Our vision and approach

We aim to use our products and services to help transform societies and contribute to more sustainable living. Find out more about our vision and how we manage sustainability

Our vision sets out our ambition to deliver connectivity and innovative services to improve people's livelihoods and quality of life. Central to achieving this vision is our longstanding commitment to manage our operations responsibly and ethically.

CEO introduction

The beliefs, aspirations and concerns of our diverse stakeholders shape our performance as much as any business decision. Everyone we deal with – our customers, shareholders, partners, suppliers, employees, elected representatives, regulators, NGOs and the media – rightly expects everyone at Vodafone to act responsibly and with integrity at all times. Financial results alone are not enough: the societies and communities within which we operate want companies to focus on enhancing lives and livelihoods, not just enhancing returns to their shareholders. Overlooking that expectation would risk undermining our prospects for long-term value creation.

Our core business is founded on a powerful social good: we exist to help more than 430 million customers in more than 27 countries communicate, share, create, learn and grow. The rapid expansion of communications networks is having a profound impact on the way people manage their daily lives. The social consequences are significant: for example, as we explain in a new section in this report, mobile can be enormously empowering for many women in emerging markets. High-speed data networks are also changing how companies and public sector organisations operate, enhancing productivity and effectiveness and in many cases reducing energy needs, therefore helping to address global warming. The report sets out how our technologies enable our customers to reduce their climate change impact, and gives an overview of our continuing efforts to reduce our operational energy consumption and CO_2 emissions.

The data revolution is shaping household habits and enterprise strategies in ways that were little more than science fiction a generation ago. However, radical change often leads to complexity, new emerging risks and new kinds of concerns. Foremost amongst the latter is growing public anxiety about access to citizens' private information by commercial entities and government authorities. As we explain in this report, the protection of our customers' privacy is one of our highest priorities. We also reflect the public debate arising from allegations regarding government surveillance with the publication of our first Law Enforcement Disclosure report. This illustrates our approach to responding to law enforcement demands across 29 countries, including information about intelligence agency and authority demands on a country-by-country basis, where statistical data can lawfully be disclosed.

Corporate taxation is also an ongoing focus of public debate. Here, too, we have sought to inform discussions by producing a detailed and transparent insight into our views and approach. Our Tax and Total Economic Contribution report – updated in December 2013 – provides a detailed overview of our role in funding public finances, including a country-by-country breakdown of cash taxes paid: Vodafone is the first international communications operator to do so.

These issues – and others also addressed in this report – are of interest to a wide range of stakeholders. We are accountable to all of you. We hope this report is informative and we look forward to further discussions over the year ahead.

Vittorio Colao,
Chief Executive, Vodafone Group Plc

Our vision

Vodafone's ambition is to contribute to sustainable living by delivering connectivity and innovative services to our 434 million customers – 70% of whom live in emerging markets.

Communications technology is already a vital tool in people's lives and is helping to transform large parts of the world. It is also contributing to global trends, such as first-time access to the internet for people in emerging markets and the ability to connect not just people but things like machinery and vehicles via the 'internet of things'. Researching and developing opportunities that can contribute to sustainable living through our technology remains at the core of our vision.

We see significant opportunities to grow and enhance our business by developing commercially viable, scalable services that support sustainable development and differentiate our brand. Vodafone's mobile money transfer product, M-Pesa, is already a well-established and growing part of the business and has become the basis for a range of other services that can also improve livelihoods.

We continue to build on the work we are doing in areas such as agriculture, education and health, where technology is recognised as a critical tool that can make a significant difference to people's lives, and we are working with partners to develop this further. We are also exploring how mobiles can improve working lives and livelihoods in emerging markets and the role they can play in empowering women to be able to contribute economically and access improved outcomes in healthcare and education.

In developed markets, our products and services continue to play an important role in tackling one of the biggest global challenges we face – climate change. Smart working and our machine-to-machine (M2M) technologies offer significant potential to help organisations and individuals reduce their energy use and carbon emissions, enabling them to live, work and operate more sustainably.

Maintaining the trust of our customers and other stakeholders and remaining accountable to them is critical to our brand and vital to achieving our vision. To earn and retain that trust we continue to build on our longstanding commitment to manage our operations responsibly – from keeping our people safe and managing our carbon footprint, to protecting our customers' privacy and conducting our business in an ethical and transparent way.

Our vision

Unleash the power of Vodafone to contribute to sustainable living for all

Our approach and current focus areas

Delivering transformational solutions

Mobile technology is improving livelihoods and quality of life globally. We are exploring commercial opportunities where our products and services can bring further benefits to society and we are researching the potential for our technology to further contribute to sustainable living.

Finance

Women

Low carbon solutions

Smart working

Agriculture

Health

Education

Operating responsibly and ethically

Operating responsibly is essential to our licence to operate and delivers commercial advantages to the business, helping to turn potential risks into opportunities and enhancing the contribution of our products and services to sustainable living. By acting with honesty and integrity we can secure the trust of our customers, which is integral to the long-term success of our business.

