About Vodafone UK

Operations
Vodafone UK is one of 16 Vodafone Group operating companies. Vodafone UK’s headquarters are at Newbury, Berkshire. We have nine other main office locations in the UK, including six customer management centres. At the end of March 2006, we had 347 wholly owned retail stores.

Services
Vodafone UK provides a range of communication services, including voice calls, text messages, video messaging, internet access, Vodafone live! and other data services, through prepaid and contract pricing arrangements.

Key statistics 2005/06

<table>
<thead>
<tr>
<th></th>
<th>Vodafone UK</th>
<th>Vodafone Group</th>
</tr>
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<tbody>
<tr>
<td>Revenue (£ million)</td>
<td>5,048</td>
<td>29,350</td>
</tr>
<tr>
<td>Adjusted operating profit (£ million)</td>
<td>698</td>
<td>9,399</td>
</tr>
<tr>
<td>Number of customers (million)</td>
<td>16.3</td>
<td>170.6</td>
</tr>
<tr>
<td>Number of employees</td>
<td>11,634</td>
<td>55,110</td>
</tr>
<tr>
<td>Number of base stations</td>
<td>11,352</td>
<td>97,899</td>
</tr>
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</table>

Vodafone UK operations

- UK Headquarters
- Other major office locations

Vodafone UK operations

This product is produced on Revive Special Silk which contains 30% FSC certified virgin pulp and 30% recycled and de-inked pulp from post consumer waste. This material is FSC certified and is 100% recyclable.

Printed by CTD, an ISO 14001 and FSC certified printer.
“What makes Vodafone UK a responsible company?”

It depends who you ask...
Feedback
We welcome your feedback on this report and our CR performance. Please contact:
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The Connection
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Berkshire RG14 2FN
responsibility@vodafone.com

How do you protect kids from viewing 18-rated content on their mobiles?
see page 09

Are mobile tracking services an invasion of privacy?
see page 09

What are you doing about climate change?
see page 18

What happens to old handsets?
see page 21

How do you make sure that blind or deaf people aren’t excluded from using mobiles?
see page 12

Are you telling us all the facts on masts and health?
see page 15
Welcome to the Vodafone UK Corporate Responsibility (CR) Report 2005/06. This report summarises our progress on our key CR issues. As well as telling you what we think, we’ve invited stakeholders to comment on our performance – their responses are included throughout the report. We welcome all feedback, both positive and negative. Email responsibility@vodafone.com.

At a glance 2005/06

- Extended our **content controls** to cover mobile TV and music downloads
- Gave **£7.82 million** to charity
- Reduced **energy use** by 4% and **CO₂ emissions** by 60%
- Responded to all **enquiries on planning and health** within 10 working days
- Collected **203,400 handsets** for recycling and set a target to do more
- Improved our rating against the Hay **Employee Engagement Index**
- Made CR one of six criteria used to **select and monitor suppliers**
- Provided joint operator **network rollout plans** for all local planning authorities

About this report

This report covers Vodafone UK’s corporate responsibility (CR) performance in 2005/06. More information and background material is available on our website: [www.vodafone.co.uk/responsibility](http://www.vodafone.co.uk/responsibility).

Data relates to the year from April 2005 to March 2006. The report covers all our operations in the UK including UK-Based Group employees (12.4% of total employees) unless otherwise stated.

We are continually improving our reporting systems and the quality of performance data. This year we have improved data management systems for a number of our key performance indicators including energy, compliance and social investment data.

We commissioned Deloitte & Touche LLP to review our data collection and reporting process for selected key performance indicators in the environment, health and safety and social investment sections of this report for the year ended 31 March 2006. For further details please see their independent assurance statement on page 28.

This report is intended to supplement the Vodafone Group Corporate Responsibility Report 2005/06, available at [www.vodafone.com/responsibility](http://www.vodafone.com/responsibility).

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Dear reader,

One of our strategic goals is to be a responsible business. This is easy to say but more challenging to achieve consistently in an organisation of over 11,000 people.

A company cannot be responsible simply by donating some of its profits to good causes. Corporate responsibility (CR) means applying our values to all our activities. I believe that our business already has a positive impact on society – improving communication and creating jobs and economic growth. But we can use our scale and capabilities to do even more.

Identifying what to do and what to prioritise is not always straightforward as people have very different views. We believe in listening to stakeholders outside our business and adjusting to meet their expectations where we can. This helps us to identify emerging issues, potential risks and new opportunities.

We don’t always agree with what other people tell us and can’t do everything our stakeholders would like us to. We aim to balance the interests of customers, shareholders and employees and to explain our position clearly and transparently. When you get the balance right, responsibility and profitability are aligned.

This report is one of the ways we communicate. In particular, on page 03, we have answered some of the common questions raised.

Corporate responsibility is not one person’s job. We must engage everyone at Vodafone UK and make sure they understand and live up to our values. This is a continuing challenge and one we take seriously. Responsibility must be built in, not bolted on.

By responding to the needs of our stakeholders and embedding CR values across our business we will ensure that Vodafone is known for demonstrating leadership and doing the right thing.

I am pleased to report that we are making good progress on our key CR programmes. Examples are included throughout this report – from our range of products that make mobiles accessible to people with hearing or sight impairments, to our efforts to develop our people and our decision to buy green electricity. We have implemented safeguards such as Content Control to protect our customers and are addressing emerging issues such as privacy.

This is good news for our business because corporate responsibility is essential to our success. It can help us motivate our employees and attract talented people. In the UK’s crowded and competitive telecoms market it gives customers one more reason to choose Vodafone. By being open and responsive we can improve our relationships with the stakeholders that can impact on our business (such as government, the media, business partners and local communities).

My priority for the next year is to focus on maintaining the trust of our customers and other stakeholders. We will continue to emphasise the support we offer to customers to help them control the content they and their family can access via their mobile. We will strive for ever clearer pricing. We will apply best practice in design and consultation during the rollout of our network.

In short we need to do more of what we’re doing and make sure we involve everyone at Vodafone UK.

I’d like to know what you think. Once you have read this report please send us your feedback to responsibility@vodafone.com.

Nick Read
What are you doing to ensure Vodafone has a reputation for being a good employer?

I believe we have a good reputation but I am not complacent. Regrettably we had to make 640 people redundant this year and worked hard to keep affected employees informed and help them find new jobs. The workplace atmosphere affects productivity and ultimately business success – so it’s in our interests to make Vodafone a good place to work. We must find ways to engage and motivate employees. The right salary is important but only one part of this. We have employee experience plans to drive improvements in key areas such as diversity, development and reward.

Are you doing enough on the environment?

Climate change and minimising waste are our priorities and we have made good progress this year. We switched to renewable energy, reduced our energy use and continued to recycle over 97% of network waste. But there is more we can do. Our target is to reduce further our energy use.

Why do customers complain about unclear pricing?

Our customer research does show that some people find prices for mobile services confusing. We are addressing this by simplifying our pricing structures and billing, for example, by better itemisation on our customer bills and clearer roaming charges with Vodafone Passport. We will continue to review our prices and look for ways to simplify them.

Do you really listen to communities that oppose masts?

When planning a base station we try to anticipate possible concerns and select sites carefully as this saves time for everyone. Sometimes residents oppose a base station because they are worried about potential health effects or how it will look. We do take these concerns seriously and spend time listening to local opinion. If possible we adapt our plans, for example, by devising a landscaping scheme. If there is another siting option, clearly it’s in everyone’s interest to go with the site the community prefers. The cost and time spent talking to communities is merited because it gives them the information to make an informed decision about our proposals.

Is corporate responsibility really part of Vodafone’s culture – or is it just PR?

Corporate responsibility isn’t just public relations. This report demonstrates the practical efforts we are making across our business. CR can bring tangible benefits to us and to society but only if it is a core part of our culture. Achieving this is not easy – or a task that will ever be ‘complete’. I want us to do more to ensure every new employee understands our values and to continually remind existing colleagues of our expectations.

What are you doing to ensure Vodafone has a reputation for being a good employer?
Embedding corporate responsibility

Being a responsible business is one of our six strategic goals. Corporate responsibility helps us achieve our vision to be the world’s mobile communications leader by reducing business risk and supporting our reputation with customers, employees, government and other important stakeholders.

Our vision and values

Where do we want to be?

Our vision
To be the world’s mobile communications leader

Our mission
To enrich customers’ lives through the unique power of mobile communications

What do we need to do to get there?

Our global strategic goals
• Delight our customers
• Build the best global Vodafone team
• Leverage global scale and scope
• Expand market boundaries
• Be a responsible business
• Provide superior shareholder returns

What drives us?

Our values
• We have four core values, described internally as ‘Passions’. One of our values is ‘passion for the world around us’ which is about helping people lead fuller lives through the services we provide and the impact we have on the world around us.

CR covers a wide range of subjects. Through our understanding of our business and our interactions with stakeholders we have identified the CR issues that are most important (material) for Vodafone UK. These are:

Our key issues

For customers
For results
For our people
For the world around us

Being a responsible business is about making money in a way that minimises our negative impacts and maximises the positive benefits of our business on people and the planet. To do this we must manage a range of issues and ensure all employees live up to the commitments we have set ourselves.

