

# Contributing to a sustainable future

Corporate Responsibility Report 2009-10



**This is Vodafone Spain's seventh Corporate Responsibility Report, in which we outline our company's social and environmental issues, and which covers our financial year 2009-10 (1 April 2009 to 31 March 2010).**

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

For these key issues, and to ensure that our actions remain transparent, the report is organized in the same way so as to remind and indicate the extent to which we have met the commitments set out in our previous CR Reports, and our next commitments, 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, and the applicable contents of our website, have been drawn up in accordance with the Vodafone Group's Internal Guidelines, the recommendations of the "Sustainability Reporting Guidelines" (version 3.0 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). In other words: inclusivity, materiality and responsiveness.



Vodafone Spain has submitted its self-assessment of this report 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**

KPMG has conducted an external verification of the Report, both on the progress in the goals and other aspects of our CR performance, in accordance with International Standard Assurance Engagement 3000 (ISAE 3000) and AA1000 Assurance Standard (AA1000AS) 2008.

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**Contact details**

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



**Vodafone Spain**  
**Responsabilidad Corporativa**  
**Avenida de Europa, 1.**  
**Parque Empresarial La Moraleja.**  
**28108 Alcobendas**  
**Madrid (Spain)**

Or email us at:  
**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)  
[www.twitter.com/vodafone\\_ES](https://twitter.com/vodafone_ES)   
[www.facebook.com/vodafoneES](https://www.facebook.com/vodafoneES)

**Our CR Communications**

Vodafone Spain reports on its CR issue-related management and performance through different channels:

**CR Reports**



**CR Web**



**CR Newsletter**



# Letter from the Chairman and CEO

## Welcome to Vodafone Spain's 2009-10 Corporate Responsibility Report

In an economic scenario that has remained complex since 2008, Vodafone Spain continues to help develop a more prosperous society.

I am convinced that Vodafone and the sector in which we operate will play a vital role in developing a more sustainable future. Our year's investment (more than €610 million) and product and service purchases (more than €4.4 billion) during these difficult economic times prove we are confident of tackling future challenges, and helping us to develop a fast, reliable and high quality network as a platform for supplying communication products and services to all sectors of society.

During 2009-10, we moved forward with our comprehensive telecommunications strategy, introduced flat voice rates, added major innovations to our mobile network and provided a new customer relationship model.

This report summarizes Vodafone Spain's main Corporate Responsibility actions, with the following of particular note:

- Telecommunications provides significant benefits for customers, even the youngest age group, which is why we offer advice and recommendations so that minors use such services safely and responsibly.
- We remain committed to providing vulnerable groups with an extensive range of products and services that enable their social and labour integration. For this we can also count on the work of the Vodafone Foundation Spain, which allocated more than €5.2 million to social projects this year.

- We are bolstering more actions to obtain and maintain the trust of our customers. For example, considerable effort has gone into improving customer service and providing new flat rates.

- We have communicated the benefits of telecommunications as a catalyst for a growth model based on a low emissions economy. In this respect, "machine to machine" (M2M) intelligent solutions may result in important savings in CO2 emissions and energy costs in other sectors. What's more, aware of the impact of climate change on our operations, we continue to develop Energy Efficiency Plans, having so far reduced CO2 emissions by 40,000 tons. We have comfortably surpassed the targets set out in our 2<sup>nd</sup> Energy Efficiency Plan.

- We work with a large chain of suppliers whose ethical, environmental and social and labour conduct we must ensure, which is why we continue to assess their behaviour in these fields.

The carrying out of these and other corporate responsibility actions have helped establish Vodafone Spain's leadership position in the 2009 Accountability Rating. We feel especially proud of this because it is a recognition of our actions by the society in which we operate.

None of these actions would have been possible out without the involvement of our most important asset: our employees. So, our "Best Place to Work 2010" award is reassertion of the good climate that exists in our organization and encourages us to continue along the sustainability path to tackle society's future challenges and needs.



Vodafone and the sector in which we operate will play a vital role in developing a more sustainable future".

Mr. Francisco Román  
Chairman and CEO

# Vodafone's Profile

## Vodafone Group

The Vodafone Group is a world leader in supplying communications services, including voice, Internet access, messaging and other data services and is present on the five continents.



Vodafone's Subsidiaries (24)		
Where the Vodafone Group has operational control or owns more than 50% of the equity in the company.		
Europe	Central Europe and Africa	Asia - Pacific and Middle East
<ul style="list-style-type: none"> <li>Albania</li> <li>Germany</li> <li>Greece</li> <li>Ireland</li> <li>Italy<sup>1</sup></li> <li>Malta</li> <li>Netherlands</li> <li>Portugal</li> <li>Spain</li> <li>United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>Czech Republic</li> <li>Dem. Rep. of the Congo</li> <li>Ghana</li> <li>Hungary</li> <li>Lesotho</li> <li>Mozambique</li> <li>Romania</li> <li>South Africa</li> <li>Tanzania</li> <li>Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Egypt</li> <li>India</li> <li>New Zealand</li> <li>Qatar</li> </ul>

Joint Ventures (5)	
Where it shares joint control with at least one other party.	
<ul style="list-style-type: none"> <li>Vodafone Fiji</li> <li>Polkomel (Poland)</li> </ul>	<ul style="list-style-type: none"> <li>Indus Tower (India)</li> <li>Vodafone Hutchison Australia (VHA)</li> </ul>

Associates (3)
Where it has significant influence, but not control.
<ul style="list-style-type: none"> <li>Safaricom (Kenya)</li> <li>SFR (France)</li> <li>Verizon Wireless (US)</li> </ul>

Investments
Where it does not have significant influence (usually less than 20% ownership).
<ul style="list-style-type: none"> <li>Bharti Airtel (India)</li> <li>China Mobile (China)</li> </ul>

The Vodafone Group's goal is to be the communications leader in an increasingly connected world. To that end, it provides a full range of integrated mobile and PC communications services, both via 3G and HSPA wireless technologies and fixed broadband.

Vodafone's customers can use different devices to access our products and services, including mobiles and fixed handsets, and laptops and desktop PCs.

Vodafone is one of the world's largest mobile communications companies in revenue terms. It is also Europe's top operator by market capitalization and the third worldwide.

Its 341 million proportionate<sup>2</sup> customers include consumer and enterprise customers.

The Vodafone Group's organizational structure is divided into three business regions:

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

In addition to subsidiaries, the Vodafone Group has associates, and other investments and partnership agreements in different countries.

Vodafone Group Data (31 March 2010)		
	2009-10	Δ with respect to 2008-09
Total turnover (£ mn)	44,472	+ 8.4%
Revenue from data services (£ mn) <sup>3</sup>	4,051	+19.3%
Revenue from fixed line services (£ mn)	3,289	+7.9%
EBITDA (£ mn)	14,735	+1.7%
Free cash flow (£ mn)	7,241	+26.4%
Capitalization (£ bn) (31 March)	80,048	+24.3
Adjusted EPS (pence)	16	-6.2%
N <sup>o</sup> proportionate customers (millions)	341.1	+12.7%
N <sup>o</sup> employees	84,990	+7.5%

<sup>1</sup> Vodafone Italy is classified as a "joint venture", but the Vodafone Group owns 76.9% of the share capital.

<sup>2</sup> Adjusted to show the Vodafone Group's proportionate share.

<sup>3</sup> Excluding messaging.

# 1

## Vodafone's Profile

Vodafone Group  
Vodafone Spain

## Vodafone Spain

In the financial year 2009-10 we have committed ourselves to launching new services and rates that let customers make the most of telecommunications in this tough economic environment. We have also kept on investing and cut operating expenses to safeguard our margin.

A key highlight this year has been the full integration of fixed telephony services, where we performed very well in sales terms and reported very significant growth.

### Vodafone Spain Figures (31 March 2010)

	2009-10	Δ with respect to 2008-09
Total turnover (€ mn)	6,453	-7.6%
Total revenue from services (€ mn)	5,985	-7.0%
Voice services revenue (€ mn)	4,360	-9.1%
Revenue from data services (€ mn), excluding messaging	551	+10.2%
EBITDA (€ mn)	2,211	-3.3%
N° customers (000's)	16,745	-1.0%
N° DSL customers (000's)	641	+40.6%
N° Employees	4,383	+1.3%
Capex (€ million)	610.7	-17.5%

### What do we do?

#### Network

Base Stations	> 23,000
Co-located sites (2G and 3G)	> 5,900
Stations shared with other Companies	> 7,900
Switching Centres	35

#### Products and Services

Handset models released in 2009-10	129
Voice calls (million minutes)	> 35,500
SMS and MMS messages (million)	> 4,800
Roaming (Agreements with operators from other countries)	1,310

#### Brand Presence and Retail Outlets

Stores owned	81
Stores Franchised	212
Annual transactions (in own stores)	1,116,131
N° Employees in own stores	377
Customer Service (average n° of calls/day)	356,281

### What are the related CR issues?

Network	CR Report Chapter
Energy Consumption and Climate Change	Chap. 5
RF Emissions and Health	Chap. 5
Network Roll-Out	Chap. 5
Wastes	Chap. 5
Health and Safety	Chap. 4
Supply Chain	Chap. 4
Services	
Product and Service Accessibility	Chap. 3
Safe and Responsible Use	Chap. 3
Reporting to Customers	Chap. 3
Privacy	Chap. 3
Supply Chain	Chap. 4
Brand Presence and Retail Outlets	
Responsible advertising and marketing	Chap. 3
Handset Reutilization and Recycling	Chap. 5
Clear and transparent tariff information	Chap. 3
Accessibility to installations	Chap. 3

# €6,453

million in turnover

# + than 35,500

million voice minutes carried

# €2,349.5

million - Vodafone Spain's contribution to the domestic economy

### Our direct economic impact

€ mn	2009-10	2008-09	2007-08
Purchases	4,436.4	4,963.8	4,988.5
Tax	514.9	674.8	623.6
Salaries and Bonuses	242.9	191.3	210.3
Social Security	44.2	42.9	40.1
Pension Plan Contributions	4.9	4.7	4.5
Growth withholding	867.8	-409.9	1,222.4
<b>Cash Value Added<sup>1</sup></b>	<b>2,349.5</b>	<b>2,515.5</b>	<b>2,802.4</b>
Grants received from the Administration (2009-10) (€ 000's)			
Capital grants awarded in the financial year		2	
Operating grants		1,897	

<sup>1</sup> Cash Value Added: Value of the revenue from products and services sold, minus the cost of the products and services bought.

## Market shares

Mobile telephony: The mobile telephony penetration rate in Spain on 31 March 2010 was 112.5 lines per 100 inhabitants and Vodafone Spain's market share of mobile lines represented 30.43% of the total<sup>1</sup> (Fig. 1).

Fixed telephony: On 31 December 2009, Vodafone Spain's market share of fixed telephony (in all segments) was 5.8%<sup>2</sup>.

## Economic impact of ICTs

Information and Communication Technologies (ICT) contribute decisively to enhancing people's quality of life, and help businesses to become more productive and competitive. In recent years, ICT use has mushroomed in Spain, and not only have they attracted new users, but have transformed and specialized the way that existing users do business.

The report drafted by the European business associations of the ICT sector at the request of the Spanish government, and on the occasion of the Spanish Presidency of the European Union during the first half of 2010, gives the following data for Europe:

- Europe's ICT sector accounted for a total revenue of €718 billion in 2008.
- 40% of productivity growth is due to the ICT sector.
- Broadband based innovation has the potential to create up to one million additional jobs and a related growth of economic activity of €849 billion by 2015.
- Europe ICT sector represents more than 6 million employees.

In this respect, the report states that "ICTs will play a key role in Europe's ability to move forward into the future. Deployed properly, ICTs can help to reduce carbon usage and promote sustainability, can support better delivery of public services to all Europeans, can create jobs and equip Europe's workforce for the 21<sup>st</sup> century economy, and can enhance Europe's ability to compete in the global marketplace.

As far as Spain goes, the total gross added value generated by ICTs and audiovisual services accounted for 22.5% of Spanish GDP in 2008. On the same basis, the sector is estimated to have generated more than 1.5 million jobs, representing around 7.5% of all Spanish workers that same year. During 2008, in Spain the sector invested nearly €13 billion<sup>3</sup>.

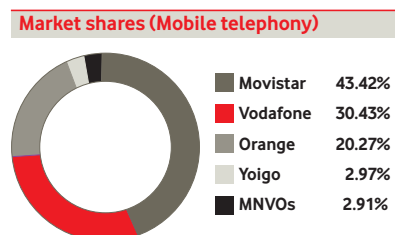


Fig. 1

# 30.4%

mobile telephony market share

<sup>1</sup> TRC. Monthly Release, March 2010 (www.cmt.es).

<sup>2</sup> TRC. Quarterly Report March IVT-2009.

<sup>3</sup> Networked Society 2008. Annual report issued by the Royal National Observatory of Telecommunications and the Information Society.



# 1

## Vodafone's Profile

Vodafone Group  
Vodafone Spain

### Products and Services for Corporate and Residential Customers

The latest launches include the following new features of Vodafone Spain's Commercial Offering:



**"Vodafone in your home"**. A new service underpinning Vodafone's strategy of innovation, customer experience and fixed-mobile replacement. The service does not entail paying any line subscription or telephone rental charges, nor does it require any installation or changing their telephone number.



**"Vodafone DSL"**. With all the advantages of fixed broadband and the versatility of mobile services, customers can subscribe to Vodafone DSL at any Vodafone point of sale, collect the devices and install them themselves at home. With this product, Vodafone Spain became the first alternative operator with the same offering throughout Spain.



**"Vodafone Office"**. This bundles all of a company's communications, fixed and mobile, voice and data, in a single solution that lets users stay "always on". The Vodafone Office suite of services features:

- Traditional advantages of fixed telephony.
- Exchange functions managed from "the cloud".
- Vodafone Office DSL.



**"Always with You Internet"**. After launching this service, Vodafone Spain became the first operator with a bundled DSL and mobile broadband offering with a single flat rate. The solution lets customers surf the Net anywhere and at any time, and both from a traditional desktop PC or a laptop, with a single flat rate that is valid for all uses.

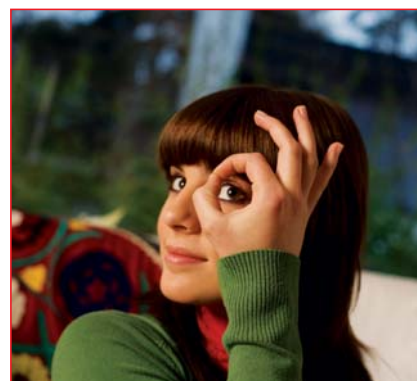


**"Vodafone Business Place"**. Vodafone Business Place allows Vodafone's Partners to develop innovative applications and services, making them available to Vodafone's business customers through its commercial portal.



**"Vodafone 360"**. This open solution platform combines mobile Internet and PC/Mac internet. The key services of Vodafone 360 includes: Vodafone People, the Applications Store, Maps, and My Web. Vodafone 360 makes it easier for you to update your status

on social networks and synch content between your mobile and PC or Mac.



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

# CR Strategy

**We believe Vodafone can contribute to a more sustainable future by promoting the positive economic, social and environmental impacts of our activities.**

That is why the Vodafone Group has established a set of strategic CR goals applicable to the group's different operators based on their local characteristics, and which also help to define their respective priority lines.

Vodafone Group's strategic CR Goals	Vodafone Spain's priority CR lines
Be recognized as a communications company making one of the most significant contributions to achieving the Millennium Development Goals. <b>March 2015.</b>	Access to Communications and Social Contribution.
Offer an option facilitating hearing impaired, visually impaired and elderly customers access to telecommunications services in every market. <b>March 2011.</b>	Responsibility towards our customers.
Be recognized as a "green" brand in at least 75% of the developed markets where we operate. <b>March 2012.</b>	Responsibility in our Operations.
Contribute to building capacity to manage electronic waste in three emerging markets. <b>March 2012.</b>	Energy and Climate Change.
Reduce CO2 emission by 50% against the 2006-07 baseline. <b>March 2020.</b>	Waste Management.
Provide 10 million carbon-reducing M2M connections. <b>March 2013.</b>	Supply Chain.
Develop joint CO2 reduction strategies with suppliers accounting for 50% of procurement spend. <b>March 2012.</b>	Employees.
Ensure that suppliers accounting for 50% of procurement spend have adopted the GeSI (Global e-Sustainability Initiative) common industry approach. <b>March 2012.</b>	

Vodafone Spain's CR priority areas are illustrated in our value chain (See Fig. 1).

Dialogue with our stakeholders allows Vodafone to identify and prioritize their needs and expectations, responding to them in the most appropriate and balanced way.

Our Corporate Responsibility Strategy is directly related to both the business strategy and our management framework, based on our business principles and policies that help to ensure that these are applied (See Fig. 2). For further information, go to [www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad) and [www.vodafone.com/responsibility](http://www.vodafone.com/responsibility)

Business Principles	Policies
<p>The Business Principles outline the procedures that everyone who works in the Company must follow with respect to:</p> <ol style="list-style-type: none"> <li>1. Value Creation.</li> <li>2. Public policy.</li> <li>3. Communications</li> <li>4. Customers</li> <li>5. Employees.</li> <li>6. Individual Conduct.</li> <li>7. Environment.</li> <li>8. Communities and society.</li> <li>9. Health and Safety.</li> <li>10. Business Partners and Suppliers.</li> </ol>	<p>We have established policies concerning:</p> <ul style="list-style-type: none"> <li>Our Customers.</li> <li>Our Employees.</li> <li>Our Company.</li> <li>Legal and Regulatory Framework.</li> <li>Our Community and Environment.</li> </ul>

Fig. 2

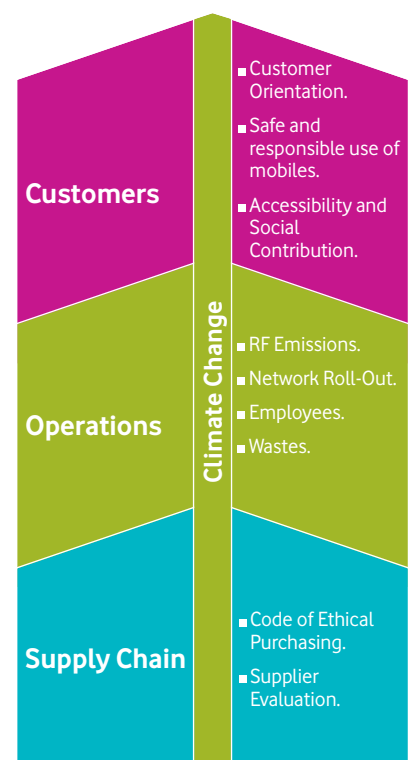


Fig. 1



## Corporate Governance

The Vodafone Group Governance and Policy Manual (GGPM) redrafted during 2008-09 as part of an alignment process with new guidelines issued by COSO (Committee of Sponsoring Organizations of the Treadway Commission), a leading international body in the internal management control of companies, is the reference framework for different corporate governance and risk management mechanisms in the Vodafone Group and its subsidiaries or associates.

Vodafone Spain guarantees the alignment of its policies and local procedures with the GGPM through a procedure which ensures the analysis of each new GGPM version, notification of changes to people locally responsible for each policy, and the definition and implementation of action plans to adapt Vodafone Spain's policies and procedures to changes in the Vodafone Group's governance framework (Fig. 1).

### Vodafone Group Governance Framework

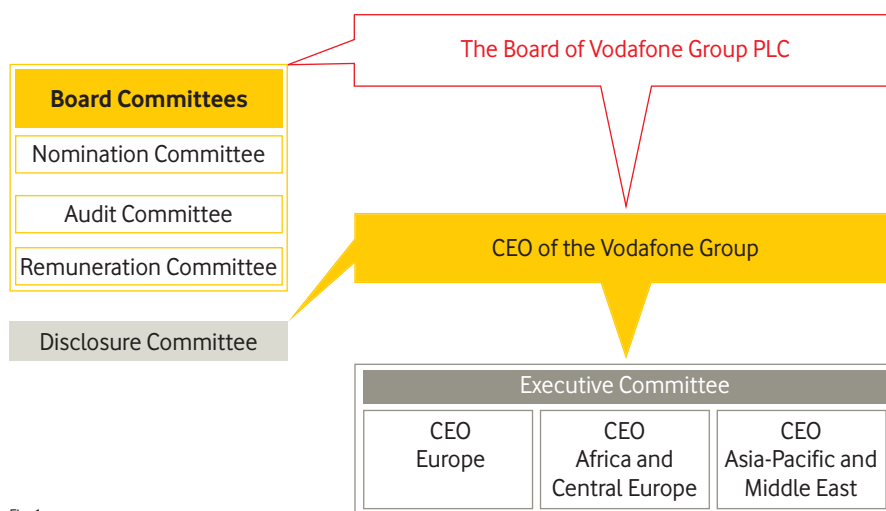


Fig. 1

Every six months, the Chairman, CEO and Director of Administration, Finance and Control of Vodafone Spain inform the Vodafone Group of the level of compliance with the policies included in the GGPM, through the Financial Certificate.

In addition and to gain an overview of the degree of compliance with the different policies included in the GGPM by the Vodafone Group's different operators, including Vodafone Spain, during 2008-09 the internal audit department produced a group-wide review, or simultaneous audit, which involved a significant number of Vodafone Group operators. The results of this audit, presented in June 2009, show a "good" level of compliance, the best rating obtainable according to the standard applied by Vodafone's internal audit department. All the improvement opportunities identified for Vodafone Spain have already been implemented during 2009-10.

