

# Values driving development

Corporate Responsibility Report  
2008-09



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Previous CR reports.

Welcome to our sixth Corporate Responsibility Report, which outlines Vodafone Spain's actions in this field throughout our financial year 2008-09 (1 April 2008 - 31 March 2009).

This report provides information about our performance in each of the most material Corporate Responsibility (CR) issues stemming from our Stakeholder engagement. Included throughout the report are links both to our CR website [www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad) and other sites that provide supplementary information about the issues addressed in the report.

Just like in previous years, and to ensure that our actions remain transparent, the Report is organised in such a way that the sections on key issues indicate both the extent to which we have met our previous commitments and our next goals, which embody our desire to keep moving forward in each of these issues.

## Scope of Information and Data

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

## Report Guidelines

This Report has been drawn up in accordance with the Vodafone Group's Internal Guidelines, the recommendations of the "Sustainability Reporting Guidelines" (version 3, published in 2006) of the Global Reporting Initiative (GRI) ([www.globalreporting.org](http://www.globalreporting.org)), and the 2003 GRI Supplement for the Telecommunications Industry, as well as the principles of the AccountAbility AA1000APS Standard (2008) ([www.accountability21.net](http://www.accountability21.net))



Vodafone Spain has submitted its self-assessment to verification by an independent assurance firm, which confirmed such self-assessment to be A+. GRI has also confirmed this assessment, awarding the highest possible level, A+.

## Report Assurance

External assurance of the report has been conducted by KPMG, in keeping with the criteria of "International Standard on Assurance Engagement 3000" (ISAE 3000) and 2008 AA1000AS (Assurance Standard).



We would like to know your opinion on our Corporate Responsibility performance and on this Report. Please send your comments to:

Vodafone Spain  
Corporate Responsibility  
Avenida de Europa, 1.  
28108 Alcobendas  
Madrid (Spain)



[responsabilidad@corp.vodafone.es](mailto:responsabilidad@corp.vodafone.es)  
[www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)  
[www.globalreporting.org](http://www.globalreporting.org)  
[www.accountability21.net](http://www.accountability21.net)

# Letter from the Chairman CEO

## Welcome to Vodafone Spain's 2008-09 Corporate Responsibility Report: "Values driving development".

I am pleased to present our sixth Corporate Responsibility Report, for which we have chosen the slogan "Values driving development", as we believe that in times of crisis it is even more important to boost the integration of ethical, social and environmental principles and values in business strategy, culture and processes. These principles, coupled with attractive services, quality and prices, help achieve success and development in a competitive and complex environment.

The telecommunications sector, apart from being one of the best prepared for the future, is notable for generating value, talent and innovation in society, and is currently one of the potential driving forces of the Spanish economy.

We want to reaffirm our commitment through this report to the principles and values that help us mobilise sustainable development. The report includes the following actions:

- Extending access to communications is one of the biggest opportunities Vodafone has for contributing positively to society, helping improve people's communication and quality of life. We have therefore continued to develop new products and services for vulnerable groups (Vodafone Speak, SMS Fácil, etc). What's more, we continue to carry out projects through our Foundation to enable the social integration of those groups, having allocated more than €5.9 million euros to that purpose.
- We also continue to carry out Corporate Responsibility actions for our 16.9 million customers, 31.4% of the market share. This year we have promoted Internet in mobility service related activities, including those that encourage safe and responsible use by minors, customer data security and the privacy implications of our new services.
- We have invested €740 million in deploying our network, taking into account our Responsible Deployment Policy and the Code of Good Practices signed with the Spanish Federation of Municipalities and Provinces. This investment has focused on strengthening our 3G network, in parallel with the acceptance of our 3G phones by our customers (41.8% of our customers have a phone with this type of technology).
- We also continue to promote energy efficiency and climate change actions to help achieve our objective of reducing CO<sub>2</sub> emissions by 50% by 2020. This year we have managed to reduce our CO<sub>2</sub> emissions by 9.2% through the network, which means we have prevented the emission of over 22,300 tons of CO<sub>2</sub> since the introduction of our energy efficiency plans in the network. We also believe that communication services are a vital element in tackling climate change which is why, amongst other measures, we are encouraging videoconferences instead of business trips. So far, in Vodafone Spain, our employees have helped us save 2,426 tons of CO<sub>2</sub> by videoconferencing.
- Given the importance to our company of purchasing products and services from suppliers (this year €4.97 billion), we encourage our suppliers to maintain high ethical, environmental and work standards, collaborating with them through the qualification, assessment and optimisation stages of the supplier performance management process.
- Finally, I would like to make special mention of our team's management policies and processes, designed to continuously improve values such as credibility, equality, pride of belonging and team spirit. The implementation of these policies over the past two years has been rewarded this year with a place on the Best Workplaces 2009 list, having been awarded second place in the Companies with more than 1000 employees category, and remaining the leading company in the "Respect Category".



The current economic situation poses a major challenge. We believe that sectors committed to talent and innovation can make a noticeable contribution to boosting the economy. In this respect, Vodafone Spain wants to help make the Spanish economy more competitive by promoting development and social integration through an advanced range of products and services. It is in times of uncertainty like now when it is even more essential to implement innovative solutions, and this principle is also applicable to Corporate Responsibility.

A handwritten signature in black ink, appearing to read 'Francisco Román', written over a white background.

Mr. Francisco Román  
Chairman CEO

# Vodafone's Profile

## Vodafone Group

The Vodafone Group is a world leader in providing voice and data mobile communications services, including voice calls, SMS text messaging, MMS picture and video messaging, Internet access and other data services.

The Vodafone Group is growing fast by launching services that combine mobile and fixed telephony, provide PC connectivity, 3G and HSPA mobile services, as well as fixed broadband.

The Vodafone Group's organization is divided into three regions, each one with its own CEO:

- Europe
- Central Europe and Africa
- Asia-Pacific and Middle East



### Vodafone Local Operating Companies (20)

Where the Vodafone Group has operational control or owns more than 50% of the equity in the company

- |   |   |   |
|---|---|---|
| <b>Europe</b>   | <b>Central Europe and Africa</b>  | <b>Asia-Pacific and Middle East</b>   |
| <ul style="list-style-type: none"> <li>• Albania</li> <li>• Germany</li> <li>• Greece</li> <li>• Ireland</li> <li>• Italy</li> <li>• Malta</li> <li>• The Netherlands</li> <li>• Portugal</li> <li>• Spain</li> <li>• United Kingdom</li> </ul> | <ul style="list-style-type: none"> <li>• Czech Republic</li> <li>• Ghana</li> <li>• Hungary</li> <li>• Romania</li> <li>• Turkey</li> </ul> | <ul style="list-style-type: none"> <li>• Australia</li> <li>• Egypt</li> <li>• India</li> <li>• New Zealand</li> <li>• Qatar</li> </ul> |

### Joint Ventures (9)

Where it shares joint control with at least one other party:

- Vodafone Fiji
- Polkomel (Poland)
- Indus Towers (India)
- Omnitel (Vodafone Italy)

Vodafone Group, with associated undertaking in:

- South Africa
- Republic Democratic of the Congo
- Lesotho
- Mozambique
- Tanzania

### Investments in associated undertakings (3)

Where it has significant influence, but not control or joint control:

- Verizon Wireless (US)
- Safaricom (Kenya)
- SFR (France)

### Other Investments (2)

Where it does not have significant influence (usually less than 20% ownership)

- China Mobile (China)
- Bharti Airtel (India)

### Vodafone Group Data (31 March 2009)

|                                       | 2008-09 | Δ with respect to 2007-08 |
|---------------------------------------|---------|---------------------------|
| Total turnover (£ mn)                 | 41,017  | +15.6%                    |
| EBITDA (£ mn)                         | 14,490  | +10.0%                    |
| Free cash flow (£ mn) <sup>1</sup>    | 5,722   | -                         |
| Capitalisation (£ bn) (31 March)      | 64,424  | -19.6%                    |
| Adjusted EPS (pence) %                | 17.17   | +37.4%                    |
| N° proportionate customers (millions) | 303     | +16.5%                    |
| 3G devices (millions)                 | 41.6    | +53.7%                    |
| N° Employees                          | 79,097  | +11.4%                    |



[www.vodafone.com](http://www.vodafone.com)

<sup>1</sup> "Free Cash Flow": Before licence and spectrum payments



## Vodafone Spain

Vodafone Spain is committed to talent and innovation, and as such is contributing to drive the development of the Spanish economy. By offering advanced telecommunications services, we help to raise our residential customers' quality of life and make our corporate customers more competitive, while putting impetus behind development and social inclusion.

Vodafone Spain's most significant figures are displayed in the table below. The current economic situation has impacted Vodafone Spain's performance and earnings in two separate ways:

- negatively by bringing down total voice revenue.
- positively by boosting the take-up of Vodafone Spain's rates and services, which are especially appealing in the current economic environment and have let us top the sales league in the last quarter of the financial year 2008-09.

### Vodafone Spain Figures (31 March 2009)

|                                    | 2008-09 | Δ with respect to<br>2007-08 |
|------------------------------------|---------|------------------------------|
| Total turnover (€ mn)              | 6,982   | <b>-2.6%</b>                 |
| Total revenue from services (€ mn) | 6,435   | <b>-4.9%</b> (*)             |
| Voice services revenue (€ mn)      | 4,797   |                              |
| Messaging services revenue (€ mn)  | 515     |                              |
| Revenue from data services (€ mn)  | 500     |                              |
| excluding messaging                |         |                              |
| EBITDA (000's)                     | 2,287   | <b>-10.9%</b>                |
| N° customers (000's)               | 16,910  | <b>+5.4%</b>                 |
| % contract customers               | 59%     | <b>+1.0 p.p.</b>             |
| N° DSL customers (000's)           | 456     | -                            |
| 3G devices                         | 7.07    | <b>+34.4%</b>                |
| Average monthly ARPU (€)**         | 31      |                              |
| N° Employees                       | 4,323   | <b>+9.7%</b>                 |

(\*) Organic growth

(\*\*) Excluding fixed services

### Highlights of 2008-09

Throughout 2008-09, our sales drive was closely tied to Vodafone Spain's strategic services (to a large extent, due to the Tele2 takeover): "Vodafone Office", "Vodafone in your home", mobile lines associated with "Vodafone DSL", or new lines associated with PC connectivity on the move.

The highlights, as far as launches go, were:

- "Vodafone in your home", which encourages residential customers to replace their home landline with a mobile, in a similar way to what "Vodafone Office" does with our business customers.
- "Vodafone DSL". Vodafone Spain's DSL offering merges the advantages of fixed and mobile broadband with the versatility of mobile voice services.
- "BlackBerry Storm", designed exclusively for Vodafone, and which is RIM's first touchscreen smartphone.



1: Madrid Region and Castille-La Mancha

2: Catalonia

3: Valencia Region, Murcia and Balearic Islands

4: Basque Country, Navarre, La Rioja and Cantabria

5: Extremadura, Andalusia and Canary Islands

6: Asturias, Galicia and Castille-León

# Vodafone's Profile

## Vodafone Spain

### Our business

In the telecommunications industry, which has undergone a real tech revolution in the last 10 years, Vodafone Spain continues winning ground, proving that it is well capable of keeping on growing.

By way of example, after buying Tele2, Vodafone Spain has moved into the "Total Telecommunications" market, to which we are fully committed. Our leadership in 3G technology has afforded us a clear competitive edge, and will let us keep growing in new technologies and data products, not just voice.

Our business (figures as at 31 March 2009)

Main business-related CR issues

| Network  |          | Network                                     |  |
|--|----------|---|--|
| Base Stations  | > 21,000 | Energy Consumption                          |  |
| Co-located sites (2G and 3G)                             | > 5,700  | Mobile phones, masts and health             |  |
| Stations shared with other companies                     | > 7,200  | Network Roll-Out                            |  |
| Switching Centres  | 35       | Waste Management                            |  |
|  |          | Health and Safety                           |  |
| Services   |          | Services                                    |  |
| Voice calls (million minutes)                            | > 35,500 | Product and Service Accessibility           |  |
| SMS and MMS (million)                                    | > 4,800  | Socio-economic impact of telecommunications |  |
| % 3G device penetration (as % of customer base)          | 41.8%    | Safe and Responsible Use                    |  |
| Roaming (Agreements with operators from other countries) | 1,122    | Reporting to Customers                      |  |
|  |          | Privacy and Security                        |  |
| Brand Presence and Retail Outlets                        |          | Brand Presence and Retail Outlets           |  |
| Own stores   | 79       | Responsible advertising and marketing       |  |
| Franchises   | 180      | Device Reuse and Recycling                  |  |
| Annual transactions (in own retail outlets)              | 975,933  | Clear and transparent pricing               |  |
| Nº of own store employees                                | 364      | Supply chain                                |  |
| Customer Service (average nº of calls/day)               | 326,027  | Accessibility to installations              |  |

### Socio-economic impact of Telecommunications

Information and Communication Technologies (ICTs) are taking centre stage in boosting and helping to develop modern societies and economies. From the economic perspective, today ICTs have a clear impact on improving business productivity and competitiveness. Likewise, from the perspective of society as a whole, the new digital culture is bringing new forms of communication and transmitting information, which directly bring everyone an enhanced quality of life and well-being. On an international scale, worth noting is the €2.7 trillion plus estimated in 2007 for the whole ICT hypersector in the world, a key role being played by telecoms services which, with more than €1 trillion, account for more than 37% of the hypersector's total<sup>1</sup>.

It is also a known fact that information and communication technologies help and encourage their users to save. Performing certain jobs and tasks telematically not only saves time and money, but when used properly, they very often boost companies' revenues.

In Spain, telecommunications represent 4.2% of GDP and annual investment exceeds €5.7 billion. At the end of 2007, there were 85,018 direct jobs in the sector. This figure represents 0.4% of total employment in Spain and 0.6% of services sector employment<sup>2</sup>. On top of the direct employment generated in the telecommunications sector per se comes the indirect employment generated in all the undertakings that supply products and services for this sector. The ICT sector as a whole has generated than 778,000 jobs, accounting for 3.8% of the working population in Spain in 2007.

+ **35,500**  
than million voice minutes carried

**1,122**  
roaming agreements

<sup>1</sup> "The Networked Society in Spain - Annual Report 2007", issued by the Spanish Observatory for Telecommunications and Information Society (ONTSI) ([www.observatorio.red.es](http://www.observatorio.red.es))

<sup>2</sup> Redtel. "Telecommunications Operators' Contribution to Spain's economic and social development". ([www.redtel.es](http://www.redtel.es))

### Vodafone Spain's socio-economic impact

In Vodafone Spain's case, our leadership of mobile telephony in Spain and the fact that we are number one in Europe in mobile broadband use and penetration, are mirrored by our ongoing drive to innovate, and an excellent contribution to the development of other sectors.

On 31 March 2009, Spain's mobile telephony penetration rate was 111.5 lines per 100 inhabitants and Vodafone Spain's mobile line market share represented 31.4% of the total<sup>3</sup> (Fig. 1)

Market share of mobile lines

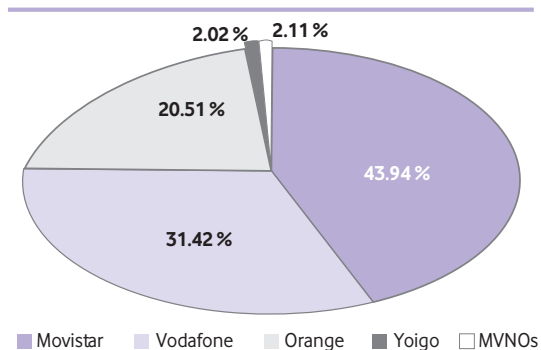


Fig. 1

Fig. 2 shows Vodafone Spain's contribution to the Spanish economy, measured according to the "Cash Value Added" (the value of the sales of products and services, minus the cost of materials, components and services purchased).

Vodafone Spain's "Cash Value Added" (million euros)

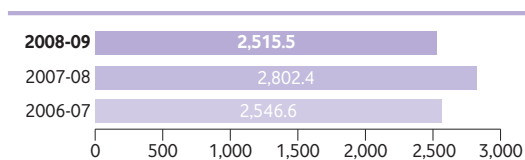


Fig. 2

The table below displays Vodafone Spain's "Direct Economic Value"

Direct Economic Value (€ mn)

|                                    | 2008-09 | 2007-08 | 2006-07 |
|------------------------------------|---------|---------|---------|
| Purchases of Products and Services | 4,963.8 | 4,988.5 | 4,619.7 |
| Tax                                | 674     | 623.6   | 726.4   |
| Retained for growth                | -409.9  | 1,222.4 | 698.4   |
| Salaries and Bonuses               | 191.3   | 210.3   | 223.8   |
| Social Security                    | 42.9    | 40.1    | 39.6    |
| Pension Plan Contributions         | 4.7     | 4.5     | 4.5     |

Vodafone Spain's own investment has accounted for the bulk of its contribution to the domestic economy, and the company received the following grants from the Spanish Administration.

Grants received from the Administration (2008-09) (€ mn)

|  |     |
|--|-----|
| Capital grants awarded in the financial year | 1.8 |
| Operating grants                             | 2.0 |

**31.4%**  
mobile telephony market share

**2.515**  
billion euros  
Vodafone Spain's contribution to the domestic economy

 [www.vodafone.es](http://www.vodafone.es)  
[www.observatorio.red.es](http://www.observatorio.red.es)  
[www.redtel.es](http://www.redtel.es)  
[www.cmt.es](http://www.cmt.es)

<sup>3</sup> TRC. Monthly Release, March 2009 ([www.cmt.es](http://www.cmt.es))

# Corporate Responsibility Management

Vodafone's Corporate Responsibility (CR) strategy is directly related to its business strategy. Awareness of the needs and expectations of our stakeholders creates significant opportunities for developing our business.

## CR and Corporate Culture

One of our six permanent strategic goals is "To be a Responsible Business". Corporate Responsibility requires identifying our stakeholders' expectations and acting to satisfy these in a balanced way.

CR is implemented effectively by considering at all times references such as the Company's vision, values and business principles, based on international recommendations such as the Declaration of Human Rights, the Declaration of Rights of the Child, and the ILO Declaration on Fundamental Principles and Rights at Work.

| Strategic Goals  | Our Values   | Our Business Principles   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• <b>To delight our Customers</b></li> <li>• <b>To built the best Global Team</b></li> <li>• <b>To leverage Global Scale and Scope</b></li> <li>• <b>To expand Market boundaries</b></li> <li>• <b>To be a Responsible Business</b></li> <li>• <b>Provide superior shareholder returns</b></li> </ul>   | <p>Corporate values reflect the way it is hoped our employees will act in the company:</p> <ul style="list-style-type: none"> <li>• <b>Passion for our Customers.</b><br/>As a result of the confidence our customers have in Vodafone, we must respond to their needs with a quality and speed that satisfies their expectations.</li> <li>• <b>Passion for our Employees.</b><br/>We believe in personal responsibility, decision-making ability and the power of teamwork. That is why we want to attract, train, reward and keep exceptional people in our company.</li> <li>• <b>Passion for Results.</b><br/>We want to be the best and, for this, we look for speed, flexibility and efficiency in everything we do.</li> <li>• <b>Passion for the world around us.</b><br/>We are not only concerned about offering society something that meets their needs, but also base our activities on the spirit of partnership and mutual respect.</li> </ul> | <p>Vodafone's success depends on our commitment to caring how we manage the business and how we engage with our stakeholders. The Business Principles outline the procedures that everyone who works in the Company must follow.</p> <ol style="list-style-type: none"> <li><b>1. Value Creation.</b> We believe that competition in a market economy, pursued in an ethical way, is the best way of delivering benefits to our stakeholders. Our decisions will be determined by economic criteria and also include social and environmental considerations.</li> <li><b>2. Public policy.</b> We will express our opinions on the Administration's proposals and other matters that might affect our Stakeholders.</li> <li><b>3. Communications</b> We will communicate openly and transparently with all of our stakeholders within the bounds of commercial confidentiality.</li> <li><b>4. Customers</b> We are committed to giving our customers products and services that are safe, reliable and that represent good value for money.</li> <li><b>5. Employees.</b> Relationships with and between employees are based upon respect for individuals and their human rights.</li> <li><b>6. Individual Conduct.</b> We expect all our employees to act with honesty, integrity and fairness.</li> <li><b>7. Environment.</b> We are committed to sustainable business practices and environmental protection.</li> <li><b>8. Communities and Society.</b> 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.</li> <li><b>9. Health and Safety.</b> We are committed to the health and safety of our customers, employees and the communities in which we operate.</li> <li><b>10. Business Partners and Suppliers.</b> We are committed to pursuing mutually beneficial relationships with our business partners and suppliers.</li> </ol> |
| <h3>Our Brand</h3>   |  |   |
| <p>The brand is one of a company's most valuable assets and one of the aspects that helps differentiate it in the market. Brand image or reputation is created by the company as a whole; i.e., brand image or reputation is different for each person because it is created according to each person's experience with the company.</p>   |  |   |
| <p>Vodafone's brand reflects our spirit, unique aspects that set us apart. Our personality is reflected in that and can be summarised in three concepts:</p>   |  |   |
| <ul style="list-style-type: none"> <li>• <b>"Red"</b>: is our colour. It defines the passion and spirit that moves us and that we transmit to our environment.</li> <li>• <b>"Rock solid"</b>: represents the confidence we generate associated with our position of world leader. We are a solid, consistent and honest company.</li> <li>• <b>"Restless"</b>: we are motivated by challenges and always look for ways of improving customer experience.</li> </ul> |  |   |



## Corporate Governance

Vodafone has a wide range of policies that help is to assure that the Business Principles are implemented daily. (See fig. 1)

As part of a general alignment process with the new guidelines of the COSO (Committee Of Sponsoring Organisations of the Treadway Commission), a leading international body in the Internal Control Management of companies, Vodafone carried out an in-depth review during 2008-09 of different Corporate Governance and Risk Management mechanisms.

This review has led directly to the redesign of the Group Governance and Policy Manual (GGPM), as well as self-assurance processes for the company's internal controls, such as the Entity Level Control Assessment (ELCA) and the Key Control Questionnaire (KCQ).

Vodafone Spain guarantees the alignment of its local procedures and policies with the GGPM through a process defined and coordinated by the Internal Control Department. This process assures the analysis of each new GGPM version, notification of changes to those people responsible and departments involved, and the definition and implementation of action plans for adapting Vodafone Spain's policies and procedures to changes in the Vodafone Group's governance framework.

Every six months, Vodafone Spain's CEO and CFO inform the Vodafone Group of the level of compliance with the policies included in the GGPM, through the "Financial Certificate". In addition, and to obtain an overall perspective of the degree of compliance with the different policies included in the GGPM in different Vodafone Group bodies, internal audit carries out a "Group Wide Review" (GWR) or simultaneous audit which involves a major number of operators. The local phases of obtaining information and evaluation were concluded in 2008-09, with this information currently being consolidated generally.

Other instruments used as part of the internal audit activity with regard to controls and good practices, such as the Generic Process Model (GPM) and the Risk and Control Matrix (RCM), have also been reviewed for alignment with GGPM changes and include previously uncovered new activities in the audit process. The new instrument known as Process Reference Model (PRM), replacing the GPM, is operational for internal audit and is the reference basis for its annual planning.

### List of Policies. [www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)

- Business Continuity Management Policy
- Communications Policy
- Meeting Regulatory Requirements Policy
- Meeting Market Behaviour and Competition Law Requirements Policy
- Legal Advice and Reporting Policy
- Anti-Money Laundering Policy
- Corporate Hospitality Policy
- Employees' Rights Policy
- Health and Safety Policy
- Recruitment and Managing Our People Policy
- Benefits Policy
- Anti-Corruption Compliance Guidelines
- Fraud Management Policy
- Duty to Report Policy
- Security Policy
- Code of Ethical Purchasing
- Privacy Policy
- Quality of Customer Experience Policy
- Selling Prices Policy
- Responsible Network Deployment Policy
- Social Investment Policy
- Charitable Donations Policy
- Tax Code of Conduct

Fig. 1



[www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)

# Corporate Responsibility Management

## Board of Directors and Audit Committee

The Vodafone Spain **Board of Directors** has very high levels of Corporate Governance, which are critical for the integrity of our business and maintaining the trust of our investors. See additional information on [www.vodafone.com/governance](http://www.vodafone.com/governance)

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

- Chairman and CEO: Mr. Francisco Román
- Director: Mr. Julián Oncina
- Director: Mr. Antonio Alemán<sup>1</sup>
- Director: Mr. Antonio García-Urgelés
- Secretary: Mr. Pedro Peña

### Chairman's functions:

Vodafone Spain's CEO is Chairman of the Company and its Board of Directors, of which he is a member. Apart from functions assigned to him under the law and articles of association, he is responsible for the company's permanent senior management and representation.

### Procedures introduced to avoid conflicts of interests on the Board of Directors.

Vodafone Spain observes all the Vodafone Group's internal guidelines on conflicts of interest, anti-corruption policy and managers' remuneration, contained in the GGPM. Likewise, the directors comply with legal obligations for notifying the company of any conflict of interest.

Vodafone Spain's **Audit Committee** is vested with powers to report, advise and make proposals to the Board of Directors within its sphere of activity. Its main functions are to supervise the financial reporting process, internal control systems associated with the Company's risks and internal and external audit areas. It must also ensure that there is adequate cooperation with the Vodafone Group and propose and recommend improvement areas in the Company to the Board of Directors.

The members of the Vodafone Spain Audit Committee are:

- Mr. Francisco Román
  - Mr. Julián Oncina
  - Mr. Joel Walters
- Attending non-members:
- Mr. José Ángel Hernández
  - Mr. Sergio Regueiro
  - Mr. Pedro Peña

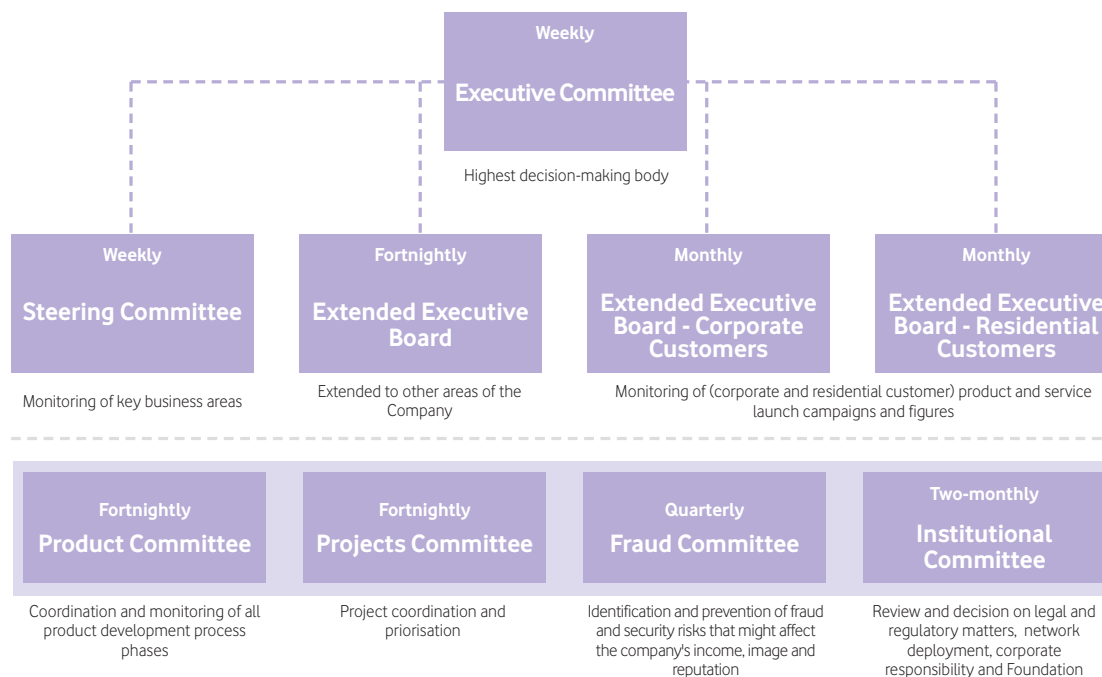
Vodafone Spain also has an **Advisory Board**, formed by the following people:

- Lord Tristan Garel Jones
- Mr. Pedro Ballvé
- Mrs. Helena Guardans
- Mr. Carlos Barrabás
- Mr. Gregorio Marañón

This consultative body meets once a quarter to advise on matters of importance to the Company, including those closely related to the Company's Corporate Responsibility.

### Decision Committees

Vodafone Spain has set up the following Decision Committees, which meet at the intervals indicated below:



Any employee can propose to their Area Director the inclusion of different matters of interest for the information or decision of the relevant Committee. By request to the CEO's Programme Management Director, these matters will be included on the applicable Decision Committee's agenda.



[www.vodafone.com/governance](http://www.vodafone.com/governance)

<sup>1</sup>On 26 March 2009, the Sole Shareholder of Vodafone Spain resolved to dismiss Mr. Antonio Alemán as a Member of the Board of Vodafone Spain and to appoint Mr. Miguel Orúe-Echebarría as a new Member of the Board.

**Sarbanes-Oxley Act**

The Sarbanes Oxley Act (SOX) of 2002 is the United States Federal Law introduced as a result of a series of corporate accounting scandals in which a number of major corporations were caught up and which resulted in a loss of confidence in the financial markets.

This Act aims to strengthen corporate governance mechanisms and financial information of companies quoted on the US stock market, such as the Vodafone Group, which is quoted on the New York Stock Exchange (NYSE). Consequently, Vodafone Spain, as a Vodafone Group subsidiary, must comply with the provisions of the Sarbanes-Oxley Act including, amongst other requirements, the documentation, evaluation and certification of the effectiveness of the controls of the Company's Financial Reporting Internal Control System, plus the annual certification of the effectiveness of these controls by an external auditor.

The PCAOB (Public Company Accounting Oversight Board) is the body that ensures companies comply with the requirements laid down in the Sarbanes-Oxley Act. To do so, it has published an auditing standard that companies and their external auditors must meet in their documentation and operating assessment of the controls and procedures that affect financial information reported to the markets. This standard was revised in 2008 and the new Auditing Standard 6 came into force on 29 January 2008. For this reason, Vodafone undertook the necessary actions for making sure it was aligned with AS6 at the end of 2008-09.

During 2008-09, Vodafone Spain updated documentation and tested the operating effectiveness of the controls implemented in the various business processes, as well as the Information Systems control environment.

Likewise, throughout the year, Vodafone Spain has provided training and information to the employees most closely involved in SOX certification so as to raise their awareness and knowledge of existing processes in Vodafone for alignment with the Act.