Privacy and security

Responsible supply chain

Tax and our total economic contribution
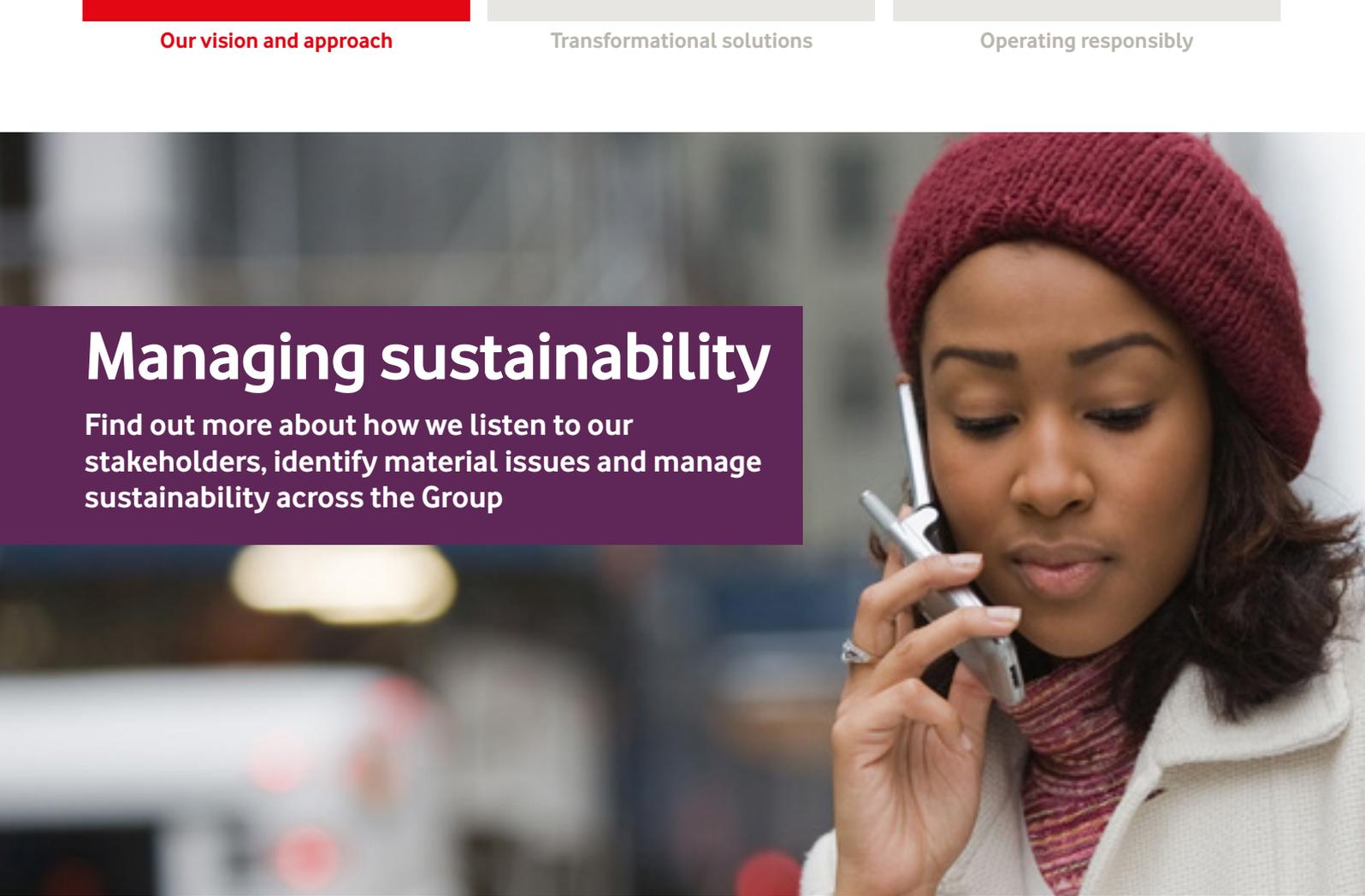

Environmental footprint

Health and safety

Human rights

Mobiles, masts and health

Managing sustainability

Find out more about how we listen to our stakeholders, identify material issues and manage sustainability across the Group

We have robust policies and systems in place to manage the wide range of sustainability issues we encounter in our business activities. Listening to our stakeholders helps us prioritise these issues by identifying those that are most important to them and to us.

Managing sustainability

Governance

The Group Executive Committee (ExCo) is responsible for our sustainability performance and receives a formal update on sustainability at least once a year as well as a monthly written update. A report is also made annually to the Vodafone Group Plc Board.

The Group Director of Sustainability and Vodafone Foundation reports to the Group External Affairs Director (an ExCo member) and heads a team of experts who act as trusted advisors to our local market sustainability leads and issue owners, who implement sustainability initiatives across the business.

