

SUSTAINABLE BUSINESS REPORT  
Vodafone Czech Republic, a.s.  
2016 - 2017



**Vodafone**  
Power to you



United Nations Global Compact Communication On Progress (“COP”)  
Active Level  
July 2017

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# CEO statement

“I am happy to confirm that the **Vodafone Czech Republic, a.s. is once again reaffirming its support for the Ten Principles of the United Nations Global Compact** human rights, employment, the environment, and the fight against corruption.

In our first annual Communication on Progress, we describe our initiatives for boosting many aspects of business sustainability, including economic growth, equal opportunities, environmental protection, and the empowerment of both individuals and communities. We do so via our technologies and digital services.

We are committed to applying the UN Global Compact, including its principles, to our business strategy, culture and day-to-day operations. By doing so, we will also address the Targets passed by the United Nations General Assembly in September 2015, and stress our efforts to contribute to the Sustainable Development Goals (SDGs).

We believe that the SDGs require new technologies, innovations, and data collection that can integrate and complement traditional statistics. A key driver of this data revolution is, undoubtedly, mobile technology. It has already transformed societies around the globe, even the most undeveloped and poor countries and communities. Mobile technology is helping to empower women, create jobs, drive financial independence, improve education, boost agriculture and industrial production, and promote better health. Mobile phones have also enabled communities to monitor elections, hold governments accountable, and save lives, not only in natural disasters.

We are also committed to sharing this information with our stakeholders, using communication channels and the Global Compact Local Network in the Czech Republic.

We are striving to build a better tomorrow by transforming lives and businesses today.”

**Yours sincerely,**

**Jiří Báča**

CEO

Vodafone Czech Republic, a.s.

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# Vodafone Group at a Glance



## About Vodafone Group

**Vodafone** is the second world's largest telecommunications company and provides a range of services including voice, messaging, data, and fixed communications. We have mobile operations in 26 countries, and partner with mobile networks in 49 more. We also work with fixed broadband operations in 17 markets. Vodafone has over 470 million mobile customers and 14 million fixed broadband customers.

**Vodafone believes that mobile and digital communications are a powerful force for social good.** Communications networks underpin every aspect of a modern society, enabling people to stay in touch with family and friends, access information and to increase their understanding of the world around them. Communications networks also allow people to access services that can improve health and wellbeing, enhance skills, and increase the prosperity of the population as a whole.

During 2015, we developed a new, 10-year, Sustainable Business Framework. Our intention is to ensure close alignment between our commercial goals and the maximum possible social and economic benefits achievable as a consequence of those goals.

For more information, please visit  
[www.vodafone.com](http://www.vodafone.com)

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# Introduction to Vodafone Czech Republic Overview

Vodafone CZ is a Czech telecommunications firm. It is one of the largest Czech companies ranked by revenue. Vodafone CZ was established as Český Mobil (Czech Mobile) in 1999, and in 2005, the international Vodafone company became the sole shareholder. Vodafone CZ currently has over 3.4 million customers, and its LTE network currently covers 99.9% of the population. Since March 2017, Jiří Bába has been the CEO.

Vodafone strives to offer its customers high-quality secure services that enable individuals and communities to improve their lives, work, education and health. The 2016/17 financial year was full of innovations and new services, widening the scope of mobile services, and extending options for our customers.

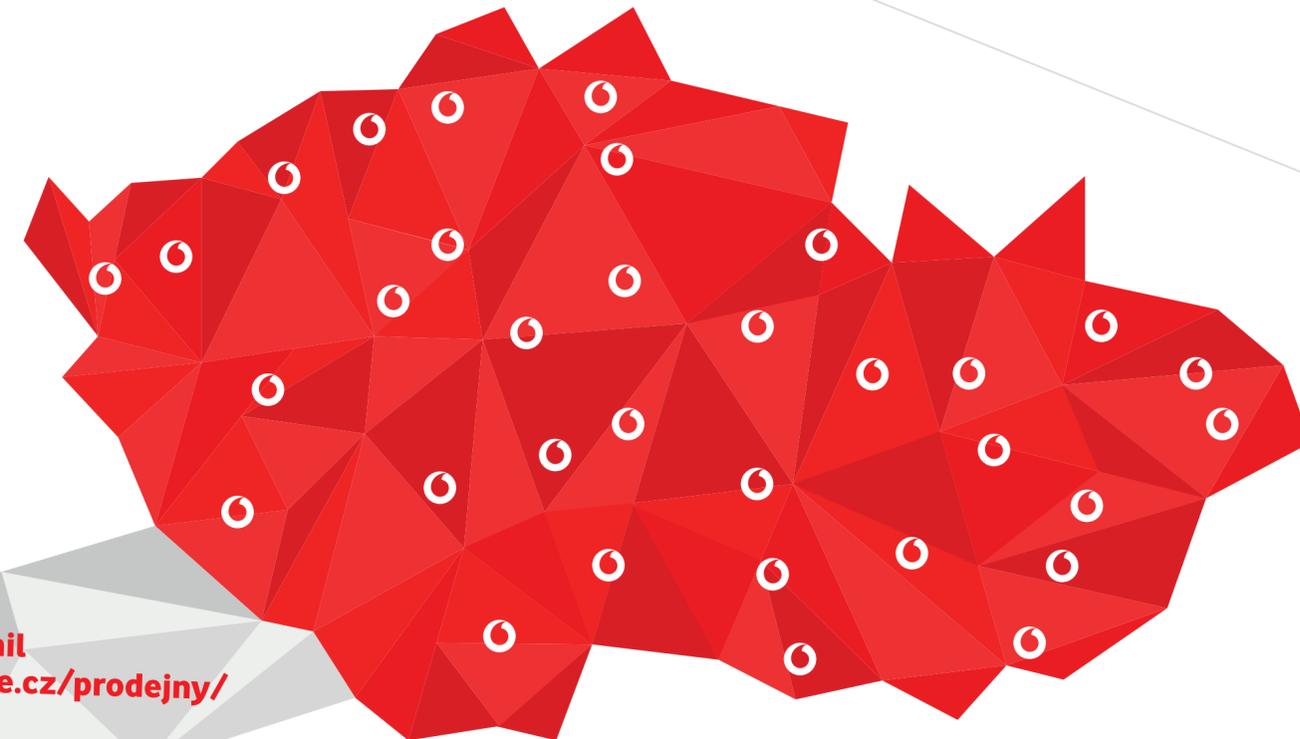
In the summer of 2016, the Company launched the VoWifi and VoLTE services, which extends the opportunities offered by and the quality of Vodafone CZ network access. In October 2016, the Company was the first to unveil a live Internet of Things demo test in the Czech Republic, using NB-IoT technology.

In 2016, Vodafone CZ offered its customers LiveShop, a service removing the need for enterprise customers to visit shops. This online video service was the first of its kind in the Czech Republic.

At the beginning of 2016, the owners of small businesses started using the ePokladna solution, which issues electronic records of incomes and monitors the supply chain, thus saving business owners time and money.

Vodafone has 1,680 employees in the Czech Republic (including staff on maternity leave), and when including the wider network of indirect employees (“The Vodafone Family”) this number exceeds 4,200.

Our headquarters are in Prague, with 128 shops all over the Czech Republic, and four call centres. The Company plays a leading role through its social contribution to the country, both in terms of providing employment and in social development.



Map of retail  
[www.vodafone.cz/prodejny/](http://www.vodafone.cz/prodejny/)

In 2006, Vodafone CZ set up the **Vodafone Foundation** which is co-financed by the Vodafone Group and Vodafone CZ. The Foundation runs and supports tech projects and activities with a social and environmental impact, under the Connecting for Good Group Strategy. The Foundation also works with social start-ups and entrepreneurs, invests in the social and non-governmental networks, and supports ICT for improving the quality of life of people with special needs. Since 2006, the **Vodafone Foundation** has invested more than EUR 6.5 million in the Czech Republic.

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# Introduction to Vodafone Czech Republic Our Strategy

**The mobile telephone industry** has moved from being a luxury service provider in an analogue economy to laying the foundations of all interactions in the digital world. **We are convinced that mobile operators are playing a crucial role in establishing a sustainable future for all. Mobile and digital services are a powerful social force for good, comparable to many of the greatest advances in science, technology and engineering in recent generations.**

Worldwide, Vodafone understands the need to bring together business and technology in the age of digital transformation. Thus, in the Czech Republic, our goal is to boost the digital development of the country, to improve not only the economy but also the quality of life of individuals and bring about positive societal and environmental change, literally to fulfil the brand purpose to offer via our business a better tomorrow.

**We want to provide the best mobile network in all our markets, to be competitive in fixed services and to provide the best converged fixed and mobile services to support the growing demand for unified communications. The support for Digital Czech Republic will require the digital development of Vodafone itself, its services and products. Those changes rely on a wider digital culture both in the company and society.**

As customer demand for ubiquitous data and content grows rapidly over the coming years, the most successful communications providers will be those who can provide seamless high-speed connectivity at home, at work, at play, and anywhere in between. This will require the integration of multiple technologies into a single network offering the best, uninterrupted experience. Being a customer-centric company, Vodafone CZ understands that this change relates to data democratisation and to boosting our operation as an agile and lean company.

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## Introduction to Vodafone Czech Republic Our Strategy

In the spring of 2017, we were the first telecommunications provider in the Czech Republic to introduce the first **Narrow Band IoT technology (NB-IoT)** project, which offers coverage penetration in difficult environments. NB-IoT uses a licensed spectrum band and has been developed to enable efficient communication and long battery life for mass distributed devices across wide geographical footprints and deep within urban infrastructure.

In the Czech Republic, the Company aims at innovation and offering the latest technologies to its customers. Globally, Vodafone has more than 20 years' experience in M2M/Internet of Things (IoT). Although Vodafone CZ has been providing such services in the Czech Republic for less than a decade, the combination of the Company's fully-owned network and strong partner alliances provides customers with the consistency, reliability and service quality that companies require to run their most critical operations. We have tens of thousands of dedicated Global GDSP SIM for IoT customers available in several categories including industrial grade and one that can be remotely switched over through the air. As a result, dozens of Czech Companies have been able to expand abroad and boost their success.

telecommunications provider in the Czech Republic to introduce the first Narrow Band IoT technology (NB-IoT) project, which offers coverage penetration in difficult environments. NB-IoT uses a licensed spectrum band and has been developed to enable efficient communication and long battery life for mass distributed devices across wide geographical footprints and deep within urban infrastructure.

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# Introduction to Vodafone Czech Republic Public Policy

The **telecommunications sector** in general and Vodafone in particular can make a significant contribution to achieving the Global Compact, the Sustainable Business Strategy 2025 (SBS25) goals and SDGs. It is not just about connectivity – which of course is a very important first step – it is also about what such connectivity can make possible.

Acting alone, we cannot effect transformational change. Therefore, Vodafone CZ is engaged in a dialogue via several sector associations (such as the APMS or ICT Association), chambers of commerce, (AmCham, British Chamber of Commerce and others), NGOs and governmental bodies to participate in the public policy debate and to fulfil our vision and commitments. Vodafone CZ regularly publishes studies and papers about key public policy issues discussed at the Czech, European and global levels.

## **Vodafone acknowledges that the role of telecommunications will develop rapidly for two reasons.**

Firstly, technology will increasingly transform society, including governments, industry, institutions and organisations, and civil society. It will also affect the provision of every type of public service.

Secondly, the underlying technologies themselves will continue to evolve swiftly, opening up breakthrough capabilities.

Public sector policy frameworks and regulations do not currently enable full utilisation of ICT and digitalisation. Next Generation Access (mobile broadband physical infrastructure) needs rapid expansion and upgrading in the Czech Republic to grant high-speed access to the internet, not only to industries and public facilities like schools and clinics, but also to households.

Thus, policy and regulation must play catch-up with rapid digital innovation and deployment to ensure that new challenges, risks and threats are effectively managed.

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# Introduction to Vodafone Czech Republic Awards & Recognitions



In 2016, **Vodafone CZ** was recognised in the independent P3 Communication test of voice calls and data transmission as the best company. The Company received an award from DSL.CZ for the speediest 4G LTE network in 2016.



As well as for its network, **Vodafone CZ** gained several awards for its website (First Prize in the Telco Category in the **WebTop100**) and its App for Clients (overall winner of the **Mobile App of Year 2016** (Mobilní aplikace roku 2016)).



## VODAFONE CZ HOLDS A NUMBER OF CERTIFICATES:

ISO 9001: Quality Management System

ISO 14001: Environmental Management System

ISO 27001: Information Security Management System

ČSN (Czech Technical Standard) 01 0391:  
Management of Corporate Social Responsibility.



The 13th year of the Top Responsible Company culminated in **Vodafone CZ** winning three awards: a Gold Certificate for Diversity 2016, Gold for the best LGBT Diversity Project and a Bronze Award in the Reporting Category. The judging panel underlined the outstanding support of working teams regardless of age, gender, culture, sexual orientation or religion.



In May 2016, **Vodafone** received recognition in the Czech Republic with a **bePROUD Award** as the Best Employer for the LGBT Community. It is one of only a few companies with its own policy on LGBT rights.



For more information, please visit  
<https://www.vodafone.cz/o-vodafonu/o-spolecnosti/certifikaty/>

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# Introduction to Vodafone Czech Republic

## Memberships & Associations

### VODAFONE CZ IS A MEMBER OF THE FOLLOWING ASSOCIATIONS:

- American Chamber of Commerce
- British Chamber of Commerce
- Canadian Chamber of Commerce
- Czech Chamber of Commerce
- Russian-Czech Mixed Chamber of Commerce
- Business for Society (Business pro společnost)
- Association of Mobile Networks Operators
- ICT Union
- Local Network of Global Compact in the Czech Rep.
- The Chamber of Tax Advisers
- NIX (Neutral Internet Exchange)
- RIPE (Réseaux IP Européens)

### THE COMPANY PARTICIPATES IN THE FOLLOWING WORKING GROUPS:

- |                                 |                                 |
|---------------------------------|---------------------------------|
| IT/Telco                        | Human Resources                 |
| Social Affairs & Labour Code    | Business & Finance              |
| Corporate Social Responsibility | Marketing & Communications      |
| Real Estate                     | Education                       |
| Innovation                      | Public Policy                   |
| Regulation and Legislation      | Mobile services and eCommerce   |
| Cyber Security and Defence      | eGovernment, eHealth and Eidas. |



In April 2016, Vodafone joined the **UN Global Compact Initiative** and became one of the 27 members of the **Global Compact Network Czech Republic**. This body helps to establish sustainable business and global social responsibility know-how in a local context.

More information is available on: [www.vodafone.cz/en/about-vodafone/press-releases/message-detail/vodafone-se-zavazal-k-plneni-cilu-udrzitelneho-roz/](http://www.vodafone.cz/en/about-vodafone/press-releases/message-detail/vodafone-se-zavazal-k-plneni-cilu-udrzitelneho-roz/)

Vodafone CZ became the general partner of the **Global Compact Summit in Prague in May 2016**, at which we reiterated our commitment to SDGs in the Czech Republic. As an industry, we now have an important opportunity to leverage the mobile networks that we have built and the services we deliver, to help achieve the Sustainable Development Goals. To celebrate its first anniversary, the Company made it possible for customers to follow the **SDGs Week in New York** free of charge.

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# Vodafone Global Sustainable Business Strategy 2025

The Vodafone Group has been represented at the **COP 21 United Nations Climate Change Conference in Paris** and has contributed to the **Carbon Trust** and **GSMA** reports on the telco industry's impact on sustainable business and SDGs. At the end of 2015, the Vodafone Group launched its own **Sustainable Business Strategy 2025** as a commitment to enhance lives and livelihoods. The strategy is integral to our duty to maximise the positive economic, social and environmental impact on the societies in which Vodafone operates, as well as the returns to its shareholders. Such a belief has been driven partly by the concepts and insights of the **Blueprint for Better Business**.

Since the beginning of 2016, Vodafone CZ has been implementing the **Sustainable Business Strategy 2025** in a local context. This has involved mapping internal stakeholders contributing to goals, linking internal and external KPIs, and establishing new procedures. The implementation also required establishment of outputs and outcomes monitoring, and evaluation and searching harmony between ISO, UN GC, SDGs and SBS25 reporting requirements. The company's management and employees were informed about the new SBS25 strategy. In addition, the Company began providing information about SBS25 via the usual internal and external channels.

## BY IMPLEMENTING SBS 2025, VODAFONE CZ SEEKS TO:

- Underline the significant social and economic benefits arising from our core business strategy and operations
- Increase brand admiration and customer loyalty, and enhancing political leverage
- Improve functioning and financial results
- Support the comprehensive development of the regions, where the company operates
- Contribute to responsible resource management
- Offer quality employment in the regions
- Develop responsible commercial relationships with partners and suppliers
- Address directly the most toxic areas of public concern associated with our business by pursuing a leadership position in transparency.

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## Vodafone Sustainable Business Strategy 2025

### Purpose

“We connect everybody to live a better today and build a better tomorrow”

### 2025 Transformation

Women's Empowerment



Energy Innovation



Youth Skills & Jobs



### Transparency

Tax and Total Economic Contribution

Supply Chain Integrity and Safety

Mobiles, Masts and Health

Digital Rights and Freedoms

Principles and Practice

The core of the Sustainable Business Strategy of Vodafone globally up to 2025 is expressed as the very heart of our business (the purpose of our business):  
**“We connect everybody to live a better today and build a better tomorrow.”**

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# Vodafone Global Sustainable Business Strategy 2025

Central to our new Sustainable Business Strategy is our intention to work towards **three significant global transformation goals between 2015 and 2025**. Each has the potential to deliver meaningful socio-economic benefits for our customers and wider society; each is also derived directly from – and will be achieved through – our core long-term business objectives.



