls and data at 5G top speed
- Fibre with 600 Mbps and 1Gbps speeds
- The market's biggest film and series aggregator: TV with more than 100 channels, HBO Spain and Prime Video
- Smart Household, which features Super WiFi, Secure Net Family, OneNumber and IoT solutions




5G




Over the last financial year, **Vodafone has expanded its 5G network and already reached 25 major cities**, has consolidated its **leadership in mobile network quality**, and is the operator that offers 5G services with the fastest download speed by having the largest contiguous spectrum. Vodafone has also included 5G in all existing price plans, bringing this technology to all its customers, and has expanded its portfolio of 5G handsets, which currently has more than 40 references.

Vodafone is involved in **more than 130 5G network use cases** in partnership with institutions and companies, consolidating the largest ecosystem of partners for the development of 5G solutions in Europe.



Vodafone TV



The market's biggest film and series aggregator and the only platform to feature HBO Spain, Amazon Prime, Netflix, HBO Spain and FILMIN exclusively with Vodafone.

More than 140,000 video-on-demand content items following the inclusion over this last year of Antena3 Premium, AMC SELEKT, Acorn and Planet Horror.


Full and flexible offering. 10 theme packs (Series, films, documentaries, children, sports, music, hunting, adult, etc.) so that customers can sign up only for what they want to watch. Available for mobile-only and converging tariff customers, with a decoder or only on their devices.

Premium user experience, with voice control of all the Vodafone TV features both from the remote control and with ATIKA, the smart speaker which, in addition to incorporating Voice, has the best sound quality and all of Alexa's features.

6.2 Digital Society

6.2.1 Customer digitalization

Residential Business Unit



We live in an increasingly connected environment and, in response, Vodafone offers its residential customers its Digital Household services:

Hogar Inteligente

IoT for residential customers: our suite of IoT devices give customers peace of mind and the security of having a connected household and lets them keep track of everything that matters most to them.

V-Home Mini: this home monitoring service lets customers always know what is going on at home when they are not there.

Smart locators: devices that let us keep track of whatever matters most to us. **Curve** (small, lightweight, easily transportable device that can be attached to objects, key rings, pets), **CarConnect** (for using WiFi in your car, with tracking, alerts and services from the mobile phone) and **Neo** (smart watch for children with GPS tracker).

Secure Net Family: service created to protect customers from Internet hazards by detecting and blocking cyber-threats, while also letting customers apply a parental control policy to all devices in the home.


Super WiFi: this service gives you enjoy full coverage and a stable WiFi experience through smart extenders for surfing from anywhere in your home.

OneNumber: this service lets you connect multiple devices (smartwatches, smart speakers, tablets, additional mobiles, etc.) using the same phone number and the same voice and data tariff on all of them without having to change the SIM card.

Vodafone yu and Prepay


Vodafone's products and service for its younger customers. Vodafone yu wants to keep on being a reference for younger customers, which is why it revamped its products and services during FY 2020-21:

- March saw the launch of the **new range of mobile tariffs** (Big Yuser and Heavy Yuser) and **convergent tariffs** (Big Yuser + Fibre and Heavy Yuser + Fibre), for contract and prepay, as well as a new website for 100% online contracting of these tariffs.
- In August was launched **Fibre Yuser: 600Mb** and no tie-in clause.
- Vodafone remains committed to young people's talent with **Yu Generation**, and has organized different schemes such as **Vodafone yu Music Talent**, or the **Vodafone yu Talent Internships**.
- Finally, the **"Yu, no te pierdas nada"** (yu don't miss a thing) programme was revamped again, with two new co-presenters alongside Ana Morgade, Pantomima Full and 11 new contributors.




The main new Prepay tariff features and offers have been:

- New tariffs:** the tariffs were launched in May 2020 and have been steadily updated throughout the year until February 2021.
- Vodafone Prepay S Voice. 10GB + unlimited domestic calls (Feb21)
- Vodafone Prepay S. 12GB +unlimited calls to other Vodafone prepay + 300 min domestic and international calls (May20)
- Vodafone Prepay M. 20GB + unlimited domestic calls + 800 min international calls (May20)
- Vodafone Prepay L. 35GB + unlimited domestic calls (Feb20)
- Vodafone Prepay XL. 45GB + unlimited domestic calls (Feb20)
- Vodafone Prepay XXL. 55GB + unlimited domestic calls (Feb21)



Encuentra tu Tarifa Prepago	
12GB + ILIMITADAS + 300 MIN 15c	20GB + ILIMITADAS + 800 MIN 15c
35GB + ILIMITADAS 15c	45GB + ILIMITADAS 15c



Vodafone Prepay M
La tarifa que te acerca a los tuyos
12GB + 10GB
+ ILIMITADAS
+ 800 MIN
15c
Ready?
Puntos de venta Vodafone

6.2 Digital Society

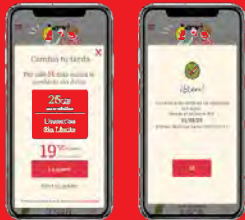
6.2.1 Customer digitalization

Residential Business Unit

Lowi



The **S-i-m-p-l-e** company make the communications service easy so that customers do not have to worry about anything, without any small print or mobile tie-in. Our mainstays are **simplicity, empathy and a disruptive offering** and customers always take centre stage, knowing that they can trust they will always get the best terms and conditions for their service.



- Promotions, always **available** for new and existing customers alike:
 - **Lockdown:** If you stay at home, we stay with you: 10+10GB
 - **Summer:** 60 GB for free.
 - **B2S:** convergence-focused. Fibre 300 MB / 20GB / Unlimited Calls
 - **Christmas:** 50 GB for free.
- **Customer Experience:**
 - **App-focused:** a customer relationship centre to build customer loyalty, improve customer service and boost upselling.
 - **Optimized SEO positioning:** continuous improvements to ensure we appear high up whenever Low End customers search for telecom deals.
 - **Customer base development:** ad-hoc, lifecycle-based communications to improve customer connectivity services, increase value and reduce churn.

Customer Experience

Another linchpin of customer digitalization is pursuing an excellent customer experience in all channels, and especially in digital customer care, making it far more personal.

• Vodafone "One-to-One"

Vodafone has devised a new customer service model for all of its residential and SOHO customers, based on personalized management provided by a team of agents who always attend to the same customers and all of their needs, answering their questions, resolving issues, signing them up for products and services, etc. The new model won an award at the Platinum Contact Center Awards and CRC Excellence in Customer Relationship.

• Smart Routing

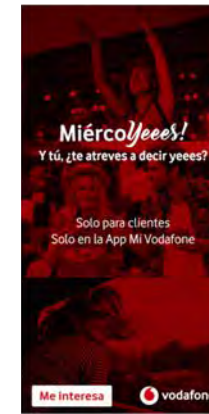
This new technology analyzes the **type of calls** received from customers in real time, and uses Big Data algorithms to direct them to the best prepared and qualified agent. This **enhances the customer experience** and service efficiency.

• Red Team Scheme

Red Team is a scheme for engaging with all the partners who work for Vodafone in the different channels, and are the face that customers see. This year saw the programme being overhauled and brought in line with the new situation, so now all the initiatives are fully digital to keep on engaging them: "Webinars: You Design Our Customers' Experience" as an alternative to face-to-face visits to our offices; digital activities such as "Red Escape", a digital escape room for all employees in which more than 3,500 people took part; and digital events such as "Red Hits FM" as a reward for the best partners' efforts throughout the year.

The programme also includes ongoing improvements to internal processes based on direct feedback from contributors and exclusive benefits in Vodafone products and services with the aim of making them the best brand ambassadors for customers.

• Happy



Vodafone's loyalty programme Happy has received more than **3.3 million visits, 2.5 million participations and has awarded 1,000-plus prizes**. It is underpinned by: **Miércoles!** every Wednesday there are surprises and gifts and **Happy Box**, a catalogue with third-party offers, as well as a third new pillar, **+Happy**, exclusive actions for customers who have been with Vodafone for more than 15 years.

• Social Media Leadership and Expertise

According to the Epsilon Icarus Analytics Panel, in 2020 Vodafone **led the telecom sector in Social Media for the second year running**. This means that its content has had the greatest impact. Vodafone also led Base Growth among operators, confirming that its content is engaging. In customer service terms, Vodafone cut its first response time by 25% compared to the previous financial year. This improvement is reflected in higher customer satisfaction on social media channels. Vodafone uses Social Media to keep up an ongoing, fluid dialogue with customers. The main indicators of these interactions are detailed in the Stakeholder Dialogue section .

6.2 Digital Society

6.2.1 Customer digitalization

Customer Experience

• Listening Model

The **Intelligence Data Center** has established itself as a **real-time insights generator**, based on the cognitive engine and the AI usage. This system makes it easier to understand customers' needs in real time, detects new business opportunities, anticipates crises and uses big data to help manage them.

• My Vodafone App

Vodafone began its fiscal year with the **gradual rollout of MVA10**, the upgraded My Vodafone app, both due its new look&feel and the **new browsing method**: an expanded dashboard that lets customers see the best product and service deals, view and check their bills, manage contracted products, find exclusive Miércoles! promotions and deal with faults or make queries, all without leaving the main screen. Customers can also chat with TOBi, Vodafone's virtual assistant, who will solve their doubts about any of the company's products or services through a simple chat channel.

This app enabled Vodafone to keep its customer service running throughout the Covid-19 crisis: gaining itself a position as one of the main channels and, to top it all, with the highest scores in TNPS, the customer satisfaction indicator par excellence. The app has also boosted sales and business figures to an extraordinary extent, prompting a 237% rise in tariff changes and 322% increase in smartphone and other device purchases compared to the previous year.

• Virtual Assistants



TOBi is Vodafone's virtual assistant that provides customer care and support in conversational language **using natural language processing** and artificial intelligence. **TOBi is present in different channels**. In the My Vodafone app, it already answers more than 80,000 customers' queries every month. The VoiceBOT answers customers' queries quickly, and prepay customers can use WhatsApp to get information about their phone line, sign up for new services, etc.

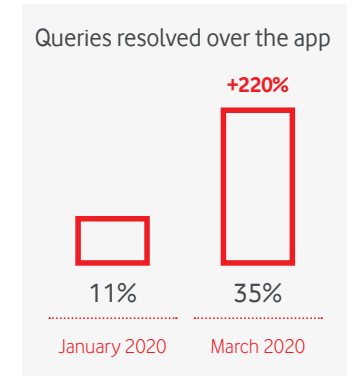
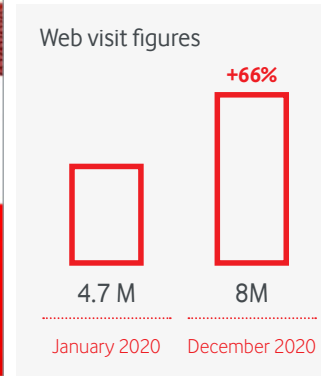
Digitalization as part of Vodafone's DNA

In 2018, Vodafone set up its Digital department with the remit of designing a new digital customer relationship. This business area is divided into Tribes, in other words multidisciplinary squads that all engage in the same mission. Each Tribe serves a mission aligned with the commitment to boost digital asset usage and offer the best experience in these channels:

1. Development and optimization of journeys for new customers who can become customers through digital channels, mainly the Vodafone.es website.
2. Service to existing customers and development of such customers through digital channels, mainly the MyVodafone App and intelligent natural language processing tools such as TOBi - both in voice and chat format.
3. Technical solutions used in the other Tribes can therefore be applied to different digital assets such as the website, app, bots and their integration with existing systems and the Vodafone network.

Vodafone's main digital assets are:

- The Vodafone.es website which attracted 66% more visits in the year, totalling **8 million visits a month**.
- The MyVodafone app responds to the needs of some 2.5 million active users each month, as well as providing automated responses through its TOBi bot, which has increased its absorption rate from 11% to 35%.

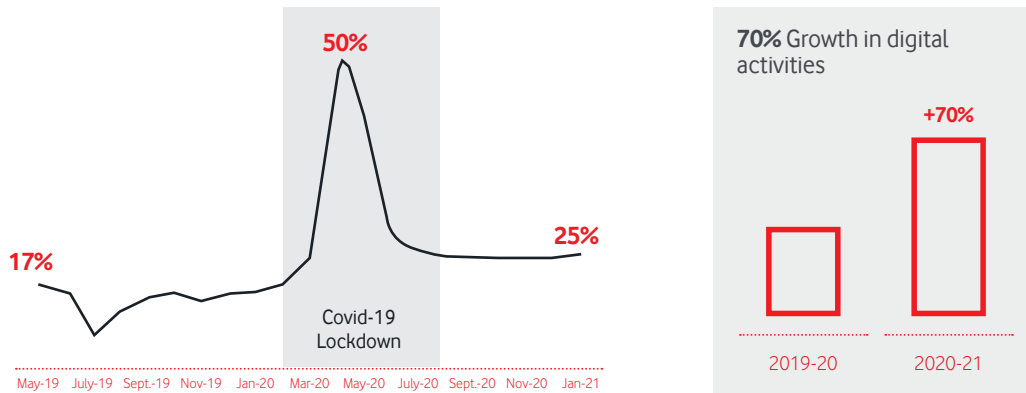


6.2 Digital Society

6.2.1 Customer digitalization

Digitalization as part of Vodafone's DNA

From a **digital sales** perspective, the last financial year saw a significant increase. Clearly, this is partly due to the impact of the lockdown triggered by Covid-19, but when the lockdown was lifted, the web channel continued being used heavily to sell to new customers, and 1 in 4 sales were made through this Digital channel. The effect of this increase is that the volume of digital activations **has increased by 90% compared to the previous year.**



Digital sales channels help the company to be more efficient, especially because they allow sales to be transactional, i.e. without human intervention. Digital experience design is geared towards ensuring an easy, rewarding experience that lets customers complete all the necessary steps effortlessly. More specifically for younger customers, the Vodafone yu brand has achieved an 80% transaction rate, while the Vodafone handset renewal rate has already topped 90%.

According to a SmartMe study, the MyVodafone app **leads the field** in terms of telecommunications apps. Over the last financial year, Vodafone has added new features that facilitate the Vodafone user experience and make everything easier to do: a simple bill display, a summary of the different services contracted, a section for reporting faults and placing orders and automatic interaction for resolving queries.

The MyVodafone app adds key customer care and sales capabilities

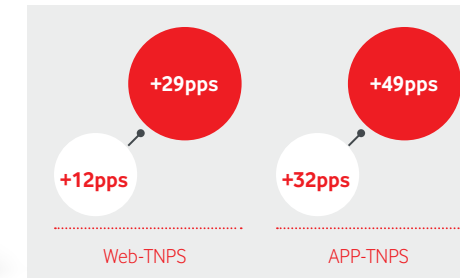
More and more customers are using the MyVodafone app, which ended the financial year with another **200,000-plus users**. At the same time, the voice channel's TOBi bot has boosted the percentage of users who complete their query through TOBi in the chat to 35%. Prepay customers who use Whatsapp get an automated response from TOBi in more than 90% of cases.

Gartner's independent IT4C study (which analyzes the digital asset capabilities of all telecoms operators) ranks Vodafone's capabilities for its customers **above those offered by its domestic competitors**. Gartner has paid special attention to the MyVodafone app's commercial capabilities, as customers find personalized content, full information about its services and recommendations and the option of buying directly via the App. Gartner also identified the MyVodafone app user experience when trading in their mobile device as a strength in the context of its study, as the app lets customers to trade in their mobile on their own, without needing the help of an agent.



Finally, Vodafone continuously monitors its customers' experience when using digital assets using the TNPS (touchpoint net-promoter score) metric: the recommendation score for the Digital touchpoint, for Web and App.

In the last financial year, the company has taken a big step forward in customer recognition, valuing and recommending this channel much more: +17 points for the Web, reaching a TNPS of 29pp and also +17 points for the App, which reached a TNPS of 49pp.



6.2 Digital Society

6.2.1 Customer digitalization

Vodafone and Covid-19

Vodafone shows how committed it is to its customers, and throughout the lockdown it offered its customers a series of advantages to cope with being isolated as best as possible. The main goal was to **make it easier for customers to communicate** (in all aspects of life, work and entertainment):

- During March 2020, all Vodafone customers were given access to the **Peques Pack content** as a gift with their Vodafone TV automatically.
- Customers were also given access to more than **13 history, travel, fashion, lifestyle and documentary channels** including History Channel, Discovery Channel, Odyssey and Nat Geo Wild. They also got to watch the best films with Canal Hollywood, SOMOS and Dark, automatically and from their living rooms.
- An additional **10GB for prepay tariffs** to prevent them running out of data.
- The company also drew up **specific contingency plans** for the different platforms to ensure that customer care, service and support processes remained stable and operational throughout the lockdown.
- **Vodafone stores stayed open** to guarantee the provision of **essential services**, although in some cases with shorter opening hours, and security protocols for employees and customers have been reinforced.

All these measures mirror how Vodafone wanted to respond to society to show its commitment and responsibility in the exceptional situation we have had to live through.



6.2 Digital Society

6.2.2 Value Content

To supplement its range of products and services, Vodafone produces content that is of value and useful for different audiences:

The Future is Exciting

This content platform intends to make the brand promise tangible, bringing the wonderful advances that technology brings to people's lives within reach of its community through two complementary content formats. Firstly, the **"Innovation of the day"**, a daily pill that helps to discover the advances that positively impact people's lives. And secondly, the **"Innovation Specials"**, monthly content from different fields on technological innovations that build a stronger, more resilient, inclusive and sustainable digital society. **Its community has more than 141k followers in Spain.**

Vodafone yu

This content platform, launched in 2012, is intended for young audiences (16 to 30 years old) and talks to them about what interests them most in their codes and formats. It features:

- **Two radio programmes** on Europe FM: **yu No Te Pierdas Nada**, in which Ana Morgade and Pantomima Full review current affairs in a humorous tone from Monday to Friday, and **yuMusic**, every Saturday and presented by Lorena Castell and Carlos Marco. Then there's **yuGamers**, a streaming programme on Vodafone yu's YouTube channel, hosted by Maya Pixelskaya and Sekiam, which provides weekly updates on gaming and video games.
- **Vodafone yu Music Shows 5G**, 5G streaming concerts, free and open to the public, along with exclusive artist content distributed online and on social media before and after each concert.
- **Vodafone yu Music Talent**, the largest and most important competition for new bands in Spain, with more than 1,400 bands participating, which this year celebrated its 8th edition.




The community of Vodafone yu followers on all social media amounts to more than 915,000 people.

Vodafone eSports

This platform went live in 2016 to position the Vodafone network as the reference operator for gamers. At the heart of the strategy is Vodafone Giants, the most successful Esports Club in Spain with a **community of more than 990,000 followers**. It also produces content to inspire and help fans to reach their best level as gamers, which is distributed through Twitch and RRSS: **MásQueLoL**, a weekly entertainment programme with all the information on Esports and video games; and **PlayFaster**, a fortnightly programme that brings together and challenges the best players live. Esports Vodafone has **a community of more than 175 thousand followers**.

Vodafone Enterprise Observatory

This project was born in June 2017 with the aim of **helping companies of all sizes to meet their digital challenges** . During this financial year, Vodafone has adapted its content to try to help companies through digitalization to overcome the extremely complicated situation caused by the Covid-19 pandemic. Its main formats are **Expert Cases and Success Stories**, in which Vodafone customers share their experiences and explain how Vodafone solutions have helped them to boost their businesses. The contents are disseminated in the main digital newspapers and on social networks and, since its launch, have attracted **more than 136 million views and 365 thousand interactions**.



You Have to See It



Launched in September 2020 with the aim of **positioning Vodafone as "The largest aggregator of films and series"**. This platform recommends and prescribes films and series in two complementary audiovisual formats: a short format, easy-to-read guide, and a recommender made by "celebrities" and references who are passionate about series and films. The platform was **named by the BCMA as the Best Branded Content of 2020. It has a community of 35,000-plus followers in Spain and since its launch it has attracted more than 70 million views and 268,000 interactions.**

6.2 Digital Society

Corporate Business Unit

6.2.3 Innovation Ecosystem

The Vodafone Business Innovation Ecosystem tells companies all about the new technologies, trends and work methodologies that are set to shape the future of society and jointly analyzes the impact they will have on their organizations.

A meeting point where experts, customers and partners form part of Think Tanks focused on creating communities of knowledge and sectorial collaboration in favour of innovation.

These think tanks are led by Vodafone's team of Innovation Managers, who specialize in open innovation work methodologies and are experts in technologies applied to different industrial sectors and the public sector.

The current context, enveloped in uncertainty, yet which at the same time offers a wide range of opportunities, requires a deep understanding of the technologies that are set to be the basis for future business trends and customer relations. Technologies such as 5G, Cloud, IoT, Big Data and Analytics, Augmented/Virtual Reality, Blockchain or evolution of the work-place must be analyzed and form part of organizations' strategic plans.

Vodafone's Innovation Ecosystem helps companies with this evolutionary process that endeavours to ensure business growth by creating new models that respond to current challenges.

For Vodafone, innovation is the only way to build sustainable competitive advantages, which is why it has created a suite of tools with which to create the perfect ecosystem to promote innovation with its customers. This ecosystem is described below:

Vodafone Enterprise Observatory

This online platform with audiovisual content and interesting studies and analyses features the **largest public study on the state of digitalization of Spanish enterprises and public administration**, which aims to explore the great opportunities offered by the digital revolution and guide companies, SOHOs and public institutions to go digital. All this content is backed by leading worldwide reference partners, such as **Google**, and academic partners, such as **Opinno**, the **MIT's** representative in Spain, as well as the **ISDI** Business School.

It also features many interesting **reports on different sectors** such as Banking, Insurance, The Digital Tourist, Retail, Logistics, Distribution and Technologies, Health and Industry and various innovative technologies such as 5G, IoT and Cybersecurity.

The Observatory also organizes open thematic meetings to share topics of interest and current affairs. For instance, in the last quarter of 2020 it partnered with the APD (Association for the Advancement of Management) to arrange digital meetings on 5G technology, and also published a study on this technology. Another key meeting focused on the New Digital Workplace and the opportunities and challenges it presents for organizations.

More than 65 million views
(More than 205 million to date)

More than 2.7 million visits
(More than 12.7 million to date)

Vodafone Business Experience Center

At Vodafone Plaza, Vodafone's headquarters in Madrid, the Innovation Ecosystem has set up a **demonstration centre** where companies can get hands-on experience of the technologies and solutions that Vodafone and its partners make available to organizations, learn about each sector's most representative trends, explore new business models with their customers and identify projects that can help them to embark on their digitalization processes.

This year's pandemic has led to all activities taking place digitally, using remote demonstration tools to maintain the demo centre's essence.

100 - plus innovative technology demos that can be adapted to different industries

1,300 - plus companies have visited it since it was launched with an **NPS of +91**

Vodafone Lab

A collaboration, co-creation and innovation community where we research all the potential of technology, alongside partners, customers and employees. Vodafone has the best tools, partners and methodologies to ensure that all the know-how and ideas generated are turned into proposals that meet present and future customers' needs. Over this last year, Vodafone Lab focused in particular on 5G, organizing different activities with customers in Think Tank sessions with start ups and associations and a Pitch Day for sharing information and ideas. Vodafone launched 16 activities, reaching new sectors such as insurance, pharmacy, agriculture and automotion, adding to

It has mobility, drones & robotics, Big Data & Analytics, IoT, Smartcities and ODS communities in different sectors and has organized **46 actions or events in which more than 250 corporate customers have taken part.**

tourism, banking, retail, health, education and industry.

6.2 Digital Society

6.2.4 5G Innovation

Vodafone has consolidated its mobile network leadership and offers its contract customers the **fastest 5G connection**. At launch, 5G coverage, especially oriented to city and business centres, **reached approximately 50% of the population of the 25 cities included, and is being expanded steadily**. 5G reduces latency to **less than 5 milliseconds** in ideal conditions, can **multiply number of network-connected objects by 100** and facilitates the development of new multimedia services and applications which require ultra-fast connections, such as autonomous cars, virtual reality gaming, telemedicine or 8K video. It will also spur the development of smartcities and services for business services and public administrations in fields such as automotion, health, emergencies, energy, and new Internet of Things-related business models. Right now, Vodafone is not only spearheading the commercial launch, but also the development of future applications with **more than 130 use cases developed with applications in different sectors**.