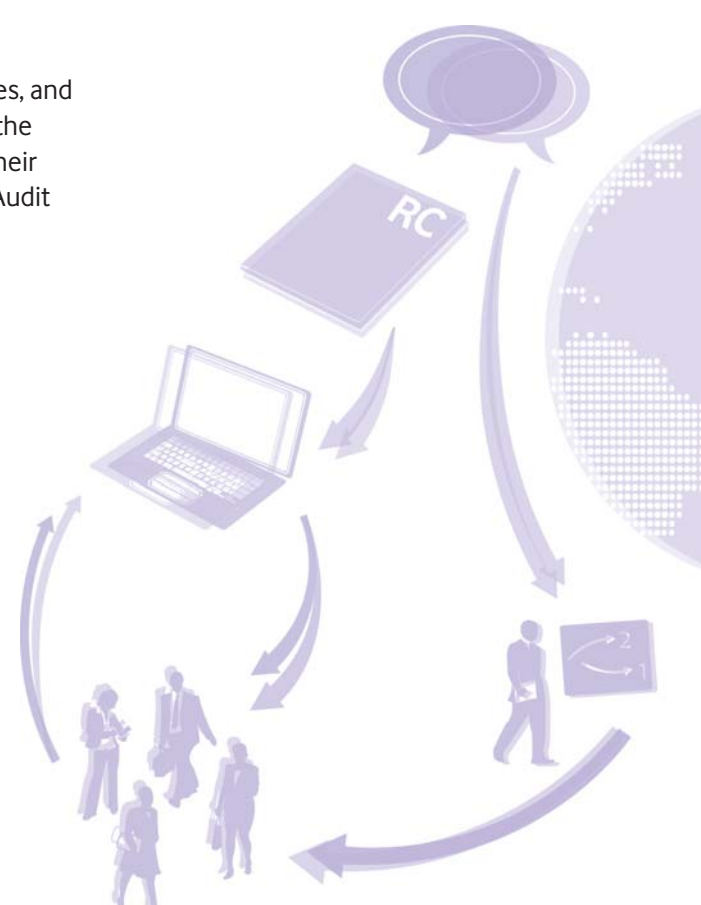
The process finishes annually with local certification by Vodafone Spain's CEO and CFO, and is sent to the Vodafone Group.

Vodafone Spain's external auditor has certified the effectiveness of its Financial Reporting Internal Control System during 2008-09.

**Key Control Questionnaire (KCQ): management control and improvement tool**

In addition to activities strictly related to complying with the Sarbanes-Oxley Act, Vodafone Spain uses a self-assessment tool called the Key Control Questionnaire (KCQ). The KCQ is both an additional element for monitoring the Financial Reporting Internal Control System as well as a way of measuring the level of existing operating control in Vodafone Spain processes.

At the end of 2008-09, the KCQ, completed by key people responsible for business processes, and after the revision and approval of the CEO and CFO of Vodafone Spain, was used to confirm the operating effectiveness of controls related to section 404 of the Sarbanes-Oxley Act from their verification through to closure, with its results being sent to the Vodafone Group's Internal Audit Director.



# Corporate Responsibility Management

## Anti-Fraud and Corruption actions



According to the criteria established by the Vodafone Group and the requirements of complying with the Sarbanes-Oxley Act, the Fraud, Risk and Security (FRS) Department was set up on 1 September 2006 in Vodafone Spain to defend employees, the business and customers against any malicious risk of an anti-social nature. The department is staffed by a group of specialists in ICT Security, Physical and Personal Security, Investigations and Crisis Management and Business Continuity Plans.

The Fraud Report is sent to the Vodafone Group quarterly, detailing all incidents on fraud and corruption actions produced during the period.

An internal regulation was issued during 2008-09 establishing appropriate mechanisms for making sure that all Vodafone Spain personnel, whether in-house, subcontracted or from a supplier, know and understand their duty to report any incident, or suspected incident, that might affect Vodafone's security, including any act of corruption.

On 31 March 2009 there was a review and approval by Vodafone Spain's Fraud Committee (which includes the heads of the Internal Audit, Customer Management, Legal Advisory, Revenue Assurance, Residential Customers and Corporate Business Units, Human Resources and FRS Departments) of the Risk Map, which identifies possible fraud and corruption scenarios. This report adheres to controls established through Sarbanes Oxley for fraud risk management and is reviewed annually to update risk scenarios considered.

No corruption incidents were recorded in Vodafone Spain during 2008-09.

## Privacy Policy

As a result of the audit of compliance with the Privacy Policy, conducted by the Vodafone Group during 2007-08 and successfully passed by Vodafone Spain, a series of initiatives with the following general aims have been established and implemented:

- Comply with, as far as possible, the Vodafone Group's Privacy Policy, with data protection regulations considered to be in force in Spain.
- Assess the data protection situation in the Tele2 integration process.
- Assess the scope of and adapt ourselves to Spain's new data protection regulations.



## Stakeholder Involvement

In Vodafone we consider stakeholders to be all people or groups that have a significant impact on our activity or business or which are affected by it. In previous years a "Stakeholders Map" was prepared to identify this group which included their prioritisation according to their positioning in relation to Vodafone Spain.

Through the various communication channels we establish with each stakeholder, we attempt to respond, in a balanced way, to the most relevant issues. The communication channels established are varied and include meetings, opinion surveys, alliances and sector initiatives, etc. These communication channels are frequently supported by the Company's different organisational units directly related to each of the stakeholders.

### Channels of Communication

A description is provided below of the most important communication channels used with each of Vodafone Spain's main stakeholders.

#### Vodafone Spain's general stakeholders

- Shareholders (Vodafone Group)
- Customers
- Employees
- Suppliers
- Public Administrations and Regulatory Authorities
- Landlords' and Residents' Associations
- Knowledge and Opinion Makers
- Society and the General Public

#### Customers

Vodafone Spain, through a market research company, carries out a quarterly survey amongst its customers and the general public to find out the following:

- Their expectations and priorities on corporate responsibility issues they consider we should work on.
- Their perception of our performance on these CR issues.

We also provide our customers with different incident and complaint communication channels and identify those CR issues where we should act to introduce improvements.

#### Employees

An Employee Satisfaction Survey is currently being conducted and includes specific questions to find out employees' opinions on how we perform on CR related matters.

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

#### Knowledge and Opinion Makers

Through various market studies and specific publications, we compile CR issues considered priority to CR experts and opinion leaders.

We periodically hold meetings with consumer associations. The launch of new products and services in 2008-09 has increased our information dissemination and training tasks due to the demand of these associations for a more in-depth understanding of the working and use of such products and services, and to offer a better service to their members.

Channels of Communication Summary

| Channel of communication              | Stakeholder                                | Frequency          |
|---------------------------------------|--|--------------------|
| Perception/ Opinion Surveys           | Customers                                  | Quarterly          |
|                                       | Society and the General Public             | Quarterly          |
|                                       | Employees                                  | Annual             |
|                                       | Opinion leaders                            | Annual             |
|                                       | Site Landlords                             | On an ad hoc basis |
| Meetings                              | Consumer Associations                      | Annual             |
|                                       | Administrations and Regulatory Authorities | Ongoing basis      |
|                                       | 3rd sector organizations                   | Ongoing basis      |
| Participation in Sector Organisations | Suppliers                                  | Annual             |
|                                       | Knowledge and Opinion Makers               | Ongoing basis      |
| Follow-up of the Media                | Administrations and Regulatory Authorities | Ongoing basis      |
| Incidents                             | Opinion-Makers                             | Ongoing basis      |
| CR website                            | Customers                                  | Ongoing basis      |
|                                       | Site Landlords                             | Ongoing basis      |
| Training/Information activities       | Society and the General Public             | Ongoing basis      |
|                                       | Consumers' Organizations                   | Annual             |
| Focus Group on specific subjects      | Knowledge and Opinion Makers               | On an ad hoc basis |
|                                       | Society and the General Public             | On an ad hoc basis |
|                                       | General Public                             | On an ad hoc basis |

This activity includes our participation in national and regional consumer conferences, as well as participation in University seminars and conferences on telecommunications and users' rights.

In addition, the different training and information activities in which we participate at universities, business schools, etc. allow us to find out their expectations or perceptions.

What's more, our continuous contact with third sector organisations means we are aware of their needs and can respond to them through the launch of different products and social services.

#### Public Administrations and Regulatory Authorities

Our continuous contact with representatives from public administrations and the regulator, in specific or sector based meetings, enables us to discuss with them matters related to the nature of our business and industry.

Vodafone Spain promotes participation in sector organisations as another channel for identifying their expectations ([www.vodafone.es/rcenvodafone](http://www.vodafone.es/rcenvodafone))

An example of these activities is our ongoing participation in the "Business and Parliament Training Programme" promoted by the Businessmen's Circle. November 2008 saw the start of the third year of visits which will finish in June 2009. As in previous years, this programme showed the essential nature of our business and organised visits to network and customer centres to provide members of parliament with a better understanding of our activity.

#### Society and the General Public

The analysis of these quarterly surveys provides us with feedback on the changing expectations and perceptions of the general public on Corporate Responsibility aspects in telecommunications companies.

Furthermore, there is a study of how these expectations change, through an exhaustive analysis of articles that appear in the media.

#### Landlords' and Residents' Associations

The various "Landlords' Satisfaction Surveys" resulted in the setting up in 2005 of the Landlords' Call Centre, which allows us to respond immediately to their different needs, analysing the nature of these needs in the process.

#### Suppliers

Within the framework of our Supplier Performance Management Process and more specifically during the optimisation phase, Vodafone Spain establishes with suppliers improvement actions to be introduced by them according to both parties requirements.



[www.vodafone.es/particulares](http://www.vodafone.es/particulares)  
[www.vodafone.es/rcenvodafone](http://www.vodafone.es/rcenvodafone)

# Corporate Responsibility Management

## Priorisation of Expectations

All the information drawn from the analyses of stakeholders' expectations and perceptions is used to compile a list of priorities for each CR issue. This therefore identifies the most important matters to be dealt with in each annual corporate responsibility programme, which must be included in the relevant CR report, and also enables the analysis of which matters we should focus our attention on, through preparation of the relevant expectations and perception matrix (See fig 2).

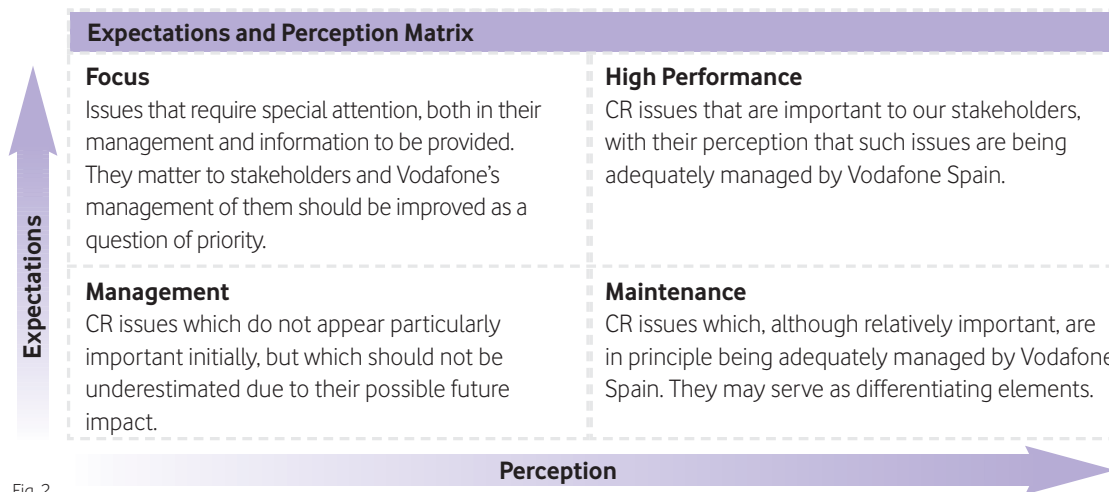


Fig. 2

Once we have prioritised CR issues, and bearing in mind the application of the Precaution Principle, the relevant risk analysis is carried out, identifying the most important CR issues to our business. Figure 3 shows, at 31 March 2009, CR issues of priority to our stakeholders which we intend to respond to through the publication of this report.

The entire identification and prioritisation process of stakeholders' expectations and perceptions is carried out through the appropriate internal procedure.

## CR Strategy

During 2005-06, the Vodafone Group drew up its second CR five-year Strategic Plan which included priority lines of action on CR issues to the Vodafone Group and its operators.

These lines of action are based on engaging stakeholders and being aware of their expectations on CR issues that matter most to them, in order to respond to their needs through annual programmes and Corporate Responsibility objectives.

The 2005-10 Strategic Plan (See Fig 4) establishes the following priorities:

- Maintain the highest levels of Ethical Behaviour.
- Understand and meet our stakeholders' priorities, carrying out responsible business practices.
- Take action in three key areas:
  - Energy and Climate Change
  - Responsibility with our customers
  - Handset Reuse and Recycling
- Use the potential of telecommunications to improve access to our products and services by different groups with special needs.

| List of priority CR issues (31/03/09)                      |
|--|
| 1. Products and Services with High Social Value            |
| 2. Clear and transparent communication of prices and rates |
| 3. Safe and Responsible Use                                |
| 4. Communication of RF Emissions and Health                |
| 5. Environmental Impact                                    |
| 6. Responsible Network Deployment                          |
| 7. Handset Recycling and Reuse                             |
| 8. Responsible advertising/marketing                       |
| 9. Suppliers   |
| 10. Employees  |
| 11. Community Involvement                                  |

Fig. 3

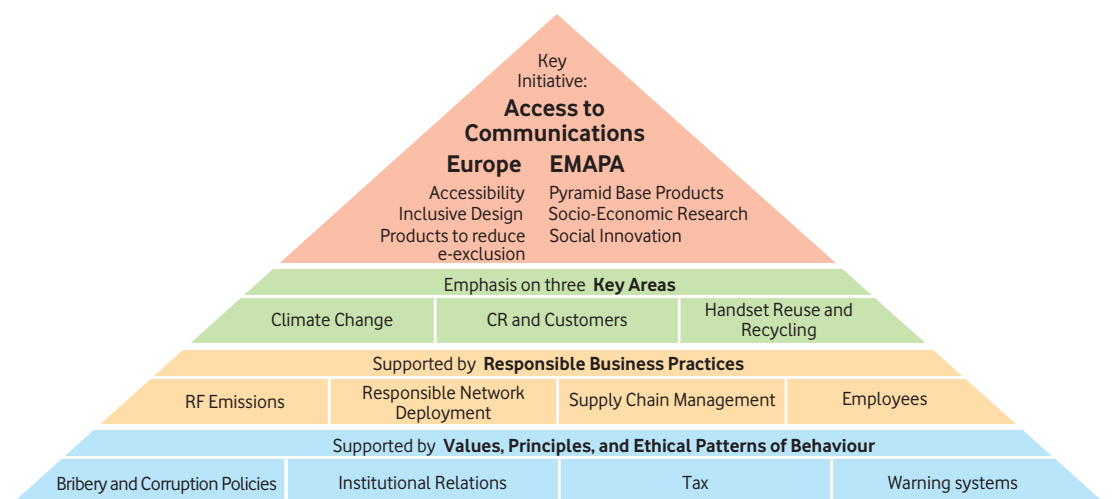


Fig.4

This strategy is helping to position Vodafone Spain as one of the leading CR companies, as shown in its placing in different rankings and the awards it has received:

#### Vodafone Spain: Awards and Acknowledgements

##### Awards and acknowledgements received in 2007-08

- **Innovation award** within the **CSR market** organised by Forética.
- **Fundal Award** (Alcobendas Sports Foundation) for **Corporate Social Responsibility**.
- **University Business Award 2007**, in the Information Technologies category, to the **Minerva Project**, awarded by the University-Business Foundations Network, REDFUE.
- **Best Practices in Internal Communication Award**, organised by the Internal Communication and Corporate Identity Observatory.
- **Impact on Citizens Award** to the joint Vodafone Spain and Amorebieta Town Council project on Modernisation of Local Police, awarded by the 3rd Forum on ICT Modernisation of the Public Administration.
- **Gold award in Media Effectiveness** to the Vodafone roaming campaign, at the 9th Commercial Communication Effectiveness Awards.
- Prize to the **Vodafone Audio Guide** for the Maritime Museum, awarded at the 3rd Citizen Modernisation Forum held in Barcelona.
- The **Conecta Vodafone E272 modem** received various design and functionality awards: the IF Product Design Award at the International Design Forum in Hannover; Five-star product from the magazine PC World, and Guarantee Recognition from the magazine Dealer.
- **Best website 2007 award**, in the Communications Web category, awarded by Internet users through a Metrixlab and Nielsen initiative.
- Award for the best **Corporate Responsibility Report** in the Vodafone Group.
- **Prever Award 2007** to Vodafone Spain for its track record and good work in the work health and safety field, awarded by the General Council of Industrial Relations and Work Sciences.

##### Awards and acknowledgements received in 2008-09

- At the 6th Expansi3n&Empleo Awards for Innovation in Human Resources, **Francisco Rom3n**, Vodafone Spain's CEO, received the **award for the CEO who most supports the HR function** in their organisation.
- At the National Work Health and Safety Awards on 28 April, Vodafone Spain received the **2008 Award for Communication and Dissemination Tasks**.
- **"Vodafone Internet Edition"** recognized as one of the "100 best ideas of the year" at the Actualidad Econ3mica awards.
- **"Mu3vete Verde" Award** devised by the Mobility Foundation recognizing Vodafone Spain's initiatives in the sustainable mobility field.
- **2008 DifuSord Award** for the "Vodafone for All" initiative, awarded by the Asociaci3n de Difusi3n de la Comunidad Sorda (Deaf Community Awareness Association).
- **2008 Byte Award for the best mobile Internet solution**, awarded to the "Conecta Vodafone" K3715 USB Stick Modem.
- **Genio Award in the Cinexperience category**, awarded by CMVOCENTO which recognizes innovative campaigns in use of the media, creation of original formats and use of creativity applied to conventional formats.
- **"Vodafone at home"** recognized as the **Best service** presented by operators with their own network during 2008, according to Xataka M3vil readers.
- **"Internet on the Vodafone mobile"** recognized as the **Best Data Rate 2008**, according to Xataka M3vil readers.
- **Vodafone Spain** recognized as the **Best Operator with its own network 2008**, according to Xataka M3vil readers.

#### Vodafone Spain: Position in CR rankings

- **MERCO:** Vodafone Spain ranks 13th in the 2009 general rankings (and, for the second year running, is the first subsidiary of global companies with a presence in Spain).
- **Fundaci3n Empresa y Sociedad (Business and Society Foundation):** Vodafone Spain ranks 5th in the ranking of Spanish companies for its Social Products and Services in the report published in 2008 on "companies and savings banks best perceived for their actions related to integrating disadvantaged people".
- **Vodafone Spain was classified as one of the best places to work in Spain (Great Place to Work)**, ranking 2nd in the companies with more than 1000 employees category and a special award in the "Respect for People" Values category.
- According to the study **"Top company to work in 2008"** carried out by the CFR organisation, Vodafone Spain is once again among the leading companies and offers its workers the best benefits and quality of life.

#### Vodafone Group

- **The Vodafone Group ranked first in the 2008 Accountability Rating**, of the Fortune Global 100 companies, meaning it was amongst the five leading companies in this ranking for the third year running.
- For the second year running, **the Vodafone Group's CR report won the award for the Best Report in the 2008 Corporate Register Reporting Awards (CRRA)**. It also won at these awards the "Relevance and Materiality" and "Credibility through Verification" prize.





# Corporate Responsibility Management

## CR Organisation and Management

The CR Strategic Plan is managed and coordinated in Vodafone Spain by the CR Department, which periodically reports to the Institutional Committee through the Communications Director, to whom it is accountable. The Institutional Committee is the body that, every year, establishes the courses of action to be followed on corporate responsibility, and annually approves the relevant CR programme.

The Vodafone Spain organisation chart can be viewed at [www.vodafone.es/conocenos](http://www.vodafone.es/conocenos), and shows that our top executives are Spanish nationals.

Vodafone Spain has a strong internal information system for CR matters (called Envoy), through which its CR Key Performance Indicators (KPIs) are compiled and communicated periodically to the Vodafone Group.

These CR KPI include qualitative and quantitative indicators on topics such as energy efficiency; waste management; mobile phone collection, reuse and recycling; or contributions to the community.

The qualitative indicators include questions concerning the management of priority matters within the CR strategy. Each indicator includes a rating depending on the importance of the matter.

The ratings of the qualitative and quantitative indicators are used for measuring progress in CR management, establishing annual targets.

This information is shared with the Vodafone Group's other OpCos for benchmarking purposes, in order to identify and implement the best practices among the Group's companies.

## Certificate Management Systems

Vodafone Spain has an ISO 14,001 certified environmental management system and an ISO 9001 certified quality system, respectively ([www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)).

These systems are kept up-to-date and certified through audits carried out by duly authorised certification bodies. (See Fig 5).



Fig. 5



[www.vodafone.es/conocenos](http://www.vodafone.es/conocenos)  
[www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)



## Internal Communication

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

- Disseminates important information about the Company: strategy and results.
- Helps employees get to know Vodafone Spain's products and services, facilitating their understanding of the "Vodafone commitment" and increasing their loyalty to the company.
- Tries to get employees to perceive and value the benefits of working in Vodafone.
- Implements communication campaigns and disseminates the role of managers as communicators.

To achieve its mission, the Internal Communication Department uses different channels:

- E-mail
- SMS and MMS.
- Banners in the local and global intranet.
- "Vodafone al Día" (the first screen employees see when they log onto the Intranet or Internet).
- "Vodafone Tube" (internal TV channel) which shows live and recorded videos.
- "La Repesca Semanal" bulletin.
- Events: exhibitions, presentations, contests, etc.
- Special multichannel campaigns.

To keep employees aware of CR issues, different activities were carried out and communications provided during 2008-09 as part of the annual programme's priority CR issues. Some of these communications are shown in the table below.

### Vodafone Spain Foundation Social Products, Services and Activities.

- The Vodafone Group's first accessibility workshop, held in Spain.
- Presentation and communication at MOVEs ("Mobile Vodafone Expo") of the most important social products.
- 3rd International Beach Sports Tournament for Deaf People.
- Participation in the Tifloinnova fair.
- Campaign for employee participation in the UN's Food Programme.
- Web accessibility, shops and offices.
- Blood donation campaigns.
- SMS solidarity campaigns: NGOs, catastrophes, etc.

### Safe and Responsible Use of telecommunications products and services. Responsible Marketing.

- High School Musical Campaign Pack. Responsible use of mobiles by minors.

### Initiatives for reducing contribution to climate change.

- International Ozone Day.
- "Muévete Verde" Award given to Vodafone Spain by the Mobility Foundation.
- World Environment Day.
- Car-sharing, responsible driving campaign.
- Earth Day, organised by WWF/ Adena.
- Environmental contents in the different periodic bulletins of the company and specific areas: Repesca Semanal, Customer Management Bulletin, Technology, etc.

### Mobile telephone RF emissions and health.

- Statements from the World Health Organisation and other prestigious organisations in this field.

### Mobile phone collection, reuse and recycling.

- Campaigns for promotion of recycling and information for employees.

### Health and Safety.

- Responsible driving campaign. Road safety standards. Summer and Christmas campaign.
- Business Continuity Plan (BCP), drills, awareness campaign on how to act in case of a crisis.
- Communications of new health services (prescription of medical insurance tests in the office), changes in medical examinations (personalisation through prior appointment for blood samples and completion of examination when the results of the analysis are available etc.).
- Blood donation campaigns.
- Good practices communication campaigns.

### General and related to employees.

- Communication of work-life balance.
- Presentation and communication of Great Place to Work.
- Merco Ranking.



# Corporate Responsibility Management

## Opinions of Corporate Responsibility Experts

**What in your opinion are the most important/positive aspects of our CR strategy and what areas could we explore further (suggestions for improvement)?**



"Vodafone Spain is a key reference point for corporate responsibility in Spain. It has been a pioneer in the concept of responsible innovation, i.e. in the way it offers services, products and solutions for all, incorporating environmental and social attributes from the very beginning.

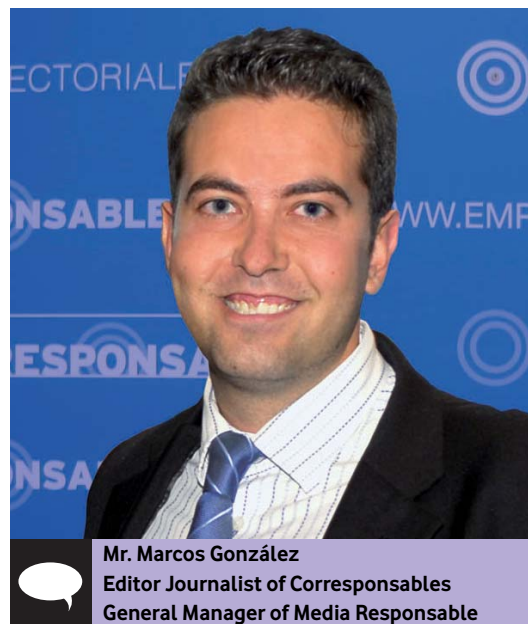
Vodafone Spain is a clear example of how a subsidiary can carry out responsible activities for the general running of the company. Innovation, defence of traditional values, open-mindedness and sensitivity towards disadvantaged groups are the main themes I would highlight in each of its actions. It is undoubtedly a company from which we never stop learning."



"Vodafone has a proven track record in corporate responsibility.

I would highlight its strategic vocation in this area which has determined how the different units are run. This is particularly recognizable in the HR field and Vodafone's renown as one of the best companies to work in Spain. It is also worth highlighting its phone recycling and reuse policy. Finally, it is a very active company in undertaking different initiatives for integrating disadvantaged people.

An aspect to explore further is the company's CO2 emissions reduction goal. Why not establish a zero emissions goal?"



"I would highlight in Vodafone Spain the company's firm commitment these past few years to integrating CSR in its management, all its business operations and its day-to-day running. This is something to be grateful for in times of crisis. I believe this is down to the fact that many of its CR policies, such as its energy efficiency plans for reducing its CO2 emissions, its powerful community involvement, diverse policies with workers and transparent relations with the media form part of its business strategy. And that is what adds value to the company and to all its stakeholders, and what makes CSR a true key and absolutely vital in this business paradigm shift in which we are immersed."



**Mrs Maria Rodriguez**  
CSR State Council Representative

"The most important aspects of Vodafone Spain's CSR strategy are in my opinion the following:

- Its responsible marketing policy, and its membership of the Spanish Association for Self-Regulating Business Communication (Autocontrol).
- Its policies for vulnerable groups, in terms of both special products for these groups and content restriction practices classified by age.
- The agreement signed in 2007 with the FEMP (through the Spanish Association of Electronics, Information Technologies and Telecommunications Companies (AETIC)) for the application of the Code of Good Practices for mobile telephony installations, as well as information available through the website and information leaflets on basic aspects related to mobile telephony and health.
- The residential customer service and the information on the website for consumers with the most common questions and answers, as well as information on service quality, rates, invoicing and payment, and the notifications section, which is very useful to the consumer.
- Its privacy policy, guaranteeing individual access to information and its confidentiality.
- The establishment of commitments and carrying out of assessments at its first supplier level to assure compliance with its Code of Ethical Purchasing principles.

On the other hand, I believe the following needs further attention:

- More information in the invoice on rates and prices contracted (there is considerable information on the website but it's not enough), as well as information to consumers on the Consumer Arbitration System in case of any complaints.
- It is vital that supply assessments are carried out throughout the whole production chain process (not just at first level)."



**Mrs Ana Sainz**  
Director General of the Fundación Empresa y Sociedad

"Of all Vodafone's actions for integrating disadvantaged people, particular noteworthy are its special products and services and promotion of research into new information technologies.

The development of bespoke products has allowed people with difficulties, such as disabled people and the elderly, to access communication directly, and other services accessible through mobile telephony indirectly.

The promotion of new technology research projects has enabled progress in areas such as medicine, education and/or social care.

It is likely that in the next few years Vodafone will switch its attention away from community involvement and develop areas such as the employment of disabled people or corporate volunteer work."



# Access to Communications

Extending access to communications is one of Vodafone's biggest opportunities for contributing positively to society, helping improve people's quality of life and social and labour integration.

Vodafone Spain's strategy for increasing access to communications is based on the prevention of "preventable exclusion", providing products and services that are easier to use, especially by vulnerable groups, which includes for example:

- People with some kind of disability (blind people or people with visual disabilities; deaf people or people with a hearing disability, etc.).
- Senior citizens.
- Chronic patients.
- Immigrants.
- Gender violence victims.

Consequently, vulnerable groups must be able to lead normal everyday lives, and be able to access products and services without any limitations.

This means that vulnerable groups must be able to understand and use these new technology applications. Technology has provided, and continues to provide, an endless source of solutions for these groups, yet sometimes they cannot use the technological devices already on the market because they are difficult to handle. These difficulties can be minimised by incorporating the "design for all" concept at the development stage of products and services.

Vodafone Spain offers specialist products, services and rates, improving the accessibility of these groups. Social products and services are developed in consultation with organisations that represent the groups concerned, public administrations and accessibility experts.

## Social Products and Services sold by Vodafone Spain (prior to 2008-09)

### Mobile Telecare

The Mobile Telecare service aims to compensate the limitations of traditional (fixed) telecare in terms of mobility, bringing added values such as independence and safety for dependent people, at all times.



### T-Loop

Designed in collaboration with FIAPAS, when used in magnetic induction equipment, the T-Loop favours access to mobile telephony communication by people with hearing impairments and who use a "T" loop hearing aid.



### BlackBerry Vodafone Accessible

Launched in collaboration with the Spanish Confederation of the Deaf (CNSE) to improve communication for deaf people, it lets users send and receive e-mails immediately, and allows them to communicate in different ways, either by text messaging, e-mails or chat. Furthermore, it offers a specific Customer Care Service for people with hearing disabilities at the following email: [soportevf\\_accesible@vodafone.es](mailto:soportevf_accesible@vodafone.es)



### Intelligent System for Monitoring Personal Alerts (SIMAP)

This system is designed to respond to the special care and location needs (through the Red Cross) of Alzheimer's patients, using the latest advances in technology and telecommunications. Thanks to its alerts application, SIMAP allows information about the location and movements of the person carrying the device to be obtained continually.



### Emporia Life

This phone is specially designed for elderly people or those with reduced manual dexterity, and features:

- An easy and practical menu
- A large, orange-lit screen
- Adjustable volume
- A care call button which can be used for programming up to five numbers for emergency calls: relatives, friends, telecare...

Through agreements established with specialist companies, users can access mobile telecare services on this phone.



### Dicta SMS

Launched in collaboration with Spinvox, it allows Vodafone users to receive voice messages by SMS. "Dicta SMS" offers solutions for users who have difficulties writing a short message, such as people with reduced mobility or the elderly, or people with hearing impairment.



### Sponsoring children via mobile telephone

This initiative, which is the outcome of an agreement signed between Vodafone Spain and the World Vision Foundation Spain, lets users sponsor children through their mobile phone.

In order to sponsor using your mobile, you just need to enter the Vodafone live! Portal and send your personal details. This system also allows you to request information about sponsoring with World Vision, which will subsequently be sent via ordinary mail. Sending data via a mobile phone is as secure and reliable as using Internet web pages with a security system.



### Vodafone Solidarity Messages

The donations programme launched in 2004 with 9 NGOs has gradually obtained greater recognition and support from Spanish third sector organisations, with more than 44 bodies benefiting from this programme at the end of 2008-09. It can be extended at any time to all NGOs that want to include new mobile technologies in their solidarity campaigns.

Through agreements established with NGOs participating in the initiative, each NGO receives a donation for the total value of text messages sent by customers.

From the programme's launch until 31 March 2009, there were over €2.7 million in donations made through the system.



[www.vodafone.es/vodafoneparatodos](http://www.vodafone.es/vodafoneparatodos)



## We said

- We would introduce at least one new purpose-designed product to reduce social exclusion and improve quality of life of vulnerable groups through communications.
- We would broaden the scope of Vodafone Spain's web page accessibility.
- We would implement Accessibility Management System in Stores (March 2010).

## We have

Continued, throughout 2008-09, our strategy of providing access to communications through the "Design for All" concept. The most significant actions are described below:

## New products and services

### Vodafone Speak

Intended for people with visual impairment, the Vodafone Speak service is a new application designed by Vodafone together with Code Factory.

