Vodafone Group Plc

Annual Report 2022



About Vodafone

A new generation connectivity and digital services provider

How we are structured

We recognise the importance of local, in-market scale and capabilities, but also drive further value from our Group scale and breadth of our footprint.

Where we operate and what we sell

Our retail and service operations are split across three broad business lines: Europe Consumer, Vodafone Business and Africa Consumer. Our biggest market is Germany.

Infrastructure assets









Passive mobile

€16.2bn

market capitalisation¹

>180,000

Active mobile Fixed network

1.6m

kilometres of fibre and coaxial3

Shared operations







Supplier management

>€600m

savings p.a.

Network & digital operations

>€400m

savings p.a.

Inter-network operations

>€250m

revenue and savings p.a.

Growth platforms







Digital services

>50m

to a digital service

Internet of Things

150m

Customers subscribed IoT SIM connections (FY21: 123 million)

Financial services

52.4m

M-Pesa customers⁴ (FY21: 48.3 million)

Retail & service







Europe Consumer €20bn

service revenue

Vodafone **Business**

€10bn

service revenue

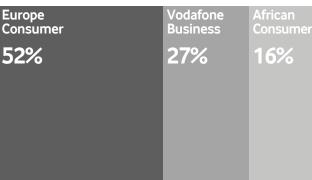
Africa Consumer

€6bn

service revenue

- 1. Market capitalisation at 31 March 2022.
- 2. Group including VodafoneZiggo and Safaricom.
- Group including Safaricom.
- Africa including 100% Safaricom.

Share of service revenue



Europe Consumer

We provide a range of market leading mobile and fixed-line connectivity services in all of our European markets, enabling customers to reliably call, text and access data on their mobile devices, or access broadband, TV and voice services at home.

Our converged plans combine these offerings, providing simplicity and better value for our customers. Other value added services include our Consumer IoT propositions, as well as security and insurance products.

Vodafone Business

We serve private and public sector customers of all sizes with a broad range of connectivity services, supported by our dedicated global network.

We have unique scale and capabilities, and are expanding our portfolio of products and services into growth areas such as unified communications, cloud & security, and IoT.

African Consumer

We provide a range of mobile services, enabling customers to call, text and access data. The demand for mobile data is growing rapidly driven by the lack of fixed broadband access and by increased smartphone penetration.

Together with Vodacom's VodaPay super-app and the M-Pesa payment platform, we are the leading provider of financial services, as well as business and merchant services in Africa.

Our products and services

Core connectivity products and services in fixed and mobile account for the majority of our revenue. However, we are constantly expanding our portfolio into high return growth areas, such as digital services, the Internet of Things ('IoT') and financial services, that leverage and complement our core connectivity business.

Service revenue







Chairman's message

Enabling a digital society in Europe and Africa

As society begins to recover from the COVID-19 pandemic and with the backdrop of the war in Ukraine very much in our minds, it is more important than ever to bring people together, and to work together to advance and improve the world we live in. This is at the heart of our purpose – 'we connect for a better future' with our networks, services and platforms increasingly being at the heart of global society.

As I reflect back on my first full year as the Chairman of your Vodafone Board, I am proud of how our colleagues have navigated the pandemic and supported the societies in which we operate. It is also clear that our growth strategy is working, notwithstanding the overall economic impacts of COVID-19. I am confident that we are in a strong position to meet the challenges and opportunities ahead. The key is that we continue to execute consistently and improve returns for our shareholders at pace. This is a main area of focus for your Board and I'm pleased with the progress we have made this year.

Consistent financial performance

Our FY22 financial results demonstrate the sustainable and broad-based growth engine that we are building at Vodafone. We reported growth in revenue, profits, cash flow and return on capital this year – therefore already delivering against our medium-term financial ambitions.

Total revenue increased by 4% to €45.6 billion, with Group organic service revenue growing by 2.6% this year. This was driven by consistent growth across both Europe and Africa. Combined with our ongoing cost efficiency measures, as we continue to leverage the benefits of our Group scale, this drove a 5% increase in Adjusted EBITDAaL. I'm also encouraged to see a marked improvement in return on capital employed ('ROCE'), a key metric for the Group, which improved by 1.7 percentage points to 7.2% on a pre-tax basis. Group operating profit increased by 11% to €5.7 billion and basic earnings per share increased to 7.20 eurocents.

This good financial performance and our robust financial position lead us to declare a total dividend per share of 9.0 eurocents for the year, implying a final dividend per share of 4.5 eurocents which will be paid on 5 August 2022 following shareholder approval at our Annual General Meeting ('AGM').

Board diversity

I strongly believe that diversity in all its forms leads to more productive and balanced Board discussions. I am therefore delighted to welcome Deborah Kerr as a Non-Executive Director. A further three Non-Executive Directors, Stephen Carter, Delphine Ernotte Cunci and Simon Segars, will also be appointed to the Board following our AGM, subject to shareholder approval. These appointments further improve the composition of our Board. Deborah has extensive experience of the technology sector and a track record of successfully transforming global enterprise software and service companies across various industries. Stephen has a track record of value creation across a variety of industries and he has extensive commercial and regulatory experience in the telecoms sector. Delphine has considerable experience in the telecommunications sector and, more recently, in media and technology. Simon brings significant experience and insights on technology trends and how these are reshaping industry landscapes.

Over the next 18 months there will be a number of scheduled retirements from the Board. As part of this natural refresh, my ambition is to further enhance the Board's experience within the telecommunications and technology sectors, reflecting the strategic priorities of the Group. I look forward to updating you on our progress over the next year.

ESG Committee

ESG is at the core of our purpose and is central to everything that we do. Last year, I announced our intention to create a new ESG Committee to oversee our strategy and monitor our progress in this key area. I am delighted to say the Committee has now been established and held its first two meetings during FY22, as well as meeting jointly with the Audit and Risk Committee

to review our ESG disclosures in this Annual Report. I believe this enhanced oversight of ESG matters will support the long-term success of Vodafone.

Supporting Europe and Africa's digital ambitions

Digital connectivity, services and technologies are transforming the way our economies and societies function. Increasingly, digitalisation does not only determine the competitiveness of companies, but also of nations and continents.

Europe is at the cusp of embracing next-generation digital connectivity, such as 5G, to remain globally competitive and maintain its leadership in key industrial sectors.

We are ready to play our part. Europe's success on its digital transition will be our success. We also believe more can and should be done in partnership with governments, in line with our social contract. Such partnerships should build on our collective strengths, but also be honest about our starting point. Despite the ever-growing importance of fast and reliable connectivity, Europe is increasingly lagging behind other regions on 5G, not only pioneering nations like South Korea, Japan and US but also Australia and China. In fact, Europe is at risk of missing its own Digital Decade targets.

Vodafone is firmly committed to delivering Europe's digital ambitions, ensuring it remains truly competitive for the future. However, if Europe is to avoid being left behind, modernising and investing in its critical digital connectivity infrastructure must be a top priority. All policies should now be tuned to serve this overarching objective.

We see encouraging signs of improving policy in some of our markets, which is most welcomed. EU Recovery Funding ('ERF') is also providing an important stepping-stone to accelerate digital investments in Europe. However, in the absence of a comprehensive policy approach to promote digital connectivity, any such government funding will only partially address the growing investment gaps.

Meanwhile, in Africa, smartphone penetration, 4G connectivity and financial inclusion through mobile technology will accelerate its sustainable development and help diversify its economies. However, most African countries have yet to begin the rollout of 5G and fibre broadband. Investment in next-generation connectivity and digital services can act as the springboard for further economic development, to help close the economic divide with Europe, North America and East Asia. As Europe is set to benefit from the ERF, we are exploring partnerships with international financial institutions to identify similar co-funding opportunities in Africa.

Our social contract underpins our approach to partner with governments across Europe and Africa to ensure our societies are truly fit for the digital age. This will enable the conditions that support a more sustainable, pro-investment environment, in turn safeguarding our economies' global competitiveness in an increasingly 5G world.

Outlook

On behalf of the Board, I would like to thank all of our colleagues who have continued to work tirelessly to support our customers and society — ensuring they remain reliably connected, as well as our shareholders for their continued support. As we enter FY23, we will continue to execute on our strategy at pace, building on the good momentum we achieved this year. While the external environment remains uncertain, we are well equipped to respond to the challenges that may come, and we will continue to play a key role in supporting the development of the societies in which we operate.

Jean-François van Boxmeer

Chairman



Chief Executive's statement

Good financial performance with growth in revenues, profits and cash flows

We delivered a good financial performance in the year with growth in revenues, profits and cash flows, in line with our medium-term financial ambitions. Our organic growth underpinned a step-change in our return on capital, which improved by 170bps to 7.2%.

Whilst we are not immune to the macroeconomic challenges in Europe and Africa, we are positioned well to manage them and we expect to deliver a resilient financial performance in the year ahead.

Our near-term operational and portfolio priorities remain unchanged from those communicated 6 months ago. We are focused on improving the commercial performance in Germany, actively pursuing opportunities with Vantage Towers and strengthening our market positions in Europe. These actions, together with the simplification of our portfolio and the ongoing delivery of our organic growth strategy, will create further value for our shareholders.



Scan or click to watch our Chief Executive, Nick Read, summarise our performance this year: investors.vodafone.com/videos

Nick Read

Chief Executive

Clear near-term operational priorities

Strengthen commercial momentum in Germany

The largest Gigabit footprint in Germany with

23.8m

homes reached with 1Gb per second speed fixed line connectivity Compelling convergence opportunity with only

16%

of our fixed connectivity customers also taking a mobile product Our 5G network is now available to

>45m

customers across the country

Accelerate operational transformation in Spain

Effective second brand Lowi, with

1.5m

mobile customers

Strong Business position with

c.32%

mobile customer market share

Structural opportunities with

€0.2bn

reduction in customer costs over three years

Position Vodafone Business to maximise EU recovery funding opportunities

Market-leading position in Business connectivity

>30%

mobile revenue market share across our three largest European markets Strong track record in Business digital services with

>15%

growth in IoT and cloud & security product revenues

Invested in new products and digital services, with

€1.5bn

capex investment in growth areas in FY22

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Stakeholder engagement

Engaging regularly with our stakeholders is fundamental to the way we do business

Regular engagement ensures we operate in a balanced and responsible way, both in the short and longer term.

We are committed to maintaining good communications and building positive relationships with all of our stakeholders, as we see this as essential to strengthening our sustainable business. We have summarised our interactions with key stakeholders during the year below.

Vodafone is required to provide information on how the Directors have performed their duty under section 172 of the Companies Act 2006 to promote the success of Vodafone, including how those matters and the interests of Vodafone's key stakeholders have been taken into account by the Directors. The engagement mechanisms directly involving the Directors are indicated below with a **B** symbol.

Our customers

We are focused on deepening our engagement with our customers to develop long-term valuable and sustainable relationships. We have hundreds of millions of customers across Europe and Africa, ranging from individual consumers to large multinational corporates.

How did we engage with them?

- Digital channels (MyVodafone app, TOBi chatbots, social media interaction and the Vodafone website)
- Call centres
- Branded retail stores

What were the key topics raised?

- Better value offerings
- Faster data networks and wider coverage
- Making it simple and quick to deal with us
- Managing the challenge of data-usage transparency
- Converged solutions for consumer and business customers
- Prompt feedback/resolution on service-related issues

(B) How did the Board engage?

 The Board participated in a dedicated review of the Group's Net Promoter Scores, facilitated by Executive Committee members

How did we respond?

- Launched 5G in 14 markets and expanded our 4G coverage
- Leveraged our digital channels to support easy access for all of our customers during the COVID-19 crisis
- Improved efficiency and functionality on MyVodafone app
- Moved TOBi to a scaleable platform to improve speed to market
- Continued to apply the highest safety standards possible in our stores in order to keep our customers and colleagues safe during the COVID-19 crisis
- Added content deals to integrated internet, TV and mobile packages
- Launched initiatives to tackle social issues such as digital poverty, domestic violence, and loneliness
- Established Europe's largest network powered by renewable energy and launched initiatives to help customers go green, including introducing SIMs made out of recycled plastic
- Donated SIMs and handsets, provided free connectivity, charging and WiFi in response to the war in Ukraine

Our people

Our people are critical to the successful delivery of our strategy. It is essential that they are engaged and embrace our purpose and values. Throughout the year we focused on a number of areas to ensure that everyone is highly motivated and we remained focused on wellbeing.

How did we engage with them?

- Regular meetings with managers
- **B**) European Employee Consultative Committee
- (B) National Consultative Committee (South Africa)
- (B) Internal website and live webinars
- B Executive Committee discussions
- B Newsletters and electronic communication
- (B) Employee Speak Up channel
- B Global Pulse and Spirit Beat surveys

What were the key topics raised?

- Opportunities for personal and career development
- Communication and knowledge sharing across the Group
- Enhancing leadership coaching capacity
- Deepening digital skills
- Impacts of COVID-19
- Hybrid ways of working and return to office
- Progress on Vodafone's Fair Pay agenda
- Global Pulse and Spirit Beat survey actions

B How did the Board engage?

 Valerie Gooding, in her capacity as Workforce Engagement Lead, updated the Board on employee voice engagements, and the Chief Human Resources Officer provided updates on culture and the Vodafone Spirit and the delivery against people strategy (including operating model transformation, inclusion, and hybrid ways of working)

How did we respond?

