Vodafone Group

Sustainability Report

For the year ending 31 March 2011

About our sustainability reporting

We have changed the way we report our sustainability performance.

This report aims to provide some insight into the opportunities and challenges we face in implementing each of the three pillars of our sustainability strategy, followed by a concise overview of our progress against key objectives.

More information on our sustainability management and performance can be found at **www.vodafone.com/sustainability**.

Read on for...

Visit our website...
for more on our approach to sustainability

Our refreshed website outlines our approach to managing our most material sustainability issues, including those covered in this report and others, and hosts our online reporting hub.

Go to our online reporting hub for...

Comprehensive data

Our online data centre provides performance information on all Vodafone's material sustainability impacts.

Global Reporting Initiative (GRI) Index

We have benchmarked our sustainability reporting against the GRI guidelines, and assess our application of the GRI framework to be B+. See full GRI Index online.

Managing sustainability

Find out how we assess materiality, and read about our governance structures for sustainability.

Tell us what you think...

We want to hear your views on our sustainability reporting and performance. Email us at sustainability@vodafone.com.

Our mission

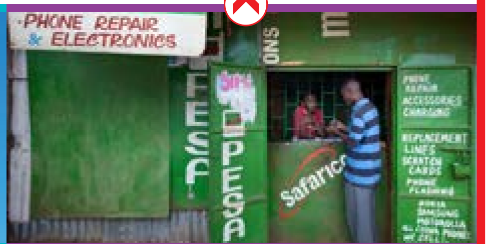
is to be admired as a diverse ethical company, operating responsibly and providing services that enable a more sustainable society for our customers by being the leading communications company for:

Responsible, ethical and honest behaviour

We are committed to acting responsibly in all our activities to maintain the trust of our customers, our employees and other stakeholders.

Eco-efficiency – doing more for customers with less

We aim to reduce environmental impacts in our operations and across our value chain, from design and manufacturing of products by suppliers through to use and disposal by our customers.



Creating sustainable societies

We aim to deliver innovative products and services that contribute to development and enable a low carbon economy.

Certainty – trustworthy, respected and not letting our customers down

Possibility – using mobile technology to deliver a sustainable future

Welcome to Vodafone's Sustainability report for 2010/11

which sets out our performance and offers insight into some of the sustainability opportunities and challenges we face in implementing our strategy.

The strategy is founded on our long-standing commitment to behave in a responsible, ethical and honest way, and to reduce environmental impacts across our value chain. This has enabled us to build credibility as we engage with partners to help build more sustainable societies.

I believe Vodafone is extremely well positioned to contribute to sustainability in two key areas: by promoting economic development and enabling a low carbon society. Our products and services can help to deliver the step change in efficiency needed to achieve these global objectives. At the same time, our efforts in these areas are generating new revenue streams for the business and link directly with our strategy to drive growth in data services.

Vittorio Colao, Vodafone Chief Executive

We see significant opportunities for our services in the areas of health, financial services, agriculture and food distribution, particularly in the emerging markets which are at the heart of our strategy for business growth. Vodafone's mHealth Solutions are bringing tangible efficiencies to healthcare providers in several markets and the number of M-Pesa customers doubled to 20 million in 2010/11, with over half a billion dollars transferred via mobile each month.

In developed markets, our focus is on mobile-enabled services that support low carbon ways of operating. We are harnessing opportunities to provide machine-to-machine connections that enable business customers to improve the efficiency of their operations and reduce carbon emissions.

We are targeting reductions in our own carbon footprint by working closely with key suppliers to develop innovative solutions to improve the energy efficiency of our networks – bringing additional cost savings and operational efficiencies.

Last year, I highlighted challenges in managing health and safety performance, particularly in some of our emerging markets. In 2010/11, we have made significant efforts in embedding a safety first culture, targeting the root causes of incidents. However, I am extremely saddened to report that four employees and 17 contractors lost their lives in major incidents, including the full-year reporting on Vodacom. More than half of these fatalities were as a result of road traffic accidents in emerging markets, and even if we can only partially affect driving conditions in these countries, enforcing road safety rules with our employees and contractors remains a key focus.

The role of telecommunications and internet access during civil unrest has been highlighted by continuing events across North Africa and the Middle East. In Egypt, operators were required by the authorities to temporarily shut down mobile networks in January. Our employees performed admirably in challenging circumstances, restoring network operations quickly and working long hours to maintain services for customers. I firmly believe the approach we adopted in the circumstances was the optimum one for our employees, customers and the wider population.

The way we deal with these and other challenges is critical to maintain the trust of our customers and other stakeholders, without which we cannot deliver our commercial objectives. I believe transparent reporting is a key aspect of maintaining trust and highlighting opportunities to address sustainability challenges. Read on to find out more about our performance in 2010/11 and how we approach key sustainability issues.

Our global presence

Creating sustainable societies

The future of our business is inextricably linked with global sustainability challenges.

We are targeting the areas where our mobile solutions can help to meet these challenges at the same time as developing new opportunities for business growth.

We believe Vodafone can make the biggest contribution in two key areas: boosting economic development in emerging markets; and combating climate change by enabling the transition to a low carbon economy in developed markets. Mobile technology is already offering part of the solution to these challenges and has the potential to contribute in many more ways.

Contributing to development in emerging markets

We are rapidly expanding our networks and achieving tremendous business growth in emerging markets, growing our customer base by over 33 million in India alone in 20010/11. Our fast, reliable networks and low-cost devices provide affordable access to telecommunications and, increasingly, mobile internet. This is well established as an important factor in the economic development of previously isolated and underdeveloped communities.

As the number of mobile communications customers has grown, this has in turn stimulated demand for entrepreneurs to develop a wide range of innovative services that can be delivered using our networks. We can also make a significant contribution through our own products and services that offer a host of development benefits – from access to financial services for the unbanked to more efficient healthcare.

These and other areas provide platforms for development through which we can deliver more services that bring further sustainability benefits, and we can amplify our contribution to development by partnering with others.

Expanding access to telecommunications

One of the key challenges we face in expanding access in emerging markets is building a network that functions effectively and at low-cost in remote areas. Working with our network partners and equipment manufacturers, we are using innovative technology such as 'no frills' base stations and on-site renewable energy (including solar and wind) to deploy networks capable of functioning without the power infrastructure we rely on in more developed areas (see page 7).

Another key challenge is affordability. We continue to work with suppliers to develop our own bespoke, low-cost handsets. Increasingly, our priority is to reduce the cost of internet access via mobile. Our latest research on the socio-economic impact of mobile suggests that mobile internet is spreading rapidly in emerging markets, leapfrogging fixed line broadband in the same way mobile telephony leapfrogged fixed line phones to connect remote communities.

The Vodafone 340 is our most affordable internet-enabled handset yet, retailing at around US$30. All our low-cost mobile internet phones use the specially designed Opera Mini browser, which works effectively on 2G networks – important in emerging markets where 3G coverage is currently limited. Our 'WebBox' is revolutionising mobile internet access by using televisions to provide a big screen internet experience at home without a computer or fixed line connection (see box).

Vodafone WebBox

Although access to mobile is rapidly expanding, as yet far fewer people have mobile phones than televisions. Even fewer have access to a computer at home. Our new Vodafone 'WebBox' device offers an opportunity to significantly increase the number of homes with internet access by using their televisions to display the internet on a big screen for as little as US$80.

Launched in South Africa in February 2011, we anticipate strong demand for the Vodafone 'WebBox' device across our emerging markets. This full-size QWERTY keyboard with embedded mobile connectivity plugs into a regular television to bring a big screen internet experience into homes. It facilitates development by enabling people to research school projects, look for jobs, and send and receive email for business and pleasure.

Over 250 million

customers[1] in our emerging markets worldwide – which now exceeds the number of customers we have in developed markets – giving Vodafone a huge opportunity to contribute to development.

1 Total number of mobile customers from Albania, Egypt, Ghana, India, Malta, Qatar, Turkey, Vodacom (including Vodacom subsidiaries Democratic Republic of the Congo, Lesotho, Mozambique, South Africa and Tanzania), our joint venture in Fiji and our associate Safaricom in Kenya. This is consistent with the definition of emerging markets for our energy intensity target (see page 14).

Empowering women through mobile

Women constitute the world's largest consumer spend segment, but over 300 million[1] fewer women than men in emerging markets have a mobile phone. By tailoring our services for women, we aim to attract more female customers at the same time as bringing the benefits of better access to telecommunications to them and their families. A GSMA survey of mobile phone users has revealed that 85% feel more independent as a result of ownership and 41% report better job and economic opportunities.

Vodafone is committed to the United Nations' Women's Empowerment Principles and takes part in the GSMA mWomen programme, a public – private partnership championed by Cherie Blair and Hilary Clinton that aims to bring 150 million more mobile connections to women over the next three years. We sponsored the mWomen 'Bottom of the Pyramid Applications Challenge' to promote the creation of applications that meet women's needs.

We are also establishing our own development projects with women in mind. Our Al Johara programme, for example, enables Qatari women to learn entrepreneurial skills and earn a living by selling Vodafone products and services to their communities. In India, we support women in self-help groups by training them to become Vodafone retailers, providing finance management tools and offering information about health, hygiene and social issues via mobile.

1 GSMA Report, Women and Mobile: A Global Opportunity

Providing financial services via mobile

Using mobile technology to bring financial services to people without bank accounts offers significant development benefits and commercial opportunities for our business. Vodafone M-Pesa enables people in emerging markets to send money to their families and pay for goods or services via their mobile phones. It is cheaper than wiring money, safer than carrying or sending cash, and combats the potential for corruption along the way.

The uptake of Vodafone M-Pesa continues to grow. Globally, the number of customers almost doubled in 2010/11 to around 20 million, who collectively transfer over US$500 million a month. There are 13.5 million registered customers in Kenya alone, where we have expanded the range of financial functions available to include access to bank accounts via mobile for the first time. We are also collaborating with ICICI and HDFC banks to pilot a mobile money transfer service in India, where our growing customer base offers a huge opportunity to reach the unbanked.