Vodafone Speak means that a blind person or individual with severe visual impairment does not need to see their screen to use the telephone. All digital information on the screen reader is converted into voice. The application allows people with visual impairment to use functions such as:

- Making and receiving telephone calls, and sending and receiving text messages.
- Accessing their call log.
- Managing their list of contacts.
- Setting alarms.
- Creating calendar entries.
- Surfing Internet.
- Listening to audio files.
- Connecting with other devices via Bluetooth, Wifi or infrared.

Through a collaboration agreement established with ONCE (the Spanish blind persons' organisation), users can access this application and the manuals in braille and audio.

### SMS Fácil

Launched as a new version of the "Dicta SMS" service, "SMS Fácil" is a messaging service that lets customers turn voice messages into text. If you dial 115, followed by the number to be called (any operator), you can leave a voice message that will be text messaged to the recipient.

It costs the same as making a call (depending on your price plan), and the text message is free for the recipient.

The service works without having to be activated, offering solutions to people with limited mobility or who have difficulties writing a message.



**+ than € 2.7 million**  
 donated through Vodafone Solidarity Messages

**+ than 800,000**  
 Alzheimer's patients,  
 potential beneficiaries of our social products/services


**nearly 800,000**  
 people with visual disabilities  
 potential beneficiaries of our social products/services

**SMS Fácil**

**Tan fácil como una llamada,  
 tan cómodo como un mensaje.**

SMS Fácil es un servicio exclusivo de **Vodafone** que te permite convertir tus mensajes de voz en SMS, tan sólo tienes que marcar el prefijo **115 seguido del número del destinatario y pulsa** , graba tu mensaje y el destinatario lo recibirá en forma de mensaje de texto. Empieza ya a disfrutar de **SMS Fácil**.

Precio del servicio como una llamada según tu Plan de Precios.



# Access to Communications

## T-Loop Bluetooth

T-Loop Bluetooth is the first universal hands-free device for users of "T" position hearing aids, enabling people with hearing impairments to talk on their mobile without interference.

This new device turns the mobile's sound into electromagnetic fields, providing a clearer sound to wearers of this type of hearing aids.

## Hearing-impaired customer service centre

Since July 2008, Customer Management has had a specific department for dealing with, managing and solving enquiries or incidents from customers who are deaf or who, for whatever reason, cannot use the voice services. That is why their enquiries must be sent by e-mail to [Soportevf\\_Accesible@corp.vodafone.es](mailto:Soportevf_Accesible@corp.vodafone.es) and are dealt with through the same channel, enabling an immediate, direct and totally autonomous service for the customer.

## Changes in My Country service

According to figures from the National Institute of Statistics (INE), there were 5.2 million foreigners registered on 1 January 2008, 16.6% more than on the same date the previous year, accounting for 11.4% of Spain's total population.

In Vodafone Spain we develop specific products and services to cater for the needs of this large social group of major importance to the Spanish economy.

During 2008-09, we once again demonstrated the continuous improvement of our proposals with the following initiatives:

- Launch of "Your Number My Country". An upgrade of the My Country service which shortens distances between our customers and their family members and friends, with more competitive conditions.
- The off-peak time band has been tripled for the My Country service.
- By strengthening Vodafone Spain's social role, an agreement has been reached with numerous public and private entities to hold during 2009-10 the "1st Integration Games", whose main aim is the social integration of immigrants through sport. This is a unique event that will take place in Madrid and unite different Olympic and Paralympic categories; it will also include a UNICEF fun run.

# Participation in Workshops and Seminars

## First Vodafone Accessibility Workshop

In order to share best practices for developing social products and services, representatives from the Vodafone Group and its 11 subsidiaries and associates met in Madrid in November 2008 to hold the First Vodafone Accessibility Workshop.

Vodafone Spain's work in managing Social Products and Accessibility was presented at this workshop, with a subsequent definition of the needs and proposals of the Group's different countries.

## CEAPAT- VODAFONE: "Mobile telephony brings us closer to the future"

To disseminate actions on accessibility and usability, the State's Personal Autonomy and Technical Help Centre (CEAPAT), a body of the Ministry of Health and Social Policy, organised in July 2008 in Vodafone Spain's headquarters the first exclusive telecommunications meeting.

The meeting was actively participated in by users, with both professionals and sector bodies attending, including representatives from the government and the most important disabled organisations such as the Spanish National Council of Disabled Representatives (CERMI), ONCE, etc.



[Soportevf\\_Accesible@corp.vodafone.es](mailto:Soportevf_Accesible@corp.vodafone.es)

**ONCE: "We continue to fulfil 70-20"**

To celebrate the 70th year since the creation of ONCE and the 20th year of its Foundation, Vodafone Spain was involved in the development of the "Seguimos cumpliendo" (We continue to fulfil) project.

The project consisted in a tour where participants came into direct contact with the daily lives of people with some type of disability. They were given a direct insight into the three disabilities (physical, intellectual and sensory -hearing and visual-) divided into four thematic areas: Accessibility, Training, Employment and Culture/Leisure.

**MOVE 08**

The range of social products and services was represented in the different events organised by Vodafone Spain's Corporate Business Unit as part of MOVE 08, held in all the company's regional locations.

**Seminars: "A Municipality for All"**

Vodafone Spain continues to collaborate with the Spanish Physically Disabled People's Platform (Predif) and the Royal Board on Disability for the "A Municipality for All" seminar. During these talks held in various Spanish principalities, different professionals specialised in physical and sensory accessibility present the results of their studies with the aim of:

- Explaining what accessibility and usability are.
- Discovering the needs and problems that disabled people face each day.
- Raising awareness of the need to create and design municipalities for all.
- Showing how to assess and diagnose the accessibility levels of municipalities.
- Getting them all to use ICTs.

In Vodafone Spain we therefore want to help improve e-inclusion and build municipalities designed for all citizens.

**Tifloinnova**

Vodafone Spain took part for the second consecutive year at the TifloInnova 2008 event held in Madrid in November 2008.

TifloInnova is an International Exhibition of Tiflotechnology (a discipline that studies the adaptation of procedures and techniques for use by people with some type of visual impairment) organised by ONCE's CIDAT (Tiflotechnical Applications, Research and Development Centre). The exhibition showed the latest novelties, products and technology trends available in the market for people with visual impairment.

Vodafone Spain was a co-organiser of this event which, through workshops, round tables and practical demonstrations, revealed the latest accessible products for visually impaired people.

**Avante**

The 2008 Avante Exhibition was held at Fira Barcelona from June 5-7, uniting experts, professionals and users interested in the creation, development and marketing of technologies and services for improving people's autonomy and quality of life.

Vodafone Spain presented here the Vodafone Speak service for the first time.

**"Conference on disabled people in the Information Society"**

One of the aims of this meeting held in December 2008 was to communicate to disabled groups and experts in new technologies the advances and technological applications for improving possibilities of access to the Information Society. The conference also informed the population in general of the possibilities, advances and application of information technology for improving disabled people's services.

Vodafone Spain participated in a round table talk, entitled "Vodafone: new applications for disability in mobility".



**+ than 900,000**  
 people with hearing disabilities  
 potential beneficiaries of our social  
 products/services





# Access to Communications

## Collaborations

### Project INREDIS

The INREDIS project (Interfaces for Relations between the Environment and People with Disabilities), approved in July 2007, is a CENIT (National Strategic Consortiums on Technical Research) project, which is part of the Spanish government's INGENIO 2010 initiative managed by the CDTI (Centre for the Development of Industrial Technology).

The project covers the development of base technologies that make it possible to create communication and interaction channels between people with some type of special need and their environment. From 2007-10, INREDIS is carrying out basic research in the field of accessible and interoperable technologies with a budget of €23.6 million.

The INREDIS project is managed through a business consortium led by Technosite, the ONCE Foundation's technology company and a group of expert companies in different knowledge areas (including Vodafone Spain and its foundation) that make INREDIS a multidisciplinary consortium with major development potential.

INREDIS' key goals may be summarised as follows:

- To analyse the needs of users with functional diversity and their relationship with technology.
- To create states of the art in all technologies involved in the project and oversee innovation throughout their duration.
- To develop a universally interoperable architecture which boosts the accessibility of applications and technological projects.
- To research different types of interaction with the resources available locally, the feasibility of support products, ubiquitous software and the development of adaptive interfaces.
- To develop experimental platforms which explore technological interoperability and capacity for interaction and adaptation.

### Project Discatel

Vodafone Spain, together with the Alares Foundation, SERTEL, Integralia Foundation and Marktel Special Telecommuting Centre are collaborating in the Discatel project (research project on telecommuting for disabled people in contact centres), which kicked off in January 2006, which intends to analyse the business productivity of disabled people working remotely. Its main aim is to demonstrate the technical viability, social and even economic benefit of people with physical or sensory disabilities telecommuting to the contact centre. This project promotes the incorporation of these people in the job market, helping their professional and intellectual development.

### Independent Life Centre (Centro de Vida Independiente - CVI)

Together with other leading companies in innovation, Vodafone Spain has been involved in implementing the first centre to combine home automation, care and research for dependent or disabled people.

This centre reproduces a totally accessible and automated home, where users can access the most advanced technical and technological aids and a multidisciplinary team performs a personal diagnosis to minimise their dependence on third parties. The Independent Life Centre is located in the Collserola Centre in Barcelona.

The use of advanced care technology by health professionals, together with technology experts, can lead to excellent results for this group of dependent people, who may see an improvement in their personal autonomy and quality of life, enabling them to remain at home with the necessary adaptations.

### Ask it

Vodafone Spain took part at ASK-IT, a project partly-funded by the European Commission as part of the 6th Framework Programme in the e-Inclusion area. The idea of the ASK-IT project is to develop services based on information and communication technologies (ICTs) which will enable people with mobility difficulties to live more independently. Through conventional electronic devices such as mobile telephones, PDAs or laptops they will have access to important information in real time, especially useful for travelling, working, leisure activities or managing at home.

The research activities began in October 2004 and, after four years' work, were completed in the second half of 2008. More than 50 partners from 13 European countries plus 1 Latin American country were involved.





### "La mirada que integra"

Vodafone Spain collaborated at the third "La Mirada que integra" Cinema and Disability season organised by Adimeco (National Association of Disability and the Media) and the Obra Social Caja Madrid.

"La Mirada que Integra" is designed as a showcase on how cinema has portrayed the image of disabled and/or dependent people, showing how society's perspective of this group has often been influenced by these mythical, stereotypical and not very realistic creations.

Another of the objectives is to demonstrate that it is possible to show a film accessible to all types of spectators. That is why events in the 3rd "La Mirada que Integra" season are not just about physical access; the films also have special audio for blind people and subtitles specifically for deaf people. What's more, the projection room has magnetic loops for people with hearing aids and cochlear implants and sign language for presentations and round tables. Braille and easy reading programmes are also available for people with intellectual disabilities.

## Vodafone store accessibility

In line with Vodafone Spain's commitment to carrying out further accessibility actions for our shops, in 2007-08 an accessibility project was launched in Vodafone shops throughout Spain to identify accessibility criteria and include in the design the new shop image due to be introduced during 2008-09.

As a result, 31% of our shops were adapted to the new image in 2008-09, incorporating accessibility criteria.

Elements reviewed and changed include:

- Shop entrances (removal of architectural barriers).
- Replacing manual entrance doors with automatic doors, enabling people with reduced mobility to enter unassisted.
- Furniture adapted to suitable heights to comply with accessibility.
- Introduction of stair lifts inside the shops, when necessary.

## Accessible Website

Vodafone has introduced a new version of its website, www.vodafone.es, based on the WAI (Web Accessibility Initiative) guidelines of the W3C (World Wide Web Consortium).

This means vodafone.es users, irrespective of their disability or age, can browse its corporate website without any difficulties, even with fairly unconventional technologies.

On the date of the preparation of this report, we were still awaiting receipt of the AA Level public certification, which guarantees that our website, www.vodafone.es, complies with international accessibility standards.

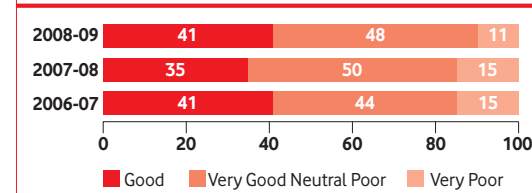


### Stakeholder Opinion

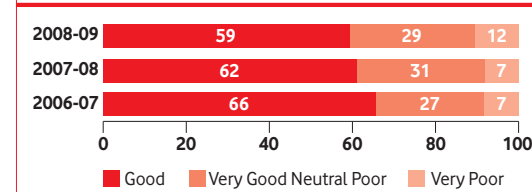
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

**"Provision of products and services which will improve the quality of life of those with special needs"**

#### General public



#### Customers



 [www.vodafone.es](http://www.vodafone.es)

### We will

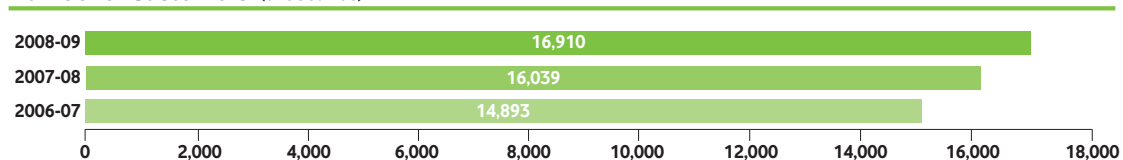
- Introduce 2 new products/services purpose-designed to reduce social exclusion and improve the quality of life of vulnerable groups through communications.
- Increase the number of Own stores with the New Image, incorporating accessibility criteria, to 50%.

# Our Customers

Our customers' loyalty is essential to the long-term success of our business. In addition to offering them products and services that satisfy their needs and expectations, maintaining their trust depends on our ability to communicate with them in an honest way and to effectively manage the key issues, such as: data protection, content access control, and clear, transparent tariffs and marketing strategies.

The scope of the telecommunications services that we offer is growing fast, and these services can give rise to new issues which concern our customers and which we should, as such, consider and manage. For example, mobile advertising may be very useful for our customers, but this means that we must guarantee that their personal data is safe and be transparent in terms of the way that we use it.

**Number of Customers** (thousands)



Meanwhile, an increasing number of content services are available via the mobile. In this respect, we have a wide range of initiatives available to us for controlling access by vulnerable groups, such as children, to content which may be inappropriate for them.

Furthermore, the clarity of our tariffs and our marketing materials is also essential in maintaining our customers' trust. By having a clear understanding of our tariffs, they can control their expenditure at all times.

## We said

- We would launch a Communication Campaign concerning the Code of Conduct on minors' safer mobile use when accessing content and associated actions (classification criteria and content access controls, portal for the education sector, etc).
- We would complement the current Youth Profile design, in order to make it easier to activate it in the Vodafone live! environment ("On Net" content), to activate the "Off Net" Filter ("Off Net" content) and restrict Mobile Marketing.
- We would produce and distribute Guides on Secure and Responsible Mobile Use.

## We have

At Vodafone, actively listening to our customers is one of our main challenges in order to achieve a primary objective: that our customers are satisfied. As such, we have turned their satisfaction into a key indicator for the entire company, and are market leaders in customer satisfaction, according to the regular surveys carried out by a well-known market research company in Spain.

We aspire to be leaders in customer satisfaction in a way that is outstanding and sustainable over time. As such, we have a clear customer-oriented approach and continually implement improvements to our products and services.

**16.9** million customers



**65.7%**

Customer satisfaction level  
Cumulative data total portfolio

## Customer Orientation

### Service Quality

#### Service customisation

At Vodafone, we are aware that our customers' needs are diverse and, as such, we steer our activity towards giving each customer what they need at any given moment, via the most suitable channel that best suits them, and in line with their expectations.

As such, for non-Spanish speaking users, we have developed specific customer care platforms in English, Arabic and Romanian, which complement the customer care platforms in the official Spanish languages.

Likewise, for corporate customers with specific needs, a customised customer service is offered, using specific teams who manage their accounts and advise them on their telecommunications needs.

In order to introduce the customer to the company as a whole, and better understand their needs, during the 2008-09 financial year, Vodafone Spain's corporate training included the "Meet the Customer" programme (See fig. 1).

### Specialisation

We believe in specialisation as a key element in ensuring that our customers receive the best service, and as such we continue to innovate and develop initiatives to improve our customer care services.

Our customer care platforms are becoming increasingly specialised in order to be able to give a faster, more appropriate response to our customers, increasing their satisfaction through activities which are designed to resolve issues in a single call.

### Innovation

We are continuing to innovate in customer care services in order to offer customers the best possible service.

Among the improvements implemented in the 2008-09 financial year, it is worth drawing particular attention to the launch of:

- The smart routing system based on customer information.
- The Interactive Voice Response system (IVR) of our customer care telephone service (See fig. 2).
- The web management applications (My Vodafone and Customer Area), incorporating new functionality and services (See fig. 3), making the operations performed by our customers quicker and easier.



Fig. 3

### "Meet the Customer" Programme

During the 2008-09 financial year, we continued to offer the "Meet the Customer" programme, a total of 143 Vodafone Spain employees having completed it.

The sessions last approximately half a working day, and are based upon real, direct contact with customers. As such, course participants, accompanied by professionals, who have a direct relationship with the customer on a day to day basis, take incoming calls from customers calling our Customer Care Service and provide solutions to their different issues.

The objectives of this programme are to:

- Make it possible for employees to have direct involvement in offering the customer the Vodafone experience
- Introduce the customer to the different areas of the company
- Improve the service offered to the end customer, by understanding the individual contribution and that of the department/area, offering different points of view and improvements from a new perspective
- Promote the exchange of knowledge between the departments related to customers.

Fig. 1

### How are we improving our IVR?

IVR (Interactive Voice Response) is a voice recognition technology that Vodafone has had for over five years and which has undergone constant change during this period. IVR represents the first voice that identifies Vodafone when our customers call the customer care service.

In order to ensure continuous improvement, various studies have been carried out, all of them in line with our strategy, and more specifically with the platform specialisation initiatives launched. The increase of specialised platforms has an impact since the IVR must be capable of correctly routing the calls from our customers.

As such, it was fundamental to include a "Facilitating Agent", who helps our IVR to recognise customer expressions without them being aware of its presence during the call. The agent intervenes in the event that the IVR does not recognise the enquiry on the first attempt.

Fig. 2



# Our Customers

This year, we have also incorporated accessibility capacity for the disabled, completing and extending the range of services available to our customers (see chapter on "Access to Communications").

Likewise, the self-management capacity of mobiles has represented a significant development via the \*123# service, through which the customer manages their most common needs using a menu on the screen of their mobile device, without having to remember the different individual codes for each action they wish to perform.

Since the 2007-08 financial year, both of our self-management areas available at [www.vodafone.es](http://www.vodafone.es), My Vodafone ([www.vodafone.es/mivodafone](http://www.vodafone.es/mivodafone)) for individual customers and Customer Area ([www.vodafone.es/areaclientes](http://www.vodafone.es/areaclientes)) for corporate customers, are also available in Galician, Basque and Catalan.

The improvements that have been made to our customer care services, along with the customisation and specialisation of our customer care centres, mean that our service is increasingly comprehensive and efficient, transmitting the security and confidence expected by our customers.

Other innovation projects promoted during the last financial year were:

- E-billing. The legal e-bill means that our customers stop receiving a paper bill and access all of their billing information on the Vodafone website, which has the same legal validity as the paper bill. The customer can access their electronic bill from the self-management web area (in the case of individual customers through "My Vodafone" and through the "Customer Area" for corporate customers).
- "Identify Yourself Project", in order to inform users of prepaid phone cards that they are obliged to identify themselves to operators before 9 November (See fig. 4). In the case of Vodafone Spain, this campaign is aimed at 41% of our customers who on 31 March 2009 were customers with prepaid cards.

## Customer Experience

With the objective of turning our customer knowledge and relationships into one of our main distinguishing factors, from the start of the 2009-10 financial year, the Customer Experience Department will be responsible for building a common vision of our customers' needs. Its objective goal will be to offer the customer a consistent experience built on the Vodafone strengths which are most relevant to them.

In this respect, the following general goals will be to:

- Improve the operational processes which affect the customer experience.
- Reduce our customers' need to enquire or complain.
- Improve the process for launching our products and services.
- Ensure that the company designs and executes its everyday activities through the customer's ideas.

## Complaints

Correct management of customer complaints is crucial to maintaining their trust and loyalty.

During the 2008-09 financial year, the total number of complaints went down by 4% compared to the previous year, largely due to the specialisation of platforms such as the billing platform, and due to the greater focus on proactive incident detection and solution.

The main reason for complaint was billing-related issues (See fig. 5), where we have managed to improve the rate of problem resolution during the first call through specialisation.

The impact of specialisation on resolving issues during the first call has mainly been seen in the reduction of complaints which had to be handled by the next level of support, where there has been a considerable drop in the number of complaints by individual customers (See Fig. 6).

### "Identify yourself!": Data Storage Act

In February 2008, the Spanish Home Office and the mobile telephony companies which operate in Spain, launched the "Identify yourself!" campaign.



The Data Storage Act (25/2007) makes it compulsory for all mobile operators to identify all of their prepaid card customers using the following data:

- Name and Surnames.
- Type and document n°.
- Nationality.

The Act makes it compulsory for operators to have a record of the identity of prepaid card purchasers, both for new subscribers and for existing customers:

- Existing customers: All prepaid customers must provide their details to their Vodafone point of sale. Those cards without associated customer details on 8 November 2009, will be deactivated.
- New activations: Prepaid cards will be pre-activated with restrictions which prevent them from being used before they are activated with the associated data.

Fig. 4

### Reasons for Complaints 2008-09

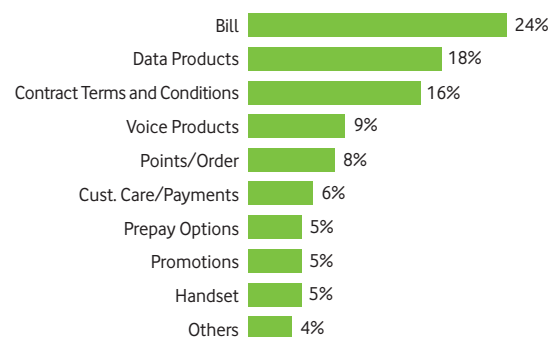


Fig. 5

### Change in Second Level Complaints 2008-09

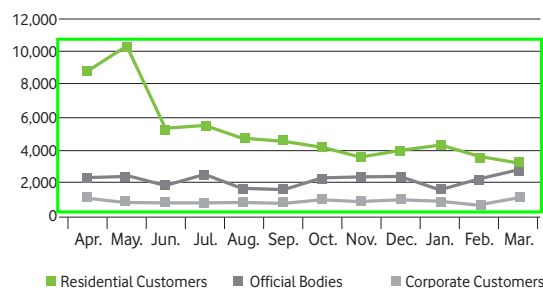


Fig. 6

[www.vodafone.es](http://www.vodafone.es)  
[www.vodafone.es/mivodafone](http://www.vodafone.es/mivodafone)  
[www.vodafone.es/areaclientes](http://www.vodafone.es/areaclientes)



A significant number of our customers are consulting official bodies (Municipal Information Offices, Secretary of State for Telecommunications and the Information Society...) in order to find a negotiated solution. Among these customers, the most common type of complaints are those related to invoices and contractual terms (minimum contract periods) (See fig. 7).

In order to speed up the official complaints process, Vodafone Spain is committed to mediation, which is why it is working on strengthening the electronic channel in order to ensure a quick solution for the customer. This is currently open with the Madrid and Catalanian autonomous governments, but work is in progress to gradually extend it to the other official bodies.

In October 2008, Vodafone Spain renewed its support for the Consumer Arbitration Agreement, according to which issues related to fixed telephony were already submitted to arbitration, following the purchase of Tele2.

## Prices and Tariff Transparency

### National Tariffs

During the 2008-09 financial year, our national tariffs continued to evolve in favour of our customers' interests, with the incorporation of new pricing plans for both contracts and prepaid agreements.

As such, the options for the tariff that is most popular amongst our customers: 90x1 (talk for 90 minutes and only pay for the first minute, on all calls to other Vodafone customers, every day, 24 hours a day) were complemented by two other tariffs which extended the plan to all other operators in the evenings, or all day. The 90x1 tariff remained as follows:

|  |             |   |
|--|-------------|---|
| Talk for 90 minutes and only pay 1 in your calls | 90x1 24h    | To Vodafone and landlines any day and at any time of day        |
|  | 90x1 to All | To any operator, from 6 p.m. to 8 a.m., and all day at weekends |
|  | Super 90x1  | To any operator, any daytime and at any time of day             |

Following an exhaustive training programme for the professionals working in our distribution network, Vodafone Spain launched a customer service campaign focusing upon our customers' experience at our points of sale (See fig. 8), thus becoming the first company to offer a personalised advice service to its customers through the points of sale. As such, customers can receive accurate information on the pricing plan that best suits them depending on their needs and consumer habits.

In order to facilitate the choice of tariff that best suits each customer, Vodafone Spain offers its customers a tariff recommendation tool on its web page. [www.vodafone.es/particulares](http://www.vodafone.es/particulares)

### Types of Complaints received via Official Channels

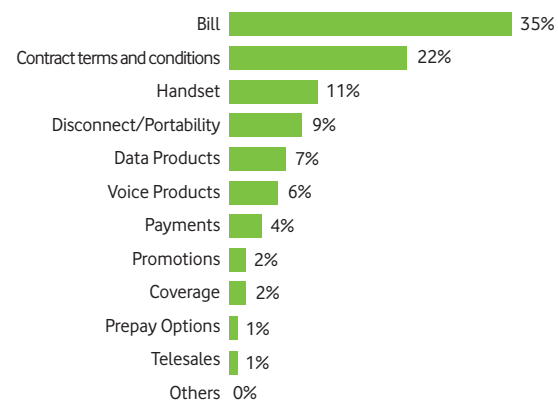


Fig. 7

4%

fewer complaints than the previous year

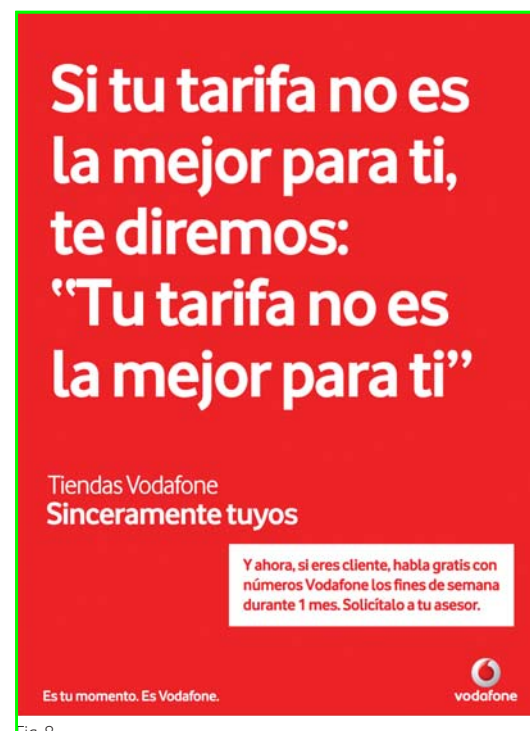


Fig. 8



[www.vodafone.es/tarifas](http://www.vodafone.es/tarifas)  
[www.vodafone.es/particulares](http://www.vodafone.es/particulares)

# Our Customers

## Roaming

During the 2008-09 financial year, Vodafone Spain, in its desire to lead and stand out from its competitors by offering a better service, has continued to develop its roaming tariffs with options such as extending Vodafone Passport to seven of their main roaming destinations outside Europe. By way of example, since July 2008, customers who have signed up for Vodafone Passport can also use this tariff in countries like the US, Mexico, Brazil, Argentina, Chile, China and Russia.

Furthermore, it has improved the Vodafone World tariff by offering a set price in each country, irrespective of the network selected. These modifications lead to a better customer experience, since they offer greater tariff transparency and cost control.

Meanwhile, by adapting to the new European Union regulation introduced last year, Vodafone Spain is continuing to make its roaming tariffs more competitive. See [www.vodafone.es/particulares](http://www.vodafone.es/particulares)

Furthermore, in September 2008, Vodafone Spain launched a daily e-mail tariff which offers the user greater control and predictability, since it now bills by time (24 hour) and not by Mb as it did up until now. It also introduced the concept of billing by zone for mobile broadband and e-mail customers, enabling them to benefit from this offer in any country in the world where Vodafone has a data service agreement.

With respect to the scope of its worldwide coverage, Vodafone Spain has extended its offering with 215 new agreements split between voice, data, prepaid and video telephony. Vodafone currently has 1122 roaming agreements, in 441 networks, in 203 worldwide destinations.

## Digital Tax

On 1 July 2008, Order PRE/1743/2008, of 18 June, came into force, which in accordance with the provisions of section 25 of the Intellectual Property Act (Legislative Decree 1/1996, of 12 April) concerning reasonable compensation per private copy ("Digital Levy"), established the list of equipment, appliances and media subject to the payment of the Digital Levy and the applicable amounts in each case. In particular, and where the equipment that Vodafone Spain sells is concerned, the Order establishes the obligation to pay a Digital Levy of €1.10 for mobile telephones with MP3/MP4 and €0.30 for USB and SIM cards. In line with the provisions of the aforementioned legislation, the obligation to pay the Digital Levy arises when the property transfer of the equipment takes place from the Spanish manufacturers or importers to the distributors or end customers.

In this respect, from 1 July 2008 onwards, Vodafone Spain, as a purchaser and distributor of mobile telephones and SIM cards, adopted the necessary measures in order to comply with its obligation to charge distributors and end customers the Digital Levy (reflected on the invoice, in line with the provisions of the Intellectual Property Act) and pay the associated amounts to the copyright management bodies.



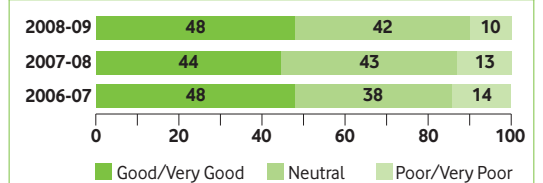
**1,122**  
roaming agreements

### Stakeholder Opinion

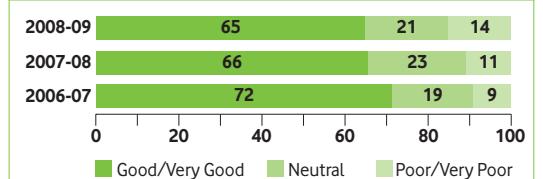
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

**"Clearly and transparently communicating prices and rates"**

#### General public



#### Customers



[www.vodafone.es/particulares](http://www.vodafone.es/particulares)

## Secure and Responsible Use

### New Responsible Marketing Guidelines

For Vodafone Spain, Responsible Marketing means ensuring that all our communications are lawful, fitting, precise, honest and true. This implies being sensitive towards all sectors of society, including women, children, senior citizens, and vulnerable population groups.

Since 2004-05, Vodafone has had its Responsible Marketing Guide to guarantee that our product and service communications are clear and understandable, legal, decent, fair, honest, truthful and verifiable.

During the 2008-09 financial year, Vodafone has released a new version of the "Guide to Responsible Marketing, Content and Use". This new version contains updated information about Responsible Marketing and addresses new issues such as content policies and guides to responsible use (including aspects such as safe driving, phone theft, bullying, spam and premium texting services).

