



How Vodafone wants to contribute to society

At Vodafone, we connect for a better future. We recognise that we have a fundamental role to play in a digital society. Wherever we operate, we contribute to the wealth and development of countries, regions and local communities. As the leader of the “sector of sectors”, Vodafone sparks the development of digital services by others and propels other businesses to be successful in their own digital transformation. Connectivity is already transforming people’s lives. Our ambition is to improve one billion lives through an inclusive digital society, while halving our environment impact by 2025.

PRINCIPLE 1: Trust

Vodafone wants to build trust with society and our customers including offering clear, easy to use products and services, transparent pricing, and giving customers’ freedom of choice. To simplify and make the choice easier for our customers we have reduced the number of our price plans by 50% and retired 40% of our products over 3 years. This year, we launched our first unlimited data offers. We will continue relentlessly to streamline our services and offer more data at competitive prices, for the benefit of our customers.

In the last decade, our lives and identities have become increasingly digital as our personal data is no longer captured on paper but held in the Cloud or through other digital services. When everyone and everything are connected, even more so in a 5G world, privacy, safety and security must increase in importance. Recognising this, Vodafone has strict governance controls worldwide to ensure we protect our customers’ personal data and communications, respect citizens’ digital rights, promote parental control and children’s online resilience as well as proactively manage security risks. We believe customers should be in control of their data. We comply with relevant laws and regulations such as the General Data Protection Regulation (GDPR) and strive to apply the highest requirements of any privacy law across our business. We also build our networks, including adopting multi-layered protections, to defend against attack so our customers can have trust and confidence in secure, high quality, and fast connectivity. We invest significant resources in cyber defence. We ensure diversity into our networks to avoid reliance on any one supplier and all of our suppliers and partners are subject to high industry-leading levels of assurance.

In a digital society, not only data but also data analytics and Artificial Intelligence (AI) will permeate many, if not most, aspects of our lives. In this light, we are mindful of how our use of this technology affects our customers and society. We believe it is critical to ensure that the AI technologies we create and employ fully respect the privacy and security of consumers and protects them from unintended consequences of machine algorithms’ leading to discrimination. Vodafone supports an approach to AI that serves people and we will indicate when customers are interacting directly with AI.

The digital society we are creating must be inclusive extending to those who should, but may not have to date, benefitted from the digitalisation. Today nearly 200 million fewer women than men own a mobile phone, whereas owning a mobile phone can enhance a woman’s physical and economic security, education, skills, access to employment opportunities and the health and wellbeing of her and those around her. Similarly, in many of our markets, significant proportions of the younger generation find themselves without employment or in unproductive or informal jobs, with significant



negative effects on the future prospect of these individuals and of their societies. In Spain, Italy and Greece, youth unemployment rates are greater than 30% and, in Africa, where the population is projected to double in the next 30 years, youth already accounts for 60% of all of Africa's underemployed. Yet, while younger people are generally more savvy digitally, many find themselves lacking the necessary digital skills to capture new employment opportunities in a digital society.

For a truly inclusive digital society and in view of the changes in the way we work and live by digitisation, populations of all ages and backgrounds must be able to draw maximum benefit from technology. We have committed to connect 50 million currently unconnected women by 2025, as well as to assist in improving access to digital skills and reskilling, including by our program, "What will you be", which aims to support 10 million young people by 2022. New digital technologies should also help address issues of isolation and loneliness in our society, particularly with the elderly and those with disabilities.

Finally, we are committed to saving our planet. The digital society, powered by enormous amounts of data and computing is unavoidably energy intensive. Vodafone has therefore committed by 2025 to half its environmental impact by reducing greenhouse gas emissions by 50%, purchasing 100% of its electricity from renewable sources and recycling 100% of its network, while working with our customers to help them reduce the amount of devices that go to waste.

PRINCIPLE 2: Fairness

Vodafone recognises the quality and availability of our mobile and fixed networks are the foundation of the digitalisation of economies and societies. Access to digital infrastructure is in itself transformative and can help plant the seeds of growth in previously deprived areas and communities, helping people to improve their livelihoods and businesses to flourish.

All countries struggle with investment gaps to meet the needs of a future-proof digital infrastructure that can benefit everyone. In EU alone, this gap is estimated at approximately 150 billion euros. Far too many people still have inadequate access to mobile internet or no access at all. With affordability, quality and access – particularly in rural and remote areas – as key deliverables for governments and regulators, the time has come for us to work together to address the current infrastructure and investment gaps. An inclusive digital society should be one that bridges urban-rural divides. This is more important than ever as we roll out 5G.

Our commitment is to deploy our networks and services in a manner that supports public objectives. Vodafone is persistently investing billions, year after year, in acquiring spectrum and in rolling-out the infrastructure for gigabit networks in order to deliver quality, safe and secure networks critical to national economies. In a 5G world, network data demands are greater and the quality requirements of the network are – and should be – much higher.

Our ability to deliver on our commitment is also dependent on the conditions for investment, set by governments. Private investors must be allowed to operate at efficient scale and with adequate returns on their investment. Consistency and predictability of regulations of such long-term infrastructure efforts are critical, as are policies that promote investments and tackle fragmentation.



