Our people – Our approach

We support, train and encourage more than 92,000 people working across Vodafone to ensure they have the right capabilities, commitment and enthusiasm to achieve our business goals.

Our aim is to attract, develop and retain the very best people by offering a motivating and inclusive workplace in which talent is recognised and developed, and wellbeing is promoted.

We make it a priority to listen to our employees, to understand their views and respond to their feedback by taking action to improve. We monitor employee engagement and satisfaction levels through our annual Global People Survey, and use this to assess managers according to the experience they create for their team.

The Vodafone way

The Vodafone Way sets out a consistent way of working for everyone at Vodafone. It is supported by our Code of Conduct which sets out the high ethical standards all employees must uphold. We actively promoted our Code of Conduct throughout the year via our global ‘Doing what’s right’ campaign. The aim was to improve understanding of and engagement with key topics including health and safety, anti-bribery, privacy, security and competition law and to ensure that people managers know what’s expected of them and their teams.

The Vodafone Way is part of all employees’ performance objectives and those demonstrating outstanding commitment to it are recognised as The Vodafone Way Heroes each year.

In focus: The Vodafone Way

The Vodafone Way helps us strengthen our position as an admired company in the eyes of our customers, shareholders and employees. To achieve this objective, we must be customer obsessed, innovation hungry, ambitious and competitive, and operate with:

- **Speed** – bringing products and services to market quickly and prioritising the things that really matter
- **Simplicity** – making things simpler for our customers, business partners and colleagues
- **Trust** – acting with honesty, integrity and fairness, being reliable and transparent, and valuing the confidence that people place in us as a company.
Our people – Our approach

Employee engagement
Open and regular communication is fundamental to employee engagement. Our intranet keeps employees up to date on company strategy, internal news and events, provides videos from around Vodafone and promotes discussion through Vodafone Circle, our internal social network. Group and local market Chief Executives also communicate directly with employees through regular webinars and videos.

We use our annual Group-wide people survey to assess engagement levels and identify opportunities to improve ways of working and support employees to do their best. From the survey, we calculate an Employee Net Promoter Score which provides a key indicator of employee commitment to promote our products and services.

Our Employee Engagement Index gauges how committed employees are to Vodafone, their desire to continue working for us and their willingness to recommend Vodafone as an employer. The accompanying Manager Index provides a measure of the experience our managers create for their teams.

Employee consultation
Vodafone recognises the rights of our employees to join trade unions, however, we prefer to consult with our employees directly to ensure everyone is treated fairly, whether represented by a trade union or not.

Where representation by trade unions is conferred automatically by legislation, these rights are upheld. All our local businesses respect the wishes of the majority of their employees in deciding whether to recognise a trade union’s right to negotiate terms and conditions of employment, where legislation permits.

Managing organisational change
We are committed to treating employees fairly and with respect during periods of organisational change. Any reorganisation is carried out in compliance with local legislation and in consultation with employee representatives, works councils and local unions.

Changes are communicated clearly to employees through team events and affected employees meet with their line managers and human resources teams. In cases where changes result in redundancies, we offer support to help affected employees find new jobs either within the company or externally. This includes outplacement services, recruitment events, and training on interview techniques and CV writing skills.

Development and training
Our development and training programmes ensure we have the skills and talent needed to grow our business now and in the future. The programmes help our employees gain new skills and experiences through formal training, on the job experience, coaching and mentoring.

We conduct an annual analysis of learning needs across the business to identify priorities and ensure that learning plans support our business strategy. Each employee has a formal Performance Dialogue once a year with their line manager to review their performance and set clear goals and development plans for the year ahead.

Our global learning Academies in Marketing, Technology, Sales, Retail and Finance enable people to develop the critical skills they need to work in particular functions. We work with leading business schools and accredited external providers to develop and deliver the training, most of which is online. Training for our sales teams focuses on customer interactions and building customer relationships.

Developing the leadership capabilities of high-potential employees is a key focus to strengthen our succession planning. High-potential employees across the Group are identified through our annual Talent Review Process and, where appropriate, they are given the opportunity to take part in our global leadership development training programme, Inspire. Inspire is designed to accelerate the progress of high-potential managers into senior leadership roles. It provides a combination of learning programmes, executive coaching and mentoring from senior Vodafone leaders over a period of 18 months, and may include an assignment to another Vodafone local market or function.