### Compliance with Advertising and Marketing Codes

Vodafone Spain's business activities comply with all applicable consumer protection and advertising regulations, including the General Advertising Act 34/1988, dated 11 November; Royal Decree 1/2007 of 16 November, approving the revised text of the General Consumer and User Defence Act, and other supplementary laws; the Unfair Competition Act 3/1991, dated 10 January; as well as, obviously, the values and rights recognised by the Spanish Constitution and other regional regulations.

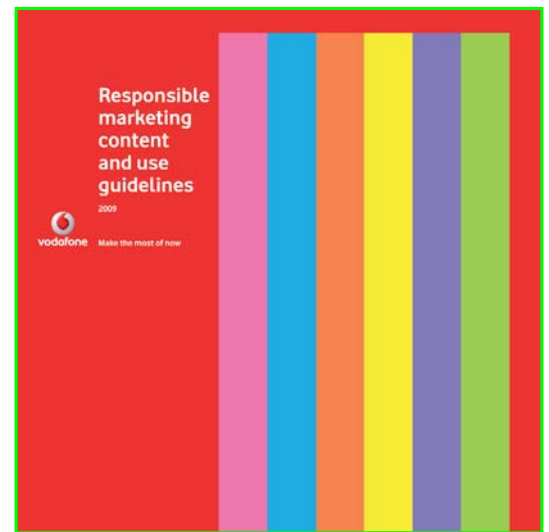
All of the departments involved in every advertising campaign project for Vodafone Spain ensure that the aforementioned legislation is complied with and that the campaigns do not include illicit advertising leading the campaigns to be susceptible to be classified as misleading, unfair, subliminal or infringing the law in force in any other way, using all of the tools available to them. In this respect, Vodafone Spain can be considered to be one of the companies in the telecommunications sector which best fulfils the regulations protecting consumer rights, positively informing about every characteristic of each campaign and not resorting to uninformed and misleading advertising.

Furthermore, it is worth highlighting that Vodafone Spain is a member of the Association for the Self-regulation of Commercial Communication (AUTOCONTROL) and supports the national Consumer Arbitration System, in accordance with the new Royal Decree on Arbitration 231/2008, of 15 February, extending its provisions to Vodafone products under the Tele2 brand.

Throughout the 2008-09 financial year, Vodafone Spain has received a total of 8 rulings for advertising related incidents, which is a very low number if you bear in mind that Vodafone Spain is one of the companies with the biggest advertising volume in Spain:

- 1 fine for proceedings brought by the Madrid Regional Government (€4,600).
- 1 fine for proceedings brought by the Aragon Regional Government (€3,000).
- 1 fine for proceedings brought by the Galician Regional Government (€600).
- 1 fine for proceedings brought by the Andalusian autonomous government (€3,500).
- 1 fine for proceedings brought by the Basque Regional Government (€4,000).
- 3 inquiries opened by the Self-Regulation Association, with no associated fine.

During the 2008-09 financial year, all Vodafone Spain employees went on a Competition Law course with the objective of ensuring that they would conduct themselves correctly in front of competitors, distributors, etc.

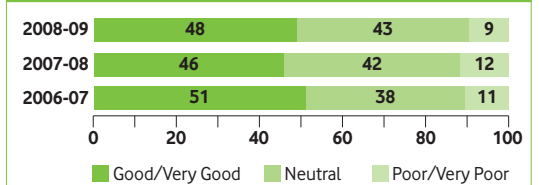


### Stakeholder Opinion

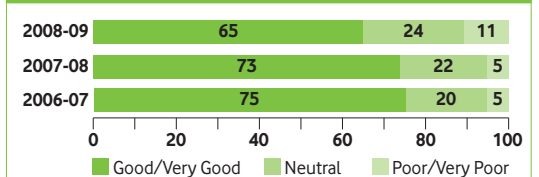
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

**"Responsible advertising of its products and services; (truthfully, legally, honestly and loyally)"**

#### General public



#### Customers



# Our Customers

## Safe use for children

There is no doubt that telecommunications in general and mobile telephony in particular, now form a key part of people's lives. Telephones are fundamentally seen as a device for communicating and as such, the number of parents who buy mobile telephones for their children's use is increasing. According to the study "Mobile telephony in childhood and adolescence" carried out by the King Juan Carlos University ([www.urjc.es](http://www.urjc.es)) and endorsed by the Children's Ombudsman for the Madrid region, 65% of children state that the main use of the mobile is that their parents can locate them and they can tell them if they are going to be late (51%).

Furthermore, according to the Eurobarometer 2008 "Safe Internet for children" ([www.ec.europa.eu](http://www.ec.europa.eu)), 47% of parents in Spain state that their children (between 6 and 17 years old) have a mobile telephone, the European average being 64%. Meanwhile, Spanish parents are generally quite concerned about the potential risks derived from inappropriate Internet and/or mobile telephone use. (See Fig 9).



### When your child uses the Internet or a mobile phone: how worried are you that he or she...?:

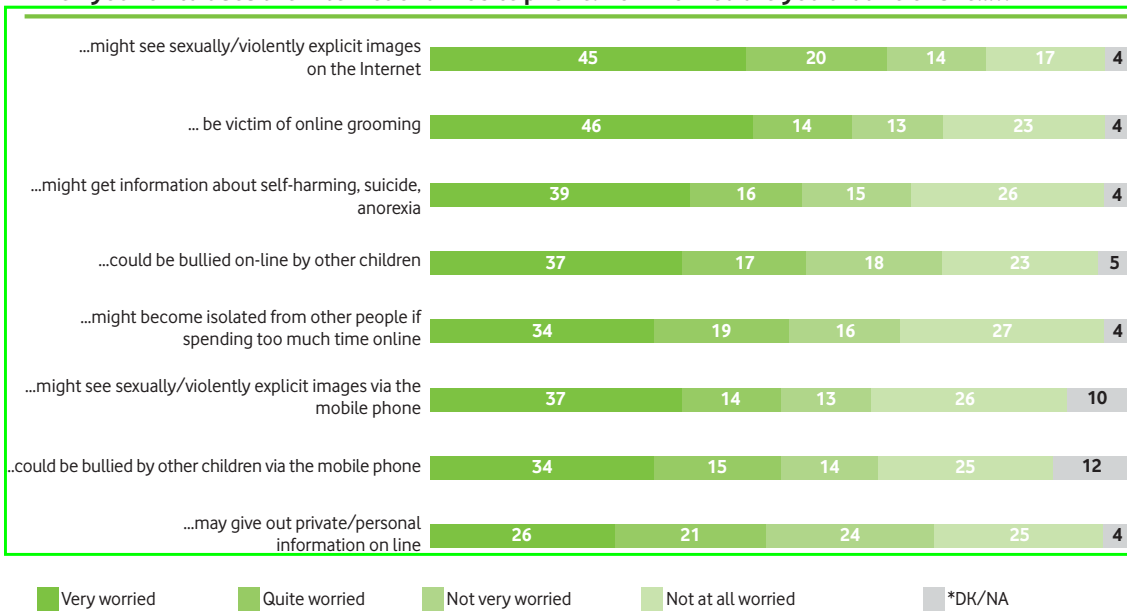


Fig. 9

Vodafone Spain's objective is to ensure that customers are satisfied with both our products and services and with the controls that we implement so that they can use them safely and responsibly. As such, Vodafone has established a series of content policies which are detailed below.

## Vodafone Content Policies

### Content Access Control for Adults

A policy that guarantees that adult content is only accessible to people above the age of 18 years old. In order to achieve this, we have implemented control systems such as the Adult PIN that is required in order to access adult content in Vodafone live!, the Youth Profile, so that content unsuitable for people below the age of 18 years is not shown in Vodafone live!, and the Off-Net Filter which blocks mobile access to web pages outside Vodafone live! which are classified as being for adults.

### Classification of Contents and Services

A guide which outlines the process for ensuring the restriction of content that is classified by age in accordance with domestic legislation and regulations.

### Video and Audio Contents Policy

Under this policy, any age restriction (+18) content is automatically blocked for Vodafone users. Only customers with an Adult PIN (having previously verified their age) can access these contents.

### Classification of Games and Categorisation

All games have been evaluated according to PEGI (Pan European Game Information) and information has been included in the terminal and on the website.



[www.urjc.es](http://www.urjc.es)  
[www.ec.europa.eu](http://www.ec.europa.eu)



## Music

Songs which are classified as being explicit are not sold on Vodafone live!. The record company is responsible for classifying each song and implementing the content publishing policy.

## Localisation

This policy details the potential risks derived from the inappropriate use of location services and the need to comply with domestic legislation. Access to location services requires the user's prior consent.

## Spam and Malicious Communications

A policy that recommends updating the existing processes for filtering malicious communications and spam sent via new technologies, including video and instant messaging. Premium SMS services, which often generate unwanted SMS messages, can be restricted.

## Social networks and other interactive services

In line with the agreement signed in Brussels, this policy lists the best practices for improving the protection of children on social networks and other interactive services.

## Restricted content access

Vodafone Spain has had parental controls for the mobile telephone since 2004, for content offered through Vodafone live!

- Adult content (> 18 years): users must have an "Adult PIN" to access this content.
- Content that is not suitable for people who are less than eighteen years old: The "Youth Profile" makes it possible to block access to this type of content.

Requesting an Adult PIN and Youth Profile is free of charge.

Meanwhile, in order to guarantee secure surfing outside Vodafone live!, you can also activate the Off-Net Filter free of charge, which blocks access to pages classified as adult content.

Furthermore, by default, Vodafone Spain has systems which block access to unlawful content showing images of child sexual abuse (in accordance with the "Internet Watch Foundation" database).

During the 2008-09 financial year, we have continued to work on achieving our Content Access Control Policies, enhancing the current Youth Profile design, so that the banners and adult advertising (Mobile Marketing) are not shown when this profile is activated.

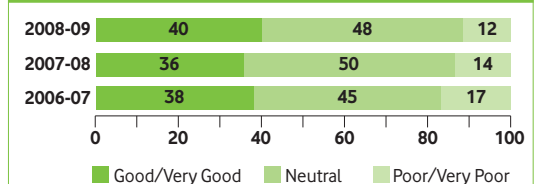


## Stakeholder Opinion

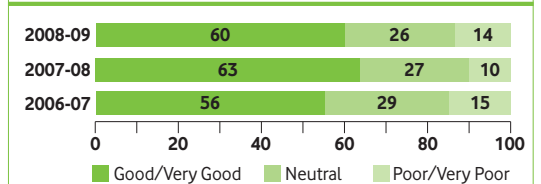
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

**"Offer systems that allow mobile phones to be used responsibly"**

### General public



### Customers



# Our Customers

## Vodafone Family Site

During the 2008-09 financial year, a special site has been developed on the Vodafone web page ([www.vodafone.es/particulares](http://www.vodafone.es/particulares)) (See fig. 10). The site contains information about handsets, family tariffs and the most suitable services (in terms of saving, control and security) for parents who want their children to have a mobile telephone.

Furthermore, in the 2008-09 financial year, two special packs have been launched (July and December 2008) with content from the original Disney films: High School Musical and High School Musical 3, which incorporated pre-activated Vodafone access controls, as well as a "Parents' Guide" ([www.vodafone.es/particulares](http://www.vodafone.es/particulares)) containing recommendations to ensure that children use mobiles responsibly and information for parents about Vodafone services which are useful for family management. In both cases, the content of the guides has been endorsed by Protégeles ("Protect them") ([www.protegeles.com](http://www.protegeles.com)), an organisation for the protection of childhood in Information and Communication Technologies.

## Participation in sectorial initiatives

In December 2007, along with the other Spanish network operators, Vodafone Spain signed the "Code of Conduct for Children's Safe Use when Accessing Content Services" ([www.vodafone.es/usoresponsable](http://www.vodafone.es/usoresponsable)), as an extension of a framework agreement signed in February 2007 between the Association of European Mobile Operators and the European Commission ([www.vodafone.es/usoresponsable](http://www.vodafone.es/usoresponsable)), in order to increase and promote the protective measures for children accessing content using their mobile.

With regard to the aforementioned "Code of Conduct", nine months after it was published, and as established by the code itself, Vodafone Spain had fulfilled the commitments detailed in it. In fact, as previously indicated, Vodafone Spain already had the elements related to content classification and access control for this content in place before signing the aforementioned code. Moreover, we have continued our efforts to raise user awareness, as well as collaborating with the security forces.

Likewise, aware that it is an issue of shared responsibility for all of the parties involved (Mobile telephony sector, manufacturers, governments, NGOs, parents and guardians), we seek to guarantee more responsible use of mobile telephony and greater protection of children. In order to achieve this, an independent verification of the commitments acquired in the Code of Conduct has been agreed with the Children's Ombudsman for the Madrid region.

Meanwhile, Vodafone is a founding member of the "Mobile Alliance against Child Sexual Abuse Content" ([www.gsmworld.com](http://www.gsmworld.com)), the objective of which is to fight against the distribution of images of child sexual abuse via mobile phones. This alliance, presented at the "Mobile World Congress 2008", is made up of the main European mobile telephone operators, and seeks to prevent the consumption of images of child sexual abuse through their networks. Fulfilling this objective, Vodafone Spain has systems which prevent access to this kind of unlawful content in the Internet environment of the mobile, in accordance with the Internet Watch Foundation database, an organisation that is backed by the European Union, which identifies the URLs with child sexual abuse content.


Likewise, in 2007, Vodafone Spain signed the "Protocol for the Appropriate and Safe Use of ICTs by children and adolescents" with the Children's Ombudsman in the Madrid region" ([www.vodafone.es/usoresponsable](http://www.vodafone.es/usoresponsable)). In relation to this protocol, during the 2008-09 financial year, Vodafone Spain collaborated on the 'Mobile telephony in childhood and adolescence' study, funded by the Children's Ombudsman himself and carried out by the King Juan Carlos University, the aim of which was to understand the role played by mobile telephones in the life of young people.

Finally, we would highlight that, at the time of publication of this report, Vodafone Spain has signed the "Action Protocol for the inclusion of information concerning young people's security on the Internet", with Red.es, the public business organisation which reports to the Secretary of State for Telecommunications and the Information Society (SETSI). As a result of this agreement, Vodafone Spain commits to reveal the various parental control tools that we have, through the information that is sent with the bills, so that parents and guardians have access to the information about the recommendations and best practices for protecting the children in their care.



Fig. 10



 [www.vodafone.es/particulares](http://www.vodafone.es/particulares)  
[www.vodafone.es/usoresponsable](http://www.vodafone.es/usoresponsable)  
[www.protegeles.com](http://www.protegeles.com)  
[www.gsm europe.com](http://www.gsm europe.com)  
[www.gsmworld.com](http://www.gsmworld.com)

## Safe driving

Having a mobile telephone in the car can make it easier to contact the emergency or breakdown services where necessary. However, it is important to be aware that using mobile telephones with a hands-free kit whilst you drive can distract drivers and increase the risk of accidents.

During the 2008-09 financial year, Vodafone Spain has created and distributed a series of videos with the aim of raising the awareness of our customers and users in general, providing advice about driving and mobile telephony. The videos are available both on our web page [www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad) and at [www.youtube.com/user/VodafoneHSW](http://www.youtube.com/user/VodafoneHSW).

## Spam and Premium SMS

Spam usually comes from companies which are trying to sell a product or service, and which ask users to call or send a message, generally to a short number (Premium SMS). On sending this Premium SMS, the user may have subscribed, without being aware of it, to a service that they do not really want.

Currently, Vodafone Spain can detect mass mailing, analyse the information and if it is liable to be "spam", we can block the delivery. Likewise, at the customer's request, we can restrict Premium services.

With the 2008 publication of the Department of Industry, Tourism and Trade Order which affects both network operators and SMS service providers, once it comes into force, in addition to these general restrictions, others will be included for adult products, alerts and prices above 1.20€.

Furthermore, all of the numbers will be associated to a content provider, as such the customer will be able to complain directly. This information will feature in both the SMS and on the bill. If the customer does not agree with the payment for Premium content, they can stop paying it, by restricting access to Premium services, but without interrupting the telecommunications services.

### Safe driving tips:

- Making calls, sending messages, consulting your diary, etc. whilst driving can distract you.
- If you are driving, never speak on your mobile without a hands-free device.
- To stay concentrated at the wheel, avoid complicated or lengthy calls.
- If you are in busy traffic, stop the car somewhere safe before taking or making a call.
- If you have a passenger, ask them to dial and answer your phone.
- If you are unsure, before getting behind the wheel divert your calls to voicemail, turn off the phone and return the calls when you have stopped.
- Somewhere safe when you are at home, check whether your phone has voice-activated dialling and activate it so that you can use it in the car.



## We will

- Extend parental controls to mobile and fixed broadband.
- Comply with the Mobile Alliance's requirements in all browsing environments (mobile, mobile broadband and fixed) (September 2009).
- Extend the information available in guides and advice on responsible mobile phone use to internet and new technologies in general.



[www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)  
[www.youtube.com/user/VodafoneHSW](http://www.youtube.com/user/VodafoneHSW)



# Our Network

Among other components, our telecommunications services depend on an extensive network of base stations to send and receive calls and data. Vodafone is constantly investing in its network deployment to improve its coverage and capacity for its customers, and to support new technologies.

The fast development of telecoms in general, and of mobile telephony in particular, has brought major personal, commercial and social benefits, which is why most of society's members want the best telecoms services and the best coverage. However, we are well aware that our network's deployment can, sometimes, cause concern to some people, either due to the visual impact of our base stations, or due to radio electric emission-related issues.

When we select our sites, not only do we consider technical and licensing requirements, but also, and insofar as applicable, the concerns and expectations of the communities involved.

## We said

### Responsible Network Deployment

- We would continue measuring public opinion about our Network Deployment and improve public acceptance (on the 2006-07 basis).
- We would verify/audit sub-contractors' compliance with the Responsible Network Deployment Policy (March 2010).

### RF Emissions and Health

- We would continue gauging stakeholder opinion on Vodafone Spain's performance as regards Mobile Telephony and Health and increase Information Campaigns.

## We have

### Responsible Network Deployment

Kept on rolling out our network during the financial year 2008-09, placing special emphasis on our 3G installations. During this period, nearly 1,800 new network elements have been deployed. We now have over 21,000 network components, of which almost 10,000 use 3G technology.

Despite the current economic crisis, in the financial year 2008-09 we have invested € 740 million in our network deployment.

In rolling out our network elements, Vodafone Spain complies with its Responsible Network Deployment policy ([www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)), and the supplementary guidelines, as well as the "Code of good practices for the installation of mobile telephony infrastructure", that mobile telephony operators have signed with the Spanish Federation of Municipalities and Provinces (FEMP) (See further information at [www.femp.es/sati](http://www.femp.es/sati)).

In this respect, during 2008-09 this "Code of Good Practices" is starting to end the deadlock that had arisen in negotiations with some town councils (See fig. 1).



Fig. 1

+ than **21,000** network elements

€ **740** million worth of investments

 [www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)  
[www.femp.es/sati](http://www.femp.es/sati)



The agreement that telephony operators have signed with the FEMP envisages the setting up of a Technical Advice and Information Service (SATI) for local councils, staffed by specialists in mobile telephony infrastructure deployment-related issues, to help the local councils end the deadlock.

According to this Code of Good Practices, the operators are committed to Responsible Network Deployment, while the FEMP will draw up a standard bylaw for the local councils adhered to the Code, which was approved in April 2008, to ensure that the base stations are deployed in an orderly and safe way, compatible with the service's needs. This Model Municipal Bylaw, which regulates the installation and operation of telecommunications infrastructures, takes full account of the experience gleaned over the last few years and most recent case law. There is also an "Application Manual".

### Regulatory compliance

As far as national legislation goes, Vodafone Spain complies with the telecommunications industry regulations governing network deployment and, in particular, with the Telecommunications Act 32/2003, of 3 November.

As for regional and local legislation, and broadly speaking, Vodafone Spain complies, as far as possible, with existing that regional and local regulations governing network deployment and the environment (regional laws on environmental issues, municipal bylaws regulating the installation of mobile telephone masts). However, a legal controversy is known to exist about the lawfulness of certain aspects, and court appeals have been filed against several provisions of these regulations.

### Shared sites

Vodafone Spain is firmly committed to responsible network deployment, in which visual and environmental impact is reduced as far as possible. Our efforts in this regard have been geared towards enhancing public perception of how we minimize the environmental impact of our installations. (See fig 2).

During 2008-09, Vodafone continued deployment its network, more than 50% of work being conducted at existing facilities owned by other mobile telephony operators or other site supplying companies.

Our commitment to share base stations with the other mobile telephony sector companies that have their own network had led us to share (both at Vodafone Spain-owned sites and other sites) more than 1,100 sites throughout 2008-09.

During 2008-09, Vodafone Spain has teamed up with other operators to complete the shared deployment of the access network to give coverage to the new sections of AVE (high-speed train) track that have been opened. At present the Madrid-Levante stretch is being designed.

Furthermore, on the basis of the agreement signed with Orange in October 2006, in which both operators agreed to share their 3G network infrastructure in towns with less than 25,000 inhabitants, Vodafone and Orange have topped the 1,400 mark in terms of 3G installations at shared sites, with the subsequent improved UMTS coverage in these towns.

### Relationship with site landlords

Ever since the Landlords' Call Centre was opened in 2004, it has become the best channel for handling any queries or incidents involving Vodafone installations on sites.

Throughout 2008-09, the centre took more than 22,000 calls.

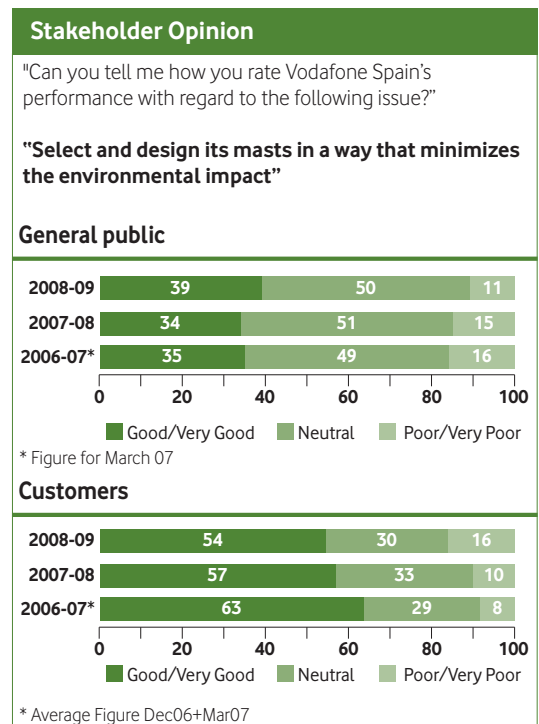
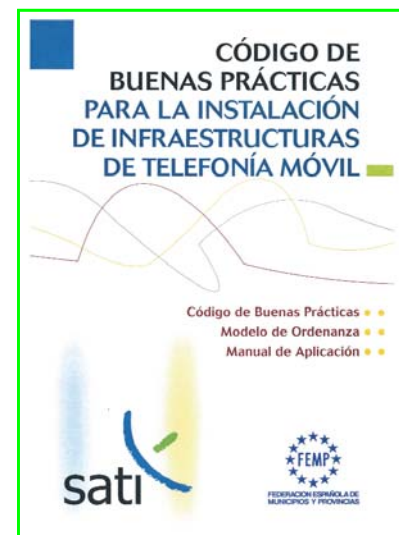


Fig. 2

**> 50%**  
of network deployment in 2008-09  
on existing facilities

**+ than 22,000**  
calls taken by Landlords' Call Centre  
in 2008-09

# Our Network

## Network Quality

In deploying our infrastructure, we constantly seek to improve our network's quality.

Vodafone's vast experience in designing telecommunication networks, the high reliability of the elements used in our network architecture, and the level of excellence reached in operation and maintenance enable us to aspire to satisfy our customers' Quality of Service expectations and to be leaders in achieving the availability and quality objectives established by international regulations ([www.vodafone.es/conocenos](http://www.vodafone.es/conocenos)). In order to achieve this objective, Vodafone has a robust telecommunications network with redundant routing, diversity and protection against faults.

A key factor in reaching and maintaining the Quality of Service parameters lies in the Continuous Improvement of Quality Process. Basically, this involves the Technology Department carrying out a detailed analysis of the causes of incidents using various sources of information such as satisfaction surveys, examples of real customer experiences, statistics and traffic levels generated by network elements, field measurements and complaints made to our customer service centres, and working to resolve them so as to convert them into opportunities for improvement.

Continuous customer satisfaction measurements are made, focusing on the most important attributes that identify the characteristics of operating a telecommunications network. These measurements, which form part of the problem diagnosis process, are used to check the results of the improvement actions, because only the customer is capable of deciding whether or not we have succeeded in our task.

In 2008-09, for the first time our range of measurements included the broadband service that Vodafone Spain has started providing. The service was analysed with the same criteria as our mobile telephony networks and now forms part of the aforementioned Ongoing Quality Improvement Process.

In keeping with the trend of previous years, Vodafone Spain's focus on the network improvement and optimisation process has been acknowledged again by an independent external audit. In its conclusions, the external auditor certifies that Vodafone Spain is Spanish operator that offers the best success rate in voice calls, the fastest and most successful data on the move service, and the fastest and most reliable SMS and MMS service (See fig. 3).

In 2009-10 we aim to keep working in the same direction by boosting the deployment of our 3G network. In addition to the infrastructure sharing agreement with Orange, Vodafone has now signed a new sharing agreement with Telefónica that will let us speed up the deployment of the 3G network (which currently covers 91% of the population) and consolidate the 2G network so as to keep on offering our customers the best service.

We also intend to keep on improving our Mobile Broadband network, offering new features such as HSPA+ and other associated technologies that will significantly boost the speed offered and open up a new range of services for our customers to use.

Vodafone Spain complies with the "Technical regulations on rendering an automatic mobile telephony value-added telecommunication service". Consequently, it produces periodic reports on various elements of Quality of Service agreed between the operators and the SETSI (Secretary of State for Telecommunications and for the Information Society) based on different international regulations. The quarterly Quality of Service values are subject to external audits and can be consulted on the Ministry of Industry, Tourism and Trade web page ([www.mityc.es](http://www.mityc.es)) in the Telecommunications section.

All of Vodafone Spain's work processes and systems, including the network quality supervision and improvement procedures, have been ISO9001 certified since 1997.



Fig. 3

**91%**  
of the population enjoys 3G coverage



[www.vodafone.es/conocenos](http://www.vodafone.es/conocenos)  
[www.mityc.es](http://www.mityc.es)

## Mobile phones, masts and health

### Compliance

RF emissions are generated by a wide range of devices, including TV remote controls, wireless security alarm systems, mobile phones, etc. Mobile phones generate these emissions when they send and receive calls and information through the telecommunications network.

In view of the concern that this issue raises among some people, the Vodafone Group continues contributing towards research in this field.

Both the WHO (World Health Organization) ([www.who.int/es](http://www.who.int/es)) and numerous studies conducted by highly prestigious institutions conclude that there is no evidence to prove that exposure to RF emissions below the limits recommended in the RF Emission Guidelines published by the ICNIRP ([www.who.int/es](http://www.who.int/es)), and upon which Spanish RF emission regulations are based, result in harmful health effects.

According to our Safety and Health Policy, all our base stations, as well as the mobile phones we sell, comply with the ICNIRP guidelines ([www.icnirp.de](http://www.icnirp.de)). Vodafone Spain also complies with Royal Decree 1066/2001, approving the "Regulation that sets out conditions to protect the public radio spectrum, restrictions on radio electric emissions and radio electric emission health protection measures", and Ministerial Order CTE/23/2002, of 11 January, which sets out the conditions for the submission of certain research and certificates by radio communications services operators. In this respect, Vodafone Spain has conducted nearly 4,500 base stations radio electric emission measurements, and found that in 100% of the cases, the emission levels were well below the limits established in the Royal Decree.

### Communication and information

During December 2008 and January 2009, the consultancy Nunwood carried out a study for Vodafone, in order to find out the stakeholders' perception of the responsibility shown in relation to issues concerning mobile telephony antenna and handset emissions. The study was carried out via a series of interviews with local authorities, health organisations, NGOs, media, members of the scientific and academic community, and business associations.

According to this study, Vodafone is still considered the sector's company that takes its responsibilities with regard to mobile phones, masts & health most seriously, in comparison with other mobile telephony operators or telephone manufacturers. Specifically, on average over the last 3 years it has scored 78%.

Vodafone Spain continues to carry out quarterly surveys of our customers and the general public concerning our communications related to mobile telephony radio emissions (See fig. 4).

Nearly **4,500**  
base station measurements

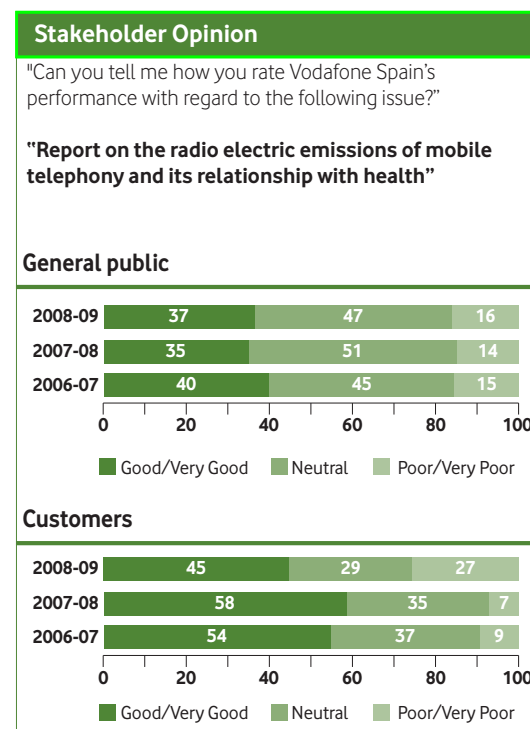


Fig. 4

 [www.who.int/es](http://www.who.int/es)  
[www.icnirp.de](http://www.icnirp.de)

# Our Network

During 2008-09, we have stepped up the Information Campaigns geared chiefly towards our main stakeholders, as described below:



We have continued collaborating with the FEMP through its Technical Advice and Information Service for town halls (SATI) ([www.femp.es/sati](http://www.femp.es/sati)).

The approval in April 2008 of the "Model Municipal Bylaw regulating the installation and operation of radio infrastructure" seeks to respond to the local governments' widespread demand for tools that make it easier for them to deal, with full technical, legal, environmental and health guarantees, with both the expectations of the citizens who want quality telecommunications services, and of the citizens who are concerned about health aspects; and to facilitate infrastructure installation and operation licensing procedures. In this respect, the SATI was set up as a service that all local authorities can turn to for help and advice, which is why we are encouraging Local Councils to adhere to the Code of Good Practices. During 2008-09, the SATI organized different information workshops (see fig. 5).

## Scientific Community

Vodafone Spain collaborates with the recently created **CCARS** (Spanish Scientific Advisory Committee on Radiofrequency and Health). This independent institution is formed by renowned experts in Medicine, Physics, Chemistry, Biology, Law and other disciplines, and sponsored by the General Foundation of the Complutense University.



In recent years, society has becoming increasingly more aware of the risks posed by electromagnetic fields. This perceived risk must be contrasted with current scientific research, which is why an institution capable of conveying objective and independent information, based on scientific methods, is needed. This is what the CCARS offers society. The Committee's main remit is to provide objective facts, information and scientific and technical advice to the public administrations and society as a whole on RF and health issues.