## WOMEN'S EMPOWERMENT

Mobile technology has the potential to transform women's lives in emerging markets, thereby making a material impact on their physical and financial security, education, and skills. Mobile technology also has the power to transform their access to employment, as well as, health and well-being, and the health of their children. Additionally, as a large international employer, Vodafone has an opportunity to demonstrate global leadership in supporting and empowering female employees in our own businesses. Details of our approach and ambitions are set out here.

## ENERGY INNOVATION

Information and communications technology (ICT) companies such as Vodafone have significant energy requirements and are therefore significant – and growing – contributors to greenhouse gas emissions associated with climate change. However, the technologies we deploy also have a very significant impact in reducing our customers' overall emissions. Developing strategies to optimise our energy use, while helping our customers to optimise their consumption, will be an increasing focus of our innovation efforts in the future.

## YOUTH SKILLS AND JOBS

Many of the countries in which we operate are experiencing significant levels of youth unemployment, which leads to a range of serious social and economic challenges. ICT has directly reduced employment opportunities in many workplaces through the development of technologies such as robotics and automation, the Internet of Things and massive global data networks used to locate back-office functions offshore. However, digital and mobile can also be used to create an entirely new kind of working world – and young adults need to be equipped with the skills required to thrive in it.

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# Vodafone Global Sustainable Business Strategy 2025

In parallel, we intend to enhance our corporate transparency programme to address four specific areas that are the focus of intense public debate.



## TAXATION AND THE TOTAL FINANCIAL CONTRIBUTION

In 2013, we became the first telecommunications company in the world (and one of very few in any sector) to report our total taxation and financial contribution on a country-by-country and actual cash paid basis. The Report is published in the first quarter of each year

## SUPPLY CHAIN INTEGRITY AND SAFETY

Our businesses rely on a very large supply chain spanning around 15,000 companies across dozens of countries. We seek to ensure the safety, well-being and ethical treatment of all who work with Vodafone CZ in any capacity, anywhere in the world. However, a wide range of employment rights and safety and environmental risks are inherent in such a complex supply chain, and many of those risks also arise in the business operations under our own direct control. Further details of our approach to supply chain integrity and safety risks are mentioned later in this Report.

## MOBILES, MASTS AND HEALTH

In several countries, a degree of public concern remains about electromagnetic frequency (EMF) emissions from mobile phones and base stations. This is despite a scientific consensus that there is no evidence of adverse effects on human health associated with mobile technologies operating within regulated limits.

## DIGITAL RIGHTS AND FREEDOMS

In 2014, we published our first Law Enforcement Disclosure Report, which set out the details of how we responded to lawful data access requests from law enforcement and intelligence agencies. The Report is now widely considered to be one of the most comprehensive of its kind in the world.

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## Delivering Our Sustainable Business Strategy

Our strategy is founded on Vodafone's commitment to responsible behaviour in everything it does. In addition to the four transparency focus areas, we also intend to provide greater insights into the ethical challenges that inform our business principles and that influence the controls in place, to ensure that our operating practices meet our expectations.

## Principles and Practice

We are committed to the highest standards of ethical behaviour and have clearly stated principles articulated in our Code of Conduct that govern everything we do. Applying those principles can lead to complex and difficult challenges in different cultures and working environments, which can sometimes conflict with our corporate values and commitments. We believe that how we work is as important as what we do and what we achieve.

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# Local Transformation Goals 2015-2025

The global Vodafone Sustainability Strategy 2025 reflects universal issues in human rights, employment, environment and anti-corruption. It also addresses particular topics from the **17 Sustainable Development Goals**.

**See more here**

The global strategy identifies and manages the impact of our business on people and environment – both positive and negative. The local **Vodafone Czech Republic Sustainability Strategy 2025** is fully aligned with this global strategy and localises the content of each element of the strategy, based on knowledge of the local context.



## Sustainable Business Strategy – Vodafone Czech Republic

### Purpose

“We connect everybody to live a better today and build a better tomorrow”

### 2025 Transformation

Diversity & Equality



Energy Innovation



Youth Skills & Jobs



### Transparency

Tax and Total Economic Contribution

Value Chain

Environment

Digital Rights, Freedoms and Security

Principles and Practice

The three transformation goals of the Sustainability Strategy 2025 in the Czech Republic are

We will explain these goals later in this Report.

The corporate transparency programme practised at Vodafone CZ addresses four specific areas that are the subject of intense public debate.

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# Principles and Practice

There is strong connection between **trust and value**. Companies acting responsibly and meeting or exceeding public expectations of good corporate behaviour continue to grow in value over time. In our view, acting responsibly is absolutely integral to business performance.

## Sustainable Business Strategy – Vodafone Czech Republic

### Purpose

“We connect everybody to live a better today and build a better tomorrow”

### 2025 Transformation

Diversity & Equality



Energy Innovation



Youth Skills & Jobs



### Transparency

Tax and Total Economic Contribution

Value Chain

Environment

Digital Rights, Freedoms and Security

Principles and Practice

The Code of Conduct can be found here:  
[www.vodafone.com/content/dam/group/about/downloads/code-of-conduct/Czech-Code-of-Conduct.pdf](http://www.vodafone.com/content/dam/group/about/downloads/code-of-conduct/Czech-Code-of-Conduct.pdf)

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## Ethics & Code of Conduct

Our Code of Conduct sets out what we expect from every person working for and with Vodafone CZ. It also underlines our responsibilities to our people, partners and shareholders. It contains both our **Business Principles** and our **high-level policies** on a wide range of issues.

Our Business Principles include expectations regarding individual conduct, compliance with the law, health and safety, financial integrity, public policy, communications, customers, employees, communities and societies, and the environment.

### AMONG OTHER PRINCIPLES STIPULATED IN OUR CODE OF CONDUCT, WE WILL ALWAYS:

- Act with honesty, integrity and fairness in our dealings, both internally and externally
- Value the trust our customers place in us and safeguard the information we receive
- Protect the health, safety and well-being of our customers, employees, partners and the communities in which we operate
- Comply with the provisions of all applicable domestic and international laws
- Provide the best possible return for our shareholders over the long term
- Communicate openly and transparently with all our stakeholders within the bounds of commercial confidentiality
- Base relationships with and between employees on respect for individuals and their human rights
- Engage with local communities to help us understand and respond to any concerns they may have
- Seek to improve the environmental performance of the products and services we provide as well as support those that offer environmental and social benefits to our customers

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## Human Rights

We fully acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights. We are also committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our operations. Our respect for individuals' human rights is enshrined in our Code of Conduct. We manage risks in the following categories:

**Employment rights**

**Civil & political rights**

**Rights of the child**

**Economic, social and cultural rights**



### **Vodafone CZ as a Player in the National Action Plan on Business and Human Rights in the Czech Republic**

Vodafone CZ is one of the most active companies that has participated in the elaboration of the Czech National Action Plan (NAP) for Business and Human Rights, a multi-stakeholder platform co-ordinated by the Office of the Czech Government.

The NAP of the Czech Government aims at reflecting the United Nations Guiding Principles on Business and Human Rights (UNGPs), adopted unanimously on 16 June 2011 by the United Nations Human Rights Council (UNHRC). Widely seen as the most comprehensive global framework, the UNGPs plays an important role in addressing the risk of adverse impacts of business activity on human rights.

The UNGPs are the **first universally accepted global framework** addressing and aiming at reducing corporate-related human rights abuses. They were developed to implement the UN's Protect, Respect and Remedy Framework that had been drawn up in a six-year process of extensive consultations with governments and stakeholder groups, including NGOs and businesses.

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## Anti-bribery & Corruption

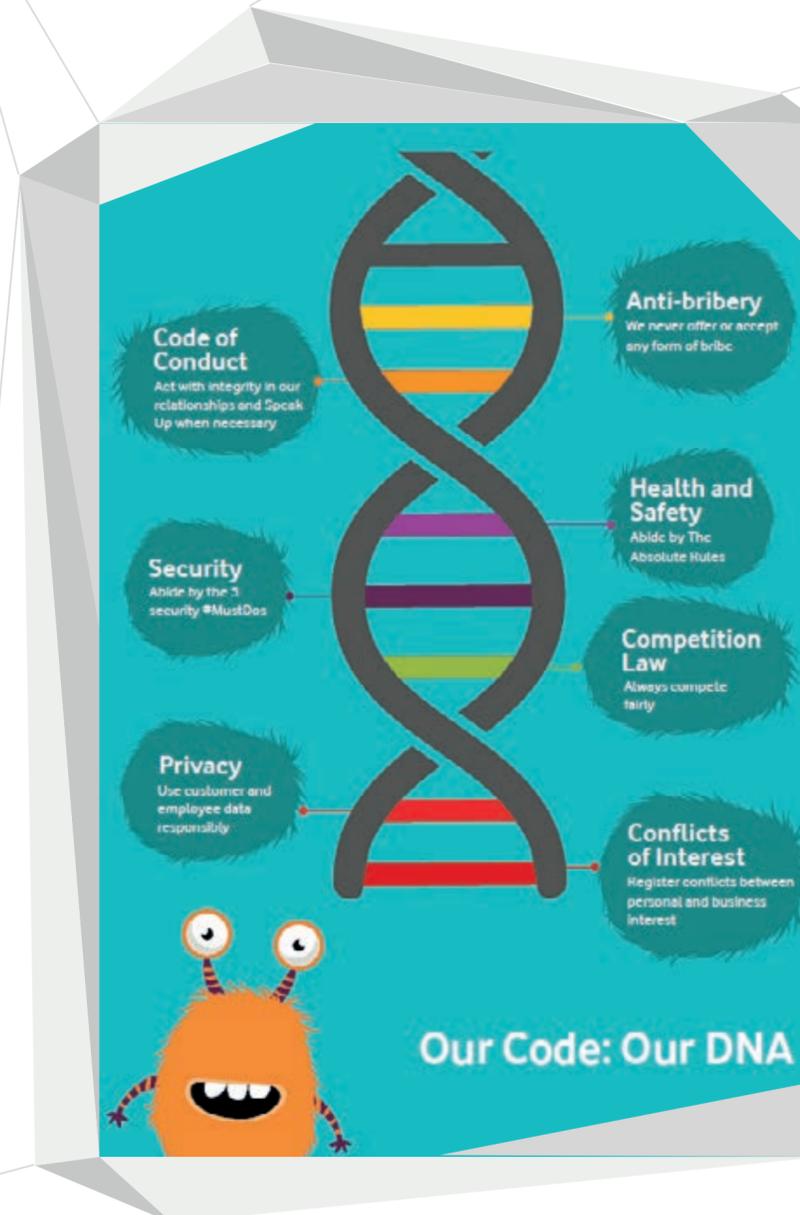
Vodafone CZ will not tolerate bribery and corruption in any form. Our anti-bribery and corruption policy is summarised in our Code of Conduct. The policy states that employees and third parties working on our behalf must **never offer or accept any form of bribe**. Breaches of our Code of Conduct can lead to dismissal or the termination of their contract. Our policy also provides guidance on what constitutes a bribe and prohibits the giving or receiving of any gifts or hospitality that are excessive or improper.

Our people have the duty – as well as the right – to make their concerns known whenever they discover an activity or behaviour which they believe may be unlawful or unethical. This is known as our **Speak Up process** and includes a confidential external hotline enabling all employees and contractors to make a disclosure in complete confidence online or via a specialist third-party provider contracted by Vodafone CZ.

### DOING WHAT'S RIGHT

We must ensure that we always conduct ourselves in the right way. It is not only “what we do”, it is also “how we do it”. How we work together, treat one another, and protect our customers and our company is a fundamental part of being an admired, transparent and sustainable company. Our **Code of Conduct is in our DNA** and sets out what we expect from each and every employee, contractor and director at all times. We call this Doing What's Right.

Throughout the year, Vodafone promotes different areas of our Code of Conduct, from Anti-bribery and Privacy to Competition Law, Security, and Health & Safety. Our “Doing What's Right” online training programme must be taken by all employees every two years and by managers annually. During 2016/17, we conducted several internal campaigns focused on creating a culture of doing what's right at Vodafone and ensuring our people understand why it is important to do what's right and how it impacts their jobs.



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## Political engagement

- We have specific rules under our Code of Conduct regarding gifts, hospitality and sponsorship involving politicians and government officials.
- As a matter of policy, we will not make political contributions to political parties, elected officials or candidates for election.
- We will not intervene in party political matters.

Interactions with ministers, opposition politicians, elected representatives, civil servants, independent statutory bodies such as regulators, and political or sector specialist advisors are an essential aspect of managing our businesses around the world. Our discussions address topics including those listed in section Public Policy (page 8).

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## People Management

The behaviours that we expect from everyone who works for Vodafone, at any level and in any role or location, are encapsulated in The Vodafone Way, which defines how all of us should go about our work. These are guided by our essential principles of speed, simplicity and trust, to gain the admiration of our customers, other stakeholders and wider society.

### **CONTINUOUS DEVELOPMENT/ DEVELOPING LEADERS**

At Vodafone CZ, one of the tools for promoting learning and development and sharing experience and knowledge is through in-company and cross-company mentoring. In terms of the former, the Company works with approximately 20 coaches in various sectors. They are on hand at Vodafone to help anyone who wants to make use of the mentors' skills and knowledge. External mentoring is provided by Together2Grow, which coached five Vodafone CZ employees in 2016. Cross-company mentoring offers new opportunities for employee personal development and sharing experience across firms. In addition, the scheme provides a platform for new ideas, inspiration and networking



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# Principles and Practice

## **TALENT AND TRAINING PROGRAMMES AIMED AT SUPPORTING AND INCREASING THE NUMBER OF TALENTED EMPLOYEES IN THEIR SKILLS DEVELOPMENT:**

**Discover Global talent programmes (graduates):** 10 graduates in FY 2016/17

**Aspire+ (middle management):** 11 participants in FY 2016/17

**Global Academy:** special online training with department content

**Internal training team:** negotiations, presentation skills, etc.

**GATE:** employees train employees in a short block e.g. three hours – presentation skills, Microsoft Excel, etc.



During 2015-2016 we launched the global Customer Experience Excellence (CXX) programme to enhance every aspect of how employees engage with our customers. One of the largest programmes of its kind in Vodafone's history, it addresses customers of all kinds – from individual consumers to some of the world's largest companies – in every country in which we operate.

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# Principles and Practice

## On Diversity and Inclusion, at Vodafone we believe...

-  Diversity and inclusion is good for our business and the right thing to do
-  All diversities must matter if we are to be truly inclusive: Gender, culture, race, skills, age, LGBT and disability ...
-  Leaders have a positive intent ... they must be aware of unconscious bias and neutralize it
-  Individuals own their career .... role models, allies, mentors, leaders and Vodafone can inspire and support
-  Appointments are always based on merit, with equal pay and without discrimination

At Vodafone, we strongly advocate responsible and non-discriminatory recruitment and employment conditions. We understand that biases are hard-wired, lead to stereotypes and discourage a diverse and inclusive workplace. All our managers therefore undergo unconscious bias training for hiring managers.

### Key recommendations:

1. Avoid creating insiders & outsiders
2. Recognise we find it easier to connect with “people like us”
3. Avoid always giving the women “housework”
4. Create an environment where everyone feels s/he can contribute
5. Then we need to listen – don’t judge what someone is saying too early

### Key watch-outs:

1. Assessing potential is very prone to unconscious bias
2. We need to challenge unsupported “opinion” statements
3. We need to recognise the different ways men and women behave and the implications these have

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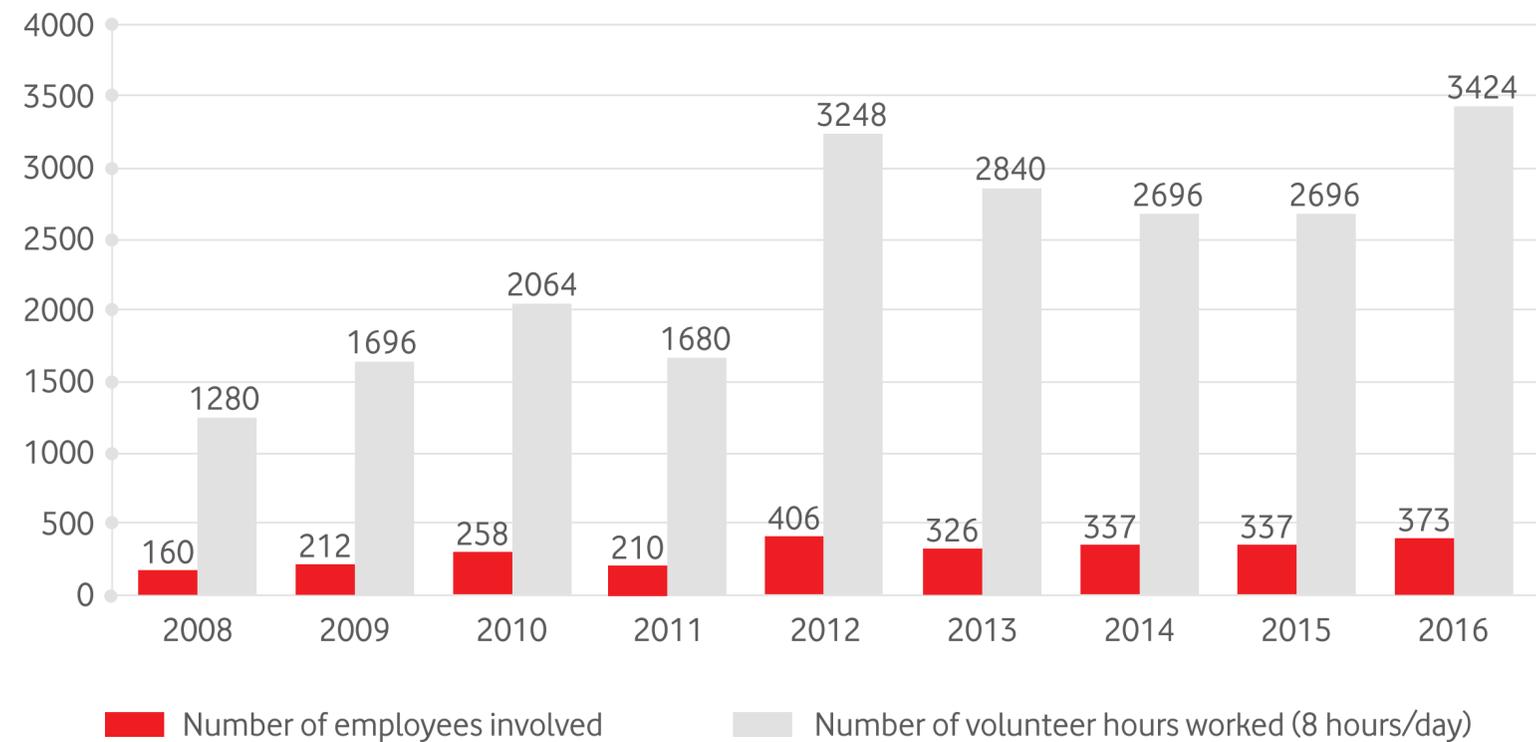
# Principles and Practice

## EMPLOYEE ENGAGEMENT

We organise corporate volunteering and support our employees' charitable activities.