Other instruments that are used with regard to controls and good practices are the Risk Control Matrix instruments associated with each of the business process defined in the Process Reference Model (PRM). The PRM, operational since 2008-09, identifies and describes the main business processes and is the reference for different activities such as planning the internal audit activity, the key control questionnaire (KCQ) and observance of the Sarbanes-Oxley Act.

At the end of 2009, it was announced that the Vodafone Group was involved in a dispute with Spain's Inland Revenue. The point of disagreement is related to the tax system of one of the Vodafone Group's subsidiaries, Vodafone Holdings Europe, which has its head office in Spain.

This subsidiary was established in Spain under the ETVE (Holders of Foreign Securities) Act, introduced by the Government to attract foreign investment. The start of its activity coincided with that of many other multinational companies with the same aim.

The dispute concerns a technical legal issue which hinges on whether certain corporate expenses are deductible or non-deductible, and stems from a ruling issued by the administration and not the courts of justice. The discrepancy is over whether Vodafone Holdings Europe has applied the tax regulations properly.

In Vodafone we believe that our subsidiary has acted according to the law at all times and we trust that the courts will ultimately rule in our favour.



## Administrative bodies of Vodafone Spain

### Board of Directors

The members of the Board of Directors of Vodafone Spain are:

- Chairman and CEO: Mr. Francisco Román Riechmann.
- Director: Mr. Miguel Orúe-Echebarría López.
- Director: Mr. Julián Oncina Moranchel.
- Director: Mr. Antonio García-Urgelés Capdevilla.
- Secretary (Non-Member): Mr. Pedro José Peña Jiménez.

### 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.

### Processes in place for the highest governance body to ensure conflicts of interest are avoided:

Vodafone Spain complies with all internal guidelines established on avoiding conflicts of interest and anticorruption and management payment policies contained in the GGPM. Likewise, the directors comply with legal obligations for notifying the company of any conflict of interest.

### Executive Committee

This Committee is the highest decision-making body, and its members are:

- Mr. Francisco Román.
- Mr. Antonio García-Urgelés.
- Mr. Julián Oncina.
- Mr. Miguel Orúe-Echebarría.
- Mr. Javier Jaquotot.
- Mr. Jaime Bustillo.
- Ms. Sylvia Jarabo.
- Mr. Pedro Díaz.

### Audit Committee

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 Riechmann.
- Mr. Miguel Orúe-Echebarría López.
- Mr. Joel Walters.

Attending non-members:

- Mr. José Ángel Hernández.
- Mr. Sergio Regueiro Cherniavsky.
- Mr. Pedro José Peña Jiménez.

### Advisory Board

Vodafone Spain has an Advisory Board, whose main function is to advise on issues of importance to the Company and which is made up of the following persons:

- Mr. Tristan Garel Jones.
- Ms. Helena Guardans.
- Mr. Pedro Ballvé.
- Mr. Gregorio Marañón.
- Mr. Carlos Barrabés.

### Decision-Making Committees

The structure of Vodafone Spain's governing bodies also includes several steering committees (see fig. 2), which meet according to the regular intervals shown 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 Director of Programme Management, these matters will be included in the applicable Committee's agenda.



Fig. 2

Corporate Governance  
Stakeholder Involvement  
Managing CR

### 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 in and which resulted in a loss of confidence in the financial markets.

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

During 2009-10, Vodafone Spain updated the documents and tests on the operational effectiveness of controls introduced in the most significant business processes. This process culminated with the local certification from the Chairman, CEO and Director of Administration and Finance of Vodafone Spain, reporting to the Vodafone Group.

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

Additionally, during the year Vodafone Spain provided training courses for the company's employees most closely involved in SOX certification to raise awareness and enhance knowledge of existing company processes for alignment with the Act.

### Key Control Questionnaire (KCQ)

In addition to the work associated with observing the Sarbanes-Oxley Act, every year Vodafone Spain uses a self-assessment tool for internal control called the Key Control Questionnaire (KCQ). This questionnaire assesses the level of internal control by people responsible for each business process and the level of local compliance with the GGPM by staff responsible for each Vodafone policy.

Once all this year's assessments for proper internal control of Vodafone Spain were collected, the report was sent by the Chairman, CEO and Director of Administration and Finance to the Vodafone Group.

### Anti-Fraud and Corruption actions

Every three months, the Fraud, Risk and Security (FRS) Department sends a Quarterly Fraud Report to the Vodafone Group, detailing any fraud and corruption action-related incidents that may have arisen during the period; and every month it sends a Monthly Internal Fraud Report, listing any possible internal incidents.

On 31 March 2010, Vodafone Spain's Fraud, Risk and Security Committee approved a new version of the risk map which identifies possible fraud and corruption scenarios. This map is aligned with SOX controls for fraud risk management and is also subject to annual review to update the risk scenarios considered.

No corruption incidents were recorded in Vodafone Spain during 2009-10.

+ than **1,500**  
employees attended Anti-corruption  
course

#### Anti-Fraud and Corruption actions



During February and March 2010, more than 1,500 employees went on an online anti corruption course to gain an insight into anti corruption regulations which, as employees, they must observe in their daily work.



During 2009-10, all of Vodafone Spain's employees had to attend an online course on Fraud, Risk and Security, informing about existing basic security regulations.

# Stakeholder Involvement

An essential part of our Corporate Responsibility Management involves listening and responding to the needs and expectations of our stakeholders (all those people, groups or organizations that affect our business or which are affected by it). Their opinions help us to understand and prioritize their expectations in order to respond effectively.

The type of relations we have with each stakeholder depends on their respective characteristics. We have processes that allow us to establish systematic communication with each of them, identifying their expectations and the extent to which these are fulfilled.

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

■ **Customers. Surveys** are conducted each quarter to find out their CR expectations and priorities, as well as their perception of our performance in CR areas.

We also provide our customers with different channels to communicate **incidents and complaints** (See Chapter 3: "Customers").

Furthermore, when necessary, we hold **focus groups** on specific issues to find out more about certain expectations. (See fig. 1).

■ **Opinion-Makers.** The expectations and priorities of this stakeholder are collected by analysing various **market studies** carried out by **specific publications**.

There is also continuous monitoring and analysis of **news** that appears in the press.

In addition, annual meetings are held with **consumer associations** to discover their expectations and perception of our performance in CR areas.

What's more, our continuous contact with **third sector** organizations means we are aware of their needs and can respond to them through the launch of different Social Projects, Products and Services (See Chapter 3: "Customers" and Chapter 4: "Society").

■ **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, which are included in the pertinent collective bargaining agreements.

■ **Public Administrations and Regulatory Authorities.** Vodafone Spain's **continuous contact** with representatives from **public administrations and the regulator** allows us to discuss matters related to our business with them. Once a year there is an **assessment** of the stakeholder's expectations and perceptions on different CR matters with the Vodafone employee responsible for the stakeholder.

Vodafone continues to participate in the "Business and Parliament Training Programme" promoted by the Businessmen's Circle. The fourth course started in November 2009 and finished in June 2010. This programme helps to promote knowledge, awareness and exchange of experiences between MPs and businesses to better perform their respective functions.

■ **General Public/Local Communities.** Each quarter **surveys** are carried out to remain abreast of the general public's expectations and perceptions on CR matters related to our activities.

**Focus groups** are also held from time to time with this stakeholder to deal with specific matters (See fig. 1).

■ **Landlords and Residents' Associations.** For this stakeholder, Vodafone Spain has the **Landlords' Call Centre**, which continuously responds to the different needs of the owners of sites where our telecommunications installations are located.

Vodafone Spain tops the Responsible Companies ranking.

**ACCOUNTABILITY RATING 2009**

Vodafone Spain came first in the 2009 "Accountability Rating Spain", the global index that assesses the corporate responsibility rating of the world's leading companies.

Vodafone "Green Brand"

To identify what actions Vodafone should carry out to be considered an environmentally respectful company and to what extent it could also be "greener" through its products and services, various focus groups were held in October 2009 with the participation of customers, the general public and employees.



One of the actions carried out as a result of these focus groups was the launch of the Vodafone Samsung Blue Earth green phone.

Fig. 1

Other actions with consumers' organizations.

During 2009-10, vulnerable groups continued to receive training on certain Vodafone products. Through consumer organizations, training courses on how to use a mobile phone were given to elderly people in various centres of the autonomous region of Madrid and regional government of Castille - León.

There was also participation in mobile telephony round tables, seminars etc. organized by national and regional consumer organizations.

**Landlords' call centre**  
**607 100 101**



<http://tienda.vodafone.es/>

## 2

## CR Strategy

Corporate Governance

Stakeholder Involvement

Managing CR

- **Suppliers/ Strategic Allies.** As part of the supplier performance **Qualification, Assessment and Optimization** process, Vodafone Spain jointly establishes with its suppliers improvement actions to be carried out by them according to their respective circumstances (See Chap 4: "Society").
- **Franchises.** Each year with the internal person responsible for this stakeholder there is an **assessment** of their CR expectations and perceptions.
- **Knowledge Makers.** The different activities in which we are involved in universities, business schools etc. allow us to determine their expectations and perceptions. (For further information, go to [www.vodafone.es/rcenvodafone](http://www.vodafone.es/rcenvodafone))

All stakeholders are provided with a **Corporate Responsibility mailbox** where they can send any comment, complaint or suggestion on a CR issue.  
[responsabilidad@corp.vodafone.es](mailto:responsabilidad@corp.vodafone.es)

### Identification and reporting of important issues

Using the above-mentioned channels, we analyse at least once a year the expectations of our stakeholders and identify priority areas in the management of our respective annual CR programmes.

Through this internal process and bearing in mind the Precaution Principle, after carrying out the risk analysis on 31 March 2010 the most important CR issues for our business are identified in Fig. 5.

#### List of most material CR issues (31/03/2010)

- |  |  |
|--|--|
| 1. Clear and transparent communication of prices and rates. (See Chap. 3). | 6. Recycling and reusing mobiles and wastes. (See Chap. 5).  |
| 2. Products and services with high social value. (See Chap. 3 and 4).      | 7. Safe and responsible use of mobiles. (See Chap. 3).       |
| 3. Communication of RF emissions and health. (See Chap. 5).                | 8. Responsible network deployment. (See Chap. 5).            |
| 4. Climate change and environmental impact. (See Chap. 5).                 | 9. Suppliers/Employees/Community Involvement. (See Chap. 4). |
| 5. Responsible advertising/marketing. (See Chap. 3).                       |  |

Fig. 5

Vodafone uses different channels of communication to respond to its stakeholders, namely:

- Annual Publication of the CR Report.
- CR Newsletters (See Fig. 2).
- CR Internal Communication Programme.
- CR Web ([www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)).
- CR mailbox ([responsabilidad@corp.vodafone.es](mailto:responsabilidad@corp.vodafone.es)).

#### "We have a lot to say"



In July 2009, Vodafone Spain presented a new digital publication to disseminate its main CR initiatives. Entitled "We have a lot to say", the new newsletters summarize the main actions carried out by Vodafone Spain in areas affecting society and the environment.

Fig. 2



[www.vodafone.es/rcenvodafone](http://www.vodafone.es/rcenvodafone)  
[responsabilidad@corp.vodafone.es](mailto:responsabilidad@corp.vodafone.es)  
[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 department communicates with employees via different channels, such as:

- E-mail.
- SMS/MMS.

- Banners in the local and global intranet.
- "Vodafone al Día" (the first screen employees see when they log onto the Intranet or Internet).
- The "El Semanal" online bulletin.
- Events: exhibitions, presentations, contests, etc.
- Special multichannel campaigns.

Fig. 3 shows examples of some of the CR issue-related communications organized during 2009-10.

## CR Internal Communications

### Social Products and Services and Vodafone Foundation Spain's activities

- Presentation at MOVEs ("Mobile Vodafone Expo") of the most important social products.
- SMS solidarity campaigns: NGOs, catastrophes, etc.
- CR Newsletter on Socially Responsible Products and Services.
- Global Biking Initiative.
- Júbilo and Aprocor Awards to the Vodafone Foundation Spain.
- Web and store accessibility.



- Earth Day.



### Mobile phone collection, reuse and recycling

- Mobile Muncher campaign to encourage mobile phone recycling.

### Health and Safety

- Flu prevention campaign.
- Blood donation campaigns.
- BCP (Business Continuity Plan) drills: crisis action information and awareness campaign. Drill and remote work testing of all the employees.

### Initiatives for reducing contribution to climate change

- General and specific environmental courses.
- E-invoice for customers.



### Employee's welfare benefits

- WellFlex, flexible compensation plan.
- Social and Care Fund Announcements.

### Vodafone as a responsible company

- Announcement of the Accountability Ranking.
- Top Spain Employees Award.
- Announcement of Vodafone topping the Great Place to Work survey.

- World Environment Day.
- Responsible Driving.
- Collaboration with the ANDANATURA Foundation.
- Collaboration with WWF Spain in the "Earth Hour".
- CR Environmental Newsletter.
- Environmental content in the company's different regular bulletins: El Semanal, Customer Management Bulletin, Technology, etc.



Fig. 3



## 2

## CR Strategy

Corporate Governance  
Stakeholder Involvement  
Managing CR

## Corporate Responsibility Management

The relevant Corporate Responsibility Programme is produced each year in response to our stakeholders' expectations, prioritizing them. This programme covers Vodafone Spain's CR goals and commitments (See Chap. 7: "Commitments").

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 answerable. The Institutional Committee is the body that establishes strategic actions to be followed on corporate responsibility, and annually approves the relevant CR programme.

The Vodafone Spain organization 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, 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.

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.

CR management in Vodafone Spain is embodied with an Environmental Management System, Quality System and Universal Accessibility Management System for the company's own stores, developed according to the ISO 14.001, ISO 9.001 and UNE 170.001-2 standards, 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 authorized certification bodies (See fig. 1).



Fig. 1

### Awards and acknowledgements received by Vodafone during the financial year 2009-10

#### Vodafone Spain: Awards and Position in CR rankings

- **First place in the 2009 "Accountability Rating Iberia"** (Spain and Portugal), the global index that assesses the corporate responsibility rating of the world's leading companies.
- **First place in the 50 Best WorkPlaces 2010** list in the over 1,000 employees category, according to the Great Place to Work Institute.
- Recognized as one of the **"Top Employers España 2009"**, according to the CRF Institute report.
- **2010 HR Excellence Award** for best Human Resources policies from the CRF Institute.
- **Merco:** Vodafone Spain ranked 15<sup>th</sup> overall at the 2010 event.
- **Risk Prevention Award.** The "Healthy Habits" campaign received the "Communication and Dissemination Tasks Award" at the 2009 **"April 28 National Work Health and Safety Awards"**.

#### Vodafone Spain. Awards and Acknowledgements for Products and Services

- **100 Best Ideas Award** from Actualidad Económica for the "Vodafone in your Home" product.
- **2009 Experience Award** in the consumer customer service in the mobile market category which recognizes the best customer service companies through their Customer Relationship Centres (CRC).

- **2009 ICT Quality Awards** from the Spanish Association for Quality.
- **"Best Mobility Solution" Award to Vodafone Office**, at the 2009 MyComputer Awards.
- **Vodafone.es chosen as one of the 20 best "es" domain websites**, at the International Digital Contents Forum (FICOD2009).
- **5-star category to the best product in its category** to Vodafone's USB Stick K4505 modem from PCWORLD magazine.

#### Vodafone Group: Awards and Position in CR rankings

- Vodafone **topped the ICT sector's Two Tomorrows rating** which rates the sustainability performance of companies. Highlighted were its environmental policies and implementation of mechanisms to tackle environmental sustainability problems.
- For the third consecutive year, **the Vodafone Group's CR Report won the best report prize at the 2010 CRR**A (Corporate Register Reporting Awards). Vodafone also won first prize in the "relevance and materiality" category at these awards.
- Vodafone was included in **Ethisphere's 2010 ranking for the world's most ethical companies**.



# Customer Orientation

Our customers are not only at the centre of our business, they are also at the centre of our CR strategy. We are convinced that, if used correctly, our technology can help to build a more sustainable society, giving benefits to our customers and to other stakeholders, whilst creating the conditions to enable our company to prosper in the long term.

Earning and retaining the trust of our customers is essential to achieving that long-term success, and this trust basically depends on three key factors:

- The reliability of our network and our products and services
- The clarity and transparency of our prices, tariffs and marketing materials
- Privacy and the secure and responsible use of communications

Our customers (see Fig. 1) expect high quality from our communications at any time and in any place. In order to achieve this, we have continued to invest in developing and improving our network, whilst taking the current complex economic situation into account.

The application of the Spanish Law on Retaining Data relating to Electronic Communications had an effect on the evolution of Vodafone Spain customer numbers at the close of the financial year, having led to the disconnection of 375,000 prepaid customers due to their failure to identify themselves.

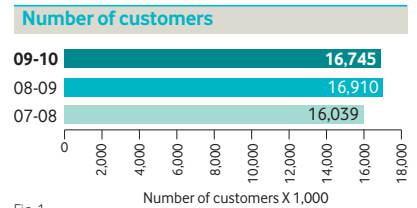


Fig. 1

**16.7** million  
customers

## We have

### Compliance with Advertising and Marketing Codes

Vodafone'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; Unfair Competition Act - Law 3/1991, dated 10 January; as well as, obviously, the values and rights recognized 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.

Vodafone Spain is a member of the Spanish Association for Self-Regulating Business Communication (Asociación para la Autorregulación de la Comunicación Comercial (Autocontrol)). Every year this agency certifies Vodafone Spain's commitment to social responsibility and ethics, by issuing Vodafone Spain a Corporate Social Responsibility Certificate. (See fig. 2).



Fig. 2

# 3

## Customers

### Customer Orientation

#### Safe and Responsible Use

#### Social Products

Likewise, Vodafone Spain 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 2009-10 financial year, only three inquiries were opened against Vodafone Spain for advertising issues:

- 2 fines in inquiries opened by the Asturias Regional Government (€3,700 and €3,601, respectively).
- 1 inquiry opened by the Self-Regulation Association, with no associated fine.

Furthermore, Vodafone supports Confianza Online (Online Trust), an association that is responsible for protecting both commercial communications and the contractual aspects derived from the commercial transactions which companies and public institutions enter into with consumers via the Internet and other electronic and interactive media.



### Innovation in customer care

One of Vodafone's values is "Customer Obsession" and this is reflected in our commitment to customer care. As such, we offer our customers a wide variety of channels via which they can communicate with us, enabling them to choose that which best suits their needs, tastes and consumer habits. In addition to the traditional channels (telephone care, through our points of sale or via e-mail), they can find new, innovative customer care services which allow customers to manage their enquiries quickly and easily.

The customer care channels that we offer continue to diversify through innovation, which is another value of our corporate culture:

#### • Customer care via the voice channel

We are working on improving our voice recognition system (IVR) which was implemented at Vodafone more than six years ago. During the 2009-10 financial year, we have implemented actions to customize the system, depending on the customer segment contacting Vodafone. Likewise, we have developed structures to allow us to anticipate customer needs, pointing them to the service they require and which meets their need at that time.

#### • Customer care via the online channel

Heeding the needs of our customers and following their experience in the use of the short code service (USSD) to manage services from their handset, for the past few years we have been working on developing a global customer care service which is now available to all of our customers.

Using the Mi123 service, customers can access a menu of options on their handset, via which they can manage their services, check their pricing plan, points, spending, etc., and access information and new features that we make available to them.

In general terms, we can affirm that during the 2009-10 financial year, Vodafone Spain committed itself to the use of the online channel, as well as promoting electronic invoicing.

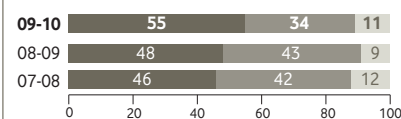
The end result of all these actions was that we led the field in in customer satisfaction, obtaining a Customer Satisfaction Rating of 64 points out of 100 (entire portfolio) in the 2009-10 financial year.

#### Stakeholder Opinion

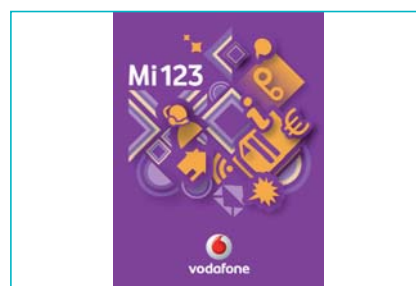
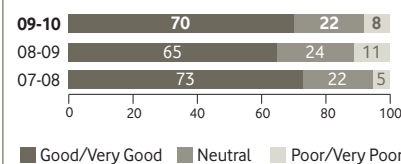
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

**They advertise their products and services responsibly (truthfully, legally, honestly and loyally)"**

#### General public



#### Customers



#### "Customer Day"

The objective of the "Customer Day" initiative, promoted by the Vodafone Group, is that the Steering Committees of all of its subsidiaries dedicate a whole day to learning about our customers' genuine experience with Vodafone and identifying actions which improve this experience. A unique opportunity for making decisions and implementing actions at Executive Committee level.

# 64

customer satisfaction points

## Complaints

Correct management of customer complaints is crucial to maintaining their trust and loyalty. During the 2009-10 financial year, the number of complaints fell slightly compared to the previous year.