By enabling international payments, we are helping people who are working abroad to send small amounts of money home faster and more conveniently than ever before. International remittances can make a significant contribution to national income and economic development. Our strategy is focusing on how we can better serve customers needing to send and receive payments from abroad.

Supporting health services

We see tremendous opportunities for mobile solutions to make healthcare more efficient. Improving basic healthcare in emerging markets is a considerable need and a key global development goal. Combined with ageing populations and increasing rates of obesity and diabetes in developed markets, this offers potential for substantial new revenue streams.

Our dedicated Vodafone mHealth Solutions business aims to realise this potential. In emerging markets, we are using mobile to improve access to medicine by, for example, tracking and managing the supply of drugs to make sure they go where they are most needed. Our Mobile Relationship Manager service, used to manage supplies of malaria drugs, is the first mHealth solution to be scaled up commercially on a national scale – across Tanzania. Rollout of our mobile health enablement platform also continues, helping community caregivers in South Africa work more efficiently by inputting and accessing patients' medical records via their mobile phone.

The opportunities for Vodafone's services to contribute to sustainable development are vast and we are currently exploring how they could be used to support sustainable agriculture (see Focus on food, page 5). We are also investigating the potential to use our network infrastructure to provide affordable, renewable power to rural communities beyond the reach of energy grids. This would not only help to alleviate energy poverty – a key development issue – but also promote lower carbon societies (see page 7).

US$500 million

a month transferred by 20 million customers globally using Vodafone M-Pesa in 2010/11.

m-pesa

"Our innovative products and services offer a host of development benefits – from access to financial services for the unbanked to more efficient healthcare."

Focus on food

Agricultural production must increase by an estimated 70% by 2050 to feed a global population that is expected to have reached 9 billion[1]. At the same time, farmers are facing dwindling natural resources and a predicted rise in extreme weather events as a result of climate change. Meeting this fundamental sustainability challenge will require a massive improvement in the efficiency of agricultural production – and distribution of food supplies.

We believe that mobile has the potential to achieve a step change in food production by improving the efficiency of the agricultural value chain. It can also help smallholder farmers – who already feed almost a third of the world[2] and will be critical in feeding a growing population – raise their productivity and boost their livelihoods. Our mobile payment solutions are already helping farmers to obtain quick, secure payments for produce and save for seed, fertiliser or against unexpected risks. Our services for farmers in Ghana, India and Turkey offer features such as weather alerts and up-to-date information on crop prices from local markets. More than 280,000 people in Turkey have signed up.

We have commissioned a study on the opportunities for Vodafone to develop this market. The research will assess the sustainability issues facing the agriculture supply chain, identify how Vodafone's technology and networks can help to address these challenges, and compare the commercial benefits of possible services. Potential sustainability benefits include enhanced food security, improved resource management and increased revenues for farmers. For development, this is particularly important for smallholders in emerging markets, whose livelihoods depend on the productivity of their land and the price they can obtain for produce.

Enabling a low carbon society

Information and telecommunications technology can play a significant role in the fight against climate change by enabling businesses and consumers to make the transition to low carbon ways of operating, working and living.

The Smart 2020[3] report quantified ICT's potential to cut global emissions by 15% by 2020 and mobile can make a significant contribution to this. Our Carbon Connections study established the potential for mobile to improve business efficiency and reduce carbon emissions, identifying opportunities that could cut carbon emissions by 113 megatonnes by 2020 in Europe alone[4].

Of the 1 billion mobile connections needed to achieve these reductions, 85% will be machine-to-machine (M2M) – remote wireless connections that create a two-way communication between machines. Utilised effectively, this technology can enable dramatic improvements in the efficiency of logistics, manufacturing processes, energy use in the office, and personal travel. M2M is also central to engineering new 'smart' energy grids that monitor power demand and adjust supply accordingly.

We have set up a dedicated business to tap into the potential of M2M solutions to deliver significant efficiency and costs savings for our enterprise customers. We believe that the majority of M2M applications can also enable reductions in greenhouse gas emissions, and we have commissioned research to assess the benefits of specific applications for customers and the environment. Our target is to provide 10 million carbon-reducing connections by March 2013.

Mobile telecommunications and M2M connections also have potential applications in the 'smart cities' of the future and we are involved in a number of collaborative studies on this topic (see page 13). Smart working is one element of this already being put into practice by companies around the world. Using mobile solutions to enable more flexible working practices reduces the need for commuting, travel to meetings, and the provision of office facilities. Vodafone Netherlands, for example, has cut emissions from employee commuting by an estimated 25% – or around 750kg carbon dioxide (CO_2) a year per employee by introducing mobile working[5].

Promoting greener and safer driving in fleets

We are collaborating with fleet management and navigation system manufacturers such as TomTom to help customers with fleets across all sectors to improve efficiency, cut fuel costs and reduce emissions by enabling better route planning and promoting more fuel-efficient driving. Vodafone provides M2M connectivity between TomTom's GPRS-enabled devices and a central platform to automatically collect and convey real time data on location, traffic events, driving styles, engine performance, fuel consumption and carbon emissions. Businesses can use this data to plan deliveries better, reduce idle time, improve vehicle maintenance and recommend driving training for safe and fuel-efficient driving where needed.

Smart metering enables improved energy efficiency

Smart meters with embedded SIM technology use M2M connections to enable remote monitoring of electricity, gas and water consumption. This can reduce CO_2 emissions by promoting more efficient energy and water use by increasing visibility of consumption rates, as well as eliminating the need for engineers to travel to read meters.

Smart meters also play an important role in the creation of smart energy grids – connecting utilities with their infrastructure – and encourage consumers and businesses to improve energy efficiency. By enabling excess power to be sold back to the grid, smart meters also promote small-scale generation of renewable power from, for example, rooftop wind turbines or solar panels.

Vodafone and British Gas announced a joint plan in 2009/10 to supply nearly 1 million M2M connections for smart meters in UK households. This will enable families to monitor the energy they use in real time, helping them cut costs and related CO_2 emissions. We have similar smart meter collaborations with Italgas in Italy and AMS in New Zealand.

Business customers are also installing smart meters to improve facilities management. New Zealand's ASB bank uses Vodafone technology to receive energy data from smart meters at all its branches and offices across the country. It uses this information to target energy saving efforts, and in 2010/11 the bank cut its energy use by 25% compared with the previous year.

More on the web:

- Our contribution to the Millennium Development Goals
- Vodafone M-Pesa
- Vodafone mHealth Solutions
- Carbon Connections research

View our performance:

- Creating sustainable societies, page 12

1 UN Food and Agriculture Organization, How to feed the world, 2009
2 Oxfam, Who will feed the world?, 2011
3 SMART2020, The Climate Group & Global e-Sustainability Initiative (GeSI), 2008
4 Carbon Connections, Vodafone and Accenture, 2009
5 Figures based on an assessment of 401 employee responses on commuting and potential to work remotely.

Eco-efficiency – doing more for customers with less

Climate change, depleting natural resources and growing volumes of electronic waste are increasing pressure on global sustainability.

Reducing our environmental impacts is clearly a sustainability priority for Vodafone, but this 'eco-efficiency' is also a business imperative.

Stakeholders expect Vodafone to demonstrate leadership in tackling these issues; strengthening environmental regulations mandate robust action; and the rising costs of energy, resources and waste disposal have a direct impact on our financial returns.

Fundamentally, we must do more for our customers with less: less energy, less carbon, less waste and fewer resources.

Cutting the environmental impacts in our operations and our supply chain not only reduces our operating costs, but also helps us meet the increasingly robust environmental requirements of our business customers and investors. Cost savings also enable better returns for shareholders.

Awareness of environmental issues is growing among consumers and this is becoming an important selection criteria in many purchasing decisions. As yet few people are prioritising 'green' products when they choose a mobile phone or service provider, but we expect this to change in the medium to long term. By making the environmental credentials of our products clearer, we can address this emerging trend and support consumers in making more environmental purchasing choices.

We have greatest control over the impacts of our own operations and have extensive management systems in place to manage these. Key focus areas are reducing energy use and associated carbon emissions, resource use and waste – in particular, electronic waste from our network.

However, we recognise that our influence extends beyond our operations and adopt a holistic approach to manage and reduce environmental impacts across our value chain: from design and manufacturing of products by suppliers through to use and disposal by our customers.

We require suppliers to meet high environmental standards in their own operations and encourage strategic suppliers to declare their climate impacts through the Carbon Disclosure Project. We also work closely with our strategic suppliers to reduce our impacts by, for example, developing more energy efficient network equipment and 'greener' products for our customers.

Our new Environmental Principles encourage handset and accessory manufacturers to choose more sustainable materials, avoid hazardous substances and improve manufacturing efficiency. Many of our local markets also offer bespoke 'green' products and accessories for sale in-store, and encourage customers to recycle their mobile phones.

Tackling electronic waste

Vodafone has a strong record of recycling electronic waste (e-waste) from our networks in countries where we have been operating for several years. Our local markets also have programmes in place to collect unwanted mobile phones for reuse and recycling, although consumer e-waste is not within our direct control.

In mature markets, we often have a choice of expert recycling contractors and can rely on them to comply with international e-waste regulations. However, managing e-waste is more challenging in emerging markets where recycling facilities are often limited. Indeed, informal repair and recycling businesses in these markets consider e-waste a resource rather than an environmental issue, generating income by recovering valuable materials from old electronic equipment. But poor recycling practices using basic facilities can create risks to the environment and human health.

We are committed to increase capacity for responsible recycling and disposal of e-waste in emerging markets. As a first step, we have commissioned research to understand how e-waste is currently managed to assess how this can be improved. Due to the global scale and complexity of the e-waste challenge, collaboration will be essential to make an effective contribution and we are engaging with others in our industry and beyond to share best practice.

Minimising our carbon footprint

Reducing our impact on climate change is a priority. Targeting energy reduction is helping us cut both our carbon footprint and operating costs, as well as safeguarding against rising energy prices. This is increasingly important as we continue to grow our network coverage and roll out our new 'Supermobile' strategy to drive data traffic, which requires more energy. We also want to protect our own assets from the effects of climate change, which are expected to be felt more acutely in the emerging markets that are so important to the growth of our business.