CR management

CR issues are managed at both Group and operating company level.

Vodafone Group sets Group-wide policies and encourages consistent standards across all Vodafone operating companies. Vodafone Group also manages CR issues that affect all operating companies such as implementing supply chain standards with global suppliers.

Managers at Vodafone UK implement Group policies taking into account UK culture and local stakeholder needs. For example, setting local pricing structures; planning, building and maintaining our UK network; managing environmental issues and our handset recycling scheme; and managing employee recruitment, diversity initiatives and health & safety.

A detailed breakdown of how CR issues are managed at Group and UK level is available on our website: www.vodafone.co.uk/responsibility.

In the UK, CR management is embedded in our business functions. We have a CR team that provides guidance and coordinates communication. Policy is set by our CR Policy Committee, which in 2005/06 was chaired by Anna Cloke, the Head of Corporate Communications at Vodafone UK. The CR team meets regularly with the Vodafone Group CR Director and CR managers from other Vodafone operating companies.

We set targets and key performance indicators to help us monitor and improve performance. We report our progress to Vodafone Group quarterly.

Embedding CR

Training and communication help us to embed corporate responsibility across Vodafone UK. For example:

• Our business principles are designed to help employees live our values. Information on the principles is included in the induction process for all employees. We also have an e-learning programme on the principles which 1,100 employees completed in 2005/06.
• Employees are encouraged to report any concerns or breaches of our policies through a confidential email address and telephone number.
• Information on CR is published on our intranet. This includes detailed information on issues such as mobile phones and health, to help employees answer customer questions.
• CR targets are built into performance dialogues and personal objectives for key employees.
• The Vodafone UK Foundation Community Awards help encourage employees to volunteer their time to charity.
• We run awareness campaigns to highlight particular CR issues. For example, during World Environment Day we ran a campaign encouraging employees to help protect the environment at home and at work.

We assess our progress through regular employee surveys. Our survey in March 2006 showed that 76% of employees feel there are clear opportunities for them to be socially and environmentally responsible at work.
Corporate responsibility at Vodafone Group

These are a few highlights from the Vodafone Group Corporate Responsibility Report 2005/06:

• Published a study on the potential of mobiles to improve healthcare.
• Set a Group-wide target to reduce network CO2 emissions by 40% per unit of data transmitted by 2011.
• Expanded our micro-finance product trial in Kenya which allows users to access banking services via their mobile.
• Published a summary of major research studies into mobile phones, masts and health.
• Introduced a Group Privacy Policy and Privacy Steering Group.
• Worked with others in our industry to develop a common approach to measuring and improving supply chain standards.

You can access the full report at www.vodafone.com/responsibility.
We interact with a wide range of stakeholders in the normal course of business. This includes customers, employees, investors, suppliers, regulators, local government, community representatives, residents near our base station sites, journalists and pressure groups.

Examples are included throughout this report such as:

- Our Your Views employee survey conducted quarterly (page 23).
- Consultation with local communities and planning authorities during network deployment (page 16).
- Research into public opinion about mobiles, masts and health (page 17).

Some engagement is co-ordinated at Group level, for example engagement with investors, see www.vodafone.com/responsibility.

We also commission research specifically on corporate responsibility.

**MORI research**

We commissioned two general research surveys by MORI. The first in summer 2005 covered consumers, non-government organisations (NGOs) and CR experts. Twenty-seven percent of the consumers questioned said that Vodafone takes its responsibilities to society and the community seriously. This figure was 70% for NGO participants.

Participants were asked what Vodafone should do to take its responsibilities more seriously. The issues mentioned most frequently were:

- Improve placement of masts or reduce the number of masts.
- Research into health dangers from masts and handsets.
- Invest in the local community.
- Listen to other people.
- Be more responsible towards younger people.

The second survey in March 2006 focused on 50 opinion leaders. Participants were asked how well Vodafone is performing on social and environmental issues compared to other companies. Twenty-nine percent of environmental NGOs and 46% of social NGOs said Vodafone was above average. The figure was 56% for suppliers, 63% for corporate customers, and 50% for CR journalists.

**Brand Health Tracker**

Our Brand Health Tracker, which monitors perceptions of our brand among the public now includes questions on corporate responsibility. The results for 2005/06 showed that in the UK 19% of respondents feel Vodafone is responsible and fair in the way it does business. Ten percent feel that Vodafone behaves responsibly towards the environment, local communities and all parts of society. These results are consistent with the MORI research findings and show that we need to do more to communicate our efforts on CR to a wider audience.

**Opinion leader research**

We held two focus groups with CR opinion leaders to get feedback on our CR performance and reporting. This was the second year we have conducted this research.

**What we found** – Most opinion leaders felt that our CR report was honest and addressed the right issues. Most participants said that the report was let down by a lack of clear, measurable targets. Several noted that the report did not show a clear link between Vodafone’s values, business strategy and CR. This raised doubts about whether CR is fully embedded in our culture.

**Strengths** – Social investment, people policies and responsibility to customers were the highest scoring areas. Many participants said that Vodafone UK is leading the industry on content standards.

**Room for improvement** – Network rollout received a low score even though opinion leaders rated Vodafone UK higher than last year, and ahead of our competitors. The main concerns were: the use of agents; temporary masts; visual impact; and community engagement. Environmental performance was the lowest scoring area. Many felt Vodafone UK was not committed to reducing energy use. Opinion leaders were disappointed in Vodafone’s handset recycling figures.

A summary of the research findings is available on www.vodafone.co.uk/responsibility.

How we are responding

These are some of the ways we are responding to stakeholder feedback:

| Responsibility to customers | Made objective information on radio frequency (RF) and health available to customers and the public. |
| Socially significant products | Worked with partners to make our products accessible to more people with visual or hearing impairments. |
| Network rollout and health | Made CR one of six criteria used to select suppliers and monitor their performance. |
| Environment | Achieved accreditation to ISO 14001 for our offices and stores (in addition to our headquarters). Recycled over 95% of waste from our network. |
| Climate change impact | Purchased our electricity from renewable sources. |
| Supply chain | Implemented employee experience plans for each business unit to drive improvements. |
| Handset recycling | Donated money and time to support charities directly and through the Vodafone UK Foundation. |

**Government**

We meet regularly with politicians and government officials to discuss issues relating to our business. In 2005/06 this included:

- Conducting a perceptions audit of 31 MPs, peers and civil servants to identify which CR issues they think Vodafone should focus on. Network rollout and radio frequency (RF) and health was a key issue for backbench MPs. Other issues raised included concerns on adult content on mobile handsets, spam, mobile phone theft and anti-social behaviour such as ‘happy slapping’. Most of the MPs questioned believe the industry could do more to tackle problems such as mobile bullying but recognised the efforts made on content control.
- Participating in the Home Office taskforce on child protection and the internet to address issues around child protection and content standards.
- Working with the National Mobile Phone Crime Unit and the Home Office to address mobile phone theft.
- Regular House of Commons drop-in sessions to allow MPs to discuss issues of importance.
- Meeting with officials from the Department of Health to discuss the benefits of mobile technology in public service delivery.
Stakeholder comments
This is some of the feedback we received from our opinion leader research. A summary of the research findings is available on www.vodafone.co.uk/responsibility.

“Good section on networking, good facts on base station sharing and existing structures. Vodafone is taking community consultation more seriously and I look forward to Vodafone doing more on designing countryside-friendly masts in 2006/07.”

Paul Miner
Campaign for Protection of Rural England

“They are a pretty responsible company, certainly better than some of their competitors, but they do have their failings.”

Alan Meyer
Mast Action

“The report is concise and factual, not public relations. It includes both negatives and positives.”

Rosamund Thomas
Centre for Business and Public Sector Ethics
www.ethicscentre.org.

“There’s no statement of values or principles. But then, what’s the point of having business principles without checking performance against them? The ethical culture of the organisation doesn’t come through.”

Nicole Dando
Institute of Business Ethics

“All credit to Vodafone for their effort and commitment in leading the way on content controls.”

Peter Robbins
Internet Watch Foundation

“The report needs to set out clearer and more ambitious targets in some key areas, rather than just stating that Vodafone will set targets going forward.”

Georgina Stevens
WWF UK

“Their overall approach is competent but CR doesn’t seem to be integrated into the business.”

Andrew Wilson
Ashridge Centre for Business and Society
Vodafone UK is committed to making sure children can use mobiles safely. Content Control is our network bar that prevents children from accessing adult sites on Vodafone Live! (our internet portal). It works with our internet filter that blocks access to illegal or 18-rated websites. We work with others such as the UK Children’s Charities Coalition on Internet Safety to understand and address any risks from new technology and to develop solutions.

We are working with others in our industry to implement safeguards for the use of location based services, see opposite.

“Vodafone has done a lot to ensure kids can use mobiles safely. They are a leader in this area and react quickly to any concerns. They must remain proactive and respond to future challenges such as the potential misuse of location based services for surveillance.”

John Carr
UK Children’s Charities Coalition on Internet Safety
Responsibility to customers – content and privacy

Our customers can now use their mobile to access the internet, download music tracks, watch mobile TV and view 18-rated content such as dating sites, online gambling and erotica.

These services are an exciting and profitable part of our business but bring important new responsibilities. In particular we have developed tools to help parents protect their children from online risks and from viewing adult content.