Governments should minimise the cost of deploying digital infrastructure. Much more could be done to address unnecessary, time consuming and costly rules and procedures for infrastructure investment and rollout. It is also time to reverse the trend of spectrum in some markets by focusing on who can deliver the largest societal benefits rather than who can pay, thereby enabling 5G deployment. We welcome governments' increased attention and priority given to coverage or quality, including with respect to any additional future security requirements, but they have implications: Every euro in excess spent on acquiring spectrum is a euro less to ensure better coverage and quality services. Governments have far too often failed to apply consistently their policies and regulations in line with their own long- term objectives, thereby undermining the pursuit of a digital society and the availability and affordability of modern networks and digital services.

Investment in infrastructure is also not enough on its own. Better collaboration between industry players, as well as with local and national governments, is required in order to reach previously underserved people and areas. This must not be at the expense of private investments, or undermine investment competition.

Vodafone and our industry must be allowed to operate in authentically competitive environments with our sector and others, such as Over the Top Providers (OTT) and other unlicensed communication services. Today, Europe and Africa has more than 100 operators while there are three or four equipment vendors, two operating systems, two app stores and a handful of hyper-scale cloud providers. There must be fair competition and the preservation of consumer choice across the entire digital ecosystem. Regulatory holidays for some, while not for others, not only distort markets but also undercut protection for citizens. Competition policy also needs to evolve and be adapted for the digital age. The impact of digital “gatekeepers” and dominant platforms should be addressed and focus should be on developing a more horizontal, common and technology neutral approach, including a regulatory framework and set of standards for Internet of Things (IoT) products and services, recognising the important distinction between personal data and machine-generated non-personal data.

PRINCIPLE 3: Leadership

The transformation to a digital society can feel for many, like a journey into uncharted territory. We are optimistic about the benefits and opportunities of a digital society but also we recognise the need for leadership and partnership to lead the way to realise the full potential of digitisation.

Vodafone began as an independent mobile phone company in 1985 disrupting the status quo and bringing real choice to consumers for the first time. For more than thirty years, as one of a few non-incumbent competitive investors at scale, we have continued this pursuit in countries across Europe, Africa and India. Our leadership and expertise in technology, networks, connectivity, platforms, and services has transformed Vodafone into Europe's – and one of the world's – largest converged technology communications provider with services in mobile and fixed broadband, an innovator in Internet of Things (IoT) worldwide and a champion of mobile financial services and digital transformation in Africa. We believe that is what makes Vodafone unique and a partner of choice.



As we move into a world powered by gigabit networks, Vodafone is leading in creating a new model of collaboration around network deployment. We have announced in Italy, UK and Spain, new network sharing arrangements, working with infrastructure investors and competing operators. This offers improved and greater coverage at a lower cost and reduces the environmental impact of our networks while retaining necessary competition in the market.

Our partnerships extends beyond our sector. Vodafone supports entrepreneurs using our expertise, services and platforms with their own innovations. As a leader in the “sector of sectors”, Vodafone sparks the development of digital services by others and propels other businesses to be successful in their own digital transformation.

Our IoT platform enables innovations and for the first time at scale, tailor-made products and services for consumer and business. With Vodafone’s IoT solution, societies and economies can transform, in areas such as smart transport with connected cars, improved road safety and better planning of public transport systems, smart healthcare through remote access to healthcare services, smart grids that cut carbon emissions, and many more societally beneficial applications. We are mindful that consumers must be able to trust new IoT devices and services. These new devices and services must be safe, secure, and respect privacy. To this end, we have worked with Consumers International to develop IoT Trust by Design principles to nurture a much more reliable and quality-oriented ecosystem of IoT hardware and software development for the future.

We are expanding our enterprise collaborations to bring better services in cloud and Internet of Things (IoT) services. Vodafone’s deals with AT&T in automotive IoT and ARM in reducing complexity and cost capture our commitment to lead. Our partnership with IBM Cloud makes it even easier for our enterprise partners to access and utilise the latest data analytics tools. We facilitate simple technology solutions for larger corporations as well as Micro, Small and Medium Enterprises (MSMEs), enabling them to focus on their business while we focus on their needs with networks, platforms, data and connectivity services.

A great example of disruptive technology and entrepreneurial thinking is our mobile money solution, MPesa, which has revolutionised financial services in Africa, making Kenya’s levels of financial inclusion comparable only to those found in developed countries with over 80% of the population covered. Almost half of the national GDP of Kenya now goes through MPesa. Most importantly, women and poorer communities have benefitted significantly. Almost 200,000 Kenyan women have transitioned from subsistence farming into more productive jobs, and 2% of Kenyan households have been lifted out of absolute poverty.

The work of our Foundation and Vodafone’s Connecting for Good programs transform lives through Vodafone technology. E-schools in South Africa, Egypt digital education and digital schools in remote areas of need, digital support for expectant mothers in Tanzania through our mother and baby programme and award winning interventions across many markets for those in abusive relationships via the TecSOS handset and Brightsky app, are just some examples of Vodafone’s leadership.