

Sustainable business

Contributing to social and economic improvement

Telecommunications technology has the power to transform people's lives. Ensuring that we continue to connect more people to essential services, while expanding the reach of our network, is the best way we can support that improvement.

Telecommunications technology can be used to tackle some of the most pressing challenges faced by society today. Our products and services provide access to a range of solutions to these challenges in areas including financial services, healthcare and education. We remain determined to continue to contribute to the social and economic development of all our customers and particularly our 302 million customers who live in emerging markets, while ensuring we continue to fulfil our strategic business goals.

How we achieve our goals is integral to the long-term success of the business. We remain fully committed to operating ethically and responsibly in everything we do. This includes ensuring we respect our customers' human rights, improving ethical and environmental standards in our supply chain and managing our energy use, while remaining proactive in our response to emerging sustainability risks.

This report highlights our progress in four critical areas.

Connecting people to vital services

Mobile money continues to be a driver of financial inclusion, offering people access to payments and financial services beyond the reach of traditional institutions. Our platform, M-Pesa, expanded its geographical reach in 2014, launching recently in Mozambique, Lesotho, Egypt, Romania and India.

M-Pesa now has 17 million active users who can access a wide range of services that enhance their ability to improve their livelihoods, including the ability to pay bills and even be paid their salary via M-Pesa. A new savings and loan product, launched in conjunction with the Commercial Bank of Africa, enables M-Pesa users to save and access loans, often for the very first time.

The M-Pesa platform supports our efforts in many other areas, including our aim to increase productivity and improve the lives of 500,000 smallholder farmers in Africa, through the Connected Farmer Alliance initiative. Our first formal partnership with Kilombero Plantations Limited, in Tanzania, tested how mobile technology could support the Company's engagement with smallholder rice farmers. We are also piloting our solution with a dairy cooperative in Kenya, to help them run more efficiently, increasing productivity and incomes for the members who supply the cooperative with milk.

Protecting our customers' information and respecting their privacy

The amount of data and personal information transmitted over our networks is increasing, as our customers use their mobile and other connected devices more and more. Our commitment to protect that information and respect their right to privacy and freedom of expression remains critical in retaining their trust.

We can only ensure our customers' privacy if we first ensure the security of their information and communications. Cyber security threats continue to proliferate, so Vodafone's Global Security Operations Centre monitors our IT systems 24 hours a day, seven days a week, to anticipate or detect attacks and minimise their impact.

The issue of government surveillance has come under increased scrutiny. For the first time we have published a Law Enforcement Disclosure report, which sets out our approach to responding to law enforcement demands for access to customer information, together with information about intelligence agency and authority demands on a country-by-country basis, where statistical data can lawfully be disclosed.

Vodafone is a member of the Telecommunications Industry Dialogue on Freedom and Privacy of Expression, which in March 2013 launched a two-year collaboration with the Global Network Initiative ('GNI') and a set of Guiding Principles, which address the issues of privacy and freedom of expression as they relate to the telecommunications sector.

Supporting ethical practices in the supply chain

We continue to work with our suppliers and others in our industry to raise ethical, labour and environmental standards in our supply chain, through an enhanced code of ethical purchasing. In 2014, we conducted 30 rigorous audits of both new and existing suppliers and 38 through the Joint Audit Co-operation ('JAC'), in collaboration with nine other telecommunications operators.

This year, we published our first Conflict Minerals report in response to US Securities and Exchange Commission requirements. Our policy requires our suppliers to take steps to ensure that minerals used to finance conflict in the Democratic Republic of Congo ('DRC') or neighbouring countries do not end up in our products and we are working through industry initiatives to continue to tackle this issue.

Saving energy and cutting carbon

We are a top-rated global communications service provider for the machine-to-machine ('M2M') industry. Using our M2M solutions helps our enterprise customers to cut carbon emissions and generate cost savings. We estimated the carbon savings we deliver for customers from our M2M products and services, call conferencing and cloud and hosting, to be a total of 2.29 million tonnes of carbon dioxide equivalent ('CO₂e') in 2013 – almost equal to our total emissions. By March 2014, we had contracts to provide nearly 14 million M2M connections with carbon-reducing potential in smart metering, fleet management and logistics.

Though we continue to extend the reach of our network to more customers, who are using increasing amounts of data, our own carbon footprint has remained almost stable and we remain committed to reduce it as far as possible through energy efficiency measures. The efficiency of our operations has greatly improved with emissions per base station now at ten tonnes CO₂e, almost 40% lower than in 2007. Our total carbon emissions in 2014 were 2.55 million tonnes of CO₂e, a slight increase on 2013 due to newly acquired operations.

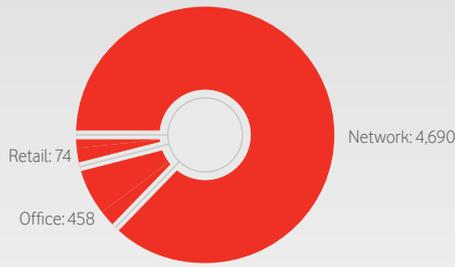
Want to find out more?

Read our sustainability report 2013–14, for more information on Vodafone's contribution to social and economic development.

→ vodafone.com/sustainability/report2014



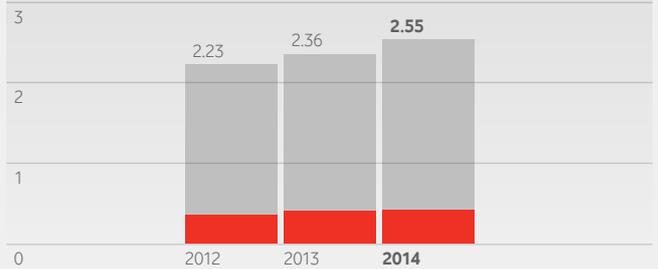
Energy use 2014^{1,2} GWh



£50.9m

The total amount of donations made to the Vodafone Foundations in 2013 – including £5.9 million towards its operating costs. Since its inception, Vodafone has donated over **£475 million** to the charitable programmes led by our Foundations.

Carbon emissions² Millions of tonnes CO₂e



Notes:
 1 Energy use does not include fuel use for transport.
 2 Calculated using local market actual or estimated data sourced from invoices, purchasing requisitions, direct data measurement and estimations. Carbon emissions calculated in line with DEFRA guidance and Greenhouse Gas Protocol. For full methodology see our sustainability report 2014. CWW and TelstraClear data included for 2014 only and data for 2014 acquisitions excluded.



Connected Women

Vodafone's Connected Women Summit focused on the impact of mobile technology on the lives of women around the world. New research, commissioned by the Vodafone Foundation, looked at the social and economic impact of extending women's access to mobile phones. The Connected Women report found that stabilising the gender gap in our markets could have an economic benefit for women and society of more than US\$22.3 billion annually from 2020.

Supporting victims of domestic violence

TecSOS, from the Vodafone Foundation, rapidly connects victims of domestic violence to emergency services. Now available in six European markets, it has helped more than 31,900 victims. In the UK, TecSOS is used by over 50% of police forces – it won the Metropolitan Police Commissioner's Award for Best Use of Technology and was granted a "Secured by Design" licence, which recognises TecSOS as a high quality service to be used by the police.



Instant Education

The Vodafone Foundation opened the first "Instant Network School" in the DRC in 2013, in partnership with Italian NGO, Don Bosco. The Vodafone Foundation's Instant Network Schools programme is supported by the Qatar Foundation's "Educate a Child" initiative. The school, in Goma, is enabling 400–500 children aged 7–17 to access online educational content via tablets provided through the Instant Network mobile education programme.

