Vodafone Turkey Sustainability Report 2018

**Vodafone Turkey
Head Office**

Vodafone Turkey Head Office, İstanbul
41°6'47.23"N - 29°1'28.13"E

vodafone

Table of Contents

Message From CEO

Colman Deegan
CEO
Vodafone Turkey

We aim to become the leading company in global transformation focusing on Women's Empowerment, Youth Skills, Jobs and Energy Innovation in line with the "Vodafone Sustainable Business Strategy 2025".

Digitalisation is positioned as a key trend that affects the future's world and transforms our industry as well as the whole world. Innovative digital technologies which fulfil the requirements of the public and increasing access to these technologies significantly contribute to the inclusive economic growth and social development. **We believe in the innovative and transformative power of digitalisation.** Sustainable success can only be achieved through digitalisation.

Vodafone connects its stakeholders to each other to live a better today and build a better tomorrow; and has the goal to become the leading company in global transformation focusing on Women's Empowerment, Youth Skills, Jobs and Energy Innovation in line with the Vodafone Sustainable Business Strategy 2025.

Becoming the digital solution partner in Turkey and investing in the achievement of a sustainable success in the global transformation areas stand out among the material issues determined. This year, we have continued to contribute to the reduction of GHG emissions and increase in energy efficiency through the smart solutions we offer for individuals as well as companies in terms of **Energy Innovation**. We have raised awareness by the Equalmeter application, the artificial intelligence (AI) technology developed under the **Women's Empowerment** programme, to prevent the use of sexist language. Thanks to the Future Jobs Finder service developed under

Youth Skills and Jobs, over 373,000 young people were directed to appropriate jobs and education via the mobile application.

Prepared in compliance with the transparency and accountability principles and covering the fiscal year of 1 April 2017 and 31 March 2018, the report consists of economic, business, social and environmental performance, good practices and future goals. This year, after a long time, we carried out a widely-applied stakeholder analysis and materiality assessment process in accordance with the international stakeholder engagement standard (AA1000 SES) to include the opinions and expectations of the stakeholders. Furthermore, Vodafone Turkey has become the first company in telecommunication sector provided assurance for its materiality process.

Vodafone Turkey will keep considering the sustainability a part of its basic business strategy and communicating effectively with its stakeholders. We will continue to get digitalised and invest in new-generation technologies to prepare Turkey to an exciting future and partake in building a better and sustainable future. ●

About the Report

In 2018 Sustainability Report, Vodafone Turkey[1] shares its economic, corporate governance, environmental and social performance during the fiscal year between 1 April 2017 and 31 March 2018 and defines the goals that stand out in its future strategy. This year, in addition to the Scope 1 and 2 data, we have also provided assurance for the social data[2] related to transformation goals.

This report has been prepared according to the 'core' option of GRI Standards published by Global Reporting Initiative (GRI). The report covers widely-applied stakeholder analysis and material issues designated by a strategic approach and the progress in accordance with United Nations Global Compact signed by our company and includes our contributions to the 17 Sustainable Development Goals of United Nations to be achieved by 2030.

The years 2017/18 stands for the financial period of 1 April 2017 - 31 March 2018.

Please contact surdurulebilirlik@vodafone.com for all your questions, comments and suggestions regarding the content of the report. ●

102-45 102-46

[1] The affiliations of Vodafone Turkey are Vodafone Telekomünikasyon A.Ş., Vodafone Dağıtım Hizmetleri A.Ş., Vodafone Teknoloji Hizmetleri A.Ş. (OKSİJEN), Vodafone Net İletişim Hizmetleri A.Ş., Vodafone Holding A.Ş., Vodafone Turkey Foundation, Vodafone Bilgi ve İletişim Hizmetleri A.Ş., Vodafone Elektronik Para ve Ödeme Hizmetleri A.Ş. and Vodafone Mobile Operations Limited. Vodafone Mobile Operations Limited (Turkish Republic of Northern Cyprus) is only included in the financial performance data given in the report.

[2] Independent Assurance Statement

Vodafone Turkey

We provide fast, high-quality, simple and reliable services to our stakeholders.

Our Vision
Leading the digital transformation in Turkey.

Our Mission
Inspiring every individual in Turkey for a better future through communication technologies.

Our Values
We provide fast, high-quality, simple and reliable services while helping our customers enjoy opportunities in life and to realize their full potentials. We are committed to be a customer-centric, innovative and competitive international company with local roots admired by its customers.

In line with our vision to lead digitalisation in Turkey, we offer mobile voice, fixed voice, mobile Internet, fibre and DSL services to individuals as well as corporations. We continue our operations with 23.3 million mobile customers, over 3,000 employees and over 1,100 stores.

Vodafone Turkey in Figures[3]

3,172
Employees

540
Vodafone Turkey Volunteers

1,189
Stores

23.3 Million
Mobile Customers

13 Million
4.5G Customers

697 Thousand
Fixed Broadband Customers

74.7%
Smart Phone Penetration

726 Petabytes
Customer Data Usage

TRY 9.2 Billion
Organic Service Revenue

TRY 4.35 Million
Social Investment

TRY 1.3 Billion
Investment

[3] The figure includes 2017/18 fiscal year data.

Economic Contribution

Vodafone Turkey supports United Nations Sustainable Development Goals (SDGs) and promotes uninterrupted, inclusive and sustainable economic growth for all under Decent Work and Economic Growth goal to contribute to Turkish economy.

8 İNSANA YAKIŞIR İŞ VE EKONOMİK BÜYÜME

We are among the largest international investors in Turkey with a total investment of over TRY 20 billion.

Vodafone Turkey is among the largest international direct investors in Turkey with a total investment of over TRY 20 billion. Carrying out our activities with the goal to propagate digitalisation all over Turkey, we have delivered our services to millions of people in 2017/18 fiscal year with an investment of TRY 1.3 billion. We continued our efforts to support Turkish economy through the taxes (VAT, special communication tax, etc.) paid by our customers.

During the 2017/18 fiscal year, the organic service revenues increased 14.3% compared to the previous year and reached TRY 9.2 billion. During this period, earnings before interest, tax, depreciation and amortisation (EBITDA) reached approximately TRY 2.8 billion with an increase of 22.6%; while Operational Free Cash Flow was achieved as TRY 1.4 billion.

Employment Creation

At Vodafone Turkey, we directly employ 3,172 employees; while supporting the local economic development through our operations carried out at various regions in Turkey. Considering the indirect employment generated through our suppliers, stores and outsourcing, the employment creation figure reaches 40,000 people in total.

The Youth in Statistics 2017 Report[4] of TurkStat (Turkish Statistical Institute) reveals that 21% of the youth population, which is 16% of the total population in Turkey, is unemployed. We plan our call centre investments by considering the contribution to economic and social development and tries to generate employment opportunities to the youth population. Thus, we provide employment opportunities 4,066 people at our call centres located in Istanbul, Ankara, Izmir, Samsun, Konya, Şanlıurfa, Afyon, Malatya, Elazığ and Adana.

Contributions to Public Policy

We closely follow up on legislative changes in telecommunications sector both in Turkey and global scale; and do our share in developing public policies in accordance with the technologic developments and to create a competition environment. We exchange information with the regulating authorities, public institutions, non-governmental organisations and public and offer suggestions to create a healthy and sustainable competition environment.

Hence, we put our efforts to:

● Promote the development of policies to contribute to the digital transformation in Turkey; thus, increase global competitiveness,

● Raise awareness regarding the social and economic benefits of digitalisation,

● Improve efficiency and effectiveness by enabling the informatics and telecommunications sectors to have an impact on every area of the economy and facilitating the digitalisation of the economy,

● Overcome the legislative obstacles through mutual solutions to offer products and services facilitating the social welfare and development,

● Apply competition policy effectively and oriented to our goals,

● Review existing regulation approaches in the market and define the best policies under the guidance of international instances,

● Take steps for the necessary legislation which will facilitate the new generation technology to meet the consumers,

● Promote sustainable investments, R&D and innovation in the fixed and mobile broadband infrastructure, network and services,

● Use limited resources, particularly frequencies, effectively and efficiently.

Corporate Governance

We commit to establish a fair management structure for all stakeholders, business partners, employees and customers in a fully transparent and accountable approach. Vodafone Code of Conduct[5] sets out the business principles, ethics, anti-bribery and corruption issues and how every single person at Vodafone needs to apply these.

At Vodafone, the roles of chairman and CEO positions held by the different person in accordance with the principle of separation of powers. Vodafone Turkey Board of Directors[6] consists of one woman board member with a total of 5 board members; while the Executive Board consists of two women board members with a total of 9 board members.[7]

At Vodafone Turkey, sustainablity strategy is represented and managed by the Director of External Affairs. As part of sustainability function, activities are carried out within the company in compliance with the Vodafone Group's sustainable business strategy, as well as international sustainability agenda is followed and activities implemented to raise awareness in the company and improve the sustainability performance of the company.

[4] TurkStat The Youth in Statistics 2017 Report

[5] Vodafone Code of Conduct

[6] Vodafone Turkey Board of Directors

[7] Vodafone Turkey Executive Board

Ethics, Anti-Bribery and Corruption

Our transparency principle is among the main focuses of Vodafone's Sustainable Business Strategy. During our activities, we always comply with the provisions of the international laws and regulations, Turkish laws and legislation, the Vodafone Group policies and procedures on anti-bribery and corruption. In compliance with our Zero Tolerance approach for bribery and corruption, in 2018, we were certified with ISO 37001 Anti-bribery Management System. Vodafone Turkey is the first company in the technology and telecommunication sector in Turkey, which complies and is certified with ISO 37001 standard.

Any violation of the Code of Conduct, anti-bribery and corruption and human rights shall be regarded as cause for disciplinary action in line with the company rules. Therefore, we have established hotlines, i.e. Speak Up and Red Line. All employees are able to share their questions and comments anonymously and report any violations they have witnessed and/or suspected to the authorised personnel by phone or online. We regularly review our anti-bribery and corruption principles and bring to the attention of our employees and business partners, particularly our suppliers and contractors.

Throughout the fiscal year 2017/18, online training regarding business ethics and anti-bribery was provided on Code of Conduct, Health and Safety, Privacy, Security, Anti-bribery and Corruption as part of Doing What's Right programme. Among the aforementioned training, 90% of the employees completed the training on anti-bribery and corruption.

> In 2018, we were certified with ISO 37001 Anti-bribery Management System. Vodafone Turkey is the first company in the technology and telecommunication sector, which got the standard in Turkey.

Corporate Security

As part of Corporate Security Management, we identify the threats and vulnerabilities that may harm the image, brand and reputation of Vodafone Turkey and take preventive measures to minimize them. Our approach to Corporate Security Management includes identifying and preventing misconducts, anti-bribery and corruption, preventing laundering of proceeds of crime, supplier due diligence, data protection, privacy, business continuity, physical safety and safety awareness.

We included new interaction area to the Sense of Security Programme, which is a Corporate Security Cultural Exchange and Awareness Programme. Within this framework we held two workshops on Business Continuity and Privacy of Personal Data. Each workshop was held with the attendance of 80 employees from various departments and management levels. ●
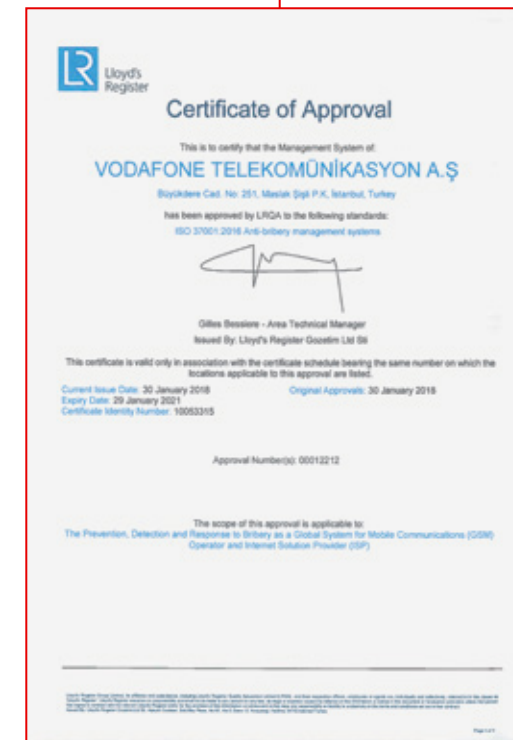
Vodafone Secure World Award 2017

Corporate governance has been managed in compliance with ISO 22301 Business Continuity Management System since 2010. Completed without a single customer complaint and any coverage problem, the real-time, live drills, of which the scenario of the drill was among the rarest applied worldwide, conducted to transfer subscribers as part of Network Operation Business Continuity and Emergency Management Plan was supported by Vodafone Turkey senior management team and consisted of approximately 200 employees from various departments. Network Operation Business Continuity Drill was presented the top prize of Secure World Award 2017, which is organized every year by the Vodafone Group among the Vodafone Corporate Security teams, among a total of 35 success stories.

Vodafone Turkey Foundation

Dreams Academy

Dreams Academy, Kaş
36°14'5.46''N - 29°39'56.64''E

Country: Turkey
City: Antalya

Sevda Baysal

City: Antalya
Title: Dreams Academy Volunteer

The language we use at Dreams Academy is love. In the land of dreams, each day starts with warm "good morning"s and big smiles. Everybody likes you, smiles at you, and tries to accompany you. The one and only concern of the dreamers is to make each other happy. They always share what they have, i.e. their foods, their tents, their knowledge, their time, their love... Everybody loves to teach other party whatever they know.

Vodafone Turkey Foundation

Vodafone Turkey Foundation has been part of a network of 27 local Vodafone foundations worldwide, committed to support social development and lead change through social investments, since 2007. Working in collaboration with NGOs and stakeholders, Vodafone Turkey Foundation supports sustainable projects that are focused on delivering social benefit in line with the sustainable business strategy of Vodafone Turkey.

So far, Vodafone Turkey Foundation has invested over TRY 37 million and touched 4 million people through the projects.
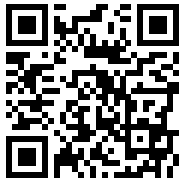
So far, Vodafone Turkey Foundation has invested over TRY 37 million and touched 4 million people through the projects carried out, which in overall have the purpose to fulfil the requirements of people and create new opportunities. We seek to contribute to building a more liveable world in the long term.

We are committed to carry out technology-based projects for women, children and people with disabilities with a particular focus on education and entrepreneurship through benefitting from the transformative power of technology. We design these projects to contribute to the Sustainable Development Goals. Thus, we are trying to reach sustainable solutions that create positive impacts. The Foundation contributes to the Quality Education and Decent Work

and Economic Growth goals through works carried out regarding employment, decent work opportunities and entrepreneurships. In addition to all these efforts, we support Gender Equality goal by enabling the activation of the information and communication technologies that support the protection of women from violence and empowerment of women through these projects. Carrying out these activities in collaboration with the public institutions and NGOs at both local and national levels, we promote Partnerships for the Goals. ●

Please scan the QR code for more information on
Vodafone Turkey Foundation

Sustainable Business Strategy

Yalova İnkılap Park
40°39'40.49"N - 29°17'40.83"E

Country: Turkey
City: Yalova
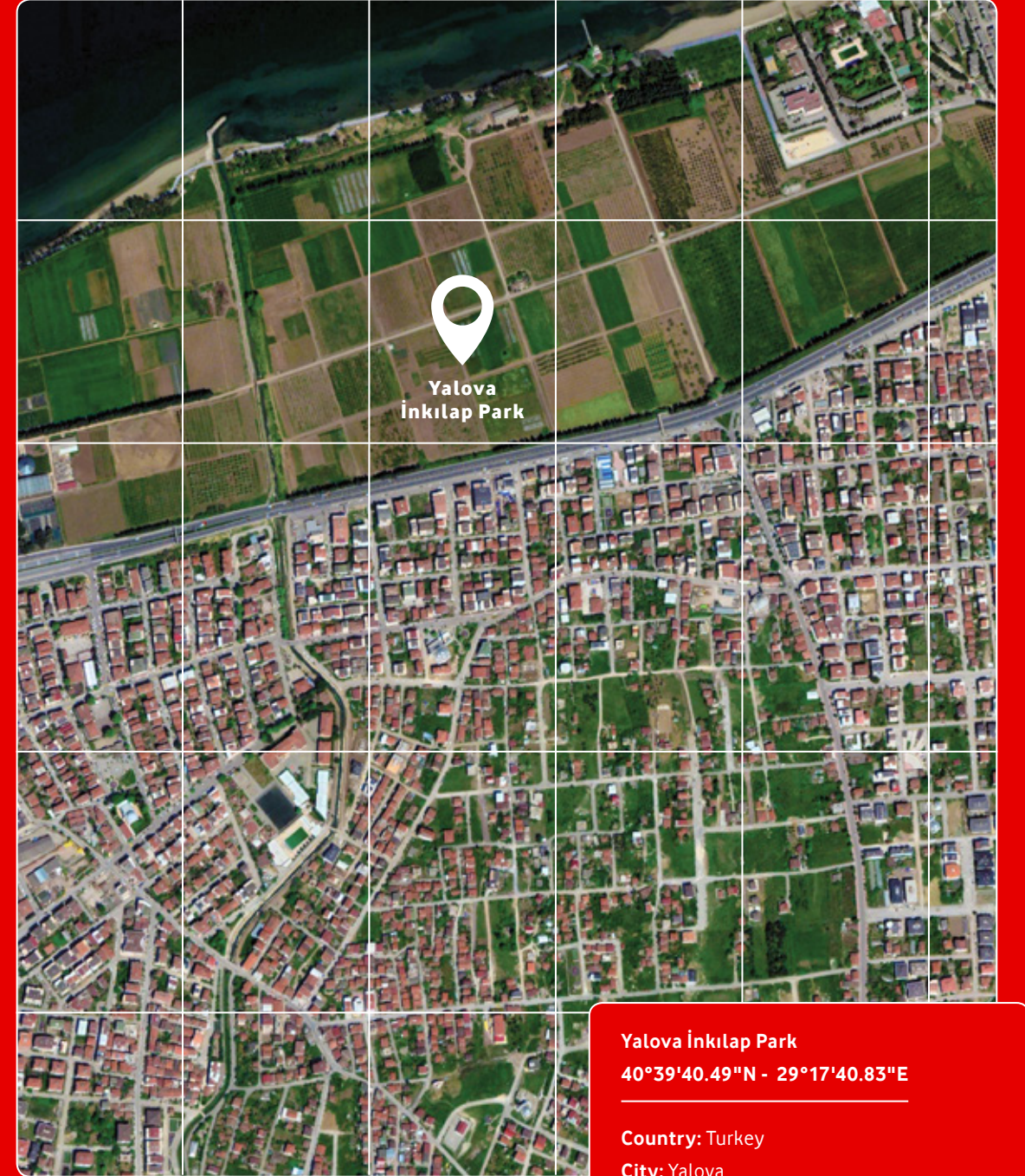
Nesrin

City: Yalova
Profession: Architect

In Yalova, we can easily access technologic solutions that facilitate our everyday life in the city. With the smart municipality applications and free Wi-Fi service, we experience and enjoy the city life at the Inkılap Park, where is the highest technology park in Yalova.

