



Gender Pay Gap Report 2018

CEO Foreword

At Vodafone, we seek to be a company whose global workforce reflects the customers we serve and the broader societies within which we operate by aiming for gender parity throughout the organisation.

Our ambition is to become an employer whose track record in attracting and retaining female talent is so strong that by 2025 we will be considered the world's best employer for women. We believe our strong commitment to diversity is a source of business strength, enabling us to understand better the needs of the men, women, families and businesses who rely on our networks and services.

Achieving our ambition requires sustained effort and clear targets. Our global commitment is to increase the representation of women in management and leadership roles to 30% by 2020. This is supported by a number of programmes we implement across all of our businesses worldwide, alongside market initiatives that are appropriate to the local operating context.

Our Vodafone UK operating company¹ has already met our global target and, as a result, has set an increased target to continue to drive progress.

At Board level, we have a goal of a minimum of 33% female representation, which we exceeded in 2018. We continue to report our progress through this disclosure, our [Annual Report](#) and our [Sustainable Business Report](#), as well as the [Hampton Alexander Review](#) and the [European Roundtable of Industrialists' Women in Leadership Positions Report](#).

We seek to be a company whose global workforce reflects the customers we serve and the broader societies within which we operate by aiming for gender parity throughout the organisation

As this report illustrates, our gender diversity ratios have improved over time as a consequence of our continued focus on increasing the number of women in senior roles. That focus is supported by

a broad range of initiatives that aim to attract, develop and retain talented women into our workforce. However, we want to go further. Increasing the recruitment of women into management and leadership roles and increasing the retention of senior female leaders remain critical priorities, along with creating a diverse, inclusive environment in which stereotypes are challenged and individuals are valued for their skills.

In this report, we summarise the gender pay gap across our UK businesses, which is directly impacted by the extent to which women participate and progress in management and leadership roles. We also describe the key programmes and activities that are helping us on our journey to meet our targets. These include our global maternity, parental leave, flexible working and returner programmes, our work to remove bias from our processes and our ongoing training initiatives. Calculating our gender pay gap for this reporting requirement is just one aspect of the way in which we monitor fair pay, something we track globally to ensure we are working to achieve our goals and ambitions.

We welcome public focus on the need for a significant increase in women's participation in, and leadership of, the commercial and public sector organisations that are central to daily life, driven by this reporting requirement and other

initiatives. Over the last five years, we have made strong progress; however, we need to continue to find opportunities to accelerate our pace of change to deliver on our ambitions. Through our leadership commitment and our global programmes, we are determined to play a meaningful role in supporting the empowerment of women worldwide.



Nick Read
Group Chief Executive Officer,
Vodafone Group Plc

Introduction

This is Vodafone's second Gender Pay Gap statutory report for our UK employees, prepared as required under the [Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) that came into effect in April 2017.

We welcome the UK government's legislation requiring companies with more than 250 employees in the UK to reveal their percentage of female employees and the difference in average pay between women and men. Scrutiny of this kind is a positive step forward and should act as a catalyst to ensure greater female participation in management and leadership roles over time.

Equality of opportunity between men and women is a key indicator of long-term social stability and economic prosperity. The need for gender equality in the workplace has been recognised as a critical issue for decades. However, women still remain under-represented within many companies, and strikingly so at the most senior levels: women only occupy 18% of director roles and 16% of executive roles in the world's largest companies². A World Economic Forum study estimates that at current rates of progress, women will not reach parity with men – in terms of average pay and employment opportunities – for another 202 years³. In the UK, it has been commented that the current rate of progress means that it would take another 55 years for men and women to achieve pay parity⁴.

Some studies suggest that increasing the diversity of leadership teams leads to more and better innovation and that in both developing and developed economies, companies with above-average diversity on their leadership teams report higher EBIT (earnings before interest and taxes) margins⁵. In addition, organisations ranked highly on Fortune's [World's Most Admired Companies](#) list have twice as many women in senior management roles as companies with lower rankings⁶.

Women are still significantly under-represented in STEM (science, technology, engineering and maths) industries. In the UK only 22% of people working in core STEM occupations are women – despite them making up around half the UK workforce⁷. A recent study by the Institute for Fiscal Studies (IFS) shows that although girls perform better in STEM subjects at GCSE level, many are deterred from pursuing subjects such as maths and physics at A-level or university – often affected by low confidence and an absence of female peers⁸. Research in the UK also indicates that while some of the highest-paying jobs are in the STEM industries, women earn less from the moment they enter science and engineering careers than their male counterparts, and that the gap grows with age and experience⁹.

Furthermore, women are more likely to move into part-time roles as a consequence of the demands of childcare and, increasingly, care for elderly parents. As those demands grow – often at the point when a woman's career approaches middle or senior management level – a high



proportion feel they have no choice but to leave the workforce altogether for a number of years, in many instances never to return. As a result, management and senior leadership roles remain dominated by men, and the global average for women's earnings is around half that for men¹⁰.

Equality of opportunity is a key indicator of long-term social stability and economic prosperity

Vodafone's approach

Our commitment to women's empowerment is led from the very top of the organisation. Vodafone's diversity and gender equality programmes are overseen by the Vodafone Group Plc Board, and our Group Chief

Executive acts as an external advocate as a member of the [30% Club](#) and one of 10 business leaders who act as champions for the UN Women [HeForShe](#) solidarity movement for gender equality. Our mandatory [Code of Conduct](#) makes it clear that respect for diversity and inclusion is integral to the behaviours expected from everyone who works for Vodafone: we do not tolerate prejudice in any form and strive to ensure that every colleague has the opportunity to thrive in a workplace that is welcoming and supportive.

Women's empowerment is one of three major global transformation focus areas under the Vodafone Group Sustainable Business Framework. To address the mobile phone ownership gap, we are also driving programmes to increase the number of women who own a mobile, as communications technology plays a critical role in empowering women to improve their lives and livelihoods. Further details of our ambitions in this area are set out in our [Sustainable Business Report](#).

Vodafone in the UK

Vodafone is one of the world's largest global communications companies. Our mobile and fixed-line networks are relied upon by more than 700 million mobile customers in 25 countries and 21 million fixed broadband customers in 18 countries.