- Provided training courses to develop new skills such as software engineering, cyber security, data science and customer experience
- Internal communication to staff on the impacts of COVID-19
- Provided a range of physical and mental wellbeing services
- Introduced hybrid ways of working and created a global office design
- Implemented survey actions and monitored progress at Executive Committee and Board level
- Introduced quarterly 'Spirit of Vodafone' days to support personal growth, wellbeing and connection
- Launched a global senior leadership programme and leadership standards for all managers
- Raised standards for learning, talent, leadership and skills
- Launched an integrated skills and learning platform
- Set ethnic diversity targets, and a related action plan, including a range of training for diversity and inclusion topics

Our suppliers

Our business is helped by around 9,000 suppliers who partner with us. These range from start-ups and small businesses to large multinational companies. Our suppliers provide us with the products and services we need to deliver our strategy and connect our customers.

How did we engage with them?

- Safety forums, events, conferences and site visits
- Purpose criteria in tenders
- Supplier audits and assessments

What were the key topics raised?

- Improving health and safety standards
- Promoting diversity and inclusion
- Driving towards net zero emissions in supply chains
- Supplier/product innovation

B How did the Board engage?

 The Board, through the Audit and Risk Committee, received updates on the risk and resilience of our global supply chains

How did we respond?

- Held safety forums every quarter
- Recognised our suppliers with awards for health and safety, diversity and inclusion and planet efforts
- Collaborated with industry peers and suppliers through the Joint Alliance for CSR ('JAC'), formerly known as the Joint Audit Cooperation

Our local communities and non-governmental organisations ('NGOs')

We believe that the long-term success of our business is closely tied to the success of the communities in which we operate. We interact with local communities and NGOs, seeking to be a force for good wherever we operate.

How did we engage with them?

- Through our products and services
- Community and NGO interaction on education, health, agriculture and inclusive finance projects, and on our humanitarian response to global issues including the COVID-19 pandemic and war in Ukraine
- Participation in multi-stakeholder working groups on policy issues at the national and international level

What were the key topics raised?

- Increasing access to connectivity and digital services, by closing the digital divide, closing the rural gap and connecting SMEs
- Human rights topics including child rights
- Environmental topics including net zero and the circular economy
- Delivery of global and national development goals including UN Sustainable Development Goals

B How did the Board engage?

- A comprehensive update on Vodafone's purpose and social contract, and presentation of Vodafone Foundation activities and progress
- The new ESG Committee provides the Board with enhanced oversight of ESG topics, including engagement with communities and NGOs

How did we respond?

- Launched, and our Chief Executive chaired, a UN Broadband Commission working group on increasing smartphone access and co-chaired a pillar of the International Telecommunication Union's Partner2Connect initiative
- Participated in partnerships and working groups on human rights
- Participated and engaged with key environmental initiatives, including the Science Based Targets initiative and CDP
- Launched a response to the war in Ukraine with NGOs and charities

Governments and regulators

Our relationship with governments and regulators is important and we hope to work together on policies impacting our industry and customers, while also enabling them to better understand the positive impact we can have on the environment and communities we operate in.

How did we engage with them?

- B) Participation and attendance at company and industry meetings with government and regulators, EU institutions, public forums and parliamentary processes
- B Meetings with commissioners, ministers, elected representatives, policy officials and regulators
- Hosting and participating in workshops and events to improve sector understanding on connectivity and digitalisation
- B) Our Chairman is a member of the European Round Table for Industry, which promotes competitiveness and prosperity and engages with European and global institutions, and governments

What were the key topics raised?

- Regulatory and policy environment and compliance
- Responses to COVID-19 and the war in Ukraine
- Security and supply chain resilience
- The digital economy and society

- Digital society and the European Green Deal
- Data protection and privacy

B How did the Board engage?

- Management updated the Board on how Vodafone worked with governments and regulators during the COVID-19 pandemic
- Management provided regular updates on legal and regulatory matters

How did we respond?

- Engaged on the digital and green transformation of the EU
- Engaged on the Digital Decade targets including the digitalisation of industries and SMEs
- Communications on the impact of electromagnetic fields ('EMF')
- Engaged on network investments, design and deployment (e.g. Open RAN, 5G)
- Engaged on issues such as the allocation of spectrum and the protection of consumers
- Discussed policy and regulatory environment that facilitates investment in technology
- Engaged with the EU with respect to the data economy, including data protection, digital principles, and data sharing

Our investors

Our investors include individual and institutional shareholders as well as debt investors. We maintain an active dialogue with our investors through our extensive investor relations programme.

How did we engage with them?

- (B) Personal meetings, virtual roadshows, conferences
- (B) Annual & interim reports and presentations
- B Investor relations website used as primary digital communications tool and is available to all shareholders (institutional and retail)
- Four virtual investor briefings arranged since November 2020 and a number of video interviews with Directors, with 11 hours of on-demand video content available on our website
- Stock Exchange News Service ('SENS') announcements
- (B) Annual General Meeting ('AGM')
- − (B) Three investor perception studies and regular feedback survey
- Our Registrar, Equiniti, operates a portfolio service which provides shareholders with the ability to manage their holdings

What were the key topics raised?

- Strategy to deliver sustained financial growth
- Operational priorities
- Allocation of capital
- Portfolio optimisation
- Corporate governance practices
- ESG strategy, targets and reporting
- Dividend policy
- Deleveraging strategy

B How did the Board engage?

- AGM with a live webcast available to all shareholders, including the ability to submit questions to the Board
- The Chairman and a number of Non-Executive Directors participated in video interviews, where they explained their roles
- Investor roadshows are attended by the Chairman and Executive Directors for direct Q&A sessions

How did we respond?

- We conducted almost 1,400 investor interactions through meetings with major institutional shareholders, debt investors, individual shareholder groups and financial analysts, and attended conferences
- Meetings were attended by Directors and senior management, including our Chairman, Senior Independent Director, Chief Executive, Chief Financial Officer, and Executive Committee members
- Virtual investor briefings covering technology and digital services presented by Executive Committee members and senior management

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Strategic report

Our financial performance

Continued growth in both Europe and Africa

- Group revenue increased by 4.0% to €45.6 billion mainly driven by service revenue growth in Europe and Africa.
- Adjusted EBITDAaL growth of 5.0%* to €15.2 billion and margin expansion of 0.5* percentage points year-on-year to 33.4%.
- Ongoing delivery of our efficiency programme leading to a net €1.5 billion of savings during FY19-22
- Operating profit increased by 11.1% to €5.7 billion, reflecting the growth in Adjusted EBITDAaL and reduction in depreciation and amortisation on owned assets.
- Significant increase in profit for the financial year and basic earnings per share, due to higher Adjusted EBITDAaL, and lower income tax expense.
- Returns continued to improve and pre-tax ROCE increased by 1.7 percentage points to 7.2%.



Scan or click to watch our Chief Financial Officer, Margherita Della Valle, summarise our financial performance in FY22: investors.vodafone.com/videos

Group financial performance

	FY22¹ €m	FY21 €m	Reported change %
Revenue	45,580	43,809	4.0
- Service revenue	38,203	37,141	2.9
- Other revenue	7,377	6,668	
Adjusted EBITDAaL ^{2,3}	15,208	14,386	5.7
Restructuring costs	(346)	(356)	
Interest on lease liabilities ⁴	398	374	
Loss on disposal of property, plant and equipment and intangible assets	(28)	(30)	
Depreciation and amortisation of owned assets	(9,858)	(10,187)	
Share of results of equity accounted associates and joint ventures	211	342	
Other income	79	568	
Operating profit	5,664	5,097	11.1
Investment income	254	330	
Financing costs	(1,964)	(1,027)	
Profit before taxation	3,954	4,400	
Income tax expense	(1,330)	(3,864)	
Profit for the financial year	2,624	536	
Attributable to:			
- Owners of the parent	2,088	112	
- Non-controlled interests	536	424	
Profit for the financial year	2,624	536	
Basic earnings per share	7.20c	0.38c	
Adjusted basic earnings per share ²	11.03c	8.08c	

Notes

- 1. The FY22 results reflect average foreign exchange rates of €1:E0.85, €1:INR 86.59, €1:ZAR 17.25, €1:TRY 12.16 and €1: EGP 18.35.
- 2. Adjusted EBITDAaL and Adjusted basic earnings per share are non-GAAP measures. See page 223 for more information.
- 3. Includes depreciation on leased assets of £3,908 million (FY21: £3,914 million).
- 4. Reversal of interest on lease liabilities included within Adjusted EBITDAaL under the Group's definition of that metric, for re-presentation in financing costs

Organic growth

All amounts marked with an ** in the commentary represent organic growth which presents performance on a comparable basis, excluding the impact of foreign exchange rates, mergers and acquisitions and other adjustments to improve the comparability of results between periods. When calculating organic growth, the FY21 results for Vantage Towers and relevant operating entities have been adjusted to reflect a full year of operation on a pro forma basis in order to be comparable to FY22. Organic growth figures are non-GAAP measures.

Segmental reporting

Following the IPO of Vantage Towers A.G. in March 2021, the business is a new reporting segment for the year ended 31 March 2022 ('FY22'). Comparative information for the year ended 31 March 2021 has not been re-presented. Total revenue is unaffected because charges from Vantage Towers A.G. to operating companies are eliminated on consolidation. Adjusted EBITDAaL and Adjusted EBITDAaL margin are both impacted by this change which does affect year-on-year comparisons. The segmental results of Vantage Towers A.G. include the contribution from Cornerstone Technologies Infrastructure Limited as a joint operation with Telefonica in the UK.

Adjusted EBITDAaL

 $Adjusted\ EBITDA\ is\ now\ referred\ to\ as\ Adjusted\ EBITDA\ aL\ for\ FY22, with\ no\ change\ in\ the\ underlying\ definition.\ Adjusted\ EBITDA\ aL\ is\ a\ non-GAAP\ measure.$



Over the last year we have made progress against many of our key purpose targets. We also established a new Board Committee to provide oversight of our ESG programme.

100%

renewable electricity in European markets

√Target achieved from July 2021, four fully abate all years ahead of our original 2025 target. from Scope 1

23%

reduction in

Scope 1 and 2 emissions By 2030 we will carbon emissions and 2 activities and halve our Scope 3

32%

Strategic report

women in management and senior leadership roles We aim to have 40% women in management roles 21.6

million additional female customers (Africa and Turkev) since 2016

√Target achieved, four years ahead of our original target.

52.4

million M-Pesa customers ✓ Target achieved

four years ahead of our original target.

This year we set a new target, aiming to connect 75 million customers to financial services by 2026.

3.6m

V-Hub users We aim to support seven million users to digitalise using V-Hub by 2025.

2.9m

smallholder farmers reaistered on our Connected Farmer

platform, supporting them to digitalise.

Read more on pages 42-43



emissions

Read more on pages 42-43



by 2030.

Read more on page 39



Read more on page 37



Read more on pages 37-38



Read more on page 44

Read more on page 45

Materiality

We have conducted a materiality assessment to identify the material and emerging ESG issues relevant to our business, our stakeholders and the societies in which we operate.



Click to read our materiality matrix vodafone.com/sustainable-business

Reporting frameworks

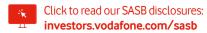
Vodafone reports against a number of voluntary reporting frameworks to help stakeholders understand our sustainable business performance.

GRI The Global Reporting Initiative ('GRI') is the most widely accepted global standard for sustainability reporting. The GRI Standards allow companies to report their material impacts for a range of economic, environmental and social issues. Our 2022 disclosure is included in our 2022 ESG Addendum.



Click to download our ESG Addendum: investors.vodafone.com/esgaddendum

SASB Due to increasing demand for sustainability information that is comparable, consistent and financially material, we have published disclosures in accordance with the Sustainability Accounting Standards Board's ('SASB') Standards.



UNGC Vodafone is a participant in the United Nations Global Compact ('UNGC'). As part of this, Vodafone supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. Our 2022 Communication on Progress can be found in our 2022 ESG Addendum.

CDP Vodafone participates in the CDP's annual climate change questionnaire.



Governance

The Executive Committee has overall accountability to the Board for our sustainable business strategy and regularly reviews progress. In addition, each pillar of our purpose has an executive-level sponsor. The ESG Committee held its first two meetings this year and the Board now benefits from dedicated oversight of our ESG programme. We also continue to include ESG measures in the long-term incentive plan for our senior leaders.



The role of the ESG Committee is to provide oversight of our ESG programme, sustainability and responsible business practices as well as our contribution to the societies we operate in under our social contract



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Purpose (continued)

To deepen our commitment to financial inclusion, and building on the success to date, we have created a new target to connect 75 million customers to mobile money and financial inclusion services by 31 March 2026. As we committed last year, this target includes multiple financial service platforms and products and sets our path to help close the financial divide.

This new target will include not just M-Pesa customers, but customers of other services that contribute to financial inclusion. For example, Vodacom launched our new VodaPay super-app in October 2021 and this will be a key part of delivering this target. The VodaPay super-app for smartphone users in South Africa offers access to digital financial services as well as online shopping and lifestyle tools. The introduction of this platform allows users to securely upload and store their money in a digital wallet, pay bills, send money or make purchases without the registration delays typically associated with setting up a traditional bank account in Africa. The VodaPay super-app has 1.6 million current registered users.