In focus: Vodafone European Employee Consultative Council
We consult directly with our employees on changes to the business and other relevant issues through, among other channels, round tables and employee representatives.

If two or more countries in Europe are affected we also consult with our employees through the Vodafone European Employee Consultative Council (EECC). The EECC meets at least once a year and gives employee representatives an opportunity to raise any concerns with our executive management team.

Employee delegates also hold two interim meetings a year, elect Select Committees and can request translation services. Founded in 2003, the EECC meets the requirements of Article 13 of the EU Directive on Multinational European Works Councils. Employees from 14 countries within the European Union are represented. The number of representatives per market is in proportion to the number of employees in each market.
Our vision and approach

Transformational solutions

Operating responsibly

Our people – Our approach

We want people to grow at Vodafone and encourage people to develop their careers in the company, either through promotion or a change of role to broaden their experience. Vacancies across the Group are advertised on our intranet, which encourages the transfer of talent between local markets. We also conduct quarterly Talent Reviews for senior leaders to identify high-potential leaders, match their skills to business needs and help individuals achieve their development goals.

Diversity and inclusion

We believe that diversity plays an important role in a successful business. Our Group-wide diversity and inclusion strategy outlines our commitment to creating an inclusive work environment which respects, values, celebrates and makes the most of the individual differences our people bring to Vodafone. Our Group Head of Diversity drives the agenda at a senior level. Key to our diversity and inclusion strategy is our recognition of diversity as a business asset that fosters innovation and helps us better understand and meet the needs of our customers.

Inclusive leadership

Inclusive leadership workshops for our most senior leaders highlight the business benefits of diversity and encourage them to act as role models to promote diversity and inclusion across Vodafone. Similar workshops for their direct reports and human resources professionals, together with a dedicated online diversity and inclusion resource centre, support efforts to improve diversity within each of our local markets.

Valuing diversity

We value all types of diversity, but one global focus is on gender balance within teams and at all levels of the business. To understand and strengthen our female talent pipeline, we analyse the proportion of male and female promotions, new hires and leavers through a talent management dashboard. With operations worldwide, Vodafone is not only multinational but multicultural. We recognise the value that international experience brings by opening up new perspectives and spreading best practice. As part of our strategy to invest in talented employees, managers are encouraged to gain experience working in different countries.

Individual responsibility

All employees have a duty to act with integrity and respect for their colleagues and customers at all times. We do not condone unfair treatment or discrimination on any grounds. This applies to anyone working for Vodafone whether they are employees, contractors, agency workers or self-employed.

We promote an open culture that encourages people to raise issues to ensure that any behaviour which excludes or discriminates against individuals does not go unchallenged.

Reward and recognition

We offer competitive and fair rates of pay and benefits to attract and retain the best people.

Our global short- and long-term incentive plans reward employees based on their performance, potential and contribution to the success of the business. An ownership mentality is also a cornerstone of our reward programme and senior executives are expected to build up and maintain a significant holding in Vodafone shares.

Each of our markets offer a competitive range of benefits, which vary according to local market conditions and regulations. These include medical insurance, subsidised mobile phones, share plans and retirement benefits. For more information, see our Annual Report.

Employee wellbeing

We want to help employees balance work and family commitments, manage stress and have a healthy lifestyle. Supporting our employees’ physical and mental wellbeing improves their performance, reduces absence rates and helps to make Vodafone a great place to work.

Our Group Health, Safety and Wellbeing Policy sets out our global commitment to wellbeing. Local markets develop initiatives tailored to the needs of their employees and share information through our Health, Safety and Wellbeing Network.

Employees can get advice on how to improve their own wellbeing such as reminders to set up workstations properly, tips on safe driving and how to limit stress through clear goal setting and good time management. Best-practice guidance is available for managers to promote wellbeing among their staff.