Content standards

Content Control is our network bar that prevents access to 18-rated content on Vodafone live! (our mobile internet portal). It is in place as the default option on all Vodafone phones. It works with our internet filter that blocks access to illegal or 18-rated websites. Adult customers who want to use 18-rated services can lift Content Control by proving their age.

We assess every music track available for download from Vodafone live! Tracks that are unsuitable for children are placed behind Content Control. We work with TV production companies to make sure Mobile TV programmes are edited appropriately or, if they aren’t suitable for young children, are only shown after 9pm.

We respond quickly to all complaints and aim to take down inappropriate content within six hours. We received only two complaints in 2005/06 which were resolved within six hours of coming to our attention. We report illegal content to the police and illegal sites to the Internet Watch Foundation.

Working with others

• We use the Internet Watch Foundation’s list of illegal internet sites to strengthen our internet filter.
• We are working with the Home Office to produce a kite mark for content filtering software. This will increase customer awareness.
• Vodafone is the leading source of referrals to the Virtual Global Taskforce, a gateway to information on online safety and a means to report online child abuse confidentially: www.virtualglobaltaskforce.com.

Our internet filter blocks access to illegal or 18-rated websites

Information for parents

Many parents know less than their children about mobiles and online services. This makes it difficult for them to protect their children.

We held focus groups with parents and children to find out more about mobile bullying. We worked with the National Family and Parenting Institute (NFPI) to update ‘A Parent’s Guide to Mobile Phones’. It now includes information on mobile bullying and ‘happy slapping’, the crime of hitting or mugging someone while recording the assault. The guide is available on the Vodafone UK and NFPI websites (www.nfpi.org), and in our stores.

Customer privacy

Our customers have a right to privacy. The way we handle their personal information is an important part of our responsibility to customers.

We have had a privacy officer for several years, whose job is to make sure we comply with UK data protection law and protect our customers’ privacy. We don’t rent, sell, share or disclose customer related information to third parties for their marketing without permission.

We have to balance our customers’ right to privacy with our obligations to comply with requests for personal information from law enforcement agencies used in the interests of public safety and security.

Location based services

Location based services (LBS) enable people to be located via their mobile. This has many beneficial uses. For example, Vodafone’s ‘Find & Seek’ service helps customers find the nearest essential services or entertainment venues. LBS are also used for tracking, for example by companies to locate fleet vehicles or by parents to track their children. The emergency services also use LBS when responding to 999 calls.

We don’t offer tracking services directly to customers but we do partner with independent LBS service providers. Our contract with the provider specifies that the consent of the person being tracked must be obtained, including children. For personal tracking services the provider obtains consent directly from the person being tracked. For corporate customers, employee consent must either be obtained by the LBS provider or by the employer.

Commitments for 2006/07

Ensure that any instances of inappropriate content (including images and music downloads) on Vodafone live! are removed within six hours of coming to our attention.
It can be expensive to use your mobile abroad and difficult to calculate what the cost of a call will be. éclat Marketing is one of many Vodafone customers who have signed up to Vodafone Passport.

Passport simplifies roaming charges. Customers pay a fixed connection fee of 75p for each call they make while abroad and then the same per minute as they do at home. They can also use their inclusive minutes when abroad.

Vodafone Passport is part of our efforts to make our prices more predictable and easier for customers to understand.

“The nature of our business means we travel a lot for work and need to use our mobiles. As a company, everything has to be cost effective. We’ve found that our package from Vodafone including Vodafone Passport gives us the best value.”

Nick Zea-Smith
Senior Account Executive, éclat Marketing
Responsibility to customers – pricing and marketing

We have 16 million customers. Maintaining their trust and loyalty to Vodafone relies on more than offering the right products and services.

We have a responsibility to communicate clearly with our customers so they understand the costs of our services and can make informed choices.

Clear pricing

Pricing structures for mobiles are sometimes complex and confusing. We are simplifying our pricing to help customers keep track of their spending.

We are making customer bills easier to understand by replacing all acronyms with plain English.

It can be expensive to make mobile calls while abroad and the EU is proposing to regulate roaming charges. We launched Vodafone Passport which enables customers to take their home tariff and inclusive minutes abroad (see case study on page 10).

We also launched the Vodafone Data unlimited price plan to make the cost of using the 3G Vodafone Mobile Connect Card (our high-speed internet connection for laptops) more predictable.

Vodafone Passport won ‘Best Roaming Product or Service’ at the 2006 GSM Association awards. We also won a GSM award for our ‘Stop the Clock’ television advertisement.

We track complaints against Vodafone advertising. In 2005/06 the UK Advertising Standards Authority (ASA) made one ruling against Vodafone UK advertising, compared with three in 2004/05. The ASA found that we had over-claimed the quality of our service.

Premium rate services

Vodafone provides several premium rate services. For instance customers can sign up to receive news on their football team by text message. Third parties also use our network to provide premium rate services such as ring-tone downloads.

It is important that customers, particularly children, understand the cost of these services, know whether they will pay a one-off fee or a regular subscription charge and can cancel the service easily.

Vodafone led the industry in developing a code of practice for premium rate services. This has been adapted into the ICSTIS (the industry watchdog) code of practice, with which we comply. It requires service providers to give clear pricing information, for example in their advertising and through monthly text message reminders. Customers must be able to unsubscribe immediately by texting ‘STOP’.

We review the advertising for third party premium rate services and respond to customer complaints, disconnecting service providers where necessary.

SPAM and mobile scams

Unsolicited text messages (SPAM) are intrusive and sometimes mislead customers into calling premium rate numbers. We investigate complaints about mobile scams and customers can forward suspicious messages to us at 87726 (VSPAM) free of charge. Our Code of Practice includes best practice guidelines for mobile marketing.

Commitments for 2006/07

No complaints about Vodafone advertising upheld by the Advertising Standards Authority.
David Halliwell, who is blind, uses Talx – our text-to-speech software which we call Speaking Phone.

The screen of a mobile phone displays important information including battery life and network coverage. Yet if you’re blind or partially sighted, much of this information is lost.

Vodafone Speaking Phone solves this problem because it speaks the information displayed on-screen. It makes the whole phone accessible to customers who are blind or visually impaired. For example, by enabling them to send text messages and use the calendar and address book.

Speaking Phone was developed by Vodafone in partnership with the Royal National Institute of the Blind (RNIB). We provide the software for free to Vodafone UK customers who need it.

David Halliwell, who is blind, uses Talx – our text-to-speech software which we call Speaking Phone.

"Talx has revolutionised how I use my mobile. I can now send texts, store numbers, set reminders and see who’s calling before I answer. Vodafone gives you the same software for free, so you pay the same as any other customer – which is brilliant."

David Halliwell
Capita Symonds
We are looking for ways to make mobile services more accessible and to develop new products and services with social benefits.

Accessibility
Modern handsets can be complex and confusing to use. Vodafone Simply is our range of easy to use handsets for customers who just want to call and send texts. The handsets are available from all Vodafone stores.

We have a range of specialist products for people with visual or hearing impairments or limited dexterity

Our Speaking Phone for the blind and visually impaired, is available to contract and pay-as-you-go customers, see case study. Mobile Textphone software enables deaf and hearing-impaired customers to make and receive calls in text format, through a simple, all-in-one device.

Customers can get information on these products at www.vodafone.co.uk/specialneeds. Choice (our instore customer magazine) uses easy to spot symbols to identify handsets with accessibility features. Our Products and Services Guide for special needs customers, is available through our website, stores and customer contact centres.

We formed a Steering Group on Service Delivery for Disabled and Elderly Customers to make sure we are embedding accessibility into our products, customer service and in our own operations. The group includes representatives from retail, products and services, customer management and property.

Working with others – Many accessibility products are developed through partnerships with our customers and suppliers. Here are a few examples from 2005/06:

- Vodafone and Sky launched Sky Mobile TV in 2005. We are now working with Sky on improving accessibility for the partially sighted. For example by enabling customers to ‘read’ their TV electronic programme guide via their Speaking Phone.
- We worked with handset manufacturers on keypad design features that make it easier for visually impaired customers to differentiate keys.
- We continued our work with the West Midlands police force to improve communication between the police and people with hearing difficulties.

During 2006/07 we will be working with the Shaw Trust on ways that technology can help disabled people get back into work; and with external partners to develop the next Mobile Text Phone.

Employee awareness – It is important that employees know about our product range so they can give customers the right advice.

During 2005/06 our special needs customer service team received specialist training to help them understand customer needs and recommend the best accessibility products. The training will be continued and extended during 2006/07. We are launching an online forum for customer advisers to share information and best practice.

Vodafone UK product managers attended a workshop on inclusive design.

Products with social benefits
We are using our technology to develop new services with social benefits.

Our Lone Worker Protection product, Identicom, is one example. Identicom looks like a normal ID badge but has a discreet panic button. It links the user to a 24-hour emergency response service which can help pinpoint their position using Location Based Services. The emergency call is monitored and recorded for evidential purposes if necessary, and the appropriate level of emergency support is provided enabling employers to provide a safer environment for their employees.