Mobile money services adoption

1.9	4%	53%
4.0	407	F70/
3.5	2%	10%
1	12%	82%
3.5	15%	30%
5.2	24%	71%
6.8	34%	56%
30.5	38%	93%
Number of mobile money customers (million)	% of service revenue	% penetration of base
	mobile money customers (million) 30.5 6.8 5.2 3.5 1 3.5	mobile money customers (million) % of service revenue 30.5 38% 6.8 34% 5.2 24% 3.5 15% 1 12% 3.5 2%

Enabling quality education and digital skills

Even before the COVID-19 crisis, an estimated 258 million children around the world were not in school¹. More than half of all children globally were not meeting the minimum expected standards in reading and mathematics¹.

The COVID-19 pandemic highlighted the need to adapt teaching to the new realities of increasingly digital societies. We have continued to grow our Connected Education programme, providing access to our readymade classroom which includes connectivity, devices, and collaboration software for students and teachers across the world. To date, around 1.5 million students and teachers in 4,500 educational institutions across 10 countries have benefited from this digital learning solution, helping to bridge the digital divide.

In South Africa, the Vodacom e-School solution allows learners to access curriculum-aligned content and educators to access learning materials on their smartphone with no data charges. We currently have over 1.3 million users on the platform.

Vodafone Foundation previously committed to invest €20 million to expand digital skills and education programmes across Europe, aiming to reach over 16 million learners by 2025². To date, the programme has reached 1.2 million students and teachers.

In June 2021, Vodafone Foundation and UNHCR expanded their Instant Network Schools programme which has helped to support over 94,000 refugee students and communities in four African countries. Two new Instant Network Schools have been established in Mozambique, located in the Maratane Refugee Settlement and the city of Nampula. These will transform existing classrooms into multimedia hubs for learning, complete with internet connectivity, sustainable solar power and a robust teacher training programme. Together this will benefit nearly 9,000 students, 25,000 family members and over 200 teachers.

Notes:

- 1. UNESCO, 2018.
- Beyond digital training, the Vodafone Foundation builds programmes around the world that
 combine Vodafone's charitable giving and technology to deliver public benefit and improve
 people's lives. The total amount donated by Vodafone to Vodafone Foundation in 2022 was
 €47.4 million.

Workplace equality

As part of our purpose, we are committed to making the world more connected, inclusive and sustainable, where everyone can truly be themselves and belong. We bring the human touch to our technology to create a better digital future for all, starting with our people.

Other information

Our people

We are developing a diverse and inclusive global workforce that reflects the customers and societies we serve.

Key information

	2022	2021
Average number of employees ¹	95,008	94,274
Average number of contractors	8,784	10,481
Employee contract types		
Permanent	87%	87%
Fixed term contracts	13%	13%
Full-time	93%	93%
Part-time	7%	7%
Number of markets where we operate	19	19
Employee nationalities	134	137
Employees and contractors across		
the Group		
Germany ²	14%	14%
UK ²	9%	9%
ltaly ²	5%	5%
Spain ²	4%	4%
Vodacom Group ²	11%	11%
Other Markets ³	25%	26%
Vantage Towers ²	0%	0%
VOIS and Shared Operations ⁴	32%	31%
Employee experience		
Employee engagement index ⁵	73	74
Alignment to purpose ⁵	93%	93%
Voluntary turnover rate ⁶	14%	8%
Involuntary turnover rate ⁶	3%	3%

Notes:

All headcount figures exclude non-controlled operations such as in the Netherlands, Kenya, Australia and India.

- 1. Calculation considers employee pro-rated headcount.
- The percentages reflect headcount in each operating company or group of operating companies, such as the Vodacom Group.
- Other Markets includes employees based in all other operating companies (Albania, Czech Republic, Egypt, Ghana, Greece, Hungary, Ireland, Portugal, Romania, Turkey) and other countries.
- VOIS and shared operations constitute a significant number of employees. The figures
 presented above include _VOIS headcount across our footprint (India, Romania, Hungary,
 Egypt and Albania), as well as headcount in our global Group entities.
- 5. More detail on the employee survey is included on page 21. The employee engagement index is based on a weighted average index of responses to three questions: satisfaction working at Vodafone; experiencing positive emotions at work; and recommending us as an employer. Alignment to purpose is based on a single question that asks whether employees feel their daily work contributes significantly to Vodafone's purpose. Employee engagement index and purpose alignments scores reflect September 2021 data.
- 6. The pandemic saw voluntary attrition levels fall in 2021. However, as vaccine programmes progress and restrictions lift, we are seeing turnover return to slightly higher than pre-pandemic levels. We are monitoring the situation closely through exit interviews and also introducing specific and proactive retention approaches in place where required. The voluntary turnover rate includes retirements and death-in-service.

Diversity and inclusion

Our focus is on removing barriers to workplace equality. This year we have accelerated momentum on gender equality, sustained focus on embedding inclusion, set solid foundations on race and ethnicity, and began ensuring the physical and digital workplace is fully accessible. An expanded focus on practising inclusion supports our ambition to create a global workforce that reflects the customers, communities and colleagues we serve, and the wider societies in which we operate. Embedding inclusion to enable diversity is critical to achieving these goals in a sustainable way.

Gender diversity

Goal: We aim to have 40% women in management roles by 2030

We have reached 32% which is on track towards our ambition. We continue to drive progress through programmes, policies and leadership incentives.

	2022	2021
Women on the Board	50%	45%
Women on the Executive Committee	29%	29%
Women in senior leadership positions ¹	31%	30%
Women in management and senior leadership roles ²	32%	32%
Women as a percentage of external hires	42%	43%
Women as a percentage of graduates	53%	53%
Women in overall workforce	40%	40%

Notes:

- 1. Percentage of senior women in our top 191 positions (FY21: 178).
- 2. Percentage of women in our 6,727 management and leadership roles (FY21: 6,609).

Women in management and diversity

We work to ensure there is gender diversity when resourcing for senior leadership roles and our leadership team is accountable for maintaining diversity and inclusion amongst their teams. Women in management targets are also embedded in our long-term incentive plans. Our progress and achievements to increase diversity have been recognised externally as Vodafone has been included in the Bloomberg Gender Equality Index for the fourth consecutive year.

Across youth programmes, 51% of hires were women, including 53% of all graduate hires, 53% of all internship hires and 39% of all hired apprentices. We have also now connected with over 6,000 girls via the digital skills programme 'Code Like a Girl' since 2017, including 994 this year as we continued this programme during the pandemic by launching a digital coding classroom experience, available to all markets.

Domestic violence

In 2019, Vodafone launched the first global domestic violence policy in the workplace, which set out comprehensive workplace resources, security and other measures for employees at risk of experiencing, and recovering from, domestic violence and abuse. As most of the global workforce shifted to home working following the outbreak of COVID-19, reports of a 'shadow pandemic' of domestic violence intensified worldwide.

We continue to provide support in this area through global training, 'Apps Against Abuse', and a publicly available toolkit to support survivors. 'Apps Against Abuse' includes the Bright Sky app, which provides support and information to anyone in an abusive relationship or those concerned about someone they know. To date, the Vodafone Foundation's portfolio of 'Apps Against Abuse' has connected 1.6 million people to information, advice and support.

Menopause

Our research identified that 62% of women with symptoms of menopause found it impacted their work. In March 2021, we made a global commitment to support women experiencing menopause, including the release of a global toolkit. For World Menopause Day in October 2021, Vodafone's menopause toolkit became freely available to download externally. In March 2022, we launched a menopause e-learning — a short course introducing the menopause, common symptoms and the impact on work with tips for managers, colleagues, family and friends.

Maternity and parental leave

Our global maternity and parental leave policies are available across markets, providing 16 weeks of fully paid leave with a phased return to work over six months, where parents work the equivalent of four days and are paid for five days. This policy is open to all employees regardless of gender, sexual orientation, length of service, and whether their partner is having a baby, or they are welcoming a child through surrogacy or adoption. This year, over 1,900 women have utilised our maternity leave. Over 1,300 men have taken parental leave, with 53% of the latter taking four or more weeks of leave.

Embedding inclusion

Alongside gender equality, we retained our focus on supporting the LGBT+ community with over 3,800 allies and active support from senior executives. We continued to be recognised as a Top Global Employer by Stonewall.

Multiple employee networks operate across Vodafone including Women, VodAbility, Carers and Multicultural Inclusion. We support them actively and provide Network Chairs with specific leadership development focused on effectively setting up and running an employee network.

Global Withstander training has been rolled out in 10 languages to upskill employees on how to become active allies by challenging negative and inappropriate behaviours when they witness them, with over 33,000 employees completing it during the year. In March 2022, we launched a global allyship 'train-the-trainer' programme to sustain the focus across all areas of inclusion.

We continued to engage with colleagues and raise awareness on why inclusion matters. During the year, we held global webinars focused on gender and ethnic diversity, the LGBT+ community, and disabilities. These were hosted by Vodafone's CEO and Executive Committee members, with over 16,500 viewers across all webinars.

Purpose (continued)

Race, ethnicity, and cultural heritage ('REACH')

We continue to improve workforce capability in holding conversations on race in the workplace. To better understand representation across the organisation and inform our diversity and inclusion programmes, in November 2020 we launched the '#CountMeln' initiative which encourages employees to voluntarily self-declare their diversity demographics. These include race, ethnicity, disability, sexual orientation, gender identity and caring responsibilities, in line with local privacy and legal requirements. On this basis we were able to set ethnic diversity targets, which are summarised below.

Ethnic category	31 March 2022	Long-term ambition	Population
Global Ethnically diverse background	18%	2030: 25%	Global Senior Leadership Team (163 positions)
UK Black, Asiar other diversethnicities		2025: 20%	UK-based senior leadership and
UK Black	1%	2025: 4%	management (1,452 positions)
South Afri Ethnically diverse background		2030: 75%	South African- based senior leadership and management (416 positions)

In addition to the above, 29% of our Executive Committee members are from ethnically diverse backgrounds. The plan is to expand ethnicity disclosure throughout our markets as we collect more globally consistent data.

Our new REACH targets are supported by an action plan to achieve greater workplace inclusion through allyship and anti-racism. REACH fluency training was introduced to increase confidence and capability to talk about race and completed by all members of the Executive Committee, as well as their direct reports. The plan also includes reciprocal mentoring, external cross-company mentoring and McKinsey Black Leadership Academy participation.

Physical and digital accessibility in the workplace

We have joined the 'Valuable 500' – a group of 500 companies committed to disability inclusion in business. The commitments are focused on creating a physically and digitally accessible environment.

We hosted a global event on 'International Day of People with Disabilities', attended by 4,600 employees, which featured initiatives that help create an inclusive workplace for customers and employees with visible and invisible differences. We also hosted a neurodiversity training for employees to ensure awareness of accessibility features in the digital workplace.

During the year, we delivered six accessibility workshops focused on disability inclusive technology, covering all of the existing tools within Office 365 which support accessibility in a hybrid working environment. We have also embedded disability assistive technology standards (WCAG AA standard) into procurement and internal development processes, ensuring compatibility of all new platforms, products or tools procured with assistive technology.

Policies, initiatives and targets

Our commitment to diversity and inclusion is reflected across our global policies and principles, such as the Code of Conduct and our Fair Pay principles.

Read more about these Fair Pay principles on page 106



Click to read more about Fair Pay at Vodafone: **vodafone.com/fair-pay**

The achievement of our diversity targets is dependent on the attraction, engagement and retention of diverse talent and skills. To support this, we have inclusive initiatives such as: hybrid and flexible working, parental leave, mental health toolkit, learning and development programmes (e.g. Black Leadership Academy), allyship training and menopause support, reinforced by the work of employee networks and executive sponsors. Programmes are designed to help employees through all life stages and challenge societal norms so everyone can be themselves at work and belong.



Read more about diverse talent, future ready skills and personalised employee experience on pages 22 to 23

Planet

As the COP26 UN Climate Change Conference in Glasgow highlighted, urgent and sustained action is required to address the climate emergency. We believe business success should not come at a cost to the environment, and we are committed to reducing the impact of our activities. We also see a key role for our digital networks and technologies in helping to address climate change. Digitalisation is key to saving energy, using natural resources more efficiently and creating a circular economy.

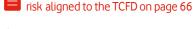
COP26 in Glasgow marked a step forward in global efforts to address the climate emergency, including a material increase in ambitions to reduce emissions, finalisation of rules on reporting emissions and international carbon trading, and the launch of a range of new initiatives and sector commitments.

In July 2021 we reached a key milestone in our journey to net zero by 2040, achieving our goal to purchase 100% renewable electricity in all of our European markets. We are working to achieve the same in our African markets by 2025. As part of this commitment we are also placing significant focus on innovative sustainable power solutions that can be deployed at scale, for example, working with external organisations to develop self-powered mobile masts and install micro turbines.

To help deliver a twin digital and green transformation, in February 2022 we announced our circular economy plan to help extend the life of mobile phones and increase the reuse and responsible recycling of handsets. Starting in our European markets, our customers will be offered circular economy services such as insurance, support and repairs for their devices, supported by a digital platform making it straightforward for customers to agree trade-in options.