Sustainable Business Strategy

Telecommunication disseminates information, facilitates the use of information and enables disadvantaged groups to access products and services. Moreover, it creates significant opportunities in various fields such as developing tools for effective environmental performance management, facilitating daily life, improving the mobility of people, etc. At Vodafone Turkey, we have a direct and indirect impact and provide significant leverage on the lives of individuals and organisations; hence direct digital transformation. While preparing people to a better future, we focus on the areas where we can most effectively use the potential of the sector we operate in creating value.

The Sustainable Business Strategy developed by the Vodafone Group guides our sustainability performance improvement areas, goals and activities. Our purpose is to connect our stakeholders to live a better today and build a better tomorrow.

This year, we defined our material issues in compliance with our sustainable business strategy through an extensive stakeholder engagement and materiality analysis. As a result of the analysis, we focus our resources to accurate areas with the purpose of improving our performance and maximising the social and economic benefits.

- Women First in Entrepreneurship
- Equalmeter
- Easy Rescue
- First 6 Years Mobile Application
- Women Technology Education Centre
- Women Farmer Entrepreneurship
- Vodafone Gold Club
- Women in Technology Internship
- Women in Sales Internship
- ReConnect

- Smart Cities
- Smart Village

Our purpose is to connect everybody to live a better today and build a better tomorrow

Transformation Areas

Women's Empowerment

Energy Innovation

Youth Skills and Jobs

Our Transparency Areas

Tax and Total Economic Contribution

Supply Chain Integrity and Safety

Mobiles, Masts and Health
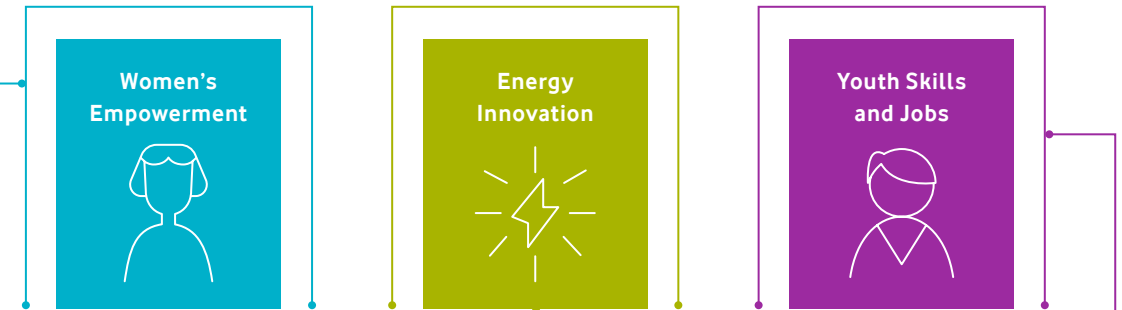
Digital Rights and Freedoms

Principles and Practice

- What will you be?
- Discover Young Talent Programme
- Global Columbus Talent Exchange Programme
- YouthCo & Digital Ninja
- Learn Technology From the Expert
- Coding Tomorrow
- Dreams Academy

Stakeholder Engagement

We attach importance to the impact of our activities on our stakeholders as well as the impact of our stakeholders on our activities. We consider stakeholder communication and engagement important to get leverage from this mutual interaction to turn into an opportunity-creating value.

While defining the material issues of Vodafone Turkey, we consulted our internal stakeholders, i.e. employees, and our external stakeholders, who have both direct and indirect impacts on our business continuity, about their expectations from Vodafone in terms of sustainability. The analysis was led by an independent consultancy according to

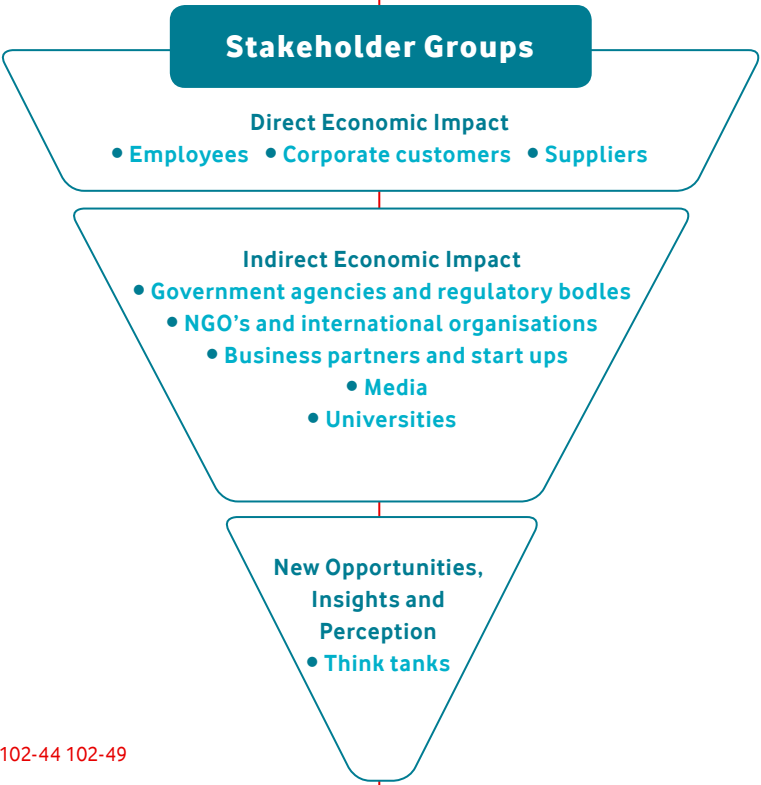international AA1000 Stakeholder Engagement Standard. We mapped and prioritised our stakeholders and we received feedback of 24% of them. The opinion received from our stakeholders significantly contributed to our materiality analysis. Our goal is to maintain our effective stakeholder engagement mentality, reach more stakeholders during the strategic activities to be carried out in the future and improve stakeholders' rate of return. We carry out joint projects in collaboration with foundations, associations, initiatives and platforms, which are operated in various fields.

You can find the list of organisations that we are subscribed in the Annexes section.

Stakeholder Groups

Direct Economic Impact
- Employees • Corporate customers • Suppliers

Indirect Economic Impact
- Government agencies and regulatory bodies
- NGO's and international organisations
- Business partners and start ups
- Media
- Universities

New Opportunities, Insights and Perception
- Think tanks

102-40 102-42 102-43 102-44 102-49

Vodafone Turkey's Material Issues

The results of the widely-applied stakeholder analysis were evaluated considering the leading global trends. This integrated approach enabled us to define the significant material issues considering local and global dynamics.

While defining the materiality of the issues for the **stakeholders**;

● We were able to include the views of all stakeholder groups within Vodafone Turkey ecosystem to our report with the stakeholder analysis.

● We were able to include the indicative trends in the global agenda as well as our sector, besides the issues set forth by the international organisations and global sustainability indices with the global trend analysis. We took into account different international initiatives', report and studies such as **Global e-Sustainability Initiative (GeSI), United Nation Sustainable Development Solutions (UNSDSN), Shared Value Initiative.**

While analysing the significance of the issues for **Vodafone Turkey**;

● We were able to get the opinion and expectations of the management through face to face and focus group meetings, evaluate the strategic areas guiding the company.

● With the **Sustainability Accounting Standards Board's (SASB)** Four Factor Analysis, we evaluated financial impacts and risks, as well as the legal impacts. We considered whether the issues create an advantage in terms of competitiveness and the innovation opportunities.

Importance to Stakeholders

Stakeholder Analysis + External Trend Analysis

Materiality matrix chart plotting material issues on axes of "Importance to Vodafone" (x-axis, from 20 to 100) and "Importance to Stakeholders" (y-axis). The chart is divided into three zones: Important, Very Important, Extremely Important.

Plotted items:
- Technological Innovation
- Climate Change and Energy
- Data Security and Privacy
- Risk and Crisis Management
- Financial Performance
- Becoming a Digital Solution Partner
- Human Rights
- Youth Skills and Jobs
- Women's Empowerment
- Equal Opportunity and Diversity
- Mobile Devices, Masts and Public Health
- Talent Management
- Digital Customer and Employee Experience
- Waste Management
- Occupational Health and Safety
- Responsible Supply Chain Management
- Employee Satisfaction
- Responsible Products, Services and Accessibility
- Water Management
- Digital Customer and Employee Experience
- Transparency and Information Sharing
- Customer Satisfaction and Loyalty
- Responsible Communication and Marketing of Products and Services

Importance to Vodafone →

Management + Strategy + 4 Factor Impact Analysis

102-44 102-46 102-47 102-49

As a result of the analysis, Vodafone Turkey's **very important and extremely important** material issues have been defined. The material issues include:

- Technological innovation
- Becoming a digital solution partner
- Women's empowerment
- Climate change and energy
- Financial performance
- Digital customer and employee experience
- Data privacy and security
- Talent management
- Responsible products, services and accessibility
- Occupational health and safety
- Youth skills and jobs
- Equal opportunity and diversity
- Responsible supply chain management
- Mobiles, masts and public health
- Risks and crisis management
- Employee satisfaction

Vodafone Group and Vodafone Turkey's Material Issues

The most material issues defined following the materiality analysis are also in compliance with the material issues defined by the sustainable business strategy of the Vodafone Group. The first one is **Women's Empowerment** which is addressed under the equal opportunity and diversity in Vodafone Group. As Vodafone Turkey, we promote women's empowerment in terms of both economic and social areas. The lack of talent in the labour market and thus **talent management** is another material issue. Talent management in Vodafone Turley includes youth skills and jobs, as well as development and

accurate management of the skills of the working youths. **Climate Change and Energy,** one of the issues managed by the long-term goals of the Vodafone Group, is also among the material issues in Turkey. We aim to tackle climate change through digital solutions. **Occupational Health and Safety,** which is among the material issues of the Vodafone Group, is also an inevitable issue that Vodafone Turkey considers. Utmost attention is placed to promote health and safety, which has a direct impact on the performance.

Contribution to the Global Goals

Sustainable Development Goals (SDGs) are in parallel to our sustainable business strategy and also in compliance with our motto **'The future is exciting. Ready?** We offer people new technologies that improve their quality of life and transform their way of doing business; hence, we are preparing them to an exciting future and focusing on areas that we can create positive impact. We use the transformative power of the sector, while serving for doing good. During the stakeholder analysis, our stakeholders indicated the importance of the activities in the telecommunication sector carried out in terms of sustainability, which improve the satisfaction level of the customers; as well as the brand value; hence stand out to achieve a long-term and profitable growth.

In order to enable the most effective access to information during the communication era we contribute to the Sustainable Development Goals. You can review our contributions to the SDGs under our Business Strategy section. ●

Digitalisation

Gaziantep Botanic Park, Şehitkamil
37°3'48.63"N - 37°20'58.68"E

Country: Turkey
City: Gaziantep

Google Earth
Image © 2018 DigitalGlobe

Tarçın

City: Gaziantep

They say "It is not safe for you out there". However, I want to run as fast as I can, meet my friends in the forest and experience new adventures. Before, my family would not let me out and would be concerned when they could not find me. Today, thanks to my smart tracker, they can track me. I am not afraid anymore. I always know I will be with my family.

Digitalisation

Digitalisation is the key trend that transforms our sector. From artificial intelligence to the internet of things (IoT) digitalisation transforms everyday life and plays an indicative role in the future world with its innovative and transformative power.

Using innovative digital technologies which fulfil the needs of the society and increasing access to these technologies significantly contribute to the inclusive economic growth and SDGs. Mobile technologies enable easier access to education, healthcare and financial services; hence, offer people a way out from the cycle of poverty.

Digitalisation and innovation have multiple advantages including better customer experiences, reduction of costs and environmental and social benefits. A more efficient and environmentally-friendly agricultural production, smart cities and buildings that facilitate the lives of people, customized programs that offer better analyses of employee performance are possible thanks to digital technologies.

Communication technologies enable easier access to education, healthcare and financial services; hence, offer individuals a way out from the cycle of poverty.

We consider digital transformation a valuable tool for our sustainability strategy. We aim to enable automation and simplification in our operations, use the latest data analysis techniques and offer digital customer experience. To achieve this, we collaborate with various stakeholders and work together.

We aim to understand the needs of the individuals and organisations, offer products that ease their lives and improve their quality of life and develop solutions that provide economic, environmental and social benefits.

The digitalisation index informs the enterprises about their digital scores and what they can do to improve their scores. The technologies we offer, including 4G+ mobile, fibre-optic networks, cloud informatics and IoT, promote the digital transformation of the enterprises. We lead the digital transformation of large-, middle-, small-scale enterprises, as well as cities.

We put Turkey's first digital play, The Fur Coated Madonna (Kürk Mantolu Madonna), on stage, in which the latest digital staging techniques such as projection, mapping, video art, audio-video plays, etc. were used to stage this cult and classic Turkish novel. Using our communication power, we aim to improve the digital experience, as well as the recognition and popularity of the theatre art through digital theatres.

Vodafone FreeZone Studio, the first digital music studio in the world established in a stadium, provides the best equipment to the young talents, offers coaching opportunities from professional teams and record their music. Vodafone FreeZone Studio promotes young talents in music with the power of digitalisation.

As of April 2010, in the mobile area and August 2016 in the fixed area (Vodafone.Net), we have been encouraging our customers using various promotions to use e-bills, which are legally valid as well, instead of printed bills. The ratio of our post-paid customers who prefer to receive e-bills reached 90.3% and 60% in the mobile and fixed areas, respectively. Thanks to our waste bills and e-bill application, we were able to donate 13.4 tons of waste paper to Turkish Foundation for Combating Soil Erosion for Reforestation and the Protection of Natural Habitats (TEMA). Avoiding the use of 2 million tons of paper in total, we have saved approximately 34,000 trees from being cut down.

Innovation

The way to become a leading company in developing innovative digital technologies is possible with innovation. Our innovation capacity lies behind the new products and services that improve customer satisfaction and ease life.

Oksijen

Founded in 2000 under Vodafone Turkey, OKSIJEN, one of the global innovation companies of the Vodafone Group, offers significant employment opportunities in the R&D field and develops and offers innovative products and services for individual and corporate customers together with its 250+ engineers. OKSIJEN accelerates Vodafone Turkey's digital transformation with its innovation experience. So far, OKSIJEN had its signature on various innovative solutions, which are applied for the very first time. During 2017/18 period, OKSIJEN activated 25 out of 31 prototype products and services, applied for 60 patents and were granted 4 of these patents.

Priorities on innovation areas include location-based services, artificial intelligence, machine learning, natural language processing, IoT and promotional campaign management.

During 2017/18 fiscal year, we have initiated two new projects in collaboration with the universities.

● Together with Gebze Technical University, OKSIJEN successfully completed Developing Improved Positioning Algorithms for 4.5G Networks project.

● On the other hand, the company continues to carry out an R&D project, Improving Customer Experience through Natural Language Processing Solutions by Learning Methods, in collaboration with Istanbul Technical University (ITU).

Including the aforementioned projects, the number of R&D projects carried out in collaboration with the universities reached 10.

OKSIJEN, positioned as a global innovation company that can serve to the customers in 25 countries where Vodafone Group operates, exports technology to the world.