For the 10th year now, Vodafone CZ employees have been helping their community with the **A Day for an NGO programme**, in which they can spend up to two days helping non-profit organisations and social enterprises over one year. These paid leave days can be used for volunteering individually or in a team, or both.

The scope of work varies, from painting fences, building cages in dog shelters, and planting trees, to **“expert volunteering”**, such as website programming or helping with a marketing strategy. We are now offering activities in which employees work for a half-day using their hands and the other half-day using their heads. Our volunteering programme is managed by Hestia, which discusses its choice of eligible NGOs with the Vodafone Foundation.



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What does a volunteering programme bring to employees?

“There’s a really nice atmosphere, and it’s great knowing that I can help somebody else. And in fact, this positive feeling does you the power of good too, as does being able to switch off from your day job, which is often stressful.”

Volunteer, Portus project

“It’s great listening to the stories of people who devote their time to protecting the environment. And in a single day you can try things you never usually have the chance to do.”

Volunteer at ČSOP JARO (nature protection organisation)

“I’m glad I took part. It was a chance to get away from my desk for a change and help others. We learned about the organisation and had a chance to make ourselves useful. We also had an opportunity to get to know each other in a different setting.”

Volunteer at ČSOP JARO (nature protection organisation)

“I really admire those who give up their comforts to care for animals.”

Volunteer at the Zvířecí pohoda (Animal Welfare) Environmental Centre

“A day when you feel that what you’ve learned in your working life can help those who aren’t very familiar with your specialism.”

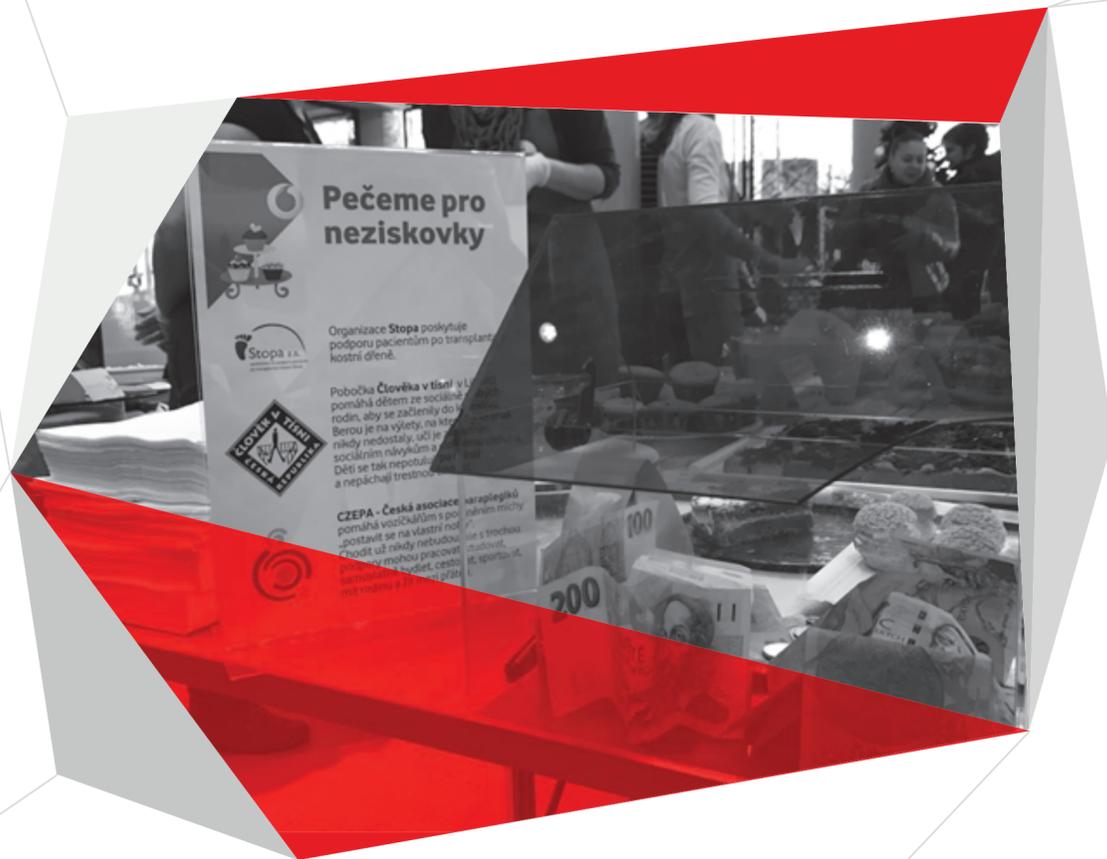
Volunteer with the BONA organisation

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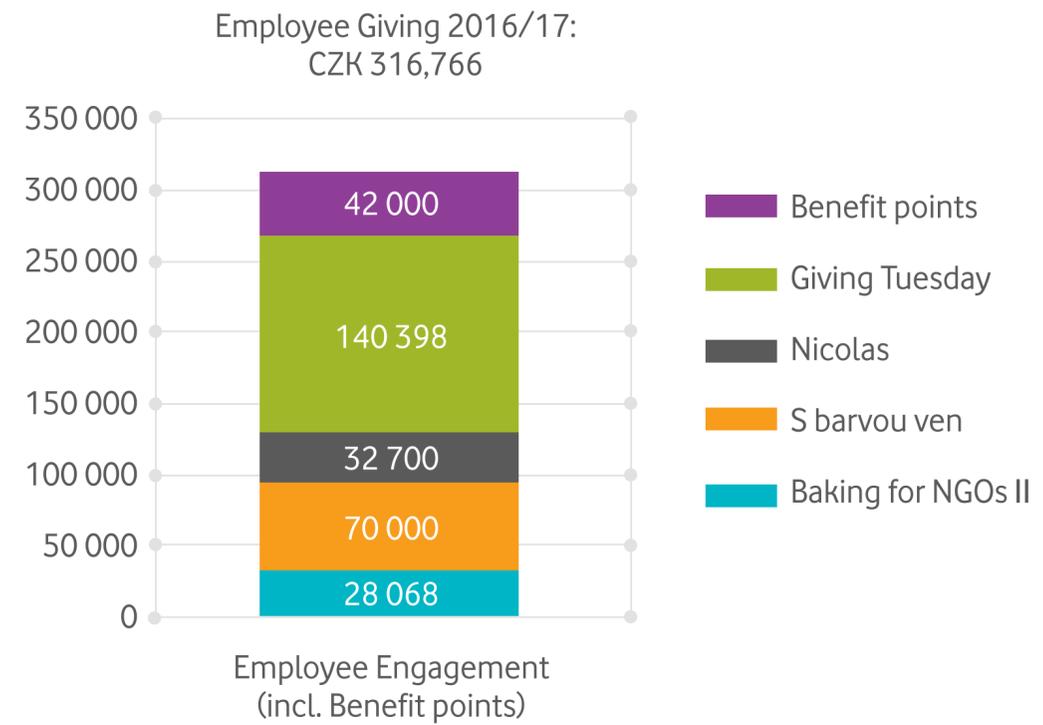
6.5.

## EMPLOYEE GIVING

In different employee charity collection and giving employees gathered for several projects more than 300 000 CZK (over 11 100 euros).



The major activities that gathered employees support were Giving Tuesday and support of LGBT NGO S barvou ven.



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6.5.

# Principles and Practice

## Digital balance

In working with digital technology, we take care of our health.

- We use digital devices sensibly.
- We keep our online lives under control.

## Emotional and mental health

We feel good about ourselves and are doing well.

- We are calm and level-headed.
- We take a positive approach to things and are self-confident.
- We are able to concentrate and can get things done, at work and in our personal lives.
- We show consideration.

## Health and Wellbeing

We are healthy and have the necessary energy for all that we want to do.

- We take exercise.
- We eat the right food.
- We get enough rest.
- We avoid addictive substances.



## Financial well-being

We are and we feel finally secure.

- We manage our money in such a way that we do not get into financial difficulties.

## Connections and Community

We have good relationships with our friends, colleagues and others around us.

- We have good relationships with our families, friends and colleagues.
- We do not discriminate against anyone.
- We help others too.

## Purpose and Growth

We enjoy what we do and want to achieve something.

- We are dedicated.
- We are committed to personal development.
- We appreciate each other.
- We do things in accordance with the company strategy.

## WELL-BEING

People do their best when they have a sense of fulfilment in their work lives, feel stimulated, and can achieve a balance between family and home commitments. We recognise the value of helping all we work with to find the appropriate **work-life balance**, manage stress effectively and to pursue a healthy lifestyle.

Flexible and part-time working can help employees achieve the right balance between work and home. An increasing number of our staff use the technologies we supply to our customers – such as 4G data connections, ultrafast broadband and cloud services – in order to work effectively with colleagues wherever they are, at any time and on any device. The flexible workforce is mostly employed in part-time jobs and job-sharing. **Of 1,490 employees, 90 are on part-time contracts, most of them women (67).**

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## WELL-BEING CHALLENGE

Every October Well-being Challenge is held to promote a healthy lifestyle and encourage staff to become involved in sport. Every employee (volunteers) can set targets and then track “Vodafone miles“. The results of staff members are compared, as are results of countries (VF offices). During the same month, the Vodafone Foundation runs Healthy Days, in which health promotion and disease prevention campaigns play a significant role (i.e. diabetes testing, healthy lifestyle, and ergonomics) in co-operation with non-profit organisations.

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6.5.

## PEOPLE SURVEY

We also annually gauge the opinions and satisfaction of our employees and work afterwards on improvement and mitigation plans. The results both globally and locally show that Vodafone CZ is valued by its employees and that the scores for factors such as Trust, Diversity and Engagement are continuously rising.

	2016 results	Vs 2015	Vs VF overall	Vs Europe Cluster
Engagement Index	89	+1	+8	+8
Operational Excellence Index	87	+1	+11	+12
Manager Index	94	+2	+10	+11
ENPS	91	+4	+12	+20
Speed	73	0	+10	+10
Simplicity	66	0	+17	+12
Trust	93	+4	+11	+14
Customer index	89	+2	+9	+13
<b>NEW</b> Our Digital Focus	91	-	+15	+14
Diversity	97	+1	+7	+10
Doing what's right	97	+1	+7	+6
Developing our people	87	+3	+13	+13

VF CZ RESPONSE RATE: 92%

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6.5.

## Legislative Compliance

Our management systems are designed to ensure compliance with applicable legislation as well as with European regulations in all relevant fields, including the following environmental directives concerning mobile and other devices:

- The EU's Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive;
- The Waste Electrical and Electronic Equipment (WEEE) Directive in EU countries, which requires companies to take back and recycle used electrical and electronic equipment at the end of its useful life;
- The EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Directive, which restricts the use of certain substances of high concern in any of the products we sell.

Vodafone CZ has not been prosecuted for any environmental offences so far.

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**6.6.**

# Transparency

## Sustainable Business Strategy – Vodafone Czech Republic

### Purpose

“We connect everybody to live a better today and build a better tomorrow”

### 2025 Transformation

Diversity & Equality



Energy Innovation



Youth Skills & Jobs



### Transparency

Tax and Total Economic Contribution

Value Chain

Environment

Digital Rights, Freedoms and Security

Principles and Practice

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Companies are most likely to succeed when the markets in which they operate benefit from informed and fair policymaking and regulation, independent and respected judicial systems, and widespread prosperity shared between all groups in society. Another factor for success is a strong bond of trust between the governed and the governing. Satisfied citizens make for good customers, and a society at ease with itself makes an attractive location for any company seeking reliable returns over the long term.

In order to become a leader in transparency, Vodafone CZ is required to mitigate reputation risk in the following four areas.



## Tax and Total Economic Contribution

In compliance with SBS25, by pursuing a position as a leader in transparency, Vodafone is committed to directly addressing the most serious public concerns associated with its business. In light of stakeholder discussions and our continuing commitment to transparency, **Vodafone reports total revenue and profit before tax in each country, in addition to direct taxation, direct non-taxation and indirect taxation revenues.** We are demonstrating that there are no hidden agendas or conditions, and we make fully available information required for collaboration and collective decision-making.

However, as the industry develops, there are plenty of challenges to manage, not least privacy and data protection, e-waste and the increasing energy requirements partly driven by the exponential growth in demand for and use of mobile data. As such, progress in this area forms part of the commitment that the mobile industry is making to comply with the SBS25 goals, the SDGs and 10 GC Principles, the industry purpose, and its place in the world.

Vodafone CZ also pays great attention to compliance and ethics and therefore demonstrates **zero tolerance of non-compliance** in areas such as bribery or corruption, competition laws, privacy, and health and safety. Integrity, therefore, must be a principal requirement for all Vodafone CZ employees and vendors. The reliability and sustainability of Vodafone's ethical culture is verified through a robust and detailed reporting system, which provides for consistent quality of outcomes year-on-year. The reporting system therefore enables progress to be measured in enhancing our compliance programme beyond general standards.



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7.1.

## Value Chain

### SUPPLY CHAIN

Our businesses rely on international supply chains that span multiple tiers and are demanding to manage. Ensuring responsible and ethical behaviour across our supply chain is therefore important and highly challenging. Globally, this is an area of concern to many people, from customers and employees to shareholders and policymakers. We aim at managing a wide range of legal, social, ethical and environmental risks, including two topics of particular relevance in a supply chain context – modern slavery and conflict minerals.

### MODERN SLAVERY

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery and servitude represent some of the gravest forms of human rights abuses in any society. We will not tolerate any such activities in our own operations or within our supply chain. We are committed to taking appropriate steps to ensure that everyone who works for Vodafone – in any capacity, anywhere in the world – enjoys a working environment where their fundamental rights and freedoms are respected.

[www.vodafone.com/content/dam/vodafone-images/sustainability/downloads/slaverystatement2016.pdf](http://www.vodafone.com/content/dam/vodafone-images/sustainability/downloads/slaverystatement2016.pdf)

### CONFLICT MINERALS

We require suppliers to have a policy in place for the responsible sourcing of minerals and – most importantly – to maintain clear procedures to avoid knowingly purchasing “conflict minerals”. We believe mining activities that fuel conflict are unacceptable. Our global Conflict Minerals Policy sets out our position on this issue. As we do not purchase 3TG metals directly, in situations where we have influence on the design and manufacture of products, we must work with the suppliers that manufacture our products to determine the sources of the minerals used. Often, such sources are several tiers down the supply chain and extremely difficult to ascertain. Through industry partnerships such as the Conflict-Free Sourcing Initiative, we are working to address this challenge, conducting due diligence to ensure that materials originating from conflict areas do not end up in our products.

[www.vodafone.com/content/dam/vodafone-images/sustainability/downloads/conflictminerals2016.pdf](http://www.vodafone.com/content/dam/vodafone-images/sustainability/downloads/conflictminerals2016.pdf)

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7.2.

# Transparency

## The obligations we impose on our suppliers in CZ are specified in the following codes

- Vodafone Code of Ethical Purchasing
- Organizational Health & Safety (OSH)
- Environmental Code
- Anti-bribery Code of Conduct
- Business Principles
- Sanctions and Export Control
- Business Continuity Code
- Information Protection Code for Partners

[www.vodafone.cz/kodexy/](http://www.vodafone.cz/kodexy/)

The **Code of Ethical Purchasing** is an umbrella code of conduct, developed in consultation with employees, suppliers, investors and several NGOs. Our intention is to promote safe and fair working conditions and responsible management of environmental and social issues, in every part of our supply chain, through a commitment from every supplier working with us that it will seek continuous improvement. The Code of Ethical Purchasing covers the following areas: child labour; forced labour, including modern slavery; health, safety and well-being; freedom of association; discrimination; disciplinary practices, working hours; remuneration; personal conduct; and the environment.

The other codes specify the concrete conditions and obligations imposed on the suppliers in particular fields.