It is our UK businesses that are in scope of this reporting requirement. Our local UK operating company, Vodafone UK, has more than 17.2 million mobile customers as of 31 December 2018. It directly employs around 12,000 people and has a retail presence on most UK high streets. Vodafone Group, our corporate function that provides strategic support to our local operating companies, and Vodafone Business, our dedicated Global Enterprise business (VGEL), which serves multinational corporate customers, are also based in the UK.

17,000

employees in the UK in total



Percentage of women

In total, we employ around 17,000 people in the UK. Employees from the following entities are included in our gender pay gap reporting:

- **Vodafone UK¹¹** – our UK operating business. The majority of Vodafone UK employees work in Customer Operations, Retail and Network Support, together with colleagues in Sales, Technology, Account and Programme Management roles;
- **Vodafone Business (Vodafone Global Enterprise Limited, VGEL)** – supporting our multinational corporate customers;
- **Vodafone Group Services Limited (VGSL)** including **Vodafone Group Plc** – supporting our local operating companies. Employees are predominantly based in our international headquarters in London; and
- **Vodafone Sales and Services Limited (VSSL)** – supporting the commercial, marketing and brand functions. Employees are predominantly based in our international headquarters in London.

Around 35% of those employees are women. We have female colleagues in all professional functions, from Engineering, IT, Technology and Security, to Customer Operations, Marketing, HR, Retail, Communications and Legal. Around half of our UK-based female employees work in our retail and customer operations. Within each function the highest proportion of women can be found in HR, External Affairs, and Legal departments.



Reporting requirements

The information presented in this report captures our UK-based employees who work for our UK local operating company and our Vodafone Group functions based in the UK, as mentioned previously.

The metrics stipulated under the regulations are the average pay gap and average bonus gap together with the proportion of men and women receiving bonuses and a summary of the organisation's pay structure segmented by gender.

The regulations specifically require both the median and mean gender pay gaps to be reported (which are both types of average): these metrics are complementary and illustrate different aspects of the distribution of pay across an organisation.

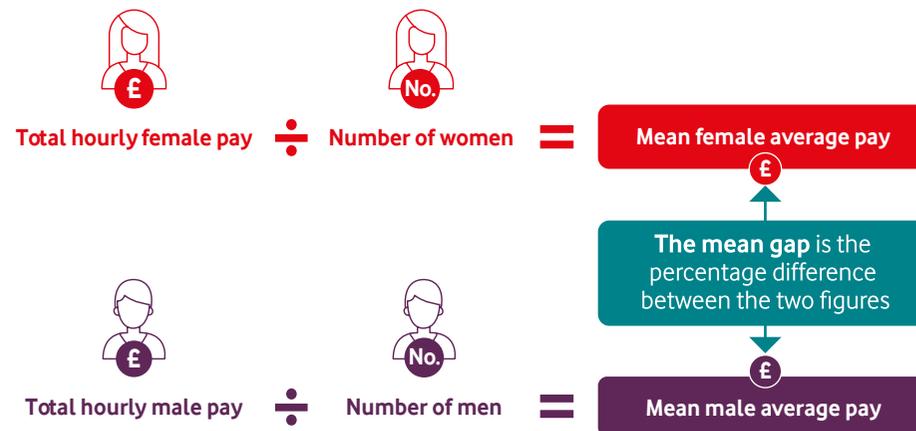
As senior roles pay more than junior roles, the smaller the proportion of women who hold senior roles in a company, relative to the workforce as a whole, the greater the average gender pay gap. Therefore, the gender pay gap can be seen as a measure of the extent to which women are able to participate and progress in senior management and leadership roles in an organisation.

As well as calculating the UK gender pay gap for this report, globally we compare the average position of our male and female employees against their market benchmark, grade and function to identify and understand any differences, taking further action where appropriate. This is just one way we monitor fair pay at Vodafone, which helps us to maintain and promote best practice across the business.

Selected aspects of our gender pay gap reporting have undergone independent limited assurance by KPMG. Further details of the scope and procedures are set out in Appendix 2 on page 16.

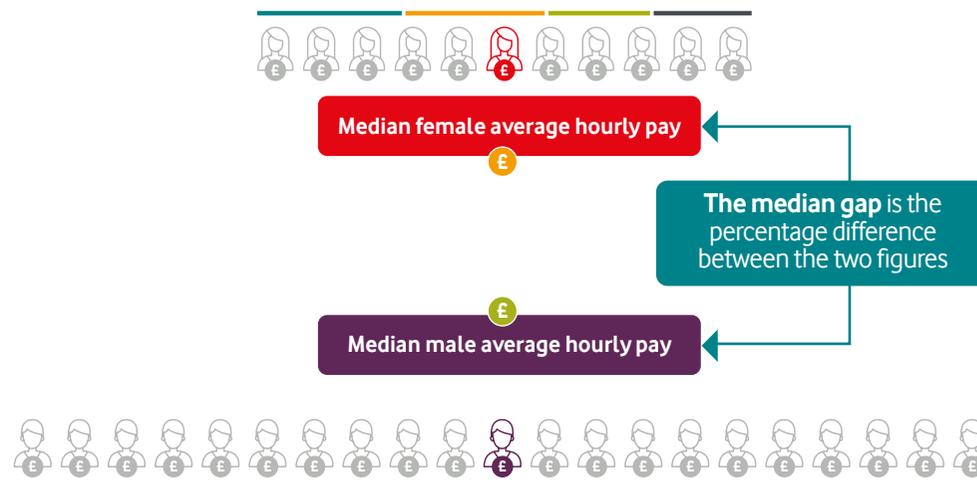
Calculating the mean (average) gender pay gap

The mean is calculated by adding up all average hourly salaries and dividing them by the number of employees. The resulting gap is the percentage difference between the average male and female hourly pay figures.



Calculating the median (middle) gender pay gap

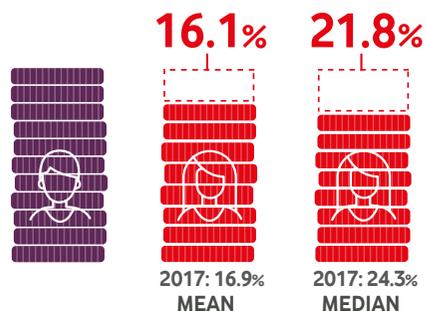
The methodology for determining the median gender pay gap requires companies to identify the hourly pay for the middle (or median) male and female employee, when ranked from the lowest to the highest. The resulting gap is the percentage difference between the midpoints in male and female hourly pay.



