

Vodafone España, S.A.

Corporate Responsibility Report 2004-05





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Purpose of the Report

“Enterprises must contribute to economic, social and environmental progress in order to achieve a sustainable development”.

General Principles of the OECD Guidelines on Multinational Enterprises.

Mobile phones already form part of our everyday life, with more than 1.5 billion users all over the world.

At Vodafone, we believe that our society can only really benefit from technology through its responsible use. Therefore, one of our six strategic goals is “**To Be a Responsible Business**”.

This **second Vodafone Spain Corporate Responsibility (CR) Report** refers to our financial year **2004-05 (1 April 2004 - 31 March 2005)**, is published on paper and is available through our website (www.vodafone.es/responsabilidad), where detailed information about the contents of this report is provided.

This report is aimed at informing our Stakeholder about our management and activities regarding social, environmental and economic issues, in a balanced, objective and precise way. The information and figures in this Report refer to all of the business operations conducted by Vodafone Spain at its headquarters and regional offices, on its telecommunications network, and at its retail outlets.

The issues addressed in this Report are the result of surveys conducted among our Stakeholder (See Chap. 6 “Stakeholder Engagement”), who said which Corporate Responsibility-related issues they regarded as most pressing and that should be tackled by the companies in our industry: mobile phones and health, responsible use and content access control, supply chain, handset recycling, network roll-out, energy consumption, etc.

The report has been written in accordance with the Vodafone Group's internal guidelines, as well as the requirements of the GRI (Global Reporting Initiative) 2002 Guidelines for Sustainability Reports, and the Telecommunications Industry **GRI** supplement (2003). In this regard, the website www.vodafone.es/responsabilidad lists where the different contents set out in the GRI Guidelines are located in our Corporate Responsibility Report.

Vodafone has internal data and information collection procedures that define the key Corporate Responsibility performance indicators and stipulate that data sources must be recorded, the accuracy of the

data must be checked, and that the data must be approved by a member of the Steering Committee.

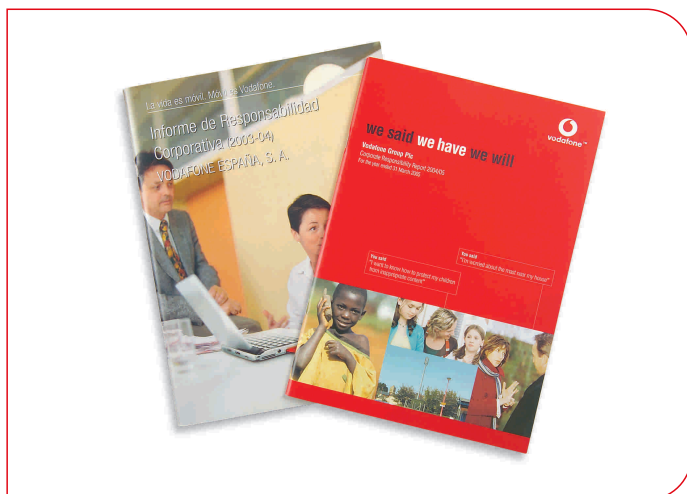
These figures, as well as the way that they are aggregated, validated and reported, are reviewed by **Deloitte** as part of the process of guaranteeing the information in Corporate Responsibility Report issued by the Vodafone Group.

The Vodafone Group has published Corporate Responsibility Reports since the financial year 2000-01. The fifth Report (for the financial year 2004-05) is available on the website www.vodafone.com/responsibility.

If you have any suggestions or remarks, or wish to discuss any matter concerning this Report, please write to:

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1. Letter from the Chairman and the CEO

One of Vodafone's six strategic goals is "To Be a Responsible Business". Therefore Corporate Responsibility is an innate part of our business operations and culture, and we regard it as a means for contributing from our company towards Sustainable Development.

By way of example, we have embedded Corporate Responsibility into our business processes (risk management, long-term planning, products and services development, balanced scorecard, etc.), in order to try to meet, in as balanced a way as possible, the expectations of our different Stakeholder: Shareholders, Customers, Employees, Partners and Suppliers, Administrations and Regulators, Landlords and Residents' Associations, Knowledge and Opinion Makers, and Society in general.

This second Corporate Responsibility Report reaffirms the path upon which we embarked with the previous year's report, responding to the commitment to regularly inform our Stakeholder about the progress achieved in the framework of our Corporate Responsibility Programme, as well as about our new targets.

As pointed out in the respective chapter of this report, mobile telephony is making a significant contribution to economic and social progress. At the same time, we are aware that our Stakeholder have certain expectations about our company that have a bearing on ethical, social and environmental issues.

This report describes the main activities carried out during our financial year 2004-05 in response to our Stakeholder' expectations, and which can be summarized as follows:

1. **Stakeholder Engagement.** Vodafone's Corporate Responsibility activities must respond to its Stakeholder' expectations. Therefore we have set up new channels to identify those expectations.

2. Development of **Products and Services with high Social Value**, oriented to population groups with special needs (people with some kind of disability, chronic patients, the elderly, etc.).

3. In this respect, it is worth highlighting the work performed by our **Foundation**, which specialises in carrying out projects oriented towards using Information and Communication Technologies (ICT) to enhance the social and labour integration of vulnerable population groups.

4. The **Responsible Marketing** initiative, which involved drawing up **Guidelines** that stipulate the principles applicable to marketing communications. Furthermore, Vodafone Spain has developed a **communication plan** to report on the aspects of our activities that concern our Stakeholder, with special emphasis on issues regarding **mobiles and health**.

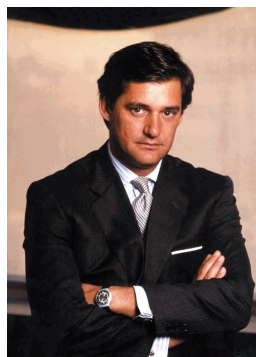
5. The **Responsible Network Deployment** initiative, which has been spearheaded by Vodafone Spain within the Vodafone Group, and has led the Group to draft appropriate Policy and Application Guidelines.

6. In the environmental field, the highlights have been the **Energy Efficiency Plan**, and the **Mobile Phones Collection and Recycling Scheme**.

7. Worth mentioning as regards our relationship with our Suppliers is the steady implementation of our **Code of Ethical Purchasing**.

8. Welfare Benefit Plans, Career Development Plans, and Plans to Make Working/Family Life compatible with one another, for our **Employees**.

We encourage you to read this report, and to send us any suggestions regarding improvements or other aspects that you would like our company to address in the Corporate Responsibility field, because we consider that our Stakeholder' contributions play an essential role in helping us to progress towards achieving our strategic goal of being a Responsible Business.



A handwritten signature in black ink, appearing to read "J. Entrecanales".

José Manuel Entrecanales
Chairman

A handwritten signature in black ink, appearing to read "Francisco Román".

Francisco Román
Chief Executive Officer



2. Executive Summary

Main Figures of Vodafone Spain

	2004-05 (% Δ)	2003-04
Financial Data		
Total turnover (€mn)	4,778 (+24%)	3,866
Services Turnover (€mn)	4,343 (+22%)	3,561
Annual ARPU (€)	414 (+10%)	377
Customers (millions)	11.47 (+18%)	9.7
Vodafone live! customers (including 3G) (000's)	2,992 (+378%)	625
Ported customers (net balance as at 31 March)	456,781 (N.A.)	-1,481
Environmental		
% of shared base stations or in existing infrastructures (cumulative)	69.5 % (+8.9 p.p. *)	60.6 %
Energy consumed in Network activities (Kwh/BTS)	11,617.6 (-5.3%)	12,239.2
CO ₂ generated by network activities (Kg/BTS)	4,580.8 (-9%)	5,059.6
Offices electricity consumption (KWh/m ²)	87.4 (-5%)	91.8
Retails electricity consumption (KWh/m ²)	15.3 (-23%)	20.0
Energy efficiency: Energy consumption saving (Cumulative Mwh since 2003-04)	8,518.8 (N.A.)	4,752.9
Energy efficiency: CO ₂ emission saving (Cumulative Tn since 2003-04)	3,117.1 (N.A.)	1,806.1
Handset recycling (Cumulative Tn. Historic since 2001)	57.7 (55%)	37.1
Recycled Paper (Cumulative Tn since 2002-03)	860.0 (N.A.)	659.3
Social		
Money donated through the Vodafone Spain Foundation (€000's)	5,592.2 (+54%)	3,641.5
Nº of Students on University and Postgraduate Courses (cumulative historic)	1,237 (+18%)	1,050
Employment		
Nº of employees	4,015 (+3%)	3,905
% Open-ended contracts (full-time and part-time)	96.9 % (-1%)	98 %
% Women	42.3% (-0.5%)	42.5%
% Women in Management Positions	25.9% (+0.4%)	25.8%
Nº hours training/ Nº employees	94.9 (+20%)	79.2
Employee satisfaction %	79 % (+8 p.p. *)	71 %
Accident Frequency Rate	323.8 (-27%)	443.9

* p.p.: percentage points

3. Information about Vodafone

Vodafone Group

“The mobile phone brings people together and connects communities in a way that has never been possible until now. Vodafone believes responsible usage of mobile technology is a force for good in society”.

Arun Sarin, Chief Executive Officer of the Vodafone Group.

Vodafone Group		
Subsidiaries	Affiliates	Partner Network Agreements
Albania	Belgium	Austria
Australia	China	Bahrain
Egypt	Fiji Islands	Croatia
Germany	France	Cyprus
Greece	Kenya	Denmark
Hungary	Poland	Estonia
Ireland	Romania	Finland
Italy	South Africa	Hong Kong
Japan	Switzerland	Iceland
Malta	United States	Kuwait
New Zealand		Lithuania
Netherlands		Luxembourg
Portugal		Singapore
Spain		Slovenia
Sweden		
United Kingdom		



The Vodafone Group is **world leader in mobile telephony** with a presence in 26 countries, and partner network agreements in another 14 countries throughout the five continents. Of the 26 companies in which the Vodafone Group has a shareholding, 16 are subsidiaries (i.e., it has a majority shareholding). Vodafone provides a full range of mobile telecommunications

services, including voice and data communications, delivering its services to more than 150 million **customers** proportional to its shareholding in the pertinent companies.

Vodafone provides its products and services both to residential and corporate customers, through an extensive array of prepay and contract price plans. Vodafone is a global company known all over the world for its **quality of service and innovation in products and services**. Vodafone's latest global offering, Vodafone live! 3G, brings a whole new world of mobile communication in colour through multimedia messages with music, photos and videos, as well as providing television, video games, ringtones and real music, news, e-mail, chats and location-based services. Furthermore, the Vodafone live! service is available in 21 countries and has more than 30 million active customers all over the world.

Products and Services						
Subsidiaries	Vodafone live!	Vodafone live! 3G	Vodafone Mobile Connect Card	Vodafone Mobile Connect 3G/GPRS Card	Vodafone Blackberry	Vodafone Wireless Office
Albania						
Australia	●		●		●	
Egypt	●		●		●	
Germany	●	●	●	●	●	●
Greece	●	●	●	●	●	●
Hungary	●		●	●	●	●
Ireland	●	●	●	●	●	●
Italy	●	●	●	●	●	●
Japan	●	●		●		
Malta	●		●			
N. Zealand	●		●		●	
Netherlands	●	●	●	●	●	●
Portugal	●	●	●	●	●	●
Spain	●	●	●	●	●	●
Sweden	●	●	●	●	●	●
U. Kingdom	●	●	●	●	●	●

● Already available in the financial year 2004-05 ● Introduced in the financial year 2004-05

3. Information about Vodafone

Vodafone Group

Main Figures of the Vodafone Group		
(Figures as at 31 March 2005)	2004/05	△ With respect to 2003/04
Total Turnover (mn £)	43,602	+ 11 %
N° Proportional Customers (millions)	154.8	+ 12%
Vodafone live! Customers (including 3G) (millions)	30.9	+ 354%
Vodafone Mobile Connect 3G/GPRS Cards	500,000	N.A.
Proportional EBITDA (£ mn)	16,641	+ 10 %
Dividend per Share (pence)	4.07	+ 100 %
EPS before amortisation (pence)	10.41	+ 14 %
N° Employees	57,378	- 4,5 %

The Vodafone Group, which **is listed on the London and New York Stock Exchanges**, had a total market capitalization of approximately £94,000 million on 23 May 2005, making it the third largest company of the FTSE100, and the world's eleventh largest company by market capitalization, as at that date.

The Vodafone Group is part of the **Dow Jones Sustainability Index**, ranking third overall and first in the telecommunications industry, as well as of the **FTSE4Good Index**, where it ranks number 38 overall and first in the telecommunications industry.

During the past year, the Vodafone Group has contributed to and taken part in different projects with organizations such as the World Wildlife Foundation (WWF), Fauna and Flora International, World Resources Institute, and Forum for the Future. It is also a member of the World Business Council for Sustainable Development (WBCSD), Global e-Sustainability Initiative (GeSI) and the International Business Leaders Forum (IBLF).

As a global business, Vodafone operates within a wide range of legal jurisdictions. Vodafone respects the rule of law within these jurisdictions and supports appropriate internationally accepted standards including those on human rights.



3. Information about Vodafone

Vodafone Spain

“During the financial year 2004/05, we have grown significantly in terms of in volume of business, number of customers and market share. It has also been the year of the 3G roll-out and launch, a field in which the market perceives our leadership. Also worth underscoring are the advances made in our customer satisfaction indicators.”

(Francisco Román. CEO of Vodafone Spain)

To ensure that the information provided by all the Vodafone Group's Operating Companies is consistent, the figures given below have been drawn up in line with the Group reporting system used by Vodafone Spain.

Main Figures of Vodafone Spain

(Figures as at 31 March 2005)	2004/05	△With respect to 2003/04
Total Turnover (€ mn)	4,778	+ 24 %
Services Turnover (€ mn)	4,343	+ 22 %
Nº Customers (000's)	11,472	+ 18%
Vodafone live! Customers (including 3G) (000's)	2,992	+ 378%
3G Customers (Vodafone live! + VMC 3G/GPRS)	88,000	N.A.
Annual ARPU (€)	414	+ 10 %
Data Turnover	--	+ 46 %
Voice Turnover	--	+ 19 %
Nº Voice Minutes	--	+ 28 %
Nº Employees	4,015	+ 3 %

The outstanding figures for the financial year 2004-05 were underpinned by the excellent performance by Vodafone Spain's market share and by the rise in the Average Revenue Per Unit (ARPU). Each quarter during the financial year 2004/05, Vodafone Spain led the field in net activation market share, winning the battle in **portability** (the system that allows customers to change operating company without having to change their phone number) with a **net balance, on 31 March 2005, of around 460,000 customers.**

These results are also the outcome of the major upturn in **customer satisfaction** and the rise in **Vodafone brand preference.**

Vodafone Spain delivers its services to its customers through GSM, GPRS and UMTS telecommunications networks. Furthermore, it has signed roaming agreements with 310 operators in 210 countries.

MEMBERSHIP OF ORGANIZATIONS

Vodafone Spain is an active member of several organizations involved in the different fields of Corporate Responsibility and, in particular, of the following:

- > The “Club de Excelencia en Sostenibilidad” (Sustainability Excellence Club), whose mission is to “Foster sustainable development from the business sector, pooling and sharing responsible practices so as to contribute to corporate excellence and the progress of society”. Vodafone is a Founding Member of this Club and is represented on the Board of Directors.



- > The “Fundación Empresa y Sociedad” (Business and Society Foundation), which is formed by companies committed to raising their level of community involvement and that of the business sector as a whole. In this regard, as a Trustee of the “Fundación Empresa y Sociedad”, Vodafone Spain is a company that is committed to:
 - Improving its community involvement strategy.
 - Handling its community involvement properly.
 - Supporting the development of the “Fundación Empresa y Sociedad”.



- > AETIC. Spanish Association of Electronics, Information Technology and Telecommunications Companies. Vodafone is a member of several AETIC bodies, including its Environmental Committee.



- > ASIMELEC. Multisectorial Association of Spanish Electronic and Communications Companies. Vodafone is a member of the Mobile Telephony Committee of Asimelec, which runs the “Tragamóvil” (Mobile Muncher) Initiative, which promotes the collection and recycling of mobile phones and accessories (See Chap. 12: “Recycling of Mobile Phones”).



3. Information about Vodafone

Vodafone Spain

MAIN NEW PRODUCTS AND SERVICES LAUNCHED DURING THE FINANCIAL YEAR 2004/05

Another linchpin of our excellent results last year was the launch of products and services specifically designed for the needs of each of our customer segments. In particular, the following products and services deserve a special mention:

- > **Vodafone live! 3G:** Bringing a new form of communication with photos, videos, videocalls, music downloads and TV.
- > **Vodafone Mobile Connect 3G/GPRS for Mac:** Data card with a specific software CD for Mac computers.
- > **Flat rate for internal calls between employees of the same company.** For the calls between all of a company's Vodafone mobiles for a single monthly fee per line.
- > **Vodafone Wireless Office:** Which allows SMEs to enjoy the same voice telecommunications services as our corporate customers.
- > **Decreasing tariff:** Allows Vodafone's customers to enjoy discounts of up to 50%.
- > **Vodafone BlackBerry 7100V:** A mobile phone that combines voice services with immediate and safe access to your e-mail, diary and contacts
- > **BlackBerry Vodafone Broker:** Bankinter's "broker online", preinstalled in the Vodafone 7230 and 7100v Blackberry devices.
- > **PalmOne Smartphone Treo600:** A telephone equipped with wireless communication applications.
- > **Medical Guard Diabetes:** For people who need to control their blood sugar levels around the clock (See Chap. 8 "Products and Services with High Social Value")
- > **T-Loop:** Allows anyone who has some sort of hearing disability and who uses a hearing aid with a "T" loop to enjoy a normal conversation without any interference or background noise (See Chap. 8 "Products and Services with High Social Value").
- > **Agreements with the leading NGO's** to organise donation campaigns through Solidarity SMS (See Chap. 8 "Products and Services with High Social Value").



THE 3G ROLL-OUT

Vodafone Spain has consolidated its position as a leading mobile communications company for consumers and corporate customers alike. One of the most ambitious goals we set ourselves last year was to **spearhead the launch of 3G technology in Spain**. The roll-out goals have been achieved and, on the date that this report went to press, Vodafone Spain offered coverage in more than 400 municipalities that account for 55% of the Spanish population.

4. Embedding Corporate Responsibility into Management

“Corporate Social Responsibility is not a fashion, but a corporate culture, a strategic conception of their operation, of the values that inspire it and of the purposes that it pursues”.

Ramón Jáuregui. Spokesman on the Spanish Parliamentary Subcommittee on Corporate Social Responsibility.

“**To Be a Responsible Business**” is one of Vodafone's six **strategic goals**. This strategic goal is underpinned by the Company's own culture, represented by its four cultural **Values** and its ten **Business Principles**, defined in the financial year 2001-02.