5G Pilot in Andalusia



The '5G Pilot in Andalusia' project, spearheaded by the Ministry of Finance and Business, through Red.es, is being developed by Vodafone and Huawei. It is one of the two projects that the Government is backing through the first public call for 5G pilot aid schemes. The initiative's budget is €25.4 million, €6.3 million of which are being co-financed by Red.es from EU ERDF funds and Vodafone will be earmarking a further €1.8 million to this project.

The 5G Pilot in Andalusia is in the first phase of development and includes **70 use cases** that will apply this technology's benefits in **sectors such as energy, industry, smart cities, tourism, agriculture, health and dependence**, among others.

The use cases **will allow practical applications** such as **searching for and assisting people with drones, remotely controlled emergency robotics**, biometric recognition, connectivity in conference centers, medication management for the elderly, artificial intelligence applied to sensors, augmented reality in tourist visits, management of oil infrastructures with augmented reality and sensors, boarding of vehicles by scanning license plates, augmented reality in supermarkets, immersion in eSports with virtual reality and **precision agriculture**, among others.



6.2 Digital Society

6.2.5 Leader in IoT and Success Cases

Our IoT solutions, based on Machine to Machine (M2M) connections, connect objects, turning them into smart resources that can communicate with people, applications and with each other. They enable cars, buildings or machines to interact in relation to their environment and location.

For the seventh year in a row, Gartner has rated the Vodafone Group as the **world leader of M2M managed services** in the "Gartner Magic Quadrant", and placed it highest and furthest for its ability to execute and completeness of vision, in the Leaders Quadrant.

Regardless of size, sector or location (even worldwide), Vodafone provides the right solution for each customer.



Vodafone reported a **24% rise in the number of IoT connections** in the last year, reaching a total of **3.4 million** and also becoming the market share leader.

The Security, Banking and Smart Metering-related businesses are reporting the most new IoT lines, followed by Agriculture and Healthcare. This has been a very unusual year for other like as tourism, transportation and automotive, which have grown more steadily, but less than other years.

3.4 million-plus local and global SIM cards activated for IoT

24% plus increase in IoT SIM cards for enterprises, vs. the previous year



6.2 Digital Society

6.2.5 Leader in IoT and Success Cases

Success cases for Enterprises and Public Administrations

Listed below are some examples of success cases when Vodafone's Solutions are applied by Enterprises and Public Administrations.

Telecare service - Andalusia Regional Government

With a lightweight, easy-to-use device, Andalusian elderly and dependent people have immediate medical assistance and companionship, 24 hours a day, thanks to Vodafone's connectivity.

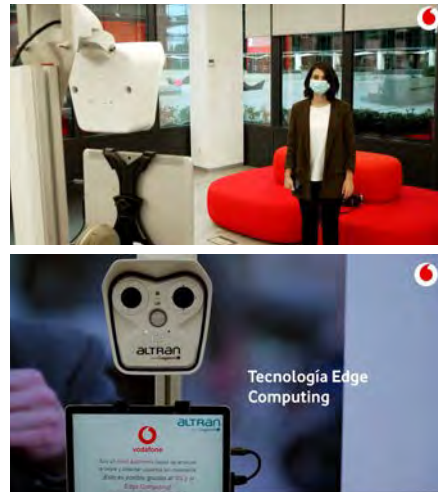
At the touch of a button, users can contact the telecare centre, whose operators immediately respond to any type of emergency need, consultation or simply companionship.

The Andalusian Regional Government's Telecare Service is one of the largest call centres in Europe, entirely publicly managed, providing its elderly citizens with support to continue living their lives independently.

Robot that helps prevent Covid-19

Vodafone, Intel, Fivecomm y Altran have developed the "Robot 5G" project. The project is based on an autonomous self-guided vehicle ('Sentinel Robot') with in-built image and temperature sensors that let it perform very useful control actions in the current pandemic scenario. The project intends to demonstrate how 5G technology can add intelligence to an autonomous robot equipped with a thermographic camera.

The "Sentinel Robot" has an in-built image sensor that uses facial recognition to identify people who are not wearing masks, as well as a thermal camera that detects people with a higher-than-normal body temperature.



Andalusia 5G Pilot

There follow some examples of the use cases that Vodafone and Huawei are engaged in as part of the "5G Andalusia Pilot" initiative sponsored by the Ministry of Economic Affairs and Digital Transformation, through Red.es.

- **Using 5G to coordinate rescue operations and catastrophes better**

Vodafone took part in an emergency drill organized by Malaga University to show how 5G technology can help improve communications and coordination of emergency teams in rescue or disaster relief efforts. In rescue operations, 5G makes it easier to remotely operate all kinds of vehicles in difficult and unknown environments, transmit high-definition streaming videos, and lets all the teams and equipment involved in the rescue to be connected and receive the same information in real time.

- **Drones for rescuing people**

Vodafone, Red Cross and Altran use the 5G network and unmanned aerial vehicles to rescue people. In March, Emergency teams carried out a rescue drill in Jaén to see how well 5G performs in complex operations, giving providing search and rescue teams a new, highly efficient tool for finding people from the air. The 5G network ensured that the information supplied by the UAV on-board systems reached the S&R teams and command post in real time.

- **Affectionate Avatar**

The 'Emotional Avatar' solution has been designed to help older adults get better at taking their medication, and is based on an emotional link with a loved one (in most cases, a grandchild). This loved one appears on a 5G Tablet as an avatar that can communicate with the "older adult".

The benefits of these kinds of solutions, as demonstrated in different studies carried out to date, include bringing down the mortality rate of chronic diseases, enabling a better patient-health worker relationship and communication, or making the therapeutic instructions of treatments less complex.

6.2 Digital Society

6.2.5 Leader in IoT and Success Cases

Advanced Products and Solutions for professionals and small enterprises

Vodafone Infinity WorkPlace

Vodafone Infinity Workplace is the solution devised to improve users'/employees' experience, which enhances people's workplace skills and makes the most of individual talent and teamwork, making an essential contribution to Smart Working.

Markets change, technology changes and, above all, customers' needs and expectations are changing every day. 80% of customers reckon that the experience they have with a business matters just as much as the product or service they provide. Change is accelerating and businesses need to be ready and adapt to innovate and succeed.

Vodafone Infinity WorkPlace **helps people** meet the challenge of being **more productive**, more creative and more collaborative in the workplace. It gives users the device, tools and secure environment they need to perform their duties within the company/organization.

Technology must help companies reinvent their business models, making their processes more flexible, managing resources better, optimizing costs and, above all, offering a better customer experience.

Our solution enhances total mobility issues, access to tools and information across the board and throughout the organization through the use of **cloud applications**, flexible usage profiling and always with **security** as a linchpin of the solution. The cornerstone of this solution is the **Ultramobility Cloud**. With a mobile device that can be taken anywhere, a constant connection, a screen to plug it into and a keyboard, employees can access their office desktop and business applications whenever they need them.

It turns your **mobile phone into a computer**. You no longer need a physical computer to work, whatever a computer does, another device can do it just as well, namely to long onto the company's resources in real time, work with shared documents or collaborate with colleagues. You'll always have your mobile in your pocket, so if you connect it to any screen you get a desktop, and if you put a keyboard and mouse on it you get a complete workstation, easily and at once.

Nowadays, **laptops are new mobile elements**. A laptop lets you access the same apps and resources as a mobile device, giving you a tool that is better suited to daily office work.

The **Infinity WorkPlace** solution is **highly flexible** when it comes to meeting each user's needs and instead the solution can be tailored to each profile required, in line with the kind of activity performed and the type of information and tools that each person needs.

The proposal includes the devices needed to access the information and the tools each user needs to work, together with applications that enhance creativity and collaboration in secure and controlled environments. The entire work environment is designed to really change working methods and move towards a more efficient, smarter and more digital model.

There are three essential parts to the solution:

- **Device as a Service** (Laptop, Smartphone, Tablet)
- **Cloud Environment and Productivity and Security Tools**
- **Integrated Workplace Management and Support Service.**


These three essential parts are combined with Vodafone's **connectivity** to ensure that the devices are always mobile.




6.2 Digital Society

6.2.5 Leader in IoT and Success Cases

Vodafone and Covid-19

Vodafone Business has compiled a list of the different situations its customers have faced during the Covid-19 pandemic. **Covid Stories**  show just how important they have found communications in keeping their business running or delivering services to citizens and enabling their employees to smartwork. These are just a few of these stories:


- **Malaga Provincial Council, the art of reinventing a provincial council to remain at the side of mayors and citizens** 

Preventing local government from coming to a standstill during the health crisis has posed a major challenge. To overcome it, Vodafone has given mayors and citizens the technology they needed to keep on going and not feel alone or isolated during the lockdown.

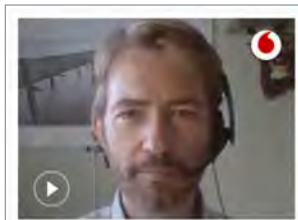


DIPUTACIÓN PROVINCIAL DE MÁLAGA

El arte de reinventar una diputación para seguir del lado de alcaldes y...


- **ANAR Foundation, how to give an encouraging pat on the back over the Internet** 

When instead of customers, you spend your time Helping Children and Teenagers at Risk, reaching their hearts during the lockdown was only feasible thanks to Vodafone's Cloud Contact Centre technology, a Data Centre and an Answering Machine that was far more than automatic.



FUNDACIÓN ANAR

Cómo hacer sentir una palmadita de ánimo a través de internet


- **Fundació Universitària del Bages, telemedicine overcomes all the barriers of social distancing** 

Avoiding personal contact to avoid the risks of infection does not mean not paying attention to those who need it. All thanks to technology. Vodafone's Telemedicine Platform makes it easier for medical care to reach everywhere without geographical barriers.



FUNDACIÓ UNIVERSITÀRIA DEL BAGES

La telemedicina supera todas las barreras del distanciamiento social

- **Group 5, letting yourself be helped in order to keep on helping others** 

Despite the lockdown, the company managed to keep on providing its care services thanks to solutions such as the OneNet switchboard and VPN with Vodafone's 4G connectivity. Both have been the key to never stop helping thousands of socially vulnerable people.

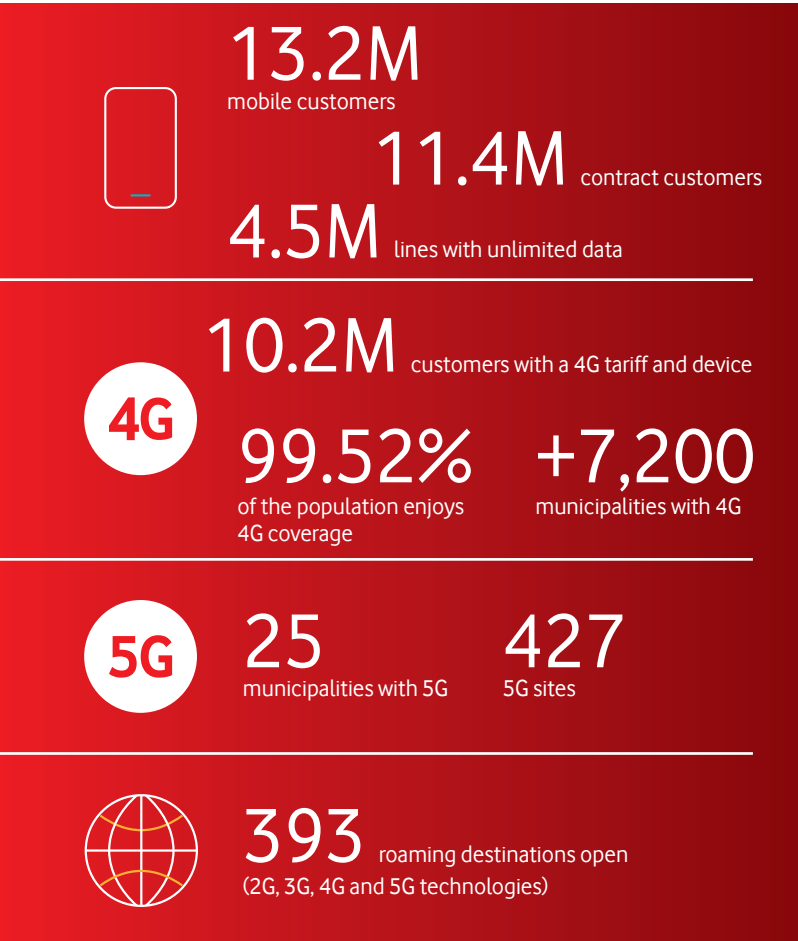


GRUPO 5

Dejarse ayudar para seguir ayudando al prójimo

6.2 Digital Society

6.2.6 Network



Mobile Network

More than 1055 new 800Mhz 4G sites were commissioned during the year, providing 4G coverage to more than 7,275 towns and cities, including all those with more than 5,000 inhabitants, taking the population with 4G network coverage to 99.52%. At the end of financial year the number of 4G customers (with a 4G tariff and device) reached the 10.2 million mark.

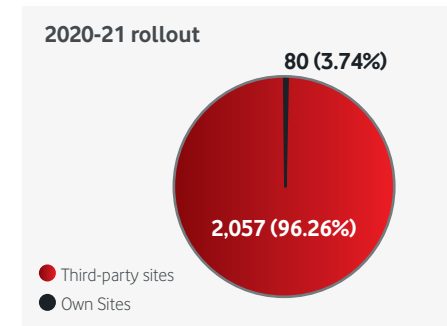
Vodafone is firmly committed to and involved in rolling out **5G technology** in Spain and is participating in the schemes outlined in the 5G National Plan. As a result of this commitment to leadership in mobile technologies, Vodafone, in collaboration with the Ministry of Economic Affairs and Digital Transformation, through Red.es, is spearheading a pilot project in Andalusia, co-financed with ERDF funds, to experiment with the new network management techniques enabled by 5G and develop use cases for this technology in companies and institutions. By March 2021, 18 use cases were completed, including 5G remote operation of robotics for emergencies, drones with defibrillators for healthcare, the 5G Affective Avatar to help the elderly improve their medication (based on the emotional bond with a loved one), and the 5G port of Algeciras, with management and operation of the port's security and safety systems thanks to the use of Augmented Reality.

And furthering its commitment to 5G leadership that began in 2018, since Vodafone commissioned the first commercial 5G network in Spain in June 2019, this network has already been extended to 25 cities. Vodafone's 5G commercial service has since been included in that unlimited contract plans, while the roll out continues progressively, and a total of 427 5G sites were in service in March 2021.

For the **sixth year running**, the Vodafone Mobile Network has been named the Best Mobile Network in the Spanish market, according to the independent study "Umlaut Connect Mobile Benchmark", and had the highest scores in voice and Crowdsourcing, as well as for offering the largest 5G footprint in Spain.



With a view to minimizing the environmental impact of our operations, **infrastructure sharing** has been a mainstay of our rollout. 96.26% of the network rolled out in 2020-21 was on shared infrastructure owned by other parties.



96.26% of the network rolled out in 2020-21 was deployed in shared infrastructure

6.2 Digital Society

6.2.6 Network

Fixed Network

Vodafone remains firmly committed to its **fibre** network, and by year-end it had reached **26.4 million building units** with this technology.

In addition, it already has over **3.1 million broadband customers**, 94% of whom enjoy **speeds of 50Mbps or more**.

Vodafone's smart TV service is now available to the whole fixed-line network and, thanks to its commitment to content, it is the biggest aggregator of films and series in the market. For instance, **1.6 million customers** now enjoy Vodafone's smart TV.

Network Quality


Vodafone's Technology Division uses the **Net Promoter Score** (NPS, a customer recommendation and satisfaction index) as its main source of information for rolling out and improving its network and its products and services.


Vodafone's vast experience in designing telecommunication networks, the high reliability of the elements used in its network architecture, and the level of excellence reached in operation and maintenance enable it to satisfy our customers' **Quality of Service** expectations and to be leaders in achieving the availability and quality objectives established by international regulations. To achieve this objective, Vodafone has a robust mobile telephone network with redundant routing, diversity and protection against failure.

A key element in the achievement and maintenance of the quality of service parameters is the **Ongoing Quality Improvement Process**. Basically, by using different sources of information such as recommendation and satisfaction surveys, in-depth studies of the reasons behind customers' complaints, satisfaction surveys, samples of customers' actual experience in using mobile and fixed networks, traffic statistics and measurements generated by network elements, field measurements and customer complaints, the Technology Department analyzes the sources of problems and work to resolves them, so as to turn them into opportunities for improvements.

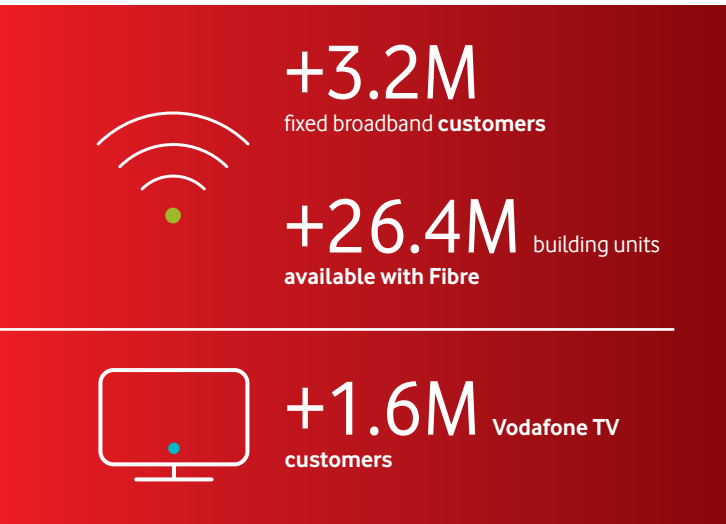
The NPS data is then used to check the results of the improvement actions in place.

Vodafone is committed to innovation, working and benefiting from the first Vodafone Group **Big Data** solution, aimed at improving Customer Experience. This solution, together with our ongoing commitment to network deployment, capacity and optimization enables us to keep progressing in improving the quality offered and perceived by the customer.

Vodafone's work systems and processes including Quality Improvement and Monitoring have **ISO9001 certification since 1997**. 

Vodafone complies with the Technical regulations on rendering an automatic mobile telephony value-added telecommunication service. In accordance with Quality Order IET/1090/2014, of 16 June, Vodafone issues a regular report on certain Quality of Service parameters that the operators the State Secretariat for Telecommunications and Digital Infrastructure have agreed upon. Quarterly Service Quality values also undergo external audits which can be checked in the Telecommunications section of the Ministry of Economic Affairs and Digital Transformation's website 

Lastly, with regard to the environment, and taking into account the significant network deployment operations, during FY 2020-21 no administrative fines were imposed for this reason.



+3.2M
fixed broadband customers

+26.4M building units
available with Fibre

+1.6M Vodafone TV
customers

6.2 Digital Society

6.2.6 Network

RF Emissions and Health

The exposure limits for health protection and RF emission risk assessment are determined by **Royal Decree 1066/2001** and apply the emissions produced by radio stations.

To comply with this Royal Decree and **Order CTE/23/2002** which develops it, the annual certification of Vodafone's network of stations was conducted during financial year 2020-21. To this end, more than 15,400 stations have been certified, and **all their base station emission levels are below the thresholds established by the aforementioned Royal Decree.**

Royal Decree 123/2017, of 28 March, approved the public radio spectrum usage regulations. The Regulations standardize the different administrative procedures according to the type of station and simplifies certain procedures, reinforcing the presentation of Responsible Declarations and Certifications, removing the need for the authorities to conduct the Technical Inspection of Facilities. The Regulations include the procedure for the control and inspection of the sole levels of tolerable radio emissions that do not pose a danger to public health, as well as a section relating to the protection of the public radio spectrum. We should also mention **Royal Decree 299/2016**, of 22 July, on the protection of workers' health and safety from electromagnetic field exposure-related hazards.

All **phones** marketed by Vodafone comply with the SAR (Specific Absorption Rate) limits established by the ICNIRP (International Commission on Non-Ionising Radiation Protection).



15,400 - plus base stations certified

100% of base stations maintain emission levels below the limits stipulated in **Royal Decree 1066/2001**



Next Objectives

- Facilitate and enhance interaction with our customers through the use of digital channels. March 2022.
- Have a competitive and differentiating proposition in all segments. March 2022.
- Develop simplicity in our operating model. March 2022.
- Guarantee the best connectivity and security experience in both the fixed and mobile networks. March 2022.
- Consolidate the Vodafone culture in the organization. March 2022.

6.3 Inclusion for all



Achievement of Goals 2019-20	Degree of Compliance
Foundation	
<ul style="list-style-type: none"> Consolidate and scale up the 'Education for the Digital Age' proposals, based on the DigiCraft and Youth 4 Good programmes, which help to promote digital skills and improve the digital experience of vulnerable groups, especially children and young people at risk of exclusion, and contribute to improving their opportunities in the Digital Society. March 2021 	100%
<ul style="list-style-type: none"> Implement at least 1 high-social impact technological innovation project which contributes to the challenges of empty Spain. March 2021 	0%*
<ul style="list-style-type: none"> Benefit more than 1.5 million people directly or indirectly with the programmes developed by the Vodafone Spain Foundation. March 2021 	100%
Society	
<ul style="list-style-type: none"> Extend Secure Net's protection to the home, so that a single service includes mobile coverage and wifi coverage of the Customer's home. March 2021 	100%
Employees	
<ul style="list-style-type: none"> Benefit 1,000 young people with the employment policies for that group. March 2021 	100%
<ul style="list-style-type: none"> Duplicate the community in Vodafone's talent social media. March 2021 	70%***
<ul style="list-style-type: none"> Have women holding 40% of managerial posts in 2025. March 2025 	95%**
<ul style="list-style-type: none"> Consolidation of the LGTB+ Community's agenda. March 2021 	100%
<ul style="list-style-type: none"> Teach the whole Company about unconscious biases. March 2021 	Not met
<ul style="list-style-type: none"> Signing of 2nd Collective Agreement of Vodafone Group in Spain. March 2021 	100%

* The circumstances triggered by the Covid-19 pandemic have prevented us from embarking on Technological Innovation projects and so contribute to the challenges of Empty Spain.

** As of 31 March 2021, 38% of management positions were held by women.

*** We have added more than 800 followers to our Vodafone Careers accounts on IG and FB.



Our daily lives are proving one reality: **connectivity drives inclusion**. Equality of opportunity is born when everyone has the same opportunity to connect. That is why Vodafone is working to reinvent technology, roll out its network to the furthest corners of the world and ensure that everyone - regardless of gender, age, origin or ability - can access education and a digital future. Vodafone's aim is to keep working until we reach our goal. Until, at last, we are all connected.