We measure the effectiveness of our wellbeing programmes by asking employees what they think through our annual Global People Survey. For more on our approach to employee safety, see our Health and safety section.
Our people – Performance in 2013/14

We have continued to focus on embedding The Vodafone Way to improve the way we operate and on developing high-potential employees to build the skills we need to drive business growth and expand into new areas. Our Global People Survey shows employees remain engaged and our ongoing commitment to improving diversity and developing an inclusive workplace demonstrates our recognition of the value this brings to our business.

Employee engagement

In 2013/14, we maintained high levels of employee engagement, although our annual Global People Survey revealed a slight decline in some scores compared with the previous year. Around 87% of employees across the Group responded to the Survey, compared with 90% in 2012/13. Our overall engagement score decreased by one point, but remained strong at 77 points out of 100. Employees responding positively to specific survey questions on health and safety, diversity and ethics all increased.

Results from our Global People Survey demonstrate high levels of awareness of The Vodafone Way among employees, which remained central to our employee engagement activities in 2013/14. Following a series of workshops on Leading in The Vodafone Way for our global leadership team, which focused on the effective transformation of our business and how to achieve operational excellence, we piloted a toolkit designed for all employees to help drive simplicity – a key part of The Vodafone Way. In 2014/15, we will roll out workshops and training on this across the Group, tailored to local market needs.

We also encouraged employees to upload videos sharing how The Vodafone Way is being put into practice across the business through the Vodafone Hub intranet site.

Managing change

The way we are working is changing to meet the evolving needs of our customers. We continue to make our business more efficient, simplify processes across our markets and target business growth in new areas such as fixed line telecommunications and Enterprise. Employees in various markets were affected by organisational changes in 2013/14, including:

- Integrating around 7,000 former Cable and Wireless Worldwide (CWW) employees into our UK and Global Enterprise business following Vodafone’s acquisition of the CWW fixed line telephone business
- Building our Global Enterprise business to support evolving customer needs and improve operational efficiency and scale, including the creation of a single enterprise product management team and global carrier service which affected employees in several markets
- Creating a Group Transformation and Operations organisation to improve customers’ experience, quality and efficiency across our markets by developing common processes and implementing best practices
- Continuing the transition of transactional and back office activities around the Group to our shared service centres in Egypt, Hungary and India, including bringing some previously outsourced customer contact centres in-house to improve service.

We supported employees through these organisational changes in a range of ways. Where roles were impacted, we helped people find new jobs elsewhere in the company or arranged for them to work for a partner company where possible. We also helped those who were made redundant search for new jobs, offering them training on job applications and interview skills, and advice on how to start their own business. Vodafone aims to treat all employees fairly, consulting with those affected and clearly communicating developments.

Development and training

We invested around £30 million in the training and development of our people during 2013/14, and 77% of our people agreed that they had opportunities to learn the skills that they need to do their jobs well.

We focused on developing the capabilities of people working in customer-facing roles, to ensure they deliver exceptional customer service. In 2013/14, over 5,000 employees and managers completed The Vodafone Way of Retail Training and 5,000 employees and managers working in our Enterprise Sales teams participated in The Vodafone Way of Selling programme.

To reward and retain talent we continue to develop the leadership capabilities of high-potential employees. In 2013/14, 85 employees participated in Inspire, our 18-month programme designed to develop our future leaders. We also launched Leadership Essentials, a programme to improve the coaching skills of new managers and enable them to motivate their teams effectively.

In addition to tailored training and development programmes, we offer over 10,000 programmes that are relevant and accessible to all employees. In 2013/14 around 180,000 online courses were completed by employees globally.
Diversity and inclusion

Increasing diversity and inclusion in our workforce continues to be a major focus. In 2013/14, we rolled out our Inclusive Leadership programme to further markets, helping more than 200 Executives and senior leaders value diversity better and develop inclusive teams. Among this top management band a total of 24 nationalities are represented (see our Data section for more information).

Since 2011, trained facilitators delivered workshops in their local markets to over 2,200 managers across the Group – achieving our target for 2013/14. In addition, we created a new training module on unconscious bias and piloted this with 10% of our Senior Leadership team. Workshops in Ireland, the UK and for members of our Women in Technology forum will reach another 600 managers on this topic.

To help increase the diversity of Senior Leadership teams in all markets and across all functions, we have developed a Global Diversity and Inclusion Toolkit that helps managers assess their team’s performance and use examples of best practice to make improvements that foster a diverse and inclusive workforce.

