Vodafone in Spain Integrated Report 2019-20

We connect for a
better future

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Presentation

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1.1 Interview of the Chairman and Chief Executive Officer

António Coimbra
Chairman and CEO

First and foremost, I would like to welcome you to Vodafone's Integrated Report for financial year 2019-20 (1st April 2019 to 31st March 2020), which presents the company's key financial and non-financial information about its strategy, achievement of business objectives and its contribution to sustainable development, all on an aggregate basis. This Report offers a suitable response to many issues, but let me summarize some of them in this welcome message.

Vodafone, a Company with a Purpose

We have always been keenly aware that new communication technologies are an opportunity to encourage innovation and foster digital transformation, both of which are cornerstones of the changes that society is going through. And it is precisely right now, when we are faced with a crisis of the COVID-19 kind, that companies have to explicitly demonstrate their values and principles. Vodafone's purpose "We connect

for a better future" is to make our services and innovative solutions useful and have a positive impact on the lives of people, businesses and communities. That is why, now more than ever, we must live up to the expectations of our employees, customers and society as a whole to help responsibly manage this social and economic crisis.

What have been the sector's main trends and Vodafone's main responses to the current state of affairs?
Over the last year, we have geared our efforts towards designing a plan and a new strategy oriented to growing again, but also on repositioning ourselves and preparing ourselves to compete successfully in a complex and changing market environment.

Thus, we have consistently executed the structural transformation together. For instance, we have simplified our pricing, adjusted our prices to be more competitive in all segments, and boosted our Lowi brand for the low-end segment. We have launched the Spanish market's first unlimited data tariffs (today we have more than 2.4 million lines). We have moved out of one segment, namely football (which was not profitable) while reinforcing our commitment to content in films and series, becoming the largest aggregator of this type of content, faithful to our DNA as an innovative, pathbreaking company. We have moved one step ahead of all our competitors by becoming the only operator to offers 5G in 17 cities. We have brought in a new, leaner, more digital and customer-centric organizational model, committed to digital transformation and online transactions. We have sought maximum efficiency through a mobile network sharing agreement that offers more than €600 million in Opex and Capex savings for the next 10 years.

Finally, Vodafone's solid consolidation in the SME, Corporate and Public Administrations sectors, where we won major large tenders, has also played a key role in driving our growth.

How has Vodafone coped with the COVID-19 crisis?
As a communications provider, we announced a plan with proposals to help respond to the crisis: maintain our quality of service, provide network capacity and services to cover the most critical functions, facilitate smart working and provide information to the government on population movements in affected areas. We also offered special terms and conditions to customers and suppliers.

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In addition, our Foundation reinforced its commitment to vulnerable groups through different agreements such as the RESPONDE plan together the Red Cross. Besides, we have provided 30,000 SIMS to hospitals, senior citizens' homes and students without Internet access to guarantee their connectivity.

At the same time, the Vodafone Spain Foundation donated €300,000 to the Spanish Red Cross, the ONCE Foundation and Save The Children.

What are Vodafone's priorities in the sustainable development framework?

All of us at Vodafone responsibly accept the role we have to play, as a company, in contributing to the sustainable development of society, because on top of being an economic engine, we are an agent of change, both by promoting ethical and responsible behaviour in our own activities and our value chain, and through the social and environmental benefits associated to our technology, products and services.
At the same time, we are all too aware that the size of the social and environmental challenges facing society means that it is essential that we work side-by-side with other agents, such as Public Administrations, third-sector institutions, etc.
That is why our Strategic Sustainable Business Framework is aligned both with our Purpose and Business Strategy and with the main national and international agreements that we have signed: the UN Sustainable Development Goals or the Global Compact Principles, an initiative of which we are a signatory. In this report, we renew our commitment to complying with the 10 Global Compact Principles, and we outline our main sustainable development-related initiatives currently underway, as well as our economic, social and environmental contribution in Spain.

How is Vodafone encouraging society and its customers to go digital?

Through an ongoing commitment to innovation. Throughout 2019-20, we have consolidated our leadership in mobile networks and put the fastest 5G connection within our customers' reach. As part of our 'Digital Society' purpose, one of the main goals we set ourselves for the year was to make technology serve customers, to help them make their lives easier, healthier and more connected. And we have done just that. At launch, 5G coverage, especially oriented to city and business centres, reached approximately 50% of the population of the 17 cities included, and is being expanded steadily.

How does Vodafone contribute to its inclusion-for-all vocation?

At Vodafone we are convinced that the digital future must be accessible to everyone, without forgetting the vulnerable groups, and we are committed to society to ensure that all of them are included.

Through our technology and from our foundations as a company, we work to minimize existing gaps and help people to contribute fully and equally to society, both in terms of young people's employability, the inclusion of women in the workplace, the employment of people with disabilities, and in promoting the development of digital skills to identify the gap between future jobs and the work needs of new generations.
Not to forget our Vodafone Foundation which, during 2019-20, allocated €3.8 million to social purposes and which celebrated its 25th anniversary in November 2019.

How has Vodafone performed environmentally?

If, as I said before, people are a fundamental asset for us, in the same way we maintain a clear and determined commitment to caring for the planet on which we all have to live.
Respect for the environment entails doing business responsibly, minimizing the environmental footprint of its operations and helping its customers and society to be more efficient.
To this end, the company has energy efficiency schemes in place and encourages smart working and the circular economy, while working on products and services that have enabled it to directly and indirectly avoid the emission of 656,924 tons of carbon this last financial year. Another fact is that 35%-plus of the energy we use has come from renewable sources and a project is underway to ensure that, from 1st January 2021, all the electricity Vodafone buys comes from renewable sources.

What are Vodafone's key challenges for the next few years?

Having witnessed everything that has gone on this year, including the socio-health crisis of these last months, I believe that the telecommunications has proven to be critically important, both strategically and socially. Over the next few years, we must move away from a market in which "the more operators, the better" approach is not valued so much, and instead we must advocate a "the more better operators, the better" approach.
We will keep on working to have the best network, because a good network helps us to work, to study, to entertain ourselves and to communicate. It helps us to maintain the social and economic fabric of a country, but also to guarantee our capacity for transformation and our strength to tackle the challenges of the future in which 5G will have a key role to play.
This Integrated Annual Report for 2019-20 is intended to be a true reflection of everything that we have done and of what awaits us, and I sincerely trust that you find it interesting.

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1.2 Profile and scope of the Report

Scope

- All the **(financial and non-financial) information and figures** of the business of **Vodafone in Spain** shown in this Integrated Report are displayed on an aggregate basis. Accordingly, any reference to "Vodafone" will be construed as referring to the companies that form the Vodafone Group in Spain. In this respect, chapter 2: 'Vodafone Spain at a glance' describes the Shareholding structure of the Company. [2]
- This report publishes the data for the **Vodafone Group companies in Spain**.
- Pursuant to Law 11/2018, the **Non-Financial Information and Diversity Statements of Vodafone España S.A.U. and Vodafone Ono S.A.U.** are available on the corporate web.
- The **Annual financial statements** included in Chapter 9 are the externally audited financial statements of the Vodafone Group's two main operating companies in Spain (**GRI 102-45**):
  - Vodafone España, S.A.U.
  - Vodafone Ono, S.A.U.

For further non-financial information about Vodafone, visit our web www.vodafone.es/sostenibilidad
This Integrated Annual Report has been approved by the Vodafone Steering Committee.

Meaning of symbols included in this report:

- Supplementary information to be found in Chapter N of the Report.
- Additional information to be found on the Vodafone web.
- Information that is available on Internet.

Criteria

The following **criteria** have been taken into account in **drafting** the Report, both in terms of the scope of its content and in terms of the definition and quality of the information: [8]

- The framework defined by the International Integrated Reporting Council in its <IR> Framework.
- The Standards laid down by Global Reporting Initiative (GRI).
- The Principles of the AccountAbility Standard AA1000 AP
- The 10 Principles established in the United Nations Global Compact as well as the Sustainable Development Goals (SDG) established by the UN in 2015.
- Law 11/2018, of 28th December, on Non-Financial Information and Diversity.

The Report's disclosures and indicators regarding the Standards laid down by GRI and AA1000 AP guidelines have been assured by an independent auditing firm (KPMG). [8]

This Report has been produced according to the **Comprehensive** option of the **GRI Standards**. What's more, the report has undergone the GRI **Materiality Disclosure Service**. For the Materiality Disclosures Services, GRI Services has checked that the GRI Table of Contents is clear, and that the references for contents 102-40 to 102-49 match the specified sections of the report. [8]

Since 2012, Vodafone is a signatory to the **U.N. Global Compact**. The **Communication on Progress** of Compliance with its 10 Principles and its relationship with the SDGs and GRI Standards can be consulted in this report. [8]

This Integrated Report meets the requirements of the Global Compact Progress Report (CoP) and the criteria for obtaining the **'Advanced Level',** attributed to companies that have implemented and communicated best practices regarding the integration of the 10 Global Compact Principles into their management.

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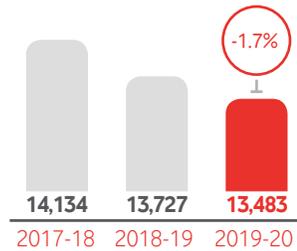
1.3 Key Indicators

Summarized below are the changes in the main indicators that represent the Value Creation of Vodafone in Spain applying the "Capitals Model" of the IIRC's <IR> Framework.
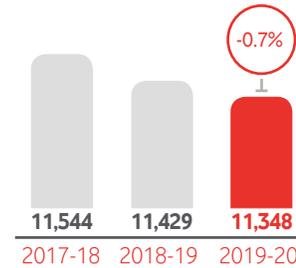
⌖ OPERATIONAL
Focused on the provision of electronic communication services for fixed telephony, Internet access and audio-visual communication services.

Nº Mobile Customers (000's)

-1.7%

2017-18	2018-19	2019-20
14,134	13,727	**13,483**

Nº Contract Mobile Customers (000's)

-0.7%

2017-18	2018-19	2019-20
11,544	11,429	**11,348**

Nº 4G Customers (000's)

+5.6%

2017-18	2018-19	2019-20
8,874	9,462	**10,000**

Nº Fixed Broadband Customers (000's)

-1.4%

2017-18	2018-19	2019-20
3,340	3,217	**3,172**
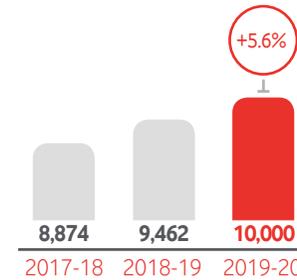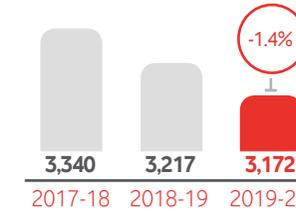
Nº of Vodafone TV Customers (000's)

+7.1%

2017-18	2018-19	2019-20
1,360	1,311	**1,404**
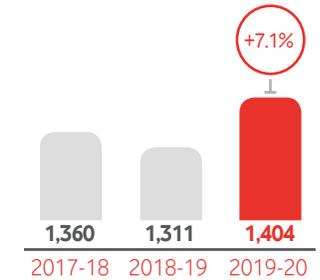
Nº of Mobile Network Elements

+1.1%

2017-18	2018-19	2019-20
63,354	65,566	**66,288**
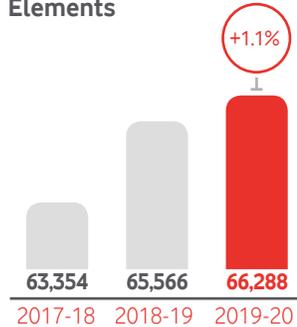
Building units with fiber (million)

+11.6%

2017-18	2018-19	2019-20
20.5	22.4	**25**

Active M2M cards (000's)

+20.8%

2017-18	2018-19	2019-20
1814	2,235	**2,700**
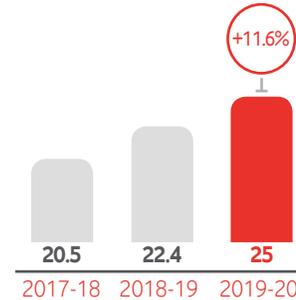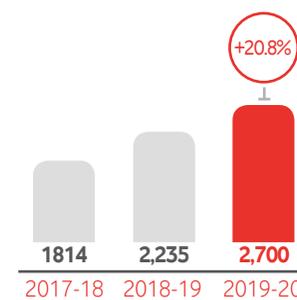
Machine to Machine Connections.

Own and Managed Points of Sale

■ Own   ■ Managed

	2017-18	2018-19	2019-20
Own	33	33	**33**
Managed	861	844	**644**
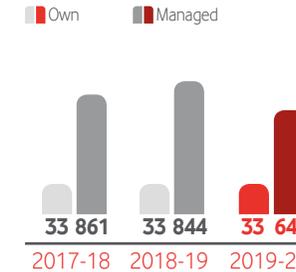
There are also 157 Managed spaces in the Major Retail Outlets and El Corte Inglés.

Nº of Destinations with roaming agreements

■ 2G/3G   ■ 4G   ■ 5G

	2017-18	2018-19	2019-20
2G/3G	217	217	**214**
4G	137	144	**157**
5G			**5**

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FINANCIAL*

Total Revenue
(€ mn)

-8%

4,961	4,669	4,296
2017-18	2018-19	2019-20

Service revenue
(€ mn)

-6.7%

4,480	4,185	3,904
2017-18	2018-19	2019-20

Investments
(€ mn)

-6.4%

863	813	761
2017-18	2018-19	2019-20

EBITDA Margin
(%)

+6.8%

28.4	22	23.5
2017-18	2018-19	2019-20

*As accounting standards have changed (IFRS16), the financial data for previous years reported have been modified to make them comparable with this year's data.
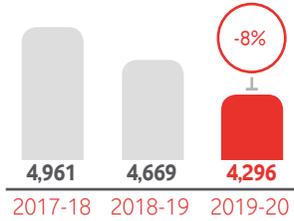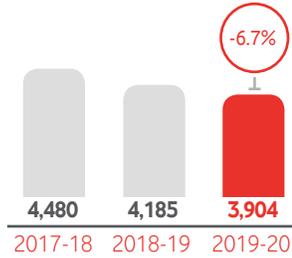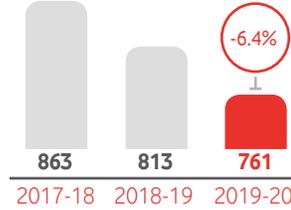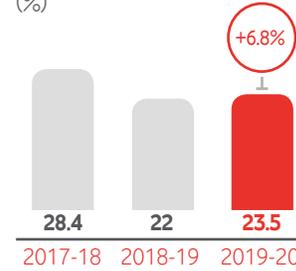
ENVIRONMENTAL

Total Energy Consumption
(MWh)
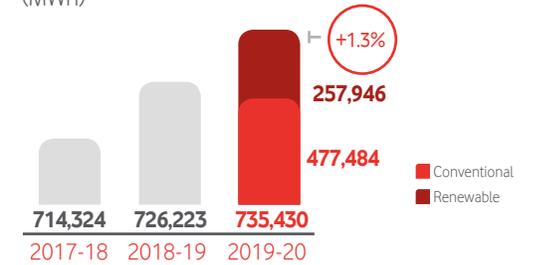
+1.3%

257,946
477,484

714,324	726,223	735,430
2017-18	2018-19	2019-20

■ Conventional
■ Renewable

Network energy consumption/data traffic
(MWh)

-21.6%

122.2	103.9	81.5
2017-18	2018-19	2019-20

Tn carbon emissions avoided directly and indirectly*

-3.5%

371,845	681,023	656,920
2017-18	2018-19	2019-20

*The calculation methodology has changed

INTELLECTUAL AND HUMAN

Employees

-17.1%

5,104	5,153	4,270
2017-18	2018-19	2019-20

Hours' training per employee

-6.8%

18.3	13.2	12.3
2017-18	2018-19	2019-20

% of managerial posts by gender

2017-18	♂ 64.9%	35.1%
2018-19	♂ 63%	37%
2019-20	♂ 63%	37%

% employees per gender

2017-18	♂ 56.3%	43.7%
2018-19	♂ 56.2%	43.8%
2019-20	♂ 58%	42%

SOCIAL

Vodafone Spain Foundation Investment
(€ Mn)

-9%

4	4.1	3.8
2017-18	2018-19	2019-20
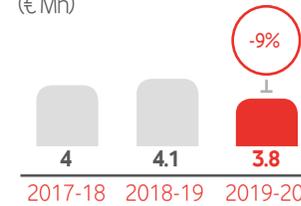
Local supplier procurement
(%)

+6.1p.p.

86%	84.9%	91%
2017-18	2018-19	2019-20

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Vodafone Spain at a glance

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2.1 The Company

2.1.1 Vodafone Group

The Vodafone Group is one of the world's largest telecommunications and technology services companies, and provides connectivity, convergence and Internet of Things services, as well as mobile payment and digital transformation services in emerging markets. Vodafone provides mobile services in 22 countries (and has agreements with another 42), and fixed broadband services in 17 countries.

Vodafone Spain's customers benefit every day from the knowledge and experience of this world leader, which helps its customers - individuals, business and communities - to be better connected to the mobile world.

Main figures at 31 March 2020[*]	2019-20	2018-19	Δ %
Total Revenue (€ million)	44,974	43,666	3%
Service Revenues (€ million)	37,900	36,500	0.80%
EBITDA (€ million)	14,881	13,918	2.60%
Free Cash Flow: (€ million)	5,700	5,443	4.7
Adjusted EPS (€cts)	5.6	6.27	-10.70%
Average Nº Employees [**]	92,866[***]	92,005	+0.9%

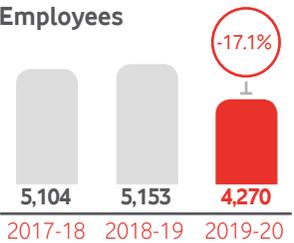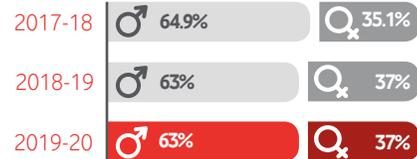(*) As accounting standards have changed (IFRS16), the financial data for previous years reported have been modified to make them comparable with this year's data.
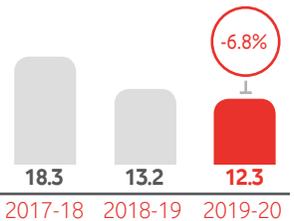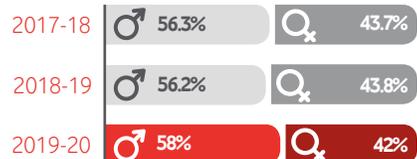
(**) Excluding the employees of joint ventures and associated companies

(***) The main reason for the larger workforce is the end of the integration of Liberty Global's assets in Germany and the EEC.

Agreements in **42 countries**

Fixed Broadband Services in **17 countries**

Mobile Services in **22 countries**

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2.1.2 Vodafone in Spain

Shareholding Structure of Vodafone in Spain

The Vodafone Group operates in Spain through its subsidiary companies. In FY 2019-20, the company Vodafone Towers Spain, S.L.U. which engages in the ownership of passive telecommunications infrastructure, joined the Group. Ever since the Vodafone Group took over the Ono Corporate Group and its controlled companies, on 23rd July 2014, the Vodafone Group has two main operating companies in Spain:
In addition to these two main operating companies, the Vodafone Group has other companies in Spain with different corporate purposes:

Vodafone España, S.A.U.

With extensive experience and specialization in mobile phone electronic communications services.

Vodafone Ono, S.A.U.

Focused on the provision of electronic communication services for fixed telephony, Internet access and audio-visual communication services.

Vodafone Servicios, S.L.U.

Incorporated by the Vodafone Group in Spain in December 2016 to contribute to the achievement of its sales objectives. This company provides customers with the communications services offered by the two main operating companies, enhancing the Customer Experience, while at the same time allowing Vodafone España, S.A.U. and Vodafone Ono, S.A.U., to specialize in the mobile business and fixed business, respectively.

Vodafone Enabler España S.L.

This company, which also engages in telecommunications, information and communication activities as its corporate purpose, formally operates since 2009 as a Mobile Virtual Network Operator (MVNO) and mobile services platform, and in December 2014 it launched a new telephone brand called Lowi.

Vodafone Towers Spain, S.L.U.

This company joined the Vodafone Group in Spain on 18th March 2020, and its corporate purpose is the ownership of passive telecommunications infrastructure, for the provision of services to third parties over such infrastructure and that permits the installation of equipment intended for the transmission and/or reception of signals over communication networks.

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All these Spanish companies are directly or indirectly fully-owned by the Group's parent company in Spain, **Vodafone Holdings Europe, S.L.U.**, whose corporate purpose consists mainly of the management of investments and holdings in subsidiaries and investees and the provision of advisory, administrative and other similar services.

The chart below shows the shareholding structure as at 31st March 2020 of the Vodafone Group companies in Spain:

Vodafone Holdings Europe, S.L.U. (VHESLU)

| 90% | 100% | 100% | 100% | 100% |

| **Vodafone Enabler España S.L. (VEESL)** | 10% | **Vodafone España, S.A.U. (VESAU)** | **Vodafone Towers Spain, S.L.U. (VFTOW)** | **Vodafone Ono, S.A.U. (VFONO)** | **Vodafone Servicios, S.L.U. (VS)** |

Pursuant to the provisions of article 43 of the Spanish Commercial Code, the annual financial statements of Vodafone Holdings Europe, S.L.U., as well as those of its four subsidiary companies, are consolidated with the financial statements filed by the Group headed by the foreign controlling company Vodafone Group, Plc, based in Newbury, Berkshire, UK.

The accounts are not consolidated in Spain and, in order to simplify the information in this report, the only annual financial statements attached here are those for the year ended 31st March 2020 of the two main operator companies, **Vodafone España, S.A.U.** and **Vodafone Ono, S.A.U**, which are the only ones of the Vodafone Group in Spain that are subject to the **Law 11/2018 on Non-Financial Information and Diversity**.

All the **Financial Information** of Vodafone's business in Spain shown in this Integrated Report is displayed on an aggregate basis.
The Non-Financial and Diversity Information required by Law is displayed both in aggregate format and broken down for the two Group companies affected by Law 11/2018.

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Organizational Structure

Displayed below is the Organizational Structure as it was at the end of financial year 2019-20.
Chapter 4, "Corporate Governance" provides detailed information on the Corporate Governance mechanisms and bodies. **4**

Residential Business Unit
Andrés Vicente

Chief Technology Officer
Ismael Asenjo

Strategy
Teresa Bujalance

Corporate Communication and Sustainability
Jaime de Andrés

**Chairman and
Chief Executive Officer**
António Coimbra

Enterprise Business Unit
Daniel Jiménez

Legal, Regulation and Corporate Security
Elena Otero-Novas

Chief Financial Officer
Eloy Rodrigo

Human Resources and Property
Remedios Orrantia

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Milestones and Launches 2019-20

History of Vodafone in Spain

1994 - 1999
- **1994: Wins the GSM mobile telephony licence**.
- **1995** Starts its **commercial operations** (under name of Airtel).
- **1997:** The one-million customer mark is reached.

2000 - 2005
- **2000:** Wins the **3G (UMTS) licence**.
- **2000:** The Vodafone Group takes over Airtel.
- **2001:** Airtel is renamed Vodafone Spain.
- **2004: Launch** of **3G (UMTS)** services.

2006 - 2011
- **2006:** Launch of HSDPA services.
- **2007:** Takes over Tele2 España.
- **2008:** Launch of the "Vodafone Office" and "Vodafone in your home" products.
- **2011:** Vodafone Spain wins **spectrum** for **4G** mobile internet services.

2012 - 2016
- **2013:** Launch of "Vodafone Integral" (mobile + DSL + fixed) and 4G services.
- **2014:** Marketing of Fiber To The Home (FTTH) services.
  Vodafone Spain finalises the **takeover of Ono Corporate Group**.
- **2015:** Launch of **"Vodafone One"** (mobile, fixed, Internet and TV).
- **2016:** Launch of '**Vodafone Automotive**'. **Vodafone completes the world's** first connection on a commercial network using the **NB-IoT standard.**

2017 - 2019
- **2017:** Vodafone reaches commercial agreement for wholesale access to the Telefónica fibre-optic network. Vodafone starts marketing fibre services with downlink speeds of **1Gbps.**
  Launch of **'V by Vodafone'.**
- **2018: World's first 5G call** (NSA commercial standard).
  Rollout of precommercial 5G in Madrid, Barcelona, Seville, Malaga, Bilbao and Valencia.
- **2019: First remotely assisted surgical operation on Vodafone's 5G network**.
  The world's first operator to connect the first smartphones to its 5G network.

APRIL 2019
- Vodafone revolutionizes its tariffs by including **unlimited mobile data.**

MAY 2019
- Vodafone Spain and Vodafone Portugal make the **first cross-border 5G data connection** on the move in the world.
- Vodafone and ESL launch the world's **first international 5G mobile videogaming tournament**.

JUNE 2019
- Vodafone Spain launches the **first commercial 5G network** in 15 cities.
- Vodafone launches a **cybersecurity solution** geared towards professionals and small enterprises.

JULY 2019
- Vodafone includes **5G in its prepay tariffs and in Vodafone bit**.
- Vodafone Spain announces that **5G is now available in roaming**.
- Vodafone yu launches **yuser fibre**, its high-speed deal for students.

AUGUST 2019
- Vodafone presents Vodafone Traveller, the new **prepay tariff for tourists**.
- Vodafone yu makes its debut on **EuropaFM** radio station.

SEP 2019
- Vodafone organises the first **exclusively online Fast Forward Sessions**.
- **Vodafone's 5G network** to play a key role in MTV Music Week Sevilla y los MTV EMAs **2019**.
- The **Vodafone Spain Foundation** presents the **'DigiCraft Vulnerable Children'** scheme along with Youth Red Cross and Save the Children.

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OCT 2019

- Vodafone launches a new **smart tracker: V-Multi Tracker**.
- Vodafone unveils **Augmented Connectivity**, its advanced integrated of connectivity and security solution for SMEs.
- Vodafone presents **Connected office**, the integrated communications, productivity and security solution for professionals and small enterprises.
- Vodafone launches the **'Vodafone 5G Challenge'** to promote innovative services.

NOV 2019

- Vodafone announces **#PlayFaster**, its new eSports programme.
- Vodafone TV offers **5 new theme packs**.
- Vodafone Spain reaffirms its commitment to **corresponsibility and combating gender violence**.
- Vodafone gives its prepay customers **10 GB for free** this Christmas.
- Vodafone starts the **5G Pilot in Andalusia** with 32 use cases together with Red.es.

DEC 2019

- Vodafone's customers will enjoy **unlimited data this Xmas**.
- The **Vodafone Spain Foundation** opens the platform online of its **DigiCraft scheme to all boys and girls**.
- Vodafone Spain launches the **Fairphone 3 sustainable smartphone**.

JAN 2020

- The **Vodafone Spain Foundation** launches **'Project Lab'**, a social change initiative for young people.
- Lalín becomes a **Smart City** thanks to Vodafone
- Vodafone flies the **world's first 5G network-controlled drone** in a real urban environment, in Benidorm.

FEB 2020

- Vodafone extends the TV service to **only-mobile customers**.
- Vodafone creates the **biggest 5G user platform** with its 4,300 employees.
- Vodafone makes **Europe's first 5G standalone call** in Spain with a commercial smartphone .

MARCH 2020

- **Vodafone Care**, a new digital insurance policy for mobiles and tablets.
- Vodafone launches an initiative to **encourage diversity and women's representation** in the technology sector.
- In March, Vodafone launched several initiatives to tackle the **Covid-19 health crisis.**

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Business Model

ENTERPRISE BUSINESS UNIT (Vodafone Business)   'The best **digital partner** of Enterprises and Public Administrations'

The Enterprise Business Unit promotes and develops the strategy for digitizing **Enterprises and Public Administrations** by tailoring this strategy to each customer's specific needs, helping them to lead and stand out in whichever sector they operate in, through:

1. **The most advanced, flexible and innovative portfolio of digital solutions** to meet the communication needs of customers, based on Cloud & Hosting technology, IPVPN, SD-WAN, Internet of Things or Big Data, all while ensuring maximum security.

2. **Leadership in mobile technologies,** offering the best voice and data network in Spain with 4G and 5G connectivity.

3. The **largest fibre network on the market**, letting customers enjoy a landline connection that offers the best convergent experience.

4. A **personalized service,** tailored to each customer's needs and that lets us offer the best service experience through traditional and digital channels.

In order to offer its customers the best products and services tailored to their needs and characteristics, Vodafone's business model is organized on the basis of 4 market segments:

- **Microenterprises Segment**: Geared towards SOHOs and small enterprises with advanced digital solutions adapted to their needs, such as 'Connected Office', a comprehensive solution to work from anywhere, at any time and in a secure environment with the best support. Vodafone also provides the best customer service by assigning each customer a specialized advisor to ensure that they have a single point of contact for resolving their needs.

- **Small and Medium Enterprise Segment**: With the type of advanced telecommunications solutions portfolio typical of large corporations, but adapted to the size and needs of medium-sized enterprises to allow their customers to develop and go digital, such as the 'Augmented Connectivity' solution, based on SDWAN technology with advanced security and management capabilities.

- **Corporate Segment**: Vodafone offers the most advanced, pathbreaking mobile and fixed telecommunications solutions: IoT, Big Data & Analytics, Cloud or IPVPN, among others, along with a relevant innovation ecosystem to help customers go digital.

- **Public Administrations Segment**: Vodafone offers Public Administrations and citizens its knowledge, infrastructures and technologies to meet their needs and help them be prepared for the digital era with its connectivity and management solutions for the digital society. These include Connected Citizens, a communication tool designed to improving the trust relationship between citizens and the Public Administration, generating better connectivity, citizen attention and more personal communication; and IoT Smart Cities for efficiently managing services that can optimize the Administration's resources, improve its public image and put it at the forefront of technology.

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RESIDENTIAL BUSINESS UNIT

The Residential Business Unit offers **residential customers** total communications products and services, as well as the latest market launches, associated with Vodafone's innovation leadership, so as to ensure that its customers get the best service and the best experience.

Vodafone's products and services for its residential customers are marketed under Vodafone in Spain's three brands: Vodafone, Vodafone yu and Prepay and Lowi.

Vodafone

For the fifth year in a row, Vodafone's mobile network has been named the Spanish market's Best Voice and Data Network, according to the "Mobile Benchmark" independent survey conducted by the consultancy firm umlaut and the telecommunications magazine Connect, which highlighted its shorter call setup times, the best voice quality and fastest file download speeds, as well as also its 5G mobile network, which was analyzed for the first time in Spain in this year's study. [7]

The main products and services marketed under the Vodafone brand are:

Los Ilimitables: In April 2019, Vodafone has announced the first bundle of converged mobile tariffs with unlimited data and voice on the Spanish market, reinventing the way things are done and offering its customers a whole new world of opportunities, *Los Ilimitables.* [7]

5G: By commercially launching 5G in Spain on 15th June 2019, Vodafone reasserted its leadership in mobile networks and became the first operator in Spain to start a 5G rollout, which by the end of 2019-20 had reached 17 large cities. This technology is included free of charge in all tariff plans launched since April 2019. [7]

Vodafone TV. The market's biggest film and series aggregator: Vodafone TV is the only platform to feature HBO Spain, Amazon Prime, Netflix and FILMIN, not to mention all the on-demand services that specialize in films and series, making it the market's biggest film and series aggregator with 80,000-plus items that give customers the greatest freedom of choice on the market. [7]

Digital Household: We live in an increasingly connected environment and, in response, Vodafone offers its residential customers its Digital Household services: IoT for Residential Customers, SuperWifi and One.

Vodafone yu and Prepay:
Vodafone yu is Vodafone's range of products and services for its younger customers. To attend to and meet their needs, during the FY 2019-20 Vodafone yu launched different promotions and improvements, just as it did in the Prepay segment, where it presented new tariffs and deals. [7]

Lowi:
The S-i-m-p-l-e Company, which makes its customers' life simpler. Fibre and mobile tariffs no tie-in clause. The main promotions and improvements implemented in FY 2019-20 are described in chapter 7.3.3. [7]

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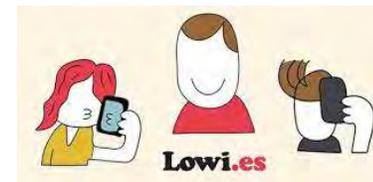
Main Associations of which Vodafone is a member

ADIGITAL (Spanish Digital Economy Association)
AEC (Spanish Quality Association)
AOP (Association of Operators for Portability)
AOPM (Association of Operators for Mobile Portability)
Spanish Advertisers Association
AUTOCONTROL (Association for the Self-Regulation of Commercial Communication)
Sustainability Excellence Club
Trust and Confidence Online

DigitalES (Spanish Association for Digitization)
DIRSE (Spanish Association of Corporate Social Responsibility Officers)
ETSI (European Telecommunications Standards Institute)
Forética
SERES Foundation
GSMA (Mobile Operators Association)
Spanish Network of the United Nations' Global Compact
UNE (Spanish Standardization Association)

Payments made by Vodafone Spain, S.A.U. to Trade Associations:
€358,245

Payments made by Vodafone Ono, S.A.U. to Trade Associations:
€18,913

Main Recognitions awarded to Vodafone in 2019-20

- The Vodafone network is the **Best Voice and Data Network** for the fifth year in a row, according to the Mobile Benchmark independent study by Umlaut consultancy firm and the Connect telecoms magazine.
- **ADSLZONE 2019 Prize** to the best 3G-4G-5G mobile network operator.
- **"Comprendedor" Award** in the Human Resources category together with the Asturian company Zapiens for developing the collective intelligence app Zap.
- PRLInnovación named Vodafone the **benchmark Occupational Health and Safety company** in Spain in 2019.
- Recognition by the National Institute of Occupational Safety and Health (INSST) as a good practices company in Empresa Saludable 2019.
- EXPANSIÓN Prize for **Innovation in Human Resources** for the **Vodafone Campus Lab** project.
- Vodafone ranked 3rd in the **FELGTB's EMIDIS** statewide ranking of companies with the best inclusion policies for LGTBI people in Spain.

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Vodafone and the coronavirus

In response to the challenges of this health crisis, Vodafone Spain is promoting a 7-point action plan with specific actions:

1
Protect its employees' and partners' health and safety

- Activation of the **Business Continuity Plan** and Crisis Committee in **advance** in order to make decisions and assess scenarios.
- Implementation of **extreme industrial health and safety protocols and measures** for employees, shops and partner companies.
- **SmartWorking Drill** Implementation of the model for 95% of the work force (except stores).
- Constant monitoring and **supervision of employees' state of health.**
- **Medical and psychological advice**. Health and hygiene material for employees and their relatives.
- Platform with **keep-fit programmes**, healthy eating habits, etc.
- **Unlimited data + HBO for partners, platforms and collaborators**, extendible to collaborators' employees.

2
Ensure uninterrupted communications between individuals, businesses and local government

- Guarantee the **"network" as critical infrastructure**.
- Maintain network performance (Supervision, monitoring and optimization).
- **Ensure** network **quality and dynamically increase capacity in response to new household usage patterns**.
- Monitor and control the supply chain to **ensure supply**.
- Maintenance of the **installation service** to continue serving its customers.
- **Reinforcement of** network coverage **in critical infrastructures**, state and **security forces, hospitals** and official bodies.
- AUTON. REGIONS: Programme to **reinforce coverage for field hospitals**.

3
Make it easier for customers to communicate (life, work, entertainment) while they remain at home

- **Free access** for Vodafone TV subscribers to **50-plus channels**.
- **An additional 10GB** for **prepay** and Lowi tariffs to prevent them running out of data.
- Activation of **Lowi Charity GB** so that customers can donate GB to others who need it most.
- As an **essential service**, a **minimum of stores** stayed open to ensure service in each town and city.
- **New** morning **opening hours and rotating shift** schedule.
- **Extreme measures and health and safety materials** in stores.
- More than **7,000 smartworking platform agents**.
- **Promotion of digital channels** (app) for customer care and service.

4
Support the businesses affected by operational restrictions

- Offer **self-employed, professional and SME customers unlimited data** so that they can keep their businesses running.
- **Pay suppliers within 15 days** to inject liquidity into small and medium-sized enterprises.
- Provide **solutions and tools** to encourage **smart working** in businesses.
- IFEMA Cloud-hospital: **Reinforcement of mobile and fixed communication infrastructures.** Make people's stay in hospital (health personnel or patients) easier by offering them **connectivity** and a means of entertainment. The IoT smart button solution made it easier for patients and healthcare personnel to interact.

5
Big data to help stop the spreading and to tackle the pandemic

- Make Vodafone's **big data analysis** technology available to the Government and regional Governments to **protect public health** and help with the pandemic, always **complying with the privacy regulations** in force in Europe.

6
Now more than ever, technology to help the most disadvantaged population groups

- **DigiCraft** online to support pupils, parents and teachers.
- **10,000 Sims** to guarantee connectivity for groups of vulnerable schoolchildren (with **Spanish Red Cross** and **Save the Children**).
- **20,000 SIMs for hospitals and senior citzen hotlines without Internet access**, with the support of the Autonomous Regions.
- **Youth 4 Good community hackathon**: How can we meet the basic needs of older people in confinement with the help of technology?
- Vodafone Foundation donated **€300,000 to the Spanish Red Cross**, **Save the Children** and **ONCE Foundation**.
- **Digital volunteer schemes providing technological advice to third-sector institutions** so that they can keep on operating.

7
Solidarity actions

- Provide **600 menus a day to soup kitchens and retirement homes** throughout the lockdown.
- **Vodafone Digital Volunteers to fight the fake news** in social media.
- **Personal hotline services for senior citizens** who spent the lockdown alone (with the "Asociación Española Conectados Sin Barreras" and CEOMA).
- To help colleagues who have children studying at home, our **"Teacher Employees"** scheme is helping children with the subjects with which they need support.
- The money collected at the Charity Market will be used to **manufacture 10,000 protective visors**, in collaboration with BQ, for subsequent distribution to health centres and institutions.

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2.2 Financial Results

2.2.1 Consolidated Information

Summarized below are the main financial[1] and operational figures for FY 2019, compared to the previous financial year[2].

KEY FIGURES	As at 31st March 2020	As at 31st March 2019
Total Revenue (€ million)	4,296	4,669
Service revenue (€ million)	3,904	4,185
EBITDA (€ million)	1,009	1,027
EBITDA Margin (%)	23.5%	22.0%
Investments (€ million)	761	813
Mobile Customers (000's)	13,483	13,727
Contract Mobile Customers (000's)	11,348	11,429
4G Mobile customers (000's)	9,972	9,462
Fixed Broadband Customers (000's)	3,172	3,217
Fibre Customers (NGA) (000's)	2,956	2,872
TV Customers (000's)	1,404	1,311

[1] The financial information has been prepared in accordance with International Financial Reporting Standards, while the Annual Financial Statements [9] have been prepared in accordance with the New General Chart of Accounts.

[2] As accounting standards have changed (IFRS2), the financial data for previous years has been modified to make it comparable with this year's data.

2.2.2 Customer Base

Mobile Customer Base

Vodafone in Spain ended FY 2019-20 with a **Mobile Customer Base** of 13.5 million, of which 11.3 million are contract customers, a drop of 81,000 on the previous year. However, the customer base has been recovering since the second quarter, as a result of the company's change in strategy.

The number of **mobile customers with a 4G device and tariff** grew by more than 510,000 throughout the tax year to 9,972,000 million.

At the end of the financial year, 12 months after its pioneering launch of the first family of unlimited data tariffs, the company now has **2.4 million lines that include unlimited data**. Unlimited tariffs earn an **NPS 10 points higher** than non-unlimited data tariffs and represent a significantly improved experience for new and existing migrated customers.**They boost data usage notably** (4 times more than non-unlimited data users) **and point to a latent demand** for restriction-free data & content use on the move **that Vodafone predicted and managed to handle** much better than its other competitors.

Vodafone is still the first to bring Spain new 5G technology:

- Last June Vodafone was the only operator to roll out a **commercial 5G network** in Spain. The 5G network went live in 15 cities with downlink speeds of up to 1Gbps, low latencies and approximately 50% coverage in each of the cities. Throughout 2020, Vodafone will step up the 5G network rollout and coverage in six new cities (Valladolid, Badajoz, Murcia, Palma de Mallorca, Alicante and Benidorm).

- **All Vodafone's tariffs are 5G:** The Vodafone 5G service is a standard feature of all the new contract plans, prepay plans (Vodafone yu and Mi País), Vodafone Bit and business plans, to ensure that customers can benefit from the new network's low latencies and capacity.

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- **The best on-the-move experience on the market:** Coupled with unlimited data tariffs and access to the largest range of film and series bundles, 5G technology lets customers enjoy the best mobile content and connectivity experience in the market.
- In the last year, Vodafone has stepped up its efforts to ensure it has the best mobile network and the broadest fibre footprint. The benchmark tests conducted by the Umlaut consulting firm (formerly P3) have again proven that **Vodafone Spain has the best mobile network, for the fifth year running**.

Fixed Broadband Customer Base

In fixed broadband, Vodafone Spain ended FY 2019-20 with a **fixed customer base of 3.2 million**. The number of fibre customers totalled **3.0 million** at 31st March, a **total increase of 84,000** throughout the year, 3% more than 12 months earlier. This large gain was prompted by the countrywide expansion of Vodafone's fibre footprint, which now totals **25 million building units**, of which **10.4 million correspond to own or shared rollouts**.

Vodafone TV Customer Base

Vodafone ended the year with **1.4 million Vodafone TV Customers**, 93,000 less than the previous year. Vodafone's move to invest in film and series content with its new deals has managed to partially offset the outgoing portabilities prompted by the end of the football season and Vodafone having finally stopped broadcasting these competitions. Consequently, Vodafone ended the year with a **positive balance of 93,000 Vodafone TV customers**.

When it added Amazon Prime Video to its bundles in July 2019, Vodafone Spain became the **operator that offers the largest range of films and series**. The only operator whose user experience exclusively features HBO Spain and Filmin, as well as Netflix, Amazon Prime Video, etc., with 55,000-plus items. Vodafone's catalogue features 88 of the 100 most popular series listed in the IMBD ranking (2019), compared to the 78 and 69 of its competitors.

In April 2019, Vodafone unveiled a new, more flexible and competitive TV bundle based on **5 theme packs** to let customers **only sign up for what they want to see** (series, films, documentaries and children's programmes). Another five theme packs (sports, music, international, hunting and adults) were later added in November.

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2.2.3 Service revenue and turnover

Vodafone in Spain reported **total revenues** of **€4.29 billion** and a 6.3 percentage point improvement in the year. **Service revenue** amounted to **€3,904 million**, consolidating the positive trend with a **6.6 p.p. gain in the financial year**. In the fourth quarter, service revenue topped **€972 million** in a context of a sustained improvement in business momentum.

YoY service revenues

-9.3% Q1 2019-20
-8.0% Q2 2019-20
-6.5% Q3 2019-20
-2.7% Q4 2019-20
(+6.6 p.p.)
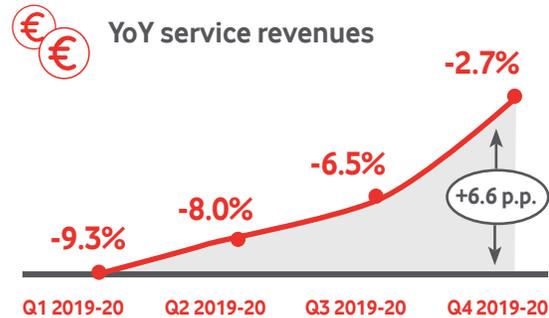
The good commercial performance partially offset the market's aggressive moves towards the low-end segment and pushed results onto a positive path in the last half-year. The business segment is growing, boosted by the new **IoT, IPVPN and Cloud & Hosting** businesses, which grew **+22%**, **+16%** and **+59%** in the year, and also by the **Corporate account** and **Public Administrations** and **SME** segments, whose service revenue **ended 7% and 6% up** respectively on the same period of the previous year.

2.2.4 Costs

Costs for FY 2019-20 were somewhat lower than the previous year, thanks mainly to the decision to stop paying the unprofitable soccer broadcasting rights, the lower commercial costs and operating cost containment initiatives.

• **Direct Costs** (which include interconnection and access costs) have fallen mainly due to the decision to stop paying the soccer broadcasting rights, which were unprofitable due to the asymmetrical regulatory conditions of the wholesale premium content business, and the lower regulatory and legal costs due to rulings made in favour of Vodafone in the period.

• **Business Costs**, which consider the net effect of customer acquisition and retention-related revenues and costs, dropped mainly due to the lower commissions associated with the fall in sales and the lower phone subsidy cost.

• **Operating Costs** were also lower than a year earlier, thanks to the implementation of the company's new structure, coupled with the cost efficiency efforts made in all areas of the company.

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2.2.5 EBITDA

EBITDA increased in the second half to 8.2%, with a 19.5 percentage point improvement between the first and second half, driven by the successful new commercial policy, Opex containment and the refocusing of the TV content strategy, along with the implementation of the new company structure and advances in going digital, with an organizational model and a culture that is leaner and better prepared to compete in the current market context more efficiently.

EBITDA YoY

+8.2%

+19.5 p.p.

-11.3%

H1 2019-20

H2 2019-20
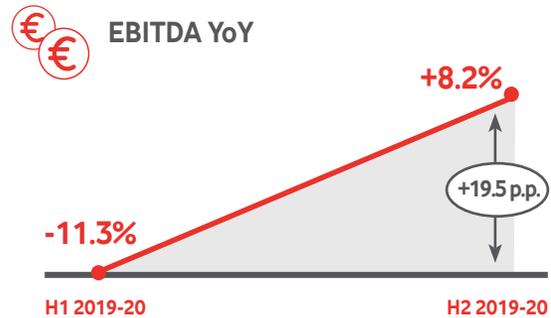
As a result, **the EBITDA margin grew by 1.5 percentage points at the end of the financial year**.

2.2.6 Strategic Advances

Vodafone Spain **grew in the fourth quarter** in the main commercial segments: 51,000 contract mobile customers, 28,000 fibre customers, 41,000 Vodafone TV customers, and a total of 2.4 million lines have unlimited data.

This positive business trend reflects the **impact of the strategic decisions** made in 2019 to compete successfully in all the market niches:

• The launch of **the first mobile and converging tariff plans with unlimited voice and data**.

• The decision to **stop paying the soccer broadcasting rights, which were unprofitable** due to the asymmetrical regulatory conditions of the wholesale premium content business.

• The commitment to the **content most popular on the Spanish market, films and series**.

• The **pioneering launch in Spain of the 5G commercial network** in 17 cities.

• The **Lowi brand sales drive** to successfully compete in the low-end segment.

• **Top in customer satisfaction** in the residential, SME and Corporate segments with respect to its main competitors.

• The most extensive range of **5G connectivity and security solutions for SMEs and enterprises.**

• Network Excellency: **Spain's best mobile voice and data network**.

All these factors have contributed to the positive trend in the year-end results, driving the improved sales figures and customer base management.