6.3 Inclusion for all

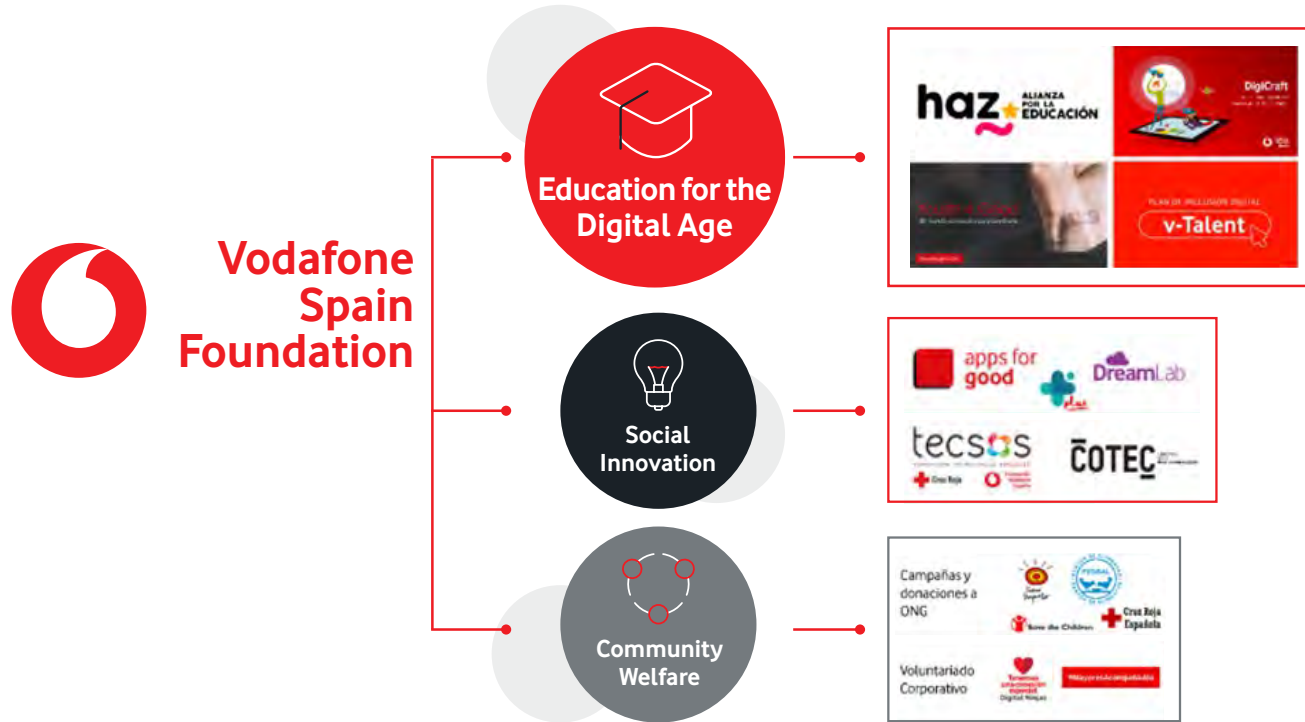
6.3.1 Vodafone Spain Foundation

The Vodafone Spain Foundation, another of Vodafone Spain's resources for furthering its commitment to society, has kept on working to encourage the use of ICTs to benefit the most vulnerable groups, in line with the Vodafone Foundation's vision mirrored by its **"Connecting for Good"** slogan.

Over the last financial year, the Vodafone Foundation has maximized the impact of its programmes, consolidating its position as a **benchmark** in Education for the Digital Age, especially for children and young people aged 6 to 25 years old, but also in the field of integration of people with disabilities.

One of the most notable milestones in this line was the launch of **"HAZ, Alianza por la educación"** (Haz, Alliance for Education) promoted by the Vodafone Foundation and which brings together companies and corporate foundations to help enhance Spain's education system.

The Vodafone Foundation also kept on supporting and promoting **Social Innovation and Community Welfare** initiatives, contributing to the work of the TECSOS and COTEC foundations, and promoting the Group's social initiatives such as "apps for good" and other charity actions among employees.



€3.5 million allocated by the Vodafone Spain Foundation to its **social projects** in 2020-21

29,772 girls, boys and teenagers have learnt **new digital skills** on how to use technology

1,715 teachers and educationalists have learnt **digital skills***

1,582 disabled people have taken part in the ICT job placement **training schemes**

357 Vodafone Spain Employees have taken part in **Vodafone Foundation schemes** like "apps for good", "Family Heroes", "V-Talent" and the Agent of Change Course

A total of **7** corporate foundations and businesses have joined **HAZ** to transform society through education

* Teachers, assistants, educationalists, tutors and of DigiCraft and Project Lab.

6.3 Inclusion for all

6.3.1 Vodafone Spain Foundation

Education for the Digital Age







Digital skills in childhood

The recent crisis caused by the Covid-19 pandemic has highlighted the importance of digital skills in 21st century society, and the large social digital divide in Spain. Children from vulnerable households find it difficult to access education if they do not have a good internet connection, appropriate devices or sufficient ICT skills. Transforming education, models and methodologies in the classroom is essential to address the challenge of training children and young people in digital tools, resources and skills, taking special care to preserve equal and universal access for all children.

In this context, the Vodafone Spain Foundation has continued to expand its DigiCraft programme, which during the 2020-21 financial year has established itself as a benchmark in digital education for children.

These were the main achievements in the different lines of work:

Face-to-face DigiCraft	DigiCraft at school	<p>It is now in place in 309 schools in 3 Autonomous Regions: Andalusia, Galicia and Madrid. Thanks to this, a total of 1,305 teachers and 26,439 primary schoolchildren have acquired transversal digital competences.</p> <p>To address the need for flexibility caused by the pandemic, two "Itineraries of activities from home" have been set up with 8 activities to be carried out online by teachers together with their students.</p> <p>During December 2020, Vodafone announced a pilot scheme with the Galicia Regional Government to implement a new line of the programme adapted for PCs, for Primary Education 5th and 6th year pupils. More than 100 schools have signed up and are implementing the DigiCraft programme on PC.</p> <p>A Teachers' Community has also been launched on the platform, with a forum, gallery and noticeboard.</p>	<p>28,328 boys and girls </p>
	DigiCraft Vulnerable Children	<p>Save the Children and Red Cross Youth have helped us to boost its footprint by reaching 82 school support centres nationwide. More than 1,889 children are following digital skills courses, and 203 teachers and volunteers have been trained to use the programme's methodology and contents.</p>	<p>391 schools </p>
DigiCraft online	DigiCraft Platform	<p>It has added 58 new activities, making a total of 83 free open activities for children, families and teachers designed under the DigiCraft methodology. During 2020-21, a total of 139,947 users have accessed the platform and used its resources.</p>	<p>1,508 teachers </p>
			<p>139,947 online users </p>



6.3 Inclusion for all

6.3.1 Vodafone Spain Foundation

Education for the Digital Age



Young people

The current digital revolution is already considered the fourth industrial revolution, marking the new generations of young people who are “sons and daughters” of this time, digital natives, and so different from previous generations, fundamentally because of their digital-environment orientation, where social networks are their day-to-day life, and because of their social and environmental awareness.

In this sense, **Youth 4 Good** was set up to accompany young people in their development within this context and to channel their social and environmental concerns, creating an online learning community aimed at **solving SDG-aligned challenges** where young people from all over Spain work on a training itinerary to develop their digital skills and their social commitment.

The **Youth 4 Good Community** ended the year with **3,220 members**, including all the teachers, young people and Vodafone employees who took part in the different courses, webinars, hackathons and challenges offered by the platform.

Youth 4 Good: **3,269** members

One of the community's highlights is **Project Lab**, a training programme with a challenge-based learning methodology in which young people work on digital and 21st century skills while reflecting on and proposing solutions to social challenges in their environment.

This year, **more than 1,500 school and university students and 130 teachers** from **28 schools and 14 universities** from all over Spain took part in the second edition of Project Lab. The streamed Final took place in March and the jury selected the winning team from among 20 finalist projects.

Project Lab:
1,444 schoolchildren and university students /
42 educational establishments / **207** teachers

ICT job placement training

The **V-Talent** programme promotes **job placement for people with disabilities** through **ICT training**.

During FY 2020-21 we partnered with **Down España**, **Plena Inclusión, AEERC** (Spanish Association of Customer Relationship Experts) and the **ONCE Foundation** to train a total of **1,582 people**. The four V-Talent programmes were:


- **“Líderes Digites”** with Plena Inclusión to turn people with intellectual or developmental disabilities into leaders in the digital field through cognitive accessibility. **46 people attended the courses**.
- **“Discatel”** with AEERC: for training Omnichannel Customer Service Agents, **58 students attended the courses**.
- **“Por Talento Digital”** with the ONCE Foundation: web programming courses and individual training grants for students with disabilities in the technological and digital field, **40 students attended the courses**.
- **“Yomepreparo”** with Down España: ICT training for young people and adults with Down syndrome and intellectual disabilities for job placement in ordinary companies. Another 1,438 former students attended refresher courses.

Contribution of **€402,000** which has allowed **1,582** disabled people learn how to use ICT for job placement

HAZ, Alliance for Education

During the 2020-21 financial year, the Vodafone Spain Foundation has promoted the birth of HAZ, the first alliance of large companies and foundations, united by the commitment to **transform society through education**, seeking adherence and consensus in the education sector and in civil society as a whole.

All HAZ members have extensive experience in promoting educational initiatives and programmes which, in recent years, have trained 101,086 teachers, impacting 8,932 educational centres and reaching nearly 2.7 million students, both face-to-face and digitally.

The members of Alliance, which was launched on 29 October 2020, currently include La Caixa Foundation, Endesa Foundation, Google, ISDI, the Teatro Real and Mobile World Capital. Following its launch, a content platform has been set up to serve the educational community, bringing together the actions and resources developed by its members. 

Well aware of institutions' essential role and the high potential of public-private partnerships, the alliance has approached the Administration and held 9 meetings with relevant players such as the Secretary of State for Digitalization and Artificial Intelligence (SEDIA) and the Secretary of State for Education.

The Alliance is currently taking its first steps by starting up four working groups who are going to draw up a list of 10 proposals for the educational community, in relation to its **3 main lines of action: digitization of education, the role of teachers, new skills and methodologies and curricular content**. These working groups have a total of 30 members and are **mobilizing more than 40 experts and 200 members of the educational community**.

6.3 Inclusion for all

6.3.1 Vodafone Spain Foundation

Social Innovation and Welfare in the Community



Apps for Good

This Vodafone Group Foundation-sponsored social innovation initiative is being carried out by the Vodafone Spain Foundation as an educational programme open to all its employees. A total of 17 participants have received a training course and presented their proposals, focused on the educational world, the world of the Vodafone Spain Foundation.

The Spanish final took place on 23 February. The idea selected from among the four submitted was App2u, a mobile app conceived as a social network for teenagers that lets them can find content focused on their interests and learn through the *gamification* of an educational community.

Other contributions

• TECSOS Foundation

The Vodafone Spain Foundation has been working since 2002 through the TECSOS Foundation, a strategic alliance that it forged with the Spanish Red Cross, to responsibly tackle social needs and responses by means of technological innovation through ICT, contributing to improve people's skills and paying special attention to the most vulnerable.

• The Vodafone Foundation and Covid-19

In response to the crisis triggered by the pandemic, the Vodafone Spain Foundation mobilized a total of **€419,500 in donations** to various social and humanitarian organizations.

The Vodafone Spain Foundation **donated €300,000** for the purchase and distribution of protective equipment and other health materials and food and basic products for vulnerable groups. The beneficiary organizations attended to critical situations through their various programmes:

- Spanish Red Cross: €200,000. Red Cross RESPONDE Programme.

The organization has allocated these funds to the purchase and distribution of basic personal protection equipment, volumetric respirators and other sanitary materials and to cover the basic needs for food, personal and household hygiene, sanitary products, etc. of vulnerable families. A total of 9,759 people have benefited from this contribution.

- Save the Children: €50,000. "By Your Side" Programme

Thanks to the Vodafone Foundation' contribution, during the months of the state of alarm **170 children from vulnerable families** received €100 monthly grants to cover basic food and hygiene supplies.

- ONCE Foundation: €50,000. "You're Not Alone" Initiative.

The foundation provided PPEs and other medical supplies to more than **60 disability-related entities and organizations** to help protect these vulnerable groups and the professionals who work with them. Part of this aid was allocated to meet people with disabilities' basic needs in terms of food, personal and household hygiene, health products, etc.

The Vodafone Foundation used part of the donations made by Vodafone employees to donate **€119,500 to the Food Bank**. The Vodafone Group Foundation matched this contribution, making a total donation of **€239,000**. Thanks to these contributions, **600 daily meals** were distributed to senior citizens' centres and soup kitchens in April and May.

In collaboration with the company BQ, **10,000 protective visors** were manufactured for health centres and social organizations throughout the country that need them. A total of €10,500 was allocated, both from employee contributions and a €2,500 contribution from the Vodafone Foundation.


Another Covid-19 crisis-related initiative was the **launch of DreamLab**, the Vodafone Group Foundation's award-winning app that lets thousands of people help accelerate medical research while they sleep. DreamLab harnesses a smartphone's processing power of while it is not being used to power a virtual supercomputer, capable of processing billions of calculations and helping to research better ways to fight the coronavirus.

6.3 Inclusion for all


6.3.2 Society


Children's Safe and Responsible Enjoyment of ICT

Minors enjoying information and communication technologies (ICT) provides them with numerous benefits and advantages. However, at the same time it is essential to be aware that children and adolescents need to be accompanied and educated by different educational agents to ensure they can enjoy new technologies safely, healthily and responsibly.

Vodafone's Strategic Sustainable Business Framework  includes the promotion of and respect for digital freedom and rights in its priority areas of action, among which we find the responsible and safe enjoyment of our technology, products and services by minors.

With this aim, for years Vodafone has been involved in a set of activities which are classified into two complementary lines of action:

 **Provide tools** to our customers so that their children can enjoy the benefits of our technology, products and services safely.

 **Promote education and awareness** to encourage the safe and responsible enjoyment of technology.

Vodafone Tools

Secure Net is a security service that identifies all kinds of viruses and dangerous websites, protecting users while they browse the Vodafone network. During FY 2020-21 and taking advantage of far heavier internet use during the pandemic, the number of phishing threats increased eightfold and adware threats increased twofold.


Vodafone, in its ongoing commitment to improving digital security, extended Secure Net coverage to the home in October 2020, meaning that one single service provided protection for both the mobile network and fixed Internet access, letting users browse securely both inside and outside the home. It also added a new option, "Secure Net Family" which, in addition to Secure Net protection, includes family protection tools for children's devices, allowing parents to decide which websites or categories of content their children can access and to manage how long they spend on the Internet by defining connection and disconnection times.

5.5 million lines
protected by Secure Net

1,800 million cyberthreats
blocked by Secure Net in 2020-21

Education and awareness

Vodafone helps children and their families to use the digital world safely and responsibly. In this regard, it continues to promote two initiatives:

- "Safe Internet"**:  a web portal, now also integrated into the Secure Net service, which helps parents to navigate and use the internet by providing relevant information on new apps, websites, trends and advice from experts in different areas (cybersecurity, child psychology, etc.) to help them in everything related to their digital life and that of their children.
- "Be Strong Online"**: The Be Strong Online programme is one of Vodafone Group's global initiatives aimed at developing and publishing a set of informative modules, to promote the safe and healthy enjoyment of new technologies, as well as responsible citizenship among minors.



6.3 Inclusion for all


6.3.2 Society

Services for Non-Profit Entities (NPE)

Solidarity Messages

Charity Texting lets mobile customers make donations to NPEs (Non-Profit Entities) by sending text messages.

More than **€ 308,580** collected through Charity Texting in 2020-21

Vodafone lets any NPO use its own charity texting number, **28052**, totally free of charge so that any customers who want to can donate money by texting to this number with the word that identifies their chosen NPO. 

During FY 2020-21, the Covid-19 emergency prompted an increase in the number of charity texting campaigns. The main ones were:

- UNICEF
- DOCTORS WITHOUT BORDERS
- WWF
- FESBAL
- ACTION AGAINST HUNGER
- RED CROSS
- ACNUR
- HOGAR SI

Volunteer work and community involvement

Our Corporate Volunteering programme gives employees the chance to contribute to improve the quality of life of vulnerable population groups and society in general. The Programme consists in four categories of activities and two types of volunteer work.

Types of volunteer work	Volunteer work category
<p>Corporate The company gives all employees 24 working hours a year to do volunteer work.</p>	<ul style="list-style-type: none"> • Socio-sporting activities • Environmental activities • Technological-social activities • Activities for the diversity and inclusion of vulnerable population groups
<p>Individual Employees can propose these activities, to be carried out in collaboration with an NGO of their choice, either in Spain or abroad. Vodafone approves up to the 50 projects a year and gives volunteers 1 to 4 weeks' paid leave.</p>	

Some examples of **Corporate Volunteering initiatives** carried out during FY 2020-21 are detailed below:

- **Digital volunteers to fight fake news in social media:** Vodafone employees did this work during the state of alarm to stop fake news from circulating any more.
- **Employee teachers:** this scheme arose during the lockdown and was intended for Vodafone colleagues with home-schooled children. Other employees volunteered to help the children with whatever subjects they needed and to give their parents a break.

Corporate volunteer work schemes arranged by the Vodafone Foundation:

- **Personal hotline services for senior citizens who spent the lockdown alone:** more than 100 Vodafone employees volunteered, alongside the Spanish Association "Conectados Sin Barreras" and the Spanish Confederation of Organizations for the Elderly, to staff a hotline for one hundred elderly people who were alone during the state of alarm.
- **Digital volunteers:** to help third sector organizations go digital and to enable them to continue doing business.
- **Wise Man for a day:** thanks to donations from Vodafone employees, **more than 200 children** at risk of exclusion received their Christmas present.

Other collaborations and social action in the 2020-21 financial year:

- **Solidarity menus:** thanks to the contributions made by Vodafone employees and matched by the Vodafone Group, during April and May, **600 meals a day** were distributed to senior citizen centres and social canteens. In addition, last Christmas **1,500 Christmas meals** were distributed to disadvantaged people.
- Just like in previous years, Vodafone took part in the WWF "Earth Hour" Campaign on 27 March 2021.

6.3 Inclusion for all

6.3.2 Society

Accessibility

• Vodafone Accessible Stores

Certification of the Universal Accessibility of Vodafone's store chain ensures that both the abled and disabled can access and enjoy the services provided in Vodafone Spain's stores, including all the activities involved in the sale, information, subscription and after-sales of telecommunications products and services.

At present, all (100%) of Vodafone's 33 own stores have the universal accessibility certificate.



This year the stores started selling new accessibility products, like the new V-SOS Band, V-Kids Watch and V-Camera tracking products for senior citizens and children.

90% of Vodafone-owned store sales staff have received accessibility and customer service training on how to attend to customers with disabilities, ensuring that this group of customers is always attended to at all opening hours.

100% of own stores have the Universal Accessibility Certificate

• Web accessibility

In its efforts to guarantee the universal accessibility of its web and mobile applications, Vodafone has kept on working to ensure that its developments comply with the WCAG 2.0 Level AA/WAI Web and Mobile Accessibility standard, implementing new techniques and improving development processes.

This last financial year, **ILUNION** has helped Vodafone to maintain these standards and adapt them to future changes in the forthcoming European **W3C Accessibility Guidelines** regulations.

The goal for the next financial year is to implement new internal tools to help maintain these standards far more automatically and efficiently, and keep on working to remove barriers.



Youth employment actions

In the 2020-21 financial year, marked by the pandemic, all Vodafone employability activities and policies have taken place online, guaranteeing the safety of all participants at all times. Below are some of the programmes carried out to promote the employability of young people.

• Discover Graduate Programme

This programme offers the country's best young talent the chance to be part of the Vodafone team. Offers the selected candidates work experience contracts and a 24-month development plan to speed up their professional careers.

24 Graduates hired in 20/2021. 50% come from previous talent programmes

• Vodafone yu Talent Internships

In the context of the Vodafone yu brand as a commercial offering for young people, these students have the opportunity to collaborate in business activities for nine months on a part-time basis, combining this experience with their university studies. In the last financial year, and for the first time in the company's history, these internships have been completed remotely. This has allowed students to develop different key skills for their professional future, such as collaborative work, resilience and uncertainty management, among others.



66 university students gained work experience with Vodafone yu Talent Internships during 2020-21, **73% of whom were women**



6.3 Inclusion for all

6.3.2 Society

Youth employment actions

• Vodafone Campus Lab

Vodafone Campus Lab is a learning experience that serves to develop a innovation capacity of young university students. This online training scheme allows young students from different disciplines to work as a team to create solutions to Innovation Challenges put forward by Vodafone.

In the **3rd Edition of the programme**, which was held in FY 2020-21, the challenges were marked by the context of the Covid-19 crisis, and addressed issues such as: improving the work of healthcare personnel in times of pandemic; transforming in-person entertainment activities (concerts, cinema, sport, museums, etc.) into digital experiences; using smartworking in Spain to make it easier for workers to move to smaller centres of population, etc.

More than **450** students from **36** Spanish Universities



• Future Jobs Finder

"Future Jobs Finder" is a tool that helps young people to identify and define their digital profile, find job offers and online training schemes that match their profile.



More than **22,900** young people have logged onto the platform

More than **3,700** completed the test in FY 2020-21

• Fast Forward Sessions

This project is the first of its kind both in form and content, with training sessions with the best experts to help SMEs and professionals to make the most of taking their businesses digital in today's market. The sessions are free, practical, dynamic and fully online, attendees participate actively and they are streamed via the Fast Forward Sessions website or on the Vodafone Business YouTube channel.



In FY 2020-21, **6 fully online** sessions were held and attendees were sent additional extension content after each session

More than **4,500** participants (cumulative figure)

• Minerva

Minerva is an entrepreneurship programme, promoted by the regional government of Andalusia and Vodafone, in order to promote technology projects in the Andalusian region. The main objective of Minerva is to support entrepreneurs and help their business projects to grow so that they turn into stable businesses. With this premise, the Minerva Programme firmly supports job creation in Andalusia thanks to the promotion of entrepreneurship and seeks to provide density to the region's business fabric.



Some acknowledgments:

- TOP 9 Best accelerators in Spain, IEBS Business School 2020
- TOP 5 Best business accelerators in Spain, Funcas National Ranking 2020
- Best business accelerator in Andalusia, National Ranking Funcas 2020
- Best European practice in entrepreneurship, Interreg Europe.

More than **1,200** applications to join the accelerator programme.

153 business projects selected

It has generated and helped to maintain more than **470** jobs in Andalusia

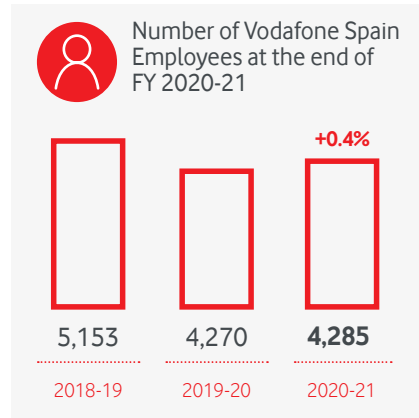
3,600 hours per year of advice and mentoring for startups in acceleration

€500K in prizes and funding for Minerva companies

6.3 Inclusion for all

6.3.3 Employees

Template



Corporate Culture

- **"The Spirit of Vodafone"** forms the basis of Vodafone's corporate culture and sets out how employees should work to fulfil the organization's purpose: to connect with its customers to achieve a better future, improving the lives of one billion people and halving environmental impact by 2025. It focuses on three areas: Digital Society, Inclusion for all and Planet.



- **Spirit Beat Survey.** The **Spirit Beat Survey** is a biannual survey that allows us to incorporate and improve Vodafone's corporate culture behaviour (we earn customer's loyalty; experiment, learn fast; create the future; get it done, together), as well as to find out employees' opinions on the company's purpose and their commitment. It also includes questions on diversity, to find out whether there is a working environment where everyone can be themselves and be proud to belong.

Last year the survey added a new feature, a virtual coach which uses **"nudges" or personalized advice**, based on employees' answers in the survey, to let employees implement actions focused on fostering the "Spirit of Vodafone" compartments.

These small coaching pills help to experience new things, to create Spirit habits in the way of working, and to support the Company's Brand and strategic purposes.

87% of employees say that their daily work **contributes significantly to Vodafone's purpose and mission**. In terms of engagement, **81% would recommend Vodafone as a good place to work**.

The Team Spirit Index of 80% indicates the weighted average of the 4 behaviours that form part of the Spirit of Vodafone cultural framework: 1. We aspire to be a brand that customers love, earning their loyalty and delivering brilliant experiences, 2. We think big, taking risks to break new ground, 3. We are always learning. We try things, measure our success, keeping the best and learning from the rest., 4. We give and take ownership to make the most of our many talents. We trust each other to get things done.

In addition, during the state of alarm, six **"Pulse Survey Covid-19"** surveys were launched to find out how Vodafone employees were feeling, how they were coping with the situation, whether they had the necessary resources to carry out their work from home, their relationship and contact with the team, etc. The survey questions were adapted to the time and evolution of the pandemic (April 2020-Nov 2021).