Our network accounts for just over 80% of our total energy use and of our carbon footprint globally. We have set a target to halve carbon dioxide (CO_2) emissions in mature markets by 2020. We are making good progress, and have already achieved a 9% reduction from the 2006/07 baseline. In emerging markets, our carbon footprint is increasing as we expand our network. We recognise that business growth cannot be accompanied by an unconstrained rise in emissions and have set a target to cut CO_2 by 20% per network node[1] by 2015 in emerging markets.

Improving network energy efficiency is a key focus and we are working closely with suppliers to develop more efficient equipment, from less energy-intensive air conditioning and power amplifiers to single RAN[2] base stations that combine 2G, 3G and LTE[3] networks. We are beginning to see progress and predict a series of further efficiencies as new equipment is deployed across our networks.

However, it is clear that we will not be able to meet our ambitious targets through efficiency measures alone and we are exploring a range of options to close the gap, including investment in on-site and macro renewable energy generation, purchasing renewable energy from the grid and, as a last resort, the use of high-quality carbon offsetting. We recognise that the net carbon benefits of some of these options remain controversial and we continued to engage with stakeholders in 2010/11 to assess the most credible options.

Experts at a focus group in November 2010 suggested that, as well as efficiency measures, we should expand our use of renewables. The uncertainties around carbon accounting of green tariff electricity make it difficult to purchase more green energy from the grid with confidence that this will reduce our emissions. Small-scale on-site renewables provide more clear-cut reductions, but the pay-back period is long.

The business case for renewables is stronger in emerging markets, where access to reliable grid electricity is less widely available: many of our base stations around the world are in locations beyond the reach of the electricity grid. We are stepping up our deployment of on-site wind and solar power after several successful trials in these markets.

As we do so, we are exploring options to leverage our network to provide not just telecommunications services but also clean energy to remote communities. This brings climate benefits, by replacing carbon-intensive fossil fuels, and provides an opportunity for us to contribute to development (see Network Innovation in Bihar, right).

Innovation and collaboration is vital to improve our eco-efficiency. We are working with suppliers to develop innovative alternative energy solutions, such as sites that run on a combination of battery and renewable power, and low-energy 'no frills' base stations for use in rural areas. To promote further innovation to reduce network emissions, we are creating the Vodafone Site Solution Innovation Centre in South Africa where our technology teams will collaborate with external partners. We plan to open the centre in time for the COP 17 UN Climate Conference in Durban in November 2011.

1 A single base station site may contain more than one node for each type of network served (e.g. 2G, 3G or LTE). See page 14 for a definition of mature and emerging markets
2 Radio Access Network
3 Long Term Evolution technology

Network innovation in Bihar

Vodafone Essar's network in India is rapidly expanding into rural areas where we rely on diesel generators due to a lack of reliable grid electricity. In the Bihar state, grid electricity is available for an average of just eight hours a day and approximately 30% of our base stations in Bihar have no access to electricity at all. Finding alternatives to reduce this dependence on fossil fuels is essential to keep carbon emissions and operating costs down.

In Bihar we are deploying renewable solar power with a back-up diesel generator at 100 sites, and hybrid base stations that combine a diesel generator with a battery to reduce diesel use at a further 490 sites in Bihar. The success of alternative energy sources in reducing diesel use and associated CO_2 emissions is clear from our previous efforts in the Indian state of Assam where sites with solar power use 63% less diesel and those with solar and wind use 85% less diesel.

More on the web:

- Environmental management
- Minimising our carbon footprint
- Reducing impacts of our products and services
- Managing electronic waste

View our performance:

- Eco-efficiency, page 14

Responsible, ethical and honest behaviour

The reputation of our business and value of our brand is built on Vodafone's long-standing commitment to responsible, ethical and honest behaviour.

The need for transparency is more acute as companies face increased scrutiny from stakeholders in the aftermath of the financial crisis and the resulting loss of trust in large corporations. Vodafone has worked hard to meet this challenge and has structured management systems in place, but we recognise that the vital importance of maintaining and building trust requires continued focus and ongoing vigilance.

Our extensive framework of policies and systems to manage our responsibilities is well established and continues to evolve as we encounter new issues. We cannot anticipate every ethical issue we may face, but our Business Principles are designed to ensure that stakeholders know Vodafone will always strive to choose the responsible option.

The accompanying Code of Conduct, rolled out in 2010/11, guides employees on how to implement these in practice and they have a duty to report any suspected breaches. In anticipation of the UK Bribery Act, due to come into force in July 2011, we have also reviewed and reinforced our anti-bribery programme with training to be rolled out across the Group (see website for more details).

Some of the issues we must manage are becoming more complex as Information and Communication Technology (ICT) and its applications rapidly evolve and become increasingly pervasive in society. Our strategy to increase mobile data aims to rapidly expand mobile internet use. In realising this ambition, safeguarding customers' privacy and security, and protecting younger users from inappropriate content and contact online, is increasingly important.

The many parties involved in delivering telecommunications products and services means it can also be difficult to define the boundaries of Vodafone's responsibility, control and influence. Changing regulations and ongoing dialogue with stakeholders feed into our evolving strategy on where to set the boundaries and how to work with others to use our influence effectively.

For example, in the past we could protect younger customers from accessing inappropriate content online by delivering content through our mobile internet portals (such as Vodafone live!) which are within our editorial control. But as mobile internet use increases on smart phones, customers access online content that is outside our direct control. As a result, we have adapted our approach. We continue to provide guidance for parents (see box to the right), and we are working with handset manufacturers and software providers to develop a common set of principles for child internet safety.

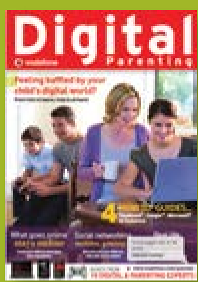
Similarly, we work closely with industry bodies, technical standards organisations, and application platforms and developers to set standards and create guidelines that can help build privacy into the design of new mobile applications, products and services – however they may evolve in the future. Privacy by design is one of the seven Privacy Commitments we established in 2010/11.

Another area where boundaries can be difficult is balancing our public duty with our responsibility to our customers, which may sometimes conflict. For example, our public

Guidance for parents on child safety online

"We read the excellent Digital Parenting magazine with great interest. Whilst we found all the content to be practical and informative, we were particularly impressed with the sections offering simple steps on how to set up things like privacy controls and safesearch. Such clear step-by-step guides, from Vodafone and other industry partners, are invaluable in helping parents understand the complex and changing online world."

Tim Loughton MP[1], Joint Chair of the Executive Board of the UK Council for Child Internet Safety



"Our Business Principles are designed to ensure stakeholders know Vodafone will always strive to choose the responsible option."

1 Member of Parliament

Our responsibilities

Vodafone's corporate responsibilities are wide-ranging and we are guided by the following principles:

- Maintain **high ethical standards** in our own operations and those of our **suppliers** (see pages 17 to 18)
- Ensure the **safety** of our employees and contractors (see pages 18 to 19)
- Treat our **employees** fairly and help them develop their talent (see page 20)
- Minimise **environmental impacts** from our operations and products (see pages 14 to 16)
- Earn the trust of our customers by safeguarding **privacy**, promoting **child safety online**, offering **accessible products and services** (see page 17), and ensuring our **pricing is clear**, and our marketing and **mobile advertising** is responsible (see our website for more on our approach to these issues)
- Communicate transparently with communities and the public on **network deployment** and **mobiles**, **masts and health**, and comply with national and international guidelines on exposure to radiofrequency fields. We monitor ongoing independent research reviews on mobiles, masts and health, and include these on our comprehensive website about this issue. In 2010/11, we also sought to raise the bar relating to standards that the industry uses to test mobile devices, to ensure that they accurately reflect how customers use their phones.

Visit our website for more on all these issues:

www.vodafone.com/sustainability

> "The issues we must manage are becoming more complex as ICT and its applications rapidly evolve and become increasingly pervasive in society."

duty to assist governments with information about customers' communications to tackle terrorism or threats to national security must be balanced with our responsibility to respect customers' privacy and human rights. This need for balance is included in our Privacy Commitments and in 2010/11 we established a new policy standard on assisting law enforcement while protecting human rights.

The political unrest in Egypt in 2011 raised questions about the role and responsibilities of telecommunications providers in protecting human rights and freedom of expression when operators, including Vodafone, were instructed by the Egyptian authorities to shut down mobile networks and send prescribed SMS messages. We believe that we behaved responsibly in this challenging situation and aimed to communicate our position clearly (see page 10).

Managing sustainability issues in the supply chain is another example of the challenge in defining how far Vodafone's responsibility extends. Sustainability is embedded in Vodafone's supplier performance management programme and we drive improvements through, for example, supplier evaluations, audits and direct engagement of key suppliers as well as the use of industry tools. But because no one company can monitor every tier of the supply chain, our approach has been to work predominantly with our Tier 1 suppliers – with whom we have a direct contractual relationship – to help them improve their performance and work with them to build their capability to do the same with their own Tier 1 suppliers. We believe this is the best way to achieve sustained improvement throughout the supply chain.

Some stakeholders are increasing demands for more transparency across the ICT supply chain. Views from experts – gathered through engagement activities such as the focus group we held in September 2010 – feed into our strategy which we review regularly. We are looking for practical ways to extend the reach of our supplier management programme. Options include conducting more audits each year and extending these to cover suppliers beyond our Tier 1. We are already auditing some Tier 2 suppliers, particularly those involved in manufacturing Vodafone-branded devices, and working with subcontractors to improve safety management in the construction and maintenance of our networks (see page 18). We contribute to industry efforts to address issues further down the supply chain, such as conflict minerals (see our website for details on our approach to this complex issue).

Responding to an environmental incident in the ICT supply chain

In 2010/11, NGO campaigns highlighted environmental and human rights incidents in the ICT supply chain. Vodafone and other ICT companies were linked to an environmental pollution incident at a factory supplying one of our suppliers in China. Even though the components produced in this particular factory were not used in products supplied to Vodafone, we took immediate action. We halted new business with the Tier 1 supplier, working with them until the incident was fully investigated and we were satisfied with the remediation plans that were put in place.