Managing sustainability across the Group

We have an established framework for implementing our sustainability programme across the Group through a network of issue owners within different functions and dedicated teams in each market. The Chief Executives of individual operating companies have overall responsibility for their sustainability performance and the Group Director of Sustainability and Vodafone Foundation regularly meets members of their executive teams. Quarterly formal meetings are also held with our regional CEOs and Directors of key Group functions.

Our Group Sustainability team focuses on:

- Compliance – issues management and data collection to ensure we operate responsibly and comply with external regulations and internal policies

- Commercial opportunities – to leverage the sustainability credentials of our business and our products and services as a commercial differentiator

- Communications – researching and improving understanding of the role of communications technology in the societies and communities in which we operate, and in addressing global trends.

Our local operating companies align their strategy to the Group but have the flexibility to focus on issues that are important to their local stakeholders. The Group Sustainability team runs monthly teleconferences and annual global workshops for sustainability managers and issue owners from our local markets to align with the Group Sustainability strategy, share best practice, ensure consistency across the business and drive progress towards our vision.

We report progress publicly in our Group and our local markets' sustainability reports. Our performance at Group level is independently assured (see our Assurance section).
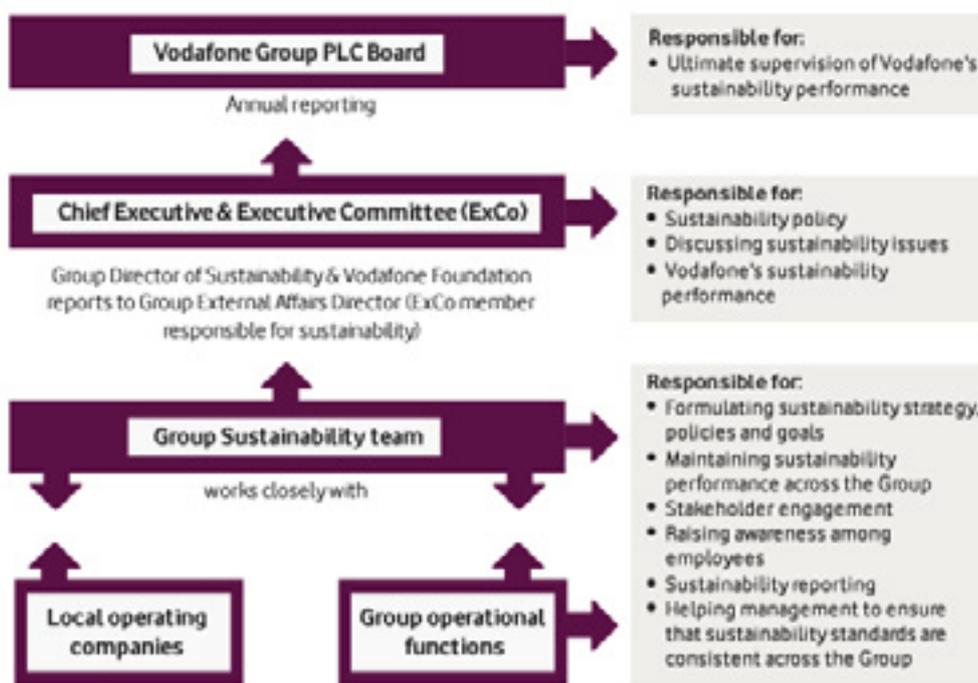
Code of Conduct and other policies

Our policies help to ensure that our Business Principles are put into practice in our day-to-day business.

The Code of Conduct, which incorporates the Business Principles, is our central policy document. The Code outlines the requirements that every single person working for and with Vodafone must comply with. To see our Code of Conduct and other policies visit www.vodafone.com/content/sustainabilityreport/2014/index/our_vision_and_approach/managing_sustainability/code_of_conduct_and_policies.html

Managing sustainability

Stakeholder engagement

Communicating with and listening to our stakeholders – the people who can affect our business or who are affected by it – is important to help us understand their views and explain our perspectives.

The feedback we receive from external stakeholders informs our judgment about sustainability priorities for our business and feeds into our sustainability strategy as appropriate. Our aim is for Vodafone and its stakeholders to find the process mutually beneficial and in cases where we do not agree or cannot respond to the feedback we have received, we aim to explain our position honestly and openly.

Our stakeholders include investors, employees and suppliers – who are directly affected by our business performance – as well as consumers and enterprise customers (small and large businesses and organisations) who relate to us as a service provider. Many more people in communities see our network infrastructure and some object to where we put our mast sites. Non-governmental organisations and sustainability opinion formers are often concerned about specific issues. Governments and regulators can affect our business through new legislation and regulations (see our Public policy section).

We tailor our engagement processes to suit each different stakeholder group. Our local markets play an important role in forming relationships with local stakeholders.