Ever since, Vodafone has striven to enhance our performance by Embedding Corporate Responsibility into our company's management.

OUR VALUES

Vodafone defines its four Values as Passions:

- > **Passion for our Customers**
- > **Passion for our Employees**
- > **Passion for Results**
- > **Passion for the World Around Us**



STRATEGIC GOALS

- > **Delight our customers**
- > **Build the best Vodafone global team**
- > **Leverage global scale and scope**
- > **Expand Market Boundaries**
- > **Be a Responsible Business**
- > **Provide superior shareholder returns**

The Business Principles serve, at the same time, as a corporate and individual Code of Conduct, because they apply both to all the Vodafone Group Operating Companies in which the Group has a majority holding, and to their respective employees.

These Values and Business Principles are supplemented by specific **Policies** governing each different field of business management (Finance, Human Resources, Occupational Hazard Prevention, Marketing, etc.)

THE BUSINESS PRINCIPLES

1. **Value Creation.** We believe that competition in a market economy, pursued in an ethical way, is the best way of delivering benefits to our Stakeholder.
2. **Public Policy.** We will voice our opinions on government proposals and other matters that may affect our Stakeholder.
3. **Communications.** We will communicate openly and transparently with all of our Stakeholder within the bounds of commercial confidentiality.
4. **Customers.** We are committed to providing our customers safe, reliable products, and services that represent good value for money.
5. **Employees.** Relationships with and between employees are based upon respect for individuals and their human rights.
6. **Individual Conduct.** We expect all our employees to act with honesty, integrity and fairness.
7. **Environment.** We are committed to sustainable business practices and environmental protection.
8. **Communities and Society.** We accept our responsibility to engage with communities and we will invest in society in a way that makes effective use of our resources, including support for charitable organisations.
9. **Health and Safety.** We are committed to the health and safety of our customers, employees and the communities in which we operate.
10. **Business Partners and Suppliers.** We will pursue mutually beneficial relationships with our business partners and suppliers.

4. Embedding Corporate Responsibility into Management

Vodafone has set up the systems and channels necessary to encourage employees to report ethical concerns or any suspected breach of the Business Principles, through their superiors or to the Human Resources Area. Additionally, employees can report their concerns anonymously by email to the Group's Head of Human Resources or Head of Auditing.

In order to boost and foster the Embedding of Corporate Responsibility into business management, over the last financial year Vodafone Spain has focused on:

- > Improving management of the issues that concern our Stakeholder, anticipate them, and build them into our business decision-making processes.
- > Building Corporate Responsibility into the company's everyday business processes.
- > Reinforcing the Corporate Responsibility organizational structure.

BUILDING Stakeholder' EXPECTATIONS INTO DECISION-MAKING

In order to define the scope of the **Corporate Responsibility Programme**, we first consulted our different Stakeholder in order to pinpoint the key issues or expectations that they would like a mobile operating company such as Vodafone to address. Following these consultations, during financial year 2003/04 we defined the **eight Corporate Responsibility Initiatives** that are being tackled by each of the Vodafone Group's Operating Companies. Each initiative is being addressed by a working party formed by representatives from the Vodafone Group's different operating companies, and each one is spearheaded by a CEO of one of the Group's operating companies.

Corporate Responsibility Initiatives
Radiofrequency (RF) Emissions.
Energy Efficiency and Climate Change.
Handset and Accessory Recycling.
Waste Materials and Ozone Depleting Substances.
Responsible Network Deployment.
Products and Services with high Social Value.
Responsible Marketing.
Suppliers.

In addition to the Vodafone Group Corporate Responsibility initiatives, each of the Group's operating companies can follow **other courses of action** in managing its Corporate Responsibility issues, which are in turn reported to the Group and rest of the operating companies.

New emerging Corporate Responsibility issues are identified and reported in accordance with the Stakeholder Engagement Process (See Chap. 6 "Stakeholder Engagement"). This process is supplemented by other types of regular actions, such as the meetings that the Corporate Responsibility representatives of the Group's different operating companies hold every six months, or the monthly conferences on advances in Corporate Responsibility issues.

Throughout financial year 2004-05, Vodafone Spain also boosted its Stakeholder communication channels to ascertain both their opinions about our performance in social, ethical and environmental issues, and to identify any new aspects of such issues that our Stakeholder want our company to address.

As a result of engaging with our Stakeholder in this way, (See Chap. 6 "Stakeholder Engagement") we are now better acquainted with their key expectations, concerns and perceptions and have been able to update our Corporate Responsibility Programme.

BUILDING CORPORATE RESPONSIBILITY INTO BUSINESS PROCESSES

We consider that Corporate Responsibility management is more efficient if it is included in the key business processes. Therefore, after identifying and analysing our Stakeholders' expectations, we systematically proceed to define any issues that are likely to have a direct or indirect effect on the business. Once these issues have been identified, they are assessed and prioritized to determine which ones must be considered in the **long-range planning (LRP)**.



4. Embedding Corporate Responsibility into Management

This serves to ensure that strategic decision-making takes account of the social and environmental trends, and anticipates them as far as possible.

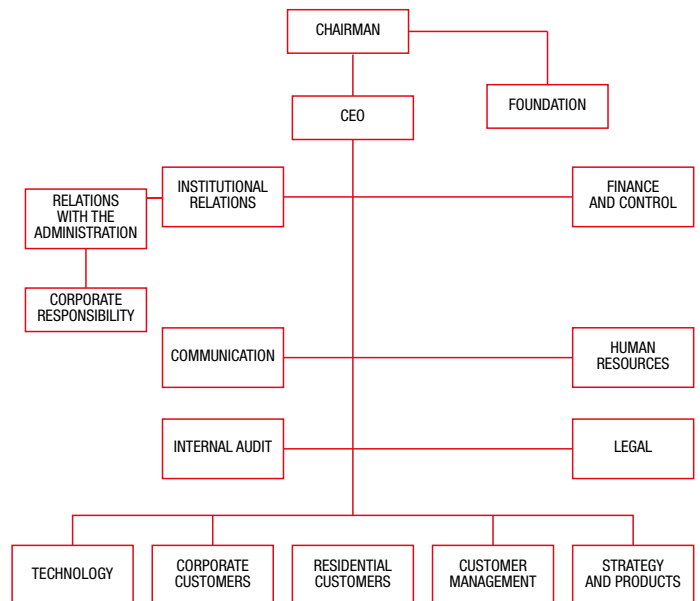
Vodafone has a Corporate Responsibility Information **Management System** (“Envoy”), that all of the Group’s operating companies use every quarter to report their key indicators. The Vodafone Group analyses and compares the results before reporting them to the heads of each operating company. By doing so, the Group ensures that all its senior executives are fully committed, while at the same time establishing benchmarks that foster the sharing of the best practices.

As occurs in any other company, Vodafone’s business operations have a bearing on the environment, either because they consume resources or generate an impact on the environment. In order to control these impacts, Vodafone has an Environmental Management System based on the International Standard ISO 14001, which was first implemented and certified in 1997, and which has been kept up-to-date at all times to ensure that it is applied on a day to day basis in all our activities. Indeed, in the financial year 2004-05 this System was certified as conforming to the new version of the standard ISO 14001:2004.



CORPORATE RESPONSIBILITY ORGANIZATIONAL STRUCTURE

In Vodafone Spain, the Corporate Responsibility Programme is overseen by the **Institutional Committee**. This Committee (which is formed by the Chairman, CEO and Area Directors), meets every month to analyse any issues that have a bearing on Corporate Responsibility management, showing that Corporate Responsibility issues are strategic ones. The Director of Institutional Relations is the Committee Member responsible for Corporate Responsibility issues.



Furthermore, Corporate Responsibility is considered in the company’s main management systems and the organizational areas are becoming involved. For instance, in the financial year 2004-05, the following areas became especially involved in Corporate Responsibility issues:

- > Supply Chain Management: See Chap. 14: “Ethical Purchasing”
- > Marketing: See Chap. 7: “Responsible Marketing”
- > Technology: See Chap. 10, 11 and 13

INTERNAL COMMUNICATION

In order to enhance employees’ knowledge about key Corporate Responsibility issues, in the financial year 2003-04 Vodafone Spain pledged to spend 2004-05 developing a **Plan for Communicating the Corporate Responsibility Programme** among our employees.

4. Embedding Corporate Responsibility into Management

In this regard, the Internal Communication activities carried out during the financial year 2004-05 included:

- > Distribution of the Vodafone Spain Corporate Responsibility Report to all employees.
- > Specific briefings on the Corporate Responsibility Programme activities between team leaders and the members of their respective teams (known in-house as “Team Briefings”).
- > Distribution of the Internal Report (specific for employees) that summarizes the Corporate Responsibility activities that are underway in all of the Vodafone Group’s operating companies.
- > Launch of a Corporate Responsibility “microsite” on the Intranet, with an e-mail address for sending in opinions, suggestions, etc.
- > Regular inclusion of Corporate Responsibility news items in the Company’s Internal Communication channels.
- > Back pocket publications known as “The answers in your back pocket”, written for our employees, about key Corporate Responsibility issues. During the last financial year, Vodafone published the “Responsible Marketing”, and “Mobiles, Masts & Health” booklets.

Internal Communication activities such as these are the reason why, in our Employee Satisfaction Survey, which is referred to in Chap. 15: “Employees”, 89% of our employees said that they understood the importance of the Values (4 percentage points higher than the Group average) and 76% knew the Business Principles (10 percentage points higher than the Group average).



CORPORATE GOVERNANCE

Vodafone Spain has set up the following **Decision-Making Committees**:

- > **Executive Committee:** Responsible for steering Vodafone Spain towards the achievement of its targets and strategic priorities.

- > **Operating Committee:** Responsible for monitoring and controlling the operations and initiatives that are relevant for the Company.
- > **Sales Committee:** This Committee makes and reports its decisions regarding promotions, campaigns, marketing plans and everything that has to do with the sales channel.
- > **Product Committee:** This Committee is responsible for monitoring the Product Development Plan, approving the Product Plan, etc.
- > **Institutional Committee:** The Institutional Committee deals with legal issues and matters involving market regulation, the Foundation, Institutional Relations and Corporate Responsibility.

The United States “**Sarbanes Oxley Act**”, which was signed into law in July 2002, imposed stricter corporate governance and financial information requirements, and applies to companies listed on the New York Stock Exchange, as is the case of the Vodafone Group.

Section 404 of the Act will apply to the Vodafone Group in the financial statements ended 31 March 2007, and under it the company’s management is required to document, evaluate and certify the efficiency of the internal controls and procedures with respect to the information contained in the Annual Accounts. Furthermore, external auditors must attest to the efficiency of these controls.

Section 404 will have the greatest impact on the organization, which is why Vodafone has launched a specific project and drawn up a Plan with the following milestones:

- > Identify the Profit and Loss Account and Balance Sheet Accounts affected by the scope of the Project.
- > Document the relevant Business Processes and IT Systems involved in those Accounts.
- > Identify the Risks associated to the Computer Processes and Systems, and document the controls used to mitigate them.
- > Conduct tests to prove that the controls are efficient.
- > Draw up action plans for any controls that need to be improved.
- > Signing of the certificate.
- > Review and certification by the external auditors.

In this regard, Vodafone Spain has set up a project management office that is coordinating all aspects of the plan and has been allocated the resources required to ensure that the project goes ahead and is completed as planned.

5. Social and Economic Impact of Mobiles

“Nowadays, the mobile industry generates around 400,000 million each year and countless direct and indirect jobs. Mobile communications are an incredible driver for economic and social development, which gives them a unique value”.

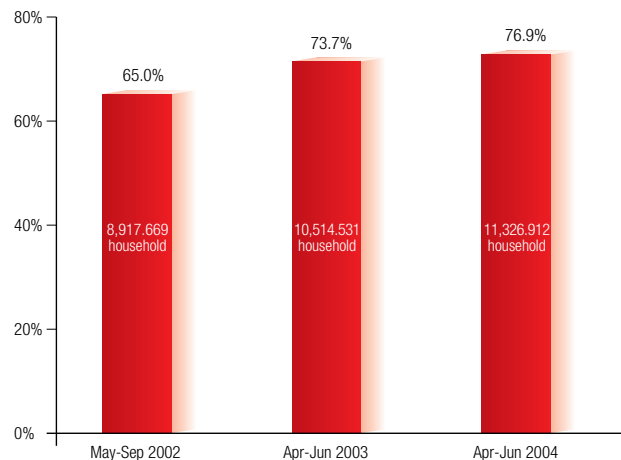
Rob Conway, Chief Executive Officer of the GSM Association.

According to the European Telecom Review, published in 2005, European telecommunications companies reported a turnover of 201.48 billion euros in 2004, this representing market growth of 4%. Mobile and fixed telephony accounted for 80% of these revenues and, for the first time ever, the number of mobile users exceeded fixed users.

According to the “Equipment and use of Information and Communication Technologies in households” survey (22 February 2005), conducted by the National Institute of Statistics (INE), the rate of penetration of mobile telephony in Spanish households continues to grow, and now 76.9% of households have a mobile.

What is most striking about the mobile communications market is that it has grown so fast in recent years. When this market came into being, it brought added value that supplemented the fixed telephony service, and over the years and due to its success, the rising number of minutes of traffic and its new uses have all enabled it to evolve and become a substitute for the fixed telephony, prompting the migration of voice traffic from fixed lines to mobile lines.

Trends of Penetration Rate of Mobile Telephony in Spanish Households

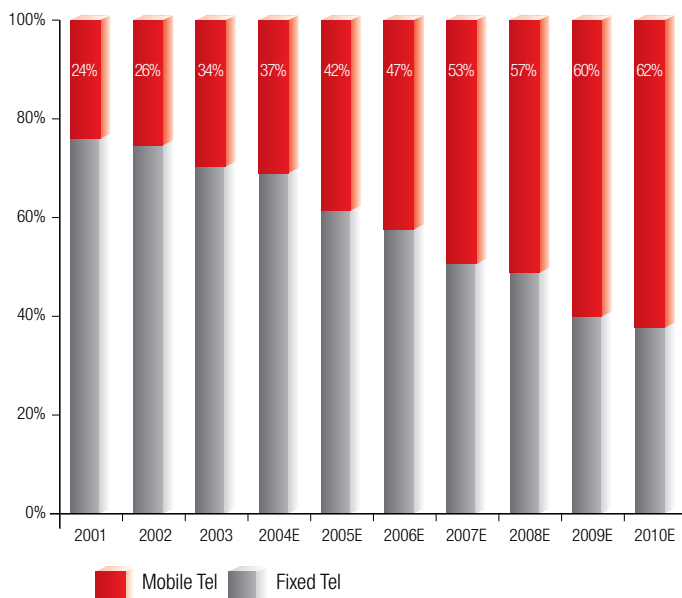


Source: INE.

Furthermore, according to figures published in the Telecommunications Regulatory Commission's 2003 Report, **mobile operators** were the only companies in the industry that did not cut their investments that year, and the telecommunications industry as a whole contributed around 3.2% to the Gross Domestic Product (GDP).



Fixed and Mobile Telephony Traffic Trends in Spain



According to the European Information Technology Observatory (EITO), in 2006 there will be more than 1.811 billion mobile telephony users all over the world. The biggest increases worldwide will come in countries with emerging economies, where mobile telephony penetration rates will grow at a very fast pace.

Moreover, according to the Spanish edition of the Digiworld report, in 2004 mobile telephony operators reported a 14.5% rise in revenues and a record profit of €3.1 billion, an increase of 18% with respect to the previous year. The report underscored that the markets began to pick up in 2004, with growth of 8.5% throughout the industry.

5. Social and Economic Impact of Mobiles

In view of all these facts, mobile phones unquestionably bring major **economic and social benefits**. Knowing about these benefits makes it easier to understand how mobile telephony contributes to sustainable development. In order to better explain its contribution to sustainable development, there follows a list of some of the most significant impacts:

1. Mobile telephony makes a direct contribution to the global economy through the **wealth** generated and the **jobs** created, direct and indirectly. For instance, according to research conducted by the “Instituto de Empresa” (Institute of Business), Mobile Telephony contributes around 2% to GDP, and the amount of direct employment created by mobile operators has nearly doubled over the last five years.
2. Other research shows that mobile telephony can improve economic development, the **quality of life** and the social capital. Worth mentioning in this regard is the study that the Vodafone Group commissioned in 2004 to analyse the economic and social impacts of mobile telephony in the developing countries, especially in Africa (for the main conclusions, please go to www.vodafone.com/africa)
3. Mobile telephony helps to narrow the **“digital divide”**. All research shows that mobile phones play an important role in promoting the development of the lowest socio-economic classes. As a matter of fact, people do not need such a high level of education to use mobile phones as they do, for example, to use other technologies such as the Internet. This makes them more accessible.
4. Last of all, reference must be made to the role that Information and Communication Technologies (ICTs) play in fostering the social and labour **integration**, participation and development of **people with certain types of disabilities**.

ICTs are fundamental in most people's daily activities. Whether it be in education, work, leisure or domestic life, ICTs are everywhere, in computers, telephones or TV sets.

The disabled are a major population group who still do not fully enjoy the same benefits as other users. Often they find it very hard to access new services which, all too frequently, are developed without taking any account of their special needs.

New technologies can sometimes raise new barriers, but when technology is used properly, it helps to remove or, at least, lower those same barriers. Furthermore, ICTs can allow the disabled to access essential services from which otherwise they would be excluded.

In Spain, around 9% of the total population has some sort of disability. More often than not, aid technologies serve to boost people's quality of life and, in some cases, such as alternative communication systems, allow them to break free from their isolation and lack of communication, thereby fostering their social, family and labour integration.

The nature of the new mobile environments facilitated by ICTs, and especially by mobile telephony, are a clear example of how technology provides solutions for some of the problems that population groups with special needs face.

The prime objectives of using ICTs have to do with creating the mechanisms necessary to facilitate accessibility and equal opportunities and, especially, to allow these people to find a job and to adapt jobs to them.

Chapter 8: “Products and Services with high Social Value”, provides examples of how Vodafone Spain has developed products and services oriented to people with certain disabilities.



6. Stakeholder Engagement

“Corporate Responsibility is a new business concept that is based on a new deal between enterprises and society”.

Jose Luis Rodríguez Zapatero. The Spanish Prime Minister (Fundación Empresa y Sociedad Prize-Giving Ceremony, 7 April 2005).

Every day, Vodafone Spain's activities bring it into contact with a wide variety of Stakeholder. The nature of these ties differs in line with the type of Stakeholder in question. Not only do we forge ties with our employees and customers, but also with other Stakeholder who are liable to be affected by, or may have a bearing upon our operations.

Enterprises, which are one of the key players of present-day society, are increasingly aware of the new and growing demands that exist with regard to certain aspects such as ethics, good governance, transparency, respect for the Environment, and the socio-economic development of everything around them. These demands stem from very different groups, the so-called Stakeholder.