The main reasons for complaint continue to be invoice-related issues, particularly regarding charging services and SMS Premium Rate services. (See fig. 3).

However, despite having reduced the incoming complaints at Vodafone, the number of complaints from Official Bodies has increased slightly due to the fact that new, more accessible channels that are more convenient for the customer have been opened in order to speed up and improve the resolution of the problems raised.

As of 31 March 2010, we use electronic means to process complaints received through the Office of the Secretariat of State for Telecommunications and the Information Society (SETSI), from Madrid City Council, the Regional Institute of Arbitration and Consumption for Madrid, and the Catalan autonomous government, and recently through the consumers' organization Facua. The tendency will be for the use of this channel to gradually increase in the future. Likewise, Vodafone has signed up to the Electronic Complaints Form for the autonomous region of Andalusia.

At the same time, the signing of agreements with these bodies is enabling us to achieve a notable reduction in the time taken to process these complaints. Our customers can lodge their complaints via e-mail: [soporte@vodafone.es](mailto:soporte@vodafone.es)

## Prices and Rates

During the 2009-10 financial year, Vodafone Spain has implemented several actions to bring its tariffs in line with customers' needs. As such, with the aim of offering our customers simple and affordable tariffs, it is worth highlighting the May 2009 launch of the Flat Rate Voice Tariffs for mobile telephones.

These flat rate tariffs provide greater freedom of use with greater consumption control. Furthermore, these flat rate voice tariffs include discounts on the other services already offered by Vodafone (DSL, Mobile Internet, Internet on the Move and Vodafone at Home), which enables a significant saving on the total amount spent by our customers on communications.

Meanwhile, thinking of families, the Family Plus Flat Rate Tariff was launched, which makes it possible to control domestic communications expenditure, which is beneficial for both parents and children.

### Free insurance for unemployed customers

Along with the launch of its range of Flat Rate Tariffs, Vodafone Spain included a free insurance policy to cover against unemployment (for employed people) and against temporary disability (for self-employed people). In the event of experiencing one of these situations, Vodafone Spain reimburses the full cost of the Flat Rate Tariff that they have subscribed to through Vodafone for a six-month period.

The positive take-up of this Vodafone initiative has been reflected in the fact that 265,000 customers have benefitted from this free insurance policy.

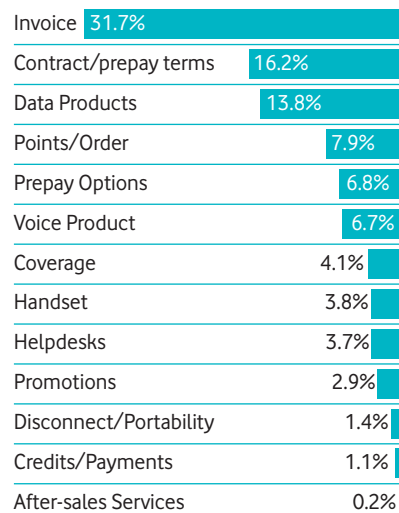


Fig. 3



**265,000**  
customers with unemployment  
insurance policy



[soporte@vodafone.es](mailto:soporte@vodafone.es)

# 3

## Customers

### Customer Orientation

#### Safe and Responsible Use

#### Social Products

Also during the 2009-10 financial year, two forms of Messagemania (Weekend Messagemania and 24-hour Messagemania) were launched, enabling significant savings on messaging services.

Vodafone has remained committed to its fixed-mobile substitution strategy, developing new functionality for its Vodafone at Home product. As such, innovative offers have been launched which focus upon competing in the fixed telephony market. Perhaps the most notable campaign was that of May 2009, which offered Vodafone customers the opportunity to use fixed-line telephony free of charge forever when they subscribed to a flat-rate mobile tariff.

An indication of Vodafone Spain's success and firm commitment to the fixed telephony market is that in the last twelve months the portfolio of customers that have subscribed to the Vodafone at Home Flat Rate Tariff has tripled.

### Roaming

During the 2009-10 financial year, Vodafone Spain has continued to develop its Roaming offering with proposals such as extending the Vodafone Passport to thirteen new Latin American countries in addition to the four existing ones. As such, since July 2009, contract customers who have subscribed to Vodafone Passport can use the aforementioned tariff in the most commonly visited Latin American countries.

Furthermore, Vodafone has reached agreements with some shipping and air operators to offer our customers the opportunity of always being connected and being able to use voice and data services when they need to. That way, they can send and receive calls and messages during their boat journey or flight without having to change mobile number.

In March 2010, we launched Roaming Internet and E-mail, a new daily tariff for browsing the Internet and using e-mail from your mobile telephone when abroad. A tariff that is easy to understand, using which the customer can log on as many times as they want during the 24 hour-period following the initial connection; we continue to adapt the tariffs to meet customer expectations in this manner.

Since 1 March 2010, by way of adapting to the European Union regulation, Vodafone has made a data consumption monitoring service available to all customers (WAP, Web, e-mail and Internet) for the length of their stay in an EU member state.

With respect to the scope of its worldwide coverage, Vodafone Spain has extended its offering with new agreements split between voice, data, prepaid and video telephony. Vodafone currently has 1,310 roaming agreements in 202 destinations around the world.

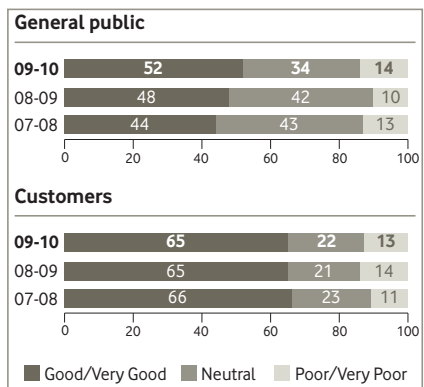
## We will

**Launch at least two new actions to ensure tariffs are better tailored to each customer's profile. March 2011.**

**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 tariffs"



**1,310**  
roaming agreements in 202 countries



# Safe and responsible use of the mobile

**Information and Communication Technologies (ICT) now form part of our daily lives, both in our professional life, and in the way that we communicate with our friends and relatives, etc.**

Meanwhile, young people represent one of the segments which make more intensive use of ICTs and as such they represent great potential. For this reason, as part of the CR actions, we provide advice and recommendations to ensure that minors use ICTs safely and responsibly, since the numerous benefits that they provide of a social, educational and recreational nature are undeniable, so long as they are used appropriately.

Furthermore, the digital divide between parents and their children is becoming increasingly noticeable. Parents and guardians must understand how the new technologies work and extend the messages and shared values which are transmitted to children as they grow up not only to the real world but also to the virtual world created by ICTs. In other words, children must understand that behaviour such as that which they should not engage in the real world, should also be avoided in the virtual world.

At Vodafone, we understand that everyone (parents and children) must derive the maximum benefit from the use of ICTs, and as such we provide information, products and special services, at the same time as maintaining active sector-based collaboration between the various players concerned.

## We said

- Extend parental controls to mobile and fixed broadband. March 2010.
- Comply with the Mobile Alliance's requirements in all browsing environments (mobile, mobile broadband and fixed). Sep. 2009.
- Extend the information available in guides and advice on responsible mobile phone use to Internet and new technologies in general. March 2010.

## We have

### Restricted content access

#### Vodafone Spain's Initiatives

For parents who want their children to have a mobile telephone, Vodafone Spain has been offering parental control solutions since 2004. As such, we offer what is known as the "Youth Profile" which blocks access to content classified as not being recommended for people below the age of 18 (erotic content, chatrooms, dating services, etc., and adult content) on our content portal, and the "Off-Net Filter" which blocks access to adult content (pornography, violence, betting, etc). when browsing outside our portal (mobile Internet). Both controls are offered free of charge.

Furthermore, in order to ensure that minors can browse safely using their computer, in the 2009-10 financial year, Vodafone launched a Security Pack (Internet Security 2009) which provides total protection against potential Internet threats and is easy to use (Antivirus, antispyware and firewall, benign and harmful software recognition, spam and "phishing" e-mail filter, and parental control). The parental control function guarantees that minors cannot access websites which are not suitable for them and cannot use the Internet without the presence of a parent, guardian or teacher.

### Conclusions from the study of safe habits in the use of ICTs by children and adolescents, and their parents' E-confidence. Inteco, March 2009.

In Spain, parents log on to the Internet frequently: almost half of Spanish mothers and fathers do so on a daily basis, and a third access it 2-3 times per week.

Meanwhile, children start using ICTs, specifically the Internet, when they are 10 to 11 years old.

According to this study, the difference lies in the purpose with which both groups log on: whilst adults use the Internet for a specific purpose (to perform a bank transaction, shop online, check the news, etc.), children "are on" the Internet and spend their lives on it (studying, chatting or simply listening to music). For them it becomes a vital reality.





## 3

## Customers

Customer Orientation  
Safe and Responsible Use  
Social Products

Furthermore, Vodafone Spain has implemented systems which prevent users from accessing illicit content of images of sexual abuse of children (in accordance with the database of the "Internet Watch Foundation" - IWF) in all browsing environments (mobile broadband, ADSL and mobile). By doing this, Vodafone Spain has gone further than complying with the requirements of the "Mobile Alliance against Child Sexual Abuse Content", an initiative presented at the "Mobile World Congress 2008", the objective of which is to combat the aforementioned images of the sexual abuse of children through the mobile operators' networks.

### Sector Initiatives

During 2009-10, Vodafone Spain signed the "Action Protocol for the inclusion of information concerning young people's security on the Internet", with Red.es, the public business organization which reports to the Secretary of State for Telecommunications and the Information Society (SETSI). As a result of this agreement, Vodafone Spain committed to reveal the various parental control tools that we have, through the information that is sent with the invoices, so that parents and guardians have access to the information about the recommendations and best practices for protecting the children in their care.

Vodafone honoured this commitment by including information about our parental control tools and systems in the leaflet enclosed with the June 2009 invoices sent to customers.

Likewise, Vodafone Spain as a signatory, along with the other Spanish network operators, of the "Code of Conduct for Children's Safe Use when Accessing Content Services", is continuing to apply and extend the scope of the aforementioned code by participating in the Monitoring Committee formed for that purpose. As such, during the 2009-10 financial year, Vodafone Spain has continued to implement measures for controlling access to content, raising user awareness, as well as collaborating with the security forces. In this respect, it is worth highlighting the conference organized in November 2009 with various Spanish Ombudsmen for Children, in order to share the initiatives carried out in the context of the Code of Conduct, and ascertain their expectations and interests in relation to children's safe and responsible use of ICTs.

### Respectful and well-informed use of the mobile

The respectful and well-informed use of the mobile is fundamentally the user's responsibility. Irrespective of this, at Vodafone we believe that we have the responsibility to disseminate protocol recommendations which promote the respectful and well-informed use of our products and services.

As such, during the 2009-10 financial year, we published some related recommendations on our website ([www.vodafone.es/usoresponsable](http://www.vodafone.es/usoresponsable)) which are consistent with the regulations that apply generally to the behaviour and conduct of people in society.

The aforementioned regulations are not rigid and can be considered as acceptable in one situation and inappropriate in another. For example, it is widely accepted that there are places where people should never talk on their telephones and even where the ringtone of a mobile telephone could be considered unacceptable (religious ceremonies, conferences, concerts, cinemas and theatres, etc.).

#### Pack with preactivated "Young Profile": Nokia 2630 Jonas Brother Edition Pack



In the 2009-10 financial year, a special "pack" was launched with content from the popular Disney Jonas Brothers series. This pack includes the pre-activated Vodafone access controls, as well as a "Guide for parents" with recommendations for encouraging minors to use mobile telephones responsibly, and information for parents about useful Vodafone services concerning family management. The content of the guide has been endorsed by Protégeles, an organization for the protection of children in Information and Communication Technologies.



Bill information (June 2009).



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

### Premium SMS service

In November 2009, the Code of Conduct and Ministerial Order regulating Premium Rate SMS numbers came into force, which sought to protect users' rights. As a result, the following significant changes have occurred:

- The user can request the general restriction of Premium Rate messaging services. Furthermore, Vodafone provides the following additional restrictions: adult products, alerts and products with prices above €1.2.
- The numbering is associated with storage service providers (content providers). The customer can lodge a complaint directly with the content provider (and not the telecommunications operator), given that all of the information is included in the information and confirmation SMSs, and on the bill. (See Figure 1).
- The numbering has a classification and standardization based on the content type and price: the customer knows what type of product they are using according to each number range.
- Where adult services are concerned, customers must send an additional message to confirm that they wish to use the service in the case of all prices >€1.20 and subscription fees.
- If the customer does not agree with paying for Premium Rate content, they can stop paying for it (by restricting access to Premium Rate services) but without cutting off telecommunications services.

The Code of Conduct regulates and sanctions the improper use of these products. If a content provider does not comply with the regulations, they will be sanctioned by the Telecommunications Market Commission, who will cut off the number and in the event of a further offence all of their traffic will be blocked.

### Digital Tax

Pursuant to Order PRE/1743/2008, of 18 June, Vodafone, after 1 July 2008, as a purchaser and subsequent distributor of mobile telephones and SIM cards, adopted the necessary measures in order to comply with its obligation to pass on the Digital Tax to the distributors and end customers, reflecting this fact on the bill, and paying the associated amounts to the management organizations. In particular, and where the equipment that Vodafone sells is concerned, the Order establishes the obligation to pay a Digital Tax of €1.10 for mobile telephones with MP3/MP4 players and €0.30 for USB and SIM cards.

## We will

- **Proactive dissemination of Parental Control Filters, information and complaint channels, for mobile telephones, DSL and mobile broadband. March 2011.**
- **Improvement of web content concerning responsible use in every aspect of connection. March 2011.**
- **Premium SMS service: Apply actions that discourage the inappropriate practices of some suppliers. March 2011.**

Premium SMS numbering range	
25YAB 27YAB	General Premium SMS. (Price ≤€1.20).
280AB	For charity or solidarity-type campaigns. (Price ≤€1.20).
35YAB 37YAB	General Premium SMS. (€1.2<Price≤€6).
795ABM 797ABM	Subscription services with price per received message (alerts). (Price ≤€1.20).
995ABM 997ABM	Adult-only services. (Price ≤€6).

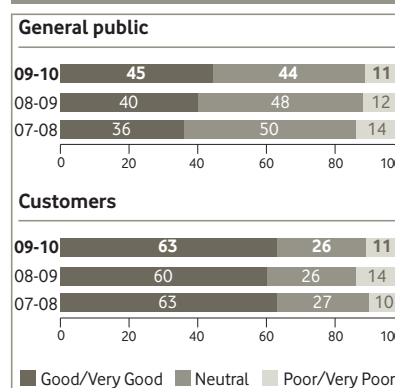
Letters A, B, M, Y = 0 to 9.

Fig. 1

**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 (Restricted access to content inappropriate for children, spam messaging control, localization services, etc.)"



## Social Products

**Increasing access to communications is one of Vodafone's biggest opportunities to make a positive contribution to society and help to improve people's lives.**

For this reason, Vodafone has committed to reducing the level of preventable exclusion, in other words, to increasing the level of accessibility to our products and services.

ICTs have changed the way we live and have become an important part of everyday life. However, a significant percentage of the population could be excluded from their benefits, if we do not consider people's different communication needs depending on their respective abilities.

The demographic changes experienced in Spain in recent decades have led to profound transformations in the population pyramid, including a notable ageing process. One of the possible effects is the increase in people with special needs or with a disability, since age is a key factor in the appearance of this phenomenon<sup>1</sup>.

According to the Spanish Institute of Statistics, in 2008, 3.85 million people living in homes were said to be suffering a disability or limitation. This represents a percentage of 8.6%. Likewise, in 2008, there were a total of 1.48 million people of working age suffering a disability (aged between 16 and 64 years old).

This data endorses the fact that Vodafone Spain is working to ensure that the everyday lives of vulnerable groups and people with special needs can proceed normally, and thus to contribute towards their socio-labour integration, making useful products and services available to these groups:

- People with some kind of disability (blind people or people with visual disabilities, deaf people or people with hearing disabilities, people with limited manual skills, etc.)
- Chronic patients.
- Senior citizens.

### We said

- 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.
- Increase the N° of Own stores with the New Image, incorporating accessibility criteria, to 50%. March 2010.

### We have

During the 2009-10 financial year, at Vodafone Spain not only have we consolidated the Social Products and Services portfolio that we have been developing for years (See Fig. 1), but we have developed and launched other new products and services so as to continue contributing towards the improved quality of life and socio-labour integration of groups with special needs.

# 3

## Customers

Customer Orientation

Safe and Responsible Use  
Social Products

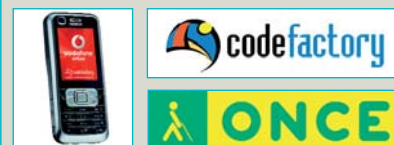
### Other Social Products and Services sold by Vodafone Spain (prior to 2009-10)

**BlackBerry Vodafone Accessible**, Accessible Vodafone BlackBerry, which enables people who are deaf, or have a severe auditory disability, to access communication via mobile devices.

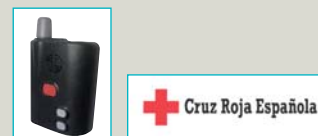


**"Dictate SMS", "Easy SMS" and "Voicemail +"** services, these varieties of the voicemail service enable our customers to convert voice calls into text, which is very useful for deaf people or people with severe auditory disabilities.

**Vodafone Speak**, aimed at blind people or people with a severe visual disability, is an application which grants access to all mobile telephone features. All digital information on the screen reader is converted into voice.



**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.



### 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.



Fig. 1

<sup>1</sup> October 2009 Newsletter of the National Institute of Statistics.

## New products and services

Amongst the new products and services aimed at groups with special needs that have been developed during the 2009-10 financial year, it is appropriate to highlight the following:

### Auro



This new handset is purpose-designed for the elderly or people with special needs, since it has a quick and simple menu, featuring the basic functions for making and receiving calls and text messages. Furthermore, it has a large colour screen, large buttons and has a hands-free option, torch and alarm.

Last but not least, it has a button at the back that can be used to configure up to three numbers for emergency calls, relatives, telecare, etc.

### Pack T Loop Nokia LPS5



Produced in collaboration with FIAPAS (Spanish Confederation of Families of Deaf People), during the 2009-10 financial year, the new Pack T-Loop Nokia LPS5 was launched for hearing aid users (with T position) and cochlear implant users. This device enables fluid mobile communications without interference, and is also compatible with all devices that have Bluetooth, such as computers and multimedia music players.

Vodafone offers it with the Nokia 2330, which is easy to use, although it is compatible with virtually all mobile models which have Bluetooth.

### Vodafone Accessible Tariff



This is a mobile solution that was launched in collaboration with the Spanish Confederation of Deaf People (CNSE) in order to facilitate communication for these people.

With this new solution, elderly people can communicate in sign language using video calls, which are totally free between Vodafone users, as well as functionality enabling them to communicate in different ways, be it via SMS, e-mail or "BlackBerry

Messenger" (an application which enables the exchange of instant messages between users, from anywhere and at any time).

### ROMAD RSP 100 handset



Vodafone Spain has launched this handset, which provides advanced telecare services. It is based on an intelligent monitoring system for locating people with Alzheimer's disease and victims of gender-based violence.

It enables the creation of alarms (passive or active) for the carer/relative, at the same time as sending the location to a call centre.

### DONO Project



Since the 2009 financial year, Vodafone Spain has been a member of the Dono Programme coordinated by Technosite (a Fundosa Group company). This programme administers the donation of voice and data services to ONGs and Foundations. During the 2009-10 financial year, a total of 38 organizations in the third sector have benefitted from this programme.

### Salamanca Pilot: Collaboration with Nokia-Oticon

During the 2009-10 financial year, Vodafone Spain, in collaboration with Nokia and Oticon, launched a pilot plan in Salamanca which enabled people with an auditory disability to try out the best mobile devices and accessories which are compatible with their hearing aids free of charge. This pilot was subsidized by Vodafone Group SIF (Social Investment Fund) with the objective of finding the best way of making these devices accessible to people with a hearing disability.



### Vodafone Accessible Support. Comprehensive Customer Care Service



In response to the need of deaf people to have their own Customer Care Centre, given that it is impossible for the majority of them to call the Customer Care Service due to their limited hearing ability, in 2008, Vodafone Spain launched the [soportevf\\_accessible@vodafone.es](mailto:soportevf_accessible@vodafone.es).

In addition to this communication route there is a telephone number: 672 659 963 (SMS or voice) commonly used by interpreters, for enquiries from relatives of disabled people and the Mediation Service for Deaf People. It also has a **fax number: 607 130 337**, which makes it a genuine **Comprehensive Customer Care Service**.

This service also provides direct support to our network of own stores, which has translated into an increase in the influx of customers with different types of disability which can rely on both face to face treatment, and on that offered via this support.



[soportevf\\_accessible@vodafone.es](mailto:soportevf_accessible@vodafone.es).  
[www.romtracplc.com](http://www.romtracplc.com)



## 3

## Customers

Customer Orientation  
Safe and Responsible Use  
Social Products

The campaign, known as "The word Grandma never sounded so good", saw the collaboration of five hearing centres in Salamanca, distributors of the Oticon brand. Further information at [www.mejorsinruidos.com](http://www.mejorsinruidos.com)

#### Vodafone Red Alert (Messages of Solidarity)

This is a service which makes it easier for Vodafone customers to donate to non-profit-making organizations (NGOs, Foundations, etc.) in order to help fund campaigns in the event of disasters. Through agreements established with NGOs participating in the initiative, each NGO receives a donation for the total value of text messages sent by customers.