İTÜ Vodafone Future Lab

We aim to support our existing and future business partners in their digital transformation journey by sharing our global experiences, innovative solutions and trends of the future through ITU Vodafone Future Lab, which was established as part of Istanbul Techni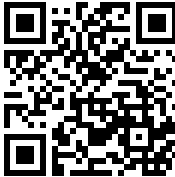cal University Informatics Institute. As the digital transformation leader, we have the goal to inspire the organisations by bringing the future's digital innovations to today and make them a part of the digitalisation.

ITU Vodafone Future Lab was designed to experience our innovative technologies and offer solutions to our customers. We develop remote management, operational perfection and efficient work solutions in line with the requirements of various sectors including energy, finance, health and retail. We will carry out our R&D activities in collaboration with the project groups of ITU students and continue to develop new technologies. ITU Vodafone Future LAB will host at least six post-graduate projects every year and the researchers at the lab will be fully financed by Vodafone.

Vodafone Smart Tea Brewing Dispenser, Augmented Reality Based Coffee Machine, Bluetooth Based Closet Solution, Reactive Energy Management System, Cold Chain Traction System, Smart Irrigation System, Smart Building Management System, Meter & Energy Consumption System, Smart Order Button, Narrow Band IoT Based Smart Lighting System and many more can be listed among the solutions offered at ITU Vodafone Future Lab. ●
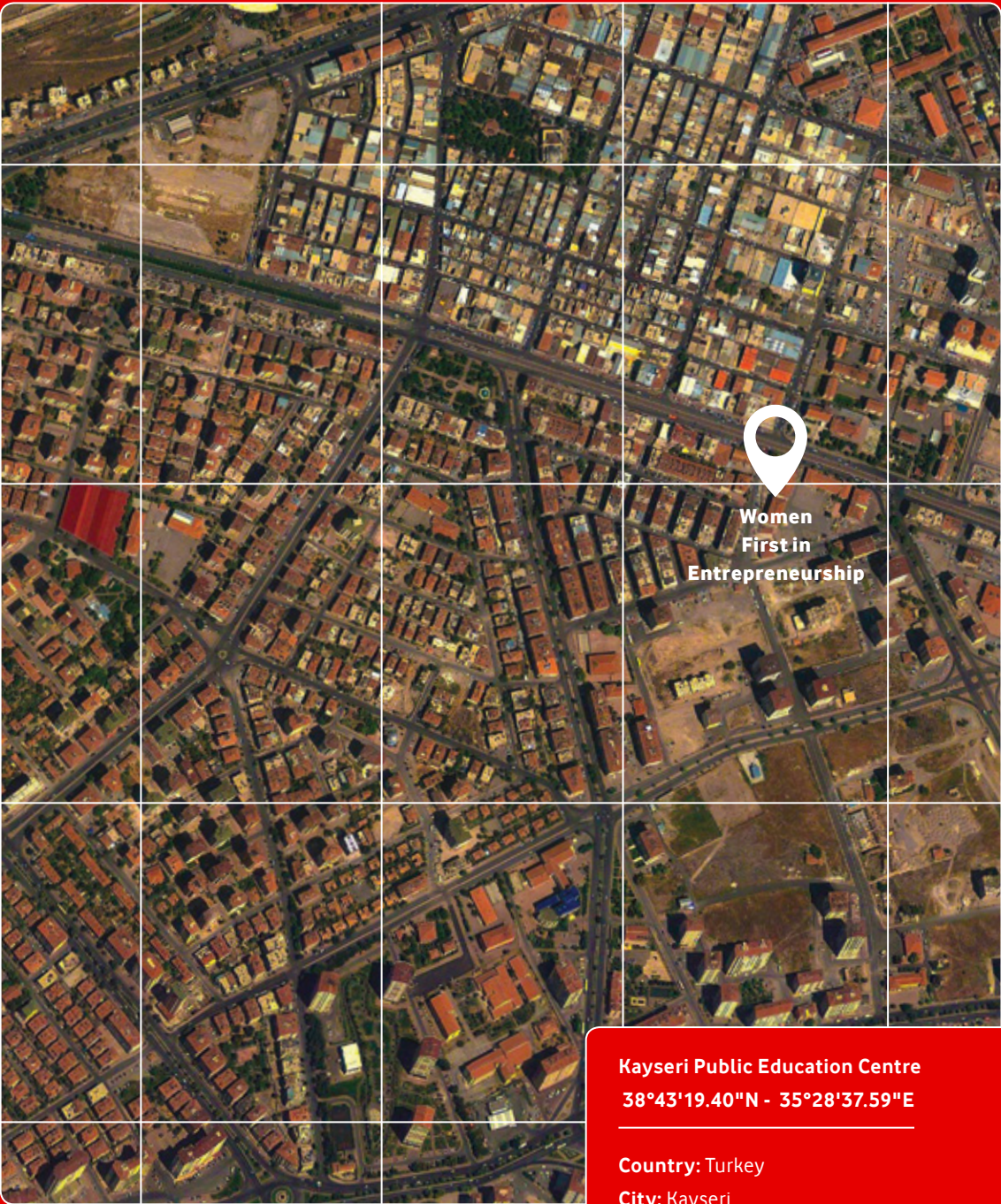
ITU Vodafone Future LAB will host at least six post-graduate projects every year and the researchers at the lab will be fully financed by Vodafone.

Please scan the QR code for more information on **ITU Vodafone Future Lab**.

Women's Empowerment

Women First in Entrepreneurship

Kayseri Public Education Centre
38°43'19.40"N - 35°28'37.59"E

Country: Turkey
City: Kayseri

Ayşe Şahinkaya

City: Kayseri
Title: Entrepreneur

I decided to earn an income from what I produce while I was attending decorative handcrafts training; so I applied to the Women First in Entrepreneurship Project. I promoted my products to a large-scale of audiences through digital technologies. My orders increased significantly. I now have a wider social circle and a job to support myself financially.

Women's Empowerment

Significant steps in every aspect of life, all around the world, has to be taken to reach gender equality. Women face economic and social inequality in every field, including economic participation, accessing security, education and healthcare services.

As Vodafone Turkey, we are aware that gender equality is among the most significant issues for us to achieve a better future, where healthy, well-informed and educated generations are raised. By fostering women's empowerment via taking steps towards gender equality and equal opportunities, we also contribute to the social development and economic growth. Through practices that prevent discrimination against women and girls, enable full and effective participation of women in decision-making processes of the economic and social life which highlight equal opportunities, we are committed to Gender Equality Goal among the SDGs. We regard gender equality in each practice, including employment and training within the company, as well as all our practices that target our customers and the society. This approach also aligns with Quality Education and Decent Work and Economic Growth Goals.

Further details on our corporate strategy, goals and performance within the diversity and inclusion framework can be found under Our Employees section.

Equalmeter

As Vodafone Turkey, we consider developing projects that benefit from new technologies and raise awareness very important. With the Equalmeter project, we aim to rule out sexism in the media, which is the most significant tool in propagation of language, and hence, disseminate the use of an equal language throughout the society.

Considering the insight that violence and discrimination start with language, in collaboration with Hürriyet Newspaper, we developed the Equalmeter application using artificial intelligence technology to prevent the use of sexist language. Utilizing the power of technology and media, we aim to raise awareness of all media organs and users regarding inequalities in the language and remove statements that make women invisible. As part of the application, the Equalmeter button integrated to the

articles published on the columns of Hürriyet newspaper will detect the sexist language uses in the articles and cross out the sexist words with red. Users are informed about the sexist language use, which required editing, through the section placed on top of the related page.

Women First in Entrepreneurship

Partnering with the Ministry of National Education Directorate General of Lifelong Learning and Turkish Informatics Foundation (TBV), we launched the Women First in Entrepreneurship project in 2015 with the aim to promote economic and social empowerment of women. The project leverages women entrepreneurs to market their hand-made products using today's technological means. The goal is to integrate women who are left outside the economic life into the economic life and empower women to improve their lives and livelihoods. So far, we have reached 26,500 women trainees during training held at 179 Public Education Centres and Advanced Technical Schools for Girls in 20 cities in Turkey.

Reaching over 26,500 women with the Women First in Entrepreneurship project, we trigger the entrepreneurial spirit of women, help them establish their own businesses and generate employment opportunities.

Please scan the QR code for
Women First in Entrepreneurship

As part of the project, women entrepreneurs trained on technology and entrepreneurship sell their products online on **www.oncekadin.gov.tr.**

During the Women First in Entrepreneurship Competition, 10 finalists nominated from the women trainees who signed up to oncekadin.gov.tr and sell their products online according to the amount and number of their products, present their products to a jury. As part of the competition, we awarded TRY 26,500 and TRY 38,500 lifeline capital support in 2016 and 2017, respectively, to the five winning women entrepreneurs. Furthermore, the women entrepreneurs can nominate their products online through the Popular Vote Competition. In wake of this competition, which was held for the first time 2017 and announced through the social media accounts, the winner was awarded TRY 15,000 lifeline capital support. Thus, we aim to pave the way for successful women entrepreneurs to develop themselves and inspire all women.

In 2017, Vodafone Women First in Entrepreneurship project was awarded in the II. International Corporate Social Responsibility Awards organized by Junior Chamber International (JCI). The programme was also awarded in Felis Awards under Social Responsibility and Sustainability category.

Easy Rescue

Vodafone Turkey Foundation developed the Easy Rescue application in partnership with the Ministry of Family, Labour and Social Services to raise awareness in combatting violence against women. Easy Rescue application enables women to call emergency contact numbers via one button, secretly send the designated people their location via text message, contact the closest Ministry of Family, Labour and Social Services units and be informed about what they shall do in case they are subjected to violence. The application is free and can be downloaded to smart mobile devices.

**T.C.
AİLE, ÇALIŞMA VE
SOSYAL HİZMETLER BAKANLIĞI**

Please scan the QR code for more information on **Early Rescue**

CANNES LIONS

The Vodafone Easy Rescue project was awarded the Grand Prix, which is the most prestigious award in the **Cannes Lions International Festival of Creativity**. It was the first time a Turkish company was presented this award. The Vodafone Easy Rescue also brought the Grand Prize to Turkey for the first time during the CLIO Awards, which is another prestigious award in the advertisement and marketing world. The application was also nominated for the Grand Prize at the GSMA Global Mobile Awards, regarded as the Oscars in the GSM sector.

Vodafone Gold Club

We facilitate the lives of stay-at-home women by improving their access to the communication technologies and empower women by offering affordable products and services for women with the purpose of enabling approximately 15 million stay-at-home women meet the means of digital future. Hence, we offer stay-at-home women special promotions under Vodafone Gold Club to ease their loads.

Throughout the year, women members of Vodafone Gold Club are offered exclusive discounts and advantages at the stores and in the brands, they choose and they can also benefit from the information services regarding women and children's health, etc. Enriching the Vodafone Gold Club with various content and advantages, we aim to serve as an end-to-end platform offering consumer-friendly internet and

budget-friendly solutions. Available for all For stay-at-home women who are subscribers of Vodafone, the platform will offer special experiences for women related to their interests and requirements in addition to the advantages offered not related to communication through various brand collaborations.

Please scan the QR code for more information on **Vodafone Gold Club**

Please scan the watch video on **Vodafone Gold Club**

First6Years Mobile Application

Developed in collaboration with Mother Child Education Foundation (AÇEV), the application offers online information regarding the preschool ages of the children, which is of great significance in terms of children's personality development to parents. Thanks to the First6Years application, which can be downloaded free of charge, parents are offered access to a database of 1,200 informative items enriched by photos, instructive videos and animations. Since the application was launched, it has reached over 220,000 users. The content of the application is regularly updated and improved. The goal of the application is to reach 1,000,000 downloads with 200,000 active users. ●

Please scan the QR code for more information on **First6Years**.
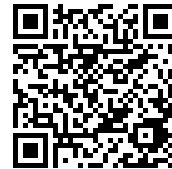
At Vodafone Turkey, we have various comprehensive programmes contributing to women employment and women empowerment.
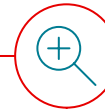
Projects for our employees
- ReConnect
- Women in Technology Internship
- Women in Sales Internship

Projects in Smart Village
- Women Technology Training Centre
- Women Farmer Entrepreneurship

Youth Skills and Jobs

Vodafone Spain, Madrid
41°23'21.37"N - 2°10'26.54"E

Country: Spain
City: Madrid

Buse Kırmaz

City: Madrid
Title: Product Manager at Vodafone Spain

While digitalisation becomes a part of our lives, I dream a world, where people are not estranged, communication is powerful and there are no boundaries. In pursuit of my dream, I attended Global Columbus Talent Exchange Programme for an exciting experience and came to Spain. Although working in a country with different language and culture is a great challenge, I have got significant opportunities to improve my skills.

Youth Skills and Jobs

High rates of youth unemployment result in negative impacts on the health, self-confidence and self-respect of unemployed young people, as well as causing problems on economic growth. The Vodafone Group commissioned an international research company, YouGov, to conduct a survey regarding the Status of Z-Generation in 15 countries, including Turkey, which revealed that even the Generation Z, aged 18-24, is ill-equipped to participate in the digital economy despite being the first generation to be born digital. Youth unemployment remains a challenge in many countries, including the developed countries. In 2017, youth unemployment in Turkey increased 5.3, compared to the previous year, and reached 24.5%.[8]

We support young people to improve their skills and competencies required by the digital economy.

Effects of transformation to digital technologies are felt more and more each day in every aspect in life. Evolving at great speed, technologies such as robotics, AI and IoT result in shrinkage, even in the long-established business lines in a very short time. However, they also create new business lines, developing in line with the future skills. According to the European Commission, approximately 500,000 digital positions will be vacant in the European Union as of 2020.

Today, although youth unemployment remains a significant challenge, demand for digital skills already creates a talent gap across many sectors. Fostering improvement of youth skills and employment is among our strategic priorities. We launch programs in line with our sustainable business strategy and purpose to promote SDGs. Thus, with the activities oriented to promote gender equality and prevent discrimination, we improve employment of young professionals who have technical and professional skills; and therefore, contribute to the Quality Education and Decent Work and Economic Growth Goals.

We strengthen our programs launched to promote youth skills by giving priority to employment of young people. Throughout 2017/18 fiscal year, we provided digital workplace experience to 15 young people through the apprenticeship programs and 161 young people through the internship programs. During the same period, 226 young people under age of 25, including interns, were employed and 215 young employees joined Vodafone for their first job experience.

Throughout 2017/18 fiscal year, 161 young people experienced the Vodafone Turkey's digital workplace through internship.

[8] TurkStat Workforce Statistics

What will you be?

Launched to help young people develop their digital skills and to expand our contribution to the learning and employment opportunities in this area, our What will you be? programme's goal is to make Vodafone Group rank among world's top 100 employers in youth employment and, to do so, to support 10 million young people in 18 countries to access digital contents as well as giving career advices on digital economy.

The Vodafone Group also aims to boost the opportunities offered to young people under its own organisation. Thus, we will double the opportunities and reach 100,000 young people by 2022, as part of supporting youth under the age of 25 experiencing the business life aim.

Future Jobs Finder

As part of What will you be? programme, new solutions that promote the access of youth to new skills and opportunities required to find jobs in the digital economy are designed. Developed within the scope of this programme, Future Jobs Finder service offers young people career support with advices on suitable professions and digital training through an online test developed in collaboration with psychologists, HR professionals and training providers.

Users are evaluated under three categories, i.e. skills, activity and behaviours to understand their interests and skills. The outputs of the test are matched with the most suitable professions offered by the digital economy. According to the test results, the users are matched to available digital jobs, including job opportunities at Vodafone, and access training opportunities and specific courses, many of which are free, to improve their digital skills through online channels.

So far, the number of users who completed the test on the Future Jobs Finder has exceeded 373,000.

During the reporting period, as Vodafone Turkey we have localised the service and launched the programme for young talents in Turkey. In the following periods, we will introduce e-training companies based in Turkey to the platform and increase the options provided in e-training.

Please scan the QR code for more information on **Future Jobs Finder**.
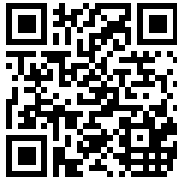
Coding Tomorrow

Contributing to raise a technology producing generation, who are highly skilled at information technologies and who have the skills of the future is part of our business strategy. As part of the Coding Tomorrow project, launched in partnership with the Habitat Foundation, Vodafone Turkey Foundation has been providing coding and robotics training to children aged between 7-14 across Turkey since 2016.

Carried out with an inclusive approach, the project's goal is to give children an understanding of the four core values of Do It Yourself culture: imagine, design, do and share. Throughout the training programme, we use a program called Scratch that enables children to transform their imaginations into designs, and is developed by MIT, one of the most prestigious technical universities of the world. Thus, children can build their fantasy world and design their own games and animations in an environment, where they can foster their creativity.

49% of the Coding Tomorrow participants consist of girls.

After the Scratch training, children are provided the introductory training on robotics programs and learn the basics of electronics and circuit systems through Makey Makey applications. Following the training, Hackathon's are organised to apply what is provided during the training. We gave 750 children the opportunity to experience robotics through the 6 hackathons we have hosted since the beginning of the project. With Coding Tomorrow programme, the ratio of children who want to be software developers increased from 24% to 51%.[9] 49% of the Coding Tomorrow participants consist of girls. In 2017, we included the children of Vodafone Turkey employees in the programme and promoted the introduction of coding to additional 200 children.