General classification of Vodafone Spain's Stakeholder

Shareholders, Investors and Financial Institutions	Public Administrations and Regulatory Authorities
Customers	Landlords and Residents' Associations
Employees	Knowledge and Opinion Makers
Partners and Suppliers	Society and the General Public

In today's environment, where the opinion of both the individual and organized social groups alike matters increasingly more, and more immediately, managing our relationship with our Stakeholder is not limited to our daily course of action. Instead, it is linked more closely to medium and long-term strategic decisions.

During the financial year 2004-05, Vodafone published Guides to the Development and Implementation of the Stakeholder Engagement Process, providing guidelines on how to engage our different Stakeholder, to make it clear how each one of them can influence the success of the business and how they perceive these impacts on society.

In this context, Vodafone Spain has implemented different systems to obtain information about the expectations and issues that concern its Stakeholder most, as well as about their perception of our company's social and environmental performance.

LISTENING TO OUR Stakeholder

Depending on the stakeholder in question, Vodafone Spain has established different communication channels that vary from individual meetings to quantitative opinion surveys involving thousands of people. These channels may be summarised as follows:

Specific Channels:

- > **Shareholders, Investors and Financial Institutions.** The Vodafone Group holds regular meetings with its main socially responsible investors to identify the issues that concern them most. It also forms part of the leading sustainability indexes: Dow Jones Sustainability Indexes and FTSE4Good Index.
- > **Customers and the General Public.** In addition to the daily contact through our Call Centres, which lets us understand their expectations on different issues, including Corporate Responsibility, one of the methods that Vodafone Spain uses most often to ascertain both the perceptions, expectations and concerns of our customers and the general public are **surveys**:
 - Each year, Vodafone commissions a highly-renowned market research company (MORI: Market and Opinion Research International), to conduct a perception and opinion survey among these Stakeholder.
 - Moreover, every quarter Vodafone Spain commissions a similar survey, in which our customers and the general public are asked both about their perception of our social and environmental performance, and to which Corporate Responsibility issues they feel we should focus and orient our actions. The results of these surveys show us how our Stakeholder' concerns, worries and expectations are changing, and also how they perceive us to be responding to them.

6. Stakeholder Engagement

The main conclusions drawn from these surveys are:

- The general public would prefer us to devote our attention to issues regarding mobiles and health, as well as to provide products and services that improve the quality of life of people with special needs.
- Our customers prefer us to focus on establishing controls to prevent minors from accessing adult contents, as well as on products and services that improve the quality of life of people with special needs.

> **Employees.** In the financial year 2004-05, Vodafone conducted a two-yearly employee survey, the main conclusions of which are set out in chapter 15: "Employees"

> **Landlords and Residents' Associations.** Vodafone is aware that its base station sites are one of the Company's key assets. That is why last year (2004-05) it conducted a Landlord Satisfaction Survey, which revealed that Vodafone Spain should make it easier for landlords to contact it about site-related issues. This led us to take certain courses of action, such as setting up a Landlord's Call Center, which site landlords can call to make or report base station site-related queries or incidents. (See Chap.11: "Responsible Network Deployment").

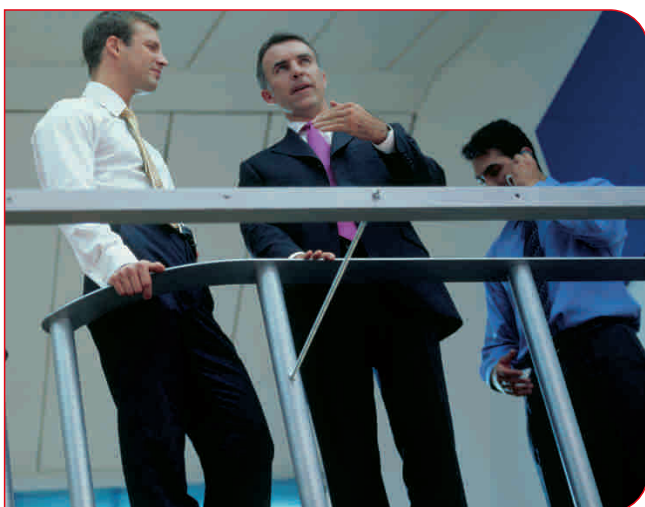
> **Enterprise and Parliament Scheme.** In the context of the Enterprise and Parliament Scheme, which the Círculo de Empresarios (Entrepreneurs Association) has been organizing since 1987, Vodafone Spain has devised a scheme of one-day visits for any Parliament Members, senators, and European

Parliament Members who are interested in finding out how we run our company from day to day.

The scheme aims to bring together members of the political and business circles, to give legislators a chance to gain real insight into the economy and businessmen a chance to see how parliamentary institutions work.

The scheme starts with an overview of the company, its objectives, strategies and national and international framework; it then continues with an outline of the key activities performed by each executive line and staff area, including visits to technology operation and development centres. The scheme places special emphasis on Vodafone's priorities and on our commitment to Corporate Responsibility matters.

Another important part of the scheme is an in-depth analysis of the regulatory and legal aspects that affect the business to show the legislators the direct impact that their actions in this field can have on the business world.



6. Stakeholder Engagement

Channels geared towards all Stakeholder:

In addition to the specific channels geared towards specific Stakeholder, Vodafone Spain has set up other channels oriented to detecting the social and environmental perceptions, expectations and concerns of its Stakeholder as a whole. These channels include:

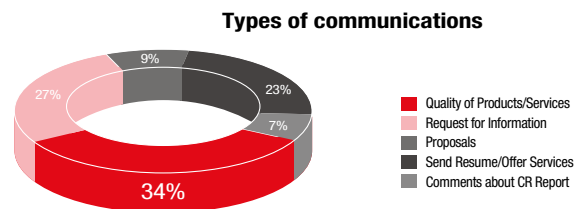
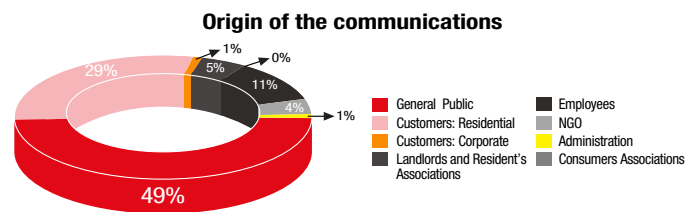
> Specific studies for ascertaining our Stakeholder' expectations and perceptions:

Last year Vodafone Spain conducted a strategic analysis of our Stakeholder that enabled us to identify and prioritize their key expectations, ascertain what matters to them most and their perception of the Company, as well as the specific strategies for handling them. The specific objectives of this study were to:

- Launch a thought process within Vodafone Spain in order to define its primary and secondary Stakeholder, as well as the Company's desired positioning vis-à-vis those Stakeholder and the areas of risk/opportunity for each Stakeholder.
- Identify the expectations and perceptions of the Stakeholder analysed.
- Define the differences between Vodafone's desired positioning and the perceptions and interests of its different Stakeholder.
- Draw up a "Stakeholder Map" in terms of their positioning as regards Vodafone and the action priorities.

> **Active participation in a series of Corporate Responsibility related organizations** (See Chap. 3).

> **Gathering of information via the Web.** Another source for collecting information from our Stakeholder is the "responsabilidad@corp.vodafone.es" mailbox, where they can send their opinions, suggestions, etc. The enclosed graphs show the origin of the of communications in terms of the Stakeholder, and the issues referred to in those communications.



STAKEHOLDER'S PRIORITIES

The systems we use to engage with our Stakeholder, as summarised above, allow us to ascertain the main aspects on which, in our Stakeholder' opinion, we must focus and to which we must provide responses, which are indicated in the enclosed table:

Aspects	Description	Vodafone Spain's Response
Responsible Marketing	Advertise and promote products and services responsibly.	Implementation of the Responsible Marketing Guides and publication of different information leaflets (See Chap. 7).
Content Access Control	Help to prevent minors from accessing adult contents via their mobiles.	Development and implementation of actions that help to control access to adult contents (See Chap. 7).
Development of Products and Services with High Social Value	Develop Products and Services that improve the quality of life of people with special needs or that foster their social and labour integration.	Implementation of actions to promote the communication and the social and labour integration of people with special needs (See Chaps. 8 and 9).
Potential effect of Radiofrequency Emissions on Health	Doubts that some groups have about the possible relationship between health and the RF emissions of mobile telephones and masts.	Publication and distribution of documentation on the subject. Preparation of specific documentation for Landlords and Resident's Associations (See Chapter 10).
Environmental Impacts and Recycling of Mobile Phones	Effects that our Products and Operations might have on the Environment.	Establishment of Responsible Network Deployment Policy and Guidelines (See Chap. 11) and Waste Management and Energy Efficiency Plans (See Chap. 13). Implementation of mobile phones recycling schemes (See Chap. 12).
Ethical Purchasing	Ensure that our suppliers respect human and labour rights, as well as the environment.	Implementation of the Code of Ethical Purchasing (See Chap. 14).

7. Responsible Marketing

Responsible Marketing Guidelines

“Advertising is an effective instrument for disseminating correct commercial messages; yet it is also used to launch far less positive messages. The lack of ethics in the marketplace becomes the lack of ethics of advertising: people fall into the temptation of using messages that denigrate or falsely imitate rivals, that mislead by omission or exaggeration, plain and simple lies, impacting images that attract one's attention and cause a scandal”.

Dr. Hugo Aznar. Prof. of Ethics and Deontology of Journalism at the Saint Pablo University (Valencia, Spain)

According to the traditional definition, Marketing is identifying what a target group wants and needs, and meeting these needs more profitably and better than one's competitors.

In the long term, the most successful brands are those that consumers trust. Vodafone is committed to this long-term vision and considers that it must always act in line with the principle of inspiring confidence in consumers.

Furthermore, potential customers are becoming increasingly concerned about social and environmental issues. That is why they start to take an interest in what the companies and their products represent.

In the report for 2003-04, Vodafone pledged to develop and implement a **Responsible Marketing Guide**. This Guide was developed and implemented in 2004-05, and states that Responsible Marketing “is the way that we show that we are a responsible company. It entails guaranteeing that, whenever we communicate with other people, our communications are clear and comprehensible, legal, decent, just, honest, truthful and that anything that claim about a product or organizations can corroborated”. In short, Responsible Marketing means communicating with customers in a clear and honest manner that lets them choose on the basis of appropriate information.

The requirements of this Guide apply to all the external communications, from TV commercials and press adverts to conversations with our customers in our retails. It also includes respect for other people's or organizations' copyright (e.g., paying royalties for using photographs or music in our commercials and adverts).

Vodafone Spain has drawn up a checklist to help our marketing staff and advertising agencies to identify potential problems when developing advertising campaigns. Consequently, and according to this Guide, the following aspects must be checked before any type of communication is issued:

- > Its coherence with our Vision, Values, Business Principles and the Company's Policies.
- > If the message is fair, honest and precise.
- > If it complies with pertinent Laws, Regulations and Codes of Practices.
- > If it shows signs of concern, where applicable, for personal safety issues.
- > If it is sensitive to our country's cultural values.



Regardless of whether or not marketing communications are designed in line with the requirements laid down in the Responsible Marketing Guidelines, and in order to demonstrate that they comply with the Guide, Vodafone Spain has devised an **Audit** process that involves the Responsible Marketing Committee (formed by representatives from the Marketing and Corporate Responsibility departments, and Advertising Agency personnel) holding quarterly meetings. During the Audit, the Committee examines all the communications published (in any medium) during the previous quarter in question and analyses whether they conform to the Responsible Marketing Guidelines.

Furthermore, and in addition to any other channels that the general public may wish to use, if they ever want to report that an advert has offended them in any way, they can write to Vodafone Spain via the Corporate Responsibility e-mail address (responsabilidad@corp.vodafone.es) (See Chap.6: “Stakeholder Engagement”).

7. Responsible Marketing

Responsible Marketing Guidelines

Finally, it is also worth mentioning, as we have already indicated in Chapter 4, that all of our employees have been given a copy of our Back Pocket Guide on Responsible Marketing.

SUBJECTS THAT CONCERN OUR CUSTOMERS AND THE GENERAL PUBLIC

As indicated in Chapter 6: (“Stakeholder Engagement”), Vodafone has different systems in place for ascertaining which social and environmental issues cause most concern to our Stakeholder, including the general public and our customers.

In order to respond to the subjects that raise most concern, Vodafone Spain has launched responsible marketing campaigns that address these subjects, and has published and distributed more than 1 million **information leaflets**. The five main subjects of interest addressed by these leaflets are:

1. **“Mobiles, masts and health”**. This leaflet clear up any doubts that our customers and the general public may have about how safe it is to use mobile phones.
2. **“Mobile phones - getting closer every day”**. Information about the different products and services that Vodafone offers to meet the communication needs of groups with special needs, as well as to collaborate in humanitarian aid campaigns.
3. **“Mobile phones and driving”**. Information about current Spanish law regarding the use of mobile phones while driving, and advice on the safest way to act in such situations.
4. **“New content services”**. Advice for our customers on how to download content and use multimedia services safely, placing special emphasis on how they can control what content their children access.
5. **“Responsible use of mobile phones”**. Recommendations on places where people should avoid using mobile phones, and to encourage them to recycle their phones.

We have distributed these leaflets throughout our retails and told our customers about them in the information enclose with their invoice.

They are also available on our website www.vodafone.es/responsabilidad.

Another of our customers' concerns refers to **price plans**. One of the conclusions that we have drawn from our stakeholder engagement activities, and in particular with our customers, is that they find it hard to understand the structures of our price plans. These plans have become more and more complex as mobile phone functions have been extended to include photos, video and text messages, as well as Internet access and international roaming.

At Vodafone we are well aware of our customers' concerns, and we have begun to address two areas of special concern: the costs associated to 3G downloads, and international roaming prices:

- > **3G Browsing Prices:** Vodafone has responded to its customers' concerns by launching a simple price structure for Vodafone live! with 3G.
- > **International roaming prices.** After engaging with our customers, we have found that they feel confused whenever they use mobile telephony services abroad. That is why we have launched the “Vodafone Travel Promise” in order to offer our customers roaming services with clearer and more sensible tariffs when they use the networks of the Vodafone Group's subsidiaries and affiliates companies.

Customers can also visit our webpage www.vodafone.es for further detailed information about our tariffs and the terms of our different price plans.



7. Responsible Marketing

Responsible Use and Content

Mobile phones now offer an impressive array of additional features and services, such as sending messages with photos, the ability to download photos and videos, games and Internet access. These new services afford society many benefits, but can give rise to new worries such as spam, safe driving, controlling children's access to adult content, etc. Furthermore, their abuse or irresponsible use can be annoying in some places or even banned.

That is why we try to give customers control over how their mobile is used, and let them choose the content that can be seen on their phones.

ADULT CONTENT

Our customers can access news and download content into their phones through our information portal Vodafone live!. Vodafone has established Content Standards to protect users (minors in particular) from accessing inappropriate content and continues to develop the mechanisms necessary to prevent minors from accessing the adult content in the Vodafone live! portal. In this regard, access control mechanisms vary in line with the type of content being accessed. Basically, there are two general types of situations:

> Content not suitable for children under the age of 18.

Any content that is developed specifically for the adult market, and must not be available to minors, will be restricted, and customers will have to key in a PIN in order to access them. This type of control serves to protect children and allow parents to control the content that they access.

> Content not recommended for children under the age of 18.

Any content that Vodafone considers should be subject to "parental" control is enabled, although customers can ask for it to be restricted if they consider it necessary.

WAP CHATS AND SMS CHATS

A Wap chat is a service that lets users make new friends in a mobile internet environment. An SMS chat is a service that lets users communicate by text messaging each other over their mobile phones.

Vodafone gives its customers advice on how to use these services safely, and ensures that the service's users respect one another and behave properly. Users must comply with the Wap chat and SMS chat regulations, and their messages will be blocked if they fail to do so.

Both types of chat are controlled by moderators who supervise the messages that are sent in the different rooms, and remove any messages that are inappropriate according to Vodafone's rules and standards.

Vodafone also supervises users' profiles. Chat users can define a specific profile (age, gender, preferences). However, sometimes users might try to include in their profiles information that is not permitted by the Vodafone code of conduct. To prevent users from breaching this code of conduct, Vodafone has predefined which words users can and cannot use in their profiles.

Before users can enter any of the chats, they must agree to the General Terms of Use which, for example, state that the chats must not be used to breach other people's rights. For further information, see www.vodafone.es.

7. Responsible Marketing

Responsible Use and Content

"SPAM" (UNSOLICITED COMMERCIAL EMAIL)

The Vodafone Mail service also includes spam filters. So if any email meets the conditions defined by Vodafone to be considered spam, it is automatically deleted.

Customers can also classify any incoming item of mail as spam, in order to stop receiving any further mail from that address.



RESPONSIBLE USE OF THE MOBILE

As pointed out earlier, in 2004-05, Vodafone Spain published, distributed and informed customers about a leaflet in which they are advised to use their mobile phones responsibly, following the instructions applicable in each case and switching off their mobile phones when asked to.

To avoid disturbing other people in places where the mobile phone is recommended not to use, the below actions should be addressed:

- > Connect the voicemail.
- > Use text messages to communicate, in order to avoid disturbing other people.
- > Turn down the ring volume or even turn it off, and use the vibration option instead.



7. Responsible Marketing

Customer Orientation

Vodafone Spain's excellent results during the financial year 2004-05 (see Chap.2: "Executive Summary" and Chap.3: "Information about Vodafone") mirror the growing level of customer satisfaction and the rising Vodafone brand preference.

All of this is the end result of Vodafone's set of differentiating advantages, which include:

- > A comprehensive array of exclusive phones and cutting-edge devices. Vodafone has been a pioneer in offering products such as Blackberry, the Vodafone Mobile Connect 3G/GPRS Card for PC's, and services such as Vodafone live!.
- > Vodafone has pioneered the business mobile revolution. Products such as Blackberry, or the Vodafone Mobile Connect 3G/GPRS card, let businesses work cable-free, browse the Internet, send and receive e-mails from nearly anywhere and in real time.
- > Vodafone leads the field in the latest 3G technology.
- > Vodafone has innovative, tariffs promotions and price plans, and has tailored its voice and data tariffs to its customers' needs: Decreasing Tariff, One-Man Band Price Plan, Corporate Flat Rate, etc. Furthermore, our "Tariff Advisor" service tells customers which tariffs and deals suit their needs best.
- > Vodafone offers an excellent multimedia experience: Vodafone live!, or to put it another way, an extraordinary range of content, games, video, music, etc.
- > Vodafone's best service commitment is embodied in our efficient and friendly attention towards customers. Examples are our exclusive "Balance Advance" or Phone Repair services, which make sure that our customers aren't left without a mobile.



CUSTOMER DATA PROTECTION

Vodafone handles the personal information and voice communications of millions of customers. In this regard, we believe that we must bolster our customers' confidence by respecting their privacy, and to do so we are committed to complying with personal data protection legislation.

