## **Vodafone Group Plc**

Annual Report 2023



## **About Vodafone**

### Our business model

We are a European and African telecommunications company which transforms the way our customers live and work through our innovation, technology, connectivity, platforms, products and services.

### How we govern

Our business model is underpinned by our strong governance and risk management framework.

### Where we operate

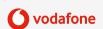
We operate mobile and fixed networks in 17 countries and have stakes in a further five countries through our joint ventures and associates. We also partner with mobile networks in 46 countries outside our footprint. Our portfolio of local markets is supported by corporate services and shared operations, which deliver benefits through scale and standardisation.



#### How we are structured and what we sell<sup>1</sup>

Our business is comprised of infrastructure assets, shared operations, growth platforms and retail and service operations. Our retail and service operations are split across three broad business lines: Europe Consumer, Vodafone Business and Africa Consumer.

Core connectivity products and services in fixed and mobile account for the majority of our revenue. However, our portfolio also includes high return growth areas that leverage and complement our core connectivity business, such as digital services, the Internet of Things ('IoT') and financial services. We market and sell through digital and physical channels.



Europe Consumer

€19bn

service revenue

We provide a range of market leading mobile and fixed line connectivity services in our European markets. 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

€10bn

service revenue

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.



Africa Consumer<sup>2</sup>

€6bn

service revenue

We provide a range of mobile services. 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.

#### Governance

The Board held six scheduled meetings this year to discuss key strategic matters, our purpose and culture, our people and stakeholder interests.

The **Nominations and Governance Committee** evaluates the composition and performance of the Board and ensures an appropriate balance of independence, skills, knowledge, experience and diversity.

The **Audit and Risk Committee** provides effective governance over the appropriateness of financial reporting of the Group, including the adequacy of related disclosures, the performance of the internal audit function and the external auditor and oversight of the Group's systems of internal control, risk management framework and compliance activities.

The **ESG Committee** oversees our Environmental, Social and Governance ('ESG') programme, including our purpose pillars, sustainability and responsible business practices, and our contribution to the societies we operate in under our social contract.

The **Remuneration Committee** advises the Board on policies for executive remuneration and reward packages for individual Executive Directors. The Committee also oversees general pay practices across the Group.



Read more on pages 74 to 86



Click or scan to watch our Non-Executive Directors speak about their roles in short video interviews: investors.vodafone.com/videos

### Risk management

Risks are not static and as the environment changes, so do risks – some diminish or increase, while new risks appear. We continuously review and improve our risk processes in order to ensure that the Company has the appropriate level of support in meeting its strategic objectives.

**Our risk framework** clearly defines roles and responsibilities, and sets out a consistent end-to-end process for identifying and managing risks. We have embedded the risk framework across the Group as this allows us to take a holistic approach and to make meaningful comparisons. Our approach is continuously enhanced, enabling more dynamic risk detection, modelling of risk interconnectedness and the use of data, all of which are improving our risk visibility and our responses.

**Our Board oversees principal and emerging risks,** which are reported to the various management committees and the Board throughout the year. Additionally, risk owners are invited to present in-depth reviews to ensure that risks are managed within the defined tolerance levels.



Read more on pages 51 to 59



Click or scan to watch our privacy and cyber experts explain how we protect customer data and our networks: investors.vodafone.com/videos



#### Notes:

- 1. Performance across our markets is summarised on pages 16 to 22.
- Including Turkey.

 Vodafone Group Plc

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### Chair's message

## A new roadmap for Vodafone

This year has been a challenging one for Vodafone and for many of our customers, following the rise in energy costs and broader inflation. We have taken a number of steps to mitigate the impact of these cost pressures.

However, as a Board, we recognise that the Company has also underperformed, and that change is needed. This will require a transformation of the Group, so that Vodafone can realise its full potential.

### **Group Chief Executive succession**

In December 2022, we announced that Nick Read would step down as Group Chief Executive. The Board and I would like to thank Nick for his commitment and significant contribution to Vodafone throughout his career spanning more than two decades with the Company.

The Board has undertaken a rigorous internal and external search to find the best possible candidate, and in April 2023 I was delighted to announce the appointment of Margherita Della Valle as Group Chief Executive. Margherita has a strong track record during her long career at Vodafone in marketing, operational, commercial and financial positions. During her time as interim Group Chief Executive, the Board and I have been impressed with her pace and decisiveness to begin the necessary transformation of the Company. Margherita has the full support of myself and the Board for her plans for Vodafone to provide a better customer experience, become a simpler business and accelerate growth — and deliver value for our shareholders.

### **Board composition**

As I wrote last year, my ambition for this year was to further enhance the Board's experience within the telecommunications and technology sectors. I was therefore pleased to welcome four new Non-Executive Directors to the Board this year. Stephen Carter, Delphine Ernotte Cunci, Simon Segars and Christine Ramon. Their appointments bring extensive experience and strong track records of value creation, which will be of great support to the Group.

On 10 May 2023, the Board approved the creation of a Technology Committee as a Committee of the Board. The Technology Committee, once established in due course, will oversee the technology strategy and how it supports the overall Company strategy. The creation of a Technology Committee – run by the highly experienced team of Simon Segars, Stephen Carter, Delphine Ernotte Cunci and Deborah Kerr – will be a great additional benefit to the Board and to Vodafone. On the same date, having completed either 9 years or almost 9 years, we also announced that Valerie Gooding, Sir Crispin Davis and Dame Clara Furse would not be seeking re-election at the 2023 Annual General Meeting ('AGM'). I would like to thank my colleagues for their outstanding service to the Company and look forward to their continuing contribution until the AGM. In light of these retirements and following a review of committee membership, a number of Non-Executive Directors will take on new roles, including David Nish, who will be appointed Senior Independent Director.

On 11 May 2023, we announced that we had agreed a strategic relationship with Emirates Telecommunications Group Company PJSC ("e&"). This marks the next phase in a strategic relationship that began last year, and I'm delighted we have strengthened our existing relationship with e&, which will bring additional telecoms experience to our Board in the future.

### FY23 financial performance

Our financial results for FY23 have been in line with expectations for the year. Total revenue increased by 0.3% to €45.7 billion, with Group organic service revenue growing by 2.2% this year. This was driven by continued good growth in the UK, Other Europe and Africa, partially offset by declines in Germany, Italy and Spain.

Adjusted EBITDAaL declined by  $1.3\%^1$  reflecting the impact of higher energy costs and commercial underperformance in Germany. These factors more than offset the benefits of service revenue growth and a further 0.2 billion of savings from our ongoing European cost efficiency programme. Our reported financials were also impacted by adverse currency movements during the year. Overall Group returns were broadly maintained, with a return on capital employed ('ROCE') of 0.8% on a pre-tax basis (excluding Vantage Towers). Group operating profit increased by 0.2% to 0.2% for 0.2% billion, largely reflecting a gain on disposal from Vantage Towers, and as a result basic earnings per share increased to 0.2% eurocents.

Following the successful disposal of Vodafone Hungary and partial sale of Vantage Towers, our balance sheet position has also improved, with Group leverage now at 2.5x.<sup>2</sup> The Board has declared a total dividend per share of 9.0 eurocents, implying a final dividend per share of 4.5 eurocents, which will be paid on 4 August 2023 following shareholder approval at our AGM.

## Taking a leadership role in shaping the future of digital connectivity

Over the last few years, we have seen significant shifts in society and the direct role telecoms plays. Digital connectivity is an important priority for governments as it increasingly impacts the relative competitiveness and resilience of countries.

Vodafone is firmly committed to supporting Europe and Africa in realising their digital ambitions. However, in order to do so, investment in digital infrastructure is critical. While the European Union has set out a clear vision and Digital Decade targets for a more sustainable and prosperous future, there is currently an estimated  ${\lesssim}300$  billion gap between their ambitions and Europe's current investment plans.

This investment gap is primarily due to the unintended consequences of past policy and regulatory decisions, which have impacted returns for the telecommunications industry. Returns have remained below the cost of capital for over a decade, restricting the appetite for further investment.

Whilst we welcome a number of positive reforms towards pro-investment policy, the current pace and magnitude of change is not enough. Further pro-investment policy reform is required to drive growth and scale in the sector. If delivered, it would enable operators to earn a sustainable return and support the much-needed investment required to safeguard Europe and Africa's global competitiveness.

### Going forward

On behalf of the Board, I would like to thank all of our colleagues across the Group who have continued to work tirelessly to support our customers – keeping them reliably connected.

As we enter FY24, the macroeconomic outlook still remains uncertain. I am confident that under Margherita's leadership we will improve the Company's performance and drive value for all of our stakeholders.

### Jean-François van Boxmeer

Chair

#### Notes

- 1. This is a non-GAAP measure. See page 219 for more information.
- 2. Proforma ratio after adjusting for foreign exchange and M&A.

Chief Executive's statement and strategic roadmap

## Delivery through Customers, Simplicity & Growth

"Today I am announcing my plans for Vodafone.
Our performance has not been good enough.
To consistently deliver, Vodafone must change.
My priorities are customers, simplicity and growth.
We will simplify our organisation, cutting out
complexity to regain our competitiveness. We will
reallocate resources to deliver the quality service
our customers expect and drive further growth from
the unique position of Vodafone Business."

### Margherita Della Valle, Group Chief Executive

We set out below a new roadmap for Vodafone, following a strategic review conducted over the last five months.

### 1. Vodafone must change

The circumstances of our industry and the position of Vodafone within it, require us to change.

- The European telecommunications sector has amongst the lowest return on capital employed ('ROCE') of any sector in Europe, alongside the highest capital investment demands. This has resulted in ROCE being below the weighted average cost of capital ('WACC') for over a decade, impacting total shareholder returns.
- More importantly, the comparative performance of Vodafone has worsened over time, which is connected to our customer experience.
- Our market position and performance varies by geography and segment.
   Where we have the right combination of strong local execution and a rational market structure, we can grow and drive returns. There are also material differences between our Consumer and Business segments, with Business growing in nearly all of our European markets
- Our turnaround must be built from our strengths, but we need to overcome some clear challenges. We are more complex than we need to be, which limits our local commercial agility.

### 2. Strategic shifts

Our target is to be a best-in-class telco in Europe and Africa, and become Europe's leading platform for Business. To achieve this, we must change in four essential areas.

- We will rebalance our organisation to maximise the potential of Vodafone Business, which continues to accelerate growth, and we believe has a unique set of capabilities and has a strong position in a large and growing market as organisations digitalise.
- In order to win in our consumer markets, we will refocus on the basics and deliver the simple & predictable experience our customers expect.
- We will be a leaner and simpler organisation, to increase our commercial agility and free up resources.

We will focus our resources on a portfolio of products and geographies that is right-sized for growth and returns over time.

### 3. Our action plan

To execute the change in these four areas, we have an action plan already underway, focused around three priorities: Customers, Simplicity and Growth. Early examples of this action plan include:

- Customers: Significant investment reallocated in FY24 towards customer experience and brand;
- Simplicity: 11,000 role reductions planned over three years, with both headquarters and local markets simplification; and
- Growth: Germany turnaround plan, continued pricing action and strategic review in Spain.

We will change the level of ambition, speed and decisiveness of execution. We will have empowered markets focused on customers, scale up Vodafone Business and take out complexity to simplify how we operate.

#### **Our transformation**

Our purpose is to connect for a better future. We have a new roadmap for Vodafone based on three priorities: customers, simplicity and growth. We must make four key strategic shifts.