* Results of last survey (January 2021) and comparison with previous survey (May 2020)



6.3 Inclusion for all

6.3.3 Employees

Corporate Culture

- **People Plan**

The survey's results was used to draw up the Company's People Plan and implement the following initiatives:

- **Engagement Plan:** In response to comments about isolation and the need for greater contact between employees, the company devised a recreational activity plan to create and encourage these relationships in a more playful and personal environment: concerts organized by employees themselves, competitions, learning programmes for family members, etc.
- **Respect for schedules and family co-responsibility:** each people manager has the flexibility to adopt the measures they deem appropriate to facilitate work-life balance and work from home. Recommendation of meeting times in line with this flexibility and in favour of work-life balance.
- **Improving connectivity:** all employees have unlimited data tariffs, with the possibility of using mobile data if necessary to connect the laptop from home by 'tethering'. Obsolete laptop renewal plan.
- **Feeling more comfortable at home:** a guide of good practices and tips to follow for a prolonged smartworking periods. Any employees who needed to (due to pathologies -such as back pain- or duly justified injuries) could go to the offices to collect their ergonomic chair.

Industrial Relations

- **Signing of the 2nd Vodafone Spain Group Agreement (GRI 102-41)**

On 11 December 2020, after reaching an agreement with the workers' legal representatives, the 2nd Vodafone Spain Group Collective Bargaining Agreement was signed, which came into force on 9 February 2021 and applies throughout Spain to all employees (except for those with a special employment relationship and those occupying positions included in the company's hierarchical structure). This agreement aims to respond to some of the concerns expressed by employees in the 'Pulse Surveys' and represents an evolution of benefits to adapt to new ways of working and new legislation. It also reinforces the company's commitment to pensions and its clear commitment to diversity, work-life balance and co-responsibility.

The main improvements are:

- **Progress in work-life balance issues,** including the possibility of buying up to two additional weeks' holiday and establishing 24 and 31 December as paid leave.
- **Progress in the Smart Working model:** once the remote working measures associated with the Covid-19 pandemic come to an end, employees will be able to work remotely for up to 40% of the working week (up to 2 days a week). However, once 100% of the workforce has returned to work, a pilot scheme lasting a minimum of 6 months will let employees smartwork up to a maximum of 60% of the working day, with the company providing each employee likely to work remotely with an ergonomic chair, a laptop lift, mouse, keyboard and headphones.
- **Improvement of the pension scheme,** increasing it by 7.5% to 4.3% of the regulatory salary.
- **Possibility of monetizing up to €500 of the €1500 annual food allowance.**

- **Adjustment of the working day and digital disconnection**

The current 2nd Collective Bargaining Agreement includes flexibility in ordinary working hours and the possibility for those employees who can demonstrate special family and work reconciliation needs to request a timetable, from Monday to Thursday from 7.30 a.m. to 4.15 p.m., with a 30-minute lunch break, which will not be considered effective working time (Fridays and the intensive summer working day would not entail any adaptation whatsoever). In addition, Vodafone has a digital disconnection protocol that was agreed with all the Workers' Legal Representatives.

- **Equality plans**

The 2nd Equality Plan, which was negotiated with the Workers' Legal Representatives, is now in force and applies to all the companies to which the 2nd Collective Bargaining Agreement of the Vodafone Group in Spain applies; and it will be brought in line with the new regulatory requirements in the next financial year.

In line with current legislation, any organizational change that leads to a substantial change in working conditions and/or functions performed by employees must be reported at least 15 days in advance, which is scrupulously respected by Vodafone in either these circumstances.

6.3 Inclusion for all

6.3.3 Employees

Industrial Relations

• Social Benefits and life-work balance

Vodafone Group employees in Spain, regardless of their working day or contract, enjoy a wide range of social benefits, including:

- **Health Insurance.** Vodafone pays the full cost of the employee's policy, and all the expenses of the employees' medical appointments, and 50% of the cost of their family members' policy.
- **Life and Accident Insurance.** The policies covers three times the annual fixed salary in the case of death or disability.
- **Pension Scheme.** Employees makes contributions to their Scheme, and the company doubles that amount up to a maximum of 4.30% of the employees' buffer salary.
- **Luncheon Vouchers.** The annual maximum amount is now €1,500, and employees can monetize up to €500.
- **Compressed Summer Working Day.** From 1 July to 31 August.
- **Pre-maternity leave.** Possibility of taking maternity leave 15 days before the scheduled delivery date.

• Managing the Pandemic

At Vodafone, the health and safety of its employees comes first, and this policy has guided all decisions, protocols and measures from day one. In this regard, and to help reduce people's movements as much as possible, it was decided to close all Vodafone offices in Spain. Therefore, since 16 March 2020, all office employees have been smart working and have continued to do so until health conditions improved and they could start working in their offices again. As at 31 March 2021, **70% of the workforce was still smartworking**, and the rest spend 40% of their working day at the offices and 60% smartworking from home.

- **Breast-feeding.** Both parents may choose between:
 - a) Enjoying the breast-feeding period in a total of 26 calendar days' leave.
 - b) Working fewer hours, working 30 hours a week during the 6 months after returning to work, without any salary reduction.
- **Leave of absence to look after a minor less than 4 years old.** Vodafone has extended the period stipulated by law by one year.
- **Disability allowance.** A monthly allowance of €145.33 is available for employees who have a descendant under 26 years of age with an officially recognized disability of some kind. There will be no age limit in cases where the descendants have a recognized disability of 65% or more. Likewise, those workers whose spouse or guardian has an officially recognized disability greater than or equal to 65% will also receive the aforementioned allowance.
- **Social and Care Fund.** Set up to provide financial aid to employees who, in exceptional circumstances and on account of serious diseases and / or special medical or surgical treatment, request or require such aid.

Remuneration policy in Vodafone

At Vodafone, the remuneration policy is related to the way in which its employees are remunerated. It operates in accordance with a firm commitment to compliance with Fair Pay principles, which is applied to each employee regardless of their level, workplace or position, and responds to its commitment to aligning remuneration and performance.

To ensure efficient management of compensation policies at Vodafone, market studies are carried out to update and build the Salary Bands, ensuring external and internal equity. To this end, Vodafone relies on an external supplier to provide market data for each of the positions.

Five key elements could form part of the standard pay package.

- The **Vodafone Stars and Thank You** programmes recognize excellence in individual performance and the demonstration of behaviours in line with "The Spirit of Vodafone" corporate culture throughout the year.
- The **Base Salary** is how we attract and retain the best talent and is the main way in which people are rewarded according to their skills, experience and the market situation.
- In addition, all Vodafone employees have a variable pay scheme, which can be either the **annual bonus** or an **incentive plan**.

The annual bonus is used to recognize and drive optimum performance throughout the financial year and incentive plans are used to incentivize the achievement of targets against sales forecasts for a given period.

In addition, there are a number of other benefits according to the characteristics of each market. All Vodafone employees are also guaranteed access to life insurance, a pension plan and state or private medical insurance, in accordance with its Fair Pay principles.

Share packages are used to recognize, retain or reward the talent and good performance of the company's management. They support and encourage greater alignment with shareholders.

Finally, Vodafone employees' total remuneration is made up of: annual gross salary, yearly target variable pay, long-term incentives, remuneration in kind and contributions to social welfare plans.

Minimum salary increase percentages are agreed in the Collective Bargaining Agreement depending on a series of indicators being fulfilled.

The Company's average wage increased by 1.9% in financial year 2020-21.

6.3 Inclusion for all

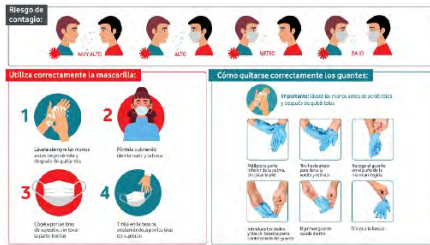
6.3.3 Employees

Health and Safety

During the 2020-21 financial year, the pillars of the health and safety management system at Vodafone were marked by the Covid-19 crisis, some campaigns were:

- **Use masks and gloves properly**

Physical and visual communication on how to put on a mask correctly or the correct use of gloves.



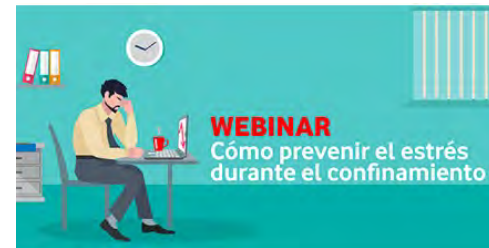
- **Posture correction in smartworking**

The pandemic and smartworking led the Health and Safety department to provide more information on how to sit properly, take breaks, how to avoid sudden movements and, in short, how to avoid injuries and back pain.



- **Emotional Health and the pandemic**

Different Webinars to understand emotions better and learn how to manage them, on emotional health, to learn about the effects that a year-long pandemic has had on feelings and emotions and to provide resources to manage them better, etc.



- **Health and safety measures in the return to offices**

Reminder of all the preventive measures implemented by Vodafone in its offices.



- **Road Safety**

Like every year, Vodafone launched several communication campaigns to remind staff of the Absolute Rules of Road Safety, the main risk faced by Vodafone employees, as well as the adverse weather effects on driving.



6.3 Inclusion for all

6.3.3 Employees

Health and Safety

• Prevention of infections over Xmas

Continuous reminders of Covid preventive measures and the importance of not relaxing and continuing to apply these measures over the Xmas holiday.



Vodafone has a group and local **Health and Safety Committee**. All of Vodafone's workers are represented on central Health and Safety Committees and one per region (though in FY 2020-21, the Covid-19 crisis led to all committees being held centralized and work was only done centrally).

In Vodafone Spain, **no employee carries out high-risk work** and there is no **occupational illness**. The **most common types of risks** related to employee health and safety are: falls, collisions, blows including vehicles. The most common injuries result from such accidents.

Vodafone's health and safety management system has been externally audited by Audelco and according to its conclusions: "our **opinion** about the effectiveness of the Health and Safety Management System **remains favourable**, and the Occupational Hazard Prevention Excellence seal that Vodafone was **awarded in 2017 will be renewed in 2021**".

113,000 -plus risk activities performed, of which more than 4,500 have been audited by Vodafone and more than 21,000 have been audited by the contractors themselves

100 -plus contracts with associated risk activities







6.3 Inclusion for all

6.3.3 Employees

Vodafone and Covid-19

In response to the COVID-19 health crisis, Vodafone launched the following Health and Safety initiatives in both offices and stores.

Phase	1 Start of the pandemic February - March 2020	2 Lockdown March - May 2020	3 Easing of lockdown and second wave June - December 2020	4 Start of the vaccination period January 2021 onwards
Risk	<p>Infections</p> 	<p>Infections in stores</p> 	<p>Infections in the working environment</p> 	<p>Infections in the working environment</p> 
Mitigation measures	<p>Physical security</p> <ul style="list-style-type: none"> • Cancellation of visit flights and protocols • Reinforcement of the Medical Department • Smartworking at the slightest symptom • Avoid distances of less than 1.5 metres • Special hygiene protocols in offices and stores <p>Well-being</p> <ul style="list-style-type: none"> • Smartworking for mothers and fathers after schools cancelled on-site classes 	<p>Physical security</p> <ul style="list-style-type: none"> • 100% smartworking • Open only shops considered essential opened with reduced opening hours and additional security measures • PCR and antigen testing for all employees in shops that have tested positive in order to prevent infection • Restricted safety areas • Employees of risk groups in shops on paid sick leave status • Medical assistance via telephone, instant messaging and video call • Healthcare package for employees' families if they themselves or their families get infected <p>Well-being</p> <ul style="list-style-type: none"> • Psychological support • Mobile wellness, exercise and nutrition applications • Public return to work plan • Extended sick leave period 	<p>Physical security</p> <ul style="list-style-type: none"> • Phased return to the office, with testing measures • Strict safety measures (temperature taking, face mask, safety distance, thorough cleaning, common areas, no cash allowed) • Employees who use public transport excluded from the return to the office • Risk groups excluded from returning to the office • Action protocols for sales managers • External collaborators not authorized in offices • Compulsory two-week quarantine on return from holidays • Office closed at Xmas • Periodic testing of employees <p>Well-being</p> <ul style="list-style-type: none"> • Mothers and fathers excluded from return to the office • Voluntary return to work and flexibility facing the second wave 	<p>Physical security</p> <ul style="list-style-type: none"> • Single return phase, activated only under regionally stable KPI's (<150 cases / 100,000 and <10% positivity rate) • Second testing phase • Strict safety measures (temperature taking, face mask, safety distance, thorough cleaning, common areas, no cash allowed) • Bubble groups (50-50 per team) in weekly rotation • Risk groups excluded from returning to the office



6.3 Inclusion for all

6.3.3 Employees

Diversity and Inclusion

Vodafone is working to create an environment in which everyone is respected for their uniqueness, and in which its employees can feel accepted, appreciated and part of the team.


The main "Diversity and Inclusion for Everything" related initiatives include:


- **The Diversity and Inclusion Committee**, formed by 18 people who represent all levels of the hierarchy and departments.
- **Strategic partnerships**. Public and private institutions helping to drive initiatives and accelerate change in our society.
- **Internal community**. Spain's Diversity and Inclusion Group Spain, with over 670 members, where diversity and inclusion-related news, initiatives, programmes and issues are shared.
- **Vodafone University**, as a training platform available for all employees with specific diversity and inclusion-related content.

Disability

Vodafone complies with legal requirements regarding the quota of jobs reserved for disabled people both through direct employment and the application of alternative measures, by buying from special employment centres and/or making donations to organizations devoted to the training and employment of disabled people.

On the issue of direct employment of disabled people, in FY2020-21 Vodafone continued hiring people with intellectual disabilities and issuing disability certificates.


Vodafone has taken on 7 employees from the **Prodis Foundation** , one of whom has explained his experience (click on this link) . In addition, Vodafone has launched several activities where employees volunteer for this organization to train and keep people connected.

In December 2020, Vodafone held the Disability Week, the highlight being **Pablo Pineda** , a leading figure in the world of diversity, who gave a webinar on topics ranging from visibility to building a working environment where people with disabilities feel integrated.

1.12% of disabled people
in Vodafone in Spain

LGBT+ Community

The main LGBT+ activities during financial year 2020-21 were as follows:

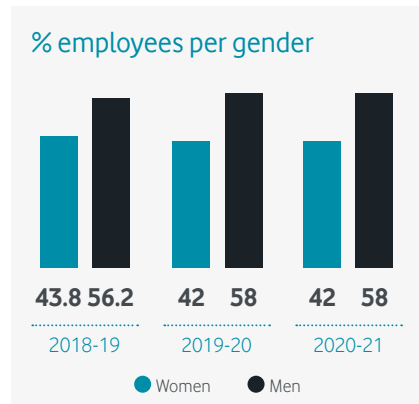
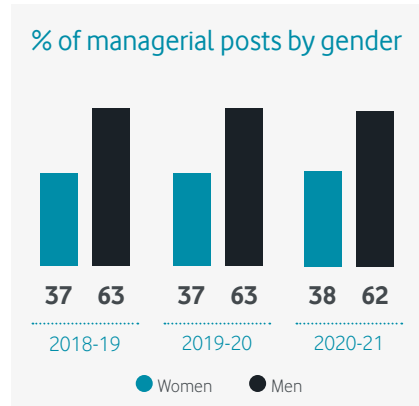
- **Pride Celebrations (June-July 2020)**. For the first time in a fully digital environment. The following activities took place:
 - **Webinar with the presence of Luimelia and Andrés Vicente as Vodafone's Executive Sponsor**. 
 - **Internal and external communication campaign** to raise awareness and develop learning actions aimed at LGBT+ inclusion.
- **Celebration of the day against harassment of young people and teenagers for reasons of sexual orientation and gender identity (Spirit Day)**. **Jose Ignacio Pichardo**, Director of the "Anthropology, Diversity and Coexistence" Research Group and coordinator of the Sexual Diversity and Gender Identity Office of the Complutense University of Madrid, attended the event.
- **Vodafone joined the Board of Directors of REDI**, the first State organization for the inclusion of LGBT+ people in the business world.




6.3 Inclusion for all

6.3.3 Employees

Main initiatives to narrow the gender gap



The following is a summary of the main measures implemented in 2020-21 to reduce the gender gap:

- Maternity/Paternity Policy** promoting co-responsibility between the two genders. Parents returning from 16 weeks leave can choose to extend their leave by 26 days or reduce their working hours to 30 hours per week for the six months following their return, with no reduction in salary.
- Reconnect Programme** . The Reconnect Programme is intended to give women who have left the job market for more than a year for personal reasons the opportunity to return to the corporate world. These women benefit from a gradual readjustment with an initial working day of 30 hours for the first 6 months, earning a full salary and a personalized learning programme to readjust. **This year, we have revamped the Reconnect website,** which offers totally free digital-skill training to help women increase their employability.
- Actions against gender violence.** This policy pursues two objectives, prevention and action. Vodafone arranges awareness-raising and training throughout the company, and an intervention programme of up to 5 sessions with a gender violence specialist, including care for family members/children, with a minimum paid leave of 10 days and protective measures for the victim.



This policy has been in force now for two years, after its launch on 25 November 2019. In 2020, on the occasion of the day against gender violence, a campaign was carried out on social networks and with customers via the My Vodafone App.

- Vodafone's Global Commitment to its female employees on menopause.** During International Women's Week 2020, Vodafone announced this initiative to ensure that all of its female employees receive support during their menopause. It also presented Opinium research which indicated that 65% of women in Spain with menopausal symptoms stated that it affects their work performance and six out of ten agree that more support is needed in the workplace.





- International Women's Week 2020.**

- **International Women's Week Conference**, in which the whole company participated globally.
- **Professional webinar in Spain** to work on the following topics: Vodafone's positioning, results of the study on gender equality trends in the business environment, the role of men in this change and recognition of the Woman in Red.
- Two professional **workshops** focused on the development of women in the corporate environment: one on **career planning and limiting beliefs** and the other on **Networking and Personal Branding**. Both workshops were held with the participation of Mariví Campos, a talent, leadership and gender diversity expert. **297 people** logged onto these workshops.
- Group Coaching sessions for Vodafone Directors. 28 female directors took part.
- **Virtual Speed Networking**, where specialist women have the opportunity to meet Managers from the organization (men and women) to overcome barriers, help in personal and professional development and create a solid network within the company. **100 female and male employees took part.**

- #ChangeTheFace campaign.** Vodafone continues to promote change in technology companies to incorporate diverse talent.

- More Women, Better Businesses:** This is a commitment promoted by the Secretary of State for Equality for the implementation, development and monitoring of a protocol to promote the balanced participation of women and men in management positions and management committees, to which Vodafone has adhered since September 2019.

- ClosinGap** : Vodafone Spain is a member of ClosinGap, a cluster of companies that was set up with the aim of analyzing the opportunity cost of the different gender gaps in the economy by drafting periodic scientific studies and reports that highlight women's contribution to the Spanish economy, detecting areas for improvement with the aim of promoting policies that help to improve their situation. In July 2020, Vodafone led the study on the gender gap in the digital sphere. 

6.3 Inclusion for all

6.3.3 Employees

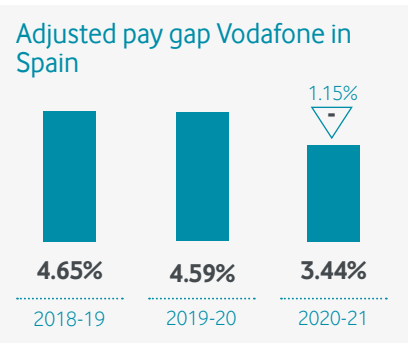
Pay Gap¹

Vodafone is committed to equality, which is why it is convinced of the need to overcome the existing gender, professional classification and age-based pay gap.

Pay gap calculations refer to total remuneration, including annual gross salary, yearly target variable pay, long-term incentives, remuneration in kind and contributions to social welfare plans.

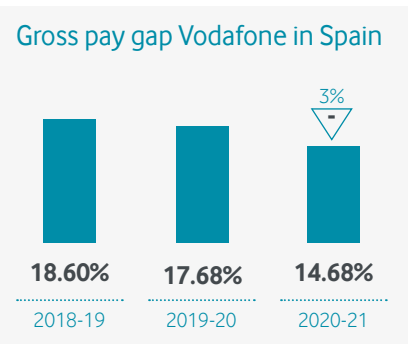
• Adjusted Pay Gap

The Adjusted Pay Gap is calculated by considering any aspects that compare men and women in a similar situation. Apart from employees' gender, this comparison considers some of the key factors that correlate to the position's remuneration (professional category and role, age, seniority in the Company). The Adjusted Wage Gap of all the Vodafone in Spain companies is 3.44%. Vodafone's commitment is logically to try to narrow this gap to zero.



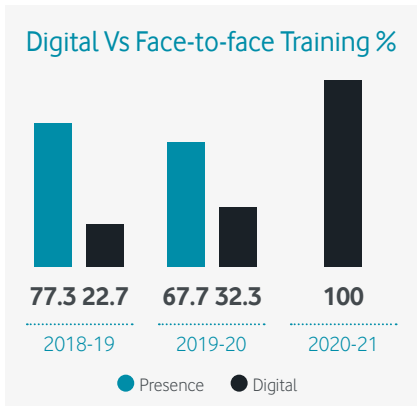
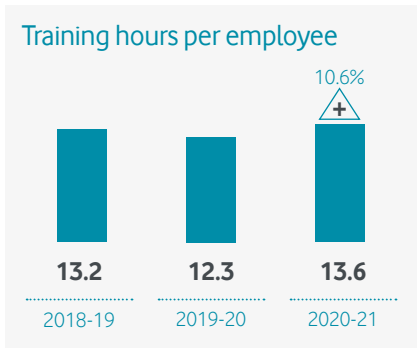
• Gross Pay Gap

The Gross Pay Gap is calculated as the average total difference between the Total Compensation of men and women. For Vodafone, this data does not consider key aspects when making the comparison such as each employee's professional category, seniority and age. The Gross Pay Gap of all the Vodafone in Spain companies is calculated to be 14.68%.



¹ The pay gap figures refer to 99% of the work force because SLT and CEO are not included in the calculation.

Talent, Learning and Development



The culture of learning in Vodafone:

Vodafone is committed to constant learning, to trying new things, measuring, keeping the good things and learning quickly from others. It is a way of making the business and the people in it grow. Thanks to its experience in digitalization, Vodafone knows that responding quickly to change is something that can be worked on, developed and learned.

Learning and its development is part of the "Spirit of Vodafone" cultural framework ⁽⁶³⁾ and is one of the four key behaviours: "Experiment and learn fast". To develop this learning culture, we have worked on the concept of "Learnability". **Learnability is the ability to learn new skills** throughout life, **with a clear motivation** to do so.

At Vodafone it is the "**skill of the future**". Vodafone has devised a plan, consisting in different actions and impacts, to help employees develop this skill. During 2020-21, employees received information on learnability and a series of actions were implemented to help them increase their learning capacity and update their skills. A specific **learning programme** was created to train the **learnability** skill and a **Learning Hub** that brings together all the company's information on learning, with access to the Vodafone University platform, LinkedIn Learning, Vodafone Library. As part of the "**Learning Fridays**", Vodafone has arranged several initiatives to boost employee engagement, such as a **Digital Escape Room**, a gamified experience in which employees can train their ability to learn through fun challenges.

6.3 Inclusion for all

6.3.3 Employees

Talent, Learning and Development

Strategic Learning Plan 2020-2023: Reskilling-Upskilling Plan:

In November 2020, Vodafone launched an ambitious **Reskilling & Upskilling learning initiative** to ensure the professional and digital progress of its employees.

This initiative includes more than 40,000 hours of training aimed at developing digital and management skills for the 4,300-plus employees in Spain. It has also drawn up specialized programmes for the technology and residential and corporate customer business units.

Specifically, the plan includes **eight training programmes** for developing new skills, intended for 58% of the workforce, and **eleven advanced specialization plans** for the remaining 42%. Four months after launch, nearly 50% of the headcount has already received more than **19,500 hours of training**, nearly half of the 40,000 planned.