These intiatives, combined with the new organizational model designed to simplify the business, the focus on developing the digital experience and the efforts to devise an integrated customer relation approach in the quest to be far more simple and flexible have enabled Vodafone Spain to consolidate its leadership in residential customer satisfaction among large operators yet another year, with an NPS edge over its main competitors of +8 points, +7 p. in SMEs and +17 p. in corporations.

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2.2.7 Vodafone Business: a growing segment

The business segment is growing, boosted by the new IoT, IPVPN and Cloud & Hosting businesses, which grew +22%, +16% and +59% in the year, and also by the Corporate account and Public Administrations and SME segments, whose service revenue ended 7% and 6% up respectively on the same period of the previous year.

- **Leading the field in 5G use cases**: Ever since its commercial 5G network went live in Spain, Vodafone has been working on a large number of network use cases in the business sector, making the most of the technology's high speed, low latency and large capacities. 5G is already being used in 50 cases with public entities, while many more are underway in the private sector.

- Vodafone Spain's **service revenues** in the **corporations and public administrations segment rose by 7%**, compared to the same period last year. The availability of the 5G network has been a key factor in Vodafone's consolidation in the public administration sector, as well as its participation in major tenders such as the ones issued by the **Ministry of Defence, the Catalonia Regional Government, the Basque Government, Barcelona Provincial Council and Madrid City Council**, not to mention the award of the State's mobile communications contract in **phase II of CORA** at the beginning of September.

- The **SME segment** is also **on the rise, reporting a 6% increase in service revenues** compared to the same quarter of last year. Vodafone has revamped its range of products and services commercial for SMEs by launching Augmented **Connectivity**, an SD-WAN based advanced connectivity and security solution, and **Connected Office**, which integrates communications, productivity and security for professionals and small businesses. Both proposals meet each company's needs, bringing them solutions that only larger corporations could afford until then.

- **Growth in the new businesses of the future.** Finally, the new corporate businesses are still growing at a fast y-o-y pace: IoT service revenue jumped 22%, IPVPN rose 16% and Cloud & Hosting soared 59%, compared to the same period of the previous year.

- In NPS terms, Vodafone Spain remains the **outright leader** both in the SME segment (+7 p.p. edge over the nearest competitor) and in the large corporation segment (+17 p.p. edge over the second).

2.2.8 Low-End market Lowi competes successfully

Vodafone's strategy for competing in the booming low-end segment through the Lowi brand has been an all-round success. The excellent results in terms of customer growth (+50% YoY) and a NPS of 55 points reflect an excellent brand positioning and value proposal.

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2.3 Contribution to the Country

Vodafone performs a relevant role in the country's sustainable development, contributing to economic growth, social progress and protection of the environment.

At the same time, by facilitating digital transformation, Vodafone is driving the country's growth and making its organizations more competitive and productive.

Vodafone has devised an in-house methodology, applied by several Vodafone Group operators, to calculate how much it contributes to the country in terms of Sustainable Development.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT
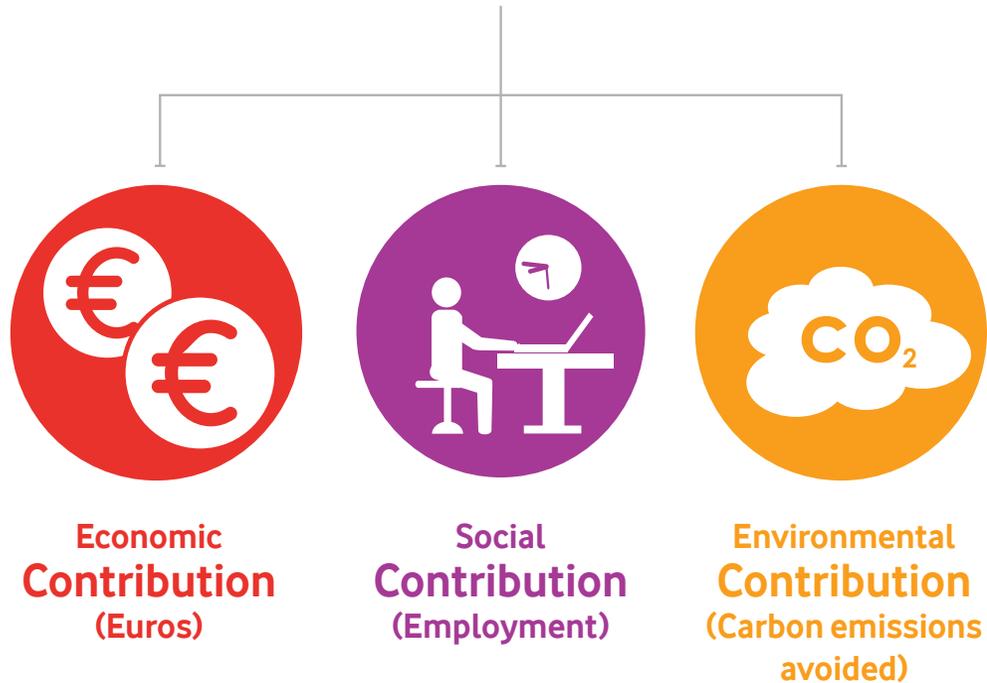
'Vodafone plays a key role in the country's **sustainable development**'

Economic Contribution (Euros)

Social Contribution (Employment)

Environmental Contribution (Carbon emissions avoided)

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2.3.1 Contribution to Sustainable Development

In accordance with the calculation methodology that Vodafone uses, each of the economic, social and environmental contributions to Sustainable Development can in turn be broken down into

Direct Contributions:

Generated directly by the company's activities in people, businesses and Public Administrations.

+

Indirect Contributions:

Generated by the value chain organizations (suppliers, distributors, etc.) in people, businesses and Public Administrations.

ECONOMIC CONTRIBUTION

Direct Economic Contribution

Vodafone contributes directly to the national economy with the wealth it generates, the taxes and licence fees it pays, as well as the suppliers from which it purchases and the people the company employs.

Listed below are the Direct Economic Contributions of Vodafone in Spain, and of each of the Companies affected by Law 11/2018 of 28th December.

Direct Economic Contribution (€ million)

-9%

4,396	2017-18
5,042	2018-19
4,574	2019-20
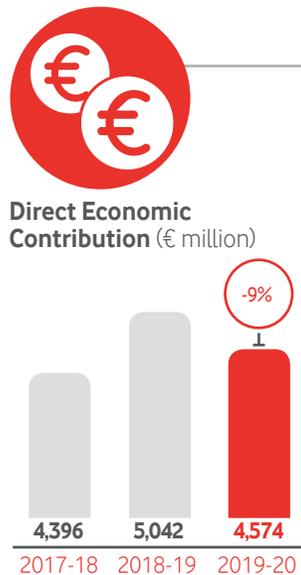
Vodafone in Spain: 4,574

PEOPLE	284
Wages and salaries of direct employees	209
Other direct employee costs	11
Direct employees' options and shares	2
Pension schemes of direct employees	6
Leases	57
ENTERPRISES 3,959	
Acquisition of products/services from local suppliers	2,969*
Tangible & intangible fixed asset procurement	801
Interest	5
Leases	184
PUBLIC ADMINISTRATIONS	**331**
Taxes	263
Social Security	59
Leases	9

(€ million)

VODAFONE ESPAÑA, S.A.U 3,138

PEOPLE	213
Wages and salaries of direct employees	150
Other direct employee costs	8
Direct employees' options and shares	1
Pension schemes of direct employees	4
Leases	49
ENTERPRISES 2,696	
Acquisition of products/services from local suppliers	2,073*
Tangible & intangible fixed asset procurement	488
Interest	2
Leases	133
PUBLIC ADMINISTRATIONS	**229**
Taxes	180
Social Security	41
Leases	8

(€ million)

VODAFONE ONO, S.A.U. 1,236

PEOPLE	62
Wages and salaries of direct employees	51
Other direct employee costs	2
Direct employees' options and shares	0.2
Pension schemes of direct employees	1
Leases	8
ENTERPRISES 1,090	
Acquisition of products/services from local suppliers	741*
Tangible & intangible fixed asset procurement	295
Interest	2
Leases	52
PUBLIC ADMINISTRATIONS	**84**
Taxes	68
Social Security	15
Leases	1

(€ million)

* Figure estimated in accordance with the methodology employed by Vodafone.

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Indirect Economic Contribution

Vodafone contributes indirectly to the country's economy through its value chain organizations (suppliers, distributors, etc.).

Listed below are the Indirect Economic Contributions of all the Companies of Vodafone in Spain, and of each of the two Companies affected by Law 11/2018 of 28th December.

Indirect Economic Contribution (€ million)

1,128	1,208	1,135
2017-18	2018-19	2019-20

-6%
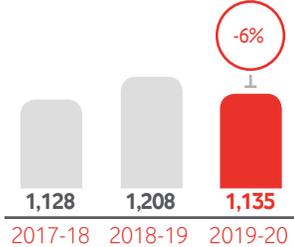
Vodafone in Spain: 1,135

PEOPLE	724
Indirect employee wages and salaries	724*
PUBLIC ADMINISTRATIONS	**411**
VAT + IGIC + IPSI taxes	326
Personal Income Tax paid for direct employees	72
Social Security paid for direct employees	12

(€ million)

VODAFONE ESPAÑA, S.A.U 765

PEOPLE	503
Indirect employee wages and salaries	503*
PUBLIC ADMINISTRATIONS	**262**
VAT + IGIC + IPSI taxes	202
Personal Income Tax paid for direct employees	52
Social Security paid for direct employees	8

(€ million)

VODAFONE ONO, S.A.U. 322

PEOPLE	182
Indirect employee wages and salaries	182*
PUBLIC ADMINISTRATIONS	**140**
VAT + IGIC + IPSI taxes	119
Personal Income Tax paid for direct employees	18
Social Security paid for direct employees	3

(€ million)

* Figure estimated in accordance with the methodology employed by Vodafone.

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SOCIAL CONTRIBUTION

Vodafone plays a leading role in its social contribution to the country, both in terms of employment and in its social development.

Listed below are the Direct and Indirect Social Contributions, in employment terms, of all the Companies of Vodafone in Spain, and of each of the two Companies affected by Law 11/2018 of 28th December.

Direct and Indirect employment

Contribution to Direct and Indirect Employment (FTE'S)

-6.9%

2017-18	2018-19	2019-20
33,534	35,224	32,776

Vodafone in Spain: **32,776 FTEs***

DIRECT EMPLOYMENT	4,196
FTE	4,196
INDIRECT EMPLOYMENT	28,580
FTE	28,580**

• External logistics personnel
• External Call Center Personnel
• External Sales personnel
• External Technology personnel
• Other outsourced personnel (consultancy, systems, etc.)

*FTE: Full Time Equivalents.
**Figure estimated in accordance with the methodology employed by Vodafone.

VODAFONE ESPAÑA, S.A.U   22,837

DIRECT EMPLOYMENT	2,994
FTE	2,994
INDIRECT EMPLOYMENT	19,843
FTE	19,843**

VODAFONE ONO, S.A.U.   8,195

DIRECT EMPLOYMENT	1,021
FTE	1,021
INDIRECT EMPLOYMENT	7,147
FTE	7,147**

Social Development

VODAFONE SPAIN FOUNDATION

The Vodafone Spain Foundation is another of the resources that Vodafone Spain has for furthering its commitment to society. 7

€3.8 million invested by the Vodafone Spain Foundation in social development

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ENVIRONMENTAL CONTRIBUTION

Vodafone's commitment to Sustainable Development involves controlling and minimizing the direct impact of its activity on the Environment,
Listed below are the Direct and Indirect Environmental Contributions of all the Companies of Vodafone in Spain, and of each of the two Companies affected by Law 11/2018 of 28th December.

Direct and Indirect Environmental Contribution of Vodafone in Spain: 656,920** Tn carbon emissions avoided

-3.5%

371,845	681,023	656,920**
2017-18	2018-19	2019-20
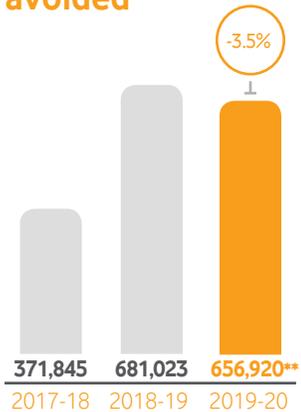
**The calculation methodology has changed.

Direct Environmental Contribution*

Vodafone contributes to minimize directly its carbon emissions through initiatives intended to boost the energy efficiency of its premises and improve Mobility Management.

Vodafone in Spain   53,427

RENEWABLE ENERGY	51,589
MOBILITY MANAGEMENT	**1,838**
Videoconferencing	1,539
Fleet	109
Shuttles	89
Smartworking	100

VODAFONE ESPAÑA, S.A.U   34,616

RENEWABLE ENERGY	33,293
MOBILITY MANAGEMENT	**1,323*****
Videoconferencing	1,108
Fleet	78
Shuttles	64
Smartworking	72

VODAFONE ONO, S.A.U.   18,679

RENEWABLE ENERGY	18,238
MOBILITY MANAGEMENT	**441*****
Video conferencing	369
Fleet	26
Shuttles	21
Smartworking	24

*** Figures for Vodafone and Ono estimated on the basis of the nº of employees: Vodafone España S.A.U. accounts for 71.5% of Vodafone in Spain's employees, and ; Vodafone Ono, S.A.U. accounts for 24.1%

Indirect Environmental Contribution*

Vodafone contributes towards the fight against climate change indirectly, by bringing out products and services which help other sectors to reduce their own carbon emissions. Not to mention Vodafone's contribution through IoT solutions.

Vodafone in Spain

603,493

VODAFONE ESPAÑA, S.A.U

603,493

VODAFONE ONO, S.A.U.

No Indirect Environmental Contribution is reported for Vodafone Ono S.A.U., because the Indirect Environmental Contribution is calculated using the IoT solutions (marketed by Vodafone España, S.A.U.) and Vodafone Ono S.A.U. engages in fixed communications.

* Tn carbon emissions avoided

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2.4 Sustainable Business

PURPOSE

We connect for a better future

Digital Society

Inclusion for all

Planet

TRANSFORMATIONAL GOALS (2025)

Diversity and Equality

Innovation and Energy

Youth Employment

TRANSPARENCY

Contribution to the country's Sustainable Development

Environment EMF; RND; Circular Economy

Ethics, Health and Safety in the Value Chain

Digital freedoms and rights

SUSTAINABLE DEVELOPMENT G⊙ALS

Principles: Code of Ethics and Regulatory Compliance

2.4.1 Strategic Sustainable Business Framework

Vodafone has drawn up its **Strategic Sustainable Business Framework** for 2015-20, which is aligned both with the Company's Business Strategy and Purpose and the UN Sustainable Development Goals (SDGs).

The **Strategic Sustainable Business Framework** envisages a set of initiatives grouped into two broad courses of action:

• Initiatives aimed at addressing, through **Transparency**, areas identified as posing potential reputational risk or making society concerned about our activities, in order to demonstrate responsible conduct in this regard.

• Initiatives intended to leverage on the **Transforming** potential of our technology, products and services for producing social and economic benefits for our customers and society in general. In this regard, we have set ourselves three long-term (2025) transformational goals.

We define our **Strategic Sustainable Business Framework** initiatives using our in-house methodology for identifying and priorizing our Stakeholders and their respective expectations, which are outlined in the associated Materiality Matrix, as described in the following sections.

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2.4.2 Stakeholder Engagement

Communicating with stakeholders is essential for understanding the issues that matter most to them. Vodafone has identified and prioritized the different Stakeholders and their respective expectations regarding its activities. The table below summarizes the relationship model with its main Stakeholders.

Listed below as examples are some specific channels of communication with Opinion-Makers, Employees, Social Media or the Landlords' Call Centre.

Stakeholder (GRI 102-40)	Why does it matter to Vodafone? (GRI 102-42)	Which issues are relevant? (GRI 102-44)		How do we communicate? (GRI 102-43)
Customers	Customers are the focus of its business, which is why it is necessary to build trust relationships with them.	• Customer Care /Complaints. • Clarity of Prices and Rates. • Privacy and Data Protection. • Community Involvement. • Employees. • Youth employment.	• Responsible Network Deployment. • Environment and Climate Change. • Consumption of Materials and Wastes. • Safe and Responsible Enjoyment of ICTs. • Responsible Advertising.	• Half-yearly surveys on Sustainability issues. • Ongoing tracking of queries, incidents and complaints through the different channels (telephone, in-person, online, etc.). • Social Media.
Employees	Employees are the soul of its business. Their involvement and skills are key to achieving its strategic goals.	• Employees. • Diversity and Equality.	• Youth employment. • Community Involvement.	• People Survey. • Internal Communication Channels.
Opinion-Makers (Media, Consumers' Organizations, NGOs, Trade Associations, etc.)	Opinion makers in general and the media in particular play the role of keeping the rest of the stakeholders informed about the progress of our business and the impact of our operations.	• Customer Care /Complaints • Privacy and Data Protection • Community Involvement • Youth employment	• Responsible Advertising • ICT and sustainability • Safe and Responsible Enjoyment of ICTs	• Daily tracking of the Media. • Two-yearly surveys. • Specific meetings.

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Stakeholder (GRI 102-40)	Why does it matter to Vodafone? (GRI 102-42)	Which issues are relevant? (GRI 102-44)		How do we communicate? (GRI 102-43)
Public Administrations and Regulatory Authorities	Its relationship with Administrations and the Regulator has an impact on its ability to contribute with more ambitious goals.	• Customer Care /Complaints • Clarity of Prices and Rates • Privacy and Data Protection • Responsible Network Deployment	• Safe and Responsible Enjoyment of ICTs • Responsible Advertising	• Two-yearly surveys. • Specific meetings.
General Public / Local Community	Boosting local economies generates confidence in Vodafone, resulting in the long-term viability of its business.	• Customer Care /Complaints • Clarity of Prices and Rates • Privacy and Data Protection • Community Involvement • Employees • Youth employment	• Environment and Climate Change • Responsible Network Deployment • Consumption of Materials and Wastes • Safe and Responsible Enjoyment of ICTs • Responsible Advertising	• Half-yearly surveys. • Social Media.
Knowledge Makers (Universities, Business Schools)	Its relationship with creators of knowledge gives it an understanding of emerging issues and market trends.	• Community Involvement • Employees • Environment and Climate Change	• Suppliers • ICT and sustainability	• Participation in Workshops/ Seminars.
Suppliers and Strategic Allies	Its suppliers and strategic partners have an impact on its ability to provide products and services. Their commitment to them contributes to the continuity and viability of the business.	• Customer Care /Complaints • Community Involvement • Privacy and Data Protection • Responsible Advertising	• Suppliers • Safe and Responsible Enjoyment of ICTs • ICT and sustainability	• Two-yearly surveys. • Specific meetings.
Landlords' and Residents' Associations	Without the collaboration of Owners and Residents' Associations where it locates its network facilities, it could not efficiently deploy its network.	• Environment and Climate Change. • Responsible Network Deployment.		• Landlords' Call Centre.

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digitalES, industry association

Vodafone has been a member of DigitalES, the industry's association of the top technology and innovation companies, ever since it was set up.

The association's activities during FY 2019-20 include:

- **DigitalES Summit 2019**

  It was attended by the ministers Nadia Calviño, Reyes Maroto and Isabel Celaá, the mayor of Madrid José Luis Martínez and the former Prime Ministers Felipe González and José María Aznar. The summit addressed the impact of digitization from different perspectives and the Chairman and Vodafone CEO, António Coimbra, took part in a roundtable discussion with other DigitalES members on how to tackle the challenges of 'The world of tomorrow'.

- **Meetings with political representatives**

  In a year that was marked by the Spanish elections, DigitalES also arranged numerous breakfasts with political representatives at which Vodafone's representatives have taken part and had the opportunity to convey the company's and the sector's position in a constructive and friendly environment.

- **Women in the digital economy 2018**

  The association also contributed to the drafting and publication of reports, such as 'Women in the 2018 digital economy', which was presented on 22nd January 2019.

Internet Governance Forum

Vodafone helped to sponsors and organize the ninth Annual Conference of the Internet Governance Forum in Spain, held on 7th November 2019, which focused its debate on conflicts in the network and specifically on the consolidation of 'Internet as a global strategic board'.

Internal Communication

In Vodafone, the Internal Communication department's role is to keep employees up-to-date with all the news about the business and internal processes, while making them more committed to the company and turning them into Vodafone's best ambassadors. The following channels of communication were used during FY 2019-20:

Online Communication Channels:

- **Vodafone News:** This is is the official communication channel, a Global Internal Communication App for all Vodafone Group employees, and it lets employees get information anywhere and at any time, from their mobile phones or corporate computers. It is divided into different channels (Corporate, People, Residential, ...) to which employees can subscribe and be sent all the news. They can also use Vodafone News to suggest posts and share on their social media any external news proposed by Internal Communication.

- **Workplace by Facebook:** Yammer is the Company's corporate social network, and it lets all the company's employees, including local and international management interact and talk to one another. Employees use it to get informaion, make remarks, share achievements, make suggestions or ask questions.

- **The Weekly:** This weekly newsletter features the week's main news items and announcements.

- **Landing Page (Desktop):** this communication tool contains links, tools, news and utilities from different Vodafone environments. It means all employees are just a click away from everything they need for their daily workload or to keep up-to-date.

- **Webinar:** Online session open to all employees during which a significant current issue is discussed. Employees can send in questions.

- **HUB (Intranet):** All our main handbooks, content, policies and services are kept on our Intranet.

- **Other channels of online internal communication:** Screens at all offices, mails, newsletters, text messages, videos, corporate videostreaming tool (Vodafone Tube), etc.

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In-person communication channels

- **FoCO:** Quarterly meeting at which the Executive Committee reports on the progress of the company's strategy and objectives to all employees. At the end of the session, the CEO answers any questions that employees have sent in. 4
- **aHead:** Face-to-face meeting held every month at which the Executive Committee reports on the progress of the company's strategy and objectives to the organization's 100 leaders.
- **Strategy Roadshow:** At the start of each year, the CEO and the HRD visit all of the company's offices to ascertain the climate within the organization and outline the strategy and objectives in person.

Area follow-up meetings: Each member of the Executive Committee holds regular business follow-up meetings where they share the strategy, objectives and brand essence with the employees in their area.
- **Presentation of new products and services:** To tell employees about new products and services for customers (Phones, TV channels, Tariffs...).
- **Motivational and celebration events and actions:** In order to celebrate successes and boost employee motivation. Some examples are the Christmas toast or the Vodafone Clubs' actions.

Videos

Thank you

Spirit Launch

5G Launch

Social Media

We use Social Media to keep up on ongoing, fluid dialogue with the different stakeholders.
- **Interactions:** Vodafone is the operator that has generated the highest volume of interactions in the telecom sector, with 45% of the total, compared to the nearest competitor's 15%, according to the Epsilon Icarus Analytics Panel. This shows that users consider that Vodafone Spain's content has aroused greater interest.
- **Mentions:** During FY 2019-20, Vodafone had nearly **2 million mentions** in the digital environment (Social Media, forums, blogs, media).
- **Sentiment:** The net (positive - negative) sentiment **ended 50% higher than the previous year**. Sentiment refers to how users exprtess themselves when they mention Vodafone.

> **First response time**
> **44 minutes,** 17% less than the target set (1h)

- % interactions
- % virality

Vodafone	Competitor 1	Competitor 2	Competitor 3	Competitor 4	Competitor 5
45.49%	14.53%	13.25%	6.03%	4.03%	2.96%
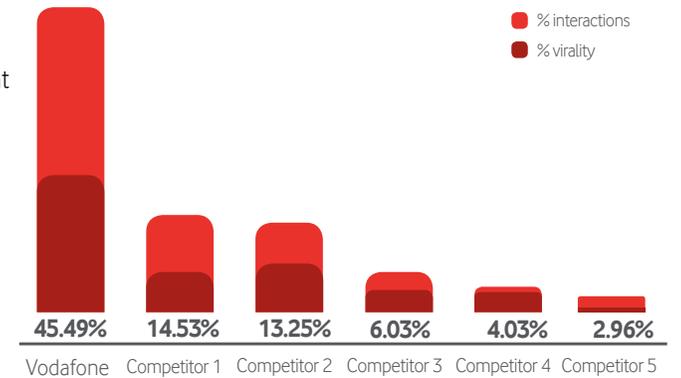
Landlords' Call Centre

Site owners can contact Vodafone by calling their hotline if they want to ask a question or report an incident: **607 100 101.**

> **Monthly average calls received during financial year 2019-20: 1,337**

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2.4.3 Materiality Analysis

Our ongoing dialogue and relationship with different stakeholders lets us identify and prioritize their needs and expectations. Pertinent internal procedures are used to draw up a Priority Matrix (also known as a Materiality Matrix), that identifies and prioritizes the issues addressed and developed in the Strategic Sustainable Business Framework.

These issues are managed and coordinated by the Sustainability and Quality Department, which periodically reports to the Reputational Committee through the Corporate Communications Director, to whom it is answerable.

The issues identified through our Stakeholder dialogue and relationships serve to draw up the following **Priorization of Materials Issue** that are addressed throughout this Report:

Issues	Reference Report
1. Customer Care /Complaints	Customers pg. 85 to 88 /Complaints pg. 49
2. Clear Prices and Rates	Customers pg. 85 to 88
3. Privacy and Data Protection	Privacy pg. 47 and 48
4. ICTs and Sustainability	Planet pg. 142 to 145 / IoT pg. 95, 96 and 97
5. Environment and Climate Change	Environment pg 133 to 138 and 146 and 147
6. Employees	Employees pg. 113 to 133
7. Community Involvement	Foundation and Society pg. 104 to 113
8. Youth Employment	Society pg. 111 and 112
9. Responsible Network Deployment/EMF	Network pg. 102
10. Responsible Advertising	Ethical Company pg. 50
11. Safe and Responsible Use	Society pg. 108
12. Suppliers	Suppliers pg. 53 and 54
13. Diversity and Equality	Employees pg. 117 to 119
14. Consumption of Materials and Wastes	Environment pg.138 to 141

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2.4.4 Contribution to the UN Sustainable Development Goals (SDG)

The UN's Sustainable Development Goals are a set of measures designed to end poverty, protect the planet and ensure the global welfare of people. They are interrelated and represent the major global challenges we face every day, such as poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

Vodafone contributes to many of the Sustainable Development Goals through the initiatives launched within Vodafone's Strategic Sustainable Business Framework.

After a previous analysis and considering only the initiatives included in the Transformational Goals, the priority SDGs to which Vodafone contributes are as follows:

Diversity and Equality

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Innovation and Energy

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

Youth Employment

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH

Having identified the priority SDGs, during FY 2019-20 Vodafone has revised each of the goals of these priority SDGs, considering the goals to which it contributes critically, and has selected the most appropriate indicators for showing the progress in its contribution to each SDG and to the pertinent goals, and indicating its commitment and contribution to each one of them:

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Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
Diversity and Equality 5 GENDER EQUALITY	**5.1 End to gender discrimination**	Diversity of Governance Bodies and Employees	**% Employees per Gender** 2017-18 ♂ 56.3% / ♀ 43.7% 2018-19 ♂ 56.2% / ♀ 43.8% 2019-20 ♂ 58% / ♀ 42%	It encourages women's inclusion in the workplace, underscoring their vital role in the Company's success, and its global aim is to be the best employer for women in 2025. A few initiatives: • #ChangeTheFace campaign • Global parenthood policy • ReConnect • #CodeLikeAGirl • LGTBI • DigiCraft • Youth 4 Good
		Pay gap	**Gender Wage Gap** **Adjusted** **Gross** 4.65% (-0.06%) → **4.59%** 18.60% (-0.92%) → **17.68%** 2018-19 2019-20 2018-19 2019-20	
		Non-discrimination	**Cases of Discrimination** 2017-18 1 2018-19 0 2019-20 0	
	5.5 Women's Participation in Leadership	Diversity of Governance Bodies and Employees	**% of managerial posts by gender** 2017-18 ♂ 64.9% / ♀ 35.1% 2018-19 ♂ 63% / ♀ 37% 2019-20 ♂ 63% / ♀ 37%	

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Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
Diversity and Equality	**8.1 Economic growth**	Direct economic value generated and distributed	**Direct Economic Contribution** (€ million) 2017-18 **4,396** 2018-19 **5,042** 2019-20 **4,574** -9%	Vodafone is strongly committed to developing digital skills in order to identify the gap between future jobs and the job needs of the new generations. A few initiatives: • Future Job Finder • Smart Working • OHP • Vodafone University • Vodafone yu Talent Internships • Discover Graduate Programme • Vodafone Campus Lab
	8.3 Decent Policies at Work	Economic impact indirect	**Indirect Economic Contribution** (€ million) 2017-18 **1,128** 2018-19 **1,208** 2019-20 **1,135** -6%	
		Training and Education	**Hours' training per Employee and Year** 2017-18 **18.3** 2018-19 **13.2** 2019-20 **12.3** -6.8%	
		Proportion of spending on local suppliers	**% Local suppliers** 2017-18 **86%** 2018-19 **84.9%** 2019-20 **91%** +6.1 p.p.	
	8.8 Labour Rights	Workers' representation in formal joint management–worker health and safety committees	**Employees with Collective Agreement*** 2017-18 **100%** 2018-19 **100%** 2019-20 **100%** *Except management.	
		Industrial accidents	**Accidents in working hours** 2017-18 **9** 2018-19 **8** 2019-20 **4**	

8 DECENT WORK AND ECONOMIC GROWTH

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2.1 The Company   **2.2** Financial Results   **2.3** Contribution to the Country   **2.4** Sustainable Business

Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
Diversity and Equality 10 REDUCED INEQUALITIES	**10.2 Inclusion**	Inclusion of disadvantaged groups	**Training vulnerable children** 2019-20 **1,384 boys/girls** **72 schools** **18 teachers and volunteer** **% Accessible own stores** 2017-18 100% 2018-19 100% 2019-20 100%	Vodafone and its Foundation are committed to continue working to achieve a diverse and inclusive society for all population groups, in which all people feel committed and involved and no group is discriminated against. A few initiatives: • Closing Gap • Diversity Committee • Accessible Stores and Web • Janus Programme • ReConnect • Vodafone Spain Foundation Projects (DigiCraft vulnerable children, ICT training for disabled people)
Innovation and Energy 7 AFFORDABLE AND CLEAN ENERGY	**7.2 Renewable energies** **7.3 Energy Efficiency**	Non-renewable Energy Consumption in the Organization Energy intensity	**Total Energy Consumption** (MWh) 2017-18 714,324 2018-19 726,223 **+1.3%** 2019-20 477,484 257.946 735,430 ■ Conventional ■ Renewable **Network energy consumption/ data traffic** (MWh/TB) 2017-18 122.2 2018-19 103.9 **-21.6%** 2019-20 81.5	Vodafone is working year after year to reduce the amount of energy needed to run its network, while meeting the growing demand for data from its customers. It is also increasing the proportion of electricity it purchases from renewable sources with the aim of having 100% of its electricity from renewable sources by 2025. A few initiatives: • Energy Efficiency • Power Purchase Agreements (PPAs). • Buying Renewable Energy Certificates ('RECs') . • ISO 50001

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2.1 The Company   **2.2** Financial Results   **2.3** Contribution to the Country   **2.4** Sustainable Business

Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
Innovation and Energy	**9.1** Infrastructure for Development and Welfare	Investments in Infrastructure	**Investment figures** (€ mn) 2017-18 863 2018-19 813 2019-20 761 -6.4%	Vodafone is committed to continuing investing heavily in the network structure, coverage and quality required for a competitive economy in the digitization age, to provide a high quality service that allows residential and corporate customers to connect effectively anywhere and at any time. Some of its projects: • Instant Network. • Network Sharing • 5G Coverage • IoT Connections
	13.1 Resilience to Natural Disasters	GHG emissions	**GHG emissions Scope 1, 2 and 3** (Tn carbon emissions) 2017-18 218,435 2018-19 227,918 2019-20 118.321 -48.1%	Vodafone is committed to reducing its greenhouse gas (GHG) emissions 50% (with respect to 2016) by 2025 and to keep on working to ensure that its IoT-related products and services help its customers to cut their GHG emissions. A few initiatives: • Reduce tons of carbon equivalents from data traffic • Tons of carbon equivalents avoided through our IoT services and technologies
		Emission Intensity	**GHG emissions scope 1, 2 and 3/ Data Traffic** (Tn carbon emissions/TB) 2017-18 0.038 2018-19 0.034 2019-20 0.013 -61.8%	

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Contribution to SDGs	Goals	Indicators	Progress in the Contribution	Vodafone's Commitment and Contribution
Youth Employment	**4.4** Job Hunting Training	**Training and Education**	**Nº of children and young people who have learnt skills for their professional future** 2019-20 **6,353*** *The figures refer to the DigiCraft and Youth 4 Good schemes.	Vodafone and the Vodafone Spain Foundation are committed to using technology to enable young people to gain access to new and broader opportunities to learn. A few initiatives: • Vodafone Instant Classroom • #Codelikeagirl • Future Jobs Finder • Youth 4 Good • DigiCraft
	8.6 Youth Unemployment / Inactivity	**New Hires**	(table below)	Vodafone is committed to improving young people's access to future employment opportunities in the digital economy. Some programmes are: • Discover Graduate Programme • Vodafone yu Talent Internships • Campus Lab

	Age range	Men	Women	Total
2017-18	< 30 years		63 69	132
	30-50 years	142	105	247
	> 50 years		6 4	10
2018-19	< 30 years		86 61	147
	31-45 years	120	50	170
	> 45 years*		4 5	9
2019-20	< 30 years		61 36	97
	31-45 years	92	37	129
	> 45 years	15	12	129

* In view of the small proportion of over-50 year old employees, from this financial year onwards, the data is displayed segmented for over-45 year old employees.

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Sustainable Development Goals. Dissemination and Training

Vodafone is committed to publicizing SDGs both externally and internally:
- The SDGs have been included in the Vodafone Spain Foundation's 'Youth 4 Good' project as the linchpin for defining the challenges and initiatives presented.
- It participates actively in different SDG-related events and working parties and in training courses with different organizations. In November, the CEO took part in one of the panels that Global Compact organized in Lisbon.
- By involving all its employees through the training and awareness-raising modules available on its Vodafone University Platform thanks to its support for the Companies4SDG campaign, in which they are encouraged to play an active role in achieving the SDGs, applying sustainable habits.

Vodafone also contributes indirectly to the other SDGs through its networks, products and services, responsible operations and the Vodafone Foundation:

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL BEING	6 CLEAN WATER AND SANITATION	11 SUSTAINABLE CITIES AND COMMUNITIES
Vodafone's significant network investments ensures increasing access to connectivity and innovative products and services that empower its customers and fosters their economic inclusion.	Vodafone offers IoT technology, mobile finance and agricultural mobile solutions to help improve productivity on small-scale farms.	It has developed apps that can be used as daily medication reminders and for heart and diabetes monitoring.	Vodafone's IoT services provide connectivity for smart water metering and pump maintenance applications to improve access to drinking water.	Vodafone's IoT solutions contribute to the development of smart cities, helping them to develop more efficiently and effectively.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Vodafone provides its customers with device recycling systems. It is also working with manufacturers to make the equipment it sells and uses more sustainable.	IoT technology is used to help track marine animals.	Its IoT technology is used in warning systems to prevent forest fires and monitor animals in danger of extinction.	It is actively involved in helping to identify global policy issues (e.g. data privacy) and promote responsible business values for the purpose of operating with integrity.	Vodafone pursues an active social agenda through the Vodafone Foundation's work, and works with governments and non-governmental organizations in many of its markets.

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3

Transparency

3.1 Ethical company / **3.2** Responsible procurement / **3.3** Vodafone and Human Rights

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3.1 Ethical company

3.1.1 Codes of Ethics

Code of conduct and business principles

Vodafone has a **Code of Conduct** that lays down the **10 Business Principles** that establish the basis for carrying out its activities wherever the Company operates and to which all Vodafone employees must adhere:

1 Individual Conduct: We must act with honesty, integrity and fairness in our activities, both inside and outside the company.

2 Compliance with the Law: We will comply with the provisions of current domestic and international legislation and applicable standards and principles.

3 Health and Safety: We will protect the health and wellbeing of our customers, employees, partners and the communities in which we operate.

4 Financial integrity: We will provide the best possible return for our shareholders over the longer term, basing our decisions on economic, social and environmental criteria.

5 Public Communications Policy: We will voice our opinions on government proposals and other matters that may affect Vodafone and our stakeholders.

6 Communications: We will communicate openly and transparently with all of our stakeholders, respecting the bounds of commercial confidentiality.

7 Customers: We value the trust our customers place in us and will safeguard the information provided to us.

8 Employees: Relationships with and between employees will be based upon respect for individuals and their human rights, and child labour will not be tolerated.

9 Communities and Society: We will engage with local communities so as to understand and respond to any concerns they may have.

10 Environment: We are pledged to safeguarding the environment, minimizing our use of finite resources and the release of harmful emissions to the environment.

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Other Codes of Ethics

Vodafone Spain has voluntarily signed up to different Ethical Codes, like the ones mentioned below:

1 **Code of Good Fiscal Practices:** Our Code contains recommendations for improving the implementation of the tax system by increasing legal certainty, mutual cooperation between the Spanish Tax Office and businesses, and the implementation of responsible fiscal policies by the latter.

2 **Code of Ethics in Telesales Transactions:** Vodafone and other electronic communications operators have signed the Code of Conduct for Telesales Transactions, which details a series of measures which must be carried out by the signatory operators with the aim of preventing the negative effects caused by the way in which telesales practices are carried out.

3 **Code of Good Mobile Portability Cancellation Practices:** Vodafone adheres to this Code which was drawn up by the Spanish Association of Operators for Mobile Portability and sponsored by the Spanish National Markets and Competition Commission.

4 **Mobile Alliance against Child Sex Abuse Content:** The Vodafone Group is a founding member of this Alliance, which strives to prevent fight child sexual abuse content being sent by mobile phone, and Vodafone Spain complies with its requirements.

5 **Code of Good Network Deployment Practices (FEMP):** Vodafone has signed a Code of Good Practices with the Spanish Federation of Municipalities and Provinces (FEMP), whereby it undertakes to deploy its network seeking maximum integration in the surroundings at all times, acting transparently to provide the maximum information to citizens and public administrations, and sharing its stations with other mobile telephony operators whenever possible.

3.2 Anti-Fraud and Corruption Programmes

Anti-corruption Programme

Vodafone has a Zero Tolerance to Bribery and Corruption Policy and lays down rules and clear conduct guidelines to avoid corrupt practices in the Company's business dealings. Our policy not only serves to avoid any breach of anti-corruption laws but any behaviour that is not acceptable or liable to damage the Company's reputation. That is why this politics applies not only to all Vodafone employees, but also to its contractors, suppliers and stakeholders. The three main anti-corruption controls are sponsorships, gifts and hospitality, and review of the policy clause in contracts.

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In addition to all the Vodafone Compliance programme components, this Policy is underpinned by: [4]
- The **top level commitment** to ensure respect for national and international standards for fighting corruption and ensure that the Company's activities are always transparent and professional.
- Keeping of a **Gift and Hospitality Register**, not only for control purposes but also as a transparency measure. Vodafone's Anti-corruption Policy lays down the financial ceiling for corporate gifts and hospitalities, as well as the required approval processes.
- Training plans and awareness-raising & communication campaigns as part of the **'Doing What's Right'programme** spanning **Anti-corruption**, **Privacy**, **Health & Safety**, **Code of Conduct** and **Security**, and which applies to all employees, included the Steering Committee. By the end of the year, 94% of employees had completed the online anti-corruption training scheme.
- Specific **Anti-bribery Risk Assessments**, to identify and implement appropriate controls based on each business area's risks and review of the Anti-Corruption policy, as part of the Policy Compliance Review (PCR), every two years.

At Vodafone we enforce robust prevention, detection and reporting measures in our contribution to **combat money laundering and the financing of terrorism**. We have also devised systems based on the risk and controls implemented in financial products that include, among others, acting with due diligence, having lists of jurisdictions and people subject to economic sanctions, monitoring transactions, reporting suspicious activity and monitoring regulatory compliance, all to ensure that we comply with our regulatory obligations.

Speak Up

In line with our Corporate Values, one of Vodafone's goals is to be a company that conveys trust, which is why must ensure that it has channels for reporting any unethical or irresponsible actions. [4]

Speak Up is a tool that Vodafone employees can use to report anything that breaches the Code of Conduct, is unethical or illegal. Any cases that are reported are handled as strictly confidential.

Speak Up allows employees to take action if they notice at any inappropriate behaviour or situation at work, and they can report any potential malpractice through a clear and simple process. This system gives the company the chance to investigate and take action about any kind of situation that is reported this way; This includes cases of bullying or harassment, potential conflicts of interest, danger to the health and safety of employees or customers, potential abuses of human rights or serious environmental issues.

During FY 2019-20, a total of seven cases were opened through the Speak Up channel in Vodafone Spain. Four of them were opened by Vodafone Spain employees and the other three are anonymous. Five cases were opened for discriminatory reasons, and four of these were closed because the investigation found no evidence of the facts reported, and as fifth occurred in an area outside the Company, the Company does not have the power

Nuestro Código de Conducta
Hacer lo correcto

'**94% of employees** have completed the online anti-corruption training scheme'

Speak Up

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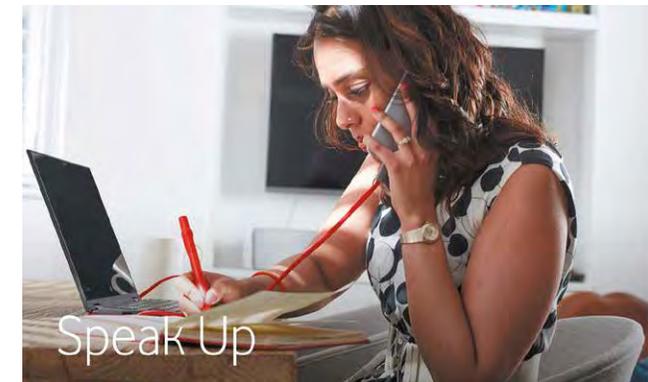
to carry out an investigation. Of the two remaining cases involved, one was for harassment, although no evidence of the reported facts was found, and the last case involved fraud as an employee had engaged in improper actions and the appropriate measures were taken. Therefore the seven cases reported were closed after being analyzed and taking appropriate action.

Anti-fraud and corruption actions
All the Company's areas are analyzed and monitored around the clock to detect any Risk of Fraud and Corruption, and every month the Vodafone Group is informed of any Fraud and Corruption incidents that have occurred in the period.

3.1.3 Digital Rights and Freedoms

Privacy in Vodafone

Vodafone ensures that its customers'information and communications remain secure, and have implemented an Information Security Management System that is certified to conform to standard UNE ISO 27001. The company also has been certified by the National Security Framework (NSF), which allows it to work in accordance with the security and privacy requirements of the Public Administrations.

The General Data Protection Regulation (GDPR), which came into force in May 2018, led the Vodafone Group in Spain to review all its Data Protection Policies to ensure the highest level of security and privacy of the personal data that we process (Customers, employees, potential customers, etc.).

With the help and backing of the Vodafone Group, Vodafone Spain is continuously improving its procedures to always guarantee compliance with data protection regulations.

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Vodafone's Privacy Principles and Vision

Vodafone is acknowledged as reliably guaranteeing the privacy of its customers and employees, and for its innovative, fair, responsible and proactive approach to privacy issues. Its **Objectives** are:

- **Be open and transparent** about how we process personal data, offer fair solutions with respect to the processing of such data, and manage the personal data responsibly, offering services to our customers and employees.
- Achieve a competitive advantage and **manage privacy risks** through a global, worldwide privacy programme that is demonstrable, consistent and mature.
- Create opportunities and strategic advantages by offering products that incorporate **Privacy from Design** and **Intelligent Privacy**-related strategies that seek to achieve a proper balance between Privacy and business objectives.
- Put **Privacy into practice through leadership** and influence on society, industry, governments and regulatory bodies.

Vodafone's **Privacy Principles** are:

- **Responsibility:** we are responsible in complying with these Principles and they are extended throughout the organization and in the way we work when we deal with our partners and suppliers. We have been assigned responsibilities for complying with Privacy Regulations and we make every effort to comply with these Principles.
- **Equity and Legality:** we comply with current Privacy legislation and we act with integrity and fairness. We work with governments, regulatory bodies, politicians and experts to help to improve the most important privacy laws and regulations.
- **Frankness and Honesty:** We clearly report any of our actions that might have a Privacy-related impact, we make sure that our actions reflect our commitments and we are receptive to any comments made about our actions.
- **Choice and Access:** we give people the chance to make simple or important privacy-related decisions and let them exercise their access, rectification, erasure and opposition rights, where appropriate.

Privacy-related proceedings and information requests during financial year 2019-20

Vodafone in Spain:
Infringement proceedings: 40
Requests for Information: 365
The infringement proceedings costs amounted to €1,221,300

Vodafone España S.A.U.:
Infringement proceedings: 33
Requests for Information: 324

Vodafone Ono, S.A.U.:
Infringement proceedings: 7
Requests for Information: 41

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3.1.4 Complaints and responsible advertising

Complaints

Vodafone continues placing special emphasis on complaints, both in terms of managing them and analyzing their root cause, modifying processes, procedures and identifying incidents.

Vodafone's customers can lodge complaints in any of the following ways:
a. Letter, facsimile, email or phone call.
b. In person by going to any of Vodafone's sites.
c. Filing a complaint form.
d. Presenting an incident form at any Vodafone own store.
e. Notifications by Public or Private Official Bodies (Consumer and user organizations / AENOR) as well as those reported by the Secretariat of State for Digital Advancement.
f. Social Media.
g. Electronically from the Carpeta Ciudadana website or from the different websites of each body not attached to Carpeta Ciudadana.

After the reason for incident is analyzed, it is resolved with the involvement of other appropriate departments and the current compensation policy is applied.

During FY 2019-20 **, there were 3.45% more official complaints than the previous year**. Most of the complaints were lodged in the first half of the year, coinciding with the completion of customer migrations and OW projects (management tool changes), as well as with business rules (new tariff portfolio).

This increase prompted the implementation of **65% of the key improvement actions**, such as: offer configuration tool, improved purchase summary, simpler discount codes, handset refinancing reengineering, etc.

CORPORATE CUSTOMERS
Complaints: **1.32%***
Resolution: **60%****

RESIDENTIAL CUSTOMERS
Complaints: **0.49%***
Resolution: **55.58%****

*Volume of complaints divided by volume of customer lines.
**The resolution % has been calculated based on the FCR (First call resolution) measured in 3 days.
The data cannot broken down by company because the systems have been merged.

Official consumer organizations

Vodafone is in constant contact with Arbitration Boards, Municipal Consumer Information Offices (OMIC), Consumer Associations, as well as the Ministry. Vodafone runs a **telephone mediation service**, which is a telephone number exclusively for official consumer bodies, promoting resolution in the mediation phase, shortening the resolution time and improving customer satisfaction.

'**26,000 queries/mediations managed** during 2019-20 with a service level of 97%, resolving 83% of the mediations'

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Responsible advertising

During FY 2019-20, Vodafone's advertising has focused on the launch of new products and services that have brought about a substantial change in the market.

