

Our people

One company, local roots

We believe our people are fundamental to our success – that's why we want to attract and retain exceptional employees. We're committed to providing an inclusive workplace where we offer great opportunities for our people to build their skills and careers.

We continue to develop our people to ensure that they have the right skills and experience to deliver an outstanding experience to our customers.

During the year we employed an average of 92,812 people and had 97,721 employees as of March 2014. The number of our people increased during the year following our acquisition of Kabel Deutschland in Germany and the move to full ownership of Vodafone Italy.

The following sections highlight our progress in the key areas behind our people strategy.

Increasing employee engagement

Every year all our employees participate in our global People Survey which allows us to measure engagement levels, compare ourselves to other large companies and helps us identify ways to improve how we do things.

Our employee engagement index measures how committed our employees are, their desire to continue working for us and their willingness to recommend Vodafone as an employer. The index remained broadly stable at 77 points this year compared to 78 last year. Crucially we retained our top quartile position. Our employee turnover rate also remained broadly stable at 15%.

Embedding The Vodafone Way

The Vodafone Way is about ensuring our employees work with speed, simplicity and trust so that we can be customer-obsessed, ambitious and competitive, innovation-hungry and work as one company with local roots.

For the third consecutive year we have run development workshops for all senior employees with a particular focus on ensuring we provide a superior experience to all our customers.

Building a diverse and inclusive culture

We believe that a diverse team is crucial to our success, helping us better understand and meet the needs of our customers. Our Group-wide diversity and inclusion strategy aims to create a working environment which values, celebrates and makes the most of individual differences.

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, and religious or political beliefs. This also applies to agency workers, the self-employed and contract workers who work for us. 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. This year's People Survey showed that 89% of employees believe that Vodafone treats people fairly, regardless of their gender, background, age or beliefs.

Creating a lean and effective organisation

We continue to make our business more efficient, simplifying processes across our markets and sharing best practice. We continue to move transactional and back office activities to our shared service centres in Egypt, India and Europe. In the last year we undertook an exercise to reduce our non-customer facing support functions, as discussed on page 32.

We aim to treat all employees fairly, consulting with those affected by change and clearly communicating developments. We support employees through organisational changes, finding people new jobs in the company or arranging for them to work for a partner company where possible. We also help those whose roles are made redundant search for new jobs, offering them training on job applications and interview skills, and advice on how to start their own business.

During the year we completed the integration of employees from Cable & Wireless Worldwide and we established single product management teams for consumer and enterprise.

Strengthening capabilities

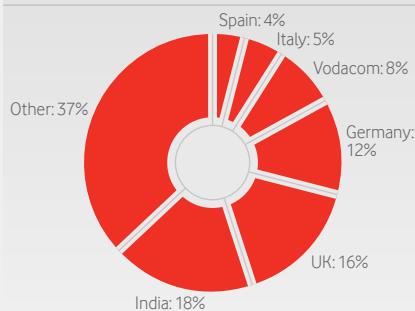
We want people to grow their careers at Vodafone and develop the skills and talent needed to grow our business. We do this through formal training, on the job experience and regular coaching from managers.

We conduct an annual analysis of learning needs to identify priorities and ensure that learning plans support our business strategy. Every employee also has a formal review once a year with their 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, finance and supply chain enable people to develop the critical skills they need to excel in their functions. We work with leading business schools and accredited external providers to develop and deliver the training. Last year, around 180,000 online courses were completed and we trained around 18,000 people in our Technology Academy and over 10,000 people in our Retail and Sales academies.

We conduct regular talent reviews to identify high-potential future leaders and accelerate the progress of high-potential managers through our "Inspire" programme, which offers development and executive coaching over an 18 month period and may include an assignment to another Vodafone market or function.

Our "Discover" programme for graduates accelerates the careers of high performing graduates and we recruited 596 people from 20 countries onto this programme during the year. We also have an international assignment programme, "Columbus", with 35 graduates from 16 different markets taking part this year.

Employees by location %**Average number of employees**

2012	86,373
2013	91,272
2014	92,812

Nationalities in top senior leadership roles

2012	25
2013	26
2014	24

Employee turnover rates

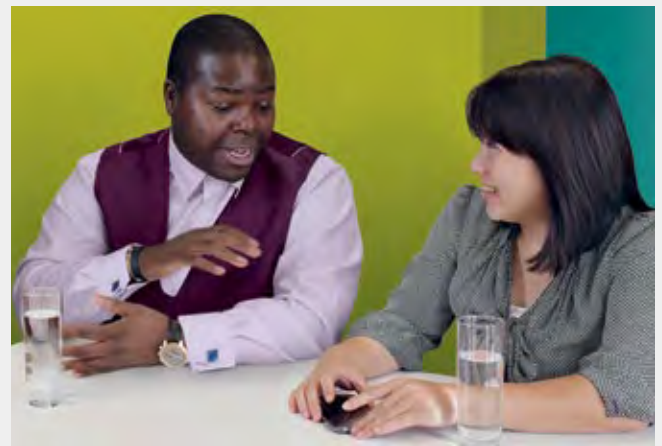
2012	15%
2013	16%
2014	15%

Women in top senior leadership roles

2012	19%
2013	20%
2014	22%

Valuing diversity

At the end of the year we had 61,848 (63%) male and 35,873 (37%) female employees and we have increased female representation at all levels of the business, particularly within more senior roles. Women now make up 22% of our senior leadership team (our 223 most senior managers) – an improvement on last year but we still have work to do. We also increased the number of women on our Executive Committee to two.

**Recognising performance**

We maintained our approach of rewarding people based on their performance, potential and contribution to our success. We benchmark roles regularly to ensure competitive, fair remuneration in every country in which 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 be rewarded for exceptional performance as well as ensuring that we do not reward poor performance.

Doing what's right

We have a "Code of Conduct" that sets out our business principles and what we expect from employees to ensure they protect themselves as well as the Company's reputation and assets. 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 to ensure that people know what's expected of them and managers know what is expected of their teams.

Creating a safe place to work

Driving a culture where safety is an integral part of every business decision is critical to our vision of preventing any incidents that could affect the health and safety of our people. We continue to work hard to ensure employees and contractors know how to identify and manage risks and take personal responsibility for their own safety and the safety of those around them.

We have a wide range of programmes and systems to tackle our key risks, often tailored to the particular needs of each market. Despite this, we greatly regret to report that 12 people died while undertaking work on behalf of Vodafone last year. Strengthening programmes to target occupational road risk – one of our biggest risks and the main cause of these fatalities – remains a major focus for all local markets.

Through increased awareness and a strong focus on managing our top five safety risks, our injury rates have continued to decline in 2014. The safety culture in Vodafone continues to mature – our latest People Survey showed that 89% of employees believe that our "Absolute Rules", which help employees follow best practice for safety, are taken seriously.