We also continued our work to identify climate change risks and opportunities through conducting Task Force on Climate-related Financial Disclosures (TCFD') scenario-based risk and opportunity assessments across key markets. We are using the insights to create mitigating controls and identify ways to embed climate risk into our risk management system and processes.

Read more on Vodafone's approach to climate change



Our Planet goals

2025

- Purchase 100% of the electricity we use globally from renewable sources
- Reuse, resell or recycle 100% of our network waste

2030

- Fully abate all carbon emissions ('net zero') from our own activities and from energy we purchase and use (Scope 1 and 2)
- Halve carbon emissions from our carbon footprint (against a 2020 baseline), including joint ventures, all supply chain purchases, the use of products we have sold and business travel (Scope 3)
- Enable our business customers who use our services to reduce their own carbon emissions by a cumulative total of 350 million tonnes between 2020 and 2030

2040

 Fully abate Scope 3 emissions to reach 'net zero' across our full carbon footprint

Reducing carbon emissions

$\begin{tabular}{ll} \textbf{Goal:} To reduce our own carbon emissions to 'net zero' by 2030 and across the full value chain by 2040 \\ \end{tabular}$

In 2020 we set an approved 2030 Science-Based Target in line with reductions required to keep warming to 1.5°C, becoming the first major telecoms operator to follow the emission reduction pathway developed for the ICT sector (setting out specific emissions reduction trajectories for mobile, fixed and data centres).

We also committed to reaching full value chain 'net zero' emissions by 2040. We are currently in the process of validating our targets with the recently updated Net Zero Standard issued by the Science-Based Targets initiative (SBTi) and expect this to be completed during 2022.



Scan or click to watch a video summarising how we plan to reach net zero by 2040: investors.vodafone.com/videos

As part of our transition towards net zero we are committed to improving our own generation of renewable energy through rolling out on-site solutions such as solar panels. We are also working on new innovative solutions. In January 2022, Vantage Towers committed to installing over 750 micro wind turbines across 52 sites in Germany, working in partnership with the energy startup MOWEA. It is estimated that the green energy generated on site in average wind conditions will cover 100% of each tower's energy requirements. In 2021, Vodafone UK also began a trial of Eco-towers, working with Crossflow Energy and Cornerstone to deploy self-powered mobile masts utilising wind turbines, solar power and battery technology. Eco-towers will enable new mobile sites to be deployed in remote locations across the UK, overcoming the major rural challenge of connecting to the grid.



Click to read more about our self-powered mobile masts – vodafone.com/self-powered-mobile-masts

Driving energy efficiency

Despite the ever-growing use of data and expansion of our networks, this year our total Scope 1 and 2 GHG emissions decreased by 23% to 1.09 million tonnes of $\mathrm{CO}_2\mathrm{e}$ (carbon dioxide equivalent), due to our ongoing focus on energy efficiency and an increase in the proportion of renewable electricity purchased.

We are committed to continually improving the energy efficiency of our base station sites and in our technology centres, which together account for 96% of our total global energy consumption.

We continue to implement the 'best in class' ISO 50001 Energy Management Standard globally. To date, 11 operating companies and Safaricom have been awarded certification, with further markets due to implement the framework in the next year.

As part of the implementation of ISO 50001, we engage with suppliers on energy efficiency improvements in both hardware and software solutions. Key suppliers are benchmarked biannually, with energy efficiency included within the evaluation criteria. The supplier engagement has also been supported and reinforced by the inclusion of energy efficiency as a key requirement in the 'Request for Quotation' (*PEO) processes.

In addition to working with suppliers, we collaborate with others in the industry and trial new modes of operating. In Spain, our active sharing programme has led to reduced hardware requirements and energy savings of 12 GWh.

Whilst we focus on energy efficiency, we are also focused on increasing our renewable supply. We have been deploying further solar photovoltaic ('PV') cells and increasing our annual renewable generation to 13 GWh p.a., a year-on-year increase of 68%.

All these programmes are underpinned by our energy data management and analytics system which collects and stores data feeds from our electricity suppliers and from smart meters. This system is now live across 11 markets in Europe, with smart meters installed at over 45,000 sites. This year we have developed new energy modelling capabilities for active mast equipment and data centres.

Task Force on Climate-related Financial Disclosures

TCFD disclosure

We recognise that climate change poses a number of physical (i.e. extreme weather events) and transition-related (i.e. related to moving to a greener economy) risks and opportunities for our business. As part of our commitment to operate ethically and sustainably, we strive to understand climate-related risks and opportunities and embed responses to these into our business strategy and operations. We have been aligning our internal processes with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') for the last three years and will continue to enhance our policies, processes and reporting with respect to the TCFD recommendations. Our progress is summarised in this section.

TCFD recommendations

We are fully compliant with eight out of 11 TCFD recommendations for the year ending 31 March 2022. There are certain recommendations, listed below, where we are currently only partially compliant:

- Strategy (financial planning): The majority of the identified
 material climate-related risks could impact us most significantly in
 the medium to long term, whereas our current financial planning cycle
 extends out to five years. As a result, we do not currently fully disclose
 impacts of climate-related risks and opportunities in the context of
 financial planning.
- Metrics and targets (physical risks): We currently disclose metrics and targets related to the climate-related transition risks as Planet is one of three purpose pillars. The physical climate-related risks that we have identified are more likely to materialise over the longer term and are therefore more difficult to model. As a result, we do not currently disclose metrics and targets related to physical risks but we continue to work on improving the quality and quantity of data to address the gaps.

As industry practices evolve and our internal programme matures we will address the gaps in our climate-related risk management approach.

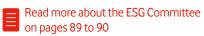
TCFD reporting

Similar to last year's disclosure, we have once again published our comprehensive TCFD disclosure in a standalone report. This enables us to provide more detailed information for investors and other interested stakeholders in a more accessible format.



Governance

Our strategy is approved by the Board which has reviewed Vodafone's purpose and Planet commitments to reduce our environmental impact, such as reaching 'net zero' emissions by 2040. The Board's Audit and Risk Committee has oversight of our climate-related risks and opportunities. In addition, the Board established an ESG Committee in 2021 to provide oversight of the broader ESG strategy.



The Chief External and Corporate Affairs Officer, a member of the Executive Committee, is the sponsor for the Planet agenda as part of our purpose-led strategy and has overall accountability for climate change action within the Group. This includes providing updates to the Board on the progress towards our climate-related goals. The Chief Technology Officer is responsible for the overall management of the physical risks to Vodafone due to the nature of our business.

TCFD recommendations

We have considered our 'comply or explain' obligation under the UK's Financial Conduct Authority Listing Rules and have detailed in the table below the 11 TCFD recommendations with which we fully or partially comply with

Go	vernance	Progress
a.	Describe the board's oversight of climate-related risks and opportunities	C
b.	Describe management's role in assessing and managing climate-related risks and opportunities	С
Str	ategy	Progres
	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	С
b.	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	PC
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	С
Ris	k Management	Progres
a.	Describe the organisation's processes for identifying and assessing climate-related risks	С
b.	Describe the organisation's processes for managing climate-related risks	С
C.	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	С
Me	trics and Targets	Progres
a.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	PC
b.	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	С
	Describe the targets used by the organisation to	PC

Key

c Compliant with the TCFD recommendations

performance against targets

PC Partially compliant with the TCFD recommendations

manage climate-related risks and opportunities and

In addition, at the 2020 AGM shareholders approved the current Remuneration Policy which incorporates our ESG priorities in the executive long-term incentive plan. For FY22, this measure included a specific greenhouse gas reduction ambition linked to our 2025 target of reducing our emissions by 50% from a FY17 baseline.

Read more about the Remuneration Report on pages 99 to 112

Strategy

This year, we undertook an exercise to refresh the top climate-related risks and opportunities assessment to ensure we are incorporating any changing climate trends or science, as well as new risks and opportunities. The exercise confirmed that the identified risks and opportunities remain largely unchanged from the previous assessment, although some require more attention in the short term due to the macroeconomic environment.

In 2020, we adopted three scenarios in line with the Bank of England's reference climate scenarios, as outlined in their consultation document released in December 2019. We used the outputs of the high-level impact analysis for all material climate-related risks identified in the three different scenarios and over different time horizons to better understand the potential impact on our business.

This year, we built on our previous climate scenario work and considered our resilience against key climate-related risks and opportunities. We engaged the relevant stakeholders from across the business to understand and/or monitor the current processes and policies which enable us to mitigate or monitor climate-related risks and capture climate-related opportunities. For each material risk and opportunity, we mapped the current controls in place and the strength of those controls. Overall, we have controls in place for all identified key risks and this helps build resilience against the potential impacts on the business.

Physical risks are assessed and considered throughout the critical stages of the asset lifecycle. Environmental risks are assessed ahead of the acquisition of buildings and network equipment. We have teams and processes dedicated to disaster recovery and business continuity. In addition, we mitigate the financial impact of physical risks through insurance and damage response. Our broader Planet strategy, targets and external communications are designed to manage and mitigate the potential impacts of transition risks on the Group. We have specialist teams who monitor and drive progress to maintain and meet expectations from key stakeholders such as customers, suppliers and broader society. Similarly, harnessing our current climate and ESG strategy and monitoring market trends will enable us to also capture opportunities arising from the low-carbon transition.

Read more about how our products and services help our customers reduce their emissions on page 43

To continue our TCFD programme, we will conduct a pilot study looking at our physical climate risk for a number of our key assets to allow for a better understanding and quantification of our exposure to physical risks.

Risk management

Continued alignment of our climate-related risk management process with our global risk management framework is a priority activity. Climate change was discussed and considered during the principal risk assessment process and it was placed on our risk watchlist.



Read more about our risk management framework on pages 59 to 60, 64

To ensure a robust assessment of climate-related risks and opportunities we used the following data sources:

- Climate-change publications and data;
- Guidance from the TCFD on potential risks and opportunities;
- Previous year's assessments; and
- Key stakeholders' inputs via a survey.

We evaluated the materiality of the identified risks and opportunities by assessing their likelihood and impact using our global risk management framework. This process helped us determine the relative significance of the climate-related risks in relation to other risks.

Due to the nature of the topic, there are many teams across Vodafone that are responsible for managing climate-related risks and we have multiple processes and policies in place to ensure we are managing them effectively. This year, we mapped the key risk and control owners for the material climate-related risks and opportunities.

Metrics and targets

We use a wide variety of metrics to measure the current and potential impacts of climate-related risks. We have been measuring and reporting on energy and carbon emissions since 2001 and have been responding to CDP's climate change questionnaire since 2010. Our main carbon emissions metrics are also subject to independent limited assurance. In addition, we have set a number of targets to manage climate-related risks and reduce our impact on the environment, such as reaching 'net zero' emissions across our full value chain by 2040 and purchasing 100% renewable electricity in all markets by 2025. From July 2021, our European network is already 100% powered by electricity from renewable sources.



Click to download our ESG Addendum: investors.vodafone.com/esgaddendum

We constantly seek to refresh and improve our metrics and key risk indicators to better measure and manage climate-related risks and opportunities. We recognise that we need to further mature in this area as industry practices and good-quality data become available.



Read more about our existing environmental KPIs on pages 5, 41 to 43

Material climate-related risks and opportunities

Physical risks:

- Damage to infrastructure caused by increasing frequency and severity of extreme weather events, including wildfires, flooding, and storms
- Damage to infrastructure caused by sea level rise
- Interruption or reduction in the quality of our wireless services due to increased precipitation

Transition risks:

- Changing consumer preferences impacting our revenues and market share
- Increasing energy consumption due to increased global temperatures
- Changing cost of carbon impacting costs to meet our net zero target
- Increasing risk of litigation around climate action
- Increase in carbon taxation
- Changes in regulation over infrastructure efficiency
- Increasing scrutiny from investors and failure to meet environmental targets impacting reputation
- Third-party dependency impacting our ability to meet carbon targets and improve efficiencies

Opportunities:

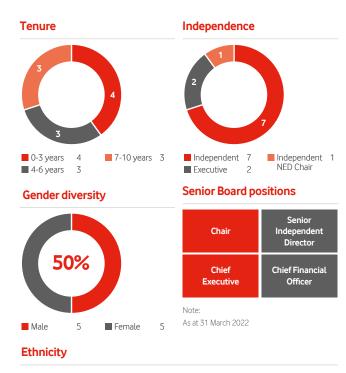
- Improvement in market valuation as a result of changing investor expectations with regard to climate change and our broader ESG performance
- Improvement in access to capital due to our sustainability performance
- Increasing consumer attractiveness and ability to meet net zero targets through increased energy efficiency and enablement qualities of products and services
- Reduced costs through sustainable procurement

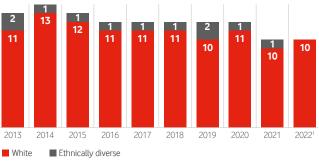
Governance at a glance

Leadership, governance and engagement

Our Board

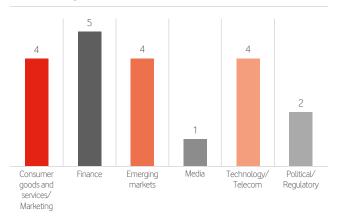
The Nominations and Governance Committee regularly reviews the Board's composition with a view to ensuring a diverse mix of backgrounds, skills, knowledge and experience as well as deep expertise in technology and telecommunications. Each year, the Board monitors and improves its performance by conducting an annual performance review.