Vodafone's UK gender pay gap

We employ around 17,000 people in the UK. Despite considerable efforts to recruit and retain an equal number of males and females in our workforce, there are nearly twice as many men as women working for us in total, at 65% in the UK. The gender pay gap at Vodafone – as at many other companies – is mainly a consequence of the fact that fewer women occupy more senior and therefore higher-paid roles relative to the wider workforce.

2018 Mean and median gender pay gap

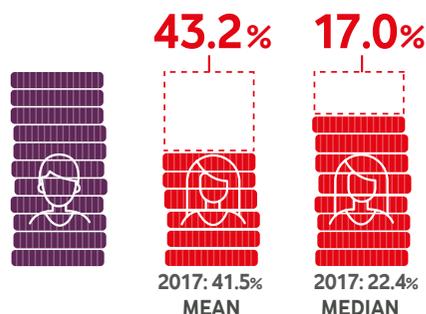


We have seen a slight reduction in both our mean and median pay gaps this year. Our mean gender pay gap, at 16.1% (2017: 16.9%), is below the UK national average: the Office of National Statistics (ONS) mean gender pay gap for 2018 is 17.9%¹².

Our median pay gap, at 21.8% (2017: 24.3%), is above the ONS national median average of 17.1%¹³.

The mean gender pay gap for Vodafone shows that the average hourly pay for all female employees is 16.1% lower than the average hourly pay for all male employees. The median gender pay gap for Vodafone shows that the female median hourly pay is 21.8% less than the male median hourly pay.

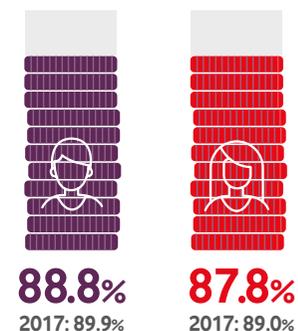
2018 Mean and median gender bonus gap



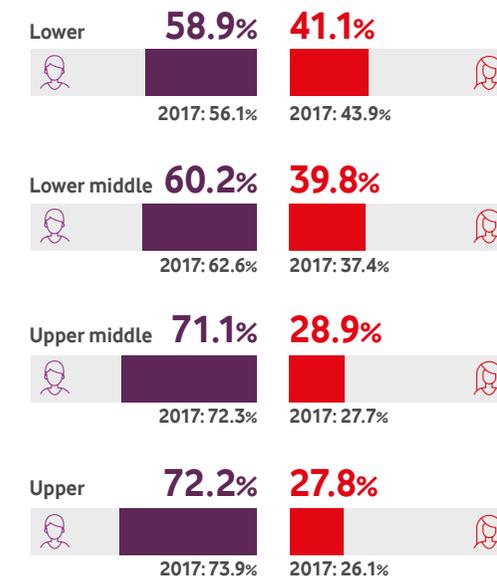
As the average bonus for a more senior employee is much higher than the average bonus for a more junior employee, the bonus gap (at 17.0% for the median and 43.2% for the mean) is a consequence of the fact that there are fewer women than men in those more senior roles, relative to the wider workforce.

The bonus gap is also impacted by company performance; in years of strong performance a more senior employee would receive a significantly larger bonus than a junior employee.

Percentage of employees receiving a bonus



Proportion of employees in 2018 in each pay band, by quartile



Women, who make up 35% of our total UK workforce, only occupy 27.8% of the roles in the upper pay quartile but hold a higher proportion of roles in the lower pay quartile (41.1%). As a result, average male earnings (both mean and median) are higher than average female earnings as there are fewer women in senior roles in our dataset than men.

Note: Data for each of our individual entities can be found in Appendix 1 on page 15.

Working towards equality

Our commitment to diversity and inclusion forms the foundation of our Code of Conduct, our approach to recruiting and retaining our employees and our policies and programmes. We continually review our progress against our goals, as well as benchmarking our approach and its effectiveness, and adapt our policies accordingly where we feel improvements can be made.

Core global programmes

Global maternity policy

We know that women who feel supported by their employer through their maternity leave and after their return to work are more likely to remain with the company over the longer term. Higher retention of colleagues who are working mothers offers clear business benefits in terms of continuity of skills and experience, as well as avoidance of recruitment and induction costs to replace leavers.

Vodafone's global maternity policy, launched in 2015, offers all female employees in every country in which we operate a minimum value of 16 weeks' fully paid maternity leave, as well as a phased return to work, including a 30-hour week on full pay for the first six months after their return.

Enhanced maternity leave

Tatiana is a Global Enterprise Resource Planning Strategy and Portfolio manager for Vodafone Group Services. Part of our management and leadership community, she has responsibilities ranging from conducting IT benchmarking and undertaking new technology assessments to implementing technology transformation programmes.

In October 2017, Tatiana wanted to return to her role after maternity leave and was looking for additional flexibility in order to better balance the new dynamic of having a family and a demanding role at work. Vodafone's commitment to bringing

women back into the business, along with its enhanced maternity policy, meant she was able to benefit from a phased return to work. For the initial six-month period, Tatiana was able to work four days a week, while being paid in full for five days' work.

"As a woman working in technology, I'm proud to work for a company that embraces diversity and inclusion, and has policies to support women deciding to have a family."

Tatiana felt that Vodafone's maternity policy and approach gave her the opportunity to come back to work without having to



compromise financially or from a family perspective. Both factors enabled her and her family to make a more gradual adjustment when returning to full-time work.

It is important to note that these are our global minimum standards – not an upper limit – and are of greatest relevance in countries with little or no statutory maternity rights. We continue to abide by (and often exceed) statutory requirements in countries where these rights already exist. Over the three years to March 2018, more than 5,600 women working for Vodafone went on maternity leave, 684 in the UK.

In the UK, our policy exceeds both the UK statutory requirements and our global minimum standard, as women going on maternity leave are eligible to receive enhanced maternity pay, which has a total value of 26 weeks' full pay (paid over a 39-week period of 13 weeks' full pay and 26 weeks' half pay), plus full pay for a 30-hour week for the first six months of their return.

This year in the UK, we have updated our maternity policy so that all women working for our UK businesses are now entitled to our enhanced maternity arrangements from the day they join the company, rather than after a period of 26 weeks' employment. Returners will also have their original job held open for them until the end of a year's leave¹⁴.

