

## Our people

# Our people are integral to our success

With over 91,000<sup>1</sup> employees in over 30 countries, we have a wealth of international talent to draw from. We continue to develop our people to meet the requirements of our business and our employee engagement continues to be amongst the highest in the industry.

### Employee engagement

In October 2012, we carried out our eighth annual global people survey – and 90% of our people responded. The survey measures employees' level of engagement – a combination of pride, loyalty and motivation. We increased our overall employee engagement score by 1 point to 78 and remain amongst other high performing global organisations.

Open and regular communication is fundamental to employee engagement. In 2012, we launched the Vodafone Hub, our new intranet site, which aims to promote engagement with a social networking feature, Vodafone Circle, and a video channel, Tube, which enables employees to upload videos that share best practice across the business. Group and local market Chief Executives also communicate regularly with employees through a number of media, including webinars and videos.

### The Vodafone Way

In 2011, we introduced The Vodafone Way: a framework which defines how we operate, with speed, simplicity and trust, and how we deliver to our customers: being customer obsessed, innovation hungry, ambitious and competitive and acting as one company, with local roots. We continue to embed this framework, reinforcing the leadership skills and habits required to bring The Vodafone Way into daily business reality to deliver our Vodafone 2015 strategy.

The Vodafone Way is part of employees' performance objectives and defines a consistent way of working to help us strengthen our position as an admired company in the eyes of our customers, shareholders and employees.

Being an admired company is not just about our performance and achievements, it's also about acting in a responsible, ethical and lawful way. In 2012, we launched our revised Code of Conduct which sets out our business principles. All employees and contractors have a duty to report any suspected breaches of our Code of Conduct through our "Speak Up" process. Along with existing web reporting, we launched a global telephone hotline for employees and third parties to report concerns on code of conduct issues.

### Employment policies and employee relations

Our employment policies are developed to reflect local legal, cultural and employment requirements. We aim to be recognised as an employer of choice and therefore seek to maintain high standards and good employee relations wherever we operate.

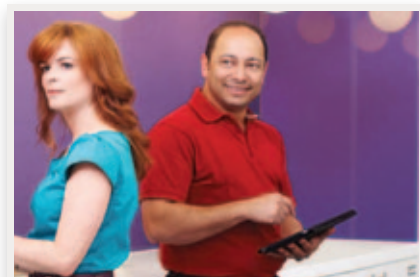
We believe that diversity plays an important role in a successful business. Our Group-wide diversity and inclusion strategy outlines our commitment to creating an inclusive work environment which respects, values, celebrates and makes the most of the individual differences our people bring to Vodafone.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

We do not condone unfair treatment of any kind and offer equal opportunities in all aspects of employment and advancement regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religious or political beliefs. This also applies to agency workers, the self-employed and contract workers who work for us. In our latest people survey, 89% of employees agreed that Vodafone treats people fairly, regardless of their gender, background, age or beliefs.

### Organisation effectiveness

We employed over 91,000<sup>1</sup> people worldwide during the year. Headcount additions related to our acquisitions of CWW in the UK and TelstraClear in New Zealand were partly offset by reductions in Europe. We have implemented a new regional structure in Europe and a new enterprise division across Vodafone worldwide. Our strategic acquisitions strengthen our capabilities in enterprise and to help us in our goal to become a total communications company.

We are also continuing to drive efficiency and simplification in our organisation through headcount management, appropriate organisation structures and the continued drive to move transactional and back office activities to shared services teams.



### Diversity is the key to a successful business

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 men and women in promotions, new hires and leavers through our talent management dashboard.

Note:

<sup>1</sup> Represents the average number of employees in our controlled and jointly controlled markets during the year.

## Talent and capability development

During the year we strengthened our senior leadership team, with 61% of the vacancies being filled by internal talent, up from 31% two years ago.