### Key strategic shifts

Balanced focus on Business + Consumer

Consumer back-to-basics to win in the market

Leaner organisation focused on value

Portfolio right-sized for growth

Action plan







Customers

Simplicity

Growth

Ambition

Best-in-class telco in Europe & Africa



Europe's leading platform for Business

Click or scan to watch a more detailed outline of the new roadmap for the transformation of Vodafone: investors.vodafone.com/videos

#### **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 (MvVodafone app. TOBi chatbots, social media interaction) and the Vodafone website), and call centres and branded retail stores

### What were the key topics raised?

- Better value offerings and converged solutions for customers
- Fast and reliable data networks and wider coverage
- Making it simple and quick to deal with us, with prompt feedback and resolution of service-related issues
- Managing the challenge of data-usage transparency

### How did we respond?

- Improved efficiency and functionality of MyVodafone app
- Expanded our 4G and 5G coverage
- Stronger focus on Customer Experience ('CX') with new automated satisfaction tracking tools, setting up CX boards in all markets and increasing investments to reduce customer detraction
- Continued to leverage our digital channels to support easy access for all of our customers
- Enabled free international calling and roaming for our customers following the devastating earthquakes in Turkey and surrounding areas
- Supported financially vulnerable customers in the cost of living crisis
- Drove inclusion and affordability for smartphones and technology hardware by introducing trade-in & Flex propositions in nine markets
- Entered an exclusive three-year partnership with WWF to collect one million phones for the planet to support the circular economy

#### 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
- Inaugural Vodacom Group Employee Engagement Forum
- B) National Consultative Committee (South Africa)
- B) Executive Committee discussions
- B) Internal website and live webinars, newsletters and other digital communications
- B Employee Speak Up channel
- Global employee surveys, including onboarding and exit surveys

### What were the key topics raised?

- Enhancing performance management and career development
- A balanced hybrid working approach
- Global and local market communication channels
- Global Pulse and Spirit Beat survey actions
- Increasing engagement amongst new hires
- Importance of manager/employee relationships
- Impacts of the macroeconomic environment
- Supporting colleagues affected by the earthquakes in Turkey

### How did we respond?

- Launched a new performance management system
- Embedded our integrated skills and learning platform
- Strengthened our global senior leadership programme
- Reviewed our global hybrid ways of working policy
- Refreshed manager learning and support guides
- Redesigned our global onboarding processes and new starter support
- Regular business and trading updates communicated to staff
- Provided support for colleagues and their relatives affected by the earthquakes in Turkey; as well as free psychological and wellbeing guidance and matched employee donations

### **Our suppliers**

Our business is helped by 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?

- Supplier audits and assessments
- Safety forums, events, conferences and site visits
- Purpose criteria in tenders relating to planet, diversity and safety

### What were the key topics raised?

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

### How did we respond?

- Held quarterly safety forums
- Recognised suppliers through awards for health and safety, diversity and inclusion and planet efforts at our Arch Summit
- Collaborated with industry peers and suppliers through the Joint Alliance for CSR ('JAC'), formerly known as the Joint Audit Cooperation
- Launched environmentally-linked supply chain finance programme

### 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 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 digital child rights
- Environmental topics including net zero and the circular economy
- Delivery of global and national development goals including UN Sustainable Development Goals

### Our financial performance (continued)

#### TPG Telecom Limited Joint Venture (Australia)

We own an economic interest of 25.05% in TPG Telecom Limited, a fully integrated telecommunications operator in Australia. Hutchison Telecommunications (Australia) Limited owns an equivalent economic interest of 25.05%, with the remaining 49.9% listed as free float on the Australian stock exchange. We also hold a 50% share of a US\$3.5 billion loan facility held within the structure that holds the Group's equity stake in TPG Telecom.

### **Net financing costs**

	FY23	FY22	Reported
	€m	€m	change %
Investment income	248	254	
Financing costs	(1,728)	(1,964)	
Net financing costs	(1,480)	(1,710)	(13.5)
Adjustments for:			
Mark-to-market gains	(534)	(256)	
Foreign exchange losses	135	284	
Adjusted net financing costs <sup>1</sup>	(1,879)	(1,682)	11.7

#### Note:

1. Adjusted net financing costs is a non-GAAP measure. See page 219 for more information.

#### **Taxation**

	FY23 %	FY22 %	Change pps
Effective tax rate	3.8%	33.6%	(29.8)
Adjusted effective tax rate <sup>1</sup>	26.2%	27.9%	(1.7)

#### Note:

1. Adjusted effective tax rate is a non-GAAP measure. See page 219 for more information.

The Group's effective tax rate for the year ended 31 March 2023 was 3.8%, (2022: 33.6%). The rate is lower than the prior year's due to gains on the disposals of Vantage Towers and Vodafone Ghana. These gains are largely exempt from tax, except for a  $$\in 88$$  million charge relating to the disposal of Vantage Towers.

The effective tax rate also includes a tax credit of  $\le 309$ m relating to the impacts of hyperinflation accounting in Turkey and a  $\le 33$  million tax charge (2022:  $\le 327$  million) relating to the use of losses in Luxembourg, which is lower than the prior period because of an internal restructuring which resulted in a loss in Luxembourg. As a result of the restructuring, the amount of losses in Luxembourg are no longer subject to changes in the value of investments.

The year ended 31 March 2022 includes the following items: i) a charge of €1,468 million for the utilisation of losses against our profits in Luxembourg. This arose from an increase in the valuation of investments based upon local GAAP financial statements and tax returns; ii) a credit of €699 million relating to the recognition of a deferred tax asset in Luxembourg because of higher interest rates increasing our forecasts of future profits; iii) an increase in our deferred tax assets in the UK of €593 million following the increase in the corporate tax rate to 25% and; iv) €273 million following the revaluation of assets for tax purposes in Italy.

The Group's adjusted effective tax rate for the year ended 31 March 2023 was 26.2% (2022: 27.9%). This is in line with our expectations for the year.

The adjusted effective tax rate excludes the amounts relating to Luxembourg, the impact of hyperinflation accounting in Turkey and the tax charge relating to the disposal of Vantage Towers which are set out above.

### Earnings per share

		Re-presented1	Reported
	FY23	FY22	change
	eurocents	eurocents	eurocents
Basic earnings per share	42.77c	7.71c	35.06c
Adjusted basic earnings			
per share <sup>2</sup>	11.45c	11.68c	(0.23)c

#### Notes

- 1. The results for the year ended 31 March 2022 have been re-presented to reflect that Indus Towers Limited is no longer reported as held for sale. Consequently, basic earnings per share increased by 0.51c, from 7.20c as previously reported, to 7.71c. Adjusted basic earnings per share increased by 0.65c, from 11.03c as previously reported, to 11.68c. See note 7 'Discontinued operations and assets held for sale' in the consolidated financial statements for more information.
- 2. Adjusted basic earnings per share is a non-GAAP measure. See page 219 for more information.

Basic earnings per share was 42.77 eurocents, compared to 7.71 eurocents for FY22. The increase is primarily attributable to the gains on disposal of Vantage Towers A.G. and Vodafone Ghana, partially offset by the loss on disposal of Vodafone Hungary.

Adjusted basic earnings per share was 11.45 eurocents, compared to 11.68 eurocents for FY22.

### Consolidated statement of financial position

The consolidated statement of financial position is set out on page 124. Details of the major movements of both our assets and liabilities in the year are set out below.

#### Assets

Goodwill decreased by  $\$ 4.3 billion between 31 March 2022 and 31 March 2023 to  $\$ 27.6 billion. This was primarily attributable to a decrease of  $\$ 3.9 billion from the disposal of subsidiaries in the year (see note 27 'Acquisitions and disposals' in the consolidated financial statements) and a net decrease of  $\$ 0.4 billion from foreign exchange movements.

Other intangible assets, which primarily comprises licence and spectrum, computer software and customer bases, decreased by  ${\in}1.8$  billion between 31 March 2022 and 31 March 2023 to  ${\in}19.6$  billion. This reflected an amortisation charge of  ${\in}4.0$  billion, a reduction from the disposal of subsidiaries of  ${\in}0.8$  billion and a net decrease from exchange movements of  ${\in}0.6$  billion, partly offset by additions of  ${\in}3.3$  billion in the year and an increase of  ${\in}0.5$  billion following the adoption of IAS 29 'Financial Reporting in Hyperinflationary Economies' (see note 1 'Basis of preparation' in the consolidated financial statements').

Property, plant and equipment decreased by €2.8 billion between 31 March 2022 and 31 March 2023 to €38.0 billion. This primarily reflected additions in the year of €5.9 billion and an increase of €0.7 billion following the adoption of IAS 29 (see above), which was offset by a depreciation charge of €5.6 billion, a reduction of €2.7 billion arising from the disposal of subsidiaries in the year and a net decrease of €1.0 billion from foreign exchange movements. Right-of-use assets arising from the Group's lease arrangements remain broadly consistent with the prior year with the recognition of lease arrangements on the de-consolidation of Vantage Towers A.G. offsetting disposals.

Current assets increased by  $\mathfrak{T}3.1$  billion between 31 March 2022 and 31 March 2023 to  $\mathfrak{T}30.7$  billion, primarily due to an increase of  $\mathfrak{T}4.2$  billion in cash and cash equivalents, partially offset by a  $\mathfrak{T}0.9$  billion decrease in other investments.

### Our targets and achievements

Over the last year we have made progress against many of our key purpose targets. Our Board-level ESG Committee provides oversight of our ESG programme and each of the purpose pillars has an executive-level sponsor.

### 60.7<sub>m</sub>

million customers connected to our financial inclusion services

We aim to connect 75 million customers to mobile money and financial inclusion services by 31 March 2026.

### 5.2m

V-Hub unique visitors

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

34%

Strategic report

management and senior leadership roles

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

5.0m

registered farmers on our agricultural platforms

We are supporting small and large commercial farms to digitalise.

100%

renewable electricity in European markets

Target achieved from July 2021, four years ahead of our original 2025 target.

reduction in Scope 1 and 2 emissions since 2020

By 2030 we aim to achieve net zero emissions from our operations (Scope 1 and 2) and halve our Scope 3 emissions.



Read more on page 32



Read more on page 29



Read more on page 33





Read more on pages 35 to 36



Read more on pages 35 to 36

### Materiality

We conducted a materiality assessment in 2021 to identify the material and emerging ESG issues relevant to our business, our stakeholders and the societies in which we operate. In FY23, we consider our material issues to be unchanged from the 2021 materiality assessment. Our Task Force on Climate-related Disclosures ('TCFD') report outlines an updated list of climate-related risks (reflecting the potential impact of society and environment on Vodafone).



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

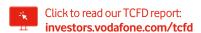
### Reporting frameworks

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

GRI Our Global Reporting Initiative ('GRI') 2023 disclosure is included in our 2023 ESG Addendum.



TCFD Disclosures prepared in accordance with the Task Force on Climate-related Disclosures ('TCFD') framework.



SASB Disclosures prepared in accordance with the Sustainability Accounting Standards Board's ('SASB') Standards.

Click to read our SASB disclosures: investors.vodafone.com/sasb

Vodafone supports the Ten Principles of the United Nations Global Compact ('UNGC').

Click to read our 2023 UNGC Communication on Progress: unglobalcompact.org

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

Click to read our CDP response: vodafone.com/sustainability-reports

### **External ESG assurance**

KPMG LLP has provided independent limited assurance over selected data within our ESG Addendum and this report, using the assurance standard ISAE (UK) 3000 and ISAE (UK) 3410 for selected greenhouse gas data. KPMG has issued an unqualified opinion over the selected data and their full assurance statement, along with the reporting criteria, is available in our ESG Addendum.

#### **ESG** governance structure

The Executive Committee has overall accountability to the Board for our sustainable business strategy and regularly reviews progress. Submissions to the ESG Committee are reviewed by the Purpose and Reputation Steering Committee that manages reputation risks and polices. We continue to include ESG measures in the long-term incentive plan for our senior leaders and each purpose pillar has an executive-level sponsor.