The CCARS has published a "Radiofrequency and Health Report 2007-2008", which is the first annual report to be issued in Spain by an independent private scientific institution on the state of EMF issues in our country. The report summarises the general opinion of national and international committees about the assessment of the hazards of exposure to RF signals in residential, public or occupational environments (See fig. 6). ([www.ccars.es](http://www.ccars.es))

The CCARS has also echoed the Biolnitiative Report by publishing the translation of the report that the Health Council of the Netherlands has published about the Biolnitiative Report. What's more, on its website it has highlighted that "The Spanish Scientific Advisory Committee on Radiofrequency and Health fully endorses the Dutch report on the Biolnitiative Report", insofar as the latter "is not an objective and balanced reflection of the current state of scientific knowledge. Therefore, the report does not provide any grounds for reviewing current criteria regarding exposure to electromagnetic fields. The CCARS report argues that any effect of electromagnetic fields on biological systems should be avoided, ignoring the distinction between effect and damage."

## SATI Workshops

- International Conference on "Public-private initiatives for rolling out new generation networks" (Seville, 10-12 December 2008).
- "The Mobile Telephony challenge" (Palma de Mallorca, 3-4 October 2008).
- In-house training workshops on the operation and control of mobile telephony base stations, as part of the FEMP's Ongoing Training Plan 2008.
- "Municipal wireless infrastructures: how can they be deployed better?" (Madrid, 17-18 November 2008).
- "Good Practices in Mobile telephony and Local Development", (La Palma, 29 October 2008).
- Different Workshops for municipal engineers in Sanlúcar de Barrameda, Palma de Mallorca, Parla, etc.

Fig. 5

## Some of the conclusions of the "Radiofrequency and Health Report 2007-08". CCARS

1. The Spanish population is exposed to very low levels of Mobile Telephony RF. The limits measured by the competent authorities are below the safe levels.
2. The negative perception of base station emissions does not match the figures available. Due to the low levels of exposure measured, it can be said that Mobile Telephony RF are unlikely to be a health hazard factor.
- ...
7. The competent authorities, and especially health authorities, should apply programmes and organise information and educational activities regarding the effects of radio frequency.
8. All national and international RF protection committees have reached the same conclusion, namely that recent advances in scientific and technical know-how do not justify any changes in present RF reference levels and exposure limits to for the public or workers.

Fig. 6



[www.femp.es/sati](http://www.femp.es/sati)  
[www.ccars.es](http://www.ccars.es)



## Political circles

In this section, apart from the usual training and information sessions that Vodafone Spain has organized for members of the Spanish Parliament and Senate, and with Spanish MEPs (in the Industry and Parliament Scheme), mention must be made of the actions and visits to the European Parliament in connection with the recent approval of the "Ries Report" and its impact on our country's life. (See fig. 7).

On 2 April 2009, the European Parliament approved the "Ries Report" (Frederique Ries: Belgian MEP), regarding the need to enforce more and better controls of electromagnetic fields (EMFs) in the EU, and in particular, regarding Mobile Telephony Antennas, though it must be mentioned that this parliamentary initiative is not binding.

## We will

### Responsible Network Deployment

- Verify / Audit sub-contractors' compliance with the Responsible Network Deployment Policy

### Radio electric Emissions and Health

- Continue promoting specific tasks for communicating "good practices" in telecommunications and their health connections.
- Step up the actions with consumer associations, professional associations and other stakeholders, to convey appropriate messages regarding the deployment of mobile communications networks.

### Ries Report: Its effect in Spain:

The fact that Spain's local councils are demanding that "exclusion zones" or "safety zones" be created is one of the biggest problems that operators are facing when rolling out their network infrastructure.

Many municipals bylaws are based on this false idea of "protecting" the areas where there are usually children, the elderly, patients, etc. The "Ries report" places special emphasis on these problems.

However, in Spain's case it is worth noting that:

- The European Parliament's Recommendation considers that it is in the general interest to "ensure at least that schools, crèches, retirement homes, and health care institutions are kept clear, within a specific distance determined by scientific criteria, of facilities of this type": At present, all scientific criteria assure that the antennas close to schools, crèches, health centres, etc., are absolutely safe.
- The European report calls on Member States to make available to the public "maps showing exposure to high-voltage power lines, radio frequencies and microwaves": The Ministry of Industry, Tourism and Commerce and some autonomous communities already have these maps, which are available for free over the Internet.
- The European Parliament urges the sharing of infrastructure and antennas "in order to reduce the volume thereof and the exposure of the public": Spanish mobile telephony operators have been sharing infrastructure for many years now, and recently we have even signed new agreements to strengthen this collaboration strategy.

Fig. 7



# Environment

Vodafone is committed to sustainable development in its operations, which means that we consider the impact of our activity on the environment, with regard to both our network (in all phases: design, construction, operation and maintenance), and our shops and offices, as well as the life cycle of the equipment we buy and/or sell.

In order to monitor the environmental impact that it generates, Vodafone Spain has implemented an Environmental Management System in accordance with the international regulation ISO 14.001, which was certified in 1997 and has been revised and adapted over time. The objective of our environmental policy is that Vodafone Spain be recognised by our customers, employees and social environment as a company that respects and is committed to protecting the environment. Our principles include complying with the environmental legislation and regulations in force, optimising the use of resources (particularly electricity), promoting recycling, and the use of environmentally-friendly technology, products and services. Furthermore, we encourage environmental training, both among our staff, and our suppliers.

We have taken responsibility for reducing our direct impact on the environment, and it must likewise be taken into account that our technology also has enormous potential to help our customers and the general public to reduce their own environmental impact, through the positive effects associated with the new habits and consumer patterns which emerge when they use our products, services and applications.

Video and teleconferences, for example, significantly reduce the need to travel, with the associated reductions in CO<sub>2</sub> emissions. At Vodafone Spain, for example, during the 2008-09 financial year, we have reduced the number of trips carried out by our employees, which has led to the reduction of our environmental impact. As such, along with other companies in our sector, we are exploring new ways to help third parties reduce their emissions.

Our activity is based upon the use of network equipment, mobile telephones and other devices. Although Vodafone does not manufacture these systems, we want to make sure that they comply with sustainability criteria throughout their life cycle. This includes everything from purchasing equipment that complies with the environmental legislation in force, to the energy consumption it requires, recycling network equipment, and promoting systems to collect our customer's telephones for reuse and recycling.



## We said

### Energy and Climate Change

- We would cut network energy consumption by 8% on the basis of the financial year 2005-06 (March 2010).
- We would achieve a 35% reduction in CO<sub>2</sub> emissions/MB of traffic (March 2010).
- We would cut CO<sub>2</sub> emissions with the aim of contributing towards achieving the Vodafone Group objective of reducing all emissions by 50% compared to the 2006-07 figures).

### Handsets and Waste

- We would continue to implement Reuse and Recycling Systems, with the aim of collecting 17% more telephones than last year.

## We have

### Energy and Climate Change

As with every commercial activity, telecommunications consume energy. Furthermore, this consumption results in CO<sub>2</sub> emissions which have an impact on climate change.

The energy consumed by Vodafone Spain is concentrated in three different areas:

- Network: Base Stations which send and receive radio frequency signals, Switching and Data Centres for directing the calls and capturing the information.
- Offices and Customer Care Centres (CCC).
- Stores.

As shown in figure 1, over 87% of electricity consumption occurs during network operations.

During the 2008-09 financial year, the network's absolute energy consumption rose by 6.7% (Fig 2). This increase not only reflects the continued growth of our network, but also the acquisition of Tele2. However, thanks to our Energy Efficiency Plans we are managing to control this consumption; in fact, this year we have managed to maintain our specific consumption per network element and reduce it by 14.12% since 2006-07 (Fig. 3).

This energy consumption is linked to CO<sub>2</sub> emissions which we are also managing to control in absolute terms (Fig. 4), and CO<sub>2</sub> emissions per network element have gone down by 9.2% compared to the previous year and by 25% compared to 2006-07 (Fig. 5).

The various initiatives that we are implementing, and which are described below contribute towards achieving the Vodafone Group objective of halving CO<sub>2</sub> emissions by 2020 based on the 2006-07 figures.

#### 2006-2010 Energy Efficiency Plan

In order to increase our network's energy efficiency, in the 2006-07 financial year, the 2006-10 Energy Efficiency Plan was drawn up, as a continuation of that carried out during 2003-06.

The 2006-10 Efficiency Plan provides for investments in more efficient technologies and contains objectives to improve both our Access Network and Switching Centres (See fig. 6).

Considering the plan to implement each of the measures, Vodafone Spain set an objective to reduce the energy consumption forecast for the period between the start of the 2006-07 financial year and the end of 2009-10 by 8%. This implies reducing CO<sub>2</sub> emissions by at least 8% and reducing CO<sub>2</sub> emissions in relation to the traffic handled by 35%.

#### The 2006-2010 Energy Efficiency Plan

##### Courses of Action at Switching Centres

- Installation of "Free Cooling" systems.
- Shutdown of unoccupied zones.
- Removal of obstacles around elevated flooring for better cooling.
- Closure of certain Switching Centres.

##### Courses of Action on the Access Network

- Installation of "plenum" heat removal systems at stations with split air conditioning units with no "Free Cooling".
- Installation of new energy-efficient air conditioning systems.
- Increasing the Access Network's service temperature.
- Installation or replacement of units with more efficient equipment at the new 3G stations.
- Sharing agreements with other operators.

Fig. 6

Distribution of Electricity Consumption (2008-09)

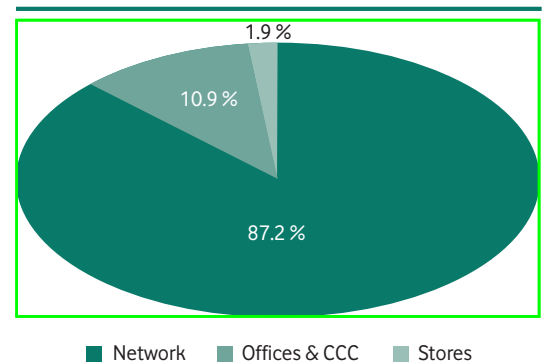


Fig. 1

Absolute energy consumption on the network (Mwh)

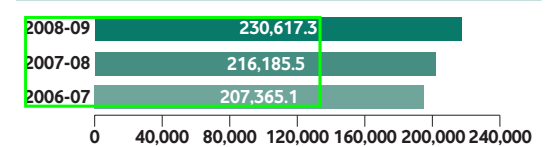


Fig. 2

Energy consumption per network element (Kwh/Base station)

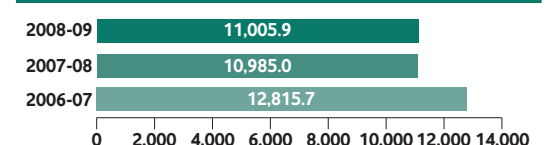


Fig. 3

CO<sub>2</sub> emissions per network element (Kg/Base station)

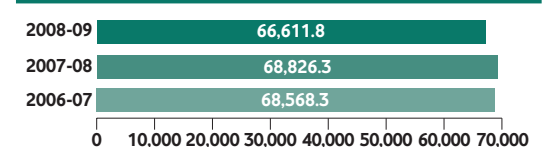


Fig. 4

CO<sub>2</sub> emissions derived from network energy consumption (Ton)

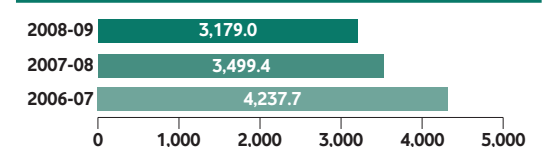


Fig. 5

# 9.2%

decrease in CO<sub>2</sub> emissions per Network element with respect to 2007-08



# Environment

During the 2008-09 financial year, due to the application of the Plan, we have achieved savings of 32,533.0 Mwh, which represents a reduction in CO<sub>2</sub> emissions of 8,936.8 Tn (See figs. 7 and 8).

From the start of our Energy Efficiency Plans (2003-04 financial year), we have achieved a total energy reduction of 73,314.1 Mwh, which represents a reduction in CO<sub>2</sub> emissions of 22,333.9 tons, which is equivalent to the amount that would be absorbed by a forest measuring 3,126.8 hectares in a year.

## Energy consumption in offices and shops

Although the amount of energy consumed is less than that associated to network operations, we are also implementing actions in our offices and shops (Figs. 9 and 10). These include:

- Definition of a new Energy Efficiency Plan which provides for our main offices
- Use of posters reminding people about the efficient use of energy
- New switching on and switching off times.

Throughout the 2008-09 financial year, energy consumption in our offices has been controlled compared to 2007-08, taking into account the absorption of Tele2's activities, and in the case of the shops, the increased consumption is largely due to the fact that the number of shops has gone up from 74 to 79 owned shops this year.

Meanwhile, in the 2008-09 financial year, Vodafone Spain was one of the companies that joined the "Earth Hour" campaign organised worldwide by WWF against climate change:

- By turning off the lights on the neon signs of our offices.
- By making our network available to our customers so that they could make donations to WWF.
- By carrying out an internal staff campaign.

## Sustainable Mobility

At Vodafone Spain, we are aware that the trips made by our employees have a significant impact. As such, we are putting together measures which contribute towards Sustainable Mobility, in other words, mobility which seeks to reconcile greater efficiency and economic competitiveness, with a reduced environmental impact, and which also contributes towards greater road safety. Two of the actions in the area of sustainable mobility are described below.

### Videoconference rooms

During the 2008-09 financial year, the use of video conference rooms has been encouraged amongst our employees, optimising the number of trips and journeys (Figs. 11, 12 and 13) and thus, the associated environmental impact in CO<sub>2</sub> emissions (Fig.14).

Furthermore, with the installation of the video conference rooms:

- It is easier to achieve a work-life balance.
- Meetings and training courses can be held quickly and efficiently.
- Cost efficiency is increased.

|   | 2005-06 and<br>2006-07 | 2007-08 | 2008-09 | TOTAL  |
|---|------------------------|---------|---------|--------|
| Total videoconference rooms (cumulative)                        | 29                     | 47      | 57      | --     |
| Nº of national videoconferences                                 | 8,086                  | 3,584   | 5,296   | 16,966 |
| Nº of international videoconferences                            | 1,875                  | 4,594   | 6,610   | 13,079 |
| Estimated saving on CO <sub>2</sub> emissions (Tn) <sup>1</sup> | 546                    | 769     | 1,111   | 2,426  |

Fig. 14

### EEP 2006-10. Energy saving (Mwh)

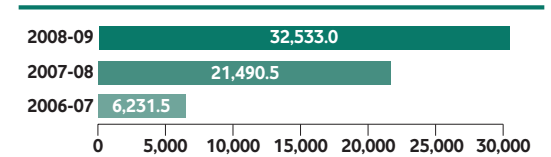


Fig. 7

### EEP 2006-10. Reduction in CO<sub>2</sub> emissions (Tn)

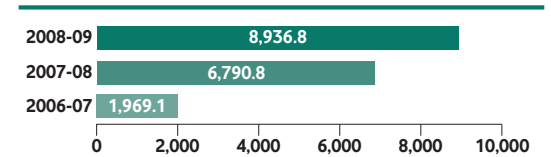


Fig. 8

### Office electricity consumption (Mwh)

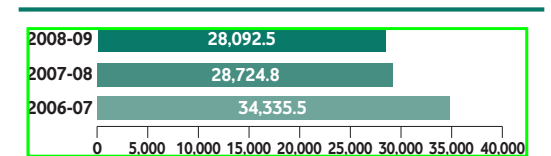


Fig. 9

### Store electricity consumption (Mwh)

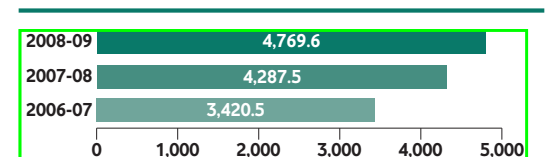


Fig. 10

### Nº Short-Haul Flights/Nº Employees



Fig. 11

### Nº Long-Haul Flights/Nº Employees

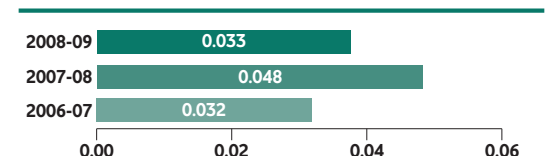


Fig. 12

### Vehicle fleet consumption (Thousand litres)

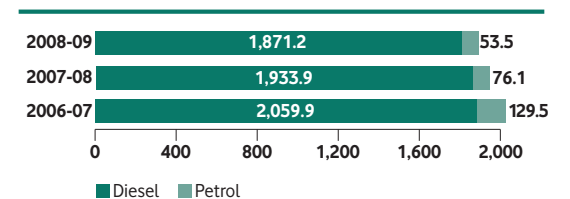


Fig. 13

**73,314.1 Mwh**  
saved since 2003 in the network

<sup>1</sup> Estimation of the reduction in emissions based on the number and type of video conferences carried out and the number of people in each video conference.



The promotion of the use of video conference rooms by Vodafone Spain led to the company receiving the "Move Green 2008" award from the Mobility Foundation.

Meanwhile, since the first shuttles were introduced for customer service staff on night shifts in 2000, linking our head office in Alcobendas (Madrid) with two local public transport hubs, the shuttle service has gradually evolved and now runs thirty times a day, along with the service provided by a shuttle that runs continually between the two main Madrid offices. An average of 325 employees use these services every day for their return journeys, with the resulting reduction in CO2 emissions due to the use of public instead of private transport.

### Madrid Climate Forum

Furthermore, Vodafone Spain is one of the companies belonging to the "Madrid Climate Forum", having demonstrated its desire to help achieve the objectives for reducing environmental impact promoted by Madrid City Council, by incorporating less pollutant vehicles in the respective fleets of vehicles belonging to companies which are members of the Forum.

In this respect, Vodafone Spain has committed to replace at least 6% of the vehicles belonging to the company fleet with less pollutant vehicles before 2012.

## Consumption of materials and waste

Telecommunications are continually evolving, which means that both handsets and network equipment soon become obsolete. However, once they reach the end of their useful life, both handsets and network equipment can be reused or recycled, with notable social and environmental benefits.

As such, it is essential to manage the "end of their useful life" effectively, since this equipment can contain both useful materials and others which are potentially harmful to the environment if they are not appropriately managed.

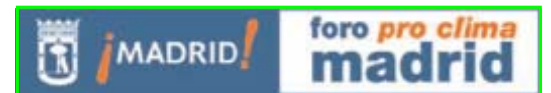
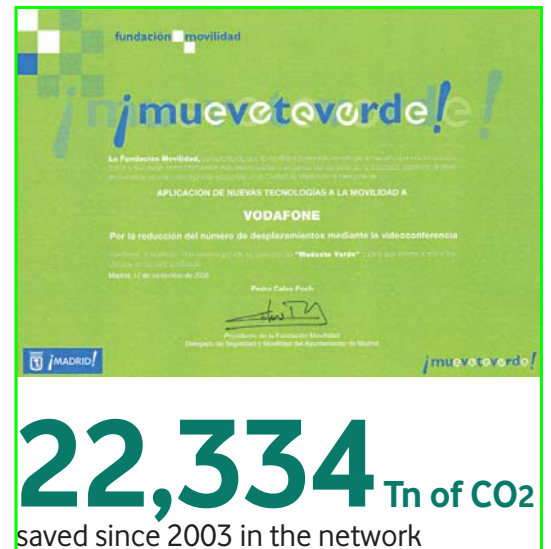
### Handset Reuse and Recycling

It is estimated that, on average, a mobile telephone in Spain is used for 18 months. Most frequently, the new phones replace old phones which are still in perfect working order.

- Mobile phones which are still in good working order can be reconditioned, reused, and sold at a lower price in developing and emerging countries. This is an obvious major social advantage, since it gives these countries access to mobile phone systems, and it also benefits the environment by eliminating the need to use new raw materials to make new phones.
- In the case of mobile phones which are no longer working, their components can be retrieved (batteries, screens, casings, electronic circuits etc.), and after proper processing and recycling the metals, plastics and other materials can be recovered and used for new applications in an efficient, profitable and environmentally compatible fashion.

Vodafone Spain has been drawing up programmes to reuse and recycle mobile phones, and so we encourage our customers and the general public to hand in the mobile phones they no longer use to allow them to be properly managed, either by reusing them or by recycling.

Vodafone Spain has devised its Handset Reuse and Recycling Plan as a social and environmental solution, accepting, in addition to mobile telephones, batteries, chargers and accessories.



# Environment

## Recycling: "Tragamovil" Initiative

Since 2001, Vodafone Spain has been taking part in a mobile phone collection and recycling initiative known as "Tragamóvil", promoted by ASIMELEC, the Multisectorial Association of Spanish Electronics and Communication Companies. Following the introduction of Royal Decree 208/2005 governing the management of waste from electrical and electronic appliances, this became an integrated management system run by major mobile phone operators and the vast majority of manufacturers.

Mobile phones, batteries and their accessories (and any other telecommunications equipment) collected by the "Tragamóvil" initiative are sent to a processing plant for disassembly and recycling. Almost 100% of these materials are reused by the industry as raw material for other products. This system also prevents damage to the environment, since it means that potentially hazardous components and materials within the waste cannot enter our surroundings to pollute soil, surface water or aquifers.

## Reuse Plan

In 2006 Vodafone Spain also launched a new programme to collect used mobile phones belonging to residential customers. In addition to the environmental benefits (in conjunction with the "Tragamóvil" initiative), this also presents a social advantage for developing countries, and incentives for our customers to hand in their old phones. This is Vodafone's Reuse Plan, launched in cooperation with a firm specialising in safe collection, reuse and recycling of mobile phones and accessories.

The programme is already available to our residential customers at Vodafone sales outlets, of which there are over 2,000 (our own shops, franchises or distributors), and in exchange for their unused mobile phones customers accrue a certain amount of points to be added to their loyalty programme.

This reuse plan affords several benefits:

- It benefits customers because we offer them points for their loyalty-building programme and it also gives them somewhere to deposit the telephones that they no longer use, guaranteeing that their telephones will be reused or recycled in an environmentally and socially responsible manner.
- It benefits the environment because it prevents the negative impact that could be caused if the phones were deposited directly in the environment and enables the recycling of materials in the manufacturing of new equipment.
- It is beneficial to developing countries because it facilitates cheaper access to mobile telephony.

Vodafone Spain has reused and recycled over 275,000 handsets during the 2008-09 financial year, representing a 62.5% increase compared to those collected in the previous year (Fig. 15).

Number of handsets collected

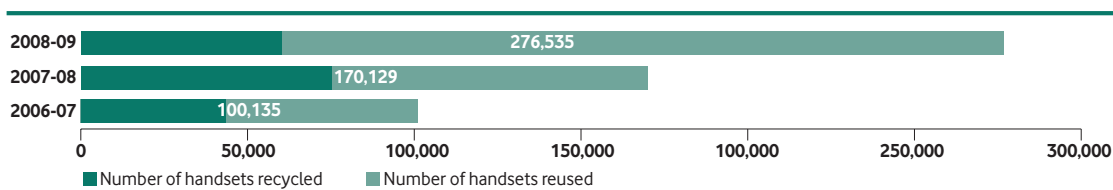
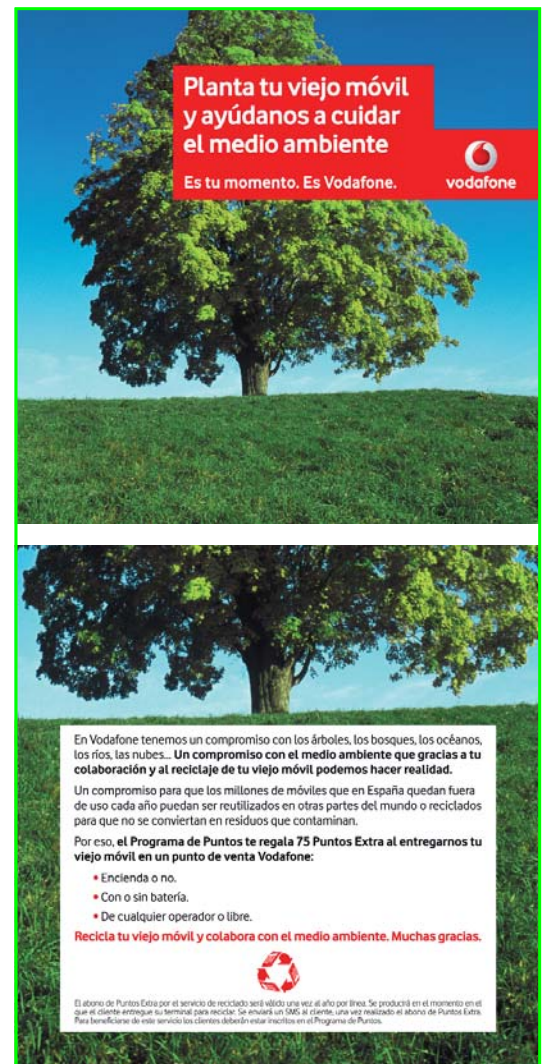


Fig. 15



**276,535**  
handsets collected (62.5% more than previous year)



Once mobile telephones reach the treatment facilities, they undergo the following list of processes in order to minimise their environmental impact:

1. Reuse: it is the top priority because on reusing the product, its life is prolonged, helping to preserve natural resources. The telephones and accessories are examined and updated before sending them to countries in Eastern Europe, the Middle East, Asia and Africa (See fig. 16)
2. Reuse of components: The components of damaged telephones are recovered for use as spare parts.
3. Recycling of materials: The telephones which are seriously damaged are sent for recycling and undergo a process by which materials are recovered and used for other manufacturing processes. Some recycling examples: mobile phones contain metals and plastics that are extracted and reused to produce new equipment; the nickel obtained from batteries can, for example, be used to manufacture stainless steel saucepans; mixed plastics (those containing metals and plastics) are sent to a company in Sweden which specialises in recycling them; other plastics undergo a granulation process and are used to manufacture traffic cones and bumpers, etc.

The composition obtained from recycling mobile telephones usually contains approximately:

- 60% plastics.
- >20% metals.
- 16% ceramic materials.
- <1% precious metals.

In February 2009, Vodafone, along with a further 17 operators and mobile telephony manufacturers, committed to introduce a universal (and energy efficient) charger as an industry standard before 1 January 2012. This universal charger will mean that customers do not have to replace their charger every time they acquire a new telephone, thus reducing the amount of this waste (furthermore, it is anticipated that this new universal charger will reduce the consumption of "stand by" energy by over 50%).

At Vodafone Spain, we measure the perception that our customers and the general public have concerning our performance in relation to recycling and reusing handsets (See fig. 17).

## Network Equipment

At Vodafone Spain, we reuse our network equipment internally wherever possible, and that which cannot be reused is sent to a waste management specialist for recycling (See fig. 18).

## Paper consumption

We follow the same philosophy for the rest of the waste that we generate (paper, toner, etc.) (Figs. 19, 20 and 21). As you can see, paper consumption in our offices is dropping each year, as a result of implementing new internal communication tools and campaigns to raise awareness.

We are also implementing solutions which encourage the reduction of paper consumption in customer billing processes, by promoting e-billing, which enables customers to see their bill via our website (within My Vodafone). That way customers can:

- See the total amount of their last bill and previous bills (with a record of over 12 months).
- Download the bill in pdf and Excel format (with a record of over 12 months).
- See and analyse the full detail of calls, messages, connections, etc. for each bill (with a record of up to 12 months).
- Schedule SMS and/or e-mail alerts in order to find out when their next bill is available in My Vodafone.
- Subscribe to the "E-bill only" option. In addition to the above, customers who select this option can download each bill in a legal format which they can present to official bodies.

## Destination of reused mobile phones

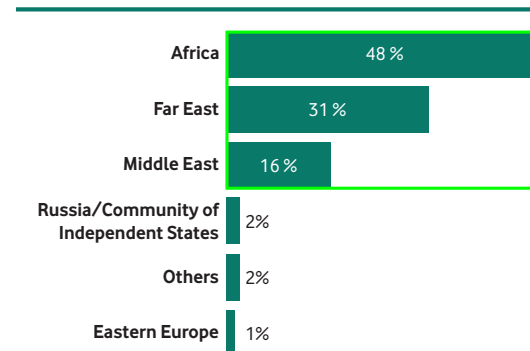


Fig. 16

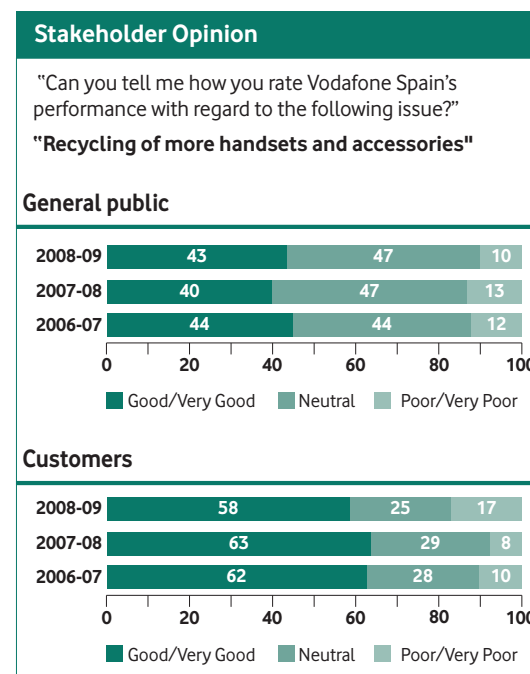


Fig. 17

## Network Equipment Recycled (Tn)

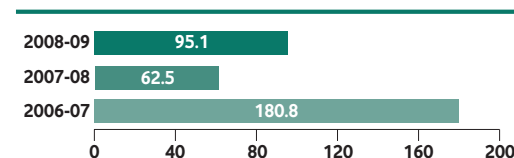


Fig. 18

## Recycled paper (Kg) / Employee

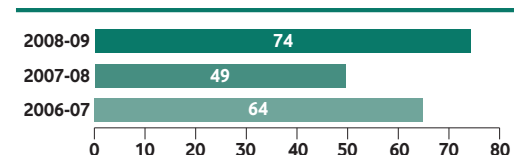


Fig. 19

## Office paper consumption (Tn): Recycled paper content.

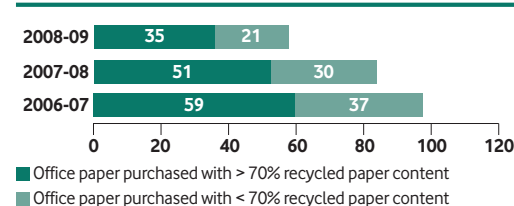


Fig. 20

## Paper consumed (Kg)/Employee

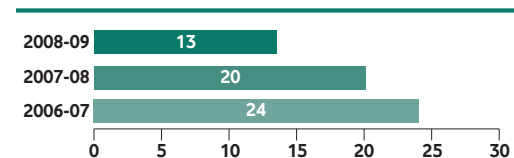


Fig. 21

# Environment

## Packing

Where the packaging used to launch our products is concerned, during 2008 we have used 184.6 tons of paper and cardboard, and 57.8 tons of plastic, all declared to Ecoembes, and specific Vodafone packing guides have been produced for our suppliers, which include aspects related to promoting:

- The use of recycled materials, with a high recyclable material content, and low energy consumption in their production.
- Reduced volume and weight (in order to minimise the use of resources and the impact associated to transport).
- The minimisation of toxic substances and the carbon footprint.

## Other environmental issues

Although it is not a significant environmental aspect in our business, we also monitor water consumption. In the 2008-09 financial year, we consumed 121,287m<sup>3</sup> of water, which we collect and dispose of in the drainage network. We have implemented a series of measures in some of our offices which have enabled us to maintain, despite having incorporated the Tele2 operations, the same level of consumption as last year (Fig. 22).

