



Vodafone Spain Sustainability Report

2012-13



Table of contents

1 Commitment to Sustainability

- | 04 Objective and Report Criteria
- | 05 Letter from the Chairman and the CEO
- | 06 Key Indicators 2012-13
- | 07 Vodafone's Profile
- | 11 Sustainability Strategy
- | 13 Commitments

2 Contribution to the Country

- | 18 Economic Contribution
- | 20 Social Contribution
- | 21 Environmental Contribution

3 Sustainable Society

- | 24 Products and Social Services
- | 27 Vodafone Spain Foundation
- | 32 Products and Services for Sustainable Development

4 Value Chain

- | 36 Customers
- | 43 Suppliers

5 Environment

- | 47 Energy Consumption
- | 49 Waste
- | 51 Responsible Network Deployment
- | 52 RF Emissions and Health
- | 53 Tables and Trend Charts

6 Employees

- | 58 Employee Relations
- | 59 Code of Conduct
- | 60 Learning and Development
- | 61 Diversity Management
- | 62 Remuneration and Social Benefits
- | 63 Health and Safety
- | 65 Corporate Volunteer Work
- | 67 Tables and Trend Charts

7 Appendices

- | 70 Sustainability Organisation
- | 71 Stakeholder Engagement
- | 73 Internal Communication
- | 74 Corporate Governance
- | 77 Independent Assurance Report
- | 79 Global Compact Principles. Reporting Progress
- | 80 GRI Indicators
- | 86 GRI Statement
- | 87 Glossary of Acronyms and Abbreviations

In the report, the following are used to indicate the availability of additional information and details:

 Further information at www.vodafone.es

 Other interesting urls



Commitment to Sustainability

Objective and Report Criteria



This is Vodafone Spain's 10th Sustainability Report, which covers our financial year 2012-13 (1st April 2012 to 31st March 2013).

This Report outlines our management and key results in each of the Sustainability issues considered most relevant to our business in accordance with the internal process that is described in the "Sustainability Strategy" section of this report. On our web www.vodafone.es/sostenibilidad, you'll find further information on how we handle this issue.

The information and data given in this Report refer to activities carried out by Vodafone Spain at its headquarters and regional offices, on its telecommunications network and at its retail outlets.

The following have been taken in consideration in drafting the Report:

- Conformity with the general guidelines laid down by the Global Reporting Initiative (GRI) in version 3.1 of 2011.
- Compliance with the AccountAbility Principles Standard AA1000APS (2008).
- Compliance and progress achieved in the implementation of the Ten Principles established by the United Nations Global Compact.

Both the information and the figures given in the Report have been reviewed by an independent auditing firm (Ernst&Young).

In Vodafone Spain's opinion the information contained in this Sustainability Report meets the requirements laid down by GRI for being rated A+. This has subsequently been reviewed by the GRI itself, having confirmed that it meets the requirements associated to an A+ Level of Application of the G3.1 version.

The Independent Assurance Report, the Declaration of the level of application of GRI and the table of progress in compliance with the United Nations Global Compact's Ten Principles, are available for consultation in the appendices of this report.



Letter from the Chairman and the CEO



Francisco Román
Chairman

Welcome to Vodafone Spain's Sustainability Report, which covers the 2012-13 financial year, and in which we set out our strategy, management and principal activities in the context of sustainability.

The company's financial results over the last year mirror the severity of the economic environment and the fierce competition, although they also reveal positive aspects regarding the future, such as the favourable reception of the RED, Base and Vodafone yu tariff plans, the 52.7% growth in mobile internet revenue, the commercial results for fixed broadband and the increase, excluding reorganisation costs, of the EBITDA margin in the second half of the year.

From a structural and strategic point of view, this financial year has required twice the effort in order to adjust to the reality of the environment and, at the same time, prepare for the future.

This dual challenge required the company to embark on a reorganisation plan during the last financial year, in order to adjust the size of the company to the new reality of the market and gain in adaptability. In implementing the reorganisation plan, which has involved wholesale redundancies, we have attempted to minimise the impact on employment. With this objective in mind, an agreement was reached with staff legal representatives which provides for measures such as: programmes to assist with job hunting for those professionals affected, the outsourcing of certain services, and special conditions for people over the age of 55 years old.

Furthermore, as part of the company's initiatives to compete better in the future, Vodafone Spain has made significant progress in strategic areas during the last financial year:

- In Customer Care, the quality of service indicators have substantially improved and customers' use of self-managed services has grown exponentially.
- Where the network is concerned, progress has continued in the reuse of the 900Mhz band for 3G technology, which has enabled a substantial improvement to mobile broadband coverage inside buildings.

- In the final quarter, an agreement was signed with another operator to deploy a new fibre network in Spain, which will enable us to reach 800,000 homes and companies by the end of the coming financial year.

For the first time, this year's Sustainability Report includes a chapter evaluating Vodafone Spain's contribution towards the country's sustainable development during the 2012-13 financial year: in terms of financial contribution (€5.19 billion), social contribution (26,010 direct and indirect jobs), and environmental contribution (62,758 tonnes of CO₂ emissions directly or indirectly avoided). In this respect, it is also worth highlighting that 85% of the purchase volume (€3,877 billion) can be attributed to local suppliers.

Our vision with regard to sustainability is to contribute, through our products and services, towards transforming society and facilitating a more sustainable life for all. In this respect, during this financial year, we have continued with the activities aimed at facilitating access to communications for people with special needs, by launching various tariffs and services, such as the Sign Plan and Active Service. Furthermore, the Vodafone Spain Foundation has allocated €5.1 million to social activities through its Innovation and Social Projects departments. Meanwhile, we have promoted the development of products and services which help other sectors to both improve their productivity and competitiveness, and to reduce their contribution to climate change, through solutions based on machine to machine (M2M) connections, of which we now have over 0.5 million.

In line with Vodafone's commitment to the environment, we have implemented measures to be more efficient and reduce our impact on the environment. In this respect, we have reformulated the objective concerning the reduction of CO₂ emissions by 2020, changing it for one related to energy efficiency and the continued deployment of our network: "To reduce the energy consumed by network element by 50% by the year 2020, as compared to the 2006-07 financial year". By 31st March 2013, we had achieved a reduction of 23.4%.



António Coimbra
CEO

One of the key aspects required in order to gain our stakeholders' trust is to operate in an ethical and responsible manner. As such, during this financial year, amongst other actions, we have increased the level of communication and training given to all staff concerning our Code of Conduct, which contains the Business Principles governing our behaviour as individuals and as a company. Meanwhile, we are conscious that in order to successfully negotiate the new stage before us, it is fundamental to involve our employees, which is why we continue to support programmes such as those concerning professional development or the management of diversity, which has enabled us to increase the number of management posts occupied by women by 4.8 per cent during this financial year.

At Vodafone Spain, we believe that in order to get through the complex situation presented by the environment, it is necessary to face up to the challenge of continuing to commit to innovation and to promote collaboration with the different stakeholders (customers, authorities, suppliers, distributors, universities, research centres, etc.). That way, we can boost our contribution towards the country's sustainable growth.

We hope that you find this report interesting and encourage you to give us your opinion concerning both the report itself and our actions in the context of sustainability.

Francisco Román
Chairman

António Coimbra
CEO

Key Indicators 2012-13



Financial Data


4.79

billion of total turnover in financial year 2012-13


24.2%

EBITDA Margin


460

million invested during 2012-13

Contribution to the Country


5.19

billion in direct and indirect economic contribution to the country's People, Businesses and Public Authorities.


26,010

direct and indirect jobs in Spain


85%

of purchases made from local suppliers

Social


5.1

million allocated to social activities by the Vodafone Foundation Spain in 2012-13


More than € 800,000

collected in 2012-13 for NGOs, through Solidarity Messages


More than 0.5

million SIM cards activated for M2M

Value Chain


14.4

million Customers


98.6%

of the population covered with our network 3G outdoors


3.88

billion on buying Products and Services in 2012-13

Environment


333,281

Mwh consumed by our operations


-23.4%

change in energy consumption per network element with respect to 2006-07.


More than 275,000

phones collected for reuse or recycling in 2012-13

Employees


3,761

Vodafone Spain employees


31.5%

of managerial posts held by women

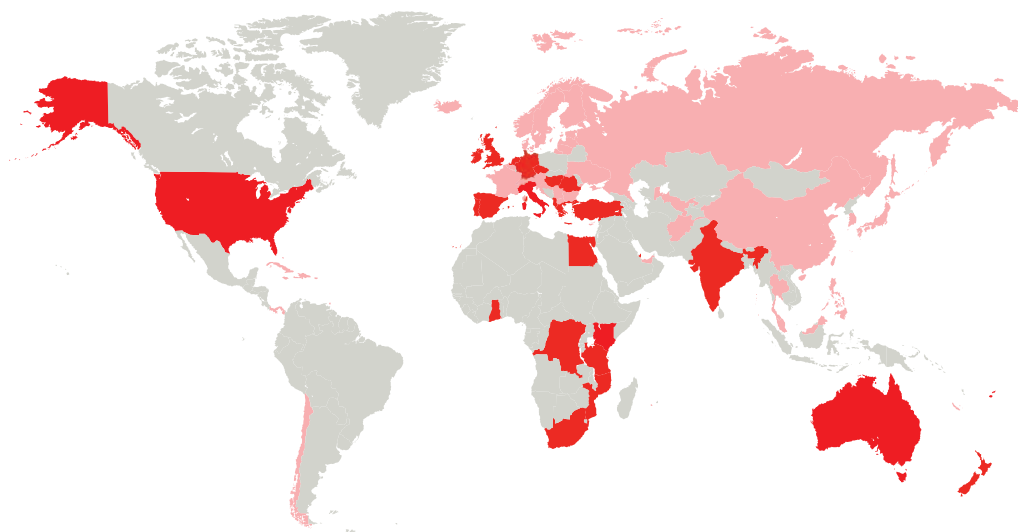

79%

employee satisfaction level

Vodafone's Profile

Vodafone Group

Vodafone Spain is part of the Vodafone Group, one of the world's largest telecommunications companies, with presence in 30 countries of the five continents, and agreements with another 50 worldwide.



Shareholding interests

Alliances

Figures as at 31 st March 2013	2012-13	Δ with respect to 2011-12
Total turnover (£ mn)	44,445	-1.4% (*)
Revenue from services (£ mn)	40,942	-4.5%
Revenue from data services (£ mn)	6,702	+13.8% (*)
Revenue from fixed line services (£ mn)	4,688	+29.6% (*)
EBITDA (£ mn)	13,275	-3.1% (*)
Free cash flow (£ mn)	5,608	-8.1%
Adjusted EPS (pence)	15.65	+5%
Nº proportionate mobile telephony customers (million)	404	-0.2%
Nº Employees	91,272	+5.7%

(*) In organic terms

Situation in Rankings

Vodafone features is plenty of rankings and indices, which include:

- **2012 Dow Jones Sustainability Index (DJSI)**, formed by the companies with the best social, environmental and corporate governance practices.
- **2012 FTSE4Good ESG Ratings.**
- **2012 Global 100**, compiled by Corporate Knights, which recognises the world's 100 most sustainable companies.
- **Newsweek Green Rankings 2012**, which the planet's most environment-friendly businesses.
- **Greenpeace's** list of the most environment-friendly Information and Communication Technology enterprises, ranking in 5th position.
- **Fortune World's 2012**, which includes the Global Most Admired Companies.
- **Global RepTrack 2012**, which lists the 100 most reputed companies in the world.
- **Global Top 100 Brand Corporations** compiled by Eurobrand.
- **Brandz Top 100 Most Valuable Brands 2012** compiled by MillwardBrown.
- **Transparency International in 2012**, which recognises the enterprises with greatest transparency in Business Information.

Vodafone Spain

Key figures as at 31 st March 2013 (€ mn)	2012-13	Δ with respect to 2011-12
Total turnover in financial year 2012-13	4,793	-13.1%
Total revenue from services (€ mn)	4,456	-11.7%
Revenue from data services (€ mn)	874	+16.6%
EBITDA margin (%) (EBITDA/sales, %)	24.2	- 0.8 p.p

€ **€ 460 million**
invested in Spain in 2012-13

810,000
DSL customers

14.4 million
mobile telephony customers

3,761 employees
in Vodafone Spain

Operating Figures

- More than 33,000 network elements** deployed throughout the country
- More than 15,500 network elements** with 3G Technology
- More than 36.1 billion voice minutes** carried in the financial year 2012-13
- More than 0.5 million SIM cards activated** for M2M
- 212 destinations** in the world with roaming agreements
- Own retail outlets: **81**
- Franchises: **235**
- Nearly **1 million** transactions a year (in own stores and franchises)



Direct Economic Value

€ mn

Purchases of Products and Services	3,877
Tax	302
Salaries and Bonuses*	317
Social Security*	52
Pension Plan Contributions	5.2
Growth withholding	590

(*) Includes restructuring costs.

Grants received from the Administration

€000's

Capital grants awarded in the financial year	0
Operating grants	508

Highlights of financial year 2012-13

Use of 900 MHz Band for 3G technology

2012 - 13

Vodafone Spain has expanded its mobile network throughout Spain, allowing the **900MHz frequency band to be used by 3G technology**, significantly boosting network quality and coverage for broadband mobile data services, especially within buildings.

Web for Parents

May 2012

Vodafone Spain launches a **web for parents** with information on the safe and responsible use of new technologies by minors.

"Active" Help Service

May 2012

Vodafone Spain launches Vodafone 155 Simplicity with the **"Active" advice service** to bring mobile communications within the elderly's reach.

Green rating of handsets

June 2012

Vodafone unveils an **eco-labelling system** that lets customers know the environmental impact of their mobile phones.



Appointment

Septiembre 2012

António Coimbra takes over as Chief Executive Officer of Vodafone Spain.

Technological entrepreneurs

October 2012

The Department of Economy and Labour of the Andalusia Regional Government and Vodafone Spain back the launch of **17 technological entrepreneur projects**.

Vodafone Cloud

October 2012

Launch of **Vodafone Cloud**, a new family of services to protect and store your Smartphone phone book and content in the cloud.



Vodafone yu:

November 2012

Launch of **Vodafone yu:**, especially designed for young people, offering a content platform, the first comprehensive prepaid rates and a full programme of experiences.



Joyn

November 2012

Spain's three leading mobile network operators unveil their enhanced communication service under the **joyn** brand.

Move 2012

November 2012

Vodafone tours the country's main cities with **Move 2012** (Mobile Vodafone Expo), where it presents the best solutions for businesses and SOHOs.

Vodafone Start-up

November 2012

Vodafone Spain launches the **"Vodafone Start-up"** Programme to support new entrepreneurs. The initiative includes courses, personalized attention, seals of approval, and a competition with a prize worth €5,000 and two years of free communications.

Vodafone RED and BASE

November 2012

Vodafone Spain revolutionizes its commercial offering with the launch of **Vodafone RED and Vodafone BASE**, for both residential customers, businesses and SOHOs.



Redundancy Procedure

February 2013

On account of the ongoing decline in revenues caused by the country's crisis, Vodafone Spain and the workers' trade union representatives reach an agreement on a **Redundancy Procedure**.

Deployment of Fiber Optic to the Home (FTTH) Network

March 2013

Vodafone Spain, announces an **agreement with Orange for the deployment of a fiber optic network** in Spain so as to offer the best and most competitive converged communications solutions to our customers.



Main Awards received by Vodafone Spain during 2012-13

- **Konecta Foundation Award** "Technology as a means of integrating people with disabilities" in the Business category.
- "Most Responsible Enterprise" award from Cambio Financiero ("Financial Change") in the CSR section.
- **4th place** in the **50 Best WorkPlaces 2012** list in the over 1,000 employees category, according to the Great Place to Work Institute.
- Recognition as a "**Top Employers 2012**" enterprise.
- Included in the **Top Ten of the most desirable companies to work at** compiled by the Job&Talent job portal.
- **AICE 2012 Award** for "Accessibility", from the Federation of Associations of Cochlear Implants in Spain, for its specific applications for people with a hearing disability.
- **Integration Responsible Enterprise (IRE) Certificate**, awarded by the Federation of Integration Enterprises Business Associations (FAEDEI).
- **Andalucía Económica Award**, in the Public-Private Partnership category, to **Project Minerva**.
- "**Best Quality Customer Care Service helpdesks in Telecommunications**" award to Vodafone's Diamond Customer Care Service, from by the Contact Center magazine.
- **ADSL Zone Award** for the fastest 3G Network and Best Smartphone Rate "€1 a day."
- **Best Idea of the Year Award** to **Vodafone RED**, from the technology blog Tuexperto.com
- **Vodafone's website recognised**, as the best site of the country's five operators, according to Compuware analysis.
- **Bronze in the Eurobest 2012 Awards** in the "Branded Content & Entertainment" category to the "Connecting Spain" programme sponsored by Vodafone Spain.



Konecta Foundation Award



Integration Responsible Enterprise

Sustainability Strategy



Vodafone Spain’s Sustainability Strategy reflects our vision of contributing towards achieving a more sustainable life for all by using our Products and Services.

In order to gain our stakeholders’ trust, it is fundamental to carry out our activities in an ethical and responsible manner. That way, our customers will use our technology and we can contribute towards improving people’s quality of life and transforming the societies in which we live.

Vision

Unleash the power of Vodafone to transform societies and enable sustainable living for all.

Approach and Priority Areas

Ethical and Responsible Behaviour:				Products and Services for More Sustainable Societies:	
Customers	Suppliers	Environment	Employees	Social Products and Services	Products and Services for Sustainable Development

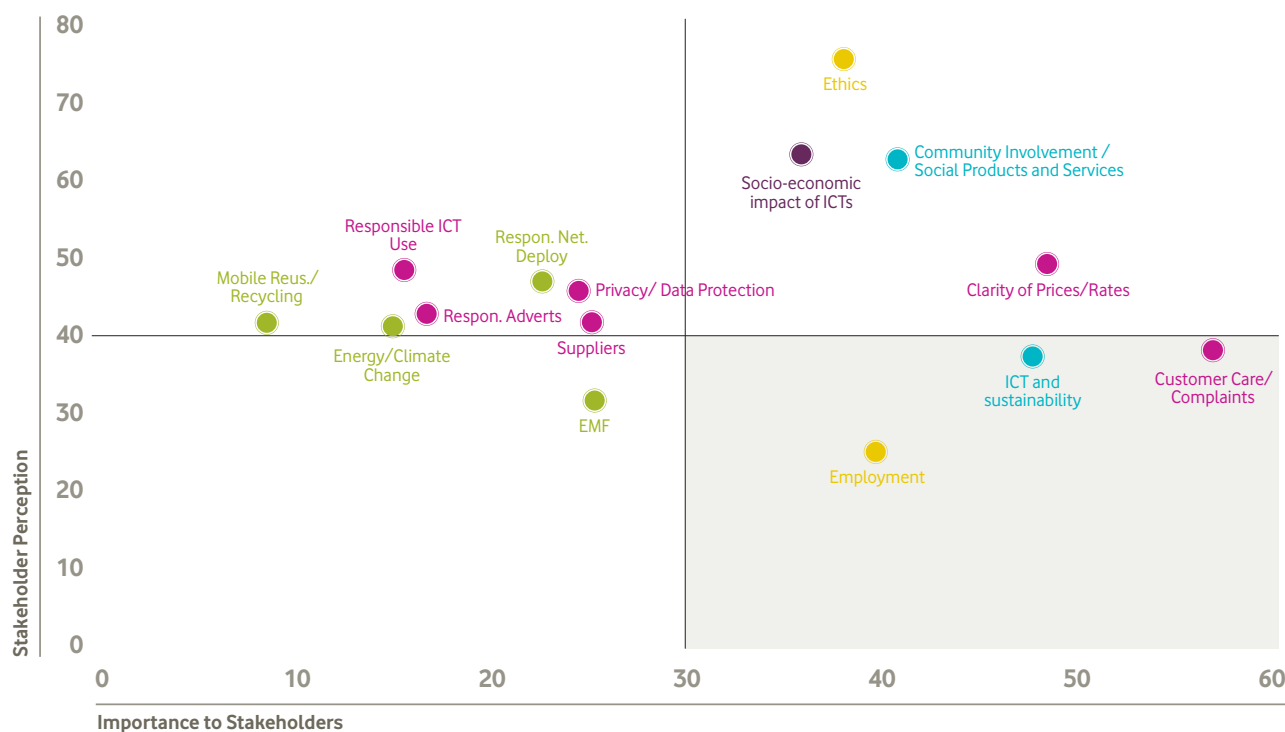
Our Stakeholders
Customers
Opinion-Makers
Employees
Regulator / Public Authorities
General Public/Local Communities
Landlords’ and Residents’ Associations
Suppliers
Knowledge Makers

Regular dialogue and contact with them allows us to understand their expectations, prioritise them and subsequently provide a suitable and effective response.

By using the different communication channels that we have established with our stakeholders ([see Annexes](#)), at least once a year we analyse our stakeholders’ expectations and perceptions and prioritise them in order to identify the sustainability issues upon which we should focus our management.

In order to achieve this, an associated Materiality Matrix is drawn up using two variables: the importance of the issue to the stakeholders and the perception that they have of our performance in the said area.

Materiality Matrix



Depending on this matrix, the subsequent prioritisation of sustainability issues is established, describing the actions that we are carrying out for each one of them, in the specified chapters:

Subject	Chapter
1. Customer Care/Complaints	Value Chain. Pgs.: 36 to 38.
2. ICT and sustainability	Sustainable Society. Pgs.: 32 to 34.
3. Employment	Employees. Pgs.: 57 to 68.
4. Clarity of Prices/Rates	Value Chain. Pg.: 40.
5. Electromagnetic emissions	Environment. Pg.: 52.
6. Community Involvement/Social Products and Services	Sustainable Society. Pgs.: 23 to 31.
7. Suppliers	Value Chain. Pgs.: 43 and 44.

Subject	Chapter
8. Privacy/ Data Protection	Value Chain. Pg.: 38.
9. Socio-Economic impact of ICTs	Contribution to the Country. Pgs.: 15 to 22.
10. Responsible network deployment	Environment. Pg.: 51.
11. Responsible ICT Use	Value Chain. Pg.: 42.
12. Ethics	Employees. Pg.: 59.
13. Energy and Clim. Change	Environment. Pgs.: 47 and 48.
14. Responsible Marketing/Advertising	Value Chain. Pg.: 39.
15. Mobile reuse and recycling	Environment. Pg.: 49.

