



Vodafone España, S.A.U.

Sustainability Report 2011-12



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

 Link to additional information in the Extended Version of the Report

 Further information at www.vodafone.es

 Other links of interest

Sustainability Report 2011 -12

This is Vodafone Spain's 9th Sustainability Report, which covers our financial year 2011-12 (1st April 2011 to 31st March 2012).

The **summary Report** presents the updated version of our Sustainability Vision and Strategy, highlights some of our activities to contribute to the sustainable development of society, establishes the level of compliance with each of the objectives we set ourselves the previous year, and includes our key indicators.

The **extended Sustainability Report** is available on our website www.vodafone.es/sostenibilidad and offers the following additional content:

- Our approach to Sustainability Management
- Further information and figures on our management of material Sustainability issues during the financial year 2011-12
- The Criteria used in preparing the Report
- Conformity with the general guidelines laid down by the GRI in its version 3.1 of 2011.
- Compliance with the AccountAbility Principles Standard AA1000APS (2008).
- The Independent Assurance Report of Ernst&Young

On our web www.vodafone.es/sostenibilidad, you'll find further information on how we handle each of the material sustainability-related issues.


Quality In Everything We Do

Other communication channels for Sustainability-related management and results:

- Sustainability Web: www.vodafone.es/sostenibilidad
- Sustainability Newsletters
- Sustainability Mail Box: sostenibilidad@vodafone.com
- Social Networking:
 - > www.twitter.com/vodafone_ES
 - > www.facebook.com/vodafoneES
 - > www.forovodafone.es
 - > www.youtube.com/vodafoneES
 - > www.cookingideas.es
 - > www.smartblog.es/



Francisco Román (Executive Chairman)

Letter from the Executive Chairman

This report outlines the main activities in which Vodafone Spain engaged during the financial year 2011-12 (1st April 2011- 31st March 2012) to comply with our Sustainability Vision and Strategy, underscoring the key opportunities and challenges in this field.

Information and Communication Technologies can play an essential role in today's complex economic environment, because they contribute to boost organizations' productivity and competitiveness, and to enhance people's quality of life, while at the same time managing to reduce the environmental impact and fostering a more sustainable lifestyle.

That is why Vodafone Spain remains firmly committed to investing (€500 million-plus this financial year), both in rolling out broadband networks including rural environments, and in acquiring new spectrum in the public auction called by the Government, so as to offer cutting-edge communications services to our 17.7 million-plus customers. Another highlight this year came when Vodafone Spain launched the LTE pre-commercial offering (4th generation) in Madrid, Barcelona and Malaga.

One of the linchpins of our goal of contributing to achieve more sustainable societies is encouraging responsible innovation, meaning innovation that is based on economic, social and environmental criteria. In this respect, one of the driving forces behind our Sustainability Strategy is the development of social products and services that help people with special needs to be better connected, allowing them to lead an independent life.

So this year Vodafone Spain has placed special emphasis on the development of applications for disabled people (such as App Accessibility), products and services for senior citizens (specific handsets with the Vodafone Active service), or health-related solutions (Remote Care Services, Prior Appointment, etc). We are still making our products and services available to third-sector institutions, through the Dono and Solidarity Messages projects, and our Foundation has allocated €5.4 million to innovation and social projects.

Our products and services also serve to achieve energy savings and reduce other sectors' CO₂ emissions so as to tackle the global climate change challenge, by replacing physical processes with virtual processes or through intelligent machine-to-machine (M2M) services.

While we further develop our technology, products and services, we recognize that attaining this sustainable lifestyle entails winning and maintaining our stakeholders' trust, which unavoidably involves acting ethically and responsibly.

In this respect, this year we reinforced the competitive edge of our commercial offering by improving and simplifying our rates, upgraded our customer care and complaint management processes, and launched the "Vodafone Commitment", aimed at establishing a new customer relationship model based on trust. Furthermore, to encourage minors to use our products and services more safely and responsibly, we have developed a specific application for smartphones and a website for parents.

On another note, the measures taken to make our activities more energy efficient have enabled us to lower energy consumption per network element by 5.2% compared to the previous year. However, this year saw a change in the previous years' trend for CO₂ emissions to decline, due to the increase in the conversion factor for the CO₂ from the country's electricity system.

Our employees play a key role in carrying out the activities associated with this responsibility commitment. That is the reason why the company has adopted measures to ensure that the complex economic environment that our society faces right now does not negatively impact employees' social benefits, and it has reached an agreement with the workers' legal representatives regarding certain alternative cost-saving measures that will allow us to meet our budget and business goals, thereby avoiding other measures that could impact the workforce more heavily.

We are confident that if everyone, businesses, institutions and society in general, are committed, we can move forward towards a more sustainable society.

We trust that you will find this report interesting and invite you to give us your opinion about our sustainability strategy and actions.



Francisco Román

Vodafone's Profile



Vodafone Spain

	2011-12	Δ with respect to 2010-11
Vodafone Spain's main financial figures (at 31 st March 2012)		
Total turnover (€ mn)	5,514	-8.7 %
Services revenue (€ mn)	5,044	-9.5 %
Revenue from data services (€ mn), excluding messaging	749.5	+18.5 %
EBITDA margin (EBITDA/sales, %)	25.0 %	-5.5 p.p.
No. Mobile Telephony Customers (000's)	17,742	+3.0 %
No. DSL customers (000's)	834.6	+7.1 %
No. Employees	4,335	-0.6 %

Vodafone Spain's results for the financial year 2011-12 have been marked by:

- A stronger competitive edge following the extension of our range of offers
- A drop in mobile voice revenue due to stiffer rate competition and the lowering of interconnection prices
- Significantly higher mobile data revenue, due to the rising use of these services, in particular associated to smartphone usage.
- Higher fixed broadband service revenues as the number of customers using these services rose.

More than

€500 million

invested in Spain in 2011-12

€1,507 million

contributed to the domestic economy¹



Main operating figures

Network (cumulative figures)

- More than **26,000 network elements** deployed throughout the country
- More than **15,000 network elements** with 3G Technology
- The **whole data network** offers downlink speeds of 14.4 Mbps
- More than **15% of the 3G stations** have HSPA+ technology with downlink speeds of 43 Mbps
- More than **3,000 stations** deployed to date to provide coverage to rural villages with fewer than 1,000 inhabitants.

Products and services

- More than **36.8 billion voice minutes** carried in the financial year 2011-12
- More than **4.6 billion SMS and MMS** carried in the financial year 2011-12
- Nearly **0.5 million SIM cards** activated for M2M
- **209 destinations in the world** with roaming agreements.

Brand Presence and Retail Outlets (cumulative figures)




- Own retail stores: **82**
- Franchises: **234**
- Annual transactions (in own stores): **453,159**
- No. Employees in own stores: **380**.

For additional information and figures, go to:


www.vodafone.es/InfSost11-12/Datos Economicos

○ Highlights of financial year 2011-12:

2011

April - May	June	July	August
Vodafone Spain extends its entire range of offers and improves tariffs for prepaid and contract customers alike.	Vodafone Spain enhances its ADSL offering. 	Vodafone Spain acquires new spectrum in the public auction organized by the Spanish Government to offer state-of-the-art mobile communications services to our customers.	Broadband was extended to more in rural zones, providing coverage to towns with fewer than 1,000 inhabitants.
September	October	November	December
Launching of the LTE pre-commercial offering (4G mobile broadband) in Madrid, Barcelona and Malaga. 	Vodafone Spain announces the first cloud solution that bundles a high-speed Internet connection and virtual storage for sharing information among several users.	As part of the "Vodafone Commitment": <ul style="list-style-type: none"> • "No surprise pricing commitment", "Better Connected Commitment" and "Best Service commitment". • Vodafone Spain completes its size-based rates. 	Vodafone Spain launches a mobile application (Safety net), so that minors can use their smartphones safely. 

2012

January	February	March
Vodafone Spain announces that it will be one of the first operators to launch the new RCS-e services for advanced communications, driven by the GSMA.	As part of the "Vodafone Commitment", Vodafone reinforces its smartphone commitment: <ul style="list-style-type: none"> • Improving and completing the size-based rates, • Presenting new network technologies, • Launching a new support service • Announcing an agreement with Visa. 	Vodafone Spain improves its prices and redesigns its business model to offer its existing customers more competitive conditions.

○ Vodafone Group

The Vodafone Group, with a **presence in 30 countries and network agreements in another 40** in the five continents, is the world's **twelfth most valuable brand²** with more than **400 million proportionate customers worldwide**. 

Included in the lists of:

100 most sustainable companies

in the world

(Global 100 of 2012).

100 most reputed companies

in the world

(Global Rep Trak 2011).

Greenest companies

in the world

(Green Rankings 2011).

Most admired companies

in the world

(Fortune World's 2011).

Main Figures of Vodafone Group

(at 31st March 2012)

	2011-12	Δ with respect to 2010-11
Total Turnover (€ mn)	46,417	+1.2 %
Revenue from data services (€ mn)	6,233	+22.2 %
Fixed line service revenue (€ mn)	3,618	+6.3 %
EBITDA (€ mn)	14,475	-1.3 %
Free cash flow (€ mn)	6,105	-13.4 %
Capitalization (€ mn)	80,048	-12.1%
Adjusted EPS (pence)	14.91	-11.00 %
No. proportionate mobile telephony customers (million)	404.7	+16.4 %
No. Employees	86,400	+3.0%

 Further information at vodafone.com/sustainability

²BrandZ Top 100 Most Valuable Global Brands 2012

Sustainability Strategy

Vodafone can enable a more sustainable lifestyle through its technology and activities. Our products and services can help to make businesses more competitive and improve people's quality of life, while at the same time reducing environmental impacts.

During the financial year 2011-12, we have updated our Sustainability Strategy, so that our Vision now reflects our long-term ambition of contributing to achieve a more sustainable life for everyone through the use of our Products and Services.

To this end, we are focusing on any areas where we can have a bigger external positive impact, for example, by bringing out

innovative solutions, products and services that enable our customers to be more effective and efficient.

To fulfil our Vision we have to secure and hold onto our Stakeholders trust, and that implies that we must carry out our activities ethically and responsibly, bringing Sustainability into each of the processes of our business.

● Sustainability Strategy

○ Our Vision

Use Vodafone's potential to transform societies and achieve a more sustainable life for everyone

○ Our Strategy and Priorities

Developing Products and Services for More Sustainable Societies

Social Products and Services



Products and Services for Sustainable Development



Our technology has enormous potential to improve people's lives and transform the societies in which we live.

We will innovate and develop products and services for customers in order to take advantage of this potential, improving their quality of life and helping them to live and work in a more Environmentally-friendly way.

Engaging in our activities Ethically and Responsibly

Customers



Environment



Employees



Suppliers



Acting in an upright and honest way, we will obtain better results for our business, our customers and society. We cannot transform society without our stakeholders' confidence and to this end we must engage in our activities ethically and responsibly.

○ Developing Products and Services for More Sustainable Societies

We develop innovative Products and Services that contribute to improve our customers' quality of life, as well as to live and work in a more Environmentally-friendly way.

Social Products and Services

We are committed to extending the social benefits of Information and Communication Technologies (ICT), striving to ensure accessible and barrier-free communication that helps to improve the quality of life and integration of vulnerable population groups.

Products and Services for Sustainable Development

With our technology and relying on innovation, we help our customers to live and work in a more Environmentally-friendly way and therefore to contribute to the development of a more sustainable society.

Mr. Alberto Durán. Executive Vice-Chairman of ONCE Foundation



"A sustainable society must ensure the full inclusion of its citizens, regardless of their differences. In this task of promoting egalitarian societies, the "design for all" of its products and services becomes a core value. The concept of Design for All means that, with no additional cost, we market products and services that can be used and enjoyed by everyone, abled and disabled people alike. By doing so we manage to avoid serious discriminations and turn people who are traditionally excluded into an active part of a better society.

The field of telecommunications is no stranger to this reflection, but instead takes on greater importance if one consider that, for many people with disabilities, particularly the severely disabled, telecommunications are a barrier-free gateway to the outside world, which very often even allows them to perform a job through teleworking. At the other extreme is a society with technologies designed in an excluding manner, which are extremely harmful,

since they promote new barriers that are generally invisible at first sight.