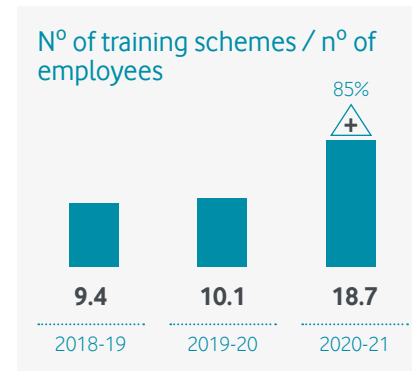
<p>8 CROSS COMPANY Programmes</p> <p>YOU CAN ...</p>	<ul style="list-style-type: none"> • Digital skills and tools for remote and collaborative working. • E-commerce, digital platforms, user experience and digital marketing. • Data: Big Data ecosystem coding, architecture and creation & management. • Remote management of third parties and partners. • Leadership: Agile, remote and for dispersed teams. 	<table border="1"> <tr> <td>32% eLearning</td> <td>26% Virtual class</td> <td>42% blended</td> </tr> </table>	32% eLearning	26% Virtual class	42% blended	
32% eLearning	26% Virtual class	42% blended				
<p>11 SPECIALIZED Programmes</p> <p>SCHOOLS, ACADEMIES AND CERTIFICATIONS</p>	<ul style="list-style-type: none"> • Sales teams: remote sales skills and new technologies (5G, Cloud, IoT, Gigabit Networks, Business Analytics and Security). • Always on marketing / PEGA: Automation of offer creation and customer management processes (CRM / DPA). • Agile School: Scrum Masters, Chapter Leads and Product Owners. • Technology Skills: IoT, automation and development, APIS, coding, networks and platforms, cybersecurity, robotics and artificial intelligence. 	<table border="1"> <tr> <td>35% content created by Vodafone</td> <td>65% external content</td> </tr> <tr> <td>58% reskilling programmes</td> <td>42% upskilling programmes</td> </tr> </table>	35% content created by Vodafone	65% external content	58% reskilling programmes	42% upskilling programmes
35% content created by Vodafone	65% external content					
58% reskilling programmes	42% upskilling programmes					
<p>4,300 Employees</p>	<p>2,000-plus hours of learning</p>	<p>40-plus partners</p>				

The eight training programmes, created **cross-cuttingly** for various areas of the organization, are designed to **reinforce skills** in digitalization, digital collaboration, or user experience, among others. At the end of these programmes, Vodafone issues a **blockchain technology certificate** that guarantees that each student has undergone this experience and can demonstrate their level of digital expertise.

In addition to working on digital and management skills, **11 specialized programmes have also been created for more than 3,700 employees** in the residential and corporate customer and technology business units.

In addition, and in view of the boom in virtual collaborative work, more than 600 Vodafone team managers are being trained in **people management** in content such as agile methodologies, digital optimism, creating psychologically safe work environments, adaptive leadership, managing offshore teams and building resilience, and have already received **more than 2,000 hours** in these sessions.

Finally, **the company finances the training of its employees in the digital sphere also through scholarships at business schools**. During the last financial year, 421 employees benefited from these grants, which are also considered to be ideal mechanisms for retaining Vodafone's talent.



6.3 Inclusion for all

6.3.3 Employees

Talent, Learning and Development

The pandemic as an accelerator of the digital learning model:

During 2020-21, **all the training sessions** conducted by a speaker or trainer have been held in **Virtual Class format** over digital platforms (Teams, GotoWebinar, Webex, Zoom, etc.). Initially this was the only option available in the lockdown and health crisis, but Vodafone has turned it into an opportunity to experiment with new learning methods and take advantage of benefits such as widening the audience and democratizing attendance, compared to the constraints imposed by room capacity, the need to travel to the venue or agenda limitations. In addition, many of the virtual sessions are recorded and published on Vodafone University for future reproduction.

In other words, learning was **fully digital** and **65% more impacts** were recorded than the previous year.

Talent Development in Vodafone:

Performance Development is the process of continually assessing Vodafone employees' performance and potential, as well as promoting their development. All employees have specific, realistic, achievable and measurable objectives, as well as a development plan in line with their needs for evolving and growing in the organization.

This year the focus was placed on simplifying and adapting the process to the current situation prompted by Covid-19, moving from an annual to a quarterly target-setting model, adjusted to the context of frequent changes where a more regular target achievement orientation and recognition of Spirit's values is necessary.

During FY 2020-21, **each and every one of Vodafone's employees** took part in the Performance Assessment process

Even the induction actions (Onboarding of new employees and Leadership Essentials for new managers), which used to be in person, have taken place in a fully virtual format:

- From the very outset and in the midst of lockdown, Vodafone adapted the face-to-face part without dispensing with any action for this reason. Thanks to its network's security and strength and the energy and empathy of all the Vodafone teams that make it possible to welcome new colleagues, the first fully-digital onboarding was planned and redesigned in just three days after the start of the state of alarm, with participants and speakers connected remotely.
- All the face-to-face welcome sessions for leaders were also tailored to a virtual environment, working especially on communication and the team and community feeling, to achieve an emotional connection in this situation that differs so much from the pre-pandemic context.

Discover Graduates is Vodafone's global programme for young graduates or young people with little or no work experience, with a lot of potential and a desire to learn. It operates in 19 countries and employs more than 800 young people. For two years, Vodafone accompanies and develops this group of young talent that will be the company's future by providing them with a wide range of development and learning activities in the workplace and among colleagues, as well as networking with other teams.

Explora is a development programme for employees of all professional categories who have been identified as high potential (Top Talent) in Vodafone's development indicators (engage, applied thinking, drive and change) and from which the organization's future leaders will emerge. In this personalized programme, efforts focus on promoting the development of potential, with learning sessions and other types of activities (career coaching, volunteering, mentoring, etc.).



Next Objectives

Foundation

- Consolidate **digital competence** educational and training programme promoted by the Foundation. March 2022.
- Spearhead the Vodafone Group Foundation's initiative in **skills for the 21st century** in Primary Education In Europe. March 2022.
- Promote (and lead) strategic alliances in our country with the aim of promoting unique and impactful initiatives that transform the education system. March 2022.

Society

- Make progress in implementing new internal tools to help maintain accessibility standards on the Vodafone website in order to continue working towards the **removal of barriers**. March 2022.
- Maintain the level of **accessibility** achieved in 100% of the **own stores**, with 100% of stores with staff trained how to attend to customers with disabilities. March 2022.

Employees

- Have 41% of **women** in leadership positions by the end of 2025.
- Maintain **the Diversity and Inclusion agenda**. Increase gender balance, inclusion of the LGTB+ collective, inclusion of people with disabilities and generational balance. March 2022.
- Benefit 1,000 young people with the **employment policies** for that group through the different schemes. March 2022.
- Adapt the **Equality Plan** to the new regulatory requirements.
- **Reopen all offices while** maintaining the necessary Health and Safety measures for the safe return of employees. March 2022.
- Support for Future Ready Vodafone, ensuring a **safe working environment** for all employees with the new standards. March 2022.
- **Adapt all employee welfare services** so that they are available with the new Future Ready Vodafone model. March 2022.
- Implement **Big Data models** that help improve security during **infrastructure maintenance and deployment**. March 2022.
- **Obtain WELL certification** in the new Valencia office. March 2022.

6.3 Inclusion for all

6.3.4 Tables and Trend Charts / Employment

1 N° and distribution of employees by gender, age and professional category. Number and distribution of management levels by gender and age

		TOTAL				≤ 30 years				31 to 45				> 45 years			
		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Total	Women	1,790	42%	1,787	42%	139	51%	137	44%	910	44%	871	43%	741	39%	779	40%
	Men	2,480	58%	2,498	58%	131	49%	171	56%	1,172	56%	1,160	57%	1,177	61%	1,167	60%
	TOTAL	4,270		4,285		270		308		2,082		2,031		1,918		1,945	
Management	Women	26	32%	30	36%	0	0%	0	0%	8	36%	10	40%	18	30%	20	34%
	Men	56	68%	53	64%	0	0%	0	0%	14	64%	15	60%	42	70%	38	66%
	TOTAL	82	2%	83	2%	0	0%	0	0%	22	27%	25	30%	60	73%	58	70%
Middle management	Women	215	38%	215	38%	5	100%	6	86%	119	42%	115	42%	91	32%	94	33%
	Men	356	62%	350	62%	0	0%	1	14%	164	58%	161	58%	192	68%	188	67%
	TOTAL	571	13%	565	13%	5	1%	7	1%	283	50%	276	49%	283	50%	282	50%
Total women in managerial posts*		241	37%	245	38%												
Total men in managerial posts*		412	63%	403	62%												
Specialists	Women	1,549	43%	1,542	42%												
	Men	2,068	57%	2,095	58%												
	TOTAL	3,617	85%	3,637	85%												

*Management positions refer to people who are in charge of employees (Exco, SLT, Directors, Managers and Team Leaders).

2 Types of contracts by gender, age and professional category*

	Open-ended contract				Temporary contract				Total Contracts			
	2019-20		2020-21		2019-20		2020-21		2019-20		2020-21	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Women	1,811	42%	1,759	42%	13	35%	20	45%	1,824	42%	1,779	42%
Men	2,493	58%	2,440	58%	24	65%	25	55%	2,517	58%	2,464	58%
<= 30 years	255	6%	262	6%	27	73%	39	85%	282	6%	301	7%
31 to 45	2,186	51%	2,081	50%	9	25%	6	12%	2,195	51%	2,086	49%
>45 years	1,863	43%	1,856	44%	1	3%	1	2%	1,864	43%	1,857	44%
Management	85	2%	82	2%	0	0%	0	0%	85	2%	82	2%
Middle management	574	13%	560	13%	0	0%	0	0%	574	13%	560	13%
Specialists	3,645	85%	3,556	85%	37	100%	45	100%	3,682	85%	3,601	85%
TOTAL	4,304	100%	4,198	100%	37	100%	45	100%	4,340	100%	4,243	100%

*The calculation is based on the annual average of contracts. There are not many employees on temporary contracts in the Vodafone Group, so there are no significant variations between the total number of contracts and the annual average.



6.3 Inclusion for all

6.3.4 Tables and Trend Charts / Employment

3 Turnover Rate by Gender, Age and Professional Category*

	Voluntary turnover		Involuntary turnover		Total staff turnover	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Women	4%	3%	0%	1%	5%	3%
Men	5%	3%	1%	1%	6%	4%
TOTAL	5%	3%	1%	1%	5%	4%
<= 30 years	18%	6%	3%	3%	21%	8%
31 to 45	6%	4%	0%	1%	6%	5%
>45 years	1%	1%	0%	1%	1%	2%
Management	4%	4%	2%	0%	6%	4%
Middle management	3%	2%	0%	2%	3%	4%
Specialists	5%	3%	1%	1%	6%	4%

*To ensure traceability and facilitate ratio analysis, voluntary turnover calculations exclude the short-term leave of absence. Involuntary turnover does not include turnover associated with a redundancy plan or transfer to another company.

5 Average remuneration by gender, age and professional category*

	Management		Middle management		Specialists			
					Specialist technician		General technician	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
<= 30 años			65,572	74,135	39,175	40,742	30,628	31,657
Women			70,737	74,135	39,480	41,042	31,957	34,039
Men			55,244		38,827	40,508	29,298	29,577
31 to 45	185,082	186,483	85,892	86,323	49,285	50,008	35,121	35,661
Women	180,175	189,511	82,875	83,754	48,426	48,991	34,506	35,224
Men	187,842	184,262	88,020	87,982	49,783	50,617	35,833	36,161
>45 years	210,916	210,674	94,236	94,372	55,258	55,619	39,824	40,775
Women	183,965	188,314	88,012	88,643	53,022	53,832	38,012	38,994
Men	222,665	221,854	96,441	96,565	56,073	56,390	42,971	43,726

*The average remuneration figures refer to 99% of the work force because SLT and CEO are not included in the calculation. Salaries are not based on the Interprofessional Minimum Wage as they are well above the legal minimum wage.

4 N° involuntary turnover by age, gender and professional category*

	N° despidos	
	2019-20	2020-21
Women	475	39
Men	453	102
TOTAL	928	141
<= 30 years	28	9
31 to 45	435	30
>45 years	465	102
Management	14	6
Middle management	101	24
Specialists	813	111

*Involuntary turnover includes the following reasons: dismissal, redundancy plan, transfer to another company and failure to pass the trial period.

6 Types of Working Day by Gender and Age*

	Part-Time	
	2019-20	2020-21
Women	24	22
Men	22	19
TOTAL	46	41
<= 30 years	20	17
31 to 45	22	19
>45 years	4	5

*The Professional Category of Specialists accounts for all the part-time work. Part-time work lasts 24 hours and does not include any reduction of working hours (due to childminding, dependent people, etc.)

6.3 Inclusion for all

6.3.4 Tables and Trend Charts / Employment

7 N° of hires by age and gender*

	Women		Men		Total hires			
	2019-20	2020-21	2019-20	2020-21	2019-20		2020-21	
					Value	%	Value	%
<= 30 years	36	29	61	62	97	38%	91	31%
31 to 45	37	46	92	121	129	51%	167	57%
>45 years	12	11	15	26	27	11%	37	13%
Total	85	86	168	209	253	100%	295	100%

*The number of hires does not include returning employees, who are deemed to have taken short-term leave of absence.

8 N° of employees entitled to and who have taken maternity/paternity leave

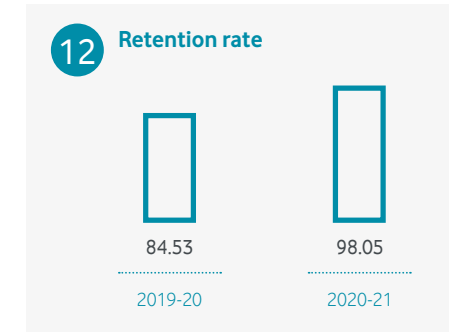
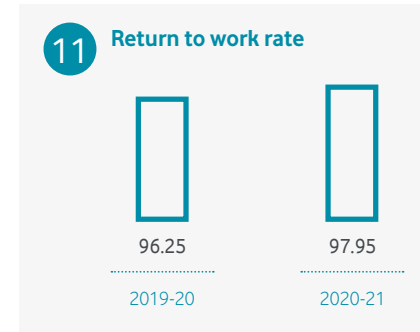
	2019-20	2020-21
Women	72	56
Men	88	90
TOTAL	160	146

9 N° of employees who have returned to work (as at 31 March 2020) after finishing maternity/paternity leave

	Active		Leave		Total	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Women	66	53	6	3	72	56
Men	88	90	0	0	88	90
TOTAL	154	143	6	3	160	146

10 Number of employees who returned to work after finishing maternity/paternity leave and who are still employees 12 months later, by gender

	At 31/03/20	At 31/03/21	At 31/03/20	At 31/03/21	At 31/03/20	At 31/03/21
	Active		Leave		Total	
Women	90	68	34	4	124	72
Men	145	83	32	5	177	88
TOTAL	235	151	66	9	301	160



6.3 Inclusion for all

6.3.5 Tables and Trend Charts / Training

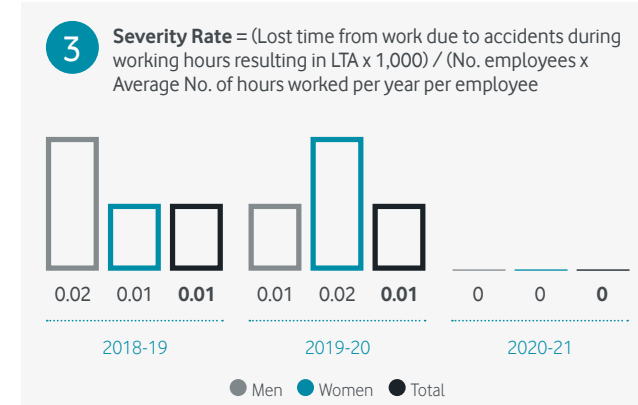
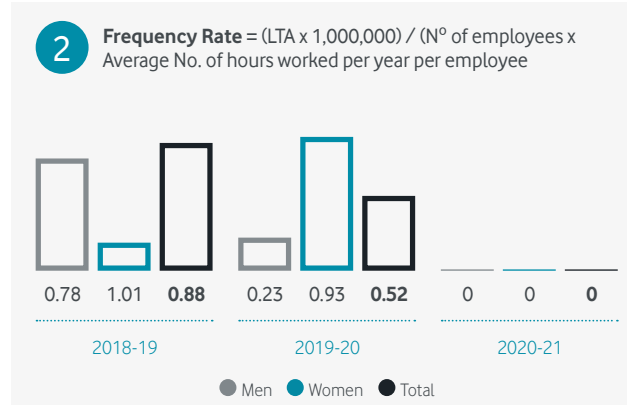
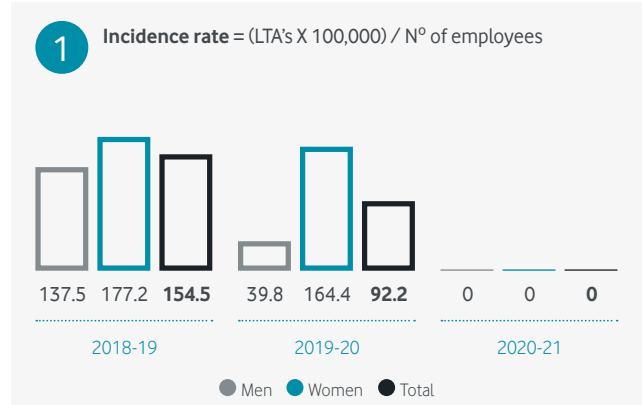
1 N° hours' training per employee

	2019-20	2020-21
Women	11.5	12.2
Men	12.9	14.6
TOTAL	12.3	13.6
Management	3.7	7.5
Middle management	17.8	15.1
Specialists	11.7	13.5

2 Total N° of hours' training

	Management		Middle management		Specialists		Totals	
	Hours of training		Hours of training		Hours of training		Hours of training	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Online	83	624	1,608	8,557	15,319	49,141	17,010	58,322
Presence	218	0	8,477	0	26,943	0	35,638	0
Total	301	624	10,085	8,557	42,262	49,141	52,648	58,322

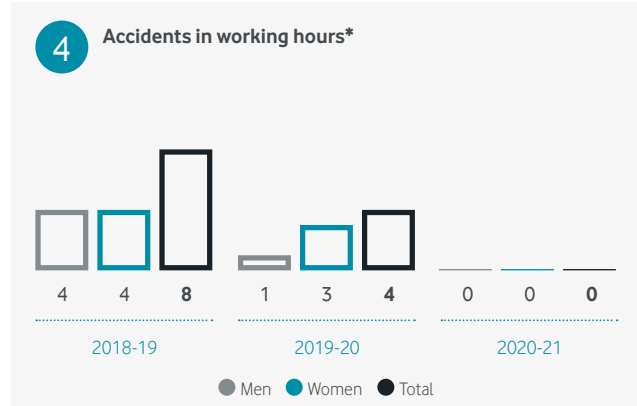
7.3.6 Tables and Trend Charts / Health and Safety*



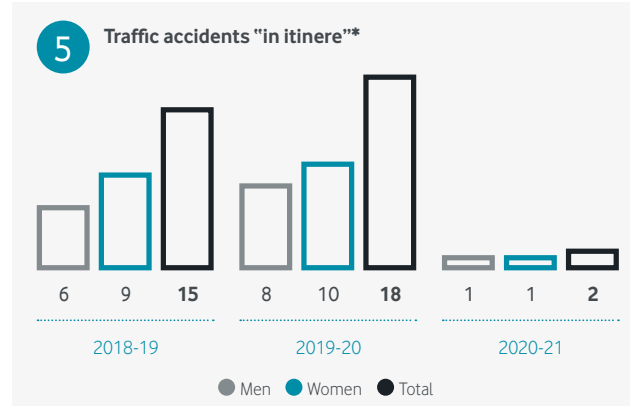
*This year, the figures in graphs 1 to 6 have been affected by higher level of smartworking prompted by the Covid-19 crisis.

6.3 Inclusion for all

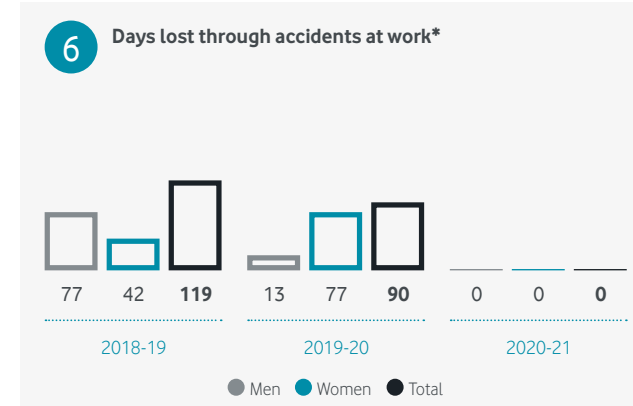
6.3.6 Tables and Trend Charts / Health and Safety*



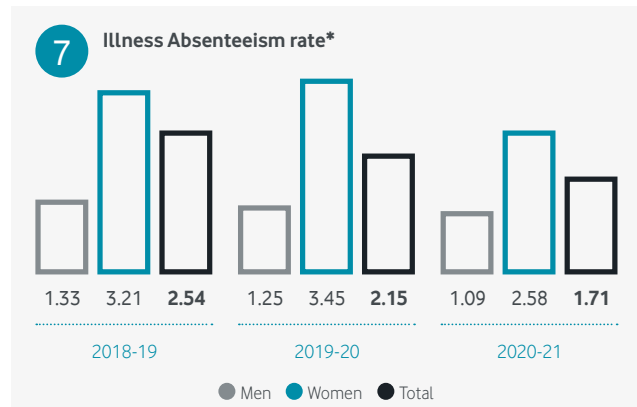
*With time off work.



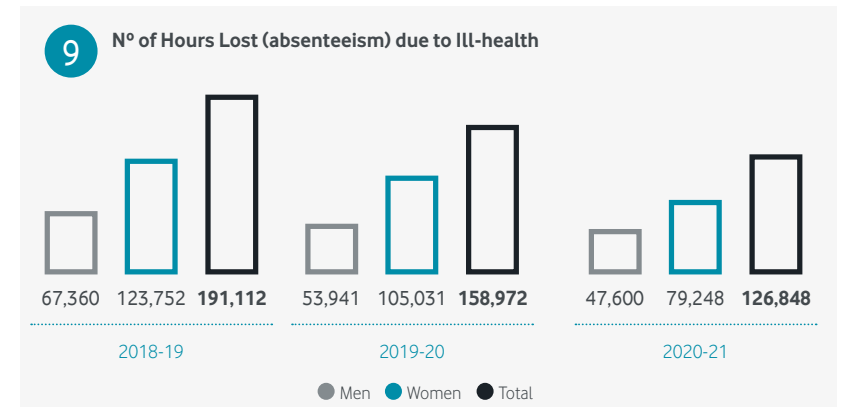
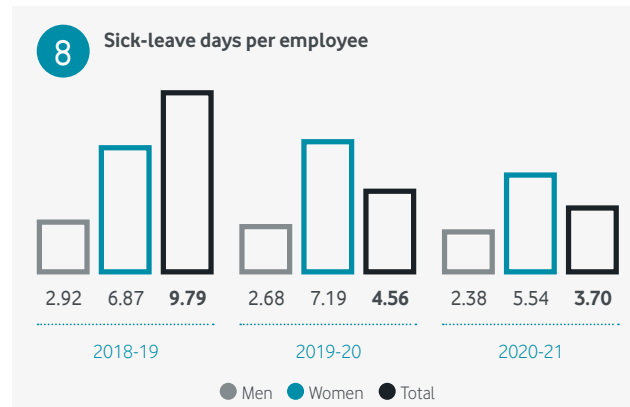
*With time off work.



*Does not include the days off work due to an accident on the way to/from work.



*There is no occupational disease.