Commitments



Honouring of Commitments 2012-13

Subject	2012 Commitments	% Compliance	Pg. Report
Social Products and Services	Launch 2 new Social Products/Services. March 2013	100%	24
	Ensure all transaction areas of the Vodafone Spain web (Online Store and Private areas) are accessible. March 2013	80%	26
Vodafone Foundation Spain	Contribute to the Vodafone Group's "Mobile for Good" programme with 2 new nationwide projects in Accessible ICT solutions for Independent Living and Active Ageing. March 2013	100%	27
	Transfer the results of 1 projects as good practice to other countries within the Vodafone Group. March 2013	100%	27
	Participate in Accessibility projects of at least 5 universities to contribute to the integration of students with disabilities. March 2013	100%	29
	Train at least 100 disabled people in professionalization schemes. March 2013	100%	30
Products and Services for sustainable development	Participate in "Smart Cities" initiatives. March 2014	Ongoing	34
	Develop new systems and optimisation solutions associated with M2M. March 2013	100%	33
Customers	Improve the Premium SMS Services information, with summarized information on invoice and on the web. March 2013	100%	38
	Organise a publicity campaign for the www.vodafone.es/padresportal. March 2013	100%	42
	Establish a Privacy Management System. March 2013	100%	38
Suppliers	Complete the on-line Code of Ethical Purchasing training course for 100% of Purchasing personnel. March 2013	100%	43
	100% of the greatest-risk suppliers have signed Vodafone's the new Anti-corruption clause. March 2013	100%	43
Environment	Reduce CO ₂ emissions with the aim of contributing towards achieving the Vodafone Group objective of reducing all emissions by 50% compared to the 2006-07 figures March 2020.	Target restated	47
	Deploy an eco-rating system for the handsets marketed by Vodafone Spain. March 2013	100%	46
	Ensure that at least 50% of office paper is recycled or comes from wood certified and obtained from clean production systems. March 2013	100%	50
	Collaborate in the "Mobikids" study about the possible links between environmental risks and health. March 2013	100%	52
Employees	Application of the alternative saving measures negotiated within the collective agreement. March 2013	100%	58
	Hire and integrate more disabled persons. March 2013	100%	61
	Reduce the average number of accidents by 10% in the next 2 years, using the 2010-11 figure. March 2014	Ongoing	68
	Consolidate the absenteeism reduction plans set in motion in 2011-12 to ensure that absenteeism is below the average of the last 3 years. March 2013	100%	68

New Commitments 2013-14

Subject:	New Commitments 2013-14	Date
Sustainable Society	Improve and develop new Social Product marketing channels	March 2014
	Widen the range of mobile devices for senior citizens	March 2014
	Make 100% of the transaction areas of the Vodafone Spain web accessible and obtain the Level AA certificates for Online Stores and clients' Private areas (My Vodafone and Client Area)	March 2014
	Actively support the transfer of at least one good practice under the "Mobile for Good" scheme with other countries within the Vodafone Group	March 2014
	Contribute to the Vodafone Group's "Mobile for Good" scheme with Accessible ICT solutions that improve the quality of life of the members of more than 30 partners Non-Profit Entities (distributed throughout Spain). In addition, the beneficiary associations must have more than 15,000 members.	March 2014
	Contributing to the new technologies training of at least 7,000 people (including the elderly and people with disabilities). Also, the training schemes designed to help disabled people find employment will include initiatives to make five Spanish universities accessible.	March 2014
	Participate in "Smart Cities" initiatives	March 2014
Value Chain	Work with Premium Services provider associations to establish conduct guidelines that ensure that the information that users get from these services is clear and concise enough	March 2014
	Set up a scheme for recognising the supplier best rated in terms of Sustainability criteria	March 2014
	Arrange an Open house at Vodafone's new headquarters with key suppliers	March 2014
Environment	Reduce network energy consumption per network element by 50% by year 2020, with respect to 2006-07	March 2020
	Reduce office energy consumption after bringing the main offices together under a single roof	March 2014
	Obtain LEED Certification for the new head office	March 2015
	Adapt Vodafone Spain's RF emission procedures to changes in the Vodafone Group's new Emissions Policy	March 2014
Employees	Reduce the average number of accidents by 10% in the next two years, based on the 2010-11 figure	March 2014
	Improve the ENPS (Employee Net Promoter Score) by 10 points	March 2014
	Roll out the Revitalization Programme to make working methods more effective, orienting them to customers	March 2014
	Launch of the Club Vodafone (initiatives designed to make life easier for employees)	March 2014
	Continue with the current policy of hiring and integrating people with disabilities	March 2014
	Implement the agreements reached within the framework of the Company's reorganization	March 2014



Contribution to the Country



€ 5.19 billion in direct and indirect economic contribution to the country's People, Enterprises and Public Administrations.



26,010 direct and indirect jobs in Spain



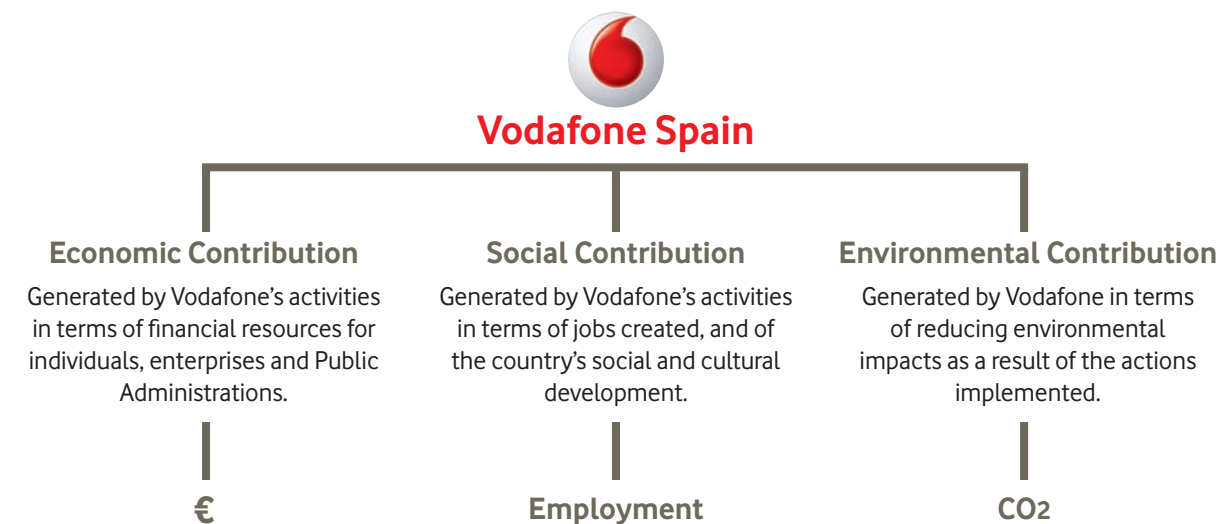
85% of purchases made from local suppliers

Information and Communication Technologies (ICT) represent one of the key strategic sectors for the generation of economic growth, social development and environmental protection.

This chapter evaluates Vodafone Spain's contribution towards the country's sustainable development during the 2012-13 financial year, taking into consideration the company's economic, social and environmental contributions.

Nowadays, the influence of ICTs in improving business productivity and competitiveness is patently clear in the economic arena. Likewise, and from the perspective of society as a whole, the digital culture opens up new spaces for communication and broadcasting information, which translate directly into a better quality of life and well-being for all citizens, thereby helping to reduce the environmental impact and promoting a more sustainable lifestyle.

Vodafone Spain's contributions to the country can be classified according to the kind of effect generated as: economic, social and environmental **contributions**.



What's more, each of these contributions can be classified into:

- **Direct Contributions:** Generated directly by Vodafone Spain's activities in People, Enterprises and Public Administrations.
- +
- **Indirect Contributions:** Generated by Vodafone Spain's value chain organizations (suppliers, distributors, etc). in people, businesses and Public Authorities.
- +
- **Induced Contribution:** Contribution by Vodafone Spain's activities to the country's general economic and social development.

Vodafone Spain's Contribution

Economic

€ 5.19
billion

Direct and Indirect of Vodafone Spain

To People	To Enterprises	To Public Administrations
€ 822 million	€ 3.60 billion	€ 764 million

€ 1.29
billion

Induced Economic Contribution of
Vodafone Spain

Social

26,010
Direct and Indirect
jobs in Vodafone Spain

€ 5.1
million

Allocated by the **Vodafone Foundation Spain** to Innovation and Community Involvement projects.

Environmental

7,758
Tn of CO2 avoided

Vodafone Spain's Direct Contribution

(Amount absorbed by 775,800 trees in one year
or Emissions of 3,831 Vehicles/year)

55,000
Tn of CO2 avoided

Indirect Environmental Contribution
through Use of Vodafone Spain's
Technologies

Economic Contribution

Vodafone Spain contributes directly to the national economy with the wealth we generate, the taxes and licence fees we pay, as well as the suppliers from which we purchase and the people we employ. Furthermore, at the same time, we contribute indirectly towards the country's economy through the contributions made by Vodafone Spain's value chain organisations (suppliers, distributors, etc.). Meanwhile, we stimulate induced economic development by providing greater access to communications, simultaneously increasing access to other services such as financial, educational and health services, etc.

The economic contribution in financial year 2012-13 amounted to €5.19 billion. This contribution is generated by the Vodafone Spain's activities in the People, Enterprises and Public Administrations with which the Company has a direct and indirect relationship.

Direct and Indirect Economic Contribution of Vodafone Spain:

€5.19 billion

People
€822
million

- Wages and salaries of direct and indirect employment
- Welfare Benefits (Private medical insurance, Personnel Training and Recruitment, Luncheon Vouchers, etc...)
- Pension Plan Contributions
- Rent paid to site landlords.

Enterprises
€3.61
billion

- Acquisition of Products and Services from local suppliers
- Interest paid to local financial institutions
- Acquisitions of tangible and intangible fixed assets
- Rent paid to Enterprises.

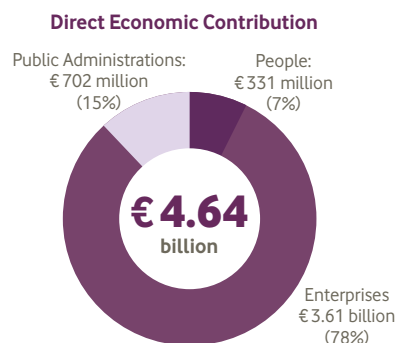
Public Administrations
€764
million

- Corporate income tax and Business Tax
- VAT payments
- Spectrum fees + fees for services
- Personal Income Tax paid per employee
- Social Security payments made by the company and its employees
- Rent paid to Public Administrations.

Direct Economic Contribution to People, Enterprises and Public Administrations

Vodafone Spain's activities contribute financially to its direct stakeholders. Specifically, the value created in Spain is distributed between the employees and their families, the companies which provide goods and services, and the public administrations.

The direct contribution to these Stakeholders during financial year 2012-13 amounted to €4.636 billion.



The main direct contribution to the Spanish economy is that related to the purchase of products and services from companies based in Spain, which represents approximately 85% of the total purchases made by Vodafone Spain. These enterprises received more than €3.48 billion in financial year 2012-13. Leases of buildings to enterprises amounted to €127 million.



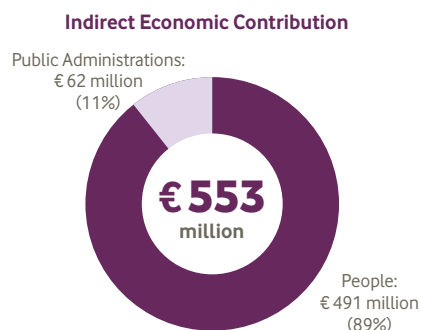
85% of purchases
made from local suppliers

The activities of Vodafone Spain generate direct financial contributions to the public administrations through the public income derived principally from taxes and other specific contributions, such as Company Tax, Enterprises Tax and VAT (489 million euros), taxes for using the spectrum (€130 million), Social Security payments (€52 million) and the rent paid to public administrations (€31 million).

The direct contribution to people is €331 million. Most of this amount is made up of salaries and similar concepts paid by Vodafone Spain (€250 million), pension plan contributions (€5 million), stock options and shares (€19 million), other staff costs derived from social benefits, such as private health insurance, training costs and staff recruitment, luncheon vouchers, etc. (€15 million), and rent paid to the owners of the facilities that we use (€42 million).

Indirect Economic Contribution to People, Enterprises and Public Administrations

In addition to the direct contributions, Vodafone Spain's activities contribute indirectly to the creation of economic value, as a result of the activities carried out by its value chain. As such, thanks to the activities of Vodafone Spain, its employees, suppliers, distributors and customers generate economic flows which benefit people and public authorities.



The indirect financial contribution of Vodafone Spain can be quantified as €553 million, including the following types of contribution:

- The creation of wealth for people, through the salaries paid by the local suppliers to their employees involved in activities carried out by Vodafone Spain (€491 million).
- The creation of wealth for public authorities, through the Social Security contributions (€9 million) and income tax (€53 million) paid by Vodafone Spain employees.

Induced Economic Contribution

The financial contribution generated by Vodafone Spain is not only related to the distribution of wealth within its own value chain and in the telecommunications sector, contributions are also generated in other sectors of the Spanish economy.

This induced contribution comes from the value generated for stakeholders as a result of Vodafone Spain's activities, which is allocated to, or from which benefit is derived by other economic areas. As such, the direct or indirect contributions to companies, people and public authorities are subsequently translated into greater consumption, investment and public expenditure, thereby generating value in other sectors.

This multiplying effect of the added value created by Vodafone Spain generates income in the country's economic system; and can be measured and entered in the accounts as the value of the income from products and services, minus the cost of the materials, components and services purchased.

Consequently, Vodafone Spain's induced economic contribution is an estimated €1.29 billion.



€ 1.29 billion
induced economic contribution

Social Contribution

Direct and indirect employment

Vodafone Spain plays an important role in terms of employment. By belonging to a network of companies, Vodafone contributes towards creating both direct and indirect jobs (jobs created in its value chain as a consequence of Vodafone's activities).

26,010

job generated by Vodafone Spain's activities

Direct Employment

3,674

FTE Employees (*)

Vodafone Spain Employees

Indirect Employment

22,336

non-FTE Employees (*)

External logistics personnel

External Call Center personnel

External sales personnel (individuals and companies)

External Fixed Unit personnel

External Technology personnel


Other outsourced personnel (consultancy, systems, etc.)

Vodafone Spain's direct contribution to the level of employment is measured according to the number of employees the company has. Vodafone has 3,761 employees in Spain, which represented in terms of full-time employees (FTE) is 3,674.

In order to quantify the company's overall contribution to employment, we must also consider the staff employed by its suppliers which provide products and services, including those involved in distribution activities, sales and customer care services. Indirect employment can be quantified as 22,336 people working full-time.

(*) The number of employees is quantified in terms of FTE, which stands for Full Time Equivalents

Vodafone Spain Foundation

The Vodafone Spain Foundation is another of the resources that Vodafone Spain has for furthering its commitment to society. 

Created in 1995 as a private non-profit-making research institution, it continues to work with the objective of innovating in the use of ICTs to improve quality of life, personal independence, active aging and social and labour integration, particularly for vulnerable groups.

The Vodafone Spain Foundation's activities are divided into two main fields: Innovation and Community Involvement projects, having allocated **€ 5.1 million** to these activities during the financial year. [See the Chapter "Sustainable Society. Vodafone Foundation Spain".](#)

Contribution to Social Development

Vodafone Spain also contributes towards the country's social development by supplying telecommunications products and services which promote accessible communication without barriers which helps to improve quality of life and social and labour integration for people with special needs, including people with different abilities, senior citizens, chronically ill patients, victims of gender-based violence, etc. [See the Chapter "Sustainable Society. Products and Social Services".](#)



€ 5.1 million

allocated to community involvement activities by the Vodafone Foundation Spain

 Further information at www.fundacion.vodafone.es

Environmental Contribution

Vodafone Spain's commitment to sustainable development involves controlling and minimising the direct impact of its activity on the environment, both in terms of the facilities and equipment making up its telecommunications network, and of its shops and offices, as well as the life cycle of the equipment that it buys and/or sells.

Meanwhile, Vodafone Spain's best opportunity to contribute towards the fight against climate change presents itself through the development of products and services which indirectly help other sectors to reduce their own CO₂ emissions.

Direct Environmental Contribution: Vodafone Spain's initiatives to reduce the environmental impact.

During the 2012-13 financial year, Vodafone Spain has continued to implement actions in order to improve the energy efficiency of its telecommunications network, offices and shops, and thereby control its CO₂ emissions. Furthermore, actions have been taken in the area of sustainable mobility, thereby reducing the environmental impact associated with employee trips and travel. [See Chapter "Environment. Energy Consumption"](#).

Vodafone Spain's Direct Environmental Contribution

7,758 Tn of CO₂ avoided

(equivalent to the amount absorbed by 775,800 trees in one year¹ or the emissions of 3,831 vehicles/year)

Tn CO₂ avoided through Energy Efficiency

Network: 4,892 Tn CO₂

Offices: -399 Tn CO₂

Stores: 222 Tn CO₂

TOTAL: 4,715 Tn CO₂

Tn of CO₂ avoided through mobility management

Video conferencing: 1,936 Tn CO₂

Fleet vehicles: 912 Tn CO₂


Shuttles: 195 Tn CO₂


TOTAL: 3,043 Tn CO₂

¹ The United Nations Framework Convention on Climate Change (UNFCCC) estimates that a tree absorbs approximately 10kg of CO₂ per year.

Indirect Environmental Contribution: Reduction in Emissions in the country through the use of Vodafone Spain technologies

ICTs represent one of the most important instruments for mitigating climate change, since they help to reduce energy consumption in other sectors and as such to reduce carbon dioxide and other greenhouse gas emissions. Applications based on dematerialisation and Machine to Machine (M2M) connections are starting to play a significant role in this contribution and will undoubtedly have a notably increased role in the coming years.

Certain studies such as "Spain 2020. ICT and Sustainability" , published by the Excellence in Sustainability Club, and in which Vodafone Spain collaborated, indicate that an ICT and Sustainability strategy implemented in Spain in the coming years, across all sectors, would represent a potential reduction of 36.76 MtCO₂ by 2020.

Meanwhile, according to the study carried out by the Vodafone Group in 2009, "Carbon Connections" , it is estimated that the contribution of mobile technologies in 2020 will prevent the emission of 110,000 tonnes of CO₂ equivalent per million M2M wireless connections activated. Based on this estimate, it is thought that on 31st March 2013, Vodafone Spain's contribution to the reduction of CO₂ emissions through the use of its M2M products and services is so far 55,000 tonnes of CO₂.



55,000 Tn de CO₂ avoided

through the use of Vodafone Spain M2M products
and services



Sustainable Society



More than € 800,000 collected in 2012-13
for NGOs, through Solidarity Messages



€ 5.1 million allocated to social activities by
the Vodafone Foundation Spain in 2012-13



More than 0.5 million
SIM cards activated for M2M


Our aim with regard to sustainability is to transform society and enable a more sustainable life for all through our technology.

The products and services that we develop not only contribute towards improving people's quality of life, but also contribute towards improving the productivity and competitiveness of organisations, whilst helping them to reduce their environmental impact.

Social Products and Services

One of the biggest opportunities that Vodafone has to positively contribute to society is to increase people's access to telecommunications. Telecommunications have changed the way in which people live, irrespective of their location, physical capacity or economic status, by offering them the opportunity to benefit from access to information and communication technologies.

Telecommunications can become a tool that gives independence to many people that could not previously enjoy the advantages of modern communications. As such, an inclusive design makes it possible to respond to different sensory (visual, auditory, physical (reduced manual dexterity)) and cognitive capacities.

Vodafone Spain seeks, through its products and services, to meet people's needs, including those of people with special needs or who belong to vulnerable groups. In order to achieve this, we have a close relationship with numerous associations representing such groups, which help us and make it possible to develop the products and services which best suit their needs. 

Activities in 2012-13

During the 2012-13 financial year, Vodafone Spain has continued to further its strategy to facilitate access to telecommunications for people with special needs or belonging to vulnerable groups. The most significant actions here have been the following:

- **Sign Plan:** In Spain, there are over a million people with an auditory disability and a significant percentage of them communicate using Spanish Sign Language. Taking into account these circumstances, the new Sign Plan tariff has been launched, in collaboration with the Spanish Confederation of Deaf People (CNSE), which improves the terms of the former "Accessible Tariff". This new tariff has been designed to cater for the everyday needs of someone with an auditory disability; they can now use Sign Language in video calls and also express themselves more independently using texts, email, chat and social networks.
- **Emporia RL2:** The focus of Vodafone products and services aimed at senior citizens (Senior range), is based upon supporting active aging and helping those people who are looking for simple, safe and accessible mobile communication, by offering handsets which have been adapted to meet their specific needs, and which also include the Active Service telephone assistance cover. During this financial year, the handset portfolio for senior citizens has improved and now includes the Emporia RL2, which is a handset that is easy to use, compatible with hearing aids, and which has large keys with clearly recognisable pressure points, an emergency button, and a large high-contrast LED display in order to facilitate reading.
- **Active Service:** All of the handsets in the Senior range sold by Vodafone Spain include Active Service telephone assistance cover totally free of charge. This is an interactive communication service which seeks to offer safety and peace of mind to our customers as they face everyday problems and concerns.

The service is provided in conjunction with a company specialising in telephone assistance cover, making a qualified professional available to our customers in 20 seconds: doctors, lawyers, psychologists and nutritionists; 24 hours a day, 365 days a year. This service offers customers the following types of guidance:

- Medical: this hotline answers medical queries about issues such as blood tests and how to take their medicine.
- Social: questions about social benefits such as entitlement to retirement or widow's pensions.
- Psychological: general guidance or specific support in difficult times.
- Legal: queries about social security rights, pensions, widowhood, separation or simply what to do about a fine.
- Nutritional: queries about eating habits in general and specific diets, such as for people with diabetes, excessive cholesterol or blood pressure.

Access to the Active Service is provided, maintaining the confidentiality of the user and the issues addressed at all times.