Note:

Skills and expertise of Non-Executive Directors



Membership and attendance

The table below details the Board and Committee meeting attendance during the year to 31 March 2022. The number of attendances is shown next to the maximum number of meetings the Director was entitled to attend. Ad hoc meetings of the Board and its Committees were also held as required during the year.

Name	Board	Nominations and Governance Committee	Audit and Risk Committee	Remuneration Committee	ESG Committee
Sanjiv Ahuja	1/1	_	1/1	_	_
Sir Crispin Davis	6/71	4/4	_	-	_
Margherita Della Valle	7/7	_	_	_	_
Michel Demare	7/7	2/2	5/5	5/5	_
Dame Clara Furse	7/7	_	_	5/5	2/2
Valerie Gooding	7/7	4/4	-	5/5	2/2
Renee James	2/2	2/2	_	2/2	_
Deborah Kerr	1/1	_	1/1	-	_
Amparo Moraleda	7/7	_	5/5	_	2/2
David Nish	7/7	_	5/5	_	_
Nick Read	7/7	_	_	_	_
Jean-François					
van Boxmeer	7/7	3/3	_	_	_

Note

Board evaluation

Progress in the year

The 2022 Board evaluation reported improvements had been achieved in:

- Review of strategy and focus on strategic priorities;
- Better aligned metrics and reporting; and
- Improved discussion of people and culture.

Actions for coming year -

- Recruit Non-Executive Directors with telecoms and technology experience.
- Use small Board groups to focus on particular topics.
- Track progress on project execution with timelines and milestones.





Following an unexpected resignation during the year, it is disappointing that we do not currently
meet the Parker Review target, however this does not fairly reflect our long-standing commitment to
diversity. We continue to take practical and purposeful steps towards enhancing the Board's diversity.

^{1.} Sir Crispin Davis was unable to attend one scheduled meeting of the Board due to ill health.

Chairman's governance statement

We remain committed to the highest standards of corporate governance

Strong and robust corporate governance is integral to supporting our continued strategy execution, business resilience and contribution to the societies in which we operate.

Dear shareholders,

I am pleased to present the Corporate Governance Report for the year ended 31 March 2022 on behalf of the Board.

The year in review

The restrictions imposed by the COVID-19 pandemic have continued to impact the societies in which we operate this year and, with the backdrop of the war in Ukraine, reinforced the immense value of connectivity that Vodafone provides. We take seriously our commitment to strong and robust corporate governance to support the creation of long-term sustainable value for the benefit of all our stakeholders. Although Board and Committee meetings have taken place both in person and virtually this year in accordance with the government guidance in place at the time, we have continued to adapt quickly to the hybrid world to ensure the highest standards of corporate governance remain embedded throughout the Company.

I am grateful to my fellow Directors, the executive team, and the people of Vodafone for their support, flexibility, and strong spirit throughout another disrupted year.

This report provides an insight into the activities of the Board and Committees over the year and how corporate governance underpins and supports our business and the decisions we make.

Digital ambitions

As described in the Strategic Report, digital connectivity infrastructure and technologies continue to revolutionise the way in which our economies and societies function. The Board remains committed to driving forward these digital ambitions as part of our strategy to enable the societies we operate in to remain competitive for the future.



Read more about our digital ambitions on pages 6, 44-45

Board succession and diversity

This year, the Board, together with the Nominations and Governance Committee has continued to focus on succession planning. We reported last year that Renee James would not be seeking re-election as a Non-Executive Director at the 2021 Annual General Meeting ('AGM') having reached the recommended tenure threshold. Sanjiv Ahuja also stepped down as a Non-Executive Director with effect from the same date having decided to pursue other business interests. In September 2021, Olaf Swantee stepped down as a Non-Executive Director when a potential conflict of interest arose. Following these Director changes, we have actively engaged with two search consultancies to ensure the Board has the necessary skills, knowledge, experience and diversity to deliver superior performance and enhance the success of the Company.

I am delighted that following a thorough search process Deborah Kerr joined the Board on 1 March 2022 as a Non-Executive Director. Deborah's knowledge and strategic insights on the technology market will be an excellent addition to the Board and Audit and Risk Committee.

Read more about the appointment process on page 69

A full induction programme is underway for Deborah, including meetings with executives leading our businesses and functions. The programme will run throughout FY23.

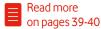
In May, we announced that Stephen Carter, Delphine Ernotte Cunci and Simon Segars will be joining the Board as Non-Executive Directors following the Company's AGM on 26 July 2022, subject to shareholder approval. They are well-respected leaders who bring extensive experience and track records of value creation across the telecoms, technology and media sectors. A full induction programme will also be implemented during FY23.

We are anticipating several scheduled retirements from the Board over the next two years. We expect to bring on to the Board new Directors with telecoms or technology sector experience. I look forward to updating you on our progress in my report next year.

We remain committed to having a Board that is diverse in all respects. We meet the FTSE Women Leaders Review targets in that at least 40% of the Board is composed of women and our Senior Independent Director and our Chief Financial Officer are women. Having had a non-white Director on the Board for 18 consecutive years until July 2021 when Sanjiv Ahuja stepped down, it is disappointing that currently we do not meet the Parker Review target to have at least one Director from a non-white ethnic minority. We strongly believe that these diversity targets are not just an end goal, but a continuous journey. Our long-term ambition is to increase diversity on our Board, in all its forms, to ensure a wider representation of the society in which we operate.

Read more about our refreshed Board Diversity Policy on page 81

We have also introduced a new ethnic diversity target that 25% of the global senior leadership will come from ethnically diverse backgrounds by 2030.



Stakeholder engagement

We recognise that Vodafone's success is dependent on the Board taking decisions for the benefit of our shareholders and in doing so having regard to all our stakeholders.

Throughout the year, our Directors have interacted with institutional shareholders and received updates on the three investor perception studies completed during the year.



Read more on pages 14-15

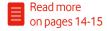
The 2021 AGM was held at Vodafone UK's headquarters in Newbury, Berkshire and was also available to watch live via a webcast for those shareholders who were unable to attend in person due to the COVID-19 government guidance. Shareholders were also able to pre-submit questions for consideration by the Directors at the meeting.



Click to read more about the AGM: **vodafone.com/agm**

This year we have continued with our chosen workforce engagement approach, with Valerie Gooding serving as our designated Workforce Engagement Lead. Valerie met with a number of employee consultative committees across our European and African markets. Key discussion topics from the meetings this year included Future Ready ways of working, response to COVID-19 and the progress on Vodafone's Fair Pay agenda.

The Board is committed to understanding the views of all of Vodafone's stakeholders to inform the decisions that we make.



Our Board

Our business is led by our Board of Directors.

Biographical details of the Directors as at 17 May 2022 are provided below.



Click to find full biographical information for the Directors: vodafone.com/board

External appointments listed are only those required to be disclosed pursuant to Listing Rule 9.6.

Jean-François van Boxmeer N

Chairman - Independent on appointment

Tenure: 1 year

Skills and experience:

Jean-François brings to the Vodafone Board his extensive international experience in driving growth through both business-to-business and business-to-consumer business models and in-depth knowledge of the countries in which Vodafone operates. Jean-François is highly regarded as having been one of the longest standing and most successful CEOs in Europe. He was the Chief Executive of Heineken for 15 years, having been with the company for 36 years. Jean-François held a number of senior roles in Africa and Europe before joining Heineken's Executive Board in 2001 with worldwide responsibility for supply chain and technical services, as well as regional responsibility for the operating businesses in North-West Europe, Central and Eastern Europe and Sub-Saharan Africa.

External appointments:

- Heineken Holding N.V., non-executive director

Jean-François is currently non-executive lead at Mondelez International Inc., but will not stand for re-election as a director at the AGM on 18 May 2022.

Nick Read

Chief Executive - Executive Director

Tenure: 3 years (as Chief Executive)

Skills and experience:

As Chief Executive, Nick combines strong commercial and operational leadership with a detailed understanding of the telecoms sector and its opportunities and challenges.

Prior to becoming Chief Executive in October 2018, Nick served as Group Chief Financial Officer from April 2014, and held a variety of senior roles including Chief Executive for Africa, Middle East and Asia-Pacific for five years and Chief Executive of Vodafone UK. Prior to joining Vodafone, he held senior global finance positions with United Business Media Plc and Federal Express Worldwide.

External appointments:

- Booking Holdings Inc., non-executive director and member of the audit committee

Margherita Della Valle

Chief Financial Officer - Executive Director

Tenure: 3 years

Skills and experience:

Margherita brings considerable corporate finance and accounting experience to the Board. She was Deputy Chief Financial Officer from 2015 to 2018, Group Financial Controller from 2010 to 2015, Chief Financial Officer of Vodafone's European region from 2007 to 2010 and Chief Financial Officer of Vodafone Italy from 2004 to 2007. Margherita joined Omnitel Pronto Italia in Italy in 1994 and held various consumer marketing positions in business analytics and customer base management before moving to finance. Omnitel was acquired by Vodafone in 2000.

External appointments:

 Reckitt Benckiser Group plc, non-executive director and member of the audit committee

Valerie Gooding CBE (E) (N) (R)

Senior Independent Director and Workforce Engagement Lead

Tenure: 8 years

Skills and experience:

Valerie brings a wealth of international business experience obtained at companies with high levels of customer service including British Airways and as chief executive of BUPA which, together with her focus on leadership and talent, is valuable to Board discussions.

Sir Crispin Davis (N)

Non-Executive Director

Tenure: 7 years

Skills and experience:

Sir Crispin has broad-ranging experience as a business leader within international content and technology markets from his former roles as chief executive of RELX Group (formerly Reed Elsevier) and the digital agency, Aegis Group plc, and group managing director of Guinness PLC (now Diageo plc). He was knighted in 2004 for services to publishing and information. He brings a strong commercial perspective to Board discussions.

Michel Demaré (A) (N) (R)

Non-Executive Director

Tenure: 4 years

Skills and experience:

Michel brings extensive international finance, strategy and M&A experience to the Board, gained during his 18-year career at Dow Chemical as CFO — Global Polyolefins & Elastomers Division, as CFO of Baxter International (Europe), and as CFO and head of global markets of ABB Group. He was the non-executive chairman of Syngenta until the company was sold to ChemChina in 2017 and was the vice chairman of UBS Group AG for 10 years.

External appointments:

 AstraZeneca PLC, non-executive director and chair of the remuneration committee and member of the nomination and governance committee and the audit committee

Committee key



Audit and Risk Committee



ESG Committee



Nominations and Governance Committee



(R) Remuneration Committee



Solid background signifies Committee Chair

Governance (continued)

Dame Clara Furse DBE (E) (R)

Non-Executive Director

Tenure: 7 years

Skills and experience:

Dame Clara brings to the Board a deep understanding of international capital markets, regulation, service industries and business transformation developed from her previous roles as chief executive officer of the London Stock Exchange Group plc and Credit Lyonnais Rouse Ltd. Her financial proficiency is highly valued. In 2008 she was appointed Dame Commander of the Order of the British Empire.

External appointments:

Assicurazioni Generali S.p.A, non-executive director

Dame Clara Furse is currently non-executive director and chair of the nominations and remuneration committees at Amadeus IT Group SA, but will not stand for re-election as a director at the AGM on

Deborah Kerr (A)

Non-Executive Director

Tenure: <1 year

Skills and experience:

Deborah brings to the Board a wealth of technology expertise having held senior executive roles and non-executive appointments across a range of sectors. She was previously Managing Director of Value Creation at Warburg Pincus, Chief Product and Technology Officer at Sabre, and Chief Technology Officer for Hewlett-Packard's Enterprise Services operations. Deborah has a deep understanding of complex digital transformations.

External appointments:

- NetApp INC, non-executive director and member of the audit committee
- Chico's FAS, Inc., non-executive director and member of the human resources, compensation and benefits committee, the corporate governance and nominating committee and the environmental, social and governance committee

Amparo Moraleda (A) 🖪 **Non-Executive Director**



Tenure: 4 years

Skills and experience:

Amparo brings strong international technology experience to the Board from her previous role as chief executive officer of the international division of Iberdola and a career spanning 20 years at IBM, where she held a number of positions across a range of global locations.

External appointments:

- Airbus Group, senior independent director, chair of nominations and governance committee and remuneration committee and member of ethics & compliance committee
- CaixaBank, non-executive director and chair of remuneration committee
- A.P. Moller-Maersk, non-executive director and member of the audit committee, remuneration committee and transformation and innovation committee

Committee key





ESG Committee



Nominations and Governance Committee



Remuneration Committee



David Nish (A)

Non-Executive Director

Tenure: 6 years

Skills and experience:

David has wide-ranging operational and strategic experience as a senior leader and has a strong understanding of financial and capital markets through his previous directorships which include chief executive officer and chief financial officer of Standard Life plc and chief financial officer of Scottish Power plc.