In order to collaborate, you just need to send the keyword assigned to the non-profit-making organization with which you wish to collaborate, to the short number **28052**.

From the programme's launch until 31 March 2010, there were over €3 million in donations made through the system. In the 2009-10 financial year, as a consequence of the earthquake in Haiti, which occurred in January 2010, over €375,000 was collected through messages of solidarity.

#### Accessible Website

Following Vodafone Spain's implementation of a new version of its website, [www.vodafone.es](http://www.vodafone.es), developed in line with WAI (Web Accessibility Initiative) guidelines, in the 2009-10 financial year, it received Level AA public certification which guarantees that our website fulfils the international accessibility standards. Likewise, explanatory videos in sign language have been included on our website.



At the time of completing the report, according to the study promoted by the Spanish Council of Organizations Representing the Disabled (CERMI), the "Spanish Company Website Accessibility Observatory", which analysed 29 portals of representative Spanish companies, classified the Vodafone Spain website as one of the websites which fulfilled the accessibility requirements with "a level of success". The Vodafone Spain website, with a score of 95.12%, ranked second in this study.

#### Vodafone store accessibility

In addition to only offering its customers services and products which are accessible to people with special needs, Vodafone wants these products and services to be acquired in standardized environments, designed for everyone. This is the reason why the "Accessible Vodafone Store" project was born.

This project identified the different accessibility limitations presented by the Vodafone commercial environments (stores), and where possible, resolved them, adapting them for everyone or, where appropriate, implemented suitable alternative measures (technical and human assistance), guaranteeing the provision of commercial services in Vodafone stores to any customer.

Furthermore, considering the need for a suitable relationship with our customers, during the 2009-10 financial year, it was decided that as part of the training given to salespeople, guidelines for how to act when relating to and handling customers with different types of disability should be included. In this respect, a Training Plan was established, both online and for classroom-based courses. (See fig. 2).

As of 31 March 2010, 72% of Vodafone-owned stores have incorporated accessibility criteria.



+ than **€3 million**  
donated via Vodafone Solidarity  
Messaging

**72%**  
of Own Stores are Accessible

#### Universal Accessibility Training for Store Sales Staff



On line Training:  
326 participants

Presence training:  
54 store managers

Fig. 2



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



After the end of the financial year (5 May 2010), Vodafone Spain obtained the Certificate of the Universal Accessibility Management System for its network of owned stores, awarded by the Spanish Association for Standardization and Certification (AENOR), according to the UNE 170001-2:2007 regulation.

As such, Vodafone Spain became the first Spanish company to obtain the aforementioned certification for a large commercial network of stores. The certification obtained covers 44% of stores owned by Vodafone Spain, distributed throughout the country.



## Workshops and Seminars

The development of products and services aimed at groups with special needs has been complemented by the organization of and participation in numerous conferences and seminars, amongst which the following deserve special mention:

### 2<sup>nd</sup> NTIC Workshops

In collaboration with the Spanish Confederation of Deaf People (CNSE), the 2<sup>nd</sup> NTIC (New Information and Communication Technologies) Conference was organized at the Vodafone Spain offices, bringing together experts in the communication needs of people with hearing disabilities, in order to learn about and share the new demands with regard to technological progress.

### Amadis

Vodafone Spain took part in the Conference on Audiovisual Media Accessibility for Disabled People (Amadis) which was held in Pamplona.

The aim of the Conference was to present research, development and innovation trends in aspects related to audiovisual media accessibility for people with sensory disabilities, focusing upon subtitling techniques for deaf people and audio description aimed at accessibility in the cinema.

### Universal Design

Vodafone Spain participated in the first International Conference for Universal Design held in Malaga from 30 September to 2 October 2009. Experts from all over Europe came together at this event, which covered the proposals and public and private initiatives focusing upon planning an environment that is adapted to suit the needs of all citizens.

### Avila Accessible

Vodafone Spain collaborated with Ávila City Council on the projects implemented by its Accessibility Councillor, such as the adaptation of a part of the city wall, converting it into an accessible space for people with a physical disability, and the installation of information points which are accessible to people with a visual or hearing disability.

### CEOMA Conference

Vodafone Spain participated in the National Conference of Senior Citizens' Organizations (CEOMA) held in Seville from 20-22 October 2009. The central theme of this edition was "Active Ageing".

### "Living 50+" show

From 26-27 September 2009, the "Living 50+" show was held in Madrid, organized by CEOMA, in which Vodafone Spain participated, and where, through workshops for senior citizens and via the exhibition area, the latest accessible products for this group were displayed.

### Techshare

At the Techshare Conference held in London from 16-18 September, Vodafone Spain introduced the innovative application Vodafone Speak to the United Kingdom



# 3 Customers

Customer Orientation  
Safe and Responsible Use  
Social Products

## Noise Awareness Day

Vodafone Spain helped the Spanish Acoustics Society to hold the International Noise Awareness Day.

More than 1700 schoolchildren took part in the events at different schools throughout the Madrid Region, especially in hearing integration centres.

The events form part of the Noise Awareness Campaign for schoolchildren, involving educational establishments in the Madrid Region and which aims to teach children how to use their mobile phones and music equipment properly.

## Teletext

Vodafone Spain signed a Collaboration Agreement with TVE SAU (Teletext) in order to offer informative content that is of interest to people with a hearing disability and their families, which is subsequently published in the Deaf People's Gazette.

The objective was to promote knowledge about new technologies amongst people with hearing disabilities in order to contribute towards an improvement in their quality of life and greater social integration.

## Workshop Code Factory

With the aim of sharing the best practices in accessible technology development and presenting the new challenges for people with visual disabilities, representatives from Vodafone and their partners (RIM, Nokia, Code Factory, ONCE – CIDAT, ONCE Foundation), met in Madrid in March 2010 in order to organize an accessibility workshop for people with visual disabilities.

## E-Health

Using ICTs, it is possible to promote global health through control and medical assistance, in order to satisfy the needs of citizens, patients, health professionals, health service suppliers and public authorities.

One of the objectives of e-health is to contribute towards increasing the number of citizens who do not need to visit the surgery in order to receive health care, thereby increasing the benefits of the system and their level of independence and mobility.

## Guttman Institute

Vodafone Spain collaborates with the Guttman Institute on the cognitive telerehabilitation programme, Previrnec, providing the necessary technological solutions for guaranteeing connectivity during the phase of clinical extension and telerehabilitation in homes, as part of Spain's 2009 Plan Avanza for R&D.

## Managed Care Models

The Personal Health History application, Info 33, incorporates the clinical histories of different suppliers, as well as the supervision of personal risk factors, and makes computerized health services a possibility. This application can download the history to a mobile, enabling the application to be used on the Internet and on the move.

## We will

- **Launch two new Social Products/Services. March 2011.**
- **Make some of the web's private information services more accessible. March 2011.**
- **Obtain the accessibility certificate for more than 95% of the Own Stores. March 2012.**

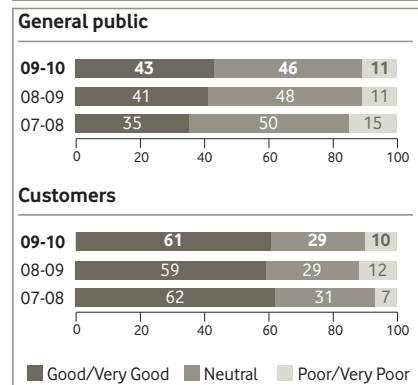


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vodafone	
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## Stakeholder Opinion

"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"



# Society

## Supply Chain

**We are aware that any incident in our supply chain may have significant reputational risks for our company. That is why it is Vodafone's priority that its suppliers adopt appropriate ethical, social and environmental behaviour, for which a Code of Ethical Purchasing principles is included in supplier contracts.**

Our Code of Ethical Purchasing principles establishes ethical, social and environmental behaviour principles to be followed by our suppliers.

In 2009-10, Vodafone Spain purchased €4,436 million of products and services to ensure the sustainable management of our suppliers. We focus especially on direct suppliers, making sure they comply with the Code of Ethical Purchasing principles, and emphasizing the importance to them of acting in the same way with their own suppliers.

**We said**

Draw up a "Guide to working with Vodafone" and distribute it among our main suppliers. March 2010.

**We have**

In application of our Supplier Performance Management Process, consisting of the Qualification, Assessment and Optimization stages, the third round of assessments were carried out during 2009-10 with Corporate Responsibility one of the basic areas assessed.

Applying this process, we ensure that suppliers have a clear vision of their current performance and are aware of improvement opportunities.

Suppliers assessed were selected by applying supplier segmentation methodology, using economic criteria based on the previous year's turnover and the impact of supply on the business (according to corporate responsibility criteria and Vodafone Spain's strategic needs).

Fig. 1 shows the percentage measurements of global assessments for suppliers in recent years.

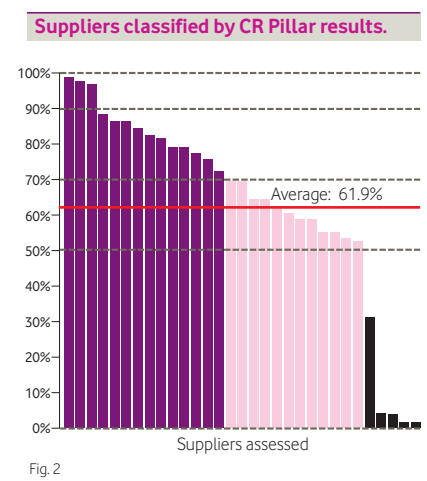
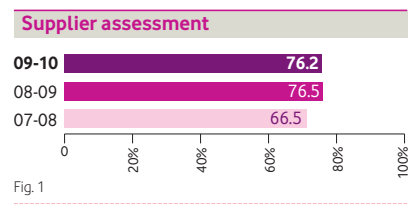
During this year, a total of 31 local suppliers belonging to the network, information technologies and services categories were assessed.

The results obtained in the Corporate Responsibility area were:

- 3 suppliers topped the average of 90%.
- 11 suppliers scored an average of between 70% and 90%.
- Only 5 suppliers did not reach the average of 50%.

The average score in the CR milestone for suppliers assessed was 61.9% (see fig. 2).

**4,436**  
million on buying Products and Services



# 4

## Society

### Supply Chain

### Employees

### Foundation

Figure 3 shows the results in the CR area classified by supplier categories.

As a result of these assessments, more than 30 improvement opportunities were agreed on between Vodafone Spain (specifically the Supply Chain Management and Corporate Responsibility units) and the suppliers assessed. These improvement opportunities refer to the following areas of action:

Climate Change	38%
CR Report	24%
Supply Chain Risk Management	18%
Certifications	15%
Code of Ethical Purchasing	6%

Also during the year, our "Suppliers Guide" was distributed to our 150 leading suppliers. This guide contains information on how to work for Vodafone and is designed as a tool for enabling effective and efficient collaboration with our suppliers, maintaining the very highest levels of quality, health, safety and responsibility in our activities. This Guide is available on our web ([www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)).

Average result of the CR pillar, by category (2009-10)

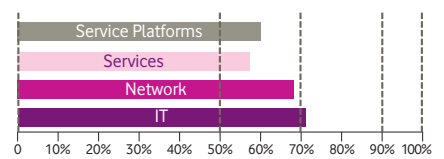
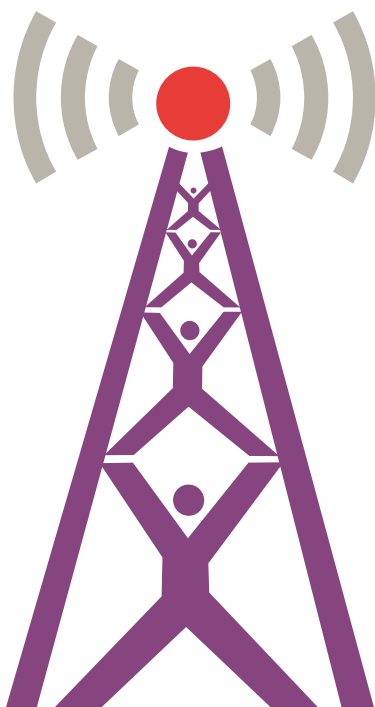


Fig. 3



## We will

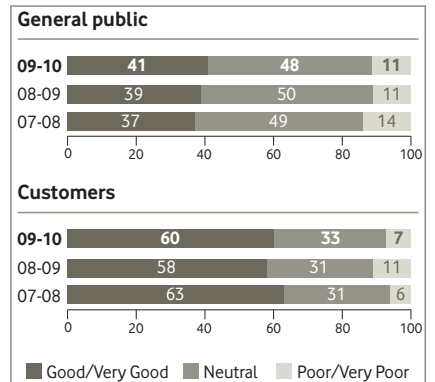
Communicate the new version of the Code of Ethical Purchasing to the major local suppliers. March 2011.



### Stakeholder Opinion

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

"Ensuring that its suppliers behave responsibly with regard to working conditions and protecting the environment"



## Employees

**Our goal is to become an “admired” company. To achieve this, we aim to provide a good working environment treating people with respect and offering attractive incentives and career development opportunities.**

In 2009-10, Vodafone established a new corporate culture, known as “Vodafone Way”, based on three values:

- “Speed”: We need to work more quickly and effectively.
- “Simplicity”: Doing things more simply.
- “Trust”: Creating trust between us and our customers.

“Vodafone Way” was launched in June 2009 by the Vodafone Group and was subsequently introduced and communicated to all employees in each of the group’s operators.

This new corporate culture responds to new environmental demands and aims to make Vodafone become an “admired” company, so that our customers are not only satisfied but also recommend our company and products and services.

### “Vodafone Way” heroes

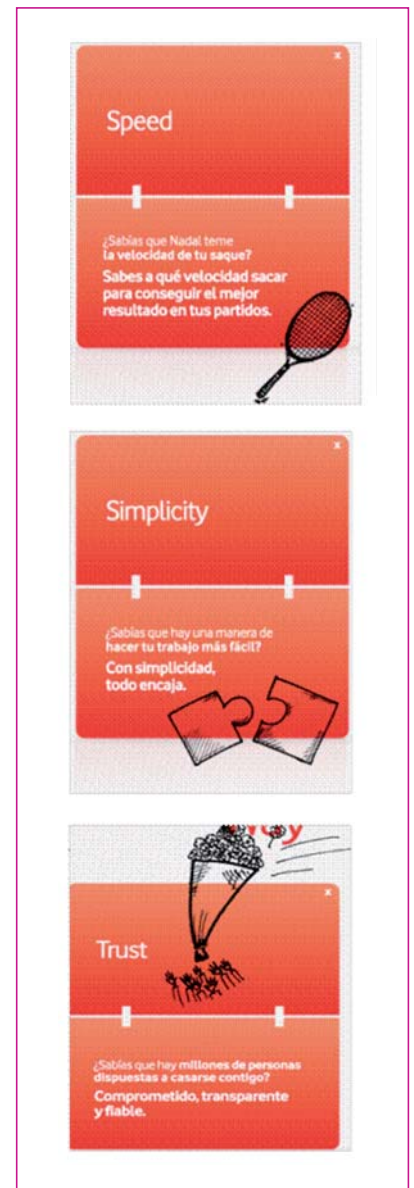
**The “Heroes” programme is a recognition programme launched by the Vodafone Group in November 2009. It recognizes employees whose actions significantly represent “Vodafone Way” values. These are our Heroes in Vodafone Spain:**



**Teresa Bujalance**, worked on the launch of the Vodafone 360 project, showing excellent teamwork skills. She is always ready to take on new challenges and is able to manage priorities with a high level of autonomy, creating a very positive work environment.



**Iván Lastra**, was a key person in the successful launch of new products that add value to customers. His contribution during the launch of strategic projects proved vital for developing new sales models, implementing them throughout the customer's life cycle.



### We said

- Improve the satisfaction indicator in the Welfare section of the Employee Survey by 10% (using the 2007-08 figure). March 2011.
- Implement the Company's first Equality Plan. March 2010.
- Organize 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.
- 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.

On the date the CR Report was completed, Vodafone Spain was recognized as **the best company in which to work 2010** by the Great Place to Work Institute, in the category of large companies with more than 1000 employees.



# 4 Society

Supply Chain  
Employees  
Foundation

**4,383**  
Employees

**96.8%**  
open-ended contracts



<sup>1</sup> Ransharing: Procedure of sharing of network infrastructures with other operators.

## We have

Vodafone Spain is a company with major direct and indirect employment generating power. One of our main characteristics is the creation of quality employment while also being committed to diverse and equal opportunities. (See fig. 1 to 4).

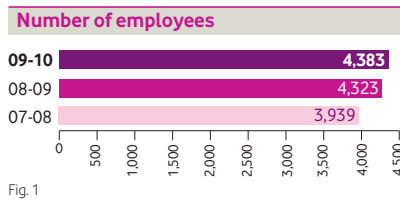


Fig. 1

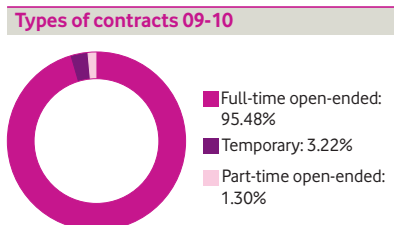


Fig. 2

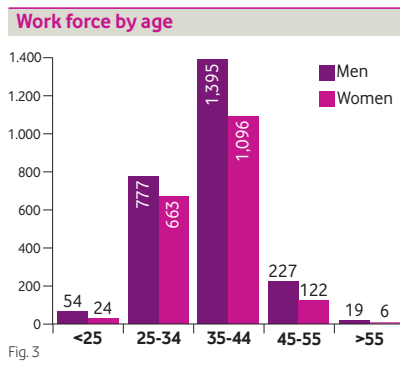


Fig. 3

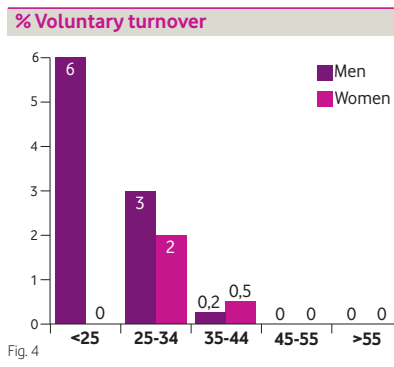


Fig. 4

N.B.: Voluntary redundancies exclude those generated in RAN sharing-type processes<sup>1</sup> or Tele2 synergies.

## Selection, Professional Development and Training

Vodafone Spain has policies and processes that guarantee equal opportunities for all candidates involved in a **selection** process.

This process starts with the publication of all vacancies on Vodafone Spain's internal portal and the Vodafone Group's international portal to identify potential candidates in both Vodafone Spain and the group's other operators.

This is a systematic internal and external talent search process. Vodafone is also committed to maintaining the quality standards of its management team, which is why for positions it considers necessary it carries out a comparison with external candidates. What's more, to promote diversity, we have established that all the selection processes for positions of responsibility must comply with the condition of having at least one valid female candidate in the short list.

During 2009-10, there was special focus in **Training and Development** on the business, with specific training programmes on technical and sales skills for the sales force.

In the Management Development area, we sought to turn our managers into "Leaders as Teachers". We have gone from a conventional training system to a learning system where managers are the protagonists, taking responsibility for training their teams in the new "Vodafone Way" corporate culture. 93% of managers organized and imparted their own training sessions with their teams.

During this year, we also worked on the design and creation of a development portal that will provide all employees with self-development resources for their training.



As part of Vodafone's "Total Telecommunication" strategy, training was given on the new Vodafone 360 services platform.

The aim of the course was to show how our organization is taking a further step forward in its strategy of bringing the mobile Internet to users openly and innovatively, placing people at the centre of communications, enabling people to manage them as they want in both mobile and fixed environments. (See fig. 5).

Furthermore, within the "People Plan" resulting from the 2008 Employee Satisfaction Survey, a collaboration initiative was introduced: the first step was an in-depth analysis of collaboration barriers and levers in our organization. For this, a quantitative study with 16 focus groups of 127 people was combined with a quantitative study through a survey completed by more than 900 people. Specific reports were drawn up by area and this input was used to prepare different initiatives which were implemented throughout the year by the various areas.

We also had a specific programme for promoting the company's collaboration tools which enabled us to use communication to support teamwork. These include "Communicator", "Sharepoint", "Net meeting", videoconferences, etc. Campaigns and specific training were provided for this to familiarize employees with these tools.

Some significant statistics related to the training activities carried out are provided below:

- Total training hours (all groups): 187,872 hours.
- Average training valuation (all programmes): 8.13 (out of 10).
- Number of training hours per employee and group. (See figures 6 and 7).

Figure 6 shows the change in the company's training strategy, with the increasing importance of developing employee skills through their active participation in specific projects or activities, reducing conventional training sessions. 97% of employees took part in the 2009 Employees Survey. As its results show (see fig. 8), the index that measures level of commitment and pride of belonging rose 3 points in relation to last year, reaching 79%, indicating the high level of commitment of Vodafone Spain employees.

## Welfare Benefits and Equal Opportunities

### Vodafone Wellflex

In response to different initiatives suggested by employees through their union representatives and after analysing the results of the work environment survey, Vodafone Spain designed the Vodafone Wellflex programme.