Sign Plan



Emporia RL2



Active Service

- **Amplifón Agreement:** During the 2012-13 financial year, Vodafone Spain reached an agreement with Amplifón Ibérica, in order to offer our customers exclusive discounts on the different auditory solutions in their centres, as well as selling two segment-leading mobile devices which are exclusive to Vodafone: Emporia RL2 and the Nokia TLoop Pack (magnetic loop with bluetooth which facilitates communication without interference to people who use hearing aids).
- **Agreements with ONCE and COCEMFE:** Vodafone Spain reached agreements with the ONCE and COCEMFE (Spanish Confederation of People with Physical and Organic Disabilities) respectively, with the aim of contributing towards making communication more accessible and inclusive through mobile telephony. These agreements will enable the employees and partners of both organisations to enjoy advantageous conditions and discounts on their voice and data communications, thanks to the inclusion of specific offers for people with disabilities.
- **Service to customers with hearing impairment:** During this financial year, improvements have been made to the care which has been offered to customers with an auditory disability since 2008. As such, customer care availability has been extended to 24 hours, 7 days per week, using an expert platform (soportvf_accesible@vodafone.es).
- **Solidarity Messages:** Through the Messages of Solidarity service which enables Vodafone customers to make donations to charitable organisations, help is given towards funding the campaigns of these organisations.
In order to participate, you just have to send the keyword assigned to the charity that you wish to collaborate with, to the number **28052**.
- **Dono Project:** This initiative, coordinated by Technosite (the ONCE Group's technology company) allows Vodafone Spain to donate voice and data services to NGOs and Foundations. The market value of the services donated since we began taking part in this initiative in 2009 amounts to more than €290,000.



More than € 800,000 raised through
Solidarity Messages during 2012-13



More than € 290,000 donated in
voice and data services to NGOs and Foundations

Events and workshops

In addition to developing products and services for people with special needs, we also organise several events and workshops for these groups, such as:

- **Workshops for deaf and blind people:** Vodafone, together with ONCE and CNSE, carried out a series of workshops aimed at spreading the use of new technologies amongst deaf and blind people.
- **Senior Campus:** In September 2012, Vodafone Spain, along with the Madrid Region and Samsung, organised a training day in order to make new technologies more accessible to senior citizens.
- **Without Barriers:** In September 2012, Vodafone Spain participated in the 3rd Edition of the Without Barriers Fair, a fair for Independence, Accessibility, Design for all, Participation and Quality of Life for people with special needs.
- **ONCE Members' Day:** Vodafone Spain actively participated in this event held in June 2012.



Without Barriers Fair

Vodafone Web and Store Accessibility


Vodafone stores

With the "Accessible Shop" project, that it has been carrying out since 2009, the intention is that the purchase of our products and services should take place in standardised environments and be designed so that they are accessible to all people, irrespective of their different physical and sensory capacities.

The actions to be carried out in our shops in order to comply with the universal accessibility criteria of the UNE-170001 regulations were identified through the project and focus largely upon access to them, interior design and commercial care.

Currently, 94% of our owned shops have implemented solutions to comply with the universal accessibility criteria of the aforementioned regulations.

Web

During the 2012-13 financial year, the activities to finish the accessibility of the Vodafone Spain website  have continued, such that 80% of the website's pages are accessible, having been awarded Level AA certification for all public content, except the Online Shop due to its special characteristics derived from the need for security for transactional operations.

In addition to the above, the following new features have been introduced to the website:

- Creation of applications for Smartphones and Tablets (iOS and Android) for customer self-management (which currently represent 27% of visits).
- Translation of public web content to the Catalan language, including the Online Shop (we currently have a multi-language solution, with four official languages, in the private areas of the website).



94% of our own stores are accessible

Vodafone Spain Foundation

During the 2012-13 financial year, the Vodafone Spain Foundation kept on endeavouring to innovate ways of using ICTs to improve the quality of life, personal autonomy, active aging and social-occupational integration of people, especially those who form part of vulnerable groups. This year the Vodafone Foundation allocated € 5.1 million to its Innovation and Community Involvement projects.

 **€ 5,1 million** allocated to social activities by the Vodafone Spain Foundation in 2012-13

Innovation

The Vodafone Spain Foundation, through its Innovation Unit, takes advantage of the benefits that Accessible ICTs offer, in order to help to improve the quality of life of vulnerable groups. As such, it carries out both national and European R&D&I projects, focussing upon three lines of activity:


Senior Citizens and independent life, Accessibility and m-Health. These initiatives are carried out in collaboration with associations representing vulnerable groups, non-profit-making organisations devoted to social causes, universities and other research centres.

Senior Citizens and independent life

• TECSOS Foundation

2012 marked the 10th Anniversary of the TECSOS Foundation, which was set up in partnership with the Spanish Red Cross with the aim of putting the advantages of ICTs within the reach of elderly people and their environment.


• Casals en Xarxa

Project carried out in collaboration with the i2CAT Foundation and with the support of the Catalonia Regional Government. The Casals (community centres) of Catalonia offer training workshops for senior citizens which can be followed by video conference either from other Casals in the region or from home via a tablet. This facilitates the relationship between users and prevents isolation and loneliness in people who, for different reasons, cannot visit the centres. 1 

Accessibility

Spanish Projects

• e-labora

Spearheaded by Apracor Foundation with the help of Vodafone Foundation Spain, the project's goal is to increase the social integration of people with intellectual disabilities, promoting their autonomy and facilitating their access to quality employment through the use of new technologies. Backed by the Ministry of Industry, Tourism and Commerce through the Avanza Plan 2, and by Qualcomm. 2 


• @STIC "Accessibility in Smart Telematic Services for the Citizen"

This project aims to analyze and streamline general interest advanced telematics services through a single access point for people with physical disabilities, so as to promote their participation on equal terms, enabling them to benefit from the opportunities of e-administration and the Information Society. The Ministry of Industry, Tourism and Trade is co-funding this initiative through the Avanza Plan in the Digital Citizenship item.

• ASPACEnet#

ASPACE Confederation and Vodafone Foundation Spain project, which has the dual objective of bringing new technologies closer to people with Cerebral Palsy, and creating new developments which help these people to overcome the everyday barriers of their disability.

• APPScesibles

With the objective of promoting knowledge about accessible applications, this free Android application, developed by the Vodafone Foundation Spain, offers accessible applications designed to improve the quality of life of disabled and elderly people in a single place. 3 



1. http://www.youtube.com/watch?v=ncDy9_Cc7Go
 2. <http://www.youtube.com/watch?v=glNhZ3z682I>
 3. <https://play.google.com/store/apps/details?id=app.fve>

Projects with the support of the European Commission

• AEGIS (“Open Accessibility Everywhere: Groundwork, Infrastructure, Standards”)

In 2012, this project successfully attained its objective of proposing a new ICT accessibility paradigm that will allow general-purpose applications to be accessible. Targeted at users with functional diversity and based on free software, it is designed for computers, mobiles and Internet. 1

• Cloud4all

This project aims to take advantage of cloud programming capacity to offer access to accessible technology to anyone who needs it, whenever they need it and in a way that automatically adapts to their specific needs. 2

• ATIS4ALL

This project seeks to start and maintain:

- An open, collaborative portal that offers information on assistive technologies based on ICTs and accessibility products and services available in Europe.
- An information repository on assistive technology software and cutting edge technology trends.
- A network of partners who will provide their know-how and experience to manage, control, promote and encourage the participation of the most important organisations in the portal. 3

m-Health

• Project with Vall D'Hebrón

The project's goal is to allow patients who have suffered a stroke to perform remote rehabilitation exercises from home. The project is being carried out by participate the Vall d'Hebron Research Institute (VHIR) and Vodafone Foundation Spain, and the platform is being developed by the i2CAT Foundation. 4

• DaleMov

The Spanish Parkinson Federation and Vodafone Foundation Spain, have developed the project 'DaleMov: Ubiquitous accessible cognitive stimulation services for Parkinson's patients', which has as its main objective the implementation of an ICT-based platform designed to maintain the cognitive abilities of Parkinson's patients through a personalized interactive service, and their monitoring and assessment by health professionals. 5

Other initiatives

• Vodafone Awards for Innovation in Mobile Communications

These awards serve to encourage the development and innovation of technological proposals which are in both their study and launch phase. In 2012-13, Vodafone held the 6th Edition of these awards.

Vodafone Awards for Innovation in Mobile Communications. 6th Edition

- Award to the development of “Mobile for Good” apps: **Projecto Passblue** developed by Vía-libre, a Fundosa group company.
- ICT innovation project award: **Project Inclusite®**, by CDS.
- ICT entrepreneur award: **Project textoSIGN**, created the Singlab company. The jury also decided to award a prize in this category to the **Enable Viacam**, project, entered by the Crea company.

6

1. <http://www.aegis-project.eu>
2. <http://www.cloud4all.info/>
3. <http://www.atis4all.eu/>
4. <http://www.youtube.com/watch?v=BZKD-0Il2Ic>
5. <http://www.youtube.com/watch?v=l4ZacVV9zn4>
6. <http://www.youtube.com/watch?v=Qk-MbBe4agU>



Vodafone Innovation Awards

Community involvement projects

Training

• Postgraduate Courses

During 2012-13, five Masters and three Expert's Courses were offered in collaboration with various Spanish universities. More than 130 students enrolled to broaden their knowledge on latest generation technological developments.

Master's and Experts' Courses

- Master's Degree in Computer Science Applied to Mobile Telecommunications - Malaga University
- Master in Social Economy – School of Industrial Organization
- Master in Disability Support Technologies – Carlos III University
- Master in Design for All – Jaen University
- Official Master in ICT Management – University of Extremadura
- Expert Course on Mobile Communications: Technologies, Services and New Business Models – Seville University
- LTE Expert Course – Catalonia Polytechnic University
- Expert's Course on Disability Support Technology – Carlos III University.



More than 130 students

attended Master and Experts' Courses in 2012-13



More than 2,200 participants

the Seminars and Workshops organized during 2012-13



10,313 senior citizens

taught how to use ICTs during financial year 2012-13

• Accessibility in Excellence Campus

The Vodafone Foundation Spain is firmly committed to making different universities accessible and, in doing so, help disabled people to become fully integrated into them, complying with the collaboration agreement that the Foundation signed with the Ministry of Education to reinforce the Excellence Campus. As a result of this initiative, projects are now underway to improve accessibility in the campuses of 8 Spanish Universities.

• Other Seminars and Workshops

The financial year 2012-13 saw further collaboration with different universities, local councils and associations to organise conferences, seminars and courses on matters related to the elderly and ICTs, new technologies for accessibility and gender violence. A total of 10 meetings have been held and attended by more than 2,200 people. It also held 4 Summer Courses that were attended by nearly 100 students.

• Training on how to use ICTs

During 2012-13, 10,313 people received training in courses organized with more than a dozen institutions. The highlight was the Senior Campus project organized with CEOMA (Spanish Confederation of Associations for the Elderly), which gave Internet usage workshops for nearly 2,500 people, and the Red Cross, which taught over 4,500 elderly people how to use of internet and/or mobile phones.

Our projects

Teatro Accesible

e-labora
ESPACIO LABORAL ACCESIBLE

Proyecto
'Vela Para Todos'

ENRED

TURaall

aspacenet

migra

X

@STIC

paSOS

Our partners

Cruz Roja Española

tecso
fundación de tecnologías sociales

fundación APROCOR

CONFEDERACIÓN ASPACE

Wireless Reach

ONCE

predif

CNSE

FUNDACIÓN universia

Sailability Catalunya

Social and occupational Integration and Accessibility

• Job insertion programmes

During the 2012-13 financial year, around thirty training programmes have been carried out in the areas of new technologies and professionalization, in which 875 people have participated. The Accessible Theatre project stands out which takes place in Madrid, Barcelona and Valencia, which facilitates and promotes access to culture for all and which also employs people with disabilities who have been trained in sensory accessibility services, at the New Life employment rehabilitation centre (centre officially approved by the Madrid Regional Department of Social Affairs).

• Accessibility and Social Integration Programmes (Adapted Leisure)

This area of work features the projects which promote the socialisation of vulnerable groups through adapted leisure activities. Going to the cinema, theatre, sailing and adapted skiing are just a few examples that, through ICTs, allow people with functional diversity practice sports and enjoy leisure activities. A new addition this year was the accessible libraries project that fitted out five Barcelona libraries to allow disabled elderly people to find the information they need. 🌐

• World of difference

Programme that encourages people to take part in community involvement projects, giving them the chance to work on a social project in a non-profit entity in Spain. 2012-13 saw the end of the 6th Edition and the start of the 7th.



"World of Difference". Winners of 7th Edition.

- Óscar Serrano. Asociación Iniciatives Solidàries. Valencia.
- Ana Ferrer. Fundació Miquel Valls. Calella (Barcelona).
- Beatriz Ruiz. Cerebral Palsy Association (APACE). Burgos.
- Clara Pérez. AFMAVA Association. Albaida (Valencia).
- Nazareth Fernández. Asecal Association. Salamanca.
- Noemí Centeno. Federation of Residents' Associations of La Rioja. Logroño.
- Raquel Lafuente. Aragon Cystic Fibrosis Association. Zaragoza.
- María Parada. Compostela Brain Damage Association, Sarela. Santiago de Compostela.



875 people

have taken part in job insertion programmes during 2012-13

Other Activities

Vodafone Journalism Prize. 12th Edition.

The Vodafone Foundation Spain awards this prize to spur public debate on telecommunications and their opportunities. 🌐

The winners of the 12th Edition held in 2012-13 were:

- Special Lifetime Achievement Award: Mr. Víctor García de la Concha.
- Award to a communication professional: Mr. Antonio Lorenzo.
- On-line award: Mr. Fernando García Mongay.



Awards received by the Vodafone Spain Foundation during the financial year 2012-13

- UPDEA Foundation Award to the "Private Institution 2012"
- CERMI awarded its "Disabled's Friend" Prize to José Luis Ripoll, (Honorary Chairman of the Vodafone Foundation in Spain).
- SENDA prize in the "Innovative Initiative" category to the SOCIAL TV project
- ESTIT-UPM 2012 Award 2012, ex-aequo to the Chairman and Honorary Chairman of the Vodafone Foundation Spain.
- "Beyond senses 2012" prize from the ASOCYL (Deaf & Blind Association of Castile and Leon)
- Prize from ASPACE (Cerebral Palsy Association of Spain)
- Prize of the Secretariat of Sports of the Catalonia Regional Government
- Prize from Madrid branch of CERMI (Spanish Committee of Representatives of People with Disabilities) in the institutional category
- 2013 AUTELSI Prize, in the "Initiative for the development of the Information Society" category, to the "Enred@te" project.
- Prize from Seville F.C. to the Vodafone Foundation.



Products and Services for sustainable development

M2M Solutions

Vodafone is committed to the development of products and services aimed at helping other sectors to both improve their productivity and competitiveness, and to reduce their contribution to climate change, by means of solutions which increase eco-efficiency and reduce environmental impact.

Vodafone's products and services in this area include both virtualisation solutions (substitution of physical processes with virtual ones), and smart "Machine to Machine" (M2M) solutions.

M2M solutions for corporate customers is one of the main focal points for Vodafone action in this context. Reducing operating costs plays an important role in the marketing of these services and the potential for reducing carbon emissions is also one of the principal motivations for companies investing in this technology.

M2M applications are those which allow key information from a system to be exchanged automatically, without human intervention. Systems can be fixed or mobile, such as cars and lorry fleets, public services meters, photocopiers and printers, ventilation and air conditioning systems, medical sensors, fitness monitors and closed circuit television cameras. Remote access to information makes it possible to save time and reduce travel, this being key to energy efficiency, and as such to the reduction of CO2 emissions.

Throughout the 2012-13 financial year, the actions of Vodafone Spain in the area of Products and Services for Sustainable Development have focused mainly upon launching solutions for: Efficient Energy Management, Intelligent Logistics, Smart Electricity Networks, and participation in Smart City initiatives.

At the end of 2012-13 we had more than 0.5 million SIM cards activated for M2M.

Spain 2020 Report: ICT and sustainability.



Vodafone Spain has participated in producing the Spain 20.20 Report, for the Excellence in Sustainability Club, which analyses the social, economic and environmental impacts that the use of ICTs in Spain may have.

Specifically, the report highlights that the implementation of ICTs across all sectors of the Spanish economy may represent a saving to companies and public authorities of over 600,000 billion euros, the generation of 60,000 billion euros in new revenue and the creation of over 200,000 jobs, by 2020.

In addition to being key to boosting the productivity of organisations and generating economic wealth, the use of ICTs is an essential element for progressing towards a more sustainable world, since according to the aforementioned study, the widespread application of ICTs across all sectors would result in a reduction of 37 million tonnes of CO2 emissions.



More than 0,5 million

SIM cards activated for M2M



Energy Data Management

Companies and organisations are starting to use smart measurement technology to capture energy consumption centrally and subsequently perform a highly detailed analysis of it. Firstly, this system enables them to find out exactly how much energy is consumed and when it is consumed. Secondly, it makes it easier for them to analyse energy efficiency and potential cost reduction initiatives.

In this respect, the M2M energy management solutions that Vodafone offers its customers provide:

- Accurate consumption knowledge: monitoring real-time energy consumption, its source, and the associated environmental factors.
- Advanced analysis mechanisms: with which to identify organisational inefficiencies and prioritise their resolution.
- Experience: in launching solutions and defining efficient strategies for improving consumption

With these solutions, we help our customers to discover their energy consumption map, to learn how to improve it, and understand the progress that would occur after implementing each of the measures. As such, we enable organisations to achieve a considerable financial saving and to increase their energy efficiency.

“Connected Cabinets”

This solution, currently being piloted by two companies in the Spanish food sector, enables these organisations to optimise, by means of remote management, the logistics and maintenance of its refrigerator elements.

The installation of telemetry devices makes it possible to collect and transmit data to a central application. As such, it enables the detection of anything from open doors to incorrect element positioning (in areas where there is excessive heat, for example). This all results in more efficient energy consumption.



Smart logistics

Vodafone launched its Fleet Management solutions in Spain, in September 2012. M2M technology enables the centralised application of tracing technologies and as such makes it possible to increase the level of sophistication of the service. Being able to control and record more data concerning the monitoring of goods and vehicles, it is possible to add more value to our customers' businesses.

Meanwhile, as a consequence of the fact that Vodafone's M2M platform gives international coverage, we can supply a full range of M2M solutions for the transport and logistics sector.

Fleet localization solutions serve to reduce environmental impacts very significantly, because they allow the companies using them to plan their vehicles' routes and modify them in real time, choosing the most suitable route depending on where the vehicle is from time to time. All of this produces a saving in terms of time and fuel, and as such, an economic and environmental saving.

Furthermore, the intelligent transportation systems (ITS) based on M2M technology make it possible to optimise the flow of vehicles and their load in relation to the state of the road. That way it is possible:

- To optimise routes based on the road selection, taking into account diversions due to roadworks, height/width restrictions, slopes, distances, tariffs on toll roads and customs charges, and refuelling stops.
- To monitor the time that the driver spends in the vehicle, in order to avoid fatigue and control the rest periods.





Smart Electricity Grids

Smart Metering solutions use M2M technology to compile and analyse data concerning energy consumption on the electrical grid. This enables both companies and end consumers to understand how they use energy, helping them to identify ways of reducing costs and carbon emissions, through better energy management.

One example is remote-controlled smart meters for domestic use. They achieve more efficient energy management, reducing electricity consumption and electricity company staff travel.



Smart Cities

Due to the concentration of the population in urban areas, it is important to ensure that cities are financially and environmentally sustainable.

In this reference framework, Vodafone is making a firm commitment to communications solutions that are especially designed for cities, which are known as solutions for Smart Cities.

Vodafone's Smart Cities offering includes a set of initiatives and solutions specifically designed to tackle the challenges that cities have to face, such as the optimisation of productive resources, waste treatment and the reduction of energy consumption.

Furthermore, Vodafone is participating in the AENOR Technical Standardisation Committee CTN 178 concerning Smart Cities which is seeking to produce regulations for the different areas involved in the concept of Smart Cities, through the participation of the administration, companies and other organisations involved in the aforementioned Committee.

"Vodafone Start-up" Programme

During this financial year, Vodafone Spain launched the "Vodafone Start-up" programme with the aim of helping those people who are starting up a business and who need help to set up a business or need to transform one.

The programme is based upon a dynamic platform that entrepreneurs can use and via which free, interactive and collaborative solutions are made available to them so that they can successfully carry out their business projects. This platform provides the necessary advice, guidance and training, which will ensure that a business project can be carried out in the best possible way.