*This year, the figures in graphs 1 to 6 have been affected by higher level of smartworking prompted by the Covid-19 crisis.

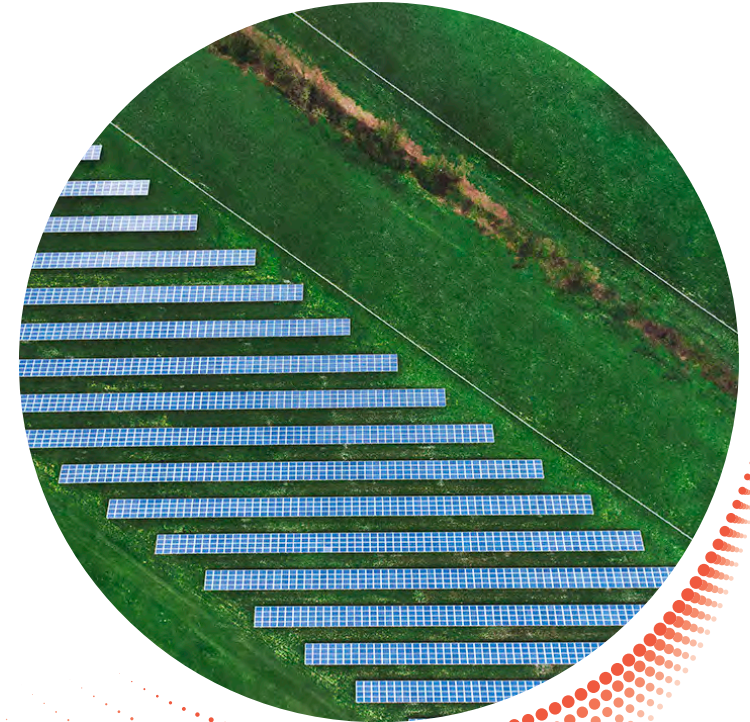


6.4 Planet



Achievement of Goals 2019-20	Degree of Compliance
• 100% of the Energy used from renewable sources. March 2025	100%
• Halve carbon emissions with respect to 2016-17. March 2025	100%*
• Obtain the ISO 50001 energy management certificate for the sites with the highest levels of consumption. March 2021	100%
• Installation of photovoltaic panels in Vodafone Plaza. March 2022	100%
• Vodafone Plaza sustainable water management plan. March 2021	100%
• Make moving processes more sustainable. March 2021	100%
• Conduct energy audits in stores. March 2022	100%

*At year-end, carbon emissions had been reduced by 97% with respect to 2016-17.



Vodafone knows that urgent and continuous action must be taken to tackle the climate crisis and that business growth must not come at a cost to the environment. As a company, it is committed to **reducing its environmental impact** and helping its customers and society to be more efficient **to ensure a better future for all**.

European Green Deal and digitalization as a key tool for tackling environmental challenges (climate change, waste, water, air pollution, biodiversity, etc.)

In March 2021 the Vodafone Group joined the **European Green Digital Coalition**, along with other companies in the technology sector and beyond, with a commitment to invest in the development and deployment of green digital solutions that are energy and material efficient and achieve a net positive impact across a wide

range of sectors. It is also committed to collaborating with relevant organizations to develop standardized, credible and comparable assessment methodologies to measure the environmental and climate impact of green digital solutions in priority sectors such as energy, transport, manufacturing, agriculture and the construction sector.

Vodafone's focus on energy efficiency, renewable energy-based supply and proper electronic waste management lets it help mitigate the environmental impact caused by the development of the business and its customers growing demand for data. In addition, through its technology and services, it provides its customers with the means to use energy and other resources more efficiently and thus reduce their greenhouse gas emissions.




6.4 Planet

6.4.1 Environmental Management System and energy

Vodafone's environmental commitment implies performing our activities responsibly, **minimizing the environmental footprint** of its operations and fostering the **circular economy**. To this end, it has devised a series of initiatives that let it reduce its energy consumption, its emissions, our waste, and the resources it consumes. In short, to be more efficient and environment-friendly.

Vodafone Spain has an **Environmental Management System** (certified in accordance with ISO 14001) and an **Energy Management System** (certified in accordance with ISO 50001 that includes 21% of its energy consumption) that let it control and manage its main environmental impacts.



Vodafone's **Environmental Policy**  is approved by the Chief Executive Officer, and it is a cross-sectional issue in the Company that involves operational and management areas, and business areas alike. The Environmental Management System establishes a methodology for identifying and analyzing environmental aspects that includes risks and opportunities.

Vodafone's objective is to reduce the environmental impact of its products and services, and help our customers to be more sustainable. At the same time, it works with its suppliers on the Circular Economy issue to reduce and minimize the consumption and wastage of natural resources, such as raw materials, energy or water. And it applies this approach both to its own activities and to its value chain's activities.

Vodafone's annual financial statements¹ list the environmental protection and improvement-related investments and expenses. Vodafone does not have any provision or specific guarantees for environmental risks.

¹ This information is disclosed in Note 24 of the Annual Financial Statements of Vodafone Holdings S.L.U.

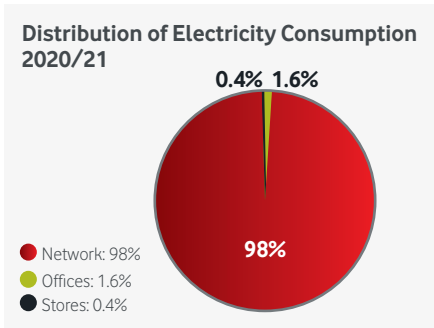


6.4 Planet

6.4.2 Energy and Climate Change

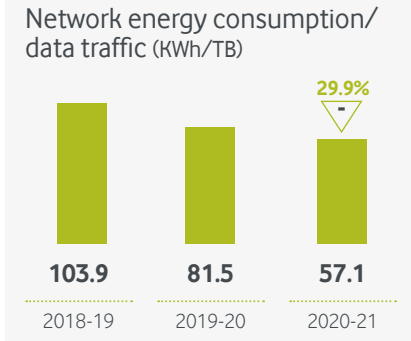
Vodafone offers its services over a network of facilities and equipment that send and receive calls and data. These facilities and equipment are growing and are updated continuously so as to offer customers higher levels of quality and coverage. Vodafone strives to make its equipment and facilities more efficient, and to make the energy they consume more sustainable, by committing to the use of energy from renewable sources.

Vodafone's network accounts for most of its energy consumption:



The network's energy efficiency initiatives are based on different initiatives:

- Acquiring and implementing more efficient network equipment.** The network roll-out includes the technological renewal of the entire mobile access network, the use of the latest technology leading to a significant increase in energy efficiency. By consolidating and virtualizing the CORE network, with new state-of-the-art equipment, we are boosting energy efficiency while facilitating the management of the associated infrastructure.
- Reducing the energy demand** of equipment by implementing of low consumption power and cooling technologies. Vodafone continues with its plans to replace older power equipment (UPS and power equipment) with new equipment that reduces losses by 10 percentage points. Extending the use of free cooling and implementing new smart climate control systems are reducing the energy demand of the infrastructure associated with telecommunications equipment.
- Shutting down and decommissioning disused equipment.** Our systematic and continuous review of all telecommunications equipment ensures that any equipment in disuse and/or that can be consolidated is shut down and decommissioned.
- ISO 50001 Certification.** This year Vodafone was awarded ISO 50001 Certification for its highest energy consuming facilities, ensuring a continuous focus on the energy efficiency of its operations. It plans to have the rest of its network centres certified as well.



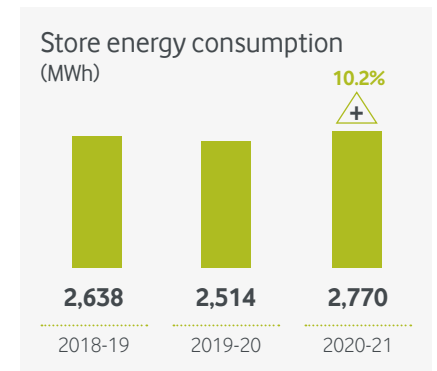
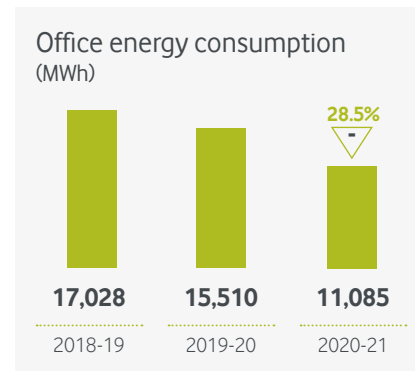
Data traffic energy consumption was **29.9%** lower than the previous year*

*This year does not include consumption from the facilities that support the access network, which have been transferred to Vantage Towers. If the consumption of these facilities were included, the reduction in network energy consumption due to data traffic would have been 26%.

Energy consumption in offices and stores

Vodafone has also implemented measures in its offices and shops to improve energy efficiency:

- In offices, switching off times for car park lights and air conditioning machines have been brought forward.
- Measures have been implemented to make moving processes more efficient and the new Valencia office will be LEED certified.
- Renewal of 613 fleet cars for hybrid vehicles.
- Installation of self-consumption by means of photovoltaic panels on the 5 roofs of the Vodafone Plaza buildings, as well as a solar canopy in the visitors' car park, which not only provides shade for the parking spaces, but also generates electricity. Vodafone has also installed a SmartFlower, a photovoltaic device that imitates a sunflower's movement by automatically opening and shutting at sunrise and sunset, ensuring that it always obtains the largest amount of clean energy. This photovoltaic installation is going to produce approximately 560 MWh of electricity a year.
- This year Vodafone conducted an in-store energy study, leading to a review of the contracted power to adapt it to the real needs of each installation, equipment and hours of use, as well as the implementation of a plan to automate switching off of air-conditioning installations in all its own stores and in 28 franchises.



6.4 Planet


6.4.2 Energy and Climate Change

Zero Net Emissions

Vodafone has a fundamental role to play in reducing emissions globally. That is why the Vodafone Group has signed up to the Science Based Target (SBTi) initiative, its commitment for 2030 in line with a world in which the planet's temperature does not rise by more than 1.5°C, and it has also committed to achieving zero net emissions by 2040.

This ambition is built on a previous commitment to purchase 100% of the electricity it uses from renewable sources by July 2021 in European markets and by 2025 in the rest of the markets in which it operates.

This year Vodafone Spain has reached its goal of being **powered in Spain by 100% renewable electricity**, following the agreement it signed with Iberdrola last year for the long-term supply of electricity to 13,500 Vodafone own supply points. Vodafone has met its target through Renewable Energy Certificates for all the electricity bought and consumed by Vodafone in Spain and a 140GWh Power Purchase Agreement (PPA) which means that part of the electricity is supplied by Iberdrola's Puylobo wind power project.

It also has a specific solution (FlexiDAO ) that allows it to aggregate the information provided by the Regulator and reliably trace the 100% renewable origin of all energy purchased with certificates of guaranteed origin.

In order to control its ozone depletion potential (ODP) and global warming potential (GWP), Vodafone monitors the gases it uses in its air conditioning and fire extinguishing systems, and prevents and registers possible leaks. In this regard, it continues with its **plans to replace gases and refrigerants**.

Change in total carbon emissions (Tn)

	2018-19	2019-20	2020-21
Scope 1	24,771	8,090	4,041
Scope 2	187,763	108,294	0
Scope 3	15,384	1,936	1
TOTAL	227,918	118,321	4,042

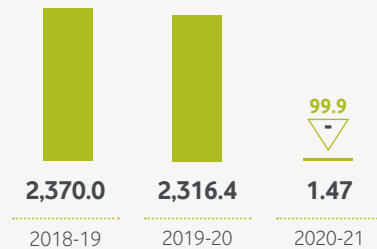
Scope 1: comes from two main sources: fuel consumption and fugitive emissions of refrigerant gases from air-conditioning equipment.

Scope 2: emissions from electricity consumption which are the most relevant to their activity. The action taken to reduce these emissions is based on implementing energy efficiency projects and using renewable electricity.

Scope 3: emissions related to business travel (flights and trains). An in-depth analysis of Scope 3 emissions reported by the Vodafone Group is scheduled to be carried out in the coming years in order to include them in the Vodafone Spain breakdown. These emissions will include any associated with purchased products and services, energy and fuel use-related activities, use of the products Vodafone sells to its customers and the investments it makes, among others.

The conversion factors used are those indicated in the Ministry of Ecological Transition's carbon footprint calculator.

Carbon emitted per network element (Kg/NE)



All the electricity purchased and used by Vodafone Spain comes from renewable sources

6.4 Planet

6.4.2 Energy and Climate Change


Environmental benefits of technology

In addition to managing its own impact, Vodafone is also helping its customers to reduce their own environmental footprint through its Internet of Things and broadband communications services. It has committed to enabling its customers to **reduce 350 million tonnes of carbon between 2020 and 2030** (equivalent to the annual environmental footprint of a country like Italy).

In Spain, in the last financial year, according to the independent study carried out by the Carbon Trust, Vodafone managed to avoid the production of 665,712 tonnes of carbon through its solutions.

Most of the benefits are associated to the reduction of carbon emissions as a result of lower electricity, gas and fuel consumption, although other environmental benefits may also be associated, such as the reduction or optimization of the consumption of resources such as water, raw materials, waste, etc. and the improving circular economy and collaborative economy processes, as well as other environmental benefits related to the development of the population in rural or uninhabited areas. Using Vodafone's products and services, as well as the data and information collected through its Big Data and Artificial Intelligence systems, also favours the study and monitoring of biodiversity, and the prevention of fires and natural disasters.

Vodafone's technology and services gives its customers what they need to cut their greenhouse gas emissions (GHG). Here are just a few of the IoT applications that help to lower carbon emissions:

- Smart energy meters that allow businesses, municipal authorities and households to monitor, manage and reduce their energy use.
- Smart Cities connected intelligently to improve the efficiency of energy-intensive services, such as public transport, road networks and lighting or to optimise the management of waste, irrigation or parking spaces, among others. 
- Smart logistics: IoT technologies built into vehicles to optimize route management, vehicle maintenance and driver performance, cutting fuel consumption by up to 30%.

The agriculture, health and education sectors are some of the sectors where Vodafone's solutions can bring great value in reducing associated emissions. Yet no single company can tackle the climate problem alone, we need to work together, across industry and sectors and work with policy makers and regulators. Our planet is asking for our help, and Vodafone is ready to respond.

665,712 tons of carbon avoided
by the use of IoT solutions in 2020-21

Success cases

Here are some of the success stories where the use of Vodafone technology is having a positive impact on the environment.

Resource management in Yuncos (Toledo)

ACCIONA has relied on Vodafone's **Narrowband IoT (NB-IoT)** communications network to launch a pilot project that features Hidroconta's R400 ultrasonic remote reading meters connected to the NB-IoT network to optimize management of the complete water cycle in the municipality of Yuncos (Toledo).

This remote reading system, currently in the pilot phase, is going to provide real-time service management information, such as hourly recording of water consumption within a hydraulic sector, as well as detecting events and incidents (leaks and breaks, anomalous consumption, etc.) far more accurately. This information can optimize maintenance planning and cut management and operation times and costs, improving the efficiency and quality of the service provided in the municipality of Yuncos, with a population of 11,000.

Sustainable agriculture- Matarromera Winery

During 2020, Vodafone and the Matarromera Winery embarked on an IoT-based technology project at the Emina Ribera winery, to **boost energy efficiency, cost control and risk prevention.**

Vodafone has deployed different IoT solutions in some of the Emina Winery's most critical areas, and its sensors now provide very accurate, real-time information about the whole winemaking process.




Vodafone provides a single data management platform that collates all the information from these connected devices and gives the winery greater control of all its production processes, such as grape harvesting and bottling, and avoids both cost overruns and environmental impacts.



6.4 Planet

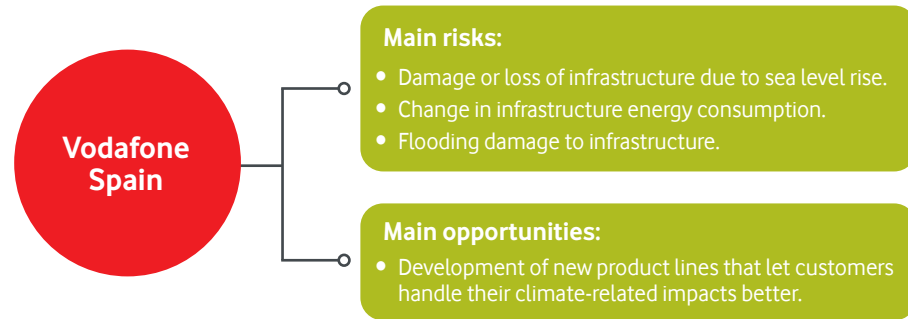
6.4.2 Energy and Climate Change

Managing climate change-related environmental risks

This year, the Vodafone Group specifically analyzed climate change-related risks and opportunities, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding physical and transition risks. 

The analysis considered different temperature rise scenarios (<2°C and <3°C) and policy action (early, late or no action), as well as different timeframes (short, medium and long term).

The analysis led to the following main climate change-related risks and opportunities being identified for Vodafone Spain:



With a view to preventing the consequences of climate change, Vodafone's strategy includes a series of measures to mitigate the risks related to its energy consumption. It has also devised the corrective and preventive measures that would have to be taken if its sites were damaged by climate disasters. Its strategy also considers opportunities stemming from the sale of more energy-efficient products and services and those that enable it to reduce its customers' carbon emissions, facilitating the decarbonization of other economic sectors.



6.4 Planet

6.4.3 Waste and Circular Economy

Vodafone is convinced that society needs to move towards a more efficient economy, focused on the elimination of waste and the circular economy. **Vodafone Group's objective is to reuse, resell or recycle 100% of its network waste by 2025.**

Vodafone has a Group policy for waste management that prioritizes the reuse or recycling of the equipment it disposes of in a safe and responsible manner. It also encourages extending the useful life of its resources as much as possible, extracting the maximum possible value from them while they are in use and recovering and reusing materials before recycling.

Vodafone Spain has mechanisms that enable it to monitor and ensure proper management of the waste generated by its suppliers.

Promoting the circular economy

In addition to managing network waste, it is also working to improve the reuse and repair of devices throughout its activities. Vodafone does not manufacture devices, so its opportunity lies in developing business models that enable and foster the Circular Economy, and partnering with its suppliers to provide path breaking products and services and facilitating the environmental impact reduction of the products that its customers use.

When approving devices, Vodafone considers whether manufacturers have complied with **Spanish regulations on electric and electronic appliances** (waste management and restrictions on certain dangerous substances).

Vodafone incorporates some elements of the Circular Economy model into the devices and services it markets, based on the principle of the three "R's": Reduce, Reuse and Recycle, through a variety of initiatives.

• Reduction:

- Vodafone's **SIM Only** service lets customers use our services without having to buy a new device, thereby extending the useful life of their own devices. This not only reduces waste production, but also serves to optimize the consumption of natural resources used to manufacture the devices by avoiding the use of new resources.

- **Half-size SIM card.** Since March 2020, Vodafone has been replacing standard (credit card sized) SIM cards with a new half-size format that halves the amount of plastic used to produce SIMs.

• Reuse:

- Vodafone's repair service is another of the services that offers to extend the life of devices, so when a device stops working, it can be repaired, even if it is out-of-warranty, as long as the repair is feasible. This year, to avoid customers having to leave home, after-sales services have been provided directly from the customer's home.

When Spain went into lockdown after the onset of the Covid-19 crisis in March 2020, Vodafone set up a home after-sales service for customers who need to have a handset repaired at no additional cost by courier. Customers only have to request the service by phone, and it is estimated that the repaired handset will be returned in less than 5 working days. During FY2021 **more than 10,000 repairs were handled by this channel.**

- **Our Device Buyback** scheme lets customers sell their device back to Vodafone as long as it works properly and customers do not want to use it any more. Under this scheme, they are offered discounts for the repurchased devices through alliances with specialized firms, meaning that any devices that no longer meet customers' initial needs can be reintroduced into the economic circuit. These devices, once refurbished, can be reused in developing or emerging countries, bringing both social benefits (facilitating access

to technology at a more affordable price for these markets) and environmental benefits (the equipment's life span is extended without having to mine new raw materials for a new device).

- There is also a process for collecting customers' fixed broadband and TV devices after disconnection, which allows Vodafone to recover and reintegrate them, thus avoiding the manufacture of new devices. During the last financial year, several measures have been implemented to improve communication with customers, which has led to an increase in the number of fixed broadband and TV devices recovered:

- Email (in addition to text message)
- Reopening of the retail channel as point of delivery (in addition to Post Office)
- Disconnection process information available on the 22122/22123 IVR and My Vodafone App

100% of the electrical waste generated in the network is recycled

more than 1,200,000 devices reutilized or recycled in 2020-21

• **Recycling:** Waste Recycling applies when devices do not work and can be placed in the containers provided at Vodafone's own stores, guaranteeing that they are recycled and that the components are recovered in an environment-friendly way.

In addition, as part of the **"Red Loves Green"** initiative, Vodafone has continued to market sustainable smartphones such as the Fairphone 3 (which features a modular design that makes it easy to repair) as well as a range of sustainable accessories and chargers made from recycled or biodegradable materials. Eco spaces have been set up in some shops to give visibility to these products.

The next financial year, Vodafone plans to join the **Eco Rating** system for the ecological classification of the handsets it sells.



6.4 Planet

6.4.3 Waste and Circular Economy

Reducing plastic waste

In previous years, Vodafone implemented a series of initiatives aimed at eliminating single-use plastic items. Throughout FY 2020-21, Vodafone kept on seeking alternative solutions with its suppliers (replacing plastic bottles, compostable cups and cutlery, encouraging minimization and use of reusable packaging, etc.), but due to the recommended Covid-19 safety and hygiene measures, such as the elimination of single-dose packaging, brought some of the initiatives to a temporary halt.

Containers and Paper

Through its stores, Vodafone puts paper bags and other types of commercial containers on the market, which it declares in the **comprehensive container and packaging management system** (Ecoembes). In the last financial year, Vodafone has placed 100.5 Tn of paper and paperboard, and 20.7 Tn of plastic on the market.

In the last financial year in Vodafone Spain have been consumed **5 Tn of office paper**. In addition to encouraging employees to cut down on its use, buying sustainable forest management-certified paper contributes significantly to preserving the environment. That is why Vodafone asks its paper suppliers to supply paper that is recycled or made from virgin wood fibres and certified in accordance with the PEFC or FSC or equivalent systems, and that it has been obtained through a clean production system, be it ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free).

All of the office paper consumed at Vodafone meets these criteria.

It also ensures that systems are in place to minimize, collect and recycle the paper that they use in offices and it encourages employees to reduce their consumption of this and other resources.

Another of the notable aspects concerning paper consumption in its operations refers to billing its Customers for the services. For instance, they encourage customers to ask for e-bills to reduce the amount of paper used in billing processes.

92% of residential customers
and **83%** of business customers
get an electronic bill

Water consumption

Despite not being a significant business aspect, Vodafone also monitors its consumption of water, which is collected and discharged into the sewage system. This year Vodafone's water consumption amounted to 36,682 m³. Vodafone's central offices in Madrid are equipped with rainwater collection and reuse tanks and have a water management plan.

No significant accidental spillage or leak-related incidents were reported this year.

Light pollution

Vodafone uses sustainable lighting systems to attain a better quality environment, while at the same time fostering energy saving and efficiency. Its outdoor lighting installations are designed to avoid environmental light pollution as far as possible, complying with current regulations at each site.