During 2005/06 we launched Identicom to both public and private sector companies such as NHS Trusts, financial institutions and risk and security management firms. We are also conducting product trials with several other customers.

During 2006/07 we will be exploring possible new uses for the paging network, for example to broadcast public service announcements.

More information on socially beneficial products is available in the Vodafone Group CR Report.

Commitments for 2006/07
Define and prepare a project plan with external partners for the launch of the next version of Mobile Textphone by March 2007.

Tim Yates
Director,
Consumer Business Unit

“We want everyone to be able to use Vodafone products – that’s why we are introducing accessibility features and launching specialist products for people with hearing or visual impairments.”

Socially significant products
Part of our commitment to customer service is making sure all potential customers can use and benefit from our products.
Responding to feedback

We are committed to meeting best practice.

This year Vodafone and the other mobile operators provided joint network rollout plans to every UK local planning authority (LPA).

These provide data on existing sites and, where possible, envisaged new sites, helping LPAs to update mast registers and anticipate future workloads.

In a follow-up survey of 76 LPAs, 82% said the plans met or exceeded their expectations. Many LPAs requested more detailed or accurate information which we are providing where possible.

We are introducing an accreditation process to ensure agents complete training on our policies.

We regularly audit a sample of agents’ files (including planning applications). We ask for feedback on their performance from LPAs and follow this up with the agent if required.

“In my experience Vodafone is the most responsible and professional of all the operators, in terms of the quality of their planning submissions and their responsiveness. There is room for improvement though – they should provide more accurate rollout plans and do more to check that their agents achieve consistently high standards.”

John Walker
Planning, Area Team Leader,
Westminster City Council
Network rollout, mobile phones, masts and health

Our network of radio base stations is essential to our business – without it our customers’ mobiles won’t work.

Paul Wybrow
Chief Technology Officer

“We know some people have concerns about masts or the health effects of mobiles. It’s in our interests to reduce these concerns – by communicating openly and giving people the information they need to make informed decisions.”

We recognise that some people are concerned about the possible health effects of mobiles or base stations, or the visual impact of masts.

We take these concerns seriously and aim to deploy our network safely and sensitively, and communicate openly with stakeholders on health issues and our network deployment plans.

How big is our network?

In 2005/06 we installed 1,515 new base stations bringing the total to 11,352 in March 2006 (compared with 9,837* in March 2005).

The number of base stations is likely to continue to increase as we extend our 3G network.

We try to minimise the number of sites needed by adapting existing sites, sharing sites with other operators or locating base stations on existing structures (e.g. rooftops). In 2005/06, 30% of our sites were shared with other operators.

Best practice

To address community concerns about network development the mobile network operators developed the Ten Commitments to Best Siting Practice (in England this is now incorporated in the Government’s Code of Best Practice on Mobile Phone Network Development, see www.vodafone.co.uk/responsibility). Vodafone is committed to meeting these requirements.

In 2004/05 Deloitte & Touche LLP updated their assessment of how the UK’s five mobile operators comply with the Ten Commitments. The review showed that we have continued to make demonstrable improvement in a range of key areas related to consultation with local planning authorities and local communities on base station siting. The review also made a number of recommendations, including that operators work more closely with local planning officers from the start of the siting process and attend planning committee meetings wherever possible (for more information, refer to www.mobilemastinfo.com/planning/best_practice.htm).

In response, we have revised our policies and procedures including updating our Planning Manual, to incorporate their recommendations. These changes have been clearly communicated to all our site acquisition agents.

The Ten Commitments

1. Improved consultation with communities
   Develop, with other stakeholders, clear standards and procedures to deliver significantly improved consultation with local communities.

2. Detailed consultation with planners
   Participate in obligatory pre-rollout and pre-application consultation with local planning authorities.

3. Site sharing
   Publish clear, transparent and accountable criteria and cross-industry agreement on site sharing, against which progress will be published regularly.

4. Workshops for councils
   Establish professional development workshops on technological developments within telecommunications for local authority officers and elected members.

5. Database of base station sites
   Deliver, with the Government, a database of information available to the public on radio base stations.

6. Compliance with ICNIRP public exposure levels guidance
   Assess all radio base stations for international (ICNIRP) compliance for public exposure, and produce a programme for ICNIRP compliance for all radio base stations, as recommended by the Independent Expert Group on Mobile Phones (IEGMP).

7. ICNIRP certification
   Provide, as part of planning applications for radio base stations, a certification of compliance with ICNIRP public exposure guidelines.

8. Prompt responses to enquiries
   Provide specific staff resources to respond to complaints and enquiries about radio base stations, within ten working days.

9. Support research into health and mobile phones
   Begin financially supporting the Government’s independent scientific research programme on mobile communications health issues.

10. Standard documentation for planning submissions
    Develop standard supporting documentation for all planning submissions whether for full planning or prior approval.

The Ten Commitments help us implement best practice in the rollout of our network

* In our last report we incorrectly stated that in March 2005 we had 11,500 base stations. We improved our data collection systems this year and have restated our data for 2004/05.

For more information visit: www.vodafone.co.uk/responsibility
Information and consultation
Consultation is an important part of our approach. In 2005/06 we provided network rollout plans for each local planning authority (431 in total) and selected other authorities. These are designed to inform local authorities of existing base stations and envisaged new base station site requirements in their area for the coming year, and enable them to plan ahead and raise any concerns at an early stage. For the first time the plans were prepared jointly by all mobile operators.

Seventy-six planning authorities responded to a follow up survey. This showed that 82% felt the information in the plans met or exceeded their expectations.

All agents are expected to understand and comply with our policies for responsible network deployment and to attend training

When planning a new base station, as a minimum, we write to the local ward councillor and parish or town council inviting comments before submitting an application. We make sure the planning officer has a clear point of contact at Vodafone or with our agent.

We determine the level of consultation needed using the traffic light model; see diagram opposite. For ‘green’ sites, for example a lattice tower adjacent to a motorway, we focus on local councillors and the local planning authority. For ‘red’ sites, for example an installation proposed for an historic town centre, the level of consultation is higher and may include drop-in sessions for local residents, individual letters to residents or stakeholder briefings.

Visual impact
We use a selection of different designs to help us minimise the visual impact of our sites. Our most commonly used designs have improved significantly in the last few years; see pictures below. In some locations we use more specialist designs, for example camouflaged equipment can be used on historic buildings and churches.

Agents
During 2005/06 we worked with around 20 site acquisition agent companies who find new sites for our base stations and complete the planning and acquisition process on our behalf.

All agents are expected to understand and comply with our policies for responsible network deployment and to attend training.

Our Teamroom extranet has regularly updated resources for agents including guidance on our consultation procedures, press articles, Vodafone fact sheets and position statements, FAQs, and summaries of the latest research into radio frequency (RF) and health. We are launching an accreditation process to ensure that all agents understand our policies and have completed training.

Our regional planning and environmental specialists, community relations team and our EMF Advisory Unit provide guidance and support to agents, particularly for more sensitive sites.

Compliance
In 2005/06 Vodafone UK received four enforcement notices from planning authorities, compared with 25 in 2004/05. In each case, we have worked with the local authority to resolve the issue.

In 2004/05 concerns were raised by some stakeholders in relation to the installation of temporary sites during the rollout of our 3G network. We recognise these concerns and try to keep the use of temporary sites to a minimum for special circumstances, and in line with planning regulations.
Radio frequency fields

All Vodafone base stations comply with International Commission on Non-Ionizing Radiation Protection (ICNIRP) guidelines. In fact our base stations typically have RF field levels of 0.01% to 2% of ICNIRP guidelines.

Vodafone requires handset manufacturers to test specific absorption rate (SAR) compliance for their handsets when used against the head and the body. All handsets sold by Vodafone comply with ICNIRP guidelines. SAR values are provided with each new handset sold and some manufacturers also publish the information on an industry website www.mmfai.org/public/sar.cfm.

How do mobiles work?

Mobile phones work on the same principle as television and radio by using radio frequency (RF) fields to communicate information. A mobile phone network requires a large number of base stations to connect calls to all our customers’ handsets.

We publish a summary of the latest research findings, including studies by the World Health Organisation, on the Vodafone Group website.

Mobile phones and health

When a person is exposed to a RF field it penetrates a few centimetres into the body and is absorbed as heat. This is measured using specific absorption rate (SAR) values.

The International Commission on Non-Ionising Radiation Protection (ICNIRP) public exposure guidelines set safety limits for SAR values.

We aim to address concern about RF and health by making clear, objective information available to our customers and the public. For example:

- We publish advice on our website for customers who wish to reduce exposure to RF fields from their handsets. The guidelines are consistent with WHO advice.
- We monitor all enquiries on siting, planning and health issues and aim to respond within 10 working days.
- Fact sheets and our ‘Facts about the Network’ handbook are distributed at stakeholder meetings and by our EMF Advisory Unit (emf.advisoryunit@vodafone.com)
- Cassiopea, our base station monitoring project, records RF fields from base stations and other sources (such as TV and radio) in seven locations. The public can check the combined RF levels in their area via the internet 24 hours a day. Cassiopea is run in partnership with seven councils: Cambridge, Wycombe, Hinckley, Oxford, Portsmouth, Swansea and Stroud. We surveyed local councillors in Portsmouth to evaluate the results of the project to date. The results suggest that councillors find the type of measurements provided by Cassiopea useful when commenting on or making a decision on a planning application for a mobile phone base station. All those surveyed thought that people who are concerned about RF emissions should look at the Cassiopea results.
- On request we will commission an independent site survey to establish the RF levels from a particular base station. We provide an ICNIRP compliance certificate with all planning applications.