MEASURES TO COMBAT MOBILE PHONE THEFTS

Vodafone has set up an Equipment Identity Register to block any mobile phones that are reported stolen, and sends this information to the GSM Association's Central Equipment Identity Register to help prevent mobile phones from being stolen in one country and used in another.

8. Products and Services with High Social Value

“Technologies with inclusive design and more specific support technologies alike must be put within the reach of the disabled and elderly, and help them to realise all their hopes and potential.”

José Carlos Baura. Institute of Migration and Social Services. Min. of Work and Social Affairs, 2003.

Mobile telephony has already had a positive impact on millions of people. However, there are still many more ways that it can be used for social purposes. In the 2003-04 Corporate Responsibility Report, Vodafone Spain explained that it had modified its Products and Services Development Process in order to assess the feasibility of embedding Corporate Responsibility criteria in its products and services launches. Consequently, Vodafone is focusing more closely on population groups with needs that have not yet been met by conventional mobile telephony products and services, helping to tackle social problems.

These actions aim to substantially enhance the quality of life and communications of these groups by making mobile telephony more accessible, allowing them to feel more independent and safer, especially for customers with some type of disability (hearing, visual, etc.) or patients with chronic illnesses.

“Medical Guard Diabetes” uses mobile communications to allow patients to send their sugar level readings to a database that they and their specialist can access with a password. The readings are sent by connecting the patient's sugar level meter to a mobile handset. This service provides users with their reading and the exact time that it was taken, avoiding possible errors or forgetfulness. It also reports the user's physical state more easily, graphically and effectively, generating statistical data of great value to the user and to his specialist.

The Medical Guard Diabetes product was awarded the “The Best Ideas of 2004” by the medical newspaper “Diario Médico”.

Project participants: SED (Spanish Diabetology Society), Spanish Federation of Associations of Diabetes Educators (FEAED), Menarini Diagnostico, PULSO, Siemens and Vodafone Spain.

Socially Responsible Products



TELEMEDICINE

MEDICAL GUARD DIABETES (MGD)



There are more than 2 million people in Spain who need to check their blood-glucose readings. Both our food and sedentary habits, as well as longer life expectancy, means that this figure may well increase significantly in the future.

PEOPLE WITH HEARING DISABILITIES

T-LOOP



This product, which employs magnetic induction equipment, has been devised to allow people with hearing disabilities and who

8. Products and Services with High Social Value

use a hearing aid to make and receive mobile telephone calls, letting them enjoy a normal conversation without any interference or background noise. The T Loop is a mobile phone-shaped device that is placed between the user's ordinary mobile phone and T-loop hearing aid, so that anyone with this type of hearing disability can enjoy all the advantages afforded by mobile phones, without any interference problems.

Project participants: FIAPAS, Nokia and Vodafone Spain



Vodafone is also working with Research in Motion (RIM), which manufactures BlackBerry for Vodafone, to launch a pilot test of an instant messaging application for those telephones. The application will allow deaf people to use their mobiles to have real-time text conversations.

BLIND PEOPLE OR PEOPLE WITH VISUAL DISABILITIES

MOBILE ACESIBILITY 2 (MA2)

In Spain, around 825,000 people are visually impaired, and one third of them are registered as blind or disabled (83% of whom are more than 65 years old). MA2 is an application that adapts mobile phones to the needs of blind users and/or users with a limited visual capacity. Each and every time that users interact with the phone, it responds by making a sound. It includes a voice synthesizer for performing the following functions, among others:

- > Full management of calls. Full control of the incoming calls, outgoing calls, missed calls, etc.
- > Address book management.
- > SMS and MMS management.
- > Alarm feature.

Project participants: Once-Cidat, Code Factory, and Vodafone Spain



Socially Responsible Services

VODAFONE SOLIDARITY SMS

Amnesty International, Ayuda en Acción, Spanish Red Cross, Entreculturas, Greenpeace, Manos Unidas, Plan España, Save the Children, Teodora and Intermón Oxfam are the Non-Governmental Organizations that are taking part in this initiative, which is also always open to any other NGOs who wish to leverage on new mobile technologies in their fight for solidarity.



Vodafone Solidarity SMS is a service oriented to NGOs and devised to help them raise funds and mobilize support through mobile phones. Vodafone has launched this scheme to give NGO's a stable framework within which to operate their services, enabling them to raise funds through solidarity campaigns.

Vodafone has agreed to donate the full cost of all the SMS Premium messages received to the NGO's participating in the initiative. This agreement has prompted the following actions, such as:

- > Spanish Red Cross Flag Day.
- > Human Rights Day.
- > Christmas Campaign.
- > United for ASIA, following the disaster caused by the tsunami that hit Southeast Asia on 26 December 2004. This last action was conducted through different channels:
 - VODAFONE Customers.
 - Antena 3.
 - TVE-1.
 - Telemadrid.
- > Manos Unidas.

8. Products and Services with High Social Value

VOLUNTEERING PROJECTS

Vodafone Spain backs volunteering schemes in which its employees take part. Last year, one of the most notable examples of volunteering work was the individual contribution made by one of our engineers, after the tsunami wreaked havoc in Southeast Asia. As a member of a Red Cross ERU (Emergency Response Unit) specialising in Telecommunications, he spent 15 days in Sri Lanka installing radio and satellite communication systems, as well as setting up and supporting computer networks for the Red Cross workers from different countries who came to help in the areas hit by the Tsunami.



Caption: Gabriel Pérez, Red Cross volunteer (Vodafone Spain)

COOPERATION AGREEMENTS WITH COCEMFE

One of the keys to achieving the integration of people with some kind of disability, is to ensure that they can access training schemes and the job market on an equal footing. Information and Communication technologies can give a larger number of people the chance to join training schemes and thereby promote the social and labour integration of the disabled on the ordinary job market.

In this regard, Vodafone Spain has signed agreements with COCEMFE (Spanish Coordinator of the Physically Disabled) that have led to actions such as:

- > Countryside Technology Literacy Pilot Project. This project has explored new ways of tackling the problems posed by different types of discrimination and inequality. In this case, the disabled people who will benefit from the project live in rural environments, where there are no appropriate resources: they lack educational

establishments, home help schemes, and they have very few or no opportunities of finding a job.

- > Vodafone Premises Accessibility Study. Based on the recommendations of the COCEMFE's Accessibility Manual (regarding urban development, architectural and technology accessibility), field studies and projects will be conducted (by sampling) at Vodafone Spain's existing premises, in order to identify any common corrective action that should be taken.

MEMORANDUM OF UNDERSTANDING WITH THE RED CROSS

Vodafone Spain and its Foundation are helping to design, define and provide the Network services in the project of "Mobile telecare for female gender-violence victims".

Specifically, this service aims to:

- > Guarantee immediate and appropriate attention in an emergency, through specially trained staff, reassuring the user and mobilizing the right resources, depending on the type of emergency that has arisen.
- > Provide peace and safety for the service's users and their direct dependents, offering them support, information and advice, and guaranteeing them that someone will always be on hand to help them, 24 hours a day.
- > Promote the self-esteem and quality of life of the service's users, contributing to create a supportive social network in their usual surroundings and encouraging them to remain in touch with their family and social environment, free from their aggressors and in total safety.
- > Help to reduce the burden that these victims have to shoulder, giving them peace of mind by letting them know that there is always a team of people on hand to support them and solve any problems that they may face.

9. Vodafone Spain Foundation

During the financial year 2004/05, the Vodafone Spain Foundation continued organising and sponsoring a broad range of activities, in line with its mission to keep society informed about the new developments in Information and Communication Technologies.

In this regard, the Foundation has brought its fields of activity up to date, so as accommodate new vulnerable population group integration and telecare projects, develop new technology dissemination scenarios, or provide environments in which all ICT industry players can interrelate.

AREAS OF ACTIVITY:



The Vodafone Spain Foundation engages in four different areas of activity:

1. INNOVATION
2. TRAINING
3. SPONSORSHIP
4. DISSEMINATION

The main highlights of each area for financial year 2004/05 are summarised below:

1. Innovation

This area's mission is to carry out technology development projects, both in national and international forums, oriented to the new ways in which ICTs can be used to help the most vulnerable social groups.

EUROPEAN PROJECTS

The European Projects in which the Vodafone Spain Foundation participates form part of the R&D Framework Programmes launched by the European Union, and most notably include the following projects:

TELL-IT



This Project seeks to contribute to improve and promote telework for people with special needs. Tell-It's main contribution is that it is

endeavouring to change these people's current status, by using ICT-based ongoing training to turn them from passive customers into active players on the job market.

In particular, the project aims to develop a multimedia, flexible and continued on-the-job training scheme; oriented to people with mobility problems and/or visual disabilities. The services sector, and Call Center positions in particular, stand to benefit the most from the training and integration of these population groups with special needs.

The consortium is formed by 7 organizations from 5 European countries.

Islands



The goal of this project is to develop a services platform for providing remote psychiatrist and psychotherapeutic help. It also includes the construction of a platform and its validation in three real scenarios: Canary Islands, in Spain, Martinique Island, in France, and Cyclades Islands, in Greece.

The consortium is formed by 11 organizations from 6 European countries.

MyHeart



MyHeart aims to develop fully-adapted telemedicine services to improve the quality of life of risk groups, reduce mortality rates, and cut health costs through preventive medicine. It also seeks to promote primary and secondary prevention, as well as the early diagnosis of cardiovascular diseases.

The project involves the use of smart "wearable devices" that monitor wearers' vital signs and send this information for evaluation, using mobile communications systems. These devices will provide a constant flow of information about the wearer's state of health, anywhere and at any time, so that health specialists only have to become involved at critical moments.

The consortium is formed by 33 organizations from 11 European countries plus the Mayo Rochester Clinic in the US.

9. Vodafone Spain Foundation

SPANISH PROJECTS

AIRMED

Following the partnership agreement signed between the Ministry of Health's Carlos III Health Institute, and the Vodafone Spain Foundation, AIRMED continues to engage in research and development geared towards introducing ICT-based innovations into the Spanish health system.

At present, work is being completed on the second stage of the project, which consists of the random multicentre clinical trial that is being conducted with two parallel test and control groups, with the help of the primary care (outpatient) and specialized care (hospitals) systems. Tests are also being conducted to ascertain whether the telemedicine system improves the control and monitoring of chronic patients and cuts both health costs and the number of patients admitted.

The Carlos III Health Institute has been awarded the "E-mobility" prize in the category: "Institution or public agency that has contributed to the development of one or several mobile applications that have helped to improve people's living conditions" for the work it is doing as part of the Airmed project. The prize was awarded at the 3rd Annual Mobile Telephony Congress held in November 2004.

The project started in 2003 and during the first half of 2004, a pilot experiment was conducted with 350 real users selected from the Spanish Red Cross' social welfare schemes in order to test and fine tune the mobile telecare service through the TECSOS Foundation, an institution that the Vodafone Spain Foundation and Spanish Red Cross set up in June 2002.

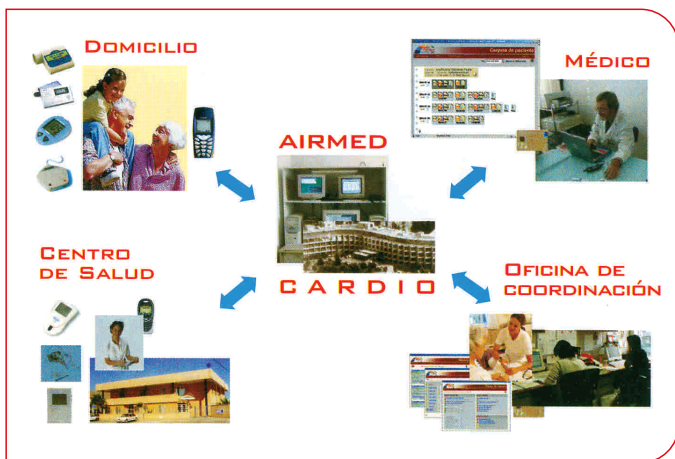
The profile of the people who took part in the pilot test was as follows:

- > Elderly people.
- > Gender violence victims.
- > People with age-associated cognitive decline (Age-Associated Memory Impairment-AAMI).
- > People with physical, sensorial or intellectual disabilities.
- > People with chronic illnesses.

Also during 2004-05, the technology systems used to provide the service were validated, and the software developed for the MTC was analysed, special attention being paid to agenda management, tracking/location, centre backup and safe reception of alarms by SMS. Lastly, the intervention protocols derived from the service's different users were validated.

GPRS TEXT TELEPHONE FOR THE DEAF

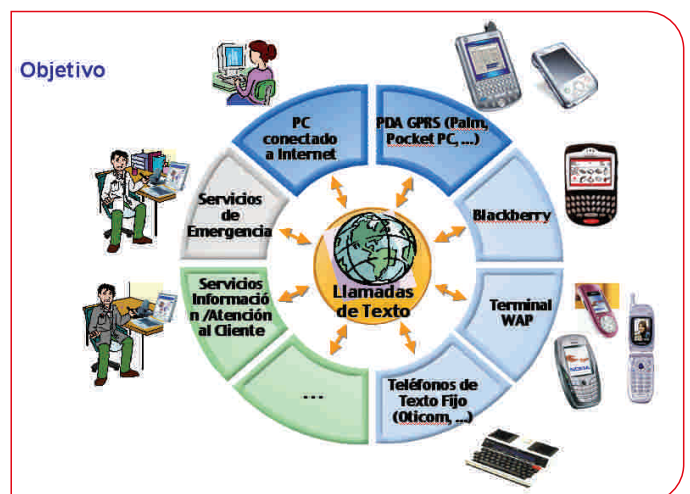
This project aims to develop an application that will permit text-mode conversations (chats) between two PDA terminals, using the GPRS network and/or a computer connected to the Internet.



MOBILE TELECARE (MTC)



The MTC service is designed to enhance its users' quality of life, so that they can live safely and comfortably, and for as long as possible, in their usual surroundings.



9. Vodafone Spain Foundation

Following the completion of the pilot test, which was carried out in collaboration with a group of deaf users and backed by Madrid Polytechnic University, Madrid Autonomous University and the Institute of Migration and Social Services, among other institutions, the system was proven to be valid.

After the pilot phase, certain improvements requested by users are being made, such as compatibility with any type of telephone, the “wap chat” application with text-message alerts, or text-mode access to emergency services, to name but a few. There are plans, in the future, to add videotelephony to permit sign language.

SENECA

The main goal of this project is to define the current and future care and social needs of people with slight and moderate mental handicaps aged over 40 years old.

When these needs have been outlined, the project will seek to determine possible solutions, by building a prediction model for establishing the influence of certain actions on the socio-economic system, comparing needs in terms of age, checking differences according to the type of handicap, define a clinical ageing pattern, and verifying how new mobile telecommunication technologies can help these groups of people.

The Vodafone Spain Foundation is carrying out the project together with the Regional Government of Catalonia, through its Department of Welfare and Family Affairs, and the Catalan Federation for Mentally Handicapped People (APPS). Moreover, 26 Catalan care centres, with a total universe of 1,000 people with minor and moderate handicaps and Alzheimer's, will be taking part in the 5-year study, with annual follow-ups and assessments.

2. Training

UNIVERSITY AND POSTGRADUATE EDUCATION

The highlights in this area of activity include:

VODAFONE-U.P.M. CHAIR

The Chair, which was created as a forum for promoting the Information Society, continues to organise a wide range of educational activities.

One of last year's highlights were the 2nd Vodafone-UPM Workshops, held in April 2004, under the title “3G: The age of environmental intelligence”, and which were divided into two thematic fields: technological challenges and new markets; and the environmental intelligence society.

One of the Chair's chief activities is the UPM Master's Degree in Mobile Communications.



9TH AND 10TH EDITIONS OF THE VODAFONE - U.P.C. MASTER'S DEGREE / 4TH AND 5TH EDITIONS OF THE VODAFONE - U.P.M. MASTER'S DEGREE

After the previous editions finished in June 2004, in October 2004 the new courses started with a syllabus that is divided into seven modules:

- > Fundamentals of mobile communications.
- > GSM and GPRS Systems.
- > 3G UMTS systems.
- > Support technology.
- > Mobile services and applications.
- > The manufacturers' view.
- > Legal, social and economic environments.

The added value of completing the Master's Degree satisfactorily gives students the chance to gain work experience in the industry's leading companies.

UPV MASTER'S DEGREE IN MOBILE COMMUNICATIONS

The “University Specialist Degree in Communications and Development of Mobile Services” course given at Valencia Polytechnic University has been turned into a Master's Degree, and is still being sponsored by the Vodafone Spain Foundation under the framework agreement that the two Institutions have renewed as part of the Vodafone-UPV Classroom scheme.

9. Vodafone Spain Foundation

MASTER'S DEGREE IN COMPUTER SCIENCE APPLIED TO TELECOMMUNICATIONS - MALAGA UNIVERSITY

This Master's Degree aims to complete the training of recent graduates and information technology and telecommunications professionals, making it easier for them to find jobs as members of highly specialized teams. After completing the course, the students enjoy 12 months' work experience in ICT industry companies.

INTERNATIONAL MASTER IN HUMANITARIAN MEDICINE – UNIVERSITY OF MIGUEL HERNÁNDEZ

The 7th edition of the Master's Degree was inaugurated on 22 October 2004. The course is divided into four phases: "Action humanitarian and its socio-economic context", "Public health and disease control", "Humanitarian Medicine in situ" and "Research Project".

COURSE FOR SPECIALISTS IN MOBILE COMMUNICATIONS – SEVILLE UNIVERSITY

The third edition of the Course in Mobile Communications, which this year is entitled "Mobile Technologies and Applications: GPRS and UMTS", began on 18 February 2005.

OTHER PARTNERSHIPS

- > Ramón Llull University: The Vodafone Spain Foundation continues to sponsor the "Master's Degree in Telecommunications Networks and Services".
- > Pompeu Fabra University: Sponsorship of the "Master's Degree in Business Management of Telecommunication and Systems"
- > Comillas Catholic University: "Electronic Contracts" Workshop.
- > Bosch I Gimpera Foundation, Barcelona University: Holding of the "Vodafone Forum".
- > School of Industrial Organization (EOI): The Vodafone Spain Foundation and the School of Industrial Organisation have co organised different Seminars as part of the Technology Forum Programme.

DETECTION AND STIMULATION OF EARLY MATHEMATICAL TALENT (ESTALMAT)

Each school year, the project seeks to detect, guide and stimulate the

exceptional mathematical talent of 25 pupils aged between 12 and 13 years old, by giving them weekly guidance through activities that are especially programmed for them.

The objectives are to:

- > Stimulate these people, who have special skills, to prevent their academic failure due to lack of suitable tuition.
- > Prevent the waste of this exceptionally enormous potential that could contribute to the common good, through its possible future addition to the country's cultural, scientific and technological fabric.
- > Cover the social responsibility that arises when these people's needs are neglected.