Meanwhile, no accidental spillages came to our attention during the 2008-09 financial year.

Where our emission of ozone-depleting substances is concerned, we have been implementing a plan to replace refrigeration equipment (R22 with R407 or R410) which is enabling us to reduce our emissions (the slight increase compared to the previous year is due to the incorporation of Tele2's facilities) (Fig. 23).

Likewise, we monitor the substances that we use which may have global warming potential (GWP) (Fig. 24).

All of these actions are complemented by periodic monitoring of the perception our customers and the general public have of Vodafone Spain in terms of its behaviour concerning the minimisation of its environmental impact (Fig. 25).

Water Consumption m<sup>3</sup>

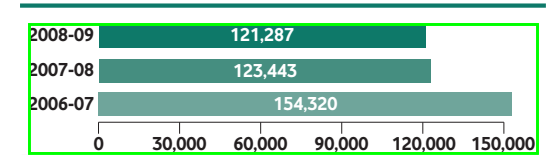


Fig. 22

ODP (Ozone Depletion Potential)

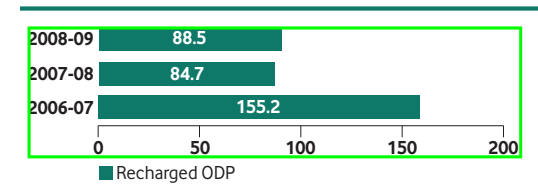


Fig. 23

GWP (Global Warming Potential)

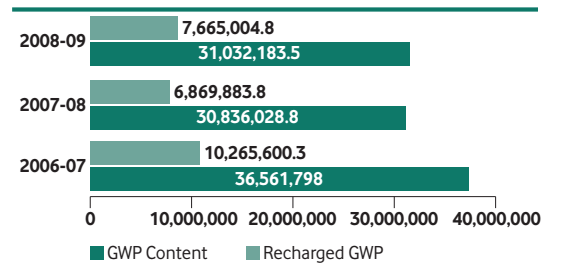


Fig. 24

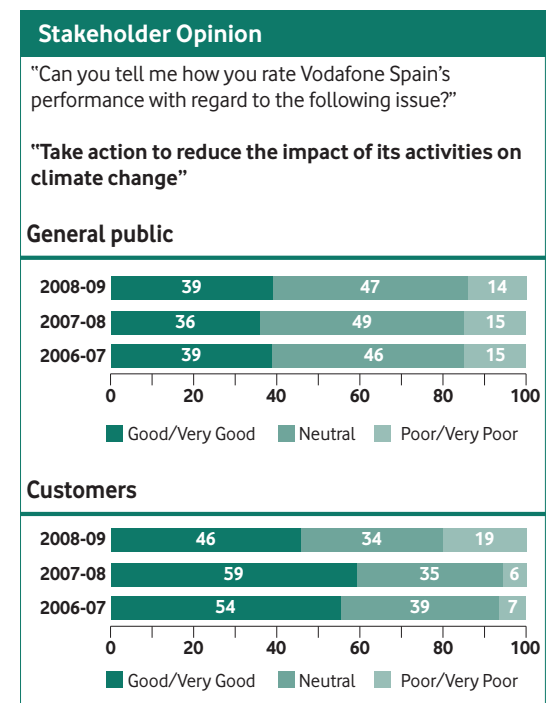


Fig. 25



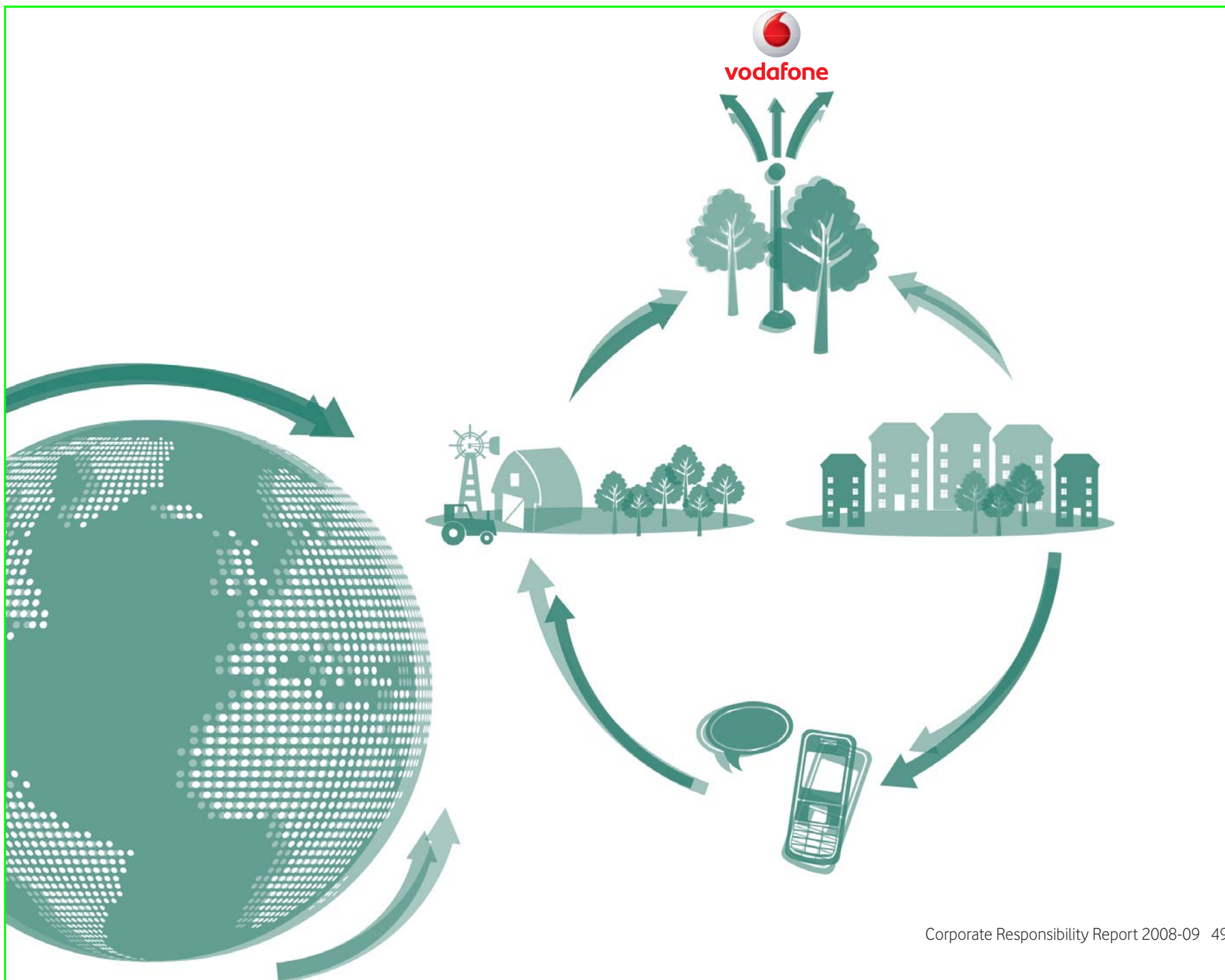
## We will

### Energy and Climate Change

- Reduce network energy consumption by 8% since 2006-07 (March 2010).
- Achieve a 35% reduction in CO2 emissions/MB of traffic since 2006-07 (March 2010).
- Reduce CO2 emissions with the aim of contributing towards achieving the Vodafone Group objective of reducing all emissions by 50% compared to the 2006-07 figures (March 2020).
- Develop a new Energy Efficiency Plan that includes the Network and Offices.
- Renew 6% of the company fleet vehicles for less polluting vehicles (March 2012).

### Handsets and Waste

- Using paper with sustainable forest management certification in the manufacturing process.
- Use more environment-friendly bags in Stores.
- Develop an online environmental-issue training and awareness-raising course for employees.



# Supply chain

Vodafone encourages its suppliers to maintain high ethical, environmental and work standards, and helps them to achieve this goal.

Vodafone does not manufacture handsets, network equipment or marketing products, but purchases products and services worth €4.964 billion from suppliers. There are numerous levels in the communications sector supply chain, starting with the extraction of raw materials, material processing, component manufacturing and, finally, assembly of the end products. Although Vodafone maintains its business relations with companies that sell finished products, we are conscious of how we can influence the rest of the chain, which is why we have devised a Code of Ethical Purchasing.

The Vodafone Code of Ethical Purchasing (CEP): [www.vodafone.es/rcyproveedores](http://www.vodafone.es/rcyproveedores), (see fig. 1) lays down the principles of social and environmental performance that our suppliers must meet. At regular intervals we compliance-test both our new suppliers and those already on the supplier segmentation list, who are the most critical for Vodafone Spain. Our strategy entails involving our first level of suppliers (direct suppliers), assuring that they comply with the Code and making them realize that they need to act the same way with their own suppliers.

We also take part in industrial associations to improve Corporate Responsibility standards through the ICT industry supply chain. One example is Vodafone's direct involvement in the working party co-managed with the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSi), which led to the publication of the report, "Social and Environmental Responsibility in Metals Supply to the Electronic Industry" ([www.gesi.org](http://www.gesi.org)), which sheds further light on the different metals used by the ICT industry and analyses possible ways of getting involved in the mining industry's current initiatives to support responsible practices.

# 4.964

billion euros on buying Products and Services

### Aspects covered by the Code of Ethical Purchasing

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

Fig. 1

## We said

- We would evaluate the performance of 30 local suppliers, using CR as one of the basic pillars of the evaluation, to check what they know, how they act and how they report on the compliance with the Vodafone CEP requirements.
- We would design and Implement a System for Handling Non-Compliances in order to systematically assess CR issues in the Supply Chain.

## We have

Defined a critical supplier segmentation model (Fig.2), using economic criteria (based on the previous year's turnover) and the impact that the supply might have on Vodafone's business (corporate responsibility and business continuity issues). By doing so, we have created a list of strategic and preferential suppliers who account for around 75% of Vodafone Spain's total expenditure, and this includes the suppliers with whom we are working to apply our Supplier Performance Management (SPM) process.

The SPM process is divided into three stages, Supplier Qualification, Assessment and Optimisation (Fig. 3), and in the financial year 2008-09 we used it to assess 30 local suppliers.

### Vodafone Supplier Segmentation Model

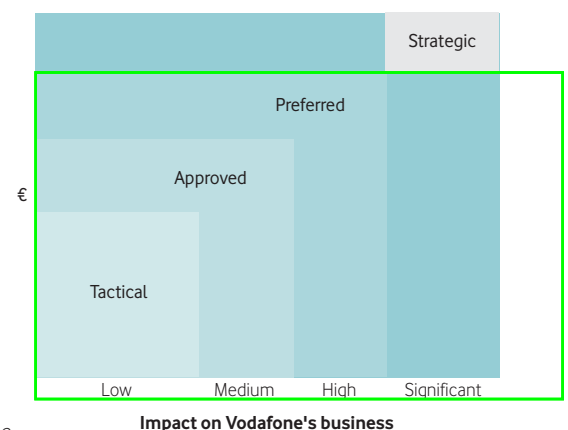


Fig. 2



[www.vodafone.es/rcyproveedores](http://www.vodafone.es/rcyproveedores)  
[www.gesi.org](http://www.gesi.org)

The assessment analyses six issues or “pillars”, one of which is Corporate Responsibility (the other performance pillars analysed are: Financial Stability, Technology, Commercial Aspects, Delivery Capability and Quality Management). The Corporate Responsibility pillar assessment not only looks at the extent of our suppliers' commitment to our CEP, but also others such as the publication of CR issue-related information; the implementation of internationally accepted labour, environmental, safety and healthcare standards; the procedures they have implemented to monitor environmental or labour hazards in their own supply chain; and their contribution to climate change. By applying this SPM process, we can also be sure that the assessed suppliers know, act and report on their compliance with the requirements of the “Vodafone Code of Ethical Purchasing”.

A key part of the SPM process is the Optimisation stage. When the assessment stage has ended and suppliers have been informed of the results, Vodafone organizes feedback sessions in which suppliers and assessment specialists together go over the results and opportunities for improvement that have come to light during the assessment, discuss the reasons for any irregularities, and prioritise and agree on improvement projects.

Follow-up of the action plans agreed in the feedback sessions includes the handling of any irregularities that arise in the Assessment as well as any that arise subsequently. This process involves a two-monthly follow-up based on the Optimisation Follow-Up document.

After two years of local assessments, the suppliers are at a stage of maturity within this process, this being mirrored by their actions and application of standards both in CR issues and the rest of the assessed aspects. This maturity is borne out by the average results obtained in the two assessments conducted to date, which have increased from 66.5% in October 2008 to 76.5% in October 2009.

The agreed action plans refer to issues such as the commitment to publicly report information about Corporate Responsibility (issue of CR reports), their greenhouse gas emissions, environmental or labour certification, or improvements in RC issue management processes in their own supply chain.

Figure 4 shows the change in our customers' and the general public's perception of what we do to ensure that our suppliers perform responsibly with respect to working conditions and respect for the environment.

### Carbon Disclosure Project

For the second year running, Vodafone Spain is taking part in the initiative: Carbon Disclosure Project (CDP) Supply Chain. Through this initiative we seek to improve our suppliers' climate change-related performance, helping them to identify and reduce their environmental impact, and raising their awareness about the threats and opportunities associated to climate change.

CDP is a not-for-profit organisation, and its methodology is widely recognised as the industrial standard for reporting carbon emissions ([www.cdproject.net](http://www.cdproject.net)).

Our suppliers participate on a free, voluntary basis, and only have to be motivated to publicly report on their organization's carbon footprint.

In 2008-09, we invited 44 suppliers to take part in the initiative, and 23 did so.

According to CDP, in comparison to other companies that have taken part in the project, the response rate among Vodafone Spain's suppliers was high, and more often than not they provided information on certain key areas such as hazards, emission levels and activities.

### Supplier Performance Management

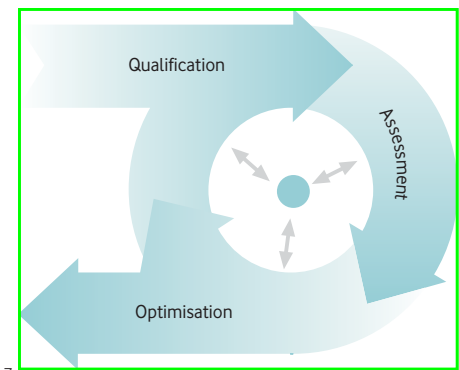
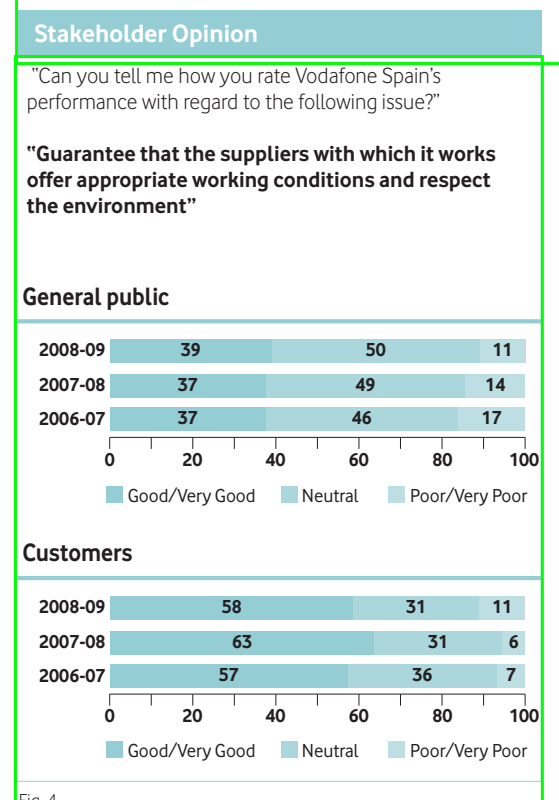


Fig. 3



### We will

Draw up a "Guide to working with Vodafone" and distribute it among our main suppliers.



[www.cdproject.net](http://www.cdproject.net)

# Employees

At Vodafone we have faith in our employees because they help us to offer excellent service to our customers and consequently achieve and maintain our success. Our objective is to have the most qualified and motivated people, and in order to achieve this we seek to offer a good working environment, treating staff with respect, and offering attractive incentives, as well as opportunities for professional development.

During the 2008-09 financial year, as a result of the integration of Tele2 in Vodafone Spain, there was a significant increase in the number of employees. (Fig.1).

Vodafone Spain continues to be a big creator of direct and indirect employment, which is of a high quality, with a high percentage of permanent contracts. (Fig. 2). Meanwhile, figures 3 and 4 show the age ranges and resignation rate.

## We said

- We would improve the Satisfaction Indicator in the Welfare section of the Employee Survey by 10%, using the 2007-08 figure (March 2011).
- We would implement the actions which came out of the Equality Plan.
- We would implement a new Employee Welcome Programme.
- We would reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure (March 2011).
- We would run campaigns on the safe and healthy use of our products for both employees and anyone else in our environment.

**4,323** employees

**98.2%**  
open-ended contracts

Number of employees

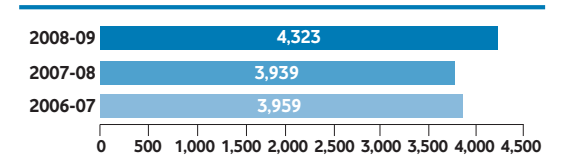
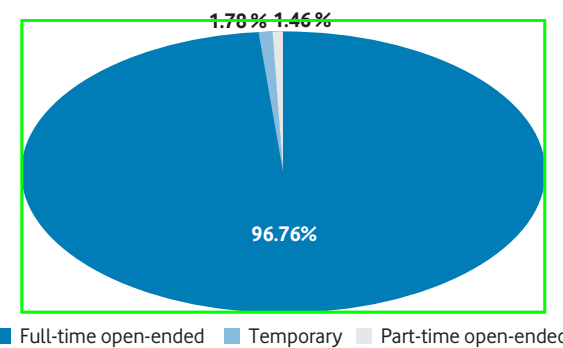


Fig. 1

List of types of contracts 08-09



■ Full-time open-ended ■ Temporary ■ Part-time open-ended

Fig. 2

Work force by Age

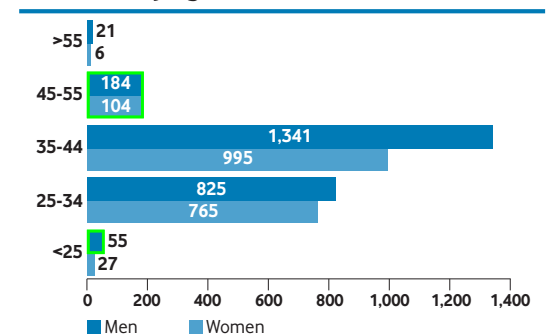


Fig. 3

Resignation rate <sup>1</sup>

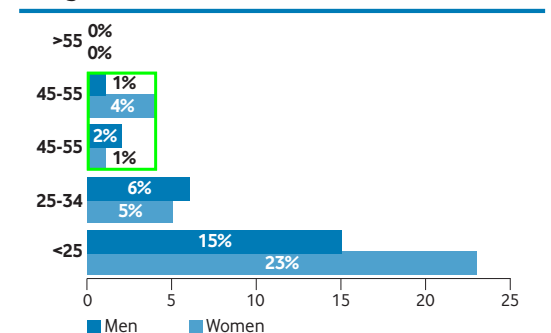


Fig. 4

<sup>1</sup>The resignations exclude those generated in RAN sharing-type processes or mergers such as that with Tele2.



## We have

### Recruitment, Career Development and Training

Vodafone Spain has policies and processes which guarantee equal opportunities to all candidates participating in a selection process, as well as preventing discrimination on the grounds of sex, race, social status, physical appearance, etc., being led at all times, by criteria related to ability, professionalism and job suitability.

During the 2008-09 financial year, a new Induction Programme was developed (See fig. 5), the objective of which is to generate a highly positive staff experience during the initial phase of the employee's life cycle, speeding up the phase of getting used to the job and the company, using actions and tools which have been developed, including:



- Induction Web.
- Guides based on the roles and responsibilities of the people involved in the induction process.
- Initial training for the managers of new staff members.
- Regular sessions aimed at new recruits.
- Creation of a training plan composed of 5 modules. (See figure below).
- Monitoring the induction process during the employee's first month in the company.



Career Development at Vodafone Spain is understood as the ongoing improvement of knowledge, skills and attitudes of all Company employees, to achieve:

- The highest individual and collective contribution towards business targets.
- Personal and professional growth of employees, thus boosting their career potential.

In this respect, throughout the 2008-09 financial year, and during the second year of the One Way Managerial Development Programme (See fig. 6), various initiatives have been implemented. During the first phase, the organisational climate and the leadership styles of each of the company's managers have been evaluated. This process was supplemented with individual feedback sessions and personal coaching over a four-month period.

After this period, and depending on people's respective needs, various development programmes have been implemented, from workshops on leadership styles, to seminars on strategic concepts such as "Execution", "Collaboration" and "Play Different".

**New Induction Programme:**

**Significant Data**

- Project launch: July 2008.
- Presence sessions held: 9.
- N° of people trained: 174.
- On average, participants rate the presence sessions 8.38 (on a scale of 1 to 10).

Fig. 5

**One Way 2008-09: Significant Data**

- 380 Managers.
- 94 Directors.
- 480 feedback reports.
- 1,548 individual presence meetings.
- 458 telephone sessions.

Fig. 6

# Employees

Performance management is one of the basic pillars of people management promoted by Vodafone. Following several years working on implementing "Performance Dialogue", this process has become part of the organisation's everyday activity, as is demonstrated by the fact that 99% of staff filled out the 2008-09 form. Furthermore, all new employees, as part of their induction, are introduced to this process as soon as they join the company.

The induction and integration of new employees joining from Tele2 has been a high-impact project this year. By fostering the use of the initiatives already in use in the organisation, they have adapted to the specific needs of the group, including:

- Specific induction events (held simultaneously at all sites).
- Access to an on-line training programme.
- "Performance Dialogue" training sessions.
- Cultural induction sessions (role of the manager in Vodafone, employee satisfaction survey, change management, etc).
- Programme for those starting on One Way (evaluation, individual feedback and development plan).

## Some training data

As a key tool for boosting professional development, Vodafone Spain is committed to training its professionals (See figs. 7 and 8).

## Welfare Benefits and Equal Opportunities

Vodafone Spain employees enjoy a wide variety of welfare benefits that are summarised in figure 9:

- **Pension Scheme.** Vodafone Spain employees can make individual contributions to their pension schemes. The company contributes twice the amount contributed by each member, up to a maximum of 4% of their regular salary.
- **Health Insurance** Vodafone Spain offers to pay 100% of the policy cost for employees with a permanent contract or more than a year's service.
- **Life and Accident Insurance.** From the moment they join the company, all employees have a joint Life and Accident Insurance policy.
- **Variable remuneration.** All employees who are not on commercial incentive plans, have a variable bonus linked to the company's strategic objectives. The percentage of the bonus awarded at the end of the associated financial year will depend on the percentage achieved of each of the objectives.
- **Shares.** Vodafone has Schemes which award shares to all employees as a way of sharing company profits.
- **Relat Plan.** Vodafone offers up to 50% discount on private mobile phone use, as well as in the "Navega y Habla" ("Surf and Chat") or "Vodafone en tu casa" ("Vodafone in your Home") service.
- **Staff store** where employees can buy telecom products at substantial discounts.
- **Luncheon Vouchers.** Vodafone Spain offers all employees the sum of €7.81, from Monday to Thursday throughout the 9 months of standard working days (from September to June).
- **Visa Gold** Vodafone Spain offers a Corporate Visa Gold card, at no cost, including free travel insurance.
- **Virtual Bank Branch.** This branch offers all the products and services of a traditional bank branch, with significant benefits for Vodafone Spain employees, who can perform all their banking transactions by mobile phone, by Internet or by speaking to an agent over the telephone.
- **Merit Award.** If whilst working at Vodafone Spain, you are studying for a university degree or higher professional qualification, you can compete for this prize which seeks to recognise the effort required in combining study and work.
- **Reward for inventors.** Vodafone Spain encourages innovation. As such, the employees who register their patent in the name of Vodafone Group will receive a certain amount, depending on the stage their patent is at.

Fig. 9

# 99%

of employees participate in the Job Evaluation Performance process

# 238,405

total n° hours of training (all groups)

# 8.33

average score given to training (all the programmes)

Number of hours' training per group

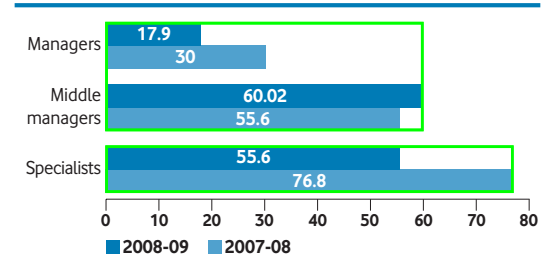


Fig. 7

Number of hours' training per employee

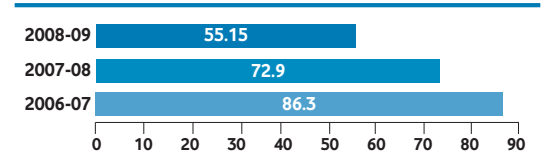


Fig. 8

During the 2008-09 financial year, it is worth mentioning the excellent integration of Tele2 which involved reconciling the social benefits for this group which was favourably received.

Where Social Benefits are concerned, Vodafone Spain has a **Work-Life Balance Plan**, one of the fundamental objectives of which is to integrate the principle of equality in all of our actions. The Work-Life Balance Plan contains various initiatives which are summarised in fig. 10.

- **Maternity.** Leave: Vodafone Spain offers all future mothers the chance to request 15 days' paid leave to rest before their due date.
- **Paternity.** In addition to the 13 consecutive days provided for by the law, Vodafone Spain offers 5 working days' leave from the day the child is born or the adoption takes place.
- **Breast-feeding period extension** These periods are increased from 1 to 2 hours and from 9 to 12 months, without any reduction in salary.
- **Child care.** Vodafone Spain lets employees reduce their working day by between 1 and 4 hours until the child is 8 years old. They can also ask for leave of absence to care for children until the child is 4 years old, with the right to keep their job for the first year.
- **Care of relatives.** Employees can request a reduction in the working day of between 1 and 4 hours to take care of relatives up to the second degree of consanguinity or by marriage, who due to their age or illness cannot look after themselves and do not carry out paid work, as well as asking for leave of absence for up to 2 years (keeping your position for the first year).
- **Health Insurance for relatives.** Vodafone Spain offers employees the opportunity to register immediate family members, and those who live with them (up to the age of 64), with considerable discounts.
- **Family allowances.** Vodafone Spain offers a monthly allowance for children from 0-4 years old, families with more than four children, or for disabled children until they reach the age of 15.
- **Flexi-time.** In those departments and units where it is possible, the time allocated to lunch during the normal day can be reduced by between 30 and 45 minutes. Arrival and departure times incorporate 45 minutes of flexibility.

Fig. 10

Figures 11 and 12 show the evolution of the percentage of female employees and the percentage of managerial posts held by women.

## Industrial Relations

Vodafone Spain has a permanent interest in maintaining stable and productive channels of communication with employees' representatives.

This dialogue makes it possible to pass on advance information concerning those changes and policies that warrant it, enabling proactive mechanisms to be established and set up so as to consider the employees' expectations concerning these changes and policies, preventing them from turning into problems due to a lack of timely solutions to correct them.

In July 2008, the 4th Vodafone General Agreement was signed, consolidating the prior situation for the period of its application, which will be three years, which can be extended by a further year, from the date of signing.

The current Collective Agreement includes the basic salaries of Vodafone Spain employees by grade, there being no difference on grounds of sex. Furthermore, all Vodafone Spain employees have a variable element to their salary (at least 8%).

As part of this 4th Agreement, the social benefits contained in the previous agreement were expanded, such as a day of paid leave to be chosen by the employee between 24 and 31 December, in the interests of promoting a work-life balance during the festive period.

During this financial year, an internal audit has been carried out in order to produce a preliminary report in adherence to the provisions of the Law on effective equality between men and women at the core of our company. The result of the aforementioned preliminary report has been shared with the employees' representative on the Equality Committee.

**% Employees by gender**

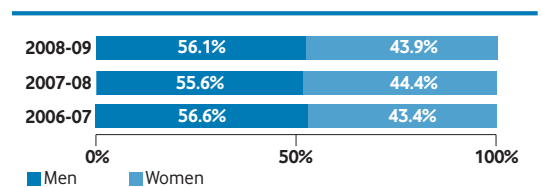


Fig. 11

**Change in percentage of managerial posts held by gender**

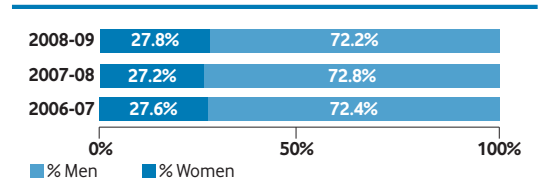


Fig. 12

# Employees

We have also started negotiations to reach an agreement on the actions to be carried out based on the situations identified in the preliminary report.

Other significant events throughout the year have been:

- Once the previous certificate of exception had expired, a new certificate was obtained from the National Employment Service, valid for three years, during which Vodafone Spain will comply with the Law on the Social Integration of Disabled People by donating to organisations which strive to implement labour insertion and job creation activities for disabled people.
- In July 2008, an agreement was reached with Tele2 employees' representatives, detailing the conditions of integration for employees joining from Tele2, who since 1 October 2008 form part of the Vodafone Spain payroll.

## Health, Safety and Well-being

At Vodafone Spain, we have once again implemented various actions, in line with our vision, corporate values and business principles, aimed at creating a culture of Health, Safety and Well-being among our employees and safeguarding those who collaborate with us or who may be affected by our actions (customers, collaborating companies, companies in the sector, official bodies...).

At Vodafone Spain, an essential part of the concept of preventive culture is that the actions carried out seek to offer people added value and have an impact on the business through six basic pillars (See fig. 13). These pillars have been updated this year as a result of developing the previous model, due to the restless spirit (continuous improvement) of company employees. The pillars are:

- Role of the OHP team: Proactivity, supporting managers and employees in their work, replacing bureaucratic work with a search for added value, collaboration instead of criticism, etc.
- Knowledge of the business, culture and brand: in order to integrate prevention in the business, it is fundamental to align all actions with its strategy, brand values, its needs, its competitive environment, etc., using knowledge of the business.
- Bespoke products: In line with the above, the company seeks to interest and engage employees by implementing actions according to their needs (language, integrated in their processes, which really require it, etc.). The objective is to change the concept of responsibility meaning "blame", for that of "I am going to do what is within my control."
- Innovate: Once again, it is about going one step further in the aforementioned direction. Presenting preventive activities in an attractive way and minimising bureaucracy boosts people's interest and engagement.
- Communication. In respect of going beyond information and training. The objective is to develop "habits", in other words, to go further than "knowledge" so that these initiatives aim to change people's attitudes. At the same time, the implementation of internal good practices campaigns, are making it possible to demonstrate that the management system can be put into practice, often exceeding initial expectations.
- Influencing our environment because we are a responsible company that seeks the best for everyone, including employees, contractors, customers, etc. Furthermore, in order to develop a preventive culture, it is important to integrate safety, health and well-being in people's way of life, looking far beyond the company and job.