The ESG Committee supports the Board in providing 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.



### Workplace equality

As part of our purpose, we aim to make 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.

#### Our people

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

### **Key information**

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	2023	2022
Average number of employees <sup>1</sup>	96,117	95,008
Average number of contractors <sup>1</sup>	8,227	8,784
Number of markets where we operate	17	19
Employee nationalities	146	134
Employees and contractors across the Group <sup>2</sup>	!	
Europe <sup>3</sup>	45%	47%
Africa <sup>3</sup>	18%	18%
_VOIS and shared operations <sup>4</sup>	33%	32%
Other <sup>5</sup>	3%	3%
Employee experience		
Employee engagement index <sup>6</sup>	76	73
Alignment to purpose <sup>6</sup>	88%	93%
Voluntary turnover rate <sup>7</sup>	12%	14%
Involuntary turnover rate <sup>7</sup>	4%	3%

#### Notes:

- All headcount figures exclude non-controlled operations such as those in the Netherlands, Kenya, Australia and India. Further information on how headcount is defined and calculated can be found in the ESG Addendum. Calculation considers pro-rated headcount.
- 2. May not cast due to rounding.
- Europe reflects employees based in: Germany, UK, Italy, Spain; Portugal, Ireland, Greece, Romania, Czech Republic, Albania, and Hungary (until disposal in January 2023). Africa reflects employees based in: Vodacom Group, including Egypt and Ghana (until disposal in February 2023)
- VOIS and shared operations constitute a significant number of employees. The figures
  presented above include \_VOIS headcount across our footprint (Albania, Egypt, Hungary, India,
  Portugal, Romania and Spain), as well as headcount in our global Group entities.
- 5. Other includes employees based in Turkey and Vantage Towers.
- 6. More detail on the employee survey is included on page 13. 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 2022 data.
- The voluntary turnover rate includes retirements and death-in-service. Further information on how this has been calculated is included in the ESG Addendum.

### Diversity and inclusion

Our focus is on removing barriers to workplace equality. This year we have accelerated momentum on gender equality, sustained focus on LGBT+, built on our foundations on race and ethnicity, and taken actions to ensure the accessibility of our physical and digital workplace. 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. We believe that embedding inclusion to enable diversity is critical to achieving these goals in a sustainable way.

#### **Embedding inclusion**

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

Global Withstander training has been rolled out in eleven languages to upskill employees on how to become active allies by challenging negative and inappropriate behaviours when they witness them. Over 43,000 employees completed the Withstander training during the year.

We continued to engage with colleagues and raise awareness of why inclusion matters. During the year, we held global sessions focused on gender and ethnic diversity, the LGBT+ community, disabilities, and wellbeing. These received over 10,000 viewers across all webinars.

#### **Gender diversity**

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

We have reached 34% which is on track towards our ambition. We continue to drive progress through programmes, policies and leadership incentives.

	2023	2022
Women on the Board	54%	50%
Women on the Executive Committee	33%	29%
Women in senior leadership positions <sup>1</sup>	33%	31%
Women in management and senior leadership roles <sup>2</sup>	34%	32%
Women as a percentage of external hires	40%	42%
Women as a percentage of graduates	44%	53%
Women as a percentage of employees <sup>3</sup>	40%	40%

#### Notes

- Percentage of senior women in our top 162 positions includes the Executive Committee and Senior Leadership Team (FY22: 191).
- 2. Percentage of women in our 6,328 management and leadership roles (FY22: 6,727).
- 3. Percentage of women based on 93,095 total employees (FY22: 94,789). The total number of employees represents the position on 31 March 2023 and does not include pro-rated headcount. The total excludes employees from Ghan, Hungary, Vantage Towers and those that left the Company on 31 March 2023. Further information on how employees are defined and calculated can be found in the ESG Addendum.

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 in 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 fifth consecutive year.

Across youth programmes, 50% of hires were women. We have also now connected with over 11,000 girls via the digital skills programme 'Code Like a Girl' since 2017. The introduction of digital sessions, and the increase in demand from markets affected by the pandemic, has enabled us to connect with more girls this year.

#### Domestic violence

Our global domestic violence policy sets out comprehensive workplace resources, support, security and other measures for employees at risk of experiencing, and recovering from, domestic violence and abuse.

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 is a safe, easy-to-use app and website which provide support and information on how to respond to domestic abuse. The Vodafone Foundation's portfolio of 'Apps Against Abuse' has connected 2.4 million people to information, advice and support (FY22: 1.6 million people).

### Menopause

Our external research identified that 62% of women with symptoms of menopause found it impacted their work. We made a global ambition to support women experiencing menopause, including the release of a global toolkit which is freely available to download externally and menopause e-learning on common symptoms and the impact on work.

Vodafone Group Plc Strategic report Governance **Financials** Annual Report 2023

### Purpose (continued)

#### 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 2,300 women have utilised our maternity leave. Over 1,600 men have taken parental leave, with 72% of the latter taking four or more weeks of leave. Of those who identify as LGBT+, 2% have taken parental leave.

#### LGBT+

Alongside gender equality, we retained our focus on supporting the LGBT+ community with over 3,600 allies and active support from senior executive sponsors. We continue to be recognised as a Top Global Employer by Stonewall. The Vodafone Foundation launched the Zoteria app in the UK to help the LGBT+ community and the wider public to come together and tackle the issue of LGBT+ hate crime.

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

We continue greater workplace inclusion through allyship and anti-racism. REACH fluency training was first completed by all members of the Executive Committee, as well as their direct reports, to increase confidence and capability to talk about race. Since then, the training has been adapted to local context and been rolled out in our European markets. The plan also includes reciprocal mentoring, external cross-company mentoring and McKinsey Black Leadership Academy participation. In 2020, we set ethnic diversity targets at leadership level, which are summarised below.

Ethnic category	31 March 2023	Long-term ambition	Population
Global Ethnically diverse background	18%	2030: <b>25%</b>	Global Senior Leadership Team (140 positions)
UK Black, Asian, other diverse ethnicities	16%	2025: <b>20%</b>	UK-based senior leadership and management (1,323 positions)
<b>UK</b> Black	2%	2025: <b>4%</b>	_
South Africa Ethnically diverse background	67%	2030: <b>75%</b>	South African- based senior leadership and management (411 positions)

Read more about Board and executive management diversity on pages 75 to 76

#### 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 work environment.

Other information

During the year, we upskilled our people through continued promotion and education accessibility features available within Microsoft 365. We also have accessibility quidelines and these are reinforced by workshops and training for developers. Assessments were also conducted to improve the accessibility of our own products.

We also partnered with Coventry University to understand the skills needed for effective remote working, with research taking place in the UK, Ireland, Czech Republic, and Turkey. Colleagues from Vodafone took part in a new 'Remote4All' research project that shed light on the remote working experiences of people with disabilities and neurodivergent people, including communications, accessibility and technology use, work-life balance, social isolation, and manager support.

#### Leadership diversity

To better understand representation across the organisation and inform our diversity and inclusion programmes, we launched '#CountMeln', an 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<sup>1</sup>. Our senior leadership positions have the highest self-declaration rate at 85% and this enables transparency of our diversity at senior leadership.

	Gender identity <sup>1</sup>	Sexual orientation <sup>2</sup>	Ethnic diversity <sup>3</sup>	Disability <sup>4</sup>
Representation in senior				
leadership positions	1%	4%	18%	5%

#### Notes:

- 1. Self-identification of gender identity, including trans and non-binary identities, excluding cisgender
- 2. Lesbian, gay, bisexual, and other sexual orientations, excluding heterosexual.
- 3. Asian, Arab, Black/African/Caribbean, Latinx, mixed ethnic groups, and 'other' identities.
- 4. Self-identification of disability, including long-term conditions, visible and non-visible disabilities.

#### 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 100



### 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, a mental health toolkit, learning and development programmes, allyship training and menopause support, reinforced by the work of employee networks and executive sponsors. During the year, we refreshed our training for hiring managers and recruiters to support an inclusive candidate experience from application to offer stage. Programmes are designed to help employees through all life stages and challenge societal norms to create an environment where everyone can contribute at their best and thrive.



Read more about diverse talent, future ready skills and personalised employee experience on pages 13 to 15

## **Planet**

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Reducing our environmental impact and helping to decarbonise society is a part of Vodafone's purpose. Digital technology is key to saving energy, using natural resources more efficiently and creating a more circular economy to reduce e-waste. This year, the need for a green digital transition became ever more urgent, as the global climate crisis continued unabated while the energy crisis deepened.

Our Planet strategy centres around three key areas: net zero, enablement and circularity. We have set ourselves near- and long-term goals across these strategic topics to focus our efforts where we believe we can have the greatest impact. This year, we continued to progress towards our Planet goals. We also continued to integrate environmental considerations into the way we operate as a business by strengthening governance, data and systems, risk management, and engagement with our people — all important foundations for accelerating future action.

### Our Planet goals

2025

- Purchase 100% of the electricity we use globally from renewable sources<sup>1</sup>
- Reuse, resell or recycle 100% of our network waste

2030

- Net zero emissions from our operations and from energy we purchase and use (Scope 1 & 2)<sup>1,2,3</sup>
- Halve emissions from our value chain (Scope 3)1.2
- Enable 350 million tonnes of carbon emissions to be avoided through green digital solutions<sup>4</sup>

2040 — Net zero emissions across our full value chain (Scope 1, 2 & 3)<sup>23</sup>

#### Notes:

- Near-term targets are SBTi approved (since 2020) and are subject to re-validation as part of the current process to seek SBTi approval of our long-term (2040) net zero target. Our current SBTi approved near-term target includes reducing Scope 1 and 2 emissions by 95% by 2030.
- 2. Against a baseline of financial year ending 31 March 2020.
- 3. This year we amended our terminology from 'fully abate' to 'net zero', to align with definitions in the SBTi's Corporate Net Zero Standard. Going forward, we will seek to align our 2030 and 2040 net zero targets with the SBTi definition of net zero, which means that we will reduce our carbon emissions in absolute terms by 90-95% by our target year (in line with a science-based 1.5 degree pathway), and neutralise any residual emissions through high quality carbon offsetting.
- Cumulatively from 2020 to 2030, based on carbon emissions avoided by our business customers through the use of our green digital solutions, products and services.



Click to download our ESG Addendum which includes detailed methodologies for ESG data, including GHG emissions and energy data: investors.vodafone.com/esgaddendum



Read more about our TCFD disclosures on pages 58 to 59

#### Net Zero

**Goal:** To reduce our own carbon emissions to net zero (Scope 1 & 2) by 2030 and across the full value chain (Scope 3) by 2040.

We recognise the urgent need to address the global climate crisis. The information and communication sector (ICT) is responsible for an estimated 1.8% to 2.8% of global greenhouse gas emissions. As we move towards an ever more digital society, with increasing volumes of internet use and mobile data traffic, we are committed to driving down our emissions in absolute terms as well as shifting our energy mix to renewable sources, in line with what is required by science to avoid negative impacts of climate change.

In 2020 we set a SBTi 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 by SBTi for the ICT sector (setting out specific emissions reduction trajectories for mobile, fixed and data centres).

This year, we progressed on our journey to net zero and developed business plans to implement the actions required to reduce our carbon emissions in line with this pathway. As a next step, we are developing our first climate transition plan outlining our key areas for action, collaboration, and advocacy to achieve our goal of net zero emissions across our full value chain by 2040. We are in the process of having our long-term (2040) net zero targets approved under the SBTi Corporate Net Zero Standard.<sup>2</sup>

 $\pmb{\text{Our FY23 performance:}}$  Our total Scope 1 and market-based method Scope 2 GHG emissions decreased by 10% to 0.97 million tonnes of  $\text{CO}_2\text{e}$  (carbon dioxide equivalent), equivalent to a 52% reduction from our FY20 baseline. Our Scope 3 emissions increased by 5% to 10.1 million tonnes of  $\text{CO}_2\text{e}$ , representing a 7% increase from our FY20 baseline, mainly due to improvements in our Scope 3 data and calculation methodology.