The first of the year's milestones was to become the first operator to launch **Unlimited Data for Mobile Tariffs** thanks to which its customers can enjoy an unlimited connection without worrying about how much data they use, turning them into the **Los ilimitables**, "people with unlimited possibilities".

The next milestone was to become the first operator to launch 5G on the market. The **Vodafone 5G Network** gives its customers far more opportunities, offering them the fastest mobility speeds, with an ultralow latency.

Last but not least, in the TV service department, it offers its customers the largest amount of television content on the market, making Vodafone **The Biggest Film and Series Aggregator**.

In short, this year has seen major launches that continue to position Vodafone as an innovative operator, something that has always been in its DNA as a company.

All its campaigns comply with current legislation, and this is ensured through an internal control mechanism whereby its legal department reviews all campaigns before they are launched.

Furthermore, Vodafone is a member of the Association for the Self-Regulation of Commercial Communication (*Autocontrol* in Spanish), and as such assumes the ethical commitment of responsibly exercising the freedom of commercial communication, participating in the Spanish system of advertising self-regulation.

'In FY 2019-20, Vodafone **did not receive any fines** relating to unfair competition, anti-trust, or monopoly practices'

Ilimitables, Madrid es 5G

5G

El futuro es apasionante.
Ready?

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↖ vodafone.es/5G

vodafone

Tecnología 5G disponible para todas las tarifas móviles comercializables de contrato de Vodafone y de Vodafone bit con terminal móvil compatible con 5G dentro de las zonas de cobertura Vodafone 5G. Más info vodafone.es/5G

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3.2 Responsible procurement

3.2.1 Code of ethical purchasing

All Vodafone in Spain's suppliers have signed its **Code of Ethical Purchasing**, which covers the following aspects:

1 **Avoid Child Labour:** No person is employed who is below the minimum age for employment.

2 **Avoid Forced Labour:** forced, bonded or compulsory labour is not used and employees are free to leave their employment after reasonable notice

3 **Working Hours:** Employees' working hours will not exceed the maximum number laid down by local legislation.

4 **Pay:** employees receive a fair and reasonable salary.

5 **Avoid disciplinary practices:** employees are treated with respect and dignity.

6 **Non-discrimination:** the Company will not support or apply discrimination of any kind in hiring, employment terms and remuneration.

7 **Freedom of association:** employees'rights to join trade unions or similar representative bodies will be respected.

8 **Individual Conduct:** no form of bribery will be tolerated.

9 **Fraud and Money laundering:** the company will comply with international regulations and legislation.

10 **Responsible Sourcing of Minerals:** the supplier must have clear procedures and policies to avoid the purchase of conflict minerals.

11 **Health and Safety:** we will provide a healthy and safe working environment for their employees, contractors, partners or others who may be affected by the activities.

12 **Environment:** We will comply with legislation and international standards and ensure that environmental impacts are managed appropriately.

13 **Climate Change:** greenhouse gas emissions and the energy consumption of their operations must be identified, measured and minimized.

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3.2.2 Conflict Minerals Policy

On 3rd April 2017, the European Commission passed the **European Regulations on Conflict Minerals**, which affect some of the minerals frequently used to manufacture some of the devices which are used or sold by Vodafone. The conflict minerals regulated by the EU are gold, tungsten, tin and tantalum.

The Regulation will be binding in January 2021 and will force EU companies to verify the origin of these minerals responsibly when importing them and make sure that they do not contribute towards financing armed conflicts.

Even though Vodafone does not manufacture products, nor does it import minerals, the Company is aware of such risks, which is why it has **Conflict Minerals Policy** that applies to all the products that it buys. This Policy addresses the risk of the potential adverse impact that may be associated with the extraction, sale, use and exportation of minerals which come from areas affected by conflicts. Furthermore, this policy sets out a series of requirements for our suppliers of electronic products (due diligences in its supply chain to determine the origin) and establishes our position in the fight against the violation of Human Rights related to the extraction of conflict minerals very clearly. In this respect, Vodafone support industry initiatives such as the **RMI ("Responsible Minerals Initiative")** which are gradually increasing transparency in mineral supply chains.

The application of this policy and of the associated due diligence process enables Vodafone to comply with **OECD recommendations and with American regulations (Dodd-Frank Act)**, through the annual report which it submits to the Securities and Exchange Commission (SEC, the US regulator).

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3.2.3 Suppliers
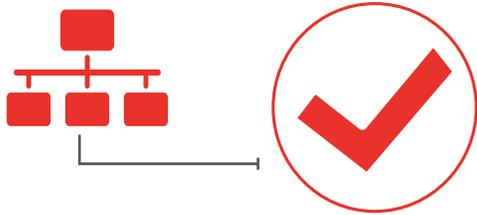
Achievement of the Integrated Report 2018-19 Objectives	Degree of Compliance
Build Electronic Billing into Procurement Management. March 2020	100%
Create, consolidate and track updated supplier ranking according to their Hazard Prevention performance. March 2020	100%

All Vodafone in Spain's suppliers **sign the Company's Code of Ethical Purchasing** and are **assessed** within the scope of the **Anticorruption Policy** when they sign the contract.

During FY 2019-20, all the employees of Vodafone in Spain's Purchasing Department successfully completed the online Ethical Procurement **course**, and the Anti-corruption Policy refresher course. In this respect, the Company has not received any information regarding any breach of any point of the Code or the Policy.

During February 2020, the Purchasing Department took part in the external audit required to review our **Quality System** certificate in accordance with **ISO 9001**, with a highly satisfactory result. **7**

Vodafone's Anticorruption Policy

Vodafone's policy includes **zero tolerance of Bribery and Corruption**.

"We never offer, promise, give, ask for or accept anything of value or any advantage to inappropriately influence, encourage or thank anybody for having done something..."

Supplier Approval and Assessment

Supplier pre-approval pays attention to **social** aspects (human rights, health and safety, freedom of association, child and forced labour, etc.) and **environmental** aspects (waste management, energy consumption, environmental management, etc.). Every year Vodafone assesses its key suppliers, both in terms of the type of products and services supplied and their level of turnover. Emphasis is placed not only on quality of service, but also on deliveries being on time and satisfactory, and improvement plans are put in place where appropriate. In January 2020, two simultaneous assessments were conducted:

Global Assessments: 14 of the suppliers most strategic for the Vodafone Group were assessed, with an average NPS score of 66 points. As a result of this assessment, two improvement plans are now in place.

Local Assessments: Vodafone assessed **the 37 suppliers who are most relevant** from the local point of view, and an average NPS of 68 points was obtained.

€4,458 million on buying Products and Services in 2019-20*

91% of the amount of total purchases made from Local Suppliers

% of Purchases made from Local Suppliers*

Vodafone España S.A.U.:
90%

Vodafone Ono, S.A.U.:
94.4%

*Includes acquisitions of tangible and intangible fixed assets

*Estimated on the basis of the total purchases made.

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Implementation of Procurement Management tools

- **SAP-ARIBA**
  The SAP Ariba project, which will provide the new Purchasing platform, consists of two very different and independently-developed modules:
  - **Ariba Sourcing**: Put into place in FY 2018-19, now all negotiation, RFQ and award processes are managed on a single platform, and the savings achieved are reported.
  - **Ariba Purchasing**: This module was scheduled to start operating in FY 2019-20, but has been delayed and the new scheduled date is October 2020. The intuitive user interface is going to make it far easier for users to make their purchase requests, send orders to the supplier and receive them.
- **CELONIS**
  The information available on Vodafone's Analytics platform (Celonis) was enhanced and improved during 2019-20 by including new modules, new KPIs and additional reports that let the company monitor its management and its processes E2E, so that they can be measured, analyzed and corrected if necessary to improve the service/relationship with its suppliers and internal customers, and to achieve its departmental objectives.

Occupational Health and Safety

To guarantee **compliance with the Safety and Health Policy**, suppliers have been given further information about it through different courses of action:

- **Visits to suppliers:** This year featured a visited to a rooftop site with work at height, an underground chamber, a core center, a call center, a warehouse, and accompanying customer installers.
- **Forum with COPS ('Customer Operations').** This yearly forum, at which participants share ideas on innovation, digitization and good practices, Health and Safety, could not be held this year due to the coronavirus crisis.
- To ensure that contractors comply with the Policy, **from time to time they are asked to update their Supplier Accreditation Documents, as well as their self-assessment and outsourcing reports to ascertain the policy followed at company outsourcing levels.**
- The process was updated to consolidate and maintain a **supplier ranking** according to their Risk Prevention performance, developed to achieve excellence in their approved companies.
- Vodafone has circulated its new updated policies on **standard N-0520**, on portable ladders and work at height, to its high-risk Health and Safety companies, harmonising the management of all subcontractors within the Occupational Risk Prevention Policy.

COVID-19

During the health alert period triggered by the COVID-19 coronavirus, the Purchasing department defined contingency plans with all suppliers and completed all the related tasks, analyses and communications, aimed at **guaranteeing**, firstly, **the health of Vodafone's employees, partners and customers** and, secondly, guaranteeing service to all its customers.

NEXT OBJECTIVES

- Implementation of the SAP Ariba project Purchasing module, which will allow all the Company's users to improve their customer experience and raise their orders faster though the intuitive user interface. March 2021

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3.3 Human Rights in Vodafone

The connectivity provided by Vodafone contributes to the socio-economic development of people and communities, while facilitating the protection and promotion of Human Rights and freedoms.

The Company recognizes its responsibility to respect the Human Rights included in the **National Business and Human Rights Plan**, as well as in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Principles of the United Nations Global Compact, among other international frameworks.

Vodafone has a Group-wide **Human Rights Policy** that identifies the risks associated with its main Stakeholders and establishes due diligence measures and access to remediation mechanisms.

Operations, products and services

- **Right to privacy and freedom of expression**
  Vodafone is committed to processing personal information honestly, ethically, with integrity and in such a way that is always consistent with its values and applicable laws.
  The Company seeks to balance its responsibility for its customers'rights to privacy and freedom of expression with its obligations to comply with the law in each of the countries in which it operates. It processes all access requirements through a robust governance structure defined in its Compliance Assistance Policy. **3**

- **Human Rights in design**
  Vodafone seeks to minimize the risk of any impact on Human Rights associated with the development of its products or services, including new technologies such as Artificial Intelligence and the Internet of Things (IoT).

- **Children's rights**
  Vodafone recognizes that children can be a particularly vulnerable group in today's digital world. Therefore, the Company is committed to defending children's rights at all levels of its business model and seeks to support children and their parents in becoming responsible digital citizens.
  Vodafone is a member of the GSMA Mobile Alliance Against Child Sexual Abuse Content, which is committed to removing all child abuse content, or where this is not possible, to stopping the sharing and access to this material. **7**

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Employees

• Diversity and inclusion

Vodafone does not tolerate any form of discrimination related to age, gender, disability, gender identity, sexual orientation, cultural background or belief. [7]

• Health and safety

The health, safety and welfare of Vodafone employees is one of the Company's most essential responsibilities. Anyone working for or on behalf of Vodafone must behave in a safe and responsible manner at all times. [7]

• Freedom of Association, Collective Bargaining and Voice of the Employee

Vodafone recognizes its employees'right to join and benefit from collective agreements in accordance with the law. [7]

• Slavery and human trafficking

Vodafone does not tolerate forced labour, child labour or any other form of slavery in any of its own operations or in its supply chain, and is committed to taking measures to ensure that everyone who works for Vodafone - at any level, anywhere in the world - benefits from working in an environment in which their fundamental rights and freedoms are respected.

Communities

• Digital inclusion

Vodafone's goal is to democratize digitization, making technology truly accessible to all, leaving no one behind. [7]

• Bribery and corruption

Corruption and bribery can have a significant negative impact on Human Rights. Vodafone acts with honesty, integrity and justice in its internal and external agreements, The Company does not tolerate any form of bribery, nor does it accept hospitality or gifts that may incur a commitment. [3]

• Civil society

Vodafone recognizes the importance of the role of civil society advocacy. It maintains dialogues to advance respect for human rights and seeks to ensure them wherever relevant.

• Community consultation and land rights

Communication networks are intensive infrastructures. Therefore, where relevant, Vodafone is committed to transparent consultation, and any agreements with landowners, community leaders and municipal authorities are kept in place.

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Suppliers

- **Ethical procurement**

  Vodafone has developed robust systems and high standards, based on its values, which it expects its suppliers to share. These standards set the minimum agreements with its suppliers, as set out in its Code of Ethical Purchasing. ⬛

- **Responsible mineral mining**

  Vodafone expects its suppliers to take part to ensure that no conflict minerals are used in any supply chain-related equipment. Furthermore, it monitors cobalt and conflict mineral-related human rights violations risks in its supply chain. ⬛

Oversight and governance

- **Human Rights due diligence**

  Vodafone's human rights due diligence approach is aligned with the United Nations Principles on Business and Human Rights.

  This includes control policies, impact assessments, mitigation, monitoring, performance control, employee training and stakeholder engagement.

  It assesses current and potential positive and negative impacts on human rights when:
  - It develops new products, services, technologies or makes significant changes to existing offers.
  - It enters new markets or anticipates changes in its current operating environments.
  - Considers new agreements or acquisitions.
  - Commitment to suppliers.

- **Ensure access to remedies**

  Vodafone encourages people to report any complaint as soon as possible. Its employees can do this through a confidential third party via the Speak-Up channel, either online or by telephone. Speak Up operates under a non-retaliation policy, which means that anyone who has a concern is treated fairly, without negative consequences for the employee at Vodafone. Customers can report complaints through a complaints platform and a Privacy Inquiry Form. ⬛

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4

Corporate governance

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4.1 Regulatory Compliance   **4.2** Boards and Committees

4.1 Regulatory Compliance

4.1.1 Vodafone Group Regulatory Compliance Programme

Vodafone Group, Plc. is responsible for designing the **global corporate governance system** of all its subsidiaries, and each market assumes the executive responsibilities and daily control associated to the system and specifically, to ensure, publicize and implement the **Code of Conduct and Corporate Policies** ③. In this respect, the Boards of Directors of Vodafone in Spain ④ are committed to Regulatory Compliance and to maintaining, developing and overseeing the Code of Conduct and Corporate Policies, by striving to align local internal procedures both with the highest ethical standards, taking into account the characteristics and singularities of the Spanish market, and with the Vodafone Group's Business Principles.

4.1.2 Criminal Risk Prevention Programme

Additionally, Vodafone in Spain has implemented an exclusively local **Corporate Defense Programme** that serves to protect the company from the commission of any crimes to which it is potentially exposed. As part of this Programme, and based on a risk analysis subject to periodic review, Vodafone reviews the effectiveness of the measures identified in the appropriate control matrix and implements the improvements required to reinforce the programme. The **Compliance Officer** reports regularly to Vodafone in Spain's **Audit and Risks Committee** on the results both of the general Regulatory Compliance Programme and of the Corporate Defense Programme, monitoring the risk and control review, as well as the agreed improvement plans.

Eighteen offences are deemed a potential risk for Vodafone Spain. The table on the right shows that, since 2017, Vodafone has reviewed the risk matrix controls of the offences selected each year. This financial year, the Company has tested offences against workers' rights, offences against the Public Treasury and the Social Security, and discovery and disclosure of secrets, and the results obtained in all of them were positive.

4.1.3 Corporate Policies

Vodafone has a wide variety of internal rules that are mandatory for all its directors, managers and employees. The linchpin of this regulatory framework is the Vodafone **Code of Conduct** ③, the reference framework that enshrines the **Ethical and Business Principles** for conducting the activities of Vodafone in Spain.

Crimes with potential risk
1 Discovery and disclosure of secrets
2 Fraud offences
3 Alteration of prices in public tenders and auctions
4 IT damages offences
5 Intellectual property-related offences
6 Industrial property-related offences
7 Corporate secret offences
8 Misleading advertising
9 Fraudulent billing
10 Corporate corruption
11 Money Laundering
12 Tax and Social Security offences
13 Accounting offences
14 Offences against workers' rights and illegal trafficking
15 Land and town planning offences
16 Natural resources and environmental-related offences
17 Bribery
18 Influence peddling

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The Vodafone Group also has a set of **corporate policies** that are used to design the general action guidelines and define the minimum criteria for managing the main areas and risks, based on the ethical and business principles set out in the Code of Conduct. Among other issues, these corporate policies refer to Human Resources, Occupational Hazard Prevention, Security, Privacy, Competition, Anti-corruption, etc.

Finally, Vodafone in Spain has a set of **Local Procedures** that, in line with Corporate Policies, describe processes, technical aspects and action plans that cover the different activities and functions assigned to each area of the Company.

4.1.4 Compliance Culture

The Company is committed to ensuring there is a real Culture of Regulatory Compliance, and Zero Tolerance of the commission of unlawful acts, as the only way to make the Prevention model sustainable.

That is why Vodafone in Spain has in place two kinds of **training plans** which include online general training about Corporate Policies and the Code of Conduct that all employees must complete every two years, and in-person training that is given to the groups of employees most affected by the corporate policy in question.

At the same time, Vodafone bolsters its Compliance Culture by arranging regular **information and awareness-raising campaigns** to send all employees a clear message about Vodafone's commitment to ethics and regulatory compliance.

This culture, training and awareness-raising programme is known in the Company as **"Doing what's right"** (DWR), and is carried out by Vodafone's Internal Communication, Human Resources and Compliance departments, which arrange, execute and track it with the support and backing of the Boards of Directors and the Executive Committee members.

Having a programme intended to create and maintain the compliance culture in Vodafone is essential for ensuring that all employees are better acquainted with the Ethical, Business and Regulatory Compliance Principles, and which contributes to reduce risks throughout the Company.

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4.1.5 Prevention and Control tools

Vodafone guarantees compliance with its Corporate Policies through a series of programmes, controls and tools that form the Company's Lines of Defense, organized as follows:

FIRST LINE OF DEFENCE: directly responsible for proper risk and control management, and for regulatory compliance and internal procedures in all areas. This line of defence therefore encompasses all the Company's units, and in particular, the departments responsible for control tasks and other activities regulated by said procedures or standards, which must internalize this responsibility in exercising their usual tasks and functions.

- **Local Policy Owners:** The Company's LPO is responsible for implementing and monitoring the controls associated to each Corporate Policy and each criminal risk in Vodafone in Spain.

- **SOX Control / Process Owners:** key control managers act as the First Line of Defence by completing a self-assessment questionnaire to ensure that their controls are operated effectively and in accordance with their design throughout the year, even in periods not reviewed by the auditor.

SECOND LINE OF DEFENCE: Responsible for monitoring the functions of the users included in the First Line of Defense, both in terms of the Company's global risks, legal compliance, financial control, information security and others.

- **Compliance-Legal Area:** Every year it reviews the effectiveness of the regulatory compliance and Corporate Defense Programme by assessing the effectiveness of the key controls defined in the corresponding risk matrices. The results are outlined in an annual report that is presented to the Audit and Risks Committee and Vodafone Spain's CEO and is then submitted to the Vodafone Group's parent company. During financial year 2019-20, Vodafone Spain checked a total of 17 controls associated to Crisis Management, Regulation, Occupational Hazards, Monetary Penalties and Privacy policies. It also performed a self-assessment of its corporate policies on Anti-corruption, Competition and Monetary Penalties, by checking the effectiveness of all the controls identified in the corresponding risk matrix.

- **SOX Compliance:** In compliance with the Sarbanes Oxley Act, which aims to ensure internal control of US listed companies and strengthen investor confidence in the financial information they disclose, during 2019-20, our Business Processes and Systems were reviewed to confirm that properly-designed controls to mitigate critical financial risks are in place and they have been audited throughout the financial year to guarantee they are applied correctly for the Vodafone Group in Spain. This audit was conducted in-house by the Finance Operations SOX Compliance team, and the results are shown in the Process and Company Certificate, which was signed by the CFO and the CEO on 4th May 2020.

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Together with SOX regulatory compliance, this team also guarantees compliance with the Group's Delegation of Authorities Policy, which sets expense approval ceilings and limits on third-party commitments on behalf of Vodafone in Spain. This is certified and signed by the Head of Finance Operations and the CFO for each quarterly close, by completion of a self assessment questionnaire that is forwarded to the Vodafone Group.

• In addition to the aforementioned compliance duties, control and monitoring duties apply in other areas of the Company such as Fraud, Quality and Margin Assurance:

Speak Up Channel: This "whistleblowing" channel, which is in place throughout the Vodafone Group, is used to report any possible irregularity, breach or conduct contrary to the Company's corporate ethics, legality and rules. It is available to all our employees, etwernal partners and suppliers, 24 hours a day and 365 days a year, and is completely confidential. 3️⃣

Triage Team: This advisory committee is tasked with analyzing any cases reported through Speak Up and defining or recommending the steps to be followed in investigating and resolving them. It is formed by the Head of Human Resources and the Security and Compliance officers.

Due diligence or assessment of the suppliers hired by Vodafone, documented and based on analyzing whether a compliance structure is in place in their organization and, consequently, if they have a Code of Conduct and other corporate policies.

THIRD LINE OF DEFENCE: Internal Audit: Independent assessment of the Company's internal control environment in line with a predefined annual plan based on the main local and Vodafone Group risks that are detected.

FOURTH LINE OF DEFENCE: In line with applicable Independence regulations and Vodafone's internal policies, the current Financial Auditor oversees and supervises the company's different projects to ensure the absence of any influences and interests that might impair its objectivity

COMPLIANCE

CULTURE

- Speak Up
- Third Party Due Diligence
- Awareness Training DWR
- Triage Team
- Risk Assessments
- Management's commitment
- Annual assurance

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4.2 Boards and Committees

4.2.1 Boards of Directors

The Boards of Directors strive to ensure that the corporate purpose is pursued, the company's general interests are protected and that value is created within the company.

All the Vodafone Group companies in Spain have a Board of Directors, which is the Company's highest governance and representative body, and to which the law attributes certain duties and functions. Members are appointed to the Board by a procedure which ensures that both the law and Vodafone Group's Internal Policies are met. Furthermore, the Board's management's performance is approved by the Sole Shareholder when it approves the company's annual financial statements.

The Boards of Directors of the main companies of the Vodafone Group in Spain are as follows:

Board of Directors of Vodafone Spain, S.A.U.

The Board of Directors of Vodafone España, S.A.U. has three members, namely the company's Chief Executive Officer, Chief Financial Officer and Head of Legal, Regulation and Corporate Security. Organized in the same way as other Vodafone Group companies, the Board has the minimum legal number of members to make it more operational and effective in exercising its duties.

Mr. António Coimbra is both the Chairman and CEO so there is no non-executive Chairman.

The Chief Executive Officer has all the powers and duties that the Board of Directors has delegated to him, except any that cannot be delegated legally or statutorily. His relationship with the Board is based on the principles of trust and transparency, such that the Board is kept apprised of the decisions made by the Chief Executive Officer in exercising the powers delegated to him.

None of the members of the Board of Directors of Vodafone Spain are external directors.

Member	Post on the Board	Post in the Organization	Date of first appointment	Type of Director
Mr. António Coimbra	Chairman and Chief Executive Officer	Chief Executive Officer	27th August 2012	Executive
Mr. Eloy Rodrigo Gil	Member	Chief Financial Officer	1st March 2020*	Executive
Mrs. Elena Otero-Novas	Member	Head of Legal, Regulation and Corporate Security	18th December 2018	Executive

Secretary and Board Member: Elena Otero-Novas
Vice-Secretary Non-Director: Iván Simarro Vélez

*Until this date, Mr. Miguel Orue-Echebarría held this post.

The age of the governing bodies' members cannot be provided for data protection and confidentiality reasons.

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4.1 Regulatory Compliance **4.2** Boards and Committees

Board of Directors of Vodafone Ono, S.A.U.

The Board of Directors of Vodafone Ono S.A.U. also has three members, namely the company's Chief Executive Officer, Chief Financial Officer and Head of Legal, Regulation and Corporate Security.

Member	Post on the Board	Post in the Organization	Date of first appointment	Type of Director
Mr. António Coimbra	Chairman and Chief Executive Officer	Chief Executive Officer	23rd July 2014	Executive
Mr. Eloy Rodrigo Gil	Member	Chief Financial Officer	1st March 2020*	Executive
Mrs. Elena Otero-Novas	Member	Head of Legal, Regulation and Corporate Security	27th September 2017	Executive

Secretary and Board Member: Elena Otero-Novas
Vice-Secretary Non-Director: Iván Simarro Vélez

* Until this date, Mr. Miguel Orue-Echebarría held this post.

The age of the governing bodies' members cannot be provided for data protection and confidentiality reasons.

The Board members of Vodafone España S.A.U. and Vodafone Ono, S.A.U. meet all the legal and internal organization guidelines laid down to avoid **conflicts of interest**, and should any conflict of interest arise, have an obligation to disclose it to the Board of Directors through its Chairman or its Secretary. Be that as it may, any members who find themselves in a conflict of interest situation, must refrain from attending and taking part in discussions that deal with matters in which they may have a personal interest. Should any conflict of interest arise, it would be recorded in the pertinent item of the agenda.

Every year, with a view to preparing the annual financial statements, section 229 of the Corporate Enterprises Act requires each Board member to complete and sign a letter in which they declare whether they are involved in any conflict of interest or related party transactions.

Audit and Risks Committee

The Vodafone Spain Audit and Risks Committee is a regional body that reports to the Vodafone Group (it is always chaired by an independent person from outside the Vodafone Spain organization), and its main duty is to oversee the Company's control environment. The Audit and Risks Committee is governed by its Terms of Reference, meets whenever necessary, at least three times a year, and its main duties are: overseeing the annual audit plan, together with the implementation of any improvement actions, supervising the integrity of the Company's internal control systems, management of the major risks and the compliance with internal policies. The Audit and Risk Committee meetings are attended regularly by:
• John Connors (Group Tax Director)
• Mr. António Coimbra (CEO)
• Eloy Rodrigo (CFO)
• Elena Otero-Novas (Head of Legal, Regulation and Corporate Security)
Depending on the issues to be addressed, other company officers and employees can attend as guests.

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4.1 Regulatory Compliance **4.2** Boards and Committees

4.2.2 Decision-Making Committees and Forums

The Company's Decision-Making Committees and Forums, which are described in this chapter, are displayed below:

DECISION

MANAGEMENT

INFORMATION AND ALIGNMENT

GROUP DECISION AND ALIGNMENT

Weekly
Executive Committee

Two-monthly
Customer Experience Committee

Two-monthly
Digital Committee

Quarterly
Human Resources Committee

Quarterly
Brand Committee

Ad-hoc Steering Committee Meetings (whenever necessary)

Quarterly
Operational Coordination Forum (FoCo)

Monthly
Vodafone aHead

Monthly
Group Executive Committee

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Committee Executive (weekly)

Objective
Maximum decision-making body.

Chairman
CEO
Secretary
Head of Strategy

Participants:
- CEO
- Area Directors
- Ad-hoc guests

Group Executive Committee (monthly)

Objective
Responsible for implementing and delivering Vodafone's strategy as agreed by the Board and for all the operational management issues.

Chairman
Group CEO
Secretary
Group Head of Internal Communication and Events

Participants:
- Group Executive Committee members.
- Group Heads of the Residential Business Unit, Enterprise Business Unit, Technology.
- CEO of the 4 main operators and of the AMAP of Europe clusters.
- Group Heads of Finances (CFOs), Human Resources, Legal and Communication.

Considerations:
- Every year the Group CEO/CFO visits the country (together with other Executive Committee members as optional).

Customer Experience Committee (two-monthly)

Objective
Analysis of issues that impact customers' experience at all points of contact, and approval of initiatives to improve it.

Chairman
Director General of the Residential Business Unit
Secretary
Head of Customer Experience and Satisfaction

Participants:
- CEO, Director Generals of the Business Units, and CTO.
- Heads of Marketing, CVM, Brand, Customer Experience and Satisfaction, Communication, and Terminals.
- Ad-hoc guests

Digital Committee (two-monthly)

Objective
- Disseminate the Digital Transformation Strategy throughout the organization: areas, processes and working methods.
- Consolidate a competitive infrastructure: assets, capacities and operational processes.

Chairman
Director General of the Residential Business Unit.
Secretary
Head of Digital Transformation.

Participants:
- Heads of Business Units, CFO, CTO, and Human Resources and Property Director.

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Human Resources Committee (quarterly)

Objective
Follow-up and generation of HR initiatives.

Chairman
Head of Human Resources and Buildings
Secretary
Head of the Human Resources Office

Participants:
- CEO
- Head of Communication
- Selected Heads
- Ad-hoc guests

Brand Committee (quarterly)

Objective
Review the Brand's evolution, analyze the market's main advertising campaigns and approve new initiatives and campaigns.

Chairman
Director General of the Residential Business Unit
Secretary
Head of Brand

Participants:
- Heads of Marketing, CVM, Customer Experience and Satisfaction, and Communication.
- External participants: Agencies (News and Brand).
- Ad-hoc guests

Operational Coordination Forum (FoCo) (quarterly)

Objective
Report on the Company's performance during the previous month and report on the main projects for the upcoming months.

Chairman
CEO
Secretary
Head of Communication, CEO's Office Project Manager.

Participants:
- All employees (In person and by streaming').

Vodafone aHead (monthly)

Objective
Report on the Company's performance during the previous month and report on the main projects for the upcoming months.

Chairman
CEO
Secretary
Head of Communication, CEO's Office Project Manager.

Participants:
- Area Directors
- Anyone reporting directly to Area Directors

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Other Decision-Making Forums

Board of Trustees of the Vodafone Spain Foundation

Functions: The Board is the Vodafone Spain Foundation's highest governance and representative body.

Participants: Internal members of Vodafone (Chairman, CEO, Head of Communication) + External members (representatives of Ministries and other bodies).

Reputational Committee

Functions: Create a positive reputation for Vodafone both nationwide and in the regions, and approve all the reputational initiatives for the quarter.

Participants: CEO + Human Resources and Property Director + CFO + Head of Legal + Managing Director Enterprise Business Unit + Head of Communication and sustainability + Brand Manager + Head of Network Roll-Out, and Director of the Foundation, Head of P.A.

Employee mechanisms for communicating suggestions to governing bodies.

Vodafone makes numerous mechanisms available to employees for them to convey recommendations, suggestions or any type of comments to the company's governing bodies, the most representative of which are indicated as follows:

- **Workplace by Facebook,** the corporate social network, of which participate all the company's employees are members, is a Facebook version designed to cater to businesses.
- **Operational Coordination Forums (FoCOs)**, in person and streamed meetings at which Management shares information about the Company's business development and strategy with all employees. The meeting ends with a Q&A session.
- **Company Kick Off**, which is held at the start of the financial year and at which the strategy for the next twelve months is unveiled. There are two meetings: one for top management (approximately 100 Directors), and, subsequently, another for all other Vodafone Employees, streamed live at the head office'. At the end of these meetings, time is always kept for questions and answers with Management.
- **Roadshows**, that are held after the Kick Offs and during which the strategy is shared with Vodafone's different sites. The CEO goes to each site, meets employees and talks with them about strategic issues or the region's specific issues.
- **Regional Executive Committees**: business follow-up meetings are held during each quarterly committee, and in all the regions at the same time.
- **Webinars** held throughout the year on specific and general interest subjects or on an area-by-area basis. Employees can join the webinar and take part.
- **Performance Developments**, in which employees can pass on any recommendation or information to the company's governing bodies, in individual meetings with their direct superiors. The main aim of these conversations is to track and assess employees' job performance, and it is recommended that they take place four times a year. **7**
- Any employee can contact Vodafone Management about any personal or career development issues through the **Head of Human Resources of their area**.
- Every year Vodafone conducts a company-wide **People Survey** to ask all its employees about their expectations and perceptions. The survey addresses different issues regarding human resources management, business activities and Corporate Responsibility/Sustainability issues.
- **Speak Up**: This Vodafone Group scheme lets employees report any activity that breaches the Company's Code of Conduct. **3**

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4.1 Regulatory Compliance **4.2** Boards and Committees

The **Senior Leadership Team (SLT)** remuneration policy is based on the principle of "performance pay" in terms of the results obtained by our company. This ensures that our Officers only receive significant amounts of variable remuneration if the Company's business results have been as expected by our shareholders and other Stakeholders.

The table below details and explains the key components of Vodafone Spain's SLT member pay packets.

Component	Objective and alignment with strategy	Description
Basic pay	• Attract and retain the best Managerial talent.	Salaries are reviewed each year. The following criteria are taken into account in the pay review process: • Manager's level of experience, training and responsibilities, the business results achieved by the Company, the macro-economic environment and market conditions. • Market salary surveys conducted with a representative sample of sector companies similar to Vodafone in size and complexity. • Officers' Performance
Welfare benefits	• Reinforce the retention of Managerial talent and ensure that our Management's pay packet is competitive with respect to its reference markets.	• Participation in the Vodafone Spain Company Pension Scheme. • Participation in a specific Retirement Plan for Management. • Company car • Health Insurance for the Executive and the members of his or her family unit. • Life and Accident Insurance
Short-term variable pay	• Encourage and reward achievement of the targets set for the financial year. • Strengthen communication of the strategic priorities for the financial year.	• Annual Bonus levels and the indicators used for assessing the results attained are reviewed each year to ensure they are aligned with Vodafone's strategy and the best market practices. • To ensure that the bonus payment-related targets and goals are challenging, the performance and historical compliance of indicators used is analyzed. • Payment of the amounts to which they are entitled takes account of the Company's business results, as well as the Officer's individual performance.
Long-term variable pay	• Encourage and reward attainment of the targets set out in our multi-year strategic plan. • Further align the management team with our shareholders' interests. • Retain Managerial talent.	• Annual share award plans with a three-year vesting (*) period tied to the Officer's remaining in employment in the Company. • Annual share award plans with a three-year vesting (*) period tied to the Officer's remaining in employment in the Company and the Company's Free Cash Flow performance. • The final number of shares awarded takes account of Officers' potential and the level of performance. • Members of the management team must receive half of their basis pay in shares in the Company.

*Vesting: Period of time during which the options cannot be exercised and therefore cannot be sold.

Vodafone in Spain:

Average Remuneration of Senior Officers (€) (*)   **Men:** 623,273   **Women:** 588,191

(*) All the SLTs are employees of Vodafone España, S.A.U.

The figure refers to the Total Compensation (total remuneration received that is considered monetary remuneration or remuneration in kind). The remuneration paid to all the Board members is included in the annual financial statements section of this report (note 24 for Vodafone España S.A.U. and note 23 for Vodafone Ono S.A.U.). The figures cannot be broken down by gender for data protection and confidentiality reasons.

In line with the Senior Management Severance Payment Policy, the Company applies the current employment legislation applicable in each specific case. In FY 2019-20 there were no wage rises.

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5.1 State of the Industry and Trends   **5.2** New legislation and regulations

Analysis of the environment

5.1 State of the Industry and Trends / **5.2** New legislation and regulations

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5.1 State of the Industry and Trends **5.2** New legislation and regulations

5.1 State of the Industry and Trends[1]

5.1.1 Revenues and Employment

The sector's **retail revenue** in 2019 (€24.78 billion) was 1% lower than in 2018. Revenue has remained flat over the last 6 years, a sign of the sector's stagnation and maturity.

Fixed and mobile **voice service** revenue is still declining (9% and 7.4% respectively), and for the second year in a row, the same is true of **Fixed Broadband** revenue, which fell 2%. The only revenue that was higher in YoY terms came from **Mobile Broadband** services, which grew 4.9% and **audiovisual services**, which rose 0.5%.

Also worth noticing is that **equipment and phone sales revenue** declined 8.1% with respect to FY 2018.

Employment in the sector dropped significantly by 4.2% to a record low of 54,309 jobs.

5.1.2 Infrastructure

The number of **FTTH** (Fiber To The Home) accesses installed continues to grow at a double-digit rate, and now totals 51.2 million building units[2]. If one adds the 10 million **HFC** (Hybrid Fiber Coaxial) accesses installed, the number of **NGAs** (New Generation Access) installed totals almost 62 million building units.

FTTH accesses installed
(building units)

Year	Value	
2017	36,972,761	
2018	45,068,813	
2019	51,208,838	+13.6%

Changes in retail service revenues
(€ million)

2017	2018	2019
24,461	25,047	24,906 (-1%)
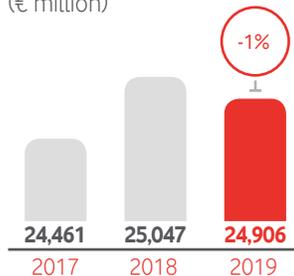
Change in Sector Employment

2017	2018	2019
56,706	56,673	54,309 (-4.2%)
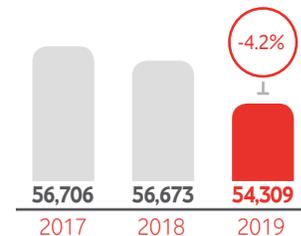
[1] The figures have been drawn from the CNMC report for the 4th Quarter of 2019.
[2] The installed access figures do not include 940,000 installed FTTH accesses sold by Grupo MASMOVIL to the Macquarie Capital investment fund.

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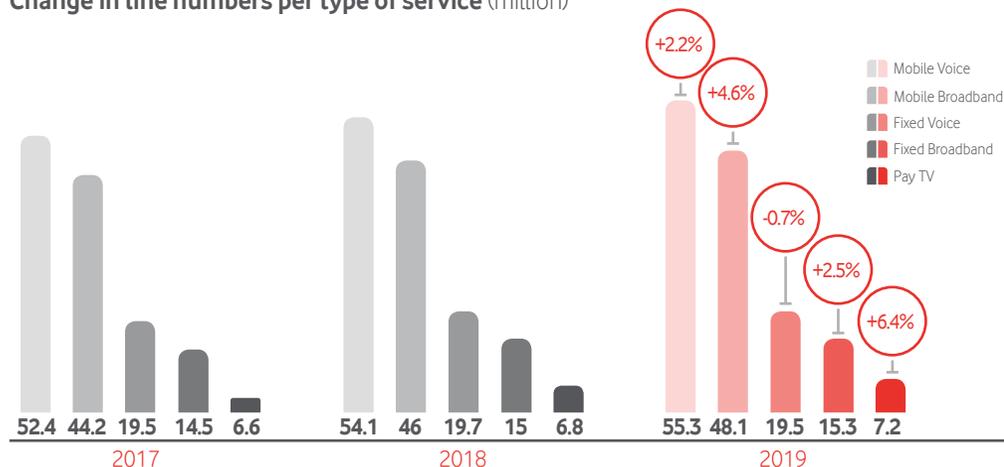**5.1** State of the Industry and Trends   **5.2** New legislation and regulations

5.1.3 Line numbers

The number of lines of all the services was higher than the previous year, except for the fixed voice service lines, which dropped slightly.

Change in line numbers per type of service (million)

- The number of **Fixed Voice** lines (19.5 million) stayed at last year's levels, with a slight drop of 0.7%. Portability figures remain very high (2.17 million), although without reaching the record 2.3 million of 2018.
- The number of **Mobile Voice** lines (55.3 million) inched up 2.2%, with the penetration rate rising to 117.7 lines for every 100 inhabitants. Just like fixed numbering, the number of portabilities was very high (7.34 million), but without reaching the 7.5 million lines recorded in 2018.
- As in previous years, Vodafone has reported growth in the number of **Mobile Broadband** lines (up 4.6% to 48.1 million), in the number of **Fixed Broadband** lines (up 2.5% to 15.3 million), and in **Pay TV services** (up 6.4% to 7.2 million).

In the **Fixed Broadband** market, the number of **FTTH** lines in service has reached the 10-million mark, 1.4 million more than the previous year. There are now so many FTTH and **HFC** lines that xDSL

accesses now only account for 17% of Fixed Broadband Lines, when in 2018 they represented 25%.

The majority (76.5%) of Fixed Broadband connections have speeds of 100 Mbps or more, as compared to 59% the previous year.
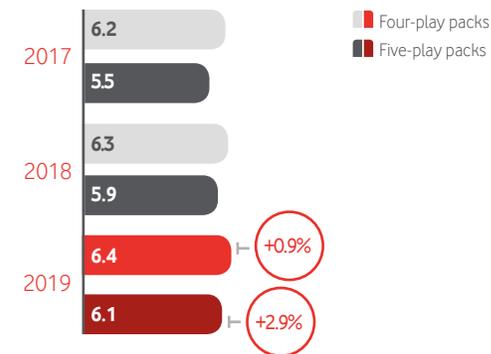
Consumers are still showing a marked preference for **bundled subscriptions**. **6.1 million** people have now signed up for Five-Play or quintuple packs (Fixed Voice + Fixed Broadband + Mobile Voice + Mobile Broadband + Pay TV), as compared to only 173,000 million the previous year. The number of four-play packs (Fixed Voice + Fixed Broadband + Mobile Voice + Mobile Broadband), also grew slightly in 2019 to **6.4 million.**

Finally, it is worth noting that the number of **M2M (Machine to Machine) lines** grew again, and at the end of 2019 there were **6.75 million** lines, 14.8% more than in 2018.
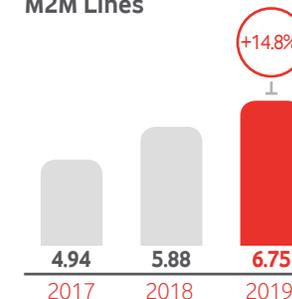
Change in fixed broadband line numbers per technology (million)
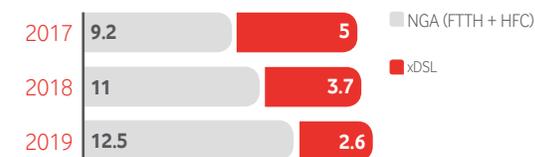
Four-play and five-play packs (millions)

M2M Lines

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5.1 State of the Industry and Trends 5.2 New legislation and regulations

5.2 New Legislation and Regulations

5.2.1 In Spain

Radio Spectrum

A **Commercial launch of the 5G service in the 3600 – 3800 MHz band**

On 15th June 2019, Vodafone commissioned the **first commercial network** of the **5G service in 15 Spanish cities**. This network utilizes the 90 MHz of bandwidth that Vodafone was awarded in the auction called by Order ETU/531/2018 of 25th May, with a concession that began in December 2018.

The 3600-3800 MHz band has been identified as the main band for introducing 5G-based services in Europe before 2020. 5G Technology emissions **comply strictly with the UNE standard and the technical reports issued by the corresponding IEC** (International Electrotechnical Comission), as well as with the limits laid down by Spanish regulations.

B **700 MHz band Authorization Process Road Map. Second Digital Dividend***

As part of the 5G National Plan, in July 2018 the Ministry of Economy and Enterprise published the 700 MHz frequency band authorization process road map for the provision of wireless broadband electronic communications services.

The road map lays down the **procedure for releasing the band of frequencies** currently used for providing Digital Terrestrial Television (DTT) services for use in **providing mobile communications services** before 30th June 2020, within the timetable established by EU regulations.

One of the main milestones was the approval of Royal Decree 391/2019, of 21st June, approving the **National Technical Plan for Digital Terrestrial Television**, which regulates certain aspects for the release of the second digital dividend so as to maintain the television service's capabilities and steadily releasing the frequencies by geographical areas.

Another key milestone has been the **amendment of the Spanish Table of Frequency Allocations** to include the attribution of this band to electronic communications services and to determine the maximum number of frequencies per operator. The draft Order was submitted to public consultation in November 2019. The approval of this Order and the announcement of the call for tenders for this band is expected to take place during the first half of 2020.

As part of the 5G National Plan, the Ministry of Economic Affairs and Digital Transformation, together with red.es, announced the concession of **subsidies for 5G technology pilot projects** in the Order ECE/1016/2018, of 28th September. The Ministry also passed a resolution in which it authorized certain bands to allow operators to conduct tests and carry out the use pertinent cases.

> **Vodafone was awarded** one of the two pilot projects and together with Huawei, is developing **32 use cases in Andalusia**. This project budget is €25.4 million, €6.3 million of which are being co-financed by Red.es from ERDF community funds. Vodafone will earmark another €1.8 million as part of this project.

C **Coverage Obligation associated to the 800 MHz Band**

The operators Vodafone España, S.A.U., Telefónica Móviles España, S.A.U., and France Telecom España, S.A.U., which have been awarded spectrum in the 800 MHz band, are under the obligation to jointly complete, before 1st January 2020, the offers provided with other technologies or in other frequency bands, in order to reach a level of coverage that allows **at least 90% of the people living in towns with fewer than 5,000 inhabitants to enjoy speeds of 30 Mbps or more.**

This obligation was defined in Ministerial Order ECE/1166/2018, of 29th October, with the plan to provide this coverage to be executed by operators who own public spectrum concessions in the 800 MHz band.

As specified in the Order, the operators presented a joint action plan, as well as their pertinent individual plans for complying with the obligation, which were all approved by the Department of State for Telecommunications and Digital Infrastructure. The technical requirements must be met in terms of coverage and capacity. According to the Order, the Secretariat of State must monitor these parameters until January 2025.

*The COVID-19 health crisis means that there will be an estimated a delay several months in the dates scheduled in the Road Map.

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5.1 State of the Industry and Trends   **5.2** New legislation and regulations

Reference Access Interconnection Offer (RAIO)

On 1st August 2019, the Official State Bulletin (BOE) published the announcement of the revision of interconnection prices for fixed network termination for all calls originating within the EU. This price is regulated for all fixed operators with their own network, in accordance with the obligations imposed by the CNMC following the analysis of the relevant market for call termination on the individual public networks of each fixed operator (Market 1).
The **new prices approved** were as follows:

2/08/2019 > 31/12/2019   **1/01/2020 > 31/12/2020**   **From 1/01/2021**

0.0643 €c/min   - 21.3%

0.0593 €c/min   -7.8%

0.0545 €c/min   -8.1%

The new prices are in line with the European Recommendation on termination rates and are therefore prices based on a review of the BU LRIC theoretical network model of an efficient operator.
These prices do not apply to calls originating outside the EU, and a higher price may be applied if it is reciprocal to the one applied by operators in that country for termination on their fixed networks.

> **Vodafone** considers that continuing to reduce fixed and mobile phone termination interconnection prices does not benefit the sector, because the regulated prices are based on a theoretical model that represents a non-existent, fully efficient operator with a brand new network that is always and fully rolled out with the latest technology. This means that regulated prices do not adequately offset the cost borne by operators for the termination service. Nor do users benefit from these termination price cuts any more, given that virtually all national calls are now included in flat-rate models as part of the monthly charge for service packages and per-minute billing has disappeared.

Implementation of the European Electronic Communications Code

On 17th December 2018, the Official Journal of the European Union published Directive (EU) 2018/1972 of the European Parliament and of the Council establishing the European Electronic Communications Code, which consolidates the **reference regulatory framework for electronic communications services** within the European Union in a single directive.
On 6th March 2019, the Secretariat of State for Digital Advancement (SEAD) opened a public consultation on the preliminary draft law on the implementation of the Directive. The aim of this consultation was to obtain the initial opinion of the most representative entities and organizations potentially affected by the future regulation.
The measures included in the Code are intended, among other things, to provide incentives for investment in high-speed broadband networks, to provide the conditions for avoiding regulatory fragmentation among Member States and to ensure effective consumer protection. It establishes a regulatory framework that takes account of the convergence of the telecommunications and information technology sectors, and seeks to ensure that all electronic communications networks and services are, as far as possible, subject to a single regulatory reference framework.
The **new General Telecommunications Act**, which will implement the aforementioned Communications Code in Spanish law, is expected to be approved in the course of 2020.