External appointments:

 HSBC Holdings plc, senior independent director, chair of the audit committee and member of the risk committee and the nomination and corporate governance committee

Prospective Non-Executive Directors subject to shareholder approval

Stephen Carter CBE

Skills and experience:

Stephen brings a track record of value creation and has extensive commercial and regulatory experience in the telecoms and media sectors. Since becoming CEO of Informa in 2013, the company has become a global leader in B2B Events and Digital Services and Academic markets and Digital Services. Prior to Informa, Stephen held various senior executive positions at Alcatel-Lucent, where he played a key role in restructuring the business, taking out significant cost, and investing in next generation mobile network equipment product development. Stephen's successful commercial track record is combined with deep experience of public policy and regulation having served as the first CEO of Ofcom, where he brought together five different regulatory authorities. After Ofcom, Stephen served as Chief of Strategy for the UK's Prime Minister, and then served as Minister, Communications, Technology & Broadcasting. Stephen was also a non-executive director for the Department for Business, Energy and Industrial Strategy.

External appointments:

Informa PLC, group chief executive

Stephen is currently non-executive director and chair of the corporate responsibility committee and member of the audit and nomination committees at United Utilities but his term on the board will complete in July 2022

Delphine Ernotte Cunci

Skills and experience:

Delphine has considerable experience in the telecoms sector and, more recently, in media and technology. Since 2015, Delphine has been President of France Télévisions, the French national public television broadcaster. Prior to that, Delphine spent 26 years at Orange, where she became Deputy CEO in 2010 and led the successful turnaround of Orange France.

Simon Segars

Skills and experience:

Simon brings significant experience and insights on technology trends and how these are reshaping industry landscapes. Simon has recently stepped down as CEO of ARM, the global leader in the development of semiconductor technology. He successfully led the business since 2013 and generated significant value for investors during his tenure. Prior to that, he was an engineer at Standard Telephones and Cables.

External appointments:

Dolby Laboratories, Inc., non-executive director

Governance (continued)

Division of responsibilities

Chairman

Jean-François van Boxmeer

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information in order to monitor, challenge, guide and take sound decisions;
- Promotes a culture of open debate between Executive and Non-Executive Directors and holds meetings with the Non-Executive Directors, without the Executive Directors present;
- Regularly meets with the Chief Executive and other senior management to stay informed;
- Ensures effective communication with shareholders and other stakeholders;
- Promotes high standards of corporate governance and ensures Directors understand the views of the Company's shareholders and other key stakeholders, and the section 172 Companies Act 2006 duties;
- Promotes and safeguards the interests and reputation of the Company; and
- Represents the Company to customers, suppliers, governments, shareholders, financial institutions, the media, the community and the public

Senior Independent Director and Workforce Engagement Lead

Valerie Gooding, CBE

- Provides a sounding board for the Chairman and acts as a trusted intermediary for the Directors as required;
- Meets with the Non-Executive Directors (without the Chairman present) when necessary and at least once a year to appraise the Chairman's performance and communicates the results to the Chairman;
- Together with the Nominations and Governance Committee, leads an orderly succession process for the Chairman; and
- Engages with the workforce in key regions where we operate, answers direct questions from workforce-elected representatives, and provides the Board with feedback on the content and outcome of those discussions.

Non-Executive Directors

- Monitor and challenge the performance of management;
- Assist in development, approval and review of strategy;
- Review Group financial information and provide advice to management;
- Engage with stakeholders and provide insight as to their views, including in relation to workforce and the culture of Vodafone; and
- As part of the Nominations and Governance Committee, review the succession plans for the Board and key members of senior management.

Company Secretary

Rosemary Martin

- Ensures the necessary information flows between the Board,
 Committees and between senior management and Non-Executive Directors in a timely manner;
- Supports the Chairman in ensuring the Board functions efficiently and effectively, and assists the Chairman with organising Director induction and training programmes;
- Provides advice and keeps the Board updated on all corporate governance developments; and
- Is a member of the Executive Committee.

Chief Executive

Nick Read

- Provides leadership of the Company, including representing the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Group's reputation;
- Leads the Executive Directors and senior management team in running the Group's business, including chairing the Executive Committee;
- Develops and implements Group objectives and strategy having regard to shareholders and other stakeholders;
- Recommends remuneration, terms of employment and succession planning for the senior executive team;
- Manages the Group's risk profile and ensures appropriate internal controls are in place;
- Ensures compliance with legal, regulatory, corporate governance, social, ethical and environmental requirements and best practice; and
- Ensures there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.

Chief Financial Officer

Margherita Della Valle

- Supports the Chief Executive in developing and implementing the Group strategy;
- Leads the global finance function and develops key finance talent;
- Ensures effective financial reporting, processes and controls are in place:
- Recommends the annual budget and long-term strategic and financial plan;
- Oversees Vodafone's relationships with the investment community;
- Oversees shared services organisation (_VOIS); and
- Leads on supply chain management, including the Vodafone Procurement Company.



Click to read more about the Board's role and responsibilities, matters reserved and the terms of reference for each Board Committee: vodafone.com/board



Read more about our Board Committees, together with details of their activities on pages 80-112

Board effectiveness and improving our performance

The Board recognises that it needs to continually monitor and improve its performance. Our annual performance evaluation provides the opportunity for the Board and its Committees to consider and reflect on the effectiveness of its activities, the quality of its decision-making, and the collective contribution made by each Board member.

Process undertaken for our Board evaluation

The 2022 Board evaluation was externally facilitated by Raymond Dinkin of Consilium Limited ('Consilium'), an independent board review firm. Both Raymond Dinkin and Consilium are considered fully independent as they do not have a relationship with the Board or any Director.

Following previous recommendations made by Consilium in 2021, the Board requested that an assessment be made this year as to whether previous recommendations had been implemented effectively and to consider further recommendations to support the Board's continued development and effectiveness. The evaluation focused on strategic stewardship and Board composition to gain further insight on participation and how the Board was working as a whole.

In order to gather and distil feedback, members of senior management and all Directors completed a tailored questionnaire and were interviewed by Raymond Dinkin in early 2022. To support the evaluation of the effectiveness of the Board as a whole, its Committees and individual Directors' contributions to discussions and decision-making, Raymond Dinkin observed several Board and Committee meetings and reviewed the meeting documentation.

Consilium collated the input received from individual Director meetings and the questionnaire to create a report which provided an independent assessment of the effectiveness of the Board. The findings and recommendations were considered by the Board and Board Committees at the March and May 2022 meetings.

Summary of findings

The conclusions of this year's review have been positive and confirmed that the Board remains effective.

Areas identified to enhance the Board's effectiveness for FY23 include:

- Refresh the composition of the Board to bring on more Directors with technology and/or telecommunications sector experience;
- Devote more time to strategy sessions to enhance free-flowing discussions and allow for additional topics to be discussed where required;
- Topics requiring additional deep dives could be bolstered by using smaller groups of the Board with specific expertise in the matter; and
- More effective use of management tools to enable the Board to engage with and join-up numerous initiatives.

Details of the next Board evaluation and progress made on the above actions will be reported in the FY23 Governance Report.

Progress against actions identified following the 2021 external evaluation

Progress made

	•
More and different forms of engagement between Directors, with and without the Executive Directors.	The Board was able to meet in person during the year in Germany and the UK. The Chairman held some sessions with the Non-Executive Directors alone. A number of meetings were held that were not formal Board meetings.
Refreshing the Board's composition and reviewing the mix of skills and experience on the Board in light of the next phase of the strategy.	Since the end of FY22, the Company has announced the appointment of three new Non-Executive Directors.
Continue to ensure Board agendas concentrate on the specifics of organic improvement and growth and their underlying drivers.	The Board agendas cover both inorganic opportunities for growth and organic improvement and growth initiatives.
Understanding closely the organisation's capacity, capabilities and cultural change and monitoring progress on new proposition developments, ESG and culture change.	During the year the Board considered these matters. An ESG Committee was established in November 2021.

Governance (continued)

Nominations and Governance Committee

The Nominations and Governance Committee ('the Committee') continues to ensure that the Board has an appropriate balance of skills, knowledge, experience and diversity so that it is effective in discharging its responsibilities and in having oversight of all matters relating to corporate governance.

Chairman

Jean-François van Boxmeer

Members

Sir Crispin Davis

Valerie Gooding

Michel Demaré (appointed as a member on 22 November 2021) Renee James (stepped down from the Board on 27 July 2021)

Key responsibilities

- Assessing the composition, structure and size of the Board and its Committees and making recommendations on appointments to the Board:
- Succession planning for the Board and Executive Committee;
- Overseeing the performance evaluation of the Board, its Committees and individual Directors; and
- Monitoring developments in all matters relating to corporate governance, bringing any issues to the attention of the Board.

The Committee is comprised solely of independent Non-Executive Directors. The Committee had four scheduled meetings during the year which were fully attended by all members.



Click to read the Committee's terms of reference: **vodafone.com/board-committees**

Letter from Committee Chairman

On behalf of the Board, I am pleased to present the Nominations and Governance Committee Report for the year ended 31 March 2022. This year, the Committee has spent time focusing on changes to the Board's composition. The Committee's current priority is the search for new Non-Executive Directors following the departures of Renee James and Sanjiv Ahuja. I want to extend our gratitude for their dedicated service to Vodafone.

In September 2021 we announced the appointment of Deborah Kerr as a Non-Executive Director who joined the Board on 1 March 2022. In May 2022, we also announced the appointments of Stephen Carter, Delphine Ernotte Cunci and Simon Segars who will be appointed as Non-Executive Directors following the Company's AGM, subject to shareholder approval.

We continue to focus on our commitment to diversity which extends beyond the Board and the Executive Committee and towards developing the talent pipeline through the review of initiatives to enhance diversity, including gender and ethnic diversity and disability inclusion.

I look forward to reporting on further progress as we continue our work across the following financial year.



Read more about our programmes to manage talent on pages 21 and 22

Highlights from the year

- Recommendation of the establishment of an ESG Board Committee; and
- Appointment of Deborah Kerr to the Board with her induction programme currently underway.

Key focus for the next year

The key areas of focus for the next year are:

- The implementation and completion of inductions for Stephen Carter,
 Delphine Ernotte Cunci, Simon Segars and Deborah Kerr respectively;
- Continuation of the search for Non-Executive Directors who enhance the skill, knowledge, experience and diversity of the Board;
- Board and Executive Committee succession planning in order to maintain the necessary balance of skills, knowledge, experience and diversity to remain effective;
- Continuing to review Board independence and ensuring Directors have sufficient time to fulfil their Board responsibilities; and
- Continuing to monitor compliance with the Code and future regulatory updates.

Changes to the Board and Committees

On 27 July 2021, Sanjiv Ahuja and Renee James stepped down from the Board. Upon stepping down from the Board, Renee James also left the Nominations and Governance Committee and the Remuneration Committee and Sanjiv Ahuja left the Audit and Risk Committee.

Over the next 18 months there will be a number of scheduled retirements from the Board. In line with these departures, the Committee has been focused on finding suitable successors to further enhance the Board's experience within the telecommunications and technology sectors, and to ensure that the Board and its Committees can continue to effectively discharge their responsibilities.

I am pleased to welcome Deborah Kerr to the Board who was appointed as a Non-Executive Director on 1 March 2022. Deborah brings a wealth of technology expertise across a range of sectors, as well as extensive non-executive board experience. I am also delighted to welcome Stephen Carter, Delphine Ernotte Cunci and Simon Segars to Vodafone's Board as Non-Executive Directors, subject to shareholder approval at the 2022 AGM. They are well-respected leaders who bring extensive experience and track records of value creation across the telecoms, technology and media sectors.

At the 2021 AGM, Olaf Swantee was appointed by the shareholders as a new Non-Executive Director. However, in light of a potential conflict of interest, Olaf decided to step down with effect from 25 September 2021.

An ESG Committee was established during this financial year with the role to provide oversight of Vodafone's ESG programme, sustainability and responsible business practices as well as Vodafone's contribution to the societies we operate in under the social contract.

Read more about the ESG Committee on page 89

The Committee is regularly informed of succession planning and changes to the membership of the Executive Committee.

In April, we announced that Hannes Ametsreiter will step down as Chief Executive Officer of Vodafone Germany and as a member of the Group Executive Committee on 30 June 2022. Philippe Rogge will become Chief Executive Officer of Vodafone Germany and a member of the Group Executive Committee on 1 July 2022.

There were no changes to the membership of the Executive Committee during the year.

Succession planning

The Committee monitors the length of tenure and the skills and experience of the Non-Executive Directors to assist in succession planning.



Read more about the details of the length of tenure of each Director and a summary of the skills and experience of the Non-Executives on pages 73 and 74

Governance (continued)

Board Diversity Matrix¹

As of 31 March 2022	
Country of Principal Executive Offices	United Kingdom
Foreign Private Issuer	Yes
Disclosure Prohibited under Home Country Law	No
Total Number of Directors	10

Part I: Gender Identity

	Female	Male	Non-Binary	Did Not Disclose Gender
Directors	5	5	0	0

Part II: Demographic Background

Under-represented individual in	
Home Country Jurisdiction	0
LGBTQ+	0
Did Not Disclose Demographic	
Background	1

Note:

 Prepared in accordance with guidance issued by NASDAQ. More information can be found here: listingcenter.nasdaq.com/home.aspx

Read more about how we build a diverse and inclusive organisation on pages 39 and 40

This year, the CEO of Vodafone Ireland and the CFO of Vodafone Germany were also recognised at the EMEA 2022 WeQual Awards for driving greater equality and innovation. Attracting, retaining and promoting diverse leaders drives greater inclusion within the organisation, and we are confident that the additional initiatives detailed on page 39 will support us to reach the FTSE Women Leaders Review target to have at least 40% of women holding management and leadership roles by 2025.