In 2017, we included Syrian children living in our country to our programme and provided coding training to nearly 750 refugee children in Şanlıurfa, Kilis and Istanbul.

To be able to extent the scope of Coding Tomorrow and offer equal training opportunities, we have begun to access to the children living at disadvantaged areas in terms of socio-economic conditions in collaboration with the Ministry of Family, Labour and Social Services. By the end of 2018, **Coding Tomorrow Training Truck** aims to provide coding training to 2,500 children in 12 cities and towns.

Reaching more than 12,000 children in 30 cities, Coding Tomorrow programme will reach 20,000 more children, including the ones who live in the villages and towns, thus, will introduce coding to more than 30,000 children in 60 cities by the end of the second quarter of 2019.

Please scan the QR code to watch the video on **Coding Tomorrow**
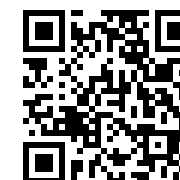
Please scan the QR code to watch the video on **Coding Tomorrow**

In 2017, Coding Tomorrow Project was presented awards in Felis Awards in the category of Social Responsibility and Sustainability.

[9] Measured in 2016/17 fiscal year.

Dreams Academy

In 2008, Vodafone Turkey Foundation partnered with United Nations Development Programme (UNDP) and Alternative Life Association (AYDER) to launch the Dreams Academy project with the aim to support people with disabilities in overcoming social exclusion and becoming active and productive members of the society through arts.

Since the project was launched, it has touched the lives of 20,000 volunteers and 6,000 young people by providing a free and disability-friendly education environment where young people are enabled to build their skills including sharing, recognizing and embracing diversity, adapting to the diversity, problem-solving, productivity and creativity.

So far, the project has touched the lives of 20,000 volunteers and 6,000 young people to create an education environment to develop the social skills of young people with disabilities.

The centres established in Istanbul Ataşehir and Antalya Kaş has been offering workshops on vocal training, rhythm, dance, film, photography, musical instruments, painting and design as well as workshops for promoting self-development and motivation to enable the integration of individuals who are suffering from social exclusion. Located in Kaş district of Antalya, Dreams Academy Kaş, which is the largest accessible living centre in Turkey for people with disabilities and the largest outdoor camping area in Europe, also stands out as a sustainable village and a recreational area within nature. The centre features social and art training, as well as a wide range of activities from water sports to ecological agriculture.

As part of the events organised within Dreams Academy, individuals with disabilities are supported by various revenue models instead of fundraising, to foster their social inclusion. The workshops held in Dreams Academy Ataşehir, in Istanbul, also offer a professional career in art for its graduates. Social Inclusion Band, a music production of Dreams Academy, gives concerts at various venues during the winter season and takes the stage together with prominent artists. Dreams Kitchen, another revenue model, provides catering service to the meetings of several organisations; whilst D-Film shoots videos, movie clips and photos for businesses.

Social Inclusion Band

Please scan the QR code for more information on **Dreams Academy**

Please scan the QR code watch the video on **Dreams Academy**

Discover Young Talent Programme

In line with our goal to raise young talents to lead the technologies of the future, we place utmost importance to employ new graduates with potentials in our company. To be able to support the skill development of young employees, we manage the transition period from the university life to business life by adopting an inclusive and systematic approach. Since 2008, Vodafone Turkey has been running Discover Young Talent Programme, which is an exclusive, end-to-end career programme designed to include employment stages, orientation, training-development processes and global opportunities. The programme runs in all countries that the Vodafone Group operates.

Joining the Vodafone family with Discover Young Talent Programme, which covers a two-year process, the young talents go under a rotation programme in two different departments to get the opportunity to know the sector and Vodafone Turkey better and begin their careers with more conscious choices. The young talents employed as part of the Discover Young Talent Programme go through the orientation programme and get detailed theoretical and practical information on various fields, from sales at Vodafone stores to installation of masts. At the end of the first year, young talents are included to a 12-month special development programme, which includes group works, seminars, workshops and training. During this time, young talents get the opportunity to benefit from the mentoring programme.

Since the Discover Young Talent Programme was launched in 2008, Vodafone Turkey has employed more than 300 young talents, where 50% of these talents were women. Throughout 2017/18 fiscal year, 41 young talents were employed full time as part of the Discover Young Talent Programme.

Please scan the QR code watch the video on
Discover Young Talent Programme

Global Columbus Talent Exchange Programme

Global Columbus Talent Exchange Programme is among our programs that focus on reveal the potentials of young talents and help them get prepared for leadership roles. Applied in more than 20 countries, the programme that we have partaken under the Vodafone Group since 2011 offers young talents to get one of the most popular opportunities of having a project-based work experience abroad. Evaluated under the Discover Young Talents Programme according to their performances and potentials, the successful employees get the opportunity to be employed in various countries for two years where Vodafone operates. During 2017/18 fiscal year, 2 of our employees were assigned to positions abroad as part of the programme. Since the beginning of the programme, 24 employees have benefitted from these opportunities.

Learn Technology From the Expert

We benefit from the programs designed based on master-apprentice relationship to employ young talents that we need in the transition to digital economy. We have launched the digitalisation and technology-oriented apprenticeship programme of the Vodafone Group under Learn Technology from the Expert in Turkey. During 2017/18, 15 sophomore students from the Technical Vocational High Schools were offered internship in Vodafone Turkey for one year. We plan to introduce new students to the programme during 2018/19 fiscal year. ●

Energy Innovation

Vodafone Wind
and Solar Energy
Systems

**Vodafone Wind and Solar
Energy Systems, Kiraz**
38°13'44.08"N - 28°16'41.13"E

Country: Turkey
City: İzmir

Google Earth
Image © 2018 DigitalGlobe

Talip Akgül

City: İzmir
Title: Rollout & Field Operations Support Senior Specialist

I was contributing to reduce GHG emissions and provide uninterrupted service to our subscribers even at geographies that do not have access to power network during the wind turbine and solar energy projects that I had been assigned at Vodafone. I dream about the future when clean and renewable energy is a part of daily life and we leave a sustainable life to future generations.

Energy Innovation

Telecommunication sector plays a significant role in monitoring data that have critical importance in tackling the climate change and facilitating traceability; and, as a result, strengthening the institutions and individuals against floods, droughts, extraordinary natural phenomena and natural disasters. With the use of updated infrastructure and technologies, greenhouse gases (GHGs) emissions are reduced and energy efficiency is increased; thereby, the importance of digital solutions increases day by day to enable higher production using fewer resources. Vodafone Turkey offers technological solutions to increase the efficiency of the operations of our companies and customers, while minimising the environmental impacts.

Our commitments to reduce our GHG emissions, increase the use of renewable energy and improve our energy efficiency support Affordable and Clean Energy, Responsible Consumption and Production and Climate Action goals among SDGs. Furthermore, the solutions we offer support the goal of Sustainable Cities and Communities as well. We promote raising social awareness through our policies that encourage responsible consumption and production, as well as our projects which have been developed for public to facilitate

efficiency increase in production processes. With the newest technology applications, we offer to our customers, we enable our customers to improve their environmental performances; and therefore, help them support the SDGs.

As a result of the opportunities provided by Internet of Things (IoT) technologies and digital transformation in the sector, the total global GHG emissions are estimated to reduce by 20% by 2030.[10] We develop tools for a more sustainable future using new technologies, IoT and smart applications. We do not only monitor the environmental impacts of our operations, but also promote our customers to improve their environmental performances through innovative applications. Hence, we contribute to the solution of the problems that the global agenda faces in terms of energy management and pioneer the transformation. We deliver smart solutions for different sections of society in various fields such as finance, urbanisation, art, sports, healthcare, agriculture, energy, etc.

2025 Goals

As part of its commitments to reduce impacts of climate change, Vodafone targets to reduce the GHG emissions by 40%, compared to the 2016/17 fiscal year's emissions and consume 100% renewable energy in its operations to keep global warming around or below 2°C by 2025.

Throughout the fiscal year 2018/19, Vodafone Turkey will continue to put efforts to optimise cooling systems, replace the energy infrastructure systems and network equipment with more efficient ones, use energy from renewable energy resources, remotely monitor the energy and infrastructure equipment by M2M[11] solutions and get them operated with optimum energy consumption at the base stations within its network and follow technological and innovative opportunities.

2025 Goals

100% Renewable Electricity Supply

40% Reduction in GHG Emissions
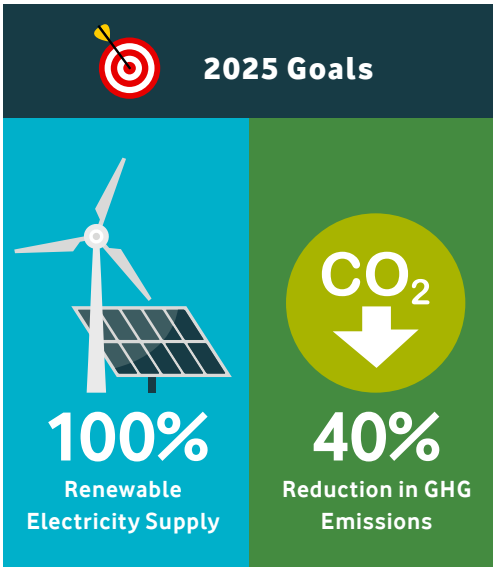
Non-Governmental Organisation
"It is of great importance to use the means of technology for the solutions of environmental issues. Hence, Vodafone is among the pioneering companies in tackling climate change. Being a leader in delivering innovative solutions in today's world, I believe Vodafone will maintain its leading position in the future with its contributions to energy and waste management."

[10] ICT Solutions for 21st Century Challenges, http://smarter2030.gesi.org/downloads/Full_report2.pdf

[11] M2M is the technology that establishes wireless communication between data centres of the companies and machines.

IoT Solutions

We believe Internet of Things (IoT) is a driving force in the development journey of the enterprises. We offer a wide range of solutions to various sectors including products for smart vehicles, energy management, agriculture, healthcare and urbanisation solutions; and take a part in the transformation of the enterprises.

With the solutions we deliver, enterprises can instantaneously monitor connected objects, machines and equipment, manage work processes more efficiently and reduce energy use and carbon emissions.

V Yaşam için
QR kodu okutunuz

V-Life

We have launched V-Life Project to make a difference in the lives of our individual customers by delivering them the IoT solutions we offer to companies. With the Digital Life tariff used with Smart Kid Watches, we introduced the IoT world to our individual customers. With the V-Life brand, we aim to offer a user-friendly, integrated IoT platform by expanding our product portfolio with goods, pet and vehicle tracker devices. With this platform we will offer our customers to manage and get support for their IoT devices from a single application; and therefore, enable them to save energy and time.

Energy

With the automatic meter reading solution, electric, natural gas and water meters can be accessed and read remotely and in real-time. The system enables the energy suppliers to analyse the consumptions at the municipalities and businesses, minimise losses and leakages and save from manual meter reading costs. Energy and gas consumption can be reduced between 3% and 15% using the system.

Healthcare

Vodafone Chronic Disease Tracker solution enables monitoring the patients remotely and in real-time. In the event of an emergency or risk, healthcare units contact the patient. Thanks to this technology, response times are reduced, the number of visits to the hospitals are decreased; so, customers save time and avoid fuel consumption.

Memorial Healthcare Group can remotely and instantaneously monitor the insulin levels of their diabetic patients through IoT technologies. The distance between patients and doctors disappears with this technology. Patients are not required to go to hospital and their quality of life increases.

Smart Building

Heating, ventilation and lighting systems result in high energy consumption at houses and offices. With smart building applications, integrated systems can be used according to daytime and weekday usage requirements. As part of the system, customers are offered natural ventilation, optimum heating and

V-Yaşam ailesi: V-Çocuk Saati, V-Pati, V-Araba ve V-Çanta

cooling and smart lighting systems. As a result, customers can effectively manage energy consumption of the buildings.

Smart Cities

As one of the leading companies in telecommunications sector, we support our customers throughout the transformation required to use energy efficiently and reduce their carbon emissions. The technologies we develop support them to manage their environmental impacts more efficiently and save energy.

In the era of rapid urbanisation and increasing population density, cities should develop solutions for rapid growth; and hence, smart cities become significantly important. Digital technologies, which enable public services to be provided more efficiently with less cost, are considered as the key to sustainable life in cities.

As part of smart city solutions, we offer various IoT solutions including buses, timed light switches, elevators, building lighting and ventilation systems, services carried out by municipalities, security systems, etc. In 2016, with the goal of playing a leading role in the sustainability journey of cities we published the Smart Cities Road Map Report in collaboration with 23 metropolitan municipalities. According to the report, when 30 metropolitan municipalities across Turkey become smart cities, TRY 30 billion will be saved per year.

In line with our vision to lead digitalisation in Turkey, we continue accelerating the

transition to smart cities with the solutions we offer. In collaboration with Diyarbakır, Patnos and Yalova municipalities, we delivered smart and practical technological solutions in line with the needs of the cities.

● We successfully apply Love Microchips, Smart Push to Talk, Excavation Traction and Vehicle Tracking system and put into operation smart city solutions that will facilitate and accelerate the lives of people living in Bursa.

● We installed an advanced fibre infrastructure to provide uninterrupted internet access to the key locations in Diyarbakır province in collaboration with Diyarbakır Metropolitan Municipality. Furthermore, Diyarbakır Municipality can now access and track their public transportation vehicles instantaneously with the Vodafone infrastructure and solutions; hence, enable efficiency and fuel savings.

● Patnos Municipality can track its 100 vehicles, with Vehicle Tracking System (VTS) which provides instantaneous tracking of vehicles by satellite. The locations of the municipality vehicles can be tracked by VTS, which results in an average of 20% fuel saving.

● The smart solutions delivered in Yalova includes remote control of irrigation at the parks with Smart Irrigation, remote control of the lights in the park with Smart Lighting and remote tracking of garbage bins with Smart Waste solutions.

The first Smart Cities Online Platform in Turkey, **www.sehirsizin.com** aims to receive feedbacks from residents while establishing smart cities. As a result of the platform, which increased the communication between the residents and the municipality, the needs and expectations of the people can be followed more systematically, and people can share their ideas related to the cities they live in. **The Smart Cities Online Platform**, **www.sehirsizin.com**, received awards from the Horizon Interactive A**wards and Interactive Media Awards**, the most prestigious interactive media awards in the world.

Smart City Solutions

The application which offers mobile payment, security and mobility advantages for taxis in Istanbul with the **iTaksi** brand is supported by Vodafone Turkey IoT technologies. IoT technology enables to access the locations of the taxis and the closest available taxi can be seen using the mobile application. Taxi is directed to the closest customer. The application enables 25% fuel saving per taxi.

We offered Narrow Band Internet of Things (NB-IoT) technology for the first time in Turkey. Vodafone NB-IoT technology enables efficient communication of all things that require long battery life and is geographically dispersed by connecting them to the Internet through mobile access. The technology paves the way for developing new solutions for smart cities. Used in smart parking solutions delivered to various municipalities, NB-IoT technology users can benefit from consuming less energy; and hence, less battery use and reduced energy consumption and carbon emissions. Turkey is the second country within the Vodafone Group to offer NB-IoT service.

Smart Junctions IoT solutions enable the real-time management of traffic lights, instantaneous change of lights at the junctions based on vehicle intensity, which prevent unnecessary start/stop of vehicles and result in an average of 6% fuel saving.

Smart Irrigation enables remote control of irrigation processes, and therefore reduces water consumption.

Smart Waste Management solutions can track the fill-levels of the waste bins and their locations instantaneously; and result in optimised route planning for waste collection trucks. The solution enables reduction of fuel consumption by 30%. Furthermore, the fill-levels of the waste bins located at different points in the city can be monitored in real-time.

Smart Lighting solutions control the lighting remotely. Reporting energy consumption, the solution enables energy, time and workforce savings.

Smart Parking solutions enable the real-time tracking of the occupancy rates of car parks remotely and users can book a parking space for a particular time frame. The solution enables car owners to save time and reduce their carbon emissions. IoT technology can also track details including the location of the vehicle, fuel consumption, idle use, distance travelled, driver behaviours, etc., which can be beneficial to take necessary measures to reduce carbon emissions.

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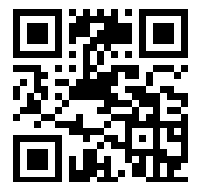
Smart Village

Vodafone Smart Village project, designed as the new generation rural life model, combines traditional agricultural methods with advanced technology and develops models to increase the revenues of the farmers through agricultural technologies. With IoT applications, use of drones, smart sensors, tracking of the data measured by these sensors from the tablets and smart phones, automatic irrigation methods, meteorological observation stations and early warning systems, we lay the foundations of a new rural model with increased efficiency and profitability.

We estimate to save 22% in the vegetative production expenses, 20% in the animal production expenses and at least 20% in the agricultural irrigation with the qualified information and technologies applied in the Smart Village.