Our 2013 Global People Survey showed continued improvements in employee perceptions of diversity and inclusion within Vodafone. Of those surveyed, 86% believe their local market or Group function values diversity, 85% agreed that a person’s background does not stop them progressing and 89% agreed that people are treated fairly regardless of their gender, background, age or belief at Vodafone.

In focus: Teaching telesales to people with visual impairment in India

The National Federation of the Blind in India reports that the unemployment rate among working-age blind adults is 70%. Through project Drishti, a partnership between the National Association for the Blind and Vodafone India, we are training visually impaired people to become skilled telesales operators. Following a pilot in Mumbai, in 2012, this project has been rolled out to a further seven regions. Vodafone India now employs 162 visually impaired people, who are making an exceptional contribution to our sales teams. This project continues to expand and will shortly move into the Haryana region.

Gender diversity

Increasing female representation in the workplace remained a priority for us in 2013/14, especially increasing the number of women in management.

Women represent a growing proportion of management positions. We have two female executive committee members, two female local market CEOs and three female non-executive directors on the Board. The proportion of female leaders in management continued to increase in 2013/14 – from 20% in 2012/13 to 22% of our top senior management, and from 24% to 25% in middle management. See our Data section for more information.

We aim to achieve a 50:50 male/female split in our graduate and MBA recruitment programmes and in 2013/14 our female graduate intake was 47%. We also increased female representation on our middle management development programme from 26% in 2012/13 to 50% in 2013/14, and from 22% to 50% on our senior management programme.

Examples of how we are driving greater gender diversity across our business in 2013/14 include:

• Encouraging team leaders to take action to increase the number of women in their teams through internal promotions and external recruitment through our ‘Plus 1’ principle if the gender balance is less than 50% female

• Introducing goals in emerging markets to increase the number of women hired and promoted. Within a year of introducing such goals in India, the proportion of women in middle management increased from 11% to 21%, and we plan to extend this approach to further markets in 2014/15

• Increasing membership of our women’s networks, which offer coaching and career support and create local forums for female employees to connect with and learn from senior role models both inside and outside of Vodafone

• Identifying senior female employees suitable to serve with non-executive boards of other companies through our membership of the European Round Table of Industrialists (ERT). We also disclose our gender diversity targets and progress against these as part of the ERT’s voluntary targets initiative

• Providing senior Vodafone women with the opportunity to learn about life as a non-executive director through our sponsorship of the Professional Boards Forum

• Launching a global partnership with the women’s networking organisation, everywoman, to help female employees access resources that support their personal and career development and enable them to engage with female role models in the workplace. Since its launch, over 2,000 female employees have registered across 24 markets

• Publishing a ‘gender toolkit’ to outline a consistent approach to improving gender diversity across all markets, which includes examples of best practice and guidelines on setting goals to increase gender balance.

As part of our celebration of International Women’s Day in March 2014, our local markets shared a series of best practices. We also launched our Connected Women report in March 2014 to showcase our research into the ways mobile technology is transforming women’s lives (see our Women section).
Our people – Performance in 2013/14

Lesbian, gay, bisexual and transgender inclusion

We are committed to helping promote equal and fair treatment of employees irrespective of sexual orientation or gender identity. Our lesbian, gay, bisexual and transgender (LGBT) networks offer confidential support and advice to our employees on a variety of LGBT topics such as fear of coming out and opportunities that the LGBT community can bring to our business.

Following the launch of our first LGBT network in the UK last year, in 2013/14 we established similar networks in Greece and the Netherlands. We also continued to support other countries to engage their LGBT employee communities, while recognising the need to be sensitive to local laws and cultures.

Employee wellbeing

In 2013/14, 69% of employees agreed that their local market or Group function takes a genuine interest in their wellbeing. Our wellbeing programmes are managed locally to suit the needs of employees in different markets. Examples of how we promote wellbeing include:

• Launching our first global wellbeing challenge that encouraged 8,724 employees to collectively walk, run, dance and cycle a total of 205,000 miles
• Making it easier and simpler for employees at our Newbury headquarters in the UK to get medical attention at a time that suits them using our doctor and nurse service, and on-site contact centres
• Our walk-to-work campaign in Lesotho to encourage employees to stop driving and walk to work to get fit instead. This campaign was used to raise awareness of cardiovascular disease, cancer and diabetes
• Holding dietary awareness webinars in Italy to provide employees with advice on how to eat well and improve their diets in ways that may prevent chronic disease, such as diabetes.

