Our people – Our approach

We support, train and encourage more than 101,000 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. To do this we offer a motivating and inclusive workplace where we recognise and develop talent and promote wellbeing. We believe we are at our best when our people are at theirs and we use our employer brand to unite employees around the world to create a sense of pride in what we do (see feature below).

We make it a priority to listen to our employees to understand their views. Through our annual Global People Survey, we monitor how engaged and satisfied our people are with us as an employer. We use this feedback to assess managers based on the experience they create for their team, and to drive improvements in the way we run our business.

Our new employer brand, launched in 2014/15, aims to help us attract and retain the world’s best talent and inspire our people globally. Informed by the views of over 15,000 employees, it creates a consistent way of showing people around the world what we stand for and helps to ensure we remain an employer of choice.

Our new strapline for our employer brand is ‘We’re at our best when you’re at yours’ and our key messages behind this are that we:

- are an industry leading company that empowers people to shape their world
- use our Mobile for Good programme to deliver benefits to society through the work of the Vodafone Foundation, http://www.vodafone.com/content/index/about/foundation/mobile_for_good/mobile_for_good_programmes.html
- offer employees a world of opportunities
- provide exceptional work to exceptional people.

In return, we expect our employees to:

- deliver great results
- live The Vodafone Way (see below)
- drive business growth
- always do what’s right.

In 2014/15, we began integrating these messages into our communications across our local markets, including Discover, our new global graduate campaign, see our Development and training section.

In focus: We’re at our best when our employees are at theirs

Our new employer brand, launched in 2014/15, aims to help us attract and retain the world’s best talent and inspire our people globally. Informed by the views of over 15,000 employees, it creates a consistent way of showing people around the world what we stand for and helps to ensure we remain an employer of choice.

Living The Vodafone Way

The Vodafone Way sets out a consistent way of working for all employees to deliver exceptional customer service (see feature below). It is supported by our Code of Conduct which sets out the high ethical standards all employees must uphold, http://www.vodafone.com/content/index/about/about-us/code-of-conduct.html.

Read on to find out more about our approach, or go to our Performance section to read about our progress in 2014/15.
We promote our Code of Conduct through our global Doing What’s Right campaign. The aim of the campaign is to improve understanding of, and engagement with, key topics including health and safety, anti-bribery, privacy, security and competition law. The campaign is also designed to ensure that people managers know what’s expected of them and their teams.

Every employee is expected to work in The Vodafone Way. This is included in their performance objectives and assessed annually. Those demonstrating outstanding commitment to it are recognised as The Vodafone Way Heroes.

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. We offer similar workshops for human resources professionals and employees who report directly to senior leaders. Our online resource centre provides information on diversity and inclusion to help promote this agenda in each of our local markets.

Valuing diversity

We value all types of diversity, but our 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 also 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 tolerate unfair treatment or discrimination on any grounds. This applies to anyone working for Vodafone whether they are an employee, contractor, agency worker or self-employed.

We promote an open culture that encourages people to raise issues and challenge any behaviour that excludes or discriminates against individuals.

See our Performance section to find out about our progress on diversity and inclusion in 2014/15.

Development and training

Our development and training programmes ensure we have the skills and talent needed to grow our people and our business. These programmes help our employees gain new skills and experiences through formal training, on-the-job experience, coaching and mentoring. Building sales capabilities and equipping employees with the skills they need to deliver exceptional customer service is also an important focus.

We analyse our training needs across the business annually, to identify priorities and ensure that learning plans support our business strategy. All employees have 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.

Diversity and inclusion

We believe that diversity plays an important role in the success of our business. Our Group-wide diversity and inclusion strategy outlines our commitment to creating an inclusive work environment that respects, values, celebrates and makes the most of the individual differences our people bring to Vodafone.

Key to our 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.
Our people – Our approach

Our global learning Academies in Technology, Sales, Marketing, Finance, Human Resources, Legal and Retail enable people to develop the critical skills employees need to work in these areas. We work with leading business schools and accredited external providers to develop and deliver the training, most of which is online. Over the last twelve months, over one million courses were taken online and we have begun to develop mobile learning options to enable our people to learn at the exact point of need. Training for our sales teams focuses on customer interactions and building customer relationships.

We offer exceptional graduates the opportunity to participate in our two-year Discover programme. Our top graduates can further develop their capabilities through our Columbus programme, which gives them experience of varied cultures by working on international assignments over a two-year period.

Developing the skills of employees with strong leadership potential is a key focus to strengthen our succession planning. We identify these managers across the Group through our annual talent review process. Where appropriate, these employees are given the opportunity to take part in Inspire, our global leadership development training programme to accelerate managers into senior leadership roles. Over a period of 18 months, Inspire participants receive structured mentoring from senior Vodafone leaders, gain experience of working in other local markets and complete assignments with the Vodafone Foundation. We also use our talent review to identify high-performing leaders, match their skills to our business needs and help them achieve their development goals.