Wellflex is the flexible payment system through which any Vodafone Spain employee can adapt part of their salary package to their own needs, benefiting from potential economic and/or tax advantages. This means they can customize up to 20% of their annual base salary.

Based on existing social benefits (see fig. 9), the employee can, thanks to the Vodafone Wellflex programme, improve them, waive them in exchange for other benefits or cash, or add other advantages.

This programme is allowing employees to find out more about Vodafone's social benefits available to them, in terms of their composition and economic value, and is also letting employees become the "owners" of their salary package.

Consequently, Vodafone Spain is one of the few companies in Spain that offers these types of programmes to its entire workforce.



Fig. 5

**187,872**  
hours of training

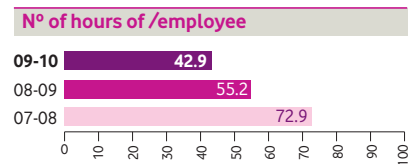


Fig. 6

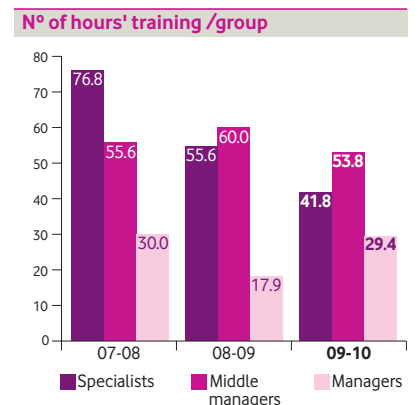


Fig. 7

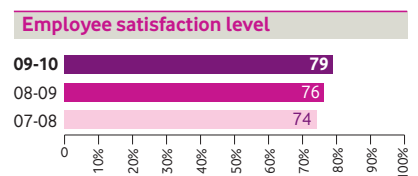


Fig. 8

**97%**  
of employees completed the 2009  
Employees Survey

**79%**  
employee satisfaction level



## Welfare Benefits

- **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 do not form part of sales incentive plans, have a variable bonus linked to the company's strategic objectives, which are paid at the end of the financial year to which they apply, as long as the minimum levels set for each objective have been achieved.
- **Shares.** Vodafone has Schemes which award shares to all employees as a way of sharing company profits.
- **Relat Plan.** Vodafone offers employees a discount of up to 50% on their telecommunications services spending.
- **Staff store** where employees can buy telecom products at substantial discounts.
- **Luncheon Vouchers.** Vodafone 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 offers a Corporate Visa Gold card, at no cost, including free travel insurance.
- **Virtual Bank Branch.** This virtual branch offers all of the products and services of a traditional bank branch, with significant benefits for Vodafone employees at which you can perform all banking transactions via your mobile telephone, by Internet or by speaking to an agent over the telephone.
- **Merit Award.** If whilst working at Vodafone, you are studying for a university degree or higher professional qualification, you can compete for this prize which seeks to recognize the effort required in combining study and work.
- **Reward for inventors.** Vodafone 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

## Equality Plan

During 2009-10, Vodafone Spain signed the Equality Plan with the workers' representatives in Spain, the CCOO and UGT trade union federations, becoming the first company in the telecommunications sector to achieve this. The new Plan has been signed under the Law on Real Equality for Men and Women and responds to a text drafted as the Reference framework for the sector.

The Equality Plan aims to foster, within Vodafone Spain, the effective application of the principle of equality and guarantee the same opportunities of recruitment, remuneration and career development among workers, and to promote real equality of opportunities for men and women.

Our Equality Plan covers other aspects such as:

- Maintaining an equal number of men and women in the workforce.
- Promoting and improving women's possibilities of accessing positions of responsibility.
- Disseminating existing work-life balance measures, making a special effort amongst the male population. (See fig. 10).



## Life-Work Balance Measures

- Maternity. Prior Leave:** Vodafone 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.** The period is increased from 1 to 2 hours per day and from 9 to 12 months, with no impact on salary.
- Child care.** Vodafone offers the possibility of reducing the working day by between 1 and 4 hours until the child is 8 years old. Employees can also ask for leave of absence to care for children until the child is 4 years old, with the right to keep their position for the first year.
- Looking after relatives.** Employees can ask to have their working day reduced by between 1 and 4 hours to look after 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 their position for the first year).
- Health Insurance for relatives.** Vodafone 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.** To allow employees to leave earlier, they can cut their meal time by between 30 and 45 minutes.

Fig. 10

Furthermore, within the framework of the Equality Plan, the Company undertakes to prevent moral or gender-based harassment by enforcing the Harassment Protocol.

To ensure the Equality Plan's goals are achieved, Vodafone has set up a Follow-Up Committee that will analyse and check how the Plan is working, and make any improvements that may become necessary.

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

To capture and retain the best professionals, we have a fair and competitive remuneration system, with performance-based opportunities. So, the responsibilities of the position, candidate's potential, internal equality in the organization and external competitiveness with positions of the same characteristics based on market data are all taken into account to establish a salary.

Vodafone therefore guarantees equal remuneration opportunities, regardless of candidates' gender or nationality.

Moreover, all employees not subject to incentive plans have the company's strategic objectives included in their variable salary, with this split between business goals and specific area goals.

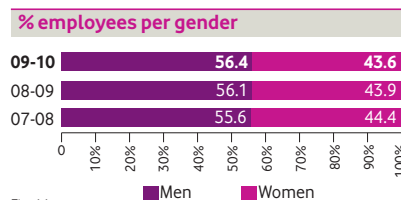


Fig. 11

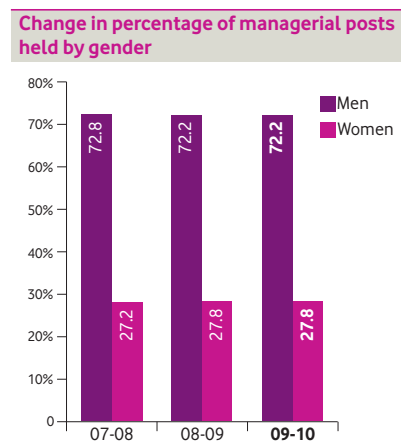


Fig. 12

## 4

## Society

Supply Chain  
**Employees**  
 Foundation



## Diversity

To promote diversity, the following actions, amongst others, were carried out in 2009-10:

- Holding of a specific workshop on diversity for all members of the Company's Executive Committee.
- Holding of various focus groups with different groups within the company on equality, work-life balance and diversity.
- Adaptation of processes to the content of the Equality Plan and the Vodafone Group's guides on all diversity-related issues.

## Social and Care Fund

In December 2009, the Vodafone Spain Social and Care Fund was created and its regulations approved with the workers' representatives.

It regulates repayable financial assistance that may be granted to Vodafone Spain workers' for serious diseases and/or special medical or surgical treatments.

The Joint Committee of the Social and Care Fund was also created, consisting of workers and company representatives. This Joint Committee is responsible for analysing and taking decisions on requests for financial assistance received from Vodafone employees.

## Industrial Relations

The Industrial Relations Department serves as a constant source of contact between trade union representatives and company management, channelling communication, relations and participation between them.

So, when either of the two parties believes a matter to be of interest because of its importance or impact on our employees, it can ask the other party for a meeting to study the matter in question in more depth. This procedure, which goes beyond the terms of Spanish legislation on classic labour relations, is in the spirit of our company's industrial relations, which is to make participation, information and joint action between social and business partners the natural way of working.

This dialogue facilitates the provision of information sufficiently in advance of those changes and policies being introduced and, more importantly, it enables proactive mechanisms to be established and constructed in order to adapt the said changes and policies to employees' expectations, stopping them from becoming problems due to a lack of solutions or time to correct them. In any case, the timeframe of one month under current legislation given as a minimum notification period for any organizational change that results in a substantial modification in the working conditions and/or functions of employees is always respected (and generally bettered).

In Vodafone Spain, there are currently 60 union representatives.

The Committees, which meet at regular intervals, include Training Committee, Equality, Technology, Customer Management, Commercial, Joint Committee for Monitoring and Controlling the Vodafone Spain General Agreement, etc.

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

### Health, Safety and Well-being

During 2009-10, we continued to explore the development of a preventive culture which, through integration in the company, provides added value to people and has a positive impact on the business.

Getting any activity in the health, safety and well-being of people area to exceed formal compliance with legal obligations remains a key factor.

As part of the "2009 Employee Survey", in response to the question: "How would you assess your Opco when it comes to looking after its employees' health, safety and well-being?", 80% of employees replied favourably. This is a 12 point increase on last year and places us in a very favourable situation for meeting the goal established for March 2011 ("Improving the Satisfaction Rate on well-being issues in the Employee Survey by 10% on the 2007-08 base"). This value also places Vodafone Spain 22 points above other equivalent companies. (See fig. 13).

#### Initiatives for promoting Health, Safety and Well-Being

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

- Provision of defibrillators in 9 of the company's work centres.
- Medical tests.
- Tests performed at head offices.
- Online consultation (fixed or mobile Internet) of blood analysis results.

We continue to promote our good road safety practices to other companies. That is why we took part at the "4<sup>th</sup> forum on CSR and Occupational Risk Prevention Policies" organized by the Sagardoy Foundation, and at the "Road Safety in the Company. Good Practices" seminar organized by FESVIAL, the Department of traffic (DGT) and the National Institute for Work Health and Safety (INSHT).

Other actions of interest included:

- The Occupational Risk Prevention Management System underwent a voluntary external audit. The audit was carried out by Ernst & Young and satisfactorily passed.
- Training: 3,203 hours (934 online) of training were given, with 956 participants (345 online). Training was provided in all the welcome sessions to new employees, 202 in total.
- We have an internal control system which verifies that work centres comply with safety regulations. 88% of work centres were visited this year by health and prevention specialists.
- Control of contractors: all contractors that work with special risks (e.g. work at height), together with the departments responsible for managing them, were audited.
- Medical check-ups: check-ups have been customized (personal planning and prior appointment; previous analysis and subsequent completion of tests, analysis in hand). This customization had led to a 25% increase in medical check-ups.

**80%**  
of employees satisfied with the health, safety and well-being policies

Level of Satisfaction on Well-being issues

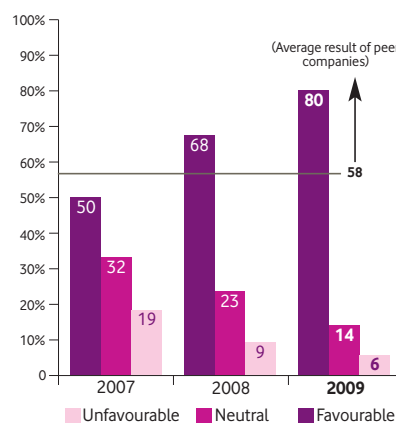
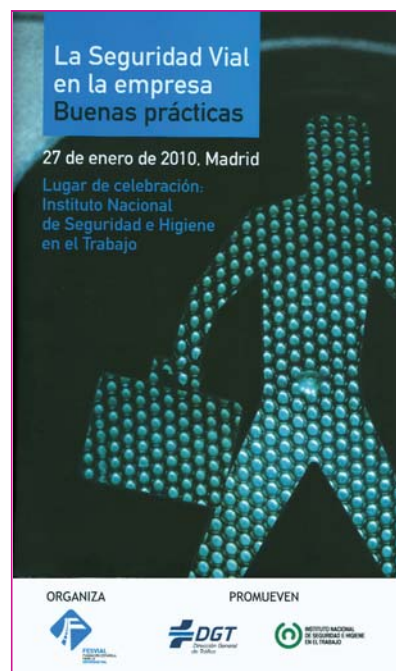


Fig. 13

Source: Hay Group. Marks out of 100. 97% of employees took part.



# 4 Society

Supply Chain  
Employees  
Foundation

- Specific campaigns: Influenza (more than 350 participants), blood donations (more than 300), sight health checks (360 participants).
- Vaccination campaigns: this year the campaign covered 96% of employees and up to 125 work centres. This resulted in 500 vaccinations (11.4% of employees).
- With regard to our commitment of carrying out a new campaign on the safe use of our products and services for both employees and any person in our environment, the campaign was designed according to Vodafone's new image, producing several videos too. The campaign was carried out during 2010-11.

## Accident Rate and Absenteeism

Accident rate statistics were very positive this year. The resulting incident rate<sup>1</sup> was 228.41 which is a reduction of 50% on the previous year and places us in a favourable position for meeting the March 2011 targets. The frequency<sup>2</sup> and severity<sup>3</sup> rates followed the same trend, with figures of 1.32 and 0.02 respectively (See fig. 14, 15 and 16).

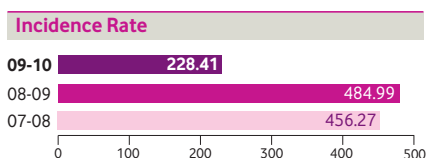


Fig. 14

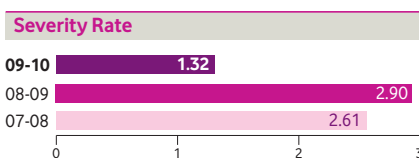


Fig. 15

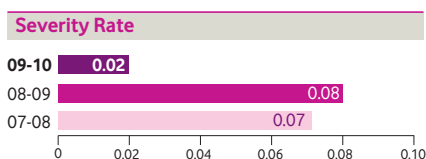


Fig. 16



Fig. 17

# 4.69

average days off work per employee

The illness absenteeism rate<sup>4</sup> (see figure 17) continued the downward trend of the previous year.

Once again this year there were a lack of very serious or fatal accidents amongst Vodafone employees and contracted workers. However, we should mention a potentially serious incident of contracted workers working at height which fortunately could be resolved with virtually no personal or material damage.

There was a continuation of the trend of previous years in number of traffic accidents occurring during working hours, although the number of commuting accidents without medical leave did rise, related to an increase in the number of motorbike accidents. (See fig. 18 and 19).

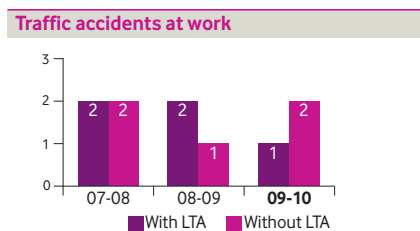


Fig. 18

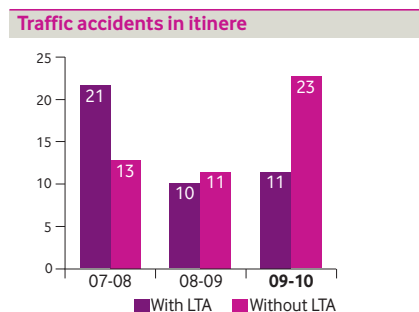


Fig. 19

<sup>1</sup> Incidence Rate: LTA's x 100,000 / N° of employees.

<sup>2</sup> Frequency Rate: LTA X 1,000,000 / N° of employees x Average No. of hours worked per year per employee.

<sup>3</sup> Severity Rate: 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>4</sup> Absenteeism Rate: Percentage of days off work due to sick-leave with respect to actual number of work days.



## Volunteer Projects

During 2008-09, Vodafone Spain implemented various voluntary and collaboration initiatives with different NGOs that the company works with to promote the spirit of solidarity amongst its employees.

Many of our employees devote some of their time to voluntary work to participate in these initiatives. This benefits non-profit organizations, while also allowing our employees to learn new skills and competencies.

Examples of initiatives carried out:

### Homeless Persons' National Football Tournament. RAIS Foundation

Vodafone Spain, as part of its policy of supporting and collaborating with the RAIS Foundation, was present at the Homeless Persons' National Football Tournament held in Alcobendas.

Vodafone Spain employees took part in the tournament playing in the mixed Vodafone team, as the organization's volunteers or as referees.

The RAIS Foundation develops and implements social integration programmes and projects for persons in a situation or at risk of exclusion (homeless people, immigrants, etc.) to promote their personal autonomy and sociability.

### 1<sup>st</sup> Integration Games

Vodafone Spain employees worked as volunteers in the organization of the Integration Games in Madrid in June 2009, where around 2,000 amateur athletes of more than 40 nationalities took part in the biggest multicultural sporting event held to date in Spain.

### 7-a-side Inter-Company Football Tournament with Action Against Hunger

Organized by Action Against Hunger and the Royal Spanish Football Federation (RFEF), its mission was to gain the support of companies in the fight against child malnutrition and contribute with the RFEF football school project.

Vodafone Spain joined this initiative in which team sport was the solidarity driver. More than 15 employees took part in a mixed team.

Action against Hunger is an international and independent humanitarian organization which combats child malnutrition while providing the most vulnerable communities with access to safe water and sustainable solutions to hunger. It works in more than 40 countries supporting 5 million people.

### Environmental volunteer work. Andanatura Foundation and Monte Mediterráneo Foundation

Vodafone employees were involved in cleaning and maintenance tasks in Dehesa de San Francisco (Seville), a reforested area destroyed by a forest fire in 2003.

The cleaning work consisted in collecting remains of protectors and existing waste from the entire reforested area. Employees received a training session on the sustainable management of land for both agricultural and livestock production; and on land stewardship actions being promoted by the Monte Mediterráneo Foundation.

The Vodafone Foundation Spain is the patron of the Andanatura Foundation. This Foundation, thanks to the collaboration agreement signed with the Biodiversity Foundation and Department of the Environment of the Regional Government of Andalusia, has been carrying out a series of actions designed to promote land stewardship in Andalusia, supporting the implementation of the Andalusia Land Stewardship and Management Network, INSULAS.



## 4

## Society

Supply Chain  
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**On-line classroom. Protégeles**

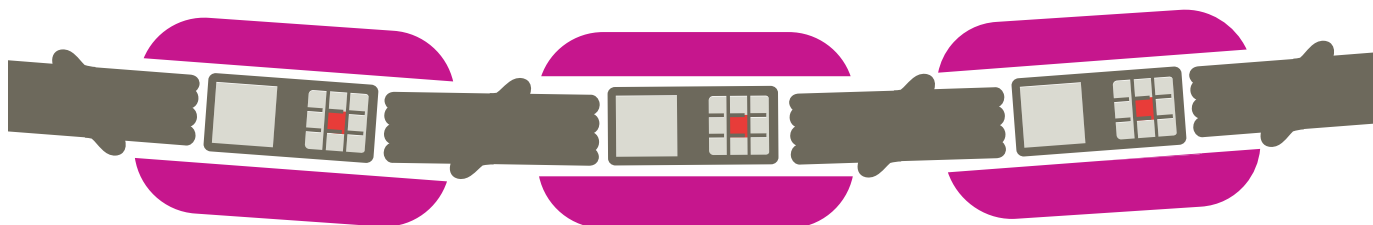
Vodafone Spain has been cooperating with 'Protégeles', a child protection organization specializing in information and communication technologies, in areas related to responsible mobile telephony use.

During 2009-10, Vodafone worked with 'Protégeles' on the "online classroom" pilot initiative, which focuses on the training, recreational and social needs of hospitalized minors. Its employees worked at a support level with the services that Vodafone provided for this initiative (mobile broadband connectivity through USB modems).

"Online classroom" is a free online application to enable the participative collaboration of different social groups. It promotes online education in the public and private health sector, principally by transferring the physical classroom to a virtual environment for the benefit of minors who, for medical circumstances, cannot receive conventional education in a normal classroom.

**We will**

- Improve the Satisfaction Indicator in the Welfare section of the Employee Survey by 10% (using the 2007-08 figure). March 2011.
- Reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure March 2011.
- Prepare new version of "Vodafone Wellflex". March 2011.
- Implement the "Business Academy" development programme. March 2011.
- Implement the measures set out in the Equality Plan. March 2011.
- Conduct new campaign regarding safe use of our products and services valid both for employees and anyone around us. March 2011.



# Vodafone Foundation Spain

In 2009-10, the Vodafone Foundation Spain organized further activities to disseminate and develop ICTs as a way of enhancing people's quality of life and facilitating the social and work integration of vulnerable population groups.

So as to optimize its activities, it has reorganized them in two main areas: Innovation and Social projects.

## We said

- 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.
- Broaden and consolidate the Foundation's presence in social networks. Launch pages in YouTube and Facebook. March 2010.
- Perform at least three actions to support the job insertion of disabled people in collaboration with three other non-profitmaking organizations. March 2010.

+ than **5.2** million  
euros allocated to social projects

## We have

### Innovation

The R&D&i projects in which Vodafone Foundation Spain is engaged in partnership with administrations, universities, research establishments, associations and technological companies, are arranged around three thematic lines:

- Senior Citizens and independent life.
  - Accessibility.
  - E-Health.
- **Senior Citizens and independent life**
- AALIANCE ("The European Ambient Assisted Living Innovation Alliance")**  
This European project, part of the Commission's 7<sup>th</sup> Framework Programme, has sought to define the roadmap for the solutions and services of the "Ambient Assisted Living" (AAL) concept. It focuses on how ICTs can contribute to active ageing at home, at work and in society. The results were presented in month March 2010 in Malaga.
- PERSONA ("PERceptive Spaces PrOmoting Independiente Aging")**  
European project of the 6<sup>th</sup> Framework Programme that has worked 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. The services are being offered to real users in Denmark, Italy and Spain.
- SOCIALTV FOR 3G**  
An Avanza Plan Project involving a pilot experiment of a videocare platform-based "meeting point" for senior citizens. The goal is to foster active ageing and independent life by promoting social relationships, so that the elderly feel less isolated and alone.



