Ensuring the safety of everyone involved in our operations is core to Vodafone. We believe all accidents and injuries are preventable and we are driving a culture where safety is an integral part of our decision making across the Group.

Loss of life or injury related to our operations is unacceptable. Despite all our efforts we deeply regret that 10 contractors lost their lives while working for Vodafone in 2014/15 and two members of the public died as a result of vehicle accidents. We will continue to do all we can to strive towards our objective of zero fatalities.

Our strategy is designed to tackle the root causes of major incidents and to create a mature safety culture across the Group. Our programmes and policies establish how employees and contractors identify and manage risks and take personal responsibility for their own safety and the safety of those around them. This vigilance is essential to our vision, not just of eliminating major incidents but preventing any incidents that could affect the health and safety of our people.

We are determined to be admired for our approach and our performance on health and safety. Many of our suppliers tell us that Vodafone’s expectations exceed those of other operators and we believe we have an opportunity to lead our industry on health and safety.

We focus on reducing the impact of the top five risks across our operations: occupational road risk, working with electricity, working at height, control of contractors and cables in the ground. We ask each of our markets, our supply chain teams and our group technology teams to clearly demonstrate what they are doing to reduce or eliminate these risks and promote awareness of our Absolute Rules on safety (see feature to the right). In 2014/15, 91% of employees agreed that the Absolute Rules for Health and Safety are taken seriously at Vodafone.

Read on to find out more about our approach. Or go to our Performance section to read about our progress in 2014/15.

In focus: Absolute Rules

Our Absolute Rules on safety focus on high-risk activities and zero tolerance of unsafe behaviours.

Vodafone employees must:

- always wear seatbelts when travelling in or operating vehicles
- always use suitable personal protective equipment, a safety harness and fall protection when working at height
- never carry out electrical work on electrical equipment, circuits and gear if they are not qualified
- never work under the influence of substances (alcohol or drugs) that are illegal or in excess of legal levels or where this impairs the individual’s ability to perform tasks
- never exceed speed limits or travel at speeds that are dangerous for the type of vehicle or conditions
- never use a hand-held phone while driving and only make calls by pulling over or using hands-free devices, when it is safe to do so
- never undertake any street or underground work activities unless competent to do so.
Occupational road risk
Promoting safe driving is a priority as road traffic accidents account for a high proportion of our major incidents in emerging markets and are responsible for the majority of fatalities, see our Performance in 2014/15 section. These usually occur on public roads as a result of unsafe driving behaviour and poor driving conditions.
Reducing risk related to driving on public roads is challenging, but we can help to minimise the severity and likelihood of accidents by raising awareness, providing training and reinforcing the strict rules on driving set out in our Absolute Rules (see feature box above). Additional Absolute Rules are communicated in relevant markets to address specific local road risks. In India, an extra rule reminds people to always wear a helmet while motorcycling and in South Africa there is a rule to prohibit passengers travelling in the back of trucks. Employees who fail to comply with our Absolute Rules face disciplinary procedures.
We have road risk programmes in all our markets, tailored to local needs. In 2014/15, these included:

- **India**: Over 115,000 at-risk employees, contractors, partners, service providers and distributors undertook mandatory defensive driver training and were issued with safety passports to record their training and remind them of safety checks. In addition, all motorcycles were inspected by line managers as part of a key risk compliance checklist and we held road safety rallies to raise awareness of road safety for both employees and the public.

- **Vodacom in Africa**: Our W8_2send campaign uses mobile communications, social media, radio advertisements and billboards to discourage texting while driving, [http://www.w82send.co.za/](http://www.w82send.co.za/). We are also partnering with local governments, police and universities to spread the message. One of the most effective elements of the campaign are W8_2send bands worn on thumbs as a visible reminder to drivers to think before they text. W8_2send is making a difference in Vodacom’s five markets: Democratic Republic of Congo, Lesotho, Mozambique, South Africa and Tanzania.

- **UK**: We ran a campaign on World Safety Day to reinforce our Absolute Rules among employees and contractors who drive for Vodafone and raise awareness of the dangers of speeding and mobile phone use while driving.
We also use GPS vehicle tracking systems in some markets to monitor driving behaviour and deter speeding violations, which are a major cause of accidents.