> **Vodafone** considers that, as a whole, that the new Communications Code is an appropriate model, in general terms, as it is largely consistent with the principles included in the Telecommunications Act 9/2014 of 9th May, which provides guarantees for operators by ensuring a stable framework for development and growth for the coming years.
> However, the general principles established should serve to ensure that the scenario of competition, investment and development of new services is sustainable in the long term, by properly assessing how much cost operators have to spend on making new investments, paying the sector's tax burdens, and complying with additional obligations such as Universal Service, Quality of Service or network security issues.
> The other highlight is that new players have emerged in the communications sector in recent years through the provision of services on applications, and their role in the sector's competition must now be properly assessed.

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5.1 State of the Industry and Trends **5.2** New legislation and regulations

Draft Royal Decree, developing Royal Decree-Law 12/2018, of 7th September, on network security and information systems

In September 2019 the Secretariat of State opened a consultation and public hearing period to receive allegations on the draft Royal Decree that will develop Royal Decree-Law 12/2018 of 7th September, which implements Directive 2016/1148 on measures to **ensure a high common level of security of networks and information systems in the Union.**

The purpose of the Royal Decree is to: (a) establish the competent authorities for network security, and for information systems of essential services operators that are not considered critical operators and do not fall within the scope of the Public Sector Legal System Act 40/2015 of 1st October; b) implement the cooperation and coordination of the reference CSIRTs through the National Platform for the Notification and Tracking of Cyber-incidents; c) indicate the functions of the single point of contact; d) establish the measures required for compliance with the security obligations of essential service operators and digital service providers; (e) identify the functions of the Essential services operators' Information Security Officer; and f) approve the National Incident Notification and Management Instruction.

> **Vodafone** is considered a critical infrastructure operator within the telecommunications sector in Spain, and as such already complies with the security obligations defined in this Royal Decree, which have now been extended to other players in the sector.

New short number for calls to the "Cybersecurity Helpline" service

On 12th November 2019, the Official State Bulletin published the Resolution of 4th October 2019 of the Secretariat of State for Digital Advancement, assigning the telephone number **017** to the **"Cybersecurity Helpline"** service.
This helpline now centralizes the helplines run by INCIBE (National Institute of Cybersecurity of Spain) to answer doubts or queries on cybersecurity, privacy, digital trust, safe and responsible use of the Internet and technology. The helpline is a freephone number that operates every day of the year, from 9 a.m. to 9 p.m. The helpline is a free, confidential and accessible nationwide service, aimed at minors and their environment, citizens in general and businesses and professionals.

The 017 hotline entered into service on 11th February 2020.

COVID-19

- Royal Decree-Law 8/2020 established the guarantee to maintain electronic communications services and broadband connectivity, meaning that **while the state of emergency remains in force, the service cannot be suspended or interrupted for reasons other than network integrity and security**. Therefore the service of a customer who is behind on payments, for example, cannot be interrupted.

- It also states that, while the state of emergency remains in force, **all fixed and mobile number portability operations that are not already being processed are to be suspended, except in exceptional cases of force majeure**. This obligation was finally repealed in Royal Decree-Law 19/2020, of 26th May.

- On 20th March, the Government and Vodafone (together with other telecommunications operators) signed the **"Connectivity Pact"**, an agreement that extended the measures to guarantee connectivity for people and businesses alike, and in which the operators agreed:

  - **To ensure connectivity, network monitoring and operation capabilities**, and fast incident response, especially for the networks that provide support to emergency services. This led to Vodafone speeding up investments to increase network capacity and so avoid any interruption and saturation, successfully responding to traffic increases never seen before.

  - That **calls made to the 061 healthcare number would be free of charge**, and that each operator would pay its own network costs.

  - **To special measures to extend, at no additional cost to users, services associated with mobile phone connectivity contracts.**

  - **To keep customer service channels working**, to add further content to the audiovisual bundles that they offer to their users and to contribute to the measures developed by the Administration **to promote teleworking, distance learning and remote health care**.

  - Vodafone has also collaborated with the Government by providing anonymized mobility information and offering collaboration in modelling the spread of the pandemic, to help control it and support efforts to flatten the curve.

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5.1 State of the Industry and Trends   **5.2** New legislation and regulations

5.2.2 In Europe

European Single Telecoms Market

Ⓐ Contract summary

On 30th December 2019, the Official Journal of the European Union published the Regulation establishing a **template for the contract summary** to be used by providers of publicly available electronic communications services from 21st December 2020 pursuant to Directive (EU) 2018/1972 of the European Parliament and of the Council, which approved the European Electronic Communications Code.

The Code states that operators of electronic communications services must give consumers a contract summary that is concise and easy to read. This summary must identify the most relevant information about the services contracted by the customer, the price of the services or the duration of the promotions. By way of example, the Regulation approved in December 2019 specifically defines the format of this summary, from the sections that it must include to the number of pages or the font to be used.

> **Vodafone** has already been proactively offering its customers, for years, under the specific terms and conditions that form part of all contractual documentation, summary information on the services contracted by the customer to facilitate the greatest transparency in the services and offers contracted. This information will now be adapted according to the specific formats and requirements set out in this Regulation.

Ⓑ Eurorate: Single Tariffs for Fixed and Mobile Network Termination

In 2018, the European Commission began work on defining a **single regulated interconnection price** for fixed and mobile network call termination. This initiative is part of the new European Electronic Communications Code.

It started by producing a cost model for calculating the costs of providing wholesale international roaming services and mobile and fixed wholesale termination rates within Europe, taking into account the possible specific features of each country.

During 2019, progress has been made with this project and the results of this model have been presented.

It will now be up to the European Commission to establish a tariff path converging to a single mobile and fixed interconnection termination rate for all Member States. This decision is likely to be made at the end of 2020. The European Commission established a single tariff for the wholesale tariff in international roaming services by approving the mobile networks regulations in June 2007.

Network Security

Ⓐ Cybersecurity regulations

On 7th June, the Official Journal published Regulation 2019/881 of the European Parliament and the Council on ENISA (the EU Agency for Cybersecurity) and on information and communications technology cybersecurity certification.
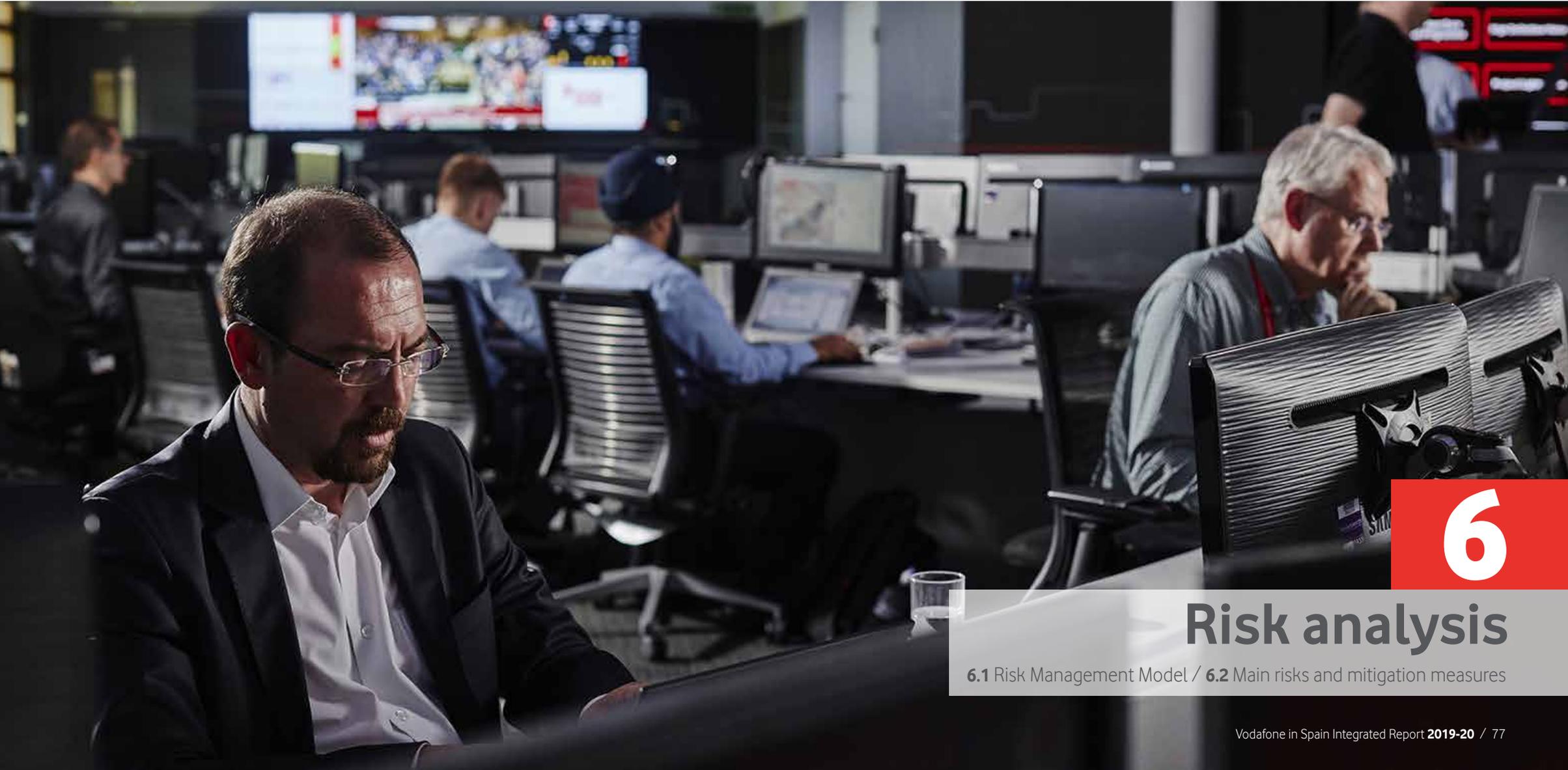
The Regulation aims to establish a single cybersecurity action framework within the EU. It sets out Enisa's objectives and tasks and also creates European certification models to guarantee an adequate level of cybersecurity for Technology and Communications products, services and processes.

Ⓑ 5G Network security: the Commission approves the EU toolset (5G Cybersecurity Toolbox)

On 29th January 2020 the Commission approved the toolbox as risk of risk reduction measures agreed by the EU Member States, in order to tackle the security risks involved in rolling out the 5th generation (5G) mobile networks. This follows the European Council's call for a concerted approach in this area and the subsequent Commission Recommendation on 5G Network Cybersecurity of March 2019.

The toolbox addresses all identified risks, including those related to non-technical factors, such as the risk of interference by or supported by third countries through the 5G network supply chain.

The Member States agreed to step up the security requirements, assess suppliers' risk profiles, apply relevant restrictions to high-risk suppliers, and have strategies in place to ensure diversification of suppliers.

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6.1 Risk Management Model **6.2** Main risks and mitigation measures

6

Risk analysis

6.1 Risk Management Model / **6.2** Main risks and mitigation measures

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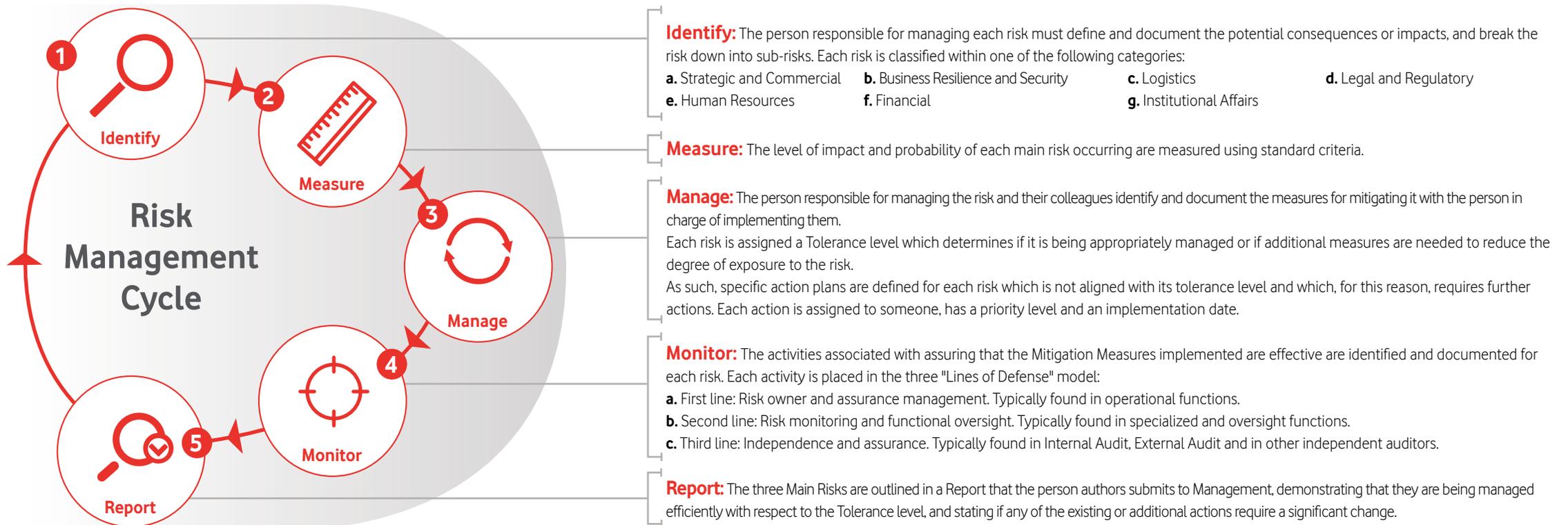
6.1 Risk Management Model   **6.2** Main risks and mitigation measures

6.1 Risk Management Model

Vodafone Spain's risk management model forms part of the **Methodology** devised by the Vodafone Group. Each year, Vodafone Spain identifies the main risks which could potentially affect the **fulfillment of its strategic goals** and impact customers, the business or the corporate reputation. Each identified risk is assigned directly to the appropriate Director or Head.

When the Main Risks have been identified, appropriate actions are taken to manage and handle them, with the objective of enabling company managers to make decisions with greater vision and knowledge of the potential impacts.
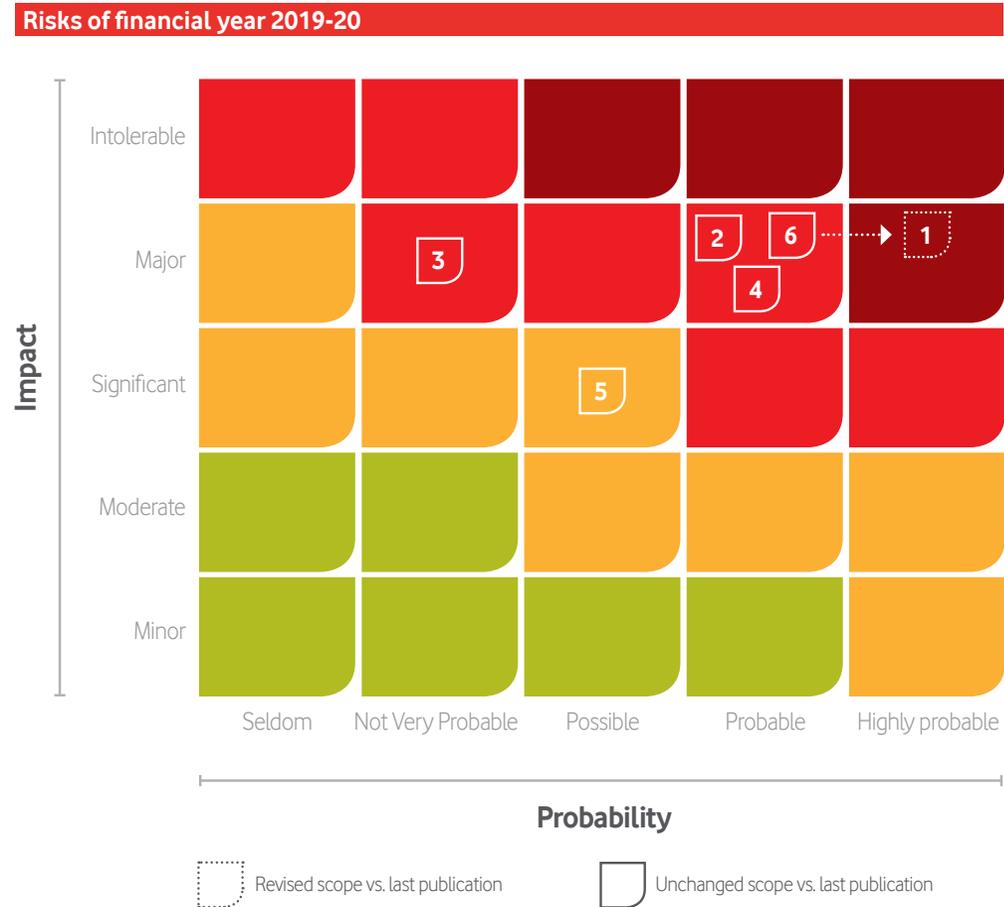

Identify: The person responsible for managing each risk must define and document the potential consequences or impacts, and break the risk down into sub-risks. Each risk is classified within one of the following categories:
a. Strategic and Commercial   **b.** Business Resilience and Security   **c.** Logistics   **d.** Legal and Regulatory
e. Human Resources   **f.** Financial   **g.** Institutional Affairs

Measure: The level of impact and probability of each main risk occurring are measured using standard criteria.

Manage: The person responsible for managing the risk and their colleagues identify and document the measures for mitigating it with the person in charge of implementing them.
Each risk is assigned a Tolerance level which determines if it is being appropriately managed or if additional measures are needed to reduce the degree of exposure to the risk.
As such, specific action plans are defined for each risk which is not aligned with its tolerance level and which, for this reason, requires further actions. Each action is assigned to someone, has a priority level and an implementation date.

Monitor: The activities associated with assuring that the Mitigation Measures implemented are effective are identified and documented for each risk. Each activity is placed in the three "Lines of Defense" model:
a. First line: Risk owner and assurance management. Typically found in operational functions.
b. Second line: Risk monitoring and functional oversight. Typically found in specialized and oversight functions.
c. Third line: Independence and assurance. Typically found in Internal Audit, External Audit and in other independent auditors.

Report: The three Main Risks are outlined in a Report that the person authors submits to Management, demonstrating that they are being managed efficiently with respect to the Tolerance level, and stating if any of the existing or additional actions require a significant change.

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6.1 Risk Management Model | **6.2** Main risks and mitigation measures

6.2 Main risks and mitigation measures

In accordance with the methodology described , the following Main Risks have been identified, whose category and Mitigation Measures are specified.

Vodafone's Main Strategic Risks

Major Risk		Risk Category
1	Competitor aggressiveness in the segment Low-End and Mid-level, including the market leader.	Strategic and Commercial
2	Cyberattacks and Information Security.	Business Resilience and Security
3	IT and/or Network infrastructure failure.	Business Resilience and Security
4	Public Administration and Regulatory Fees.	Legal and Regulatory
5	Spectrum tenders (700MHz Auction, 5G Plan).	Legal and Regulatory
6	Corporate transactions on the Spanish market.	Strategic and Commercial

Risks of financial year 2019-20

Legend: Revised scope vs. last publication | Unchanged scope vs. last publication

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6.1 Risk Management Model | **6.2** Main risks and mitigation measures

1 Aggressiveness of competitors in the Low-End and Mid-level segments, including the market leader

Description

Competition remains highly aggressive and price-based, especially in the low-end segment and is now expanding into the mid-level segment due to the launch of new products, which hits market value. This trend remains entrenched in the telecommunications sector, increasing the likelihood of a return to a price war to win market share.

Vodafone will keep on competing in these segments by means of innovative and commercially competitive offers, maintaining and ensuring the high level of quality of its products, services and customer care.

Mitigation Measures

- Ongoing analysis and monitoring of competitors' offers, as well as their impact on the customer base.
- Design, development and launch of new competitive offers, based on in-depth analysis of a market and of each segment's current and future requirements.
- Stronger value-centred position in the launch of some products, which is permitting a move to a less promotional scenario.

2 Cyberattacks and Information Security

Description

An unexpected or mishandled cyberattack against our Network Infrastructure might result in our services being temporarily unavailable. Our customers trust and Vodafone's reputation depend directly on its ability to protect their sensitive information from any unauthorized access.

The General Data Protection Regulation (GDPR) provides the framework for guaranteeing and protecting, insofar as personal data processing is concerned, individuals' public freedoms and fundamental rights, (especially their honour, and personal and family privacy). The regulatory authorities could intervene Vodafone if we fail to meet the requirements of both regulations. Our organization is better prepared as each year passes (GDPR compliance, Vodafone Group-wide improvement schemes, etc.) even though the threat of a cyber-attack or of personal/confidential data being hacked is both bigger and more complex.

Mitigation Measures

- Vodafone liaises closely with a wide variety of stakeholders, including government organizations, corporate groups and suppliers.
- Annually security checks are conducted to identify and carry out additional activities aimed at strengthening its control environment, the goal being to ensure that critical infrastructure is improved by reducing the likelihood of unauthorized access or any other attack.
- The risk of malicious attacks is minimized by the global Security Operations Centre.
- It continuously makes sure that all of its customers' data is processed correctly, with the proper level of confidentiality.
- Vodafone ensures that it complies with its obligations regarding file registration, data quality, duty to secrecy, duty to report and respecting its customers' rights.
- Vodafone prevents any breach or data loss with a top-class cyberdefence and security team focused on the customer and supported by risk processes.

3 IT and/or Network infrastructure failure

Description

As a telecom carrier, Vodafone depends on the stability of its networks and IT systems. Lengthy (non-malicious) downtimes in the network or IT infrastructure can result in a service interruption, damaging our reputation and causing a subsequent loss of revenue and financial penalties.

Mitigation Measures

- Availability of Business Continuity Plans and disaster recovery plans to mitigate their occurrence and duration.
- Investment in and ongoing upgrading of networks, following improvements detected after serious incidents.
- Availability of its own transmission media on all our network's critical paths to reduce any dependence on other companies.
- Investments to ensure adequate capacity and redundancy wherever justified for their impact in case of unavailability.

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6.1 Risk Management Model   **6.2** Main risks and mitigation measures

4 Public Administration Fees

Description

The fees levied by the Public Administration are still a critical factor for Vodafone's business in Spain, mainly due to their direct economic effect, but also due to their reputational and competitive impact on the market. The greatest risk lies in the potential legislative changes to tax regulations in the different levels and competences of Public Administrations: EU, national, regional and municipal. These changes are solely designed to increase revenue collection and lead to alterations in the economic environment.

Mitigation Measures

- Promote legal certainty and stability, and ensure fiscal forecasting at different levels of Public Administrations.
- Promote clear fiscal requirements, avoiding changes in official interpretations before and during inspections.
- Maximum collaboration with central government's tax authorities and throughout the inspections.

5 Spectrum Tenders (700MHz Auction, 5G Plan)

Description

If Vodafone failed to achieve favourable competition and economic rules in the 2020 spectrum auction and/or win the desired spectrum in the 700 MHz band (and potentially the 3 GHz and 5 GHz band) at a reasonable price, this would have a substantial negative impact on its innovative strategy for evolving towards 5G, as well as a major financial impact. In addition, the annual 700MHz band fee has not been approved yet, prompting uncertainty about the final price payable and worsening the impact.

Mitigation Measures

- Arrangements with the Ministry of Energy, Tourism and Digital Agenda.
- Meetings with the Secretary of State for the Digital Agenda and with the Minister of Economy.
- Liaison with the Vodafone Group's Technology and Foreign Affairs departments.
- Design and execution of the spectrum tender process strategy.

6 Corporate transactions on the Spanish market

Description

A fifth operator joining the Spanish market could also spark further commercial aggressiveness, even in the high-end segment, and therefore a loss of value in that segment. In addition, a new operator entering the telecommunications market could trigger corporate movements.

Mitigation Measures

- Design, development and launch of new competitive offers, based on in-depth analysis of a market and of each segment's current and future requirements.
- Adoption of measures to protect the customer base.
- Boosting of local and national promotional campaigns.

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7

Our strategy

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7.1 Vodafone's Strategy

The Vodafone Group has defined its Company Purpose, based on 3 Pillars, and has outlined its Business Strategy. The Vodafone Group's Company Purpose and Global Business Strategy are summarized below. Vodafone Spain strengthens its strategic pillars underpinned by a customer experience-centred culture.

PURPOSE (WHY?)

We connect for a better future

Digital Society

Inclusion for all

Planet

STRATEGY (WHAT?)

Best customer experience

Operational Excellence

Technological Excellence

Digital first

Always competitive

Radically simpler

CULTURE (HOW?)

The Spirit of Vodafone

Earn customers' loyalty

Create the future

Experiment, learn fast

Get it done, together

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7.2 Digital Society
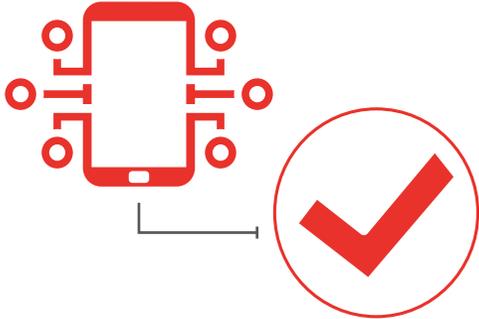
Achievement of the Integrated Report 2018-19 Objectives	Degree of Compliance
Offer the best fixed and mobile connectivity	100%
Have Excellent Operations as the basis for an Excellent Customer Experience.	100%
Offer an integrated Digital Experience in all its proposals and working methods.	100%
Always have a Competitive Offering in all the segments.	100%
Encourage Simplicity both internally and in dealings with customers.	100%
Keep encouraging convergence in the home.	100%
Keep on evolving the 'Perfect Start E2E' initiative, especially through digital channels.	100%
Keep on revising the current Premium SMS services to ensure that all of them meet Vodafone's requirements.	100%

Vodafone is firmly committed to a **connected Digital Society**, where data is transmitted fast, connecting people, communities and 'things' to the Internet like never before. Networks, services and solutions that make it easier to devise technological innovations that make our lives easier, healthier, more efficient and fuller.

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7.2.1 Customer digitization

One of Vodafone's main 'Digital Society' objectives for FY 2019-20 was to make technology serve customers, to help them make their lives easier, healthier and more connected.

To do so, it has reorganized its extensive range of innovative services for its **residential customers**, which are divided into **Vodafone in Spain's three brands: Vodafone, Vodafone yu and Prepay and Lowi**.

Vodafone

Over the last financial year, Vodafone has revolutionized the market by launching the family of tariffs with **unlimited data**, which also include **5G** mobile technology and the **and the largest range of films and series** on the market.

Los Ilimitables

In April 2019, Vodafone announced the first bundle of converged mobile tariffs with **unlimited data and voice** on the Spanish market, reinventing the way things are done and offering its customers a whole new world of opportunities.

The offer is designed to adapt to consumers' needs, offering the best connection inside and outside the home and always with the guarantee of the **Best Network**.

The solution features:
- **Unlimited data** in mobile and converging tariffs
- Symmetrical FTTH with **100Mbps, 600Mbps and 1Gbps**
- **Additional lines** with special discounts
- **Flexible, on demand TV content**
- Best range of **handsets**
- IOT services

5G

By commercially launching 5G in Spain on 15th June 2019, Vodafone reasserted its leadership in mobile networks and became the **first operator in Spain** to start a 5G rollout, which by now has reached 17 large cities. The technology is included free of charge in all tariff plans launched since April 2019. During the financial year, different steps were taken to speed up the commercial takeup of 5G: **communication actions in 5G cities**, experiences with **use cases in stores**, special **handsets offers and simultaneous concerts** in different locations.

Mini 5G / Extra 5G / Unlimited 5G / Unlimited Super 5G / Unlimited Total 5G — Top Speed — Unlimited data — **5G Included** Low latency / Great Capacity / Countless devices
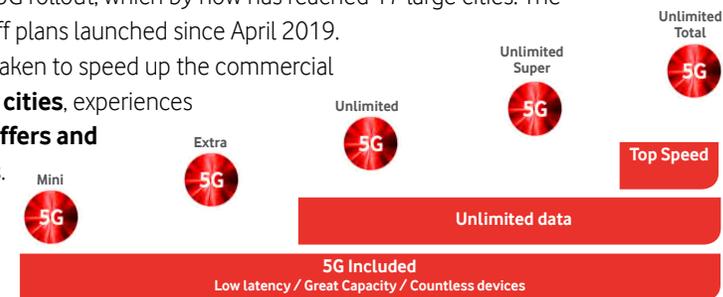
Vodafone TV

The market's biggest film and series aggregator and the only platform to feature HBO Spain, Amazon Prime, Netflix and HBO Spain and FILMIN exclusively with Vodafone.

More than 80,000 video on demand items, 13,000-plus of which are fims and 2,800-plus are different series with their seasons available on demand.

Full and flexible offering. 10 theme packs (series, films, documentaries, children, sports, music, hunting, adult, etc.) so that customers can sign up only for what they want to watch. Available for mobile-only and converging tariff customers, with a decoder or only on their devices.

Premium user experience, with different functionalities such as Multidevice, Live Control, View from the Beginning, Recording, Downloading and the main novelty this year, Voice Control, an easy, simple and unique way to control your TV by voice only.

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Digital Household

We live in an increasingly connected environment and, in response, Vodafone is making its Digital Home services available to its customers:

- **IoT for Residential Customers**

  The V by Vodafone family's IoT devices allow their customers to be connected and to keep track of everything that matters most to them: their home, children, elderly people, pets, rucksacks, etc. During FY 2019-20, Vodafone boosted its IoT product range with V-Multi Tracker, its most generic and versatile locator.

- **SuperWifi**

  Today more than ever, your home's landline network cannot fail! So in April 2019 Vodafone unveiled Super WiFi, a service that solves WiFi coverage and stability issues through smart extenders connected to a cloud platform that automatically analyzes the quality of the connection, optimizing it continuously.

- **One Number**

  Nowadays, always being connected is a must in our daily life. To let customers choose the device that best suits each situation, Vodafone offers them OneNumber: the service that let you connect lots of devices using the same phone number and the same tariff, without having to re-register or change your SIM card.

Vodafone yu and Prepay

VODAFONE YU

Vodafone's products and service for its younger customers. To meet their needs, during FY 2019-20 Vodafone yu has launched different **promotions and improvements**:

- **In April, more GB were added** to the yu Prepay tariffs without changing the price.
- In the Back to School campaign, Vodafone launched Yuser Fiber: **600Mb / no tie-in clause**.
- To showcase its ongoing commitment to young people's talent, it launched **Yu Generation**. The different offers unveiled this year were: **Vodafone Yu Music Talent** and **Yuser Contributor**
- Last but not least, the 'Yu, no te pierdas nada' radio programme has been overhauled, changed to another station - **Europa FM** and **Ana Morgade**, its new presenter, is accompanied by new faces and collaborators.

PREPAY

The main new Prepay tariff features and offers have been:

NEW TARIFFS:

- **Vodafone Traveller:** In August the company launched a product for tourists with 25 GB and 150 min. of national calls.
- **Vodafone Basic:** In November it presented a product targeted at immigrants and in the wholesale channel: 300 min to 57 destinations and 4GB.

PROMOTIONS:

- **Summer and Christmas:** 10GB extra with benefit rollover in tariffs with a fee.
- **Valentine's Day:** 20GB Voucher and 1000 national minutes for contacting your loved ones on that special day.

LOWI

The S-i-m-p-l-e company make the communications service easy so that customers do not have to worry about anything, without any small print or mobile tie-in. Lowi always revolves around its customers.

PROMOTIONS

- **Summer:** 60 GB for free
- **B2S:** Fibre 100 MB / 20GB / Unlimited Calls
- **Christmas:** 25 GB for free

CUSTOMER EXPERIENCE:

- Design of the new customer experience plan.
- Comms improvements in onboarding at all points of contact.
- Development of the **Empathy** concept as a customer management and experience focus.
- Redesign of the **App**: Focus on self-care

EXPANSION OF THE FACE-TO-FACE CHANNEL NETWORK, WHICH NOW HAS MORE THAN 1,000 POINTS OF SALE.

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Online Store

Vodafone's Online Store is geared towards user experience and the 'mobile first' concept, to optimize use on a smartphone screen.

In the last year Vodafone added content, fault and product self-care assistants to its App to make it easier for users to manage their products themselves.

By way of example, since July 2019 the number of incidents solved directly from the App has risen 40%, meaning that users do not waste time and are more satisfied, as reflected by the 100% increase in the TNPS.

'**40%** increase in incidents resolved from the App'

Customer Experience

Another linchpin of customer digitization is pursuing an excellent customer experience in all channels, and especially in digital customer care, making it far more personal.

- **Vodafone 'One-to-One'**
  This new service is being rolled out gradually for all residential customers, and is based on personalized management provided by a team of agents who always attend the same customers, whatever they need, answering their questions, resolving issues, signing them up for products and services, etc. The main results are a better customer experience and improved customer base development indicators.

- **Smart Routing**
  This new technology analyses the type of calls received from customers in real time, and uses Big Data algorithms to direct them to the best prepared and qualified agent. This leads to an enhanced customer experience and more efficient customer service.

- **Red Team Scheme**
  Red Team is a scheme for engaging with all the partners who work for Vodafone in the different channels, and offers them advantages and benefits in Vodafone products and services, competitions, incentives, etc. with the aim of maintaining a high level of brand motivation.

- **Happy**
  New customer loyalty programme based on two pillars: **Miércoyeees!**, recurring promos, exclusive discounts, etc. in the Vodafone services app and third party apps, and **delights**, which are personalized and relevant benefits at key moments of the customers' life and massive actions to reward their loyalty.

- **Listening Model**
  Creation of a new, AI-based digital and cognitive customer listening model (VOC) to understand customer needs in real time and improve the service provided.

- **Service in Social Media**
  Vodafone **led the Telco Sector in social media in 2019**. Distinction awarded by the Icarus Analytics Panel. In Customer service terms, service processes have been improved, cutting waiting times and boosting satisfaction in this channel over the last year. Vodafone uses Social Networks to keep up on ongoing, fluid dialogue with customers. The main indicators of these interactions are listed in section 2.4.2. ②

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Customer Experience

- **My Vodafone App**

  The My Vodafone app is the leading app in the Telco Industry (SmartMe analytics). This year, several service capacity improvements have been made, including:
  - Order management and possibility of changing appointments
  - Creation of the 'What have I subscribed to' section
  - Opening and tracking incidents from the App
  - Possibility of activating and deactivating additional services
  - Network diagnostics (mobile and fixed)
  - Biometric login
  - Possibility of subscribing to services such as additional lines, tariff changes, handset renewal, TV bundles, etc.

    Throughout the last financial year, Vodafone facilitated migration to unlimited tariffs through digital channels and the whole Christmas campaign was managed through the App, achieving a record number of activations.

- **Virtual Assistants**

  A WhatsApp customer service concept test has been launched and improvements have been implemented in the Customer Care Channel through the Voicebot, improving the customer experience substantially.

- **Transformation Committee**

  Creation of a Transformation Committee to improve customers' omnichannel experience: progressive review of the main customer processes for continuous improvement.

- **RCS (Rich Communication Services)**

  During FY 2019-20, Vodafone Spain teamed up with Vodafone Group to develop a **new customer communication channel**, based on traditional texting, but with a richer, fully digital and interactive experience. RCS lets you add images, gifts, carousels and videos to messages, as well as different interaction options such as buttons for +info, call and redirect to the App and the Vodafone website. This new channel represents an interaction experience that will be further improved in the coming months with new features. Over the next year, this new communication tool will also be offered to corporate customers and other aggregators so that they too can benefit from the advantages offered by this new form of texting, and interface with their customers in a totally digital, and highly effective way.

The launch of these initiatives has prompted a very positive change in the **TNPS** (Customer's level of satisfaction with Vodafone's interactions):

Global TNPS: 100% increase on the previous year

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Digitization as part of Vodafone's DNA

As part of its **'Digital First'** strategy, one of Vodafone's most important moves in 2019-20 has been to standardize the **'Digital Accelerator'** practices. This transformation engine has gone from focusing on mobilization and changing ways of working to being part of Vodafone's 'regular' organization. The company now has **42 teams** working in different areas with **agile methods** and focused on improving the **digital relationship with customers**.

The **digital channels** pose a challenge in sales processes with low customer satisfaction, a high degree of telephone help and limited visibility on sales transactions. The idea is to respond to these challenges by making key sales processes **'transactional'** so that customers do not need help during the process, although it is always available if they wish.

Digitization

- **Web channel**
  In June, the first part of the **transactional sales** process was launched, covering **mobile line** sales. Over the following months, this process was completed so that transactional sales of different products and services such as **fixed lines for convergent sales, additional lines and TV products** were added.
  The advantages of the new ways of working ensure the ability to quickly resolve possible complications that customers may have when using the transactional Web, in order to improve the customer experience.
- **MiVodafone App**
  Biometric access has been implemented, making it possible to use the terminal's native security with a fingerprint or face print.
  89% of iOS users and 66% of Android users have activated their biometric access. The App also lets customers **change their tariff to the 'unlimited tariffs' and delight deals.**
  720,000 customers took advantage of the special Christmas offer of **free unlimited data.**
  A transactional process for selling **additional lines** to existing customers has been completed, as has the **management of customer faults and incidents** through MiVodafone App.
- **Impact on digitization and digital culture**
  The main achievement, besides the business impact provided by digitalization, is seen in how

Vodafone customers value their digital experience. This customer satisfaction is measured in 'Touchpoint - NPS' and the changes over the last year leave no room for doubt.
All the efforts to turn around customers' digital experience is not only achieved with a focus on project delivery: **Vodafone works to have the best team** [7] and maintain a culture where the 'how' also matters:
More than 2,700 hours of training with specific programmes for each one of the new agile roles.
New 'WhatTheHack' **Hackathon**, at which **55 people took part in three multidisciplinary teams** to solve **three challenges with real solutions in three days.**

| Close of old version | Inclusion of BIT | Transactional Mobile | Transactional Fixed |

MiVF APP

Total Digital

Web

+18

-13

TNPS Index Trend

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7.2.2 Value Content

To supplement its range of products and services, Vodafone produces content that is of value and useful for different target audiences:

1. The future is exciting

Over the last year, the Future is Exciting changed its focus and rather than interviewing with eminent people from the world of science and technology who talked about everything that awaits us, focused on a more immediate future in which reporters gave a first-hand look at how technology can improve our daily lives. This change of focus has: **trebled views** of each content in its launch week, **doubled the number of interactions** compared to the last season, adhere doing **made the community grwn even more** and earned the company **5 YouTube Ads Leaderboard awards**.
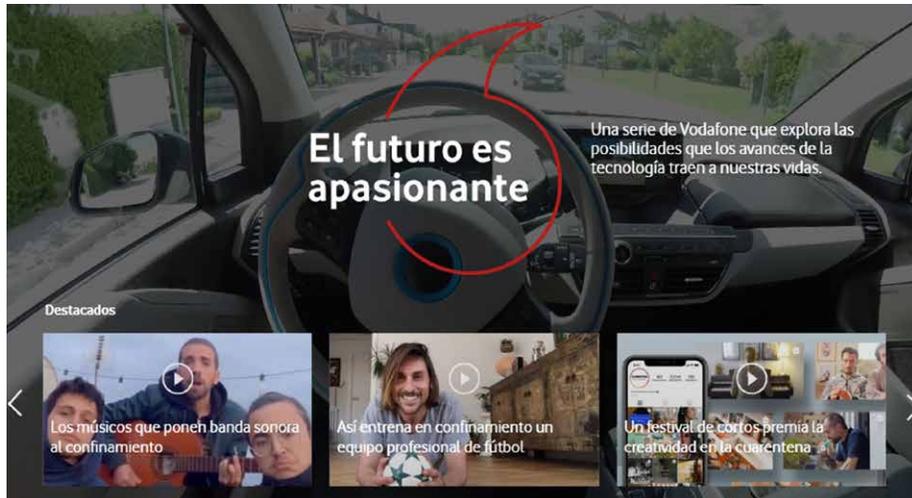
43 million-plus views of the new content

Five awards YouTube Ads Leaderboard

2. Vodafone yu

This is a content platform launched in 2012, aimed at a young audience (16-30 years) and supported by four main pillars:

- The live radio programme **yu No Te Pierdas Nada**, presented by Ana Morgade on Europa FM. Every day she takes a fun look at current news, films and series, music or gaming.
- **Vodafone yu Music Shows:** Free concerts for Vodafone customers throughout all the country.
- **Vodafone yu Music Talent:** The biggest and most important contest for new bands in Spain, in which more than 1,400 bands took part.
- **Exclusive events and experiences**, like playing virtual games in augmented reality, **#yuTheCube**.

The Vodafone Yu Youtube channel that holds the content generated by all of these activities since the creation of the platform.

+ 786,000 subscribers in social media profiles

+ 397 million views in the YouTube channel

2nd biggest channel of a brand in Spain in number of views

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3. Vodafone eSports

Through this content platform creatd in 2016, Vodafone Spain wants to inspire and help electronic sports fans to reach their best level as players.

Since 1st April 2018, Vodafone has been sponsoring **Vodafone Giants**, Spain's most successful eSports club and with the biggest community (990,000-plus followers). It was also the first club in Europe to obtain the equipment and backing of a brand like Nike.

Vodafone also produces content that is broadcast on the Twitch channel and social media such as **MásQueLoL**, a weekly entertainment programme with all the information about sports and video games, and **Playfaster**, a biweekly programme that brings together and challenges the best players live.

90 million-plus content views

2.7 million-plus interactions in the last financial year

4. Vodafone Enterprise Observatory

This audiovisual content platform was set up in June 2017 **to help companies of all sizes meet their digital challenges.** [2]
On it, **experts from around the world give their opinion** about all the opportunities that the digital world can offer businesses. Its content also features **customer success cases**, where customers themselves share their experiences and how Vodafone's solutions have helped to boost their businesses. The content is published in the main digital newspapers and social media.

140 million-plus cumulative views

10 million-plus website visits

5. This is NOT a series

To ensure Vodafone's position as **'The biggest aggregator of films and series'** and to highlight the content attribute, on 8th October 2019 the 'This is NOT a series' platform was launched. The first **comedy programme that only talks about films and series wit**h mainstream entertainment content, in audiovisual format, which is distributed in the main social channels: YouTube, Twitter, Facebook and Instagram.

78 million-plus views and **1 million** interactions since its launch

With a positive sentiment of **+24**

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7.2.3 Innovation Ecosystem

The objective of digitizing customers as part of the Digital Society purpose is especially important in the case of the Enterprise Business Unit. To help companies and organizations to successfully cope with going digital, Vodafone offers them a wide Innovation Ecosystem:

Vodafone Enterprise Observatory

This online forum, which features audiovisual content, interesting studies and analyses, such as **the biggest public study on the state of digitization of enterprises and the Spanish public administration**,
aims to explore the digital revolution's full potential, and to guide enterprises and administrations along the digitization path, finding out what professionals and enterprises are really concerned about, and pass those concerns onto the best experts, who share their experience and expertise. All this content is backed by leading worlwide reference partners, such as **Google**, and academic partners, such as **Opinno**, the **MIT**'s representative in Spain, as well as the **ISDI** Business School.

140 million-plus cumulative views

10 million-plus views

Customer Experience Workshops

Face-to-face design thinking workshops for SOHOs and small enterprises to help them identify and improve the processes that let them **interface better with their customers**.
The workshops began in October 2019 and by the end of the financial year, a total of 6 workshops had been held in 6 cities, each for different sectors of production.
The results of these workshops are published in the Vodafone Observatory ecosystem, with downloadable reports with the main conclusions and the methodology applied.

NPS = **69.75**

Workshop score = **96.1%**

Workshop's usefulness = **89.6%**

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Vodafone University – Enterprise Academy

Training sessions where managers from all sectors are helped by experts and companies that are leaders in their sector to learn how **new technologies and trends** can impact their business, such as Evolution to Data Driven Companies and Security Management or the 5G revolution.

Partners such as VMware, Carto, Samsung, Altran, Cisco, EDEM and IDC, among others, took part in the sessions.

1,550-plus top executives have attended the Vodafone University sessions

Business Experience Center

This demonstration center gives visitors **hands-on experience of the technologies and solutions** that Vodafone offers enterprises and businesses. The BEC provides information about each sector's key trends, explores new business models with customers and identifies projects that could help customers with their digitization processes.

100-plus innovative technology demos that can be adapted to different industries

1,300-plus companies have visited it since it was launched

NPS: **+91**

Vodafone Lab

A **collaboration, co-creation and innovation** community where Vodafone researches all **the potential of technology**, alongside partners, customers and employees. Vodafone has the best tools, partners and methodologies to ensure that all the know-how and ideas generated are turned into proposals that meet present and future customers' needs.

Over this last year, Vodafone Lab focused in particular on 5G, organizing 3 activities with customers in Think Tank sessions with start ups and associations and a Pitch Day for sharing information and ideas. Vodafone launched 16 activities, reaching new sectors such as insurance, pharmacy, agriculture and automotion, adding to tourism, banking, retail and industry.

Communities: mobility, drones and robotics, Big Data and IoT, Smart and SDG in sectors like tourism.

12 weekly actions or events and one session a week on design thinking with customers.

Average of **9 monthly sessions** with partners.

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7.2.4 5G Innovation

Vodafone Data Center

This infrastructure is **staffed and monitored 24 hours a day, every day of the week**. and is where customers can safely and securely store all their data. The Center's staff help them to set up a cloud infrastructure that lets them successfully evolve and escalate their IoT and Big Data strategies and other digitization solutions.

450 m² of datacenter

500 Kw of installed capacity
Capacity for **200 racks,** which could house up to
3,000 physical servers, **1000 communications switches**,
500 firewalls and **400 storage containers**

Equivalent certification -**Vodafone is Tier III**

Vodafone Plaza

Vodafone has its own environment, the Vodafone Plaza head office, where it **has brought in new, innovation-oriented working methods** that let all our employees use digital tools and be far more efficient when dealing with work-related issues, such as booking meeting rooms, car park spaces, etc.

More than **55,000 m²**
3,000 employees
100% SmartBuilding users
175 meeting rooms

Vodafone has consolidated its mobile network leadership and offers its contract customers the **fastest 5G connection**. At launch, 5G coverage, especially oriented to city and business centres, reached approximately **50% of the population of the 17 cities included, and is being expanded steadily**.

5G reduces latency to **less than 5 milliseconds** in ideal conditions, can **multiply number of network-connected objects by 100** and facilitates the development of new multimedia services and applications which require ultra-fast connections, such as **autonomous cars, virtual reality gaming, telemedicine or 8K video**. It will also spur the development of smartcities and services for business services and public administrations in fields such as automotion, health, emergencies, energy, and new Internet of Things-related business models.

Right now, Vodafone is not only spearheading the commercial launch, but also the development of future applications with more than 50 use cases developed with applications in different sectors.