The Committee is mindful of the recommendation of the Parker Review to have at least one Director from a non-white ethnic minority by 2021. Whilst it is disappointing not to continue to meet this target from 28 July 2021, this is the first time in 18 years where we have not been able to confirm that at least one ethnic minority Director sits on our Board and we continue to take practical and purposeful steps towards enhancing the Board's diversity. Vodafone has introduced new ethnic diversity targets to ensure that by 2030, 25% of the global senior leadership will come from ethnically diverse backgrounds. Based on self-declaration, currently 18% of Vodafone's global Senior Leadership Team are from ethnically diverse backgrounds. Vodafone UK also confirmed that by 2025, 20% of its UK-based senior people will come from Black, Asian, or other diverse ethnicities, with 4% of those to be Black. Vodafone's UK-based senior management and leadership are currently 15% Black, Asian or other diverse ethnicities, of whom 1% are Black. These commitments build on Vodafone's Race, Ethnicity and Cultural Heritage ('REACH') action plan, a wider programme launched in 2020 to achieve greater workplace inclusion through allyship and anti-racism.

Read more about our workplace inclusion programme on page 39

We continue to challenge our external search consultants to ensure that all forms of diversity, in particular ethnicity and gender, are considered when drawing up candidate shortlists.

Governance

The Committee continues to review action taken to comply with the Code and other legal and regulatory obligations during the year. The Committee received regular governance updates and is satisfied that Vodafone has complied with the Code in full during the year.

The Matters Reserved for the Board and the terms of reference of the Nominations and Governance Committee, the Audit and Risk Committee, the ESG Committee and the Remuneration Committee were reviewed in March 2022.

Jean-François van Boxmeer

On behalf of the Nominations and Governance Committee

17 May 2022

ESG Committee

This year, the Board formally approved the establishment of a new Committee of the Board, the ESG Committee. The role of the Committee is to provide oversight of Vodafone's Environmental, Social and Governance ('ESG') programme, of sustainability and responsible business practices, as well as Vodafone's contribution to the societies that we operate in under the social contract.

Chair

Amparo Moraleda

Members

Valerie Gooding Dame Clara Furse DBE

Key responsibilities

The responsibilities of the Committee are to:

- Oversee the ESG programme, including the purpose strategy (Inclusion for All, Planet and Digital Society), sustainability and responsible business practices, and the social contract;
- Approve the ESG strategy, including related targets and KPIs, and monitor progress against key performance indicators and external ESG index results;
- Oversee execution of the ESG strategy and related policies and programmes required to implement the ESG strategy, as well as the Group's progress on ESG commitments and targets; and
- Provide advice and direction to management on implementation of the ESG strategy, the opportunities and risks to the Group's operations and reputation and its corporate responsibility.



Click to read the Committee's terms of reference: **vodafone.com/board-committees**

Letter from Committee Chair

On behalf of the Board, I am pleased to present Vodafone's first ESG Committee Report for the year ended 31 March 2022. ESG is at the core of our purpose and is a key element in the execution of our strategy. Reflecting the criticality of ESG and Vodafone's commitment to this topic, this year the Board approved the creation of the new ESG Committee to provide the Board with enhanced oversight of ESG matters. We believe the ESG Committee will contribute to the long-term success of Vodafone, for the benefit of our customers, key stakeholders, and the societies in which we operate.

Some key stakeholder interests considered as part of the Committee include:

- Investors: Strong, Board-level ESG governance is a key requirement of an effective ESG programme;
- Governments and regulators: Local and international legal and regulatory obligations on ESG topics continue to increase;
- Local communities and NGOs: ESG topics affect the day-to-day lives of the people in the communities that we serve;
- Suppliers and customers: Upholding high ethical standards throughout our value chain is critical for stakeholders when deciding whether they should do business with Vodafone;
- Employees: Employees take pride in working for a purpose-driven organisation that is enabling an inclusive and sustainable digital society.

When establishing the Committee, the Board worked to ensure that members brought a range of experience on ESG-related topics that fall within the Committee's remit. As Chair, I have extensive experience in this area, and have also been a member of the Board of Trustees of the Vodafone Foundation since 2020. I'm delighted to be joined on the Committee by Dame Clara Furse and Valerie Gooding. Dame Clara Furse is the Chair of the UK Voluntary Carbon Markets Forum and also provides a valuable investor perspective given her previous executive and non-executive career. Valerie Gooding serves as the Workforce Engagement Lead for the Board and regularly engages with employees throughout the organisation. Valerie is also the Chair of the Remuneration Committee which introduced ESG measures into our long-term incentive plan two years ago, following approval by shareholders.

During the year, the Committee met twice. The first meeting in November 2021 focused on reviewing Vodafone's overall approach to ESG. This included presentations from Joakim Reiter, Vodafone Group's Chief External and Corporate Affairs Officer, as well as the Director of Investor Relations. The Committee was encouraged by the extent to which ESG is being integrated into Vodafone's corporate strategy. It was also noted that there has been a significant increase in expectations on ESG performance from key stakeholders in recent years, notably accelerated by the COVID-19 crisis.

Read more on Vodafone's approach to ESG on page 34

The Committee's second meeting in March 2022 focused on reviewing Vodafone's Planet strategy, as we are focused on understanding climate-related risks and opportunities, and embedding responses to these into our business strategy and operations. The Committee works alongside the Audit and Risk Committee in overseeing matters relating to climate change risk management.

The deep dive into Vodafone's Planet agenda included an update on performance, as well as discussion of key challenges and opportunities relating to Vodafone's ambitions of becoming net zero by 2040. We also discussed our programmes enabling our customers to reduce their carbon emissions, and building more of a circular economy to reduce network and device electronic waste. The Committee was also given an insight into how Vodafone's global strategy is operationalised locally, through a presentation from Vodafone Germany's CEO, Hannes Ametsreiter.

Read more on Vodafone's Planet strategy and targets on page 41

On behalf of the Committee, I have reported the Committee's work to the Board. Over the next year, I look forward to the Committee's continued oversight and scrutiny of Vodafone's ESG agenda, including further presentations from senior executives and experts from across the Group. During FY23, the Committee will review Vodafone's Inclusion for All and human rights agendas, and will consider how the Vodafone's ESG strategy is implemented across Africa through the Vodacom Group.

As Committee Chair, I will also be available to engage with shareholders who have questions or comments about the work of the Committee at our 2022 AGM.

Amparo Moraleda

On behalf of the ESG Committee

17 May 2022



Governance (continued)

Focus during the year

The ESG Committee met twice during the year ended 31 March 2022. The following provides a summary of the topics covered.

November 2021

- Approval of the Committees Terms of Reference, along with a discussion on the purpose and expected remit of the ESG Committee.
- Joakim Reiter, Vodafone Group's Chief External and Corporate Affairs Officer, presented a paper on the annual overview of political, policy and regulatory trends which had been provided to the Board of Vodafone Group Plc at its July 2021 meeting. The paper outlined the key impacts of the COVID-19 pandemic on the political and regulatory environment and the accelerated changes in expectations on businesses post-pandemic.
- Joakim Reiter and Vodafone Group's Investor Relations Director presented on Vodafone's ESG approach. This outlined how Vodafone's approach to ESG was a core part of the corporate strategy and a driver of commercial success. The discussion outlined how Vodafone's ESG approach brings together five key programmes:
 - Purpose and the actions Vodafone takes as part of the three purpose pillars (Digital Society, Inclusion for All and Planet);
 - Social contract, which was a key growth lever for the Company as a whole;
 - 3. Responsible business practices, to ensure Vodafone operates to the highest standards of integrity and ethics, ensuring that Vodafone is 'Doing What's Right' towards employees, customers, society and suppliers;
 - Transparency, including providing correct disclosures and reporting as well as external positioning, engagement and communication on all material ESG aspects; and
 - Measurement, as Vodafone's performance is measured in various ways covering different audiences and target groups.

March 2022

- Presentation to the Committee on Vodafone's Planet approach and performance. This included an outline of how Vodafone activates the strategy for different stakeholder groups, including consumers, regulators and investors. Joakim Reiter presented on Vodafone's approach to reaching net zero carbon emissions by 2040, including progress to date and some of the challenges.
- The Committee was joined by relevant senior representatives from within Vodafone (Vodafone Group's Marketing and Brand Director and Device Operations Director and Vodafone Business' Legal Director). The discussion focused on Vodafone's approach to building more of a circular economy for devices and activating its Planet strategy for consumers. The Committee were also updated on Vodafone's carbon enablement and 'digital for green' strategy.
- Hannes Ametsreiter (Vodafone Germany CEO) provided the Committee with an overview of how Vodafone's global Planet strategy is implemented locally in Germany, through Vodafone Germany's 'GigaGreen' programme.
- The ESG Committee discussed Vodafone's approach to FY22 year-end ESG reporting and assurance.

Key focus for the next year

The key areas of focus for the next year:

- Deep dives into Inclusion for All and Digital Society purpose pillars;
- Review of Vodafone's approach to human rights, including associated governance and reporting;
- Further understanding of operationalisation of ESG approach across the business, with a focus on Vodacom; and
- Continuing to review progress of ESG strategy, including performance against external targets and ESG indices and rankings.

Mapping of ESG topics

When establishing the ESG Committee and setting its remit, we completed a mapping of all key ESG topics for Vodafone, to ensure clarity on the role of the ESG Committee alongside the Board and other relevant Committees. This is presented below, alongside further details of each ESG topic.

Environment Energy consumption and GHG emissions (E) Including energy sources, uses and targets E-waste and other environmental topics (E) Including device and network waste, water and plastics **Environmental benefits from** products & services (E) Including carbon & resource efficiency enablement Climate change risk management (A)(E) Including alignment with TCFD recommendations Social Health and safety (B) Diversity & inclusion and employee experience (B) Employee rights (B)(A) Including collective bargaining, grievance mechanisms, Speak Up, Fair Pay, and labour standards Responsible supply chain (B) (E) Including labour standards and sourcing of minerals Human and digital rights (A)(E)Including privacy regulations, right to privacy and freedom of expression, and other human rights Socio-economic benefits from products & services (E) Including digital inclusion

Governance	Read more
Mobile, masts and health B	53
Security (A) (B) Including cyber and other security topics	49
Anti-bribery and corruption (A)	56
Business conduct & ethics (A) Including taxation, business conduct and compliance	56
Corporate governance (N)	68
Reporting (A) (B) (E) Including Annual Report and Accounts, Modern Slave Statement and other voluntary ESG disclosures	ery 35 55

Key









UK Gender Pay Gap reporting

Each year we publish our UK Gender Pay Gap in line with the statutory UK methodology. The nature of the statutory calculation means the gap will fluctuate year on year, influenced by changes in our business structure, Company performance and the percentage of men and women at all levels and positions. The existence of a UK gender pay gap in our business is primarily a consequence of more men than women holding senior or specialist, and therefore higher-paid, roles.

With our commitment to embed an inclusive culture, we continue our work to reduce the gap and have made good progress since the publication of the first report in 2017. Our global programmes aim to support women across different roles, areas, and geographies of our business and will, over time, reduce our specific UK Gender Pay Gap which this year was calculated as 9.6% — a decrease from our 2020 figure of 12.0%.

We have made significant progress over the last five years with the 2022 Bloomberg Gender-Equality Index recognising Vodafone as one of the top companies globally in leading the way towards more equal, inclusive workplaces. We are proud of the progress we are making but recognise there is more to be done.

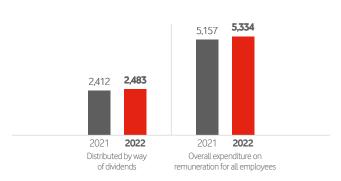
vodafone.c

Click to learn more about our initiatives, case studies, and key statistics on our dedicated UK Gender Pay Gap webpage at vodafone.com/uk-gender-pay-gap

Relative spend on pay

The chart below shows both the dividends distributed in the year and the total cost of remuneration in the Group.

€m



Read more details on dividends and expenditure on remuneration for all employees, on pages 160 and 194 respectively

CEO pay ratio

The following table sets out our CEO pay ratio figures:

_					
Year	CEO single figure	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	£4,171k	Option B	113:1	73:1	48:1
2021	£3,551k	Option B	106:1	87:1	42:1
2020	£3,529k	Option B	113.1	69.1	45.1
2019 ¹	£4,359k	Option B	154:1	107:1	56:1

Note:

1. The CEO single figure used in the calculation of the 2019 ratios reflects a blended figure for Vittorio Colao and Nick Read, recognising the change in incumbency for the role during this year.