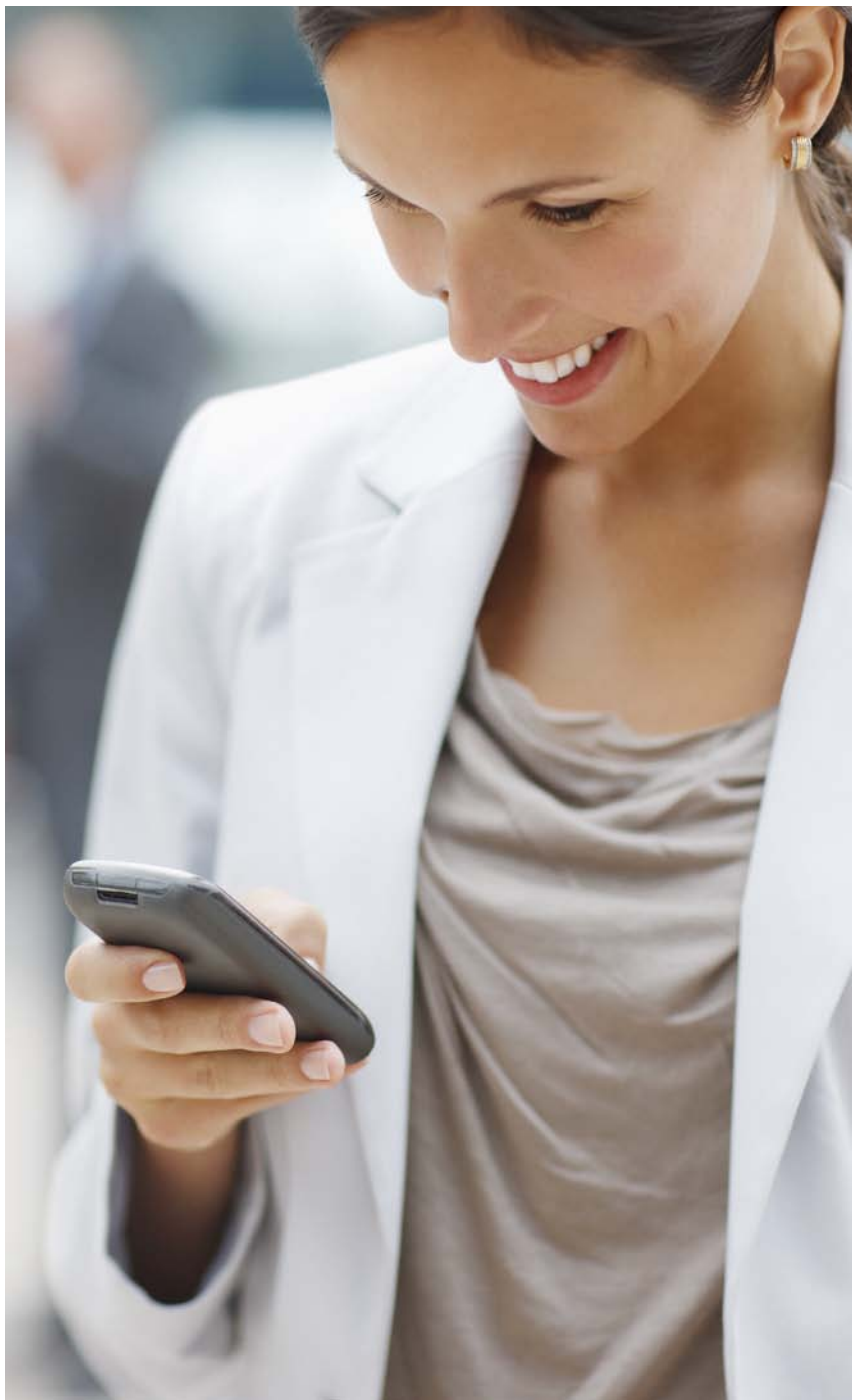
From the portal www.emprendoconvodafone.com the entrepreneur can access different content that is of interest, organised by specific topics or according to the phase in which their business project is in:

- Shadowing courses for creating a business plan
- Training workshops on various topics
- Articles by coaches specialising in business topics
- Option to put questions to online experts
- Other practical information
- Option to obtain the "Entrepreneur Stamp", guaranteeing that a project is ready to be presented to potential investors. Every six months, twelve people shall be selected out of everyone that obtains it, and shall have the opportunity to present their project to a large group of investors and professionals. At the time of writing the report, 146 entrepreneurs have completed or are enrolled in the "Entrepreneur Stamp" course.



Access to content on the "Vodafone Start-up" platform is free, as is enrolling in workshops and courses in order to obtain the "Entrepreneur Stamp".

Furthermore, the "Vodafone Start-up" programme periodically organises the "Entrepreneur Competition", which awards prizes to the best business projects. To date, one competition has been held, the winning company being "Fluff", a company that makes toys which are designed to help children overcome infant fears.



Value Chain



14.4 million customers



98.6% of the population

covered by our 3G network outdoors



€ 3,88 billion

on buying products and services in 2012-13

With the aim of understanding our customers' expectations and sharing our achievements in the area of sustainability with them, we maintain continued fluid communication with them.

Meanwhile, we are still working to transmit our commitment to sustainability to our supply chain. In order to achieve this, we encourage our suppliers to maintain high ethical, environmental and employment standards.

Customers

Maintaining our customers' trust does not only depend on us supplying them with products and services that meet their needs and expectations, but also on us having an honest relationship with them.

In 2012-13 Vodafone Spain, has updated its strategic pillars of differentiation in its relationship with customers:

- Best Customer Experience
- Competitive Offering
- Always On

Strategic Positioning



 **57% of calls**
handled from Spain

Best Customer Experience

Customer Care

Our customers can contact Vodafone using various channels:

- Telephone care (be it through an operator or voice recognition system, VRI)
- Online care/Self-care.

1. Telephone support

Our customers can choose to be served in 7 languages: Spanish, Catalan, Galician, Basque, English, Arabic and Romanian.

At Vodafone we try to offer our customers the swift and decisive care that they expect from us. In order to do this, during the 2012-13 financial year, a series of actions have been carried out which enable us to achieve and maintain the highest standards in our telephone care service:

- Continuous improvement plans in all areas of telephone care, managing to increase the first-call resolution rate. For instance:
 - An internal programme called "Voice of the Customer Meeting" has been developed, through which we have managed to reduce our customers' contact needs and improved this experience when contact was necessary.
 - The care procedures focused upon increasing issue resolution and customer experience satisfaction have been redefined. In this respect, platform capacities have been increased, seeking to find a solution in a single call and improving the systems from a technical point of view, reducing the number of calls cut off at Customer Care Centres.

- Levels of Call Centre accessibility have reached over 95%, thereby ensuring that practically all customer calls are attended.
- Throughout the financial year outgoing call campaigns have been carried out, with the objective of identifying operational improvements that have a direct impact on our customers' experience.
- Reinforcing the training procedures for our operators, drawing up training plans in all areas, and certifying the knowledge acquired, with the aim of offering a consistent and satisfactory experience via the customer care channels addressing all customer needs.
- Making customer care operations more accessible, increasing our presence in Spain, in order to be closer to our customers. At the end of the financial year, 57% of calls were managed from Spain.
- Implementation of care models which are in line with the commercial offering. As such, the new RED commercial offering has a personalised care model that ensures that the offering is understood and provides special support for Smartphones and the use of Data on mobiles.
- Improvements to the routing process of received calls, making it possible to identify customer needs automatically, by making sure that the operator that takes the call has the necessary information and tools to address the customer needs.

Where the Voice Recognition System (VRI) is concerned, continuous improvements have also been carried out to the automated care process. Our main objective is still to offer our customers the best automated customer care service on the market, with a value-added automated system.


2. Online Care/ Self-Care

Amongst our online customer care channels, during the 2012-13 financial year, the mobile has maintained its unstoppable growth as the device used by our customers for self-care, using our MyVodafone mobile application.

The usability of the application has been improved and a version has been developed for Tablets (iOS and Android). Improvements have also been developed for billing functionality, such as summaries for each invoice, interactive graphics, pdf invoice downloads and sending pdf invoices by e-mail.

As a result, mobile self-care users and the number of related transactions have quadrupled compared to the previous year's figures, reaching 467,884 m-Care users (self-care using a mobile) by the end of the financial year.

During this financial year, in the private areas of the Vodafone **website** (My Vodafone and Customer Area), the absolute number of active users has continued to increase and we ended the financial year with 1,500,000 users. In achieving this figure, improvements such as those made to consumption information, which is now online, as well as the fact that self-care has been promoted to customers and advertised in the shops, have played their part.

Since it was launched in 2011, the **"Vodafone helps you" blog** , which has almost 35,000 visits per month, has come to play a key role in supplementing the information offered to our customers in the Help section of vodafone.es and the Vodafone Forum.

In the **Help section of vodafone.es**, during this financial year, a series of video tutorials have been created in order to provide support in the areas most frequently sought by our customers: such as roaming, managing your Smartphone, promotion of self-care channels, as well as an interactive demo for private customers which helps them to understand their bill better and provides explanations of concepts and how totals are calculated.

The **Vodafone Forum** now has over 33,000 registered users, doubling the amount reached the previous year.

The Vodafone Spain website has striven to make customers aware of the possibility and benefits of checking their invoices online. This, together with other actions implemented in the company, has enabled us to reach 2.7 million private customers with Electronic Bills.

At Vodafone, we remain committed to these self-care channels in order to encourage our customers to access the information for any contracted service or product themselves, knowing how to meet their needs both comfortably and quickly, at any time and place, without having to make a call.



35,000 visits

a month to the "Vodafone helps you" blog



33,000 users

registered in the Vodafone Forum



2.7 million

residential customers are sent e-bills



467,884 customers

using self-care on the mobile



1,500,000 users

signed up to the private areas of the web (My Vodafone and Client Area)

Complaint Management

During the 2012-13 financial year, we have continued to work on improving the new Complaints Handling Model that was implemented in 2011, seeking the continued improvement of the customer experience, prioritising the quality of service and promoting first-contact issue resolution, thereby improving customer response times.

We have also implemented a complete Training Plan aimed at specialisation by complaint type, in order to guarantee an improvement in the quality of complaint resolution.

We are continuing to work on analysing the root causes of complaints, revising policies and processes, acting directly on the cause of a complaint, resolving the issue and preventing it from happening to other customers.

Meanwhile, the analysis methodology has been improved, working on the early detection of any incident that may have an impact on the customer and on its rapid resolution, participating in the development phase of new products and services, and carrying out a systematic analysis of the complaints that reach Vodafone.

Furthermore, we have continued to carry out actions to ensure the swift and effective resolution of the customer complaints lodged with an Official Body, opting for a differential telephone mediation model, thereby speeding up the resolution of complaints. We are also promoting the use of e-mail to process official complaints.


By implementing all of these measures, we have managed to reduce the volume of complaints by over 50% during the 2012-13 financial year.

Complaints data is available at the Telecommunications User Care Office. 1 



50%-plus drop in
complaints during 2012-13

SMS Premium

SMS messages and Premium Alerts are information services that are provided by companies outside Vodafone which are received by SMS either periodically or as a one-off, and which have an associated cost per message received. The activation of these services is always voluntary, requested by the customer, and requires a dual confirmation. 2 

During the 2012-13 financial year, the following actions, amongst others, have been carried out in the area of Premium SMS, with the aim of improving customers' experience with these services:

- In addition to the information sent by Premium SMS providers, Vodafone sends a message informing its customers that the subscription has been successful, as well as notifying them of how to cancel the service.
- The numbers of those providers who have breached the Code of Conduct for these services have been blocked. Since 2009, the numbers of a total of 17 providers have been blocked for breach of the Code of Conduct.

Privacy and data protection

During the 2012-13 financial year, the Company's Privacy Committee has continued to monitor the actions which have arisen in the context of privacy and data protection closely.

As such, a "Privacy Risk Management System" (PRMS), has been implemented internally, basically involving the creation of 9 privacy controls in different areas of the company where data protection is relevant. On 30th September 2012, Vodafone Spain informed the Vodafone Group of the implementation of the PRMS.

 1. www.usuarioteleco.es

2. vodafone.es/smspremium

Advertising and marketing

Vodafone Spain's business activities comply with all applicable consumer protection and advertising regulations. Vodafone Spain is a member of the Spanish Association for Self-Regulating Business Communication (Asociación para la Autorregulación de la Comunicación Comercial (Autocontrol)). It also supports Confianza Online (Online Trust), an association that is responsible for protecting both commercial communications and the contractual aspects derived from the commercial transactions which companies and public institutions enter into with consumers via the Internet and other electronic and interactive media.

Likewise, Vodafone Spain supports the nationwide Consumer Arbitration System, in accordance with the Royal Decree on Arbitration 231/2008, of 15th February.

Finally, it is worth mentioning that Vodafone Spain signed, along with other electronic communications operators, the Code of Conduct for Telesales Transactions, which details a series of measures which must be carried out by the signatory operators with the aim of preventing the negative effects caused by the way in which telesales practices are carried out. Likewise, the code states the need to have internal verification and control mechanisms for these measures, and to hold a half-yearly operators' meeting in order to share the results of applying the code.

Throughout the 2012-13 financial year, Vodafone Spain received 3 rulings for advertising issues:

- 1 fine for proceedings brought by the Castille-León Regional Government (€ 3,500)
- 1 fine for proceedings brought by the Andalusian Regional Government (€ 2,500)
- 1 inquiry opened by the Self-Regulation Association, with no associated fine.

Universal Service

Vodafone Spain has been contributing to the funding for the Universal Service, which is provided by the historical operator, with an accumulated amount of over € 88 million since 2003.

Since 1st January 2012, the concept of the Universal Service has included, in addition to the fixed telephony service, the mobile broadband connection which enables a data service of 1Mbps.

The Spanish Telecommunications Market Commission is responsible for determining whether providing the Universal Service constitutes an unjustified burden for the provider, as well as the operators which are obliged to contribute to its funding and by how much.

Vodafone Spain believes that the Universal Service should be comprehensively reviewed because it features significant defects in the way that it is offered, charged and funded.

Intellectual property rights

Where Vodafone Spain is concerned, the practices with regard to this matter involve managing the portfolio of Vodafone brands, patents and domains in the interests of protecting and guaranteeing the correct use of the Vodafone brand and logo, as well as the intangible assets, which involves granting patents relating to the telecommunications services, which enables the improvement and development of the services provided by Vodafone to its customers.



Confianza Online



Autocontrol

Competitive Offering

Rates

Vodafone remains committed to simplifying its rates and offering customers more freedom.

In November 2012, Vodafone launched its prepaid offering, Vodafone yu:. Specially designed for our younger customers, it offers the first bundled rates, a content platform and a full range of experiences where young people get to play an active role in creating their favourite activities: parties, travel, concerts, sports, etc. It also features a radio show, an up-to-date website with all the news, and the major social networks.

November 2012 also saw the unveiling of the Vodafone Base and Vodafone RED contract plans, both of which offer unlimited voice calls and messaging, as well as large volumes of data for high speed surfing (between 1.5 GB/month and 5 GB/month). An added bonus for Vodafone Base and Vodafone RED customers is that they get to combine their pricing plan with the smartphone of their choice. This highly competitive deal also extends to convergent offerings that bundle the Vodafone RED or Base plans with Vodafone DSL. This convergent offering is the most competitive on the market for Vodafone's mobile customers.



Vodafone RED



yu:



Vodafone ADSL

Roaming

During 2012-13, Vodafone Spain has put the focus on offering comprehensive services as the unique value of its communications offering from abroad too, at an end price that customers can afford. By the end of the year, Vodafone Spain had roaming agreements in 212 destinations.

In July 2012, complying with regulations issued by the European Union, Vodafone Spain adjusted the price of its roaming rates for browsing and for outbound and inbound calls in Region 1 (European Union plus, Switzerland, Liechtenstein, Norway and Iceland).

Furthermore, Vodafone has embarked on a project to standardize its roaming data rates, unifying prices regardless of the navigational device customers use (smartphone, tablet or USB modem), hence optimizing the customer's experience by helping them to control and predict what they spend.

To give our customers greater peace of mind, we have devised a tool that lets them know about specific voice, text and browsing rates at their overseas destination as soon as they switch on their phones abroad and are connected to the network. Additionally, Vodafone still offers a range of automatic data usage alarms that work anywhere in the world, which are activated by default for all its residential and SOHO customers, meaning they can control and limit their usage if they so wish.

Another milestone is that Vodafone has been the first to offer maritime and air coverage through agreements with international operators that are starting to offer these services aboard airplanes and cruise ships.



212 destinations

with roaming agreements

Always On

Network Quality

Vodafone's extensive experience in designing telecommunications networks, the reliability of the elements used in network architecture and the levels attained in its operation and maintenance mean we can guarantee our customers' service quality expectations and be leaders in achieving the availability and quality objectives set by international regulations.

A key factor in reaching and maintaining the Quality of Service parameters lies in the Continuous Improvement of Quality Process. Basically, by using different sources of information such as satisfaction surveys, samples of the customer's actual experience, traffic statistics and measurements generated by network elements, field measurements and customer complaints, we analyse the sources of problems and work to resolve them.

Continuous customer satisfaction measures are implemented, focusing on the most important attributes that identify the characteristics of operating a telecommunications network. Specific tools track the real experience of our own and our competitors' customers, to ascertain the strengths and points of improvement that come to light when analysing how customers normally use the different voice and data services. These measurements are then used to check the results of the improvement actions.

On the network roll-out issue, this year's highlight has been UMTS900 going live at more than 3,000 sites, allowing us to greatly enhance indoor 3G coverage in Spain's largest cities: Madrid, Barcelona, Valencia, Bilbao, Zaragoza, Málaga and Seville, as well as other major cities like La Coruña, Vigo, Oviedo, Gijón, Badajoz, Lugo, León, Jaén, Salamanca, Elche, Lorca, Murcia, Cáceres, Zamora, Valladolid, Palma de Mallorca, Santa Cruz de Tenerife, Las Palmas de Gran Canaria, etc., as well as in other smaller towns throughout the country.

According to year-end figures (31st March 2013), we reach 99.7% of the population with the 2G network and 98.6% with the 3G network outdoors.

During 2013-14, we'll keep on upgrading the access network, working in the other cities, coastal areas and the countryside to roll out our UMTS900 technology, improving the coverage and quality of the services provided in these environments.




99.7% of the population
with outdoor 2G network coverage



98.6% of the population
with outdoor 3G network coverage



Vodafone complies with Ministerial Order ITC/912/2006, of 29th March, regulating the terms and conditions governing **Quality of Service** in the provision of communications services. As a result, it issues a regular report on certain quality of service parameters stipulated in the Order, based on international standards defined by the European Telecommunications Standards Institute (ETSI). The quarterly Service Quality values undergo external audits which can be checked on Vodafone's website, and in the Telecommunications section of the Ministry of Industry, Tourism and Trade's website. 

Another of the obligations stipulated by the Service Quality Order is to have a **Global Invoicing Quality Assurance System** that encompasses aspects such as usage measuring and recording processes, pricing, issue and sending of invoices, and complaints. To this end, Vodafone has implemented a continual improvement cycle to ensure error-free invoices; and commissions an annual external audit as part of the ISO 9001 quality audit.




ISO 9000 Certificate

Safe and Responsible Use

During the 2012-13 financial year, Vodafone Spain has continued with the initiatives implemented in previous years with regard to the safe and responsible use of its products and services for minors.

Children and young people grow up and coexist with new technologies. The new technologies can offer them numerous benefits, for example, at an educational or social level. In order to achieve this, it is important that the use they make of new technologies takes place in a secure and responsible fashion.

As such, Vodafone Spain's main objective in this area for this financial year, was to make parents and guardians aware of the tools and resources that have been developed, which they often do not know about. We are conscious that a joint effort is required to ensure that parents and guardians are familiar with new technologies so that they can instil in their children and minors in their care, the advice required in order to make safe and responsible use of new technologies.


The Parents' Portal  developed in March 2013, contains both the information concerning the sector-specific initiatives in which Vodafone participates, as well as practical information aimed especially at parents and guardians who have children and young people in their care (Vodafone tools for parental control, configuration guides, and a decalogue for parents). This portal actively communicates, both through the information that accompanies customer invoices and at events about Internet Security. In this respect, in February 2013, Vodafone Spain supported the Safer Internet Day, an initiative which had a National Conference with the slogan 'Connect and Respect', organised by Protégeles.

Vodafone Safetynet for surfing safely from Android Smartphones

One of the most popular security tools that Vodafone offers is SafetyNet, a free security application that lets minors use smartphones with the Android operating system safely and responsibly. It lets parents completely or partially block not only calls and messaging, but also the use of applications such as the camera or internet. Further information: 1  or 2 .




 Further information at www.vodafone.es/padres

-  1. http://www.vodafone.es/static/fichero/pro_ucm_mgmt_035235.pdf?frame=1
- 2. <https://play.google.com/store/apps/details?id=com.vodafone.safetynet.core&hl=es>
- 3. http://europa.eu/rapid/press-release_IP-13-86_es.htm
- 4. www.protegeles.com

Sector Initiatives


• CEO Coalition

In 2011, the leading technology and media companies, including Vodafone, signed the "CEO Coalition", the objective of which is to make the Internet a better and safer place for children.

On the occasion of the International Safer Internet Day, on 5 February 2013, the European Commission presented the results of the joint projects which establish a new reference framework for the protection of children in the use of new technologies. As a consequence of its obligations, a series of concrete improvements were achieved by the five working groups: more universal tools for reporting online abuse or harassment; parental control tools built in to products and services; widely used classifications for app, online video and film content; and an investment in tools for the effective withdrawal of child pornography material. For further information 3 .

• 'Protect Childhood' Application

In the 2012-13 financial year, Vodafone Spain, together with the NGO Protégeles and other network operators, launched the mobile application "Protect Childhood" for smartphones and tablets, which makes it easy and immediate for any user to anonymously report any content featuring the sexual abuse of minors, found when browsing the Internet using either of the aforementioned devices.


The application, which can be downloaded free of charge from the application stores and from the Protégeles website, connects directly to the anonymous reporting line promoted by the European Commission in Spain: 4 .

The "Protect Childhood" application complements the formal complaint button that Vodafone has featured on its website, with the collaboration of Protégeles, since 2011, enabling the immediate and anonymous reporting of both images and footage of the sexual abuse of minors, and situations of sexual harassment involving minors. Currently, 12% of the complaints received through protegeles.com come through this button.



Suppliers

Vodafone encourages its suppliers to maintain high ethical, environmental and employment standards, and works with them to help them attain these goals.

We expect our suppliers to comply with the same quality standards as the ones we set ourselves, which is why we involve them in complying with our Code of Ethical Purchasing,  which forms part of their contracts and is mandatory for initial qualification of any supplier who wants to work with Vodafone Spain.

In order to drive improvements throughout the industry and tackle the most problematic areas of the supply chain base, Vodafone collaborates with the Global e-Sustainability Initiative and the Joint Audit Cooperation.

During 2012-13, all the SCM (Supply Chain Management) employees in Spain satisfactorily completed an online course on the Vodafone Code of Ethical Purchasing.

Moreover, 100% of the suppliers classified as high risk have accepted and signed the new Anticorruption clause that has been added to contracts, and therefore it is also signed by all suppliers who renew their services.

Aspects covered by the Code of Ethical Purchasing

- | | |
|---------------------------|---------------------------------|
| 1. Avoid Child Labour | 6. Avoid Disciplinary Practices |
| 2. Avoid Forced Labour | 7. Working Hours |
| 3. Health and safety | 8. Wages |
| 4. Freedom of Association | 9. Individual Conduct |
| 5. Non-discrimination | 10. Environment |

Vodafone's Anti-Corruption and Anti-Bribery Policy

"...
It is Vodafone's policy that the service provider comply with all aspects of national and international regulations, laws, standards and principles concerning the fight against corruption and bribery in each of the jurisdictions in which it operates or has any other activity.
To that end, the service provider gives an undertaking to establish and apply procedures to ensure proper compliance with these standards. Vodafone may at any time call upon the service provider to provide proof of the existence and compliance with such procedures, and the service provider undertakes to certify such aspects.
Consequently, Vodafone will not tolerate any form of bribery, including improper offers or improper payments made to the service provider or by the latter to third parties.
..."