Building sustainable societies that are societies for all requires the involvement of all stakeholders, government, civil society and companies - companies which, without forgetting the full optimization of resources, also keep people in mind in their decision-making process. A sustainable society in the field of telecommunications will only be such if they are at the service of individuals."

○ Engaging in our activities Ethically and Responsibly

Acting Ethically and Responsibly in our activities we will secure and hold onto our Stakeholders trust.

Customers

In addition to offering them products and services that satisfy their needs and expectations, maintaining their trust depends on our ability to communicate with them in an honest way and to effectively manage the key issues.

Environment

Our commitment to sustainable development obliges us to control and minimize the impacts of our activity on the environment; that is, the impact of our network, stores and offices, and of the life cycle of the equipment we purchase and/or sell.

Employees

Our employees contribute essentially to offer excellent service to our Customers and consequently achieve and maintain our success. In order to have the most qualified and motivated people, we seek to offer a good working environment, treating staff with respect, and offering attractive incentives, as well as opportunities for professional development.

Suppliers

We encourage our suppliers to maintain high ethical, environmental and labour standards, and to do so we collaborate with them in achieving these objectives.

Mr. Germán Granda. General Director of Forética




"Managing a business ethically and responsibly calls for concrete policies and strategic designs, whose degree of compliance can be assessed for each of the organization's activities. Only then, and boosting its transparency policies, can a company be regarded to have adopted a sincere commitment to its responsibilities. In this sense, ethical and responsible management exceeds the mere concept of risk management and provides an opportunity for entrepreneurial creativity. Responsibility has to be interpreted by every business and every organization, and this offers opportunities for innovation in products and services alike, capable of be taking in solving global challenges, such as everyday operations, taking into account the impact on the environment and improving people's lives. I am aware that Vodafone is one of the companies that has realized that its commitment to ethical and responsible management will make a difference."

Social Products and Services



We are committed to extending the social benefits of ICTs, striving to ensure accessible and barrier-free communication that helps to improve the quality of life and integration of vulnerable population groups.

Our ongoing relationship with the organizations that represent people with special needs enables us to identify and develop new possible courses of action that lead us to add new social Products and Services to our existing range of this type of products and services. 

During financial year 2011-12, in addition to continuing our relationship with third sector organizations through specific projects and by taking part in workshops and seminars, we have placed special emphasis on the development of health-related ICT applications (eHealth), ranging from patient diagnosis to their monitoring, and including the management of the organizations involved.

Objectives for 2011-12

March			
2012	Launch 3 new Social Products/Services.	Obtain the accessibility certificate for more than 95% of the Own Stores.	Ensure all transaction areas of the Vodafone Spain web (Online Store and Private areas) are accessible.

● Social Products and Services

○ Products and Services for Elderly people


In order to attend to the specific needs of elderly people and enable them to lead independent lives, in June 2011 we launched the **Vodafone Active Service**. This service combines specific handsets with free care services.

The handsets selected for the service launch were chosen in terms of efficiency and ease of use criteria:

- **Emporia RL1:** Developed by Emporia Telecom for exclusive distribution by Vodafone, this handset is compatible with hearing aids, has extra large buttons with clearly recognizable pressure points and a large high-contrast OLED display for easy reading. This handset has been awarded the "Simplifit" certificate by the Institute of Biomechanics and the Democratic Union of Pensioners and Retirees of Spain, certifying that it is a handset all ages will find easy to use.
- **ZTE S202:** User-friendly mobile, with large numbers, programmable buttons and monochromatic display. It features

an SOS button that automatically calls the preset numbers and a loud audible alarm sounds to alert people in surroundings that there is an emergency.




Asmedit, a leading health care advice firm, is responsible for running the Active Advisory Service, whose cost are met by Vodafone Spain. Users can rely on this service to resolve social, health, legal and nutritional issues. 

 Further information at www.vodafone.es/vodafoneparatodos

 www.activoasmedit.es

App Accessibility


Thanks to this application, which has been developed by FAMMA-COCEMFE and the Vodafone Spain Foundation, people with reduced mobility can get advance information about the accessibility of any place or venue. The application, which

is currently at the beta testing stage, will be free and will let them know where to find parking spaces reserved for the disabled, cash dispensers, petrol stations, clinics, shopping malls, accessible cinemas and barrier-free services. 

AECEMCO Promotion

During financial year 2011-12, Vodafone Spain signed a cooperation agreement with AECEMCO (Business Association of Special Employment Centres of the Spanish Confederation of Physically and Organically Disabled People - Cocemfe), with the aim of promoting the use and access to ICT in the field of social economy. Under the agreement, Vodafone Spain makes a personal adviser available to the association and offers discounts to the different centres.

DONO Project

Since 2009, Vodafone Spain has been participating in the Dono Project coordinated by Technosite (a Fundosa Group company). This programme administers the donation of voice and data services to NGOs and Foundations. Up to 31.03.2012, Vodafone has handled a total of 108 requests from NGO's and Foundations, with a market value of more than €250,000. 

More than
250,000 €
donated in Services in
Project Dono (cumulative)

Solidarity Messages

Vodafone Spain offers non-profit organisations a donation service that lets them finance their projects or emergencies in the event of catastrophes. To take part, Vodafone's customers simply send the assigned word to the non-profit organisation to which they wish to make a donation, to the short number 28052 that Vodafone Spain makes available to these organizations.

The main donation campaigns in 2011-12 were the Red Cross campaign after underscore the Lorca earthquake, the Action Against Hunger campaign (Famine in Somalia) and Unicef Challenge in Andalusia and the UNICEF "Champions for Africa" benefit match that Vodafone Spain sponsored in December 2011.

More than **715,000 €**
donated in 2011-12, to Non-profit
Organisations through Solidarity SMS



Vodafone Web and Store Accessibility

Vodafone stores

In May 2010 Vodafone Spain became the first company in our country to be awarded AENOR's Universal Accessibility certification for an extensive network of stores, and at the time the certificate covered 44% of its own stores.

Since then, Vodafone has keep on working to increase the number of accessible own stores, and by March 2012 these accessibility criteria were in place in 91.5% of Vodafone Spain's stores throughout the country (a total of 75 accessible stores out of the company's 82 stores). The process of certifying this 91.5% of the stores is scheduled for completion in the financial year 2012-13.

The accessibility-oriented changes made in the stores have focused mainly on store entrances, the interior design and the customer sales area.



Before



Afterwards

91.5 % of Vodafone stores
with universal accessibility criteria

 2 www.youtube.com
3 www.dono.discapnet.es

Accessible Website

Since financial year 2009-10, the Vodafone Spain website www.vodafone.es is AA-certified for all the public content, except the Online Store.

Certification of the Online Store and private areas (My Vodafone and Client Area) has been postponed and will take place during financial year 2012-13, because there are plans to migrate this content to a new content manager.

Apart from this, the following new features, among others, were added during 2011-12:

- Launch of the first mobile version of the web, which customers can check out by going to vodafone.es from a smartphone (12% of our visits come from smartphones)
- Currently we have a multi-language solution (4 official languages) in the private areas of the web. Throughout the financial year, we have worked on translating all of the Public area into Catalan and this version will be available soon.

eHealth



It is forecast¹ that, in 2050, there will be 1,500 million people over 65 in the world, which means that in less than 40 years, the current number of elderly people will have tripled. Given that most of the demand for health services involves the treatment of elderly patients, what is needed is a global change in the health system.

In Spain, the forecasts point to the percentage of people aged over 65 by 2050 being 35.7%, the highest of all Europe.

Vodafone Spain and its Foundation have been working in this field for several years. We reinforced our commitment in 2009 by setting up a specific, global business unit, allowing us to support health organizations and offer solutions with centralized or global approaches.

The solutions developed by Vodafone are seamless solutions, that respond to the needs of all the parties involved (health professionals, managers and patients) and that help to modernize the health system, making it more sustainable. Some of the solutions already in place or currently being developed are summarised below.

“Remote Care Services” Solutions

This is the name of a group of solutions that enable new forms of medical care outside health centres through the use of new technologies that raise levels of productivity and efficiency in care and the quality of life of patients, while decreasing the costs of services.

Biomedical parameters can be monitored at the hospital, at health centre, at chemist's or at the patient's own home. One example of remote monitoring of biomedical parameters are ambulances: these monitoring systems make it possible to attend to a patient in an ambulance on way to hospital and transmit their status and vital signs over the mobile network.

We are also working on a mobility solution with a cloud platform capable of providing social and health workers and their managers with the tools they need to ensure better management, efficiency and productivity in patient care at home or at work. The platform can provide support to the socio-health sector's main processes: patient register, medical staff register, carer register, management of the patient's medical records, administration of social workers and patient management.

“Prior Medical appointment” Solutions

This professional and external service for managing medical appointments is easy to contract, simple to activate and use, and provides the management of medical diaries and appointment service, based on a cloud platform.

All patients' calls for appointments with their doctors are handled by a call centre that can be programmed according to the requirements established by the health centre. This technology affords different advantages: optimisation of the doctor's time and resources, extended surgery times and focus in more productive hours, better control and efficiency by reminding patients' of their appointments or cancelling them, and considerable reduction in costs.

This service is designed to ensure that any data recorded is kept confidential at all times. 



¹Expansión Business Newspaper, 17.04.2012

Vodafone Spain has taken part in the technology research project "eHealth serving people", which has been subsidized by the Avanza2 Plan. The project aims to create an online system for universal management and access to patients' single medical record and to medical monitoring tools.

During 2011-12, Vodafone Spain employees took part in the Info33 Health project pilot, which is divided into three parts:

- **Info33 Personal Health History:** This web application contains all the information of a person's medical records held by different care providers and/or levels of care, and that classifies, organizes and streamlines it so that a single health record can be used throughout the person's life
- **Info33 Mobile:** A web infrastructure-based service that automatically makes a Personal Health History available on a mobile phone (with Internet), easily and with full guarantees of security and privacy. Each record is encrypted, protecting it against unauthorised access
This service can also be used to send all one's clinical details to any email address in a standard office automation format (pdf)
- **Personal Health Advisor:** Person responsible for the maintenance and updating the Personal Health History. The Advisor will contact the user whenever a possible health risk arises, or whenever they need advice or guidance. An emergency health advice hotline is also available 24/365.

Workshops and Seminars

During financial year 2011-12, Vodafone Spain took part in numerous conferences and seminars focusing on people with special needs. These included, among others:

- **Nuance Accesibility Forum:** At this Forum held in Munich in May 2011, major agreements were reached regarding the advantages that current Apps and Smartphones can offer people with special needs.
- **75th anniversary of the Spanish Confederation of the Deaf (CNSE):** Held in September 2011, the day's highlights were broadcast in real time on over Internet using the connections facilitated by Vodafone Spain.
- **Tifloinnova:** The trade fair of applied technology for blind people or people with visual disabilities was held in November 2011.
- **Salón vivir 50+:** Held in Madrid on 30th November and 1st December, Vodafone took part in the workshops for elderly people, showing them its latest products especially designed for this community.
- **Nokia Accesibility Summit:** At this summit, held in October 2011, Vodafone Spain was the operator selected to represent the industry, as the driving force behind accessibility in ICT.
- **Emporia European Conference:** Held in Austria in October 2011 with representatives of Associations of Elderly People and usability experts.
- **Day of the Blind People (Once-Madrid):** Vodafone Spain played an active role in organizing this event, held in September 2011.
- **Mobil U:** At the Mobile World Congress held in February 2012, Vodafone Spain took part in the Mobile-U exhibition, which focused on displaying the impact of mobile telephony applications on people's daily lives. Applications for people with some kind of disability and elderly people took centre stage in the exhibition.
- **Fiapas:** Vodafone Spain took part in the 7th Spanish Seminar on early diagnosis of child deafness, held in October 2011.



Vodafone Foundation Spain



The Vodafone Spain Foundation keeps working to innovate ways of using ICT to improve the quality of life, personal autonomy, active aging and social integration of people, especially vulnerable groups.

The Vodafone Spain Foundation's activities are divided into two main fields: Innovation and Community Involvement projects. 🌐

Objectives for

March

2012

To carry out at least two new innovation projects which contribute towards the "Mobiles for Good" programme in the area of ICT solutions which are accessible to "Senior Citizens and people with Functional Diversity". To transfer the results of the Mobile Teleassistance project to at least two countries within the Vodafone Group.