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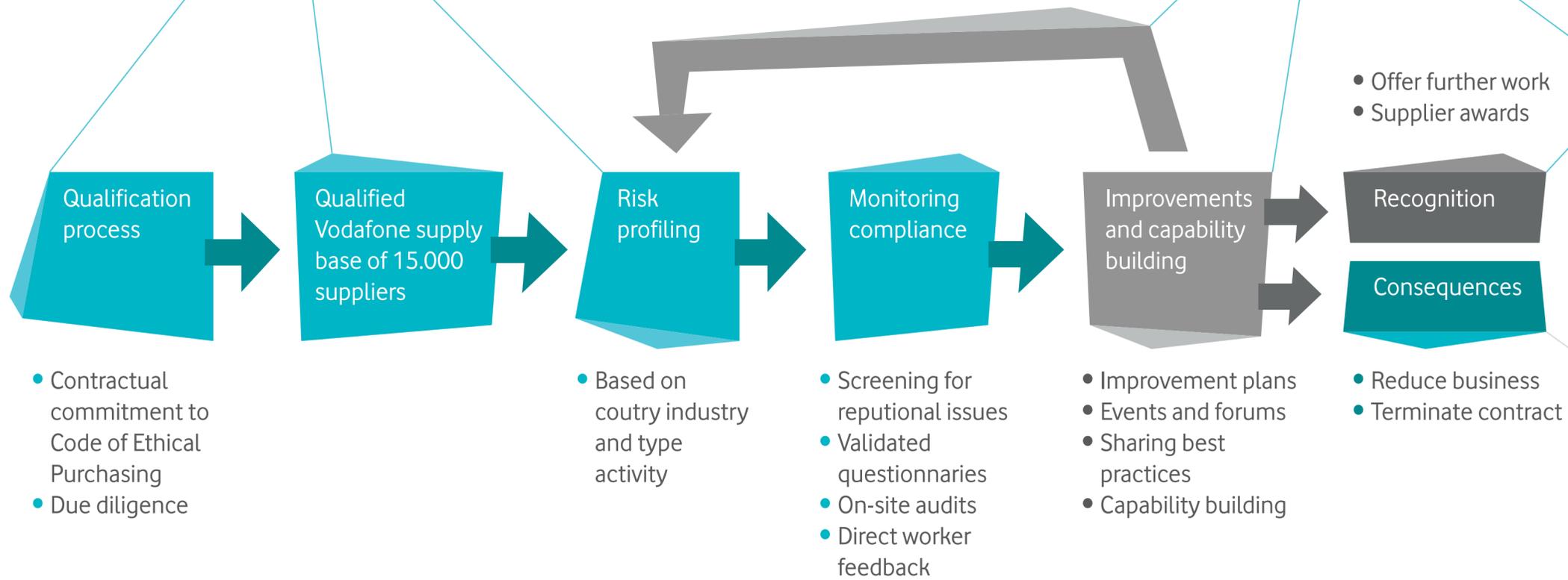
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## Mechanisms for ensuring our suppliers operate responsibly to our standards

Transparency

Vodafone Code of Conduct  
Vodafone Code of Ethical Purchasing



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7.2.

The supplier base at Vodafone CZ had 336 suppliers in the 2016/17 financial year. We aim at maintaining or reducing the number of active suppliers and at further consolidating the base, to ensure that suppliers operate efficiently and act responsibly and ethically. We regularly select from our local supplier base contractors that have a significant environmental impact or carry out hazard activities in compliance with health and safety, while providing services for Vodafone CZ. The contractors we choose undergo local on-site supplier audits.

# Transparency



## Health and Safety audits

- The suppliers carrying out risky health and safety activities are chosen every year from the supplier base (9 technology + 5 non-technology in FY 2016/17).
- They are required to produce a health and safety plan summarizing projects, activities and measures to mitigate or eliminate the hazards, which may occur during their activities for Vodafone CZ.
- Chosen suppliers are audited regularly by Vodafone health and safety professionals who check the progress and compare health and safety plan with reality.
- Chosen suppliers are also inspected randomly during their activities for Vodafone CZ (e.g. safety tours):
  1. Safety tour visit of rooftop technology together with supplier Huawei, with a focus on the risks and conditions of preventive maintenance works.
  2. Inspection of standard improvements by Executive Committee to ensure that they are safe.

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7.2.

## CUSTOMERS AND CUSTOMER EXPERIENCE

In April 2015, we launched the Customer Experience Excellence programme (CXX), a global initiative driven by our Executive Committee, to ensure that by 2018 we will be delivering the best-in-class experience to our customers in all our markets. We want to be the leader in NPS (Net Promoter Score) and brand consideration in every single market in which Vodafone operates.

### Our commitment to our customers: **We CARE**

To make sure Vodafone delivers the best experience, we have agreed on very clear and simple commitments that will be delivered to our customers in all our markets.

#### **CARE** stands for:

- C**onnectivity that is reliable and secure, with a promise of network satisfaction guarantee
- A**lways in control, with a promise of cost control with no surprises
- R**ewarding loyalty with extras and better service
- E**asy access, promising always available, “ask only once”, proactive support and follow-up



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7.2.

## CUSTOMER EXPERIENCE AT VODAFONE CZ IS ENHANCED THROUGH THE FOLLOWING ACTIVITIES:



**WOCAS** is Vodafone's programme, including a dedicated team, for delivering innovations in customer care based on insights and ideas from Vodafone's employees or customers themselves. It focuses on customer care improvement and process excellence inside the Company. Our mission is to prevent problems from happening. We therefore always start with people and are designing new tools or processes for and devising new solutions to suit their needs.

**WOCAS** stands for:

**W**hat  
**O**ur  
**C**ustomers  
**A**re  
**S**aying



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7.2.



## CUSTOMER EXPERIENCE EXCELLENCE PROGRAMME (CXX)

The CX Academy is an internal programme for all our employees and consists of three modules, which are interconnected and reflect the employee lifecycle. The CX Academy is also a tool that managers can use to develop their teams in customer experience, including internal customer interactions.

**Module A** contains an introduction to Vodafone as a company focused on customers. It is the heart of the CX Academy and also forms the core of the onboarding programme for new employees. At the very beginning, when new employees join us, we show them how Vodafone as a company and each of us individually fulfil the WE CARE commitment.

**Module B** offers more interaction with the CX Academy and opens doors to the real-life world of our customers and front-line colleagues. It gives us a chance to shadow a colleague from different departments, experience real interaction with a customer in a shop or care line. Module B also offers an opportunity to visit the Vodafone CZ transmission site or the Company headquarters in Prague, and to try many other activities.

**Module C** focuses on particular innovations and improvements in customer care and our internal processes initiated by the employees themselves.

### I AM VODAFONE, THE CX ACADEMY, IS CELEBRATING ITS FIRST YEAR. HERE ARE SOME OF OUR ACHIEVEMENTS:

- Nearly **3,000** employees of Vodafone and our partners registered.
  - 70%** achieved full certification – they learned the theory, actively participated in customer-centric activities, and made suggestions for innovations.
  - More than **2,000** innovation suggestions were submitted.
  - 1,000** employees listened to calls and provided feedback to operators.
  - 1,000** employees lived the customer experience in prepaid and provided feedback.
  - 900** employees and leaders acted as mystery shoppers in our retail outlets and provided feedback
  - 600** employees visited signal transmitter towers all over the country.
  - 400** employees, mostly from retail, visited call centres.
  - 300** non-customer facing managers visited to shops to talk to customers.
  - 150** employees shadowed colleagues in positions the employees found inspiring.
  - 100** employees visited the Vodafone CZ headquarters in Prague.
- Thousands of feedback suggestions on the Academy, including its activities, were collected; NPS oscillated between 25 and 85. They showed that the CX Academy is changing, i.e. activities are being adjusted or cancelled and replaced with different activities, to meet the objectives of the following financial year, 2017-2018.

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**7.2.**

**CUSTOMER EXPERIENCE AT VODAFONE CZ IS ENHANCED THROUGH THE FOLLOWING ACTIVITIES:**

## CUSTOMER CODE OF CONDUCT



[www.vodafone.cz/zakaznicky-kodex/](http://www.vodafone.cz/zakaznicky-kodex/)



## VODAFONE CUSTOMER EXPERIENCE HEROES

Each month, employees nominate colleagues for the Thousand Little Things Award. These employees receive prizes for raising the standard of the customer experience even further. Quarterly, the Vodafone management team award the Vodafone Customer Experience Heroes. The Vodafone Hero Awards Programme recognises and rewards those of us who are role models for the Vodafone Way behaviours, and who go above and beyond to achieve fantastic results compared against the Vodafone strategy.

## CXX WEEK

In order to draw attention to our success, short and long term goals in customer experience and to learn from other customer oriented companies, we delivered the CXX Week in Vodafone (May 5th – June 3rd 2016). On the first day we celebrated the first anniversary of WeCare, then we joined our colleagues from Vodafone Operating Companies around the world to trigger the CXX Week Globally, we brought Roman Paulus, a master chef, and talked about his approach to customer experience in gastronomy, we enjoyed a talkshow introducing our CEO, Balesh Sharma, and representatives of Emirates Airlines on one stage and we closed the week with a stunning presentation by Samsung, Microsoft, SONY and Vodafone showing tech innovations to play with.

**The People Survey 2016/17 recorded amazing customer experience results, and the Customer Index reached a score of 89.**

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7.2.

## Environment

### MOBILES, MASTS AND HEALTH

The health and safety of our customers and the wider public is an absolute priority for Vodafone CZ and everyone who works with us. We recognise that some people remain concerned about mobiles, masts and health. We are therefore committed to responding openly and transparently to address such concerns.

New research supports the current consensus that **there is no evidence of health risks from the use of mobile phones and masts**. Our mobiles and masts operate in full compliance with internationally recognised guidelines based on recommendations of the World Health Organization (WHO).

The electromagnetic field is not an issue of great public concern in Czech Republic; however, we approach the Mobiles, Masts and Health issue responsibly and are ready to answer and clarify any potential queries via our EMF specialist, who deals with the authorities, customers, and landlords, and provides assurance that our infrastructure and mobiles comply with internationally recognised guidelines.

More information about Mobiles, Masts and Health can be found here:  
[www.vodafone.com/content/index/about/sustainability/mmh.html](http://www.vodafone.com/content/index/about/sustainability/mmh.html)

If you have question about EMF,  
please contact our EMF specialist  
[emf.info@vodafone.cz](mailto:emf.info@vodafone.cz)



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7.3.

# Transparency

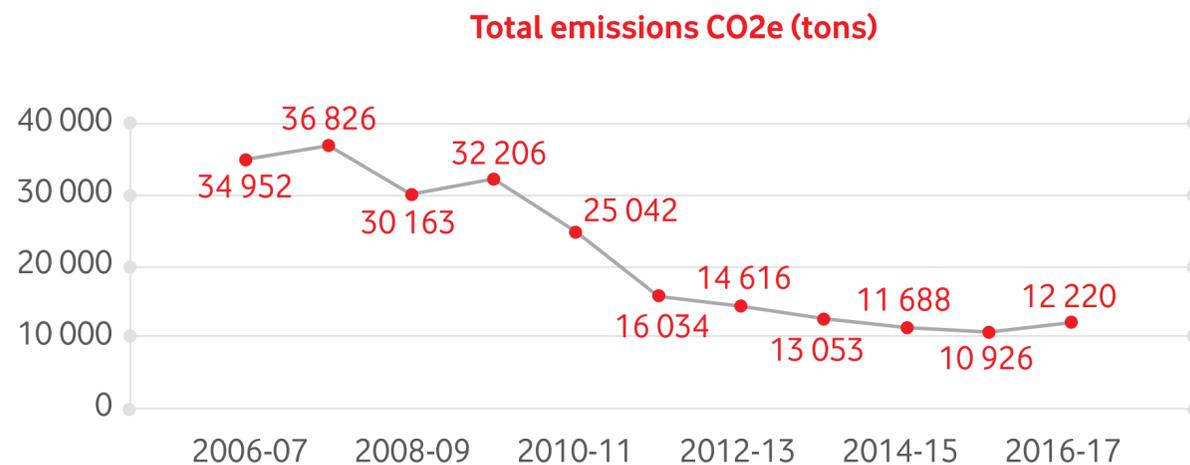


## ENVIRONMENTAL REPORTING

Since 2009, a Corporate Responsibility Report has been published every two years, containing detailed data describing our environmental profile, including figures such as number of recycled mobiles, fuel consumption, office paper used, and most importantly, carbon footprint.

The reports can be found here.  
[www.vodafone.cz/udrzitelne-podnikani/vyrocnizpravy](http://www.vodafone.cz/udrzitelne-podnikani/vyrocnizpravy)

The expert non-governmental organisation CI2 confirmed that Vodafone CZ significantly reduced its CO2 emissions between 2009-2010 and 2015-2016. The carbon footprint of energy and fuels decreased by 66%.



We owe this mainly to the purchase of green energy from renewable sources and a noticeable reduction in the number of corporate cars. We have been awarded the prestigious **We decrease CO2 certificate**.



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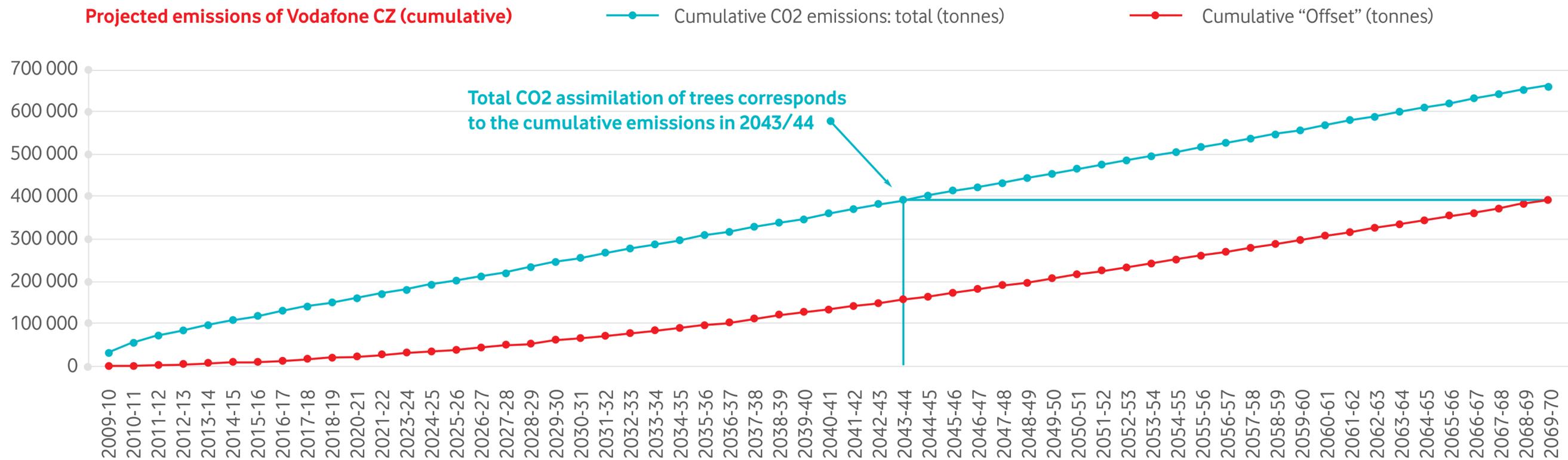
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# Transparency

In 2016, through the renowned non-profit organisation CI2, Vodafone CZ verified the impact of tree planting on its carbon footprint. CI2 carried out a study focused on sustainable development, education, publishing and science and research (partner of CDP).

In 2011, 515,000 trees were planted to offset 30% of energy consumption, which is not supplied from renewable sources.



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7.3.

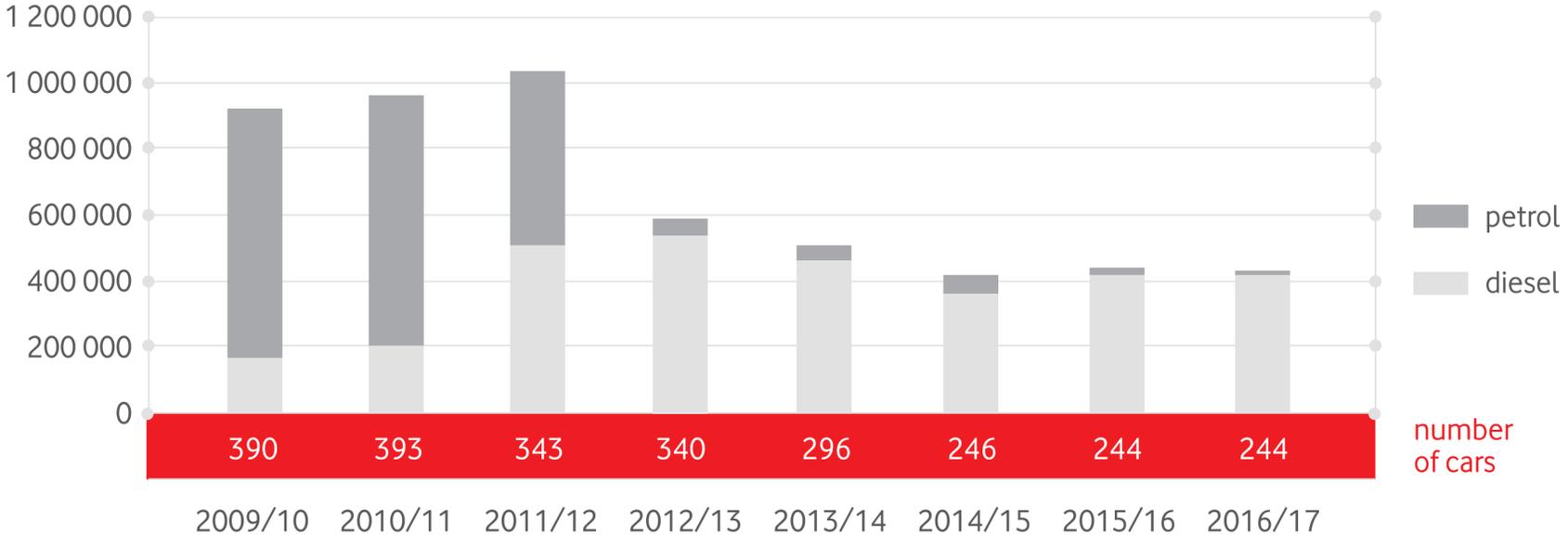
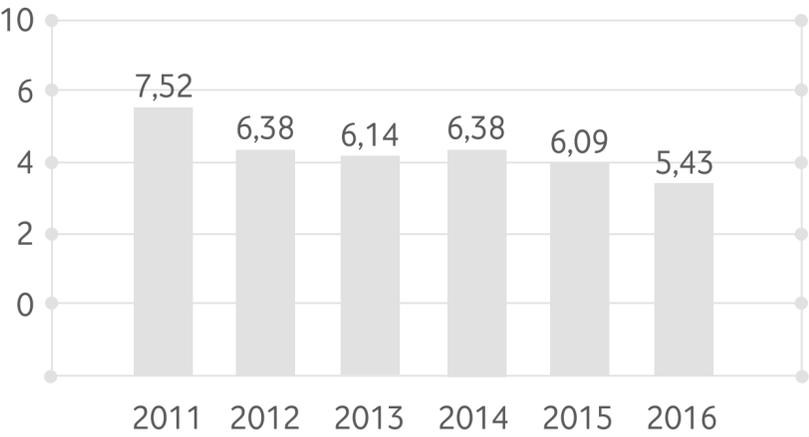
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# Transparency



Fuel consumption - cars / liters

Average consumption - car / liters



The overall carbon assimilation of trees by 2070 is 416,370 tonnes of CO2, which is the overall cumulative carbon footprint of the company (energy and fuels) by 2044 (if carbon footprint remains at the FY 2015-2016 level – approximately, 11,000 tonnes of CO2e – and no further planting is carried out).