RF from base stations

The diagram below shows the pattern of radio frequency fields from a typical 15 metre base station.

All of Vodafone’s base stations comply with ICNIRP guidelines in areas where the general public have unrestricted access.

Larger base stations have exclusion zones close to the antennae to protect the safety of maintenance workers and prevent public access.

We provide an ICNIRP compliance certificate when making our decision to site a new base station. (more information)

Exposure to the public from base stations is at very low levels on a continuous basis. The maximum level is usually between 1/50 and 1/10,000 of the ICNIRP limit depending on factors such as traffic on the network or whether the mast is in an urban or rural area.

See www.vodafone.com/responsibility/mpmh for more information.

We commission research into public opinion about mobiles, masts and health. Around 1,000 people took part. This showed that RF is not a major top-of-mind health concern, ranked 12th on the list of unprompted health concerns (the top three issues were heart problems, smoking and food quality). But it is still an important issue. When prompted 40% of respondents were concerned about either phones, masts or both.

Most participants (62%) believe there is no conclusive information on this issue. But many (43%) believe the industry is withholding important information and 24% believe mobile phones can cause brain cancer or tumours. Fortynine percent of those aware of a mast sitting in their neighbourhood were indifferent about it. Eleven percent were concerned, 7% did not react because they felt they could not control the situation, 5% formally objected to the development and 4% welcomed it for better coverage.

Commitments for 2006/07

Respond to all enquiries on siting, planning and health issues within 10 working days.

Accredit agents to ensure they comply with our policies on site selection and consultation, and behave in accordance with our ethos and values by March 2008.

Undertake a quantitative survey of key stakeholder opinion on Vodafone’s approach to mobile phones, masts and health and set targets for improvement by March 2007.

Kevin Milroy
Director of Regional Operations
We are reducing our climate change impact by purchasing renewable electricity and reducing our energy use.

Our contract with British Gas Business covers 90% of our electricity needs and has helped to reduce our CO₂ emissions by 60%. British Gas obtains its renewable energy from a range of sources including biomass, wind energy, landfill and hydro.

We are also working with British Gas to test automated meter reading (AMR) at our base stations to improve data collection. This makes it easier to monitor and compare energy use at different sites and improve energy efficiency.

We tested AMR at 40 sites in 2005/06 and are now exploring options for installing it at new base stations and retrofitting it to existing sites.

“Vodafone is one of our largest customers and we’re delighted to be helping it meet its environmental goals by supplying the company with electricity generated from 100% renewable sources.”

John Beddoes
Director of Corporate Customers, British Gas Business
Environment

Our business has an impact on the environment through the energy and natural resources we use and the waste we generate. We are committed to reducing these impacts – this benefits our business by increasing efficiency and reducing costs.

Policy and management

Our environment policy commits us to improve energy efficiency, reduce waste and increase reuse and recycling. Energy and waste reduction targets are included in the personal development plans for relevant staff.

Our environmental management system for our offices, customer management centres and retail outlets is accredited to ISO 14001, the international environmental management standard. We aim to achieve accreditation for our network in 2006/07.

Energy and CO₂

Energy – We consumed 439 GWh of gas and electricity in 2005/06, a decrease of 4% on last year. We implemented a Utilities Management Policy to ensure we take a consistent approach to energy management across the business.

Network – Most energy, approximately 83%, is consumed by our network. A significant portion of this is used for cooling equipment in base stations. We have installed Savawatt power controls on the air conditioning units at 2,000 base stations. This reduces energy used for cooling by around 14% at each site.

During 2006/07 we will test fan cooling as a replacement for air conditioning. This can reduce energy used for cooling by up to 77% per base station. Air-conditioning accounts for 25% of total energy use per site so this is a significant saving.

We tested automated electricity meter reading (AMR) at 40 base stations (see case study on page 18).

CO₂ emissions from business travel (thousand tonnes)

We improved the recycling system at our offices in Newbury and Theale, and recycled 57% of the 714 tonnes of waste produced by these offices compared to 40% in 2004/05 and 25% in 2003/04. We have set a target to reduce paper use at these offices by 15% As a first step, all printers in these offices are now set to duplex mode as the default option. We plan to implement recycling systems at our other offices by March 2007.

Network – Network upgrades generated 312 tonnes of waste, of which 2% was reused and 95% recycled.

Compliance

There were no environmental prosecutions or fines. The Environment Agency is investigating a diesel spill from a generator at one of our base stations.

Commitments for 2006/07

Reduce the energy consumption of our current network infrastructure, offices and stores by 12.5% against 2005/06 levels by March 2009.

Maintain reuse or recycling rates for network waste at or above 97%.

Recycle at least 60% of waste (by weight) from our Newbury and Theale offices by March 2007.

Reduce paper use at our Newbury and Theale offices by 15% by March 2007.

Achieve certification to ISO 14001 for our whole UK business, including our network by March 2007.

Run internal awareness campaigns on recycling and reducing energy use by March 2007.
Supply chain
In 2005/06, Vodafone UK spent £1.9 billion on goods and services from approximately 2,000 suppliers.

In a large supply chain there is a risk that some suppliers may not meet acceptable environmental and labour standards. We use our influence to improve standards in our supply chain.

We focus on higher risk suppliers and those with whom we deal directly. Our criteria for determining CR risk include the size of the supplier, the location of their operations and the type of product or service they supply. We seek to influence our suppliers to develop and maintain CR programmes for their own supply chains.

Engagement with suppliers of handsets, network and IT equipment is typically managed at Group level. See the Vodafone Group Corporate Responsibility Report, www.vodafone.com/responsibility.

Our Code of Ethical Purchasing
Our Code of Ethical Purchasing (CEP) sets out the labour and environmental standards that we expect suppliers to meet. Compliance with our CEP is a contractual requirement for all Vodafone UK suppliers.

Supplier performance management
In 2005/06 we established our Supplier Performance Management (SPM) programme which makes CR one of six criteria used to select suppliers and monitor their performance. The other criteria are financial, technology, commercial, delivery and quality.

SPM includes pre-assessments for new suppliers with a contract value over £50,000, a risk-assessment carried out before a company becomes a Vodafone supplier. Our top 40 suppliers (by spend) are re-assessed every six months and improvement plans agreed where necessary. No major CR risks were identified in 2005/06.

These assessments help us to determine higher risk suppliers with whom we need to engage more closely.

Progress in 2005/06
All potential new suppliers and our existing suppliers with a contract over £1 million (representing 70% of our supplier spend) completed self-assessments.

CR is one of six criteria used to select suppliers and monitor their performance

We identified one higher risk supplier who provides promotional items used in Vodafone marketing. A team from Vodafone conducted a detailed assessment with this supplier to assess environmental and labour standards in their supply chain. This involved an audit of their supplier’s factory in China which manufactures most of their products. The audit did not identify major issues of concern. We made five recommendations to the supplier to strengthen their Code of Ethical Purchasing, factory auditing process and reviews of sub-contractors.

We carried out detailed assessments with our five largest suppliers, including self-assessments, a briefing on the requirements of our CEP and some site visits. These are all well known multinational companies, mostly with extensive CR programmes of their own.

Employee awareness
We are committed to making corporate responsibility an integrated part of our supply chain management processes.

In 2005/06 all Vodafone UK procurement employees completed online CR training. This explained the background to our CEP, the importance of implementing high labour and environmental standards in the supply chain and the responsibilities of purchasing managers.

CR objectives and implementation of our CEP are included in the individual and team objectives for all procurement staff.

We held a CR conference with other Vodafone local operating companies to discuss how to influence the CR performance of second and third tier suppliers with whom we have no direct relationship.

Looking forward
In 2006/07 we will implement an online supplier assessment and qualification process. We will agree continuous improvement plans with our largest suppliers. This will help us to be more proactive and focus on helping suppliers implement CR initiatives.

Commitments for 2006/07

- Establish a whistle-blowing mechanism for suppliers to report any concerns or breaches of our Code of Ethical Purchasing.
- Implement an online supplier assessment and qualification process.

Handsets 38.1%
Network infrastructure 20.1%
IT 14.2%
Marketing services 4.75%
Property/facilities 1.58%
Customer management 1.45%
Human resources 1.42% (including outsourcing)
Fleet 0.94%
Other 17.46%
Handset recycling

Consumers upgrade their mobile handset frequently – on average every 18 months. Handsets that are thrown away generate waste and can release harmful substances into the environment if they aren’t disposed of correctly.

Handset reuse and recycling benefits the environment, charities and people in low income countries.

Our approach
We collect old handsets from customers at our stores and via our FREEPOST Vodafone address. These are sent to Fonebak, the European-wide handset recycling programme, for refurbishment or recycling.

We give £10 – £20 for each phone (depending on its resale value) that is collected from our retail customers. Customers can donate this money to the National Autistic Society (NAS).