[www.aaliance.eu](http://www.aaliance.eu)  
[www.aal-persona.org](http://www.aal-persona.org)

# 4

## Society

Supply Chain  
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1 Vodafone's Profile

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3 Customers

4 Society

5 Environment

6 Report Criteria and Assurance

7 Commitments

8 Key Indicators

### ● Accessibility

#### **AEGIS. ("Open Accessibility Everywhere: Groundwork, Infrastructure, Standards")**

Its objective is to propose a new ICT accessibility paradigm which would allow general-purpose applications to be accessible. Targeted at users with functional diversity and based on free software, it is designed for computers, mobiles and Internet.

#### **Accessible Medicine**

The "Accessible Medicine" project of the Avanza Plan combines the use of technologies such the mobile, "bidi" codes and Internet access to make it easier to access the information given in medicinal product leaflets and turn it into the format the reader finds most appropriate: from text-to-speech, increasing the font size, etc.

#### **INREDIS ("INterfaces for RELationships between the environment and People with DISabilities")**

Project included within the National Strategic Technical Research Consortia (CENIT). It seeks to offer global and sustainable responses to the challenges posed by disabled people's need to access the Information Society, developing base technologies that make it possible to create communication and interaction channels between people with some type of special need and their environment.

#### **TELPES ("Telecare for deaf people")**

This project is being carried out by a consortium formed by the Spanish Confederation of the Deaf (CNSE), the CNSE Foundation, Spanish red Cross and the Vodafone Foundation Spain, and is co-financed by the Avanza Plan. It has already demonstrated that available technology can suitably meet deaf people's needs in their demand for telecare services.

### ● E-Health

#### **Rehabilita**

This project, included within the National Strategic Technical Research Consortia (CENIT), seeks to lay the scientific and technological foundations for rehabilitation whilst looking to improve patients' quality of life and create a more efficient and sustainable rehabilitation system.

#### **National Transplant Organization**

Mobile blood donability warning system for the regional and hospital coordinators of the Spanish transplant network. This system can minimize response, acceptance or rejection times for a transplant delivery, thus increasing their possibilities of success.

#### **Carlos III Health Institute**

The Vodafone Foundation Spain has renewed its collaboration agreement with the ISCIII in order to promote, through its Telemedicine and e-Health Unit, the development of proposals and new innovation projects in the field of technological care and assistance in the homes of people suffering from Alzheimer's, dementia and degenerative illnesses.



### Vodafone Awards for Innovation in Mobile Communications

The Vodafone Spain Foundation encourages the development and innovation of technology proposals which are in both their study and launch phase. This year it announced the 3<sup>rd</sup> Edition, whose winners were:

- **ANEGSYS Mobile Project.** Mobile platform-based e-commerce solution for trade fair markets, presented by the Department of Automatics of the University of Alcalá.
- **"Mobile Virtual Assistant" Project.** Intelligent virtual assistant for mobile devices, capable of natural language dialogue, developed by INDISYS S.L.



[www.aegis-proyect.eu](http://www.aegis-proyect.eu)  
[www.inredis.es](http://www.inredis.es)



## Social projects

### • Training

#### Postgraduate Courses

The Vodafone Foundation Spain has helped different Spanish Universities, to organize a range of Master's Degree courses to foster the teaching of cutting edge technology. 115 students have taken part in the following postgraduate courses that have been given in the 2009-10 academic year.

- Master's Degree in Computer Science Applied to Telecommunications - Malaga University (7<sup>th</sup> edition).
- Official Master's Degree in Telematics and Telecommunication Networks - Malaga University.
- Course in Mobile Communications – Seville University (8<sup>th</sup> edition).
- Master's Degree in network and resources management for dependent people - Universitat Oberta de Catalunya (3<sup>rd</sup> Edition).
- Forma-tic "Training in the use of ICTs to foster people's independent living". Mixed online-presence edition.

#### Other courses and Seminars

The Foundation has kept on collaborating with Universities, Local Councils and Associations in organizing meetings, workshops and courses in order to publicize technological breakthroughs in fields such as accessibility, e-health, senior citizens and independent life, etc. During 2009-10, 18 seminars were held, which were attended by more than 3,900 people.

#### Training of Senior Citizens

This year the Foundation continued to show senior citizens how use mobile phones. So many senior citizens want to learn how to use ICTs that the Foundation has also started organizing Internet beginner courses. This year more than 5,000 senior citizens attended these courses, taking the total, since the project began in 2004, to nearly 50,000 senior citizens.



# 3,900

people attended 18 Seminars in 2009-10



# + than 50,000

senior citizens have been taught how to use ICTs since 2004

# + than 1,600

people have benefitted from the employment integration programmes

### • Integration

#### Job insertion programmes

One of the Foundation's challenges is to back job insertion schemes for the disabled. To encourage the integration of different vulnerable population groups, the Foundation has supported a wide range of training schemes such as telemarketing and new technology courses, etc., accompanied by an individual information, support, advice and guidance service.

Thanks to the agreements signed with associations like ASAPYM, COGAMI, PREDIF or FUHNPAIIN, more than 1,600 people have benefitted from these schemes.

#### Childhood support schemes

Another of the Vodafone Foundation Spain's fields of work is supporting projects to help vulnerable children and teenagers, fostering their education, health and sport. One example is the collaboration with the Balia Foundation in running a socio-educational scheme for children aged 3-12 years old in danger of social exclusion in the Tetuán district in Madrid; 118 abandoned and isolated children have received this kind of support.



# 4

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### Accessibility Programmes

This includes all the Initiatives to support the integration of vulnerable population groups through adapted sports and leisure. The Foundation carries on collaborating in sports projects like adapted sailing or skiing. One of this year's highlights is the "2010 accessible cinema" project, which gives people with sensorial and functional diversity the chance to see enjoy films through audiodescription, subtitles, the installation of magnetic loops, Braille programmes, etc.

### "World of difference"

The "World of difference" programme encourages people to take part in community involvement projects, giving them the chance to work on a social project in a Non-Profit Entity (NPE) in Spain. In 2009-10 we launched two editions, and the winners were:

#### 2<sup>nd</sup> Edition

- María Muñoz: With a project with the National Association of Friends of Animals, aimed at raising children's awareness about how to look after pets and at improving the quality of life of the elderly through dog-assisted therapy.
- Esperanza Rosa: It is a special education project for children with physical, mental and sensory disabilities. It has been carried out with Association of the Physically, Mentally and Sensorially Disabled in the province of Cordoba.
- Paula Tejada: Paula has carried out a project to give a break and social support to families who look after a dependent member, in the countryside of the La Rioja Region, with the DEGLOBE Federation.
- Juan Yáñez: He presented a leisure and socialization initiative project designed for Parkinson's patients, in the Gran Canaria Parkinson's Association, through workshops, therapies, and open air activities.

#### 3<sup>rd</sup> Edition

- Antonia Castaño: She has worked on her project in the Extremaduran Cancer Association, preparing a website with information and assistance for families affected by this problem.
- Yenith Quintero: Yenith has joined the Association for the Study of Infectious Diseases, and created a telemedicine portal, for the prevention and reporting of communicable diseases, that will also serve as both a multimedia and multilingual meeting point between the immigrant population and health personnel. She has received medical advice of the Tropical Medicine Unit of the Infectious Diseases Service, Hospital Ramón y Cajal, Madrid.
- Carmen Serrano-Suñer: Presented the integrated management of all the job training workshops and tasks performed for people with intellectual disability at the Carmen Pardo-Valcarce Foundation, supporting their integration.
- Ángel Sola: Ángel carried out a project of integrating people with functional diversity through ICTs and cyber-volunteer workers at the Cyber- Volunteers Foundation. He organized basic ICT training workshops to enable the social and labour integration of these people.



## Other activities

### Publications

The following publications have been edited or co-edited during the financial year 2009-10:

- "LTE: new trends in mobile communications".
- "Sensors Everywhere".

### 10<sup>th</sup> Vodafone Journalism Prizes

This edition focused on new information and communication channels, and included a new category: the Digital Category, intended for any professional or media vehicle (website, blog, social network, etc.) that has made a name for itself by disseminating information through these channels. The winners were:

- Special Lifetime Achievement Award: ONCE and ONCE Foundation.
- Award to a communication professional: Miguel Ángel Uriondo (Actualidad Económica)
- Digital Category Award: Albert Cuesta (Avui newspaper and editor of the PDA channel).
- Special Lifetime Achievement Award (posthumous): José Luis Fernández Iglesias.



### Social Networking

The Vodafone Foundation Spain has set up its own channels in YouTube and in Facebook, and the Facebook channel is specially designed. The Foundation also announces its activities through Vodafone Spain's Facebook channel.

## Awards received

In 2009-10, different institutions saw fit to publicly acknowledge the Vodafone Foundation Spain's work and achievements:

- **"2009 Information Society" award from ASIMELEC** for supporting initiatives to spread technologies throughout Society.
- **Júbilo 2009 Social Commitment award**, in recognition of our commitment to working in favour of the social integration of people through technology, paying special attention to elderly people.
- **APROCOR 2009 Labour Integration of People with Intellectual Disability award**, for the efforts made to facilitate the implementation of new technologies in the employment integration of disabled people.
- **CIBERMAX Award in the "Social Action" category**, given by the Fundación Cibervoluntarios to the "3G for All Generations" project, as an ICT initiative that has helped to encouraging innovation.
- **Gold Medal from "La Rebotica"**, awarded in recognition of its activities.
- **Signguide Project:** The Barcelona Maritime Museum was awarded the accessibility prize by the Federation of Associations of Cochlear Implant Users in Spain (AICE) for the introduction of accessible video guides for people with hearing deficiencies. The Signoguía (sign guide) project was developed with the collaboration of the Vodafone Foundation Spain, CNSE (Spanish Confederation of the Deaf) and the FCNSE (Spanish Confederation of the Deaf Foundation).



[www.youtube.com/user/FundacionVodafoneESP](http://www.youtube.com/user/FundacionVodafoneESP)  
[www.facebook.com/vodafoneES](http://www.facebook.com/vodafoneES)

# 4

## Society

Supply Chain  
Employees  
Foundation

### We will

- Train more than 5,000 disabled people and/or their carer relatives, in the Andalusia Autonomous region. March 2011.
- Perform at least 2 new innovation projects to promote accessible ICT solutions in "Senior Citizens and functional diversity": accessible mobile telecare within everyone's reach and ICT solutions for tutoring people with intellectual disabilities. March 2011.

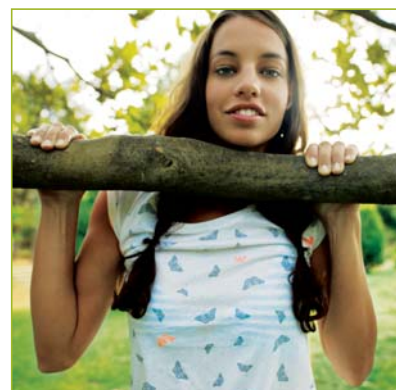


# Environment

**Telecommunications involve constant growth and technological development; the construction and adaptation of the infrastructure in order to achieve higher levels of quality and coverage in providing these services can have both positive and negative environmental impacts, which must be taken into account in order to ensure the sustainable development of the sector.**

As such, amongst the numerous positive environmental impacts of telecommunications, the following can be highlighted:

- Less travel: the ease of Internet access, working on the move and videoconference and teleconference services contribute towards reducing the travel of people and goods, and consequently, there is a reduction in pollutant gas emissions.
- Decrease in the consumption of paper and other resources: the use of Internet, e-mail, etc, involves a greater digitalization of information which translates into the reduced consumption of paper and other associated resources.
- The use of telecommunications systems also enables a series of benefits associated to "machine to machine" (M2M) information transmission:
  - Measurement of environmental parameters and conditions: telecommunications systems help to support the networks for measuring water and air quality in large cities, which contributes towards the improvement and constant monitoring of various environmental parameters. Telecommunications have been used to support the continual measurement of environmental issues as significant as the deterioration of the ozone layer.
  - Alarms in emergency situations: telecommunications help to warn and inform about emergency situations and to coordinate the different organizations and people who are involved in these situations.



Meanwhile, negative environmental impacts associated to the development and operation of a telecommunications network can also transpire (consumption of raw materials, equipment manufacturing, network deployment, end of the useful life of used equipment, etc.).

Vodafone's objective is to manage its activities keeping the negative environmental impacts that we can influence to a minimum and maximizing the environmental benefits that our services can bring.

In order to achieve this, we have an Environmental Management System that has been certified to be in line with the international ISO 14001 regulations since 1997, (certificate available on our website).

Our Environmental Policy is based upon the following principles:

- Using technology that is not considered to be harmful to people or the environment.
- Recycle waste wherever possible.
- Purchase environment-friendly products and services.
- Optimizing the use of resources, and particularly electricity.
- Minimize the use of Ozone Depleting Substances.
- Minimizing the environmental impact of our travel, and particularly preserving nature conservation areas.



# 5

## Environment

### Our Operations

Energy and Climate Change  
Waste and Handsets

## Our Operations

**Our services are provided via a network of telecommunication installations, including base stations and switching and data centres, which transmit and receive voice and data.**

Ensuring the responsible deployment of our network is one of the top priorities of our Corporate Responsibility Strategy. Our objective is to minimize the impact of our operations in line with the following criteria:

- Prioritizing the health and safety of our employees, contractors and the general public (See Chap. 4: "Society").
- Launching public consultations and maintaining clear and open communication with the local communities concerning radio frequency emissions and their impact on our health
- Reducing the environmental impact of our network by controlling emissions, sharing our infrastructures and equipment, and recycling waste.

We are aware that, occasionally, the deployment of our network can cause concern to part of the community in the environments where we have installations. For this reason, we carry out consultations with local stakeholders. So 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. (See fig. 1).

## We said

### Responsible Network Deployment

- Verify / Audit sub-contractors' compliance with the Responsible Network Deployment Policy March 2010.

### RF Emissions and Health

- 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.

## We have

### Responsible Network Deployment

At Vodafone, we are continually investing in the development of our network in order to improve the coverage in rural areas, and to improve the capacity in densely populated areas.

During the 2009-10 financial year, Vodafone Spain has remained committed to carrying out a significant deployment of our network. We currently have over 23,000 network elements, of which more than 10,000 have 3G technology.

When it comes to deploying these network elements, Vodafone Spain considers both its "Responsible Network Deployment Policy" and the "Code of Good Practice for the Installation of Mobile Telephone Infrastructures" signed by the mobile telephone operators with the Spanish Federation of Municipalities and Provinces (FEMP).

Where compliance with the legislation is concerned, at a national level, Vodafone Spain fulfils the regulations governing the telecommunications sector which concern network deployment, particularly the General Telecommunications Law 32/2003, of 3 November.

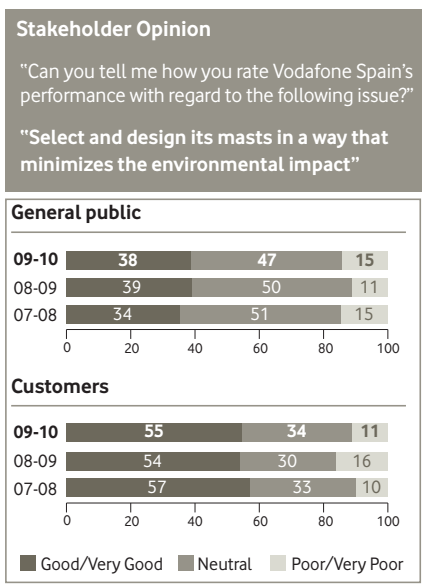


Fig. 1



Source: El País 20 July 2009.

+ than **23,000**  
network elements



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 stations). However, a legal controversy is known to exist about the lawfulness of certain aspects, and court appeals have been filed against numerous provisions of these regulations.

Meanwhile, we take into account the sub-contracting process to which the deployment of our network is subjected, whereby the objective is that our suppliers fulfil our Responsible Network Deployment Policy. In order to achieve this, different controls are applied, such as:

- Monitoring the submission of radio frequency projects to the Department of Industry, Tourism and Trade.
- Inspection points programme, which identifies each point verified during the completion of the work to our suppliers.
- Internal and external audits of the Environmental Management System implemented in line with the international ISO 14001 regulations.

### Development of environmentally harmless infrastructures



The Vodafone Group, in partnership with Huawei, through the Radio Innovation Centre in Madrid, has developed a green BTS (Diet BTS) that is purpose-designed to run 100% on renewable energies and serves to cut radio base stations' dependency on fossil fuels. With this solution, sites can be rolled out fast and easily in remote areas. Some of this kind have already been deployed in South Africa, and plans are afoot to roll out these solutions in Ghana or in the Democratic Republic of the Congo.

Vodafone Spain is also conducting pilot projects with other kinds of green masts developed in partnership with Nokia Siemens Networks and Alcatel-Lucent in India and in Qatar.

### Shared sites

During the 2009-10 financial year, we have carried out a deployment in which more than 50% of our base stations have used the installations of other operators or other location suppliers. In this respect, we have shared more than 1,000 sites, both owned by Vodafone Spain and by other organizations.

Furthermore, based on the agreement signed with Orange, according to which both companies committed to share 3G network infrastructures in towns with less than 25,000 inhabitants, Vodafone and Orange have exceeded 1,700 3G installations at shared sites.

### Network 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 satisfy our customers' Quality of Service expectations and to be leaders in achieving the availability and quality objectives established by international regulations. In order to achieve these goals, Vodafone has a robust telecommunications network with redundant routing, diversity and protection against faults.

### Universal Service Provision

The responsibility for Universal Service provision has been and is to date that of the historic operator designated as the provider. The cost for providing these services is determined annually by the Telecommunications Market Commission (CMT), as well as the operators who are obliged to contribute towards it. The net cost of the Universal Service has been between €70 and €80 million per year in recent years, and Vodafone Spain's contribution is increasing and is around €15 million.

In this respect, Vodafone's position is that:

- Mobile telephony has already universalized communications such that the concept of universal service should be reviewed and replaced by a more modern and pro-competition concept.
- It is not clear whether the provision of the Universal Service involves an unjustified cost to the operator designated as the service provider.
- In any case, the cost must be lowered and should be funded by all operators and not only by the four main ones.

**+ than 1,000**  
sites shared during 2009-10

## 5

## Environment

## Our Operations

Energy and Climate Change  
Waste and Handsets

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

In addition to network optimization activities, there is the continual deployment of new base stations, which enables us to reach, at 31<sup>st</sup> March 2010, 99.3% of the population by means of the 2G Network (GSM) and 92.8% of the population by means of the 3G Network (UMTS). Furthermore, we have upgraded the transmission capacity in order to cater for the significant increase in traffic, particularly on the data network, required by the new broadband services offered to our customers; and we will continue to make a big effort in deploying base stations and functionality that enables us to increase the efficiency of the resources that have already been deployed.

As such, during the 2009-10 financial year, Vodafone Spain became the first European operator to deploy "QoS" functionality which, due to its more efficient management of radio resources, makes it possible to remove the data speed limitations which were applied to customers after a certain volume of data consumption, in order to prevent network saturation.

All of the aforementioned actions, along with Vodafone's commitment to 3G technology and to offering our customers the best data network, have once again been recognized by the independent external audit carried out by P3 Communications. In its conclusions, P3 Communications certifies that in Spain, Vodafone is the operator that offers the best file download and web browsing speed out of all of the country's mobile telephone networks. (See fig. 2).

Vodafone Spain also complies with the Technical regulations on rendering an automatic mobile telephony value-added telecommunication service. Pursuant to these Regulations, it issues periodic reports on various Quality of Service parameters 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, as well as at [www.vodafone.es/legal](http://www.vodafone.es/legal)

### Mobile phones, masts and Health

In accordance with Royal Decree 1066/2001, during the first quarter of 2010, the annual certification of our base stations network was carried out. In order to achieve this, the level of radio frequency emissions was measured at approximately 5,600 stations. The emission levels at 100% of Vodafone Spain base stations is significantly below the thresholds set by the said Royal Decree.

With the aim of giving citizens access to knowledge concerning the operation and safety of a telecommunications network, Vodafone Spain, in collaboration with the consumer organization, CECU, took part in the Mobile Communications and Knowledge Society conferences which took place in October 2009.

Likewise, we have participated in several conferences organized by the Spanish Federation of Municipalities and Provinces. Worth particular mention is the Good Mobile Telephony and Local Development Practices Conference which was held in Parla, in October 2009, aimed at mayors, councillors, experts, ministers and directors of local corporations, county councils, inter-island councils and local organizations with competence in the development of programmes linked to technological innovation, implementation of the knowledge society, telecommunications, town planning, health and the environment.

92.8%

of the population enjoys 3G  
coverage

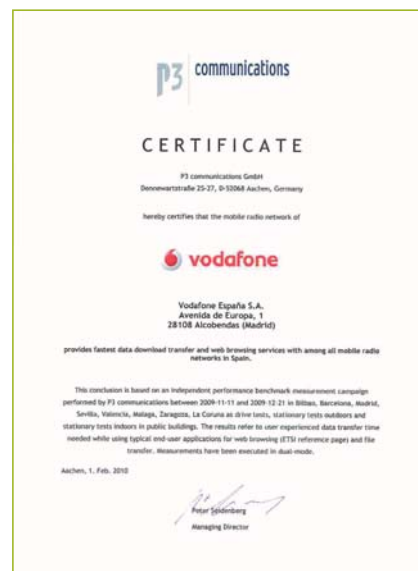


Fig. 2

Nearly **5,600**

base station measurements

during 2009-10



Where the opinion of the various stakeholders is concerned, according to the study carried out in December 2009, by the international consultancy Nunwood, based on interviews with members of health institutions, municipal corporations, communication agencies, the academic and scientific community, business institutions, central government and NGOs, it can be gathered that 87% of those interviewed believes that Vodafone correctly assumes its responsibilities with relation to issues concerning radio frequency emissions and health.