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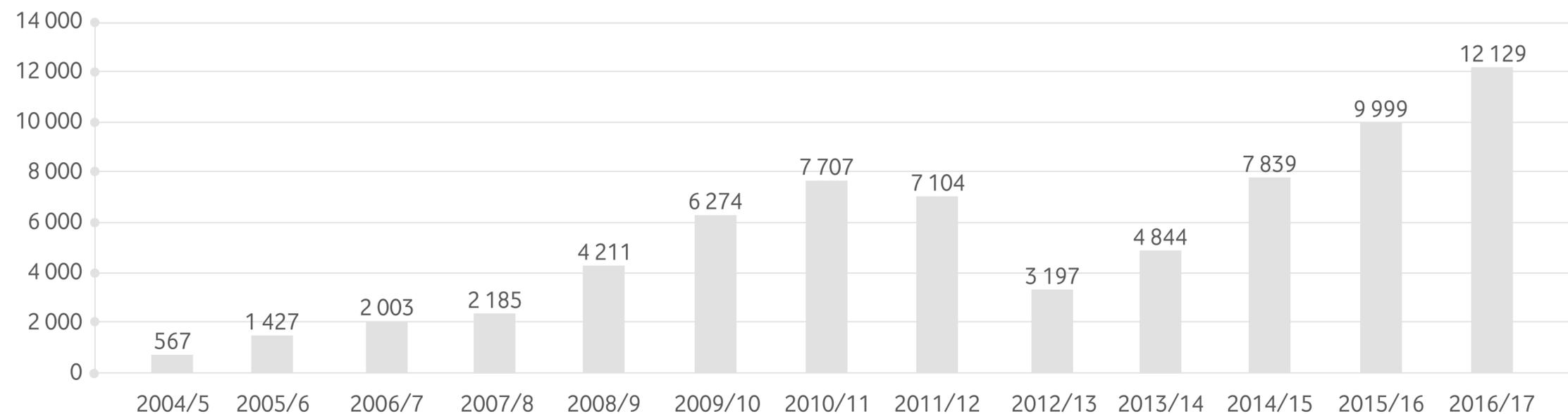
7.3.



## WE SUPPORT RECYCLING OF MOBILE TERMINALS

Recycling mobile phones saves resources and consequently reduces the carbon footprint. Each mobile phone contains a large amount of plastic and a variety of precious metals. Natural resources are limited, and the production of mobile phones places a burden on the environment. Aware of this, we strive to monitor and reduce our impacts, and inform our customers about such impacts. However, the demand for devices is increasing and thus it is our responsibility to focus on sustainable development and recycling. At every Vodafone CZ shop, it is possible to return an old phone to help make new ones and protect the environment. Our partner REMA Systém recycles 80% of all parts. Revenue gained by recycling is invested in projects that improve the air, water, soil and life of the fauna and flora on the planet. Since 2005, we have recycled 70,000 phones.

We regularly report the numbers of collected phones for recycling and reuse.



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7.3.

# Transparency



In 2016-2017 Vodafone via the Czech Vodafone Foundation started to support and finance the project SenseNet thanks to the funds obtained from mobile phone recycling. Its main aim is to address environmental challenges in Ostrava region.

## **SENENET (PROJECT FINANCED VIA THE VODAFONE FOUNDATION GREEN PROGRAMME)**

The state of the environment in the Ostrava district directly impacts the quality of life and health of local inhabitants. The Sensenet project came into being based on a perceived need to integrate and acquire up-to-date and transparently accessible data. It involves an open platform that can be used by the public sector, the private sector and the non-profit organisations and end users. Application of advanced artificial intelligence allows data to be processed and analysed in real time, and resulted in the involved parties changing their behaviour and a positive impact on the environment and quality of life. In addition, energy costs were slashed. The project includes cleaner air at selected nursery schools in Ostrava. Furthermore, unpleasant particle pollution conditions, detected using sensors and third-party data, will be resolved remotely in time, with the help of NB-IoT controlled forced ventilation in the building controlled by Narrow Band Internet of Things (NB-IoT). The aim is not only to improve air quality but also to reduce the costs of maintaining filters of fine particles and costs of variable air systems.

**Labka, z.s. implemented Project SenseNet and received CZK 2.5 million from the Vodafone Foundation Czech Republic.**

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**7.3.**

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## Digital Rights, Freedoms and Security

In 2014, the Vodafone Group published the first Law Enforcement Disclosure Report, which detailed how the company responds to legal requests from law enforcement and intelligence agencies for access to our customers' private data. The Report is updated every year; the most recent version can be found [here](#).

**Digital Rights and Freedoms** are an expansion of our existing law enforcement transparency report, which now includes a number of related areas of significant public and policy concern, including encryption, net neutrality, online child protection and the commercial use of big data and mobile analytics.

### PRIVACY

Vodafone CZ is recognised as a trusted guardian of customer privacy and known for its innovative, fair, responsible and proactive approach to privacy. As the General Data Protection Regulation (GDPR) comes into force, Vodafone welcomes this challenge as opportunity to further strengthen protection of customer data. To address this task, Vodafone runs a sophisticated project to implement GDPR rules in the company. Given the nature and importance of data privacy, Vodafone CZ works with other entities from both public (e.g. Data Privacy Office, Czech Ministry of the Interior, etc.) and private institutions (private companies in similar position to Vodafone) to investigate the new legal regulation.

Upcoming data privacy legal regulation (GDPR and ePrivacy regulation) is creating a whole **new level of personal data protection**, and Vodafone has a clearly defined task to implement in the near future. To respond to the new regulatory demands, to protect customer personal data and to identify new business opportunities under the upcoming data privacy legal regulation (GDPR and ePrivacy regulation): these are the Company's goals.

Vodafone CZ is also active in the Czech Chamber of Commerce. We helped collect data for the evaluation process of the ePD and sought opinions on possible revisions of the e-Privacy Directive (Directive 2002/58/EC on privacy and Electronic Communication) on the protection of privacy and personal data in the electronic communication sector. In February 2016, Vodafone became an official observer of the Global Network Initiative (GNI), which focuses on the challenges faced by ICT companies when government demands conflict with the **rights to freedom of expression and privacy**.

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7.4.

# Transparency

## BIG DATA

Big Data is recent phenomenon and has an impact on all types of industry. The telco industry is no exception; quite the contrary. Long before the term Big Data emerged, telco firms were struggling with processing huge amounts of data. Just imagine how many calls we make, how many text messages we send, and now, how many data sessions our smartphones are running via an internet connection. All these activities are transformed into data, which are gathered and evaluated.

Vodafone CZ is providing the **best network quality to our customers**, which is a never-ending story in terms of monitoring and responding immediately when something goes wrong. The evidence of such quality is simple – data collection and constant evaluation.

And what about data privacy? Nobody wants to live in George Orwell's Big Brother world, and the trust of our customer is our priority. We are certainly aware of how sensitive data is, and we follow not only to the law but also our very strict internal rules on handling this data in lines with our moral and ethical responsibility. **We do not record calls or read chats. We are not concerned about content**, but we are concerned about ensuring that your connection is of the highest quality.

If we do a little more, we do so solely to provide a better, more personalised offer, and with your permission, of course, which you can withdraw at any time.

And what happens when somebody else asks for the data? We share anonymous data very rarely, and we want to see a meaningful and demonstrable benefit for society.

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# Transparency

## CYBER SECURITY

The large majority of our public policy activities relate to technology evolution and cybersecurity matters, such as privacy and data protection.

### The Company has been involved in different external activities linked to cyber security:

**The Gambling Act:** effective since 1 Jan 2017, internet connection service providers in the Czech Republic are obliged to block unauthorised websites and payments. The Czech Ministry of Finance administers the list of blocked websites and accounts.

**The Military Intelligence Act:** currently in the legislative process (Lower House of Parliament); amendments would oblige network and mobile operators (a penalty of less than CZK 20 million) to establish and secure technical equipment in the operator networks.

**The Cyber Security Act:** currently in the legislative process (Upper House of Parliament); the amendment involves direct transposition of EU Network and Information Security Directive.

However, Vodafone also aims at enhancing cyber security internally. To spread security awareness among employees, we created the **Five Simple Steps campaign**, which was closely related to the **Doing What's Right initiative**. The campaign consisted of hanging cut-outs from ceilings, and issuing security-branded tissues, desktop monitors wobblers, copy corner security branding, security posters, turnstile security stickers.

In addition, to remind people that sensitive information must be kept safe, customised toothbrushes with the slogan "Do you share your toothbrush? What about your sensitive data?" were handed out to all employees.



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# Transparency

## CHILD PROTECTION

As one of the world's leading mobile communications providers, Vodafone is committed to providing award-winning customer service and to **increasing digital literacy among parents and young people**.

Vodafone has been working for years in the Czech Republic to reduce risky online behaviour among children and adolescents, and raising awareness of safety, to improve their overall well-being and online experience. It has also created the **Digital Parenting microsite**, with resources for parents and designed to help them to learn about the main issues and challenges young people face in the digital world. It also offers parents support in taking action to help their children deal with such challenges.

Vodafone CZ has been partnering several NGOs dedicated to child protection and online security.

The Company is also raising of the challenges of the on-line world and **improving digital skills of the population** via its magazine **ČiliChili**, which is distributed in shops. The Company also presented the topic at a major gathering of Czech Youtubers on 29 April 2016, which attracted over 8,000 children and teenagers.

Internally, Vodafone CZ organised the **Digital Security Week** (19-23 September 2016) in Prague and Chrudim, with several workshops and meetings with experts on the topic of digital security and children. Over 500 employees and 100 children attended the event, run by a group of employees named Red Team.



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# Transformation Goals



## Transformation goals

The Vodafone Sustainable Business Strategy consists of three global transformation goals to be achieved over a 10-year period by 2025, each of which is **closely aligned with the Vodafone core business and has the potential to deliver meaningful socio-economic benefits** for our customers and wider society across our markets.

Each transformation goal consists of a set of external objectives intended to achieve a positive impact within the targeted demographic group or sectors, together with a set of internal objectives intended to enhance our own operating performance. The objectives are also designed to have a positive effect in terms of external stakeholder response.

### Sustainable Business Strategy – Vodafone Czech Republic

#### Purpose

“We connect everybody to live a better today and build a better tomorrow”

#### 2025 Transformation

Diversity & Equality



Energy Innovation



Youth Skills & Jobs



#### Transparency

Tax and Total Economic Contribution

Value Chain

Environment

Digital Rights, Freedoms and Security

Principles and Practice

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## Diversity and Equality

### THE GLOBAL CONTEXT:

The UN's Sustainable Development Goals enshrine the global agreement on addressing inequality. They highlight the importance of empowerment and promoting the social, economic and political inclusion of everyone, irrespective of status, and of ensuring equal opportunity and reduced inequalities of outcome.

Over the last two decades, significant progress has been made in closing the global gender gap: more girls are attending school than ever before, there has been a large reduction in the number of mothers dying in childbirth, and the number of female entrepreneurs is increasing. However, major challenges remain. The UN Foundation estimates that more than 60 million girls worldwide are still denied any form of education. Around 15% of girls live in extreme poverty, and **many women are economically disadvantaged compared with men**. They are less likely to be in regular employment, they are paid less, are less likely to set up a business and less able to benefit from education and training, often as a consequence of the burden of domestic labour.

Research estimates that 1.7 billion women in low- and middle-income countries do not own a mobile phone and that 200 million fewer women than men own a mobile. While the gender gap is more visible in emerging markets – particularly where reinforced by cultural norms – there are also systemic challenges in the most advanced economies too. Even when women own mobile phones, there is a significant gender gap in mobile phone use, which prevents them from reaping the full benefits of ownership.

**Access to mobile internet presents revolutionary opportunities** for addressing issues of inequality. The benefits of a smartphone for women can be significant, numerous and wide-ranging. Smartphones have great potential to improve business opportunities and increase income. They can ease communications with suppliers and customers, increase customer reach through social media, and help in arranging appointments, and be useful in conducting online research.



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# Transformation Goals

## THE LOCAL CONTEXT:

For Vodafone, diversity, both in terms of gender, physical capabilities, generation and nationality, also adds great value to the workplace. We value working with people who are highly flexible, capable of tackling the dynamic nature of today's market and building a diverse staff capable of working as a team. **Diversity and equality of rights and opportunities between men and women** is a key indicator of long-term social stability and economic prosperity.



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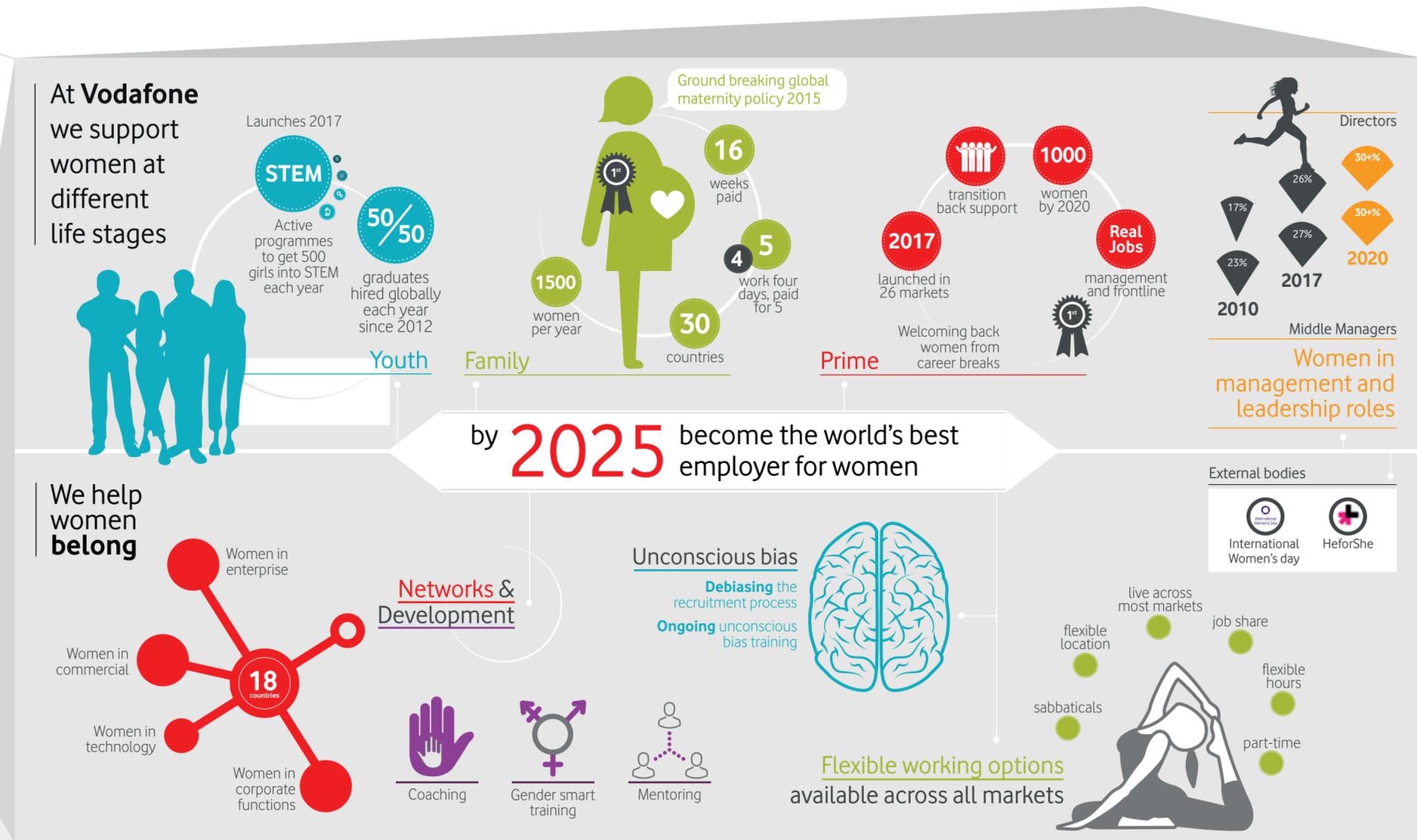
# Transformation Goals

## WOMEN

Vodafone wants to become the world's best employer for women by 2025.

**Connecting women:** by 2025, we will seek to connect 50 million women living in emerging markets to help improve their lives and livelihoods.

**Gender balance:** we aim at improving our gender balance to ensure women hold at least 30% of senior roles.



This is recognised in the internal Vodafone culture. The People Survey – a regular annual internal climate survey – showed in the Czech Republic that support of diversity policies in the company is very high (97% agreement).