#### Notes:

- 1. Freitag, C. et al. (2021), The real climate and transformative impact of ICT: A critique of estimates, trends, and regulations.
- Continued validation of our long-term net zero target from SBTi, has faced delays due to a high volume
  of companies currently seeking target validation. Subject to the validation process by the SBTi, our long
  term net zero target may change as part of the validation process.

### Our performance<sup>1</sup>

	Unit	2023	2022
Total Scope 1 and Scope 2 emissions (market-based)	Million tonnes of CO₂e	0.97	1.08
Scope 1 emissions	Million tonnes of CO <sub>2</sub> e	0.28	0.28
Scope 2 emissions (market-based) <sup>2</sup>	Million tonnes of CO <sub>2</sub> e	0.69	0.80
Scope 2 emissions (location-based)	Million tonnes of CO₂e	2.08	1.99
Scope 3 emissions	Million tonnes of CO <sub>2</sub> e	10.1	9.60
Investments	Million tonnes of CO <sub>2</sub> e	3.03	3.04
Purchased goods and services and capital goods	Million tonnes of CO <sub>2</sub> e	2.73	3.90
Use of sold products	Million tonnes of CO <sub>2</sub> e	1.10	1.73
Fuel and energy-related activities	Million tonnes of CO <sub>2</sub> e	0.78	0.81
All other scope 3 categories	Million tonnes of CO₂e	2.46	0.12
Renewable electricity			
Percentage of purchased electricity from renewable sources	%	81	77
Percentage of purchased electricity from renewable sources in Europe	%	100	96
GHG emissions intensity			
Scope 1 and 2 (market-based) GHG emissions per EURm revenue	Tonnes of CO₂e	21.2	23.6
Vodafone energy use	Gigawatt hours	6,274	6,125
Mobile and fixed access network and technology centres	Gigawatt hours/%	5,847/93	5,694/93
Offices and retail stores	Gigawatt hours/%	241/4	249/4
Transport	Gigawatt hours/%	185/3	181/3

#### Notes:

- 1. Data is calculated using local market actual or estimated data sources from invoices, purchasing requisitions, direct data measurement and estimations. Carbon emissions calculated in line with GHG Protocol standards. Scope 2 market-based emissions are reported using the market-based methodology as in effect as at the date of this report. For full methodology see our ESG Addendum 2023.
- 2. Scope 2 emissions for FY22 have been restated following the correction or inclusion of data points in line with our reporting methodology. In addition, emissions for the UK have been restated to apply the correct emissions factor.

### **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') 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

For the year ending 31 March 2023, we are consistent with 10 out of 11 TCFD recommendations. There is one recommendation with which we are currently partially consistent:

Metrics and targets (physical risks): We measure and have set ambitious targets for reducing our carbon emissions. We also have metrics in place to measure our energy use, which is one underlying factor in our exposure to transition risk. As a measure of the climate opportunity associated with developing and deploying products to help society decarbonise, we also report annually on the carbon emissions avoided through the use of green digital solutions. This year, we also began measuring our physical risk exposure and management based on the number of infrastructure assets that are at high or very high risk of climate impacts such as extreme weather events. Whilst these are important steps forward on our climate-related risk disclosure journey, we recognise that we do not yet have metrics and targets in place to measure our full suite of climate risks.

Our disclosure this year improves upon our position in 2022, when we were only consistent with eight out of 11 recommendations. In this year's report, we are pleased to include further detail on the impact of climate-related risks and opportunities on our business strategy and financial planning, and a quantitative measure of the number of assets at high or very high risk of physical climate change. As industry practices evolve and our internal programme matures, we aim to address the remaining gaps in our climate-related risk management and reporting approach over the next three years.

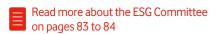
### **TCFD** reporting

As with last year's disclosure, we have once again published our comprehensive TCFD overview 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 across our full value chain (Scope 1, 2 and 3) by 2040. The Board's Audit and Risk Committee has oversight of our climate-related risks and opportunities. In addition, the ESG Committee provides 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 Network Officer is responsible for the overall management of the physical risks to Vodafone due to the nature of our business.

In addition, our Remuneration Policy incorporates our ESG priorities in the long-term incentive plan. For the 2023 award, the ESG measure under the long-term incentive plan includes an ambition on planet linked to our aim of reaching net zero for our own operations under Scope 1 and 2 by 2030.

Read more about ESG measures in our long-term incentive plan on pages 93 to 106

#### TCFD recommendations

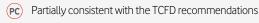
We have considered our 'comply or explain' obligation under the UK's Financial Conduct Authority Listing Rules and have detailed in the table below the 11 TCFD recommendations with which we are fully or partially consistent

	Governance
С	a. Describe the Board's oversight of climate-related risks and opportunities
С	<ul> <li>Describe management's role in assessing and managing climate-related risks and opportunities</li> </ul>
Progres	Strategy
С	c. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term
С	<ul> <li>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</li> </ul>
С	e. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
Progres	Risk Management
С	f. Describe the organisation's processes for identifying and assessing climate-related risks
С	g. Describe the organisation's processes for managing climate-related risks
С	<ul> <li>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</li> </ul>
Progres	Metrics and Targets
Pro	

#### Key

c Consistent with the TCFD recommendations

performance against targets



j. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3

manage climate-related risks and opportunities and

k. Describe the targets used by the organisation to

greenhouse gas (GHG) emissions, and the related risks

(c)

(PC)

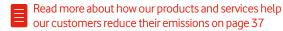
### **Strategy**

This year, we once again conducted our annual exercise to refresh the assessment of the top climate-related risks and opportunities to ensure we are incorporating any change in 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 and volatility in the energy market.

Last year, we built on our previous climate scenario work and considered our resilience against key climate-related risks and opportunities. That work included mapping the current controls in place and the strength of those controls for each material risk and opportunity. Overall, we have controls in place for all identified key risks and this helps us 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 that monitor and drive progress to maintain and meet expectations from key stakeholders. This year, we took further steps to improve energy efficiency and limit exposure to energy market volatility as it is a key short-term risk. 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.



This year, we also conducted a scenario analysis focusing on the potential impact of physical climate-related risks on specific types of our infrastructure assets, with the aim of understanding how our infrastructure asset portfolio is expected to evolve in the long term under different climate change scenarios. This exercise will inform our longer-term resilience plans related to physical climate-related risks, such as damage to our infrastructure.

#### **Risk management**

We have aligned our climate-related risk management process with our overall risk management framework. Climate change was discussed and considered during the principal risk assessment process and it was once again placed on our risk watchlist.



To ensure a robust identification and assessment of climate-related risks and opportunities we use 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 and targeted discussions.

We evaluate the materiality of the identified risks and opportunities by assessing their likelihood and impact using our global risk management framework. This process helps 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.

### 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 (Scope 1, 2 and 3) by 2040 and purchasing 100% renewable electricity in all markets by 2025. Since July 2021, our European network has been 100% powered by electricity from renewable sources.



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 mature further in this area as industry practices and better-quality data become available.

Read more about our existing environmental KPIs on pages 35 to 38

## **Material climate-related risks and opportunities**Physical risks:

- Damage to infrastructure caused by increasing frequency and severity of extreme weather events, including wildfires, flooding,
- Interruption or reduction in the quality of services due to increased precipitation and extreme weather events
- Supply chain disruption due to climate impacts on key suppliers
- Increases in global temperatures leading to an increase in the consumption of energy for cooling

### Transition risks:

and storms

- Increasing stakeholder scrutiny over our environmental performance impacting revenue, market share and reputation
- Rising price of energy (renewable and non-renewable)
- Emerging carbon regulations and carbon taxation
- Changing mandates and regulations over infrastructure energy efficiency
- Third-party dependency impacting our ability to meet carbon targets and improve efficiencies

#### Opportunities:

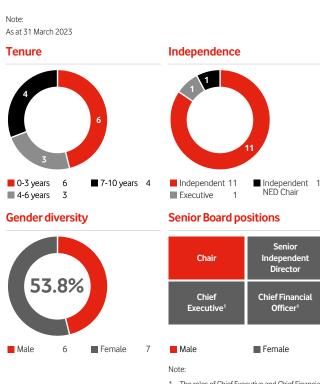
- Development of new product lines enabling customers to better manage climate-related impacts
- Reduced costs through sustainable procurement

### Governance at a glance

## Leadership, governance and engagement

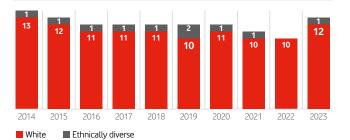
### **Our Board**

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.

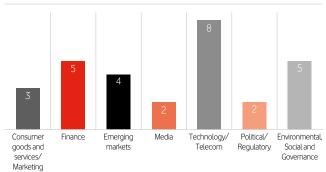


### **Ethnicity**

#### The roles of Chief Executive and Chief Financial Officer are held by Margherita Della Valle.



### 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 2023. 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
Stephen Carter <sup>1</sup>	4/4	2/2	_	_	_
Delphine Ernotte Cunci <sup>1</sup>	4/4	_	_	2/2	_
Sir Crispin Davis	6/6	3/46	_	_	_
Margherita Della Valle	6/6	_	_	_	_
Michel Demaré	6/6	4/4	4/57	4/57	_
Dame Clara Furse	6/6	_	_	5/5	2/2
Valerie Gooding	6/6	4/4	_	5/5	2/2
Deborah Kerr	5/6	-	4/54	_	_
Amparo Moraleda	6/6	_	5/5	-	2/2
David Nish	5/65	· _	5/5	_	_
Christine Ramon <sup>2</sup>	2/2	_	_	_	_
Nick Read <sup>3</sup>	4/4	_	_	_	_
Simon Segars <sup>1</sup>	4/4	_	_	_	1/1
Jean-François van Boxmeer	6/6	4/4	_	_	_

#### Notes:

- $1. \ \ \, \text{Stephen Carter, Delphine Ernotte Cunci and Simon Segars joined the Board on 26 July 2022}.$
- 2. Christine Ramon joined the Board on 14 November 2022
- 3. Nick Read stepped down from the Board on 31 December 2022.
- Deborah Kerr was unable to attend one scheduled meeting of the Board due to ill health and one scheduled meeting of the Audit and Risk Committee due to personal reasons.
- 5. David Nish was unable to attend one scheduled meeting of the Board due to a scheduling conflict.
- Sir Crispin Davis was unable to attend one scheduled meeting of the Nominations and Governance Committee due to time zone differences.
- 7. Michel Demaré was unable to attend one scheduled meeting of the Audit and Risk Committee and one scheduled meeting of the Remuneration Committee due to a family emergency.

#### **Board evaluation**

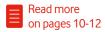
Progress in the year

The 2023 Board evaluation reported improvements had been achieved in:

- Appointing four new Non-Executive Directors, each bringing extensive technology and telecommunications experience;
- devoting more time to strategy by holding several strategic deep-dive sessions during the year to enhance free-flowing discussions; and
- establishing a Board sub-committee to consider mergers and acquisitions ('M&A') transactions.



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





Click or scan to watch conversations with our Non-Executive Directors: investors.vodafone.com/videos

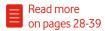
The 2022 AGM was held at Vodafone UK's headquarters in Newbury, Berkshire and was available to watch live via a webcast for those shareholders who were unable to attend in person. Shareholders were able to pre-submit questions or, if attending in person, ask questions on the day, for consideration by the Directors at the meeting. We intend to hold the 2023 AGM in the same format.