Many handsets that are returned are in good condition and are refurbished for resale in lower income countries. A refurbished handset costs less than a new phone helping more people in Africa, Asia and Eastern Europe enjoy the social and economic benefits of mobiles. Handsets that can’t be reused are recycled. We donate all profits to the NAS.

Our involvement in the Fonebak programme will help us ensure we are in compliance with the Waste Electrical and Electronic Equipment (WEEE) Directive when it comes into force.

Performance in 2005/06
In 2005/06, we collected 203,400 handsets, up from 141,000 the previous year. During the year 28.6 tonnes of handsets were refurbished for reuse and 36.5 tonnes were recycled. £578,000 was generated for the NAS.

All profits from our handset recycling are donated to the National Autistic Society

We conducted research into the barriers to handset recycling. This showed that many people keep their old phone as a spare or to give to a friend or relative. People are more likely to hand in their phones if they know it is going to a good cause or will support a charity.

Plans for 2006/07
We are planning a number of initiatives to encourage people to hand in their phones, including:

- A phone amnesty and ‘My Ideas’ suggestion scheme to encourage employees to return old handsets and suggest ways of increasing the number of handsets collected.
- Working with our suppliers to encourage recycling.
- A phone recycling campaign in our retail stores.

All profits from our handset recycling are donated to the National Autistic Society

Handset recycling prevents waste and generates money for charity

Chris Edwards
Head of Device Management

For more information visit: www.vodafone.co.uk/responsibility
Sue Parker, Divisional Head, Vodafone Retail is an official Vodafone Legend. She was nominated for the award by her colleagues for her inspirational leadership and commitment to helping others. Sue is a champion for corporate responsibility and Vodafone’s community work. She has encouraged colleagues, suppliers and customers to get involved and raise thousands of pounds for charities such as Children in Need, Jeans for Genes Day, Comic Relief, the tsunami disaster appeal and the National Autistic Society. Sue’s passion was instrumental in Vodafone Retail winning the Thames Valley Business Award for Corporate Social Responsibility.

The Legends programme recognises Vodafone people who have made outstanding contributions. One hundred employees were rewarded in 2005/06 and won a trip to Dubai with their guest.

“I’ve worked for Vodafone for 12 years and always tried to be an ambassador for the company. To be recognised in this way by my colleagues makes it even more worthwhile.”

Sue Parker
Vodafone Legend
Employees

Vodafone UK has 11,600 employees. We work hard to create a workplace where employees can thrive and succeed. This is vital to our business success because creating the right employee experience motivates our people to deliver the best service to our customers.

Employee experience framework

Each business unit has developed an employee experience plan to drive improvements.

We improved our rating against the Hay Employee Engagement Index to 71.4% in March 2006, compared with 68% the previous year. Our target is to be ranked in the top 25% of UK companies in the Index by March 2007. Based on the most recent index scores, this means we need to achieve a rating of 75.6%. Vodafone came 13th in the 2006 Sunday Times 20 Best Big Companies to Work For Awards.

Diversity

Workforce diversity supports innovation and creativity. Our equal opportunities policy commits us to treat all employees fairly and without discrimination.

Employees can report any concerns to their line manager or anonymously via our independently managed phone service.

We do not have complete data on ethnicity but estimate around 9% of employees are from ethnic minorities. 35% of employees did not state their ethnicity.

We are developing a three-year strategy to promote ethnic, gender and age diversity.

Health, safety and well-being

Our health and safety policy covers all relevant risks from driving and working at height to ergonomics for office based employees.

We launched several well-being initiatives including:

- Wellness Checkpoint – an online health assessment tool used by a third of employees during the year.
- Quit smoking clinics which helped 70 employees give up.
- Occupational Health case management was tested in two contact centres and helped reduce long-term sickness absence.

Nearly 25% of our employees work flexibly, part-time, or from home.

Employee engagement and communication

We measure employee perceptions quarterly through the Your Views survey and conduct a full employee survey every two years.

These are some of the Your Views results from March 2006

<table>
<thead>
<tr>
<th>Employee view</th>
<th>March 2006 (%)</th>
<th>Your Views survey March 2006 (% Favorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>My line manager treats my team fairly and without discrimination</td>
<td>82</td>
<td>80</td>
</tr>
<tr>
<td>My manager takes a genuine interest in my well-being</td>
<td>79</td>
<td>78</td>
</tr>
<tr>
<td>Rate your team on managing change and the introduction of new ways of working</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>The training and development I receive enables me to perform effectively in my current role</td>
<td>59</td>
<td>58</td>
</tr>
<tr>
<td>Rate the career opportunities available to you within Vodafone UK</td>
<td>41</td>
<td>40</td>
</tr>
</tbody>
</table>

Learning, development and careers

Performance Dialogue is our annual appraisal process. In 2005/06, 100% of employees confirmed they had a performance review and development discussion with their manager.

We spent over £5 million on training. We offer the right rewards helps us to attract, retain and motivate the best people. The compensation package for all employees includes an element of performance related pay which is linked to individual and business goals.

We launched the Vodafone Legend Awards to recognise 100 employees who have achieved outstanding things. This culminated in an all expenses paid trip to Dubai for the winners and their chosen guest.

Vodafone Group’s AllShares, Sharesave and Share Incentive Plans ensure all employees have the opportunity to own shares in the company.

Change and redundancies

We closed two contact centres at Brindley Place and Woodlands resulting in 640 redundancies. We set up Career Centres at both sites to help affected employees find new jobs within Vodafone or elsewhere. Nearly 170 of those employees affected found new jobs at Vodafone.

Work from the centres has been distributed amongst other Vodafone contact centres and those run by our outsourcing partners. We work with five outsourcing partners who run UK contact centres employing 3.5 million people. We started working with a contact centre in India that will handle customer email enquiries.

Flexible working helps employees achieve a good work-life balance

For more information visit: www.vodafone.co.uk/responsibility

Vodafone Group’s AllShares, Sharesave and Share Incentive Plans ensure all employees have the opportunity to own shares in the company.

Commitments for 2006/07

Be ranked in the top 25% of UK companies in the Hay Employee Engagement Index by July 2007.

Director, Human Resources

Matthew Brearley

“Generally we find that people are very motivated to work for Vodafone. But we don’t take this for granted. Our employment policies and reward packages help us to maintain their loyalty in the long-term.”
askTheSite – a successful partnership between YouthNet and The Vodafone UK Foundation

askTheSite is an online Q&A service created by YouthNet with support from The Vodafone UK Foundation. It is part of TheSite.org, YouthNet’s website for 16–24 year olds and enables young people to get advice in confidence.

In its first year askTheSite answered over 4,200 questions from young people, giving them guidance and support. A further 32,000 visit askTheSite’s archive every month to read and learn from previously answered questions.

YouthNet’s relationship with The Vodafone UK Foundation is part of a larger three year four-way partnership with Shelter and the Samaritans. This is based on an open-book policy with all organisations sharing research, expertise and results.

Vodafone employees also give a range of voluntary support to YouthNet.

“Our relationship with The Vodafone UK Foundation is worth more than money. The opportunity to learn from their business expertise and share ideas with other charities is helping YouthNet support even more young people.”

Sarah Hooker
YouthNet
Social investment
We donate money, products and services to good causes, and encourage our employees to give their time to charity. Much of our support is given through The Vodafone UK Foundation which focuses on charities that help young people aged 16–25.

Our approach
Social investment should be about more than a simple donation. We focus much of our funding on a small number of charities, where we can make the most difference. We share our business and marketing expertise to help our partner charities better understand the corporate sector and create stronger, more tailored fundraising applications. This helps them to sustain their projects for the long-term, well after our financial support has come to an end.

In 2005/06, we gave £7.82 million to charity, over £5.59 million of which was given through The Vodafone UK Foundation.

The National Autistic Society
It was the second year of our three year partnership with the National Autistic Society (NAS). Employees and customers raised or donated £230,000 for the charity and £578,000 was generated through our handset recycling scheme: (see page 21).

Our funding helped the NAS conduct the first National Survey on Autism to find out more about perceptions of autism and raise awareness of its work. We ran an advertising campaign with the NAS to increase understanding of autism and encourage people to raise money by returning their old handsets.

We helped the NAS hold a Day for Autism in London’s Leicester Square and added a link to the online autism resource www.info.autism.org.uk on Vodafone live!

We ran an advertising campaign with the National Autistic Society to increase understanding of autism

The Vodafone UK Foundation
Our Foundation supports national charities working with young people, local organisations near Vodafone sites and charities for which our employees have chosen to fundraise.

Between 2004 and 2007 the Foundation will donate £6 million to three partner charities: Shelter, Samaritans and YouthNet.

Samaritans
We are supporting Samaritans to engage more young people via email and continued to fund a nationwide campaign to raise awareness of jo@samaritans.org. Samaritans received 154,000 emails (an 18% increase from the year before), 172 branches are now online and 770 new volunteers were trained in offering emotional support by email.

Shelter
We are helping Shelter to reduce youth homelessness and housing problems. In 2005/06, Shelter launched ‘Know your rights’, a campaign to advise young people on the housing problems they face. Following the ‘Know your rights’ tour, a phone poll showed 98% of young people who sought advice via the ‘Know your rights’ website pages had solved their problems.