We requested a formal explanation from our Tier 1 supplier and confirmed that their business relationship with the sub-tier supplier had been terminated. We commissioned an external audit on the incident's root cause and the Tier 1 supplier's compliance with ISO14001 and OHSAS 18001 environmental and occupational health and safety standards. We conducted an audit to measure progress in cascading our Code of Ethical Purchasing through their supply chain. The findings from both audits are feeding into our continued work with the supplier to improve performance.

We are engaging with the coalition of Chinese NGOs that published reports on the pollution incident and have committed to use their database of environmental pollution incidents across China as a tool in our assessment and engagement with suppliers.

Response to political upheaval in Egypt

In January 2011, authorities issued a legally enforceable demand to telecoms operators to shut down their mobile networks in specified areas during protests in Egypt. Vodafone, along with all other telecoms operators, complied with the request because we judged this to be in the best interests of our employees – to ensure their safety – and our customers. Non-compliance could have resulted in imprisonment of employees or suspension of our operating licence. It was also likely that the government would have taken direct action to switch off mobile networks as they had the technical capability to do this, which would have meant that restoring communications would have taken much longer. Retaining technical control of the network was therefore an important consideration in protecting our customers' ability to communicate. In the event, we were able to restore voice communications the following day, and data and texts within a few days.

Vodafone and other operators also complied with government requests to send a series of SMS messages. However, in the case of the last message transmitted about a pro-Mubarak march, we declined to let the message be sent in Vodafone's name and limited its circulation. We then formally informed the Egyptian authorities that any future instructions to send SMS messages must clearly show the authority requiring the message to be sent.

We have engaged with a wide range of NGOs to explain our decisions, including the Global Network Initiative.

UK tax settlement

In 2010/11, Vodafone settled a long-running dispute with HM Revenue & Customs (HMRC) regarding the UK's right to tax certain profits earned by Vodafone overseas. This complex issue was managed in line with the high ethical standards and commitment to transparency laid down by our Tax Code of Conduct. A comprehensive and rigorous examination of the legal arguments and detailed facts resulted in an agreement to pay a fixed amount of £1.25 billion as full and final settlement. As HMRC has stated, 'at no point was a liability greater than £1.25 billion established,' addressing media speculation to the contrary. Vodafone is proud of its British heritage and our business contributes significant tax revenues to the territories in which we operate, both in the UK and overseas.

See our website for further information about our approach to tax.

More on the web:

- Business Principles
- Code of Conduct
- Health and safety management
- Tax Code of Conduct
- Privacy centre
- Parents' website
- Mobiles, masts and health
- Supply chain management
- Position on conflict minerals

View our performance:

- Responsible, ethical and honest behaviour, page 17

Our performance in 2010/11

Read on… for an overview of our performance against objectives

The following pages provide a summary of our progress against the strategic objectives that drive our sustainability agenda:

Creating sustainable societies

- Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals by March 2015
- Provide 10 million carbon-reducing M2M connections by March 2013

Eco-efficiency

- Reduce CO_2 emissions by 50% against the 2006/07 baseline by March 2020
- Develop joint CO_2 reduction strategies with suppliers accounting for 50% of procurement spend by March 2012
- Contribute to building capacity to manage electronic waste in three emerging markets by March 2012
- Be recognised as a 'green' brand in at least 75% of the developed markets where we operate by March 2012

Responsible, ethical and honest behaviour

- Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market by March 2011
- Ensure that suppliers accounting for 50% of procurement spend have adopted the Global e-Sustainability Initiative (GeSI) common industry approach by March 2012

We also report our performance here in two other key areas – safety and our people – where we aim to drive continuous improvements in our performance.

Visit our website… for more on our approach to material issues

We strive to communicate clearly and transparently on the issues that are assessed as most significant or 'material' to our business and our stakeholders (see our materiality matrix online). While our report covers the majority of these areas as outlined above, several of our most material issues are addressed in detail on our website:

- Mobiles, masts and health
- Tax
- Ethics
- Human rights
- Earning customer trust (including privacy, child safety online and mobile advertising)
- Network deployment.

See our Annual Report… for commercial issues

Our Annual Report covers responsibilities that are a core part of our commercial approach, such as customer satisfaction and clear pricing, and includes information on the Vodafone Essar tax case.

Go to our online reporting hub… for much more

Our online reporting hub provides comprehensive performance data, information on how we manage sustainability, and an index of conformance with the Global Reporting Initiative guidelines.

Creating sustainable societies
Go to page 12

Eco-efficiency
Go to page 14

Responsible, ethical and honest behaviour
Go to page 17

Report scope
This report and accompanying data cover performance and activities during the financial year ended 31 March 2011 in 20 local markets where Vodafone has operational control. While Vodacom's operations in South Africa are included in the scope of our reporting, its subsidiaries in the Democratic Republic of Congo, Lesotho, Mozambique and Tanzania are not because their sustainability data management systems are not yet sufficiently developed. See full reporting scope online.

References to Vodafone
All references to 'Vodafone', 'Vodafone Group', 'the Group', 'the Company' and 'we' within this report refer to Vodafone Group Plc and its local markets.

Creating sustainable societies

Our contribution to development

◉ Ongoing ● Achieved ◐ Partial ○ Not achieved

Objective	Our performance in 2010/11	
Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals (MDGs) by March 2015	We continued to contribute to the MDGs by developing innovative services tailored to emerging market needs, such as access to financial services via mobile and improving the efficiency of healthcare.	◉
Survey key opinion formers to understand their perceptions of Vodafone's work towards achieving the MDGs by March 2011	In June 2010, 180 opinion formers ranked Vodafone as the leading telecoms company and third overall out of 15 telecoms and internet companies on its contribution to development.	●
Develop a MDG online resource centre detailing our contributions to the goals by March 2011	Launched in October 2010, our online resource centre outlines our contribution to development and profiles projects worldwide.	●
Publish a Vodafone Socio-Economic Impact of Mobile (SIM) report assessing the issues around increasing data services in emerging markets by March 2011	We conducted the research in 2010/11 and the findings were published in our latest SIM report in May 2011.	◐

In emerging markets, we continue to expand our range of innovative products and services that contribute to development goals. We are targeting opportunities that also contribute to the success of our business to help us make a lasting contribution to development.

Collaboration with other companies, government and NGOs is key to identify and realise opportunities for development, and we are pleased that nearly 70% of stakeholders surveyed in June 2010 view Vodafone as a suitable partner to work with on the MDGs.

Our latest SIM research emphasises that affordability is critical to enable more people in emerging markets to access the benefits of the internet. Low-cost internet access was a key focus for Vodafone in 2010/11, as well as expanding financial services via mobile, improving the efficiency of healthcare and using mobile to empower women. We have also begun exploring opportunities for mobile solutions to contribute to sustainable agriculture.

Low-cost internet access:

- Low-cost Vodafone branded internet-enabled handsets now available in 20 markets – including Egypt, Ghana, India, Romania, South Africa and Turkey
- Our cheapest mobile internet-enabled handset, Vodafone 340, introduced at around US$30 – 50,000 already sold in Ghana alone
- By March 2011, there had been 33 million downloads of Opera Mini including both the Vodafone customised and public version. Applications used on Opera Mini include the popular MobJobs employment search and a 'learn English' service in South Africa
- Innovative WebBox offers a big screen home internet experience at low-cost, using a regular television.

Financial services via mobile:

- Globally, the number of customers using Vodafone M-Pesa almost doubled in 2010/11 to around 20 million, who collectively transferred over US$500 million a month (up from US$300 million a month in 2009/10)
- The service was launched in South Africa, Fiji (as M-Paisa) and Qatar (as Vodafone Money Transfer), bringing financial services via mobile in a total of six markets
- A pilot began with ICICI Bank and HDFC Bank to roll out a similar service in India
- The new M-Kesho service in Kenya uses Vodafone M-Pesa to provide access to full bank accounts via mobile for the first time – 600,000 new accounts were opened in the first four months
- Customers in Qatar, where there is a high proportion of migrant workers, can use our new international transfer service to send money home and those in Kenya can receive funds from Western Union Worldwide
- In Afghanistan the government is extending a pilot programme to pay police salaries directly and conveniently via mobile to prevent opportunities for corruption.

More efficient healthcare:

- Vodafone's Mobile Relationship Manager service, trialled through the SMS for Life programme to help manage supplies of malaria drugs, has been rolled out across Tanzania
- Our mobile health enablement platform, which delivers the Nompilo project in South Africa, continues to be deployed to help community caregivers work more efficiently.

Empowering women:

- Our Al Johara programme is enabling women in Qatar to learn entrepreneurial skills and earn a living by selling Vodafone products
- Through the Indian Department of Telecommunications' Sanchar Shakti scheme, we are supporting women in self-help groups by training them to become Vodafone retailers.

Targeting efficiencies in agriculture

- We have commissioned research to quantify the commercial opportunity and the potential for mobile to bring development and environmental benefits by contributing to sustainable agriculture.

More on the web:

Visit our online resource centre for further information on all these services and many more Vodafone initiatives that contribute to the MDGs

In 2010/11, we provided nearly £1 million through our Social Investment Fund (SIF) to support the development of products and services with high social value, including the Sanchar Shakti scheme and the Nompilo project (see previous page). Over the last three years, the SIF has helped us stimulate innovation in this area. As these types of products and services are increasingly becoming part of our mainstream business, we have decided to discontinue this separate fund and instead focus on partnering with others to target new ways to apply mobile technology to development needs. The commitment we made in 2010/11 as a founding member of the World Wide Web Foundation will continue with a donation of £1 million from the SIF over a three-year period.