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

### Purpose and the 'Spirit of Vodafone'

Our purpose 'We connect for a better future' is at the core of our strategy, enabling inclusive and sustainable digital society. It has guided actions at every level throughout the year.



The Board understands the importance of culture and setting the tone of the organisation from the top and embedding it throughout the Group. We refer to our culture as the 'Spirit of Vodafone'. It is a key component for our strategic, organisational and digital transformation. The aim of our people strategy is to create an environment where growing never stops and everyone can truly belong, innovate, and fulfil their potential. We continue to hold quarterly 'Spirit of Vodafone' days for our employees, designed to provide dedicated space for personal growth, wellbeing and connection. The Board receives regular updates on employee engagement and the 'Spirit of Vodafone', which enables it to make informed decisions where appropriate.



Read more about our culture and people strategy on pages 13-15

### The year ahead

On 10 May 2023, the Board approved the creation of a Technology Committee as a new Board Committee. Once established, during the course of this year, the Committee will oversee the technology strategy and how it supports the overall Company strategy. Further information on this Committee will be shared in next year's report.

A key focus for myself and the Board will be completing the appointment process for a new Group Chief Financial Officer and supporting that individual as they step into the role alongside Margherita Della Valle.

In addition, the Board will continue to drive for better returns for shareholders and will monitor the Company's progress on the execution of Vodafone's strategy focusing on Customers, Simplicity and Growth. The Board will keep the Group's strategy under review, adapting it to anticipate or respond to opportunities and risks in the markets in which we operate.

### Jean-François van Boxmeer

Chair of the Board

### Compliance with the 2018 UK Corporate Governance Code (the 'Code')

In respect of the year ended 31 March 2023 Vodafone Group Plc was subject to the Code (available from www.frc.org.uk). The Board is pleased to confirm that Vodafone applied the principles and complied with all the provisions of the Code throughout the year. Further information on compliance with the Code can be found as follows:

Board leadership and Company purpose	Read more
Long-term value and sustainability	26-50 (57)
Culture	13-15 40
Shareholder engagement	10-12 62-63
Other stakeholder engagement	10-12 85
Conflicts of interest	75
Role of the Chair	70
Division of responsibilities	Read more
Non-Executive Directors	65-67 70
Independence	60 (75)
Composition, succession and evaluation	Read more
Appointments and succession planning	61-62 74-75
Skills, experience and knowledge	60 65-67
Length of service	60 65-67
Evaluation	60 (73)
Diversity	14 60 62 75-76
Audit, risk and internal control	Read more
Committee	77-82
Integrity of financial statements	57 (78-82) (112)
Fair, balanced and understandable	79 111-112
Internal controls and risk management	81
External auditor	82
Principal and emerging risks	51-59 81
Remuneration	Read more
Policies and practices	85-106
Alignment with purpose, values and long-term	n strategy <b>85-89</b>
Independent judgement and discretion	86 94

### Disclosure Guidance and Transparency Rules

We comply with the Corporate Governance Statement requirements pursuant to the FCA's Disclosure Guidance and Transparency Rules by virtue of the information included in this 'Governance' section of the Annual Report together with information contained in the 'Shareholder information' section on pages 230 to 235.

## **Our Board**

### Our business is led by our Board of Directors.

Biographical details of the Directors as at 16 May 2023 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

Chair - Independent on appointment

Tenure: 2 years

#### Career and experience:

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.

#### Skills and attributes which support strategy and long-term success:

- Extensive international experience in driving growth through both business-to-business and business-to-consumer business models, both of which are integral components of the Company's strategy and lona-term success.
- Exposure to overseeing the management of complex and far-reaching transformational projects, including specific hands-on experience of the countries in which the Company operates.
- Skilled communicator with a strong track record of developing stakeholder relations and overseeing governance in the context of a large global firm, which, in his capacity as Chair of the Board, continues to be of great value to the Company.

#### External appointments:

Heineken Holding N.V., non-executive director

### Margherita Della Valle

Group Chief Executive and Chief Financial Officer - Executive Director Tenure: 4 years

### Career and experience:

Margherita was appointed Group Chief Financial Officer in 2018, and Group Chief Executive on 1 January 2023. Margherita's previous roles within Vodafone were Deputy Chief Financial Officer from 2015 to 2018, Group Financial Controller, Chief Financial Officer for Vodafone's European region and Chief Financial Officer for Vodafone Italy. She joined Omnitel Pronto Italia – which later became Vodafone Italy – in 1994 and held key senior positions in consumer, marketing, business analytics and customer base management before moving to finance. After moving to a Group finance position in 2007, Margherita established a number of shared operations functions, which now employ over 30,000 people and provides a portfolio of services spanning IT operations, customer care, supply chain management, human resources and finance operations to 27 partners in other markets.

### Skills and attributes which support strategy and long-term success:

Strong commercial and operational leadership with expert knowledge of the global telecommunications landscape after close to three decades of direct industry experience.

- Considerable corporate finance and accounting experience, translating into an expert understanding of capital allocation, operational efficiency and investment appraisal.
- After almost 30 years at Vodafone, Margherita has a strong personal affiliation and understanding of the Company's culture and values, which help her represent the Company to all stakeholders and develop and implement the strategy.
- Proven record of developing the next generation of talent, including senior leadership within Vodafone and more broadly through her founding of NXT GEN Women in Finance, an initiative where European Chief Financial Officers identify, mentor and promote rising female stars in finance.

### External appointments:

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

### Stephen A. Carter CBE (N)

**Non-Executive Director** 

Tenure: <1 year

#### Career and experience:

Since becoming Group CEO of Informa plc in 2013, Stephen has led Informa plc through a transformation into an international leader in B2B events, digital services and academic markets and is now a FTSE 50 Company. Prior to Informa, Stephen was President and Managing Director at Alcatel-Lucent, where he played a key role in restructuring the business, and investing in next-generation mobile network equipment product development delivery. Stephen also served a term as the founding CEO of Ofcom, where he brought together five different regulatory authorities. After Ofcom, the UK's telecommunication regulator, Stephen served as Chief of Strategy for the UK's Prime Minister, and then as a Minister of State for Communications, Technology & Broadcasting. Stephen later served as a non-executive director for the Department for Business, Energy and Industrial Strategy from 2016-2020.

### Skills and attributes which support strategy and long-term success:

- Track record of value creation, with specific experience in the telecoms and media sectors.
- Experience in public policy, government affairs and regulatory engagement, which is welcomed in relation to the highly regulated environment within which the Company operates.

#### External appointments:

- Informa plc, group chief executive

### Michel Demaré (A) (R)

**Non-Executive Director** 

Tenure: 5 years

#### Career and experience::

Michel began his career at Continental Bank SA, Belgium, before spending 18 years with The Dow Chemical Company in several finance and strategy responsibilities in Benelux, France, the US and Switzerland. He was Chief Financial Officer Europe for Baxter International from 2002 to 2005, and Chief Financial Officer at ABB Group from 2005 to 2013. He also served as Interim CEO of ABB during 2008. He was independent vice-chairman at UBS Group from 2009 to 2019, and vice-chairman/chairman of Syngenta AG from 2013 to 2017.

### Skills and attributes which support strategy and long-term success:

- Proven multinational business leader with substantial international finance, strategy and M&A experience.
- Highly skilled in governance and corporate stewardship, which Michel brings both to the Board and to each of the Committees of the Company on which he sits.

### External appointments:

- AstraZeneca plc, non-executive chair, chair of the nomination and governance committee and member of the remuneration committee.

### Committee key









Nominations and Governance Committee



Remuneration Committee



### Governance (continued)

### **Delphine Ernotte Cunci** (R)

**Non-Executive Director** 

Tenure: <1 year

#### Career and experience:

Since 2015, Delphine has been President of France Télévisions, the French national public television broadcaster. Her mandate was extended in 2020, the first time this has happened to an incumbent President. Prior to that, Delphine spent 26 years at Orange S.A., where she became Deputy CEO in 2010 and led the successful turnaround of Orange France.

#### Skills and attributes which support strategy and long-term success:

- Considerable experience in the telecoms sector and, more recently, in media and technology, which enhances Board understanding of trends relevant to the Company's operations and the wider European regulatory environment.
- Delphine's engineering background and distinguished career at Orange provide a firm grounding to the Board's evaluation of specific opportunities within the telecoms and connectivity space.

### Deborah Kerr (A)

Non-Executive Director

Tenure: 1 year

#### Career and experience:

Deborah is Managing Director at Warburg Pincus, where she serves as co-head of Value Creation. Deborah has previously held senior executive roles and non-executive appointments across a range of sectors, including senior executive roles at Sabre, the travel technology company, Fair Isaac Corp, the data analytics business, and Hewlett-Packard Company, where she was Chief Technology Officer for HP's Enterprise Services operations. Until recently, Deborah was also a non-executive director of EXLservice Holdings Inc, the business process solutions company. Deborah has also held non-executive roles at International Airline Group, the airline conglomerate, DH Corporation, a global FinTech solutions and service provider, and Mitchell International Inc, a privately owned global technology business.

### Skills and attributes which support strategy and long-term success:

- A wealth of technological expertise, including an understanding of complex digital transformations, which continues to be central to the next phase of the Company's growth.
- Detailed knowledge of the technology market, which, in the context of her role as a member of the Audit and Risk Committee, affords insights into the risk profile of the Company as well as the sectors and markets within which it operates.

### 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) (E)



Non-Executive Director

Tenure: 5 years

### Career and experience:

Amparo received a degree in Industrial Engineering from Comillas Pontifical University in Madrid and is also an IESE AMP graduate. She joined IBM in 1988 and spent more than 20 years with the company, becoming President of IBM Southern Europe in 2005. In 2009, Amparo joined Iberdrola S.A. where she was Chief Operating Officer of the International Division until 2012. Amparo is a member of the Royal Academy of Economic and Financial Sciences and was inducted into the Women in Technology International Hall of Fame in 2005.

### Skills and attributes which support strategy and long-term success:

- A background in engineering, IT and technology allows Amparo to act as a balanced and highly knowledgeable sounding board in technical Board discussions and is of great utility to her role as a member of the Audit and Risk Committee.
- Corporate social responsibility experience and her experience as a champion of inclusion and diversity are significant assets in the context of her role as Chair of the Company's ESG Committee.

#### External appointments:

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

### David Nish (A)

### Tenure: 7 years

#### Career and experience:

David was Group Finance Director of Scottish Power Plc from 1999 to 2005 having joined the company as Deputy Finance Director in 1997. Additionally, he was the Chief Executive Officer of Standard Life Plc from January 2010 to September 2015 having joined the company as Group Finance Director in November 2006. David was also a former Partner at Price Waterhouse, where he began his career as a trainee. Previous non-executive positions held by David include boards of London Stock Exchange Group Plc, Zurich Insurance Group Ltd, UK Green Investment Bank plc, Northern Foods Plc, Thus Plc, HDFC Life (India) and Royal Scottish National Orchestra. He was Deputy Chairman of the Association of British Insurers. He was also formerly a member of the City UK Board Advisory Committee and the Financial Services Advisory Board of the Scottish Government.

### Skills and attributes which support strategy and long-term success:

- Wide-ranging operational and strategic experience as a senior leader and a deep understanding of financial and capital markets.
- Significant finance experience, bringing strong direction as the Chair of the Audit and Risk Committee through a focus on the risk and control environment and Group resilience.