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# Transformation Goals

## GOALS Women's Empowerment: internal

We aspire to be the world's best employer for women (VF Group)

International Women Week, 6-10 March 2016  
HeForShe Campaign with Mimo domov  
[https://twitter.com/Vodafone\\_CZ/status/839391273828122624](https://twitter.com/Vodafone_CZ/status/839391273828122624)  
[www.youtube.com/watch?v=PiCgHM\\_nGVo&feature=youtu.be](http://www.youtube.com/watch?v=PiCgHM_nGVo&feature=youtu.be)  
Meetings with four inspirational women

### Outputs

8 women promoted to Rising Stars Programme

1 training for Unconscious bias for Managers and one webinar from Vodafone Group

TOP Odpovědná firma [Socially Responsible Firm] – Golden Diversity Award 2016  
[www.topodpovednafirma.cz/o-soutezi.html](http://www.topodpovednafirma.cz/o-soutezi.html)

## GOALS Women's Empowerment: external

Enhance the quality of millions of women's lives by enabling financial inclusion; improving health and well-being; and building skills and entrepreneurship

20 employees participated in conferences  
Conference: Women and Part-time Jobs, Danish Embassy, 22 February  
Conference at Ministry of Labour and Social Affairs, 8 March.  
Conference: Mothers Welcome, 10 March  
[www.youtube.com/watch?v=EKgtouExv-c&feature=youtu.be](http://www.youtube.com/watch?v=EKgtouExv-c&feature=youtu.be)

### Outputs

30 employees and 200 business women participated HeForShe Campaign with Mimo domov  
[www.novinky.cz/vase-zpravy/praha/4646-43049-devatenactiletanoemi-z-detskeho-domova-vyzyva-k-podpisove-akci-.html](http://www.novinky.cz/vase-zpravy/praha/4646-43049-devatenactiletanoemi-z-detskeho-domova-vyzyva-k-podpisove-akci-.html)  
OCP (Ocenění českých podnikatelek – Czech Women in Business Award)

Over 50 beneficiaries in the NGO sector  
WIT activities for APERIO and several homes for elderly

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# Transformation Goals



## ACTIVITY/POLICIES:

In 2015, Vodafone became one of the first companies in the world to offer female employees the same amount of maternity leave. This means 16 weeks fully-paid maternity leave, and full pay for a 30-hour week for the first six months after they return to work – regardless of where in the world they worked and even although some countries do not mandate it. The global maternity policy applies at every one of the 30 companies in which Vodafone operates.

In March 2017, **Vodafone introduced the Reconnect programme worldwide**. In the Czech Republic, it will help to actively recruit women on career breaks, many of whom have left their jobs to have children. The leading global initiative will increase the number of women in management roles, with around 10% of all Vodafone CZ external management hires recruited through the programme over next three years. The situation is especially critical in the Czech Republic, where over 40% of mothers with children younger than six do not work and the national unemployment level is around 5%. The unemployment rate among mothers is the third highest in the European Union.

## COMPANY EXAMPLE

“When I had my three kids, I stayed at home on maternity leave for a couple of years. I used to be a manager, but not being in the labour market for such a long time left me feeling insecure about my career. Thanks to Vodafone CZ, I had the chance to re-engage and continue my career development. The Reconnect programme gave me the possibility to reintegrate step by step thanks to flexible work conditions, including the use of home-office, mentoring and other support tools. Being a working mum is now much easier.”

Jana Skalková, HR Project Manager, Vodafone CZ.

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# Transformation Goals

## THE RECONNECT PROGRAMME INCLUDES:

Recruitment outreach activities to make contact with and raise awareness among women about career breaks;  
Training and induction programmes to upgrade and enhance professional skills, and help women re-enter the workplace;  
Unconscious bias training for hiring managers;  
Employment terms designed to reflect the competing pressures on working women's lives include flexible working options and a phased return to work (for example, a four-day week for the first six months).

Economic research that Vodafone commissioned from KPMG indicates that there are an estimated 96 million skilled women aged between 30 and 54 on career breaks worldwide, of whom an estimated 55 million have experience at middle-management level and above. The KPMG research also indicates the potential economic benefits associated with bringing back into the workplace all women on a career break with such experience. If all of these women worldwide could secure manager-level employment (and on the assumption that their recruitment did not lead to the displacement of other employees), the associated value of the additional economic activity generated (in terms of gross value added) could be in the region of GBP 151 billion per year. The cumulative financial boost for those women's households, in terms of earnings, could be approximately GBP 419 billion a year.

Involving women and helping them their life/work balance requires to increase **part time jobs**. Vodafone CZ actively addresses **male managers** to understand the benefits of reintegrating mothers offering flexible work conditions.

Vodafone CZ also keeps in contact with "its mothers" making it easier to reengage after maternity/paternal leave. It distributes a monthly **newsletter named Mamma Mia** that informs women about news in the company and the telco market, posts internal jobs advertisements and invites mothers to social event (such Christmas parties).

Prolonged maternity and parental leave in the Czech Republic also deepens the **Gender Pay Gap** – it is the second highest in the EU, at 22.6%. Vodafone CZ internal audits show that gender (or physical abilities, age or nationality) have no impact on work remuneration. A fair and competitive remuneration system with performance-based opportunities helps the company to recruit and retain the best professionals.

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# Transformation Goals

## Female and Male Employees in Vodafone CZ

GENDER/AGE %	Female	Male	Total
Over 50	1.37%	1.37%	2.74%
30-50	36.35%	38.92%	75.27%
Below 30	10.97%	11.03%	21.99%
Total	48.69%	51.31%	100.00%

GENDER/AGE	Female	Male	Total
Over 50	23	23	46
30-50	610	653	1263
Below 30	184	185	369
Grand	817	861	1678

BANDS	Female	%	Male	%	Total
Top Management	1	20.00%	4	80.00%	5
Directors, VP	4	25.00%	12	75.00%	16
Managers, Directors	18	26.09%	51	73.91%	69



**Education is a vital tool** in promoting equal opportunities. When it comes to communications technologies, digital literacy is central role. Vodafone CZ is playing a part in fostering science, technology, engineering and mathematics skills in secondary and higher education. The aim is to build technology readiness over the long term, scale up ICT training programmes with universities, and promote study opportunities and careers in STEM among women. This is done via a group of female employees named **Women in Technology (WIT)**, which participates in different activities with the academic and civic sectors to strengthen the digital skills of women and their interest in technology. Another example is the long-running the **Girls' Day**, when Vodafone hosts secondary school students, encouraging them to pursue a career in STEM disciplines.

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**HeForShe**  
UN Women Solidarity Movement  
for Gender Equality

## HEFORSHE

HeForShe is a UN Women initiative to promote gender equality, which seeks to encourage men to take action against all forms of violence and discrimination that women and girls face. Since 2015, Vodafone CZ has gained around 5,000 supporters of this initiative in the country.

Regarding this initiative, the Vodafone Group, through the transformational objective of Diversity and Equality of its Strategic Sustainable Business Framework, commits to:

- Increasing the representation of women in leadership positions in the company by 30% before 2020;
- Expanding access to mobile technology as tools for empowering women.

The HeForShe campaign led by Vodafone in the Czech Republic has helped girls from children's homes to prepare for adult life in the society, in a joint project with the **Out of Home NGO** (Mimo domov).

[www.mimodomov.cz](http://www.mimodomov.cz)



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Vodafone CZ wants to end all kinds of discrimination against women in the labour market and in public life. Pursuing these goals, Vodafone introduced company policies to grant gender equality and support women's careers in the company. Since 2015, Vodafone has engaged globally in the **HeForShe** United Nations initiative.

<http://www.heforshe.org/en/vodafone>

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## CZECH WOMEN IN BUSINESS AWARDS (OCENĚNÍ ČESKÝCH PODNIKATELEK, OCP)

Our common goal is also to **support Czech women entrepreneurs and promote transparent business**, as well as to educate and inspire, and to create business opportunities by bringing together exceptional women in the Czech business community.

Vodafone CZ has been partnering the OCP awards for Czech businesswomen to recognise all their efforts and work over the long term, and their perseverance. Since 2008, the prizes have been awarded in the small, medium-size and large enterprise categories, along with three special sections: Outstanding Growth, the Innovative Solutions award, and the Outstanding Businesswoman prize.

The Czech Women in Business Award is especially for women who have chosen a particular path and are following their dreams, showing determination in doing so. They have built up their own businesses, which are operating in the Czech Republic as well as abroad.

Established to support Czech women, the awards scheme recognises their outstanding personal qualities. In addition, it showcases **important projects and innovations that the women are introducing in the Czech and European markets**, in several fields. The awards highlight and spread the word about the successes of these women entrepreneurs.)

“I believe that the OCP offers, besides recognition of women in business, a greater incentive for the future. The award scheme isn’t just a social gathering – it is also about boosting confidence, and a chance to stop for a moment amidst the bustle of the working day.”

Renata Roubínková Baierová,  
BAIEROVÁ spol. s r.o.



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# Transformation Goals



## LBGT

Promoting Equality and Diversity also means that Vodafone treats the **LBGT community** fairly.

Our Code of Conduct includes a guide how to tackle discriminatory behaviour. The Speak Up line also serves for reporting unfair working conditions or other indicators of discrimination against towards the LBGT community. We measure **Diversity and Inclusion index annually in the People Survey, scoring 97 out of 100.**

**LBGT stands for lesbian, gay, bisexual, and transgender.**  
**The following are the guiding principles Vodafone has towards its LBGT staff:**

- Vodafone respects that individuals have different sexual orientation.
- An individual's sexual orientation should never alter how we perceive or relate to them either as customers or employees.
- We endorse the benefits employees receive from being part of a shared community.
- We recognise though, it is always the choice of an individual whether they choose to disclose their sexual orientation.
- We acknowledge that countries in which we operate have different levels of tolerance, and this may be reflected in different laws and norms. We would never seek to have a single, prescriptive way of building a dialogue with our LBGT employees globally. We strongly uphold the principle that Vodafone employees should not be discriminated against in the workplace in any way based on their sexual orientation – regardless of their place or country of work.

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# Transformation Goals

Our employees and their managers can use a **Coming Out Guide** or **Transgender Guide** to support LGBT colleagues. Employee groups on social networks like **Facebook** or **Twitter** or internally on Yammer can share their experiences and best practices, and help us to improve the climate of inclusion and diversity at Vodafone.

The conditions established by the Global maternity policy are also applicable for registered LGBT couples. Internal policies and initiatives have supported the LGBT community via internal and public campaigns and manifestations and by charitable donations. Our internal policies are ahead of state legislation – registered LGBT couples have the same rights as married heterosexual ones.



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In the summer of 2016 the company participated in Prague pride to support equal rights of LGBT community in the society. Vodafone CZ an enthusiastic supporter of the Diversity chart and has been recognised in the Czech Republic by the **bePROUD Award** as the Best Employer for the LGBT Community in May 2016. Annually, we hold meetings with inspirational speakers on LGBT and other topics during Diversity week. Those activities are being backed by company leadership.

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# Transformation Goals

Help us spread  
the joy



## DIFFERENTLY ABLED PEOPLE

*A very special Vodafone Christmas Campaign*

Christmas this year was special for us. All Vodafone customers received 10 GB in the My Vodafone App as a gift. They could decide whether they wanted to use the data themselves or **donate them to people with disabilities so that they can use and enjoy them**. The Christmas offer was also open to other telco providers, and their customers could use the My Vodafone App and donate the 10 GB. We managed to collect 10 GB for 10,000 people with disabilities for 12 months for free.

That is amazing! Thank you once again to all of you who passed the data on. People with disabilities can connect to their friends, use **mobile apps that help them compensate for their impairments**, and find their way around the wider world as well as in their own lives.

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# Transformation Goals

## THE VODAFONE FOUNDATION CZECH REPUBLIC IS THE LEADING SUPPORTER OF SOCIAL TECHNOLOGY INNOVATIONS

Since 2010, 15 technology solutions with a positive impact on the lives of people with disabilities have been launched with the support of the Vodafone Foundation. They include mobile apps and smart compensation tools such as **NaviTerier Conversation** (mobile-based navigation for the blind), **R-ITAREPS** (a mobile app to prevent relapses for people with schizophrenia), **Levebee** (a new-generation learning tool for children with reading disorders), and **BlindShell** (simple, inexpensive and intuitive smartphone for visually impaired users).

[www.nadacevodafone.cz/programy/grantovy-program.html](http://www.nadacevodafone.cz/programy/grantovy-program.html)



Since 2014, Vodafone Foundation Czech Republic has been the general partner of the INSPO conference, a unique conference on technologies for people with specific needs. The 17th annual conference took place on 25 March 2017 in Prague. More than 400 people attended, with 24 lectures and 27 displays, on the latest technological solutions for people with various disabilities, or rather different abilities.

Find out about the INSPO 2017 on <https://www.youtube.com/watch?v=Zj6N2WZXiLA>



17<sup>th</sup> Annual INSPO Conference  
on Technology for People with Specific Needs

25 March 2017, Prague Congress Centre  
[www.inspo.cz](http://www.inspo.cz)



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## Youth Skills and Jobs

### THE GLOBAL CONTEXT:

Globally, young people struggle to find employment. Using our technology, we want to help them develop their skills and improve their ability to find jobs, as well as creating new opportunities for them to gain experience at Vodafone.

Unemployment and under-employment among younger people is a chronic challenge for rich and poor countries alike. It is estimated that almost **43% of economically active young people aged between 15 and 24 worldwide are either unemployed or are working yet living in poverty.**

**50% of 15-24 year olds are unemployed in countries such as Spain and Greece.**

Within six months of leaving university, 47% of graduates in employment were working in lower-skill roles which did not require a university education.

Over the last decade, digital technology has begun to transform every aspect of life at home and work for hundreds of millions of people.

For many, the communication revolution is largely or wholly beneficial; few of us would now want to go back to a world without the convenience of online shopping, the pleasure of social media, and access to vast amounts of information and insight through the internet. In addition, no company would willingly choose to go without the significant productivity gains resulting from the communication revolution.



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# Transformation Goals

## THE GLOBAL CONTEXT:

However, digital has also reduced opportunities for employment for millions of people. In developed countries, technologies such as big data, cloud computing, robotics and the Internet of Things (IoT) have hollowed out entire categories of semi-skilled lower and middle management jobs. There are, however, grounds for optimism. As digital disrupts every sector, it will, over time, lead to significant new job creation. By the end of the decade, it is likely that almost every workplace in the world – however small and simple – will rely on information and communications technology (ICT) to function effectively. While many millennials were “born digital” and have an instinctive familiarity with communications technology, far too few are equipped with the skills required to serve the burgeoning ICT labour market.

By 2020, 800,000 digital technology posts in Europe will be unfilled.

**In the near future, 90% of all jobs in Europe will require digital skills.**

If governments, educators and companies can work together to address the mismatch between future workplace needs and the current skills of the new generation, the benefits for society as a whole would be very significant.

We believe that we can help to resolve this disconnection through a combination of our technology, our understanding of the needs of young entrepreneurs and businesses, and our familiarity with the perspectives of young adults. We are a significant employer of young people.

Every year, we hire around 6,000 people aged 25 or under across our businesses worldwide. We also indirectly create employment opportunities for young people across our supply chain and retail distribution networks. At any one time in our own workforce, we operate **apprenticeship and internship schemes** in 26 countries. In addition around 2,000 young people work on our graduate programmes and in other apprenticeship and internship schemes.



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## THE LOCAL CONTEXT:

Among EU countries, the Czech Republic has one of the **lowest youth unemployment rates, i.e. 11%** – the overall rate is 17%. Approximately one third (34%) of people aged 20-34 claim that they do not use their qualifications in their work. About one half of young people have gone through at least a six-month internship as a compulsory part of their studies. The degree of satisfaction with the qualifications used in their jobs depends on their education level. Almost one half (46%) of all respondents with a vocational qualification were unsatisfied. Most of them are in technical fields and engineering. Approximately 80% of respondents have some sort of work experience during their studies. A long-term internship, i.e. at least six months, is reported most frequently by graduates with a vocational certificate (26%). Details can be found in the research carried out by the Czech Statistical Office.



On the other hand, the **Czech Republic struggles with the highest labour shortage in the EU**. The job vacancy rate is 3%, and employers are unable to find candidates with suitable qualifications who would be willing to accept an offer in a particular location and under particular conditions. The highest shortage is reported in the machinery and electrical engineering sectors and other areas, mainly craft and technical fields. Qualification requirements are evolving in response to the Industry 4.0 and industries producing new technologies as well as to those using technologies. As a result, profound systemic changes in the educational sector will have to be implemented to **increase the quality and permeability between employers and schools**. Generally, students will have to develop information processing skills, apply mathematical skills, make logical connections, solve problems, develop social skills, and promote positive attitudes. They must also be able to be proactive, self-contained, responsible and innovation-driven. New technologies will change general capabilities as well, e.g. problem-solving skills will depend less on finding the proper technical solution but rather on decision-making based on automated data processing, and the ability to change the configuration of these systems.

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# Transformation Goals



## OUR GOALS

Use our technology  
– through learning and jobs services –  
to help young people develop  
skills and find the best job  
in the digital world;

Promote cyber security  
among young people.

Improve brand perception among  
young people aged 16-26 via a new  
communication platform for  
the Youth segment (#jetovtobě).  
Increase self-confidence in young people,  
increase their motivation to change,  
and support their creativity  
and entrepreneurship;

Empower young people at Vodafone CZ  
– support and increase the number of talented  
young employees in their skills development  
through global programmes  
Discover and Columbus

### GENERAL DESCRIPTION

In recent years, several Vodafone local operating companies have launched programmes to help young adults find jobs, develop their skills (including digital technology expertise) and turn their entrepreneurial ideas into new businesses. We in the Czech Republic are taking many steps in order to meet these goals.