In focus: Safe driving observation in Turkey
Our driver observation programme in Turkey goes beyond standard defensive driver training to focus on safe behaviour. Line managers accompany their employees while they are driving to observe their skills and provide feedback and advice. The programme focuses on safe driving essentials, such as following at a safe distance, overtaking, safe use of mobile phones and respect for other drivers. To date, 520 observations have been completed across Turkey and vehicle incidents dropped by 29% in the first eight months following the programme’s launch in July 2014.

Working with electricity
The risk of injury from electric shock is a major concern for those deploying or maintaining our network equipment. Ensuring only qualified people work on electrical equipment is one of our Absolute Rules. Our e-learning module on working with electricity includes guidance for employees on how to recognise risks and implement appropriate safety controls.
We also work with contractors to make sure that:

- they have a documented risk management process for working with electricity
- those working on electrical equipment are authorised, competent and medically fit
- electrical equipment is fit for its intended purpose
- appropriate safety devices are in place before work starts.

Working at height
The danger of falling when working at height is a particular risk for employees and contractors working on rooftops, towers and masts. Our priority is to make sure that anyone operating at height is trained on the risks involved, follows agreed procedures and always uses the appropriate safety equipment.
Our network site design principles include criteria to make sure all sites are designed with safe access in mind and our policy on working at height includes guidance on how to put control measures in place to effectively manage risks. These
measures include the installation of fall-arrest systems on all vertical ladders over four metres high across the Group and the requirement of local markets to demonstrate effective ladder repair and maintenance programmes.

In 2014/15, we worked with contractors in India, Romania and Turkey to improve their action plans to tackle the root causes of high-potential incidents - those that do not cause a major accident, but could have under different circumstances. In Egypt, we worked with a leading third-party training provider to assess and improve training for contractors. The training related to rescue plans and use of ropes to access difficult locations. This process is now being replicated in other local markets.

Managing our contractors

We stipulate that all our suppliers and contractors meet strict health and safety requirements. We monitor their performance through our supplier management programme, using a combination of site inspections, formal audits and assurance programmes that require them to verify that appropriate safety systems are in place, see our Responsible supply chain section.

Our supply chain managers work closely with key suppliers involved in high-risk activities to help them improve safety management in their own teams and among sub-contractors. They start their meetings with suppliers by taking a moment to discuss safety and regularly carry out safety tours. In 2014/15, we trained supply chain managers on how to conduct an effective safety tour to help them do this.

We hold workshops for key network suppliers to ensure their design specifications for network infrastructure minimise health and safety risks. We also collaborate with them to raise standards across the industry. In 2014/15, we launched a quarterly Global Safety Forum that brings together our 10 highest risk suppliers to share best practices, with a particular focus on driver safety.

Our consequence management system, which clearly shows that if suppliers fail to meet our safety standards they risk termination of contracts, is being implemented across our markets (see case study to the right). We are also continuing to assess the effectiveness of our Safety Passport system for high-risk projects. This system requires sub-contractors to show that they have received appropriate safety training before they are allowed on site to begin work.

A new Mobile Field Inspection app, developed by our team in Portugal, is enabling real-time reporting of supplier performance to support prompt follow-up action to address any identified health and safety requirements.

In focus: Red card for safety

Our consequence management system for suppliers makes it clear that failing to demonstrate robust safety management can lead to the termination of contracts. Suppliers receive warnings through red or yellow cards for any high-potential or near-miss incident.

In 2014/15, we issued nine red cards and 14 yellow cards as a result of investigations into major and high-potential incidents showing suppliers had failed to manage safety. We also issued a notice requiring an improvement plan from one of our global suppliers. Incidents that could have been prevented or those that led to injury or fatality may result in the termination of our contract with the supplier or in the supplier being excluded from bidding for new work with us for a probationary period. To work with us in future, the supplier must repeat our full qualification process.

We expanded the programme in 2014/15 to enable suppliers who are performing well on safety to gain formal recognition from Vodafone leaders. The reward scheme is already in place in India, Malta Romania and Turkey and will be expanded into further markets.

Cables in the ground

We are expanding our business in areas such as fixed line and cable television that involve street-level and underground work with cables. Associated hazards include those related to underground services, confined spaces, excavations and traffic management. To promote safe working in these situations, we have produced a safety standard and guidance documents to help our local markets address these risks. We have also conducted risk assessments at all sites where work involves cables in the ground and reviewed our control measures to confirm adequate processes are in place.