5G Pilot in Andalusia

The 'Pilot 5G in Andalusia' project, promoted by the **Ministry of Economy and Business**, through Red.es, is being carried out by Vodafone and Huawei. It is one of the two projects that the Government is backing through the first public call for 5G pilot aid schemes. Its budget is **€25.4 million**, of which **€6.3 million are co-financed by Red.es** with **ERDF EU funds**. and **Vodafone has allocated €1.8 million to this project**.
The 5G Pilot in Andalusia is in the first phase of development and includes **32 use cases** that will apply this technology's benefits in **sectors such as energy, industry, smart cities, tourism, agriculture, health and dependence, among others**.
The use cases will allow practical applications such as **searching for and assisting people with drones, remotely controlled emergency robotics, biometric recognition, connectivity in conference centers, medication management for the elderly, artificial intelligence applied to sensors, augmented reality in tourist visits, management of oil infrastructures** with augmented reality and sensors, boarding of vehicles by **scanning license plates**, augmented reality in supermarkets, **immersion in eSports with virtual reality and precision agriculture**, among others.

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7.2.5 Leader in IoT and Success Cases

IoT solutions, based on Machine to Machine (M2M) connections, connect objects, turning them into smart resources that can communicate with people, applications and with each other. They enable cars, buildings or machines to interact in relation to their environment and location.

For the sixth year running, Gartner has rated the Vodafone Group as the world leader of M2M managed services in the "Gartner Magic Quadrant", and was positioned highest and furthest for its ability to execute and completeness of vision, in the Leaders Quadrant.

Figure 1. Magic Quadrant for Managed M2M Services, Worldwide

Source: Gartner (December 2018)
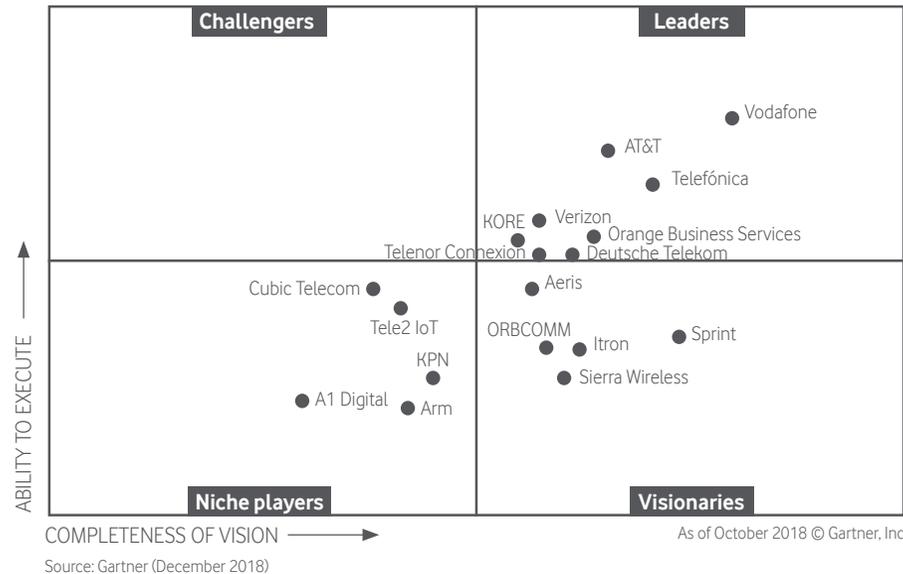
+2.7 million local and global SIM cards activated for IoT

23% plus increase in IoT SIM cards for enterprises, vs. the previous year

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Success cases for Enterprises and Public Administrations

Listed below are some examples of success cases when Vodafone's Solutions are applied by Enterprises and Public Administrations.

Connected School

Valle del Guadalentín School: This school in Lorca (Murcia), has trusted Vodafone Business as its technological partner to bring to life the first wireless school, as part of a unique educational project in southeast Spain.

This private, bilingual school promotes an educational model that revolves around pupils, who are the main actors in their own learning at all educational stages.

In this project, Vodafone Business has been responsible for providing the school with high-speed wireless connectivity that is compatible with its unique architecture. The school now offers a genuine immersive multimedia experience in the school thanks to the communications throughput. Vodafone is also responsible for managing all of the school's security requirements, from information security and physical security (videosurveillance). This school regards using technology as a means of reinforcing its methodology, generating a real transformation in the teaching and learning process.

Social and health care

Smart walking stick that helps patients with Parkinson's, Alzheimer's and other neurodegenerative diseases that suffer from "freezing" episodes. The walking stick detects this situation and is capable of emitting visual and haptic stimuli. Its two laser diodes emit a line and a point on the ground capable of stimulating the patient's brain, and the incorporated vibration adds a stimulus in severe cases that allows the patient to start walking again. If this does not happen, the walking stick sends an alarm and geolocation data to the patient's care centre.

The walking stick features Artificial Intelligence and Big Data-based solutions that give carers, medical facilities and relatives relevant information about the user's movements.

IoT with 5G

IFEMA, Spain's first 5G exhibition venue

Having spearheaded the development of new IoT solutions based on NBIoT technology, now Vodafone is again leading the next stage: IoT with 5G.

In 2019-20, IFEMA became Spain's first exhibition venue with Vodafone 5G coverage that allows speeds of up to 1Gbps, reduces latency to less than 5 milliseconds, multiplies the number of network-connected objects by 100 and facilitates the development of new multimedia services and applications which require ultra-fast connections, and new business models tied to the Internet of Things or virtual reality. The 35,000-plus exhibitors who take part in its fairs every year and its 4 million-plus visitors can therefore enjoy all the advantages of 5G technology. 5G rollout began in October 2019 in Pavilion 14.1 to host the first European 5G forum organized by Vodafone, and continued progressively.

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Cloud contact center

Nationale-Nederlanden 🔲

The daily routine of the insurance company's employees (and customers) in Spain has changed thanks to the robustness and, at the same time, simplicity of Vodafone's cloud-based contact center. Meanwhile, Vodafone IT Security ensures that everything is under control.

Vodafone's cloud contact center allows employees to attend to customers from home as if they were in the office, improving their work-life balance. This simple and robust solution also facilitates more efficient call waiting management, resulting in more customers being served and having the dropped call rate.

In its omnichannel strategy, Nationale-Nederlanden has also teamed up with Vodafone to develop new functionalities such as Click to Call or Chat to interact with customers more immediately.

In addition, recently they launched their Online Savings Account, for which they have implemented **Vodafone's IT Security solution**, a suite that prevents denial of service attacks.

Hefame Group 🔲

This drug distribution cooperative, which serves more than 6,000 pharmacies in Spain, is relying on Vodafone to make its business go fully digital.

The distributor has implemented different Vodafone solutions with the aim of providing a more innovative service to its members. In this case it is Vodafone Contact Center, a tool that facilitates an onmichannel approach and helps to increase customer interaction channels. This changed how it attends to pharmacies, as now they can be constant contact also through mail and an instant chat. Everything is built into the Hefame Group CRM, which also makes it possible to create new business lines for pharmacies.

Pharmacies' best partner thanks to the best technology partner

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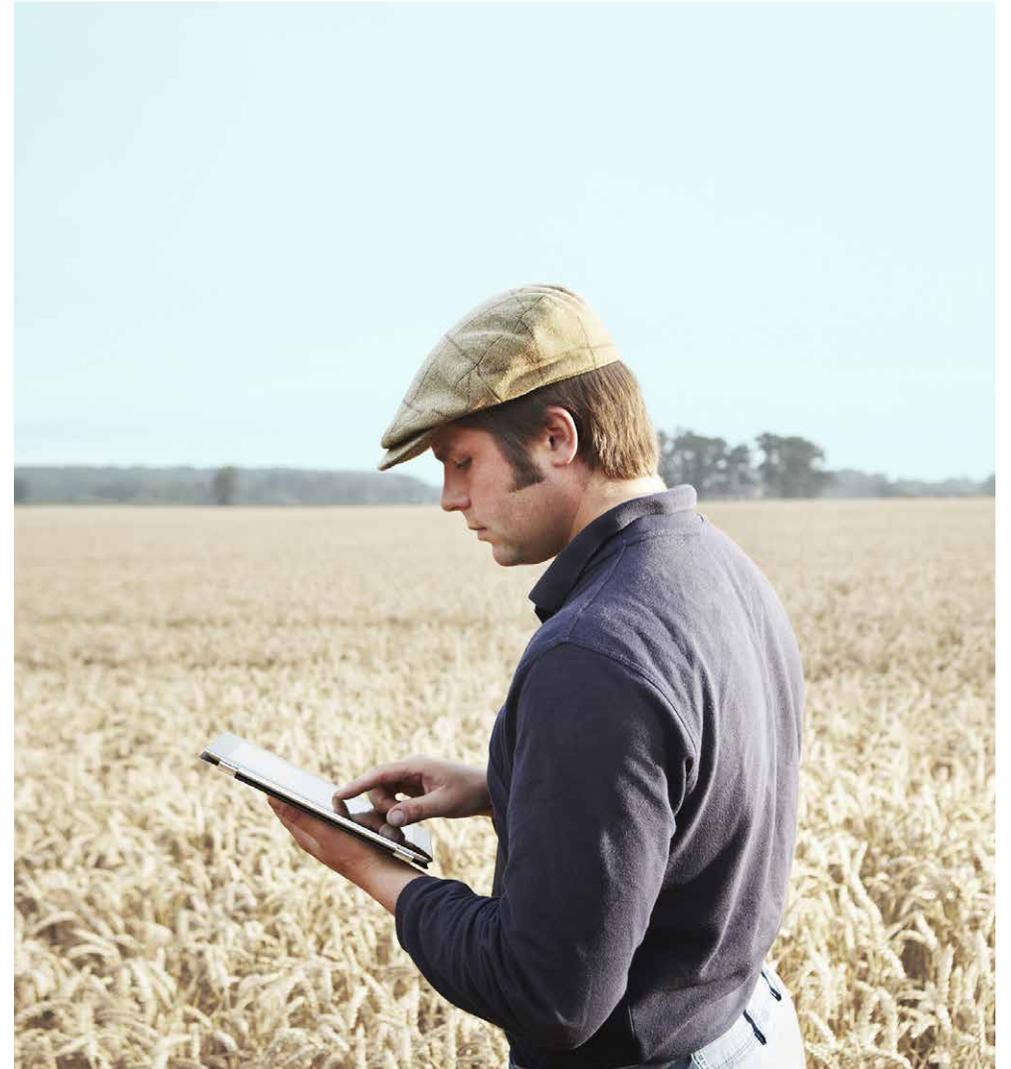
Advanced Products and Solutions for professionals and small enterprises

Connected office, an integrated communications, productivity and security solution

An integrated communications solution that lets professionals and small enterprises' employees work **from anywhere and any device** in a top maximum security environment and with technical support 24h every day of the week. The solution features:

- Fixed and mobile communications with voice and **unlimited data with the Vodafone 5G network** .
- **Virtual switchboard** service: no more missed calls, and customers can be attended properly by optimizing resources, without having to invest heavily in infrastructures.
- **Productivity and collaboration tools** (office automation, videocalls, storage...) housed in the cloud, permitting real-time work with GSuite.
- **Multidevice digital security** with anti-virus and antiransomware software, data retrieval backup and vulnerability analysis. Wherever your office is, both your company's data and your customers' data you will always be protected, safe and secure.
- A 24/7 **professional and specialized technical assistance** service, which answers queries immediately.
- **A unified service delivery manager**. Pre- and post-sales customer care and help, delivery management of all services.
- **Job configuration** to cover each business' needs flexibly.

These features make this solution one-of-a-kind on the Spanish market and puts solutions so far only available to larger companies within the reach of small enterprises and freelancers. The highest levels of connectivity and security are essential in a growing environment of working in small offices and co-working spaces.

SDWAN — Augmented Connectivity, an advanced integrated Connectivity and Security solution for SMEs

Augmented Connectivity, based on Cisco's SD-WAN, provides **advanced connectivity, security and teleworking functionalities to a company's different sites**, a service fully managed by Vodafone, which until now was only available to companies with an advanced level of technology.

A service that provides a **virtual private network (VPN) between a company's sites, applying routing policies at application and user level, on an Internet connection**. When it launched Augmented Connectivity in October 2019, Vodafone became the first operator to offer a solution of this kind to the segment of small and medium-sized enterprises (50 to 100 employees), with advanced functionalities:

- **Browsing security services** at each location applying application firewall functions, web filtering, intrusion protection and anti-malware. The company's network connects users and locations with each other securely and flexibly, because Augmented Connectivity detects any potentially harmful traffic that reaches the network and quickly applies virtual firewalls.
- **The network is centrally configured** and managed by Vodafone experts, which means that changes can be quickly automated and made securely.
- The Teleworker Service lets remote users log on securely to the company's VPN over the Internet, meaning that **they work remotely as if they were in the office**, subject to the same security standards.
- The Viewing Portal offers the parameters and statistics of the service in real time, as well as user self-management for WiFi connectivity and teleworkers. This level of real-time visibility and control of the entire network allows for resource management, threat prevention and fast adaptation of services to business dynamics.

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7.2.6 Network

Mobile Network

Key figures

More than 430 new 800Mhz 4G nodes were commissioned during FY 2019-20, providing 4G coverage to more than 6,950 towns and cities, including all those with more than 5,000 inhabitants, taking the population with 4G network coverage to 98.82%. At the end of financial year the number of 4G customers (with a 4G tariff and device) reached the 10 million mark.

Vodafone is firmly committed to and involved in rolling out **5G technology** in Spain and is participating in the schemes outlined in the 5G National Plan. This commitment to leading the field in mobile technologies is why Vodafone's 5G network enabled the **first tele-assisted surgery** thanks to the network's very low latency, as part of the 2019 Mobile World Congress; and in May Vodafone teamed up with Vodafone Portugal to make the world's **first ever cross-border mobile 5G data connection**. Then in June 2019 it commissioned Spain's **first commercial 5G network**, which that month reached 15 cities and covered more than 50% of their surface area. Vodafone's 5G commercial service has since been included in the unlimited contract plans, while the roll out continues progressively, and a total of **237 5G sites** are now in service. In 2019 Vodafone also began offering **5G coverage in roaming**, in 55 European cities.

For the fifth year in a row, Vodafone's mobile network has been named the **Spanish market's Best Voice and Data Network**, according to the "Mobile Benchmark" independent survey conducted

by the consultancy firm umlaut and the telecommunications magazine Connect, which highlighted its shortest call setup times, the best voice quality and fastest file download speeds, as well as also its 5G mobile network, which was analyzed for the first time in Spain in this year's study.
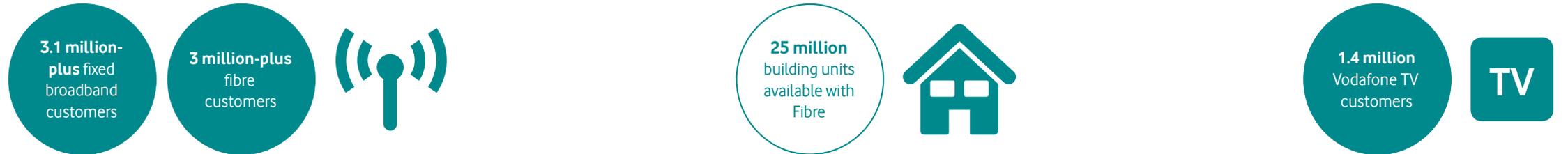
With a view to minimizing the environmental impact of our operations, **infrastructure sharing** has been a mainstay of our rollout. The graph below shows the number of outgoing site shares (at other sites) and incoming site shares (at our sites).

Total infrastructure sharing: FY1920

| 1,727 | 1,585 |
| Outgoing | Incoming |

BEST IN TEST
MOBILE BENCHMARK SPAIN
Vodafone 11/2019
www.connect-testlab.com

2.4 million lines with unlimited data

13.5 million mobile customers

11.3 million contract customers

10 million customers with a 4G tariff and device

98.8% of the population covered with 4G

6,900-plus municipalities with 4G technology

17 municipalities with 5G technology

5G Coverage in roaming in 55 European cities

237 5G sites

Roaming: 214 destinations open (2G, 3G and 4G technologies)

'43% **of the network rolled out in 2019-20** was deployed in shared infrastructure'

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Fixed Network

3.1 million-plus fixed broadband customers

3 million-plus fibre customers

25 million building units available with Fibre

1.4 million Vodafone TV customers

TV

Due to stepless is committed to the network than **fibre**, Vodafone has reached at the end of financial year the 25 million **building units** with this technology, in the Operator with the network more far-flung.

In addition, it already has over 3.1 million **broadband customers**, 90% of whom enjoy **speeds of 50Mbps or more**.

Vodafone's smart TV service is now available to the whole fixed-line network and, thanks to its commitment to content, it is the biggest aggregator of films and series in the market. For instance, **1.4 million customers** now enjoy Vodafone's smart TV.

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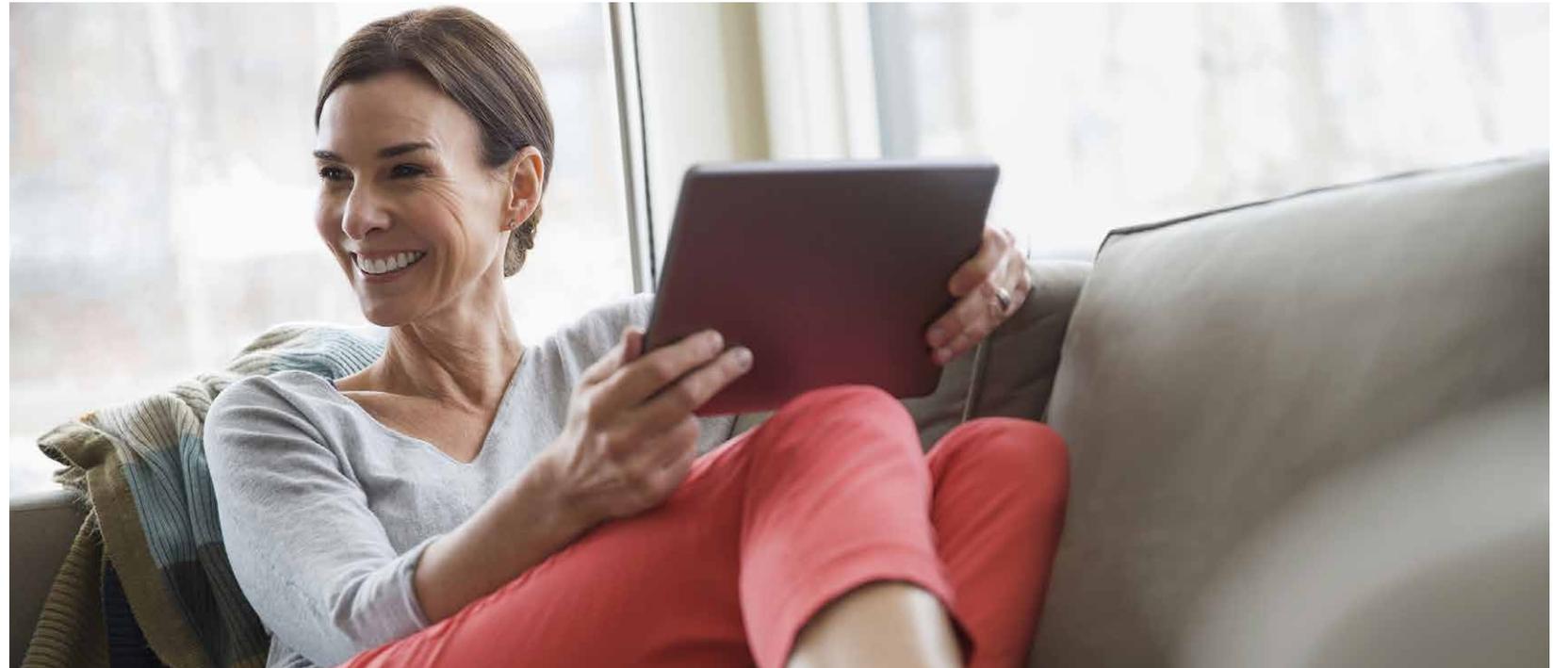
Network Quality

Vodafone's Technology Division uses the **Net Promoter Score** (NPS, a customer recommendation and satisfaction index) as its main source of information for rolling out and improving its network and its products and services.

Vodafone's vast experience in designing telecommunication networks, the high reliability of the elements used in its network architecture, and the level of excellence reached in operation and maintenance enable it to satisfy our customers' **Quality of Service** expectations and to be leaders in achieving the availability and quality objectives established by international regulations. To achieve this objective, Vodafone has a robust mobile telephone network with redundant routing, diversity and protection against failure.

A key element in the achievement and maintenance of the quality of service parameters is the **Ongoing Quality Improvement Process**. Basically, by using different sources of information such as Recommendation and Satisfaction Surveys, in-depth studies of the reasons behind customers' complaints, satisfaction surveys, samples of the customer's actual experience in using mobile and fixed networks, traffic statistics and measurements generated by network elements, field measurements and customer complaints, Vodafone's Technology Department analyses the sources of problems and work to resolves them, so as to turn them into opportunities for improvements.

The Recommendation and Satisfaction measurements are used to check the results of the improvement actions in place.

Vodafone is committed to innovation, working and benefitting from the first Vodafone Group **Big Data** solution, aimed at improving Customer Experience. This solution, together with its ongoing commitment to network deployment, capacity and optimization enables it to keep progressing in improving the quality offered and perceived by the customer.

Vodafone's work systems and processes including Quality Improvement and Monitoring have ISO9001 certification since 1997. 🔴

For the fifth year running, Vodafone's network has been chosen as the best mobile network, according to the survey conducted by the consultancy firm Umlaut and the magazine Connect, on account of its shortest call setup times, the best voice quality and fastest data transmission speeds.

Vodafone complies with the Technical regulations on rendering an automatic mobile telephony value-added telecommunication service. Consequently, it produces periodic reports on various elements of Quality of Service agreed between the operators and the SETSI (Secretary of State for Telecommunications and for the Information Society) based on different international regulations. Quarterly Service Quality values also undergo external audits which can be checked on the Ministry of Economy and Business' website in its Telecommunications section. 🔴

Lastly, with regard to the environment, and taking into account the significant network deployment activity, during the 2019-20 financial year, only five administrative fines were imposed for this reason, amounting to a total figure of €60.

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RF Emissions and Health

The exposure limits for health protection and RF emission risk assessment are determined by **Royal Decree 1066/2001** and apply the emissions produced by radio stations.

To comply with this Royal Decree and **Order CTE/23/2002** which develops it, the annual certification of Vodafone's network of stations was conducted during financial year 2019-20. For this purpose, RF emissions have been measured at close than 14,800 stations, and **the emission levels of 100% of its bases stations is far below the threshold set by the aforementioned Royal Decree**.

On 28th March, the Government published **Royal Decree 123/2017**, which approved the public radio spectrum usage regulations. The Regulations normalize the different administrative procedures according to the type of station and simplifies certain procedures, reinforcing the presentation of Responsible Declarations and Certifications, removing the need for the authorities to conduct the Technical Inspection of Facilities. The Regulations include the procedure for the control and inspection of the sole levels of tolerable radio emissions that do not pose a danger to public health, as well as a section relating to the protection of the public radio spectrum. We should also mention **Royal Decree 299/2016**, of 22th July, on the **protection of workers' health and safety** from electromagnetic field exposure-related hazards.

All **phones** marketed by Vodafone comply with the SAR (Specific Absorption Rate) limits established by the ICNIRP (International Commission on Non-Ionising Radiation Protection).
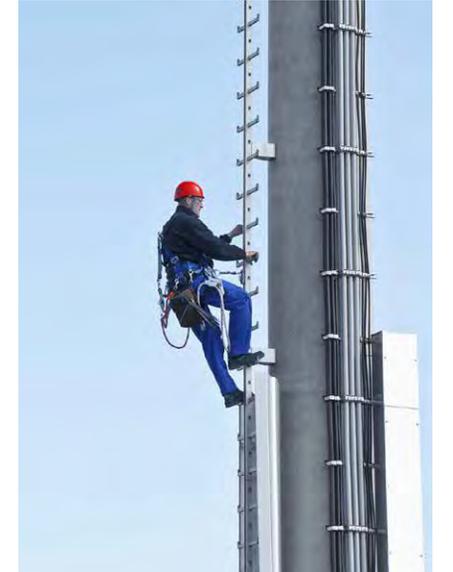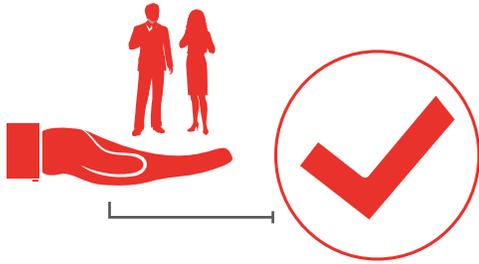
'Nearly **14,800 base stations** have been measured. **100% of base stations** maintain emission levels below the limits stipulated in Royal Decree 1066/2001'

NEXT OBJECTIVES

- Offer network excellence-based differentiation in both fixed and mobile phones. March 2021.
- Promote a 100% digital experience as a value proposition for our customers. March 2021
- Add a unique, competitive and differentiating proposition in all segments. March 2021
- Offer a differential value when relating with our customers, based on new patterns of behaviour as a result of the current crisis, promoting new products/services. March 2021
- Develop the new culture based on the Vodafone Spirit. March 2021

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7.3 Inclusion for all

Achievement of the Integrated Report 2018-19 Objectives		Degree of Compliance
Foundation	Foster the development of innovative, scalable and sustainable programmes that contribute to promote **digital skills and improve the digital experience of vulnerable groups**, especially children and **young people at risk of exclusion**, and contribute to improving their opportunities in the Digital Society. March 2020	100%
	Create a **Digital Hub** for developing **technological innovation projects** that tackle challenges identified by the third sector, in order to demonstrate how new technologies can help to resolve them. March 2020	100%
	Benefit more than 2 million people directly or indirectly with directly or indirectly with the programmes developed by the Vodafone Spain Foundation. March 2020	100%
Society	Maintain the level of **accessibility** achieved in 100% of the **own stores**, with 100% of stores with staff trained how to attend to customers with disabilities. March 2020	100%
	Keep on working for **Youth employment,** especially with regard to STEM careers. March 2020	100%
	Extend **Secure Net's** protection to the home, so that a single service includes mobile coverage and Wifi coverage of the Customer's home. March 2020	100%
Employees	Implementation of the Company's **new Organizational Structure**. May 2019	100%
	Promotion and holding of **Trade Union Elections** in the Vodafone Group in Spain. June 2019	100%
	Negotiation of the **new Collective Agreement** of the Vodafone Group in Spain. January 2020	Underway
	Keep on increasing the **Gender Balance** in the Company, especially in managerial posts. Ongoing	Underway
	Narrow the **Adjusted** Wage Gap. March 2020	100%
	Draw up a **gender violence** issue policy to help any women in the Company who are affected by it, and train leaders to address the problem. March 2020	100%

Vodafone is convinced that everyone, including the most vulnerable groups, must be able to enjoy the opportunities and promises of a better digital future, and is committed to society to ensure the inclusion of all of them on the road to the digital society. It uses its technology to work to minimize existing gaps and help people to contribute fully and equally to society.

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7.3.1 Vodafone Spain Foundation

In November 2019, the Vodafone Spain Foundation celebrated its 25th anniversary. 25 years marked by being one of the first organizations to commit itself to improving people's quality of life through technology. In all these years, the organization has taught **more than 800,000 senior citizens** how to use mobile devices, **more than 100,000 young people** in Master's degrees, postgraduate courses and specialized seminars, and **more than 22,000 people with disabilities** have improved their employability thanks to ICT training courses. It has also devised **more than a hundred technological applications and solutions** which have made it possible, for example, to use mobile telecare to protect **more than 200,000 gender violence victims** throughout Europe.

During the year, the Foundation worked on three **'Connecting for Good'** schemes that contribute to encourage the use of Information and Communication Technologies for the benefit of the most vulnerable population groups.

Fundación Vodafone España

'Connecting for Good'

Social innovation in the digital society

Boosting digital skills from childhood

Young people connected to the digital future

€3.8 million allocated to social projects by the Vodafone Spain Foundation in 2019-20.

88,000 people have taken part in the technology social use schemes.

1,156 children and 74 teachers have taken part in Project Lab 2019-20.

5,200 children and 383 teachers have learned digital skills with DigiCraft. More than 47,400 unique users of the programme's open platform.

974 disabled people have taken part in the ICT job placement training schemes.

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Social innovation in the digital society

Going digital is essential for any organization that wants to remain relevant in a purely digital world. That is the reason why the Vodafone Spain Foundation set up **Espacio innova**, a programme devised to generate a collaborative space for the developing digital innovation projects with a focus on their technological transfer.

Innova Space rests on **four pillars:**
• Observatory
• Factory
• Transfer Platform
• Innovation Awards

Observatory

The Observatory analyses and assesses existing digital solutions and their capacity to respond to the sector's needs. It was set up as part of the **Orientatech** project (which offers detailed social and technical information about technological products for social needs) implemented by the TECSOS Foundation (a foundation created by the Spanish Red Cross and the Vodafone Foundation to address the needs of vulnerable people), and in which **104,362 unique users** have taken part.

Factory

The Factory focuses on developing innovation projects that generate value proposals with the latest available technologies. Three projects have been launched this financial year:
• **Innova Certifica:** aims to introduce new forms of traceability through the use of Blockchain technology.
• **Innova Vive:** aims to innovate in digital skills training and impact measurement through the use of virtual reality with three scenarios: robotics, health and stimulation.
• **Innova IoT:** designed to give disabled people access to domotic environments.

Innova Vive and **Innova IoT** are being pilot tested at **72 schools and 50 disabled people's organizations**. A total of **269 people** have benefited from these solutions and **105 Vodafone volunteers** are supporting them to extend the training sessions to other interested centres and organizations.

Transfer Platform

This technological platform is used to support the process of technologically transferring the different solutions generated in the Factory, from the demonstration and validation stages to their final implementation. At present, the platform's number of **unique users** is **1,201**.

Innovation Awards

The **13th Innovation Awards** were held this year, and the panel of judges chose the projects which, in their opinion, stood out on account of their **social impact and contribution to the UN's Sustainable Development Goals** (SDG). The selected projects were:
• BINDI
• UDE (UrbanDataEye)

The panel also decided to award a recognition to the Madrid Teatro Real (Royal Theatre) in the 'Lifetime Achievement Award in the use of ICTs' category.

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Boosting digital skills from childhood

In modern society, fashioned by digital technology, becomes 'digitally competent' is a must. Yet Spain still ranks seventeenth in the DESI 2019 human capital index, below the European average. 45% of the populations lack any basic digital skills and barely 1% of female employment is in ICT specialities (among other indicators).

DigiCraft, a digital skills educational programme based on an in-house methodology within the **European DigComp 2.1 framework**, is how the Vodafone Foundation wishes to contribute to changing the educational model for teaching technology and digital skills.

Intended for children between 6 and 12 years old, **DigiCraft combines the use of exponential technologies with** craftwork, through games and experimentation. The idea is for them, to acquire knowledge essential for their future while having fun.

DigiCraft revolves around three **lines of work**:

DigiCraft at school

The goal is to ensure that children acquire transversal digital skills at an early age, from primary education, through a programme that boys and girls alike will find attractive and motivating, and that is especially sensitive towards them. DigiCraft is now in place in **50 schools** in the **Galicia Autonomous Region**, as a result of an agreement signed with the **Regional Department of Education** and **AMTEGA** (The Galician Technological Modernization Agency).

3,813 boys and girls learn to use these skills in school hours and **239 teachers** have learned the methodology and learned the programme's contents.

DigiCraft vulnerable children

This programme provides digital skill-related educational resources and content to children who are vulnerable for mainly socio-economic reasons, helping to reduce the digital divide for children with scarce resources. It is being run in **72 schools** in 7 provinces, in partnership with **Save the Children** and **Youth Red Cross**.

1,384 children receive one hour a week of support clases in these skills and **18 teachers and volunteers** have been trained how to use the programme methodology and contents.

DigiCraft online

This programme has been devised to universalize a methodology for learning by playing, and views technology as a vehicle for learning and not an end in itself. The aim is to **train creators** and not mere consumers of digital resources. Available through the programme's open platform since December 2019.

It currently has **25 activities** for minors, families and teachers, designed under the DigiCraft methodology. **47,425 unique users** had accessed the platform (by the end of financial year).

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Young people connected to the digital future

The main activities carried out within this course of action in FY 2019-20 are summarized below.

Youth 4 Good

In the digital society, individuals need to develop **'soft' or 'social' skills** (critical thinking, collaboration, creativity and communication, the 4Cs defined in the OECD framework) that will allow them to tackle and solve challenges. These skills are increasingly valuable from an employability perspective, as well as being essential in their development as citizens.

Youth 4 Good is the Vodafone Spain Foundation scheme that lets young people between **14 and 25 years old** acquire these skills in a practical way, through social action. The Youth 4 Good community allows them to connect, propose initiatives and train themselves, certifying themselves as agents of change and improving their social curriculum.

Within the community, of special importance is the **Youth 4 Good Social Action Project Lab**, a training programme with a challenge-based learning methodology (featuring work tools environment), in which young people work the 4C's, while reflecting on and proposing a solution to a social challenge in their environment (which adds the 'c' of commitment). The programme is followed on a Moodle platform and is permanently tutored by professional mentors, providing, at the end of each itinerary, a blockchain certificate, which attests to the skills learned. The best projects and teams are supported by the Vodafone Spain Foundation and the community for their implementation.

19 schools and 11 universities throughout Spain have taken part in first edition of Project LAB of academic year 19/20: **772 schoolchildren, 384 university students and 92 teachers.**

hahahate

A further development in this field has been the launch of "hahahate", a weekly section on the Vodafone yu radio programme, which seeks to defuse hate on social media through humour and raising awareness.

This Social Media campaign has had more than **418,000 interactions**, more than **3.4 million reproductions** and reached **8.3 million people**.

ICT job placement training

As part of this line of work, the Foundation has arranged **12 ICT training schemes for the job placement of people with disabilities**. These programmes have been carried out in collaboration with 9 organizations that represent different groups of people with disabilities, such as ONCE Foundation, DOWN Spain, ASAPYM National Federation, PRODIS Foundation, Psychiatry and Life Association, and Spinal Injury Victim Foundation.

During 2019-20, 974 disabled people received classes

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7.3.2 Society

Children's Safe and Responsible Enjoyment of ICT

Minors enjoying information and communication technologies (ICT) provides them with numerous benefits and advantages. However, at the same time it is essential to be aware that children and adolescents need to be accompanied and educated by different educational agents to ensure they can enjoy new technologies safely, healthily and responsibly.

Vodafone's Strategic Sustainable Business Framework ② includes the promotion of and respect for digital freedom and rights in its priority areas of action, among which we find the responsible and safe enjoyment of its technology, products and services by minors.

With this aim, for years Vodafone has been involved in a set of activities which are classified into two complementary lines of action:

- Provide **tools** to its customers so that their children can enjoy the benefits of our technology, products and services safely.

- Promote **education and awareness** to promote the safe and responsible enjoyment of technology.

Vodafone Tools

Secure Net is a security service that protects users as they browse on Vodafone's network. Secure Net identifies all kinds of viruses and malicious websites, protecting the user from the dangers existing on the internet. In this regard, we must be aware of the large variety of attacks that can affect the security and personal data. Over the year, Secure Net blocked different kinds of attacks, and reported a drop in the number of phishing attacks (fake pages that try to get customers' personal data), cryptojacking attacks (installing malware in users' phones to do mathematical calculations and create cryptocurrencies for a hacker) and, above all, adware, which displays annoying advertising banners and often includes more dangerous threats. Furthermore, increasingly younger children have mobile phones or internet access. which is why during 2020 Vodafone will launch Home Secure Net. This means that protection of mobile and WiFi coverage, both inside and outside the home, will be included in a single service. It will also feature family protection tools to protect children's devices, allowing parents to decide which websites or content categories can be accessed by their children. Furthermore, parents will be able to manage internet access time, and define connection or disconnection times.

> **5.3 million customers** protected by Secure Net
> **500 million cyberthreats blocked** by Secure Net in 2019-20

Education and Awareness

Vodafone helps children and their families to use the digital world safely and responsibly. The Be Strong Online programme is one of Vodafone Group's global initiatives aimed at developing and publishing a set of informative modules, to promote the safe and healthy enjoyment of new technologies, as well as responsible citizenship among minors.
To ensure that parents are more aware and know more about children's safety and protection issues, this year Vodafone also launched '**Safe Internet**', a digital life assistant that helps parents to surf and use the Internet by providing important information on new apps, websites, trends, as well as expert advice to help them with everything to do with their own and their children's digital life.

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Services for non-profitmaking entities (NPE)

Charity Texting

Charity Texting lets mobile customers make donations to NPOs (Non-profit organizations) by sending text messages.

Besides, Vodafone lets any NPO use its own charity texting number, 28052, totally free of charge so that any customers who want to can donate money by texting to this number with the word that identifies their chosen NPO.

The charity texting campaigns that had the biggest impact in FY 2019-20 were:

- **WWF**
- **ACNUR**
- **Spanish Federation of Food Banks**
- **UNICEF**
- **Spanish Cancer Association**

'**€269,000-plus** collected through Charity Texting in 2019-20'

Volunteer schemes

Our Corporate Volunteering programme gives employees the chance to contribute to improve the quality of life of vulnerable population groups and society in general. The Programme consists in four categories of activities and two types of volunteer work.

Corporate

- The company gives all employees 24 working hours a year to do volunteer work.
- The activities are arranged through the specific notices launched by the company or through proposals or initiatives made by employees themselves.

Individual

Employees can propose these activities, to be carried out in collaboration with an NGO of their choice, either in Spain or abroad. Vodafone approves up to the 50 projects a year and gives volunteers 1 to 4 weeks' paid leave.

Socio-sporting activities

Environmental activities

Technological-social activities

Activities for the diversity and inclusion of vulnerable population groups

'**719 hours** engaged in volunter week schemes during 2019-20'

Corporate volunteer work

Some examples of Corporate Volunteering initiatives carried out during FY 2019-20 are detailed below:

Food Bank

Once again this year, Vodafone employees volunteered to help with the **Food Bank Big Collection.**

Xmas Charity Market

Every December, the Vodafone head office is the venue for a Charity Market at which **employees take part as volunteers**, all proceeds going to different **NGOs**.

First Mapaton in Vodafone Spain

In December, Madrid and Barcelona hosted the first Mapathon, to help **map areas prone to natural disasters, armed conflicts or epidemics.**

Vodafone Instant Network Programme

This Vodafone Group scheme supplies immediate mobile connection networks in emergency situations, instant chargers, as well as "digital schools in a box", to give children and teenagers in refugee camps the chance to continue with their education.

During FY year 2019-20, one of Vodafone in Spain's volunteers went to the **Nyarugusu refugee camp in Tanzania** to provide support for the 'Instant Network Schools' project. Seven **of the 55 volunteers** (from 19 countries) trained to provide emergency assistance **are Spanish.**

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Accessibility

Other partnerships

Food Bank

During FY 2019-20, a platform was launched to let Vodafone Employees take part in the Food Bank's Great Collection:

WWF Earth Hour

Just like in previous years, Vodafone took part in the WWF "Earth Hour" Campaign on 28th March 2020.

The Transformational Goals of the Strategic Sustainable Business Framework place special emphasis on Accessibility ②. The main measures that are being carried out in this respect are summarized below:

Vodafone Accessible Stores

Certification of the Universal Accessibility of Vodafone's store chain ensures that both the abled and disabled can access and enjoy the services provided in Vodafone Spain's stores, including all the activities involved in the sale, information, subscription and after-sales of telecommunications products and services.

> At present, all (100%) of Vodafone's **33 own stores** have the universal accessibility certificate.

This year the stores started selling new accessibility products, like the new **V-SOS Band**, **V-Kids Watch** and **V-Camera** tracking products for senior citizens and children.

More than 75% of own stores' staff completed training courses on accessibility and how to attend to disabled customers via the "Vodafone University" platform'. 90% of staff at all stores have completed this training, ensuring that disabled customers are always attended properly during all opening hours.

Web accessibility

During FY 2019-20, web accessibility has been part of the DNA of all Vodafone's web or native (IOS, Android)developments, and has been present from conceptualization to maintenance, and of course during development. Once again this year, Vodafone worked alongside ILUNION to keep maintaining its WCAG 2.0 Level AA/WAI Web Accessibility certificate.

The company has implemented internal mechanisms to ensure that developments comply with UNE standard 139803:2012 "Web content accessibility requirements". It also organized 11 courses with all the teams on web accessibility techniques, in order to keep on working on removing barriers.

Next year's goal will be to implement in-house tools that let Vodafone keep on improving its developments to offer all its users the best product, while remaining firmly committed to web accessibility.

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Youth employment actions

One of the Objectives of the Strategic Sustainable Business Framework ②　is youth employment. The main preogrammes that are being carried out in this respect are summarized below:

Discover Graduate Programme

This programme offers the country's best young talent the chance to be part of the Vodafone team. Vodafone offers the selected candidates work experience contracts and a **24-month development plan** to speed up their professional careers.

39 graduates hired in FY 2019-20. **41% are women** and the 35% come from previous talent programmes (trainees and college students of Vodafone Campus Lab).

Future Jobs Finder 🚫

Future Jobs Finder is a tool that helps young people to identify and define their digital profile, find **job offers and online training schemes** that match their profile.

6,000-plus young people logged onto the platform and **750-plus** completed the test in FY 2019-20.

Vodafone yu Talent Internships

In the context of the Vodafone yu brand as a commercial offering for young people, these students have the opportunity to collaborate on business activities for nine months on a part-time basis, combining this experience with their university studies.

59 university students gained work experience with Vodafone yu Internships during 2019-20, **31% of whom were women**.

'Codelikeagirl' Programme 🚫

Vodafone is committed to encouraging girls to pursue technological careers, which is why it offers a free 26-hour programming course to 14-18 year old girls. As well as teaching them how to set up their own web page, the courses addresses other topics of interest, such as teamworking, communication and skills for presenting and defending the project. It also provides them with self-awareness and professional career tools, and features dynamics and presentations to reassure and empower women, exploding the myths surrounding technology careers.

194 female students in Seville and Madrid benefitted from this initiative during 2019-20.

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Fast Forward

In these **training sessions, aimed at entrepreneurs, self-employed and SMEs**, renowned experts explain how to tackle the digitization of their business and what steps to take in doing so. The workshops are held in different cities, are free and open to everyone and are also streamed on Internet.

Five sessions held in financial year 2019-20. 4 face-to-face + 1 online
3,000-plus participants (cumulative)

Minerva

Minerva is an entrepreneurship programme, promoted by the regional government of Andalusia and Vodafone, in order to promote technology projects in the Andalusian region. The main objective of Minerva is to support entrepreneurs and help their business projects to grow so that they turn into stable businesses. With this premise, the Minerva Programme firmly supports job creation in Andalusia thanks to the promotion of entrepreneurship and seeks to provide density to the region's business fabric. The Minerva Programme has been acknowledged as being the leading business accelerator in Andalusia, and ranks number four in Spain in quality of business services, according to the FUNCAS ranking.

Since 2012: Minerva has received **more than one thousand applications** to join its acceleration programme.
It has selected **more than 120 business projects** to advance their technology ideas.
It has generated and helped to maintain **more than 380 jobs in Andalusia**.
According to the Minerva Programme, **500 hours** are dedicated to working with each entrepreneurial project.

Vodafone Campus Lab

Vodafone Campus Lab is a learning experience that serves to develop the innovation capacity of young university students. This online training scheme allows young students from different disciplines to work as a team to create solutions to Innovation Challenges put forward by Vodafone.
In 2019-20, the Lab organized the 2nd Innovation Platform, and **33 teams, a total of 214 students and 22 Spanish universities** took part.

After phase 1, all the participants received a **Blockchain Certificate** to attest to their experience in Campus Lab. The most successful teams will develop a prototype in Fab Lab until the winning team is chosen. The **3 teams that reached the final will receive financial aid to be able to carry out their business project.**
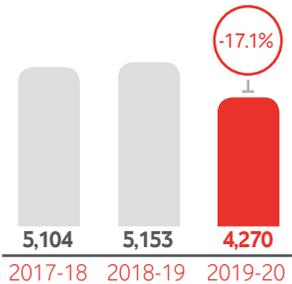

400-plus university students have completed the Programme.

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7.3.3 Employees

Headcount

No. of Vodafone in Spain Employees

-17.1%

5,104	5,153	4,270
2017-18	2018-19	2019-20

Employees 2019-20

Vodafone España S.A.U.: 3,053

Vodafone Ono, S.A.U.: 1,032

Corporate Culture

'The Spirit of Vodafone' underpins Vodafone's corporate culture and sets out how employees should work in order to fulfil the organization's purpose: to connect with its customers to achieve a better future, improving the lives of one billion people and halving the impact on the environment by 2025. It focuses on three areas: Digital Society, Inclusion for all and Planet.

PURPOSE? (WHY?)

We connect for a better future

Digital Society	Inclusion for all	Planet

STRATEGY (WHAT?)

Best customer experience

Operational Excellence	Technological Excellence

Digital first	Always competitive	Radically simpler

CULTURE (HOW?)

The Spirit of Vodafone

Earn customers' loyalty	Create the future	Experiment, learn fast	Get it done, together

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Industrial Relations

Implementation of the collective dismissal proceedings of Vodafone in Spain (GRI 102-41)

In the previous year, 2018-19, the Company reached an agreement with 100% of the Workers' Representative Committee on the labour measures applicable to the workforce, including the termination of up to 1,101 employment contracts for objective reasons.

Under the agreement, there were 485 voluntary redundancies, 82 of them were with an income plan (early retirement) and 408 were forced redundancies that took place between April and December 2019. In addition, 95 employees who will turn 55 in 2020 and who asked to take voluntary redundancy, as stated in the agreement, will leave the company in 2020 with an income plan.

Trade union elections

The first trade union elections in Vodafone Spain, after the Ono takeover, were held on 17th June 2019. As a result, the workers now have a total of 150 legal representatives at the company's different workplaces.

Daily registration of working hours protocol, changes to working hours and digital disconnection

On 12th December 2019, and after negotiations, Vodafone signed an agreement with all the worker's legal representatives for the implementation of a daily registration of working hours protocol, changes to working hours and digital disconnection

- Under the **working hours registration system**, each employee will be responsible for completing their working hours and must register the start and finish of their workday using the clock-in and clock-out devices installed at their workplace, or their mobile phone or company computer when, for a justified reason, they are not physically present at their workplace.
- The agreement also extends the **flexibility of the ordinary working hours** set out in the Collective Bargaining Agreement, so that employees can arrive and leave up to 30 minutes earlier or later. Additionally, any employees who can prove they have special work-life balance needs can ask to work from Monday to Thursday from 7.30 a.m. to 4.15 p.m., with a 30-minute lunch break, which will not be considered effective working time (Fridays and compressed summer working hours would not change at all).
- The agreement also guarantees their **right to disconnect digitally** to ensure that all employees' rest time is respected, in order to help to improve their work-life balance. It is recognized as a right and not as an obligation.

In line with current legislation, any organizational change that leads to a substantial change in working conditions and/or functions performed by employees must be reported at least 15 days in advance, which is scrupulously respected by Vodafone in either these circumstances.