To implement at least two technological applications which help to improve the quality of life of vulnerable groups in all areas, both social and labour.

€5.4 million devoted to Innovation and Community Involvement projects in 2011-12

● Innovation

The Innovation in the use of Accessible ICT projects that Vodafone Spain Foundation carries out in collaboration with associations of users, universities, research centres and technology companies, with government support at both national and local level, are structured around three themes: Elderly People, Accessibility and m-Health.

Some of the highlights of 2011-12 are listed below.

○ Elderly People and independent life

SocialTV for 3G

The project aims to reduce elderly people's feelings of loneliness and isolation through social relations, validating the usefulness of technology for this purpose. This "Meeting Point" has enabled more than 100 elderly people throughout Spain to use their TVs to communicate with one another and for information and entertainment purposes. This initiative is part of the Avanza 2 Plan grants for the Inclusion of Elderly People and has received support from the company Qualcomm. 🌐🌐

○ Accessibility



GARI

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

The project is aimed at users with functional diversity and based on free software, it is designed for computers, mobiles and Internet. The following are just some of the applications that have been developed:

- Contact Manager: Accessible contact manager and phone dialler for people with functional diversity through visual aids. 🌐
- GARI: Application developed by the Vodafone Spain Foundation, which allows the users to find the mobile phone that best suits their needs. The database includes more than 400 devices with more than 100 accessibility features. 🌐



App Accessibility

This app uses an Augmented Reality System to provide real-time information through the phone's camera, about where and how far away the selected point of interest is, which will be accessible and adapted. (See "Social Products and Services", page 9).

Cloud4all

This initiative of the VII Framework Research and Technological Development Programme of the European Commission aims to take advantage of cloud programming capacity to offer access to accessible technologies to anyone who needs it, whenever they need it and in a way that automatically adapts to their specific needs. 

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

This initiative aims to analyze and streamline general interest advanced telematics services through a single access point for people with physical disabilities, so as to promote their participation on equal terms, enabling them to benefit from the opportunities of e-administration and the Information Society. It is included in the Digital Citizenship section of the Avanza Plan.

Accessible

This project aims to improve the accessibility of software development products, introducing a methodology for accessibility to software design and development processes, using better strategies and measurement methodologies. It is co-funded by the European Commission through the 7th Framework Programme. 

e-labora

An initiative that aims to improve the social integration of people with intellectual disability, promoting their autonomy and enabling their access to quality employment through use of new technologies. This initiative is part of the Avanza 2 Plan grants for the inclusion of disabled people and elderly people.

Work also continued on the following projects during 2011-12: ATIS4ALL  and DISTEL .

○ m-Health

Mobile Access Services for Coeliacs


Together with the Association of Coeliacs of Madrid and the General Foundation of the University of Alcalá de Henares, the Foundation has created the iGLU application for mobile devices that lets users download free of charge information about gluten-free products.

○ Other Initiatives

Vodafone Awards for Innovation in Mobile Communications

The Vodafone Spain Foundation awards prizes that serve to encourage the development and innovation of technology proposals which are in both their study and launch phase. In this fifth edition and on account of the high quality of the shortlisted projects, the Jury decided to award two first prizes and two honourable mentions:

- Project EYE 21, carried out by a team from the Graphic Technology Research Institute, at Valencia Polytechnic University, consists in a mobility aid device for the blind or visually impaired.
- Project SIMPLEXT, was submitted by a team formed by members of Technosite, from Madrid Autonomous University, Pompeu Fabra University, the Prodis Foundation, Servimedia, the ONCE Foundation, Ariadna Servicios, Tilos System, Abada and Sade Consultoría, coordinated by Technosite (Fundosa Group). SIMPLEXT's main objective is to enable automatic text simplification for easy reading by people who need this adaptation.
- Honourable Mention for project ABLAH, developed by Juan Carlos González-Bueno, for improving communication with people with cognitive problems or language disorders.
- Honourable Mention for project MOVILTAC carried out by a working group formed by the High School of Telecommunication Engineers of Madrid Polytechnic University, Elea Solutions, Aspaym Madrid and the Aspaym Federation. This technological proposal aims to investigate, develop and deploy a solution to allow people with limited mobility in their upper limbs to use touch mobile phone independently.

 1 www.cloud4all.info/
 2 www.accessible-eu.org
 3 www.atis4all.eu/
 4 www.quierounawebaccessible.com

Community involvement projects

The Vodafone Spain Foundation's Social Projects Unit works in two different fields: arranging training in new technologies, through master's degrees and specialized courses and seminars, and collaborating in technology-based leisure and social integration initiatives for vulnerable groups.

Training

Postgraduate Courses

During 2011-12, five Masters and two Expert's Courses were offered in collaboration with various Spanish universities. More than 100 students have enrolled to broaden their knowledge about cutting-edge technological developments in the following master's degrees and courses:

- Master's Degree in Computer Science Applied to Mobile Telecommunications - Malaga University
- Master's Degree in Social Communication and Accessibility – King Juan Carlos University
- Master's Degree in Audiodescription and Subtitling – Carlos III University
- Official Master's Degree in ICT Management – University of Extremadura
- Master's Degree in Accessibility and Design for All – Jaen University
- Course on Mobile Communications: Technologies, Services and New Business Models – Seville University
- LTE Expert Course – Catalonia Polytechnic University, a pioneer in this field.

Training on how to use ICTs

The Vodafone Spain Foundation continues its commitment to educating vulnerable groups in the use of new technologies: mobile, computer, Internet, etc. During 2011-12, 7,776 people received training in courses organized with more than a dozen institutions.

Other Courses and Seminars

Collaboration has been ongoing with different universities, local councils and associations to organise conferences, seminars and courses on matters related to the elderly and ICTs, new technologies for accessibility and gender violence. A total of 10 meetings have been held and attended by more than 2,000 people.

More than **7,700**
people with special needs
trained to use ICT

Más de **2.000**
asistentes a cursos,
seminarios y jornadas




Social Integration and Accessibility

Programmes for labour integration of disable people

During 2011-12, 1,100-plus people took part in the new technologies training and professionalization courses. One highlight was the collaboration with the Averhó Foundation in a 3D animation training scheme for young people with limited mobility, to help them find job in the audiovisual and ICT sector.

Accessibility and Social Integration Programmes

This area of work features the projects which promote the socialisation of vulnerable population groups through adapted leisure activities. Some examples are:

- Adapted Skiing 
- Sailing for all 
- Accessible Theatre 



World of Difference

Programme that encourages people to take part in community involvement projects, giving them the chance to work on a social project in a non-profit entity in Spain. In 2011-12, the 4th and 5th editions ended and the 6th began. 50 and 171 entries were submitted in the 4th and 5th editions respectively, and the prize money amounted to €100,000 in the 4th edition and €225,000 in the 5th.

Worth noting is that 4 winners of the 6th edition were chosen by popular vote.

Products and Services for Sustainable Development



With our technology and relying on innovation, we help our customers to live and work in a more Environmentally-friendly way and therefore to contribute to the development of a more sustainable society.

Our Telecommunications Products and Services can play a major role in fighting climate change, helping to reduce energy consumption and therefore to reduce the amounts of carbon dioxide and other green house gases released. Applications based on dematerialisation and Machine-to-Machine connections (M2M), will play a key role in this contribution in the coming years.

It is expected that, by 2020, some 50,000 million machines will be connected to one another ¹. Vodafone, as an M2M service market leader, is in a position to offer these products to its customers, helping them to lower their CO2 emissions.

Nearly
0.5 million
SIM cards activated for M2M

Objectives for 2011-12



According to a study conducted in 2009 by Vodafone in collaboration with Accenture, "Telecommunications and CO2" ², mobile technologies could reduce the amount of CO2 released by 113 million tonnes and generate energy consumption savings of €43 billion in Europe by 2020.

During 2011-12, Vodafone and Accenture conducted a research programme to measure mobile communications' impact on the life and prosperity of farming communities in some of the planet's poorest countries ("Connected Agriculture" report ³). This research calculates the potential benefits of implementing new mobile data services, such as weather forecasting, produce market information and mobile banking products for small farmers in marginal situation.

The report also forecasts an increase in the farming industry's profits as a result of the use of advanced mobile communications technologies in the production and distribution of food. These include the installation of low cost wireless devices in warehouses, distribution vehicles and distribution centres for allow the farmers of these markets to develop better logistics and monitoring systems.

Agricultura conectada
El papel de la telefonía móvil en el desarrollo de la eficiencia y la sostenibilidad de la cadena de valor alimentaria y agrícola



Vodafone Spain's actions during 2011-12 in the field of Products and Services for Sustainable Development have focused primarily on the following areas: Smart Cities, Smart Grids, Smart Logistics and Smart Working.

¹ Estimate of Ericsson (statistic included in "Future Agenda"; See www.vodafone.com/sustainability)

² Further information at www.vodafone.es/sostenibilidad

“Smart Cities”

Smart cities are no longer only the future, but the present. Most of population lives in urban areas, which nowadays account for more than 50% and are likely to account for 70% in 2020, so the key to advancing is achieving economically and environmentally sustainable cities.



That is why cities must be adapted, and the following challenges must be tackled:

- Manage people’s mobility flows in urban areas

- Manage emissions of CO₂ and other pollutants to improve the air quality that is breathed in cities
- Manage the wastes that cities produce
- Manage sewerage systems so that they facilitate access to drinking water to everyone who lives in them.

At Vodafone, and as part of our commitment to sustainability, we are working with technology partners to develop new products and services related to these issues: smart systems for lighting management, traffic management, drinking and wastewater water management, control systems for new urban transport services (such as bicycle rental), etc..

Worth a special mention is everything that has do with the infrastructures needed to make electric vehicles a reality. The successful introduction of electric vehicles in society depends heavily on making cities suitable for their operation and this entails installing recharging points and of their management and payment systems. On this specific subject, Vodafone is collaborating actively in the development of M2M systems, because these points are scattered and data communications are essential for ensuring they work properly.

“Near Field Communications” (NFC)

NFC is a communication technology based on the exchange of information securely between a mobile phone and another device. It provides a convenient and simple way of accessing many different kinds of services, such as proximity payments, transportation, tickets, and so on.

Vodafone Spain, in collaboration with technology partners, has developed the most innovative technologies to combine the use of NFC with the SIM card of its devices as a security module for encrypting applications. This technology has plenty of potential for giving users simple and intuitive services.

By just putting two devices together, you can make small payments or send information, services or personalized information

In September 2011, Renfe and Vodafone Spain unveiled phase one of a pilot project to let passengers pay for and access local trains with their mobile. In this first phase, Renfe employees can access their work premises with their mobile phone equipped with Near Field Communications (NFC) technology installed on the Vodafone SIM cards. To this end, some 300 turnstiles equipped

with NFC technology have been installed in Madrid’s suburban railway stations.

In February 2012, Banco Santander and Vodafone Spain launched a pilot project that lets the San Antonio Catholic University in Murcia (UCAM) monitor student attendance and access to its premises via the NFC contactless technology installed on the students’ mobile SIM card.

This technology also let students use the Public Transport Authority (EPT) bus system.



Smart Grids



The innovation and development of Smart Metering products, that help energy utilities to be more productive in their processes, and society in general to reduce CO₂ emissions, by reducing energy consumption, are linchpins of our strategy to contribute to sustainable development.

Among the main benefits that our solutions bring are those that have to do with the economic/productive part, because they simplify and automate operating processes that were manual and highly expensive, avoiding people having to travel to perform simple tasks such as reading an electricity meter.

Using of smart metering products also lowers the amount of CO₂ released into the atmosphere because electricity utilities’ staff no longer have to drive around to read the meters. Similarly, by installing smart electricity meters by remote control, energy management is achieved more efficiently, reducing electricity consumption and therefore reducing the environmental impact.

Smart Logistics

The development of new products related with the geolocalization of people, vehicles or objects, is one of the key fields in which Vodafone Spain is carrying out initiatives to provide new products that make it easier for our customers to access these technological solutions.

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

They also provide benefits in terms of the safety of the vehicles and the people inside them. If the vehicle is stolen, it is possible to know where it is at all times, providing valuable information that will help the Police to recover it fast.