The purpose of Smart Village Project is to increase efficiency and revenues by expanding the use of digital technologies, increase environmental performance by decreasing water use and use of pesticides and herbicides, set an exemplary model and expand across Turkey. The goal of the project is to promote developing the socioeconomic conditions of the farmers and directing the young generation to farming and decrease immigration and unemployment rates. We

expect to access 642,000 farmers in 5 years and create an economic value of TRY 15 billion. Furthermore, we estimate to save 22% in the vegetative production expenses, 20% in the animal production expenses and at least 20% in the agricultural irrigation with the smart models applied.

In partnership with Agricultural Informatics and Communication Technologies (TABİT), we launched the pilot Smart Village project in the Kasaplar Village, Koçarlı, Aydın. As part of the new technologies that calculate the humidity of the soil, instant weather conditions and regular requirements of the vegetables, the change in the production is analysed and monitored. As a result of the project, crop harvest started in the village and efficiency increase is achieved.

Agricultural Monitoring Centre: As part of modern greenhouse automation, the greenhouse sensors installed and activated can track the air, humidity, water and vitamin conditions to make necessary adjustments accordingly. On the other hand, all data arriving from the IoT applications used in the Vodafone Smart Village can be monitored at the agricultural monitoring centre. After installing Big Data systems, the data collected through the smart applications will be able to be stored and interpreted at the Big Data systems. All data collected, including daily milk production, weight of eggs, weather conditions, fuel levels of the agricultural machinery will be able to be displayed by smart devices.

Please scan the QR code for
more information on **Vodafone Smart Village**
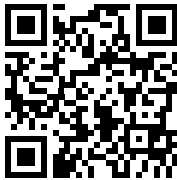
Please scan the QR code to
watch the video on **Vodafone Smart Village**
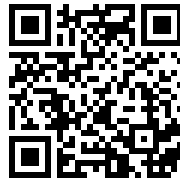
Animal Tracking by Smart Collar: Housing the first Smart Meadow System in Turkey, the Smart Village automatically determines where the animals will graze on with the smart gates that have a particular recognition system. When it is time for milking, the cow passes through the smart gates and directly goes into the milking automation where the cow is milked automatically. Furthermore, smart collars worn to the feet of the cattle, which are also called pedometers, analyse the motions of the cattle and informs the user about the health and oestrus times of the animals.

Single Button Irrigation From Mobile Phones: Smart Irrigation Automation enables farmers to remotely control the irrigation of their corps. Irrigation process can be controlled and monitored by a single button on the mobile phones with the system installed. Determining the frequency of irrigation according to the humidity in the soil, the system enables production to increase while decreasing the water consumption.

Owning Smart Phones: Taking significant steps towards digitalisation, we have increased the smart phone use among farmers to 65% in last year by increasing 8%. We also increased the monthly average use of internet to 3.9 GB by increasing 80%.

Women Technology Training Centre in the Smart Village has the goal to increase the technological literacy rate of women in the village. With the Women Farmer Entrepreneurship Project, we aim to promote women farmers to increase the efficiency of their productions by digitalisation and empower economically. Carried out in Kasaplar Village of Koçarlı sub-province in Aydın, the project supports both agricultural production

and social development to provide a versatile transformation. As part of the project, 10 women farmers grew 30,000 lettuces in the training greenhouses allocated to them and earned additional revenue of approximately TRY 25,000 in total.

Vodafone Farmers' Club
At Vodafone Farmers' Club, we aim farmers to carry out more efficient and effective farming activities through mobile technologies. Established in 2009 in partnership with TABİT, The Ministry of Food, Agriculture and Livestock and Agricultural Credit Cooperatives in Turkey, Vodafone Farmers' Club, so far, has reached to 1.4 million farmers in Turkey.

Please scan the QR code for
**Vodafone Farmers' Club**

Following the success of Vodafone Turkey, the platform has been established in 6 other countries, as well. Location-based information (weather forecasts, initiative news, prices in the market/stock exchange) can be shared through the programme to make the lives of farmers easier. We have the goal to expand our coverage area and reach 3 million farmers through Farmers' Club project.

Vodafone Park

Vodafone Park, which is the first smart stadium in Turkey, has been designed and built with the smart stadium infrastructure, which enables audience to be in interaction with the broadcasting system and mobile applications. With its broadcast system, high bandwidth Wi-Fi, 2G, 3G and 4.5G connections, 700+ interactive

screens, 2,200+ screens in seats, smart phone application which interactively communicates with the audience, high energy efficient lighting and cooling systems, Vodafone Park saves 2 million kWh energy per year. Vodafone Park, which is a smart stadium with the use IoT applications and smart systems, prevents 1,100 tons of GHG emissions per annum, which can be achieved by 40,000 grown up trees.

Please scan the QR code for
Vodafone Park virtual tour
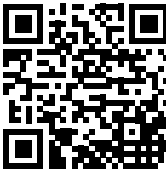
Environmental Performance

In order to manage our environmental performance effectively, we monitor our energy consumption, GHG emissions, water and waste amounts and develop applications to use our resources more efficiently and avoid losses. Hence, we follow up the environmental performance of our 13 technology centres and 22,700 mobile base stations through advanced metrics.

We apply energy management in compliance with our company policies, as well as international standards. In line with our goal to achieve energy efficiency and get concrete progress in the issue, we regularly increase the number of operations managed in compliance with ISO 50001 certification requirements.

We have an opinion sharing platform to raise in-house awareness among the employees and carry out efficiency increasing application for the effective management of our environmental performance. The Energy Team activities are ongoing to put the ideas generated into practice. Consisting of employees from various departments,

As of this year, we have 5 technology centres certified with ISO 50001 Energy Management Systems Standard. The goal is to also get our base stations certified in the following period.

Energy Team is in charge of development and strategic management of Energy Management System (EnMS) policy. All Vodafone Turkey employees are liable to act in compliance with this policy. In charge of continuous improvement of EnMS, Energy Team regularly reports on energy performance. The main tasks and responsibilities of the Energy Team include defining the criteria and methods required for the operation and control of EnMS effectively and raising awareness on the goals and energy policies at every level.

Energy Management System Policy

Our goal is to use energy in the most efficient, less costly and environmentally responsible way possible. In line with this policy, energy management has a significant role in achieving our goals to offer our customers the highest quality products, strengthen our competitive position and attain financial profitability and energy efficiency. Furthermore, our efforts to reduce energy consumption strengthen our commitment to our employees, the environment and the communities we operate in. Therefore, Vodafone Turkey continues with its efforts to improve the energy performance as part of its EnMS Policy.
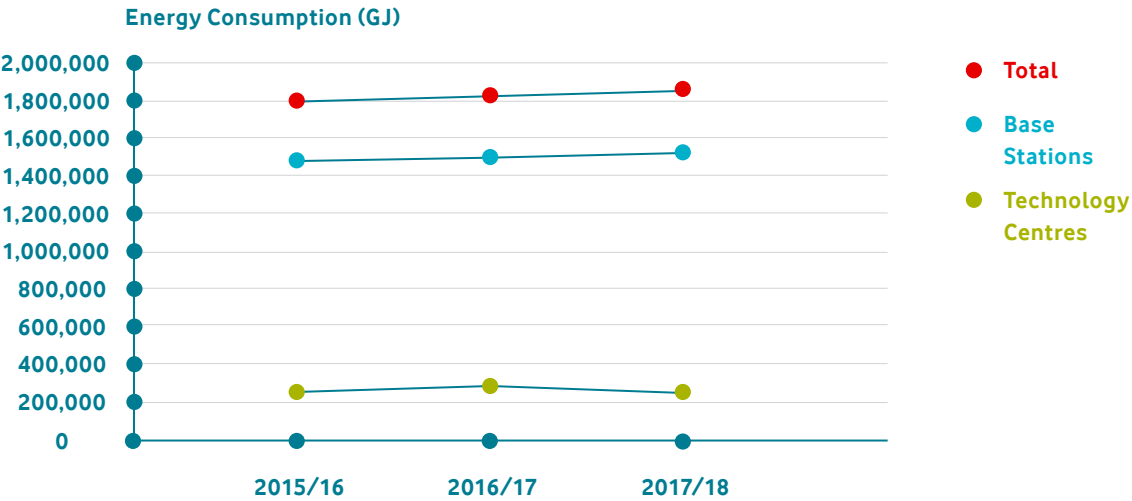
Climate Change and Energy Management

We regularly monitor the consumption figures at the technology centres and base stations, where the highest energy consumptions occur. Whilst the total data transferred was 396.218 petabytes during the 2016/17 fiscal year; the figure increased 83% and reached 726.385 petabytes during the 2017/18 fiscal year. On the other hand, total energy consumed at the technology centres and base station masts increased only 1% in the fiscal year 2017/18, compared to the previous year. Emerging means of technology and our efforts in energy efficiency played a significant role in achieving this performance.

Some of the activities carried out to attain energy efficiency are as follow: updating the existing technologies with the newest ones, renewing lighting systems, modernisation and optimisation of the cooling systems, using natural ventilation systems, replacing and remote control of energy infrastructure systems, extending renewable energy use at the masts. We continue with our investments in renewable energy with 66 installed wind turbines and 9 fully renewable energy powered masts. We generate resource diversity in our energy consumptions and increase the clean energy amount we use.

In line with our energy efficiency approach, our supply processes are based on financial gain, saving from time and efficient use of resources. Electric-driven machines are preferred during technological purchases and LED lighting is preferred at the warehouses to save energy.

Energy Consumption (GJ)

	2015/16	2016/17	2017/18
● Total	1,800,000	1,820,000	1,850,000
● Base Stations	1,480,000	1,490,000	1,510,000
● Technology Centres	250,000	290,000	250,000

We consider alternative energy use options during site leasing processes with the Supply Chain Management Power (SCM Power). All supplier contracts are delivered digitally, which enables us to save 800 kg paper.

As a result of our energy efficiency, we save 78,000 GJ energy which leads to a significant reduction of GHG emissions. The equivalent amount of GHG emissions can only be offset by planting 42,000 trees. This amount of saved energy is also worth of almost TRY 10 million financial saving.

In addition to our energy consumption performance, we also monitor our GHG emission figures. Even though our GHG emissions increased only 5%, despite the 82% increase in the transferred data amount,

We carried out efficiency works including the renewal and replacement of systems at the Technology Centres and Masts with high-efficiency equipment.

this year we achieved a 6% decrease in our GHG emissions, compared to the fiscal year 2015/16.

Waste and Water Management
We reduce our negative impacts on the environment by generating less waste and using natural resources less and we recycle the waste we generate.

Throughout the fiscal year 2017/18, we generated 1,444 tons hazardous, 814 tons non-hazardous waste, which adds to a total waste generation of 2,258 tons. We recycled 15 tons of paper, plastic and domestic waste. Our network-generated wastes are recycled 99% by licensed recycling companies.

As part of water management, we reduced our water consumption by 16% compared to the fiscal year 2015/16. The goal is to save more water through various efficiency works. Hence, we saved 13,200 cubic metres of water throughout the fiscal year 2017/18. ●

GHG Emissions (tons CO_2e)

Year	GHG Emissions
2015/16	299,277.80
2016/17	267,178.40
2017/18	280,910.2

Water Consumption

Year	Water Consumption
2015/16	49.6
2016/17	45.8
2017/18	41.7

Our Employees

Vodafone Turkey Foundation, Maslak
41°6'47.23"N - 29°1'28.13"E

Country: Turkey
City: İstanbul

Google Earth
Image © 2018 DigitalGlobe
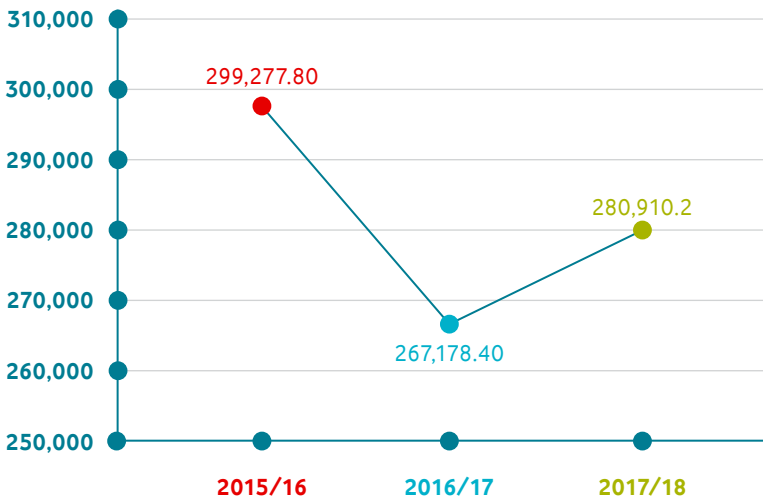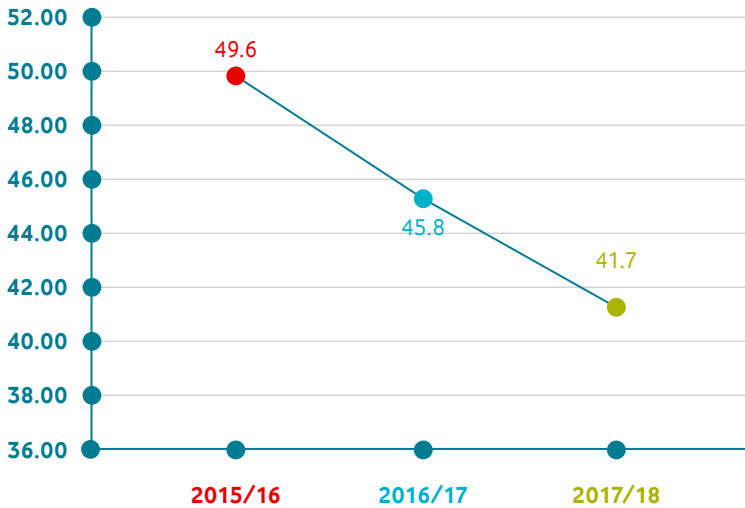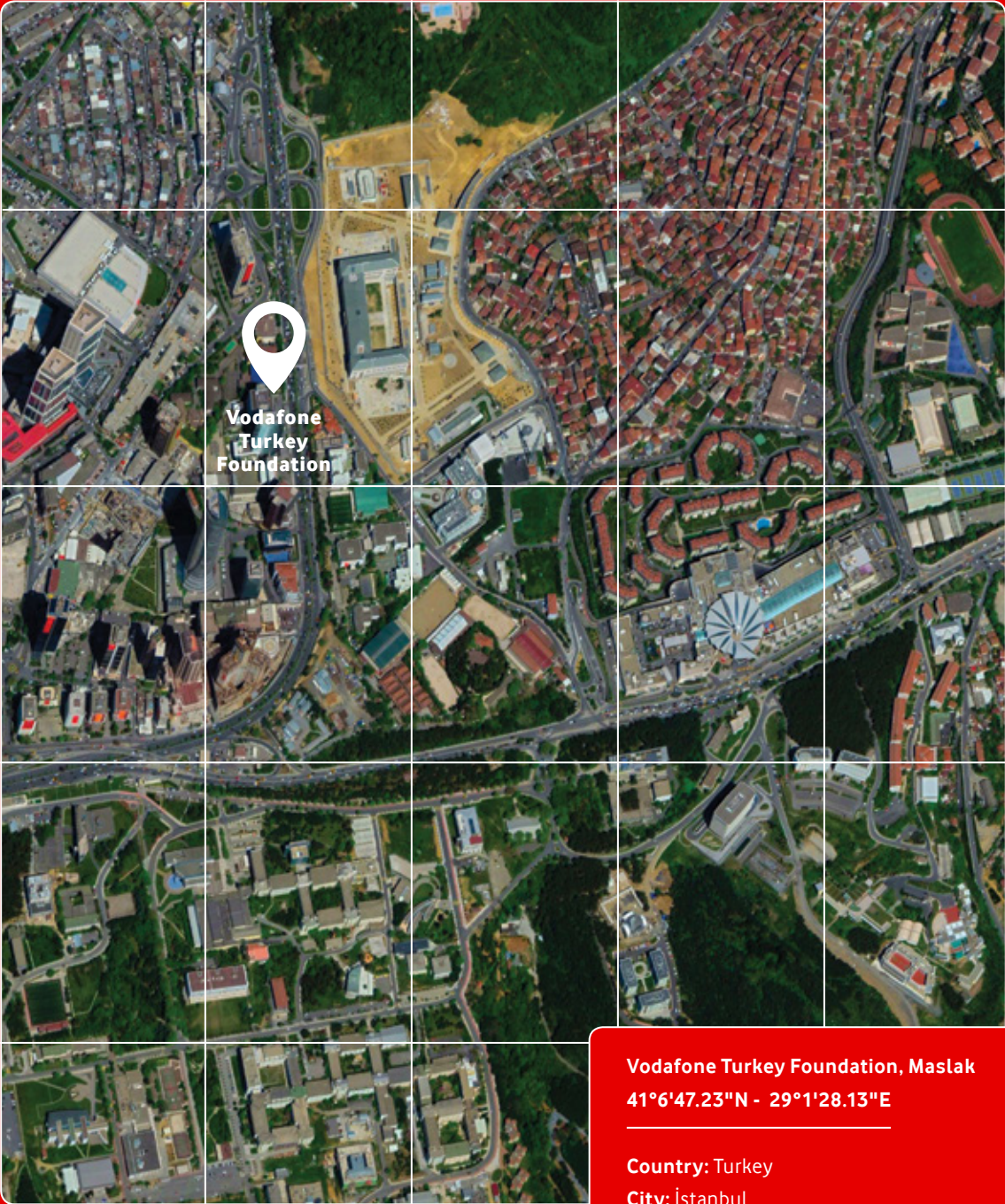
Ayşegül Ertok

City: İstanbul
Title: Manager of Vodafone Turkey Foundation

ReConnect creates a significant impact for women to empower their existence in business life. Getting back into the business life after a career break triggered my desire to start each day with excitement and to achieve better. I enjoy my life, in which I feed my team with the same enthusiasm and become a role model for my children with my motivation to work. As long as women get more active in every field of life, tomorrows will be more empowered!