Research shows that one of the reasons why working mothers take on most of the childcare is the historical reluctance of many employers to extend maternal flexible working arrangements to include fathers¹⁵. In March 2018, we launched a global paternity policy that set a minimum standard for all men (and secondary carers) who work for Vodafone to be entitled to two weeks' paid paternity leave.

"Our strong commitment to diversity and inclusion is a source of business strength, enabling us to reflect our customer base and wider society. Over the last five years, we have made strong progress; however, we need to continue to find opportunities to accelerate our pace of change to deliver on our ambition to be the world's best employer for women by 2025."

Nick Read, Group Chief Executive

ReConnect

Worldwide, there are an estimated 55 million skilled women at middle-management level or above who are not in work following a career break¹⁶. In the UK, 89% of people out of paid work are women caring for their home or family members¹⁷. Those women represent a very large potential pool of talent and experience and, if they returned to the workplace, they could have a significant impact on both overall gender balance and the economy.

In reality, it is not that simple. Getting back into work after an extended career break can be difficult. Research undertaken by KPMG indicated that 80% of women who have taken a career break said more support was needed to help them return successfully to the workplace¹⁸.

In March 2017, Vodafone launched *ReConnect*, our global programme designed to bring talented women back into the workplace after a career break. Support for those returning to work includes training, coaching and induction programmes to refresh and enhance professional skills. *ReConnect* returners are also offered flexible working options and a phased return to work.

In the UK, at a time when many employers face skills shortages, recruiting returners makes sense for businesses and benefits families as well as the UK economy. As part of the *ReConnect* programme, in the UK we have offered roles to 31 individuals returning after a career break, of whom 65% were women.

Our global target is to hire 1,000 *ReConnect* women over three years in functions such as Technology, Commercial, HR, Finance, Legal,

Reconnecting with the workplace

Alison Davies is a Senior Customer Experience manager working on a flexible basis for our Vodafone UK operating company. Prior to joining Vodafone UK, Alison enjoyed a successful career in the IT industry before deciding to take a career break to refocus her time and energy on her family, which she did for three years.

In 2018, Alison decided she wanted to return to work; however, she was unsure if employers would still recognise the value and talent that she offered and would enable her to further her career, as well as providing the flexibility to support family life.

Alison found the Vodafone *ReConnect* programme, which aims to recruit, re-engage and retain professional men and women into roles that reflect their experience and expertise. The programme has enabled her to find a balance between family life and her career by providing a flexible and motivating environment that allowed her to transition back into work in a supportive and structured manner.

"I know many women like me, who are attempting to support their family and further their professional career at the same time. When I heard about ReConnect, I thought: how refreshing to find a business



that sees value in attracting talent back into the workplace! ReConnect has helped me rebuild my confidence, achieve my aspirations and relaunch my career."

External Affairs, Customer Operations, and Business Intelligence and Analytics. To date, we have offered roles to 346 returners, of whom 82% were women.

Supporting women early in their careers

Vodafone actively seeks to recruit female graduates. In 2018, women accounted for more than 55% of the UK intake into our *Discover* graduate development programme and 50% of the UK intake into our *Columbus* leadership fast-track graduate scheme. We continue to expand the number of vocational training and apprenticeship opportunities available across all countries in which we operate, as we seek to

make progress on our goal to provide 100,000 opportunities for young people to gain a digital workplace experience at Vodafone. We will continue to ensure that these and our work experience programmes are gender-balanced.

Creating opportunities for girls in digital technology

It remains extremely important to close the gender gap between the number of men and women studying or working in STEM, as it remains a field where women are still significantly under-represented. Women account for just 22% of the workforce and 13% of managers in UK STEM-related employment sectors¹⁹.

There is a vast amount of research that demonstrates that women are less likely to study STEM subjects at all levels of education globally. With jobs in STEM industries often paying higher salaries, these choices, made early on, are a key contributor to the gender pay gap. To help influence girls' further education and career choices, Vodafone runs mentoring and work experience programmes designed to encourage female students to think about STEM-related options.

Vodafone Business in the UK supports a mentoring programme called *Step into Stem*, in collaboration with BT, O2 and Ericsson, and run by the NGO *Girls Talk London*. During the seven-month programme, female students are each assigned a mentor to help them think about their future educational and career options and understand the skills needed to fulfil them.

The students undertake a week's work experience and gain support developing their CVs and further education applications. This year, around 40 girls joined us for a tech summit in London, where they practised coding, experimented with virtual reality and learned about our Internet of Things (IoT) products and services. They also heard from Vodafone technology experts including Laura Moore Hay, Head of Infotainment at Vodafone Group Services. This programme won the Community Project of the Year at the 2018 European Diversity Awards.

“My mentor helped me boost my confidence and feel less apprehensive about putting myself forward. Having my own Step into STEM mentor was so beneficial that this year I volunteered to mentor a younger student at my school, so I can help others in the way I was helped.”