Implementing these systems brings an improvement in logistical processes, helping our customers to lower their costs considerably.

A prominent example are the new solutions that Vodafone is developing to meet the new European Directive regarding the use of the "e-call" system in vehicles manufactured after 2015. "e-call" is an M2M technology-based service that fits vehicles with a series of sensors and transmitters that, in the event of an accident, can make an emergency call to the 112 helpline without human intervention. During the call, the system transmits information, such as the GPS location, that is essential for ensuring emergency services such as ambulances, fire brigade and police can act fast. Vodafone is signing major agreements with car manufacturers to have our technology fitted in their vehicles.



"Smart Working"

Smart Working is one of the alternatives that are being applied to create more productive and rational forms of work, giving employees the responsibility to manage their time more effectively to achieve their respective goals and achieve a proper balance between their professional and personal life.

This kind of policy is based on minimizing unnecessary trips, making it easier to reduce wasted office spaces and increasing energy efficiency. Without a doubt, mobile technology (mobile phones and laptops with USB devices) plays a key role in working in this more flexible and efficient way.

In this context and by way of example, during 2011-12 Vodafone Spain and Natureback Communities established a partnership to collaborate in a digital and sustainable housing project to develop the countryside.

The project aims to respond to a new wave of workers who are choosing to leave the city and prefer to telecommute, and will showcase the type of sustainable, modular housing designed by Natureback, as an alternative to normal dwellings and with energy savings of up to 85%. The house will be equipped with



Vodafone mobile technology for sustainable environments, both in home automation and network infrastructure, enabling its inhabitants to enjoy high speed mobile broadband connections and manage intelligent network services through M2M technology.

Customers



In addition to offering our customers products and services that satisfy their needs and expectations, maintaining their trust depends on our ability to communicate and relate with them in an honest way and to effectively manage the key issues.

During 2011-12, we launched the "Vodafone Commitment", aimed at establishing a new customer relationship model based on trust. To this end three types of Commitments have been established:

- "Best Service Commitment"
- "Better Connected Commitment"
- "No Surprise Pricing Commitment".

Objectives for 2011-12

March

2012

To achieve the continuous improvement of complaint resolution processes, performing a systematic analysis of the root causes and providing the means to improve the processes involved.

To publish a parents' guide with recommendations for the safe and responsible use of our products and services for minors.

e-Learning course on Personal Data Protection and Privacy, aimed at all Vodafone Spain employees.

17.7 million customers

6.8 (out of 10) average recommendation of Vodafone customers

Best Service Commitment



"The commitment to always offer our customers the best experience, listening to them all the time, so they can feel our commitment and believe in it. We will always be willing to help them as an expert who advises and helps them to do whatever they want to do"

Customer Care

Call centre agents

In order to give our customers the fast and decisive service that they expect from us, we have implemented the following actions related to telephone assistance during this financial year:

- Standardisation of call procedures: the processes have been fully reviewed and reengineered, resulting in a new information portal being made available to our Telephone Assistance Service. Using the aforementioned portal, the agents can find a rapid response to satisfy each of our customers.
- Agent certification: all of our agents must obtain their certification in the knowledge of Vodafone procedures, products

and services in order to be able to serve our customers.

This certification guarantees compliance with the training methodology, their suitability and application in the workplace.

- Implementation of new knowledge management web tools: this enables us to guarantee that all of the agents, wherever they may be, have access to the same information and knowledge of Vodafone procedures, products and services, in order to address the customer's request.

All our customers can be attended, at no extra charge, in 6 different languages, in addition to Spanish (Catalan, Galician, Basque, English, Arabic and Rumanian).

Other improvements in the different agent-staffed customer care channels include:

- The personalised customer care service 1212 has been established, in accordance with our customers' profiles.
- The cost of technical assistance services (22155) has been removed for both mobile and ADSL, as has that of the Vodafone Loyalty Programme assistance service (22114), such that we serve all of our customers free of charge at each of our customer care services.
- Significant improvements have been implemented to our specialist technical service 22155 (22555 for self-employed

customers and companies). The main change is the introduction of a new tool which improves the customer support capacity in relation to smartphones, enabling us to act remotely on the customer's handset. This action has been complemented with some 2,400 hours of training for the agents who provide this service.

66 million
calls handled by agents in
2011-12

Telephone assistance through IVR (Voice Recognition System)

With the aim of continually improving telephone assistance through the IVR System, we are carrying out an IVR transformation project based on:


- The customer as the "centre" of the customer care service: allowing the customer to openly express his/her need, asking him/her a direct question, without having to force him/her to choose between complex options.
- The best technical solution that ensures the best recognition in order to capture the customer's need and offer him/her the most optimum solution.


Customer care 2.0

Throughout the 2011-12 financial year, the absolute number of active users has continued to rise in the private areas of the Vodafone Spain website (My Vodafone and Customers Area).

In order to improve customer care in this channel, a wide range of improvements have been made, including:

- Identity No.-based login
- Revamping of the home screen design
- Improvements to the Help Section.

Meanwhile, we are continuing to develop the "Vodafone Forum" , in order to share information related to Vodafone products and services and resolve our customers' doubts. In addition to offering customer care on social networks, customer channelling has started, where appropriate, from Facebook and Twitter to the Vodafone Forum.

We have also launched the "Vodafone helps you" , a new channel incorporating helpful videos centring upon the needs of smartphones.



Vodafone Forum's annual figures

More than **43,000** posts published
 More than **2 million** visits
 More than **17,000** registered users

1.4 million-plus
users of the private areas
of the web

5 million-plus
monthly accesses to the
private areas of the web

Self-management

Another of this year's most relevant changes was the considerable remodelling and improvement of mobile self-management "m-care", which enables customers to perform all of their transactions at their leisure, using their mobile. This service is available through the "m-care application" to users of iOS and Android operating systems, and via the "Mobile Portal" for the remaining operating systems. This has led to mobile self-management users and their contacts tripling this year, compared to last year's figures.

112,000+
customers using "m-care"
(self-management on the
mobile)

E-bill

We have continued to promote the adoption of the Legal E-Bill by our customers. The website informs customers of the possibility and the benefits of consulting their invoices online.

1.7 million-plus
Residential Customers
are sent e-bills

Nearly
200,000
Corporate Customers
are sent e-bills

 1 <http://foro.vodafone.es/>
2 www.vodafoneayuda.es

Complaints and Consumer Organizations

Complaints


During the 2011-12 financial year, priority was given to quality of service, managing complaints more efficiently and focussing upon improving their resolution levels and times.

Work has been carried out on analysing the root causes of complaints, and on reviewing, simplifying and improving policies and processes which have an impact on the customer.

A new Care Model has been launched which has enabled the improvement of complaint response and resolution times, enhancing the first call resolution rate, where the customer has not received a satisfactory response from Customer Care services.

Use of the website has been promoted, creating more intuitive and visual browsing, such that in order to resolve the main doubts or incidents which result in complaints, guides have been created which can clarify customer doubts before they make a complaint. As a consequence of this action, there has been an increase in the access to these enquiries and in turn the number of complaints through this channel has reduced.

In order to give a rapid and effective solution to customer complaints, a differential model has been chosen for telephone Mediation and Dialogue with the Official Bodies, speeding up the resolution of complaints for customers who visit these Bodies in person.

Complaints data is available at the Telecommunications User Care Office. 


Consumer Bodies and Consumer Associations

Vodafone's relationship with the different Official Bodies related to Consumer Affairs, continues to get stronger and we maintain full collaboration. As such, during this financial year, we have held meetings with all of the autonomous regions' Departments or Institutes of Consumer Affairs, proposing new channels of conflict resolution in the interests of gaining efficiency and saving resources.

Meanwhile, we have contributed towards training consumers on the subject of regulation and about Vodafone products and services. During the 2011-12 financial year, we have participated in training programmes at Barcelona City Council, the Basque Institute of Consumer Affairs (Kontsumobide), the Valencian Department of Consumer Affairs, and with the consumer associations, such as Spanish Confederation of Consumers and Users of Valencia (CECU AVACU) and with the Union of Spanish Consumers in Huelva (UCE).

Furthermore, a collaboration agreement has been signed concerning the resolution of complaints from Vodafone customers channelled through the Ombudsman of Catalonia (Sindic de Greuges).

Advertising and Marketing

Vodafone Spain comply with all applicable regulations regarding publicity and marketing. See additional information in 

Privacy and Data Protection

The Vodafone Group transmits the importance of respecting and handling our customers' personal data responsibly and always in line with both internal policies and the regulations that apply in each country, to all of the Company's subsidiaries. It is for this reason that an important part of the work carried out by Vodafone throughout the financial year is based on monitoring compliance with the Group's policies at a local level, checking that the company's systems have been adapted in line with the data protection regulations and monitoring any matter related to data protection.

Through the Privacy Committee, which meets periodically and is formed of members and representatives of the areas involved in the subject of privacy, compliance with the data protection regulations is monitored in any project or action that is to be carried out.

As proof of this effort to raise awareness, during the 2011-12 financial year, all company employees had to do an online course about privacy and data protection. Course attendance was highly satisfactory, it having been completed by 83% of the employees.

Better Connected Commitment



“The commitment to always create better products and services that reliably connect people with the highest quality and fastest data network, to provide the best and easiest mobile Internet connection in the country”



99.7%
of population covered by 2G network

84.8%
of population covered by 3G network

Network Quality


Vodafone Spain's extensive experience in designing telecommunications networks, the high reliability of elements used in network architecture and excellence in operation and maintenance mean we can guarantee our customers' service quality expectations and be leaders in achieving the availability and quality objectives set by international regulations. To achieve these results, Vodafone Spain has a robust mobile telephone network with redundant routing, diversity and failsafe measures.


A key factor in reaching and maintaining the Quality of Service parameters lies in the Quality Continuous Improvement 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.

Continuous customer satisfaction measures are implemented, focusing on the most important attributes that identify the characteristics of operating a telecommunications network. As far as Network Roll-Out is concerned, this financial year's highlight was the commissioning of the UMTS 900 network, which has enabled us to take mobile broadband to more than

5,000 new rural villages. The aforementioned effort shall continue throughout the 2012-13 financial year, enabling us to reinforce our leadership in 3G coverage throughout Spain. The data at the close of the financial year, on 31 March 2012, enables us to reach 99.7% of the population with the 2G network and 84.8% with the 3G network.

Furthermore, during the coming financial year we shall continue to progress our ambitious project to upgrade the base stations, which along with the activation of UMTS900 technology will enable us to improve the coverage and quality of the services provided in the principal urban environments and many rural environments.

The Quality of Service of the Vodafone Spain network has once again been recognised by an external body, P3 Communications, certifying that Vodafone Spain offers the fastest File Transfer Service for Mobile Internet and the best conversation quality for the Voice Service, of all of the mobile networks in urban areas of Spain. In particular, for the Data Service, Vodafone offers an average speed of over 10Mbps, more than double that of its closest competitor. 

Quarterly Service Quality values also undergo external audits which can be checked on the Ministry of Industry, Energy and Tourism's website in its Telecommunications section. 

No Surprise Pricing Commitment



"The commitment to always have the most competitive prices without surprises, offering simpler tariffs which meet customers' needs and services which enable better cost control, in order to ensure that customers always pay an appropriate price for the services received"

Rates

During the 2011-12 financial year, we have opted to simplify our tariffs and give the customer more freedom. The most significant aspect in terms of contract tariffs has been the removal of time bands in all of the sized tariffs.

At the start of the financial year, the M, @M and @XS sizes were changed, offering minutes 24 hours a day at a highly competitive price. In December Vodafone launched the new S and @S rates and ended the financial year with several rate improvements:

- Unlimited texting from the @S rate
- Launch of two new rates for low-spend customers
- Better prices for the largest size rates
- Launch of Extra Talking and Surfing Vouchers to let our customers add minutes to their rate and keep on talking/surfing without worrying.



Another significant improvement was that of the services for controlling spending. Customers can check how many minutes, MB or SMS they have used by simply dialling *131# and pressing the call key. Furthermore, they receive an alert when they have used up 90% and 100% of their minutes limit.

Another important aspect during this financial year was the VIP numbers. As part of the "Prices without Surprises" commitment, VIP numbers play a fundamental role as a guarantee of our commitment. As such, we commit to compensate our customers with €10 if we overcharge them for VIP numbers.