Legacy infrastructure

Through the acquisition of other companies, particularly in emerging markets, we inherited some infrastructure that did not meet our safety standards. In addition, some of our own infrastructure was built prior to the introduction of our safety standard on design. Over the past four years, we have implemented an extensive improvement plan to bring this infrastructure up to our current standards. We have now improved 92% of these legacy sites and the programme will continue to be driven by our Technology Leadership Team until complete. Given this progress, we no longer consider legacy infrastructure to be a key risk.
Making safety part of leadership

At Vodafone, we make it clear that to be a leader in our business, you must personally value safety. We hold workshops for executives and senior managers to reinforce leadership behaviours that contribute to a strong health and safety culture. Safety is embedded into broader leadership programmes such as our Technology Excellence programme, Leading in The Vodafone Way and induction training for senior leaders.

Executives across the Group, local market Technology Directors and local market Human Resources Directors have annual personal objectives on health, safety and wellbeing. Similar objectives have been extended to senior leadership teams in every local market. These objectives reinforce the message that health and safety is the responsibility of our key decision makers. It is a core part of what they do and what others need to do to be considered for senior positions.

In each local market, senior leaders, Technology Directors and supply chain managers conduct at least four site tours a year. This shows that safety is important to them and helps to ensure that people know Vodafone cares about their personal safety. We record and analyse details of safety tours so that we can follow up on the findings. In 2014/15, more than 350 safety tours were conducted.

In focus: Mission Reach

We prioritise the safety not just of those working for Vodafone, but the communities in which we operate. Through our Mission Reach programme, we aim to reach employees and their families with health and safety messages. Building on its success in India, where colleagues made regular safety phone calls to field employees, we have expanded Mission Reach to Portugal and Turkey.

In Portugal, we send regular SMS text messages on safety best practices to riggers, who often work 35 to 120 metres off the ground as they lift equipment. In Turkey, we sent booklets to 280 employees’ homes in 2014/15, with a letter from their general manager explaining why safety is important. The aim was to raise awareness and encourage families to talk about the importance of safety.

Health and safety management

The Group Health, Safety and Wellbeing team, which reports to the Group Human Resources Director, oversees health and safety management across Vodafone. The team works closely with key Group functions and local market representatives, who share best practice through a health, safety and wellbeing network. For more on wellbeing, see our Our people section.

Our Group Health and Safety Policy sets out our expectations across our markets, providing clear guidance on risk assessment, incident reporting and management of key risks. The policy is accompanied by detailed standards on managing specific risks. Our approach to health and safety management operates on a cycle of four key elements: plan, do, check and act (see graphic overleaf).

We have management systems in place to support compliance in our local markets and managers across the Group receive health and safety training appropriate to their role. We are introducing a maturity matrix that will provide consistent criteria to measure and compare health and safety management across the Group and set targets to improve our safety culture. The matrix is tailored to our business and the emphasis is on improving performance rather than simply complying with standards.

We have already assessed the maturity levels of most markets. We aim to re-assess these levels annually and conduct internal audits every three to five years to validate them. Assessments are used to create a tailored improvement plan for each local market, which is regularly reviewed by the relevant Leadership Team.

Our maturity matrix integrates elements of the International Safety Rating System. The management systems in our local markets are also aligned with internationally recognised standards. Our operations in Greece and the UK are accredited to OHSAS 18001.
Health and safety – Our approach

Reporting and investigating incidents
We monitor and audit our local markets quarterly against our Group safety strategy and objectives. Each market reports health and safety incidents through our global online reporting system. Our policy states that all major or high-potential incidents must be reported within 48 hours to the Group Director of Health, Safety and Wellbeing and a full investigation undertaken into the causes. Local market Chief Executives are required to oversee these investigations personally and to ensure corrective actions are implemented.

We share the findings across the Group to prevent similar incidents happening elsewhere. Safety Alerts notify our employees, local markets and relevant suppliers of any incidents or near misses that might have implications for other parts of the business. We also share lessons on good practice that we believe should be emulated.