Next steps

Be recognised as a communications company making one of the most significant contributions to achieving the Millennium Development Goals (MDGs) by March 2015
Pilot our mobile health enablement platform in Tanzania and Spain by March 2012
Pilot a new mobile service that builds on the findings from our agriculture study by March 2012

Enabling low carbon solutions

Objective	Our performance in 2010/11	
Provide 10 million carbon-reducing M2M connections by March 2013	Our M2M business is growing with an increasing number of connections, including over 4 million for smart metering and logistics connections identified as carbon-reducing.	◉
Review and improve data collection processes and develop a method for identifying and tagging carbon-saving M2M solutions	As a first step, we have tagged as carbon saving all smart metering and logistics connections, and we have commissioned a quantified analysis of five existing M2M accounts to help verify this assumption.	◉

Enabling a low carbon society is a key element of our strategy to contribute to sustainable societies. In 2010/11, we increased our focus on offering low carbon solutions for business customers.

Our dedicated machine-to-machine (M2M) business is partnering with a wide range of companies to deliver solutions that help our customers improve the efficiency of their operations. Combined with innovative technology from our partners – such as Isotrak's Active Transport Management System or AMS' smart metering solutions – more than 5 million Vodafone M2M connections are providing access to data that help businesses improve efficiency and cut costs. We believe that at least 4 million of these connections also help to reduce energy use and related carbon emissions.

According to our Carbon Connections research, the types of connections likely to result in emissions reductions include those that improve the efficiency of logistics and manufacturing processes, and contribute to a new generation of 'smart' energy grids.

In 2010/11, we set out to create a system to identify the type of M2M connections that offer carbon-reducing benefits, so we can measure progress against our target of 10 million. Building on our findings from Carbon Connections, we now consider all smart logistics and smart metering connections as 'carbon reducing'. To quantify the potential reductions our technology can help to achieve, we commissioned an environmental consultancy to research a selection of existing Vodafone solutions. This research will build on and contribute to the Global e-Sustainability Initiative's wider efforts to develop a methodology for quantifying the carbon-reducing potential of ICT.

Along with smart metering and logistics solutions using M2M connections, the research also aims to quantify the carbon benefits of smart working – using telecommunications capabilities such as video conferencing and remote server access (via, for example, a USB dongle) to enable mobile flexible working. An analysis in 2010/11 showed that implementing mobile working has already achieved annual savings of around 750kg CO_2 per employee at Vodafone's own operations in the Netherlands.

To explore the potential of telecommunications technology to promote low carbon working and living on a wider scale, we continue to support research on how to create 'smart cities' including:

- Amsterdam Smart City, focusing on technology use and behavioural change to achieve energy savings and CO_2 emissions reductions in Amsterdam, the Netherlands
- City in Motion, in partnership with IBM, which aims to map the movement of people and traffic in a city using M2M to reduce CO_2 emissions and identify joint business opportunities
- Megacities on the Move, a report by Forum for the Future and sponsored by Vodafone, which outlines six solutions for sustainable mobility with ICT playing a key role.

Visit our website for case studies on our low carbon solutions.

Next steps

Provide 10 million carbon-reducing M2M connections by March 2013
Build on the findings of our research to review our principles for identifying carbon-saving connections in smart logistics and smart metering applications by March 2012
Review our other M2M applications to assess their carbon-reducing potential by March 2012

More on the web: Online data hub

Eco-efficiency

Minimising our carbon footprint

Ongoing Achieved Partial Not achieved

Objective	Our performance in 2010/11	
Reduce CO_2 emissions by 50% against the 2006/07 baseline by March 2020 for mature markets[1]	CO_2 emissions in mature markets have decreased by 9% from the 2006/07 baseline. This remains the same as last year.	Ongoing
Trial a new carbon offset programme by March 2011	We commissioned ClimateCare to offset air travel emissions from UK-based Group employees, through projects that meet recognised verification standards.	Achieved
Set a new CO_2 intensity target for emerging markets[2] during 2010/11	We have set a target to reduce CO_2 per network node[3] in our emerging markets by 20% from the 2010/11 baseline by March 2015.	Achieved
Develop joint CO_2 reduction strategies with suppliers accounting for 50% of procurement spend by March 2012	We are working on joint CO_2 reduction projects with 12 suppliers, representing over 22% of relevant[4] procurement spend, including supplier commitments to improve the energy efficiency of new network equipment to help reduce our carbon footprint. We are identifying other suppliers to work with on similar projects. Our latest supplier scorecard encourages and rewards suppliers that work with us on this (see page 18).	Ongoing

1 Mature markets as defined by obligations under Kyoto Protocol: Czech Republic, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, New Zealand, Portugal, Romania, Spain and the UK.
2 Emerging markets as defined by obligations under Kyoto Protocol: Albania, Egypt, Ghana, Vodafone Essar in India, Malta, Qatar, South Africa and Turkey.
3 A single base station site may contain more than one node for each type of network served (eg 2G, 3G or LTE).
4 Relevant spend excludes items such as taxes, interconnections and accruals.

Our total net carbon footprint across the Group increased by 63% in 2010/11 to 1.96 million tonnes CO_2. This rise reflects the inclusion for the first time of emissions data from Ghana, Vodafone Essar in India, Qatar and South Africa. Excluding these markets, like for like emissions have remained approximately level with an increase of 1% from 2009/10.

In emerging markets, our net carbon footprint has increased by four times in 2010/11 compared to 2009/10, as we continued to expand our network and integrated four new markets in our reporting. In recognition of this rapid growth (which also brings development benefits, see page 3), we have set a target to reduce CO_2 per network node[3] in emerging markets by 20% by 2015. This carbon intensity target is designed to ensure energy efficiency and use of renewable energy are prioritised in emerging markets as a first step towards reducing their carbon footprint. The 2010/11 baseline for the target is 19 tonnes of CO_2 per network node.

Our net carbon footprint in mature markets remained constant in 2010/11, with improvements in network energy efficiency offset by continued growth in network traffic and coverage. We are now investigating options that will help us achieve further progress towards our target to halve our absolute emissions in mature markets. These include purchasing more renewable energy from the grid – depending on future policy developments in this area – and carbon offsetting (see page 15).

Innovative technology is the key to reducing emissions from our network, which accounts for over 80% of emissions from our operations and remains the focus of our efforts to tackle our carbon footprint.

Improving energy efficiency

By working closely with suppliers to improve the energy efficiency of our network equipment and data centres, we have made a number of estimated savings:

- Reduced energy needed for air conditioning, by for example using fresh air to cool equipment, at nearly 37,000 sites, saving 35,000 tonnes of CO_2 a year
- Increased the maximum temperature at which base stations can operate at over 22,000 sites, saving 25,000 tonnes of CO_2 a year
- Added features that enable remote shut-down of more than 30,000 base stations during periods of low demand, reducing energy use by 5% per site and saving a total of 16,000 tonnes of CO_2 a year
- Modernised our network by installing new, more efficient Single RAN technology that operates 2G, 3G and LTE networks. By 31 March 2011 we had installed over 9,000 of these new single RAN base stations, saving 25,000 tonnes of CO_2 per year.
- Introduced efficiency measures to cut energy for cooling and reduce the number of physical servers needed, helping our two main data centres in Germany and Ireland achieve third-party certification for energy efficiency in 2010/11. Vodafone ranked fourth place overall in Gartner's 2010 Green Data Centre Excellence Awards.

To promote further innovation to reduce network emissions, we announced plans in 2010/11 to establish the Vodafone Site Solution Innovation Centre in South Africa, providing a forum for our technology teams to collaborate with external partners. We also held a workshop in September 2010 to share best practice with all our local markets and six partner networks.

Using alternative energy

In 2010/11, 19% of our total energy use was from renewable sources. This is primarily from purchasing green tariff energy from the grid in mature markets, but we are also expanding our use of on-site renewables. We continue to deploy alternative power sources at more base stations to cut emissions and reduce our reliance on diesel generators in areas without access to the grid or with unreliable grid power. We have saved an estimated 11,000 tonnes of CO_2 by:

- Using on-site renewable energy (solar or wind) to power approximately 400 base stations in 16 markets
- Implementing alternating mode technology at 2,700 sites in five markets (including 2,300 by Vodafone Essar in India) – this combines batteries with a smart control system to reduce the operating time of diesel generators by up to 70%. This has reduced diesel consumption to date by over 3 million litres.

Exploring offsetting

In addition to introducing further efficiency measures and increasing our use of renewable energy in 2010/11, we began to explore the possibility of offsetting emissions to cut our carbon footprint. We ran a pilot with ClimateCare to offset 10,500 tonnes of CO_2 emissions (representing emissions from flights by Vodafone Group employees based in the UK). Offset projects include providing efficient cooking stoves in Ghana and manual water pumps for farmers in India to reduce fuel use. In consultation with stakeholders, we will use the results of this pilot to explore the possibility of offsetting emissions from other parts of our business in future.

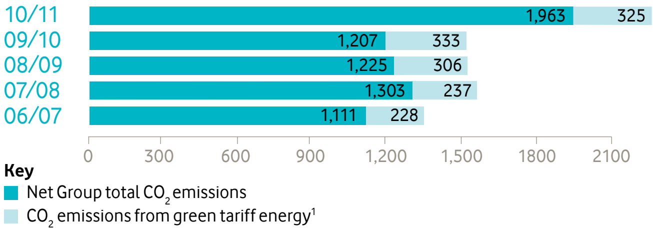
Next steps

- Reduce CO_2 emissions by 50% against the 2006/07 baseline by March 2020 for mature markets
- Reduce CO_2 per network node by 20% against a 2010/11 baseline by March 2015 for emerging markets
- Engage with stakeholders to gauge their reaction to our carbon offset pilot by March 2012
- Develop joint CO_2 reduction strategies with suppliers accounting for 50% of procurement spend by March 2012
- Pilot base stations that provide power to communities as well as our network by March 2012

Our carbon footprint

See our online data file for our detailed CO_2 emission reporting, which helped us win the award for Best Carbon Disclosure at the 2011 Corporate Register Reporting Awards.

Total CO_2 emissions ('000 tonnes CO_2)



1 Green energy purchased from the grid is rated as zero emissions in the reported total, but we also report emissions separately at the prevailing national rate due to the external uncertainty about carbon accounting for green tariff energy.