For figures and additional information, go to:



www.vodafone.es/InfSost11-12/Cientes



www.minetur.es/telecomunicaciones

Roaming

During the 2011-12 financial year, Vodafone Spain has maintained and promoted its value strategy by including data packets in its browsing tariffs in Europe, thus incentivising the use of data roaming and making use of all of the possibilities of smartphone applications. Vodafone Spain is the first and only operator to have so far committed to this integration as a differential value of its offering. Currently, Vodafone Spain has roaming agreements in 209 destinations.

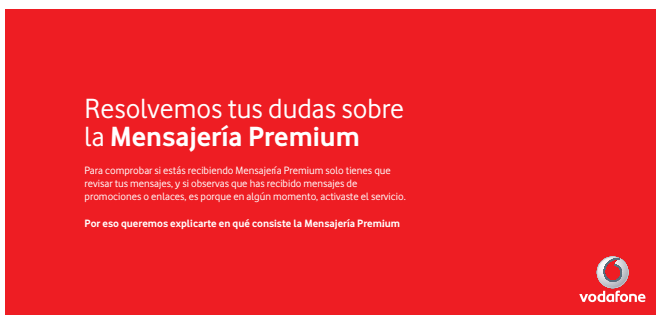
The price of roaming tariffs has gone down and a project to simplify data roaming tariffs has been launched, standardising criteria and optimising the customer experience, irrespective of the browsing device.

For the customers' greater security, there is a tool that informs all of our customers in real time when they switch on their telephone abroad, of the voice, SMS and browsing tariffs in that country.

209
destinations with
roaming agreements

SMS Premium

During the 2011-12 financial year, the following actions, amongst others, have been carried out in the area of Premium SMS, with the aim of improving customers' experience with these services:



- The message received by users when they subscribe to a web-based service has been enriched, informing them that it is a subscription service with an associated cost, before giving them the PIN to access the service
- The numbers of providers who have not complied with the Code of Conduct for these services have been cut
- The information relating to these services on the web has been improved and a summary of this information has been sent to customers, along with the invoices.

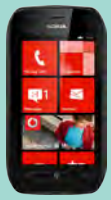
Safe and Responsible Use

By way of continuing the initiatives implemented in previous years, during the 2011-12 financial year, Vodafone Spain has launched a website for parents with information about the safe use of new technologies. The website www.vodafone.es/padres contains both information on the industry initiatives in which Vodafone Spain is involved, and practical information aimed specifically at parents and guardians who have children and teenagers in their care. This web includes:

- **Vodafone Tools**, such as Safety Net (a free of charge app that lets you customize and control the functions of Android smartphones), Youth Profile and Off-Net Filter (which block any content not recommended for children under 18 in the Vodafone content portal and Internet, respectively) and Vodafone PC Protection Service (which includes a parental control for browsing from PCs).
- **Set-up guides**, with simple, step-by-step details about privacy levels of social networks, filters in search browsers, parental controls built into PC operating systems, the settings of Vodafone SafetyNet, etc.



- **Parents' Decalogue**, with ten simple tips that will make it easier to learn about the digital world in which children and teenagers live constantly, and with resources and links to find any more information that may be of interest.



Mobile

"Youth Profile". Blocks access to content not recommended for children under the age of 18 and adult content in the Vodafone Content portal (Vodafone live!).

"Off-Net Filter". Blocks access to pages with adult content during Internet browsing.

Vodafone Safety Net Application. Tool for Android Smartphones that lets customers handle their phone connections and its functionalities (limit or block SMS, calls, internet, camera, etc.)



DSL/Mobile Internet

"Vodafone PC Protection". This Service offers parental control with other functionalities such as Antivirus, Antispyware, Spam control, etc. (works like any commercial antivirus package in PCs).



The whole network

IWF Filter. Blocks illegal child sexual abuse image content (in accordance with the Internet Watch Foundation-IWF database).

Vodafone Safety Net: Security Application for Android Smartphones



In December 2011, Vodafone Spain became Spain's first operator to provide a free of charge security application so that minors could use smartphones with the Android operating system safely and responsibly.

Restrictions and locks are managed by accessing the application through a password and its main features are:

- Barring outgoing calls and messages (SMS, MMS) to certain telephone numbers.

- Barring of incoming calls and messages (SMS, MMS) from certain telephone numbers with the possibility of saving the message texts in a file only accessible by parents (for bullying cases).
- Locking of features such as WiFi, Bluetooth, Camera, Browser and even the use of specific applications.

All these restrictions and locks can be established for a set time period.

Industry Initiatives

Vodafone, member of the Coalition for a Safer Internet for Children

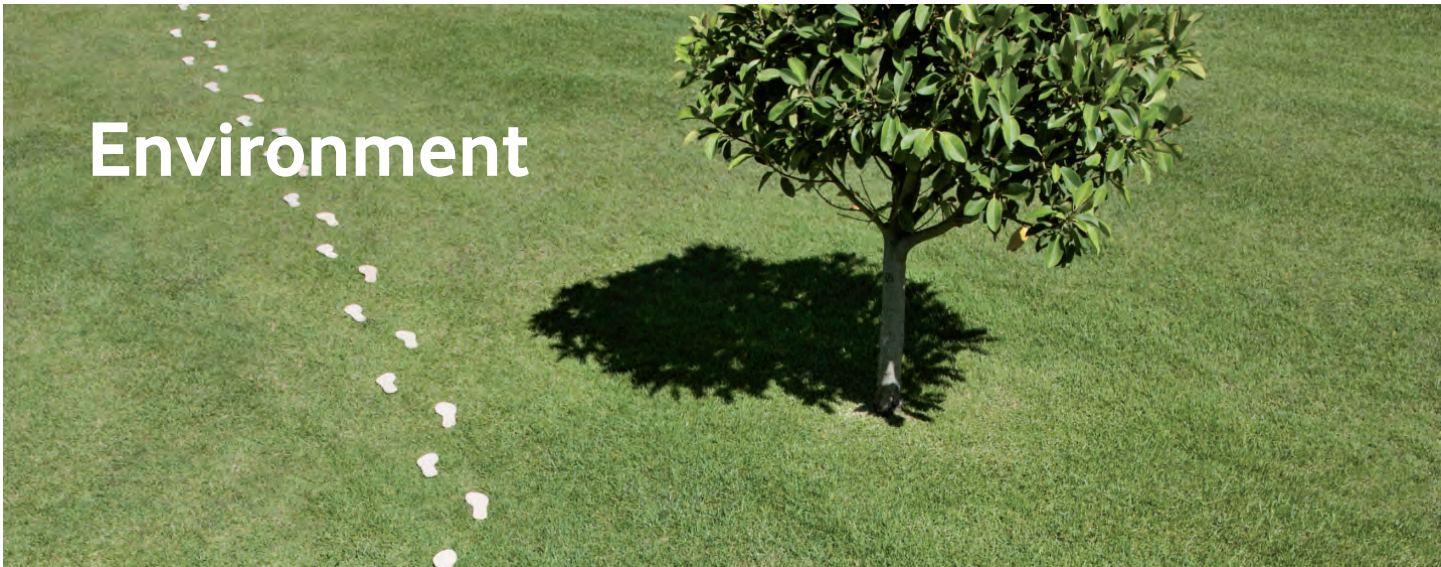
Vodafone forms part of what is known as the 'CEO Coalition', a coalition of the principal technology companies and communication media to make the Internet a better place for children. The Coalition seeks to agree a series of measures in five areas:

- Robust and simple notification tools, which are easy to find and recognisable on all devices, in order to notify users of content and contacts which are harmful to children.
- Age-adjusted privacy parameters
- Broader use of content classification, which is used in all sectors and provides parents with understandable age categories.
- Greater availability and use of parental control, with simple tools.
- Effective withdrawal of child pornography materials, and improved cooperation with the authorities and reporting lines.

Backing of Safer Internet Day 2012

Vodafone Spain supported the Safer Internet Day (SID) initiative, on 7th February, which included the holding of a National Congress "Young and Networked" organized by Protégeles.





Environment

Our commitment to sustainable development obliges us to control and minimize the impacts of our activity on the environment; that is, the impact of our network, stores and offices, and of the life cycle of the equipment we purchase and/or sell.

Climate Change is one of the world's biggest challenges and, according to our stakeholders, one of the key issues to be considered in our business.

Our greatest opportunity to contribute to the fight against climate change is through the development of Products and Services that help to reduce CO2 emissions (see pg.6). At the same time, we are implementing initiatives to control the carbon footprint derived from carrying out our own operations.

Objectives for 2011-12

March

2012

Continue fostering the systems for collecting our customers' unused phones.

In stores, replace plastic bags with paper bags.

2020

Reduce CO2 emissions with the aim of contributing towards achieving the Vodafone Group objective of reducing all emissions by 50% by 2020 compared to the 2006-07 figures.

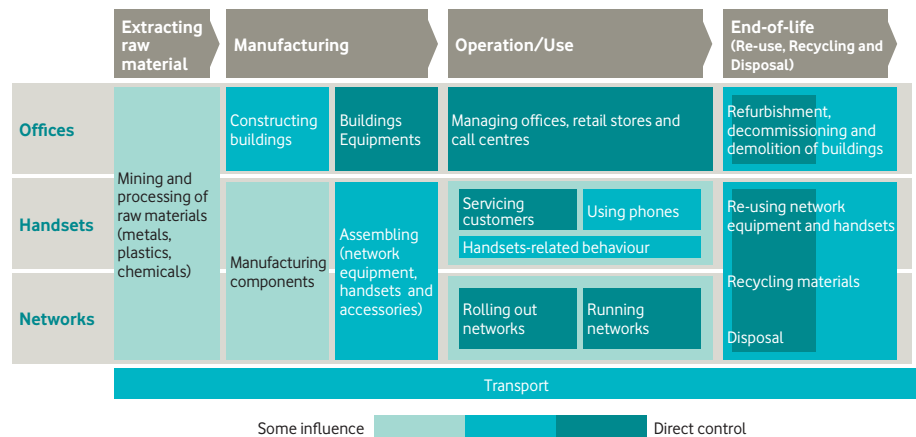
Objective for 2020

Like any business, the design, construction, operation and maintenance of a telecommunications network, generates a series of environmental impacts that are either direct (which we can control) and/or indirect (over which we have virtually no influence).

The areas that fall under the control of an operator such as Vodafone Spain include activities related to:

- the management and maintenance of offices, stores and other buildings
- the marketing, reuse and recycling of handsets
- network deployment and operation.


In order to monitor the environmental impact that it generates, Vodafone Spain has implemented an Environmental Management System in accordance with the international standard ISO 14.001, which was certified in 1997 and has been revised and adapted over time. The objective of our environmental policy is that Vodafone Spain be recognised by our customers, employees and society as a company that respects and is committed to protecting the environment. 



Mobile phones and the networks that connect them have an impact on the environment throughout their life cycle, from their manufacture and use, to their disposal.

At Vodafone Spain we try to reduce the negative environmental impacts generated in the life cycle phases of the products related to our business, over which we have direct control and in other areas, we endeavour to reduce negative environmental impacts through our purchasing decisions, agreements and partnerships with our suppliers, or by providing information to customers and raising their awareness.

Energy Consumption

Vodafone Spain uses energy to operate our telecommunications network (which accounts for over 90% of consumption), our Offices and Customer Care Centres, and our Stores. 

Network Energy Consumption

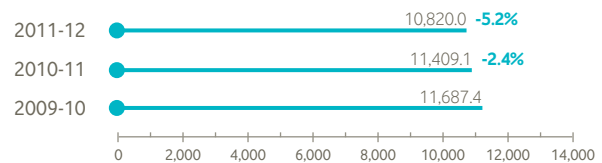
Vodafone Spain contributes to the Vodafone Group's goal of reducing CO2 emissions, such that while rolling out our network, we take action to boost our network's energy efficiency and thus control our CO2 emissions.

The initiatives applied during 2011-12 financial year to increase our network energy efficiency included:

- Energy Saving BTS: This software functionality controls the energy consumption of base stations in terms of the traffic carried in real time.
- Air conditioning upgrade: Plan devised to boost the use of free cooling, meaning that the container's temperature can be lowered without consuming large amounts of energy, while at the same time the site's temperature setpoint can be raised.