See page 130 for data relating to Our people.


Our people – Data

Total number of employees

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees</td>
<td>86,373</td>
<td>91,272</td>
<td>92,812</td>
</tr>
</tbody>
</table>

Diversity and inclusion

Women in management

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in top senior leadership roles (top 200–250 employees) (%)</td>
<td>19</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Women in senior management (top 1,100–1,600 employees) (%)</td>
<td>21</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Women in middle management (top 4,500–6,400 employees) (%)</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Women (all non-management employees) (%)</td>
<td>39</td>
<td>37</td>
<td>38</td>
</tr>
</tbody>
</table>

Nationalities in top management bands

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationalities in top management bands (top 200–250 employees)</td>
<td>25</td>
<td>26</td>
<td>24</td>
</tr>
</tbody>
</table>

Employee turnover

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part-time employees</td>
<td>8,479</td>
<td>8,802</td>
<td>8,318</td>
</tr>
<tr>
<td>Number of voluntary leavers</td>
<td>7,746</td>
<td>9,621</td>
<td>9,647</td>
</tr>
<tr>
<td>Number of involuntary leavers</td>
<td>4,019</td>
<td>4,234</td>
<td>4,355</td>
</tr>
<tr>
<td>Newly hired employees</td>
<td>11,913</td>
<td>15,597</td>
<td>21,586</td>
</tr>
<tr>
<td>Average turnover rate (%)</td>
<td>15</td>
<td>16</td>
<td>15</td>
</tr>
</tbody>
</table>

Notes:

1. Numbers shown are for Vodafone permanent employees
2. Represents the average number of employees in our controlled markets and our share of employees in jointly controlled markets during the year
3. Represents the average number of employees in our controlled markets and our share of employees in jointly controlled markets during the year and includes Cable and Wireless Worldwide for 2013/14 only.
4. Involuntary leavers include those who leave the business through redundancy, Vodafone-initiated separation or death in service
5. Includes voluntary and involuntary leavers
## Our people – Data

### Vodafone Global People Survey

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall response rate (%)</td>
<td>90</td>
<td>90</td>
<td>87</td>
</tr>
<tr>
<td>Employee Net Promoter Score¹</td>
<td>42</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Employee engagement index</td>
<td>77</td>
<td>78</td>
<td>77</td>
</tr>
</tbody>
</table>

### Employees responding positively to key sustainability-related questions (%)

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engagement and values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am proud to work for Vodafone</td>
<td>85</td>
<td>86</td>
<td>85</td>
</tr>
<tr>
<td>My local market/Group function operates ethically</td>
<td>83</td>
<td>83</td>
<td>84</td>
</tr>
<tr>
<td><strong>Health, safety and wellbeing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Absolute Rules are taken seriously at Vodafone</td>
<td>–</td>
<td>87</td>
<td>89</td>
</tr>
<tr>
<td>My local market/Group function takes a genuine interest in the wellbeing of its employees</td>
<td>68</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td><strong>Diversity and inclusion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People in my team are treated fairly regardless of their gender, background, age or belief</td>
<td>88</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>My local market/Group function values diversity</td>
<td>84</td>
<td>85</td>
<td>86</td>
</tr>
<tr>
<td>A person's background does not stop them progressing</td>
<td>84</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunities to learn skills and knowledge to do job well</td>
<td>75</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td><strong>Reward</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total reward package is fair</td>
<td>52</td>
<td>54</td>
<td>53</td>
</tr>
</tbody>
</table>

The percentage of women in leadership data as well as selected supporting statements in the diversity and inclusion section were reviewed as part of EY’s assurance of Vodafone’s Sustainability Report. For more details see our Assurance Statement.

June 2014

Notes:

1. The employee Net Promoter Score is calculated from the number of promoters minus the number of detractors

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