YouthNet
YouthNet runs TheSite.org, a website providing free and confidential information and advice for young people, 24 hours a day, seven days a week. Over 400,000 16–24 year olds visit TheSite.org every month; and YouthNet is now launching new services to support more young people through their mobile phones.

Employee involvement
Many Vodafone UK employees volunteer in their local community, give from their pay and organise fundraising events. In 2005/06, employees gave £239,703 through payroll giving. Vodafone UK was awarded a silver Payroll Giving Quality Mark from the Institute of Fundraising.

The Vodafone UK Foundation matches employee fundraising (up to £500) for their chosen charity, and every penny raised for its flagship charities. In 2005/06, employees raised £1.2 million through 925 events. The Foundation gave £842,000 in matched funding.

All employees can take 24 hours’ time off each year to volunteer for charity. In 2005/06, our employees gave 1,777 hours as volunteers.

We recognise Vodafone employee volunteers and fundraisers through our UK Foundation Community Awards. All eligible employees receive a £50 donation for their chosen charity.

Commitments for 2006/07
Increase the balance of funding to local community projects near Vodafone sites outside West Berkshire (where we are headquartered) from 40% to 50% by March 2007.

Launch the application process for our new flagship charity partnership by March 2007.

Announce three new flagship charity partners by March 2008.

Between 2004 and 2007 the Foundation will donate £6 million to three partner charities: Shelter, Samaritans and YouthNet.

These are some of the ways the charities benefited in 2005/06.

For more information visit: www.vodafone.co.uk/responsibility
## Progress against commitments

<table>
<thead>
<tr>
<th>Issue</th>
<th>Commitment 2005/06</th>
<th>Progress</th>
<th>New commitments</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embedding CR</td>
<td>—</td>
<td>—</td>
<td>Update our Corporate Responsibility website and intranet site.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Review our induction and training programmes to make sure they cover our CR policies and activities.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improve our data collection systems in line with Deloitte’s assurance recommendations (refer to <a href="http://www.vodafone.co.uk/responsibility">www.vodafone.co.uk/responsibility</a>).</td>
<td>March 2008</td>
</tr>
<tr>
<td>Customers</td>
<td>Work with the National Family and Parenting Institute (NFPI) to raise awareness among parents about helping their children use mobiles safely by March 2006.</td>
<td>Worked with the NFPI to update ‘A Parent’s Guide to Mobile Phones’. It now includes information on mobile bullying.</td>
<td>✓</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Ensure that any instances of inappropriate content (including images) on Vodafone live! are removed within 24 hours of coming to our attention.</td>
<td>We met this target in 2005/06.</td>
<td>✓</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Review our pricing plans to ensure these are clear and easy for customers to understand by March 2006.</td>
<td>We made customer bills easier to understand by replacing all acronyms with plain English. We launched Vodafone Passport to simplify roaming charges. We are continuing to look for ways to make our prices clearer.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Continue to work with handset manufacturers and NGOs on improving accessibility.</td>
<td>Worked with handset manufacturers to design more accessible keypads. Continued our work to improve communication between the police and people with hearing difficulties.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Update our Products and Services Guide, available in stores and from our customer management centres, to increase awareness of our products for customers with special needs by March 2006.</td>
<td>We are updating our Products and Services Guide for special needs customers.</td>
<td>×</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Network rollout, mobile phones, masts and health</td>
<td>Continue to engage directly with the public, customers, key opinion formers and employees on mobile phones, masts and health.</td>
<td>Commissioned research among 1,000 members of the public about mobiles, masts and health. Ran awareness campaigns to make sure employees know where to find information on RF and health. Surveyed local councillors in Portsmouth to evaluate the results of Cassiopea, our base station monitoring project.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Continue to provide advice to customers who wish to reduce exposure to RF fields from handsets.</td>
<td>Published advice on our website for customers who wish to reduce exposure to RF fields from their handsets. The guidelines are consistent with WHO advice.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Continue to take people’s concerns seriously in relation to network deployment.</td>
<td>Continued to strive for best practice and to comply with the Ten Commitments.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Continue to respond openly and transparently to stakeholders’ questions and concerns.</td>
<td>Communicated openly with stakeholders on health issues and our network deployment plans.</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Continue to work with local planning authorities and other stakeholders to find mutually acceptable solutions.</td>
<td>Provided network rollout plans for each local planning authority in the UK (431 in total).</td>
<td>✓</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td>Implement a national waste contract for our retail stores by 2006.</td>
<td>National waste contract for all our offices and stores agreed.</td>
<td>✓</td>
<td>March 2007</td>
</tr>
</tbody>
</table>

### New Commitments

- **Update our Corporate Responsibility website and intranet site.**
- **Review our induction and training programmes to make sure they cover our CR policies and activities.**
- **Improve our data collection systems in line with Deloitte’s assurance recommendations (refer to www.vodafone.co.uk/responsibility).**
- **Ensure that any instances of inappropriate content (including images and music downloads) on Vodafone live! are removed within six hours of coming to our attention.**
- **No complaints about Vodafone advertising upheld by the Advertising Standards Authority.**
- **Define and prepare a project plan with external partners for the launch of the next version of Mobile Textphone.**
- **Respond to all enquiries on siting, planning and health issues within 10 working days.**
- **Accredit agents to ensure they comply with our policies on site selection and consultation, and behave in accordance with our ethos and values.**
- **Undertake a quantitative survey of key stakeholder opinion on Vodafone’s approach to mobile phones, masts and health and set targets for improvement.**
- **Reduce the energy consumption of our current network infrastructure, offices and stores by 12.5% against 2005/06 levels.**
- **Maintain re-use or recycling rates for network waste at or above 97%.”**
<table>
<thead>
<tr>
<th>Issue</th>
<th>Commitment 2005/06</th>
<th>Progress</th>
<th>New commitments</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environment</strong></td>
<td>Implement recycling programmes at all our UK offices by March 2006.</td>
<td>Relaunched recycling schemes at our Newbury and Theale offices. We expect to have implemented recycling programmes at our other offices by September 2006.</td>
<td>Recycle at least 60% of waste (by weight) from our Newbury and Theale offices.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Develop a waste reduction strategy by March 2006.</td>
<td>Developed a strategy and planned communications to increase employee awareness of recycling.</td>
<td>Reduce paper use at our Newbury and Theale offices by 15%.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Achieve certification to ISO 14001 for our whole UK business, including our network, by March 2007.</td>
<td>Environmental management system for offices, customer management centres and retail outlets accredited to ISO 14001.</td>
<td>Achieve certification to ISO 14001 for our whole UK business, including our network.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Implement STARK, a utilities management database, to monitor energy use at our sites and target inefficient sites for improvement by March 2007.</td>
<td>STARK implemented.</td>
<td>Run internal awareness campaigns on recycling and reducing energy use.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Run internal awareness campaigns on recycling and reducing energy use by March 2007.</td>
<td>Awareness campaigns are planned for 2006/07.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supply chain</strong></td>
<td>Deliver CR supply chain training to 80% of supply chain personnel by March 2006.</td>
<td>100% of supply chain personnel received CR supply chain training.</td>
<td>Establish a whistle-blowing mechanism for suppliers to report any concerns or breaches of our Code of Ethical Purchasing.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Adopt a risk-based approach to all new suppliers to Vodafone UK by March 2006.</td>
<td>Suppliers complete self-assessments as part of our supplier performance management programme. This enables us to identify higher risk suppliers for further engagement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Handset recycling</strong></td>
<td>Set a target for increasing the number of redundant handsets collected from customers.</td>
<td>Target set to collect 250,000 handsets during 2006/07.</td>
<td>Collect 250,000 handsets during 2006/07.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Encourage 35 of our top 50 corporate customers to participate in Fonebak by March 2006.</td>
<td>23 of our top 50 corporate customers have Fonebak schemes in place.</td>
<td>Encourage 35 of our top 50 corporate customers to participate in Fonebak.</td>
<td>March 2007</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Extend training academies to cover 50% of our employee population by March 2006.</td>
<td>Over 50% of employees now have access to a training academy.</td>
<td>Be ranked in the top 25% of UK companies in the Hay Employee Engagement Index.</td>
<td>July 2007</td>
</tr>
<tr>
<td></td>
<td>Measure and review employee engagement trends quarterly by March 2006.</td>
<td>Employee engagement trends measured and reviewed quarterly through the Your Views survey.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fill 70% of all job vacancies internally by March 2006.</td>
<td>70% of all job vacancies filled internally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish Vodafone Legends Awards to recognise outstanding employee achievements by March 2006.</td>
<td>Vodafone Legend Awards launched.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establish Employee Experience Plans for every business unit by March 2006.</td>
<td>Employee Experience Plans established in all business units.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Be ranked in the top 25% of UK companies in the Hay Employee Engagement Index by July 2007.</td>
<td>We improved our rating against the Hay Employee Engagement Index and are on track to meet our target by July 2007.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social investment</strong></td>
<td>Establish a network of like-minded companies to develop and share best practice on social investment by March 2006.</td>
<td>We have started to work with other companies to develop and share best practice on social investment.</td>
<td>Increase the balance of funding to local community projects near Vodafone sites outside West Berkshire (where we are headquartered from 40 to 50%).</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Encourage employees and customers to donate £1 million to the National Autistic Society (NAS) by March 2006.</td>
<td>Employees and customers raised or donated £230,000 for the NAS and £578,000 was generated through our handset recycling scheme.</td>
<td>Launch the application process for our new flagship charity partnership.</td>
<td>March 2007</td>
</tr>
<tr>
<td></td>
<td>Increase awareness of the NAS partnership and expand programme activities by March 2006.</td>
<td>Ran an advertising campaign with the NAS to increase understanding of autism and encourage people to raise money by returning their old handsets. Helped the NAS hold a Day for Autism in London’s Leicester Square. Added a link to the online autism resource <a href="http://www.info.autism.org.uk">www.info.autism.org.uk</a> on Vodafone live!</td>
<td>Announce three new flagship charity partners.</td>
<td>March 2008</td>
</tr>
</tbody>
</table>
Independent assurance

We commissioned Deloitte & Touche LLP to review our data collection and reporting process for selected data in the environment, health & safety and social investment sections of this report (indicated by ◊), for the year ended 31 March 2006. In addition, and without affecting their assurance conclusions, Deloitte made several recommendations for continuing to improve the collection, validation and reporting of these data. The recommendations are included on our website www.vodafone.co.uk/responsibility.