All of this is totally free of charge for participants, avoiding the socio-economic discrimination of students. This project is being carried out in liaison with the Royal Academy of Exact, Physical and Natural Sciences, in the Madrid Region, in Catalonia and Burgos, and will soon be extended to Andalusia and the Canary Islands.

ONGOING TRAINING

The "Vodafone Spain Foundation Classrooms" are premises equipped with multimedia computers that use new technologies to offer communication, training and information.

The classrooms are set up in premises facilitated by public agencies (City and Town Councils, Social Centres, NGOs, etc.), who run them, while the Foundation provides the computer and IT equipment and human resources necessary to start them up. The following Classrooms are currently open:

- > Vodafone Spain Foundation - Alcobendas Town Council Classroom.
- > Vodafone Spain Foundation – Madrid Institute for Development (IMADE) Classroom, Puerta de Toledo (Madrid).
- > Balia Foundation - Vodafone Spain Foundation Classroom.
- > Malaga City Council - Vodafone Spain Foundation Classroom.
- > Vodafone Spain Foundation – Movement for Peace, Disarmament and Freedom (MPDL) Classroom, in Vallecas (Madrid).
- > Vodafone Spain Foundation Classroom in Jerez de la Frontera.
- > Vodafone Spain Foundation - Fuenlabrada Town Council Classroom.
- > Vodafone Spain Foundation – Association for Paraplegia and Major Disabilities (ASPAYM) Murcia Classroom.

9. Vodafone Spain Foundation

OTHER COURSES AND SEMINARS

TELEMEDICINE, TELECARE AND INTEGRATION:

- > Seminar on "Technological and Social Networks for Integration", in Mérida.
- > "The convergence between Life Sciences and Information Technologies", in Valencia.
- > "Telemedicine in Spain: Towards 21st century health", at El Escorial (Complutense University).
- > Senior citizen training schemes "Teaching senior citizens to master mobiles", Madrid City Council and Spanish Confederation of Senior Citizens' Organizations, Madrid.
- > "Telemedicine, Health and Future" Meeting in Mahón.
- > "New challenges in providing support to people with intellectual disabilities", in Burgos.
- > Seminar on "Caring for dependent senior citizens: challenges and opportunities", in Segovia.

TECHNOLOGICAL:

- > "3G. The age of environmental intelligence", in Madrid.
- > "New Technologies and Business Training", in Madrid, School of Educational Sciences.
- > Seminar with the Spanish Association for the Advancement of Management (APD) "Impact of New Technologies on the competitiveness and productivity of Basque companies", in Bilbao.
- > Technology Workshops, in Madrid.
- > IEEE Conference Search (PIMRC 2004 International Symposium on Personal, Indoor and Mobile Radio Communications), in Barcelona.
- > TECNONEET, 2004. "Challenges and realities of digital inclusion", in Murcia.

ETHICS, CORPORATE RESPONSIBILITY AND INFORMATION SOCIETY:

- > "Corporate Responsibility and Ethics in the new technological scenario", in Aranjuez.
- > "Information Society, new innovations and new sociopolitical and economic consequences", in Jarandilla de la Vera.
- > Lecture on "Constitutional theory and the res publica", in Madrid.
- > Lecture "Progressive policies and the res publica" in Barcelona.
- > Interdisciplinary Congress "Digital society and citizenship", Madrid Autonomous University.

- > "Identity, reading, cultural appropriation and reception practices in the digital age", in Miraflores de la Sierra.
- > "Towards the Learning Society", in Bilbao.



3. Sponsorship

INTEGRATION SPONSORSHIP

This area is responsible for all the activities that seek to foster the social and labour integration of especially sensitive population groups, such as senior citizens and the physically and mentally disabled.

In organising these activities, the Vodafone Spain Foundation endeavours to foster their social and labour integration, to enjoy a better quality of life, or to have access to education and leisure on a similar footing to other citizens.

The Foundation organised the following projects during financial year 2004/05:

- > **Sierra Nevada 2004.** 7th Skiing Course for the disabled.
- > **Galicia Adapted Sailing (GAVEA).** Water sports leisure programme, jointly organised by the Vodafone Spain Foundation and the Galician Confederation of the Disabled.
- > **Children's camps.** Sponsorship of activities to allow disabled or sick children and teenagers to enjoy a holiday.
- > **PREDIF (The Physically Disabled Representative Platform).** Drafting of a report to ascertain the physically disabled's habits and attitudes towards tourism.
- > **ONCE Foundation.** Partnership for the design, promotion and joint development of activities designed to make telecommunications and new technologies more accessible.

9. Vodafone Spain Foundation

ENVIRONMENT AND CORPORATE RESPONSIBILITY SPONSORSHIP

The Foundation has helped to organise:

- > “2nd Workshop on Corporate Responsibility for Senior Management”.
- > “International Seminar on Electromagnetic Fields, Mobile Telephony and Health”.
- > “Forum Soria 21 on Energy, Climate Change and Sustainable Development”.

4. Dissemination

This area's mission is to publish works about telecommunications and their field of application, its key activities being as follows.

PUBLICATIONS

During the financial year 2004/05, the Foundation sponsored the following publications:

- > “Analysis of the Telecommunications Act”.
- > “Telecommunications Law 2004 Yearbook”.
- > “Ethics for the Network Society”.
- > “The implementation of the privacy and electronic communications directive”.
- > “5th Spanish Society of Health Informatics Report”.
- > “Telemedicine. Overview of the current situation and future prospects”.
- > “Elements of UMTS radio resources management and architecture”.

7TH VODAFONE JOURNALISM PRIZE

With a view to fostering public debate of mobile communications and their bearing on modern society, the Foundation has announced the 7th Vodafone Journalism Prize, which will focus on the growing technological evolution of 3G systems, and the extensive potential for mobility and change that the latter imply, both in social, economic and cultural terms.

The deadline for submitting entries closed in April 2005, and prizes will be awarded in two categories:

- > “Award to a communication professional”.
- > “Special Lifetime Achievement Award”.

5. Awards Received

During financial year 2004/05, the Vodafone Spain Foundation received different awards, including the following:

- > **IVADIS 2004 Solidarity Award:** The Valencian Institute for Attention to the Disabled (IVADIS) awarded the Vodafone Spain Foundation the “Charity Work” prize, in recognition of the social work that our institution carries out in an endeavour to foster the integration of people with disabilities.
- > **ASPAYM Prize:** As part of the acts to commemorate its 25th anniversary, ASPAYM awarded the Vodafone Spain Foundation a prize for its efforts to “make it easier for the disabled to access ICTs”.



N.B.: As this report went to press, the **Spanish Red Cross** announced that it has awarded its **Gold Medal to the Vodafone Spain Foundation**.

10. Mobiles and Health

“None of the recent reviews have concluded that exposure to the radiofrequency (RF) fields from mobile phones or their base stations causes any adverse health consequence”.

World Health Organization.

Vodafone is committed to responding to the public's mobile telephony and health concerns, given that one of our Business Principles refers to the health and safety of our customers, employees and the general public.

Living conditions in modern society lead us to be exposed, to a greater or lesser extent, to electromagnetic fields generated by a wide variety of man-made artificial sources such as electricity generation and transmission systems, transportation systems, household wiring, electrical appliances, medical equipment, telecommunications systems, etc.

The rapid development of mobile telephony has brought significant personal and social benefits. At the same time, it is a fact that some people are worried about the possible health effects of mobile telephony's radioelectric emissions.

Despite being smaller than radio and television broadcasting masts, there are far more mobile telephone masts and, in general, they are closer to houses. However, the level of exposure from these masts is much lower than that caused by other household electrical appliances.

Vodafone bases its mobile telephony and health position and policies on the results of the expert research conducted under the auspices of national and international health agencies, such as the World Health Organization.

COMPLYING WITH REGULATIONS

“Scientists say that, below certain levels, there is no risk. And from there on, the precautions are taken when establishing the levels in the regulations and the procedures to ensure that they are not reached. Once it is verified that levels are well below very prudent levels, there is no longer any need to remain cautious ad infinitum. It can be said, plainly and simply, that with such precautions, peace of mind is possible”.

Enrique Múgica Herzog. Ombudsman. 2004 Annual Report

To ensure that there is no health risk, both the European and Spanish authorities have passed laws regulating the exposure to electromagnetic fields. These RF exposure regulations stipulate levels of exposure that must not be exceeded in order to guarantee safety. Further still,

these levels are set by adding an additional safety margin to values that are already safe per se.

According to the provisions of Royal Decree 1066/2001, of 28 September 2001, and the Ministerial Order 23/2002 of 11 January, 2002, any mobile telephony facilities installed in Spain must be approved by the Ministry of Industry, Tourism and Commerce before they are commissioned. To that end, operators must submit a project with an RF emission study for each station in question.

This study involves measuring the level of the electromagnetic field and then adding the level that, theoretically, the new station would produce, checking that the sum is below the level stipulated in the aforementioned legislation.

Furthermore, every year operators must submit RF emission certificates that are subject to official inspection.

All the Vodafone Spain base stations conform to the limits stipulated by current legislation, and all of them have been certified. Furthermore, every year it submits certificates to prove that it has not exceeded the exposure limits, thereby guaranteeing that it continues to keep the limits under control.

The results of these readings indicate that the emission levels are at least 100 times lower (in power density) than the limits stipulated by law.

Last of all, all the mobile phones sold by Vodafone comply with the ICNIRP guidelines.



10. Mobiles and Health

COMMUNICATION PLAN

In financial year 2003-04, Vodafone Spain committed itself to developing a clear, concise and relevant Communication Plan regarding the Electromagnetic Fields caused by mobile telephone base stations, giving our Stakeholder objective information and engaging in an open and transparent dialogue with them.

In this respect, during financial year 2004-05, Vodafone Spain published and distributed different documents and leaflets, mainly oriented to the general public, customers and landlords' and residents' associations, including the following:

- > "Base Telecommunications Stations. What they are and why we need them".
- > Three-page leaflet "Mobile telephony. Closer by the day".
- > Three-page leaflet on "Mobiles, masts and health".
- > Leaflet on "Masts & Health".

These documents and leaflets, as well as other documents with links to renowned independent research organizations, are available on our website www.vodafone.es/responsabilidad.

Furthermore, an extensive campaign is underway to disseminate mobile telephony and health issues among institutions, associations, the Media, etc. One of the highlights was the leaflet that the AECC (Spanish Cancer Association) published in order to explain simply and at the same time convincingly, in a direct question and answer format, all about electromagnetic fields and the radiofrequency waves on which mobile telephony is based, as well as the conclusions of scientific research to the effect that there is no relation between the electromagnetic fields and cancer, trying to respond to people's concerns in this regard.

"No scientific evidence has been found to prove any cause-effect association between exposure to electromagnetic fields within the recommended limits and cancer. However, research, as in other fields of science, must continue". Spanish Cancer Association. April 2004.

At the same time the company launched a specific communication plan geared towards its employees, which included a Back Pocket Guide (See Chap. 4: "Embedding Corporate Responsibility into Management") to explain existing information about radioelectric emissions and health.

ACTIONS WITH CONSUMER ASSOCIATIONS.

One of the activities towards which Vodafone Spain devoted significant efforts this financial year was to organise mobile telephony and health information workshops and actions with Consumer Associations.

The Consumer Associations with a sufficiently nationwide presence are an important channel and means of letting consumers know the real facts about the effects of exposure to mobile telephony signals, in the face of the wave of prejudiced opinions about mobile telephony that are appearing in the Media and taking root among the general public.

Therefore our actions, which centred on explaining that our masts have no health effects, were aimed at the Consumer Associations' representatives in each province and /or Autonomous Community, instead of addressing their members openly and generally. Vodafone decided that what mattered most was to "inform those who inform" as opposed to divulging the information to the public at large.

These workshops have been organised either specifically by Vodafone Spain, or else with other operators or jointly with local institutions (Spanish Federation of Municipalities and Provinces) or trade associations (AETIC).

The workshop programmes included a technical session at which the audience was given a basic and very graphic explanation of how a base station works, how voice and information are transmitted why masts are needed.

The programmes also devoted time to information, provided by representatives of prestigious national and international health agencies, about the results of research into the biological and health effects of exposure to electromagnetic fields, studies that have been conducted over more than 30 years on the waves upon which mobile telephony is based, without any cause - effect having been found to date.

Further information about this research is available on our website www.vodafone.es/responsabilidad.

The workshops held to date have been far more successful than expected, which is why further workshops will be organised throughout 2005-06. We have also managed to set up a good channel of communication and dialogue with the consumer associations' representatives, with a view to handling any doubts they may have or information they need when dealing with mobile telephony-related complaints that their members make to them.



11. Responsible Network Deployment

“We must foster the development of telecommunication infrastructures, which will guarantee users' right to access these services and boost the competitiveness and productivity of the local business fabric”.

Jesús Banegas, Chairman of AETIC. April, 2004.

One of the key elements of a mobile network are the base stations, which transmit and receive calls. Each base station provides coverage in a specific area that can range from 5 kilometres in the countryside, to 100 metres in heavily built areas or inside buildings. Furthermore, each base station can only handle a limited number of calls at the same time, so more stations are needed in areas where there are a lot of users.

Vodafone is constantly investing in developing its network to offer our customers better coverage and new technologies such as UMTS.

Vodafone is aware that building and maintaining a mobile network brings into play a series of issues to which close attention must be paid so as to ensure that the network is deployed responsibly, seeking to strike a balance between, on the one hand, the technical and commercial conditioning factors, and on the other, the expectations of the community where the base station is located. The issues that, in our opinion, matter most in this field are:

- > Environmental impact.
- > Radioelectric emissions.
- > Site planning and selection.
- > Communications and queries.
- > Relations with landlords.

The Policy and goals in each of these areas were established this financial year, as part of a Vodafone Group project that has been spearheaded by Vodafone Spain. This **Policy** has led Vodafone to draw up specific **Guides** for each of the issues, in which we have set out, for example, our commitments, as well as a series of indicators for measuring our performance.

Vodafone Spain complies with all the environmental legislation applicable to its facilities (See Chap. 4: “Embedding Corporate Responsibility into Management”), and therefore has not had to report any fines for environmental legislation-related issues.

SITE AGREEMENTS

During the financial year 2004-05, Vodafone reached agreements with the landlords of more than seven hundred and fifty properties for the installation of new telecommunications base stations. This major success is due to the efforts and dedication of an extensive team of people, to new intensive contracting mechanisms that have supplemented the traditional processes, as well as to a set of loyalty-building initiatives that have been implemented recently under the name of “Vodafone Landlords' Associations”:



LANDLORD CALL CENTER

In July 2004, Vodafone opened the Landlord Call Center, which handles any queries or incident related to the Vodafone equipment installed on the property. This service is available from 8 a.m. to midnight, every weekday, and is free when calling from a Vodafone mobile.



Teléfono de Atención al Propietario.
607 100 101
Laborables de 8:00 h a 24:00 h. Gratuito desde móvil Vodafone.

11. Responsible Network Deployment

LANDLORD SATISFACTION SURVEY

In April 2004, Vodafone Spain conducted a survey among the landlords of the buildings and plots where it has installed a base station. The main conclusions that were reached were as follows:

- > 74% of the Vodafone base stations sites have high retention rates.
- > 82% of the landlords are satisfied at having leased their rooftop/plot to Vodafone.
- > The survey revealed that landlords found it hard to contact us about Vodafone equipment-related issues, which is why the aforementioned Call Center was set up. Even so, 75% of the respondents said that their query or request was solved upon the first call.

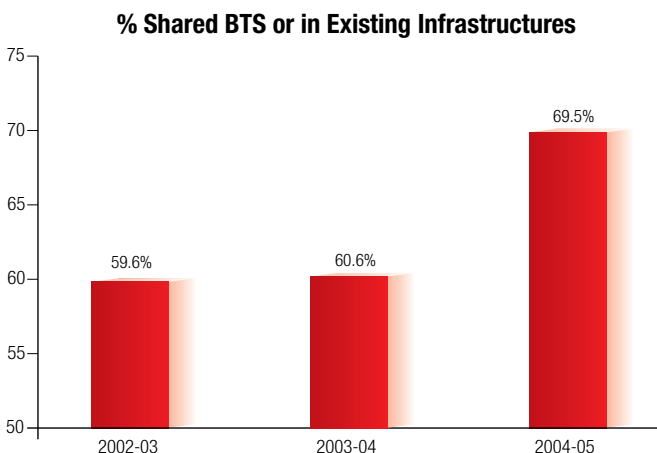
MINIMIZATION OF VISUAL IMPACT

SHARED INFRASTRUCTURE USAGE POLICY

Throughout the financial year, Vodafone continued with its efforts to minimize the visual impact of its network deployment. Thanks to agreement with other companies, telecommunications operators, and public and private agencies, sites have been shared in nearly 400 new base stations. Furthermore, in deploying the UMTS network, every effort is being made to use existing infrastructure, and there are also plans for the shared use of rooftops.

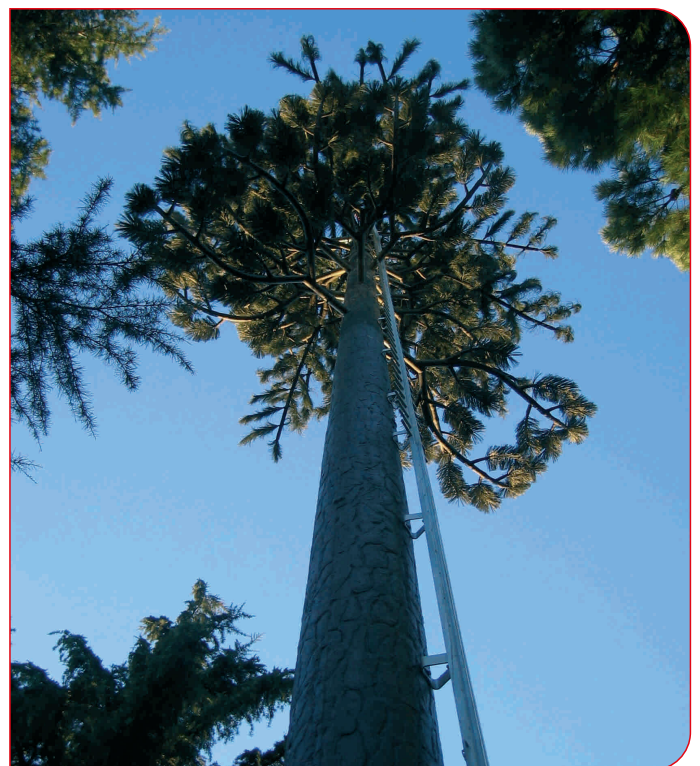
This means that less waste is generated during building, less resources and energy is consumed during the operation, and we save on network infrastructures. All for the sake of ensuring a responsible deployment of the network, with the visual and environmental impact minimized as far as possible.

By applying these principles, the cumulative % of base stations that are shared or located in existing infrastructures is steadily increasing, as may be observed in the enclosed graph:



OTHER ACTIONS ORIENTED TO MINIMIZING THE VISUAL IMPACT.