#### 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

### Christine Ramon (A)

**Non-Executive Director** 

Tenure: <1 year

### Career and experience:

Until recently Christine was Chief Financial Officer and executive director of AngloGold Ashanti Ltd, a global gold mining company. Prior to AngloGold Ashanti, she was Chief Financial Officer of Sasol Ltd, a South African energy and chemicals company. Christine was also a former Chief Executive Officer at Johnnic Holdings Ltd, an investment holding company with interests in media, entertainment and telecommunications prior to joining Sasol. Additionally, she has worked at Pepsi as a Financial Controller. Christine has held non-executive director roles at the International Federation of Accountants, the global organisation for the accountancy profession, MTN Group Ltd, a South African telecommunications company, Lafarge S.A., a cement company, and Transnet SOC Ltd, a South African rail, port and pipeline company.

### Skills and attributes which support strategy and long-term success:

- Considerable experience of African markets, which aid the Company with its ambition to be a best-in-class telco in Europe and Africa.
- Up-to-date investor relations experience and strong ambassadorial skills developed through a distinguished executive career to date.
- Highly experienced corporate financial executive with extensive board expertise. This will supplement the Board's financial, commercial and strategic expertise.

#### External appointments:

Clicks Group Limited, non-executive director

### Simon Segars (E)

**Non-Executive Director** 

Tenure: <1 year

#### Career and experience:

Simon was previously the CEO of Arm Ltd., the global leader in the development of semiconductor intellectual property. He successfully led the business from 2013 to 2022 and generated significant value for

investors during his tenure. During 2017-2021, Simon was also a Board member of the SoftBank Group. Prior to joining Arm in 1991, he was an engineer at Standard Telephones and Cables.

### Skills and attributes which support strategy and long-term success:

- Possesses significant understanding of technology trends and how these are reshaping industry landscapes, which are important in charting the Company's long-term strategic direction.
- Proven history of business transformation and corporate strategy in dynamic and swiftly evolving commercial environments.

### External appointments:

Dolby Laboratories, Inc., non-executive director

### **Retiring Directors**

Sir Crispin Davis, Dame Clara Furse and Valerie Gooding will not be seeking re-election at the 2023 Annual General Meeting and will therefore retire from the Board at the conclusion of the Meeting on 25 July 2023. The Company announced on 10 May 2023 that with effect from the conclusion of the 2023 AGM, David Nish shall be appointed the Senior Independent Director, Amparo Moraleda shall be appointed Chair of the Remuneration Committee and both Delphine Ernotte Cunci and Christine Ramon shall be appointed Workforce Engagement Leads.

### Sir Crispin Davis (N)

**Non-Executive Director** 

Tenure: Almost 9 years

### Career and experience:

Sir Crispin was formerly the Chief Executive of RELX Group plc (formerly Reed Elsevier) and the digital agency Aegis Group plc, and group managing director of Guinness plc (now Diageo plc). Sir Crispin began his executive career with Procter & Gamble, where he held a variety of senior management roles including as president of the company's North American Food Business. In his non-executive career, Sir Crispin was the chairman of StarBey Consumer Industries BV from 2009 to 2012 and was a non-executive director on the board of GlaxoSmithKline plc from 2003 to 2013, where he chaired the remuneration committee. He was knighted in 2004 for services to publishing and information.

### Skills and attributes which support strategy and long-term success:

- Sir Crispin's wide-ranging experience as a business leader within the international technology market, which is key to the Company's operational practice.
- Strong commercial background, which has been leant on during his tenure in the Board's evaluation of strategic investment decisions.

### Dame Clara Furse DBE (E) (R)

**Non-Executive Director** 

Tenure: Almost 9 years

### Career and experience:

Dame Clara was the Chief Executive of the London Stock Exchange Group plc from 2001 to 2009. She was also previously Group Chief Executive of Credit Lyonnais Rouse Ltd and Managing Director, Global Futures and Options at UBS AG. Dame Clara is also Chair of the UK Voluntary Carbon Markets Forum, which aims to operationalise London's market for global voluntary carbon credits to accelerate the transition to net zero. Her previous non-executive career includes board appointments at Amadeus IT Group S.A. (2010-2022), Nomura Holdings Inc (2010 to 2017), Legal & General Group plc (2009 to 2013), Euroclear plc (2002 to 2009), Fortis (2006 to 2008) and LIFFE Holdings plc (1991 to 1999). In 2008 she was appointed Dame Commander of the Order of the British Empire.

### Skills and attributes which support strategy and long-term success:

- Over her tenure, Dame Clara has brought a deep understanding of international capital markets, regulation, service industries and business transformation to Board discussions.
- Direct and contemporaneous involvement in innovative initiatives to drive the transition to net zero has allowed Dame Clara to contribute significantly to the refinement of the Company's ESG strategy as a member of its ESG Committee.

### External appointments:

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

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

Senior Independent Director and Workforce Engagement Lead

#### Career and experience:

Tenure: 9 years

Valerie held the position of Chief Executive of British United Provident Association ('Bupa') for 10 years between 1998 and 2008, following a successful tenure as Managing Director. Prior to joining Bupa, Valerie spent 23 years working with British Airways plc, where she held a number of positions, including head of Cabin Services, head of Marketing, director of Business Units and director for Asia Pacific. Valerie has also held a variety of non-executive positions in the past, including as non-executive chairman of Premier Farnell plc and Aviva UK, lead non-executive director at the Home Office and a non-executive director of Standard Chartered Bank plc, the BBC, J. Sainsbury plc, Compass Group plc, BAA plc and CWC Communications plc. Valerie was awarded a CBE in 2002 for services to business.

#### Skills and attributes which support strategy and long-term success:

- Valerie brought a wealth of international business experience obtained at companies with high levels of customer service, which is of critical importance to the Company's future success.
- Valerie's varied experience of other organisations, industries and contexts through a large number of prior non-executive positions added a depth of perspective to Board discussions.
- People-centric and highly personable leadership style which, together with her focus on leadership and talent, has been essential to roles as the Company's Senior Independent Director, Remuneration Committee Chair and Workforce Engagement Lead.

### Committee key









Governance Committee



Remuneration Committee



Solid background signifies Committee Chair

## **Our Executive Committee**

Biographical details of the Executive Committee, as at 16 May 2023 are provided below.

### Margherita Della Valle

**Group Chief Executive and Chief Financial Officer** 

Read more about the Group Chief Executive and Chief Financial Officer on page 65

#### **Scott Petty**

### Vodafone Group Chief Technology Officer (CTO)

Scott joined Vodafone in 2009 and has held positions in Vodafone Business Product Management and Technology before becoming UK CTO in 2017. He has been the Chief Digital & Information Officer since April 2021 as part of a newly created integrated European-wide Technology team to drive the transformation to achieve Vodafone's ambition to become a Next Generation Telco. Previously, Scott held a number of Executive roles at Dimension Data, as Group Executive – Services, Chief Operating Office – Australia and as Chief Information Officer – Australia. Scott joined the Executive Committee in January 2023.

### Alberto Ripepi

### **Group Chief Network Officer (CNO)**

Since joining Vodafone in 2001, Alberto has held various roles in technology including CTO of Italy, CTO of Europe and Operational director for Group Technology. Alberto joined the Executive Committee in January 2023 and is responsible for strategy, architecture, design and operating the Vodafone network in Europe.

### **Vinod Kumar**

#### **CEO Vodafone Business**

Vinod Kumar joined Vodafone and the Executive Committee as CEO Vodafone Business in September 2019. He is responsible for Vodafone's enterprise business globally. Prior to joining Vodafone, Vinod was the Managing Director and CEO of Tata Communications Ltd from 2011, after joining the company as Chief Operating Officer in 2004. He was also a member of the company's board from 2007 to 2019.

### **Leanne Wood**

#### **Chief Human Resources Officer**

Leanne joined Vodafone as Chief Human Resources Officer and a member of the Executive Committee on 1 April 2019. She is responsible for leading Vodafone's people and organisation strategy which includes developing strong talent and leadership, effective organisations, strategic capabilities and an engaging culture and work environment. Previously Leanne was the Chief People, Strategy and Corporate Affairs Officer for Burberry plc from 2015. Leanne was appointed to the Vodacom Group Board in July 2019 and is a current Non-Executive Director and member of the Audit, Corporate Responsibility and Nomination and Remuneration Committees at Compass Group plc.

### **Joakim Reiter**

### Chief External and Corporate Affairs Officer

Joakim, an Executive Committee member since August 2017, is Vodafone's Chief External and Corporate Affairs Officer, responsible for public relations and corporate affairs, including policy and regulation, communications, security, sustainability and charitable activities. He currently sits on the Board of the Swedish Space Corporation. Before joining Vodafone, Joakim served as Assistant Secretary-General of the United Nations and has also been Ambassador to the World Trade Organisation, served as a Swedish senior diplomat to the EU, a trade negotiator in the European Commission, and has had a longstanding career in the Swedish Foreign Service.

### Maaike de Bie

#### **Group General Counsel and Company Secretary**

Maaike de Bie was appointed Group General Counsel and Company Secretary on 1 March 2023 and has responsibility for the Group legal, compliance, risk and company secretariat functions as well as advising the Board on all

aspects relating to corporate governance. She previously served as General Counsel and Company Secretary of easyJet plc and before that as General Counsel of Royal Mail plc. An experienced international lawyer, Maaike is dual qualified in both the US and UK, with almost 30 years of experience. Maaike is currently a Board Member of General Counsel for Diversity & Inclusion (GCD&I), an organisation which promotes greater diversity, equity and inclusion in the legal sector. She is also a Trustee of the charity, Blueprint for Better Business.

### Serpil Timuray

#### **CEO Europe Cluster**

Serpil is an Executive Committee member since January 2014 and was appointed as the CEO of the Europe Cluster in October 2018. She also oversees Vodafone's interest in the joint venture companies in Netherlands, Australia and India as well as Vodafone Partner Markets in 48 countries. She is the Chairperson of Vodafone Turkey, the Vice-Chairperson of VodafoneZiggo in Netherlands and a Non-Executive Director of TPG Telecom plc in Australia. Prior to her current role, she was the Group Chief Commercial Operations and Strategy Officer.

### Philippe Rogge

### **CEO Vodafone Germany**

Philippe joined the Executive Committee on 1 July 2022 and as CEO is responsible for Vodafone Germany business. Philippe joined Vodafone after more than a decade with Microsoft including his most recent role as President, Central and Eastern Europe, based in Germany. Amongst other responsibilities, he led sales, channels and marketing and accelerated annual growth to double digits. His global career at Microsoft included senior roles such as Chief Operating Officer China, General Manager Belgium and Luxembourg, and General Manager Portugal.

#### **Ahmed Essam**

#### **CEO Vodafone UK**

With 20 years of experience in the fields of Telecommunications, Strategy, Financial Planning, Commercial Management and General Management, Ahmed joined the Executive Committee in 2016 and was appointed CEO of Vodafone UK effective 1 February 2021, where he is responsible for all Vodafone resources in country. Ahmed has been Group Chief Commercial Operations and Strategy Officer since 2018 and prior to this he was CEO of the Europe Cluster. Ahmed joined Vodafone in 1999 and has held a variety of roles including Customer Care Director and Consumer Business Unit Director and has also previously been the Group Management Director for Vodafone's Africa, Middle East and Asia-Pacific region and has held a number of senior roles within Vodafone's Group Commercial functions.

### **Aldo Bisio**

### Chief Commercial Officer and CEO Vodafone Italy

Aldo was appointed Group Chief Commercial Officer in January 2023. He was appointed Chief Executive Officer of Vodafone Italia in January 2014 and joined the Executive Committee in October 2015. Aldo is responsible to drive Group's commercial and brand strategy through CX Excellence and the delivery of new digital services for the consumer segment. As CEO of Italy he is fully accountable to steer local commercial strategy and drive operational excellence. Prior to joining Vodafone, Aldo held the position of Group Managing Director of Ariston Thermo Group from 2008 and he was then named Group Chief Executive Officer in 2010. Being part of McKinsey & Co previously, he held different positions in strategic consultancy focusing on the telecommunications and media industries.