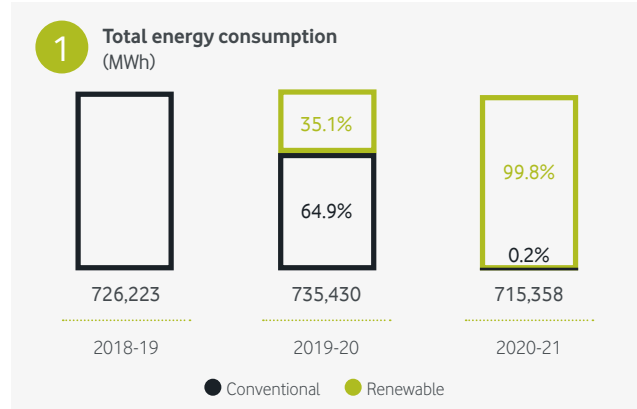
Next Objectives

- Halve carbon emissions with respect to 2016-17. March 2025
- Implement the Eco Rating system for the terminals that it sells. March 2022
- Enhance the scope of the ISO 50001 energy management certificate. March 2022
- Install electrical chargers at Vodafone Plaza. March 2022



6.4 Planet

6.4.4 Tables and Trend Charts / Planet



2 Change in total energy consumption by primary energy source (GJ)*

	Indirect Energy (GJ)	Direct energy (GJ)			Total
		Electricity grid	Wind-Solar	Diesel	
2018-19	2,609,376	16	619	4,394	2,614,405
2019-20	2,641,957	14	578	5,416	2,647,965
2020-21	2,569,531	0	572	5,185	2,575,288

*1MWh= 3,6 GJ

3 Energy consumption levels

	2018-19	2019-20	2020-21	Change
Network Energy Consumption (GJ) (MWh)	706,557	717,406	701,502	-2.2%
Store energy consumption (MWh)	2,638	2,514	2,770	10.2%
Office electricity consumption (MWh)	17,028	15,510	11,085	-28.5%
Total energy consumption	726,223	735,430	715,358	-2.7%
Network energy consumption due to data traffic (KWh/TB)	103.9	81.5	57.1	-29.9%

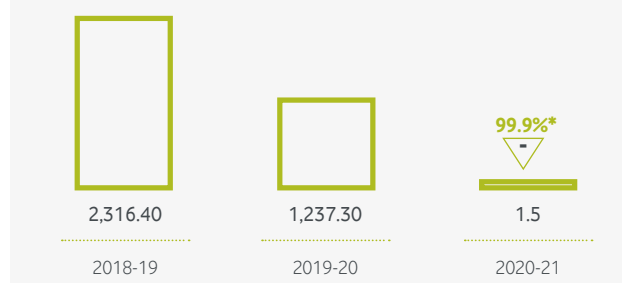
4 Change in total carbon emissions (Tn)

	2018-19	2019-20	2020-21
Scope 1	24,771	8,090	4,041
Scope 2	187,763	108,294	0
Scope 3	15,384	1,936	1
TOTAL	227,918	118,321	4,042

The reasons for the drop in carbon emissions of the last financial year was:

- Scope 1: Decrease in the number of refrigerant gas recharges and reduction in the number of items of equipment due to the Vantage Towers spin-off.
- Scope 2: PPA agreements and purchase of renewable GdO for all electrical energy consumed.
- Scope 3: Drop in the number of trips due to the pandemic.

5 Carbon emitted per network element (Kg/NE)



*All the electricity bought is of renewable origin.

6 Waste and other supplies

	2018-19	2019-20	2020-21	Change	
Network equipment recycled (tn)	133	212	195	-8%	
Kms flown by employees (x1.000)	10,623	10,483	0*	-100%	
Km travelled by train by employees (x1.000)	6,137	4,938	30.6*	-99%	
Vehicle fleet consumption (thousand litres)	Petrol	51	83	175	111%
	Diesel	1,176	1,035	360	-65%
Paper used in offices (tn)	20.2	15.2	5	-67%	
Water Consumption (m3)	75,624	54,648	36,682	-33%	
Recycled Paper (tn)	53.9	36.8	21	-43%	

* Drop in the number of trips due to the pandemic.



7 Report Preparation

7.1

Principles

7.2

Tables of
contents

7.3

Glossary

7.4

Independent
Assurance Report



7.1 Reporting Principles

The following international standards and National Law 11/2018 have been taken into account in drafting this report:

a The general guidelines of the **International Integrated Reporting Council (IIRC)** for preparing integrated reports that group both financial and non-financial information. (GRI 102-46):

IIRC guidelines	How presented in the Vodafone in Spain 2020-21 Integrated Report
Strategic focus and future orientation	Information about strategy
Information connectivity	Information about activities that can create economic, social and environmental value
Stakeholder inclusiveness	Information about stakeholders and how we respond to their expectations
Conciseness and materiality of information	Materiality analysis
Reliability of information	Assurance of information by external auditors
Consistency and comparability	Information presented in accordance with international standards and compared with previous years

b The guidelines laid down by **GRI (Global Reporting Initiative) Standards** for preparing Sustainability Reports, in terms of the principles governing the content and quality of the information disclosed, and the General Standard Disclosures and Specific Standard Disclosures (GRI 102-46):

	GRI Standard Principles	How presented in the Vodafone Spain Integrated Report 2020-21
Contents	Stakeholder Inclusion	Information about stakeholders and how we respond to their expectations
	Sustainability Context	Information about activities that can create economic, social and environmental value
	Materiality	Materiality analysis
	Completeness	Information about the activities carried out during the fiscal year
Quality	Precision	Information collected through the information systems
	Balance	Information about the results obtained in the material aspects
	Clarity	Information that is properly arranged and summarized
	Comparability	Information presented in accordance with international standards and compared with previous years
	Reliability	Assurance of information by external auditors
	Punctuality	Annual Publication of the Report

c The principles established by **AccountAbility** in standard **AA1000AP 2018** regarding the information provided:

AA1000AP Principles	How presented in the Vodafone Spain Integrated Report 2020-21
Inclusivity	Information about stakeholders and how we respond to their expectations
Materiality	Information about material aspects
Responsiveness	Information about the results obtained in the material aspects
Impact	Information about how we measure and monitor our direct and indirect impacts



7.1 Reporting Principles

d The **UN Global Compact Principles** (GRI: 102-46):

Since 2012, Vodafone Spain is a signatory to the U.N. Global Compact, which aims to achieve a voluntary commitment of the organizations in Social Responsibility issues, through the implementation of 10 Principles in the areas of human rights, labour, the environment and anti-bribery.

Through this Report, Vodafone Spain wants to demonstrate its commitment and the headway achieved in implementing the ten Global Compact Principles.

Furthermore, in September 2015 the UN established the **17 Sustainable Development Goals (SDG)** such as the Global Agenda 2030, affecting governments, companies and third sector organizations. In this respect, Vodafone has analyzed its contribution to the different Sustainable Development Goals, setting monitoring indicators to display its evolution. 

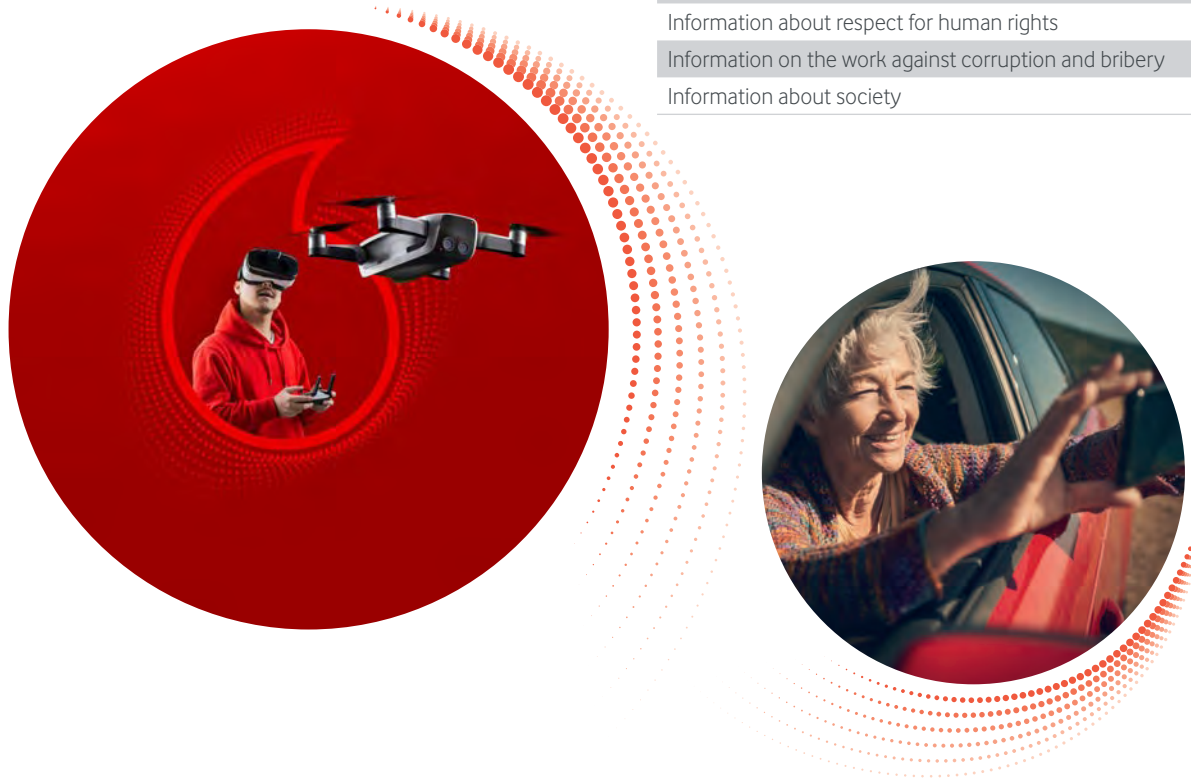
Global Compact Principles	Policies				Monitoring and Measurement	
	Integrated Report 2020-21	Pg.		Pg.	Integrated Report 2020-21	Pg.
Principle 1: "Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence"	<ul style="list-style-type: none"> Vodafone Sustainable Business Safe and Responsible Enjoyment of ICTs Code of Ethical Purchasing Human Rights in Vodafone 	31 - 43 99 58 53 and 54	<ul style="list-style-type: none"> Code of Conduct Privacy Supplier assessment 	45 49 59	<ul style="list-style-type: none"> Materiality matrix Speak Up Channel Doing what's right Training Education and awareness-raising about safe and responsible enjoyment of technology 	36 48 47 99
Principle 2: "Businesses should make sure they are not complicit in human rights abuses"	<ul style="list-style-type: none"> Code of Conduct Code of Ethical Purchasing Human Rights in Vodafone 	45 58 53 and 54	<ul style="list-style-type: none"> Policy on non-use of conflict minerals Supplier assessment 	58 59	<ul style="list-style-type: none"> Speak Up Channel Supplier Approval and Assessment 	48 59
Principle 3: "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining"	<ul style="list-style-type: none"> Collective Agreement Code of Conduct Human Rights in Vodafone 	104 45 53 and 54	<ul style="list-style-type: none"> Industrial Relations Code of Ethical Purchasing 	104 58	<ul style="list-style-type: none"> Industrial climate survey 	103
Principle 4: "Businesses should uphold the elimination of all forms of forced and compulsory labour"	<ul style="list-style-type: none"> Code of Conduct Code of Ethical Purchasing Vodafone and Human Rights 	45 58 53 and 54	<ul style="list-style-type: none"> Industrial Relations Collective Agreement 	104 104	<ul style="list-style-type: none"> Speak Up Channel Supplier Approval and Assessment 	48 59
Principle 5: "Businesses should uphold the effective abolition of child labour."	<ul style="list-style-type: none"> Collective Agreement Industrial Relations Human Rights in Vodafone 	104 104 53 and 54	<ul style="list-style-type: none"> Code of Conduct Code of Ethical Purchasing 	45 58	<ul style="list-style-type: none"> Speak Up Channel Supplier Approval and Assessment Employees by age and gender 	48 59 8
Principle 6: "Businesses should uphold the elimination of discrimination in respect of employment and occupation"	<ul style="list-style-type: none"> Diversity and Inclusion Code of Conduct 	109-111 45	<ul style="list-style-type: none"> Collective bargaining agreement Code of Ethical Purchasing 	104 58	<ul style="list-style-type: none"> Diversity Evolution 	114
Principle 7: "Businesses should support a precautionary approach to environmental challenges"	<ul style="list-style-type: none"> Code of Conduct Environmental management system 	45 120	<ul style="list-style-type: none"> Radioelectric Emissions and Health Control of environmental impacts 	93 73, 119-124	<ul style="list-style-type: none"> Environmental Management System Changes in environmental impacts 	120 127
Principle 8: "Businesses should undertake initiatives to promote greater environmental responsibility"	<ul style="list-style-type: none"> Environmental management system Control of environmental impacts 	120 119-122			<ul style="list-style-type: none"> Environmental management system Changes in environmental impacts 	120 127
Principle 9: "Businesses should encourage the development and diffusion of environmentally friendly technologies"	<ul style="list-style-type: none"> The environmental benefits of using technology 	123	<ul style="list-style-type: none"> Radioelectric Emissions and Health 	93	<ul style="list-style-type: none"> Success cases for Enterprises and Public Administrations 	123
Principle 10: "Businesses should work against corruption in all its forms, including extortion and bribery"	<ul style="list-style-type: none"> Code of Conduct Code of ethical purchasing 	45 58	<ul style="list-style-type: none"> Anti-corruption and anti-bribery policy Corporate governance 	47 14	<ul style="list-style-type: none"> Anti-fraud and bribery schemes 	47 and 48



7.1 Reporting Principles

e The requirements established by **Law 11/2018** of Non-Financial Information and Diversity (GRI 102-46):

Requirements under Law 11/2018	How presented in the Vodafone in Spain 2020-21 Integrated Report
Business Model	Business Model
Risk Policies	Risk Management
Indicators based on national, European or international frameworks	GRI Standards
Information about the impacts	Materiality Analysis
Information about environmental issues	Performance in Environment
Information about social and personnel issues	Performance in Employees
Information about respect for human rights	Vodafone and Human Rights
Information on the work against corruption and bribery	Anti-Bribery Policy
Information about society	Performance in Customers, Society and Suppliers



7.2 Table of contents

7.2.1 Content according to IIRC (GRI 102-46)

Content required by IIRC	Pgs. 2020-21 Report	
Description of the organization and the environment	Key Indicators 2020-21	7-9
	Business Principles and Corporate Culture	45, 46, 55, 103, 104 and 111
	Organizational Structure	13
	Analysis of the environment	62-67
Corporate governance	Compliance and Responsible Company	45-60
	Boards of Directors and Decision-Making Committees and Forums	14, 16-18
Business model	Business model	21 and 22
	Value-creation	26-30
	Strategic Sustainable Business Framework	31
Risks and Opportunities	Risk management	69-73
Resource Strategy and Allocation	Strategy	75
	Business Model: Key Indicators 2020-21	7-9
Performance	Digital society	77-93
	Inclusion for all	94-118
	Planet	119-127
Future prospects	Analysis of the environment	62-67
	Objectives	59, 60, 77, 93, 94, 113, 119, 126
Basis of preparation and presentation	Profile and Aim of the Report	6
	Strategic Sustainable Business Framework	31
	Reporting Principles	129-131



7.2 Table of contents

7.2.2 GRI Materiality Analysis


The following sources of information are considered when **identifying material aspects:** (GRI 102-46 and GRI 102-47):


- The general list of issues defined by the GRI Standards.
- The list of issues established by the Vodafone Group.
- The list of issues established in previous years by Vodafone Spain.
- The issues identified in the GRI document "Sustainability Topics for Sectors: What do stakeholders want to know?".
- The material aspects for the telecommunications sector identified by "Sustainability Accounting Standard".

The following table shows the correlation between the Material Aspects according to GRI terminology and the Material Aspects according to Vodafone Spain terminology, and its (Internal or external) Coverage. The respective Management Approaches are described in the different sections of this Annual Report:

Standards Category	GRI Standards	Vodafone Material Aspects	Coverage	Management approach (pages)
Economic GRI-200	201-Economic Performance	Community involvement	Internal	26-30
	202-Market Presence	Employees	Internal	103-118
	203-Indirect Economic Impact	Community involvement	Internal	26-30
	204-Procurement Practices	Suppliers	External	59 and 60
	205-Anti-corruption	Suppliers / Employees	Internal	47 and 59
	206-Unfair Competition	Clear prices and rates	Internal	50
	207-Tax Issues	Community involvement	Internal	51 and 52
Environmental GRI-300	301-Materials	Non-Material	--	--
	302-Energy	Environment and climate change	Internal	121-124
	303-Water and effluents	Non-Material	--	--
	304-Biodiversity	Non-Material	--	--
	305-Emissions	Environment and climate change	Internal	122, 123 and 127
	306-Effluents and Waste	Material Consumption and Waste	Internal	125 and 127
	307-Environmental compliance	Environment and climate change	Internal	120
	308-Supplier environmental assessment	Suppliers	External	59
Social GRI-400	401-Employment	Employees	Internal	103-118
	402-Labor/Management Relations	Employees	Internal	104
	403-Occupational safety and health	Employees	Internal	106-108
		Suppliers	External	60
404-Training and Coaching	Employees	Internal	112, 113 and 117	

Standards Category	GRI Standards	Vodafone Material Aspects	Coverage	Management approach (pages)
Social GRI-400	405-Diversity and equal opportunities	Employees	Internal	103-118
	406-Non-discrimination	Employees	Internal	103-118
	407-Freedom of association and collective bargaining	Employees	Internal	104
		Suppliers	External	60
	408-Child labour	Employees	Internal	104
		Suppliers	External	60
	409-Forced or Compulsory Labor	Employees	Internal	104
		Suppliers	External	--
	410-Security Practices	Non-Material	--	--
	411-Rights of Indigenous Peoples	Non-Material	--	60
	412-Human Rights Assessment	Suppliers	External	59
	413-Local Communities	Community involvement	Internal	95-98
	414-Supplier social assessment	Proveedores	Internal	59
	415-Public Policy	Community involvement	--	45
	416-Customer health and safety	Responsible Network Deployment/EMF	Internal	93
		Responsible use of ICT	Internal	99
	417-Marketing and labelling	Clear Prices and Rates	Internal	78-83
	418-Customer privacy	Privacy and data protection	Internal	49
	419-Socioeconomic achievement	Customer Care /Complaints	Internal	45-51
Privacy and data protection		Internal		

In order to **prioritize these material aspects**, we identify the stakeholders for whom the issue in question is relevant or material, and then build the **materiality matrix**, which takes into account both the importance of these aspects for our stakeholders, and how each one impacts the Business. 

The different material issues form part of the strategic sustainable business framework,  which is managed and coordinated by the Sustainability and Quality Department, which periodically reports to the Steering Committee through the Corporate Communications Director, to whom it is answerable.

7.2 Table of contents

7.2.3 GRI Table of Contents (GRI 102-46)

For the Materiality Disclosures Services, GRI Services has checked that the GRI Table of contents is clear, and that the references for contents 102-40 to 102-49 match the specified sections of the report. The service was performed on the Spanish version of the report.



GRI Standard	Content		Pg. / Direct response
GRI 101: FOUNDATION 2016			
GENERAL CONTENT (GRI 102: GENERAL CONTENT 2016)			
Organizational profile	102-1	Name of the organization	6
	102-2	Activities, brands, products and services	12, 19-22, 78, 83, 89 and vodafone.es
	102-3	Location of headquarters	Back page
	102-4	Location of the operations	11
	102-5	Ownership and legal form	12
	102-6	Markets served	11, 21, 22
	102-7	Size of the organization	7-9
	102-8	Information about employees and other workers	13, 114, 115
	102-9	Supply chain	59, 60
	102-10	Significant changes in the organization and its supply chain	12, 13, 14
	102-11	Precautionary principle or approach	69-73
	102-12	External initiatives	6, 23, 129-131
	102-13	Membership of associations	23
Strategy	102-14	Statement from senior decision-makers	4, 5
	102-15	Main impacts, risks and opportunities	45-54, 69-73
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	45, 46
	102-17	Advisory mechanisms and ethical concerns	18, 32-35, 48
Governance	102-18	Governance structure	13, 14
	102-19	Delegation of authority	16-18
	102-20	Executive-level responsibility for economic, environmental, and social topics	18
	102-21	Consulting stakeholders on economic, environmental, and social topics	32-36
	102-22	Composition of the highest governance body and its committees	14, 16-18
	102-23	Chair of the highest governance body	14
	102-24	Nominating and selecting the highest governance body	14
	102-25	Conflicts of interest	14
	102-26	Role of highest governance body in setting purpose, values, and strategy	14, 31, 36
	102-27	Collective knowledge of highest governance body	14
	102-28	Evaluating the highest governance body's performance	16

GRI Standard	Content		Pg. / Direct response
GRI 101: FOUNDATION 2016			
GENERAL CONTENT (GRI 102: GENERAL CONTENT 2016)			
Governance	102-29	Identifying and managing economic, environmental, and social impacts	6, 18
	102-30	Effectiveness of risk management processes	16, 17, 69-73
	102-31	Review of economic, environmental, and social topics	16-18, 31, 36
	102-32	Highest governance body's role in sustainability reporting	6
	102-33	Communicating critical concerns	16, 17, 48
	102-34	Nature and total number of critical concerns	48
	102-35	Remuneration policies	15, 105
	102-36	Process for determining remuneration	105
	102-37	Stakeholders' involvement in remuneration	105, 111
	102-38	Annual total compensation ratio	Confidential information
102-39	Percentage increase in annual total compensation ratio	Confidential information	
Stakeholder Engagement	102-40	List of stakeholders	32
	102-41	Collective bargaining agreements	104
	102-42	Identifying and selecting stakeholders	32
	102-43	Approach to stakeholder engagement	32
	102-44	Key topics and concerns raised	32
Reporting practices	102-45	Entities included in the consolidated financial statements	6, 12
	102-46	Defining report content and topic Boundaries	129, 132-142
	102-47	List of material topics	36, 133
	102-48	Restatement of the information	Information not re-expressed
	102-49	Changes in reporting	No change in the Report Preparation
	102-50	Reporting Period	4
	102-51	Date of the last Report	4, 5
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Back page
	102-54	Declaration of preparation of the report in accordance with GRI Standards	6
102-55	GRI Table of Contents:	134-138	
102-56	External verification	144	



7.2 Table of contents

7.2.3 GRI Table of Contents: (GRI 102-46)

GRI Standard	Content		Pg. / Direct response
THEMATIC CONTENTS			
Economic Performance			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	24-25
	103-2	The management approach and its components	11, 24, 25, 36, 133
	103-3	Management approach assessment	24, 25, 36, 133
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	27, 28
	201-2	Financial implications and other risks and opportunities arising from climate change	30, 73, 124
	201-3	Defined benefit plan obligations and other retirement plans	27, 104
	201-4	Financial assistance received from government	27, 142
Market Presence			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	22, 24, 25, 36, 133
	103-3	Management approach assessment	24, 25, 36, 133
GRI 202: 2016 Market Presence	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	115
	202-2	Proportion of senior management hired from the local community	80%
Indirect economic impacts			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	28, 36, 133
	103-3	Management approach assessment	28, 36, 133
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	8, 91, 92
	203-2	Significant indirect economic impacts	28
Procurement practices			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 58, 59, 133
	103-3	Management approach assessment	36, 58, 59, 133
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	27, 59

GRI Standard	Content		Pg. / Direct response
Anti-bribery			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 47, 48, 133
	103-3	Management approach assessment	36, 47, 48, 133
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	48
	205-2	Communication and training about anti-corruption policies and procedures	45-47, 55
	205-3	Confirmed incidents of corruption and actions taken	48
Unfair Competition			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 50, 133
	103-3	Management approach assessment	36, 50, 133
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	50
Tax			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	27, 28, 51, 52, 133
	103-3	Management approach assessment	27, 28, 51, 52, 133
GRI 207: 2019 Tax Issues	207-1	Tax approach	51
	207-2	Tax governance, control and risk management	51
	207-3	Stakeholders' involvement and handling of tax concerns	52
	207-4	Reporting country by country	27, 28