Likewise, it highlights the fact that they believe that Vodafone controls and respects the legal limits for radio frequency emissions and takes the opinion of communities into consideration when deploying its telecommunications network.

Meanwhile, we continue to measure the perception of our customers and the general public on a quarterly basis, in relation to our communication actions concerning radio frequency emissions. (See fig. 3).

### Studies by the Scientific Community

The recent publication of the INTERPHONE study produced with the supervision of the IARC (International Agency for Research on Cancer) and commissioned by the World Health Organization (WHO) stands out. The study analyses data from over 10,000 people from thirteen countries, comparing the use of mobile telephones amongst over 5,000 cancer patients and further healthy people. The research focused upon four types of cancer which affect the tissues which are most exposed to the radiation from mobile telephones: two brain tumours (glioma and meningioma), acoustic nerve cancer and parotid gland cancer.

According to the conclusions of the aforementioned study published in the International Journal of Epidemiology, no statistically significant relationship has been found between mobile telephones and cancer.

In 2009, another body, the International Commission for Non Ionizing Radiation Protection, reviewed the emission levels that had been in force for ten years, which were recommended in their 1998 report, and their conclusion was that the levels of electromagnetic exposure established in their 1998 report remain valid (those which are stipulated in Royal Decree 1066/2001).

### Applicable legislation

Vodafone Spain complies with all current European and Spanish RF emission and health regulations:

#### European

- Recommendation of the EU Health Ministers Council, of 12 July 1999, concerning the general public's exposure to electromagnetic fields.

#### Spanish

- Royal Decree 1066/2001, of 28 September, approving the Regulation setting forth conditions to protect the public radio spectrum, restrictions on RF emissions and RF emission health protection measures.
- Ministerial Order CTE/23/2002, of 11 January, which sets out the conditions for the submission of certain research and certificates by radiocommunications services operators.
- Ministerial Order ITC/749/2010, of 17 March, amending Ministerial Order CTE/23/2002, of 11 January, which sets out the conditions for the submission of certain research and certificates by radiocommunications services operators.

## We will

- Collaborate in implementing responsible RF emission, mast and health policies, with other Vodafone operators. March 2011.
- Continue promoting specific tasks for communicating "good practices" in telecommunications and their health connections. March 2011.
- Keep on improving our mobile broadband network, offering the HSPA+ service in the country's 31 largest centres of population. March 2011.

### Stakeholder Opinion

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

"Report on the RF emissions of mobile telephony and its relationship with health"

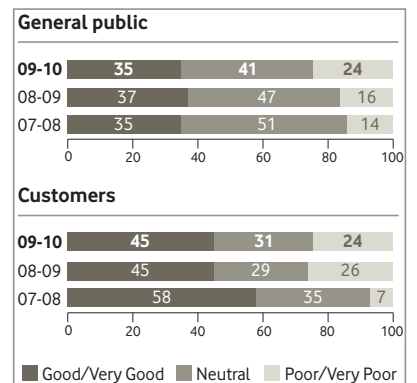


Fig. 3

# 5

## Environment

- Our Operations
- Energy and Climate Change
- Waste and Handsets

## Energy and Climate Change

Climate Change represents a challenge to our current way of life and is turning into a relevant challenge for society.

As with every commercial activity, telecommunications consume energy. This consumption has associated greenhouse gas emissions (principally CO<sub>2</sub>) which affect Climate Change. Meanwhile, ICTs can play an essential role in the fight against Climate Change, since ICT applications can make a notable contribution towards creating a society with low CO<sub>2</sub> emissions.

### We said

- Reduce estimated network energy consumption since 2006-07 by 8%. March 2010.
- Achieve a 35% reduction in CO<sub>2</sub> emissions/MB of traffic since 2006-07. March 2010.
- Reduce 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. 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 have

#### Network energy consumption

Over 90% of the energy consumed by Vodafone Spain comes as a result of our network operations. (See Fig.1).

During the 2009-10 financial year, absolute energy consumption grew by 15.2% as a consequence of our network development, and fundamentally due to the inclusion of the energy consumed by our new fixed-line service activity (acquisition of former Tele2). This energy consumption has led to an associated increase in CO<sub>2</sub> emissions in absolute terms. (See fig. 2 and 3).

#### Energy Efficiency Plans

During the 2009-10 financial year, we have completed our second Network Energy Efficiency Plan, which considers opportunities for investing in more efficient technologies and objectives for improvement in both our Access Network and Switching Centres.

The objectives of this second plan have been fully achieved. As such, in the face of the objective to reduce the planned energy consumption between 2006-07 and the end of 2009-10 by 8%, we have made a 12.8% saving on the planned consumption, and reduced CO<sub>2</sub> emissions against the traffic handled by 87.6% (the established objective was 35%). (See fig. 4 and 5).

Distribution of Electricity Consumption 09/10



Fig. 1

Network Energy Consumption (MWh)

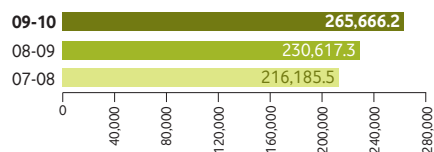


Fig. 2

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

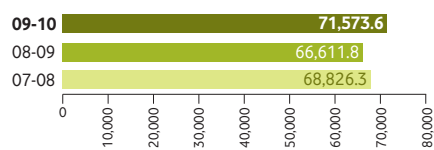


Fig. 3

**141,855** Mwh  
saved since 2003 in the network

**40,223** Tons of CO<sub>2</sub>  
avoided since 2003 in the network

EEP 2006-10. Energy saving (Mwh)

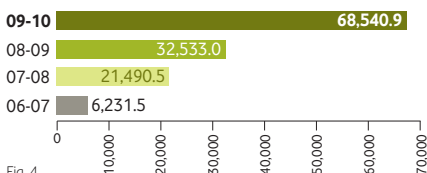


Fig. 4

EEP 2006-10. Reduction in CO<sub>2</sub> emissions

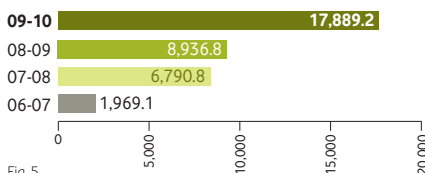


Fig. 5

In absolute terms, the savings made as a consequence of this 2006-2010 Energy Efficiency Plan, and of that produced in 2003-06, have been 141,855 Mwh, avoiding the emission of 40,223 Tn of CO<sub>2</sub>, which is the equivalent of the amount emitted by some 18,000 vehicles in a year.

Given that these Energy Efficiency Plans have expired, during the 2009-10 financial year, we have started to produce a new Energy Efficiency Plan which, in addition to network consumption, covers the energy consumed in stores and offices.

In order to produce this plan, new actions have been identified in each area, although the quantifying of the saving objectives has been postponed until the start of the 2010-11 financial year, so that depending on the distribution of objectives made by the Vodafone Group amongst its operators, it will be possible to reach the objective of reducing total Group emissions by 50% in relation to the 2006-07 values.

### Energy consumption in offices and stores

The actions carried out in both offices and stores in order to control energy consumption have had an impact on the positive evolution of the respective data. (See fig. 6 and 7).

The most significant actions launched in offices include:

- The installation of presence detectors in places which are not permanently occupied.
- The installation of lighting and air conditioning management systems in regional offices.
- Use of posters reminding people about the efficient use of energy.

In the case of stores, the following initiatives stand out:

- Changing to low-energy light fittings.
- Use of photoelectric cells for illuminated signs.
- Reduction of flat panel lighting in the sales area.
- Turning off the light fittings on furniture when the stores are closed.

### Other actions

During the 2009-10 financial year, the company has continued to promote the use of videoconference rooms by our employees, thus optimizing the number of trips made (See Figs. 8 and 9) and, as such, the associated environmental impact of CO<sub>2</sub> emissions (See Fig. 10).

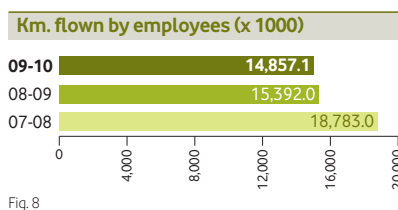


Fig. 8

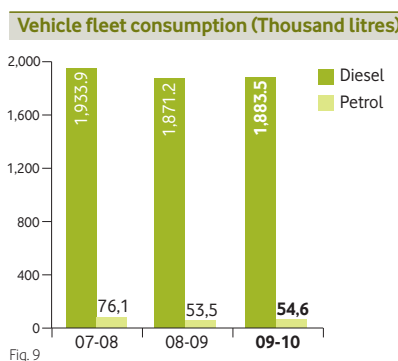


Fig. 9

	05-06 and 06-07	07-08	08-09	09-10	TOTAL
Nº of national videoconferences	8,086	3,584	5,296	8,291	25,287
Nº of international videoconferences	1,875	4,594	6,610	14,889	27,968
Estimated saving on CO <sub>2</sub> emissions (Tn) <sup>1</sup>	546	769	1,111	2,374	<b>4,800</b>

Fig. 10

Furthermore, Vodafone Spain has maintained the commitment that it undertook at the Madrid Proclima Forum, to change at least 6% of the vehicles making up the company float for less pollutant vehicles, before 2012.

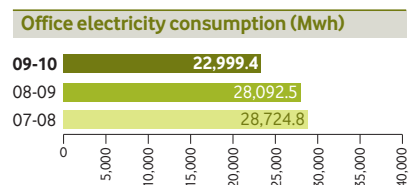


Fig. 6

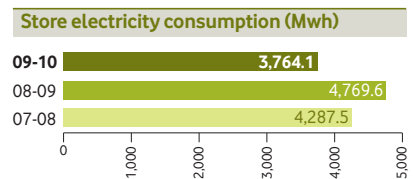


Fig. 7

**23,180**  
videoconferences held in 2009-10

**4,800** Tons of CO<sub>2</sub>  
avoided since 2005-06 with the use of video conferencing

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



## 5

## Environment

Our Operations

Energy and Climate Change

Waste and Handsets

## Carbon Connections Report

At Vodafone, we are aware that our activity can have an impact upon Climate Change; at the same time, we believe that our technology can help to significantly reduce the impact on climate change caused by other sectors.

During the 2009-10 financial year, Vodafone submitted a study, produced in collaboration with Accenture, according to which mobile technologies could reduce current CO2 emissions by 113 million tonnes (this would represent 2.4% of the total emissions forecast in Europe in 2020) and reduce the energy consumed by €43 billion in Europe by 2020.

The study shows that mobile technologies have the potential to serve as a catalyst in certain industries and sectors and help them cut their CO2 emissions.

The energy saving is largely expected as a result of the replacement of physical activities by virtual activities (dematerialisation) and due to the increased role of intelligent "machine to machine" (M2M) services, which is why the study specifies different opportunities or concrete solutions, structured in five areas in which to put these saving and greenhouse gas emission reduction initiatives into practice:

- **Dematerialization:** This involves replacing meetings and trips by virtual alternatives with low CO2 emissions (telepresence, work on the move, mobile e-commerce).
- **Smart grids:** The aim is to improve electricity grids so that they distribute electricity more efficiently through the use of wireless technologies, which facilitate communications between the supplier and end users.
- **Smart logistics:** Wireless technology can help to track vehicles, adjust routes, optimize each vehicle's load volume or even monitor vending machine stocks to improve the restocking process.
- **Smart cities:** Monitoring and controlling the systems that encourage efficient energy use (water, etc.) as well as efficient traffic management, could bring significant environmental benefits.
- **Smart manufacturing:** Wireless ICTs could facilitate the remote supervision of these machines, automate communications between the different production subprocesses or optimize order production and delivery.

## We will

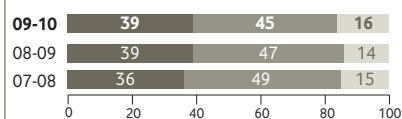
- Reduce CO2 emissions with the aim of contributing towards achieving the Vodafone Group objective of reducing all emissions by 50% compared to the 2006-07 figures. March 2020.
- Develop a new Energy Efficiency Plan that includes the Network, Offices and Stores. March 2012.
- Replace 6% of the company fleet vehicles with less polluting vehicles. March 2012.

## Stakeholder Opinion

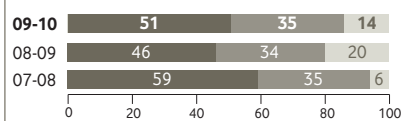
"Can you tell me how you rate Vodafone Spain's performance with regard to the following issue?"

"Take action to reduce the impact of its activities on climate change"

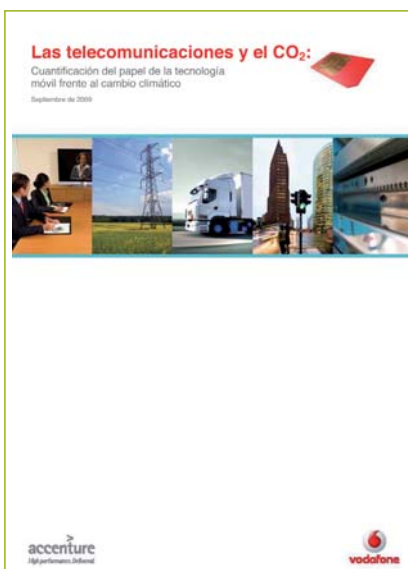
## General public



## Customers



■ Good/Very Good ■ Neutral ■ Poor/Very Poor



# Waste and Handsets

## We said

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

## We have

During this financial year, we have developed an on-line environmental awareness course for all employees, as well as another course specifically aimed at those positions with concrete environmental responsibilities.

More than 450 employees did one of these courses. The assessment of both the awareness course and the specific course was highly positive: 3.1 and 3.4 respectively (on a scale of 1 to 4).

As part of the awareness course, a competition was proposed to encourage employees to send their suggestions for actions to be implemented in order to improve the environment. Over 300 suggestions were received, covering topics such as energy consumption, waste separation, paper consumption, sustainable mobility, etc.

### Eco-consumption

#### Ecological mobile telephone

At Vodafone, we support innovative developments in products and services which can offer environmental benefits.

The range of environmentally-friendly devices is a fundamental part of our commitment to a more sustainable society. As such, during this financial year, we have launched the first ecological solar mobile telephone with a touch screen (Samsung Blue Earth). Both the handset and its packaging are made from recycled materials, and the handset features an "eco-mode" for energy-efficient use and a solar panel for recharging the battery.

The phone's key features include:

- Its menu features an interface designed to draw attention to environmental conservation. With "Eco mode," screen brightness, backlight duration and Bluetooth can be set to an energy-efficient mode with just one click. The "Eco Walk" function allows users to count their steps with a built in pedometer and calculate the reduction in CO2 emission realized by walking as opposed to using a motor vehicle; This unique function allows users to see the value of walking by calculating the number of trees that have been saved.
- Blue Earth comes with a 5 star energy efficient charger which uses only 0.03W of power in standby mode. Furthermore, by charging with the solar panel located on the back of the phone, users can generate enough power to use the device anytime and anywhere.
- The packaging for Blue Earth is made from easy-to-recycle paper and printed in soy ink. It also suggests a simple DIY idea to reuse the package as a photo frame or a pencil box.



## 5

## Environment

## Our Operations

## Energy and Climate Change

## Waste and Handsets

- The handset is made from Post Consumer Material (PCM), which is extracted from used water bottles, helping to reduce fuel consumption and CO2 emissions during the manufacturing process. The device, including the charger, is free from harmful substances such as Brominated Flame Retardants (BFR), Polyvinyl Chloride (PVC) and Phthalates.

### Universal Charger

During this financial year, in October 2009, the International Telecommunications Union (United Nations technical body) reached an agreement with the manufacturers and operators (including Vodafone) so that in 2012 the majority of telephones sold will be compatible with the Universal Charger based on the Micro-USB interface.

As such, mobile telephone owners can use the charger for all telephones that are produced in the future, irrespective of the make and model.

This decision will help to drastically reduce the number of chargers which currently turn into waste when mobile telephone users purchase new devices, with an estimated reduction of over 50 tonnes of chargers.

Likewise, what is known as UCS (Universal Charging Solution) technology will lead to a notable decrease in the energy consumed, which will make it possible to reduce greenhouse gas emissions by some 13.6 million tonnes per year.

### Billing

In line with our commitment, we have made several changes to our invoicing processes, such as promoting electronic invoicing amongst our customers, and the use of paper with Forest Stewardship Council (FSC) certification in our invoicing processes.

FSC certification is the highest guarantee of the legality and of the sustainability of the use of wood (and products derived from it). It is an external FSC audit that is carried out in the forest. It is performed by independent organizations and requires compliance with certain ecological, social and economic conditions.

### Environmentally-friendly bags

Where the plastic bags that we give to customers in our stores are concerned, we have modified the material that they are made of, replacing it with oxo-biodegradable plastic, which means that the bags, when exposed to sunlight, decompose faster and are more likely to biodegrade.

### Handset reuse and recycling

At Vodafone Spain, on the one hand, we monitor that the products that we sell to our customers do not contain dangerous materials (by applying Directive RoHS "Restriction of Hazardous Substances" to the manufacturers of the handsets that we buy), and, on the other hand, we make suitable methods for properly disposing of telephones that they no longer use available to our customers.

In Spain, it is estimated that there are over 20 million telephones that are no longer used, and as such, since 2001, Vodafone Spain has been promoting and facilitating the collection of our customers' handsets, by means of two complementary systems, one aimed at recycling, and another at reuse, using which we have collected over 365,000 mobile telephones in the 2009-10 financial year. (See fig. 1).

#### Universal Charger



#### Forestry Certificate



#### Green bags



#### Number of handsets collected

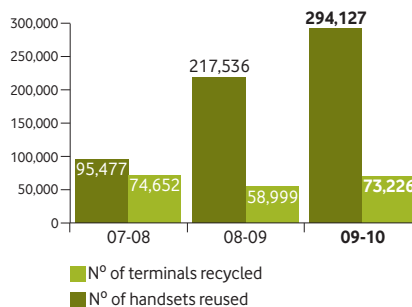


Fig. 1

On the one hand, we have the Tragamóvil System, via which anyone wishing to ensure that they dispose of the mobile telephone that they are no longer using appropriately, can place it in the Tragamóvil containers installed in our own stores (and in the receptions of our main offices). These telephones (along with their accessories) are sent to be recycled.

As such, the liquid crystal screens and batteries are removed and sent to dangerous waste managers, since they are usually manufactured using pollutant materials. The rest is crushed; the metallic elements are separated from the plastic ones and, subsequently, so are the different metals. This way, 92% of the material contained in telephones is recovered, and it is used to manufacture new products.

On the other hand, we have a Reuse and Recycling System, in collaboration with a specialist company, which enables us to offer our customers points for their loyalty programme for their disused handsets. Using this system, in addition to ensuring that broken or unrepairable handsets are recycled, we obtain the social benefit that is derived from the fact that developing nations can have access to new technologies at more affordable prices.

## Wastes

At Vodafone, we make sure that the other waste that we generate either directly or indirectly as a consequence of carrying out our business, is appropriately managed. As such, we have a contractual agreement with our suppliers which requires them to manage the waste generated whilst carrying out their contractual obligations appropriately.

Where our network equipment is concerned, once it is withdrawn, it is sent to waste managers for recycling. (See fig. 2).

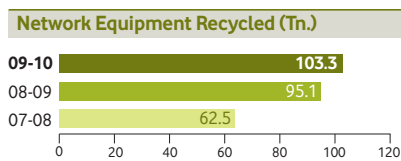


Fig. 2

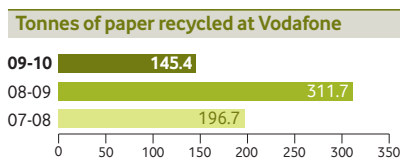


Fig. 3

Furthermore, we promote paper saving and recycling in our offices. (See fig. 3). In the 2009-10 financial year, we consumed over 80 tonnes of paper.

The waste generated as a consequence of the sale of our products and services, (packaging), is included in the Ecoembes Integrated Management System, and we declare the amounts generated each year, which are mainly cardboard and plastics. In 2009, we declared 237,285kg.

We continue to monitor water consumption. (See fig. 4).

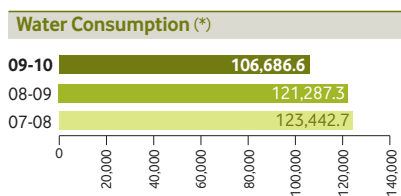


Fig. 4

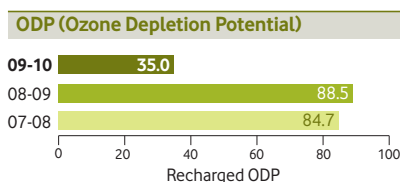


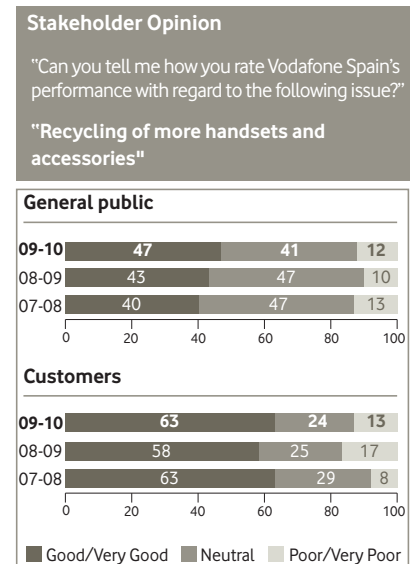
Fig. 5

We have not had any significant waste spillage in the 2009-10 financial year.