Stakeholder group	How we engage	Further information
Investors	We meet with investors through events, conference calls and one-to-one meetings to understand their concerns about sustainability risks and help us identify potential future issues.	We use our engagement with investors to understand what information they want and to explain our strategy for managing sustainability across the business. We also provide information for investors on our Group website (see our Investor Relations section).
Opinion formers and experts	We consult with experts on a wide range of issues to gain feedback about our practices and inform our strategy on sustainability. Our Sustainability Expert Advisory Panel was established in 2007 to provide feedback on our strategy, performance and issue management. The forum comprises experts from sustainability organisations, NGOs and industry, with a mutual interest in debating relevant issues and finding solutions for Vodafone to put into practice.	Our Sustainability Expert Advisory Panel met once in 2013/14 to discuss the role of sustainability at Vodafone now and in the future. We interviewed opinion formers as part of our Connected Women research and Vodafone Group CEO, Vittorio Colao, hosted a discussion panel with four opinion formers at the launch event.
Non-governmental organisations (NGOs)	We consult with NGOs when their campaign or focus is relevant to our business. We do this by organising face-to-face meetings and meeting representatives at sustainability events. Our engagement with individual NGOs is mainly focused on specific issues.	NGOs are included in many of our dialogues with experts and are included on Vodafone's Sustainability Expert Advisory Panel. We also consult with NGOs on particular issues. In 2013/14, these included engaging with the multi-stakeholder Ranking Digital Rights project, which is developing a methodology to rank ICT companies on respect for free expression and privacy. We continued to engage with NGOs and the Global Network Initiative through our participation in the Telecommunications Industry Dialogue on Privacy and Freedom of Expression.
Enterprise customers	We work with our enterprise customers to help them meet their sustainability needs. Partnering with them will also play an important role in helping us to deliver transformational products and services. It will support us in creating commercially viable services with sustainability benefits that can be scaled up and rolled out across different markets.	We work with enterprise customers to develop products and services that promote sustainability, for example through Low carbon solutions and Smart working.

Managing sustainability

Stakeholder group	How we engage	Further information
Consumers	We communicate with consumers in many ways as part of our normal business operations, for example, through our retail outlets, contact centres and customer research. Understanding the attitudes of consumers towards sustainability issues is critical to getting our strategy right.	We run regular perception surveys across our markets to evaluate our reputation in local markets and globally. In 2013/14, we surveyed consumers (and opinion formers) to understand their expectations in relation to privacy (see our Privacy and security section). We also engage consumers on the environmental and social impacts of mobile phones through our Eco-rating scheme (see our Customers and the environment section).
Industry	We collaborate with industry peers through our participation in industry forums on sustainability issues. These include: • Global e-Sustainability Initiative (GeSI) • International Telecommunications Union • Joint Audit Cooperation (JAC) • Telecommunications Industry Dialogue on Freedom of Expression and Privacy • GSM Association (GSMA) and GSM Europe	Through GeSI, we participate in industry initiatives such as the Conflict Free Sourcing Initiative which aim to tackle conflict minerals by increasing transparency and traceability in the supply chain. Through JAC, we collaborate with other telecoms companies to assess and improve the social and environmental performance of common suppliers. In 2013/14, we participated in JAC's third annual conference on sustainability and corporate social responsibility in China (see our Responsible supply chain section). We continued to engage with others in our industry through the Telecommunications Industry Dialogue on Freedom of Expression and Privacy. We also chair the GSMA Europe Health and Environment working group, which met four times in 2013/14, and participated in the GSMA Europe EMF Forum 2014 in Brussels to share best practice and engage in dialogue with industry peers on mobiles, masts and health.
Communities	We consult local people to help us understand and address any concerns they may have with the deployment of our network in their communities.	Our local operating companies continued to consult with communities in the rollout of our networks in 2013/14 (see our Network deployment section for more on our approach). We also explored ways to expand our 'community power' model, which uses our network infrastructure to bring additional benefits to communities by increasing access to energy in remote areas of emerging markets (see our Low carbon solutions section).
Governments and regulators	Vodafone engages with regulators and governments on a wide range of issues relevant to our business and contributes to consultations on sustainability issues.	See our Public policy section for more on our engagement with governments and regulators.
Employees	We gain feedback from employees on how we're doing through our annual Global People Survey, as well as engaging informally through internal communications channels and regular meetings with managers.	In 2013/14, our efforts to engage employees across the Group helped us to maintain strong scores in our annual Global People Survey (see Our people section).
Suppliers	We work closely with suppliers to ensure they maintain high standards by conducting assessments and holding workshops to help them improve. We also collaborate with key network suppliers to help us cut climate impacts by improving the energy efficiency of our operations.	We participate in the Carbon Disclosure Project Supplier programme to encourage suppliers to disclose and set targets to reduce energy use and carbon emissions (see our Responsible supply chain section).

Managing sustainability

Public policy

Vodafone engages with regulators and governments on a wide range of issues directly relevant to our company and industry, as well as issues of broad public interest. We aim to be direct and transparent about our views, and base our opinions on evidence. All engagement with governments and regulators is subject to our Group Public Policy Principles.