- Our global graduate programme, Discover, continued to bring the best graduates into our local markets, with around 470 top University recruits this year. In addition, we partnered with ten leading MBA schools in Europe, the US, Africa and India to recruit MBA graduates for key management roles.
- We continued to encourage international assignments in our talent pipeline and introduced the Columbus programme designed for the top 5% of our graduate recruits to gain international experience two years after joining Vodafone.
- For the past five years we have been developing our next generation of leaders through Inspire, an 18 month programme for high potential managers. Since its inception, 200 high potential managers from over 26 countries joined the programme, attending leadership development workshops, leading business challenges, and receiving coaching sessions and mentoring from senior leaders.

We are committed to helping our people perform at their best and achieve their full potential through ongoing training and development. Our people review and agree development objectives during their annual performance dialogue with their manager and are encouraged to learn proactively through easily accessible online resources, on-the-job learning and mentoring.

During the year we invested over £34 million in training programmes. Our global academies in marketing, technology, human resources 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. More than 33,000 people have used our academies, completing over 12,000 online and instructor-led courses. We focused on developing our customer facing capabilities by launching global training and certification programmes in retail and enterprise sales. We also focused on building people manager skills through mentoring and targeted learning interventions. Our new global learning management system enables more training to be delivered online and on demand, supporting individuals to manage their own development.

## Health and safety

We know from experience that failing to follow basic health and safety standards can lead to our employees, the people we work with and the people exposed to our activities being seriously injured or killed. As part of our health and safety strategy we have developed a set of Absolute Rules to focus attention on common causes of fatalities and serious injury.

By focusing on controlling our top five risks, we are creating a safe place to work, and this is evidenced by fewer fatalities and fewer high-potential incidents. Although we have seen significant reductions in incidents and related fatalities year-on-year, we greatly regret to report that 13 people died while undertaking work on behalf of Vodafone businesses around the world. Vehicle related incidents involving subcontractors in emerging markets remains our main cause of fatalities and we are addressing this through several interventions in local markets. Safety culture in Vodafone continues to mature with the results of last year's people survey showing that 87% of employees believe that our Absolute Rules for safety are taken seriously.

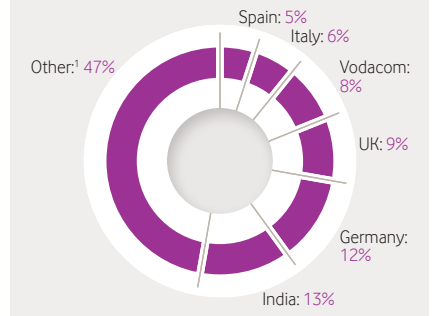
## Performance, reward and recognition

In 2013, we maintained our consistent approach to rewarding our people, based on their performance, potential and contribution to the success of the business. We benchmark roles regularly on a total compensation basis to support our aim to provide competitive and fair rates of pay and benefits in every country where we operate. We also offer competitive retirement and other benefit provisions which vary depending on conditions and practices in local markets.

Global short-term incentive plans are offered to a large percentage of employees and global long-term incentive plans are offered to our senior managers. Individual and company performance measures are attached to these plans which give employees the opportunity to achieve upside for exceptional performance as well as ensuring that as a business we do not reward failure.

An ownership mentality is a cornerstone of our reward strategy and senior executives are expected to build up and maintain a significant holding in Vodafone shares within a few years of joining the Company.

## Employees by location 2013



## Number of employees<sup>2</sup>



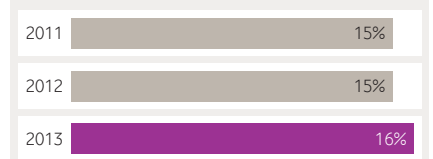
## Nationalities in top senior leadership team roles



## Women in top senior leadership team roles



## Employee turnover rates<sup>3</sup>



### Notes:

- 1 Includes CWW. See page 102 for more information.
- 2 Represents the average number of employees in our controlled and jointly controlled markets during the year.
- 3 Represents the average number of employees in our controlled and jointly controlled markets during the year and excludes CWW.