Vodafone is a member of trade associations that work to raise Sustainability standards through ICT industry's supply chain. Consequently, sustainability is a cornerstone of our Supplier Management Programme and we work directly with suppliers to help them improve their sustainability performance.

Vodafone Spain's purchases during 2012-13 amounted to €3.88 billion and, in line with our streamlining policies, the supplier base has been reduced by 15%.

Furthermore, the percentage of purchases made from local suppliers represents 85% of the total, local suppliers meaning those with a registered office in Spain.

In accordance with the Supplier Management Programme procedures, once suppliers have qualified, Vodafone selects those that are assessed every financial year, both locally and globally. As members of the JAC ("Joint Audit Cooperation"), the Vodafone Group has audited the most important network suppliers.



€ 3.88 billion

worth of purchases made by Vodafone Spain during 2012-13



85% of the amount of total purchases made from local suppliers



Fight against the use of Conflict Minerals

Vodafone recognises the potential risks that may be associated with the extraction, sale, use and exportation of minerals which come from areas affected by conflict. The sale of minerals originating from conflict zones generates funds for the parties involved in the conflicts, aggravating them and the associated abuse against human rights.

The objective of Vodafone Policy in this area is that all of the products which are manufactured for the company, are free of materials that originate from the conflict in the Democratic Republic of the Congo. This means that the minerals of those products must come from:

- a) Mines in countries outside the Democratic Republic of Congo or adjoining countries, or
- b) Mines of the Democratic Republic of Congo or of adjoining countries, provided that they have appropriate certificates and traceability.

Vodafone has established a "Conflict Minerals Policy" which all of its suppliers must fulfil after 8th April 2013, in order to ensure that all of the minerals used come from areas that are "free of conflict".



Environment



333,281 Mwh

consumed in 2012-13 by our operations



-23.4% change in energy consumption
per network element with respect to 2006-07



More than 275,000 phones

collected for reuse or recycling in 2012-13

Vodafone's environmental commitment implies performing our activities responsibly, minimizing the environmental footprint of our operations. To this end, we have devised a series of measures that let us reduce our energy consumption, our emissions, our waste, and the resources we consume. In short, to be more efficient and environment-friendly.



Vodafone Spain has includes an Environmental Management System (certified in accordance with Standard ISO 14001) that allows us to control and manage our significant environmental impacts: energy consumption, waste management, release of ozone depleting substances, water consumption, etc.

Our objective is to reduce the environmental impact of our products and services, and help our customers to make more sustainable decisions. At the same time, we are working with our suppliers in order to reduce the impact of products during their life cycle.

Handset Eco-labelling system

By way of example of our focus on sustainability in our interaction with customers and suppliers, Vodafone has implemented an Eco-labelling System which makes it possible to know the social and environmental impact of the different mobile telephones and Smartphones in our catalogue. This system awards them a score on a scale from 1.0 to 5.0, the latter being the most ecological.

By means of this initiative, manufacturers are encouraged to design and produce more sustainable handsets and customers are provided with the information so that they can select those devices which are more sustainable. The score features alongside the information about the telephone itself in the Online Store.

The system is based on an overall assessment of both the device itself and the manufacturer's commitment to sustainability. In order to perform this assessment, the environmental impact of the telephone is evaluated throughout its life cycle, from the extraction of the raw materials of which it is composed, through to the manufacturing process, associated transport, use and recycling, in accordance with ISO regulation 14040:2006. Furthermore, additional points are awarded to ecological designs that feature manufacturing characteristics that stand out due to their innovative nature or which are highly rated by customers. It also includes an assessment of the manufacturer's commitment to sustainability, including its social and environmental impact, its measures to reduce carbon dioxide emissions and employment criteria.

All of this information is assessed by Bureau Veritas and SKM Enviros, independent assessment organisations, and the entire process is verified annually by KPMG.



Energy Consumption

The energy consumed by Vodafone Spain is mainly concentrated in the following facilities:

- Network: Base Stations which send and receive radio frequency signals, Switching and Data Centres for directing the calls and capturing the information of mobile telephony and landline telephony services.
- Offices.
- Own retail outlets.



333,281 Mwh consumed
during 2012-13 by our operations

Network energy consumption

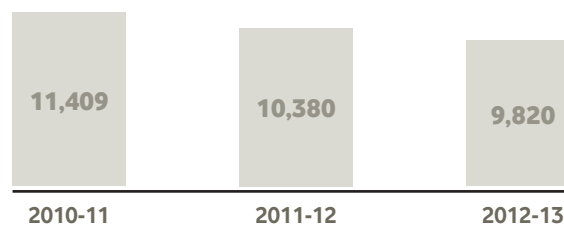
Over 90% of the energy used by Vodafone Spain is used on our telecommunications network.

Our telecommunications services are provided over a network of facilities and equipment that send and receive calls and data. These facilities and equipment are growing and are updated continuously so as to offer our customers higher levels of quality and coverage.

One of the key energy efficiency actions taken during the 2012-13 financial year was the inclusion of new services in our radio equipment, allowing the 900MHz frequency band to be used for 3G. This has significantly boosted broadband mobile data services coverage and network quality, especially inside buildings, while increasing energy efficiency at the same time.

The energy efficiency initiatives have enabled us to lower energy consumption per network element by 5.4% compared to the previous year.

Energy consumption per Network Element (Kwh/ER)



Certain external factors beyond Vodafone Spain's control are liable to influence the calculation of the CO₂ emissions that our activities generate, one example being the significant change made to the CO₂ conversion factor of the country's energy mix in 2012-13. Therefore Vodafone Spain has decided to replace the goal of reducing CO₂ emissions by 2020 with a target that depends on our actions and considers our ongoing network deployment and therefore is based on energy efficiency. That is why, the previous CO₂ emission reduction target has been restated as follows: "Reduce network energy consumption per network element by 50% by year 2020, with respect to 2006-07".



-23.4% change in energy consumption
per network element with respect to 2006-07

Energy Consumption in Offices and Stores

Energy consumption in our offices and retail outlets account for around 10% of our total consumption of energy.

The initiatives applied in our offices during 2012-13 to increase energy efficiency included:

- Analysis of our premises to adjust set-point temperatures, climate control equipment timing and lighting schedules.
- Raising of set-point temperatures in equipment rooms
- Reduction of lighting power in garages.

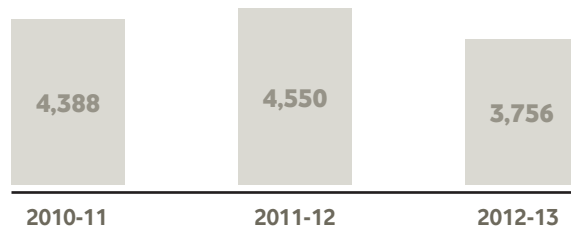
These actions have let us keep energy consumption under control, after already achieving a significant reduction in previous years.

Office electricity consumption (Mwh)



In our Own stores, further efforts were devoted to the initiatives launched in previous years. The significant drop in energy consumption (-17.5% vs. previous year) was also helped by the closure of some of our own stores, a process that began at the end of the year.

Energy consumption in our stores (MWh)




Other energy consumption-related actions

The growing trend of using videoconferencing systems continued during 2012-13, as did the use of tools like Office Communication (Lync) which allow us to make calls, videocalls, instant messaging, etc.

Our use of these communication tools avoided the emission of 1,936 tons of CO₂ during the year by reducing the number of trips.



Our Shuttle service also served to avoid more than 525 commuter trips a day during 2012-13.

 **1,936 Tn of CO₂** avoided
to the atmosphere through the use of
videoconferencing systems during 2012-13

 **More than 525 trips** a day avoided
during 2012-13 through the use of shuttles

Wastes

Where waste management is concerned, Vodafone applies the three “Rs” principle: Reduce, Reuse and Recycle.

Mobile phones and other devices

Although this kind of equipment is not waste that is generated directly by Vodafone, we are conscious of our responsibility in relation to its market launch and distribution, and as such we implement actions in order to ensure that its environmental impact is as low as possible. Therefore, at the time of approving it, we consider whether the manufacturers have complied with the national regulations in force concerning electrical and electronic appliances (waste management and restrictions on certain dangerous substances). Meanwhile, during the sales process, we make information available to our customers about its environmental impact (Eco-labelling system), so that they can take it into account in their purchasing decisions, and finally, we ensure that mechanisms are made available to them in order to facilitate the reuse or recycling of equipment (depending on its condition).

The “Re-estrena” handset recycling scheme, set up in collaboration with a specialist company, enables our customers to obtain a financial benefit by handing over handsets that they no longer use. These telephones are refurbished and subsequently reused in developing or emerging countries, thereby giving users access to new technologies at a more affordable price and avoiding the consumption of the resources that are required to manufacture new devices. Furthermore, 5% of the profit obtained by the company managing this system shall be donated to WWF Spain and invested in environmental improvement projects.



Meanwhile, during this financial year, a reuse scheme has been implemented for our corporate customers: the “Handset Sustainability Plan,” through which we offer them economic benefits in exchange for their disused mobile telephones, whilst ensuring compliance with environmental regulations and the appropriate management of this waste.

In line with the waste reduction principle, we offer our customers SIM cards so that they can keep their telephone instead of changing it.

Finally, for those handsets that cannot be reused or have no value, we offer our customers (and the general public), the opportunity to recycle them through the Tragamovil recycling system, with the aim of recovering the raw materials of which they are composed. In order to do this, we have Tragamovil recycling containers in all of our owned shops and at our head office.

In total, thanks to our mobile telephone reuse and recycling schemes, we have collected over 275,000 handsets during this financial year.



More than 275,000 phones
collected for reuse or recycling in 2012-13

Other Waste

Through our shops, we put paper bags and other types of commercial container on the market, which we declare in the comprehensive **container and packaging** management system (Ecoembes). This year, we have put 99Tn of paper and cardboard, and 8.6Tn of plastic on the market.

For the packages that we generate, we implement minimisation plans, such as replacing plastic bags with paper bags, or changing boxes/plastic strips for stickers, which has enabled us to gradually reduce the weight of the packages that we generate.

In the case of **network waste**, the rapid progress in the sector and the need to always offer our customers the best service, mean that we must replace our network equipment relatively often. Meanwhile, these technological changes enable us to install increasingly energy-efficient equipment on our network. We maintain that the waste generated in these operations is reused wherever possible or recycled and appropriately managed.

The agreement that the sector has reached, with regard to the **universal charger**, has made it possible to reduce the amount of electronic waste generated, removing the need for our customers to change their charger when they purchase a new telephone.

At Vodafone we are aware that sustainable shopping constitutes an important vector which allows companies to demonstrate their commitment to more environmentally-friendly socio-economic development, as such we have opted to include environmental requirements in our purchases.

At Vodafone Spain we consume approximately 50Tn of **office paper** per year, and we are convinced that, in addition to encouraging our employees to reduce their consumption, the purchase of new paper with sustainable forest management certification, will contribute significantly towards protecting the environment.

As such, we request that our paper suppliers provide us with paper that is recycled or made from virgin wood fibres and certified in accordance with the PEFC or FSC or equivalent systems, and that it has been obtained through a clean production system, be it ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free).

All of the office paper consumed at Vodafone Spain fulfils these criteria.

Furthermore, we also make sure that we implement systems to collect and recycle the paper that we consume at our offices and we promote, through raising employee awareness, the reduced consumption of this and other resources.

Another of the notable aspects concerning the paper consumed by our operations relates to the invoicing of customer services. As such, with the objective of reducing the paper consumed in invoicing processes, we promote **electronic billing** to our customers and the latest tariff plans (RED and Base) feature electronic invoicing by default (unless the customer expressly requests paper bills).

Finally, although it is not a significant aspect of our business, we also monitor water consumption, that which we collect and empty into the drainage system. Where accidental spillages or leaks are concerned, we have not had any significant incidents this year.

Meanwhile, we monitor the gases that we use in our heating, air conditioning and fire extinction systems, with the aim of controlling their Ozone Depletion Potential (ODP) and Global Warming Potential (GWP).

The most representative data concerning these aspects is included in the "Tables and Trend Graphs" section.

To be the most efficient company: we are counting on you.

No doubt you like to be efficient in your job and you know that **everything counts**, including the smallest details. Everyone's collaboration in everyday life is fundamental to optimizing the resources that we have. Every small or big action that we undertake at Vodafone usually involves a cost, and all of us that work here can think, before carrying it out, whether it can be done in a more **efficient** way.

Did you know that... we currently print 50% of documents in colour?

Printing in black and white is up to **6 times** cheaper than printing in colour. Before printing, think whether you really need to print in colour: there is no doubt that you could sometimes avoid it.

These are just some examples and actions that can make us more efficient. Surely you also have some ideas: shortly we will ask you about them.

In order to be the most competitive company, we must also be the most efficient company.

Everything counts. You count too.

Responsible Network Deployment



At Vodafone, we develop innovative technical solutions in order to reduce the impact that our network installations have on the environment, whilst extending and improving the coverage, capacity and quality of our network.

When we select the sites for our network installations, we consider our compliance with local planning regulations (verify that the base stations can be legalized). In this respect, Vodafone Spain is a signatory of the "Code of Good Practices for the Installation of Mobile Telephony Infrastructures" signed with the Spanish Federation of Municipalities and Provinces (FEMP). However, considering the regulatory complexity of certain towns, it is possible that the acquisition of licences may be delayed, making existing coverage, and as such, deployment, necessary.

During the 2012-13 financial year, 165 administrative requirements relating to deployment issues have been passed. Where the administrative sanctions derived from these issues are concerned, the total amount was €128,093.

We currently have over 33,000 network elements, including elements from "Ran Sharing" projects (equipment share) with other operators.

During the 2012-13 financial year, the Vodafone Spain deployment policy has focused upon updating and modernizing the existing network, continuing "Ran Refresh" project, which involves changing the current GSM900/UMTS 2100 equipment for other systems offering better mobile technology features, reaching a total of 3,127 "refreshed" sites at the end of the year.

We also remain committed to our site sharing policy, having signed agreements with leading mobile operators, prioritizing the finding of sites for those operators in which infrastructure can be shared.

In May 2012, Vodafone and Orange signed a new agreement to share sites in towns with between 1,000 and 25,000 inhabitants. This new agreement will take the number of shared sites to 3,000.

Landlords' Call Centre



607 100 101

This Vodafone hotline answers the needs, suggestions or complaints of site landlords.

Average number of calls received a month: 2,000.

RF Emissions and Health

In accordance with Royal Decree 1066/2001, the annual certification of the Vodafone Spain stations network was conducted during the first quarter of 2013. For this purpose, RF emissions have been measured at more than 6,600 stations, and the emission levels of 100% of our base stations is far below the threshold set by the aforementioned Royal Decree 1066/2001.

The study conducted from December 2012 to February 2013 by the international consulting firm Penn Schoen Berland, through interviews with members of health institutions, municipal corporations, communication agencies, the academic and scientific community, business institutions, central administration, handset manufacturers and NGOs from more than 20 countries, Spain among them, has shown that 73% of the respondents considers that Vodafone takes its antenna, mobile and health-related obligations very seriously.

Vodafone's efforts to contact the different institutions and share information about its network roll-out, together with its efforts to reduce the social alarm about antennas and mobiles were rated very positively by respondents.

In December 2012, Vodafone Spain underwent an audit that demonstrated 100% compliance of the Vodafone Group's RF emissions policy in the different areas of the company. This has gone to show that the organisation and control procedures are appropriate, in force and observed.

"Mobile Phones and Health": Communication and transparency

So as to let the public at large know just how safe mobile phone masts are, during the year Vodafone took part in a series of meetings organized by the Spanish Federation of Municipalities and Provinces, including:

- Information sessions for residents' associations: "Health aspects of mobile phones and perceiving and communicating the risk"
- Conferences on Best Practices in Mobile Telephony and Local Development.

The issues discussed included health guarantees for deploying mobile telephony infrastructures and how to handle social alarm.

During 2012-13, Vodafone Spain started taking part in "Mobikids", an international study that aims to investigate the possible relationships between various environmental risk factors and young people's illnesses.

To this end, it has signed an agreement with the institution responsible for coordinating the Mobikids study in Spain, the Centre for Research in Environmental Epidemiology, which was set up with the mission of fostering and carrying out advanced epidemiological research into environmental factors that affect health.

All handsets marketed by Vodafone comply with the SAR (Specific Absorption Rate) limits established by the ICNIRP (International Commission on Non-Ionising Radiation Protection).



100% of Vodafone base stations are below the threshold set by Royal Decree 1066/2001



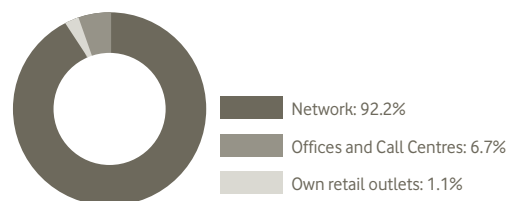
73% of respondents considers that Vodafone takes its antenna, mobile and health-related obligations very seriously.



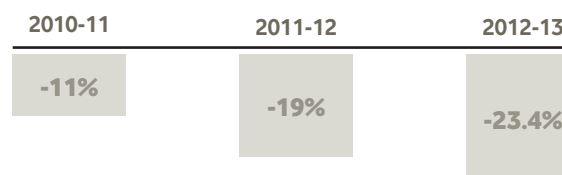
Tables and Trend Charts

Energy Consumption

1. Distribution of Electricity Consumption 2012/13



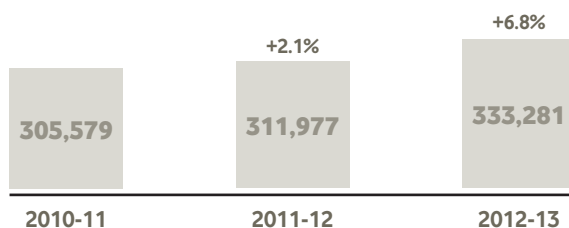
2. Change in Network energy consumption per network element with respect to 2006-07 (%)



As may be seen, the different energy efficiency measures that are being implemented in the network are bringing about positive trends in this indicator.

Therefore, we keep on moving towards meeting the goal of reducing this indicator by 50% by 2020 compared to 2006-07 data.

3. Change in absolute Energy consumption by all Operations (Mwh)



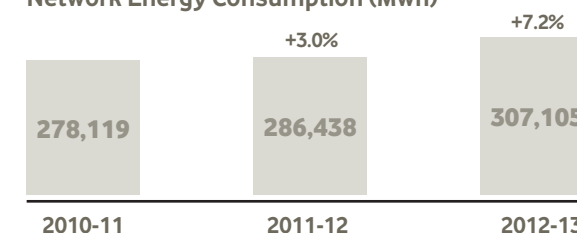
4. Total Energy Consumption by Primary Sources 2012-13

Total Indirect	1,176,248 GJ From the grid
Total Direct	23,563 GJ Wind-solar: 2,237.8 GJ; Diesel: 9,097.5 GJ; Natural Gas: 12,228.1 GJ

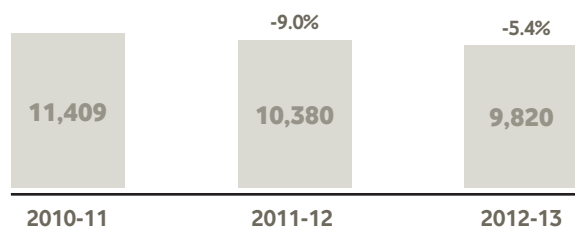
5. Change in network energy consumption (1Kwh = 3.6 MJ)

Network energy consumption	2010-11 (Mwh)	2010-11 (GJ)	2011-12 (Mwh)	2011-12 (GJ)	2012-13 (Mwh)	2012-13 (GJ)
Direct energy	4,830	17,386	4,050	14,579	3,141	11,308
Indirect energy	273,289	983,842	282,388	1,016,597	303,964	1,094,272
TOTAL network energy consumption	278,119	1,001,228	286,438	1,031,176	307,105	1,105,580

Network Energy Consumption (Mwh)

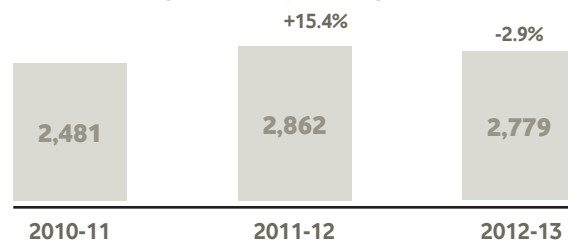


6. Energy consumption per Network Element (Kwh/ER)



N.B.: The 2011-12 value has been changed because the network elements resulting from "Ran Refresh" had not been taken into account.

7. CO2 emission per Network Element derived from network energy consumption (Kg CO2/ER)

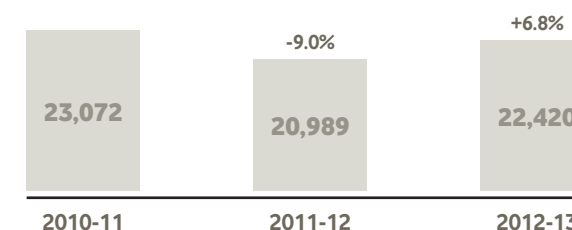


As may be seen, the trend in CO2 emission per network element derived from network energy consumption differs from the energy efficiency trend, because the CO2 emission is influenced by changes in the CO2 conversion factor of the country's energy mix, over which Vodafone Spain has no control, and that has changed significantly in the last two years.