During 2011-12 financial year, absolute energy consumption in the network only rose 2.8%, despite the network roll-out (some 900 network elements more than the previous year). On another note, energy efficiency has enabled us to lower energy consumption per network element by 5.2% compared to the previous year.

Energy consumption per Network Element (Kwh/NE)



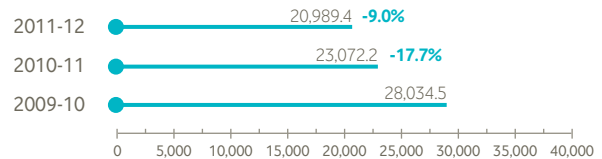
Energy Consumption in Offices and Stores


The actions carried out at offices during the 2011-12 financial year to raise energy efficiency include:

- Implementation of lighting controls
- Installation of motion detectors
- Replacement of outdoor halogen lighting with energy saving lampshades
- Raising of set-point temperatures in HQ equipment rooms
- Switching off of circuits in indoor car parks.

All these courses of actions have enabled us to report a 9% reduction in our offices' energy consumption over the previous year.

Office Energy Consumption (Mwh)



Our Stores have kept working on the energy saving schemes from previous years, in tandem with the refurbishment work underway. 

Other actions

In 2011-12 financial year, the use of videoconferencing and other communication tools (e.g. Office Communicator) was further encouraged, contributing to reduce the environmental impact of travel and business trips.

We have also encouraged employees to use shuttle vehicles to travel to and from offices.

8,900-plus Tons of CO2 avoided since 2005-06 with the use of video conferencing

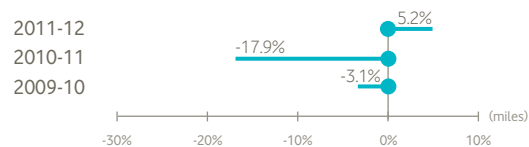
Approx. **500** car trips a day avoided by the use of shuttles in 2011-12

Vodafone Spain's CO2 emissions have increased in spite of the different courses of action carried out to increase efficiency energy. This is due to the change in the conversion factor for the CO2 from the mainland electricity system, which increased by 34% over the previous year, triggering a change in our CO2 emission reduction trend.


This change in the CO2 conversion factor of the peninsular electricity system is a result of a rise in coal-based production of electricity, due to the application of the Coal Aid Royal Decree that the Government approved in 2011, which has forced

electricity utilities to use a percentage of domestic coal, which is of lower quality and more polluting. The result is a deterioration of environmental quality indicator for the Spanish electricity system's CO2 emissions.

Total CO2 released with respect to 2006-07 (%)




For figures and additional information, go to:

 www.vodafone.es/InfSost11-12/Energia y CClmatico

Wastes

Our operations generate wastes, both on the network and in our offices, shops and customer care centres. The handsets that our customers no longer use can be turned into waste when they are replaced with other new ones. Vodafone Spain is committed to reducing, reusing and recycling wastes whenever possible.

In the case of network wastes, we reuse as much as possible, and any equipment that cannot be reused is sent to a specialized waste management company for recycling. 

Handset Wastes

Despite not being a waste that we generate directly, we encourage our customers and the public at large to hand in their unused handsets to manage them properly, either through reuse or recycling. We are also encouraging people to reduce this kind of waste by offering the "SIM only" deal both to existing customers and to new customers alike, who already have a prepaid or contract phone, and that has associated benefits and discounts.

The mobile phones that our customers no longer use and that are still in good working order can be refurbished, reused, and sold at a lower price in developing and emerging countries. This is an obvious major social advantage, since it gives these countries access to mobile phone systems, and it also benefits the

environment by eliminating the need to use new raw materials to make new phones. Furthermore, any phones no longer in use that do not work or are obsolete are recycled.

In addition to providing more information on the web, during 2011-12 financial year Vodafone launched the handset buyback plan ("Re-Estrena") to encourage customers to hand in their old phones.

Last but not least, through the Re-estrena scheme, the partner company that we collaborate with to collect these phones donates 5% of the profit it makes by selling these reused phones to the NGO WWF Spain.



Nearly
270,000
phones collected during
2011-12 financial year

Other Wastes and Consumptions

The main types of waste that we generate in our offices, shops and customer care centres are paper, toner, packaging, and computer equipment.

During 2011-2012, the amount of paper used has been cut by 50% through different solutions (printing and photocopy control, etc.). 100% of the paper used in our offices is FSC certified paper, ensuring that it comes from sustainably managed forests.


Coinciding with the International Year of Forests, in October 2011 Vodafone Spain unveiled a scheme to replace the plastic bags it gave customers in its stores with FSC certified paper bags. This

means that 138 less tons of CO₂, equivalent to the amount absorbed per year by a 19 Hectare forest, will be avoided every year.

During 2011, we have used 192,088 kg of



packaging (the majority made of paper, cardboard or plastics) for telephone sales, Ecoembes having been made aware of all packaging. We are also implementing plans to minimize our packaging, such that it generates less or more easily recyclable waste.

Lastly, though it is not a significant aspect in our business, we also monitor water consumption.  Most of the water that we use is collected from the mains and discharged into the sewage system. This year there were no significant accidental spillages.

50% less paper used than the
previous year

Annual reduction of **138Tn**
of CO₂ by replacing plastic bags
with paper bags

Responsible Network Deployment

Currently we have more than 26,000 network elements, 900 of which have been deployed during 2011-12 financial year. Vodafone Spain's network rollout policy during 2011-12 has focused on finishing rolling out coverage to villages with less than one thousand inhabitants (a project that commenced in the financial year 2010-11), and in doing so we set up nearly 3,000 stations while upgrading and modernizing the existing network. To this end we launched the "RAN Refresh" project, which entails replacing the existing GSM 900/UMTS 2100 equipment with other equipment that performs far better with mobile technology, and by the end of the year a total of 450 sites had been refreshed.

During 2011-12, a total of 156 stations were shared (i.e., where Vodafone Spain has rolled out its network in other operators' infrastructure). We have signed site-sharing agreements with leading mobile operators, prioritising the finding of those sites in which infrastructure can be shared.

Based on the agreement signed with Orange in 2006-07 financial year, according to which both companies committed

to share 3G network infrastructures in towns with less than 25,000 inhabitants, Vodafone Spain and Orange now have 4,300-plus 3G facilities at shared sites (of which 2,165 are Vodafone Spain-owned).

During 2011-12, Vodafone Spain received several administrative requirements related to environmental matters, although no significant fine was imposed in this respect.

Nearly **3,000** stations deployed to provide coverage to villages with fewer than 1,000 inhabitants

Landlords' Call Centre

Vodafone Spain has a specific call centre for site landlords, to respond to their needs, suggestions or complaints.

On average, it receives 1,500 calls a month.

Landlords' Call Centre
607 100 101

RF Emissions and Health

In accordance with Royal Decree 1066/2001, during the first quarter of 2012, the annual certification of the Vodafone Spain stations network was carried out. For this purpose, RF emissions have been measured at more than 6,600 stations, and the emission levels of 100% of our base stations is far below the threshold set by the aforementioned Royal Decree 1066/2001.

During the financial year 2011-12, we increased the amount of information about RF Emissions and Health on our website [🔗](#).

In addition, Vodafone Spain has taken part in the seminars organized by the Spanish Federation of Municipalities and Provinces, most notably the ones held in Lleida and Leganes on "Best Mobile Telephony Practices and Local Development".

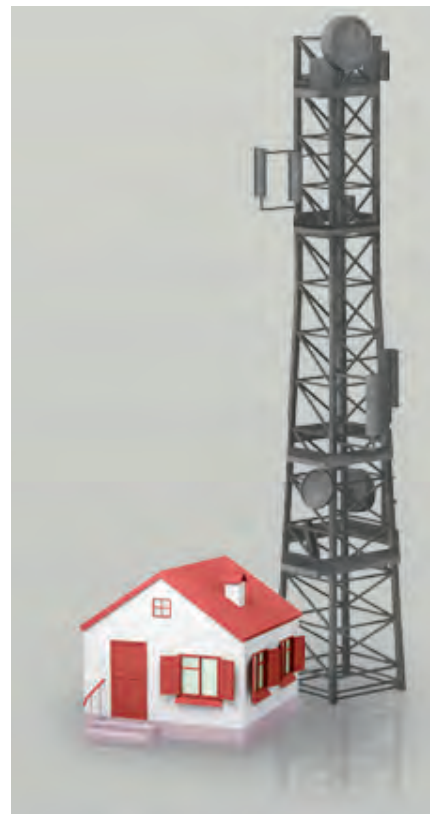
Many international organizations state their opinions about antennas, mobiles and health and we would underscore the conclusions of the monograph of the IARC (International Agency for Research on Cancer) on RF-EMF. Mobile phone use has been included in the "possibly carcinogenic to humans (Group 2B)", as it is considered that there is limited evidence in humans and in experimental animals, this group including another 249 agents such as coffee, pickles or talcum powders.

Furthermore, the International Agency for Research on Cancer has established that emissions associated to mobile phone masts falls under for "group 3", which includes 512 other agents, such as caffeine, saccharin or tea, and for which evidence of carcinogenicity is inadequate.

The conclusion drawn from all this is that there is no evidence in the studies and research into the effects of antenna emissions to indicate that they may be potentially carcinogenic, since there sufficient evidence has not been found either in humans or in animals.

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

100%
of the Base Stations with emission levels below the established thresholds



[Further information at: www.vodafone.es/sostenibilidad](http://www.vodafone.es/sostenibilidad)

Employees



Our employees contribute essentially to offer excellent products and services to our Customers and consequently to achieve and maintain our success. In order to have the most qualified and motivated people, we seek to offer a good working environment, treating staff with respect, and offering attractive incentives, as well as opportunities for professional development.

Vodafone Spain is a notable generator of direct and indirect employment in Spain, and this has always been quality employment, with 99.5% of contracts being open-ended.

4,335
employees

99.5 %
of open-ended contracts

Objectives for 2011-12

March

2012	Strengthen managers skills for talent management.	Increase the number of women in managerial positions.	Hire and integrate more disabled employees.	Implement in the Company a culture of acknowledging individual and team contributions and celebrating the company's achievements.
	Promote and hold trade union elections throughout the Company.	Increase the development of a prevention leadership culture ("Absolute Rules") both among employees and external contractors to minimize labour accidents.	Promote the internal development of on-line and value-added health services.	Develop new Corporate Volunteer initiatives.

● Training and Development of Talent

In order to help identify professional development opportunities, Vodafone Spain has the Performance Assessment tool called **"Performance Dialogue"**.

During the 2011-12 financial year, various improvements have been made to the Performance Dialogue process, creating a system to carry out the assessment of talent in a more objective way, and a calibration tool was produced which reduces the possibility of errors in the overall process.



For figures and additional information, go to:
 www.vodafone.es/InfSost11-12/Empleados

In an environment so competitive as the current one, one of the challenges is for managers to know how to differentiate among the team collaborators in order to identify potential and talent, distributing the available resources in line with the performance and professional career of each person. With the aim of strengthening the aforementioned skills, during the 2011-12 financial year the **"Talking Talent"** programme was developed.


The **"Talking Talent"** programme is structured in 3 phases:

1st. Initial: This phase consists in a case study and an individual self-assessment.



2nd. Workshop: Includes training in the talent identification process and tool, emphasis being placed on how to conduct progress interviews.

3rd. Transfer to workplace: Accompanying all of the managers during the rest of the financial year.

Where Training and Development is concerned, the average number of training hours per employee has reduced slightly compared to previous years, due to the priority being given to online training for the commercial department and to the launch of development portals which have online resources. 100% of employees have completed their online training plans. 

By way of example, we have increased the number of innovative resources to improve efficiency through training in the job and coaching and mentoring programmes.

90%- plus of management have followed the Talking Talent Programme

○ Diversity Management

During the 2011-12 financial year, various actions have been implemented in order to increase the number of women in managerial and pre-managerial positions which have basically been linked to:

- Recruitment actions:
 - External search for the best managerial profiles, placing particular emphasis on feminine talent, incorporating short-listed candidates in recruitment processes
 - Incorporation of women in pre-managerial positions in order to be able to achieve parity in numbers in the coming years
 - Vodafone Spain's presence in women's forums.
- Internal reinforcement actions, such as promoting the relationship among female managers from different departments. 