### **Shameel Joosub**

### CEO Vodacom Group

Shameel joined Vodafone in 1994 and currently serves as Chief Executive Officer at Vodacom Group Limited, a position he has held since 2012. He has extensive telco experience having operated at a senior level in various companies across the group for the last 22 years, including Managing Director at Vodacom South Africa and Chief Executive Officer at Vodafone Spain. Shameel holds board positions at Vodacom Group Ltd, Safaricom Plc and Vodafone Egypt Telecommunications S.A.E. He also sits on the board of Business Leadership South Africa. He was appointed to the Executive Committee in April 2020, and is responsible for the overall strategic direction and performance of all its African operations, comprising eight markets.

Governance (continued)

## **Division of responsibilities**

#### Chair

#### 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 Group 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 Chair and acts as a trusted intermediary for the Directors as required;
- Meets with the Non-Executive Directors (without the Chair present) when necessary and at least once a year to appraise the Chair's performance and communicates the results to the Chair;
- Together with the Nominations and Governance Committee, leads an orderly succession process for the Chair; and
- Engages with the workforce in key regions where the Group operates, 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**

### Maaike de Bie

- Ensures the necessary information flows between the Board,
   Committees and between senior management and Non-Executive
   Directors in a timely manner;
- Supports the Chair in ensuring the Board functions efficiently and effectively, and assists the Chair 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.

### **Group Chief Executive**

### Margherita Della Valle

- 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 74-109

## **ESG Committee**

The role of the ESG 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

Simon Segars (appointed as member in November 2022)

On 10 May 2023, we announced that Valerie Gooding and Dame Clara Furse will be stepping down as members of the Committee with effect from the conclusion of the 2023 AGM. Jean-François van Boxmeer and Christine Ramon will join the Committee from the same date.

### **Key responsibilities**

The responsibilities of the Committee are to:

- Provide oversight of the Vodafone Group ESG strategy, the Purpose programme (Digital Society, Inclusion for All and Planet), sustainability and responsible business practices, as well as the contribution to the societies they operate in under their the social contract;
- Monitor progress against key performance indicators and external ESG indices; and
- Provide joint oversight and effective governance with the Audit and Risk Committee over the ESG content within the Annual Report, the TCFD report and the ESG Addendum.



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 ESG Committee Report for the year ended 31 March 2023.

The Committee was established in 2021 with the founding members selected to ensure a range of experience across the range of topics that fall within ESG. In November 2022, we welcomed our fourth Committee member, Simon Segars. Simon brings significant experience and insights to the ESG Committee, including how technology and connectivity are reshaping our digital societies.

On 10 May 2023, it was announced that Valerie Gooding and Dame Clara Furse would be retiring following the conclusion of the 2023 AGM. I would like to thank them both for their contribution since this Committee was established two years ago. Jean-François van Boxmeer and Christine Ramon will be joining this Committee on the same date and their insights will be an excellent addition to the Committee.

This year, the Committee met twice, in November 2022 and March 2023. Each meeting agenda included a range of topics across the Committee's areas of responsibility. During FY23, the Committee undertook deep dives on each of Vodafone's three purpose pillars, as well as Vodafone's approach to responsible business. These deep dives were supplemented by committee training on key Planet-related topics by the Group Sustainability team, and other experts across the business.

Now that the Committee has explored each of the key purpose themes in detail, we will move into receiving regular updates on progress against our key ESG strategy.

In addition to these thematic deep dives, a key focus of the ESG Committee this year was oversight of Vodafone's ESG data transformation and disclosure programme. High quality and timely data is a core component of a successful ESG strategy, both to ensure that we can track progress against targets, and to enable decision-making by investors, consumers, suppliers, governments and other stakeholders.

Recognising this, the Board was pleased to see that management updated their approach to ESG reporting this year, by giving joint responsibility for ESG reporting to the Group Financial Reporting team and the Group Sustainable Business team. This allowed the teams to apply financial reporting principles to non-financial ESG data, including establishing a control framework and securing external assurance on key data points.

These changes have already yielded positive changes and set a firm basis from which to grow. However we acknowledge that there is a long road ahead before ESG disclosures will match similar levels of data quality to financial disclosures, not only for Vodafone, but for other corporates too. The absence of a clear framework for the calculation and reporting of ESG data exacerbates the challenge for all reporters. For example, we expect these challenges will come into sharper focus as Scope 3 emission reductions become a priority for corporates.

In November 2022 the Committee reviewed its terms of reference and agreed to introduce new joint oversight of selected ESG matters between the ESG Committee and the Audit and Risk Committee. This will be executed through increased sharing of papers between the committees, and a new joint meeting each May to review ESG disclosures.

On behalf of the Committee, I have reported this year's work to the Board and I am looking forward to the next year chairing the Committee, starting with the joint ESG Committee and Audit and Risk Committee meeting in May 2023.

The Committee will continue oversight and scrutiny of Vodafone's ESG agenda, including further presentations from senior management and experts across the Group. We will review against Vodafone's strategy and the pathways in place to achieve Vodafone's targets across its three purpose pillars. Consideration of the following stakeholder interests will remain part of the Committee's responsibility. We set out below some of our key stakeholders and examples of their ESG-related interests:

- Investors: Board-level oversight of Vodafone's ESG strategy and performance is a key part of an effective ESG programme;
- Governments and regulators: Local and international legal and regulatory obligations on ESG topics 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; and
- Employees: Employees take pride in working for a purpose-driven organisation that is enabling an inclusive and sustainable digital society.

We believe the ESG Committee will continue to add value to the long-term success of Vodafone, for the benefit of our customers, key stakeholders, and the societies in which we operate. I will be available to engage with shareholders who have questions or comments about the work of the Committee at our 2023 AGM.

#### **Amparo Moraleda**

On behalf of the ESG Committee

16 May 2023





Click to read more about Vodafone's approach to ESG reporting: vodafone.com/about-vodafone/reporting-centre

### Governance (continued)

### Focus during the year

The ESG Committee met twice during the year ended 31 March 2023. The following provides a summary of the topics covered.

#### November 2022

- Review of the ESG reporting processes and disclosure accountabilities.
   Following ExCo alignment, the discussion clarified and adjusted the oversight for ESG disclosures between the ESG Committee, the Audit and Risk Committee, and the Disclosure Committee.
- Review and approval of updates to the "Committee terms of reference" to introduce new joint oversight of selected ESG matters between the ESG Committee and the Audit and Risk Committee.
- Review of Vodafone's approach to managing human rights, including how Vodafone respects the rights to freedom of expression and privacy in the context of government law enforcement assistance requests.
- Deep dive session on Vodafone's Inclusion for All (I4A) purpose pillar, delivered by the ExCo sponsor Serpil Timuray. During this session, progress reports were delivered on the Inclusion for All metrics.
- The Committee also considered Vodafone's Conflict Minerals Report.

#### March 2023

- Review of Vodafone's approach to ESG disclosures in FY23 and update on assurance of ESG metrics, provided by Joakim Reiter, Chief External and Corporate Affairs Officer, and the Head of Group Financial Reporting.
- Deep dive on the Digital Society purpose pillar, including a report on progress against the KPI to support seven million SMEs to digitalise using V-Hub.
- An update for noting on Vodafone's performance against Planet targets, as well as an update on Planet initiatives and increasing external requirements in this area. This followed the Planet deep dive the previous financial year.

### Key focus for the next year

The key areas of focus for the next year:

- Continuing to review progress of ESG strategy, including performance against targets and performance in ESG indices and rankings;
- Reviewing progress in embedding key purpose targets and practices into Vodafone's operations and commercial strategy;
- Reviewing Vodafone's alignment to external ESG disclosure standards;
- Continued oversight of the ESG data management programme; and
- Deep dive into renewable energy.

### 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 to the right, alongside further details of each ESG topic.

Environment	Read more
Energy consumption and GHG emissions (E) Including energy sources, uses and targets	35-37
<b>Circularity and other environmental topics</b> (E) Including device and network waste, water and plast	\ 31-30
Environmental benefits from products & services (E) Including carbon & resource efficiency enablement	37
Climate change risk management (A) (E) Including alignment with TCFD recommendations	58-59
Social	Read more
Health and safety B	44-45
Diversity & inclusion and employee experience B	33-34
Employee rights B A Including collective bargaining, grievance mechanism Speak Up, Fair Pay, and labour standards	ms, (15) (40)
Responsible supply chain B E Including labour standards and sourcing of minerals	47
Human and digital rights (A) (E) Including privacy regulations, right to privacy and freedom of expression, and other human rights	40-43 46
Socio-economic benefits from products & services (E) Including digital inclusion	29-32
Governance	Read more
Mobile, masts and health B	45
Security (A) (B) Including cyber and other security topics	42-43
Anti-bribery and corruption (A)	48-49
Business conduct & ethics (A) Including taxation, business conduct and compliance	e <b>47-49</b>
Corporate governance N	60-73
Reporting (A) (B) (E) Including Annual Report and Accounts, TCFD report Modern Slavery Statement and voluntary ESG disclo	
Кеу	
A) Audit and Risk Committee (E) ESG Comm	nittee
$\circ$	

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### Annual Report on Remuneration (continued)

#### Pay in the wider context

### Fair pay at Vodafone

As part of its review of executive remuneration arrangements, the Committee takes account of the pay policies in place across the wider business. This includes considering the structure of remuneration offerings at each level of the business to ensure there is a strong rationale for how packages evolve across the different levels of the organisation.

During the year the Committee reviewed the remuneration structure across the business, which included how our arrangements aligned with our strategy, supported our purpose, and celebrated the Spirit of Vodafone. The update also set out the results of the latest annual fair pay review, including where the key focus areas were and what actions had been agreed locally to implement any required adjustments.

In addition to being a core principle of the Committee, there is a clear culture in our business of ensuring we offer competitive and fair pay to all our people. Our approach across our business is guided by the six principles set out below. Our commitment to these principles is reflected in how the UK-based Living Wage Foundation has certified us as an Accredited Living Wage employer.

#### 1. Market competitive

The pay of our people is reflective of their skills, role and function and the external market.

We annually review the pay of each person and actively manage any who fall below the market competitive range.

#### 2. Free from discrimination

Our pay should not be affected by gender, age, disability, gender identity and expression, sexual orientation, race, ethnicity, cultural heritage or belief.

We annually compare the average position of our men and women against their market benchmark, grade and function to identify and understand any differences and take action if necessary.

#### 3. Ensure a good standard of living

We work with an independent organisation, the Fair Wage Network, to assess how our pay compares to the 'living wage' in each of our markets because we are committed to providing a good standard of living for our people and their families.

#### 4. Share in our successes

All our people should have the opportunity to share in our success by being eligible to receive some form of performance-related pay, e.g. a bonus, shares or sales incentive.

#### 5. Provide benefits for all

Our global standard is to offer all our people life insurance, parental leave and access to either Company or state provided healthcare and pension provision.

#### 6. Open and transparent

We ensure that our people understand their pay. We do this through a series of user-friendly guides, webpages and an annual reward statement, which help explain our people's pay and outline the value of their core reward package.

In addition, our people also receive monthly or weekly payslips and a payment schedule.

#### Cost of living actions

It is recognised that rising inflation levels and the subsequent cost of living crisis have impacted employees across a number of our markets this year. We have provided targeted support in a number of these locations, including the UK, Turkey and Egypt, to help alleviate the impact of these pressures and continue to monitor the market conditions across all of our locations' entities. Such measures included additional or accelerated salary reviews, the provision of extra cash allowances, and the careful consideration of wider market conditions when setting salary budgets for the 2023 review. In the UK specifically, additional support has been provided to lower-paid employees who have been particularly impacted by increases to the consumer price index. This included a 10% base salary increase to employees with salaries of less than £25,000, whilst employees with a base salary of between £25,000 and £35,000 received a £1,000 cash payment.