Vodafone also strives to reduce the visual impact of its telecommunications base stations, without which calls could not be made. In the process of designing a base station, studies are conducted of how to make the station blend in with the environment with strict and advanced criteria. As a result, this financial year Vodafone began work on more than 100 visual impact minimization actions, affecting different station components (masts, towers, cabins, etc.):



12. Recycling of Mobile Phones

“Nor society, nor man, nor any other matter should surpass the limits established by nature in order to be good”.

Hippocrates

Mobile phone technology is moving forward so fast that customers regularly change their phones, looking for more and better features (mobile phone users change phone an average of once every 18 months). This leads to significant amounts of obsolete mobile phones and accessories piling up.



Besides, despite their weight and volume having dropped considerably over the years, the rise in the number of users and the growth of sales in general entail a considerable consumption of material resources.

That is why one of Vodafone Spain's Corporate Responsibility Initiatives involves recycling mobile phones and their accessories, because even though Vodafone does not manufacture phones, we are well placed to collect obsolete phones through our retailers.

Manufacturers play a leading role primary in designing new mobile phones that are more environmentally-friendly in terms of their components and that are easier to recycle. In this regard, on 25 February of this year the Spanish Government issued Royal Decree 208/2005, on the management of waste from electrical and electronic equipment, which states that the producers of such equipment must collect and efficiently manage their waste.

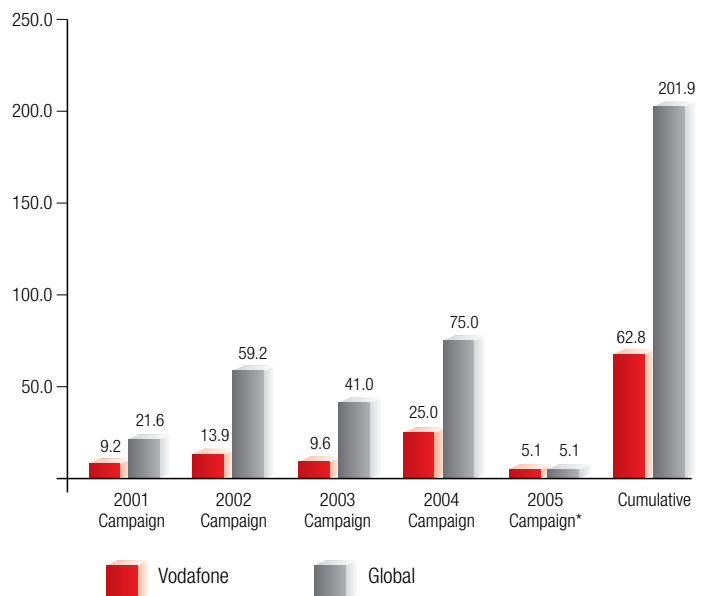
An obsolete phone collection system is in place throughout our network of points of sale, which thus contributes to improve the environment.

Since 2001, Vodafone Spain has been taking part in the Mobile Phone Waste Collection and Recycling Campaign launched by ASIMELEC (Multisectorial Association of Spanish Electronic and Communications Companies), also known as the “Mobile Muncher Initiative”.



We have launched the “Mobile Muncher Initiative” in all our retailers, where we have installed containers and leaflets to raise consumers' awareness about the need to recycle these types of wastes, in order to prevent possible damages to the environment, as well as to reduce raw material consumption.

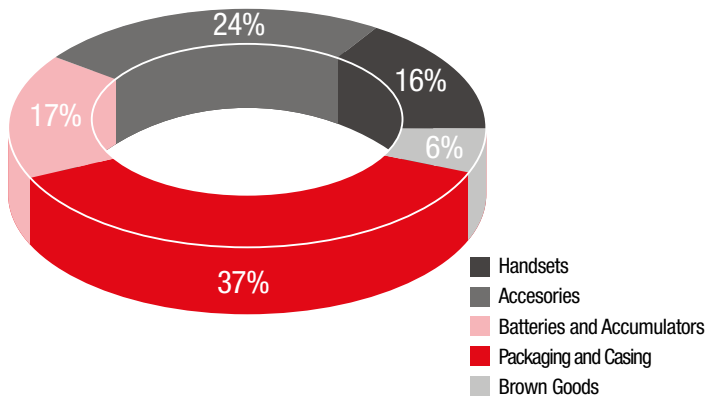
Tons Collected



* Figures as at 31 March 2005.

12. Recycling of Mobile Phones

Breakdown (%) of the Items Collected in the 2004 Campaign



This project pursues the following environmental benefits:

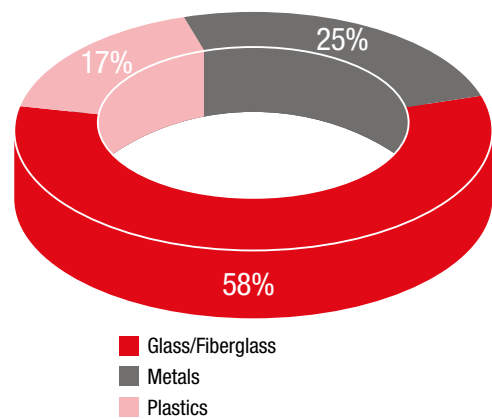
- > Reducing the amount of wastes that end up on landfill sites.
- > Preventing the toxic substances contained in mobile phone wastes from being released into the environment.
- > Saving raw materials (metals, plastics) by reusing the materials from the recycled mobile telephones.
- > Energy Saving.

Vodafone's customers can deposit their old telephones and accessories in special containers that we have placed in our offices and retails.

All the mobile phones and accessories left at these collection points are then taken to a plant for processing and classification, and the batteries are removed and sent to an authorised hazardous waste management company. Once they have been classified, the handset and charger fragments are recycled by grinding.

Applying different mechanical and physical processes, secondary materials are obtained and reused to manufacture other products.

% Secondary Raw Materials in Handsets



As a result of this process, 95% of mobile phone components are recycled.

The "Mobile Muncher Initiative" also pursues a series of social objectives, such as organising social integration and activity programmes for special population groups. In this regard, in December 2004 the "Mobile Muncher" Foundation (Fundación Tragamóvil) signed an agreement with the LA SAFOR (Mentally Disabled People's Association). Under this agreement, the Association has set up a network of mobile phone collection points, and is contributing to promote the "Mobile Muncher" Project. In return, the "Mobile Muncher" Foundation is financing the construction of a specially-adapted Multipurpose Centre for the disabled, where their relatives and social workers can attend training courses, and the seriously disabled can receive different sensorial therapies.



Encuentra el centro de recogida y reciclado de móviles más cercano a tu casa en:

www.vodafone.es/responsabilidad

13. Energy, Wastes and Ozone Depleting Substances

Energy

“From day one, the human species has interacted with the environment and has modified it. Environmental problems are not new; however, what makes the current situation especially worrying is that those changes are taking place faster, en masse, and the universality of their consequences”.

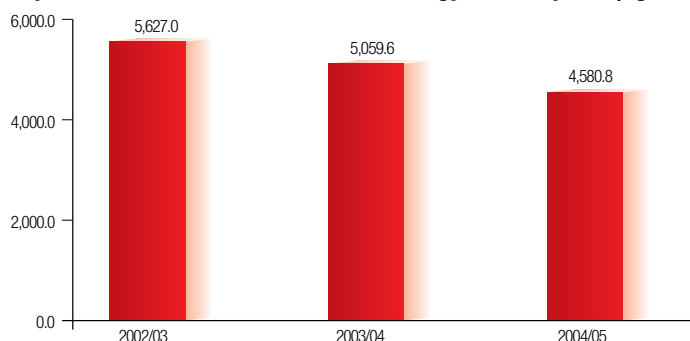
The Earth Summit Declaration. Río de Janeiro Forum 1992.

The conclusion drawn after assessing our environmental impacts is that our most significant impacts have to do with our network's deployment, operation and maintenance. Furthermore, the environmental impacts most worth mentioning are energy consumption, the management of electrical and electronic wastes from network equipment, paper usage and recycling, and the use of ozone-depleting substances. There follows a summary of the courses of action that Vodafone Spain took with regard to these impacts in the financial year 2004-05.

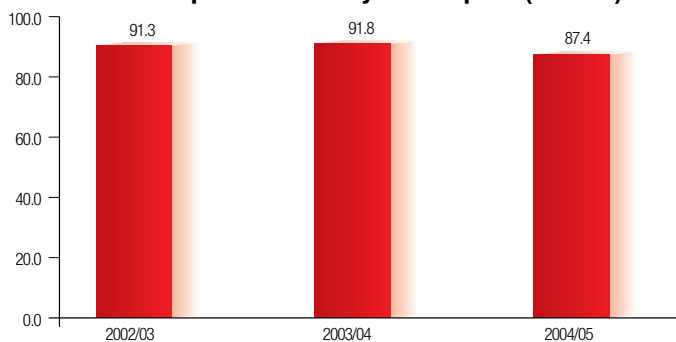
Like most business activities, telecommunications have a certain effect on energy demand and, more specifically, on electricity consumption. Apart from the fact that most **energy** is obtained from limited resources, its consumption results in the emission of CO₂, a gas that contributes to global warming (greenhouse effect). In this respect, Vodafone regards it as a priority to control our impact on global warming.

The enclosed diagrams give figures that display Vodafone's network, office and retail specific energy consumption trends¹.

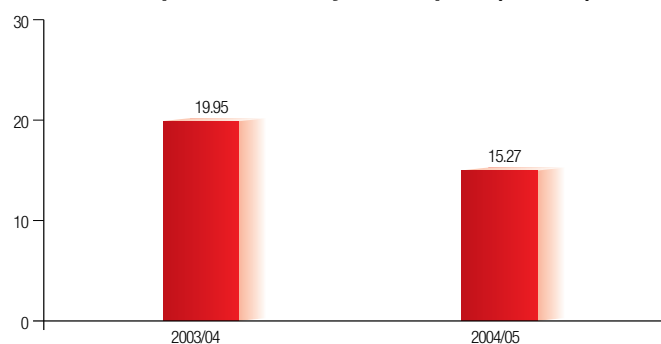
Specific CO₂ derived from network energy consumption (Kg/BTS)



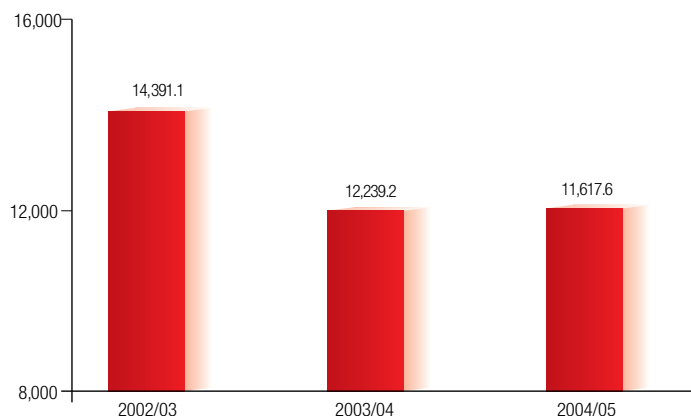
Office specific electricity consumption (Kwh/m²)



Retail specific electricity consumption (Kwh/m²)



Network specific energy consumption (Kwh/BTS)



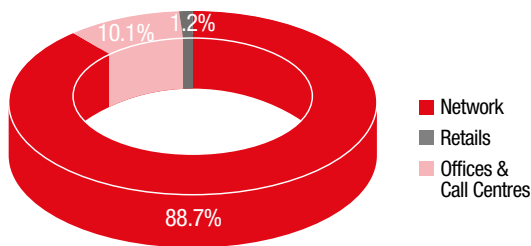
¹ In the financial year 2004-05, Vodafone Spain developed a specific and more precise programme for controlling its electrical consumption. As a result, there are some slight changes with respect to the figures given in the 2003/04 Corporate Responsibility Report.

13. Energy, Wastes and Ozone Depleting Substances

Energy

Vodafone consumes the bulk of its electricity in its network operations (which include: base stations, switching centres, and data processing centres). Thus, during the financial year 2004/05, electricity consumption was distributed as follows:

Distribution of Electricity Consumption (2004/05)

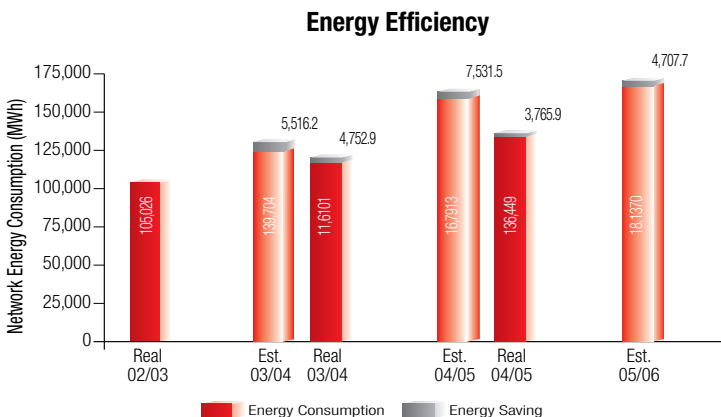


The network's absolute energy consumption may increase not only due to an increase in the infrastructures necessary for communications, but also due to the steady introduction of UMTS technology (3G), which requires more energy in comparison with the GSM and GPRS technologies.

Even so, for the time being and in the period 2004-05, specific network energy consumption continued to fall in relation to the previous year, although this trend might change in the future as the percentage of UMTS stations increases.

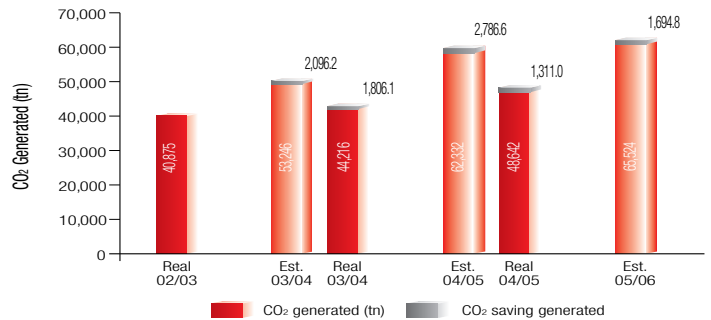
Vodafone Spain is well aware of the environmental impact that its activities are liable to cause and continues striving to make its network and communications equipment more energy efficient.

Therefore, in financial year 2003/04 Vodafone launched an **Energy Efficiency Plan** in order to "Steadily improve the energy efficiency of our activities and lower the environmental impact". As a result, over the last two years our total electricity consumptions have been lower than forecast, and the courses of action taken as part of the Plan have achieved a 3.4% saving in energy consumption.



Furthermore, CO₂ emissions were also lower than forecast.

Climate Change



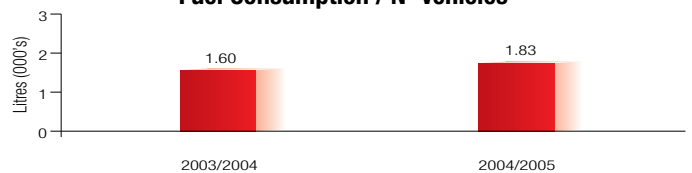
The network electricity consumption and the associated CO₂ emission figures show that average network electricity consumption per customer was 11.57 Kwh in financial year 2004-05, while average CO₂ emissions per customer were 4.13 Kg. This amount of CO₂ generated per customer is roughly equivalent to a 25 km journey in a modern family car with a 1.6 litre petrol engine.

Furthermore, over the last two financial years (2003-04 and 2004-05) Vodafone Spain has saved 3,117.1 Tn of CO₂, which, according to the ASEMFO report "The Forests as a Carbon sink. June 2004", is equivalent to the amount that a 436.4 Ha forest would absorb.

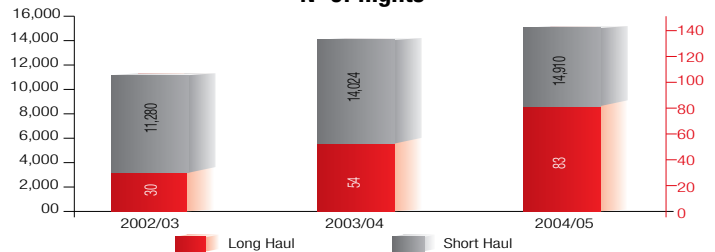
OTHER ENERGY CONSUMPTION FIGURES

The enclosed figures refer to other energy consumption levels that Vodafone Spain monitors, even though they are not as relevant as its network energy consumption:

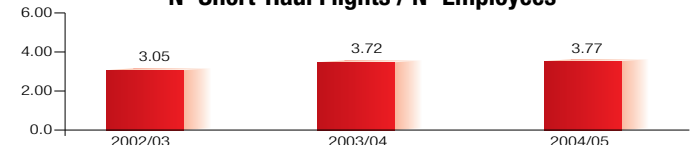
Fuel Consumption / N° vehicles



N° of flights



N° Short-Haul Flights / N° Employees



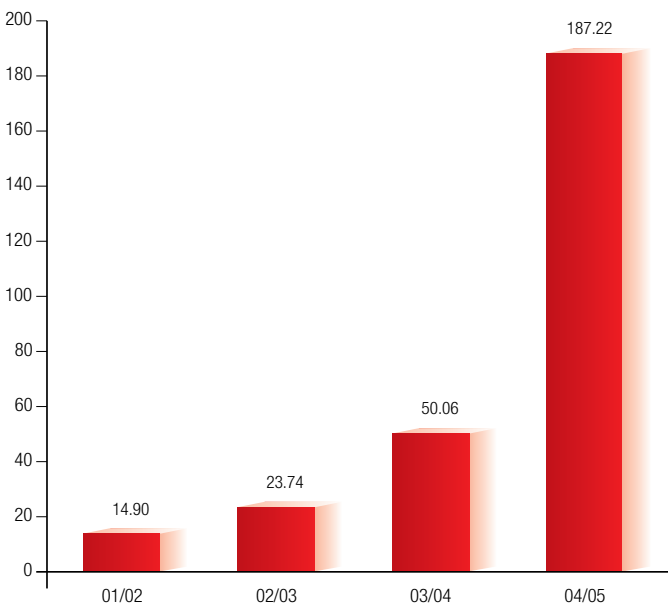
13. Energy, Wastes and Ozone Depleting Substances

Wastes

From day one, Vodafone Spain has striven to limit to the utmost the environmental impact of its business operations. To that end, and by way of example, it has devised action plans to enhance the management of its main wastes, which include the **electrical and electronic waste** generated during network rollout and maintenance.

During financial year 2004/05, the amount of network waste sent for recycling increased significantly due both to the need to renew obsolete equipment, and our efforts to improve and adapt our network to the advent of the new UMTS technology.