Plan
• Set expectations – standards, behaviours, governance
• Develop plans based on high-risk areas and in line with Group Health, Safety and Wellbeing strategy
• Global programmes to ensure alignment with standards

Do
• Implement standards in conjunction with Supply Chain Management, Technology, Human Resources and Internal Communications teams
• Apply Absolute Rules on safety
• Implement plans and programmes
• Recognise, evaluate and control risks
• Increase organisational safety competence
• Visible leadership – Senior Management Tours
• Effective employee engagement
• Safe place of work

Check
• Ensure markets have monitoring and inspection programmes
• Report frequently on leading and lagging indicators
• Global assurance programme to validate and verify compliance with standards, implementation of plans and tracking of remedial actions
• Test implementation of controls
• Audit local market management systems

Act
• Robust governance
• Executive-led investigations into major incidents
• Share and learn by communicating key findings of incidents across the Group
• Review risk profiles as maturity develops
• Analyse incidents to highlight areas for strategic focus, training and partnerships
• Output from ‘check’ stage used for analysis
Health and safety – Performance in 2014/15

We are working to instil a culture of safe behaviour and prevent incidents that could harm employees and contractors through our focus on raising awareness and risk management, see our Our approach section. We continue to strive towards our objective of zero fatalities but we regret that we have not achieved this in 2014/15.

Through increased awareness, leadership commitment and a strong focus on managing our top five safety risks, our reported injury rates have continued to decline. Strengthening programmes to target occupational road risk – one of our biggest risk areas and the main cause of fatalities – remains a major focus for all markets.

Fatalities

We deeply regret that 10 contractors lost their lives while working for Vodafone in 2014/15 and two members of the public died as a result of vehicle accidents in India and Mozambique. Eight of the contractor fatalities were the result of vehicle accidents and two from working with electricity. The majority (six) were in India, with one in Egypt, one in Turkey, one in the Democratic Republic of Congo and one in South Africa.

Any fatality is unacceptable and we continue our efforts to drive a culture of zero fatalities across the Group. Every fatal incident was fully investigated to determine the root causes and reviewed by Vodafone Executives at Group and local-market level. Action plans have been put in place to prevent a recurrence and lessons learned have been shared across the Group.

See data tables below for more detailed, year-on-year performance.

Total number of fatalities (employees, contractors and members of the public)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee fatalities</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Contractor fatalities</td>
<td>12</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Public fatalities</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>15</td>
<td>12</td>
</tr>
</tbody>
</table>

Notes:
1. Data excludes Australia (our joint venture) and Kenya (our associate Safaricom)

Cause of fatalities (employees, contractors and members of the public)

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrocution</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Work at height</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Vehicle accident</td>
<td>7</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Criminal activity</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Plant, product or equipment related</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Slip/trip/fall</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Health and safety – Performance in 2014/15

Total number of fatalities by country (employees, contractors and members of the public)

<table>
<thead>
<tr>
<th>Country</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Egypt</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>India</td>
<td>7</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Portugal</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Romania</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Turkey</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>UK</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Vodacom²</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Notes:

2. Vodacom markets include South Africa, Democratic Republic of Congo, Lesotho, Mozambique and Tanzania.

Injury rates

Lost time injury rates fell to 0.63 per 1,000 employees during 2014/15. The reason for the significant reduction in the reported lost-time injury rate is under investigation. However, the improved results are reflective of a number of factors including our continued drive to prevent incidents across the Group by targeting key risks, as well as the introduction of a new reporting system and changes to operating arrangements in certain markets. The number of recorded high-potential incidents – those that do not cause a major accident, but could have under different circumstances – has increased by 1.5%.

Lost-time incidents²

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of lost-time incidents (employees)</td>
<td>112</td>
<td>101</td>
<td>64</td>
</tr>
<tr>
<td>Lost-time incident rate per 1,000 employees</td>
<td>1.23</td>
<td>1.03</td>
<td>0.63</td>
</tr>
</tbody>
</table>

Notes:

3. Data excludes Australia (our joint venture), Kenya (our associate Safaricom), Indus Towers in India and Helios Towers in Tanzania.

Fatalities and LTI data, as well as selected supporting statements in this section, were reviewed as part of EY’s assurance of Vodafone’s Sustainability Report.

For more details see our Assurance Statement.

June 2015