### Stakeholder engagement

The Committee considers all stakeholder groups when setting executive pay including:

### **Employees**

The Committee is fully briefed on pay arrangements across the business to ensure any decisions on executive pay are made within our wider business context and take into account wider employee pay conditions. We engage with our employees through a variety of means including employee forums, interactive webinars (including with our executives), global Spirit Beat surveys and digital platforms, all of which give our people the chance to voice their opinion on any area of interest, including all-employee and executive pay.

#### Shareholders

The Committee values the active participation of our shareholders during our consultations and fully considers all feedback as part of the review process.

#### Governmen

The Committee actively engages with external professional bodies and government departments when they issue consultations on proposed changes to legislation or reporting guidelines.

#### Wider society

The Committee is fully aware that society remains concerned about the risk of excessive executive pay practices in the wider market. The Committee believes that transparent reporting and active engagement in explaining both the operation of, and rationale for, executive pay decisions is key for businesses to retain trust in this area.

### 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 our 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 10.4% – a slight increase from our 2021 figure of 9.6%.

We have been recognised by the Bloomberg Gender-Equality Index as a leader in creating equity for women. We are proud of the policies that we have put in place to support our employees and we remain committed to addressing female representation at senior levels and the gender pay gap.

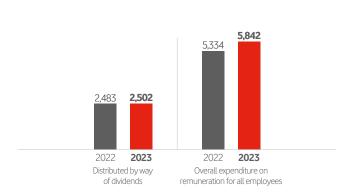


Click to learn more about our initiatives, case studies, and key statistics on our dedicated UK gender pay gap webpage: **vodafone.com/uk-gender-pay-gap** 

#### 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 152 and 187 respectively

### CEO pay ratio

The following table sets out our CEO pay ratio figures:

5	1 / 3				
Year	CEO single figure (£'000)	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023 <sup>1</sup>	4,823	Option B	139:1	68:1	52:1
2022	4,173	Option B	113:1	73:1	48:1
2021	3,551	Option B	106:1	87:1	42:1
2020	3,529	Option B	113.1	69.1	45.1
2019	4,359	Option B	154:1	107:1	56:1

#### Note:

<sup>1.</sup> The CEO single figure used in the calculation of the 2023 ratios reflects a blended figure for Nick Read and Margherita Della Valle, recognising the change in incumbency for the role during this year. 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.

### Annual Report on Remuneration (continued)

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 (£'000)	Median pay ratio (£'000)	75th percentile pay ratio (£'000)
2023	Salary	26.5	56.1	75.6
	Total pay and benefits	34.6	70.5	92.8
2022	Salary	31.7	47.1	71.5
	Total pay and benefits	36.9	57.5	87.2
2021	Salary	30.0	37.1	71.2
	Total pay and benefits	33.5	41.0	85.3
2020	Salary	28.0	42.8	65.0
	Total pay and benefits	31.3	51.1	78.6
2019	Salary	23.1	36.4	65.0
	Total pay and benefits	28.3	40.8	78.2

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.

#### 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 2021 (2021 to 2022) and 2022 (2022 to 2023) (per capita). Vodafone has employees based all around the world and some of these individuals work in countries with very high salary inflation; therefore Vodafone's UK-based Group employees are deemed the most appropriate employee group for this comparison.

	Percentage change from 2022 to 2023			Percentage change from 2021 to 2022		
	Base salary/fees	Taxable benefits	Annual bonus	Base salary/fees	Taxable benefits	Annual bonus
<b>Executive Directors</b>						
Margherita Della Valle	15.1%	18.2%	24.6%	0.0%	4.8%	11.6%
Nick Read (until 31 December 2022)	-23.5%	0.0%	-37.7%	0.0%	31.3%	11.6%
Non-Executive Directors						
Jean-François van Boxmeer	0.0%	61.1%	_	118.9%	_	_
Valerie Gooding	0.0%	11.1%	_	0.0%	_	_
Stephen A. Carter CBE (appointed 26 July 2022)	_	_	_	_	_	_
Delphine Ernotte Cunci (appointed 26 July 2022)	_	_	_	_	_	_
Sir Crispin Davis	0.0%	33.3%	_	0.0%	800.0%	_
Michel Demaré	0.0%	1,000.0%	_	0.0%	_	_
Dame Clara Furse	0.0%	200.0%	_	0.0%	_	_
Deborah Kerr (appointed 1 March 2022)	1,050.0%	1,300.0%	_	_	_	_
Maria Amparo Moraleda Martinez	2.2%	900.0%	_	19.1%	_	_
David Nish	0.0%	90.0%	_	0.0%	900.0%	_
Christine Ramon (appointed 14 November 2022)	_	_	_	_	_	_
Simon Segars (appointed 26 July 2022)	_	_	_	_	_	_
Other Vodafone Group employees employed in the UK	5.8%	5.2%	-9.6%	2.5%	0.3%	80.0%

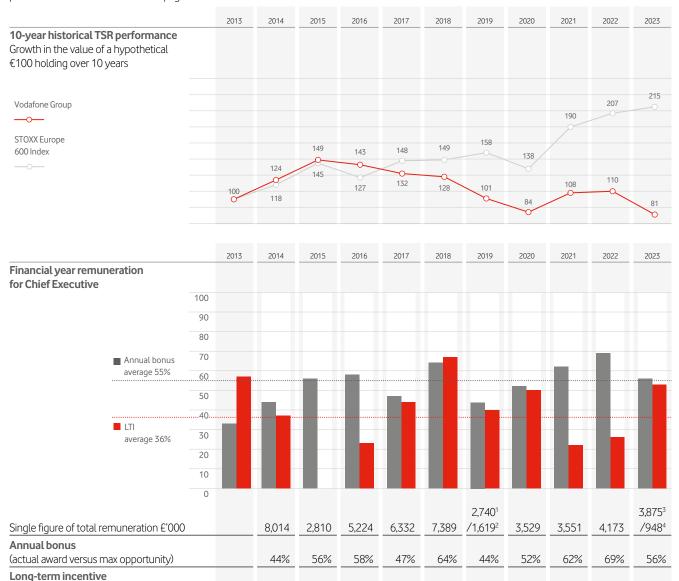
The year-on-year increase in Margherita Della Valle's pay reflects Margherita's appointment as Group Chief Executive on an interim basis, in addition to her existing role as Chief Financial Officer, effective 1 January 2023. This change in role during the year under review is therefore reflected in Margherita's 2023 figures compared to the 2022 figures which reflect Margherita's role as Chief Financial Officer. The percentage increase in the table above does not reflect the actual increase during the year under review in respect of the salary payable for the role of Chief Executive which was increased by 3% effective 1 July 2022.

The significant year-on-year increase in Deborah Kerr's fees and taxable benefits reflect how the 2022 values reflect one month of service which covers the period between Deborah joining on 1 March 2022 and the year-end on 31 March 2022. By comparison, the 2023 figures reflect a full 12 months of time worked therefore resulting in a high year-on-year percentage increase despite there being no actual increase in the fees payable to the Non-Executive Directors during this period.

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. Where an individual had no taxable benefit values in 2022 it has not been possible to calculate a percentage for the table above.

### Assessing pay and performance

In the table below we summarise the Chief Executive's single figure remuneration over the past 10 years and 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 2021 GLTI is based on the TSR performance shown in the chart on page 96 and not this chart.



0%

37%

44%

67%

40%

50%

22%

26%

53%

#### Notes

(vesting versus max opportunity)

- $1. \ \ Reflects the single figure in respect of Vittorio Colao for the period of 1 April 2018 to 30 September 2018.$
- 2. Reflects the single figure in respect of Nick Read for the period of 1 October 2018 to 31 March 2019.
- 3. Reflects the single figure in respect of Nick Read for the period of 1 April 2022 to 31 December 2022.
- 4. Reflects the single figure in respect of Margherita Della Valle for the period of 1 January 2023 to 31 March 2023.

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### Annual Report on Remuneration (continued)

### 2024 remuneration

Details of how the Remuneration Policy will be implemented for the 2024 financial year are set out below.

Prior to reviewing executive remuneration arrangements, including those of the Executive Committee, the Committee was fully briefed on remuneration arrangements elsewhere in the business. This included a detailed discussion of 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 in the context of the wider employee pay landscape within the business.

### 2024 base salaries

Following her appointment to the position of Group Chief Executive, Margherita Della Valle's salary was set at £1,250,000. The Committee decided the new salary was appropriate when compared against the external market using the Committee's normal comparator groups of the EuroTop 25-75 and FTSE 30 (both excluding financial services companies), was fair from a gender pay perspective given its long standing work on fair pay and reflected both the responsibilities and demands of the role.

During the year no additional salary payment or allowance has been made to Margherita in respect of her carrying out the dual roles of Group Chief Executive and Group Chief Financial Officer. This will remain the approach going forward, and it is intended that Margherita will continue with her dual responsibilities until a new Group Chief Financial Officer is appointed.

### Pension

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

#### 2024 annual bonus ('GSTIP')

Following its annual review of the GSTIP structure, the Committee agreed that the 2024 plan should support the strategic priorities of Growth and Customers. The constituent performance measures remain unchanged with the key change from the 2023 plan being separation of Net Promoter Score, revenue market share, and churn into standalone measures. The performance measures and weightings for 2024 are outlined below:

### Growth (70% of total)

Service revenue (20%); adjusted EBIT (20%); adjusted free cash flow (20%); and revenue market share (10%)

### Customers (30% of total)

Net Promoter Score<sup>1</sup> (20%); and churn (10%).

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 2024 Remuneration Report following the completion of the financial year.

### Long-term incentive ('GLTI') awards for 2024

Awards for 2024 will be made in line with the arrangements described in our policy on pages 89 and 90. Vesting of the 2024 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 2026, and any net vested shares will be subject to an additional two-year holding period. It is anticipated that the final awards will be reviewed by the Committee at the July 2023 meeting and, subject to the Committee's approval, will be granted shortly afterwards.

Further details of the 2024 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 2023.

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 and contact number of the Company is Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, England, telephone +44 (0)1635 33251.

### **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 111-112 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 112.

### System of risk management and internal control

The Board is responsible for maintaining a risk management and internal control system and for managing the 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 77-82.

The Board has implemented in full the Financial Reporting Council's ('FRC') 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' for the year end 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 51-57).

### **Corporate Governance Statement**

The Corporate Governance Statement setting out how the Company complies with the Code is set out on page 63. 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 230-235. A description of the composition and operation of the Board and its Committees including the Board Diversity Policy is set out on page 68, pages 74-84 and page 93. The Code can be viewed in full at frc.org.uk.

### Strategic report

The Strategic report is set out on pages 1-59 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 2023 and up to the date of signing the financial statements are as follows: Jean-François van Boxmeer, Margherita Della Valle, Stephen A. Carter CBE (appointed 26 July 2022), Delphine Ernotte Cunci (appointed 26 July 2022), Sir Crispin Davis, Michel Demaré, Dame Clara Furse, Valerie Gooding, Deborah Kerr, Maria Amparo Moraleda Martinez, David Nish, Christine Ramon (appointed 14 November 2022) and Simon Segars (appointed 26 July 2022). Nick Read stepped down on 31 December 2022. A summary of the rules related to the appointment and replacement of Directors and Directors' powers can be found on pages 231-232. Details of the 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 86-106.

### **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 75.

#### **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 pages 231-232.

All information relating to the Company's capital structure, rights attaching to shares, dividends, the policy to repurchase the Company's own shares, details of Company share repurchases and details of other shareholder information is contained on pages 24-25 and pages 230-235.