We encourage employees to develop their careers 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. See our Performance section to find out about development and training in 2014/15.

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 and provides videos from around our business. Through Vodafone Circle, our internal social network, we promote best-practice sharing and encourage employees to share their views. Group and local market Chief Executives communicate directly with employees through regular webinars and videos.

We use our annual Global People Survey to assess engagement levels and identify opportunities to improve ways of working and to 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 promoting 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. We also assess how effective employees are through an operational excellence index which indicates how productive employees feel and whether they are making the best use of their skills in their current role.

For the latest Global People Survey results, see our Performance section.

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 markets 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 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.

See our Performance section to find out about organisational changes in 2014/15.

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.
Our people – Our approach

Each of our markets offers 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, http://www.vodafone.com/ar2015.

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 (http://www.vodafone.com/content/dam/sustainability/2015/pdf/global_health_and_safety_policy.pdf) 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, see our Performance section. For more on our approach to employee safety, see our Health and safety section.
Our people – Performance in 2014/15

We continued to enhance Vodafone’s reputation as an inclusive employer with our emphasis on diversity and a pioneering new global maternity policy to help women feel empowered and valued around the world.

By further embedding The Vodafone Way, we are improving the way we develop employees with strong leadership potential and are building the skills we need to drive business growth. The Doing What’s Right programme raised awareness and understanding of Vodafone’s Code of Conduct globally. In the last financial year, more than 97% of target employees completed the Code of Conduct training and over 90% said their managers live by the Code of Conduct, see our Ethics section. We also launched our employer brand to unify our people around the world and we maintained strong employee engagement levels.

Diversity and inclusion

Diversity and inclusion remains a key focus for our business and a priority for our senior leaders. In 2014/15, we continued to roll out our inclusive training programmes, helping our senior leaders better understand how to value diversity. We also made diversity and inclusion a focus of our Leadership Essentials programme, which was attended by over 3,100 new line managers in 2014/15.

Our 2014 Global People Survey showed employee perceptions of diversity and inclusion within Vodafone remained strong. Of those surveyed, 88% agreed that people are treated fairly regardless of their age, gender, disability, sexual orientation, cultural background or beliefs.

Gender balance

Women are an important part of our business’ success and we work to empower female employees at all levels of our organisation. Vodafone’s long-term aspiration is to have an equal (50/50) proportion of male and female employees. In the medium term, we are aiming for 30% of our managers to be female. To make progress against these targets we have introduced the ‘+1 program’, which encourages our top senior managers, who do not have a 50/50 balance in their team, to increase the number of female direct reports they employ by one per year. That said, all appointments must continue to be based on merit.

In 2014/15, we continued to create a strong pipeline of female talent with women making up over 52% of graduates on our Discover programme and 53% of those participating in our Columbus programme, see our Our approach section. The proportion of female leaders in senior management was 23% and women in middle management increased to 26% (see chart). At a senior level, we achieved female representation of 25% at Board level in March1, in line with the recommendations made by Lord Davies in the UK, and two of our 11 Executive Committee members are women. We also have three female local market Chief Executives.

To help improve the way we work with our female employees and customers, we created a Mobile Gender Equality steering committee, chaired by our AMAP Regional Chief Executive.

<table>
<thead>
<tr>
<th>Women in management</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in top senior leadership roles (top 200–250 employees) (%)</td>
<td>20</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Women in senior management (top 1,100–1,600 employees) (%)</td>
<td>22</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Women in middle management (top 4,500–6,400 employees) (%)</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Women (all non-management employees) (%)</td>
<td>37</td>
<td>38</td>
<td>37</td>
</tr>
</tbody>
</table>

Notes:

1. Mathias Dopfner has since joined the Board reducing this percentage; though this level will be exceeded when Luc Vandevelde and Steve Pusey step down from the Board at the AGM in July.
Our people – Performance in 2014/15

To highlight our commitment to gender diversity, men and women around Vodafone celebrated International Women’s Day in March 2015. As part of a week of activities, women from 75 locations around the world joined a global videoconference hosted by our Group Chief Executive, Vittorio Colao, and senior executives. The conference discussed our progress in promoting a gender balanced workforce, set our priorities for the year ahead and launched our new global maternity policy (see case study below).

In focus: Setting the standard in maternity benefits for women globally

In 2014/15, we became one of the first organisations in the world to launch a mandatory minimum global maternity policy.

The pioneering policy sets a minimum level of maternity pay for women working across Vodafone’s 30 local markets. From Africa to the Middle East, women at all levels of our organisation will be entitled to at least 16 weeks of fully paid maternity leave and full pay for a 30-hour week for the first six months after they return to work.