More on the web: Online data hub

Managing electronic waste

Objective	Our performance in 2010/11
Contribute to building capacity to manage electronic waste in three emerging markets by March 2012	Vodafone is co-chairing the GeSI e-Waste working group as well as reviewing our own e-waste management in Ghana, India, Mozambique and South Africa.
Conduct stakeholder workshops to determine how we can help to build e-waste capacity in three emerging markets	The first workshop in India identified a need for increased industry collaboration which we have focused on since instead of further workshops.
Formulate an action plan based on the findings of the stakeholder workshops	Our plan prioritises industry collaboration, capacity building and management of network waste.

While continuing to promote handset recycling (see page 16), we increased our focus on managing electronic waste (e-waste) from our networks in 2010/11. Both are becoming more challenging as we expand in emerging markets, which lack sufficient facilities for recycling and responsible disposal of e-waste. Our aim is to build this capacity in the emerging markets where we operate.

In June 2010, we held a workshop in India, bringing together representatives from Vodafone and our network partners, local recycling enterprises, and NGOs. Discussions confirmed our view – gleaned from previous research in Kenya – that collaboration between global ICT companies and local enterprises is essential, given the size of the issue and the need to achieve a sustainable recycling system for all e-waste streams.

Vodafone is co-chairing the Global e-Sustainability Initiative (GeSI) working group on e-waste to promote industry collaboration. GeSI announced a partnership in April 2011 with the 'Solving the E-Waste Problem' initiative which will see collaboration on research and the creation of an E-Waste Academy to share insights into effective e-waste management and regulation with policy-makers, recyclers and other stakeholders in emerging markets.

Following our research on the management of end-of-life mobile phones, in 2010/11 we commissioned research to assess our systems for managing network waste in four markets (Ghana, India, Mozambique and South Africa) to explore how Vodafone and the industry can help build recycling capacity. While good hazardous waste disposal was evident in several cases, the assessment also identified a need for better tracking of waste through to final disposal, and better auditing of vendors to confirm they meet required standards. We are reviewing recommendations from the research on how we can best contribute to improving capacity for e-waste management in emerging markets.

Next steps

- Contribute to building capacity to manage electronic waste in three emerging markets by March 2012
- Implement recommendations from our assessment of network waste management by March 2012
- Continue to drive progress by acting as co-chair of the GeSI e-waste working group in 2011/12

Reducing the environmental impacts of our products and services

Objective	Our performance in 2010/11
Be recognised as a 'green' brand in at least 75% of the developed markets where we operate by March 2012	To achieve this, we are focusing on implementing and communicating initiatives which reduce environmental impacts of our products and services.
Pilot a set of consumer-facing initiatives in one developed market	Several local markets have introduced a suite of consumer-facing initiatives, notably Ireland and the Netherlands.
Roll out our environmental principles for handset and accessory suppliers	Seven suppliers, representing 65% of our handset spend, responded to a pilot questionnaire to benchmark their practices against our Environmental Principles.
Launch the Mono V solar charger in three further markets	We launched the Vodafone-branded Mono V solar charger in five more markets, bringing the total to eight.
Launch all new Vodafone-branded devices with the universal charger	All Vodafone-branded devices launched in 2010/11 except the VF345 are compatible with the universal charger that meets European Union standards.

We aim to use our influence to help suppliers and consumers reduce environmental impacts from our products and services throughout their lifecycle – from design and manufacturing through marketing and sales to use and disposal by our customers.

In 2010/11, we increased our focus on developing and marketing handsets and accessories with reduced environmental impacts, profiling 'green' initiatives in stores, and promoting handset reuse and recycling.

Our new Environmental Principles encourage suppliers to include environmental best practices in the design of all handsets and accessories. Seven suppliers responded to our questionnaire to benchmark their practices against the Principles, which focus on efforts to:

- Phase out hazardous substances
- Reduce energy consumption to cut the climate change impact of phones during their manufacture, use and disposal
- Minimise use of resources and source them responsibly
- Cut environmental impacts of packaging.

Vodafone is also a signatory to the industry-wide commitment to introduce a universal, energy-efficient charger that can be used with a variety of different phones. The aim is to reduce electronic waste by eliminating the need for customers to replace their charger every time they replace their handset. Nearly all new Vodafone-branded devices are now compatible with a micro USB universal charger.

In addition to these measures to reduce environmental impacts across our product portfolio, we also develop and market bespoke 'green' handsets and accessories such as phone cases made from renewable materials. In Ireland, for example, 60% of our accessory range features 'green' materials or packaging.

We continue to promote paperless billing and take steps to reduce the environmental impacts of our marketing activities and retail stores. In the UK, for example, stores took the bold commercial step of closing their doors to reduce wasted energy from heat loss, with no significant decline in customers entering stores. Our consumer website in the Netherlands offers green tips on buying more sustainable phones. Smart meters and energy displays have been installed in stores to raise awareness about energy use as part of our involvement in the Amsterdam Smart City initiative.

17 of our local markets offer handset return schemes and many of them offer incentives to encourage customers to return old handsets. These include charity donations, a free solar charger in Albania and jewellery made from recycled electronic waste in the Czech Republic.

Group-wide, we collected over 1.23 million handsets for recycling in 2010/11, a slight decline from 1.33 million the previous year. This decline is likely the result of an growing number of external channels for collecting handsets, including an increase in commercial device recapture schemes with the evolution of smart phones. We are introducing our own buyback schemes through websites in Germany, the Netherlands, Spain and the UK that enable consumers to value their phone and apply online for a return envelope, with cash deposited in their account on receipt of the handset.

Next steps

Be recognised as a 'green' brand in at least 75% of the developed markets where we operate by March 2012

Implement a significant consumer-facing environmental initiative by March 2012

Embed Environmental Principles in our terminal supplier management process by March 2012

More on the web: Online data hub

Responsible, ethical and honest behaviour

Making our products and services more accessible

Ongoing Achieved Partial Not achieved

Objective	Our performance in 2010/11
Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market by March 2011	We offer accessible communications options in 15 local markets. See our online data file for details on which options are available in each market.
Achieve full compliance with the W3C Web Content Accessibility Guidelines 2.0 for the Vodafone.com website **by July 2010** and top pages of 14 local markets **by March 2011**	We have updated our website Global Design Template to be 95% compliant with W3C WCAG 2.0 AA standards and have deployed it in 14 local markets as well as our Vodafone.com site. We will continue to expand local market adoption and compliance with this template in the future.
Launch a range of handsets specifically adapted to people with minor impairments **by March 2011**	The new Emporia RL1 has expanded our range of accessible handsets which includes AURO in Spain and Doro in Germany, Ireland and the UK.
Train our sales channels to support the roll out of new inclusive handsets **by March 2011**	Our main accessible device launch in 2010/11 was the Emporia RL1, and we trained retail employees in Germany on accessible devices as part of this rollout. This approach will be replicated in other markets.

We work with handset manufacturers and local accessibility organisations to develop products and services that facilitate telecommunications for hearing impaired, visually impaired and elderly customers.

Increasingly, we are focusing on integrating accessible features into mainstream handsets to meet the needs of an ageing population, particularly in our developed markets.

In 2010/11, we introduced the Emporia RL1 handset, exclusive to Vodafone. It includes a number of accessible features such as a simplified menu, large keys and screen, and a loudspeaker that is compatible with a hearing aid. The handset was launched in Germany and will be rolled out in other European markets as we aim to extend our accessible product portfolio across the Group.

We have a dedicated Web Accessibility Lead at Group level, and are taking a pragmatic approach to ensure the accessibility of our websites building on the W3C WCAG 2.0 principles. This includes actively involving disabled users in our research and testing of new designs and applications to ensure that different areas of our websites are accessible to all.

Next steps

- Run a contest to develop applications for disabled users in Europe by March 2012
- Develop a Group-wide ageing population strategy by March 2012
- Establish an Expert User Panel of disabled users for our websites by November 2011

Improving supply chain standards

Objective	Our performance in 2010/11
Ensure that suppliers accounting for 50% of procurement spend have adopted the Global e-Sustainability Initiative (GeSI) common industry approach by March 2012	29 suppliers, representing over 27% of relevant[1] procurement spend, have provided us with information on their policies and practices via GeSI's E-TASC (Electronics – Tool for Accountable Supply Chains).
Communicate the revised Code of Ethical Purchasing to suppliers by March 2011	The revised Code, available online, has been communicated to suppliers and is included in all new contracts.
Review internal training to ensure it is consistent with the revised Code of Ethical Purchasing by March 2011	Annual refresher training for procurement staff has been updated to reflect the revised Code.

1 Relevant spend excludes items such as taxes, interconnections and accruals.

Through our supplier performance management programme, we work closely with suppliers to monitor compliance with our Code of Ethical Purchasing and drive improvements down the supply chain.

In 2010/11, the average score on the sustainability pillar of our twice yearly performance scorecard for strategic global suppliers was 74%. Sustainability accounts for 10% of the overall score. The scorecard is regularly reviewed and, for 2011/12, we have strengthened existing criteria as well as introducing new criteria: one that covers implementing a policy of zero tolerance on bribery and corruption, and another that highlights adoption of E-TASC as a standalone criterion to drive further adoption.

Suppliers can only obtain 100% in the scorecard by working with us on CO_2 reduction projects (see page 14), and participating in E-TASC (the Electronics Tool for Accountable Supply Chains).

More on the web: Online data hub

This industry approach enables suppliers to complete a common self-assessment process just once and share the results with all participating customers. To encourage uptake, we are inviting our top 60 suppliers to participate in E-TASC and have joined the E-TASC Executive Council and Development Working Group.

We conducted 27 site assessments of strategic and high-risk suppliers in 2010/11. Fifteen Tier 1 and nine Tier 2 suppliers, based in China, France, Germany, Taiwan and the UK, were assessed – some more than once. We made a total of 95 recommendations for improvement (see table) and worked with suppliers to put improvement plans in place. Five potential suppliers failed to qualify as approved suppliers as a result of non-compliance issues including health and safety, working hours and the environment. In line with stakeholder feedback, we aim to increase the number of suppliers we audit in future.