8. Change in Energy Consumption in Offices (1Kwh = 3.6 MJ)

	2010-11 (Mwh)	2010-11 (GJ)	2011-12 (Mwh)	2011-12 (GJ)	2012-13 (Mwh)	2012-13 (GJ)
Direct energy	4,567	16,443	3,704	13,334	3,404	12,256
Indirect energy	18,504	66,617	17,285	62,227	19,015	68,455
TOTAL energy consumed in offices	23,072	83,060	20,989	75,562	22,420	80,711

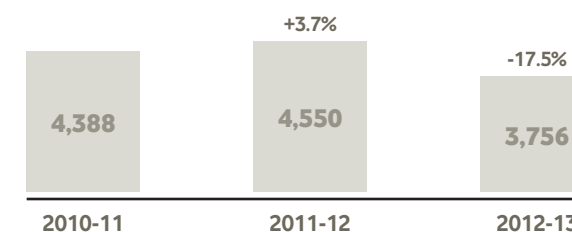
Office electricity consumption (Mwh)



9. Change in Energy Consumption in Retail Stores (1Kwh = 3.6 MJ)

	2010-11 (Mwh)	2010-11 (GJ)	2011-12 (Mwh)	2011-12 (GJ)	2012-13 (Mwh)	2012-13 (GJ)
Direct energy	0	0	0	0	0	0
Indirect energy	4,388	15,798	4,550	16,380	3,756	13,522

Energy consumption in our stores (Mwh)



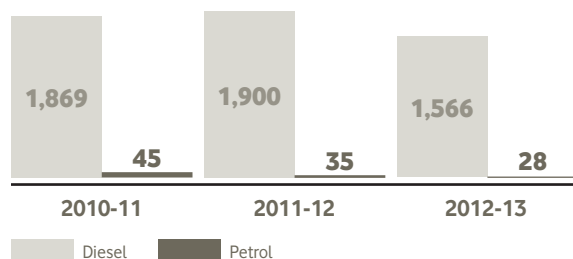
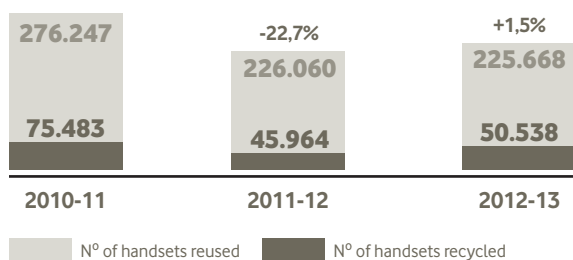
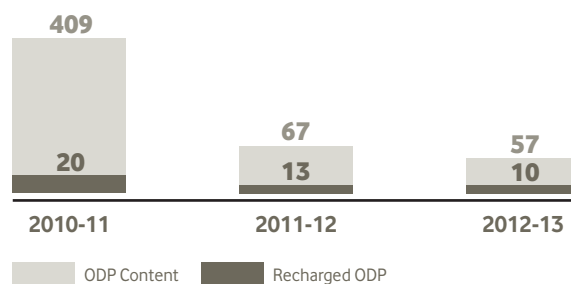
10. Videoconferences held. CO2 emissions avoided.

	Cumulative to 2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
Nº of national videoconferences	11,670	5,296	8,291	8,618	4,870	3,205	41,950
Nº of international videoconferences	6,469	6,610	14,889	17,744	8,460	12,597	66,769
Lync						1,722	1,722
Estimated saving on CO2 emissions (Tn)	1,315	1,111	2,374	2,786	1,355	1,936	10,877

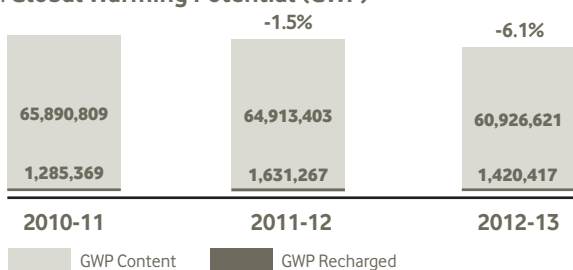
To calculate avoided CO2 emissions, it has been estimated that one out of every four videoconferences has at least avoided a person's national or international return trip.

Furthermore, based on different sources, it is considered that an individual's return trip on a plane between Madrid and Barcelona results in the emission of around 140 Kg of CO2, with this value being multiplied by four (on average) for an international return trip.

In the case of Lync Videoconferencing, only one out of every 10 videoconferences held has been considered, and all have been recorded as national videoconferences.

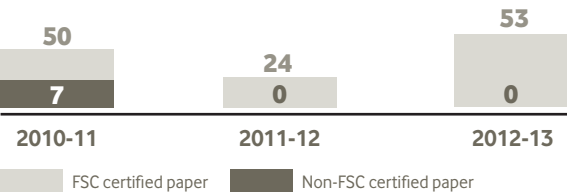
11. Vehicle fleet consumption (Thousand litres)**12. Kilometres flown by employees (x 1000)****Ozone layer-depleting handsets, waste and substances****1. N° of handsets collected (for reuse and recycling)****2. ODP (Ozone Depletion Potential)**

Certain gases (including CFCs and HCFCs) damage the ozone layer and cause higher levels of ultraviolet radiation, which can have negative effects on people's health. At Vodafone Spain we are implementing a plan to replace these gases with other, less ozone-depleting ones (like R 407 or R 410), and this has led to a significant reduction in the ODP.

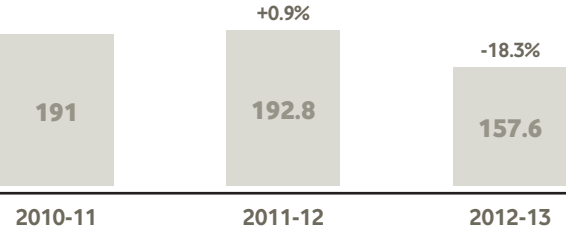
3. Global Warming Potential (GWP)**4. Water consumption (m³)**

5. Paper consumption

Paper consumption in offices and FSC certified paper of the office paper used (Tn)



Tonnes of paper recycled at Vodafone



6. Network Equipment Recycled (Tn)



7. Containers placed on the market (Tn) (Paper, cardboard and plastics). As declared to Ecoembes:





Employees



3,761 employees in Vodafone Spain



31.5% of managerial posts held by women



79% employee satisfaction level

The 2012-13 year has been particularly complex due to the economic circumstances. To adapt the size of the company to the new market reality, it has agreed a business restructuring plan with the employees' legal representatives.

We are convinced that all employees in the current organisation will contribute their professionalism, motivation and skills to this new stage we face. For this we must provide them a good work environment, treat them with respect and offer them attractive incentives and career opportunities.

Employee Relations



Vodafone Spain has always acted respectfully towards its employees and with job protection in mind, not having implemented any labour force adjustment measures until 2012-13 despite the ongoing crisis since 2007, and having always opted for other cost reduction measures such as those implemented the previous year.

However, and despite those measures, the company was forced in 2012-13, due to the present complex sector and economic circumstances in general, to carry out a reorganisation process based on three pillars to help achieve a balance that impacts as little as possible on jobs. The three pillars are the adaptation of the structure to the new reality of the company, the introduction of certain unit employment costs and the implementation of internal flexibility measures.

A negotiation process was conducted with the workers' representatives helping to achieve these objectives through an agreement reached with all of the current unions in Vodafone Spain.

As part of that process and reflecting Vodafone Spain's responsibility towards its employees, we have tried to accept the highest possible number of voluntary redundancy requests by employees, while other measures have been implemented to mitigate the impact on affected employees, such as the highly competitive outplacement programme which includes, in addition to the support, advice and assistance measures in finding a new job, offering the same service to spouses or unmarried couples of affected employees who are also currently unemployed.

Furthermore, and to minimise the impact on jobs of the collective redundancy process, some measures have been agreed to reduce the number of contract terminations, such as:

- Outsourcing of the field-based network maintenance group, maintaining seniority and working conditions, to a leading and reliable company in the sector, plus a guarantee from the new employer to maintain jobs for two years after the transfer.
- Change in working conditions as an alternative measure to terminating the employment relationship.

In addition, as part of that process a future employment agreement has been reached, showing Vodafone Spain's commitment in this respect.

Furthermore, during the 2012-13 financial year, the 6th Vodafone General Bargaining Agreement was negotiated, and will remain in force of for two years, being renewed for a third if neither party terminates it.

Maintaining stable and productive channels of communication with employee representatives has always been one of Vodafone Spain's key concerns. Consequently, Employee Relations Management is a permanent point of contact between employee representatives and Company Management, channelling communication, relationships and participation in different areas.

At present, the workers' committee at Vodafone Spain is formed by 116 trade union representatives. The resources provided far exceed the amount prescribed by law for such cases, given the importance that Vodafone Spain attaches to the participation of workers' representatives.

Similarly, the Vodafone Group has set up the Vodafone European Employee Consultative Council, a European forum for debate and employee representation formed by representatives from all the European operating companies, and currently chaired by a Spanish representative.

Code of Conduct

The Vodafone Code of Conduct outlines the company's Business Principles and how they apply in practice to every Vodafone employee. In the words of Vittorio Colao (Vodafone Group Chief Executive Officer):

"Being an admired company is not just about our performance and achievements, it's also about acting in a responsible, ethical and lawful way. As one of the world's leading international companies, we need to earn the trust of our customers, colleagues and the communities where we work".

The Code of Conduct is applied, together with local legislation, in all markets in which Vodafone operates and is the principal document that governs its policies and describes the requirements to be fulfilled by each person who works with and for Vodafone.



Business Principles

The Business Principles establish the basis for carrying out our activities wherever the company operates and form the essence of the Code of Conduct. They establish the requirements to be met with regard to:

- Individual Conduct
- Compliance with the Law
- Health and Safety
- Financial integrity
- Public policy
- Communications
- Customers
- Employees
- Communities and society
- Environment.

Vodafone also has Policies and Procedures that develop each of the Business Principles, and in particular the following:

- Bribery and Anti-Corruption
- Gifts and Hospitality
- Prevention of Criminal Risks
- Employees' Rights
- Ethical Procurement
- Equal Opportunities
- Privacy
- Health and Safety
- ...

Both the Code of Conduct and corresponding Policies and Procedures are part of the mandatory training received by all employees when joining the Company.

What's more, during 2012-13, all Vodafone Spain employees went on a course covering the main points of the new version of the Code of Conduct, and one of the essential points included in the Code: the Anti-Corruption Policy.

"Speak Up" Channel

If an employee sees any behaviour at work that might breach the Code of Conduct or seems illegal or unethical, they must report it. A corporate intranet channel, **"Speak Up"**, has been provided for this to communicate possible breaches simply and confidentially.

Through this channel any employee can report behaviour that they suspect to be unlawful or criminal. This could be bribery, fraud, price fixing, breach of data privacy, etc. They must also report improper use or abuse of our systems, processes or policies. This includes cases of bullying or harassment, potential conflicts of interest, danger to the health and safety of employees or customers, potential abuses of human rights or serious environmental issues.

Learning and development

During 2012-13, there were three key employee training and development programmes.

Experience the Vodafone Commitment

The aim of this programme is for all employees to improve their knowledge of the company's products and services and find out the customer's experience. This programme combines classroom training with practical store experience and listening to real customer calls. For the store experience, programme participants are given specific activity and sales targets. During 2012-13, more than 100 "Experience the Vodafone Commitment" workshops were held with over 1,700 employees participating.



More than 1,700 employees

have taken part in the "Live the Vodafone Commitment" scheme

"Compass" programme: induction of New Managers.

This programme aims to facilitate the induction and accelerate the learning of new managers in Vodafone, having either been promoted from within or hired externally. It includes a range of self-study activities, training workshops and on the ground learning actions so that new managers can get to know the company, the various business areas and the challenges and skills required in their new position as people managers.



76 participants

in the "Compass" Programme

Mentoring Programme

The Mentoring Programme was also launched during the year. This programme has helped identify executives and managers in the company with the right profile and skills to be the internal mentors of other managers or employees in the company. After being identified, these people underwent a training process as Mentors where they were trained in the use of mentoring/coaching techniques. The Mentoring Programme has three goals:

- 1) Induction of new Managers who have just entered the organisation or people promoted to Managers.
- 2) Skills development. In this case, Mentoring is associated with the development needs identified in the performance review of the mentored individual.
- 3) Career development. Here the mentored individual is identified as a person with development potential by the organisation, with the objective being to establish their medium and long-term professional goals and to find the best way of encouraging the person's versatility and growth.



51 Mentors

certified by the end of 2012-13

The average number of training hours per employee was 28.8 hours, slightly less than in previous years due to the prioritizing of online training for sales and the launch of development portals with online resources.

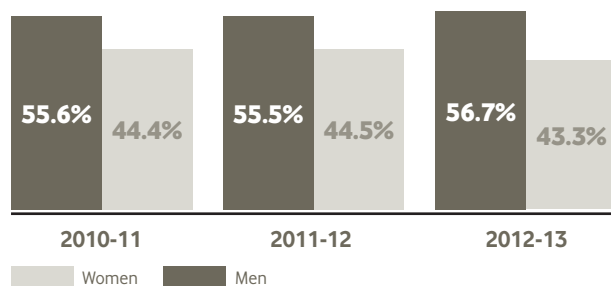


28.8 hours of training
per employee in 2012-13

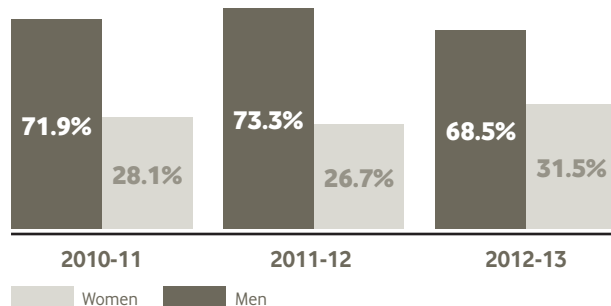
Diversity Management

In terms of gender diversity, actions introduced in previous years to boost the number of women in managerial positions have started to bear fruit. During the year 29% of management vacancies were covered by women (either promoted internally or hired externally).

% employees per gender



Change in % of managerial posts by gender



31.5% of managerial posts held by women

Vodafone Spain complies with the Integration of People with Disabilities Act through both direct employment and alternative measures.

In line with the target stipulated in the previous financial year (in which highly satisfactory results were reached), and to put fresh impetus into the programme devised to integrate employees with different abilities (the "Talent without Barriers" programme"), the main focus this year has been on the recruitment process.

With regard to recruiting people with different abilities, a set number of vacancies in the company are reserved exclusively for disabled employees, to help promote the hiring of the disabled.

As a result of these recruitment actions, 39% more disabled employees were hired than the previous year.

To make progress in these activities, Vodafone continues to strengthen its ties with various organisations specialising in the inclusion and integration of disabled people, such as Zaua, Adecco Foundation and Universia Foundation.



In the agreement reached between Vodafone Spain and the workers' representatives on the collective redundancy process, disabled employees were looked at specifically, including measures designed to ensure their protection.



39% increase in the number of disabled employees with respect to the previous year

Remuneration and Social Benefits

Vodafone has a fair and competitive remuneration system, with individual performance-based opportunities. In applying the system to determine a salary, we take into consideration the responsibilities of the position, potential of the candidate, internal fairness in the organisation and external competitiveness with positions of the same characteristics based on market data.

This system ensures an equal opportunities process, regardless of the gender, nationality or other characteristics of employees.

In addition, all employees not covered by incentive schemes share the company's strategic goals in their variable remuneration.

Welfare Benefits

Vodafone Spain offers its employees a wide range of welfare benefits, which include:

- **Pre-maternity leave.** Possibility of taking maternity leave 15 days before the scheduled delivery date.
- **Paternity leave.** Employees can take 5 working days' leave from the date of birth/adoption (as opposed to 2 days' leave by law).
- **Leave of absence to look after a minor less than 4 years old.** Vodafone has extended the period stipulated by law by one year.
- **Family Allowance.** Employees with children aged between 0 and 4 years old are entitled to a monthly subsidy of €71.59.
- **Large Family Allowance.** Employees with 3 or more children will be entitled to an annual supplement of €357.38 per child.
- **Disabled children's allowance.** Employees are entitled to a monthly subsidy of €143.18 per disabled child until they reach the age of 15.
- **Social and Care Fund.** Set up to provide financial aid to employees who, in exceptional circumstances and on account of serious diseases and / or special medical or surgical treatment, request or require such aid.
- **Health Insurance.** Vodafone Spain pays the full cost of the employee's policy, and all the expenses of the employees' medical appointments.
- **Life and Accident Insurance.** The policies cover three times the annual fixed salary in the case of death or disability.
- **Pension Scheme.** Employees make contributions to their Scheme, and the company doubles that amount up to a maximum of 4% of the employees' gross salary.
- **Luncheon Vouchers:** The annual maximum amount is now €1,124.64.
- **Compressed Summer Working Day.** From mid-July to the end of August.
- **Working hour flexibility.** To allow employees to leave earlier, they can cut their meal time from one and half hours to 45 minutes



79% employee
satisfaction level

Health and Safety

In Health and Safety, we have kept on promoting the slogan "Be healthy, live safely and feel good" as a system to promote the company's preventive culture.

During 2012-13, we consolidated the "Absolute Rules" initiative as a lever to promote a culture of prevention in Vodafone, which aims to do away with employees' and partners' accidents, spotlighting the major risk factors, maintaining the same standards for everyone who works for Vodafone (employees, contractors, etc.).

Estar Sano, Vivir Seguro, Sentirse Bien.



There is no doubt that the health and prevention-related actions taken were one of the main reasons why, when asked this question in the Employees Survey held in 2012: "How would you rate your company in terms of the interest it shows in its employees' safety, health and welfare?", 84% of Vodafone Spain employees answered favourably.



84% employee satisfaction
level with respect to safety, health and welfare

Accident rates



10 accidents
in working hours



116 days lost from
accidents during working days



1.34 frequency rate



0.02 severity rate

Once again this year there were no fatal or serious accidents amongst Vodafone employees and contracted workers.



19 traffic accidents

Two traffic accidents occurred during working days and the others on the way to work. Motorcycles appeared as an emerging cause of accidents with LTA, so next year road safety activities will focus on this means of transport.

Absenteeism



1.68 illness absenteeism rate

Absenteeism Rate



These low rates are the outcome of the efforts made to integrate the Fremap-Medycsa-Adeslas health services so as to identify and cope with support needs. The duration per employee fell from 4.66 days to 3.53. This resulted in 5,350 days less being lost compared to the previous year.



5,350 days less lost through absenteeism,
compared to the previous year

Initiatives for promoting Health, Safety and Well-Being.

Amongst the actions carried out this year, of particular note are the value-added services developed in the for health and well-being field, such as:

Staff Health Management. Worth noting in this regard:

- Medical check-ups. 1,785 medical check-ups were performed in the year.
- All the employees who had a medical check-up have a web access code where they can check the full medical record.
- Medical assistance in the office. Employees had over 7,900 medical appointments on site.

Further efforts went into the campaign to encourage a **culture of leadership in Prevention and Health** to achieve “zero accidents” amongst employees and contract workers.

Prevention Week

In April 2012, to mark the World Day for Safety, Vodafone spent one week informing its employees about issues that matter to their Health, Safety and Well-being, such as:

- The presentation arranged by the Human Resources Division to support compliance of the “Absolute Rules”, intended to create an “always work safe” culture throughout Vodafone.
- Health promotion initiatives, such as memos with links to courses on back-related issues, talks with our doctors to remind the services offered, type II Diabetes identification tests and guidance (in which more than 1,000 employees took part), tips on photoprotection and identifying phototype, etc.
- Launch of the Road Safety Commitment: information and training scheme to ensure that employees who drive fleet vehicles comply with the Absolute Rules.

Internal training on Prevention and Health:

Altogether, 2,857 hours of training were given to a total of 2,409 participants.

Other noteworthy actions:

- Voluntary external audit of the Prevention System conducted by Ernst & Young
- Application of the internal audit plan to contractors who engage in high-risk activities
- Internal audits of safety aspects in mobile telephony base stations
- Participation in a range of events as a founding member of “PRL Innovación” (OHP Innovation, an association that promotes the application of hazard prevention with a focus on people and contribution to the business).
- Development of Project “Conecta”, initiated in 2011-12 with our main contractors who engage in risk activities, that seeks to share good practices, create a preventive culture and standardize documentation to speed up processes.



2,857 hours of Prevention and Health Training

Corporate volunteer work

Throughout the year, Vodafone Spain carried on with its Corporate volunteer work scheme, which lets its employees take part in charitable activities, engaging with the objectives and initiatives of non-profit organizations and NGOs with which the company works. During the year, the employees have participated both in global initiatives promoted by the Vodafone Group and local ones. There follows a brief description of some of these initiatives:

Global

- **Global Biking Initiative (GBI) 2012.** This initiative is a yearly event participated in by Vodafone employees who are keen cyclists and want to get involved in a solidarity action covering long distances by bike. Nearly 400 cyclists from 20 countries rode more than 800 km in 8 days from Oslo to Düsseldorf, and 23 of the participants came from Spain. This year, the Spanish participants' donations have been given to the Moyo Project, with which the Vodafone Foundation collaborates all over the world and which aims to improve the quality of life and health of women in Tanzania.
- **International Emergency Response Volunteer Work Programme.** 100 volunteers from the Vodafone Group's operating companies have attended practical workshops, where they have learned how to assist humanitarian aid organizations in helping the victims of emergencies all over the world. To this end, Vodafone has designed portable equipment, a solution that provides quick mobile coverage in emergencies. The first group of volunteers was trained at Vodafone's premises in Madrid. The Spanish Red Cross has helped the volunteers to conduct emergency drills and now they are ready to act in any international or local emergency.

Local

- **Help in landscaping the new facilities of Aprocor's new Occupational and Daycare centre in the Las Tablas area of Madrid.** This new centre is designed to meet the needs of 125 people with disabilities so they can receive comprehensive, inclusive and quality care, through a personalized itinerary. Vodafone Spain's volunteers and other employees took advantage of the landscaping day to tour the Aprocor Foundation's new premises, meet its users and find out what they do there.
- **Milhistorias Charity Market.** Employees from the Madrid offices took part by buying and selling fruit and vegetables, and at the same time got first-hand information about the Milhistorias project, a company that was set up by the RAIS Foundation to help integrate people at risk of social exclusion and that produces and markets organic products.
- **Inter-Company Tournaments organized by Action Against Hunger.** Just as they do each year, Vodafone Spain's employees took part in the "Inter-Company Tournaments against Hunger". Each company participated by entering their teams for different sports: running, padel tennis, 7-a-side football and golf. The money raised through this initiative has made it possible to treat thousands of children against acute malnutrition.