Vodafone Spain complies with the Integration of People with Disabilities Act through both direct employment and alternative measures. Irrespective of this, our objective is to increase the percentage of direct employment of people with disabilities. As such, during the 2011-12 financial year, work has been carried out on developing the **"Talent without Barriers"** programme, the principal objectives of which are:

- Hire employees with a disability certificate to increase the percentage of direct employment of people with disabilities
- To encourage employees with a disability of 33% or more to obtain the disability certificate
- Contribute to Vodafone Spain being a more inclusive company.

The work carried out included the implementation of activities to raise awareness and talent management training in relation to people with disabilities, for both professionals in the Human Resources Department and for the managers of the

different company departments, making Vodafone Spain an increasingly inclusive company.

Additionally, the support of an external consultant, who specialises in inclusion and diversity issues, has been made available to employees, making it easier for employees to resolve doubts and providing them with help in obtaining the disability certificate.


Furthermore, recruitment agreements have been signed with various organisations specialising in managing the talent of people with disabilities, from which candidates have been incorporated in ordinary recruitment processes, new employees with disabilities having been recruited in this financial year.

Due to all these activities, the number of employees with disabilities working at Vodafone Spain has increased by 77% this year.



77 % rise in the number of disabled employees

Organisation, Remuneration and Social Benefits

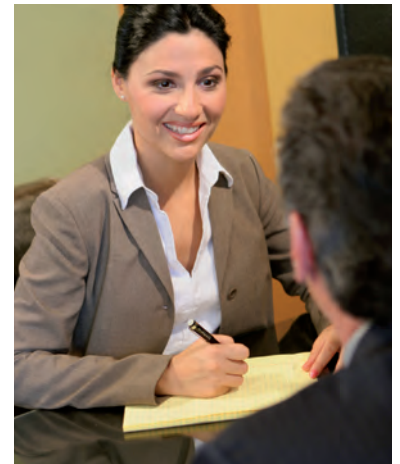
Vodafone Spain guarantees equal wage-setting opportunities, regardless of candidates' gender, nationality or other factors. 

As part of its ongoing employee commitment, Vodafone Spain has made a special effort to ensure that the current economic situation does not have a negative impact on employees' social benefits.

As for the recognition of individual contributions, Vodafone Spain aspires to be a fair and equitable company, with opportunities for employees based on their performance.

That way, all employees who are not subject to incentive plans share the company's strategic objectives in their variable salary component, distributed between the business objectives and those which are specific to the department. This system makes it possible for the person's performance to have an influence on the payment of their variable salary component.

Meanwhile, the recognition programme "Global Heroes" was implemented, linked to both individual and team contributions and the celebration of the Company's achievements. This programme recognises those employees and teams which have demonstrated the Company's values in the performance of their activity and which have represented a success for the company due to their impact on customers. This recognition becomes visible to the entire Company (Local and Global) via the Intranet.



Employee Involvement

During the 2011-12 financial year, departmental action plans have been implemented in order to improve the results of the "People Survey".

Our commitment to involve our employees in our corporate culture has led us to carry out actions such as:

- The "Know and Travel" competition in which 1,387 employees participated and which promotes improved employee knowledge of Vodafone Spain products and services.
- In-store training by means of the "Put the T-shirt on" initiative. 450 employees from all departments, collaborated in shops for a day, after participating in a training session.

The results of the "People Survey" show an employee satisfaction level of 80%.



1,387

employees took part in the "Know and Travel contest"

80 %

employee satisfaction level

¿Te atreves a vestir la camiseta y trabajar por un día en nuestras tiendas?



Labour Relations

One of Vodafone Spain's principal objectives has always been to maintain relationship channels which enable the establishment of stable and useful communication with employee representatives.

In June 2011, trade-union elections were held throughout the company. As a result of these elections, Vodafone Spain went from having 69 representatives to 116 legal employee representatives, which are distributed between the different company sites. During the 2011-12 financial year the 5th Vodafone General Bargaining Agreement was negotiated, which applies to all employees.


It is worth highlighting that, as a consequence of the current complex economic environment, alternative cost-saving measures have been negotiated which enable the company to fulfil its budgetary and business objectives, and avoid measures that could have a greater effect on the staff. These measures are conjunctural for one year and not renewable, except in the case of agreement by the parties, and consist in the following actions:

- For all staff:
 - Reduction in the payment of the variable salary component associated to the 2012-13 financial year.
 - Temporary suspension of labour relations for two weeks (one week in the case of Customer Care and Shops), which involves not working and as such not being paid the associated salary. However, during this period unemployment benefit may be claimed.
- Furthermore, voluntarily, those employees who wish to reduce the length of their working day may choose either of these two options:
 - Not to work on Fridays for an entire year in exchange for the associated salary decrease.
 - A daily reduction of the normal working day of one hour for an entire year in exchange for the associated salary decrease.

Likewise, the company guarantees that it will neither apply an employment redundancy during the coming financial year, nor outsource its activities during the first year of the agreement.

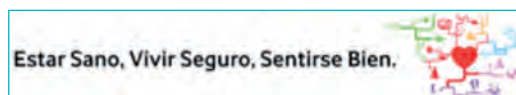
It is worth highlighting the salary review clause for the second year, which is linked to the company's results, which, in the event of economic recovery, also allows part of the savings made during the year to be distributed amongst the staff.

Health, Safety and Well-being

According to the results of the Climate Survey, employees continue to recognise the company's commitment to Health, Safety and Well-being. 


These results have kept us in a position to continue promoting the slogan "Be healthy, live safely and feel good" as a system to promote the company's preventive culture.

Meanwhile, the Vodafone Group launched the "Absolute Rules" initiative, the objective of which is to create a culture of leadership in prevention both within the company itself, and amongst all those who work for Vodafone.



84 % of employees
satisfied with the health,
safety
and well-being policies

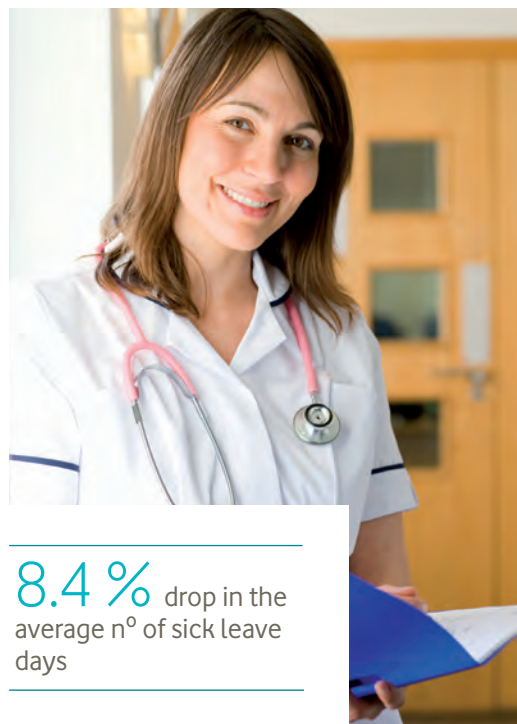
Accident and Absenteeism Rates

In both cases, the indicators confirm that the initiatives to return to the downward trend of previous years have been effective. 

Where the accident rate is concerned, the Incidence, Frequency and Seriousness Rates have fallen significantly. Once again this financial year there was a lack of fatal accidents amongst Vodafone Spain employees and contracted workers.

With regard to road traffic accidents, the positive trend of previous years in relation to accidents on work assignments is reaffirmed, the employees involved in the two accidents having been "victims" of the bad practices of third parties. Where accidents to and from work resulting in sick leave are concerned, we have also recovered the low figures of previous years.

The Absenteeism Rate due to sickness has also gone down as a consequence of the over 7,000 actions carried out by the medical service to support sick employees. The average number of sick-leave days per employee was 8.4% lower than the previous year.



8.4 % drop in the
average n° of sick leave
days

○ Initiatives for promoting Prevention, Health and Well-being

Amongst the actions carried out during the 2011-12 financial year, the following added value services stand out:

Online Health Services available for all employees:

- Staff access to the Medical Service via internal telephones.
- Direct communication with the Medical Service using the Communicator tool.
- Results of tests carried out at staff medicals available on the Internet.
- Online health pilot Info33 (see page 11).


Staff Health Management:

- More than 1,600 staff medicals carried out
- More than 7,000 medical consultations
- 485 private health insurance tests prescribed
- Medical tests carried out at the office once a week, for parameters that do not form part of the regular medical check-up

Phase 2 of the campaign to achieve "zero accidents":

- Information campaign, with particular emphasis on the Technology department
- Presence sessions with suppliers
- Improved internal web portal.

Awareness-Raising Campaigns

- **Healthy Use of Mobile Devices Campaign.** The company has continued to promote the campaign which is made up of three short videos with simple tips for healthy use. The campaign, aimed at employees, relatives, friends, customers and society in general, was launched on internal and external channels and has had the following results:
 - 3.5 million visits since its launch
 - Titles translated into English, Arabic, Greek and Portuguese in the Vodafone Group
 - Campaign used by other organizations such as: Campofrío, Ibermutamur, Madrid Autonomous University, etc. 
- Road Safety Campaigns, Seasonal Health, Eye Tests and Blood Donations.

Prevention and Health Training:

- Occupational Hazard Prevention courses lasting more than 1,200 hours
- 66 employees attended Road safety courses
- 119 Employees received "Welfare in the office" training
- 56 employees received Fire Protection and Control and First Aid training
- 168 employees have participated in induction programmes.

The voluntary external audit of the Occupational Hazard Prevention Management System, carried out by Ernst & Young, was passed satisfactorily. Meanwhile, the company has participated in numerous events, sharing our good practices with other companies.



Healthy Use of Mobile Devices Campaign:
3.5 million visits hits since its launch

 <http://bit.ly/RCUsosaludable>
<http://bit.ly/Listausosaludable>
<http://bit.ly/UsosaludableV1>
<http://bit.ly/UsosaludableV2>
<http://bit.ly/UsosaludableV3>

Corporate Volunteering

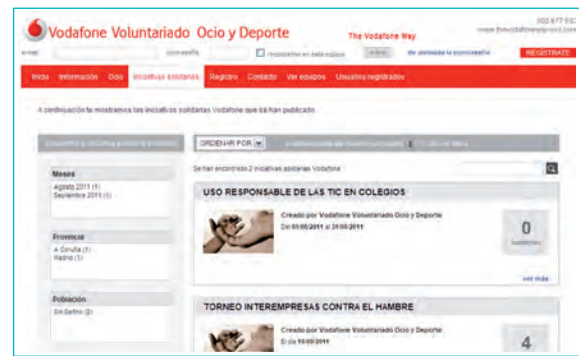
Vodafone Spain is committed to promoting Corporate Volunteering, providing the necessary resources to carry it out, as well as giving employees the appropriate support. We believe that the company's involvement in these activities contributes significantly to encourage employees to get involved in and demand more of this kind of activities.

In the 2011-12 financial year, a web portal was developed ("Volunteering, Leisure and Sport" portal), which facilitates the management of the Corporate Volunteering programme and where employees can propose charitable activities, as well as obtaining information and discussing volunteering activities proposed by the company.

Additionally, employees promote volunteering amongst themselves, by explaining their experiences through social networks, and a Twitter account has been created that is exclusively devoted to Vodafone Spain volunteers (@voluntariosVF).