To improve capability and help improve performance, we held four workshops for our key network suppliers in 2010/11, involving their respective Chief Procurement Officers and teams. These focused on health and safety (see page 19). Future workshops will cover broader sustainability issues.

Through the joint GeSI and Electronic Industry Citizenship Coalition extractives working group, we support industry efforts to develop ways to identify and prevent use of 'conflict minerals' in ICT products.

We have also strengthened our approach to trace and eliminate conflict minerals in our own supply chain. In previous years, suppliers producing over 85% of Vodafone branded devices have provided written assurances that they do not use tantalum from the Democratic Republic of Congo. In 2010/11, all three suppliers of Vodafone branded devices participated in a due diligence pilot developed by GeSI/EICC to allow companies to track minerals used in their products back to the smelter. We are continuing to work with these suppliers to trace any tin, tantalum, tungsten and gold in the devices through the supply chain to the smelter. This measure will help us respond to increasing stakeholder pressure and new US legislation on conflict minerals.

Next steps

Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI common industry approach by March 2012

More on the web:

- Online data hub
- Supply chain management
- Conflict minerals

Recommendations for improvement 2010/11

Category	No. of recommendations for improvement	Performance issue identified	Policy issue identified
Child labour	6	0	6
Forced labour	1	0	1
Health and safety	30	26	4
Freedom of association	8	1	7
Discrimination	4	1	3
Disciplinary practices	0	0	0
Working hours	6	5	1
Payment	1	0	1
Individual conduct	4	0	4
Environment	17	17	0
Implementation of our Code of Ethical Purchasing or equivalent	18	5	13
Total	**95**	**55**	**40**

Focusing on safety

Objective	Our performance in 2010/11
Drive a zero fatalities culture, mindset and behaviour by:	
• Auditing high-risk local markets and four key network suppliers by March 2011	Third-party audits were conducted of six local markets and four key network suppliers to assess the maturity of health and safety management systems and prioritise action.
• Implementing the International Safety Rating System (ISRS) in Ghana, Turkey and India to level 3 by March 2011	The audits showed Ghana, India and Turkey have achieved ISRS level 3 or above, demonstrating engaged leadership, robust operating procedures and suitable performance measures.
Reduce the work-related incident rate resulting in lost time by 10% (from the 2007/08 baseline) by March 2012	The lost-time incident rate increased to 2.40 in 2010/11, during which time we improved our incident reporting. This represents a 10% increase from the 2007/08 baseline and we are working hard to reduce it.
Ensure all managers receive health, safety and wellbeing training by March 2011	Training for line managers is delivered locally. Nine local markets have trained over 50% of their managers, including two who have achieved 100% coverage. There is further work to do across other markets in order to fully achieve this goal.

We are working hard to improve health and safety for employees and contractors involved in high-risk activities such as network construction and maintenance. Our focus is on emerging markets, where much of our network deployment is taking place and where we face significant cultural and practical safety challenges.

Despite our efforts, we deeply regret that four employees and 17 contractors lost their lives as a result of 45 major incidents reported in 2010/11. In addition, 16 members of the public died as a result of road traffic incidents involving either Vodafone's or contractors' vehicles or drivers.

In 2010/11, we have made changes to our reporting and investigation of incidents, allowing us to better understand the root causes of fatalities and take appropriate preventative measures. This process has allowed us to identify several incidents as having 'significant external contributing factors'. Although these are captured in our systems and fully investigated, they have been excluded from our external reporting of contractor and public fatalities.

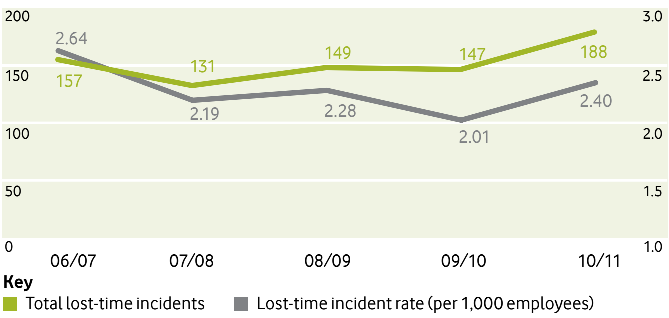
Road traffic accidents outside the workplace were again responsible for the largest number of fatal accidents, and this continues to be a key focus. Three of our six Absolute Rules on safety relate to road safety. We have little control over other road users or road conditions, which are often poor in emerging markets. However, reinforcing strict rules on wearing seatbelts and speeding is helping to significantly reduce the severity of accidents. Speeding violations have declined dramatically in Turkey since the introduction of vehicle tracking systems and related disciplinary action. Group-wide, 200 employees received written warnings and 19 faced disciplinary action as a result of violating one of our Absolute Rules.

Embedding a culture of zero fatalities remained our priority in 2010/11. We continued to implement our six-point Fatality Prevention Plan in Ghana, India and Turkey, and began rolling this out across the Vodacom Group. We conducted a total of 35 week-long audits to assess the maturity of safety management systems in nine high-risk markets according to ISRS levels, and identify ways to improve.

Health, safety and wellbeing requirements have been included in all requests for quotations and new contracts for high-risk activities. We also worked closely with our four key network suppliers to raise performance through external audits of their safety management systems and three workshops to agree key performance indicators, reporting mechanisms and training standards.

All these measures, together with training for managers across the Group, are helping to raise awareness of health and safety, and support the effective and consistent reporting of incidents. This contributed to an increase of reported incidents in some markets in 2010/11 and the Group-wide lost-time incident rate increased by 19% versus 2009/10.

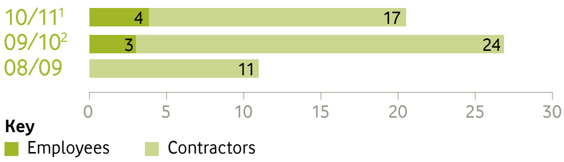
Work-related lost-time incidents[1]



1 2010/11 data includes information from our Vodacom markets (Democratic Republic of Congo, Lesotho, Mozambique and Tanzania).

Fatalities: Employees and contractors

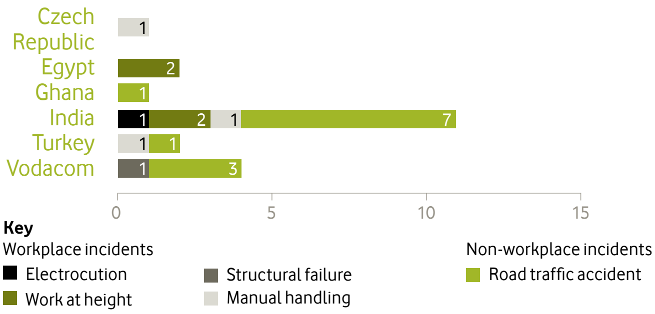
Number of fatalities



1 2010/11 includes data from Qatar.
2 2009/10 and subsequent years include data from India, Ghana and Vodacom markets (South Africa, Democratic Republic of Congo, Lesotho, Mozambique and Tanzania).

Fatalities by country and cause

Number of fatalities (Employees and contractors)



Next steps

Drive a zero fatalities culture, mindset and behaviour by:

- Achieving ISRS Level 7 in all local markets by 2016
- Implementing occupational road risk programmes in all local markets by 2016
- Including health, safety and wellbeing objectives in the annual objectives for Group Executive Committee members, regional executives and local market executives by 2016
- Implementing safety leadership programmes in all local markets by 2016
- Ensuring that local and regional executives complete at least two senior management site tours a year

Reduce the work-related incident rate resulting in lost time by 10% (from the 2007/08 baseline) by March 2012

More on the web: Online data hub

Read more at vodafone.com/sustainability

Engaging and developing our people

Objective	Our performance in 2010/11
We would maintain the high-performance benchmark for employee engagement measured via our annual People Survey in 2010/11	We achieved the external high-performance benchmark for the third year running, with an overall engagement score of 75[1].
Increase the proportion of women in middle, senior and top senior management roles in 2010/11	The proportion of women in senior and top senior management has increased in 2010/11, and increased slightly (0.3%) in middle management (see table below).
Improve our Global Wellbeing People Survey score by 10% (from the 2007/08 baseline) by March 2011	The wellbeing score of 62% represents an increase of five percentage points or 9% from the 2007/08 baseline, narrowly missing our 10% target.
Launch and communicate the Vodafone Code of Conduct to all employees by March 2011	The Code and accompanying training was rolled out to employees via senior managers.

1 The high performance benchmark is an external measure assessed by the Hay Group which carries out the Vodafone People Survey.

Our success is dependent on engaging our people in the business strategy and developing their talent – both priorities in 2010/11. We also aim to ensure managers recognise the value of diverse experiences and employees maintain high ethical standards according to our new Code of Conduct.

Engaging employees

Employee engagement remained strong in 2010/11, with a 90% response rate in our annual Global People Survey and an overall engagement score of 75. We also measured an Employee Net Promoter Score for the first time (41)[2], which will in future be a key indicator of employee commitment to our products and services. Local markets and individual teams use feedback from the survey to target areas for improvement.

A key focus of our employee engagement activities in 2010/11 was embedding The Vodafone Way – the way we expect our employees to work together – through a series of workshops, now completed by senior leaders across the Group.

Developing talent

Employees define goals and identify development opportunities as part of annual Performance Dialogues with their managers, and we invested over £55 million in training in 2010/11. Our global leadership development programme for high-potential managers, Inspire, is now in its fourth year and 124 managers have completed the programme.

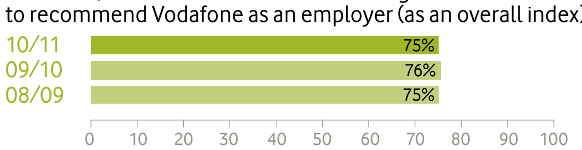
2 The employee net promoter score is calculated from the number of promoters (56) minus the number of detractors (15).