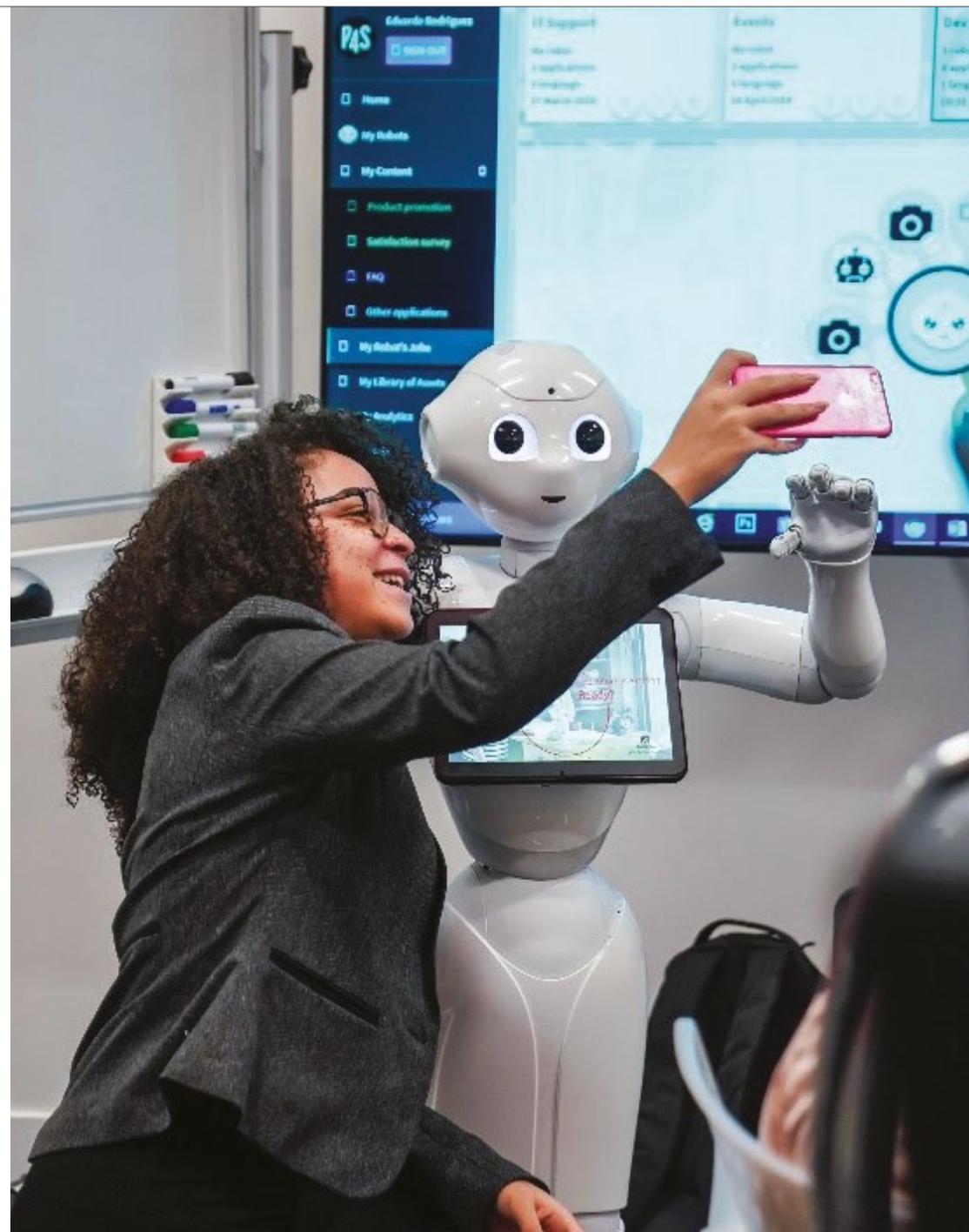
Taiwo Lawal, a Vodafone mentee who has been accepted to read Engineering at Oxford University

To attract more women into STEM, we run the [#Codelikeagirl programme](#) (with the social enterprise Code First: Girls) to support the need for female coders and web developers, and to inspire students with the range of opportunities and STEM careers available to them.

The programme has been launched across 18 markets in Europe, the Middle East, South Africa and Australasia, and has been completed by over 750 girls. In the UK, the free four-day #Codelikeagirl workshop teaches girls basic computer languages and how to build a website from scratch. Over the past two years, 70 girls have attended this workshop in the UK.

“The programme has improved my confidence in coding and made sure that I’ll carry on in STEM throughout school and higher education.”

Jennie, UK #Codelikeagirl attendee



Embedding our commitment to diversity into our culture

Vodafone seeks to foster a culture where we can all be at our best and truly belong. This focus applies across training, recruitment, flexible and parental leave policies, and creating a supportive environment.

Conscious or unconscious bias among hiring managers can severely limit a woman's ability to progress within an organisation and can also adversely affect attempts to increase other forms of institutional diversity. In 2018, Vodafone refreshed its unconscious bias and diversity training programme designed to raise hiring managers' awareness of how small (and typically unintended) actions, or cultural and behavioural norms, can hamper progress towards an inclusive workplace. In addition, induction programmes for senior leaders across Vodafone emphasise the importance of diversity and inclusion, including gender balance, and we have focused on the skills required to manage diverse teams.

We have also developed and implemented recruitment processes aimed at ensuring women have equal access to all opportunities on offer. We seek to ensure that candidate lists for senior management roles include a balance

of male and female applicants and that for director-level roles a minimum of one female and one male are interviewed for each role. For example, in the UK, our recruitment teams have a target to deliver 50:50 shortlists for all senior roles which, if not met, requires HR Director approval before the relevant team can proceed to the interview stage. Vodafone UK has also worked to reduce the potential for gender bias in its job adverts by reducing the amount of jargon, abbreviations and 'macho' language. Words such as 'win', 'kick' and 'aggressive' have been replaced with words such as 'bold', 'improve' and 'extraordinary' to give recruitment adverts a broader appeal.

Vodafone enables working parents to remain engaged in the workplace and continue to progress their careers. More than 1,900 (12%) of our UK-based employees utilise some form of reduced-hours working, and of that number, around 58% are women. Vodafone has implemented policies designed to support our employees with part-time working arrangements, including reduced hours and job-share arrangements, in order to balance home life with their careers. Working parents among our UK-based workforce can share up to 37 weeks' paid parental leave. Vodafone provides one week of paid leave per employee per child as an additional benefit, as well as the opportunity for additional unpaid parental leave to be taken.

1,000+

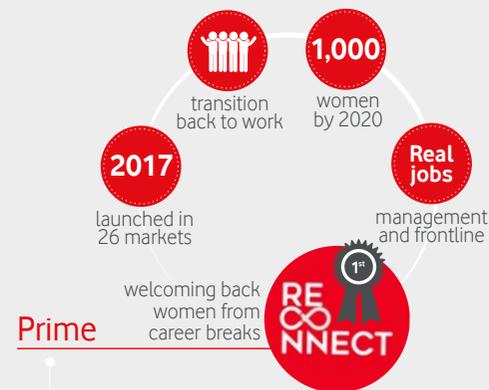
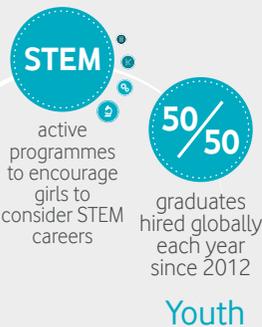
members in the Vodafone UK Women's Network

We have active women's networks operating in most of the countries in which we operate. These networks are founded and managed by our employees. They offer women at all levels a supportive and informative environment in which to network, share and learn. The Vodafone UK Women's Network has more than 1,000 members; it meets at least once every quarter and provides another channel for employees to voice opinions and comments, share best practice and suggest ideas, which they can also do between meetings on their Workplace page (an internal, employee-led communications channel). Our UK General Counsel and External Affairs Director, Helen Lamprell, is the executive sponsor for the Vodafone UK Women's Network and sits on the UK government's [Women's Business Council](#). We also have active Women in Technology and Women in Business networks with over 1,600 and 800 members respectively.