7.2 Table of contents

7.2.3 GRI Table of Contents: (GRI 102-46)

GRI Standard	Content		Pg. / Direct response
Energy			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 120, 133
	103-3	Management approach assessment	36, 120, 133
GRI 302: Energy 2016	302-1	Energy consumption within the organization	121, 127
	302-2	Energy consumption outside the organization	122, 127
	302-3	Energy intensity	121
	302-4	Reduction of energy consumption	121, 127
	302-5	Reductions in energy requirements of products and services	120-123
Emissions			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 120, 133
	103-3	Management approach assessment	36, 120, 122, 133
GRI 305: 2016 Emissions	305-1	Direct emissions of GHG (scope 1)	122, 127
	305-2	Energy indirect GHG emissions (scope 2)	122
	305-3	Other indirect GHG emissions (scope 3)	122
	305-4	GHG emissions intensity	122, 127
	305-5	Reduction of GHG emissions	30, 122, 127
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable ¹
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable ¹
Environmental compliance			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 45, 46, 58, 119-120
	103-3	Management approach assessment	36, 45, 46, 58, 119-120
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	92
Supplier Environmental Assessment			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 58-60, 133
	103-3	Management approach assessment	36, 58-60, 133
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	59
	308-2	Negative environmental impacts in the supply chain and actions taken	58, 59

GRI Standard	Content		Pg. / Direct response
Employment			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 103, 133
	103-3	Management approach assessment	36, 103, 114, 133
GRI 401: 2016 Employment	401-1	New employee hires and employee turnover	115, 116
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	105
	401-3	Parental leave	110, 116
Labor/Management Relations			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 104, 133
	103-3	Management approach assessment	36, 104, 133
GRI 402: Labor/Management relations 2016	402-1	Minimum notice periods regarding operational changes	104
Industrial Health and Safety			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 106, 107, 133
	103-3	Management approach assessment	36, 106, 107, 133
GRI 403: Occupational safety and health 2018	403-1	Occupational health and safety management system	106-108
	403-2	Hazard identification, risk assessment and accident investigation	107, 118
	403-3	Occupational health services	106-108
	403-4	Worker participation, consultation and communication on occupational health and safety	107
	403-5	Worker training on occupational health and safety	106-108
	403-6	Promotion of worker health	106-108
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	106-108
	403-8	Workers covered by an occupational health and safety management system	60, 105-108
	403-9	Work-related injuries	107
	403-10	Work-related ill-health	107



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7.2.3 GRI Table of Contents: (GRI 102-46)

GRI Standard	Content		Pg. / Direct response
Training and coaching			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 112, 113, 133
	103-3	Management approach assessment	36, 112, 113, 133
GRI 404: Training and Coaching 2016	404-1	Average hours of training per year per employee	8, 117
	404-2	Programmes for upgrading employee skills and transition assistance programs	112, 113
	404-3	Percentage of employees receiving regular performance and career development reviews	113
Diversity and equal opportunities			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 109, 110, 133
	103-3	Management approach assessment	36, 109, 110, 133
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	14, 114
	405-2	Ratio of basic salary and remuneration of women to men	111, 115
Non-discrimination			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 53, 54, 58, 133
	103-3	Management approach assessment	36, 39, 48, 133
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	48
Freedom of association and collective bargaining			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 53, 58, 59, 133
	103-3	Management approach assessment	36, 53, 104, 133
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The value is 0

GRI Standard	Content		Pg. / Direct response
Child labour			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 45, 58, 133
	103-3	Management approach assessment	36, 45, 48, 53, 58, 59, 133
GRI 408: Child labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	The value is 0
Forced or Compulsory Labor			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 58, 133
	103-3	Management approach assessment	36, 48, 53, 58, 59, 133
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The value is 0
Human rights assessment			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 53, 54, 133
	103-3	Management approach assessment	36, 48, 54, 133
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	45-48, 58, 59
	412-2	Employee training on human rights policies or procedures	55, 59
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	59
Local communities			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 45, 46, 95, 133
	103-3	Management approach assessment	36, 95, 133
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	95-102
	413-2	Operations with significant actual and potential negative impacts on local communities	93



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7.2.3 GRI Table of Contents: (GRI 102-46)

GRI Standard	Content		Pg. / Direct response
Supplier social assessment			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 58, 133
	103-3	Management approach assessment	36, 59, 133
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	59
	414-2	Negative social impacts in the supply chain and actions taken	59
Public policy			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	23, 36, 133
	103-3	Management approach assessment	23, 36, 133
GRI 415: Public policy 2016	415-1	Contributions to political parties and/or representatives	The value is 0
Customer health and safety			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 45, 49, 51, 133
	103-3	Management approach assessment	36, 93, 99, 133
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	92, 93, 99
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	92, 93

GRI Standard	Content		Pg. / Direct response
Marketing and labelling			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 50, 133
	103-3	Management approach assessment	36, 50, 133
GRI 417: Marketing and labelling 2016	417-1	Requirements for product and service labelling and information	64, 93
	417-2	Incidents of non-compliance concerning product and service information and labelling	49, 51, 93
	417-3	Incidents of non-compliance concerning marketing communications	There were no cases of non-compliance
Customer privacy			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 49, 133
	103-3	Management approach assessment	36, 49, 133
GRI 418: Customer privacy 2016	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	49
Socioeconomic achievement			
GRI 103: Management approach 2016	103-1	Explanation of the Material Issue and its Coverage	133
	103-2	The management approach and its components	36, 46-49, 133
	103-3	Management approach assessment	36, 49, 133
GRI 419: Socioeconomic achievement 2016	419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines or sanctions were reported



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7.2.4 List of contents required under Law 11/2018 (GRI 102-46)

There follows a list of contents of Law 11/2018 and its relationship with the thematic contents of the GRI Standards:

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Overview		
Business model		
Brief description of the group's business model (business environment and organization).	102-2 Activities, brands, products and services 102-7 Size of the organization	7-9, 12, 19-22, 62, 63, 78-80, 89 and Vodafone.es
Geographical presence.	102-3 Location of headquarters	Back page, 4, 5, 11, 21, 22
	102-4 Location of operations	
	102-6 Markets served	
Objectives and strategies of the organization.	102-15 Main impacts, risks and opportunities	75
Main factors and trends that may affect its future evolution.	102-15 Main impacts, risks and opportunities	4, 5, 62-67, 69-73
Overall		
Indicate the national, European or international reporting framework in the report that is used for the selection of key non-financial performance indicators included in each of the sections.	102-54 Declaration of preparation of the report in accordance with GRI Standards	6
If the company complies with the non-financial information law by issuing a separate report, it must be expressly stated that said information is part of the management report.	103-2 The management approach and its components	6
Environmental issues		
Overview		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	36, 119, 120, 133
The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	36, 127, 133
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks .	102-15 Main impacts, risks and opportunities	69-73

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Detailed Information		
General detailed information		
On current and foreseeable effects of the activities of the company on the environment and, where appropriate, health and safety.	102-15 Main impacts, risks and opportunities	73, 93, 119-121
On environmental assessment or certification procedures.	See on the page indicated	120
On the resources dedicated to the prevention of environmental risks.	See on the page indicated	120
On the application of the precautionary principle.	102-11 Precautionary principle or approach	69-73
On the amount of provisions and guarantees for environmental risks.	103-2 The management approach and its components	120
Contamination		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.	103-2 The management approach and its components	121, 125, 126
Circular economy and waste prevention and management		
Prevention, recycling, reuse, other forms of recovery and types of waste disposal; actions to combat food waste.	306-2 Waste by type and disposal method	125-127
Sustainable use of resources		
Water consumption and water supply according to local constraints.	303-1 Water extraction by source	Non-Material 126, 127
Use of raw materials and measures taken to improve the efficiency of their utilization.	301-1 Materials used by weight or volume	Non-Material 126, 127
Energy use, direct and indirect.	302-1 Energy consumption within the organization	121, 122, 127
Measures taken to improve energy efficiency.	103-2 The management approach and its components	121-123
Use of renewable energies.	302-1 Energy consumption within the organization	127
Climate change		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	305-2 Indirect GHG emissions from energy generation (scope 2)	122, 127
Measures taken to adapt to the consequences of climate change.	201-2 Financial implications and other risks and opportunities arising from climate change	30, 73, 121, 122
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and measures implemented for that purpose.	103-2 The management approach and its components	121, 122



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7.2.4 List of contents required under Law 11/2018 (GRI 102-46)

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Protection of biodiversity		
Measures taken to protect or restore biodiversity.	103-2 The management approach and its components	Non-Material
Impacts caused by activities or operations in protected areas.	103-2 The management approach and its components	Non-Material
Social and personnel issues		
General information		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	103-113
The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	114, 115
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks .	102-15 Main impacts, risks and opportunities	45-47, 55-57
Detailed information		
Employment		
Total number and distribution of employees according to representative diversity criteria (gender, age, country, etc.).	102-8 Information about employees and other workers 405-1 Diversity of governance bodies and employees	13, 14, 114
Total number and distribution of work contract modalities, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age, and professional classification.	102-8 Information about employees and other workers	114
Number of dismissals by sex, age, and professional classification.	103-2 The management approach and its components	115
The average remunerations and their evolution disaggregated by sex, age, and professional classification or equal value.	405-2 Ratio of basic salary and remuneration of women to men	115
Salary gap, remuneration paid for equal work or the average salary of the company.	405-2 Ratio of basic salary and remuneration of women to men	111
The average remuneration of directors and executives, including variable remuneration, allowances, and compensation. Payment to long-term forecast savings and any other perception broken down by gender.	102-35 Remuneration policy	15
Implementation of employment termination policies.	103-2 The management approach and its components	104
Employees with disabilities.	405-1 Diversity of governance bodies and employees	109

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Work organization		
Work schedule organization.	103-2 The management approach and its components	104, 105
Number of hours of absenteeism.	403-2 Types and frequency of accidents, occupational illnesses, days lost, absenteeism, and number of deaths due to work-related accidents or occupational illnesses	118
Measures designed to facilitate access to mediation resources and encourage the responsible use of these by both parents.	103-2 The management approach and its components	105
Health and safety		
Occupational health and safety conditions.	403-1 Occupational health and safety management system	106-108
Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender; disaggregated by gender.	403-2 Types and frequency of accidents, occupational illnesses, days lost, absenteeism, and number of deaths due to work-related accidents or occupational illnesses	118
Social relationships		
Organization of social dialogue, including procedures to inform and consult staff and negotiate with them.	102-43 Approach to stakeholder engagement 403-1 Workers representation in formal joint management-worker health and safety committees	32, 104
Percentage of employees covered by collective agreement by country.	102-41 Collective bargaining agreements	104, 105
The balance of collective agreements, particularly in the field of health and safety at work	403-4 Health and safety issues addressed in formal agreements with trade unions	107
Training		
Policies implemented for training activities.	404-2 Programmes for upgrading employee skills and transition assistance programs	111-113
The total amount of training hours by professional category.	404-1 Average hours of training per year per employee	111, 117
Universal accessibility of disabled people		
Universal accessibility of disabled people.	103-2 The management approach and its components	101, 109
Equality		
Measures taken to promote equal treatment and opportunities between women and men.	103-2 The management approach and its components	109-111
Equality plans (Section III of Organic Law 3/2007, of 22nd March, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration, and the universal accessibility of people with disabilities.	103-2 The management approach and its components	48, 104, 109-111
Policy against any type of discrimination and, where appropriate, diversity management.	406-1 Incidents of discrimination and corrective actions taken	48, 109-111



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7.2.4 List of contents required under Law 11/2018 (GRI 102-46)

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Respect for human rights		
General information		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	53, 54
The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	48
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks .	102-15 Main impacts, risks and opportunities	53, 54
Detailed information		
Application of due diligence procedures in the field of human rights; prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage, and repair possible abuses committed.	102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns 412-2 Employee training on human rights policies or procedures	53, 54
Claims regarding cases of human rights violations.	419-1 Non-compliance with laws and regulations in the social and economic area	48
Promotion and compliance with the provisions contained in the related fundamental Conventions of the International Labor Organization with respect for freedom of association and the right to collective bargaining; elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labor; and the effective abolition of child labor.	406-1 Incidents of discrimination and corrective actions taken	53, 54
Work against corruption, extortion and bribery		
General information		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	45-48, 53, 55, 56, 59, 60

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	47, 48
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks .	102-15 Main impacts, risks and opportunities	47, 48, 55, 56, 59
Detailed information		
Measures taken to prevent corruption and bribery.	102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	45-48, 53, 55-57, 59, 60,
Anti-money laundering measures.	102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns	47, 55-57
Contributions to foundations and non-profit organisations.	103-2 The management approach and its components	95, 100
Information about society		
General information		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	95-98
The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	95-98



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7.2.4 List of contents required under Law 11/2018 (GRI 102-46)

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks .	102-15 Main impacts, risks and opportunities	69-73
Detailed information		
Commitment by the company to sustainable development		
Impact of the company's activities on employment and local development.	103-2 The management approach and its components	26-30
The impact of company activity on local populations and on the territory.	103-2 The management approach and its components	95-98, 100
Relationships maintained with representatives of the local communities and the types of dialogue with them.	102-43 Approach to stakeholder engagement	95-98
Association or sponsorship actions.	415-1 Contributions to political parties and/or representatives	23
Subcontractors and suppliers		
The inclusion of social, gender equality and environmental issues in the purchasing policy.	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	58-60
Consideration of social and environmental responsibility in relations with suppliers and subcontractors.	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	59, 60
Supervision systems and audits, and their results.	308-2 Negative environmental impacts in the supply chain and actions taken 414-2 Negative social impacts in the supply chain and actions taken	59, 60

Information requested under Law 11/2018 (Non-financial information statement)	Linking with GRI contents	Pg. / Direct response
Consumidores		
Customer health and safety measures.	See on the page indicated	93
Claims systems, complaints received and their resolution.	102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised 418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	49-50
Tax information		
Profits obtained by country.	103-2 The management approach and its components 207-4 Reporting country by country	FS note 17
Income Tax expense.	103-2 The management approach and its components	FS note 18
Public subsidies received.	103-2 The management approach and its components	FS note 12



7.3 Glossary

ADSL: Asymmetric Digital Subscriber Line

AMAP: Africa, Middle-East and Asia Pacific

ARPU: Average Revenue per User

BAM: Mobile Broadband

CEO: Chief Executive Officer

CNMC: National Markets and Competition Commission

CSC: Customer Service Center

CVM: Customer Value Management

DMP: Data Management Platform

DPA: Data Protection Act

EBITDA: Earnings before interest, taxes, depreciation and amortization

EMF: Electro Magnetic Fields

EU: European Union

FB: Fixed Broadband

FTE: Full Time Equivalents

FTTH: Fiber To The Home GB: Gigabyte

Gbps: Gigabits per second

GDPR: General Data Protection Regulation

GHG: Green House Gas

GRI: Global Reporting Initiative

GSM: Global System for Mobile communications

HFC: Hybrid Fiber Coaxial

HR: Human Resources

HSDPA: High Speed Downlink Packet Access

IAPP: International Association of Privacy Professionals

ICT: Information and Communication Technologies

IGIC: General Indirect Canary Islands Tax

IIRC: International Integrated Reporting Council

IoT: Internet of Things

IPSI: Production, Services and Import Tax

IPVPN: Internet Protocol Virtual Private Network

M2M: Machine to Machine

MEPS2: Business Monitor for Excellence in Prevention, Health and Safety

MVNO: Mobile Virtual Network Operator

NB-IoT: Narrow Band IoT

NEBA: New Broadband Ethernet Service

NFC: Near-Field Communication

NGA: New Generation Access

NPE: Non-Profit Entity

NPS: Net Promoter Score

NSA: Non-Stand Alone

OECD: Organization for Economic Cooperation and Development

P.A.: Public Administrations

REDI: Business Network for Diversity and Inclusion

RND: Responsible Network Deployment

SAU: Single-Member Corporation

SDG: Sustainable Development Goals

SEAD: Department of State for Digital Advancement

SECOT: Spanish Seniors for Technical Co-operation

SLT: Senior Leadership Team

STEM: Science, Technology, Engineering and Mathematics


TB: Terabyte

T-NPS: Transactional Net Promoter Score

UMTS: Universal Mobile Telecommunications System



7.4 Independent Assurance Report



KPMG Asesores S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Vodafone Holdings Europe S.L.U. Integrated Report 2020-21

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Vodafone Holdings Europe S.L.U.:


We have been engaged by Vodafone Holdings Europe S.L.U. management (hereinafter the Parent or Vodafone) to perform an independent review of the non-financial information included in the Vodafone Holdings Europe S.L.U. Integrated Report 2020-21 for the year ended 31 March 2021 (hereinafter the Report), in order to issue:

- An independent reasonable assurance conclusion indicating that, based on the work performed and the evidence obtained, Vodafone has applied the AA1000AS v3 AccountAbility Principles Standard, in all material respects, in accordance with the principles of inclusivity, materiality, responsiveness and impact defined in that Standard, as described in sections GRI 102-43 and GRI 102-44 of the Report.
- An independent limited assurance conclusion indicating that, based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the indicators contained in the “GRI Table of Contents” section of the Report have not, in all material respects, been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (the GRI Standards): comprehensive option, as described in point 102-54 of the GRI Content Index, and have not been fairly presented, which includes the reliability of data and the absence of significant deviations and omissions.

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review to evaluate whether the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Vodafone Holdings Europe S.L.U. and subsidiaries (hereinafter the Group) for the year ended 31 March 2021, included in the Report and forming part of the consolidated directors’ report for 2020-21, has been prepared in accordance with prevailing mercantile legislation.

KPMG Asesores S.L., a limited liability Spanish company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Paseo de la Castellana, 259C – Torre de Cristal – 28046 Madrid

Reg. Mer Madrid, T. 14372, F. 63, Sec. 8, H. M. 249.480, Inscric. 1ª Tax identification number (NIF): B-62498650



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(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Responsibility of the Parent’s Directors and Management

Vodafone management is responsible for the preparation and presentation of the Report in accordance with the GRI Standards: comprehensive option, as described in point 102-54 of the “GRI Table of Contents” of the aforementioned Report. Management is also responsible for compliance with the Materiality Disclosure Service criteria, obtaining confirmation from the Global Reporting Initiative on the proper application of these criteria. Moreover, management is responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000AS v3 AccountAbility Principles Standard; for determining Vodafone’s objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material topics; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

The Directors of Vodafone are responsible for the contents and the authorisation for issue of the NFIS. The NFIS has been prepared in accordance with the contents included in prevailing mercantile legislation and GRI standards, in accordance with each subject area in the “List of contents required under Law 11/2008” table of the aforementioned Report.

This responsibility includes establishing such controls as management determines are necessary to enable the preparation and presentation of limited assurance indicators that are free from material misstatement whether due to fraud or error.


The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems used to obtain the information required to prepare the Report.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team comprised professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.



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Our Responsibility

Our responsibility is to carry out a review to provide reasonable assurance on the implementation of processes and procedures which adhere to the principles included in the AA1000AS v3 AccountAbility Principles Standard, and limited assurance on the preparation and presentation of the other indicators within the review scope, and to express a conclusion based on the work performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement.

We have also conducted our engagement in accordance with the AA1000AS v3 AccountAbility Sustainability Assurance Standard (Type 2), which covers not only the nature and extent of the organisation’s adherence to AA1000AS v3, but also evaluates the reliability of performance information as indicated in the scope.

Reasonable Assurance Review of Information

Our reasonable assurance work depends on our professional judgement, including the assessment of the risks of material misstatement of the information, whether due to fraud or error.

In making these risk assessments, we have considered internal control relevant to the preparation and implementation of processes and procedures that comply with the principles established in the AA1000AS v3 AccountAbility Principles Standard in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Vodafone’s internal control over the preparation and presentation of the Report.

Our engagement also includes assessing whether the information included in the Report is in line with AA1000AS v3 standard, obtaining an understanding of how the information was obtained from its source and evaluating the reasonableness of estimates made by Vodafone.

Limited Assurance Procedures Applied to Indicators

Our limited review work consisted of making inquiries of management and persons responsible for the preparation of the information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Evaluation of Vodafone’s processes for determining the material issues, and the participation of stakeholders therein.
- Interviews with management and relevant staff at group level and at selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across Vodafone’s business.



7.4 Independent Assurance Report



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- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, and the principal risks related to these matters, and to obtain the information necessary for the external review.
 - Analysis of the scope, relevance and completeness of the content of the Report based on the materiality analysis performed by the Parent and described in the "Materiality analysis" section, considering the content required by prevailing mercantile legislation.
 - Analysis of the processes for compiling and validating the information presented in the Report for 2020-21.
 - Review of the consistency of information comparing the Universal Standards with internal systems and documentation.
 - Review of the application of the requirements of the GRI Standards: comprehensive option.
 - Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2020-21.
 - Corroboration, through sample testing, of the information relative to the content of the Report for 2020-21 and whether it has been adequately compiled based on data provided by the information sources.
 - Procurement of a representation letter from the Directors and management.
- Our multidisciplinary team included specialists in AA1000AS v3, stakeholder engagement and in social, environmental and economic business performance.
- The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable review engagement. Consequently the level of assurance obtained in a limited review engagement is lower than that of a reasonable review engagement. Under no circumstances may this report be considered an auditor's report.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this independent report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions:

- In our opinion, the processes and procedures that comply with the principles established in the AA1000AS v3 AccountAbility Principles Standard, reviewed with a reasonable level of assurance, have been prepared and presented, in all material respects of the Standard, applying the principles of inclusivity, materiality, responsiveness and impact as included in sections GRI 102-43 and GRI 102-44 of the Report.



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- Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the indicators reviewed with a limited level of assurance have not, in all material respects, been prepared and presented in accordance with the GRI Standards: comprehensive option, as detailed in point 102-54 of the GRI Table of Contents, which includes the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.
- The NFIS of Vodafone Holdings Europe S.L.U. and subsidiaries for the year ended 31 March 2021 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and GRI standards, in accordance with each subject area in the "List of contents required under Law 11/2018" table of the Report.

Recommendations

Without prejudice to the conclusions presented above, our key observations on the application of the principles of inclusivity, materiality, responsiveness and impact defined in the AA1000AS v3 AccountAbility Principles Standard are as follows:

In relation to the Principle of INCLUSIVITY

Vodafone carries out an annual process to update its materiality, sending questionnaires to all stakeholders in order to ascertain their opinion on material topics for the Group. It is recommended that progress continue to be made on defining the material issues in order to include the topics required by Law 11/2018 on non-financial information and diversity. It is also recommended that information be obtained on the perspectives and expectations that each stakeholder has of Vodafone and that an action plan be designed to provide stakeholders with transparent information on how Vodafone uses engagement processes to advance its strategy and contribute to its needs.

In relation to the Principle of MATERIALITY

In the annual update of the materiality analysis, Vodafone carries out an exercise to identify, prioritise and validate the most relevant topics, from both an internal and external perspective. In the internal prioritisation, the Reputation Committee approved the materiality analysis performed. It is recommended that the analysis be enriched with an assessment of the relevance of the issues in the medium and long-term, thus enabling the Company to strategically prepare for risk management.

In relation to the Principle of RESPONSIVENESS

The aim of Vodafone's Strategic Sustainable Business Framework is to respond to the main challenges in CSR and link them to the development of programmes to improve its performance. To make further progress in this Principle of Responsiveness, it is recommended that the Group continue to work on the management approach for each issue, identifying the risks related to each material topic, the related KPIs and the people responsible for monitoring and assessing the response to such matters.



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In relation to the Principle of IMPACT

Vodafone has continued to work on formalising its methodology for measuring its direct and indirect impacts based on its analysis of contribution to sustainable development, through its economic, social and environmental contribution. It is recommended that the Company establish processes for the correct management of its KPIs, defining the methodology for monitoring and reporting data to ensure consistency in reporting year-to-year. It is also recommended that an exercise be performed to assess the negative impacts on each of the relevant areas for the Company and on their monetisation.

Use and Distribution

In accordance with the terms of our engagement, this Independent Review Report has been prepared for Vodafone Holdings Europe S.L.U. in relation to its Integrated Report 2020-21 and for no other purpose or in any other context.

This report has been prepared in relation to the Consolidated Non-Financial Information Statement in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

7 July 2021





Annual Financial Statements

Available only in
Spanish version

**We would like to
hear your opinion
about this report**

You can write to us at:

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**For further information,
visit our web**