We use technology in order to develop skills in young people. We support their personal and professional potential and their social involvement. Our goal is to help young people find good jobs in the digital age.

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# Transformation Goals

## AN EMPLOYER OF YOUNG PEOPLE

Young people are more than welcome at Vodafone CZ, and we talk to them at universities and job fairs. The most talented young people have a chance to become interns, at Vodafone CZ or at a Vodafone Operating Company abroad.

**In 2016/17, we had 1,490 employees, of whom 98 were under 25, and we took on another 65 aged under 25.** The whole recruitment process is adapted to how young people communicate and look up information. We try to make the process digital from start to finish. Our recruiters can use video surveys and communicate with the candidates via Skype or videos or both.

Students and graduates can meet us at job fairs. In 2016/17, we were present at four events of this kind in Prague, Pardubice and Ostrava. These events introduce us to more than 1,000 potential candidates or pipeline candidates.

We operate **internships for students** at Vodafone CZ shops and the headquarters in Prague. Internships are part-time, last six months and are fully paid by Vodafone. **We ran 37 internships in the 2016/17 financial year.**



### Company example

I work in the pre-paid cards department and my main task is to explore what Vodafone does from the perspective of a young person like me. I have to evaluate activities, advertising, visibility, etc. I also follow trends in social media and around me, and help my colleagues design advertisements and other activities targeting the younger generation. Not surprisingly, I enjoy my work very much. I love working with my colleagues and being a part of their team. They behave as if I was one of them and not a 21-year-old with no experience or knowledge behind me. I also like the fact that I can work from wherever I want and have access to the internet. I've got a laptop, smartphone with 10 GB, and unlimited calls. So I am not limited at all. I obtain valuable experience. I could attend a one-year course of marketing at university, however, I wouldn't learn as much about marketing as I learn now as an intern. There is some knowledge that we need to actually experience. In my opinion, having my internship at Vodafone in my CV will help me find my dream job in the future.

Jakub Marek Štěpán, Junior Prepaid Marketing Specialist

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# Transformation Goals

**Girls Day** is a worldwide campaign to introduce girls to the fascinating world of engineering. Thousands of people –engineers, teachers and others – act as Role Models and educate girls about how engineers change our world. This simple scheme has inspired many girls to pursue engineering and technology careers.

Girls Day has been held in the Czech Republic since 2013, and Vodafone CZ joined this initiative in 2016. We believe that women have great potential in the IT professions. And our female colleagues are great role models and prove that girls can build their careers in the IT sector or telco business. Therefore, each year on the same day we open our headquarters in Prague to a Group of 15 to 20 secondary school and university students. They spend a day with female managers and women in the technology department. We show them the technology we work with and the mobile technology we offer to our customers. The student visits our transmission site and OneNet centre showroom.



**Industry 4.0 brings new requirements for qualifications and competences in areas/sectors that produce new technologies and launches them in the markets as well as in the areas/sectors that use new technologies, e.g. to distribute their products and services.** Our education system needs to start addressing these requirements and seek to achieve systemic changes in formal education. It must also be able to work with businesses and partner with them to predict the future development of these requirements. In this way, the education system can start catching up with employers' and labour market needs. Vodafone CZ co-operates with universities and students, e.g. in 2016-2017, we organised more than 10 lectures/workshops for students of the Czech Technical University in Prague and the University of Economics, Prague.

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# Transformation Goals



## COLUMBUS AND DISCOVER PROGRAMME

As part of our global resourcing strategy and targets, we try to increase the number of graduates we recruit year on year. The Discover Programme is developed to identify the future generation of Vodafone leaders by hiring the best young talents fresh from universities across the globe today. We want to grow our talent pipeline to have more diversity and challenging perspectives from individuals with the potential and capability to drive Vodafone to the new era of telecoms. Our goal is to attract the best graduates and build their critical functional and business abilities. In 2016-2017, we hired nine Discover graduates.

[www.youtube.com/watch?v=8XvZ1OYl774&feature=youtu.be](http://www.youtube.com/watch?v=8XvZ1OYl774&feature=youtu.be)

In addition, our Columbus leadership fast-track graduate scheme provided young people with international career opportunities. The Columbus Programme is designed to develop and retain high potential graduates through fast-track developmental assignments and strengthens the internal talent pipeline for Future Leaders. In 2016-2017, we had one Columbus employee and sent another abroad.

**Thanks to the Columbus Programme,** I have had the chance to work at Vodafone CZ for two years. It was a new city, and a different language (and food), but I still had my Red Vodafone roots.

I am exploring what it means to be part of the Vodafone Group but in a different cultural environment from the one I come from (Italy). This programme is enabling me to share and give value to what I learned during my previous work experience. But I'm also exceeding and stretching my abilities thanks to the "start-up/fast moving" way of working typical here in at Vodafone CZ. I can do so also thanks to the high degree of professionalism and the partnership with all my colleagues.

I am very grateful for this amazing opportunity. Not many companies offer such trust and invest heavily in youth development.

Marta Raimondi

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# Transformation Goals

[www.vodafone.cz/jetovtobe/](http://www.vodafone.cz/jetovtobe/)

## Communication platform #jetovtobě

We wanted to create a new communication platform as a mean of engaging with young people and of showing them, that with the help of mobile technologies they can do their very best and can make their dreams come true.

This was the story behind... I live in a world where new challenges are increasing every day. The internet and all new technologies open the doors for me to explore them. But every time I try to do things my own way, I'm told that I'm just dreaming and I'll understand it all when I'm older. Every time this happens I believe less in my dreams and in myself. BELIEVE. IT IS IN YOU. OUR NETWORK'S GOT YOU COVERED.

We selected 11 influencers and invited them to speak up for the platform and inspire the young people through the influencer's real life experiences. Meet the 11 influencers on Youtube

[www.youtube.com/watch?v=Qh-ahsRoO4o](http://www.youtube.com/watch?v=Qh-ahsRoO4o)

Throughout 2016-2017, we organised 10 workshops and discussions with young influencers and Youtubers. The goal was to tap into young people's skills and talents, to make them think about their dreams, aspirations and future careers, and about the role that technology can play. **More than 60 young people participated, and up to 700,000 young people did so online. The platform reach is enormous.**



[#jetovtobě - High Jump 2016](https://www.youtube.com/watch?v=5JY15Bpwu70)  
<https://www.youtube.com/watch?v=5JY15Bpwu70>

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## How to become a journalist, at the ČILICHILI workshop #jetovtobě

Nine young people, selected based on their Facebook entries, attended the workshop. Most of the content for the TEENAGERS edition of ČILICHILI magazine came from trainees at the #jetovtobě (It is in you) workshop. Some of our trainees become real stars. Their articles have reached more than 1.5 million, with more than 7,000 fan interactions.

[www.youtube.com/watch?v=P\\_tu6GktZzo](http://www.youtube.com/watch?v=P_tu6GktZzo)



## Music workshop #jetovtobě

A unique musical workshop #jetovtobě for selected music enthusiasts led by Ben Cristovao. In one day, the group composed a new song with social content.

[www.youtube.com/watch?v=c0ddM5JiF7k](http://www.youtube.com/watch?v=c0ddM5JiF7k)



## Beautyworkshop #jetovtobě

Style and beauty workshop led by GetTheLouk offering secret tips on makeup, and advice about shooting videos and writing a blog..

## Debate workshop #jetovtobě

The participants learned to present and debate. Martin Rota led the workshop.



Discussions with Youtubers on fears, dreams, talent, school, and the people around us.

#jetovtobě: How to overcome fear  
[www.youtube.com/watch?v=5sqLxFcogwU&t=13s](http://www.youtube.com/watch?v=5sqLxFcogwU&t=13s)

#jetovtobě: Breakpoint  
[www.youtube.com/watch?v=LjSiYaMqd5E](http://www.youtube.com/watch?v=LjSiYaMqd5E)

#jetovtobě: Feedback  
[www.youtube.com/watch?v=yZs6\\_0Kw7wA](http://www.youtube.com/watch?v=yZs6_0Kw7wA)

#jetovtobě: School and education  
[www.youtube.com/watch?v=rYYhb2pFgwg](http://www.youtube.com/watch?v=rYYhb2pFgwg)

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#jetovtobě: Talent  
<https://www.youtube.com/watch?v=GbqA6khDShE>

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## DIGITAL RESILIENCE OF YOUNG PEOPLE

Did you know? 17% of 11 to 16-year-olds across Europe have seen sexual images online. (Net Children Go Mobile, 2014).

Vodafone is committed to helping young people become more confident and resilient online. Digital Parenting, Be Strong Online and other Vodafone initiatives empower parents, carers and schools to help children make the right choices in the digital world. In the Czech Republic, Vodafone is the general partner of the nationwide e-Bezpečí project, which focuses on online risk prevention, education, research, intervention and training. Vodafone was partner of the Czech **NGO** project on online addictions. We also contributed to NGO research into the use and impact of the popular game Minecraft on Czech young people. Over several years, Vodafone has supported the e-Bezpečí Helpline, launched to respond to the most serious cases of cyber abuse.

Thanks to the support of Vodafone CZ, the **NGO IN-Generation** has worked in over **170 schools across the Czech Republic to raise awareness of digital security** and online behaviour, and to and promote digital literacy and skills among students, teachers and parents. In 2016 alone, the NGO organised workshops for 21 schools, 38 teachers and 352 pupils.



**Fakebook – social network simulator** – can teach your children safe behaviour on Facebook and other social networks

Children (very often even younger than 13 years) interact with people they do not know on Facebook and other social networks, and face risky and sometimes even dangerous situations. Fakebook is an app teaching children to deal with these interactions and unexpected behaviour in the digital world.

**Fakebook was supported by the Vodafone Foundation, and anyone can download it for free for iOS and Android.**  
[www.e-bezpeci.cz/fakebook/?akce=download](http://www.e-bezpeci.cz/fakebook/?akce=download)

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To mark global **Safer Internet Day 2017** (7 February), **Vodafone** released the results of a 10-country study of 5,298 European teenagers, which analysed their online habits and digital resilience. Czech youngsters featured in the sample. The study sought to explore the reality that young people who are born digital have had their lives and understanding of the world greatly enhanced by online and mobile communications. On the other hand, technology has posed threats and challenges unprecedented in previous generations.

## Survey findings include:

- Nearly half (46%) of teenagers have had no advice about how to behave or stay positive on social media.
- One in four (26%) believe the internet is “a safe place for young people”.
- 42% of teenagers have “a lot of friends” online that they have never met in real life.
- Nine out of 10 teenagers think more could be done to inform and protect children on social media.

“Assuming a fake online identity is a phenomenon under investigation since the beginning of the internet, and research results show that it is not necessarily and automatically negative thing. Respondents often say something like “I have never done this, but I guess others do”. The Vodafone study confirms this finding because only 1% of young people in the study admitted to using fake identities. The fake identity phenomenon should not be either overestimated or underestimated. When talking about the truthfulness of online content, we should not discuss just individuals but also social network content, and online and offline news in general. Children and young people must learn to think critically and develop the skills needed to confront the risks and challenges of the online world.”

Professor David Šmahel of Masaryk University in Brno

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<https://napadroku.cz/en/>

In 2011, Vodafone became the titular partner of the Vodafone Idea of the Year, a competition involving business plans that helps people to start up their businesses and connect them to investors. The competition strives to help those who have an interesting entrepreneurial idea (whether still on paper or in its kick-off phase) with launching it on the market or helping develop the idea. Each finalist obtains individual feedback from experienced entrepreneurs and investors. In the 10 years of the project, 1,438 projects have been submitted.

The competition is held every year for the best business idea. Part of the contest also include workshops.

- Workshops which motivates students to start their business
- Funding – provided by VC and BA
- Feedback from experienced investors and entrepreneurs
- Connecting them to a network of these investors and entrepreneurs

## VODAFONE IDEA OF THE YEAR 2016 – RESULTS

### 1st place

**Neuron Soundware:** artificial intelligence for sound recognition

### 2nd place

**Locaid.me:** local personal navigation in crisis situations

### 3rd place

**ZÁCHRANKA:** mobile app of the emergency medical services



<https://www.youtube.com/watch?v=SvoNFcExECs>

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## VODAFONE FOUNDATION CZECH REPUBLIC INTRODUCES ZÁCHRANKA – AN EMERGENCY MEDICAL MOBILE APP TO THE GENERAL PUBLIC

The idea behind the mobile app came from a 25-year-old Filip Maleňák, a master's degree student. He designed the app, which manages to interconnect all 14 regional emergency medical services (EMS), and all of them agreed to use the app as a single channel for contacting the EMS. In March 2016, Filip launched the mobile app and in October of that year, Vodafone Foundation Czech Republic became the general partner of the mobile app, with the goal of reaching one million downloads in 2018. The mobile app is the second generation for calls to the EMS, i.e. an emergency message sent with your exact location, and your phone dials the 155 emergency line. Using the mobile app enables a much **more efficient rescue response**, and the rescue team can reach you up to 20 minutes faster.

Download the mobile app on  
[www.zachrankaapp.cz](http://www.zachrankaapp.cz)

## SUPPORTING YOUNG SOCIAL ENTREPRENEURS IN THE VODAFONE FOUNDATION LABORATORY

The Vodafone Foundation Laboratory is a nine-month long incubator and accelerator for social technology innovations, which accelerates business, increases the innovation intensity and innovation capacities, and **boosts the social impact of social start-ups or social enterprises** or both. Small teams, usually the founder and one friend/partner, join the Laboratory with an idea strongly supported by mentors, consultants and lecturers. The idea is turned into a product or service with a profound social impact and sustainable business plan. Since 2017, the Laboratory has partnered with Start-upYard, Central Europe's Leading Accelerator for Technology Start-ups. We have been accelerating social technology startups in the Czech Republic since 2012, we have 39 alumni projects, out of them 3 expanded to foreign markets and 40% of them still survive.

Follow us on  
[www.laboratornadacevodafone.cz](http://www.laboratornadacevodafone.cz)



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## SUPPORTING YOUNG SCIENTISTS – FAMELAB

FameLab is an international science competition that currently runs in 23 countries around the world. Contestants have **three minutes to present a scientific subject** of their choosing. They are not allowed to use a projector; the only aids allowed are those they can take to and from the stage themselves. FameLab was brought to the Czech Republic in 2011 by the British Council, with the kind support of our partners, and was an instant success. The 2011 national winner, Michal Babič, went on to win the Audience Prize at the International Final in Cheltenham, the United Kingdom. The Vodafone Foundation Czech Republic agreed to be the partner of FameLab 2017.

See more on  
[www.famelabcz.com/](http://www.famelabcz.com/)



## ENGAGING YOUNG PEOPLE IN LOCAL COMMUNITIES: AT EASE (VPOHYBU) PROJECT

Vodafone Foundation Czech Republic has been supporting young people in delivering projects that focus on improving the environments in which they live. Since 2006, the Vodafone Foundation Czech Republic has supported approximately 500 teams of young people working on projects relating to culture, environmental protection, education, and health and well-being. The minimum budget is CZK 100,000, and at least half must be crowdfunded. In 2016-2017, we supported 13 young people community projects and spent CZK 647,000.

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# Transformation goals

**The I Touch Them Every Month** campaign draws attention to the importance of self-examination in prevention of breast or testicular cancer. Its goal is to teach young people how to properly and regularly examine their #prsakoule (#boobsandballs) and discover any potential changes in time. Few of us know that they should do a self-examination at least once a month. We touch breasts 167 times a month, and our testicles about 369 times. As part of the campaign, more than 16,000 people have already been trained at educational workshops at companies, schools or festivals. The team managed to crowdfund CZK 374,950 and received an additional CZK 157,500 from Vodafone Foundation Czech Republic.

Follow the campaign on  
<http://loono.cz>



**The NaFILM NGO** devoted to documenting the history of cinematography set up the first film museum in Prague. The museum offers a permanent exhibition, with guided tours for the general public as well as educational and interactive programmes for schools. NaFILM received more than CZK 270,000 in crowdfunding and received additional CZK 250,000 from the Vodafone Foundation Czech Republic.

See what is happening in the film  
museum on [www.nafilm.org](http://www.nafilm.org)

See more about community projects for young people on  
[www.nadacevodafone.cz/programy/vpohybu/](http://www.nadacevodafone.cz/programy/vpohybu/)

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## Energy Innovation

### THE GLOBAL CONTEXT:

Mobile communications technology has gone through a period of explosive growth over the past decade. The communications infrastructure cannot function without energy. The global information, communications and technology (ICT) industry requires significant amounts of electricity to connect billions of people and machines and transmit vast amounts of data, every second.



### Why Energy Innovation?

#### We use a lot of energy

Most of the electricity used by communications companies is supplied to the operator's base stations, switching centres, exchanges and data centres "on-grid" via the national electricity transmission network.

#### Cost and price risk

Energy prices are expected to grow as demand grows. It has been predicted that there will be a 35% increase in energy requirements by 2040 (Energy outlook UK).

#### Climate change

Globally, the vast majority of on-grid electricity is derived from burning hydrocarbons in large power stations. The dominant fuel is coal, although renewable sources and gas are increasingly common. Since 2011, Vodafone CZ has been purchasing only energy generated from renewable sources: water, solar, wind power, biomass and biogas. However, one third of our base stations are at leased or shared locations and there we cannot influence the type of energy purchased. We therefore compensate this energy by tree planting.