Equality Plan

The Second Equality Plan is currently in force after being negotiated with the worker's legal representatives, and it applies to all the companies that are bound by the First Collective Bargaining Agreement of the Vodafone Group in Spain.

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Negotiation of the new Collective Agreement of the Vodafone Group in Spain (GRI 102-41)

On 20th February 2020, the company and the workers' representatives began negotiating what will be the Second Collective Bargaining Agreement of the Vodafone Group in Spain, which will apply throughout Spain for all employees (except for employees with a special employment relationship and who occupy positions included in the company's hierarchical structure). The Agreement was still being negotiated at the time this report went to press. The current Agreement will remain in force for one year, i.e., until 31st December 2020.

Social Benefits

Following the signing of the **1st Collective Agreement of the Vodafone Group in Spain**, our employees enjoy an extensive set of welfare benefits, including:

- **Health Insurance.** Vodafone pays the full cost of the employee's policy, and all the expenses of the employees' medical appointments, and 50% of the cost of their family members' policy.
- **Life and Accident Insurance.** The policies covers three times the annual fixed salary in the case of death or disability.
- **Pension Scheme.** Employees makes contributions to their Scheme, and the company doubles that amount up to a maximum of 4% of the employees' gross salary.
- **Luncheon Vouchers.** The annual maximum amount is now €1,500.
- **Compressed Summer Working Day.** From 1st July to 31st August.
- **Pre-maternity leave.** Possibility of taking maternity leave 15 days before the scheduled delivery date.
- **Breast-feeding.** Both parents may choose between:
  a) Enjoying the breast-feeding period in a total of 26 calendar days' leave.
  b) Working fewer hours, working 30 hours a week during the 6 months after returning to work, without any salary reduction.
- **Leave of absence to look after a minor less than 4 years old.** Vodafone has extended the period stipulated by law by one year.
- **Large Family Allowance.** Employees eligible for the large family allowance, receive a monthly subsidy of €30.23 per child.
- **Helps to families with disabilled children.** Employees are entitled to a monthly subsidy of €145.33 per disabled child until they reach the age of 26.
- **Social and Care Fund.** This fund was set up to provide financial aid to employees who, in exceptional circumstances and on account of serious diseases and / or special medical or surgical treatment, request or require such aid.

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Health and Safety

During FY 2019-20, the mainstays of Vodafone's health and safety management system were to:

- Keep offering employees fitness and wellbeing products and services. Specifically, it has continued developing **'Salúdate!'**, its health and wellbeing strategy, which is now called **Adeslas, Salud y Bienestar** 🔴, a far more digital and innovative programme that, apart from **encouraging healthy habits**, enables employees to find out their health index, ask medical questions (by phone, email and video-consultation) and take part in personalized health plans. This programme is tied to employees' health insurance, meaning that all insured family members can also use it.

  In this regard, figures shows that **eating habits are changing**:
  - Employees are choosing to buy **healthier products from the vending machines**.
  - More people are choosing **'Mediterranean breakfasts' instead of less healthy ones**.
- Campaigns to foster and raise awareness about **road safety**, **healthy living habits**, **home accident prevention**, **ergonomics**, **digital disconnection**, etc.
- As it does every year, Vodafone continues to focus on **safety** in its offices and stores by displaying **emergency procedures** on information screens and other internal communication channels:

  Vodafone has a group and local **Health and Safety Committee**.

  Vodafone's health and safety management system has been externally audited by Audelco and according to its conclusions: "our **opinion about the effectiveness of the Health and Safety Management System remains favourable, and the Occupational Hazard Prevention Excellence seal that Vodafone was** awarded in 2017 will be renewed in 2020".

- **100-plus contracts** with associated risk activities.
- **116,000-plus risk activities performed**, of which more than 5,200 have been audited by Vodafone and more than 25,000 have been audited by the contractors themselves.

COVID-19

In response to the COVID-19 health crisis, Vodafone launched the following Health and Safety initiatives in both offices and stores.

- **Internal and external mobility restrictions.** At the onset of the health crisis, the first measures were total restrictions on foreign and local travel, as well as restrictions on access to facilities.
- **Reducing the possibility of transmission.** As the situation became more serious, the following measures were taken prior to the state of emergency:
  - Awareness campaigns about the disease, its transmission and prevention measures.
  - Placement of hand washing gels in common areas. Reinforcement of cleaning in facilities.
  - Action Protocol for positive/possible positive cases in its facilities.
  - Smartworking for employees in risk groups or pregnant women which was later extended to the entire staff.
  - Control of the capacity of common areas to avoid distances < 1.5m.
  - Flexi-time to avoid peak hours on public transport.
  - Employee medical assistance from Monday to Sunday.
- **Establishment of a restricted work zone for critical personnel.** Once the state of emergency was declared, the following measures were taken:
  - Clean Zone only accessible to people engaged in critical services.
  - Special zone cleaning, specific entrance control, extra separation between posts, exclusive medical service.
- **Reduction in the number of points of sale and opening hours:**
  - In all provinces with only one Own store, reduced opening hours from 10 a.m. to 3 p.m.
  - Shift system for store employees.
  - Paid leave for employees at risk or pregnant women.
  - Extensive reinforcement of cleaning in all stores..
  - Limitation of movement in the stores.
  - Delimitation of a security space in each customer service post.
  - Installation of screens to maintain the safety of both the employee and the customer.
- **Reinforcement of the digital channels**, informing customers that they could ask the App and Web to make any necessary customer care, sales, service and support questions to avoid, as far as possible, trips to the physical stores.

The section "Vodafone against coronavirus" 🔴 outlines the company's 7-pillar action plan and specific actions against the pandemic.

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Diversity and Inclusion

Vodafone is working to create an environment in which everyone is respected for their uniqueness, and in which its employees can feel accepted, appreciated and part of the team.
The main 'Diversity and Inclusion for all-related initiatives include:
- **The Diversity and Inclusion Committee**, formed by 18 people who represent all levels of the hierarchy and departments.
- **Strategic alliances.** Public and private institutions that help to drive forward initiatives and speed up change in our society. The main ones include the Ministry of Equality, FELGTB and REDI.
- **Internal community.** Spain's Diversity and Inclusion Group, with over 670 members, where diversity and inclusion-related news, initiatives, programmes and issues are shared.
- **Vodafone University,** as a training platform available for all employees with specific diversity and inclusion-related content.

Disability
Vodafone complies with legal requirements regarding the quota of jobs reserved for disabled people both through direct employment and the application of alternative measures, by buying from special employment centres and/or making donations to organizations devoted to the training and employment of disabled people.

On the issue of direct employment of disabled people, in FY2019-20 Vodafone continued hiring people with intellectual disabilities and issuing disability certificates.

1.19%
disabled people in Vodafone in Spain

0.96%
disabled people in Vodafone España, S.A.U.

1.84%
disabled people in Vodafone Ono, S.A.U.
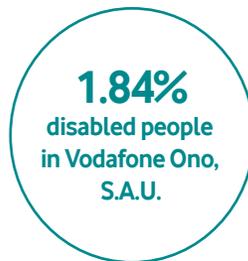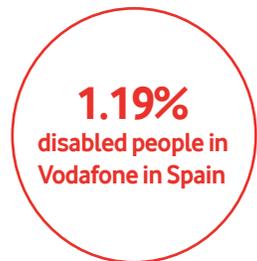
LGTB+ Community
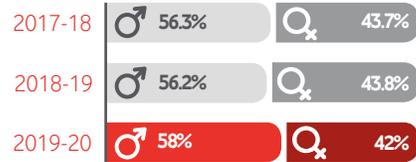The main LGBTI+ activities during financial year 2019-20 were as follows:
- **Vodafone ranked 3rd in the FELGTB's nationwide** EMIDIS (Business and Diversity) top ten companies.
- The company joined **REDI**, the first LGTBI business network to foster the inclusion of LGTBI members in Spain's corporate fabric.
- **For the third year running, Vodafone took part in the Madrid Gay Pride**, sponsoring one of the three FELGTB floats, to which residential customers were invited for the first time ever.
- **LGBT+ Ninjas Programme**. Coaching sessions for senior executives to foster the inclusion of the LGBTI+ community.
- Publication of a **specific content channel** in Vodafone University for the LGTB+ collective, from different dimensions -Gay, Bisexual and Transsexual, mainly- and from different areas -educational, business and community, mainly-.
- Inclusion of external communications in **social media** to position its impact on society.

Vodafone, LGTB + Friends

#PrideinVodafone

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Main initiatives to narrow the gender gap

% employees per gender

Year	Male	Female
2017-18	♂ 56.3%	♀ 43.7%
2018-19	♂ 56.2%	♀ 43.8%
2019-20	♂ 58%	♀ 42%

% of managerial posts by gender

Year	Male	Female
2017-18	♂ 64.9%	♀ 35.1%
2018-19	♂ 63%	♀ 37%
2019-20	♂ 63%	♀ 37%

The Transformational Goals of the Strategic Sustainable Business Framework ② place special emphasis on the narrowing gender gaps. The main measures that are being implemented in this respect are summarized below:

Gender Violence Policy

In order to help any women in the company affected by gender violence, and teach leaders how to manage this problem, Vodafone's Gender Violence Policy was launched on 25 November 2019. During the year, all health specialists at the 6 work centres received special training, and all the staff were given the opportunity to attend voluntary sessions with a gender violence expert. A total of 47 employees attended the sessions. The sessions are intended to raise awareness about this real issue, deal with the different types of violence, learn how to act in each case and how to prevent and intervene in this type of situation.

The policy offers an intervention programme of up to 5 sessions with a gender violence specialist, including care for family members/children, with a minimum paid leave of 10 days and protective measures for the victim.

Paternity Policy (non-pregnant parents)

With this measure, Vodafone takes a big step forward for gender equality and co-responsibility. This helps to influence gender perceptions in the workplace and to eradicate the potential disadvantage that women have historically experienced in taking career breaks to raise children.

Now, since 01/01/2020 a new parenting policy has been in place whereby the parent other than the biological mother can take 12 weeks birth leave (+ 2 additional weeks that can they can be given by the pregnant mother). After the child is born, they can cut their working hours, working 30 hours per week for the six months following their return to work, receiving 100% of their salary.

ClosinGap ⟲

Vodafone Spain is a member of ClosinGap, a **cluster of companies that was set up with the aim of analyzing the opportunity cost of the different gender gaps in the economy** by drafting periodic scientific studies and reports that highlight women's contribution to the Spanish economy, detecting areas for improvement with the aim of promoting policies that help to improve their situation.

Mujeres para una economía saludable

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More Women, Better Businesses

In September 2019, the **'More Women, Better Businesses'** agreement was signed with the Secretary of State for Equality. The parties are committed to the implementation, development and monitoring of the protocol to promote the balanced participation of women and men in management positions and management committees.

Reconnect

The Reconnect Programme is intended to give women who have left the job market for more than a year for personal reasons the opportunity to return to the corporate world. These women benefit from a gradual readjustment with an initial working day of **30 hours for the first 6 months, earning a full salary** and a **personalized learning** programme to readjust.

¿Lista para **reincorporarte al mercado laboral?** Conoce nuestro programa

RE∞NNECT

#ChangeTheFace

On the occasion of International Women's Day, Vodafone launched '#ChangeTheFace', a scheme that aims to bring together leading technology companies to promote diversity and women's representation in the technology sector by creating a community of people and organizations that will be a positive force for change in the industry.

YO SOY TECH ¿Y TÚ?

Pay Gap*

Vodafone is committed to equality, which is why it is convinced of the need to overcome the existing gender, professional classification and age-based pay gap.

Pay gap calculations refer to total remuneration, including annual gross salary, yearly target variable pay, long-term incentives, remuneration in kind and contributions to social welfare plans.
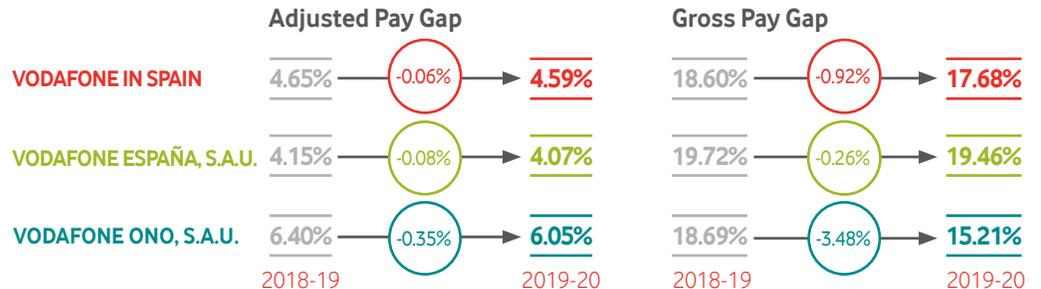
Adjusted Pay Gap

The Adjusted Pay Gap is calculated by considering any aspects that compare men and women in a similar situation. Apart from employees' gender, this comparison considers some of the key factors that correlate to the position's remuneration (professional category and role, age, seniority in the Company). Vodafone's commitment is logically to try to narrow this gap to zero.

> The **Adjusted Wage Gap** of all the Vodafone in Spain companies is **4.59%**

Gross Pay Gap

The Gross Pay Gap is calculated as the average total difference between the Total Compensation of men and women. For Vodafone, this data does not consider key aspects when making the comparison such as each employee's professional category, seniority and age. The Gross Pay Gap of all the Vodafone in Spain companies is calculated to be **17.68%**.

	Adjusted Pay Gap			Gross Pay Gap		
	2018-19		2019-20	2018-19		2019-20
VODAFONE IN SPAIN	4.65%	-0.06%	**4.59%**	18.60%	-0.92%	**17.68%**
VODAFONE ESPAÑA, S.A.U.	4.15%	-0.08%	**4.07%**	19.72%	-0.26%	**19.46%**
VODAFONE ONO, S.A.U.	6.40%	-0.35%	**6.05%**	18.69%	-3.48%	**15.21%**

*The pay gap figures refer to 99% of the work force because SLT and CEO are not included in the calculation.

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**7.1** Vodafone's Strategy | **7.2** Digital Society | **7.3** Inclusion for all | **7.4** Planet
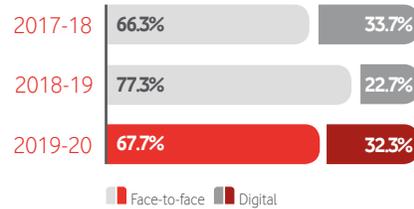
Training and development

The company remains firmly committed to the Training and Development of its staff as one of the pillars for achieving its business strategy, and this is demonstrated by the year-on-year growth of training actions carried out by employees in any format.

'83% of employees have attended at least 4 training schemes in 2019-20'

Training hours per employee

-6.8%

| 18.3 | 13.2 | 12.3 |
| 2017-18 | 2018-19 | 2019-20 |
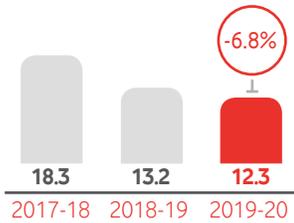
Digital Vs Face-to-face Training (%)

2017-18	66.3%	33.7%
2018-19	77.3%	22.7%
2019-20	67.7%	32.3%

Face-to-face ◼ Digital

As shown by digital training vs. face-to-face figures, it is evident that the far-reaching digitization process we are experiencing in all areas of our lives means that digital-format training schemes are becoming more important than face-to-face schemes.

In line with the company's Digital Strategy, online training is being promoted as it is more innovative, attractive, accessible and flexible, which allows us to reach a greater number of employees. Yet the very nature of online training means that the courses last much less than face-to-face courses, so the accumulated training hours are less.

That said, if one focuses on the number of impacts each employee receives instead of the training hours they receive, with this new mix of classroom and online training, they are seen to increase, year after year.

Nº of training schemes / nº of employees

| 5.05 | 9.7 | 10.1 |
| 2017-18 | 2018-19 | 2019-20 |
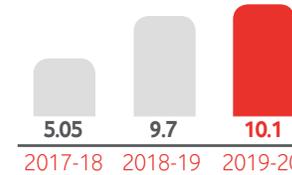
% of online training actions / total training actions

| 68.6% | 85.1% | 89.3% |
| 2017-18 | 2018-19 | 2019-20 |
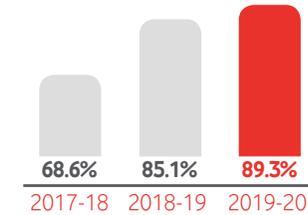
Some of the employee Training and Development activities held during FY 2019-20 included:

People Managers Programme

This development programme for People Managers (571) has been launched within the framework of an agile, 'leader as coach' culture with a dual objective: To make them the driving force behind the Spirit values and position them as leaders in identifying and managing talent. The programme features motivational talks by renowned speakers, practical workshops to reflect on responsibilities and develop key skills, and online courses, videos and readings to support the content covered.

Masters Programme

Vodafone offered its employees the chance to apply for Masters Degrees courses from prestigious schools with the aim of updating their knowledge and skills with a dual approach: helping them by having the company co-finance a percentage of the cost of the Master's degree course chosen by each employee and negotiating agreements with business schools such as ThePowerMBA, ISDI, MIoTi, ESIC, etc. obtaining a discount for its employees. A total of 116 empleados have benefitted from the programme.

Learning Fridays

The company gives all employees 3 hours a month for learning and career development purposes. Employees can access an extensive array of content on all kinds of issues on the Vodafone University corporate digital platform, or sign up for any of the many virtual or face-to-face workshops on different subjects.

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Innovation and boosting digital self-learning

The following training schemes are part of the strategy of fostering the digital and professional transformation of its employees:

- **Agile:** Annual Hard and Soft Skills-based learning programme Intended for the Agile group (250 employees), aiming to boost the maturity of its members and give them tools, skills and patterns of behaviour oriented to the community's growth and consolidation. It consists of 5 learning itineraries, focused on specific roles and there are also multidisciplinary learning events.

'250-plus people in the Agile group'

- **Big Data & Analytics:** advanced programme that includes tools and all kinds of knowledge about how to exploit and analyse of data to obtain solutions adapted to the business and customers. Intended for 3 groups of different people and lasting 40 hours.

- **Virtual Reality Hub and immersive learning:** applied to occupational hazard prevention, this innovation scheme is virtual reality-based, meaning that learning is very practical, with training that is very close to reality and therefore more effective, with the advantage that it is carried out in a safe and collaborative environment.
- **Digital training courses:** the digital courses available has been increased considerably because Vodafone University is now connected to several external platforms, via a shortcut feature, thanks to agreements made with world leading platforms such as **Linkedin Learning** and **Cisco Black Belt Academy**, most relevant MOOC such as **Coursera**, **Udacity**, **EdX**, **Udemy**, etc.
- **Virtual library:** it now features new eBook content and multidevice access with nearly **3,000 items available** on different professional issues.

- **Vodafone Collective Intelligence:** an AI-based chatbot called Zapiens manages the Company's knowledge to connect people with questions, and people with answers (the experts). It generates learning communities among employees, ensuring that know-how is shared and kept in the organization.

Mentoring

In the Mentoring Programme, which has been running every year since 2012, employees (191) receive career and personal development support from a mentor (118). Vodafone wants to foster horizontal and vertical knowledge as a mechanism for creating, developing and retaining internal talent.

'118 mentors and 191 mentees in FY 2019-20'

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Business Area Training

Vodafone continues to support the different business areas with a series of learning schemes designed on the basis of a detailed need detection process. This year's highlights were:

- **AWS with Openshift**, with the skills necessary for understand, modify and/or maintain DxL architecture.
- **Configuring Cisco Nexus 9000 Switches in ACI Mode**, for providing Data Center migration support.
- **Spanish Tech Corner:** this section features educational videos in which Vodafone technical experts share their know-how .
- **360º Learning Program** for employees who deal with Corporate Customers, who learn everything they need to know about Technology and Solutions, methodology, tools and specific management and communication techniques for this type of customer.
- **Always On Marketing:** employees learn what they need to implement and use PEGA, an AI-based technology tool with guided interactions that facilitates a personalized and therefore enhanced experience.

Other course of action

- **Perfect Day One:** Each new employee receives a warm welcome, even before they start working at the company, to facilitate a rapid integration and sense of belonging, combining new and increasingly digital trends, and meet a large number of other employees on their first day, with the intention of making it a unique experience.
- **Janus:** Programme intended for the company's most senior talent with an excellent performance. Vodafone acknowledges the work of these professionals in the past and maintains their level of commitment in the future, empowering them through self-knowledge and recognition and involving them in the development of third parties.
- **Performance Development:** During the financial year 2019-20, each and every one of Vodafone's employees took part in the performance assessment process.

NEXT OBJECTIVES

Foundation
- **Consolidate and scale up the 'Education for the Digital Age' proposals**, based on the DigiCraft and Youth 4 Good programmes, which help to promote digital skills and improve the digital experience of vulnerable groups, especially children and young people at risk of exclusion, and contribute to improving their opportunities in the Digital Society. March 2021
- Implement at least 1 high-social impact technological innovation project which contributes to the **challenges of empty Spain**. March 2021
- Benefit more than **1.5 million people** directly or indirectly with the programmes developed by the Vodafone Spain Foundation. March 2021

Society
- **Extend SecureNet's protection to the home**, so that a single service includes mobile coverage and wifi coverage of the Customer's home. March 2021

Employees
- Benefit **1,000 young people** with the employment policies for that group. March 2021
- Duplicate the community in Vodafone's **talent social media**. March 2021
- Have **women occupying 40% of managerial posts** in 2025. March 2025
- Consolidation of the **LGTB+ Community+'s agenda**. March 2021
- Teach the whole Company about **unconscious biases**. March 2021
- Signing of 2nd Collective Agreement of Vodafone Group in Spain. March 2021.

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Tables and Trend Charts[1]/Employment

1 Nº and Distribution of Employees by Gender, Age and Professional Category

VODAFONE IN SPAIN

2019-20

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	2,480	58.0%	1,790	42.0%	4,270

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	131	1,172	1,177
Women	139	910	741
TOTAL	**270**	**2,082**	**1,918**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	56	356	2,068
Women	26	215	1,549
TOTAL	**82**	**571**	**3,617**

2018-19

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	2,895	56.2%	2,258	43.8%	5,153

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	154	1,470	1,271
Women	172	1,233	853
TOTAL	**326**	**2,703**	**2,124**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	68	411	2,416
Women	34	245	1,979
TOTAL	**102**	**656**	**4,395**

VODAFONE ESPAÑA, S.A.U.

2019-20

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	1,731	56.7%	1,322	43.3%	3,053

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	126	885	720
Women	128	707	487
TOTAL	**254**	**1,592**	**1,207**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	51	265	1,415
Women	20	169	1,133
TOTAL	**71**	**434**	**2,548**

2018-19

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	1,922	55.1%	1,564	44.9%	3,486

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	147	1,042	733
Women	157	886	521
TOTAL	**304**	**1,928**	**1,254**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	61	293	1,568
Women	27	184	1,353
TOTAL	**88**	**477**	**2,921**

VODAFONE ONO, S.A.U.

2019-20

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	681	66%	351	34%	1,032

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	1	256	424
Women	2	154	195
TOTAL	**3**	**410**	**619**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	4	82	595
Women	3	31	317
TOTAL	**7**	**113**	**912**

2018-19

	MEN Nº	%	WOMEN Nº	%	TOTAL Nº
Nº Employees	878	61.5%	550	38.5%	1,428

	<=30 YEARS	31-45 YEARS	> 45YEARS
Men	2	380	496
Women	8	277	265
TOTAL	**10**	**657**	**761**

	MANAGEMENT	MIDDLE MANAGEMENT	SPECIALISTS
Men	6	102	770
Women	4	44	502
TOTAL	**10**	**146**	**1,272**

2 % levels of management by gender and age

VODAFONE IN SPAIN

2019-20

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men	17%	51%	**68%**		29%	34%	**62%**	**63%**
Women	10%	22%	**32%**	1%	21%	16%	**38%**	**37%**

2018-19

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men	13%	54%	**67%**		30%	32%	**63%**	**63%**
Women	11%	22%	**33%**	0.5%	21%	16%	**37%**	**37%**

VODAFONE ESPAÑA, S.A.U.

2019-20

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men	20%	52%	**72%**		31%	30%	**61%**	**63%**
Women	10%	18%	**28%**	1%	23%	15%	**39%**	**37%**

2018-19

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men	15%	55%	**70%**		34%	27%	**61%**	**63%**
Women	11%	19%	**30%**	1%	24%	14%	**39%**	**37%**

VODAFONE ONO, S.A.U.

2019-20

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men		57%	**57%**		23%	50%	**73%**	**72%**
Women	10%	18%	**28%**	1%	23%	15%	**39%**	**37%**

2018-19

	MANAGEMENT 31 to 45	>45	Total	MIDDLE MANAGERS <30	31 to 45	>45	Total	TOTAL
Men		60%	**60%**		23%	47%	**70%**	**69%**
Women		40%	**40%**		10%	20%	**30%**	**31%**

[1] The figures for Vodafone in Spain refer to all the Companies in Spain, which is why they differ from simply aggregating the figures of Vodafone España S.A.U. and Vodafone Ono S.A.U., which are the Companies affected by Law 11/2018.

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3 Types of contracts*

VODAFONE IN SPAIN

2019-20

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	99%	2,458	99%	1,771	99%	4,229
Temporary	1%	23	1%	18	1%	41
TOTAL	100%	2,480	100%	1,790	100%	4,270

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	88%	237	99.7%	2,070	99.95%	1,922
Temporary	12%	33	0.3%	7	0.05%	1
TOTAL	100%	270	100%	2,077	100%	1,923

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	82	100%	571	99%	3,576
Temporary	0%	0	0%	0	1%	41
TOTAL	100%	82	100%	571	100%	3,617

2018-19

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	99%	2,872	100%	2,247	99%	5,119
Temporary	1%	23	0%	11	1%	34
TOTAL	100%	2,895	100%	2,258	100%	5,153

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	94%	306	99%	2,689	100%	2,124
Temporary	6%	20	1%	14	0%	0
TOTAL	100%	326	100%	2,703	100%	2,124

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	102	100%	656	99%	4,361
Temporary	0%	-	0%	-	1%	34
TOTAL	100%	102	100%	656	100%	4,395

VODAFONE ESPAÑA, S.A.U.

2019-20

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	99%	1,711	99%	1,308	99%	3,019
Temporary	1%	21	1%	13	1%	34
TOTAL	100%	1,731	100%	1,322	100%	3,053

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	90%	229	100%	1,592	100%	1,207
Temporary	10%	25	0%	0	0%	0
TOTAL	100%	254	100%	1,592	100%	1,207

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	71	100%	571	99%	3,581
Temporary	0%	0	0%	0	1%	36
TOTAL	100%	82	100%	571	100%	3,617

2018-19

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	99%	1,899	99%	1,553	99%	3,452
Temporary	1%	23	1%	11	1%	34
TOTAL	100%	1,922	100%	1,564	100%	3,486

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	93%	284	99%	1,914	100%	1,254
Temporary	7%	20	1%	14	0%	0
TOTAL	100%	304	100%	1,928	100%	1,254

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	88	100%	477	99%	2,887
Temporary		0%	-	0%	1%	34
TOTAL	100%	88	100%	477	100%	2,921

VODAFONE ONO, S.A.U.

2019-20

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	100%	681	100%	351	100%	1,032
Temporary	0%	0	0%	0	0%	0
TOTAL	100%	681	100%	351	100%	1,032

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	100%	3	100%	410	100%	619
Temporary	0%	0	0%	0	0%	0
TOTAL	100%	3	100%	410	100%	619

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	7	100%	113	100%	912
Temporary	0%	0	0%	0	0%	0
TOTAL	100%	7	100%	113	100%	912

2018-19

	MEN %	MEN TOTAL	WOMEN %	WOMEN TOTAL	TOTAL %	TOTAL TOTAL
Indefinite	100%	878	100%	550	100%	1,428
Temporary	0%	0	0%	0	0%	0
TOTAL	100%	878	100%	550	100%	1,428

	<=30 YEARS %	<=30 YEARS TOTAL	31-45 YEARS %	31-45 YEARS TOTAL	> 45 YEARS %	> 45 YEARS TOTAL
Indefinite	100%	10	100%	657	100%	761
Temporary	0%	0	0%	0	0%	0
TOTAL	100%	10	100%	657	100%	761

	MANAGEMENT %	MANAGEMENT TOTAL	MIDDLE MANAGERS %	MIDDLE MANAGERS TOTAL	SPECIALISTS %	SPECIALISTS TOTAL
Indefinite	100%	10	100%	146	100%	1,272
Temporary	0%	-	0%	-	0%	-
TOTAL	100%	10	100%	146	100%	1,272

*The calculation is based on the average numbers of contracts at the year-end, and the difference with the yearly average is < 2p.p.

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4 Turnover rate by gender, age and professional category*

VODAFONE IN SPAIN

2019-20

	MEN	WOMEN	TOTAL
% Voluntary	5%	4%	5%
% Non-voluntary	1%	0%	1%
TOTAL	6%	5%	5%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	18.2%	5.8%	0.9%
% Non-voluntary	2.8%	0.4%	0.3%
TOTAL	21.0%	6.2%	1.2%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	4%	3%	5%
% Non-voluntary	2%	0%	1%
TOTAL	6%	3%	6%

2018-19

	MEN	WOMEN	TOTAL
% Voluntary	4%	4%	4%
% Non-voluntary	2%	1%	2%
TOTAL	6%	5%	5%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	13%	5%	1%
% Non-voluntary	1%	1%	2%
TOTAL	15%	6%	3%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	4%	3%	4%
% Non-voluntary	7%	2%	1%
TOTAL	11%	5%	5%

VODAFONE ESPAÑA, S.A.U.

	MEN	WOMEN	TOTAL
% Voluntary	6.4%	5.3%	6.0%
% Non-voluntary	1.0%	0.4%	0.7%
TOTAL	7.4%	5.8%	6.7%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	14.9%	7.0%	1.1%
% Non-voluntary	2.4%	0.5%	0.5%
TOTAL	17.3%	7.5%	1.6%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	4%	3%	7%
% Non-voluntary	3%	0%	1%
TOTAL	7%	4%	7%

	MEN	WOMEN	TOTAL
% Voluntary	5%	4%	5%
% Non-voluntary	2%	1%	2%
TOTAL	7%	6%	6%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	14%	5%	1%
% Non-voluntary	1%	1%	2%
TOTAL	15%	7%	3%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	4%	3%	5%
% Non-voluntary	5%	1%	2%
TOTAL	8%	5%	7%

VODAFONE ONO, S.A.U.

	MEN	WOMEN	TOTAL
% Voluntary	1.1%	1.2%	1.1%
% Non-voluntary	0.2%	0%	0.1%
TOTAL	1.2%	1.2%	1.2%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	14.3%	1.7%	0.4%
% Non-voluntary	0%	0.2%	0.0%
TOTAL	14.3%	1.9%	0.4%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	0%	0%	1%
% Non-voluntary	0%	1%	0%
TOTAL	0%	1%	1%

	MEN	WOMEN	TOTAL
% Voluntary	1%	2%	2%
% Non-voluntary	2%	1%	1%
TOTAL	3%	3%	3%

	<=30 YEARS	31-45 YEARS	> 45 YEARS
% Voluntary	0%	3%	0%
% Non-voluntary	0%	1%	2%
TOTAL	0%	3%	2%

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
% Voluntary	0%	2%	1%
% Non-voluntary	20%	3%	1%
TOTAL	20%	5%	2%

*To ensure traceability and facilitate ratio analysis, voluntary turnover calculations exclude the short-term leave of absence. Involuntary turnover does not include turnover associated with a redundancy plan or transfer to another company.

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5 Involuntary turnover by age, gender and professional category*

VODAFONE IN SPAIN

2019-20

	MEN	WOMEN	TOTAL
Nº dismissals	453	475	**928**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	28	435	465
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	14	101	813

2018-19

	MEN	WOMEN	TOTAL
Nº dismissals	55	28	**83**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	5	42	36
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	7	11	65

VODAFONE ESPAÑA, S.A.U.

	MEN	WOMEN	TOTAL
Nº dismissals	241	255	**496**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	23	246	227
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	12	64	420

	MEN	WOMEN	TOTAL
Nº dismissals	38	21	**59**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	5	33	21
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	4	7	48

VODAFONE ONO, S.A.U.

2019-20

	MEN	WOMEN	TOTAL
Nº dismissals	185	192	**377**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	3	162	212
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	2	27	348

	MEN	WOMEN	TOTAL
Nº dismissals	16	5	**21**
	<=30 YEARS	31-45 YEARS	> 45 YEARS
	0	7	14
	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	2	4	15

*Involuntary turnover includes the following reasons: dismissal, redundancy plan, transfer to another company and failure to pass the trial period.

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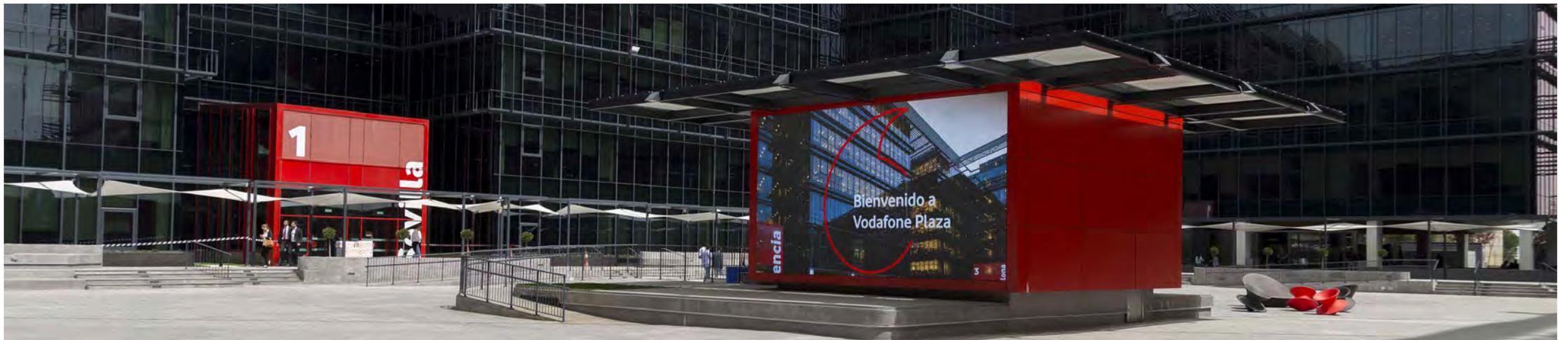
6 Average remuneration by gender, age and professional category*

VODAFONE IN SPAIN

2019-20

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years		65,572	39,175	30,628
Women		70,737	39,480	31,957
Men		55,244	38,827	29,298
31-45 years	185,082	85,892	49,285	35,121
Women	180,175	82,875	48,426	34,506
Men	187,842	88,020	49,783	35,833
>45 years	210,916	94,236	55,258	39,824
Women	183,965	88,012	53,022,	38,012
Men	222,665	96,441	56,073	42,971

VODAFONE ESPAÑA, S.A.U.

2019-20

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years		65,572	39,314	30,563
Women		70,737	39,684	31,891
Men		55,244	38,899	29,332
31-45 years	184,426	86,092	50,229	34,601
Women	177,593	82,474	49,355	34,271
Men	187,842	88,519	50,777	34,978
>45 years	213,072	94,492	56,201	40,251
Women	188,449	87,388	53,890	38,095
Men	222,025	96,914	57,212	44,725

VODAFONE ONO, S.A.U.

2019-20

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years			35,839	
Women			36,180	
Men			35,158	
31-45 years		87,272	46,601	36,878
Women		93,484	45,188	34,982
Men		84,869	47,183	38,990
>45 years	210,842	95,412	54,103	39,378
Women	174,891	91,105	52,821	37,595
Men	232,413	96,765	54,507	41,307

2018-19 — VODAFONE IN SPAIN

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years		67,307	38,901	29,384
Women		67,307	38,927	30,664
Men			38,876	27,889
31-45 years	196,221	84,439	48,705	34,143
Women	187,574	81,432	47,997	33,115
Men	203,047	86,828	49,147	35,490
>45 years	206,646	91,690	53,772	37,603
Women	191,909	88,107	51,527	35,620
Men	211,909	92,810	54,637	41,112

2018-19 — VODAFONE ESPAÑA

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years		67,307	39,068	29,364
Women		67,307	39,238	30,699
Men			38,909	27,803
31-45 years	198,583	84,661	50,104	34,015
Women	191,513	81,345	49,159,	33,105
Men	203,047	87,473	50,709	35,182
>45 years	205,782	91,943	55,072	38,050
Women	193,136	87,292	53,020	35,989
Men	209,756	93,279	55,988	42,414

2018-19 — VODAFONE ONO

	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	Specialist Technician	Generalist Technician
<=30 years			36,236	21,032
Women			35,887	
Men			37,280	21,032
31-45 years	170,414	84,766	45,463	34,174
Women	170,414	88,129	45,012	32,477
Men		83,696	45,713	36,764
>45 years	214,175	92,879	52,209	36,764
Women	186,463	90,305	49,517	33,827
Men	228,031	93,815	53,031	40,147

*The average remuneration figures refer to 99% of the work force because SLT and CEO are not included in the calculation.
The wages are not based on the National Minimum Wage as of way ahead of mainstream from degree of purity.

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7 Types of Working Day by Gender and Age*

VODAFONE IN SPAIN

2019-20

	MEN	WOMEN	TOTAL
Part-Time	22	24	46

	<=30 YEARS	31-45 YEARS	> 45 YEARS
	20	22	4

2018-19

	MEN	WOMEN	TOTAL
Part-Time	30	34	**64**

	<=30 YEARS	31-45 YEARS	> 45 YEARS
	27	34	3

VODAFONE ESPAÑA, S.A.U.

	MEN	WOMEN	TOTAL
Part-Time	22	24	46

	<=30 YEARS	31-45 YEARS	> 45 YEARS
	20	22	4

	MEN	WOMEN	TOTAL
Part-Time	30	34	64

	<=30 YEARS	31-45 YEARS	> 45 YEARS
	27	34	3

*All the part-time work refers exclusively to staff of Vodafone España S.A.U, who are assigned to the Specialist job category. Part-time work lasts 24 hours and does not include any reduction of working hours (due to childminding, dependent people, etc.)

8 Nº of hires by age and gender*

VODAFONE IN SPAIN

2019-20

	MEN	WOMEN	TOTAL	%
<= 30 years	61	36	**97**	38%
31-45 years	92	37	**129**	51%
> 45 years	15	12	**27**	11%

2018-19

	MEN	WOMEN	TOTAL	%
<= 30 years	86	61	**147**	45%
31-45 years	119	50	**169**	52%
> 45 years	5	5	**10**	3%

*The number of hires does not include returning employees, who are deemed to have taken short-term leave of absence.

9 Nº of employees entitled to and who have taken maternity/paternity leave

VODAFONE IN SPAIN

2019-20

	MEN	WOMEN	TOTAL
	88	72	160

2018-19

	MEN	WOMEN	TOTAL
	177	124	**301**

10 No. of employees who have returned to work (as at 31st March 2020) after finishing maternity/paternity leave

VODAFONE IN SPAIN

2019-20

	WORKING	ON LEAVE	TOTAL
Men	88	0	88
Women	66	6	72
TOTAL	**154**	**6**	**160**

2018-19

	WORKING	ON LEAVE	TOTAL
Men	160	17	177
Women	118	6	124
TOTAL	**278**	**23**	**301**

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Tables and Trend Charts[1]/Training

VODAFONE IN SPAIN

Nº hours' training per employee (2019-20)

	MEN	WOMEN	TOTAL
Hours of training	12.9	11.5	12.3

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	3.7	17.8	11.7

Nº hours' training per employee (2018-19)

	MEN	WOMEN	TOTAL
Hours of training	13.8	12.4	13.2

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	6.2	13.8	13.3

Nº of total hours: 52,647 (2019-20)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	83	1,608	15,319
Face-to-face	218	8,477	26,943
TOTAL	301	10,084	42,262

Nº of total hours: 67,927.8 (2018-19)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	173.3	1,826.6	13,445.6
Face-to-face	408.3	7,234.6	44,839.5
Total	581.6	9,061.2	58,285.0

VODAFONE ESPAÑA, S.A.U.

Nº hours' training per employee (2019-20)

	MEN	WOMEN	TOTAL
Hours of training	13.5	11.6	12.7

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	3.3	17.9	12.1

Nº hours' training per employee (2018-19)

	MEN	WOMEN	TOTAL
Hours of training	15.2	12.8	14.1

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	6.0	14.2	14.3

Nº of total hours: 38,796 (2019-20)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	75	1,268	11,435
Face-to-face	161	6,431	19,427
TOTAL	235	7,699	30,862

Nº of total hours: 49,006.60 (2018-19)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	151.5	1,405.6	10,162.7
Face-to-face	334.3	5,376.1	31,576.5
TOTAL	485.8	6,781.7	41,739.1

VODAFONE ONO, S.A.U.

Nº hours' training per employee (2019-20)

	MEN	WOMEN	TOTAL
Hours of training	11.5	11.1	11.4

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	6.4	17.4	10.6

Nº hours' training per employee (2018-19)

	MEN	WOMEN	TOTAL
Hours of training	10.3	10.2	14.1

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
	9.5	9.8	10.3

Nº of total hours: 11,765 (2019-20)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	5	309	3,602
Face-to-face	40	1,692	6,118
TOTAL	45	2,000	9,720

Nº of total hours: 14,597.1 (2018-19)

	MANAGEMENT	MIDDLE MANAGERS	SPECIALISTS
Online	13.8	351.6	2,883.7
Face-to-face	72.0	1,077.0	10,199.0
TOTAL	85.8	1,428.6	13,082.7

[1] The figures for Vodafone in Spain refer to all the Companies in Spain, which is why they differ from simply aggregating the figures of Vodafone España S.A.U. and Vodafone Ono S.A.U., which are the Companies affected by Law 11/2018.
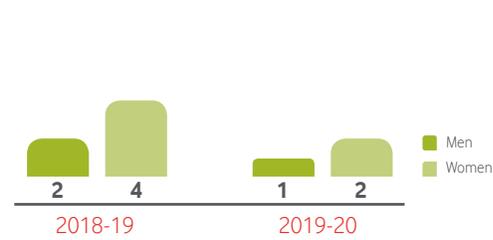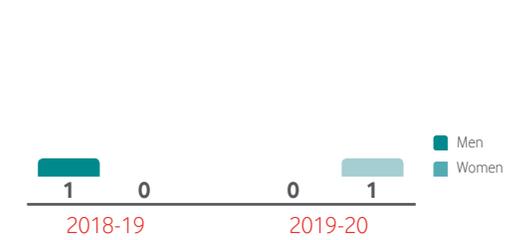
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Tables and Trend Charts[1] / Health and Safety

1 Incidence Rate: LTA's x 100,000 / Nº employees

VODAFONE IN SPAIN

							Legend
178.1	137.5	177.15	154.5	39.8	164.4	92.2	Men / Women / Total
2017-18		2018-19			2019-20		

VODAFONE ESPAÑA, S.A.U.

104.1	256.4	57.7	150.2
2018-19		2019-20	

Men / Women

VODAFONE ONO, S.A.U.

111.2	0	0	267.2
2018-19		2019-20	

Men / Women
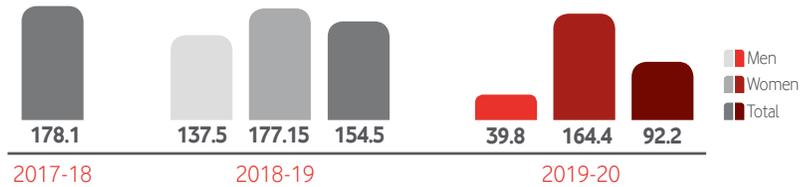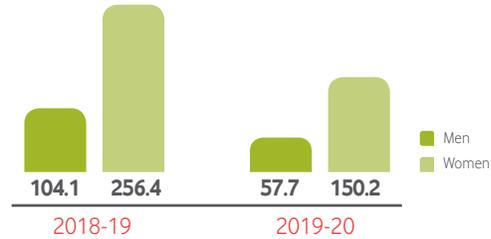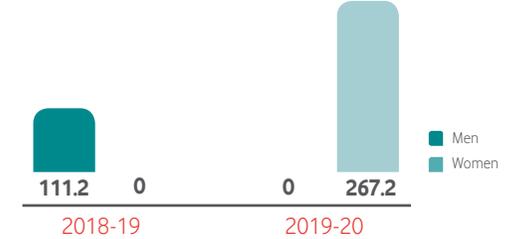
2 Frequency Rate: LTA X 1,000,000 / Nº of employees x average No. of hours worked per year per employee

VODAFONE IN SPAIN

1.01	0.78	1.01	0,88	0.23	0.93	0.52
2017-18		2018-19			2019-20	

Men / Women / Total

VODAFONE ESPAÑA, S.A.U.

0.6	1.05	0.33	0.85
2018-19		2019-20	

Men / Women

VODAFONE ONO, S.A.U.

0.6	0	0	1.52
2018-19		2019-20	

Men / Women
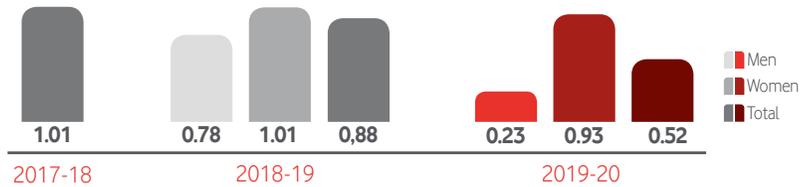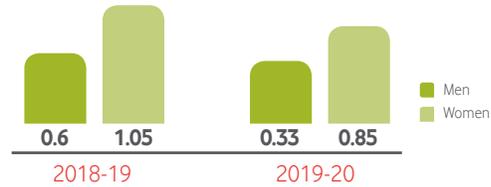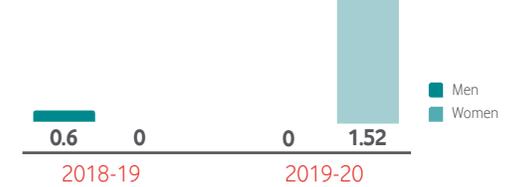
3 Severity rate: Lost time from work due to accidents during working hours resulting in LTA x 1,000 / No. employees x Average No. of hours worked per year per employee

VODAFONE IN SPAIN

0.01	0.02	0.01	0.01	0.01	0.02	0.01
2017-18		2018-19			2019-20	

Men / Women / Total

VODAFONE ESPAÑA, S.A.U.

0.01	0.02	0.01	0.01
2018-19		2019-20	

Men / Women

VODAFONE ONO, S.A.U.

0.01	0	0	0.09
2018-19		2019-20	

Men / Women

[1] The figures for Vodafone in Spain refer to all the Companies in Spain, which is why they differ from simply aggregating the figures of Vodafone España S.A.U. and Vodafone Ono S.A.U., which are the Companies affected by Law 11/2018.