Global Biking Initiative (GBI) 2012



Emergency Response



Aprocor



Action Against Hunger



ENGAGE Corporate Volunteer Work

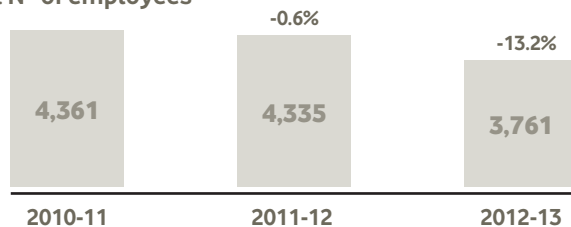


"Now more than ever"

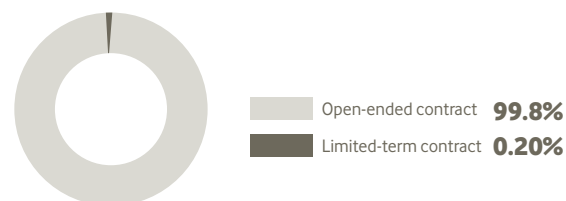
- ENGAGE international Corporate Volunteer Work scheme.** During 2012-13, Vodafone Spain joined this international programme that aims to contribute jointly to meeting the most pressing social needs locally. Forética is the organization spearheading the programme in Spain, where the main courses of action are: supporting the homeless and business contribution to the environmental challenge through activities supporting environmental rehabilitation in specific areas. In this respect, Vodafone Spain's employees took part in restoring the banks of the river Tagus in Madrid and in a gardening project with homeless people in Barcelona.
- Support for the Spanish Red Cross campaign "Now + than ever".** In 2012, Spanish Red Cross called on society to help and respond to those hit by the crisis in Spain, launching its "Now more than ever" campaign, which sought to raise funds for highly vulnerable people. To support this campaign, Vodafone Spain proposed that its employees produce the best Christmas hamper. To this end, employees brought in Xmas products and took part in a charity raffle. Then the Vodafone Foundation Spain matched its proceeds and the whole amount was donated a ceremony attended by Vodafone and Red Cross employees.
- Andalucía Compromiso Digital (Andalusia Digital Commitment).** Vodafone Spain employees are still taking part in Andalucía Compromiso Digital (Andalusia Digital Commitment), a volunteer work initiative promoted by the Andalusia regional government, which aims to bring Information and Communication Technologies closer to Andalusian society as a whole. Since 2011, than 15,500 Andalusians have received training in the 20 subjects offered by the project.

Tables and Trend Charts

1. N° of employees



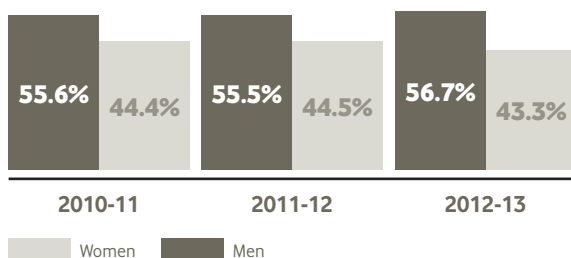
2. Types of contract, 2012-13



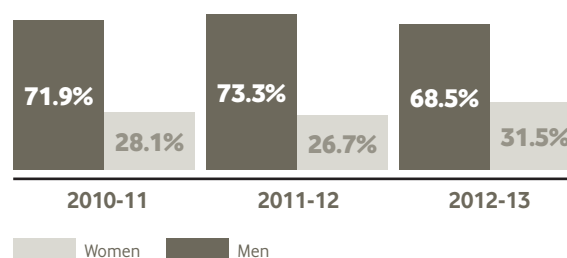
3. Types of contracts by gender

Type of contract	Women	Men
Open-ended contract	43.2%	56.6%
Limited-term contract	0.1%	0.1%
General Total	43.3%	56.7%

4. Trend in employees by gender (%)



5. Trend in management posts by gender (%)



6. Age pyramid 2012/13

	Women	Men	General Total
< 25 years	6	19	25
25 - 34 years	425	521	946
35 - 44 years	1,031	1,221	2,252
45 - 54 years	160	356	516
> 55 years	7	15	22
General total	1,629	2,132	3,761

7. Voluntary turnover 2012-13 (*)

	Women	Men	General Total
< 25 years	12.0%	8.0%	5
25 - 34 years	1.9%	3.2%	48
35 - 44 years	0.3%	0.2%	11
45 - 54 years	0.2%	0.2%	5
> 55 years	0.0%	0.0%	0
General total	1.8%	1.9%	69

8. Departures by age and gender 2012-13 (*)

	Women	Men	General Total
< 25 years	3	5	8
25 - 34 years	32	52	84
35 - 44 years	75	68	143
45 - 55 years	21	35	56
> 55 years	3	8	11
General total	134	168	302

9. Hirings by age and gender 2012-13 (*)

	Women	Men	General Total
< 25 years	3	1	4
25 - 34 years	36	40	76
35 - 44 years	19	27	46
45 - 55 years	2	3	5
General total	60	71	131

(*) Excluidos los empleados asociados al ERE

10. Return to work after maternity or paternity leave

	2012-13
Maternity	98%
Paternity	97%

11. Employees satisfaction level trend



12. N° of hours of /employee



The number of training hours per employee has dropped due to the prioritizing of online training for the sales department and the launch of development portals with online resources.

13. N° of hours' training /group

Average hours vs position	2010-11	2011-12	2012-13
Director/Head of	20.81	11	13.61
Middle management	35.45	22.25	24.59
Specialists	32.62	33.77	29.82

14. Accident incidence rate



15. Absenteeism Rate





Appendices

- | 70 Sustainability Organization
- | 71 Stakeholder Engagement
- | 73 Internal Communication
- | 74 Corporate Governance
- | 77 Independent Assurance Report
- | 80 Global Compact Principles. Reporting Progress
- | 81 GRI Indicators
- | 87 GRI Statement
- | 88 Glossary of Acronyms and Abbreviations


Organization of Sustainability in Vodafone Spain

In order to meet our Stakeholders' expectations and applying the expectation prioritization process, every year a Sustainability Programme is produced, in accordance with the general lines set out in the Sustainability Strategy. This Programme covers Vodafone Spain's sustainability goals and commitments for the period in question.

The Annual Sustainability Programmes are managed and coordinated in Vodafone Spain by the Sustainability and Quality Department, which periodically reports to the Institutional Committee through the Corporate Communications Director, to whom it is answerable. The Institutional Committee is the body that establishes the strategic actions to be followed on Sustainability issues, and approves the Annual Sustainability Programme.

Vodafone Spain's general organizational chart is available for consultation on the company's website.

Vodafone Spain has a complete internal information system, through which its Key Sustainability Management Indicators are compiled and reported periodically to the Vodafone Group. These Indicators include issues such as energy efficiency; waste management; mobile phone collection, reuse and recycling; contributions to the community; etc.

Vodafone Spain backs up its Sustainability Management with an Environmental Management System and a Quality System, developed according to international standards ISO 14001 and ISO 9001 respectively .

These Systems are kept up-to-date and certified through audits carried out by authorized certification bodies.

Main Sustainability issue-related Associations/Organizations of which Vodafone Spain is a member

AENOR: Spanish Association for Standardization and Certification

AMETIC: Association of ICT, Communications and Digital Content sector companies.

AUTOCONTROL: Association for the Self-Regulation of Commercial Communication

ASTEL: Association of Telecommunications Services and Operating Companies

AEC: Spanish Quality Association

Sustainability Excellence Club

Forética

Responsible Public Procurement Forum "Inserta Responsable" Forum

Madrid City Council Pro-Climate Forum

Responsible Society and Business Foundation (SERES)

GSMA: Mobile Operators Association

Spanish Network of the United Nations' Global Compact

Stakeholder Engagement

An essential part of our Sustainability Management is to identify, prioritize and respond to the needs and expectations of our Stakeholders: that is to say, all the people, groups or organizations that may impact our business or who are impacted by it. Their opinions help us to understand and prioritize their expectations and thus be able to provide a suitable and effective response. In short, we endeavour to align our Sustainability Management with the four principles regarding the content of GRI 3.1 (Materiality, Sustainability Context, Completeness, and Stakeholder Engagement) and with the three principles of the AA1000 Standard (2008): Inclusivity, Relevance and Responsiveness.

Our Main Stakeholders

- Customers
- Opinion-Makers
- Employees
- Regulator / Authorities
- General Public/Local Communities
- Landlords' and Residents' Associations
- Suppliers
- Knowledge Makers.

In order to identify, prioritize and respond appropriately to our Stakeholders' needs and expectations, we have various mechanisms and channels of dialogue with them, through which we systematically report and exchange information with the people and organizations that best represent the Stakeholders that matter to our organization, so that we can identify their expectations and check the extent to which we meet them.

Some of the communication channels and dialogue used with different stakeholders are described below:

In addition to these channels, Vodafone Spain offers its different Stakeholders a Sustainability **mailbox** ⓘ where they can send us any comments, complaints or suggestions on the subject.

Customers

Every six months, Vodafone Spain commissions a market research firm to conduct a **survey** to ascertain both their expectations and priorities in Sustainability issues, and how they perceive us as performing in these areas.

We also give them several channels for sending in **suggestions, complaints and reporting incidents**.

During 2012-13, Vodafone Spain has boosted its **social network** presence, allowing us to maintain a fluid dialogue with our customers.

Figures as at 31.03.13



Twitter Followers
49,691



Facebook Fans
272,245

Sustainability Opinion Makers

This Stakeholder's expectations and priorities are ascertained through the different **market surveys** that are conducted, as well as **specific publications**.

Every year the company also conducts a survey of a sample of Consumer Associations and Third Sector Organizations, enabling us to meet their expectations and perceptions on Sustainability issues.

Our **continuous contact** with Third Sector Organizations means we are aware of their expectations and can respond to them through the launch of different Social Products and Services, and the range of volunteer work initiatives that take place.

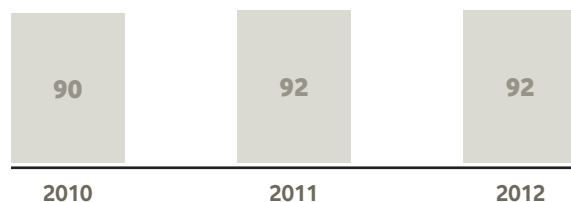
This Stakeholder's expectations are also analysed by following news that appears in the **Media**.

Employees

An annual **People Survey** is being conducted and includes specific questions to find out employees' opinions on how we perform on Sustainability-related matters.

The results obtained in the latest surveys are displayed below:

How would you rate Vodafone Spain as a socially responsible company?



At the same time, we maintain a close relationship with our Employees' Representatives, which enables us to identify their expectations and needs, and which are included in the pertinent collective bargaining agreements.

Public Authorities and Regulator

Vodafone Spain's continuous contact with the Regulator's and Public Authorities' representatives allows us to discuss matters related to our business with them, and every year we organize a **survey** of these representatives that enables us know their Sustainability-related expectations and perceptions.

Vodafone Spain participates in the "**Business and Parliament Training Programme**" promoted by the Businessmen's Circle and gives us first-hand information on this group's expectations and perceptions.

Public at large / Local Communities

Each quarter **surveys** are carried out to remain abreast of the general public's expectations and perceptions on Sustainability matters in telecommunications companies.

Additionally, ongoing dialogue through **Social Networking** allows us a deeper understanding of their expectations.

Landlords' and Residents' Associations

Vodafone Spain has set up a specific channel of communication for this Stakeholder, namely the **Landlords' Call Centre**, with which we can respond to their different needs, suggestions or complaints, and that lets us stay in touch with them.

Suppliers/ Strategic Allies

Every year the company also conducts a survey of a sample of Suppliers, enabling us to meet their expectations and perceptions on Sustainability issues. Additionally, Vodafone Spain teams up with its suppliers to outline the improvement actions that they need to implement in terms of both parties' requirements.

Knowledge Makers

The different **Training and Information** activities in which we participate at universities, business schools, etc. allow us to find out their expectations and perceptions.

Internal Communication

The Internal Communication Department's mission is to make employees see themselves as a vital part of the business, getting them to feel committed to the Company and give their best to achieve its goals.

Internal Communication's main activities during 2012-13 included:

- Launch of the Competition Law, Code of Conduct and Anticorruption Policy courses for the whole work force.
- Involving employees both in the main commercial launches (Vodafone yu: and Vodafone RED/Base) and in carrying out different pilot tests on products currently being developed (NFC for accessing offices, paying at restaurants, mobile security, etc.).
- Communication and coordination of charitable actions, such as: Fruit Market, Xmas 2012 Charity Hamper, Charity Sports Championships, etc.
- Development of new Internal Communication tools:
 - Vodafone HUB: new Intranet devised to be more dynamic and improve communication between employees, with 2.0 environment and built-in tools like Vodafone Circle (platform for creating discussion forums and working groups) and Workspace (for sharing information). Employees can also customize their profile and comment on the news included in the HUB as the internal communication channel.
 - Snap Comms: This new tool sends important news and alerts straight to employees' computers (alert bars and/or pop ups) and is highly effective at ensuring employees receive and read them.



Competition Law Course



Xmas 2012 charity hamper



Snap Comm

Corporate Governance

Vodafone Spain is governed by the policies, procedures, and courses of action that form the Vodafone Group's regulatory framework. All these rules are set out in its Code of Conduct and its Business Principles, as well as in the Vodafone Group policies, which serve as the borders of Vodafone Spain's governance framework and comes complete with a series of local policies and procedures.

In October 2012, a new, revamped version of the Code of Conduct was distributed to all employees. To reinforce its understanding and application, the Company organized an on-line Code of Conduct course that all employees had to complete.

This year, the company has reinforced the process to guarantee compliance with Vodafone Group policies through a new Policy Compliance Review (PCR). To this end, it has checked compliance of the key controls associated to the policies regarded as most relevant for the Company. The people responsible for all the other policies have performed a compliance self-assessment. The result of this annual review has been approved by Vodafone Spain's CEO and sent to the Vodafone Group. This process has been spearheaded by the Head of the Legal, Regulation and Corporate Security Department.

The Company carries out certain activities within the Corporate Governance framework and the good internal control practices framework. For instance, every year the people in charge of each process self-assess the controls and policy compliance through the Key Control Questionnaire, and the Sarbanes-Oxley Act compliance controls are tested. The company applies fraud prevention controls that are managed by the Corporate Security Department; and the Internal Audit Department's duties include independent oversight of the critical business processes and internal control activities, based on the annual internal audit plan that is prepared from a Group-wide risk assessment, with input from Vodafone Spain.

Moreover, in the field of Criminal Risk Prevention, Vodafone Spain conducts a review of the effectiveness of various controls based on an annual plan approved by the Audit Committee.

Sarbanes-Oxley Act

This is a United States Federal Law, approved in the wake of certain corporate accounting scandals in which major corporations were caught up in and which resulted in a loss of confidence in the financial markets.

It aims to strengthen corporate governance mechanisms and investor confidence in the financial information of companies quoted on the US stock market. The Vodafone Group is quoted on the New York Stock Exchange (NYSE), which is why its subsidiary Vodafone Spain must also comply with the Sarbanes-Oxley Act. Among other requirements, this entails documenting, assessing and certifying the effectiveness of the controls of the Company's Financial Reporting Internal Control System, plus the annual certification of the effectiveness of these same issues by an external auditor.

During 2012-13, Vodafone Spain updated the documents and tests on the operational effectiveness of controls introduced in the most significant business processes. This process culminated with the local certification from the Chairman, CEO and CFO of Vodafone Spain, reporting to the Vodafone Group.

Vodafone Spain's external auditor has also issued a report which certifies that no defects were found in the Vodafone Spain internal control system.

Key Control Questionnaire (KCQ)

In addition to the work associated with observing the Sarbanes-Oxley Act, every year Vodafone Spain applies a self-assessment tool for internal control called the Key Control Questionnaire (KCQ).

Once all the KCQ assessments, which serve to confirm the suitability of Vodafone Spain's internal control, were collected, the report was approved by the Chairman, CEO and CFO and sent to the Vodafone Group.



Anti-Fraud and Corruption actions

Every quarter, the Fraud, Risk and Security Department's Corporate Security section sends the Vodafone Group its Quarterly Corporate Security Report, in which it outlines any incidents and actions related to Corporate Security's different areas, and reports any instances of fraud and corruption that may have occurred in the period.

This report is reviewed every year to update the risk scenarios covered. This Risk Scenario Map has served as a point of reference in drafting the Corporate Defense Policy. All the company's areas are analyzed and monitored around the clock to detect any corruption risks.

Every year, the Head of Corporate Security reviews and approves a new version of the Risk Map that identifies any possible fraud and corruption scenarios. No corruption incidents were recorded in Vodafone Spain during 2012-13.

Another course of action taken during the year was the organization of an information protection awareness campaign, called "Our Security Starts with You", for all employees, that intended to show employees how to protect customers' information and business information. In addition, there have been specific classroom training schemes for specific departments.

Governing bodies

Members of the Board and existing Committees

The members of the **Board of Directors** of Vodafone Spain, S.A. are:

Mr. Francisco Román Riechmann (Chairman)

Mr. António Manuel da Costa Coimbra (Chief Executive Officer)

Mr. Miguel Orúe-Echebarría

The post of Chairman of the Board is non-executive. Consequently, the Chairman's post is a representative one, his duties including responsibility for institutional affairs and acting as Vodafone's permanent representative before all types of bodies and institutions, managing the Company's relations with the Vodafone Foundation Spain.

Vodafone Spain observes all the internal guidelines on conflicts of interest, anti-corruption policy and managers' remuneration. Likewise, the Directors comply with legal obligations for communicating any potential conflict of interest situation to the company.

Vodafone Spain's **Audit Committee** is a regional internal control body. Its main functions are to oversee the internal control systems associated with the Company's major risks, as well as to track and monitor the action plans identified for improving the Company's controls. The members of the Vodafone Spain Audit Committee are:

Mr. Emanuele Tournon

Mr. António Manuel da Costa Coimbra

Mr. Miguel Orúe-Echebarría López

Mr. Pedro Peña Jiménez

Vodafone Spain also has an **Advisory Board**, whose main function is to advise the Company about its institutional and corporate relations and is made up of the following persons:

Mr. Pedro Ballvé

Mr. Carlos Barrabés

Mr. Tristan Garel Jones

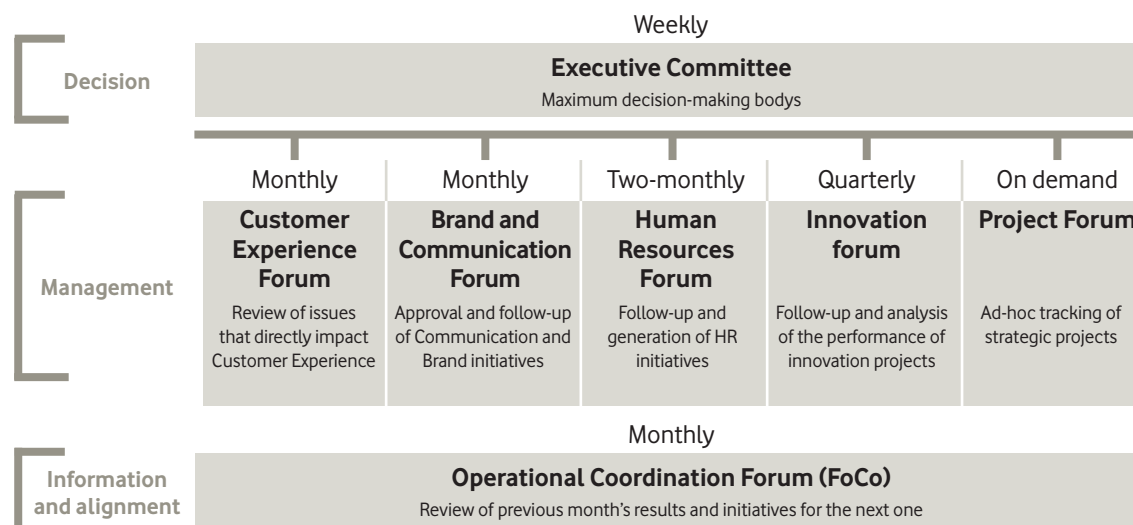
Mrs. Helena Guardans

Mr. Gregorio Marañón

Mr. José Luis Ripoll

Committees

In addition to its governing bodies, Vodafone Spain has different committees that are summarized in the diagram below:



As for employees' mechanisms for communicating recommendations or indications to governing bodies:

- Any employee can **propose to their Area Director** the inclusion of different matters of interest for the information or decision of the relevant committee. By request to the CEO's Director of Programme Management, these matters will be included in the applicable Decision Committee's agenda.
- **Working breakfasts with the Chief Executive Officer**, where managers from different departments share their concerns and experiences with the CEO.
- **Suggestion box** that any Vodafone Spain employee can use to report any concern or problem to the **Human Resources Department**.
- **The Internal Communication Department's mailbox**, where all employees can send in doubts or ask for detailed information about any internal memos issued.

Since September 2012, Customer Experience Forum meetings have been held, and attended by nearly all the Steering Committee members. These forums have discussed specific issues that directly impact customers, in collaboration with the company's different areas, identifying possible points of improvement and the associated action plans.

Independent Assurance Report



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REPORT ON INDEPENDENT REVIEW OF VODAFONE ESPAÑA S.A.U.'S 2012-2013 SUSTAINABILITY REPORT

To the Management of Vodafone España, S.A.U.

Scope

We have reviewed the contents of Vodafone España S.A.U.'s 2012-2013 Sustainability Report for the year ended March 31, 2013, available at www.vodafone.es/sostenibilidad (the Report).

The scope of our review includes Vodafone España, S.A.U.

The Report was prepared in accordance with the following guidelines:

- The Sustainability Reporting Guidelines included in the Global Reporting Initiative (GRI) Preparation Guide (version 3.1 - G3) as well as the Telecommunications Sector Supplement Guide.
- The principles stated in the AA1000 Assurance Standard Guide issued by AccountAbility (Institute of Social and Ethical Accountability).

The preparation of the Report is the responsibility of the administrative bodies and management of Vodafone España, S.A.U. They are also responsible for defining, adapting and maintaining the management systems and internal controls from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- Standard ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited scope of assurance.
- The guidelines for reviewing Corporate Responsibility Reports, issued by the Official Register of Auditors of Accounts (ICJCE).
- AA1000 AccountAbility Principles Standard (2008) for reasonable assurance engagements in the application of inclusivity, materiality, and responsiveness principles, as well as the achievement of sustainability objectives.