We seek to inform policymakers – including legislators, government officials and regulators – about the nature of our business, the telecommunications industry and the business environment generally. Vodafone develops policy positions that explain the outcomes the company seeks from the public policy process and how we believe policy makers should approach issues.

Many of our written submissions are made public by the government organisation to which they are submitted. Vodafone believes in transparency in government relations and will provide copies of any formal submissions in the public domain to regulators and governments on request. The views expressed within our website and in this Sustainability Report are consistent with the views presented by Vodafone to governments.

We work with key industry trade associations on public policy issues. For example, Vodafone is a member of the World Economic Forum, GSM Association, GSMA Europe and the International Telecommunication Union. Vodafone is also commonly a member of national telecommunications industry associations in the countries where we operate if these associations exist.

It is Vodafone's policy not to make political donations or support particular party political interests.

We engage with regulators on general industry issues and sustainability-related issues such as privacy and climate change.

See our public policy website for position papers, policy papers and our responses to government consultations on specific issues.

Vodafone's position on public issues

General industry issues

Vodafone local operating companies are generally subject to regulation governing the activities of our industry in individual countries, as well as general competition (anti-trust) laws applicable to all activities.

Our engagement with regulators and governments mainly focuses on the following issues relevant to our industry:

- Mobile and fixed telecommunications market competitiveness
- International roaming
- Mobile call termination
- Spectrum policy
- Universal service policy
- Privacy and data security.

Broader public issues

Vodafone seeks to help governments meet their objectives on a number of issues of broader public interest. These include:

- Socio-economic potential of communications technology and its contribution to employment
- Innovation and prosperity
- Public service delivery and effectiveness
- National and public security.

Sustainability issues

We also engage with governments to develop appropriate regulations related to specific sustainability issues. This is covered in the relevant sections of this report.

Managing sustainability

Material issues

We focus our sustainability activities and reporting on the issues of greatest concern to Vodafone and our stakeholders.

Feedback from regular engagement with stakeholders feeds into our process to identify the issues that are most significant – or 'material' – to Vodafone.

We use a 'materiality matrix' (see below) to map the issues that our stakeholders are most concerned about against those that have the biggest financial or operational impact on our business. We then apply the materiality principle to each key issue to help us identify and prioritise the most significant sub-topics.

To create the matrix, we use a tool developed specifically for the ICT industry by the Global e-Sustainability Initiative (of which Vodafone is a member), combined with Vodafone's own criteria to assess and quantify risk. The assessment is done at Group level with input from teams in each of our local markets.

The matrix below shows our most material issues at Group level based on our assessment in February 2013. You can find out more about the action we are taking to mitigate the risks and realise the opportunities associated with these issues in each online section at www.vodafone.com/sustainability/report2014
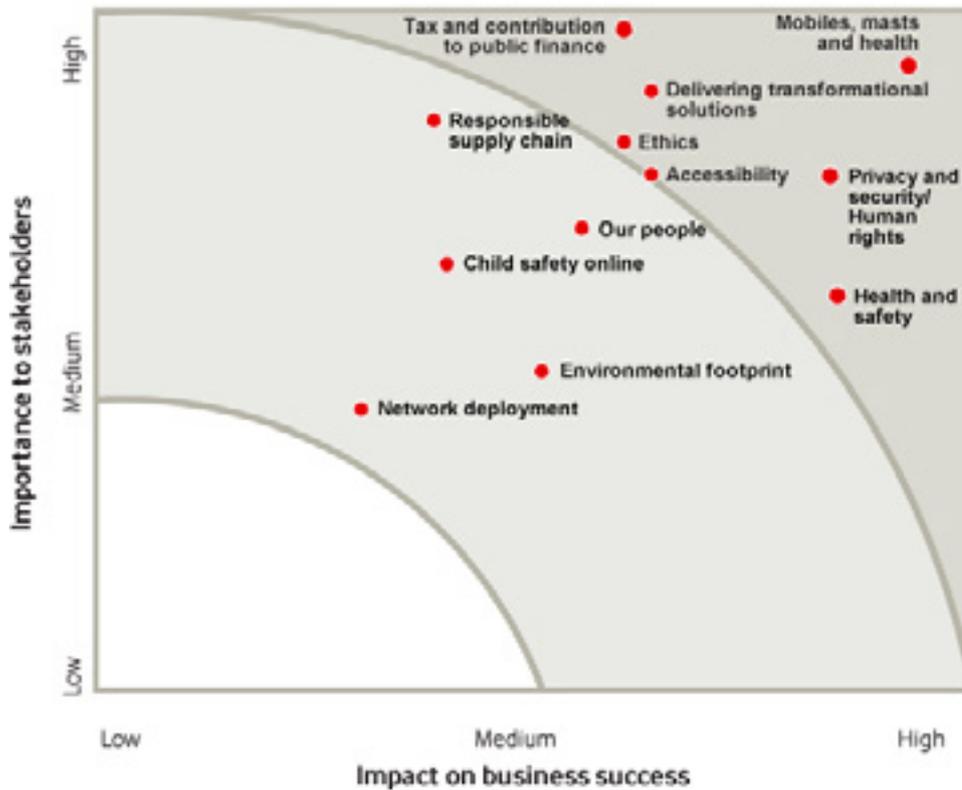
Managing sustainability

Awards and recognition

Our solutions, programmes and reporting have been recognised by a number of external awards and Vodafone is included in several corporate sustainability rankings and indices.