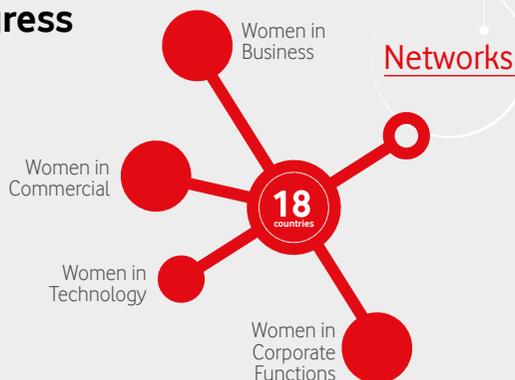
Our global programmes

At Vodafone we support women at different life stages



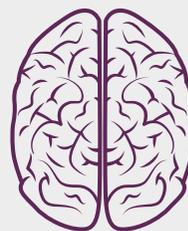
We aim to become the world's best employer for women by **2025**

We help women progress



Unconscious bias

Debiasing the recruitment process
Ongoing unconscious bias training



Flexible working options



Monitoring our progress on diversity

Progress on our diversity targets is overseen by our Group Chief Executive and the Group Executive Committee (ExCo). Every quarter, we conduct an analysis of our progress, led by the Group HR Director, to acknowledge progress, recognise good practice and identify any challenges so we can adapt what we do. Biannual updates are presented to the Group ExCo and the Board.

Ongoing action is required to achieve our target for 30% of management and leadership roles to be held by women by 2020. Globally, 29% of leadership and management roles are held by women, as at 31 March 2018.

The 2020 goal for Vodafone UK (our operating company) is for women to hold 35% of all leadership and management roles (which is the same proportion of women in the business overall), as it has already achieved 30%. As at 31 March 2018, Vodafone UK had achieved 34% representation.

The percentage of women in our global senior management community (around 1,300 employees) has increased from 21% in 2011 to 26% in 2018.

In Vodafone's senior leadership (our top 200 global employees including ExCo), the percentage of women has increased from 17% in 2011 to 25% in 2018. At ExCo, 21% of positions are held by women (an increase from 10% in 2011).

In 2013, the Board of Vodafone explicitly adopted its own diversity policy. This policy has been updated over the years to broaden the description of diversity and to raise

the Board's aspirations from 25% female representation on the Board by 2015 to a minimum of 33% women's representation on the Board by 2020. In 2011, women accounted for just 13% of the Vodafone Group Plc Board; this had increased to 33% by March 2018, and as at November 2018 stands at 42%.

Our annual confidential employee survey shows that people who work for Vodafone consistently feel that Vodafone is committed to equality. In the 2018 survey (which was completed by 87% of all employees worldwide), 82% of respondents said they felt they had an equal opportunity to succeed, irrespective of age, gender, disability, sexual orientation, gender identity, cultural background or beliefs.

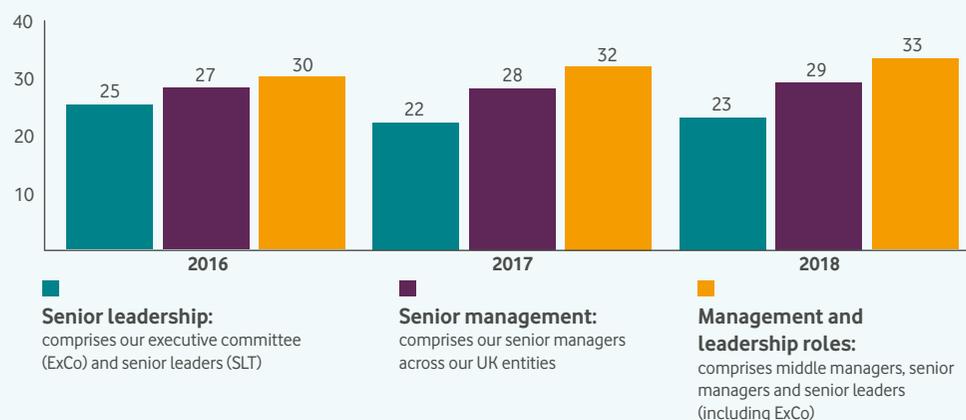
In our UK operating company, gender is monitored at every stage of employment through a monthly dashboard. This focuses on several gender indicators: the number of maternity returners, female representation on recruitment shortlists, functional gender ratios

Vodafone UK's goal is to achieve 35% women in management and leadership roles by 2020

and the proportion of women at senior levels. This data is shared with the senior management team, in order to ensure they shape our policies and strategies for developing a more inclusive workplace. The UK Board also formally reviews this data annually.

The graph below shows the proportion of women in leadership and management roles across all our UK employees (which includes our local UK operating company and UK-based employees of our Group functions).

Percentage of women in UK leadership and management roles (all UK entities)



The Hampton-Alexander Review

The Hampton-Alexander Review reports on the percentage of women on boards and executive committees, as well as the number of women who report to executive committees, within the largest UK public companies.

In 2017, the review recommended that all companies in the FTSE 250 should have at least 33% female representation at board level. It also recommended that women should occupy at least 33% of leadership teams by 2020. Each year, the review ranks companies according to the number of women in these positions. By doing so it clearly charts companies' progress towards meeting its targets.

In 2018, Vodafone was ranked eighth in the FTSE 100 (up from 18th in 2017), with 45.5% female representation at Board level (as at October 2018) and 24% at ExCo and direct reports to the ExCo. We were also ranked fourth in the telecommunications sector in the FTSE 350.

"We believe that a diverse, inclusive workplace is a strength, and we want to lead by example."

Rosemary Martin, Vodafone Group General Counsel and Company Secretary

Celebrating women's achievements

We want to continue to raise the profile of female role models and celebrate women's achievements with visible support from our senior leaders. Our annual global webinar on International Women's Day in March 2018 was led by our Group Chief Executive and was watched live by more than 3,600 employees worldwide. The webinar was one of a series of more than 60 International Women's Day events worldwide (including roundtable discussions, networking events, and role-modelling and mentoring sessions and training) that took place over one week, with communications reaching more than 17,000 employees.