Our Employees

During the digitalisation journey, we place our focus to the development of our employees, support their skills, which is our most valuable asset, effectively and get prepared for the future. At Vodafone, we offer an inclusive work environment where skills development is appreciated, employees can feel themselves independent, digitalisation is integrated in all work processes and health and safety is pursued.

In line with our talent management approach, we introduce practices for the employees to realise their potentials and to promote their continuous development, as well as giving importance to employ new talents, who will add value to our company, in our team. We develop projects to promote the inclusion of youth and women to business life in compliance with the Vodafone Group strategy, in particular, and our material areas.

We build agile teams that will keep up with and support the digital transformation process, simplify the work processes and thereby, increase efficiency. The first step is to expand this new work method, of which we have begun to apply and achieved successful results in the IT processes. We will expand this method to our commercial teams.

The practices applied for our employees also contribute significantly to the solution of the problems that the global agenda tackles with. We support United Nations

Sustainable Development Goals and achieve an uninterrupted, inclusive and sustainable economic growth thanks to our human resources approach. We promote Decent Work and Economic Growth, which aims full and productive employment and decent work for all; Quality Education with the activities performed for the youth skills and jobs; Gender Equality with the projects and practices carried out in terms of women's empowerment.

2012 Equal Opportunities Model (EOM) Certification

2014 Great Place to Work Diversity Special Award

2015 Great Place to Work Collaboration of Different Generations Special Award

2016 United Nation Women's Empowerment Principles (WEPs) signatory

2018 Great Place to Work Digital Transformation and Diversity in Human Resources Special Award

Silver Award with the Lifestages in the International Business Awards

Diversity and Inclusion

At Vodafone, we have the goal to build an inclusive corporate culture that respects the varieties of the employees with our mentality regarding diversity and inclusion. We manage our business processes with this approach.

During the 2017/18 fiscal year, whilst the total number of employees was 3,172 in total, the percentage of women employees was around 42%. Furthermore the percentage of women in senior manager and higher level executive positions reached 34% by an increase of 4%, compared to the 2015/16 fiscal year, and the number of woman executive[12] reached 59.

Vodafone Turkey places importance to employment of women. The percentage of women employees in our company is 42%; while the percentage of women in senior manager and higher level executive positions reached 34%.

Employees by Gender

Female	Male
42%	58%

0% 20% 40% 60% 80% 100%
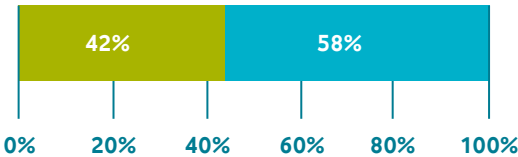
Executives by Gender

Female	Male
34%	66%

0% 20% 40% 60% 80% 100%
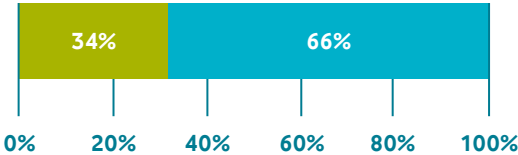
■ Female ■ Male

[12] Senior manager and higher (F level and over)

Women in Technology Internship

Women in Technology Internship Programme targets women, who are in the fourth year of the related departments of the universities' engineering faculties and would like to have a career in technology and telecommunications field. As part of the programme, we offer two six-month long internship positions at the related departments before they graduate. During the 2017/18 fiscal year, 12 students joined the programme and 4 of them joined the Discover Young Talents Programme. Our goal is to include 10 women students to the programme in the 2018/19 fiscal year and give priority in the Discover Young Talents Programme to the ones who successfully completed the internship programme.

The project won the top prize in the ConnectedSheCan Awards, in which projects regarding diversity and inclusion are evaluated. The project was also included to the Good Practices Handbook of the Business Council for Sustainable Development Turkey.

Irmak Kartal
Women in Sales Internship Participant

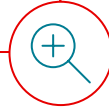

Duru Coşkun
Women in Technology Internship Participant

Women in Sales Internship

Women in Sales Internship Programme targets women, who are in the fourth year of the related faculties of the universities, would like to work in sales and telecommunications field and have potential. This year, 9 students joined the internship programme, which was initiated in 2016. 4 successful students among the interns joined Discover Young Talents Programme and are included in the talents of Vodafone Turkey. Our goal is to include 10 women students to the programme in the fiscal year of 2018/19 and give priority in the Discover Young Talents Programme to the ones who successfully completed the internship programme.

Further details on the Discover Young Talent Programme can be found under Youth Skills and Jobs section.

Lifestages

While designing our human resources practices, we give priority to develop inclusive practices towards our employees. We want all employees, without exception, to develop their work experiences at Vodafone Turkey, feel comfortable at their workplace and feel the sense of belonging. Considering that expectations and requirements differ by age, we designed Lifestages project. As part of the project, we assess the requirements and expectations of the employees considering the life stages they are in and we diversify and enrich our practices accordingly. The purpose is to have happier employees working more efficiently thanks to our customised practices.

In line with the Lifestages approach, we have initiated Discover the Power Inside You programme to support women working in sales and technology areas, besides flexible working hours and flexible locations, in-house coaching programmes, mother health and child care seminars, additional leaves for the parents. We have also launched Corporate Athlete programme regarding healthy diet, sports and mental health for our employees to have well-balanced lives.

Employee Experience

To be able to achieve our vision to lead digitalisation in Turkey, we need employees who share our vision and can facilitate our achievement by their talents. Hence, we carry out an in-house digitalisation process to offer Vodafone Turkey employees a work environment with fully digitalised work processes. We develop practices that ease the adaptation of employees to the change. We provide a work experience that provides all works to be carried out by mobile devices independent of time and location.

We care about the views of our employees and want to hear about their demands to improve and develop our human resources practices. All Vodafone employees, regardless of their countries, can contact Expolink, a global and independent hotline, via 0850 2101901 or **https://wrs.expolink.co.uk/vodafone** to submit any kind of comments and feedbacks.

DijitalSen (DigitalYou)

During the digitalisation process, we place great significance for our employees to experience a perfect digital experience. The goal of the DijitalSen (DigitalYou) programme is to examine the career journeys of the employees from the recruitment to retirement, as well as one working day experiences of the employees; and digitalise and yet simplify at the same time.

Vodafone employees can manage their requirements, including entrance, exit, order food from the cafeteria, etc. in the company by phone. With the digitalisation of the manual approval processes, manager approvals can be obtained through smart phones. Thanks to digitalised approval processes, we have eliminated print-out and wet signature requirements for the in-house assignments. During the preliminary job interview process, we request the candidates to reply the questions asked by shooting a video and upload it to the system; and we also conduct the required tests online. In the following period, we will get more digitalised; so that employees will be able to see the car park occupancy, turn on and turn off the lights in their offices, adjust the air conditioning before they arrive at the office, monitor the queue at the cafeteria during lunch time and use the printers in the building through their smart phones.

Thanks to the flexibility offered as a result of digitalisation, employees can decide on their working hours and work anywhere out of office one day per week. The project enables employees to hold video conferences with multiple participants and communicate at wherever they want through their laptops or mobile devices.

Agile Teams

To keep ahead of the competition and keep up with the rapidly-changing customer requirements in recent years, we have developed a new method to shorten the project delivery periods of the IT process of our projects. Agile work method, which divides bulk processes into smaller parts enabling us to proceed and get results swiftly, has been launched to be applied in the IT processes in the beginning. We are now aiming to expand this method by including the company's other departments.

With the agile work approach, which encourages collaborations and enables flexibility and speed during the progress, we have increased the quality of products and shortened the time of delivery of the products to the market. Initiated in 2013 as a pilot project, the process has resulted in building up approximately 58 agile teams and 810 Vodafone employees were provided training on agile work method.

YouthCo & Digital Ninja

YouthCo is a committee composed of 9 young people, who offers innovative business ideas to Vodafone Turkey Executive Board and develops them, representing each function. Launched by the Vodafone Group in all countries Vodafone operates, Digital Ninja Project gathers senior executives and Y-Generation employees with a particular focus on digitalisation. Designed as a reverse mentoring process, the project supports senior executives during the digitalisation journey and enables young employees to share their point of views and expectations related to digitalisation with the senior management of the company.

Talent Management

Talent management enables Vodafone to hire people with potentials and also prepares the current employees with potentials to leadership roles. Throughout the process, we conduct the talent analysis of Vodafone Turkey, review the development of employees at the management levels, designate employees with high performances and potentials and evaluate them for the global talent programs.

We place importance that the talents, whom we invest in, are involved in practices that take the company to a further level and contribute to our success continuously. We believe that it is important to raise leaders within the Group and therefore manage the career plans accordingly. The Red Experience application guides us to give priority to our own employees in the event of a vacant position. The vacant position is announced within the company to begin with, and thanks to Red Experience, employees are encouraged to contribute to different departments with the experiences they have acquired; and hence, advance their careers inside Vodafone. Throughout the 2017/18 fiscal year, 70% of the positions were fulfilled by the existing employees.

We have evaluated the existing employees as candidates for vacant positions and hired our own employees in 70% of the cases.

With the Refer-A-Friend System, employees can refer people whom they think can adapt Vodafone culture for vacant positions. Launched in 2012, the system has enabled the employment of 262 people until the end of the 2017/18 fiscal year.

International Development Programme

International Development Programme offers our employees international career opportunities for talent management. The employees included in the programme can be assigned to a position in any countries where Vodafone operates for 4-10 weeks. The main goals of the programme include the employees to share the experiences they acquired at Vodafone Turkey in a different country, advance their know-hows, achieve personal and professional development by observing different roles and build up professional relationships with colleagues working at similar positions in other countries. Since the beginning of the International Development Programme, 12 employees from 6 different countries have been assigned in Turkey; while 6 Vodafone Turkey employees have been assigned in 5 other countries. We have the goal to welcome 2 employees from other countries to work in Turkey and 2 Vodafone Turkey employees to be assigned to work in other countries for a short period of time by the end of the 2018/19 fiscal year.

ReConnect

The Vodafone Group launched ReConnect, a global employment initiative covering 26 countries, with the goal to bring approximately 1,000 qualified women back into the workplace after a career break. Throughout the 2017/18 fiscal year, 7 women employees started working at Vodafone Turkey as part of ReConnect programme. The programme supports the returners to re-adapt the business life with the help of a buddy system, coaching and mentoring programs. In the fiscal year of 2018/19, we will continue to hire women under the ReConnect Programme according to the qualifications of the applicants and the requirements of the vacant positions.

Performance Management System

Vodafone Performance Management System, the globally applied practice of the Vodafone Group, focuses on the development of the employees to create a high-performance organisation culture, achieve business goals, provide profitability to investors and encourage competitive workforce. Performance Management System also supports main human resources processes such as training, remuneration, etc.

As part of our performance evaluation approach, we focus on continuous improvement via coaching and develop tailor-made practices. As part of Performance Management System 2020, we defined following four main principles: Innovative goals, effective feedback, supporting

development and performance coaching. Vodafone Performance Management System is composed of three core stages including target setting, mid-year evaluation and end-of-year evaluation. Focusing on innovative goals, we simplify our target process. Employees and managers periodically get together and review the strengths and weaknesses of the employees. During these meetings, personal development plans are determined in line with the long-term career goals and personal performances and potentials are evaluated in parallel to targets set at the beginning of the year.

In line with the new performance management approach, we determine the employees with high-performance and high-potential and prepare development plans

| Target Setting | → | Mid-Year Evaluation | → | End-of-Year Evaluation | → | Performance Evaluation System |
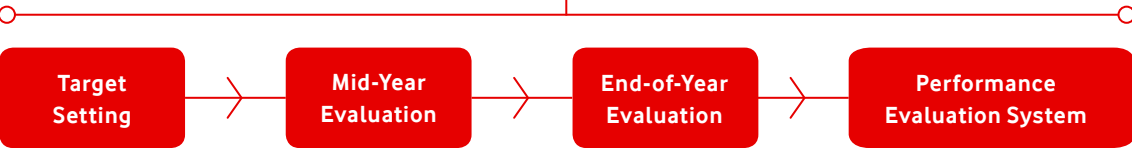
to support them in advancing their careers. Besides, all employees are still evaluated exclusive to each employee; and we share their strengths and weaknesses with the employees through face-to-face feedbacks. As a result of these evaluations, training requirements and supportive development practices are determined.

As part of Remuneration and Fringe Benefits policy, we apply a fair and competitive remuneration policy and offer fringe

benefits such as annual premium, sales premium, customer services premium, health insurance, life insurance, etc. in line with the roles and responsibilities of the employees to maintain the existing employee satisfaction and attract highly skilled talents. With the flexible fringe benefits, we offer employees the option to bend the existing benefits and replace the less-required ones with benefits satisfying the employees' personal requirements.

Vodafone Red Academy

Our goal is to become a global brand that adds value to the business world with the development opportunities we offer to our employees, stakeholders and people in line with the awareness that investing in people is the most valuable investment.

As the mobile communication technologies were integrated into our lives so fast, Red Academy, the development centre of Vodafone Turkey, continues its activities with the principle of enabling all Vodafone stakeholders to use these technologies. As an agile organisation with a particular focus on digital transformation, we update the training solutions we offer according to the new trends and future competences and continue to increase the number of digital training solutions and their effectiveness each day. We have our signature on the projects to enable our target groups including Vodafone Turkey

employees, employees of the distributors and business partners, university students and customers to use new technologies effectively. We reach 3,172 Vodafone, 9,500 distributor, 20,000 sub-distributor, 3,800 Call Centre employees, which amount to 35,000+ people, through these projects. Throughout 2017/18, we have provided 104,792 hours of training in total and 33 hours per employee in average. In addition to this, we have provided 14,280 hours of training in total and 13.34 hours per employee of our distributors and external business partners.

We have provided 33 hours of training per employee in average; and 13.34 hours per employee of distributors and external business partners of training per distributors and business partners' employee.

We offer each employee, who carries our corporate brand that we have created with our corporate values based on speed, simplicity and reliance principles, development opportunities to realise their potentials and support them during the digital transformation journey; and hence, develop practices that will carry our company's performance to higher levels.

We provide service with modern training methods in compliance with our company strategies and requirements of our employees; thus, proceed confidently to become a corporate university. We collaborate with 136 in-house trainers and several strategic development partners, which are essential parts of being a learning organisation, orient our new employees as fast as we can and focus on the development of specialties and competences of our existing employees. We invest in our talents, main elements in our business continuity, and raise our own leaders. As part of corporate social responsibility projects, we support different platforms with training and development activities in collaboration with

various foundations, universities and high schools.

In 2017, we launched the in-house coaching programme for our employees to broaden their horizons and enable them to benefit from the experiences of experts in their fields. Thus, we provided coaching programme for more employees.

In 2014, we established a development platform for all employees to benefit regardless of age, experience, department with the Corporate Mentoring Programme. 404 mentor and mentees have been involved in the programme by the end of the 2017/18 fiscal year. Moreover, we are also carrying out mentoring programme for women employees working in sales as part of Women Power in Sales Discover the Power in You Programme; mentoring programme for women students – employees and/or interns– as part of Women in Technology Programme; mentoring and reverse mentoring programme with a particular focus on digitalisation for Y-Generation employees with our executives as part of Digital Ninja Programme.

Employee

"The awareness of the employees on sustainability can be raised through in-house training and reward mechanisms."

Vodafone Volunteers

Vodafone Turkey Foundation attaches importance to include employees to the projects launched and to develop the subject projects with the ideas and suggestions of the employees. Vodafone Volunteers programme encourages employee development and create value for people.