Applied Procedures

Our review consisted in requesting information from sustainability managers and the managers and personnel of the various business units participating in the preparation of the Report, and applying certain analytical procedures and sampling review tests as described in general terms below:

1. Interviews with management and sustainability management personnel of Vodafone España S.A.U., as well as with a selection of managers and key personnel of business lines and non-management personnel participating in the reporting of information and data included in the Report. The purpose of these interviews was to obtain awareness of how sustainability plans and programs are taken into account, put into practice, and integrated into Vodafone España S.A.U.'s strategy and how sustainability objectives are met.
2. Review of relevant information, such as minutes of the meetings dealing with sustainability.
3. Review of the processes and systems through which Vodafone España, S.A.U. establishes its commitments with stakeholders as well as compliance with the principles of inclusiveness, materiality, and responsiveness, through interviews, review of the materiality matrix and channels of communication, as well as the request of specific evidence related thereto. Evaluation of the scope, relevance, and integrity of the information included in the Report.
4. Analysis of the adaptation of the structure and content of the Report as indicated in G3.1 Global Reporting Initiative (GRI).
5. Checks on selected samples of the quantitative information included in the Report, as well as their correct compilation from data supplied by information sources. The review tests have been defined to provide assurance levels in line with indicated limits.

This review of the information and data is considerably lesser in scope than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report should in no case be considered an audit report.

These procedures were performed on the information contained in the report.

Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).



Conclusions

As a result of our review of the Report, performed in accordance with the previously described scope, we conclude that:

- No matter came to our attention that would indicate that the Report was not prepared according to the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines.
- No matter came to our attention that would indicate that the remaining Sustainable Development information and indicators included in the accompanying Report contain significant errors
- The Report has been prepared in accordance with the principles stated in the AA1000 Assurance Standard Guide published by AccountAbility.
- The disclosure of sustainability information is adequately presented in terms of the principles of:
 - ✓ **Inclusivity:**
Vodafone España, S.A.U. has established the mechanisms to identify stakeholders and has defined the channels of communication necessary to gain knowledge and understanding of their expectations, as described in the "Stakeholder engagement" section of the appendices of the Report.
It has considered the relationship established with its stakeholders as a reference, as well as specific studies conducted by the Company and recommendations of experts on the matter.
 - ✓ **Relevance:**
Vodafone España, S.A.U. analyzes materiality annually to select the most significant matters to be included in the Report. These matters were taken into account when defining objectives and areas for improvement.
 - ✓ **Responsiveness:**
Vodafone España, S.A.U. has established the mechanisms for developing, evaluating, and communicating responses to stakeholders' main expectations. Once the relevant matters have been prioritized, they are included in the Annual Sustainability Program, in which prior objectives are reviewed and new objectives defined based on stakeholder expectations and relevant matters.

Recommendations

We have submitted to the management of Vodafone España S.A.U. our recommendations on areas for improvement regarding the application of AA1000 AccountAbility Principles Standard (2008) with sustainability strategy, which reflects the Company's long-term vision and the relationships with the main stakeholders identified.

Our recommendations are aimed at actions involved in the development of principles through different stakeholders and other relevant topics. Our most significant observations are summarized below:

1) Environmental matters:

Energy and climate change are considered relevant issues for stakeholders. Our recommendation is that Vodafone España, S.A.U. continues to develop initiatives related to energy efficiency to meet the commitment to reduce network energy consumption in 2020.

2) Customers:

Price and tariff transparency is a relevant issue for customers as can be seen from Vodafone España, S.A.U.'s latest materiality study. We recommend that the Company further initiatives aimed at simplifying and enhancing the transparency of tariffs while increasing the amount of published information available to customers.

3) The community:

Vodafone España, S.A.U.'s activities contribute greatly to the generation of value both economically, through employment creation, and from a social and environmental viewpoint. We recommend that the Company provide products that constitute a positive contribution to these matters, especially in the current economic context.

4) Suppliers and purchases:

Vodafone España, S.A.U. has increased the transparency of information on its economic contribution to the country by publishing the percentage of purchases from local suppliers. We recommend that the Company continue along these same lines, offering more information on how it evaluates its suppliers using sustainability criteria.

5) Employees:

The Report underscores the initiatives designed to integrate and recruit the talent of personnel with disabilities. We recommend that the Company continue to further these initiatives for the 2013-2014 reporting period.

This Report has been prepared solely for the management of Vodafone España, S.A.U., in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.



(Free translation from the Original Report on Independent Review in Spanish dated 31st July 2013. In case of any discrepancy, the Spanish version always prevails.)

Global Compact Principles. Communication on Progress

Since 2012, Vodafone Spain is a signatory to the U.N. Global Compact. This initiative aims to achieve a voluntary commitment of the organizations in social Responsibility issues, through the implementation of Ten Principles in the areas of human rights, labour, the environment and anti-corruption.

Through this Sustainability Report, Vodafone Spain also wants to demonstrate its commitment and progress made in implementing the ten principles in accordance with the following information:

Principle	Policies and actions	Monitoring and measurement
Principle 1: "Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence"	<ul style="list-style-type: none"> • Sustainability Strategy. Pg. 11 • Code of Conduct. Pg. 59 • Responsible use of the mobile. Pg. 42 • Privacy. Pg. 38 • Code of Ethical Purchasing. Pg. 43 • Supplier assessment. Pg. 43 • RF Emissions and Health. Pg. 52 	<ul style="list-style-type: none"> • Code of Conduct Training. Pg. 59 • Relevance Matrix. Pg. 12 • Environmental and Quality Management Systems. Pg. 70 • Suggestion Box. Pg. 76
Principle 2: "Businesses should make sure they are not complicit in human rights abuses"	<ul style="list-style-type: none"> • Code of Ethical Purchasing. Pg. 43 • Supplier Evaluation. Pg. 43 	<ul style="list-style-type: none"> • Supplier assessment tracking. Pg. 43
Principle 3: "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining"	<ul style="list-style-type: none"> • Collective bargaining agreement. Pg. 58 • Industrial Relations. Pg. 58 • Internal Communication. Pg. 73 	<ul style="list-style-type: none"> • Industrial climate survey. Pg. 57
Principle 4: "Businesses should uphold the elimination of all forms of forced and compulsory labour"	<ul style="list-style-type: none"> • Collective bargaining agreement. Pg. 58 • Code of Conduct. Pg. 59 • Code of Ethical Purchasing. Pg. 43 	<ul style="list-style-type: none"> • Signing of a new Collective Agreement. Pg. 58
Principle 5: "Businesses should uphold the effective abolition of child labour"	<ul style="list-style-type: none"> • Collective bargaining agreement. Pg. 58 • Code of Ethical Purchasing. Pg. 43 	<ul style="list-style-type: none"> • Signing of a new Collective Agreement. Pg. 58 • Corporate volunteer work with NGO's that work with children. Pg. 65-66
Principle 6: "Businesses should uphold the elimination of discrimination in respect of employment and occupation"	<ul style="list-style-type: none"> • Diversity Management. Pg. 61 • Code of Conduct. Pg. 59 	<ul style="list-style-type: none"> • Evolution of diversity. Pg. 61
Principle 7: "Businesses should support a precautionary approach to environmental challenges"	<ul style="list-style-type: none"> • Environmental management system. Pg. 46 • Control of environmental impacts. Pgs. 45-50 	<ul style="list-style-type: none"> • Environmental impact trends. Pgs. 53-56
Principle 8: "Businesses should undertake initiatives to promote greater environmental responsibility"	<ul style="list-style-type: none"> • Environmental Management System. Pg. 46 • Control of environmental impacts. Pgs. 45-50 • Eco-labelling system. Pg. 46 	<ul style="list-style-type: none"> • Maintenance of the Environmental Management System. Pg. 46
Principle 9: "Businesses should encourage the development and diffusion of environmentally friendly technologies"	<ul style="list-style-type: none"> • Products and Services for Sustainable Development. Pgs. 52-54 	<ul style="list-style-type: none"> • Products and Services for Sustainable Development. Pgs. 52-54 • Eco-labelling system. Pg. 46
Principle 10: "Businesses should work against corruption in all its forms, including extortion and bribery"	<ul style="list-style-type: none"> • Code of Conduct. Pg. 59 • Anti-Corruption and Anti-Bribery Policy. Pg. 59 • Corporate Governance. Pg. 74 	<ul style="list-style-type: none"> • Code of Conduct and Anti-Corruption Policy Training. Pg. 59

GRI Indicators

GRI G3.1 Table of contents. Profile

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments
1. Strategy and Analysis					
1.1 Statement from the most senior decision-maker of the organization.	Fully	Pg. 5			
1.2 Description of key impacts, risks, and opportunities.	Fully	Pg. 12			
2. Profile					
2.1 Name of the organization.	Fully	Cover			
2.2 Primary brands, products, and/or services.	Fully	Pg. 9 y www.vodafone.com			
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Pgs. 7, 8 and 76			
2.4 Location of organization's headquarters.	Fully	Back page			
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Pg. 7			
2.6 Nature of ownership and legal form.	Fully	Cover			
2.7 Markets served: geographic breakdown, sectors and types of customers.	Fully	Note (1)			
2.8 Scale of the reporting organization.	Fully	Pg. 8			
2.9 Significant changes during the reporting period regarding size, structure or ownership.	Fully	Pg. 8			
2.10 Awards and distinctions received.	Fully	Pg. 10			
3. Report Parameters					
3.1 Reporting period.	Fully	Pg. 4			
3.2 Date of most recent previous report.	Fully	Pg. 4			
3.3 Reporting cycle.	Fully	Pg. 4			
3.4 Contact point for questions regarding the report.	Fully	Back page			
3.5 Process for defining report content.	Fully	Pgs. 11, 12, 71 and 72			
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	Pg. 4			
3.7 Any limitations on the scope.	Fully	Pg. 4			
3.8 Aspects that can affect information comparability.	Not reported		Not applicable	See note (2)	
3.9 Data measurement techniques.	Fully	Pg. 70			
3.10 Effects of any re-statements of information provided in earlier reports.	Not reported		Not applicable	See note (2)	
3.11 Significant changes from previous reporting periods in the scope and boundary.	Not reported		Not applicable	See note (2)	
3.12 Table identifying the location of the Standard Disclosures in the report, identifying the page numbers or web links.	Fully	Pgs. 80 to 85			
3.13 Policy and practice with regard to seeking external assurance.	Fully	Pg. 4			
4. Governance, Commitments and Engagement					
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Pgs. 74, 75 and 76 www.vodafone.com/conocenos			
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Pg. 76			
4.3 Independent and/or non-executive board members.	Fully	Pg. 76			
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Pg. 76			
4.5 Linkage between compensation for executives and the organization's performance.	Fully	Pg. 62			
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Pg. 76			
4.7 Qualifications of the members of the Board on sustainability topics.	Fully	Pg. 70			
4.8 Statements of mission or values and codes of conduct on sustainability.	Fully	Pg. 59			
4.9 Board's assessment of the organization's sustainability performance.	Fully	Pg. 76			
4.10 Assessment of the Board's own sustainability performance.	Fully	Pg. 70			
4.11 Precautionary approach.	Fully	Pg. 12			
4.12 Externally developed economic, environmental, and social principles or initiatives.	Fully	Pgs. 27 to 31			
4.13 Main associations of which it is a member and degree of involvement.	Fully	Pg. 70			
4.14 List of stakeholder groups engaged by the organization.	Fully	Pg. 11			
4.15 Basis for identification and selection of stakeholders with whom to engage.	Fully	Pgs. 71 y 72			
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Pgs. 71 y 72			
4.17 Key topics and concerns that have been raised through stakeholder engagement.	Fully	Pg. 12			

Note (1). <http://www.vodafone.es/conocenos/es/cobertura-y-tiendas/>; Our customers are both residential and business and SOHOs.

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Management Approaches

	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
	Disclosure on the Management Approach - Economic Performance - EC	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Economic Performance	Fully	Pg. 8				
	Market Presence	Fully	Pgs. 8 and 9				
	Economic impact indirect	Fully	Pg. 8				
	Disclosure on the Management Approach - Environmental performance - EN	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Materials	Fully	Pgs. 50 and 56				
	Energy	Fully	Pgs. 53, 54 and 55				
	Water	Fully	Pg. 55				
	Biodiversity	Not applicable			Not applicable	Note (3)	
	Emissions, effluents and waste.	Fully	Pgs. 50 and 55				
	Products and services	Fully	Pgs. 46 to 50				
	Compliance	Fully	Pgs. 51 and 52				
	Transport	Fully	Pg. 55				
	Overall	Fully	Pgs. 45 and 46				
	Disclosure on Management Approach - Labour practices and decent work - LA	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Employment	Fully	Pgs. 57, 58 and 67				
	Labour/management relations	Fully	Pg. 58				
	Occupational health and safety	Fully	Pgs. 63, 64 and 68				
	Training and education	Fully	Pgs. 60 and 68				
	Diversity and equal opportunities	Fully	Pgs. 61 and 67				
	Equal remuneration for women and men	Fully	Pg. 62				
	Disclosure on Management Approach - Human rights - HR	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Investment and procurement practices	Fully	Pgs. 43 and 44				
	Non-discrimination	Fully	Pg. 59				
	Freedom of association and collective bargaining	Fully	Pg. 58				
	Child labour	Fully	Pg. 43				
	Forced and compulsory labour	Fully	Pg. 43				
	Security practices	Fully	Pgs. 43 and 59				
	Indigenous rights	Fully	Pgs. 43 and 59				
	Assessment	Fully	Pg. 59				
	Remedial action	Fully	Pg. 59				
	Disclosure on Management Approach - Society - SO	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Community	Fully	Pgs. 27 yo 31				
	Corruption	Fully	Pgs. 59 and 73				
	Public policy	Fully	Pg. 59				
	Anti-competitive behaviour	Fully	Pg. 59				
	Compliance	Fully	Pg. 59				
	Disclosure on Management Approach - Product responsibility - PR	Fully	Pgs. 11, 12, 71 and 72				
Aspects	Customer health and safety	Fully	Pg. 42				
	Product and service labelling	Fully	Pg. 46				
	Marketing communications	Fully	Pg. 39				
	Customer privacy	Fully	Pg. 38				
	Compliance	Fully	Pgs. 39 and 41				

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Performance Indicators

Economic Performance Indicators

		Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Economic Performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	Fully	Pg. 8				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not reported			Not applicable	Note (4)	
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	Pg. 27				
EC4	Significant financial assistance received from government.	Fully	Pg. 8				
Aspect: Market Presence							
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	Fully	Pg. 44				
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Pg. 70				
Indirect economic impact							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	Fully	Pgs. 27 to 30				

Environmental Performance Indicators

		Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Materials							
EN1	Materials used by weight or volume.	Fully	Pgs. 50 and 56				
EN2	Percentage of materials used that are recycled input materials.	Fully	Pgs. 50 and 56				
Aspect: Energy							
EN3	Direct energy consumption by primary energy source.	Fully	Pgs. 53 and 54				
EN4	Indirect energy consumption by primary energy source.	Fully	Pgs. 53 and 54				
Aspect: Water							
EN8	Total water withdrawal by sources.	Fully	Pg. 55				
Aspect: Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not reported			Not applicable	Note (5)	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not reported			Not applicable	Note (3)	
Aspect: Emissions, effluents, and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Pg. 55				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	Pg. 55				
EN19	Emissions of ozone-depleting substances by weight.	Fully	Pg. 55				
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not reported			Not applicable	Note (6)	
EN21	Total water discharge by quality and destination.	Fully	Pg. 50				
EN22	Total weight of waste by type and disposal method.	Fully	Pg. 55 and 56				
EN23	Total number and volume of significant spills.	Fully	Pg. 50				
Aspect: Products and Services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Pgs. 47 to 50				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	Pgs. 55 and 56				
Aspect: Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	Pg. 51				

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Social Performance Indicators: Labour practices & decent work

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Employment						
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	Pg. 67			
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	Pg. 67			
LA15	Return to work and retention rates after parental leave, by gender.	Fully	Pg. 68			
Aspect: Labour/Management Relations						
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Pg. 58			
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Pg. 58			
Aspect: Occupational Health and Safety						
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Fully	Pgs. 63 and 68			
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Pg. 64			
Aspect: Training and Education						
LA10	Average hours of training per year per employee, by gender, and by employee category.	Partially	Pg. 68	Gender	Our systems doesn't allowed	
Aspect: Diversity and equal opportunities						
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Pg. 67			
Aspect: Equal remuneration for women and men						
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	The Ratio is 1			

Social performance indicators: Human rights

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Investment and procurement practices						
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Pgs. 43 and 44			
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	Fully	Pgs. 43 and 44			
Aspect: Non-discrimination						
HR4	Total number of discrimination incidents and measures taken.	Fully	The nº of incidents is 0			
Aspect: Freedom of association and collective bargaining						
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	Pg. 58			
Aspect: Child Labour						
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Fully	Pgs. 43and 44			
Aspect: Forced and compulsory labour						
HR7	7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Fully	Pgs. 43 and 44			
Aspect: Assessment						
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	The figure is 100%			
Aspect: Remediation						
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	Fully	The figure is 0			

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Social Performance Indicators: Society

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Local communities						
S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Pgs. 8 to 14 and Pg. 27				
S09 Operations with significant potential or actual negative impacts on local communities.	Fully	Pg. 27				
S010 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Fully	Pg. 27				
Aspect: Corruption						
S02 Percentage and total number of business units analyzed for risks related to corruption.	Fully	Pg. 51				
S03 Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	Pgs. 40 and 41				
S04 Actions taken in response to incidents of corruption.	Fully	Pg. 51				
Aspect: Public Policy						
S05 Public policy positions and participation in public policy development and lobbying.	Fully	Pg. 40				
Aspect: Compliance						
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	Pg. 53				

Social Performance Indicators: Product Responsibility

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Customer Health and Safety						
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such Procedures.	Fully	Pg. 52				
Aspect: Product and service labelling						
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	Pg. 52				
Aspect: Marketing Communications						
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	Pg. 39				
Aspect: Customer privacy						
Aspect: Compliance						
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	Pg. 39				

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Indicators specific to the Telecommunications Industry

Internal Operation Indicators

	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Reason for omission	Comments	Reported in
Aspect: Investments						
IO1	Fully	Pg. 8				
IO2	Partially	Pg. 8			Cost in € not indicated	
Aspect: Health and Safety						
IO3	Fully	Pg. 64				
IO4	Fully	Pg. 52				
IO5	Fully	Pg. 52				
IO6	Fully	Pg. 52				
Aspect: Infrastructure						
IO7	Fully	Pg. 51				
IO8	Fully	Pg. 51				

Access Proportion Indicators

Aspect: Narrowing the digital divide						
PA1	Fully	Pg. 11				
PA2	Fully	Pgs. 24 to 26				
PA3	Fully	Pg. 41				
PA4	Fully	Pg. 41				
PA5	Fully	Pgs. 27 to 30				
PA6	Fully	Pg. 25				
Aspect: Content						
PA7	Fully	Pgs. 42				
Aspect: Customer relations						
PA8	Fully	Pg. 52				
PA9	No reports			Not applicable	Amount reported by Vodafone Group	
PA10	Fully	Pg. 40				
PA11	Fully	Pgs. 42 and 46				

Technology Application Indicators

Aspect: Resource efficiency						
TA1	Fully	Pgs. 47 and 48				
TA2	Fully	Pgs. 32 to 34				
TA3	Fully	Pgs. 32 to 34				
TA4	Fully	Pgs. 32 to 34				
TA5	Fully	Pg. 39				

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GRI Statement



Statement GRI Application Level Check

GRI hereby states that **Vodafone Spain** has presented its report "Sustainability Report 2012-13" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 26 July 2013


Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Vodafone Spain has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 19 July 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Glossary of Acronyms and Abbreviations

AAPP: Public Administrations.

ADSL: ADSL: Asymmetric Digital Subscriber Line.

AICE: Associations of Cochlear Implants in Spain.

AMETIC: Multisectorial Trade Association for Electronics, Information and Communications Technologies, Telecommunications and Digital Content Industries.

ASPACE: Cerebral Palsy Association of Spain.

AUTELSI: Spanish Association of Telecommunications and Information Society Users.

BTS: Base Transceiver Station.

CEOMA: Spanish Confederation of Senior Citizens' Organizations.

CERMI: Spanish Committee of Representatives of People with Disabilities.

COCEMFE: Spanish Coordinator of the Physically Disabled.

CRS: Corporate Social Responsibility.

DJSI: Dow Jones Sustainability Indexes.

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization.

ENPS: Employee Net Promoter Score.

ETSI: European Telecommunications Standards Institute.

ETSIT-UPM: School of Telecommunication Engineering of the Madrid Polytechnic University.

FEMP: Spanish Federation of Municipalities and Provinces.

FTE: Fault Tolerant Ethernet.

FTSE4 Good: Sustainability index created by the FTSE (Financial Times Stock Exchange).

FTTH: Fiber To The Home.

GI: Stakeholders [DELETE].

GRI: Global Reporting Initiative.

ICNIRP: International Commission on Non-Ionizing Radiation Protection.

ICT: Information and Communication Technologies.

IRE: Integration Responsible Enterprise.

ISO: International Organization for Standardization.

ITS: Intelligent Transport Systems.

IVR: Interactive Voice Response.

JAC: Joint Auditing Cooperation.

KCQ: Key Control Questionnaire.

LEED Certification: Leadership in Energy & Environmental Design Certification System.

LTE: Long Term Evolution, 4th Generation Mobile Telephony.

M2M: Machine to Machine.

NGO: Non-Governmental Organization.

NPE: Non-Profit Entity.

ONCE: Spanish National Blind Organization.

PRMS: Privacy Risk Management System.

SAR: Specific Absorption Rate.

SCM: Supply Chain Management.

SETSI: Secretary of State for Telecommunications and for the Information Society.

SIM: Subscriber Identity Module.

SMS Premium: Premium Short Message Service.

TRC: Telecommunications Regulatory Commission CNSE: Spanish Confederation of the Deaf.

UMTS: Universal Mobile Telecommunications System (3G: 3rd Generation).

UN: United Nations.

UPDEA: Popular University of Adult Age.



Give us your Opinion

We would like to know your opinion both about our sustainability performance and about this Report. To this end, you can write to:

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