In 2018, Serpil Timuray, Group Chief Commercial Operations and Strategy Officer, was nominated as one of the FT [HERoes: Champions of women in business](#), and Vittorio Colao, former Group Chief Executive, and Rob Mukherjee, former Head of North-West Regional Business, Vodafone UK, were both nominated as FT [HERoes: Top 50 Male Champions of women in business](#).

Karina Govindji, Group Head of Diversity and Inclusion, won the [Power of Women Award](#) for Diversity and Inclusion, and Katia Walsh, Director of Big Data and Advanced Analytics, was named Best Data Leader of the Year 2018 at the [Women in IT Awards](#). In 2018, Vodafone was again named one of [The Times Top 50 Employers for Women](#), ranked in the top 100 most diverse and inclusive organisations globally in the [Thomson Reuters 2018 D&I Index](#) and included as a member of the 2019 [Bloomberg Gender-Equality Index](#).

Statutory declaration

I confirm that the data and information presented in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Nick Read

Group Chief Executive Officer,
Vodafone Group Plc

- 1 [The legal entity name of Vodafone UK is Vodafone Limited.](#)
- 2 [Gender diversity in corporate senior management: glass ceiling yet to be cracked, Vigeo Eiris, March 2018](#)
- 3 [Global Gender Gap Report 2018, World Economic Forum](#)
- 4 [Gender Pay Gap won't close until 2073, The Times, October 2018](#)
- 5 [How diverse leadership teams boost innovation, BCG, January 2018](#)
- 6 [Catalyst, Quick Take: Why Diversity and Inclusion Matter, August 2018](#)
- 7 [2018 Workforce Statistics, WISE, November 2018](#)
- 8 [How can we increase girls' uptake of maths and physics A-level? IFS, August 2018](#)
- 9 [How the gender pay gap permeates science and engineering, New Scientist, February 2018](#)
- 10 [Global Gender Gap Report 2016, World Economic Forum](#)
- 11 [The legal entity name of Vodafone UK is Vodafone Limited.](#)
- 12 [17.9 % full and part-time employees; 8.6% for full-time employees only, ONS 2018](#)
- 13 [ONS provisional 2018 Gender Pay Gap dataset, October 2018](#)
- 14 [Unless this isn't possible due to redundancy, in which case a suitable alternative is offered, if available.](#)
- 15 [Fathers and the Workplace, Women and Equalities Committee, First Report of the Session, 2017–2019](#)
- 16 [KPMG research for Vodafone, 2017](#)
- 17 [Returners: a toolkit for employers, Women's Business Council, 2018](#)
- 18 [KPMG research for Vodafone, 2017](#)
- 19 [2018 Workforce Statistics, WISE, November 2018](#)



Appendix 1: Statutory disclosure and methodology

In this section, we provide further details on our response to the UK's statutory requirement to publish Vodafone's gender pay gap data.

We provide an overview of the scope of this report, and we describe the five legal entities covered within it. We also include the datasets for all relevant entities, along with the consolidated figures that present the total position for our employees who work for Vodafone in the UK.

How we report on the UK gender pay gap

We follow the methodology set out in the [Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) ('the legislation') and Acas Managing Gender Pay Reporting Guide 2017 ('the Acas Guide'), and publish further information on reporting definitions to explain the basis upon which this disclosure has been prepared.

Scope

This report is based on a combined set of figures from five Vodafone legal entities.

Our UK local operating company:

- **Vodafone UK²⁰** – our UK operating business supporting our 17.2 million UK consumer and business customers²¹. The majority of Vodafone UK employees work in

Customer Operations, Retail and Network Support, together with colleagues in Sales, Technology, Account and Programme Management roles.

UK-based employees in Vodafone Group roles:

- **Vodafone Business (Vodafone Global Enterprise Limited, VGEL)** – supporting our multinational enterprise customers;
- **Vodafone Group Services Limited (VGSL)** including **Vodafone Group Plc** – supporting our local operating companies, and predominantly based in our international headquarters in London; and
- **Vodafone Sales and Services Limited (VSSL)** – supporting the commercial, marketing and brand functions and predominantly based in our international headquarters in London.

VGEL and VGSL account for the very large majority of all UK-based employees in Vodafone Group roles. While VSSL and Vodafone Group Plc are relatively small in terms of numbers of employees, we have included these two entities in our overall metrics as we believe it is appropriate to provide a consolidated summary of all individuals employed under Vodafone's terms and conditions of employment who are paid through the UK payroll.

A small number of individuals are employed by entities that are not, as of 5 April 2018, using Vodafone terms and conditions of

employment or paid through the UK payroll. Each of these entities has considerably fewer than 250 employees as at 5 April 2018 and is therefore below the reporting threshold stipulated in the legislation.

The statutory figures for the in-scope legal entities (according to the relevant regulation) – Vodafone UK (or Vodafone Limited), VGSL (including Vodafone Group Plc) and VGEL – can be found in the tables on [page 15](#) and can also be found individually on the [government website](#), as required by the legislation.

Interpretations, judgements and assumptions

There are sections of the legislation and the Acas Guide where different interpretations can be made and judgements or assumptions are needed. We summarise such instances in our reporting here:

i. International assignments

In our analysis, we have included individuals who were employed by a relevant UK entity (as at 5 April 2018) but who were assigned to an overseas location for a period of time. This is on the basis that such individuals have a UK employment contract, may well continue to have UK tax liabilities that apply to some or all of their remuneration and are likely to continue to have a home in the UK. We therefore consider that these individuals have a stronger connection to the UK than their host country.

In our analysis, we have excluded employees who were employed by a non-UK entity (as at 5 April 2018) and who were assigned to the UK. This is on the basis that those employees will continue to be paid from the payroll of their home country, are likely to continue to retain a home outside the UK and receive 'home leave' support (the reimbursement of flights to their home country from the UK). We therefore consider that these individuals have a stronger connection to their home country than the UK.

ii. Trustees and non-executive directors

There is a lack of clear guidance in the legislation or Acas Guide regarding whether or not trustees of pension schemes and non-executive directors should be included in the analysis. We have excluded these individuals on the basis that they are not employees and do not have a contract of employment with Vodafone.

iii. Full pay relevant employees

A full pay relevant employee includes any individual who is paid at least their full usual pay during the month of April 2018. Employees paid less than their usual pay as a result of being on leave at 5 April 2018 are not considered a full pay relevant employee. We consider an individual's usual pay to be 1/12th of their annual salary as at 5 April 2018. Only the employee's monthly salary and any family pay received in April 2018 is considered for this purpose.