As part of the programme, employees are entitled to two days paid volunteering leave each year to volunteer for our non-profit projects. Vodafone employees get the opportunity to actively partake in various project such as providing training at the youth workshops organised under Dreams Academy, mentoring women as part of Women First in Entrepreneurship programme, giving coding training to children as part of Coding Tomorrow project

and helping donation campaigns to support us in achieving our goal to build a better tomorrow.
The number of employees participating in the volunteering activities has increased and reached 540. Our long-term goal is to

As part of the Vodafone Volunteers programme, employees are entitled to two days paid volunteering leave each year to volunteer for our non-profit projects.

encourage all employees to participate in the Vodafone Volunteers programme and experience volunteering.
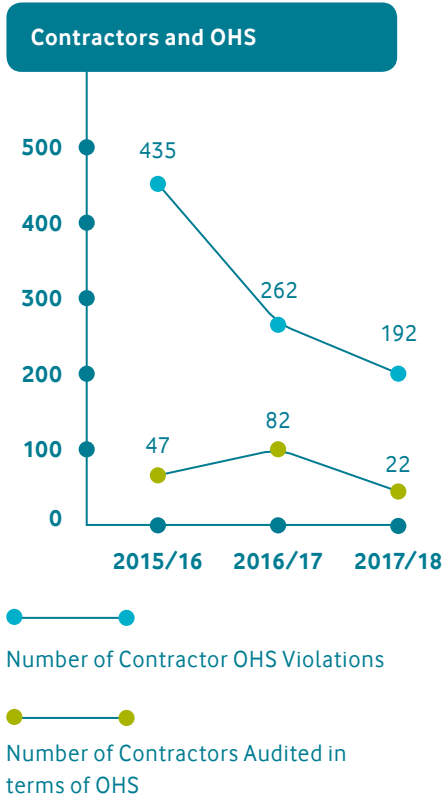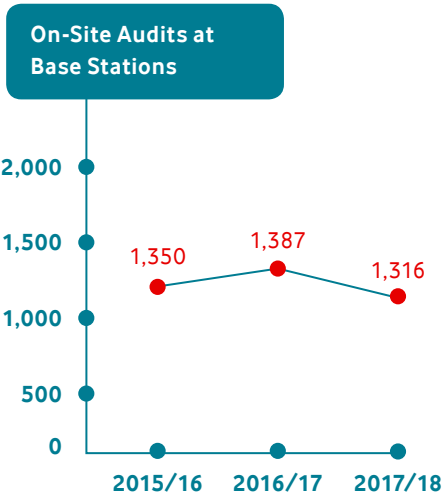
Occupational Health and Safety

We are committed to become a leader in telecommunications sector in terms of health, occupational safety and wellbeing to protect health and safety of the employees and create an ideal work environment. We follow Vodafone Health and Safety Management System and apply practices beyond legal requirements in line with our zero accident goal.

At Vodafone, health and safety issue is managed at the senior management level. As part of Vodafone Group Health and Safety Principles, health, safety, environment and well-being (HSE-W) issues are not considered as additional works to perform but managed as the most critical and inevitable part of the works. Our goal is to establish a robust health and safety culture, of which all employees, contractors and suppliers abide Health and Safety Principles while contributing to the application and development of these principles. Vodafone's 7 Absolute Rules on Health and Safety, established to minimise the risks in telecommunications sector and provide a safe work environment, shall be abided during all work processes.

We provide health and safety training to employees and contractors regularly. Throughout the fiscal year of 2017/18, we have provided totally 93,847 person*hour health and safety training.

We assess our contractors in detail in terms of health and safety before we bid at a tender and conduct an impact analysis. This year, we have assessed 22 main contractor companies in terms of health and safety as part of projects bearing high-risk works. We are awarded a contract following the tender period, we include Vodafone Health and Safety procedures, training standards, health and safety department requirement, sanctions regarding health and safety non-conformances and on-site health and safety audits to our contracts. Accordingly, we have held 1,316 site audits at the sites under the responsibility of our contractors throughout the fiscal year 2017/18 and the number of audits held since 2009 has reached 11,125. All of these audits were conducted while the employees were actively working at the site and employees were communicated one by one to raise awareness. Furthermore, in 2015, we launched a reward system called Team Leaders Incentive Scheme for our Maintenance Solution Partners to

On-Site Audits at Base Stations

	2015/16	2016/17	2017/18
	1,350	1,387	1,316

Contractors and OHS

	2015/16	2016/17	2017/18
Number of Contractor OHS Violations	435	262	192
Number of Contractors Audited in terms of OHS	47	82	22

encourage subcontractors to work safely. As of the end of 2017, we have presented rewards amounting TRY 75,500 to a total of 82 people, including team leaders and members, following our evaluations for working in compliance with health and safety rules.

In case of detecting any on-site OHS violation, we apply financial and/or administrative penalties; and we terminate the contract of the company if they continue violation or do not take corrective actions. Hence, the number of health and safety violations decreases every year. We define our goals considering various factors, including seasonal changes, adaptation period for new contractors, etc. Thanks to our health and safety management system, this year, the number of contractors' violations decreased 34%, compared to the fiscal year of 2016/17.

Emergency Management

We carry out activities to raise awareness to mobilise quickly and in time and help the community when a natural disaster or emergency occurs. We have defined natural disaster and emergency management procedures and built up teams in compliance with ISO 22301 standards. We have initiated a programme on emergency management with Solo Institute. We have continued to prepare risk analysis considering the headquarter and call centre buildings. In addition to the general evacuation drills, we also organised case-specific evacuation drills at these buildings by creating various emergency scenarios like epidemic, fire, etc.

Value Chain

Vodafone Esenyurt Data Merkezi

Vodafone Esenyurt Data Center
41°2'54.70"N - 28°40'56.08"E

Country: Turkey
City: İstanbul

Value Chain

Our products and services reach out to diverse stakeholder ecosystems. In this diverse ecosystem, our value chain approach is based on managing the impacts of our operations in the light of environmental, social and ethical issues. Hence, human rights and public health issues, which are also of great concern to the sector we operate in, stand out.

We are committed to respect to the rights of employees, customers and the individuals who are within our area of impact because of the supply chain, from production to management of processes through our value chain. We carry out our operations in line with this mentality and promote the goal of Decent Work and Economic Growth that covers preventing the illegal working conditions as child labour, violation of human rights, etc.

We are aware that the possible negative impacts of mobiles and masts on human health must be managed in the telecommunications sector; and hence, we carry out informative activities on this issue. Furthermore, we attach importance to receive the views of local people and authorities through stakeholder engagement. Our approach aligns with the goal of Peace, Justice and Strong Institutions which aims building effective, accountable and inclusive institutions at all levels.

Supply Chain

Our work processes are carried out together with several suppliers. We develop a robust supply chain management to maintain the high standards we have adopted. Whilst the rules and regulations that we defined enable us to manage the risks regarding the supply chain effectively, they also improve the quality of products and services offered; hence, increase competitiveness.

We adopt a mentality to develop and grow together with our suppliers. We support the development of our suppliers through the Vodafone Supplier Performance Management Programme for them to meet the standards of Vodafone in health and safety, quality, information security and technology. As part of the programme, we define development areas of the suppliers and encourage them to improve their performances on these areas.

We expect our suppliers to comply with Vodafone Code of Conduct, adopt Vodafone Code of Ethical Purchasing and hold their own suppliers accountable to the same high standards. We carry out site assessments to monitor the compliance of suppliers with these codes. We provide full support to all our suppliers to enable them manage environmental and social issues

in a responsible manner and offer safe and fair work conditions. As part of our Energy Management System Policy, which plays a key role in our plan to maximise our profitability, strengthen our competitiveness and offer our customers the highest quality products, we monitor our product and service purchases considering the environmental impacts. We organise informative activities to embed the awareness of our suppliers on health and safety and ethical rules.

We support the development of our suppliers through the Vodafone Supplier Performance Management Programme for them to meet the operation standards of Vodafone in various fields.

The Supplier Day

Since 2013, we have been organising The Supplier Day each year and host senior managements of 100+ main suppliers. During the event, we provide training on various issues such as Anti-corruption and Ethics, Commercial and Network Operations, Health and Safety, etc. The Supplier Day also helps us receive feedbacks from our suppliers on our company policies and practices.

Supplier Safety Forum

Every year, we organize Supplier Safety Forum with the suppliers that we have listed in the high-risk group. We share key information on health and safety during the Forum, where we also improve our dialogue with the suppliers during the interactive sessions.

At Vodafone, all suppliers are integrated to the Vodafone system (onboarding) if the qualifications criteria set by the Global Supplier Onboarding Team are fulfilled. Vodafone Turkey team works in collaboration with Vodafone India team throughout the onboarding process. As part of the process, Vodafone India contacts the supplier company to get information on the number of related personnel, services offered, previous similar work experiences, company's organisational structure, etc. and asks documents to validate the information, if required. Then, a scoring process is initiated in line with the information provided and the onboarding team approves the supplier considering their score, if not deemed high risk. The onboarding process is completed when the supplier's information is integrated to the system and once a supplier is onboarded, it is available in all Vodafone countries.

With the supply processes carried out in the fiscal year of 2017/18, Vodafone Turkey was presented an award as the top country in using the digital tools and that applies the best supply chain management practices in terms of health and safety during the Global Vodafone Supply Chain Management Summit attended by approximately 30 countries; and ranked the 15th in the list of top 50 Procurement Leader in Turkey, published by the Economist magazine.

Vodafone Turkey participated in the Tomorrow Street event, organised by Vodafone Procurement Company, of which the headquarters located in Luxembourg. Tomorrow Street hosts and supports suppliers under the categories of small- and medium-sized enterprises or start-ups to enable them to deliver their innovative ideas and products to the global arena. The event is attended by the senior public authorities and Vodafone senior executives. We have participated in the event with our supplier producing environmentally-friendly and energy-efficient cooling systems that we install to our masts; so that our supplier took the opportunity to globally introduce its products to all Vodafone countries.

Human Rights

We integrate respect for human rights throughout all our operations in the scope of **Guiding Principles on Business and Human Rights** that we are committed to. We respect the rights of individuals included in our supply chain and consider it our responsibility to prevent any violation of human rights.

We have developed our employment policy as part of Vodafone Code of Conduct and based on UN International Bill of Human Rights and International Labour Organisation fundamental conventions. Therefore, we consider it an inevitable part of our way of doing business to offer our employees a healthy and safe work environment and respect their rights and freedoms. All our suppliers are required to commit that they operate in compliance with the human rights, health and safety, ethics and environmental protection standards according to Vodafone Code of Ethical Purchasing. We closely monitor whether our suppliers fulfil these commitments.

Mobiles, Masts and Public Health

Management of issues derived from our operations including public health is an important part of our sustainability management approach. Therefore, we adopt an open and transparent attitude for public concerns. World Health Organisation (WHO) states that to date, no adverse health effects have been established as being caused by mobile phone use based on several scientific researches.[13]

We address the possible negative impacts of the telecommunications sector on the health of the public, including our customers, employees, local people residing at the areas we operate in, subcontractors, as part of our corporate strategy. We developed a policy and plan regarding the EMF, which is managed by an expert team. It is our vision in this matter to respond to the concerns of our stakeholders about mobiles and masts and to demonstrate leading-edge practices regarding EMF. We provide training to our employees and suppliers and transfer our information on EMF and strive to raise awareness of customers and stakeholders on the issue through various means of communications. We publish scientific information regarding EMF on our website, erect information signs and boards at our sites regarding EMF and carry out site audits according to our EMF policy.

World Health Organisation (WHO): Scientific studies state that to date, no adverse health effects have been established as being caused by mobile phone use.

[13] World Health Organisation

Information Security

Information security and privacy is among the prominent risks in digitalisation. As a company operating in telecommunications and technology sector, management of information security risks is among the significant issues considered in our value chain. Thus, we take inclusive steps in compliance with the international standards.

We protect personal information, mobile communication information and credit card information in compliance with the ISO/IEC 27001 Information Security Management System and PCI-DSS security standards set out by PCI Security Standards Council.

We continue our operations initiated in 2016 as part of Law on Protection of Personal Data. We inform our customers related to privacy through our website, sales channels and customer relations services and offer them channels to apply at Vodafone to get informed and apply regarding personal data. We provide awareness training to our employees, sales channels and customer channels on protection of personal data. We develop new products considering the privacy principles at the design phase.

We do not only follow up our operations in terms of information security and privacy, but also the performance of our suppliers and inform them how they should improve themselves. We informed our business partners and included Data Processing Addendum (DPA) to their contracts and received their privacy controls during the audits.

As part of information security, we established Vodafone Turkey Corporate Access Management structure to administer the authorisations on critical systems more efficiently and integrate business units other than the technical teams to the process. Therefore, authorisation requests/authorisation review processes of some applications, databases and operation systems were transferred to this structure. Thanks to this structure, the roles were assigned and review periods were defined for managers to review the authorisations of the employees reporting to them and the principles of Separation of Duties (SoD) were defined and applied. Our goal is to increase the areas of use with new integrations.●

Annexes

Memberships

Association of Intelligent Transport Systems (AUSDER)
Association of Accumulator and Recycling Industrialists (AKÜDER)
Information Security Association
United Brands Association (BMD)
United Nations Global Compact (UNGC)
Call Centres Association (ÇMD)
ÇEVKO Foundation
Foreign Economic Relations Board (DEİK)
Foreign Economic Relations Board, Turkish-British Business Council (DEİK TİİK)
GSM Association (GSMA)
Endeavor Turkey
The Union of Access Providers (ESB)
Global Relations Forum (GRF)
IAB Turkey
Istanbul Chamber of Commerce (İTO)
World Business Council for Sustainable Development (SKD/TBCSD)
Chain Stores Association (KMD)
Mobile Telecommunications Operators Association (MTOD)
Payment and Electronic Money Institutions Association (ÖDED)
Private Sector and Volunteers Association (ÖSGD)
PERYÖN People Management Association of Turkey
Turkish Advertisers Association (RVD)

TEGEP
Turkish Competitive TELCO Operators Association (TELKODER)
Association of Businessmen of Satellite Electronic and Communication Sector (TUYAD)
TOBB Young Entrepreneurs Committee (TOBB GGK)
TOBB Telecommunication Council
Turkish Industry and Business Association (TÜSİAD)
Informatics Association for Turkey
Turkish Informatics Association (TBV)
Turkish Public Relations Association (TÜHİD)
Turkish Business Women's Association (TİKAD)
Women Entrepreneurs Association of Turkey (KAGİDER)
Turkish Quality Association (KALDER)
Third Sector Foundation of Turkey (TÜSEV)
The British Chamber of Commerce of Turkey (BCCT)
Women Corporate Directors (WCD)
YASED International Investors Association

Environmental Performance Indicators

Energy Consumption	2015/16	2016/17	2017/18
Total Energy Consumption (GJ) Technology Centres	254,358	272,387	272,376
Total Energy Consumption (GJ) Masts	1,541,628	1,554,385	1,571,225
Office buildings (GJ)	57,877	58,685	56,657
Vehicles fuel (GJ)	50,780	49,872	51,519
Total (GJ)	1,904,643	1,935,328	1,951,777

Water Consumption	2015/16	2016/17	2017/18
Total Water Consumption - Network Water (m^3)	49.577	45.792	41.659

Waste Amount	2015/16	2016/17	2017/18
Total Non-Hazardous Waste Amount (tons)	1,067	965	814
Total Hazardous Waste Amount (tons)	1,095	1,995	1,444
Total (tons)	2,162	2,960	2,258

Recycled Waste Amount (kg)	2015/16	2016/17	2017/18
Paper	18,650	11,353	12,029
Plastics	6,645	2,267	3,188
Domestic Waste*	-	-	230,00
Other (glass, metal etc.)**	6,475	100	-
Total (kg)	31,770	13,720	15,447

Greenhouse Gas Emissions *** (tons CO$_2$-equivalent)	2015/16	2016/17	2017/18
Scope 1	17,348.7	15,686.8	18,128.9
Vehicles	3,820.3	3,747.4	3,873.1
F-Gases	10,191.3	7,444.7	9,589.6
Fuels Used Inside the Buildings	307.3	316.5	370.9
Generators (diesel- + gasoline-powered)	3,029.8	4,178.2	4,295.3
Scope 2	276,791.8	248,518.1	260,143.1
Power Consumption at the Masts	230,479.2	204,945.1	215,268.0
Power Consumption at the Telephone Exchange and Data Centres	38,405.7	36,479.3	37,944.2
Power Consumption at the Office Buildings	7,906.9	7,093.6	6,930.8
Scope 3	5,137.3	2,973.5	2,638.2
Service Vehicles	3,981.3	1,412.1	1,238.9
Travels by Planes	1,156.0	1,561.4	1,399.3
Total	299,277.8	267,178.4	280,910.2

* The 2015/16 and 2016/17 domestic waste data could not be verified due to the change of contractor and thus relevant data is not given.

** The 2017/18 other waste data could not be verified due to the change of contractor and thus relevant data is not given.

*** Principles on Reporting

Our greenhouse gas emissions are calculated according to WRI / WBCSD's Greenhouse Gas Protocol methodology. In the calculations, CO_2 equivalent factors consisting of CO_2, CH_4, N_2O and HFCs (refrigerant gas) emissions were used. Global warming potential (GWP) coefficients are taken from the IPCC 5th Assessment Report. The sub-thermal values and TOE conversion coefficients of the energy resources used are taken from the tables in the regulation on "Increasing the Efficiency of Energy Resources and Energy in the Use of Energy", published in the Official Gazette dated 27 October 2011 and numbered 28097.

1 kcal = 4.184 kJ, 1 GJ = 0.2777 MWh.

For the calculation of the greenhouse gas resulting from electricity consumption, the updated TEİAŞ (Turkish Electricity Transmission Corporation) data are used.