Amongst the Corporate Volunteering actions carried out in the 2011-12 financial year, it is worth highlighting the following:

- **Training for children about the Safe and Responsible Use of ICTs in schools.** With the training and advice provided by the Protégeles organisation.
- **Global Biking Initiative (GBI) 2011.** A Vodafone Group initiative in which 300 participants from 16 different countries collaborated, covering a distance of over 500 kilometres in 7 days, riding from Amsterdam to Düsseldorf. This year, the Vodafone Spain team raised funds for the Father Garralda-Open Horizons Foundation.
- **Inter-company tournaments against Famine.** Vodafone Spain has participated in this Action Against Famine initiative by enrolling its teams in different events: running, padel tennis, 7-a-side football and golf. The money raised through this initiative has made it possible to treat 1,500 children against acute malnutrition.
- **Membership of the international programme ENGAGE.** In 2011, European Year of Volunteering, Vodafone Spain joined the international corporate volunteering programme, ENGAGE, the objective of which is to work together to address the most urgent local social needs. Forética is the organisation which heads up the programme in Madrid and Barcelona, and the main lines of action are, on the one hand, supporting homeless people, with the aim of enabling this group to achieve autonomy, and on the other hand, the business community's contribution to the challenge of the environment, through activities supporting environmental rehabilitation in specific areas.
- **Other partnerships with NGO's:**
 - 3rd National Street Football Championship for Homeless People organised by the RAIS Foundation and sponsored by Vodafone Spain, the objective of which is to help to integrate in society these people who are at risk of exclusion, through sport.
 - Operation Kilo for Christmas, in collaboration with the Madrid Food Bank.
 - "Donate your mobile" campaign in which the employees at all Spanish Vodafone sites could hand in disused handsets to the Spanish Red Cross and Entreculturas.



VOD "Volunteering, Leisure and Sport" Portal.



Inter-company tournaments against Famine.



Operation Kilo for Christmas.



"Donate your mobile" campaign.



ENGAGE Programme.

Suppliers



We encourage our suppliers to maintain high ethical, environmental and Labour standards, and to do so we collaborate with them in achieving these objectives.

To assure our customers that our products and services have been produced in compliance with labour and environmental standards, we manage the impacts of the products and services provided by our supply chain.


Objectives for 2011-12

2012

March

Assessment of all the suppliers selected by Supply Chain Management Department in the Sustainability pillar.

Continue working on improvement projects with the selected suppliers.

In our sector, ensuring that our suppliers comply with labour and environmental standards is a must. Our Code of Ethical Purchasing  lays down the criteria that we expect our suppliers to meet, and to that end Vodafone has devised a process to identify high-risk suppliers and to allow us to track their compliance through on-site audits. The goal is to help suppliers improve their performance, guaranteeing that we only work with those who meet established standards.

During 2011-12, the Vodafone Group joined "Joint Auditing Cooperation" (JAC), a group formed by seven telecommunications operators that aims to share each one's audit data and promote common standards within the sector.


Moreover, the Vodafone Group keeps on working with different suppliers throughout the value chain to share experiences and identify opportunities to reduce CO2 emissions (see pag. 24).

In 2011-12, Vodafone Spain bought products and services worth €4,546.9 million.

Local suppliers are construed as those whose financial terms and conditions have been negotiated and formalised in a contract by local operations units. All the local suppliers regarded as being high-risk (64 altogether) have been re-qualified through the new SCM ("Supply Chain Management) qualification tool. This tool consists in questions divided into 10 blocks (Conflict of Interest, Financial Data, Corporate Responsibility, Environmental Management, Quality Management, Product Safety, Occupational Health and Safety, Contingency Planning, Information Security and Credit Card Data Management) that the supplier must answer to determine the risk associated with each one. Qualification is the first step to be followed by any new supplier that wants to work with Vodafone Spain.

Once qualified, Vodafone selects the suppliers that will be assessed each year, using a segmentation model for classifying suppliers in terms of turnover and impact on the business. These suppliers are regarded as strategic and are finally assessed according to six criteria: Sustainability, Financial, Technological, Commercial, Deliveries and Quality.

During the year 2011-12, SCM assessed a total of 45 local suppliers who obtained an average score of 86.9%, representing an increase of almost 5 percentage points on the previous assessment.

As far as the Sustainability criterion in concerned, 100% of the suppliers who had potential sustainability-related implications have been assessed, and this represented a total of 29 suppliers. The average score for this criterion was 76%, 3 percentage points higher than in the previous assessment. 


Once the assessment results had been analyzed, it was agreed to prepare 31 Sustainability action plans, related with the following issues:


Certifications	26%
Climate Change	26%
Sustainability Report	23%
Supply Chain Management	19%
Labour Standards	6%

Follow-up of agreed action plans will be through regular meetings and/or correspondence between the supplier and Vodafone Spain.

€4,546.9
million on buying Products and Services in 2011-12

76 % average score obtained by suppliers in the Sustainability pillar

For figures and additional information, go to:  www.vodafone.es/sostenibilidad

For figures and additional information, go to:  www.vodafone.es/InfSost11-12/Proveedores

Objectives



Issue	Objectives 2011-12	Performance 2011-12	Progress	New Objectives	Date
Social Products and Services	1 Launch 3 new Social Products/ Services.	1 Completed: We have launched the "Vodafone Active Service", the "Emporia RL1" and "ZTE S202" handsets and the "Accessibility" application.	100% 	1 Launch 2 new Social Products/ Services.	March 2013
	2 Ensure all transaction areas of the Vodafone Spain web (Online Store and Private areas) are accessible.	2 The objective has been postponed until the next financial year, because there are plans to migrate this content to a new content system.	Underway 	2 Ensure all transaction areas of the Vodafone Spain web (Online Store and Private areas) are accessible.	March 2013
	3 Obtain the universal accessibility certificate for more than 95% of the Own Stores.	3 91.5% of our own stores comply with accessibility criteria.	96.3% 		
Vodafone Spain Foundation	1 Carry out at least two new innovation projects which contribute towards the "Mobiles for Good" programme in the area of ICT solutions which are accessible to "Senior Citizens and people with Functional Diversity Diversity" Transfer the results of the Mobile Teleassistance project to at least two countries within the Vodafone Group.	1 Completed: "Accessibility" and "GARI".	100% 	1 Contribute to the Vodafone Group's "Mobile for Good" programme with 2 new nationwide projects in Accessible ICT solutions for Independent Living and Active Ageing.	March 2013
	2 Implement at least two technological applications which help to improve the quality of life of vulnerable groups in all areas, both social and labour.	2 Completed: "E-Labora" and "Sailing for all".	100% 	2 Transfer the results of 1 project as good practice to other countries within the Vodafone Group. 3 Participate in Accessibility projects of at least 5 universities to contribute to the integration of students with disabilities. 4 Train at least 100 disabled people in professionalization programmes.	March 2013 March 2013 March 2013
Products and Services for Sustainable Development	1 Participate in "Smart Cities" initiatives. March 2014.	1 Participation in this type of initiatives has commenced.	Underway 	1 Participate in "Smart Cities" initiatives.	March 2014
	2 Develop new systems and logistics optimisation solutions associated with M2M. March 2013.	2 Smart browser-related activities have commenced.	Underway 	2 Develop new systems and logistics optimisation solutions associated with M2M.	March 2013
Customers	1 Achieve the continuous improvement of complaint resolution processes, performing a systematic analysis of the root causes and providing the means to improve the processes involved.	1 The new customer care model is in place.	100% 	1 Improve the Premium SMS Services information, with summarised information on invoice and on the web.	March 2013
	2 Publish a parents' guide with recommendations for the safe and responsible use of our products and services for minors.	2 The www.vodafone.es/padres website has been launched.	100% 	2 Organise a publicity campaign for the www.vodafone.es/padres portal	March 2013
	3 e-Learning course on Personal Data Protection and Privacy, aimed at all Vodafone Spain employees.	3 Completed.	100% 	3 Establish a Privacy Management System.	March 2013

Issue	Objectives 2011-12	Performance 2011-12	Progress	New Objectives	Date
Environment	1 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.	1 Vodafone Spain's total CO2 emissions were 5.2% higher than in 2006-07, due to the change in the electricity system's CO2 conversion factor.	Underway 	1 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
	2 Continue fostering the systems for collecting our customers' phones.	2 New Re-estrena System implemented.	100% 	2 Deploy an eco-rating system for the handsets marketed by Vodafone Spain.	March 2013
	3 In stores, replace plastic bags with paper bags.	3 Replaced by FSC certified paper bags.	100% 	3 Ensure that at least 50% of office paper is recycled or comes from wood certified and obtained from clean production systems.	March 2013
				4 Collaborate in the "Mobikids" study about the possible links between environmental risks and health.	March 2013
Employees	1 Hire and integrate more disabled employees.	1 The number of employees with a disability certificate increased 77% with respect to the previous financial year.	100% 	1 Application of the alternative saving measures negotiated within the collective agreement. 2 Hire and integrate more disabled people. 3 Reduce the average number of accidents by 10% in the next 2 years, using the 2010-11 figure. 4 Consolidate the absenteeism reduction plans set in motion in 2011-12 to ensure that absenteeism is below the average of the last 3 financial years.	March 2013 March 2013 March 2014 March 2013
	2 Promote and hold trade union elections throughout the Company.	2 Held in June 2011.	100% 		
	3 Increase the development of a prevention leadership culture ("Absolute Rules") both among employees and external contractors to minimize Labour accidents.	3 The programme has been deployed.	100% 		
	4 Promote the internal development of on-line and value-added health services.	4 Different courses of action have been followed (see pg. 32).	100% 		
	5 Increase the number of women in managerial positions.	5 Actions have been taken to increase the n° of women in management positions.	Underway 		
	6 Implement in the Company a culture of acknowledging individual and team contributions and celebrating the the company's achievements.	6 "Global Heroes" acknowledgement programme in place.	100% 		
	7 Strengthen managers skills for talent management.	7 Desarrollado Programa "Talking Talent".	100% 		
	8 Develop new Corporate Volunteering initiatives.	8 Different initiatives have been launched and courses of action have been carried out with NGO's (see pg. 33).	100% 		
Suppliers	1 Assessment of all the suppliers selected by Supply Chain Management Department in the Sustainability pillar.	1 100% of selected suppliers with possible Sustainability-related implications have been assessed.	100% 	1 Complete the on-line Code of Ethical Purchasing training course for 100% of Purchasing personnel.	March 2013
	2 Continue working on improvement projects with the selected suppliers.	2 Different improvement projects have been established (see pg. 34).	100% 	2 100% of the greatest-risk suppliers adhered to Vodafone's new Anti-corruption clause.	March 2013

Key Indicators

		2011-12	2010-11	2009-10
Financial	Total turnover (€ mn)	5,514	6,042	6,453
	Turnover per service (€ mn)	5,044	5,573	5,985
	EBITDA Margin (%)	25.0	30.5	34.3
	Purchases of Products and Services (€ mn)	4,546.9	4,264.6	4,436.4
	Investments (€ mn)	501.6	608.9	610.7
	Nº of Customers (millions)	17.7	17.2	16.8
	Nº DSL customers (000's)	834.6	779	641
Medioambientales	Network Energy Consumption (MWh)	286,437.8	278,118.8	265,666.2
	CO2 emissions derived from Network energy consumption (Tn)	78,978.8	60,475.9	71,573.6
	Office Energy consumption (Mwh)	20,989.4	23,072.2	28,034.5
	Store Energy consumption (Mwh)	4,550.1	4,388.2	3,764.1
	Nº of Km flown / Nº Employees	4315.9	3,698.0	3,389.7
	Video conferencing: Saving on CO2 emissions (Cumulative Tn)	8,941	7,586	4,800
	Change in CO2 emissions (with respect to 2006-07) (%)	+5.2	-17.9	-3.1
	Nº of Phones collected for Reuse and Recycling (units)	272,024	351,730	367,353
	Paper consumed per employee (Kg)	5,5	13	18
	Recycled paper per employee (Kg)	44	44	33
	Packaging marketed (Tn)	192.1	212.8	237.3
Water Consumption (m ³)	115,515	113,983	106,687	
Social	Nº of employees	4,335	4,361	4,383
	% Open-ended contracts (full-time and part-time)	99.5	98.7	96.8
	% Women	44.5	44.4	43.6
	% Women in Managerial Positions	26.7	28.3	27.8
	Nº hours training/ employee	31.8	32.6	42.9
	Accident Frequency Rate	253.4	406.9	228.4
	Funds allocated by the Vodafone Spain Foundation to community involvement topics (€000's)	5,395	4,975	5,271
	Senior Citizens trained to use ICT (historic cumulative figure)	63,177	55,401	50,341



Give us your Opinion

We would like to know your opinion both on our vision, strategy and actions in sustainability matters, and on this Report. To do so, you can write to:

Vodafone Spain

Sustainability

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28108 Alcobendas

Madrid (Spain)

Or email us at: sostenibilidad@vodafone.com