Deloitte.

Independent assurance statement by Deloitte & Touche LLP (‘Deloitte’) to Vodafone Ltd on the 2005/06 Corporate Responsibility Report (‘CR report’).

What we looked at: scope of our work

Vodafone Ltd (Vodafone UK) have engaged us to give limited assurance as to whether the environmental, social investment and occupational health & safety performance data described within the report indicated by the following symbol ◊ are not materially misstated.

What we found: our conclusions

Based on the work we performed, we are not aware of anything that causes us to believe that the environmental, social investment and occupational health & safety performance data described within the report indicated by the following symbol ◊ are materially misstated.

What we did: assurance process and standards

Engagement assurance standards

• We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) for carrying out assurance engagements on non-financial information.
• This is a limited assurance engagement, which is designed to give a similar level of assurance to that obtained in a review of interim financial information.

Assurance procedures

• This standard requires that we review the systems, processes and controls that deliver the selected performance data.
• Our work consisted primarily of making inquiries of company personnel and carrying out analytical procedures and sample tests as follows:
  – Understanding, analysing and testing on a sample basis the collation, aggregation, validation and reporting of the selected performance data; and
  – Reading and analysing the content of the report against the findings of our work, industry Corporate Responsibility practices and other relevant information and, as necessary, making recommendations for improvement.
• The limited assurance procedures engagement excludes procedures such as testing of source data and is substantially less in scope than a reasonable assurance* engagement. Accordingly we do not provide reasonable assurance on those matters specified in this statement.

Responsibilities of directors and independent assurance providers

Vodafone UK’s responsibilities

• The directors are responsible for the preparation of the CR report and for the information and statements contained within it. They are responsible for determining Vodafone UK’s objectives in respect of CR performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte’s responsibilities, independence and team competencies

• Our responsibility is to independently express conclusions on the reliability of management’s assertions on selected subject matters as defined within the scope of work above.
• Our multi-disciplinary team of CR and assurance specialists performed the engagement in accordance with Deloitte’s independence policies, which cover all of the requirements of the International Federation of Accountants (IFAC) Code of Ethics and in some areas are more restrictive. We have confirmed to Vodafone UK that we have maintained our independence and objectivity throughout the year, including the fact that there were no events or prohibited services provided which could impair that independence and objectivity.
• This statement is made solely to Vodafone UK in accordance with our letter of engagement for the purpose of the directors’ governance and stewardship. Our work has been undertaken so that we might state to Vodafone UK those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vodafone UK for our work, for this statement, or for the conclusions we have formed.

Deloitte & Touche LLP
London, United Kingdom
21 September 2006

* The different levels of assurance engagement are defined in the International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board. Reasonable assurance is similar to the audit of financial statements; limited assurance is similar to the review of a six-monthly interim financial report.
Performance and data summary
This table summarises our key performance data. The following symbol (◊) indicates performance data reviewed by Deloitte as part of their CR assurance work; see page 28.

<table>
<thead>
<tr>
<th>Financial</th>
<th>2005 /06</th>
<th>2004 /05</th>
<th>2003 /04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (£ million)</td>
<td>5,048</td>
<td>5,065</td>
<td>4,744</td>
</tr>
<tr>
<td>Adjusted operating profit (£ million)</td>
<td>698</td>
<td>779</td>
<td>1,039</td>
</tr>
<tr>
<td>Number of customers (million)</td>
<td>16.3</td>
<td>15.5</td>
<td>14.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Content standards</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints about content on Vodafone live!</td>
<td>2</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible marketing</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints against Vodafone advertising upheld by the Advertising Standards Authority</td>
<td>1</td>
<td>3</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Socially significant products</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers using Speaking Phone</td>
<td>1,335</td>
<td>1,127</td>
<td>709</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Network rollout, RF and health</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of base stations</td>
<td>11,352</td>
<td>9,837*</td>
<td>–</td>
</tr>
<tr>
<td>Shared sites (%)</td>
<td>30</td>
<td>20</td>
<td>–</td>
</tr>
<tr>
<td>Enforcement notices</td>
<td>4</td>
<td>25</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environment</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy use – gas and electricity (GWh)</td>
<td>439</td>
<td>456</td>
<td>318</td>
</tr>
<tr>
<td>CO₂ emissions from offices, stores and network (000 tonnes)</td>
<td>75.4</td>
<td>190.7</td>
<td>137.7</td>
</tr>
<tr>
<td>CO₂ emissions from business travel by air and car (000 tonnes)</td>
<td>11.5</td>
<td>12.03</td>
<td>17.1</td>
</tr>
<tr>
<td>Employees at our offices in Newbury that drove to work on their own (%)</td>
<td>60</td>
<td>60</td>
<td>63</td>
</tr>
<tr>
<td>Network waste generated (tonnes)</td>
<td>312</td>
<td>456.6</td>
<td>1,011</td>
</tr>
<tr>
<td>Network waste reused or recycled (%)</td>
<td>97</td>
<td>97</td>
<td>–</td>
</tr>
<tr>
<td>Office waste generated from Newbury and Theale offices (tonnes)</td>
<td>714</td>
<td>688</td>
<td>–</td>
</tr>
<tr>
<td>Office waste recycled from our Newbury and Theale offices (%)</td>
<td>57</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Environmental prosecutions</td>
<td>0</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Environmental fines</td>
<td>0</td>
<td>2</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supply chain</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure with suppliers (£ million)</td>
<td>1,900</td>
<td>1,200</td>
<td>–</td>
</tr>
<tr>
<td>Detailed supplier assessments</td>
<td>6</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>Procurement employees completing online CR training</td>
<td>100%</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Handset recycling</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Handsets sold (million)</td>
<td>6.57</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Handsets returned by customers (thousands)</td>
<td>203.4</td>
<td>141</td>
<td>163.5</td>
</tr>
<tr>
<td>Processing of handsets, batteries, accessories reused (tonnes)</td>
<td>28.6</td>
<td>57</td>
<td>19</td>
</tr>
<tr>
<td>Processing of handsets, batteries, accessories recycled (tonnes)</td>
<td>36.5</td>
<td>93</td>
<td>72</td>
</tr>
<tr>
<td>Number of top 50 corporate customers participating in Fonebak</td>
<td>23</td>
<td>7</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees (000)</td>
<td>11.63</td>
<td>11</td>
<td>9.5</td>
</tr>
<tr>
<td>Rating against the Hay Employee Engagement Index (%)</td>
<td>71.4</td>
<td>68</td>
<td>–</td>
</tr>
<tr>
<td>Women employees (%)</td>
<td>45</td>
<td>43</td>
<td>44</td>
</tr>
<tr>
<td>Women in management (%)</td>
<td>30</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Employees from an ethnic minority (estimated %)</td>
<td>9</td>
<td>9</td>
<td>–</td>
</tr>
<tr>
<td>Accident Incidence rate per 1,000 employees</td>
<td>1.42</td>
<td>1.72</td>
<td>1.8</td>
</tr>
<tr>
<td>Employees working flexibly, part-time, or from home (%)</td>
<td>25</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Training spend (£ million)</td>
<td>5</td>
<td>7</td>
<td>–</td>
</tr>
<tr>
<td>Employees with access to a training academy (%)</td>
<td>50</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Redundancies</td>
<td>640</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Vacancies filled internally (%)</td>
<td>70</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Investment</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total charitable contributions (£ million)</td>
<td>7.82</td>
<td>7.5</td>
<td>–</td>
</tr>
<tr>
<td>Total employee fundraising (£ million)</td>
<td>1.2</td>
<td>1.4</td>
<td>–</td>
</tr>
<tr>
<td>Vodafone UK Foundation matched funding (£ million)</td>
<td>0.84</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total employee payroll giving (£ million)</td>
<td>0.23</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Employee volunteering (hours)</td>
<td>1,777</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

– data not available

* In our last report we incorrectly stated that in March 2005 we had 11,500 base stations. We improved our data collection systems this year and have restated our data for 2004/05.