Social Performance Indicators

Number of Employees by Gender	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
Number of Employees	1,374	1,942	1,397	1,901	1,324	1,848

Number of Employees by Term of Employment	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
0-5 Years	753	928	767	878	714	874
5-10 Years	250	426	251	442	253	410
≥10 Years	371	588	379	581	357	564

Number of Employees at the Senior Management by Gender and Age	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
<30 Years Old	6	2	6	3	6	4
31- 49 Years Old	197	455	212	451	229	439
>50 Years Old	-	12	2	18	1	22

Employee Distribution by Educational Background	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
Elementary School	-	1	-	1	1	1
Secondary School	-	-	-	-	1	-
High School	296	416	264	333	235	314
2 and 3 Years of Vocational High-School	229	183	212	164	182	156
4 Years of University	756	1,186	823	1,253	811	1,225
Master Degree	93	153	98	146	94	148
Post Graduate	-	3	-	4	-	4

Number of Employees on Parental Leave by Gender	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
Number of Employees at Parental Leave	79	85	79	84	68	89
Number of Employees Returning to Work After Parental Leave	79	85	77	84	68	89

Employee Turnover by Gender and Age	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
<30 Years Old	75	90	96	56	86	61
31-49 Years Old	56	92	58	92	59	129
>50 Years Old	-	6	-	5	3	3
Total Number of Employees Left Throughout the Year	131	188	154	153	148	193

Number of New Recruits by Gender and Age	2015/16		2016/17		2017/18	
	Female	Male	Female	Male	Female	Male
<30 Years Old	187	121	215	101	126	117
31-49 Years Old	120	188	92	146	81	128
>50 Years Old	-	1	-	1	-	1
Total Number of New Recruits	307	310	307	248	207	246

	2015/16		2016/17		2017/18	
Number of Employees subject to Performance Evaluation by Gender and Age	Female	Male	Female	Male	Female	Male
Number of Employees subject to Performance Evaluation	1,412	1,991	1,389	1,882	1,369	1,889

	2015/16		2016/17		2017/18	
Number of Employees with Disabilities by Gender	Female	Male	Female	Male	Female	Male
Total Number of Employees with Disabilities	13	41	11	40	15	49

Employee Training	2015/16	2016/17	2017/18
Total Training Hours	137,456	130,760	104,792
Training Hour per Employee	35.5	35	33
Total OHS Training	-	-	95,626

Independent Assurance Statement

KPMG

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Independent Assurance Statement

To the Management of Vodafone Turkey

We were engaged by Vodafone Telekomünikasyon A.Ş. (hereinafter "Company" or "Vodafone") to provide limited assurance on the "Selected Information" as defined in Appendix 1 of this Sustainability Report (hereinafter "the Report").

The report has been prepared by Vodafone for the year ended 31 March 2018 ("FY 2017-2018") and is presented in accordance with Vodafone's internally developed reporting criteria based on the 'core' option of GRI Standards published by Global Reporting Initiative ("GRI") as detailed in the Chapter "About the Report".

Scope and Boundary and Limitations

The boundary of the report covers Vodafone's sustainability performance of its operations in Turkey along with exclusions as stated in the 'About the Report' section of this Report. The limited assurance was provided on the economic (excluding financial), environment, and social performance indicators and information provided by Vodafone for the FY 2017- 2018.

The scope of our assurance is limited to review of the Selected Information listed below:

- Vodafone's Materiality Assessment
- Vodafone GHG emissions: Scope 1 Direct GHG Emissions
- Vodafone GHG emissions: Scope 2 Indirect GHG Emissions
- Women Employee Ratio:
  - Number of women employees
  - Number of women employees on F band and above
  - Number of employees in the Women in Technology Internship Program
  - Number of employees in the Women in Sales Internship Program
  - Number of employees under ReConnect recruitment
- Young Professionals recruitment practices and numbers:
  - Number of young people gaining experience of Vodafone's digital workplace through apprenticeships
  - Number of young people gaining experience of Vodafone's digital workplace through internships
  - Number of young professionals participating in Vodafone for the first work experience
  - Number of employees covered by Discover Young Talent Programme
  - Number of young people (under 25) directly hired by Vodafone
- International mobility programs:
  - Number of participants of Global Columbus Exchange Program

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a Turkish corporation and a member firm of the KPMG network of independent
member firms affiliated with KPMG International Cooperative, a Swiss entity.

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Our assurance process was subject to the following limitations:

- Verification of the data or information provided at the Vodafone's Corporate Office in Istanbul
- Verification of data or information covered in the scope of work

We have not been engaged to:

- Verify any statement indicating intention, opinion, belief and / or aspiration of Vodafone
- Determining which, if any, recommendations should be implemented

Management's Responsibilities

Vodafone's Management is responsible for the preparation and presentation of the Report for the Selected Information in accordance with the Vodafone's internally developed criteria based on the 'core' option of GRI Standards as described in Appendix 1 of the Report, and the information and assertions contained within it; for determining the Vodafone's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

The Management is responsible for preventing and detecting fraud and for identifying and ensuring that Vodafone complies with laws and regulations applicable to its activities.

The Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and the Selected Information are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement. We also conducted our engagement in accordance with AA 1000 Principles for the assurance for the process followed by Vodafone for its overall materiality assessment.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Procedures performed

A limited assurance engagement on a Selected Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of Vodafone's processes for determining the material issues for Vodafone's key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Selected Information.
- Comparing the information presented in the Selected Information to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Selected Information.
- Reading the information presented in the Selected Information to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Vodafone.
- Assessment of data reliability and accuracy.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Selected Information may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Selected Information, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected Information as defined in Appendix 1 of the Report of Vodafone for the year ended 31 March 2018 is not presented, in all material respects, in accordance with the Vodafone's internally developed reporting criteria as explained in Appendix 1 of the Report including adherence to the AA1000 AS (2008) and AA 1000 Principles of inclusivity, materiality and responsiveness.

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In accordance with the terms of our engagement, this independent limited assurance report on the Selected Information has been prepared for Vodafone in connect with reporting to Vodafone and for no other purpose or in any other context.

Under separate cover, we will provide Vodafone management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

As per AA1000 AS 2008 principles

In relation to the Inclusivity principle

Vodafone has identified its key stakeholder groups based on the level of influence & impact the Company has on these stakeholder groups. Vodafone has partnered with various external stakeholder groups with the objective of enhanced value creation. The key concerns by stakeholders and Vodafone's response to these concerns have been fairly represented in the Report. Vodafone can consider increasing the sample size of the individual stakeholders for its next Sustainability report and consider conducting an introductory workshops for key groups to ensure the quality of the responses.

In relation to the Materiality principle

Vodafone has reported on their identified material issues across economic, environmental and social aspects. The methodology of materiality determination used for the Report considers the perspectives of senior representatives from various functions at Vodafone and various stakeholder groups. The Company has responded to the material issues by disclosing its performance in the report. The material issues have been reorganized for better communication and stakeholder understanding. Vodafone can consider continuing with this process and works to develop a more detailed analysis of the issues that turned out to be critical.

In relation to the Responsiveness principle

Vodafone has identified its various stakeholder groups and the engagement mechanism for each of them along with their concerns. Vodafone responds to concerns raised by stakeholder groups through structured engagement channels at periodic intervals. Vodafone has also provided information on specific actions through disclosure of performance. Vodafone can consider integrating the responses of the concerns for the identified material issues in the organization's sustainability strategy and overall governance strategy.

Our Observations

- There were errors observed in the calculation and representation of the data and have been corrected at the same time of assurance.
- The data management systems and internal verification processes in place for Vodafone's sustainability performance indicators can be improved upon, especially for monitoring Scope 1 direct energy consumption

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Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Vodafone, for any purpose or in any other context. Any party other than Vodafone who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Vodafone for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of KPMG International Cooperative

Şirin Soysal,
Partner
İstanbul, 10 December 2018

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268

Appendix 1

Appendix - I

This section is the guidelines applied for the indicators in scope of limited assurance as explained in the table below. The data reported for each indicator is for the year ended March 31, 2018. The reporting covers Vodafone Turkey's operations in Turkey.

Underlying Subject Matter	Reporting Guidelines	The selected information
Vodafone GHG Emissions: Scope 1 Direct GHG Emissions and Scope 2 Indirect GHG Emissions (tons CO_2-equivalent)	Vodafone's gas emissions are calculated according to WRI / WBCSD's Greenhouse Gas Protocol methodology. In the calculations, CO_2 equivalent factors consisting of CO_2, CH_4, N_2O and HFCs (refrigerant gas) emissions were used. Global warming potential (GWP) coefficients are taken from the IPCC 5th Assessment Report. The sub-thermal values and TOE conversion coefficients of the energy resources used are taken from the tables in the regulation on "Increasing the Efficiency of Energy Resources and Energy in the Use of Energy", published in the Official Gazette dated 27 October 2011 and numbered 28097.

Distribution from sources causing greenhouse gas emissions are as follows: Scope 1: Leased vehicles, F-gases used in air conditioners, fuel used in buildings, diesel and gasoline generators used in base stations in emergencies. Scope 2: Electricity consumption. Energy consumption of all buildings, switching sites and data centers, base stations, vehicle fleets, and generators under the control of Vodafone is monitored regularly. These data are also included in the energy consumption data given in the report. | Scope1: 18.129 Scope 2: 260.143 |
| Materiality Analysis (AA1000 AS) | We included the views of all stakeholder groups to our report through the stakeholder analysis. We were able to get the opinion and expectations of the management through face to face and focus group meetings, evaluate the strategic areas guiding the company. We also included the indicative trends in the global agenda as well as our sector, besides the issues set forth by the international organizations such as Global e-Sustainability Initiative (GeSI), United Nation Sustainable Development Solutions (UNSDSN), Shared Value Initiative and global sustainability indices with the global trend analysis. AA1000SE Stakeholder Engagement Standard was used as a reference to conduct the stakeholder engagement process. For details, please see Vodafone | |

	Turkey's Material Issues section on pages 27-29.	
Total number of women employees	The number of female employees working at Vodafone as of 31 March 2018.	1324
Number of women employees on F band and above	The number of female employees on F band and above working at Vodafone as of 31 March 2018.	59
Number of employees in the Women in Technology Internship Program	Number of women employees in the Women in Technology Internship Program, who are studying at the universities' engineering faculties and working in technology related departments.	12
Number of employees in the Women in Sales Internship Program	Number of women employees in the Women in Sales Internship Program, who are studying at the universities' related faculties and working in sales related departments.	9
Number of employees under ReConnect recruitment	Number of women employees under ReConnect recruitment which includes the women who had a break in their career for at least 1 year due to special reasons such as marriage, maternity leave, education etc.	7
Number of young people gaining experience of Vodafone's digital workplace through apprenticeships	Number of employees who gained experience in apprenticeship program.	15
Number of young people gaining experience of Vodafone's digital workplace through internships	The number of interns at Vodafone between 1 April 2017 and 31 March 2018.	161
Number of young professionals participating in Vodafone for the first work experience	Number of new graduates who have no work experience other than internship.	215
Number of employees covered by Discover Young Talent Program	The number of employees under the new graduation recruitment program designed for young graduates or young people with maximum 1 year experience.	41
Number of young people (under 25) directly hired by Vodafone	Number of young people including interns (under 25) directly hired by Vodafone.	226
Number of participants of Global Columbus Exchange Program	The number of participants in the Global Columbus Exchange Program between April 1, 2017 and March 31, 2018.	2

GRI Content Index

GRI Standard	Disclosure	Page Number/ Link
GRI 101: Foundation 2016		
General Indicators		
GRI 102: General Disclosures 2016	**Organizational Profile**	
	102-1	4
	102-2	4, 5
	102-3	Vodafone Plaza, Büyükdere Cad. No: 251, Maslak 34398, Istanbul
	102-4	4
	102-5	All shares of Vodafone Turkey Group of Companies are owned by Vodafone Group Plc.
	102-6	4
	102-7	5, 6
	102-8	5, 47, 61, 62
	102-9	55-57
	102-10	During 2017/18 fiscal year, there were no significant changes regarding size, structure, ownership, or supply chain.
	102-11	6, 7
	102-12	59
	102-13	59

GRI 102: General Disclosures 2016	**Strategy**	
	102-14	3
	102-15	6, 7, 57
	Ethics and Integrity	
	102-16	7, 56
	102-17	7
	Governance	
	102-18	6
	102-19	6
	102-20	6
	Stakeholder Engagement	
	102-40	14
	102-41	Although Vodafone Turkey employees are not unionized, we respect the right of collective bargaining.
	102-42	14
	102-43	14
	102-44	14, 15

GRI 102: General Disclosures 2016	Reporting Practice	
	102-45	4
	102-46	4, 15
	102-47	15
	102-48	There were no restatements.
	102-49	14, 15
	102-50	4
	102-51	1 April 2016 - 31 March 2017
	102-52	Sustainability Report is published annually.
	102-53	4
	102-54	4
	102-55	67-71
	102-56	63-66

GRI 200: Economic Standard Series 2016		
Economic Performance		
GRI 103: Management Approach 2016	103-1	5
	103-2	5
	103-3	5
GRI 201: Economic Performance 2016	202-1	47

Market Presence		
GRI 103: Management Approach 2016	103-1	47
	103-2	47
	103-3	47
GRI 202: Market Presence 2016	202-1	47
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1	6, 13, 15
	103-2	6, 13, 15
	103-3	6, 13, 15
GRI 203: Indirect Economic Impacts 2016	203-1	55-57
	203-2	6, 56, 57
Anti-corruption		
GRI 103: Management Approach 2016	103-1	6, 7
	103-2	6, 7
	103-3	6, 7
GRI 205: Anti-corruption 2016	205-1	6, 7
	205-2	6, 7

GRI 300: Environmental Standards Series		
Energy		
GRI 103: **Management Approach 2016**	103-1	15, 36-44
	103-2	15, 36-44
	103-3	36-44
GRI 302: Energy 2016	302-1	43, 44, 60
	302-3	43, 44, 60
	302-4	43, 44, 60
Water and Effluents		
GRI 103: **Management Approach 2016**	103-1	44
	103-2	44
	103-3	44, 60
GRI 303: **Water and Effluents 2018**	303-3	60
	303-5	44, 60
Emissions		
GRI 103: **Management Approach 2016**	103-1	15, 43, 44
	103-2	43, 44
	103-3	43, 44, 60
GRI 305: Emissions 2016	305-1	60
	305-2	60
	305-3	60

Supplier Environmental Assessment		
GRI 103: **Management Approach 2016**	103-1	55, 56
	103-2	55, 56
	103-3	55, 56
GGRI 308: **Supplier Environmental Assessment 2016**	308-1	55, 56
	308-2	55, 56
GRI 400: Social Standards Series		
Employment		
GRI 103: **Management Approach 2016**	103-1	47
	103-2	47
	103-3	47, 61, 62
GRI 401: **Employment 2016**	401-1	61
	401-2	51
	401-3	61
Labour/Management Relations		
GRI 103: **Management Approach 2016**	103-1	47
	103-2	47
	103-3	47
GRI 402: **Labour/Management Relations 2016**	402-1	Minimum legal notice periods are applied regarding operational changes.

Occupational Health and Safety

GRI 103: Management Approach 2016	103-1	53
	103-2	53
	103-3	53, 62
GRI 403: Occupational Health and Safety 2018	403-1	53
	403-2	53
	403-3	53
	403-4	53
	403-5	62
	403-7	53
	403-8	53

Training and Education

GRI 103: Management Approach 2016	103-1	50-52
	103-2	50-52
	103-3	50-52
GRI 404: Training and Education 2016	404-1	50-52, 62
	404-2	50-52, 62
	404-3	51, 62

Diversity and Equality Opportunity

GRI 103: Management Approach 2016	103-1	47-49
	103-2	47-49
	103-3	47-49, 61
GRI 405: Diversity and Equality Opportunity 2016	405-1	6, 47-49, 61
	405-2	There is no gender based discrimination in renumeration.

Supplier Social Assessment

GRI 103: Management Approach 2016	103-1	55, 56
	103-2	55, 56
	103-3	55, 56
GRI 414: Supplier Social Assessment 2016	414-1	55, 56

Customer Health and Safety

GRI 103: Management Approach 2016	103-1	56
	103-2	56
	103-3	56
GRI 416: Customer Health and Safety 2016	416-1	56

Customer Privacy

GRI 103: Management Approach 2016	103-1	57
	103-2	57
	103-3	57
GRI 416: Customer Privacy 2016	418-1	57

Material Topics That Are Not Covered by the GRI Standards

Technological Innovation

GRI 103: Management Approach 2016	103-1	18, 19, 37-41
	103-2	18, 19, 37-41
	103-3	18, 19, 37-41

Digital Customer and Employee Experience

GRI 103: Management Approach 2016	103-1	18, 19, 37-41
	103-2	18, 19, 37-41
	103-3	18, 19, 37-41

Women's Empowerment

GRI 103: Management Approach 2016	103-1	13, 15, 22-25
	103-2	13, 15, 22-25
	103-3	13, 15, 22-25

Youth Skills and Jobs

GRI 103: Management Approach 2016	103-1	13, 28-33
	103-2	13, 28-33
	103-3	13, 28-33

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