Recycled Network Equipment (Tons)

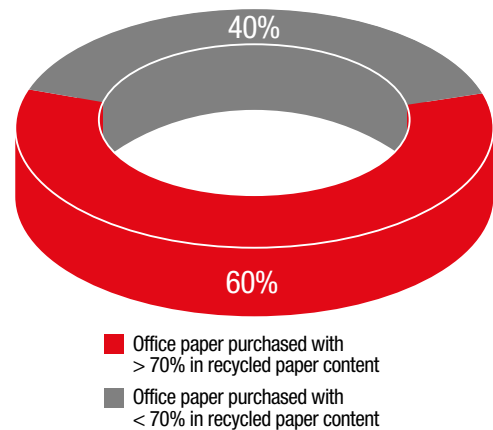


100% of the equipment that was dismantled and replaced last year was handled in such a way as to maximise the recovery of the raw materials inside it. By doing so, Vodafone Spain contributes to achieving the recycling goals proposed in Royal Decree 208/2005 on the management of electrical and electronic equipment wastes.

Paper is one of the most significant wastes that Vodafone Spain generated in its office activities.

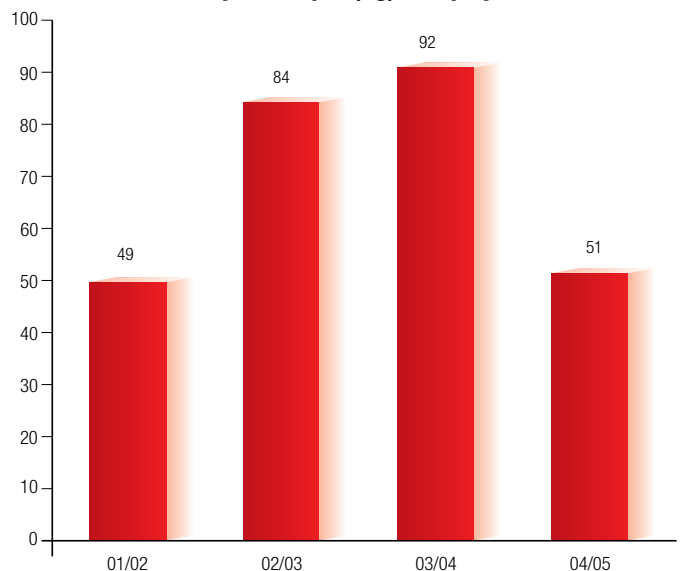
During the financial year 2004-05, Vodafone Spain consumed a total of 235 Tons of paper, and more than 60% of all paper purchased was recycled paper. Furthermore, this financial year the company has recycled more than 200 Tn of paper.

Paper Consumption



Last year the amount of paper recycled per employee was lower because the office reorganisation and moves that took place during the two previous financial years were completed and resulted in large amounts of paper being sent for recycling.

Recycled Paper (Kg) / Employee

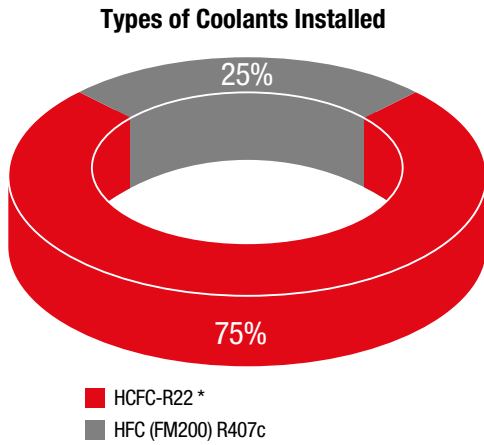


Furthermore, **Water** consumption last financial year totalled **67,128.2 m³**.

13. Energy, Wastes and Ozone Depleting Substances

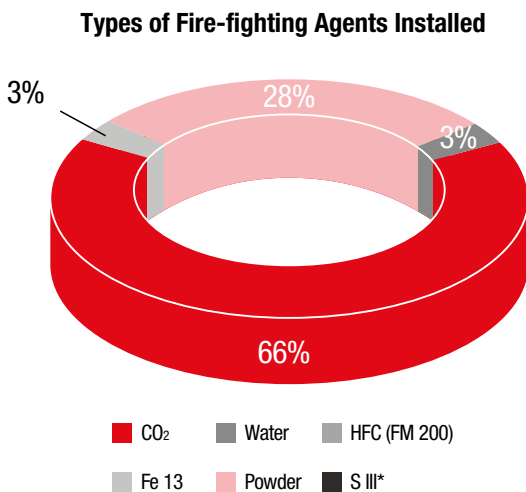
Ozone Depleting Substances

Another environmental issue to which Vodafone Spain pays special attention is the emission of substances liable to deplete the ozone layer (such as CFC's and HCFC's). Even though our operations do not generate these types of substances directly, the use of certain items of cooling and fire fighting equipment can entail the emission of these substances. Consequently Vodafone Spain has imposed a series of specifications and restrictions regarding the use of new equipment, and has launched a plan to replace these types of substances used in existing items of equipment.

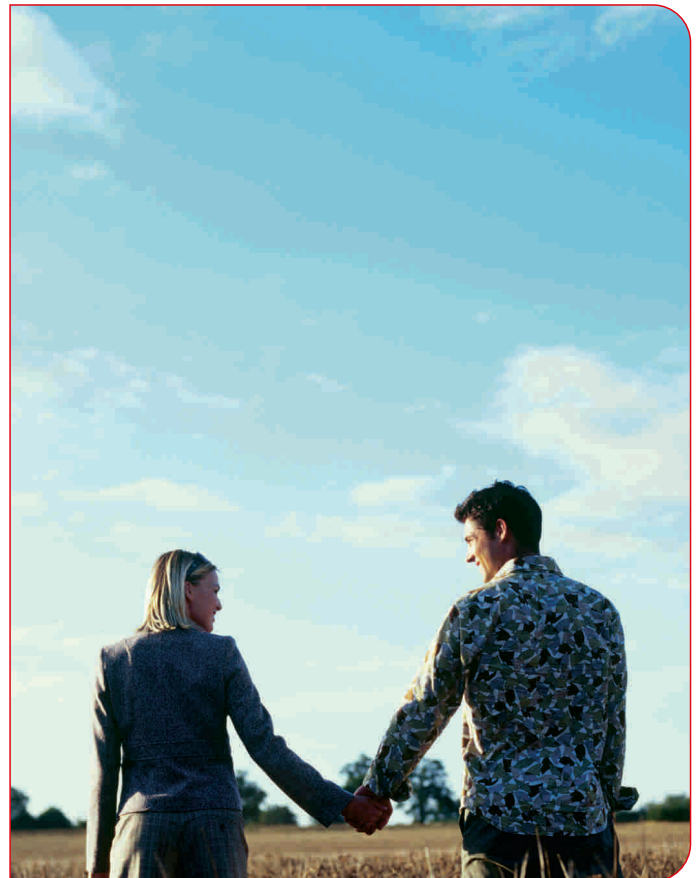
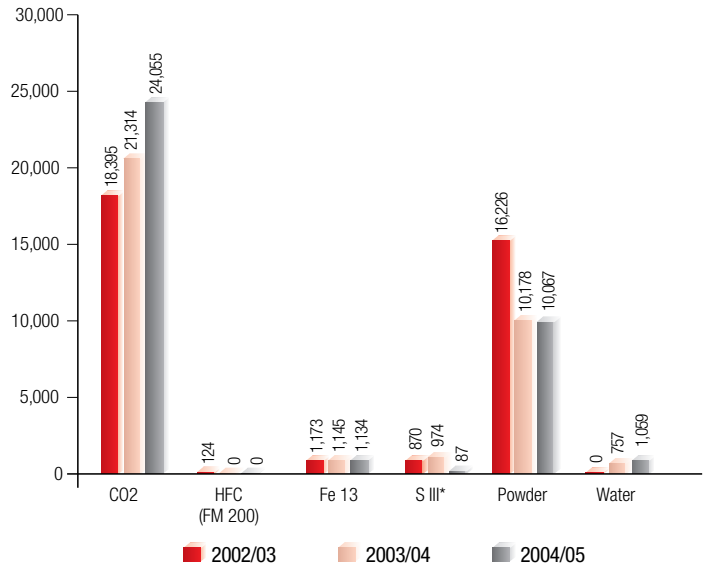


(*) = Substances liable to deplete the ozone layer.

In the case of fire-fighting agents, this plan has consisted of the removal of extinguishing agent S-III, which has been replaced with CO₂.



Fire-fighting Agent Replacement Plan



14. Ethical Purchasing

“In a globalized world, we must also globalize ethical principles. Now not only does it matter what products are supplied; what is essential is how they are supplied”.

Kofi Annan. *Global Compact. Colombia Forum. February 2002.*

In accordance with our Business Principles, Vodafone is committed to “fostering the application of such Principles by our Strategic Partners and Suppliers”.

Vodafone Spain wants to ensure that the companies in our supply chain meet appropriate working and environmental conditions. To that end, we evaluate our suppliers in relation to the criteria of our Code of Ethical Purchasing and Corporate Responsibility forms part of the general evaluation of our suppliers' performance.

Vodafone does not manufacture mobile phones or network infrastructure, but is a major buyer of these products. This enables us to enter into strategic agreements with suppliers and liaise with them to improve their compliance with our Code of Ethical Purchasing.

The Vodafone Code of Ethical Purchasing sets out the criteria that we expect our suppliers to meet. It is based on Vodafone's Values and on international law, including the Universal Declaration of Human Rights, the core principles of the International Labour Organisation, and the United Nations Convention on the Rights of the Child.

Aspects covered by the Code of Ethical Purchasing

1. Child Labour
2. Forced Labour
3. Safety and Hygiene
4. Freedom of Association
5. Discrimination
6. Disciplinary Practices
7. Working Hours
8. Wages
9. Individual Conduct
10. The Environment

The main activities that Vodafone Spain carried out in this financial year 2004-05 to implement the Code of Ethical Purchasing were:

- > Training courses on the Code's contents for the managers of Vodafone Spain's Purchasing Department, to show them how the Code must be implemented in practice.
- > Inclusion of the Code of Ethical Purchasing in Requests for Quotations as another binding clause.
- > Vodafone has launched the Supplier Performance Evaluation Scheme, in which Corporate Responsibility is one of the six criteria that are used to select suppliers and assess their performance (other criteria include cost and quality), and accounts for 10% of their total score.
- > Inclusion of the Code of Ethical Purchasing as one of the Schedules to the contracts that Vodafone Spain's suppliers have to sign.
- > Detailed evaluation of our suppliers to ensure that they comply with the Code of Ethical Purchasing. In order to carry out this evaluation, suppliers were selected on the basis of a Supply Chain Risk Analysis and the result of the self-assessment questionnaires that they were sent beforehand. Seven of our strategic suppliers have undergone the evaluation process, which will be extended in the coming financial year.

The Risk Analysis covers factors such as the size, the country where the supplier is based, the type of product that it supplies and if the product bears the Vodafone trademark.

15. Employees

“Vodafone's commitment is to form the best global team. Our continued success as a company is the direct outcome of the effort made by each and every one of us, as well as the way that we satisfy our customers in an increasingly competitive marketplace”.

Arun Sarin. Chief Executive Officer of Vodafone Group.

One of the Vodafone Group's six strategic goals is to **“Build the best global team”**, which involves recruiting and retaining the most intelligent, most motivated and most creative people. Achieving this entails providing a great place to work, and offering attractive incentives and opportunities.

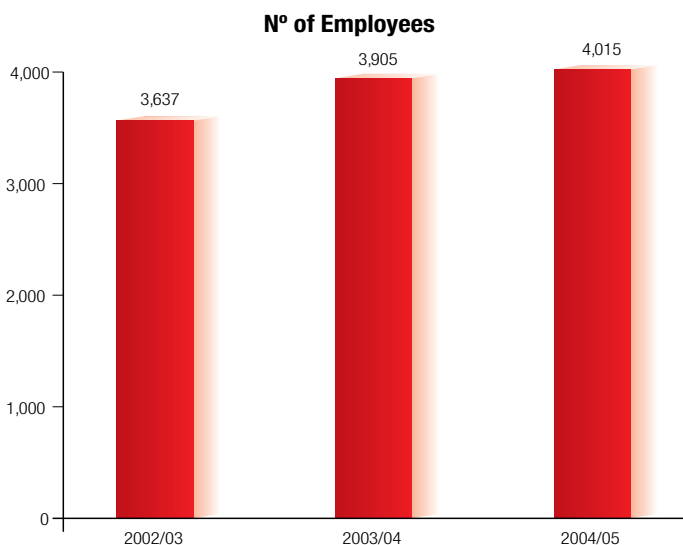
Vodafone's employment policies are consistent with the UN Universal Declaration of Human Rights and the International Labour Organisation's Core Conventions.

As an organisation based on a “passion for its employees”, our professionals, their development, their training, their motivation and their welfare are all issues that matter to us. And that passion for people, the firm belief that the basis of our strength lies in our people, is the only thing that can respond to our passion for results. The latter cannot exist without the former.

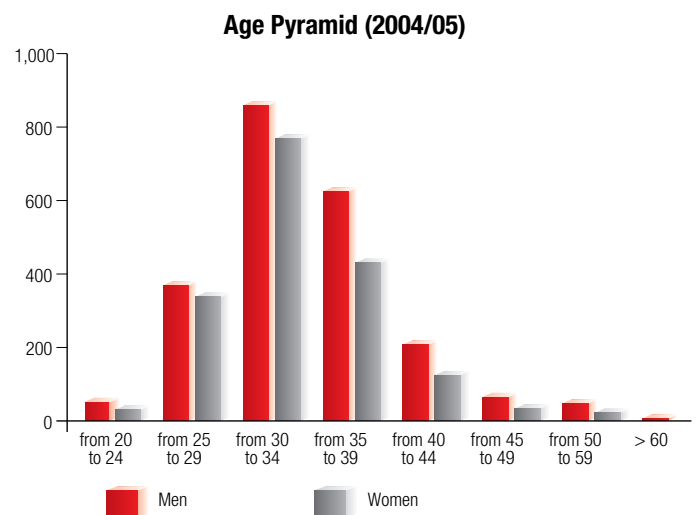
Vodafone Spain's main figures and information about its employees are displayed below.

GENERAL DATA

In the financial year 2004/05, the total number of Vodafone Spain employees rose by 2.8%.

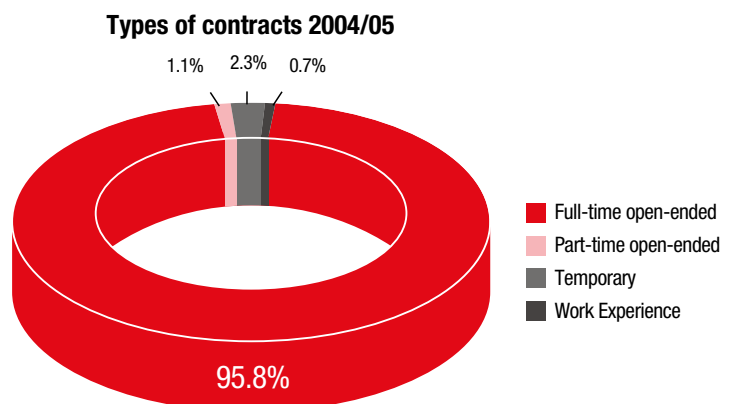


The average age of Vodafone Spain's workforce is very young, as may be seen from the enclosed age pyramid.



The conditions of the direct employment generated can be deduced not only from the types of contracts signed with employees, with a very high proportion of open-ended contracts, but also if one takes into account the ratio between the Vodafone Spain Minimum Wage and the National Minimum Wage (1.81).

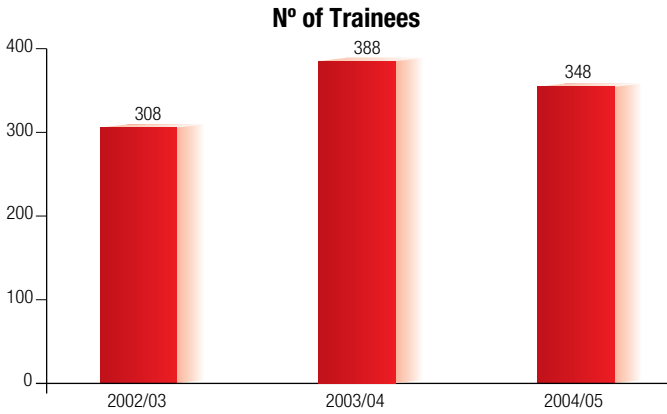
Also worth emphasising is the fact that all Vodafone Spain employees have a variable pay component, linked to the achievement of economic and non-economic TARGETS.



In the financial year 2004-05, the staff turnover rate was 1%.

15. Employees

Vodafone announces all its vacancies on the intranet in order to make internal recruitment more efficient and further employees' career. Vodafone Spain has signed agreements with a large number of Universities and Business Schools to take on their students as Trainees, in the numbers displayed in the enclosed graph:

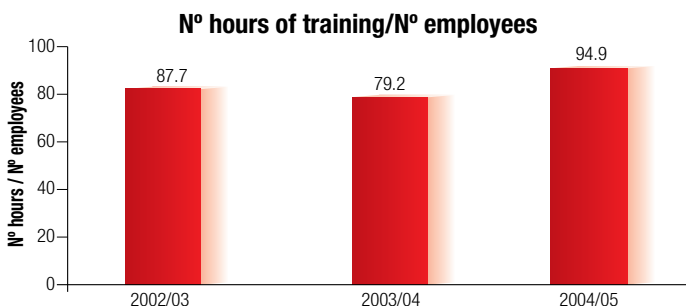


WELFARE BENEFITS AND TRAINING

Vodafone Spain offers its employees an extensive range of Welfare Benefits that are summarised in the enclosed table.

Welfare benefits
Reconciling Career and Family Life
Health Insurance
Pension scheme
Share Plans and Stock Options
Loans
Life and Accident Insurance
Visa Gold
Relat Plan
Merit Award

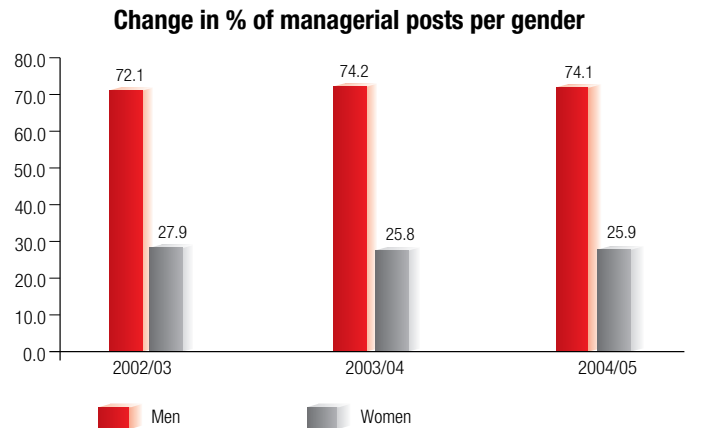
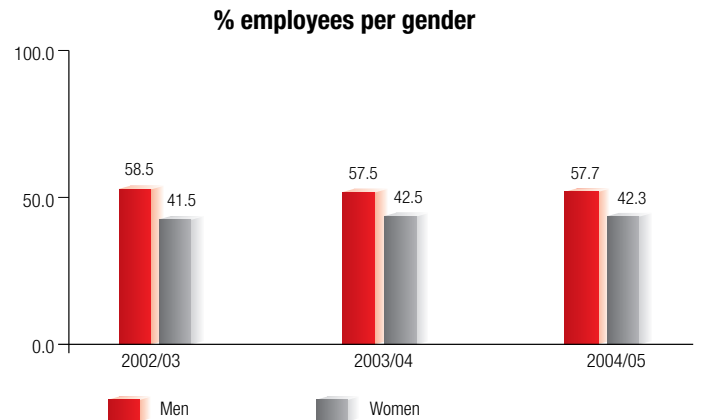
As indicated earlier, and in the context of our "passion for our employees", one of the key aspects in attaining the strategic goal of forming the best global team are the training activities. In this respect, the enclosed graph shows the number of hours of training per employee.