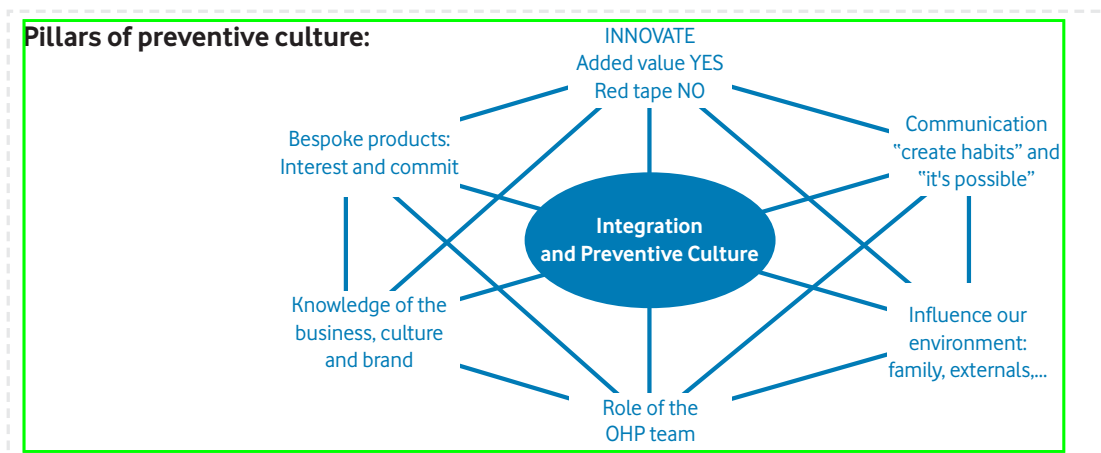


Fig. 13



### Initiatives for Promoting Prevention, Health and Welfare

In terms of the most outstanding preventive action this year, we highlight the awareness campaign concerning the use of the mobile telephone in the car, in a work and personal context, aimed at both employees and customers, suppliers and any other mobile user.

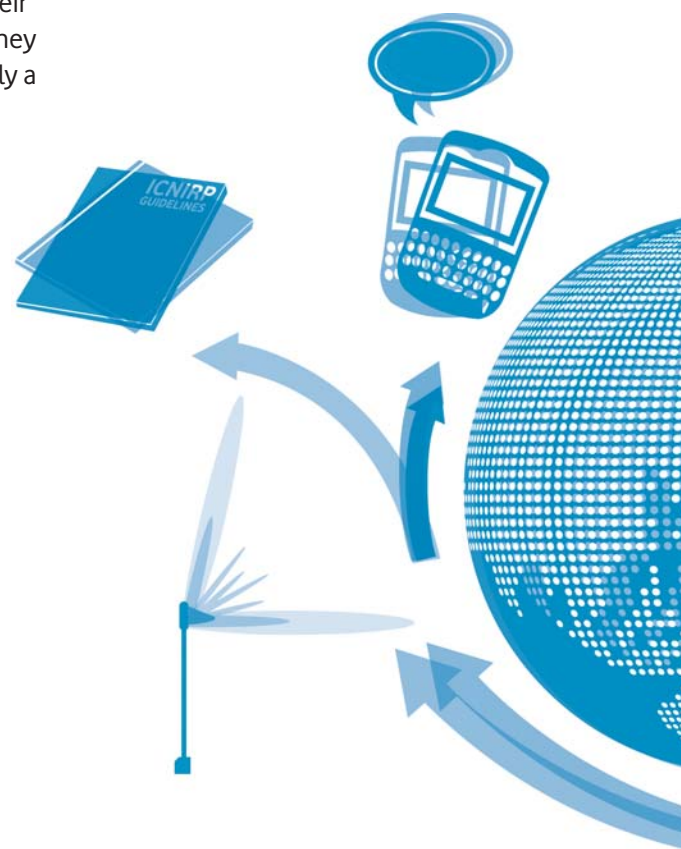
This awareness campaign concerning the "Use of the Mobile at the steering wheel" is free and supports the development of a preventive culture in the organisation. Versions have been created in Portuguese and English because the campaign has also been carried out in Portugal, Ireland and Australia. ([www.youtube.com/VodafoneHSW](http://www.youtube.com/VodafoneHSW)).

Vodafone Spain's actions in the area of road safety have been included as a good practice in edition 194 of the "Traffic and Road Safety" magazine published by the Traffic Department in both paper and electronic format.

Other noteworthy actions:

- Accreditations for working at height: Adaptation of the number of accredited employees reducing it to 116 employees (40% of those initially accredited).
- Good Practices Campaign: In order to demonstrate that prevention is possible, to have an attractive regular presence, to promote continuous improvement and collaboration, we have been identifying what is being done well in the different regions by organising a campaign in which, to date, seven good practices have been sent.
- Integration of staff joining from Tele2 in Vodafone Spain's preventive culture and management of the highest risk activities.
- Training: 994 employees have taken part in the training activities (which represents 2.263 hours). Occupational Hazard Prevention featured in all of the new staff induction sessions. Two new e-learning courses have been launched (Basic Road Safety Information and Occupational Hazard Prevention Management). The courses have an average overall rating of above three out of four.
- Control of contractors: Collaboration in the development and implementation of an application to automate and optimise the control of technology contractors.
- Medical check-ups: 1293 staff medicals have been performed, which represents 30% of the staff, medicals having been offered to 100% of employees. The system has been improved by using appointments and personal results delivery.
- Medical appointments: over 6000 medical procedures have been performed on employees.
- Other health-related actions: The company doctors have been authorised to prescribe the medical tests covered by the medical insurance. This helps company doctors to increase their knowledge of staff illnesses, and represents a significant time saving for employees, since they do not need to make an appointment with their doctor in order to perform what is essentially a bureaucratic process.

A consequence of implementing these actions is reflected in the 2008 People Survey, in the question "How would you rate your company's interest in the Safety, Health and Well-being of employees?" for which there has been an increase of 18 percentage points compared to the 2007 People Survey.



 [www.youtube.com/VodafoneHSW](http://www.youtube.com/VodafoneHSW)

# Employees

## Accident Rate and Absenteeism

Figures 14 to 16 show the evolution of our most representative accident rates.

The evolution of the accident rate is largely affected by the six accidents resulting in people being signed off work which occurred whilst performing activities outside work ("Kick off" of activities this year or outdoor training courses).

Once again, the number of serious accidents and deaths related to Vodafone Spain employees and its contractors is zero. Neither has there been any serious incident at any of our sites.

Meanwhile, the positive impact of our road safety actions stands out. With a fleet of approximately 1.000 vehicles, staff have only been involved in two accidents resulting in people being signed off and one where no one was signed off. Where car accidents on the way to and from work are concerned, for the third consecutive year we have achieved a significant drop in the number of accidents resulting in people being signed off work, this year amounting to ten accidents. (See figs. 17 and 18).

The Absenteeism Rate<sup>5</sup> was 7% down on the previous year (See fig. 19). The downward trend of this accident rate which started last year has been confirmed. It is thought that this is a result of the fact that the healthy lifestyle campaigns have been well received, as have the action plans derived from the Staff Survey, and those derived from the initial results of the "One Way" programme attended by company managers.



**Incidence Rate<sup>2</sup>**

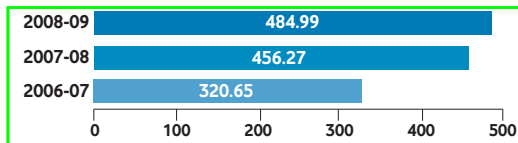


Fig. 14

**Traffic accidents (fleet vehicles)**

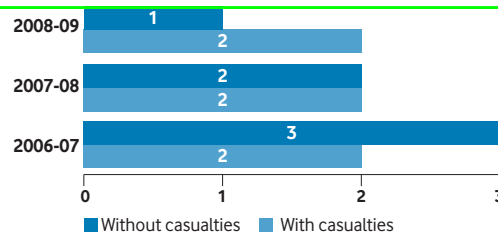


Fig. 17

**Frequency Rate<sup>3</sup>**

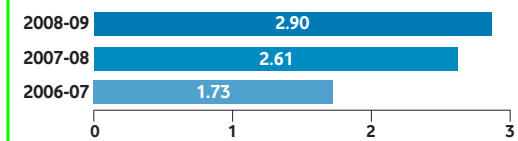


Fig. 15

**Traffic accidents "in itinere"**

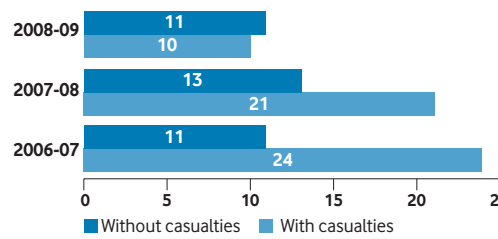


Fig. 18

**Severity Rate<sup>4</sup>**

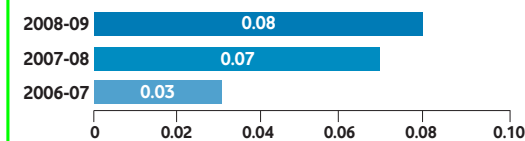


Fig. 16

**Absenteeism Rate**

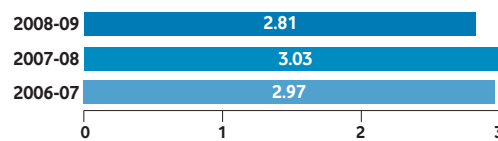


Fig. 19

<sup>2</sup>LTA's x 100,000 / N° of employees.

<sup>3</sup>LTA X 1,000,000 / N° of employees x Average No. of hours worked per year per employee.

<sup>4</sup>Lost time from work due to accidents during working hours resulting in LTA x 1,000 / No. employees x Average No. of hours worked per year per employee.

<sup>5</sup>Percentage of days off work due to sick-leave with respect to actual number of work days.





# Vodafone Spain Foundation

In keeping with the action plan approved by its Board of Trustees, throughout 2008-09 the Vodafone Spain Foundation has remained busy organising and carrying a wide range of innovation, training, patronage and dissemination activities. Its chief mission has been to boost and develop telecommunications, placing special emphasis on ICT-related projects and helping vulnerable population groups to lead an independent life.

## We said

- We would carry out at least two projects with the aim of promoting the use of ICT to provide solutions in the field of health, the promotion of personal autonomy and the social and labour integration of people with disabilities.
- We would help introduce elderly people and other dependent groups to the Information Society: training 15,000 people.
- We would promote design and accessibility for all: European accessibility certification for the Foundation's web page.

+ **5.9** million euros  
than allocated to community involvement projects

## We have

### Innovation

...worked, throughout 2008-09, on different Spanish and European R&D&i projects. In doing so, the Vodafone Foundation Spain works with different partners such as Local Administrations, Universities, research establishments, Innovation Undertakings and associations who work with vulnerable population groups. This research is conducted in three separate fields: Senior Citizens and independent life, Accessibility and e-health.



### Senior Citizens and independent life

The initiatives underway in this field are geared towards promoting senior citizens' personal autonomy, fostering their social involvement and enabling them to look after their health through the use of new technologies such as the videocare solution.

#### "3G for generations"

The Spanish Red Cross, Qualcomm and Vodafone Foundation Spain have joined forces in this initiative to foster support solutions that prevent elderly people from feeling isolated and lonely. The VideoCare platform they have developed makes it possible to communicate via TV sets; and the use of mobile broadband technology lets elderly people make videocalls to their relatives' 3G mobile phones and the Red Cross Call Centre, as well as access personalized multimedia content.



### TELPES - Remote home-based care Solutions for the Deaf

The TELPES project, spearheaded by FCNSE and being carried out by the CNSE, Spanish Red Cross, Madrid Polytechnic University and Vodafone Foundation Spain, aims to identify the type of telecare services required by the community of senior citizens who are deaf or have a hearing disability, analysing their value and priority, as well as ICT's current capacity to support them. This project has been backed by the Avanza Plan.

### PERSONA. Perceptive Spaces prOmoting INdependent Aging

Included in the European Commission's Sixth Framework Programme, project "PERSONA" works with the concept of Ambient Assisted Living (AAL) to create an access platform to services for elderly people which will help them to stay as long as possible in their environment. Further information at [www.aal-persona.org](http://www.aal-persona.org)

### "M-AvanTIC" . Elderly people make headway with ICTs

In December 2008, the Vodafone Foundation Spain, Spanish Red Cross and the Carlos III Health Institute unveiled the results of this project, which has been backed by the Avanza Plan. The project has aimed to demonstrate how ICTs enhance the quality of life of both elderly people and their carers by fostering an active lifestyle, enabling them to maintain personal relations, and through the evaluation and early detection of states of dependency. More than 100 elderly people throughout Spain have taken part in the "Cognitive Stimulation" programme, both via mobiles and television, and the "Behaviour Modelling" programme.

### TECSOS Foundation

Created in 2002 thanks to the collaboration between the Spanish Red Cross and the Vodafone Foundation Spain, the TECSOS Foundation aims to research and develop new services that promote healthy ageing, prevention of dependence and provision of telecare solutions. Ever since, it has striven to solve the social needs and improve the living conditions of socially disadvantaged people and groups through the application of new information and communication technologies, especially mobiles, and their development and use.

To that end, the TECSOS Foundation promotes and conducts research, care, prevention, training, awareness-raising and collaboration activities. During this last financial year it has collaborated in the Spanish Projects "M-AvanTIC", "TELPES", and "3G for all generations", as well as spearheading the Avanza Plan's "e-Infirma" project.

The e-Infirma project consists in creating content and applications for leisure, culture, health and the integration of elderly people in the Information Society. These digital content are applied in three technology platforms: mobile telephony (SMS, MMS, and email); Web content usable in e-information and e-learning; and digital content available through the VideoCare platform.

### **Accessibility**

The Foundation is involved in projects that promote and devise new solutions to ensure people with functional diversity have access to ICTs.

### AEGIS. Open Accessibility Everywhere: Groundwork, Infrastructure, Standards

AEGIS is included in the European Commission's Seventh Framework Programme, within the 2nd call, Accessible and Inclusive ICT. The aim of this project is to develop and validate ICT solutions, based on free or open code software, which guarantee accessibility in computers, mobile phones, PDAs, the Internet, etc. to users with moderate or severe disabilities. Further information at: [www.aegis-project.eu](http://www.aegis-project.eu)

### INREDIS. Interfaces for Relationships between the environment and People with DISabilities

This is a CENIT (National Strategic Consortia for Technical Research) project that forms part of the Spanish government's INGENIO 2010 initiative and that is being run by the CDTI (Centre for the Development of Industrial Technology). The project covers the development of base technologies that make it possible to create communication and interaction channels between people with some type of special need and their environment. Further information at: [www.inredis.es](http://www.inredis.es)



[www.aal-persona.org](http://www.aal-persona.org)  
[www.aegis-project.eu](http://www.aegis-project.eu)  
[www.inredis.es](http://www.inredis.es)

# Vodafone Spain Foundation

## E-health

The main initiatives in this field started up in 2008-09 have been:

### HeartCycle Compliance and Effectiveness in HF and CHD Closed-loop Management

HeartCycle forms part of the 7th Framework Programme of the European Commission, within the 1st e-Health call and seeks to provide a solution for managing coronary heart disease and heart failure patients. Further information at <http://heartcycle.med.auth.gr>

### Project with National Transplants Organisation

The Foundation is helping the NTO develop a new platform -making use of a mobile technological solution- that immediately sends the people appointed by the National Transplants System relevant medical information about the organs available from the NTO for transplants, cutting decision-making times.

### Telemedicine and E-health Unit at the Carlos III Health Institute

The Foundation supports this unit, which continues to work on initiatives that promote the use of ICTs for wellbeing, promoting independent life and health. The star project this year has been the RECAD0 project, oriented to the home-based rehabilitation of low-risk heart disease patients, carried out with Puerta de Hierro hospital in Madrid.

## Training

### Postgraduate Courses

The Vodafone Foundation Spain has teamed up with different Spanish Universities to organize a range of Master's Degree courses and thereby further the teaching of cutting-edge technological breakthroughs. 134 students have taken part in the following postgraduate courses that have been given in the 2008-09 academic year:

- Vodafone Chair – Madrid Polytechnic University (U.P.M.) – Master's Degree in Mobile Communications (9th Edition).
- Master in Mobile Communications at Catalonia Polytechnic University (14th Edition).
- Specialist Course in Mobile Communications – University of Seville (7th Edition).
- Master's Degree in Computer Science Applied to Mobile Telecommunications - Malaga University (6th Edition).
- Master's Degree in network and resources management for dependent people – Universidad Oberta de Catalunya (2nd Edition).
- Master's Degree in Telematics and Telecommunication Networks – Malaga University – (1st Edition).

### Vodafone Spain Foundation Classrooms

The Vodafone Foundation Classrooms are free ICT training centres that are started up in partnership with Local Councils, associations of vulnerable population groups, NGOs, etc. Equipped with networked multimedia computers and Internet access, the classrooms offer beginners courses on how to use a computer, Internet access, office automation, etc. These free beginners' courses are meant for the sectors of society who are less advantaged in terms of their financial, personal and cultural profile. This year a total of 2,700 people attended the courses given in all the classrooms.

During 2008-09, the seven classrooms open to the public, and which are listed below, were used more than 120,000 times.

- Vodafone Foundation - Alcobendas Town Council Classroom.
- Balia Foundation – Vodafone Spain Foundation Classroom.
- Vodafone Foundation – Fuenlabrada Town Council Classroom.
- Mataró City Council – Vodafone Foundation Classroom.
- Malaga City Council-Vodafone Foundation Classroom.
- Vodafone Foundation-Murcia ASPAYM Classroom.
- Vodafone Foundation Spain - MDPL Classroom.



<http://heartcycle.med.auth.gr>

## ESTALMAT Project

This educational project seeks to detect, guide and stimulate early mathematical talent in children between the ages of 12 and 13 years old. These girls and boys with a gift for exact sciences spend two years attending tutored classes outside school hours. During the academic year 2008-09, 512 schoolchildren from 28 provinces and 8 Autonomous Regions attended these classes. (Madrid, Catalonia, Andalusia, Galicia, Valencia, Canary Islands, Cantabria and Castille-León.

## Other courses and Seminars

The Vodafone Foundation Spain helps local councils, universities, associations and other bodies to organise workshops, courses and seminars that address the latest research in four thematic lines: Telemedicine, Telecare and Integration; Technology; Ethics and Corporate Responsibility; The Information Society.

In 2008-09, more than 4,400 people attended the 25 seminars held.



## Patronage

Supporting the social and job integration of disabled people has remained one of the Vodafone Spain Foundation's key goals in 2008-09. These activities have been supervised by the Patronage Area, and carried out in collaboration with several local and nationwide associations. These initiatives fall into three fields:

### Job insertion programmes

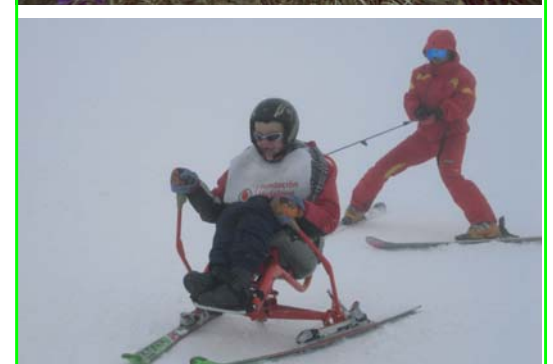
Vocational training courses for dependent people, devised to foster their integration in the job market. Among others worth mentioning were the telemarketing courses organized by the Afim Foundation, or the occupational course on how to care for horses, held by Afanias.

### Support for Children

In order to help children and teenagers, the Foundation is involved in different projects that have fostered the ideas of health, sport and education. The projects have been carried out in partnership with the Fundación Horizontes Abiertos (Open Horizons Foundation), which endeavours to rehabilitate former female prisoners with young children and help find a job, by placing them in insertion homes; and with the ANAR Foundation, which operates a hotline for families with conflicts.

### Adapted Leisure and Sport

Integrating vulnerable population groups through adapted sports and leisure has accounted for a large number of the Foundation's activities in 2008-09. The Foundation has sponsored a range of adapted sports courses such as scuba diving, skiing, golf, sailing, basketball or wheelchair races. The Foundation has supported diverse initiatives for children, such as the "The Forest of Dreams" summer camp (for disabled and disability-free children alike) and the summer camps run by the Spanish Cancer Association (AECC). Last but not least, the accessible performance of the musical "Beauty and the Beast", which entailed fitting out the theatre especially theatre to allow more than 1.000 people with physical or sensorial disabilities to attend the show.





# Vodafone Spain Foundation

## Training of Senior Citizens and dependent groups

These training courses are devised to teach senior citizens how to use a mobile phone's basic functions. The classes are divided into two parts: a theoretical session about a mobile phone's components, and a practical session in which they learn to make and answer calls, text message and create their own phone directory. Nearly 7,900 elderly people from different Autonomous Regions have benefited from this activity in 08-09, meaning that more than 46,000 have attended the courses throughout Spain since they began back in 2004.

## "Build a new world" project

The Vodafone Spain Foundation is backing this social action and commitment scheme that lets people spend a year working full-time on a social project with the not-for-profit entity (NGOs, Association, etc.) of their choice, offering them remuneration in exchange.

"Build a new world" seeks to support volunteer work as an activity that starts up sustainable projects that benefit society.

The winners of the 1st edition in 2008-09 were:

Rafael Llamas, Infant Cancer Volunteers Association, (AVOI) Málaga:

This IT engineer's project focused on the use of ICTs for social and cultural activities for children in hospital. He also gave information technology classes to over 80 children who have to spend long periods in hospital. He also provided training to over 200 of the Association's new volunteers to ensure his work will continue.

Amadeo Sánchez, Valencian Cystic Fibrosis Association. Valencia:

Amadeo was granted one-year leave from his job as a male nurse at Hospital La Fe in Valencia in order to closely take care of cystic fibrosis patients from the Community of Valencia. He visited over 160 patients in their homes and trained just under 10 professionals and over 30 caretakers to assist people with cystic fibrosis.

Noelia Martínez, Aragon ICTUS Association. Zaragoza:

Disclosing facts about ictus (stroke), how to prevent it and how to treat patients has been the task carried out by Noelia. To that end, she has given talks to more than a thousand people, created more than 400 permanent points of information about this cardiovascular disorder and has set up volunteer, help and self-help groups. She also provided individual assistance to over 250 people who had suffered a stroke and their relatives.



## Dissemination

### Publications

The following publications have been edited or co-edited during the financial year 2008-09:

- The brain: Recent advances in neuroscience.
- Original Sin. 10th Edition of the "Don Daniel" story-telling competition, sponsored by La Rebotica radio show.
- Technology in daily life. Published on DVD.
- Guide to cardiohealthy nutrition.

### Web Accessibility

The new web content meets Double AA accessibility standards and the first study and feasibility phase of the European Certification has been completed; the following phases will be completed over the next few years.

### Award for Innovation and Development in Mobile Communications – 2nd Edition

In order to encourage the development and innovation of technological solutions which are either being analysed or have been launched in society, in 2008-09 the Vodafone Spain Foundation announced the 2nd Edition of these Awards for Innovation and Development in Mobile Communications.





This year the awards were:

- The "Innovation Project in Research Field" Award went to the "Wearable smart holter for event-based monitoring of ECG signals in patients with paroxysmal arrhythmias and sporadic syncopes" presented by the team formed by Dr. Negrín University Hospital in Gran Canaria, the Department of Health of the Navarra Regional Government and Navarre Public University.
- Prize for the best "Mobile Innovation Project" awarded to the "OBERON Project. Navigation systems in urban transport for mobile devices based on ambient intelligence and support for disability" submitted by the Research Unit of the University of Oviedo's Department of Computer Science.

### 9th Vodafone Journalism Prizes

The 9th Edition of the Vodafone Journalism Awards focused on the technological evolution of mobile broadband communication systems, "Mobility and broadband", as well as the benefits that mobility affords, both from the social and integration viewpoint, and also the economic, professional and cultural perspective.

This year's winners were:

- Award to a communication professional: Ramón Muñoz (El País newspaper).
- Special Lifetime Achievement Award: Luis Lada (Advisor to the Chairman and the Executive Committee of Telefónica).
- Special Posthumous Lifetime Achievement Prize: Miguel Ángel Eced.

### Foundations Day

The Foundations Day is an initiative that seeks to shed light on the Vodafone Foundation Spain's activities. This year, and to mark its first edition, the event focused on the Opco's employees in Spain, who were invited to participate in a wide range of activities. Worth mentioning is the exhibition that was held at the Madrid Head Office, displaying the main projects in which the Foundation is involved.

All of Vodafone's 25 Foundations in the different countries where it operates organized this event, which was held on the same day throughout the world and was backed by Vittorio Colao, CEO of the Vodafone Group.

### Awards

In 2008-09, different institutions saw fit to publicly acknowledge the Vodafone Foundation Spain's work and achievements:

#### Justice and Disability Forum Award

Awarded by the General Council of the Judiciary for the contributing to the labour integration of people with disabilities.

#### Imsero "Infanta Cristina 2008" Award

In the Innovative Experiences Category for the Vodafone Foundation Spain's participation in the Platas Project.

#### Golden chair

ASAPYM Cuenca awarded its "Golden chair" to the Vodafone Foundation Spain for its contribution to the labour integration of disabled people.



## We will

- Launch two projects that helps senior citizens and people with functional diversity to lead an independent life: a television-based senior citizens' support network and application of bidi codes to everyday activities.
- Broaden and consolidate the Foundation's presence in social networks. Launch pages in YouTube and Facebook.
- Perform at least three actions to support the job insertion of disabled people in collaboration with three other non-profitmaking organisations.

# Report Criteria and Assurance

## Report Criteria

### Scope and coverage of the CR Report

This is Vodafone Spain's sixth Corporate Responsibility Report, and covers our financial year 2008-09 (1 April 2008 to 31 March 2009). The reports that we have issued to date are annual reports, and refer to each of our previous financial years.

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

In addition to the information in each chapter, you will find further information on the Vodafone website [www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad), which supplements this Report's contents.

### Report Guidelines

In drawing up this Report, consideration has been given both to the requirements of the Vodafone Group's Internal Guidelines, and to the contents of different standards and recommendations regarding Corporate Responsibility information, including the following:

- Version 3.0 of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI3), published in 2006, and the 2003 GRI Supplement for the Telecommunications Industry.
- AA1000 AccountAbility Principles Standard (2008).
- Assurance Standard AA 1000AS (2008).

### Principles of the Report

Our approach to Corporate Responsibility management and reporting consists in concentrating on the most important areas for our Stakeholders, in line with the Principles of Standard AA1000APS:

- **Inclusivity:** Stakeholder participation in developing and achieving a responsible and strategic response to sustainability.
- **Materiality:** determination of the issues that are material to Vodafone Spain and its Stakeholders, aligned with the decision-making processes and the organization strategy.
- **Responsiveness:** this reflects how Vodafone Spain responds to the material issues identified through Stakeholder engagement.

### Rigour and assurance

Vodafone Group Internal Guidelines for the collection of information and data describe the key Corporate Responsibility performance indicators, as well as the system for documenting data sources, checking their accuracy, and their approval by a member of the Steering Committee.

Both the information and the figures given in the Report, and compliance with the principles of standard AA1000APS, have been assured by an independent auditing firm (KPMG). Its assurance report can be found in one of the sections of this chapter of the Report.

Vodafone Spain's A+ self-assessment has been corroborated by KPMG, and subsequently GRI has reviewed the whole process, assigning the Report the highest possible rating: A+



|                     |                    |  |                    |    |
|---------------------|--------------------|--|--------------------|----|
|                     |                    |  |                    | A+ |
| <b>Obligatory</b>   |                    |  |                    | ✓  |
| Self Declared       |                    |  |                    | ✓  |
| <b>Optional</b>     |                    |  |                    | ✓  |
| Third-Party Checked | Externally Assured |  | Externally Assured | ✓  |
| GRI checked         |                    |  |                    |    |



[www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)





**KPMG Asesores S.L.**  
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## **Independent Review Report on the Corporate Responsibility Report 2008/2009 of Vodafone España S.A.U. in accordance with the ISAE 3000 and AA 1000 AS (2008) standards**

(Free translation from the original in Spanish. In case of discrepancy,  
the Spanish language version prevails.)

### **What is the scope of our review?**

We have been engaged by the management of Vodafone España, S.A.U. (hereinafter Vodafone España), to whom this Independent Review Report is addressed, to review the non-financial information for 2008-09 (1 April 2008 – 31 March 2009) contained in its Sustainability Report for that year (hereinafter the Report), which is in the public domain. The scope of this report is described in the introduction to the Report (Page 2).

In relation to the financial information included in this report we have verified that it has been obtained from the company's annual accounts, which have been audited by an independent third party.

### **Responsibilities**

The contents, preparation, maintenance of information systems used to provide the data and the completeness of Vodafone España's Report are the responsibility of Company management. Our responsibility is to carry out our review in accordance with the standards and procedures described in the letter of engagement agreed with Vodafone España, and to prepare our conclusions based on the scope described above.

### **What criteria have been applied in our review?**

Our review has been planned and carried out in accordance with the following:

- The ISAE (International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information) 3000 issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC),
- The criteria reflected within the professional performance guidelines on review engagements relating to Corporate Social Responsibility Reports issued by the Spanish Institute of Chartered Accountants,
- The requirement for a type 2 review according to the AA1000 AS (2008) from Accountability and,
- The Global Reporting Initiative Guidelines for the preparation of Sustainability Reports, version 3 (GRI G3), in accordance with the reporting level declared by the Company.

As regards the application of the principles reflected in the AA1000 APS (2008) and the GRI G3 guide, we have followed the criteria employed by Vodafone España, which are described in the Corporate Responsibility Management chapter and Report Criteria and Assurance chapter.

This review report should not be considered an audit report.

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## Assurance Report

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### ***Competence, impartiality and independence***

Our work was carried out by a team of specialists in verification and corporate sustainable development and in compliance with KPMG's policy on independence, which is based on the IFAC Code of Ethics for Professional Accountants.

### **What procedures have been carried out?**

We have analysed the main business risks of Vodafone España in relation to sustainable development.

We have met with Vodafone España management to identify the management approaches applied, the action taken to identify and take into consideration the expectations of stakeholders, as well as the coverage, relevance and completeness of the information included in the Company's Report.

We have analysed the processes of compiling and internal control over the quantitative data and other qualitative information reflected in Vodafone España's Report, to verify the reliability of the information using analytical procedures and review testing based on sampling, as well as the processes carried out by the Company to apply the principles of the AA1000 APS (2008) standard.

We have verified that this information is adequately supported by internal or third-party documentation, including the application level A+ of Global Reporting Initiative Guide in its version 3 (GRI G3) whose self-declaration has received Global Reporting Initiative confirmation.

### ***Review level***

The procedures carried out in our review are consistent with the limited level defined in ISAE 3000 standard that is reliable with the moderate level of the AA1000 AS (2008) standard.

### **What are our conclusions?**

Based on the scope and procedures described above and the review criteria applied, we have not observed any circumstances which would indicate to us that the data included in the Report has not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist.

Our conclusions with respect to Vodafone España's application at corporate level of the principles defined by AA1000 APS (2008) are as follows:

### ***Completeness***

The mechanisms used by the Company at corporate level to identify its stakeholders and to discuss and understand their needs are described in the Stakeholder Involvement section included in the Corporate Responsibility Management chapter. Based on the scope and work described above, we have not identified any significant omissions or discrepancies in the information reflected in the report.