Meanwhile, some of our air conditioning and fire extinguishing systems contain agents which can damage the ozone layer. For this reason, Vodafone Spain has been implementing a plan to replace these agents which is managing to significantly reduce our emissions. (See fig. 5).

+ than **365,000**

phones collected for reuse or recycling in 2009-10



(\*) Only includes water at head offices and offices.

## 5

## Environment

Our Operations

Energy and Climate Change

Waste and Handsets

## Suppliers

As a services company, we believe that we can have an influence on the indirect impacts caused by the products and services that we purchase; for this reason, we transmit our environmentally-friendly culture to our suppliers, and assess it in recruitment and evaluation processes (See Chapter 4).

During this financial year, we have written a Suppliers' Guide ("Collaborating with Vodafone". See [www.vodafone.es/responsabilidad](http://www.vodafone.es/responsabilidad)) which includes aspects related to respecting the environment, basically with regard to:

- The implementation of processes to actively improve the efficient use of limited resources (such as energy, water and raw materials)
- The implementation of managerial, operational and technical controls in order to minimize emissions which are harmful to the environment
- The implementation of measures to improve the environmental conduct of products and services when they reach the end user.

## We will

- Implement any viable suggestions made by employees and identified in the environmental awareness course. March 2011.
- Develop a collaboration project with NGO's to foster environmental protection. March 2011.





# Assurance Report



**KPMG Asesores S.L.**  
Edificio Torre Europa  
Paseo de la Castellana, 95  
28046 Madrid

## **Independent Assurance Report to the Management of Vodafone España S.A.U.**

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

We performed a limited assurance review on the non-financial information contained in Vodafone España S.A.U. (hereinafter Vodafone España) Corporate Responsibility Report 2009/2010 for the year ended 31 March 2010 (hereinafter “the Report”).

Vodafone España management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the section entitled Report Criteria. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed, which refers exclusively to the information corresponding to the year ended 31 March 2010. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct. We have also conducted our engagement in accordance with AA1000 Accountability Assurance Standard 2008 (AA1000AS) (Type 2), which covers not only the nature and extent of the organisation’s adherence to the AA1000APS, but also evaluates the reliability of performance information as indicated in the scope.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Inquiries of management to gain an understanding of Vodafone España processes for determining the material issues for their key stakeholder groups.
- Interviews with relevant Vodafone España staff concerning the application of sustainability strategy and policies.
- Interviews with relevant Vodafone España staff responsible for providing the information contained in the Report.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Vodafone España.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of Vodafone España, which were audited by independent third parties.

KPMG Asesores, S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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N.I.F. B-82488650

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The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in AA1000APS, stakeholder dialogue, social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Responsibility Report 2009/2010 of Vodafone España S.A.U. for the year ended 31 March 2010 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the Report Criteria section of the Report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that as a result of Vodafone España implementing the procedures described in section Principles of the Report, any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide Vodafone España management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In 2005, Vodafone España carried out a detailed analysis to identify and prioritize its stakeholders; it also has a procedure that registers the different communication channels that exist for each stakeholder on a yearly basis. It is recommended to consider the necessity of increasing the level of detail in characterizing stakeholders, as well as establishing a mechanism for their prioritization according to their importance. In consequence, the results of this prioritization should be considered in the process of determining relevant issues, as well as in the design of company responses, strengthening the capacity and efficiency of its CR Program.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez  
Partner

23 July 2010



# GRI Indicators

Point	Pg.	Definition
<b>Strategy and Analysis</b>		
1.1	3	Statement from the most senior decision-maker.
1.2	13	Description of key impacts, risks, and opportunities.
<b>Profile</b>		
2.1	Cover	Name of the organization.
2.2	5, 7	Primary brands, products, and/or services.
2.3	10	Operational structure.
2.4	2	Location of organization's headquarters.
2.5	4	Countries where the organization operates.
2.6	Cover,4	Nature of ownership and legal form.
2.7	5, 6	Markets served: geographic breakdown, sectors and types of customers.
2.8	5, 65	Scale of the reporting organization.
2.9	5, 6	Significant changes during the period.
2.10	15	Awards and distinctions received.
<b>Report Parameters</b>		
<b>Report Profile</b>		
3.1	2, 62	Reporting period.
3.2	62	Date of most recent previous report.
3.3	62	Reporting cycle.
3.4	2	Contact point for questions regarding the report.
<b>Report Scope and Boundary</b>		
3.5	62	Process for defining report content.
3.6	62	Boundary of the report.
3.7	62	Any limitations on the scope.
3.8	N.A. (1)	Aspects that can significantly affect comparability.
3.9	15	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	60-61	Location of the Standards Disclosures in the report.
<b>Assurance</b>		
3.13	62	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	34	Linkage between compensation for executives and the organization's performance.
4.6	11	Processes in place for the highest governance body to ensure conflicts of interest are avoided.
4.7	15	Qualifications of the members of the Board on sustainability topics.
4.8	8	Statements of mission or values and codes of conduct on sustainability.
4.9	15	Board's assessment of the organization's sustainability performance.
4.10	15	Assessment of the Board's own sustainability performance.
<b>Commitments to External Initiatives</b>		
4.11	13	Precautionary approach or Principle.
4.12	40	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	12, 13	List of stakeholder groups engaged by the organization.
4.15	12	Basis for identification and selection of stakeholders with whom to engage.
4.16	12, 13	Approaches to stakeholder engagement.
4.17	13	Key topics and concerns that have been raised through stakeholder engagement.
<b>Economic</b>		
<b>Management Approach</b>		
5, 12-13, 15		
<b>Economic Performance</b>		
EC1	5	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations, retained earnings, and payments to capital providers and governments.

Point	Pg.	Definition
EC2	N.A. (2)	Financial implications and other risks and opportunities for the organization's activities due to climate change.
EC3	5	Coverage of the organization's defined benefit plan obligations (pension schemes).
EC4	5	Significant financial assistance received from government.
<b>Market Presence</b>		
EC6	28	Policy, practices, and proportion of spending on locally-based suppliers.
EC7	15	Procedures for local hiring and proportion of senior management hired from the local community.
<b>Indirect economic impact</b>		
EC8	40	Infrastructure investments and services provided for public benefit.
<b>Environmental</b>		
<b>Management Approach</b>		
12-13, 15, 46-57		
<b>Materials</b>		
EN1	55-56	Materials used by weight or volume.
EN2	55-56	Percentage of materials used that are recycled input materials.
<b>Energy</b>		
EN3	51-52	Direct energy consumption by primary energy source.
EN4	51-52	Indirect energy consumption by primary source.
<b>Water</b>		
EN8	56	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 on protected areas and areas of high biodiversity value outside protected areas.
<b>Emissions, effluents, and waste</b>		
EN16	56	Total direct and indirect greenhouse gas emissions by weight.
EN17	56	Other relevant indirect greenhouse gas emissions by weight.
EN19	56	Emissions of ozone-depleting substances by weight.
EN20	N.A. (5)	NO, SO, and other significant air emissions by type and weight.
EN21	56	Total water discharge by nature and use.
EN22	55-56	Total weight of waste by type and disposal method.
EN23	56	Total number and volume of significant spills.
<b>Products and Services</b>		
EN26	51-52,54-55	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	55	Percentage of products sold and their packaging materials that are reclaimed by category.
<b>Regulatory Compliance</b>		
EN28	47-48	Cost of fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
<b>Social</b>		
<b>Labor Practices and Decent Work</b>		
<b>Management Approach</b>		
12-13, 15, 46-57		
<b>Employment</b>		
LA1	31	Total workforce by employment type, employment contract, and region.
LA2	31	Total number and rate of employee turnover by age group, gender, and region*.
<b>Labour/Management Relations</b>		
LA4	35	Percentage of employees covered by collective bargaining agreements.
LA5	35	Minimum notice period and negotiation practices with employees and/or their representatives, regarding operational changes.
<b>Industrial Health and Safety</b>		
LA7	37	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.
LA8	36	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	32	Average hours of training per year per employee by employee category.
<b>Diversity and Equal Opportunities</b>		
LA13	34	Composition of governance bodies and breakdown of employees according to gender, age group and minority group membership (diversity).

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.	Point
LA14	34	Ratio of basic salary of men to women by employee category**.
<b>Human Rights</b>		
<b>Management Approach</b>		
12-13, 15, 28-39		
<b>Investment and Procurement Practices</b>		
HR1	28	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.
HR2	28	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
<b>Non-discrimination</b>		
HR4	11, 35	Total number of incidents of discrimination and actions taken.
<b>Freedom of association and Collective Agreements</b>		
HR5	35-36	Operations in which the freedom of association may be at significant risk, and actions taken to support these rights.
<b>Child Labour</b>		
HR6	8	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	Operations having risk for incidents of forced or compulsory labour, and corrective measures.
<b>Society</b>		
<b>Management Approach</b>		
12-13, 15, 23-27, 40-45, 47-50		
<b>Community</b>		
S01	23, 40, 47	Programs and practices that assess and manage the impacts of the organization's operations on communities.
<b>Corruption</b>		
S02	8-9, 11	Percentage and total number of business units analyzed for risks related to corruption.
S03	8, 11	Percentage of employees trained in anticorruption policies and procedures.
S04	11	Actions taken in response to incidents of corruption.
<b>Public Policy</b>		
S05	8	Public policy positions and participation in public policy development and lobbying.
<b>Regulatory Compliance</b>		
S08	16-17	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>		
12-13, 15-17, 20-22, 49-50		
<b>Customer health and safety</b>		
PR1	49-50	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>Products and Services Labelling</b>		
PR3	49	Product and service labelling and information procedure.
<b>Marketing Communications</b>		
PR6	16	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
<b>Compliance</b>		
PR9	17	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	5	Investment in telecommunication network infrastructure by country/region.
IO2	48	Net costs for service provider 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	36	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.

Point	Pg.	Point
IO4	50	Compliance with ICNIRP standards on exposure to RF emissions from handsets.
IO5	50	Compliance with ICNIRP guidelines on exposure to RF emissions from base stations.
IO6	50	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.
<b>Infrastructure</b>		
IO7	48	Policies and practices on the siting of masts including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluated consultations and quantified, wherever possible.
IO8	48	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	23-27, 40-45	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	23-27, 40-45	Policies and practices to overcome barriers for access to and use of telecommunications services, including: language, culture, lack of education, income, disabilities, and age. Include an explanation of the business models applied.
PA3	48-49	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	48-49	Quantify the level of availability of telecommunications services in areas where the organization operates (e.g.: Number of customers /sharing of markets, addressable market, percentage of population covered, percentage of land covered).
PA5	23-24	Types of telecommunication services provided to and used by low-income sectors of the population.
PA6	25	Programmes to provide and maintain telecommunication products and services in emergency situations and support in catastrophes.
<b>Access to Content</b>		
PA7	20-22	Polices and practises to manage human rights issues relating to access and use of telecommunications products and services (e.g., participation in 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	49-50	Policies and practices to publicly communicate on EMF related issues.
PA9	50	Total amount invested in research activities in electromagnetic field and health. Description of programmes currently contributed to and funded by the reporting organization.
PA10	18-19	Initiatives to ensure clarity of charges and tariffs.
PA11	20-22	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>		
TA1	51-52	Examples of the resource efficiency of telecommunication products and services delivered.
TA2	52	Examples of telecommunication products, services or applications with the potential to replace physical objects (e.g.: a diary by a networked database or a trip by a videoconference).
TA3	5-6	Disclose any measures of transport and/or changes of resources derived from customer use of the telecommunication services listed above. (Provide some indication of scale, size of the market or potential savings).
TA4	5-6	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.
TA5	22	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.

\*\*The ratio is 1.

# Report Criteria

## Scope and coverage of the CR Report

This is Vodafone Spain's seventh Corporate Responsibility Report, and covers our financial year 2009-10 (1 April 2009 to 31 March 2010). 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 communications 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 AccountAbility AA 1000ACE (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.

## Rigor 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 have been assured by an independent auditing firm (KPMG). Its assurance report can be found in one of the sections of this chapter.

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+

	C	C+	B	B+	A	A+
<b>Obligatory</b> Self Statement		Externally verified		Externally verified		✓
<b>Optional</b> Third-Party Verification						✓
Verified by GRI						








# Commitments


## We said





## We have

## We will

Customers		Progress		Date
Extend parental controls to mobile and fixed broadband.	Done. We have launched a "Young Profile" for mobiles and the Internet Security 2009 pack for mobile and fixed broadband.		Launch at least two actions to ensure rates are better tailored to each customer's profile.	March 2011
Comply with the Mobile Alliance's requirements in all navigation environments (mobile, mobile broadband and fixed).	Done. Systems are now in place to prevent access to illegal content in all browsing environments.		Proactively publicize parental control filters, information and reporting channels, both for mobiles, DSL and mobile broadband.	March 2011
Extend the information available in guidebooks and tips on responsible use of mobile phones to Internet and new technologies in general.	Done. Made available through the information that is sent out with bills.		Improve the web's contents about responsible use in all types of connections.	March 2011
			Premium SMS service: Apply actions that discourage the inappropriate practices of some suppliers.	March 2011

Social Products		Progress		Date
Introduce at least two new purpose-designed products/services to reduce social exclusion and improve quality of life of vulnerable groups through communications.	Done: Four products/services (Auro, Nokia T-Loop Pack, Accessible Tariff, and Romad RSP 100 Handset) have been launched.		Launch two new Social Products/Services.	March 2011
Increase the n° of Vodafone stores with New Image, incorporating accessibility criteria, to 50%.	72% of our Owned Stores comply with accessibility criteria. AENOR has awarded Vodafone the Universal Accessibility certificate for its own stores.		Make some of the web's private information services more accessible.	March 2011
			Obtain the accessibility certificate for more than 95% of the Owned Stores.	March 2012

Suppliers		Progress		Date
Draw up a "Guide to working with Vodafone" and distribute it among our main suppliers.	Published and distributed among our main subcontractors.		Communicate the new version of the Code of Ethical Purchasing to the major local suppliers.	March 2011

Employees		Progress		Date
Improve the Satisfaction Indicator in the Welfare section of the Employee Survey by 10% (using the 2007-08 figure. March 2011.	Underway. The level of satisfaction has increased in the People Survey 2009.	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 Company's first Equality Plan.	Done. The Plan has been signed with the Workers' representatives.		Reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure.	March 2011
Organize Company-wide Training Programme on the "Total Telecommunication" strategy.	Training in 360.		Prepare new version of "Vodafone Wellflex".	March 2011
Reduce the rate of accidents resulting in employees being signed off by 10%, using the 2007-08 figure. March 2011.	Underway. Highly positive performance during the financial year 2009-10.	End March 2011	Implement the "Business Academy" development programme.	March 2011
Conduct new campaign regarding safe use of our products and services valid both for employees and anyone around us.	The campaign has been designed and will be conducted during the coming financial year.		Implement the measures set out in the Equality Plan.	March 2011
Development of "People Plan", derived from the 2008 Employee Satisfaction Survey, placing particular emphasis on improving collaboration between teams and change management.	Done. We have launched collaboration-related initiatives and promoted teamwork tools ("Communicator", "sharepoint", etc.)		Conduct new campaign regarding safe use of our products and services valid both for employees and anyone around us.	March 2011

# 7

## Commitments

We said	We have	Progress	We have	Date
<b>Vodafone Foundation Spain</b>				
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.	Done. The AAlance, Persona and Social TV for 3G projects are being carried out as part of the "Senior Citizens and independent life" action line.	100%	Train more than 5,000 disabled people and/or their carer relatives, in the Andalusia Autonomous region.	March 2011
Broaden and consolidate the Foundation's presence in social networks. Launch pages in YouTube and Facebook.	Done. Channels created own in YouTube and Facebook.	100%	Perform at least 2 new innovation projects to promote accessible ICT solutions in "Senior Citizens and functional diversity": accessible mobile telecare within everyone's reach and ICT solutions for tutoring people with intellectual disabilities.	March 2011
Perform at least three actions to support the job insertion of disabled people in collaboration with three other non-profitmaking organizations.	Agreements signed with Aspaysm, Cogami, Predif and Fuhnpain.	100%		
<b>Our Operations</b>				
Continue promoting specific tasks for communicating "good practices" in telecommunications and their health connections.	Done. Vodafone took part in several seminars with the Spanish Federation of Municipalities and Provinces.	100%	Contribute to the implementation of responsible phones, mast and health policies with other Vodafone operators in other countries.	March 2011
Step up the actions with consumer associations, professional associations and other stakeholders, to convey appropriate messages regarding the deployment of mobile communications networks.	We have taken part in different workshops co-organized with the CECU.	100%	Continue promoting specific tasks for communicating "good practices" in telecommunications and their health connections.	March 2011
Verify/Audit sub-contractors' compliance with the Responsible Network Deployment Policy.	Different controls are in place to ensure our subcontractors comply with the policy.	100%	Keep on improving our mobile broadband network, offering the HSPA+ service in the country's 31 largest centres of population.	March 2011
<b>Energy and Climate Change</b>				
Reduce network energy consumption by 8%.	Done. Reduced by 12.8%.	100%	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
Achieve a 35% reduction in CO2 emissions/MB of traffic.	Done. Reduced by 87.6%.	100%		
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.	New measures being implemented to contribute towards the target.	End March 2020		
Develop a new Energy Efficiency Plan that includes the Network and Offices.	New Strategic Plan has been drawn up, with goals yet to be agreed with the Group.	75%	Develop a new Energy Efficiency Plan that includes the Network, Offices and Stores.	March 2012
Replace 6% of the company fleet vehicles with less polluting vehicles. March 2012.	Underway.	End March 2012	Replace 6% of the company fleet vehicles with less polluting vehicles.	March 2012
<b>Wastes</b>				
Use paper with sustainable forest management certification in the billing process.	Done. Paper with sustainable forest management certification is used in the billing process.	100%	Implement any viable suggestions made by employees and identified in the environmental awareness course.	March 2011
Use more environment-friendly bags in Stores.	Done. The bags are being used throughout the Stores.	100%	Develop a collaboration project with NGO's to foster environmental protection.	March 2011
Develop an On line environmental-issue training and awareness-raising course for employees.	Completed by more than 450 employees.	100%		

# Key Indicators

# 8

## Key Indicators

Financial Data	2009-10	2008-09	2007-08
Total revenue (€ mn)	6,453	6,982	7,170
Service revenue (€ mn)	5,985	6,435	6,576
EBITDA (€ mn)	2,211	2,287	2,566
Cash Value Added (€ mn)	2,349.5	2,515.5	2,802.4
Purchases of Products and Services (€ mn)	4,436.4	4,963.8	4,988.5
Investments (€ mn)	610.7	740	744
Nº of Customers (millions)	16.75	16.91	16.04
Nº DSL customers (000's)	641	456	--
Environmental	2009-10	2008-09	2007-08
Network Energy Consumption (Mwh)	265,666.2	230,617.3	216,185.5
CO2 emissions derived from Network energy consumption (Tn)	71,573.6	66,611.8	68,826.3
Energy efficiency: Energy saving (Cumulative Mwh since 2003-04)	141,855	73,314.1	40,781.1
Energy efficiency: CO2 emission saving (Cumulative Tn since 2003-04)	40,223.1	22,333.9	13,397.1
Office electricity consumption (Mwh)	22,999.4	28,092.5	28,724.8
Store electricity consumption (Mwh)	3,764.1	4,769.6	4,287.5
Nº of Km flown / Nº Employees	3,389.7	3,560.5	4,768.5
Video conferencing: Saving on CO2 emissions (Cumulative Tn)	4,800	2,426	1,315
Nº of handsets recycled and reused (units)	367,353	276,535	170,129
Paper consumed per employee (Kg)	18	13	20
Recycled paper per employee (Kg)	33	75	49
Packaging marketed. Paper and cardboard (Tn)	202.3	184.6	136.3
Packaging marketed. Plastic (Tn)	35.0	57.8	67.7
Water Consumption (m³)	93,267	121,287	123,443
Social	2009-10	2008-09	2007-08
Nº of employees	4,383	4,323	3,939
% Open-ended contracts (full-time and part-time)	96.8%	98.2%	97.8%
% Women	43.6%	43.9%	44.4%
% Women in Management Positions	27.9%	27.8%	27.2%
Nº hours training/ employee	42.9%	55.2%	72.9%
Accident Frequency Rate	228.4	485.0	456.3
Funds allocated by the Vodafone Foundation Spain to social projects (€000's)	5,271	5,937	6,123.3
Senior Citizens trained to use ICT (historic cumulative figure)	50,341	46,724	38,850



Inks based exclusively on vegetable oils with a minimum volatile organic compound (VOC) content.

Varnish based predominantly on natural and renewable raw materials.