The pay ratio figures in the above table are calculated using the following total pay and benefits information:

Year	Supporting information	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	Salary	£31.7k	£47.1k	£71.5k
	Total pay and benefits	£36.9k	£57.5k	£87.2k
2021	Salary	£30.0k	£37.1k	£71.2k
	Total pay and benefits	£33.5k	£41.0k	£85.3k
2020	Salary	£28.0k	£42.8k	£65.0k
	Total pay and benefits	£31.3k	£51.1k	£78.6k
2019	Salary	£23.1k	£36.4k	£65.0k
	Total pay and benefits	£28.3k	£40.8k	£78.2k

The calculation methodology used reflects Option B as defined under the relevant regulations. In line with the relevant regulations this utilises the most recently collected and disclosed data analysed within our Gender Pay Gap report, with employees at the three quartiles identified from this analysis and their respective single figure values calculated.

To ensure this data accurately reflects individuals at such quartiles, the single figure values for individuals immediately above and below the identified employee at each quartile within the Gender Pay Gap analysis were also reviewed.

In recent years our ratios have remained relatively consistent, reflecting how the single figures for both the Chief Executive and employees at the quartile positions have remained stable when viewed over the period set out in the table above. In general we expect the ratios to be primarily driven by the valuation of the long-term incentive that is included in the Chief Executive's single figure for the year.

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Annual Report on Remuneration (continued)

Change in remuneration for Directors and all employees

In line with regulatory requirements, the table below calculates the percentage change in Directors' remuneration (salary, taxable benefits and annual bonus payment) compared to the average remuneration for other Vodafone Group employees who are measured on comparable business objectives and who have been employed in the UK since 2020 (2020 to 2021) and 2021 (2021 to 2022) (per capita). Vodafone has employees based all around the world and some of these individuals work in countries with very high inflation; therefore Vodafone's UK-based Group employees is deemed the most appropriate employee group for this comparison.

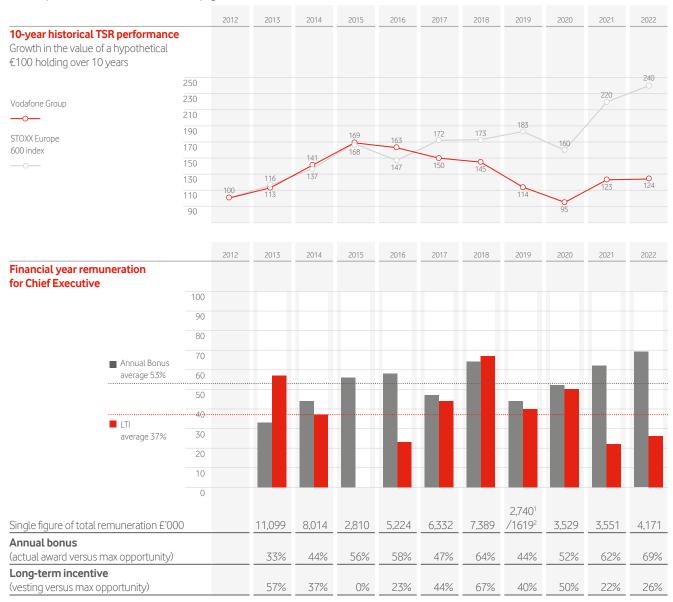
		Percentage change from 2021 to 2022		Percentage change from 2020 to 20		om 2020 to 2021
	Base Salary	Taxable benefits	Annual bonus	Base Salary	Taxable benefits	Annual bonus
Executive Directors						
Nick Read	0.0%	31.3%	11.6%	0.0%	-23.8%	19.4%
Margherita Della Valle	0.0%	4.8%	11.6%	0.0%	-4.5%	19.3%
Non-Executive Directors						
Jean-François van Boxmeer	118.9%	_	_	_	_	_
Valerie Gooding	0.0%	_	_	0.0%	-100.0%	_
Sir Crispin Davis	0.0%	800.0%	_	0.0%	-95.7%	_
Michel Demaré	0.0%	_	_	0.0%	-100.0%	_
Dame Clara Furse	0.0%	_	_	0.0%	-100.0%	_
Deborah Kerr (appointed 1 March 2022)	_	_	_	_	_	_
Maria Amparo Moraleda Martinez	19.10%	_	_	0%	-100.0%	_
David Nish	0.0%	900.0%	_	0.00%	-96.8%	_
Former Non-Executive Directors						
Sanjiv Ahuja (stepped down 27 July 2021)	-67.0%	-100.0%	_	0.0%	-66.7%	_
Renee James (stepped down 3 November 2020)	-67.0%	_	_	-13.5%	-100.0%	_
Olaf Swantee (stepped down 25 September 2021)	_	_	_	_	_	_
Other Vodafone Group employees employed in the UK	2.5%	0.3%	80.0%	3.8%	0.2%	30.2%

The significant year-on-year increase in fees paid to Jean-François van Boxmeer reflects how the individual was appointed on 28 July 2020 and therefore the 2021 fees figure used for the purpose of this calculation does not reflect a full year value. The percentage increase does not reflect an actual increase in the fee payable to the Chairman which has remained unchanged since April 2018. Read more on pages 105 and 112.

Similarly, whilst some of the percentages within the 'Taxable benefits' column look significant, these actually reflect relatively small increases in value when viewed on an absolute basis. The percentages also reflect how certain travel and accommodation expenses in relation to attending Board meetings were lower than normal in 2021 due to the impact of COVID-19 on the ability to attend meetings in-person. Where an individual had no taxable benefit values in 2021 it has not been possible to calculate a percentage for the table above. Further details on the actual values can be found on page 105.

Assessing pay and performance

In the table below we summarise the Chief Executive's single figure remuneration over the past 10 years, as well as how our variable pay plans have paid out in relation to the maximum opportunity. This can be compared with the historic TSR performance over the same period. The chart below shows the performance of the Company relative to the STOXX Europe 600 Index over a 10-year period. The STOXX Europe 600 Index was selected as this is a broad-based index that includes many of our closest competitors. It should be noted that the TSR element of the 2020 GLTI is based on the TSR performance shown in the chart on page 102 and not this chart.



Notes:

- 1. Reflects the single figure in respect of Vittorio Colao for the period to 30 September 2018.
- 2. Reflects the single figure in respect of Nick Read for the period from 1 October 2018.

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Annual Report on Remuneration (continued)

2023 remuneration

Details of how the Remuneration Policy will be implemented for the 2023 financial year are set out below.

Prior to reviewing executive remuneration arrangements the Committee was fully briefed on remuneration arrangements elsewhere in the business. This included a detailed discussion on the structure of remuneration offerings at each level of the business, how pay at these levels is determined, and the findings of the latest annual Fair Pay review. The Committee also considered the external context and decisions made in relation to our wider employee population.

The cumulative effect of these discussions was that the Committee was able to make decisions in respect of executive remuneration within the context of the wider employee pay landscape within the business.

2023 Rase salaries

Neither the Chief Executive nor the Chief Financial Officer has received a salary increase since their appointment to their current roles in 2018. During the March 2021 review, and as set out in the 2021 Directors' Remuneration Report, the Committee agreed that increases for the Executive Directors were warranted, but determined to keep both salaries unchanged given the context of COVID-19 and the budgetary restraint being shown for the wider leadership team at the time. The Committee agreed it would review this position again in 2022.

As part of this year's review, conducted in March 2022, the Committee reviewed executive remuneration arrangements against the following comparator groups:

- 1. A EuroTop peer group constituting the top 25-75 European companies (excluding financial services companies) and a few other select companies relevant to the telco sector; and
- 2. The FTSE 30 (excluding financial services companies).

Following the 2022 review the Committee concluded that in light of their experience it was appropriate to increase the salaries of both Executive Directors. It was further agreed that despite the rationale for more significant adjustments, it was appropriate for the increases to be aligned with the wider UK workforce budget. The salaries for both Executive Directors will therefore be increased by 3% effective from 1 July 2022 to the following levels:

- Chief Executive: Nick Read £1,081,500; and
- Chief Financial Officer: Margherita Della Valle £721,000.

Pension

Pension arrangements for both the Chief Executive and the Chief Financial Officer will remain unchanged at 10% of salary, in line with the maximum employer contribution level for the wider UK population.

2023 Annual Bonus ('GSTIP')

Following its annual review of the GSTIP structure, the Committee agreed that the performance measures and associated weightings for the 2023 plan should remain unchanged from 2022 as follows:

- Service revenue (25%);
- Adjusted EBIT (25%);
- Adjusted free cash flow (25%); and
- Customer appreciation KPIs (25%). This includes an assessment of churn, revenue market share and Net Promoter Score¹ ('NPS').

Note:

1. The assessment of NPS utilises data collected in our local markets which is validated for quality and consistency by independent third party agencies

Due to the potential impact on our commercial interests, annual bonus targets are considered commercially sensitive and therefore will be disclosed in the 2023 Remuneration Report following the completion of the financial year.

Long-term incentive ('GLTI') awards for 2023

Awards for 2023 will be made in line with the arrangements described in our policy on pages 95 and 96. Vesting of the 2023 award will be subject to adjusted free cash flow (60% of total award), relative TSR (30% of total award), and ESG (10% of total award) performance. Performance will be measured over the three financial years ending 31 March 2025, and any net vested shares will be subject to an additional two-year holding period (i.e. the '3+2' model). It is anticipated that the final awards will be reviewed by the Committee at the July 2022 meeting and, subject to the Committee's approval, will be granted shortly afterwards.

Further details of the 2023 award targets are provided are on the following page.

Directors' report

The Directors of the Company present their report together with the audited consolidated financial statements for the year ended 31 March 2022.

This report has been prepared in accordance with requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of the management report as required under Disclosure Guidance and Transparency Rule ('DTR') 4. Certain information that fulfils the requirements of the Directors' report can be found elsewhere in this document and is referred to below. This information is incorporated into this Directors' report by reference.

Vodafone Group plc is incorporated and domiciled in England and Wales (registration number 1833679). The registered address of the Company is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England.

Responsibility statement

As required under the DTRs, a statement made by the Board regarding the preparation of the financial statements is set out on pages 117-118 which also provides details regarding the disclosure of information to the Company's auditor and management's report on internal control over financial information.

Going concern

The going concern statement required by the Listing Rules and the UK Corporate Governance Code (the 'Code') is set out in the 'Directors' statement of responsibility' on page 118.

System of risk management and internal control

The Board is responsible for maintaining a risk management and internal control system and for managing principal risks faced by the Group. Such a system is designed to manage rather than eliminate business risks and can only provide reasonable and not absolute assurance against material mistreatment or loss. This is described in more detail in the Audit and Risk Committee Report on pages 83-88.

The Board has implemented in full the FRC 'Guidance on Risk Management, Internal Control and related Financial and Business Reporting' for the year and to the date of this Annual Report. The resulting procedures, which are subject to regular monitoring and review, provide an ongoing process for identifying, evaluating and managing the Company's principal risks (which can be found on pages 59-65).

Corporate Governance Statement

The Corporate Governance Statement setting out how the Company complies with the Code is set out on page 71. This includes a description of the main features of our internal control and risk management arrangements in relation to the financial reporting process. The information required by DTR 7.2.6R can be found in the "Shareholder information" section on pages 234-239. A description of the composition and operation of the Board and its Committees including the Board Diversity Policy is set out on page 75, pages 80-90 and page 99. The Code can be viewed in full at frc.org.uk.

Strategic Report

The Strategic Report is set out on pages 1-67 and is incorporated into this Directors' report by reference.

Directors and their interests

The Directors of the Company who served during the financial year ended 31 March 2022 and up to the date of signing the financial statements are as follows: Jean-François van Boxmeer, Nick Read, Margherita Della Valle, Sir Crispin Davis, Michel Demaré, Dame Clara Furse, Valerie Gooding, Deborah Kerr (appointed 1 March 2022), Maria Amparo Moraleda Martinez and David Nish. Sanjiv Ahuja and Renee James stepped down on 27 July 2021, and Olaf Swantee stepped down on 25 September 2021. A summary of the rules related to the appointment and replacement of Directors and Directors' powers can be found on page 236. Details of Directors' interests in the Company's ordinary shares, options held over ordinary shares, interests in share options and long-term incentive plans are set out on pages 93-112.

Directors' conflicts of interest

Established within the Company is a procedure for managing and monitoring conflicts of interest for Directors. Details of this procedure are set out on page 81.

Directors' indemnities

In accordance with our Articles of Association and to the extent permitted by law, Directors are granted an indemnity from the Company in respect of liability incurred as a result of their office. In addition, we maintained a Directors' and officers' liability insurance policy throughout the year. Neither our indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

Disclosures required under Listing Rule 9.8.4

The information on the amount of interest capitalised and the treatment of tax relief can be found in notes 5 and 6 to the consolidated financial statements respectively. The remaining disclosures required by Listing Rule 9.8.4 are not applicable to Vodafone.

Capital structure and rights attaching to shares

Ordinary shares of Vodafone Group Plc are traded on the London Stock Exchange and in the form of American Depositary Shares ('ADS') on NASDAQ.

ADSs, each representing 10 ordinary shares, are traded on NASDAQ under the symbol 'VOD'. The ADSs are evidenced by American Depositary Receipts ('ADR') issued by J.P. Morgan, as depositary, under a deposit agreement, dated 15 February 2022 between the Company, the depositary and the holders from time to time of ADRs issued thereunder.

ADS holders are not shareholders in the Company but may instruct J.P. Morgan on the exercise of voting rights relative to the number of ordinary shares represented by their ADSs. See "Articles of Association and applicable English law" and "Rights attaching to the Company's shares – Voting rights" on page 236.