²⁰ The legal entity name of Vodafone UK is Vodafone Limited.

²¹ As at 31 December 2018.

iv. Relevant pay period

The relevant pay period for hourly pay is the month of April 2018. In accordance with the legislation and Acas guidelines, any amounts paid in April 2018 that would normally be paid in a different pay period (such as a delayed payment, or correction of an accidental underpayment or overpayment for an earlier period) have been excluded from the hourly pay calculation.

The relevant pay period for the purpose of calculating bonus pay is the 12-month period ending 5 April 2018. As the Vodafone payroll is run monthly, for the purposes of calculating hourly pay, we have considered the bonus payments made in the April 2017–March 2018 (inclusive) payroll, which includes all bonus payments in the 12-month period prior to 5 April 2018.

v. Data accuracy

All this data relies on our employees' classification of their own gender.

Data: Vodafone's gender pay gap metrics by entity

Hourly gender pay gap						
	Vodafone UK [^] %	VGSL* %	VGEL %	VSSL %	Combined dataset 2018 %	Combined dataset 2017 %
Mean hourly pay gap	15.3	16.8	22.3	20.6	16.1	16.9
Median hourly pay gap	19.3	6.4	21.7	20.0	21.8	24.3

Proportion of Vodafone employees in each pay band per quartile												
	Vodafone UK [^] %		VGSL* %		VGEL %		VSSL %		Combined dataset 2018 %		Combined dataset 2017 %	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Upper	76.0	24.0	69.4	30.6	73.3	26.7	80.0	20.0	72.2	27.8	73.9	26.1
Upper middle	69.4	30.6	68.9	31.1	76.6	23.4	60.0	40.0	71.1	28.9	72.3	27.7
Lower middle	60.2	39.8	63.1	36.9	69.8	30.2	70.0	30.0	60.2	39.8	62.6	37.4
Lower	57.7	42.3	58.0	42.0	44.8	55.2	35.0	65.0	58.9	41.1	56.1	43.9

Gender bonus gap						
	Vodafone UK [^] %	VGSL* %	VGEL %	VSSL %	Combined dataset 2018 %	Combined dataset 2017 %
Mean bonus gap	34.2	48.6	42.0	41.9	43.2	41.5
Median bonus gap	2.3	14.7	37.0	68.2	17.0	22.4

Percentage of employees receiving a bonus						
	Vodafone UK [^] %	VGSL* %	VGEL %	VSSL %	Combined dataset 2018 %	Combined dataset 2017 %
Male	88.6	87.9	94.1	90.0	88.8	89.9
Female	88.8	83.7	90.6	79.4	87.8	89.0

Explanation of each entity can be found on page 14.

[^] The legal entity name of our operating company, Vodafone UK, is Vodafone Limited

* Includes Vodafone Group PLC

Appendix 2: Independent Limited Assurance Report to Vodafone Group Plc

KPMG LLP ('KPMG' or 'we') were engaged by Vodafone Group Services Limited to provide limited assurance to Vodafone Group Plc ('Vodafone') over the Selected Information described below as at 5 April 2018.

Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information listed on page 17 has not been properly prepared in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

Selected Information

The scope of our work includes only the information included within Vodafone's Gender Pay Gap Statement ('the Report') as at 5 April 2018 marked with the symbol Δ and listed on page 17 ('the Selected Information').

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed elsewhere, including on Vodafone's website, for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria we used to form our judgements are Vodafone's Gender Pay Gap Reporting Guidelines as set out in Appendix 1 on [pages 14](#) and [15](#). The Selected Information needs to be read together with the Reporting Criteria.

Inherent limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable, evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

We have relied on gender classification data in the Vodafone Human Resources IT system that originates from employees self-assigning their gender during the Vodafone recruitment process or when they have subsequently requested a change.

Directors' responsibilities

The directors of Vodafone are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;

- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether Selected Information has been properly prepared in accordance with the Reporting Criteria and to report to Vodafone in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE 3000') issued by the International Auditing and Assurance Standards Board.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence, professional standards and quality control

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control (UK) 1, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements'. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Summary of work performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;

- conducting interviews with Vodafone management to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- comparing a selection of pay data used to prepare the Selected Information to Vodafone's payroll records and bank statements;
- comparing the number of Vodafone employees data used to prepare the Selected Information to statutory accounts for the years to 31 March 2017 and 31 March 2018, and the Human Resources IT system;
- re-performing a selection of the calculations used to prepare the Selected Information; and
- reading the Report and narrative in the Report accompanying the Selected Information with regard to the Reporting Criteria, and for consistency with our findings.

This report's intended use

This assurance report is made solely to Vodafone in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Vodafone showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Vodafone for our work, for this assurance report or for the conclusions we have reached.

KPMG LLP
Chartered Accountants
London
8 February 2019



The Selected Information

The Underlying Subject Matter and Subject Matter Information ('the Selected Information') are listed below. The information needs to be read together with the attached limited assurance report and the Reporting Criteria.

Underlying Subject Matter	Subject Matter Information ('the Selected Information') %	Reporting Criteria
Mean Gender Pay Gap	16.1	Vodafone's 'How we report on the UK gender pay gap' (see pages 14 and 15)
Median Gender Pay Gap	21.8	
Mean Bonus Gender Pay Gap	43.2	
Median Bonus Gender Pay Gap	17.0	
Proportion of males receiving a bonus payment	88.8	
Proportion of females receiving a bonus payment	87.8	
The proportion of females in the upper quartile pay band	27.8	
The proportion of females in the upper middle quartile pay band	28.9	
The proportion of females in the lower middle quartile pay band	39.8	
The proportion of females in the lower quartile pay band	41.1	
The proportion of males in the upper quartile pay band	72.2	
The proportion of males in the upper middle quartile pay band	71.1	
The proportion of males in the lower middle quartile pay band	60.2	
The proportion of males in the lower quartile pay band	58.9	

View the 2017 [Gender Pay Gap Report](#).

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