## Assurance Report

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### ***Materiality***

The process used by the Company to select the content to be included in the Report is described in general terms in the Corporate Responsibility Management chapter. Based on the scope and review procedures described above, we have not identified any significant omissions or discrepancies in the information included in the Report.

### ***Responsiveness***

The information regarding the design, development, evaluation and reporting of Vodafone España's efforts to meet the needs of its stakeholders at corporate level is included in general terms in the Corporate Responsibility Management chapter and more particularly in the management approaches to the different performance indicators. Based on the scope and review procedures described above, we have not identified any significant omissions or discrepancies in the information included in the Report.

As part of our work we have prepared a report addressed to management indicating our recommendations in relation to its Report. The two main recommendations are:

- Consider the franchise chain as a distinct group in the list of stakeholders.
- Document the results of the prioritization of the various issues and their relationship to risk management and business opportunities.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez  
Partner

29 July 2009

# Report Criteria and Assurance

## GRI Indicators

| Point   | Pg.        | Definition   |
|---|------------|--|
| <b>Strategy and Analysis</b>                              |            |  |
| 1.1   | 3          | Statement from the most senior decision-maker  |
| 1.2   | 13-14      | Description of key impacts, risks, and opportunities   |
| <b>Organizational Profile</b>                             |            |  |
| 2.1   | Cover      | Name of the organization   |
| 2.2   | 5-6        | Primary brands, products, and/or services  |
| 2.3   | 10         | Operational structure  |
| 2.4   | 2          | Location of organization's headquarters  |
| 2.5   | 4-5        | Countries where the organization operates  |
| 2.6   | Cover, 4   | Nature of ownership and legal form   |
| 2.7   | 5          | Markets served: geographic breakdown, sectors and types of customers   |
| 2.8   | 5, 75      | Scale of the reporting organization  |
| 2.9   | 5          | Significant changes during the period  |
| 2.10  | 15         | Awards and distinctions received   |
| <b>Report Parameters</b>                                  |            |  |
| <b>Report Profile</b>                                     |            |  |
| 3.1   | 2, 66      | Reporting period   |
| 3.2   | 66         | Date of most recent previous report  |
| 3.3   | 66         | Reporting cycle  |
| 3.4   | 2          | Contact point for questions regarding the report   |
| <b>Report Scope and Boundary</b>                          |            |  |
| 3.5   | 66         | Process for defining report content  |
| 3.6   | 66         | Boundary of the report   |
| 3.7   | 66         | Any limitations on the scope   |
| 3.8   | N.A. (1)   | Aspects that can significantly affect comparability  |
| 3.9   | 16         | Data measurement techniques  |
| 3.10  | N.A. (1)   | Effects of any re-statements of information provided in earlier reports  |
| 3.11  | N.A. (1)   | Significant changes from previous reporting periods in the scope and boundary or measurements methods  |
| <b>GRI Contents Index:</b>                                |            |  |
| 3.12  | 70-71      | Location of the Standards Disclosures in the report  |
| <b>Assurance</b>  |            |  |
| 3.13  | 66         | Policy and practice with regard to seeking external assurance  |
| <b>Governance, Commitments and Stakeholder engagement</b> |            |  |
| <b>Governance</b>   |            |  |
| 4.1   | 10         | Governance structure   |
| 4.2   | 10         | Nature of the Chair of the Board   |
| 4.3   | 10         | Independent and/or non-executive board members   |
| 4.4   | 10         | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body   |
| 4.5   | 55         | Linkage between compensation for executives and the organization's performance   |
| 4.6   | 11-12      | Processes in place for the highest governance body to ensure conflicts of interest are avoided   |
| 4.7   | 16         | Qualifications of the members of the Board on sustainability topics  |
| 4.8   | 8          | Statements of mission or values and codes of conduct and principles on sustainability  |
| 4.9   | 16         | Board's assessment of the organization's sustainability performance  |
| 4.10  | 16         | Assessment of the Board's own sustainability performance   |
| <b>Commitments to External Initiatives</b>                |            |  |
| 4.11  | 14         | Precautionary approach or Principle  |
| 4.12  | 60, 62, 63 | Externally developed economic, environmental, and social principles or initiatives   |
| 4.13  | 13         | Main associations of which it is a member and degree of involvement  |
| <b>Stakeholder engagement</b>                             |            |  |
| 4.14  | 13         | List of stakeholder groups engaged by the organization   |
| 4.15  | 13         | Basis for identification and selection of stakeholders with whom to engage   |
| 4.16  | 13         | Approaches to stakeholder engagement   |
| 4.17  | 14         | Key topics and concerns that have been raised through stakeholder engagement   |
| <b>Economic</b>   |            |  |
| <b>Management Approach</b>                                |            |  |
| 5-7, 13-14, 16  |            |  |
| <b>Economic Performance</b>                               |            |  |
| EC1   | 7          | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments |
| EC2   | N.A. (2)   | Financial implications and other risks and opportunities for the organization's activities due to climate change   |
| EC3   | 7          | Coverage of the organization's defined benefit plan obligations (pension schemes)  |
| EC4   | 7          | Significant financial assistance received from government  |

| Point                                    | Pg.      | Definition   |
|--|----------|--|
| <b>Market Presence</b>                   |          |  |
| EC6                                      | 50       | Policy, practices, and proportion of spending on locally-based suppliers   |
| EC7                                      | 16       | Procedures for local hiring and proportion of senior management hired from the local community   |
| <b>Indirect economic impacts</b>         |          |  |
| EC8                                      | 60       | Infrastructure investments and services provided for public benefit  |
| <b>Environmental</b>                     |          |  |
| <b>Management Approach</b>               |          |  |
| 13-14, 16, 36-49                         |          |  |
| <b>Materials</b>                         |          |  |
| E1                                       | 46       | Materials used by weight or volume   |
| E2                                       | 45-46    | Percentage of materials used that are recycled input materials   |
| <b>Energy</b>                            |          |  |
| E3                                       | 43-44    | Direct energy consumption by primary energy source   |
| E4                                       | 43-44    | Indirect energy consumption by primary source  |
| <b>Water</b>                             |          |  |
| EN8                                      | 48       | Total water withdrawal by source   |
| <b>Biodiversity</b>                      |          |  |
| EN11                                     | N.A. (3) | Description of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas                                    |
| EN12                                     | N.A. (4) | Impacts on biodiversity in protected areas and areas of high biodiversity value outside protected areas  |
| <b>Emissions, effluents, and waste</b>   |          |  |
| EN16                                     | 43, 48   | Total direct and indirect greenhouse gas emissions by weight   |
| EN17                                     | 43, 48   | Other relevant indirect greenhouse gas emissions by weight   |
| EN19                                     | 48       | Emissions of ozone-depleting substances by weight  |
| EN20                                     | N.A. (5) | NO, SO, and other significant air emissions by type and weight   |
| EN21                                     | 48       | Total water discharge by quality and destination   |
| EN22                                     | 45-47    | Total weight of waste by type and disposal method  |
| EN23                                     | 48       | Total number and volume of significant spills  |
| <b>Products and Services</b>             |          |  |
| EN26                                     | 43-45    | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation  |
| EN27                                     | 46       | Percentage of products sold and their packaging materials that are reclaimed by category   |
| <b>Compliance</b>                        |          |  |
| EN28                                     | 37       | Cost of fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations  |
| <b>Social</b>                            |          |  |
| <b>Labour Practices and Decent Work</b>  |          |  |
| <b>Management Approach</b>               |          |  |
| 13-14, 16, 52-59                         |          |  |
| <b>Employment</b>                        |          |  |
| LA1                                      | 52       | Total workforce by employment type, employment contract, and region  |
| LA2                                      | 52, 55   | Total number and rate of employee turnover by age group, gender, and region*   |
| <b>Labour/Management Relations</b>       |          |  |
| LA4                                      | 55       | Percentage of employees covered by collective bargaining agreements  |
| LA5                                      | 55       | Minimum notice period and negotiation practices with employees and/or their representatives, regarding operational changes   |
| <b>Occupational Health and Safety</b>    |          |  |
| LA7                                      | 58       | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region  |
| LA8                                      | 57       | Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. |
| <b>Training and Education</b>            |          |  |
| LA10                                     | 54       | Average hours of training per year per employee by employee category   |
| <b>Diversity and Equal Opportunities</b> |          |  |
| LA13                                     | 55       | Composition of governance bodies and breakdown of employees according to gender, age group and minority group membership and other indicators of diversity                     |
| LA14                                     | 55       | Ratio of basic salary of men to women by employee category**   |

N.A.(1): There have been no significant changes that affect the comparability of the report.

N.A.(2): Vodafone Spain's activities have no direct and significant financial implications due to the Climate Change.

N.A.(3): Our stations are located throughout the country, but the surface area occupied is minimum due to the small size of the infrastructures.

\*N. A. breakdown by region, because Vodafone Spain provides its services specifically on the Spanish market.










| Point   | Pg.        | Definition   |
|---|------------|--|
| <b>Human Rights</b>   |            |  |
| <b>Management Approach</b>                                    |            |  |
| 13-14, 16, 50-59  |            |  |
| <b>Investment and Procurement Practices</b>                   |            |  |
| HR1   | 50         | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening   |
| HR2   | 50-51      | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.   |
| <b>Non-discrimination</b>                                     |            |  |
| HR4   | 9, 55-56   | Total number of incidents of discrimination and actions taken  |
| <b>Freedom of association and Collective Agreements</b>       |            |  |
| HR5   | 55-56      | Operations in which the freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights   |
| <b>Child Labour</b>   |            |  |
| HR6   | 8-9        | Operations having risk for incidents of child labour, and measures taken to contribute to the elimination of child labour  |
| <b>Forced and Compulsory Labour</b>                           |            |  |
| HR7   | 8-9        | Operations having significant risk for incidents of forced or compulsory labour, and corrective measures   |
| <b>Society</b>  |            |  |
| <b>Management Approach</b>                                    |            |  |
| 13-14, 16, 20-25, 36-40, 60, 65                               |            |  |
| <b>Community</b>  |            |  |
| SO1   | 20, 36, 60 | Programs and practices that assess and manage the impacts of the organization's operations on communities  |
| <b>Corruption</b>   |            |  |
| SO2   | 9, 11-12   | Percentage and total number of business units analyzed for risks related to corruption   |
| SO3   | 9, 12      | Percentage of employees trained in organizations anticorruption policies and procedures  |
| SO4   | 12         | Actions taken in response to incidents of corruption   |
| <b>Public Policy</b>  |            |  |
| SO5   | 9          | Public policy positions and participation in public policy development and lobbying  |
| <b>Compliance</b>   |            |  |
| SO8   | 31         | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations  |
| <b>Product Responsibility</b>                                 |            |  |
| <b>Management Approach</b>                                    |            |  |
| 13-14, 16, 31-34, 39-41                                       |            |  |
| <b>Customer Health and Safety</b>                             |            |  |
| PR1   | 39-41      | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures  |
| <b>Product and Service Labelling</b>                          |            |  |
| PR3   | 39         | Product and Service labelling and information procedure.   |
| <b>Marketing Communications</b>                               |            |  |
| PR6   | 31         | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship  |
| <b>Compliance</b>   |            |  |
| PR9   | 31         | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services   |
| <b>Indicators specific to the Telecommunications Industry</b> |            |  |
| <b>Internal Operations</b>                                    |            |  |
| <b>Investments</b>  |            |  |
| IO1   | 36         | Investment in telecommunication network infrastructure by country/region.  |
| IO2   | N.A. (7)   | Net costs for service providers under the universal service obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.  |
| <b>Health and Safety</b>                                      |            |  |
| IO3   | 57         | Practices to ensure health and safety of personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Report safety and health issues, including work in heights, electric shock, exposure to EMF and RF fields, and exposure to hazardous chemical substances. |
| IO4   | 39         | Compliance with ICNIRP standards on exposure to RF emissions from handsets.  |
| IO5   | 39         | Compliance with ICNIRP guidelines on exposure to RF emissions from base stations.  |

| Point                              | Pg.          | Definition  |
|------------------------------------|--------------|---|
| IO6                                | 39           | Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.  |
| <b>Infrastructure</b>              |              |   |
| IO7                                | 37           | Policies and practices on the siting of masts and transmissions sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluated consultations and quantified, where possible.  |
| IO8                                | 37           | Number and percentage of stand-alone sites, share sites and sites on existing structures.   |
| <b>Providing access</b>            |              |   |
| <b>Bridging the Digital Divide</b> |              |   |
| PA1                                | 40           | Policies and practices to enable the deployment of telecommunications infrastructure and access to products and services in remote and low population density areas. Include an explanation of the business models applied.   |
| PA2                                | 20-25, 60-65 | Policies and practices to overcome barriers for access and use of telecommunications services, including: language, culture, lack of education, income, disabilities, and age. Include an explanation of the business models applied.   |
| PA3                                | 38           | Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specific time periods and locations of down time.   |
| PA4                                | 38           | Quantify the level of availability of telecommunications services in areas where the organization operates (e.g.: Number of customers / market share, addressable market, percentage of population covered, percentage of land covered).  |
| PA5                                | 20           | Types of telecommunication services provided to and used by low income sectors of the population.   |
| PA6                                | 20           | Programs to provide and maintain telecommunication products and services in emergency situations and for disaster relief.   |
| <b>Access to Content</b>           |              |   |
| PA7                                | 31-34        | Policies and practices to manage human rights issues relating to access and use of telecommunications products and services (e.g., participation in industry initiatives regarding the freedom of expression, censorship, access restrictions, registration, safety and security issues in collaboration with the government, theft, crimes, unethical contents, child protection, etc.). |
| <b>Customer relations</b>          |              |   |
| PA8                                | 39-40        | Policies and practices to publicly communicate on EMF related issues  |
| PA9                                | 40-41        | Total amount invested in programmes and activities in electromagnetic field research. Description of programmes currently contributed to and funded by the reporting organization.  |
| PA10                               | 29           | Initiatives to ensure clarity of charges and tariffs.   |
| PA11                               | 31-35        | Initiatives to inform customers about products features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use   |
| <b>Technology Applications</b>     |              |   |
| <b>Resource efficiency</b>         |              |   |
| IA1                                | 43-44        | Examples of the resource efficiency of telecommunication products and services delivered.   |
| IA2                                | 44           | Examples of telecommunication products, services and applications with the potential to replace physical objects (e.g.: telephone book by a database on the web or travel by videoconferencing).  |
| IA3                                | 6-7          | Disclose any measures of transport and/or resources charges of customer use of the telecommunication services listed above. (Provide some indication of scale, market size or potential savings).   |
| IA4                                | 6-7          | Estimates of the rebound effect (indirect consequences) of customer use of products and services, and lessons learned for future development. This may include both social and environmental consequences.  |
| IA5                                | 30           | Practices relating to intellectual property rights and open source technologies.  |

N.A.(4): Our activities do not have any significant impact on biodiversity (in accordance with our Environmental Management System).  
 N.A.(5): Our air emissions of NOx, SOx are not significant.  
 N.A.(6): Figure not significant in Vodafone Spain.  
 N.A.(7): The Universal Service Obligation does not apply to Vodafone Spain.  
 \*The ratio is 1.



# Commitments

| We said..  | We have  | Progress  | We will  | Date       |
|--|--|---|--|------------|
| <b>Socially Responsible Products and Services</b>  |  |   |  |            |
| Introduce one new purpose-designed product to reduce social exclusion and improve quality of life of vulnerable groups through communications.   | Done: Three products/services (Vodafone Speak, SMS Easy, Sia Bluetooth) have been introduced             | <br>100%           | Introduce at least two new purpose-designed products/services to reduce social exclusion and improve quality of life of vulnerable groups through communications.  | March 2010 |
| Broaden the scope of Vodafone's web page accessibility.  | Done. The new, accessible version of www.vodafone.es has been launched.                                  | <br>100%           |  |            |
| Implement Accessibility Management System in own stores (March 2010).  | Underway: the Management System is being developed.  | <br>End March 2010 | Increase the n° of Vodafone stores with New Image, incorporating accessibility criteria, to 50%.   | March 2010 |
| <b>Vodafone Foundation Spain</b>   |  |   |  |            |
| Carry out at least two projects with the aim of promoting the use of ICT to provide solutions in the field of health, the promotion of personal autonomy and the social and labour integration of people with disabilities       | Done. Projects launched: "3G for all generations" Telpes, HeartCycle (e-health) and Aegis (e-inclusion). | <br>100%           | Launch two projects that helps senior citizens and people with functional diversity to lead an independent life: a television-based senior citizens' support network and application of bidi codes to everyday activities. | March 2010 |
| Help bring elderly people and other dependent groups into the Information Society: Training of 15,000 Senior Citizens.   | More than 10,500 people trained.   | <br>75%          | Broaden and consolidate the Foundation's presence in social networks. Launch pages in YouTube and Facebook.  | March 2010 |
| Promote design and accessibility for all: European certificate in website Accessibility.   | The first study phase has been completed.  | <br>50%          | Perform at least three actions to support the job insertion of disabled people in collaboration with three other non-profitmaking organisations  | March 2010 |
| <b>Customers</b>   |  |   |  |            |
| Communication Campaign concerning the Code of Conduct on minors' safer mobile use when accessing content and associated actions (classification criteria and content access controls, portal for the education sector, etc).     | Communication campaign launched. The "Vodafone Family" site has been launched.                           | <br>100%         | Extend parental controls to mobile and fixed broadband.  | March 2010 |
| Complement the current Youth Profile design, in order to make it easier to activate it in the Vodafone live! environment ("On Net" content), to activate the "Off Net" Filter ("Off Net" content) and restrict Mobile Marketing. | Done. Adult Pin Activation, Young Profile and Off-Net Filter available.                                  | <br>100%         | Comply with the Mobile Alliance's requirements in all navigation environments (mobile, mobile broadband and fixed).  | Sep. 2009  |
| Produce and distribute Secure and Responsible Mobile Use Guides  | Done: "Parents' Guide", "Tips on safe driving",...   | <br>100%         | Extend the information available in guidebooks and tips on responsible use of mobile phones to Internet and new technologies in general.   | March 2010 |
| <b>Energy and Climate Change</b>   |  |   |  |            |
| Reduce our planned network energy consumption by 8% (March 2010).  | Developing the 2006-10 Energy Efficiency Plan.   | End March 2010  | Reduce estimated network energy consumption since 2006 by 8%   | March 2010 |
| Achieve a 35% reduction in CO2 emissions/MB of traffic (March 2010).   | Developing the 2006-10 Energy Efficiency Plan.   | End March 2010  | Achieve a 35% reduction in CO2 emissions/MB of traffic since 2006  | March 2010 |
| Reduce CO2 emissions so as to contribute towards achieving the Group's target of reducing all emissions by 50% compared to the 2006-07 figures (March 2020).   | New measures being implemented to contribute towards the target  | End March 2010  | Reduce CO2 emissions so as to contribute towards achieving the Vodafone Group's target of reducing all emissions by 50% compared to 2006   | March 2020 |
|  |  |   | Develop a new Energy Efficiency Plan that includes the Network and Offices.  | March 2010 |
|  |  |   | Replace 6% of the company fleet vehicles with less polluting vehicles.   | March 2012 |

We said..

We have

We will

| Handsets and Waste  |  | Progress       |  | Date       |
|---|--|----------------|--|------------|
| Continue to implement Reuse and Recycling Systems, with the aim of collecting 17% more telephones than last year  | Done: The amount collected was 62.5% larger than the previous year.              |                | Use sustainable forest management-certified paper in the billing process.  | March 2010 |
|   |  |                | Use more environment-friendly bags in Stores.  | March 2010 |
|   |  |                | Develop an online environmental-issue training and awareness-raising course for employees.   | March 2010 |
| RF Emissions and Health   |  | Progress       |  | Date       |
| Continue gauging stakeholder opinion on Vodafone Spain's performance as regards Mobile Telephony and Health and increase Information Campaigns.   | Opinion surveys and information campaigns carried out.                           |                | Continue promoting specific tasks for communicating "good practices" in telecommunications and their health connections.   | March 2010 |
|   |  |                | Step up the actions with consumer associations, professional associations and other stakeholders, to convey appropriate messages regarding the deployment of mobile communications networks. | March 2010 |
| Responsible Network Deployment  |  | Progress       |  | Date       |
| Continue measuring public opinion about our Network Deployment and improve public acceptance (on the 2006-07 basis).  | Opinion surveys conducted. Public acceptance on the 2006-07 basis has increased. |                |  |            |
| Verify/Audit sub-contractors' compliance with the Responsible Network Deployment Policy (March 2010).   | Underway.  | End March 2011 | Verify/Audit sub-contractors' compliance with the Responsible Network Deployment Policy  | March 2010 |
| Employees   |  | Progress       |  | Date       |
| Improve the Level of Satisfaction in the "People Wellbeing Survey" by 10% using the figures for 2007-08 (March 2011).   | Underway. The level of satisfaction has increased in the People Survey 2008.     | End March 2011 | Improve the Satisfaction Indicator in the Welfare section of the Employee Survey by 10% (using the 2007-08 figure).  | March 2011 |
| Implement the actions which came out of the Equality Plan   | Underway. Pre-diagnosis completed.   |                | Implement the Company's first Equality Plan.   | March 2010 |
| Implement an Induction Programme for new joiners  | Done.  |                | Organise Company-wide Training Programme on the "Total Telecommunication" strategy.  | March 2010 |
| Reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure (March 2011).   | Underway.  | End March 2011 | Reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure  | March 2011 |
| Run campaigns on the safe and healthy use of our products for both employees and anyone else in our environment   | Campaigns conducted (some uploaded to youtube)                                   |                | Conduct new campaign regarding safe use of our products and services valid both for employees and anyone around us.  | March 2010 |
|   |  |                | Development of the "People Plan", derived from the Employee Satisfaction Survey 2008, placing special emphasis on improving team collaboration and change management.                        | March 2010 |
| Suppliers   |  | Progress       |  | Date       |
| Evaluate the performance of 30 local suppliers, using CR as one of the basic pillars of the evaluation, to check what they know, how they act and how they report on the compliance with the Vodafone CEP requirements. | 30 suppliers evaluated.  |                |  |            |
| Design and Implement a System for Handling Non-Compliances in order to systematically assess CR issues in the Supply Chain.   | Irregularity tracking system Implemented.  |                | Draw up a "Guide to working with Vodafone" and distribute it among our main suppliers.   | March 2011 |

# Glossary of Acronyms and Abbreviations

|   |   |
|---|---|
| <b>2G/3G:</b> Second/Third Generation Telephony   | <b>ISO:</b> International Organization for Standardisation                                |
| <b>AA1000APS:</b> AA 1000 AccountAbility Principles Standard  | <b>IVR:</b> Interactive Voice Response  |
| <b>AA1000AS:</b> AA 1000 Assurance Standard   | <b>IWF:</b> Internet Watch Foundation   |
| <b>ADSL:</b> Asynchronous Digital Subscriber Line   | <b>KCQ:</b> Key Control Questionnaire   |
| <b>AECC:</b> Spanish Cancer Association   | <b>KPI:</b> Key Performance Indicator   |
| <b>AETIC:</b> Spanish Association of Electronics, Information Technology and Telecommunications Companies | <b>LISMI:</b> Act on the Social and Labour Integration of the Handicapped                 |
| <b>ARPU:</b> Average Revenue Per User   | <b>LOPD:</b> Data Protection Act  |
| <b>ASIMELEC:</b> Multisectorial Association of Spanish Electronic and Communications Companies            | <b>MERCO:</b> Spanish Corporate Reputation Monitor  |
| <b>ASPAYM:</b> Association for Paraplegia and Major Disabilities  | <b>MMS:</b> Multimedia Messaging Service  |
| <b>BCP:</b> Business Continuity Plan  | <b>MOVE:</b> Mobile Vodafone Expo   |
| <b>BTS:</b> Base Transceiver Station  | <b>MPDL:</b> Movement for Peace, Disarmament and Freedom                                  |
| <b>CCARS:</b> Spanish Scientific Advisory Committee on Radiofrequency and Health                          | <b>NGO:</b> Non-Governmental Organisation   |
| <b>CCC:</b> Customer Care Centres   | <b>NYSE:</b> New York Stock Exchange  |
| <b>CDP:</b> Carbon Disclosure Project   | <b>ODP:</b> Ozone Depletion Potential   |
| <b>CDTI:</b> Centre for the Development of Industrial Technology  | <b>OHP:</b> Occupational Hazard Prevention  |
| <b>CEAPAT:</b> National Centre for Personal Autonomy and Technical Aids                                   | <b>OMIC:</b> Municipal Consumer Information Bureau  |
| <b>CENIT:</b> National Strategic Consortia of Technical Research  | <b>ONCE:</b> Spanish National Blind Organization  |
| <b>CEP:</b> Code of Ethical Purchasing  | <b>PC:</b> Personal Computer  |
| <b>CERMI:</b> Spanish Committee of Representatives of Disabled People                                     | <b>PEGI:</b> Pan European Game Information  |
| <b>CIDAT:</b> Blind Technology Research, Development and Application Centre                               | <b>PIN:</b> Personal Identification Number  |
| <b>CNSE:</b> Spanish Confederation of the Deaf  | <b>PREDIF:</b> The Physically Disabled Representative Platform                            |
| <b>COCEMFE:</b> Spanish Coordinator of the Physically Disabled  | <b>PRM:</b> Process Reference Model   |
| <b>COSO:</b> Committee of Sponsoring Organisations  | <b>RCM:</b> Risk Control Matrix   |
| <b>CR:</b> Corporate Responsibility   | <b>RD:</b> Royal Decree   |
| <b>CRE:</b> Spanish Red Cross   | <b>RND:</b> Responsible Network Deployment  |
| <b>CRRRA:</b> Corporate Register Reporting Awards   | <b>SAR:</b> Specific Absorption Rate  |
| <b>CSC:</b> Customer Service Center   | <b>SATI:</b> Technical Advice and Information Service                                     |
| <b>EBITDA:</b> Earnings Before Interests, Tax, Depreciation and Amortisation                              | <b>SETSI:</b> Secretariat of State for Telecommunications and for the Information Society |
| <b>ELCA:</b> Entity Level Control Assessment  | <b>SIM:</b> Subscriber Identity Module  |
| <b>EMF:</b> Electromagnetic Fields  | <b>SIMAP:</b> Intelligent System for Monitoring Personal Alerts                           |
| <b>FEMP:</b> Spanish Federation of Municipalities and Provinces   | <b>SMS:</b> Short Message Service   |
| <b>FRS:</b> Fraud, Risk and Security  | <b>SOX:</b> Sarbanes-Oxley  |
| <b>GDP:</b> Gross Domestic Product  | <b>SPM:</b> Supplier Performance Management   |
| <b>GGPM:</b> Group Governance and Policy Manual   | <b>TRC:</b> Telecommunications Regulatory Commission                                      |
| <b>GPRS:</b> General Packet Radio Service (2.5G: 2.5 Generation)  | <b>UMTS:</b> Universal Mobile Telecommunications System (3G: 3rd Generation)              |
| <b>GRI:</b> Global Reporting Initiative   | <b>UNICEF:</b> The United Nations Children's Fund   |
| <b>GWP:</b> Global Warming Potential  | <b>UPC:</b> Catalonia Polytechnic University  |
| <b>HSDPA:</b> High Speed Downlink Packet Access   | <b>UPM:</b> Madrid Polytechnic University   |
| <b>ICT:</b> Information and Communication Technologies  | <b>UPV:</b> Valencia Polytechnic University   |
| <b>INREDIS:</b> Interfaces for Relationships between the environment and People with Disabilities         | <b>USB:</b> Universal Serial Bus  |
| <b>ISAE 3000:</b> International Standard on Assurance Engagement 3000                                     | <b>WAI:</b> Web Accessibility Initiative  |
|   | <b>WHO:</b> World Health Organization   |
|   | <b>WWF:</b> World Wildlife Foundation   |



# Key Indicators

## Financial Data

|   | 2008-09 | 2007-08 | 2006-07 |
|---|---------|---------|---------|
| Total turnover (€ mn)                               | 6,982   | 7,170   | 6,637   |
| Turnover per service (€ mn)                         | 6,435   | 6,576   | 5,992   |
| EBITDA (€ mn)                                       | 2,287   | 2,566   | 2,312   |
| Cash Value Added (€ mn)                             | 2,515.5 | 2,802.4 | 2,546.6 |
| Purchases of Products and Services (€ mn)           | 4,963.8 | 4,988.5 | 4,619.7 |
| Investments (€ mn)                                  | 740     | 744     | 807     |
| Average monthly ARPU (€) (excluding fixed services) | 31      | 35.4    | 35.2    |
| % contract customers                                | 59%     | 58%     | 54.8%   |
| N° of Customers (millions)                          | 16.91   | 16.04   | 14.89   |
| 3G Devices (000's)                                  | 7,070   | 5,264   | 2,890   |
| % 3G device penetration (as % of customer base)     | 41.8%   | 32.8%   | 19.4%   |

## Environmental

|  | 2008-09   | 2007-08   | 2006-07   |
|--|-----------|-----------|-----------|
| Network Energy Consumption (MWh)                                     | 230,617.3 | 216,185.5 | 207,365.1 |
| CO2 emissions derived from Network energy consumption (Tn)           | 66,611.8  | 68,826.3  | 68,568.3  |
| Energy consumption per network element (Kwh/BTS)                     | 11,005.9  | 10,985.0  | 12,815.7  |
| CO2 emissions per network element (Kg/BTS)                           | 3,179.0   | 3,499.4   | 4,237.7   |
| Energy Consumption per customer (Kwh/n° customers)                   | 13.6      | 13.5      | 13.9      |
| CO2 emissions per customer (Kg/n° customers)                         | 3.9       | 4.3       | 4.6       |
| Energy efficiency: Energy saving (Cumulative Mwh since 2003-04)      | 73,314.1  | 40,781.1  | 19,290.6  |
| Energy efficiency: CO2 emission saving (Cumulative Tn since 2003-04) | 22,333.9  | 13,397.1  | 6,606.3   |
| Videoconferencing Saving on CO2 emissions (Cumulative Tn)            | 2,426     | 1,315     | 546       |
| N° of handsets recycled and reused (units)                           | 276,535   | 170,129   | 100,135   |
| Paper consumed per employee (Kg)                                     | 13        | 20        | 24        |
| Recycled paper per employee (Kg)                                     | 74        | 49        | 64        |
| Packaging marketed. Paper and cardboard (Tn)                         | 184.6     | 136.3     | 228.4     |
| Packaging marketed. Plastic (Tn)                                     | 57.8      | 67.7      | 55.4      |
| Water Consumption (m <sup>3</sup> )                                  | 121,287   | 123,443   | 154,320   |

## Social

|   | 2008-09 | 2007-08 | 2006-07 |
|---|---------|---------|---------|
| Funds allocated by the Vodafone Foundation Spain to community involvement projects (€000's) | 5,937   | 6,123.3 | 5,887.3 |
| N° of Students on University and Postgraduate Courses (cumulative historic)                 | 1,925   | 1,791   | 1,620   |

## Employment

|  | 2008-09 | 2007-08 | 2006-07 |
|--|---------|---------|---------|
| Number of employees                              | 4,323   | 3,939   | 3,959   |
| % Open-ended contracts (full-time and part-time) | 98.2%   | 97.8%   | 97.2%   |
| % Women  | 43.9%   | 44.4%   | 43.4%   |
| % Women in Management Positions                  | 27.8%   | 27.2%   | 27.6%   |
| N° hours training/ employee                      | 55.2    | 72.9    | 86.3    |
| Accident Frequency Rate                          | 485.0   | 456.3   | 320.7   |



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