



Statement on Human Rights and Artisanal Cobalt Mining in Democratic Republic of Congo - 2017

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery and servitude represent some of the gravest forms of human rights abuse in any society.

We will not tolerate any such activities within our own operations or within our supply chain and are committed to taking appropriate steps to ensure that everyone who works for Vodafone – in any capacity, anywhere in the world – benefits from a working environment in which their fundamental rights and freedoms are respected.

Supply Chain Policy, Due Diligence and Transparency

At Vodafone, we recognise our responsibility to respect human rights and wherever we operate, we work to ensure that we do not infringe on human rights through our operations or business relationships. This responsibility is embodied in our [Business Principles](#) and our [Code of Conduct](#). We are committed to respecting the human rights of everyone working for Vodafone either directly as an employee, or indirectly as someone employed by one of our suppliers.

For our suppliers, we set out ethical, health and safety, social and environmental standards within our [Code of Ethical Purchasing](#). This is publicly available, strictly prohibits child and forced labour and includes requirements on the responsible sourcing of certain minerals. These standards are integrated right from the start of our engagement with suppliers, in the initial qualification process. The Code is communicated to suppliers and integrated into supplier contracts. A new supplier must acknowledge its understanding and acceptance of our standards – as outlined in the Code of Ethical Purchasing – and confirm that it will comply with those requirements. That confirmation is part of the standard terms and conditions included in all of our contracts with every supplier, whatever its size.

We conduct due diligence on new suppliers to check that they meet our requirements and ongoing assessments, including site assessments, to ensure compliance. If suppliers consistently fail to meet our standards, we will not work with them. To target improvements further down the supply chain, we work with our suppliers to implement similar standards with their suppliers. A detailed description of how we implement the policy and conduct due diligence can be found in the supply chain section of our [sustainable business report](#).

Vodafone operates a Speak Up process that can be used by suppliers and business partners (as well as employees and contractors) to anonymously report allegations of illegal or unethical practices or breaches of Vodafone's policies. We also provided further details of our due diligence activities in relation to four metals –tin, tantalum, tungsten and gold -within our [Conflict Minerals report](#).



Cobalt Supply Chain

Following publication of research from Amnesty International in 2016¹, and building on our Code of Ethical Purchasing and Conflict Minerals due diligence programme, Vodafone has begun investigating where human rights risks relating to cobalt mining may exist further down our supply chain. We have taken a similar approach to the one we take for 3TG metals (tin, tantalum, tungsten and gold) and are focusing transparency efforts on (i) products likely to contain cobalt and (ii) where we manufacture or contract to manufacture those products. These products are Vodafone branded phones and tablets, power bank accessories and telematic control units for vehicles.

We have contacted the relevant suppliers and asked them to provide us with details of the cobalt smelters in the supply chain of the products or components they supply to Vodafone. Where this information was not known, we asked the supplier to contact their sub-suppliers to try and identify the source.

All of the suppliers that we approach responded to our request. However, the information provided was not complete. Our experience from a number of years of undertaking this due diligence activity in relation to 3TG metals, is that it can be extremely challenging for our suppliers to trace down (what can be several further layers in the supply chain) to the smelter and that it can take some time to provide robust and complete information. In addition, Vodafone and its ODM device suppliers have limited leverage on the suppliers of lithium ion batteries, in order to follow up and identify sources down the supply chain due to the comparatively small volume of units purchased. However, we recognise the importance of this issue and will continue to work with our suppliers to improve the quality and completeness of the information and also with the industry more broadly through our membership of the [Responsible Minerals Initiative](#).

Further information on Vodafone's Supply Chain

Our businesses rely on international supply chains that span multiple tiers and are complex to manage. Our direct suppliers can have a very large number of their own suppliers who in turn rely on a large number of their own suppliers and so on down through several tiers in the supply chain. The tens of thousands of companies involved are spread across dozens of countries and supplier relationships change constantly as companies win contracts and others exit.

Vodafone is not a manufacturer and does not directly own or operate factories or other production plants with the exception of a technology operation that is part of our Vodafone Automotive 'Internet of Things' (IoT) business. We do not directly purchase raw minerals, ores or metals. The vast majority of the smartphones and tablets that we resell to customers are made by major companies with internationally recognised brands. We also offer our customers a range of smartphones and tablets that carry the Vodafone logo. These devices are designed and manufactured on our behalf by suppliers – known as Original Design Manufacturers (ODM) – but we have limited influence over the

¹ <https://www.amnesty.org/en/documents/afr62/3183/2016/en/>



design and manufacture. We do not own, operate or control the manufacturing plants that make those Vodafone-branded devices.

Some electronic products contain cobalt in components such as lithium-ion battery parts. This metal may come from many different mine sources, to smelters and refiners and then on to numerous component manufacturers, assemblers and sellers.

Both the smelters and refiners, and the mines from which minerals are originally sourced, are several steps away from Vodafone in the supply chain and several steps below our Original Design Manufactures. However, we recognise that conduct that is at odds with Vodafone's principles and beliefs can occur at any point in these long and complex supply chains and ensuring responsible and ethical behaviour across our supply chain is therefore important.

Additional information

For ease of reference, please find direct links to the disclosures that Vodafone makes on these issues:

- [Code of Ethical Purchasing](#)
- [Supply chain and integrity section](#) of our sustainable business report
- [Conflict Minerals report](#) covering our due diligence activities in relation to 4 metals –tin, tantalum, tungsten and gold
- [Slavery and Human Trafficking statement](#)