These include:

GSMA Global Mobile Awards:

- 2014: Best Mobile Product, Initiative or Service in Emerging Markets (for the Vodafone Foundation's RUDI Sandesha Vyavhar project)

- 2014: GSMA mWomen Award (as above)

- 2013: Best Use of Mobile in Emergency or Humanitarian Situations (for the Vodafone Foundation's Instant Network)

- 2012: Nomination for Best Mobile Health Innovation (for Nompilo mobile health enablement platform in **South Africa**)

- 2011: Best Mobile Money for the Unbanked Service (for M-Pesa)

Guardian Sustainable Business Awards:

- 2014: Social Impact Award (for the Vodafone 'Connected' series of publications)

Ethical Corporation Awards:

- 2013: Best Business-to-Business (B2B) Partnership (with Unilever in developing the ECOTAB application)

FTSE4Good Index:

- 2013: Member

Carbon Disclosure Project:

- 2013: Disclosure 85 – Performance B

- 2012: Disclosure 73 – Performance C

- 2011: Disclosure 81 – Performance B

Corporate Register Corporate Responsibility Reporting Awards:

- 2012: 1st runner up for Best report, 1st runner up for Best carbon disclosure

- 2011: Best carbon disclosure (not eligible for Best report award after winning three years running)

- 2010: Best report, 1st for Relevance & Materiality and 3rd for Credibility through Assurance

PWC Building Public Trust Awards:

- 2013: Tax Reporting in the FTSE100

Local Market Awards:

2014

- **Vodafone Germany:** certified as a top employer (for exceptional employee conditions, talent development and leadership in HR)

2013

- **Vodafone Greece:** Environmental Awards 2013 – Gold Award in the Sustainable Business category (for the development of products and services that reduce environmental footprint)

- **Vodafone Hungary Foundation:** CSR Hungary Award (for Mobile for Good initiatives)

- **Vodafone Netherlands:** Reputation Management Award (for transparency)

- **Vodafone Romania:** Award for Excellence at the People for People Gala (for supporting the NGO environment and community)

- **Vodafone Spain:** Social Enterprise Award (for strategic and innovative actions that create value for society and business)

- **Vodacom:** best performer on Johannesburg Stock Exchange's Socially Responsible Investment Index (JSE SRI) (for our regard for society, governance and environment in our corporate strategy)

- **Vodacom:** included in the Global 500 CDP report (for performance and transparent reporting on carbon emissions).

About our reporting

Find out more about the scope of our reporting, read the assurance statement and view our benchmarking against GRI reporting guidelines

Our annual Sustainability Report considers the full range of material economic, environmental and social impacts of our business and explores the way in which our technology is contributing to sustainable living.

Scope of reporting	15
GRI compliance	15
Assurance	16

About our reporting

Scope of reporting

The data on this 2013/14 sustainability reporting website covers the financial year ended 31 March 2014. In our view, the boundary and scope of the online report addresses the full range of material economic, environmental and social impacts of the organisation.

Local markets

The data this year covers 24 countries: Albania, Czech Republic, Egypt, Germany, Ghana, Greece, Hungary, India, Ireland, Italy, Malta, the Netherlands, New Zealand, Portugal, Qatar, Romania, Spain, Turkey, the UK, Vodacom in South Africa and Vodacom's subsidiaries in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.

Data for operations formerly owned by Cable and Wireless Worldwide and TelstraClear are included in the 2013/14 environmental footprint, but not for previous years. Data for any acquisitions made during 2014 is not included in the environmental footprint as our policy is to publicly report performance data from newly acquired businesses at the end of their first full year as a controlled subsidiary. Please refer to the notes accompanying the data for further clarification. Within the Sustainability Report and our sustainability website, we refer to our businesses in all these countries as 'our markets'.

Joint ventures, associated undertakings, other investments and partner markets

Vodafone has mobile operations in 27 countries and partners with mobile networks in 48 more, and fixed broadband operations in 17 countries. Our sustainability reporting covers the mobile and fixed networks in the 24 local countries listed above and does not include our joint ventures, our associate Safaricom (Kenya) or partner networks. Exceptions to this are our employee figures which include joint ventures in Australia and Fiji, and the Law Enforcement Disclosure section which covers 29 countries (see Our people and Law Enforcement Disclosure report for further details).

However, we do work with our joint venture companies and associated undertakings on sustainability programmes and some case studies from these countries are included in our sustainability reporting.