Our Group Chief Executive, Vittorio Colao, said: “Too many talented women leave working life because they face a difficult choice between either caring for a newborn baby or maintaining their careers. Our new mandatory minimum global maternity policy will support over 1,000 Vodafone female employees every year in countries with little or no statutory maternity care.”

This will be good for our business too. KPMG estimates that providing 16 weeks of fully paid maternity leave could actually save global businesses around US$19 billion annually overall by cutting recruitment costs and retaining valuable knowledge and experience within the business2.

Find out more about our global maternity policy, http://www.vodafone.com/content/index/media/vodafone-group-releases/2015/global-maternity-policy.html.

In focus: Encouraging our AMAP talent to succeed

Vodafone’s presence in the Africa, Middle East and Asia Pacific (AMAP) region is growing, with just under a third of our revenue generated there in 2014/15. We have piloted a new programme to build on the capabilities of our senior leaders in AMAP and help them develop a global mind set. In 2014/15, 13 leaders participated in two-day workshops to share insights about their role and learn from others across our business. Around 50 talented people from the AMAP region also gained international experience by spending up to six months working in another AMAP region or in a Group function based in the UK.

Disability

We aim to establish a consistent way of understanding and supporting the needs of employees and customers with disabilities. In 2014/15, we organised a series of webinars for our senior leaders to share best-practice examples with employees around the world on how the business supports people with disabilities.

Notes:

2. The estimated costs and savings are based on females with at least intermediate-level education, employed in non-agriculture sectors, going on paid maternity leave for 16 weeks rather than statutory paid maternity leave. The analysis is based on publicly available labour market and family statistics from a range of sources, including from the International Labour Organization, Euromonitor and OECD family database, and on internal Vodafone workforce data where wider market statistics were unavailable.
Our people – Performance in 2014/15

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. Networks for lesbian, gay, bisexual and transgender (LGBT) employees have been established in Greece, the Netherlands and the UK, and a new one was set up in Germany in 2014/15. These 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.

We continue to support LGBT employee communities in other countries, while recognising the need to be sensitive to local laws and cultures. In 2014/15, around 400 employees worldwide participated in an event to speak out against homophobia and transphobia and hear about the progress made by our LGBT employee networks.

Development and training

We invested around £35 million in the training and development of our employees during 2014/15 and 78% of our workforce agreed that they had opportunities to learn the skills 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 2014/15, over 13,000 employees and managers completed training on The Vodafone Way of Retail (up from 5,000 in 2013/14). In addition, 8,000 employees and managers working in our Enterprise sales teams participated in The Vodafone Way of Selling programme (up from 5,000 in 2013/14), helping them improve their customer service skills and enhance their knowledge of our products.

To reward and retain talent we continue to develop the leadership capabilities of employees with strong leadership potential. In 2014/15, 83 employees participated in Inspire, our 18-month programme designed to develop our future leaders. More than 3,100 managers took part in Leadership Essentials, our programme to improve the coaching skills of new managers and enable them to motivate their teams effectively. We also hired over 600 graduates globally through our Discover programme, representing over 55 nationalities.

In addition to tailored training and development programmes, we helped over 50,000 employees improve their functional skills through our online Academies. In 2014/15, employees across the Group completed almost 1 million online courses (up from 180,000 in 2013/14).

See our Our approach section for more on our development and training programmes.

Employee engagement

In 2014/15, we launched our new employer brand to communicate internally and externally what we offer to our employees globally. Supported by the strapline ‘We’re at our best when you’re at yours’, it aims to strengthen our people’s connection with the business and share a consistent story about our purpose with potential and existing employees. Throughout the year, our local markets have been integrating the brand in everything they do, from our inductions through to recruitment advertising, see the case study earlier in this section.

We maintained high levels of employee engagement in 2014/15. Results from our Global People Survey showed our overall engagement score remained strong at 77 points out of 100. The number of people who took the survey increased by around 2,500, although the overall completion rate declined due to growth in our workforce. The results also demonstrate high levels of awareness of The Vodafone Way. See the table for further results from the survey.

Results from the Global People Survey

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement index</td>
<td>78</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Overall response rate (%)</td>
<td>90</td>
<td>87</td>
<td>84</td>
</tr>
<tr>
<td>Employee Net Promoter Score</td>
<td>43</td>
<td>43</td>
<td>51</td>
</tr>
</tbody>
</table>

Notes:

3. The number of promoters minus the number of detractors.
### Our people – Performance in 2014/15

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

<table>
<thead>
<tr>
<th>Engagement and values</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am proud to work for Vodafone</td>
<td>86</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>My local market/Group function operates ethically</td>
<td>83</td>
<td>84</td>
<td>-</td>
</tr>
<tr>
<td>Vodafone is socially responsible</td>
<td>-</td>
<td>-</td>
<td>89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health, safety and wellbeing</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Absolute Rules for Health and Safety are taken seriously at Vodafone</td>
<td>87</td>
<td>89</td>
<td>91</td>
</tr>
<tr>
<td>My manager takes a genuine interest in the wellbeing of its employees&lt;sup&gt;5&lt;/sup&gt;</td>
<td>70</td>
<td>69</td>
<td>82</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversity and inclusion</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>People in my team are treated fairly regardless of their age, gender, disability, sexual orientation, cultural background or beliefs</td>
<td>89</td>
<td>89</td>
<td>88</td>
</tr>
<tr>
<td>A person’s background does not stop them progressing&lt;sup&gt;6&lt;/sup&gt;</td>
<td>85</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>People have an equal opportunity to succeed at Vodafone, regardless of their age, gender, disability, sexual orientation, cultural background or beliefs</td>
<td>-</td>
<td>-</td>
<td>79</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities to learn skills and knowledge to do job well</td>
<td>77</td>
<td>77</td>
<td>78</td>
</tr>
</tbody>
</table>

---

**Notes:**

4. The questions 'My total reward package is fair' and 'My local market values diversity' were not included in the 2014/15 survey.

5. This question was updated in the 2014/15 survey from 'My local market/Group function takes a genuine interest in the wellbeing of its employees.'

6. We replaced this question in the 2014/15 survey with the question below to better understand how employees perceive the business's approach to equal opportunity. This means it is not possible to compare the scores in this area in 2014/15 with previous years.
**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, strengthen our sales capabilities and target business growth in new areas such as fixed-line telecommunications, broadband and television. We are also increasing our focus on Enterprise activities. This is changing the shape of our business and requires different skills and capabilities.

Employees in various markets were affected by organisational changes in 2014/15, including:

- integrating around 6,000 former Kabel Deutschland employees in Germany
- acquiring Ono, the broadband communication and entertainment company in Spain, and integrating its 2,500 employees into our business
- acquiring Cobra, a specialist telematics company with 900 employees, that will broaden the range of machine-to-machine products offered by our Enterprise business
- integrating Phones4U’s 890 employees and 139 high street stores into our UK business
- acquiring and integrating Helas Online, a leading fixed-line telephone provider in Greece
- investing in additional front-line staff in our retail stores and contact centres in many of our markets in Europe.

In any integration we evaluate employees from Vodafone and from the new company on a strictly equal and impartial basis. We supported people affected by organisational changes in a range of ways, tailored to the needs of employees in local markets.

We support employees joining our business through acquisitions by making sure they have access to the same opportunities as our existing employees. For example, in Greece we ran cultural integration programmes to help our senior leaders induct new employees into The Vodafone Way of working.

### Employee turnover

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees</td>
<td>91,272</td>
<td>92,812</td>
<td>101,443</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>8,802</td>
<td>8,318</td>
<td>9,150</td>
</tr>
<tr>
<td>Number of voluntary leavers</td>
<td>9,621</td>
<td>9,647</td>
<td>13,736</td>
</tr>
<tr>
<td>Number of involuntary leavers</td>
<td>4,234</td>
<td>4,355</td>
<td>3,614</td>
</tr>
<tr>
<td>Newly hired employees</td>
<td>15,597</td>
<td>21,586</td>
<td>21,501</td>
</tr>
<tr>
<td>Average turnover rate (%)</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
</tbody>
</table>

Notes:

7. Represents the average number of employees during the year.
8. Represents the average number of employees during the year. Hellas Online and Ono are included but Vodafone Automotive is excluded.
9. Involuntary leavers include those who leave the business through redundancy, Vodafone-initiated separation or death in service.
10. Includes voluntary and involuntary leavers.
Our people – Performance in 2014/15

Employee wellbeing

In 2014/15, 82% of employees agreed that their local manager 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:

• encouraging almost 4,000 employees to walk, run, dance and cycle a total of over 213,000 miles as part of our second Global Wellbeing Challenge

• our Big Bike Challenge, which saw around 100 employees cycle almost 1,000 miles from Land's End to John O'Groats in the UK to raise £217,000. With matched funding from the Vodafone Foundation, this increased to £434,000 and was used to support the Foundation's paediatric HIV care programme in Lesotho

• our cycling marathons in India involving 206 employees in Karnataka cycling on static bikes for a total of 104 hours (clocking up nearly 6,000km) – and 6,000 employees in Bangalore

• launching a wellness programme in Qatar that encourages employees to adopt healthy lifestyle choices by, for example, quitting smoking and losing weight

• in July 2014, Vodafone Ireland opened a dedicated Wellness centre for employees (including a gym, think well room and consultation and treatment rooms) to promote wellbeing and encourage and support employees to maintain or adopt healthy lifestyles.

Gender diversity 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 2015