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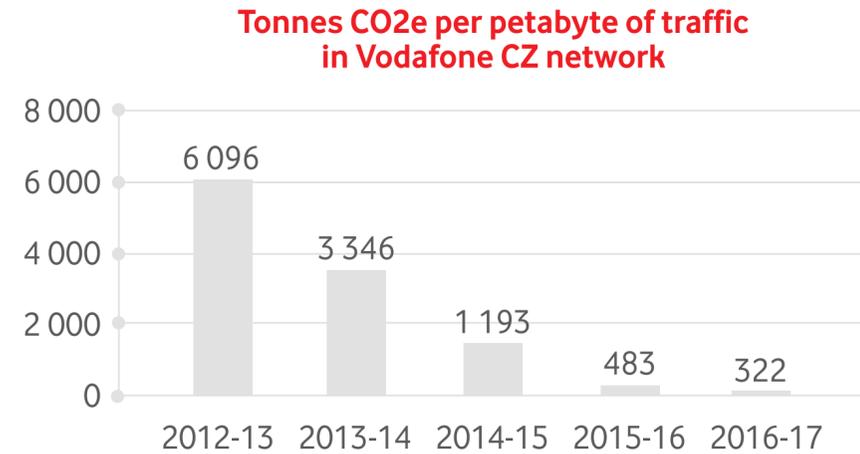
# Transformation Goals

## GOALS – INTERNAL:

Seek to reduce to the lowest level possible the power used – and associated greenhouse gas emissions generated – by our own operations

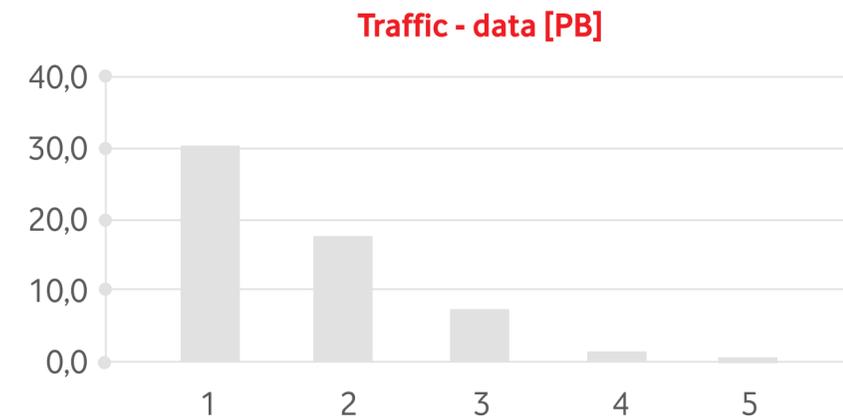
### Reduce energy consumption/CO2 footprint per transmitted data

GHG emissions (tonnes CO2e) per petabyte of traffic on the Vodafone CZ network



### Rapid data and mobile growth at Vodafone CZ network between 2012 and 2016:

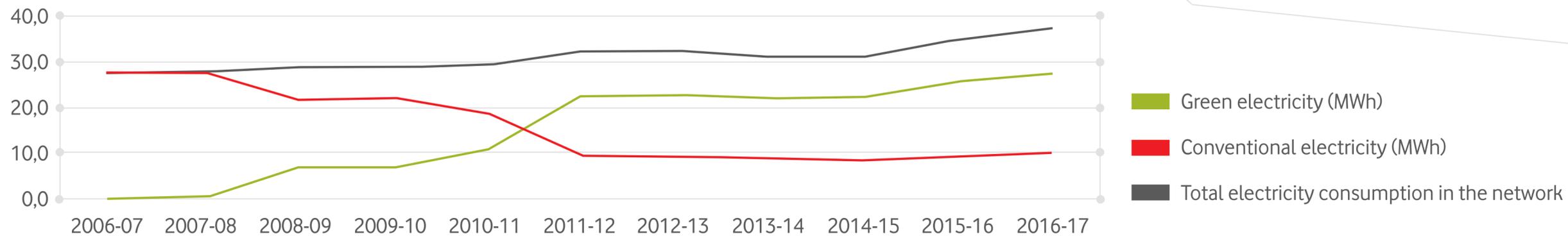
- The data transmitted increased twentyfold.



### Offset conventional energy not possible to be replaced by green network energy.

The First Green Network project – launched in 2011 and ongoing. Vodafone CZ has a contract with EON – see the EON certificate

### Electricity consumption in network



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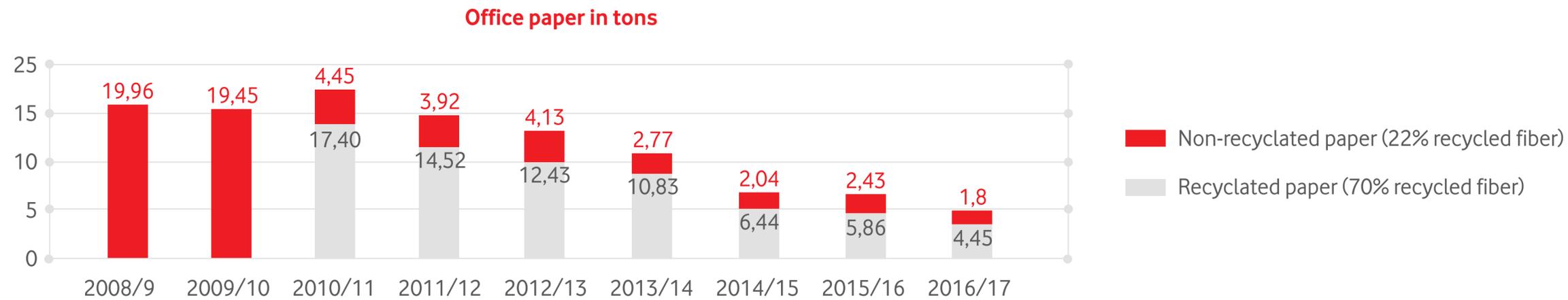
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## Promote Digital and Paperless Workplace

Implementation of various internal projects and procedures, which save energy or reduce the carbon footprint or both: electronic contracts, electronic invoices, electronic business cards, electronic internal communication instead of paper based (screens and intranet), simplifying internal processes, and going paperless.



## Reduce and optimise energy consumption by Vodafone CZ buildings and car fleet

Our Prague headquarters building – opened in January 2015 was awarded Gold standard certification from the international green building organisation LEED (Leadership in Energy and Environmental Design). The construction process used recycled materials and local resources, and the completed building consumes 40% less water and 27% less energy compared with conventional alternatives. The building location, adjacent to a metro station, enables our employees to travel to work via public transport rather than by car. The number of VF cars in the car fleet is declining. Average fuel consumption is decreasing, and we are using more efficient cars.

## Promote green energy in our operations, reduce energy consumption and promote sustainable living by foundation activities and employee engagement.

Since 2011, Vodafone CZ employees have had the opportunity to ride electronic bicycles. Three are available at the call centre in Chrudim and four at the head office in Prague. Employees can use them to get to meetings or have quick lunches. The e-bikes are easier to ride because an electric motor helps the cyclist reach the destination faster, with less effort. In addition, at the headquarters there are high-quality facilities available for employees who commute by bicycle (racks, showers, and repair kits).

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# Transformation Goals



## GOALS – EXTERNAL:

### Drive energy and carbon efficiency gains across our enterprise and consumer customer base through continued innovation – Internet of Things (IoT)

The carbon emissions reduction enabled by mobile communications technology today is approximately five times greater than the carbon emissions from mobile networks. Use of mobile communications technology enables a total reduction of 180 million tonnes of CO<sub>2</sub>e a year across the USA and Europe. This amount is greater than the annual carbon emissions from the Netherlands and is equivalent to 1.5% of all greenhouse gas emissions from the USA and Europe.

Seventy percent of the current reduction comes from the use of IoT technologies in the buildings, transport and energy sectors, where devices can communicate automatically with each other without requiring human intervention. Twenty percent comes from use of smartphones, allowing behavioural changes in lifestyles and working patterns.

IoT connections are managed on a global platform (GDSP) and local platforms in some markets (the split approximately 50%:50%).

The calculation of CO<sub>2</sub> savings is based on the quantification of abatement factor (CO<sub>2</sub>) on 1 SIM of a particular solution, multiplied by the number of active SIM in the Czech Republic.

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## Point of SALE/E-POKLADNA

**Mechanism:** Use of mobile connections for payment transactions leading to less use of cash, and reduced cash transportation. Carbon emissions savings result from the reduced use of security vehicles for cash deliveries.

**Methodology:** Estimation based on a carbon abatement factor per cash transferred, multiplied by the total transferred per point of sale.

**Abatement factor:** 13.53 kg/CO<sub>2</sub>e per POS terminal, calculated based on UK data (Carbon Trust study).

**Number of active SIM:** 3799

**CO<sub>2</sub> abatement per year/SIM:** 13.53 kg/CO<sub>2</sub>ePoint of sale/ E-pokladna

**Total CO<sub>2</sub> savings per year:** 51.4 tonnes of CO<sub>2</sub>e

**The customers saved through these IoT solutions 317 tonnes of CO<sub>2</sub>e, which is approximately 2.6% of the total annual CO<sub>2</sub> emissions from Vodafone CZ in FY 2016/17.**

## SMART LOGISTICS: EFFICIENT ROUTING & FLEET MANAGEMENT

**Mechanism:** Better routing and co-ordination of vehicle fleets, resulting in reduction of total distance travelled, avoiding areas of high congestion, and optimising fuel use.

**Methodology:** Calculate average emissions per vehicle for cars, LGVs and HGVs, using national data on total distance, number of vehicles, and standard emission factors. The average vehicle emissions assume a mix of car/LGV/HGV, multiplied by the percentage fuel saving (6% based on VF Group).

**Number of active SIM:** 1593

**CO<sub>2</sub> abatement per year/SIM:** 159.29 kg/CO<sub>2</sub>e

**Total CO<sub>2</sub> savings per year:** 253.75 tonnes of CO<sub>2</sub>e

## SMART HEALTH: HOME CARE

**Mechanism:** Monitoring chronically ill or high-risk patients at home, thus avoiding car journeys to hospital. A reduction in the number of hospital days. Cutting the travel time spent by health professionals on patient home visits.

**Methodology:** Estimate based on an emission factor for a hospital stay and a round trip to hospital, multiplied by the average annual reduction in hospital visits per patient.

**Abatement factor:** 45.98 kg/CO<sub>2</sub>e, calculated based on UK data and an estimate of an average journey to hospital (12.5 km in the Czech Republic).

**Number of active SIM:** 22

**CO<sub>2</sub> abatement per year/SIM:** 45.98 kg/CO<sub>2</sub>e

**Total CO<sub>2</sub> savings per year:** 1.01 tonne of CO<sub>2</sub>e

## SMART METERING – MIXED (ELECTRICITY AND GAS) – SMART HOUSEHOLD

**Mechanism:** Use of Smart meters enables monitoring of energy/gas used, raises awareness, and leads to behaviour changes in reducing energy consumption.

**Methodology:** the average CO<sub>2</sub>e abatement factor based on the average electricity consumption per household multiplied by the percentage reduction in electricity consumption from a smart meter (using different studies, the reduction was assumed at 6%).

**Number of active SIM:** 156

**CO<sub>2</sub> abatement per year/SIM:** 70.6 kg/CO<sub>2</sub>e

**Total CO<sub>2</sub> savings per year:** 11.01 tonnes of CO<sub>2</sub>e

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# COP4 Principles Correspondence and SDGs

## United Nations Global Compact 10 Principles

In April 2016, Vodafone joined the UN Global Compact Initiative and confirmed that Vodafone CZ Republic a.s. supports the 10 principles of the UN Global Compact with respect to human rights, employment, environment and anti-corruption. At the same time, we became a member of the Global Compact Network Czech Republic. See the table below to find out more about how we are meeting the 10 Principles.

UNITED NATIONS GLOBAL COMPACT 10 PRINCIPLES		Location in the 2016/17 COP	
<b>Human Rights</b>		6. Principle and Practice	17
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and	6.1. Ethics & Code of Conduct	17
<b>Principle 2</b>	make sure that they are not complicit in human rights abuses.	6.2. Human Rights	18
		6.5. People Management	21
		6.6. Legislative Compliance	30
<b>Labour</b>		6. Principle and Practice	17
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	6.1. Ethics & Code of Conduct	17
<b>Principle 4</b>	the elimination of all forms of forced and compulsory labour;	6.2. Human Rights	18
<b>Principle 5</b>	the effective abolition of child labour; and	6.5. People Management	21
<b>Principle 6</b>	the elimination of discrimination in respect of employment and occupation.	6.6. Legislative Compliance	30
		7. Transparency	31
		7.2. Value Chain	33
		8.1. Diversity and Equality	52
<b>Environment</b>		6. Principle and Practice	17
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges;	6.1. Ethics & Code of Conduct	17
<b>Principle 8</b>	undertake initiatives to promote greater environmental responsibility;	6.6. Legislative Compliance	30
<b>Principle 9</b>	encourage the development and diffusion of environmentally friendly technologies.	7.2. Value Chain	33
		7.3. Environment	41
		8.3. Energy Innovation	81
<b>Anti-Corruption</b>		6.3. Anti-bribery & Corruption	19
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.		

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# Our Contribution to the Sustainable Development Goals

The Vodafone Sustainable Business Strategy 2025 is fully aligned with the 17 Global Goals, officially known as Transforming our world: the 2030 Agenda for Sustainable Development, which was adopted by all 193 Member States of the United Nations in September 2015. We as a global company have local role to play in contributing to achieving the SDGs. The table below describes how Vodafone CZ contributes to particular goals.

TRANSFORMATION GOALS VODAFONE CZECH REPUBLIC	SDGs	Location in the 2016/17 COP
Diversity & Equality	    	8. 1. Diversity and Equality 52
Energy Innovation	    	8. 3. Energy Innovation 81
Youth Skills & Jobs	  	8. 2. Youth Skills and Jobs 65

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# Gigabit Network

## Vision

Vodafone strongly believes that Europe should aim for a Gigabit Society – **a society where citizens and businesses benefit from widespread connectivity** of 1 gigabit per second, low latency, and reliable performance. The digitisation and competitiveness of European industry depends on our capacity to deploy the right connectivity.

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# Vision

## CREATING A GIGABIT SOCIETY WILL REQUIRE...

Building  
infrastructure  
for the long  
term

Facilitation of  
investment in fibre  
networks by  
competing operators

Prioritising network  
deployment to  
businesses and  
public bodies



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“For me a Gigabit Society is just a stepping stone on the way to 10 Gigabit, 100 Gigabit, and Terabit Societies. Since it is only every 15 years that we reach the next major denominative level, i.e. the Terabit, now is a good time to take a breath and look at where we’re at and what we can now do next, but ‘Gigabit’ is really just one of many speed jumps to come.”

Gerhard Fettweis, Technische Universität Dresden

Gigabit networks will be required, and will enable a whole range of new applications for entertainment, health and smart homes. Direct and indirect benefits of a Gigabit Society can be grouped into six categories that will ultimately positively impact the gross domestic product (GDP) of a country:

- 1. Better healthcare**
- 2. Better education**
- 3. Increased security**
- 4. Positive social impact**
- 5. Positive impact on the environment**
- 6. Increased employment**

# Vision

**HEALTHCARE**  
Remote patient care  
and digitisation of  
health research

**PUBLIC SECTOR**  
Smart cities based on integrated  
strategies

**COMMUNICATION AND IT**  
Advanced video communication  
solutions and enhanced cloud  
computing solutions

**ENERGY AND UTILITIES**  
Smart grids that use computer-  
based remote control and  
automation for great efficiency

The digitisation of European industry  
depends on our capacity to deploy the  
right connectivity. Europe should aim for  
a society where citizens and businesses  
benefit from widespread connectivity of  
1 gigabit per second, low latency and  
reliable performance.

**RETAIL**  
New in-store experiences and  
engagement with customers  
passing the store

**MEDIA AND ENTERTAINMENT**  
Higher-quality communications  
and formats such as live HD  
programmes

**EDUCATION**  
Increased digital learning,  
immersive virtual reality  
training and remote  
interactive education

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# Vision

**Digital transformation** is no longer a futuristic vision. In just a few years, it has become a reality for organisations of all sizes and across all industries in these regions, impacting various aspects of everyday business. It does not just involve technology, but also embraces the **complete transformation of how a company does business**. True digital transformation is the profound and accelerating transformation of business activities, processes, competencies and models to fully leverage the changes and opportunities of digital technologies and their impact across society in a strategic and prioritised way, with present and future shifts in mind.

In order to achieve long-term sustainability, **Vodafone has committed itself to be a technology enabler**, to create one digital organisation from one digital team, and to digitise the core business via digital skilled employees. Vodafone has also committed itself to design the digital workplace and with the highest priority to deliver customer-centric digital innovations, in order to grow and develop together with our customers.



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# Vision

## VODAFONE CZ ASPIRES TO BE A KEY PLAYER IN THE TELCO SECTOR.

We have been active in the mobile sector so far; in the near future we would like to go much further and take part in developing a relevant fibre infrastructure. We will make efforts to develop the digital economy, which is essential for future business.

Our primary focus in the future will be on “digitalisation” and customer experience. Our customers can use our website and My Vodafone app to set-up and manage their services. **Sixty per cent of our customers use the My Vodafone app and another 20 to 25% the self-service mobile app. Our customers tend to call us much less frequently and come to our shops much less often. We have succeeded in reducing the number of shops from 174 to 129 in the Czech Republic. And we will go even further in decreasing this number. Now, up to 20% of all sales are made through digital channels, a unique figure locally as well as globally. All of these achievements are very closely connected to sustainable business. In addition, by taking advantage of the digital infrastructure, we can use and monetise data, cut costs and reduce our and our customers’ negative impact on the environment.**

And what about Vodafone and the internet of things (IoT)? The company is a global leader in IoT. By February 2017, 50 million devices had been connected. We have launched In October 2016 Vodafone CZ was the first to unveil a live Internet of Things demo test using the NB-IoT technology in the Czech Republic. By the end of 2017 the plan is to cover the whole Czech Republic with the NB-IoT network. It is great step forward to driving energy and carbon efficiency gains across our enterprise and consumer.

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## Sustainable Business Report

UN Global Compact COP  
2016 – 2017

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**Vodafone**  
Power to you