Outsourcing partners

We are increasingly outsourcing certain elements of our operations, in particular the deployment and management of our networks. We collect sustainability performance information from these companies where we have either ownership or operational control of the assets they manage. We also report data on contractor fatalities.

Shared sites

We co-locate many of our sites with other operators in some countries. In these countries we agree the best approach to account for this data with our auditors based on our operational control.

Non-Vodafone branded companies

In addition to the companies mentioned above, some of our local countries own smaller, non-Vodafone branded companies that provide services to their business. Data from these companies is excluded from the scope of our sustainability reporting as data from non-Vodafone branded companies is considered less reliable.

Other Vodafone entities

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

Retail operations and branded stores

The Group has a mix of owned retail operations and Vodafone branded stores by way of franchise and exclusive dealer arrangements. Our sustainability data only includes our owned retail operations.

Energy data and emissions reporting

We use an electronic data collection process to gather our data. In the majority of our countries, energy usage data is based on invoices from our energy suppliers. In some countries, these bills are based on the supplier's estimated readings. Where data does not match our reporting period exactly, we forecast this information. For sites where energy invoices are unavailable, we extrapolate this information based on typical site consumption. Increasingly, we measure our energy efficiency through 'smart metering' – a tool using our own mobile communications to collect real-time data from energy meters on consumption levels, which we have rolled out to many of our sites.

Trademark notice

Vodafone, the Vodafone Speech Mark, the Vodafone Portrait, Vodacom, Vodafone Red, Vodafone Guardian, Vodafone WebBox, Vodafone BuyBack, and Vodafone Locate are trademarks of the Vodafone Group. The Vodafone Rhombus is a registered design of the Vodafone Group. Other product and company names mentioned herein may be the trademarks of their respective owners.

GRI compliance

We have benchmarked our 2013/14 sustainability reporting against the Global Reporting Initiative (GRI) G3.1 sustainability reporting guidelines.

Download our GRI index at www.vodafone.com/content/sustainabilityreport/2014/index/our_vision_and_approach/about_our_reporting/gri_compliance.html

About our reporting

Assurance

The online Vodafone Group Sustainability Report 2013/14 (the Report) has been prepared by the management of Vodafone, who are responsible for the collection and presentation of the information within it. Our responsibility, in accordance with Vodafone management's instructions, is to carry out a limited assurance engagement on the following subject matter:

Collection, consolidation and presentation of:

Sustainability data relating to:

- Energy
- Carbon (CO_2) emissions
- Greenhouse gas (GHG) emissions
- Network waste
- Fatalities
- Lost time incidents (LTIs)
- Gender diversity

Tax disclosures relating[1] to:

- Direct revenue contribution: taxation
- Direct revenue contribution: other non-tax
- Indirect revenue contribution
- Capital investment
- Direct employment

The balance and accuracy of claims made in the following sections of the Report, marked with an Ernst & Young footnote:

- Environmental footprint
- Health and safety
- Our people – diversity & inclusion
- Human rights
- Tax and our total contribution to public finances[1]
- Privacy and security – Vodafone's alignment with the industry dialogue guiding principles on freedom of expression and privacy

Our responsibility in performing our assurance activities is to the management of Vodafone Group only in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE3000). The subject matter has been evaluated against the following criteria:

- Coverage of the material issues determined through a review of documentation and an assessment of coverage against Vodafone's own materiality process.
- Consistency of performance claims and selected data with underlying company level documentation and explanation provided by relevant managers.
- Completeness of the data in terms of coverage of material reporting entities.
- Accuracy of data collation and presentation (including limitations) of data within the report.

In order to form our conclusions we undertook the steps outlined below:

1. **Interviewed Vodafone executives and senior managers to understand the current status of social, ethical, environmental and health & safety issues, and understand the progress made during the reporting period.**

2. **Reviewed Vodafone's representation of material issues included in the 'in scope' sections of the Report.** We re-assessed prior year conclusions on the coverage of material issues and conducted media analysis across the reporting period to enable us to test the coverage of topics within this year's Report.

3. **Reviewed information or explanations supporting Vodafone's reporting of progress** in the 'in scope' sections of the Report. Supporting documentation was sought and reviewed for a sample of 75 sustainability performance claims.

About our reporting

4. **Reviewed the collection, consolidation and presentation of data relating to energy; CO_2 emissions; GHG emissions; network waste; fatalities; LTIs and gender diversity.** This included:

   a. Interviewing staff responsible for managing, collating, and reviewing data at group level for internal and public reporting purposes.

   b. Testing evidence provided by Group to support the reported figures, for example, reviewing energy and GHG emissions calculation spreadsheets, incident reports for a sample of safety incidents and HR dashboards for diversity data.

   c. Remotely reviewing energy and network waste data reported by six operating companies (OpCos) on a sample basis, to assess whether the data had been collected, consolidated and reported accurately. The six OpCos selected for review were Egypt, Germany, India, South Africa, Turkey and Italy.

   d. Testing whether energy; carbon; GHG emissions; network waste; fatalities; LTIs and gender diversity data has been collected, consolidated and reported appropriately at Group level.

   e. Reviewing a selection of management documentation and reporting tools including guidance documents.

   f. Reviewing the Report for the appropriate presentation of the data including the discussion of limitations and assumptions relating to the data presented.