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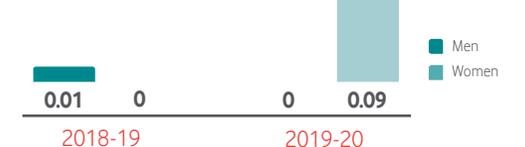
4 Accidents in working hours*

VODAFONE IN SPAIN

| Men | Women | Total |

2017-18: 9
2018-19: 4, 4, 8
2019-20: 1, 3, 4

VODAFONE ESPAÑA, S.A.U.

| Men | Women |

2018-19: 2, 4
2019-20: 1, 2

VODAFONE ONO, S.A.U.

| Men | Women |

2018-19: 1, 0
2019-20: 0, 1
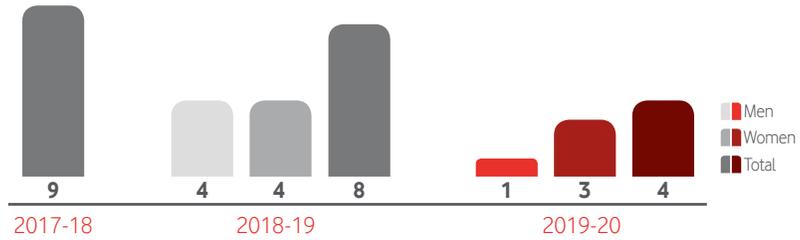
5 Traffic accidents "in itinere"*

VODAFONE IN SPAIN

| Men | Women | Total |

2017-18: 18
2018-19: 6, 9, 15
2019-20: 8, 10, 18

VODAFONE ESPAÑA, S.A.U.

| Men | Women |

2018-19: 4, 6
2019-20: 6, 7

VODAFONE ONO, S.A.U.

| Men | Women |

2018-19: 2, 2
2019-20: 2, 2
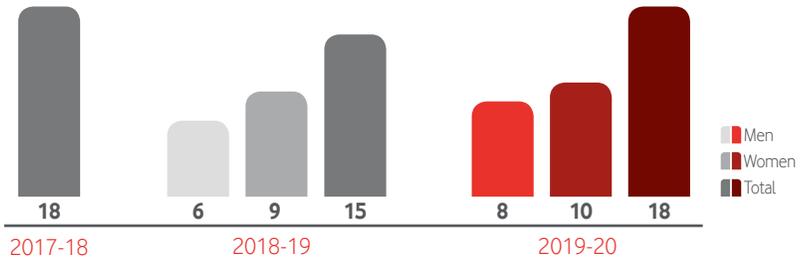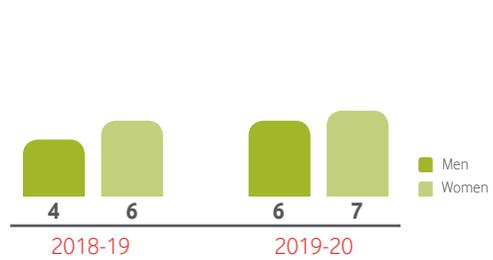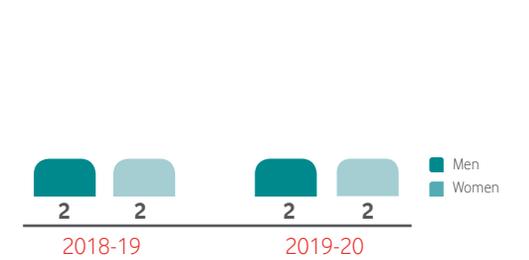
6 Days lost through accidents at work**

VODAFONE IN SPAIN

| Men | Women | Total |

2017-18: 85
2018-19: 77, 42, 119
2019-20: 13, 77, 76

VODAFONE ESPAÑA, S.A.U.

| Men | Women |

2018-19: 24, 42
2019-20: 13, 17

VODAFONE ONO, S.A.U.

| Men | Women |

2018-19: 18, 0
2019-20: 0, 60
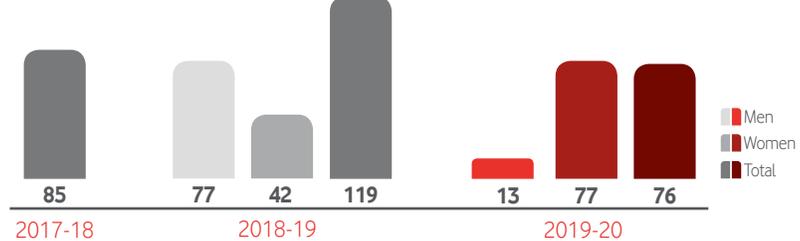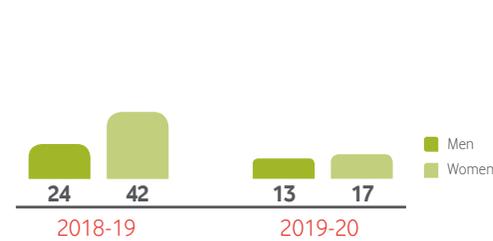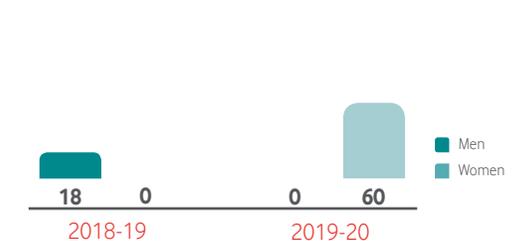
*With time off work.
**Does not include the days off work due to an accident on the way to/from work.

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7 Illness Absenteeism rate*

VODAFONE IN SPAIN

	Men	Women	Total
2017-18	2.02		
2018-19	1.33	3.21	2.54
2019-20	1.25	3.45	2.15

VODAFONE ESPAÑA, S.A.U.

	Men	Women
2018-19	1.51	3.24
2019-20	1.31	3.68

VODAFONE ONO, S.A.U.

	Men	Women
2018-19	1,06	3.17
2019-20	1.16	2.59
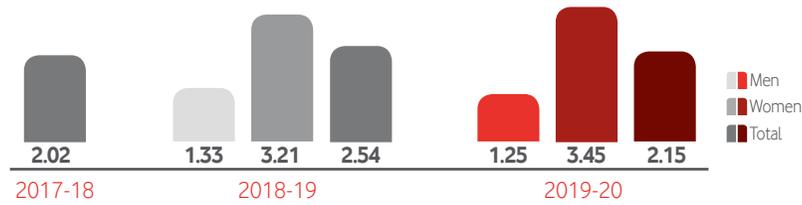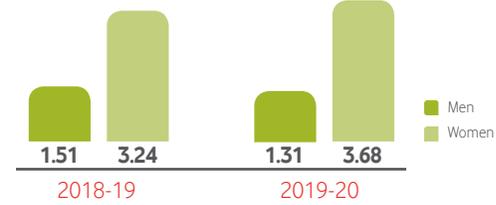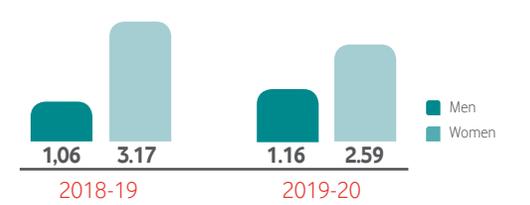
*There is no occupational disease

8 Sick-leave days per employee (Average headcount: monthly average number of employees at end of each month)

VODAFONE IN SPAIN

	Men	Women	Total
2017-18	4.03		
2018-19	2.92	6.87	9.8
2019-20	2.68	7.19	4.56

VODAFONE ESPAÑA, S.A.U.

	Men	Women
2018-19	3.29	6.92
2019-20	2.82	7.63

VODAFONE ONO, S.A.U.

	Men	Women
2018-19	2.32	6.76
2019-20	2.51	5.45
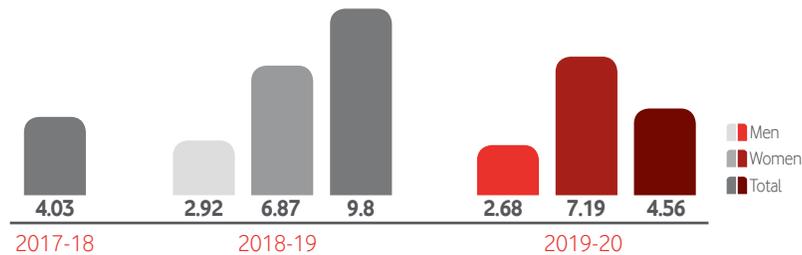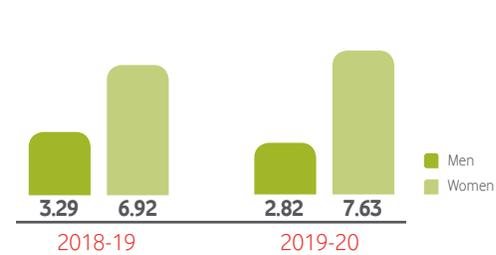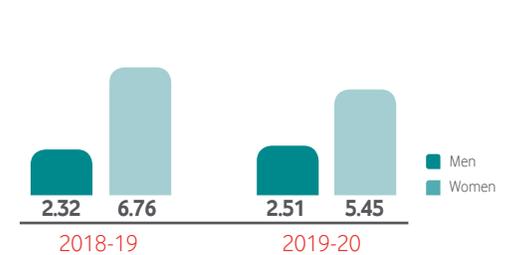
9 Nº of Hours Lost (absenteeism) due to Ill-health

VODAFONE IN SPAIN

	Men	Women
2018-19	67,360	123,752
2019-20	53,941	105,031

VODAFONE ESPAÑA, S.A.U.

	Men	Women
2018-19	50,416	86,064
2019-20	39,054	81,225

VODAFONE ONO, S.A.U.

	Men	Women
2018-19	16,408	29,912
2019-20	14,271	16,318

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7.4 Planet
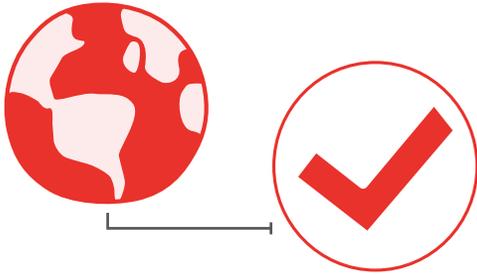
Achievement of the Integrated Report 2018-19 Objectives	Degree of Compliance
Reduce carbon emissions by 50% with respect to 2016-17. March 2025.	Underway
Reduce network energy consumption per network element by 50%, with respect to 2006-07. March 2020	70%*
100% of the Energy used from renewable origin. March 2025	Underway
Keep on working with catering service providers in seeking alternative solutions to steadily do away with any plastic, single-use item. March 2020	100%

*Reduce network energy consumption per network element by 35.07% with respect to 2006-07.

Vodafone knows that urgent and continuous action must be taken to tackle the climate crisis and that business growth must not come at a cost to the environment. As a company, it is committed to **reducing its environmental impact** and helping its customers and society to be more efficient to ensure a better future for all.

The focus on **energy efficiency**, **renewable energy-based supply** and **proper electronic waste management** lets Vodafone help mitigate the environmental impact caused by the development of the business and its customers growing demand for data. Vodafone's IoT services give customers the means to use energy and other resources more efficiently and achieve a **reduction in greenhouse gas emissions.**.

7.4.1 Environmental matters

Environmental Management System

Vodafone's environmental commitment implies performing its activities responsibly, **minimizing the environmental footprint** of its operations and fostering the **circular economy**. To this end, it has devised a series of initiatives that let it reduce its energy consumption, its emissions, our waste, and the resources it consumes. In short, to be more efficient and environment-friendly.

Vodafone Spain has an **Environmental Management System** (certified in accordance with Standard ISO 14001) that allows it to **control and manage its significant environmental impacts**: energy consumption, waste management, release of ozone depleting substances, water consumption, etc.

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Vodafone's **Environmental Policy** is approved by the Chief Executive Officer, but it is a cross-sectional issue in the Company that involves operational and management areas, and business areas alike. The Environmental Management System establishes a **methodology for identifying and analyzing environmental aspects** that includes risks and opportunities.

With a view to preventing the consequences of climate change, Vodafone's strategy includes a series of measures to mitigate the risks related to its energy consumption. It has also devised the corrective and preventive measures that would have to be taken if its sites might be flooded. Its annual financial statements* list the environmental protection and improvement-related investments and expenses. Vodafone does not have any provision or specific guarantees for environmental risks.

Vodafone's objective is to reduce the environmental impact of its products and services, and help our customers to be more sustainable. At the same time, it works with its suppliers on the Circular Economy issue to reduce and minimize the consumption and wastage of natural resources, such as raw materials, energy or water. And it applies this approach both to its own activities and to its value chain's activities.

Quality Management System

Vodafone has a a Quality Management System, that conforms to international standard ISO 9001:2015, for the companies Vodafone España S.A.U., Vodafone Ono S.A.U. and Vodafone Servicios S.L.U., which covers its TV, data and mobile and fixed digital telecommunications services, for residential and corporate customers, for the following activities:

• Design and development of telecommunications and value-added services.
• Planning, deployment, construction, operation and maintenance of telecommunications networks.
• Customer service management, as well as registrations, cancellations, portability, account management and debt recovery.
• Loyalty-building, customer retention and handset after-sales.
• Customer billing.
• Pre-sale and launch of telecommunications products and services (for large corporate customers and public administrations).

An authorized external agency certifies the proper implementation of their Quality Management System by conducting an annual audit to check that the processes work properly, by implementing continuous measures and continuous improvements designed to satisfy customer needs and expectations.

Vodafone also complies with requirements laid down in Quality Order IET/1090/2014, of 16th June, which regulates telecommunications services-related Quality of Service and Billing Quality Issues. In this regard, billing quality issues fall under the scope of the Quality Management System certificate.

*This information is included in Note 26 of the Annual Financial Statements of Vodafone España S.A.U and in note 25 of the Annual Financial Statements of Vodafone Ono, S.A.U.

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7.4.2 Energy and Carbon Emissions

The energy consumed by Vodafone is mainly concentrated in the following facilities:
- **Network**
  - Base Stations and nodes that send and receive radio frequency signals.
  - Switching and Data Centres for routing calls and collecting information about mobile and fixed phone services.
- **Offices**
- **Own retail outlets**

Distribution of Electricity Consumption 2019-20

Network 97.5%

Offices 2.1%

Stores 0.3%

Network energy consumption
(MWh)

+1.5%

693,928   706,557   **717,406**
2017-18   2018-19   2019-20
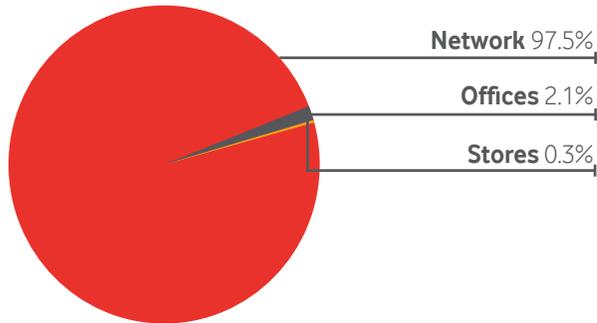
'Over **97%** of the energy used by Vodafone Spain is used on its telecommunications network'

The telecommunications services are provided over a network of facilities and equipment that send and receive calls and data. These facilities and equipment are growing and are updated continuously so as to offer customers higher levels of quality and coverage. Vodafone strives to make its equipment and facilities more efficient, and to make the energy they consume more sustainable, by committing to the use of energy from renewable sources.

One of the Vodafone Group's **targets for 2025** is to purchase **100% of the electricity from renewable sources and to reduce GHG emission by 50%**.

These targets will be reached through the following courses of action:
1. **Optimizing energy consumption** (energy efficiency).
2. Buying part of the electricity that Vodafone uses through **Power Purchase Agreements** (PPAs).
3. Buying **Renewable Energy Certificates ('RECs')**

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The **energy efficiency** related actions taken during 2019-20 included:

- **Operator co-sharing projects (Jumping)**. The energy reduction is achieved through both dismantling sites and the technological renewal of equipment.

- **Switching off of equipment in CORE centres** (switches, data centres, etc.) and the **revision of disused equipment, for switching off and deinstallation**. The efficiency energy improvements stem both from turning off the equipment and removing the associated infrastructure (racks, cables, etc.), meaning that the climate control equipment in the equipment rooms can be distributed better.

In addition, Vodafone continues to work with its **network equipment suppliers** to ensure that the increase in demand and the growth of the business do not result in a similar percentage increase in electricity consumption:

- A more **sustainable network** is being developed, introducing automatic learning algorithms to optimize the use of radio resources with minimum energy consumption.

- Lastly, we have added **capacity optimization** to new 5G infrastructure design specifications to guarantee that each generation of equipment is more energy efficient.

Network energy consumption/data traffic (MWh)

2017-18	2018-19	2019-20
122.2	103.9	81.5 (-21.6%)
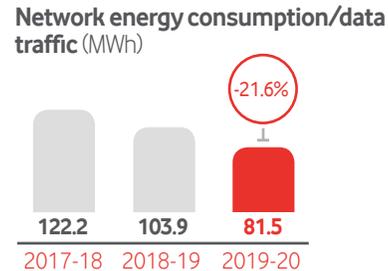
'All these measures have managed to reduce data traffic energy consumption by **21.6%** compared to the previous year'

Courses of action to reduce **carbon emissions** during FY 2019-20 include the following: Vodafone Spain launched a project to ensure that, from 1st January 2021, all the electricity bought by Vodafone comes from renewable sources.

To do so, it has signed a contract that combines the purchase of **Renewable Energy Certificates for 76% of the electricity and a long-term power purchase agreement (PPa) for the remaining 24%**.

The PPA is for 5 years for new assets and involves wind energy.

The goal is for Vodafone to have **40% of PPAs by the end of 2025**.

Carbon emitted per network element (Kg/ER)

2017-18	2018-19	2019-20
2,370.0	2,316.4	1,237.3 (-46%)
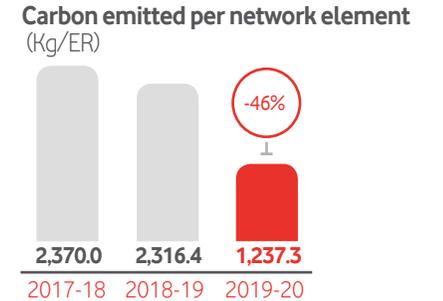
'Renewable Energy Certificates have been acquired for a significant percentage of the energy bought, leading to a **46%** reduction in Carbon emissions per network element'

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Energy Consumption in Offices and Stores

Energy consumption in Vodafone's offices and own stores represents around 2.5% of total energy consumption.

The initiatives applied in its **offices** during 2019-20 to increase energy efficiency included:

- The installation of **six network quality devices** at Vodafone's head office, Vodafone Plaza, which reduce electricity consumption. This equipment improves different electricity parameters that help to reduce active energy consumption (kWh). Consumption is estimated to be reduced by 5-10% of the total.
- A **quarter-hour curve analysis** has been carried out to see which equipment or facilities were left in latency mode. As a result, these facilities were turned off during the night and weekends, and equipment was optimized, reducing energy consumption.
- Vodafone has installed **programmable timers in the air renewal systems** at Vodafone Plaza to adjust these systems' operating hours to actual demand.
- It has also installed **twilight sensors** in the Vodafone Plaza foyer luminaires to turn them on when there is not enough light.
- It has conducted a **pilot test to boost air conditioning equipment performance**: an additive has been added to the cooling circuit to improve the system's heat exchange and thus its performance.

On the issue of **Store consumption**:
Vodafone began a **project to review the consumption of energy elements** (lighting, screens and climate control) in its franchise stores. The main aim of this project is to **install devices to improve energy efficiency**: low air conditioning temperatures and luminaire and main screen power on/off times.

Office energy consumption
(MWh)

-8.91%

2017-18	2018-19	2019-20
17,811	17,028	**15,510**

Store energy consumption
(MWh)

-4.71%

2017-18	2018-19	2019-20
2,585	2,638	**2,514**

Information gathering — Consumption log analysis — **On-site energy reviews** — Current energy consumption analysis — **Suggested Energy-Saving Measures per PoS**

*PoS: Point of Sales

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7.4.3 Wastes and Circular Economy

A telecommunications carrier's main role in a Circular Economy model is to act as an enabler. Vodafone does not manufacture devices, so its opportunity lies in developing business models that enable and foster the Circular Economy, and partnering with its suppliers to provide path breaking products and services and facilitating the environmental impact reduction of the products that its customers use.

As part of the **'Red Loves Green'** 🚫 scheme, during FY 2019-20 Vodafone started to sell the sustainable smartphone Fairphone 3, added to the range of sustainable accessories manufactured with recycled or biodegradable materials.

Also, since March 2020, it has halved the size of its SIM cards to reduce its plastic waste by 50%.

Sustainable accessories

Cases made with biodegradable materials

50% less plastic

50% reduction in the amount of plastic used in the Vodafone SIM card blister
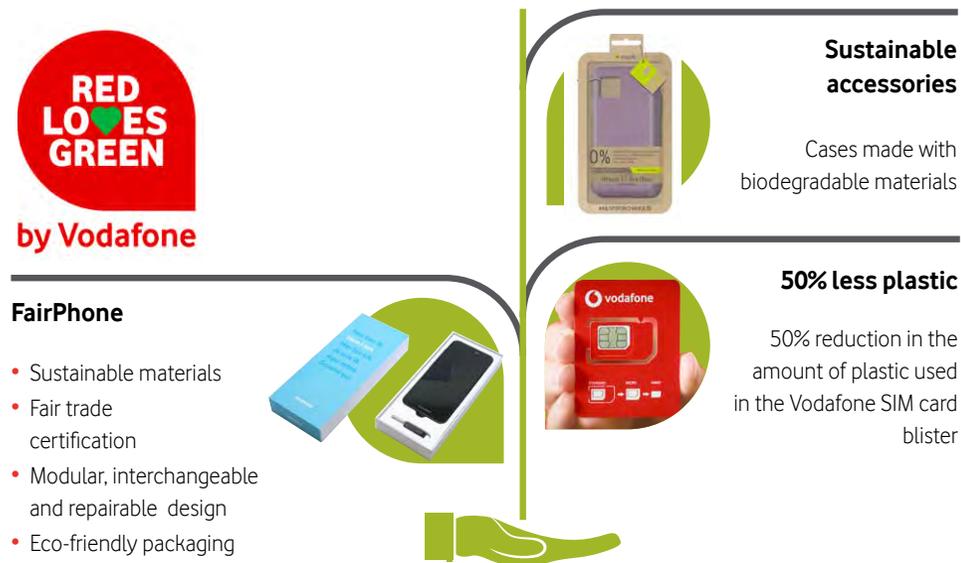
FairPhone

- Sustainable materials
- Fair trade certification
- Modular, interchangeable and repairable design
- Eco-friendly packaging

Fairphone 3

The ethical, reliable and sustainable Fairphone 3 is a rugged Android smartphone that features a **modular design** consisting of a **display, battery and camera that can be repaired** easily. This helps extend the device's life and minimize its environmental impact.
Fairphone 3 is sold with **sustainable and reusable packaging** and its manufacturing materials are sourced from responsible sources: non-conflict tin and tungsten, recycled copper and plastics, and fair trade gold.
Vodafone and Fairphone also cooperate by sharing best practices and knowledge on key sustainability issues including circular economy, e-waste and recycling.

'Red Loves Green' Accessories

The 'Red Loves Green' sustainable accessories are now available at Vodafone stores. These include 100% biodegradable or recyclable phone cases made from, for example, reused ocean plastic, and with plastic-free packaging. In particular, **Muvit's 'Bamboo Tek' cases are made from organic waste and 'Recycle Tek' cases include 100% recycled materials**.
Vodafone Spain plans to expand this product range with charging banks and docks made from sustainable materials throughout 2020. Other accessories made from recycled materials will be added gradually.

New SIM cards half the size

As part of its strategy to minimize the use of all nonessential plastics, since March 2020 Vodafone Spain has replaced the SIM card standard (credit card-sized) with a new format half the size, **thereby halving the amount of plastic used to produce SIMs**.
This initiative alone will cut plastic waste by more than 340 tons a year, allowing Vodafone to save up to 15 equivalent tons of carbon emitted during the production and transmission of each ton of plastic, a reduction of more than 5,000 tons of carbon emissions a year.

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❛More than **175,000 devices repaired** by the repair services❜

In this respect, Vodafone has built some Circular Economy model features into the devices and the services that they market on the basis of the Principle of the three 'R's': Reduce, Reuse and Recycle, through a variety of initatives.

• When approving devices, Vodafone considers whether manufacturers have complied with **Spanish regulations on and electronic appliances** (waste management and restrictions on certain dangerous substances).

• **Reduction:**

Vodafone's SIM Only service lets customers use its services without having to buy a new device, thereby extending the useful life of their own devices. This not only reduces waste production, but also serves to optimize the consumption of natural resources used to manufacture the devices by avoiding the use of new resources.

• **Reuse:**

Vodafone's repair service is another of the services that offers to extend the life of devices, so when a device stops working, it can be repaired, even if it is out-of-warranty, as long as the repair is feasible.

The **Device Buyback** lets customers sell their device back to Vodafone as long as it works properly and customers do not want to use it any more. Under this scheme, they are offered discounts for the repurchased devices through alliances with specialized firms, meaning that any devices that no longer meet customers' initial needs can be reintroduced into the economic circuit. These devices, once refurbished, can be reused in developing or emerging countries, bringing both social benefits (facilitating access to technology at a more affordable price for these markets) and environmental benefits (the equipment's life span is extended without having to mine new raw materials for a new device).

• **Recycling:**

Waste Recycling applies when devices do not work and can be placed in the containers provided at Vodafone's own stores, guaranteeing that they are recycled and that the components are recovered in an environment-friendly way.

The rapid progress in the sector and the need to always offer customers the best service, mean that Vodafone must replace its network equipment relatively often. Meanwhile, these technological changes enable Vodafone to install increasingly energy-efficient equipment on their network. Vodafone ensures that the network waste generated in these operations is reused wherever possible or recycled and appropriately managed.

❛**100%** of the electrical wastes generated in the network is recycled❜

Furthermore, Vodafone is convinced that using solutions based on the **Internet of Things (IoT)** poses significant opportunities for many sectors of society. Smart devices can provide plenty of information about the location, state and availability of different kinds of assets, enabling it to create a continuous cycle and optimize material usage.

There are numerous examples of how smart devices that use **IoT solutions** can facilitate the **Circular Economy**, such as solutions for waste collection, efficient water consumption management, smart maintenance systems, etc. 🔲7

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Wastes and other supplies

Containers and Paper

Through its stores, Vodafone puts **paper bags and other types of commercial containers** on the market, which it declares in the comprehensive container and packaging management system (Ecoembes). In the last financial year, Vodafone has placed 85 Tn of paper and paperboard, and 3.3 Tn of plastic on the market.

Vodafone Spain has consumed 15.2 Tn of office paper in FY 2019-20. In addition to encouraging employees to cut down on its use, buying sustainable forest management-certified paper contributes significantly to preserving the environment. That is why Vodafone asks its paper suppliers to supply paper that is **recycled or made from virgin wood fibres** and certified in accordance with the PEFC or FSC or equivalent systems, and that it has been obtained through a **clean production system**, be it ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free).

All of the office paper consumed at Vodafone meets these criteria.

It also ensures that systems are in place to **minimize, collect and recycle the paper that they use in offices** and it encourages employees to reduce their consumption of this and other resources by implementing digital tools (e..g, the digital calling card through the Smart Building app) and through employees awareness-raising schemes.

Another of the notable aspects concerning paper consumption in its operations refers to billing its Customers for the services. For instance, they encourage customers to ask for e-bills to reduce the amount of paper used in billing processes.

'**87.5%** of residential customers and **81.3%** of business customers get an electronic bill'

Plastics

In 2019-20, Vodafone's offices have launched several initiatives to do away with any **plastic, single-use items**:

- Replacement of all plastic water bottles with a more sustainable packaging.
- New employees are given a reusable personal water bottle in their Welcome Pack.
- Replacement of plastic cups with cardboard cups.
- Employees get discounts on coffee prices for bringing a reusable cup.
- Use of biodegradable tableware, cutlery and pallets in catering services.

Vodafone also keeps on working with catering service providers in seeking alternative solutions to steadilydo away with any plastic, single-use item.

Water consumption

Despite not being a significant business aspect, Vodafone also monitors its **consumption of water**, which is collected and discharged into the sewage system. At its Madrid head office, Vodafone has installed tanks to collect and reuse rain-water.

No significant accidental spillage or leak-related incidents were reported this year.

Light Pollution

Vodafone uses sustainable lighting **systems** to attain a better quality environment, while at the same time fostering energy saving and efficiency. Its outdoor lighting installations are designed to avoid environmental light pollution as far as possible, complying with current regulations at each site.

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Sustainability in Construction Work and Spaces

Vodafone continues to apply its standard on building sites:

- Replacement of climate-control equipment with other more efficient equipment fitted with **Trend control**, which lets you set the right temperature with the consequent savings.
- Replacement of luminaires with **LED installations**, including the **DALI control system** for regulating light intensity in line outdoor lighting and turning it off when there is no one in the office.
- Replacement of bottle water dispensers with **main connected machines**.
- Removal of wastepaper bins and provision of **waste separation containers**.
- Wooden furniture with the FSC seal.

The following courses of actions have also been added in the construction of the new office building in Barcelona **to improve sustainability**:

- **Ecological paint** free of plastic content or toxic elements (normal plastic paint contains toxic elements that last for at least 5 years).
- Installation of **urinals that operate without water**, with the consequent savings.
- Use of **new materials** such as cork, cardboard, corrugated PTE, wood, etc. to replace plastics or their derivatives.
- Installation of **tiles** both in kitchenettes and in toilets **instead of PVC**.
- All the upholstery that previously could be used with 'eco-leather' type to avoid stains, have been left **unupholstered** (leaving a wood finish) **to avoid using any type of plastic**.
- Installation of **lamps with fabric materials** instead of plastics.

The mountings used for the corporate image have been improved as follows:

- **Replacement of the PVC** that appeared in the corporate messages with **wood**.
- **Replacement of the image film material** with a **plastic-free material** (also including the ink used for it).
- Installation of glass blackboards instead of Velleda whiteboards.

In removal processes:

- **The information letter and printed removal sheet**, handed out to each user (approx. 3,000 people), **has been replaced with a PDf letter and digital plans** sent by e-mail, thus reducing paper consumption.
- **All removal boxes have been used at least twice**, thus reducing cardboard consumption.

Ozone-depleting substances

In order to control its ozone depletion potential (ODP) and global warming potential (GWP), Vodafone **monitors the gases it uses** in its air conditioning and fire extinguishing systems, and prevents and registers possible leaks. In this regard, it continues with its **plans to replace gases and refrigerants**.

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7.4.4 Environmental benefits of using Vodafone's technology

In the times we live in, more than 5 billion people (about two thirds of the world's population) are connected thanks to mobile devices. And increasingly, as a result of the development of **M2M** ('Machine to Machine') and **IoT** technologies, there are more connected objects in the world.

A telecom carrier's activities bring environmental benefits mainly through the use of **its products and services by customers**, and this is especially relevant in the case of M2M and IoT connection services.

Most of the benefits are associated to the **reduction of carbon emissions** as a result of lower electricity, gas and fuel consumption, although other environmental benefits may also be associated, such as **the reduction or optimization of the consumption of resources** such as water, raw materials, waste, etc. and the **improving circular economy and collaborative economy processes**, as well as other **environmental benefits** related to the development of the population in rural or uninhabited areas. Using Vodafone's products and services, as well as the data and information collected through its **Big Data and Artificial Intelligence** systems, also favours the study and monitoring of biodiversity, and the prevention of fires and natural disasters.

Vodafone's technology and services gives its customers what they need to **cut their greenhouse gas emissions (GHG)**. Here are just a few of the IoT applications that help to lower these emissions:

- **Smart energy meters** that allow businesses, municipal authorities and households to monitor, manage and reduce their energy use.

- **Smart Cities** connected smartly to make energy-intensive services, such as public transportation, road networks and lighting, far more efficient.

- **Smart logistics:** in-vehicle IoT technologies to optimize route management, vehicle maintenance and driver performance, delivering fuel consumption savings of up to 30%.

'**603,493** tons of carbon emissions avoided by the use of IoT solutions in 2019-20'

According to Carbon Trust's lastest report, by using some of these solutions, Vodafone's customers have avoided the emission of 603,493 Tons of carbon emissions in Spain during the last financial year.

Resources Management

- **Gandía**: Using NBIoT technology is enabling the integrated management of the entire water network in Gandía, a worldwide Smart Water City benchmark. The advantages are countless, ranging from resource savings through immediate leak detection to added value for citizens such as alerting about consumption in empty houses or alerting social services if vulnerable people are not consuming any water.

- **AMMETRONIC96: Workers and vehicle fleets always located and organized:** The Canary Islands-based wind turbine company controls its staff and technical resources thanks to Sesame and other Vodafone solutions. The kind of work Ammetronic96's engineers do means that they have to be able to work from anywhere, and Vodafone's tools and connectivity enables the whole company to work on the move. Its 26 specialized vehicles allow it to operate in 40 wind farms and facilities on all of the islands, thanks to the fleet management solution that also permits mileage control, favouring sustainability and reducing fuel consumption as much as possible.

Vodafone Digital Solutions

Tu proyecto, digital con Vodafone

Más info >

Vodafone Power to you

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The table below details the products and services, the emission reduction mechanism and the Carbon Trust reduction factors for analysis:

IoT App	Description	GHG reduction Mechanism	GHG reduction factor
Smart meters • Domestic	Meters fitted with IoT technology that periodically record the consumption of each service (gas, water or electricity) and send the information to the service provider, allowing them to report remotely.	Smart meters are an important tool for reducing the use of domestic resources and managing supply networks more efficiently. Many studies have shown that installing smart meters and associated initiatives help to reduce energy consumption.	The assumed average gas and electricity saving is 3% per year[1].
Smart meters • Commercial	Like domestic meters, but for commercial sites that generally have multiple meters to define consumption patterns and areas.	Smart meters in commercial properties provide visibility to building managers about how and when the organization consumes energy or electricity. Smart meters have proven that they can save energy, and that consumption can be optimized remotely.	The assumed average gas and electricity saving is 3% per year[2].
Smart logistics and fleet management • Cars	Electronically connected systems that consist in an in-vehicle unit (IVU) connected to a central server. Within a car fleet it is used primarily for satellite navigation and to provide driver performance information. This information can also be used car insurance policies based on their use.	Fleet management systems can be used to optimize routes and avoid traffic-congested areas, which directly results in reduced fuel consumption. Telematics systems can provide real-time information on driver performance. This technology facilitates the information, but the saving involves the dirver applying it.	6%. This applies to average annual emissions for a passenger car[3].
Smart logistics and fleet management • Buses	Electronically connected systems that consist in an in-vehicle unit (IVU) connected to a central server. So it provides real-time information on the vehicle's GPS location and can include other indicators such as fuel consumption or driver performance.	Connected buses can communicate with the traffic light system to prioritize routes, improving fuel efficiency. GPS location services can also be used to inform passengers of bus arrival times. Both tools can help define the patterns followed by each route and thus improve emissions for each passenger.	The assumed fuel saving is 6%. This applies to average annual emissions for a bus.

[1] http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=21&refer=Sustainability/EDRP

[2] The average has been estimated from a selection of case studies ranging from 7.5% to 25%http://www.betterbuildingspartnership.co.uk/sites/default/files/media/attachment/bbp-better-meteringtoolkit.pdf http://www.vodafone.

[3] Several published and unpublished studies indicate savings between the 5-15%, depending on the study's depth. Examples: sources: http://www.energysavingtrust.org.uk/businesses/sites/default/files/Telematics.pdf http://www.fiag.co.uk/wp-content/uploads/2014/11/FIAG-Telematics-Explained-white-paper.pdf http://www.mixtelematics.us/solutions/fuel-saving

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IoT App	Description	GHG reduction Mechanism	GHG reduction factor
Smart logistics and fleet management • Light vehicles and heavy goods vehicles	The same as for passenger cars, but for both light and heavy goods vehicles. Commercial applications include optimized delivery, shipping routes, fuel usage metering and driver performance monitoring.	Optimized delivery and dispatch routes for freight vehicles ensure that unnecessary trips are minimized, leading to efficient fuel usage. Telematic systems can offer drivers real-time information about their driving performance. This technology facilitates the information, but the saving involves the dirver applying it.	The assumed fuel saving is between 2% and 10%, depending on the classification and the application. This applies to average annual emissions for light vehicles and heavy goods vehicles.
Smart logistics and fleet management • Taxis	Electronically connected systems that consist in an in-vehicle unit (IVU) connected to a central server. These are usually connected to mobile applications where users locate and call nearby taxis. Multiple users can be connected to share rides.	Taxi emission savings are achieved by minimizing the taxi ride without passengers, based on centralized taxi dispatch control.	It uses a carbon reduction factor of 344.1 kg carbon equivalents per connection, taken from Vodafone Netherlands' 'Environmental Profit and Loss' 4 analysis, which uses a fuel saving of 5% applied to the annual emission rate for a taxi.
Smart logistics and fleet management • Smart Containers	Containers with built-in IoT technology can notify waste collection services when they are full, meaning that refuse-collection vehicles avoid making unnecessary trips.	The main mechanism provided is the reduction of trips by the refuse collection vehicles, leading to fuel savings.	Reduction factor of 5Kg carbon equivalents per smart container used.[5]
Street lighting	Street lighting equipped with IoT technology makes it possible to vary lighting levels depending on the time of day and how many people are around.	Emissions savings are achieved by avoiding the use of lighting when it is unnecessary. In addition, lower lighting levels can be regulated in low-traffic areas.	20% reduction in street lighting energy consumption.[6]

[4] https://www.vodafone.nl/_assets/downloads/algemeen/environmental_profit_and_loss_account_2014_2015.pdf
[5] Abatement factor derived from Smart Bin case study: https://m2m.vodafone.com/insight_news/case-study/mic-o-data.jsp
[6] http://www.telensa.com/category/news/page/3/ http://www.telensa.com/smart-lighting/

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IoT App	Description	GHG reduction Mechanism	GHG reduction factor
Charging electric vehicles	Charging points equipped with IoT technology can interact with drivers' electric vehicles or mobile apps to indicate the most appropriate charging point, making drivers more confident about making more trips in electric vehicles.	Using electric vehicles instead of traditional fuel-based vehicles leads to a significant reduction in emissions. Each electric vehicle trip facilitated by recharging at one of these points is assumed to replace a diesel or petrol vehicle trip.	Annual driving distance calculated from the charge provided by a recharging point [7]. The saving is the difference in emissions between a petrol car and an electric car for the same distance.
Health	The connected devices allow chronically ill or high risk people to be monitored from their homes. This avoids trips to and from the hospital by both patients and healthcare professionals, thus freeing up hospital beds.	The emissions associated with the hospital stay are avoided by allowing the patient to stay at home. Other emissions are avoided by not having to drive to and from the hospital.	A 42% reduction in hospital admittances is assumed.[8]

[7] https://tfl.gov.uk/cdn/static/cms/documents/ev-fact-sheet-201404-201406.pdf

[8] Telecare reduces hospital interventions by 55% and reduces E&A department admissions by 29%. An average of 42% is the figure finally used. http://www.gsma.com/connectedliving/wp-content/uploads/2013/02/GSMA-Connected-Life-PwC_Feb-2013.pdf

NEXT OBJECTIVES

- 100% of the Energy used from renewable origin. March 2025
- Reduce carbon emissions by 50% with respect to 2016-17. March 2025
- Obtain the ISO 50001 energy management certificate for the sites with the highest levels of consumption. March 2021
- Installation of photovoltaic panels in Vodafone Plaza. March 2022
- Vodafone Plaza sustainable water management plan. March 2021
- Make moving processes more sustainable. March 2021
- Conduct energy audits in stores. March 2022

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7.4.5 Tables and trend charts

Energy consumption

1 Total Energy Consumption (MWh)

VODAFONE IN SPAIN
- Conventional
- Renewable

VODAFONE ESPAÑA, S.A.U.
- Conventional
- Renewable

VODAFONE ONO, S.A.U.
- Conventional
- Renewable

+1.3%

257,946
477,484

714,324 (2017-18)
726,223 (2018-19)
735,430 (2019-20)

166,465
298,256

463,264 (2018-19)
464,721 (2019-20)

91,190
178,837

262,278 (2018-19)
270,027 (2019-20)
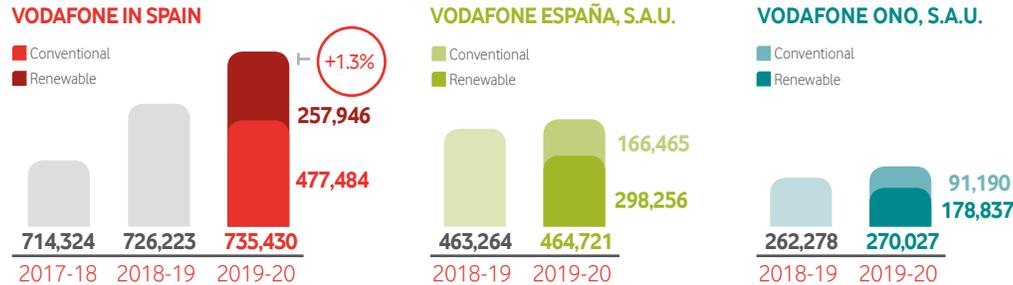
2 Change in Total Energy Consumption by primary energy source (GJ)*

	2017-18	2018-19	2019-20
Indirect Energy (GJ)			
From the grid	2,564,126	2,609,376	2,641,957
Direct energy (GJ)			
Wind-Solar (**)	16	16	14
Diesel	1,129	619	578
Natural Gas	6,294	4,394	5,000
TOTAL	2,571,566	2,614,404	2,647,548

(*) 1MWh=3.6 GJ / (**) All the wind-solar energy refers to Vodafone España S.A.U.

3 Network Energy Consumption (GJ) (MWh)

VODAFONE IN SPAIN

+1.5%

693,928 (2017-18)
706,557 (2018-19)
717,406 (2019-20)

VODAFONE ESPAÑA, S.A.U.

449,047 (2018-19)
451,117 (2019-20)

VODAFONE ONO, S.A.U.

257,510 (2018-19)
266,288 (2019-20)

4 Change in network energy consumption per network element with respect to 2006-07 (%)

VODAFONE IN SPAIN

2017-18	2018-19	2019-20
-35%	-35%	-35.1%

5 Network energy consumption due to data traffic (kWh/TB)

VODAFONE IN SPAIN

-21.6%

122.2 (2017-18)
103.9 (2018-19)
81.5 (2019-20)

6 Store energy consumption (MWh)

VODAFONE IN SPAIN

-4.7%

2,585 (2017-18)
2,638 (2018-19)
2,514 (2019-20)

VODAFONE ESPAÑA, S.A.U.

2,638 (2018-19)
2,514 (2019-20)

VODAFONE ONO, S.A.U.

0 (2018-19)
0 (2019-20)
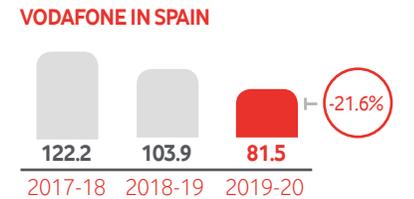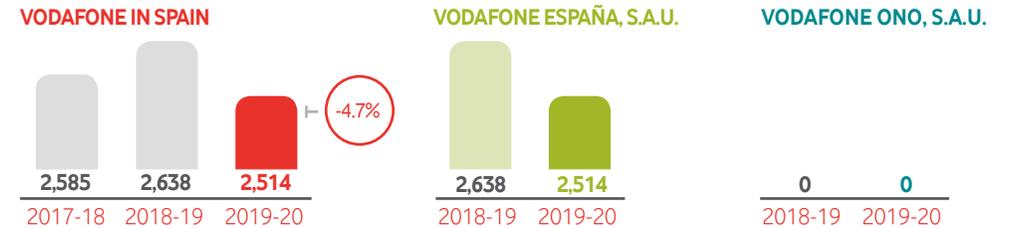
7 Office electricity consumption (MWh)

VODAFONE IN SPAIN

-8.9%

17,811 (2017-18)
17,028 (2018-19)
15,510 (2019-20)

VODAFONE ESPAÑA, S.A.U.

11,579 (2018-19*)
11,090 (2019-20**)

VODAFONE ONO, S.A.U.

4,768 (2018-19*)
3,738 (2019-20**)

(*) Estimated on the basis of the nº of employees. 68% of Vodafone in Spain employees work for Vodafone España S.A.U. and 28% for Vodafone Ono S.A.U.
(**) Estimated on the basis of the nº of employees. 71.5% of Vodafone in Spain employees work for Vodafone España S.A.U. and 24.1% for Vodafone Ono S.A.U.

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Emissions and other consumption

8 Carbon emissions avoided by using video conferencing (Tn)*

VODAFONE IN SPAIN

	2017-18	2018-19	2019-20
Nº of national videoconferences 5,678	8,625	5,911	
Nº of international videoconferences 11,959	15,268	9,870	
Estimated carbon emission savings (Tn)	1,873	2,439	1,589

(*) When calculating carbon emissions avoided by using videoconferencing, it is estimated that one in four videoconferencing calls has avoided at least one domestic and international round trip (as appropriate) of one person. Moreover, based on different sources, an average domestic round-trip is taken as a person flying from/to Madrid-Barcelona, which involves releasing approximately 140 kg of carbon emissions, and that this value can be quadruple (on average) on an international round trip.

The figure for the last financial is lower because the usage data of a three and a half month period was not registered due to a systems issue.

VODAFONE ESPAÑA, S.A.U.   **VODAFONE ONO, S.A.U.**

	1,659	1,080		683	445
	2018-19*	2019-20**		2018-19*	2019-20**
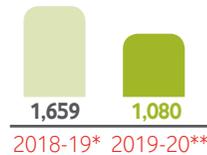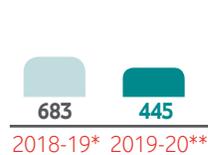
9 Kms flown by employees (x1,000)

VODAFONE IN SPAIN   **VODAFONE ESPAÑA, S.A.U.**   **VODAFONE ONO, S.A.U.**
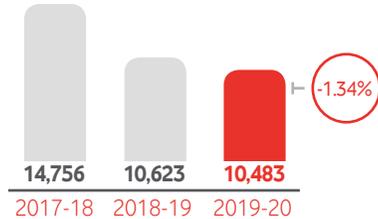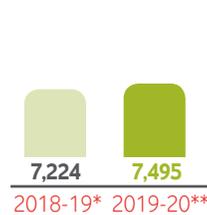
14,756	10,623	10,483	-1.34%	7,224	7,495	2,974	2,526
2017-18	2018-19	2019-20		2018-19*	2019-20**	2018-19*	2019-20**

(*)   Estimated on the basis of the nº of employees. 68% of Vodafone in Spain employees work for Vodafone España S.A.U. and 28% for Vodafone Ono S.A.U.
(**) Estimated on the basis of the nº of employees. 71.5% of Vodafone in Spain employees work for Vodafone España S.A.U. and 24.1% for Vodafone Ono S.A.U.