Promoting diversity and inclusion

We aim to promote inclusive working policies and raise awareness among leaders as part of our global diversity and inclusion strategy. Our approach is tailored to meet the needs of each local market, but a priority across the Group is to improve gender balance within our teams – and to increase the number of women in management. Over 250 of our top senior leaders in 18 markets have now been trained on the business benefits of diversity, with a further 10 inclusive leadership workshops held in 2010/11. We also trained over 450 HR staff to support leaders and drive improvements. Women represent a growing proportion of management positions. One Executive Committee member and two local market CEOs are female.

Employee Engagement Index

Employees responding positively about their commitment to Vodafone, their desire to continue working for us and their willingness to recommend Vodafone as an employer (as an overall index)



Global People Survey

Employees responding positively to key sustainability-related questions (%)	10/11	09/10	08/09
I am proud to work for Vodafone	82	83	81
Better performance leads to better rewards	61	59	
Rate your local market/Group function on taking a genuine interest in the wellbeing of its employees	62	61	60
Rate your local market/Group function on being ethical in the way it conducts its business	80	79	78
People in my team are treated fairly regardless of their gender, background, age or belief	87	86[3]	85
Opportunities to learn to meet personal development objectives	66	62	

3 This figure has been recalculated from 87 in the 2009/10 Report to reflect organisational changes.

Women in management

(%)	10/11	09/10	08/09
Top senior (top 200–250 employees)	17	14	13
Senior (top 1,100–1,600 employees)	20	18	20
Middle (top 4,500–6,400 employees)	23	23	25
Women (all employees)	40	40	45

Next steps

Run inclusive leadership workshops with all senior managers by March 2013

Continue to increase the proportion of women in middle, senior and top senior management roles

Improve our Employee Net Promoter Score

Assurance

Independent Assurance Statement to Vodafone Management

The Vodafone Group Sustainability Report 2011 (the Report)[1] has been prepared by the management of Vodafone, which is responsible for the collection and presentation of the information it contains. Our responsibility, in accordance with management's instructions, is to carry out the following assurance activities:

Assurance scope	Level of assurance[2]	Reporting and assurance criteria
1. Vodafone's application of the AA1000 principles, as described in the Sustainability section of the Vodafone website	Reasonable assurance	The criteria set out in AA1000AS for the principles of Inclusiveness, Materiality and Responsiveness
2. Progress against Objectives	Limited assurance	Objectives set in 2009/10 sustainability report
3. Reliability of selected performance data for 2010/2011 marked with (*) symbol	Limited assurance	Completeness and accuracy of selected reported performance data
4. Vodafone self-declared Global Reporting application level	Limited assurance	G3 Sustainability Reporting Guidelines and application level requirements

Our responsibility in performing our assurance activities is to the management of Vodafone Group only and in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organisation.

What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with ISAE3000[3] and to meet the requirements of a Type 2 assurance engagement as defined by AA1000AS (2008) . The AA1000AS (2008)[4] assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the Report.

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

1. **Interviewed more than 25 executives and senior managers** including the CEO to understand the current status of social, ethical, environmental and health and safety activities, and progress made during the reporting period.
2. **Reviewed Vodafone's processes for determining material issues to be included in the Report.**
3. **Conducted media analysis, reviewed selected relevant internal documents and the outputs of stakeholder engagement activities** to enable us to test the coverage of topics within the Report.
4. **Reviewed information or explanations supporting Vodafone's reporting of progress against objectives.** We also reviewed drafts of the report for statements or assertions for consistency with the findings from our work.
5. **Undertook visits to Vodafone local markets in South Africa (Vodacom SA), India (Vodafone Essar Ltd), Turkey and Germany.** We reviewed the processes and controls supporting environmental and safety performance data, conducted interviews with senior executives and managers in the businesses and reviewed stakeholder engagement processes.
6. **Reviewed selected environmental and safety data collection, consolidation and reporting processes at Group level** to assess accuracy of reporting.

The limitations of our review

Our review was limited to the information contained in the printed report and the description of AA1000 and the GRI application level reported in the online data hub.

Our conclusions

Based on the scope of our review our conclusions are outlined below:

Assurance scope 1 – Application of AA1000 Principles

- Vodafone's description of the application of the AA1000 principles on the website vodafone.com/sustainability in managing and reporting sustainability matters is fairly stated.

Assurance scope 2 – Progress against Objectives

- Nothing has come to our attention to suggest that the reported progress against objectives is not fairly stated.

Assurance scope 3 – Completeness and accuracy of selected environmental, health and safety performance data marked with the symbol (*)

- We are not aware of any reporting units that have been excluded from the data relating to the topics above.
- Nothing has come to our attention that causes us to believe that the data relating to the above topics has not been collated and presented properly at Group level.
- We are not aware of any errors that would materially affect the data as presented in the Report.

Assurance scope 4 – Self-declared GRI application level

- Nothing has come to our attention to suggest that Vodafone's self-declaration of GRI application level B+ is not fairly stated.

Observations from our work

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

Stakeholder engagement

We saw that Vodafone engages with government, consumers and NGO stakeholders at both Group and local levels. There are processes in place across the organisation to engage and learn from stakeholder feedback. During the year significant disruption occurred in a number of markets notably in the Middle East. Vodafone will need to review whether its approach to stakeholder engagement and responsiveness is sufficient to balance stakeholder needs and define appropriate responses in these rapidly changing markets.

Environmental data

Vodafone Group's guidelines for reporting environmental data have been disseminated to all the markets. However, during our local market visits we noted that the internal review of sustainability data in certain markets could be improved to help build confidence in the data sets used to manage these issues.

Progress against objectives

Vodafone consistently reports against its objectives many of which are qualitative in nature and are set on a short-term basis. We saw evidence of a number of strategic initiatives which could shape Vodafone's sustainability direction over a number of years. Vodafone could consider including a roadmap of its sustainability journey over the next few years to enable stakeholders to assess progress over a longer period of time.

Health & safety

The local markets visited had programmes in place to drive improvements in managing and reporting safety performance across their operations. At Group level a number of initiatives have been developed by Vodafone to support the reduction of reported driving-related incidents, including fatality prevention plans and detailed root cause analysis. However, despite these efforts, over 50% of fatalities result from road traffic accidents. Vodafone needs to continue supporting the adoption of good practices and embedding a safety culture and standards on driving safety at both Group and local market level.

Our independence

This is the first year that Ernst & Young LLP has provided independent assurance services in relation to Vodafone Group Sustainability Report. We have provided no other services relating to Vodafone Group's approach to sustainability reporting.

Our assurance team

Our assurance team has been drawn from our global climate change and sustainability network, which undertakes engagements similar to this with a number of significant UK and international businesses. The work has been led and reviewed by Lead Sustainability Assurance Practitioners.

Ernst & Young LLP
London
May 2011

1 This includes the printed reports and the data included in the online data hub.
2 The extent of evidence gathering procedures for a 'limited level' of assurance is less than that of a 'reasonable' assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided for assurance scope 2–4 than for assurance scope 1.
3 ISAE 3000 – International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.
4 AA1000AS (2008) – The second edition of the AA1000 assurance standard from the Institute of Social and Ethical Accountability.

Read more at vodafone.com/sustainability

KPI summary

We measure our sustainability performance by monitoring the key indicators below and tracking progress against our strategic objectives. Find out how we're doing on key issues in this report and visit our online reporting hub for comprehensive sustainability data.

Year ended 31 March

	2011[1]	2010	2009
Our network			
Number of base station sites	224,000	104,344	100,588
Managing electronic waste			
Network equipment waste generated (tonnes)[2]	7,473*	5,870	4,944
Network equipment waste sent for reuse and recycling (%)[2]	99*	98	97
Phones collected for reuse and recycling (millions)	1.23*	1.33	1.53
Energy use			
Total energy use (GWh)	4,117*	3,278	3,044
Energy sourced from renewables (%)	19	23	19
Carbon footprint			
Net CO_2e emissions (all sources) (millions of tonnes)[3]	2.14	1.37	1.39
Gross CO_2 emissions (all sources) (millions of tonnes)[4]	2.29*	1.54	1.53
Net CO_2 emissions (all sources) (millions of tonnes)[3]	1.96*	1.21	1.22
Net CO_2 emissions (mature markets) (millions of tonnes)[3]	0.94*	0.94	1.00
Net CO_2 emissions (emerging markets) (millions of tonnes)[3]	1.02*	0.26	0.22
Our contribution to a low carbon future			
Number of carbon-reducing M2M connections[5] (million)	> 4		
Our people			
Total number of employees[6]	83,900	84,990	79,097
Average employee turnover rate (%)	15	13	13
Women in top senior management (%)	17	14	13
Number of nationalities in top senior management	29	26	23
Employee engagement index (%)	75	76	75
Safety			
Number of employee and contractor fatalities	21*	27	11
Number of lost-time incidents (employees)	188*	147	149
Lost-time incident rate per 1,000 employees[7]	2.40*	2.01	2.28
Mobiles, masts and health			
Survey respondents who believe Vodafone are taking their responsibilities in relation to mobile phones, masts and health seriously (%)[8]	84	86	71

1 2010/11 data includes our new markets of Ghana, India, Qatar and South Africa.
2 Data does not include Ghana, and data from India includes network batteries only.
3 Net CO_2 emissions exclude Scope 3 emissions, and green tariff energy is included with a carbon intensity of zero. See online data hub for full CO_2 emission reporting.
4 Gross CO_2 emissions exclude Scope 3 emissions, and green tariff energy is included with emissions being calculated using the conversion rate for normal grid electricity.
5 This is the first time this KPI is being reported as the related objective was set last year.
6 This data includes information from our Vodacom markets (Democratic Republic of Congo, Lesotho, Mozambique and Tanzania).
7 Calculated on an average headcount number for the year of 78,370.
8 Data from previous years has been restated to cover all local markets participating in the survey. The three-year average is 80%, meeting our target. Comparing only the markets included in all three years' data, the average is 82%. Source: Annual Nunwood survey of approximately 100 external stakeholders.
* Data marked with this symbol is within Ernst & Young's limited assurance scope (see Independent Assurance Statement to Vodafone Management on page 21).

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