5. **Reviewed the narrative and supporting data in the tax section of the Report in order to confirm consistency with the online publication from December 2013. The worksteps that we undertook in order to form our conclusions on the tax report from December 2013 can be found on our website.**

Level of assurance

Our evidence gathering procedures have been designed to obtain a sufficient level of evidence to provide a limited level of assurance[2] in accordance with ISAE3000.

The limitations of our review

- Our work included headquarters based activities and limited remote testing of six OpCos for Environmental data and six OpCos for tax disclosures.

- Our review was limited to the following sections of the Report which is found in the sustainability section of the Vodafone Group website on www.vodafone.com: Environmental footprint; Health and safety; Our people – diversity and inclusion; Human rights; Tax and our total contribution to public finances; and Privacy and security – Vodafone's alignment with the industry dialogue guiding principles on freedom of expression and privacy. Our review covered a limited number of claims selected on a risk basis and only the pages marked with an **Ernst & Young** verification footnote formed part of our assurance.

- As part of our scope in 2013/14 we reviewed Vodafone's alignment with the Telecommunications Industry Dialogue Guiding Principles on freedom of expression and privacy. Our review was limited to assessing whether relevant policies and procedures are in place and did not extend to assessing Vodafone's implementation or effectiveness of these within the business.

Our conclusions

Based on our review:

Balance and accuracy of sustainability performance claims
- Nothing has come to our attention to suggest that the claims on performance in the sections of the Report included within our scope of review are not fairly stated.

- We are not aware of any material aspects of Vodafone's sustainability performance which have been excluded from the Report.

Completeness
- With the exception of the points below, we are not aware of any OpCos that have been excluded from the environmental, safety, diversity and tax data presented in the Report.

  – 2013/14 network waste figures exclude data from the following OpCos: Ghana, India, Qatar and Tanzania.

Accuracy
- Nothing has come to our attention that causes us to believe that the data included within the scope of our review has not been collated and presented properly in the Report.

- With the exception of the points below we are not aware of any matters that would materially affect the data presented in the Report.

  – 2013/14 energy, CO_2 and GHG emissions data for Ghana has been estimated using 2012/13 figures.

Observations from our work

Our detailed observations and areas for improvement will be raised in a report to Vodafone management. The following observations do not affect our conclusions on the Report as set out above.

Safety performance
- Vodafone has continued to make improvements to its safety performance during the reporting year. However, the number of fatalities and LTIs remain high, particularly relating to traffic incidents. Vodafone needs to continue its focus on workforce safety in order to achieve further progress.

About our reporting

Environmental Data

- We noted an improvement in the review activities conducted by the OpCos to support the accuracy and completeness of the data submitted to Group. This included clear accountability and sign off for material KPIs.

- Reporting network waste remains a challenge in a number of markets. This is set in the wider context of immature waste infrastructure in many emerging markets. Vodafone should consider providing more information in the future into how it is supporting local governments and SMEs to support this important area.

Progress against targets

- With limited targets in place Vodafone needs to consider how to communicate its sustainability ambition and measure progress. It will need to consider how this can be done across both mature and emerging markets so as to engage the business and create ownership to help deliver the long term ambition.

Tax[3]

- Vodafone has demonstrated a positive intention to engage its stakeholders and the public in relation to the tax and economic contribution that the business makes.

- This is the second time that Vodafone has sought to report such a detailed level of tax data. We have noted several process improvements in how the data required for the Report has been gathered, reviewed and consolidated. This included:

  – A formal and documented methodology in place that sets out the process for data collection.

  – Local teams were provided with sufficient time and improved guidance to enable effective collation of country data.

  – The local reporting template is more intuitive to use due to improved instruction and providing greater detail within captions.

- Consideration could be given to further improvements to the level of automation used to extract and consolidate the data.

Our independence

This is the fourth year that Ernst & Young LLP has provided independent assurance services in relation to the Vodafone Group Sustainability Report. We have provided no other services relating to the sections of Vodafone Group's Sustainability Report which are included within our scope of work.

Our assurance team

Our assurance team has been drawn from our global Climate Change and Sustainability Services and Tax network, which undertakes engagements similar to this with a number of significant UK and international businesses.

Ernst & Young LLP

London

June 2014

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Notes:

1. Tax disclosures within the Report were previously reported in December 2013 and were subject to a separate independent assurance statement by Ernst & Young LLP

2. The extent of evidence gathering procedures for a 'limited level' of assurance is less than that of a 'reasonable' assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided

3. These observations are also found in the tax assurance statement in December 2013