10 Vehicle fleet consumption (thousand litres)

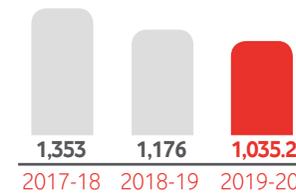**PETROL**

VODAFONE IN SPAIN   **VODAFONE ESPAÑA, S.A.U.**   **VODAFONE ONO, S.A.U.**
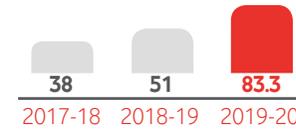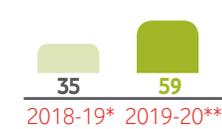
38	51	83.3	35	59	14	20
2017-18	2018-19	2019-20	2018-19*	2019-20**	2018-19*	2019-20**

DIESEL

VODAFONE IN SPAIN   **VODAFONE ESPAÑA, S.A.U.**   **VODAFONE ONO, S.A.U.**

1,353	1,176	1,035.2	800	735	329	248
2017-18	2018-19	2019-20	2018-19*	2019-20**	2018-19*	2019-20**
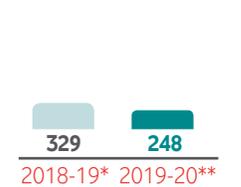
11 Change in total carbon emissions (Tn)

VODAFONE IN SPAIN   **VODAFONE ESPAÑA, S.A.U.**   **VODAFONE ONO, S.A.U.**

TREND	2017-18	2018-19	2019-20
Scope 1	12,811	24,771	8,090
Scope 2	191,810	187,763	108,294
Scope 3	13,813	15,384	1,936
TOTAL	218,435	227,918	118,321

145,868	84.6	82,050	28.5
2018-19*	2019-20**	2018-19*	2019-20**
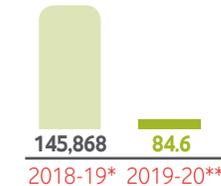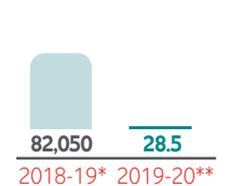
The reaons for the drop in carbon emissions of the last financial year was due to:
- Scope 1: to the lower number of refrigerant gas and fire extinguishing system refills.
- Scope 2: first, to the purchase of guarantee of origin certificates for 50% of its electricity consumption and, secondly, to the decrease in electricity conversion factors (both that of its supplier and the country's average).
- Scope 3: to a change in the Group's criteria regarding the extent to which it reports some of its network consumption in leased sites (previously in Scope 3 and now in Scope 2).

(*)   Estimated on the basis of the nº of employees. 68% of Vodafone in Spain employees work for Vodafone España S.A.U. and 28% for Vodafone Ono S.A.U.
(**) Estimated on the basis of the nº of employees. 71.5% of Vodafone in Spain employees work for Vodafone España S.A.U. and 24.1% for Vodafone Ono S.A.U.

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12 Paper used in offices (Tn)

VODAFONE IN SPAIN

-25%

25.6	20.2	15.2
2017-18	2018-19	2019-20

VODAFONE ESPAÑA, S.A.U.

13.7	11
2018-19*	2019-20**

VODAFONE ONO, S.A.U.

5.7	4
2018-19*	2019-20**

13 Recycled Paper (Tn)

VODAFONE IN SPAIN

-31.7%

75.5	53.9	36.8
2017-18	2018-19	2019-20

VODAFONE ESPAÑA, S.A.U.

36.7	26
2018-19*	2019-20**

VODAFONE ONO, S.A.U.

15.1	9
2018-19*	2019-20**

14 Water Consumption (m^3)

VODAFONE IN SPAIN

-27.7%

69,522.10	75,624.00	54,648.19
2017-18	2018-19	2019-20

VODAFONE ESPAÑA, S.A.U.

51,424	39,073
2018-19*	2019-20**

VODAFONE ONO, S.A.U.

21,175	13,170
2018-19*	2019-20**

(*) Estimated on the basis of the nº of employees. 68% of Vodafone in Spain employees work for Vodafone España S.A.U. and 28% for Vodafone Ono S.A.U.
(**) Estimated on the basis of the nº of employees. 71.5% of Vodafone in Spain employees work for Vodafone España S.A.U. and 24.1% for Vodafone Ono S.A.U.

The reduction in consumption is due both to the actions taken and to the change in the system for controlling actual consumption that has been implemented this year at the main offices.

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Report Preparation

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8.1 Principles

The following international standards and National Law 11/2018 have been taken into account in drafting this report:

a. The general guidelines of the **International Integrated Reporting Council (IIRC)** for preparing integrated reports that group both financial and non-financial information (**GRI 102-46**):

IIRC guidelines	How presented in the Vodafone in Spain 2019-20 Report
Strategic focus and future orientation:	Information about strategy
Information Connectivity	Information about Activities that can create economic, social and environmental value
Stakeholder inclusiveness	Information about stakeholders and how we respond to their expectations
Conciseness and materiality of information	Materiality Analysis
Reliability of information	Assurance of information by external auditors
Consistency and comparability	Information presented in accordance with international standards and compared with previous years

b. The guidelines laid down by **GRI (Global Reporting Initiative) Standards** for preparing Sustainability Reports, in terms of the principles governing the content and quality of the information disclosed, and the General Standard Disclosures and Specific Standard Disclosures (**GRI 102-46**):

GRI Standard Principles		How presented in the Vodafone Spain Integrated Report 2019-20
Content	**Stakeholder Inclusion**	Information about stakeholders and how expectations are met
	Sustainability Context	Information about Activities that can create economic, social and environmental value
	Materiality	Materiality Analysis
	Completeness	Information about the activities carried out during the fiscal year
Quality	**Precision**	Information collected through the Information Systems
	Balance	Information about the results obtained in the material aspects
	Clarity	Information that is properly arranged and summarised
	Comparability	Information presented in accordance with international standards and compared with previous years
	Reliability	Assurance of information by external auditors
	Punctuality	Annual Publication of the Report

c. The principles established by **AccountAbility** in standard **AA1000AP 2018** regarding the information provided:

AA1000AP Principles	How presented in the Vodafone Spain Integrated Report 2019-20
Inclusivity	Information about stakeholders and how we respond to their expectations
Materiality	Information about material aspects
Responsiveness	Information about the results obtained in the material aspects
Impact	Information about how we measure and monitor our direct and indirect impacts

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d. The **UN Global Compact Principles** (**GRI 102-46**)

Since 2012, Vodafone Spain is a signatory to the U.N. Global Compact, which aims to achieve a voluntary commitment of the organizations in Social Responsibility issues, through the implementation of 10 Principles in the areas of human rights, labour, the environment and anti-corruption.

Through this Report, Vodafone Spain wants to demonstrate its commitment and the headway achieved in implementing the ten Global Compact Principles.

Furthermore, in September 2015 the UN established the **17 Sustainable Development Goals (SDG)** such as the Global Agenda 2030, affecting governments, companies and third sector organizations. In this respect, Vodafone has analyzed its contribution to the different Sustainable Development Goals, setting monitoring indicators to display its evolution. 🔲

Global Compact Principles	Policies				Monitoring and Measurement	
	Integrated Report 2019-20	Pg.	Integrated Report 2019-20	Pg.	Integrated Report 2019-20	Pg.
Principle 1: 'Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence'	• Vodafone Sustainable Business • Safe and Responsible Use • Code of Ethical Purchasing • Code of Conduct	30 108 51 44 and 45	• Vodafone and Human Rights • Privacy • Supplier assessment	55 to 57 47 and 48 53 and 54	• Materiality Matrix • Speak Up! Channel • Doing what's right Training • Information and Awareness-Raising in Safe and Responsible Enjoyment	35 46 and 47 46 108
Principle 2: 'Businesses should make sure they are not complicit in human rights abuses'	• Code of conduct • Code of ethical purchasing	44 and 45 51	• Supplier assessment • Policy on non-use of conflict minerals	53 and 54 52	• Speak Up! Channel 46 and 47 • Supplier assessment and tracking	53 and 54
Principle 3: 'Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining'	• Collective Agreement • Code of Conduct	115 44 and 45	• Industrial Relations • Code of Ethical Purchasing	114 and 115 51	• Industrial Climate Survey	68
Principle 4: 'Businesses should uphold the elimination of all forms of forced and compulsory labour'	• Collective Agreement • Industrial Relations	115 44 and 45	• Code of Conduct • Code of Ethical Purchasing	114 and 115 51	• Speak Up! Channel	46 and 47
Principle 5: 'Businesses should uphold the effective abolition of child labour'	• Collective Agreement • Industrial Relations	115 44 and 45	• Code of Conduct • Code of Ethical Purchasing	114 and 115 51	• Speak Up! Channel • Employees by age and gender	46 and 47 123
Principle 6: 'Businesses should uphold the elimination of discrimination in respect of employment and occupation'	• Diversity and equal opportunity management • Code of Conduct	117 to 119 44 and 45	• Collective Agreement • Code of Ethical Purchasing	115 51	• Diversity Evolution	123
Principle 7: 'Businesses should support a precautionary approach to environmental challenges'	• Code of Conduct • Environmental Management System	44 and 45 133 and 134	• RF Emissions and Health • Control of environmental impacts	102 135 to 141	• Changes in environmental impacts	146 to 148
Principle 8: 'Businesses should undertake initiatives to promote greater environmental responsibility'	• Environmental Management System	133 and 134	• Control of environmental impacts	135 to 141	• Environmental Management System Maintenance	134
Principle 9: 'Businesses should encourage the development and diffusion of environmentally friendly technologies'	• Internet of Things (IoT)	95 and 96 142 to 145			• Best Practices with Customers	86, 94-97 142 to 145
Principle 10: 'Businesses should work against corruption in all its forms, including extortion and bribery'	• Code of Conduct • Code of Ethical Purchasing 51	44 and 45	• Anti-Corruption and Anti-Bribery Policy • Corporate Governance	45 to 47 59 to 64	• Anti-Fraud and Corruption Actions	45 to 47

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e. The requirements established by **Law 11/2018**, of 28th December, on Non-Financial Information and Diversity, applicable to the companies **Vodafone España S.A.U.** and **Vodafone Ono S.A.U.** (**GRI 102-46**)

Requirements under Law 11/2018	How presented in the Vodafone in Spain 2019-20 Report
Business Model	Business Model
Risk Policies	Risk Management
Indicators based on national, European or international frameworks	GRI Standards
Information about the impacts	Materiality Analysis
Information about environmental issues	Performance in Environment
Information about social and personnel issues	Performance in Employees
Information about respect for human rights	Human Rights Managed
Information on the work against corruption and bribery	Anticorruption policy
Information about society	Performance in Customers, Society and Suppliers

8.2 Indices

8.2.1 Content according to IIRC

The table below shows where each of the types of content required by IIRC can be found in this report (**GRI 102-46**):

Content required by IIRC		Pages of 2019-20 Report
Description of the organization and the environment	• Key Indicators 2019-20	7 and 8
	• Business principles and corporate culture	44, 45, 60 and 113
	• Organizational Structure	13
	• Analysis of the environment	71 to 76
Corporate governance	• Regulatory Compliance	59 to 62
	• Board of Directors and Committees	63 to 68
Business model	• Business Model	16 to 17
	• Value creation	25 to 29
	• Strategic Sustainable Business Framework	30
Risks and Opportunities	• Risk Management	78 to 81
Resource strategy and allocation	• Strategy	83
	• Business model: Key Indicators 2019-20	7 and 8
Performance	• Digital society	84 to 102
	• Inclusion for all	103 to 132
	• Planet	133 to 148
Future prospects	• Analysis of the environment	71 to 76
	• Objectives	53, 54, 84, 102, 103, 122, 133, 145
Basis of preparation and presentation	• Profile and Aim of the Report	6
	• Strategic Sustainable Business Framework	30
	• Reporting Principles	150 to 152

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8.2.2 GRI Materiality Analysis

The following sources of information are considered when **identifying Material Aspects**: (**GRI 102-46 and GRI 102-47**):
• The general list of Issues defined by the GRI Standards
• The list of Issues established by the Vodafone Group
• The list of Issues established in previous years by Vodafone Spain
• The topics identified in the GRI document "Sustainability Topics for Sectors: What do stakeholders want to know?"
• The material aspects for the telecommunications sector identified by the Sustainability Accounting Standard

The following table shows the correlation between the Material Aspects according to GRI terminology and the Material Aspects according to Vodafone Spain terminology, and its (Internal or external) Coverage. The respective Management Approaches are described in the different sections of this Annual Report:

In order to prioritize these material aspects, Vodafone identifies the stakeholders for whom the issue in question

		GRI STANDARDS	VODAFONE MATERIAL ASPECTS	COVERAGE	MANAGEMENT APPROACH
STANDARDS CATEGORY	ECONOMIC GRI-200	201-Economic Performance	Value Creation	Internal	Chap. 2.3 Pgs. 25 to 29
		202-Market Presence	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		203-Indirect Economic Impact	Value Creation	Internal	Chap. 2.3 Pgs. 25 to 29
		204-Procurement Practices	Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		205-Anti-corruption	Regulatory Compliance	Internal	Chap. 3.1 Pgs. 44 to 47
		206-Unfair Competition	Regulatory Compliance	Internal	Chap. 3.1 Pgs. 44 to 47
	ENVIRONMENTAL GRI-300	301-Materials	Consumption of Materials and Wastes	Internal - External	Chap. 7.4 Pgs. 138 to 141
		302-Energy	Environment and Climate Change	Internal	Chap. 7.4 Pgs. 135 to 137
		303-Water and effluents	Non-Material	--	--
		304-Biodiversity	Non-Material	--	--
		305-Emissions	Environment and Climate Change	Internal	Chap. 7.4 pg. 147
		306-Effluents and Waste	Non-Material	----	
		307-Environmental compliance	Environment and Climate Change	Internal	Chap. 7.4 Pgs. 133 and 134
		308-Supplier environmental assessment	Suppliers	External	Chap. 3.2 pg. 53

		GRI STANDARDS	VODAFONE MATERIAL ASPECTS	COVERAGE	MANAGEMENT APPROACH
STANDARDS CATEGORY	SOCIAL GRI-400	401-Employment	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		402-Labor/Management Relations	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		403-Occupational safety and health	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
			Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		404-Training and Coaching	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		405-Diversity and equal opportunities	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		406-Non-discrimination	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
		407-Freedom of association and collective bargaining	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
			Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		408-Child labour	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
			Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		409-Forced or Compulsory Labor	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
			Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		410-Security Practices	Employees	Internal	Chap. 7.3 Pgs. 113 to 132
			Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		411-Rights of Indigenous Peoples	Non-Material	--	--
		412-Human Rights Assessment	Suppliers	External	Chap. 3.2 Pgs. 53 and 54
		413-Local Communities	Community involvement	Internal	Chap. 7.3 Pgs. 103 to 112
		414-Supplier social assessment	Suppliers	Internal	Chap. 3.2 Pgs. 53 and 54
		415-Public Policy	Regulatory Compliance	Internal	Chap. 4.1 Pgs. 59 to 62
		416-Customer health and safety	Responsible Network Deployment/EMF	Internal	Chap. 7.2 pg. 102
			Responsible use of ICT	Internal	Chap. 7.3 pg. 108
		417-Marketing and labelling	Clear Prices and Rates	Internal	Chap.7.2. Pgs. 85 to 87
		418-Customer privacy	Privacy and data protection	Internal	Chap. 3.1 Pgs. 47 and 48
		419-Socioeconomic achievement	Regulatory Compliance	Internal	Chap. 4.1 Pgs. 59 to 62

is relevant or material, and then builds the materiality matrix, which takes into account both the importance of these aspects for its stakeholders, and how each one impacts the Business **2**.

The different material issues form part of the strategic sustainable business framework **2**, which is managed and coordinated by the Sustainability and Quality Department, which periodically reports to the Steering Committee through the Corporate Communications Director, to whom it is answerable.

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8.2.3 GRI Table of Contents:

For the Materiality Disclosures Services, GRI Services has checked that the GRI Table of contents is clear, and that the references for contents 102-40 to 102-49 match the specified sections of the report.

GRI STANDARD	CONTENT	PG. / DIRECT RESPONSE
GRI 101: FOUNDATION 2016		
GENERAL CONTENT (GRI 102: GENERAL CONTENT 2016)		
ORGANIZATIONAL PROFILE	102-1 Name of the organization	6
	102-2 Activities, brands, products and services	11, 14 to 17, 85 to 88, 98 and vodafone.es
	102-3 Location of headquarters	back page
	102-4 Location of operations	10
	102-5 Ownership and legal form	11
	102-6 Markets served	10, 16, 17
	102-7 Size of the organization	7, 8
	102-8 Information about employees and other workers	13, 123 to 126
	102-9 Supply chain	53, 54
	102-10 Significant changes in the organization and its supply chain	11, 13
	102-11 Precautory principle or approach	78, 79
	102-12 External initiatives	6, 18, 150 to 153
	102-13 Membership of associations	18
STRATEGY	102-14 Statement from senior decision-maker	4, 5
	102-15 Main impacts, risks and opportunities	55 to 57, 59 to 62, 79 to 81
ETHICS AND INTEGRITY	102-16 Values, principles, standards, and norms of behavior	44, 45
	102-17 Advisory mechanisms and ethical concerns	31 to 33, 46, 47, 68
GOVERNANCE	102-18 Governance structure	13, 63 to 68
	102-19 Delegation of authority	65 to 67
	102-20 Executive-level responsibility for economic, environmental, and social topics	68
	102-21 Consulting stakeholders on economic, environmental, and social topics	31 to 32, 35
	102-22 Composition of the highest governance body and its committees	63, 65 to 67
	102-23 Chair of the highest governance body	63, 64
	102-24 Nominating and selecting the highest governance body	63, 64
	102-25 Conflicts of interest	64
	102-26 Role of highest governance body in setting purpose, values, and strategy	30, 63, 64
	102-27 Collective knowledge of highest governance body	63, 64
	102-28 Evaluating the highest governance body's performance	59 to 62

GRI STANDARD	CONTENT	PG. / DIRECT RESPONSE
GRI 101: FOUNDATION 2016		
GENERAL CONTENT (GRI 102: GENERAL CONTENT 2016)		
GOVERNANCE	102-29 Identifying and managing economic, environmental, and social impacts	35, 78
	102-30 Effectiveness of risk management processes	66 to 68
	102-31 Review of economic, environmental, and social topics	66 to 68
	102-32 Highest governance body's role in sustainability reporting	6
	102-33 Communicating critical concerns	66 to 68
	102-34 Nature and total number of critical concerns	66 to 68, 78, 79
	102-35 Remuneration policies	69
	102-36 Process for determining remuneration	69
	102-37 Stakeholders' in remuneration	69
	102-38 Annual total compensation ratio	Confidential information
	102-39 Percentage increase in annual total compensation ratio	Confidential information
STAKEHOLDER ENGAGEMENT	102-40 List of stakeholder groups	31, 32
	102-41 Collective bargaining agreements	115
	102-42 Identifying and selecting stakeholders	31, 32
	102-43 Approach to stakeholder engagement	31, 32
	102-44 Key topics and concerns raised	31, 32
REPORTING PRACTICES	102-45 Entities included in the consolidated financial statements	6
	102-46 Defining report content and topic Boundaries	150 to 153
	102-47 List of material topics	153
	102-48 Restatements of information	Information not re-expressed
	102-49 Changes in reporting	No change in the Report Preparation
	102-50 Reporting Period	4, 5
	102-51 Date of most recent report	4, 5
	102-52 Reporting cycle	annual
	102-53 Contact point for questions regarding the report	back page
	102-54 Declaration of preparation of the report in accordance with GRI Standards	6
	102-55 GRI Table of Contents:	154 to 158
	102-56 External Verification	163

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GRI STANDARD	CONTENT	PG. / DIRECT RESPONSE
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GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	20 to 23, 35, 153
	103-3 Evaluation of the management approach	20 to 23, 35, 153
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	26, 27
	201-2 Financial implications and other risks and opportunities arising from climate change	29, 95, 134 to 137
	201-3 Defined benefit plan obligations and other retirement plans	26, 115
	201-4 Financial assistance received from government	26
MARKET PRESENCE		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	20 to 23, 35, 153
	103-3 Evaluation of the management approach	20 to 23, 35, 153
GRI 202: 2016 MARKET PRESENCE	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	69, 127
	202-2 Proportion of senior management hired from the local community	89%, pg. 13
INDIRECT ECONOMIC IMPACTS		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	25, 35, 153
	103-3 Evaluation of the management approach	27, 35, 153
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	8, 99, 100
	203-2 Significant indirect economic impacts	27
PROCUREMENT PRACTICES		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 51 to 53, 153
	103-3 Evaluation of the management approach	35, 51 to 53, 153
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	26, 53
ANTI-CORRUPTION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 45 to 47, 153
	103-3 Evaluation of the management approach	35, 45 to 47, 153
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	47
	205-2 Communication and training about anti-corruption policies and procedures	45, 46, 59, 60
	205-3 Confirmed incidents of corruption and actions taken	47

GRI STANDARD	CONTENT	PG. / DIRECT RESPONSE
UNFAIR COMPETITION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 49, 50, 153
	103-3 Evaluation of the management approach	35, 49, 50, 153
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	50
MATERIALS		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 133, 134, 153
	103-3 Evaluation of the management approach	35, 133, 134, 153
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	140, 141, 148
	301-2 Recycled input materials	140, 141, 148
	301-3 Reclaimed products and their packaging materials	140, 141, 148
ENERGY		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 133, 134, 153
	103-3 Evaluation of the management approach	35, 133, 134, 153
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	135, 136, 137, 146
	302-2 Energy consumption outside of the organization	147
	302-3 Energy intensity	136
	302-4 Reduction of energy consumption	146
	302-5 Reductions in energy requirements of products and services	135, 136, 137, 145
EMISSIONS		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the Material Issue and its Coverage	153
	103-2 The management approach and its components	35, 133, 134, 153
	103-3 Evaluation of the management approach	35, 133, 134, 153
GRI 305: 2016 EMISSIONS	305-1 Direct emissions of GHG (scope 1)	147
	305-2 Energy indirect GHG emissions (scope 2)	147
	305-3 Other indirect GHG emissions (scope 3)	147
	305-4 GHG emissions intensity	136
	305-5 Reduction of GHG emissions	29, 147
	305-6 Emissions of ozone-depleting substances (ODS)	not applicable [1]
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	not applicable [1]

[1] The relevance of the information is very limited

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GRI STANDARD		CONTENT	PG. / DIRECT RESPONSE
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GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 44, 45, 51, 52, 59, 60, 153
	103-3	Evaluation of the management approach	35, 44, 45, 51, 52, 59, 60, 153
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	Non-compliance with environmental laws and regulations	101
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 53, 153
	103-3	Evaluation of the management approach	35, 53, 153
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria	53
	308-2	Negative environmental impacts in the supply chain and actions taken	51, 53
EMPLOYMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 113, 153
	103-3	Evaluation of the management approach	35, 113, 123, 153
GRI 401: 2016 EMPLOYMENT	401-1	New employee hires and employee turnover	125, 128
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	114, 115
	401-3	Parental leave	118, 128
LABOR/MANAGEMENT RELATIONS			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 114, 153
	103-3	Evaluation of the management approach	35, 114, 153
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1	Minimum notice periods regarding operational changes	114
OCCUPATIONAL SAFETY AND HEALTH			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 153
	103-3	Evaluation of the management approach	35, 153

GRI STANDARD		CONTENT	PG. / DIRECT RESPONSE
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system	116
	403-2	Hazard identification, risk assessment and accident investigation	116
	403-3	Occupational health services	116
	403-4	Worker participation, consultation and communication on occupational health and safety	116
	403-5	Worker training on occupational health and safety	116
	403-6	Promotion of worker health	115, 116
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	116
	403-8	Workers covered by an occupational health and safety management system	116, 54
	403-9	Work-related injuries	130 to 132
	403-10	Work-related ill-health	130 to 132
TRAINING AND COACHING			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 120 to 122, 153
	103-3	Evaluation of the management approach	35, 121, 122, 153
GRI 404: TRAINING AND COACHING 2016	404-1	Average hours of training per year per employee	120, 129
	404-2	Programmes for upgrading employee skills and transition assistance programs	120, 121, 122
	404-3	Percentage of employees receiving regular performance and career development reviews	122
DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 117, 118, 153
	103-3	Evaluation of the management approach	35, 118, 119, 153
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1	Diversity of governance bodies and employees	63, 64, 123
			119, 127
	405-2	Ratio of basic salary and remuneration of women to men	
NON-DISCRIMINATION			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 55 to 57, 153
	103-3	Evaluation of the management approach	35, 47, 153
GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	46, 47

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GRI STANDARD		CONTENT	PG. / DIRECT RESPONSE
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 51, 53, 153
	103-3	Evaluation of the management approach	35, 114, 153
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	47, 51, 53, 54
CHILD LABOUR			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 51, 52, 153
	103-3	Evaluation of the management approach	35, 47, 53, 153
GRI 408: CHILD LABOUR 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	47, 51, 53, 54
FORCED OR COMPULSORY LABOR			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 51, 52, 153
	103-3	Evaluation of the management approach	35, 47, 53, 153
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	47, 51, 53, 54
SECURITY PRACTICES			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 51, 52, 153
	103-3	Evaluation of the management approach	35, 47, 53, 153
GRI 410: SECURITY PRACTICES 2016	410-1	Security personnel trained in human rights policies or procedures	The company does not have its own security personnel
HUMAN RIGHTS ASSESSMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 55, 56, 153
	103-3	Evaluation of the management approach	35, 47, 57, 153
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	44 to 47, 51 to 53
	412-2	Employee training on human rights policies or procedures	53, 60
	412-3	Significant investment and contracts that include human rights clauses or that underwent human rights screening	53

GRI STANDARD		CONTENT	PG. / DIRECT RESPONSE
LOCAL COMMUNITIES			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 44, 104, 153
	103-3	Evaluation of the management approach	35, 104, 153
GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments, and development programs	104 to 112
	413-2	Operations with significant actual and potential negative impacts on local communities	102
SUPPLIER SOCIAL ASSESSMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 51, 153
	103-3	Evaluation of the management approach	35, 53, 153
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria	53
	414-2	Negative social impacts in the supply chain and actions taken	53
PUBLIC POLICY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	33, 35, 153
	103-3	Evaluation of the management approach	33, 35, 153
GRI 415: PUBLIC POLICY 2016	415-1	Contributions to political parties and/or representatives	The value is 0
CUSTOMER HEALTH AND SAFETY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 44, 48, 134, 153
	103-3	Evaluation of the management approach	35, 102, 108, 153
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of the health and safety impacts of product and service categories	108, 101, 102
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	101, 102
MARKETING AND LABELLING			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 50, 153
	103-3	Evaluation of the management approach	35, 50, 153
GRI 417: MARKETING AND LABELLING 2016	417-1	Requirements for product and service labelling and information	76, 102
	417-2	Incidents of non-compliance concerning product and service information and labelling	48, 102, 134
	417-3	Incidents of non-compliance concerning marketing communications	There were no cases of non-compliance

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GRI STANDARD	CONTENT		PG. / DIRECT RESPONSE
CUSTOMER PRIVACY			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 47, 48, 153
	103-3	Evaluation of the management approach	35, 48, 153
GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	48
SOCIOECONOMIC ACHIEVEMENT			
GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the Material Issue and its Coverage	153
	103-2	The management approach and its components	35, 45 to 47, 153
	103-3	Evaluation of the management approach	35, 47, 153
GRI 419: SOCIOECONOMIC ACHIEVEMENT 2016	419-1	Non-compliance with laws and regulations in the social and economic area	47, 48, 50

8.2.4 List of contents required under Law 11/2018

There follows a list of contents of Law 11/2018 and its relationship with the thematic contents of the GRI Standards:

INFORMATION REQUESTED BY LAW 11/2018 (NON-FINANCIAL INFORMATION STATEMENT)	LINKING WITH GRI CONTENTS	REPORT PAGE
OVERVIEW		
BUSINESS MODEL		
Brief description of the group's business model (business environment and organization)	102-2 Activities, brands, products and services 102-7 Size of the organization	7, 8, 11, 14 to 17, 71, 72, 85, 86 and Vodafone.es
Geographical presence	102-3 Location of headquarters 102-4 Location of operations 102-6 Markets served	Back page 4, 5, 10, 16 and 17
Objectives and strategies of the organization	102-15 Main impacts, risks and opportunities	83
Main factors and trends that may affect its future evolution	102-15 Main impacts, risks and opportunities	4, 5, 71-76, 79, 80 and 81

INFORMATION REQUESTED BY LAW 11/2018 (NON-FINANCIAL INFORMATION STATEMENT)	LINKING WITH GRI CONTENTS	REPORT PAGE
GENERAL		
Indicate the national, European or international reporting framework in the report that is used for the selection of key non-financial performance indicators included in each of the sections	102-54 Declaration of preparation of the report in accordance with GRI Standards	6
If the company complies with the non-financial information law by issuing a separate report, it must be expressly stated that said information is part of the management report	103-2 The management approach and its components	6
ENVIRONMENTAL ISSUES		
OVERVIEW		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	35, 133, 134 and 153
The results of these policies, including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	35, 146-148, 153
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks.	102-15 Main impacts, risks and opportunities	78-81
DETAILED INFORMATION		
GENERAL DETAILED INFORMATION		
On current and foreseeable effects of the activities of the company on the environment and, where appropriate, health and safety	102-15 Main impacts, risks and opportunities	78- 81 and 102
On environmental assessment or certification procedures	See on the page indicated	133 and 134
On the resources dedicated to the prevention of environmental risks	See on the page indicated	133 and 134
On the application of the precautionary principle	102-11 Precautionary principle or approach	78-81
On the amount of provisions and guarantees for environmental risks	103-2 The management approach and its components	133 to 137

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INFORMATION REQUESTED BY LAW 11/2018 (NON-FINANCIAL INFORMATION STATEMENT)	LINKING WITH GRI CONTENTS	REPORT PAGE
CONTAMINATION		
Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.	103-2 The management approach and its components	135, 138-141, 140
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT		
Prevention, recycling, reuse, other forms of recovery and types of waste disposal; actions to combat food waste	306-2 Waste by type and disposal method	Non-Material 138-141
SUSTAINABLE USE OF RESOURCES		
Water consumption and water supply according to local constraints Use of raw materials and measures taken to improve the efficiency of their utilization	303-1 Water extraction by source	140 and 148
Energy use, direct and indirect	301-1 Materials used by weight or volume	140 and 148
Measures taken to improve energy efficiency	302-1 Energy consumption within the organization	135-137 and 146
Use of renewable energies	103-2 The management approach and its components	135-137
	302-1 Energy consumption within the organization	146
CLIMATE CHANGE		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	305-2 Indirect GHG emissions from energy generation (scope 2)	136 and 147
Measures taken to adapt to the consequences of climate change	201-2 Financial implications and other risks and opportunities arising from climate change	29, 135-137
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and measures implemented for that purpose	103-2 The management approach and its components	135-137
PROTECTION OF BIODIVERSITY		
Measures taken to protect or restore biodiversity	103-2 The management approach and its components	Non-Material
Impacts caused by activities or operations in protected areas	103-2 The management approach and its components	Non-Material

INFORMATION REQUESTED BY LAW 11/2018 (NON-FINANCIAL INFORMATION STATEMENT)	LINKING WITH GRI CONTENTS	REPORT PAGE
SOCIAL AND PERSONNEL ISSUES		
OVERVIEW		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	78-81
The results of these policies, including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	123-126
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks.	102-15 Main impacts, risks and opportunities	44-46, 59-62
DETAILED INFORMATION		
EMPLOYMENT		
Total number and distribution of employees according to representative diversity criteria (gender, age, country, etc.)	102-8 Information about employees and other workers 405-1 Diversity of governance bodies and employees	13, 63, 64 and 123
Total number and distribution of work contract modalities, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age, and professional classification	102-8 Information about employees and other workers	124
Number of dismissals by sex, age, and professional classification	103-2 The management approach and its components	126
The average remunerations and their evolution disaggregated by sex, age, and professional classification or equal value	405-2 Ratio of basic salary and remuneration of women to men	127
Salary gap, remuneration paid for equal work or the average salary of the company	405-2 Ratio of basic salary and remuneration of women to men	119

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INFORMATION REQUESTED BY LAW 11/2018 (NON-FINANCIAL INFORMATION STATEMENT)	LINKING WITH GRI CONTENTS	REPORT PAGE
EMPLOYMENT		
The average remuneration of directors and executives, including variable remuneration, allowances, and compensation. Payment to long-term forecast savings and any other perception broken down by gender	102-35 Remuneration policy	69
Implementation of employment termination policies	103-2 The management approach and its components	114
Employees with disabilities	405-1 Diversity of governance bodies and employees	117
WORK ORGANIZATION		
Work schedule organization	103-2 The management approach and its components	114 and 115
Number of hours of absenteeism	403-2 Types and frequency of accidents, occupational illnesses, days lost, absenteeism, and number of deaths due to work-related accidents or occupational illnesses	132
Measures designed to facilitate access to mediation resources and encourage the responsible use of these by both parents	103-2 The management approach and its components	115
HEALTH AND SAFETY		
Occupational health and safety conditions		116
Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender; disaggregated by Gender.	403-2 Types and frequency of accidents, occupational illnesses, days lost, absenteeism, and number of deaths due to work-related accidents or occupational illnesses	130-132
SOCIAL RELATIONSHIPS		
Organization of social dialogue, including procedures to inform and consult staff and negotiate with them	102-43 Approach to stakeholder engagement 403-1 Workers representation in formal joint management–worker health and safety committees 102-41 Collective bargaining agreements	31, 32, 114
Percentage of employees covered by collective agreement by country	403-4 Health and safety issues addressed in formal agreements with trade unions	114 and 115
The balance of collective agreements, particularly in the field of health and safety at work		114 and 115
TRAINING		
Policies implemented for training activities	404-2 Programmes for upgrading employee skills and transition assistance programs	120-122
The total amount of training hours by professional category	404-1 Average hours of training per year per employee	120 and 129
UNIVERSAL ACCESSIBILITY OF DISABLED PEOPLE		
Universal accessibility of disabled people	103-2 The management approach and its components	110 and 117

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EQUALITY		
Measures taken to promote equal treatment and opportunities between women and men	103-2 The management approach and its components	117-119
Equality plans (Section III of Organic Law 3/2007, of 22nd March, for effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration, and the universal accessibility of people with disabilities	103-2 The management approach and its components	46, 114, 117-119
Policy against any type of discrimination and, where appropriate, diversity management	406-1 Incidents of discrimination and corrective actions taken	46, 47, 117-119
RESPECT FOR HUMAN RIGHTS		
OVERVIEW		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	55-57
The results of these policies, including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	47, 55-57
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks.	102-15 Main impacts, risks and opportunities	55-57
DETAILED INFORMATION		
Application of due diligence procedures in the field of human rights; prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage, and repair possible abuses committed	102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns 412-2 Employee training on human rights policies or procedures 419-1 Non-compliance with laws and regulations in the social and economic area	55-57
Claims regarding cases of human rights violations		47-50, 55-57
Promotion and compliance with the provisions contained in the related fundamental Conventions of the International Labor Organization with respect for freedom of association and the right to collective bargaining; elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labor; and the effective abolition of child labor.	406-1 Incidents of discrimination and corrective actions taken	55-57

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WORK AGAINST CORRUPTION, EXTORTION AND BRIBERY		
OVERVIEW		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	44-47, 53, 56, 54 and 61
The results of these policies, including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	46-48
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks.	102-15 Main impacts, risks and opportunities	47, 53, 56, 54 and 61
DETAILED INFORMATION		
Measures taken to prevent corruption and bribery	102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken 102-16 Values, principles, standards, and norms of behavior 102-17 Advisory mechanisms and ethical concerns 103-2 The management approach and its components	45-47, 53, 54, 56, 59, 60 and 61
Anti-money laundering measures		46 and 51
Contributions to foundations and non-profit organisations		104 and 109
INFORMATION ABOUT SOCIETY		
OVERVIEW		
A description of the policies applied by the group with respect to these issues, which will include due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, and to verification and control, including what measures have been adopted.	103-2 The management approach and its components	104-107

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INFORMATION ABOUT SOCIETY		
OVERVIEW		
The results of these policies, including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favor the comparability between societies and sectors, in accordance with the national, European or international reference frameworks used for each subject.	103-2 The management approach and its components 103-3 Evaluation of the management approach	104-107
The main risks related to these issues involving the activities of the group, including, where relevant and proportionate, their business relationships, products or services that may have negative effects in these areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in accordance with national, European or international reference frameworks for each matter. Information on the impacts that have been detected must be included and broken down, in particular on the main short-, medium-, and long-term risks.	102-15 Main impacts, risks and opportunities	78-81
DETAILED INFORMATION		
COMMITMENT BY THE COMPANY TO SUSTAINABLE DEVELOPMENT		
Impact of the company's activities on employment and local development	103-2 The management approach and its components	25-28
The impact of company activity on local populations and on the territory	103-2 The management approach and its components	104-107 and 109
Relationships maintained with representatives of the local communities and the types of dialogue with them	102-43 Approach to stakeholder engagement -	104-107
Association or sponsorship actions		18
SUBCONTRACTORS AND SUPPLIERS		
The inclusion of social, gender equality and environmental issues in the purchasing policy	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria 308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria	51, 53 and 54
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	308-2 Negative environmental impacts in the supply chain and actions taken 414-2 Negative social impacts in the supply chain and actions taken	53 and 54
Supervision systems and audits, and their results		53 and 54

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CONSUMERS		
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Claims systems, complaints received and their resolution	102-43 Approach to stakeholder engagement 102-44 Key topics and concerns raised 418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	31, 32, 48 and 49
TAX INFORMATION		
Benefits obtained by country	103-2 The management approach and its components	Fin. Statements, 'Profit and loss account' section, 'Profit/Loss for the year' line in both companies.
Income tax expense	103-2 The management approach and its components	FS of Vodafone España S.A.U.: note 20. FS of Vodafone Ono S.A.U.: note 19
Public subsidies received	103-2 The management approach and its components	FS of Vodafone España S.A.U.: For Vodafone Ono, S.A.U. the amount is 0.

8.3 Glossary

P.A. Public Administrations
ADSL: Asymmetric Digital Subscriber Line
AMAP: Africa, Middle-East and Asia Pacific
ARPU: Average Revenue per User
FB: Fixed Broadband
MoB Mobile Broadband
CSC: Customer Service Center
CEO : Chief Executive Officer
CNMC: National Markets and Competition Commission
CVM: Customer Value Management
DMP: Data Management Platform
RND Responsible Network Deployment
EBITDA: Earnings before interest, taxes, depreciation and amortization
EMF: Electro Magnetic Fields
NPE: Non-Profit Entity
FTE: Full Time Equivalents
FTTH: Fiber to The Home
GB: Gigabyte
Gbps: Gigabits per second
GDPR: General Data Protection Regulation
GHG: Green House Gas
GSM: Global System for Mobile communications
GRI: Global Reporting Initiative
HFC: Hybrid Fiber Coaxial
HSDPA: High Speed Downlink Packet Access
IAPP: International Association of Privacy Professionals
IGIC: General Indirect Canary Islands Tax
IIRC: International Integrated Reporting Council
IoT: Internet of Things
IPSI: Production, Services and Import Tax

IPVPN: Internet Protocol Virtual Private Network
DPA: Data Protection Act
M2M: Machine to Machine
MEPS2: Business Monitor for Excellence in Prevention, Health and Safety
NB-IoT: Narrow Band IoT
NEBA: New Broadband Ethernet Service
NFC: Near-Field Communication
NGA: New Generation Access
NPS: Net Promoter Score
NSA: Non-Stand Alone
OECD: Organization for Economic Cooperation and Development
SDG: Sustainable Development Goals
MVNO: Mobile Virtual Network Operator
REDI: Business Network for Diversity and Inclusion
HR: Human Resources
SAU: Single-Member Corporation
SEAD: Department of State for Digital Advancement
SECOT: Spanish Seniors for Technical Co-operation
SLT: Senior Leadership Team
STEM: Science, Technology, Engineering, and Mathematics
TB: Terabyte
ICT: Information and Communication Technologies
T-NPS: Transactional Net Promoter Score
EU: European Union
UMTS: Universal Mobile Telecommunications System

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8.4 Independent Assurance Report

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KPMG Asesores, S.L.
Pº. de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Vodafone in Spain Integrated Report 2019-20

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To management of Vodafone España, S.A.U.:

We were engaged by Vodafone España, S.A.U. (hereinafter the "Company") to perform an independent review of the non-financial information included in the Vodafone in Spain Integrated Report 2019-20 (hereinafter "Vodafone") for the year ended 31 March 2020 (hereinafter the "Report") in the form of:

- An independent reasonable assurance conclusion about whether, based on the work performed and the evidence obtained, the implementation of the AA1000 AP Accountability Principles Standard (2018) has been carried out, in all material respects, in accordance with the principles of inclusivity, materiality, responsiveness and impact defined in the Report, as described in sections GRI 102-43 and GRI 102-44 of the Report.

- An independent limited assurance conclusion about whether, based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the indicators contained in the "GRI Content Index" section of the Report have not, in all material respects, been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (the GRI Standards), following the comprehensive option, as described in point 102-54 of the GRI Content Index, and have not been fairly presented, which includes the reliability of data and the absence of significant deviations and omissions.

Management's Responsibilities

Vodafone's management is responsible for the preparation and presentation of the Report in accordance with the Global Reporting Initiative Sustainability Standards (the GRI Standards), following the comprehensive option, as described in point 102-54 of the Report's GRI Content Index. Management is also responsible for compliance with the Materiality Disclosure Service criteria, obtaining confirmation from the Global Reporting Initiative on the proper application of these criteria. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2018 (AA1000APS); for determining Vodafone's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholder groups and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

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These responsibilities include establishing such controls as management determines are necessary to enable the preparation of limited assurance indicators that are free from material misstatement whether due to fraud or error.

Our Responsibility

Our responsibility is to carry out a review to provide reasonable assurance on the implementation of processes and procedures which adhere to the principles included in the AA1000AP AccountAbility Principles Standard (2018), a limited review on the preparation and presentation of the other indicators within the review scope, and to express a conclusion based on the work performed. We conducted our engagement in accordance with the 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 (IAASB) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Spanish Institute of Registered Auditors (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement.

We have also conducted our engagement in accordance with the AA 1000 APS AccountAbility Sustainability Assurance Standard 2008 (Type 2), which covers not only the nature and extent of the organisation's adherence to the AA1000 APS, but also evaluates the reliability of performance information as indicated in the scope.

We apply International Standard on Quality Control 1 (ISQC1) 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 International Code of Ethics for Professional Accountants (including international independence rules) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reasonable Assurance over Reasonable Assurance Information

Our reasonable assurance work depends on our professional judgement, including the assessment of the risks of material misstatement of the information, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and implementation of processes and procedures that comply with the principles established in the AA1000AP AccountAbility Principles Standard (2018) in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Vodafone's internal control over the preparation and presentation of the Report.

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Our engagement also includes assessing the suitability of the information included in the Report with the criteria of the AA1000AP standard, obtaining an understanding of the compilation of the information to the sources from which it was obtained and evaluating the reasonableness of estimates made by Vodafone.

Procedures Applied to Limited Assurance Indicators

Our limited assurance engagement consisted of making inquiries of management and persons responsible for the preparation of the information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Verification of Vodafone's processes for determining the material issues, and the participation of stakeholder groups therein.

- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across Vodafone's business.

- Evaluation of the consistency of the description of the application of Vodafone's strategy and policies on sustainability, governance, ethics and integrity.

- Risk analysis, including searching the media to identify material issues during the year covered by the Report.

- Review of the consistency of information comparing the Universal Standards with internal systems and documentation.

- Analysis of the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.

- Review of the application of the requirements of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), in accordance with the comprehensive option.

- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Vodafone.

- Comparing the financial information reflected in the Report with that included in Vodafone's annual accounts, audited by independent third parties.

Our multidisciplinary team included specialists in AA1000 APS, stakeholder group dialogue and in social, environmental and economic business performance.

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. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

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Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Limited Assurance Report.

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

- In our opinion, the processes and procedures that comply with the principles established in the AA100AP AccountAbility Principles Standard (2018), reviewed with a reasonable level of assurance, have been prepared and presented, in all material respects of the Standard, applying the principles of inclusivity, materiality, responsiveness and impact as included in sections GRI 102.43 and GRI 102-44 of the Report.

- Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the limited assurance indicators have not, in all material respects, been prepared and presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) following the comprehensive option, as detailed in point 102-54 of the GRI Content Index, which includes the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

Purpose of our Report

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for Vodafone in connection with its Integrated Report and for no other purpose or in any other context.

In a separate document, 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:

In Relation to the Principle of INCLUSIVITY

Vodafone has compiled, through specific channels, inquiries to its key stakeholder groups for the purpose of identifying their expectations on material issues for Vodafone. During 2019-20 Vodafone has continued sending its questionnaires to all of its stakeholder groups. For the purpose of continuing to deepen Vodafone's relationships with its stakeholder groups, it is recommended that the list of initial issues be extended based on which the periodic consultation is prepared, in order to satisfy itself that all the matters required by Law 11/2018 on non-financial information and diversity are included. In addition, as part of this process, it is recommended to continue working on a consultation separated by type of customer (individual or corporate).

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In Relation to the Principle of MATERIALITY

Vodafone continues to prepare its annual materiality analysis to identify, prioritise and validate the most relevant issues. Vodafone has a defined process to weigh the relevance of each of the issues identified by its stakeholder groups so that the influence and impact on the business can be taken into consideration from an internal and external standpoint. It is recommended that the internal prioritisation analysis be extended, taking into consideration the directors of the different areas of the Company involved in the process of preparing the Integrated Report. It is also recommended that the results of the materiality analysis be approved by the Reputation Committee or by another Committee delegated by the Steering Committee.

In Relation to the Principle of RESPONSIVENESS

Vodafone responds to the main challenges in CSR and links them to the development of programs to improve its performance through the Strategic Sustainable Business Framework. In future years it is recommended that Vodafone continue to work on defining objectives that are quantitative, measurable and aligned with its strategy, so that it can report on achievement of these objectives, and the progress with regard to the interests and expectations of the stakeholder groups.

In Relation to the Principle of IMPACT

Vodafone has tools to measure and monitor its direct and indirect impacts based on its analysis of contribution to sustainable development, through its economic, social and environmental contribution. Each of these contributions is broken down by the impacts generated directly by Vodafone and those generated by its value chain. It is recommended to continue improving the methodologies for estimating the direct impact, in order to ensure that they are accurate and aligned with Vodafone's activity in its entire value chain. It is also recommended to continue working on monetising the negative and positive impacts of each aspect, as well as on the analysis of risks and impacts relating to climate change.

Use and Distribution

In accordance with the terms of our engagement letter, this Independent Assurance Report has been prepared for Vodafone España, S.A.U. in relation to the Vodafone in Spain Integrated Report 2019-20 and for no other purpose or in any other context.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

28 July 2020

AA1000
Licensed Assurance Provider
Spain

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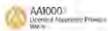
Annual Financial Statements

Available only in Spanish version

We would like to hear your opinion about this Report

You can write to us at:

Vodafone España
Sostenibilidad y Calidad
Avenida América 115
28042 Madrid

Or email us at:
sostenibilidad@vodafone.com

**For further information,
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