RECONCILING CAREER AND FAMILY LIFE

Vodafone Spain has anticipated the legislative measures enforced by the Spanish legal system through the "Law Promoting the Reconciliation of Family and Working Life", by increasing its employees' benefits either in time or remuneration.

This policy of fostering the reconciliation of family and working life stems from the large percentage of female employees on our staff, and the average ages. Moreover, in the financial year 2004-05 there was a slight increase in the % of managerial positions held by women.



EMPLOYEE SATISFACTION

"There are highly important fields in which we have improved substantially since the previous survey conducted in 2003. We must feel satisfied with our results in aspects such as the pride in forming part of the Company, brand identification and the high level of confidence that Vodafone Spain's staff demonstrate in our range of products and services..."

Francisco Román. Chief Executive Officer of Vodafone Spain

15. Employees

In the financial year 2004-05, Vodafone conducted a new **Employee Satisfaction Survey**, in order to measure the degree of employee satisfaction with Vodafone, both globally and locally, and 93% of Vodafone Spain employees took part, as compared to an average participation of 89% throughout the Vodafone Group.

The Survey's highlight is that Employee Satisfaction now stands at 79%, 8 percentage points higher than in the survey conducted in 2003 (the level of satisfaction among Group employees is 76%, 1 percentage point higher than in the 2003 survey).

Employee Satisfaction Survey		
	% 2004/05	△ % 2003/04
General satisfaction and commitment	79	+8 p.p.

Another of the survey's outstanding results is that 82% of employees say they are proud to work for Vodafone Spain, 5 percentage points more than in the 2003 survey (the Vodafone Group average is 76%).

The CEO sent every employee a summary of the results of the 2004-05 Survey, which was then analysed by all the managers with their respective teams, while at the same time action plans were defined. These Action plans revolve around four key initiatives:

- > Compensation.
- > Career Development.
- > Managerial Function.
- > Welfare.

OCCUPATIONAL HAZARD PREVENTION

Vodafone Spain advocates and promotes ongoing improvements in the development of Occupational Hazard Prevention Management Systems, that lead towards a culture without accidents and without work-related illnesses.

The Vodafone Occupational Hazard Prevention Management System (OHPMS) is underpinned by the principles set out in the "Occupational Hazard Prevention Policy" approved by the CEO. This Policy enshrines Vodafone's commitment to guarantee the highest levels of safety, health and welfare.

Broadly speaking, the Policy aims to ensure that, whenever and wherever Vodafone organises activities, proper protection is afforded both to its own employees and to anyone else who might be affected by its actions, whether they are customers or subcontractors' employees, the social environment, etc.

In turn, the Occupational Hazard Prevention Policy reflects the principles underlying all of Vodafone's actions, which all form part of current legislation and of the health and safety commitment that Vodafone makes through its policies and standards.

To honour this commitment, our Management promotes and advocates the development of the OHPMS, which has been devised to:

- > Create a real hazard prevention culture throughout the company, involving the entire organization in the task of ensuring that health and safety is embedded in our everyday work processes.
- > Promote the development of the best preventive practices through leadership and commitment, in order to prevent or minimize occupational hazards, and promote the continual improvement of preventive actions.
- > Foster employees' commitment to and participation in the Occupational Hazard Prevention System management processes and, in short, in the development, implementation and control of the established processes, procedures and regulations.



15. Employees

SELF-PROTECTION PLANS

Vodafone Spain has allocated a considerable of resources and organised a wide range of activities in order to implement and update the Self-Protection Plans in all of its workplaces.

During 2004/05, action was taken in all of our Workplaces, giving our employees information about the preventive measures and instructions on what to do in the event of an emergency. To that end, the following actions have been taken to date:

- > Information campaign entitled "Prevention and Responding to Emergencies".
- > Organisation of 36 emergency drills, priority being given to the workplaces with the largest number of employees (87% of employees) and of strategic importance to Vodafone (100 % of Switching Centres, and Headquarter and Regional offices).
- > Appointment, training and coaching of the Emergency Teams, involving 586 employees, in other words, 15 % of the work force.
- > Emergency Prevention awareness-raising seminars for 50% of staff at all workplaces. The subcontractors' employees who do part of their work in our buildings also attended these seminars.

OCCUPATIONAL HAZARD PREVENTION TRAINING ACTIONS AND CAMPAIGNS

Every year, the Health and Safety Department (H&SD) draws up Health and Safety Training and information Scheme, consistent with the strategic objectives that Vodafone sets itself.

During the financial year 2004/05, the H&SD conducted the following Information and Dissemination Campaigns:

- > "We can't drive for you".
- > "Travel safely and trouble free".
- > "Using your mobile while you're driving".
- > "Drinking and driving: a bad combination".

- > "Reducing the number of accidents involving car drivers".
- > "What to do in Emergency Situations".

Furthermore, the following training schemes were organized:

- > "Emergency Team Response". 586 employees attended. (15% of the work force).
- > "Raising Awareness about Emergency Situations". 1,968 employees attended. (49% of the work force).
- > "Work in heights. Basic Level". 112 employees attended. (3% of the work force).
- > "First aid". 377 employees attended. (9% of the work force).
- > "Health and Safety in the Office". 374 employees attended. (9% of the work force).
- > "Safe Driving, Road Safety". Course given via the E-learning platform. 358 employees participated. (9% of the work force).
- > "Hazards and preventive measures during fieldwork". 91 employees attended. (2% of the work force).
- > "Participation by Points of Sale Unit employees in the Vodafone Hazard Prevention Management System". 55 employees attended. (1% of the work force).
- > "Participation by Customer Management Area employees in the Vodafone Hazard Prevention Management System". 39 employees attended. (1% of the work force).
- > "Ordinary Diploma in Occupational Hazard Prevention". 18 employees attended. (0.4% of the work force).
- > "Higher Diploma in Occupational Hazard Prevention". 4 employees attended. (0.1% of the work force).

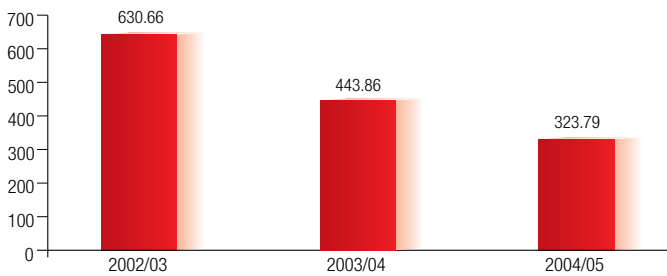
Altogether, our employees **have devoted 18,428 hours to OHP issues**, which is equivalent to an average of **4.7 hours/employee**.

15. Employees

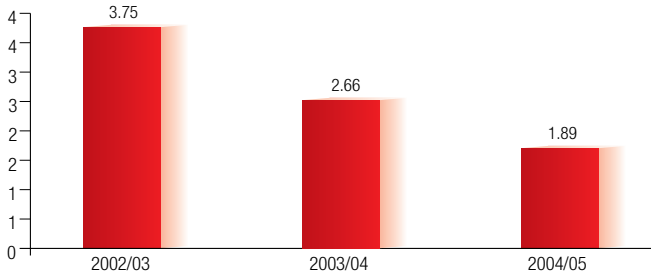
ACCIDENT RATE. OFFICIAL INDEXES

The enclosed graphs show that the number of accidents resulting in lost time from work (LTA) is dropping (although the average length of LTA has increased, due to an accident that was not related to the injured person's normal working duties) and the incidence of minor events that do not prevent the employee from continuing to work as normal.

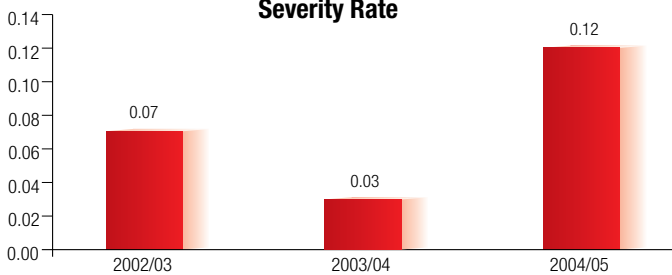
Incidence Rate



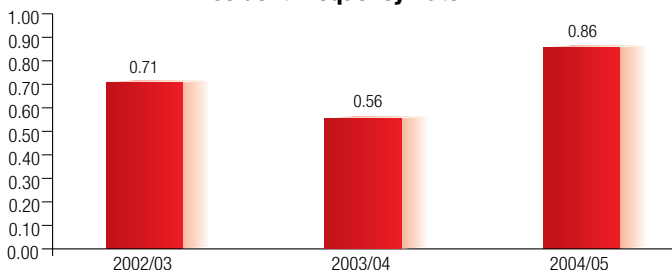
Frequency Rate



Severity Rate



Accident Frequency Rate



Incidence rate = (LTA's X 100,000) / N° of employees.

Frequency Rate = (LTA's X 1,000,000) / (N° of employees X Average n° of hours worked per year per employee).

Severity Rate = (Lost time from work due to accidents during working hours resulting in LTA X 1,000) / (N° of employees X Average n° of hours worked per year per employee).

Accident Frequency Rate = (Non-commuting accidents with and without LTA X 1,000) / N° of employees.

N.B.: The Incidence, Frequency and Severity rates have been calculated in line with the criteria set out in the 2002 Industrial Accidents Statistical Report published by the Ministry of Work and Social Affairs.

Furthermore, the "Accident Frequency Rate" is the rate reported to the Vodafone Group, using the British system.



16. Commitments

Follow-up of Commitments

“Businesses must pursue their legitimate quest to maximise financial earnings in a way that is ethical, fostering social progress and the environment”.

Jose Manuel Entrecanales. Chairman of Vodafone España S.A.

Subject	Target/Commitment	What we have done?	Progress
Communication with Stakeholder	Develop a project to analyse Stakeholder' expectations Value Creation.	Vodafone conducted an in-depth analysis of Stakeholder' expectations that has underpinned the 2005/06 Corporate Responsibility Programme. See Chap. 6: "Stakeholder Engagement".	100%
Value Creation Suppliers	Ensure the Code of Ethical Purchasing (CEP) is in place among our main suppliers.	Drew up a Risk Map and completed assessments of our seven most critical suppliers against our CEP. See Chap. 14: " Ethical Purchasing".	100%
Commitment to the Environment Energy and Climate Change	Establish an Energy Efficiency Plan to allow a saving of at least 3% in forecast electricity consumption.	The 3-year plan remains in force and is reviewed at regular intervals. See Chap.13: "Energy, Wastes and Ozone Depleting Substances".	End Date: April 2006 66.6%
Wastes and Ozone-Depleting Substances	Implement the actions involved in the waste management referred to in the Wastes and Ozone Depleting Substance Plan. Draw up a plan for the replacement of Ozone Depleting Substances.	The actions scheduled for the financial year 04/05 were completed. The fire-fighting agent replacement plan was drawn up. See Chap.13: "Energy, Wastes and Ozone Depleting Substances".	100% 50%
Visual Impact and other environmental aspects	Lead the Group Project oriented to the drafting of Responsible Network Deployment Guides, with the best practices at each stage of the deployment.	Vodafone Spain spearheaded the project, and a Responsible Network Deployment Policy has been prepared and approved, applicable to the whole Vodafone Group, as well as the specific application guides. See Chap. 11: "Responsible Network Deployment".	100%
Commitment to Society Vodafone Spain Foundation	Negotiate agreements with different organizations for the launch of joint projects that involve financial contributions by both parties.	New agreements were signed with different associations and organizations. See Chap 9: "Vodafone Spain Foundation".	100%
Access to Products and Services	Launch at least five products/ initiatives devised to boost social or environmental benefits.	The products/initiatives developed included: Medical Guard Diabetes, T-Loop, Mobile Accessibility 2, Solidarity SMS, Text Telephone. See Chap. 8: "Products and Services with a High Social Value".	100%
Responsible Marketing	Implement the Responsible Marketing Guidelines. Develop a Responsible Marketing Training Plan.	Implemented. A Responsible Marketing Audit Committee was set up. An audit was performed during 2004/05. Training Plan was developed. Scheduled for implementation in 2005/06. See Chap. 7: "Responsible Marketing".	100% 100%
Masts & Health	Ensure that local communities and the general public are given clear, concise and relevant information about the electromagnetic fields caused by mobile phone base stations.	Vodafone published different leaflets, geared mainly towards the general public, customers, residents' associations, and landlords' associations. See Chap. 10: "Mobiles and Health".	100%
Commitment to Our Employees	Develop a Corporate Responsibility Internal Communication Programme, so that employees know how important is for them to become involved in social and environmental issues.	Developed and implemented systematically (included in the information sessions held with managers and their respective teams). See Chap. 4: "Embedding Corporate Responsibility into Management".	100%

16. Commitments

New Commitments

Subject	Target/Commitment	Date
Products and Services with High Social Value	> Development of “global accessibility or inclusive design” projects (accessible web, retail accessibility).	April 06
	> Develop at least 3 products/services with a high social value, to allow population groups with special needs to access our services.	April 06
Responsible Marketing	> Implementation of Responsible Marketing Training Plan.	April 06
	> Develop a customer communication campaign about relevant Responsible Marketing issues.	April 06
Mobiles and Health (Radioelectric Emissions)	> Publish the SAR (Specific Absorption Rate) of the different Types of mobile phones marketed by Vodafone on a website.	April 06
	> Continue engaging with the general public, customers, opinion makers, administrations and employees on mobiles and health.	April 06
Vodafone Spain Foundation	> Extend the collaboration with several organizations to carry out joint projects that bring welfare benefits through the use of new technological media.	April 06
Recycling and Reusing Mobiles	> Extend recycling scheme to franchises.	April 07
	> Develop handset reuse scheme.	April 07
Environmental Impact	> Continue developing the Energy Efficiency Plan, reporting on CO ₂ emission trends.	April 06
	> Conduct a feasibility study for the use of own or green (electricity utility-produced) renewable energies in Offices and the Network.	April 07
	> Continue implementing the Waste Plan.	April 06
	> Draw up Plan for Replacement of Ozone Depleting Substances (refrigerants).	April 06
Supply Chain	> Complete the Code of Ethical Purchasing evaluation of the top ten local suppliers, according to the risk map.	April 06
Employees	> Draw up an Internal Communication Plan that includes: Distribution of back-pocket guides to employees on issues relating to Corporate Responsibility and Dissemination of Environmental Good Practices.	April 06
	> Continue implementing the Employee Occupational Hazard Prevention Training/Information Plan, and foster the development of the best preventive practices among our partner companies.	April 06

17. Glossary of Acronyms and Abbreviations

AECC: Spanish Cancer Association

AETIC: Spanish Association of Electronics, Information Technology and Telecommunications Companies

AAMI: Age-Associated Memory Impairment

APD: Spanish Association for the Advancement of Management

APPS: Catalan Federation for Mentally Handicapped People

ARPU: Average Revenue Per User

ASEMFO: National Forestry Industry Association

ASIMELEC: Multisectorial Association of Spanish Electronic and Communications Companies

ASPAYM: Association for Paraplegia and Major Disabilities

BITC: Business in the Community

BTS: Base Transceiver Station

B.U.: Business Unit

CC: Call Centres

CAFOD: Catholic Agency for Overseas Development

CEP: Code of Ethical Purchasing

CEO: Chief Executive Officer

CMT: Telecommunications Regulatory Commission

COCEMFE: Spanish Coordinator of the Physically Disabled

CR: Corporate Responsibility

EBITDA: Earnings Before Interest, Tax, Depreciations and Amortisation

EITO: European Information Technology Observatory

EMF: Electromagnetic Field

EIO: School of Industrial Organization

EPS: Earnings per Share

ERU: Emergency Response Unit

EU: European Union

FEAED: Spanish Federation of Associations of Diabetes Educators

FEMP: Spanish Federation of Municipalities and Provinces

FIAPAS: Spanish Federation of Associations of Parents and Friends of the Deaf

FTSE: Financial Times Stock Exchange

GAVEA: Galicia Adapted Sailing

GDP: Gross Domestic Product

GeSI: Global e-Sustainability Initiative

GPRS: General Packet Radio Service (2.5G: 2.5 Generation)

GSM: Global System for Mobile Communications (2G: 2nd Generation)

GRI: Global Reporting Initiative

IBLF: International Business Leaders Forum

ICNIRP: International Commission on Non-Ionizing Radiation Protection

17. Glossary of Acronyms and Abbreviations

ICT: Information and Communication Technologies

ILO: International Labour Organisation

IMADE: Madrid Institute for Development

IMSERSO: Institute of Migration and Social Services

INE: National Institute of Statistics

ISO: International Organization for Standardization

IVADIS: Valencian Institute for Attention to the Disabled

KPI: Key Performance Indicator

LRP: Long Range Planning

MA2: Mobile Accessibility 2

MGD: Medical Guard Diabetes

MMS: Multimedia Messaging Service

MORI: Market and Opinion Research International

MPDL: Movement for Peace, Disarmament and Freedom

NGO: Non-Governmental Organization

OHP: Occupational Hazard Prevention

OHPMS: Occupational Hazard Prevention Management System

ONCE: Spanish National Blind Organization

PDA: Personal Digital Assistant

PIN: Personal Identification Number

PREDIF: The Physically Disabled Representative Platform

RF: Radiofrequency (Emissions)

SCM: Supply Chain Management

SED: Spanish Diabetology Society

SEIS: Spanish Society of Health Informatics

SMEs: Small and Medium-sized Enterprises

SMS: Short Message Service

SIM: Subscriber Identity Module

SPAM: Unsolicited commercial email

TAM: Mobile telecare

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

UN: United Nations

UNICEF: United Nations International Children's Emergency Fund

UPC: Catalonia Polytechnic University

UPM: Madrid Polytechnic University

UPV: Valencia Polytechnic University

VMC: Vodafone Mobile Connect

WAP: Wireless Application Protocol

WBCSD: World Business Council for Sustainable Development

WWF: World Wildlife Foundation

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